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Bank cash approved

Sam Mok

The Legislative Council has approved spending \$485m to host the World Bank meeting in Hong Kong in 1997.

But legislators demanded that the Financial Secretary, Sir Hamish Macleod, must take the blame for "inaccurate" and "misleading" estimates two years ago.

In 1993, when Legco supported the Government's application to host the meeting, Macleod had estimated that \$200m would be needed.

"It is unfortunate that the figure was later proved to be misleading," Macleod said.

Yesterday, the Democratic Party legislator James To called the 1993 proposal the "biggest deception to the Legco financial committee ever".

He said the action had ruined

the mutual trust between Legco and the administration.

Another Democrat, Cheung Man-kwong, said: "The Government must admit its guilt to comfort Legco."

The Democrats said the funding request should be lowered to \$385m and that the \$100m shortfall be covered by commercial sponsorship.

Although the Democrats abstained on the vote, the Liberal Party and independent members supported the proposal.

The independent member, Vincent Cheng, said he did not believe the Government had ever intended to deceive Legco.

The Chief Executive of the Monetary Authority, Joseph Yam, said the 1993 estimate had been made with reference to the figure from the 1991 convention held in Bangkok.

He said it was later found

that the Bangkok figure did not include \$720m spent on the construction of a convention building.

Yam refused to apologise for the discrepancy, saying that he had never meant the \$200m estimate to be a reliable prediction.

Yam said a special committee would be set up to seek commercial sponsorship for the event. He invited Legco members to sit on the sponsorship panel.

Another member, Jimmy McGregor, asked Yam whether the plan had been approved by China.

Yam said that China had not made any objection and that Hong Kong did not have to consult China about the plan.

All legislators who spoke agreed that the event was important for boosting Hong Kong's status as an international financial centre.