



DAILY INFORMATION BULLETIN

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THURSDAY, OCTOBER 8, 1992

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THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S
QUESTION TIME IN LEGCO
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GOVERNOR: HONOURABLE MEMBERS, CAN I SAY FIRST OF ALL HOW GRATEFUL I AM TO THE COUNCIL FOR MAKING THIS SESSION POSSIBLE. I REALISE THAT WE ARE, ALL OF US, IN UNCHARTED WATERS, NOT LEAST YOUR PRESIDENT WHO IS MORE USED ON THESE OCCASIONS TO BEING DOWN THERE RATHER THAN UP HERE. BUT I DO WANT TO FIND A WAY IN WHICH WE CAN HAVE REGULAR EXCHANGES IN WHICH YOU CAN, ON A REGULAR BASIS, ASK ME QUESTIONS ABOUT THE POLICIES AND PROGRAMME OF THE EXECUTIVE. BUT WE MAY NEED TO BE A LITTLE CHARITABLE WITH ONE ANOTHER AND A LITTLE FLEXIBLE, UNTIL WE'VE WORKED OUT ARRANGEMENTS WHICH ARE SUITABLE ALL ROUND.

I HAVE ABSOLUTELY NO FIXED PREJUDICE OR OPINION ABOUT HOW WE SHOULD CONDUCT THESE SESSIONS, EXCEPT TO SAY THIS, WHICH I HOPE HONOURABLE MEMBERS WON'T FIND TOO SANCTIMONIOUS, I DO HOPE THAT WE CAN DEVELOP A STYLE OF DIALOGUE WHICH IS NOT TOO CONFRONTATIONAL. I THINK THIS SHOULD BE A CHANCE FOR EXPLANATION AND AN EXCHANGE OF VIEWS RATHER THAN FOR PARTISAN POINT SCORING. I DON'T PRETEND ON THIS OCCASION TO BRING WITH ME AS SOMETHING TO FOLLOW, THE EXAMPLE OF WESTMINSTER. WE MIGHT DO BETTER TO SET OUR OWN STANDARDS AND GIVE A BETTER EXAMPLE.

ONE OTHER GENERAL POINT THAT I'D LIKE TO MAKE AT THE OUTSET BEFORE PUTTING MYSELF IN THE HANDS OF THE COUNCIL. SOME PEOPLE HAVE SAID TO ME IN THE LAST THREE MONTHS THAT LEGCO USED TO WORK IN A VERY CO-OPERATIVE WAY AND THAT THAT SORT OF CO-OPERATION BETWEEN MEMBERS AND BETWEEN MEMBERS AND THE EXECUTIVE WOULD BE IMPOSSIBLE NOW THAT A MAJORITY OF THE LEGISLATIVE COUNCIL WAS ELECTED. I MUST SAY THAT I DON'T BELIEVE FOR A MOMENT THAT THAT SHOULD BE THE CASE. I THINK IT'S IMPERATIVE THAT WE DEMONSTRATE THAT A GOVERNMENT WHICH IS ACCOUNTABLE TO A LEGISLATURE LIKE THIS IS MORE LIKELY RATHER THAN LESS LIKELY TO PROMOTE STABILITY AND PROSPERITY AND I'M SURE THAT WE WILL BE ABLE TO DEVELOP A WAY OF EXCHANGING VIEWS WHICH ENABLES US TO WORK MORE CLOSELY TOGETHER RATHER THAN TO OPEN UP DIVISIONS BETWEEN US. THAT'S CERTAINLY GOING TO BE MY APPROACH TO MY RELATIONSHIP WITH THIS COUNCIL WHICH WILL NECESSARILY AND PROPERLY BE RATHER DIFFERENT FROM THE RELATIONSHIP WHICH MY PREDECESSORS HAVE HAD.

I'M NOW IN THE COUNCIL'S HANDS ABOUT HOW TO ANSWER QUESTIONS ON MY LEGISLATIVE COUNCIL ADDRESS YESTERDAY. I GUESS THAT WE COULD DO NO BETTER THAN TAKE QUESTIONS FOR AN HOUR-AND-A-HALF IN THE ORDER IN WHICH HANDS RISE, AND I'LL TRY TO BE FAIR. IT'S NOT PREJUDICE AND NOT SEXISM IF I SAY THAT THE FIRST HAND THAT ROSE WAS THAT OF MISS EMILY LAU.

/MISS EMILY

MISS EMILY LAU: GOVERNOR - I THINK I'D RATHER ADDRESS YOU AS GOVERNOR RATHER THAN MR PRESIDENT - GOVERNOR, IN YOUR AGENDA FOR HONG KONG YOUR GOAL IS FORMIDABLY SIMPLE, TO SAFEGUARD HONG KONG'S WAY OF LIFE, AND YOU OUTLINE FOUR KEY PRINCIPLES WHICH YOU SAY IF WE UPHOLD THEM WE SHALL SECURE A COMMUNITY WHOSE FREEDOMS AND WAY OF LIFE ARE PROTECTED. GOVERNOR, AFTER READING THESE 43 PAGES, I FAIL TO SEE A BLUEPRINT WHICH WILL GIVE US HONG KONG PEOPLE THE CONFIDENCE THAT WE WILL ACHIEVE THIS OBJECTIVE, AND OF COURSE I'M SURE YOU KNOW I AM REFERRING TO THE DEVELOPMENT OF DEMOCRACY AT THE VERY HIGHEST LEVEL IN GOVERNMENT, MEANING THE EXECUTIVE COUNCIL AND THE LEGISLATIVE COUNCIL, ON WHICH YOUR PROPOSALS HAVE MADE US ALL VERY UPSET. AND ALSO ON THE PROTECTION OF HUMAN RIGHTS, GOVERNOR, THOSE WORDS I COULD NOT FIND IN THIS AGENDA. I DON'T KNOW WHETHER THEY ARE DIRTY WORDS TO THE HONG KONG ADMINISTRATION. AND YOU MENTION THREE SETS OF LAWS THAT YOU WILL CHANGE, WHICH I WELCOME: THE PUBLIC ORDER ORDINANCE, THE ABOLITION OF THE DEATH PENALTY, AND A LOOK AT LAWS WHICH MAY INFRINGE PRESS FREEDOM. BUT WHAT ABOUT OTHER LAWS GOVERNOR? SO WILL YOU PLEASE TELL US, HOW DO YOU INTEND TO CONSTRUCT A FREE AND DEMOCRATIC FUTURE FOR THE PEOPLE OF HONG KONG BY LAYING VERY FIRM FOUNDATION IN AN AREA OF DEMOCRACY AT THE VERY HIGH LEVEL AND FIRM PROTECTION AND SAFEGUARDS FOR HUMAN RIGHTS?

GOVERNOR: I AGREE THAT IT IS PROBABLY BETTER TO ADDRESS ME AS GOVERNOR RATHER THAN MR PRESIDENT, PARTICULARLY AT THIS POINT IN THE AMERICAN POLITICAL CALENDAR. UNLIKE MR PEROT, I HAVEN'T YET DECLARED. I'M SORRY THAT IN ALL 43 PAGES OF MY ADDRESS, OF THE AGENDA THAT I SKETCHED OUT, YOU FAILED TO FIND ANYTHING WHICH CONVINCED YOU OF MY PURPOSE AND MY CONVICTION ABOUT THE SECURING OF HONG KONG'S WAY OF LIFE BEFORE AND AFTER 1997. LET ME, AT THE RISK OF REPETITION, SAY WHAT I WAS TRYING TO DO.

I WAS TRYING TO FIND A POINT OF BALANCE IN THE COMMUNITY. I NOTICE THAT THIS MORNING SOME HAVE DESCRIBED ME AS TOO CAUTIOUS, CAUTIOUS TO A FAULT. OTHERS HAVE DESCRIBED ME - OTHERS WHO ARE NOT UNKNOWN FOR THEIR RHETORICAL EXCESSES FROM TIME TO TIME - OTHERS HAVE DESCRIBED ME AS BEING RECKLESS. I DON'T NECESSARILY BELIEVE IT'S ALWAYS TRUE THAT IF YOU HAVE OPPOSITE ADJECTIVES USED ABOUT WHAT YOU'RE DOING YOU MUST BE COMING SENSIBLY THROUGH THE MIDDLE, BUT I DO BELIEVE ON THIS OCCASION THAT THE BALANCE I'VE PUT FORWARD IS JUST ABOUT RIGHT. AS I UNDERSTAND THE ASPIRATIONS OF PEOPLE IN HONG KONG, THEY DO WANT MORE DEMOCRACY. EVERY TIME THEY HAVE HAD THE OPPORTUNITY OF DECLARING THEIR POSITION THAT IS WHAT THEY HAVE SAID. BUT I ALSO THINK THAT THEY WANT MORE DEMOCRACY WHICH THEY BELIEVE WILL LAST AND MANY OF THEM, AS I KNOW FROM A PHONE-IN PROGRAMME THAT I TOOK PART IN THIS MORNING, DEFINE THAT AS DEMOCRATIC DEVELOPMENTS WHICH ARE CONSISTENT WITH HONG KONG'S MINI CONSTITUTION AFTER 1997 AND THE BASIC LAW.

SO WHAT I ATTEMPTED TO DO YESTERDAY WAS THIS: TO SAY, IF IT IS CHINA'S POSITION THAT THERE CANNOT BE ANY INCREASE IN DIRECTLY ELECTED SEATS BECAUSE THAT WOULD CONTRAVENE THE BASIC LAW, THEN LET US LOOK AT OTHER THINGS WHICH WOULD BROADEN DEMOCRACY WHICH ARE ENTIRELY CONSISTENT WITH THE BASIC LAW. I THINK THAT IS A COHERENT PACKAGE, I THINK THAT IS A COHERENT SET OF PROPOSALS, AND ONE WHICH I AM PREPARED TO DEFEND IN THIS COUNCIL, AND ONE WHICH I AM PREPARED TO DEFEND AND ARGUE FOR IN PEKING.

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BUT LET ME MAKE ONE VERY IMPORTANT POINT ABOUT PROPOSALS FOR TAKING DEMOCRACY FORWARD. THERE WILL COME A POINT WHEN THIS COUNCIL WILL HAVE TO GIVE ITS DECISION, WHEN THIS COUNCIL WILL HAVE TO MAKE ITS OWN MIND UP ON HOW WE SECURE A DEMOCRACY FOR THE FUTURE, BECAUSE I WILL HAVE TO COME TO THIS COUNCIL WITH LEGISLATION ABOUT 1994 AND 1995 AND THIS COUNCIL WILL HAVE TO FACE DIFFICULT AND DEMANDING DECISIONS, TAKING ACCOUNT OF WHAT IS SAID IN PEKING, TAKING ACCOUNT OF WHAT IS SAID IN LONDON, AND TAKING ACCOUNT OF WHAT IS SAID ON THE STREETS OF HONG KONG. I THINK THAT THE PROPOSALS I HAVE PUT FORWARD ARE REASONABLE AND I HOPE THAT IS THE VIEW OF THIS COUNCIL AND OF THE PEOPLE OF HONG KONG. I HOPE THAT IS THE VIEW OF PEKING IN DUE COURSE, THOUGH MAYBE I WILL HAVE SOME EXPLAINING AND ARGUMENTS TO DO FIRST.

ON HUMAN RIGHTS, I THINK THAT THE BILL OF RIGHTS WAS AN IMPORTANT DEVELOPMENT IN OUR ATTEMPT TO SAFEGUARD CIVIL LIBERTIES. I THINK IT WAS AN IMPORTANT STEP FORWARD TAKEN BY THE GOVERNMENT UNDER MY PREDECESSOR, AN IMPORTANT STEP FORWARD TO ENSURE THE IMPLEMENTATION OF THE JOINT DECLARATION, AND WE HAVE TO TAKE ACCOUNT OF IT IN A NUMBER OF AREAS OF PUBLIC POLICY, NOT LEAST, AS I SAID YESTERDAY, IN A NUMBER OF ORDINANCES THAT HAVE AN EFFECT ON PUBLIC ORDER AND FREEDOM OF SPEECH, ON BOTH OF WHICH WE ARE UNDERTAKING, AS THE HONOURABLE MEMBER WILL KNOW, A REVIEW.

SO WHILE I RESPECT THE HONOURABLE MEMBER'S POSITION AND KNOW THAT IT IS, AS EVER, ARGUED WITH ELEGANCE AND FIRE, I VERY MUCH HOPE THAT SOMEWHERE BETWEEN HER CAUTION AND OTHERS RECKLESSNESS, OR THE OTHER WAY ROUND, I WILL BE JUDGED TO HAVE GOT THE POINT OF BALANCE RIGHT.

MR PETER WONG: YOU'VE ADOPTED A TRADITIONAL AND VERY SUCCESSFUL FORMULA, THAT GOVERNMENT SPENDING MUST FOLLOW AND NOT OUTPACE ECONOMIC GROWTH. THIS HAS BEEN TAKEN TO MEAN GROWTH IN GOVERNMENT EXPENDITURE SHOULD NOT OUTSTRIP GDP GROWTH. THE FIVE YEAR IN MEDIUM TERM FORECAST ALREADY SHOWS THAT THE EXPENDITURE OF GOVERNMENT WILL BE CREEPING UP FROM ABOUT 17% OF GDP TO ABOVE 20. YOUR PROPOSALS WILL ADD ABOUT 5% PER YEAR OR ROUGHLY 1% OF EXTRA GDP GROWTH. SO, ARE YOU NOT BREAKING YOUR OWN RULES ABOUT THE LEVEL OF GOVERNMENT EXPENDITURE?

/GOVERNOR: NO

GOVERNOR: NO, I THINK IF YOU LOOK AT THE FIGURES I ANNOUNCED YESTERDAY YOU WILL SEE VERY CLEARLY THAT OUR PUBLIC EXPENDITURE PROGRAMMES WILL GROW BY SLIGHTLY LESS THAN THE PREDICTED RATE OF INCREASE IN GDP GROWTH. CAN I SAY A FURTHER WORD ABOUT THE QUESTION OF FUNDING OUR PROGRAMMES? THE QUESTION OF WHETHER OR NOT WE'VE BEEN EXTRAVAGANT, BECAUSE IT IS AN IMPORTANT ONE PARTICULARLY FOR THIS HONOURABLE COUNCIL WHICH WILL HAVE TO LOOK AT OUR SPENDING PROGRAMMES IN DETAIL AND WHICH WILL HAVE AN OPPORTUNITY ON SATURDAY OF DISCUSSING THESE MATTERS WITH THE THREE SECRETARIES PRINCIPALLY CONCERNED. LAST YEAR, I AM ADVISED, WHEN THE FINANCIAL SECRETARY PUT FORWARD HIS BUDGET HE WAS VIGOROUSLY ATTACKED FOR BEING FAR TOO CONSERVATIVE IN HIS VIEWS ON PUBLIC FINANCE. THIS YEAR, AFTER MY PROPOSALS YESTERDAY, THERE ARE SOME WHO ARE CRITICISING US FOR BEING TOO EXTRAVAGANT, THOUGH I HAPPEN TO SUSPECT WITHIN ABOUT 24 HOURS NORMAL SERVICE WILL BE RESUMED AND ONCE AGAIN, WE'LL BE CRITICISED FOR NOT SPENDING QUITE ENOUGH ON INDIVIDUAL PROGRAMMES. THE TRUTH IS, THAT NOTHING HAS CHANGED BETWEEN THE FINANCIAL SECRETARY'S BUDGET AND WHAT I SAID YESTERDAY. CERTAINLY NOTHING HAS CHANGED IN RELATION TO OUR VIEWS ON PRUDENTIAL PUBLIC EXPENDITURE. WE ARE ABLE TO MEET A NUMBER OF THE TARGETS WHICH I SET OUT YESTERDAY BECAUSE OF THE USE OF THE WINDFALL WHICH I DESCRIBED. THE SOUNDER THE REVENUES, THE INCREASE IN REVENUE FLOWS THAT WE ARE GETTING THIS YEAR, WHICH HAD I NOT CHOSEN IN EFFECT TO CAPITALISE IT, WOULD HAVE MEANT THAT OUR SURPLUS AT THE END OF THE YEAR WOULD HAVE BEEN NOT 7-1/2 BILLION BUT AT LEAST 13-1/2 BILLION. I THINK THAT 7-1/2 BILLION IS A PERFECTLY ADEQUATE SURPLUS FOR THIS COMMUNITY AND, IF FINANCE MINISTERS IN EUROPE AND NORTH AMERICA COULD POINT TO ANYTHING LIKE THAT AT THE MOMENT, THEY'D BE EXTREMELY PLEASED. I THINK THE WAY WE HAVE USED THAT SURPLUS THIS YEAR IS EXTREMELY SENSIBLE. I WANT TO MAKE THIS POINT CLEAR AS WELL. NOTHING THAT WE ANNOUNCED YESTERDAY WILL HAVE AN EFFECT ON OUR FORECAST RESERVES AND SURPLUSES FOR THE FUTURE. WE WILL CONTINUE TO RUN A SUBSTANTIAL SURPLUS. WE WILL CONTINUE TO RUN SUBSTANTIAL RESERVES AND WE WILL NEED TO DO SO IN ORDER TO PROVIDE US WITH A CUSHION AGAINST ANY ECONOMIC UNCERTAINTY IN THE YEARS AHEAD. SO WE ARE FINANCING OUR PROGRAMMES PRUDENTLY, THERE IS NO QUESTION OF US NEEDING TO RAISE TAXES IN ORDER TO FINANCE THE PROGRAMMES THAT I ANNOUNCED. WHAT WOULD BE DANGEROUS WOULD BE, AS SOME CHINESE OFFICIALS HAVE SUGGESTED WE SHOULD DO IN RELATION TO FUNDING THE AIRPORT, TO USE OUR RESERVES IN 1997 TO CUT INTO THOSE IN ORDER TO FINANCE THE AIRPORT. THAT REALLY WOULD BE DANGEROUS AND I AM NOT GOING TO DO IT.

DR LEONG CHE-HUNG (IN CANTONESE): YOUR ADDRESS HAS CONCENTRATED ON THE DEVELOPMENT OF THE LEGISLATIVE COUNCIL AS A MEANS OF FUTURE CONSTITUTIONAL DEVELOPMENT. COULD YOU INFORM THIS COUNCIL WHAT ROLE, OR CHANGE IN ROLE IF ANY, THE FUTURE EXECUTIVE COUNCIL WILL TAKE? AND SIMILARLY, SINCE YOUR ARRIVAL IN HONG KONG YOU HAVE NOT INFREQUENTLY SOUGHT THE VIEWS OF POLITICAL PARTIES, YET IN YOUR ADDRESS VERY LITTLE IS MENTIONED IN THE WAYS YOU ARE GOING TO STIMULATE OR ENCOURAGE POLITICAL PARTIES. WHAT ARE YOUR PLANS TO DEVELOP POLITICAL PARTIES IN HONG KONG AS A VEHICLE FOR PROMOTING DEMOCRACY?

GOVERNOR: I AM SURE THE HONOURABLE MEMBER WILL FORGIVE ME IF I SAY THAT MUCH OF MY MORE RECENT CAREER HAS BEEN SPENT IN TRYING TO DEVELOP POLITICAL PARTIES AND I THOUGHT WHEN I CAME TO HONG KONG I MIGHT HAVE ESCAPED THAT. I DON'T THINK, AS GOVERNOR OF HONG KONG, TRYING TO STAND ABOVE PARTY POLITICS, THAT I CAN INVOLVE MYSELF IN THE ATTEMPT TO DEVELOP INSTITUTIONAL ARRANGEMENTS TO GIVE EXPRESSION TO INDIVIDUAL OR COLLECTIVE POINTS OF VIEW, THAT AFTER ALL IS WHAT A POLITICAL PARTY IS, BUT WHAT I DO BELIEVE IS THAT WE SHOULD HAVE AS VIGOROUS PUBLIC DEBATE AS POSSIBLE. I HAPPEN TO THINK THAT POLITICS IS AN HONOURABLE ADVENTURE RATHER THAN SOMETHING ONE SHOULD APOLOGISE FOR BEING INVOLVED IN. MANY PEOPLE FIND THAT THEY CAN PURSUE THEIR POLITICAL IDEAS AS INDEPENDENTS, OTHERS FIND THAT THEY WANT TO SHARE THEIR POLITICAL IDEAS, EVEN ACCOMMODATE SOME OF THEIR POLITICAL IDEAS BY WORKING AS PART OF A TEAM OR A PARTY. I JUST HOPE THAT WE CAN CONTINUE TO SEE THE VIGOROUS POLITICAL DEBATE THAT HAS STARTED IN HONG KONG AND THAT WE CAN SHOW THE REST OF THE WORLD AND DEMONSTRATE TO THE COMMUNITY THAT IT IS PERFECTLY POSSIBLE TO HAVE VIGOROUS PUBLIC DEBATE AND GOOD GOVERNMENT; INDEED, THAT GOOD GOVERNMENT IS MORE LIKELY WHERE YOU HAVE VIGOROUS PUBLIC DEBATE WHERE CHIEF EXECUTIVES LIKE ME HAVE TO COME AND EXPLAIN THEIR DECISIONS TO OUR LEGISLATORS; THEY ARE MORE LIKELY TO THINK ABOUT THE DECISIONS IN THE FIRST PLACE.

ON THE ROLE OF THE EXECUTIVE COUNCIL, THE EXECUTIVE COUNCIL WILL CONTINUE TO HAVE THE ROLE SET OUT IN THE ROYAL INSTRUCTIONS AND LETTERS PATENT. IT WILL HELP ME MAKE DECISIONS ABOUT STRATEGY AND POLICY IN HONG KONG AND ITS MEMBERS WILL ACT AS, I HOPE, WISE AND IMPARTIAL ADVISERS. BUT I COULD, MUST, PERHAPS ADD THIS POINT. I DO THINK THAT THE EXECUTIVE COUNCIL IS PROBABLY MOST USEFUL WHERE IT'S ABLE TO CONTRIBUTE TO STRATEGIC DISCUSSION AND STRATEGIC DECISIONS AND DOESN'T GET TOO INVOLVED IN THE MINUTIA OF GOVERNMENT. I SUSPECT THAT THAT WOULD BE THE JUDGMENT OF MANY PAST AS WELL AS PRESENT MEMBERS OF THE EXECUTIVE COUNCIL AND IT'S CERTAINLY THE WAY THAT I INTEND TO TRY TO GUIDE THE EXECUTIVE COUNCIL IN THE FUTURE.

MR TIK CHI-YUEN (IN CANTONESE): MR. PRESIDENT, YOU TALK ABOUT DEMOCRATISATION IN YOUR POLICY SPEECH. THE MEETING POINT WELCOMES THAT, ALTHOUGH THE PROPOSALS ARE SOMEWHAT DIFFERENT FROM OURS. YESTERDAY, THE CHINESE AUTHORITIES DID NOT WANT TO ACCEPT YOUR PROPOSALS TO THE COMING NEGOTIATIONS. ARE YOU CONFIDENT THAT YOU CAN CONVINCED THE CHINESE TO ACCEPT YOUR PROPOSALS?

/GOVERNOR: HUMAN

GOVERNOR: HUMAN HISTORY IS FULL OF EXAMPLES OF PEOPLE WHO WERE CONVINCED THEY COULD DO THINGS AND THEN ANNOUNCED THAT, AND THEN FELL, ALAS, AT THE FIRST ATTEMPT. SO I CAN'T ARROGANTLY EXPRESS ANY SUCH CONVICTION. WHAT I CAN EXPRESS IS A HOPE THAT I CAN DEMONSTRATE TO MY, TO OUR, COLLEAGUES IN PEKING THAT THE PROPOSALS WHICH I'VE SUGGESTED, THAT THE PROPOSALS I'VE PUT FORWARD ARE GOOD FOR THE STABILITY AND PROSPERITY OF HONG KONG AND, THEREFORE, GOOD FOR THE RELATIONSHIP BETWEEN HONG KONG AND CHINA. I CAN DO THAT AS VIGOROUSLY AS POSSIBLE. WHAT I DARE SAY I CAN ALSO SAY IS, IF NOT THESE PROPOSALS, THEN WHAT? I DON'T MAKE THESE PROPOSALS OUT OF THE BLUE. I DON'T MAKE THESE PROPOSALS JUST BECAUSE IT'S MY INITIATIVE, I MAKE THESE PROPOSALS BECAUSE THE GOVERNOR OF HONG KONG AND THE GOVERNMENT OF HONG KONG HAVE TO COME FORWARD WITH PROPOSALS ABOUT WHAT TO DO ABOUT THE ELECTION COMMITTEE IN 1995, HAVE TO COME FORWARD WITH PROPOSALS ABOUT FUNCTIONAL CONSTITUENCIES IN 1995, HAVE TO COME FORWARD WITH PROPOSALS ABOUT ELECTORAL ARRANGEMENTS FOR DIRECTLY ELECTED SEATS IN 1995. I HAVE TO PUT FORWARD PROPOSALS. IF OTHERS THINK THAT I'VE GOT THOSE PROPOSALS WRONG, THEN THEY SHOULD SAY WHAT PROPOSALS THEY WOULD OFFER INSTEAD. IT'S VERY DIFFICULT TO HAVE A DIALOGUE IF WHAT HAPPENS IS THAT THE GOVERNOR OF HONG KONG COMES FORWARD WITH PROPOSALS, WHETHER ON THIS MATTER OR ON THE AIRPORT, IS THEN TOLD THAT THOSE PROPOSALS AREN'T ANY GOOD, RETURNS TO BASE AND THEN IS EXPECTED PRESUMABLY TO SET OFF WITH FURTHER PROPOSALS TO SEE IF THOSE ARE ALRIGHT AND, IF THERE ARE MEMBERS OF THE COMMUNITY, IF THERE ARE MEMBERS OF THIS LEGISLATURE, IF THERE ARE PEOPLE ELSEWHERE WHO THINK THAT MY PROPOSALS ARE WRONG, THEN I THINK IT'S INCUMBENT UPON THEM TO SAY WHERE THEY WOULD CHANGE THEM AND WHAT THEY WOULD PUT IN THEIR PLACE. THAT IS THE WAY WE CAN HAVE A RATIONAL, SENSIBLE EXCHANGE IN DIALOGUE AND I AM EXTREMELY KEEN TO HAVE A RATIONAL AND SENSIBLE AND OPEN DIALOGUE WITH OFFICIALS IN PEKING. IT DOES NEED TO BE OPEN, PEOPLE IN HONG KONG DO NEED TO KNOW WHAT WE ARE DISCUSSING ABOUT THEIR FUTURE.

MR LAU CHIN-SHEK (IN CANTONESE): MR GOVERNOR, YOUR REPORT SAYS THAT YOU WILL PUT IN A LOT OF RESOURCES IN WELFARE AND IN MATTERS CONCERNING PEOPLE'S LIVELIHOOD, BUT HOW MANY NEW PROPOSALS AND HOW MUCH WILL THERE BE FOR THE LOWER CLASS PEOPLE? AS FOR THE LABOUR SECTOR, YOU ARE SILENT ON SAFEGUARDS FOR THE WORKERS, FOR EXAMPLE, YOU TALK ABOUT RE-TRAINING, YOU INJECT 300 MILLION DOLLARS. SO THAT, IN THE COMING TWO OR THREE YEARS, MORE THAN 15,000 PEOPLE WILL BE RE-TRAINED. BUT DO YOU UNDERSTAND THAT EVERY YEAR WE HAVE ABOUT 70,000 MANUFACTURING WORKERS WHO HAVE TO SWITCH JOBS? BY 1996, THE LABOUR POPULATION FOR THE JUNIOR SECONDARY LEVEL PEOPLE, 85,000 PEOPLE, WILL HAVE EMPLOYMENT DIFFICULTIES BECAUSE OF SUPPLY AND DEMAND. AND THEN 15,000 RE-TRAINED PLACES ARE VERY SMALL AND THEN YOU ALSO IMPORT LABOUR FROM OTHER PLACES. THIS WILL BLOCK THE EMPLOYMENT OPPORTUNITIES OF THOSE WHO HAVE BEEN RE-TRAINED AND THEY WILL FIND DIFFICULTIES IN SWITCHING JOBS. HAVE YOU CONSIDERED OTHER PRACTICAL METHODS TO RESOLVE THE EMPLOYMENT OPPORTUNITIES AND PROBLEMS OF LOCAL WORKERS SO THAT THEY CAN CHANGE JOBS EASILY. FOR EXAMPLE, YOU SHOULD SCRAP IMPORTATION OF LABOUR. YOU SHOULD INJECT MORE MONEY FOR THE RE-TRAINING FUND AND YOU SHOULD ASK THE EMPLOYERS TO GIVE PRIORITY TO EMPLOY THOSE WHO HAVE BEEN RE-TRAINED.

/GOVERNOR: I

GOVERNOR: I THINK NORMAL SERVICE HAS BEEN RESUMED EVEN MORE RAPIDLY THAN I EXPECTED. FOLLOWING MR WONG'S SUGGESTION THAT MAY BE I WAS SPENDING TOO MUCH, THE HONOURABLE MEMBER HAS MADE THE POINT VERY VIGOROUSLY THAT I AM NOT SPENDING ENOUGH. THAT IS A POLITICAL DEBATE AND DISCUSSION TO WHICH I AM PERHAPS MORE ACCUSTOMED THAN SOME OTHERS IN WHICH I'VE BEGUN TO TAKE PART. THE HONOURABLE MEMBER ASKS WHICH OF OUR PROPOSALS ARE NEW AND I THINK THE BEST WAY I CAN RESPOND IS TO SAY THIS: IN BOTH THE WHITE PAPER ON SOCIAL WELFARE, FOR INSTANCE, AND THE GREEN PAPER ON REHABILITATION, WE SET OUT ASPIRATIONS FOR SOCIAL DEVELOPMENT IN THE COMMUNITY, BUT WE SET OUT THOSE ASPIRATIONS WITHOUT NECESSARILY MAKING IT CLEAR THAT WE WERE GOING TO BE ABLE TO PAY IN ORDER TO MEET A NUMBER OF THOSE ASPIRATIONS. WHAT I WAS SAYING YESTERDAY IS THOSE ARE, THE KEY ASPIRATIONS THERE, ARE ONES WHICH THE COMMUNITY IS GOING TO BE ABLE TO AFFORD AND GOING TO BE ABLE TO AFFORD WITHOUT BEING - TO COIN A PHRASE - RECKLESS IN THE WAY WE RUN OUR PUBLIC FINANCES.

ANOTHER AREA WHICH IS NEW IS THE COMMITMENT THAT WE'VE GIVEN ON RE-TRAINING. WE'RE USING 300 MILLION HONG KONG DOLLARS FROM THE WINDFALL THIS YEAR TO ENHANCE THE FUNDS WHICH ARE GOING INTO THE EXISTING SCHEME, LARGELY AS YOU KNOW, AS A RESULT OF THE LEVY ON THOSE WHO EMPLOY IMPORTED LABOUR. WHAT OUR 300 MILLION WILL DO IS TO INCREASE THE NUMBER WHO ARE RE-TRAINED BY 15,000 WHEN ALREADY HAVE THOSE WHO ARE BEING RE-TRAINED UNDER EXISTING ARRANGEMENTS, SO THAT 15,000 IS A NEW ADDITIONAL COMMITMENT. THE HONOURABLE MEMBER IS ENTIRELY RIGHT TO SAY THAT A PROBLEM WHICH WE NEED TO ADDRESS ADEQUATELY IS THE ENCOURAGEMENT TO EMPLOYERS TO USE THE SKILLS OF THOSE WHO ARE RE-TRAINED. THAT IS IMPERATIVE IF WE ARE GOING TO BE ABLE TO USE OUR LABOUR FORCE IN THE BEST POSSIBLE WAY DURING A PERIOD WHEN IT IS BOUND TO BE UNDER PRESSURE. THERE ARE, I THINK, AT THE MOMENT, 70,000 PUBLISHED VACANCIES AND A LEVEL OF UNEMPLOYMENT WHICH, IN INTERNATIONAL TERMS, IS EXTREMELY LOW. SO RE-TRAINING IS A CRUCIAL ELEMENT IN REMOVING SUPPLY SIDE BLOCKAGES, MAKING OUR ECONOMY MORE EFFICIENT AND, THEREFORE, AMONG OTHER THINGS, MAKING IT MORE COMPETITIVE AND DEALING WITH INFLATION. I WAS VERY IMPRESSED BY THE RE-TRAINING WHICH I SAW AT THE VOCATIONAL TRAINING CENTRE IN KOWLOON, PARTICULARLY IF I MAY SAY SO, THE RE-TRAINING OF WOMEN WHO HAD BEEN EMPLOYED IN THE TEXTILE INDUSTRY AND WERE BEING RE-TRAINED FOR COMPUTERISED JOBS IN THE PRINTING INDUSTRY. IT WAS A VERY GOOD EXAMPLE OF HOW A GOOD RE-TRAINING SCHEME CAN GIVE PEOPLE ADDITIONAL SKILLS WHICH ARE REQUIRED IN AN INCREASINGLY SOPHISTICATED ECONOMY. WE HAVE TO WORK CLOSELY WITH EMPLOYERS AND CLOSELY WITH THE LABOUR UNIONS TO MAKE SURE THAT WE MAKE THE BIGGEST POSSIBLE IMPACT WITH OUR RE-TRAINING PLANS.

MRS MIRIAM LAU: GOVERNOR, IN RECENT YEARS THERE'S INCREASING COMMUNITY CONCERN ABOUT THE NUMBER OF YOUNG PEOPLE COMMITTING CRIMES IN HONG KONG. THERE'S NO MENTION OF THIS AT ALL IN YOUR POLICY ADDRESS. HAS THE GOVERNMENT GOT ANY PROPOSALS AS TO HOW THIS PROBLEM SHOULD BE COUNTERED?

/GOVERNOR: I

GOVERNOR: I THINK THE HONOURABLE MEMBER RAISES AN EXTREMELY IMPORTANT POINT, A POINT WHICH IS IMPORTANT NOT ONLY IN HONG KONG BUT IN OTHER COMMUNITIES AS WELL. I THINK THAT IT IS, ALAS, OBSERVABLY THE FACT THAT INCREASINGLY, CRIME IS COMMITTED BY YOUNGER PEOPLE ELSEWHERE AND ALL TOO OFTEN WE'VE SEEN THE SAME THING, I KNOW FROM LOOKING AT THE FIGURES, IN HONG KONG AS WELL. I HOPE THAT THE PROPOSALS THAT WE'VE MADE ON EDUCATION WILL AT LEAST HELP TO DEAL WITH SOME OF THE PROBLEMS THAT THE HONOURABLE MEMBER HAS MENTIONED BUT I RECOGNISE THAT WE HAVE TO LOOK AT WAYS IN WHICH NOT ONLY EDUCATION, NOT ONLY THE PARENTAL ROLE, BUT ALSO OUR YOUTH SERVICES AND OUR SOCIAL WORKERS CAN CONTRIBUTE.

IF I MAY SAY SO, THERE IS ANOTHER WAY IN WHICH TO CONTRIBUTE AND IN WHICH THE COMMUNITY IS CONTRIBUTING IN DEALING WITH THE PROBLEM AND THAT IS BY TRYING TO ENSURE THAT THERE IS AS GOOD AND CO-OPERATIVE A RELATIONSHIP BETWEEN OUR EXCELLENT POLICE FORCE AND YOUNG PEOPLE. I WENT ON WHAT HAS FOR ME BEEN THE HOTTEST DAY OF THE SUMMER, TO THE POLICE CALL CAMP AND SAW THERE PROBABLY THE BEST EXAMPLE IN THE WORLD OF YOUNG PEOPLE AND THE POLICE ENJOYING THEMSELVES TOGETHER, AND YOUNG PEOPLE LEARNING A GREAT DEAL IN THE PROCESS. SO I HOPE THROUGH COMMUNITY INITIATIVES LIKE THAT, AND IN OTHER WAYS, WE CAN HELP TO TACKLE THE PROBLEM. BUT IF THE HONOURABLE MEMBER HAS ANY PARTICULAR IDEAS WHICH SHE WOULD LIKE US TO FOLLOW THROUGH, I WOULD BE DELIGHTED TO EXAMINE THEM.

MR JIMMY MCGREGOR: GOVERNOR, I'D LIKE TO ASK YOU A QUESTION ABOUT THE AIRPORT - IT WAS BOUND TO COME UP. I THINK HONG KONG HAS TRIED VERY HARD TO MEET THE REQUIREMENTS OF THE CHINESE AUTHORITIES AND SEVERAL TIMES MAJOR PROPOSALS HAVE BEEN PUT TO THE HONG KONG GOVERNMENT BY THE CHINESE WHICH HAVE BEEN ACCEPTED, BROADLY, BY THE HONG KONG GOVERNMENT WHICH HAS THEN GONE BACK TO CHINA AND AGREED BASICALLY BUT ADDED SOME FURTHER POINTS. AT THE MOMENT WE DON'T HAVE ANY AGREEMENT ON THE AIRPORT FROM THE CHINESE AUTHORITIES AND IT IS ABSOLUTELY ESSENTIAL TO THE FURTHER DEVELOPMENT OF THE CHEK LAP KOK SITE. WHAT I SHOULD LIKE TO ASK IS: IF IN THE VERY BAD SITUATION WHERE WE DO NOT HAVE AGREEMENT WITHIN A PARTICULAR LENGTH OF TIME, WHAT HAPPENS TO THE BUILDING PROGRESS ON THE AIRPORT? DO WE REACH A POINT IN TIME WHERE CONTRACTS HAVE TO BE STOPPED, THE WORKERS HAVE TO BE LAID DOWN, LAID OFF, THE CONTRACTS WILL HAVE TO BE RE-NEGOTIATED OR COMPENSATION DEMANDED BY PEOPLE WHO ALREADY HAVE CONTRACTS AND SO ON? DO WE REACH A POINT IN TIME WHERE YOU AS GOVERNOR AND AS GOVERNMENT CANNOT TAKE THE AIRPORT PROPOSAL FURTHER FORWARD?

GOVERNOR: WE CERTAINLY REACH A TIME WHEN WE WOULD NEED TO LOOK FAIRLY RADICALLY AT THE OPTIONS IN TAKING THE PROJECT FORWARD. FOR EXAMPLE, WHETHER RATHER THAN TRYING TO DO EVERYTHING, WE SHOULD AGREE TO FINANCE WHAT WE CAN OURSELVES BETWEEN NOW AND 1997 AND THEN LEAVE OTHER MATTERS TO BE COMPLETED BY THE SAR GOVERNMENT. IF WE WERE TO ARRIVE AT THAT SITUATION, THEN THE ADMINISTRATION WOULD HAVE TO COME TO THIS COUNCIL IN ORDER TO HAVE PARTICULAR PROJECTS FUNDED, SO THE ROLE OF THE COUNCIL IN ANY DEVELOPMENT OR NECESSARY SHIFT IN OUR POLICY, WOULD BE ABSOLUTELY CRUCIAL.

PERHAPS I CAN MAKE ANOTHER COUPLE OF POINTS. THE FIRST IS THAT I DON'T THINK THAT ANY AIRPORT CAN EVER HAVE BEEN DEBATED AND DISCUSSED AS MUCH AS THIS ONE. IF WE HAD A DOLLAR FOR EVERY WORD THAT HAS BEEN SPILT ON THE FINANCING OF THE AIRPORT WE WOULD HAVE PAID FOR IT TEN TIMES OVER. I THINK THAT THE PEOPLE OF HONG KONG ARE PROBABLY GETTING RATHER FED UP WITH THE CONTINUING ARGUMENT AND DEBATE SINCE THEY KNOW, AS WELL AS I KNOW, AS WELL AS MY COLLEAGUES IN PEKING KNOW, THAT ONE DAY WE WILL HAVE A NEW AIRPORT. AND I THINK WHATEVER PEOPLE OUTSIDE MAY THINK, WE ALL KNOW IN HONG KONG THAT WE'LL BUILD WHEN WE DO, A NEW AIRPORT FASTER, MORE COST EFFECTIVELY AND BETTER, THAN ANYBODY ELSE IN THE WORLD WOULD. THAT'S THE REALITY WHICH MAKES SOME OF THE DEBATE ABOUT FINANCING RATHER MORE FRUSTRATING THAN IT OTHERWISE WOULD BE.

WE CAN'T DO MORE THAN OUR BEST TO SECURE THE COMPLETION OF THE AIRPORT IN TIME. THE FIRST PROPOSALS WE HAD FOR FUNDING MAXIMISED THE FACT THAT HONG KONG BECAUSE OF ITS RECORD, IS A SPECTACULARLY SUCCESSFUL BORROWER. WE THEN PUT FORWARD PROPOSALS WHICH MAXIMISE THE PROCEEDS THAT WE'RE GOING TO GET FROM DEVELOPMENTS ALONG THE MTRC. NOW I'M SURPRISED IF NEITHER OF THOSE ARRANGEMENTS CAN PROVE SATISFACTORY. I WILL CONTINUE TO DO MY BEST TO SECURE THE BEST POSSIBLE AIRPORT IN THE QUICKEST POSSIBLE TIME. I WILL KEEP THIS COUNCIL FULLY INFORMED ABOUT THE ARRANGEMENTS WE MAKE, ABOUT WHAT HAPPENS IN THE NEGOTIATIONS, AND ABOUT THE AVAILABLE OPTIONS. BECAUSE IF WE DO HAVE TO DECIDE TO PROCEED IN ANOTHER WAY - AND WE CERTAINLY WON'T ABANDON THE PROJECT, WE WILL CERTAINLY SEEK TO CONTINUE WITH IT - BUT IF WE DO HAVE TO LOOK AT IT IN ANOTHER WAY, THE ROLE OF THIS COUNCIL WILL BE ABSOLUTELY CRUCIAL BECAUSE THE FINANCE COMMITTEE WILL HAVE TO DECIDE ON THE FUNDING.

MR CHIM PUI-CHUNG (IN CANTONESE): THANK YOU MR PRESIDENT. THIS IS A QUESTION I'M SURE MANY MEMBERS ARE WAITING FOR BECAUSE THIS IS NOT AN EASY QUESTION TO ANSWER. MR PRESIDENT, IN YOUR POLICY ADDRESS YESTERDAY, I READ IT THROUGH CAREFULLY THREE TIMES, ABOUT CONSTITUTIONAL CHANGES, YOU MENTIONED THAT FOR DIRECTLY ELECTED MEMBERS YOU FULLY SUPPORT THAT BUT FOR THE APPOINTMENT SYSTEM YOU SEEMED NOT TO LIKE THEM THAT MUCH. NOW, BUT YOU YOURSELF ARE APPOINTED UNDER THE LETTERS PATENT, SO IS IT NOT IN CONFLICT WITH THE SPIRIT OF DEMOCRACY? AND THEN IN PARAGRAPH 104 YOU CRITICISE SOME PEOPLE WHO BET ON THE DEMOCRATIC PACE BUT YESTERDAY YOU KNOW THAT THE CHINESE SIDE WOULD HAVE SOME COMMENTS ON YOUR PROPOSALS, SO STILL ARE YOU NOW USING US AS HEROIC PAWNS? SO I HOPE YOU WOULD GIVE A DETAILED EXPLANATION TO HONG KONG PEOPLE BECAUSE WE ARE NOW USED AS PAWNS, SO IT IS A MATTER OF WHO IS BETTING ON WHAT.

GOVERNOR: THERE WILL OF COURSE COME A TIME, FAIRLY SOON, WHERE HONG KONG WILL HAVE A CHIEF EXECUTIVE WHO HAS EMERGED FROM A PROCESS OF SELECTION IF NOT ELECTION, AND THEREFORE I SUPPOSE I SHOULD REGARD MYSELF AS A DARWINIAN OBJECT, AS PART OF A PROCESS OF EVOLUTION, AND I HOPE THAT THIS PARTICULAR PART OF THE EVOLUTIONARY PROCESS ISN'T TOO SHELL-BACKED. JUST AS I THINK IT'S IMPORTANT THAT WE MOVE FORWARD IN RELATION TO THE CHIEF EXECUTIVE, SO I THINK IT'S IMPORTANT THAT WE MOVE FORWARD IN RELATION TO, FOR EXAMPLE, THE DISTRICT BOARDS ABOUT WHICH I SPOKE YESTERDAY, OR MUNICIPAL COUNCILS.

IT'S THE BASIC LAW ITSELF WHICH OF COURSE POINTS THE WAY TO THE REMOVAL OF APPOINTED MEMBERS FROM THIS COUNCIL AND TO COMPLETE ELECTION BY VARIOUS FORMULAE OF THE MEMBERS OF THIS LEGISLATIVE COUNCIL, AND I'M SURE THE HONOURABLE MEMBER WOULDN'T WISH ME, IN THESE CIRCUMSTANCES, TO QUESTION THE BASIC LAW. WHAT WE HAVE TO DO THOUGH IS TO FIND WAYS IN WHICH WE CAN BRIDGE SOME OF THE GAPS THAT ARE LEFT, WHICH IS WHAT MY PROPOSALS WERE ATTEMPTING TO DO YESTERDAY.

I DID MAKE THOSE REMARKS ABOUT HONG KONG PEOPLE NOT BEING REGARDED AS HEROIC PAWNS BY OTHERS, THAT IS CERTAINLY MY VIEW AND IT'S A VIEW I WILL EXPRESS VIGOROUSLY TO THE OUTSIDE WORLD. MY OWN JUDGMENT IS THAT THE PROPOSALS THAT I PUT FORWARD, AS I SAID EARLIER, REPRESENTED THE SORT OF CONSENSUS WHICH HAS BEEN EMERGING ABOUT FUTURE POLITICAL DEVELOPMENT IN HONG KONG. I ASSUME THAT NOBODY WOULD THINK THAT THEY COULD FRIGHTEN PEOPLE IN HONG KONG OUT OF REACHING THOSE SORT OF CONCLUSIONS. IF PEOPLE IN HONG KONG ARE TO CHANGE THEIR MIND THEN I THINK THAT SHOULD BE THE PROCESS EITHER WAY, EITHER TO GO FASTER OR SLOWER, OF RATIONAL AND SENSIBLE DISCUSSION.

MRS SELINA CHOW: STILL ON THE SUBJECT OF DEMOCRATIC REFORM, YOU SAID EARLIER THAT YOU WOULD ENDEAVOUR RIGOROUSLY TO PERSUADE CHINA THAT THE PROPOSALS YOU HAVE NOW PUT FORWARD ARE COMPATIBLE WITH THE BASIC LAW SO THAT, AS FAR AS POSSIBLE, CONVERGENCE COULD BE ACHIEVED. IN CASE YOU FAIL TO CONVINCe CHINA, DO YOU INTEND TO PUT THOSE PROPOSALS TO THIS COUNCIL WITHOUT ANY PROSPECT OF CONVERGENCE AND WOULD YOU CONDUCT A REFERENDUM TO LET THE HONG KONG PEOPLE HAVE THEIR SAY SO AS TO FACILITATE THIS COUNCIL TO BE GUIDED BY THE PEOPLE'S CHOICE?

GOVERNOR: IF - I HOPE THE COUNCIL WILL FORGIVE ME - IF I DON'T ANSWER TOO MANY HYPOTHETICAL QUESTIONS, EVEN THOUGH THOSE HYPOTHETICAL QUESTIONS GO TO THE HEART OF WHAT MAY WELL BE THE CHOICES WHICH THE COUNCIL AND THE GOVERNOR HAVE TO MAKE IN THE NEXT FEW MONTHS. THE FIRST ADVICE THAT I EVER HAD IN POLITICS WAS NOT TO ANSWER HYPOTHETICAL QUESTIONS AND IT'S ADVICE THAT I'VE BEEN FAILING TO FOLLOW TO MY COST EVER SINCE. BUT I'D LIKE TO ANSWER THE HONOURABLE MEMBER IN A SLIGHTLY DIFFERENT WAY, WHICH I HOPE MEETS AT LEAST HER CENTRAL POINT.

WHEN I DISCUSS THESE ISSUES WITH THE COUNCIL, WHEN I'VE HAD A CHANCE OF HEARING THE VIEWS OF THE COMMUNITY, WHEN I'VE HAD A CHANCE OF DISCUSSING THESE ISSUES PROBABLY MORE THAN ONCE WITH OFFICIALS IN PEKING, I'LL HAVE TO REACH MY OWN CONCLUSION ABOUT WHAT IS A SENSIBLE WAY FORWARD. IT MAY BE THAT ONE OF THE ELEMENTS, ONE OF THOSE INVOLVED IN THE DEBATE, WON'T BE ENTIRELY AS HAPPY AS ONE WOULD LIKE, IN WHICH CASE, I WILL HAVE TO TAKE THAT INTO ACCOUNT. AND THEN, SOONER RATHER THAN LATER, AND CERTAINLY IN MY VIEW BY NEXT SPRING, IF WE'RE TO HAVE ALL THE ARRANGEMENTS IN PLACE BY 1994 OR 95. I WILL HAVE TO COME TO THIS COUNCIL WITH MY PROPOSALS AND THIS COUNCIL WILL ITSELF HAVE TO REACH A CONCLUSION ABOUT WHETHER THE GOVERNOR IS RIGHT, OR ABOUT WHETHER THE GOVERNOR'S PROPOSALS SHOULD BE AMENDED. THAT IS THE REALITY. THAT IS WHERE THE DECISIONS WILL BE TAKEN. I CAN GIVE A STRONG LEAD AS THE EXECUTIVE WHO LEADS THIS GOVERNMENT, BUT THIS COUNCIL IS WHERE LEGISLATION IS PASSED. SO, BEFORE ANYTHING FINAL IS DONE, IT WILL BE THIS COUNCIL WITH, I HOPE, MY ADVICE, THIS COUNCIL WHICH WILL MAKE THE DECISION, AND I HOPE THIS COUNCIL RECOGNISES THAT AND WELCOMES THE ROLE IT WILL PLAY AS A REPRESENTATIVE OF THE WHOLE COMMUNITY.

MR EDWARD HO: A LOT OF PEOPLE ARE WORRIED ABOUT HUMAN RIGHTS AND DEMOCRATIC DEVELOPMENT AND SO SHOULD THEY BE. THERE ARE STILL A LOT OF PEOPLE IN HONG KONG WHO ARE WORRIED ABOUT THE SHELTER OVER THEIR HEADS. AT LEAST DECENT SHELTER. I NOTICE FROM YOUR ADDRESS, FOR INSTANCE, YOU PROPOSE TO TACKLE THE MIDDLE INCOME HOUSING PROBLEM BY PROVIDING THE FIRST SITE IN 1993/94. AS I AM AN ARCHITECT, I KNOW THAT NORMALLY IT TAKES MORE THAN TWO YEARS TO PRODUCE THE FIRST HOME. SO, I THINK YOUR PROJECTION OF HAVING THE FIRST HOME BY 1995/96 IS A BIT OPTIMISTIC. AND YOUR OTHER PROPOSAL OF BUYING FLATS FROM THE PRIVATE SECTOR. I WOULD HAVE DOUBTS WHETHER, FIRST OF ALL, THAT YOU WOULD NOT INCREASE THE SPECULATIVE ASPECT, THE INFLATION OF PRICES FOR HOUSING. IF YOU ARE NOT INCREASING LAND SUPPLY, THEN AS LATE AS JUNE THIS YEAR WE ARE STILL SHORT OF ABOUT 60 HECTARE, JUST FOR PUBLIC HOUSING. SO MY QUESTION TO YOU SIR, IS HOW WOULD YOU DEMONSTRATE TO THE PEOPLE OF HONG KONG THAT THE GOVERNMENT IS COMMITTED TO PROVIDE MORE LAND AND INFRASTRUCTURE TO ENABLE US TO COMPLETE OUR LONG TERM HOUSING STRATEGY AS WELL AS THE MIDDLE INCOME HOUSING THAT WE ARE SEEKING.

GOVERNOR: PERHAPS I CAN DEAL WITH THAT QUESTION IN THREE PARTS LIKE CEASAR'S GOLD. FIRST OF ALL, OUR INFRASTRUCTURE INVESTMENT IN HONG KONG OVER THE NEXT FIVE YEARS WILL BE, AS I RECALL, 44% HIGHER THAN IN THE LAST FIVE. WE ARE TALKING ABOUT INFRASTRUCTURE INVESTMENT OF ABOUT 78 BILLION AND THAT GOES, AMONG OTHER THINGS, TO PREPARE THE WAY FOR NEW HOUSING SCHEMES.

SECONDLY, OF COURSE YOU ARE RIGHT TO SAY THAT SANDWICH CLASS HOUSING, THAT PARTICULAR AND IMPORTANT PROBLEM, IS ONLY ONE ASPECT OF OVERALL HOUSING POLICY. WE WILL BE SPENDING OVER THE NEXT FIVE YEARS 41 BILLION HONG KONG DOLLARS ON HOUSING. THE HOUSING AUTHORITY AND THE HOUSING SOCIETY WILL BETWEEN THEM BE BUILDING ABOUT A 190,000 HOUSES OR UNITS OF ACCOMMODATION - HOUSES, FLATS - DURING THAT PERIOD. THAT WILL PROVIDE HOMES FOR ABOUT 650,000 PEOPLE. IT IS A VERY BIG HOUSING PROGRAMME. WITHIN THAT, LARGELY BECAUSE OF THE INTEREST SHOWN BY A NUMBER OF MEMBERS OF THIS LEGISLATIVE COUNCIL, WE HAVE TRIED TO PUT FORWARD PROPOSALS ON THE SPECIFIC ISSUE OF SANDWICH CLASS HOUSING. WHAT WE'VE LOOKED FOR IS A LONGER TERM SCHEME BUT BECAUSE, AS THE HONOURABLE MEMBER SAYS, IT TAKES SOME TIME TO GET THAT UP AND RUNNING, WE'VE ALSO BROUGHT FORWARD - OR WE'RE GOING TO BRING FORWARD - PROPOSALS FOR INTERIM MEASURES FOR A SHORTER TERM SCHEME AND WE ARE PROPOSING, IN EFFECT, TO TRY TO TRADE LAND FOR FLATS WHICH WOULD OTHERWISE BE UNOCCUPIED OR BE HANGING OVER THE MARKET. WE WILL OF COURSE HAVE TO HAVE ARRANGEMENTS IF WE CAN GO FORWARD WITH THAT, WHICH ENSURE THAT IT DOESN'T LEAD TO SPECULATION SO THAT ANY TRADE OF LAND FOR FLATS WOULD HAVE, IN MY JUDGMENT, TO INVOLVE AS WELL THE PROPERTY DEVELOPER SPECIFYING A PRICE IN ADDITION TO ACCEPTING LAND.

THE SECRETARY FOR THE ENVIRONMENT WILL OF COURSE BE AVAILABLE TO ANSWER QUESTIONS ON THIS ISSUE FROM HONOURABLE MEMBERS, BUT THE HONOURABLE MEMBER WILL KNOW THAT ANY ARRANGEMENTS WILL BE DEPENDENT ON AN AGREEMENT WITH THE SINO-BRITISH LAND COMMISSION. BUT I HOPE THAT, SINCE THEY'VE BEEN ALREADY INFORMED ABOUT OUR THINKING ON THIS MATTER, THEY WON'T ACTUALLY FIND THAT TOO DIFFICULT.

MR SIMON IP: IT WAS MUSIC TO MY EARS TO HEAR YOU EMPHASISE THE IMPORTANCE OF GUARANTEEING THE RULE OF LAW. I THINK YOU MENTIONED IT ON NO LESS THAN TWO OCCASIONS IN YOUR SPEECH. OF COURSE, THE INDEPENDENCE OF THE JUDICIARY, INDEPENDENCE OF THE LEGAL PROFESSION, ENFORCEMENT OF LAWS DEMOCRATICALLY ENACTED, ARE FUNDAMENTALLY IMPORTANT. AXIOMATIC I WOULD SAY. BUT, APART FROM THAT, DO YOU HAVE ANY FURTHER IDEAS AS TO HOW THE RULE OF LAW IN HONG KONG IN THE YEARS AHEAD COULD BE PRESERVED AND STRENGTHENED?

GOVERNOR: I THINK THAT THE ANSWER IS PARTLY ONE OF ADMINISTRATION AND PARTLY ONE OF ATTEMPTING TO ENSURE THAT A CULTURE OR AN ATTITUDE OF MIND, OR AN APPROACH TO THE CONDUCT OF CIVIL SOCIETY IS AS DEEPLY ROOTED AS POSSIBLE. LET ME BEGIN WITH THE ADMINISTRATION OF JUSTICE AND ADMINISTRATIVE ISSUES. WE DO HAVE MATTERS TO RESOLVE TOGETHER. WE HAVE, FOR EXAMPLE, TO CONSIDER THE QUESTION OF THE SPEED OF JUSTICE, JUST AS WE HAVE TO CONSIDER QUESTIONS OF THE LOCALISATION OF THOSE WHO DISPENSE WISDOM FROM THE BENCH. THOSE ARE BOTH MATTERS WHERE I KNOW THE LEGAL PROFESSION HAS PUT FORWARD PROPOSALS AND IDEAS WHICH WE HAVE TO CONSIDER. AT THE MOMENT, ONE OF THOSE IDEAS IS BEING CONSIDERED BY, I THINK, A JOINT COMMITTEE CHAIRED BY A DISTINGUISHED JUDGE, THAT IS, THE PROPOSAL THAT WE SHOULD TRY TO INTRODUCE THE EQUIVALENT IN HONG KONG OF THE SYSTEM OF RECORDERS WHICH OPERATES IN ENGLAND AND WALES. I THINK THAT IS A PROPOSAL WHICH WE SHOULD LOOK AT CONSTRUCTIVELY. I THINK IT WOULD GIVE US AN OPPORTUNITY FIRST OF ALL, OF GIVING MORE LOCAL LAWYERS A TASTE OR AN EXPERIENCE OF SITTING ON THE BENCH; SECONDLY, IT WOULD ACTUALLY HELP US TO RUN ONE OR TWO MORE COURTS AT THE SAME TIME AS OUR OTHER COURTS AND, THEREFORE, TO SPEED UP THE NUMBER OF PEOPLE WHO WERE GOING THROUGH THEM. I THINK THAT IT'S EXTREMELY IMPORTANT TO ENSURE THAT OTHER INSTITUTIONS ARE STRENGTHENED AS MUCH AS POSSIBLE. IT'S IMPERATIVE THAT THE ICAC CONTINUES TO HAVE OUR FULL-HEARTED SUPPORT. IT'S IMPORTANT THAT THE POLICE HAVE OUR FULL-HEARTED SUPPORT AND THE FINANCIAL RESOURCES THEY NEED AND THE COMMUNITY EXPECTS THEM TO HAVE.

I FIND THOSE ISSUES EASIER TO DEAL WITH AND EASIER TO ARTICULATE THAN THE SECOND MATTER THAT I RAISED. THE INCULCATION OF AN ATTITUDE IN OUR SOCIETY. WHO DOUBTS THAT ONE OF THE REASONS FOR HONG KONG'S SUCCESS IS OUR ACCEPTANCE OF THE RULE OF LAW? OUR ACCEPTANCE THAT NO ONE IS ABOVE THE LAW AND THAT INCLUDES, AS I SAID IN MY INAUGURAL ADDRESS, THE GOVERNOR. THAT HAS BEEN A KEY INGREDIENT IN HONG KONG'S SUCCESS AND WE HAVE TO ENSURE THAT IT REMAINS THE WAY IN WHICH WE CONDUCT OUR AFFAIRS. OTHER SOCIETIES HAVE DIFFERENT VIEWS OF THE RULE OF LAW. SOME SOCIETIES VIEW THE RULE OF LAW - OR THE LAW ITSELF - AS AN ARTIFACT OF THE STATE, NOT A FRAMEWORK WITHIN WHICH STATE CRAFT IS PRACTISED. SO, I THINK WE HAVE AN IMPORTANT JOB TO DO IN EXPLAINING TO OTHERS WHAT WE MEAN BY THE RULE OF LAW AND ENSURING THAT OTHERS UNDERSTAND HOW CRUCIAL IT IS TO THE CONTINUANCE OF OUR STABILITY, PROSPERITY AND WAY OF LIFE.

MR LEE WING-TAT: ON CONSTITUTIONAL DEVELOPMENT, NOW, WE KNOW THAT WE HAVE NEW APPOINTED MEMBERS TO EXCO. THEY ARE VERY DISTINGUISHED PROFESSIONALS IN OUR COMMUNITY, BUT THEY ARE NOT ELECTED NEITHER ARE YOU SIR. AND, THEREFORE, HOW CAN YOU GUARANTEE THAT YOUR POLICIES WILL GET THE SUPPORT OF COMMUNITY AND CAN GO THROUGH LEGCO? AND I AM ALSO SURPRISED AT THIS, AT YOUR SUGGESTION AT DEMOCRATISATION AT THE LOCAL LEVEL, YOU STILL PROPOSE THAT EX-OFFICIO MEMBERS BE RETAINED. I WONDER IF YOU KNOW HOW THE MEMBERS ARE ELECTED. ACTUALLY, ONLY MALE MEMBERS ARE ELIGIBLE AND SO, THIS IS ACTUALLY A DISCRIMINATION AGAINST THE FEMALE SEX. SO, DO YOU THINK THAT THIS IS REALLY APPROPRIATE?

GOVERNOR: ON MR LEE'S FIRST QUESTION, I'M AFRAID THAT I CAN'T GIVE ANY GUARANTEE. I WOULD BE MISLEADING THE HONOURABLE MEMBER WERE I TO DO SO BUT I VERY MUCH HOPE THAT I CAN PERSUADE THIS COUNCIL TO SUPPORT THE MAIN THRUST OF THE ADMINISTRATION'S POLICIES. THE EXECUTIVE IS ACCOUNTABLE TO THIS COUNCIL AND I HOPE THAT IN EXERCISING THAT ACCOUNTABILITY, I CAN CARRY THE COUNCIL WITH ME, BUT POLICY IN EVEN A COMMUNITY WHICH HAS A VERY STRONG EXECUTIVE LEAD, POLICY IS PARTLY DEVELOPED IN THE TENSION, IN THE DIALOGUE BETWEEN THE EXECUTIVE AND THE LEGISLATURE.

ON THE QUESTION OF A CONTINUING ROLE FOR VILLAGE REPRESENTATIVES ON DISTRICT BOARDS, I DISCUSSED IT THIS MORNING WITH CHAIRMEN OF DISTRICT BOARDS, INCLUDING ONE OR TWO WHO ARE MEMBERS OF THIS HONOURABLE COUNCIL. I THINK I AM RIGHT IN SAYING THAT THERE ARE IN ALL 27 VILLAGE REPRESENTATIVES ON, I THINK, NINE OF THE DISTRICT BOARDS. WE WILL OBVIOUSLY HAVE FUTURE OPPORTUNITIES OF DEBATING THIS, PARTICULARLY WHEN IT COMES TO CONSIDERING THE ELECTORAL ARRANGEMENTS FOR 1994, BUT I HAVE TO SAY - SPEAKING FOR MYSELF - THAT I THINK IT'S IMPORTANT TO CONTINUE WITH THE LINK BETWEEN VILLAGE REPRESENTATIVES AND/OR VILLAGES AND THE DISTRICT BOARDS AND I WOULD BE LOATHE TO MOVE AWAY FROM SOMETHING WHICH I THINK IS WIDELY APPRECIATED AND ARGUED FOR IN THOSE DISTRICT BOARDS THEMSELVES. BUT I AM ALREADY AWARE OF THE FACT FROM THE HONOURABLE MEMBER'S BODY LANGUAGE THAT THIS IS GOING TO BE AN ISSUE ON WHICH THERE IS A GOOD DEAL OF DEBATE IN THE FUTURE.

MR HUI YIN-FAT: WHILE APPRECIATING THE ADDITIONAL PROVISIONS YOU PROMISED FOR SOCIAL WELFARE IN THE NEXT FEW YEARS, COULD YOU ENLIGHTEN US WITH REGARD TO THE PLANS AND PROJECTS WHICH HAVE BEEN APPROVED BY GOVERNMENT IN THE PAST BUT HAVE HITHERTO NOT BEEN IMPLEMENTED DUE TO SHORTAGE OF FUNDS? FOR EXAMPLE, WILL GOVERNMENT MAKE AVAILABLE ADDITIONAL FUNDING IN THE NEXT FINANCIAL YEAR TO COVER THESE AGREED PROJECTS. ALSO, SIR, THE PROVISION OF QUALITY OF WELFARE SERVICE DEPENDS HEAVILY ON THE AVAILABILITY OF TRAINED MANPOWER; WILL GOVERNMENT ALLOCATE ADDITIONAL RESOURCES TO TRAIN ENOUGH SOCIAL WORKERS FOR THE IMPLEMENTATION OF SOCIAL WELFARE PLANS FOR THE NEXT FEW YEARS?

GOVERNOR: I HOPE THE HONOURABLE MEMBER WHOSE ADVOCACY OF THE COURSE OF SOCIAL WELFARE IS OF COURSE ONE OF THE REASONS FOR THE GOVERNMENT'S RESPONSE TO THE WHITE PAPER AND THE GREEN PAPER, WILL EXCUSE ME IF I SAY THAT MY RETROSPECTIVE KNOWLEDGE OF WHAT HASN'T BEEN DONE IS LESS ACUTE AND WELL DEVELOPED THAN MY KNOWLEDGE OF WHAT I HOPE TO DO. I DON'T THINK THAT IT WOULD BE POSSIBLE FOR ME TO GIVE A GUARANTEE THAT EVERY PROJECT THAT WE HAVEN'T BEEN ABLE TO FUND IN THE PAST, WE WILL BE ABLE TO FUND NEXT YEAR. I THINK WERE I TO DO THAT, MR WONG AND OTHERS WHO TAKE A PROPER PRUDENT VIEW OF PUBLIC FINANCE, WOULD HAVE MUCH TO CRITICISE ME FOR. BUT WHAT I CAN SAY IS THAT THE KEY TARGETS, OF WHICH THE HONOURABLE MEMBER IS AWARE, IN THE SOCIAL WELFARE WHITE PAPER AND IN THE REHABILITATION GREEN PAPER, WILL BE MET. PREVIOUSLY WE HAD DISCUSSED THOSE KEY TARGETS OR SET THEM OUT AS ASPIRATIONS BUT IN MY VIEW THERE IS LITTLE POINT IN PUBLIC POLICY IN SETTING OUT ASPIRATIONS UNLESS YOU CAN SAY HOW YOU'RE GOING TO PAY FOR THEM. THE DOLLAR ON THE TABLE IS WHAT ACTUALLY MAKES THE DIFFERENCE BETWEEN AN ASPIRATION AND REALITY AND WHAT WE WERE DOING YESTERDAY IS PUTTING ON THE TABLE DOLLARS WHICH THIS COMMUNITY CAN AFFORD BECAUSE OF ITS OWN EFFORTS, BECAUSE OF ITS OWN ENERGIES AND BECAUSE OF ITS OWN ENTREPRENEURIAL SPIRIT.

ON THE HONOURABLE MEMBER'S SECOND QUESTION, AND I WAS SURPRISED THAT A QUESTION ON THE NUMBER OF SOCIAL WORKERS CAME FROM HIM, ON THAT I THINK I CAN SAY THAT WE WILL BE INCREASING THE NUMBER OF SOCIAL WORKERS. WE NEED MORE SOCIAL WORKERS AND I BELIEVE I'M RIGHT TO SAY THAT IN THE COMING YEAR, AS A RESULT OF OUR PLANS, WE WILL REQUIRE BETWEEN 300 OR 400 EXTRA SOCIAL WORKERS AND I HOPE THAT THEY WILL RECOGNISE, WHEN THEY FIND THEMSELVES IN EMPLOYMENT IN A NUMBER OF AREAS, WHAT AN IMPORTANT ROLE THE HONOURABLE MEMBER HAS PLAYED IN ADVOCATING AN EXPANSION OF THE SOCIAL WORK SECTION OF HONG KONG.

MR MARTIN BARROW: GOVERNOR, I'M DELIGHTED THAT YOU'VE ENDORSED THE POLICY OF MINIMUM GOVERNMENT INTERFERENCE AND THAT HONG KONG SHOULD BE THE MOST BUSINESS-FRIENDLY LOCATION IN ASIA. WOULD YOU NOT AGREE THAT THERE ARE STRONG ARGUMENTS IN FAVOUR OF PRIVATISATION AS IS BEING PRACTISED NOW BY MOST OF OUR NEIGHBOURS IN EAST ASIA, AND IF SO WILL YOU BE ASKING YOUR OFFICIALS TO COME UP WITH SPECIFIC PROPOSALS IN THIS CONNECTION?

GOVERNOR: I THINK THAT THIS COMMUNITY HAS AS GOOD A RECORD AS ANY ANYWHERE IN THE WORLD, AT USING MARKET MECHANISMS TO SECURE PUBLIC GOODS. LET ME GIVE THE HONOURABLE GENTLEMAN AN EXAMPLE OF WHICH HE IS MORE FAMILIAR THAN I AM. NOWHERE IN THE WORLD HAS THE CONCEPT OF BOT IN FUNDING AND RUNNING PUBLIC PROJECTS BEEN CARRIED THROUGH AS SUCCESSFULLY AS IT HAS BEEN IN HONG KONG. EQUALLY, THERE'S HARDLY ANYWHERE IN THE WORLD WHICH HAS PUBLIC UTILITIES, WHICH HAS MASS TRANSPORTATION SYSTEMS, WHICH OPERATE IN SUCH A FINANCIALLY ADVANTAGEOUS WAY. IT'S INTERESTING THAT THE MTRC, FOR EXAMPLE, HAS ONE OF THE VERY BEST CREDIT RATINGS IN THE WORLD. I'VE NEVER BEEN IN A COMMUNITY BEFORE WHERE A RAILWAY COMPANY COULD COME NEAR TO BEING ABLE TO MAKE THAT SORT OF CLAIM.

THERE ARE WAYS IN WHICH WE CAN CARRY THAT PROCESS FORWARD AND CONTINUE PRIVATISATION. I NOTICE THAT THE HOUSING AUTHORITY ARE KEEN TO MAKE ANOTHER EFFORT TO ENCOURAGE THEIR TENANTS TO BECOME OWNERS WHEREVER POSSIBLE. I WELCOME THAT AND WILL SUPPORT ANY MEASURES THAT THEY BRING FORWARD. IN OTHER SECTORS TO SOME EXTENT WE'RE BOUND TO DISCUSS MATTERS WITH CHINA AND CHINESE OFFICIALS AND I HOPE THAT WHATEVER THE OCCASIONAL SQUALLS OR OCCASIONAL ARGUMENTS THAT WE HAVE, IN I'M SURE A FRIENDLY GENIAL SPIRIT, THAT I'M ABLE TO DEVELOP A RELATIONSHIP WITH OFFICIALS IN PEKING WHICH WILL ENABLE ME TO PERSUADE THEM THAT GOING FURTHER IN PRIVATISATION ISN'T SELLING THE SAR'S FAMILY SILVER BUT ENSURING THAT THE SAR HAS A LOT MORE FAMILY SILVER IN ORDER TO MAKE THE COMMUNITY MORE SUCCESSFUL. THAT WILL REQUIRE SOME ARGUMENT ON OUR PART, I DON'T THINK IT'S AS APPRECIATED AS I WOULD LIKE IT TO BE BUT I AM ABSOLUTELY CERTAIN THAT CONTINUING PRIVATISATION, CONTINUING THE USE OF MARKET MECHANISMS IN THE PUBLIC SECTOR, WOULD BE GOOD FOR PEOPLE IN HONG KONG AND GOOD FOR THE SERVICES WHICH THEY REQUIRE.

/MR RONALD

MR RONALD ARCULLI: GOVERNOR, YOU MUSTN'T TAKE MY HONOURABLE FRIEND EDWARD HO TOO SERIOUSLY WHEN HE SAYS BUYING A THOUSAND FLATS IS GOING TO PUSH THE PRICE UP. THOSE THAT I REPRESENT HAVE ASKED ME TO PUT THIS TO YOU: PLEASE SIR, WOULD YOU LIKE SOME MORE? BUT THAT HAVING BEEN SAID, YOU'VE MENTIONED SOME ILLS THAT NEED CORRECTING AND THAT WE REALLY SHOULD GO FOR EFFICIENCY AND HIGHER PRODUCTIVITY, AND THERE'S REALLY BEEN QUITE A LOT OF TALK ABOUT THAT IN THE PUBLIC SECTOR OVER THE PAST FEW YEARS. HOW DO YOU INTEND TO ENSURE THAT THE GOVERNMENT WILL DO SO AND WHETHER THIS MIGHT INCLUDE EITHER CUTTING DOWN THE SIZE OF THE CIVIL SERVICE, WHERE INEFFICIENCIES EXIST, AND IF POSSIBLE TO REDEPLOY SOME OF THAT SURPLUS MANPOWER INTO OTHER AREAS WITHIN THE CIVIL SERVICE?

GOVERNOR: I THINK THAT IT'S IN THE INTERESTS OF THE CIVIL SERVICE, AS IT'S IN THE INTERESTS OF OTHERS IN THE PUBLIC AND PRIVATE SECTOR, TO OPERATE IN AS LEAN A FASHION AS POSSIBLE. I DON'T THINK THAT THAT IS OTHER THAN A STATEMENT OF THE MANAGERIAL TRUTH. WHAT I HOPE WE CAN DO IS TO OPERATE OUR PERFORMANCE PLEDGES AND ATTEMPT TO INCREASE GREATER EFFICIENCY IN THE PUBLIC SERVICE SIDE BY SIDE. LET ME GIVE YOU AN EXPLANATION OF WHAT I MEAN. I THINK THAT ALL PUBLIC SERVICES, ALL CIVIL SERVICES, HAVE BEEN BAD AT PUSHING DECISIONS DOWN TO THE LOWEST POSSIBLE LEVEL. I THINK, FOR EXAMPLE, THAT IS ONE OF THE MAIN DIFFERENCES BETWEEN THE PUBLIC AND THE PRIVATE SECTOR. I THINK THAT IF YOU ARE A MANAGER AT ANY LEVEL IN THE CIVIL SERVICE, YOU SHOULD HAVE MORE CONTROL OVER THE RESOURCES THAT YOU MANAGE. YOU SHOULD BE ABLE TO MAKE SIMPLE DECISIONS ABOUT BUDGETING, ABOUT PURCHASE, ABOUT YOUR MANPOWER, WITHOUT HAVING TO DOUBLE CHECK, TREBLE CHECK, EVERY DECISION YOU MAKE ABOUT THE PURCHASE OF A FILING CABINET OR ABOUT THE REPAINTING OF OFFICES. I THINK A MORE EFFICIENT GOVERNMENT IS ONE IN WHICH CIVIL SERVANTS ARE ABLE TO TAKE MORE DECISIONS AT EVERY POSSIBLE LEVEL.

AND WHEN CIVIL SERVANTS ARE GIVEN THE OPPORTUNITY OF MANAGING THEIR RESOURCES MORE SUCCESSFULLY, THEY BEHAVE LIKE MANAGERS EVERYWHERE ELSE, THEY TRY TO RUN THEIR OPERATION AS COMPETENTLY AND EFFICIENTLY AS POSSIBLE. SO I SEE THE WHOLE PERFORMANCE PLEDGES EXERCISE AND THE EFFICIENCY CAMPAIGN WHICH WE'VE BEGUN, RUNNING HAND IN HAND, AND I SEE BOTH OF THEM ENHANCING THE STATUS OF CIVIL SERVANTS AND ENHANCING THE REGARD AND RESPECT IN WHICH THE PUBLIC SERVICE IN HONG KONG IS RIGHTLY HELD.

MR TANG SIU-TONG (IN CANTONESE): MY QUESTION IS NOT A HYPOTHETICAL QUESTION, IT IS A REAL QUESTION. IN YOUR POLICY ADDRESS YOU DON'T GO INTO DETAIL ABOUT INFLATION BUT INFLATION IS A MAJOR WORRY IN HONG KONG, SO DO YOU HAVE ANY SOLUTIONS TO COMBAT INFLATION?

GOVERNOR: MAIDEN QUESTIONS AREN'T SUPPOSED TO BE THAT DIFFICULT. INFLATION IN HONG KONG - AND I DON'T WANT TO SOUND TOO MUCH LIKE AN ECONOMIST - INFLATION IN HONG KONG IS LARGELY A STRUCTURAL CONSEQUENCE OF OUR CIRCUMSTANCES. LARGELY A CONSEQUENCE OF THE FACT THAT WE ARE GROWING VERY FAST, BUT GROWING VERY FAST WITH CONSIDERABLE RESTRAINTS BECAUSE OF OUR GEOGRAPHICAL CIRCUMSTANCES. WE HAVE PROBLEMS OF LAND SUPPLY, WE HAVE PROBLEMS OF LABOUR SUPPLY, AND THOSE SUPPLY SIDE PROBLEMS AT A TIME WHEN WE'RE EXPANDING AS RAPIDLY AS WE ARE, HAVE HELPED TO PRODUCE INFLATION.

WE CAN'T USE MONETARY POLICY IN A CONVENTIONAL WAY TO DEAL WITH IT BECAUSE OF OUR ABSOLUTELY NECESSARY LINK WITH THE US DOLLAR. BUT LET US BE CLEAR, IF WE WERE USING MONETARY METHODS IN A TRADITIONAL WAY TO TRY TO DEAL WITH IT, THAT WOULD MEAN THAT WE WOULDN'T HAVE AS MANY PEOPLE IN JOBS AND WE PROBABLY WOULDN'T HAVE AS FAST ECONOMIC GROWTH. SO NOBODY SHOULD RECKON THAT USING MONETARY POLICY IN A TOUGHER WAY WOULD BE A COST-FREE OPTION.

WE MIGHT REMEMBER THAT THERE WERE - AND I THINK I'M REMEMBERING IT ACCURATELY - THERE WERE A COUPLE OF DECADES WHEN THE JAPANESE YEN WAS LINKED TO THE US DOLLAR, A PERIOD DURING WHICH, AGAIN AS I SUSPECT A CONSEQUENCE, JAPANESE INFLATION WAS INVARIABLY ABOVE UNITED STATES INFLATION. AT THE END OF THAT PERIOD I DON'T THINK MANY REGARDED THE JAPANESE ECONOMY AS BEING A WEAKER ECONOMY THAN THE UNITED STATES ECONOMY. WHAT IS IMPERATIVE IS THAT EVEN THOUGH OUR DOMESTIC INFLATION, TO WHICH I WANT TO RETURN, HAS BEEN INCREASING AT A LEVEL WHICH THE COMMUNITY RIGHTLY REGARDS WITH CONCERN, WE HAVEN'T BEEN SUFFERING TO THE SAME EXTENT WHEN IT COMES TO THE GOODS THAT WE EXPORT. THE GOODS THAT WE EXPORT, THE GOODS THAT WE MARKET, HAVE ONLY BEEN RISING AT ABOUT 1% A YEAR IN PRICE WHICH HAS MEANT THAT WE'VE REMAINED COMPETITIVE, LARGELY BECAUSE WE'VE BEEN ABLE TO USE GUANGDONG AND OTHER AREAS AS A MANUFACTURING BASE FOR OUR PRODUCTS. IT'S BEEN A VERY IMPORTANT PART OF OUR COMPETITIVE EDGE BUT WE'VE ALSO REMAINED COMPETITIVE BY RUTHLESSLY AND RELENTLESSLY TRYING TO MAKE OUR PROCESSES MORE EFFICIENT AND THAT IS SOMETHING FOR WHICH THE MANAGEMENT IN HONG KONG DESERVES A VERY SUBSTANTIAL PAT ON THE BACK.

THE COMMUNITY - AND I'M SURE THOSE WHO RECENTLY ELECTED THE HONOURABLE MEMBER MADE THIS POINT TO HIM AGAIN AND AGAIN - THE COMMUNITY IS UNDERSTANDABLY CONCERNED ABOUT THE THREAT OF DOUBLE-DIGIT INFLATION, AND SO AM I. WE HAVE TO TACKLE THAT IN A NUMBER OF SOPHISTICATED WAYS, FOR EXAMPLE, BY WHAT I WAS SAYING EARLIER, ON RE-TRAINING AND THE LABOUR SUPPLY. BY HELPING, AS I WAS SAYING EARLIER, TO DEAL WITH SOME OF THE PROBLEMS AFFECTING SOME GROUPS, PARTICULARLY THE SANDWICH CLASS IN HOUSING, BUT OTHERS AS WELL. THOSE ARE THE WAYS IN WHICH WE HAVE TO TRY TO BRING DOWN INFLATION. WE HAVE TO RECOGNISE THAT UNLESS THE WAGE INCREASES WE PAY OURSELVES CAN BE MET OUT OF INCREASED PRODUCTIVITY AND EFFICIENCY THAT TOO WILL LEAD TO GREATER INFLATION. SO WE NEED TO BE MORE EFFICIENT IN ORDER TO HOLD DOWN AND REDUCE INFLATION. AND OF COURSE, FINALLY, WE NEED TO HELP THOSE WHO LIVE ON FIXED INCOMES, PARTICULARLY PUBLIC ASSISTANCE PAYMENTS, COPE WITH INFLATION BY ENSURING THAT THEIR PUBLIC ASSISTANCE PAYMENTS ARE PROTECTED YEAR AFTER YEAR AGAINST THE RAVAGES OF INFLATION.

MRS PEGGY LAM: MR GOVERNOR, IN YOUR POLICY ADDRESS YOU GO INTO DETAIL ABOUT EDUCATION AND YOU TALK ABOUT PARENTS AND QUALITY EDUCATION. ALL ALONG THE EDUCATION SYSTEM IN HONG KONG IS SUCH THAT IT IS CRITICISED BY THE COMMUNITY AND THE PARENTS. THE EDUCATION POLICIES IN HONG KONG ALL ALONG HAVE BEEN FORMULATED BY PROFESSIONALS. I WOULD LIKE TO ASK YOU THIS: HAVE YOU CONSIDERED THAT IN FUTURE, WHEN FORMULATING EDUCATIONAL POLICIES, YOU WILL INVITE PARENTS TO TAKE PART IN FORMULATING POLICIES?

/GOVERNOR: I

GOVERNOR: I THINK FOR TOO LONG, RIGHT ACROSS THE WORLD, PARENTS HAVE BEEN REGARDED WHEN IT'S COME TO THE DISCUSSION OF EDUCATIONAL POLICY AS A SORT OF OPTIONAL EXTRA. I THINK VERY OFTEN THEY'VE BEEN REGARDED AS NOT REALLY HAVING A SAY OR A ROLE IN THE DISCUSSION OF THE CURRICULUM, IN THE DISCUSSION OF EDUCATION QUALITY. SO I DO VERY MUCH WELCOME THE ATTEMPTS WHICH HAVE BEEN MADE IN HONG KONG TO GET PARENTS MORE INVOLVED IN SCHOOLS. I THINK THAT THE EDUCATION COMMISSION, UNDER THE CHAIRMANSHIP OF A RECENT AND VERY DISTINGUISHED MEMBER OF THIS COUNCIL, HAS PUT FORWARD PROPOSALS FOR INVOLVING PARENTS MORE, FOR EXAMPLE, WE'VE HAD A LOT OF DISCUSSION ABOUT THE SCHOOL MANAGEMENT INITIATIVE AND I THINK IT'S IMPORTANT TO TAKE THAT SCHOOL MANAGEMENT INITIATIVE FORWARD, I THINK PARENT/TEACHER ASSOCIATIONS HAVE A VALUABLE ROLE TO PLAY. WHAT I THINK PARENTS WANT IS THE ASSURANCE THAT BASIC STANDARDS OF NUMERACY AND LITERACY WON'T BE AFFECTED BY OCCASIONAL EDUCATIONAL FASHIONS. FORTUNATELY, I THINK HONG KONG HAS HAD THE GOOD SENSE TO REPEL BOARDERS WHEN MOST OF THESE EDUCATIONAL FADS HAVE DONE SO MUCH DAMAGE IN SOME OTHER COMMUNITIES AND SOME OTHER COUNTRIES, BUT IT'S IMPERATIVE THAT WE GET THE BASICS RIGHT IN SCHOOL, IT'S IMPERATIVE THAT WE DO ALL THAT WE CAN TO GIVE TEACHERS MORE TIME IN ORDER TO ENSURE THAT THEY CAN RAISE THE QUALITY OF WHAT THEY DO IN THE CLASSROOM, IT'S IMPERATIVE THAT WE MAKE SURE THAT WE HAVE EVEN BETTER TRAINED TEACHERS AND MORE GRADUATE TEACHERS ON BOTH OF WHICH WE ARE WORKING, AND IT'S IMPERATIVE THAT WE FIND EVERY POSSIBLE WAY OF INVOLVING PARENTS MORE THOROUGHLY IN THE MANAGEMENT OF SCHOOLS AND IN THE DISCUSSION OF WHAT HAPPENS IN SCHOOLS.

THERE IS ONE ADDITIONAL POINT THAT I WOULD LIKE TO MAKE. I DO THINK THAT WE ARE GOING TO HAVE TO THINK VERY HARD IN THE COMMUNITY ABOUT THE - AND I HOPE THIS WON'T BE REGARDED AS A PREJUDICED OBSERVATION ON MY PART, SPEAKING AS SOMEBODY WHO IS ALAS, ONLY VAGUELY BILINGUAL AND THAT NOT IN CANTONESE - I DO THINK WE WILL HAVE TO CONSIDER WHETHER OR NOT STANDARDS OF ENGLISH ARE AS GOOD AS THEY NEED TO BE, GIVEN THE COMMERCIAL AND ECONOMIC PRESSURES THERE WILL BE ON US IN THE NEXT FEW YEARS.

MR FRED LI WAH-MING: MR GOVERNOR, I WOULD LIKE TO TALK ABOUT PUBLIC ASSISTANCE. IN THE POLICY ADDRESS YOU MENTIONED INCREASING THE BASIC RATE FOR SINGLE PERSON FROM \$825 TO \$900 SOMETHING PER MONTH, THAT MEANS, A 15% INCREASE. BUT DO YOU KNOW, AFTER THIS ADJUSTMENT, AND WHEN ALL THE OTHER ALLOWANCES ARE COUNTED, THAT FOR EVERY RECIPIENT, DO YOU KNOW WHAT IS THE PUBLIC ASSISTANCE RECEIVED, WHICH WILL BE LESS THAN \$2,000 PER MONTH? THAT IS, ON AVERAGE IT WOULD BE ABOUT \$1,600 - 1,700 PER MONTH. BUT FOR A PROSPEROUS SOCIETY LIKE HONG KONG WHERE WE HAVE A HIGH LIVING STANDARD, THIS IS INDEED A MOCKERY OF OUR SOCIETY. SO I WONDER WHAT YOU THINK THAT, MR GOVERNOR? AND ALSO, DO YOU THINK IT IS NECESSARY TO OVERALL THE WHOLE CALCULATION FORMULA FOR PUBLIC ASSISTANCE, BECAUSE IF THE BASIC RATE IS SO LOW, EVEN IF THERE IS 20%, 30% INCREASE, IT LAGS FAR BEHIND OUR LIVING STANDARDS. AND IF YOU DO NOT HAVE AN OVERHAUL, THEN I DON'T THINK THE SAFETY NET CAN REALLY SERVE THOSE WHO ARE IN NEED. SO I HOPE MR GOVERNOR YOU WOULD RESPOND TO THIS QUESTION.

/GOVERNOR: IT

GOVERNOR: IT IS NOT TO IN ANY WAY BELITTLE THE IMPORTANCE OF THE POINT THAT THE HONOURABLE MEMBER HAS MADE TO SAY THAT, WHEN AT THE OUTSET OF OUR DISCUSSIONS I SAID THAT I DIDN'T THINK THAT THE GOVERNMENT WOULD BE REGARDED FOR LONG AS HAVING BEEN EXTRAVAGANT YESTERDAY I DIDN'T REALISE THAT THE CRITICISMS WOULD BEGIN QUITE AS RAPIDLY AS THEY HAVE. THE PROPOSALS THAT WE MAKE ON PUBLIC ASSISTANCE, BOTH THE INCREASE IN SCALE RATES, AND THE RELAXATION OF THE ABSENCE RULE, ARE SUBSTANTIAL STEPS FORWARD. SUBSTANTIAL STEPS FORWARD IN HONG KONG WHICH WILL, I THINK, BE VERY WIDELY WELCOMED. BUT I KNOW THAT THERE WILL ALWAYS BE THOSE WHO, I'M SURE FOR VERY GOOD REASON, WILL SAY YOU SHOULD HAVE GONE FURTHER, YOU SHOULD HAVE DONE MORE. SOCIETIES CUSTOMARILY MAKE ADVANCES IN SOCIAL WELFARE BECAUSE THERE ARE MEMBERS OF THE COMMUNITY WHO DEVELOP THAT SORT OF CASE VERY OFTEN WITH ELOQUENCE AND VERVE.

WHAT ONE HAS TO DO ALWAYS IS TO BALANCE DIFFERENT INTERESTS AND I DON'T THINK THAT WE COULD HAVE GONE FURTHER THAN WE ANNOUNCED YESTERDAY WITHOUT RUNNING THE RISK OF THE SORT OF FINANCIAL IMPRUDENCE AGAINST WHICH I WAS EARLIER WARNED, OR WITHOUT CUTTING EXPENDITURE IN OTHER AREAS. FOR A FAMILY OF FOUR, AS I SAID YESTERDAY, THE NEW RATES PLUS RENT AND OTHER ADDITIONAL GRANTS WILL PROVIDE A MONTHLY INCOME OF \$5,505. I WOULD WELCOME ANY COMPARISON THAT THE HONOURABLE MEMBER MADE WITH THE MEDIUM INCOME OF A WORKER IN MANUFACTURING AND HIS FAMILY. I THINK THAT COMPARISON WOULD SHOW PERHAPS THAT THE PUBLIC ASSISTANCE RATE INCREASES THAT I WAS SUGGESTING WERE PRETTY REASONABLE, BUT I REPEAT THAT IT IS INVARIABLY THE CASE THAT WHATEVER ADVANCE ONE MAKES IN SOCIAL PROGRAMMES, THERE WILL ALWAYS UNDERSTANDABLY BE THOSE WHO SAY THAT'S NOT ENOUGH, BECAUSE THEY HAVE A PROPER CONCERN FOR THE NEEDS AND REQUIREMENTS OF THE DISADVANTAGED AND THE NEEDY.

MR MARTIN LEE: MR PRESIDENT AND/OR GOVERNOR. THE FACT THAT YOU HAVE NOT MENTIONED IT IN YOUR SPEECH YESTERDAY DOESN'T MEAN THAT THEY WILL GO AWAY, WHETHER BY THE KAI TAK AIRPORT OR BY THE 'LADY MAURINE'. I AM REFERRING TO THE COURT OF FINAL APPEAL. YOU KNOW THAT BOTH THE BAR ASSOCIATION HERE AND THE BAR COUNCIL OF ENGLAND AND WALES, AND THE MAJORITY OF THE MEMBERS OF THIS COUNCIL HAVE EXPRESSED THE STRONG VIEW THAT WHAT HAS BEEN AGREED BETWEEN THE BRITISH AND CHINESE GOVERNMENTS OVER THE ESTABLISHMENT OF A COURT OF FINAL APPEAL IN HONG KONG BEFORE 1997 DOES NOT, IS NOT, CONSISTENT WITH THE JOINT DECLARATION OR THE BASIC LAW. NOW, WHAT ARE YOU GOING TO DO ABOUT THAT COURT? ARE YOU GOING TO WAIT UNTIL IT COMES BACK TO US VIA THE CHEK LAP KOK AIRPORT?

/GOVERNOR: WHAT

GOVERNOR: WHAT I AM GOING TO DO IN THE FIRST PLACE IS TO DISCUSS THE ISSUE WITH MY NEW EXECUTIVE COUNCIL, WHICH DOES, OF COURSE, INCLUDE IN ADDITION TO THE ATTORNEY, TWO OF THE MOST DISTINGUISHED LAWYERS IN THE COMMUNITY. WHAT WE WILL HAVE COLLECTIVELY TO DECIDE IS WHETHER IT IS THE VIEW OF THIS COUNCIL THAT WE SHOULD NOT GO AHEAD WITH THE COURT OF FINAL APPEAL BECAUSE, IN THIS COUNCIL'S VIEW, IT DOESN'T MEET REQUIREMENTS PARTICULARLY IN RELATION TO THE NUMBER OF JUDGES FROM OTHER JURISDICTIONS, OR WHETHER WITH OTHER DEVELOPMENTS ON THE LEGAL FRONT, WE SHOULD GO AHEAD WITH THE LEGISLATION AND THE APPOINTMENT OF THE COURT ARGUING THAT WHAT IS IMPORTANT IS THAT IT SHOULD HAVE SOME EXPERIENCE OF OPERATING WELL BEFORE 1997. THOSE ARE GOING TO BE THE OPTIONS WHICH THE COUNCIL WILL HAVE TO CONSIDER. WE CAN'T PUT OFF THOSE DECISIONS INDEFINITELY, BUT I WILL - IF THE HONOURABLE MEMBER WILL ALLOW - I WILL WANT FIRST OF ALL, TO DISCUSS THE MATTER WITH SOME OF THE LEARNED MEMBERS OF THE COUNCIL AND, OF COURSE, THROUGH THEM, WITH THE WIDER LEGAL COMMUNITY. IT'S A POINT OF VIEW, IT'S AN ARGUMENT WHICH COMES BACK TO THE PROPOSITION WHICH MR IP ADVANCED EARLIER. THE SECURING OF THE RULE OF LAW IS THE MOST IMPORTANT THING THAT ALL OF US HAVE TO DO BEFORE 1997.

I BELIEVE THAT I COULD ANSWER, ON THIS OCCASION, TWO MORE QUESTIONS PROVIDED THEY ARE BRIEF. BUT, ALL THOSE WHO HAVEN'T BEEN ANSWERED TODAY WILL, OF COURSE, GET FIRST BILLING ON A FUTURE OCCASION.

MR TAM YIU-CHUNG: THANK YOU, MR GOVERNOR AND MR PRESIDENT. IN PARAGRAPH 8 OF YOUR POLICY ADDRESS YOU MENTION THE GOVERNOR'S BUSINESS COUNCIL WHICH WOULD BE CHAIRED BY YOU. SO WE CAN SEE THIS IS A COUNCIL OF HIGH LEVEL. NOW, FOR SUCH A HIGH LEVEL COUNCIL, WOULD IT BECOME ANOTHER EXECUTIVE COUNCIL AND, ALSO, THIS COUNCIL WOULD BE COMPOSED ENTIRELY OF MEMBERS FROM THE BUSINESS SECTOR. SO, WE ARE CONCERNED THAT YOU WOULD ONLY ENSURE THE INTERESTS OF THE BUSINESS SECTOR WHILE IGNORING THE INTERESTS OF THE GRASSROOTS LEVEL. HOW ARE YOU GOING TO ALLAY THAT FEAR?

/GOVERNOR: FIRST

GOVERNOR: FIRST OF ALL, THE BUSINESS COUNCIL WHICH I'VE PROPOSED, IS A NON-STATUTORY BODY. I HOPE THAT, WHEN THAT IS TRANSLATED, IT'S NOT TRANSLATED AS I THINK IT WAS YESTERDAY, AS ILLEGAL. NOBODY ON THE BUSINESS COUNCIL WILL BE REMOTELY ILLEGAL. IT WILL BE A NON-STATUTORY BODY BUT - I SAY THIS VERY OPENLY TO THE HONOURABLE MEMBER - I DID FEEL THE NECESSITY OF HAVING AS A MORE OPEN AND REGULAR CHANNEL OF COMMUNICATION WITH THE LEADERS OF THE BUSINESS COMMUNITY. BECAUSE, ALL THAT WE SET OUT TO DO, ALL OUR AMBITIONS, ARE ULTIMATELY DEPENDENT ON HOW WELL THEY DO AND HOW WELL OUR ECONOMY PERFORMS. SO I THOUGHT IT WAS IMPORTANT TO HAVE AS MUCH ACCESS AS POSSIBLE FOR THEM TO GOVERNMENT HOUSE. I IMAGINE THE COUNCIL WOULD PROBABLY MEET SIX OR SEVEN TIMES A YEAR. IT WILL LOOK AT BROAD, STRATEGIC ISSUES BUT IT WON'T BE LIKE THE EXECUTIVE COUNCIL A DECISION MAKING BODY AT THE HEART OF GOVERNMENT AND I HOPE THAT NOBODY WILL CONFUSE THOSE ROLES. I'M NOT SURE THAT THERE IS QUITE THE DICHOTOMY WHICH THE HONOURABLE MEMBER SUGGESTS BETWEEN, AS IT WERE, THE VIEWS OF THOSE WHO RUN BUSINESSES AND THOSE WHO WORK IN BUSINESSES. ONE OF THE HAPPIEST FEATURES OF SOCIAL AND ECONOMIC LIFE IN HONG KONG IS THAT SOME OF THE DIVISIVENESS WHICH HAS HELPED IMPOVERISH COMMUNITIES ELSEWHERE ON THE FACTORY FLOOR AND IN THE COMMERCIAL SECTOR, HASN'T EXISTED HERE. I THINK THAT WHATEVER THE HISTORICAL REASONS FOR THAT, WHETHER THEY ARE MARXIST OR NOT, WE HAVEN'T FORTUNATELY, SUFFERED FROM THAT SOCIAL AND ECONOMIC TENSION. WE HAVE ALREADY OF COURSE, A WAY OF ALLOWING THE UNIONS TO FEED THEIR ADVICE THROUGH AN ADVISORY BODY TO THE COMMISSIONER OF LABOUR. I DISCUSSED THAT WITH A DELEGATION OF TRADE UNION LEADERS, AS I'M SURE THE HONOURABLE MEMBER KNOWS, RECENTLY AND, NOT ONLY DO I HOPE THAT THAT CHANNEL OF COMMUNICATION REMAINS BUT I HOPE MYSELF TO SEE LEADERS OF ORGANISED LABOUR IN HONG KONG REGULARLY IN THE FUTURE. AND I HOPE THAT LEADERS OF LABOUR, AND THOSE WHO WORK THROUGHOUT HONG KONG, WILL HAVE THEMSELVES WELCOMED THE PROPOSALS FOR DISCUSSION THAT I HAVE PUT FORWARD ON FUNCTIONAL CONSTITUENCIES.

MR SZETO WAH (IN CANTONESE): MR PRESIDENT, YESTERDAY YOU SAID THAT THE LAST TIME WHEN YOU LEAVE HONG KONG IN 1997 ON A PLANE, WHETHER YOU'RE GOING TO FLY FROM CHEK LAP KOK WOULD NOT HAVE ANY BEARING ON THE CREDIT PEOPLE ARE GOING TO HEAP ON YOU OR OTHERWISE. SO WHAT DO YOU THINK WOULD AFFECT MOST THE CREDIT THAT PEOPLE WILL GIVE YOU?

GOVERNOR: I THINK TWO THINGS. FIRST OF ALL WHETHER THEY THOUGHT, WHEN I LEFT HONG KONG IN 1997, THAT I HAD SECURED THE IMPLEMENTATION OF THE JOINT DECLARATION THEREAFTER. I THINK THE JOINT DECLARATION WAS A HISTORIC DOCUMENT, I THINK IT IS PRETTY MUCH A UNIQUE DOCUMENT IN HUMAN HISTORY, AND I THINK THAT IF WHEN I LEFT AT THE END OF JUNE IN 1997 - TRAVELLING, I HOPE, OVERLAND BACK TO THE UNITED KINGDOM BY MY OWN THROUGH-TRAIN - I VERY MUCH HOPE THAT PEOPLE WILL FEEL THAT I'VE DISCHARGED THAT OBLIGATION.

I HOPE THEY WILL FEEL, SECONDLY, THAT I'VE DONE AS IMPORTANT A JOB AS THERE IS, HONOURABLY AND HONESTLY.

DR SAMUEL WONG: GOVERNOR, FUNCTIONAL CONSTITUENCIES WERE CREATED TO ENSURE ALL IMPORTANT SECTORS OF OUR ECONOMY SHOULD HAVE A PART TO PLAY IN THE LEGISLATIVE PROCESS. YOUR PROPOSAL, BY EXPANDING THE ELECTORAL BASE, YOU ARE IN FACT NEGATING THIS RATIONALE AND OVERTURNING A PRACTICE WHICH HAS STOOD THE TEST OF TIME. ISN'T YOUR PROPOSAL CONTRARY TO THE SPIRIT OF THE BASIC LAW?

GOVERNOR: NO, I DON'T BELIEVE IT IS. I TAKE IT THAT THE RATIONALE FOR FUNCTIONAL CONSTITUENCIES, WHICH DON'T EXIST IN EVERY COMMUNITY BUT HAVE OBVIOUSLY A ROLE IN OUR DEMOCRATIC DEVELOPMENT, I TAKE IT THAT THE RATIONALE IS AND WAS THAT PEOPLE IN THEIR FUNCTION AS WORKERS SHOULD HAVE REPRESENTATION IN THIS LEGISLATIVE COUNCIL. I, IF I'M ASKED HOW TO EXTEND FUNCTIONAL CONSTITUENCIES, CAN'T SEE ANY BETTER WAY OF DOING IT THAN BY TAKING THAT ARGUMENT TO ITS REASONABLE, THOUGH NOT IN MY JUDGMENT, ABSURD LOGIC. I'M NOT SURE WHY WE CAN ARGUE, FOR EXAMPLE, THAT SOMEBODY WHO GOES OUT IN A FISHING BOAT EVERYDAY ISN'T PERFORMING A FUNCTION WHICH CAN USEFULLY AND PROPERLY BE REPRESENTED IN THIS COUNCIL. I'M NOT ENTIRELY CONVINCED - AND I DON'T MEAN TO SINGLE OUT BANKERS IN THIS PARTICULAR REGARD - BUT I DON'T ENTIRELY SEE WHY BANKERS SHOULD BE REPRESENTED BUT NOT PEOPLE WHO WORK IN THE RETAIL SECTOR. THE RETAIL SECTOR HAS A CERTAIN FAME IN HONG KONG. WHY NOT PEOPLE WHO WORK IN THE TEXTILE INDUSTRY, WHO PROBABLY HAVE MORE FAME THAN ANYBODY IN TERMS OF OUR INTERNATIONAL ECONOMIC RELATIONS?

BUT I COME BACK, DR WONG, TO A POINT WHICH I BEGAN WITH. IF THERE ARE THOSE WHO DON'T REGARD MY PROPOSALS AS REASONABLE, AS BALANCED, AS SENSIBLE, LET THEM PUT FORWARD THEIR OWN PROPOSALS. IF THERE IS A BETTER WAY OF DEFINING THE FUNCTIONS OF THE 9 ADDITIONAL FUNCTIONAL CONSTITUENCIES, WHAT ARE THEY TO BE? WHO ELSE ARE WE TO REPRESENT? ARE WE TO REPRESENT OTHER CHAMBERS OF COMMERCE? ARE WE TO REPRESENT TEXTILE WORKERS BUT NOT THOSE WHO WORK IN AGRICULTURE OR FISHERIES? HOW ARE WE TO DO IT? I THINK THERE IS A POWERFUL ARGUMENT FOR ENSURING THAT AT THIS STAGE OF OUR POLITICAL DEVELOPMENT, HONG KONG HAS A LEGISLATURE WHICH IS BROADLY REPRESENTATIVE. I TAKE IT THAT THAT WAS THE ARGUMENT FOR FUNCTIONAL CONSTITUENCIES, I TAKE IT THAT THAT IS THE ARGUMENT - I'M BEING CHARITABLE - I TAKE IT THAT THAT WAS THE ARGUMENT WHICH UNDERPINNED THE ROLE OF FUNCTIONAL CONSTITUENCIES IN THE BASIC LAW, AND I AM WHOLLY WITHIN, IN MY VIEW AND HOPE THE COMMUNITY'S VIEW, BOTH THE SPIRIT AND THE LETTER OF THE BASIC LAW IN WHAT I HAVE PUT FORWARD.

I'M MUCH OBLIGED TO HONOURABLE MEMBERS OF THIS COUNCIL FOR GIVING ME THEIR ATTENTION TODAY. I HOPE THAT THE COUNCIL WILL BE ABLE TO WELCOME ME ON FUTURE OCCASIONS, FOR EXAMPLE, I HOPE THAT AS SOON AS POSSIBLE AFTER MY RETURN FROM PEKING, I WILL BE ABLE TO TAKE QUESTIONS FROM THIS COUNCIL. CONCEIVABLY BY THEN WE WILL HAVE ARRIVED AT ARRANGEMENTS WHICH ENABLE ME TO SPEND AN HOUR OR TWO WITH THE COUNCIL SLIGHTLY NEARER TO HONOURABLE MEMBERS, BUT FOR THE TIME BEING, IN ACCORDANCE WITH STANDING ORDERS, I NOW ADJOURN THE COUNCIL UNTIL 2.30 PM ON WEDNESDAY THE 14TH OF OCTOBER 1992.

THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S
PUBLIC MEETING AT THE CITY HALL
THURSDAY, OCTOBER 8, 1992

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GOVERNOR: LADIES AND GENTLEMEN. FIRST OF ALL, WELCOME AND MANY THANKS TO ALL OF YOU FOR COMING THIS EVENING. I VERY MUCH HOPE THAT THIS WILL BE THE FIRST OF A FAIRLY REGULAR SERIES OF MEETINGS LIKE THIS WHILE I AM THE GOVERNOR OF HONG KONG. IT WILL OBVIOUSLY DEPEND PARTLY ON ME AND PARTLY ON YOU. IF WE ALL HAVE A VERY BORING EVENING TOGETHER, I GUESS NOBODY WILL EVER COME TO A MEETING AGAIN. I'VE BEEN A LITTLE SURPRISED THAT THERE WAS SOME CONTROVERSY SURROUNDING THIS MEETING AND THE OTHERS I'VE PLANNED.

LET ME EXPLAIN WHAT I MEAN. THE SPEECH THAT I MADE YESTERDAY WAS ABOUT YOUR FUTURE AND I THINK YOU'VE GOT A RIGHT TO ASK ME QUESTIONS ABOUT WHAT I SAID. OF COURSE, I AM ACCOUNTABLE FIRST AND FOREMOST TO THE LEGISLATIVE COUNCIL WHICH REPRESENTS YOU. SO, I WENT TO THEM TODAY TO ANSWER THEIR QUESTIONS. BUT I ALSO HAVE TO GIVE YOU THE OPPORTUNITY TO ASK ME QUESTIONS TONIGHT AND ON OTHER OCCASIONS. THAT IS THE PURPOSE OF THIS EVENING'S QUESTION AND ANSWER. I AM SORRY THAT BECAUSE OF MY LINGUISTIC INADEQUACIES, BECAUSE I DON'T SPEAK CANTONESE AS WELL AS YOU SPEAK ENGLISH - INDEED, TO BE PERFECTLY HONEST, DON'T SPEAK CANTONESE AT ALL - THAT THEREFORE, EVERYTHING HAS TO BE TRANSLATED AND, THEREFORE, THINGS WILL TAKE A LITTLE LONGER. BUT I VERY MUCH HOPE THAT DESPITE THAT DIFFICULTY, WE'LL BE ABLE TO HAVE A GOOD EXCHANGE.

LET ME JUST MAKE FOUR BRIEF POINTS AND THEN THE EVENING IS YOURS. THE FIRST THING THAT I SAID YESTERDAY IN MY SPEECH TO THE LEGISLATIVE COUNCIL IS THAT IT IS IMPERATIVE THAT WE CONTINUE THE POLICIES THAT HAVE BROUGHT HONG KONG GREAT ECONOMIC SUCCESS - LOW TAXES, SENSIBLE CONTROL OF PUBLIC EXPENDITURE, MAKING OUR CITY THE MOST BUSINESS-FRIENDLY COMMUNITY IN ASIA.

SECONDLY, I SAID THAT IT WAS MY IMPRESSION THAT, WHILE YOU DIDN'T WANT THE GOVERNMENT TO BE EXTRAVAGANT, YOU DID WANT US TO BE FAIR AND YOU DID WANT US TO SPEND MORE WHERE WE COULD AFFORD IT ON PROGRAMMES LIKE EDUCATION, SOCIAL WELFARE, PROVISION FOR THE HANDICAPPED, PUBLIC ASSISTANCE, THE ENVIRONMENT AND SO ON.

THIRDLY, I SAID THAT IT WAS MY IMPRESSION THAT PEOPLE IN HONG KONG WANTED MORE DEMOCRACY, THAT THEY WANTED MORE DEMOCRACY WHICH THEY BELIEVE WILL LAST. AND, THEREFORE, THEY THOUGHT IT WOULD BE SENSIBLE FOR ME TO BRING FORWARD PROPOSALS FOR GREATER DEMOCRACY THAT WAS CONSISTENT WITH THE BASIC LAW. BUT DOUBTLESS, TONIGHT AND ON OTHER OCCASIONS, YOU WILL TELL ME WHETHER YOU THINK I WAS RIGHT OR WRONG.

FOURTHLY, I SAID THAT MY GREATEST OBJECTIVE IN HONG KONG WAS TO SECURE YOUR WAY OF LIFE FOR THE FUTURE, TO ENSURE THAT WE HAVE A FULL-HEARTED IMPLEMENTATION OF THE JOINT DECLARATION. PART OF THAT WAY OF LIFE IS THAT WE HAVE FREE AND OPEN MEETINGS LIKE THIS. AND I BELIEVE THAT ONE RESULT OF MEETINGS LIKE THIS IS THAT THE DECISIONS THAT I HAVE TO TAKE, AND OTHERS IN GOVERNMENT HAVE TO TAKE, ARE BETTER IF WE HAVE TO GO AND EXPLAIN OUR DECISIONS TO YOU. THAT'S WHAT ACCOUNTABILITY AND THAT'S WHAT GREATER DEMOCRACY MEANS. I HAVE TO KNOW, WHEN I MAKE A DECISION THAT, AT SOME STAGE, I'M GOING TO HAVE TO STAND IN FRONT OF THE LEGISLATIVE COUNCIL OR STAND IN FRONT OF YOU AND EXPLAIN MYSELF. AND THAT I CAN TELL YOU, HAS A GREAT EFFECT ON POLITICAL LEADERS. AND NOW, IT'S YOUR TURN. YOUR TURN TO ASK QUESTIONS. I HOPE SOMEBODY WILL WANT TO DO SO.

QUESTION: I CAN SEE THAT IN THIS BOOK YOU GIVE A SET OF GOALS ABOUT THE QUANTITY CHANGE OF SOCIAL WELFARE, INCLUDING THE INCREASE OF WORKERS, INCREASE OF BEDS, INCREASE OF HOSTELS. BUT I DON'T SEE ANYTHING ABOUT THE CHANGE OF QUALITY IN THE SERVICE, ESPECIALLY, AS FAR AS WE KNOW, HONG KONG YOUTH PROBLEMS IS A VERY IMPORTANT PROBLEM IN NOWADAYS HONG KONG. BUT, ALL I SEE IN THIS BOOK YOU ONLY INCREASE 60 SCHOOL SOCIAL WORKERS. HOW ABOUT THE OTHER SERVICE? OTHER YOUTH SERVICE IN HONG KONG? I DON'T SEE ANY INCREASE IN QUALITY AND QUANTITY.

GOVERNOR: I'LL TRY, IF I MAY, TO BE FAIRLY BRIEF IN RESPONSE TO ALL QUESTIONS, NOT BECAUSE I DON'T THINK YOUR QUESTIONS ARE INTERESTING, BUT SO AS TO GIVE AS MANY PEOPLE AS POSSIBLE THE CHANCE OF ANSWERING. WE'VE ANNOUNCED IN MY SPEECH THAT OVER THE NEXT FIVE YEARS, WE'LL INCREASE EXPENDITURE ON SOCIAL WELFARE PROVISION BY ABOUT 26-1/2%. THAT IS AN INCREASE THAT WE CAN AFFORD IN HONG KONG, BECAUSE OF OUR ECONOMIC SUCCESS. IT ENABLES US TO MEET ALL THE KEY TARGETS IN THE WHITE PAPER ON SOCIAL WELFARE THAT WAS PUBLISHED A SHORT WHILE AGO AND ALL THE KEY TARGETS IN OUR REHABILITATION GREEN PAPER. SO WE WILL BE ABLE TO DO A GREAT DEAL MORE FOR THE MENTALLY ILL, FOR THE MENTALLY HANDICAPPED, FOR THE HANDICAPPED GENERALLY, FOR THE DISABLED AND SO ON. THAT WILL RESULT NEXT YEAR, FOR EXAMPLE, IN THE EMPLOYMENT OF I THINK BETWEEN THREE AND FOUR HUNDRED ADDITIONAL SOCIAL WORKERS. YOU ARE QUITE RIGHT TO SAY THAT I DIDN'T TALK EXTENSIVELY IN MY SPEECH ABOUT THE YOUTH SERVICE. I DID TALK A LOT ABOUT EDUCATION, I DID TALK A LOT ABOUT INCREASING THE NUMBER OF TEACHERS, NOT LEAST IN SECONDARY SCHOOLS AND REDUCING THE TEACHER/PUPIL RATIO. I DIDN'T TALK ABOUT THE YOUTH SERVICE, THERE WERE ONE OR TWO OTHER SUBJECTS THAT I DIDN'T TALK ABOUT AND THAT WAS, FRANKLY, BECAUSE MY SPEECH ANYWAY LASTED TWO HOURS AND I DIDN'T WANT TO BE CARRYING ON UNTIL INFINITY. BUT I DO HAVE, ON MY EXECUTIVE COUNCIL, ROSANNA WONG, WHO IS EXTREMELY EXPERIENCED IN THE WORK IN THE YOUTH FIELD AND I AM SURE SHE WILL MAKE ABSOLUTELY CERTAIN THAT IT GETS MY ACTIVE ATTENTION VIRTUALLY EVERY TUESDAY MORNING.

QUESTION: I HAVE TWO QUESTIONS TO ASK. ONE IS ON THE POLITICAL SYSTEM AND THE SECOND IS ON EDUCATION. FROM THE EXPERIENCE OF HISTORY, WE KNOW THAT WHEN THE BRITISH LEAVE THE COLONY, IT WILL BE A DISHONOURABLE ONE. THIS IS PERFECTLY PROVED IN YOUR POLICY SPEECH. SECOND, I WOULD LIKE TO SAY THAT YOUR POLITICAL SYSTEM WOULD LEAVE THE GOVERNMENT'S POWERS, WOULD WEAKEN THE GOVERNMENT'S POWER TO RULE HONG KONG. I HOPE YOU WOULD RESPECT THE JOINT DECLARATION. I HOPE YOU WOULD RESPECT THE BASIC LAW AND RESPECT THE PUBLIC'S WISH TO HAVE A SMOOTH TRANSITION TO 1997.

MY SECOND QUESTION IS ON EDUCATION. IN YOUR POLICY SPEECH, YOU SAID A LOT OF MONEY WILL BE PUT INTO EDUCATION. BUT I AM SURE THE 15% INCREASE WILL LARGELY GO INTO TERTIARY EDUCATION BUT BASIC EDUCATION IS WHAT IS MORE IMPORTANT. THE EDUCATION GROUPS HAVE ALL ALONG DEMANDED SMALLER CLASSES BUT ACCORDING TO YOUR PLAN, THE SMALLER CLASSES WILL START FROM PRIMARY ONE AND IT WILL TAKE A VERY LONG TIME FOR THE WHOLE PRIMARY AND SECONDARY SCHOOL SYSTEMS TO HAVE SMALLER CLASSES AND, ANOTHER VERY IMPORTANT POINT IS THE FLOATING CLASSES IN SECONDARY SCHOOLS. I HOPE YOU WILL ABOLISH THIS SYSTEM IN SECONDARY SCHOOLS.

GOVERNOR: CAN I JUST VERY POLITELY SUGGEST IF WE WANT TO GET THROUGH A LOT OF QUESTIONS, HOWEVER GOOD THE QUESTIONS PEOPLE HAVE MAY BE, THAT WE TRY TO MAKE THEM AS BRIEF AS POSSIBLE. I DON'T AGREE, THOUGH I WILL BE VERY RESTRAINED IN MY LANGUAGE, WITH THE PREMISE OF YOUR QUESTION, NOR, I BELIEVE, WOULD THE PEOPLE OF COUNTRIES LIKE INDIA, ZIMBABWE, TANZANIA AND ELSEWHERE, WHERE WE LEFT DEMOCRACIES, DEMOCRACIES WHICH HAVE SURVIVED AND FLOURISHED, I THINK THEY MIGHT REGARD YOUR REMARKS AS BEING SLIGHTLY OFFENSIVE. BUT I DON'T BELIEVE THAT THE PROPOSALS THAT I'VE MADE WOULD IN ANY WAY WEAKEN THE GOVERNMENT. IS IT A WEAKER GOVERNMENT THAT COMES BEFORE A MEETING LIKE THIS THIS EVENING TO TRY TO EXPLAIN WHAT IT'S DOING. I HAPPEN TO BELIEVE THAT WHERE GOVERNMENT IS ACCOUNTABLE, IT IS STRONGER PRECISELY BECAUSE IT HAS A STRONGER RELATIONSHIP WITH THE COMMUNITY THAT IT SERVES. I DON'T BELIEVE THAT YOU ARE MORE LIKELY, FOR EXAMPLE, TO ENCOURAGE POLITICAL STABILITY BY PREVENTING PEOPLE EXPRESSING THEIR VIEWS. I THINK YOU ARE MORE LIKELY TO HAVE POLITICAL STABILITY IF PEOPLE ARE ABLE TO EXPRESS THEIR VIEWS EVEN IF THEY ARE CRITICAL OF THE GOVERNMENT.

YOU ASKED SECOND ABOUT EDUCATION AND OUR INCREASE IN EXPENDITURE ON EDUCATION. AS I SAID IN MY SPEECH, THE GOVERNMENT IS ALREADY COMMITTED TO A CONSIDERABLE EXPANSION IN TERTIARY EDUCATION, BUT YOU ARE ENTIRELY RIGHT TO SAY THAT IT'S IMPORTANT THAT WE ALSO IMPROVE PRIMARY AND SECONDARY EDUCATION.

YOU ASKED, SECOND, ABOUT EDUCATION AND OUR INCREASE IN EXPENDITURE ON EDUCATION. AS I SAID IN MY SPEECH, THE GOVERNMENT IS ALREADY COMMITTED TO A CONSIDERABLE EXPANSION IN TERTIARY EDUCATION BUT YOU ARE ENTIRELY RIGHT TO SAY THAT IT'S IMPORTANT THAT WE ALSO IMPROVE PRIMARY AND SECONDARY EDUCATION. WE'RE PROPOSING TO TRY TO DO THAT, FIRST OF ALL BY INCREASING THE NUMBER OF TEACHERS BY 2,200 OVER THE NEXT FIVE YEARS. SECONDLY, BY IMPROVING THE QUALITY OF TEACHER EDUCATION. ALL OF US KNOW THAT THE KEY TO A BETTER EDUCATION IS AS GOOD TEACHERS AS POSSIBLE, AND TO HELP TEACHERS I WANT TO SEE THEM HAVING SMALLER CLASSES, BEGINNING IN PRIMARY SCHOOLS, AND MORE TIME TO PREPARE FOR LESSONS.

QUESTION: MR GOVERNOR, HONG KONG IS A PLACE WHERE THE RULE OF LAW IS UPHELD AND THE EXECUTIVE AND THE JUDICIARY SHOULD BE SEPARATED. THEN MAY I ASK YOU, WHY IS A BLACK COURT ESTABLISHED BY THE EXECUTIVE AND THE SO CALLED PROPER APPEAL WAS CONDUCTED, BEHIND CLOSED DOORS, AND LAWYERS AND APPELLANTS WERE NOT ALLOWED TO KNOW ABOUT THE HEARING? AND I WANT TO ASK SOMETHING ABOUT THE WALLED CITY. IS IT A CHINESE TERRITORY OR A BRITISH TERRITORY? THE CHINESE AUTHORITIES HAVE MADE IT CLEAR THAT THE RESIDENTS SHOULD HAVE REASONABLE COMPENSATION, THEN WHY DO YOU USE YOUR POLICEMEN TO GRAB OUR PROPERTY FROM US? IF YOU SAY THIS IS CROWN LAND, WHY WAS THERE NO SIGN SAYING SO? AND I AM VERY DOUBTFUL WHY THE AD HOC GROUP WAS SO POWERFUL; TOGETHER WITH THE WELFARE ASSOCIATION IN THE WALLED CITY THEY VIRTUALLY DID EVERYTHING THEY LIKED AND THE WHOLE THING WAS CONDUCTED IN THE BLACK COURT AND THE HEARING WAS SECRET. I COMPLAINED TO EVERYONE, TO THE GOVERNOR, TO THE GOVERNMENT AND TO MRS ELSIE TU WHO TOLD ME THAT THE HEARING WAS ALL POWERFUL AND THAT WHAT'S GOING ON BEHIND THE CLOSED DOORS HAD THE FINAL SAY.

GOVERNOR: WELL, IF YOU DON'T FIND MY ANSWER SATISFACTORY, I'M DELIGHTED TO SAY THAT ELSIE TU IS IN THE THIRD ROW AND AS EVERYBODY IN HONG KONG KNOWS, ELSIE HAS AN ANSWER TO ABSOLUTELY EVERY PROBLEM. LET ME JUST SAY THIS, SERIOUSLY, IN RESPONSE TO YOUR QUESTION AND THIS IS THE WALLED CITY QUESTION FOR TONIGHT, I DON'T THINK WE CAN HAVE EVERY QUESTION ON THE WALLED CITY. IN EVERY COMMUNITY, INCLUDING THIS ONE, THE COMMUNITY AS A WHOLE DECIDES FROM TIME TO TIME THAT A PARTICULAR AREA, FOR ONE REASON OR ANOTHER, SHOULD BE REDEVELOPED; THAT HAS HAPPENED IN A NUMBER OF OTHER PARTS OF HONG KONG. WHEN THAT HAPPENS IT IS ONLY RIGHT THAT IN THE FIRST PLACE, RESIDENTS AND BUSINESSES SHOULD BE CONSULTED, IN THE SECOND PLACE THAT THEY SHOULD BE OFFERED RE-HOUSING AND COMPENSATION IF THE PLAN GOES AHEAD.

THAT IS WHAT HAS HAPPENED IN THE CASE OF THE WALLED CITY, WITH FOR EXAMPLE A RIGHT OF APPEAL TO THE BOARD THAT YOU DESCRIBED IN LESS THAN FLATTERING TERMS, APPEAL TO A BOARD IF YOU DON'T LIKE COMPENSATION TERMS. I HAVE TO SAY, AND IT'S NOT AN UNREASONABLE POINT TO MAKE, THOUGH I APPRECIATE THE STRENGTH OF YOUR FEELING, THAT I BELIEVE I'M RIGHT IN SAYING THAT 98.5% OF THOSE WHO WERE AFFECTED BY THE REDEVELOPMENT HAVE ACCEPTED THE TERMS THAT WERE OFFERED THEM. THERE ARE SOME WHO ARE STILL ARGUING BUT IT DOES SEEM TO ME THAT 98.5% IS QUITE A HIGH FIGURE.

I'M SORRY THAT I CAN'T SAY ANY MORE TO YOU THAN THAT, BUT IT WILL ALWAYS BE THE CASE IN ANY COMMUNITY, PARTICULARLY ONE THAT'S GROWING AND EXPANDING AND THRIVING, THAT ONE HAS TO REDEVELOP PARTS OF IT FROM TIME TO TIME AND MAKE, I HOPE, ADEQUATE AND GENEROUS COMPENSATION PAYMENTS AS A RESULT.

QUESTION: ARE YOU SURE THAT IN THE FUTURE, CRC WILL CONTINUE TO SUPPORT GOVERNMENT POLICY? AND WILL YOU CONFIRM NOW, IN 1997 THERE WILL BE AN INCREASE IN THE LEGCO SEATS TO SATISFY THE UNITED DEMOCRATS? DO YOU KNOW WHETHER THE HIGH PROPERTY PRICES REFLECT MARKET PRICE OR DOES THE GOVERNMENT INTERFERE OR A FEW MORE HOUSE OWNERSHIP SCHEMES. I SPEAK CHINESE FOR THE NEXT QUESTION. ... WILL YOU SEE AND RECTIFY THE SITUATION?

INTERPRETER: AND THERE ARE ALL THESE COMIC BOOKS AND BAD MOVIES AND UNDESIRABLE TV SHOWS IN HONG KONG, SO DO YOU HAVE ANY MESSAGE TO DEAL WITH THEM?

GOVERNOR: THREE QUESTIONS I THINK. FIRST OF ALL, DIRECTLY ELECTED SEATS, SECONDLY, HIGH PROPERTY PRICES, AND THIRDLY, I THINK THAT YOU WERE WORRIED ABOUT PORNOGRAPHIC LITERATURE AND PORNOGRAPHIC FILMS - AND GAMBLING - ALL RIGHT. LET ME DEAL WITH THOSE IN SEQUENCE.

FIRST OF ALL, DIRECTLY ELECTED SEATS. AS YOU KNOW, AS I TOLD THE LEGISLATIVE COUNCIL YESTERDAY, WHEN THE BRITISH FOREIGN SECRETARY SAW HIS CHINESE COLLEAGUE AND OPPOSITE NUMBER IN NEW YORK TWO WEEKS AGO TOMORROW, HE RAISED WITH HIM THE QUESTION OF THE NUMBER OF DIRECTLY ELECTED SEATS IN THE LEGISLATIVE COUNCIL IN 1995. HE PRESSED HIM TO ACCEPT AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS, ARGUING THAT IF CHINA WAS TO ACCEPT THAT IT WOULD BE GOOD FOR HONG KONG AND REDOUND GREATLY TO CHINA'S CREDIT THROUGHOUT THE WORLD. THE CHINESE FOREIGN MINISTER REPLIED, IN I THINK TERMS WITH WHICH THE COMMUNITY IS FAMILIAR, THAT CHINA DID NOT BELIEVE THAT THAT WOULD BE SENSIBLE AND THAT IT WOULD CONTRAVENE THE BASIC LAW AND WAS THEREFORE NOT ACCEPTED. I SAID IN MY SPEECH TO THE LEGISLATIVE COUNCIL YESTERDAY, THAT IF CHINA WOULD NOT ACCEPT AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS BECAUSE IT WOULD CONTRAVENE THE BASIC LAW, THEN WE COULD AND SHOULD LOOK AT AN ALTERNATIVE APPROACH. THAT IS, WAYS IN WHICH WE COULD INCREASE DEMOCRACY IN LINE WITH THE BASIC LAW, AND THAT WAS THE BASIS, THE FOUNDATION, OF THE PROPOSALS WHICH I SET OUT YESTERDAY.

THEY ARE PROPOSALS; THEY'RE PROPOSALS TO DISCUSS WITH CHINA, THEY'RE PROPOSALS THAT I WILL DISCUSS, AS WELL, WITH THE LEGISLATIVE COUNCIL AND THE COMMUNITY. AND WHAT I SAY ABOUT THOSE PROPOSALS IS SIMPLY THIS: IT'S NOT ENOUGH JUST TO CRITICISE THEM, IT'S NOT ENOUGH JUST TO HURL ABUSE AT THEM. IF PEOPLE HAVE CRITICISMS THEY SHOULD SAY WHAT THEIR ALTERNATIVE PROPOSALS ARE.

CAN I JUST ANSWER THE OTHER TWO QUESTIONS, AND I'LL BE VERY BRIEF. FIRST OF ALL, WE ALL KNOW THAT ONE OF THE BIGGEST REASONS FOR HIGH PROPERTY PRICES IN HONG KONG IS THAT WE'RE SHORT OF LAND AND WE HAVE AN AWFUL LOT OF HOUSING TO PROVIDE, AND THAT AS ECONOMISTS WOULD TELL YOU, PRODUCES THE PRESSURES WHICH LEAD TO HIGHER PRICES. ONE REASON WHY I'M KEEN THAT WE SHOULD GET AHEAD WITH BUILDING THE NEW AIRPORT IS THAT IT WOULD PRODUCE A GREAT DEAL MORE LAND WHICH WOULD HELP US WITH SOME OF OUR SOCIAL NEEDS. I ALSO THINK THAT IT'S IMPORTANT TO HELP MEMBERS OF THE COMMUNITY WHO ARE PARTICULARLY HARD HIT BY HIGH LAND PRICES AND THAT'S WHY I BROUGHT FORWARD PROPOSALS YESTERDAY TO ASSIST THE SO CALLED SANDWICH CLASS WITH THEIR HOUSING PROBLEMS.

LASTLY, YOU MENTIONED SOME OF THE MATERIAL WHICH I KNOW CAUSES PEOPLE GREAT OFFENCE WHEN THEY SEE IT ON PUBLIC DISPLAY IN SHOPS AND SO ON WHERE THERE CHILDREN AND FAMILIES AND WIVES AND LOVED ONES CAN GO IN AND SEE IT. I DO HOPE THAT RETAILERS WILL BE VERY CAREFUL ABOUT WHAT THEY HAVE ON PUBLIC DISPLAY. I DON'T THINK ANY OF US ARE PRUDES BUT ALL OF US THINK THAT THERE IS SOME MATERIAL WHICH IS OFFENSIVE AND IS BETTER KEPT OUT OF THE WAY OF CHILDREN AND FAMILIES.

QUESTION: THANK YOU MR GOVERNOR, I WOULD LIKE TO ASK TWO QUESTIONS. THE FIRST IS ON LABOUR. IN HONG KONG WE HAVE 50,000 PEOPLE UNEMPLOYED AND 100,000 UNDER-EMPLOYED. IN YOUR POLICY SPEECH AND WHEN YOU ANSWERED LEGCO MEMBERS' QUESTIONS THIS AFTERNOON, YOU RELIED ON THE IMPORTATION OF LABOUR AND THE PRODUCTION LINE RELOCATED TO SOUTH CHINA TO SUSTAIN THE ECONOMIC GROWTH OF HONG KONG, AND YOU PROMISED TO SPEND \$0.3 BILLION TO RE-TRAIN 15,000 DISPLACED WORKERS, SO WHERE WOULD THE REST GO? AND ESPECIALLY THAT THE WORKERS IN HONG KONG, THEY DO NOT HAVE RETIREMENT BENEFITS AND THEY DO NOT HAVE UNEMPLOYMENT PROTECTION.

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AND THE SECOND QUESTION IS ON BASIC EDUCATION. MAYBE YOU HAVE COME TO HONG KONG ONLY FOR TWO MONTHS AND YOU ARE NOT VERY CLEAR ABOUT THE SITUATION IN HONG KONG. NORMALLY, EVERY CHILD IN HONG KONG WOULD HAVE TO STUDY TWO YEARS IN A KINDERGARTEN BEFORE THEY GO TO PRIMARY SCHOOL AND KINDERGARTEN FEES ARE VERY, VERY EXPENSIVE, BUT THERE IS NO MENTION OF SUBSIDY FOR THIS PRE-PRIMARY EDUCATION, NOT IN THE EDUCATION COMMISSION'S NUMBER 5 REPORT AND NOT IN YOUR POLICY SPEECH. FRANKLY, I AM VERY DISAPPOINTED.

THE THIRD QUESTION IS THAT IN YOUR FIRST POLICY SPEECH YOU SEEM TO BE VERY GENEROUS. IN THE YEAR 1992 YOU PLAN TO SPEND \$13.5 BILLION ON THE PEOPLE. MAY I ASK YOU WHETHER IN YOUR 1993 BUDGET WOULD YOU RAISE TAXES AND ADD MORE LEVIES ON THE ORDINARY PEOPLE OF HONG KONG?

GOVERNOR: THE ANSWER TO YOUR THIRD QUESTION IS, NO. I SAID YESTERDAY, VERY CLEARLY, THAT WE SHOULD CONTINUE IN HONG KONG TO HAVE LOW AND PREDICTABLE TAXES. I THINK LOW TAXES IS ONE OF THE REASONS FOR OUR SUCCESS AND THAT IS WHY I AM KEEN THAT WE SHOULD CONTINUE TO BE PRUDENT ABOUT PUBLIC SPENDING. WHAT I THINK ALL OF US RECOGNISE IS, IF YOU INCREASE PUBLIC SPENDING BY MORE THAN THE ECONOMY GROWS THEN THE ONLY WAY YOU CAN PAY FOR IT IS BY INCREASING TAXES AND THAT IS SOMETHING THAT WE HAVE TO AVOID. THAT MEANS THAT YOU HAVE TO MAKE DIFFICULT CHOICES OF PRIORITIES BETWEEN ONE PUBLIC SPENDING AREA AND ANOTHER AND THAT'S WHAT I WAS ATTEMPTING TO DO YESTERDAY.

SECONDLY - DOING YOUR QUESTIONS IN REVERSE ORDER - I DID ANNOUNCE YESTERDAY THAT WE WOULD PAY FOR A SUBSTANTIAL INCREASE IN NURSERY PLACES BETWEEN NOW AND 1997, AND I ALSO REFERRED IN PARAGRAPH 30 OF MY SPEECH - I KNOW BECAUSE I JUST LOOKED IT UP - TO THE FEE-REMISSION SCHEME IN KINDERGARTENS, BUT IF YOU'VE GOT OTHER SPECIFIC PROPOSALS THAT YOU'D LIKE ME TO LOOK AT, I'D BE HAPPY TO DO SO.

ON YOUR FIRST QUESTION, I ENTIRELY AGREE WITH YOU ABOUT THE IMPORTANCE OF THE MAXIMUM RE-TRAINING OF OUR LABOUR FORCE SO THAT WE CAN MEET NEW NEEDS AND SO THAT WE CAN AVOID A SITUATION IN WHICH SOME PEOPLE ARE MAROONED BY CHANGES IN TECHNOLOGY OR BY ADVANCES IN THEIR OWN INDUSTRIES. I ANNOUNCED YESTERDAY A COMMITMENT OF \$300 MILLION TO INCREASING THE NUMBER OF TRAINING PLACES BY 15,000. WE'VE JUST STARTED A RE-TRAINING SCHEME, WE'VE ALREADY GOT, I THINK, 6,000 PLACES IN IT. WHAT I'VE PROPOSED WILL MORE THAN DOUBLE WHERE WE STAND AT THE MOMENT AND I VERY MUCH HOPE THAT EMPLOYERS WILL USE THOSE THAT ARE RE-TRAINED AT CONSIDERABLE COST BECAUSE THEY HAVE AN ENORMOUS CONTRIBUTION TO MAKE TO OUR ECONOMY AS IT BECOMES MORE SOPHISTICATED AND AS IT BECOMES MORE HIGH TECHNOLOGY.

THE LADY NEAR NUMBER THREE. CAN I SUGGEST THAT IF PEOPLE CAN CONCEIVABLY RESTRICT THEIR QUESTIONS TO ONE, IT WILL ENABLE, IF THEY ASK THREE QUESTIONS, THREE TIMES AS MANY PEOPLE TO GET IN.

NUMBER FIVE, SINCE YOU'VE BEEN SO VIGOROUS, YOU CAN HAVE A GO AFTER THE CHAP AT NUMBER FOUR. BUT NUMBER THREE.

/QUESTION: MR

QUESTION: MR GOVERNOR, THANK YOU VERY MUCH FOR GIVING US THIS OPPORTUNITY TO ASK YOU QUESTIONS. IN YOUR POLICY SPEECH, YOU ONLY LOOK AFTER THE SANDWICH CLASS BUT YOU HAVE NEGLECTED THE NEEDS OF THE RESIDENTS IN PUBLIC HOUSING. NOW, THE PUBLIC HOUSING POLICY IS VERY UNREASONABLE. IT'S GETTING MORE AND MORE MONEY ORIENTED. THE RENTAL POLICY IS VERY UNREASONABLE, WHY DIDN'T YOU HEAR OUR LOUD VOICE OF PROTEST? AND, THERE ARE A LOT OF OTHER UNREASONABLE POLICIES OF THE HOUSING AUTHORITY SUCH AS THE POLICY ON DIFFICULT HOUSEHOLDS, IT IS INDEED VERY UNREALISTIC. SO, DO YOU MEAN THAT YOU ONLY CARE ABOUT THOSE FLATS WHICH COULD BE SOLD FOR MONEY AND YOU NEGLECTED THE NEEDS OF THOSE WHO CANNOT AFFORD TO BUY THEIR FLATS? AND I WOULD LIKE TO ASK YOU TOO TO HELP THE SINGLE PARENT FAMILY BECAUSE, AT PRESENT, TO A VERY LARGE EXTENT YOUTH PROBLEMS HAVE ARISEN OUT OF A BROKEN FAMILY. SO, IT WOULD BE A VERY GOOD MEASURE IF YOU CAN DO SOMETHING TO HELP THESE FAMILIES.

GOVERNOR: CAN I SAY STRAIGHTAWAY THAT YOU ARE ENTIRELY RIGHT TO SAY THAT OUR MAIN CONCERN MUST BE WITH ALL HOUSING NEED, NOT JUST WITH ONE GROUP. WE ARE, IN FACT, PROPOSING TO SPEND, I THINK IT'S 41 BILLION DOLLARS OVER THE NEXT FIVE YEARS TO PROVIDE MORE HOUSING FOR ABOUT 190,000 FAMILIES. THAT'S ABOUT 650,000 PEOPLE. THE TRANSFORMATION OF HOUSING IN HONG KONG HAS BEEN A VERY IMPORTANT REASON FOR HONG KONG'S STABILITY AND SOCIAL HARMONY. IN OUR MANAGEMENT OF PUBLIC HOUSING, WE HAVE TO BE AS SENSITIVE AS POSSIBLE TO INDIVIDUAL NEEDS AND INDIVIDUAL REQUIREMENTS, DIFFICULT THOUGH THAT SOMETIMES IS. A POLICY ON DIFFICULT HOUSEHOLDS IS NOT ONE THAT HAS BEEN RAISED WITH ME BEFORE, BUT I CAN ASSURE YOU THAT I WILL ASK THE HOUSING AUTHORITY FOR A REPORT ON IT. WHAT YOU SAID ABOUT THE PROBLEMS OF SINGLE PARENT FAMILIES, IT WAS AN ISSUE THAT WAS RAISED WITH ME THE OTHER DAY BY A CHURCH GROUP THAT CAME TO LOBBY ME ON SOCIAL ISSUES. I HOPE THAT OUR IMPROVEMENTS IN PUBLIC ASSISTANCE WILL BE OF SOME HELP, BUT IT'S OBVIOUSLY AN AREA THAT WE NEED TO BE VERY SYMPATHETIC TOWARDS IN THE DEVELOPMENT OF SOCIAL POLICY IN THE FUTURE.

WHAT WE HAVE TO DO NOW IS TO FOLLOW A POLICY OF BEING FAIR TO MICROPHONES. OTHERWISE, I'LL GET INTO TROUBLE, BUT JUDGING BY THE NUMBER OF HANDS THAT ARE GOING UP AND THE LIMITED AMOUNT OF TIME AVAILABLE, WE ARE GOING TO HAVE MORE OF THESE MEETINGS.

FOUR, FIVE AND TWO AND THEN EIGHT.

QUESTION: THANK YOU MR PATTEN. I REMEMBER YOU HAVE MENTIONED ON A PREVIOUS OCCASION ABOUT THE IMPORTANCE OF THE ARTS IN A COMMUNITY. IF I MAY QUOTE YOU, IN THE SENSE THAT YOU SAID, THE ARTS GIVES CONTEXT TO ANYBODY'S LIFE. DO YOU ALSO THINK THAT POLITICIANS HAVE THE RESPONSIBILITY TO CREATE AN ATMOSPHERE IN WHICH THE ARTS CAN FLOURISH? YET, IN YOUR POLICY ADDRESS YESTERDAY, THERE WAS NO MENTION OF THE ARTS AT ALL IN THE CONTEXT OF YOUR ASPIRATIONS ON THE FUTURE OF HONG KONG. SO, MAY I ASK WHAT IS YOUR POLICY TO ENSURE THE FLOURISHING OF THE ARTS IN HONG KONG?

/GOVERNOR: AS

GOVERNOR: AS I SAID EARLIER, I WASN'T ABLE TO COVER EVERY SUBJECT UNDER THE SUN IN MY SPEECH YESTERDAY, OTHERWISE IT WOULD HAVE BEEN EVEN LONGER THAN IT WAS. BUT YOU ARE QUITE RIGHT TO REFER TO THE IMPORTANCE OF THE ARTS. AS HONG KONG'S WAY OF LIFE AND QUALITY OF LIFE HAVE IMPROVED, SO IT IS TRUE TO SAY THAT HONG KONG'S CULTURAL LIFE HAS IMPROVED AS WELL. I THINK WE CAN SEE THAT, FOR EXAMPLE, FROM THE QUALITY OF CONTRIBUTIONS MADE BY PERFORMING ARTISTS FROM HONG KONG IN CANADA OVER RECENT WEEKS. I THINK WE HAVE TO SUPPORT FURTHER CULTURAL ENRICHMENT IN OUR COMMUNITY BOTH BY PRIVATE SUBSIDY AND BY PUBLIC SUBSIDY AND I HOPE THAT I'LL BE PLAYING MY OWN PART OVER THE NEXT FEW MONTHS BY THE SUPPORT WE GIVE FOR A SERIES OF CONCERTS GIVEN BY THE EXCELLENT ACADEMY OF PERFORMING ARTS. BUT YOU ARE ENTIRELY RIGHT, THAT IT IS AN ISSUE WHICH BECOMES MORE IMPORTANT AS THE COMMUNITY BECOMES MORE PROSPEROUS AND AS ITS QUALITY OF LIFE IMPROVES.

QUESTION: MR GOVERNOR, I WOULD LIKE TO ASK YOU SOMETHING ON THE 1995 DIRECT ELECTIONS. ACTUALLY, ALL THE ARRANGEMENTS HAVE BEEN CLEARLY LAID DOWN IN THE BASIC LAW AND IN THE JOINT DECLARATION BUT YESTERDAY YOU SAID YOU WOULD ABOLISH ALL THE APPOINTED SEATS IN THE DISTRICT BOARDS, THEN THE DISTRICT BOARDS WILL BE ALL DIRECTLY ELECTED. SO I WANT YOU TO CLARIFY THIS POINT: WOULD YOU CREATE CONFUSION IN SOCIETY IF YOU FORCE YOUR PACE SO MUCH? A SMOOTH TRANSITION IN HONG KONG IS WHAT WE WANT AND I THINK YOU SHOULD DISCUSS MORE WITH CHINA. I LIVE IN HONG KONG AND I WANT TO DIE IN HONG KONG, I DON'T WANT TO SEE THAT YOU'VE MADE A MESS OF HONG KONG. LOOKING BACK INTO HISTORY, WE CAN SEE THAT EVERY TIME THE BRITISH RETREATED FROM HER COLONIES THERE WILL BE TROUBLES. FOR EXAMPLE IN INDIA THERE WAS WAR BETWEEN INDIA AND PAKISTAN.

AND SECONDLY, I WOULD LIKE TO ASK YOU SOMETHING ON THE ILLEGAL IMMIGRANTS. I AM CHINESE AND THEY ARE CHINESE, I DON'T WANT TO SEE THEM ARRESTED LIKE CRIMINALS. IT'S A DISGRACE TO THE CHINESE PEOPLE TO SEE THEM ALL BOUND UP AND THEY HAVE TO SQUAT BY THE ROADSIDE. ON THE OTHER HAND THE VIETNAMESE MIGRANTS ARE SO WELL TREATED, SO I THINK EVERY CHINESE IN HONG KONG IS VERY ANGRY ABOUT THIS.

GOVERNOR: THE PROPOSALS THAT I MADE YESTERDAY, PROPOSALS FOR DISCUSSION WITH CHINA, WERE ENTIRELY CONSISTENT WITH THE BASIC LAW AND THE JOINT DECLARATION. THEY WERE CONSISTENT WITH THE BASIC LAW AND THE JOINT DECLARATION IN EVERY PARTICULAR. THEY WERE CONSISTENT WITH THE BASIC LAW AND THE JOINT DECLARATION IN WHAT THEY SAID ABOUT DISTRICT BOARDS. THEY WERE CONSISTENT IN WHAT THEY SAID ABOUT FUNCTIONAL CONSTITUENCIES. THEY WERE CONSISTENT IN WHAT THEY SAID ABOUT THE ELECTION COMMITTEE. THEY WERE CONSISTENT IN WHAT THEY SAID ABOUT LOWERING THE VOTING AGE. THEY WERE CONSISTENT IN EVERY PART, AND FRANKLY IT IS FOR OTHERS, IF THEY DISAGREE WITH ME, TO POINT OUT WHERE MY PROPOSALS ARE INCONSISTENT AND TO PUT FORWARD THEIR OWN PROPOSALS. IT'S NOT ENOUGH FOR PEOPLE TO CRITICISE. PEOPLE HAVE, IF THEY DISAGREE, TO PUT FORWARD THEIR OWN PROPOSALS FOR THE 1995 ELECTIONS.

I DIDN'T INVENT THE FACT THAT WE HAVE TO PRODUCE AN ELECTION COMMITTEE FOR 1995. I DIDN'T INVENT THE FACT THAT WE HAVE TO PUT TOGETHER 9 NEW FUNCTIONAL CONSTITUENCIES. THOSE THINGS ARE ALL CONSEQUENCES OF THE JOINT DECLARATION AND THE BASIC LAW AND THOSE ARE PROBLEMS WHICH I HAVE TO ADDRESS ON THE COMMUNITY'S BEHALF AND WITH THE HELP OF THE EXECUTIVE AND LEGISLATIVE COUNCILS.

/QUESTION: MR

QUESTION: MR PATTEN, I'VE LISTENED TO YOUR POLICY SPEECH AND NOTHING WAS MENTIONED ABOUT REPATRIATION OF VIETNAMESE BOAT PEOPLE. IN THE PAST TEN YEARS HONG KONG HAS SPENT OVER \$2.2 BILLION ON THE BOAT PEOPLE AND THE GOVERNMENT'S PROMISED TO REPATRIATE THEM WITHIN 3 YEARS, WHEREAS WE HAVE ASKED THE GOVERNMENT TO REPATRIATE THEM WITHIN 2 YEARS. NOW WILL THE GOVERNMENT HONOUR THEIR WORD AND REPATRIATE THEM SPEEDILY AND SWIFTLY AS SOON AS POSSIBLE?

NUMBER 2, ABOUT THE MAINTENANCE OF A STRONG INDEPENDENT JUDICIARY. HONG KONG HAS KEPT ITS JUDICIARY - IN THE LAST DECADE IT ALMOST REMAINED UNCHANGED. WHAT STEPS WILL THE GOVERNOR TAKE TO STRENGTHEN AND PRESERVE THE STRONG INDEPENDENT JUDICIARY IN THE COMING FIVE YEARS?

GOVERNOR: FIRST OF ALL, I DIDN'T MENTION VIETNAMESE BOAT PEOPLE IN MY SPEECH BECAUSE, IN MY JUDGMENT, THAT IS A PROBLEM WHICH THE PEOPLE OF HONG KONG HAVE HANDLED WITH CONSIDERABLE GENEROSITY OF SPIRIT AND GREAT COMPETENCE IN THE LAST FEW YEARS. WE NOW HAVE A SITUATION IN WHICH LARGELY BECAUSE OF VOLUNTARY RETURNS HOME THE NUMBER OF VIETNAMESE IN OUR CAMPS HAS FALLEN TO BELOW 50,000 AND EACH MONTH ABOUT ANOTHER 1,000 ARE RETURNED VOLUNTARILY. IN ADDITION, A NUMBER ARE GOING UNDER THE ORDERLY REPATRIATION SCHEME WHICH OF COURSE WE PLAYED A VERY SIGNIFICANT PART IN HELPING TO NEGOTIATE. SO THE PROBLEM IS BECOMING, I'M PLEASED TO SAY, LESS ACUTE. WE ARE GOING TO BE ABLE, FOR INSTANCE, TO CLOSE A CAMP SHORTLY, WHICH WILL ALLOW US TO PUT ANOTHER 200 POLICEMEN AND POLICEWOMEN ON OUR STREETS WHICH IS AN IMPORTANT STEP FORWARD, AND WE WILL CONTINUE TO PRESS FOR THE SUCCESSFUL CONCLUSION TO THE POLICY. WHAT WILL MAKE THE GREATEST DIFFERENCE, IN MY JUDGMENT, IS AS IT BECOMES CLEAR TO THOSE IN THE CAMPS THAT THE VIETNAMESE ECONOMY IS BEGINNING TO IMPROVE AND MANY HONG KONG BUSINESSMEN ARE PLAYING A SIGNIFICANT PART IN THAT. I HOPE THAT IT'S POSSIBLE TO SEE FURTHER IMPROVEMENTS AFTER THE PRESIDENTIAL ELECTIONS IN THE UNITED STATES.

ON THE SECOND QUESTION YOU RAISED, THAT IS THE STRENGTHENING OF THE JUDICIARY, WE WILL, AS YOU KNOW, OVER THE COMING MONTHS HAVE TO CONSIDER THE ISSUE OF THE COURT OF FINAL APPEAL, ON WHICH I ANSWERED A QUESTION IN THE LEGISLATIVE COUNCIL TODAY. BUT I AM KEEN TO SEE US MOVE FURTHER IN LOCALISING THE JUDICIARY, I'M KEEN TO SEE US DO MORE TO STRENGTHEN THE ADMINISTRATION OF JUSTICE IN HONG KONG. FOR EXAMPLE, I'M VERY INTERESTED IN THE PROPOSALS THAT ARE BEING DISCUSSED BETWEEN THE EXISTING JUDICIARY AND THE BAR COUNCIL FOR ESTABLISHING A BROADER BASED DEPUTY JUDGE SYSTEM WHICH WOULD ENABLE LOCAL BARRISTERS TO GET A TASTE OF WHAT IT'S LIKE TO BE A JUDGE AND ENCOURAGE MANY MORE OF THEM TO GO ON THE BENCH.

/QUESTION: MR

QUESTION: MR GOVERNOR, I WOULD LIKE TO ASK YOU FOUR QUESTIONS. NUMBER ONE, HOW CAN YOU ENSURE THAT THERE WILL BE 100 NEW UNITS EVERY DAY AND IN A YEAR THAT MEANS, THERE WILL BE A TOTAL OF 36,000 UNITS AND, SECONDLY, IT'S ON WELFARE. IN YOUR WELFARE PACKAGE THERE'S NO MENTION ABOUT HOUSING. SO, WOULD YOU LIKE TO PLEASE TELL ME WHETHER HOUSING IS PART OF SOCIAL WELFARE. THIRDLY, WHY WOULD THE GOVERNMENT ALLOCATE LAND TO BUILD HOUSING FOR THE SANDWICH CLASSES BUT YOU DO NOT ALLOCATE ANY LAND TO BUILD HOUSING TO LOOK AFTER THE NEEDS OF THE LOWER CLASSES AND THE RESIDENTS AFFECTED BY RE-DEVELOPMENT PLANS? FOURTHLY, YOU SAID IN 1997, TWO-THIRDS OF THE HONG KONG PEOPLE WILL OWN THEIR OWN HOMES. DO YOU MEAN TO SELL THE OLD HOUSING UNITS TO THE TENANT? I AM VERY CONCERNED ABOUT HOUSING POLICY.

GOVERNOR: I KNOW, AND YOU'VE EXPRESSED YOUR VIEWS ABOUT IT TO ME BEFORE VERY ELOQUENTLY, AND I'M SURE YOU WILL BE ABLE TO AGAIN.

FIRST OF ALL, ACTUALLY WE ARE GOING TO BUILD MORE HOMES A YEAR THAN YOU WERE SUGGESTING. THE TARGET IS 40,000 NOT 36,000. SO WHEN I SAID WE'D BE BUILDING A 100 UNITS A DAY I WAS SLIGHTLY UNDER-ESTIMATING. I THINK THE EXACT FIGURE IS A 107, IF YOU DO THE MATHEMATICS. IT IS IMPORTANT THAT WE DELIVER ON THAT HOUSING PROGRAMME, SECONDLY, OF COURSE, HOUSING IS A PART OF AN EFFECTIVE WELFARE POLICY, IT'S MORE THAN THAT BUT IT'S THAT TOO. BUT WHAT I TALKED ABOUT ALSO IN MY SPEECH IS THE IMPORTANCE OF PROVIDING MORE RESIDENTIAL PLACES. THEIR OWN HOUSING FOR PEOPLE LIKE THE DISABLED AND THE MENTALLY HANDICAPPED. MORE PLACES IN CARE AND ATTENTION HOMES FOR THE ELDERLY, ABOUT MORE THAN 5,000 MORE BETWEEN NOW AND 1997. SO WE HAVE TO THINK OF THEIR HOUSING AS WELL.

THIRDLY, OF COURSE, THE MAIN PART OF OUR LAND ALLOCATION PROGRAMME IS TO PROVIDE PUBLIC HOUSING, TO PROVIDE HOUSING FOR THE HOUSING AUTHORITY AND HOUSING FOR THE HOUSING SOCIETY. THE AMOUNT THAT I MENTIONED IN RELATION TO THE SANDWICH CLASS IS ONLY A VERY, VERY, VERY SMALL PROPORTION OF THAT. AND LASTLY, I DO THINK THAT BY 1997 WE SHOULD BE ABLE TO BE LIVING IN A COMMUNITY IN WHICH ABOUT 60% OF PEOPLE ARE OWNING THEIR OWN HOME, BUT THAT DOESN'T MEAN THAT THE HOUSING NEEDS OF THE OTHER 40% AREN'T JUST AS IMPORTANT, WHICH IS WHY WE NEED TO CONTINUE TO HAVE A LARGE AND WELL MANAGED PUBLIC HOUSING STOCK.

QUESTION: MR PATTEN, I AM ALSO VERY CONCERNED ABOUT HOUSING. IN PARAGRAPH 59 OF YOUR POLICY SPEECH, YOU MENTION SOME ARRANGEMENT ABOUT RESIDENTS OF THE TEMPORARY HOUSING AREAS, BUT DURING THE SEVERAL MONTHS YOU ARE HERE, IT SEEMS THAT YOU HAVE NOT VISITED ANY OF THESE TEMPORARY HOUSING AREAS. I WOULD LIKE YOU TO KNOW THAT A LOT OF THESE HOUSING AREAS ARE VERY OLD. THEY WERE BUILT MORE THAN TEN YEARS AGO, FOR EXAMPLE, PING SHEK AND SHUN LEE TEMPORARY HOUSING AREAS, THEY ARE BUILT OVER TEN YEARS AGO AND THE RESIDENTS HAVE TO LIVE IN THE WOODEN STRUCTURES PLAGUED BY TERMITES. SO, I THINK IT IS A GOOD IDEA IF YOU VISIT THESE PLACES AND SEE WHAT THEY ARE LIKE AND TO INCREASE YOUR KNOWLEDGE ABOUT THESE HOUSING AREAS.

/GOVERNOR: AS

GOVERNOR: AS YOU SAID, IN PARAGRAPH 59 OF MY SPEECH, I REFER TO OUR TARGET OF ENSURING THAT WE'VE CLEARED THREE-QUARTERS OF THE TEMPORARY HOUSING AREAS BY 1997, BUT YOU ARE QUITE RIGHT TO SAY THAT I HAVEN'T YET VISITED SUCH AN AREA MYSELF, THOUGH I HAVE VISITED MOST, OR MANY, OTHER PARTS OF HONG KONG AND HAVE VISITED SQUATTERS AREAS AND OTHER DIFFICULT HOUSING AREAS. BUT I'LL DO A BARGAIN WITH YOU. IF YOU'VE GOT A DAY OFF, OR CAN SPARE AN AFTERNOON, I'LL GO TO A TEMPORARY HOUSING AREA WITH YOU. AND I BET IT WILL BE THE FIRST TIME YOU'VE EVER BEEN TO A TEMPORARY HOUSING AREA IN A DAIMLER WITH A FLAG ON THE FRONT AND A CHAUFFEUR.

QUESTION: I AM SORRY I HAVE DIFFICULTY

GOVERNOR: I SAID I BET IT WILL BE THE FIRST TIME THAT YOU'VE EVER BEEN TO A TEMPORARY HOUSING AREA IN A DAIMLER WITH A FLAG ON THE FRONT AND A CHAUFFEUR IN THE FRONT SEAT.

CAN I SAY THIS FINALLY. THE HALL WAS BOOKED UNTIL 7.15 AND, IF WE ARE GOING TO DO THIS AGAIN, WE HAVE TO BE NICE AND ORDERLY AND SENSIBLE. OTHERWISE THE URBAN COUNCIL WILL NEVER LET US BACK. WE HAVE MANAGED THIS EVENING TO GET ELEVEN DIFFERENT QUESTIONERS IN. AND THAT IS PARTLY BECAUSE SOME OF THE QUESTIONS, FOR UNDERSTANDABLE REASONS, HAVE BEEN QUITE LONG. SO NEXT TIME, IF WE CAN ASK SHORTER QUESTIONS, I THINK WE'LL BE ABLE TO GET TWICE AS MANY PEOPLE IN.

I AM EXTREMELY GRATEFUL TO YOU ALL FOR COMING THIS EVENING. I AM EXTREMELY GRATEFUL TO YOU FOR BEING SUCH AN INTELLIGENT AND CALM AND REASONABLE AUDIENCE. THIS DOESN'T ALWAYS HAPPEN AT PUBLIC MEETINGS. IT DOES SHOW, TO ANYONE WHO IS INTERESTED, WHETHER HERE OR ELSEWHERE, IS THAT THE PEOPLE OF HONG KONG, WHATEVER THEIR VIEWS, CAN BE TRUSTED TO TALK ABOUT THEIR FUTURE, THE FUTURE OF THEIR FAMILIES AND THEIR COMMUNITY IN A RESPONSIBLE AND INTELLIGENT AND MATURE AND RESTRAINED WAY - AND THAT IS HOW WE ARE GOING TO PROVE TO THE WHOLE WORLD WHAT A SOPHISTICATED AND DEMOCRATIC POLITICAL COMMUNITY THIS CAN BE.

THANK YOU VERY MUCH INDEED AND I'LL SEE YOU AGAIN.

THURSDAY, OCTOBER 8, 1992

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GOVERNOR'S PHONE-IN PROGRAMME ON RTHK

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FOLLOWING IS THE TRANSCRIPT OF THE GOVERNOR'S RADIO PHONE-IN PROGRAMME ON RTHK THIS (THURSDAY) MORNING:

QUESTION: SIR, YOUR PROPOSALS ARE SPLENDID AND I DON'T WANT TO SEEM TO CAVIL, HOWEVER IT IS COMMON GROUND, I THINK, THAT THE RULE OF LAW IS PARAMOUNT TO THE PRESERVATION OF OUR FREEDOMS GENERALLY, AND THE COURT OF FINAL APPEAL HAS BEEN UNIVERSALLY CRITICISED, AT LEAST BY THE LEGAL COMMUNITY, TO WHICH I BELONG, AS NOT BEING SATISFACTORY. 'THE ECONOMIST' VOICES THE OPINION THAT IT IS MORE IMPORTANT TO GET THAT RIGHT THAN TO PUSH AHEAD WITH DEMOCRACY. WILL YOU BE INTENDING TO TRY AND RE-NEGOTIATE THAT?

GOVERNOR: WHAT I'LL BE INTENDING TO DO FIRST OF ALL, AS AN OVERALL OBJECTIVE, IS VERY STRONGLY TO SUPPORT YOUR BASIC PROPOSITION THAT THE RULE OF LAW IS ABSOLUTELY CRUCIAL TO PRESERVING OUR WAY OF LIFE IN HONG KONG, I'M ABSOLUTELY IN AGREEMENT WITH YOU ON THAT. I THINK THAT THE CERTAINTY WHICH THE RULE OF LAW PROVIDES IS ONE OF THE MAIN REASONS FOR US DOING SO WELL IN HONG KONG OVER THE LAST FEW YEARS. THERE WAS A CONTROVERSY, YOU'RE RIGHT TO SAY, LAST YEAR, ABOUT THE PROPOSALS FOR THE COURT OF FINAL APPEAL. WHAT I'LL WANT TO DO IS TO DISCUSS WHERE WE STAND NOW WITH MY NEW EXECUTIVE COUNCIL, WHICH INCLUDES OF COURSE TWO OF THE MOST DISTINGUISHED BARRISTERS IN HONG KONG, ANDREW LI AND DENIS CHANG, AND THEN WE'LL GO BACK TO THE LEGISLATIVE COUNCIL WITH OUR THOUGHTS ON HOW TO TAKE THINGS FORWARD.

I THINK WHAT THE LEGISLATIVE COUNCIL WILL HAVE TO DECIDE IS THIS: WHETHER THEY THINK, AND WHETHER THE COMMUNITY THINKS, THAT WE SHOULD TRY TO ASK THE UK GOVERNMENT TO RE-NEGOTIATE THE AGREEMENT. I DON'T THINK, FRANKLY, THAT WE WOULD GET VERY FAR IF WE WERE TO PRESS ON THAT ROAD WITH CHINA. SECONDLY, WHETHER WE SHOULD ACTUALLY GO AHEAD AND SET UP THE COURT OF FINAL APPEAL, RECKONING THAT THE REALLY CRUCIAL THING IS TO GET A GOOD COURT OF APPEAL WORKING WELL BEFORE 1997. BUT IT'S A BIG ISSUE, IT GOES RIGHT TO THE HEART OF OUR FUTURE AND YOU'RE QUITE RIGHT TO RAISE IT.

QUESTION: THANK YOU, SIR, FOR BEING SO HELPFUL AND ENCOURAGING.

QUESTION: YOU ARE SEVERING THE LINKS BETWEEN EXCO AND LEGCO AND AT THE DISTRICT BOARD LEVEL ALL APPOINTED MEMBERS WILL BE ABOLISHED, AND YET IN THE NEW TERRITORIES THERE WILL STILL BE EX-OFFICIO MEMBERS.

WILLIAM LEE: YOU MEAN IN THE RURAL COMMUNITY, YES.

QUESTION: COULD I KNOW THE RATIONALE BEHIND IT? WHY CAN'T WE HAVE ALL DIRECTLY ELECTED MEMBERS?

WILLIAM LEE: WHY IS IT THAT WE STILL HAVE SOME EX-OFFICIO MEMBERS FROM THE RURAL COMMUNITY?

/GOVERNOR: WELL

GOVERNOR: WELL AS YOU KNOW, THE RURAL COMMUNITY REPRESENTATIVES ON THE DISTRICT BOARDS IN THE NEW TERRITORIES - THE RURAL COMMUNITY REPRESENTATIVES DO EMERGE BY A PROCESS OF ELECTION FROM THEIR VILLAGES. I THINK IT'S EXTREMELY IMPORTANT THAT WE RETAIN A LINK BETWEEN THE INDIGENOUS VILLAGERS AND THE DISTRICT BOARDS AND I THINK MOST PEOPLE WOULD REGARD THAT AS JUSTIFIED. THEY ARE ONLY A SMALL PROPORTION OF THOSE ON THE DISTRICT BOARDS IN THE AREAS CONCERNED AND I THINK THERE IS A JUSTIFICATION IN TERMS OF TRADITION AND IN TERMS OF A BROAD REPRESENTATION. BUT I THINK THAT'S VERY DIFFERENT FROM CONTINUING WITH A PROCESS IN WHICH A THIRD OF THE MEMBERS OF THE DISTRICT BOARDS WERE CENTRALLY APPOINTED. I DON'T HONESTLY THINK THAT ONE CAN JUSTIFY THAT AT A TIME WHEN THE WHOLE OF THE LEGISLATIVE COUNCIL IS GOING TO BE ELECTED BY ONE MEANS OR ANOTHER.

I HOPE THAT HASN'T DISAPPOINTED YOU TOO MUCH BUT I DO FEEL THAT THAT LINK BETWEEN VILLAGERS, BETWEEN RURAL COMMUNITIES AND THE DISTRICT BOARDS, IS RATHER AN IMPORTANT ONE.

WILLIAM LEE: DO YOU HAVE A FOLLOW UP QUESTION, MR LEE?

QUESTION: NOW, SINCE YOU THINK THAT YOU CAN INCREASE THE PACE OF DEMOCRATISATION, I STILL CAN'T UNDERSTAND WHY THERE IS STILL SOME SORT OF APPOINTMENT IN THIS.

GOVERNOR: WELL IT'S NOT REALLY AN APPOINTMENT BECAUSE THE REPRESENTATIVES ON THE DISTRICT BOARDS THAT YOU'RE TALKING ABOUT ARE ELECTED BY THEIR NEIGHBOURS, ARE ELECTED IN THEIR VILLAGES, TO SERVE ON THE DISTRICT BOARDS, SO I DON'T THINK IT'S APPOINTMENT LIKE THAT WHICH AFFECTS ALL THE DISTRICT BOARDS WHERE CENTRALLY WE'VE BEEN APPOINTING UP TO A THIRD OF THE MEMBERS. I THINK IT'S AN IMPORTANT LINK, ONE WHICH WE SHOULD KEEP EVEN AS WE MOVE TO BROADEN DEMOCRATIC PARTICIPATION IN DISTRICT BOARDS. AND I THINK THERE'S A FURTHER JUSTIFICATION FOR DOING THAT, I WANT TO SEE DISTRICT BOARDS ABLE TO DO RATHER MORE TO SERVE THEIR COMMUNITY. ONE OF THE FRUSTRATIONS THAT'S BEEN EXPRESSED TO ME WHEN I'VE BEEN GOING AROUND HONG KONG, BY MANY DISTRICT BOARD MEMBERS, IS THAT THEY DON'T REALLY HAVE SUFFICIENT CONTROL OVER THE SMALL BUT IMPORTANT THINGS THAT AFFECT A COMMUNITY, LIKE LOCAL ENVIRONMENTAL PROJECTS, LIKE APPOINTMENT TO LOCAL COMMITTEES, THOSE ARE THE THINGS WHICH DISTRICT BOARDS ARE VERY WELL PLACED TO UNDERTAKE THEMSELVES.

QUESTION: I READ FROM YOUR REPORT AND HEARD IT FROM THE TV SERIES, WELL I THINK YOUR SUDDEN CHANGE OF THE POLITICAL DEVELOPMENT, FROM THE TOP TO THE GROUND, AND THEN YOU ARE SHAKING UP ALL HONG KONG'S STABILITY AND PROSPERITY. AND THE SECOND QUESTION IS THAT, WELL YOUR SUDDEN CHANGE, DO YOU THINK THAT YOU WILL LINK TO THE BASIC LAW?

/GOVERNOR: WELL

GOVERNOR: WELL FIRST OF ALL, I DON'T THINK THAT THE PROPOSALS I'M MAKING ARE AS RADICAL AS YOU SUGGEST, AND I REPEAT ONCE AGAIN WHAT I SAID YESTERDAY, THESE ARE PROPOSALS WHICH WILL HAVE TO BE DEBATED BY THE COMMUNITY - THAT'S ONE REASON WHY I AM TAKING PART IN THIS PHONE-IN THIS MORNING - AND WHICH OF COURSE I WILL HAVE TO DISCUSS WITH REPRESENTATIVES OF THE CHINESE GOVERNMENT. I THINK THE COMMUNITY RECOGNISES THAT I HAVE TO DO THAT. WHAT I'VE TRIED TO DO IS TO FIND A POINT OF BALANCE IN THE COMMUNITY BECAUSE IN MY JUDGMENT, PEOPLE IN HONG KONG WANT TO SEE US PUSH FORWARD DEMOCRACY IN MODEST AND SENSIBLE WAYS BUT THEY ALSO WANT TO SEE THOSE DEMOCRATIC INSTITUTIONS SURVIVING THROUGH 1997, AND THEREFORE THEY WANT US TO PUT FORWARD PROPOSALS WHICH ARE CONSISTENT WITH THE BASIC LAW. THAT IS WHAT I HAVE ATTEMPTED TO DO.

BUT THERE'S A VERY IMPORTANT POINT HERE WHICH I'D LIKE TO STRESS AND I'LL BE SAYING IT AGAIN AND AGAIN OVER THE NEXT FEW DAYS AND WEEKS. IT'S NOT CHRIS PATTEN WHO IS RAISING THESE ISSUES, THEY ARE THERE ANYWAY. WE ARE OBLIGED TO COME FORWARD WITH PROPOSALS ABOUT THE ELECTORAL COLLEGE FOR 1995, WE'RE OBLIGED TO COME FORWARD WITH PROPOSALS ABOUT HOW THE NINE NEW FUNCTIONAL CONSTITUENCIES SHOULD BE FORMED. THOSE ARE THINGS THAT WE'RE OBLIGED TO DO IN ORDER TO CONVERGE IN 1997 WITH THE BASIC LAW. NOW I'VE PUT FORWARD MY PROPOSALS. IF OTHER PEOPLE HAVE GOT PROPOSALS WHICH ARE AS COHERENT AS THE PACKAGE WE'VE PUT FORWARD, THEN LET'S HEAR FROM THEM.

KIT CUMMINGS: YOU ALSO MENTIONED A POINT ABOUT CHINA AND THE ACCEPTABILITY TO CHINA, DID YOU NOT CALLER?

GOVERNOR: YES, I'M LOOKING FORWARD TO MY VISIT TO PEKING LATER THIS MONTH AND I'VE MADE IT ABSOLUTELY CLEAR THAT THESE ARE THE PROPOSALS I'M TAKING WITH ME AND THESE ARE THE PROPOSALS THAT I'M GOING TO DISCUSS WITH CHINA. I THINK IT IS ENTIRELY RIGHT THAT I SHOULD HAVE SET OUT IN BROAD TERMS WHAT I'M GOING TO DISCUSS IN CHINA, OTHERWISE, UNTIL MY VISIT, THERE WOULD HAVE BEEN A GREAT BUBBLE OF SPECULATION ABOUT WHAT I WAS GOING TO DO, AND THERE WOULD HAVE BEEN A GOOD DEAL OF POLITICAL INSTABILITY AS A RESULT, AND I THINK PEOPLE WOULD HAVE WONDERED WHETHER THEY COULD TRUST A GOVERNOR WHO WASN'T PREPARED TO SAY TO THEM, BEFORE HE WENT TO PEKING, "THIS IS MY AGENDA, THESE ARE THE THINGS I WANT TO DISCUSS". THAT'S WHAT LIVING IN AN OPEN SOCIETY IS ALL ABOUT.

KIT CUMMINGS: MR PATTEN, PERHAPS I CAN INTERJECT HERE, THAT IT'S ALL VERY WELL FOR THE ORDINARY MEMBER OF THE PUBLIC TO HAVE A PROPOSAL AND THEN IT GETS SHOT DOWN AND THE REST OF US DECIDE IT'S NONSENSE, BUT IN YOUR CASE YOU HAVE THE FACE OF BEING THE GOVERNOR. IS THERE NOT A PROBLEM THAT IF YOUR PROPOSALS GET SHOT DOWN, YOU BECOME A LAME-DUCK, YOU LOSE FACE IN THE COMMUNITY?

GOVERNOR: I DON'T THINK SO. I'M ACCOUNTABLE TO THE LEGISLATIVE COUNCIL AND AT SOME STAGE IN THE EARLY PART OF NEXT YEAR I'M GOING TO HAVE TO GO TO THE LEGISLATIVE COUNCIL WITH PROPOSALS WHICH WE WILL HAVE TO CARRY INTO LAW, FOR, FOR EXAMPLE THE 1994 DISTRICT BOARD ELECTIONS AND FOR THE 1995 LEGISLATIVE COUNCIL ELECTIONS, AND IT WILL BE AT THAT STAGE FOR US TO COME TO FINAL DECISIONS ABOUT WHAT WE WANT TO DO. BUT IN ANY COMMUNITY LIKE OURS, THE POLITICAL LEADERSHIP SHOULD GIVE A FIRM AND CLEAR LEAD, AND I BELIEVE I'VE DONE THAT, BUT YOU ALSO HAVE TO TAKE PART IN A DIALOGUE, IN OUR CASE NOT ONLY WITHIN THE COMMUNITY BUT WITH THE PRESENT SOVEREIGN POWER, THE UNITED KINGDOM, AND THE FUTURE SOVEREIGN POWER, CHINA.

QUESTION: GOOD MORNING MR PATTEN.

GOVERNOR: HELLO, HOW ARE YOU?

QUESTION: FROM THE POLICY ADDRESS. YOU SAID THAT THERE WILL BE MORE SPENDING ON EDUCATION, SOCIAL WELFARE, HEALTH ETC. OUR ECONOMY IS DEVELOPING AND OUR GROWTH IS LIMITED AND OUR RESOURCES ARE LIMITED; AND SO, WHEN YOU DRAFTED YOUR POLICY ADDRESS HAVE YOU CONSIDERED ONE POINT. THAT IS, YOUR VAST INCREASE IN EXPENDITURE WILL ACTUALLY BE AT THE EXPENSE OF OTHER THINGS SUCH AS, PUBLIC WORKS. ARE YOU THINKING OF INCREASE OF TAXATION AS WELL?

GOVERNOR: I AM CERTAINLY NOT THINKING OF ANY INCREASE IN TAXATION. I MADE IT ABSOLUTELY CLEAR YESTERDAY THAT I BELIEVE THAT HONG KONG SHOULD CONTINUE TO HAVE LOW AND PREDICTABLE TAXES. NOR AM I PROPOSING THAT THERE SHOULD BE ANY CUT IN INVESTMENT AND INFRASTRUCTURE. WE ARE ACTUALLY PROPOSING TO SPEND 78 BILLION ON INFRASTRUCTURE IN THE NEXT FIVE YEARS WHICH WOULD BE 44% MORE THAN IN THE LAST FIVE. THE REASON WHY WE CAN AFFORD THE PROPOSALS I'VE MENTIONED, WHICH WILL STILL LEAVE US WITH A SUBSTANTIAL SURPLUS - AND WHICH WILL STILL MEAN THAT PUBLIC SPENDING IS GROWING LESS FAST THAN OUR ECONOMY - THE REASON WHY WE CAN AFFORD THIS IS FIRST OF ALL, THAT WE'VE BEEN DOING SO WELL THIS YEAR AND HAVE A WINDFALL BECAUSE OUR REVENUES ARE FAR GREATER THAN WE'D EXPECTED AND SECONDLY, BECAUSE WE ARE PREDICTING GROWTH OVER THE NEXT FIVE YEARS OF 5% IN REAL TERMS A YEAR. NOW THAT MAY WELL BE A MODEST ESTIMATE, BUT I THINK THAT WHAT I'VE SET OUT IS PROPOSALS WHICH HONG KONG CAN AFFORD AND WHICH WILL STILL ENSURE, UNLIKE MOST OTHER COMMUNITIES AROUND THE WORLD, THAT WE HAVE A BIG SURPLUS ON OUR ACCOUNTS AND SECONDLY, THAT WE KEEP PUBLIC SPENDING BELOW THE RATE OF INCREASE IN OUR OVERALL WEALTH.

QUESTION: MR PATTEN, YOU SAID A MOMENT AGO THAT IN THE NEXT FIVE YEARS THE ECONOMY WILL BE EXPERIENCING SOME GOOD GROWTH AND THERE WILL BE NO PROBLEM, BUT SUPPOSING THERE WILL BE A RECESSION IN HONG KONG AND THERE WILL BE SOME FACTORS OUTSIDE OF OUR CONTROL, WHAT STRATEGY DO YOU HAVE IN MIND?

GOVERNOR: I SAID YESTERDAY THAT, OF COURSE, THE PROPOSALS AND THE PLANS I SET OUT DEPEND ON US CONTINUING TO HAVE A STRONG AND BUOYANT ECONOMY; BUT WHAT I'VE TRIED TO BUILD INTO OUR PLANS IS A GOOD CUSHION. THAT'S WHY I AM DETERMINED THAT WE SHOULD CONTINUE TO HAVE A BIG PUBLIC SURPLUS. I'M NOT GOING TO MOVE AWAY FROM THAT, IT'S EXTREMELY IMPORTANT. UNLESS WE HAVE A BIG PUBLIC SURPLUS RIGHT DOWN TO 1997 THERE IS THE DANGER, AS YOU'VE SUGGESTED, OF US FINDING OURSELVES, FOR EXAMPLE, IF TRADE FRICTION BREAKS OUT BETWEEN CHINA AND THE UNITED STATES, HAVING TO CUT INTO OTHER PROGRAMMES UNLESS WE HAVE THAT BIG SURPLUS IN THE BANK TO GET US THROUGH ANY DIFFICULT TIMES AND NOTHING THAT I HAVE SUGGESTED IN MY POLICY ADDRESS IS GOING TO EAT INTO A BIG SURPLUS RIGHT THROUGH THE PERIOD UNTIL 1997.

/QUESTION: GOOD

QUESTION: GOOD MORNING SIR. FIRST MAY I SAY HOW PLEASED I AM AS CHAIRMAN OF THE RETAIL MANAGEMENT ASSOCIATION THAT WE'VE BEEN INCLUDED IN THE CLASSIFICATION FOR THE NEW FUNCTIONAL CONSTITUENCY SEAT. BUT IF I CAN PASS TO A MUCH BROADER QUESTION IN RELATION TO THE AIRPORT, IT SEEMS TO MY MIND, LISTENING TO THE COMMENTS FROM THE CHINA NEWS AGENCY WE'VE HEARD THIS MORNING, THEY ARE OBVIOUSLY NOT VERY HAPPY. IS THERE NOT A DANGER THAT THIS WILL LEAD TO AN IMPASSE BY THE TIME YOU GO TO BEIJING AND FOLLOWING THAT PERHAPS, IS GOING TO MEAN THAT AT SOME POINT IN THE NOT TOO DISTANT FUTURE YOU ARE GOING TO HAVE TO MAKE A VERY DEFINITE DECISION ON WHETHER THE AIRPORT WILL BE STOPPED OR PROCEED?

GOVERNOR: CAN I SAY TWO THINGS. FIRST OF ALL, ON THE INITIAL REMARK YOU MADE, I DO THINK THAT IT'S IMPORTANT THAT ALL SECTORS OF OUR ECONOMY, OF OUR ECONOMIC LIFE ARE REPRESENTED IN THE FUNCTIONAL CONSTITUENCIES AND I DON'T SEE ANY REASON WHY PEOPLE WHO WORK IN RETAIL CAN'T BE REPRESENTED WHEN PEOPLE WHO WORK IN OTHER SECTORS ARE; SO I AM PLEASED AT YOUR SUPPORT ON THAT.

QUESTION: THANK YOU.

GOVERNOR: SECONDLY, ON THE AIRPORT, I SAID YESTERDAY THAT - OR IMPLIED YESTERDAY - THAT THE IMPASSE FAR FROM JUST BEING SOMETHING THAT'S ANNOYING US ALL OR WORRYING US ALL THIS AUTUMN, IS SOMETHING THAT'S BEEN AROUND FOR A COUPLE OF YEARS. WE HAVEN'T MADE VERY MUCH PROGRESS ON THE AIRPORT. I DON'T THINK THAT THERE CAN EVER HAVE BEEN AN AIRPORT WHICH HAS BEEN DISCUSSED AS MUCH AS THIS. I THINK THAT A LOT OF PEOPLE IN HONG KONG MUST BE HEARTILY FED UP OF THE NEWS HEADLINES AND THE NEWS BULLETINS BEING FULL OF REPORTS ABOUT FINANCING THE AIRPORT. THE POSITION I SET OUT IS SIMPLY THIS. I CAN DO MY BEST, THE HONG KONG GOVERNMENT CAN DO ITS BEST TO GET ON WITH THE AIRPORT AND COMPLETE IT BEFORE 1997; EVERYBODY KNOWS THAT WE WILL SOONER OR LATER HAVE AN AIRPORT - I WOULD LIKE US TO HAVE ONE SOONER - BUT IF IT IS IMPOSSIBLE FOR US TO HAVE ONE UNTIL LATER THEN I DON'T THINK IT WILL BE MY FAULT BUT, WHAT WE MUST RECOGNISE IS THAT, WHILE THERE ARE VERY RARELY WITH PROJECTS LIKE THIS ABSOLUTE DEADLINES, THE TRUTH IS THAT THE LONGER IT TAKES TO CARRY OUT A PROJECT LIKE THIS THAT THE MORE EXPENSIVE IT IS. THERE IS NO DENYING THAT. SO, I WOULD LIKE TO BE ABLE TO GET ON WITH IT, I THINK WE COULD SORT OUT ALL THE PROBLEMS IF THEY WERE CONSIDERED ON THEIR MERITS. IF WE CAN'T GET THAT SORT OF AGREEMENT THEN WE'LL JUST HAVE TO PROCEED AS BEST WE CAN.

QUESTION: THANK YOU SIR. WHEN YOU SAY IT WILL NOT BE MY FAULT IF IT DOESN'T PROCEED QUICKLY RATHER THAN LATER, ISN'T THAT IN A SENSE PLAYING THEIR OWN GAME AND ALMOST FORCING THEM TO MAKE A DECISION AS TO WHETHER THEY ARE GOING TO BACK YOU OR NOT? AREN'T YOU ACTUALLY SAYING TO THEM, 'LOOK IF YOU DON'T DO IT IT'S NOT MY FAULT, IT'S YOUR FAULT'?

/GOVERNOR: I

GOVERNOR: I DON'T WANT TO CAST BLAME AROUND AND I DARE SAY LOTS OF PEOPLE WOULD EXPECT ME TO PULL AN AIRPORT LIKE A RABBIT OUT OF A HAT AND LOTS OF PEOPLE WOULD BLAME ME IF IT WASN'T DONE. BUT I THINK THERE IS A GENERAL RECOGNITION THAT EVEN THOUGH THERE HAVE BEEN WRANGLES OVER LEGITIMATE POINTS OF OPINION ON FINANCING THAT WE HAVE TRIED VERY VERY HARD TO MEET EVERY REASONABLE CRITICISM THAT'S BEEN PUT FORWARD. WE HAVE COME BACK AGAIN AND AGAIN WITH DIFFERENT IDEAS FOR FINANCING THE OVERALL AIRPORT. I WAS ABLE TO DEMONSTRATE YESTERDAY - I THINK WITHOUT MUCH QUESTIONING - THAT WE CAN BOTH AFFORD THE AIRPORT AND AFFORD SUBSTANTIAL INCREASES IN OUR SOCIAL WELFARE PROGRAMME. SO I DON'T THINK WE WILL HEAR MUCH OF THAT ARGUMENT AGAIN, BUT IT DOES TAKE TWO TO TANGO OR TWO TO PLAY A GAME OF TENNIS, OR TWO TO REACH AGREEMENT ON FINANCING THE AIRPORT AND, SOONER OR LATER, AS I KNOW FROM BEING A TENNIS PLAYER, IF YOU WANT A GOOD GAME IT'S IMPORTANT THAT THE BALL COMES BACK OVER THE NET.

QUESTION: I HAVE A FOLLOW UP QUESTION FOR YOU MR. PATTEN ABOUT THE AIRPORT. YOU SAID YESTERDAY THAT THE AIRPORT ISSUE CAN BE RESOLVED IN AN AFTERNOON. HOW SOON CAN YOU GET IT RESOLVED? DO YOU EXPECT TO GET IT RESOLVED IN AN AFTERNOON IN PEKING?

GOVERNOR: I DON'T KNOW. I'LL KNOW BETTER ONCE I'VE MET MR. LU PING, THE EXTREMELY DISTINGUISHED AND KNOWLEDGEABLE HEAD OF THE HONG KONG AND MACAU OFFICE. I THINK THAT IT'S ALWAYS BEST TO ASSUME THE BEST ABOUT THOSE THAT YOU'RE GOING TO WORK WITH AND THOSE YOU ARE GOING TO NEGOTIATE WITH AND I ASSUME THAT BOTH MR LU PING AND I WANT THE BEST FOR HONG KONG. THAT IS THE ASSUMPTION I AM GOING TO MAKE AND I WILL NOT BUDGE FROM THAT ASSUMPTION. SO, I DON'T WANT TO GIVE EXTRAVAGANT PROMISES ABOUT WHAT IS ACHIEVABLE FROM MY VISIT TO PEKING AND I THINK, FRANKLY, THAT PEOPLE, HOWEVER IMPORTANT THE AIRPORT IS, WILL REGARD SOME OF THE THINGS I DISCUSSED ABOUT HONG KONG'S FUTURE AND HONG KONG'S WAY OF LIFE HAS BEEN EVEN MORE IMPORTANT - A LOT MORE IMPORTANT - THAN THE AIRPORT.

QUESTION: GOOD MORNING MR PATTEN. REGARDING SERVICES FOR YOUNG PEOPLE, IT SEEMS AS IF YOU HAVEN'T REALLY TALKED ABOUT JUVENILES. WHY IS THAT SO?

GOVERNOR: I DIDN'T SAY VERY MUCH IN MY SPEECH ABOUT THE SORT OF SERVICES YOU ARE TALKING ABOUT, THOUGH I DID SAY QUITE A LOT IN MY SPEECH, AS YOU KNOW, ABOUT EDUCATION, BOTH PRIMARY AND SECONDARY, AND TERTIARY EDUCATION AND I ALSO SAID QUITE A LOT ABOUT DEVELOPMENTS IN THE SOCIAL WORKS SECTOR. BUT IF YOU ARE PARTICULARLY CONCERNED THAT I SHOULD TAKE ACCOUNT OF THE PROBLEMS AND CHALLENGES OF BEING A YOUNG PERSON, BEING A TEENAGER SAY, AND HAVING GOT A COUPLE OF TEENAGE DAUGHTERS - I'VE THREE TEENAGE DAUGHTERS NOW - I THINK I KNOW A LITTLE FIRST HAND ABOUT THE ISSUE; IF YOU ARE CONCERNED ABOUT THAT, THEN I AM DELIGHTED TO HAVE ON MY EXECUTIVE COUNCIL ROSANNA WONG WHO KNOWS, OF COURSE, A VERY GREAT DEAL ABOUT THIS AREA, AND I'M SURE WILL KEEP ME UP TO THE MARK IN MAKING CERTAIN THAT HONG KONG HAS THE SERVICES WHICH YOUNG PEOPLE NEED; BUT ABOVE ALL, WHAT I THINK YOUNG PEOPLE NEED IS THE CHANCE OF DEVELOPING THEIR TALENTS TO THE FULL. THAT'S WHY WE NEED GOOD TRAINING PROGRAMMES, THAT'S WHY WE NEED GOOD SECONDARY SCHOOLS AS WELL AS PRIMARY SCHOOLS AND THAT'S WHY WE NEED TO GO ON INCREASING ACCESS TO TERTIARY EDUCATION.

/QUESTION: GOOD

QUESTION: GOOD MORNING MR PATTEN. MY QUESTION IS ABOUT RELIGIOUS FREEDOM IN HONG KONG UP TO AND AFTER 1997. RELIGIOUS FREEDOM IS GUARANTEED IN THE BASIC LAW, AND CHURCH ACTIVITIES AS OUTLINED IN ARTICLE 141 ARE ALSO GUARANTEED, BUT IN THE LIGHT OF CHINA'S ANGRY REACTION YESTERDAY TO YOUR POLICY SPEECH AND THEIR UNWILLINGNESS TO ADHERE TO THE CONDITIONS AS LAID OUT IN THE JOINT DECLARATION AND THE BASIC LAW, WHAT GUARANTEE CAN YOU GIVE TO CHRISTIANS AND OTHER RELIGIOUS GROUPS THAT RELIGIOUS FREEDOM WILL BE PRESERVED IN HONG KONG UP TO AND AFTER 1997?

GOVERNOR: IT'S A SUBJECT ABOUT WHICH I FEEL VERY STRONGLY BECAUSE LIKE YOU I'M A PRACTISING CHRISTIAN AND I VERY MUCH ENJOY BEING PART OF THE CHRISTIAN COMMUNITY IN HONG KONG. I ENJOY VISITING CHURCHES OF A NUMBER OF DENOMINATIONS BUT PARTICULARLY, OBVIOUSLY, CATHOLIC CHURCHES BECAUSE I WAS A BORN CATHOLIC. I THINK THAT WE MUST TAKE WHAT IS SAID IN THE JOINT DECLARATION AND THE BASIC LAW ABOUT RELIGIOUS FREEDOM AT ITS WORD, AND I DON'T BELIEVE FOR ONE MOMENT THAT CHINA WOULD WANT TO UNDERMINE THE FREEDOMS WHICH ARE SO FUNDAMENTAL. WE DO TALK ABOUT "ONE COUNTRY TWO SYSTEMS" AND PART OF OUR SYSTEM IS THAT PEOPLE SHOULD BE FREE TO WORSHIP AS THEY WANT, PEOPLE SHOULD BE FREE TO ALLOW THEIR CONSCIENCES TO DICTATE THEIR MORAL AND POLITICAL ACTIONS, THAT'S WHAT RELIGIOUS FREEDOM IS ALL ABOUT AS WELL. I THINK IT'S ONE OF THE KEY ELEMENTS IN OUR WAY OF LIFE AND I TRUST THOSE WHO SIGNED THE JOINT DECLARATION, AND TRUST THOSE WHO AGREED TO THE BASIC LAW, TO MAINTAIN IT. I HAVE TO DO THAT AND I'M SURE THAT IF MR LU PING WAS DOING THIS 'QUESTION TIME', OR ANY OF THE OTHER CHINESE OFFICIALS THAT I DEAL WITH - IF MR ZHOU NAN WAS DOING IT - HE WOULD MAKE THE SAME POINT.

QUESTION: BUT THERE ISN'T RELIGIOUS FREEDOM IN CHINA AT THE PRESENT TIME.

GOVERNOR: NO, BUT WE DO TALK ABOUT "ONE COUNTRY TWO SYSTEMS". I'M NOT GOING TO SAY ANYTHING ABOUT THE OTHER SYSTEM, THOUGH I HEARD AN EXTREMELY INTERESTING SERMON THE OTHER DAY ABOUT THE POSITION OF THE CATHOLIC CHURCH IN CHINA. BUT WE KNOW WHAT OUR SYSTEM IS, WE KNOW THE GUARANTEES FOR OUR SYSTEM FOR 50 YEARS AFTER 1997 AND I'M ABSOLUTELY SURE THAT WHEN THE JOINT DECLARATION TALKS ABOUT PRESERVING FREEDOM OF RELIGIOUS WORSHIP AND FREEDOM OF RELIGIOUS THOUGHT, IT'S BANKABLE AND THERE'S A SORT OF GUARANTEE WHICH IS 18 CARAT.

QUESTION: GOOD MORNING MR PATTEN. NOW WE'VE READ FROM THE NEWSPAPER TODAY, THEY'RE SAYING THAT THE LAST GOVERNOR OF HONG KONG IS NOW SPENDING A LOT OF MONEY, SO IS IT TRUE THAT THE LAST GOVERNOR, OR A POLITICIAN, WILL TRY TO USE ALL THE RESERVES OF THE SAR? FROM THE POLICY ADDRESS - AND THEN AS A MEMBER OF THE PUBLIC IT PROBABLY SEEMS PERFECT AND TOO GOOD TO BE TRUE. AND AS MENTIONED PREVIOUSLY, IF THERE IS GOING TO BE AN IMPACT, WILL THAT BE ABLE TO BE CARRIED OUT FOR THE NEXT FIVE YEARS, BECAUSE THE POLICY ADDRESS IS FOR THE NEXT FIVE YEARS?

/AND THEN

AND THEN I ALSO FEEL THAT PROBABLY THE GOVERNOR IS NOT TAKING CARE OF THE LOWEST STRATA. YOU ARE TALKING ABOUT SANDWICH-CLASS HOUSING AND ARE YOU AWARE OF THE FACT THAT THERE IS ALSO THE LOWER STRATA? ARE YOU GOING TO LEAVE THEM TO THE HOUSING AUTHORITY, MERELY? AND I'VE HEARD THAT SOME DEVELOPERS ARE TALKING ABOUT THE SANDWICH CLASS AND SAYING THAT THIS IS NOT REALLY VERY WISE BECAUSE YOU ARE GOING TO KEEP PRICES UP AND THE PROPERTY MARKET WILL NOT REALLY GO DOWN THAT MUCH.

WILLIAM LEE: MRS FUNG, YOU HAVE A BARRAGE OF QUESTIONS, LET MR PATTEN ANSWER YOUR QUESTIONS ONE-BY-ONE. SPENDING A LOT OF MONEY, SOME NEWSPAPERS TALK ABOUT YOU AS SANTA CLAUS, IS THIS THE CASE?

GOVERNOR: NO, I'M NOT SANTA CLAUS BUT I'M FORTUNATE ENOUGH TO BE GOVERNOR IN A COMMUNITY WHERE YOU, BY YOUR OWN EFFORTS, HAVE ACHIEVED SO MUCH THAT WE CAN ACTUALLY MOVE FORWARD IN MEETING SOME OF OUR SOCIAL TARGETS. WHAT WAS ONE OF THE FIRST THINGS I DID WHEN I BECAME GOVERNOR IN HONG KONG? ONE OF THE FIRST THINGS I DID WAS TO PUBLISH FOR THE FIRST TIME THE FIGURES FOR OUR EXCHANGE FUND, WHICH TELL THE WORLD AND TELL THE PEOPLE OF HONG KONG JUST HOW MUCH MONEY WE'VE GOT IN THE BANK. WHAT I CAN ASSURE YOU OF IS THAT WHEN I LEAVE HONG KONG IN 1997, I WILL LEAVE BEHIND HUGE RESERVES WHICH ARE THE RESULT OF YOUR EFFORTS. WE'RE NOT GOING TO SPEND THOSE RESERVES, WE'RE GOING TO LEAVE THEM IN THE BANK FOR YOU, IN ORDER TO PROVIDE THE STABILITY WHICH OUR ECONOMY NEEDS, AND WE WILL BE PUBLIC ABOUT THOSE FIGURES, WE WILL BE PUBLIC ABOUT THOSE RESERVES, JUST SO YOU KNOW EXACTLY WHAT I'M TALKING ABOUT.

SECONDLY, THERE IS A BIT OF A CONTRADICTION IN WHAT YOU SAID, ALL OF US WANT PRUDENT CONTROL OF PUBLIC FINANCES AND YET ALL OF US WANT MORE TO BE SPENT ON THIS AND THAT. AND YOU WERE SAYING, QUITE PROPERLY, THAT WE HAVE TO BE CONCERNED NOT JUST ABOUT THE SANDWICH-CLASS, BUT WE HAVE TO BE CONCERNED IN PUBLIC HOUSING ABOUT THOSE WITH LOWER INCOMES. I HOPE THAT'S WHAT WE'LL CONTINUE TO BE DOING BECAUSE WE'RE GOING TO BE COMPLETING, BETWEEN NOW AND 1997, OVER 100 FLATS A DAY, WE'RE GOING TO BE BUILDING BETWEEN NOW AND 1997, ABOUT 190,000 HOMES OF ONE SORT OR ANOTHER, EITHER THROUGH THE HOUSING ASSOCIATION OR THE HOUSING SOCIETY. WE'RE GOING TO BE SPENDING 41 BILLION OF YOUR DOLLARS, THAT'S A HUGE INVESTMENT IN PUBLIC HOUSING AND HOUSING PROVISION AND I THINK IT DEMONSTRATES THAT WE'RE CONCERNED TO GO ON WITH WHAT HAS BEEN A REAL SOCIAL REVOLUTION IN HONG KONG, PROVIDING DECENT HOUSING FOR ORDINARY FAMILIES.

QUESTION: GOOD MORNING MR PATTEN. CAN YOU TELL ME IF YOU FEEL COMFORTABLE IN HEADING UP A GOVERNMENT THAT BASES THE RIGHT OF ABODE IN THE TERRITORY ON THE RACIAL CHARACTERISTICS OF THE PERSON APPLYING FOR THIS RIGHT?

GOVERNOR: WELL, WHAT WE ARE DOING AT THE MOMENT, IN THE JOINT LIAISON GROUP, IS DISCUSSING RIGHT OF ABODE WITH THE FUTURE SOVEREIGN POWER, WITH CHINA. WE'VE STARTED TO MAKE PROGRESS ON THAT FRONT; WE MADE SOME PROGRESS AT THE JOINT LIAISON GROUP MEETING IN LONDON THE OTHER DAY. IT INVOLVES QUITE COMPLEX ISSUES OF NATIONALITY LAW WHICH WE'VE BEEN DISCUSSING WITH CHINA BUT I VERY MUCH HOPE THAT WE'LL CONTINUE TO MAKE PROGRESS AND BE ABLE TO COME FORWARD WITH PROPOSITIONS WHICH ARE ACCEPTABLE BOTH TO THE CHINESE SIDE AND TO THE COMMUNITY ON RIGHT OF ABODE FOR THE FUTURE. I REPEAT, IT'S AN EXTREMELY COMPLICATED ISSUE BUT ONE WHICH I HOPE WE'LL BE ABLE TO NEGOTIATE SUCCESSFULLY WITH CHINA.

KIT CUMINGS: DOES THAT ANSWER YOUR QUESTION?

QUESTION: WELL, IT ANSWERS THE QUESTION BUT IT DOESN'T LEAVE ME VERY HAPPY, BECAUSE AS YOU KNOW, IN THE UNITED KINGDOM IN THE LIGHT OF THE RACE RELATIONS ACT, ANY IMMIGRATION OFFICER WHO ASKS SOMEBODY TO PROVE THEIR CAUCASIAN, INDIAN OR RACIAL ANCESTRY BEFORE OBTAINING SOME PRIVILEGE, WOULD LEAVE THAT IMMIGRATION OFFICER LIABLE TO ARREST. AND YET WE'RE SITTING AND PUTTING UP WITH THIS SITUATION YEAR ON YEAR HERE.

GOVERNOR: WELL, WHAT WOULD YOU PROPOSE THAT WE DO WHEN WE'RE NEGOTIATING IN THE JOINT LIAISON GROUP? WHAT I WANT TO COME OFF WITH IS PROPOSALS WHICH ARE AS SATISFACTORY AS POSSIBLE FOR THE WHOLE COMMUNITY, INCLUDING THOSE WHO PERHAPS WEREN'T BORN IN HONG KONG OR PERHAPS HAVE A DIFFERENT PASSPORT, AREN'T REGARDED AS CHINESE CITIZENS. THERE ARE A LOT OF VERY COMPLICATED ISSUES ABOUT WHAT EXACTLY IS MEANT BY NATIONHOOD OR CITIZENSHIP AND WE'RE TRYING TO WORK THOSE OUT IN A WAY WHICH WILL PROVIDE AN ACCEPTABLE LONG TERM SOLUTION. I UNDERSTAND YOUR ANXIETIES, THEY'VE BEEN PUT THROUGH A NUMBER OF FORA, INCLUDING I THINK SOME OF THE CHAMBERS OF COMMERCE, AND WE'LL CONTINUE TO EXPLORE THOSE ISSUES WITH THE CHINESE AUTHORITIES.

QUESTION: GOOD MORNING. I AM A PARENT OF A DISABLED PERSON, MENTALLY HANDICAPPED. YESTERDAY, I HEARD IN YOUR POLICY ADDRESS AND I LISTENED TO THE PART ABOUT SERVICES FOR SUCH PEOPLE AND YOU HAVE PRIORITY FOR THE ELDERLY, AND YET WE HAVE A GROUP OF CHILDREN, THEY ARE 16 ALREADY, AND A LOT OF THEM ARE NOW LIVING AT HOME. THERE ARE NO INSTITUTES THAT WILL TAKE CARE OF THEM. SO WHAT IS THE GOVERNOR'S ATTITUDE TOWARDS THEM?

GOVERNOR: WELL, CAN I SAY STRAIGHT AWAY THAT YOU ARE IN FACT A MEMBER OF ONE OF THE GROUPS WHICH I REGARD AS QUITE PROPERLY HAVING PRIORITY IN OUR SOCIAL PROGRAMMES. I'VE BEEN GOING ROUND THE TERRITORY, YOU'LL PROBABLY KNOW, SPENDING DAYS HAVING A CLOSER LOOK AT SOME OF OUR SOCIAL PROBLEMS, SOME OF OUR CHALLENGES, SOME OF THE THINGS THAT WE DO WELL AND SOME OF THE THINGS THAT WE NEED TO DO BETTER, AND ONE OF THE EARLIEST DAYS THAT I SPENT WAS IN THE SOCIAL WELFARE SECTOR. I SAW RESIDENTIAL CARE, I SAW CARE AND ATTENTION HOMES, I SAW SHELTERED WORKSHOPS, I SAW FOR INSTANCE SOME OF THE THINGS THAT ARE BEING DONE WITH THE HANDICAPPED AND SOME OF THE THINGS THAT ARE BEING DONE FOR THEM, THE MENTALLY HANDICAPPED. AT THE END OF THAT DAY I WAS TAKEN TO VISIT A FAMILY WHERE THERE WERE EIGHT CHILDREN, ONE OF WHOM WAS MENTALLY HANDICAPPED. THE MOTHER WAS HAVING, OF COURSE, ENORMOUS DIFFICULTY - YOU MAY BE IN THE SAME POSITION YOURSELF - COPING WITH A MENTALLY HANDICAPPED SON WHO HAD NOW LEFT SCHOOL AND SHE WASN'T ABLE TO GET HIM A PLACE IN A SHELTERED WORKSHOP OR IN A DAY CENTRE.

/NOW, I

NOW, I THINK THAT YOU AND OTHERS LIKE YOU DESERVE US TO SPEND MORE MONEY TO ENSURE THAT YOU DO HAVE DAY SERVICE PLACES AND WHAT WE ARE INTENDING TO DO IS TO INCREASE THE NUMBER OF DAY SERVICE PLACES OVER THE NEXT FOUR OR FIVE YEARS BY OVER 50 PERCENT. WE'RE GOING TO BE INCREASING THEM BY UP TO, I THINK IT'S JUST UNDER 4,000 - 3,700 OR THEREABOUTS - AND THAT WILL ENABLE US TO MEET THE TARGET WHICH IS SET OUT IN OUR GREEN PAPER ON REHABILITATION AND ON THE DISABLED, AND I VERY MUCH HOPE THAT THIS WILL MEAN THAT PARENTS LIKE YOU WILL HAVE TO WAIT MUCH LESS LONG IN ORDER TO GET YOUR CHILDREN PLACES IN DAY CENTRES. I SYMPATHISE WITH THE PROBLEMS YOU HAVE COPING WITH A CHILD DAY AFTER DAY AT HOME. FRANKLY, I'VE ALWAYS REGARDED PARENTS LIKE YOU AS BEING AMONG THE REAL HEROES IN A COMMUNITY. HAVING THE CHALLENGE OF PARENTHOOD WITH A CHILD WHO YOU GREATLY LOVE BUT HAS A HANDICAP, AND I AM DETERMINED THAT WE SHOULD DO MORE TO HELP YOU.

WILLIAM LEE: MRS YEUNG, WHAT EXPECTATIONS DO YOU HAVE OF THE GOVERNOR? WHAT DO YOU THINK THE GOVERNOR SHOULD DO FOR THE HANDICAPPED?

QUESTION: NOW, THERE ARE PEOPLE WHO ARE SEVERELY MENTALLY HANDICAPPED AND ARE SUFFERING MANY ASPECTS AND WE CANNOT PUT THEM IN AN INSTITUTION OR HAVE RESIDENTIAL PLACES FOR THEM, AND THEN IN THE MORNING WE TAKE THEM THERE AND AT 3 O'CLOCK WE HAVE TO TAKE THEM HOME. AND THEY ARE OVER 16 AND THEY DO NOT HAVE RESIDENTIAL PLACES AND SO A LOT OF THEM ARE LIVING AT HOME AND WHAT WE NEED ACTUALLY ARE RESIDENTIAL PLACES FOR THESE PEOPLE.

GOVERNOR: WELL, LET ME RESPOND TO THAT AS WELL STRAIGHT AWAY, MRS YEUNG. NOT ONLY ARE WE INTENDING TO INCREASE THE NUMBER OF DAY CARE PLACES BUT WE ARE ALSO INTENDING TO INCREASE THE NUMBER OF RESIDENTIAL PLACES FOR THE DISABLED. WE'RE GOING TO MORE THAN DOUBLE THEM, INCREASING THEM BY ABOUT 3,900, SO I VERY MUCH HOPE THAT ON BOTH THOSE FRONTS OVER THE NEXT FOUR OR FIVE YEARS, HONG KONG WILL BE ABLE TO DEMONSTRATE THE SAME CARE AND CONCERN THAT IT'S SHOWN IN OTHER AREAS. I REPEAT THAT I THINK YOU AND PARENTS LIKE YOU ARE DOING A HEROIC JOB AND YOU DESERVE THE SUPPORT OF THE COMMUNITY IN DISCHARGING IT.

QUESTION: GOOD MORNING MR PATTEN, MY NAME IS LEE, I WOULD LIKE TO KNOW THE FOLLOWING. NOW IN HONG KONG A LOT OF PEOPLE HOPE THAT WHEN THE SAR COMES INTO BEING THERE WILL BE A THROUGH-TRAIN FOR LEGCO MEMBERS. YOU'VE PLEDGED THAT THE 1995 ELECTION ARRANGEMENTS WILL BE TAKEN UP WITH THE CHINESE AND YET IN YOUR POLICY ADDRESS THERE ARE ACTUALLY DRASTIC CHANGES, AND THEN LATER ON YOU WILL BE GOING TO BEIJING TO TALK TO THE CHINESE AUTHORITIES AND IF THEY HAVE ADVERSE COMMENTS WILL YOU TAKE THEIR VIEWS AND MAKE MODIFICATIONS? OTHERWISE WHEN THE SAR COMES INTO BEING IN 1997 THERE WON'T BE A THROUGH-TRAIN AND THERE MIGHT BE A LACK OF STABILITY, AND TUMULT, AND THEREFORE WILL THAT BE YOUR RESPONSIBILITY ACTUALLY?

/GOVERNOR: I

GOVERNOR: I THINK MY RESPONSIBILITY IS TO TRY TO GAUGE WHAT THE MOOD IN HONG IS WHEN WE CONSIDER FURTHER DEMOCRATIC, FURTHER POLITICAL DEVELOPMENT. AND MY JUDGMENT IS, THOUGH I WILL OF COURSE EXPECT TO BE CRITICISED FROM BOTH SIDES, MY JUDGMENT IS THAT THE MIDDLE GROUND IN HONG KONG, THE CENTRE OF OPINION, IS SOMETHING LIKE THIS: I THINK PEOPLE WANT US TO BROADEN OUR INSTITUTIONS AND TO GIVE THEM MORE DEMOCRACY BUT I THINK YOU ARE QUITE RIGHT, MR LEE, TO SAY THAT PEOPLE WANT THAT TO BE DONE IN A WAY WHICH IS CONSISTENT WITH THE BASIC LAW AND THAT IS WHAT I TRIED TO DO WITH MY PROPOSALS YESTERDAY. A LOT OF PEOPLE SAY THAT'S NOT ENOUGH, WHAT WE SHOULD ACTUALLY HAVE IS AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS, THAT'S SOMETHING PEOPLE ARGUE AND I UNDERSTAND THE ARGUMENT.

CHINA HAS SAID WE CAN'T HAVE AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS BECAUSE THAT WOULD MEAN A CHANGE IN THE BASIC LAW, SO WHAT I'VE SAID IS, IF WE'RE NOT TO HAVE AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS LET'S LOOK AT AN ALTERNATIVE APPROACH, LET'S LOOK AT WAYS IN WHICH WE CAN INCREASE DEMOCRACY WITHIN THE BASIC LAW. NOW SOME OF THE THINGS ON WHICH I'VE PUT FORWARD PROPOSALS, WE'RE GOING TO HAVE TO TAKE DECISIONS ABOUT ANYWAY. EVEN IF CHRIS PATTEN HADN'T MADE A SPEECH YESTERDAY IN THE LEGISLATIVE COUNCIL FOR TWO HOURS, WE'D STILL BE HAVING TO MAKE PROPOSALS AND STILL BE HAVING TO CONSIDER WHAT WE DO ABOUT FUNCTIONAL CONSTITUENCIES, WHAT WE DO ABOUT THE ELECTORAL COLLEGE AND SO ON, BETWEEN NOW AND 1997. I'VE PUT FORWARD THESE PROPOSALS WHICH I BELIEVE ARE CONSISTENT WITH THE BASIC LAW. IF OTHER PEOPLE HAVE GOT PROPOSALS, LET THEM PUT THEM FORWARD, BUT I THINK MY PROPOSALS ARE A COHERENT AND POSITIVE, AND I HOPE IMAGINATIVE, EFFORT, TO RESPOND TO WHAT I THINK IS THE OPINION OF HONG KONG, AND WHAT IS ALSO THE OPINION IN LONDON AND IN PEKING. IT'S VERY DIFFICULT TO HIT ALL THESE CORNERS IN A WAY WHICH MAKES SENSE AND WHICH IS GOING TO ENSURE THAT WE HAVE INSTITUTIONS THAT LAST.

BUT IF I CAN JUST ADD ONE OTHER POINT, BECAUSE YOU RAISE VERY, VERY IMPORTANT ISSUES ABOUT STABILITY. I THINK THAT IN ORDER TO ENSURE STABILITY ONE NEEDS NOT ONLY TO HAVE CONSISTENCY THROUGH 1997 AND BEYOND, BUT DO RATHER MORE TO GIVE PEOPLE A RATHER GREATER SAY IN THE WAY HONG KONG IS RUN. I THINK ONE HAS TO ACHIEVE BOTH THOSE THINGS IF WE'RE TO MAKE THE PROGRESS THAT WE ALL WANT TO SEE.

QUESTION: GOVERNOR PATTEN, HELLO, HOW ARE YOU DOING? I'D LIKE TO ASK YOU A QUESTION. WHO COULD ENSURE THE STABILITY OF HONG KONG? WHO COULD, SHOULD ANYTHING HAPPEN?

GOVERNOR: BETWEEN NOW AND 1997 THE STABILITY AND PROSPERITY OF HONG KONG ARE PRINCIPALLY MY CONCERN AND THE CONCERN OF THE HONG KONG GOVERNMENT BUT I'M SURE IT'S THE CASE THAT THE UNITED KINGDOM WHICH IS THE PRESENT SOVEREIGN POWER, AND CHINA WHICH IS THE FUTURE SOVEREIGN POWER, BOTH WANT THEMSELVES TO HELP IN THE TASK OF STABILITY AND PROSPERITY, IN ACHIEVING AND GUARANTEEING THOSE THINGS. I THINK THAT IT WOULD PERHAPS BE DE-STABILISING IF FOR INSTANCE I WAS TO SAY TO THE PEOPLE OF HONG KONG, "I'M NOT GOING TO TELL YOU WHAT I WANT TO TALK ABOUT IN PEKING ON 1995 AND YOU WON'T HEAR ABOUT THAT UNTIL I COME HOME". I DON'T THINK PEOPLE WOULD REGARD THAT AS BEING A VERY GOOD WAY OF ENSURING STABILITY IN HONG KONG. WHAT DO YOU THINK?

QUESTIONER: I THINK THIS SHOULD BE A STRONGER COUNTRY TO LOOK ALL OVER THIS MATTER, TO TAKE CARE OF, THERE MUST BE A STRONGER COUNTRY TO TAKE CARE OF THIS MATTER.

GOVERNOR: YOU MEAN YOU THINK THAT STABILITY AND PROSPERITY NEEDS EITHER THE UNITED KINGDOM OR CHINA TO GIVE ITS FULL WEIGHT TO IT?

QUESTION: A LITTLE BIT THAT, YES.

GOVERNOR: WELL, WHAT WE ARE ALL ENGAGED IN IS A HISTORIC ENTERPRISE. IT'S NEVER REALLY BEEN TRIED BEFORE, "ONE COUNTRY TWO SYSTEMS", IT'S EXTREMELY CHALLENGING. IT INVOLVES A GOOD DEAL OF GIVE-AND-TAKE BETWEEN THE UNITED KINGDOM AND CHINA AND IT INVOLVES A GOOD DEAL OF UNDERSTANDING ON THE PART OF THE UNITED KINGDOM AND CHINA OF THE ASPIRATIONS OF PEOPLE IN HONG KONG AND OF WHAT HAS MADE HONG KONG SUCH A FANTASTICALLY SUCCESSFUL PLACE. IF YOU LOOK AROUND THE WORLD AT SUCCESS STORIES THERE AREN'T MANY WHICH ARE AS GOOD AS, LET ALONE BETTER, THAN WHAT'S HAPPENED IN HONG KONG AND THAT'S WHY WE'VE GOT TO KEEP OUR EYE VERY CLEARLY ON THE INGREDIENTS FOR SUCCESS IN HONG KONG. WE DO KNOW ABOUT THE RELATIONSHIP BETWEEN OUR WAY OF LIFE AND OUR STABILITY AND PROSPERITY AND WE'VE GOT TO KEEP THAT RELATIONSHIP.

QUESTION: I'D LIKE TO FOLLOW UP ON THIS MR PATTEN; THE CALLER ASKED YOU ABOUT YOUR PROPOSAL ABOUT THE CONSTITUTIONAL ARRANGEMENT, YOU SAID YOU WILL BE TAKING IT UP WITH BEIJING AND TALKING TO HONG KONG PEOPLE. BUT SUPPOSING CHINA WOULD VETO YOUR PROPOSAL WHEREAS HONG KONG PEOPLE SUPPORT YOUR PROPOSAL, WHAT WOULD YOU CHOOSE?

GOVERNOR: WELL, I SAID YESTERDAY, AND I MEAN IT, THAT I DON'T THINK THAT ANY PROPOSALS ARE GOING TO WORK UNLESS THEY HAVE THE BROAD SUPPORT OF THE PEOPLE OF HONG KONG. IF OUR INTENTION IS TO ENSURE POLITICAL STABILITY BEFORE AND AFTER 1997, THEN THE PEOPLE OF HONG KONG HAVE GOT TO BE BROADLY SATISFIED THAT WHAT IS BEING DONE IN THEIR NAME AND FOR THEM MAKES SENSE AND IS GOING TO GIVE THEM GUARANTEES OF FUTURE SECURITY. SO I DON'T THINK WE'RE TALKING ABOUT VETOS, I THINK WE'RE TALKING ABOUT A DIALOGUE, AND IT'S A DIALOGUE WHICH I HOPE WILL AT THE END OF THE DAY GIVE US A BASE FOR BUILDING HONG KONG'S FUTURE WHICH IS CONSISTENT WITH THE MINI CONSTITUTION, THE BASIC LAW, AFTER 1997, AND WHICH GIVES HONG KONG PEOPLE - WHICH IS GUARANTEED IN THE JOINT DECLARATION AND THE BASIC LAW - MORE DEMOCRACY.

QUESTION: GOOD MORNING MR PATTEN. I HEARD YOUR POLICY ADDRESS IN RELATION TO CONSTITUTIONAL CHANGES. I FEEL THAT IN ANY SOCIETY, ANY MEMBER OF A SOCIETY WOULD LIKE TO HAVE DEMOCRACY. NOW IN HONG KONG - NOW MR PATTEN, YOU TALK ABOUT CONSTITUTIONAL CHANGES - I PERSONALLY FEEL THAT IT MIGHT BE A LITTLE BIT TOO DRASTIC. I'VE TALKED TO SOME OF MY FRIENDS AND WE FEAR WHETHER IT MIGHT BE ABLE TO CONVERGE WITH THE BASIC LAW. AT THE TIME WHEN THE BASIC LAW WAS BEING DRAFTED THEY CONSULTED A WIDE SECTION OF OUR COMMUNITY INCLUDING THE UK AND ALSO DIFFERENT SECTORS OF THE HONG KONG COMMUNITY, AND IT'S ONLY WHEN IT'S ACCEPTED BY THE MAJORITY THAT THE DRAFT WAS FINALISED. AND YET WHEN I HEARD WHAT YOU SAID YESTERDAY, WE FEEL THAT CHANGES ARE MUCH MORE DRASTIC --

WILLIAM LEE: WHICH AREA DO YOU THINK THERE WILL BE NO CONVERGENCE THOUGH?

QUESTIONER: NOW, FOR INSTANCE, LET'S TALK ABOUT THE 1995 SITUATION, THE DIRECT ELECTIONS. MR PATTEN SAID THAT THERE WILL BE DEMOCRACY AND THERE WILL BE A THROUGH-TRAIN. I DON'T FEEL THAT THAT'S POSSIBLE BECAUSE IF THE CHINESE ARE AGAINST IT AND THEY FEEL THAT IT'S IN BREACH OF THE BASIC LAW, THEN HOW CAN THERE BE A THROUGH-TRAIN?

WILLIAM LEE: YOU'RE CONCERNED ABOUT THE THROUGH-TRAIN, AREN'T YOU?

GOVERNOR: WELL, CAN I FIRST OF ALL SAY THAT OF COURSE THERE ARE SOME PEOPLE WHO ARE SAYING THAT THESE PROPOSALS GO TOO FAR. THERE ARE SOME PEOPLE SAYING THAT I HAVEN'T GONE NEARLY FAR ENOUGH. I'VE FOUND, MYSELF, INEVITABLY IT'S PART OF THE CONSEQUENCE OF TAKING DECISIONS, BEING CRITICISED ON BOTH SIDES. I SUSPECT THAT MAY MEAN THAT I'VE GOT IT JUST ABOUT RIGHT BUT I'LL BE INTERESTED IN REACTIONS IN THE COMMUNITY OVER THE COMING WEEKS AND MONTHS. BUT YOU SAY THAT YOU'RE CONCERNED THAT WHAT I'M DOING ISN'T CONSISTENT WITH THE BASIC LAW. I DON'T KNOW WHETHER YOU'VE GOT ANY PARTICULAR ASPECT OF THE BASIC LAW IN MIND BECAUSE I BELIEVE THAT EVERYTHING I'VE PUT FORWARD IS CONSISTENT WITH THE BASIC LAW.

IF THE REQUIREMENT IS THAT WHAT WE SHOULD DO CAN BE CONSISTENT WITH THE BASIC LAW, THEN I DON'T THINK IT'S REASONABLE FOR PEOPLE TO START CHANGING THE GOAL POSTS, START CHANGING THE BOUNDS OF THE DISCUSSION AND SAY, "AH WELL, REALLY THE BASIC LAW DOESN'T MEAN WHAT IT SAYS ON PAPER". THE BASIC LAW IS WRITTEN DOWN, I KNOW ITS TEXT NOW EXTREMELY WELL, I'VE READ IT MORE FREQUENTLY THAN I'VE READ MOST DOCUMENTS, AND I HAVEN'T YET SEEN - I'VE EVEN GOT A COPY IN THE STUDIO - I DON'T KNOW OF ANY SERIOUS ARGUMENT WHICH SAYS THAT THE PROPOSALS I'VE PUT FORWARD FOR 1995 AREN'T CONSISTENT WITH THE BASIC LAW.

BUT CAN I REPEAT SOMETHING WHICH I'M AFRAID YOU MAY HEAR FROM ME AGAIN AND AGAIN. IF THERE ARE OTHER PROPOSALS WHICH PEOPLE WANT TO BRING FORWARD, INCLUDING CHINESE OFFICIALS, WHICH ARE IN THEIR VIEW CONSISTENT WITH THE BASIC LAW BUT ALSO MEET OUR OBLIGATIONS TO MAKE SOME CHANGES IN 1995, THEN LET'S SEE THEM ON THE TABLE. I CAN'T REALLY BE IN A POSITION IN WHICH I BRING FORWARD PROPOSALS, PUT THEM ON THE TABLE, AM TOLD THEY'RE NOT GOOD ENOUGH BUT MUST COME BACK WITH FURTHER PROPOSALS ON SOME OTHER OCCASION WHICH MIGHT OR MIGHT NOT BE SUITABLE. THAT'S NOT A VERY SENSIBLE WAY OF ACTUALLY TRYING TO ENGAGE IN A DISCUSSION.

QUESTION: CAN THE GOVERNOR PLEASE COMMENT ON WHEN THE GOVERNMENT IS PLANNING TO RATIFY CEDAW, WHICH IS THE CONVENTION FOR THE ELIMINATION OF DISCRIMINATION AGAINST WOMEN, AS CHINA AND BRITAIN HAVE DONE, AND ALSO IF THEY ARE REALLY COMMITTED TO THE SETTING UP OF A WOMEN'S COMMISSION IN HONG KONG?

/GOVERNOR: THAT'S

GOVERNOR: THAT'S AN ISSUE WHICH WAS RAISED WITH ME BY ONE OR TWO LEGISLATORS JUST BEFORE I MADE MY POLICY SPEECH. IT HADN'T BEEN RAISED WITH ME VERY MUCH BEFORE EXCEPT, I THINK, IN ONE LETTER. I AM PERFECTLY PREPARED TO ASK THE EXECUTIVE COUNCIL TO LOOK AT THAT ISSUE. I KNOW WHAT AN IMPORTANT ROLE WOMEN PLAY IN OUR COMMUNITY - IN EVERY ASPECT OF OUR COMMUNITY - IT ALMOST BECOMES PATRONISING EVEN TO MAKE THAT REMARK, BECAUSE I'M NOT SURE THAT WE SHOULD MAKE THOSE DISTINCTIONS AS THOUGH THERE WAS SOMETHING CURIOUS OR GRAND OF MEN TO NOTICE WHAT A MARVELLOUS ROLE WOMEN PLAY. BUT I'M PERFECTLY PREPARED TO LOOK AT THE ISSUES RAISED BY YOU IN THAT QUESTION. I AM SORRY I HAVEN'T DONE SO YET, BUT TO BE PERFECTLY HONEST, IT'S NOT AN INDICATION THAT I DON'T THINK THESE MATTERS ARE IMPORTANT BUT I HAVE HAD QUITE A LOT OF OTHER THINGS TO LOOK AT IN MY FIRST THREE MONTHS.

KIT CUMINGS: DOES THAT REASSURE YOU?

QUESTION: YES, CAN I JUST ASK, THE WORRIES WE HAVE IS THAT THERE'S A LOT OF PRESSURES FOUND WITHIN THE BUSINESS COMMUNITY AND WITHIN LEGCO AND EXCO NOT TO RATIFY IT BECAUSE IT MEANS THAT BUSINESSES WILL HAVE TO PAY WOMEN THE SAME TERMS AND CONDITIONS AND GIVE THEM THE SAME WAGE AS MEN WHICH IS NOT HAPPENING. BECAUSE OF THE LACK OF CEDAW THERE IS NO EQUAL PAY LEGISLATION. SO I THINK THAT'S OUR MAIN WORRY, THAT THERE WILL BE PRESSURE BROUGHT TO BEAR WITHIN THE GOVERNMENT TO MAKE IT GO AWAY SO THEY DON'T HAVE TO PAY WOMEN THE SAME AMOUNT OF MONEY, WHICH MEANS MONEY OUT OF THEIR POCKET. SO I THINK THAT'S THE MAJOR BARRIER THAT WE SEEM TO BE COMING UP AGAINST.

GOVERNOR: CAN I JUST SAY TWO THINGS IN RESPONSE TO THAT, ONE OF WHICH MAY RAISE YOUR HACKLES AND THE OTHER OF WHICH I HOPE WILL - I HOPE RAISE YOUR HACKLES TRANSLATES WELL INTO CANTONESE - AND THE OTHER OF WHICH MAY GIVE YOU SOME REASSURANCE. THE FIRST IS THAT I WOULDN'T WANT TO BE PART OF ANY INTERVENTION IN THE LABOUR MARKET WHICH FETCHED UP WITH WOMEN HAVING FEWER EMPLOYMENT OPPORTUNITIES RATHER THAN MORE BUT SECONDLY, ONE OF THE REASONS WHY I ANNOUNCED SUCH A BIG RE-TRAINING PACKAGE YESTERDAY WAS ONE OF MY EARLY EXPERIENCES IN HONG KONG. I WENT TO THE TRAINING CENTRE IN KOWLOON AND SAW SOME OF THE RE-TRAINING OF WOMEN TEXTILE WORKERS THAT WAS GOING ON, RE-TRAINING AS COMPUTER KEYBOARD WORKERS, WORKING WITH CHINESE CHARACTERS FOR THE PRINTING INDUSTRY. THERE WERE ABOUT 30 OR 40 WOMEN OF ALL AGES IN THE ROOM, THEY'D BEEN WORKING IN THE GARMENT INDUSTRY, THEY WERE TRANSFERRING TO A HIGHER TECHNOLOGY INDUSTRY AND DOING SO WITH GOVERNMENT SUPPORT; AND THE RESULT OF ALL THAT - THEY WERE EXTREMELY ENTHUSIASTIC, INTELLIGENT WOMEN - AND THE RESULT OF THAT WAS THEY WERE GOING TO HAVE LONG TERM JOBS AND BETTER PAID JOBS. I THINK HELPING WOMEN RE-TRAIN AS WELL AS MEN RE-TRAIN IS ABSOLUTELY CRUCIAL, NOT ONLY TO OUR ECONOMIC SUCCESS IN HONG KONG BUT ALSO TO ENSURING THAT EVERYBODY - WOMEN AND MEN - HAVE THE CHANCE IN OUR SOCIETY OF DEVELOPING THEIR FULL POTENTIAL.

THE TROUBLE IS, ONE OF THE CONDEMNATIONS OF CIVILISED - ALLEGED CIVILISED SOCIETIES - OVER THE YEARS IS THEY HAVEN'T GIVEN WOMEN THOSE OPPORTUNITIES PARTICULARLY IN EDUCATION.

QUESTION: I AM A CIVIL SERVANT.

GOVERNOR: GOOD, YOU DO A WONDERFUL JOB.

QUESTIONER: IN YOUR POLICY ADDRESS YOU HAVEN'T REALLY TOUCHED ON PENSION AND OTHER BENEFITS. WHY AREN'T THEY THERE?

GOVERNOR: I DID TALK ABOUT BENEFITS. I PUT FORWARD SOME FAIRLY SWEEPING, WIDE RANGING PROPOSALS, ON PUBLIC ASSISTANCE. BASICALLY, WHAT WE ARE DOING, AS YOU KNOW, IS INCREASING THE BASIC RATES FOR PUBLIC ASSISTANCE RIGHT ACROSS THE BOARD; AND WHICH IS A SMALL THING PERHAPS --

TRANSLATOR: WELL, MR PATTEN, HE IS TALKING ABOUT THE PENSION FOR THE CIVIL SERVANTS, RATHER.

GOVERNOR: I WAS GOING TO COME TO THAT BUT HE HAD ALSO TALKED I THINK ABOUT, I THOUGHT HE'D TALKED ABOUT BENEFITS AS WELL. SO FAR AS PENSIONS ACROSS THE BOARD ARE CONCERNED, WE'VE GOT A DISCUSSION DOCUMENT COMING FORWARD ON PENSIONS IN HONG KONG. ON PENSIONS FOR CIVIL SERVANTS THERE ARE GUARANTEES, AS YOU KNOW, AGREED BETWEEN BRITAIN AND CHINA AND I HAVE NO REASON TO DOUBT THAT THOSE GUARANTEES WILL BE KEPT TO.

WHAT WOULD YOU HAVE LIKED ME TO SAY AS A MATTER OF FACT, MR YEUNG? I ASK IN A GENUINE SPIRIT OF ENQUIRY BECAUSE I NOTICED THAT IN SOME OF THE COMMENTS ON MY SPEECH, ONE OF THE CIVIL SERVICE UNION LEADERS HAD SAID HE'D LIKE ME TO HAVE SAID A BIT MORE ABOUT PENSIONS. WHAT WOULD YOU HAVE LIKED ME TO HAVE SAID?

QUESTIONER: FOR INSTANCE, FRINGE BENEFITS, HOUSING - AND THAT'S VERY BASIC - BECAUSE I KNOW THAT MANY MARRIED OFFICERS FACE A VERY SERIOUS PROBLEM THERE. IN MANY DEPARTMENTS, WHERE THEY MAY HAVE DEPARTMENTAL QUARTERS, BUT IT MAY TAKE THREE TO FOUR YEARS BEFORE THEY CAN GET A UNIT AND THEY ARE IN REMOTE AREAS OF THE NEW TERRITORIES AND, THEREFORE, THERE IS A LOT OF PRESSURE ON THE FAMILY AND AT THE SAME TIME IT'S A LONG TIME BEFORE THEY CAN GET TO THE OFFICE; AND THAT ALSO MEANS MORE EXPENSES AS WELL.

GOVERNOR: IF THESE ARE WORRIES OF YOUR UNION AND YOUR COLLEAGUES, I WILL BE VERY HAPPY TO DISCUSS THEM WITH THE CIVIL SERVICE PROFESSIONAL ORGANISATIONS. OBVIOUSLY, I IMAGINE SOME CIVIL SERVANTS WILL BE HELPED BY THE PROPOSALS THAT I MADE ON SANDWICH CLASS HOUSING YESTERDAY, WHICH I HOPE WE'LL BE ABLE TO MAKE PROGRESS ON WITH THE SUPPORT OF THE SINO-BRITISH LAND COMMISSION, BUT IF THERE'S AN ADDITIONAL AGENDA, I'LL LOOK FORWARD TO TALKING WITH YOUR CIVIL SERVICE UNION LEADERS ABOUT IT. I HAD A USEFUL MEETING WITH FOUR GROUPS OF TRADE UNION LEADERS RECENTLY AND MY DOOR IS ALWAYS OPEN FOR THESE SORT OF DISCUSSIONS HOWEVER, I DO HAVE TO MAKE ONE OTHER POINT, THAT MY WALLET ISN'T ALWAYS OPEN BUT I AM ALWAYS PREPARED TO LISTEN AND TO TALK AND TO SEE IF WE CAN RESOLVE PROBLEMS, IF POSSIBLE.

QUESTION: GOOD MORNING SIR. YOU SAID THAT HONG KONG WILL BE GOVERNED BY EXECUTIVE-LED GOVERNMENT, SO NO DOUBT THAT THE EXECUTIVE COUNCIL IS GOING TO PLAY A VERY IMPORTANT ROLE IN THE FUTURE. BUT WHEN YOU APPOINTED THE MEMBER OF THE EXECUTIVE COUNCIL YESTERDAY, YOU DIDN'T GIVE ANY SINGLE SEAT FOR THE DIRECTLY ELECTED LEGISLATOR. IS IT BECAUSE OF THE PRESSURE FROM CHINA, OR BECAUSE THAT THEY BELONG TO PARTY THAT IS FIGHTING FOR THE DEMOCRACY DEVELOPMENT IN CHINA? DOES THIS MEAN THAT ANYONE BELONG TO ANY PARTY HAS NO FUTURE IN THE EXECUTIVE COUNCIL?

GOVERNOR: WHAT IT MEANS IS THAT THE EXECUTIVE COUNCIL AND THE LEGISLATURE HAVE DIFFERENT JOBS AND DIFFERENT RESPONSIBILITIES AND I TRIED TO ARGUE AT LENGTH YESTERDAY HOW I THOUGHT THE INCREASE IN THE DEMOCRATIC ELEMENT, THE DIRECTLY ELECTED ELEMENT IN THE LEGISLATIVE COUNCIL HAD CHANGED THE RELATIONSHIP BETWEEN EXCO AND LEGCO, WHICH NECESSITATED THE ARGUMENTS THAT I WAS PUTTING FORWARD. WHEN PEOPLE ELECT THE LEGISLATURE THEY ARE ELECTING A BODY WHICH MONITORS GOVERNMENT AND WHICH HOLDS GOVERNMENT TO ACCOUNT. IN OUR SYSTEM WE DON'T HAVE CABINET GOVERNMENT, WE DON'T HAVE THE SAME SORT OF MINISTERIAL SYSTEM THAT SOME OTHER COMMUNITIES HAVE. PEOPLE AREN'T ELECTING, AS IT WERE, A PARTY WHICH IS GOING TO GOVERN. THEY ARE ELECTING INDIVIDUAL LEGISLATORS OR MEMBERS OF A PARTY WHO ARE GOING TO HOLD THE GOVERNMENT TO ACCOUNT AND THEREFORE IMPROVE THE QUALITY OF GOVERNMENT.

NOW, WHAT THAT MEANS IS THAT YOU HAVE A DIALOGUE OR A TENSION BETWEEN THE EXECUTIVE AND THE LEGISLATURE AND IT IS SOMEWHERE IN THAT DIALOGUE, SOMEWHERE IN THAT TENSION THAT POLICY HAS TO BE MADE AND POLICY HAS TO BE DISCUSSED. IT DID SEEM TO ME FOR ALL THE REASONS WHICH I SET OUT, WHICH I WON'T GO OVER AGAIN, THAT THIS WAS THE RIGHT MOMENT AT THIS STAGE IN OUR POLITICAL DEVELOPMENT TO MAKE A SEPARATION BETWEEN EXCO AND LEGCO, BUT THERE DOES HAVE TO BE A RELATIONSHIP BETWEEN THEM AND THAT IS WHY I SUGGESTED THE HINGE BODY WHICH WE ARE GOING TO SET UP, A GOVERNMENT LEGCO COMMITTEE, WHICH WILL ENABLE THE GOVERNMENT TO MANAGE BETTER ITS BUSINESS THROUGH THE LEGISLATIVE COUNCIL. BUT THESE ARE MATTERS OF JUDGMENT. I HOPE I'VE GOT IT RIGHT, I BELIEVE I'VE GOT IT RIGHT, BUT THERE'S OBVIOUSLY BEEN A GOOD DEAL OF DEBATE AND SOUL SEARCHING ABOUT THE ISSUE RIGHT ACROSS THE COMMUNITY.

QUESTION: HOW NICE IS IT THAT I CAN SPEAK TO YOU.

GOVERNOR: I AM DELIGHTED TO BE ABLE TO SPEAK TO YOU AND IF THEY LET ME, UNLESS EVERYBODY IS BORED OUT OF THEIR MINDS BY HAVING THE GOVERNOR FOR AN HOUR AND A QUARTER, I'D LIKE TO DO THIS FROM TIME TO TIME BECAUSE IT'S VERY USEFUL FOR ME TO BE ABLE TO HEAR YOUR POINT OF VIEW AND TO GIVE YOU THE OPPORTUNITY OF MAKING ME ANSWER FOR WHAT I DO. I THINK THAT IN ANY COMMUNITY ONE HAS BETTER GOVERNMENT IF THE PEOPLE WHO MAKE DECISIONS HAVE TO JUSTIFY THEM TO THE PEOPLE WHO ACTUALLY PAY THE GOVERNMENT - TAXPAYERS LIKE YOU.

QUESTIONER: I WOULD LIKE TO SPEAK ABOUT THE AIRPORT. WHY DIDN'T YOU EXPLAIN TO THE CHINESE GOVERNMENT THAT THE EXPENDITURE IN THE AIRPORT IS A KIND OF CAPITAL INVESTMENT? THE MORE WE USE OUR MONEY IN CAPITAL INVESTMENTS THE MORE THE ECONOMIC GROWTH IN HONG KONG, THE ECONOMIC GROWTH WILL BE MORE. WHY DIDN'T YOU EXPLAIN TO CHINA?

/GOVERNOR: I

GOVERNOR: I HAVE SAID IT FROM TIME TO TIME. I DIDN'T SAY AS MUCH YESTERDAY ABOUT THE AIRPORT AS I HAVE ON OTHER OCCASIONS, FRANKLY, BECAUSE I THINK PEOPLE KNOW MY VIEWS ON IT. BUT YOU ARE ENTIRELY RIGHT. THE POINT YOU ARE MAKING IS A VERY PERCEPTIVE ONE AND JUST LET ME GIVE YOU ONE FIGURE. WE RECKON THA THE AIRPORT, IF WE COMPLETED IT BY 1997, AND THE PROJECTS ASSOCIATED WITH IT, WOULD INCREASE OUR GROWTH, WOULD INCREASE OUR GDP BY THE EQUIVALENT OF OVER 400 BILLION DOLLARS BETWEEN 1997 AND 2010. THAT WOULD BE THE IMPACT OF THAT SORT OF INFRASTRUCTURE INVESTMENT. JUST AS THE WHOLE COMMUNITY BECOMES RICHER AND MORE PROSPEROUS WHEN WE DEVELOP OUR CONTAINER TERMINALS, WHEN WE DEVELOP OUR PORT, SO IT WILL BECOME MORE PROSPEROUS WHEN WE'VE GOT AN EVEN BIGGER AIRPORT AND THAT WILL GIVE US MORE MONEY FOR DEALING WITH SOME OF THE SOCIAL PROBLEMS THAT WE WERE TALKING ABOUT EARLIER. MORE MONEY FOR YOUTH SERVICES, MORE MONEY FOR HELPING THE MENTALLY HANDICAPPED AND MORE MONEY IN PEOPLE'S PRIVATE BANK ACCOUNTS SO THEY CAN HOUSE THEMSELVES BETTER. THOSE ARE THE CONSEQUENCES OF AN INVESTMENT IN THE FUTURE. WE ARE NOT FRITTERING MONEY AWAY, WE ARE ACTUALLY TALKING ABOUT WAYS IN WHICH WE CAN GUARANTEE HONG KONG'S PLACE AS THE PREMIER BUSINESS CITY IN ASIA. HONG KONG CAN FULFILL IN THE 21ST CENTURY IN RELATION TO CHINA AND ASIA, BROADLY SPEAKING, THE SAME SORT OF ROLE THAT NEW YORK FULFILLED AT THE BEGINNING OF THIS CENTURY IN RELATION TO THE UNITED STATES. WE ARE INCREDIBLY WELL PLACED TO BE ONE OF THE ECONOMIC CAPITALS OF THE WORLD AND ONE OF THE ECONOMIC CAPITALS OF THE WORLD NEEDS, AND WILL SOONER OR LATER GET, A NEW AIRPORT. I AM ABSOLUTELY CONVINCED OF THAT.

QUESTION: BY THE TIME YOU LEAVE HONG KONG IN 1997 WILL YOU GO EAST OR GO WET ON THE 'LADY MAURINE'?

GOVERNOR: I AM NOT ABSOLUTELY SURE WHETHER WE'LL TURN RIGHT OR LEFT. I HARBOUR AN ASPIRATION, AND I DON'T KNOW WHETHER IT WILL STILL BE THERE IN 1997, TO GO BACK TO THE UNITED KINGDOM IN 1997 OVERLAND, I THINK IT WOULD BE AN EXTREMELY EXCITING JOURNEY TO MAKE. I THINK MY WIFE IS A BIT MORE DOUBTFUL ABOUT IT AND I HAVEN'T YET SET OUT THESE IDEAS FOR OUR TWO DOGS. THEY MAY BE A BIT MORE SUSPICIOUS.

QUESTION: I WOULD LIKE TO THANK MR PATTEN FOR GIVING US THE BEST POLICY ADDRESS EVER AND YOU HAVE CREATED FOR US THE GARDEN OF EDEN. NOW, I FEAR THAT IF THE CONSERVATIVE PARTY IS OUSTED BY THE GENERAL PUBLIC IN ENGLAND BECAUSE OF THE MAASTRICHT TREATY, THEN WHAT WILL HAPPEN TO YOU AND YOUR POLICY ADDRESS? HOW CAN YOU REASSURE US THAT DESPITE THE POLITICAL CHANGES IN UK THERE WON'T BE ANY IMPACT ON HONG KONG? HOW CAN WE BE IMMUNE FROM POLITICAL CHANGES IN BRITAIN?

GOVERNOR: CAN I JUST SAY THIS FIRST OF ALL, WHICH IS I THINK THE BEST ANSWER TO YOUR QUESTION. I HAVEN'T PROVIDED THE RESOURCES THAT CAN NOW BE SPENT ON EDUCATION AND WELFARE. YOU'VE PROVIDED THEM. HONG KONG HAS PROVIDED THEM BY HONG KONG'S HARD WORK, BY HONG KONG'S ENTERPRISE, BY HONG KONG'S SUCCESS. I'VE ONLY BEEN HERE THREE MONTHS, IT'S NOT TO MY CREDIT THAT THIS IS AVAILABLE, IT'S NOT TO MY CREDIT THAT WE CAN DO ALL THESE THINGS TO CARRY FORWARD CIVILISED LIFE IN HONG KONG, IT'S BECAUSE OF WHAT YOU IN HONG KONG HAVE DONE. AND IT IS ABSOLUTELY IMPERATIVE THAT PEOPLE IN HONG KONG RECOGNISE THAT AND HAVE THE SELF CONFIDENCE THAT SHOULD GO WITH IT. THIS IS ONE OF THE MOST SUCCESSFUL COMMUNITIES IN THE WORLD AND IT'S A PRIVILEGE TO BE ABLE TO HELP YOU ACTUALLY SPEND SOME OF THE PROCEEDS OF THAT SUCCESS IN A PRUDENT AND SENSIBLE WAY. SO, EVEN IF CHRIS PATTEN WAS TO - GOING BACK TO AN EARLIER QUESTION - DISAPPEAR OVER THE SIDE OF THE 'LADY MAURINE' NEXT WEEK, EVEN IF CHRIS PATTEN WASN'T TO SURVIVE UNTIL CHRISTMAS, YOUR SUCCESS, AND THE PROCEEDS OF THAT SUCCESS WOULD BE HERE FOR ANOTHER GOVERNOR TO DISTRIBUTE.

LET ME JUST ADD ONE OTHER THING. I'M ABSOLUTELY SURE THAT THE MAASTRICHT TREATY IN THE UNITED KINGDOM - AND I'M NOT SPEAKING OF THE CONSERVATIVE PARTY CONFERENCE IN BRIGHTON - WILL BE RATIFIED. EUROPE IS AN ENORMOUSLY IMPORTANT ISSUE. IT'S NOT SURPRISING THAT IT INVOLVES PASSIONATE DISCUSSION AND DEBATE IN THE UNITED KINGDOM AND THE REST OF THE EUROPEAN COMMUNITY BUT I'M ABSOLUTELY SURE THAT THE CONSERVATIVE PARTY AND THE COUNTRY WILL FOLLOW JOHN MAJOR'S LEAD WHICH HE'LL BE GIVING IN HIS ADDRESS AT THE CONGRESS TOMORROW. THERE ARE TWO ENORMOUSLY IMPORTANT CONFERENCES OF COURSE, BOTH OF WHICH HAVE SOME EFFECT ON HONG KONG. THE FIRST IS THE ONE OF THE CONSERVATIVE PARTY IN BRIGHTON THIS WEEK. SECOND, AND FRANKLY MUCH MORE IMPORTANT, IS THE HISTORIC CONGRESS THAT WILL BE TAKING PLACE IN PEKING NEXT WEEK AND BEYOND.

QUESTION: I WOULD LIKE TO ASK YOU THIS QUESTION, THAT MANY OF US WOULD LIKE TO STAY BEYOND 1997 BUT HAVE THIS UNEASY FEELING THAT THERE IS RISING CRIME AND THE STRENGTHENING OF TRIAD ACTIVITIES IN HONG KONG. COULD YOU GIVE US MORE DETAILS HOW YOU ARE GOING TO TACKLE THIS PROBLEM?

GOVERNOR: CAN I FIRST OF ALL SAY - AND THIS IS NOT MEANT TO ENCOURAGE COMPLACENCY - BUT CAN I FIRST OF ALL SAY THAT THE ACTUAL CRIME FIGURES THAT WE FACE IN HONG KONG SHOW A SMALL REDUCTION IN CRIME AND A SMALL REDUCTION EVEN IN VIOLENT CRIME; AND IN COMPARISON WITH WHAT ONE WOULD FIND IN MOST OTHER BIG CITIES AROUND THE WORLD, WE ARE NOT TOO BADLY PLACED; BUT THINGS AREN'T GOOD ENOUGH AND I UNDERSTAND THE COMMUNITY BEING CONCERNED ABOUT CRIME. I UNDERSTAND THE COMMUNITY BEING CONCERNED ABOUT SOME OF THE PARTICULARLY AWFUL VIOLENT CRIMES THAT WE'VE SEEN IN THE LAST YEAR OR SO. I UNDERSTAND THE COMMUNITY SAYING EVEN IF WE ARE DOING BETTER THAN OTHER COMMUNITIES, NO LEVEL OF CRIME CAN BE REGARDED AS ACCEPTABLE. IN OUR WORLD WE DON'T LIKE THINGS THAT THREATEN OUR FAMILIES' WELFARE AND THREATEN OUR LIVELIHOOD AND THREATEN OUR SAFETY. SO, WHAT DO WE HAV TO DO?

FIRST OF ALL, WE HAVE TO GIVE OUR BRAVE AND COMPETENT POLICE FORCE ALL THE SUPPORT THAT THEY NEED. WE'VE BEEN SUCCESSFUL THIS YEAR IN INCREASING POLICE RECRUITMENT. PARTLY AS A RESULT OF THAT, PARTLY AS A RESULT OF CLOSING DOWN ONE OF THE CAMPS, PARTLY AS A RESULT OF BETTER MANAGEMENT OF POLICE RESOURCES, WE SHOULD SEE ON THE STREETS NEXT YEAR AN ADDITIONAL 800 POLICEMEN AND POLICEWOMEN - I'D BETTER PUT IN VERY QUICKLY - ALL OF WHOM WILL HELP US IN THE FIGHT AGAINST CRIME.

SECONDLY, WE ARE PUTTING THROUGH THE LEGISLATIVE COUNCIL AT THE MOMENT, A BIG ORDINANCE WHICH WILL FIGHT TRIAL AND ORGANISED CRIME ACTIVITY AND MUCH MORE TOUGHLY.

THIRDLY, THERE IS ANOTHER AREA AND IT'S ONE WHERE I AM VERY KEEN THAT WE SHOULD CO-OPERATE WITH CHINA. WE DO HAVE TO WORK WITH THE AUTHORITIES IN GUANGDONG, WE DO HAVE TO WORK WITH THE AUTHORITIES IN CHINA TO TACKLE SOME SORTS OF CRIME TOGETHER. THEY ARE A THREAT NOT ONLY TO OUR STABILITY AND PROSPERITY - OF THE GROWING PROSPERITY I SHOULD SAY - IN GUANGDONG. SO, I'LL BE TALKING ABOUT CO-OPERATION IN TACKLING SMUGGLING AND OTHER SORTS OF CRIME WHEN I GO UP TO PEKING. I MADE THE POINT YESTERDAY THAT, IN ADDITION TO GIVING THE POLICE ALL THE SUPPORT WE CAN IN TERMS OF RESOURCES, I THINK WE NEED TO ENSURE THAT THEY HAVE THE SUPPORT OF THE LAW AND THE SUPPORT OF THE COURTS AND THAT, THEREFORE, IT'S IMPORTANT TO INCREASE PENALTIES FOR, FOR EXAMPLE, CAR THEFT AND SMUGGLING AND THOSE ARE BOTH REAL SOCIAL MENACES AND WE'VE GOT TO STAMP THEM OUT WHEREVER WE CAN.

QUESTION: I AM VERY HAPPY TO HEAR FROM MR PATTEN THAT THERE WILL BE INCREASE IN HOUSING EXPENSES, BUT I DO HAVE SOME VIEWS TO EXPRESS REGARDING THIS. IT SEEMS THAT, MR PATTEN, YOU HAVE MERELY CONCENTRATED ON ONE PARTICULAR SECTOR, THAT IS THE SANDWICH CLASS AND I WOULD LIKE TO REMIND MR PATTEN THAT WE HAVE OVER 100,000 PEOPLE LIVING IN VERY CROWDED PRIVATE HOUSING. SO THE QUESTION IS, IN YOUR POLICY ADDRESS, YOU ARE TALKING ABOUT SOLUTIONS FOR THIS SANDWICH CLASS. SO, WHY HAVE YOU NEGLECTED THE NEED OF THE LOWER CLASSES?

GOVERNOR: I DID ACTUALLY REFER TO HOUSING IN MORE GENERAL TERMS THAN THAT YESTERDAY, AND PERHAPS I SHOULD HAVE SAID EVEN MORE. BUT MY SPEECH AS IT STOOD WAS TWO HOURS AND I THINK THAT, IF I HAD GOT UP TO THREE HOURS OR FOUR HOURS, THE SORT OF LENGTH THAT PRESIDENT TCSTRO MIGHT SPEAK FOR, PEOPLE WOULD HAVE BEEN PRETTY FED UP WITH ME. BUT YOU ARE ENTIRELY RIGHT TO SAY THAT SANDWICH CLASS HOUSING PROBLEMS ARE ONLY PART OF OUR HOUSING PROBLEM. THAT'S WHY WE ARE COMMITTED, AS I SAID TO A PREVIOUS CALLER, TO SPENDING ABOUT 41 BILLION ON HOUSING OVERALL IN THE NEXT FIVE YEARS. THAT'S WHY THE HOUSING AUTHORITY AND THE HOUSING SOCIETY WILL BE COMPLETING ABOUT A 190,000 HOMES IN THE NEXT FIVE YEARS, WHICH WILL PROVIDE NEW HOUSING, NEW HOMES FOR ABOUT 650,000 PEOPLE. NOW, THAT BY ANY STANDARDS, IS A VERY CONSIDERABLE STEP FORWARD IN HOUSING PROVISION. SANDWICH CLASS HOUSING IS IMPORTANT AND THE PROPOSALS WE HAVE TO HELP ABOUT 13,000 FAMILIES ARE IMPORTANT THERE; BUT WHAT I WAS SAYING ABOUT A 190,000 OR THEREABOUTS, AND WHAT I HAVE JUST SAID TO YOU IS OF COURSE EVEN MORE IMPORTANT, AND YOU ARE QUITE RIGHT TO SAY THAT THERE ARE STILL PEOPLE IN HOUSING NEED, STILL PEOPLE THAT WE HAVE TO HELP.

QUESTION: FIRST, THANK YOU VERY MUCH MR PATTEN FOR BECOMING PATRON TO THE INSTITUTE OF DIRECTORS AND YOUR SPEECH IS LIKE A GREAT WIND OF CHANGE, THANK GOD FOR IT. ANYWAY, MY POINT - AND I MAKE IT VERY QUICKLY - THE LEASES WHICH EXIST IN HONG KONG AT THE PRESENT MOMENT ARE TWO YEAR LEASES. THIS MEANS THAT THE DEVELOPER CAN COME ALONG AT ANY TIME, BUY A BLOCK OF BUILDINGS THAT HE HAS CAST HIS EYE ON, AND WITHIN TWO YEARS, HE CAN KICK EVERYBODY OUT. SO THAT THE ENGLISHMAN, THE CHINESE MAN OR ANYBODY ELSE'S HOME IS NOT HIS CASTLE. AND ONCE YOU ARE THROWN OUT OF THESE BUILDINGS, MANY OF US ARE MANAGERS OR DIRECTORS OF PRIVATE BUSINESSES, YOU ARE THROWN ON TO A MARKET WHERE THE RENTS ARE GOING UP. SO, WE ARE BEING PUSHED DOWN THE LADDER AND CREATING A BULGE AT THE LOWER END. I THINK THIS IS A PROBLEM THAT WILL RISE VERY VERY RAPIDLY IN THE FUTURE. THANK YOU VERY MUCH.

KIT CUMINGS: WHEN YOU SAY TWO YEARS, IS THIS UNUSUAL FOR ANYBODY WHO IS RENTING OUT HIS FLAT TO SOMEONE ELSE, NOT TO PROVIDE A SORT OF TERM OF TWO YEARS OR SOME SUCH TERM, WHETHER IN ENGLAND OR AMERICA OR ANYWHERE ELSE, WOULD THAT NOT BE SO?

QUESTIONER: OH NO, YOU GET MUCH LONGER LEASES IN THE UK.

GOVERNOR: I THINK THE ANSWER TO THAT IS, YES AND NO. UNDER THE SYSTEM IN UK WHICH WAS INTRODUCED NOT VERY LONG AGO - SOMETHING CALLED SHORT-HOLD TENURE - YOU'D GET THE SORT OF FIXED TERM THAT KIT WAS TALKING ABOUT. ON THE OTHER HAND, IF YOU HAVE BEEN A TENANT FROM THE PERIOD BEFORE SHORT-HOLD YOU MIGHT HAVE A LEASE OR A LET WITH NO LIMIT TO IT. IT WOULD DEPEND A BIT. BUT THAT'S THE FIRST TIME THE POINT'S BEEN RAISED WITH ME IN HONG KONG AND I'LL CERTAINLY CONSIDER IT, BUT ON THE OTHER HAND, IF YOU WANT TO HAVE A PRIVATE SECTOR IN RENTING, THEN YOU DO HAVE TO BALANCE THE INTERESTS OF LANDLORD AND TENANT.

KIT CUMINGS: TIME HAS CAUGHT UP WITH US, I'M AFRAID. IT'S NEARLY 9 O'CLOCK. IT REMAINS FOR US TO SAY THANK YOU TO EVERYBODY WHO DID CALL IN, SORRY TO THOSE OF YOU WHO TRIED TO CALL IN BUT DIDN'T GET YOUR QUESTION IN. I KNOW THERE ARE QUITE A FEW OF YOU OUT THERE WHO WILL BE DISAPPOINTED. HOWEVER, THERE WAS HOPE FROM WHAT MR PATTEN SAID. HE SEEMED TO BE ENJOYING HIMSELF, IF I MAY SAY SO, AND HE DID SUGGEST THAT HE WOULD DO THIS ON A REGULAR BASIS. HE WONDERED WHETHER HE WAS BORING US AND I THINK THE ANSWER GENERALLY WOULD BE CERTAINLY NOT, IT WAS VERY INTERESTING. AND MR PATTEN, THANK YOU VERY MUCH AND HOPE YOU'VE PERHAPS GAINED SOMETHING FROM BEING ON THIS SPECIAL CHINESE AND ENGLISH PROGRAMME WHEN LISTENERS WERE VOICING THEIR CONCERNS TO YOU.

GOVERNOR: I VERY MUCH ENJOYED IT. I DO THINK IT'S IMPORTANT, WHEN ONE'S TALKING ABOUT ISSUES THAT ARE FUNDAMENTAL TO THE FUTURE OF THE PEOPLE OF HONG KONG THAT THE PEOPLE OF HONG KONG SHOULD HAVE A CHANCE OF TALKING ABOUT THEM. I DON'T WANT THROUGH BROADCASTS OR DISCUSSIONS LIKE THIS IN ANY WAY TO TRY TO COMPETE WITH LEGISLATORS WHO'VE GOT THEIR OWN GREAT CREDIBILITY BECAUSE OF THEIR SERVICE TO THE COMMUNITY BUT I DO THINK THAT IT IS IMPORTANT, JUST AS I AM ANSWERABLE TO THE LEGISLATIVE COUNCIL, THAT I SHOULD BE ANSWERABLE THROUGH PROGRAMMES LIKE THIS TO THE LISTENERS AND VIEWERS IN HONG KONG AND I HOPE IF YOU WILL HAVE ME BACK, THAT I CAN DO THIS AGAIN.

THREE NEW TERRITORIES SITES FETCH \$390.6M

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THREE LOTS OF GOVERNMENT LAND WERE SOLD FOR A TOTAL AMOUNT OF \$390.6 MILLION BY THE BUILDINGS AND LANDS DEPARTMENT IN A PUBLIC AUCTION THIS (THURSDAY) AFTERNOON.

THE FIRST SITE IS IN AREA 11, ON SUM STREET, SHA TIN, NEW TERRITORIES. IT WAS BOUGHT BY TOPSAIL ESTATE LIMITED AT \$280 MILLION WITH BIDDING OPENED AT \$180 MILLION.

COVERING AN AREA OF ABOUT 8,100 SQUARE METRES, IT IS INTENDED FOR INDUSTRIAL AND/OR GODOWN (EXCLUDING DANGEROUS GOODS GODOWN) PURPOSES AND/OR BUS DEPOT.

THE BUILDING COVENANT STIPULATES THAT THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 24,300 SQUARE METRES ON OR BEFORE SEPTEMBER 30, 1996.

THE SECOND LOT IS IN AREA 29B, FANLING, NEW TERRITORIES. IT WAS SOLD TO MADIGAN COMPANY LIMITED AT \$97 MILLION. BIDDING OPENED AT \$70 MILLION.

THE SITE HAS AN AREA OF ABOUT 6,900 SQUARE METRES AND IS DESIGNATED FOR PRIVATE RESIDENTIAL PURPOSES.

ACCORDING TO THE BUILDING COVENANT, THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 3,312 SQUARE METRES ON OR BEFORE DECEMBER 31, 1995.

THE REMAINING SITE IS IN MEI WO CIRCUIT, SHA TIN, NEW TERRITORIES. IT WAS BOUGHT BY MR CHAN SUK PING AT \$13.6 MILLION WITH BIDDING OPENED AT \$7.5 MILLION.

THIS PIECE OF LAND, WITH AN AREA OF ABOUT 884 SQUARE METRES, IS EARMARKED FOR PRIVATE RESIDENTIAL PURPOSE FOR OCCUPATION BY ONE SINGLE FAMILY.

THE BUILDING COVENANT STIPULATES THAT THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 212 SQUARE METRES ON OR BEFORE DECEMBER 31, 1995.

THE AUCTION WAS HELD IN THE CITY HALL THEATRE AND WAS CONDUCTED BY GOVERNMENT LAND AGENT, MR JAMES HUGHES.

PRINCIPLES FOR APPLICATION OF DEVELOPMENT IN MAI PO AREAS ENDORSED
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THE TOWN PLANNING BOARD HAS ENDORSED THE BASIC PRINCIPLES FOR THE CONSIDERATION OF APPLICATIONS FOR DEVELOPMENT IN AREAS AROUND MAI PO NATURAL RESERVE (MPNR).

THE SITE IS ZONED AS "SITE OF SPECIAL SCIENTIFIC INTEREST" (SSSI) IN THE DRAFT MAI PO AND FAIRVIEW PARK DEVELOPMENT PERMISSION AREA PLAN IN RECOGNITION THAT THE RESERVE IS INTERNATIONALLY RENOWNED AS AN EXTENSIVE AREA OF UNAFFECTED WETLAND HABITATS FOR MANY SPECIES OF BIRDS AND MAMMALS, AND A STOPOVER POINT FOR THOUSANDS OF MIGRATORY BIRDS.

AT A RECENT MEETING, THE BOARD VIEWED THAT IN ORDER TO PROTECT THE VALUABLE HABITAT AREAS AROUND THE RESERVE, IT WAS NECESSARY TO CAREFULLY CONSIDER DEVELOPMENT PROPOSALS IN ITS VICINITY SO AS TO AVOID THEIR ADVERSE CUMULATIVE EFFECT ON THE NATURE RESERVE.

THE BOARD AGREED THAT THE AREA SHOULD BE DEFINED AS DEEP BAY BUFFER ZONE 1 AND DEEP BAY BUFFER ZONE 2 RESPECTIVELY BY APPLYING CERTAIN PRINCIPLES.

BUFFER ZONE 1 IS THE AREA IN THE IMMEDIATE VICINITY OF INNER DEEP BAY INCLUDING THE MPNR WHERE STRINGENT PLANNING CONTROLS WILL BE EXERCISED.

THE PLANNING INTENTION IS PRIMARILY TO PROTECT THE SPECIAL ECOLOGICAL VALUE OF THESE COASTLINES AREAS AND THEIR SURROUNDINGS, INCLUDING INTER-TIDAL BIOLOGICAL COMMUNITY.

NEW DEVELOPMENT WITHIN THIS ZONE SHOULD NOT BE ALLOWED UNLESS IT IS REQUIRED TO SUPPORT THE CONSERVATION OF THE AREA'S NATURAL FEATURES AND SCENIC QUALITIES.

BUFFER ZONE 2 COVERS AREA FURTHER AWAY FROM THE RESERVE WHERE DEVELOPMENT PROPOSALS WITH INSIGNIFICANT IMPACT ON THE RESERVE WILL BE CONSIDERED.

IT CONSISTS OF MUCH WIDER AREAS WHICH HAVE A WIDER BEARING ON THE OVERALL AMENITY AND WATER QUALITY OF MPNR AND OTHER SSSI'S IN THE VICINITY.

THE PLANNING INTENTION IS PRIMARILY TO RESTRICT DEVELOPMENTS TO AGRICULTURAL AND RECREATIONAL USES ONLY.

NEW DEVELOPMENT WITHIN THIS ZONE WOULD NOT BE CONSIDERED UNLESS THE APPLICANT COULD DEMONSTRATE THAT THE PROPOSED DEVELOPMENT WOULD HAVE INSIGNIFICANT IMPACT ON ENVIRONMENT, DRAINAGE AND TRAFFIC IN THE AREA INCLUDING THE MPNR.

AN EXPLANATORY NOTE ON THE INTENTION BY THE TOWN PLANNING BOARD FOR THE CONSERVATION OF THE MAI PO NATURAL RESERVE, THE PRINCIPLES IN THE CONSIDERATION OF APPLICATIONS AND A PLAN SHOWING THE BOUNDARIES OF THE TWO ZONES ARE AVAILABLE FOR INSPECTION IN THE PLANNING INFORMATION AND TECHNICAL ADMINISTRATION UNIT OF THE PLANNING DEPARTMENT, 16TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG.

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UNAUTHORISED BUILDING WORKS IN SHEK O TO CLOSE
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THE BUILDING AUTHORITY IS SEEKING TO CLOSE THE UNAUTHORISED BUILDING WORKS AT A HOUSE IN SHEK O SO THAT THEY CAN BE DEMOLISHED WITHOUT CAUSING DANGER TO THE OCCUPIERS AND THE PUBLIC.

THE UNAUTHORISED STRUCTURES ARE FOUND AT HOUSE NO. 26, SHEK O VILLAGE, SHEK O LOT NO. 1489.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER UNDER THE BUILDINGS ORDINANCE FROM THE HONG KONG DISTRICT COURT ON JANUARY 8, NEXT YEAR WAS POSTED ON THE PREMISES TODAY (THURSDAY).

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

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CFPA APPROVES GRANTS TO LOCAL ARTS GROUPS
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SIX PERFORMING ARTS GROUPS THAT HAVE SUCCESSFULLY SOLICITED BUSINESS SPONSORSHIP HAVE BEEN AWARDED A TOTAL OF \$338,000 BY THE COUNCIL FOR THE PERFORMING ARTS (CFPA) UNDER THE MATCHING GRANT SCHEME OVER THE PAST THREE MONTHS.

IN THE DRAMA FIELD ARE CHUNG YING THEATRE COMPANY, SPONSORED BY "STAR" FERRY CO LTD, AND CARLSBERG WANCHAI THEATRE; ACTORS' FAMILY AND SEALS PLAYERS FOUNDATION, SPONSORED BY CARLSBERG BREWERY HONG KONG LTD.

IN THE MUSIC FIELD, NEW TUNE CHINESE ORCHESTRA IS SPONSORED BY BILLION SOURCE INVESTMENT CO LTD, AND GREEN HILL ANGLO-CHINESE ARTS PERFORMANCE TROUPE IS SPONSORED BY HILLSON MUSIC CENTRE, TSING MIU PIANO COMPANY AND LO FUNG MUSICAL CENTRE.

THE CFPA HAS ALSO APPROVED 23 PROJECT GRANTS, TOTALLING \$640,540, TO 22 PERFORMING ARTS ORGANISATIONS.

IN THE DANCE FIELD ARE LOWINTRY MAK DANCE COMPANY AND HONG KONG DANCE FEDERATION.

IN THE DRAMA FIELD ARE ENERGETIC FAMILY, PAROUSIA, HONG KONG POLYTECHNIC STUDENTS' UNION, ANONYMITY DRAMATIC CLUB, HONG KONG CHRISTIAN ASSOCIATION OF CULTURAL AND RECREATIONAL ACTIVITIES, NOVICE, THE NONSENSEMAKERS, HONG KONG YOUNG WOMEN'S CHRISTIAN ASSOCIATION, 'TEN' THEATRE HOK YAU CLUB, ELCHK PING NGOR YOUTH CENTRE, KWUN TONG THEATRE, THE ALTITUDE DRAMA CLUB AND CHOI HUNG DRAMA ASSOCIATION.

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IN THE MUSIC FIELD ARE THE LEARNERS CHORUS, HONG KONG YOUNG WOMEN'S CHRISTIAN ASSOCIATION, THE BUDS ART CENTRE AND LIM KEK HAN PHILHARMONIC ORCHESTRA.

IN THE CHINESE OPERA FIELD, GRANTS HAVE BEEN AWARDED TO HONG KONG PEKING OPERA CLUB AND HONG KONG PHAB ASSOCIATION.

IN THE ARTS SERVICES FIELD, GRANTS HAVE BEEN AWARDED TO ZUNI ICOSAHEDRON AND HONG KONG ARTS ADMINISTRATORS ASSOCIATION LTD.

APPLICATIONS FOR PROJECT AND MATCHING GRANTS CAN BE MADE ANY TIME IN THE YEAR.

THE APPLICANT MUST BE AN APPROVED CHARITABLE INSTITUTION OR A REGISTERED NON-PROFIT-MAKING ORGANISATION.

APPLICATIONS SHOULD BE SUBMITTED AT LEAST THREE MONTHS BEFORE THE PLANNED PERFORMANCE DATES TO ALLOW TIME FOR ASSESSMENT BY CFPA.

APPLICATION FORMS FOR PROJECT AND MATCHING GRANTS ARE AVAILABLE AT THE CFPA SECRETARIAT ON 40TH FLOOR, WANCHAI TOWER III, 5 GLOUCESTER ROAD, HONG KONG. ENQUIRIES CAN BE MADE ON TEL 594 5600.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	2,500
REVERSAL OF LAF	-1,000
BALANCE AFTER REVERSAL OF LAF	1,500
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	NIL
CLOSING BALANCE IN THE ACCOUNT	1,500
LAF RATE 2.00 BID/4.00 OFFER TWI 110.4 **0.4* 8.10.92	

/HONG KONG

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HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.71 PCT	14 MONTHS	2311	6.25	103.20	3.32
1 MONTH	2.68 PCT	17 MONTHS	2402	5.50	102.75	3.44
3 MONTHS	2.67 PCT	20 MONTHS	2405	5.502	102.80	3.73
6 MONTHS	2.76 PCT	23 MONTHS	2408	4.375	100.91	3.90
12 MONTHS	3.24 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 3,576 MN

CLOSED 8 OCTOBER 1992

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