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Governor's question-and-answer session in LegCo

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

Mrs Selina Chow: Mr Governor, recently, we've had protests from Vietnamese migrants. This is a rather common phenomenon in recent days and yet your Policy Address is silent on this, and on the TV programme last evening you didn't say anything much on it either. And in the Progress Report it is admitted that you have not achieved your target, and yet in your Policy Address you haven't told us what exactly you plan to do. So, what sort of contingency plans do you have in the pipeline? In other words, if by 1997 we fail to repatriate all VBPs, what is going to happen, and will the UK take the remaining ones? I think that is more practical than trying to get passports for the three-odd million people in Hong Kong.

Governor: First of all, on the television programme which the Honourable lady stayed up to watch last night, I did have one question on the issue which the Honourable lady raises and I gave what I thought, and everybody else seemed to think, was an honest answer. Our policy on Vietnamese migrants is exactly the same as it was when the Honourable lady was a member of the Executive Council and we are attempting to implement that policy as effectively as possible. The Honourable lady may recall that we were having some success in repatriating Vietnamese migrants voluntarily; we've managed to move about 45,000 since 1989. In 1992 and 1993 Vietnamese migrants were returning voluntarily - and of course there was the Orderly Repatriation Programme - but they were returning voluntarily at about 1,000 a month. Unfortunately, a number of circumstances, including a vote in the US Congress, have dried up the flow of voluntary repatriation, so we are trying to move forward with the Orderly Repatriation Programme but we undoubtedly need to encourage voluntary repatriation as well. We will continue to do everything we can to get the Vietnamese migrants back to Vietnam, and as for what happens if we don't succeed, I'd prefer to concentrate on succeeding.

The Honourable lady knows, I think, perfectly well, that it is hardly helpful to hold out wholly unrealistic prospects of what might happen to Vietnamese migrants if they haven't gone back by 1997. They're not going to find a home in the United Kingdom, they're not going to find a home in Australia, they're not going to find a home in the United States, and nobody should give them that impression. It isn't helpful to give them that impression because it encourages them not to volunteer.

Mrs Selina Chow: Mr Governor, first you refer to the previous Executive Council and Hong Kong Government policy, now all along we've been talking about sending them all back before 1995. That was the policy and it is obvious that that won't be achieved. Now, Mr Governor, you seem to be circumventing the question every time. Now you are saying that if in 1997 there are Vietnamese Boat People here and we give them the wrong impression that they might be able to go to the UK and other countries -- Why is this misleading? Why can't you take it up with the UK Government and ask the UK Government to agree to taking these Vietnamese Boat People?

Governor: For the same reasons that applied when the Executive Council, which had a number of distinguished members, discussed the issue in 1988: the United Kingdom Government, after 1997, wouldn't have legally or any other grounds, any responsibility for taking them. That's why I want to get them back before 1997 and we will continue in the Administration to work as hard as we can on the issue.

I don't think the Honourable lady should be disingenuous in pursuing this argument. The parameters of the problem haven't changed since she was a distinguished member of the Executive Council. We are working extremely hard, not least our Correctional Services Department, and our Police Officers from time to time, to deal with the problem, and we will continue to do so. We will do everything we can to deal with the problem as quickly as possible and I hope that we get more support rather than less support internationally. As I've said before and as I explained to Representative Smith, a US Congressman who has been much involved in this issue, I don't think that recent decisions by the US Congress have helped but I'm glad that the United States Administration has been trying to be of assistance on this matter.

Dr C H Leong: Governor, in your policy address yesterday you made some words of praise to the Hospital Authority and its performance pledges and for that we have to be thankful. In the same address you also mentioned that there will be an increase in public medical services, like increasing some 800 hospital beds which is obviously laudable, but you also feel that there will be more people patronising the public medical services. In other words, it appears that there will be an unlimited public medical service itself. Now could I ask whether it is the commitment of your Government to unlimitedly fund these unlimited services? If not, what are your plans either to curb the service or are there any means in your mind that you will fund the service itself and what plans do you have to balance the provision of health care services between the private and the public?

Thank you.

Governor: These are problems which we started to debate, thanks to the Honourable Lady, a couple of years ago, but I'm not sure how much appetite for or enthusiasm for the debate there was in the Council or in the community on the issue at that time. The matter which the Honourable Member touches on isn't one which is unique to Hong Kong. It's a problem in every developed community. I think that here in Hong Kong we provide better services at less cost and with less worry for patients or potential patients than in many other communities. But the basic problem, the Honourable Gentleman knows better than I do. The costs of medical care continue to increase, both for demographic reasons and because of the advances of science and technology. Everybody, understandably, wants the best service they can get and expects for instance any new treatment to be available to them. We also face the additional costs of an ageing population. As the health service keeps people alive for longer, so the costs of their health care increase and it's always the case that a very large proportion of a health budget is devoted to the health care of the elderly. So we will find ourselves in the same position as other communities, trying to balance unlimited demand against an inevitably limited supply of resources, and I hope that we can resume the debate which had begun a couple of years ago so the community can try to focus on what we believe the priorities should be. The Honourable Member has very sensibly underlined the importance of community health care and taking a more holistic approach to these issues and I think that has to be something that we all do.

I can just add one point. We do at present have a vigorous private sector and we have sensible bridges between the private and the public sector in health care. I hope that we don't inadvertently burn those bridges down because I think that would lead inexorably to more costly health care for everyone and it would lead inexorably to even more concern about different standards of health care according to the personal means of the patient and I think we want to avoid that if at all humanly possible. But I welcome the Honourable Member's suggestion that this is a subject which this Council will need to debate and to focus on.

Dr David Li: Governor, would you inform this Council which sector or industry have the majority of illegal employment and what are the causes?

Governor: I would need more notice of that question but I think it will be apparent to the whole Council that there have been some sectors in the past, like the construction industry, like the restaurant business, where there have been particular problems with the number of illegal workers. Between about June and August there were, I think, over 600 actions carried out against illegal employment and well over 900 arrests were made. That's, I hope, an indication of our determination to stamp out illegal employment wherever we can. It's unfair to the whole community but it's also, we must remember, unfair to those who are being employed illegally. Invariably they're being employed on worse terms. Invariably they're being employed in deplorable conditions in which things like safety and health have even less priority than they do in other parts of the work force. So it's in the interests of the illegal employees, as well as everybody else, that we take action on these matters.

Dr David Li: Sir, has there been any improvement since, since that action that you have taken?

Governor: I think that we're all aware of the scale of the problem. To have made over 900 arrests in a period of three months is, in one sense, an indication of success but perhaps should give us all concern about the scale and dimensions of the overall problem which argues for continuing efforts on our part and we will have to look at the penalties that are imposed in due course to see whether we think they're discouraging people from what is an entirely damaging activity.

Mr Albert Chan: Mr President, I haven't pressed my button or raised my hand.

President: Either Mr Szeto Wah or Mr Albert Chan raised his hand. Mrs Miriam Lau.

Governor: Perhaps I could make-up a question!

Mrs Miriam Lau (in Chinese): Thank you Mr President. Mr Governor, with regard to your Policy Address, you say that you want to improve upon the quality of air on our roads, and last month you published some measures to encourage mini-buses and buses to switch from diesel to petrol and you said that you have consulted the public. Now I have a question for the Governor. Will you be consulting those in the affected trades? And also, concerning those measures, will they be implemented only if you can get widespread support from the trades concerned and from the public? And now you are still at the consultation stage, why is it that for diesel vehicles under four tons, why is it that this measure has been included in the 1995/96 Legislative timetable; is it that the Government will press ahead with this measure regardless of public opinion? Is this a document to inform the public instead of to consult the public?

Governor: Well, we do want to proceed with as broad a measure of support as we possibly can and I think we would be acting curiously were that not so. But it does seem to me that we start from a position in which the overall view of the community isn't that we're doing too much to improve air quality but that perhaps we should have acted even more vigorously even sooner. That's certainly the pressure of my correspondence and it's the sort of pressure that I get when I'm questioned going around the community. We must improve air quality in Hong Kong. I don't think that anybody really believes that we'll have a chance of doing that unless we reduce diesel numbers in urban areas. As the Honourable lady knows, we want, within five years, to halve the total diesel numbers and switch most intensive road users to unleaded petrol. If we do that - when we do that - we'll be moving in the same sort of direction as other developed communities, and there is clearly a cost to us in terms of health care, as well as overall environmental quality, if we don't manage that.

Now, we've started this process of consultation, not least regarding the financial incentives, to encourage a switch. I hope during the course of the consultation we will manage to encourage the trades involved, as well as passengers, as well as pedestrians and the general public, of the good sense of what we are proposing, but there isn't an easy way of achieving the objective that we want. I think that it's in everyone's interest, and not least the transport industry, to have cleaner transport in Hong Kong and I hope we can manage that.

Even if the Honourable lady may take exception to some of the things that we are attempting to do in switching from diesel to petrol, I hope that she'll totally agree with us that where there's no petrol alternative, it is important with larger diesel vehicles to have annual smoke inspections, to have tighter emission controls and to increase penalties. I think that should be an issue on which everybody could agree.

Mrs Miriam Lau (in Chinese): May I follow up. Mr Governor, I share your desire to protect our environment but my point is, is this proposal both fair and just in achieving those goals? Now, I did pose a question a moment ago, i.e. this particular plan, will it be implemented only if it's got the support of the community and the trade? I want a very clear answer. In other words, will you go ahead merely because the community is behind you, without any regard for the trade?

Governor: Of course we have to take account of the trade, but we have to weigh in the balance the overall community view and the overall community interest. And I don't think anyone - not even somebody representing a particular functional constituency - would argue that the whole of the community interest should be put on one side if that particular functional constituency isn't totally in support of the measure. I actually think that a number of sensible and public spirited transport undertakers would actually accept the arguments for cleaner transport and I'm sure their point of view will be eloquently put forward by the Honourable lady. At the end of the day, or at the end of the debate, representing the community as it does, if we bring forward legislation, this Council will take a view and I hope that when it does so the Honourable lady's eloquence will be one of the decisive factors in securing improved air quality for us in Hong Kong without sacrificing the legitimate needs of our transport industry.

President: Dr Cheung Bing-leung.

Dr Cheung Bing-leung (in Chinese): Mr Governor, in your Policy Address you reiterated the point that you will help in the preparation work of the SAR and this SAR PC. Could I know exactly what you are talking about? Now, we have the SAR PC and we have got PWC people saying that one of the most important jobs of the Preparatory Committee is to set up the provisional legislature, so will your assistance go to that extent as well?

Governor: Let me deal with the second point first. I have been asked questions about it from time to time in the past and just in case I haven't made myself as clear as I would like to have done, let me say, once again, that there can be no question under any conceivable circumstances of the Hong Kong Government, or for that matter the Government of the present sovereign, doing anything to undermine the authority of this legitimately constituted Legislative Council. There can, therefore, be no question of us assisting in the - (pause) - production -- I'm not quite sure what word to use -- of some alternative whose genesis in relation to the Joint Declaration and the Basic Law is, to me, decidedly unclear. So as far as I am concerned, there is one Legislative Council and it is meeting here, and there is every reason why it should go on meeting here until 1999, and I think that is the overwhelming view of the international community - as well as the community here in Hong Kong, even more to the point.

As to the co-operation elsewhere with the Preparatory Committee, we have made clear that the Preparatory Committee emerges from the sacred texts, emerges from the Joint Declaration and the Basic Law. The Preparatory Committee has an important job to do in paving the way for the Chief Executive designate and his or her team. We've suggested the establishment of a Liaison Office to work with the Preparatory Committee to provide it with information, and the exact way in which we operate, the exact mode of working, we will obviously want to discuss with the Secretariat of the Preparatory Committee when it is established, and with the Preparatory Committee itself. But I think that this Council and the whole community would expect us to be as helpful and co-operative as possible.

Let me just add one other thing. I don't wish to pre-empt the decision that others make but I imagine it is conceivable that there may well be members of this Council on the Preparatory Committee and members of this Council will therefore be receiving information that we give to the Preparatory Committee and will, I'm sure, not expect us to give information to the Preparatory Committee which this Council doesn't know about.

Dr Cheung Bing-leung (in Chinese): Mr Governor, you said that you will be assisting the Preparatory Committee, you will be giving them information. Does that mean that you will give them information only, and not assist in any other way?

Governor: Well, there may well be other ways in which they want to be assisted. They may want - some of them who don't know Hong Kong as well as one would like - to learn more about Hong Kong, to be shown parts of Hong Kong's life which they may not be familiar with. There are all sorts of practical ways in which they may need help and I think the community would expect us to provide that help. But I know perfectly well that this Legislative Council will press us on exactly what help we're giving and since, as I said, there are likely to be members of this Council on the Preparatory Committee, it would be foolish of us to contemplate - even if we wished to do so which we don't - to hide from the Council what in general we were doing to help the Preparatory Committee.

President: Miss Chan Yuen-han.

Miss Chan Yuen-han (in Chinese): Mr Governor, I have a question. In relation to your Policy Address it's silent on the application of CEDAW in Hong Kong. Does that mean that you have no intention of doing so?

Governor: No. It's still our intention to work for the application of CEDAW to Hong Kong and though I don't have all the policy commitments to hand, I think were I to do so I would be able to find a specific reference to that in the policy commitments of my distinguished colleague the Secretary for Home Affairs.

President: Do you have a follow-up Miss Chan?

Miss Chan Yuen-han (in Chinese): Yes. In the policy commitment we haven't got any specific timetable. It's said that there is such an intention. This question in fact has been discussed at the Legislative Council for quite some time and I would like a specific timetable.

Governor: I think that perhaps the lack of specificity about the timetable is because we're discussing the issue both with the present and the future sovereign, the exact timing. But I can assure the Honourable Member that we have no intention to do other than apply CEDAW, with those appropriate reservations which have been discussed in the Council, as rapidly as possible. It would be strange were it otherwise because both the present and the future sovereign, both as I recall apply CEDAW.

President: Miss Emily Lau.

Miss Emily Lau: Thank you Mr President. I want to follow-up on the question of the provisional legislature raised by Mr Cheung Bing-leung. The Governor referred to the unclear genesis in the Basic Law and the Joint Declaration of the provisional legislature which I agree of course, but I wonder whether he would go even further to say that the setting-up of the provisional legislature would be a breach of the Sino-British Joint Declaration? And also Mr President, I want to ask the Governor whether in co-operating with the preparatory committee next year and in '97, is he also prepared to co-operate in a sense of allowing the Chinese Government to second cadres to work in the Hong Kong Government, just like right now the British Government is seconding people to work in the Hong Kong Government and would that be also seen as a breach of the Joint Declaration?

Thank you Mr President.

Governor: Well, I'm always reluctant, in life before anybody breaks my windows, to rush around blaming them for having done so and before anything is done which maybe in contravention of the Joint Declaration I'm reluctant to point an accusatory finger. But speaking as an interested observer of these things, I do find it difficult to imagine how the establishment of a provisional legislative council, which of course is unnecessary, undesirable and unwelcome, could be within the terms of the Joint Declaration. But, I repeat that I don't want to wag my finger in a minatory way about something that may never happen.

As for the secondment of PRC civil servants to the Hong Kong Government, that hasn't, I don't think, been yet suggested, either for the period before 1997 or the period after 1997. I'm not sure whether, were it to be suggested, it would actually be in breach of the Joint Declaration, but I'm prepared to take counsel on that point. I do think, if I may say so, that one of the, that there are two important considerations which none of us should lose sight of. The first is that civil servants in Hong Kong are going to want to work in an understanding and co-operative way with civil servants in the PRC and that may well mean that just as civil servants in Hong Kong want to know more about the way PRC ministries and bureaucracies work, so the reverse could reasonably be regarded as true as well. Secondly, I would have thought that one of the contributions which Hong Kong, without an excess of institutional vanity, could offer after 1997, was its expertise in running public administration from emergency services to budget planning, right across the board and that too might argue the case for secondments from time to time. I don't see how that process would necessarily infringe the guarantees and the Joint Declaration and the Basic Law, about Hong Kong's high degree of autonomy or about the continuity of the civil service in Hong Kong. So I'm less certain about that issue than I am about the other, not that I think the other should ever need to occur.

Miss Emily Lau: Just a short follow-up. I think being the British Government's representative in Hong Kong, it is important for the Governor to know himself what is, or what is not, in breach of the Joint Declaration and for you to say so, especially as the Chinese Government has repeatedly said that they are going to dismantle this Council and replace it with a provisional legislature. So I just don't think it's good enough for you to sit here today and say you're not going to anticipate that. If you clearly think that it is in breach of the JD, you should say so. Say so in no uncertain terms to the British Government, to the Chinese Government and to the Hong Kong people. And also, can you confirm for us whether the Chinese have said that they intend to second cadres to work in the Hong Kong Government, both before and after 1997?

Governor: On the second point, we've had no indication that the, as far as I'm aware, of posting of cadres to the Hong Kong Administration, though if I'm not correct about that I'll certainly let the Honourable lady know.

On the first point, I was attempting diplomatically to avoid accusing anyone of breaching the law before any breach of the law, not the law, before any breach of an agreement had either been committed or conceivably contemplated, but were the situation to occur the Honourable Lady should rest content that I will make my views abundantly plain. What I have said and will continue to say, is that I think there is no reason whatsoever why this Council shouldn't continue from 1995 to 1999, every reason why it should continue and every reason for supposing and arguing vehemently that to disrupt the life of this Council in 1997 would be bad for Hong Kong and would be bad for a smooth transition.

President: Dr Law Cheung-kwok.

Dr Law Cheung-kwok (in Chinese): Mr Governor, I share your view that we must improve the economy and we can do so by increasing productivity but in paragraph 35 of the policy address we are told that since 1985 the productivity has increased by an average of 4.5% per annum. I believe most economists would share my view and that is with regard to the figures you have put forward, those figures cannot truly reflect the changes in the productivity of our labour force. If you use these figures as the basis for formulating your economic policies and if you are always complacent about the economic development of Hong Kong, then I would feel very worried indeed.

I have two suggestions for you Mr Governor. With regard to the changes in the productivity of our labour force and the causes for the changes, the Government should start immediately to study these aspects. And secondly, can the Government come up with specific proposals to increase productivity in different sectors? I think the Government should work hard in these respects.

Governor: Thank you. I'm not sure on what basis the Honourable member tells me that our official statistics on productivity are wrong. I have to say that until it's proved otherwise I'll continue to believe the figures that are given me by our official statisticians and by the Government economist. Where I accept the Honourable gentleman's argument is that there's no reason for being complacent about our economic performance, no reason for being complacent about our continuing ability to compete successfully by continuing to raise our productivity levels. Now the most effective way we can raise our productivity is by ensuring that we have an increasingly skilled and highly trained work-force and that we continue to invest in the machinery that work-force uses and invest substantially in the production of wealth. In the last three years, net capital investment has, I think, increased by 31 per cent which suggests that we are still investing pretty substantially and there are, I think, this year, 155,000 men and women in Hong Kong who were in some sort of part-time education trying to increase their vocational skills or their professional qualifications. So I don't think anybody in Hong Kong, least of all the Governor, is complacent about this issue. Increasing productivity will continue to be the way in which Hong Kong earns its living in the world.

President: Dr Law.

Dr Law Cheung-kwok (in Chinese): Now if you do not know how to assess productivity accurately, while always emphasising that productivity is very important, then you are being irresponsible. Now, I can tell you very certainly that you won't be able to get five economists in the private sector who will agree with these figures.

President: Governor, take it to be a question.

Governor: Well, on the contrary, looking at the figures on our economy produced by private sector economists and comparing them with the figures produced by Government economists, I think we normally find that we're about in the middle of the pack. But if the Honourable member has a real substantial intellectual case to make against our measurement of productivity, then we'll be delighted to take delivery of it. Unlike the Honourable member, I think I'm right in saying this, I don't have the great advantage of belonging to what I think is called "The Gloomy Profession". I'm not an economist. I also accept what I think was implicit in the Honourable gentleman's view that if you have ten economists in a room you have ten different views, but I'll be interested in the outcome of the Honourable member's dialogue with my economist colleagues in the Administration.

President: Mr Cheng Yiu-tong.

Mr Cheng Yiu-tong (in Chinese): Thank you Mr President. Mr Governor, you say that you will continue to invite Mr Lu Ping to come to Hong Kong as your guest. My question is, should he come, does that mean that on the question of Hong Kong the Chinese Government and the British Government are re-establishing all links? And if he doesn't come, does that mean that there are still obstacles?

Governor: First of all, can I say that I hope Director Lu Ping is wholly fit to travel and to take up his full responsibilities as soon as possible. He hasn't been well recently; we all understand that he is making a good recovery and in all sincerity, I wish him the best possible recovery as soon as possible.

Let me not, necessarily, personalise the issue, though I repeat again that I would be delighted to meet Director Lu anywhere - pretty well anywhere - anytime, and I think that that would be widely welcomed here in Hong Kong. Why? Well, for a simple reason: people in Hong Kong look at what is happening around the world and they see officials from every community, from every country whatever the disagreements there may have been, talking to one another, and they scratch their heads and they puzzle about why it is that certain senior Chinese cadres find it so difficult to do what officials everywhere else in the world do. It is, I think, a matter of some confusion to the public, not only in Hong Kong but well beyond. I don't think that anybody should be worried about losing face by meeting the Governor of Hong Kong. Those Chinese officials know perfectly well where decisions are still generated about Hong Kong's Administration and Hong Kong's Government, so I really think that we should behave rather more sensibly. I think to go on behaving as some people have been behaving is, frankly, rather demeaning.

President: Mr Cheng.

Mr Cheng Yiu-tong (in Chinese): Could you, Mr Governor, use your charisma to charm him here?

Governor: The Honourable member is much too flattering. I sometimes think that it would be, perhaps, easier and more convenient for many of us in politics if we had, at an earlier stage in our careers, a charisma bypass. I'd use any wiles or eloquence to persuade Director Lu and other senior Chinese officials to come to Hong Kong. I think that it's a matter of some concern that some senior Chinese officials who are involved in policy making about Hong Kong don't actually know this community very well, haven't been to this community at all in some cases, and I think that's something that we should all want to correct.

I had two days of vigorous debate and discussions with Director Lu. I belong to a tradition where because you have a vigorous discussion with somebody doesn't mean that you lose respect for that person, and I certainly haven't lost my respect for Director Lu's commitment to a successful transition here in Hong Kong. He is a professional, he is a distinguished public servant, and I look forward to future discussions with him, lively though they may be, and I trust they are not too charismatic.

Mr Lau Chin-shek (in Chinese): Well, the work-force, the labourers, if they heard you are scrapping the Labour Importation Scheme, I am sure they will say that you are most charismatic. And yet, we have this scheme which is making life extremely difficult for them. And then you mentioned the stopping of the scheme; I was about to rejoice, and yet, immediately, we learnt of the Supplementary Labour Importation Scheme and if you look at that, then by 1996, if we have an additional 6,000, then the number would be even greater than in September. And then the General Labour Importation Scheme in fact is not a standing arrangement, but the Supplementary Scheme will be a permanent one.

Now, I asked the Secretary this morning and he said that it is merely a proposal and not a decision. And I asked if I could therefore object to it, and he said that Legislative Councillors will know what to do. So, does that mean that this scheme will come to the Legislative Council, or is it that we will have to resort to a private member's bill to object to it, to overrule it? And yet, Mr Governor, you say that if we have any private member's bill and it is against the general interest of Hong Kong, then you will exercise your right and not give your assent. So, what is going to happen? So, if we object to that and you refuse to give assent to our bill, then how are we going to do things here, and how are we going to assess the situation?

Governor: Well, I hope that we will be able to proceed on a basis of consensus on an issue about which the community feels so strongly. Perhaps I can say, before I hope giving a reasonably comprehensive answer to the Honourable member's question, that I don't think anybody seriously believes that the decisions we take on the importation of labour are going to be the most fundamental and important decisions that we take on job creation and dealing with unemployment in Hong Kong. I don't think that is the Honourable member's view. I don't think the Honourable member thinks that if we did whatever he wants on labour importation, we would suddenly find ourselves, hey presto, creating more jobs than the increase in the number of people coming into the work-force. There are all sorts of other things that we need to do to keep Hong Kong creative in jobs, to ensure that, as has happened over the last three years, we create 10 per cent more jobs perhaps in the next three.

The second thing I'd say is that something which seems to me to be important if we're going to have the sort of co-operation which the Honourable member referred to and which I certainly hope for, it is important for people not to rush into the headlines or not to denounce things before they know exactly what they are. And what we're very much hoping is that Honourable members will now find themselves in a dialogue with the Administration, in particular with our excellent Secretary for Education and Manpower. We are hoping that we can focus that debate and that dialogue on the summit that I'll be calling next month, and we very much hope that at the end of the discussion we will have proposals which command the consent of employers, employees and the Legislative Council in as large a measure as possible.

Just let me say a couple of other things about the proposal. The first, again, is about the background of the proposal. What is the background? Is anybody seriously arguing that the whole of the reason for the increase in unemployment that we've seen in Hong Kong is the General Importation of Labour Scheme? In the last three years, in Hong Kong, we've increased the number of jobs by 10 per cent - by 270,000. The work-force has increased by 11 per cent - by just over 300,000 - for a variety of reasons: because some people who previously emigrated to Canada and Australia and elsewhere have come back; because the number of immigrants coming in from China has been high; the daily quota of 150 a day now means over 50,000 people coming in from China. Understandably, we are trying to avoid a big problem in 1997. But that is the fact.

Now, against those sort of figures, plus demographic factors, with more people coming into the work-force than there are retiring, against those figures the actual numbers represented by the importation of labour are relatively slight. I'm not saying they are completely unimportant or completely irrelevant - if I thought that, I wouldn't have sanctioned the proposals that we put to the Legislative Council yesterday - but they are only part of the issue, part of the problem. And what we mustn't do is to take any decision which makes Hong Kong less competitive and which encourages employers to move their capacity, move their manufacturing plant or whatever, elsewhere.

The second thing: the important aspect of the proposals that we've put forward, which I hope the Honourable member will discuss in as open minded a way as possible, the important feature of those is not only that the ceiling is so much lower than under the present scheme but that the way the scheme is to be administered is completely different. You're talking about each job rather than sectors of industry. You're requiring an employer, in effect, to demonstrate that he can't fill the job in Hong Kong either through job-matching or by contacting our Employees Retraining Scheme, or in other ways. So, I hope that the Honourable member will look both at the details of the scheme as well as at the total numbers, though the total numbers are much smaller than are allowed in under the present scheme.

It is important that we get this right, and it is important, I think, that if we possibly can, we avoid having a great argument about something which matters of course, but isn't ultimately, in the long term, going to be the central factor in determining whether we go on producing jobs that are well-paid and decent for the people of this community.

President: Mr Lau.

Mr Lau Chin-shek (in Chinese): Thank you Mr President. Now, the figures are very simple and self-explanatory. You've got 5,000 under the Supplementary Scheme and so in 1996 we'll have a larger number of imported workers than we do have now. I think we must look at the effects on the workers and the work-force. And also, it seems that you are saying that this is only a suggestion and a decision will only be reached at the summit. But if a decision can't be reached at the summit, will you give LegCo the say? Or, will you leave it to members to put forward a private member's bill to veto our support for the project?

Governor: It is our obligation to give a lead and to try to carry this Council and the community with us, and that is what we will be trying to do. That is what executive led government is all about. But this Council has a mandate and a broader mandate than it has ever had before, to hold us to account, so I very much hope that we can convince this Council.

Can I just say something about the figure - and the Honourable member is not an unfair man, so I want to put this point very directly to him. It isn't reasonable to take the limit for the new scheme that we're proposing, to add it to those who've come under the present scheme, and then to claim that next year there must therefore be more people brought into Hong Kong to work than there are at present. First of all, the number brought in under the present scheme will be gradually running down over the next year or so. Secondly, the figure of 5,000 is a top limit. We're not saying that there must be 5,000 people brought into Hong Kong next year. Indeed, we're saying that every job that is brought in will have to be justified, and justified, ultimately, to the LAB. But we will have to be able to demonstrate to this Legislative Council every three months that the scheme is being run in a sensible way and isn't threatening to undermine people's jobs.

But I hope that we can straighten out all these issues over the next few weeks in a way which satisfies people like the Honourable gentleman, who I hope will recognise that what we are trying to do is to respond to the legitimate anxieties which people like the Honourable gentleman have raised for the last couple of years, without, on the other hand, going so far as to hurt Hong Kong's competitiveness and prevent us being able to introduce people with particular skills that we don't have, into our workforce. I think we've pitched the balance about right but we will be happy to talk about whether we've got things right with Honourable members and others over the coming weeks.

President: Mr Ip Kwok-him.

Mr Ip Kwok-him (in Chinese): Mr Governor, in the policy address you mentioned that the Labour Importation Scheme should be halted and Mr Lau in fact mentioned this point just now. With regard to the figure 5,000, apart from this figure, do you know that at present there are many people holding British passports, they are working in Hong Kong and they do not have to be issued with working visas? And so, for these people coming to Hong Kong to work, will there be a review conducted within the Government, so as to give priority to local people in terms of employment?

Governor: The Honourable gentleman, I'm sure would understand, that those people are in a wide variety of occupations. One of them is the Governor. It's a post only available to one person at a time and some may say alas, I'm not keeping a local out of the position, though in due course a local will take over the job and I'll have to look for employment elsewhere. Most, overwhelmingly, most of the rest are working in administrative and professional areas which aren't covered by the Labour Importation Scheme. Now the other day I heard somebody talking about large numbers being employed on the airport. There are a matter of a few dozen employed on the airport and so, I keep on looking at the representative of the Legal Functional Constituency and find myself about to say 'with respect', but with respect as barristers say, I really don't think that you could say that there is very much relationship between that issue, which is a result of history and Britain's responsibilities for Hong Kong and the levels of unemployment in Hong Kong.

Mr Ip Kwok-him (in Chinese): Now for jobs that Hong Kong people can take up, I think priority should be given to Hong Kong people, especially in the light of the economic conditions in Hong Kong at the moment. And so if Hong Kong people are capable and qualified, why shouldn't Hong Kong people be given priority? Now I think the same should apply to the Governorship or to administrative posts.

Governor: Well, in due course, and it's, I won't say it's something I'm looking forward to because people will misunderstand me, but in due course, Hong Kong people running Hong Kong will exclude the Governor, who may not even have the opportunity of running Britain!

To be serious, I totally understand the proposition that we should try to ensure that our own people get preference in the market place, provided of course they have got the skills which our economy needs. If, in some cases, they don't have the skills then it hurts all of us and hurts our economy if we don't bring in people with those skills. I'm sure, given the fact that so many people from Hong Kong have found employment in other communities, we wouldn't want to start sounding as though we advocated not allowing people from other communities to work here in Hong Kong. Because were we to do that people in other communities might start to think that the same should apply to us.

We have taken a very open minded view about employment, about the requirement to move around to get jobs, to move around internationally. When unemployment is increasing in Hong Kong, plainly we want to give preference locally but we don't want to behave as though we think that every worker who comes to Hong Kong from anywhere else is somehow a pariah. That's quite opposite to the contribution which many people from other communities make in what is an open, international city.

President: Mr Ambrose Lau Hon-chuen.

Mr Ambrose Lau Hon-chuen (in Chinese): Thank you. Mr Governor, in paragraph 33 of your policy address, when you talk about the economy and you say that the role of the Government must be to promote the efficiency, flexibility and competitiveness of our economy and you say that we must compete our way back to full employment and stable prices. Now in order to increase our competitiveness, will you consider this, that is; will you set up a statutory organisation, let's say an Economic Development Council, similar to the TDC, and it's main function is to advise the Government on important economic issues and also to have overseas offices in order to attract overseas investments to Hong Kong and also to work in order to promote our economy and if that's successful then I don't feel that you will have to explain the labour importation situation with Mr Ip and Mr Lau?

Governor: I have to say that I'm not attracted to that, which sounds to me a bit like central planning. Hong Kong has managed its economy astonishingly well, by any international standards, over the last decades and its done so by and large by standing back from business and from industry, letting entrepreneurs get on with the things they do best, providing a framework, an infrastructure, providing decent investment in education and training, providing decent investment in roads and tunnels and bridges and providing as open a market as possible. I am not attracted by the idea of sitting down and trying, even with the assistance of other businessmen and trade unionists, sitting down and trying to plan the economy or run the economy. I don't think that's been the Hong Kong way. I don't think it offers any improvement over our position today, which is one in which there are reputable international bodies which think we're one of the most competitive economies in the world, one of the most business friendly and certainly the most free and I don't think they would take that view if we were to go in for old fashioned central planning or indicative planning.

So I quite understand that the proposal made by the Honourable Member is extremely well intentioned but I don't think it would be helpful. We shouldn't forget the fact that we're an economy which is growing at 5% a year. I read somewhere in the paper today, someone suggesting that we should be trying to 'kick-start the economy'. Kick-start an economy which is growing at 5% a year. Anybody in Europe or North America would think we'd taken leave of our senses. Try to kick-start an engine when it's going and you get into terrible trouble. We've grown at 18% over the last three years, we've seen a 43% increase in our exports in manufactured goods, a 31% increase in our services. We've cut taxes, we've increased the reserves by 57%. Do I want now to completely change our economic policies? No, I don't.

Mr Ambrose Lau Hon-chuen: Governor, it seems to me that it has been the Hong Kong way for the Trade Development Council to assist promotion of trade in Hong Kong.

Governor: Yes, I agree with that. The Trade Development Council does an outstanding job. It's helped to promote our exports in manufacture and it may well be appropriate for it to help the development of our exports in services as well. I think that is rather different to what I took to be the Honourable Member's proposal. Maybe I misunderstood him, but I have seen one or two reflections of that elsewhere. Of course we have some economic problems. On the whole they are problems associated with success rather than failure and I don't want to do anything which inhibits that success.

If you keep on winning at Happy Valley, if you keep on coming away on a Wednesday evening with money in your pocket, which is not something that's ever happened to me I should add, you don't, I think, conclude that you should stop taking advice from the person who's been giving you tips. We've done very well in Hong Kong, no thanks to this Governor particularly, you've done very well in Hong Kong following classical market economics for the last 40 years and I would be amazed if anybody seriously thought we should overthrow that now.

President: In accordance with Standing Orders I now adjourn the Council until Wednesday October 18, 1995, at 2.30pm.

End/Thursday, October 12, 1995

Governor in RTHK's phone-in programme

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

Nick Beacroft: Governor, Good Morning thank you for joining us on this special phone in programme. Can I perhaps get some immediate reaction from yourself to Democratic Party members and some trade unionists who have said that they will table private member's bills to halt the influx of foreign labour. Do you feel that you are already on the road to confrontation with the Legislators.

The Governor: No, I think it is a bit premature for people to say that I'm going to go ahead on a pre-determined course before they have actually heard the details of our proposals. Joseph Wong, the new Secretary for Education and Manpower, is going to be going down to the Legislative Council today to explain in detail what we have got in mind. We have got a document that we will be sharing with LegCo Members and later with the community and we start off, as I said yesterday in a genuine spirit of give and take. I think you can see from quality reactions this morning that there are some people who think we have gone too far and there are some people who don't think we have gone far enough. I think we have pitched it about right and I hope that we will be able to persuade a majority of Legislators of that in the coming weeks, but as far as we're concerned we very much want to carry the community with us, explaining some of the impossible difficulties of simply stopping anybody from outside coming to work in Hong Kong. At the same time recognising in the present state of the labour market we have got to tighten up a bit.

Question: Mr Governor, I should like to ask you a question regarding your Policy Address which you say is going to be the last speech of its kind. After hearing some initial reaction to your Policy Address, what are your views?

Governor: Well my main view is that if this is the sidelines I quite looking forward to being behind the grandstand at some stage. I mean I still feel very much in the centre of argument and debate which I enjoy, but it doesn't make for a quiet life. Hong Kong is such an open constructively argumentative place, it is part of Hong Kong's charm and I guess that one day but not for another twenty-one months I'll look forward to reflecting on it all. There is still a lot to do in the next twenty-one months and I'm looking forward to working with the Legislative Council as constructively as possible during that period.

Question: I would like the Governor to give me a positive answer to the following Question. My Question is in the policy address yesterday the Governor said that Legislative Councillors would be putting forward private member's Bills and the Governor did make it quite clear that he might use his prerogative to veto these bills that may be passed by LegCo. Mr Governor, before you use this power would you first of all have a referendum, so you could refer to the result of the referendum before you actually use this power to see whether there is a need to veto private member's Bills that have been passed by LegCo.

Governor: Thank you very much indeed, well there isn't actually any power in Hong Kong for me to call a referendum and in order to do that we would have to have Legislation and I dare say that that would be pretty controversial. But can I just say a word about the private member's Bills point which I dealt with I thought extremely delicately yesterday, rather more delicately than some of the newspaper headlines this morning. We have got a strange constitutional position in Hong Kong in which we have an executive led Government which I must maintain and a legislature with a mandate which is increasingly credible because now it is totally elected. I've got to try to make that situation work and I want to do so with the most co-operation with the Legislative Council, the only point I was making yesterday is that at the end of the day I've obviously got to stand up for executive led Government. I hope that I can do so in co-operation with the Legislative Council, but the buck stops with me. Now when President Clinton who is in a slightly different position because he is elected, but he is nevertheless dealing with a similar legislature, when he uses his veto which he has to do rather frequently, people don't jump up and down and say that shows that President Clinton isn't a democrat. I very much hope that we won't get into those sort of confrontational situations. Yesterday wasn't a threat, yesterday was just a statement of my determination to stand up for executive led government while at the same time recognising the broader mandate, though not the different mandate which the Legislative Council has.

Question: Good Morning Governor Patten, I spoke to you last year and in fact the year before on the radio at the same time. My call is with regard to the plight of the ethnic minorities in Hong Kong. I proposed to you last year that the government and the ethnic minorities worked together in trying to deal with our very worrying situation with 1997 fast approaching. Regrettably, the government responded to me that such co-operation was probably not necessary. There are many, especially a number of people like myself who are younger, western educated minorities in Hong Kong who really feel our situation is quite desperate with 1997 coming along. It's quite apparent from the Basic Law and the way things are working in Hong Kong today we are going to be treated differently from ethnic Chinese people in Hong Kong after 1997, we are being treated differently today. However, we don't seem to be getting the support we need in order to deal with this problem. My Questions are really twofold, first of all, why doesn't the government feel it is necessary for it to work closely hand in hand with our community to deal with these problems and secondly, given that, what concrete steps are the government really taking in order to help us to secure full British passports, because ultimately the whole of the Hong Kong community, these are Legislative Councils, Executive Council, which you are obviously a part of have acknowledged that we need to be treated differently, but in the last three years we have made very little progress.

Governor: Not just the last three years. Can I just say absolutely clearly that I don't just sympathise with your position, I agree with your position, I agree with your position in moral terms and I agree with your position in practical terms. I think the ethnic minorities in Hong Kong even though there are some sort of long stop guarantees that have been given, not quite as far as the Foreign Affairs Select Committee in Westminster would have liked, but a little further than the British Government has gone in the past, even though there are those long stop guarantees they don't amount to anything like the British passport, the full British passport which I think the ethnic minorities should have received. I'm not quite sure what you mean by partnership, we have continued to lobby and lobby vigorously the British Government and any visiting British Member of Parliament as I think you have as well, so we're working I hope in parallel, I will continue to put the case to the British Government as will my colleagues, as will the Executive Council, as will I know the majority of the Legislative Council and I very much hope that we'll do better in the future than we've done in the past. It is not, or shouldn't be regarded by Westminster politicians who, whether Conservative or Labour have united over the proposition that BDTC passport holders should have a full passport, they have been solidly against it as we all know regrettably, it's not however in that category, because you're not talking about the same numbers, you're talking about a small group who have I think, very legitimate concerns about their own future, so I hope we can persuade politicians on both sides of the political divide in Westminster to be rather more sympathetic. I think you'll be aware from recent arguments and noises off, that I haven't made myself entirely popular back in Britain by raising these issues.

Question Can I follow up on that. You have mentioned what type of co-operation, on this programme last year, I mentioned I felt it would be mutual if as you said the minorities, the Legislative Council and the government are working parallel with each other, but they are not actually working in concert. So it seems to me to be somewhat logical that if there are three groups or four bodies of people who are working towards one goal, that those three or four groups of people should join in their efforts to try and achieve the most success that we can possibly get and it was to the suggestion that I received a fairly negative response last year and I was quite surprised at that.

The Governor: Well, if you've got any further practical suggestions you want to make other than the general proposition that we should all be arguing on the same side which I agree about we'll certainly be happy to look at them, because it's in our interests to put across our case as vigorously and effectively as possible. We've obviously got to concentrate on trying to convince as many members of parliament at Westminster as we can of the complete legitimacy of your argument.

Question: Good morning Mr Governor, I have three questions, the first one is why is it that the Government does not use a tax system to control imported labour. You can give tax concessions for employing local workers. You shouldn't have a broad brush of course. Just to give a quota of five thousand. Would it be better? The second question is the government is going to implement a new regulation so that for caretakers aged above sixty-five they will not be able to look after shopping arcades and so on. Won't that lead to unemployment. Now I am also an assistant of a LegCo member I receive a lot of complaints, in fact a lot of caretakers reaching the age of sixty-one have already been fired. What can they do with themselves, even if you boost the CSSA it may not help this group of elderly people.

Governor: I will try to answer your questions quickly before eight o'clock because they raise extensive issues. First of all I am not actually in favour of juggling with our tax system to produce a particular set of results. The great thing about our tax system is that it is extremely simple and that is the result of decisions we have taken over the years, and it is extremely low and I wouldn't want to use it to try to do other things. If we want to do something about imported labour then we can act on that directly I think, rather than shifting about our tax system. Secondly, we have been concerned in the past to ensure that caretakers are capable of doing their job adequately, of course it doesn't mean that just because you get to a certain age that you can't, but we want to check that people are up to the responsibilities of the job, I think everybody that lives in a block of flats with a caretaker knows how valuable it is when you've got a good one and how difficult life is when the reverse is the case. So really it's a respect for the job that I think we've quite properly shown and if there are people who were caretakers, who aren't now able to work and don't have enough resources, then of course there'll be CSSA for them to turn to though I agree with what everybody feels instinctively in their bones that it is much better if you can have a job, than if you're receiving CSSA payments.

Question: My third question I suggest that Government do this. The Ocean Park, can you turn it into something like Disneyworld so that you can bring in more tourists and boost our economy.

Governor: Judging by the bus queues in Central on the last Sunday there are quite a few people heading out to Ocean Park. I'm afraid I've been there only a couple of times, but my family, my daughters have been there pretty regularly, I know how popular it is, I think it is well run, I think they are developing lots and lots of additional attractions, I've done sufficient advertising for them for this morning and they do a terrific job for Hong Kong's tourism.

Question: Good morning your Excellency, What I am concerned about is that with the papers, the legislators, and the District Board members, everybody seems to be shouting for stopping the import of labour. A few facts: there are a few projects outside the Airport related contracts which are also very very large contracts and are vital to the future of Hong Kong. One is the Route Three Country Park which will take all the heavy container traffic once it's completed off the Tuen Mun Highway. The other one is the strategic drainage which is the new sewer running from Chai Wan to Tsing Yi. These contracts have started earlier on this year and the contractors have applied through the Labour Department six or seven months ago for local labour for the positions of miners and tunnel equipment operators. We've also advertised in the Chinese press for the same and the English press over the past seven months. They've also approached the trade unions over the last two months to see if they could come up with some job matching if you like. The Labour Department in all fairness have tried their best to find somebody for these positions and probably just over a handful have been found with the experience required. But, for one to say stop the import of labour it's true to say your Excellency, that there are no such positions for miners or tunnel equipment operators in Hong Kong and that if something is not done to grant an import quota, these contracts are going to be well behind programme.

Governor: You are making a powerful argument for a case with which I sympathise, but in approaching this problem we have got to be balanced. There is a different quota, and as you know for the ACP projects, some people say that we shouldn't let anybody in at all for the ACP projects, which isn't just the Airport platform, it's the related projects as well. If we were to do that we would fetch up by delaying by a very long time the completion of the Airport which itself is going to produce jobs. It would lead to greater unemployment in Hong Kong, rather than the reverse. We do need people as you were saying, to come in with special skills to help us here in Hong Kong and that's why we haven't just said no importation of labour, but we've proposed a much smaller scheme and one which is more targeted on special skills. In the particular cases you mentioned and the sewage strategy, the 9.3 billion scheme is, if sewage can be in this category, near to my own heart because I think it is very important to our environment. If there are particular problems in these areas when I get back to the office I'll get my colleagues in the Labour Department to look at your case but I do hope that people who are listening will have heard what you have said because you have made a very powerful argument for allowing some importation of skilled labour into Hong Kong rather than just thinking that we can just completely slam the door. That would be no way to improve the competitiveness of Hong Kong.

Question: That is all I have to say, your Excellency, and I hope the District Board Members, and the Legislative Council keep an open mind on this. There are certain skills which we definitely cannot obtain in Hong Kong. Of course, I agree with the trade unions one hundred per cent, we must give our local workforce priority, but in this particular case we haven't got the skills available in Hong Kong.

Governor: Can I add a point about, because people are concerned about unemployment and understandably. We have very high standards in Hong Kong. Elsewhere 3.5% unemployed wouldn't be regarded with great concern and indeed if you look back to the early 1980's, financial secretaries opening their budgets, used to describe 3.5% unemployment as full employment, but we set very high standards here in Hong Kong. We've got to try to meet them, but it would be crazy in trying to do so to start doing things which had long-term very serious effects on our economic competitiveness. Nobody would thank me and nobody would thank the trade unions if that resulted.

Question: Good morning, I am glad to read from the newspaper today that there will be a boost to the CSSA. Mr Governor I hope you will use your high level wisdom and perhaps impress it upon the British and Chinese leaders on the issue of retirement benefits for junior civil servants, of course, on the one hand I am fighting for myself, but then for the other junior civil servants who earn low salaries, I am also fighting for their cause because some of them just get five to seven hundred dollars. I don't get more than a thousand dollars myself, so when the economy becomes better perhaps there could be some consideration about this matter.

Governor: If you've got a particular problem, Mr Chu, related to your own circumstances, if you would like to drop me a letter at Government House and mark it personal to me, I'll see if we can sort things out for you, because obviously it is not easy to go into personal problems over the radio. Can I just make a couple of points, first of all we have recognised that many civil servants have concerns not necessarily about the level of their pension payment, but about whether their pension will as promised go on being paid after 1997 and that is why we have put aside about seven billion so that we can provide as it were some financial security as well which I hope will put people's minds at rest. Secondly, you mentioned CSSA review, it maybe that it is not the right moment to go into details about it but we have acted very promptly on our initial findings in that review. The review isn't completed, but I was absolutely determined that we should take some early decisions to deal with those people who were in the most vulnerable conditions.

Question: Good morning, my question is about the LegCo elections. As you know two thirds of the people in the recent elections did not vote, well that represents 1.8 million out of 2.7 million. My question, how can you say that LegCo represents the whole of Hong Kong when two thirds of registered voters did not vote?

Governor: Well, how can you say on that argument that a President of the United States doesn't represent the United States when half the electorate of America doesn't vote, or when he is only elected by a minority of the electorate. I think what's remarkable in Hong Kong and The Economist business magazine the other day had a chart on this is to see how there has been such a rapid build-up in the number of people taking part in our elections and voting in our elections from about six thousand, literally six thousand in the early 1980's to well, how many votes were cast in the recent LegCo elections, it was 1.4 million I think, 920,000 in the geographical constituencies. What has actually happened over the last year or so, is that we have seen that each of our elections has produced records. The District Board elections had a record turnout, the Municipal Council elections record turnout, the Legislative Council elections as well. I think we are moving steadily in the right direction, we are giving people in Hong Kong that democracy which they were promised by China and Britain in the mid 1980's and they are responding to it with considerable moderation and maturity.

Question: Mr Patten, those two thirds of people who did not vote then, do you suggest that they are actually represented in LegCo or not, because they did not actually express their opinion. In fact the opinion polls before the election showed that 50% of people were actually undecided, so that really there is only one third of Hong Kong that's represented in LegCo.

Governor: Well, what are you saying? Are you saying that the 40% plus or whatever who don't vote in a Presidential election in the United States aren't represented because they don't vote? Let me put it another way, in the District Board elections last year which were the first ones we have had in Hong Kong which have been wholly democratic, the turnout was higher than in the last local elections when I was Chairman of the Conservative Party back in Britain and nobody said about those elections, well it just shows we shouldn't have had local democracy in Britain for the last century. It just shows that we should go back to appointing people to run things rather than electing people to run things. The fact of the matter is that Hong Kong has come a very long way in a very short time. As it was promised, it's handled those political developments I think with great skill and maturity and I am delighted that election after election more and more people turn out to vote. If people don't choose to register or having registered don't choose to vote, I think that is sad because I'd like to see them discharging their civic responsibilities, but I'm delighted that there are so many more people in the other category.

Question: Mr Patten talked about labour importation. I think his proposals are good because that would help our economy and help with trade and industry development. If there are jobs that we can't find locals for, I support the idea of importing labour. But there is another point on civil service, how are you going to pass information on civil servants to Chinese side. On this issue Mr Governor, could you perhaps propose to the Chinese side that there could be certain points set up in Hong Kong, so that civil servants could put their names down and say that they want to stay beyond 1997. I think that would be a better idea, because it seems that at the moment there are ideas or talks about arranging transition for the civil service, but if there could be a certain department that we could report to like the NCNA or some trade unions to register our wish to stay beyond 1997, that would save some administrative costs and also manpower. Would that be better?

Governor: Madam, I don't think you have to take that sort of initiative, because the assumption is, it's the assumption of the Hong Kong Government and I think it is the assumption of Chinese officials as well that everybody possible, particularly leaving aside those who are mentioned in the Basic Law, the very senior people who have to be appointed formally from Peking, that everybody possible will stay through 1997 and I think that to do them credit, Chinese officials like Vice Premier Qian Qichen have gone out of their way to praise the quality of the Hong Kong civil servants and to say how they hope that the civil service will stay through the transition which is what I very much hope as well. What we have been discussing with the Chinese side is the arrangements for enabling some of our senior officials to get to know those they'll be working with in the PRC bureaucracy and to let their opposite numbers get to know them and assess them as future colleagues within one country, albeit one in which Hong Kong has a high degree of autonomy. There were some proposals put to us, and I don't think it is any secret which we weren't too keen on earlier in the year, but the ones that we have now agreed to move forward on, are I think sensible. They are ones that we put forward and I hope that they will lead to a greater understanding and to giving comfort to civil servants like you that your future is secure, and that the sort of way you work, the things you believe in, the meritocratic way of running our civil service that all those things are going to continue. Just briefly on labour importation, we shouldn't forget that we go on creating jobs extremely successfully in Hong Kong. Over the last three years we have actually created about two hundred and seventy thousand additional jobs. The problem we've got is that there have been over three hundred thousand people added to the workforce. Some of those are returned emigrants from elsewhere. Some of those are recent immigrants from China, some are the result of demographic factors, more young people coming on to the job market and a few of those, but very much a minority are imported labour.

Presenter (in Chinese): Mr Patten, now we are in the latter half of the transitional period and the economy of Hong Kong has suffered some problems, for example the high unemployment rate. While 3.5% unemployment rate is quite acceptable on the international scale, well, it is quite unfortunate that over the past two years we seem to have a downturn in our economy.

Governor: I think we want to keep these things in proportion. We are still looking to growth this year of about 5%. That is on top of growth over the last three years of 18%. And the small increase in unemployment, while small overall, very worrying for anybody who has actually lost their job - let's be clear about that - that increase in unemployment is, I think, partly a result of the downturn in consumer spending, the fact that that has gone very slack. I hope that our job-matching scheme, that the work we are doing on retraining, and the fact that our economy is fundamentally strong with very good export performance this year with a strong overall fiscal position, I hope that those things will enable us to pick up again over the next year or two. But a lot will obviously depend on the amount of confidence that people have in the future.

I just repeat the point I was making a bit earlier that what we have got is a workforce which has, for a number of reasons, increased very rapidly. We've been increasing our number of jobs but the two haven't quite matched. Over the last year, we have had, I think, the biggest increase in the size of our workforce for about a decade; it went up by just over 4%. And if you are still only creating extra jobs at between 2% - 3%, the difference between those things is unemployment, unfortunately.

Question: I was just wondering - it wasn't particularly recent but I saw some information in the papers a while back that the Government has been studying some ways to reduce the amount of garbage and packaging produced in Hong Kong. And the reports indicated that, as you might expect, some of the things they were trying to do would require manufacturers for instance to reduce the amount of materials they used in a particular package or something like that. And I'm just wondering, given sort of the historical laissez faire kind of a place Hong Kong is, is the Government really going to be able to do this or have enough sort of gumption to do this?

Governor: Well, no proposals along those lines have yet come into the Governor's in-tray. I have seen proposals from some parts of the Government but perhaps we shouldn't all send one another so many Christmas cards this year, on the grounds that that isn't quite as green and environmentally friendly as some would like. But I certainly haven't seen, yet, any proposals on packaging.

Of course, there are some communities which take a very tough attitude to this. You go into a shop or a store in Germany and if goods are too comprehensively packaged, if there is too much round them, people will very often tear the pieces off and give them back to the sales assistant because they don't think it's environmentally friendly but we haven't yet got to that in Hong Kong. I hope we can depend on the good sense of manufacturers and the good sense of retailers, who, I think, recognise like everybody else, that Hong Kong is becoming more environmentally conscious. And quite right too. A lot of green groups with a lot of lobbying clout and representing a real, I think, change of mood in the community.

Question (in Chinese): I have two questions and two ideas. Firstly, I would like to ask you this, Mr Governor, about industrial development in Hong Kong. Where is the direction - about the competitiveness, where does it lie?

Presenter: I think the Governor is pondering how to answer your question.

Governor: No, I was actually wondering whether Mr Wong had finished, because he said he had two questions and two ideas and I was wondering whether that was the whole lot in one.

I'll be very brief. I certainly don't think that the Government should try to steer industrial development. It never has in the past and if it started to try to do that, I guess it would make the same sort of mistakes that governments make elsewhere. What we have got to do is to ensure that our industry, whether manufacturing or service, works within the right infrastructure of low taxes, that they've got good infrastructure, that they've got lots of people with skills to come into their workforce. That is what we have got to go on doing. But I certainly don't think that I should go around trying to run industry because, frankly, I couldn't, and people don't go into the civil service or into public administration to run firms.

On competitiveness, we're still doing pretty well. We've gone up the league table, according to the World Economic Forum, but it stands to reason that you can't rest on your laurels, you've got to go on working harder to remain competitive. And I guess the most serious threat to competitiveness in Hong Kong is costs; we've got to make sure our costs stay down.

Presenter (in Chinese): Mr Wong, are you satisfied with the reply?

Question (in Chinese): Just now, the Governor made some comments - oh, we are not at such a high level, we won't be able to see all the figures, but I think if we look at the industries and see how they could compete with other areas. Now, I have an idea now. A lot of people say that there is economic transformation in Hong Kong, or restructuring in Hong Kong, but in fact in Hong Kong the industries are not being transformed, they are dwindling because there is nothing to replace these industries. So do we need to create more jobs in the industry? That means we need to develop our industries, so how do we do that? We need to have hi-tech development. Now, if we want to bring our industry back on track, do we need legislative support and other support? Now the labour sector has some broad-brush idea about stopping imported labour altogether but I don't think that will help our industry; that will not help create jobs. Because if that happens, it will only lead to a scenario where the already feeble industrial basis would be destroyed. I would also like to add another point.

Presenter (in Chinese): Try to be brief because we have a lot of calls waiting.

Question (in Chinese): So, my thinking is, we should allow certain groups of workers to be imported, the right groups, so that our dwindling industry could again develop. In fact that would also create jobs for local workers and then we could have higher level job.

Presenter (in Chinese): Mr Wong, you have made your point.

Governor: I sympathise with the last point you were making, Mr Wong, but can I just add this. We shouldn't do ourselves down. Since 1985, over the last decade, we've lost 460,000 factory jobs. We've actually replaced them with 800,000 brand new jobs in service industries. Now, I don't want to suggest that we can do without manufacturing industry. Manufacturing industry plays a very important part in our economy and I want to see it able to strengthen and go on playing that role. We've also got to recognise the role of service industries and that's why our new Financial Secretary, Donald Tsang, has set up a task force to help him give all the support they need to our service industries.

Question (in Chinese): Good morning, Mr Governor. I am again talking to you. Now, you have worked very hard to fight for more democracy for Hong Kong but unfortunately, the Chinese side has not agreed to that and that is why the Chinese side has accused you of being a man of a thousand year's guilt and that you would never be redeemed. Now today, I read a newspaper article, it says that it is now time to replace the Governor. Now, I think you should ask someone to translate that article for you.

Presenter (in Chinese): As to your question, Mr Lai, do you have a question?

Question (in Chinese): Now, what you are doing is very popular among Hong Kong people. You have won over our hearts. But then, you need to do something about people's livelihoods. I think people's livelihoods are more important than democracy.

Governor: I think they are both important. And I think that they are actually related. I think, on balance, open societies - societies where people are free in every sense - are more likely to be successful economically. There are exceptions to that but I think by and large if you look around the world that tends to be the situation. I don't think I really fought for more democracy for Hong Kong, if I may just correct that. What I fought for was what Hong Kong had been promised by both China and Britain in the Joint Declaration, the Basic Law and elsewhere, and I wasn't prepared to see anybody try to walk away from those promises that had been made to people in Hong Kong. I very much hope that over the next 21 months until I have to leave Hong Kong, we can go on bedding-down our institutions of Government - the Legislative Council, our administration itself - so that they are as successful as possible in delivering here policies in Hong Kong which go on ensuring that Hong Kong is a terrific success, which go on ensuring that we show the rest of the world how to run a responsible, caring, market economy.

Question: I'm just curious at what seems to be the Government's response to an ever increasing rise - just looking at the papers recently - with corruption within the police and civil service, and what the Government plans to do over that in the next couple of years?

Governor: There has been an increase in corruption right across the board, in the private sector as well as in the public sector. It was particularly marked in 1993/4 but I think it is fair to say that the figures have plateaued over the last month. There have been some recent cases of corruption in the police. It's nothing like the problems, thank God, that we experienced in the sixties and seventies, but as the Commissioner would say, any corruption is thoroughly bad and has to be dealt with very firmly. I don't think we should be alarmed about the scale of it but we should certainly be vigilant and the Commissioner of Police is working very hard with the Commissioner Against Corruption to deal with corruption wherever it rears its head. It really does pose - everybody knows it - it really does pose a threat to Hong Kong's livelihood, a threat to Hong Kong's well-being, and a threat to Hong Kong's decency, so we must crack down on it hard.

Question (in Chinese): All along, I've felt that there are two ways the Government could use to immediately deal with livelihood issues and economic issues but I think it would be difficult for the Government to deal with that. One is the high land premium policy, the other is interest rate policy. Now, the high land premium policy has an impact on every aspect of our lives. I hope that on this issue the Governor would do something to cool-off the property prices. And secondly, on interest rate, that would be an immediate weapon to regulate our economy but because of our linked exchange-rate, so the Government is still rigidly refusing to make any change to that policy. But for any country, when there are economic problems, interest rates could always be a means to revive the economy. So, Mr Governor, I hope that you will be able to solve the bread and butter issues and the economic issues. One is the high land premium policy, the other is the interest rate policy.

Governor: Well, Mr Lau, you obviously study the business pages of the newspapers very carefully. Can I just say, on the interest rate policy, you are of course theoretically right that the link to the US dollar means that we can't use monetary policy, interest rate policy, in an orthodox way. On the other hand, we're not in an orthodox situation and I think the link to the dollar is an essential part of our financial stability and as far as I'm concerned there is no question it will stay until 1997, and I think the Chinese authorities have made it clear that it will stay afterwards. Because even more important than our ability to use monetary policy flexibly is our ability to see off anybody who is stupid enough to try to speculate against the Hong Kong dollar at any sign of political difficulty. So the link with the dollar stays, even though you are quite right to say that it slightly constrains our use of orthodox economic weapons.

On the question of property prices, we have to be very careful. I think we actually did pretty well, though you never get applauded for it, our excellent team in Planning, Environment and Lands, and in Housing. I think you have to be pretty careful about what you do in the property sector because if you push things too far, you fetch up with a real slump in property prices and nobody thanks you for that when people start discovering that they are living with what the economists call negative equity, when their mortgage is worth more than the value of their property. I think we managed successfully last year to dampen down the property market. We got prices back to where they were before the big surge in 1994, we got them back to the sort of 1993 level. That's where they are at the moment. The market is a bit soft but I think we did manage to take some of the heat out of things last year by taking pretty tough measures against speculators and by increasing the amount of supply.

Question (in Chinese): First of all, I would like to congratulate the Government for making progress and advancement in technology policy. That is definitely some improvement over the past ten years. But still, we are far behind many other places and we could be phased out eventually; there is such a danger. Information technology is one of the biggest markets in the world and Hong Kong has always taken the lead in this area. In the sixties and seventies we relied on our medium and small enterprises for our success. Now, I hope the Government could learn from other successful places. For example, there could be some tax incentives to help our small and medium sized enterprises, especially in the area of information technology development.

Now, it's like there is a three-pronged approach. One is the short term approach and with this assistance we could help to resolve the unemployment problem and in the long run it could help Hong Kong's long term development. I also heard you mention the Science Park. In fact I was one of the members consulted but unfortunately, many of our concerns are not spelt out. For the Science Park idea, it could be a flame that could help us, but at the same time it could burn us, so I hope the Government will be able to do more in this regard. Thank you.

Governor: On the Science Park, we have, as you suggest, been undertaking a feasibility study. There are, frankly, two sides to the argument. There are some people who say, yes, we should go ahead with one, there are others who say we would be better using the land for another factory development and that that's the more sensible way for using the resources available here in Hong Kong. But we are going to discuss the outcome of that study with the community, with experts like you and with the Legislative Council, and I hope we will come to the right conclusions.

On technology policy and tax incentives, I think the most important tax incentive that we have here in Hong Kong is to keep taxes low. People very often say to me: why don't you have tax holidays like some other people have? And I reply to that: because when they stop having their tax holidays elsewhere they fetch up paying tax rates which are two or three times the size of those in Hong Kong. I think the important thing for us to do is to keep taxes down for everybody. Now, I see, for example, when presenting the Hong Kong Awards for Industry, lots of examples of small hi-tech firms, or firms which were often small three or four years ago and are now getting medium-sized or even quite big, here in Hong Kong, and they are invariably the result of the creative genius, the entrepreneurial skill, of some of our own technology scientific graduates. That's why I am delighted that we are now putting a lot more money into research in our universities and that is why I am pleased we have been able to spend the best part of 400 millions in the last couple of years for research projects in manufacturing technology. Those are the sort of things that should actually help us to keep a good, high value added manufacturing base here in Hong Kong, relating entrepreneurial activity to our excellent tertiary education sector.

Question: The secondary property market is virtually at a standstill. Wouldn't a simple way be to revive the economy rather than dealing with quotas of imported labour and that sort of thing, to remove or at least substantially reduce the mortgage ceiling? It's supposed to be a property orientated economy and if property prices are going up everybody feels better off: the stock market goes up, people feel they've got a cushion of financial value behind them, and confidence begins to return.

Governor: I recognise that the property market is an important part of Hong Kong's wealth, but I'd certainly take issue with the proposition that we're a property related economy. If you were just based on property, if you weren't actually creating, as Hong Kong is, real wealth, real extra resources, then property would be pretty worthless. That's why we've got to go on concentrating on things like exports of manufactured goods and exports of services where we are doing pretty well.

I just want to make one substantive point about what you said and that is, we are not only concerned about avoiding a bubble in the property sector, we've also, I'm sure, got to be concerned about the exposure of our banks. We don't want to see our banks getting into the same sort of difficulties that banks got into in Tokyo where they were excessively exposed to the property sector at a time when the property sector came tumbling down. So, I think there are questions of real financial prudence and banking prudence that one has to take account of.

Perhaps I can add, in brackets at the end, yesterday, I was making a Policy Address not a Budget Speech. Some people have said, well, why haven't you done this or that about taxes? Donald Tsang would have been extremely surprised to have woken-up this morning in Washington to have discovered that I'd spent yesterday cutting taxes. I think he'd have had something to say about it. So, there will be a Budget Speech in due course and I'm sure that Donald's first budget will be as excellent as Sir Hamish Macleod's budgets used to be.

Question (in Chinese): I would like to ask the Governor this. About marriage and people keeping a second wife or mistress, what is your view on that?

Governor: Well, speaking as somebody who is happily married and monogamously married as well - I think I've got that right; I hope that translates okay - obviously I think it is difficult for a family when there are extra-marital relationships, whether in Hong Kong or outside Hong Kong. I don't think it's right for me to spend my time giving other people moral advice but, alas, you have to face up to the fact that in government you very often have to cope with the consequences of other people's amoral or immoral behaviour, and that is what we have to do from time to time. But one of the things which has made Hong Kong strong is its family structure and I would very much dislike to see that being undermined.

Question (follow-up in Chinese): Now, if it is illegal in Hong Kong and then they just hide in China without coming back to Hong Kong for years, then what is your view on that, and how are we going to deal with these cases?

Governor: Well, it is very difficult for us to deal with things that happen in China. I think what you're saying is that sometimes people who work a great deal in China have a wife here and a wife in China, and that creates huge problems. It creates problems for both wives, and it creates in the end, problems for the children as well. And there are obviously financial problems when the husband involved has to meet the financial consequences of two lots of kids. I think that that is extremely sad and we shouldn't do anything here in Hong Kong which makes it more likely. But it is quite difficult for us to legislate for people's immoral or amoral behaviour when they are away from home.

Question (in Chinese): I and my family are troubled by some problems. I've been in Hong Kong for more than 50 years and for known reasons I have to emigrate elsewhere, but then I would like to keep my permanent resident status in Hong Kong. But I've heard there are some saying that if you have emigrated elsewhere and if you come back to Hong Kong after the 1st July 1997, then you lose your Hong Kong permanent residency status. And I understand, after the publication of the Joint Declaration in the eighties, there was already an exercise to change our ID Cards and on the ID Card there is proof that people have a permanent right of abode in Hong Kong. If that is the case, if we adopt the proposals put forward by the Preliminary Working Committee that means we returnees will lose our residency status. But when the Government issued us with new ID Cards we were given the right of abode in Hong Kong. So; I would like to ask you, Mr Governor, to help us resolve this problem because the Joint Declaration ...

Governor: ... with China over the next just under two years, the most important for people's peace of mind is probably right of abode and related issues about travel, about visas and so on. We've been negotiating very hard with Chinese officials on the question of right of abode. The 1997 cut-off is one of the proposals which is on the table. There are lots of objections to it, many of which have been put by those who are customarily regarded as being in the united front camp here in Hong Kong, who have gone up to Peking and set out some of their objections to the proposal. I can assure you that we will go on arguing the case for Hong Kong, for people like you, and I hope at the end of the day we can come off with a decent and sensible agreement because it is very important for, I should think, the overwhelming majority of families here in Hong Kong.

Question: Mr Governor, I'm a local and I've lived here all my life, so I guess I speak for many of the silent majority, so to speak, when I say what I'm going to say. First of all, I would like to pay you a compliment. I confess I am always an admirer of your wit, humour, intellect and energy in doing good for Hong Kong. However, this is apparently not appreciated, unfortunately, not appreciated by the PRC. So, when you came out here three years ago you had the ideal or the plan, or maybe it is the British Government's plan, to then democratise Hong Kong and apparently, given the recent LegCo Election, you have already achieved what you have set out to achieve. Now, with the remaining 600 or 500-plus days, I guess your relations with the PRC continue to be very important, if not more important. Now, I know of course that you want to improve the relations with China, but how are you going to do it. I mean are you confident in improving your relationship with China given the fact that they don't even want to talk to you rightly or wrongly. Also if I could put it in a clinical if not brutal fashion, would you seriously consider, or are you prepared to consider stepping down like a statesman and making way for somebody who can really, or at least who China can accept. That way I think it will be really in the greater interests of Hong Kong. I am sorry to put it in this fashion, but this is I guess what many local people who really care about Hong Kong want to ask, bearing the interests of Hong Kong in mind.

Governor: Well, I was very grateful for the compliments in the first part of the question and I had a feeling when I was listening to them there was going to be a but, and there was. Just a couple of things. First of all, the policy that I've been pursuing is of course the policy entirely endorsed not just by the British Government but by the House of Commons at Westminster, as well as having the backing of all parties at Westminster. What it amounts to is believing that we should discharge all those promises that were made to people in Hong Kong in the Joint Declaration. Not forcing the pace on democracy but giving people the fair elections which they were promised. So what we are talking about is whether or not the Governor of Hong Kong and the Government of Hong Kong, and the British Government, should try to live up to the promises that were made to people at the time of the Joint Declaration. I'm going to continue to do that for the next 600 days. This isn't going to be, certainly, an easy job now we've got the Legislative Council Elections over. There are going to be continuing problems from time to time and I'm going to be staying here to try to sort those problems out.

What is quite interesting is, over the last few months, as some of us predicted, we have seen more co-operation with China: the Airport, the Court of Final Appeal, the agreements reached with Mr Qian Qichen in London the other day. We've seen more agreement and we've seen Hong Kong standing up for itself in the Legislative Council Elections. The message from that should be for us to have some self-confidence that we can actually stand up for our own interests and do business with China, and that's what I hope we've proved. If, for reasons of Chinese face or whatever, part of the cost that we have to pay for co-operation is that Chinese officials continue to want to try to snub the Governor of Hong Kong, well, that's I suppose a bit demeaning - for them; it's not going to break my heart, though I think everybody in Hong Kong would prefer it if we could have the sort of sensible relationship which every other country in the world has. Can you actually imagine anywhere else in the world where one would have this silly game of snubs and so on? Nowhere else it happens. It doesn't happen in America. It doesn't happen in Europe. It doesn't happen in the Middle East. It doesn't happen elsewhere in Asia. So, I don't think that Chinese officials do themselves any great good by it, because presumably they are concerned about winning hearts and minds in Hong Kong and not just taking over the real estate in 1997.

Question (in Chinese): I would like to ask the Governor this. In fact it is on education. Now, he mentioned that there would be special care for Band 5 students. I am a school social worker, I work in a Band 5 school this year. Fortunately, we have become one of the 62 schools - in other words, we have one social worker per school. Now, from my past months or so experience I see that it is important that we have one social worker in every school because we will be able to understand the students' problems immediately and give them assistance. But then, in my actual work I see that there could be mood swings among the students and then there could be a diversification of problems. So, Governor, you mentioned support and assistance. I think that is not forthcoming fast enough. Now, I don't think it would take a lot of resources to have one social worker per school. If that's really the case, I hope you would really consider speeding up that progress.

Governor: I think, to be fair, we have been speeding up the number of social workers in our school and particularly helping at Band 5 schools which do need a bit more assistance, as you have suggested. I would like to thank you and others like you who are working in our schools, particularly those which have some of the bigger problems. I think there is a general view in the community that we have to concentrate more on the quality of education. We have necessarily put the emphasis on quantity both in primary, secondary and tertiary education over the last decade or so. I think now people want us to put more money into better training for teachers, into more graduate teachers, into better schools with air-conditioning and so on, better equipment in schools. And of course, more support for those who can help to motivate children, who can help to ensure that children don't drift off into criminality or drugs. And that's why you do such an important job working with teachers. Teaching is, I think, one of the most honourable and important professions and I think we should recognise that in Hong Kong.

Question (in Chinese): Can I have a follow-up question please, I have heard news that the office accommodation for social workers in schools or in the office, there is not permanently establishment of allocation from the Education Department, in other words they are not designated offices for these school social workers, so schools have to find their own resources to accommodate these social workers. I wonder if the Education Department or you Mr Governor could do something by boosting support here.

Governor: I haven't had that point raised with me before, it's one of the few points I haven't had raised with me, but I will certainly look into it for you and if we can have your name and address later on I will get in touch with you about it.

Question (in Chinese): Good morning Mr Governor, I am in my thirties and I'm someone born and brought up in Hong Kong, but I have received British education. Now we are close to 1997 and we are going to be headed back to the communists. I think Britain is taking us up a cliff and then it will for the communists to push us down the cliff. If you look at Man Kam To border crossing there are full cars and full lorries of illegal immigrants and pregnant women in their eighth or ninth month of pregnancy they risk to come to Hong Kong. We see corruption in China and that is really scary and you can see from the latest LegCo Election. Now if everyone is like Mr Zhang Jusheng who is so well presentable, like Mr Zhang, then there will be saving grace for the communist party otherwise how can you hand us back to the communists. At the beginning you said that you would allow us to live in the UK. I think that this is really a good suggestion, because then we may be able to breathe some life in the UK economy.

Governor: Nobody in their right mind would want to push Hong Kong down a cliff and certainly not China which is the future sovereign power and that was determined by history a long time ago. Hong Kong is a terrifically successful community. What happens here in 1997 is going to be frankly one of the most important events of our time. That's not exaggeration. It's literally true. It is something which will have very considerable implications, not just for everyone in Hong Kong, not just for China and the region but for the world, so it's very very important for everyone that Hong Kong continues to succeed. It's above all important for China. Hong Kong is a huge and successful place. It represents about a quarter of China's national wealth, just six million people achieving that. It provides all sorts of other possibilities for China as well as giving China its almost ideal bridge to the rest of the world, so I very much hope that Chinese officials like Mr Zhang, and I agree with you about his, that he always dresses extremely well. I am sure that they will all want to make certain that Hong Kong is as successful as possible. They certainly should be.

Presenter (in Chinese): A follow-up question, Mr Patten, next week when you visit Britain again would you try to fight for the right of abode in UK for British Passport holders in Hong Kong?

Governor: Well, that is an argument which I have pressed again and again and will continue to do so. The only surprise appears to be that while we in Hong Kong are very much aware of what is the policy of the British government and the Opposition in Britain that unfortunately in Britain not enough people seem to understand what we have been saying since 1989. If the Governor of Hong Kong does not put the practical and moral case for that then I don't know who's supposed to. But there are other issues perhaps in global terms less substantial but also very important like the one that I was discussing absolutely at the beginning of this programme, if anyone was listening at that stage, on the ethnic minorities. So all these questions of nationality, the obligations which Britain should in my judgement feel to Hong Kong, are questions that I'll continue to put and it doesn't always make me very popular in Britain, but it's my job as Governor of Hong Kong to stand up for Hong Kong whether I'm standing up for Hong Kong in my relationship with China or whether I'm standing up for Hong Kong in relationship with the United Kingdom.

Question: Good morning Governor Patten, I think when you came here you were hailed as an environmental you were going to be the green Governor and doing things about the environment in Hong Kong. As someone who has lived here for eight years and has very much enjoyed being here I think my time here is going to be severely limited because I now suffer from quite severe respiratory problems due to the air pollution in Hong Kong, which I feel gets worse all the time. I read very much in the newspaper. I think the Government's statistics on clean air are deeply misleading and actually quite dishonest and I'd like to know if you really intend to do anything. If Singapore can have clean air, if the taxis we have here are not allowed to run in Japan because they pollute the air too badly, I mean what actual measures are you going to take. If people can afford to run cars in Hong Kong, surely they can afford to run them on unleaded petrol and not on diesel.

Governor: You probably know that we put forward proposals the other day to move as many vehicles as possible from diesel to petrol and we also put forward proposals for dealing with those diesel vehicles that will still be on our roads, some of the bigger ones with tougher emission controls, with regular inspections for smokier vehicles. So, we are trying over the next year or two to make that step forward in dealing with air pollution that we are making in dealing with water pollution through the very big sewage strategy scheme that we have put in place. I hope that by the time I leave in 1997 we'll have not only cleaner water and a fragrant harbour again or something close to a fragrant harbour, but that we'll also have much cleaner air.

I was quite surprised when we put forward our proposals on a move from diesel to petrol that there were one or two newspapers which normally criticise us for not doing enough on the environment which then seemed to take the point - oh well maybe diesel wasn't so bad after all and maybe we were being unfair to diesel users, and maybe the fiscal incentives that we were offering were not large enough. I think that we have put forward a very sensible package of proposals and I hope that they can be implemented as soon as possible, because you're not the only person who has respiratory problems.

Question (in Chinese): Good morning, just now I heard from the Governor that he would ensure that we have a buoyant economy. But I think, how are you going to guarantee that. I'll take the example of the Container Terminal No.9. We have known long ago that for CT9 cannot go beyond 1997 if you don't change you policies. Now even Jardines have indicated their willingness to withdraw from the project so that we could go ahead with the project as soon as possible, so that there won't be any more arguments. CT9 would create a lot of jobs for Hong Kong. Without CT9 then Hong Kong may not be able to be the world No 1 port in the world for the third or forth consecutive years. Now once we lose our clients they won't come back. We have an economic downturn, a lot of people without jobs, so why do you still want to be so stubborn on the political arguments. If Jardines is willing to withdraw and all willing to have another tender, why do you still insist on your own ideas and political system would you not be criticised by all of Hong Kong people?

Governor: It has nothing to do with my ideas on the political system and what you say about the consortium is not actually true. So the basis of your question is I think, not correct. I agree with you that we need to go on developing our port. It is extremely important. It's the biggest and most successful container port in the world and we need to develop it by ensuring that it is more competitive and that was behind our original decision on CT9 that it is as efficient as possible: I have to say that our public procurement policy are clean and above board, aren't infused with politics. We remain committed to those objectives. I hope that in the light of what was said at the Foreign Ministers' meeting last week that we'll be able to move ahead on the Container Terminal 9, because a successful port is a very important artery for our economy.

Question (in Chinese): Good morning in the Policy address there is mention of taking care of our elderly people, but you haven't actually delivered your promise, because before 1997 you are unable to put in place seventy centres for the elderly and also CSSA for elderly is only increased by 12%, why?

Governor: No, perhaps I can just say a little more about the elderly. We have actually increased our spending on programmes for the elderly by about 50%, that's after prices, that's 50% in real terms over the last three years, and so we should have done because the elderly built this community and they deserve well of this community now it's successful. Right across the board, whether you're talking about care and attention homes, whether you're talking about more housing provision, whether you're talking about better health facilities say for example people have to wait less long for a cataract operation. Right across the board we have been trying to develop our programmes, our policies for the elderly including of course support for the elderly financially. We have considerably increased CSSA payments for older people, I think I am right in saying that in the last three years we have actually increased payments for a single elderly person by 26% in real terms. We are prepared to look at more in relation to the review that we've been carrying out of the household expenditure survey, so we do recognise our responsibilities for the elderly. My colleagues in the Social Welfare Department are determined to carry through our extraordinary substantial programme of additional provision, health centres, clinics and so on and they are absolutely committed to that and I sure that we will be able to hit all our targets.

Question (in Chinese) : Good morning, Mr Patten, I see that in your policy address that there is mention of reducing the waiting time for public housing from seven to five years. I really have doubts about that. Can you really deliver your promise or is it just going to be a bounced cheque, because I have lived in THAs for six years, I am not eligible for public housing yet. Now you say that you will reduce the waiting time from seven to five years but there are actually people who have waited for more than ten years, still they are not re-housed and now you are saying that you are going to reduce it from seven to five years. How is it going to be done?

Governor: Well, we have reduced it so far from nine to seven and we are committed to reducing it from seven to five. It is actually less than that in the New Territories. It is a bigger problem in the urban areas. We are reducing it from seven to five by 2001 and the Housing Authority, Rosanna Wong the Chairman and officials and I are determined to do that. We have got a programme of about one hundred and forty thousand new flats that we're putting in place, and of course we've got our programmes to encourage home ownership as well. As for your own position, I wonder whether you actually had any offers of re-housing, because quite often I've been round I think ten temporary housing areas now and sometimes one finds that people have been made several offers, but they are not getting the ideal one that they sometimes want a new flat in an urban area which is a bit difficult, because there are other people ahead of them in the queue. But if you have got a particular problem which you would like to raise with me, if you write to me I'll see if I can deal with it.

Question (in Chinese): I support the Governor. Yesterday he talked about labour importation. I support him fully. I hope he will set up a committee to deal with giving priority to local workers. Mr Lau Chin-shek, Lee Cheuk-yan, Madam Chan Yuen-han, Mr Cheng Yiu-tong, Mr Allen Lee, Mr Ngai Shiu-kit, Mr James Tien, they should all get together to form this committee so that could do a registration list for manufacturers and contractors. Now if Hong Kong people do not like that, they could always import labour. Like our richest man in Hong Kong Mr Li Ka-shing, he has built a home for the elderly in Tuen Mun ...

Presenter (in Chinese): Mr Ng your question seems to be that you want to have a piece of legislation in Hong Kong to give priority to local workers in terms of employment.

Governor: I think Mr Ng was making a point which I think is more fundamental, that is the importance of us all working together in trying to tackle this problem, recognising I think that labour importation, if we get it right, isn't going to be the total answer of our problems of job creation, there are all sorts of other things we have to do and we shouldn't kid ourselves that one decision on labour importation is suddenly going to trigger tens of thousands of jobs, because it's not. Life is not that simple, but we have got to get it right and I want to work with all the sort of people that Mr Ng was mentioning in order to do that. That is why we are going to hold a summit next month bringing everybody together and I hope that we will be able to get some agreement on the way forward.

Presenter (in Chinese): I just want to put a very simple question. In the whole Policy Address what do you think is the spirit of the Policy Address this year.

Governor: I think the spirit of the Policy Address is the importance of us working together, working together Government and the Legislative Council, working together the Government and the Preparatory Committee next year, working together Britain, China and Hong Kong. I said just a moment or two ago that what happens in 1997 is going to be one of the most important events of our time and I very much hope in the interests of six million extraordinary energetic and successful people here in Hong Kong, the people of this great city. I hope that we can get it right because the whole world will be watching us very carefully.

End/Thursday, October 12, 1995

Supplementary Labour Scheme addresses workers' concerns

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The proposed Supplementary Labour Scheme (SLS) announced by the Governor in his Policy Address yesterday should address the concerns of employees' representatives that local workers should be given every opportunity to fill any job vacancies, the Secretary for Education and Manpower, Mr Joseph W P Wong, said today (Thursday).

Speaking to members of the new Legislative Council and the press to explain the Government's new initiatives on the employment front as outlined in the Policy Address, Mr Wong reiterated that the Government was fully aware of the community's concerns over the recent employment situation.

He pointed out that the objective of the SLS to be introduced on January 1, 1996 with a quota ceiling of 5,000, was to allow the entry of a limited number of foreign workers to take up jobs which could not be filled locally.

"We have decided to limit the quota size to 5,000 after considering the labour market, the job vacancies and the operation of the General Labour Importation Scheme which has a quota of 25,000. We consider the figure to be suitable in the current market conditions," Mr Wong said.

He said the just completed review of the General Scheme was based on the results of the enhanced surveys on job vacancies and the profile of the unemployed, and it had taken careful account of the views expressed by Legislative Councillors, trade unions and employers' associations.

"The enhanced surveys on the profile of the job vacancies and the unemployed suggest that there was a surplus of local workers in those broad occupations which cover jobs of a similar nature to many of the posts now occupied by imported labour under the General Scheme.

"This is the basis for terminating the General Scheme. But at the same time it must be recognised that no survey can ascertain whether there is a surplus or shortfall of vacancies at the individual job level.

"In practice, it depends on a variety of factors, including the particular requirements of the specific job and the availability and willingness of a qualified local worker to take it up," he said.

Mr Wong underlined the importance of retaining the policy option of employing foreign workers to supplement Hong Kong's labour force where necessary in order to maintain the competitiveness of the territory as an open and highly flexible economy.

Commenting on the Government's decision to put an end to the General Scheme and allowed it to run down naturally in the next year or so, Mr Wong said the labour market situation had changed considerably since 1989 when the General Scheme was introduced and fundamental changes were necessary to meet the current requirements of the labour market.

On the differences between the General Scheme and the SLS, Mr Wong said: "First, the quota allocation will be application specific and no industry sub-quota will be allocated. Second, the employers must advertise the vacancies and participate in the Job Matching Programme of the Labour Department for two months. (See annex for details.)

"We will also involve the Employees Retraining Board to provide tailor-made training or on-the-job training for local workers when necessary. We would only process the applications if the employers can prove and the Government is satisfied that the vacancies cannot be filled locally," he explained.

Mr Wong said the Government would discuss detailed arrangements for the implementation of the SLS at the Governor's Summit on Employment to be held on November 9.

"We will discuss the proposals arising from the review with the Legislative Council, the Labour Advisory Board and employees and employers representatives," he said.

"I believe these proposals strike a reasonable balance between the interests of employees and those of employers. The proposed SLS will be monitored by the Labour Advisory Board—a tripartite body comprising the Government, employees and employers representatives. We will also submit quarterly reports to the relevant panel of the Legislative Council," Mr Wong said.

On the Job Matching Programme (JMP) operated by the Labour Department, Mr Wong noted that so far out of some 3,000 registrants, about 1,800 of them had been helped to find jobs, representing a success rate of over 50 per cent.

"We aim to expand the JMP and will continue our efforts in seeking the support of employers and employees in the matching programme," he said.

To reinforce law enforcement action, Mr Wong said additional resources had been earmarked for the Labour Department. Eighteen additional posts would be created in the Labour Department in 1996-97 to combat the illegal employment problems and five additional posts to guard against abuses of foreign workers.

An interactive voice phone service in four different languages (Cantonese, Putonghua, English and Thai) will be set up next month for imported workers to inform them of their rights and benefits.

Turning to the Government's stated objective to improve labour rights and benefits, Mr Wong said legislation would be introduced in 1996 to improve the regulation of labour relations by improving the mediation procedures and by protecting members of trade unions from unfair dismissal.

"Besides, new legislation will be drafted to further improve maternity benefits and protection," he added.

To help workers who suffered from pneumoconiosis, Mr Wong said a loan of \$80 million would be available in 1996-97 to the Pneumoconiosis Compensation Fund Board to effect improvements to the compensation scheme including a monthly payment of \$2,100 for pain, suffering and loss of amenities to qualified pneumoconiotics irrespective of the degree of their incapacity.

"We will continue to improve labour rights and benefits on the basis of full consultation with employees' and employers' representatives and the Legislative Council," he said.

On the issue of age discrimination in the labour market, Mr Wong said a study would be conducted in early 1996 to find out the extent of the problem in employment and consult the community on how best to tackle it.

Mr Wong said while the Government was examining overseas legislation and practices on the issue, he had personally asked employers' representatives to prepare guidelines to remove restrictive practices, including age requirement in recruitment.

"We have been monitoring the situation closely and are now conducting a second freezing survey on job advertisements to determine whether there has been any improvement in removing age as a job requirement," he said.

Turning to industrial safety, Mr Wong said following the consultation exercise which ended last month, the Government had received positive responses to the recommendations proposed in the Consultation Paper on the Review of Industrial Safety In Hong Kong.

"We will take the recommendations forward and introduce during this Legislative Council session amendments to the Factories and Industrial Undertakings Ordinance. We will also encourage the co-operation of employers and workers to improve safety at the workplace and promote a safety management system at industrial undertakings and construction sites in Hong Kong."

Sixty-six new posts have been planned for 1996 and another 29 posts in subsequent years to enable the Labour Department to step up its inspections and enforcement actions against breaches of safety legislation and to assist and promote the adoption of the safety management system.

"Next year, the Government will publish a Charter for Safety in the workplace, highlighting employers' obligations to reduce the risk of accidents, as well as setting out the rights of workers to enjoy a safe working environment," he added.

Mr Wong cautioned that Hong Kong should not allow immediate concerns to cloud the long-term vision.

"In the face of continuing economic restructuring, we must help our students and workers acquire new skills; and we must assist those workers who have been displaced in the restructuring process to re-join the labour force. This will take time but this must be done.

"We are therefore reviewing the Employees Retraining Scheme to sharpen its focus and to improve its effectiveness. We will also commission a consultancy to undertake a review of the role, structure, programmes and activities of the Vocational Training Council to see how it can better meet the demands of our changing economy.

"It is the Government's determination to provide a well-educated and well-trained workforce to carry Hong Kong's success into the next century," Mr Wong said.

End/Thursday, October 12, 1995

Supplementary Labour Scheme a good decision: acting FS

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The Supplementary Labour Scheme proposed by the Governor in his policy address is a good decision which provided a point of balance between the interests of Hong Kong's workforce and the future possible needs of the economy, the acting Financial Secretary, Mr T H Chau, said today (Thursday).

He hoped that workers, labour unions and the business community would find the proposal acceptable after they had studied the details of the scheme.

Mr Chau was speaking to reporters after officiating at the opening ceremony of the Quick Response Centre, a new facility of the Clothing Technology Demonstration Company Limited and a subsidiary of the Hong Kong Productivity Council. Mr Chau said the Hong Kong Government was determined to maintain and improve Hong Kong's competitiveness so that it can compete with other trading partners in the world.

"One of the ways in which we hope to increase competitiveness is to improve the productivity of workers, manufacturers and other commercial enterprises.

"The setting up of the Quick Response Centre, funded by the Hong Kong Government through the Industrial Support Fund, is a perfect example of the Government's determination to support Hong Kong's industrial development," he said.

Mr Chau said: "Industrial development is still very important because we cannot have a community in which there is no more manufacturing and only services.

"We do need to retain a certain amount of manufacturing and our industry should head towards higher technology and higher value-added products.

"As a consequence, the development of an infrastructure of skills is of vital importance."

He noted that this year, the Government would allocated \$272 million to the universities in Hong Kong on academic research and development, a 133 per cent increase compared with 1992.

"In the area of industrial research and development," he said: "since 1993, we have provided \$372 million for research projects in manufacturing technology.

"This substantial increase underlines our determination to help and encourage industry to go upmarket."

On the establishment of a science park to enhance scientific and technological research in Hong Kong, Mr Chau said the Government had spent two years to conduct a feasibility study on the project.

The Government would be consulting widely on its findings in the coming months and would submit detailed proposals to the Legislative Council.

Mr Chau said the Financial Secretary had established a Task Force to chart a course for the further expansion of Hong Kong's service industries.

"The Task Force will be reviewing what we can do to provide a regulatory and administrative environment conducive to the future development of our service industry," he said.

On his informal meeting with Chinese State Councillor and Minister of the State Science and Technology Commission, Dr Song Jian, during his visit to Beijing last week to attend the Asia Pacific Economic Co-operation's Ministerial Meeting on Science and Technology, Mr Chau said they had reached a preliminary consensus that China and Hong Kong should co-operate more in developing Hong Kong's applied research and technology capabilities.

He said: "The objective is to enable Hong Kong manufacturers to go towards higher technology and higher value-added products by using the vast reservoir of scientific personnel available in China."

"Both sides would work out the details of how to proceed with a study to establish the applied research and development needs of Hong Kong, with a view to enabling both sides to determine the mode and scope of co-operation in this area," said Mr Chau.

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Major policy initiatives on education outlined

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The two immediate issues the Government is tackling on the education front are to provide more support services to low achievers and newly-arrived children from China, the Secretary for Education and Manpower, Mr Joseph W P Wong, said today (Thursday).

Speaking at the briefing sessions to the new Legislative Council and the press after the Governor's Policy Address, Mr Wong said these programmes were among the 12 new initiatives in the education programmes, in addition of Government's substantial on-going programmes to improve education quality.

"In 1996-97, the Government will introduce more improvement measures such as the establishment of a new Student Discipline Team to provide expert support and guidance to all schools with serious discipline problems.

"Last year, we developed and implemented school-based curricula specially tailored to the needs of low achievers in ten secondary schools. We expanded this scheme to cover some 60 schools this September," Mr Wong said.

For children newly arrived from China, Mr Wong said the Government would continue to provide them with special support in the form of an enhanced induction programme (including simple English starting from this month), placement assistance, remedial teaching and counselling services.

A review on the various support services and the longer term requirement of these children will be conducted next year.

As a special effort to improve and expand the learning of Putonghua in schools, the Government aims to introduce new Putonghua curriculum from Primary One to Secondary Five in September 1998 and to have Putonghua as an independent subject in the Hong Kong Certificate of Education Examinations in the year 2000.

On civic education, Mr Wong said the Government was developing new guidelines and a framework to enable schools to develop their programmes either as an independent subject or a cross-curricular programme.

"They will be available by September 1996. These will give students among other things, a better knowledge of the Basic Law and China's social and political system," he said.

Turning to kindergarten education, Mr Wong said the Government would conduct a review on the Kindergarten Subsidy Scheme introduced this September and expect to complete the review by mid-1996.

"We will continue to upgrade teacher quality by requiring at least 40 per cent of the teachers in each kindergarten to have completed the advanced course by September 1997," he said.

On Government's policy to encourage schools to use mother-tongue as the medium of instruction, Mr Wong stressed Government's existing policy of encouraging schools to adopt Chinese as the medium of instruction through the provision of additional support, including additional teachers.

"At the same time, we are going to prove that the results of students using Chinese as the medium of instruction are in fact better than comparable children using English as the medium of instruction," he said.

In 1994-95, the Education Department started a three-year research project to find out the effects of using different medium of instruction on students' results.

Based on the findings from this project, the Education Department will issue in 1997-98 firm guidance to schools on which language they should adopt as the medium of instruction.

For disabled children and other school children who might need to be provided with special education, Mr Wong said the Government had been actively implementing a series of support measures, including the strengthening of the various counselling services in schools, building 10 practical and skills opportunity schools, developing gifted children.

Noting that the Board of Education had set up a working group to conduct a comprehensive review on the needs of disabled children, Mr Wong said the recommendations from the Board would form an important basis for considering improvements to special education.

Other new initiatives in the education programme include:

- * To introduce the Target Oriented Curriculum- which has been adopted by over 70 schools in their Primary One classes- to all primary school classes by September 2000.

- * To provide 300 additional primary graduate teacher posts in 1996-97 as part of the on-going efforts to upgrade the quality of primary education.
- * To plan additional provisions for five international schools in the next five years to meet the anticipated demands and provide continued support to non-profit making international schools by introducing an improved package of assistance towards building such schools.
- * The University Grants Committee to introduce next year the Teaching and Learning Quality Process Review to examine the effectiveness of the various systems used to maintain and improve the quality of learning and teaching in its tertiary institutions.
- * To start the construction of a new campus in Tai Po for the Hong Kong Institute of Education, due to open in September 1997, at a capital cost of \$2.1 billion.
- * To introduce legislation next month to regulate the marketing of overseas courses of higher learning in Hong Kong to protect students against false or misleading claims.
- * To introduce an Extended Loan Scheme this month to an estimated 6,000 students who previously would have received little or no financial assistance under the Local Student Finance Scheme.
- * To grant \$50 million to the Open Learning Institute to offer loans to the needy students as from this October.
- * To complete a comprehensive review on the Local Student Finance Scheme by early next year.

End/Thursday, October 12, 1995

Social welfare committee briefed on welfare issues

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The Secretary for Health and Welfare, Mrs Katherine Fok, briefed the Social Welfare Advisory Committee (SWAC) today (Thursday) on welfare issues in the 1995 Policy Address and the progress of implementing the undertakings in the previous policy commitments.

Members also exchanged views on the further development in the welfare sector in the years ahead.

At the meeting held today, members were briefed on the methodology being adopted in reviewing the adequacy of the Comprehensive Social Security Assistance (CSSA) standard rates and were presented the preliminary findings of the review based, inter alia, on an analysis of the first six-month data from the Household Expenditure Survey (HES).

The Chairman SWAC, Mr Eric Li, said the meeting generally endorsed the review methodology and the proposed enhancements to CSSA standard rates with effect from April 1 next year as announced by the Governor in his Policy Address yesterday. "SWAC will continue to look into other aspects of the comprehensive review of the CSSA scheme and looks forward to receiving the full results of HES and its analysis in early 1996," he said.

Mr Li also said the meeting had favoured the proposal of the Government to continue to expand the outreaching social work service at the pace of two teams per year from 1996-97 to 1998-99.

Members were also briefed that bids for the necessary resources for the two teams in the coming year had been made and that there would be another review on the service upon the smooth implementation of the expansion.

"Members shared the view that services for adolescents at risk should be of high priority," Mr Li added.

Members were briefed on the focus of the outreaching social work service which would provide counselling, guidance and other forms of service to help young people overcome their problems, develop their potential and become socially reintegrated.

As at December last year, a total of 30 outreaching social work service teams have been established.

End/Thursday, October 12, 1995

Voter complaints investigation results announced

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The Chairman of the Boundary and Election Commission (BEC), Mr Justice Woo Kwok-hing, today (Thursday) announced the results of investigations into complaints about persons being turned away from polling stations in New Territories Northwest (NTNW) and New Territories North (NTN) constituencies on the polling day on September 17.

A total of 2,521 persons in the NTNW constituency and 1,280 persons in the NTN constituency were turned away.

There were 34 cases of complaint in respect of the NTNW constituency involving 1,039 out of the 2,521 persons and 25 cases of complaint in the NTN constituency involving some 150 out of the 1,280 persons. The remainders made no complaint.

Mr Justice Woo said 804 persons in the NTNW constituency and 516 persons in the NTN constituency were turned away because their names were no longer on the 1995 Final Register (FR).

"Their names were deleted because they neither responded to the inquiries sent by the Registration and Electoral Office (REO) from mid-February to the end of April nor lodged any claim to the Revising Officer during the statutory appeal period between June 21 and July 5 when the 1995 Provisional Register (PR) was open for public inspection," he said.

He added that the entire vetting process was conducted strictly in accordance with the law and no human error was involved.

Mr Justice Woo also said 1,449 persons in the NTNW constituency and 565 persons in the NTN constituency had attended the wrong polling stations.

"This was mainly because the REO had learnt from other sources, for example, tenancy records of the Housing Department, that these electors had changed their addresses and had therefore reallocated them to the appropriate constituencies and polling stations."

Some had been reallocated as a result of the additional or replacement polling stations set up in the constituency.

"The REO had notified these electors of the reallocation. These persons had not lost their voting right. They were entitled to vote at the polling stations to which they were assigned," he said. Mr Justice Woo said the position was also explained to these electors by the presiding officers on the spot after obtaining information from the REO's Enquiry Unit.

As regards the others (268 persons in the NTNW constituency and 199 persons in the NTN constituency), there are no records of their registration as electors.

"They were not entitled to vote," he said.

Mr Justice Woo said the REO would write to individual complainants to explain to them the reasons why they were turned away from the polling stations on the polling day.

"The vetting exercise covered all 18 districts in Hong Kong," he said.

He explained that to prevent vote planting and other possible abuses, it was imperative that the register of electors was accurate.

It was therefore necessary to vet and update the entries in the register.

Mr Justice Woo dispelled rumours that the names of the electors of only certain districts in the New Territories were deleted from the FR and that the inquiry letters had only been sent recently as absolutely untrue.

He also rebutted criticism that the vetting exercise was conducted too casually.

"The vetting process was conducted in accordance with the procedure laid down in the law, which provides for safeguards to protect the interests of the electors," he said.

On criticisms that some electors who voted in the March Municipal Council (MC) elections were debarred from voting in the September Legislative Council (LegCo) elections, Mr Justice Woo explained that every election was conducted on the basis of the register of electors currently in force.

The register of electors comes into force from its publication in August every year until the publication of next year's register.

"The March 1995 MC elections were based on the 1994 register then prevailing, whereas the September elections were based on the 1995 register in force," he said. About 110,000 names in the 1994 register had not been rolled over to the 1995 register as a result of the major vetting exercise conducted earlier in the year. He said to become an elector in Hong Kong is a right, not a duty. Those eligible have to go through an application procedure before they are registered.

"This right has to be acquired with a little effort.

"If an elector has changed his address or has received an inquiry from the REO, he should also make a little effort to notify or respond to us to preserve his right as an elector," he said. The BEC will review the electoral arrangements in the light of the experience in the September LegCo elections, including the vetting procedure to update electors' particulars.

"We shall consider how the arrangements can be further improved," Mr Justice Woo said.

He said that a number of possible improvements would be considered:

- To further strengthen publicity and civic education efforts to impress upon electors the importance to update their records on the register of electors.
- To send inquiry letters by registered post so as to alert electors of the importance of the inquiry.
- To explore the feasibility of finding the telephone numbers of those electors under inquiry in the telephone directories with the aid of computer programmes, so that they could be contacted by phone and the position could be better explained to them.
- To maintain a closer liaison with the Post Office and the Home Affairs Department to have a better understanding on the subjects of inquiries.

End/Thursday, October 12, 1995

HK team to attend UN meeting on civil and political rights

The Solicitor General, Mr Daniel R Fung, QC, will lead a five-member Hong Kong Government team, as part of the British delegation, to attend a hearing before the United Nations Human Rights Committee on the fourth periodic report on Hong Kong under Article 40 of the International Covenant on Civil and Political Rights (ICCPR) to be held in Geneva, Switzerland, on October 19 and 20.

During the hearing, the UN committee will examine the United Kingdom's fourth periodic report on Hong Kong under the ICCPR submitted to the UN on July 21.

The report covers the developments in Hong Kong on human rights issues since the third report was examined by the UN Human Rights Committee in 1991.

The Hong Kong team will assist the British delegation in answering any questions on the implementation of the provisions under the ICCPR in Hong Kong.

Apart from Mr Fung, the Hong Kong Team comprises the Principal Assistant Secretary for Home Affairs, Mr Jeremy Croft; the Principal Assistant Secretary for Security, Mr Gordon Leung; a Principal Crown Counsel, Mr Stephen Wong; and a Deputy Principal Crown Counsel, Mr Ian Deane.

Both Mr Wong and Mr Deane are specialists in human rights law. Mr Wong has worked with the UN Human Rights Committee from 1993 to 1994 on secondment. Mr Deane is the head of the Human Rights Unit in the Attorney General's Chambers and formerly a legal adviser to the Australian Government on human rights and constitutional law.

End/Thursday, October 12, 1995

Operation to transfer 163 VMs completed

The operation this (Thursday) morning to transfer 163 Vietnamese migrants (VMs) from the North Camp of High Island Detention Centre to Victoria Prison was completed at Mid-day. This group of VMs has been selected for return to Vietnam on two Orderly Repatriation Programme (ORP) flights on October 17 and 24.

There were incidents in the High Island Detention Centre overnight during which VMs engaged in stone-throwing and blocked the main entrance to the North Section with containers. The situation was contained but not before three Correctional Services Department (CSD) officers were slightly injured.

At 7 am today, an announcement was made in the Camp asking the 163 VMs selected for repatriation to present themselves for transfer.

Some came forward but they were unable to exit from the Camp because of the blocked gates. The VMs burnt two containers, one of which was used by Medecins Sans Frontieres as a baby clinic. At about 10 am, when police and CSD officers broke into the North Section of the Camp, they faced resistance and 13 rounds of tear smoke were used. Order was quickly restored.

By about noon, all 163 VMs selected for repatriation had been identified and they left the Camp at 1 pm.

After their departure, further sporadic incidents broke out. The VMs sought to set fire to a water tank and threw stones at CSD staff.

A further nine CSD officers and two policemen sustained injuries during the operation.

The Refugee Co-ordinator, Mr Brian Bresnihan, said the operation had been relatively smooth.

"We did not witness the strong resistance encounter during similar operation earlier this year. Perhaps this group realised that their only option is to return to Vietnam," he said.

He reiterated that the Hong Kong Government remained committed to the repatriation of all the VMs in the territory as soon as possible.

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Transfer of VMs from High Island Detention Centre

The Government announced that a group of about 160 Vietnamese migrants will be transferred from the High Island Detention Centre today (Thursday) in preparation for their return under the Orderly Repatriation Programme.

They will be transferred to Victoria Prison for pre-flight documentation and medical checks prior to leaving Hong Kong. They will be returned in two groups on two flights on October 17 and 24.

The transfer will be observed by independent monitors.

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Three CSD officers injured in High Island incident

Three Correctional Services officers were slightly injured by stones thrown by a group of VMs at the High Island Detention Centre last (Wednesday) evening.

A series of incidents occurred at High Island during the night which cumulated in sporadic stone throwing by the VMs at about 8pm. Between 50 to 60 VMs were seen making home-made weapons behind one of the dormitories at the north section of the camp.

A group of about 200 VMs gathered in the vicinity after Correctional Services Department's officers warned the men to stop, but there were no incidents. Shortly after 9 pm, about 30 VMs began moving some containers and eventually blocked the entrance to that section of the camp.

This was followed by small groups of VMs smashing the concrete slats at the washing area which they used as missiles to throw at CSD officers.

The first throwing incident occurred at about 10.20pm when a sentry at an outpost reported that VMs were stoning him.

For several hours, the sporadic stone throwing occurred at various points of the camp and at one time a home-made spear was thrown in the direction of the main gate.

A total of 143 CSD officers and 168 police of the Police Tactical Unit have the situation under control.

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June Employment and Vacancies Statistics released

According to the figures released today (Thursday) by the Census and Statistics Department, there was continued growth in employment in most of the major service sectors between June 1994 and June 1995. Meanwhile, employment in the manufacturing sector declined further. But employment at construction sites registered a further large increase.

Vacancies in the manufacturing sector remained on a downtrend in June 1995 over a year earlier, while those at construction sites registered a substantial increase.

Over the same period, vacancies in the various service sectors recorded decreases of different magnitudes. Nevertheless, there were still around 52,000 vacancies for all major sectors taken together.

In terms of the number of persons engaged, the wholesale, retail and import/export trades, restaurants and hotels sector was the largest, employing 1,024,600 persons in June 1995.

This was followed by the manufacturing sector, with an employment of 397,800; the financing, insurance, real estate and business services sector, 373,900; the community, social and personal services sector, 295,600; the transport, storage and communication sector, 166,300; and the construction sites (for manual workers only), 64,000.

In terms of growth rate, employment at construction sites (for manual workers only) recorded the fastest increase, by 11.5% in June 1995 over June 1994; followed by the financing, insurance, real estate and business services sector, by 6.5%; the community, social and personal services sector, by 5.1%; the transport, storage and communication sector, by 5%.

On the other hand, employment in the wholesale, retail and import/export trades, restaurants and hotels sector showed a marginal decrease of 0.9%, while that in the manufacturing sector fell by 10.3%.

The respective employment figures are shown in greater detail in Table 1.

Vacancies at construction sites recorded a five-fold increase in June 1995 over a year earlier. The marked increases in both employment and vacancies at construction sites reflected the heavy demand for construction workers by the new airport and related projects.

However, vacancies recorded significant decreases both in manufacturing and in the major service sectors. The decline was particularly notable in the wholesale, retail and import/export trades, restaurants and hotels sector, but this was due in part to a high base of comparison in June 1994, when vacancies situation was particularly acute.

Job vacancies figures are shown in greater detail in Table 2.

Of the 52,000 vacancies (other than those in the Civil Service) in June 1995, the majority fell into three major occupation groups, viz clerks, service workers and shop sales workers, and associate professionals. As vacancies figures analysed by major occupation group are compiled starting from June 1995, the corresponding figures for the earlier quarters are not available for comparison.

The respective vacancies figures broken down by major occupation group are shown in Table 3.

The above statistics for June 1995 were derived from the Quarterly Survey of Employment and Vacancies, Supplementary Survey of Job Vacancies and the Quarterly Employment Survey of Construction Sites conducted by the department.

In the former two surveys, some economic activities (that is those where self-employment are predominant, such as taxi operators, hawkers and freelance authors) are not covered and hence the respective employment and vacancies figures relate only to those selected industries included in the surveys. In the latter survey on the construction sites, employment and vacancies figures relate to manual workers only.

Detailed breakdowns of the above statistics are available from the Quarterly Report of Employment, Vacancies and Payroll Statistics, June 1995, and the Quarterly Report of Employment and Vacancies at Construction Sites, June 1995.

They will be available at \$44 per copy and \$20 per copy (both exclusive of postage) respectively at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong, and at the Publications Unit of the Census and Statistics Department on the 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Table 1: employment figures

Selected major sector	Persons engaged (employment)			Percentage change	
	Jun. 94	Mar. 95	Jun. 95	Jun. 95 over Jun. 94	Jun. 95 over Mar. 95
Manufacturing	443 500	395 400	397 800	-10.3	+0.6
Construction sites (manual workers only)	57 400	64 100	64 000	+11.5	-0.1
Wholesale, retail and import/export trades, restaurants and hotels	1 034 000	1 015 100	1 024 600	-0.9	+0.9
Transport, storage and communication	158 400	164 600	166 300	+5.0	+1.0
Financing, insurance, real estate and business services	351 200	361 300	373 900	+6.5	+3.5
Community, social and personal services	281 300	297 200	295 600	+5.1	-0.5

Table 2: Job vacancies figures

Selected major sector	Number of vacancies			Percentage change	
	Jun. 94	Mar. 95	Jun. 95	Jun. 95 over Jun. 94	Jun. 95 over Mar. 95
Manufacturing	11 240	9 100	7 640	-32.1	-16.1
Construction sites (manual workers only)	530	1 860	3 460	+551.4	+86.2
Wholesale, retail and import/export trades, restaurants and hotels	35 440	27 810	20 060	-43.4	-27.9
Transport, storage and communication	3 770	3 780	3 220	-14.6	-14.8
Financing, insurance, real estate and business services	11 890	10 600	9 160	-23.0	-13.6
Community, social and personal services	10 310	9 120	8 030	-22.1	-11.9

Table 3: vacancies figures broken down by major occupation group .

<u>Major occupation group</u>	<u>Number of vacancies in June 1995</u>	<u>Percentage distribution</u> (%)
Managers and administrators	880	1.7
Professionals	2 790	5.4
Associate professionals	8 480	16.4
Clerks	11 950	23.1
Service workers and shop sales workers	10 120	19.6
Craft and related workers	5 190	10.0
Plant and machine operators and assemblers	4 690	9.1
Elementary occupations	7 590	14.7

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External trade statistics by country and commodity

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The Census and Statistics Department today (Thursday) released detailed statistics on external trade with breakdown by country/territory and commodity for August 1995.

The value of re-exports continued to increase notably, by 15% over a year earlier to \$100.6 billion in August 1995.

Comparing August 1995 with August 1994, the value of re-exports to all of the main destinations showed increases of various magnitudes: Singapore (+36%), Taiwan (+34%), Japan (+32%), South Korea (+28%), the United Kingdom (+23%), France (+23%), the Netherlands (+19%), China (+15%), Germany (+12%) and the United States (+5.6%).

Changes in the value of Hong Kong's re-exports to ten main destinations are shown in Table 1.

The value of re-exports in the first eight months of 1995 was \$715.9 billion, 19% higher than that in the same period in 1994.

Comparing the first eight months of 1995 with the same period in 1994, the value of re-exports to all main destinations showed increases of various magnitudes: Singapore (+35%), Japan (+29%), Taiwan (+26%), France (+25%), the Netherlands (+23%), China (+21%), South Korea (+16%), the United Kingdom (+15%), the United States (+13%) and Germany (+8.3%).

Table 2 shows changes in the value of re-exports of ten principal commodity divisions.

Comparing the first eight months of 1995 with the same period in 1994, increases of various magnitudes were recorded in the value of re-exports of most principal commodity divisions.

More notable increases were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$21.9 billion or 43%); telecommunications and sound recording and reproducing apparatus and equipment (by \$16.2 billion or 27%); miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$13.8 billion or 18%); office machines and automatic data processing machines (by \$13.6 billion or 61%); textiles (by \$9.3 billion or 18%); and plastics in primary forms (by \$7 billion or 54%).

Over the same period, re-exports of clothing fell by \$2 billion, representing a decrease of 3.3% over a year earlier.

The value of domestic exports in August 1995, at \$20.5 billion, decreased slightly, by 2.6% over a year earlier.

Comparing August 1995 with August 1994, increases were recorded in the value of domestic exports to Taiwan (+46%), Japan (+15%), France (+9.7%), the Netherlands (+4.5%) and the United Kingdom (+3.2%). However, the value of domestic exports to Germany, Canada, the United States, Singapore and China decreased by 15%, 13%, 10%, 4.7% and 1.2% respectively.

Changes in the value of domestic exports to ten main destinations are shown in Table 3.

Comparing the first eight months of 1995 with the same period in 1994, the value of domestic exports to most main destinations showed increases of various magnitudes: Taiwan (+35%), Japan (+23%), France (+23%), the Netherlands (+13%), the United Kingdom (+6.2%), China (+6.1%), Canada (+6%), Singapore (+4.9%) and the United States (+2.7%).

However, the value of domestic exports to Germany decreased by 2.9%.

Taking all destinations together, the value of domestic exports in the first eight months of 1995, at \$150.8 billion, increased by 7.5% over the same period in 1994.

Table 4 shows changes in the value of domestic exports of ten principal commodity divisions.

Comparing the first eight months of 1995 with the same period in 1994, increases in the value of domestic exports were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$4.2 billion or 26%); clothing (by \$2 billion or 4.4%); office machines and automatic data processing machines (by \$1.3 billion or 12%); photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$1.2 billion or 12%); and miscellaneous manufactured articles consisting mainly of jewellery, goldsmiths' and silversmiths' wares (by \$672 million or 5.4%).

Over the same period, decreases in the value of domestic exports were recorded for telecommunications and sound recording and reproducing apparatus and equipment (by \$565 million or 7.4%); and textiles (by \$369 million or 3.8%).

The value of imports continued to increase substantially, by 20% over a year earlier to \$131.2 billion in August 1995.

Changes in the value of imports from ten main suppliers are shown in Table 5.

Comparing August 1995 with August 1994, the value of imports from all main suppliers showed increases of various magnitudes: France (+79%), Singapore (+64%), South Korea (+43%), Malaysia (+42%), the United Kingdom (+30%), the United States (+27%), Taiwan (+21%), Germany (+17%), Japan (+16%) and China (+9.8%).

Comparing the first eight months of 1995 with the same period in 1994, the value of imports from all main suppliers showed increases of various magnitudes: France (+91%), Malaysia (+45%), Singapore (+33%), South Korea (+32%), the United States (+31%), Taiwan (+25%), the United Kingdom (+24%), Germany (+21%), Japan (+19%) and China (+18%).

The value of imports in the first eight months of 1995, at \$976.4 billion, increased markedly, by 23% over the same period in 1994.

Table 6 shows changes in the value of imports of ten principal commodity divisions.

Comparing the first eight months of 1995 with the same period in 1994, increases were recorded in the value of imports of most principal commodity divisions.

More notable increases were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$34.3 billion or 40%); telecommunications and sound recording and reproducing apparatus and equipment (by \$19.5 billion or 26%); office machines and automatic data processing machines (by \$14.6 billion or 50%); textiles (by \$10.6 billion or 14%); miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$10.5 billion or 19%); and photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$7.1 billion or 21%).

Over the same period, a small decrease in the value of imports was recorded for road vehicles (by \$966 million or 2.9%).

All the trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison. A separate analysis of the volume and price movements of external trade for August 1995 will be released in early November 1995.

Detailed trade statistics analysed by commodity and by country/territory are published in trade statistics reports.

The August 1995 issue of the "Hong Kong External Trade" with detailed analyses on the performance of Hong Kong's external trade in August 1995 will be on sale at \$122 per copy around October 21.

The report can be purchased at either the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong; or the Publications Unit of the Census and Statistics Department, 19th Floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Enquiries regarding regular subscription to this report may be directed to the Publications (Sales) Office, 28th Floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong, Tel 2598 8194; and enquiries on trade statistics to the Census and Statistics Department on 2582 4915.

TABLE 1 : RE-EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
CHINA	32,042	+ 15.3	249,674	+ 20.6
UNITED STATES	23,044	+ 5.6	150,681	+ 13.5
JAPAN	6,502	+ 31.6	42,307	+ 28.6
GERMANY	4,207	+ 12.2	28,967	+ 8.3
UNITED KINGDOM	3,265	+ 23.2	19,782	+ 15.1
TAIWAN	2,317	+ 33.8	18,028	+ 26.5
SINGAPORE	2,358	+ 35.7	16,797	+ 34.8
SOUTH KOREA	1,635	+ 27.9	12,609	+ 15.6
FRANCE	1,608	+ 22.6	11,034	+ 25.0
NETHERLANDS	1,493	+ 18.9	10,783	+ 23.4

TABLE 2 : RE-EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	15,433	+ 12.1	89,218	+ 18.4
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	11,116	+ 36.4	75,978	+ 27.2
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	10,624	+ 44.8	72,495	+ 43.4
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	7,591	+ 0.6	62,009	+ 17.6
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	9,192	- 8.1	57,927	- 3.3
FOOTWEAR	5,280	+ 2.4	40,168	+ 11.6
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	4,885	+ 66.1	35,750	+ 61.2
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	4,415	+ 19.0	31,775	+ 24.1
TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS	3,130	+ 7.6	23,453	+ 16.1
PLASTICS IN PRIMARY FORMS	2,377	+ 18.0	19,841	+ 54.1

TABLE 3 : DOMESTIC EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
CHINA	5,557	- 1.2	41,922	+ 6.1
UNITED STATES	5,541	- 10.5	38,412	+ 2.7
SINGAPORE	1,043	- 4.7	8,222	+ 4.9
GERMANY	1,074	- 14.9	8,045	- 2.9
JAPAN	1,052	+ 15.4	7,957	+ 23.0
UNITED KINGDOM	1,088	+ 3.2	6,942	+ 6.2
TAIWAN	727	+ 45.9	5,051	+ 35.1
NETHERLANDS	468	+ 4.5	3,505	+ 12.7
CANADA	374	- 13.2	2,866	+ 6.0
FRANCE	310	+ 9.7	2,109	+ 22.6

TABLE 4 : DOMESTIC EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	7,017	- 10.0	46,765	+ 4.4
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	3,011	+ 31.5	20,184	+ 26.3
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES)	1,752	+ 4.2	13,044	+ 5.4
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	1,353	- 11.7	12,162	+ 11.7
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	1,400	+ 6.6	10,915	+ 12.1
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	1,164	- 16.5	9,399	- 3.8
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	951	- 7.8	7,083	- 7.4
MANUFACTURES OF METALS	411	- 3.1	3,117	+ 2.9
PLASTICS IN PRIMARY FORMS	359	- 11.1	2,954	+ 17.7
PAPER, PAPERBOARD, AND ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	280	- 6.2	1,986	+ 5.5

TABLE 5 : IMPORTS FROM TEN MAIN SUPPLIERS

SUPPLIER	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
CHINA	49,546	+ 9.8	348,120	+ 17.6
JAPAN	18,496	+ 15.8	147,710	+ 18.7
TAIWAN	10,942	+ 21.0	84,631	+ 24.6
UNITED STATES	9,872	+ 27.2	75,171	+ 31.2
SINGAPORE	8,057	+ 63.7	51,434	+ 32.8
SOUTH KOREA	6,111	+ 42.6	49,175	+ 32.3
GERMANY	3,035	+ 17.1	21,951	+ 21.3
UNITED KINGDOM	2,874	+ 30.4	19,631	+ 24.4
FRANCE	2,271	+ 78.7	19,551	+ 91.3
MALAYSIA	2,304	+ 42.1	18,536	+ 45.2

TABLE 6 : IMPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1995 (HKD Mn.)	AUG 95 OVER AUG 94 (% CHANGE)	JAN-AUG 1995 (HKD Mn.)	JAN-AUG 95 OVER JAN-AUG 94 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	17,458	+ 50.5	119,406	+ 40.3
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	13,163	+ 34.9	93,357	+ 26.4
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	9,580	- 4.9	88,058	+ 13.7
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	10,246	+ 7.9	67,028	+ 18.7
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	9,448	- 5.8	62,107	+ 1.2
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	6,111	+ 50.3	43,624	+ 50.1
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	5,225	+ 17.3	41,200	+ 21.0
FOOTWEAR	4,564	+ 4.6	34,990	+ 11.6
ROAD VEHICLES	4,278	- 3.5	31,815	- 2.9
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	3,135	+ 8.6	29,682	+ 15.1

End/Thursday, October 12, 1995

Grading of Beach Water Quality

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The Environmental Protection Department (EPD) today (Thursday) announced the latest gradings of Hong Kong's beaches, based on the bacteriological water quality.

The purpose of the grading system is to inform swimmers and the general public about the state of bacteriological pollution at various beaches.

Acting Principal Environmental Protection Officer, Mr Edmond K M Ho, said the grading will be announced biweekly during the bathing season to coincide with the frequency at which beach waters are usually sampled.

The grading is based on the most recent data obtained by EPD 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 suggested 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", Mr Ho 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.
- * 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 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 Council 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 beach water quality monitoring data for 1994. 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 28.9.95)	Present Grading (as at 12.10.95)
Hong Kong South -----		
Big Wave Bay	3	2
Chung Hom Kok	2	1
Deep Water Bay	3	2
Hairpin	2	2
Middle Bay	2	2
Repulse Bay	2	2
Shek O	3	2
South Bay	1	1
St Stephen's	2	1
Turtle Cove	2	1
Stanley Main	3	3
Rocky Bay	X	X
To Tei Wan*	2	1
 Tuen Mun District -----		
Golden Beach	4	3
Old Cafeteria	X	X
New Cafeteria	3	3
Castle Peak	X	X
Kadoorie	3	3
Butterfly	3	3
 Sai Kung District -----		
Campers	1	1
Clear Water Bay 1st Beach	2	2
Clear Water Bay 2nd Beach	2	2
Hap Mun Bay	1	1
Kiu Tsui	1	1
Pak Sha Chau	1	1
Silverstrand	3	3
Trio (Hebe Haven)	1	1

Beach	Previous Grading (as at 28.9.95)	Present Grading (as at 12.10.95)
Islands District -----		
Cheung Sha Upper	1	1
Cheung Sha Lower	3	2
Discovery Bay*	2	2
Hung Shing Yeh	1	1
Kwun Yam Wan	1	1
Tong Fuk	2	1
Lo So Shing	1	1
Pui O	1	1
Silvermine Bay	4	4
Tung Wan, Cheung Chau	1	1
Tung O*	1	1
Tsuen Wan District -----		
Anglers'	X	X
Approach	4	4
Casam	3	3
Gemini	3	3
Hoi Mei Wan	3	3
Lido	3	3
Ting Kau	4	4
Tung Wan, Ma Wan	2	2

Note: "X" The beach has been closed for swimming purposes.

* Ungazetted beaches.

The following beaches have changed grading on this occasion:

Chung Hom Kok, St Stephen's, Turtle Cove, To Tei Wan and Tong Fuk from "2" to "1"; Big Wave Bay, Deep Water Bay, Shek O and Cheung Sha Lower from "3" to "2"; and Golden Beach from "4" to "3".

The changes are within the normal range of fluctuation of the bacteriological water quality of these beaches.

Attention News Editors:

For further enquiries, please contact Mr Edmond Ho on 2755 2230.

End/Thursday, October 12, 1995

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	1,408	0930	+1,770
Closing balance in the account	2,298	1000	+1,770
Change attributable to :		1100	+1,770
Money market activity	+1,760	1200	+1,765
LAF today	-870	1500	+1,760
		1600	+1,760

LAF rate 4.25% bid/6.25% offer TWI 122.0 **+0.0* 12.10.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.42	2 years	2708	6.06	100.42	5.90
1 month	5.50	3 years	3807	6.16	100.08	6.22
3 months	5.58	5 years	5009	6.95	100.52	6.94
6 months	5.62	5 years	M501	7.90	102.52	7.38
12 months	5.67					

Total turnover of EF bills and notes - \$8,054 million

Closed October 12, 1995

End/Thursday, October 12, 1995