



DAILY INFORMATION BULLETIN

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RESTRUCTURING OF THE LIFEBOAT FACILITIES
GRANTED TO THE HONG KONG FUTURES GUARANTEE CORPORATION

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THE GOVERNMENT, THE HONG KONG FUTURES GUARANTEE CORPORATION (HKFGC) AND THE HONG KONG FUTURES EXCHANGE (HKFE) HAVE ANNOUNCED AGREEMENT IN PRINCIPLE TO A PACKAGE FOR THE RESTRUCTURING OF THE LIFEBOAT FACILITIES GRANTED TO THE HKFGC FOLLOWING THE STOCK MARKET CRASH IN OCTOBER LAST YEAR.

UNDER THE PROPOSED PACKAGE, THE GOVERNMENT WILL CONTINUE TO PROVIDE THE NECESSARY SUPPORT FOR THE HANG SENG INDEX FUTURES MARKET UNTIL OCTOBER 31, 1989. THAT SUPPORT WILL BE PROVIDED BY WAY OF A RESIDUAL REVOLVING FACILITY OF \$100 MILLION MADE AVAILABLE BY THE GOVERNMENT. SUBJECT TO THAT, THE EXISTING FACILITIES WILL BE CRYSTALLISED AT THE LEVEL OF CURRENT DRAWINGS. BY OCTOBER 31, 1989, A NEW RESERVE FUND OF NOT LESS THAN \$100 MILLION WILL BE ESTABLISHED BY THE HKFE IN SUPPORT OF THE CLEARANCE OF TRANSACTIONS ON THE HKFE.

AS PART OF THE PACKAGE, GOVERNMENT HAS AGREED IN PRINCIPLE TO THE ADVANCEMENT IN REPAYMENT TO THE BROKER-LENDERS AND SHAREHOLDER-LENDERS OF PART OF THE PRINCIPAL AMOUNTS DRAWN UNDER THEIR EXISTING FACILITY TO THE EXTENT OF \$200 MILLION. THE PRIORITY FOR THE REPAYMENT TO GOVERNMENT OF THE DRAWINGS UNDER THE GOVERNMENT FACILITY WILL BE RESUMED THEREAFTER. THE OTHER ELEMENTS OF THE LIFEBOAT WILL REMAIN ESSENTIALLY UNCHANGED.

"AS A RESULT OF THESE PROPOSALS, GOVERNMENT'S CONTINGENT LIABILITY WILL BE REDUCED FROM \$428.5 MILLION TO \$100 MILLION," SAID A GOVERNMENT SPOKESMAN. "THE ADVANCED REPAYMENT TO THE BROKER-LENDERS AND SHAREHOLDER-LENDERS HAS BEEN AGREED IN PRINCIPLE FOR TWO REASONS. FIRST, THE CONCESSION IS MADE IN RETURN FOR THE REDUCTION IN GOVERNMENT'S CONTINGENT LIABILITY. SECONDLY, THE EARLIER REPAYMENT TO THE BROKER-LENDERS AND SHAREHOLDER-LENDERS UNDER THE WAIVER WILL ASSIST THE BROKER-LENDERS TO CONTRIBUTE TO A NEW RESERVE FUND FOR THE CLEARING HOUSE OF THE HKFE AND THE BROKER-LENDERS AND SHAREHOLDER-LENDERS TO INCREASE THE CAPITALISATION OF THEIR FUTURES SUBSIDIARIES, WHERE APPLICABLE, TO ADEQUATE LEVELS. THE RECAPITALISATION EXERCISE IS ESSENTIAL FOR THE RECONSTITUTION OF THE HKFE AND HENCE THE CONTINUATION OF A SOUND FUTURES MARKET IN HONG KONG," THE SPOKESMAN SAID.

THE CHAIRMAN OF THE HKFE SAID, "THE PACKAGE WILL ENABLE THE RECONSTITUTION OF THE HKFE TO PROCEED. AS PART OF THE RECONSTITUTION, NEW CLEARING ARRANGEMENTS WILL BE INTRODUCED. A RESERVE FUND OF \$100 MILLION WILL BE FULLY ESTABLISHED BY OCTOBER 31, 1989 THROUGH DEPOSITS IN INSTALMENTS COMMENCING OCTOBER 31, 1988 BY THE BROKER-LENDERS AND OTHER CLEARING MEMBERS OF THE EXCHANGE. IN ADDITION, THE BROKER-LENDERS AND SHAREHOLDER-LENDERS WILL BE REQUIRED TO RECAPITALISE THEIR FUTURES SUBSIDIARIES, WHERE APPLICABLE, TO ADEQUATE LEVELS. TO DATE, SOME \$148 MILLION HAS BEEN SO COMMITTED IN THE RECAPITALISATION EXERCISE BY THESE MEMBERS." "I AM GLAD TO SAY THAT THIS PACKAGE HAS THE FULL SUPPORT OF THE BROKER-LENDERS AND THE SHAREHOLDER-LENDERS," HE SAID.

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GOVT SECURITIES CONSULTANT OUTLINES ROLE OF REGULATOR

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THE GOVERNMENT SECURITIES CONSULTANT, MR ROBERT OWEN, SAID TODAY (TUESDAY) THAT BEING A REGULATOR, ESPECIALLY IN HONG KONG, REQUIRED A CONTINUAL BALANCING ACT - IN FACT SEVERAL AT ONCE.

SPEAKING AT A CONFERENCE ON INCREASED REGULATION OF HONG KONG'S SECURITIES MARKETS, ORGANISED BY THE INSTITUTE FOR INTERNATIONAL RESEARCH, MR OWEN SAID THE REGULATOR WAS REQUIRED TO BALANCE:

- * THE BENEFITS TO INVESTORS OF TIGHTER REGULATION AGAINST THE COSTS;
- * THE NEEDS AND WISHES OF LOCAL PARTICIPANTS (BROKERS AND INVESTORS) AGAINST THOSE OF INTERNATIONAL PLAYERS AND LARGE INSTITUTIONAL INVESTORS;
- * THE NEED FOR STRONG POWERS TO COMBAT FRAUD AND MARKET ABUSES AGAINST THE NEED TO PRESERVE CIVIL LIBERTIES IN A UNIQUE POLITICAL ENVIRONMENT;
- * SHORT-TERM MARKET FACTORS AGAINST THE NEED FOR LONG-TERM STABILITY AND CONFIDENCE;
- * THE PRINCIPLE OF SELF-REGULATION AGAINST THE NEED FOR EFFECTIVE SUPERVISION BY THE STATUTORY AUTHORITY;
- * THE NEED FOR CLEAR AND COMPREHENSIVE RULES AGAINST THE NEED FOR FLEXIBILITY AND SPEED OF REACTION TO MARKET CHANGES;
- * THE DESIRE TO ENCOURAGE THE GROWTH OF MARKETS AGAINST THE NEED TO ENSURE THEY DO NOT GET OUT OF CONTROL;
- * CLOSE LINKS WITH THE MARKETS AND EFFECTIVE INFORMATION CHANNELS AGAINST THE NEED FOR APPROPRIATE DISTANCE FROM INDIVIDUAL MARKET PARTICIPANTS; AND
- * A DESIRE TO RESPECT LOCAL ETHNIC AND CULTURAL SENSITIVITIES AGAINST THE NEED TO BRING HONG KONG'S REGULATORY PRACTICES MORE INTO LINE WITH STANDARDS APPLYING IN OTHER FINANCIAL CENTRES.

THE REGULATOR WAS ALSO REQUIRED TO COMBINE AN UNDERSTANDING OF MARKETS WITH AN UNDERSTANDING OF GOVERNMENT MACHINERY AND PROCEDURES, HE SAID.

MR OWEN SAID EACH OF THESE ACTS WAS INDIVIDUALLY QUITE DIFFICULT AND THE NEW SECURITIES AND FUTURES COMMISSION (SFC) WOULD ATTEMPT TO PERFORM THEM ALL.

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"IT IS EXTREMELY UNLIKELY TO SUCCEED IN THIS AND, EVEN IF IT DID, IT WOULD STILL BE BOUND TO DISPLEASE SOME ELEMENTS IN THE COMMUNITY," HE SAID.

"IF IT ENDED UP PLEASING EVEN HALF THE PEOPLE HALF THE TIME IT WOULD BE A MIRACLE," HE ADDED.

ON THE CONCERN EXPRESSED BY SOME QUARTERS ABOUT THE EXTENT OF THE NEW POWERS WHICH IT WAS PROPOSED THE SFC SHOULD HAVE, MR OWEN SAID THAT IN ALL BUT ONE OF THE AREAS (THE EXCEPTION BEING SOME OF THE POWERS TO GIVE DIRECTIVES TO THE EXCHANGES) THE POWERS PROPOSED FOR THE SFC WERE SIMILAR TO AND NO MORE AUTHORITARIAN THAN THOSE OF REGULATORS IN MOST OF THE WORLD'S MAJOR DEMOCRACIES WITH WELL-DEVELOPED FINANCIAL MARKETS.

HE SAID THAT CHECKS AGAINST MISUSE OF THE PROPOSED REGULATORY POWERS WERE ALSO EXTENSIVE.

MR OWEN SAID ONE MAIN TASK HE AND THE SPECIAL UNIT OF THE MONETARY AFFAIRS BRANCH HAD BEEN WORKING ON DURING THE LAST TWO MONTHS WAS THE DRAFT BILL WHICH WOULD BRING THE SFC INTO BEING.

HE SAID THE MAIN PROVISIONS OF THE PRESENT DRAFT BILL DEALT WITH THE FOLLOWING MATTERS:

- * THE ESTABLISHMENT AND CONSTITUTION OF THE SFC.
- * THE SFC WILL HAVE NEW RESERVE POWERS, IN LINE WITH THE SECURITIES REVIEW COMMITTEE'S RECOMMENDATIONS, TO GIVE DIRECTIVES TO THE EXCHANGES OR CLEARING HOUSES. THESE POWERS ARE DESIGNED TO ENABLE THE SFC, WITHOUT RESORTING TO THE "NUCLEAR DETERRENT" OF CLOSING AN EXCHANGE, TO ENSURE THAT CORRECTIVE ACTION IS TAKEN BY THE COUNCIL OR MANAGEMENT OF THAT EXCHANGE WHEN THE COMMISSION IS CONVINCED SUCH ACTION IS NECESSARY IN THE PUBLIC INTEREST. THE COMMISSION IS REQUIRED TO CONSULT THE FINANCIAL SECRETARY BEFORE USING THESE POWERS.
- * WITHOUT INTRODUCING A COMPREHENSIVE NEW LICENSING SYSTEM, THE BILL MAKES CERTAIN ADJUSTMENTS TO THE PRESENT REGISTRATION PROCEDURES, DESIGNED TO ENABLE THE SFC TO UNDERTAKE A MORE THOROUGH REVIEW OF APPLICATIONS FOR NEW REGISTRATIONS OR RENEWALS, AND TO REQUIRE THE APPLICANT TO SATISFY IT THAT HE IS A "FIT AND PROPER" PERSON TO CONDUCT THE RELEVANT BUSINESS.
- * THE DRAFT BILL ALSO EMPOWERS THE SFC TO MAKE RULES REQUIRING FINANCIAL INTERMEDIARIES (REGISTERED PERSONS) TO MAINTAIN PRESCRIBED LEVELS OF CAPITAL AND LIQUIDITY.

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- * THE BILL ALSO CONTAINS A NEW SECTION GIVING POWER TO THE SFC TO INTERVENE IN THE BUSINESS OF ANY REGISTERED PERSON EITHER TO REQUIRE HIM TO TAKE, OR TO PREVENT HIM TAKING, PARTICULAR ACTIONS, OR TO TAKE CONTROL OF THE BUSINESS, IF THE COMMISSION BELIEVES SUCH INTERVENTION IS NECESSARY TO PROTECT INVESTORS. THE NEW INTERVENTION POWER IS A MORE SOPHISTICATED INSTRUMENT WHICH PERMITS CAREFULLY PIN-POINTED INTERVENTION TO PROTECT INVESTORS WITHOUT THE NEED EFFECTIVELY TO CLOSE DOWN THE BUSINESS OF THE INTERMEDIARY CONCERNED.
- * THE BILL ALSO CONTAINS NEW PROVISIONS TO FACILITATE INVESTIGATIONS INTO BREACHES OF THE ORDINANCES, INCLUDING FRAUDS, MARKET MANIPULATION, CRIMINAL DECEPTION AND INSIDER TRADING.
- * THERE IS A SECTION IN THE BILL PROVIDING FOR A NEW BOARD OF APPEAL TO HEAR APPEALS AGAINST DECISIONS OF EXECUTIVES OF THE COMMISSION IN RELATION TO SUSPENSION OR REVOCATION OF LICENCES OR USE OF THE INTERVENTION POWERS.
- * FINALLY, THERE IS A SECTION DEALING WITH THE FUNDING OF THE SFC.

MR OWEN SAID HE AND THE SPECIAL UNIT OF THE MONETARY AFFAIRS BRANCH HAD BEEN WORKING TOWARDS A TARGET OF HAVING THE SFC OPERATIONAL BY EARLY 1989.

"THE GENERAL OBJECTIVE OF THE SFC WILL BE TO PROMOTE THE INTEGRITY, EFFICIENCY AND ORDERLY CONDUCT OF SECURITIES AND FUTURES MARKETS IN HONG KONG, AND OF PARTICIPANTS IN SUCH MARKETS, AND TO ENSURE THAT THE INTERESTS OF INVESTORS ARE PROTECTED AGAINST DISHONEST PRACTICES AND MARKET ABUSES.

"CONSISTENTLY WITH THIS OBJECTIVE, THE SFC WILL AIM TO MAINTAIN AND PROMOTE THE DEVELOPMENT OF HONG KONG'S POSITION AS A LOCAL, REGIONAL AND INTERNATIONAL FINANCIAL CENTRE, INCREASINGLY SERVING THE NEEDS OF CHINA AND THE PACIFIC RIM," HE SAID.

MR OWEN SAID THAT PROBABLY THE BIGGEST CHALLENGE FACING THE SFC WOULD BE TO RECRUIT AND MOTIVATE THE STAFF NEEDED TO PERFORM ITS FUNCTIONS EFFECTIVELY.

HE SAID THE OFFICE OF THE COMMISSIONER FOR SECURITIES AND COMMODITIES TRADING (OCS) CONTAINED MANY CAPABLE AND EXPERIENCED STAFF WHO HE HOPED WOULD FORM THE NUCLEUS OF THE SFC.

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HE SAID THAT BECAUSE THE SFC WOULD BE OUTSIDE THE CIVIL SERVICE, A BASIS HAD TO BE ESTABLISHED ON WHICH APPROPRIATE OCS STAFF WHO WISHED TO JOIN THE SFC COULD MAKE THE TRANSFER.

"THE PRESENT UNCERTAINTY OVER THEIR FUTURE, WHICH IS UNAVOIDABLE UNTIL THE BILL IS PASSED, IS HAVING AN UNDERSTANDABLY NEGATIVE EFFECT ON MORALE.

"IT IS IN THE INTERESTS OF ALL CONCERNED TO BRING THIS UNCERTAINTY TO AN END AS QUICKLY AS POSSIBLE. HIGH PRIORITY IS THEREFORE BEING GIVEN TO WORKING OUT PRACTICAL TRANSFER ARRANGEMENTS," HE SAID.

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WORKING GROUP SETS LOCALISATION TARGETS

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THE GOVERNMENT HAS APPROVED THE INTRODUCTION OF SPECIAL MEASURES TO QUICKEN THE PACE OF LOCALISATION IN THE ATTORNEY GENERAL'S CHAMBERS.

RECOMMENDATIONS FOR THE FURTHER LOCALISATION OF THE ATTORNEY GENERAL'S CHAMBERS (AGC) ARE CONTAINED IN THE REPORT OF AN INTER-DEPARTMENTAL WORKING GROUP CHAIRED BY THE SOLICITOR GENERAL, MR FRANK STOCK, QC.

IN ITS REPORT TO THE ATTORNEY GENERAL AND THE SECRETARY FOR THE CIVIL SERVICE, THE WORKING GROUP FOUND THAT EXISTING MEASURES FOR LOCALISATION WERE INSUFFICIENT TO COUNTER INCENTIVES TO LEAVE GOVERNMENT SERVICE AND THERE WAS AN URGENT NEED TO EFFECT A SIGNIFICANT IMPROVEMENT IN PROSPECTS FOR LOCAL COUNSEL.

ONE OF THE GROUP'S KEY RECOMMENDATIONS IS THE INTRODUCTION, ON AN EXPERIMENTAL BASIS, OF A "DOUBLE-LADDER" OF PROMOTION FOR LOCALS FROM CROWN COUNSEL (CC) TO SENIOR CROWN COUNSEL (SCC). THE AIM IS TO ENCOURAGE LOCAL COUNSEL TO REMAIN IN THE DEPARTMENT.

THE GROUP HAS ALSO SET A TARGET DATE OF 1992, BY WHICH TIME IT IS HOPED TO HAVE 30 PER CENT OF DIRECTORATE POSTS AND 50 PER CENT OF SENIOR CROWN COUNSEL POSTS FILLED BY LOCALS.

AT PRESENT OUT OF 250 COUNSELS EMPLOYED IN THE DEPARTMENT 99 ARE LOCALS AND OF THE 44 DIRECTORATE POSTS THREE ARE HELD BY LOCALS.

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THE WORKING GROUP FOUND THAT LOCAL COUNSEL WERE LEAVING AGC BEFORE THEY WERE ELIGIBLE FOR PROMOTION TO THE DIRECTORATE.

THE PRINCIPAL BENEFICIARIES OF THE SPECIAL MEASURES ARGUED FOR IN THE REPORT ARE THE LARGE NUMBER OF LOCAL CROWN COUNSEL WITH LESS THAN THREE YEARS EXPERIENCE.

SUBJECT TO THE APPROVAL OF FUNDS BY THE FINANCE COMMITTEE, IT IS HOPED THAT THE "DOUBLE-LADDER" SCHEME WILL BE INTRODUCED BY THE END OF 1988.

UNDER THIS PROPOSAL, THERE WOULD BE TWO STREAMS OF PROMOTION WITHIN THE AGC FROM THE CC RANK TO THE SCC RANK.

THE EXISTING SYSTEM OF PROMOTION TO SCC ON THE BASIS OF MERIT AND EXPERIENCE WOULD CONTINUE.

AT THE SAME TIME THERE WOULD BE A SYSTEM OF PROMOTION OF LOCAL OFFICERS WITH LIMITED QUALIFIED EXPERIENCE, BUT OTHERWISE SUITABLE ON THE BASIS OF ABILITIES AND POTENTIAL.

THE IMPLICATIONS OF THIS SECOND-LADDER OF PROMOTION ARE THAT SPECIAL POSTS AT THE SCC LEVEL WOULD BE CREATED AND THAT LOCAL OFFICERS PROMOTED ON THIS LADDER WOULD RECEIVE THE PAY AND ENTITLEMENTS OF SCC WHILE CONTINUING TO PERFORM THE DUTIES OF CC.

FOR A NUMBER OF REASONS, INCLUDING HISTORICAL FACTORS, THE LEGAL DEPARTMENT IS ONE OF THE FEW GOVERNMENT DEPARTMENTS IN WHICH THERE REMAINS A HIGH PERCENTAGE OF OVERSEAS OFFICERS.

THE WORKING GROUP FOUND THAT THE PRINCIPAL LOCALISATION PROBLEM CONFRONTING THE DEPARTMENT IS ITS FAILURE TO RETAIN LOCAL COUNSEL, OR TO ATTRACT COUNSEL FROM THE PRIVATE SECTOR BECAUSE OF BETTER PAY AND BENEFITS AVAILABLE TO LAWYERS OF COMPARABLE EXPERIENCE IN THE PRIVATE SECTOR.

THE INTRODUCTION OF SUCH A SCHEME SHOULD HELP REDUCE WASTAGE AND MAY ALSO ATTRACT ADDITIONAL LOCAL LAWYERS OF QUALITY TO JOIN THE DEPARTMENT.

THE RETENTION OF MORE LOCAL CROWN COUNSEL IN THE DEPARTMENT SHOULD ENLARGE THE POOL OF QUALIFIED AND EXPERIENCED LOCAL COUNSEL READY FOR PROMOTION TO SENIOR CROWN COUNSEL AND THEREBY WORK TOWARDS THE ACHIEVEMENT OF THE LOCALISATION TARGET FOR SCC.

THE WORKING GROUP CONCLUDED THAT WHILE THERE IS AN URGENT NEED TO QUICKEN THE PACE OF LOCALISATION IN AGC, OVERSEAS LAWYERS WILL CONTINUE TO HAVE AN IMPORTANT ROLE TO PLAY.

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"THE WORKING GROUP IS CONSCIOUS THAT THERE IS A BALANCING ACT TO PERFORM," THE REPORT SAID.

IT IS NOT POSSIBLE FOR LOCAL COUNSEL EARLY IN THEIR LEGAL CAREER TO FULLFIL ALL THE GOVERNMENT'S NEEDS IN, FOR INSTANCE, MAJOR PROSECUTIONS, COMMERCIAL CRIME, EXTRADITION, DRAFTING, AND ADVICE ON BANKING AND CONSTITUTIONAL REFORMS, IT ARGUED.

OF THE 99 LOCAL LAWYERS PRESENTLY EMPLOYED, ONLY 22 HAVE BEEN QUALIFIED FOR MORE THAN FIVE YEARS.

THE REPORT SAID THAT ATTORNEY GENERAL AND HIS LAW OFFICERS HAVE ADVISED THE WORKING GROUP THAT THERE IS A NEED FOR THE LONG-TERM RETENTION OF KEY OVERSEAS COUNSEL.

HOW THIS REQUIREMENT MIGHT BE FULFILLED AND OTHER OUTSTANDING ISSUES, SUCH AS THE LOCALISATION OF THE DIRECTORATE WILL BE ADDRESSED IN THE NEXT STAGE OF THE WORKING GROUP'S DELIBERATIONS.

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FULL WATER SUPPLY FOR COMING DRY SEASON

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FULL SUPPLY OF WATER WOULD BE MAINTAINED THROUGHOUT THE COMING DRY SEASON, THE DIRECTOR OF WATER SUPPLIES, MR K.L. WONG, SAID TODAY (TUESDAY).

THE DECISION FOLLOWED A POSITIVE REPLY FROM CHINA TO HONG KONG'S REQUEST FOR ADDITIONAL WATER AND CAREFUL ASSESSMENT OF THE SITUATION.

MR WONG NOTED CHINA HAD STATED IN THE REPLY IT WOULD DO ITS BEST TO MAINTAIN THE ADDITIONAL SUPPLY OF 280,000 CUBIC METRES OF WATER PER DAY TILL THE END OF NEXT FEBRUARY.

CHINA WOULD ALSO CONTINUE TO SUPPLY WATER DURING THE NORMAL SHUTDOWN PERIOD IN MARCH AND APRIL NEXT YEAR BUT WOULD ADVANCE THE SHUTDOWN PERIOD OF 1990 TO NOVEMBER AND DECEMBER NEXT YEAR, HE NOTED.

HE POINTED OUT THAT CHINA IS CURRENTLY SUPPLYING AN AVERAGE OF 1.8 MILLION CUBIC METRES OF WATER TO THE TERRITORY DAILY.

"AFTER ASSESSING THE SITUATION VERY CAREFULLY, WE CONSIDER FULL SUPPLY CAN CONTINUE THROUGHOUT THE COMING DRY SEASON," MR WONG SAID.

HOWEVER, THE DIRECTOR REMINDED THE PUBLIC OF THE NEED TO BE VIGILANT IN CONSERVING WATER.

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CHIEF SECRETARY TOURS LANTAU CORRECTIONAL INSTITUTIONS

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THE CHIEF SECRETARY, SIR DAVID FORD, SAW FOR HIMSELF THE MODERN CORRECTIONAL SERVICES ON LANTAU WHEN HE VISITED SHEK PIK PRISON AND SHA TSUI DETENTION CENTRE THIS (TUESDAY) AFTERNOON.

SIR DAVID WAS ACCOMPANIED BY THE COMMISSIONER OF CORRECTIONAL SERVICES, MR CHAN WA-SHEK, WHO SHOWED HIM AROUND THE INSTITUTIONS.

THE CHIEF SECRETARY PRAISED THE DEPARTMENT FOR BUILDING UP A MODERN PENAL SYSTEM WHICH PLACES INCREASING IMPORTANCE ON CORRECTING AND REHABILITATING INMATES. HE ALSO ENCOURAGED ITS STAFF TO CONTINUE FURTHER DEVELOPING PROGRAMMES FOR VARIOUS TYPES OF PRISONERS.

WHEN TOURING THE WORKSHOPS IN SHEK PIK PRISON, WHICH IS A MAXIMUM SECURITY INSTITUTION TO HOUSE PRISONERS SERVING LONG SENTENCES, SIR DAVID WAS TOLD THAT ALL PRISONERS WERE ENGAGED IN VARIOUS TRADES.

THESE TRADES INCLUDED GARMENT MAKING, CARPENTRY, PRINTING, LEATHER WORK, KNITTING AND BOOK BINDING.

SIR DAVID ALSO VISITED THE CONTROL ROOM, HOSPITAL AND DORMITORIES BEFORE PROCEEDING TO SHA TSUI DETENTION CENTRE.

AT SHA TSUI, THE CHIEF SECRETARY TOURED THE AFTERCARE SECTION, THE SICK BAY, THE KITCHEN, THE DINING ROOM AND THE REMAND SECTION.

HE WAS ALSO BRIEFED ON THE DETENTION CENTRE'S PROGRAMME WHICH CATERS FOR YOUNG MALE OFFENDERS AGED BETWEEN 14 AND 24.

THIS VERY SUCCESSFUL PROGRAMME EMPHASISES STRICT DISCIPLINE, HARD WORK AND COUNSELLING, WITH THE AIM OF TEACHING DETAINEES RESPECT FOR THE LAW AND SELF DISCIPLINE WHILE AT THE SAME TIME PROVIDING SUFFICIENT AND POSITIVE TRAINING.

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57 MORE VIETNAMESE REQUEST REPATRIATION

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ANOTHER 57 VIETNAMESE BOAT PEOPLE WHO HAVE ARRIVED IN HONG KONG AFTER JUNE 16 THIS YEAR HAVE REQUESTED VOLUNTARY REPATRIATION TO VIETNAM OVER THE PAST FIVE DAYS.

"THIS BRINGS TO 311 THE TOTAL NUMBER OF VIETNAMESE BOAT PEOPLE WHO HAVE COME AFTER THE IMPLEMENTATION OF THE SCREENING POLICY AND WHO HAVE ASKED TO BE SENT BACK," A GOVERNMENT SPOKESMAN SAID TODAY.

"IN THE FIRST HALF OF SEPTEMBER, THERE WERE SOME 80 SIMILAR REQUESTS.

"IN AUGUST, 69 SUCH REQUESTS WERE RECEIVED.

"OF THE LATEST 57 REQUESTS, MOST HAVE COME FROM VIETNAMESE BOAT PEOPLE STAYING IN THE HEI LING CHAU DETENTION CENTRE AND SOME OTHERS FROM THE ERSKINE TEMPORARY HOLDING CENTRE.

"THEIR DETAILS HAVE BEEN PASSED TO THE UNHCR FOR PROCESSING."

EARLIER THIS YEAR, THE GOVERNMENT ALSO PASSED TO THE UNHCR THE NAMES OF 17 VIETNAMESE REFUGEES WHO ARRIVED IN HONG KONG BEFORE JUNE 16 THIS YEAR AND WHO ASKED FOR VOLUNTARY REPATRIATION.

SINCE 1978, A TOTAL OF 26 VIETNAMESE REFUGEES HAVE VOLUNTARILY RETURNED TO VIETNAM.

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NEW GUIDELINES ADOPTED ON AMUSEMENT GAMES CENTRES

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THE COMMISSIONER FOR TELEVISION AND ENTERTAINMENT LICENSING ANNOUNCED TODAY (TUESDAY) THAT, WITH IMMEDIATE EFFECT, HE WAS ADOPTING NEW GUIDELINES IN CONSIDERING APPLICATIONS FOR AMUSEMENT GAMES CENTRES (AGC'S) LICENCES UNDER THE MISCELLANEOUS LICENCES ORDINANCE.

"UNDER THE NEW GUIDELINES, WHICH WILL BE APPLIED WHEN CONSIDERING ANY NEW APPLICATION FOR AN AGC LICENCE RECEIVED AFTER TODAY, APPLICATIONS WILL BE CONSIDERED ONLY FOR CENTRES IN BUILDINGS USED SOLELY FOR COMMERCIAL PURPOSES," A GOVERNMENT SPOKESMAN SAID.

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"LICENCES WILL NOT NORMALLY BE GRANTED FOR PREMISES IN BUILDINGS IN WHICH THERE IS ALREADY A LICENSED GAMES CENTRE OR AN EDUCATIONAL INSTITUTION; NOR IF THE PROPOSED CENTRE IS WITHIN A RADIUS OF 100 METRES FROM AN EXISTING CENTRE OR THE EDUCATIONAL INSTITUTION.

"THESE NEW GUIDELINES ARE BEING ADOPTED IN RESPONSE TO PUBLIC CONCERN AT THE RECENT GROWTH IN THE NUMBER OF AMUSEMENT GAMES MACHINES.

"THE NUMBER OF NEW MACHINES HAS INCREASED BY OVER 140 PER CENT IN THE PAST THREE YEARS. THIS HAS RESULTED IN AN INCREASING NUMBER OF PUBLIC COMPLAINTS ABOUT NEW CENTRES."

THE SPOKESMAN SAID THE AGC TRADE HAD ALSO EXPRESSED DISSATISFACTION WITH THE PRESENT SITUATION.

"IN SOME CASES, LOCATIONS WHICH APPEAR TO MEET THE PRESENT CRITERIA ARE REFUSED A LICENCE BECAUSE OF PUBLIC OPPOSITION," HE SAID.

"BY ADOPTING THE NEW GUIDELINES, WE SHALL BE PUTTING THE TRADE ON NOTICE THAT THEY ARE UNLIKELY TO GAIN LICENCES IN PLACES WHERE PUBLIC OPPOSITION CAN BE EXPECTED.

"DISTRICT BOARDS WILL BE CONSULTED ON THE NEW GUIDELINES OVER THE NEXT THREE MONTHS. IN THE LIGHT OF THE VIEWS EXPRESSED BY THE DB'S, THESE GUIDELINES CAN BE ADJUSTED AND CHANGES MADE TO THE LICENCE CONDITIONS FOR ADULT AND CHILDREN'S AGC'S.

"WE HAVE BEEN OBLIGED TO ADOPT THE NEW GUIDELINES IMMEDIATELY SO AS TO AVOID BEING INUNDATED WITH APPLICATIONS TRYING TO BEAT THE THREE MONTHS' CONSULTATION PERIOD DEADLINE.

"HOWEVER, WE INTEND TO TAKE THE VIEWS OF THE DB'S FULLY INTO ACCOUNT BEFORE FINALISING OUR POLICY."

IN ADDITION TO THESE GUIDELINES, THE COMMISSIONER FOR TELEVISION AND ENTERTAINMENT LICENSING HAS PROPOSED THAT LICENCE CONDITIONS BE CHANGED TO RAISE THE MINIMUM AGE FOR ADMISSION TO AN ADULT GAMES CENTRE FROM 16 TO 18 YEARS.

"THIS WILL BRING THE AGE LIMIT FOR GAMES CENTRES INTO LINE WITH THAT ADOPTED IN OTHER LEGISLATION", THE SPOKESMAN SAID.

"AS EXISTING LICENCES ARE RENEWED, THE 18-YEAR AGE LIMIT WILL BE INCORPORATED SO THAT BY EARLY 1990, A UNIFORM AGE LIMIT OF 18 YEARS WILL APPLY TO ALL ADULT GAMES CENTRES IN THE TERRITORY.

"AS AT PRESENT, WE SHALL MAINTAIN THE POLICY OF ENSURING THAT THE PUBLIC INTEREST IS CAREFULLY CONSIDERED EVEN IF ALL OTHER CRITERIA IN THE GRANTING OF NEW LICENCES HAVE BEEN MET.

"EACH NEW APPLICATION WILL BE REFERRED TO DISTRICT OFFICES FOR THEIR ADVICE ON ACCEPTABILITY BY LOCAL RESIDENTS AND THE VIEWS OF THE DISTRICT OFFICES WILL BE CONSIDERED CAREFULLY BEFORE ANY NEW LICENCE IS GRANTED."

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TWO BY-ELECTIONS ON THURSDAY

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ELECTORS IN THE YAU TSIM CONSTITUENCY OF THE URBAN COUNCIL AND THE TSUEN WAN EAST (NORTH) CONSTITUENCY OF THE TSUEN WAN DISTRICT BOARD ARE URGED TO VOTE IN THE BY-ELECTIONS TO BE HELD ON THURSDAY (OCTOBER 6).

THE BY-ELECTION FOR THE YAU TSIM CONSTITUENCY OF THE URBAN COUNCIL IS BEING CONTESTED BY THREE CANDIDATES -- MS WOO YAN-YUE, MR EDMUND CHOW WAI-HUNG AND MS JULIANA LI WING-NA.

THE TERM OF OFFICE FOR THE URBAN COUNCIL SEAT, VACATED BY MR KWAN LIM-HO, WILL RUN UNTIL MARCH 31 NEXT YEAR.

THERE WILL BE SEVEN POLLING STATIONS FOR THE URBAN COUNCIL BY-ELECTION. HOWEVER, ELECTORS MAY ONLY VOTE AT THE POLLING STATION SPECIFIED ACCORDING TO THEIR RESIDENTIAL ADDRESS.

THE SEVEN POLLING STATIONS ARE:

- (A) ANGEL'S CATHOLIC KINDERGARTEN,
52 UNIVERSAL MANSION,
OBSERVATORY COURT, OBSERVATORY ROAD.
- (B) ACTIVITIES CENTRE,
YAU TSIM DISTRICT CULTURAL AND
ARTS ASSOCIATION,
33 SALISBURY ROAD.
- (C) THE SCOUT ASSOCIATION OF HONG KONG,
MORSE HOUSE, 9 COX'S ROAD.
- (D) TUNG WAH GROUP OF HOSPITALS
LO YU CHIK PRIMARY SCHOOL,
51 PITT STREET.
- (E) JORDAN ROAD GOVERNMENT PRIMARY SCHOOL,
1B NANKING STREET.
- (F) HENRY G. LEONG YAU MA TEI COMMUNITY CENTRE,
G/F, 60 PUBLIC SQUARE STREET; AND
- (G) PING AN CHRISTIAN CHURCH,
2/F, 43-47 MAN CHEONG BUILDING,
FERRY POINT.

THE BY-ELECTION FOR THE TSUEN WAN EAST (NORTH) CONSTITUENCY OF THE TSUEN WAN DISTRICT BOARD IS BEING CONTESTED BY TWO CANDIDATES -- MR LAW KAM-SING AND MR YEUNG FUK-KWONG.

/THE TERM

TUESDAY, OCTOBER 4, 1988

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THE TERM OF OFFICE FOR THE SEAT, VACATED BY MR YEUNG FUK-KWONG, WILL RUN UNTIL MARCH 31, 1991.

THE ONLY POLLING STATION FOR THE DISTRICT BOARD BY-ELECTION WILL BE AT THE TSUEN WAN PUBLIC HO CHUEN YIU MEMORIAL COLLEGE IN SHEK WAI KOK ESTATE.

POLLING FOR BOTH BY-ELECTIONS WILL TAKE PLACE BETWEEN 7.30 AM AND 10.30 PM.

ELECTORS ARE ADVISED TO TAKE ALONG THEIR IDENTITY CARDS AND THE POLL CARDS TO THE DESIGNATED POLLING STATION DURING THE POLLING HOURS.

SINCE THERE IS ONLY ONE VACANCY IN EACH OF THE CONSTITUENCIES, ELECTORS SHOULD SIMPLY MARK ON THE BALLOT PAPER A CROSS IN THE BOX ALONGSIDE THE NAME OF THE CANDIDATE OF THEIR CHOICE.

ANY ELECTORS WHO WISH TO OBTAIN FURTHER INFORMATION CONCERNING THE BY-ELECTIONS ARE INVITED TO CONTACT THE REGISTRATION AND ELECTORAL DIVISION ON TEL. 5-270369 OR 5-270380.

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NEW HANDBOOK ON TRADE DEPARTMENT PUBLISHED

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A COMPREHENSIVE GUIDE IS NOW AVAILABLE FOR TRADERS, BOTH LOCAL AND OVERSEAS, TO ACQUAINT THEM WITH THE WORK AND SERVICES PROVIDED BY THE TRADE DEPARTMENT AND OTHER TRADE RELATED ORGANISATIONS.

THE NEWLY PUBLISHED "1988 TRADE DEPARTMENT HANDBOOK" - THE FIRST OF ITS KIND EVER PUBLISHED BY TRADE DEPARTMENT - OUTLINES THE SERVICES PROVIDED BY THE DEPARTMENT.

THESE RANGE FROM CERTIFICATION, TEXTILES IMPORT AND EXPORT LICENSING, LICENSING OF STRATEGIC AND NON-STRATEGIC COMMODITIES, TO ENFORCEMENT AND SANCTIONS AS WELL AS INFORMATION AVAILABLE TO TRADERS.

IT ALSO EXPLAINS THE ORGANISATION OF THE DEPARTMENT AND GIVES DETAILS ON LICENCE APPLICATION FORMS AND FEES AND CHARGES PAYABLE.

"THE HANDBOOK SEEKS TO FACILITATE TRADERS IN GOING ABOUT THEIR BUSINESS IN HONG KONG. WE INTEND TO UPDATE IT REGULARLY," THE DIRECTOR OF TRADE, MR MICHAEL SZE, SAID TODAY (TUESDAY).

/"WE HOPE

"WE HOPE THAT THIS BOOKLET WILL MAKE THE TRADE DEPARTMENT MORE ACCESSIBLE TO TRADERS."

THE HANDBOOK ALSO LISTS ALL THE VARIOUS INFORMATION BROCHURES CURRENTLY PUBLISHED BY THE DEPARTMENT AND ADVISES ON WHO TO CONTACT FOR FURTHER INFORMATION ON THE AVAILABLE SERVICES.

IN ADDITION, IT ALSO GIVES INFORMATION ON TRADE RELATED SERVICES PROVIDED BY OTHER GOVERNMENT DEPARTMENTS AND OUTSIDE ORGANISATIONS.

THESE INCLUDE SERVICES RELATED TO BUSINESS REGISTRATION, COMPANY AND FACTORY REGISTRATION, INDUSTRIAL PROMOTION, EXPORT CREDIT INSURANCE, TRADE DECLARATIONS, TRADE CLASSIFICATION AND TRADE PROMOTION.

THE HANDBOOK IS NOW AVAILABLE FREE OF CHARGE FROM THE ENQUIRY COUNTER OF THE TRADE DEPARTMENT IN OCEAN CENTRE, GROUND FLOOR, CANTON ROAD, TSIM SHA TSUI, KOWLOON.

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AUCTION OF SPECIAL CAR NUMBERS

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THE TRANSPORT DEPARTMENT WILL HOLD ANOTHER AUCTION OF SPECIAL VEHICLE REGISTRATION NUMBERS ON SATURDAY (OCTOBER 8) AT 10 AM IN THE CITY HALL RECITAL HALL.

A TOTAL OF 40 SPECIAL CAR NUMBERS WILL BE AVAILABLE FOR BIDDING. THEY ARE :

AD9876	BJ3339	DW 139	DW9398
DK 929	DW 918	DU 732	BR 87
AC 973	DW 777	1129	DW 233
AW 750	AB 663	DW 308	DX1389
CL 819	DX 180	DW 315	828
DD1133	DX 289	DX 993	DX 983
CP 192	DX1212	DX 881	CF 172
DU 785	AA 285	162	DY1111
DX3282	DX 328	DW 688	BR 189
DW 10	DX 911	BG 677	DU 735

/SUCCESSFUL BIDDERS

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SUCCESSFUL BIDDERS MUST PAY BY CHEQUE IMMEDIATELY AFTER THE BIDDING.

A TRANSPORT DEPARTMENT SPOKESMAN REMINDED BIDDERS THAT THE VEHICLE REGISTRATION NUMBER WOULD BE ASSIGNED ONLY TO A VEHICLE REGISTERED IN THE NAME OF THE SUCCESSFUL BIDDER WITHIN 12 MONTHS OF THE AUCTION.

THE CERTIFICATE OF INCORPORATION MUST BE PRODUCED IMMEDIATELY AFTER THE AUCTION IF THE VEHICLE REGISTRATION MARK IS TO BE REGISTERED UNDER THE NAME OF A BODY CORPORATE.

PROCEEDS OF THE AUCTION WILL AS USUAL GO TO THE GOVERNMENT LOTTERIES FUND.

THE COMING AUCTION WILL BE THE 130TH ORGANISED BY THE TRANSPORT DEPARTMENT SINCE MAY 1973.

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RE-ALIGNMENT OF ISLAND HOUSE MONUMENT BOUNDARY ANNOUNCED

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THE ANTIQUITIES AUTHORITY ANNOUNCED THAT THE MONUMENT BOUNDARY OF ISLAND HOUSE, YUEN CHAU TSAI, TAI PO, HAS BEEN RE-ALIGNED.

BUILT IN 1905, THE ISLAND HOUSE WAS DECLARED AS AN HISTORICAL BUILDING IN MARCH 1983 UNDER THE ANTIQUITIES AND MONUMENTS ORDINANCE.

AS A RESULT OF THE CONSTRUCTION OF TOLO HIGHWAY, THE TOPOGRAPHY OF YUEN CHAU TSAI HAS BEEN ALTERED. THE MONUMENT BOUNDARY OF ISLAND HOUSE, THEREFORE, NEEDS TO BE RE-ALIGNED ACCORDINGLY.

A PLAN NUMBERED NTM 39 SHOWING THE REVISED BOUNDARY IS KEPT IN THE ANTIQUITIES AND MONUMENTS OFFICE OF THE MUNICIPAL SERVICES BRANCH FOR PUBLIC INSPECTION.

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TUESDAY, OCTOBER 4, 1988

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URBAN CLEARWAY, RIGHT-TURN BAN

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THE TRANSPORT DEPARTMENT ANNOUNCED THE EXTENSION OF A 24-HOUR URBAN CLEARWAY RESTRICTION IN WONG TAI SIN FROM 10 AM ON FRIDAY (OCTOBER 7).

THE EXISTING 24-HOUR URBAN CLEARWAY RESTRICTION ON EASTBOUND CLEAR WATER BAY ROAD, FROM ITS JUNCTION WITH THE UNNAMED ACCESS ROAD LEADING TO ST JOSEPH'S HOME FOR THE AGED TO A POINT ABOUT 20 METRES EAST OF THE SAME JUNCTION, WILL BE EXTENDED EASTWARDS FOR ABOUT 25 METRES.

THE MEASURE IS INTENDED TO IMPROVE TRAFFIC FLOW. NO VEHICLES WILL BE ALLOWED TO STOP WITHIN THE URBAN CLEARWAY FOR PASSENGERS OR GOODS.

AT THE SAME TIME, IN SHAM SHUI PO, ALL VEHICLES EXCEPT FRANCHISED BUSES WILL NOT BE ALLOWED TO TURN RIGHT FROM WESTBOUND NAM CHEONG STREET ONTO YU CHAU STREET.

MOTORISTS ON WESTBOUND NAM CHEONG STREET HEADING FOR YU CHAU STREET WILL HAVE TO TRAVEL VIA KI LUNG STREET, SHEK KIP MEI STREET AND YU CHAU STREET.

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