



DAILY INFORMATION BULLETIN

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

WEDNESDAY, OCTOBER 5, 1994

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MAHJONG/TIN KAU LICENCE FEES TO BE REVISED

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LICENCE FEES FOR MAHJONG/TIN KAU WILL BE ADJUSTED FROM NOVEMBER 10 THIS YEAR.

ANNOUNCING THIS TODAY (WEDNESDAY), A HOME AFFAIRS BRANCH SPOKESMAN SAID BASED ON A COSTING EXERCISE CONDUCTED BY THE COMMISSIONER FOR TELEVISION AND ENTERTAINMENT LICENSING, IT WAS PROPOSED TO SET THE LICENCE FEES ON A PER TABLE BASIS AT \$900 PER TABLE PER YEAR.

THE SPOKESMAN POINTED OUT THAT THE TRADE ASSOCIATION HAD BEEN CONSULTED ON THE PROPOSED REVISION AND THAT THE INCREASE WAS UNLIKELY TO HAVE SIGNIFICANT IMPACT ON THEIR OPERATING PROFITS.

"IT IS GOVERNMENT POLICY THAT FEES SHOULD IN GENERAL BE SET AT A LEVEL TO RECOVER THE FULL COST OF PROVIDING THE GOODS OR SERVICES," HE ADDED.

THE ADJUSTMENT, CONTAINED IN THE GAMBLING (AMENDMENT) (NO.3) REGULATION 1994, WILL BE GAZETTED THIS FRIDAY (OCTOBER 7).

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ROYAL NAVY SAILOR ABDUCTED BY SMUGGLERS

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A ROYAL NAVY SAILOR WAS ABDUCTED BY SMUGGLERS AFTER BOARDING THEIR SPEEDBOAT EARLY THIS (WEDNESDAY) MORNING.

LEADING WEAPONS ENGINEER TONY MOORE, 23, WAS OPERATING IN A FAST PURSUIT CRAFT FROM HMS PLOVER DURING AN ANTI-SMUGGLING TASK FORCE OPERATION WHEN HIS CRAFT CAUGHT UP WITH A SUSPECTED SMUGGLER'S DAI FEI.

AS SOON AS HE BOARDED THE DAI FEI, IT TOOK OFF AT SPEED.

AFTER A SHORT STRUGGLE, LWE MOORE MANAGED TO ESCAPE FROM THE SMUGGLERS AND SWAM TO SHA CHAU ISLAND, SIX MILES MORTH OF LANTAU.

HE SUFFERED NO SERIOUS INJURIES AND WAS RECOVERED BY A MARINE POLICE LAUNCH.

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NOTE TO EDITORS:

THERE WILL BE A PRESS CONFERENCE AT THE PRINCE OF WALES BARRACKS AT 2 PM TODAY (WEDNESDAY) WHEN LWE MOORE WILL BE AVAILABLE FOR INTERVIEW AND PHOTOGRAPHS.

MEDIA REPRESENTATIVES WISHING TO ATTEND SHOULD ARRIVE AT THE GUARDROOM NO LATER THAN 1.45 PM.

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WEDNESDAY, OCTOBER 5, 1994

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YUEN LONG SITE TO LET

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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCY OF A PIECE OF GOVERNMENT LAND IN AREA 14, TIN SHUI WAI, YUEN LONG, IN THE NEW TERRITORIES.

COVERING AN AREA OF 5,100 SQUARE METRES, THE LOT IS TO BE USED AS A CAR PARK FOR THE TENANT'S MOTOR VEHICLES OR AS A FEE-PAYING PUBLIC CAR PARK FOR MOTOR VEHICLES, EXCLUDING CONTAINER VEHICLES EXCEPT CONTAINER TRACTORS WITHOUT CONTAINER TRAILORS.

THE TENANCY IS FOR 15 MONTHS, RENEWABLE QUARTERLY.

CLOSING DATE FOR SUBMISSIONS OF TENDERS IS AT NOON ON OCTOBER 21.

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

TENDER PLANS CAN ALSO BE INSPECTED AT THESE OFFICES.

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NO POST SERVICE ON CHUNG YEUNG FESTIVAL

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THERE WOULD BE NO MAIL DELIVERY ON OCTOBER 13, CHUNG YEUNG FESTIVAL, THE ACTING POSTMASTER-GENERAL, MISS NANCY LAW, ANNOUNCED TODAY (WEDNESDAY).

ALL POST OFFICES WILL BE CLOSED ON THAT DAY.

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HONG KONG MONETARY AUTHORITY
MONEY MARKET OPERATIONS
* * * * *

	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
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OPENING BALANCE IN THE ACCOUNT	2,007	0930	+477
CLOSING BALANCE IN THE ACCOUNT	1,953	1000	+477
CHANGE ATTRIBUTABLE TO :		1100	+427
MONEY MARKET ACTIVITY	+426	1200	+427
LAF TODAY	-480	1500	+427
		1600	+426
LAF RATE 3.00 BID/5.00 OFFER	TWI 121.8	**+0.1*	5.10.94

HONG KONG MONETARY AUTHORITY

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.10	20 MONTHS	2605	6.35	100.23	6.29
1 MONTH	4.22	23 MONTHS	2608	6.15	99.53	6.52
3 MONTHS	4.48	31 MONTHS	3704	6.15	98.13	7.08
6 MONTHS	4.85	34 MONTHS	3707	6.95	99.53	7.26
12 MONTHS	5.63	60 MONTHS	5909	7.45	98.33	8.02

TOTAL TURNOVER OF BILLS AND BONDS - 43,551 MN

CLOSED 5 OCTOBER 1994

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SUPPLEMENT

POLICY ADDRESS BY THE GOVERNOR THE RT HON CHRISTOPHER PATTEN

WEDNESDAY, OCTOBER 5, 1994

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/OVERWHELMING PUBLIC

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GOVERNOR GIVES BROADCAST ON POLICY ADDRESS

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FOLLOWING IS THE SCRIPT OF THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S BROADCAST ON TELEVISION AND RADIO THIS (WEDNESDAY) EVENING:

TEN YEARS AGO, BRITAIN AND CHINA SIGNED THE JOINT DECLARATION ON HONG KONG'S FUTURE. BRITAIN AND CHINA TOGETHER PROMISED HONG KONG THAT ITS FREE ENTERPRISE WAY OF LIFE WOULD NOT COME TO AN END AFTER 1997 AND THAT WE WOULD ALL WORK TOGETHER TO MAKE SURE THAT HONG KONG'S PRESENT SUCCESS - ITS STABILITY AND ITS PROSPERITY - WILL CONTINUE LONG AFTER 1997.

AFTER 10 YEARS OF THE TRANSITION, AND WITH EXACTLY 1,000 DAYS REMAINING BEFORE JULY 1, 1997, IT IS A GOOD TIME TO TAKE STOCK. TO LOOK BACK AT WHAT HAS BEEN ACHIEVED AND AT WHAT REMAINS TO BE DONE.

I DON'T THINK ANYONE SERIOUSLY DOUBTS THAT HONG KONG HAS BEEN BOTH STABLE AND PROSPEROUS IN THE PAST 10 YEARS. IT WOULD BE HARD TO FIND A MORE SUCCESSFUL COMMUNITY ANYWHERE IN THE WORLD. LET ME GIVE YOU A FEW EXAMPLES OF WHAT I MEAN :

- * WE HAVE SEEN THE GENERAL LEVEL OF CRIME FALL BY 10 PER CENT, BUT OF COURSE WE MUST GO ON WORKING FOR FURTHER IMPROVEMENTS IN CONTAINING CRIME AND PROSECUTING CRIMINALS. HONG KONG IS A SAFE CITY BY INTERNATIONAL STANDARDS BUT WE MUST MAKE IT EVEN SAFER.
- * WE HAVE SEEN AN INCREASE IN THE PROPORTION OF FAMILIES OWNING THEIR OWN HOMES FROM 31 PER CENT TO 48 PER CENT, AND THIS FIGURE WILL RISE FURTHER IN THE FUTURE.
- * WE HAVE SEEN AN EQUALLY DRAMATIC INCREASE FROM 3 PER CENT TO 18 PER CENT IN THE PROPORTION OF OUR YOUNG PEOPLE STUDYING FOR DEGREES IN HONG KONG.

THIS IS WHAT WE MEAN BY A STABLE COMMUNITY. A COMMUNITY IN WHICH THE QUALITY OF LIFE IS STEADILY IMPROVING AND A COMMUNITY IN WHICH EVERYONE CAN SHARE IN THE FRUITS OF SUCCESS.

IN TERMS OF PROSPERITY, THE RECORD IS EQUALLY IMPRESSIVE. SINCE 1984 :

- * REAL EARNINGS HAVE INCREASED BY 66 PER CENT.
- * OUR GDP, THE TOTAL WEALTH OF OUR BUSINESSES AND FAMILIES, HAS INCREASED BY 79 PER CENT IN REAL TERMS.

SO HONG KONG HAS BEEN BOTH STABLE AND PROSPEROUS SINCE THE SIGNING OF THE JOINT DECLARATION. THIS IS A REMARKABLE ACHIEVEMENT WHEN YOU CONSIDER HOW MANY PEOPLE WERE PREPARED TO WRITE HONG KONG OFF BACK IN 1984.

/WE IN

WE IN THE GOVERNMENT ARE DETERMINED TO ENSURE THAT HONG KONG GOES ON BEING STABLE AND PROSPEROUS AND THAT IS WHY WE GO ON TAKING THE DECISIONS WHICH HAVE TO BE MADE, IMPLEMENTING THE IMPROVEMENTS IN PUBLIC SERVICES WHICH THE COMMUNITY DEMANDS. THIS IS WHAT I MEAN BY AN ACCOUNTABLE EXECUTIVE-LED GOVERNMENT.

ON MONDAY, THE CHIEF SECRETARY, MRS ANSON CHAN, PUBLISHED A DETAILED REPORT ON THE PROGRESS MADE BY THE GOVERNMENT IN IMPLEMENTING THE 221 INITIATIVES I ANNOUNCED IN MY FIRST TWO POLICY ADDRESSES TO THE LEGISLATIVE COUNCIL. IT RECORDS AN IMPRESSIVE PERFORMANCE BY THE DEDICATED MEN AND WOMEN OF THE CIVIL SERVICE. 94 PER CENT OF THESE INITIATIVES HAVE EITHER BEEN MET OR ARE ON TARGET. WE HAVE FALLEN BEHIND WITH ONLY 13 OF THESE INITIATIVES. BUT EVEN HERE, WE ARE DETERMINED TO CATCH UP.

IN MY POLICY ADDRESS TODAY, I EXPLAINED THAT EACH POLICY SECRETARY, TOGETHER WITH THE JUDICIARY, THE ATTORNEY-GENERAL'S CHAMBERS AND THE ICAC HAS PREPARED A CLEAR STATEMENT OF HOW THEY ARE GOING TO SERVE THE COMMUNITY IN THE COMING YEAR. THEY SPELL OUT THEIR COMMITMENTS IN DETAIL. THEY ALSO EXPLAIN THE PROBLEMS THAT LIE AHEAD.

THE POLICY COMMITMENTS SET OUT 337 NEW UNDERTAKINGS, EACH OF WHICH WILL BRING REAL BENEFITS TO THE INDIVIDUALS AND FAMILIES WHO MAKE UP OUR COMMUNITY. THESE POLICY COMMITMENTS WERE PUBLISHED EARLIER TODAY. WE ARE NOT PROPOSING TO SPEND MONEY UNWISELY. AFTER ALL, IT'S YOUR MONEY. WE'RE GOING TO CONTINUE LOOKING AFTER IT PRUDENTLY - NEVER SPENDING MORE THAN HONG KONG CAN AFFORD. LET ME GIVE YOU A FEW EXAMPLES OF WHAT OUR PLANS WILL MEAN FOR YOU AND YOUR FAMILY:

- * WE WILL BE PROVIDING FUNDS TO IMPROVE THE STANDARDS OF SAFETY AND CARE IN NURSING HOMES FOR ELDERLY PEOPLE.
- * WE WILL MAKE MONEY AVAILABLE SO THAT AN EXTRA 850 ELDERLY PEOPLE CAN HAVE THE CATARACT OPERATION THEY NEED TO RESTORE THEIR SIGHT.
- * WE WILL INCREASE THE FINANCIAL SUPPORT WE PROVIDE FOR SINGLE PARENT FAMILIES.
- * THERE WILL BE OVER 700 MORE PLACES IN PRE-SCHOOL CENTRES FOR THE DISABLED CHILDREN AND AN EXPANSION OF THE REHABUS SCHEME.
- * THERE WILL BE 950 MORE HOSPITAL BEDS THIS YEAR AND 500 MORE NURSES NEXT YEAR. WE ARE PROPOSING TO BUILD A NEW HOSPITAL AT TSEUNG KWAN O PROVIDING A FURTHER 400 BEDS.
- * THERE WILL BE 1000 MORE PLACES IN HOSPICES.
- * AND WE ARE PROVIDING THE RESOURCES TO ENABLE THE HOSPITAL AUTHORITY, IN CONJUNCTION WITH THEIR COLLEAGUES IN THE PRIVATE SECTOR, TO MEET IN FULL THE DEMAND FOR DIALYSIS SERVICES WHICH ARE A MATTER OF LIFE AND DEATH FOR KIDNEY PATIENTS.

THESE PUBLIC SERVICES MATTER A GREAT DEAL TO THE PEOPLE WHO NEED THEM, AND I KNOW THE COMMUNITY BELIEVES THAT SUCH LIVELIHOOD ISSUES SHOULD BE RIGHT AT THE TOP OF THE GOVERNMENT'S AGENDA. THEY ARE; AND I WANT TO MAKE IT CLEAR TODAY THAT THEY WILL REMAIN THERE.

NEXT YEAR WE WILL PUBLISH ANOTHER PROGRESS REPORT DESCRIBING WHAT HAS BEEN ACHIEVED. AND I GIVE YOU A PLEDGE NOW THAT WE ARE DETERMINED TO REPEAT THE SUCCESS OF THE PAST TWO YEARS.

IN THE LEGISLATIVE COUNCIL THIS AFTERNOON, I ALSO SPOKE ABOUT THE NEED TO FIND PRACTICAL WAYS TO CO-OPERATE WITH CHINA TO ENSURE THAT WE MAKE BETTER PROGRESS ON THE MANY ISSUES WHICH REMAIN ON THE AGENDA OF THE JOINT LIAISON GROUP - THE JLG.

I THINK THE WHOLE COMMUNITY WANTS BRITAIN AND CHINA TO FIND NEW WAYS OF WORKING TOGETHER. IT'S A GREAT PITY THAT WE COULDN'T REACH AGREEMENT ON THE ARRANGEMENTS FOR OUR ELECTIONS. BUT IF WE FAIL TO AGREE IN ONE AREA, WE MUST PUT THAT BEHIND US AND REDOUBLE OUR EFFORTS TO REACH SENSIBLE AGREEMENTS ELSEWHERE. THAT IS WHY I HAVE SET OUT A SERIES OF PRACTICAL MEASURES WHICH I HOPE WILL BE ACCEPTED FOR WHAT THEY ARE: A REASONABLE, COMMON-SENSE FRAMEWORK FOR CO-OPERATION OVER THE 1,000 DAYS AHEAD.

THESE PROPOSALS ARE INTENDED TO DO TWO THINGS.

- * FIRST, TO ENSURE THAT THE PREPARATORY COMMITTEE WHICH WILL BE SET UP IN 1996 AND THE FUTURE CHIEF EXECUTIVE AND HIS OR HER TEAM HAVE ALL THE ASSISTANCE THEY NEED IN PREPARING FOR THEIR HEAVY RESPONSIBILITIES.
- * SECOND, I WANT TO MAKE SURE THAT THE FIRST 1997 ADMINISTRATION HAS THE BEST POSSIBLE START IN TERMS OF RESOURCES.

I KNOW THAT THIS IS WHAT THE PEOPLE OF HONG KONG WANT. IT IS CERTAINLY MY AIM AND THAT OF THE BRITISH GOVERNMENT. I HOPE CHINA WILL BE ABLE TO JOIN WITH US IN WORKING TOGETHER TO MAKE A SUCCESS OF THE TRANSITION. ONLY IN THIS WAY WILL HONG KONG BE ABLE TO MAKE ITS FULL CONTRIBUTION TO CHINA'S DEVELOPMENT AFTER 1997 AS IT HAS BEFORE 1997.

THE NEXT 1,000 DAYS WON'T BE EASY. YOU KNOW THAT AND I KNOW THAT. THEY WERE NEVER GOING TO BE. BUT I THINK THAT IF WE ALL WORK AT IT, IF WE ALL TRY IMAGINATIVELY AND WITH A BIT MORE GENEROSITY OF SPIRIT, WE SHOULD BE ABLE TO MAKE A SUCCESS OF THINGS. THAT'S WHAT I'M DETERMINED TO TRY TO DO. AND IF WE SUCCEED, WHEN WE SUCCEED - WELL, IT WILL OF COURSE BE GOOD FOR BRITAIN AND GOOD FOR CHINA, BUT ABOVE ALL IT WILL BE GOOD FOR HONG KONG.

WEDNESDAY, OCTOBER 5, 1994

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TRANSCRIPT OF THE GOVERNOR'S PRESS CONFERENCE

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FOLLOWING IS THE TRANSCRIPT OF THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S PRESS CONFERENCE THIS (WEDNESDAY) AFTERNOON:

QUESTION: IS THERE REALLY ENOUGH IN YOUR POLICY ADDRESS TO CONVINCING CHINA YOU'RE SINCERE ABOUT IMPROVING RELATIONS?

GOVERNOR: I SAID IN MY SPEECH THAT SINCERITY DOESN'T MEAN THAT ONE PARTY ALWAYS HAS TO AGREE WITH THE OTHER AND I POINTED OUT - WHICH IS SOMETHING THAT I'VE SAID BEFORE - THAT CO-OPERATION ISN'T A ONE-WAY STREET. I THINK THAT THE COMMUNITY WILL RECOGNISE THAT IN A COMMONSENSE WAY WE'VE HELD OUT A HAND AND I THINK THE COMMUNITY WILL HOPE THAT THE CHINESE OFFICIALS HOLD OUT A HAND TOO. WHAT'S AT STAKE IS ABSOLUTELY CLEAR. WHAT'S AT STAKE IS THE FUTURE WELL-BEING AND PROSPERITY OF HONG KONG AND WE DO HAVE TO MAKE AN EFFORT TO SECURE THOSE OBJECTIVES. SO I VERY MUCH HOPE THAT WE WILL HAVE OVER THE WEEKS AND MONTHS AHEAD, A POSITIVE AND SINCERE AND CO-OPERATIVE RESPONSE FROM CHINESE OFFICIALS. AND I THINK THAT THE FOREIGN SECRETARY WHO SET OUT MANY OF THESE IDEAS IN HIS MEETING WITH VICE-PREMIER QIAN, REGARDED THE MEETING HE HAD WITH THE VICE-PREMIER AS BEING EXTREMELY CONSTRUCTIVE AND UNRHETORICAL.

FOLLOW-UP QUESTION: JUST TO FOLLOW UP, WOULD YOU CALL IT A CONCILIATORY RATHER THAN A CONFRONTATIONAL POLICY ADDRESS?

GOVERNOR: I THOUGHT IT WAS - BUT THEN I'M BIASED, AIN'T I? - I THOUGHT IT WAS SENSIBLE. AND I THINK IT IS WHAT THE COMMUNITY WOULD HAVE WANTED AND EXPECTED: FULL OF PRACTICAL SUGGESTIONS FOR ENSURING THAT THE TRANSITION IN '97 WAS AS SMOOTH AS POSSIBLE. LET ME GIVE YOU AN ANALOGY. WHEN THERE'S A CHANGE OF ADMINISTRATION IN WASHINGTON THERE'S A TRANSITIONAL TEAM; THERE'S A LOT OF SUPPORT FROM BOTH THE INCUMBENT ADMINISTRATION AND THOSE WHO ARE COMING IN TO ENSURE THAT THINGS GO AS SMOOTHLY AND WELL AS POSSIBLE. NOW WE'RE TALKING ABOUT SOMETHING WHICH IS MUCH MORE CONSIDERABLE AS A CHANGE THAN THAT AND WE'VE GOT THEREFORE TO DO ALL THAT WE CAN TO SMOOTH OVER THE ROUGH EDGES.

GOVERNOR: WHEN THERE IS A CHANGE OF ADMINISTRATION IN WASHINGTON THERE IS A TRANSITIONAL TEAM, THERE'S A LOT OF SUPPORT FROM BOTH THE INCUMBENT ADMINISTRATION AND THOSE WHO ARE COMING IN TO ENSURE THAT THINGS GO SMOOTHLY AND AS WELL AS POSSIBLE. NOW, WE ARE TALKING ABOUT SOMETHING WHICH IS MUCH MORE CONSIDERABLE AS A CHANGE THAN THAT AND WE'VE GOT THEREFORE TO DO ALL WE CAN TO SMOOTH OVER THE ROUGH EDGES.

QUESTION: MR PATTEN, THE PWC - AS YOU WOULD CALL IT CHINA'S CREATION - WHAT RIGHT DO THESE PEOPLE HAVE TO DECIDE THE FUTURE OF HONG KONG AS YOU SAID IN YOUR SPEECH GIVEN BY PARTICIPATING IN THE JLG DISCUSSIONS AND SECONDLY, HOW WOULD THAT ACTUALLY SPEED UP THE WORK OF THE JLG?

/GOVERNOR:

GOVERNOR: WELL, WHAT WE'VE DONE - AND WE DID IT DURING THE COURSE OF THE LAST JLG MEETING AND DOUGLAS DID IT ALSO IN HIS MEETING WITH THE VICE PREMIER, THOUGH IN A MORE LIMITED WAY, - IS TO SKETCH OUT FOR CHINESE OFFICIALS A WHOLE RANGE OF WAYS IN WHICH WE MAY BE ABLE TO GET MORE CRUNCHED THROUGH THE JLG OVER THE NEXT 1,000 DAYS. THAT RANGES FROM THE PROPOSAL THAT WE SHOULD HAVE MORE PLENARY JLG MEETINGS TO THE IDEA THAT WE SHOULD TRY TO, AS IT WERE, SPIN OFF SOME OF THE MORE DETAILED, SOME OF THE MORE TECHNICAL JLG WORK TO EXPERT GROUPS AND IT SEEMED TO US THAT IF A PROBLEM FOR EXAMPLE, WAS A LACK OF LEGAL ADVICE IN THOSE SORT OF EXPERT GROUPS THEN A WAY OF COPING WITH THAT WAS TO USE SOME OF THE LEGAL EXPERTISE WHICH CHINA HAS NOMINATED TO THE JLG IT'S ONLY AN EXAMPLE, RATHER THAN A PRECISE PROPOSAL OR PROPOSITION BUT SINCE IT'S RECOGNISED, AS IT WERE, IN THE SACRED TEXTS THAT THE JOB OF SOLVING TRANSITION PROBLEMS IS ONE FOR THE JLG THEN WE'VE GOT TO TRY TO LOOK AT WAYS IN WHICH WE, IF POSSIBLE, CAN PUT A BIT MORE PETROL IN THE JLG'S TANK AND WE HAVE EXPERTS IN THE HONG KONG GOVERNMENT AND THE EXECUTIVE COUNCIL AND WE HAVE TO PUT EVERYTHING EVENTUALLY TO THE LEGISLATIVE COUNCIL TO GET IT THROUGH. IF CHINA THINKS IT WILL BE A GOOD IDEA TO USE PWC MEMBERS THEN SO BE IT. I WAS A BIT PUZZLED THIS MORNING WHEN I THINK AN NCNA OFFICIAL SAID THAT, TO INVOLVE PWC MEMBERS IN THIS WAY WOULD BE THREE-LEGGED STOOLISM AND THAT PWC MEMBERS SHOULDN'T BE INVOLVED IN DEALING WITH THESE TRANSITION ISSUES BUT I THOUGHT THAT'S WHAT THE PWC WAS SUPPOSED TO BE DOING.

QUESTION: BUT MR PATTEN, MY QUESTION WAS THIS GROUP OF PEOPLE WERE HAND-PICKED BY CHINA. YOU ARE TALKING ABOUT LEGAL EXPERTS. THERE ARE PLENTY OF OTHER BARRISTERS AND LAWYERS IN HONG KONG. WHAT MAKES THEM SPECIAL? WHAT RIGHT DO THEY HAVE TO SAY--

GOVERNOR: WELL, CHINESE NEGOTIATORS AT THE TABLE DRAW ON A GOOD DEAL OF EXPERTISE AND WE WERE JUST POLITELY SUGGESTING ONE WAY IN WHICH THAT POOL COULD BE INCREASED BUT EVENTUALLY, ANYTHING THAT IS DISCUSSED IN THE JLG HAS TO BE AGREED BY THE TWO SOVEREIGN POWERS AND IF IT INVOLVES LEGISLATION, LEGISLATION WHICH PERTAINS TO HONG KONG - THEN IT HAS TO GO THROUGH THE LEGISLATIVE COUNCIL.

QUESTION: MR PATTEN (INAUDIBLE)... BUT NOW YOU ARE SUGGESTING THAT CHINESE GOVERNMENT CAN APPOINT PWC MEMBERS TO COME AS EXPERTS AT THE JLG (INAUDIBLE) TO TAKE PART IN THE TRANSITIONAL ARRANGEMENTS OF HONG KONG. HOW CAN YOU EXPLAIN WHY YOU ARE PROPOSING THIS TO BE ACCEPTABLE TO THE PEOPLE OF HONG KONG. AND ALSO THE CHINESE GOVERNMENT HAS REPEATEDLY DEMANDED THAT THERE SHOULD BE OFFICIAL CONTACT BETWEEN CIVIL SERVANTS AND THE PWC BUT YOUR PROPOSAL IS EVADING THE QUESTION WITH CHINA AND YOU THAT THERE SHOULD NOT BE FORMAL CONTACT BETWEEN CIVIL SERVANTS AND PWC. SO HOW CAN YOU CONVINCE THE CHINESE GOVERNMENT THAT YOUR PROPOSAL DEMONSTRATES A GENUINE DESIRE TO CO-OPERATE WITH THE CHINESE GOVERNMENT?

/GOVERNOR:

GOVERNOR: WELL, FOR US THE MAIN ISSUES ARE HOW WE DEAL WITH AND CO-OPERATE WITH THE PREPARATORY COMMITTEE AND THE CHIEF EXECUTIVE DESIGNATE AND ANY FUTURE MEMBERS OF THE CHIEF EXECUTIVE DESIGNATE'S EXECUTIVE COUNCIL AND ANY MEMBERS OF HIS OR HER TEAM AND SECONDLY, HOW WE CAN GIVE GREATER IMPETUS TO THE JLG. THE QUESTION OF HOW THE PWC WORKS IS NOT A MATTER FOR ME. I WAS INDICATING THIS AFTERNOON HOW WE COULD BE FLEXIBLE AND HELPFUL WITHOUT SEEKING TO BY-PASS THE JLG OR WITHOUT IGNORING THE AGREEMENTS REACHED BETWEEN THE SOVEREIGN POWERS ABOUT THE TRANSITION. LET ME SAY A WORD MORE ABOUT HOW I SEE THE RELATIONSHIP BETWEEN GOVERNMENT AND THE PWC. SOME PEOPLE SAY THE PWC WAS SET UP TO HELP THE TRANSITION. SOME PEOPLE SAY THAT THE PWC WAS SET UP AS A SECOND STOVE IN ORDER NOT TO CO-OPERATE WITH THE HONG KONG GOVERNMENT BUT IN ORDER TO ERODE THE AUTHORITY OF THE HONG KONG GOVERNMENT. NOW, IT'S NOT FOR ME TO SPECULATE ABOUT WHICH OBJECTIVE CHINESE OFFICIALS HAD BUT I AM PERFECTLY HAPPY IF THE OBJECTIVE IS TO HELP DEAL WITH THE TRANSITION TO BE OPEN MINDED ABOUT THAT. WE'VE MADE IT CLEAR THAT IT WOULD BE WHOLLY WRONG, AND I'M SURE YOU'D AGREE WITH THIS, FOR CIVIL SERVANTS TO BE MEMBERS OF THE PWC OR OF PWC SUB GROUPS. WE'VE MADE IT PERFECTLY CLEAR THAT IT WOULD BE WRONG FOR CIVIL SERVANTS TO ACT AS ADVISORS TO PWC OR PWC SUB GROUPS. WE'VE MADE IT CLEAR THAT IT WOULD BE WRONG FOR CIVIL SERVANTS TO BE SUMMONED BY PWC MEETINGS OR THE MEETINGS OF SUB GROUPS. ON THE OTHER HAND I SHOULD THINK ON VIRTUALLY EVERY SUBJECT OF INTEREST TO THE PEOPLE OF HONG KONG, HONG KONG CIVIL SERVANTS HAVE BRIEFED INDIVIDUAL PWC MEMBERS AND I AM PERFECTLY CONTENT THAT THAT SHOULD CONTINUE. BUT I REPEAT - WHAT IS OF PRIMARY CONCERN TO US WITHOUT LOOKING, WITHOUT BEING IDEOLOGICAL, ABOUT OUR RELATIONS WITH THE PWC - WHAT IS OF VITAL IMPORTANCE TO US IS HOW WE GIVE MORE IMPETUS TO THE JLG AND HOW IN DUE COURSE WE CO-OPERATE WITH THE PREPARATORY COMMITTEE AND THE CHIEF EXECUTIVE DESIGNATE.

QUESTION: GOVERNOR, IT IS NOW TWO YEARS - ANNIVERSARIES ARE VERY IMPORTANT. NOW, WITHOUT WASTING TIME AND BREATH ON RECRIMINATIONS, AS YOU SAID IN YOUR SPEECH, IT'S DIFFICULT TO KNOW HOW TO MOVE FORWARD IF YOU DON'T KNOW WHAT THE PROBLEM IS. I DON'T MEAN YOU BUT US. THERE IS A LOG-JAM; THE RELATIONSHIP IS NOT GOOD. YOU'VE NOW BEEN HERE TWO YEARS, WHAT DO YOU THINK THE BASIC DIFFICULTY OR DIFFICULTIES ARE BETWEEN THE HONG KONG GOVERNMENT AND PEKING? IT'S IMPOSSIBLE TO KNOW HOW TO SOLVE THEM WITHOUT IDENTIFYING THEM OR DESCRIBING THEM.

GOVERNOR: WELL, I'VE BEEN TOLD VERY OFTEN, BOTH IN PRINT AND TO MY FACE, THAT I'M NOT A SINOLOGIST AND THEREFORE I'M SURE THAT IT'S MORE SENSIBLE FOR ME TO LEAVE IT TO DISTINGUISHED SCHOLARS TO SPECULATE ABOUT THE PRECISE REASONS FOR THE DIFFICULTIES WE'VE HAD IN OUR RELATIONSHIP. I DON'T THINK THAT PEOPLE IN HONG KONG LISTENING TO THE MATTER OF FACT SENSIBLE PROPOSALS WE'VE PUT FORWARD TODAY WOULD FIND IT EASY TO UNDERSTAND IF THERE WASN'T OVER THE COMING WEEKS AND MONTHS A PRETTY POSITIVE RESPONSE. I THINK THEY WOULD BE PRETTY PUZZLED BY THAT. BUT I'M HOPING FOR THE BEST - THERE'S NOT MUCH POINT IN DOING OTHER THAN THAT - HOPING FOR THE BEST AND WORKING FOR THE BEST. AND IF I'M WRONG, THEN THOSE WHO DECLINE - TO GO BACK TO ONE OF MY WORN OUT METAPHORS 'TO HIT THE BALL BACK OVER THE NET' - THEY WILL HAVE TO EXPLAIN THAT IN DUE COURSE.

BUT ONE OF THE THINGS WHICH IS, I GUESS, A SOURCE OF BEWILDERMENT TO MANY IS TO CONSIDER THE CONSEQUENCES OF NOT CO-OPERATING ON THESE PRACTICAL MATTERS. THE CONSEQUENCES AREN'T HARM TO THE UNITED KINGDOM, EXCEPT TO OUR ATTEMPTS TO DISCHARGE OUR RESPONSIBILITIES COMPETENTLY, THE HARM, IF WE DON'T GET THROUGH THESE ISSUES IN A SENSIBLE WAY, IS TO THE FUTURE SAR GOVERNMENT AND IN A SENSE TO CHINA, PARTICULARLY TO SOUTHERN CHINA, AND NONE OF US CAN CONCEIVABLY WANT THAT TO HAPPEN. SO I VERY MUCH HOPE THAT WITH A LITTLE BITING OF TONGUES ON BOTH SIDES WE CAN FIND SOME WAYS OF PRACTICALLY CO-OPERATING ON ALL THOSE ISSUES WHICH FRANKLY IF THEY DIDN'T REQUIRE DISCUSSION ACROSS THE TABLE HONG KONG WOULD HAVE SORTED OUT AS WELL AS IT'S SORTED OUT EVERYTHING ELSE.

THE STATISTICS I SET OUT FOR WHAT HONG KONG HAS ACHIEVED WHERE IT'S BEEN ABLE TO TAKE DECISIONS OVER THE LAST TEN YEARS ARE I THINK AN EXTRAORDINARY INDICATOR OF HONG KONG'S REMARKABLE SUCCESS. I WISH THAT SUCCESS COULD HAVE BEEN MORE COMPREHENSIVE.

QUESTION: YESTERDAY, CHINESE OFFICIALS SAID THAT SINCE THE QIAN-HURD MEETING BRITAIN HAD DEMONSTRATED ITS LACK OF SINCERITY AND WAS NOT PREPARED TO CO-OPERATE. DOESN'T THAT ATTITUDE UNDERMINE THE PROPOSALS THAT YOU'VE PUT FORWARD TODAY?

GOVERNOR: HOW HAD BRITAIN DEMONSTRATED ITS LACK OF SINCERITY?

QUESTION: I GATHER HE'S REFERRING TO THE LACK OF PROGRESS IN THE JLG. ALSO THE KMT DECISION.

GOVERNOR: WELL, LET ME DEAL VERY BRIEFLY WITH THAT. THE ORGANISATION CONCERNED ISN'T ILLEGAL. IT APPLIED FOR USE OF THE FACILITIES IN A WHOLLY LEGAL WAY. UNDER WHAT LAW COULD THE URBAN COUNCIL OR THE GOVERNMENT INTERVENE AND OVERTURN THE DECISION? I MEAN WE HAVE THE RULE OF LAW IN HONG KONG. UNDER WHAT LAW COULD THE GOVERNMENT THROW THE DECISION OUT OR ORDER THE URBAN COUNCIL TO THROW THE DECISION OUT? AND I THINK IT'S IMPORTANT THAT EVERYONE, INCLUDING SPOKESMEN FOR THE NCNA, RECOGNISES THAT WITH THE RULE OF LAW THE GOVERNOR, THE GOVERNMENT, THE URBAN COUNCIL - THE NCNA - ARE SUBJECT TO THE LAW AND THE LAWS OF HONG KONG.

I THINK THAT THERE ARE TIMES WHEN IT MAKES A GREAT DEAL OF SENSE TO PUT AWAY OLD GRAMOPHONE RECORDS, ESPECIALLY WHEN THEY'RE BADLY SCRATCHED, AND TRY TO ENGAGE IN SERIOUS FORWARD LOOKING, POSITIVE DEBATE AND DIALOGUE, AND I THINK WE'VE LONG SINCE ARRIVED AT THAT SITUATION IN HONG KONG. THERE IS A DIFFERENCE BETWEEN PROPAGANDA AND CO-OPERATING IN THE INTERESTS OF HONG KONG.

QUESTION: CAN I JUST FOLLOW THAT UP?

GOVERNOR: NO, YOU'VE HAD ONE TURN.

QUESTION: MR PATTEN, ALTHOUGH YOU SAID YOU WANT TO DO THE BEST BUT IN FACE OF THE SLUGGISH PROGRESS WITH JLG AND THEN WE JUST DON'T KNOW HOW MUCH CHINA WILL RESPOND TO THE METHODS OF CO-OPERATION YOU JUST MENTIONED OR OUTLINED IN YOUR POLICY SPEECH. WILL THE GOVERNMENT FORMULATE A CONTINGENCY PLAN FOR AN IMPERFECT TRANSITION AND ALSO, SHOULD HONG KONG PEOPLE BE REALISTIC AND PREPARE THAT THERE WILL BE NO PERFECT TRANSITION?

/GOVERNOR:

GOVERNOR: I DON'T THINK THAT HAVING JUST SET OUT OUR HOPES AND PROPOSALS FOR GREATER CO-OPERATION AND FOR THE PURSUIT OF PERFECTABILITY IT WOULD MAKE VERY MUCH SENSE FOR ME TO START TALKING ABOUT THE ALTERNATIVES IF THAT FAILS. WHAT WE HAVE TO DO IS WORK FOR THE BEST AS I SAID AND HOPE FOR THE BEST. BUT I DO THINK THAT IT WOULD BE INTERESTING TO KNOW WHAT ELSE REASONABLY AND HONOURABLY AND SENSIBLY ANYBODY ELSE THINKS THAT WE SHOULD BE OFFERING? WHAT ELSE? AND IF THAT ISN'T ENOUGH, AND IF THAT IS TO BE TURNED DOWN AND REJECTED, THEN I HOPE THOSE WHO TURN IT DOWN AND REJECT IT WILL BE ASKED A FEW QUESTIONS THEMSELVES. I DON'T THINK THERE IS ANY MORAL OR POLITICAL EQUIVALENTS BETWEEN THE HONG KONG GOVERNMENT AND THE BRITISH GOVERNMENT MAKING THESE POSITIVE PROPOSALS AND OTHERS TURNING THEM DOWN. SO I DO HOPE THAT OF COURSE THERE IS GOING TO BE A LOT OF DISCUSSION, OF COURSE THERE NEEDS TO BE A LOT OF DEBATE ABOUT THESE MATTERS BUT I DO HOPE THAT WE CAN TAKE THINGS FORWARD, HAVING DISAGREED ABOUT SOME VERY FUNDAMENTAL MATTERS IN THE PAST. MAY BE INEVITABLY. I HOPE WE CAN FIND WAYS IN WHICH WE CO-OPERATE ABOUT THESE THINGS.

QUESTION: GOVERNOR, THERE IS IMPLICIT IN YOUR ADDRESS, IN YOUR ANSWERS TODAY, A FEELING THAT HONG KONG IS SO CAPABLE OF DOING THINGS BY ITSELF, THAT WANTS TO GET ON WITH IT, WITH THE 1,000 DAYS YOU'VE GOT TO GET ON, JUST FOR EXAMPLE THE LOCALISATION OF LAWS. WHY NOT SIMPLY GET ON WITH THE LOCALISATION OF LAWS, DO THE JOB; HAND IT OVER AT THE END OF THE DAY AND SAY "IF YOU DO NOT LIKE THESE LAWS, AMEND THEM WITH YOUR LEGISLATURE AFTERWARDS" AND AT LEAST GET IT DONE.

GOVERNOR: WELL, BECAUSE WHAT WE ARE TRYING TO DO THROUGH, FOR EXAMPLE, THE LOCALISATION AND ADAPTATION OF LAWS EXERCISE, WHAT WE ARE TRYING TO DO IS TO REMOVE DOUBTS AND UNCERTAINTIES AND THE COURSE OF ACTION WHICH YOU PROPOSE DOES CONTAIN THE DANGER OF CONTINUING UNCERTAINTIES. SO IF WE CAN DO THINGS AND TOGETHER, IF WE CAN DO THINGS CO-OPERATIVELY, IT'S BETTER THAN HAVING TO GOVERN WITHOUT THAT SPIRIT OF CO-OPERATION. BUT, OF COURSE, THERE ARE CONSEQUENCES IF WE CAN'T CO-OPERATE.

QUESTION: ON THE ONE HAND YOU ARGUE AGAINST GOVERNMENT CONTRIBUTION TO THE PENSION SCHEME WHILE AT THE SAME TIME YOU SET UP THIS ELDERLY SERVICES FUND AND PUBLIC SPENDING ON THE ELDERLY. CAN YOU EXPLAIN THE LOGIC ON THAT POLICY DECISION?

GOVERNOR: WELL, WE HAVEN'T DECLINED TO CONTRIBUTE TO THE PENSION SCHEME, WE'VE ACTUALLY PROPOSED PUTTING 10 BILLION HONG KONG DOLLARS IN AND IF THAT'S UNREASONABLE I WOULDN'T MIND BEING BATTERED AROUND THE HEAD WITH A CHEQUE FOR \$10 BILLION. IT'S A SUBSTANTIAL CONTRIBUTION, AS WELL, OF COURSE, AS THE CONTRIBUTION REPRESENTED BY THE CIVIL SERVICE PENSIONS THAT WE PAY ALREADY. WE'VE PROPOSED, FROM THE LOTTERIES FUND, 200 MILLION FOR THE DEVELOPMENT OF NON-GOVERNMENTAL ORGANISATION SERVICES FOR THE ELDERLY, FOR SELF-FINANCING SERVICES, THE SORT OF THINGS WHICH I'VE SEEN WORKING VERY SUCCESSFULLY AROUND THE TERRITORY, LIKE DAY-CARE CENTRES, LIKE SOCIAL CENTRES FOR THE ELDERLY - LIKE THE ONE THAT I SAW IN WAN CHAI A FEW MONTHS AGO. I THINK IT'S A SENSIBLE WAY OF DEVELOPING A BETTER INFRASTRUCTURE FOR THE ELDERLY. BUT I DON'T SEE ANY CONTRADICTION BETWEEN OUR COMMITMENT OF 10 BILLION FOR THE PENSION SCHEME AND 200 MILLION FOR THE ELDERLY SERVICES FUND.

/QUESTION:

QUESTION: MR PATTEN, ARE YOU INTERESTED IN YOUR IMAGE - OF THE SUN IMAGERY? THE SUN SETS AND THE SUN RISES. CAN YOU APPLY THAT TO THE PRESENT SITUATION AND WHAT CAN YOU EXPECT IN THE LAST DAY THAT YOU LEAVE HONG KONG?

GOVERNOR: WELL IT JUST SHOWS THE DANGER OF METAPHORS BECAUSE I'LL LEAVE HONG KONG AT MIDNIGHT WHICH IS USUALLY HALFWAY BETWEEN ONE AND THE OTHER. IT WAS A LITERARY FLOURISH TO TRY TO MAKE THE POINT - I PLEAD GUILTY - THAT WHILE INEVITABLY I THINK IN TERMS OF THE NEXT 1,000 DAYS, ALL OF US HAVE TO THINK TO THE 1,000 1,000 DAYS BEYOND THAT AND HAVE TO TRY TO ENSURE THAT THERE ISN'T A DISJUNCTURE BETWEEN THE ONE AND THE OTHER, HENCE THAT HAPPY METAPHOR.

QUESTION: IS THERE ANY LINKAGE WITH THE METAPHOR WITH THE UNITED KINGDOM AS THE SETTING SUN AND YOU'RE MAKING SOME CONNOTATIONS FROM THAT?

GOVERNOR: NO. THE UNITED KINGDOM IS ONLY, AS IT WERE, A SETTING SUN IN RELATION TO THE SOVEREIGNTY AND THE RESPONSIBILITY FOR HONG KONG. ELSEWHERE IT RISES AT PARTY CONFERENCES AND IN MANY OTHER PLACES. I'M SURE THAT THOSE WHO ARE MEETING IN BLACKPOOL THIS WEEK WOULD NOT LIKE TO THINK OF SUNSET.

QUESTION: WHAT DO YOU THINK ABOUT BEIJING ATTACKING YOUR WELFARISM, OR WHAT SOME COULD CALL CAPITALISM WITH SOCIALIST CHARACTERISTICS?

GOVERNOR: WELL, - THIS IS WHERE I'M SURE MY ADVISORS ARE KEEPING THEIR FINGERS CROSSED THAT I GIVE YOU A VERY CAUTIOUS ANSWER - LET ME GIVE YOU AN ANSWER WHICH SEEKS TO LEARN THE TRUTH FROM FACTS. THE YEAR BEFORE THE JOINT DECLARATION WAS SIGNED PUBLIC EXPENDITURE AS A PROPORTION OF GDP WAS HIGHER THAN ON OUR ESTIMATES IT WILL BE IN 1997. SO, IF THIS IS WELFARISM, IT'S PRETTY CAUTIOUS WELFARISM. IF IT'S WELFARISM TO INCREASE PERSONAL TAX ALLOWANCES BY 56 PER CENT AND THE MARRIED TAX ALLOWANCE BY 56 PER CENT OVER THE LAST COUPLE OF YEARS SO AS TO REDUCE THE PROPORTION OF PEOPLE PAYING TAX BY ABOUT 10 PER CENT - IF THAT'S WELFARISM, THEN IT WOULD SOUND PRETTY ODD TO ANYBODY LEFT OF CENTRE IN ANYWHERE ELSE IN THE WORLD. WHAT WE ARE ACTUALLY ABLE TO DO PRUDENTLY AND CAUTIOUSLY IS TO USE SOME OF THE RESOURCES PRODUCED BY A SUCCESSFUL, LOW TAX, MARKET ECONOMY IN HONG KONG TO ENSURE THAT WE HAVE DECENT PUBLIC PROVISION - DECENT PROVISION FOR THE ELDERLY, DECENT PROVISION FOR THE DISADVANTAGED, DECENT PROVISION FOR THOSE WHO WERE DEPRIVED, DECENT PROVISION FOR KIDS IN KINDERGARTENS, DECENT PROVISIONS - OR BETTER PROVISIONS - FOR OUR ENVIRONMENT. WE CAN DO THOSE THINGS BECAUSE, THANKS TO MARKET ECONOMICS AND THE RULE OF LAW AND THE GOOD ADMINISTRATION, THIS ECONOMY HAS BEEN GROWING AT FIVE OR SIX PER CENT FOR THREE DECADES. WE CAN DO THOSE THINGS WHILE STILL HAVING SURPLUSES IN OUR PUBLIC FINANCES. THE LATEST ESTIMATE IS THAT THE SURPLUS THIS YEAR WILL BE JUST UNDER \$8 BILLION AND WE CAN DO ALL THESE THINGS, KEEPING THE RATE OF GROWTH OF PUBLIC SPENDING BELOW THE TREND RATE OF GROWTH OF THE ECONOMY AS A WHOLE AND I DON'T THINK HONESTLY, THAT I REGARD THAT AS A GROTESQUE EXAMPLE OF FAILED WELFARE ECONOMICS. THERE ARE QUITE A FEW ADVANCED ECONOMIES AROUND THE WORLD WHICH WOULD LIKE TO BE ABLE, YEAR AFTER YEAR, TO PROVIDE BETTER FOR THOSE IN NEED WHILE CUTTING TAXES AND INCREASING SURPLUSES. THAT'S WHAT HONG KONG IS ABLE TO DO AND, IF ANYBODY WOULD LIKE TO COME AND SEE EXACTLY HOW WE DO IT, THE HARDWORKING MEN AND WOMEN OF HONG KONG WILL BE DELIGHTED TO SHOW THEM. THAT WAS THE CAUTIOUS ANSWER.

QUESTION: GOVERNOR, WHILE YOU'VE JUST EMPHASISED YOU HAVE TO GIVE A DECENT PROVISION TO THE DRIVE BUT WHAT YOU PROPOSED IN YOUR SPEECH, THE ADDITIONAL ASSISTANCE TO A SINGLE-PARENT FAMILY, IS ONLY \$200 PER MONTH. HOW CAN YOU EXPECT A FAMILY TO BENEFIT FROM THIS MERELY \$200 A MONTH?

GOVERNOR: WELL, I MEAN HERE WE GET INTO THE JOY OF POLITICS. WE WILL BE ATTACKED FROM ONE SIDE, PERHAPS A RATHER SURPRISING SIDE, FOR SOCIALIST WELFARISM AND WE WILL BE ATTACKED FROM THE OTHER SIDE FOR NOT DOING ENOUGH. I THINK WE'VE PITCHED IT ABOUT RIGHT BUT I'M DELIGHTED THAT YOU GO ON REMINDING ME AND THIS COMMUNITY THAT JUST BECAUSE MOST PEOPLE ARE PRETTY WELL OFF DOESN'T MEAN THAT EVERYBODY IS WELL OFF, THAT WE DO HAVE TO DO MORE TO HELP THOSE WHO ARE IN REAL NEED DESPITE THEIR BEST EFFORTS. AND ONE OF THE MAIN GROUPS THAT WE'VE BEEN TRYING TO HELP ARE SINGLE-PARENT FAMILIES AND THE CHILDREN IN ALL FAMILIES, HENCE THE TWO PROPOSALS THAT WE MADE THIS AFTERNOON, I THINK PERHAPS SLIGHTLY TO SOME PEOPLE'S SURPRISE.

YOU WILL KNOW THAT THE \$200 EXTRA A MONTH FOR SINGLE-PARENT FAMILIES IS NOT BY ANY MEANS ALL THAT THOSE FAMILIES ARE GETTING. ONE OF THE THINGS I REFERRED TO THIS AFTERNOON WAS THE PLETHORA OF SPECIAL GRANTS WHICH ARE VERY RARELY ADDED IN WHEN PEOPLE'S OVERALL INCOME ON CSSA IS CALCULATED. I HOPE THAT IN THE REVIEW THAT WE'RE DOING OF CSSA SCALE RATES, BASING OUR PROPOSALS ON THE HOUSEHOLD EXPENDITURE SURVEY AND ITS FINDINGS, I HOPE THAT IN THAT REVIEW WE CAN LOOK AT WAYS IN WHICH WE COULD CONSOLIDATE SOME OF THOSE SPECIAL GRANTS SO AS TO GIVE A MORE SENSIBLE VIEW, A MORE SENSIBLE PACKAGE OF HELP FOR THOSE WHO ARE IN REAL NEED.

I THINK WHAT WE ARE DOING IN HONG KONG IN RESPONDING TO THE SORT OF SOCIAL NEEDS YOU IDENTIFY IN A PRUDENT WAY FINANCIALLY, I THINK WHAT WE'RE DOING IS A VERY GOOD EXAMPLE OF A SOCIALLY RESPONSIBLE MARKET ECONOMY.

QUESTION: MR PATTEN, YOUR INTERPRETATION OF CO-OPERATION IS THAT THE TWO SOVEREIGN GOVERNMENTS SHOULD WORK TOGETHER IN HONG KONG'S INTEREST. BUT WHAT HAPPENS IF THE TWO GOVERNMENTS HAVE DIFFERENT INTERPRETATIONS ABOUT HONG KONG'S INTERESTS, HOW CAN THEY WORK TOGETHER IN THE COMING 100 DAYS?

GOVERNOR: WELL IT IS SLIGHTLY MORE THAN A 100 - 900 MORE THAN A 100. I THINK THAT IN THOSE CIRCUMSTANCES WE WOULD BE OBLIGED, BOTH OF US, TO EXPLAIN TO THE PEOPLE OF HONG KONG HOW OUR VIEWS OF THEIR INTERESTS FAILED TO COINCIDE. AND THE PEOPLE OF HONG KONG WILL EXPECT THOSE WHO DON'T CO-OPERATE ON REASONABLE MATTERS IN A POSITIVE AND CONSTRUCTIVE WAY TO EXPLAIN PRECISELY WHAT THE HANG-UP IS ABOUT CO-OPERATION. SO I TRUST THAT RECOGNISING THAT AND RECOGNISING OUR RESPONSIBILITIES TO SIX MILLION EXTREMELY TALENTED AND CREATIVE PEOPLE, WE WILL BE ABLE TO WORK TOGETHER IN WHAT IS, OF COURSE, AN EXTREMELY DIFFICULT ENTERPRISE.

I MENTIONED THAT IN MY SPEECH; SOMETIMES PEOPLE FROM THE OUTSIDE CRITICISE BRITAIN, CHINA AND THE GOVERNMENT OF HONG KONG AS THOUGH SOMEHOW WHAT WE WERE INVOLVED IN WAS A PUSHOVER. IT'S ACTUALLY A VERY DIFFICULT TASK. IT WILL BE GREATLY TO THE CREDIT OF CHINA, TO THE CREDIT OF BRITAIN AND TO THE ADVANTAGE OF HONG KONG IF WE PULL IT OFF SUCCESSFULLY.

THANK YOU VERY MUCH INDEED. I DARESAY WE WILL HAVE FURTHER OPPORTUNITIES OF DISCUSSING THESE MATTERS BEFORE NEXT YEAR, THE NEXT YEAR AND THE YEAR AFTER. THANK YOU VERY MUCH INDEED.

GOVERNMENT PUBLISHES 22 POLICY COMMITMENTS

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THE GOVERNMENT PUBLISHES TODAY (WEDNESDAY) 22 POLICY COMMITMENTS OUTLINING THE KEY FEATURES OF THE CURRENT PROGRAMMES AND NEW INITIATIVES OF THE POLICY BRANCHES, THE JUDICIARY, THE ATTORNEY GENERAL'S CHAMBERS AND THE INDEPENDENT COMMISSION AGAINST CORRUPTION (ICAC).

THE 22 POLICY COMMITMENTS CONTAIN A TOTAL OF 354 NEW POLICY PROPOSALS. THEY EXPLAIN THE POLICY OBJECTIVES, HIGHLIGHT THE ON-GOING PROGRAMMES, OUTLINE THE NEW INITIATIVES AND IDENTIFY THE LONGER-TERM CHALLENGES IN THE RESPECTIVE POLICY AREAS.

"EACH OF THE POLICY PROPOSALS WILL BRING REAL BENEFITS TO THE COMMUNITY AND IMPROVEMENTS IN THE QUALITY OF SERVICES PROVIDED BY THE GOVERNMENT," THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID.

THE POLICY COMMITMENTS REPRESENT PART OF THE GOVERNMENT'S ENDEAVOUR TO PROVIDE THE COMMUNITY WITH MORE INFORMATION ABOUT THE GOVERNMENT'S PRESENT AND FUTURE AGENDA.

"THE PUBLICATION OF THE POLICY COMMITMENTS IS A FURTHER STEP TOWARDS MAKING THE GOVERNMENT MORE ACCOUNTABLE TO THE PUBLIC. THEY ARE AN INTEGRAL PART OF MY POLICY ADDRESS, AND I URGE MEMBERS OF THE COMMUNITY TO STUDY THEM CAREFULLY," MR PATTEN SAID.

"THE POLICY COMMITMENTS HAVE INCORPORATED MANY SUGGESTIONS MADE BY MEMBERS OF THE LEGISLATIVE COUNCIL, PROPOSALS FROM POLITICAL AND PROFESSIONAL GROUPS, THE DISTRICT BOARDS AND ADVISORY BODIES, AND IDEAS AND INITIATIVES SUGGESTED BY INDIVIDUAL MEMBERS OF THE PUBLIC," HE SAID.

THE POLICY COMMITMENTS ARE NOT INTENDED TO BE AN EXHAUSTIVE ACCOUNT COVERING THE ENTIRE OPERATIONS OF THE GOVERNMENT. THEY AIM TO SET OUT CONCISELY THE PRINCIPAL WAYS IN WHICH THE GOVERNMENT IS COMMITTED TO SERVING THE COMMUNITY.

"NEXT YEAR, I SHALL BE REPORTING TO THIS COUNCIL ON OUR PROGRESS IN IMPLEMENTING EACH OF THE UNDERTAKINGS CONTAINED IN THE POLICY COMMITMENTS, AS WELL AS PRESENTING THE POLICY COMMITMENTS FOR 1995," THE GOVERNOR SAID.

TWO DAYS AGO, THE GOVERNMENT PUBLISHED A PROGRESS REPORT ON THE 221 UNDERTAKINGS MADE IN THE 1992 AND 1993 POLICY ADDRESSES.

THE POLICY SECRETARIES, THE ATTORNEY GENERAL AND THE COMMISSIONER, ICAC, WILL BE BRIEFING THE LEGISLATIVE COUNCIL AND THE MEDIA IN THE COMING TWO WEEKS TO EXPLAIN THEIR POLICY COMMITMENTS IN GREATER DETAIL.

THE SECRETARY FOR HEALTH AND WELFARE, WHO WILL BE MEETING THE LEGISLATORS AND THE MEDIA ON FRIDAY (OCTOBER 7), WILL BE THE FIRST POLICY SECRETARY TO DO THE BRIEFINGS. THIS WILL BE FOLLOWED BY THE SECRETARY FOR EDUCATION AND MANPOWER ON SATURDAY (OCTOBER 8).

COPIES OF THE POLICY COMMITMENTS IN ENGLISH AND CHINESE, TOGETHER WITH THE POLICY ADDRESS AND THE LEGISLATIVE PROGRAMME, ARE AVAILABLE TO MEMBERS OF THE PUBLIC AT THE GOVERNMENT PUBLICATIONS CENTRE IN CENTRAL, THE MARKETING OFFICE IN FRENCH MISSION BUILDING AND ALL DISTRICT OFFICES FROM 4 PM TODAY.

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ATTENTION NEWS EDITORS:

FOLLOWING IS A TENTATIVE PROGRAMME SETTING OUT THE PUBLICITY ACTIVITIES RELATING TO THE POLICY COMMITMENTS. DETAILS FOR EACH OF THE INDIVIDUAL PRESS SESSIONS WILL BE ANNOUNCED PRIOR TO THE EVENT.

DATE/TIME -----	POLICY SECRETARY -----
OCTOBER 7 AM	MRS KATHERINE FOK, SECRETARY FOR HEALTH AND WELFARE VISIT TO AN ELDERLY CENTRE AND MEDIA SESSION
OCTOBER 8 AM	MR MICHAEL LEUNG, SECRETARY FOR EDUCATION AND MANPOWER MEDIA SESSION
OCTOBER 10 AM	MR BERTRAND DE SPEVILLE, COMMISSIONER, ICAC MEDIA SESSION
OCTOBER 10 PM	MR DONALD TSANG, SECRETARY FOR THE TREASURY MEET THE MEDIA AFTER LEGCO BRIEFING
OCTOBER 10 PM	MR HAIDER BARMA, SECRETARY FOR TRANSPORT OPENING OF QUEENSWAY LICENSING OFFICE AND MEDIA SESSION
OCTOBER 11 AM	MR T H CHAU, SECRETARY FOR TRADE AND INDUSTRY VISIT TO HONG KONG PRODUCTIVITY COUNCIL AND MEDIA SESSION
OCTOBER 11 AM	MR JAMES BLAKE, SECRETARY FOR WORKS SITE VISIT AND MEDIA SESSION
OCTOBER 11 PM	MR MICHAEL CARTLAND, SECRETARY FOR FINANCIAL SERVICES MEET THE MEDIA AFTER LEGCO BRIEFING
OCTOBER 11 PM	MR MICHAEL SUEN, SECRETARY FOR HOME AFFAIRS MEDIA SESSION
OCTOBER 12 AM	MR NICHOLAS NG, SECRETARY FOR CONSTITUTIONAL AFFAIRS MEDIA SESSION
OCTOBER 12 AM	MR GORDON SIU, SECRETARY FOR ECONOMIC SERVICES MEDIA SESSION
OCTOBER 12 AM	MR JEREMY MATHEWS, ATTORNEY GENERAL MEDIA SESSION

OCTOBER 14 PM MR JAMES SO, SECRETARY FOR RECREATION AND CULTURE
MEDIA SESSION

OCTOBER 14 PM MR TONY EASON, SECRETARY FOR PLANNING, ENVIRONMENT AND
LANDS
SITE VISIT AND MEDIA SESSION

OCTOBER 15 AM MR MICHAEL SZE, SECRETARY FOR THE CIVIL SERVICE
MEDIA SESSION

OCTOBER 15 AM MR ALISTAIR ASPREY, SECRETARY FOR SECURITY
MEDIA SESSION

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1994/95 LEGISLATIVE PROGRAMME: HIGHLIGHTS

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FOR THE FIRST TIME, THE GOVERNMENT HAS PUBLISHED A PROGRAMME OF THE PRINCIPAL LEGISLATIVE PROPOSALS THAT IT INTENDS TO INTRODUCE INTO THE LEGISLATIVE COUNCIL DURING THE FORTHCOMING SESSION.

THE LEGISLATIVE PROGRAMME 1994/95: HIGHLIGHTS, PUBLISHED BY THE GOVERNMENT TODAY (WEDNESDAY), LISTS 56 LEGISLATIVE PROPOSALS THAT THE ADMINISTRATION INTENDS TO PUT FORWARD DURING THE 1994/95 SESSION.

"MANY OF THE PROPOSALS IN THE GOVERNOR'S POLICY ADDRESS AND THE POLICY COMMITMENTS WILL NEED TO BE IMPLEMENTED THROUGH LEGISLATION. THE LEGISLATIVE PROGRAMME WILL GIVE MEMBERS OF THE LEGISLATIVE COUNCIL AND THE PUBLIC A CLEARER IDEA OF THE MAIN PROPOSALS THAT THE ADMINISTRATION INTENDS TO PUT FORWARD TO LEGCO IN THE COMING SESSION," DIRECTOR OF ADMINISTRATION, MR RICHARD HOARE, SAID.

"INEVITABLY, THE PROGRAMME MAY NEED TO BE AMENDED IN THE LIGHT OF CHANGING CIRCUMSTANCES. THE PROGRAMME IS ALSO NOT A COMPLETE LIST. IT DOES NOT INCLUDE MINOR LEGISLATIVE AMENDMENTS, OF WHICH THERE ARE USUALLY A CONSIDERABLE NUMBER. IN THE PAST FEW YEARS, A TOTAL OF 80 TO 100 BILLS HAVE BEEN PASSED EACH SESSION," MR HOARE SAID.

COPIES OF THE LEGISLATIVE PROGRAMME IN ENGLISH AND CHINESE, TOGETHER WITH THE GOVERNOR'S 1994 POLICY ADDRESS AND THE POLICY COMMITMENTS, ARE AVAILABLE TO MEMBERS OF THE PUBLIC AT THE GOVERNMENT PUBLICATIONS CENTRE IN CENTRAL, THE MARKETING OFFICE IN FRENCH MISSION BUILDING AND ALL DISTRICT OFFICES FROM 4 PM TODAY.

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GOVERNMENT WILL BE MORE ACCOUNTABLE TO HK PEOPLE

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, IN HIS THIRD POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, UNDERLINED HIS DETERMINATION TO MAKE THE GOVERNMENT MORE ACCOUNTABLE TO THE PEOPLE OF HONG KONG.

"ACCOUNTABLE GOVERNMENT IS NOT JUST A POLITICAL SLOGAN. IT IS, QUITE SIMPLY, A FUNDAMENTAL SAFEGUARD FOR EVERY SECTION OF THE COMMUNITY, THE MOST EFFECTIVE GUARANTEE OF THE INTEGRITY AND EFFICIENCY OF AN EXECUTIVE-LED ADMINISTRATION," HE SAID.

MR PATTEN SAID HONG KONG WAS FORTUNATE TO HAVE AN EFFICIENT GOVERNMENT MACHINE AND A SMALLER PUBLIC SECTOR THAN ANY OTHER ADVANCED ECONOMY.

HE ATTRIBUTED THIS TO A DEDICATED AND HIGHLY-PROFESSIONAL CIVIL SERVICE.

"WE HAVE ALSO MADE IT A MATTER OF PRINCIPLE TO LIVE WITHIN OUR MEANS. WE DO NOT ALLOW GOVERNMENT EXPENDITURE TO GROW AT A FASTER RATE THAN THE ECONOMY."

AS A RESULT, PUBLIC SPENDING HAS REMAINED BELOW 20 PER CENT OF GDP. HE SAID ALL OF THE PROPOSALS FOR GOVERNMENT PROGRAMMES HE WOULD OUTLINE THIS AFTERNOON FELL FULLY WITHIN THIS STRICT EXPENDITURE GUIDELINE.

"WE ARE NOT DEPARTING ONE INCH FROM THE PRUDENT APPROACH TO FUNDING OF COMMUNITY PROGRAMMES THAT HAS BEEN SO SUCCESSFUL IN HONG KONG IN RECENT YEARS.

"AT THE SAME TIME, WE ENTRUST VERY CONSIDERABLE POWERS TO OUR ADMINISTRATION WHICH IS AND WILL REMAIN EXECUTIVE-LED," HE SAID.

MR PATTEN POINTED OUT THAT THERE HAD TO BE CHECKS AND BALANCES ON THE EXERCISE OF SUCH POWERS, AND THAT WAS THE ROLE OF THE LEGISLATIVE COUNCIL.

MEMBERS OF THE COUNCIL HAVE THE POWER TO QUESTION OFFICIALS AND TO APPROVE OR REJECT THE GOVERNMENT'S POLICIES WHEN PRESENTED TO THE COUNCIL IN THE FORM OF LEGISLATIVE OR FINANCIAL PROPOSALS.

"FOR THIS REASON, THIS COUNCIL HAS BEEN, AND WILL REMAIN, CENTRAL TO THE PROCESS BY WHICH THE GOVERNMENT IS ACCOUNTABLE TO THE COMMUNITY," HE SAID.

FIRST-CLASS ADMINISTRATION KEY TO FLOURISHING ECONOMY

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ACCOUNTABILITY MUST BEGIN WITH THE GOVERNMENT'S OWN PERFORMANCE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TOLD THE LEGISLATIVE COUNCIL AT ITS 1994/95 OPENING SESSION THIS (WEDNESDAY) AFTERNOON.

"WE CANNOT EXPECT HONG KONG'S FIRST-WORLD ECONOMY TO GO ON FLOURISHING UNLESS ITS GOVERNMENT HAS A RECORD OF PERFORMANCE TO MATCH.

"WE HAVE RECOGNISED THE NEED TO PROVIDE A MORE PROFESSIONAL, MORE ACCOUNTABLE, MORE RESPONSIVE GOVERNMENT," HE SAID.

FOR EXAMPLE, THE ROLE OF THE COMMISSIONER FOR ADMINISTRATIVE COMPLAINTS HAS BEEN ESTABLISHED AND EXPANDED TO PROVIDE THE GOVERNMENT'S CLIENTS AND CUSTOMERS WITH AN INDEPENDENT PROCEDURE FOR INVESTIGATING AND FOR REDRESSING GRIEVANCES, HE SAID.

SPECIALISED ORGANISATIONS, LIKE THE HOSPITAL AUTHORITY AND THE MONETARY AUTHORITY, HAVE BEEN SET UP TO ACHIEVE NEW STANDARDS OF PROFESSIONAL EXCELLENCE.

THE GOVERNMENT HAS DEVELOPED NEW AND COMPREHENSIVE PROGRAMMES TO TACKLE PRESSING SOCIAL PROBLEMS. FOR INSTANCE, INTEGRATED MEASURES HAVE BEEN INTRODUCED TO MEET THE HEALTH, HOUSING AND FINANCIAL NEEDS OF THE ELDERLY.

RESPONDING TO GROWING COMMUNITY INTEREST IN THE ARTS, THE GOVERNMENT HAS PUT FORWARD PROPOSALS TO TURN THE HONG KONG ARTS DEVELOPMENT COUNCIL INTO AN INDEPENDENT STATUTORY BODY, AS WELL AS TO PROVIDE CONSIDERABLE FINANCIAL SUPPORT FOR THE HONG KONG ACADEMY FOR THE PERFORMING ARTS AND A WIDE RANGE OF CULTURAL ACTIVITIES, MR PATTEN SAID.

"IN THE PAST TWO YEARS, EVERY GOVERNMENT DEPARTMENT WHICH SERVES THE PUBLIC DIRECTLY HAS PUBLISHED 'PERFORMANCE PLEDGES' SETTING OUT EXACTLY WHAT STANDARDS OF SERVICE THE COMMUNITY HAS A RIGHT TO EXPECT," HE SAID.

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CIVIL SERVANTS GIVEN TRIBUTE

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HONG KONG CIVIL SERVANTS WERE PRAISED BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, FOR THEIR QUALITY OF PERFORMANCE WHICH WOULD BE DIFFICULT TO MATCH ANYWHERE ELSE IN THE WORLD.

"THEY HAVE HELPED HONG KONG TO COPE WITH THE CHALLENGES OF THE TRANSITION TO 1997, AND WE MUST MAKE SURE THAT THEY CONTINUE TO DO SO," HE SAID.

DELIVERING HIS POLICY ADDRESS TO THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON, MR PATTEN SAID: "WE WILL CONTINUE OUR EFFORTS TO DEVELOP THE POOL OF TALENTED LOCAL OFFICERS CAPABLE OF FILLING THE POSTS SPECIFIED BY THE JOINT DECLARATION AT THE LEVEL OF PRINCIPAL OFFICIAL AND IMMEDIATELY BELOW."

BY THE END OF NEXT YEAR, NO OVERSEAS ADMINISTRATIVE OFFICERS WILL HOLD POSTS AT THE PRINCIPAL OFFICIAL LEVEL, HE ADDED.

IN ADDITION, THE GOVERNMENT WILL STEP UP ITS TRAINING PROGRAMMES IN CHINA STUDIES, PUTONGHUA AND WRITTEN CHINESE. NEXT YEAR, THE ANNUAL NUMBER OF PARTICIPANTS WILL GO UP FROM 7,000 TO 45,000.

A UNIFORM SET OF EMPLOYMENT CONDITIONS HAVE BEEN DRAWN UP TO REMOVE, ONCE AND FOR ALL, THE DISTINCTIONS BETWEEN LOCAL AND OVERSEAS TERMS OF SERVICE.

"WE WILL, OF COURSE, NEED TO CONSULT THE CHINESE GOVERNMENT BEFORE THEY CAN BE INTRODUCED," HE SAID.

MR PATTEN SAID THERE WERE ALREADY THE MEN AND WOMEN IN THE CIVIL SERVICE OF THE CALIBRE HONG KONG NEEDED TO DELIVER A FIRST-CLASS ADMINISTRATION.

"WE LOOK TO THEIR DEDICATION AND LEADERSHIP TO GIVE US THE HIGH QUALITY AND HIGHLY-MOTIVATED CIVIL SERVICE WHICH HONG KONG WILL NEED AFTER 1997.

"THE LOYALTY, THE INTEGRITY AND THE PROFESSIONALISM OF THESE MEN AND WOMEN SHOULD NOT BE TAKEN FOR GRANTED, NOR SHOULD IT BE THOUGHT THAT THESE QUALITIES CAN BE TURNED ON OR TURN OFF, PROFFERED OR THOUGHT THAT THESE QUALITIES CAN BE TURNED ON OR TURNED OFF, PROFFERED OR WITHDRAWN, ACCORDING TO PARTISAN CALCULATION OR SELECTIVE WHIM.

"THEY MUST BE NURTURED AND RESPECTED, AND THAT MEANS RECOGNISING THAT THEY ARE IN THE SERVICE OF HONG KONG AND ALL THE PEOPLE OF HONG KONG - BEFORE AND AFTER 1997," MR PATTEN SAID.

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GOVERNMENT PLAYS FULL PART TO FIGHT INFLATION

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) ASSURED THE LEGISLATIVE COUNCIL THAT THE GOVERNMENT WOULD PLAY ITS FULL PART IN TACKLING INFLATION.

"WE WILL KEEP UP OUR DRIVE FOR MAXIMUM EFFICIENCY IN THE PUBLIC SECTOR.

"WE WILL CONTINUE TO BE PRUDENT HOUSEKEEPERS, NOT CARELESS BIG SPENDERS.

"ABOVE ALL, WE WILL MAINTAIN OUR STRICT FINANCIAL DISCIPLINE AND OUR SOUND BUDGETARY POLICIES," HE SAID.

RECOGNISING THAT THE BUSINESS COMMUNITY WAS THE FIRST LINE OF DEFENCE IN THE BATTLE AGAINST INFLATION, MR PATTEN SAID ITS CONTINUING SEARCH FOR LOWER COSTS AND HIGHER STANDARDS OF PRODUCTIVITY WAS VITAL TO MAINTAINING HONG KONG'S COMPETITIVENESS IN THE FACE OF INFLATIONARY PRESSURES.

"IT IS ALSO IMPORTANT THAT, WITH THE SUPPORT OF THIS COUNCIL, WE CONTINUE TO IMPORT, ON A LIMITED AND STRICTLY-CONTROLLED BASIS, THE FOREIGN WORKERS NEEDED TO OVERCOME THE MOST ACUTE BOTTLENECKS IN OUR LABOUR MARKET," HE SAID.

TO MAINTAIN EFFORTS TO STABILISE THE PROPERTY MARKET, THE GOVERNMENT MOVED RAPIDLY THIS SUMMER TO PROTECT THE GENUINE PURCHASER FROM SPECULATIVE PRESSURES ON THE PRICE OF DOMESTIC FLATS.

THE RECOMMENDATIONS OF THE TASK FORCE ON LAND SUPPLY AND PROPERTY PRICES ARE BEING IMPLEMENTED.

"WE SHALL NOT HESITATE TO INTRODUCE FURTHER MEASURES IF THE MARKET SHOWS FRESH SIGNS OF OVERHEATING," HE ADDED.

THOUGH IT IS DIFFICULT TO ACHIEVE PRICE STABILITY UNDER HONG KONG'S SPECIAL ECONOMIC CIRCUMSTANCES, MR PATTEN SAID IT WAS A GOAL WHICH MUST BE PURSUED CONTINUOUSLY YEAR IN AND YEAR OUT.

HE NOTED THAT DURING THE FIRST HALF OF THIS YEAR, THE CONSUMER PRICE INDEX (A) ROSE BY 7.5 PER CENT, A USEFUL IMPROVEMENT FROM THE AVERAGE OF 8.5 PER CENT FOR 1993 AS A WHOLE.

PRESSURE ON FOOD PRICES CAUSED BY FLOODING HERE AND IN SOUTHERN CHINA DURING THE SUMMER PUSHED UP THE INFLATION RATE IN THE THIRD QUARTER.

NEVERTHELESS, INFLATION FOR 1994 IS EXPECTED TO BE NO HIGHER THAN LAST YEAR'S FIGURE.

"THIS SUMMER'S EXPERIENCE IS AN UNPLEASANT REMINDER THAT WE MUST NOT RELAX OUR EFFORTS TO BRING INFLATION UNDER CONTROL," MR PATTEN SAID.

THE GOVERNOR SAID HONG KONG MUST CONTINUE TO PROVIDE THE BEST POSSIBLE ENVIRONMENT FOR BUSINESS.

"TRADE, INVESTMENT AND THE BUSINESS COMMUNITY REMAIN, AS ALWAYS, AT THE TOP OF THE GOVERNMENT'S AGENDA."

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GOVERNOR PLEDGES TO PROMOTE FAIR AND EFFICIENT MARKETS

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THE GOVERNMENT WILL DO ALL IN ITS POWER TO PROMOTE FAIR AND EFFICIENT MARKETS, TO DEFEAT THE SPECULATOR AND TO PROTECT THE CONSUMER, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TOLD THE LEGISLATIVE COUNCIL.

"WE WILL CONTINUE TO MAKE BUSINESS OPERATIONS MORE EFFICIENT BY INCREASING THE LEVEL OF COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY."

FOR EXAMPLE, OVER A MILLION POTENTIAL CUSTOMERS STAND TO BENEFIT NEXT YEAR WHEN SIX MORE MOBILE PHONE OPERATOR LICENCES ARE ISSUED.

ON BANKING COMPETITION, THE GOVERNMENT HAS RESPONDED PROMPTLY TO THE CONSUMER COUNCIL'S RECOMMENDATIONS.

ALTHOUGH LIBERALISATION MUST BE BALANCED AGAINST THE REQUIREMENTS OF BANKING AND MONETARY STABILITY, THE PUBLIC STANDS TO BENEFIT FROM THE PHASED REMOVAL OF THE INTEREST CAP ON TIME DEPOSITS, MR PATTEN SAID.

FUNDS WILL BE PROVIDED NEXT YEAR FOR THE CONSUMER COUNCIL TO SET UP A NEW TRADE PRACTICES DIVISION WHICH WILL HELP TO PROMOTE COMPETITION.

"WE WILL RESPOND PROMPTLY AND CONSTRUCTIVELY TO THE REPORTS WHICH THE CONSUMER COUNCIL IS PREPARING ON THE RESIDENTIAL PROPERTY MARKET, ON SUPERMARKETS, ON TELECOMMUNICATIONS, ON GAS SUPPLY AND ON BROADCASTING," HE SAID.

THE 1994 WORLD COMPETITIVENESS REPORT RATED HONG KONG FOURTH AMONG THE WORLD'S MAJOR ECONOMIES, AHEAD OF EVERY EUROPEAN COUNTRY.

"WE HAVE DONE MUCH BETTER THAN MOST OF THE WORLD IN PROMOTING BUSINESS EFFICIENCY AND THE FULL PLAY OF MARKET FORCES.

"NEVERTHELESS, FACED WITH RENEWED INFLATIONARY PRESSURES, WE MUST IMPROVE ON THIS PERFORMANCE," HE SAID.

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BUSINESS INITIATIVE AND INVESTMENT TO BE ENCOURAGED

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THE GOVERNMENT WILL CONTINUE TO MAKE A SUBSTANTIAL CONTRIBUTION TO ENHANCING HONG KONG'S BUSINESS ENVIRONMENT, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID.

IN HIS POLICY ADDRESS TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), HE ANNOUNCED THE FOLLOWING PROGRAMMES TO ENCOURAGE INITIATIVE AND INVESTMENT:

- * NEW INCENTIVES WILL BE PROVIDED TO UPGRADE TECHNOLOGY STANDARDS IN MANUFACTURING. THESE MEASURES INCLUDE PLANS TO PROVIDE, BY 1996, 70 HECTARES OF LAND FOR INDUSTRIES WHICH CANNOT USE MULTI-STOREY BUILDINGS, AS WELL AS MORE SPACE FOR NEW TECHNOLOGY-BASED BUSINESSES;
- * HONG KONG'S CAPACITY FOR ADVANCED RESEARCH WILL BE EXPANDED. THIS YEAR, THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE HAS ALLOCATED \$260 MILLION FOR RESEARCH PROJECTS, 67 PER CENT MORE THAN LAST YEAR. NEXT YEAR, \$50 MILLION WILL BE PROVIDED TO ESTABLISH AN APPLIED RESEARCH CENTRE WHICH WILL PROMOTE JOINT PROJECTS WITH CHINA'S LEADING RESEARCH INSTITUTES;
- * TRANSPORT INFRASTRUCTURE WILL CONTINUE TO BE UPGRADED. THE GOVERNMENT PLANS TO SPEND ABOUT \$30 BILLION OVER THE NEXT FIVE YEARS ON CREATING THE MODERN ROAD SYSTEM WHICH HONG KONG NEEDS;
- * IMMIGRATION PROCEDURES WILL BE FURTHER SIMPLIFIED TO SPEED UP THE PROCESSING OF VISA APPLICATIONS AND APPROVALS. ANYTHING WHICH FACILITATES TRAVEL FACILITATES BUSINESS; AND
- * PAPERWORK IN FOREIGN TRADE WILL BE REDUCED. FROM 1996, THE NEW COMMUNITY ELECTRONIC TRADING SERVICE WILL ENABLE BUSINESSES TO COMPLETE KEY IMPORT AND EXPORT PROCEDURES BY COMPUTER.

MR PATTEN SAID EVERY MEMBER AND EVERY POLITICAL GROUP IN THE LEGISLATIVE COUNCIL RECOGNISED THAT THE BUSINESS COMMUNITY WAS THE ENGINE OF HONG KONG'S ECONOMIC SUCCESS.

"I THINK WE ALL RECOGNISE THE IMPORTANCE OF THE BUSINESS SECTOR CONTINUING TO PLAY A FULL PART IN GOVERNMENT POLICY-MAKING AND CONTRIBUTING NO LESS FULLY TO THE WIDER PROCESS OF POLITICAL DISCUSSION AND DEBATE.

"WE MUST ENSURE THAT THE STEADY, PROMISED DEVELOPMENT OF DEMOCRACY IN HONG KONG DOES NOT LEAD TO TENSION BETWEEN THOSE WHO CREATE OUR WEALTH AND THOSE WHO VOTE FOR OUR TAXES, OUR PUBLIC SPENDING AND OUR LAWS.

"WITH UNDERSTANDING ON BOTH SIDES, THERE IS NO REASON WHY IT SHOULD," HE SAID.

FULL EMPLOYMENT IS HK'S BLESSING

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FULL EMPLOYMENT HAS KEPT HONG KONG'S WELFARE COSTS MANAGEABLE, AND ECONOMIC GROWTH HAS ENABLED IT TO GO ON RAISING THE STANDARDS OF CARE FOR THOSE IN NEED OR AT RISK, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID.

PRESENTING HIS POLICY ADDRESS TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), HE POINTED OUT: "ONE OF HONG KONG'S GREAT STRENGTHS IS THAT WE HAVE NEVER LOST SIGHT OF ECONOMIC REALITIES: OF THE NEED TO GENERATE WEALTH BEFORE WE SPEND IT, OF THE NEED TO KEEP TAXES LOW AND GOVERNMENT SMALL.

"AS A CONSEQUENCE, WE HAVE BEEN ABLE TO AVOID THE WELFARE CRISES WHICH HAVE AFFLICTED SO MANY OTHER DEVELOPED ECONOMIES.

"WE HAVE ALSO BEEN BLESSED WITH VIRTUALLY UNBROKEN FULL EMPLOYMENT FOR THREE DECADES."

A WHOLE HONG KONG GENERATION HAS GROWN UP, KNOWING NOTHING BUT FULL EMPLOYMENT, AN ALMOST UNIQUE PHENOMENON FOR AN ADVANCED ECONOMY.

MR PATTEN SAID THIS HAD MEANT HONG KONG'S SOCIAL SERVICES HAD NOT BEEN OVERWHELMED BY MASS UNEMPLOYMENT.

ALSO, IT HAS ESCAPED THE EMERGENCE OF A LARGE UNDERCLASS OF UNDERPRIVILEGED AND DEMORALISED MEN AND WOMEN WHOSE FAMILIES DEPEND ON WELFARE HANDOUTS, HE ADDED.

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WELL-BEING OF ELDERLY TOPS SOCIAL PRIORITIES

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) PLACES THE WELL-BEING OF THE ELDERLY AT THE TOP OF SOCIAL PRIORITIES IN HIS ANNUAL POLICY ADDRESS.

IN HIS ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN NOTED THAT THE ELDERLY HAD CONTRIBUTED TO HONG KONG'S PRESENT PROSPERITY AND INVESTED IN THE FUTURE OF HONG KONG THROUGH INVESTMENT IN THEIR CHILDREN'S EDUCATION.

ON PRESENT PROGRAMMES FOR THE ELDERLY, HE POINTED OUT THAT THIS YEAR HONG KONG SPENT \$6.8 BILLION ON SERVICES FOR THE ELDERLY; PROVIDED AN EXTRA 1,150 PLACES IN CARE-AND-ATTENTION HOMES; AND GAVE THE ELDERLY PRIORITY TO PUBLIC HOUSING.

IN HIS 1993 POLICY ADDRESS, THE GOVERNOR ESTABLISHED A WORKING GROUP TO REVIEW EXISTING SERVICES FOR THE ELDERLY AND CONSIDER WHAT MORE WAS REQUIRED.

HE SAID IN THE SECRETARY FOR HEALTH AND WELFARE'S POLICY COMMITMENTS, THERE WOULD BE 12 SPECIFIC INITIATIVES TO IMPROVE SERVICES TO THE ELDERLY BASED ON THE WORKING GROUP'S RECOMMENDATIONS.

/THESE PROPOSALS

THESE PROPOSALS INCLUDE THE FOLLOWING PLEDGES:

- * TO IMPROVE THE STANDARDS OF SAFETY AND CARE FOR THE 17,600 OLD PEOPLE LIVING IN PRIVATE HOMES FOR THE ELDERLY BY OFFERING FINANCIAL ASSISTANCE TO COVER THE COST OF MORE STRINGENT SAFETY REQUIREMENTS AND BY TRAINING AN ADDITIONAL 400 HEALTH WORKERS.
- * TO CONTINUE TO EXPAND HEALTH SERVICES FOR THE ELDERLY. NEXT YEAR, THE GOVERNMENT WILL ESTABLISH FOUR NEW TEAMS TO PROVIDE MEDICAL AND PSYCHIATRIC CARE FOR 9,500 ELDERLY PEOPLE EACH YEAR IN RESIDENTIAL INSTITUTIONS. THE GOVERNMENT WILL ALSO RESTORE THE EYESIGHT OF AN EXTRA 850 ELDERLY CATARACT PATIENTS EACH YEAR BY REDUCING THE AVERAGE WAITING TIME FOR SURGERY FROM 15 MONTHS TO LESS THAN NINE MONTHS.
- * SET UP A \$200 MILLION ELDERLY SERVICES DEVELOPMENT FUND TO HELP NON-GOVERNMENTAL ORGANISATIONS ESTABLISH SELF-FINANCING WELFARE PROJECTS FOR THE ELDERLY.

HE SAID: "I THINK THESE MEASURES ARE A CLEAR DEMONSTRATION OF OUR DETERMINATION TO PROVIDE GREATER SUPPORT AND PROTECTION FOR THE ELDERLY."

THE GOVERNOR NOTED THAT THERE WOULD BE 700,000 ELDERLY PEOPLE AGED 65 OR OVER BY THE YEAR 2000, 22 PER CENT MORE THAN TODAY.

"THE ELDERLY POPULATION IS ALREADY SO LARGE, AND GROWING SO RAPIDLY, THAT THERE CAN BE NO GOOD EXCUSE FOR FURTHER DELAYS IN SETTING UP A SCHEME TO MEET THEIR NEEDS," HE SAID.

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OVERWHELMING PUBLIC SUPPORT ON OLD-AGE PENSION SCHEME

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THERE IS OVERWHELMING PUBLIC SUPPORT FOR THE GOVERNMENT'S PROPOSALS ON OLD-AGE PENSION SCHEME ALTHOUGH IT STILL HAS ITS CRITICS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

IN HIS ANNUAL POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID: "IT HAS BEEN ARGUED THAT WE SHOULD SCRAP THE LOW LEVEL OF CONTRIBUTIONS WE HAVE PROPOSED AND FINANCE OLD AGE PENSIONS OUT OF GENERAL REVENUE.

"IF WE FOLLOWED THIS COURSE, THE BURDEN ON THE TAXPAYER WOULD BE VERY SUBSTANTIAL.

"FOR EXAMPLE, WE WOULD HAVE TO RAISE THE RATE OF CORPORATE PROFITS TAX TO 20.5 PER CENT AND THE STANDARD RATE OF SALARIES TAX TO 19 PER CENT, SIMPLY TO ACHIEVE THE SAME LEVEL OF SUPPORT FOR THE ELDERLY WHICH OUR PROPOSED OLD-AGE PENSION SCHEME WOULD PROVIDE.

"IT HAS ALSO BEEN ARGUED THAT A CENTRAL PROVIDENT FUND, OR SOME OTHER FORM OF COMPULSORY RETIREMENT SCHEME, WOULD BE A BETTER OPTION.

/"BUT SUCH

"BUT SUCH SCHEMES WOULD NOT HELP THOSE MOST IN NEED AND WOULD NOT PROVIDE SIGNIFICANT BENEFITS FOR ANYONE FOR 20 TO 30 YEARS.

"LET THERE BE NO DOUBT. WE HAVE RULED OUT THE INTRODUCTION OF A CENTRAL PROVIDENT FUND," HE SAID.

THE GOVERNOR SAID CONSULTATION ON THE SCHEME WOULD END THIS MONTH AND VIEWS FROM THE COMMUNITY WOULD BE HEARD.

"WE DO NOT HAVE A CLOSED MIND. BUT WE DO WANT TO GO FORWARD.

"WE WILL ALSO NEED, OF COURSE, TO GIVE FURTHER BRIEFINGS TO THE CHINESE GOVERNMENT ON OUR PROPOSALS AND BE PREPARED TO RESPOND PROMPTLY ON ANY ISSUES WHERE IT REQUESTS MORE DETAILED EXPLANATIONS.

"THERE IS CLEARLY MUCH TO BE DONE, AND WE WILL HAVE TO MAKE ADDITIONAL RESOURCES AVAILABLE TO GIVE THIS WORK THE PRIORITY IT DESERVES.

THE GOVERNMENT WILL SHORTLY ESTABLISH A SMALL TASK FORCE TO PROVIDE THE EXPERTISE NEEDED TO RESEARCH THE COMPLEX TECHNICAL ISSUES INVOLVED, WITH A MINIMUM OF DELAY.

"HONG KONG PLAINLY NEEDS TO SET UP AS SOON AS POSSIBLE A PRACTICAL SCHEME WHICH WILL SECURE FINANCIAL PEACE OF MIND FOR THE PRESENT GENERATION OF ELDERLY MEN AND WOMEN AND ASSURE THE FINANCIAL SECURITY OF THE ELDERLY GENERATIONS TO COME. NOTHING LESS WILL DO.

"IF WE DO NOT TAKE A DECISION NOW, IT WILL NOT BE ANY EASIER TO TAKE ONE IN 1997 OR 1998.

"I HOPE WE CAN REACH AN UNDERSTANDING WITHIN THE COMMUNITY AND WITH CHINA, WHICH NATURALLY HAS A CLOSE AND PROPER INTEREST IN THIS ISSUE," HE SAID.

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MORE BENEFITS TO THOSE IN NEED

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MORE FINANCIAL AIDS WILL BE PROVIDED TO THE PEOPLE WHO ARE UNABLE TO SUPPORT THEMSELVES, THE NUMBER OF WHICH STANDS AT 130,000 AT PRESENT, AND DEPEND ON THE COMPREHENSIVE SOCIAL SECURITY ASSISTANCE SCHEME STARTING APRIL NEXT YEAR.

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

THE ADDITIONAL PROVISIONS WILL BE AIMED TO:

- * PROVIDE EACH SINGLE-PARENT FAMILY WITH A NEW SUPPLEMENT OF \$200 A MONTH TO HELP OFFSET THE SPECIAL DIFFICULTIES WHICH SINGLE PARENTS FACE IN BRINGING UP A FAMILY.

- * INCREASE THE STANDARD RATES FOR CHILDREN BY \$205 A MONTH, ON TOP OF THE \$100 INCREASE IMPLEMENTED FROM APRIL 1 THIS YEAR. THIS WILL GIVE THEM MORE MONEY TO TAKE PART IN THE SOCIAL AND EXTRACURRICULAR ACTIVITIES ESSENTIAL TO THEIR HEALTHY DEVELOPMENT. IT ALSO MEANS THAT CHILDREN WILL RECEIVE THE SAME STANDARD RATES AS THE ELDERLY.
- * EXTEND THE AGE AT WHICH THE STANDARD RATES FOR CHILDREN ARE PAID TO FULL-TIME STUDENTS FROM 18 TO 21. AS A RESULT, THEIR MONTHLY BENEFITS WILL INCREASE BY BETWEEN \$420 AND \$555 A MONTH.

THE GOVERNOR NOTED THAT THE LEVEL OF BENEFIT OFFERED BY THE SCHEME HAD SIGNIFICANTLY INCREASED OVER THE YEAR BUT THERE WERE PARTICULAR CONCERN IN THE COMMUNITY ABOUT THE SPECIAL DIFFICULTIES OF SINGLE PARENTS AND CHILDREN WHO DEPENDED ON THE SOCIAL SECURITY SYSTEM.

HE ALSO NOTED THAT SOCIAL SECURITY BENEFITS HAD GONE UP IN REAL TERMS BY 62 PER CENT FOR A SINGLE PERSON AND BY 104 PER CENT FOR A FAMILY OF FOUR SINCE 1985.

THE SCHEME TODAY PROVIDED AN AVERAGE MONTHLY PAYMENT EQUAL TO 30 PER CENT OF THE MEDIAN WAGE FOR A SINGLE PERSON AND 83 PER CENT OF THE MEDIAN WAGE FOR A FAMILY OF FOUR.

THE GOVERNOR SAID A COMMUNITY AS PROSPEROUS AND SUCCESSFUL AS HONG KONG HAD TO REGULARLY REVIEW THE EFFECTIVENESS OF ITS SOCIAL SECURITY BENEFITS IN MEETING THE NEEDS OF DISADVANTAGED INDIVIDUALS AND THEIR FAMILIES.

HE HAD ASKED THE SECRETARY FOR HEALTH AND WELFARE TO MAKE A DETAILED EXAMINATION OF THE CURRENT SOCIAL SECURITY ARRANGEMENTS WHICH HAD BEEN DEVELOPED OVER MORE THAN TWO DECADES.

THESE ARRANGEMENTS HAD EVOLVED FROM PROVIDING FOR BASIC SUBSISTENCE TO A SCHEME WHICH MET NOT ONLY THE NEEDS OF THE AVERAGE CLIENT BUT THE SPECIAL CIRCUMSTANCES OF INDIVIDUALS AS WELL, HE ADDED.

HE NOTED THAT 90 PER CENT OF THE CLIENTS RECEIVED SPECIAL GRANTS UNDER THE 24 BROAD CATEGORIES.

"WE OBVIOUSLY NEED TO LOOK AGAIN, VERY CAREFULLY, AT BOTH THE SOCIAL SECURITY SYSTEM AND THE BENEFITS IT PROVIDES, TO ASSESS HOW WELL THEY ARE MEETING THE NEEDS OF THEIR CLIENTS.

"I EXPECT TO START TO RECEIVE PROPOSALS RESULTING FROM THIS EXERCISE BY THE END OF 1995," HE SAID.

BREAKING DOWN BARRIERS FOR THE DISABLED

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THE GOVERNMENT IS DETERMINED TO BREAK DOWN THE BARRIERS THAT ISOLATE THOSE WITH DISABILITIES AND RESTRICT THEIR OPPORTUNITIES IN LIFE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

IN HIS ANNUAL POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, THE GOVERNOR SAID THE GOVERNMENT'S COMMITMENT HAD TO GO BEYOND PROVIDING THEM WITH FINANCIAL SUPPORT.

THE COMMITMENT INCLUDED TRAINING, REHABILITATION, TRANSPORT, EMPLOYMENT AND ALL THE OTHER SERVICES WHICH WILL HELP THOSE WITH SPECIAL NEEDS TO LEAD AS FULL AND REWARDING LIVES AS POSSIBLE WITHIN THE COMMUNITY, HE SAID.

IT IS ESTIMATED THAT HONG KONG HAS 286,000 INDIVIDUALS WITH SOME FORM OF DISABILITY AND NEARLY \$6 BILLION WILL BE SPENT THIS YEAR ON PROGRAMMES TO HELP PEOPLE WITH A DISABILITY.

THE GOVERNMENT'S COMMITMENT TO HELP THE DISABLED BREAKING DOWN THE BARRIERS WILL BE:

- * TO FIGHT PREJUDICE AGAINST PEOPLE WITH A DISABILITY THROUGH A MAJOR PUBLIC EDUCATION CAMPAIGN;
- * TO IMPROVE THE QUALITY OF TRAINING IN 109 SHELTERED WORKSHOPS AND DAY ACTIVITY CENTRES OVER THE NEXT FOUR YEARS, TO PROVIDE 737 ADDITIONAL PLACES IN PRE-SCHOOL CENTRES TO HELP MEET INCREASED DEMAND AND TO EXPAND THE PROGRAMMES FOR BOTH CHILDREN AND ADULTS WITH AUTISM;
- * TO IDENTIFY HOW TO IMPROVE THE JOB PROSPECTS OF THE DISABLED NEXT YEAR WHEN A JOINT WORKING GROUP COMPLETES A COMPREHENSIVE REVIEW OF THE TRAINING AND EMPLOYMENT SERVICES TO BE PROVIDED FOR THEM;
- * TO SUPPORT A FURTHER EXPANSION OF THE REHABUS SERVICE IN 1995/96. AS A RESULT, IT WILL BE ABLE TO PROVIDE OVER 300,000 PASSENGER TRIPS A YEAR, AN INCREASE OF 26 PER CENT, AND
- * TO PROPOSE LEGISLATION TO PROTECT THE DISABLED AGAINST DISCRIMINATION AND HARASSMENT.

IN THIS RESPECT, THE GOVERNOR SAID: "WHEN WE TALK ABOUT THE RIGHTS OF THE INDIVIDUAL, WE MEAN EVERYONE: THE POOR AS WELL AS THE RICH, THE DISABLED AS WELL AS THE ABLE-BODIED. AND IT IS THE RIGHTS OF THE MOST VULNERABLE GROUPS IN OUR SOCIETY WHICH SHOULD HAVE FIRST CLAIM ON OUR ATTENTION.

"I BELIEVE THAT, THROUGHOUT HONG KONG, THERE IS A STRONG CONSENSUS THAT ALL THOSE WITH A DISABILITY HAVE A RIGHT TO OUR SPECIAL CONSIDERATION AND SUPPORT.

"THE GOVERNMENT WILL ENSURE THAT THEY GET IT," HE SAID.

BETTER CARE FOR THE SICK

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THE GOVERNMENT WILL INCREASE HOSPITAL FACILITIES, INCREASE THE NUMBER OF NURSES AND PROVIDE THEM WITH BETTER TRAINING IN MEETING THE COMMUNITY'S DEMAND FOR EXCELLENCE IN HEALTH CARE.

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

IN HIS SPEECH, MR PATTEN OUTLINED THE PLANS FOR IMPROVEMENTS IN HEALTH CARE FOR THE COMING YEARS. THESE INCLUDED:

- * AN ADDITIONAL 950 HOSPITAL BEDS THIS YEAR AT AN ANNUAL RECURRENT COST OF \$619 MILLION.
- * PUTTING FORWARD A PROPOSAL NEXT YEAR FOR A NEW 400-BED HOSPITAL AT TSEUNG KWAN O. THIS WOULD PROVIDE HIGHER STANDARDS OF CARE FOR RESIDENTS OF THE RAPIDLY-DEVELOPING SOUTHEAST NEW TERRITORIES.
- * PROVIDING AN EXTRA 500 NURSES NEXT YEAR FOR HOSPITALS AND CLINICS (IN ADDITION TO REPLACING THOSE WHO LEAVE); SEEKING WAYS TO INCREASE THE ATTENTION THEY CAN DEVOTE TO THEIR PATIENTS BY RELIEVING THEM OF NON-PROFESSIONAL DUTIES.
- * IMPROVING THE PROFESSIONAL TRAINING PROVIDED FOR 2,400 STUDENT NURSES. THEIR WORK SCHEDULES WOULD BE REORGANISED TO GIVE THEM 22 PER CENT MORE TIME FOR THEIR PROFESSIONAL STUDIES.

MR PATTEN POINTED OUT THAT PUBLIC HOSPITALS WOULD TREAT 770,000 IN-PATIENTS THIS YEAR AND PROVIDE 3.9 MILLION CONSULTATIONS AT THE GENERAL OUT-PATIENT CLINICS.

SPECIALIST CLINICS WOULD ALSO PROVIDE SOME 5.8 MILLION CONSULTATIONS FOR OUT-PATIENTS, HE ADDED.

MR PATTEN NOTED THAT EXCELLENCE IN HEALTH CARE MEANT GOING BEYOND THE PROVISION OF HOSPITAL BEDS AND HIGHLY-QUALIFIED STAFF.

HE SAID: "IT ALSO INVOLVES DEVELOPING NEW PROGRAMMES FOR THE GROUPS WHO NEED SPECIAL CARE TO REDUCE THEIR SUFFERING AND TO COPE WITH THEIR ILLNESSES.

"NEXT YEAR, WE WILL GIVE A NEW PRIORITY TO THE CRITICALLY-ILL, THE CHRONICALLY-ILL AND THE TERMINALLY-ILL."

MR PATTEN SAID THE 1994 POLICY COMMITMENTS SET OUT SEVEN SPECIFIC UNDERTAKINGS TO IMPROVE BOTH THE STANDARD OF MEDICAL TREATMENT THEY RECEIVE AND THEIR QUALITY OF LIFE.

- * NEXT YEAR, THE GOVERNMENT WOULD EXPAND DIALYSIS FACILITIES TO TREAT AN EXTRA 100 PATIENTS A YEAR. AS A RESULT, THE COMBINED SERVICES OF THE HOSPITAL AUTHORITY, VOLUNTARY ORGANISATIONS AND THE PRIVATE SECTOR WILL BE SUFFICIENT TO MEET IN FULL THE CURRENT PROJECTED DEMAND.

- * THE GOVERNMENT PLANNED TO REDUCE THE MORTALITY RATE OF THE LARGEST GROUP OF HEART PATIENTS BY 20 PER CENT. TO ACHIEVE THIS GOAL, IMPROVED METHODS OF TREATMENT WOULD BE PROVIDED OVER THE NEXT TWO YEARS FOR 200 ADDITIONAL PATIENTS A YEAR WITH ISCHAEMIC HEART DISEASE.
- * IT WAS PLANNED TO REDUCE THE MORTALITY RATE OF DIABETIC PATIENTS BY 10 PER CENT OVER THE NEXT FIVE YEARS. TO ACHIEVE THIS GOAL, FOUR DIABETIC CARE CENTRES WOULD BE SET UP NEXT YEAR TO PROVIDE TREATMENT AND ADVICE TO 8,000 PATIENTS A YEAR.
- * HOSPICE SERVICES WOULD BE EXPANDED OVER THE NEXT FOUR YEARS. AS A RESULT, BY 1998-99, AN EXTRA THOUSAND PATIENTS A YEAR WILL BE ABLE TO LIVE OUT THEIR TERMINAL ILLNESSES IN COMFORT AND DIGNITY.

MR PATTEN NOTED THAT HONG KONG OFFERED VIRTUALLY FREE ACCESS TO HOSPITAL SERVICES AND HEALTH CARE BUT IT HAD TO CONTINUE THE DRIVE TO RAISE STANDARDS FROM ACCEPTABLE TO EXCELLENT.

"OUR PLANNED IMPROVEMENTS WILL MAKE A REAL DIFFERENCE TO THOUSANDS OF PEOPLE WHO SUFFER CHRONIC ILLNESS OR DISABILITY. THERE IS STILL AMPLE SCOPE FOR FURTHER IMPROVEMENT, HOWEVER, AND WE WILL NOT REST HERE," HE SAID.

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MORE AND BETTER HOUSING PLANNED

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THE GOVERNMENT WILL SPEND \$15.4 BILLION THIS YEAR ON HOUSING PROGRAMMES, ABOUT 400 PER CENT MORE IN REAL TERMS THAN 10 YEARS AGO TO HOUSE THOSE IN NEED, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

IN HIS ANNUAL POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID: "OUR CONTINUOUS INVESTMENT IN NEW HOUSING MEANS THAT WE HAVE BEEN ABLE TO AFFORD TO RAISE OUR SIGHTS WELL ABOVE THE MASS RESETTLEMENT PROGRAMMES OF THE PAST."

MR PATTEN NOTED THAT A TOTAL OF 1.2 MILLION PUBLIC AND PRIVATE FLATS HAD BEEN BUILT OVER THE LAST 20 YEARS.

THE GOVERNMENT INTENDS TO IMPROVE ITS PRESENT PROGRAMME IN THE COMING YEARS WITH THE FOLLOWING PLANS:

- * PUBLIC HOUSING ESTATES MADE SAFER AND MORE PLEASANT. THIS YEAR, \$3.3 BILLION IS PROPOSED TO BE SPENT TO IMPROVE AND MAINTAIN PUBLIC HOUSING ESTATES, INCLUDING \$433 MILLION TO REFURBISH AND RENOVATE THE OLDER PUBLIC HOUSING ESTATES. ANOTHER \$650 MILLION WOULD BE SPENT OVER THE NEXT THREE YEARS ON THE STAFF AND TECHNOLOGY TO KEEP CRIME AWAY FROM PUBLIC HOUSING ESTATES.

- * THE GOVERNMENT IS STARTING TO GET RID OF TEMPORARY HOUSING AREAS AND SQUATTER SETTLEMENTS. BY 1997, EVERYONE LIVING IN A TEMPORARY HOUSING AREA AT THE END OF LAST YEAR WOULD HAVE HAD AT LEAST ONE OFFER OF REHOUSING. BY MARCH 1996, ALL URBAN SQUATTERS ON GOVERNMENT LAND WOULD HAVE BEEN OFFERED REHOUSING.

ON CURBING HIGH PROPERTY PRICES, MR PATTEN SAID A TASK FORCE ON LAND SUPPLY AND PROPERTY PRICES WAS SET UP TO IDENTIFY HOW THE GOVERNMENT COULD ASSIST THE PROPERTY SECTOR TO RETURN TO MORE STABLE PRICES AND MORE ORDERLY TRADING CONDITIONS.

THE TASK FORCE PRODUCED A PACKAGE OF MEASURES DESIGNED TO CURB SPECULATION, TO ELIMINATE BOTTLENECKS, REDUCE BUREAUCRACY AND, GENERALLY, TO IMPROVE THE PRODUCTION OF NEW FLATS IN BOTH THE PRIVATE AND THE PUBLIC SECTORS.

THESE RECOMMENDATIONS, WHICH WERE ACCEPTED FOR IMMEDIATE ACTION, INCLUDED PROVISION OF AN EXTRA 70 HECTARES OF LAND FOR HOUSING BEFORE 1997/98 SUBJECT TO THE AGREEMENT OF THE LAND COMMISSION, PROVISION OF SUFFICIENT LAND FOR THE PUBLIC HOUSING PROGRAMME, THE ESTABLISHMENT OF A PROJECT ACTION TEAM TO ATTEND TO PROBLEMS IN THE PROCESSING OF NEW HOUSING PROJECTS AND THE CREATION OF A NEW POLICY BRANCH TO BE RESPONSIBLE FOR HOUSING MATTERS.

MR PATTEN SAID THE ANNOUNCEMENT THAT THE GOVERNMENT INTENDED TO IMPLEMENT THESE RECOMMENDATIONS ENCOURAGED A WELCOME SLACKENING OF THE PRICE SPIRAL.

"THE BEST LONG-TERM CONTRIBUTION THE GOVERNMENT CAN MAKE TO ENSURING THAT OUR PEOPLE HAVE ACCESS TO AFFORDABLE HOUSING IS TO BOOST THE SUPPLY OF NEW FLATS TO MATCH DEMAND.

"WE SHALL ACHIEVE OUR GOAL THROUGH PURSUING WELL-MANAGED INVESTMENT AND CONSTRUCTION PROGRAMMES, TO WHICH THE PRIVATE SECTOR WILL CONTINUE TO MAKE A MAJOR CONTRIBUTION," HE SAID.

IN ADDITION, THE GOVERNMENT INTENDS TO DO THE FOLLOWING BEFORE APRIL 2001:

- * TO HELP THE PRIVATE SECTOR TO PRODUCE 195,000 NEW FLATS (AN INCREASE OF 15,000 OVER THE PREVIOUS TARGET), BY ACCELERATING THE FORMATION OF SITES AND THE DEVELOPMENT OF OUR INFRASTRUCTURE;
- * TO HELP AN ADDITIONAL 180,000 FAMILIES TO BUY THEIR OWN HOMES BY PROVIDING SUBSIDISED HOUSING OR FINANCIAL ASSISTANCE; AND
- * TO PRODUCE AT LEAST 310,000 NEW FLATS IN THE PUBLIC SECTOR (AN INCREASE OF 30,000 OVER THE PREVIOUS TARGET).

IN STRESSING THE GOVERNMENT'S COMMITMENT TO HOUSING, MR PATTEN SAID: "I WANT TO ASSURE THIS COUNCIL THAT THE GOVERNMENT HAS NO HIGHER PRIORITY THAN MEETING THE COMMUNITY'S HOUSING NEEDS.

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"WE HAVE SET AMBITIOUS GOALS FOR BOTH THE HOUSING AUTHORITY AND THE PRIVATE SECTOR.

"I BELIEVE THAT THE PROGRAMME I HAVE JUST OUTLINED TO THIS COUNCIL OFFERS OUR BEST CHANCE OVER THE LONG RUN OF STABILISING THE PRICE CYCLE AND ENABLING MORE FAMILIES TO FIND THE MODERN, COMFORTABLE HOMES THEY EXPECT, AT PRICES AND RENTS THEY CAN AFFORD."

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CATERING FOR NEEDS OF SPECIAL GROUPS IN EDUCATION

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AS HONG KONG HAS A COMPREHENSIVE SYSTEM OF EDUCATION AT ALL LEVELS AND STANDARDS ARE RISING, THE GOVERNMENT NOW HAS TO FOCUS ON THE NEEDS OF SPECIAL GROUPS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

IN HIS ANNUAL POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THE SECRETARY FOR EDUCATION AND MANPOWER WOULD BE PRESENTING 11 NEW EDUCATION INITIATIVES IN HIS 1994 POLICY COMMITMENTS.

SOME OF THESE INITIATIVES WOULD CATER FOR THE NEEDS OF SPECIAL GROUPS. THEY INCLUDED:

- * THE OFFERING OF BETTER QUALITY FOR THE VERY YOUNGEST CHILDREN. A SUM OF \$163 MILLION WOULD BE SPENT OVER THE NEXT FOUR YEARS TO IMPROVE THE TRAINING OF KINDERGARTEN TEACHERS. THE GOVERNMENT WOULD RAISE MINIMUM QUALIFICATIONS, AND PROVIDE ADDITIONAL TRAINING COURSES FOR 1,130 SERVING KINDERGARTEN TEACHERS.
- * STUDENTS WITH SEVERE LEARNING PROBLEMS OR WHO LACK MOTIVATION WOULD BE OFFERED MORE HELP. A SUM OF \$340 MILLION WOULD BE SPENT OVER THE NEXT FIVE YEARS TO BUILD THE SPECIAL SCHOOLS THEY NEEDED.
- * THE GOVERNMENT WOULD DO MORE TO HELP STUDENTS WITH LIMITED FAMILY MEANS TO CONTINUE THEIR EDUCATION. AN EXTRA \$325 MILLION IN LOANS AND GRANTS WOULD BE PROVIDED OVER THE NEXT FOUR YEARS, WHICH WOULD BENEFIT OVER 6,000 STUDENTS IN UNIVERSITIES, POLYTECHNICS AND COLLEGES.

MR PATTEN ALSO NOTED THAT PROVISION IN EDUCATION WOULD BE RAISED BY 4.5 PER CENT IN REAL TERMS NEXT YEAR ON TOP OF THIS YEAR'S RECURRENT EXPENDITURE OF ALMOST \$24 BILLION.

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FURTHER COMMITMENTS TO PROTECTING ENVIRONMENT

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THE GOVERNMENT WILL PREPARE LEGISLATION TO MAKE ENVIRONMENTAL IMPACT STUDIES A STATUTORY REQUIREMENT FOR DEVELOPMENT PROJECTS.

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

THE LEGISLATION WOULD BE AMONG THE 17 NEW INITIATIVES TO PROTECT THE ENVIRONMENT IN THE 1994 POLICY COMMITMENTS.

AS FOR OTHER NEW INITIATIVES, MR PATTEN SAID THE BIGGEST SOURCE OF HARMFUL AIR POLLUTION IN THE URBAN AREAS - DIESEL VEHICLES - WOULD ALSO BE TACKLED.

THE GOVERNMENT WOULD REQUIRE THE USE OF CLEANER FUEL, STEP UP ENFORCEMENT ACTION AGAINST SMOKY VEHICLES AND DEVISE SCHEMES TO ENCOURAGE A SWITCH TO UNLEADED PETROL, HE SAID.

VEHICLE POLLUTION WAS EXPECTED TO BE CUT BY 20 PER CENT OVER THE NEXT TWO YEARS, HE ADDED.

ON NOISE POLLUTION, MR PATTEN SAID THERE WOULD BE NEW RESTRICTIONS FROM NEXT YEAR ON PILING EQUIPMENT AND POWERED MECHANICAL EQUIPMENT ON CONSTRUCTION SITES.

THE GOVERNMENT WOULD ALSO INTRODUCE LEGISLATION TO REDUCE THE NUISANCE CAUSED BY NOISY VEHICLES AND BURGLAR ALARMS ON CARS, HE ADDED.

MR PATTEN NOTED THAT RECURRENT EXPENDITURE ON THE ENVIRONMENT WOULD BE INCREASED BY 18 PER CENT IN REAL TERMS NEXT YEAR OVER THIS YEAR'S PROVISION OF \$1.7 BILLION,

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PRESSURE TO BE MAINTAINED ON CRIMINALS

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THE GOVERNMENT WILL MAINTAIN THE PRESSURE ON THE CRIMINALS WHO MENACE HONG KONG'S SECURITY, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) IN HIS ANNUAL POLICY ADDRESS.

MR PATTEN TOLD THE LEGISLATIVE COUNCIL THAT AN ADDITIONAL 400 POLICE OFFICERS WOULD BE PUT ON THE STREETS NEXT YEAR AND AN EXTRA 80 OFFICERS WOULD BE PROVIDED TO COMBAT TRIADS AND THE TRADE IN NARCOTICS.

TO PROSECUTE CRIMINALS MORE EFFICIENTLY, THE STAFF OF THE LEGAL DEPARTMENT'S PROSECUTION DIVISION WOULD BE EXPANDED BY 25 PER CENT NEXT YEAR, HE ADDED.

MR PATTEN NOTED THAT THE RATE OF VIOLENT CRIME HAD FALLEN FOR THE THIRD CONSECUTIVE YEAR.

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"THIS IS A REMARKABLE ACHIEVEMENT BY OUR POLICE FORCE AND REFLECTS THE GREATEST CREDIT ON THEIR PROFESSIONALISM," HE SAID.

TO CONTINUE THE BATTLE AGAINST CORRUPTION, MR PATTEN NOTED THAT AN INDEPENDENT REVIEW COMMITTEE WAS SET UP TO CONSIDER WHETHER THE SPECIAL POWERS OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION WERE STILL APPROPRIATE, NECESSARY AND SUFFICIENT, AND WHETHER ITS SYSTEMS OF ACCOUNTABILITY WERE ADEQUATE.

IT WOULD PRESENT ITS REPORT BY THE END OF THE YEAR, HE SAID.

"IN CONSIDERING THE COMMITTEE'S RECOMMENDATIONS, THERE CAN BE NO QUESTION OF RELAXING HONG KONG'S LONG-STANDING INSISTENCE THAT HIGH ETHICAL STANDARDS MUST APPLY TO BOTH THE PUBLIC SECTOR AND THE BUSINESS WORLD," THE GOVERNOR SAID.

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AMBITIOUS PACKAGE TO DEFEND RIGHTS OF INDIVIDUALS

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) UNVEILED A COMPREHENSIVE PACKAGE TO BE INTRODUCED OVER THE NEXT 12 MONTHS TO STRENGTHEN THE RIGHTS OF THE INDIVIDUAL AND TO ELIMINATE DISCRIMINATION.

FOLLOWING ARE DETAILS OF THE PACKAGE:

- * THE UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD WILL BE IMPLEMENTED;
- * AFTER CONSULTATION WITH THE CHINESE GOVERNMENT, THE GOVERNMENT PLANS TO EXTEND TO HONG KONG THE UNITED NATIONS CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN (CEDAW);
- * LEGISLATION WILL BE INTRODUCED TO PROHIBIT SEX DISCRIMINATION IN AREAS SUCH AS EMPLOYMENT, EDUCATION AND THE PROVISION OF GOODS AND SERVICES. ALSO, LEGISLATION WILL BE INTRODUCED TO PROHIBIT DISCRIMINATION ON THE GROUNDS OF DISABILITY;
- * AN EQUAL OPPORTUNITIES COMMISSION WILL BE SET UP TO OVERSEE THE IMPLEMENTATION OF ANTI-DISCRIMINATION LEGISLATION;
- * THE GOVERNMENT WILL INTRODUCE A CODE ON ACCESS TO INFORMATION WHICH WILL COVER THE WHOLE OF THE GOVERNMENT BY THE END OF 1996. THE COMMISSIONER FOR ADMINISTRATIVE COMPLAINTS WILL INVESTIGATE ALLEGATIONS OF FAILURE BY OFFICIALS TO HONOUR THIS CODE;
- * LEGISLATION WILL BE INTRODUCED BASED ON ESTABLISHED INTERNATIONAL PRINCIPLES TO SAFEGUARD THE INDIVIDUAL'S RIGHT TO THE PRIVACY OF PERSONAL DATA, TO BE ENFORCED BY AN INDEPENDENT DATA PROTECTION AGENCY; AND

/* MORE FUNDS

* MORE FUNDS WILL BE MADE AVAILABLE TO ENABLE THE JUDICIARY TO REDUCE COURT WAITING TIMES AND TO IMPROVE ACCESS TO LEGAL AID.

IN HIS POLICY ADDRESS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID THE COMPREHENSIVE AND AMBITIOUS PROGRAMME WOULD COST \$235 MILLION IN ANNUAL RECURRENT EXPENDITURE.

ON PRESS FREEDOM, HE SAID THE PROGRAMME TO REMOVE THE LEGAL RESTRICTIONS ON PRESS FREEDOM WOULD BE CONTINUED.

FIFTY-THREE SEPARATE PROVISIONS IN 27 ORDINANCES HAVE BEEN EXAMINED. OF THESE, THE ADMINISTRATION WILL HAVE TAKEN ACTION TO AMEND 37 PROVISIONS BY THE END OF THE NEW LEGISLATIVE SESSION.

THIS LEAVES 16 PROVISIONS WHICH IT DOES NOT PROPOSE TO AMEND BECAUSE THEY EXIST TO PROTECT THE INDIVIDUAL'S RIGHT TO PRIVACY OR THE PUBLIC INTEREST, HE SAID.

MR PATTEN SAID THE RULE OF LAW WAS ESSENTIAL FOR HONG KONG'S FUTURE.

FOR THE BUSINESS COMMUNITY IN PARTICULAR, HE SAID THE RULE OF LAW WAS CRUCIAL.

"WITHOUT IT, THERE IS NO PROTECTION AGAINST CORRUPTION, NEPOTISM OR EXPROPRIATION.

"ONLY UNDER THE RULE OF LAW ARE BUSINESSMEN GUARANTEED THE LEVEL PLAYING FIELD AND THE COMPETITIVE ENVIRONMENT WHICH THEY NEED," HE SAID.

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GOVERNMENT AND LEGCO TO STRENGTHEN CO-OPERATION

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID PRACTICAL CO-OPERATION BETWEEN THE ADMINISTRATION AND THE LEGISLATIVE COUNCIL COULD BE STRENGTHENED BY PRESENTING MEMBERS OF THE COUNCIL WITH A STATEMENT OUTLINING THE MAIN ITEMS OF LEGISLATION ON WHICH THE GOVERNMENT WOULD SEEK THEIR SUPPORT.

TOGETHER WITH THE POLICY SPEECH, THE GOVERNMENT PUBLISHES A SUMMARY OF THE PRINCIPAL LEGISLATIVE PROPOSALS WHICH IT PLANS TO INTRODUCE IN THE CURRENT SESSION.

"I WANT TO EMPHASISE THAT THIS LEGISLATIVE PROGRAMME IS NOT AN EXHAUSTIVE LIST, AND IT WILL, OF COURSE, BE SUBJECT TO ADJUSTMENT.

"MEMBERS WILL FIND THAT THE LEGISLATIVE COUNCIL HAS ANOTHER YEAR OF CHALLENGING LEGISLATIVE WORK AHEAD," HE SAID.

UNDER THE HONG KONG SYSTEM, IT IS THE GOVERNMENT'S ROLE TO PUT ITS LEGISLATIVE AND EXPENDITURE PROPOSALS TO THE LEGISLATIVE COUNCIL, BUT THE LEGISLATIVE COUNCIL ALONE HAS THE POWER TO DECIDE WHETHER THESE PROPOSALS WILL BECOME LAW OR RECEIVE FUNDING.

/MR PATTEN

MR PATTEN SAID GIVEN THIS BACKGROUND, IT WAS REMARKABLE TO NOTE HOW WELL THE SYSTEM HAD WORKED IN PRACTICE.

OVER THE LAST 10 YEARS, THE NUMBER OF BILLS APPROVED BY THE LEGISLATIVE COUNCIL HAS INCREASED BY 17 PER CENT.

THE NUMBER OF QUESTIONS RAISED BY MEMBERS HAS INCREASED BY 200 PER CENT.

THE NUMBER OF LEGISLATIVE COUNCIL SESSIONS TO HANDLE THE ADDITIONAL WORK HAS INCREASED BY 44 PER CENT.

"PRACTICE HAS SHOWN THAT ACCOUNTABILITY OILS THE WHEELS OF OUR CONSTITUTION. HONG KONG GETS THE LEGISLATION IT NEEDS, AND THE GOVERNMENT IS GIVEN THE RESOURCES IT REQUIRES TO DELIVER THE SERVICES WHICH THE COMMUNITY WANTS.

"THE SYSTEM WORKS, AND THERE IS NO CONFLICT BETWEEN THE CONCEPT OF ACCOUNTABLE GOVERNMENT AND THAT OF EXECUTIVE-LED GOVERNMENT," HE SAID.

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GOVERNMENT WORKS FOR SUCCESS OF LEGCO ELECTIONS

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THE GOVERNMENT WILL TAKE UP AN IMMEDIATE TASK TO MAKE A SUCCESS OF NEXT YEAR'S LEGISLATIVE COUNCIL ELECTIONS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

A RECORD NUMBER OF VOTERS - 2.45 MILLION - HAVE BEEN REGISTERED.

THE GOVERNMENT PLANS TO SPEND \$102 MILLION ON NEXT YEAR'S REGISTRATION EXERCISE AND \$31 MILLION ON PROMOTING NEXT YEAR'S ELECTIONS.

ADDRESSING THE LEGISLATIVE COUNCIL, MR PATTEN SAID IN THE LAST RESORT, THE SUCCESS OR FAILURE OF THE ELECTIONS WOULD NOT DEPEND ON THE GOVERNMENT OR THE AMOUNT OF PUBLIC MONEY IT SPENT ON THEM.

"THE ELECTIONS CAN ONLY BE COUNTED A SUCCESS IF WE END UP WITH A LEGISLATIVE COUNCIL WHOSE MEMBERS COMMAND THE COMMUNITY'S RESPECT.

"HONG KONG WILL ACHIEVE THIS GOAL ONLY IF WE HAVE PUBLIC-SPIRITED MEN AND WOMEN OF THE RIGHT CALIBRE TO STAND FOR ELECTION AND IF THE POLITICAL PARTIES OFFER A GENUINE CHOICE OF BOTH INDIVIDUAL CANDIDATES AND PARTY PROGRAMMES," HE SAID.

HE WAS CONFIDENT THAT IF HONG KONG PEOPLE WISHED THE INSTITUTIONS OF A FREE AND PLURAL SOCIETY TO SURVIVE, WHATEVER THE OCCASIONAL THREATS OF TURBULENCE, THEY WOULD DO SO.

"CIVIC CONSCIOUSNESS AND RESPONSIBILITY, AND PUBLIC PARTICIPATION IN RUNNING THE COMMUNITY'S AFFAIRS, ARE HERE TO STAY."

/MR PATTEN

MR PATTEN BELIEVED A DECISIVE MAJORITY IN THE LEGISLATIVE COUNCIL AND THE COMMUNITY WOULD LIKE TO SEE THE LEGISLATIVE COUNCIL TO BE ELECTED IN SEPTEMBER 1995 SERVE ITS FULL TERM THROUGH TO 1999.

THE CHINESE GOVERNMENT HAS STATED THAT THAT LEGISLATIVE COUNCIL CANNOT CONTINUE BEYOND JUNE 30, 1997 AND THAT THERE WILL HAVE TO BE NEW ELECTIONS.

"WE HAVE NEVER DISPUTED CHINA'S POWER TO DISSOLVE AND THEN RECONSTITUTE THE LEGISLATIVE COUNCIL IN 1997.

"BUT WE HAVE MADE CLEAR THAT WE DO NOT THINK THERE IS ANY GOOD REASON TO DO SO.

"AS I SAY, WE REGRET THAT AN AGREEMENT WITH CHINA ON THIS ISSUE WAS NOT POSSIBLE BUT THE TIME HAS COME TO DRAW A LINE UNDER THE DEBATE," HE SAID.

MR PATTEN SAID EARLIER THIS YEAR, THE GOVERNMENT HAD SETTLED HONG KONG'S ELECTORAL ARRANGEMENTS, THOUGH, ALAS, NOT BY AGREEMENT WITH CHINA.

THE COMMUNITY DECIDED THAT IT WANTED FAIR AND OPEN ELECTIONS AND CREDIBLE INSTITUTIONS OF REPRESENTATIVE GOVERNMENT, HE SAID.

THE LEGISLATIVE COUNCIL PASSED INTO LAW THE GOVERNMENT'S PROPOSALS TO MEET THE COMMUNITY'S EXPECTATIONS.

"LAST MONTH'S DISTRICT BOARD ELECTIONS WERE CLEAR EVIDENCE THAT THE COMMUNITY DOES VALUE ITS VIGOROUS AND CREDIBLE POLITICAL INSTITUTIONS.

"THE ELECTIONS WERE HELD IN AN ORDERLY AND RESPONSIBLE FASHION. THEY DID NO DAMAGE TO HONG KONG'S STABILITY. QUITE THE REVERSE," HE SAID.

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PROSPERITY BUOYED BY ECONOMIC CHANGES IN CHINA

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HONG KONG'S PROSPERITY DURING THE FIRST DECADE OF THE TRANSITION TO 1997 HAS BEEN BUOYED BY THE DRAMATIC CHANGES WHICH HAVE BEEN TAKING PLACE IN CHINA, WHERE ECONOMIC MODERNISATION HAS CREATED A WEALTH OF BUSINESS OPPORTUNITIES FOR HONG KONG, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE NOTED THAT:

* HONG KONG'S TRADE WITH CHINA HAS GROWN BY AN ASTOUNDING RATE OF OVER 500 PER CENT IN REAL TERMS.

* CHINA IS NOW HONG KONG'S LARGEST TRADING PARTNER, THE LARGEST MARKET FOR THE TERRITORY'S EXPORTS AND THE BIGGEST SUPPLIER OF THE TERRITORY'S IMPORTS.

/* CHINA IS

* CHINA IS NOW THE BIGGEST INVESTOR IN HONG KONG, AND HONG KONG IS THE BIGGEST INVESTOR IN CHINA.

MR PATTEN SAID THE MAIN THREAT TO THIS VITAL RELATIONSHIP HAD BEEN EXTERNAL, THE THREAT OF SANCTIONS OR OTHER RESTRICTIONS BEING IMPOSED ON CHINA.

"I DO NOT NEED TO REMIND THIS COUNCIL THAT PRESIDENT CLINTON'S BRAVE DECISION EARLIER THIS YEAR TO SEPARATE RENEWAL OF CHINA'S MOST FAVOURED NATION TRADING STATUS FROM NON-TRADE ISSUES WAS OF VITAL IMPORTANCE TO HONG KONG.

"ANYTHING WHICH DISRUPTS THE TRADING RELATIONSHIP BETWEEN OUR TWO LARGEST TRADING PARTNERS WOULD BE BAD NEWS FOR HONG KONG."

AS A MATTER OF PRINCIPLE, HONG KONG BELIEVES THAT TRADE ISSUES SHOULD BE TACKLED STRICTLY ON THEIR OWN MERITS AND THAT THERE ARE OTHER, MORE EFFECTIVE AVENUES TO DISCUSS ISSUES SUCH AS HUMAN RIGHTS, THE GOVERNOR SAID.

"WE SHALL GO ON DEVELOPING OUR TRADING LINKS WITH CHINA IN THE REMAINING YEARS OF THE TRANSITION AND HONG KONG, TOGETHER WITH BRITAIN, WILL GO ON SUPPORTING CHINA'S RE-ENTRY TO THE GATT AND ITS RIGHT TO FOUNDER MEMBERSHIP IN THE GATT'S SUCCESSOR BODY, THE WORLD TRADE ORGANISATION.

"LET ME SAY AGAIN WHAT I HAVE SAID MANY TIMES BEFORE. AN INCREASINGLY PROSPEROUS AND SUCCESSFUL CHINA IS GOOD NEWS FOR HONG KONG, GOOD NEWS FOR THE REGION, AND VERY GOOD NEWS FOR THE WORLD," HE SAID.

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DEVELOPING TIES WITH CHINA

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THE GOVERNMENT ATTACHES THE HIGHEST IMPORTANCE TO THE TASK OF BUILDING UP THE RELATIONSHIPS OF ITS POLICY BRANCHES AND DEPARTMENTS WITH THEIR CHINESE COUNTERPARTS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

VIRTUALLY EVERY PART OF THE ADMINISTRATION HAS DEVELOPED TIES WITH THEIR COLLEAGUES IN CHINA - THE FUTURE SOVEREIGN POWER - AT BOTH THE CENTRAL AND THE LOCAL LEVELS, HE SAID.

MR PATTEN SAID AT THE FORMAL LEVEL, THE CONTINUING CONTACTS WERE BY NOW FAR TOO EXTENSIVE FOR HIM TO REPORT IN DETAIL TO THE COUNCIL.

OFFERING EXAMPLES OF THE MAIN CATEGORIES INTO WHICH THEY FELL, HE SAID:

* THERE IS A WIDE RANGE OF CONTACTS BETWEEN POLICE, IMMIGRATION AND CUSTOMS OFFICIALS TO DEAL WITH CROSS-BORDER CRIME AND TO STRENGTHEN OUR SECURITY.

- * WE CO-OPERATE CLOSELY ON BORDER-RELATED TRADE AND TRANSPORT MATTERS, INCLUDING AVIATION, RAIL AND ROAD TRAFFIC, POSTAL SERVICES, WATER SUPPLIES AND THE SAFETY OF FOOD IMPORTS ALL ESSENTIAL TO THE WELL-BEING AND CONVENIENCE OF THE COMMUNITY.
- * WE HAVE ESTABLISHED BILATERAL CO-OPERATION BETWEEN THE REGULATORY AUTHORITIES RESPONSIBLE FOR THE SECURITIES MARKETS TO REINFORCE THE STABILITY AND INTEGRITY OF OUR FINANCIAL SYSTEM. IN ADDITION, THERE ARE REGULAR CONTACTS BETWEEN OUR BANKING AUTHORITIES.
- * THERE IS A HOST OF TRAINING PROGRAMMES, SEMINARS AND BRIEFING VISITS TO ALLOW BOTH HONG KONG AND CHINESE GOVERNMENT OFFICIALS TO EXCHANGE EXPERIENCE AND EXPERTISE ON A VAST VARIETY OF TOPICS, RANGING FROM AUDIT WORK TO FIRE-FIGHTING.

HE SAID: "THERE ARE LITERALLY HUNDREDS OF THESE WORKING-LEVEL MEETINGS AND CONTACTS EVERY YEAR. THESE HAVE GIVEN OUR OWN OFFICIALS EXPERIENCE OF WORKING WITH THEIR CHINESE COLLEAGUES TO TACKLE PROBLEMS OF COMMON CONCERN. THIS IS OF GREAT IMPORTANCE TO A SMOOTH TRANSITION.

"THESE TIES WILL CONTINUE TO DEVELOP. THEY HAVE THE GREAT MERIT OF BEING A TRIED AND TESTED APPROACH, WITH OFFICIALS FROM BOTH SIDES WORKING TOGETHER TO FIND PRACTICAL SOLUTIONS TO SHARED PROBLEMS.

"THE NEXT STAGE MUST BE TO DISCUSS WITH THE CHINESE GOVERNMENT FURTHER MEASURES TO EXPAND CONTACTS BETWEEN OUR CIVIL SERVICES IN PREPARATION FOR 1997," HE SAID.

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IMPRESSIVE RECORD SINCE 1984

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DECLARING THAT "HONG KONG IS A WINNER", THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY) THAT WHATEVER INDICATORS ARE LOOKED AT, HONG KONG'S PERFORMANCE IN THE PAST DECADE HAS BEEN IMPRESSIVE, AND BY THE STANDARDS OF MOST OF THE DEVELOPED WORLD, IT HAS BEEN SPECTACULAR.

NOTING THAT 10 YEARS HAD PASSED SINCE THE SIGNING OF THE JOINT DECLARATION, MR PATTEN SAID EXACTLY 1,000 DAYS REMAINED OF BRITISH RESPONSIBILITY FOR THE ADMINISTRATION OF HONG KONG.

HE SAID: "WE ARE THUS THREE-QUARTERS OF THE WAY THROUGH THE TRANSITION, A GOOD MOMENT TO TAKE STOCK OF WHAT HAS BEEN ACHIEVED AND OF WHAT STILL REMAINS TO BE DONE.

"OUR FIRST DUTY, TO QUOTE FROM THE JOINT DECLARATION, HAS BEEN 'MAINTAINING AND PRESERVING THE ECONOMIC PROSPERITY AND SOCIAL STABILITY OF HONG KONG'.

"THIS PHRASE HAS BEEN QUOTED SO OFTEN IN THE PAST 10 YEARS THAT IT IS IN DANGER OF BECOMING A CLICHE."

BUT BACK IN 1984, THE MAINTENANCE OF HONG KONG'S PROSPERITY AND STABILITY LOOKED TO SOME LIKE A PRETTY TALL ORDER, MR PATTEN SAID.

"THERE WERE MANY WHO DOUBTED OUR ABILITY TO DISCHARGE THIS RESPONSIBILITY. THERE WERE DIRE PREDICTIONS OF ECONOMIC DISRUPTION AND EVEN OF SOCIAL DISORDER. THERE WAS NO SHORTAGE OF COMMENTATORS WHO LOOKED ON THE JOINT DECLARATION AS A DEAD-END, WHO REFUSED TO RECOGNISE THE RESILIENCE OF THE PEOPLE OF HONG KONG AND THEIR DETERMINATION TO SEIZE THE OPPORTUNITIES CREATED BY THE JOINT DECLARATION.

"WELL, THOSE WHO PROPHESED NOTHING BUT TROUBLE AHEAD, AND THOSE WHO PREDICTED THE PAINFUL DECLINE OF HONG KONG'S WAY OF LIFE, HAVE BEEN PROVED WRONG."

ON THE ECONOMY, MR PATTEN SAID THAT SINCE 1984:

- * LIVING STANDARDS FOR THE WHOLE COMMUNITY HAVE IMPROVED DRAMATICALLY. TOTAL GDP HAS GROWN BY 79 PER CENT IN REAL TERMS, AND IN TERMS OF GDP PER PERSON, WE NOW RANK 17TH IN THE WORLD INSTEAD OF 28TH, AS WE WERE IN 1984;
- * THE VALUE OF OUR FOREIGN TRADE HAS INCREASED BY ABOUT 350 PER CENT IN REAL TERMS. IN 1984, HONG KONG WAS THE 13TH LARGEST TRADING ECONOMY IN THE WORLD; WE ARE NOW EIGHTH AND RISING;
- * WE HAVE MADE THE TRANSITION FROM A MANUFACTURING BASE TO AN INTERNATIONAL BUSINESS CENTRE, WITH LABOUR PRODUCTIVITY RISING 54 PER CENT IN THE PROCESS. THE SERVICE SECTOR NOW GENERATES ABOUT 75 PER CENT OF OUR GDP AND PROVIDES 70 PER CENT OF TOTAL EMPLOYMENT.

MR PATTEN SAID THE INDICES OF SOCIAL STABILITY WERE JUST AS IMPRESSIVE AS THE ECONOMIC STATISTICS. SINCE 1984:

- * REAL EARNINGS HAVE RISEN BY 66 PER CENT, WHILE UNEMPLOYMENT HAS FALLEN FROM ALMOST FOUR PER CENT TO UNDER TWO PER CENT;
- * THE OVERALL CRIME RATE HAS FALLEN BY 10 PER CENT AND THE RATE OF VIOLENT CRIME BY SEVEN PER CENT;
- * THE PROPORTION OF FLATS WHICH ARE OWNER-OCCUPIED HAS INCREASED FROM 31 PER CENT TO 48 PER CENT;
- * THE PROPORTION OF YOUNG PEOPLE IN THE RELEVANT AGE GROUP ABLE TO STUDY FOR A DEGREE HAS INCREASED FROM 3 PER CENT TO 18 PER CENT.

"I COULD REEL OFF A GREAT MANY MORE STATISTICS, BUT I WOULD ONLY BE TELLING HONOURABLE MEMBERS WHAT THEY KNOW ALREADY. THE PAST DECADE HAS BEEN ONE OF ASTONISHING ECONOMIC AND SOCIAL ACHIEVEMENT FOR HONG KONG. HONG KONG IS A WINNER," HE SAID.

NOT RIGHT FOR CIVIL SERVANTS TO ATTEND PWC MEETINGS

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) HE DID NOT BELIEVE IT WOULD BE RIGHT FOR HONG KONG CIVIL SERVANTS TO ATTEND FORMAL MEETINGS OF THE PRELIMINARY WORKING COMMITTEE OR ITS SUB-GROUPS.

HE NOTED THAT CIVIL SERVANTS DID HAVE CONTACTS NOT ONLY WITH CHINESE GOVERNMENT OFFICIALS BUT ALSO WITH MEMBERS OF OFFICIAL BODIES LIKE THE NATIONAL PEOPLE'S CONGRESS, WITH HONG KONG AFFAIRS ADVISERS AND WITH MEMBERS OF THE PRELIMINARY WORKING COMMITTEE.

ON CONTACTS WITH THE PRELIMINARY WORKING COMMITTEE, HE SAID THE COMMITTEE WAS DISTINCT FROM THE PREPARATORY COMMITTEE. IT WAS NOT ONE OF THE INSTITUTIONS ESTABLISHED BY THE JOINT DECLARATION OR THE BASIC LAW; IT WAS AN ADVISORY BODY OF THE NATIONAL PEOPLE'S CONGRESS.

"THERE IS THEREFORE NO FORMAL RELATIONSHIP BETWEEN THE ADMINISTRATION AND THE PRELIMINARY WORKING COMMITTEE.

"BUT, AS I HAVE SAID TO THIS COUNCIL BEFORE, THAT DOES NOT MEAN THERE CAN BE NO CONTACT.

"THERE IS NO BAN ON CONTACTS WITH PRELIMINARY WORKING COMMITTEE MEMBERS. THAT WOULD NOT BE SENSIBLE OR REALISTIC. HONG KONG GOVERNMENT OFFICIALS ALREADY PROVIDE INFORMATION TO HONG KONG MEMBERS OF THE PRELIMINARY WORKING COMMITTEE.

"I VERY MUCH HOPE THAT CONTACTS WILL CONTINUE AND WILL BE HELPFUL TO THESE MEMBERS IN PREPARING THEMSELVES FOR THEIR MEETINGS.

"I DO NOT BELIEVE IT WOULD BE RIGHT FOR HONG KONG CIVIL SERVANTS TO ATTEND FORMAL MEETINGS OF THE PRELIMINARY WORKING COMMITTEE OR ITS SUB-GROUPS.

"THERE CAN BE NO SUBSTITUTE FOR THE WORK WHICH CAN ONLY TAKE PLACE BETWEEN THE TWO SOVEREIGN GOVERNMENTS IN THE JOINT LIAISON GROUP.

"BUT CONTACTS WITH THE PRELIMINARY WORKING COMMITTEE ALONG THE LINES I HAVE DESCRIBED ARE USEFUL AND I AM HAPPY FOR THEM TO TAKE PLACE," HE SAID.

JLG STILL HAS FORMIDABLE VOLUME OF WORK

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A FORMIDABLE VOLUME OF WORK REMAINS TO BE DONE IN THE JOINT LIAISON GROUP IN THE 1,000 DAYS BEFORE 1997, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"WE WILL CONTINUE TO IMPRESS ON OUR CHINESE COLLEAGUES THE URGENCY OF THE TASK AND OUR WILLINGNESS TO CO-OPERATE FULLY WITH CHINA TO ACCOMPLISH THAT TASK," HE SAID.

MR PATTEN SAID THE NEW BRITISH AMBASSADOR TO CHINA, SIR LEONARD APPELYARD, HAD CARRIED WITH HIM JUST SUCH A MESSAGE FROM THE BRITISH GOVERNMENT WHEN HE TOOK UP HIS POST IN PEKING LAST MONTH.

THE FOREIGN SECRETARY, MR DOUGLAS HURD, HAD ALSO STRESSED THE IMPORTANCE OF FINDING NEW WAYS TO GIVE IMPETUS TO THE WORK OF THE JOINT LIAISON GROUP DURING HIS MEETING WITH CHINA'S VICE-PREMIER, MR QIAN QICHEN, IN NEW YORK LAST WEEK.

"WE HAVE INDICATED TO THE CHINESE SIDE OUR WILLINGNESS TO EXPLORE FURTHER WITH THEM WHETHER THERE ARE INFORMAL WAYS IN WHICH THIS CAN BE ACHIEVED, PERHAPS BY EXPANDING THE POOL OF EXPERTISE ON WHICH THE JOINT LIAISON GROUP CAN DRAW.

"MEMBERS OF THE PRELIMINARY WORKING COMMITTEE FOR EXAMPLE MAY BE ABLE TO CONTRIBUTE TO THIS PROCESS. WE WOULD WELCOME THAT.

"WHAT IS CLEAR IS THAT FAILURE TO SETTLE THE OUTSTANDING ISSUES BEFORE 1997 WILL COMPROMISE HONG KONG'S FUTURE STABILITY AND PROSPERITY. THIS IS EXACTLY WHAT THE JOINT LIAISON GROUP WAS ESTABLISHED TO PREVENT," HE SAID.

MR PATTEN SAID THERE WAS PRECIOUS LITTLE TO BE SAID FOR WASTING TIME AND BREATH ON PUBLIC RECRIMINATION ABOUT WHO WAS MOST TO BLAME FOR THE SNAIL'S PACE OF JOINT LIAISON GROUP WORK.

"WHAT IS IMPORTANT IS HONG KONG'S FUTURE. AND IT IS THAT WHICH IS THREATENED BY THE SLUGGISH PROGRESS MADE IN THE JOINT LIAISON GROUP."

IT IS THE PEOPLE OF HONG KONG WHO WILL PAY FOR A FAILURE TO COMPLETE THE JOINT LIAISON GROUP'S AGENDA BY 1997, HE SAID.

"TO LEAVE UNCERTAINTY ABOUT HONG KONG'S LAWS, UNCERTAINTY ABOUT RIGHTS OF RESIDENCE AND ABOUT TRAVEL DOCUMENTS, UNCERTAINTY ABOUT AIR SERVICES AGREEMENTS AND UNCERTAINTY ABOUT ARRANGEMENTS FOR THE RETURN OF FUGITIVE OFFENDERS WILL DO NOTHING TO INSPIRE CONFIDENCE IN HONG KONG'S FUTURE.

"IF HONG KONG IS TO GET OFF TO THE BEST POSSIBLE START AS A SPECIAL ADMINISTRATIVE REGION AND TO CONTINUE TO MAKE A FULL CONTRIBUTION TO CHINA'S ECONOMIC DEVELOPMENT, WE MUST REMOVE THESE UNCERTAINTIES."

AIRPORT FINANCING STILL TO BE RESOLVED

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) SET OUT EXAMPLES OF ISSUES STILL TO BE RESOLVED IN THE JOINT LIAISON GROUP.

THOUGH THERE HAD BEEN SUCCESS IN THE PAST 10 YEARS, MUCH MORE REMAINED TO BE DONE, AND MR PATTEN CITED THE FOLLOWING:

- * AFTER MORE THAN THREE YEARS OF DISCUSSIONS ON OUR NEW AIRPORT SINCE THE SIGNING OF THE 1991 MEMORANDUM OF UNDERSTANDING, WE HAVE STILL NOT BEEN ABLE TO CONCLUDE AN AGREEMENT ON THE FINANCING ARRANGEMENTS. WITH THE SUPPORT OF THIS COUNCIL, WE HAVE NEVERTHELESS ROLLED OUR SLEEVES UP AND GOT ON WITH THE JOB OF BUILDING AN AIRPORT FOR THE 21ST CENTURY.
- * DESPITE YEARS OF TALKS, THE JOINT LIAISON GROUP HAS MADE ONLY LIMITED PROGRESS ON THE REMAINING AIR SERVICES AGREEMENTS WHICH WILL ALLOW THE WORLD'S AIRLINES TO FLY TO HONG KONG AFTER 1997.
- * WE NEED TO EASE CONCERNS IN THE COMMUNITY BY REACHING AGREEMENTS ON THE RIGHT OF ABODE. WE ALSO NEED TO ENSURE THAT WE MAXIMISE THE EASE AND FREEDOM OF TRAVEL OF HONG KONG PEOPLE IN THE FUTURE.
- * WE HAVE STILL NOT BEEN ABLE TO REACH AN AGREEMENT ON THE DEVELOPMENT OF CONTAINER TERMINAL 9 FOR REASONS WHICH HAVE WORRYING IMPLICATIONS FOR THE TERRITORY'S FUTURE AS AN INTERNATIONAL CENTRE FOR BUSINESS. WHILE WE MARK TIME ON THIS PROJECT, THE SHIPPING BUSINESS GOES ELSEWHERE.
- * WE HAVE MADE ONLY SLOW PROGRESS ON THE VITAL ISSUES OF THE LOCALISATION AND ADAPTATION OF LAWS. THE LOCALISATION OF SOME 89 UNITED KINGDOM ENACTMENTS STILL NEEDS TO BE AGREED, AND WE WILL HAVE TO WORK THROUGH THE 600 LOCAL ORDINANCES AND 1000 PIECES OF SUBSIDIARY LEGISLATION IN THE ADAPTATION EXERCISE. AND WE HAVE TO TAKE FORWARD THE ESTABLISHMENT OF THE COURT OF FINAL APPEAL.

MR PATTEN NOTED THAT THE BRITISH AND CHINESE SIDES HAD HELD 30 PLENARY MEETINGS OF THE JOINT LIAISON GROUP AND HUNDREDS OF MEETINGS AT EXPERT LEVEL.

AMONG THE SUCCESSES OF THE PAST DECADE, THE TWO SIDES HAVE REACHED AGREEMENT:

- * ON DEFENCE LANDS, UNDER WHICH 140 HECTARES OF LAND WORTH UP TO \$65 BILLION WILL BE RELEASED TO THE GOVERNMENT TO PROVIDE MORE HOUSING, SCHOOLS, PARKS AND COMMUNITY FACILITIES;
- * ON A COMMON APPROACH TO EIGHT IMPORTANT FRANCHISES, CONTRACTS AND LICENCES WHICH WILL CONTINUE BEYOND 1997, INCLUDING THE SCHEME OF CONTROL AGREEMENTS FOR OUR TWO POWER COMPANIES;

- * ON HONG KONG'S CONTINUED PARTICIPATION IN 29 INTERNATIONAL ORGANISATIONS, INCLUDING THE GATT;
- * ON THE CONTINUED APPLICATION TO HONG KONG OF 161 MULTI-LATERAL TREATIES;
- * ON LOCALISING 56 UNITED KINGDOM ENACTMENTS COVERING SUCH TOPICS AS SHIPPING AND AVIATION; AND
- * ON NINE INVESTMENT PROMOTION AND PROTECTION AGREEMENTS.

"I THINK THIS PARTIAL CATALOGUE OF WHAT HAS BEEN ACHIEVED DEMONSTRATES THAT WE ALREADY HAVE THE NECESSARY DIPLOMATIC MACHINERY TO HANDLE COMPLEX AND SOMETIMES CONTROVERSIAL ISSUES.

"THE EXAMPLES I HAVE QUOTED ALSO SHOW THAT IT IS POSSIBLE TO DEVELOP THE MUTUAL UNDERSTANDING NECESSARY TO CEMENT IN PLACE THE BUILDING BLOCKS FOR HONG KONG'S CONTINUED STABILITY AND PROSPERITY AFTER 1997," HE SAID.

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A FRAMEWORK FOR CO-OPERATION

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A "SENSIBLE AND REASONABLE FRAMEWORK" FOR MUTUAL CO-OPERATION WITH THE CHINESE GOVERNMENT OVER THE NEXT 1,000 DAYS WAS OUTLINED BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"WE ALONE CANNOT ENSURE A SMOOTH TRANSITION. THIS WILL REQUIRE THE FULL CO-OPERATION OF THE CHINESE GOVERNMENT," HE SAID.

NEITHER THE HONG KONG GOVERNMENT NOR THE BRITISH GOVERNMENT BY THEMSELVES CAN ENSURE COMPLETION OF THE JOINT LIAISON GROUP'S FORMIDABLE AGENDA, HE ADDED.

MR PATTEN SAID HOW CO-OPERATION MIGHT BE ENHANCED WAS A MAJOR SOURCE OF DISCUSSION BETWEEN THE FOREIGN SECRETARY, MR DOUGLAS HURD, AND THE CHINESE VICE-PREMIER, MR QIAN QICHEN, IN NEW YORK LAST WEEK.

THE PRACTICAL APPROACH ADOPTED SOUGHT TO CREATE THE MOST CONSTRUCTIVE BASIS FOR A SMOOTH TRANSFER OF GOVERNMENT AND FOR SECURING HONG KONG'S CONTINUED SUCCESS.

IT WAS A HONG KONG APPROACH TO A HONG KONG PROBLEM. HE SAID:

- * FIRST, WHEN THE NATIONAL PEOPLE'S CONGRESS ESTABLISHES THE PREPARATORY COMMITTEE IN 1996, WE WILL WANT TO BE IN A POSITION TO GIVE, IN AN AGREED WAY, THE IMMEDIATE AND PRACTICAL HELP THAT THE COMMITTEE MAY REQUIRE IN ITS WORK OF PREPARING FOR THE SPECIAL ADMINISTRATIVE REGION'S FUTURE GOVERNMENT.
- * WHEN THE CHIEF EXECUTIVE DESIGNATE IS CHOSEN, THE HONG KONG GOVERNMENT IS READY TO PROVIDE EVERY POSSIBLE SUPPORT TO THIS OFFICIAL IN PREPARING TO TAKE UP RESPONSIBILITY FOR HONG KONG'S ADMINISTRATION IN 1997.

- * THE HONG KONG GOVERNMENT WILL ALSO OFFER WHATEVER ASSISTANCE IS NEEDED TO THE MEN AND WOMEN WHO MAY BE DESIGNATED AS FUTURE MEMBERS OF THE EXECUTIVE COUNCIL OR AS PRINCIPAL OFFICIALS OF THE FUTURE SPECIAL ADMINISTRATIVE REGION GOVERNMENT.
- * IN 1997, THE PEOPLE'S LIBERATION ARMY WILL ASSUME RESPONSIBILITY FOR HONG KONG'S DEFENCE. IN THE MEANTIME, THE OUTGOING BRITISH GARRISON WILL OFFER ITS FULL CO-OPERATION WITH THE CHINESE MILITARY AUTHORITIES TO ENSURE A SMOOTH HANDOVER OF DEFENCE RESPONSIBILITIES.
- * WE SHALL ALSO BE HAPPY TO BEGIN DISCUSSIONS WHENEVER CHINA WISHES TO DO SO ON THE ARRANGEMENTS FOR THE CEREMONIES TO MARK IN AN APPROPRIATELY DIGNIFIED WAY THE TRANSFER OF SOVEREIGNTY IN 1997.

MR PATTEN SAID THESE MEASURES WERE A FIRM COMMITMENT TO DOING EVERYTHING THAT COULD BE DONE TO GIVE THE NEW ADMINISTRATION THE BEST POSSIBLE START.

BEFORE OUTLINING HIS FRAMEWORK, MR PATTEN SAID THAT IN THE EFFORTS TO SECURE CLOSER CO-OPERATION, HE KNEW THAT THE COUNCIL, AND THE ENTIRE COMMUNITY, HOPED THAT "WE WILL BE ABLE TO LOOK BEYOND THE AGENDA OF THE JOINT LIAISON GROUP".

"I APPROACH THE SEARCH FOR GREATER CO-OPERATION WITH THE SAME PRACTICAL ATTITUDE.

"OUR EXPERIENCE DURING THE 10 YEARS SINCE 1984 PLAINLY SHOWS THAT WHENEVER HONG KONG HAS BEEN ABLE TO GET ON WITH THE JOB, WE HAVE ACHIEVED OUTSTANDING RESULTS, AS I HAVE ALREADY DESCRIBED IN SOME DETAIL THIS AFTERNOON.

"HONG KONG'S PERFORMANCE HAS ONLY BEEN LESS IMPRESSIVE WHEN THERE HAVE BEEN PROTRACTED DISCUSSIONS ON STRAIGHTFORWARD ISSUES WHICH OUGHT TO HAVE BEEN DECIDED PROMPTLY ON THEIR FINANCIAL AND ECONOMIC MERITS.

"SO WHAT MORE CAN WE DO TO ACHIEVE THE RATE OF PROGRESS WE NEED TO MAKE A SUCCESS OF THE TRANSITION? FOR ITS PART, THE HONG KONG GOVERNMENT WILL MAKE AVAILABLE WHATEVER RESOURCES ARE NEEDED TO SUPPORT AND SPEED UP THE WORK OF THE JOINT LIAISON GROUP."

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GOOD START FINANCIALLY FOR SAR

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THE SPECIAL ADMINISTRATIVE REGION GOVERNMENT IS ALREADY ASSURED OF A GOOD START IN FINANCIAL TERMS, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID IT HAD BEEN FORECAST IN THE LAST BUDGET THAT THE FISCAL RESERVES WOULD BE \$120 BILLION AT THE END OF 1996-97.

THE FISCAL RESERVES, TOGETHER WITH THE EXCHANGE FUND'S ASSETS, WILL OF COURSE BE HANDED OVER IN 1997.

"WE ARE PREPARED TO CO-OPERATE FULLY WITH THE CHINESE GOVERNMENT IN IDENTIFYING THE PRACTICAL ARRANGEMENTS UNDER WHICH THESE ASSETS WILL BE TRANSFERRED IN 1997.

"IN ADDITION, WE WILL PREPARE A LIST OF THE HONG KONG GOVERNMENT'S PROPERTY ASSETS FOR THE CHINESE GOVERNMENT," HE SAID.

THE GOVERNMENT WANTS TO LAY FIRM FOUNDATIONS FOR THE FUTURE ADMINISTRATION IN FRAMING ITS CURRENT INFRASTRUCTURAL PLANS. IT MAKES NO SENSE TO DRAFT PLANS FOR HONG KONG'S INFRASTRUCTURE AND DEVELOPMENT IN ISOLATION FROM GUANGDONG AND THE REST OF CHINA.

"WE WILL BE RESPONDING TO VALUABLE SUGGESTIONS FROM CHINESE OFFICIALS TO IMPROVE THE ARRANGEMENTS ALREADY IN PLACE FOR CO-OPERATION ON THESE MATTERS.

"WE ENTIRELY AGREE THAT STRENGTHENING CROSS-BORDER CO-OPERATION ON INFRASTRUCTURE IS SENSIBLE AND BENEFICIAL TO BOTH HONG KONG AND CHINA," HE SAID.

MR PATTEN SAID THE ADMINISTRATION ALSO NEEDED TO HAVE CONSULTATIONS ON THE 1997-98 BUDGET.

"IN THIS PROCESS, WE WILL OFFER EVERY CO-OPERATION TO THE CHINESE GOVERNMENT AND THE PREPARATORY COMMITTEE IN ORDER TO AVOID DISRUPTION AND CONFUSION ON 1ST JULY 1997. TO DO OTHERWISE WOULD NOT BE IN THE BEST INTERESTS OF HONG KONG'S PEOPLE," HE SAID.

MR PATTEN ADDED: "THE CLOSER WE GET TO THE 1ST JULY 1997, THE CLOSER OUR MUTUAL INTEREST IN SECURING THE GOOD GOVERNMENT OF THE TERRITORY. WE CANNOT SIMPLY SAY, 'FROM NOW UNTIL MIDNIGHT ON 30TH JUNE 1997, WE TAKE THE DECISIONS, AND AFTER THAT, IT IS UP TO THE SPECIAL ADMINISTRATIVE REGION GOVERNMENT'.

"WE ARE NOT HANDING OVER A BATON; WE ARE HANDING OVER RESPONSIBILITY FOR THE LIVES AND THE WELFARE OF HONG KONG'S PEOPLE. WE ARE HANDING OVER THE GOVERNMENT OF A GROWING, BUSTLING, THRIVING COMMUNITY.

"IT IS A MATTER OF COMMON SENSE AND GOOD ORDER FOR US TO TRY TO ENSURE THAT THE CHIEF EXECUTIVE DESIGNATE AND THE PREPARATORY COMMITTEE HAVE ALL THE HELP THEY NEED TO HANDLE A DIFFICULT JOB WITH THE SKILL AND COMPETENCE WHICH I AM SURE THEY WILL DISPLAY. WE WILL BE PLEASED TO GIVE THEM EVERY POSSIBLE ASSISTANCE."

THE GOVERNOR SAID: "AFTER ALL, THOUGH IT IS THE LAST 1,000 DAYS OF BRITISH ADMINISTRATION OF HONG KONG, IT IS FAR FROM BEING THE LAST 1,000 DAYS OF HONG KONG.

"THE SUN SETS, AND THE SUN RISES."

HONOURABLE, SENSIBLE CO-OPERATION WITH CHINA

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EVERYTHING THAT IS HONOURABLE AND SENSIBLE WILL BE DONE TO CO-OPERATE WITH CHINA FOR THE REMAINING 1,000 DAYS OF BRITISH RULE IN HONG KONG, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

CONCLUDING HIS ANNUAL ADDRESS, HE SAID CO-OPERATION, HOWEVER, WAS NOT A ONE-WAY STREET; NOR WAS SINCERITY TO BE JUDGED BY WHETHER ONE PARTY ALWAYS AGREED WITH THE OTHER.

"THAT IS NOT WHAT THE REAL WORLD IS LIKE. CO-OPERATION MUST MEAN EXACTLY WHAT IT SAYS, WORKING TOGETHER: IN THIS CASE, WORKING TOGETHER IN HONG KONG'S INTERESTS, PUTTING BEHIND US PAST DIFFERENCES AND FOCUSING, INSTEAD, ON HOW TO BUILD A BETTER FUTURE FOR THE MEN AND WOMEN OF HONG KONG," HE SAID.

MR PATTEN SAID HE HAD HEARD CHINESE OFFICIALS SAY THAT ENSURING THE PROSPERITY AND FUTURE WELL-BEING OF HONG KONG WAS FOR THEM A TREMENDOUS AND HISTORIC TASK. HE FULLY UNDERSTANDS THEIR COMMITMENT, NOT LEAST FOR REASONS OF HISTORY AND PATRIOTISM, TO THE SUCCESS OF THAT TASK.

"WHATEVER OUR DISAGREEMENTS, WHATEVER OUR DIFFERENCES OF PERCEPTION AND BACKGROUND, WHATEVER THE MISUNDERSTANDINGS AND THE MISTRUST, I URGE THEM TO UNDERSTAND THAT WE, TOO, ARE SIMILARLY COMMITTED," HE SAID.

MR PATTEN SAID HE HAD TRIED TO PROVIDE A CANDID ASSESSMENT NOT ONLY OF SUCCESSES BUT ALSO OF THE SERIOUS PROBLEMS WHICH WOULD RESULT FROM NOT COMPLETING THE JOINT LIAISON GROUP'S AGENDA BY 1997 AND FROM FAILING TO PRESS ON WITH THE PROJECTS AND PROGRAMMES THAT WOULD MEET THE NEEDS OF HONG KONG BEYOND 1997.

"IT WILL BE IN NO ONE'S INTERESTS IF THESE PROBLEMS ARE NOT RESOLVED, NOT IN BRITAIN'S, NOT IN HONG KONG'S, NOT, IF I MAY SAY SO, IN CHINA'S."

HE SAID: "WE ARE NOT ARROGANT ABOUT HONG KONG'S ROLE IN CHINA OR THE REGION. NO ONE SHOULD IMAGINE THAT HONG KONG IS INDISPENSABLE TO THE WELL-BEING OF A VAST NATION LIKE CHINA. NOR IS HONG KONG INDISPENSABLE TO CHINA'S ECONOMIC DEVELOPMENT, DESPITE THE IMPORTANT PART PLAYED BY HONG KONG TRADE AND INVESTMENT IN THE MODERNISATION PROCESS.

"BUT WE CANNOT FORGET THAT THIS REMARKABLE TERRITORY, WITH A DYNAMIC POPULATION OF ONLY SIX MILLION, DOES REPRESENT ABOUT A QUARTER OF CHINA'S GDP.

"GIVEN THE CHANCE, HONG KONG HAS A SIGNIFICANT CONTRIBUTION TO MAKE, BOTH BEFORE AND AFTER 1997. IT IS, I AM SURE, THE EARNEST HOPE OF THE PEOPLE OF HONG KONG THAT THEY BE ALLOWED TO MAKE THAT CONTRIBUTION.

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"AS THE REPRESENTATIVE OF THE DEPARTING SOVEREIGN POWER, I AM WELL AWARE THAT WE WILL BE JUDGED IN PART BY WHETHER THAT AMBITION, THAT HOPE, IS SATISFIED."

MR PATTEN ADDED: "NO ONE SERIOUSLY ARGUES THAT WE HAVE GOVERNED HONG KONG BADLY. WHY HAVE SO MANY PEOPLE COME? AND HOW HAVE SO MANY PROSPERED?"

"WE HAVE NOT CARRIED OUT OUR DUTY IN THE PAST ONLY TO DESTROY AT THE ELEVENTH HOUR ALL THAT HAS BEEN CREATED. THAT WOULD BE AN ACT OF SUBLIME AND SELF-DEFEATING FOLLY. WE HAVE A STAKE HERE - YES, A STAKE IN THE COMMERCIAL SENSE, BUT ALSO A STAKE IN PEOPLE AND A STAKE IN HONOUR. THIS IS PART OF OUR HISTORY, TOO.

THE GOVERNOR SAID THAT THE TASK WAS MOMENTOUS FOR CHINA AND FOR BRITAIN.

"THAT IS PART OF OUR SHARED INTEREST - THE FOREIGN SECRETARY'S WORDS - OUR SHARED INTEREST IN A SUCCESSFUL TRANSITION. WHAT WE ARE ATTEMPTING (WE CANNOT FORGET THIS) IS HUGELY DIFFICULT. THE WORLD WATCHES TO SEE WHETHER WE SUCCEED OR FAIL. WE WILL BOTH BE JUDGED BY THE OUTCOME.

"ABOVE ALL, WE WILL BE JUDGED BY THE PEOPLE OF HONG KONG, BY THE MEN AND WOMEN WHOSE DESTINY WE NOW HOLD IN OUR HANDS. THEY WILL NOT FORGIVE US - BRITAIN OR CHINA - IF WE FAIL."

MR PATTEN SAID HE HOPED FOR SUCCESS AND PRAYED FOR SUCCESS.

"I WILL WORK FOR SUCCESS WITH ALL WHO SHARE MY BELIEF AND MY CONFIDENCE IN THE FUTURE OF HONG KONG."