



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

WEDNESDAY, OCTOBER 6, 1993

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WEDNESDAY, OCTOBER 6, 1993

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SPECIAL PROVISIONS FOR
DISABLED WITNESSES SHOULD BE CONSIDERED

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DIRECTOR OF PUBLIC PROSECUTIONS OF THE ATTORNEY GENERAL'S CHAMBERS, MR JOHN WOOD, BELIEVED CONSIDERATION SHOULD BE GIVEN TO INTRODUCING CERTAIN PROVISIONS IN THE LAW OF ENGLAND INTO HONG KONG TO PROTECT CHILDREN AND THE MENTALLY DISABLED WHEN GIVING EVIDENCE IN COURT.

MR WOOD HAS RECENTLY BECOME A MEMBER OF A SPECIAL WORKING GROUP, APPOINTED BY THE CHIEF JUSTICE AND CHAIRED BY MR JUSTICE MICHAEL WONG KIN-CHOW, TO LOOK INTO THE QUESTION OF MENTALLY HANDICAPPED PEOPLE GIVING EVIDENCE IN COURT.

AT A LUNCHEON MEETING OF THE ROTARY CLUB OF KOWLOON GOLDEN MILE TODAY (WEDNESDAY), HE SAID HE UNDERSTOOD WELL THE RECENT CASE INVOLVING THE MILDLY RETARDED YOUNG LADY WHO MADE ALLEGATIONS OF RAPE HAD GENERATED A GREAT DEAL OF CRITICISM OF THE WAY IN WHICH IT WAS HANDLED.

"IN TRUTH THE VICTIM GAVE HER EVIDENCE WITH SOME DIFFICULTIES AND BECAME DISTRESSED UNDER CROSS-EXAMINATION.

"I AM NOT SURPRISED BECAUSE GIVING EVIDENCE IS NOT A PLEASANT EXPERIENCE - I MYSELF HAVE DONE SO ON SEVERAL OCCASIONS TO COURTS AND TRIBUNALS - AND FOR SOMEONE WHO IS NOT BLESSED WITH MENTAL NORMALITY IT MUST BE AN EVEN GREATER ORDEAL," HE SAID.

"THERE IS NOW PROVISION IN THE LAW OF ENGLAND FOR CHILDREN TO GIVE EVIDENCE FROM OUTSIDE THE COURTROOM THROUGH A LIVE VIDEO LINK AND IN ONE CASE THE COURT OF APPEAL IN ENGLAND APPROVED THE ERECTION OF A SCREEN TO PREVENT YOUNG CHILDREN SEEING OR BEING SEEN BY THE DEFENDANTS.

"THERE IS ANOTHER SECTION IN THE ENGLISH CRIMINAL JUSTICE ACT OF 1988 WHICH IS VERY RADICAL AND FAR REACHING AND IT ENABLES A COURT TO RECEIVE IN EVIDENCE A VIDEO TAPE OF AN INTERVIEW OR INTERVIEWS BETWEEN A CHILD WITNESS AND AN ADULT WHICH RELATES TO ANY MATTER RELEVANT TO THE PROCEEDINGS.

"BUT A JUDGE WILL NORMALLY NOT ALLOW THE INTRODUCTION OF THIS EVIDENCE UNLESS THE CHILD IS AVAILABLE FOR CROSS-EXAMINATION," HE ADDED.

"AGAIN WE MIGHT PERHAPS CONSIDER WHETHER A PROVISION SUCH AS THIS SHOULD BE INTRODUCED INTO OUR LAW NOT ONLY FOR CHILDREN BUT ALSO PERSONS UNDER MENTAL DISABILITY," MR WOOD SAID.

HOWEVER, HE EMPHASISED THAT FAIRNESS IN A CRIMINAL TRIAL MUST RELATE TO THE DEFENDANT AS WELL AS TO WITNESSES.

"IF WE GO TOO FAR AND DENY A DEFENDANT A FAIR TRIAL, OUR SYSTEM OF JUSTICE WILL SOON FALL INTO DISREPUTE," HE SAID.

/MR WOOD

MR WOOD REMINDED HIS AUDIENCE THAT EVERY MEMBER OF THE PROSECUTIONS DIVISION IN THE ATTORNEY GENERAL'S CHAMBERS WAS CONSTANTLY IN THE SPOTLIGHT AND THEIR DECISIONS WERE MONITORED VERY CAREFULLY BY LEGISLATORS AND THE MEDIA.

"ANY ONE DECISION OF MINE CAN LEAD TO SOMEONE SERVING MANY YEARS OF IMPRISONMENT, ON THE OTHER HAND, SOMEONE WHO HAS OFFENDED MAY NOT BE PROSECUTED.

"NOT ONLY DO WE CONSIDER THE EVIDENCE BUT WE ALSO HAVE TO CONSIDER THE MERITS OF THE CASE AND THE OFFENDER.

"WE TRY NOT TO PROSECUTE THE ELDERLY, THE PHYSICALLY AND MENTALLY INFIRM OR CHILDREN BUT THERE ARE CASES WHICH ARE SO SERIOUS OR WHERE THE CRIMINAL CONDUCT HAS BEEN REPEATED THAT WE CONSIDER IT IS IN THE INTERESTS OF THE PUBLIC, AND FOR THE PROTECTION OF THE PUBLIC, THAT CRIMINAL PROCEEDINGS MUST BE TAKEN," HE EXPLAINED.

MR WOOD ASSURED THE PUBLIC THAT IN EVERY CASE THE EVIDENCE WAS CAREFULLY ASSESSED AND WHERE THEY WERE TOLD A WITNESS OR WITNESSES SUFFER FROM DISABILITY THEY SCRUTINISED THEIR EVIDENCE VERY CAREFULLY.

"IT IS A HUGELY RESPONSIBLE TASK BUT WE HAPPILY ACCEPT IT AS AN IMPORTANT PART OF OUR JOB IN PLAYING OUR ROLE IN LAW ENFORCEMENT IN HONG KONG," HE SAID.

EARLIER IN HIS SPEECH, MR WOOD EXPLAINED THE WORKING RELATIONS BETWEEN THE ATTORNEY GENERAL'S CHAMBERS AND LAW ENFORCEMENT AGENCIES.

"LAW ENFORCEMENT AGENCIES ARE RESPONSIBLE FOR THE INVESTIGATION OF CRIME, THE QUESTIONING OF SUSPECTS AND COLLECTION OF EVIDENCE, BUT THEIR FUNCTIONS IN THIS REGARD ARE NOT UNDER THE SUPERVISION OF THE ATTORNEY GENERAL.

"HOWEVER THE ULTIMATE PURPOSE OF MOST INVESTIGATIONS IS THE PROSECUTION OF OFFENDERS IN COURT AND LAW ENFORCEMENT AGENCIES REGULARLY OBTAIN ADVICE FROM THE PROSECUTIONS DIVISION OF THE ATTORNEY GENERAL'S CHAMBERS DURING INVESTIGATIONS," MR WOOD SAID.

THE DECISION ON WHETHER OR NOT CRIMINAL PROCEEDINGS SHOULD TAKE PLACE REQUIRED YEARS OF EXPERIENCE TO ACQUIRE THE SKILLS AND THE CONFIDENCE.

THAT WAS WHY IN THE PROSECUTIONS DIVISION, ADVICE AS TO PROSECUTION MUST BE APPROVED BY A SENIOR OFFICER.

"WE NEVER LOSE SIGHT OF THE FACT THAT BY ADVISING A PROSECUTION WE ARE SETTING IN TRAIN A PROCESS WHICH COULD LEAD TO A PERSON LOSING HIS LIBERTY," MR WOOD CONCLUDED.

SHARES CLEARING SYSTEM WORKING WELL

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THE CENTRAL CLEARING AND SETTLEMENT SYSTEM HANDLES OVER ONE MILLION SHARE TRANSACTIONS VALUED AT ABOUT HK\$100 BILLION A MONTH, THE FINANCIAL SECRETARY, MR HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

HE WAS SPEAKING AT A RECEPTION TO CELEBRATE THE FOURTH ANNIVERSARY OF THE HONG KONG SECURITIES CLEARING COMPANY AND THE FIRST ANNIVERSARY OF THE FULL IMPLEMENTATION OF THE CENTRAL CLEARING AND SETTLEMENT SYSTEM.

MR MACLEOD NOTED THAT NEARLY ALL SHARES TRADED ON THE EXCHANGE WERE NOW SETTLED THROUGH THIS CENTRAL SYSTEM.

"THE SYSTEM'S DEPOSITORY NOW HOLDS OVER 70 BILLION SHARES WITH A MARKET VALUE OF NEARLY HK\$300 BILLION.

"IT PROVIDED THE EFFICIENCY REQUIRED TO COPE WITH THE ROBUST TURNOVER OF ABOUT HK\$4 BILLION A DAY IN THE FIRST EIGHT MONTHS OF 1993," HE SAID.

HE ADDED THAT THE SUCCESS OF THE SYSTEM HAD BEEN MATCHED BY THE FINANCIAL SUCCESS OF THE CLEARING COMPANY.

THE COMPANY WAS ABLE TO REPAY OVER HK\$100 MILLION OF ITS DEVELOPMENT LOANS WHILE MAINTAINING AN OPERATING SURPLUS THIS YEAR.

MR MACLEOD SAID HE WAS PLEASED THAT THE COMPANY HAD SET FOR ITSELF NEW GOALS.

HE NOTED THAT THE COMPANY WOULD LOOK INTO NEW AREAS, INCLUDING A NEW SHARES REGISTRATION SYSTEM; DIRECT ACCESS BY INVESTORS TO THE SERVICE OF THE CENTRAL CLEARING SYSTEM; ENHANCING ITS SERVICE IN RESPONSE TO THE STOCK EXCHANGE'S DEVELOPMENT OF THE AUTOMATED ORDER MATCHING AND EXECUTION SYSTEM AND ASSISTING IN THE DEVELOPMENT OF A STOCK OPTIONS MARKET.

THE FINANCIAL SECRETARY ALSO REITERATED THE GOVERNOR'S MESSAGE IN HIS POLICY ADDRESS THIS AFTERNOON THAT THE GOVERNMENT WAS FULLY COMMITTED TO BUILDING UP HONG KONG AS A MAJOR FINANCIAL CENTRE IN THE REGION.

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SPECIAL MEASURES TO HELP BUSINESSES AFFECTED BY CLEARANCE

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THE LANDS DEPARTMENT HAS MADE SPECIAL ARRANGEMENTS IN ORDER TO HELP COMMERCIAL OPERATORS AFFECTED BY THE "SIX STREET CLEARANCE" IN MA TAU KOK TO RESOLVE DIFFICULTIES ARISING FROM THE CLEARANCE.

A SPOKESMAN FOR THE DEPARTMENT SAID TODAY (WEDNESDAY) THAT AS A RESULT OF A SERIES OF MEETINGS WITH THE OPERATORS, THE DEPARTMENT RECOGNISED THAT THE NORMAL PRACTICE OF ASSESSING COMPENSATION AFTER CLOSURE OF BUSINESS COULD CREATE FINANCIAL HARDSHIP TO THE OPERATORS.

"IN RECOGNITION OF THIS PROBLEM, THE DEPARTMENT HAS AGREED TO MAKE COMPENSATION ASSESSMENTS BASED ON THE INFORMATION CURRENTLY AVAILABLE, INSTEAD OF MAKING THE ASSESSMENTS AFTER THE OPERATORS VACATE THEIR PREMISES. AND OFFERS OF COMPENSATION HAVE BEEN MADE TO THEM."

THE SPOKESMAN SAID NEARLY 100 OFFERS TOTTALLING \$32 MILLION HAD BEEN MADE IN ADDITION TO THE EX-GRATIA ALLOWANCE PREVIOUSLY OFFERED.

THE COMPENSATION BEING OFFERED INCLUDES REMOVAL ALLOWANCE, VALUE OF FURNITURE AND FITTINGS, PLANT AND MACHINERY AND VALUE OF TENANCY.

THE SPOKESMAN SAID THE OPERATORS COULD MAKE ADDITIONAL CLAIMS ON TOP OF THE OFFERS MADE TO THEM, BUT SUCH CLAIMS WOULD HAVE TO BE PROPERLY SUBSTANTIATED BY SUPPORTING DOCUMENTATION.

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COMMUNITY ELECTRONIC TRADING SERVICE
PLANNED FOR 1995

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THE COMMUNITY ELECTRONIC TRADING SERVICE (CETS) WILL BE LAUNCHED IN 1995 PENDING THE SUCCESSFUL COMPLETION OF A TESTING NEXT YEAR, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID THIS (WEDNESDAY) MORNING.

SPEAKING AT THE OPENING OF THE 16TH ANNUAL GENERAL MEETING OF THE FEDERATION OF ASEAN SHIPPERS' COUNCIL, MR CHAU SAID THE TESTING, WHICH WOULD BEGIN BY THE MIDDLE OF 1994, WOULD INVOLVE THE GOVERNMENT, TRADELINK AND A SMALL NUMBER OF SELECTED TRADERS.

TRADELINK IS A CONSORTIUM FORMED BY 11 LEADING TRADE-RELATED ORGANISATIONS IN HONG KONG IN 1988. SINCE THEN, TRADELINK HAS BEEN ACTIVELY PROMOTING THE USE OF ELECTRONIC DATA INTERCHANGE (EDI) IN THE TERRITORY.

MR CHAU SAID AFTER CONDUCTING A SERIES OF JOINT STUDIES, THE GOVERNMENT DECIDED THAT TRADELINK SHOULD BECOME THE VEHICLE FOR FUNDING AND MANAGING CETS AND THE GOVERNMENT BECAME A SHAREHOLDER OF TRADELINK IN NOVEMBER 1992.

HE SAID THE INITIAL SERVICES OF HONG KONG'S CETS WOULD FOCUS ON OFFICIAL TRADE DOCUMENTS SUCH AS TEXTILES EXPORT LICENCES AND TRADE DECLARATIONS.

HOWEVER, HE ADDED, THERE WERE ALSO PLANS FOR CETS TO EXTEND EDI SERVICES TO COVER OTHER TRADE-RELATED TRANSACTIONS, SUCH AS PLACING PURCHASE ORDERS, INVOICES, BILLS OF LADING AND LETTERS OF CREDIT.

"WE ARE HOPING TO MAKE EARLY PROGRESS IN ARRIVING AT ARRANGEMENTS WHEREBY SOME OVERSEAS CUSTOMS AUTHORITIES CAN RECEIVE BY EDI DETAILS OF TEXTILES EXPORT LICENCES ISSUED IN HONG KONG," HE SAID.

"THE SUCCESSFUL IMPLEMENTATION OF CETS WILL BRING HONG KONG IN LINE WITH AN EMERGING INTERNATIONAL TREND AND HELP TO MAINTAIN HONG KONG'S POSITION AS ONE OF THE LEADING TRADE CENTRES IN THE WORLD," HE ADDED.

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COMPENSATION FOR HMOCS OFFICERS

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IN RESPONSE TO PRESS ENQUIRIES ABOUT A GENERAL COMPENSATION SCHEME FOR OFFICERS OF HER MAJESTY'S OVERSEAS CIVIL SERVICE (HMOCS) IN HONG KONG, A GOVERNMENT SPOKESMAN SAID TODAY (WEDNESDAY) THE INTRODUCTION OF SUCH A SCHEME WAS THE RESPONSIBILITY OF HER MAJESTY'S GOVERNMENT (HMG) IN THE UNITED KINGDOM.

THE COMPENSATION SCHEME AND ANY STERLING PENSION SAFEGUARD WILL BE ENTIRELY FUNDED BY HMG AND IS APPLICABLE ONLY TO MEMBERS OF HMOCS, HE SAID.

THE SPOKESMAN SAID: "HMOCS OFFICERS HOLD THEIR APPOINTMENTS UNDER THE AUTHORITY OF HMG IN UK, NOT THE HONG KONG GOVERNMENT. THEY MAY BE TRANSFERRED BY HMG FROM ONE TERRITORY TO ANOTHER.

"HMG HAS ACCEPTED CERTAIN OBLIGATIONS TO ALL MEMBERS OF HMOCS AS SET OUT IN 1954 AND 1960 WHITE PAPERS AND AS FOLLOWED IN ALL OTHER 42 DEPENDENT TERRITORIES UPON A TRANSFER OF SOVEREIGNTY. THE PROPOSED ARRANGEMENTS FOR HMOCS OFFICERS IN HONG KONG ARE IN ACCORDANCE WITH HMOCS ARRANGEMENTS WORLDWIDE.

"GENERAL RIGHT TO RETIREMENT UNDER AN HMOCS COMPENSATION SCHEME IS ONE OF THESE OBLIGATIONS."

THE SPOKESMAN NOTED THAT HMG WOULD BE DISCUSSING THESE PROPOSALS WITH THE HONG KONG HMOCS ASSOCIATION.

HE ADDED THAT HE UNDERSTOOD THE CHINESE GOVERNMENT WAS INFORMED OF THESE PROPOSED ARRANGEMENTS BY HMG IN MARCH 1992.

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D OF E ON GOVERNOR'S ADDRESS

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IN RESPONSE TO PRESS ENQUIRIES ON THE GOVERNOR'S POLICY ADDRESS TODAY, THE DIRECTOR OF EDUCATION, MR DOMINIC S W WONG, SAID:

"I AM VERY HAPPY THAT THE GOVERNOR HAS ANNOUNCED A SERIES OF MEASURES TO FURTHER IMPROVE THE QUALITY OF EDUCATION, LANGUAGE STANDARDS AND THE LEARNING ENVIRONMENT IN SCHOOLS.

"MY DEPARTMENT WILL DO OUR BEST TO ENSURE IMPLEMENTATION," HE SAID.

AN EXPLANATION OF THESE MEASURES WILL BE GIVEN AT A PRESS CONFERENCE SOON.

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THREE KOWLOON SITES TO LET

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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCIES OF THREE LOTS OF GOVERNMENT LAND IN KOWLOON.

THE FIRST LOT, LOCATED BETWEEN YAU TONG ROAD AND CHA KWO LING ROAD, HAS AN AREA OF ABOUT 8,400 SQUARE METRES FOR OPEN PARKING OF UNLICENSED MOTOR VEHICLES AND TENANT'S VEHICLES, AND STORAGE OF NON-DANGEROUS GOODS, EXCLUDING CONTAINERS.

THE TENANCY IS FOR THREE YEARS, RENEWABLE QUARTERLY AFTERWARDS.

THE SECOND LOT, AT TAI YIP STREET AND WAI YIP STREET, COVERS AN AREA OF ABOUT 8,000 SQUARE METRES.

IT IS INTENDED FOR USE AS A FEE-PAYING PARKING AREA FOR MOTOR VEHICLES, EXCLUDING CONTAINER VEHICLES WITH THEIR TRAILERS/CHASIS ATTACHED.

THE TENANCY IS ALSO FOR THREE YEARS, RENEWABLE QUARTERLY AFTERWARDS.

THE REMAINING LOT AT FUNG SHING STREET, HAVING AN AREA OF ABOUT 2,730 SQUARE METRES, IS FOR OPEN STORAGE OF TENANT'S GOODS AND UNLICENSED VEHICLES, EXCLUDING CONTAINERS.

IT CARRIES A TENANCY OF TWO YEARS, RENEWABLE QUARTERLY AFTERWARDS.

CLOSING DATE FOR SUBMISSION OF TENDERS IS NOON ON OCTOBER 22.

FORMS OF TENDER, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM THE DISTRICT LANDS OFFICES, KOWLOON, 10TH FLOOR, YAU MA TEI CAR PARK BUILDING, 250 SHANGHAI STREET; AND THE LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, IN CENTRAL.

TENDER PLANS CAN ALSO BE INSPECTED AT THE OFFICES.

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PUBLIC LIGHT BUS SERVICE FOR SANDY BAY

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT IN ORDER TO IMPROVE THE PUBLIC TRANSPORT SERVICES FOR SCENIC VILLAS AND SANDY BAY ROAD AREA, FROM FRIDAY (OCTOBER 8) HONG KONG ISLAND PUBLIC LIGHT BUS (SCHEDULED) ROUTE 10 WILL BE SPLITTED INTO THE FOLLOWING TWO SERVICES:

ROUTE 10

IT WILL OPERATE BETWEEN CAUSEWAY BAY (LOCKHART ROAD) AND SCENIC VILLAS/SANDY BAY.

THE HOURS OF OPERATION WILL BE FROM 6.30 AM TO 9 PM BETWEEN MONDAYS AND SATURDAYS; AND 7 AM TO 8 PM ON SUNDAYS AND PUBLIC HOLIDAYS.

THE FARE WILL BE \$7 PER SINGLE JOURNEY.

ROUTE 10A

IT WILL SERVE BETWEEN CENTRAL (WELLINGTON STREET) AND SCENIC VILLAS/SANDY BAY.

THE HOURS OF OPERATION WILL BE FROM 8 AM TO 8 PM BETWEEN MONDAYS AND SATURDAYS. THERE WILL BE NO SERVICE ON SUNDAYS AND PUBLIC HOLIDAYS.

THE FARE WILL BE \$5 PER SINGLE JOURNEY.

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STUDENT COMPUTER TALENTS IN SOFTWARE CONTEST

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SIX HONG KONG STUDENT COMPUTER WIZARDS TODAY (WEDNESDAY) COMPETED WITH 41 STUDENTS FROM 10 NEIGHBOURING COUNTRIES IN THE SOUTHEAST ASIAN REGIONAL COMPUTER CONFEDERATION (SEARCC) INTERNATIONAL SOFTWARE COMPETITION.

THE COMPETITION WAS A SPECIAL EVENT TO MARK THE OCCASION OF THE ANNUAL SEARCC CONFERENCE WITH HONG KONG AS THE HOST.

SINGAPORE CAME FIRST AND SECOND IN THE COMPETITION, AND SRI LANKA THIRD. HONG KONG'S TEAM A TOOK FOURTH PLACE AND TEAM B SIXTH.

SPEAKING AT THE PRIZE-PRESENTATION CEREMONY, THE DEPUTY DIRECTOR OF EDUCATION, MR ROBERT LO SAID THE DEPARTMENT HAD DONE MUCH TO PROMOTE COMPUTER EDUCATION SINCE 1982.

/IT STARTED

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IT STARTED A MODEST COMPUTER STUDIES SCHEME BY INTRODUCING COMPUTER STUDIES AS A SUBJECT FOR 2,500 SENIOR SECONDARY STUDENTS IN 30 SECONDARY SCHOOLS.

"SINCE THEN WE HAVE ADDED COMPUTER LITERACY AS A SUBJECT IN THE JUNIOR SECONDARY SCHOOL CURRICULUM, COMPUTER STUDIES AS AN ADVANCED LEVEL SUBJECT AND COMPUTER APPLICATIONS AS A SUBJECT AT ADVANCED SUPPLEMENTARY LEVEL, AND THE NUMBER OF SCHOOLS OFFERING THESE SUBJECTS HAS GROWN STEADILY.

"TODAY, OVER 150,000 STUDENTS IN SOME 350 SCHOOLS, OR ABOUT 38 PER CENT OF THE SECONDARY SCHOOL POPULATION IN THE PUBLIC SECTOR ARE TRYING THESE SUBJECTS," MR LO SAID.

HE SAID THE EDUCATION DEPARTMENT WOULD CONTINUE TO FURTHER DEVELOP COMPUTER EDUCATION IN HONG KONG.

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FRESH WATER CUT IN WAN CHAI

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FRESH WATER SUPPLY TO SOME PREMISES IN WAN CHAI WILL GO OFF FROM 11 PM ON FRIDAY (OCTOBER 8) TO 6 AM THE NEXT DAY TO FACILITATE WASTE DETECTION WORK ON WATER MAINS.

THE SUSPENSION WILL AFFECT ALL THE PREMISES AT THE EVEN NUMBERS OF 38-66 GLOUCESTER ROAD, 23-115 JAFFE ROAD, 23-86 LOCKHART ROAD, THE ODD NUMBERS OF 71-75 HENNESSY ROAD, 15-23 LUARD ROAD, 15-21 FENWICK STREET, 6 ARSENAL STREET AND THE POLICE HEADQUARTERS AT ARSENAL STREET.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION -----
OPENING BALANCE IN THE ACCOUNT	1,925
REVERSAL OF LAF	+75
BALANCE AFTER REVERSAL OF LAF	2,000
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	NIL
CLOSING BALANCE IN THE ACCOUNT	2,000
LAF RATE 2.00 BID/4.00 OFFER	TWI 112.3 *+0.1* 6.10.93

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.86 PCT	13 MONTHS	2411	4.625	101.36	3.39
1 MONTH	2.85 PCT	16 MONTHS	2502	4.75	101.54	3.61
3 MONTHS	2.88 PCT	19 MONTHS	2505	3.75	99.86	3.88
6 MONTHS	3.04 PCT	22 MONTHS	2508	4.625	101.26	3.95
12 MONTHS	3.36 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 8,609 MN

CLOSED 6 OCTOBER 1993

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GOVERNOR SETS OUT FIVE PRIORITIES FOR NEXT YEAR

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, OUTLINED FIVE PRIORITIES TO MEET RISING PUBLIC ASPIRATIONS IN THE COMING YEAR IN HIS POLICY ADDRESS DELIVERED TO THE LEGISLATIVE COUNCIL THIS AFTERNOON (WEDNESDAY).

IN HIS SECOND POLICY ADDRESS AS THE GOVERNOR OF HONG KONG, MR PATTEN NOTED THAT A BOLD START WAS MADE LAST YEAR TO ENABLE THE FINANCIAL SECRETARY TO BUILD ON IT IN HIS BUDGET LAST MARCH.

"THIS YEAR, WE CAN AFFORD TO DO EVEN BETTER, SETTING NEW STANDARDS TO MEET THE RISING ASPIRATIONS OF OUR PEOPLE," HE SAID.

MR PATTEN SAID HONG KONG COULD AFFORD BETTER NEW STANDARDS BECAUSE OF ITS PRUDENT FINANCIAL MANAGEMENT, CONTINUED ECONOMIC EXPANSION AND, ABOVE ALL, THE HARD WORK AND SUCCESS OF THE PEOPLE OF HONG KONG.

THESE PRIORITIES ARE :

- * FIRST, TO DO EVERYTHING HONG KONG CAN TO AGREE WITH CHINA ON FAIR, OPEN AND ACCEPTABLE ARRANGEMENTS FOR THE ELECTIONS IN 1994 AND 1995 AND, AT THE SAME TIME, TO WORK OUT NEW WAYS OF DEVELOPING HONG KONG'S RELATIONSHIP WITH CHINA AND ITS INSTITUTIONS AT THE PRACTICAL LEVEL;
- * SECOND, TO ENSURE THAT HONG KONG'S ECONOMY REMAINS STRONGLY COMPETITIVE IN THE INTERNATIONAL MARKET-PLACE AND EVEN MORE ACCOUNTABLE TO ITS CUSTOMERS;
- * THIRD, TO CONCENTRATE ON SPECIFIC IMPROVEMENTS IN OUR SOCIAL SERVICE, EDUCATION AND HOUSING PROGRAMMES;
- * FOURTH, TO DELIVER REAL IMPROVEMENTS IN OUR CARE OF THE ELDERLY, A GROWING PROPORTION OF OUR POPULATION; AND
- * FIFTH, TO TACKLE HEAD-ON THE RECENT UPSURGE IN THAT MOST CORROSIVE OF EVILS, CORRUPTION.

MR PATTEN POINTED OUT THAT IN HIS LAST POLICY ADDRESS, HE PUT FORWARD 103 SPECIFIC POLICY PROPOSALS AIMED AT IMPROVING THE QUALITY OF LIFE OF HONG KONG PEOPLE, OF WHICH, SOME WERE TO BE ACHIEVED IN THE LONGER TERM, BUT VIRTUALLY ALL OF THE COMMITMENTS HAD BEEN ACHIEVED OR WERE ON SCHEDULE TO ACHIEVE.

A DETAILED PROGRESS REPORT WAS ATTACHED TO THE PRINTED VERSION OF THE POLICY ADDRESS FOR MEMBERS AND THE COMMUNITY TO EXAMINE.

"THIS REPORT LISTS PROGRESS, ITEM BY ITEM. IT IS, I BELIEVE, AN IMPRESSIVE RECORD.

"BUT MEMBERS WILL NOT BE SURPRISED TO HEAR WE ARE NOT PERFECT. THERE HAVE BEEN SOME SERIOUS SHORTFALLS AS WELL - RELATIVELY FEW - BUT WE IDENTIFY THEM ALONGSIDE OUR SUCCESSES AND TRY TO EXPLAIN WHAT WE PROPOSE TO DO ABOUT THEM," HE SAID.

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NO LET-UP IN HK'S ECONOMIC ADVANCE

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THERE HAS BEEN NO LET-UP IN HONG KONG'S ECONOMIC ADVANCE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL THIS AFTERNOON (WEDNESDAY).

IN REVIEWING THE GENERAL ECONOMY OF HONG KONG IN HIS POLICY ADDRESS, MR PATTEN NOTED THAT THE TERRITORY'S FINANCIAL POSITION TODAY IS SUFFICIENTLY HEALTHY TO ALLOW THE GOVERNMENT TO UNDERTAKE ADDITIONAL COMMITMENTS TO MUCH-NEEDED CAPITAL IMPROVEMENTS TO SCHOOLS, HOSPITALS AND CLINICS.

"FOR HONG KONG, NOTHING IS MORE IMPORTANT THAN GETTING THE ECONOMY RIGHT. I THINK THIS IS A POINT WELL UNDERSTOOD HERE.

"FOR HONG KONG, WHILE IT IS TRUE THAT OUR WAY OF LIFE SUSTAINS OUR ECONOMY, IT IS EQUALLY TRUE THAT OUR ECONOMY SUPPORTS OUR WAY OF LIFE. IN SETTING OUT OUR POLICY GOALS, THE ECONOMY COMES FIRST. WE HAVE TO KEEP IT FIT AND HEALTHY," HE SAID.

THE GOVERNOR POINTED OUT THAT THIS YEAR, HONG KONG WOULD OVERTAKE AUSTRALIA AND THE UK IN TERMS OF GDP PER HEAD, AND SHOULD DRAW LEVEL WITH CANADA NEXT YEAR.

REAL GDP GROWTH WILL LIKELY BE 5.5 PER CENT FOR THIS YEAR, UNDERPINNED BY THE CONTINUING STRENGTH OF EXPORTS, CONSUMER SPENDING AND CAPITAL INVESTMENT, HE SAID.

THE GOVERNOR NOTED THAT INFLATION, THOUGH STILL HIGH, HAD EASED AND WOULD LIKELY AVERAGE NINE PER CENT OR JUST UNDER FOR THE YEAR. THE ORIGINAL FORECAST WAS 9.5 PER CENT.

MEANWHILE, THE HANG SENG INDEX HAS ALSO SHRUGGED OFF SETBACKS TO REACH A SUCCESSION OF NEW RECORDS, HE SAID.

AT THE END OF SEPTEMBER, THE INDEX WAS NEARLY 40 PER CENT HIGHER THAN AT THE SAME TIME LAST SEPTEMBER, HE ADDED.

"IT IS PROBABLY THE BEST PERFORMING MAJOR STOCK MARKET IN THE WORLD," HE SAID.

NEVERTHELESS, THERE ARE CAUSES FOR CONCERN ABROAD AND HONG KONG CANNOT BE COMPLACENT, THE GOVERNOR SAID.

"ON THE TRADE FRONT, THE QUESTION OF CHINA'S MFN STATUS WILL COME UP AGAIN NEXT SPRING TO DOG THE RELATIONSHIP BETWEEN OUR TWO MOST IMPORTANT TRADING PARTNERS.

"WE WILL CONTINUE TO FIGHT FOR UNCONDITIONAL RENEWAL, AS WE DID VIGOROUSLY - AND WITH CONSIDERABLE IMPACT - THIS YEAR.

"BUT OUR TASK MAY BE EVEN MORE FORMIDABLE NEXT TIME THAN IT WAS THIS YEAR. ANOTHER WORRY IS THAT THE URUGUAY ROUND OF THE GATT NEGOTIATIONS MAY MISS YET ANOTHER DEADLINE, THUS FRUSTRATING OUR HOPES OF GREATER TRADE LIBERALISATION AND PLACING THE MULTILATERAL TRADING SYSTEM IN JEOPARDY," THE GOVERNOR SAID.

TURNING TO INFLATION, MR PATTEN NOTED THAT INFLATION IN CHINA HAD REACHED SERIOUS LEVELS BUT THE CHINESE GOVERNMENT HAD ACTED TO COUNTER THIS THREAT.

"I APPLAUD THE WAY IN WHICH CHINA ACTED TO SLOW DOWN GROWTH WITHOUT TURNING BACK FROM ECONOMIC LIBERALISATION. IF IT CAN HOLD FAST TO ITS ECONOMIC PRINCIPLES IN TIMES OF DIFFICULTY, IT WILL WIN ALLIES AROUND THE WORLD, NOT LEAST IN SUPPORT OF ITS BID TO REJOIN THE GATT.

"WE HOPE THE MEASURES WILL SUCCEED. IF THEY DO, THE TERRITORY'S ECONOMY WILL BENEFIT CONSIDERABLY.

"CERTAINLY, INTERDEPENDENCE WITH THE ECONOMY OF SOUTHERN CHINA MEANS THAT WE ARE VULNERABLE TO PRICE PRESSURES IN CHINA BUT, FOR THE TIME BEING AT LEAST, OUR EXPORTS AND RE-EXPORTS RETAIN SIGNIFICANT COMPETITIVE ADVANTAGES.

"IT MAY NOT BE AN EASY YEAR FOR THE CHINESE ECONOMY - YET ANOTHER REASON FOR US TO BE PRUDENT IN OUR OWN ECONOMIC MANAGEMENT," THE GOVERNOR SAID.

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NEW STANDARDS OF FINANCIAL DISCLOSURE
FOR COMPANIES TO BE INTRODUCED

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THE GOVERNMENT WILL ASK ALL COMPANIES WHICH PROVIDE ESSENTIAL UTILITY OR TRANSPORT SERVICES, INCLUDING THOSE WHICH ARE NOT PUBLICLY LISTED, TO ACCEPT NEW STANDARDS OF FINANCIAL DISCLOSURE TO THE PUBLIC, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL THIS AFTERNOON (WEDNESDAY).

IN ADDITION TO STANDARD FINANCIAL STATEMENTS, SUCH AS A PROFIT AND LOSS ACCOUNT AND BALANCED SHEET, THESE WOULD INCLUDE PUBLICATION OF SEPARATE INFORMATION ON THE FINANCIAL AND OPERATIONAL ACTIVITIES OF THE REGULATED PARTS OF THEIR BUSINESS, HE SAID.

ADDRESSING THE ISSUE OF FULLER DISCLOSURE IN HIS POLICY ADDRESS, MR PATTEN SAID: "WHERE MONOPOLIES ARE UNAVOIDABLE, THE GOVERNMENT HAS A DUTY TO ACT IN DEFENCE OF THE PUBLIC INTEREST THROUGH CONTROLS ON PROFITS OR PRICES.

"IN THESE CIRCUMSTANCES, THE COMMUNITY IS ENTITLED TO THE INFORMATION IT NEEDS TO JUDGE WHETHER OR NOT THE REGULATORS ARE PROPERLY PROTECTING ITS INTERESTS, AS THEY ARE SUPPOSED TO DO.

"AT PRESENT, THE TYPE OF FINANCIAL DATA PUBLICLY AVAILABLE VARIES GREATLY SECTOR BY SECTOR, UTILITY BY UTILITY."

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WEDNESDAY, OCTOBER 6, 1993

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MORE PROTECTION TO CONSUMER'S RIGHTS PROPOSED

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL THAT THE GOVERNMENT WOULD PROPOSE A PACKAGE OF BILLS TO FURTHER PROTECT CONSUMER'S RIGHTS AGAINST UNSCRUPULOUS BUSINESS BEHAVIOUR.

MR PATTEN SAID IN HIS POLICY ADDRESS THAT THE GOVERNMENT HAD A DUTY TO PROTECT CONSUMERS AGAINST THOSE UNSCRUPULOUS BUSINESSES WHICH PUT SHORT-TERM PROFITS AHEAD OF THE LEGITIMATE INTERESTS OF THEIR CUSTOMERS - NOT THE LEAST OF WHICH WAS SAFETY.

HE PUT FORWARD THREE PROPOSALS TO REDRESS THE BALANCE IN FAVOUR OF THE CONSUMER. THESE ARE :

- * A PACKAGE OF THREE BILLS TO IMPOSE CLEAR OBLIGATIONS ON THE SUPPLIERS OF GOODS AND SERVICES TO ENSURE THAT THESE ARE SAFE, OF ACCEPTABLE QUALITY AND OPEN TO INSPECTION BY THE CUSTOMER;
- * A FURTHER BILL TO ENABLE THE COURTS TO STRIKE DOWN AND REWRITE CONTRACT TERMS WHICH ARE MANIFESTLY UNFAIR TO CONSUMERS; AND
- * A GRANT OF \$11 MILLION TO THE CONSUMER COUNCIL TO ESTABLISH A CONSUMER REPRESENTATIVE ACTION FUND TO ENABLE THE COUNCIL TO ASSIST CONSUMERS IN INITIATING CLASS ACTIONS AGAINST A COMMON DEFENDANT AND TO COMMISSION LEGAL CONSULTANCIES ON THE OPERATION OF THE FUND AND OTHER CONSUMER-RELATED MATTERS.

THE GOVERNOR NOTED THAT THE GOVERNMENT HAD PROVIDED FUNDS FOR THE CONSUMER COUNCIL TO CONDUCT COMPETITION POLICY STUDIES SPECIFIC TO INDIVIDUAL INDUSTRIES FOLLOWED CONSULTATION WITH THE BUSINESS COUNCIL.

HE EXPECTED THE GOVERNMENT TO FOLLOW UP EACH MARKET STUDY BY PUBLISHING A DETAILED RESPONSE WITHIN SIX MONTHS OF ITS RELEASE.

HE ALSO PROPOSED TO PROVIDE AN ADDITIONAL \$3.5 MILLION NEXT YEAR TO THE CONSUMER COUNCIL FOR THE EMPLOYMENT OF CONSULTANTS TO PROVIDE THE NECESSARY SUPPORT.

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MORE FUNDS FOR HK'S LAND TRANSPORTATION SYSTEM

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THE GOVERNMENT WILL SPEND NEARLY \$9 BILLION ON ROAD CONSTRUCTION AND IMPROVEMENTS NEXT YEAR TO EASE HONG KONG'S TRAFFIC PROBLEMS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID THIS (WEDNESDAY) AFTERNOON IN THE LEGISLATIVE COUNCIL.

MAJOR ITEMS WOULD INCLUDE THE WIDENING OF LUNG CHEUNG AND CHING CHEUNG ROADS, AND THE COMPLETION OF THE YUEN LONG SOUTHERN BY-PASS, IN ADDITION TO THE AIRPORT CORE PROGRAMME PROJECTS, HE SAID IN HIS POLICY ADDRESS.

BUILDING OF TING KAU BRIDGE WOULD ALSO BE STARTED, HE ADDED.

THE FUNDS TO BE SPENT THIS YEAR ON ROAD CONSTRUCTION AND IMPROVEMENTS WILL DOUBLE THE AMOUNT SPENT LAST YEAR.

THE GOVERNOR NOTED THAT THE NUMBER OF PRIVATE CARS HAD INCREASED BY 62 PER CENT OVER THE LAST FIVE YEARS.

"WE HAVE 270 VEHICLES FOR EVERY KILOMETRE OF ROAD, COMPARED TO 68 IN THE UK AND JUST 11 IN CHINA.

"IT IS A TRIBUTE TO OUR TRANSPORT SYSTEM - TO THE INDIVIDUAL DRIVER AS WELL AS THE POLICE AND THE TRAFFIC ENGINEERS - THAT ANYTHING MOVES AT ALL. IN FACT, OUR TRAFFIC IS MOVING RATHER FASTER NOW THAN IT DID IN THE MID-1980S.

"NEVERTHELESS, TRAFFIC DENSITIES AT HONG KONG'S LEVELS CAN BE EXTREMELY HARMFUL TO OUR ENVIRONMENT, OUR ECONOMY AND OUR WELL-BEING," HE SAID.

MR PATTEN SAID THE GOVERNMENT'S NUMBER ONE PRIORITY ON TRANSPORT WOULD BE TO KEEP TRAFFIC MOVING, TO MAKE THE ROAD SYSTEM AS USER-FRIENDLY AS POSSIBLE.

"THAT MEANS MAKING A DETERMINED EFFORT TO EASE THE STRAINS ON COMMUTERS AND COMMERCIAL VEHICLE DRIVERS WHO HAVE TO BRAVE THE NOTORIOUS BOTTLENECKS IN OUR ROAD NETWORK SIMPLY TO GET TO WORK.

"OVER THE NEXT FOUR YEARS, WE PROPOSE TO SPEND NEARLY \$2 BILLION ON A PACKAGE OF IMPROVEMENTS," HE SAID.

THE GOVERNMENT WILL:

- * CONSTRUCT NEW CLIMBING LANES ON THE TUEN MUN HIGHWAY;
- * INTRODUCE SURVEILLANCE CAMERAS TO COVER THE ENTIRE LENGTH OF THE HIGHWAY AND THE CONTAINER PORT APPROACHES, FOR PROMPT MEASURES TO CLEAR BROKEN-DOWN VEHICLES BEFORE THEY CAUSE TRAFFIC SNARL-UPS;
- * UPGRADE AND EXPAND THE COMPUTERISED AREA TRAFFIC CONTROL SYSTEMS IN KOWLOON AND THE NEW TERRITORIES TO COVER 550 JUNCTIONS. THIS SHOULD IMPROVE PEAK HOUR TRAFFIC SPEEDS BY AT LEAST 10 PER CENT IN THE WORST AFFECTED DISTRICTS;

- * RECONSTRUCT AND UPGRADE MANY OF THE MOST HEAVILY USED LOCAL ROADS THROUGHOUT THE TERRITORY; AND
- * INTRODUCE TOUGHER CONTROLS ON ROAD EXCAVATION, A MAJOR AND PARTICULARLY IRRITATING CAUSE OF ROAD CONGESTION.

ON CROSS-BORDER TRAFFIC, MR PATTEN SAID CAREFUL CONSIDERATION WAS BEING GIVEN TO A NEW RAILWAY LINK THROUGH THE WESTERN NEW TERRITORIES TO THE CONTAINER PORT.

HE POINTED OUT THAT THE NUMBER OF HEAVY AND MEDIUM GOODS VEHICLES WAS UP 70 PER CENT WHILE THE VOLUME OF TRAFFIC ENTERING HONG KONG FROM GUANGDONG WAS UP 90 PER CENT IN THE LAST FIVE YEARS.

BY 1997, THE TRAFFIC FLOW TO HONG KONG IS EXPECTED TO RISE BY A FURTHER 60 PER CENT, HE SAID.

"WE WILL NEED TO RELIEVE THE STRAIN OF CROSS-BORDER COMMERCIAL TRAFFIC ON OUR ROAD SYSTEM IN WAYS THAT PROMOTE OUR GROWING TRADE," HE SAID.

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PORT AND AIRPORT PROJECTS VITAL TO HK'S FUTURE

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL THAT HONG KONG WOULD FACE THE UNHAPPY PROSPECT OF DELAYS IN THE MODERNISATION OF ITS PORT AND AIRPORT FACILITIES UNLESS CO-OPERATION COULD BE SECURED FROM THE CHINESE GOVERNMENT OVER THE FINANCING OF THESE PROJECTS.

SPEAKING ON THE PORT AND AIRPORT PROJECTS IN HIS POLICY ADDRESS, THE GOVERNOR SAID THE GOVERNMENT SHOULD STILL DO EVERYTHING IT PRUDENTLY COULD TO TAKE THESE VITAL PROJECTS FORWARD AS FAR AS IT WAS ABLE WHILE WAITING FOR THE OUTCOME OF TALKS ON THESE PROJECTS WITH THE CHINESE GOVERNMENT.

"THE ALTERNATIVE WOULD BE EFFECTIVELY TO DELAY OR ABANDON PROJECTS WHICH ENCOUNTER OPPOSITION, AND I DO NOT BELIEVE THAT WOULD BE RIGHT OR ACCEPTABLE TO THE PEOPLE OF HONG KONG," HE SAID.

THE GOVERNOR MADE THREE POINTS IN REVIEWING THE PROGRESS OF THESE GREAT INFRASTRUCTURE PROJECTS WHICH WOULD CONTRIBUTE MUCH TO HONG KONG'S FUTURE.

"FIRST, WE HAVE DONE ALL WE CAN TO TAKE THESE ISSUES FORWARD. WE DO NOT LINK POLITICAL AND LIVELIHOOD ISSUES. FOR THE GOVERNMENT OF HONG KONG, THE FIRST PRIORITY IS, AND ALWAYS HAS BEEN, THE WELL-BEING OF THE PEOPLE OF HONG KONG.

"SECOND, WHEN NEGOTIATORS REACH AGREEMENT ON THESE MATTERS, THEY ARE NOT DOING HONG KONG A FAVOUR. THEY ARE DOING THEIR JOB.

/"THIRD, IF

"THIRD, IF WE DO NOT MAKE THE PROGRESS THAT WE COULD AND SHOULD MAKE, IT WILL BE THE PEOPLE OF HONG KONG AND CHINA, ESPECIALLY OUR NEIGHBOURS IN GUANGDONG, WHO SUFFER. I DO NOT WISH TO SEE THAT. THERE IS NO EXCUSE WHATSOEVER FOR PLAYING POLITICS WITH HONG KONG'S ECONOMIC PROSPECTS," HE SAID.

ON THE AIRPORT CORE PROGRAMME PROJECTS, THE GOVERNOR SAID THE GOVERNMENT HAD PRESSED AHEAD RESOLUTELY WITH THESE PROJECTS IN ACCORDANCE WITH THE MEMORANDUM OF UNDERSTANDING WHILE CONTINUING TO SEEK AN OVERALL AGREEMENT WITH CHINA.

"AND WE ARE DOING VERY WELL. WORK ON THE AIRPORT CORE PROGRAMME (ACP) IS MOVING FORWARD IN RECORD TIME, WITH ALL THE CONTRACTS LET SO FAR WITHIN BUDGET AND PROGRESSING WELL. IN OTHER WORDS WE ARE PROCEEDING IN TYPICAL HONG KONG FASHION," HE SAID.

ON THE PRESENT SITUATION OF THE NEW AIRPORT PROJECT, HE SAID THE SITE PREPARATION CONTRACT FOR THE NEW AIRPORT - ONE OF THE BIGGEST CIVIL ENGINEERING PROJECTS IN THE WORLD - WAS WELL UNDER WAY. HONG KONG IS NOW HOME TO THE WORLD'S LARGEST DREDGING FLEET.

SINCE NOVEMBER LAST YEAR, ABOUT 250 HECTARES OF THE AIRPORT ISLAND HAVE BEEN FORMED - NEARLY THE SIZE OF KAI TAK AIRPORT (289 HECTARES).

ON GOVERNMENT WORKS, HE SAID 28 MAJOR GOVERNMENT CONTRACTS WITHIN THE ACP, WORTH ALMOST \$30 BILLION, HAD ALREADY BEEN UNDER WAY, 81 PER CENT OF THE GOVERNMENT WORKS HAD NOW BEEN FUNDED, AND OF THIS FUNDING 70 PER CENT HAD NOW BEEN CONTRACTUALLY COMMITTED.

AMONGST THESE PROJECTS IS THE CONTRACT FOR THE CONSTRUCTION OF THE TSING MA BRIDGE - THE WORLD'S LONGEST SUSPENSION BRIDGE CARRYING A RAILWAY AS WELL AS A ROAD.

ONE OF THE MAIN TOWERS FOR THIS BRIDGE IS CLOSE TO ITS FINAL 200 METRE HEIGHT - AS TALL AS A CENTRAL SKYSCRAPER.

ALL THE KEY CONTRACTS FOR THE NORTH LANTAU EXPRESSWAY, THE SECTIONS OF ROUTE 3 LINKING NORTH KOWLOON WITH THE LANTAU FIXED CROSSING, AND THE WEST KOWLOON EXPRESSWAY HAVE ALSO BEEN LET.

ON THE WESTERN HARBOUR CROSSING, HE SAID THE FRANCHISE FOR THE WESTERN HARBOUR CROSSING HAD BEEN GRANTED AND WORK ON CONSTRUCTING THE TUNNEL WAS UNDER WAY.

AS FOR THE AIRPORT RAILWAY, HE SAID DETAILED DESIGN, ROUTE PROTECTION AND OTHER ADVANCE WORKS WERE UNDER WAY, ALTHOUGH CONSTRUCTION OF THE AIRPORT RAILWAY WOULD NOT START UNTIL WE HAVE AN AGREEMENT ON ITS FINANCING.

"WE HAVE TAKEN THE PRAGMATIC OPTION OF DOING WHAT WE CAN TO BUILD THE AIRPORT, AS I SAID LAST YEAR, 'NOT FOR BRITAIN, BUT FOR HONG KONG AND SOUTHERN CHINA'.

/"BUT THIS

"BUT THIS PRAGMATISM WILL NOT BUILD THE WHOLE AIRPORT CORE PROGRAMME. THE DATE IS NOT FAR OFF WHEN THE START OF SOME KEY AIRPORT CONTRACTS WILL BE HELD UP IF WE CANNOT SECURE THE CHINESE GOVERNMENT'S AGREEMENT ON FINANCING," MR PATTEN SAID.

ON THE PORT PROJECT, THE GOVERNOR SAID THE CHINESE GOVERNMENT'S FAILURE TO AGREE TO PROPOSALS FOR THE CONSTRUCTION OF CONTAINER TERMINAL 9 (CT9) HAD BEEN CAUSING WORRYING DELAY TO ESSENTIAL PORT EXPANSION.

HE POINTED OUT THAT:

- * THE PORT AND ITS RELATED BUSINESS GENERATE 15 PER CENT OF GDP AND JOBS FOR 350,000 PEOPLE.
- * LAST YEAR, OUR PORT HANDLED 87 PER CENT OF OUR EXTERNAL TRADE - 100 MILLION TONNES OF CARGO, INCLUDING EIGHT MILLION CONTAINERS.
- * IF CT9 IS DELAYED BY EVEN TWO YEARS, THE ECONOMIC LOSS TO HONG KONG WILL BE \$20 BILLION IN THE DECADE AFTER 1997.

"THE PRESENT DELAY WILL HAMPER OUR ABILITY TO SERVICE THE EXPORT-LED GROWTH OF SOUTHERN CHINA AS FULLY AS WE WOULD WISH TO - AND AS CHINA HAS INDICATED IT WISHES US TO DO.

"SHIPS WILL BE TURNED AWAY, AND THEY MAY NOT RETURN TO USE OUR PORT. THE DELAY WILL ALSO LEAD TO LONGER TRAFFIC QUEUES AT OUR EXISTING PORT FACILITIES, AGGRAVATING CONGESTION THROUGHOUT THE REST OF THE TRANSPORT NETWORK AND DIRECTLY REDUCING THE QUALITY OF LIFE FOR THE PUBLIC AT LARGE.

"ONCE AGAIN, LET ME REASSURE THIS COUNCIL THAT WE WILL DO OUR LEVEL BEST TO MOVE THE DEVELOPMENT OF OUR NEW CONTAINER TERMINALS FORWARD," THE GOVERNOR SAID.

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TASK FORCE TO CLEAN UP NEW TERRITORIES
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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, PROPOSED TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL TO SET UP A TASK FORCE BRINGING TOGETHER A NUMBER OF GOVERNMENT DEPARTMENTS, WITH A COMMITMENT TO CLEAN UP THE NEW TERRITORIES OVER THE NEXT DECADE.

MR PATTEN SAID IN HIS POLICY ADDRESS SEVERAL BILLION DOLLARS WOULD BE REQUIRED, AND PROPOSALS ON HOW TO START THIS WORK DURING THE COMING YEAR WOULD BE PUT FORWARD TO LEGCO SHORTLY.

"IT WILL INVOLVE TOUGHER ENFORCEMENT ACTION AGAINST UNAUTHORISED LAND USE, MAKING AVAILABLE NEW SITES FOR STORAGE AND UNDERTAKING MAJOR IMPROVEMENT WORKS.

/"IN A

"IN A PLACE AS SMALL AND AS CROWDED AS HONG KONG, WE HAVE A DUTY TO MAKE THE BEST OF WHAT COUNTRYSIDE WE HAVE LEFT," THE GOVERNOR SAID.

MR PATTEN NOTED THAT EXISTING LEGISLATION HAD FAILED TO STOP THE HAPHAZARD CONVERSION OF FARM LAND INTO STORAGE AND DUMPING SITES.

"THIS HAS SERIOUSLY AFFECTED THE QUALITY OF LIFE FOR MANY IN THE NEW TERRITORIES THROUGH FLOODING, HEALTH HAZARDS AND ROAD CONGESTION," HE SAID.

MR PATTEN SAID THE GOVERNMENT WOULD SHORTLY PUBLISH THE SECOND REVIEW OF THE 1989 WHITE PAPER ON POLLUTION IN HONG KONG.

"IT IS A GOOD DOCUMENT. WE HAVE DONE A GOOD DEAL.

"BUT FOR ALL OUR ACHIEVEMENTS, THERE IS ONE THING WE HAVE NOT MANAGED TO DO AND THAT IS TO MOBILISE THE ENTHUSIASTIC SUPPORT OF OUR COMMUNITY BEHIND OUR EFFORTS TO CLEAN UP OUR ENVIRONMENT," HE SAID.

THE GOVERNOR PROPOSED TO ESTABLISH AN ENVIRONMENT AND CONSERVATION FUND FOR HONG KONG, WHICH WOULD BE SET UP WITH AN INITIAL CAPITAL INJECTION OF \$50 MILLION.

THE FUND WILL HELP TO PAY FOR ENVIRONMENTAL EDUCATION AND RESEARCH.

"IT WILL ALSO ALLOW US TO GIVE WELCOME MATERIAL ASSISTANCE TO 'GREEN GROUPS' UNDERTAKING WORTHWHILE ENVIRONMENTAL PROJECTS. SAVING THE ENVIRONMENT NEEDS EVERYONE'S COMMITMENT," HE SAID.

MR PATTEN POINTED OUT THAT MORE BUSINESS LEADERS NEEDED TO BE RECRUITED TO JOIN THE CAMPAIGN TO PROTECT THE ENVIRONMENT.

HE NOTED THAT MANY OF THEM HAD ALREADY INVOLVED AND THE WORK OF THE PRIVATE SECTOR COMMITTEE ON THE ENVIRONMENT WAS CLEAR EVIDENCE OF THIS.

HE SAID BUSINESSES WOULD BE INVITED TO :

- * CONDUCT ENVIRONMENTAL AND ENERGY EFFICIENCY AUDITS OF THEIR COMPANIES;
- * APPOINT A "GREEN MANAGER" WITHIN EACH OF THEIR ORGANISATIONS TO PROMOTE ENVIRONMENTAL AWARENESS; AND
- * WORK CLOSELY WITH THOSE BODIES - SUCH AS THE CENTRE OF ENVIRONMENTAL TECHNOLOGY, THE ENVIRONMENTAL CAMPAIGN COMMITTEE AND THE TERTIARY INSTITUTIONS - WHICH CAN HELP THEM TO BECOME MORE ENVIRONMENTALLY AWARE.

ALL GOVERNMENT DEPARTMENTS WILL APPOINT THEIR OWN "GREEN MANAGERS", HE SAID.

TOUGHER MEASURES TO ENSURE INDUSTRIAL SAFETY

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THE GOVERNMENT WILL SOON PROPOSE A NUMBER OF MEASURES TO PROMOTE SAFETY AT WORK IN INDUSTRIAL ESTABLISHMENTS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL THIS AFTERNOON (WEDNESDAY).

IN HIS POLICY ADDRESS, MR PATTEN SAID HONG KONG'S RECORD OF INDUSTRIAL SAFETY HAD BEEN UNACCEPTABLE.

HE NOTED THAT A WORKER'S CHANCES OF BEING INJURED AT WORK IN HONG KONG WERE SEVERAL TIMES HIGHER THAN THAT OF HIS OR HER COUNTERPARTS IN MOST OTHER DEVELOPED ECONOMIES.

IN THE CONSTRUCTION INDUSTRY, EACH WORKER HAS A 30 PER CENT CHANCE OF BEING INJURED EVERY YEAR.

OF THE 65 PEOPLE KILLED IN INDUSTRIAL ACCIDENTS IN HONG KONG LAST YEAR, 48 WERE IN THE CONSTRUCTION INDUSTRY.

"THE HORRIFIC LIFT ACCIDENT IN JUNE AT A NORTH POINT CONSTRUCTION SITE BROUGHT HOME TO ME THE URGENT NEED TO REPLACE THE CULTURE OF CARELESSNESS WHICH LEADS TO ACCIDENTS WITH A CULTURE OF SAFETY.

"WE MUST TRY MUCH HARDER TO PREVENT ACCIDENTS LIKE THAT FROM HAPPENING AGAIN," THE GOVERNOR SAID.

MR PATTEN STRESSED THAT THE PRIMARY RESPONSIBILITY FOR PREVENTING ACCIDENTS LIED WITH EMPLOYERS, CONTRACTORS AND WORKERS.

"WE INTEND TO GET VERY TOUGH WITH THOSE, BOTH EMPLOYERS AND EMPLOYEES, WHO CONTINUE TO BELIEVE THAT THE LAWS TO PROMOTE SAFETY AT WORK DO NOT APPLY TO THEM," HE SAID.

MR PATTEN SAID THE GOVERNMENT WOULD PRESENT TO LEGCO PROPOSALS DESIGNED:

- * TO MAKE THE EMPLOYMENT OF SAFETY OFFICERS COMPULSORY ON CONSTRUCTION SITES EMPLOYING 100 OR MORE PEOPLE;
- * TO INCREASE SUBSTANTIALLY PENALTIES FOR BREACHING SAFETY-AT-WORK REGULATIONS;
- * TO PROHIBIT UNTRAINED YOUNG PEOPLE FROM WORKING ON CONSTRUCTION SITES;
- * TO INTRODUCE NEW REGULATIONS ON SUSPENDED WORKING PLATFORMS; AND
- * TO INTRODUCE STRICTER CONTROLS ON THE MAINTENANCE OF PASSENGER HOISTS ON CONSTRUCTION SITES.

HE SAID THE GOVERNMENT WOULD BRING FORWARD PROPOSALS TO STRENGTHEN SAFETY ON CONSTRUCTION SITES IN PARTICULAR.

CONTRACTORS WHO FAIL TO MEET SAFETY STANDARDS WILL NOT BE AWARDED GOVERNMENT WORK, HE SAID.

AND THROUGH THE CONSTRUCTION ADVISORY BOARD, THE GOVERNMENT AND THE PRIVATE SECTOR ARE WORKING TOGETHER TO TRANSFORM SAFETY ATTITUDES THROUGHOUT THE WORKFORCE, HE ADDED.

ON RETRAINING OF THE WORKFORCE, MR PATTEN NOTED THAT THE EMPLOYEES' RETRAINING FUND HAD HELPED TO PROVIDE NEW SKILLS FOR 4,000 TRAINEES.

HE POINTED OUT THAT THERE WERE SCOPE FOR EXPANDING THE COVERAGE OF THE FUND TO HELP THE VICTIMS OF INDUSTRIAL ACCIDENTS TO RETURN TO EMPLOYMENT, OFTEN IN DIFFERENT TRADES OR INDUSTRIES; AND THROUGH RETRAINING, ELDERLY AND DISABLED WORKERS TO BECOME PRODUCTIVE MEMBERS OF THE LABOUR FORCE.

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MEASURES TO IMPROVE QUALITY IN EDUCATION OUTLINED

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) OUTLINED A NUMBER OF MEASURES TO IMPROVE THE QUALITY IN EDUCATION.

IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID BY NEXT YEAR HONG KONG WOULD HAVE PROVIDED FIRST DEGREE PLACES FOR FOUR OUT OF FIVE OF OUR SIXTH-FORMERS WHO QUALIFY FOR ENTRY INTO TERTIARY INSTITUTIONS.

"NOW WE NEED TO GO ONE BETTER. AS I SAID LAST YEAR, IT IS NOT JUST QUANTITY BUT QUALITY THAT COUNTS.

"WE NEED THE BEST POSSIBLE RESULTS FROM OUR EDUCATION SYSTEM," THE GOVERNOR SAID.

HE SAID THE GOVERNMENT INTENDED TO SPEND AN EXTRA \$354 MILLION, TO :

- * TO UPGRADE ABOUT 860 PRIMARY SCHOOL TEACHING POSTS TO GRADUATE LEVEL; AND
- * TO EXPAND THE NUMBER OF GRADUATE TEACHERS IN OUR SECONDARY SCHOOLS BY AN ADDITIONAL 800 BY 1994.

"BUT IT IS NO GOOD HAVING FIRST-CLASS TEACHERS TEACHING IN SECOND-RATE SCHOOL BUILDINGS.

"WE CANNOT EXPECT OUR CHILDREN TO PERFORM AT THEIR BEST IN NOISY AND UNCOMFORTABLE CLASSROOMS."

OVER THE LAST YEAR, THE GOVERNMENT HAD INSTALLED AIR-CONDITIONERS IN 24 SCHOOLS UNDER THE NOISE ABATEMENT PROGRAMME - AND ANOTHER 2,300 CLASSROOMS WILL BE AIR-CONDITIONED THIS YEAR.

/"I HOPE

"I HOPE THAT WILL TAKE SOME OF THE HEAT OUT OF THE ISSUE, AND OUT OF THE CLASSROOM," HE SAID.

"BUT IT IS BECOMING OBVIOUS THAT WE NEED TO TACKLE THE LARGER PROBLEM OF OLDER SCHOOLS BUILT TO SPECIFICATIONS OF YESTERDAY RATHER THAN TODAY."

MR PATTEN SAID THE LEGCO WOULD BE ASKED TO APPROVE THE ESTABLISHMENT OF A SCHOOL IMPROVEMENT PROGRAMME, THE INITIAL STAGE OF WHICH WILL COST OVER \$600 MILLION.

"ITS FIRST TARGET WILL BE TO MODERNISE 60 PRIMARY AND 50 SECONDARY SCHOOLS OVER THE NEXT TWO YEARS," HE ADDED.

"THIS IS AN IMPORTANT INVESTMENT IN PROVIDING OUR STUDENTS WITH THE PHYSICAL FACILITIES THEY NEED IN ORDER TO EXCEL."

THE GOVERNOR SAID THERE WERE THREE OTHER AREAS IN WHICH A SPECIAL EFFORT HAD TO BE MADE :

- * FIRST, MUCH BETTER STANDARDS OF CHINESE (INCLUDING PUTONGHUA) BOTH IN RESPONSE TO OUR GROWING INTERDEPENDENCE WITH THE CHINESE ECONOMY AND IN PREPARATION FOR 1997;
- * SECOND, HIGH STANDARDS OF ENGLISH TO MEET THE DEMANDS OF THE GLOBAL BUSINESS COMMUNITY AND TO MAINTAIN HONG KONG'S POSITION AS THE PREMIER ASIAN BUSINESS LOCATION; AND
- * THIRD, COMPUTER LITERACY SO THAT OUR YOUNG WORKERS HAVE THE PRIMARY EMPLOYMENT QUALIFICATION OF THE NEXT CENTURY.

MR PATTEN PROPOSED THAT A LANGUAGE FUND SHOULD BE CREATED, WITH AN IMMEDIATE INITIAL ALLOCATION OF \$300 MILLION, TO LAUNCH PROGRAMMES TO IMPROVE PROFICIENCY IN BOTH CHINESE AND ENGLISH.

THE FIRST STEP MUST BE TO UPGRADE THE SKILLS OF OUR LANGUAGE TEACHERS. THERE WILL BE NEW, INTENSIVE COURSES TO HELP THEM.

"WE WILL DEVELOP ADDITIONAL TEACHING MATERIALS TO SUPPORT THE TEACHER IN THE CLASSROOM," HE SAID.

"WE ALSO NEED TO IMPROVE THE LANGUAGE LEARNING OPPORTUNITIES FOR STUDENTS, NOT ONLY IN THE CLASSROOM BUT ALSO THROUGH EXTRA-CURRICULAR ACTIVITIES.

"WE WILL BE LOOKING FOR THE MOST UP-TO-DATE APPROACHES FOR ACHIEVING THIS GOAL."

MR PATTEN SAID COMPUTING SKILLS WOULD BE VITAL TO THE CONTINUED DEVELOPMENT OF HONG KONG AS AN INTERNATIONAL SERVICES CENTRE IN THE NEXT CENTURY.

CURRENTLY, THERE WERE FEWER THAN 5,000 COMPUTERS IN SCHOOLS, AND ONLY ABOUT ONE IN THREE OF THE SECONDARY STUDENTS PURSUES SOME SORT OF COMPUTER TRAINING.

BOTH FIGURES WERE FAR TOO LOW, HE SAID.

"WE CANNOT BEGIN TO RAISE STANDARDS OF COMPUTER LITERACY UNTIL THE COMPUTER IS AS COMMON IN THE CLASSROOM AS A BLACKBOARD," HE ADDED.

HE SAID THE NUMBER OF COMPUTERS IN SCHOOLS WOULD DOUBLE NEXT YEAR TO OVER 9,000, AT A COST OF \$114 MILLION.

FOSTERING EXCELLENCE DOES NOT MEAN DISCARDING THE LESS GIFTED.

THE GOVERNOR NOTED THAT OVER THE NEXT THREE YEARS, EACH SCHOOL WITH A HIGH PROPORTION OF BAND 5 STUDENTS WOULD RECEIVE AN ADDITIONAL GRADUATE TEACHER TO ASSIST IN TEACHING THIS GROUP OF STUDENTS.

HE SAID THE GOVERNMENT WOULD ALSO SET UP A TEAM TO DEVELOP A SPECIAL CURRICULUM FOR THIS CATEGORY OF STUDENTS AND TO PRODUCE APPROPRIATE TEACHING AIDS.

- "IT IS ONLY FAIR THAT THESE STUDENTS SHOULD FIND A FULL OPPORTUNITY FOR DEVELOPING THEIR TALENTS THROUGHOUT THEIR SCHOOL CAREERS EVEN IF THEY LACK AN APTITUDE FOR EXAMINATIONS."

ON PRE-SCHOOLING PROBLEMS, THE GOVERNOR SAID MORE THAN 85 PER CENT OF CHILDREN UNDER SIX NOW WENT TO KINDERGARTENS BEFORE JOINING PRIMARY SCHOOLS.

A GOOD KINDERGARTEN COULD LAY FIRM FOUNDATIONS FOR A CHILD'S FUTURE EDUCATION, HE SAID.

MR PATTEN SAID THE GOVERNMENT PROPOSED TO BRING FORWARD TO NEXT YEAR, FROM THE ORIGINAL 1997 TARGET DATE, THE SCHEDULED IMPROVEMENTS TO THE KINDERGARTEN FEE REMISSION SCHEME.

THE GOVERNMENT ALSO PROPOSES TO SPEND AN ADDITIONAL \$42 MILLION OVER THE NEXT FOUR YEARS, SO THAT THOSE PARENTS WHO SEND THEIR CHILDREN TO KINDERGARTENS, BUT WHO FACE DIFFICULTIES IN AFFORDING THE FEES, WILL BE ABLE TO OBTAIN FURTHER FINANCIAL ASSISTANCE.

OVER THE NEXT FOUR YEARS, ABOUT 20,000 FAMILIES WILL BENEFIT FROM THIS MEASURE.

"THAT IS A WORTHWHILE INVESTMENT IN OUR CHILDREN, AND AN EXCELLENT INVESTMENT IN HONG KONG'S FUTURE," HE SAID.

BETTER PUBLIC HOUSING TARGET OVER NEXT THREE YEARS

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) THAT THE GOVERNMENT MAY WELL BE ABLE TO DO BETTER THAN THE ORIGINAL TARGET OF PRODUCING PUBLIC HOUSING UNITS OVER THE NEXT THREE YEARS.

AND, HENCE, IT WILL OFFER FLATS TO ALL CURRENT TEMPORARY HOUSING AREA (THA) RESIDENTS BY 1997. BY 1996, THE GOVERNMENT SHOULD ALSO BE ABLE TO CLEAR THE THAS BUILT BEFORE 1984.

MR PATTEN, IN HIS SECOND ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, SAID THE HOUSING AUTHORITY HAD NOT ONLY MET, IT HAD ACTUALLY BEATEN, THE TARGETS HE SET OUT IN LAST YEAR'S ADDRESS BY PRODUCING AN AVERAGE OF 140 UNITS PER DAY AGAINST THE OBJECTIVE OF 100, AND BY REHOUSING 12,000 THA RESIDENTS THIS YEAR.

TO IMPROVE THE QUALITY OF MANAGEMENT, HE SAID HE HAD ASKED THE NEW CHAIRMAN OF THE HOUSING AUTHORITY TO CONSIDER THE FOLLOWING PROPOSALS:

- * IMPROVED COMMITMENTS TO PROMPT REPAIRS AND HIGHER STANDARDS OF MAINTENANCE;
- * IMPROVED SECURITY MEASURES ON THE ESTATES; AND
- * A LONG-TERM COMMITMENT TO HIGHER QUALITY HOUSING MANAGEMENT.

ON HOME OWNERSHIP, MR PATTEN SAID, THE FIRST PHASE OF THE INTERIM LOW-INTEREST HOUSING LOAN SCHEME FOR THE SANDWICH CLASS HAD BEEN LAUNCHED AND WENT WELL. IT WAS OVERSUBSCRIBED THREE-AND-A-HALF TIMES, A VERY GOOD START.

PLANNING IS IN HAND FOR THE PRODUCTION OF FLATS UNDER THE LONGER TERM SCHEME, TO BE READY FOR SALE IN 1995.

BUT HE SAID THE PRICE SPIRAL FOR PRIVATE RESIDENTIAL FLATS WAS STILL MAKING IT TOO EXPENSIVE FOR MANY FIRST-TIME BUYERS TO ENTER THE MARKET.

"WE WILL CONTINUE TO DISCOURAGE SPECULATION."

MR PATTEN SAID AN IMMEDIATE PRACTICAL MEASURE IS TO SPEED UP PROCESSING OF PRIVATE SECTOR HOUSING PROJECTS.

"WE INTEND TO GIVE ADDITIONAL STAFF TO THE LANDS DEPARTMENT IN THE COMING YEAR TO IMPROVE PROCESSING TIME FOR LEASE MODIFICATIONS AND LAND EXCHANGES."

THAT WAY, AN EXTRA 2,000 FLATS - ON TOP OF THE CURRENT 15,000 OR SO - SHOULD REACH THE MARKET EACH YEAR.

CUTTING THE QUEUES FOR MEDICAL TREATMENT

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THE GOVERNMENT MUST MAKE A FURTHER ASSAULT ON ALL DELAYS AND QUEUING TIMES FOR MEDICAL TREATMENT, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

DELIVERING HIS SECOND ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID AMONG OTHER IMPROVEMENTS, THE HOSPITAL AUTHORITY WOULD NEXT YEAR REDUCE AVERAGE WAITING TIMES FOR NON-URGENT EAR, NOSE AND THROAT SURGERY FROM FOUR MONTHS TO BELOW THREE MONTHS.

IT WILL REDUCE AVERAGE WAITING TIMES FOR A FIRST APPOINTMENT IN 80 PER CENT OF SPECIALIST OUT-PATIENT CLINICS FROM FOUR MONTHS TO LESS THAN THREE MONTHS; AND REDUCE AVERAGE QUEUING TIMES FOR A CONSULTATION AT TEN SPECIALIST CLINICS FROM 120 MINUTES TO UNDER 90 MINUTES, HE SAID.

THE GOVERNOR SAID FOR THE COMMUNITY AS A WHOLE, THE IMMEDIATE MEASURE OF THE QUALITY OF HOSPITAL SERVICE WAS WAITING TIMES, PARTICULARLY FOR SURGERY.

HE SAID PATIENTS WHO REQUIRED URGENT SURGERY OF COURSE GOT THE TREATMENT THEY NEEDED RIGHT AWAY.

"THEY ARE NOT PUT ON A WAITING LIST. WAITING LISTS APPLY SOLELY TO ELECTIVE SURGERY."

MR PATTEN SAID ALL PUBLIC HOSPITALS WOULD BE ASKING PATIENTS WHAT THEY THINK OF THE SERVICES PROVIDED.

SOME ARE ALREADY DOING SO.

"I DO URGE PATIENTS TO LET HOSPITALS HAVE THEIR VIEWS. ONLY BY KNOWING WHAT YOU THINK CAN WE SERVE YOU BETTER."

THE GOVERNMENT MUST NOW UPGRADE OUR SPECIALIST CLINICS AND HOSPITALS.

MR PATTEN SAID THE GOVERNMENT INTENDED TO SPEND :

* \$287 MILLION OVER THE NEXT FOUR YEARS TO REFURBISH AND EXPAND THE SPECIALIST CLINICS AT THE QUEEN ELIZABETH AND PRINCE OF WALES HOSPITALS. IN THE PROCESS, AVERAGE WAITING TIMES SHALL BE CUT FOR FIRST CONSULTATION BY AROUND 25 PER CENT.

* \$565 MILLION OVER THE SAME PERIOD TO ESTABLISH A HOSPITAL IMPROVEMENT PROGRAMME. THIS MONEY WILL HELP RENOVATE BUILDINGS, MODERNISE OPERATING THEATRES, EXTEND AIR-CONDITIONING AND IMPROVE SUPPORT FACILITIES, INITIALLY AT 13 HOSPITALS.

SUPPORT FOR NURSES

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) THE GOVERNMENT WAS DETERMINED TO ENHANCE THE PROFESSIONAL STATUS AND EXPERTISE OF NURSES SO AS TO IMPROVE THE QUALITY OF PATIENT CARE IN HOSPITALS.

IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THE GOVERNMENT WOULD :

- * SPONSOR SELECTED INDIVIDUALS TO ATTEND DEGREE CONVERSION COURSES;
- * OFFER NURSES ADDITIONAL TRAINING WITHIN THE HOSPITAL AUTHORITY AND THE DEPARTMENT OF HEALTH;
- * PROVIDE MORE DEGREE PLACES TO ALLOW YOUNG PEOPLE TO TAKE UP NURSING QUALIFICATIONS AT THE TERTIARY LEVEL; AND
- * CREATE ADDITIONAL SPECIALISED POSTS WITHIN BOTH THE HOSPITAL AUTHORITY AND THE DEPARTMENT OF HEALTH.

OVER THE PAST TWO YEARS, THE HOSPITAL AUTHORITY HAS BEEN ABLE TO PUT 1,100 EXTRA NURSES ON TO THE WARDS, AN INCREASE OF SEVEN PER CENT OVER 1991.

THE GOVERNMENT FORECAST THAT RECRUITMENT WOULD INCREASE FROM 1,845 IN 1992 TO 2,020 THIS YEAR.

"BUT MORE HOSPITAL BEDS MEAN THAT, IN ADDITION TO REPLACEMENTS FOR THOSE WHO LEAVE THE SERVICE, WE WILL NEED ANOTHER 500 NURSES EVERY YEAR FOR THE NEXT FOUR YEARS IF WE ARE TO KEEP UP WITH EVEN THE CURRENT RATIO OF NURSES TO PATIENTS."

HE SAID THE HOSPITAL AUTHORITY WAS CONFIDENT THAT IT WOULD BE ABLE TO ACHIEVE THIS TARGET.

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GOVT TO LAUNCH NEW HOSPICE PROGRAMME

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THE HOSPITAL AUTHORITY WILL NEXT YEAR PROVIDE HOSPICE CARE FOR 500 ADDITIONAL PATIENTS, HELPING TO RELIEVE PAIN AND TO CONTROL SYMPTOMS, AS WELL AS OFFERING PSYCHOLOGICAL, SPIRITUAL AND BEREAVEMENT SUPPORT.

THIS WAS STATED BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) WHEN DELIVERING HIS ANNUAL ADDRESS IN THE LEGISLATIVE COUNCIL.

/HE SAID

HE SAID HONG KONG WAS FORTUNATE THAT IT ALREADY HAD THE NUCLEUS OF A HOSPICE SERVICE, FOR WHICH THE COMMUNITY WAS INDEBTED TO THE DEDICATION OF VOLUNTEER DOCTORS, NURSES, OTHER PROFESSIONALS AND GENEROUS BENEFACTORS.

"WE WILL CONTINUE TO RELY ON THESE INSPIRING PEOPLE. BUT THEY ALSO NEED OUR HELP. THE TIME HAS NOW COME FOR THE GOVERNMENT TO SUPPORT THE RAPID EXPANSION OF THIS SERVICE."

ON THE CARE FOR THE CHRONICALLY ILL, THE GOVERNOR SAID SERVICES IN THIS AREA ARE RELATIVELY NEW IN HONG KONG AND HAVE BEEN LARGELY PIONEERED BY DEDICATED VOLUNTEERS FROM THE MEDICAL, NURSING AND SOCIAL WORK PROFESSIONS AND BY PATIENT-SUPPORT GROUPS.

"THEY DO A VERY GOOD JOB, AND THEY DESERVE OUR CONTINUING SUPPORT."

MR PATTEN PROPOSED TO ALLOCATE AN ADDITIONAL \$32 MILLION NEXT YEAR TO :

- * EXPAND RENAL DIALYSIS PROGRAMMES IN ORDER TO PROVIDE ADDITIONAL LIFE-SAVING SERVICES AND SUPPORT FOR AN EXTRA 135 KIDNEY PATIENTS; AND
- * PROVIDE REHABILITATION SERVICES FOR 3,900 CHRONICALLY ILL PATIENTS, SIGNIFICANTLY IMPROVING THEIR QUALITY OF LIFE.

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MORE CHILDREN'S ALLOWANCES

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) ANNOUNCED A NEW SET OF SOCIAL SECURITY BENEFIT TO CHILDREN IN NEED.

IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN PROPOSED THAT, FROM APRIL NEXT YEAR, THE MONTHLY ALLOWANCE PAID TO THESE CHILDREN SHOULD BE RAISED BY \$100.

THIS MEANS THAT A DISABLED CHILD WILL THEN RECEIVE \$1,995 A MONTH, AN ABLE-BODIED CHILD \$1,095.

IN ADDITION, A VERY BROAD RANGE OF GRANTS - FROM SCHOOL FEES TO MEAL COSTS, TRAVEL AND OTHER EXPENSES CAN BE TAILORED TO MEET THE NEEDS OF THE INDIVIDUAL CHILD.

HE ALSO SAID THE GOVERNMENT NOW SUPPLEMENTED EXISTING FAMILY SERVICES WITH A PACKAGE OF MEASURES COSTING \$29 MILLION A YEAR.

/THESE MEASURES

THESE MEASURES INCLUDE:

- * RECRUITING MORE STAFF TO ENABLE FAMILY SOCIAL WORKERS TO SPEND MORE TIME WITH EACH CLIENT;
- * SUPPORTING PARENTS' AND RELATIVES' "RESOURCE CENTRES";
- * DEVELOPING PROGRAMMES FOR AUTISTIC CHILDREN IN SPECIAL CHILD CARE CENTRES; AND
- * RELIEVING THE STRAIN ON PARENTS BY PROVIDING CENTRES WHERE DISABLED CHILDREN CAN BE LOOKED AFTER FOR SHORT PERIODS DURING THE DAY.

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THE MENTALLY HANDICAPPED AT RISK

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THE GOVERNMENT MUST RESPOND TO THE PROBLEMS OF DISABLED MEMBERS WITH SUPPORT AND COMPASSION, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

MR PATTEN, IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, SAID MEETING THE NEEDS OF THE MENTALLY HANDICAPPED - AND THE MENTALLY ILL - COULD BE FRUSTRATED IF SOME SECTIONS OF THE COMMUNITY RESIST THE ESTABLISHMENT OF FACILITIES IN THEIR NEIGHBOURHOODS.

"THE GOVERNMENT HAS A RESPONSIBILITY TO ENCOURAGE A CARING APPROACH THROUGH CONSULTATION EXERCISES AND EDUCATIONAL PROGRAMMES."

OVER THE NEXT THREE YEARS, THE GOVERNMENT PROPOSES TO SPEND \$20 MILLION ON PUBLIC EDUCATION ACTIVITIES IN THIS FIELD.

"BUT WE HAVE AN EVEN GREATER RESPONSIBILITY TO LOOK AFTER OUR NEIGHBOURS' CHILDREN WHO SUFFER FROM THESE DISABILITIES AND TO PROTECT THEM FROM PREJUDICE AND ABUSE."

THIS YEAR, THE GOVERNMENT IS SPENDING \$405 MILLION ON PROVIDING SERVICES FOR THEM.

NEXT YEAR, THE GOVERNMENT PROPOSES TO INCREASE RECURRENT SPENDING ON THE MENTALLY HANDICAPPED BY 23 PER CENT IN REAL TERMS.

MR PATTEN SAID THE TIME THAT MENTALLY HANDICAPPED PEOPLE HAVE TO WAIT FOR PLACES IN SHELTERED WORKSHOPS AND SPECIAL HOSTELS MUST BE REDUCED.

"WE CANNOT ACCEPT THE LENGTHY QUEUES FOR THESE FACILITIES BECAUSE OF THE ADDITIONAL BURDEN THEY IMPOSE ON THOSE CARING FOR THE MENTALLY HANDICAPPED."

MOREOVER, IF THEY ARE GIVEN PROPER CARE AND TRAINING AT AN EARLY DATE, MENTALLY HANDICAPPED PEOPLE CAN OFTEN LEARN TO LIVE REASONABLY INDEPENDENT AND PRODUCTIVE LIVES.

/THIS YEAR,

THIS YEAR, THE WAITING TIME FOR ADMISSION TO HOSTELS FOR THE SEVERELY DISABLED HAD BEEN CUT BY 20 PER CENT.

"THIS IS A GOOD START."

THE GOVERNOR SAID THE SECRETARY FOR HEALTH AND WELFARE WOULD BE LOOKING FOR FURTHER PRACTICAL MEASURES TO REDUCE WAITING TIMES WHICH CAN BE TAKEN IN THE COMING YEAR.

THESE COULD INCLUDE MOBILISING COMMUNITY SUPPORT FOR EXPANSION OF SERVICES THROUGH NON-GOVERNMENTAL ORGANISATIONS AND THE PROMOTION OF OPEN OR SELF-EMPLOYMENT.

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A SECURE OLD AGE NEEDED

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A SPECIAL WORKING GROUP WHICH WILL REPORT DIRECTLY TO THE GOVERNOR ON THE PROVISION OF MORE INTEGRATED CARE FOR THE ELDERLY WILL BE SET UP.

THIS WAS REVEALED BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN IN HIS SECOND ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL.

HE SAID HE WANTED THE NEW WORKING GROUP TO LOOK AT TWO OTHER AREAS:

- * WHETHER CURRENT LEVELS OF COMMUNITY SUPPORT SERVICES ARE SUFFICIENT; AND
- * WHAT ELSE THE GOVERNMENT COULD DO TO ENABLE THE ELDERLY TO LEAD THEIR OWN LIVES AND TO REMAIN IN THE COMMUNITY, CLOSE TO FAMILY AND FRIENDS.

HE SAID APART FROM THIS WORKING GROUP, WORK HAD TO STARTED AT ONCE ON AN INTERIM BUT FAR-REACHING PROGRAMME TO TACKLE THE MOST SERIOUS SHORTFALLS IN EXISTING SERVICES.

IN MID-1997, NEARLY 11 PER CENT OF THE POPULATION WILL BE AGED 65 AND OVER, MEANING AN EXTRA 87,000 ELDERLY MEN AND WOMEN NEEDED TO BE LOOKED AFTER.

OF THEM, 44,000 MEN AND WOMEN WILL BE AGED 75 AND OVER MANY OF THEM VERY FRAIL OR UNABLE TO LIVE INDEPENDENTLY.

MR PATTEN SAID ADVANCES IN MEDICINE WOULD MAKE IT INCREASINGLY POSSIBLE TO PROLONG THE LIVES OF THE ELDERLY, EVEN AFTER SERIOUS ILLNESSES, BUT ONLY AT VERY CONSIDERABLE COST IN TERMS OF EXPENSIVE MEDICAL TECHNOLOGY AND HOSPITAL CARE.

HE REASSURED THE ELDERLY COMMUNITY THAT :

- * THE PROVISION OF HOSPITAL FACILITIES FOR ACUTE GERIATRIC CASES HAS BEEN MADE AN URGENT PRIORITY; AND

/* BY 1997,

- * BY 1997, AN ADDITIONAL 461 ACUTE BEDS AND DAY PLACES FOR ELDERLY PATIENTS WILL BE PROVIDED TO MEET DEMAND IN FULL.

ALREADY THERE ARE 5,400 PEOPLE WAITING FOR INFIRMARY PLACES.

ON THE INFIRMARY SHORTFALL, THE GOVERNOR SAID BY 1997 THERE WOULD BE 7,800 ELDERLY PEOPLE REQUIRING SOME FORM OF RESIDENTIAL MEDICAL AND NURSING CARE.

"BUT ON PRESENT PLANS, WE WILL HAVE ONLY 1,200 EXTRA BEDS TO COPE WITH THEM. THAT IS A PROBLEM THAT WILL GO FROM BAD TO WORSE UNLESS WE ACT DECISIVELY NOW."

THE ANSWER, HE BELIEVES, IS TO DEVELOP AS RAPIDLY AS POSSIBLE A NETWORK OF NURSING HOMES WITH MEDICAL AND NURSING FACILITIES.

THESE HOMES COULD THEN CARE FOR ELDERLY PATIENTS WHO WOULD OTHERWISE HAVE TO REMAIN IN HOSPITAL OR IN AN INFIRMARY.

MR PATTEN SAID THE SECRETARY FOR HEALTH AND WELFARE WAS DRAWING UP PLANS FOR AN INITIAL SEVEN NURSING HOMES PROVIDING 1,400 BEDS AT A CAPITAL COST OF ABOUT \$800 MILLION AND AN ANNUAL RECURRENT COST OF \$150 MILLION.

"WE PLAN TO HAVE THEM IN OPERATION BY 1997. HOW TO FILL THE REMAINING SHORTFALL WILL BE AN URGENT PRIORITY FOR THE NEW WORKING GROUP."

NEXT YEAR, SPECIALIST MEDICAL TEAMS WILL PROVIDE HEALTH CARE, ASSESSMENT AND REHABILITATION SERVICES FOR A TOTAL OF 55,700 ELDERLY PEOPLE LIVING IN THE COMMUNITY.

THE GOVERNMENT HAD ALSO BACKED THE DEVELOPMENT OF HOME HELP TEAMS TO ASSIST OLD PEOPLE TO CONTINUE TO LEAD INDEPENDENT LIVES OR TO REMAIN WITH THEIR FAMILIES.

A TOTAL OF 6,500 ELDERLY PEOPLE WILL BENEFIT FROM THIS SERVICE NEXT YEAR.

THE GOVERNOR SAID HE HAD ASKED THE NEW CHAIRMAN OF THE HOUSING AUTHORITY TO SEE WHAT COULD BE DONE TO PROVIDE MORE ACCOMMODATION SPECIALLY DESIGNED TO MEET THE NEEDS OF THE ELDERLY AND THEIR FAMILIES.

HE HOPED THAT THE AUTHORITY COULD COME FORWARD RAPIDLY WITH SPECIFIC PROPOSALS:

- * TO CLEAR THE BACKLOG OF AROUND 4,000 ELDERLY SINGLE PEOPLE ON THE WAITING LIST BY 1997;
- * TO GIVE PRIORITY TO THE ELDERLY WHO APPLY FOR PUBLIC HOUSING FROM NOW ON; AND
- * TO TACKLE URGENTLY THE MUCH LARGER PROBLEM OF SOME 27,000 ELDERLY MEN AND WOMEN WHO ARE NOT ON THE WAITING LIST AT ALL BUT WHO HAVE ALL BUT RESIGNED THEMSELVES TO SUB-STANDARD ACCOMMODATION.

THERE WILL ALSO BE SOME WHO REQUIRE A DEGREE OF INSTITUTIONAL CARE.

AN ADDITIONAL 800 CARE-AND-ATTENTION PLACES OVER AND ABOVE THE WHITE PAPER TARGETS ARE URGENTLY NEEDED.

HE SAID THE GOVERNMENT AIMED TO PROVIDE THESE OVER THE NEXT TWO YEARS.

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RETIREMENT INCOME PROPOSALS IN THE PIPELINE

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THE GOVERNMENT IS IN THE FINAL STAGES OF IDENTIFYING HOW TO RESPOND TO A POWERFUL SENTIMENT WITHIN THE LEGISLATIVE COUNCIL AND AMONG THE COMMUNITY IN SUPPORT OF MORE COMPREHENSIVE ARRANGEMENTS TO COVER THE ENTIRE WORKFORCE.

THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID HE INTENDED TO ANNOUNCE THE PROPOSALS ON THE WAY FORWARD BEFORE THE END OF THE YEAR.

IN HIS SECOND ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THIS WAS AN INTENSELY DIFFICULT ISSUE, ONE OF THE MOST DIFFICULT TO BE FACED IN THE NEXT FEW YEARS.

"IT GOES TO THE HEART OF OUR ATTITUDES TOWARDS SAVING AND INVESTMENT, AS WELL AS TO PROVISION FOR THE ELDERLY."

CLEARLY, THE LEGCO WILL NEED TO BE SATISFIED WITH THE OUTCOME, AND WILL PLAY A KEY ROLE IN SHAPING IT, HE SAID.

"IT WILL TAKE TIME TO ESTABLISH A CONSENSUS IN THE COMMUNITY FOR THE RIGHT WAY FORWARD, BUT IN MY JUDGEMENT, WE WOULD BE WELL ADVISED TO TAKE OUR TIME AND GET THINGS RIGHT."

AT PRESENT, SOME 850,000 EMPLOYEES, OR 30 PER CENT OF THE WORKFORCE, ARE ALREADY MEMBERS OF RETIREMENT SCHEMES PROVIDED BY THEIR EMPLOYERS.

A FURTHER 137,000 MEN AND WOMEN, OR FIVE PER CENT OF THE WORKFORCE, HOLD PENSIONABLE POSTS IN THE CIVIL SERVICE.

ALTOGETHER, 35 PER CENT OF THE WORKFORCE IS CURRENTLY COVERED BY SOME FORM OF PENSION OR PROVIDENT FUND ARRANGEMENT.

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NO LET-UP IN FIGHT AGAINST CRIME

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, MADE IT CLEAR TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL TO CONTINUE THE FIGHT AGAINST CRIME WITHOUT LET-UP.

SPEAKING ON LAW AND ORDER IN HIS POLICY ADDRESS, THE GOVERNOR SAID: "WE WILL CONTINUE TO FIGHT CRIME BY GIVING OUR POLICE OFFICERS THE LEGAL WEAPONS THEY NEED TO DEAL WITH ORGANISED CRIME AND BY PUTTING AS MANY POLICE AS WE CAN ON THE BEAT THROUGH OUR SUCCESSFUL RECRUITMENT PROGRAMME."

THE GOVERNOR NOTED THAT THE POLICE HAD RECRUITED A THOUSAND MORE POLICE OFFICERS SO FAR THIS YEAR.

ON ORGANISED CRIME, THE GOVERNOR SAID THE POLICE URGENTLY NEEDED THE POWERS CONTAINED IN THE ORGANISED AND SERIOUS CRIMES BILL ALREADY BEFORE THIS COUNCIL FOR 16 MONTHS.

"OF COURSE MEMBERS MUST SCRUTINISE THE BILL'S PROVISIONS FOR THEIR IMPACT ON THE RIGHTS OF THE INDIVIDUAL.

"BUT OUR POLICEMEN AND WOMEN ARE FACING A SERIOUS THREAT NOW. THEY NEED THE POWERS TO CRACK DOWN HARD ON CRIMINAL GANGS AS SOON AS POSSIBLE.

"I URGE THE COUNCIL TO PRESS ON SPEEDILY WITH YOUR WORK ON THIS BILL," HE SAID.

ON THE GENERAL CRIME SITUATION, THE GOVERNOR NOTED THAT HONG KONG HAD DONE PRETTY WELL COMPARED WITH OTHER LARGE CITIES.

HE POINTED OUT THAT KEY CRIME RATES WERE ACTUALLY FALLING: VIOLENT CRIME WAS DOWN BY SIX PER CENT AND VEHICLE THEFT BY A QUARTER.

HE SAID THE REASONS FOR A DOWNWARD CRIME TREND WAS COMPLEX AND CLEARLY A BUOYANT ECONOMY WITH FULL EMPLOYMENT, COUPLED WITH SUBSIDISED HOUSING AND AN EFFECTIVE SOCIAL SERVICES SAFETY NET, ARE PART OF THE EXPLANATION.

"BUT A GREAT DEAL OF THE CREDIT MUST GO TO OUR EXCELLENT POLICE FORCE WHO, DAY IN DAY OUT, FIGHT THE CRIMINAL ON OUR STREETS.

"PROFESSIONAL, DISCIPLINED AND COURAGEOUS, THEY ARE ONE OF THE FINEST POLICE FORCES IN THE WORLD.

"I PAY WARM TRIBUTE TO THEM ALL, AND TO ALL THE OTHER LAW ENFORCEMENT AGENCIES WHO WORK ALONGSIDE THEM," THE GOVERNOR SAID.

CODES OF CONDUCT FOR BUSINESS TO PREVENT CORRUPTION

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THE INDEPENDENT COMMISSION AGAINST CORRUPTION WILL LAUNCH A CAMPAIGN IN COOPERATION WITH THE MAJOR BUSINESS ASSOCIATIONS AND PROFESSIONAL BODIES TO DEFEND HONG KONG'S BUSINESS STANDARDS AGAINST CORRUPTION, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL.

IN HIS POLICY ADDRESS, MR PATTEN SAID THE ICAC WOULD USE ITS EXPERIENCE IN HELPING BUSINESSES TO DEVELOP VOLUNTARY CODES OF PRACTICE TO PREVENT BUSINESS MALPRACTICE.

AND TO BUILD ON THIS EXPERIENCE, THE GOVERNMENT HAD SET THE FOLLOWING TARGETS :

- * THE ICAC WILL INVITE LISTED COMPANIES TO URGE THEIR OFFICERS AND STAFF TO CONDUCT FAIR AND OPEN DEALINGS WITH ALL CUSTOMERS, SUPPLIERS AND CONTRACTORS ACCORDING TO A CORPORATE CODE OF CONDUCT. THE CODE WILL IDENTIFY EFFECTIVE CHANNELS OF COMPLAINT FROM THE PUBLIC. IT IS HOPED THAT OTHER COMPANIES AND BUSINESSES WILL QUICKLY FOLLOW THEIR EXAMPLE.
- * THE ICAC WILL THEN INVITE ALL FIRMS EMPLOYING 100 STAFF OR MORE TO ADOPT SIMILAR CODES OF CONDUCT TO ENHANCE THE INTEGRITY OF THEIR BUSINESS OPERATIONS.
- * CHAMBERS OF COMMERCE AND SIMILAR ORGANISATIONS WILL BE ASKED TO URGE THEIR MEMBERS TO FOLLOW PROCEDURES WHICH MINIMISE THE OPPORTUNITIES FOR MALPRACTICE ACCORDING TO A CODE OF CONDUCT.
- * THE BODIES WHICH REPRESENT LAWYERS, ACCOUNTANTS, ENGINEERS, SURVEYORS AND ALL THE OTHER PROFESSIONS VITAL TO OUR COMMERCIAL WELL-BEING WILL BE ASKED TO ENSURE THAT THEIR EXISTING CODES OF PERFORMANCE ALSO ENCOURAGE THEIR MEMBERS TO BE PRO-ACTIVE IN REPORTING CORRUPTION AND IN CLOSING LOOPHOLES WHICH ALLOW MALPRACTICE TO SURVIVE.
- * LEGISLATION HAS RECENTLY BEEN INTRODUCED TO GIVE AUDITORS OF FINANCIAL INSTITUTIONS PROTECTION IN REPORTING FRAUD AND OTHER IRREGULARITIES. THIS WILL BE EXTENDED TO THE AUDITORS OF ALL LISTED COMPANIES.

OPERATION-WISE, THE GOVERNOR SAID THE ICAC WOULD BE GIVEN THE RESOURCES NEXT YEAR TO SET UP ANOTHER INVESTIGATION GROUP WITH NEARLY 40 OFFICERS.

THE EXTRA RESOURCES WILL ALSO ENABLE THE ICAC TO RESPOND EFFECTIVELY TO COMPLAINTS DURING THE 1994 AND 1995 ELECTIONS.

IN ADDITION, ANOTHER 30 OFFICERS WILL BE REDEPLOYED TO FORM A SPECIAL WORKING GROUP TO ESTABLISH TIGHTER LINKS WITH THE PRIVATE SECTOR.

THE GOVERNOR POINTED OUT THAT THE ICAC WOULD START ITS THIRD DECADE OPERATIONS IN 1994 AND ITS FIRST PRIORITY WOULD CONTINUE TO BE TO ENSURE THAT THE CIVIL SERVICE WOULD CONTINUE TO SET A CONSPICUOUS EXAMPLE TO THE REST OF THE COMMUNITY OF FREEDOM FROM MALPRACTICES OF ANY KIND.

DESPITE PAST SUCCESSES, THE GOVERNOR NOTED, HONG KONG HAD BECOME INCREASINGLY ALARMED ABOUT CORRUPTION OVER THE LAST YEAR.

IN THE FIRST EIGHT MONTHS OF 1993, THE ICAC RECORDED A 44 PER CENT RISE IN COMPLAINTS ABOUT CORRUPTION RECEIVED FROM THE PUBLIC OVER THE SAME PERIOD IN 1992.

THE INCREASE AFFECTED THE PRIVATE AS WELL AS THE PUBLIC SECTOR, HE SAID.

POINTING OUT THAT THE FIGHT AGAINST CORRUPTION WOULD BE A NEW CHALLENGE, THE GOVERNOR SAID: "IF WE ARE TO MAINTAIN HONG KONG'S REPUTATION AS A CITY IN WHICH PEOPLE CAN LIVE, WORK AND CARRY ON THEIR BUSINESS FREE FROM INTIMIDATION AND EXTORTION, WE HAVE TO DEAL RUTHLESSLY WITH CORRUPTION.

"THE VERY LOW LEVEL OF CORRUPTION THAT HONG KONG HAS ACHIEVED OVER THE LAST TWO DECADES HAS BEEN A MAJOR ASSET IN OUR DEVELOPMENT AS AN INTERNATIONAL BUSINESS CENTRE."

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PRESS FOR BETTER NATIONALITY DEAL FOR ETHNIC MINORITY AND EX-SERVICEMEN'S WIVES AND WIDOWS

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, WILL CONTINUE TO PRESS THE BRITISH GOVERNMENT AS STRONGLY AS HE CAN FOR A BETTER DEAL FOR HONG KONG'S ETHNIC MINORITIES AND FOR THE WIVES AND WIDOWS OF EX-SERVICEMEN ON THE NATIONALITY ISSUE.

THE ASSURANCE WAS MADE BY THE GOVERNOR IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) WHEN HE DELIVERED HIS SECOND POLICY ADDRESS.

MR PATTEN NOTED THAT THE RESPONSE SO FAR FROM THE UK HAD NOT GONE AS FAR AS HONG KONG WOULD WANT.

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DECISION TO JOIN CEDAW TO BE MADE NEXT YEAR

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) SAID HE HOPED HE WOULD BE ABLE TO ANNOUNCE EARLY NEXT YEAR A DECISION ON WHETHER OR NOT HONG KONG SHOULD JOIN THE CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN (CEDAW).

DELIVERING HIS SECOND ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID FREEDOM FROM DISCRIMINATION WAS ONE OF THE CORNERSTONES OF HONG KONG'S OPEN SOCIETY.

"BUT I KNOW THAT MANY PEOPLE BELIEVE THAT WE HAVE GIVEN INSUFFICIENT ATTENTION TO WHETHER HALF OF OUR POPULATION, HONG KONG'S WOMEN, ARE FAIRLY TREATED AND ADEQUATELY PROTECTED."

THE GOVERNMENT ISSUED A GREEN PAPER ON WOMEN'S RIGHTS IN AUGUST TO ASCERTAIN THE VIEWS OF THE PUBLIC ON HOW TO PROMOTE EQUAL OPPORTUNITY AND END DISCRIMINATION.

FROM THE COMMENTS RECEIVED, HE SAID IT WAS CLEAR THAT THE BIG ISSUE FOR MANY PEOPLE IS WHETHER HONG KONG SHOULD JOIN CEDAW.

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A FULLER LIFE AHEAD

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THE GOVERNMENT HAS DECIDED TO ESTABLISH A PROVISIONAL ARTS DEVELOPMENT COUNCIL EARLY NEXT YEAR TO PREPARE THE GROUND FOR THE ESTABLISHMENT OF THE FULL COUNCIL.

IT ALSO PROPOSES TO GIVE THE FULL COUNCIL A GENEROUS FINANCIAL START WITH A GRANT OF \$100 MILLION.

ANNOUNCING THIS IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID THE ADDITIONAL FUNDS WOULD PROVIDE SEED MONEY TO ENABLE THE COUNCIL TO MAKE AN IMPRESSIVE START.

THEY WILL ENABLE THE ESTABLISHMENT OF AN INDEPENDENTLY STAFFED AND MANAGED COUNCIL, SUPPORTING NEW ART FORMS AND ACTIVITIES.

"TO DO THE JOB EFFECTIVELY I WILL WISH TO APPOINT CAPABLE, COMMITTED MEMBERS TO THE COUNCIL, PEOPLE WHO REPRESENT A WIDE CROSS-SECTION OF THE ARTS COMMUNITY, AND PERFORMERS AS WELL AS PATRONS.

"I AM PLEASED THAT SIR JOSEPH HOTUNG HAS AGREED TO SERVE AS CHAIRMAN OF THE PROVISIONAL ARTS DEVELOPMENT COUNCIL," HE SAID.

THE GOVERNOR ALSO SAID HONG KONG WAS DESPERATELY KEEN TO SEE ITS TEAMS AND ATHLETES TAKE ON AND BEAT THE WORLD'S BEST.

"I HOPE THE SPORTING COMMUNITY WILL RISE TO THIS CHALLENGE AND BRING HOME TO HONG KONG A CLUTCH OF OLYMPIC MEDALS IN 1996."

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PLEDGES PERFORMED: GOVERNOR

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THE CONCEPT OF PERFORMANCE PLEDGES AND THE SERVICE CULTURE HAS FOUND A READY AUDIENCE THROUGHOUT THE PUBLIC SECTOR AS A WHOLE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

MR PATTEN SAID THE HOSPITAL AUTHORITY, THE MTR AND THE KCR HAD TAKEN THE LEAD IN THIS.

"FIVE OTHER STATUTORY BODIES HAVE PUBLISHED PLEDGES AT OUR INVITATION. OTHERS WILL FOLLOW."

IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THE CIVIL SERVICE RESPONDED ENTHUSIASTICALLY TO THE CALL IN LAST YEAR'S ADDRESS FOR A NEW COMMITMENT TO SERVING THE COMMUNITY.

"WHEREVER I GO, THOSE CIVIL SERVANTS WHO WORK MOST DIRECTLY FOR THE PUBLIC TALK OF THE DIFFERENCE IT HAS MADE TO THEIR CLIENTS AND TO THEIR OWN JOB SATISFACTION."

- * ALREADY SOME 30 OUT OF 50 GOVERNMENT DEPARTMENTS DIRECTLY SERVING THE PUBLIC HAVE PRODUCED PERFORMANCE PLEDGES. BY THE MIDDLE OF NEXT YEAR, ALL WILL HAVE DONE SO.
- * SOME 20 DEPARTMENTS HAVE USER OR CUSTOMER LIAISON GROUPS ALREADY IN PLACE.
- * OVER 4,400 GOVERNMENT FORMS HAVE BEEN REVIEWED; 800 HAVE BEEN ABOLISHED OR COMBINED; AND OVER 1,600 HAVE BEEN MADE MORE USER-FRIENDLY.
- * OVER 30,000 CIVIL SERVANTS HAVE ATTENDED TRAINING COURSES ON THE NEW SERVICE CULTURE.

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PENSION FUND TO BE SET UP

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A PENSION RESERVE FUND FOR THE CIVIL SERVANTS WILL BE ESTABLISHED AND \$7 BILLION WILL BE INJECTED INTO THE FUND OVER TWO YEARS, BEGINNING THIS YEAR.

THIS WAS REVEALED BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID THE CHINESE GOVERNMENT HAD INDICATED SUPPORT FOR THE GENERAL CONCEPT.

"BUT WE WILL HAVE TO EXPLORE ITS VIEWS IN DETAIL. WE ALSO NEED TO CONSULT STAFF REPRESENTATIVES."

THE FUND'S RESOURCES WOULD BE USED EXCLUSIVELY TO PAY PENSIONS IN THE UNLIKELY EVENT THAT THEY WOULD NOT BE COVERED FROM GENERAL REVENUE.

"I CANNOT MYSELF IMAGINE HONG KONG EVER FACING A FINANCIAL CRISIS OF THIS SORT.

"BUT I BELIEVE THAT THE FUND WILL CONTRIBUTE TO THE CIVIL SERVICE'S CONFIDENCE IN ITS FUTURE."

THE FUND WILL BE ESTABLISHED BY RESOLUTION OF THE LEGCO UNDER SECTION 29 OF THE PUBLIC FINANCE ORDINANCE.

MR PATTEN SAID MUCH WORK ON THE DETAIL STILL NEEDED TO BE DONE BEFORE PUTTING THE MATTER TO THE EXECUTIVE COUNCIL AND THE LEGCO.

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GOVERNOR SPELLS OUT LOCALISATION PRINCIPLES

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IT IS HIS INTENTION TO HAVE IN PLACE A TEAM OF LOCAL PRINCIPAL OFFICIALS WHICH CAN MEET THE REQUIREMENTS OF THE BASIC LAW IN GOOD TIME BEFORE THE CHANGE IN SOVEREIGNTY.

OVER THE LAST DECADE THE PROPORTION OF OVERSEAS OFFICERS IN DIRECTORATE RANKS IN THE CIVIL SERVICE AS A WHOLE HAS DECLINED FROM 55 PER CENT TO 35 PER CENT.

THE TREND TOWARDS LOCALISATION THEREFORE CONTINUES, MR PATTEN SAID.

"BUT OF COURSE PROGRESS IS NEVER COMPLETELY EVEN."

THERE ARE ALWAYS AREAS WHICH ARE AHEAD OF THE TREND AND THOSE WHICH ARE LAGGING BEHIND, FOR WHATEVER GOOD REASONS.

"FROM TIME TO TIME WE HAVE TO TAKE SPECIAL MEASURES TO DEAL WITH PARTICULAR SITUATIONS," HE SAID.

THE LEGAL DEPARTMENT IS ONE OF THE MOST IMPORTANT GOVERNMENT DEPARTMENTS, IT IS ONE OF THOSE WHICH MUST BE HEADED BY A QUALIFIED LOCAL PERSON IN 1997, HE SAID.

DESPITE THE GOVERNMENT'S BEST EFFORTS TO DATE, LOCALISATION HAS BEEN SLOWER THAN MANY WOULD LIKE.

ALTHOUGH SPECIAL MEASURES ALREADY BEING TAKEN, SUCH AS THE SO-CALLED "DOUBLE LADDER" AND "DEVELOPMENT POSTS" SCHEMES, ARE BEARING FRUIT, IT IS CLEARLY GOING TO TAKE TIME FOR THEM TO WORK THROUGH THE SYSTEM, HE SAID.

IN THE DEPARTMENT A POOL OF QUALIFIED LOCAL PEOPLE AT THE TIER IMMEDIATELY BELOW THE ATTORNEY GENERAL'S LEVEL ARE NEEDED TO PROVIDE FOR THE FUTURE.

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"THIS IS NOT GOING TO HAPPEN UNLESS WE TAKE MORE POSITIVE ACTION. THEREFORE, WE WILL BE MAKING SPECIAL ARRANGEMENTS TO ENSURE THAT THREE OF THE FIVE LAW OFFICER POSTS WILL BE FILLED BY LOCAL PEOPLE BY THE END OF 1995."

TO PROVIDE A BETTER FOUNDATION FOR THE FUTURE, THE DEVELOPMENT POSTS SCHEME SHALL BE ENLARGED AND EXTENDED TO PROVIDE OPPORTUNITIES FOR LOCAL OFFICERS TO BE GROOMED AND TO ACT AT THE PRINCIPAL CROWN COUNSEL RANK.

THE LEGAL AID DEPARTMENT IS IN A SPECIAL CATEGORY. OVER 90 PER CENT OF ITS CLIENTS ARE CHINESE SPEAKING.

"WE THEREFORE AIM BY 1995 TO ENSURE THAT THE DIRECTOR AND TWO OF THE THREE DEPUTY DIRECTORS IN THE DEPARTMENT ARE PROFICIENT IN THE LANGUAGE.

"WE WILL ALSO WORK TO INCREASE THE PERCENTAGE OF OFFICERS IN THE OTHER DIRECTORATE RANKS OF THE DEPARTMENT WHO ARE ABLE TO COMMUNICATE WITH THEIR CLIENTS IN CHINESE," HE SAID.

MR PATTEN SAID THE DOMINANCE OF LOCAL PEOPLE IN THE MANAGEMENT OF PROGRAMMES AND SERVICES WAS ESSENTIAL.

"NEVERTHELESS, WE MUST NOT FORGET THAT HONG KONG IS AN INTERNATIONAL CITY IN WHICH OVERSEAS OFFICERS CONTINUE TO HAVE AN IMPORTANT PLACE, A FACT RECOGNISED BY THE JOINT DECLARATION AND THE BASIC LAW."

THOSE WHO CANNOT CONTINUE TO BE ACCOMMODATED MUST BE TREATED FAIRLY.

"WE SHALL NEED TO WORK WITH THE CHINESE GOVERNMENT ON THESE ISSUES AS 1997 APPROACHES," HE ADDED.

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COMMON CONDITIONS OF SERVICE PROPOSED

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THE GOVERNMENT PROPOSES THAT THOSE TAKING UP EMPLOYMENT WITH THE HONG KONG GOVERNMENT SHOULD NOW DO SO ON COMMON TERMS AND CONDITIONS OF SERVICE.

CONSULTATION WITH GOVERNMENT DEPARTMENTS AND STAFF WILL BEGIN SOON.

"WE WILL ALSO NEED TO DISCUSS OUR PROPOSALS WITH THE CHINESE GOVERNMENT," THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

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IN HIS ANNUAL ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THE EXISTENCE OF TWO SETS OF CONDITIONS FOR CIVIL SERVANTS, ONE "LOCAL", THE OTHER "OVERSEAS" HAD HELPED FUEL THE LOCALISATION DEBATE.

"WE HAVE NARROWED THE DIFFERENCES AND INDEED REMOVED THEM ENTIRELY AT THE MOST SENIOR RANKS. WE NEED TO DO MORE."

HE SAID THE HISTORICAL JUSTIFICATION FOR THE PRESENT SYSTEM HAD WORN VERY THIN IN THE LAST DECADE OF THE 20TH CENTURY.

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TRAINING FOR TRANSITION FULL STEAM AHEAD

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THE GOVERNMENT IS LOOKING FORWARD TO BUILDING UP MORE CONTACTS BETWEEN CHINESE AND HONG KONG GOVERNMENT OFFICIALS THROUGH WORK, VISITS AND TRAINING COURSES, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN SAID TODAY (WEDNESDAY).

MR PATTEN SAID A SMOOTH TRANSFER OF SOVEREIGNTY IN 1997 INVOLVED A MAJOR EFFORT TO PREPARE THE CIVIL SERVICE FOR TRANSITION.

THIS REQUIRES DEVELOPMENT OF THE KNOWLEDGE, UNDERSTANDING AND THE SKILLS REQUIRED TO WORK EFFECTIVELY WITH CHINA, HE ADDED.

"THE DEMAND FOR A MUCH DEEPER KNOWLEDGE OF CHINA AND ITS SYSTEMS EXISTS AT ALL LEVELS OF THE CIVIL SERVICE."

TO FILL THIS NEED, THE CIVIL SERVICE TRAINING CENTRE WILL CONTINUE TO DEVELOP TRAINING PROGRAMMES FOR ALL CIVIL SERVANTS COVERING DIFFERENT ASPECTS OF CHINA'S POLITICAL AND ECONOMIC LIFE.

"LET ME EMPHASISE THE PRIORITY WHICH THE GOVERNMENT ATTACHES TO PREPARING THE CIVIL SERVICE FOR THE TRANSFER OF SOVEREIGNTY.

"WE MUST DO EVERYTHING NECESSARY TO SEE THAT THE MEN AND WOMEN IN OUR CIVIL SERVICE HAVE THE BACKGROUND AND EXPERTISE TO CONTINUE TO PROVIDE AN EFFECTIVE ADMINISTRATION FOR THIS TERRITORY AFTER 1997, AS LAID DOWN IN THE JOINT DECLARATION AND THE BASIC LAW."

HE SAID THE GOVERNMENT WOULD PROVIDE EVERY SUPPORT AND ENCOURAGEMENT FOR THE CIVIL SERVICE TO DO SO.

"WE LOOK FORWARD TO CO-OPERATING WITH THE CHINESE AUTHORITIES IN THIS PROCESS," HE SAID.

SPECIALISED SHORT COURSES TO FAMILIARISE CIVIL SERVANTS WITH CHINA'S SYSTEMS AND CURRENT ISSUES ARE A STANDARD FEATURE OF THE GOVERNMENT'S TRAINING ACTIVITIES.

THE GOVERNMENT STARTED A HIGHLY SUCCESSFUL SPONSORED VISIT PROGRAMME IN 1987, INVOLVING EXCHANGE VISITS BETWEEN SENIOR CHINESE AND HONG KONG GOVERNMENT OFFICIALS.

IN JULY OF THIS YEAR, THE CHINESE STUDIES COURSE BEGAN IN PEKING FOR SENIOR STAFF.

THE GOVERNOR SAID BY 1997, ALL ADMINISTRATIVE SERVICE AND DIRECTORATE-LEVEL OFFICERS SHOULD HAVE PARTICIPATED IN A FORMAL TRAINING COURSE OF SOME KIND RELATED TO THE TRANSITION.

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MORE CO-OPERATION WITH CHINA ENVISAGED

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THE GOVERNMENT INTENDS TO DISCUSS WITH THE CHINESE AUTHORITIES IN THE MONTHS AHEAD PRACTICAL MEASURES TO DEVELOP CO-OPERATION IN THE MAIN AREAS OF IMPORTANCE TO WORKING RELATIONSHIP BETWEEN THE TWO SIDES, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN HIS POLICY ADDRESS AT THE LEGISLATIVE COUNCIL.

ONE OF THESE MAIN AREAS WOULD BE THE EXCHANGE OF INFORMATION ON MAJOR INFRASTRUCTURAL PROJECTS IN HONG KONG AND GUANGDONG, HE SAID.

THE OTHER MAIN AREAS ARE THE CREATION, WITH THE ADVICE AND SUPPORT OF THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL, OF AN APPLIED RESEARCH CENTRE, DRAWING TOGETHER THE EXPERTISE OF LOCAL TERTIARY INSTITUTIONS AND OF THE CHINESE ACADEMY OF SCIENCES; MEASURES TO ENCOURAGE THE CROSS-BORDER FLOW OF A WIDER RANGE OF TELECOMMUNICATIONS SERVICES; AND THE PROPOSAL, STRONGLY SUPPORTED BY THE HONG KONG HAULAGE INDUSTRY, FOR THE OPENING OF A 24-HOUR BORDER CROSSING AT LOK MA CHAU.

THE GOVERNOR POINTED OUT THAT HONG KONG AND CHINA HAD A LONG-STANDING PARTNERSHIP AND SUCH RELATIONSHIP, IN MOST AREAS, WAS CONSTRUCTIVE AND BENEFICIAL TO BOTH SIDES.

"I WANT TO EMPHASISE AGAIN THAT I AM CONFIDENT ABOUT HONG KONG'S FUTURE AS A GOOD PLACE IN WHICH TO RAISE A FAMILY OR MAKE A CAREER.

"PROVIDED THAT THE 'ONE COUNTRY, TWO SYSTEMS' CONCEPT IS FULLY IMPLEMENTED AND RESPECTED, HONG KONG'S SPECIAL WAY OF LIFE IS BOUND TO FLOURISH FAR INTO THE NEXT CENTURY," HE SAID.

MR PATTEN POINTED OUT THAT THE LEVEL OF BUSINESS TIE WAS THE MOST OBVIOUS EXAMPLE OF THE SUCCESSFUL RELATIONSHIPS.

- * HONG KONG'S ENTREPRENEURS LED THE WORLD'S BUSINESS INTO CHINA IN THE 1980S. THEY HAVE THE BIGGEST STAKE IN CHINA'S MODERNISATION, ACCOUNTING FOR ABOUT TWO-THIRDS OF EXTERNAL DIRECT INVESTMENT IN THE COUNTRY. THEY HAVE HELPED TO MAKE GUANGDONG PROBABLY THE FASTEST GROWING REGION IN THE WORLD.
- * CHINA'S LEADING STATE ENTERPRISES HAVE LONG PLAYED A MAJOR ROLE IN BANKING, TRANSPORT, DISTRIBUTION AND OTHER KEY SECTORS OF THE HONG KONG ECONOMY. THEIR MORE RECENT INVESTMENTS IN AVIATION, TELECOMMUNICATIONS AND CONSTRUCTION HAVE GIVEN THEM AN ADDITIONAL STAKE IN HONG KONG'S PROSPERITY.

- * THE INTERNATIONAL BUSINESS COMMUNITY HAS RESPONDED ENTHUSIASTICALLY TO THE WAY HONG KONG INSTITUTIONS SUCH AS OUR STOCK EXCHANGE ARE FORGING NEW AREAS OF PARTNERSHIP WITH THEIR CHINA COUNTERPARTS. SOME 672 INTERNATIONAL CORPORATIONS HAVE ESTABLISHED THEIR REGIONAL HEADQUARTERS HERE IN THE PAST FOUR YEARS.

ON THE GOVERNMENT SIDE, MR PATTEN NOTED THAT IN THE FIRST HALF OF THIS YEAR, SIX POLICY BRANCHES AND 38 DEPARTMENTS MADE A TOTAL OF 166 OFFICIAL VISITS TO THEIR CHINESE COUNTERPARTS. AND THE FLOW WAS IN BOTH DIRECTIONS.

OVER THE SAME PERIOD, 130 GROUPS INVOLVING ALMOST 1,000 CHINESE OFFICIALS CAME TO HONG KONG.

POLICY BRANCHES AND DEPARTMENTS HAVE DEVELOPED AN EXTENSIVE NETWORK OF DIRECT CONTACTS WITH THEIR CHINESE COUNTERPARTS AT THE WORKING LEVEL. CONTACT WITH CHINESE GOVERNMENT AGENCIES AND THEIR STAFF IS AN INCREASINGLY REGULAR FEATURE OF THEIR NORMAL WORKING DAY, HE SAID.

ON BANKING SUPERVISION, MR PATTEN SAID CO-OPERATION BETWEEN THE PEOPLE'S BANK AND HONG KONG'S MONETARY AUTHORITY COVERED BOTH SUPERVISION OF INSTITUTIONS AND EXCHANGE OF INFORMATION.

AS FOR INFRASTRUCTURAL PLANNING, CO-OPERATION STARTED WITH SHARED ENVIRONMENTAL CONCERNS, BUT THE RANGE OF CONTACTS HAD EXPANDED TO COVER WIDER PLANNING ISSUES, HE SAID.

ON CROSS-BORDER CRIME, MR PATTEN NOTED THAT CHINESE LIAISON OFFICERS HAD BEEN POSTED HERE TO WORK WITH THE HONG KONG POLICE.

AS FOR STAFF EXCHANGES, HONG KONG OFFERED TRAINING OPPORTUNITIES IN A RANGE OF SKILLS, FROM REGULATION OF FINANCIAL MARKETS TO AIRPORT MANAGEMENT, HE ADDED.

APART FROM THE LINK OF BUSINESSES AND GOVERNMENTS, MR PATTEN NOTED THAT AN ENORMOUS TIDE OF PEOPLE IN BOTH DIRECTIONS, HAD HELPED CREATE INCREASED CO-OPERATION AND UNDERSTANDING ON BOTH SIDES.

THE FOLLOWING PROJECTIONS FOR THIS YEAR SHOW HOW FAST THE FLOW IS GROWING:

- * CROSS-BORDER FLOWS WILL REACH A NEW PEAK, WITH NEARLY FOUR CROSS-BORDER TRIPS FOR EVERY MAN, WOMAN AND CHILD IN THE TERRITORY.
- * THE NUMBER OF MAINLAND VISITORS TO HONG KONG WILL REACH ONE MILLION.
- * THE NUMBER OF PASSENGERS TO AND FROM CHINA PASSING THROUGH KAI TAK WILL BE OVER 2.5MILLION, A 60 PER CENT INCREASE OVER FIVE YEARS, AND REPRESENTING ONE IN SEVEN OF ALL PASSENGERS.
- * ABOUT HALF OF HONG KONG EXTERNAL TELECOMMUNICATIONS TRAFFIC WILL BE WITH CHINA.

RESOLVING OUTSTANDING ISSUES ON JLG AGENDA URGED

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HONG KONG HAS A RIGHT TO EXPECT THAT THE JOINT LIAISON GROUP (JLG) PERFORMS AND COMPLETES THE TASK SET FOR IT IN THE JOINT DECLARATION, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL.

THERE IS NO SPECIFIC BRITISH INTEREST TO BE SERVED BY RESOLVING THE OUTSTANDING ISSUES ON THE JLG AGENDA, OTHER THAN AN AIM OF GOVERNING HONG KONG AS WELL AND AS COMPETENTLY AS POSSIBLE, HE SAID.

"BUT SETTling THESE MATTERS WILL BE OF DIRECT BENEFIT TO THE HONG KONG SAR (SPECIAL ADMINISTRATIVE REGION) AND CHINA.

"FAILING TO DO SO WILL CREATE UNNECESSARY UNCERTAINTY AND CONFUSION ABOUT THE TRANSITION AND WILL CALL INTO DOUBT THE CONTINUATION OF HONG KONG'S VITAL LEGAL AND COMMERCIAL RELATIONS WITH THE OUTSIDE WORLD," THE GOVERNOR SAID.

NOTING THAT THE JLG'S WORK HAD ALMOST COME TO A HALT, MR PATTEN SAID: "IT IS, THEREFORE, ESSENTIAL THAT WE INJECT A NEW SENSE OF URGENCY INTO THE JLG."

THE GOVERNOR POINTED OUT THAT THE ISSUES INVOLVED WERE NOT GENERALLY POLITICAL, BUT ALMOST ALWAYS, TECHNICAL OR PRACTICAL MATTERS.

SOME OF THESE EXAMPLES ARE:

- * THE HONG KONG GOVERNMENT HAS PUT FORWARD PROPOSALS TO PRESERVE EXISTING ARRANGEMENTS FOR VISA-FREE TRAVEL OVERSEAS FOR HONG KONG PEOPLE AFTER 1997. EASE OF TRAVEL OVERSEAS IS A CONVENIENCE WHICH HONG KONG PEOPLE RIGHTLY ENJOY; IT ALSO FACILITATES TRADE AND TOURISM AND THUS MAKES AN IMPORTANT CONTRIBUTION TO HONG KONG'S PROSPERITY. IF AN AGREEMENT COULD NOT BE REACHED IN THE JLG, IT WOULD BE DIFFICULT TO SEE HOW THESE ARRANGEMENTS COULD SURVIVE 1997.
- * THE HONG KONG GOVERNMENT IS IN THE PROCESS OF NEGOTIATING A NETWORK OF AIR SERVICES AGREEMENTS BETWEEN HONG KONG AND KEY AVIATION PARTNERS WHICH WILL EXTEND BEYOND 1997. A NUMBER OF INITIALLED AGREEMENTS ARE NOW UNDER CONSIDERATION IN THE JLG. IF THIS PROGRAMME WAS UNABLE TO BE COMPLETED, THE EFFECTIVENESS OF HONG KONG'S EXISTING CIVIL AVIATION RELATIONSHIPS WILL BE CALLED INTO DOUBT AND HONG KONG'S REPUTATION AS A MAJOR CENTRE OF INTERNATIONAL CIVIL AVIATION WILL SUFFER.
- * THE HONG KONG GOVERNMENT IS NEGOTIATING AGREEMENTS WITH A NUMBER OF COUNTRIES TO ENABLE HONG KONG TO RETURN FUGITIVE CRIMINALS TO THEIR COUNTRY OF ORIGIN AND TO GET BACK CRIMINALS WHO FLEE FROM HONG KONG. THESE AGREEMENTS PLAY AN IMPORTANT ROLE IN THE FIGHT AGAINST INTERNATIONAL CRIME. IF THESE AGREEMENTS ARE TO REMAIN VALID AFTER 1997 THEY MUST BE CLEARED THROUGH THE JLG. IF THEY ARE NOT ALL IN PLACE BY 1997, THE ABILITY TO FIGHT INTERNATIONAL CRIME WILL BE IMPAIRED AND HONG KONG RISKS BECOMING A HAVEN FOR CRIMINALS.

* JLG IS CURRENTLY DISCUSSING WHO WILL BE ENTITLED TO ENJOY THE RIGHT OF ABODE IN THE TERRITORY AFTER 1997. THIS IS AN ISSUE OF VITAL CONCERN TO PEOPLE BOTH OF CHINESE AND NON-CHINESE ORIGIN IN THIS COMMUNITY. IF THE JLG WERE TO FAIL TO REACH CLEAR-CUT CONCLUSIONS ON THIS IMPORTANT ISSUE, SOME MEMBERS OF THIS COMMUNITY WOULD FACE REAL UNCERTAINTY ABOUT THEIR FUTURE IN THE TERRITORY.

THE GOVERNOR POINTED OUT THAT THESE WERE JUST A FEW ILLUSTRATIVE EXAMPLES, AND THE FULL LIST OF OUTSTANDING JLG MATTERS WAS A DAUNTING ONE.

"BUT THERE IS NO ACCEPTABLE REASON WHY THE EXPERIENCED TEAMS ON BOTH SIDES SHOULD NOT BE ABLE TO DEAL QUICKLY AND EFFICIENTLY WITH THESE MATTERS.

"THEY OWE IT TO THE PEOPLE OF HONG KONG TO ENSURE THAT THEIR AGENDA IS COMPLETED BY 1997," THE GOVERNOR SAID.

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FUNDS TO ENSURE LOCALISATION OF LAWS ON SCHEDULE

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ADDITIONAL FUNDS WILL BE ALLOCATED TO THE SPECIAL UNIT IN THE LEGAL DEPARTMENT TO ADVANCE WORK ON THE LOCALISATION OF HONG KONG LAWS TO BRING THEM INTO LINE WITH THE BASIC LAW AND TO ENSURE SUCH WORK REMAINS ON SCHEDULE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WENDESDAY) IN THE LEGISLATIVE COUNCIL.

MR PATTEN SAID IN HIS POLICY ADDRESS THAT A LARGE NUMBER OF BILLS WOULD BE INTRODUCED INTO THE LEGCO IN THE NEXT THREE YEARS TO LOCALISE LEGISLATION.

IN THE 1993/94 LEGISLATIVE PROGRAMME, 10 OF THESE BILLS HAD BEEN INCLUDED.

"THERE IS A GREAT DEAL TO BE DONE, AND NOT MUCH TIME TO DO IT, IF WE ARE TO ENSURE THAT WE HAVE A COMPLETE SET OF LAWS CAPABLE OF CONTINUING BEYOND 1997.

"IF PROGRESS IN THE JLG DOES NOT SPEED UP SIGNIFICANTLY, THERE IS A HIGH RISK THAT THE WORK WILL NOT BE FINISHED BEFORE 1997, AND WE WILL THEN FACE A LEGAL VACUUM.

"IT WOULD BE IRRESPONSIBLE FOR US TO LET THAT HAPPEN, AND I AM DETERMINED THAT WE SHOULD DO EVERYTHING POSSIBLE TO KEEP TO OUR TARGET FOR THIS EXTREMELY IMPORTANT EXERCISE," THE GOVERNOR SAID.

IN A BID TO IMPROVE JUDICIAL EFFICIENCY, MR PATTEN SAID A JUDICIARY ADMINISTRATOR WOULD BE IN PLACE BY THE END OF THIS YEAR TO TAKE RESPONSIBILITY FOR PROMOTING A SERVICE-ORIENTED CULTURE WITHIN THE JUDICIAL SYSTEM.

AT EACH LEVEL OF THE COURT SYSTEM, JUDICIAL LEADERS WOULD BE APPOINTED, AGAIN TASKED WITH PROMOTING EFFICIENCY.

IN ADDITION, THE CHIEF JUSTICE WOULD CHAIR A HIGH-LEVEL WORKING PARTY COMPRISING MEMBERS OF THE JUDICIARY, THE LEGAL PROFESSION AND THE PUBLIC THROUGH WHICH A THOROUGH REVIEW OF EXISTING ADMINISTRATIVE SYSTEMS WOULD BE CONDUCTED TO DETERMINE HOW AND WHERE IMPROVEMENTS COULD BE MADE.

ON THE ESTABLISHMENT OF A COURT OF FINAL APPEAL, MR PATTEN SAID LEGISLATION WOULD BE DRAFTED ON THE BASIS AGREED BY THE JLG IN 1991.

"IT WILL BE INCUMBENT ON THE ADMINISTRATION WHEN BRINGING THE BILL FORWARD TO CONVINCING BOTH YOU AND THE COMMUNITY THAT IT IS A SENSIBLE AND HONOURABLE AGREEMENT, ONE THAT IS CONSISTENT WITH THE RELEVANT PROVISIONS OF THE JOINT DECLARATION.

"THE ULTIMATE DECISION WILL REST WITH THIS COUNCIL.

"BUT NOTHING, I BELIEVE, WILL DO MORE TO BUILD TRUST AND CONFIDENCE IN OUR JUDICIAL SYSTEM THAN THE SMOOTH AND EFFECTIVE OPERATION OF A COURT OF FINAL APPEAL WELL IN ADVANCE OF 1997 - WITH THE FIRM GUARANTEE OF A LIFE BEYOND THAT YEAR," HE SAID.

TURNING TO PERSONAL FREEDOMS, MR PATTEN SAID CONFIDENCE IN THE FUTURE DEPENDS ON INDIVIDUALS BEING CONVINCED THAT 1997 WILL NOT MEAN AN UNDERMINING OF THE PERSONAL LIBERTIES WHICH THEY ENJOY AND WHICH ARE A VITAL INGREDIENT IN OUR SEPARATE SYSTEM, OUR SPECIAL WAY OF LIFE.

GETTING THE MECHANISMS, THE SYSTEMS, THE AGREEMENTS IN PLACE COULD NOT BE THE ONLY GOAL, HE SAID.

"NO LESS IMPORTANT IS THE TASK OF DEVELOPING CONFIDENCE AND COMMITMENT ABOUT THE LONG-TERM PROSPECTS OF HONG KONG AMONG THE COMMUNITY AT LARGE AND AMONG HONG KONG'S PARTNERS AROUND THE WORLD," HE SAID.

MR PATTEN POINTED OUT THAT BOTH THE JOINT DECLARATION AND THE BASIC LAW SOUGHT TO PROVIDE THE COMMUNITY WITH ASSURANCES ON THIS SCORE, BUT THERE WAS MORE THAT COULD BE DONE.

THE JOINT DECLARATION LAID DOWN THAT THE PROVISIONS OF THE TWO INTERNATIONAL COVENANTS, ON CIVIL AND POLITICAL RIGHTS AND ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS AS APPLIED TO HONG KONG WOULD REMAIN IN FORCE AFTER 1997, HE SAID.

"BUT IT WOULD BE A VERY WELCOME STEP IF THE CHINESE GOVERNMENT WERE TO BECOME A SIGNATORY TO THESE TWO COVENANTS," THE GOVERNOR ADDED.

GOVERNOR REVIEWS LEGCO-ADMINISTRATION TIES

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MUCH HAS BEEN ACHIEVED TO STRENGTHEN THE EFFECTIVENESS OF THE EXECUTIVE-LED GOVERNMENT AND ITS ACCOUNTABILITY TO THE LEGISLATIVE COUNCIL.

THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) SAID THESE INCLUDED:

- * THE SEPARATION OF THE NON-OFFICIAL MEMBERSHIP OF THE EXECUTIVE AND LEGISLATIVE COUNCILS TO ENABLE EACH TO PLAY THEIR PROPER ROLES;
- * A NEW EXCO WITHOUT REPRESENTATIVES OF POLITICAL PARTIES; AND
- * AN ELECTED PRESIDENT OF THE LEGCO REPLACING THE GOVERNOR AS PRESIDENT.

MR PATTEN SAID HE HAD ATTENDED 10 QUESTION-AND-ANSWER SESSIONS OF LEGCO.

IN HIS ANNUAL ADDRESS TO THE LEGCO, MR PATTEN SAID HE WAS GLAD TO SEE THAT A NEW LEGCO OFFICE WOULD SOON BE ESTABLISHED.

HE SAID HE REMAINED CONVINCED THAT SOME FORM OF MECHANISM WAS NEEDED WHERE THE ADMINISTRATION COULD DISCUSS WITH LEGCO MEMBERS THE HANDLING OF THE ADMINISTRATION'S LEGISLATURE AND FINANCIAL PROGRAMMES.

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GOVERNOR UPDATES CONSTITUTIONAL DEVELOPMENT

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) CONFIRMED THAT THE BRITISH SIDE DID TABLE REVISED ELECTION PROPOSALS TO THE CHINESE SIDE DURING SINO-BRITISH TALKS IN JULY AND AUGUST THIS YEAR.

THESE DIFFER, IN RESPECT OF THE ARRANGEMENTS FOR FUNCTIONAL CONSTITUENCIES AND THE ELECTION COMMITTEE, FROM THE PROPOSALS HE OFFERED IN THE LEGISLATIVE COUNCIL LAST YEAR.

"IN ALL OTHER RESPECTS THE PROPOSALS ARE THE SAME.

"THEY ARE PROPOSALS THAT WE WOULD BE PREPARED TO RECOMMEND TO THIS COUNCIL IF THEY FORMED PART OF A SATISFACTORY OVERALL AGREEMENT WHICH MUST, OF COURSE, INCLUDE ACCEPTABLE ARRANGEMENTS FOR THE 'THROUGH TRAIN'."

IN HIS SECOND ANNUAL ADDRESS TO THE LEGCO, MR PATTEN SAID THE BRITISH SIDE HAD MADE TWO MAJOR MOVES IN AN ATTEMPT TO MEET CHINESE CONCERNS.

FIRST, A NEW PROPOSAL HAS BEEN DEVISED FOR THE NINE NEW FUNCTIONAL CONSTITUENCIES, BASED ON ORGANISATIONS AS THE CHINESE HAVE ARGUED, AND WITH A TOTAL ELIGIBLE ELECTORATE OF ABOUT A THIRD OF THAT IN HIS ORIGINAL PROPOSAL.

"WE CONTINUE TO INSIST THAT ELECTORS SHOULD VOTE INDIVIDUALLY, NOT CORPORATELY."

SECONDLY, THE BRITISH SIDE HAS TRIED TO MEET CHINA'S PREFERENCE FOR A FOUR-SECTOR ELECTION COMMITTEE OF THE KIND SET OUT IN THE BASIC LAW FOR THE POST-1997 ELECTION COMMITTEE.

"WE CONTINUE TO ARGUE THAT ALL MEMBERS OF THE ELECTION COMMITTEE SHOULD THEMSELVES BE ELECTED."

HE REITERATED THAT THESE WERE MAJOR MOVES THAT WERE NOT MADE LIGHTLY. NEITHER WERE THEY MERE NEGOTIATING PLOYS.

"THEY ARE EVIDENCE OF OUR SINCERITY, OUR FLEXIBILITY, AND OUR DETERMINATION TO MAKE A SUCCESS OF THESE TALKS."

BUT MR PATTEN SAID THE BRITISH SIDE'S ROOM FOR MANOEUVRE WAS LIMITED IF THEY WERE TO REMAIN, AS THEY MUST, TRUE TO THE PRINCIPLE THAT ELECTION ARRANGEMENTS IN HONG KONG SHOULD BE FAIR, OPEN AND ACCEPTABLE TO THE COMMUNITY.

IT IS NOT ABOUT THE PACE OF DEMOCRATIC DEVELOPMENT; THE PACE IS SET OUT IN THE BASIC LAW AND WILL NOT CHANGE UNLESS THE BASIC LAW ITSELF IS CHANGED.

IT IS ABOUT ENSURING THAT DEMOCRATIC DEVELOPMENT IS FAIR AND OPEN, HE SAID.

"IF WE ALLOW A SYSTEM TO DEVELOP IN WHICH ELECTIONS MAY BE COMPROMISED, WE INVITE CORRUPTION; WE ENDANGER THE RULE OF LAW, ON WHICH OUR SUCCESS DEPENDS; AND WE RISK LOSING MANY OF THE FREEDOMS THAT PROTECT OUR WAY OF LIFE AND WHICH BOTH THE JOINT DECLARATION AND THE BASIC LAW SEEK TO GUARANTEE."

THE GOVERNOR SAID: "WE SHALL STICK TO OUR PRINCIPLES."

"WE SHALL ALSO CONTINUE TO SEEK FROM THE CHINESE GOVERNMENT AN AGREEMENT ON OBJECTIVE CRITERIA FOR THE 'THROUGH TRAIN', SO THAT THOSE WHO MAY WANT TO RUN FOR ELECTION TO THIS COUNCIL AS WELL AS THOSE WHO VOTE FOR THEM IN 1995 KNOW BEFORE THEY DO SO WHAT THE RULES OF THE GAME WILL BE."

MR PATTEN SAID THE BRITISH SIDE BELIEVED STRONGLY THAT IT SHOULD BE POSSIBLE TO REACH AN AGREEMENT WITH THE CHINESE GOVERNMENT WHICH WAS FULLY COMPATIBLE WITH THE JOINT DECLARATION, ANY OTHER AGREEMENTS AND THE BASIC LAW, AND WHICH SATISFIED THE BRITISH SIDE'S PRINCIPLES AND CHINESE CONCERNS.

"BUT WE NOW HAVE ONLY WEEKS RATHER THAN MONTHS TO CONCLUDE THESE TALKS."

THERE WILL THEN BE A GREAT DEAL OF WORK TO DO TO ENSURE THAT ORDERLY ELECTIONS CAN BE HELD ON TIME, HE NOTED.

HE SAID:

"WE MUST TAKE THE VIEWS OF THIS COUNCIL, REFLECTING THE WIDER DEBATE IN THE COMMUNITY.

"WE MAY THEN NEED TO SET THE LAW DRAFTSMEN TO WORK ON DEVELOPING WHAT IS ALREADY COMPLEX DRAFT LEGISLATION.

"WE MUST LEAVE TIME FOR FULL CONSIDERATION OF DRAFT LEGISLATION BY THIS COUNCIL.

"AND WE MUST COMPLETE THE PROCESS BY JULY 1994 AT THE LATEST IF WE ARE TO HAVE TIME TO COMPLETE ALL THE NECESSARY FOLLOW-UP ACTION FOR THE ELECTIONS."

HE ALSO DESCRIBED AS UNWORKABLE PROPOSALS TO SEPARATE THE 1994 DISTRICT BOARD ELECTIONS FROM THE 1995 MUNICIPAL COUNCIL AND LEGISLATIVE COUNCIL ELECTIONS.

THE PROPOSALS AFFECTING BOTH SETS OF ELECTIONS ARE INTER-RELATED. THEY NEED TO BE CONSIDERED AS A PACKAGE IN THE TALKS WITH CHINA AND THEN IN THE LEGCO, HE EXPLAINED.

"THE CONCLUSION IS CLEAR.

"WE HAVE LITTLE TIME LEFT IN WHICH TO TAKE THE FIRST STEP OF SECURING AGREEMENT, IF WE CAN, WITH THE CHINESE SIDE," MR PATTEN SAID.

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ELECTION ACCORD POSSIBLE

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID THE BRITISH SIDE WOULD GO ON WORKING AS HARD AS IT COULD FOR AN AGREEMENT ON HONG KONG'S CONSTITUTIONAL DEVELOPMENT.

MR PATTEN BELIEVES THAT IT SHOULD BE POSSIBLE TO REACH AN ACCORD THAT MEETS THE CONCERNS OF BOTH SIDES.

IN ORDER TO TRY TO WIN AGREEMENT, THE BRITISH SIDE HAS BEEN PREPARED TO MAKE SUBSTANTIAL MOVES IN THE TALKS WITH CHINA TO TAKE ACCOUNT OF CHINESE CONCERNS.

"I WILL LEAVE IT TO THE CHINESE SIDE TO SAY HOW FAR THEY HAVE BEEN PREPARED TO MOVE."

BUT HE ADDED THAT THE BRITISH SIDE WAS NOT PREPARED TO GIVE AWAY ITS PRINCIPLES IN ORDER TO SIGN A PIECE OF PAPER.

"WHAT WOULD THAT BE WORTH?

/"THE PEOPLE

"THE PEOPLE OF HONG KONG DESERVE A CREDIBLE LEGISLATURE, FAIRLY AND OPENLY ELECTED," HE SAID.

"ANYTHING LESS THAN THAT WOULD SURELY UNDERMINE THE RULE OF LAW, AND THAT RULE OF LAW IS ESSENTIAL TO THE MAINTENANCE OF HONG KONG'S PROSPERITY AND FREEDOM.

"THE ARGUMENT FUSES TOGETHER WHAT IS RIGHT - WHAT IS MORAL, IF YOU LIKE - WITH WHAT IS EXPEDIENT," MR PATTEN SAID.

HONG KONG IS A FREE SOCIETY GOVERNED UNDER THE LAW THAT WORKS. FREEDOM MUST BE FIRMLY ROOTED, AS IT IS - FOR EXAMPLE - IN THE JOINT DECLARATION, HE SAID.

"OTHERWISE HONG KONG WILL SPEND ITS FUTURE FOREVER LOOKING OVER ITS SHOULDER."

THE GOVERNOR SAID: "WE PASSIONATELY WANT HONG KONG TO HAVE THE BEST POSSIBLE RELATIONSHIP WITH CHINA BEFORE 1997 SO THAT IT CAN PROSPER AND GROW IN STRENGTH AS CHINA PROSPERS AND STRENGTHENS IN THE YEARS AHEAD."

HE SAID THE CHINESE OFFICIALS HAD YET TO BE CONVINCED THAT HONG KONG'S EXTRAORDINARILY MODEST ASPIRATIONS FOR POLITICAL DEVELOPMENT ARE LEGITIMATE, THAT THEY DESERVE TO BE MET, THAT THEY ARE PART OF THE NATURAL EVOLUTION OF AN INCREASINGLY MATURE AND SOPHISTICATED SOCIETY, AND THAT THEY ARE, IN A SENSE, A CONDITION OF OUR CONTINUING SUCCESS AS A GREAT INTERNATIONAL TRADING COMMUNITY.

"THESE ASPIRATIONS POSE NO THREAT TO CHINA NOW, NOR IN THE FUTURE. INDEED, THE CONCEPT OF 'ONE COUNTRY, TWO SYSTEMS' SHOULD ACCOMMODATE THEM COMFORTABLY."

MR PATTEN SAID THE ARGUMENT WAS NOT ABOUT WHETHER TO ACCELERATE THE PACE OF DEMOCRACY IN HONG KONG.

THE ARGUMENT TURNS ON WHETHER THE AGREED STEPS TOWARDS DEMOCRACY WILL GIVE THE PEOPLE OF HONG KONG A REAL OPPORTUNITY TO CHOOSE, AND ON WHETHER THOSE STEPS ARE CREDIBLE OR NOT, HE EXPLAINED.

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GOVERNOR WISHES TO SEE "ONE COUNTRY, TWO SYSTEMS"

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) THAT HE WISHED TO SEE THE SUCCESSFUL IMPLEMENTATION OF THE "ONE COUNTRY, TWO SYSTEMS".

"I MUST AND WILL STAND UP FOR OUR SYSTEM. THAT IS MY RESPONSIBILITY."

BUT MR PATTEN ADDED THAT THE GOVERNMENT COULD ONLY DEFEND THAT SYSTEM, THAT WAY OF LIFE, WITH THE COMMUNITY'S SUPPORT.

/"AND I

"AND I SAY THIS TO ALL OF YOU. IF WE ARE NOT PREPARED TO STAND UP FOR HONG KONG'S WAY OF LIFE TODAY, WHAT CHANCE OF DOING SO TOMORROW?

"I SAY THAT WE CAN ONLY BE AS BOLD AS YOU. THAT IS NOT A SURRENDER OF LEADERSHIP. IT IS A STATEMENT OF FACT.

"WE CANNOT BE BOLDER THAN YOU BECAUSE LIBERTY STANDS IN THE HEART. WHEN IT SHRIVELS THERE, NOTHING CAN SAVE IT," HE SAID.

AND THERE IS ANOTHER REASON, HE SAID.

"WE DO NOT YET HAVE FULL DEMOCRACY HERE IN HONG KONG. BUT DEMOCRACY IS THE ROAD WHICH THE CHINESE GOVERNMENT HAS AGREED HONG KONG SHOULD FOLLOW."

MR PATTEN POINTED OUT THAT THE JOINT DECLARATION LAYS DOWN THAT "THE LEGISLATURE OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION SHALL BE CONSTITUTED BY ELECTIONS".

IT ALSO PRESCRIBES THAT THE EXECUTIVE "SHALL BE ACCOUNTABLE TO THE LEGISLATURE".

"THERE CAN BE NO DOUBT, THEREFORE, THAT WE ARE DESTINED TO BE MOVING FIRMLY IN THE DIRECTION OF DEMOCRACY," MR PATTEN SAID.

THE GOVERNOR SAID THIS DEMOCRATIC GOAL MEANT THE GOVERNMENT COULD NOT CLAIM TO BE ANY STRONGER, ANY WISER, ANY MORE DETERMINED THAN THE COMMUNITY ITSELF.

"AND IN THE LAST RESORT, IT IS YOU - ABOVE ALL, YOU THE COMMUNITY'S LEGISLATURE, THE LEGISLATURE THAT AS THE JOINT DECLARATION SAYS, HOLDS THE EXECUTIVE ACCOUNTABLE - IT IS YOU WHO SET THE LIMITS TO THE GOVERNMENT'S POWER TO PROTECT AND STRENGTHEN OUR SYSTEM."

THE DEMOCRATIC IDEAL (CLEARLY ENSHRINED IN THE JOINT DECLARATION) MEANS THAT THE COMMUNITY, THROUGH ITS ELECTED LEGISLATURE, MAKES THE LAWS THAT GOVERN IT, HE SAID.

"YOU ARE BOTH THE RULERS AND THE RULED. THAT IS WHY DEMOCRACY IS BOTH A HIGH PRIVILEGE AND A HEAVY RESPONSIBILITY.

"I SAY ALL THIS BECAUSE I BELIEVE IT TO BE TRUE. AND I SAY IT AS WELL BECAUSE I AM GROWING TO LOVE HONG KONG AS YOU WHO HAVE CREATED IT FROM ROCK AND SCRUB LOVE HONG KONG.

"AND I WANT, AS YOU WANT, TO SEE HONG KONG AS IT CONFIDENTLY ENTERS THE NEXT MILLENNIUM UNDER CHINESE SOVEREIGNTY, A BLAZING BEACON OF GOOD FORTUNE, A DAZZLING EXAMPLE OF WHAT FREE MEN AND WOMEN, PUTTING ADVERSITY AND HARDSHIP BEHIND THEM - CAN TOGETHER ACHIEVE.

"THAT IS WHAT WE WANT. AND THAT IS WHAT WE CAN ACHIEVE. ALL WE REQUIRE IS TO KEEP OUR CONFIDENCE IN THE VALUES THAT BIND US INTO A THRIVING COMMUNITY.

"WITH THE COURAGE THAT HAS BROUGHT SUCCESS IN THE PAST, AND THE CONFIDENCE THAT SUCCESS HAS EARNED, EVERYTHING IS POSSIBLE.

"I BELIEVE THAT. AND I BELIEVE THAT YOU BELIEVE IT, TOO," THE GOVERNOR SAID.

GOVERNOR GIVES BROADCAST ON POLICY ADDRESS

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FOLLOWING IS THE FULL TEXT OF THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S BROADCAST ON HIS POLICY ADDRESS:

THIS HAS BEEN A GOOD YEAR, A SUCCESSFUL YEAR, FOR HONG KONG, IN EVERY AREA EXCEPT ONE. I'LL COME TO THAT IN A MINUTE. BUT FIRST THERE'S THE GOOD NEWS.

OUR AMBITIONS REST ABOVE ALL ON THE STRENGTH OF OUR ECONOMY. OUR AMBITIONS FOR OUR OWN FAMILY'S WELL-BEING. AND OUR AMBITIONS FOR THE COMMUNITY AS A WHOLE.

ONCE AGAIN, DESPITE TOUGH INTERNATIONAL CONDITIONS, FLAT ECONOMIES IN EUROPE AND NORTH AMERICA, INFLATIONARY PROBLEMS IN CHINA, WE'VE DONE EXTREMELY WELL HERE IN HONG KONG. AT THE LAST BUDGET WE NOT ONLY REDUCED TAXES, BUT WERE ALSO ABLE TO PUT MORE MONEY INTO OUR RESERVES, AND TO INCREASE SPENDING ON THE THINGS THAT REALLY CONCERN US.

SO WE'VE HAD A GOOD YEAR TOO ON THE HEALTH, SOCIAL WELFARE AND EDUCATION FRONTS.

LAST YEAR I ANNOUNCED A FIVE-YEAR AGENDA FOR MEETING SOME OF OUR GOALS IN THESE AREAS. LIKE REDUCING CLASS SIZES AND DOING MORE FOR THE HANDICAPPED. LIKE RECRUITING MORE POLICE AND BUILDING MORE HOMES. WE'VE PUBLISHED TODAY A CHECK LIST ON THE PROGRESS MADE. IT'S A PRETTY GOOD STORY. AND I INTEND TO KEEP YOU WHOLLY INFORMED ABOUT HOW THINGS CONTINUE TO UNFOLD.

THANKS TO YOUR HARD WORK, THANKS IN OTHER WORDS TO OUR BOOMING ECONOMY, WE CAN PRUDENTLY AFFORD TO DO A BIT MORE THIS YEAR.

SO WE'RE ANNOUNCING BIG IMPROVEMENT PROGRAMMES FOR OUR HOSPITALS AND SCHOOLS. WE'RE PUTTING MORE MONEY INTO LANGUAGE AND COMPUTER TRAINING AT SCHOOLS, AND INTO DOING MORE TO HELP FAMILIES WITH CHILDREN OF KINDERGARTEN AGE. WE'RE ALSO DOING MORE TO RAISE TEACHING STANDARDS. WE'RE GOING TO RECRUIT MORE NURSES. I'M PUTTING SPECIAL EMPHASIS THIS YEAR ON THE NEED TO DEVELOP BETTER PROGRAMMES FOR OUR ELDERLY - PARTICULARLY IN HEALTH CARE AND HOUSING.

WE'RE RAISING ALLOWANCES FOR CHILDREN IN NEED. WE'RE DOING MORE FOR THE ENVIRONMENT - ESPECIALLY IN THE NEW TERRITORIES - AND FOR ARTS AND SPORT. WE'VE GOT - AND WE CERTAINLY NEED IT - A BIG ROAD CONSTRUCTION AND IMPROVEMENT PROGRAMME. AND WE'RE PUTTING MONEY ASIDE AS A SORT OF INSURANCE POLICY FOR CIVIL SERVICE PENSIONS; THEY'VE BEEN WORRIED ABOUT THEIR FUTURE, AND I WANT TO PUT THEIR MINDS AT REST.

ALL THIS HAS GONE WELL. BUT THERE'S BEEN ONE BIG SNAG. THE PROBLEM SEEMS TO COME DOWN TO HOW DETERMINED WE ARE TO SAFEGUARD OUR WONDERFUL AND SUCCESSFUL WAY OF LIFE HERE IN HONG KONG.

UNDER THE JOINT DECLARATION WHICH WE AGREED WITH CHINA, AND UNDER CHINA'S BASIC LAW FOR HONG KONG, THERE ARE TWO ABSOLUTELY FUNDAMENTAL POINTS. FIRST, THAT WE CAN KEEP OUR SYSTEM AFTER 1997. SECOND, THAT WE SHOULD MOVE STEADILY TOWARDS DEMOCRACY - NOT TOO FAST, BUT ALWAYS MAKING PROGRESS - AND THAT OUR LEGISLATIVE COUNCIL SHOULD BE AN ENTIRELY ELECTED BODY.

WHAT MAKES UP OUR SYSTEM?

WELL, OF COURSE, IT'S A FREE ECONOMY - WITH EVERYONE ABLE TO GET ON AND RUN THEIR OWN BUSINESSES. BUT ALL THAT WORKS WITHIN THE FRAMEWORK OF THE RULE OF LAW. TAKE THAT AWAY AND HONG KONG CEASES TO BE SPECIAL, CEASES TO BE DIFFERENT. FOR ONE THING, YOU GET CORRUPTION - WHICH IS ANYWAY A PROBLEM AND WHICH WE'RE TAKING NEW STEPS TO TACKLE - AND YOU DRIVE AWAY INVESTORS.

AN HONESTLY, OPENLY, FAIRLY ELECTED LEGISLATURE IS PART OF THE RULE OF LAW. IF YOU DON'T HAVE A LEVEL PLAYING FIELD FOR THE LEGCO ELECTIONS, WILL YOU HAVE A LEVEL PLAYING FIELD ANYWHERE ELSE?

WE'VE BEEN DISCUSSING THESE ISSUES WITH CHINA, AT OUR REQUEST, FOR MANY MONTHS. YOU'VE BEEN PATIENT, AND I GUESS OCCASIONALLY PRETTY FRUSTRATED BY THIS WHOLE ARGUMENT. IT'S NOW AN ARGUMENT ABOUT WHETHER WE SHOULD SPEED UP DEMOCRATISATION - THOUGH SOME PEOPLE THINK IT SHOULD BE. IT'S AN ARGUMENT ABOUT WHETHER OUR ELECTIONS ARE GOING TO BE FAIR, OR NOT.

I CAN IMAGINE YOU THINKING - "WHY, IF ELSEWHERE IN THE WORLD PEOPLE CAN RESOLVE THEIR SERIOUS DIFFERENCES, CAN'T BRITAIN AND OUR GOVERNMENT IN HONG KONG, AND CHINA, SORT OUT THIS QUESTION QUICKLY AND AMICABLY?"

I MUST SAY I AM SYMPATHETIC WITH THAT VIEW. EVERYTHING WE'VE SUGGESTED - NOT LEAST THE BIG CONCESSIONS WE'VE OFFERED - SITS PERFECTLY COMFORTABLY WITH THE JOINT DECLARATION, WITH THE BASIC LAW, WITH THE PROMISE OF HONG KONG PEOPLE RUNNING HONG KONG, WITH THE VISIONARY CONCEPT OF "ONE COUNTRY, TWO SYSTEMS". AND EVERYTHING WE'VE SAID ABOUT THE "THROUGH TRAIN" MAKES ABUNDANT SENSE, TOO.

WE NEED TO HAVE OBJECTIVE CRITERIA FOR THE "THROUGH TRAIN", SO THAT THOSE WHO MAY WANT TO RUN FOR ELECTION TO LEGCO - AS WELL AS THOSE WHO VOTE FOR THEM IN 1995 - KNOW BEFOREHAND WHAT THE RULES OF THE GAME WILL BE.

SO I HOPE WE CAN REACH A SOLUTION. I DON'T THINK THAT WE IN HONG KONG ARE THE STUMBLING BLOCK, ANYMORE THAN WE ARE IN THE TALKS ON THE AIRPORT AND ON THE CONTAINER TERMINAL.

TIME, UNFORTUNATELY, IS TICKING AWAY. IF WE CAN'T REACH AN AGREEMENT SOON, WE'LL JUST HAVE TO TRY TO WORK THINGS OUT AS BEST WE CAN HERE IN HONG KONG.

BUT I WANT YOU TO BE CLEAR ABOUT THIS.

I MUST AND WILL STAND UP FOR OUR SYSTEM. BUT YOUR GOVERNMENT CAN'T BE BOLDER THAN YOU. WE CAN'T GO FURTHER THAN YOU THINK IS WISE. BUT I DON'T WANT TO GO LESS FAR EITHER.

THIS IS A GREAT COMMUNITY. IT'S BEEN THROUGH SOME TURBULENT TIMES IN THE LAST YEAR - BUT EVEN MORE TURBULENT TIMES IN THE PAST. BUT WE'VE THRIVED AND PROSPERED - A SOURCE OF WONDER TO THE WORLD - BECAUSE WE'VE BUILT ON VALUES THAT LAST AND BECAUSE WE BELIEVE IN OURSELVES.

IF WE HOLD ON TO THESE VALUES, AND KEEP OUR CONFIDENCE AND OUR NERVE, WE'LL GO ON DOING WELL BEFORE 1997 AND AFTER 1997, AN OPEN COMMUNITY, A DECENT COMMUNITY, A PROSPEROUS COMMUNITY, A COMMUNITY OF WHICH ALL OF YOU CAN BE PROUD.

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GOVERNOR'S PRESS CONFERENCE ON HIS POLICY ADDRESS

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GOVERNOR: I THINK I'VE SAID ENOUGH FOR ONE DAY, WHY DON'T I TURN THE OCCASION OVER TO YOU AND INVITE YOUR QUESTIONS. IF YOU COULD JUST SAY, I MEAN I KNOW WHO MOST OF YOU ARE OR WHO A LOT OF YOU ARE. IF YOU COULD JUST SAY BEFORE ASKING YOUR QUESTION WHO YOU ARE AND WHERE YOU COME FROM AND KEEP IT TO ONE QUESTION.

QUESTION: IN YOUR SPEECH YOU SAID THAT WE NOW HAVE ONLY WEEKS RATHER THAN MONTHS TO CONCLUDE THESE TALKS. DO YOU MEAN THAT AFTER YOU COME BACK FROM BRITAIN IN EARLY NOVEMBER, WE WILL KNOW THE RESULT, WHETHER WE HAVE AN AGREEMENT OR YOU WILL TABLE YOUR PROPOSAL TO LEGCO?

GOVERNOR: I'VE BEEN SCRUPULOUSLY CAREFUL OVER THE WEEKS AND MONTHS TO AVOID SETTING DEADLINES BECAUSE I DON'T THINK THAT'S VERY HELPFUL IN A NEGOTIATION LIKE THIS BUT IT DOESN'T MEAN THAT THERE ISN'T A MOMENT WHEN THE MUSIC HAS TO STOP AND AS YOU KNOW, IT SEEMS TO HAVE LEAKED OUT, I'M NOT QUITE SURE HOW. I'M GOING TO LONDON IN NOVEMBER FOR A CABINET COMMITTEE MEETING TO DISCUSS PROGRESS IN THE TALKS. I VERY MUCH HOPE THAT THE DISCUSSIONS THAT WE HAVE WITH CHINESE OFFICIALS DURING OCTOBER WILL ENABLE ME, AT THAT POINT WITH SIR ROBIN MCLAREN TO ANNOUNCE THAT PROGRESS HAS BEEN RAPID AND THAT WE'RE GETTING SOMEWHERE. OBVIOUSLY AT THAT POINT, THE BRITISH CABINET WILL HAVE TO REVIEW THE SITUATION IN THE KNOWLEDGE, AS I SAID EARLIER, THAT THERE IS A DIFFICULT TIME SCALE FOR US. BECAUSE WITH THE BEST WILL IN THE WORLD, WE HAVE TO GET ON AND MAKE THE LEGISLATIVE AND ADMINISTRATIVE ARRANGEMENTS FOR 1994 AND 1995. SO, I'M GOING TO CONTINUE TO DUCK AND WEAVE AND NOT GIVE YOU A PRECISE ANSWER ABOUT DEADLINES BECAUSE I REPEAT, THAT IT'S NOT HELPFUL BUT EVERYONE KNOWS, INCLUDING PRESUMABLY CHINESE OFFICIALS, INCLUDING PRESUMABLY THE NCNA, THAT NEXT YEAR IS 1994.

QUESTION: MR PATTEN, YOU MENTIONED THAT IT HAS BEEN A YEAR OF SUCCESS IN EVERY AREA EXCEPT THE AREA FOR CLOSE UNDERSTANDING WITH THE CHINESE SIDE. DO YOU EXPECT THIS AREA WILL STILL BE A THORNY QUESTION IN THE COMING YEAR AND IF SO HOW ARE YOU GOING TO IMPROVE IT?

/GOVERNOR: IT

GOVERNOR: IT WON'T BE A THORNY AREA IF ALL PARTIES TO THIS GREAT ENDEAVOUR OF ATTEMPTING TO SECURE A SMOOTH AND PEACEFUL AND SUCCESSFUL TRANSITION WITH GREAT SINCERITY IMPLEMENT THE SPIRIT AND THE LETTER OF THE JOINT DECLARATION AS WE INTEND TO DO. IF THAT IS HOW EVERYBODY BEHAVES THEN IT WILL BE AN EXTREMELY SUCCESSFUL YEAR. I WANT TO MAKE ONE POINT WHICH I MAKE FAIRLY FREQUENTLY BUT IT DOESN'T MEAN THAT IT'S NECESSARILY BORING OR NECESSARILY INCORRECT. WHAT WE'RE ATTEMPTING TO DO WITH CHINA IS HISTORIC, IS UNIQUE. A SMOOTH AND PEACEFUL TRANSFER OF SOVEREIGNTY AND THE IMPLEMENTATION OF THE CONCEPT OF "ONE COUNTRY, TWO SYSTEMS". IT'S NOT PERHAPS SURPRISING THAT THERE ARE DIFFICULTIES AND BUMPS AND PROBLEMS. I THINK WE'VE SHOWN EXEMPLARY PATIENCE AND CREATIVE IMAGINATION AND FLEXIBILITY IN TRYING TO DEAL WITH THESE PROBLEMS AND I HOPE THAT WE SEE SOME OF THOSE QUALITIES FROM CHINESE OFFICIALS AS WELL.

QUESTION: THE BRITISH SIDE HAVE TABLED A PROPOSAL WHICH EFFECTIVELY CUT THE VOTING POPULATION BY ONE THIRD. NOW WOULD YOU ADMIT THAT THE PROPOSAL BY THE BRITISH SIDE IS A CONCESSION MADE AND THEREBY NOT LIVING UP TO YOUR PROMISE OF MORE DEMOCRACY FOR HONG KONG AND WHAT IS THE MINIMUM NUMBER OF ELECTORATES THAT YOU FEEL CAN MAKE THE POLLS IMPOSSIBLE TO RIG?

GOVERNOR: WELL LET ME REPEAT AGAIN WHAT I SAID EARLIER. WE MADE IN JULY AND AUGUST AN IMPORTANT MOVE. IT WAS A CONDITIONAL MOVE. WE SAID THAT WE WERE PREPARED TO PUT FORWARD NEW PROPOSALS ON FUNCTIONAL CONSTITUENCIES AND ON THE ELECTION COMMITTEE WHICH WE WOULD BE PREPARED TO RECOMMEND TO THE LEGISLATIVE COUNCIL IF WE GOT AN OVERALL AGREEMENT THAT WAS ACCEPTABLE, INCLUDING AGREED OBJECTIVE CRITERIA FOR THE 'THROUGH TRAIN'. BUT, I REPEAT THAT THAT WAS A CONDITIONAL OFFER, AS YOU WOULD EXPECT. BOTH THE ELEMENTS IN OUR PROPOSAL, IN MY JUDGEMENT WOULD WHOLE MEET MY REQUIREMENT, THE COMMUNITY'S REQUIREMENT, THE BRITISH GOVERNMENT'S REQUIREMENT THAT THE ARRANGEMENTS FOR THE ELECTIONS SHOULD BE OPEN AND FAIR. WE ARE STILL ARGUING THAT THE ELECTION COMMITTEE SHOULD BE ELECTED NOT THAT IT SHOULD BE SOME ALTERNATIVE OPTION TO NOMINATION OF LEGISLATIVE COUNCILLORS. SECONDLY, WE ARE PROPOSING FUNCTIONAL CONSTITUENCIES WHICH REPRESENT SUBSTANTIAL AND IMPORTANT ELEMENTS IN THE COMMUNITY AND ARE SUFFICIENTLY LARGE, REPRESENTING IN TOTAL ABOUT A THIRD OF MY ORIGINAL PROPOSALS, AND SUFFICIENTLY LARGE TO ENSURE THAT THERE WOULD BE PROPER ELECTIONS IN THOSE FUNCTIONAL CONSTITUENCIES. WE ARE ALSO ARGUING AND EVENTS A FEW MONTHS AGO IN RELATION TO ONE LEGISLATIVE COUNCILLOR UNDERLINE THE IMPORTANCE OF THIS. WE ARE ALSO ARGUING THAT WE SHOULD MOVE CORPORATE TO INDIVIDUAL VOTING IN THE FUNCTIONAL CONSTITUENCIES. SO THAT'S THE POSITION WE ARE IN AT THE MOMENT. AND I CERTAINLY WOULDN'T HAVE AGREED TO US PUTTING FORWARD PROPOSALS AT THE NEGOTIATING TABLE WHICH DIDN'T MEET OUR BASIC PRINCIPLES. THE PROPOSALS THAT WE'VE PUT FORWARD DO. I THINK YOU'D BETTER, PERHAPS YOU WILL, ASK OUR CHINESE FRIENDS AND INTERLOCUTORS SOME TIME WHAT THEY FIND SO DIFFICULT ABOUT THE PROPOSALS THAT WE'VE ADVANCED. I DARESAY THAT WILL HAPPEN.

QUESTION: ... THAT THERE ARE ONLY WEEKS RATHER THAN MONTHS TO CONCLUDE THE TALKS AND YOU DID SAY THAT IT IS TIME FOR THE CHINESE GOVERNMENT TO MAKE SOME MOVES TO FACILITATE AN AGREEMENT. DO YOU AGREE THAT IS ACTUALLY TANTAMOUNT TO AN ULTIMATUM TO THE CHINESE GOVERNMENT? AND SECONDLY, GIVEN THE FAILURE IN THE MINISTERIAL MEETING LAST WEEK, ARE YOU STILL CONFIDENT THAT A FEW MORE ROUNDS OF TALKS WILL BRING ABOUT A BREAKTHROUGH?

GOVERNOR: ON THE FIRST QUESTION, IT IS NOT AN ULTIMATUM. I'VE AVOIDED ULTIMA'TA' OR 'TUMS' SCRUPULOUSLY. THE THREATS, THE HEAVY-HANDED ACCUSATIONS, HAVEN'T BEEN COMING FROM THE HONG KONG GOVERNMENT OR THE BRITISH GOVERNMENT AND WE CERTAINLY HAVEN'T BEEN PUTTING ANY ULTIMATUMS. BUT ANYBODY WHO KNOWS WHAT THE LEGISLATIVE AND ADMINISTRATIVE ARRANGEMENTS ARE, KNOWS THAT WE CAN'T GO ON TALKING FOR EVER. I GUESS IT WOULD BE NICE IN A SORT OF MACAWBERISH WAY IF WE COULD, BUT WE CAN'T. THE ELECTORAL ARRANGEMENTS ARE COMPLICATED ENOUGH, IN ALL CONSCIENCE. WE HAVE TO GET THROUGH THE MAIN LEGISLATION. THE BOUNDARY ELECTION COMMISSION THEN HAS TO SIT, THEN HAS TO PUT FORWARD SUBSIDIARY LEGISLATION ON ISSUES LIKE THE FUNCTIONAL CONSTITUENCIES AND VOTER REGISTRATION IN THEM. THAT THEN HAS TO GO THROUGH THE LEGISLATIVE COUNCIL. IT IS AN EXTREMELY LONG PROCESS AND YOU DON'T HAVE TO BE A CONSTITUTIONAL GENIUS TO KNOW THAT WHEN I SAID THAT WE HAVE GOT TO GET IT SORTED OUT BY NEXT JULY, I WAS ERRING ON THE SIDE OF NOT GIVING ENOUGH TIME. I WOULDN'T EXPECT LEGISLATORS TO QUEUE UP AFTER MY SPEECH TODAY AND SAY, "DON'T WORRY, WE'LL ONLY NEED A COUPLE OF SITTINGS OF THE LEGISLATIVE COUNCIL TO AGREE ANY PROPOSALS THAT YOU BRING FORWARD." IT WILL TAKE QUITE A LOT OF TIME. SO, I AM JUST STATING WHAT I IMAGINE EVEN CHINESE OFFICIALS WHO MAY NOT HAVE A PERFECT KNOWLEDGE OF OUR LEGISLATIVE ARRANGEMENTS, MUST BY NOW HAVE COTTONED ON TO.

THE SECOND PART OF YOUR QUESTION?

QUESTION: GIVEN THE FAILURE OF THE MINISTERIAL MEETING IN NEW YORK LAST WEEK, ARE YOU STILL CONFIDENT THAT A FEW MORE ROUNDS OF NEGOTIATIONS CAN BRING ABOUT A BREAKTHROUGH?

GOVERNOR: I AM A MAN OF BOUNDLESS OPTIMISM. I WOULDN'T BE ENJOYING THE CHALLENGE OF THIS JOB SO MUCH IF I WASN'T. WE CAN GO ON HOPING. THOUGH I HAVE TO SAY THAT, AS THE WEEKS AND MONTHS TICK BY, HOPE BECOMES A LITTLE SHADOWED BY REALITY.

QUESTION: MR PATTEN, HONG KONG IS PARTICULARLY PRICKLY ABOUT SECRET DEALS, AND COULDN'T YOU HAVE BEEN A LITTLE MORE FORTHCOMING ABOUT THE POLITICAL CHANGES THAT YOU'D MADE TO YOUR ELECTORAL PROPOSALS INSTEAD OF HAVING A SERIES OF SECONDHAND TO THE NEWSPAPER WONDERING IF IT WAS REALLY GOING ON, AND THEN WAIT UNTIL OCTOBER TO HAVE YOU TELL US THAT IN JULY AND AUGUST YOU HAD MADE CHANGES?

GOVERNOR: THE SIMPLE ANSWER TO YOUR QUESTION IS 'YES', BUT, I THINK THAT THE COMMUNITY AS A WHOLE BELIEVES THAT WE HAVE TO DO EVERYTHING WE REASONABLY CAN TO SECURE AN AGREEMENT. I UNDERLINE 'REASONABLY'. I THINK THE COMMUNITY HAS BEEN MASSIVELY PATIENT WHILE THIS MARATHON HAS BEEN RUN IN SECRET. I THINK THE COMMUNITY ACCEPTS AND UNDERSTANDS THAT IT HAS TO BE DONE CONFIDENTIALLY BECAUSE OF, PARTICULARLY, CHINESE CONCERNS. I ACTUALLY THINK THAT THE COMMUNITY RECOGNISES THAT AT THE END OF THE DAY, I AM GOING TO HAVE TO STAND BEFORE THE LEGISLATIVE COUNCIL, JUST AS BRITISH MINISTERS WILL HAVE TO STAND BEFORE THE PARLIAMENT AT WESTMINSTER, AND JUSTIFY AND ARGUE FOR WHATEVER HAS BEEN AGREED AT THE NEGOTIATING TABLE. SO, I THINK THE COMMUNITY RECOGNISES THAT THERE IS NOT GOING TO BE A SECRET DEAL BELOW THE BAIZE, UNDERNEATH THE BILLIARD-TABLE, WHICH WILL BE VISITED UPON THEM AND ABOUT WHICH THEY WILL HAVE NO SAY. I TRIED TO MAKE IT CLEAR TODAY THAT WHEN THE BUCK STOPS IN THESE CIRCUMSTANCES, THE WHOLE COMMUNITY WILL BE INVOLVED IN DRAWING THE LINE ON THE PAGE.

QUESTION : TODAY YOU MENTIONED A LESSON THAT YOU'VE LEARNT BY THE CHINESE AGREEING TO TALK AFTER YOU'D TABLED THE PROPOSALS IN LEGCO. WHAT EXACTLY WAS THAT LESSON?

GOVERNOR: I THINK I'D LEAVE IT TO YOU TO SPECULATE ABOUT THAT PARTICULAR RHETORICAL FLOURISH. I THINK IT IS SAID SOMETIMES BY SINOLOGISTS AND THOSE WHO ARE REALLY EXPERIENCED IN THESE MATTERS, THAT VERY OFTEN CHINESE NEGOTIATORS DON'T MOVE UNTIL THE VERY LAST MOMENT. WHETHER THAT WAS TRUE IN THE CASE OF THE BEGINNING OF TALKS EARLIER THIS SUMMER IS A MATTER OF OPINION.

QUESTION : I'VE GOT TWO QUESTIONS FOR YOU MR PATTEN. ONE, IF AFTER TWELVE ROUNDS OF NEGOTIATIONS YOU COULDN'T REACH AN AGREEMENT, WHY SHOULD YOU BE BOUND TO BE OPTIMISTIC THAT SOMETHING POSITIVE COULD TAKE PLACE IN THE NEXT FEW WEEKS...

GOVERNOR: BECAUSE I'M THAT SORT OF CHAP.

QUESTION : ... BUT IS THAT REALITY ?

GOVERNOR: I AGREE WITH YOU THAT I WOULD HAVE EXPECTED THAT A HUNDRED HOURS SHOULD HAVE BEEN SUFFICIENT FOR DEALING WITH A SET OF PROPOSALS WHICH ARE BY ANY DEFINITION EXTREMELY MODEST. THERE ARE A LOT OF LIBERALS, WITH A SMALL 'L', IN HONG KONG WHO'VE WON A LOT OF ELECTIONS IN HONG KONG, WHO REGARD THE PROPOSALS THAT ARE AT THE CENTRE OF THIS ARGUMENT AS BEING, IN DEMOCRATIC TERMS, SLIM TO THE POINT OF EMACIATION. THEY MUST BE EVEN MORE SURPRISED THAN I AM THAT IT'S TAKEN SO LONG TO MAKE RELATIVELY MODEST PROGRESS. BUT I'LL GO ON HOPING AND PRAYING FOR SUCCESS UNTIL AFTER MIDNIGHT, BUT AFTER MIDNIGHT I'LL RECOGNISE THAT WE WILL HAVE TO GET UP IN THE MORNING AND GET ON WITH THINGS OURSELVES. YOU HAD A SECOND QUESTION?

QUESTION (THE TIMES): YES. UMM ...

GOVERNOR: JUST COME BACK TO IT NEXT YEAR.

QUESTION : YOU HAVE PROPOSED TO INJECT HK\$7 BILLION INTO THE PENSION RESERVE FUND FOR THE CIVIL SERVICE BUT THE CHINESE REPRESENTATIVE OF JLG, MR GUO FENGMIN, CRITICISED THAT. THE CHINESE SIDE PROPOSED, I MEAN URGED THE BRITISH SIDE TO PROPOSE, I MEAN HAND IN A PROPOSAL FOR THE PENSION FUND BUT NO RESPONSE FROM THE BRITISH SIDE. SO, THAT'S YOU DELAY THE WORK, SO ACTUALLY WHAT'S GOING ON THERE?

/GOVERNOR: WELL,

GOVERNOR: WELL, ARE YOU TELLING ME THAT AMBASSADOR GUO, THE DISTINGUISHED DIPLOMAT THAT HE IS, HAS ALREADY CRITICISED THE PROPOSAL TO PUT HK\$7 BILLION INTO PARTIAL FUNDING OF CIVIL SERVICE PENSIONS - THAT'S REALLY QUICK OF THE MARK. I MEAN WHAT'S HE PROPOSING, SEVENTEEN, 70, 700. 7 TRILLION?

QUESTION : BUT THIS ISSUE IS ACROSS, I MEAN, '97. HAVE YOU DISCUSSED THIS WITH THE CHINESE?

GOVERNOR: YES IT'S BEEN DISCUSSED IN THE JLG. WE MADE IT CLEAR THAT WE WOULD WANT TO CONSIDER IT AND COME BACK POSITIVELY TO OUR CHINESE INTERLOCUTORS ON THE SUBJECT. HERE WE ARE, WE'RE COMING BACK NOT ONLY POSITIVELY BUT WITH SEVEN BILLION GOOD, HONEST HONG KONG DOLLARS IN OUR BAG. SO, I WOULD HAVE THOUGHT THAT CHINESE HATS SHOULD BE IN THE AIR BUT WE WILL OF COURSE WANT TO DISCUSS THE DETAIL WITH CHINESE COLLEAGUES IN THE JLG. BUT I WOULD HAVE THOUGHT THEY WOULD REGARD THIS AS A VERY POSITIVE MOVE.

I HAVE TO SAY THAT THERE IS, OF COURSE, AS I SAID IN MY SPEECH, SOMETHING WHICH IS A LITTLE STRANGE ABOUT THE ARGUMENT. THE JOINT DECLARATION, THE BASIC LAW AS WELL AS ALL THE EXISTING LEGISLATION ARE ABSOLUTELY CLEAR THAT PENSIONS ARE A STATUTORY RIGHT, CIVIL SERVICE PENSIONS A STATUTORY RIGHT AND A STATUTORY CHARGE, THAT THEY'LL GO ON BEING PAID AFTER 1997. IT HAS THEREFORE SLIGHTLY SURPRISED ME THAT CHINESE OFFICIALS ARE SO CONCERNED THAT DESPITE THOSE UNDERTAKINGS, MONEY SHOULD BE PUT ON THE TABLE JUST IN CASE THOSE UNDERTAKINGS ARE BROKEN. BRITAIN WON'T BE HERE AFTER 1997, SO WE'RE NOT GOING TO BE BREAKING THE UNDERTAKINGS BUT SINCE WE'VE HAPPILY FOUND OURSELVES IN THE POSITION IN WHICH WE HAVE CAPACIOUS RESERVES, I'M PERFECTLY CONTENT TO SEE A PART OF THOSE RESERVES LOCKED UP IN PARTIAL FUNDING OF CIVIL SERVICE PENSIONS. I SUSPECT THAT THE CHIEF EXECUTIVE OF THE SAR AFTER 1997 WON'T WANT TOO MUCH OF HER OR HIS RESERVES LOCKED UP IN CONDITIONAL COMPARTMENTS LIKE THAT.

QUESTION : STRICTLY OFF THE RECORD IN THIS CLOSED ROOM, DO YOU THINK YOU COULD TELL US WITHOUT THE DETAILS, IS IT TRUE THAT THE CHINESE HAVE MADE NO CONCESSIONS, NO CHANGES IN THEIR ORIGINAL PROPOSALS AT ALL? IS THEIR ARGUMENT EXACTLY AS IT WAS WHEN THIS ALL STARTED OR HAVE THEY MADE SOME CHANGES OF SOME KIND, EVEN IF WE'RE SUPPOSED TO ASK THEM WHAT THE DETAILS ARE?

GOVERNOR: I THINK THAT YOU WILL HAVE TO ASK CHINESE OFFICIALS WHAT THEIR CONSTRUCTIVE PROPOSALS HAVE BEEN DURING THESE TALKS. I'M NOT SURE HOW LONG THE ANSWER WILL BE BUT I THINK YOU'LL HAVE TO PUT THE QUESTION TO THEM.

QUESTION : IF THE CHINESE COME TO YOU WITH A LIST OF INDIVIDUALS AND SAY WE MIGHT BE WILLING TO DISCUSS ARRANGEMENTS BUT ONLY ON THE CONDITION THAT THESE INDIVIDUALS CANNOT SERVE PAST 1997, WOULD YOU CONSIDER THAT A NEGOTIABLE ITEM? POINT NUMBER ONE, AND SECONDLY, ASSUMING THERE IS NO AGREEMENT, WILL YOU BRING FORWARD TO THE LEGISLATIVE COUNCIL YOUR ORIGINAL PROPOSALS OR THE PROPOSALS AS YOU HAVE MODIFIED THEM IN TALKS WITH THE CHINESE?

GOVERNOR: ON YOUR FIRST QUESTION, WHAT WE'RE ATTEMPTING TO SECURE ARE OBJECTIVE CRITERIA WHICH CAN BE AGREED. IT'S GOT NOTHING TO DO WITH INDIVIDUALS. IT WOULD BE ASTONISHING TO EVEN BEGIN DISCUSSING SUCH AN ISSUE. THAT HAS NOTHING TO DO WITH FAIR ELECTIONS TO A LEGISLATURE. IT HAS MORE IN COMMON WITH MORE DUBIOUS AND LESS DEFENSIBLE ACTIVITIES, SO WE WOULD CERTAINLY NOT DISCUSS MATTERS IN THAT WAY.

SECONDLY, THE SIXTY-FOUR THOUSAND DOLLAR QUESTION, I'M RELUCTANT, WHILE WE'RE STILL ATTEMPTING TO SECURE AGREEMENT IN TALKS, TO SPECULATE, EVEN IN WHAT JONATHAN MIRSKY RIGHTLY SAID, WITH THESE DISCRETE AND CONFIDENTIAL SURROUNDINGS, ON PRECISELY WHAT WE WILL DO IF THERE IS A FAILURE TO REACH AGREEMENT. WE WILL, OF COURSE, BE OBLIGED TO BRING LEGISLATIVE PROPOSALS TO THE LEGISLATIVE COUNCIL AND THERE IS ANY NUMBER OF OPTIONS WHICH YOU CAN SPECULATE ABOUT. WHAT I WILL BE TRYING TO DO IS TO GET THE BEST OF ARRANGEMENTS IN PLACE THROUGH THE LEGISLATIVE COUNCIL SO HONG KONG CAN HAVE FAIR ELECTIONS. BUT, WHILE I HAVE A VIEW ABOUT YOUR QUESTION, IT'S NOT A VIEW WHICH AT PRESENT I THINK WOULD BE JUDICIOUS FOR ME TO SHARE.

QUESTION: HOW IMPORTANT IS THE CONTINUING SUPPORT OF THE INTERNATIONAL COMMUNITY IN RESPECT OF YOUR REFORMS? AND ARE YOU CONVINCED THAT YOU MAY FIND MANY SUPPORTERS?

GOVERNOR: WHAT MATTERS IS THE VIEWS OF THIS COMMUNITY. I'M NOT SURPRISED THAT THERE IS SUCH GREAT INTERNATIONAL INTEREST IN HONG KONG, IN HONG KONG'S FUTURE AND DESTINY, BECAUSE THIS IS ONE OF THE GREATEST INTERNATIONAL COMMUNITIES IN THE WORLD, AND THAT IS WHY PEOPLE'S EYES ARE ON HONG KONG. IN EUROPE, IN NORTH AMERICA AND IN THE REGION, I THINK PEOPLE ARE ALSO INTERESTED IN WHAT HAPPENS IN HONG KONG BECAUSE PEOPLE THINK THAT HONG KONG REPRESENTS A SET OF VALUES, A SET OF PRINCIPLES, A WAY OF LIFE, ALL OF WHICH INCREASINGLY REPRESENT THE ASPIRATIONS OF THE MAJORITY OF HUMANITY. SO, PEOPLE ARE INTERESTED IN WHAT HAPPENS HERE. BUT WE HAVE TO WORK THESE MATTERS OUT BETWEEN BRITAIN AND CHINA, AND THE VIEWS OF HONG KONG AND THE CONFIDENCE AND THE COURAGE OF HONG KONG ARE, I GUESS, THE MOST IMPORTANT INGREDIENT IN THE WHOLE MIX.

QUESTION: MR GOVERNOR, I HAVE TWO QUESTIONS TO ASK YOU. THE FIRST ONE: YOU MENTIONED IN YOUR POLICY SPEECH, THIS IS A VERY SUCCESSFUL AND A COMPETITIVE POLICY, AND YOU ALSO MENTIONED THAT THE BUSINESS COUNCIL IS QUITE CORPORATE IN A VERY PROPER WAY. BUT I'VE HEARD FROM THE OTHER STORY THAT THIS BUSINESS COUNCIL IS NOT WELL KNOWN IN A WORLD CASE TO ORGANISE SOMETHING LIKE THE COMPETITIVE POLICY. CAN YOU TELL ME THE PROS AND CONS OF THE PAST YEAR'S PERFORMANCE OF THIS BUSINESS COUNCIL?

AND SECONDLY, COULD YOU TRY TO SAY EXACTLY WHAT KIND OF ADVICE YOU WILL BE GIVING TO THE PRIME MINISTER AND THE FOREIGN AFFAIRS MINISTER ON THE NEXT CABINET MEETING? WILL THIS MEETING BE THE LAST ONE BY THE END OF THIS YEAR?

GOVERNOR: ON THE SECOND QUESTION, FIRST. I THINK THAT BOTH THE PRIME MINISTER AND THE FOREIGN SECRETARY WOULD EXPECT ME TO OFFER THEM THE ADVICE I HAVE ON THE WAY FORWARD FIRST, RATHER THAN OFFER IT TO YOU FIRST AND THEN COME ON TO THEM LATER ON.

ON YOUR FIRST QUESTION, THE BUSINESS COUNCIL HAS BEEN AN EXTREMELY VALUABLE SOUNDING-BOARD FOR BUSINESS OPINION ABOUT HOW TO MAKE HONG KONG AN EVEN MORE COMPETITIVE ECONOMY. I HAVE VALUED MY EXCHANGES WITH THE BUSINESS COUNCIL OVER SUBJECTS LIKE INFLATION, THE LABOUR MARKET, EDUCATION; AND SOME OF THE PROPOSALS THAT I ANNOUNCED TODAY VERY MUCH REFLECTED THEIR VIEWS; THE ENVIRONMENT, IN WHICH THEY ARE TAKING AN INCREASING INTEREST. BUT I SUSPECT THAT IF YOU WANT THE BEST POSSIBLE COMMENT ON WHETHER WHAT I SAID TODAY ON COMPETITION POLICY REPRESENTED A SENSIBLE AND COHERENT WAY FORWARD, YOU SHOULD ASK THE CHAIRMAN OF THE CONSUMER COUNCIL, WHO I IMAGINE WILL BE EXTREMELY PLEASED BY THE ANNOUNCEMENTS THAT WE MADE THIS AFTERNOON.

QUESTION: YOU HAVE TOLD US IN YOUR SPEECH THAT THE ROOM FOR MANOEUVRE IS LIMITED AND YOU HAVE SAID THAT YOU HAVE MADE A CONDITIONAL OFFER TO THE CHINESE. SO, DOES IT MEAN THAT THE BRITISH SIDE WILL NOT MAKE ANY MORE CONCESSIONS IN THE TALKS? AND IF SO, HOW COULD YOU BE CONFIDENT THAT YOU CAN FIX THE CHINESE AGREEMENT ON THE THROUGH TRAIN ISSUE?

GOVERNOR: WELL, I DON'T WANT TO NEGOTIATE HERE. ALL I WILL SAY IS THAT WE HAVE SHOWN OUR SINCERITY AND FLEXIBILITY BECAUSE WE HAVE AT HEART THE INTERESTS OF THE PEOPLE OF HONG KONG. WE WANT DECENT ELECTIONS. WE WANT, IF POSSIBLE, AN AGREEMENT WITH CHINA. I VERY MUCH HOPE THAT AT SOME STAGE, WE WILL HEAR EQUAL INDICATIONS OF SINCERITY AND FLEXIBILITY FROM THE CHINESE SIDE.

I FIND IT A HUGE PUZZLE TO UNDERSTAND WHY THERE IS ANY DIFFICULTY OR ARGUMENT ABOUT THE THROUGH TRAIN. CHINESE OFFICIALS ARE COMMITTED TO A LEGISLATIVE COUNCIL COMPOSED BY ELECTIONS IN 1995 AND IN THE YEARS SUBSEQUENT TO THAT. NOW, WHERE IN THE WORLD IS THE PATH TO DEMOCRACY, OUR ELECTIONS, POSITED ON THE ASSUMPTION THAT SOME PEOPLE ARE TOLD BEFORE THE ELECTION THAT THEY ARE GOING TO BE UNDESIRABLES? EVERYBODY HAS OBJECTIVE CRITERIA; WE HAVE OBJECTIVE CRITERIA NOW. YOU COULD GET ELECTED TO THIS LEGISLATIVE COUNCIL AND REFUSE TO TAKE THE LEGISLATIVE COUNCIL OATH OR REFUSE TO TAKE THE OATH OF ALLEGIANCE, AND YOU WOULDN'T BE ABLE TO TAKE YOUR SEAT IN THE LEGISLATIVE COUNCIL. THAT IS OBJECTIVE CRITERIA. BUT WE DON'T SAY, "WELL, WE DON'T LIKE X, Y AND Z, BECAUSE WE DON'T LIKE THEIR OPINIONS, WE DON'T LIKE THEIR JUDGMENTS, WE DON'T LIKE THE CUT OF THEIR JIB, WE DON'T LIKE THEIR TAILOR." I MEAN, WHAT HAS THAT TO DO WITH OBJECTIVE CRITERIA? WHY CAN THERE BE AN ARGUMENT ABOUT SUCH A VERY SIMPLE MATTER? VERY SIMPLE FOR EVERYONE WHO SIGNED THE JOINT DECLARATION AND MEANT WHAT THEY SIGNED.

THANK YOU VERY MUCH INDEED.