



DAILY INFORMATION BULLETIN

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S FOR S ON LAW AND ORDER SITUATION

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FOLLOWING IS THE FULL TEXT OF THE SPEECH BY THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, IN THE LAW AND ORDER DEBATE:

INTRODUCTION

SIR, MANY MEMBERS HAVE THIS AFTERNOON EXPRESSED CLEARLY AND FORCEFULLY THEIR CONCERN, AND THAT OF THE COMMUNITY, AT THE RECENT INCREASE IN CRIME IN HONG KONG. THE GOVERNMENT RECOGNISES AND SHARES THAT CONCERN.

OVERALL CRIME PER 100,000 POPULATION INCREASED BY OVER 7% IN 1990 VIOLENT CRIME BY ALMOST 8%. IT WILL BE OF LITTLE COMFORT FOR ME TO POINT OUT THAT THE RATE OF OVERALL CRIME IS NOW AT THE SAME LEVEL AS IT WAS IN 1980, AND RATHER LESS THAN IN SEVERAL YEARS IN THE EARLY 1980S; AND THAT THE RATE OF VIOLENT CRIME IS MORE THAN 7% LOWER THAN 10 YEARS AGO.

THE FACT IS THAT CRIME, WHICH HAD FALLEN STEADILY IN THE MID-1980S, IS NOW ONCE AGAIN ON THE INCREASE. VIOLENT CRIME IN PARTICULAR HAS BEEN ON AN UPWARD TREND SINCE 1986. WE MUST REVERSE THAT TREND.

OVERALL STATISTICS ALSO DO NOT TELL THE WHOLE STORY. THERE HAS BEEN A SIGNIFICANT INCREASE IN CERTAIN TYPES OF CRIME WHICH POSE A PARTICULAR THREAT TO PUBLIC SAFETY, AND TO LAW AND ORDER IN OUR SOCIETY. ROBBERIES INCREASED ALMOST 25% IN 1990, AND THERE WERE TWICE AS MANY ROBBERIES INVOLVING THE USE OF GENUINE FIREARMS AS IN THE PREVIOUS YEAR; THE NUMBER OF REPORTED CASES OF BLACKMAIL, A LARGE PROPORTION OF WHICH WERE TRIAD RELATED, ROSE BY OVER 20%; THERE WAS AN INCREASE OF OVER 40% IN VEHICLE THEFTS; AND WIDESPREAD SMUGGLING INTO CHINA BY WELL ORGANISED CRIMINAL GANGS OF CIGARETTES, STOLEN VEHICLES, AND ELECTRICAL AND ELECTRONIC GOODS.

I SHOULD LIKE TO CONCENTRATE THIS EVENING ON WHAT IS BEING DONE TO COMBAT CRIMES INVOLVING THE USE OF FIREARMS, CAR THEFT, SMUGGLING AND ORGANISED CRIME; AND OF WHAT ADDITIONAL MEASURES WE PROPOSE TO ASSIST THE POLICE AND THE OTHER LAW ENFORCEMENT AGENCIES IN THE FIGHT AGAINST THESE PARTICULAR CRIMES. I WILL ALSO RESPOND TO POINTS RAISED ON THE ADEQUACY OF POLICE MANNING AND EQUIPMENT.

FIREARMS

PERHAPS THE MOST WORRYING TREND IN THE PAST THREE YEARS HAS BEEN THE RISE IN THE NUMBER OF CRIMES, PARTICULARLY ROBBERIES, INVOLVING THE USE OF GENUINE FIREARMS. MANY OF THESE WEAPONS ARE OF CHINESE ORIGIN.

/THE POLICE

THE POLICE ARE TACKLING THIS PROBLEM VIGOROUSLY IN A NUMBER OF WAYS. FIRST AND FOREMOST, THE POLICE ARE TARGETTING THEIR INTELLIGENCE AND OPERATIONS AGAINST THE CRIMINAL GANGS INVOLVED IN THE IMPORT AND USE OF FIREARMS IN HONG KONG. THESE OPERATIONS, MANY INEVITABLY OF A LONG TERM NATURE, ARE BEARING RESULTS. IN THE PAST TWO YEARS, THE POLICE HAVE SEIZED ALMOST 200 GENUINE AND CONVERTED GUNS. SECONDLY, BOTH THE POLICE AND CUSTOMS AND EXCISE DEPARTMENT ARE STEPPING UP CONTROLS AND SEARCHES AT BORDER CROSSING POINTS. THIRDLY, WE ARE TO INTRODUCE NEW MEASURES TO CURB SMUGGLING BY SPEEDBOAT BETWEEN HONG KONG AND CHINA WHICH WE BELIEVE IS ONE OF THE WAYS IN WHICH FIREARMS ARE BEING IMPORTED. I WILL SAY MORE ABOUT THIS LATER. FINALLY, WE ARE SEEKING TO STRENGTHEN CO-OPERATION WITH CHINA IN MEASURES AGAINST ILLEGAL FIREARMS. THERE IS REGULAR CROSS-BORDER LIAISON ON THIS AND OTHER LAW ENFORCEMENT MATTERS OF MUTUAL INTEREST ON AN OPERATIONAL LEVEL; AND WE HAVE ALSO DISCUSSED THE PROBLEM, AND MEANS OF COMBATTING IT, AT A POLITICAL LEVEL BOTH IN GUANGDONG AND IN PEKING. THERE IS NOW A REGULAR EXCHANGE OF INFORMATION BETWEEN THE TWO SIDES. BOTH ARE ANXIOUS TO DEVELOP CO-OPERATION FURTHER TO COUNTER WHAT IS A SIGNIFICANT PROBLEM TO BOTH SIDES.

CAR THEFTS

I SHOULD NOW LIKE TO TURN TO THE PROBLEM OF VEHICLE THEFT. THE GREAT MAJORITY OF STOLEN CARS ARE RECOVERED. BUT LAST YEAR SAW BOTH A LARGE INCREASE IN THE NUMBER OF VEHICLES STOLEN, AND, EQUALLY SIGNIFICANT, A REDUCTION FROM ABOUT 85% TO 70% IN THE NUMBER SUBSEQUENTLY RECOVERED. SOME OF THE VEHICLES NOT RECOVERED ARE CANNIBALISED FOR SPARE PARTS, AND SOME ARE RESOLD LOCALLY. BUT MOST ARE SMUGGLED OUT OF HONG KONG, THE MAIN, THOUGH NOT THE ONLY, DESTINATION BEING CHINA.

HERE AGAIN, THE PROBLEM IS BEING TACKLED ON A NUMBER OF FRONTS. THE POLICE HAVE STEPPED UP INVESTIGATIONS TO OBTAIN INTELLIGENCE ABOUT CRIMINAL GROUPS ENGAGED IN CAR THEFT. BASED ON THIS INTELLIGENCE, THEY HAVE MOUNTED LARGE-SCALE OPERATIONS, BOTH ON LAND AND AT SEA, WHICH HAVE RESULTED IN ARRESTS, THE RECOVERY OF STOLEN VEHICLES, AND THE BREAKING UP OF SOME OF THE CAR-THEFT SYNDICATES.

WE HAVE ALSO STEPPED UP PUBLICITY ON ANTI-CAR THEFT PRECAUTIONS BY WAY OF POSTERS, VIDEO AND APIS. THE POLICE HAVE APPROACHED THE MANAGEMENT OF CAR PARKS TO ADVISE ON SECURITY MEASURES, AND INCREASED CHECKS AT BLACK SPOTS AND AT ROAD BLOCKS.

THESE MEASURES ARE HAVING SOME SUCCESS. THERE WAS A LARGE DROP IN THE NUMBER OF VEHICLES REPORTED STOLEN IN DECEMBER 1990 (SOME 45% LESS THAN IN NOVEMBER), AND THE FIGURE FOR JANUARY THIS YEAR WAS ALSO SUBSTANTIALLY BELOW THE NUMBERS FOR EACH OF THE 6 MONTHS FROM JUNE TO NOVEMBER LAST YEAR. CLEARLY, HOWEVER, ONE OF THE MOST EFFECTIVE MEANS OF TACKLING THIS PROBLEM IS CO-OPERATION WITH THE LAW ENFORCEMENT AGENCIES IN CHINA AND OTHER COUNTRIES IN THE REGION TO CLOSE OFF THE MARKET FOR STOLEN VEHICLES. TO THIS END, THE POLICE ARE CIRCULATING TO THE CHINESE AND OTHER COUNTRIES IN THE REGION PARTICULARS OF STOLEN VEHICLES IN HONG KONG, INCLUDING ENGINE AND CHASSIS NUMBERS. WE ARE ALSO PRESSING FOR THE TIGHTENING UP OF PROCEDURES FOR THE REGISTRATION OF IMPORTED SECOND-HAND VEHICLES, PARTICULARLY RIGHT-HAND DRIVE VEHICLES, AND FOR THE RETURN OF STOLEN VEHICLES.

SMUGGLING

CLOSELY CONNECTED WITH THE PROBLEMS OF FIREARMS AND VEHICLE THEFTS, SIR, WHICH I HAVE MENTIONED IS THE PROBLEM OF SMUGGLING BETWEEN HONG KONG AND CHINA, PARTICULARLY SMUGGLING BY SPEEDBOAT. BETWEEN JULY AND DECEMBER 1990, THERE WERE 273 CASES IN WHICH THE LAW ENFORCEMENT AGENCIES SEIZED LARGE NUMBERS OF TELEVISION SETS, VIDEO CASSETTE RECORDERS, AIR CONDITIONERS AND REFRIGERATORS BOUND FOR CHINA. I HAVE ALREADY REFERRED TO THE PROBLEM OF THE SMUGGLING OF VEHICLES. AND THERE IS EVIDENCE TO SUGGEST THAT AT LEAST SOME OF THE FIREARMS USED IN CRIMES IN HONG KONG MAY HAVE BEEN BROUGHT IN BY SPEEDBOAT.

SMUGGLING BY HIGH-POWERED SPEEDBOAT PRESENTS A MAJOR LAW ENFORCEMENT PROBLEM. THE SPEEDBOATS ARE DIFFICULT TO INTERCEPT SAFELY BECAUSE OF THE VERY HIGH SPEEDS AT WHICH THEY OPERATE AND THE AGGRESSIVE TENDENCY OF THEIR OWNERS AND CREW TO TAKE RISKS TO DEFEND THE CONSIDERABLE GAINS THAT CAN BE MADE. THE RECKLESS AND DANGEROUS MANNER IN WHICH THESE VEHICLES ARE OPERATED HAS THREATENED THE LIVES OF LAW ENFORCEMENT OFFICERS; ONE POLICE OFFICER WAS KILLED IN 1990 AND THREE INJURED LAST MONTH IN INCIDENTS DIRECTLY RELATED TO SPEEDBOATS.

IN THE FIRST HALF OF LAST YEAR, THE MAIN PROBLEM WAS THE SMUGGLING OF CIGARETTES. IN MAY 1990, WE TOOK MEASURES TO STOP THIS SMUGGLING BY RESTRICTING THE ISSUE OF EXPORT PERMITS FOR CIGARETTES. THIS PROVED SUCCESSFUL, AND THE SMUGGLING OF CIGARETTES BY SPEEDBOAT HAS VIRTUALLY CEASED. WE ALSO TOOK MEASURES TO RESTRICT THE EXPORT OF TELEVISION SETS AND VCRS ON SMALL BOATS WITHOUT A LICENCE, AND TO PREVENT THE LICENSING OF HIGH-POWERED SPEEDBOATS DESIGNED FOR SMUGGLING, BY RESTRICTIONS ON ENGINE SIZE AND FUEL CAPACITY. THESE MEASURES I HAVE TO SAY, HAVE HAD LIMITED EFFECT. OF THE 273 CASES IN THE LAST 6 MONTHS OF 1990 WHICH I HAVE MENTIONED, ONLY 193 RESULTED IN A SUCCESSFUL PROSECUTION; THE REMAINDER FAILED LARGELY BECAUSE OF THE DIFFICULTY OF PROVING INTENT TO EXPORT. AND WHILE THE BASING IN HONG KONG OF HIGH-POWERED SPEEDBOATS USED FOR SMUGGLING HAS BEEN GREATLY REDUCED, MANY HAVE BEEN REMOVED TO BASES IN CHINA FROM WHERE THEY CONTINUE TO CONDUCT SMUGGLING RUNS TO AND FROM HONG KONG.

WE BELIEVE THAT THE ANSWER TO THIS PROBLEM LIES NOT IN HIGH-SPEED CHASES AT SEA, NOR IN GREATER USE OF FIREARMS BY THE POLICE AGAINST SMUGGLERS. SUCH MEASURES ARE UNLIKELY TO BE EFFECTIVE, AND WOULD SIMPLY INCREASE THE DANGER TO THE MARINE POLICE. RATHER, WE BELIEVE THAT THE PROBLEM NEEDS TO BE TACKLED THROUGH CO-ORDINATED INTELLIGENCE BASED OPERATIONS ON LAND; NEW LEGISLATION TO ASSIST SUCH OPERATIONS; AND INCREASED AND MORE EFFECTIVE CO-OPERATION WITH THE CHINESE AUTHORITIES. WE SHALL, THEREFORE, BE BRINGING FORWARD IN THE NEXT FEW WEEKS, ADDITIONAL LEGISLATION WHICH:

- (A) WILL PROHIBIT THE CARRIAGE OF RESTRICTED ARTICLES SUCH AS TELEVISION SETS, VIDEOS AND MOTOR VEHICLES ON SMALL VESSELS UNDER 250 TONS WITHOUT A CARRIAGE LICENCE ISSUED BY THE COMMISSIONER OF CUSTOMS AND EXCISE;
- (B) WILL CREATE NEW OFFENCES OF ASSISTING IN THE EXPORT OF UNMANIFESTED CARGO, OR IN THE CARRIAGE OF PROHIBITED OR RESTRICTED ARTICLES, AND

/(C) WILL

- (C) WILL PROHIBIT THE CONSTRUCTION, MODIFICATION, OR REPAIR OF SPEEDBOATS DESIGNED FOR SMUGGLING PURPOSES.

AT THE SAME TIME, IN ORDER TO IMPROVE THE CO-ORDINATION OF ENFORCEMENT MEASURES BY THE VARIOUS AGENCIES, WE WILL BE ESTABLISHING A DEDICATED TASK FORCE UNDER THE CONTROL OF A SENIOR POLICE OFFICER. THIS TASK FORCE, COMPRISING REPRESENTATIVES OF THE POLICE, MILITARY, CUSTOMS AND EXCISE DEPARTMENT AND OTHERS AS NECESSARY WILL CO-ORDINATE OPERATIONS AGAINST SMUGGLING TO AND FROM CHINA. IT WILL RECOMMEND FURTHER LEGISLATIVE OR OTHER MEASURES NECESSARY TO COMBAT THIS PROBLEM. IT WILL ALSO LIAISE AT AN OPERATIONAL LEVEL WITH THE CHINESE AUTHORITIES. THERE IS ALREADY CROSS-BORDER CO-OPERATION ON WHICH THE TASK FORCE CAN BUILD. THE CHINESE AUTHORITIES TAKE REGULAR ACTION AGAINST SMUGGLING BY SPEEDBOAT, AND WE HAVE PASSED TO THEM DETAILS OF BASES AND ROUTES WHICH WE BELIEVE ARE BEING USED BY SPEEDBOATS TO ASSIST THEM IN ENFORCEMENT.

ORGANISED CRIME

I SHOULD NOW LIKE TO TURN TO MEASURES TO COUNTER TRIAD AND ORGANISED CRIME. WE HAVE IN RECENT YEARS, ON THE ADVICE OF THE FIGHT CRIME COMMITTEE, INTRODUCED A NUMBER OF NEW LEGISLATIVE MEASURES TO ATTACK ORGANISED CRIME, AND TO DEPRIVE CRIMINAL SYNDICATES OF THE PROCEEDS OF CRIME. THE DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE PASSED BY THIS COUNCIL IN JULY 1989 PROVIDES FOR GREATER INTERNATIONAL CO-OPERATION AGAINST DRUG TRAFFICKING, AND MEANS TO COUNTER THE LAUNDERING OF DRUG MONEY AND FOR THE CONFISCATION OF THE PROCEEDS OF DRUG TRAFFICKING. THE GAMBLING (AMENDMENT) ORDINANCE 1990 AND THE CRIMES (AMENDMENT) ORDINANCE 1990 PROVIDED RESPECTIVELY FOR THE MORE EFFECTIVE ENFORCEMENT AGAINST ILLEGAL GAMBLING AND VICE, AREAS IN WHICH THERE IS WIDESPREAD ORGANISED CRIME INVOLVEMENT.

WE ALSO RECOGNISE THE NEED FOR NEW LEGISLATION TO ATTACK ORGANISED CRIME GENERALLY, INCLUDING PROVISION FOR THE CONFISCATION OF THE PROCEEDS OF ORGANISED CRIME. A GREAT DEAL OF RESEARCH HAS BEEN CONDUCTED INTO THE SCOPE AND OPERATION OF SUCH LEGISLATION OVERSEAS, AND WE ARE NOW IN THE POSITION WHERE WE CAN START DRAFTING OF LEGISLATION FOR HONG KONG. IT IS A VERY COMPLEX PIECE OF LEGISLATION WHICH WE ARE GIVING TOP PRIORITY TO THE TASK, AND HOPE TO BE ABLE TO PUBLISH OUR PROPOSALS FOR PUBLIC CONSULTATION IN THE FORM OF A WHITE BILL IN THE SUMMER OF THIS YEAR. THE MAIN OUTLINE OF SUCH A BILL IS LIKELY TO BE:

- (A) THE INTRODUCTION OF A NEW OFFENCE FOR A PERSON TO TAKE PART IN OR ASSIST A CRIMINAL ORGANISATION INVOLVED IN A PATTERN OF CRIMINAL ACTIVITY. A MAXIMUM PENALTY OF 25 YEARS' IMPRISONMENT IS LIKELY TO BE PROPOSED FOR THIS OFFENCE;
- (B) A CRIMINAL ORGANISATION WILL BE DEFINED AS A GROUP OF PEOPLE WHO JOIN FOR THE PURPOSE OF ENGAGING IN A PATTERN OF CRIMINAL CONDUCT. A TRIAD SOCIETY WOULD OBVIOUSLY FIT THIS DESCRIPTION AS WOULD CRIMINAL SYNDICATES WHICH ARE NOT TRIAD BASED OR WHICH ARE ONLY PARTLY TRIAD BASED;

- (C) A PATTERN OF CRIMINAL CONDUCT WOULD BE ESTABLISHED BY THE COMMISSION OF THREE OR MORE SPECIFIED OFFENCES WITHIN 10 YEARS PRIOR TO THE START OF THE PROSECUTION. A SYNDICATE ENGAGED IN BOOKMAKING, LOANSHARKING TO CUSTOMERS AND ASSAULTS AS PART OF THE ENFORCEMENT OF THE DEBTS OF UNSUCCESSFUL PUNTERS WOULD BE AN EXAMPLE OF THIS;
- (D) THERE WILL BE PROVISION FOR THE FORFEITURE OF ASSETS SIMILAR TO THE PROVISIONS IN THE DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE; AND
- (E) IT WILL BE AN OFFENCE TO "LAUNDER" ANY PROPERTY OF ANY DESCRIPTION INTENTIONALLY ON BEHALF OF A CRIMINAL ORGANISATION.

POLICE FORCE

MANY MEMBERS HAVE EXPRESSED THEIR SUPPORT AND APPRECIATION OF THE WORK OF THE POLICE. I AM VERY GRATEFUL FOR THIS. AS I AM SURE WILL BE THE POLICE. SOME MEMBERS HAVE, HOWEVER, ALSO EXPRESSED CONCERN AT THE ADEQUACY OF POLICE MANNING AND EQUIPMENT. AS REGARDS POLICE MANPOWER I WOULD SAY FIRST OF ALL THAT I DO NOT BELIEVE THAT RECENT PROBLEMS OF RECRUITMENT STEM FROM POOR MORALE IN THE POLICE FORCE. THE INDICATIONS ARE THAT MORALE IN THE POLICE FORCE REMAINS HIGH; THE POLICE CONTINUE TO CARRY OUT THEIR DUTIES WITH DEDICATION, DETERMINATION AND COURAGE WHICH I BELIEVE IS THE TRUE MEASURE OF MORALE. NOR HAS WASTAGE INCREASED. IT WAS ABOUT THE SAME IN 1990 AS IN 1989, LOWER THAN IN THE CIVIL SERVICE AS A WHOLE, SIGNIFICANTLY LOWER THAN IN MOST OF THE PRIVATE SECTOR. WHAT WE HAVE SEEN IN 1990 WAS A PROBLEM OF RECRUITMENT AT THE JUNIOR POLICE OFFICER LEVEL, CAUSED PRIMARILY BY A VERY TIGHT LABOUR MARKET. THE RESULT WAS THAT THE NUMBER OF JUNIOR POLICE OFFICERS FELL BY ABOUT 650 IN THE COURSE OF 1990; THIS, I BELIEVE, IS EVIDENCE THAT JPO PAY AND CONDITIONS OF SERVICE HAD LOST THEIR COMPETITIVE EDGE. WE HAVE TAKEN STEPS TO RESOLVE THAT PROBLEM. THE PAY AWARD FOR JPOS ANNOUNCED IN SEPTEMBER LAST YEAR HAS RECOGNISED THE SPECIAL RESPONSIBILITIES OF THE POLICE ON THE STREETS.

DESPITE THESE PROBLEMS OF RECRUITMENT, HONG KONG HAS ONE OF THE HIGHEST POLICEMEN TO POPULATION RATIOS IN THE WORLD. THE POLICE HAVE MAINTAINED AN ADEQUATE PRESENCE ON THE STREETS THROUGH REDEPLOYMENT, CIVILIANISATION, AN ON-GOING PROGRAMME OF AUTOMATION AND INTRODUCTION OF NEW TECHNOLOGY, AND INCREASED USE OF AUXILIARY POLICEMEN. I SHOULD ALSO LIKE TO ASSURE MEMBERS THAT, BY ANY STANDARDS, THE RHKPF IS A WELL-EQUIPPED POLICE FORCE. TO GIVE A FEW EXAMPLES, WE ARE NOW NEARING COMPLETION OF A MAJOR EXPANSION OF THE MARINE POLICE INVOLVING THE PURCHASE OF 16 NEW BOATS AT A TOTAL COST OF \$350 M; NEW TECHNOLOGY HAS BEEN INTRODUCED TO IMPROVE COMMAND, CONTROL AND COMMUNICATIONS, AND TO ASSIST CRIMINAL INTELLIGENCE AND SURVEILLANCE OPERATIONS; AND TO MEET THE THREAT OF THE INCREASING USE OF POWERFUL GUNS BY CRIMINALS, NEW IMPROVED BULLET-PROOF VESTS HAVE BEEN OBTAINED, AND ARMS AND AMMUNITION REQUIREMENTS ARE NOW BEING REVIEWED.

/CONCLUSION

CONCLUSION

I SAID AT THE BEGINNING OF THIS SPEECH THAT WE MUST REVERSE THE PRESENT TREND OF AN INCREASING CRIME RATE. WE INTEND TO DO SO BY MEANS OF STEPPED UP POLICE OPERATIONS; BY THE INTRODUCTION OF NEW LEGISLATION; AND BY INCREASED CO-OPERATION WITH CHINA WHICH IS ALSO CONCERNED TO TAKE EFFECTIVE ACTION TO COUNTER CROSS-BORDER CRIMINAL ACTIVITIES. THERE ARE ALREADY SOME ENCOURAGING SIGNS. BOTH OVERALL CRIME AND VIOLENT CRIME FELL IN THE LAST QUARTER OF 1990; DECEMBER 1990 IN PARTICULAR SAW A MARKED DECREASE IN CRIME.

IF THIS INITIAL SUCCESS IS TO BE SUSTAINED, PUBLIC CO-OPERATION IN THE FIGHT AGAINST CRIME IS CRUCIAL. THIS HAS BEEN ONE OF THE MAIN AIMS OF THE FIGHT CRIME COMMITTEE. AND I SHOULD HERE LIKE TO PAY TRIBUTE TO THOSE MEMBERS OF OUR COMMUNITY WHO HAVE GIVEN SO MUCH OF THEIR TIME OVER MANY YEARS TO THE IMPORTANT WORK OF THE CENTRAL AND DISTRICT FIGHT CRIME COMMITTEES. I BELIEVE THAT THEIR EFFORTS HAVE BORNE FRUIT. REGULAR SURVEYS SHOW THAT THE PUBLIC IS TWICE AS LIKELY TO REPORT CRIME AS 10 YEARS AGO. THIS IS AN ENCOURAGING TREND, AND ONE ON WHICH I SHALL STRIVE TO BUILD AND IMPROVE.

WE HAVE IN THIS DEBATE CONCENTRATED LARGELY ON THE SHORTCOMINGS AND THE FAILURES. WE SHOULD REMEMBER ALSO THE SUCCESSES. WE HAVE SEEN A REDUCTION IN MANY FORMS OF CRIME IN RECENT YEARS. CRIME BY JUVENILES AND YOUNG PERSONS DROPPED BY OVER 5% IN 1990. AND AT LEAST PART OF THE INCREASE IN CRIME LAST YEAR WAS DUE TO A MUCH HIGHER NUMBER OF ARRESTS FOR PREVENTIVE CRIME, THAT IS FOR OFFENCES SUCH AS POSSESSION OF WEAPONS WHERE POLICE ACTION EFFECTIVELY PREVENTED THE CARRYING THROUGH OF CRIMINAL ACTS.

ONE OF THE HONG KONG'S GREAT ASSETS, AN IMPORTANT FACTOR UNDERLYING ITS ECONOMIC SUCCESS, IS THAT IT REMAINS A SAFE CITY, BY ANY COMPARISON WITH CITIES OF COMPARABLE SIZE, NOT ONLY IN NORTH AMERICA OR EUROPE, BUT ALSO WITHIN THE REGION, INCLUDING TOKYO AND SINGAPORE. WE ARE DETERMINED THAT IT SHOULD REMAIN SO.

SIR, I SUPPORT THE MOTION.

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BILL SEEKS TO SET OUT FIDUCIARY DUTIES OF
COMPANY DIRECTORS INTRODUCED

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THE PURPOSE OF THE COMPANIES (AMENDMENT) BILL 1991 IS TO INCORPORATE IN THE COMPANIES ORDINANCE A STATEMENT OF THE GENERAL FIDUCIARY DUTIES OF COMPANY DIRECTORS, THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, SIR PIERS SAID AT PRESENT THERE WAS NO PROVISION IN THE COMPANIES ORDINANCE SETTING OUT THE FIDUCIARY DUTIES OF COMPANY DIRECTORS.

/HE SAID,

HE SAID, ESSENTIALLY, THE PRINCIPLES UNDERLINING THE RELATIONSHIP OF DIRECTORS TOWARDS THEIR COMPANIES COULD ONLY BE EXTRACTED FROM CASE LAW.

"THE ADMINISTRATION BELIEVES THAT REFERENCE TO THE GENERAL FIDUCIARY DUTIES OF COMPANY DIRECTORS SHOULD BE MADE CLEAR TO ALL DIRECTORS, PARTICULARLY THOSE WHO ARE NEW TO THEIR POSITIONS AND PERHAPS NOT FAMILIAR WITH THE BASIC PRINCIPLES.

"WE PROPOSE THEREFORE TO INCLUDE A STATEMENT OF THE GENERAL FIDUCIARY DUTIES OF DIRECTORS IN THE COMPANIES ORDINANCE," SIR PIERS SAID.

HE SAID THIS WAS CONSISTENT WITH A RECOMMENDATION OF THE STANDING COMMITTEE ON COMPANY LAW REFORM.

"WE ACCEPT, HOWEVER, THAT THE LAW ON THIS SUBJECT IS DETAILED AND COMPLICATED, AND THAT ANY SUCH STATEMENT CANNOT BE EXHAUSTIVE IN IDENTIFYING COLLECTIVELY ALL THE DUTIES.

"THEREFORE, IT IS MADE CLEAR IN THE BILL THAT THE PROPOSED STATEMENT SHALL HAVE EFFECT WITHOUT PREJUDICE TO ANY RULE OF LAW WITH RESPECT TO A FIDUCIARY DUTY OF A DIRECTOR OR TO ANY OTHER DUTIES UNDER THE COMPANIES ORDINANCE," SIR PIERS SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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RESOLUTION TO ADD CHARGES FOR NEW TELEPHONE SERVICES PASSED

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THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) PASSED A RESOLUTION THAT IT APPROVED TO AMEND THE SCHEDULE TO THE TELEPHONE ORDINANCE BY ADDING TO IT CHARGES THAT THE HONG KONG TELEPHONE COMPANY LIMITED PROPOSES TO LEVY ON THREE NEW SERVICES.

THE SERVICES WERE AUDIOLINE; INTEGRATED DIGITAL ACCESS; AND THIRD COUNTRY CALLING.

MOVING A MOTION TO AMEND THE SCHEDULE, THE SECRETARY FOR ECONOMIC SERVICES, THE HON ANSON CHAN, SAID AUDIOLINE WAS A FORM OF LEASED CIRCUIT FOR THE HIGH-QUALITY TRANSMISSION OF AUDIO SIGNALS, FOR EXAMPLE FOR RELAYING MUSICAL EVENTS.

THE RENTAL CHARGES FOR AUDIOLINE PROPOSED BY THE COMPANY WERE \$700 PER MONTH FOR A ONE-WAY (OR MONO) AUDIOLINE CIRCUIT TO A TELEPHONE EXCHANGE AND \$980 PER MONTH FOR A BOTH-WAY (OR STEREO) AUDIOLINE.

THE CONNECTION CHARGES PROPOSED FOR AUDIOLINE WERE \$2,700 PER LINE FOR ONE-WAY LINES AND \$3,600 PER LINE FOR BOTH-WAY LINES.

MEANWHILE, INTEGRATED DIGITAL ACCESS WOULD PROVIDE A HIGH QUALITY DIGITAL CONNECTION FOR MODERN CUSTOMER PREMISES EQUIPMENT, SUCH AS DIGITAL PRIVATE BRANCH EXCHANGES, THE SECRETARY SAID.

/"THE MAIN

"THE MAIN CHARGES PROPOSED BY THE COMPANY FOR THIS SERVICE ARE A CONNECTION CHARGE OF \$3,000 PER SYSTEM AND A RENTAL CHARGE OF \$46,200 PER SYSTEM PER ANNUM," MRS CHAN SAID.

THE LAST NEW SERVICE PROPOSED BY THE COMPANY WAS THIRD COUNTRY CALLING.

"PRESENTLY, HOLDERS OF HONG KONG TELEPHONE COMPANY 'CALLING CARDS' MAY ONLY USE THEM TO MAKE CALLS TO AND FROM HONG KONG.

"WITH THIRD COUNTRY CALLING, HOLDERS WILL BE ABLE TO USE THEIR CALLING CARDS WHILST ABROAD TO MAKE CALLS TO PLACES OTHER THAN HONG KONG.

"FOR THIS FACILITY, THE COMPANY PROPOSES A SURCHARGE OF \$11 PER CALL MADE, TO COVER THE COST OF ESTABLISHING AND OPERATING THE NECESSARY CARD VERIFICATION AND BILLING SYSTEMS," MRS CHAN EXPLAINED.

THE MAIN ADVANTAGE OF USING A CALLING CARD WAS THAT INTERNATIONAL CALLS MADE ABROAD WERE BILLED TO THE HOLDER'S ACCOUNT IN HONG KONG, THE SECRETARY NOTED.

SHE ADDED THAT THE PROPOSED CHARGES HAD BEEN THOROUGHLY EXAMINED BY THE ADMINISTRATION AND WERE CONSIDERED TO BE A REASONABLE REFLECTION OF THE COST OF PROVIDING THE SERVICES.

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GOVT ATTACHES GREAT IMPORTANCE TO PROMOTE HK'S INT'L TIES

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THE GOVERNMENT ATTACHES GREAT IMPORTANCE TO CONTINUING ITS EFFORTS IN PROMOTING HONG KONG'S INTERNATIONAL TRADE AND ECONOMIC RELATIONSHIPS IN A VARIETY OF WAYS, THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON PAUL CHENG MING-FUN, SIR PIERS SAID HONG KONG BELIEVED IN AND PRACTISED FREE TRADE.

"FIRST, WE PARTICIPATE ACTIVELY IN A NUMBER OF INTERNATIONAL ORGANISATIONS TO FOSTER CO-OPERATION AND TO STRENGTHEN TIES WITH THE INTERNATIONAL COMMUNITY.

"FOR EXAMPLE, WE ARE A SEPARATE CONTRACTING PARTY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE," HE SAID.

ALSO, HONG KONG WAS A MEMBER OF THE CUSTOMS CO-OPERATION COUNCIL AND THE ASIAN DEVELOPMENT BANK, SIR PIERS ADDED.

"SECONDLY, WE HAVE ESTABLISHED ECONOMIC AND TRADE OFFICES IN PLACES WHICH HAVE STRONG ECONOMIC AND TRADE RELATIONS WITH HONG KONG.

/"THIS FACILITATES

"THIS FACILITATES THE CONDUCT OF EXTERNAL COMMERCIAL RELATIONS AND PROMOTES INWARD INVESTMENT INTO HONG KONG," SIR PIERS SAID.

AT PRESENT, HE SAID, HONG KONG HAD OFFICES IN LONDON, GENEVA, BRUSSELS, WASHINGTON, NEW YORK, SAN FRANCISCO AND TOKYO. THE GOVERNMENT WAS PLANNING TO OPEN AN OFFICE IN TORONTO IN THE NEAR FUTURE.

"THESE OFFICES ALSO HELP TO PROMOTE HONG KONG'S IMAGE ABROAD," SIR PIERS NOTED.

IN ADDITION, SIR PIERS POINTED OUT, THE HONG KONG TRADE DEVELOPMENT COUNCIL WAS REPRESENTED IN 32 OVERSEAS LOCATIONS TO PROMOTE AND DEVELOP HONG KONG'S OVERSEAS TRADE, AND TO PUBLICISE THE OPPORTUNITIES AND ADVANTAGES OF HONG KONG AS A TRADING PARTNER.

THE HONG KONG TOURIST ASSOCIATION HAD 16 OVERSEAS OFFICES, WHICH HELPED TO PROMOTE HONG KONG AS AN ATTRACTIVE TOURIST DESTINATION, HE ADDED.

"THESE TWO INDEPENDENT STATUTORY BODIES, WHICH ARE FUNDED SUBSTANTIALLY BY GOVERNMENT, HAVE BEEN PLAYING A SIGNIFICANT ROLE IN PROMOTING HONG KONG'S IMAGE OVERSEAS THROUGH THEIR DAILY ACTIVITIES AND PROGRAMMES.

"ON THE GENERAL PUBLIC RELATIONS FRONT, GOVERNMENT HAS INITIATED A SPONSORED SPEAKER PROGRAMME UNDER WHICH SENIOR OFFICIALS AND LEADING HONG KONG PERSONALITIES ARE ENCOURAGED TO MAKE TIME DURING THEIR OVERSEAS TRIPS TO TALK TO INFLUENTIAL GROUPS ABOUT HONG KONG AND THE OPPORTUNITIES OFFERED HERE," SIR PIERS SAID.

SIR PIERS SAID THE RESOURCES DEVOTED TO THE PROMOTION OF HONG KONG'S STATUS OVERSEAS HAD BEEN SUFFICIENT.

"IT IS ALWAYS EASY TO SPEND MORE BUT WE MUST HAVE REGARD TO THE ALLOCATION OF PRIORITIES," HE SAID.

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FEEES AND CHARGES HELP SPREAD TAX LOAD
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THE GENERAL POLICY ON FEES AND CHARGES FOR GOVERNMENT SERVICES IS TO RECOVER FROM USERS THE FULL COST OF PROVIDING THE SERVICE UNLESS THERE IS A POSITIVE DECISION TO SUBSIDISE OR TAX-LOAD THE CHARGES INVOLVED.

THE SECRETARY FOR ECONOMIC SERVICES, THE HON ANSON CHAN, SAID THIS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) WHEN REPLYING TO A QUESTION BY DR THE HON LEONG CHE-HUNG.

MRS CHAN SAID CERTAIN SERVICES, SUCH AS THE POST OFFICE, WERE OPERATED BY THE GOVERNMENT ALONG COMMERCIAL LINES.

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IN SUCH CASES, SHE SAID, FEES AND CHARGES WERE SET AT LEVELS DESIGNED TO PRODUCE A REASONABLE RETURN TO THE PUBLIC OVER AND ABOVE RECOVERY OF FULL OPERATING COSTS.

MRS CHAN POINTED OUT THAT AS THE FINANCIAL SECRETARY SAID IN HIS SPEECH AT THE CONCLUSION OF LAST YEAR'S BUDGET DEBATE, IN A LOW DIRECT TAX REGIME LIKE HONG KONG, THE GOVERNMENT SHOULD BE PREPARED TO USE FEES AND CHARGES FOR FISCAL PURPOSES WHERE THIS WAS APPROPRIATE.

"SUCH A POLICY HELPS TO SPREAD THE TAX LOAD AND REDUCE OUR DEPENDENCE ON REVENUE FROM DIRECT TAXATION.

"AT THE SAME TIME, THE GOVERNMENT IS CONSCIOUS OF THE NEED TO KEEP FEES AND CHARGES WITHIN THE REACH OF THE LESS WELL-OFF AND THIS IMPORTANT CAVEAT IS ALWAYS KEPT IN MIND WHEN WE REVIEW THE LEVEL OF SUCH FEES AND CHARGES," MRS CHAN SAID.

OTHER GOVERNMENT SERVICES RAN ON SIMILAR COMMERCIAL LINES WERE THE AIRPORT, MARINE FERRY TERMINALS, GOVERNMENT TUNNELS AND WATER WORKS, SHE SAID.

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SUFFICIENT RESOURCES AVAILABLE TO MEET NEEDS FOR LEGAL AID
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SUFFICIENT RESOURCES ARE AVAILABLE TO MEET THE NEEDS OF ALL THOSE WHO MEET THE ELIGIBILITY CRITERIA FOR LEGAL AID, THE ACTING CHIEF SECRETARY, THE HON GRAHAM BARNES, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON POON CHI-FAI, MR BARNES SAID THERE WAS NO QUESTION OF APPLICATIONS FROM LOCAL RESIDENTS BEING ADVERSELY AFFECTED BECAUSE OF APPLICATIONS FOR LEGAL AID BY NON-RESIDENTS.

HE SAID ANYONE INVOLVED IN PROCEEDINGS IN THE DISTRICT OR HIGH COURT WAS ELIGIBLE TO APPLY FOR LEGAL AID, REGARDLESS OF RESIDENCE OR NATIONALITY.

"THIS IS THE NORMAL PRACTICE ELSEWHERE IN THE WORLD AND IT IS NOT UNIQUE TO HONG KONG.

"ALL APPLICANTS ARE SUBJECT TO A MEANS TEST. IN CIVIL CASES THERE MUST ALSO BE REASONABLE GROUNDS FOR LITIGATING, AND IN CRIMINAL CASES IT MUST BE IN THE INTERESTS OF JUSTICE FOR LEGAL AID TO BE PROVIDED," HE SAID.

MR BARNES SAID THE MAJORITY OF COUNTRIES WITH SOPHISTICATED SYSTEMS OF LEGAL AID PROVIDED ASSISTANCE TO FOREIGN RESIDENTS INVOLVED IN COURT PROCEEDINGS IN SUCH COUNTRIES.

"IN ANY EVENT, HONG KONG IS UNDER AN OBLIGATION UNDER THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS TO SEE THAT ALL PERSONS WITHIN HONG KONG WHO ARE CHARGED WITH A CRIMINAL OFFENCE ARE PROVIDED WITH LEGAL AID WHERE THE INTERESTS OF JUSTICE SO REQUIRE," HE SAID.

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GOVT RECOGNISES RIGHT OF DETAINEE TO LEGAL ADVICE
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THE HONG KONG GOVERNMENT RECOGNISES THE IMPORTANCE OF THE RIGHT OF ANY DETAINEE TO HAVE ACCESS TO LEGAL ADVICE, THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ELSIE TU, MR ASPREY SAID ARRANGEMENTS HAD BEEN MADE IN ALL DETENTION CENTRES FOR LAWYERS TO HAVE ACCESS TO INDIVIDUAL NAMED CLIENTS IN PRIVATE.

"IN NO CASE HAS SUCH ACCESS BEEN REFUSED," HE STRESSED.

MR ASPREY SAID LEGAL AID WAS NOT AVAILABLE TO ASSIST VIETNAMESE MIGRANTS OR OTHERS IN THEIR EXAMINATION BY IMMIGRATION OFFICERS, NOR WAS IT AVAILABLE FOR PROCEEDINGS BEFORE THE REFUGEE STATUS REVIEW BOARD, THE IMMIGRATION TRIBUNAL OR FOR SUBMISSIONS TO THE GOVERNOR IN COUNCIL.

"LEGAL AID, IS, HOWEVER, AVAILABLE TO ASSIST ANY APPLICANT TO SEEK JUDICIAL REVIEW OF THE DECISION OF AN IMMIGRATION OFFICER, A BOARD OR A TRIBUNAL; PROVIDED HE OR SHE SATISFIES THE USUAL FINANCIAL ELIGIBILITY CRITERIA AND SHOWS REASONABLE GROUNDS FOR TAKING THE PROCEEDINGS," HE SAID.

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26 MEMBERS SPOKE ON THE CRIMINAL ACTIVITIES MOTION
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THE MOTION ON CRIMINAL ACTIVITIES, MOVED BY THE HON HUI YIN-FAT, WAS PASSED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), AFTER A FIVE-HOUR DEBATE.

TWENTY-SEVEN MEMBERS SPOKE ON THE MOTION AND THE SECRETARY FOR SECURITY SPOKE ON BEHALF OF THE GOVERNMENT.

TWO MOTIONS, ONE UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE AND MOVED BY THE HON ANDREW WONG, AND THE OTHER UNDER THE TELEPHONE ORDINANCE AND MOVED BY THE SECRETARY FOR ECONOMIC SERVICES, WERE PASSED.

MEANWHILE, ONE BILL - RATING (AMENDMENT) BILL 1991 - WAS ALSO PASSED IN THE MEETING WHILE COMPANIES (AMENDMENT) BILL 1991 WAS INTRODUCED FOR FIRST AND SECOND READINGS. DEBATE ON IT WAS ADJOURNED.

BEFORE THE MEETING STARTED, THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, AS MEMBER PRESIDING OVER TODAY'S MEETING, APOLOGISED ON BEHALF OF THE PRESIDENT, THE GOVERNOR, SIR DAVID WILSON, TO THE COUNCIL FOR NOT BEEN ABLE TO TAKE THE CHAIR TODAY "OWING TO SOME OVER-ENTHUSIASTIC RUNNING DOWN AT HILLSIDE."

"I'M SURE THAT MEMBERS OF THIS COUNCIL WOULD WISH ME TO CONVEY TO THE PRESIDENT THEIR BEST WISHES FOR HIS VERY SPEEDY RECOVERY," HE ADDED.

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ACTING CS COMMENTS ON GULF FUND CONTRIBUTION

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COMMENTING ON THE ISSUE OF WHETHER HONG KONG SHOULD CONTRIBUTE TO THE GULF FUND, THE ACTING CHIEF SECRETARY, MR GRAHAM BARNES, SAID HONG KONG IS VERY MUCH A PART OF THE INTERNATIONAL SCENE AND IT WOULD BE JUDGED BY ITS TRADING PARTNERS ON THE BASIS OF WHAT IT DOES AT THIS STAGE TO HELP.

SPEAKING TO REPORTERS BEFORE THE LEGISLATIVE COUNCIL MEETING THIS (WEDNESDAY) AFTERNOON, MR BARNES SAID : "THIS IS AN INTERNATIONAL ISSUE AND IN THE END HONG KONG IS LIKELY TO BE AFFECTED BY IT.

"THE GOVERNMENT ACTUALLY DIDN'T FEEL THAT IT WOULD BE RIGHT JUST SIMPLY FOR HONG KONG TO STAND ASIDE AND DO NOTHING TO HELP."

MR BARNES SAID THE FIRST SUGGESTION OF IT CAME WHEN HONG KONG'S TRADING PARTNERS, IN PARTICULAR ALL AROUND ASIA, PUT IN VERY SUBSTANTIAL HELP INTO IT.

"IT WILL BE VERY CLEAR TO EVERYBODY THAT HONG KONG WILL BE JUDGED BY THEM, AND BY THOSE WHO ARE TAKING A MORE ACTIVE PART IN THE WAR, ON THE BASIS OF WHAT WE DO AT THIS STAGE.

"SO AS WE ARE VERY MUCH PART OF THE INTERNATIONAL SCENE, I DON'T THINK WE COULD AVOID HAVING TO CONSIDER THIS MATTER, ESPECIALLY AS WE IN OUR TURN MAY NEED HELP FROM OTHERS."

MR BARNES SAID THE ADMINISTRATION WAS PUTTING A PAPER TO THE FINANCE COMMITTEE THIS WEEK PROPOSING A CONTRIBUTION.

"BUT OF COURSE, IT WILL BE UP TO THE MEMBERS OF THE FINANCE COMMITTEE TO DECIDE WHETHER TO VOTE THE MONEY OR NOT," HE ADDED.

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SHARE OF U.S. IN HK'S DOMESTIC EXPORTS FALLING

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IN RESPONSE TO MEDIA ENQUIRIES ON THE FINDINGS OF AN ECONOMIC REPORT PUBLISHED BY THE HONGKONG BANK LAST WEEK, A TRADE DEPARTMENT OFFICIAL SAID TODAY (WEDNESDAY) HONG KONG'S DEPENDENCE ON THE UNITED STATES AS A MARKET FOR ITS DOMESTIC EXPORTS HAD BEEN FALLING IN RECENT YEARS.

THE REPORT SHOWED THAT, AFTER MAKING ADJUSTMENTS FOR HONG KONG'S TRADE FLOWS ASSOCIATED WITH OUTWARD PROCESSING IN CHINA, THE RELATIVE IMPORTANCE OF THE U.S. AS A FINAL DEMAND DESTINATION FOR HONG KONG'S DOMESTIC EXPORTS IN FACT ROSE FROM 33.6 PER CENT IN 1979 TO 37.6 PER CENT IN 1989.

"THE REPORT DRAWS ITS CONCLUSION ON THE BASIS OF A COMPARISON BETWEEN THE TRADE FIGURES FOR 1979 AND 1989. ANOTHER PICTURE EMERGES IF ACCOUNT IS TAKEN OF CHANGES IN THE INTERVENING PERIOD," THE OFFICIAL SAID.

/"BEFORE APPLYING

"BEFORE APPLYING ANY ADJUSTMENT, THE SHARE OF THE U.S. IN HONG KONG'S DOMESTIC EXPORTS OVER THE 10-YEAR SPAN IN QUESTION REACHED A HIGH OF 44.5 PER CENT IN 1984.

"SINCE THEN, THERE HAS BEEN A STEADY AND MARKED DECLINE TO 32.2 PER CENT IN 1989. THE FIGURE FOR 1990 WAS 29.4 PER CENT.

"THESE FIGURES SHOW THAT ALTHOUGH THE U.S. IS STILL THE LARGEST MARKET FOR HONG KONG'S DOMESTIC EXPORTS ITS RELATIVE IMPORTANCE HAS BECOME LESS PRONOUNCED IN MORE RECENT YEARS," HE SAID.

HE EXPLAINED THAT AFTER ADJUSTMENT FOR OUTWARD PROCESSING TRADE THE SHARE OF THE U.S. IN HONG KONG'S DOMESTIC EXPORTS SINCE 1988 - WHEN THE GOVERNMENT BEGAN TO COLLECT STATISTICS ON HONG KONG'S OUTWARD PROCESSING TRADE WITH CHINA - HAD LIKEWISE BEEN FALLING.

THE FIGURE WAS 38.3 PER CENT FOR 1988, 37.6 PER CENT FOR 1989 AND 35 PER CENT FOR 1990.

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EXCHANGE FUND TO ISSUE 364-DAY BILLS

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WITH THE ADVICE OF THE EXCHANGE FUND ADVISORY COMMITTEE, THE FINANCIAL SECRETARY HAS APPROVED THE ISSUE OF 364-DAY EXCHANGE FUND BILLS IN ADDITION TO THE 91-DAY AND 182-DAY BILLS WHICH WERE LAUNCHED IN MARCH AND OCTOBER LAST YEAR.

THE PROPOSAL HAS THE FULL SUPPORT OF THE EXCHANGE FUND BILLS MARKET COMMITTEE AND THE HONG KONG CAPITAL MARKETS ASSOCIATION.

"THE EXCHANGE FUND BILLS PROGRAMME HAS BEEN OPERATING WELL AND I AM VERY PLEASED WITH THE WAY IT HAS DEVELOPED," THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, SAID TODAY (WEDNESDAY).

"IT HAS SUCCESSFULLY ACHIEVED OUR OBJECTIVE OF CREATING AN ADDITIONAL MONEY MARKET INSTRUMENT TO ASSIST IN MAINTAINING EXCHANGE RATE STABILITY," HE SAID.

ALL THE SYSTEMS AND PROCEDURES FOR TENDER, ISSUE, REDEMPTION, TRADING AND TRANSFER OF 91-DAY AND 182-DAY BILLS WILL BE USED FOR THE 364-DAY BILLS AS WELL.

INITIALLY, UP TO \$200 MILLION OF 364-DAY BILLS WILL BE ISSUED ONCE EVERY FOUR WEEKS AND IN ADDITION TO THAT, THE EXCHANGE FUND WILL HOLD \$60 MILLION IN ITS RESERVE FOR EACH ISSUE TO MEET THE DEMANDS OF MARKET MAKERS.

THE FREQUENCY AND SIZE OF ISSUES WILL BE KEPT UNDER REVIEW AND ADJUSTED IF NECESSARY IN THE LIGHT OF ACTUAL MARKET RESPONSES.

THE FIRST TENDER FOR 364-DAY BILLS IS SCHEDULED FOR FEBRUARY 26 FOR ISSUE ON FEBRUARY 27.

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TENDERS ARE TO BE SUBMITTED BY 10.30 AM TO THE MONETARY AFFAIRS BRANCH IN THE USUAL WAY.

THE EXCHANGE FUND BILLS PROGRAMME WAS FIRST LAUNCHED IN MARCH 1990 WITH THE ISSUE OF 91-DAY BILLS.

IT WAS EXTENDED IN OCTOBER 1990 TO INCLUDE THE ISSUE OF 182-DAY BILLS.

AFTER COMPLETION OF THE FIRST CYCLE OF THE 364-DAY BILLS IN 52 WEEKS, THE ENTIRE EXCHANGE FUND BILLS PROGRAMME WILL HAVE BUILT UP TO A TOTAL OUTSTANDING OF \$13 BILLION (INCLUDING AMOUNTS HELD IN RESERVE BY THE EXCHANGE FUND) COMPRISING \$6.24 BILLION IN 91-DAY BILLS AND \$3.38 BILLION EACH IN 182-DAY AND 364-DAY BILLS.

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SWAP TRANSACTIONS

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THE GOVERNMENT IS AWARE THAT THE MASS TRANSIT RAILWAY CORPORATION AND THE KOWLOON-CANTON RAILWAY CORPORATION AS PART OF THEIR RESPECTIVE FINANCING MANAGEMENT, HAVE ENTERED INTO A NUMBER OF SWAP TRANSACTIONS.

A RECENT DECISION OF THE HOUSE OF LORDS HAS CAST DOUBT ON THE ABILITY OF THE MASS TRANSIT RAILWAY CORPORATION AND THE KOWLOON-CANTON RAILWAY CORPORATION TO ENTER INTO SWAP TRANSACTIONS UNDER THEIR RESPECTIVE STATUTORY CONSTITUTIONS.

THE MASS TRANSIT RAILWAY CORPORATION HAS ISSUED A STATEMENT TO CLARIFY THE STATUS OF SWAP TRANSACTIONS IT HAS ENTERED INTO.

THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, HAS TODAY (WEDNESDAY) STATED THAT IN ORDER TO PROTECT ANY TRANSACTIONS WHICH MIGHT BE AFFECTED BY THE HOUSE OF LORDS DECISION, IT IS THE PRESENT INTENTION OF THE GOVERNMENT TO INTRODUCE LEGISLATION AT THE EARLIEST OPPORTUNITY TO MEET ANY UNCERTAINTY AS A RESULT OF THAT DECISION.

IT IS PROPOSED THAT THE LEGISLATION WILL HAVE FULL RETROSPECTIVE EFFECT. THE GOVERNMENT IS PRESENTLY EXAMINING THE SCOPE OF SUCH LEGISLATION.

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COST RECOVERY TARGETS FOR TERTIARY EDUCATION REVISED
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THE GOVERNOR, ON THE ADVICE OF THE EXECUTIVE COUNCIL, HAS DECIDED THAT THE COST RECOVERY TARGETS FOR FEES FOR DEGREE COURSES WOULD BE REVISED BY PHASES TO 18 PER CENT BY THE END OF THE 1995/96 TO 1997/98 TRIENNIUM.

A GOVERNMENT SPOKESMAN TODAY (WEDNESDAY) SAID THE INDICATIVE FEE LEVEL PER PLACE FOR DEGREE COURSES FOR 1993/94 WILL BE SET AT \$17,000 (12.1 PER CENT OF ESTIMATED RECURRENT COSTS) AND FOR 1994/95 AT \$24,000 (15.6 PER CENT).

FEES FOR SUB-DEGREE COURSES AT THE NON-UNIVERSITY DEGREE AWARDING INSTITUTIONS WILL CONTINUE TO BE PEGGED AT THEIR EXISTING LEVEL OF 75 PER CENT OF DEGREE COURSE FEES, THE SPOKESMAN ADDED.

"THE MAJORITY OF STUDENTS CURRENTLY AT THESE INSTITUTIONS WILL NOT BE AFFECTED BY THE REVISION AS FEE LEVELS PREVIOUSLY ANNOUNCED FOR 1991/92 AND 1992/93 REMAIN UNCHANGED," HE SAID.

THE SPOKESMAN STRESSED THAT THE REVISION WOULD NOT IMPOSE HARDSHIP ON STUDENTS IN FINANCIAL NEED AS THE LOCAL STUDENT FINANCE SCHEME WOULD BE AUTOMATICALLY ADJUSTED TO TAKE ACCOUNT OF INCREASED TUITION FEES.

"IN FACT, AS FEES INCREASE, MORE STUDENTS WILL BE ELIGIBLE TO RECEIVE THE MAXIMUM GRANT OR LOAN AVAILABLE.

"THE PRINCIPLE THAT NO ONE WILL BE BARRED FROM ACCESS TO TERTIARY EDUCATION BECAUSE OF LACK OF MEANS WILL CONTINUE TO BE MAINTAINED," HE ADDED.

EXPLAINING THE RATIONALE BEHIND THE REVISION, THE SPOKESMAN SAID IT WAS PROMPTED BY THE NEED TO STRIKE A REASONABLE BALANCE BETWEEN STUDENTS AND THE COMMUNITY IN SHARING THE COSTS OF TERTIARY EDUCATION.

HE POINTED OUT THAT THE COST RECOVERY TARGET FOR 1990/91 WAS 9.4 PER CENT FOR DEGREE COURSES, WHICH CLEARLY FELL BEHIND PREVAILING TRENDS ELSEWHERE IN THE WORLD. THE COST RECOVERY TARGET FOR THE FOLLOWING TWO YEARS WOULD ONLY BE INCREASED TO ROUGHLY 10 PER CENT AND 11 PER CENT.

"COST RECOVERY RATES FOR DEGREE COURSES RANGE FROM 15 PER CENT TO 30 PER CENT IN THE UNITED KINGDOM, 15 PER CENT TO 19 PER CENT IN SINGAPORE, AND 20 PER CENT IN AUSTRALIA.

"TO INCREASE THE PROPORTION OF COST TO BE MET BY THOSE WHO CAN AFFORD TO PAY IS A PRACTICAL MOVE, PARTICULARLY WHEN HONG KONG IS EMBARKING ON A MASSIVE PROGRAMME OF UPGRADING AND EXPANSION ON THE TERTIARY EDUCATION FRONT," HE SAID.

"BY THE TIME THE NEW RATES BECOME EFFECTIVE, THE TERTIARY EDUCATION SECTOR WILL ALREADY HAVE BEEN ENJOYING SOME OF THE QUANTITATIVE AND QUALITATIVE IMPROVEMENTS IN THE UPGRADING PROGRAMME STARTING IN 1991-92," HE NOTED.

THE SPOKESMAN SAID IT WAS ESTIMATED BY 1994/95 THAT FOUR OUT OF EVERY FIVE MATRICULANTS WOULD HAVE ACCESS TO DEGREE COURSES; SOME 170 NEW COURSES AND RESEARCH PROGRAMME WOULD BE OFFERED TO UNDERGRADUATES AND POST-GRADUATES, AND RESEARCH FUNDING SUBSTANTIALLY INCREASED.

"BY THEN PHASE II OF THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY WILL BE COMPLETED AND THE LINGNAN COLLEGE UPGRADED TO DEGREE-AWARDING STATUS.

"AS THE GRADUATES THEMSELVES ARE THE MAIN AND PRIMARY BENEFICIARIES, IT IS ONLY RIGHT FOR THOSE WHO CAN AFFORD TO DO SO TO CONTRIBUTE A LITTLE MORE TOWARDS THIS PROGRAMME WHICH, EVEN WITH THE NEW COST RECOVERY TARGETS, REMAINS HEAVILY SUBSIDISED," HE SAID.

IN ACTUAL MONEY TERMS, THE REVISION IN 1993/94 REPRESENTS AN INCREASE OF \$450 PER MONTH FOR AN UNDERGRADUATE AND ABOUT \$300 PER MONTH FOR A SUB-DEGREE COURSE STUDENT NOT ELIGIBLE FOR GRANTS AND LOANS UNDER THE LOCAL STUDENT FINANCE SCHEME.

IT HAD ALSO BEEN DECIDED THAT ACTUAL FEES FOR TERTIARY EDUCATION WOULD BE ANNOUNCED ONE YEAR AHEAD, TOGETHER WITH INDICATIVE FEE LEVELS FOR THE FOLLOWING THREE YEARS.

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TUNG WAH PRAISED FOR ITS EDUCATIONAL ENDEAVOURS
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LADY WILSON TODAY (WEDNESDAY) PAID TRIBUTE TO THE TUNG WAH GROUP OF HOSPITALS FOR ITS COMMITMENT TO THE CAUSE OF EDUCATING THE MENTALLY HANDICAPPED.

SPEAKING AT THE OPENING CEREMONY OF THE GROUP'S TSUI TSIN TONG SCHOOL, LADY WILSON SAID THE BOARD OF DIRECTORS WAS CURRENTLY SPONSORING TWO SPECIAL SCHOOLS FOR THE MENTALLY HANDICAPPED CHILDREN AND HAD PLAYED A VERY IMPORTANT PART IN THE DEVELOPMENT OF THESE NEW PREMISES.

"THIS COMMITMENT DESERVES OUR GRATITUDE," SHE SAID, ADDING THAT PARTICULAR THANKS WERE DUE TO MR TSUI TSIN-TONG WHOSE DONATION MADE COMPLETION OF THIS PROJECT POSSIBLE.

"THE NEW SCHOOL STANDS AS A TESTIMONY TO HIS GENEROSITY AND TO THE COMMITMENT OF ALL THOSE INVOLVED," SHE SAID.

LADY WILSON ALSO SAID THE NEW SCHOOL REPRESENTED A TREMENDOUS IMPROVEMENT AND WOULD PROVIDE AN EXCELLENT TEACHING ENVIRONMENT.

"AS A TEACHER MYSELF, I KNOW THAT TEACHING MENTALLY HANDICAPPED CHILDREN POSES PARTICULAR CHALLENGES TO BOTH TEACHERS AND REHABILITATION STAFF. THE UNIQUE NEEDS OF EACH CHILD MUST BE TAKEN INTO ACCOUNT," SHE SAID.

/SHE POINTED

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SHE POINTED OUT THAT SPECIAL PROGRAMMES AND TEACHING MATERIALS HAD TO BE DESIGNED TO CATER FOR DIFFERENT APTITUDES AND POTENTIAL.

"THIS IS NO EASY TASK. IT REQUIRES CREATIVITY AND PATIENCE. BUT IT IS EXTREMELY WORTHWHILE.

"IT IS VITALLY IMPORTANT THAT, IN A CIVILISED SOCIETY LIKE OURS, EVERY CHILD BE GIVEN THE OPPORTUNITY, THROUGH EDUCATION, TO DEVELOP HIS OR HER POTENTIAL TO THE FULLEST POSSIBLE EXTENT.

"CHILDREN WITH SPECIAL EDUCATIONAL NEEDS DESERVE NO LESS," LADY WILSON SAID.

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FC MEETING ON FRIDAY

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THE FINANCE COMMITTEE WILL HOLD A MEETING ON FRIDAY (FEBRUARY 8) IN THE LEGISLATIVE COUNCIL CHAMBER.

THE MEETING WILL BEGIN AT 2.30 PM.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE COMMITTEE'S PROCEEDINGS FROM THE CHAMBER'S PUBLIC GALLERIES AND THEY MAY MAKE RESERVATIONS BY TELEPHONING 844 0899.

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WORKS BRANCH STATEMENT

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THE FOLLOWING IS A STATEMENT ISSUED BY THE WORKS BRANCH:

THE WORKS BRANCH RECEIVED OFFICIAL NOTIFICATION OF THE AMALGAMATED UNION OF GOVERNMENT TECHNICAL INSPECTORS, CLERKS OF WORKS AND WORKS SUPERVISORS ABOUT ITS WORK-TO-RULE ACTION WHICH HAD COMMENCED TODAY (WEDNESDAY).

AS POINTED OUT EARLIER, WORKING GROUPS ARE TO BE SET UP IN THE FOUR CENTRAL AUTHORITIES WITHIN THE WORKS BRANCH GROUP OF DEPARTMENTS, NAMELY THE ARCHITECTURAL SERVICES DEPARTMENT, ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT, HIGHWAYS DEPARTMENT AND WATER SUPPLIES DEPARTMENT, TO EXAMINE SUCH AREAS AS WORKING CONDITIONS, PROMOTION PROSPECTS, JOB ENRICHMENT AND STAFFING LEVELS IN RESPECT OF THE TECHNICAL INSPECTORATE AND RELATED GRADES IN THE WORKS DEPARTMENTS.

/A SPOKESMAN

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A SPOKESMAN FOR THE WORKS BRANCH STRESSED THE IMPORTANCE OF RESTRAINT ON THE PART OF THE STAFF IN THEIR INDUSTRIAL ACTION SO AS TO MINIMISE INCONVENIENCE TO THE PUBLIC.

HE HOPED THAT THE CONTINUED DIALOGUE BETWEEN THE STAFF AND DEPARTMENTAL MANAGEMENT WOULD PROMOTE BETTER UNDERSTANDING AND LEAD TO AN EARLY CONCLUSION OF THE INDUSTRIAL ACTION.

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FMO STAFF URGED TO RESUME WORK
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FISH MARKETING ORGANISATION (FMO) STAFF WHO STAGED A SIT-IN AT THE SHAU KEI WAN WHOLESALE FISH MARKET THIS (WEDNESDAY) MORNING HAVE BEEN URGED TO RESUME WORK AS SOON AS POSSIBLE IN ORDER NOT TO DISRUPT MARKET OPERATION.

THE APPEAL CAME FROM THE MANAGEMENT OF THE FMO AND THE AGRICULTURE AND FISHERIES DEPARTMENT (AFD).

EIGHTEEN HOURLY-PAID WORKERS OF THE FMO STAGED A SIT-IN AT THE SHAU KEI WAN FISH MARKET THIS MORNING IN PROTEST AGAINST AN IMPENDING CUT IN THEIR WORKING HOURS.

THE SENIOR MANAGER OF THE FMO, MR HUI WING-LAP, SAID THAT THESE WORKERS USED TO WORK FIVE HOURS A DAY BUT BECAUSE OF A DECLINE IN THE VOLUME OF FISH HANDLED BY THE SHAU KEI WAN MARKET, THE STAFF'S WORKING HOURS WOULD HAVE TO BE REDUCED TO FOUR HOURS DAILY AFTER THE LUNAR NEW YEAR.

THE FMO ALTOGETHER RUNS SEVEN WHOLESALE FISH MARKETS AND ABOUT 160 OR 30 PER CENT OF ITS STAFF ARE HOURLY PAID.

TOGETHER WITH FMO'S PERSONNEL MANAGER, MR VICTOR TANG, AND AFD'S FISHERIES OFFICER (MARKETING), MR C.C. FOK, MR HUI MET THE PROTESTING STAFF THIS MORNING AND EXPLAINED TO THEM THAT THE LENGTH OF THEIR WORKING HOURS MUST BE BASED ON THE VOLUME OF FISH TRADED AT INDIVIDUAL MARKETS.

"I FERVENTLY HOPE THAT THE WORKERS WOULD RESUME WORK OR ELSE WE MAY BE FORCED TO EMPLOY OTHER PEOPLE TO REPLACE THEM IN THEIR JOBS," MR HUI SAID.

ON THE WORKERS' SUGGESTION THAT THEY SHOULD BE DISMISSED WITH SEVERANCE PAY IF THEIR DEMAND FOR LONGER WORKING HOURS COULD NOT BE MET, HE SAID THE FMO HAD NO INTENTION OF DISMISSING THEM.

"THIS IS THE LAST THING WE WISH TO SEE HAPPENING AND THE WHOLE MATTER WILL BE DEALT WITH IN ACCORDANCE WITH THE EMPLOYMENT ORDINANCE," HE STRESSED.

HE ADDED THAT THE MANAGEMENT WAS ALWAYS READY TO CONTINUE ITS DIALOGUE WITH WORKERS.

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RESIDENTS URGED TO JOIN CLEAN AND GREEN SCHEME
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RESIDENTS WHO INTEND TO HELP SPREAD THE COUNTRYSIDE CONSERVATION MESSAGE BY PARTICIPATING IN THE CLEAN AND GREEN SCHEME '90 ARE URGED TO SPRING INTO ACTION BEFORE THE END OF THIS MONTH.

PHOTOGRAPHY ENTHUSIASTS ARE INVITED TO TAKE PART IN THE CLEAN AND GREEN '90 PHOTO COMPETITION WHILE THOSE WHO HAVE ALREADY PARTICIPATED IN THE FIRST STAGE OF THE CLEAN AND GREEN ACTIVITIES ARE URGED TO PROCEED TO THE SECOND STAGE WHICH IS A PAINTING AND POSTER DESIGN COMPETITION.

THE DEADLINE FOR ENTRIES OF BOTH COMPETITIONS IS FEBRUARY 28.

THE CLEAN AND GREEN SCHEME IS AN ANNUAL EVENT ORGANISED BY THE COUNTRY PARKS AUTHORITY OF THE AGRICULTURE AND FISHERIES DEPARTMENT (AFD) TO PROMULGATE THE MESSAGE OF THE NEED TO KEEP OUR COUNTRY PARKS CLEAN AND GREEN.

THE FIRST STAGE OF THE CLEAN AND GREEN ACTIVITIES CONCLUDED LAST MONTH, DRAWING A TOTAL OF 11,608 PARTICIPANTS WHO TOOK PART IN LITTER COLLECTION AND TREE TENDING WORK IN COUNTRY PARKS IN WEEKDAYS AND PUBLIC HOLIDAYS.

AMONG THEM, 5,849 WERE FROM SCHOOLS AND YOUTH GROUPS.

THE CLEAN AND GREEN '90 PHOTO COMPETITION IS JOINTLY ORGANISED WITH TIMBERLAND AND SPONSORED BY KODAK (FAR EAST) LTD AND CATHAY PACIFIC AIRWAYS LTD.

THE THEME OF THE COMPETITION IS "A CLEAN AND GREEN COUNTRY PARK".

ENTRY FORMS WITH RULES FOR THE COMPETITION ARE AVAILABLE FROM THE AFD, KODAK SERVICES CENTRES AND TIMBERLAND SHOPS.

PARTICIPANTS SHOULD SUBMIT THE COMPLETED FORMS TOGETHER WITH THE PHOTOGRAPH AND ITS NEGATIVE TO THE AFD OR ANY COUNTRY PARK VISITOR CENTRE NOT LATER THAN FEBRUARY 28.

ADJUDICATION WILL BE CARRIED OUT BY A PANEL OF JUDGES COMPRISING RENOWNED PHOTOGRAPHERS AND REPRESENTATIVES OF THE CO-ORGANISERS.

TEN ATTRACTIVE PRIZES, INCLUDING TWO RETURN AIR TICKETS TO BANGKOK, WILL BE AWARDED TO THE WINNERS.

IN ADDITION, WINNERS OF THE PHOTO COMPETITION AS WELL AS 250 PARTICIPANTS OF THE PAINTING AND POSTER DESIGN COMPETITION WILL BE INVITED TO JOIN A "CLEAN AND GREEN" FUN DAY TO BE HELD IN LATE MARCH.

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WEDNESDAY, FEBRUARY 6, 1991

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TUEN MUN DISTRICT BOARD CHAIRMAN OPENS NEW MARINE OFFICE
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THE NEW TUEN MUN MARINE OFFICE WILL MEET THE NEEDS OF INCREASED MARINE ACTIVITIES AND FUTURE DEVELOPMENT IN THE DISTRICT.

TUEN MUN DISTRICT BOARD CHAIRMAN, MR LAU WONG-FAT, SAID THIS TODAY (WEDNESDAY) WHEN OFFICIATING AT THE OPENING OF THE MARINE OFFICE IN SAM SHING STREET, TUEN MUN.

OTHER OFFICIATING GUESTS INCLUDED THE DIRECTOR OF MARINE, MR MICHAEL C.C. SZE, AND THE TUEN MUN DISTRICT OFFICER, MR PETER LEUNG.

MR LAU SAID: "WITH THE RAPID GROWTH OF THE HONG KONG ECONOMY AND THE EVER-INCREASING HONG KONG-CHINA TRADE, THE GOVERNMENT PLANS TO BUILD A NUMBER OF PORT FACILITIES IN THE NORTHWESTERN WATERS OF HONG KONG AS RECOMMENDED BY THE PORT AND AIRPORT DEVELOPMENT STRATEGY (PADS).

"THESE INCLUDE A SPECIAL INDUSTRIAL AREA AND A RIVER TRADE TERMINAL IN TUEN MUN AREA 38 TO ENHANCE THE EFFICIENCY OF LOCAL SHIPPING."

LOCATED NEXT TO THE TUEN MUN TYPHOON SHELTER IN SAM SHING STREET, THE NEW MARINE OFFICE HAS A TOTAL OF 25 STAFF AND IS HEADED BY A MARINE OFFICER.

THE NEW MARINE OFFICE WILL PROVIDE SERVICES INCLUDING MANAGEMENT AND CONTROL IN THE USE OF TYPHOON SHELTERS AND PUBLIC CARGO WORKING AREAS, INSPECTION AND LICENSING OF SMALL VESSELS, PORT FORMALITIES AND EXAMINATIONS FOR RESTRICTED LOCAL MASTER CERTIFICATES.

THE NEW MARINE OFFICE REPLACES A TEMPORARY MARINE OFFICE AT SAM SHING ESTATE.

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