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HONG KONG

HANDOVER

Tung Chee Hwa heralded a "new era and a new identity" for Hong Kong. But he knows the hard part is just beginning. Tung is walking a political tightrope. Not only will the West be watching to see how he fares, so too will China's leaders. He has continually vowed to protect Hong Kong's interests and yet cannot shake doubts about his ability to act independently of Beijing's preferences. Keen as he is to tackle pressing local issues — including housing, education and welfare — Tung still has plenty of ceremonial responsibilities ahead of him. Early on the morning of July 1, the 60-year-old former shipping tycoon plunged into another all-day whirlwind, after grabbing a couple hours of sleep. That afternoon thousands of Buddhists gathered to celebrate the founding of the SAR and to extend the new ruler their official blessing. He gave them 90 seconds. Local Canadians were celebrating their national day, and Tung stopped by.

But the most important event of July 1 was the 10 a.m. ceremony celebrating the establishment of the SAR administration that had been inaugurated in the same building only a few hours earlier. Flashed on-screen were gifts from China's central government as well as 31 provinces, autonomous regions and municipalities. Beijing's gift was a six-meter-high bronze and gold-plated sculpture titled the "Forever Blooming Bauhinia" — Hong Kong's emblem. Tung and the SAR are perhaps more concerned that envious cities and provinces might want to interfere in local affairs. The program reached its crescendo with a symphony by experimental composer Tan Dun and featuring



Mike Clarke — AFP

OUT OF POWER

The Democrats will continue to put pressure on the new government and plan to run in the next polls, even if the rules disadvantage them

world-renowned cellist Yo Yo Ma.

In his first policy statement, Tung set forth a packed agenda for the SAR administration. It clearly reflected the chief executive's preoccupation with livelihood issues rather than political matters, a characteristic evident since his selection last December. He promised to hire more school teachers, especially at the primary and secondary levels, and boost their professional training. He vowed that his government would increase the supply of new homes by at least 85,000 units, with the aim of achieving a 70% home-ownership ratio within a decade. The waiting time for public housing would be cut from about seven years to three.

Tung also vowed to curb property speculators, although he was vague on specifics; there have been rumors of a capital gains tax, which would certainly be a major departure for a traditionally laissez-

faire government. He said his administration would set up a mandatory provident fund. Tung touched only briefly on political reforms, merely promising to "move forward to a more democratic form of government in accordance with the provisions of the Basic Law." Political initiatives had preoccupied his predecessor, Chris Patten, and clearly Hong Kong's new chief was going to tread extra carefully on that front.

On July 2, a relaxed Tung held his first official press conference since taking office. The contrast with the past was immediately clear. Veteran American reporter Jonathan Mirsky of the *Times* of London was used to asking the first question during Patten's time. When he was finally given a chance, he remarked that he had been kept "waiting on my knees" for 10 minutes. Tung answered questions in English, Cantonese and Mandarin — a sign that he is serious about keeping Hong Kong an international city. When his handlers tried to end the session, Tung asked for more questions from the local press; he felt he had not fielded enough queries from Hong Kong-based journalists.

All in all it was an impressive performance for a man more used to the relative privacy of the boardroom than the klieg-lights of the political stage. Asked what he would do if there was a conflict with China, he did his best to seem like Hong Kong's premier advocate. "In the short term there will be conflicts," he said, "and they will have to be talked through to make sure our interests are looked after."



Bayne Stanley

"China is aware the eyes of the world will be on Hong Kong well beyond the transition. She will wish to demonstrate to the [world] and her own people that she can successfully manage this change. A degree of uncertainty inevitably arises in such an unprecedented transition"

— Thomas Fung, chief of Canada's Chinese-language TV network