



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

WEDNESDAY, JULY 13, 1988

CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING :

BASIC LAW MUST REFLECT SPIRIT OF JOINT DECLARATION	1
OMELCO PANEL'S APPROACH, OPINIONS OUTLINED	4
SPELL OUT 'ONE COUNTRY, TWO SYSTEMS' CONCEPT	8
THREE GUIDING PRINCIPLES OUTLINED	10
LEGISLATORS SHOULD ELECT CHIEF EXECUTIVE	12
CONFORMITY WITH JOINT DECLARATION REQUIRED	14
PEOPLE CAN STILL HELP MOULD THEIR FUTURE	16
10 PER CENT LEVEL AN APPROPRIATE START	18
DISCLOSURE BILL WILL IMPROVE HK'S IMAGE	20
DISCLOSURE OF INTERESTS BILL SUPPORTED	21
PROTECTION AGAINST UNDESIRABLE MEDICAL ADS	22
POSITIVE ENFORCEMENT ACTION ON MEDICAL ADS URGED	24
12 MEMBERS SPEAK IN LEGCO DEBATE ON BASIC LAW	25
CHINA LAW SOCIETY PRESIDENT VISITS SWD HOMES	26
SALE OF TWO INDUSTRIAL SITES FETCHED \$210M	26
EXTRA LIGHTS PROPOSED FOR LRT INTERSECTION	27
ISLANDS DB COMMITTEE TO DISCUSS SPORTS REPORT	28
MEETING ON OBJECTIONS TO THA	28
RESULTS OF FIRST QUARTER SURVEY OF RESTAURANT RECEIPTS, PURCHASES	29
TALENT NIGHT TO LAUNCH YUEN LONG SUMMER YOUTH PROGRAMME ...	32
GOVERNMENT LAND TO LET BY TENDER	33
URBAN CLEARWAYS IN CENTRAL	33
URBAN CLEARWAYS IN NORTH POINT, CHAI WAN	34
SPEED LIMIT CHANGE ON POK FU LAM ROAD	35
SUSPENSION OF PARKING SPACES AT MURRAY BARRACKS	35
TRAFFIC CHANGES IN KOWLOON	35
TRAFFIC AND TRANSPORT ARRANGEMENTS IN SHAM SHUI PO	36

WEDNESDAY, JULY 13, 1988

- 1 -

BASIC LAW MUST REFLECT SPIRIT OF JOINT DECLARATION

* * * * *

THE BASIC LAW FOR THE FUTURE HONG KONG SPECIAL ADMINISTRATIVE REGION MUST FULFIL THE SPIRIT AS WELL AS THE LETTER OF THE JOINT DECLARATION, THE SENIOR MEMBER OF THE LEGISLATIVE COUNCIL, THE HON LYDIA DUNN, SAID TODAY (WEDNESDAY).

THE SPIRIT TO WHICH SHE REFERRED WAS THE CONCEPT OF "ONE COUNTRY - TWO SYSTEMS" AND THE IDEA OF "HONG KONG PEOPLE RULING HONG KONG".

LEADING OFF THE COUNCIL'S TWO-DAY MOTION DEBATE ON THE DRAFT BASIC LAW, MISS DUNN OBSERVED THAT THOSE TWO PHRASES HAD CAUGHT THE IMAGINATION OF HONG KONG PEOPLE AND HAD WON ROUND THOSE WHO HAD BEEN SCEPTICAL ABOUT THE OUTCOME OF THE SINO-BRITISH NEGOTIATIONS. BUT THEY WERE NOT SPELT OUT IN THE TEXT OF THE JOINT DECLARATION.

"THE JOINT DECLARATION REFERRED TO A HIGH DEGREE OF AUTONOMY WITHOUT ANY DEFINITION OF THE KEY CONCEPT," SHE SAID.

THE MOTION MOVED BY MISS DUNN READS: "THAT THE LEGISLATIVE COUNCIL TAKES NOTE OF 'THE DRAFT BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA (FOR SOLICITATION OF OPINIONS)' AND URGES THE PEOPLE OF HONG KONG TO STUDY THE DRAFT AND TO EXPRESS THEIR VIEWS ON IT".

SHE SAID THAT MEMBERS OF THE COUNCIL COULD NOT STAND SILENT ON THIS "CRUCIALLY IMPORTANT" DOCUMENT THAT AFFECTED THE FUTURE OF EVERYONE IN HONG KONG. BUT SHE MADE IT CLEAR THAT MEMBERS DID NOT COMMENT ON BEHALF OF THE HONG KONG GOVERNMENT.

"WE COMMENT FOR OURSELVES, IN GOOD CONSCIENCE," SHE STRESSED.

MISS DUNN MAINTAINED THAT POWER MUST BE CONFERRED ON THE SAR GOVERNMENT OPEN-HANDEDLY, AND WITHOUT TOO MANY STRINGS ATTACHED.

"THE HONG KONG SAR GOVERNMENT AND THE HONG KONG JUDICIARY MUST BE TRUSTED TO EXERCISE THEIR POWERS RESPONSIBLY," SHE SAID, ADDING THAT ONLY IF THE BASIC LAW CLEARLY RECOGNISED THAT HONG KONG PEOPLE KNEW BEST HOW TO MAINTAIN PROSPERITY AND STABILITY IN THE TERRITORY WOULD IT BOOST THEIR CONFIDENCE.

MISS DUNN STRONGLY BELIEVED THAT THE BASIC LAW SHOULD ALSO REFLECT THE REALITY OF HONG KONG'S PRESENT OPEN SYSTEM OF GOVERNMENT, THE MOST IMPORTANT FEATURE OF WHICH WAS THAT NO-ONE HAS SUPREME POWER AND THAT NONE OF THE ORGANS OF GOVERNMENT HAD THE POWER TO OVER-RIDE THE OTHERS.

SHE STRESSED THAT THE CONSTANT SEARCH FOR A WIDELY ACCEPTABLE CONSENSUS BETWEEN DIFFERENT INTERESTS MUST BE PRESERVED.

MISS DUNN

WEDNESDAY, JULY 13, 1988

- 2 -

MISS DUNN POINTED OUT THAT THE REALITY OF HONG KONG'S PRESENT CONSTITUTIONAL ARRANGEMENTS WAS, IN IMPORTANT WAYS, DIFFERENT FROM THE TEXT OF ITS CONSTITUTION IN THE LETTERS PATENT AND ROYAL INSTRUCTIONS TO THE GOVERNOR WHICH WERE DRAFTED IN THE 19TH CENTURY AND REPRESENTED AN "OUTMODED FORM OF COLONIAL RULE".

THE MOST IMPORTANT OF THE EXTRAORDINARY POWERS GIVEN TO THE GOVERNOR HAD FALLEN INTO DISUSE, PARTICULARLY SINCE THE SECOND WORLD WAR, EXAMPLES BEING HIS POWER OF VETO OVER ALL LEGISLATION AND TO REJECT THE ADVICE OF THE EXECUTIVE COUNCIL.

"ALL THE RECENT GOVERNORS HAVE ACCEPTED THE WELL-ESTABLISHED CONSTITUTIONAL CONVENTION THAT THEY CANNOT OVER-RIDE EITHER COUNCIL," SHE SAID.

"IN SHORT, THE GOVERNOR TODAY IS A PART OF THE GOVERNMENT, NOT AN ABSOLUTE SOURCE OF POWER - ALTHOUGH LIKE THE CHIEF EXECUTIVE OF THE FUTURE, HE STILL WIELDS A GREAT DEAL OF POWER AND INFLUENCE."

IN OTHER WORDS, THE TREND IN RECENT TIMES HAD BEEN FOR AUTHORITY TO BE TRANSFERRED FROM LONDON TO HONG KONG, AND HONG KONG ALREADY ENJOYED A HIGH DEGREE OF AUTONOMY IN ITS INTERNAL AFFAIRS AND ITS EXTERNAL COMMERCIAL AFFAIRS.

MISS DUNN URGED THE DRAFTERS OF THE BASIC LAW TO TAKE ACCOUNT OF THESE PRESENT REALITIES. "OUR FUTURE CONSTITUTION SHOULD PROVIDE FOR THE CONTINUATION AND FUTURE DEVELOPMENT OF OUR EXISTING AUTONOMY, AND OF THE BALANCE OF POWER THAT SERVES US SO WELL," SHE SAID.

MISS DUNN BELIEVED THAT THE BASIC LAW SHOULD BE CONCERNED WITH "PRINCIPLES" AND NOT "POLICIES".

THE BASIC LAW WOULD BE HONG KONG'S FUTURE CONSTITUTION, AND CONSTITUTIONS WERE ALL ABOUT THE PRINCIPLES BY WHICH A STATE OR TERRITORY SHOULD BE GOVERNED, ABOUT THE DEVOLUTION AND THE DISTRIBUTION OF POWER, THE LIMITS OF POWER, THE RIGHTS AND DUTIES OF THOSE WHO EXERCISED POWER AND OF THE INDIVIDUAL CITIZEN, SHE POINTED OUT.

SHE THEREFORE MAINTAINED THAT THE BASIC LAW SHOULD IMPLEMENT THE PROMISES IN THE JOINT DECLARATION, BUT IT SHOULD NOT TRY TO LAY DOWN IN ADVANCE THE POLICIES WHICH FUTURE GOVERNMENTS SHOULD PURSUE.

"POLICY WILL NEED TO BE DECIDED BY THE GOVERNMENT OF THE DAY IN THE LIGHT OF UNFOLDING CIRCUMSTANCES," SHE SAID.

"THE HANDS OF FUTURE SAR GOVERNMENTS OUGHT NOT BE TIED TO PARTICULAR POLICIES WHICH MAY APPEAL NOW, BUT WHICH COULD BE INAPPROPRIATE AND BURDENSOME AND THE CAUSE OF LEGAL WRANGLES IN TIMES TO COME."

/MISS DUNN

MISS DUNN RECALLED THAT IT WAS AGREED BY THE CHINESE AND BRITISH GOVERNMENTS THAT THE HONG KONG SAR GOVERNMENT SHOULD DECIDE ITS ECONOMIC, TRADE, MONETARY AND FINANCIAL POLICIES "ON ITS OWN", AND DEAL "ON ITS OWN" WITH FINANCIAL MATTERS, INCLUDING DISPOSING OF ITS FINANCIAL RESOURCES AND DRAWING UP ITS BUDGETS.

SHE WAS CONCERNED THAT THE ARTICLES IN CHAPTER V OF THE DRAFT BASIC LAW WHICH PRESCRIBE HOW THE SAR GOVERNMENT SHOULD DRAW UP ITS BUDGET AND PRACTISE A LOW TAX POLICY MIGHT UNDERMINE THE AUTONOMY THAT HAD BEEN PROMISED TO IT.

"IT WOULD ALSO SEEM TO BE CONTRARY TO THE JOINT DECLARATION TO DICTATE POLICY MATTERS IN THIS WAY," SHE ADDED.

SHE HOPED THAT THE BASIC LAW DRAFTERS WOULD LOOK AGAIN AT THE LINE TO BE DRAWN BETWEEN THOSE PRINCIPLES WHICH MUST BE PART OF THE BASIC LAW IN ORDER TO IMPLEMENT SPECIFIC ASSURANCES GIVEN BY THE JOINT DECLARATION, AND THOSE MATTERS OF POLICY WHICH SHOULD BE LEFT FOR FUTURE SAR GOVERNMENTS TO DECIDE ON THEIR OWN.

MISS DUNN EXPRESSED THE VIEW THAT THE BASIC LAW MUST BE SUFFICIENTLY FLEXIBLE TO ALLOW DEVELOPMENTS TO TAKE PLACE OVER THE NEXT 50 YEARS AS HONG KONG CONTINUED TO GROW AND MATURE.

HONG KONG WAS A DYNAMIC SOCIETY. IT HAD SUCCEEDED IN THE PAST BECAUSE IT HAD ALWAYS BEEN ABLE TO ADAPT QUICKLY TO CHANGE, BOTH EXTERNAL CHANGES IN THE WORLD OUTSIDE, AND INTERNAL CHANGES IN THE DEMANDS OF ITS OWN PEOPLE.

IT HAD DONE THIS BY COMBINING CONSISTENCY OF PRINCIPLE WITH A PRAGMATIC DEVELOPMENT OF POLICIES.

"IT IS THEREFORE ESSENTIAL THAT THE BASIC LAW DOES NOT HAVE THE EFFECT OF SAPPING HONG KONG'S ENERGIES OR DAMPING ITS DYNAMISM," SHE SAID.

"NEW TRENDS, NEW CHANGES OF DIRECTION THAT WE CANNOT IMAGINE WILL HAVE TO BE ACCOMMODATED."

SHE WARNED THAT THE ATTEMPT TO INCLUDE TOO MANY DETAILS IN THE BASIC LAW MIGHT "LOCK HONG KONG INTO A RIGID FRAME" THAT PREVENTED IT FROM RESPONDING TO THE NEED FOR CHANGE IN WAYS THAT COULD NOT BE PREDICTED.

THIS WOULD BE DANGEROUS BECAUSE A SOCIETY THAT COULD NOT CHANGE OR DID NOT CHANGE WAS ONE WHERE THERE WAS NO PROGRESS, AND WHERE STABILITY WAS ENDANGERED.

IN CONCLUSION, MISS DUNN SAID THAT THE BASIC LAW DRAFTERS' RESPONSE TO THE MANY COMMENTS AND SUGGESTIONS FROM THE HONG KONG COMMUNITY WOULD BE CRUCIAL AS HONG KONG EXPECTED THE FINAL DRAFT TO REFLECT THE PEOPLE'S WISHES AND ASPIRATIONS IN A POSITIVE WAY.

- 4 -

"THE BASIC LAW IS THE KEY TO OUR FUTURE, AND TO OUR CONFIDENCE IN OUR FUTURE. A GREAT DEAL IS AT STAKE BOTH FOR CHINA AND FOR HONG KONG," SHE SAID.

SHE VERY MUCH HOPED THAT MEMBERS' VIEWS WOULD BE TAKEN SERIOUSLY BY THE BASIC LAW CONSULTATIVE COMMITTEE AS WELL AS BY THE AUTHORITIES IN CHINA, AND BE GIVEN FULL WEIGHT.

- - - - 0 - - - -

OMELCO PANEL'S APPROACH, OPINIONS OUTLINED

* * * * *

MEMBERS OF THE OMELCO STANDING PANEL ON CONSTITUTIONAL DEVELOPMENT HAD THREE BASIC CONSIDERATIONS IN MIND WHEN THEY STUDIED THE DRAFT BASIC LAW, AND, BASED ON THESE, INITIAL CONSENSUS HAD BEEN REACHED ON SEVERAL ASPECTS OF THE DOCUMENT.

THE PANEL'S CONVENER, THE HON ANDREW WONG, GAVE A "BRIEF AND INEXHAUSTIVE" ACCOUNT OF THE PANEL'S APPROACH TO AND OPINIONS ON THE DRAFT BASIC LAW WHEN SPEAKING IN THE MOTION DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR WONG SAID THE PANEL, WHICH HAD HELD A TOTAL OF 14 MEETINGS IN TWO MONTHS, WOULD SUBMIT A REPORT TO THE OMELCO IN-HOUSE SHORTLY WITH THE RECOMMENDATION THAT IT BE PUBLISHED FOR PUBLIC INFORMATION.

HE ALSO ASKED THAT THE GOVERNOR CONSIDER WHETHER OR NOT THE REPORT SHOULD BE CONVEYED THROUGH DIPLOMATIC CHANNELS TO THE RELEVANT AUTHORITIES IN CHINA.

THE PANEL'S THREE CONSIDERATIONS WERE: CONSISTENCY OF THE BASIC LAW WITH THE SINO-BRITISH DECLARATION IN TERMS OF THE LATTER'S SPIRIT; ENFORCEABILITY AND JUSTIFIABILITY OF THE PROVISIONS IN THE BASIC LAW; AND CONSensual CONCEPT OF EVOLUTION.

GUIDED BY THE THREE CONSIDERATIONS, THE PANEL HAD FORMED A LARGE NUMBER OF PRELIMINARY CONSensual VIEWS, HE SAID.

THE FIRST ASPECT ON WHICH CONSENSUS WAS REACHED CONCERNED THE BOUNDARIES AND STATUS OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION.

MR WONG SAID MEMBERS WERE OF THE VIEW THAT ADMINISTRATIVE BOUNDARIES OF THE REGION OUGHT TO BE PART OF THE BASIC LAW.

THEY CONSIDERED THAT A PROVISION SHOULD BE INSERTED IN CHAPTER I, PREFERABLY IN OR AFTER ARTICLE 1 REFERRING TO A MAP SHOWING THE BOUNDARIES AND THAT THE MAP SHOULD HAVE LEGAL EFFECT.

MEMBERS CONSIDERED

MEMBERS CONSIDERED THAT THE FORMULATION OF "COMES DIRECTLY UNDER THE CENTRAL PEOPLE'S GOVERNMENT" IN ARTICLE 11 REQUIRED CLARIFICATION.

ARTICLE 21, WHICH AMPLIFIED THIS STATUS, OUGHT TO BE APPROPRIATELY REDRAFTED TO THE EFFECT THAT THE DEPARTMENTS AND PROVINCES OF THE CENTRAL PEOPLE'S GOVERNMENT "SHALL NOT INTERFERE IN THE AFFAIRS OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION".

THE SECOND ASPECT CONCERNED PERMANENT RESIDENTS OF THE SAR. MR WONG REFLECTED MEMBERS' VIEW THAT A SEPARATE ARTICLE SHOULD APPEAR IN CHAPTER 1, DEFINING THE RIGHT OF ABODE OF THESE PEOPLE.

THE THIRD ASPECT CONCERNED AREAS OF POWERS OF THE SAR. MEMBERS NOTED THAT ARTICLE 2, AS DRAFTED, COULD BE CONSTRUED TO BE INCONSISTENT WITH THE JOINT DECLARATION WHICH STIPULATED THAT THE "REGION WILL ENJOY A HIGH DEGREE OF AUTONOMY, EXCEPT IN FOREIGN AND DEFENCE AFFAIRS WHICH ARE THE RESPONSIBILITIES OF THE CENTRAL PEOPLE'S GOVERNMENT".

MR WONG SAID MEMBERS HAD PROPOSED PREFERABLE FORMULATIONS FOR A NUMBER OF RELATED ARTICLES IN AN EFFORT TO DISPEL THE PROBLEMATIC CONCEPT OF "RESIDUAL POWER".

THE FOURTH ASPECT CONCERNED THE TYPES OF POWERS OF THE SAR. MEMBERS HAD NOTED THAT CERTAIN PROVISIONS IN THE DRAFT BASIC LAW COULD BE PROBLEMATIC IN THAT THEY MIGHT BE CONSTRUED AS DEROGATING FROM THE PROVISION IN ARTICLE 2 OF CHAPTER 1 WHICH WAS CONSISTENT WITH THE JOINT DECLARATION.

MR WONG SAID THAT WHILE MEMBERS ACCEPTED THAT THE CENTRAL PEOPLE'S GOVERNMENT ENJOYED EXECUTIVE, LEGISLATIVE AND JUDICIAL POWERS OVER THE HONG KONG SAR, INCLUDING THE INTERPRETATION OF THE BASIC LAW, THEY MAINTAINED THAT SUCH POWERS OUGHT TO BE STRICTLY CONSISTENT WITH THE TERMS OF THE JOINT DECLARATION.

MEMBERS WERE OF THE VIEW THAT OF THE THREE SOURCES OF LAW FOR THE REGION, THAT IS, THE BASIC LAW, THE LAWS PREVIOUSLY IN FORCE IN HONG KONG, AND THE LAWS ENACTED BY THE LEGISLATURE OF THE SAR, THOSE LAWS ENACTED BY THE NATIONAL PEOPLE'S CONGRESS OR ITS STANDING COMMITTEE, IF REQUIRING APPLICATION LOCALLY, SHOULD NOT BE DECREED BY THE STATE COUNCIL FOR LOCAL APPLICATION OR BE PROMULGATED LOCALLY ON THE DIRECTIVES OF THE STATE COUNCIL, BUT SHOULD BE LEGISLATED FOR LOCALLY ON SUCH DIRECTIVES.

MEMBERS FEARED THAT DECREES OR PROMULGATION MIGHT CONSTITUTE A FOURTH SOURCE OF LAW, THUS DEVIATING FROM THE JOINT DECLARATION.

MEMBERS WERE ALSO WARY OF THE PHRASE "OTHER LAWS" WHICH GAVE EXPRESSION TO NATIONAL UNITY AND TERRITORIAL INTEGRITY, AND FELT THAT IT OUGHT TO BE INCORPORATED INTO THE BASIC LAW, PROBABLY AS AN APPENDIX.

ON THE ARTICLE REGARDING JUDICIAL POWER, MR WONG SAID MEMBERS FOUND THE CONCEPT OF "EXECUTIVE ACTS OF THE CENTRAL PEOPLE'S GOVERNMENT" AMBIGUOUS.

THEY WERE OF THE VIEW THAT THE EXISTING SYSTEM WHEREBY THE PEOPLE COULD TAKE THE GOVERNMENT BOTH LOCAL (HONG KONG) AND CENTRAL (BRITAIN NOW, BUT CHINA AFTER 1997) TO THE COURTS ON ALL MATTERS, INCLUDING DEFENCE AND FOREIGN AFFAIRS, SHOULD BE MAINTAINED.

THEY CONSIDERED AS SUFFICIENT THE EXISTING SYSTEM OF LEAVING IT TO THE COURTS TO DETERMINE IN THE TRIAL WHETHER OR NOT "ACTS OF STATE" OR "FACTS OF STATE" WERE INVOLVED AND TO TAKE APPROPRIATE ACTION.

ON THE POWER TO INTERPRET THE BASIC LAW, MR WONG REFLECTED MEMBERS' VIEW THAT THIS POWER COULD BE DELEGATED TO THE COURTS OF THE HONG KONG SAR.

ALTERNATIVELY, AND AS A MINIMUM, MEMBERS CONSIDERED THAT THE SAR COURTS SHOULD BE EMPOWERED TO INTERPRET ALL THE PROVISIONS IN THE LAW WITHOUT PREJUDICING THE POWER OF INTERPRETATION OF THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS ON MATTERS WHICH FELL OUTSIDE THE LIMITS OF THE SAR'S HIGH DEGREE OF AUTONOMY, AND THAT INTERPRETATIONS MADE WOULD BE BINDING ON THE COURTS.

BUT CASES UNDER ADJUDICATION AND JUDGEMENTS PREVIOUSLY RENDERED SHOULD NOT BE AFFECTED.

ON THE QUESTION OF AMENDING THE BASIC LAW, MR WONG SAID MEMBERS FELT THAT THE RIGHT TO PROPOSE AMENDMENTS SHOULD BE RESTRICTED TO THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS AND THE HONG KONG SAR'S CHIEF EXECUTIVE AND LEGISLATURE.

THEY SUGGESTED THAT THE RELEVANT ARTICLE SHOULD BE REDRAFTED TO PRODUCE THE DESIRED EFFECT.

MEMBERS WERE OF THE VIEW THAT DÉPUTIES FROM THE SAR IN THE NATIONAL PEOPLE'S CONGRESS SHOULD NOT DEVELOP INTO AN ORGAN OF POWER, AND THAT PROVISIONS OUGHT TO BE MADE IN THE BASIC LAW GOVERNING THE COMPOSITION AND FUNCTIONS OF THE BASIC LAW COMMITTEE.

THE FIFTH ASPECT CONCERNED CIVIL RIGHTS. MEMBERS FELT THAT CHAPTER III REQUIRED DRASTIC REDRAFTING TO MODEL IT ON THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS AND/OR TO AT LEAST PROVIDE THAT THE COVENANT COULD BE ENFORCED.

THE SIXTH ASPECT TOUCHED ON THE PRESERVATION OF THE ECONOMIC AND SOCIAL SYSTEMS.

MEMBERS FELT STRONGLY THAT PRESERVATION OF THE EXISTING SYSTEMS SHOULD NOT BE AT THE EXPENSE OF CONTINUED EVOLUTION AND DEVELOPMENT.

/THEY NOTICED

WEDNESDAY, JULY 13, 1988

- 7 -

THEY NOTICED THAT A LARGE NUMBER OF PROVISIONS WERE EITHER MATTERS OF POLICY OR WERE DRAFTED IN SUCH A WAY AS TO MAKE THEIR JUSTIFIABILITY OPEN TO DOUBT OR THEIR INTERPRETATION DIFFICULT.

MEMBERS CONSIDERED THAT AN ATTEMPT MIGHT BE MADE TO IDENTIFY THOSE ARTICLES WHICH TOUCHED ON POLICY MATTERS OF RELATIVELY MINOR IMPORTANCE AND TO TRANSFER THEM TO A SEPARATE ANNEX OF POLICY GUIDELINES.

ANOTHER POSSIBLE SOLUTION WOULD BE FOR THE BASIC LAW TO MAKE A SPECIFIC REFERENCE TO THE JOINT DECLARATION, THEREBY INCORPORATING INTO THE BASIC LAW ALL POLICY MATTERS CONTAINED IN THE JOINT DECLARATION AND ITS ANNEXES.

THE SEVENTH ASPECT CONCERNED THE POLITICAL STRUCTURE OF THE SAR.

MEMBERS NOTED THAT THERE WAS NO PROVISION FOR EXTRADITION OR RENDITION UNDER EITHER SECTION 4 "JUDICIAL ORGANS" OR CHAPTER II "RELATIONSHIP BETWEEN CENTRAL AUTHORITIES AND THE SPECIAL ADMINISTRATIVE REGION".

THEY WERE ALSO BAFFLED BY THE TERM "LOCAL ORGANS OF POLITICAL POWER" IN ARTICLE 96 WHICH MIGHT BE LEGALLY VAGUE.

THEY WERE OF THE VIEW THAT THE COMMISSIONER AGAINST CORRUPTION, DIRECTOR OF AUDIT, COMMISSIONER OF IMMIGRATION AND INSPECTOR GENERAL OF CUSTOMS AND EXCISE SHOULD BE EXCLUDED FROM THE LIST OF POSTS RESERVED FOR CHINESE NATIONALS, IN ARTICLE 100.

MR WONG SAID THAT SECTIONS 1, 2 AND 3 WHICH DEALT RESPECTIVELY WITH THE CHIEF EXECUTIVE, THE EXECUTIVE AUTHORITIES AND THE LEGISLATURE WERE MORE PROBLEMATIC. THE PANEL HAD KEPT AN OPEN MIND UP TO NOW, BUT WOULD STUDY THESE SECTIONS FURTHER.

THE EIGHTH AND THE LAST ASPECT CONCERNED THE FIRST GOVERNMENT OF THE SAR.

MEMBERS FELT THAT IN ORDER TO MAINTAIN STABILITY AND PROSPERITY IN HONG KONG, THE FIRST GOVERNMENT OUGHT TO BE A REGULAR GOVERNMENT IN CONTRAST TO TRANSITIONAL GOVERNMENT.

THEY WERE GENERALLY IN SUPPORT OF THE "THROUGH TRAIN" CONCEPT, AND SUGGESTED THAT MEMBERS OF THE LEGISLATIVE COUNCIL BE ALLOWED TO CONTINUE TO SERVE THE UNEXPIRED TERM.

- - - - 0 - - - -

/8

WEDNESDAY, JULY 13, 1988

- 8 -

SPELL OUT 'ONE COUNTRY, TWO SYSTEMS' CONCEPT

* * * * *

THE "ONE COUNTRY, TWO SYSTEMS" CONCEPT SHOULD BE CLEARLY SPELT OUT IN THE BASIC LAW IN ORDER TO PROVIDE A LEGAL BASIS FOR THE CONCEPT, DR THE HON HO KAM-FAI SUGGESTED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE MOTION DEBATE ON THE DRAFT BASIC LAW, DR HO POINTED OUT THAT THE BASIC LAW SURELY COULD NOT CONTRIBUTE ANYTHING TOWARDS MAINTAINING AND ENHANCING THE CONFIDENCE OF THE PEOPLE OF HONG KONG IF THE PRINCIPLE OF "ONE COUNTRY, TWO SYSTEMS" WAS ONLY MENTIONED IN THE PREAMBLE BUT NOT IN THE 10 CHAPTERS NOR IN THE ANNEX.

AS THE LEGAL STATUS OF THE PREAMBLE HAD YET TO BE ESTABLISHED, HE SUGGESTED THAT THE PRINCIPLE OF "ONE COUNTRY, TWO SYSTEMS" SHOULD BE INCLUDED IN CHAPTER 1, ON GENERAL PRINCIPLES, BY AMENDING ARTICLE 4 AS FOLLOWS: "IN ACCORDANCE WITH THE PRINCIPLE OF ONE COUNTRY, TWO SYSTEMS, SOCIALIST SYSTEM AND POLICIES SHALL NOT BE PRACTISED IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION AND THE EXISTING CAPITALIST SYSTEM AND WAY OF LIFE SHALL NOT BE CHANGED FOR 50 YEARS".

AS HONG KONG WOULD BECOME A SPECIAL ADMINISTRATIVE REGION OF CHINA AFTER 1997, DR HO SAID IT WAS IMPORTANT THAT THE LAWS OF THE SAR SHOULD NOT BE IN CONFLICT WITH CHINA'S CONSTITUTION.

"THEREFORE, IN ORDER TO ENSURE THAT THE PLAN OF 'ONE COUNTRY, TWO SYSTEMS' WILL BE IMPLEMENTED, CONSIDERATION SHOULD BE GIVEN TO AMENDING THE NATIONAL CONSTITUTION ACCORDINGLY," HE SAID.

ON THE CHIEF EXECUTIVE OF THE FUTURE SAR, DR HO SAID WHETHER HE COULD PROVIDE AN EFFECTIVE LEADERSHIP TO THE GOVERNMENT WOULD, TO A CERTAIN EXTENT, HINGE UPON THE DEGREE OF CO-OPERATION BETWEEN HIMSELF AND THE LEGISLATURE.

"THERE MUST BE A HIGH DEGREE OF MUTUAL TRUST, UNDERSTANDING AND SUPPORT BETWEEN THE CHIEF EXECUTIVE AND THE LEGISLATIVE COUNCIL," HE SAID.

AS FOR THE VARIOUS ALTERNATIVES FOR SELECTING THE CHIEF EXECUTIVE CONTAINED IN ANNEX I OF THE DRAFT BASIC LAW, HE FELT THAT EMPHASIS WAS BEING PLACED ON THE SPIRIT OF DEMOCRACY AND REPRESENTATIVENESS OF THE CONCERNED PARTIES.

NOMINATION AND GENERAL ELECTION WERE PUT FORWARD AS THE MAJOR METHODS TO BE USED IN THE SELECTION PROCESS.

AND MUCH IMPORTANCE WAS BEING ATTACHED TO THE ROLE PLAYED BY THE ELECTORAL COLLEGE AND FUNCTIONAL CONSTITUENCIES.

/BUT IT

- 9 -

BUT IT WAS DIFFICULT TO PREDICT WHETHER THE CHIEF EXECUTIVE SO ELECTED WOULD IN PRACTICE HAVE THE SUPPORT OF THE MEMBERS OF THE LEGISLATIVE COUNCIL, HE POINTED OUT.

"IT IS IMPORTANT THAT THE CHIEF EXECUTIVE SHOULD HAVE THE SUPPORT OF THE MAJORITY OF THE LEGISLATIVE COUNCIL, OTHERWISE, THE HKSAR GOVERNMENT WILL ENCOUNTER GREAT DIFFICULTIES IN CARRYING OUT ADMINISTRATIVE WORK, AND END UP BEING AN INEFFECTIVE GOVERNMENT," DR HO SAID.

DR HO AGREED THAT THE EXECUTIVE AUTHORITIES AND THE LEGISLATURE SHOULD BE INDEPENDENT OF EACH OTHER, CREATING SOME SORT OF CHECKS AND BALANCES TO ENSURE THAT THE GOVERNMENT SHOULD OPERATE IN A SMOOTH AND FAIR MANNER.

NEVERTHELESS, HE SUGGESTED THAT CONSIDERATION SHOULD BE GIVEN TO SLIGHTLY EXTENDING THE TERMS OF REFERENCE OF THE LEGISLATURE.

ARTICLE 72(9) OF THE DRAFT BASIC LAW STATED THAT IN THE EVENT OF SERIOUS BREACH OF LAW OR DERELICTION OF DUTY BY THE CHIEF EXECUTIVE, THE LEGISLATURE MIGHT FOLLOW CERTAIN PROCEDURES TO RAISE A MOTION OF IMPEACHMENT AGAINST THE CHIEF EXECUTIVE, AND REPORT IT TO THE CENTRAL PEOPLE'S GOVERNMENT FOR DECISION.

AS OTHER PRINCIPAL OFFICIALS MIGHT ALSO SERIOUSLY BREACH THE LAW OR BE DERELICT IN THEIR DUTIES, HE FELT THAT THE SCOPE OF IMPEACHMENT SHOULD BE EXTENDED TO INCLUDE THESE OFFICIALS AS WELL.

DR HO SAID ACTS OF ABUSE OF POWER BY SENIOR OFFICIALS MIGHT LEAD TO INJUSTICES.

HE SAID IF THE LEGISLATURE WAS TO FREELY CARRY OUT ITS MONITORING FUNCTION, IT MUST BE GIVEN SUFFICIENT POWER TO CARRY OUT INVESTIGATIONS.

THUS THE OBJECTIVE SPECIFIED IN THE JOINT DECLARATION THAT THE EXECUTIVE AUTHORITIES SHOULD BE ACCOUNTABLE TO THE LEGISLATURE WOULD BE ATTAINED.

"UNDER THE CIRCUMSTANCES, ARTICLE 72 OF THE DRAFT BASIC LAW MUST BE AMENDED TO EXTEND THE POWERS AND FUNCTIONS OF THE LEGISLATURE AND ALLOW IT TO SET UP STANDING PANELS AND AD HOC GROUPS.

"SUCH POWERS HAVE IN FACT BEEN ENJOYED BY THE BRITISH PARLIAMENT AND THE HONG KONG LEGISLATIVE COUNCIL AS EVIDENCED BY THEIR PRESENT MODE OF OPERATION," HE SAID.

- - - - 0 - - - -

WEDNESDAY, JULY 13, 1988

- 10 -

THREE GUIDING PRINCIPLES OUTLINED

* * * * *

ALL PROVISIONS IN THE BASIC LAW SHOULD COMPLY WITH THE JOINT DECLARATION, WITH ROOM FOR FURTHER DEVELOPMENT AND EXPANSION, AND SHOULD NOT OVER-EMPHASISE CHINA'S SOVEREIGN RIGHT OVER HONG KONG.

SPEAKING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) DURING THE MOTION DEBATE ON THE DRAFT BASIC LAW, THE HON F.K. HU SAID THESE WERE THE BASIC PRINCIPLES THAT SHOULD BE KEPT IN MIND WHEN CONSIDERING THE DRAFT.

TAKING THESE PRINCIPLES AS A BASIS, MR HU MADE A NUMBER OF SUGGESTIONS ON THE DRAFT.

ON THE PROVISION EMPOWERING THE STANDING COMMITTEE OF THE CHINESE NATIONAL PEOPLE'S CONGRESS TO REVOKE LAWS ENACTED BY THE HONG KONG SPECIAL ADMINISTRATIVE REGION, HE SAID THIS PROVISION WOULD GIVE CHINA TOO MUCH OPPORTUNITY TO UNDULY INTERFERE WITH HONG KONG'S AFFAIRS.

"MORE STRINGENT CONDITIONS WILL BE NEEDED FOR THIS PROVISION TO PROTECT THE HIGH DEGREE OF AUTONOMY OF THE SPECIAL ADMINISTRATIVE REGION," HE SAID.

MR HU REFERRED TO ARTICLE 17 WHICH STATED THAT LAWS ENACTED BY THE NATIONAL PEOPLE'S CONGRESS RELATING TO DEFENCE AND FOREIGN AFFAIRS AS WELL AS "OTHER LAWS WHICH GIVE EXPRESSION TO NATIONAL UNITY AND TERRITORIAL INTEGRITY" SHOULD BE APPLIED TO THE HK SAR.

HE SAID THIS PROVISION HAD CLEARLY EXCEEDED THE TERMS OF THE JOINT DECLARATION WHICH STATED THAT ONLY MATTERS OF NATIONAL DEFENCE AND FOREIGN AFFAIRS WERE TO BE HANDLED BY THE CENTRAL GOVERNMENT.

REFERRING TO ARTICLE 21, WHICH PROVIDED THAT PEOPLE FROM OTHER PARTS OF CHINA MUST APPLY FOR APPROVAL FOR ENTRY INTO THE SAR, MR HU NOTED THAT IT DID NOT STATE WHICH AUTHORITY COULD GRANT SUCH APPROVAL.

HE SUGGESTED THAT SUCH POWER BE VESTED WITH THE SAR GOVERNMENT.

MR HU ALSO FELT THAT CHAPTER V OF THE DRAFT, ON ECONOMY, WAS TOO SPECIFIC AND RESTRICTIVE AND WOULD LIMIT THE SAR GOVERNMENT'S ROOM FOR MANOEUVRE SO THAT IT WOULD NOT BE ABLE TO TAKE NECESSARY ACTION WHEN REQUIRED.

HE CITED AS AN EXAMPLE THE PROVISION CONCERNING A BALANCED BUDGET. HAVING A BALANCED BUDGET SHOULD BE SUPPORTED, BUT THE DRAFT BASIC LAW WENT TOO FAR IN STIPULATING HOW SUCH A BALANCED BUDGET WAS TO BE ACHIEVED.

/"ALL THE

"ALL THE BASIC LAW NEEDS TO STATE IS THE PRINCIPLE OF A BALANCED BUDGET; THE REST CAN BE LEFT TO THE SPECIAL ADMINISTRATIVE REGION GOVERNMENT," HE SAID.

IF THE BASIC LAW WAS DRAFTED IN SUCH A RESTRICTIVE MANNER, THE SAR GOVERNMENT MIGHT FROM TIME TO TIME FACE CHALLENGES OF NOT CONFORMING WITH THE BASIC LAW WHEN IT HAD TO DEAL WITH SOME UNFORESEEABLE SITUATIONS, HE POINTED OUT.

REFERRING TO CONTINUED PARTICIPATION BY LOCAL SPORTS BODIES IN INTERNATIONAL ORGANISATIONS, MR HU SAID THE CHANGE OF THEIR STATUS FROM PURELY "HONG KONG" TO "HONG KONG, CHINA" MIGHT LEAD TO COMPLICATIONS WHICH WERE NOT IN FAVOUR OF THE LOCAL BODIES.

LOCAL BODIES MIGHT HAVE TO APPLY AGAIN FOR ADMISSION TO THE RELEVANT INTERNATIONAL ORGANISATIONS UNDER THE NEW "HONG KONG, CHINA" STATUS.

IT WOULD SAVE THE LOCAL BODIES A LOT OF TROUBLE IF THEY WERE ALLOWED TO REMAIN IN THE RELEVANT INTERNATIONAL ORGANISATIONS UNDER THE NAME "HONG KONG", HE SAID.

ON THE POWER TO INTERPRET THE BASIC LAW, MR HU SAID HE ACCEPTED THE PRINCIPLE THAT THE POWER OF INTERPRETATION SHOULD BE VESTED IN THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS.

HOWEVER, TO DEMONSTRATE THE HIGH DEGREE OF AUTONOMY ENJOYED BY THE SAR, IT WOULD BE DESIRABLE FOR THE NPC TO DELEGATE SUCH POWER TO THE SAR, HE SUGGESTED.

ON THE SAR LEGISLATURE, HE SUPPORTED THE PROPOSAL THAT 50 PER CENT OF THE MEMBERS OF THE SAR LEGISLATIVE COUNCIL BE ELECTED THROUGH FUNCTIONAL CONSTITUENCIES, 25 PER CENT BY "ONE-MAN-ONE-VOTE" DIRECT ELECTION AND 25 PER CENT BY AN ELECTORAL COLLEGE.

HE ADDED THAT THE SAR CHIEF EXECUTIVE SHOULD BE ELECTED BY THE SAME KIND OF ELECTORAL COLLEGE AS USED IN ELECTING 25 PER CENT OF MEMBERS OF THE LEGISLATURE.

MR HU ALSO SUGGESTED THAT IF THE IDEA OF SETTING UP SUCH AN ELECTORAL COLLEGE WAS FINALLY ACCEPTED, HONG KONG'S PRESENT GOVERNMENT SHOULD TAKE THE FIRST OPPORTUNITY AFTER THE BASIC LAW WAS PROMULGATED TO ESTABLISH ONE.

"THIS WILL ALLOW SUFFICIENT TIME TO REFINE THIS SYSTEM WHEN NECESSARY BEFORE 1997 SO THAT A SMOOTH TRANSITION WILL BE ENSURED," HE SAID.

WEDNESDAY, JULY 13, 1988

- 12 -

LEGISLATORS SHOULD ELECT CHIEF EXECUTIVE

* * * *

THE CHIEF EXECUTIVE OF THE FUTURE SPECIAL ADMINISTRATIVE REGION GOVERNMENT SHOULD BE VOTED INTO OFFICE BY A MAJORITY OF LEGISLATORS SO THAT HE OR SHE WOULD ENJOY THE SUPPORT AND CONFIDENCE OF A MAJORITY OF THE LEGISLATURE, THE HON SELINA CHOW SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE MOTION DEBATE ON THE DRAFT BASIC LAW, MRS CHOW SAID THE DOCUMENT FAILED TO ADDRESS SOME KEY FUNDAMENTAL ISSUES.

SHE SAID ONE KEY QUESTION WAS WHETHER THE SAR GOVERNMENT WOULD MAINTAIN EXISTING LINKS BETWEEN THE LEGISLATURE AND THE EXECUTIVE AUTHORITIES, OR WHETHER IT WOULD INITIATE THE SEPARATION OF POWER BETWEEN THE TWO.

SINCE THE CHIEF EXECUTIVE WOULD NOT BE ELECTED, AND THE EXECUTIVE AUTHORITIES WERE TO BE APPOINTED BY HIM, THE BEST CHECKS AND BALANCES WERE TO SEPARATE THE MEMBERSHIP OF THE EXECUTIVE AND LEGISLATIVE COUNCILS.

THE ELECTED LEGISLATURE COMPOSED OF REPRESENTATIVES OF THE PEOPLE COULD THEN EFFECTIVELY MONITOR THE EXERCISE OF POWER BY THE EXECUTIVE.

"WHILE AGREEING THAT THE LEGISLATURE SHOULD ACT AS EFFECTIVE CHECK AND BALANCE TO THE EXECUTIVE, I AM CONCERNED THE DANGER EXISTS FOR THAT CHECK AND BALANCE TO OVERSHOOT ITS USEFUL PURPOSE, AND END UP AS A STUMBLING BLOCK TO EFFECTIVE AND EFFICIENT ADMINISTRATION," SHE SAID.

IT WAS THEREFORE OF PARAMOUNT IMPORTANCE THAT THE CHIEF EXECUTIVE AND HIS ADMINISTRATION MUST ENJOY THE SUPPORT AND CONFIDENCE OF A MAJORITY OF THE LEGISLATURE, SO THAT GOVERNMENT POLICIES, WHILE EXPOSED TO PUBLIC DEBATE, CRITICISM AND CENSURE, COULD RETAIN INITIATIVE AND CONTROL WHILE TAKING IN PUBLIC VIEWS.

"IT FOLLOWS THEREFORE THAT THE CHIEF EXECUTIVE IS BEST VOTED INTO OFFICE BY A MAJORITY OF LEGISLATORS, WHO WILL HOPEFULLY ADOPT THE TWO EQUALLY IMPORTANT CRITERIA OF POLITICAL SENSITIVITY AND ADMINISTRATIVE COMPETENCE," SHE ADDED.

MRS CHOW NOTED THAT CRITICS OF THIS CONCEPT ARGUED THAT SUCH A METHOD OF ELECTION COULD GIVE RISE TO THE NEED TO FORM POLITICAL PARTIES, WHICH IN TURN WOULD BREED CONFRONTATION AND INSTABILITY.

"SUCH PROPONENTS IGNORE THE FACT THAT HONG KONG HAS PROGRESSED PAST THE AGE OF UNORGANISED POLITICAL PERSONNEL AND ACTIVITIES," SHE SAID.

/"WHAT WE

- 13 -

"WHAT WE HAVE ARE POLITICAL PARTIES IN THEIR INFANCY, EXERCISING A SIGNIFICANT DEGREE OF CONTROL AND DISCIPLINE ON THEIR MEMBERS.

"THERE IS NO ESCAPE FROM IT. ONCE YOU GO THE ELECTION ROUTE, THERE HAS GOT TO BE ORGANISATION. IN FACT, IT WOULD BE MORE RISKY NOT TO HAVE ORGANISATION, FOR WITHOUT ORGANISATION THERE WILL BE NO STRENGTH, NO DISCIPLINE, NO RESPONSIBILITY."

MRS CHOW SAID THE NEXT KEY QUESTION WAS HOW THE LEGISLATURE SHOULD BE FORMED.

SHE SUGGESTED A SYSTEM OF DIRECT ELECTION VIA THE DISTRICTS AND THE FUNCTIONAL CONSTITUENCIES, WITH THE LATTER CONSTITUTING 75 PER CENT, BUT ALLOWING FOR FURTHER ADJUSTMENTS AS HONG KONG PROGRESSED FURTHER DOWN THE ROAD OF DEMOCRATISATION.

THE FUTURE LEGISLATURE OF THE SAR SHOULD ACT AS THE SUPPORT AND NOT THE OPPOSITION OF THE EXECUTIVE, SHE ADDED. IT HAD TO FUNCTION AS THE BUFFER BETWEEN THE EXECUTIVE AND THE PEOPLE.

"IT MUST BE ABLE TO EXPLAIN GOVERNMENT POLICIES TO THE PEOPLE, BUT, WHEN THESE ARE NOT ACCEPTED, IT MUST BE ABLE TO ACHIEVE COMPROMISES ACCEPTABLE TO BOTH SIDES," SHE SAID.

TURNING TO THE CONSULTATION PROCESS, MRS CHOW SAID THAT APART FROM MEMBERS OF THE OMELCO CONSTITUTIONAL DEVELOPMENT PANEL, SHE HAD NOT YET COME ACROSS ONE PERSON WHO HAD READ THE DRAFT FROM START TO FINISH.

SHE SUGGESTED THAT BOTH THE DRAFTING COMMITTEE AND THE CONSULTATION COMMITTEE OF THE BASIC LAW HAD A RESPONSIBILITY TO EXPLAIN THE DRAFT TO THE PEOPLE IN A FAIR AND OBJECTIVE MANNER.

THE DOCUMENT ITSELF WAS TOO COMPLEX AND DETAILED FOR THE LAYMAN TO COMPREHEND FULLY, SHE SAID.

IT WAS THEREFORE EXTREMELY IMPORTANT FOR THOSE FAMILIAR WITH THE DOCUMENT TO EXPLAIN THE THINKING BEHIND THE DRAFT WITHOUT CLOUDING THAT EXPLANATION INITIALLY WITH THEIR OWN CONVICTIONS.

- - - - 0 - - - -

/14

CONFORMITY WITH JOINT DECLARATION REQUIRED

* * * * *

THE BASIC LAW HAS TO CONFORM WITH THE SPIRIT AND LETTER OF THE SINO-BRITISH JOINT DECLARATION, AND ANY DEVIATION FROM THE TERMS OF THE DECLARATION CANNOT BE PERMITTED, THE HON HILTON CHEONG-LEEN SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"I BELIEVE THAT THIS PRINCIPLE REPRESENTS THE OVERWHELMING CONSENSUS AND UNITY OF PURPOSE, NOT ONLY ON THE PART OF THE BRITISH AND CHINESE GOVERNMENTS, BUT EQUALLY ON THE PART OF THE HONG KONG LEGISLATIVE COUNCIL, AND THE OVERWHELMING MAJORITY OF THE PEOPLE OF HONG KONG," HE SAID.

MR CHEONG-LEEN WAS SPEAKING IN THE MOTION DEBATE ON THE DRAFT BASIC LAW.

"IT WILL BE INCUMBENT UPON LEGCO THROUGH ITS IN-HOUSE MEETING AND THE CONSTITUTIONAL DEVELOPMENT PANEL OF OMELCO TO STUDY THE DRAFT BASIC LAW SO THAT DEVIATIONS FROM THE JOINT DECLARATION WHICH HAVE CREPT INTO THE DRAFT WILL BE BROUGHT TO THE ATTENTION OF THE CHINESE GOVERNMENT AND THE DRAFTING COMMITTEE FOR SUITABLE AMENDMENT TO THE DRAFT BASIC LAW," HE SAID.

A CARDINAL PRINCIPLE WAS THAT THE DRAFT BASIC LAW SHOULD WHOLLY REFLECT THE "ONE COUNTRY - TWO SYSTEMS" CONCEPT.

"BESIDES PRESERVING HONG KONG'S CAPITALIST SYSTEM IN ECONOMIC DEVELOPMENT COMBINED WITH EXPANDING MEASURES OF SOCIAL JUSTICE, THE PERSONAL FREEDOMS WHICH HONG KONG PEOPLE NOW ENJOY SHOULD BE PRESERVED AT ALL COSTS WITHIN THE FRAMEWORK OF THE BASIC LAW," HE SAID.

"RESPECT FOR NATIONAL SOVEREIGNTY AND ADHERENCE TO THE EXPRESSION OF NATIONAL UNITY MUST BE BALANCED BY RESPECT FOR HUMAN RIGHTS AND LIBERTY OF THE INDIVIDUAL."

MR CHEONG-LEEN FELT THAT IF HONG KONG WAS TO THRIVE AS A PROSPEROUS COSMOPOLITAN CITY THEN, APART FROM DEFENCE AND FOREIGN AFFAIRS, THE TERRITORY SHOULD BE GIVEN UNDER THE BASIC LAW THE FULLEST POSSIBLE MEASURE OF INTERNAL SELF-GOVERNMENT UNDER CHINESE SOVEREIGNTY.

"THE HIGH DEGREE OF AUTONOMY INDICATED IN THE DIFFERENT ARTICLES OF THE DRAFT BASIC LAW IS EXPECTED TO PROMOTE ECONOMIC PROSPERITY AND SOCIAL STABILITY IN HONG KONG," HE SAID.

"HOWEVER, MUCH REFINING IS STILL REQUIRED TO BE DONE IN AREAS SUCH AS INTERPRETATION OF THE BASIC LAW AND THE SCOPE OF THE HONG KONG SAR JUDICIARY AS A COURT OF FINAL APPEAL."

/MR CHEONG-LEEN

MR CHEONG-LEEN SAID THE CONSTITUTIONAL RELATIONSHIP BETWEEN THE CENTRAL GOVERNMENT AND THE HONG KONG SAR GOVERNMENT WOULD HAVE TO BE CLEARLY DEMARCATED, KEEPING INTERVENTION BY THE CENTRAL GOVERNMENT TO THE ABSOLUTE MINIMUM AND ONLY UNDER PRESCRIBED CONDITIONS AND PROCEDURES.

HE ADDED THAT THE BASIC LAW SHOULD BE EXPECTED TO BUILD ON THE PRESENT SYSTEMS SO THAT PERSONAL FREEDOMS WERE PROTECTED AND NOT VIOLATED.

DEMOCRATIC POLITICAL PRACTICES CONSISTENT WITH SOCIAL STABILITY SHOULD BE ENCOURAGED IN EVERY WAY, AND INDIVIDUALS SHOULD BE ALLOWED TO SEEK WITHIN THE LAW WHATEVER THEY WISHED TO DO IN ORDER TO ACHIEVE A GREATER SENSE OF PERSONAL FULFILMENT AND HAPPINESS IN LIFE.

"TOWARDS THIS END, I WOULD PROPOSE THAT ALL THE PROVISIONS OF THE 'INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS' AND THE 'INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS' AS APPLIED TO HONG KONG SHALL BE INCORPORATED AS MUCH AS POSSIBLE IN THE DRAFT BASIC LAW," HE SAID.

THE TWO COVENANTS SHOULD THEN BE ATTACHED AS ANNEXES TO THE FINAL BASIC LAW WHEN PASSED BY THE NATIONAL PEOPLE'S CONGRESS OF CHINA IN 1990.

REFERRING TO SPECIFIC PROVISIONS IN THE DRAFT BASIC LAW, MR CHEONG-LEEN SAID ARTICLE 4, WHICH STATED THAT HONG KONG'S EXISTING CAPITALIST SYSTEM AND WAY OF LIFE SHOULD NOT BE CHANGED FOR 50 YEARS, AUGURED WELL FOR HONG KONG'S FUTURE PROSPERITY.

ON THE POLITICAL STRUCTURE, HE SUGGESTED THAT THE CHIEF EXECUTIVE IN THE FORMATIVE YEARS OF THE HONG KONG SAR SHOULD BE ELECTED BY A WIDELY REPRESENTATIVE ELECTORAL COLLEGE, WHICH WOULD BE DISSOLVED AFTER THE ELECTION WAS COMPLETED.

REGARDING ARTICLE 55, MR CHEONG-LEEN BELIEVED THAT AT LEAST THREE QUARTERS OF THE EXECUTIVE COUNCIL SHOULD COME FROM THE LEGISLATIVE COUNCIL SO AS TO ENSURE A WORKING LIAISON BETWEEN THE EXECUTIVE AUTHORITIES AND THE LEGISLATURE.

ON THE LEGISLATURE OF THE HONG KONG SAR GOVERNMENT, HE WAS IN FAVOUR OF STARTING OFF IN 1997 WITH ABOUT 70 MEMBERS ELECTED BY FUNCTIONAL CONSTITUENCIES, DISTRICTS AND ELECTORAL COLLEGES RESPECTIVELY.

THE COUNCIL'S PRESIDENT SHOULD BE ELECTED FROM AMONG THE COUNCIL'S MEMBERS.

IN RELATION TO THE FORMATION OF THE FIRST GOVERNMENT AND FIRST LEGISLATURE OF THE HONG KONG SAR, HE SUPPORTED THE "THROUGH TRAIN" CONCEPT IN ORDER TO ENSURE A SMOOTH TRANSFER OF SOVEREIGNTY AND WITH MINIMUM DISRUPTION TO COMMUNITY LIFE.

/ONCE THE

ONCE THE DRAFT BASIC LAW WAS ADOPTED IN 1990 BY THE NATIONAL PEOPLE'S ASSEMBLY, IT WOULD BE UP TO THE BRITISH AND CHINESE GOVERNMENTS TO CAREFULLY PLAN HOW FAR AND FAST TO MOVE FORWARD POLITICALLY ALONG THE LINES SPELT OUT IN THE BASIC LAW.

THE OBJECTIVE WOULD BE TO ENSURE THAT BY 1997 THE POLITICAL, ADMINISTRATIVE AND OTHER STRUCTURES WOULD BE ALREADY IN PLACE, ENABLING A SMOOTH TRANSFER OF SOVEREIGNTY TO BE EFFECTED.

"MUCH REMAINS TO BE DONE IN THE CONSULTING PROCESS AND THE RE-DRAFTING OF THE DRAFT BASIC LAW," HE SAID.

MR CHEONG-LEEN ALSO HOPED THAT THE OMELCO CONSTITUTIONAL DEVELOPMENT PANEL COULD EXPAND ITS LIAISON WITH OTHER INTERESTED PARTIES IN THE COMMUNITY IN ORDER TO ARRIVE AT A WIDER CONSENSUS IN THE RE-DRAFTING BY THE BASIC LAW DRAFTING COMMITTEE, LEADING TO A SECOND AND BETTER VERSION OF THE BASIC LAW NEXT YEAR.

- - - - 0 - - - -

PEOPLE CAN STILL HELP MOULD THEIR FUTURE

* * * * *

THE PEOPLE OF HONG KONG SHOULD REALISE THAT THEIR FATE IS STILL VERY MUCH IN THEIR OWN HANDS, AND THEY SHOULD NOT MISS THE CHANCE TO HELP MOULD IT, DR THE HON HELMUT SOHMEN SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE MOTION DEBATE ON THE DRAFT BASIC LAW, DR SOHMEN SAID HE WHOLEHEARTEDLY SUPPORTED THE MOTION, WHICH URGED THE PEOPLE OF HONG KONG TO EXPRESS THEIR VIEWS ON THE DOCUMENT.

HE SAID THE BASIC LAW NATURALLY FOLLOWED THE JOINT DECLARATION AND THE "ONE COUNTRY, TWO SYSTEMS" CONCEPT.

THE LATTER WAS A BRILLIANT NEGOTIATING TACTIC BUT SHOULD NOT BE SEEN AS A WORKABLE OPERATING PRINCIPLE FOR ANY LENGTH OF TIME, CERTAINLY NOT FOR A PERIOD AS LONG AS 50 YEARS AFTER 1997.

"THE IMPOSSIBILITY OF MAINTAINING TWO SEPARATE SYSTEMS WITHIN ONE NATIONAL ENTITY HAVING TRADITIONS REVOLVING AROUND A POLITICAL CENTRE OVER MANY CENTURIES MAY NOT BE A POPULAR THEME AT THIS TIME BOTH HERE AND IN THE UNITED KINGDOM; BUT THIS IS THE REALITY," HE SAID.

HE SAID THE GUARANTEES FOR HONG KONG'S FUTURE DID NOT LIE IN THE ARTIFICIAL PRESERVATION OF, OR IN THE ONLY COSMETIC ALTERATIONS TO, THE OLD COLONIAL STRUCTURES AND PROCESSES THAT HAD BEEN IN PLACE WITH FEW SIGNIFICANT MODIFICATIONS OVER A HUNDRED YEARS.

WEDNESDAY, JULY 13, 1988

- 17 -

CHINA'S NEED TO EMULATE HONG KONG'S SUCCESSFUL SYSTEM IF IT WANTED TO ACHIEVE ITS NATIONAL GOALS CLOSER TO THE TARGET DATES ENVISIONED BY ITS LEADERSHIP PROVIDED MUCH BETTER ASSURANCE.

DR SOHMEN SAID THAT HONG KONG'S CONTINUED SUCCESS MUST, AS ALWAYS, DEPEND ON THE WILLINGNESS OF ITS PEOPLE TO RISE TO THE CHALLENGE OF HOW TO EXPORT ITS ECONOMIC ACHIEVEMENTS.

"IF WE CAN DO THAT, AND THEREBY HELP TO REDUCE THE GAP BETWEEN THE TWO SYSTEMS, WE SHALL BE ALRIGHT IRRESPECTIVE OF THE PERFECTION OR IMPERFECTION OF THE BASIC LAW," HE SAID.

HE SAID THAT WITHOUT WISHING TO DENIGRATE THEIR HARD WORK AND DEDICATION, HIS STRONGEST CRITICISM OF THE HONG KONG CONTINGENT OF THE BASIC LAW DRAFTERS, AND OF THE VARIOUS LOCAL POLITICAL GROUPINGS, WAS THAT THEY HAD SO FAR FAILED IN REACHING A COMPROMISE AS TO WHAT SHOULD BE THE MOST EFFICIENT GOVERNMENT STRUCTURE FOR HONG KONG.

WHAT SHOULD BE ONE OF THE MOST ESSENTIAL ELEMENTS OF A BASIC LAW HAD THUS REMAINED ONLY A SET OF LARGELY CONTRADICTORY OPTIONS.

AS A RESULT, THE CHINESE AUTHORITIES WOULD BE FORCED INTO MAKING THE FINAL CHOICE FOR HONG KONG, DESPITE THEIR OBVIOUS WILLINGNESS TO LISTEN TO AND ACCOMMODATE LOCAL PREFERENCE.

"THIS IS THE REAL TRAGEDY OF HONG KONG'S POLITICAL INEXPERIENCE," HE REMARKED.

DR SOHMEN SAID IT WAS EQUALLY REGRETTABLE THAT MANY, IF NOT MOST, OF THE COMMENTS ON THE FIRST DRAFT SIMPLY HIGHLIGHTED THE "FLAWS" WITHOUT ADDRESSING POSITIVELY AND UNEMOTIONALLY THE UNRESOLVED ISSUES, OR SUGGESTING WORKABLE ALTERNATIVES.

ON CHINA'S PART, IT WOULD NOT ACHIEVE ITS AMBITIONS FOR HONG KONG IF THERE WAS AN EXCESSIVE AND UNNECESSARY EMPHASIS IN THE BASIC LAW ON ASPECTS OF NATIONAL SOVEREIGNTY, HE SAID.

DR SOHMEN WAS ALSO CRITICAL OF THE SO-CALLED "THROUGH-TRAIN" LABEL FOR THE ACTUAL TRANSITION IN 1997. "IT CONJURES UP UNPLEASANT IMAGES OF A LOCOMOTIVE RAMMING BARRIERS," HE SAID.

HE PREFERRED THE TERM "CHANGE OF GAUGE" INSTEAD. THE NEW SPECIAL ADMINISTRATIVE REGION GOVERNMENT MUST OBVIOUSLY BE IDENTIFIED BEFORE JULY 1, 1997, AND BE FAMILIAR WITH ITS RESPONSIBILITIES BEFORE BEING SWORN IN.

"THIS SUGGESTS A READINESS ON THE PART OF THE UNITED KINGDOM TO PERMIT PREPARATORY ARRANGEMENTS BEING MADE IN THE TERRITORY UNDER THE AUTHORITY OF THE CHINESE GOVERNMENT PRIOR TO THE BRITISH SURRENDER OF SOVEREIGNTY; BUT ALSO SUGGESTS THAT THE CHINESE AUTHORITIES MUST WILLINGLY ACCEPT BRITISH CO-OPERATION IN THESE EFFORTS," HE SAID.

/ON THE

ON THE SELECTION OF THE CHIEF EXECUTIVE, DR SOHMEN SUPPORTED THE PROPOSAL THAT THE FUTURE CHIEF EXECUTIVE OF THE SAR BE ELECTED THROUGH A BROADLY BASED ELECTORAL COLLEGE, REPRESENTATIVE OF ALL SECTORS OF THE COMMUNITY AND INCLUDING THE MEMBERS OF THE LEGISLATIVE COUNCIL. SUCH A COLLEGE COULD BE ESTABLISHED IN LATE 1996.

ON THE FUTURE LEGISLATURE, HE SAID THAT DEVELOPMENTS AFTER 1991 (AND BASIC LAW PROVISIONS) SHOULD AIM FOR THE REPLACEMENT, IN 1994, OF THE THEN REMAINING APPOINTED MEMBERS BY MEMBERS ELECTED BY FUNCTIONAL CONSTITUENCIES, TO HOLD OFFICE - LIKE THEIR DIRECTLY ELECTED COLLEAGUES - UNTIL JUNE 30, 1997.

ELECTIONS OF MEMBERS OF THE FIRST SAR LEGISLATURE ON THE BASIS OF THE ELECTORAL MODEL INTRODUCED IN 1994 SHOULD TAKE PLACE TWO MONTHS PRIOR TO JULY 1, 1997 AND COMPLY WITH BASIC LAW PREREQUISITES AS TO QUALIFICATIONS OF CANDIDATES AND TERMS OF OFFICE.

REFERRING TO THE POTENTIAL DIFFICULTIES OF A CHIEF EXECUTIVE NOT HAVING THE CONFIDENCE OR SUPPORT OF THE LEGISLATIVE COUNCIL, DR SOHMEN SAID THE IDEA THAT THE CHIEF EXECUTIVE BE ELECTED BY MEMBERS OF THE LEGISLATIVE COUNCIL MIGHT RESOLVE THAT PROBLEM.

"ON THE OTHER HAND, WOULD THIS SOLUTION NOT RUN COUNTER TO THE PRINCIPLE OF THE SEPARATION OF POWERS, AND WOULD IT INCREASE, OR DECREASE THE ACCOUNTABILITY REQUIREMENTS STIPULATED IN THE JOINT DECLARATION?" HE ASKED.

DR SOHMEN BELIEVED MUCH MORE DISCUSSION WAS REQUIRED ON THAT POINT IN HONG KONG AND WITHIN THE DRAFTING COMMITTEE.

- - - - 0 - - - -

10 PER CENT LEVEL AN APPROPRIATE START
* * * * *

SETTING THE NOTIFIABLE PERCENTAGE FOR SUBSTANTIAL SHAREHOLDERS IN A COMPANY AT 10 PER CENT IS AN APPROPRIATE START FOR HONG KONG, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

WINDING UP THE RESUMED DEBATE ON THE SECURITIES (DISCLOSURE OF INTERESTS) BILL 1988, MR JACOBS SAID THE SITUATION WOULD BE REVIEWED IN TWO TO THREE YEARS' TIME IN THE LIGHT OF PRACTICAL EXPERIENCE GAINED OF THE LEGISLATION IN OPERATION, AND HAVING REGARD TO THE PRACTICE IN OTHER JURISDICTIONS.

"WE WILL ALSO CONSULT THE GENERAL PUBLIC AS WELL AS THE STANDING COMMITTEE ON COMPANY LAW REFORM AND THE PROPOSED SECURITIES AND FUTURES COMMISSION ON ANY CHANGES THAT MIGHT BE PROPOSED," HE ADDED.

ON DISCRETIONARY TRUSTS, MR JACOBS EXPLAINED UNDER CLAUSE 14(1) OF THE BILL, A DISCRETIONARY INTEREST WAS NOT CAUGHT BY THE DISCLOSURE REQUIREMENTS.

HE SAID THE PROVISION FOLLOWED THE LEGISLATION IN THE UNITED KINGDOM, WHERE IT HAD NOT CAUSED ANY PROBLEMS.

"IT WOULD BE UNFAIR TO PENALISE GENUINE DISCRETIONARY TRUSTS AT THIS STAGE WITHOUT ANY EVIDENCE OF ABUSE," MR JACOBS SAID.

"WE WILL CLOSELY MONITOR THE SITUATION AND NECESSARY AMENDMENTS WILL BE INTRODUCED SHOULD THERE BE WIDESPREAD ABUSE IN FUTURE."

REFERRING TO WARRANTS, MR JACOBS SAID AS THEY DID NOT FORM PART OF THE ISSUED VOTING SHARES OF THE COMPANY, WARRANTS WERE NOT COVERED BY THE DISCLOSURE REQUIREMENT.

HE POINTED OUT THE PURPOSE OF THE DISCLOSURE REQUIREMENT WAS TO REVEAL ACTUAL NOT POTENTIAL VOTING POWER.

"THIS AGAIN FOLLOWS THE UNITED KINGDOM LEGISLATION, WHERE IT HAS NOT CAUSED ANY PROBLEMS."

FURTHERMORE, MR JACOBS ADDED, TO EXTEND THE SCOPE OF THE BILL TO APPLY TO WARRANTS WOULD CAUSE SERIOUS PRACTICAL DIFFICULTIES.

"IT WOULD REQUIRE MAJOR CHANGES TO THE COMPANIES ORDINANCE AND EXTENSIVE RE-DRAFTING OF THE BILL; THIS WOULD INEVITABLY DELAY ITS PASSAGE," HE SAID.

MR JACOBS SAID INTERESTS HELD AS SECURITY BY AUTHORISED FINANCIAL INSTITUTIONS IN THE ORDINARY COURSE OF THEIR BUSINESS WERE EXEMPT FROM THE DISCLOSURE REQUIREMENTS.

"THE BANKING SECTOR HAS EXPRESSED CONCERN THAT IT MAY NOT BE SUFFICIENTLY CLEAR IN THE BILL THAT AN EXEMPT SECURITY INTEREST INCLUDES SHARES HELD BY BANKS BY WAY OF A SECURED SYNDICATED LOAN," HE NOTED.

"THE PRESENT PROVISION FOLLOWS THE UK LEGISLATION WHICH HAS NOT CAUSED PROBLEMS TO THE UK BANKING COMMUNITY, AND I THINK THAT FURTHER CLARIFICATION IN OUR LEGISLATION IS UNNECESSARY."

MR JACOBS ASSURED THE BANKING COMMUNITY THAT A SECURED SYNDICATED LOAN WOULD BE EXEMPT IF IT FELL WITHIN THE ORDINARY COURSE OF A BANK'S BUSINESS.

ON THE RELEVANT PERIOD FOR NOTIFICATION, MR JACOBS POINTED OUT THAT THE MAIN DISCLOSURE OBLIGATIONS UNDER THE BILL MUST BE PERFORMED WITHIN FIVE DAYS.

"BY VIRTUE OF SECTION 71 OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE, THIS MEANS FIVE BUSINESS DAYS," HE SAID.

WEDNESDAY, JULY 13, 1988

- 20 -

DISCLOSURE BILL WILL IMPROVE HK'S IMAGE

* * * * *

THE SECURITIES (DISCLOSURE OF INTEREST) BILL 1988 WILL GO A LONG WAY TOWARDS IMPROVING HONG KONG'S IMAGE AS A FINANCIAL CENTRE AND WILL ASSIST THE OPERATION OF A FAIR SECURITIES MARKET.

THE HON PETER POON SAID THIS WHEN SPEAKING IN THE RESUMED DEBATE ON THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"AS ONE OF THE IMPORTANT FINANCIAL CENTRES IN THE WORLD, HONG KONG LAGS A LONG WAY BEHIND IN DISCLOSURE REQUIREMENTS OF INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS IN LISTED COMPANIES," MR POON SAID.

HE POINTED OUT THAT THE UNITED KINGDOM HAD INTRODUCED THE RELEVANT REQUIREMENTS IN THE COMPANIES ACT 1948 AND THE U.S.A., AUSTRALIA AND CANADA HAD ALSO HAD SUCH LEGISLATION FOR A LONG TIME.

MR POON ALSO NOTED THAT THERE WAS SOME CRITICISM THAT THE BILL HAD NOT GONE FAR ENOUGH. ONE MAJOR ISSUE WAS WHETHER THE FIGURE FOR DISCLOSURE OF "NOTIFIABLE INTERESTS" SHOULD BE 10 PER CENT OR FIVE PER CENT.

"THE ADMINISTRATION SHOULD REVIEW THE PERCENTAGE IN TWO OR THREE YEARS AND, IN THE LIGHT OF EXPERIENCE, AND THE CIRCUMSTANCES THEN, SHOULD CONSIDER REDUCING THE PERCENTAGE TO FIVE PER CENT AS APPLICABLE IN MANY MAJOR FINANCIAL CENTRES," HE SUGGESTED.

ANOTHER MAIN ISSUE WAS WHETHER SECURITIES INTERESTS IN A "DISCRETIONARY TRUST" SHOULD BE COVERED, RATHER THAN EXEMPTED.

"I WOULD SUGGEST THAT THE SITUATION BE MONITORED BY THE ADMINISTRATION AND IF THERE ARE BLATANT OR WIDESPREAD ABUSES, PROMPT AND PROPER ACTION SHOULD BE TAKEN TO INTRODUCE THE NECESSARY AMENDMENT," HE SAID.

- - - - 0 - - - -

/21

WEDNESDAY, JULY 13, 1988

- 21 -

DISCLOSURE OF INTERESTS BILL SUPPORTED

* * * * *

THE SECURITIES (DISCLOSURE OF INTERESTS) BILL 1988, ONCE ENACTED, WOULD BRING HONG KONG IN LINE WITH THE UNITED KINGDOM LEGISLATION ON THE MAJOR REQUIREMENTS FOR DISCLOSURE OF INTERESTS AND IT WOULD STRENGTHEN THE FINANCIAL SECRETARY'S HANDS IN FIRM PRUDENTIAL CONTROL IN HONG KONG, THE HON MARIA TAM SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN SUPPORT OF THE BILL, MISS TAM SAID ITS PURPOSE WAS TO REQUIRE THE BENEFICIAL OWNERS OF 10 PER CENT OR MORE OF THE SHARES OF LISTED COMPANIES TO DISCLOSE PARTICULARS OF THEIR SHAREHOLDINGS.

BESIDES, DIRECTORS AND CHIEF EXECUTIVES OF LISTED COMPANIES WERE ALSO REQUIRED TO DISCLOSE PARTICULARS OF THEIR BENEFICIAL INTEREST IN SHARES AND DEBENTURES OF SUCH COMPANIES AND THEIR ASSOCIATED COMPANIES.

MISS TAM SAID THE LEGCO AD HOC GROUP THAT STUDIED THE BILL FELT IT SHOULD BE SUPPORTED IN PRINCIPLE AND THAT THE LEVEL OF NOTIFIABLE INTERESTS, STIPULATED AT 10 PER CENT OF A LISTED COMPANY'S SHARE CAPITAL, WAS A REASONABLE STARTING POINT.

NEVERTHELESS, SHE SAID, AS AN INTERNATIONAL FINANCIAL CENTRE, HONG KONG SHOULD AIM AT MAKING ITS DISCLOSURE REQUIREMENTS COMPATIBLE WITH THOSE ADOPTED BY THE INTERNATIONAL FINANCIAL COMMUNITY, AS, FOR EXAMPLE, IN THE UNITED KINGDOM AND THE UNITED STATES.

"THE AD HOC GROUP REQUESTED THE ADMINISTRATION TO UNDERTAKE TO REDUCE THE LEVEL OF NOTIFIABLE INTERESTS FROM 10 TO FIVE PER CENT IN TWO TO THREE YEARS' TIME," SHE SAID.

"THE ADMINISTRATION, HOWEVER, DECLINES TO MAKE A COMMITMENT TO REDUCE THE NOTIFIABLE PERCENTAGE AT THIS STAGE, BUT INDICATED THAT IT IS THEIR FIRM INTENTION TO DO SO WHEN THE TIME IS RIPE.

"THE GROUP THEREFORE REQUESTS THE FINANCIAL SECRETARY TO MAKE A FIRM STATEMENT ON THE INTENTION OF THE GOVERNMENT TO REDUCE THE LEVEL OF NOTIFIABLE INTERESTS AS SOON AS IS PRACTICABLE."

AT THE SAME TIME, MISS TAM HOPED THAT THE FINANCIAL SECRETARY COULD INDICATE HIS COMMITMENT TO REVIEW THE SITUATION AND FALL IN LINE WITH INTERNATIONAL PRACTICE WITHIN A GIVEN PERIOD OF TIME.

"AT THE REQUEST OF THE AD HOC GROUP, THE ADMINISTRATION HAS AGREED TO CLARIFY IN THE FINANCIAL SECRETARY'S SPEECH CONCLUDING THE SECOND READING DEBATE OF THE BILL THAT THE FIVE-DAY NOTIFICATION PERIOD WAS INTENDED TO BE FIVE BUSINESS DAYS," SHE SAID.

/"THIS IS

"THIS IS TO ENSURE THAT EVEN NON-RESIDENTS CAN COMPLY WITH THE FIVE DAYS RULE."

MISS TAM ALSO MOVED A COMMITTEE STAGE AMENDMENT TO CLAUSE 8 OF THE BILL, WHICH STIPULATED THAT A PERSON WAS TAKEN TO BE INTERESTED IN ANY SHARES IN WHICH HIS SPOUSE OR ANY CHILD UNDER THE AGE OF 21 OF HIS OR HIS SPOUSE WAS INTERESTED, SO THAT THE LEGISLATION WOULD BE ALONG THE LINES OF UK LEGISLATION BY DELETING REFERENCE TO THE CHILD OF HIS SPOUSE.

MEMBERS OF THE GROUP CONSIDERED THAT IT WOULD BE UNREASONABLE TO HOLD A PERSON RESPONSIBLE FOR INTERESTS HELD, FOR EXAMPLE, BY THE CHILD OF HIS SPOUSE'S FORMER MARRIAGES WHO MIGHT NOT HAVE CONTACT WITH HIM, SHE SAID.

SHE ALSO PROPOSED, FOR THE SAKE OF CONSISTENCY, CONSEQUENTIAL AMENDMENTS TO SIMILAR PROVISIONS UNDER CLAUSE 31 ON THE CHILD OF THE SPOUSE OF A DIRECTOR AND A CHIEF EXECUTIVE.

ON THE PROCEDURES FOR NOTIFICATION OF INTERESTS, MISS TAM SAID THE ADMINISTRATION HAD AGREED TO INSERT A NEW CLAUSE 50A AFTER CLAUSE 50 TO REQUIRE THE NOTIFICATION TO BE MADE BY HAND OR BY REGISTERED POST TO THE OFFICE OF THE LISTED COMPANY, ALONG THE LINES OF SECTION 356 OF THE COMPANIES ORDINANCE.

"IT WOULD BE UNFAIR IF LISTED COMPANIES CONCERNED ARE TO BE PENALISED FOR A FAILURE TO ENTER THE REQUISITE INFORMATION INTO THEIR REGISTER WHICH IS CAUSED BY A FAILURE ON THE PART OF THE SHAREHOLDERS, INTENTIONALLY OR UNINTENTIONALLY, TO NOTIFY THEM," SHE SAID.

- - - - 0 - - - -

PROTECTION AGAINST UNDESIRABLE MEDICAL ADS

* * * * *

THE UNDESIRABLE MEDICAL ADVERTISEMENTS (AMENDMENT) BILL 1988 SEEKS TO BRING WITHIN THE LAW ANY UNQUALIFIED PERSONS OR UNSCRUPULOUS DEALERS MAKING USE OF ADVERTISEMENTS TO MISLEAD THE PUBLIC, THE ACTING SECRETARY FOR HEALTH AND WELFARE, THE HON ADOLF HSU, SAID TODAY (WEDNESDAY).

WINDING UP THE RESUMED DEBATE ON THE BILL IN THE LEGISLATIVE COUNCIL, MR HSU SUPPORTED AN AMENDMENT WHICH WOULD ENABLE PART I OF THE BILL TO BE BROUGHT INTO OPERATION ONE MONTH AFTER ITS ENACTMENT.

"THE PURPOSE IS TO ALLOW SUFFICIENT TIME TO THOSE WHO ARE RESPONSIBLE FOR PUTTING UP SIGNS OR PLACING ADVERTISEMENTS WHICH MAY CONTRAVENE THE LAW TO REMOVE OR WITHDRAW THEM BEFORE ENFORCEMENT ACTION IS TAKEN," MR HSU EXPLAINED.

/HE STRESSED

WEDNESDAY, JULY 13, 1988

- 23 -

HE STRESSED THAT ONCE THE PROVISIONS IN THE BILL HAD BEEN ENACTED, THE ADMINISTRATION WOULD TAKE POSITIVE ACTION TO ENFORCE THE ORDINANCE.

NOTING THE CONCERNS OF THE CHINESE MEDICINE DEALERS, MR HSU REITERATED THE PURPOSE OF THE BILL WAS TO PROTECT THE PUBLIC AGAINST THE HARMFUL EFFECTS OF UNDESIRABLE MEDICAL ADVERTISEMENTS.

"WE ARE NOT STOPPING ALL ADVERTISEMENTS ON MEDICINE AS SUCH. THOSE WHICH DO NOT CONTRAVENE THE LAW WILL BE ABLE TO CONTINUE," HE POINTED OUT.

"IN THIS RESPECT, THE ADMINISTRATION HAS MET WITH REPRESENTATIVES OF A CHINESE MEDICINE MERCHANTS ASSOCIATION DURING THE CONSULTATION PERIOD AND HAS ALSO GIVEN GUIDANCE ON THEIR COMMONLY USED TERMS, DESCRIPTIONS AND PRODUCT NAMES, MOST OF WHICH ARE IN FACT ACCEPTABLE."

ON THE ESTABLISHMENT OF A VETTING AUTHORITY WITHIN THE MEDICAL AND HEALTH DEPARTMENT FOR ALL ADVERTISEMENTS ON CHINESE MEDICINE, MR HSU SAID THE SUGGESTION HAD BEEN CONSIDERED, BUT WAS FOUND TO BE INAPPROPRIATE BECAUSE THE DEPARTMENT HAD NO EXPERTISE TO DEAL WITH CHINESE MEDICINE.

"FURTHERMORE, WE SHOULD AVOID A SITUATION WHERE ADVERTISEMENTS MIGHT BE USED TO CLAIM THAT THE PRODUCTS ADVERTISED HAD BEEN VETTED BY THE DEPARTMENT AND HAD RECEIVED SOME FORM OF OFFICIAL APPROVAL," HE ADDED.

HOWEVER, MR HSU SAID THE MEDICINE DEALERS WERE ALWAYS WELCOME TO SEEK FURTHER INFORMATION OR CLARIFICATION ON TERMINOLOGY OF DISEASES GENERALLY FROM THE MEDICAL AND HEALTH DEPARTMENT.

REGARDING PART II OF THE BILL WHICH PROHIBITED ADVERTISEMENTS IN THE FORM OF PACKAGES AND LABELS, MR HSU SAID IT WOULD NOT COME INTO EFFECT UNTIL 24 MONTHS AFTER PART I CAME INTO OPERATION.

THERE WOULD BE SUFFICIENT TIME FOR THE NECESSARY REPRINTING TO BE DONE, HE SAID.

- - - - 0 - - - -

/24

WEDNESDAY, JULY 13, 1988

- 24 -

POSITIVE ENFORCEMENT ACTION ON MEDICAL ADS URGED

* * * * *

THE GOVERNMENT SHOULD BE POSITIVE IN MONITORING MEDICAL ADVERTISEMENTS AND SIGNBOARDS AND INITIATE ENFORCEMENT ACTION AGAINST THOSE PEOPLE WHO CONTRAVENE THE PROVISIONS OF THE UNDESIRABLE MEDICAL ADVERTISEMENTS (AMENDMENT) BILL 1988.

DR THE HON CHIU HIN-KWONG SAID THIS WHEN SPEAKING IN SUPPORT OF THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

DR CHIU SAID DURING THE RESUMED DEBATE THAT IT WAS NOT ENOUGH FOR THE GOVERNMENT MERELY TO REACT TO COMPLAINTS FROM VICTIMS WHO HAD BEEN MISLED BY OFFENDING ADVERTISEMENTS, OR TO REPORTS FROM MEMBERS OF THE PUBLIC WHO OBJECTED TO CERTAIN MEDICAL ADVERTISEMENTS.

"THE LAW WILL HAVE LITTLE OR NO DETERRENT EFFECT IF ADVERTISEMENTS WHICH OBVIOUSLY CONTAIN MISLEADING INFORMATION, OR WHICH CAN LEAD TO WRONGFUL SELF-MEDICATION, ARE ALLOWED TO CIRCULATE FREELY," HE SAID.

DR CHIU SAID HE WAS PLEASED THE BILL, WHICH PROVIDED LONG AWAITED IMPROVEMENTS TO EXISTING LEGISLATION IN FACILITATING ACTION AGAINST ADVERTISEMENTS WHICH CONSTITUTED A DANGER TO PUBLIC HEALTH, WAS NOW BEFORE THE LEGISLATIVE COUNCIL.

HE SAID THE BILL WOULD MAKE TWO SIGNIFICANT IMPROVEMENTS IN CONTROLLING UNDESIRABLE MEDICAL ADVERTISEMENTS.

FIRSTLY, THE BILL WOULD UPDATE THE SCHEDULE IN RESPECT OF WHICH ADVERTISEMENT WAS PROHIBITED, AND WOULD CHANGE THE LEGISLATIVE APPROACH.

UNDER THIS, THE PROHIBITION AGAINST ADVERTISING DEPENDED NOT ON WHAT THE ADVERTISEMENT REPRESENTED, BUT ON WHETHER IT WAS LIKELY TO LEAD PERSONS READING THE ADVERTISEMENT TO USE THE MEDICINE, SURGICAL APPLIANCE OR TREATMENT ADVERTISED FOR THE PURPOSES SPECIFIED IN THE SCHEDULES, HE SAID.

THE SECOND IMPROVEMENT, WHICH WOULD FACILITATE ENFORCEMENT ACTION, WAS THE USE OF THE PRESUMPTIVE CLAUSE, HE SAID.

HE SAID THE LEGCO AD HOC GROUP FORMED TO STUDY THE BILL SUPPORTED THE GOVERNMENT'S INTENTION TO OVERCOME THE DIFFICULTY IN ESTABLISHING THE IDENTITY OF THE PERSON RESPONSIBLE FOR CAUSING THE UNDESIRABLE ADVERTISEMENT TO BE PUBLISHED.

"I BELIEVE THE REVERSAL OF THE BURDEN OF PROOF TO THE OFFENDERS WILL FACILITATE EFFECTIVE ENFORCEMENT ACTION," SAID DR CHIU, WHO WAS CONVENER OF THE AD HOC GROUP.

/IN ORDER

IN ORDER THAT THE BILL COULD BE ENFORCED IMMEDIATELY ONCE IT CAME INTO OPERATION, DR CHIU PROPOSED AN AMENDMENT DURING THE COMMITTEE STAGE.

UNDER THIS, THE BILL WOULD COME INTO EFFECT ON FUTURE DATE, SO THAT SUFFICIENT NOTICE AND WARNING MIGHT BE GIVEN, AND ADEQUATE LEAD TIME WAS GIVEN TO THE ADVERTISERS WHO MIGHT NEED TO CHANGE THEIR ADVERTISEMENTS AND SIGNBOARDS.

- - - - 0 - - - -

12 MEMBERS SPEAK IN LEGCO DEBATE ON BASIC LAW
* * * * *

TWELVE MEMBERS OF THE LEGISLATIVE COUNCIL SPOKE IN THE FIRST DAY OF THE DEBATE TODAY (WEDNESDAY) ON A MOTION THAT THE COUNCIL TAKE NOTE OF THE DRAFT BASIC LAW AND URGE THE PEOPLE OF HONG KONG TO STUDY THE DRAFT AND GIVE THEIR VIEWS ON IT.

THE DEBATE ON THE MOTION, WHICH WAS MOVED BY THE SENIOR MEMBER, THE HON LYDIA DUNN, WILL CONTINUE TOMORROW (THURSDAY) WHEN ANOTHER 16 MEMBERS ARE LISTED TO SPEAK.

IN OTHER BUSINESS BEFORE THE DEBATE BEGAN, FIVE BILLS WERE PASSED.

THEY WERE: PENSION BENEFITS (MISCELLANEOUS AMENDMENTS) BILL 1988; HONG KONG FUTURES EXCHANGE LIMITED (TEMPORARY PROVISIONS) BILL 1988; SECURITIES (DISCLOSURE OF INTERESTS) BILL 1988; SUPPLEMENTARY APPROPRIATION (1987-88) BILL 1988; AND UNDESIRABLE MEDICAL ADVERTISEMENTS (AMENDMENT) BILL 1988.

CONSIDERATION OF A PRIVATE BILL, THE UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1988, WAS HELD OVER TO TOMORROW'S MEETING.

- - - - 0 - - - -

WEDNESDAY, JULY 13, 1988

- 26 -

CHINA LAW SOCIETY PRESIDENT VISITS SWD HOMES

* * * * *

THE PRESIDENT OF THE CHINA LAW SOCIETY, MR WANG ZHONGFANG, TODAY (WEDNESDAY) VISITED TWO CORRECTIONAL HOMES OPERATED BY THE SOCIAL WELFARE DEPARTMENT.

LAST MONTH, A DELEGATION OF THE SOCIETY FOR THE REHABILITATION OF OFFENDERS, HONG KONG (SROHK) VISITED JUDICIAL, SOCIAL AND PENAL SERVICES IN PEKING, HANGZHOU AND CANTON AT THE INVITATION OF THE CHINA LAW SOCIETY.

MRS ELIZABETH WONG, DIRECTOR OF SOCIAL WELFARE, WHO PARTICIPATED IN THE VISIT IN HER CAPACITY OF VICE-PRESIDENT OF SROHK, SAID: "HAVING LEARNT SO MUCH FROM THEIR OPERATIONS, I AM GLAD OF THIS OPPORTUNITY TO SHOW MR WANG HOW REHABILITATION SERVICES FOR YOUNG OFFENDERS ARE CONDUCTED IN HONG KONG AND TO DISCUSS THE LATEST DEVELOPMENTS."

"THIS STEPPED-UP LIAISON AND CONTINUAL EXCHANGE OF EXPERIENCE WILL CERTAINLY BE OF MUTUAL BENEFIT TO BOTH PARTIES," SHE SAID.

ACCOMPANIED BY MRS WONG AND THE CHIEF SOCIAL WORK OFFICER (YOUTH AND CORRECTIONS), MR ANTHONY CHAN WAI-KWAN, MR WANG VISITED THE PUI CHI BOYS' HOME AND THE MA TAU WEI GIRLS' HOME.

AT THESE HOMES, THE BOYS AND GIRLS ARE PROVIDED WITH ACADEMIC, PREVOCATIONAL AND SOCIAL TRAINING DESIGNED AT REFORMING THEIR BEHAVIOUR AND SOCIAL ATTITUDES SO THAT THEY WILL BE BETTER EQUIPPED TO LIVE AS LAW-ABIDING MEMBERS OF THE COMMUNITY.

MR WANG WAS BRIEFED ON THE SERIES OF IMPROVEMENTS TO THE EDUCATIONAL PROGRAMMES OF THESE HOMES, INCLUDING THE ENGAGEMENT OF A PRINCIPAL ASSISTANT MASTER AND THE STRENGTHENING OF THE TEACHING ESTABLISHMENT; THE ACQUISITION OF SUITABLE EDUCATIONAL EQUIPMENT, TEACHING AIDS AND REFERENCE BOOKS; AND A REVIEW OF THE SYLLABUS AND TEACHING METHOD.

- - - - 0 - - - -

SALE OF TWO INDUSTRIAL SITES FETCHED \$210M

* * * * *

TWO GOVERNMENT SITES WERE SOLD AT A PUBLIC AUCTION HELD TODAY (WEDNESDAY) WITH A REALISED PREMIUM OF \$210 MILLION.

BOTH SITES ARE FOR INDUSTRIAL AND/OR GODOWN PURPOSES BUT EXCLUDING OFFENSIVE TRADES.

/ONE OF

- 27 -

ONE OF THE SITES IS IN KA YIP STREET, CHAI WAN. IT COVERS AN AREA OF ABOUT 4,687 SQUARE METRES. THE DEVELOPER HAS TO COMPLETE AT LEAST 33,746 SQUARE METRES OF GROSS FLOOR AREA BEFORE SEPTEMBER 30, 1992.

BIDDING STARTED AT \$150 MILLION AND THE SITE WAS BOUGHT BY AUTOWIN LIMITED FOR \$194 MILLION.

THE OTHER SITE IS IN AREA 25, ON LOK TSUEN, FANLING, NEW TERRITORIES. THE AREA OF THE SITE IS ABOUT 1,198 SQUARE METRES.

BIDDING OPENED AT \$10 MILLION AND THE SITE WAS SOLD TO BIG YOUTH INVESTMENTS LIMITED FOR \$16 MILLION.

ACCORDING TO THE BUILDING COVENANT, THE BUYER HAS TO DEVELOP AT LEAST 3,594 SQUARE METRES OF GROSS FLOOR AREA BEFORE JUNE 30, 1992.

THE AUCTION WAS CONDUCTED BY GOVERNMENT LAND AGENT OF THE BUILDINGS AND LANDS DEPARTMENT, MR TIM MILLS, IN THE CITY HALL THEATRE.

- - - - 0 - - - -

EXTRA LIGHTS PROPOSED FOR LRT INTERSECTION

* * * * *

THE ENVIRONMENTAL IMPROVEMENT AND DISTRICT DEVELOPMENT COMMITTEE OF THE TUEN MUN DISTRICT BOARD WILL CONSIDER A PROPOSAL TO PROVIDE EXTRA LIGHTING FACILITIES AT THE LIGHT RAIL TRANSIT (LRT) INTERSECTION AT SIU HONG COURT AT A MEETING TOMORROW (THURSDAY).

RESIDENTS OF SIU HONG COURT LEARNT THAT THE LIGHTING AT LRT ZONES WILL BE TURNED OFF AFTER ALL ROUTES HAVE STOPPED THEIR SERVICE. THEY REQUESTED THE DEPARTMENTS CONCERNED TO CONDUCT A SITE INVESTIGATION FOR INSTALLATION OF EXTRA LIGHTS AT PARTICULAR LOCATIONS FOR SECURITY PURPOSE.

MEMBERS WILL ALSO DISCUSS THE ENVIRONMENTAL HYGIENE PROBLEMS AND MAINTENANCE OF ROAD SURFACE OF KAI MAN PATH AS WELL AS TWO LAYOUT PLANS RESPECTIVELY CONCERNING THE DEVELOPMENT OF THE LANDWARD SIDE OF CASTLE PEAK ROAD AND THE AREA BETWEEN LUNG MUN ROAD AND THE WATERFRONT.

A REPORT ON THE COMMITTEE'S FINANCIAL POSITION AND A PROGRESS REPORT ON LOCAL PUBLIC WORKS WILL ALSO BE TABLED AT THE MEETING.

- - - - -

NOTE TO EDITORS:

THE TUEN MUN DISTRICT BOARD'S ENVIRONMENTAL IMPROVEMENT AND DISTRICT DEVELOPMENT COMMITTEE WILL MEET TOMORROW (THURSDAY) IN THE DISTRICT BOARD CONFERENCE ROOM ON THE THIRD FLOOR, TUEN MUN GOVERNMENT OFFICES BUILDING, NO. 1 TUEN HI ROAD, TUEN MUN. THE MEETING WILL START AT 2.30 PM.

- - - - 0 - - - -

WEDNESDAY, JULY 13, 1988

- 28 -

ISLANDS DB COMMITTEE TO DISCUSS SPORTS REPORT

* * * * *

THE CULTURE, RECREATION AND SPORTS COMMITTEE OF THE ISLANDS DISTRICT BOARD WILL DISCUSS THE CONSULTANCY REPORT ON SPORT IN HONG KONG AT A MEETING TOMORROW (THURSDAY).

THE REPORT RECOMMENDS THAT THE GOVERNMENT CONSIDER SETTING UP A STATUTORY BODY WITH THE OBJECTIVE OF DEVELOPING SPORT AND RECREATION THROUGHOUT HONG KONG.

THE ASSISTANT SECRETARY (RECREATION AND SPORT) OF THE MUNICIPAL SERVICES BRANCH, MR NICHOLAS FRY, WILL BE PRESENT TO HEAR MEMBERS' VIEWS.

MEMBERS WILL ALSO DISCUSS A SCHEDULE FOR VISITING CULTURAL, RECREATIONAL AND SPORTS EVENTS IN THE DISTRICT.

OTHER ITEMS ON THE AGENDA INCLUDE APPLICATIONS FOR A REGIONAL COUNCIL SUBSIDY AND APPLICATIONS FOR DISTRICT BOARD FUNDS.

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE ISLANDS DISTRICT BOARD'S CULTURE, RECREATION AND SPORTS COMMITTEE TO BE HELD TOMORROW (THURSDAY) IN THE CONFERENCE ROOM OF THE ISLANDS DISTRICT OFFICE, 20TH FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL. THE MEETING WILL BEGIN AT 2 PM.

----- 0 -----

MEETING ON OBJECTIONS TO THA

* * * * *

MEMBERS OF THE SHAM SHUI PO DISTRICT BOARD'S ENVIRONMENT COMMITTEE WILL HELD A SPECIAL MEETING TOMORROW (THURSDAY) TO DISCUSS OBJECTIONS RAISED BY BEACON HEIGHTS RESIDENTS TO A HOUSING PLAN.

THE RESIDENTS HAVE OBJECTED TO THE COMMITTEE'S ENDORSEMENT OF THE HOUSING DEPARTMENT'S PLAN TO BUILD A TEMPORARY HOUSING AREA AT A SITE NEAR BEACON HEIGHTS.

/THE MEETING

- 29 -

THE MEETING WILL BE HELD IN THE CONFERENCE ROOM OF THE SHAM SHUI PO DISTRICT OFFICE AT 37-39 TONKIN STREET, KOWLOON, BEGINNING AT 2.15 PM.

AFTER THIS MEETING ENDS, MEMBERS OF THE BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL BEGIN A MEETING.

THEY WILL DISCUSS A PROPOSAL TO REMOVE PHOTOGRAPHS FROM DRIVING LICENCES AND VARIOUS OTHER MATTERS.

THESE INCLUDE ERECTION OF GUARDRAILS ON THE FOOTPATH AT 93-97 CHEUNG SHA WAN ROAD; RELOCATION OF PEDESTRIAN SIGNALS AT 13A UN CHAU STREET; AND PROVISION OF PEDESTRIAN SIGNALS AT THE JUNCTION OF TAI PO ROAD AND SHEK KIP MEI STREET.

IN ADDITION, MEMBERS WILL BE INFORMED OF A BUS AND FERRY ROUTE DEVELOPMENT PROGRAMME FOR SHAM SHUI PO DISTRICT IN 1988-89.

- - - - -

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETINGS OF THE SHAM SHUI PO DISTRICT BOARD'S ENVIRONMENT AND TRAFFIC AND TRANSPORT COMMITTEES, BEGINNING AT 2.15 PM AND 3 PM RESPECTIVELY TOMORROW (THURSDAY) IN THE CONFERENCE ROOM OF THE SHAM SHUI PO DISTRICT OFFICE AT 37-39 TONKIN STREET, KOWLOON.

- - - - 0 - - - -

/ RESULTS OF FIRST QUARTER SURVEY OF RESTAURANT RECEIPTS, PURCHASES
* * * * *

THE VALUE OF TOTAL RECEIPTS FOR THE ENTIRE RESTAURANT SECTOR IN THE FIRST QUARTER OF 1988, ESTIMATED AT \$6,522 MILLION, WAS 17 PER CENT HIGHER THAN IN THE SAME QUARTER OF 1987, WHILE THE VOLUME WAS 8 PER CENT HIGHER, ACCORDING TO THE PROVISIONAL RESULTS OF A SURVEY RELEASED TODAY (WEDNESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

THE PROVISIONAL ESTIMATE OF TOTAL PURCHASES BY RESTAURANTS IN THE FIRST QUARTER OF 1988 WAS \$2,756 MILLION, WHICH WAS 12 PER CENT HIGHER IN VALUE TERMS THAN IN THE FIRST QUARTER OF 1987.

ANALYSED BY TYPE OF RESTAURANT, FAST FOOD SHOPS RECORDED THE LARGEST PERCENTAGE INCREASE (23 PER CENT) IN THE VALUE OF TOTAL RECEIPTS WHEN COMPARED WITH THE FIRST QUARTER OF 1987.

/THESE WERE

- 30 -

THESE WERE FOLLOWED BY NON-CHINESE RESTAURANTS (20 PER CENT), CHINESE RESTAURANTS (16 PER CENT), "OTHER EATING AND DRINKING PLACES" - COMPRISING HERB TEA SHOPS, CREAMERIES AND OTHER OUTLETS SELLING BEAN CURD JELLY ETC - (12 PER CENT), AND BARS (3 PER CENT).

IN VOLUME TERMS, THE TOTAL RECEIPTS OF FAST FOOD SHOPS, NON-CHINESE RESTAURANTS, CHINESE RESTAURANTS AND "OTHER EATING AND DRINKING PLACES" INCREASED BY 18 PER CENT, 12 PER CENT, 7 PER CENT AND 5 PER CENT RESPECTIVELY WHILE THOSE OF BARS DECREASED BY 1 PER CENT.

COMPARING THE FIRST QUARTER OF 1988 WITH THE PRECEDING QUARTER - AND BEARING IN MIND THAT THIS COMPARISON IS AFFECTED BY SEASONAL FACTORS - TOTAL RESTAURANT RECEIPTS AND PURCHASES REMAINED ALMOST UNCHANGED IN VALUE TERMS WHILE THE VOLUME OF TOTAL RESTAURANT RECEIPTS DROPPED BY 2 PER CENT.

TOTAL RECEIPTS OF FAST FOOD SHOPS INCREASED BY 7 PER CENT IN VALUE AND 6 PER CENT IN VOLUME; AND THOSE OF NON-CHINESE RESTAURANTS BY 2 PER CENT IN VALUE BUT THEY REMAINED ALMOST UNCHANGED IN VOLUME.

HOWEVER, TOTAL RECEIPTS OF "OTHER EATING AND DRINKING PLACES" DECREASED BY 9 PER CENT IN VALUE AND 10 PER CENT IN VOLUME; THOSE OF BARS BY 7 PER CENT IN VALUE AND 8 PER CENT IN VOLUME; AND THOSE OF CHINESE RESTAURANTS BY 1 PER CENT IN VALUE AND 3 PER CENT IN VOLUME.

TABLE 1 PRESENTS THE REVISED FIGURES FOR THE TOTAL RECEIPTS AND TOTAL PURCHASES OF THE ENTIRE RESTAURANT SECTOR FOR THE FOURTH QUARTER OF 1987 AND THE PROVISIONAL FIGURES FOR THE FIRST QUARTER OF 1988.

TABLE 2 SHOWS THE VALUE AND VOLUME INDEXES OF TOTAL RECEIPTS BY TYPE OF RESTAURANT FOR THE FIRST QUARTER OF 1988, WITH THE QUARTERLY AVERAGE FROM OCTOBER 1984 TO SEPTEMBER 1985 TAKEN AS 100. ALSO TABULATED ARE COMPARISONS OF THE FIRST QUARTER OF 1988 RESULTS WITH THOSE FOR THE FOURTH QUARTER OF 1987 AND FOR THE FIRST QUARTER OF 1987.

THE REPORT ON THE QUARTERLY SURVEY OF RESTAURANT RECEIPTS AND PURCHASES FOR THE FIRST QUARTER OF 1988 IS NOW ON SALE AT THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL, AT \$1 PER COPY.

ENQUIRIES ON THE SURVEY RESULTS MAY BE DIRECTED TO THE WHOLESALE/RETAIL TRADE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (TEL. 5-8234941).

/TABLE 1 :

TABLE 1 : TOTAL RESTAURANT RECEIPTS AND PURCHASES

		4th qtr. 1987 (Revised figures)	1st qtr. 1988 (Provisional figures)
Total restaurant receipts	(in HK\$ million)	6 543	6 522
Total purchases by restaurants	(in HK\$ million)	2 770	2 756

TABLE 2 : VALUE AND VOLUME INDEXES OF TOTAL RESTAURANT RECEIPTS FOR 4TH QUARTER 1987 AND 1ST QUARTER 1988

(Quarterly average of October 84 - September 85 = 100)

Type of restaurant	Index of total restaurant receipts	4th quarter 1987	1st quarter 1988	1st qtr. 1988 compared with 4th qtr. 1987		1st qtr. 1988 compared with 1st qtr. 1987	
		(Revised figures)	(Provisional figures)	Points	%	Points	%
Chinese restaurants	Value	145	143	-2	-1	19	16
	Volume	130	126	-5	-3	8	7
Non-Chinese restaurants	Value	125	128	3	2	21	20
	Volume	110	110	0	0	11	12
Fast food shops	Value	145	155	11	7	29	23
	Volume	134	142	8	6	22	18
Bars	Value	135	126	-10	-7	4	3
	Volume	119	110	-9	-8	-1	-1
Other eating and drinking places	Value	136	124	-12	-9	13	12
	Volume	121	109	-12	-10	5	5
Entire restaurant sector	Value	141	140	0	0	20	17
	Volume	126	123	-3	-2	10	8

Notes: 1. Figures denoting changes are derived from unrounded figures.
2. 0 denotes change of less than 0.5.

WEDNESDAY, JULY 13, 1988

- 32 -

TALENT NIGHT TO LAUNCH YUEN LONG SUMMER YOUTH PROGRAMME
* * * * *

A YOUTH TALENT PERFORMANCE WILL BE STAGED IN LUT SAU HALL IN YUEN LONG TOMORROW (THURSDAY) EVENING TO MARK THE OPENING OF THE DISTRICT'S SUMMER YOUTH PROGRAMME (SYP).

THE PERFORMERS ARE PARTICIPANTS OF THE 1988 YUEN LONG DISTRICT YOUTH TALENT COMPETITION.

YUEN LONG DISTRICT OFFICER, MR ALAN WONG, AND DISTRICT BOARD CHAIRMAN, MR TAI KUEN, WILL OFFICIATE AT THE OPENING CEREMONY AND PRESENT PRIZES TO WINNERS OF THE TALENT COMPETITION.

ALSO PRESENT AT THE CEREMONY WILL BE THE CHAIRMAN OF THE 1988 YUEN LONG DISTRICT SYP CO-ORDINATION COMMITTEE, MR LAI KWOK-YIU.

OVER THE NEXT TWO MONTHS, A TOTAL OF 172 YOUTH ACTIVITIES, ORGANISED BY 30 LOCAL BODIES, WILL BE HELD IN BOTH THE YUEN LONG TOWN AND THE RURAL AREAS. THESE INCLUDE STUDY CAMPS, PICNICS, VISITS, CONCERTS, MOVIE SHOWS, SPORTS EVENTS AND FUN FAIRS.

MOST OF THESE ACTIVITIES ARE SUBSIDISED BY THE ROYAL HONG KONG JOCKEY CLUB, WHICH HAS DONATED \$194,400 FOR THE YUEN LONG SYP. THE YUEN LONG DISTRICT BOARD HAS ALSO ALLOCATED \$35,000 FOR HOLDING THE OPENING CEREMONY AND FOR OTHER PUBLICITY EXPENSES.

THE CENTRAL THEME OF THIS YEAR'S SYP IS "SHARE THE FUN, SERVE THE COMMUNITY". IT AIMS AT PROVIDING OPPORTUNITIES FOR YOUNG PEOPLE TO ENRICH THEMSELVES DURING THE SUMMER VACATION THROUGH PARTICIPATION IN MEANINGFUL SOCIAL, RECREATIONAL AND COMMUNITY ACTIVITIES.

CARRIED ON PAGE 33

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF THE YUEN LONG DISTRICT SUMMER YOUTH PROGRAMME AND YOUTH TALENT NIGHT TO BE HELD TOMORROW (THURSDAY) IN LUT SAU HALL, TAI YUK ROAD, YUEN LONG. THE CEREMONY WILL START AT 7.30 PM. INFORMATION OFFICER, MR KENNY LAM, WILL BE ON HAND TO ASSIST.

----- 0 -----

WEDNESDAY, JULY 13, 1988

- 33 -

GOVERNMENT LAND TO LET BY TENDER
* * * *

THE BUILDINGS AND LANDS DEPARTMENT IS OFFERING A PIECE OF GOVERNMENT LAND IN THE NEW TERRITORIES TO LET BY TENDER.

THE LAND IS IN D.D. NO. 51 AREA 26, ON LOK TSUEN, FANLING, WITH AN AREA OF ABOUT 775 SQUARE METRES. IT WILL BE USED FOR A MOTOR VEHICLE REPAIR WORKSHOP.

THE TENANCY IS FOR THREE YEARS AND THEREAFTER QUARTERLY.

THE DEADLINE IS FOR ACCEPTANCE OF TENDERS IS NOON ON JULY 29.

TENDER DOCUMENTS ARE OBTAINABLE FROM AND TENDER PLAN CAN BE SEEN AT THE DISTRICT LANDS OFFICE, NORTH, PIK FUNG ROAD, FANLING; THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG; AND THE DISTRICT LANDS OFFICES KOWLOON, 10TH FLOOR, YAU MA TEI CAR PARK BUILDING, 250 SHANGHAI STREET, KOWLOON.

----- 0 -----

URBAN CLEARWAYS IN CENTRAL
* * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT THE FOLLOWING ROAD SECTIONS IN CENTRAL WILL BE MADE 24-HOUR DAILY URBAN CLEARWAYS FROM 10 AM ON SATURDAY (JULY 16) TO IMPROVE TRAFFIC FLOW:

- * THE WESTERN KERBSIDE LANE OF COTTON TREE DRIVE FROM ITS JUNCTION WITH THE ACCESS ROAD TO MURRAY ROAD MULTI-STOREY CARPARK TO A POINT ABOUT 20 METRES SOUTH OF THE SAME JUNCTION.
- * THE ACCESS ROAD TO MURRAY ROAD MULTI-STOREY CARPARK FROM ITS JUNCTION WITH COTTON TREE DRIVE TO A POINT ABOUT 60 METRES WEST OF THE SAME JUNCTION.
- * THE SOUTHERN KERBSIDE LANE OF LAMBETH WALK FROM ITS JUNCTION WITH COTTON TREE DRIVE TO A POINT ABOUT 70 METRES WEST OF THE SAME JUNCTION.
- * THE SECTION OF THE ACCESS ROAD BETWEEN THE EXIT OF MURRAY ROAD MULTI-STOREY CARPARK AND LAMBETH WALK.

/IN ADDITION,

IN ADDITION, THE FOLLOWING TWO ROAD SECTIONS WILL ALSO BE MADE URBAN CLEARWAYS FOR ABOUT SEVEN MONTHS TO FACILITATE THE UPGRADED CONNAUGHT ROAD PROJECT:

- * THE NORTHERN KERBSIDE LANE OF THE MACAU FERRY TERMINAL INTERNAL ROAD BETWEEN ITS JUNCTION WITH THE UNNAMED ROAD NORTH OF THE MACAU FERRY BUS TERMINUS AND THE SOUTHBOUND CARRIAGEWAY OF THE MACAU FERRY TERMINAL INTERNAL ROAD EXCLUDING THE LAY-BYS WILL BECOME 7 AM TO MIDNIGHT DAILY URBAN CLEARWAY.
- * THE SOUTHERN KERBSIDE LANE OF THE MACAU FERRY TERMINAL INTERNAL ROAD BETWEEN ITS JUNCTION WITH THE UNNAMED ROAD NORTH OF THE MACAU FERRY BUS TERMINUS AND THE SOUTHBOUND CARRIAGEWAY OF THE MACAU FERRY TERMINAL INTERNAL ROAD WILL BECOME DAILY URBAN CLEARWAY ROUND-THE-CLOCK.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS WITHIN THE RESTRICTED AREAS.

AT THE SAME TIME, THE EXISTING 7 AM TO 7 PM DAILY URBAN CLEARWAY ON THE ACCESS ROAD TO MURRAY ROAD MULTI-STOREY CARPARK FROM ITS JUNCTION WITH COTTON TREE DRIVE TO A POINT ABOUT 55 METRES WEST OF THE SAME JUNCTION WILL BE LIFTED.

- - - - 0 - - - -

URBAN CLEARWAYS IN NORTH POINT, CHAI WAN
* * * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT SEVERAL ROAD SECTIONS IN NORTH POINT AND CHAI WAN WILL BE MADE URBAN CLEARWAYS FROM 10 AM ON SATURDAY (JULY 16).

IN NORTH POINT, THE EXISTING 24-HOUR DAILY URBAN CLEARWAYS ON THE FOLLOWING ROAD SECTIONS WILL BE IN FORCE FOR ANOTHER TWO WEEKS FOR ROADWORKS:

- * THE NORTHERN KERBSIDE LANE OF JAVA ROAD FROM ITS JUNCTION WITH SHU KUK STREET TO A POINT ABOUT 48 METRES EAST OF THE SAME JUNCTION;
- * THE SOUTHERN KERBSIDE LANE OF JAVA ROAD BETWEEN SHU KUK STREET AND KAM HONG STREET; AND
- * SHU KUK STREET FROM ITS JUNCTION WITH MARBLE ROAD TO A POINT ABOUT 12 METRES NORTH OF ITS JUNCTION WITH JAVA ROAD.

IN CHAI WAN, THE NORTHERN KERBSIDE LANE OF WAN TSUI ROAD FROM ITS JUNCTION WITH WAN TSUI LANE TO A POINT ABOUT EIGHT METRES WEST OF THE SAME JUNCTION WILL BE DESIGNATED AS A 7 AM TO 7 PM DAILY URBAN CLEARWAY TO IMPROVE ROAD SAFETY.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS WITHIN THE RESTRICTED AREAS.

- - - - 0 - - - -

- 35 -

SPEED LIMIT CHANGE ON POK FU LAM ROAD

* * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT THE SPEED LIMIT TRAFFIC SIGNS ON POK FU LAM ROAD NEAR CLAYMORE AVENUE WILL BE RELOCATED FROM 10 AM ON SATURDAY (JULY 16) TO IMPROVE ROAD SAFETY.

AS A RESULT, THE SPEED LIMIT ON THE SOUTHBOUND AND NORTHBOUND CARRIAGEWAYS OF POK FU LAM ROAD FROM A POINT ABOUT 40 METRES SOUTH OF ITS JUNCTION WITH CLAYMORE AVENUE TO A POINT ABOUT 87 METRES SOUTH OF THE SAME JUNCTION WILL BE CHANGED FROM 50 TO 70 KILOMETRES PER HOUR.

- - - - 0 - - - -

SUSPENSION OF PARKING SPACES AT MURRAY BARRACKS

* * * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT PARKING SPACE NOS. 20 TO 40 AND 92 TO 111 AT MURRAY BARRACKS OPEN-AIR CARPARK IN CENTRAL WILL BE SUSPENDED FROM 8 AM ON SATURDAY (JULY 16) TO MIDNIGHT THE FOLLOWING DAY (SUNDAY).

THIS MEASURE WILL FACILITATE THE ROADWORKS THERE.

- - - - 0 - - - -

TRAFFIC CHANGES IN KOWLOON

* * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT TO FACILITATE EMERGENCY DRAINAGE REPAIR WORK AT YUK YAT STREET IN TO KWA WAN, THE SECTION OF YUK YAT STREET BETWEEN LOK SHAN ROAD AND SHUN FUNG STREET HAS BEEN RE-ROUTED FROM TWO-WAY TO ONE-WAY EASTBOUND.

AT THE SAME TIME, NO VEHICLES WILL BE ALLOWED TO TURN LEFT FROM SHUN FUNG STREET INTO YUK YAT STREET WESTBOUND.

THE MEASURE WILL BE IN FORCE FOR ABOUT 10 DAYS UNTIL THE COMPLETION OF THE REPAIR WORK.

MEANWHILE, IN YAU MA TEI, FROM 10 AM ON FRIDAY (JULY 15), THE EXISTING 7 AM TO 7 PM DAILY URBAN CLEARWAY RESTRICTION ON NATHAN ROAD SOUTHBOUND SOUTH OF ITS JUNCTION WITH WATERLOO ROAD WILL BE EXTENDED FOR ABOUT 15 METRES TO COVER THE WESTERN SECTION OF THE ACCESS ROAD LEADING TO YAU MA TEI AMBULANCE DEPOT.

ALL VEHICLES WILL BE BANNED FROM STOPPING WITHIN THE URBAN CLEARWAY FOR PASSENGERS OR GOODS.

- - - - 0 - - - -

WEDNESDAY, JULY 13, 1988

- 36 -

TRAFFIC AND TRANSPORT ARRANGEMENTS IN SHAM SHUI PO

* * * * *

THE TRANSPORT DEPARTMENT ANNOUNCED THAT IN CONNECTION WITH THE CONSTRUCTION WORKS OF A STORMWATER DRAINAGE IMPROVEMENT PROJECT IN THE VICINITY OF LI CHENG UK ESTATE, A SERIES OF TRAFFIC AND TRANSPORT ARRANGEMENTS WILL BE IMPLEMENTED IN SHAM SHUI PO FROM 10 AM ON FRIDAY (JULY 15).

THE ARRANGEMENTS WILL BE IN FORCE FOR ABOUT FOUR MONTHS.

DETAILS ARE AS FOLLOWS:

- * THE SECTION OF EASTBOUND PO ON ROAD BETWEEN FAT TSEUNG STREET AND TONKIN STREET WILL BE CLOSED TO TRAFFIC. VEHICLES ON EASTBOUND PO ON ROAD HEADING FOR TONKIN STREET, INCLUDING GREEN MINIBUS ROUTE NO. 42 ON ITS JOURNEYS TO CHAK ON ESTATE, WILL BE DIVERTED VIA PO ON ROAD, FAT TSEUNG STREET, KWONG LEE ROAD AND TONKIN STREET.
- * THE LEFT-TURNING MOVEMENTS FROM SOUTHBOUND FAT TSEUNG STREET ONTO EASTBOUND PO ON ROAD AND THE RIGHT-TURNING MOVEMENTS FROM NORTHBOUND WING LUNG STREET ONTO EASTBOUND PO ON ROAD WILL BE BANNED.
- * THE WESTBOUND CARRIAGEWAY OF PO ON ROAD BETWEEN TONKIN STREET AND FAT TSEUNG STREET WILL BE MADE A 7 AM TO 10 AM AND 4 PM TO 7 PM DAILY URBAN CLEARWAY. NO VEHICLES WILL BE ALLOWED TO STOP WITHIN THE URBAN CLEARWAY FOR GOODS OR PASSENGERS.
- * THE BUS STOP ON WESTBOUND PO ON ROAD CURRENTLY OBSERVED BY KMB ROUTES NO. 2 AND 2A, AND CROSS HARBOUR ROUTES NO. 112 AND 122 WILL BE RELOCATED TEMPORARILY TO A POINT ON THE SAME ROAD OUTSIDE THE PO ON ROAD UC COMPLEX.

- - - - 0 - - - -