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● OUTRAGEOUS-claim-of-the-year award so far this year goes to this headline in Hongkong's *South China Morning Post*:

$300m saved in big NT land deal

A docile press is helping the Hongkong Government to perpetrate the claim that it is "saving" money by paying HK$2 billion (US$337.3 million) to bail Peking-owned China Resources out of a speculative investment in a consortium, Mighty City, owning 1,200 acres of agricultural land in Hongkong's New Territories (REVIEW, June 18). The government is buying the land and then returning 20% of it to Mighty City for development, leaving a net cost to the government of HK$1.5 billion.

The "saving" is supposed to derive from the fact that Mighty City was bought out for a figure HK$300 million less than it had asked for. But the deal remains a give-away of public funds to the failed capitalists of China Resources. It is further being justified on two contradictory grounds:

► That the government wants to build a land bank — though it is supposed to be stepping up sales, not purchases, of land, and has no intention to develop the Tinshuiwai agricultural land for at least a decade.

► That senior government officials had inadvertently given the Chinese company the impression that it would be able to develop the land. This sounds like an excuse concocted to save the face of China Resources. If not, why have the incompetent (and anonymous) senior officials not been exposed to the public accountability that should fall on those responsible for wasting HK$300 for every man, woman and child in Hongkong on buying fish ponds?

Most remarkably, the bail-out will also provide further profit for China Resources' local partners, notably Cheung Kong Holdings, which has already made HK$200 million by selling a controlling interest in the land to China Resources. Cheung Kong will now make a little more than its remaining 12.5% stake.

The payoff to China Resources is now described as a deal in which there are "no real losers." Taxpayers apparently do not count — hardly a surprising conclusion given the tax-avoidance schemes (via subsidised housing) built into the remuneration systems of senior government servants in Hongkong.

Government attitudes to the disposal of public funds and assets are beginning to show through in the collapse of its budget estimates. Instead of a surplus of HK$4.9 billion for the year ending March 1983, Financial Secretary John Bremridge last week admitted that he would now be "pleasantly surprised if there is a significant surplus."

Even more significantly, the fiscal problems are further delaying Hongkong's next major "confidence" project. Bremridge let it out that a decision on a new airport at Cheklapkok, Lantau Island, would probably not be made before 1984. He described the cost as "absolutely frightening" relative to Hongkong's annual public-works spending of HK$7 billion and said priority needed to be given to housing, education and local transport. Bremridge's off-the-cuff announcement of this major decision passed without comment in the media.

Bremridge has also now reduced his 1982 gross domestic product growth forecast to 6% compared with an original 8%. He has cut his estimate of domestic exports growth from 7% to 4%. But with exports in the first five months up only 7.5% in money terms, and probably down about 2% in volume, even the reduced target is a tall order.