

\$300b reserves to back currency after handover

By Baby Sung in Beijing
and Lily Mak

CHINA'S top official on Hong Kong affairs said yesterday strong fiscal reserves of about \$300 billion for the post-1997 government would help strengthen the territory's currency.

Hong Kong and Macau Affairs Office Director Lu Ping assured a visiting delegation of the Special Administrative Region (SAR) Government Land Fund Trust Secretariat yesterday that fiscal reserves of more than \$270 billion, nearly \$300 billion, would be se-

cured for the SAR government.

Expressing his thanks to the Land Fund Trust for its work, Mr Lu said about \$100 billion from the land fund would definitely be added to the fiscal reserves of the SAR government at the transfer on 1 July next year.

He said the Chinese government would not take a penny from the land fund.

"Now the fiscal reserve of Hong Kong has reached more than \$170 billion, and on top of this an increase of at least \$100 billion will be made after the handover," Mr Lu said.

"The increase comes from the land fund which the Chinese government will hand to the SAR government on 1 July 1997 without taking a penny."

On Sir Ti-liang Yang's announcement that he would run for SAR chief executive, Mr Lu said China would not comment on individuals who expressed interest in the selection because it was a matter to be decided by the 400-member selection committee.

He also refused to comment on whether people who wanted to run for the candidacy should announce their intentions as soon as possible.

"This is their own affair. It would be inappropriate for us to say anything on that."

Mr Lu was also flexible on disclosure of the full list of selection committee nominees, saying China was considering making the 6,000 names public.

Meanwhile, Executive Council member Dr Raymond Ch'ien Kuo-fung yesterday declined to confirm that he had registered for nomination as a selection committee member.

After attending yesterday's Exco meeting, Dr Ch'ien declined to say whether he thought there would be a conflict of interest in an Exco

member joining the committee.

Another Exco member Edward Chen Kwan-yiu confirmed he had not registered for the committee.

But he said it would only be when an Exco member actually took up duties on the selection committee that he or she would be able to tell whether there was a conflict

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