



# DAILY INFORMATION BULLETIN

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THURSDAY, JUNE 9, 1994

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THURSDAY, JUNE 9, 1994

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GOVERNOR MAKES STATEMENT TO LEGCO

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THE FOLLOWING IS A TRANSCRIPT OF THE STATEMENT BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY):

MR PRESIDENT,

I AM GLAD TO HAVE THIS OPPORTUNITY TO BRIEF THE COUNCIL THIS AFTERNOON ON MY RECENT VISIT TO THE UNITED KINGDOM AND ON THE QUESTION OF LAND SUPPLY AND PROPERTY PRICES.

I WAS IN THE UK FROM THE 21ST TO THE 29TH OF MAY. THIS WAS ONE OF MY REGULAR VISITS TO BRITAIN. LIKE MY PREDECESSORS, I HAVE BEEN TRAVELLING THERE ABOUT FOUR OR FIVE TIMES A YEAR AND I INTEND TO CONTINUE TO VISIT WITH THIS DEGREE OF REGULARITY. GIVEN THE NUMBER OF COMPLEX ISSUES TO HANDLE AS THE TRANSITION APPROACHES, IT IS IMPORTANT TO DISCUSS THESE MATTERS FACE TO FACE WITH MINISTERS AND WITH OTHER INTERESTED PARTIES, RATHER THAN TO RELY SOLELY ON TELEGRAMS AND CORRESPONDENCE.

I HAD SOME VERY USEFUL MEETINGS WITH BRITISH MINISTERS. I SPENT TWO HOURS WITH THE PRIME MINISTER AT WHICH WE DISCUSSED HONG KONG MATTERS IN SOME DETAIL. I HAD A BREAKFAST MEETING WITH THE FOREIGN SECRETARY ON HIS RETURN FROM RUSSIA. I MET OTHER CABINET MINISTERS AND HAD SEVERAL MEETINGS WITH MR GOODLAD AND WITH FOREIGN OFFICE OFFICIALS. I ALSO MET BUSINESS LEADERS AND MEMBERS OF BOTH HOUSES OF PARLIAMENT AS WELL AS HAVING DETAILED SESSIONS WITH THE BACK BENCH FOREIGN AFFAIRS COMMITTEE OF THE CONSERVATIVE PARTY AND THEN WITH THE BRITISH-HONG KONG PARLIAMENTARY GROUP, WHERE WE HAD ONE OF THE LARGEST MEETINGS WHICH I CAN RECALL.

I ALSO VISITED MANCHESTER WHERE THERE IS THE BIGGEST HONG KONG CHINESE COMMUNITY OUTSIDE LONDON. I WAS ABLE TO VISIT A HOME FOR THE ELDERLY AND A CULTURAL CENTRE, AND TO SEE THE CHINESE SECTION OF THE CITY LIBRARY SERVICE. WHILE I WAS IN MANCHESTER, I GAVE THE ANNUAL MANCHESTER LECTURE IN WHICH I SET OUT THE REASONS FOR HONG KONG'S EXTRAORDINARY ECONOMIC SUCCESS AND EXPLAINED THE CHALLENGES AND PROSPECTS WHICH FACE THE TERRITORY AS IT APPROACHES 1997.

WHILE I WAS IN THE UK, THERE WAS A GOOD DEAL OF INTEREST IN THE RECENT FOREIGN AFFAIRS COMMITTEE REPORT AND IN THE BRITISH GOVERNMENT'S FORTHCOMING RESPONSE TO IT. PARTICULAR INTEREST WAS EXPRESSED IN THOSE PARTS OF THE REPORT WHICH FOCUSED ON THE NEED FOR EFFECTIVE HUMAN RIGHTS SAFEGUARDS IN HONG KONG. AS I HAVE PREVIOUSLY TOLD THIS COUNCIL, THE BRITISH GOVERNMENT IS CLOSELY CONSULTING THE HONG KONG GOVERNMENT OVER THE RESPONSE TO THE REPORT. THE FULL DETAILS OF THIS WILL BE PUBLISHED AT THE END OF JUNE.

/IT IS .....

IT IS NO SECRET, HOWEVER, THAT BOTH GOVERNMENTS SHARE THE OBJECTIVE OF THE FOREIGN AFFAIRS COMMITTEE - AND INDEED OF MEMBERS OF THIS COUNCIL - IN WISHING TO SEE PROPER, EFFECTIVE AND DURABLE HUMAN RIGHTS SAFEGUARDS IN PLACE IN HONG KONG BOTH BEFORE AND AFTER 1997. IT IS WITH THIS IN MIND THAT THE ADMINISTRATION HAS BEEN DEVELOPING ITS OWN POLICY PROPOSALS ON HUMAN RIGHTS MATTERS OVER RECENT MONTHS. THE DEBATE IS ABOUT MEANS NOT ENDS, ABOUT HOW BEST TO SECURE THE SAFEGUARDS THAT WE WOULD ALL LIKE TO SEE. SOME HAVE ARGUED THAT A HUMAN RIGHTS COMMISSION HAS TO BE THE CENTREPIECE OF ANY EFFECTIVE HUMAN RIGHTS STRATEGY FOR HONG KONG. OTHERS CONTEND THAT A NON-INSTITUTIONAL PATH IS MORE LIKELY TO BRING REAL AND SUSTAINABLE BENEFITS OVER THE LONGER TERM. THERE ARE MERITS IN BOTH ARGUMENTS; AND THEY WILL BE CONSIDERED CAREFULLY BOTH BY THE BRITISH GOVERNMENT IN FORMULATING ITS RESPONSE TO THE FAC REPORT, AND BY OUR ADMINISTRATION IN THE CONTINUING DEVELOPMENT OF ITS PROPOSALS ON HUMAN RIGHTS MATTERS. THE IMPORTANT THING IS THAT THE ISSUES SHOULD INDEED BE CONSIDERED, BY ALL CONCERNED, ON THEIR MERITS. IN PARTICULAR, WE SHOULD AVOID GETTING DRAWN INTO AN ARGUMENT ABOUT SYMBOLS. THE COMMUNITY AS A WHOLE IS NOT PARTICULARLY INTERESTED TO KNOW THAT A HUMAN RIGHTS COMMISSION IS SELF-EVIDENTLY GOOD OR SELF-EVIDENTLY BAD. WHAT IT WANTS, UNDERSTANDABLY, IS THE REASSURANCE THAT ANY GENUINE CONCERNS IT HAS ABOUT HUMAN RIGHTS WILL BE ADDRESSED IN AN EFFECTIVE AND PRACTICAL WAY, BOTH NOW AND AFTER 1997.

PERHAPS I COULD MOVE ON TO MY SECOND TOPIC, LAND SUPPLY AND PROPERTY PRICES.

YESTERDAY, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS ANNOUNCED A PACKAGE OF MEASURES TO MEET HOUSING DEMAND AND SAFEGUARD THE INTERESTS OF HOME BUYERS. IT IS A COMPREHENSIVE, BALANCED, POSITIVE AND DELIBERATELY PRUDENT PACKAGE, DEALING WITH BOTH THE SHORT AND LONG TERM.

IN THE SHORT TERM, THE OBJECTIVE IS TO DAMPEN SPECULATION, AND STRENGTHEN CONSUMER PROTECTION AND INFORMATION. AS A FIRST STEP, WE SHALL TACKLE THE PROBLEM OF THE PRE-SALE OF FLATS THROUGH MODIFICATIONS TO THE CONSENT SCHEME. REDUCTION OF THE QUOTA FOR PRIVATE SALES COULD RELEASE ABOUT AN ADDITIONAL 10,000 FLATS A YEAR FOR DIRECT PURCHASE BY HOME BUYERS. THIS IS A SIGNIFICANT NUMBER AND SHOULD HAVE AN IMPACT ON THE MARKET. DEVELOPERS HAVE INDICATED THEIR INTENTION TO CO-OPERATE WITH THE GOVERNMENT IN ITS EFFORTS TO MODERATE PROPERTY PRICES AND DAMPEN SPECULATION. THEY CAN DO THIS BY INTRODUCING THE NEW ARRANGEMENTS FOR THE PRE-SALE OF UNCOMPLETED FLATS TO DEVELOPMENTS WHICH ARE NOT CURRENTLY COVERED BY THE CONSENT SCHEME, OR WHERE CONSENT HAS BEEN GIVEN BUT THE FLATS HAVE NOT YET BEEN OFFERED FOR SALE.

IN TERMS OF CONSUMER PROTECTION, WE SHALL AIM TO PROVIDE HOME BUYERS WITH MORE ACCURATE AND COMPREHENSIVE INFORMATION, NOT ONLY ON FLATS WHICH ARE OFFERED FOR SALE, BUT ALSO ON FUTURE SUPPLY AND LOCATION. THIS WILL HELP THEM TO PLAN TO DECIDE WHEN AND WHAT TO BUY. BETTER INFORMATION FOR POTENTIAL HOME BUYERS WILL REMOVE SOME OF THE SPECULATORS' ADVANTAGE, AND HELP COUNTER MISREPRESENTATION OR UNSCRUPULOUS PRACTICES IN THE MARKET.

/IN THE .....

IN THE MEDIUM AND LONG TERM, WE SHALL INCREASE HOUSING SUPPLY. THE TARGET OF BETWEEN 45,000 AND 60,000 MORE FLATS BY 2001 OVER AND ABOVE THE CURRENT PRODUCTION OF 74,000 FLATS A YEAR IS SIGNIFICANT, AND IT WILL MAKE AN IMPACT ON PRICES. THIS AMOUNTS TO AN AVERAGE OF 7,500 TO 10,000 MORE FLATS EACH YEAR. THE OUTPUT IS ROUGHLY EQUIVALENT TO THE ENTIRE HENG FA CHUEN DEVELOPMENT. THESE FIGURES DO NOT INCLUDE THE HOUSING AUTHORITY'S EFFORTS TO PROVIDE UP TO A FURTHER 13,000 FLATS ON INFILL SITES. THE PRODUCTION TARGET NOT ONLY CATERS FOR THE NEED TO PROVIDE SHELTER FOR A LARGER POPULATION. IT ALSO TAKES ON BOARD THE ASPIRATIONS OF A MORE AFFLUENT COMMUNITY FOR HOME OWNERSHIP AND BETTER HOUSING STANDARDS. WE HAVE ALLOWED A 50% MARGIN OVER AND ABOVE THE PROJECTED INCREASES IN NEW HOUSEHOLDS.

HOWEVER, IT TAKES TIME TO BUILD NEW FLATS. IN THE MEANTIME, POTENTIAL HOME BUYERS WHO CANNOT AFFORD TO BUY NOW MUST DECIDE FOR THEMSELVES WHETHER THEY SHOULD WAIT FOR ADDITIONAL SUPPLY TO COME ON STREAM, WHILE THEIR INCOME INCREASES, OR TO PLUNGE INTO THE MARKET NOW AND PAY THE PRICE FOR IT. IT IS ALSO A FACT OF LIFE THAT LAND IN THE OLDER URBAN AREAS IS LIMITED. INCREASINGLY, HOME BUYERS SHOULD LOOK TO THE NEW TOWNS WHICH OFFER A MORE SPACIOUS LIVING ENVIRONMENT AND BALANCED DEVELOPMENT. WHILE TRAFFIC MAY BE A PROBLEM IN SOME AREAS NOW, INDEED IT IS A PROBLEM IN SOME AREAS NOW, THE SITUATION WILL IMPROVE WITH THE CONSTRUCTION OF TRUNK ROADS AND EXTENSION OF THE RAILWAY SYSTEMS.

THE INITIAL MEASURES WHICH WE HAVE INTRODUCED ARE MODEST. DELIBERATELY SO. WE TOOK INTO ACCOUNT A 10% TO 15% DROP IN PROPERTY PRICES SINCE MARCH; RISING INTEREST RATES WHICH HAVE A DAMPENING EFFECT ON THE MARKET; AND PUBLIC CONCERN THAT WE SHOULD BE PRUDENT, TO GUARD AGAINST A MARKET CRASH. THE PACKAGE OF MEASURES WHICH HAS BEEN ANNOUNCED DEMONSTRATES OUR RESOLVE. WE HOPE IT WILL GIVE A CLEAR SIGNAL TO SPECULATORS TO STAY AWAY. HOWEVER, IF EXCESSIVE SPECULATION CONTINUES, WE WILL HAVE TO TAKE FURTHER ACTION, AND THIS MAY WELL INVOLVE LEGISLATION AND PUNITIVE MEASURES.

I AM ACUTELY CONSCIOUS OF THE IMPORTANCE OF HOUSING TO PEOPLE'S LIVELIHOOD AND SOCIAL STABILITY. TO ENSURE THAT HOUSING GETS THE PRIORITY AND ATTENTION IT DESERVES, WE PROPOSE TO APPOINT A NEW SECRETARY FOR HOUSING WHO WILL BE RESPONSIBLE FOR BOTH PUBLIC AND PRIVATE HOUSING POLICIES AND PROGRAMMES IN HONG KONG. THIS APPOINTMENT WILL NOT AFFECT THE AUTONOMY OF THE HOUSING AUTHORITY OR THE RESPONSIBILITIES OF ITS CHAIRMAN IN ANY WAY. HONOURABLE MEMBERS WILL BE ASKED TO APPROVE THE CREATION OF THE POST AND A NEW HOUSING BRANCH IN THE AUTUMN. I HOPE MEMBERS WILL GIVE THIS MOVE THEIR UNQUALIFIED SUPPORT.

FINALLY, I WISH TO COMMENT ON THE LAND AUCTION ON 26 MAY. THERE ARE DIFFERENT VIEWS AS TO WHAT THE PROCEEDINGS ON THAT OCCASION REPRESENTED. IT IS UNFORTUNATE, HOWEVER, THAT THE PERCEPTION IN THE COMMUNITY IS THAT A SYSTEM WHICH HAS WORKED WELL FOR MANY YEARS MAY HAVE BEEN SUBJECT TO SOME FORM OF ABUSE. THE ADMINISTRATION WILL BE REVIEWING THE ARRANGEMENTS TO ENSURE THAT TRUE AND FAIR COMPETITION IS MAINTAINED. THREE RESPECTED AND INDEPENDENT MEMBERS OF THE COMMUNITY WILL BE INVOLVED IN THE REVIEW. I HAVE ASKED TO SEE THE FINDINGS OF THE REVIEW BEFORE THE NEXT AUCTION IN JULY.

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/FOLLOWING IS .....

THURSDAY, JUNE 9, 1994

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FOLLOWING IS THE TRANSCRIPT OF THE GOVERNOR'S QUESTION AND ANSWER SESSION IN THE LEGISLATIVE COUNCIL:

MR K K FUNG (THROUGH INTERPRETER): MR PRESIDENT, I'D LIKE TO ASK ABOUT PROPERTY PRICES. I'D LIKE TO READ OUT THREE STATEMENTS THAT HAVE BEEN RELEASED BY THE GOVERNMENT BECAUSE I WANT TO REMIND THE GOVERNOR THAT SUCH STATEMENTS HAVE BEEN RELEASED BY THE ADMINISTRATION.

ON 30TH MARCH, THE FINANCIAL SECRETARY THROUGH HIS BUDGET SPEECH, SAID THE FOLLOWING: HE SAID THAT THE OBJECTIVE WAS TO COME UP WITH A WORKABLE PACKAGE THAT WOULD RESULT IN INCREASE IN LAND SUPPLY AND ALSO WOULD REDUCE PROPERTY PRICES AND HE ALSO REITERATED THAT THE OBJECTIVE OF THE ADMINISTRATION WAS TO REVISE PROPERTY PRICES DOWNWARD. PLEASE NOTE THAT THE EXPRESSION USED IS TO REDUCE PROPERTY PRICES AND TO REVISE THEM DOWNWARD.

SECONDLY, MR CANICE MAK AFTER THE BUDGET SPEECH WAS RELEASED PUBLICLY ASKED MEMBERS OF THE PUBLIC NOT TO BUY PROPERTY AND THIRDLY, YESTERDAY THE SECRETARY FOR PEL, MR EASON, SAID THAT CONCERNING THE SEVEN PROPOSALS OF THE ADMINISTRATION, HE SAID THAT THEY WERE MODERATE AND ONLY IF THEY HAVE FAILED TO ACHIEVE EFFECT FURTHER MEASURES WOULD BE TAKEN.

MY QUESTION IS, CONCERNING THE PACKAGE ANNOUNCED YESTERDAY, I'D LIKE TO KNOW WHETHER THE OBJECTIVE IS REALLY THE PROPERTY PRICES AS OF YESTERDAY AND WHETHER THE PACKAGE WOULD BE ABLE TO DRIVE THE PROPERTY PRICES DOWNWARD OR TO BRING THE PROPERTY PRICES ON A DOWNWARD TREND? I'D LIKE TO KNOW WHETHER THAT IS THE OBJECTIVE? IF THAT IS SO, I'D LIKE TO KNOW WHETHER YOU HAVE A BOTTOM LINE FOR THIS TREND OF DOWNWARD PROPERTY PRICES? IF THE ANSWER IS NO, I'D LIKE TO KNOW WHAT IS THE ULTIMATE OBJECTIVE OF THE PACKAGE ANNOUNCED BY THE SECRETARY PEL YESTERDAY? CAN YOU DESCRIBE TO ME WHAT IS THE OBJECTIVE IF THE ANSWER IS NO?

GOVERNOR: YES I CAN CERTAINLY DESCRIBE THE OBJECTIVE. THE OBJECTIVE AS THE FINANCIAL SECRETARY SAID IN HIS WISE REMARKS IN HIS BUDGET STATEMENT, THE OBJECTIVE WAS TO CORRECT THE WIDELY PERCEIVED OVERHEATING IN THE PROPERTY MARKET AND TO DO IT BY ACCOMPLISHING TWO THINGS. FIRST OF ALL TO DEAL WITH SPECULATION IN THE SHORT-TERM AND SECONDLY TO DEAL WITH THE PROBLEM OF LAND SUPPLY IN THE MEDIUM AND LONGER-TERM, WHICH ITSELF WILL HAVE SOME IMPACT ON PROPERTY PRICES EVEN BEFORE THAT SUPPLY OF EXTRA HOUSING COMES ON STREAM. I THINK THAT IT'S INTERESTING THAT WHILE PROPERTY PRICES WENT UP BY BETWEEN, I SUPPOSE, 20 AND 30% IN THE FIRST QUARTER OF THE YEAR, SINCE THEN THEY'VE COME OFF BY ABOUT 10 TO 15% AND I HOPE THAT BOTH THE ANNOUNCEMENT OF OUR INTENTION TO DEAL WITH THE PROBLEM AND WHAT WE'VE DONE WILL ABATE PROPERTY PRICE INCREASES. BUT WE WOULD BE A SPECTACULARLY FOOLISH GOVERNMENT IF WE THOUGHT THAT WE COULD SET PROPERTY PRICES RATHER THAN THE MARKET WITH A BALANCE BETWEEN SUPPLY AND DEMAND ULTIMATELY DETERMINING PROPERTY PRICES.

/WHAT ONE .....

WHAT ONE CAN SEE IN THIS COMMUNITY IS THAT WHILE PROPERTY PRICES HAVE GONE UP OVER THE YEARS THE PROPORTION OF PEOPLE WHO'VE BEEN ABLE TO PURCHASE THEIR OWN ACCOMMODATION HAS ALSO GONE UP. IT'S NOW ALMOST 50% AND I HOPE THAT WE'LL REACH OUR TARGET OF 60% BY 1997. OF COURSE WE HAVE TO GO ON MAKING SURE THAT THOSE WHO DON'T WISH TO BECOME HOME OWNERS OR CAN'T AFFORD TO BECOME HOME OWNERS STILL ARE ABLE TO HAVE ACCESS TO GOOD QUALITY PUBLICLY RENTED ACCOMMODATION AND THAT I HOPE WAS UNDERLINED IN OUR STATEMENT YESTERDAY. BUT I CERTAINLY DON'T THINK THAT THIS ADMINISTRATION OR ANY SENSIBLE ADMINISTRATION SHOULD SEEK TO SO INTERVENE IN THE PROPERTY MARKET AS TO MAKE PEOPLE THINK THAT IT CAN FINE TUNE PRICES. I DON'T THINK ANY GOVERNMENT CAN DO THAT, NOT EVEN GOVERNMENTS IN TOTALITARIAN SYSTEMS HAVE BEEN VERY EFFECTIVE IN DOING THAT WHEN THEY'VE TRIED.

CAN I JUST ADD ONE OTHER THING. I'VE EXPERIENCED AS A POLITICIAN BOTH PROPERTY PRICES SLUMPING DRAMATICALLY AND PROPERTY PRICES INCREASING AND I'M SURE THIS COUNCIL WILL UNDERSTAND IT WHEN I SAY THAT THERE IS A LOT MORE PUBLIC ANXIETY WHEN YOU HAVE A SLUMP IN PROPERTY PRICES HOWEVER THE DIFFICULT THE PROBLEMS OF PROPERTY PRICE INCREASES ARE. IF HONOURABLE MEMBERS DOUBT THAT THEY SHOULD CONSIDER THE PROBLEM WHEN YOU'RE EXPLAINING TO HOME OWNERS WHY IT IS THAT THE VALUE OF THEIR HOME, THE VALUE OF THEIR ASSET, HAS SUDDENLY BECOME WORTH LESS THAN THE COST OF THE MORTGAGE THEY'VE TAKEN OUT ON IT. I THINK THAT THAT IS A PROBLEM WHICH WE SHOULD SEEK AT ALL COSTS TO AVOID HERE IN HONG KONG. SO WHILE WE WANT TO MODERATE THE INCREASE IN PROPERTY PRICES, WHILE I'M PLEASED THAT WE'VE SEEN 10 TO 15% COME OFF PROPERTY PRICES IN THE LAST COUPLE OF MONTHS, I DON'T THINK THAT WE SHOULD WANT TO DO ANYTHING WHICH MIGHT RISK KNOCKING THE PINS FROM UNDER THE PROPERTY MARKET.

MR K K FUNG (THROUGH INTERPRETER): A SHORT FOLLOW-UP. BECAUSE I DO NOT BELIEVE THAT THE GOVERNOR HAS DIRECTLY ANSWERED MY QUESTION, MAYBE I SHOULD REPHRASE MY QUESTION. CAN WE USE YESTERDAY'S PROPERTY PRICES AS A BOTTOM LINE OR AS AN INDICATOR IF IN THE COMING FEW MONTHS WE CAN'T SEE PROPERTY PRICES COMING DOWN EVEN MODERATELY, THEN THE GOVERNMENT WOULD PROCEED TO THE SECOND STAGE OF THE PROPOSALS, CAN WE SAY THAT?

GOVERNOR: WHAT YOU CAN SAY, AS THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS SAID SO WISELY YESTERDAY, IS THAT IN DECIDING WHETHER OR NOT WE NEED TO TAKE FURTHER ACTION AND WE'RE LOOKING AT OTHER OPTIONS, AS THE HONOURABLE GENTLEMAN KNOWS, INCLUDING PUNITIVE FISCAL MEASURES, WHAT WE WOULD HAVE TO TAKE INTO ACCOUNT IS A NUMBER OF FACTORS, AS WE DID LAST MARCH. YOU'RE LOOKING AT, ON THE ONE HAND, THE LEVEL OF PERCEIVED SPECULATION AND THE AMOUNT OF VACANCIES IN THE HOUSING MARKET, THE NUMBER OF PROPERTIES THAT HAVE BEEN OWNED BUT HAVE BEEN LEFT VACANT. YOU'RE ALSO LOOKING RIGHT ACROSS THE BOARD AT WHAT'S HAPPENING TO THE INCREASE IN PRICES. YOU'RE ALSO LOOKING AT SOMETHING WHICH IS PERHAPS RATHER MORE IMPONDERABLE WHICH IS MARKET SENTIMENT, BUT IT WOULD BE LESS THAN SENSIBLE FOR THE GOVERNMENT, FOR ANY GOVERNMENT, TO CLAIM THAT THERE IS SOME SORT OF MECHANISTIC FORMULA WHICH CAN DETERMINE WHETHER OR NOT PRICES ARE AT THE RIGHT LEVEL AND I THINK WE'D BE VERY FOOLISH TO DO THAT AND I'M SURE THE HONOURABLE MEMBER WHO KNOWS A VERY GREAT DEAL ABOUT HOUSING WOULD PROBABLY IN DUE COURSE CRITICISE US IF WE DID TRY TO DO THAT.

/MR STEVEN POON: .....

MR STEVEN POON: YOUR EXCELLENCY, I NOTED THE EXECUTIVE COUNCIL MADE SEVEN DECISIONS YESTERDAY - OR TUESDAY - RELATING TO THE LAND SUPPLY AND PROPERTY PRICES. AND THE SECOND ONE REFERRED TO THE SUGGESTION OF SELLING ROUGHLY 220 FLATS OR 250 FLATS OF THE LAND DEVELOPMENT CORPORATION'S PROPERTY STOCK, SO TO SPEAK, TO THE MARKET. AS YOU KNOW, MR GOVERNOR, IT IS EXTREMELY IMPORTANT THAT THE CORPORATION IS ABLE TO REHOUSE ALL THE AFFECTED RESIDENTS, AND THE AFFECTED RESIDENTS, MANY OF THEM, I SHOULD SAY MOST OF THEM, ARE OF LOW INCOME WHO CANNOT AFFORD TO GO TO PRIVATE PROPERTIES BECAUSE OF COSTS AND RENTS BEING SO HIGH. MR GOVERNOR, CAN YOU ASSURE US, THIS COUNCIL, THAT THE LDC WILL NOT MAKE IT MORE DIFFICULT, AS A RESULT OF THIS POLICY, FOR THE AFFECTED OWNERS AND RESIDENTS TO APPLY FOR REHOUSING UNITS AS A RESULT OF THESE POLICIES? AND INDEED, IF THERE IS FURTHER NEED FOR REHOUSING UNITS TO BE BUILT BY THE LDC, THAT THE GOVERNMENT WILL BE SYMPATHETIC IN GRANTING LAND TO THE LDC FOR THAT PURPOSE?

GOVERNOR: THE HONOURABLE MEMBER OF COURSE KNOWS A GOOD DEAL ABOUT THIS SUBJECT. IT WON'T SURPRISE HIM TO KNOW THAT HIS SUCCESSOR WHO IS ALSO WELL INFORMED ABOUT THE SUBJECT, ENSURED THAT THE EXECUTIVE COUNCIL TOOK EXPLICIT ACCOUNT OF THE CONSIDERATIONS WHICH THE HONOURABLE MEMBER HAS PUT FORWARD. AND I THINK WITHOUT BREACHING CONFIDENTIALITY, IT IS REASONABLE TO SAY THAT THE EXECUTIVE COUNCIL'S DECISION REFLECTED THE VIGOROUS CONTRIBUTION MADE BY THE HONOURABLE MEMBER'S SUCCESSOR, SO I CAN GIVE THE HONOURABLE MEMBER THE ASSURANCE THAT WE HAVE CONSIDERED THE POINTS THAT HE MADE IN FRAMING THESE PROPOSALS.

I WOULD JUST LIKE TO UNDERLINE THE IMPORTANCE OF THE LDC IN THE COMMUNITY AND THE IMPORTANCE OF REDEVELOPMENT IN ACHIEVING THE OBJECTIVES THAT WE WANT. NOT JUST OBJECTIVES FOR RESIDENTIAL PROPERTY BUT OBJECTIVES IN THE COMMERCIAL SECTOR AS WELL. AND I WOULD JUST LIKE TO ADD THAT HAVING LOOKED AT PRICES IN THE RESIDENTIAL SECTOR, THE TASK FORCE IS NOW NOT ONLY CONSIDERING FOLLOW UP AND IMPLEMENTATION BUT IS ALSO CONSIDERING THE WHOLE QUESTION OF THE COMMERCIAL SECTOR AS WELL.

MR ALBERT CHAN: NOW, IT IS ALMOST TWO YEARS SINCE YOU'VE COME HERE. WHEN YOU FIRST CAME HERE PEOPLE HAVE TALKED ABOUT YOUR STYLE AS BEING 'A BULL IN A CHINA SHOP'. BUT STILL, THE IMPRESSION THAT YOU HAVE GIVEN US IS THAT YOU ARE VERY BOLD AND YOU ARE VERY COURAGEOUS IN TAKING UP INNOVATIVE ATTEMPTS. BUT THEN, REGARDING THE PACKAGES THAT YOU ANNOUNCED, OR THE GOVERNMENT ANNOUNCED, YESTERDAY, IT SEEMS THAT YOU ARE STILL VERY WEAK; YOU ARE AFRAID OF TAKING UP CHALLENGES. NOW, TWO YEARS HAVE PASSED, HOW COME THAT YOU HAVE GIVEN US A SO VERY DIFFERENT IMPRESSION NOW?

NOW, REGARDING THE MEASURES THAT THE GOVERNMENT OUTLINED YESTERDAY, I THINK THEY WERE ONLY EFFECTIVE AGAINST A SMALL NUMBER OF SPECULATORS, I DON'T THINK THEY WILL HAVE ANY EFFECT ON THE BIG DEVELOPERS, SO YOU ARE AFTER THE SMALL FRY INSTEAD OF AFTER THE TIGER AND I DON'T THINK WE SEE ANY DIRECTION IN THE REPORT. SO THE QUESTION THAT I PUT TO YOU, MR GOVERNOR, IS THAT: WHY ARE YOU STILL ACCEPTING A REPORT THAT LACKS DIRECTION, THAT LACKS EFFECTIVENESS? NOW, FOR A FAMILY WITH AN INCOME OF \$40,000, IT WILL STILL BE UNABLE TO AFFORD A 500 SQ FT FLAT. REGARDING SUCH A SCENARIO, MR GOVERNOR, DO YOU THINK THAT THIS IS STILL ACCEPTABLE?

/GOVERNOR: .....

GOVERNOR: I DON'T KNOW WHETHER I AM A BULL OR NOT BUT I CERTAINLY DON'T THINK THAT IN DEALING WITH PROPERTY PRICES THAT IS THE MOST SENSIBLE OR EFFECTIVE ANIMAL TO LET LOOSE IN A CHINA SHOP. I THINK ONE HAS TO BEHAVE A LITTLE MORE ADROITLY AND SENSITIVELY THAN THAT; INDEED, A GOOD DEAL MORE ADROITLY AND SENSITIVELY THAN THAT.

I WANT TO EMPHASISE AT THE OUTSET OF MY RESPONSE WHAT I SAID EARLIER, THAT I DO THINK WE NEED TO TAKE ACCOUNT, IN FRAMING OUR PROPOSALS, OF SOME OF THE GENERAL FACTORS WHICH THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS MENTIONED YESTERDAY, INCLUDING THE IMPACT ON OUR MARKET AND THE IMPACT ON OUR PROPERTY MARKET OF POSSIBLE DEVELOPMENTS IN THE REGIONAL ECONOMY. NOBODY IS GOING TO THANK THE GOVERNMENT OF HONG KONG IF WE APPEARED TO BE TAKING MEASURES WHICH IN COMBINATION WITH OTHER THINGS HAPPENING BEYOND OUR CONTROL, PRODUCE A REAL AND SUBSTANTIAL SLIDE IN PROPERTY PRICES. ALL THOSE WHO ARE BUYING THEIR PROPERTY, INCLUDING MANY OF THE HONOURABLE MEMBER'S CONSTITUENTS, WOULD NOT THANK HIM OR US FOR THAT. SO WE HAVE TO BEHAVE, IN MY VIEW, EXTREMELY SENSITIVELY WHILE DOING THINGS THAT ARE EFFECTIVE. AND IF THE PROPOSALS THAT WE HAVE PUT FORWARD ARE NOT EFFECTIVE, THEN WE WILL HAVE TO DO MORE, AND MORE INCLUDE LOOKING AT OPTIONS LIKE PUNITIVE RATING OF VACANT PROPERTY AND OTHER TIGHT TAX MEASURES AS WELL, INCLUDING THE USE OF STAMP DUTY. WE HAVE TO BE PREPARED TO DO THOSE THINGS IF THIS SET OF PROPOSALS DOES NOT WORK.

AT THE OUTSET, PEOPLE SAID THAT WE SHOULD ADDRESS TWO ISSUES. THEY SAID WE SHOULD ADDRESS THE QUESTION OF SPECULATION - AND I THINK WE HAVE DONE THAT IN A REASONABLY SENSIBLE WAY IN THIS SET OF PROPOSALS WITH WHAT WE HAVE SUGGESTED ON THE CONSENT SCHEME. AND I HOPE, AS I SAID EARLIER, THAT PROPERTY DEVELOPERS WILL TAKE OUR ADVICE AND FOLLOW WHAT WE HAVE SUGGESTED WHERE THE CONSENT SCHEME ISN'T INVOLVED.

SECONDLY, BY BRINGING ON-STREAM MORE LAND SUPPLY AND OF COURSE WE WILL BE TALKING TO THE LAND COMMISSION ABOUT THAT AND I HOPE THAT WE WILL BE ABLE TO PROCEED WITH THE SAME DEGREE OF CO-OPERATION WHICH WE HAVE MANAGED IN THE LAND COMMISSION IN PAST YEARS. WE HAVE ALSO GOT TO TAKE ACCOUNT OF THE ADDITIONAL FAVOURABLE IMPACT ON THE HOUSING SCENE IF WE CAN GO MUCH FASTER IN REDEVELOPMENT AND MORE SENSIBLY IN REDEVELOPMENT. SO THERE IS A GREAT DEAL WHICH WILL MAKE AN IMPACT ON THE PROBLEM BUT AT THE END OF THE DAY, I THINK WE WOULD BE UNWISE TO SET OURSELVES PRECISE TARGETS IN TERMS OF PRICES. THAT'S NOT FEEBLE, I THINK THAT IS SENSIBLE. WE WANT TO ENSURE THAT WE CAN MAKE HOUSING - OR HOME OWNERSHIP - AVAILABLE TO AS MANY AS POSSIBLE IN HONG KONG, WHILE ALSO GIVING OUR EXCELLENT HOUSING AUTHORITY THE RESOURCES TO DO ITS IMPORTANT JOB TOO.

MR ALBERT CHAN: MR GOVERNOR, YOU ARE THE LEADER, YOU ARE THE HEAD OF THE EXECUTIVE OF HONG KONG. NOW, THE TOP 10% TO 20% HOUSEHOLDS IN TERMS OF INCOME, AND YET THEY ARE UNABLE TO AFFORD A FLAT. WOULD YOU FEEL ASHAMED OF THAT? BECAUSE EVEN THOSE PEOPLE ENJOYING THE TOP 10% TO 20% OF INCOME, THEY STILL ARE UNABLE TO AFFORD A 500 SQ FT. WOULD YOU FEEL SHAMEFUL ABOUT THAT?

/GOVERNOR: .....

GOVERNOR: WELL, WHAT I OBSERVE - AND IT HAS LITTLE TO DO WITH MY EFFORTS OVER THE LAST COUPLE OF YEARS - WHAT I OBSERVE IS THAT OVER THE YEARS, HONG KONG HAS SEEN A SUBSTANTIAL AND SUSTAINED INCREASE IN HOME OWNERSHIP WHICH I BELIEVE WILL CONTINUE THROUGH THIS DECADE. THE FIGURES ARE SPECTACULAR WHEN YOU LOOK AT THEM DECADE ON DECADE AND THAT WILL CONTINUE AND IT WILL CONTINUE FOR THE TOP 10% IN TERMS OF INCOME AND FOR, I HOPE, OTHERS WHO ARE LESS WELL PAID OR HAVE HAD SMALLER AMOUNTS OF CAPITAL. BUT WE ALSO HAVE TO MAKE SURE, AS WE HAVE DONE, THAT THOSE FURTHER DOWN THE SCALE ARE HELPED, WHICH IS WHY I THINK WE HAVE BEEN RIGHT IN EFFECT TO DOUBLE THE PROVISION THROUGH THE SANDWICHED CLASS HOUSING SCHEME; AND WE'VE GOT TO MAKE SURE THAT THE HOUSING AUTHORITY CAN ASSIST AS WELL, BOTH THROUGH THE HOME OWNERSHIP SCHEME AND THROUGH PSPS; AND, AS WELL, THROUGH THE PROVISION OF RENTAL ACCOMMODATION FOR THOSE WHO, ALAS, CAN'T AFFORD TO PURCHASE THEIR OWN HOME OR DON'T WISH TO PURCHASE THEIR OWN HOME. BECAUSE THERE WILL ALWAYS, IN THIS SOCIETY, HOWEVER SUCCESSFUL OUR ECONOMY, BE PEOPLE IN THAT CATEGORY.

MR EDWARD HO: - - - I THINK THIS TIME I AGREE WITH YOUR OVERALL APPROACH BECAUSE I DO SUPPORT THE PRINCIPLE OF FREE MARKET AND IF THERE'S A PROBLEM IN SUPPLY WE SHOULD ADDRESS THAT AND THAT IS SOMETHING THAT WE HAVE BEEN FIGHTING FOR. SO ON THE QUESTION OF SUPPLY I'D LIKE TO ASK A QUESTION ON REDEVELOPMENT, ESPECIALLY ON REDEVELOPMENT OF URBAN SITES WHICH I THINK HAS RECEIVED VERY LITTLE COVERAGE IN THE REPORT.

THE QUESTION I'D LIKE TO ASK IS, HOW DOES GOVERNMENT PROPOSE TO FACILITATE REDEVELOPMENT OF URBAN SITES, WHICH IS ACTUALLY A SUBJECT WHICH HAS BEEN RAISED BEFORE BY GOVERNMENT?

GOVERNOR: FIRST OF ALL I'M GRATEFUL FOR THE HONOURABLE MEMBER'S SUPPORT ON THIS OCCASION AND I WILL HAVE TO SEE WHAT WE CAN DO TO INCREASE THE STRIKING RATE IN TERMS OF SUPPORT, PARTICULARLY AT THE END OF THE MONTH.

SECONDLY, THE HONOURABLE MEMBER IS OF COURSE ENTIRELY RIGHT TO SAY THAT THE REDEVELOPMENT OF URBAN SITES IS ONE OF THE MOST IMPORTANT CONTRIBUTORS TO SUPPLY OF LAND, SUPPLY OF HOUSING. IT'S A VERY SUBSTANTIAL CONTRIBUTOR AND UNLESS WE WERE TRYING TO ADDRESS THAT IN GOVERNMENT, WE WOULDN'T BE ADDRESSING THE PROBLEM COMPREHENSIVELY. I THINK IT'S OUR VIEW THAT QUITE APART FROM TRYING WHERE WE CAN TO EXPEDITE EXISTING PROCEDURES, WHETHER IN PLANNING, WHETHER IN PROVIDING NECESSARY INFRASTRUCTURE, JUST IN COMING TO DECISIONS, I THINK IT'S OUR JUDGMENT THAT WE ARE GOING TO HAVE TO TAKE A RATHER MORE PRO-ACTIVE ROLE IN REDEVELOPMENT IN TRYING TO SUPPORT THOSE REDEVELOPMENTS WHICH ARE GOING TO HAVE A SUBSTANTIAL IMPACT ON HOUSING SUPPLY AND THAT I GUESS WILL BE A PRIORITY FOR THE NEW SECRETARY FOR HOUSING, IF THIS COUNCIL AGREES TO THE POST, WHOEVER SHE OR HE MAY BE.

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MR LEE WING-TAT (THROUGH INTERPRETER): THANK YOU MR PRESIDENT. MR GOVERNOR, SO FAR THIS IS THE FIRST TIME THE HONG KONG GOVERNMENT, REGARDING THE EFFORTS TO DAMPEN PROPERTY PRICES, HAS ADOPTED SUCH A HIGH PROFILE. THIS IS THE FIRST TIME THE GOVERNMENT HAS ADOPTED SUCH A HIGH PROFILE AND ALSO YOUR REPUTATION IS REALLY AT STAKE HERE MEANING THAT IF THREE OR FOUR MONTHS DOWN THE ROAD AT A GOVERNOR'S QUESTION SESSION WE ASK THE SAME QUESTION TO YOU, I DON'T THINK YOU WILL BE IN A VERY COMFORTABLE POSITION AND WE WOULD BE VERY DISAPPOINTED. I HOPE THAT THIS IS THE LAST TIME WE ASK QUESTIONS ABOUT AFFORDABILITY AND ABOUT PROPERTY PRICES.

MR PRESIDENT, NOW MY QUESTION ABOUT THE NEW SECRETARY FOR HOUSING. MR GOVERNOR, I HAVE BEEN A HOUSING AUTHORITY MEMBER FOR TWO YEARS AND DURING THOSE TWO YEARS I HAVE NOT ASKED A QUESTION AT LEGCO ABOUT HOUSING DEPARTMENT. THIS IS BECAUSE AS A MEMBER OF THE HOUSING AUTHORITY I AM ALSO RESPONSIBLE FOR FORMULATING HOUSING AUTHORITY POLICIES AND THAT'S WHY IT WOULD BE UNFAIR FOR ME TO PUT A QUESTION TO MR EASON ABOUT HOUSING.

BUT CONCERNING THIS SECRETARY FOR HOUSING, THIS IS STRANGE BECAUSE HE IS ABOVE THE HOUSING AUTHORITY, HOUSING DEPARTMENT AND THE LDC. I REALLY CAN'T UNDERSTAND THAT CONSTITUTIONAL ARRANGEMENT. I THINK THIS IS A VERY ODD ARRANGEMENT. MR EASON OR THE SECRETARY FOR HOUSING WILL NOT BE PARTICIPATING IN THE DECISION OF LDC AND HOUSING AUTHORITY AND YET THEY HAVE TO ANSWER TO US ON BEHALF OF THE THREE ORGANISATIONS. I THINK THIS IS A VERY ODD ARRANGEMENT, HOW COME YOU STILL SUPPORT IT? IS IT SOMETHING YOU HAVE LEARNT FROM THE BRITISH POLITICAL SCENE? I THINK THIS IS A VERY UNBALANCED SHARE OF RESPONSIBILITY AND SPREAD OF RESPONSIBILITY.

GOVERNOR: LET ME SAY A WORD ABOUT WHAT I LEARNT FROM THE BRITISH POLITICAL SCENE ON THIS MATTER, BUT FIRST OF ALL SAY THAT WHILE I WAS INVOLVED IN THE BRITISH POLITICAL SCENE, I THINK I'M RIGHT IN SAYING THAT IN THE EARLY 1980'S HERE IN HONG KONG WE HAD A TASK FORCE ON PROPERTY PRICES AND THAT DID A GREAT DEAL OF WORK ON LAND SUPPLY. I THINK I'VE GOT THE TIMING RIGHT, MAYBE I'M OUT. EARLY 70'S SORRY - I WAS STILL INVOLVED IN BRITISH POLITICS AND NOT VERY LONG AFTER THE TASK FORCE HAD DONE ITS WORK AND DONE IT EXTREMELY WELL, THE MARKET ADJUSTED PROPERTY PRICES RATHER SHARPLY. SO I THINK THAT ONE HAS TO BEAR THAT IN MIND, BEAR PAST EXPERIENCE IN MIND IN TAKING THESE SORT OF DECISIONS.

/NOW FOR .....

NOW FOR MY EXPERIENCE. I USED TO HAVE A RATHER SIMILAR JOB TO MR SECRETARY EASON'S AND I THINK IT IS EXTREMELY DIFFICULT TO DEAL WITH A PORTFOLIO AS WIDE AS THAT, THOUGH I THINK THE PRESENT SECRETARY HAS MANAGED THE TASK HEROICALLY BUT IT DOES COVER, PARTICULARLY NOW THAT THE ENVIRONMENT AND LAND USE PLANNING ARE SUCH PRIORITY AREAS FOR EVERYONE, IT DOES COVER A HUGE AREA. IF YOU ADD TO THAT THE FACT THAT EVERY INDICATOR OF PUBLIC OPINION SUGGESTS THAT HOUSING IS THE NUMBER ONE ISSUE FOR MOST PEOPLE IN HONG KONG, THEN I THINK IT'S A BIT ODD THAT GOVERNMENT DOESN'T ADJUST TO THAT IN ITS OWN INSTITUTIONAL ARRANGEMENTS AND I THINK THEREFORE THAT WE'RE RIGHT AND SENSIBLE TO MAKE THIS PROPOSAL. AS I SAID IT ISN'T OUR INTENTION THAT THE SECRETARY FOR HOUSING SHOULD IN ANY WAY TAKE AWAY FROM THE RESPONSIBILITIES OR ROLE OF THE HOUSING AUTHORITY AND IT'S CHAIRMAN. BUT THE SECRETARY FOR HOUSING SHOULD PROVIDE A FOCUS IN GOVERNMENT FOR CONCERN ABOUT PRIVATE AND PUBLIC HOUSING. I THINK THAT THE SECRETARY FOR HOUSING WILL VERY OFTEN BE A DEMANDER, WILL VERY OFTEN FIND HIMSELF ARGUING THE CORNER FOR HOUSING WITH OTHER GOVERNMENT DEPARTMENTS. BUT THAT'S NOT CURIOUS OR NEW, ANY SECRETARY FINDS HIMSELF HAVING TO CO-ORDINATE WITH HIS COLLEAGUES WHERE THERE ARE OVERLAPPING RESPONSIBILITIES AND COMMON FRONTIERS.

SO I THINK THE NEW ARRANGEMENT WOULD WORK BUT OBVIOUSLY THE HONOURABLE MEMBER WITH HIS EXPERIENCE WILL HAVE A GOOD DEAL OF DETAILED QUESTIONING WHEN WE COME TO THE FINANCE COMMITTEE WITH OUR PROPOSALS ON THE NEW BRANCH AND THE NEW SECRETARIAT AND I HOPE WE'LL BE ABLE TO ANSWER THEM TO HIS SATISFACTION.

I REPEAT, I THINK IT IS IMPORTANT THAT WE SHOULD HAVE IN GOVERNMENT A FOCUS FOR THE COMMUNITY'S CONCERN ABOUT HOUSING AND I'M SURE A SECRETARY FOR HOUSING WILL PERHAPS FIND HIMSELF OR HERSELF TAKING GREATER ACCOUNT OF THE PRIVATE SECRETARY CONTRIBUTION THAN HAS BEEN THE CASE IN THE PAST.

MR LEE WING-TAT (THROUGH INTERPRETER): A SHORT FOLLOW-UP. I DON'T THINK MR GOVERNOR YOU HAVE DIRECTLY ANSWERED MY QUESTION. MY QUESTION IS ACTUALLY VERY SIMPLE. THE NEW SECRETARY FOR HOUSING, AS PROPOSED, CANNOT MAKE A DECISION ON BEHALF OF THE HOUSING DEPARTMENT REGARDING POLICY. THE POLICIES ARE STILL TO BE FORMULATED BY THE HOUSING DEPARTMENT BUT THE SECRETARY FOR HOUSING WILL HAVE TO ANSWER QUESTIONS PUT TO HIM BY LEGCO CONCERNING HOUSING POLICIES. SO I DON'T SEE THE JUSTIFICATION IN THE ARRANGEMENT. HE HAS NOT PARTICIPATED IN THE FORMULATION OF POLICY BUT HE HAS TO BE ANSWERABLE TO US CONCERNING THOSE POLICIES. DON'T YOU FIND THAT ARRANGEMENT VERY ODD?

GOVERNOR: BUT I THINK, WITH RESPECT TO THE HONOURABLE MEMBER, THAT WE COULD BOTH OF US, GIVEN A SHORT TIME IN THE PAVILION, THINK OF OTHER EXAMPLES OF SECRETARY'S ANSWERING QUESTIONS IN THIS LEGISLATIVE COUNCIL ON BEHALF OF BODIES OUTSIDE GOVERNMENT FOR WHICH THEY HAVE OVERALL RESPONSIBILITY BUT ON WHOSE GOVERNING COUNCIL THEY DON'T SERVE. FOR EXAMPLE, I THINK YOU'LL HAVE NOTED THAT OUR SECRETARY FOR HEALTH AND WELFARE VERY OFTEN FINDS HERSELF ANSWERING QUESTIONS ABOUT THE WORK AND RESPONSIBILITIES OF THE HOSPITAL AUTHORITY AND DOING IT VERY WELL BUT THERE ARE I THINK SIMILAR INSTITUTIONAL RELATIONSHIPS ELSEWHERE. SO I DON'T THINK IT WILL BE A UNIQUE PROBLEM BUT I REPEAT THAT OBVIOUSLY WHEN WE COME TO EXPLAIN OUR PROPOSALS TO THE FINANCE COMMITTEE IN DUE COURSE, WE'LL HAVE TO HAVE CONVINCING ANSWERS FOR THE HONOURABLE MEMBER.

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DR CONRAD LAM (THROUGH INTERPRETER): MR PRESIDENT, THROUGH YOU I WOULD LIKE TO LET THE GOVERNOR KNOW THAT I'M ABSOLUTELY FOR THE ESTABLISHMENT OF THE SECRETARY FOR HOUSING. I THINK THE HOUSING DEPARTMENT AT PRESENT IS SUFFERING FROM CERTAIN PROBLEMS AND THAT IS WHY I BELIEVE THAT THERE IS THE NEED FOR A SECRETARY FOR HOUSING TO RECTIFY THE SITUATION.

I WOULD LIKE TO QUOTE THREE EXAMPLES TO SUBSTANTIATE MY CLAIM. FIRST OF ALL THE DIRECTOR OF HOUSING SO FAR HAS NEVER ATTENDED MEETINGS OF THE HOUSING PANEL OF THE LEGCO. THIS SHOWS THAT THE DIRECTOR OF HOUSING DOES NOT REALLY CARE ABOUT THE CONCERNS SHOWN BY THE LEGISLATIVE COUNCIL OVER HOUSING.

SECONDLY, HOUSING DEPARTMENT IS RESPONSIBLE FOR THE AFFAIRS OF THREE MILLION PEOPLE AND THROUGH ITS OWN DIRECTIVE PRESS FREEDOM IS REALLY RESTRICTED UNDER THE PORTFOLIO OF HOUSING DEPARTMENT. FOR INSTANCE THE MAO FILM IS NOT SHOWN AT PUBLIC HOUSING ESTATES.

THIRDLY, IN CHOI WAN ESTATE IN ORDER TO SAVE SEVERAL HUNDREDS OF THOUSANDS OF DOLLARS A FLYOVER IS BEING SHELVED AND THE FLYOVER IS SUPPOSED TO SERVE DISABLED PEOPLE WITH THE RESULT THAT DISABLED PEOPLE STILL HAVE TO CROSS-OVER CLEARWATER BAY ROAD EXPOSING THEM TO TRAFFIC DANGER.

SO FOR THESE REASONS I THINK THERE IS A NEED FOR A SECRETARY FOR HOUSING AND ALSO FOR THE HOUSING AUTHORITY, SOMETIMES THE MEMBERS ON THE HOUSING AUTHORITY DON'T KNOW WHAT IS HAPPENING WITH THE HOUSING DEPARTMENT AND IT SEEMS TO ME THE HOUSING DEPARTMENT IS REALLY LEADING THE HOUSING AUTHORITY BY THE NOSE AND THAT'S WHY I'M ALL FOR THE CREATION OF THE SECRETARY FOR HOUSING.

AND NOW, THIS IS MY QUESTION. MR GOVERNOR, THIS IS SOMETHING YOU CAN DO. CAN YOU TELL THE SECRETARY FOR HOUSING TO, AS FAR AS POSSIBLE, REGULARLY ATTEND MEETINGS OF THE HOUSING PANEL OF THIS COUNCIL SO THAT THE SECRETARY WOULD GET THE FIRST HAND KNOWLEDGE ABOUT THE CONCERNS OF LEGISLATIVE COUNCILLORS OVER HOUSING SO THAT HE DOESN'T HAVE TO RELY ON SECOND-HAND KNOWLEDGE?

GOVERNOR: I'M GRATEFUL FOR THE HONOURABLE MEMBER'S SUPPORT AND I HOPE WE WILL HAVE HIS VOTE IF THIS MATTER COMES TO A VOTE LATER IN THE YEAR. I TAKE IT THAT IT WON'T BE A SUFFICIENT, THOUGH MAYBE A NECESSARY CONDITION, FOR THE NEW SECRETARY'S APPOINTMENT THAT HE SHOULD HAVE SEEN THE MAO FILM. AN AWFUL LOT OF PEOPLE IN HONG KONG SEEM TO HAVE SEEN IT NOW IN ONE VENUE OR ANOTHER. I'M AFRAID I CAN'T HELP ON THE FLYOVER AND I'M SURE THE DIRECTOR OF HOUSING IS CONCERNED ABOUT VIEWS OF THE LEGISLATIVE COUNCIL BUT CLEARLY A SECRETARY FOR HOUSING WOULD WANT TO KEEP CLOSELY IN TOUCH WITH MEMBERS OF THIS COUNCIL. I IMAGINE IT'S THE CASE THAT FOR MOST MEMBERS HOUSING IS THE, PROBABLY THE PRINCIPAL ITEM IN THEIR CORRESPONDENCE FROM CONSTITUENTS, AT LEAST THOSE MEMBERS REPRESENTING DIRECTLY CONSTITUENCIES AND THEREFORE AS THE HONOURABLE MEMBER SAYS MEMBERS HAVE A GREAT DEAL OF KNOWLEDGE ABOUT THE SUBJECT, HAVE EXTENSIVE VIEWS ABOUT THE SUBJECT AND WILL WANT TO SHARE THOSE VIEWS WITH A SECRETARY FOR HOUSING AND HIS COLLEAGUES.

/MR ERIC LI: .....

MR ERIC LI:                   THANK YOU, MR PRESIDENT. MR GOVERNOR, I WOULD LIKE TO ASK THE FOLLOWING QUESTION, THAT IS, REGARDING LAND SUPPLY FOR PRIVATE HOUSING BLOCKS. NOW, I UNDERSTAND FROM MY COLLEAGUES IN THE ACCOUNTANT FIELD THAT THERE WON'T BE ANY SHORTAGE OF LAND SUPPLY IN THE SHORT TERM BUT WHAT ABOUT THE MEDIUM TERM AND THE LONG TERM? THEY AREN'T TOO CLEAR ABOUT THE AMOUNT OF LAND TO BE RELEASED BECAUSE THEY HAVEN'T GOT SUFFICIENT INFORMATION FROM THE GOVERNMENT. THEY DON'T HAVE A LOT OF CONFIDENCE IN AN ADEQUATE SUPPLY OF LAND. NOW, IT SEEMS THAT THEY WOULD LIKE TO HAVE MORE INFORMATION, SAY FOR EXAMPLE, WHAT ABOUT THE LAND SUPPLY IN THE COMING THREE YEARS? SAY FOR EXAMPLE, THE LOCATION AND ALSO THE TIME FOR AUCTION? I THINK THEY NEED SUCH CONCRETE DETAILS BEFORE THEY HAVE GREATER CONFIDENCE IN LAND SUPPLY AND THAT WOULD ALSO FACILITATE THEIR MAKING EARLIER DECISIONS AND SEE AN EARLIER COMPLETION OF THE HOUSING BLOCKS. SO, CAN THE GOVERNOR TELL US WHEN SUCH DETAILS CAN BE DISCLOSED?

                                  AND AFTER DISCLOSING THE INFORMATION THEY HAVE TO CARE ABOUT (TAKE INTO CONSIDERATION) THE PLANNING AND THE PROCESSING TIME. NOW, I UNDERSTAND THAT MOST OF THE NEW SITES WILL BE LOCATED IN THE NEW TOWNS AND USUALLY THE NEW SITES HAVE NOT BEEN FULLY UTILISED; THAT IS, THEY ARE NOT SORT OF UTILISED UP TO THEIR DESIGN CAPACITY. BUT THEN IN CHAPTER 5 IT TALKS ABOUT A LOT OF CONSTRAINTS, ENVIRONMENTAL, INFRASTRUCTURAL CAPACITY, ETC, ETC, AND SO IT WILL BE VERY DIFFICULT TO SEE THE LAND TO BE SUPPLIED AT A FASTER PACE. SO I JUST WONDER WHETHER THE GOVERNMENT CAN DEVISE CERTAIN STATUTORY TIME LIMITS AND WHETHER THE DEPARTMENTS CONCERNED CAN TAKE OUT PERFORMANCE PLEDGES TO MAKE SURE THAT APPLICANTS WILL KNOW ABOUT THE TIME LIMITS SO THAT THE TIME LIMITS FOR APPLICATIONS WILL BE BINDING ON BOTH THE GOVERNMENT DEPARTMENTS AS WELL AS THE DEVELOPERS. BECAUSE AT THE MOMENT THE GOVERNMENT IS REQUIRING DEVELOPERS TO ADHERE TO CERTAIN STRICT TIMETABLES BUT WHAT ABOUT THE RESPONSIBILITY OF THE GOVERNMENT DEPARTMENTS? MAYBE AT THE END OF THE DAY WHEN WE DON'T HAVE THE PRODUCTION READY, MAYBE WE WILL BE TRYING TO SHIRK THE RESPONSIBILITY TO EACH OTHER.

GOVERNOR:                   TWO BRIEF RESPONSES. FIRST OF ALL, THE HONOURABLE MEMBER IS WHOLLY CORRECT IN EMPHASISING THE IMPORTANCE OF GREATER PUBLICITY AND GREATER INFORMATION NOT ONLY FOR DEVELOPERS BUT, I THINK EXTREMELY IMPORTANT, FOR POTENTIAL PURCHASERS AS WELL, AND THAT IS SOMETHING THAT WE HAVE EMPHASISED IN OUR PROPOSALS. WE ARE, AS THE HONOURABLE MEMBER WILL KNOW, SUGGESTING THAT WE NEED AN ADDITIONAL 70 HECTARES IN ORDER TO MEET THE NEW HOUSING TARGETS THAT WE HAVE SET.

                                  BUT I THINK THAT A PROPOSAL WHICH IS FOR THE LONGER TERM JUST AS IMPORTANT AND I THINK IS GOING TO BE PARTICULARLY IMPORTANT FOR THE GOVERNMENT OF THE SAR, IS THE SUGGESTION THAT WE SHOULD ESTABLISH A LAND BANK OF ABOUT 50 HECTARES WITH PREPARED LAND AVAILABLE IN CASE OF NEED BEYOND 1997. I THINK THAT IS AN IMPORTANT CONTRIBUTION AND SHOWS, I THINK, THE EXTENT TO WHICH WE ARE AWARE OF THE LONG TERM NATURE OF THE PROBLEM. AFTER ALL, SOME OF THE PROBLEMS WE HAVE NOW ARE BECAUSE OF THE IMPACT ON INVESTMENT IN HOUSING IN 1989 AND 1990, WITH THE MORE RECENT IMPACT ON SUPPLY.

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ON THE QUESTIONS OF STATUTORY TIME LIMITS ON PLANNING AND PROCESSING OF APPLICATIONS, I HAVE SOMETIMES CONSIDERED THOSE IN THE PAST, BOTH IN THIS ENVIRONMENT AND IN ANOTHER ENVIRONMENT. I HAVE ALWAYS THOUGHT THAT ONE OF THE PROBLEMS WITH STATUTORY TIME LIMITS IS THAT WHERE GOVERNMENT THINKS IT CAN'T MEET A STATUTORY TIME LIMIT, I THINK IT IS SOMETIMES TEMPTED SIMPLY TO TURN DOWN THE APPLICATION RATHER THAN TO RISK OVER-RUNNING THE TIME LIMIT. SO I THINK WE ARE BETTER SERVED BY LOOKING AT HOW WE CAN DEVELOP PERFORMANCE PLEDGES IN ORDER TO EXPEDITE PROCEDURES AND I THINK THIS IS THE SORT OF SUBJECT WHERE THE CUSTOMER ADVISORY GROUPS THAT WE HAVE BEEN ESTABLISHING CAN MAKE A CONTRIBUTION, SO THAT GOVERNMENT LEARNS FROM THE CONSUMER IN IMPROVING ITS OWN SERVICE. BUT IT IS VERY IMPORTANT IN THIS PARTICULAR AREA - AND I KNOW THAT THE LANDS DEPARTMENT AND OUR PLANNERS ARE AWARE OF IT, ARE AWARE OF PUBLIC CONCERNS AND ARE TRYING TO RESPOND TO THEM.

MR ERIC LI: A SHORT FOLLOW UP, PLEASE. NOW, AS FAR AS LAND SUPPLY IS CONCERNED I ENTIRELY AGREE WITH YOU, SIR, MR GOVERNOR, THAT THE CHINESE AGREEMENT WOULD BE VERY IMPORTANT. NOW, I JUST WANT TO TALK ABOUT LAND RESERVE, THE IDEA OF A LAND RESERVE. WOULD YOU VERY SOON RAISE IT TO THE AGENDA OF THE JLG AND WOULD YOU EXPECT A VERY QUICK REPLY?

GOVERNOR: WELL, I THINK WE WANT TO DISCUSS THIS AND OTHER MATTERS IN THE LAND COMMISSION. I THINK IT IS FAIR TO SAY THAT WHATEVER THE PROBLEMS WE HAVE SOMETIMES ENCOUNTERED ELSEWHERE, THE WORK IN THE LAND COMMISSION HAS INVARIABLY BEEN CONSTRUCTIVE AND CO-OPERATIVE AND I HOPE THAT WILL HAPPEN IN RELATION TO THE PROPOSALS THAT WE HAVE PUT FORWARD. THIS IS A PROBLEM, SHARED AS IT WERE BY THE PAST AND THE FUTURE AND THE PRESENT, AND THOSE WHO HAVE RESPONSIBILITIES IN THOSE TEMPORAL FRAMES HAVE TO WORK TOGETHER IN ORDER TO DEAL WITH THE PROBLEM.

MR W Y WONG: THANK YOU, MR PRESIDENT. MR GOVERNOR, WHEN WE TALK ABOUT PROPERTY PRICES, I THINK OUR FOCUS WILL ALWAYS BE ON THE PRIVATE SECTOR BUT IN FACT THE HOUSING AUTHORITY IS NOW SUPPLYING A LOT OF HOS FLATS AND THE PRICES ARE LINKED TO THE MARKET VALUE EVEN THOUGH WE HAVE GOT A DISCOUNT. NOW, FOR PRIVATE RESIDENTIAL PROPERTY PRICES, THEY ARE SKY-ROCKETING AND AS A RESULT HOS FLAT PRICES ARE ALSO BEING PUSHED UPWARDS AND IT IS ONLY A COMMON SCENE TO HAVE HOS FLATS FETCHING OVER A MILLION DOLLARS FOR ONE UNIT. MR GOVERNOR, WOULD YOU TALK TO THE HOUSING AUTHORITY AND ASK THEM TO FREEZE THE HOS FLAT PRICES AND THE PRICES WOULD ONLY BE ADJUSTED BY THE FACTOR OF INFLATION SO THAT THE GENERAL PUBLIC WOULD HAVE THE BURDEN OF MORTGAGE REPAYMENT BEING REDUCED?

MOREOVER, THE QUALITY OF PUBLIC RENTAL HOUSING BLOCKS HAS BEEN CRITICISED AND PSPS BLOCKS HAVE ALSO ATTRACTED A LOT OF CRITICISM. SAY, FOR EXAMPLE, THE STEEL-WORKS ARE DEFECTIVE; AND RECENTLY IN TIN SHUI WAI WE HAVE ALSO GOT LEAKAGE PROBLEMS IN THE PSPS BLOCKS. I THINK IT IS A MATTER OF INADEQUACY OF MONITORING OF THE WORKMANSHIP. NOW, REGARDING SUCH DEFECTIVE BLOCKS, DO YOU THINK THAT THEY ARE WORTH A MILLION DOLLARS?

/GOVERNOR: .....

GOVERNOR: ON THE FIRST QUESTION, I DON'T THINK THE HOUSING AUTHORITY WOULD WELCOME MY INTERVENTION IN THEIR DECISION MAKING IN THE WAY THAT THE HONOURABLE MEMBER HAS SUGGESTED, AND I AM NOT SURE THAT THE CONSEQUENCES OF WHAT THE HONOURABLE MEMBER SUGGESTED WOULD ALWAYS BE THAT DESIRABLE. AFTER ALL, SINCE PROPERTY PRICES HAVE FALLEN BY 10% OR 15% IN THE LAST COUPLE OF MONTHS, ONE COULD, ON THE BASIS OF THE HONOURABLE MEMBER'S FORMULA, HAVE THE SLIGHTLY PERVERSE SITUATION IN WHICH AT THE SAME TIME AS PROPERTY PRICES OUTSIDE THE HOME OWNERSHIP SCHEME HAD BEEN FALLING, PROPERTY PRICES INSIDE THE HOME OWNERSHIP SCHEME WOULD HAVE BEEN GOING UP BY THE RATE OF INFLATION IN THE ECONOMY AS A WHOLE, AND I DON'T THINK THAT WOULD HAVE BEEN VERY WELCOME. I ACCEPT THAT OF COURSE THAT HASN'T BEEN THE SITUATION INVARIABLY OVER THE LAST FEW YEARS BUT NEVERTHELESS IT SHOWS THE, I THINK, DANGERS OF AS RIGID A FORMULA AS THE HONOURABLE MEMBER SUGGESTS. I THINK THAT THE PRICES CHARGED BY THE HOUSING AUTHORITY HAVE TO BEAR SOME RELATIONSHIP TO WHAT IS HAPPENING IN THE MARKET AS A WHOLE, THOUGH OF COURSE WHAT WE ARE ATTEMPTING TO DO IS TO ENSURE THROUGH THE SCHEME THAT PEOPLE OF MORE MODEST MEANS CAN AFFORD TO CLIMB THE LADDER TO HOME OWNERSHIP.

SECONDLY, THE HONOURABLE MEMBER IS WHOLLY CORRECT - AND I KNOW FROM THE EXAMPLE HE HAS GIVEN AND I KNOW HOW MUCH ATTENTION HE HAS GIVEN TO THE MATTER - IS WHOLLY CORRECT TO TALK ABOUT THE IMPORTANCE OF GOOD INFRASTRUCTURE DEVELOPMENT TO THE PROVISION OF HOUSING AT A REASONABLE SPEED AND IF THERE IS SHODDY WORKMANSHIP THEN THAT IS GOING TO SET BACK THE PROVISION OF OUR HOUSING GOALS, SO I HOPE WE CAN BOTH PUT INFRASTRUCTURE IN PLACE IN TIME AND AVOID THE SORT OF PROBLEMS THE HONOURABLE MEMBER REFERRED TO.

MR MARTIN LEE: NOW THAT THE GOVERNOR OF HONG KONG HAS BEEN CENSURED BY THIS COUNCIL, WILL THE GOVERNOR INFORM THIS COUNCIL WHETHER HE IS NOW PREPARED TO PAY MORE RESPECT TO THIS COUNCIL BY ALLOWING PRIVATE MEMBER'S BILLS TO BE PRESENTED IN RELATION TO HUMAN RIGHTS COMMISSION AND FREEDOM OF INFORMATION SO AS TO AVOID FURTHER CENSURE MOTIONS, THIS TIME EVEN FROM HIS OWN APPOINTED MEMBERS?

GOVERNOR: I THINK THE HONOURABLE GENTLEMAN HAS PACKED A LOT INTO THAT QUESTION AND PERHAPS HE'LL LET ME UNPACK THE SUITCASE IN MY OWN SPEED OVER THE NEXT FEW MOMENTS.

FIRST OF ALL, I NOTED THE DEBATE THAT TOOK PLACE IN THE COUNCIL YESTERDAY. I HAVE TO SAY TO THE HONOURABLE MEMBER THAT MUCH THOUGH I ALWAYS ADMIRE HIS SPEECHES, YESTERDAY I SLIGHTLY PREFERRED THE SPEECH MADE BY THE FINANCIAL SECRETARY. THAT IS THE CASE FROM TIME TO TIME BUT I MEAN NO CRITICISM OF THE HONOURABLE MEMBER WHOSE COURAGE AND ELOQUENCE I, LIKE THE REST OF THE COMMUNITY, RECOGNISE.

WHAT I WILL ALWAYS DO, AND I CAN ASSURE THE HONOURABLE GENTLEMAN OF THIS, IS TO DEFEND THE RIGHT OF THIS COUNCIL TO BE CRITICAL OF THE GOVERNMENT OR CRITICAL OF THE GOVERNOR. I VERY MUCH HOPE THAT THAT RIGHT IS ONE WHICH WE CAN TAKE FOR GRANTED, NOT JUST BEFORE BUT AFTER 1997 AND I VERY MUCH HOPE THAT WHILE THAT RIGHT ISN'T EXERCISED TOO FREQUENTLY, THAT WHEN IT IS EXERCISED THE GOVERNOR AND THE GOVERNMENT WILL BE ABLE TO TAKE THEIR CHASTISEMENT IN A REASONABLE SPIRIT.

I THINK THAT IT'S IMPORTANT TO CONSIDER WHAT OUR ARGUMENT AND OUR POSITION IN THE ADMINISTRATION IS. OUR BOTTOM LINE IS TO DO WHATEVER IS IN THE INTERESTS OF HONG KONG IN THE LONG TERM. I HOPE THAT WE CAN USUALLY DO THAT WITH THE UNDERSTANDING AND CO-OPERATION OF THE FUTURE SOVEREIGN POWER AND WITH THE UNDERSTANDING AND CO-OPERATION OF THIS LEGISLATIVE COUNCIL. BUT IF, FROM TIME TO TIME, WE FAIL TO BE ABLE TO SECURE EITHER OF THOSE OBJECTIVES BUT WE STILL BELIEVE THAT IT'S IN THE LONG TERM INTERESTS OF HONG KONG TO TAKE A PARTICULAR VIEW, THEN WE ARE RIGHT TO DO SO AND WE WOULD BE WRONG TO RETREAT, TO RESILE FROM THAT POSITION.

I WILL GO ON DEFENDING THE RIGHTS OF THIS COUNCIL AND I BELIEVE PASSIONATELY STRONGLY THAT THOSE RIGHTS ARE BEST SECURED IF THIS COUNCIL IS SEEN TO BE CREDIBLY AND FAIRLY AND OPENLY ELECTED, WHICH IS WHY THE ADMINISTRATION WILL BE ARGUING WITH ALL THE FORCE IT CAN COMMAND AT THE END OF THIS MONTH TO SECURE THE LEGISLATION WHICH WE'VE PUT BEFORE THE COUNCIL. AND I JUST SAY IN PARENTHESIS, I JUST SAY IN PARENTHESIS, THAT I THINK THOSE WHO BELIEVE THAT IF THAT LEGISLATION WAS SUBSTANTIALLY WATERED DOWN THAT SOMEHOW THE ARGUMENT WOULD GO AWAY, ARE KIDDING THEMSELVES. THE ARGUMENT WOULD CONTINUE IN GREATER FORCE RIGHT THE WAY DOWN TO 1997 AND ARGUABLY BEYOND. BUT CONCEIVABLY I DIGRESS.

I WILL GO ON DEFENDING THE RIGHTS OF THIS COUNCIL TO VET PUBLIC EXPENDITURE, TO DECIDE WHETHER OR NOT THE GOVERNMENT SHOULD BE VOTED MONEY TO MEET THE OBJECTIVES IT SETS FOR ITSELF.

I WILL ALSO GO ON DEFENDING THE RIGHT OF THIS COUNCIL TO VET AND MONITOR LEGISLATION. AND I NOTE, JUST IN PASSING, THAT LAST YEAR THIS COUNCIL PROPOSED THREE TIMES, THREE TIMES AS MANY AMENDMENTS TO BILLS AND SECURED THEM, AS HAPPENED A DECADE AGO.

BUT I DON'T BELIEVE THAT IT WOULD BE IN THE INTERESTS, EITHER IN THE LONG TERM OR TODAY, OF HONG KONG, FOR ME TO ABANDON THE RIGHT OF THE EXECUTIVE TO SECURE IT'S OWN REVENUE AND IT'S OWN RESOURCES AND THAT ISN'T A VERY CURIOUS POSITION FOR THE CHIEF EXECUTIVE OF A GOVERNMENT TO TAKE UP. IT WOULD BE TAKEN UP IF I WAS THE PRESIDENT OF THE UNITED STATES, WHICH I'M SELF-EVIDENTLY NOT, OR IF I WAS IN CHARGE OF ANY OTHER ADMINISTRATION. IT WOULD BE BAD FOR OUR ECONOMIC MANAGEMENT. IT WOULD LEAD TO IMPRUDENT PUBLIC FINANCING AND IT WOULD BE BAD FOR HONG KONG TODAY AND FOR THE FUTURE.

SO THERE IS NO DISJUNCTURE BETWEEN ARGUING ON THE ONE HAND, VERY STRONGLY, FOR THE RIGHTS OF THIS COUNCIL AS THEY'RE SET OUT IN OUR EXISTING CONSTITUTION AND AS THEY WILL BE SET OUT IN THE CONSTITUTION IN THE FUTURE. FOR ARGUING FOR THOSE RIGHTS AND FOR ARGUING THAT THIS COUNCIL SHOULD BE PROPERLY ELECTED. WHILE ON THE OTHER HAND ARGUING THAT THE RIGHTS OF THE EXECUTIVE HAVE TO BE NOTED AS WELL. BUT I HOPE THAT IN THE MEDIUM AND THE LONG TERM, THOUGH I GUESS THINGS MAY CHANGE THE CLOSER WE GET TO THE ELECTIONS, WE'LL HAVE LITTLE NEED FOR THE COUNCIL TO SHOW FREEDOM OF SPEECH AND CENSURE THE GOVERNOR OR ANY OF HIS COLLEAGUES IN THE ADMINISTRATION.

THE HONOURABLE MEMBER THEN ASKS ME ABOUT PROPOSALS WHICH HAVE BEEN CANVASSED ON HUMAN RIGHTS, ON A STATUTORY RIGHT OF INFORMATION AND ON OTHER MATTERS.

/I THINK .....

I THINK THE COUNCIL KNOWS THAT WE'VE BEEN DISCUSSING THOSE ISSUES WITH A NUMBER OF HONOURABLE MEMBERS AND WE WILL BE EXPLAINING TO THIS COUNCIL, IN DUE COURSE HOW WE BELIEVE THE ADMINISTRATION SHOULD RESPOND. THE COUNCIL ITSELF WILL HAVE, IF THERE'S LEGISLATION SUBSEQUENTLY, TO DECIDE HOW FAR IT WISHES TO GO. LET ME TAKE THE QUESTION OF EQUAL OPPORTUNITIES LEGISLATION FOR EXAMPLE. THE GOVERNMENT INTENDS, THIS IS OUR CLEAR OBJECTIVE, TO LEGISLATE ON EQUAL OPPORTUNITIES THIS YEAR. IF THE COUNCIL DOESN'T THINK WE'RE GOING FAR ENOUGH THEN PRESUMABLY THE COUNCIL WILL AMEND THAT LEGISLATION AND TAKE IT FURTHER. THAT IS THE COUNCIL'S RIGHT CONSTITUTIONALLY BUT I HOPE THAT WE'LL BE ABLE TO PERSUADE THE COUNCIL AND THE COMMUNITY THAT THE BALANCE WE'VE STRUCK IS THE RIGHT ONE AND THAT IS WHAT WE WILL BE, IN DUE COURSE, SEEKING TO DO.

SO I REPEAT FOR THE HONOURABLE MEMBER, WHOSE QUESTION WAS IMPORTANT WHICH IS WHY I ANSWER IT AT SOME LENGTH, THAT WE RECOGNISE THE ROLE OF THIS COUNCIL, THE RIGHTS AND POWERS OF THIS COUNCIL, INCLUDING THE RIGHT TO CRITICISE THE GOVERNOR WHEN THIS COUNCIL WISHES THOUGH I HAPPEN NOT TO AGREE WITH THE ISSUE WHICH CAUSED THIS DEBATE. BUT WE ARE NOT AND I THINK IT WOULD BE WRONG TO DO SO, GOING TO RESILE FROM POSITIONS WHICH WE THINK ARE IN THE LONG TERM INTERESTS OF HONG KONG JUST TO AVOID A CENSURE IN THIS COUNCIL OR, IF I MAY SAY SO, JUST TO AVOID THE OCCASIONAL MILD ARGUMENT WITH THE FUTURE SOVEREIGN.

MR MARTIN LEE: A VERY STRAIGHTFORWARD FOLLOW-UP. WILL THE GOVERNMENT VIGOROUSLY DEFEND THIS COUNCIL IF THE OTHER BILL WERE TO BE PASSED ON 29TH JUNE, BY ASSENTING TO IT?

GOVERNOR: I ASSUME BY 'THE OTHER BILL' AND I THINK I SHOULD USE CAPS IN REFERRING TO THAT, IS A REFERENCE TO THE BILL PROPOSED BY THE HONOURABLE MEMBER WHO SITS IN FRONT OF ME AND LOOKS RATHER BALEFULLY AT ME AS I TRY TO, BEAUTIFULLY BUT BALEFULLY, AS I TRY TO ANSWER THE QUESTION. I'VE NOTED WHAT'S BEEN SAID ABOUT SUPPORT FOR THE HONOURABLE MEMBER'S BILL AND I'VE NOTED THAT THERE IS ONE PARTY WHICH IS DEBATING CONCEIVABLY EVEN AS WE HAVE THIS EXCHANGE TODAY, WHETHER OR NOT IT SHOULD JOIN OTHERS IN SUPPORTING THE HONOURABLE MEMBER'S BILL. IT WOULD BE A GREAT TRIUMPH FOR THE ELOQUENCE OF THE HONOURABLE MEMBER IF SHE SECURED THAT PAW-LINE CONVERSION. I THINK THAT IF THE HONOURABLE MEMBER DOES SECURE THAT CONVERSION AND GETS A MAJORITY FOR HER BILL, I WILL REPLY TO THE HONOURABLE MEMBER'S QUESTION BUT AS HE KNOWS, I HAVE AN ACTIVE DISTASTE FOR ANSWERING HYPOTHETICAL QUESTIONS, FINDING THE ONES THAT ARE NOT HYPOTHETICAL MUCH TOO DIFFICULT ANYWAY.

MR SZETO WAH: MR GOVERNOR, A SIMPLE AND CONCRETE QUESTION FOR YOU. RECENTLY, I HAVE RECEIVED COMPLAINTS FROM PING SHEK ESTATE RESIDENTS. NOW, PING SHEK ESTATE HAS A HISTORY OF 30 YEARS. RECENTLY, THEY ARE REPLACING THE LIFTS AND THE WORK HAS BEEN DRAGGING ON FOR MANY MONTHS AND HAS CAUSED A LOT OF INCONVENIENCE. TODAY, I RANG UP THE SENIOR HOUSING MANAGER FOR PING SHEK ESTATE; I ASKED HIM WHY IT TOOK SO LONG AND HE TOLD ME THAT IT TOOK NINE MONTHS TO REPLACE ONE LIFT AND FOR EACH BLOCK THEY HAVE TO REPLACE TWO LIFTS. IN OTHER WORDS, THEY HAVE TO SPEND 18 MONTHS TO REPLACE THE TWO LIFTS. DO YOU THINK THAT SUCH INEFFICIENCY IS ACCEPTABLE? AND BY RAISING THE QUESTION WITH YOU TODAY, CAN YOU TRY TO IMPROVE UPON THE EFFICIENCY AFTER TODAY'S MEETING?

GOVERNOR: I MUST JUST SAY TO BEGIN WITH THAT IF I'D HAD TO PREDICT THE QUESTION WHICH THE HONOURABLE MEMBER WAS GOING TO ASK, THAT WOULDN'T NECESSARILY HAVE BEEN IT. BUT I RECOGNISE THAT THE MOST IMPORTANT POLITICS IS LOCAL POLITICS AND THE MOST IMPORTANT ISSUES ARE ONES THAT - OR USUALLY THE MOST IMPORTANT ISSUES ARE THE ONES THAT AFFECT PEOPLE'S LIVELIHOOD WHICH AFFECT WHETHER THEY HAVE TO CLAMBER UP SEVERAL FLIGHTS OF STAIRS, WITH CHILDREN, WITH THE SHOPPING, EVERY DAY, OR WHETHER THEY CAN MANAGE THE PASSAGE IN A LIFT. I WILL CERTAINLY LOOK AT THE QUESTION WHICH THE HONOURABLE MEMBER RAISES. GIVEN HOW QUICKLY, WITH HALF A CHANCE, WE BUILD A TUNNEL OR AN AIRPORT, IT SHOULDN'T TAKE US ALL THAT LONG TO PUT IN A LIFT.

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TRANSCRIPT OF GOVERNOR'S MEDIA SESSION

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THE FOLLOWING IS THE TRANSCRIPT OF THE MEDIA SESSION BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, AFTER THE LEGCO QUESTION AND ANSWER SESSION THIS (THURSDAY) AFTERNOON:-

QUESTION: GOVERNOR, WHAT IS YOUR REACTION ON YESTERDAY'S LEGISLATIVE COUNCIL WHICH REPROVED YOU ON RATES?

GOVERNOR: THAT IS POLITICS.

QUESTION: THAT BRIEF, I MEAN, IT IS, YOU KNOW, BAD HISTORY. IT IS HISTORY.

GOVERNOR: NO, WE HAVE A POLITICAL COMMUNITY WHICH IS ON THE ROAD TO DEMOCRACY. THIS IS ONE STAGE ON THE ROAD TO DEMOCRACY AND I GUESS IT'LL OCCASIONALLY MEAN THAT CRITICAL MOTIONS OF THE GOVERNMENT ARE PASSED. BUT I HAVE TO SAY THAT I THINK THE ISSUE WAS AS THE FINANCIAL SECRETARY SAID, RATHER MORE SLIGHT THAN THE LEGISLATIVE COUNCIL'S REMARKS YESTERDAY.

QUESTION: GOVERNOR, JUST GET TO THE POINT. IF YOU GET THE BILLS FROM EMILY LAU AND CHRISTINE LOH, ARE YOU GOING TO BLOCK THEM OR ARE YOU GOING TO LET THEM IN?

GOVERNOR: I'VE ANSWERED THAT EXTENSIVELY INSIDE. I THINK I'D LIKE TO STICK ON MY ANSWER INSIDE.

QUESTION: WITH DUE RESPECT, GOVERNOR, I DIDN'T HEAR YES OR NO, WILL THEY.....?

GOVERNOR: YOU HEARD AN ANSWER INSIDE WHICH I STAND BY.

QUESTION: BUT DO YOU THINK THE MOTION INDICATED THAT YOUR RELATIONS WITH LEGCO OR WITH UDHK HAVE GONE WRONG OR WHAT?

GOVERNOR: NO, I THINK THAT AS FAR AS OUR RELATIONS WITH LEGCO ARE CONCERNED, WE PASSED 84 BILLS IN THE LAST SESSION. THE LEGISLATIVE COUNCIL HAS DONE AN EXCELLENT JOB AND EVEN IF WE DISAGREE WITH THEM FROM TIME TO TIME, I HOPE THAT WE'LL HAVE A CONSTRUCTIVE AND CREATIVE DIALOGUE.

/QUESTION: .....

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QUESTION: GOVERNOR, WHAT ARE YOU GOING TO DO ABOUT THE LADY WHO PETITIONED YOU BEFORE YOU WENT INTO THE COUNCIL?

GOVERNOR: THE FIRST THING I AM GOING TO DO ABOUT IT IS TO PHONE UP THE COMMISSIONER OF POLICE'S OFFICE AND FIND OUT MORE ABOUT THE CASE. THANK YOU VERY MUCH INDEED.

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OXFAM HK TO GET \$2M IN DISASTER RELIEF

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THE DISASTER RELIEF FUND ADVISORY COMMITTEE TODAY (THURSDAY) APPROVED AN APPLICATION FROM OXFAM HONG KONG FOR A GRANT OF \$2 MILLION FROM THE DISASTER RELIEF FUND.

THE GRANT WILL BE SPENT ON THE DISASTER RELIEF PROGRAMME BEING CARRIED OUT BY INTERNATIONAL OXFAM FOR THE RWANDAN REFUGEES WHO HAVE FLED TO TANZANIA BECAUSE OF ETHNIC CONFLICTS IN RWANDA.

A GOVERNMENT SPOKESMAN SAID THE ADVISORY COMMITTEE WAS SATISFIED THAT THE APPLICATION WAS IN LINE WITH THE GUIDELINES FOR GRANTS FROM THE FUND.

"THE COMMITTEE BELIEVES THAT THE GRANT IS AN APPROPRIATE MEANS TO EXPRESS SYMPATHY AND OFFER ASSISTANCE ON THE COMMUNITY'S BEHALF TO THE LESS FORTUNATE RWANDAN REFUGEES," HE SAID.

"TO ENSURE THAT GRANTS ARE USED FOR THE DESIGNATED PURPOSE, OXFAM HONG KONG WILL BE REQUIRED TO SUBMIT TO THE HONG KONG GOVERNMENT AN EVALUATION REPORT AND AN AUDITED ACCOUNT ON THE USE OF THE GRANT."

THE SPOKESMAN ADDED THAT PUBLIC DONATIONS AND APPROPRIATIONS FROM THE GENERAL REVENUE WERE THE MAIN SOURCES OF THE FUND.

HE SAID MEMBERS OF THE PUBLIC WERE WELCOME TO DONATE TO THE FUND FOR GENERAL RELIEF PURPOSES. ENQUIRIES CAN BE MADE TO THE SECRETARY TO THE DISASTER RELIEF FUND ADVISORY COMMITTEE AT ROOM 553, EAST WING, CENTRAL GOVERNMENT OFFICES OR ON TEL 810 3503.

THE ADVISORY COMMITTEE IS CHAIRED BY THE CHIEF SECRETARY. OTHER MEMBERS ARE MS ROSANNA WONG, DR RAYMOND CH'IEN, MRS ELSIE TU, MR HUI YIN-FAT, THE SECRETARY FOR HEALTH AND WELFARE AND THE SECRETARY FOR THE TREASURY.

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CONCERTED EFFORTS TO EASE TRAFFIC JAM AT CONTAINER PORT AREA

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A NUMBER OF MEASURES HAVE BEEN IMPLEMENTED IN THE PAST 12 MONTHS BY ALL PARTIES CONCERNED IN AN EFFORT TO EASE TRAFFIC CONGESTION IN THE KWAI CHUNG CONTAINER PORT AREA, ASSISTANT COMMISSIONER FOR TRANSPORT MR ALAN LUI SAID TODAY (THURSDAY).

SINCE JUNE LAST YEAR, ABOUT 21 HECTARES OF LAND AT THE CONTAINER PORT HAS ALREADY BEEN ALLOCATED FOR CONTAINER RELATED USE INCLUDING CONTAINER STORAGE, PARKING AND REPAIR.

THE OPPORTUNITY HAS BEEN TAKEN TO IMPOSE LEASE CONDITIONS FOR THE PROVISION OF ADEQUATE QUEUEING AND WAITING SPACES WITHIN THESE BACK-UP SITES TO IMPROVE TRAFFIC SITUATION.

"SO FAR, THE CONDITION OF QUEUEING OF VEHICLES IN PUBLIC ROADS OUTSIDE THE VARIOUS TERMINALS AND DEPOTS HAS MUCH IMPROVED," MR LUI SAID.

MOREOVER, SOME 6.3 HECTARES OF LAND HAVE BEEN OR IN THE PROCESS OF BEING ALLOCATED FOR USE AS VEHICLE HOLDING AREAS DURING EMERGENCIES WHICH PROVED TO BE VERY USEFUL.

HE POINTED OUT THAT A NUMBER OF ROAD PROJECTS HAD ALSO BEEN IMPLEMENTED SINCE JULY LAST YEAR IN ORDER TO ENHANCE TRAFFIC CIRCULATION IN THE AREA.

THESE INCLUDED THE IMPLEMENTATION OF 24-HOUR URBAN CLEARWAY RESTRICTION ALONG BOTH SIDES OF THE WHOLE SECTION OF CONTAINER PORT ROAD, PROVISION OF EMERGENCY EXITS AT APPROPRIATE LOCATIONS, ADDITION OF TRAFFIC LANE NEAR ROUNDABOUT 3 AND MODIFICATION OF ROUNDABOUT 5 SO AS TO INCREASE THE ENTRY CAPACITY AT THE ROUNDABOUT.

IN ORDER TO BRING THE KWAI TSING AREA UNDER SURVEILLANCE, THREE TRAFFIC SURVEILLANCE CAMERAS HAVE BEEN INSTALLED IN STRATEGIC LOCATIONS IN THE AREA, WITH THE FOURTH TO BE INSTALLED SHORTLY.

ON COMPLETION OF THE FOURTH ONE, ALL CRITICAL AREAS ALONG CONTAINER PORT ROAD, KWAI CHUNG ROAD, THE TSING YI BRIDGES AND THE TSUEN TSING AND KWAI TSING INTERCHANGE WILL BE PUT UNDER SURVEILLANCE.

IN ADDITION, THE POLICE HAVE DEVISED A NEW EMERGENCY TRAFFIC DIVERSION PLAN AIMED AT REDUCING THE LEVEL OF TRAFFIC CONGESTION IN THE CONTAINER PORT AREA DURING EMERGENCIES WHEN THERE IS AN UPSURGE OF TRAFFIC.

THE MAIN FEATURE OF THE SCHEME IS TO PHYSICALLY SEPARATE THE EXISTING SIX ACCESS POINTS TO THE CONTAINER PORT INTO TWO SERVICING AREAS WITH THREE ACCESS POINTS LEADING TO TERMINALS ONE TO FIVE AS WELL AS THE CONTAINER FREIGHT STATIONS IN THE NORTHERN PART OF CONTAINER PORT ROAD, AND THE OTHER THREE ACCESS POINTS TO TERMINALS SIX TO EIGHT.

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TWO TRIAL RUNS WERE CARRIED OUT IN JANUARY AND MARCH THIS YEAR WITH SOME SUCCESS, BUT THERE ARE STILL PROBLEMS THAT NEED TO BE ADDRESSED. THIS IS CURRENTLY BEING FOLLOWED UP BY THE TRANSPORT DEPARTMENT AND THE POLICE.

DEPENDING ON THE SITUATION, THE FURTHER REVISED SCHEME MAY BE INTRODUCED UPON THE RE-OPENING OF THE TERMINALS FOLLOWING A TYPHOON.

MR LUI SAID TERMINAL OPERATORS HAD ALSO BEEN HELPING BY ADOPTING AN APPOINTMENT SYSTEM.

ONE OPERATOR ADOPTED SUCH A SYSTEM FOR IMPORT CARGOES SOME YEARS AGO, WHILE THE OTHER TWO OPERATORS STARTED A SIMILAR SYSTEM IN JULY AND AUGUST LAST YEAR RESPECTIVELY.

HOWEVER, AS IT IS OPERATIONALLY MORE DIFFICULT FOR AN APPOINTMENT SYSTEM FOR EXPORT CARGOES, IT WOULD BE FURTHER STUDIED AS A LONGER TERM POSSIBILITY.

HOWEVER, MR LUI POINTED OUT THAT IT WOULD BE TOO OPTIMISTIC TO BELIEVE THAT THE EFFORTS IN THE PAST YEAR WOULD ENTIRELY REMOVE TRAFFIC CONGESTION DURING EMERGENCIES.

"THE VARIOUS IMPROVEMENT MEASURES WILL ONLY HELP MINIMISE THE IMPACT OF HEAVY TRAFFIC AND PUT CONGESTION UNDER CONTROL.

"LONG TERM SOLUTIONS LIE IN THE OPENING OF CONTAINER TERMINAL NO. 8 AND OTHER NEW TERMINALS WHICH WILL HAVE SUBSTANTIAL BACK-UP AREAS, COMPLETION OF ROUTE 3 AND THEIR ASSOCIATED PROJECTS, THE TSING YI NORTHERN COASTAL ROAD AND TING KAU BRIDGE AS WELL AS THE DEVELOPMENT OF RAIL AND BARGE LINKS WITH CHINA," HE SAID.

HE ADDED THAT BECAUSE OF RAPID GROWTH IN TRAFFIC IN THE AREA, CONGESTION WAS INEVITABLE AND IN ADDITION TO EFFORTS CURRENTLY BEING MADE BY GOVERNMENT AND TERMINAL OPERATORS TO ADDRESS THIS PROBLEM, IT WAS ALSO ESSENTIAL THAT MOTORISTS CO-OPERATED WITH RADIO BULLETINS AND ADVICE GIVEN WHEN CONGESTIONS WAS EXPECTED TO OCCUR.

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#### WALLED CITY PARK - A LANDMARK IN CENTRAL KOWLOON

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THE KOWLOON WALLED CITY PARK WILL BECOME A LANDMARK OF CENTRAL KOWLOON UPON ITS COMPLETION IN MID-1995, THE ACTING DIRECTOR OF ARCHITECTURAL SERVICES, MR PAU SIU-HUNG, SAID TODAY (THURSDAY).

SPEAKING AT THE GROUND-BREAKING CEREMONY OF THE PARK, MR PAU SAID THE PARK, BLENDED WITH THE RELICS OF THE WALLED CITY, WOULD ALSO CAPTURE THE ESSENCE AND STYLE OF GARDENS COMMONLY FOUND IN SOUTHERN CHINA IN THE EARLY QING DYNASTY.

IT WOULD BE HONG KONG'S FIRST AUTHENTIC CHINESE GARDEN.

/"THE GARDEN .....

"THE GARDEN, OCCUPYING A SITE OF 3.1 HECTARES, WILL ENHANCE THE AMENITIES PROVIDED FOR THE KOWLOON CENTRAL RESIDENTS WHEN IT IS COMPLETED IN JULY 1995.

"THE DESIGN OF THE PARK IS THE RESULT OF MUCH RESEARCH WORK ON CHINESE GARDENS BY ARCHITECTURAL SERVICES STAFF, AS WELL AS THE ADVICE AND ASSISTANCE FROM THEIR COUNTERPARTS IN CHINA," HE NOTED.

"THE DESIGN OF THE PARK HAD BEEN AWARDED A DIPLOMA OF THE CENTRAL SOCIETY OF HORTICULTURE OF GERMANY AT THE FIFTH INTERNATIONAL HORTICULTURE EXHIBITION STUTTGART EXPO 93," HE SAID.

SPECIALIST CONTRACTORS FROM CHINA WILL BE ENGAGED TO BUILD THE PAVILIONS, WINDING GALLERIES, ROCKERIES, BUSHES, TREES, WATER FEATURES, COLOURFUL STONE PAVINGS, STONES INSCRIBED WITH POETRY, WOOD AND BAMBOO CARVINGS.

"IT WILL ALSO BECOME A MAJOR TOURIST ATTRACTION AS MUCH OF THE RELICS OF THE KOWLOON WALLED CITY WILL BE RESTORED THERE", MR PAU ADDED.

ARCHAEOLOGICAL EXCAVATION HAD BEEN CARRIED OUT AT THE SITE DURING WHICH THE FOOTING OF THE ORIGINAL WALL OF THE WALLED CITY, SOME GRANITE PATHS, THE ENTRANCE GATE AND OTHER RELICS WERE FOUND.

THE ALIGNMENT OF THE WALL WILL BE DEMARCATED IN THE PARK AND PART OF THE ORIGINAL WALL WILL BE EXPOSED AS AN EXHIBIT TO THE PUBLIC.

"YAMEN", THE OLD ADMINISTRATIVE OFFICE IN THE KOWLOON WALLED CITY, WILL BE RESTORED TO FORM THE FOCUS OF THE PARK. THE SOUTH AND NORTH ENTRANCE GATES WILL BE REBUILT TO MAKE THE HISTORIC CHARACTER OF THE SITE MORE EXPLICIT.

THERE WILL BE A "KID KINGDOM" IN THE EASTERN PART OF THE PARK TO PROVIDE VARIOUS PLAYGROUND FACILITIES FOR CHILDREN.

THREE OLD WELLS WILL BE RESERVED AS A SPECIAL FEATURE TO PROVIDE WATER FOR GARDENING. OTHER RELICS, SUCH AS STONE TABLETS AND COLUMN BASES, WILL BE PLACED AT SUITABLE LOCATIONS FOR VISITORS WHO ARE INTERESTED IN THE HISTORY OF THE SITE.

ALSO OFFICIATING AT THE CEREMONY WERE THE SECRETARY FOR WORKS, MR JAMES BLAKE; THE SECRETARY FOR RECREATION AND CULTURE, MR JAMES SO AND THE CHAIRMAN OF URBAN COUNCIL, DR RONALD LEUNG DING-BONG.

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#### GRADING OF BEACH WATER QUALITY

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THE ENVIRONMENTAL PROTECTION DEPARTMENT TODAY (THURSDAY) ANNOUNCED GRADES ON THE BACTERIOLOGICAL WATER QUALITY OF ALL BATHING BEACHES IN HONG KONG.

THE PURPOSE OF THE GRADING SYSTEM IS TO INFORM SWIMMERS AND THE GENERAL PUBLIC ABOUT THE STATE OF BACTERIOLOGICAL POLLUTION AT VARIOUS BEACHES.

A SPOKESMAN FOR THE DEPARTMENT SAID THE GRADING WOULD BE ANNOUNCED BI-WEEKLY DURING THE BATHING SEASON TO COINCIDE WITH THE FREQUENCY AT WHICH BEACH WATERS WERE USUALLY SAMPLED.

THE GRADING IS BASED ON THE MOST RECENT E. COLI DATA OBTAINED BY THE DEPARTMENT IN ITS ROUTINE MONITORING PROGRAMME.

AS WITH LAST YEAR, THE GRADING ALSO INCLUDES AN ESTIMATE OF THE RISK OF SUFFERING SOME MINOR SKIN OR GASTROINTESTINAL COMPLAINTS AS A RESULT OF SWIMMING AT A BEACH WHICH HAS SOME DEGREE OF POLLUTION.

THE ESTIMATE IS BASED ON A VERY LARGE BODY OF STATISTICAL INFORMATION GATHERED IN HONG KONG IN RECENT BATHING SEASONS.

THE GRADING OF SOME BEACHES MAY VARY DURING THE SUMMER. THIS REPRESENTS A NATURAL FLUCTUATION IN THE BACTERIOLOGICAL QUALITY OF BATHING WATERS IN MOST CASES, AS RAIN AND TIDES BRING MORE OR LESS POLLUTION TO THE BEACHES.

HOWEVER, THE GRADES GIVE A GOOD GENERAL PICTURE OF THE WATER QUALITY AT BATHING BEACHES AT THE TIME OF REPORTING AND FORM THE BEST AVAILABLE FORECAST FOR THE IMMEDIATE FUTURE.

BEACHES WITH HIGHLY DEVELOPED HINTERLANDS ARE LIKELY TO BE MORE POLLUTED THAN THE GRADES SUGGEST DURING AND AFTER HEAVY RAIN.

"BATHERS SHOULD AVOID SUCH BEACHES FOR TWO OR THREE DAYS AFTER A STORM, LONGER IF THE WEATHER REMAINS OVERCAST OR LESS IF THERE IS STRONG SUNSHINE," THE SPOKESMAN SAID.

THE SYSTEM FOR GRADING BEACH WATER QUALITY IS AS FOLLOWS:

- \* GRADE "1" INDICATES THAT THE WATER QUALITY IS GOOD. THE E. COLI COUNT IS NO MORE THAN 24 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED RISK OF MINOR ILLNESS TO SWIMMERS IS UNDETECTABLE;
- \* GRADE "2" INDICATES THAT THE WATER QUALITY IS FAIR. THE E. COLI COUNT IS NO MORE THAN 180 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS NO MORE THAN 10 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS;
- \* GRADE "3" INDICATES THAT THE WATER QUALITY IS POOR. THE E. COLI COUNT IS NO MORE THAN 610 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS NO MORE THAN 15 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS; AND
- \* GRADE "4" INDICATES THAT THE WATER QUALITY IS VERY POOR. THE E. COLI COUNT IS MORE THAN 610 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS MORE THAN 15 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS.

THE DECISION ON WHETHER OR NOT TO CLOSE A BEACH TO SWIMMERS IS BASED ON A JUDGEMENT OF WHAT DEGREE OF POLLUTION IS ACCEPTABLE.

NORMALLY, THE CLOSURE OF A BEACH WOULD ONLY BE CONSIDERED BY THE URBAN OR REGIONAL COUNCILS IF A GRADE "4" OCCURRED REPEATEDLY, SO THAT THE AVERAGE HEALTH RISK OVER THE BATHING SEASON EXCEEDED 15 CASES PER 1,000 SWIMMERS.

AT PRESENT, FOUR GAZETTED BEACHES, NAMELY ANGLERS', CASTLE PEAK, OLD CAFETERIA, AND ROCKY BAY, ARE CLOSED TO SWIMMERS.

THE DECISION TO CLOSE THE BEACHES HAS BEEN MADE BY THE REGIONAL AND URBAN COUNCILS ON THE BASIS OF RECENT BEACH WATER QUALITY MONITORING DATA.

THE PUBLIC ARE ADVISED NOT TO SWIM AT THESE BEACHES. THEY ARE IDENTIFIED BY AN "X" IN THE FOLLOWING LIST.

THE GRADES OF THE BACTERIOLOGICAL WATER QUALITY OF VARIOUS BEACHES IN HONG KONG TODAY ARE LISTED BELOW:

BEACH -----	PREVIOUS GRADING ----- (AS AT 26.5.94)	PRESENT GRADING ----- (AS AT 9.6.94)
<b>HONG KONG SOUTH</b> -----		
BIG WAVE BAY	2	2
CHUNG HOM KOK	2	2
DEEP WATER BAY	2	2
HAIRPIN	2	2
MIDDLE BAY	1	1
REPULSE BAY	2	2
SHEK O	2	2
SOUTH BAY	1	1
ST STEPHEN'S	2	2
TURTLE COVE	1	1
STANLEY MAIN	2	2
ROCKY BAY	X	X
TO TEI WAN*	1	2
<b>TUEN MUN DISTRICT</b> -----		
OLD CAFETERIA	X	X
NEW CAFETERIA	3	2
CASTLE PEAK	X	X
KADOORIE	3	2
BUTTERFLY	2	3
<b>SAI KUNG DISTRICT</b> -----		
CAMPERS	1	1
CLEAR WATER BAY 1ST BEACH	1	1
CLEAR WATER BAY 2ND BEACH	1	2
HAP MUN BAY	1	1
KIU TSUI	1	1
PAK SHA CHAU	1	1
SILVERSTRAND	2	2
TRIO (HEBE HAVEN)	1	1

/ISLANDS DISTRICT .....

ISLANDS DISTRICT

CHEUNG SHA UPPER	1	1
CHEUNG SHA LOWER	2	3
DISCOVERY BAY*	1	2
HUNG SHING YEH	1	1
KWUN YAM WAN	1	1
TONG FUK	1	1
LO SO SHING	1	1
PUI O	1	2
SILVERMINE BAY	2	2
TUNG WAN, CHEUNG CHAU	1	1
TUNG O*	1	1

TSUEN WAN DISTRICT

ANGLERS'	X	X
APPROACH	4	3
CASAM	3	3
GEMINI	2	3
HOI MEI WAN	3	3
LIDO	3	3
TING KAU	4	3
TUNG WAN, MA WAN	2	2

NOTE: "X" THE BEACH HAS BEEN CLOSED FOR SWIMMING PURPOSES.  
 \* NON-GAZETTED BEACHES.

THE FOLLOWING BEACHES HAVE CHANGED GRADING ON THIS OCCASION:

NEW CAFETERIA AND KADOORIE FROM "3" TO "2"; APPROACH AND TING KAU FROM "4" TO "3"; TO TEI WAN, DISCOVERY BAY, PUI O AND CLEAR WATER BAY 2ND BEACH FROM "1" TO "2"; AND CHEUNG SHA LOWER, GEMINI AND BUTTERFLY FROM "2" TO "3".

ALL OF THE CHANGES ARE WITHIN THE NORMAL RANGE OF FLUCTUATION OF THE BACTERIOLOGICAL WATER QUALITY OF THESE BEACHES.

NOTE TO EDITORS:

FOR FURTHER ENQUIRIES, PLEASE CONTACT PRINCIPAL ENVIRONMENTAL PROTECTION OFFICER DR MALCOLM BROOM ON TEL 835 1234.

ASIAN SCHOOL BASKETBALL CHAMPIONSHIPS TO BE HELD IN HONG KONG

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THE FIRST SERIES OF MAJOR INTERNATIONAL BASKETBALL COMPETITIONS FOR STUDENTS FROM ACROSS ASIA WILL BE HELD IN HONG KONG FROM JULY 15 TO 25 THIS YEAR, THE DIRECTOR OF EDUCATION, MR DOMINIC S W WONG, ANNOUNCED TODAY (THURSDAY).

MR WONG WAS SPEAKING AT A PRESS CONFERENCE ON THE ASIAN SCHOOL BASKETBALL CHAMPIONSHIPS FOR GIRLS 1994.

HE SAID THE COMPETITIONS WOULD BE JOINTLY PRESENTED BY THE HONG KONG SCHOOLS SPORTS COUNCIL, THE EDUCATION DEPARTMENT, THE HONG KONG SPORTS DEVELOPMENT BOARD, THE URBAN COUNCIL AND THE HONG KONG BASKETBALL ASSOCIATION AS AN INTERNATIONAL EVENT OF THE ASIAN SCHOOL SPORT FEDERATION, OF WHICH HONG KONG IS ONE OF THE 12 MEMBERS.

THE COMPETITIONS FOR GIRLS WILL BE HELD IN HONG KONG NEXT MONTH WHILE THOSE FOR BOYS WILL BE HELD IN KOREA LATER THIS YEAR.

THE COMPETITIONS WERE AIMED AT IMPROVING THE PLAYING STANDARDS OF STUDENTS IN BASKETBALL, IMPROVING LINKS AMONG ASIAN STUDENTS, ENABLING TALENTED ATHLETES TO GAIN MORE OVERSEAS COMPETITION EXPERIENCE AND WIDENING THE SCOPE AND VISION OF STUDENTS THROUGH SPORTING AND CULTURAL EXCHANGES.

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ENDANGERED SPECIES AND PROHIBITED MEDICINE FORBIDDEN

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MEMBERS OF THE PUBLIC VISITING CHINA AND OVERSEAS COUNTRIES DURING THE FORTHCOMING LONG WEEKEND ARE REMINDED NOT TO BRING BACK ANY ENDANGERED SPECIES OR MEDICINE CONTAINING OR CLAIMING TO CONTAIN TIGER OR RHINO INGREDIENTS ON THEIR RETURN TO HONG KONG.

ANY PERSON FOUND IN POSSESSION, IMPORTING OR EXPORTING THESE ENDANGERED OR PROHIBITED ITEMS IS CONTRAVENING THE ANIMALS AND PLANTS (PROTECTION OF ENDANGERED SPECIES) ORDINANCE.

IT CARRIES A MAXIMUM FINE OF \$25,000 ON FIRST OFFENCE AND \$50,000 FINE PLUS SIX MONTHS' IMPRISONMENT ON SUBSEQUENT OFFENCES UPON CONVICTION.

THE AGRICULTURE AND FISHERIES DEPARTMENT'S (AFD) SENIOR CONSERVATION OFFICER MR CHAN JEE-KEUNG SAID TODAY (THURSDAY) USUALLY AFTER A LONG HOLIDAY, A NUMBER OF SEIZURES WOULD BE MADE AT THE CHECKPOINTS BY CUSTOMS OFFICERS.

MR CHAN SAID: "AMONG THE MORE POPULAR SPECIES SEIZED WERE PARROT, PANGOLIN, EAGLE, HAWK, OWL, SLOW LORIS, COBRA, KING COBRA, TORTOISE AND CORAL."

HE POINTED OUT THAT CUSTOMS OFFICERS AND AFD OFFICERS HAD STEPPED UP INSPECTION AT THE CHECKPOINTS AND RETAIL SHOPS WHERE ENDANGERED SPECIES MIGHT BE OFFERED FOR SALE.

"ATTENTION HAS PARTICULARLY BEEN PAID TO MEDICINE CONTAINING OR CLAIMING TO CONTAIN TIGER INGREDIENTS SINCE THE BAN ON THEIR POSSESSION BECAME EFFECTIVE ON APRIL 28 THIS YEAR. THE IMPORT AND EXPORT OF THESE MEDICINE HAVE BEEN PROHIBITED SINCE JANUARY 28.

"TWO SEIZURES OF SUSPECTED TIGER BONE PLASTER WERE MADE BY CUSTOMS OFFICERS ON MAY 31 AT THE LOK MA CHAU BORDER CHECKPOINT AND THE CHINA HONG KONG FERRY TERMINAL IN KOWLOON RESPECTIVELY," HE SAID.

CHARGES MAY BE LAID AGAINST THE SUSPECTS ONCE INVESTIGATIONS ARE COMPLETED.

MR CHAN REITERATED THE GOVERNMENT'S EFFORTS TO CLAMP DOWN ON THESE ILLEGAL ACTIVITIES SO AS TO UPHOLD HONG KONG'S GOOD IMAGE IN COMPLYING WITH THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES).

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FORCES CELEBRATE QUEEN'S BIRTHDAY

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UNITS OF ALL THREE OF THE ARMED FORCES OF THE CROWN WILL MARK THE OFFICIAL BIRTHDAY OF HER MAJESTY QUEEN ELIZABETH II ON SATURDAY (JUNE 11) WITH A CEREMONY AT STONECUTTERS ISLAND.

IMMEDIATELY AFTERWARDS, A ROYAL AIR FORCE (RAF) WESSEX HELICOPTER WILL PARADE THE UNION FLAG THROUGH VICTORIA HARBOUR TO FURTHER MARK THE OCCASION.

AS IS TRADITIONAL, THE ROYAL NAVY WILL FIRE A 21-GUN SALUTE, STARTING PRECISELY AT NOON. THIS YEAR, IN ADDITION, THE BAND OF THE HONG KONG MILITARY SERVICE CORPS WILL PLAY "GOD SAVE THE QUEEN" AND THE WESSEX HELICOPTER WILL FLY OVERHEAD.

PILOTED PERSONALLY BY SQUADRON LEADER DICK BARTON, OFFICER COMMANDING NO.20 (AC) SQUADRON RAF, THE WESSEX WILL FLY PAST WITH A LARGE UNION FLAG SUSPENDED BENEATH ITS FUSELAGE.

IT WILL THEN CONTINUE FROM STONECUTTERS ISLAND THROUGH VICTORIA HARBOUR AND ALONG THE FACE OF HONG KONG ISLAND AT LEAST AS FAR AS NORTH POINT IN A FURTHER MARK OF RESPECT TO HER MAJESTY. THE AIRCRAFT WILL BE FLYING AT A HEIGHT OF 200-300 FEET.

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ATTENTION NEWS EDITORS:

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER THE QUEEN'S BIRTHDAY CELEBRATIONS ON STONECUTTERS ISLAND ON SATURDAY (JUNE 11).

MEDIA REPRESENTATIVES WISHING TO ATTEND SHOULD ARRIVE AT THE MAIN GATE OF THE HEADQUARTERS BRITISH FORCES, PRINCE OF WALES BARRACKS, NO LATER THAN 10.15 AM.

A REPRESENTATIVE OF JSPRS WILL BE ON HAND TO ESCORT THE MEDIA TO STONECUTTERS ISLAND. THE RETURN FERRY WILL DEPART AT 1 PM.

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CARGO WORKING AREAS REMAIN OPEN ON HOLIDAYS

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THE MARINE DEPARTMENT ANNOUNCED TODAY (THURSDAY) THAT ALL PUBLIC CARGO WORKING AREAS WOULD STAY OPEN FROM 7 AM TO 9 PM DURING THE PUBLIC HOLIDAYS ON JUNE 11, 13 AND 14.

THE PUBLIC CARGO WORKING AREAS ADMINISTERED BY THE DEPARTMENT ARE AT THE WESTERN DISTRICT, SHEUNG WAN, WAN CHAI, CHAI WAN, YAU MA TEI, KWUN TONG, CHA KWO LING, TSUEN WAN AND RAMBLER CHANNEL.

A SPOKESMAN FOR THE DEPARTMENT SAID: "THE TUEN MUN PUBLIC WATERFRONT WILL ALSO BE OPEN FROM 7 AM TO 9 PM DURING THE HOLIDAYS."

THE MACAU FERRY TERMINAL WILL REMAIN OPEN 24 HOURS WHILE THE CHINA FERRY TERMINAL IN TSIM SHA TSUI WILL BE OPEN AS NORMAL BETWEEN 6 AM AND 10 PM ON THESE DAYS.

THE VICTORIA MARINE OFFICE IN HARBOUR BUILDING WILL BE OPEN FROM 9 AM TO 11 AM ON JUNE 12 AND 14 FOR ENTRY AND OUTWARD CLEARANCE ONLY.

THE PORT FORMALITIES OFFICE IN THE SAME BUILDING WILL ONLY BE OPEN FROM 9 AM TO 11 AM ON JUNE 12.

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HOLIDAY WELFARE PAYMENTS ADVANCE TO TOMORROW

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RECIPIENTS OF COMPREHENSIVE SOCIAL SECURITY ASSISTANCE AND SOCIAL SECURITY ALLOWANCE UNDER THE BANK PAYMENT SYSTEM ARE REMINDED THAT THEY WILL RECEIVE PAYMENTS TOMORROW (FRIDAY) IF THEIR PAYDAYS FALL ON THE FORTHCOMING PUBLIC HOLIDAYS.

A SPOKESMAN FOR THE SOCIAL WELFARE DEPARTMENT SAID TODAY (THURSDAY) THAT PAYMENTS SCHEDULED BETWEEN SATURDAY (JUNE 11) AND NEXT TUESDAY (JUNE 14) WOULD BE ADVANCED TO TOMORROW (FRIDAY).

IN CASE OF DOUBT, RECIPIENTS MAY CONTACT THEIR RESPECTIVE SOCIAL SECURITY FIELD UNITS.

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ADDITIONAL HOTLINE FOR INDUSTRIAL SAFETY MATTERS

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THE LABOUR DEPARTMENT ANNOUNCED TODAY (THURSDAY) THAT AN ADDITIONAL TELEPHONE HOTLINE NUMBER 542 2172 HAS BEEN PROVIDED IN THE HEADQUARTERS OF THE FACTORY INSPECTORATE DIVISION.

THE ADDITIONAL HOTLINE IS INTENDED TO FACILITATE MEMBERS OF THE PUBLIC TO LODGE COMPLAINTS ABOUT UNSAFE MATTERS IN THE INDUSTRIAL UNDERTAKINGS DURING OFFICE HOURS.

MEANWHILE, REPORTING OF INDUSTRIAL ACCIDENTS AND PUBLIC ENQUIRIES ON INDUSTRIAL SAFETY MATTERS CAN STILL BE MADE THROUGH THE EXISTING HOTLINE NUMBER 815 0678.

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CLOSURE OF ILLEGAL STRUCTURE IN YAU MA TEI

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THE BUILDING AUTHORITY IS SEEKING TO CLOSE AN UNAUTHORISED STRUCTURE IN YAU MA TEI SO THAT IT CAN BE DEMOLISHED WITHOUT ENDANGERING THE OCCUPANTS AND THE PUBLIC.

THE SINGLE-STOREY STRUCTURE USED FOR A SHOP IS LOCATED ON THE GROUND FLOOR OF 541 SHANGHAI STREET.

A NOTICE APPLYING FOR A CLOSURE ORDER FROM THE DISTRICT COURT UNDER THE BUILDINGS ORDINANCE ON JULY 12 WAS POSTED ON THE PREMISES TODAY (THURSDAY).

DEMOLITION WORK IS EXPECTED TO START AS SOON AS THE CLOSURE ORDER IS ISSUED.

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FINANCE COMMITTEE MEETS TOMORROW

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THE FINANCE COMMITTEE WILL HOLD A MEETING AT 2.30 PM TOMORROW (FRIDAY) AT THE LEGISLATIVE COUNCIL CHAMBER.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE PROCEEDINGS FROM THE PUBLIC GALLERY. THEY MAY RESERVE SEATS BY CALLING 869 9399.

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ATTENTION NEWS EDITORS:

YOUR REPRESENTATIVES ARE INVITED TO COVER THE MEETING.

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THURSDAY, JUNE 9, 1994

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HONG KONG MONETARY AUTHORITY  
MONEY MARKET OPERATIONS  
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	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
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OPENING BALANCE IN THE ACCOUNT	1,902	0930	-970
CLOSING BALANCE IN THE ACCOUNT	2,137	1000	-970
CHANGE ATTRIBUTABLE TO :		1100	-1,170
MONEY MARKET ACTIVITY	-1,170	1200	-1,170
LAF TODAY	+1,405	1500	-1,170
		1600	-1,170
LAF RATE 2.50 BID/4.50 OFFER	TWI 124.8	*+0.0*	9.6.94

HONG KONG MONETARY AUTHORITY

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.94	18 MONTHS	2511	4.15	98.12	5.59
1 MONTH	3.55	24 MONTHS	2605	6.35	100.70	6.05
3 MONTHS	3.99	29 MONTHS	3610	4.20	95.41	6.40
6 MONTHS	4.47	32 MONTHS	3701	4.60	95.61	6.54
12 MONTHS	5.04	35 MONTHS	3704	6.15	98.99	6.64

TOTAL TURNOVER OF BILLS AND BONDS - 41,423 MN

CLOSED 9 JUNE 1994

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