



DAILY INFORMATION BULLETIN

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CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

CHANGES TO ESTIMATES OF EXPENDITURE TABLED	1
GOVT COMMITTED TO FIGHT TRIAD	1
BILL TO REGULATE PRIVATE RETIREMENT SCHEMES MOVED	3
INFRASTRUCTURE PROJECTS TO MEET DEMANDS IN NORTH-WEST NT	7
INSIDER DEALING BILL INTRODUCED	8
SECURITIES (DISCLOSURE OF INTERESTS)(AMENDMENT) BILL 1991 INTRODUCED ...	9
TRADE DESCRIPTIONS BILL INTRODUCED INTO LEGCO	12
BILL TO LIFT PROHIBITION ON SHARE REPURCHASES INTRODUCED	14
HOTEL LICENSING SCHEME EXPLAINED	16
WAR MEMORIAL PENSIONS BILL INTRODUCED	17
GOVT WELCOMES THINK TANKS ON INDUSTRIAL DEVELOPMENT	19
PRECAUTIONARY MEASURES FOR DEMOLITION OF UNAUTHORISED STRUCTURES	20
SHW ON OCCUPATIONAL HEALTH	21
SEM ON OCCUPATIONAL HEALTH	22
SHW ON ELDERLY TRAVEL CONCESSIONS	27
INFORMATION ON FEE REFUNDS LISTED	27
MOTION ON REVIEW OF OCCUPATIONAL HEALTH AND SAFETY PASSED	28
HK GOVERNMENT'S COMMENTS ON GENEVA MEETING	30
RE-APPOINTMENT TO SECURITIES AND FUTURES COMMISSION	31
VEHICLES MEETING NEW STRINGENT EMISSION STANDARDS CAN REGISTER NOW	31
CONSULTATION ON COPYRIGHT LAW ENDS	32
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS	33
PAU CHUNG STREET BUILDINGS DECLARED LIABLE TO BECOME DANGEROUS	34
MONG KOK PRE-WAR BUILDING DECLARED DANGEROUS	35
APPLICATIONS FOR FORESTRY WORK CAMP INVITED	36

WEDNESDAY, MAY 1, 1991

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CHANGES TO ESTIMATES OF EXPENDITURE TABLED

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A SUMMARY OF ALL CHANGES MADE TO THE APPROVED ESTIMATES OF EXPENDITURE FOR THE SECOND QUARTER OF THE FINANCIAL YEAR 1990-91 WAS TABLED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING ON THE REPORT OF CHANGES TO THE APPROVED ESTIMATES OF EXPENDITURE, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID THE SUPPLEMENTARY PROVISION OF \$696.7 MILLION WAS APPROVED.

"IT WAS FULLY OFFSET EITHER BY SAVINGS UNDER THE SAME OR OTHER HEADS OF EXPENDITURE OR BY THE DELETION OF FUNDS UNDER THE ADDITIONAL COMMITMENTS SUBHEADS," MR MACLEOD SAID.

HE SAID THIS INCLUDED \$327 MILLION IN CONNECTION WITH THE ESTABLISHMENT OF A NEW STUDENT FINANCIAL ASSISTANCE AGENCY ON AUGUST 1, 1990 AND \$263 MILLION FOR PAYMENT OF THE REVISED HOME PURCHASE ALLOWANCE AND THE SPECIAL ALLOWANCE TO OFFICERS ELIGIBLE FOR ASSISTANCE UNDER THE HOME PURCHASE SCHEME AND THE INTRODUCTION OF A NEW HOME FINANCING SCHEME.

DURING THE PERIOD, APPROVED NON-RECURRENT COMMITMENTS WERE INCREASED BY \$177.9 MILLION AND NEW NON-RECURRENT COMMITMENTS OF \$26.9 MILLION WERE ALSO APPROVED.

MR MACLEOD ALSO NOTED THAT A NET INCREASE OF 1,131 POSTS WAS APPROVED IN THE SAME PERIOD.

"ITEMS IN THE SUMMARY HAVE BEEN APPROVED EITHER BY FINANCE COMMITTEE OR UNDER DELEGATED AUTHORITY.

"THE LATTER HAVE BEEN REPORTED TO THE FINANCE COMMITTEE IN ACCORDANCE WITH SECTION 8(8)(A) OF THE PUBLIC FINANCE ORDINANCE," HE ADDED.

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GOVT COMMITTED TO FIGHT TRIAD

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THE GOVERNMENT REMAINS COMMITTED TO COMBATTING THE TRIAD PROBLEM, THE ACTING SECRETARY FOR SECURITY, THE HON IAN STRACHAN, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON POON CHI-FAI, MR STRACHAN SAID EFFECTIVE LEGISLATION WAS AT THE FOREFRONT OF THESE EFFORTS.

HE SAID WHILST IT WOULD NOT BE REALISTIC TO EXPECT THAT TRIADS COULD BE FULLY ELIMINATED, THE POLICE BELIEVED THEY WERE BEING CONTAINED AS A RESULT OF REGULAR OPERATIONS AGAINST TRIADS, THEIR ASSOCIATES AND PREMISES.

/MR STRACHAN

MR STRACHAN CITED THE INCIDENT ON APRIL 15 AS AN EXAMPLE WHEN OVER 200 GANG MEMBERS WERE REPORTED TO HAVE TAKEN TO THE STREET IN WAN CHAI DISTRICT.

HE SAID FOLLOWING THE INCIDENT, OPERATIONS WERE CONDUCTED ON FIVE SUCCESSIVE NIGHTS AGAINST THE TWO TRIAD SOCIETIES INVOLVED, THAT IS, SUN YEE ON AND WO HOP TO.

"IN THIS OPERATION 13 PEOPLE WERE ARRESTED FOR A VARIETY OF OFFENCES, IN ADDITION TO THE 14 ARRESTED ON THE NIGHT OF THE INCIDENT," HE SAID.

MR STRACHAN NOTED THAT THE POLICE HAD ALSO HAD SOME NOTABLE SUCCESSES RECENTLY AGAINST THE HIGHER ECHELONS OF THE MORE ORGANISED TRIAD SOCIETIES.

"IN ONE CASE, THE POLICE INTERRUPTED A TRIAD INITIATION CEREMONY USING FULL TRADITIONAL REGALIA AND INSIGNIA WHILST IT WAS IN PROGRESS.

"THIS CASE HAS RESULTED IN SUBSTANTIAL CRIMINAL CHARGES AGAINST THE ALLEGED 'INCENSE MASTER'," HE SAID.

MR STRACHAN POINTED OUT THAT ALMOST A THIRD OF THE 50 DIFFERENT TRIAD SOCIETIES IN HONG KONG WERE ACTIVELY INVOLVED IN CRIMINAL ACTIVITIES RANGING FROM LOW LEVEL STREET CRIME TO SOPHISTICATED PROTECTION RACKETS.

SUCH GROUPS VARIED IN SIZE FROM SMALL LOOSELY-KNIT ASSOCIATIONS OF PETTY THUGS TO LARGE HIGHLY STRUCTURED SYDNICATES WITH THOUSANDS OF MEMBERS.

"THERE IS CONSIDERABLE INTER-GANG VIOLENCE.

"TRIAD INFLUENCE PERMEATES VARIOUS LEVELS OF SOCIETY, AND SOME INFLUENTIAL PROFESSIONS," HE SAID.

HE STRESSED THAT THE ANTI-TRIAD OPERATIONS WOULD CONTINUE TO BE CARRIED OUT AT THE DISTRICT, REGIONAL AND TERRITORY-WIDE LEVELS.

HE SAID RECENT MEASURES HAD BEEN TAKEN TO AUGMENT THE LEGAL POWERS IN THE AREAS OF ILLEGAL GAMBLING AND PROSTITUTION, TWO AREAS WHERE TRIADS WERE OFTEN INVOLVED.

AND THE ADMINISTRATION WAS CURRENTLY DRAFTING A BILL TO TACKLE ORGANISED CRIME.

"THE BILL, WHICH WILL BE PUBLISHED FOR PUBLIC CONSULTATION THIS SUMMER, PROPOSES HEAVY PENALTIES FOR ORGANISED CRIME OFFENCES AND INCLUDES PROVISIONS FOR CONFISCATION OF PROCEEDS OF ORGANISED CRIME.

"THE INTENT OF THESE PROVISIONS IS TO STRIKE AT THE ECONOMIC AND PHYSICAL POWERS OF ORGANISED CRIME SYDNICATES," HE SAID.

MR STRACHAN ALSO ENCOURAGED THE PUBLIC TO TELL THE POLICE PROMPTLY WHEN THEY WERE INTIMIDATED OR THREATENED.

"THE POLICE WILL PROTECT THE ANONYMITY OF INFORMANTS.

"THE GOVERNMENT AND THE COMMUNITY MUST JOIN TOGETHER TO DEMONSTRATE OUR STRENGTH AND THE RESOLVE TO STAMP OUT TRIAD ACTIVITIES," HE SAID.

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BILL TO REGULATE PRIVATE RETIREMENT SCHEMES MOVED

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THE AIM OF THE OCCUPATIONAL RETIREMENT SCHEMES BILL 1991 IS TO PROVIDE A FRAMEWORK FOR THE REGULATION OF PRIVATE RETIREMENT SCHEMES IN HONG KONG SO AS TO ENSURE THAT RETIREMENT BENEFITS PROMISED TO EMPLOYEES WILL BE PAID WHEN THEY FALL DUE.

MOVING THE SECOND READING OF THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID IT WAS NOT INTENDED TO COMPEL EMPLOYERS TO SET UP RETIREMENT SCHEMES, NOR TO SPECIFY A MINIMUM LEVEL OF BENEFITS.

IN JULY 1990, THE GOVERNMENT PUBLISHED THE OCCUPATIONAL PENSION SCHEMES (COMMERCE, TRADE AND INDUSTRY ETC) BILL 1990 AS A WHITE BILL FOR PUBLIC COMMENT.

DURING THE TWO-MONTH CONSULTATION PERIOD, SUBMISSIONS WERE RECEIVED FROM ABOUT 40 BUSINESS, PROFESSIONAL AND LABOUR ORGANISATIONS, INDICATING STRONG SUPPORT FOR THE REGULATION OF PRIVATE RETIREMENT SCHEMES.

THERE WERE ALSO COMMENTS ON THE DETAILED PROVISIONS OF THE WHITE BILL.

"WE HAVE CAREFULLY EXAMINED ALL THE COMMENTS AND AS A RESULT MADE SOME CHANGES TO THE ORIGINAL PROPOSALS.

"THE OCCUPATIONAL RETIREMENT SCHEMES BILL 1991 NOW PLACED BEFORE THIS COUNCIL IS THE RESULT OF THIS PROCESS," MR MACLEOD SAID.

HE SAID THE KEY FEATURES OF THE BILL WERE AS FOLLOWS:

FIRSTLY, THE BILL HAD A WIDE COVERAGE. ALL SCHEMES WHICH WERE OPERATING IN HONG KONG AND ALL SCHEMES TOWARDS WHICH CONTRIBUTIONS WERE MADE IN HONG KONG WERE COVERED.

"THIS IS NECESSARY TO AVOID POSSIBLE ABUSE BY EMPLOYERS SETTING UP SCHEMES WITH AN OVERSEAS DOMICILE TO EVADE THE REGULATORY REQUIREMENTS," THE ACTING FINANCIAL SECRETARY SAID.

/SECONDLY, WHILE

SECONDLY, WHILE CASTING A WIDE NET, THE GOVERNMENT WAS MINDFUL NOT TO IMPOSE UNNECESSARY RESTRICTIONS UPON GLOBAL RETIREMENT SCHEMES OPERATED BY MULTINATIONAL CORPORATIONS.

THE REGISTRAR OF OCCUPATIONAL RETIREMENT SCHEMES WAS, THEREFORE, GIVEN A LIMITED POWER TO EXEMPT CERTAIN SCHEMES FROM REGISTRATION.

"A SCHEME WHICH HAS BEEN APPROVED OR REGISTERED BY AN OVERSEAS REGULATORY BODY PERFORMING A SIMILAR FUNCTION TO THE REGISTRAR MAY ALSO APPLY FOR EXEMPTION.

"WE BELIEVE THAT THE EXEMPTION QUALIFICATIONS ARE ABOUT RIGHT.

"WE WILL, NEVERTHELESS, REVIEW THESE CRITERIA IN THE LIGHT OF OPERATIONAL EXPERIENCE," HE NOTED.

THIRDLY, THE BILL WAS DESIGNED TO ENSURE THAT IN MOST CASES COMPLIANCE WITH THE RELEVANT CRITERIA WOULD ENABLE REGISTRATION TO BE AUTOMATIC.

"IN OTHER WORDS, THE REGISTRAR SHALL NORMALLY REGISTER ALL SCHEMES WHICH COMPLY.

"ALL SCHEMES WHICH ARE DOMICILED IN HONG KONG WILL NORMALLY BE REGISTERED IF THEY ARE SET UP AS TRUSTS OR SUBJECT TO AN INSURANCE ARRANGEMENT.

"SCHEMES DOMICILED OVERSEAS WILL NORMALLY BE REGISTERED IF THEY ARE SET UP AS TRUSTS, AND IF THE TRUSTEES MAKE A SUBMISSION TO THE JURISDICTION OF THE HONG KONG COURTS IN RELATION TO THE ENTITLEMENT AND QUANTUM OF BENEFITS OF THE SCHEME MEMBERS," HE SAID.

MR MACLEOD NOTED THAT WHERE A SCHEME DID NOT MEET THE RELEVANT CRITERIA FOR REGISTRATION, THE REGISTRAR WAS GIVEN A VERY LIMITED DISCRETION TO APPROVE REGISTRATION.

HE SAID THE REGISTRAR MIGHT REGISTER THE SCHEME ONLY IF HE WAS SATISFIED THAT IT WOULD BE UNREASONABLE TO REQUIRE FULL COMPLIANCE.

FOURTHLY, MR MACLEOD SAID THE REGISTRAR WOULD NOT ACTIVELY INTERVENE IN THE AFFAIRS OF A REGISTERED RETIREMENT SCHEME.

BUT HE WAS EMPOWERED TO INTERVENE WHEN CONCERN WAS EXPRESSED ABOUT A SCHEME, FOR EXAMPLE, THROUGH THE ANNUAL RETURNS OF THE SCHEME, HE SAID.

HE MIGHT REQUIRE THE SUBMISSION OF SPECIAL REPORTS AND CERTIFICATES, AND APPOINT A PERSON TO INQUIRE INTO THE OPERATION OF THE SCHEME, HE SAID.

THE ACTING FINANCIAL SECRETARY SAID THE REGULATORY SYSTEM IN THE BILL EMBODIED FOUR GUIDING PRINCIPLES.

THEY WERE SEPARATION OF ASSETS OF THE RETIREMENT SCHEME FROM THOSE OF THE EMPLOYER, PROVISION OF SUFFICIENT FUNDING TO MEET THE SCHEME'S LIABILITIES, INDEPENDENT ANNUAL AUDIT OF THE ACCOUNTS OF THE SCHEME AND ADEQUATE DISCLOSURE OF INFORMATION TO SCHEME MEMBERS.

"TO ACHIEVE THE PRINCIPLE OF SEPARATION OF ASSETS, THE BILL REQUIRES THAT RETIREMENT SCHEMES SHOULD BE GROUNDED ON TRUST OR SUBJECT TO AN INSURANCE ARRANGEMENT.

"IN RESPECT OF THOSE GROUNDED ON TRUST, THE BILL REQUIRES THAT THERE SHOULD NORMALLY BE AN INDEPENDENT TRUSTEE AT ALL TIMES," HE SAID.

FURTHERMORE, THE BILL STIPULATED THAT NOT MORE THAN 10 PER CENT OF THE ASSETS OF A SCHEME MIGHT BE INVESTED IN SECURITIES ISSUED BY THE EMPLOYER OR HIS ASSOCIATES.

"INVESTMENT BY WAY OF LOANS TO THE EMPLOYER OR ASSOCIATES ARE STRICTLY PROHIBITED," HE ADDED.

ON THE QUESTION OF FUNDING, MR MACLEOD SAID ALL SCHEMES WERE REQUIRED TO MAINTAIN SUFFICIENT ASSETS TO MEET THEIR IMMEDIATE LIABILITIES, THAT WAS, ALL SCHEMES MUST BE SOLVENT.

HE SAID FOR DEFINED CONTRIBUTION SCHEMES, CONTRIBUTIONS WERE TO BE MADE IN ACCORDANCE WITH THE RULES OF THE SCHEME.

FOR DEFINED BENEFIT SCHEMES, CONTRIBUTIONS WERE TO BE MADE IN ACCORDANCE WITH ACTUARIAL ADVICE.

"THE BILL STIPULATES THE MINIMUM REQUIREMENTS FOR ONGOING ACTUARIAL CERTIFICATION.

"TRIENNIAL ACTUARIAL REVIEWS ARE REQUIRED AND, WHERE A SCHEME IS INSOLVENT, ANNUAL REVIEWS ARE REQUIRED TO ENSURE THAT THE SCHEME ACHIEVES SOLVENCY WITHIN THREE YEARS," HE ADDED.

FOR SCHEMES WHICH EXISTED BEFORE THE LEGISLATION CAME INTO FORCE, THE ACTING FINANCIAL SECRETARY SAID THERE WERE TRANSITIONAL PROVISIONS TO ALLOW SHORTFALLS IN FUNDING TO BE MET WITHIN FIVE YEARS.

IN RESPECT OF AUDITS AND ACCOUNTS, HE POINTED OUT THAT THE BILL REQUIRED THE TRUSTEES OR SCHEME MANAGERS TO KEEP PROPER ACCOUNTS AND RECORDS OF ALL FINANCIAL TRANSACTIONS OF A RETIREMENT SCHEME.

AN ANNUAL STATEMENT OF ACCOUNTS AND A REPORT PREPARED BY AN AUDITOR INDEPENDENT OF THE EMPLOYER WERE REQUIRED TO BE SUBMITTED TO THE REGISTRAR, HE ADDED.

AS REGARDS INFORMATION DISCLOSURE, MR MACLEOD SAID THE BILL PROVIDED THAT CONSULTATIVE COMMITTEES MIGHT BE APPOINTED FOR CONTRIBUTORY RETIREMENT SCHEMES WITH MORE THAN 50 MEMBERS.

"THIS PROVISION IS DIFFERENT FROM THAT PROPOSED IN THE WHITE BILL, WHICH STIPULATED THAT FOR ALL SCHEMES WHERE A MAJORITY OF THE MEMBERS SO WISHED, A CONSULTATIVE COMMITTEE SHOULD BE ESTABLISHED," HE SAID.

HE NOTED THAT VIEWS WERE EXPRESSED DURING THE PUBLIC CONSULTATION EXERCISE THAT AN ACROSS-THE-BOARD REQUIREMENT TO SET UP CONSULTATIVE COMMITTEES COULD DISCOURAGE EMPLOYERS FROM SETTING UP RETIREMENT SCHEMES.

"WHILST WE RECOGNISE THAT CONSULTATIVE COMMITTEES CAN PROVIDE A USEFUL FORUM FOR THE EXCHANGE OF VIEWS, WE AGREE THAT THE REGULATORY REQUIREMENT SHOULD NOT BE SO ONEROUS AS TO INHIBIT THE SETTING UP OF RETIREMENT SCHEMES, AND WE THEREFORE, MODIFIED THE PROVISION.

"IN ADDITION TO SERVING AS A FORUM FOR THE EXCHANGE OF VIEWS, CONSULTATIVE COMMITTEES ARE ENTITLED TO RECEIVE CERTAIN INFORMATION ABOUT THE RELEVANT RETIREMENT SCHEMES. WHERE NO COMMITTEES ARE SET UP, INDIVIDUAL SCHEME MEMBERS MAY REQUEST FOR THE INFORMATION," MR MACLEOD SAID.

NOTING THAT THE BILL WAS SILENT ON THE TAX STATUS OF CONTRIBUTIONS, HE SAID THE INLAND REVENUE ORDINANCE PROVIDED THAT CONTRIBUTIONS BY AN EMPLOYER TOWARDS A RETIREMENT SCHEME APPROVED BY THE COMMISSIONER OF INLAND REVENUE WAS TAX DEDUCTIBLE.

"IN FUTURE, A SCHEME MUST BE REGISTERED WITH THE REGISTRAR OF OCCUPATIONAL RETIREMENT SCHEMES TO QUALIFY FOR TAX RELIEF, BUT ONLY ONE APPLICATION WILL NEED TO BE LODGED WITH THE REGISTRAR.

"NO SEPARATE APPLICATION TO THE COMMISSIONER FOR INLAND REVENUE WILL BE REQUIRED," HE SAID.

MR MACLEOD SAID THE BILL, WHEN ENACTED, WOULD HAVE WIDE IMPLICATIONS FOR EMPLOYERS WHO WERE OPERATING RETIREMENT SCHEMES FOR THEIR EMPLOYEES.

HE SAID THEY WOULD HAVE TO ENSURE THAT THEIR SCHEMES COMPLY WITH THE NEW REQUIREMENTS ON TRUSTEESHIP, ASSET INVESTMENT, FUNDING, ACCOUNTING, AUDITING, INFORMATION DISCLOSURE AND SO ON.

"A TRANSITIONAL PERIOD OF TWO YEARS WILL BE PROVIDED FOR THE SCHEMES TO BECOME REGISTERED.

"ON EXPIRY OF THE TWO-YEAR PERIOD, IT WILL BE AN OFFENCE TO OPERATE AN UNREGISTERED RETIREMENT SCHEME," HE ADDED.

THE ACTING FINANCIAL SECRETARY SAID WHEN THE WHITE BILL WAS ISSUED FOR PUBLIC CONSULTATION LAST SUMMER, ONE MAJOR CRITICISM OF THE BILL WAS ITS COMPLEXITY.

"IT IS TRUE THAT THE BILL IS A TECHNICAL AND COMPLICATED PIECE OF LEGISLATION, BECAUSE THE SUBJECT OF RETIREMENT SCHEMES IS FAR FROM SIMPLE.

"WE HAVE MADE A POLICY DECISION THAT THE BILL SHOULD COVER ALL SCHEMES OPERATING IN HONG KONG AND TOWARDS WHICH CONTRIBUTIONS ARE MADE IN HONG KONG, REGARDLESS OF THEIR DOMICILE," HE EXPLAINED.

HAD THE SCOPE BEEN LIMITED TO SCHEMES WHICH WERE DOMICILED IN HONG KONG, HE SAID THE BILL AND THE SPEECH WOULD BE MUCH SHORTER.

"HOWEVER, AS I EXPLAINED EARLIER, THE PURPOSE OF THE LEGISLATION COULD BE FRUSTRATED IF ITS SCOPE WERE REDUCED.

"WE APPRECIATE THAT THE BILL MAY NOT BE AS 'USER-FRIENDLY' AS ONE WOULD LIKE, BUT THE REGISTRATION PROCEDURE ITSELF IS STRAIGHTFORWARD.

"ALSO, TO ASSIST EMPLOYERS IN UNDERSTANDING THEIR STATUTORY DUTIES, WE WILL PUBLISH EXPLANATORY PAMPHLETS BEFORE BRINGING THE LEGISLATION INTO OPERATION," HE SAID.

MR MACLEOD SAID IT HAD ALSO BEEN POINTED OUT THAT SELECTED PROVISIONS IN THE BILL, IN PARTICULAR, THE REQUIREMENT TO SUBMIT STATEMENTS AND CERTIFICATES TO THE REGISTRAR, WOULD LEAD TO INCREASED COSTS IN THE OPERATION OF RETIREMENT SCHEMES.

"WHILE THIS IS A FAIR COMMENT, I THINK IT IS GENERALLY ACCEPTED THAT THERE IS A PRICE ATTACHED TO EVERY REGULATORY REGIME.

"WHILE THE REQUIREMENTS IN THE BILL MAY RESULT IN HIGHER ADMINISTRATIVE COSTS FOR RETIREMENT SCHEMES, THIS IS A REASONABLE PRICE TO PAY IN ORDER TO ACHIEVE BETTER PROTECTION FOR SCHEME MEMBERS," HE EXPLAINED.

HE SAID THERE HAD BEEN EXTENSIVE CONSULTATION ON THE SUBJECT OVER THE PAST THREE YEARS, ADDING THAT MANY CONSTRUCTIVE COMMENTS HAD BEEN OFFERED BY VARIOUS PROFESSIONAL BODIES, ADVISORY COMMITTEES AND TRADE ORGANISATIONS DURING THIS PERIOD.

DEBATE ON THE BILL WAS ADJOURNED.

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INFRASTRUCTURE PROJECTS TO MEET DEMANDS IN NORTH-WEST NT

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SEVERAL MAJOR TRANSPORT INFRASTRUCTURE PROJECTS IN THE NORTH-WEST NEW TERRITORIES ARE EITHER UNDER CONSTRUCTION OR BEING PLANNED TO KEEP PACE WITH THE POPULATION GROWTH IN THE AREA, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION BY THE HON LAU WONG-FAT, MR LEUNG SAID THESE PROJECTS INCLUDED THE TUEN MUN - YUEN LONG EASTERN CORRIDOR, NOW UNDER CONSTRUCTION, WHICH WOULD PROVIDE A DUAL TWO-LANE HIGHWAY LINKING THE TWO NEW TOWNS BY MID-1993.

THE FINAL PHASE OF THE NEW TERRITORIES CIRCULAR ROAD BETWEEN AU TAU AND FAIRVIEW PARK WAS DUE FOR COMPLETION BY MID-1992.

DESIGN FOR THE YUEN LONG SOUTHERN BYPASS WAS NEARLY COMPLETED AND IT WAS HOPED THAT TENDERS FOR THIS PROJECT COULD BE INVITED BY THE END OF THIS YEAR, MR LEUNG SAID.

THE LIGHT RAIL TRANSIT EXTENSION TO TIN SHUI WAI WAS ALSO BEING BUILT, AND WAS DUE FOR COMPLETION AT THE END OF 1992, HE ADDED.

MR LEUNG POINTED OUT THAT THE COUNTRY PARK SECTOR OF ROUTE 3 BETWEEN TING KAU AND YUEN LONG HAD ALL ALONG BEEN PLANNED FOR COMPLETION IN THE LATE 1990'S. THERE WAS THEREFORE NO "PROTRACTED DELAY OR INDEFINITE DEFERMENT" OF ROUTE 3, HE SAID.

THE SECRETARY FOR TRANSPORT ADDED THAT VARIOUS TRAFFIC MANAGEMENT AND IMPROVEMENT MEASURES WOULD SHORTLY BE PUT IN HAND TO IMPROVE TRAFFIC FLOWS PARTICULARLY ALONG CASTLE PEAK ROAD BETWEEN TUEN MUN AND YUEN LONG.

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INSIDER DEALING BILL INTRODUCED

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A BILL TO SEEK AMENDING THE SECURITIES (INSIDER DEALING) ORDINANCE TO CLARIFY THE DUTY OF OFFICERS OF A CORPORATION IN RELATION TO INSIDER DEALING BY THE CORPORATION WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE SECURITIES (INSIDER DEALING) (AMENDMENT) BILL 1991, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID THE ORDINANCE IMPOSED A DUTY ON EVERY OFFICER OF A CORPORATION TO TAKE ALL REASONABLE PRECAUTIONS TO PREVENT INSIDER DEALING BY THE CORPORATION.

WHERE AN INSIDER DEALING TRIBUNAL IDENTIFIED A CORPORATION AS AN INSIDER DEALER, THE TRIBUNAL MIGHT ALSO IDENTIFY ANY OFFICER OF THAT CORPORATION WHOSE BREACH OF DUTY HAD LED, DIRECTLY OR INDIRECTLY, TO THE INSIDER DEALING IN QUESTION, AND MIGHT MAKE AN ORDER AGAINST HIM AS IF HE WERE AN INSIDER DEALER.

THESE PROVISIONS, AS PRESENTLY WORDED, PRODUCED AN UNINTENDED EFFECT BECAUSE THEY OVERLOOKED THE DISTINCTION DRAWN IN THE ORDINANCE BETWEEN "INSIDER DEALER" AND "INSIDER DEALING", THE SECRETARY NOTED.

MR MACLEOD POINTED OUT THAT THE TRIBUNAL MIGHT MAKE AN ORDER AGAINST ANY PERSON WHICH IT FOUND TO BE AN INSIDER DEALER.

BUT A PERSON WHO ENGAGED IN CONDUCT WHICH WAS, BY DEFINITION, INSIDER DEALING, MIGHT BE HELD, IN CERTAIN CIRCUMSTANCES, NOT TO BE AN INSIDER DEALER BY VIRTUE OF THE DEFENCES AVAILABLE UNDER THE ORDINANCE, HE ADDED.

"THUS, THE OFFICERS OF A CORPORATION ARE REQUIRED TO PREVENT CONDUCT WHICH MAY IN THE EVENT BE EXCUSED," HE SAID.

MR MACLEOD SAID THE GOVERNMENT CONSIDERED IT MOST UNLIKELY THAT AN OFFICER IN TECHNICAL BREACH OF HIS DUTY WOULD EVER HAVE AN ORDER MADE AGAINST HIM.

/THE GOVERNMENT

THE GOVERNMENT ACCEPTED, HOWEVER, THAT THE TERMS OF ANY STATUTORY DUTY SHOULD BE STATED UNAMBIGUOUSLY.

"WE PROPOSE THEREFORE TO MAKE IT CLEAR THAT THE OFFICER'S DUTY IS TO PREVENT THE COMPANY FROM ENGAGING IN CONDUCT WHICH MIGHT CAUSE IT TO BE IDENTIFIED BY THE TRIBUNAL AS AN INSIDER DEALER," HE SAID.

MR MACLEOD SAID THE GOVERNMENT HAD ALSO TAKEN THE OPPORTUNITY TO REPLACE AN OBSOLETE REFERENCE IN THE ORDINANCE TO THE COMMISSIONER FOR SECURITIES WITH A REFERENCE TO THE SECURITIES AND FUTURES COMMISSION.

THE SECURITIES (INSIDER DEALING) ORDINANCE WAS ENACTED IN JULY 1990 BUT HAD YET TO BE BROUGHT INTO FORCE, MR MACLEOD SAID.

AT THE TIME OF ENACTMENT, FEARS WERE EXPRESSED THAT THE NEW LEGISLATION WOULD HAVE AN ADVERSE EFFECT ON MARKET LIQUIDITY.

"WE HAVE UNDERTAKEN THEREFORE NOT TO BRING THE ORDINANCE INTO OPERATION UNTIL PROPOSALS TO ALLOW BUYBACK OF SHARES BY LISTED COMPANIES, AND STOCK BORROWING AND LENDING FREE OF STAMP DUTY, HAVE BEEN IMPLEMENTED," HE ADDED.

MR MACLEOD SAID THESE PROPOSALS WERE WELL ADVANCED, AND HE HAD TODAY INTRODUCED AMENDMENTS TO THE COMPANIES ORDINANCE TO PERMIT LOCAL COMPANIES TO PURCHASE THEIR OWN SHARES.

ALSO, THE SECURITIES AND FUTURES COMMISSION AND THE STOCK EXCHANGE WERE NOW FINALISING THE NECESSARY ARRANGEMENTS TO REGULATE STOCK BORROWING.

"SUBJECT TO THE IMPLEMENTATION OF THESE PROPOSALS AND THE ENACTMENT OF THIS BILL NOW BEFORE THE COUNCIL, IT IS OUR INTENTION TO BRING THE PRINCIPAL ORDINANCE INTO FORCE ON 1 AUGUST 1991," MR MACLEOD SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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SECURITIES (DISCLOSURE OF INTERESTS) (AMENDMENT) BILL 1991 INTRODUCED
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A BILL TO EXTEND THE SCOPE OF THE SECURITIES (DISCLOSURE OF INTERESTS) ORDINANCE TO COVER OVERSEAS COMPANIES LISTED IN HONG KONG WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL IN THE LEGISLATIVE COUNCIL, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID AT PRESENT THE ORDINANCE APPLIED ONLY TO LOCAL COMPANIES LISTED IN HONG KONG.

/HOWEVER, IT

HOWEVER, IT HAD ALWAYS BEEN THE INTENTION THAT THE DISCLOSURE OBLIGATIONS UNDER THE ORDINANCE SHOULD ALSO APPLY TO OFFICERS AND SUBSTANTIAL SHAREHOLDERS OF OVERSEAS COMPANIES LISTED IN HONG KONG IN ORDER TO PROTECT LOCAL INVESTORS, HE NOTED.

"WE PROPOSE, THEREFORE, TO EXTEND THE ORDINANCE TO OVERSEAS COMPANIES LISTED IN HONG KONG, SUBJECT TO CERTAIN OTHER AMENDMENTS TO THE ORDINANCE TO RECOGNISE THE NEED FOR POSSIBLE EXEMPTIONS, THE PROBLEMS OF ENFORCEMENT IN RELATION TO OVERSEAS COMPANIES AND THE NEED FOR EQUAL TREATMENT IN LOCAL AND FOREIGN COMPANIES LISTED IN HONG KONG, MR MACLEOD SAID.

HE SAID ALTHOUGH THE GOVERNMENT BELIEVED THAT, AS A GENERAL RULE, THE ORDINANCE SHOULD APPLY TO ALL COMPANIES LISTED IN HONG KONG, IT ACCEPTED, HOWEVER, THAT RELIEF MIGHT BE JUSTIFIED IN CERTAIN CASES.

THE INTENTION WAS TO EASE THE ADMINISTRATIVE BURDEN ON LISTED COMPANIES OF DUPLICATE FILING REQUIREMENTS WITHOUT COMPROMISING THE NEED FOR ADEQUATE INVESTOR PROTECTION, HE EXPLAINED, ADDING THAT MUCH WOULD DEPEND UPON THE CIRCUMSTANCES OF EACH CASE.

"WE PROPOSE, THEREFORE, THAT THE SECURITIES AND FUTURES COMMISSION BE GIVEN A GENERAL POWER TO EXEMPT COMPANIES FROM SOME OR ALL OF THE PROVISIONS OF THE ORDINANCE.

"HOWEVER, FOR THE SAKE OF TRANSPARENCY, THIS DISCRETION WILL NEED TO BE EXERCISED IN THE LIGHT OF GUIDELINES TO BE PUBLISHED BY THE COMMISSION AFTER CONSULTING THE FINANCIAL SECRETARY," MR MACLEOD SAID.

HE POINTED OUT THAT THE COMMISSION HAD ISSUED DRAFT GUIDELINES FOR PUBLIC CONSULTATION IN ADVANCE OF THEIR SUBMISSION TO THE FINANCIAL SECRETARY.

"THESE GUIDELINES ENVISAGE TWO BROAD CLASSES OF EXEMPTION, UPON APPLICATION, FOR ELIGIBLE COMPANIES LISTED OR INTENDING TO LIST IN HONG KONG," HE SAID.

FIRST, A COMPLETE EXEMPTION MIGHT BE GIVEN TO A LARGE MULTINATIONAL COMPANY WHERE THE MAIN MARKETS IN ITS SECURITIES WERE ON MAJOR INTERNATIONAL STOCK EXCHANGES OTHER THAN HONG KONG, AND WHERE THE PROPORTION OF THE COMPANY'S WORLDWIDE SHARE TURNOVER TAKING PLACE IN HONG KONG WAS OR WAS LIKELY TO BE ONLY NOMINAL.

SECONDLY, MR MACLEOD SAID AN EXEMPTION FROM THE REPORTING REQUIREMENTS UNDER THE ORDINANCE MIGHT BE GIVEN TO A COMPANY WHERE THE PROPORTION OF THE COMPANY'S WORLDWIDE SHARE TURNOVER TAKING PLACE IN HONG KONG WAS NOT OR WAS NOT LIKELY TO BE SIGNIFICANT, AND WHERE THE COMPANY WAS SUBJECT TO COMPARABLE STATUTORY DISCLOSURE PROVISIONS ELSEWHERE.

"SUCH EXEMPTION WOULD BE CONDITIONAL UPON THE REGULATORY AUTHORITIES IN HONG KONG RECEIVING COPIES OF NOTIFICATIONS REQUIRED TO BE FILED IN THAT OTHER JURISDICTION," HE ADDED.

MR MACLEOD SAID THE DRAFT GUIDELINES WOULD BE REVIEWED IN THE LIGHT OF PUBLIC COMMENT.

"WE AIM TO ENSURE THAT THEY REFLECT THE PROPER BALANCE BETWEEN THE NEED TO PROTECT LOCAL INVESTORS AND THE NEED TO ENCOURAGE FOREIGN ISSUERS TO LIST AND RAISE CAPITAL IN HONG KONG," HE NOTED.

MR MACLEOD SAID THE EXISTING PROVISIONS OF THE ORDINANCE PROVIDED THAT THE FINANCIAL SECRETARY AND THE HIGH COURT MIGHT ORDER THAT THE SHARES IN QUESTION BE SUBJECT TO CERTAIN RESTRICTIONS, COMMONLY KNOWN AS A 'FREEZING ORDER', IF AN INVESTIGATION INTO THE OWNERSHIP OF A COMPANY'S SHARES MET WITH OBSTRUCTION.

THESE RESTRICTIONS OPERATED TOGETHER TO FREEZE THE TRANSFER, EXERCISE OF VOTING RIGHTS, PAYMENT OF DIVIDENDS AND BONUS ISSUES IN RESPECT OF THE SHARES OF A DEFAULTING SHAREHOLDER, HE EXPLAINED.

AT PRESENT, WITH THE EXCEPTION OF A RESTRICTION ON TRANSFERS IN HONG KONG, THESE PROVISIONS COULD NOT BE ENFORCED IN PRACTICE AGAINST FOREIGN COMPANIES.

THE ACTING FINANCIAL SECRETARY SAID TO RETAIN THEM FOR LOCAL COMPANIES ONLY WAS NEITHER DESIRABLE NOR NECESSARY.

"UNLESS PRACTICAL AND PRUDENTIAL CONSIDERATIONS DICTATE OTHERWISE, WE SHOULD AVOID A DISPARITY IN TREATMENT BETWEEN LOCAL AND FOREIGN COMPANIES.

"OUR AIM MUST BE TO PROVIDE A LEVEL PLAYING FIELD," HE ADDED.

"WE PROPOSE, THEREFORE, TO REPLACE THE PRESENT PROVISIONS BY A RESTRICTION ON THE TRANSFER OF SHARES REGISTERED IN HONG KONG.

"WE BELIEVE THAT THIS SANCTION, WHICH WILL BE APPLICABLE TO ALL LISTED COMPANIES, SHOULD BE ADEQUATE AND EFFECTIVE IN THE GENERALITY OF CASES.

"BECAUSE OF THE REQUIREMENT IN THE STOCK EXCHANGE LISTING RULES THAT SHARES TRADED ON THE EXCHANGE BE MAINTAINED ON A REGISTER KEPT IN HONG KONG, IT WILL EFFECTIVELY PREVENT THE SHARES BEING TRADED IN HONG KONG.

"WE ARE ALSO ASSURED THAT TRADING ELSEWHERE WILL BE MADE MORE DIFFICULT BECAUSE THE GREAT MAJORITY OF OVERSEAS COMPANIES LISTED IN HONG KONG HAVE THEIR PRIMARY, IF NOT THEIR SOLE, LISTING IN HONG KONG," MR MACLEOD NOTED.

PUBLICITY AND OTHER MEASURES WERE BEING WORKED OUT BY THE SECURITIES AND FUTURES COMMISSION TO ENSURE THAT THE RESTRICTION ON TRANSFERS WAS WORKABLE AND EFFECTIVE.

NEVERTHELESS, TO STRENGTHEN THE SANCTION AND LIMIT THE OPPORTUNITIES FOR EVASION, TWO FURTHER MEASURES WERE PROPOSED.

"FIRST, A FREEZING ORDER WILL INCLUDE NEW RESTRICTIONS ON THE CANCELLATION OF SHARE CERTIFICATES AND REMOVAL OF SHARES FROM HONG KONG.

/"THESE ARE

"THESE ARE INTENDED TO HELP THE FROZEN SHARES TO BE TRACED IN HONG KONG AND TO INHIBIT THE REGISTRATION OF TRANSFERS OVERSEAS," THE ACTING FINANCIAL SECRETARY SAID.

"UNDER PROPER ACCOUNTING PRINCIPLES AND SUBJECT TO THE COMPANY LAW OF THE PLACE OF INCORPORATION, SHARES OF AN OVERSEAS COMPANY MUST FIRST BE REMOVED FROM THE BRANCH REGISTER IN HONG KONG BEFORE A TRANSACTION INVOLVING THE SAME SHARES CAN BE REGISTERED ON THE PRINCIPAL REGISTER OVERSEAS.

"SECONDLY, A LISTED COMPANY AND ITS OFFICERS WHO ACT IN CONTRAVENTION OF THE PROPOSED RESTRICTIONS ON REGISTRATION, ISSUE, CANCELLATION AND REMOVAL OF SHARES COMMIT AN OFFENCE AND ARE LIABLE UPON CONVICTION TO THE SAME PENALTIES AS THE DEFAULTING SHAREHOLDER WHO ATTEMPTS TO EVADE THE RESTRICTIONS," HE SAID.

MR MACLEOD NOTED THAT THE SECURITIES (DISCLOSURE OF INTERESTS) ORDINANCE WAS ENACTED IN JULY 1988, BUT HAD YET TO BE BROUGHT INTO FORCE.

"IN THE INTERESTS OF EQUITY AND INVESTOR PROTECTION, WE HAVE UNDERTAKEN NOT TO BRING THE ORDINANCE INTO FORCE UNTIL ITS REQUIREMENTS WERE ALSO MADE APPLICABLE TO OVERSEAS COMPANIES LISTED IN HONG KONG.

"SUBJECT TO THE ENACTMENT OF THIS BILL NOW BEFORE THIS COUNCIL, IT IS OUR INTENTION TO BRING THE PRINCIPAL ORDINANCE INTO OPERATION ON 1 AUGUST 1991," HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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TRADE DESCRIPTIONS BILL INTRODUCED INTO LEGCO

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A BILL WHICH SEEKS TO AMEND THE TRADE DESCRIPTIONS ORDINANCE TO PERMIT THE DIRECTOR-GENERAL OF TRADE TO SPECIFY THE PLACE OF MANUFACTURE OR PRODUCTION OF CERTAIN GOODS, SUBJECT TO A SPECIAL LICENSING SCHEME, WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE TRADE DESCRIPTIONS (AMENDMENT) BILL 1991, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, POINTED OUT THAT UNDER THE BILL, THE DIRECTOR-GENERAL WOULD HAVE THE POWER TO SPECIFY, BY NOTICE IN THE GAZETTE, THE KIND OF GOODS TO BE COVERED UNDER SUCH A SCHEME.

HE SAID THESE AMENDMENTS WERE DESIGNED TO ENABLE US TO DEAL WITH A PARTICULAR PROBLEM RELATING TO PIECE-KNITTED GARMENTS, WHICH INVOLVED TWO MAJOR STEPS : THE KNITTING OF KNIT-TO-SHAPE PANELS, AND THE LINKING-AND-LOOPING OF SUCH PANELS INTO FINISHED PRODUCTS.

/"IN HONG

"IN HONG KONG, AS IN MOST OTHER PLACES, LINKING-AND-LOOPING IS REGARDED AS THE ORIGIN-CONFERRING PROCESS.

"THUS PIECE-KNITTED GARMENTS MAY CARRY THE LABEL OF 'MADE IN HONG KONG' ONLY IF THE KNIT-TO-SHAPE PANELS ARE LINKED-AND-LOOPED IN HONG KONG," MR MACLEOD SAID.

HE NOTED THAT PREVIOUSLY THE U.S. RULES WERE THE SAME AS THOSE OF HONG KONG, BUT THE RULES WERE UNILATERALLY CHANGED IN 1985.

SINCE THEN, HE SAID, UNDER THE U.S. RULES, THE KNITTING PROCESS FOR PIECE-KNITTED GARMENTS MUST BE CARRIED OUT IN HONG KONG TO ENABLE THEM TO CARRY THE LABEL OF "MADE IN HONG KONG" ON IMPORTATION INTO THE U.S.

MR MACLEOD ALSO POINTED OUT THAT THE TRADE DEPARTMENT HAD PRESSED THE U.S. AUTHORITIES TO REVERT TO THEIR OLD RULES, BUT TO NO AVAIL.

"THUS AT PRESENT HONG KONG EXPORTS OF PIECE-KNITTED GARMENTS TO THE U.S. MUST MEET BOTH THE HONG KONG AS WELL AS THE U.S. ORIGIN REQUIREMENTS FOR LABELLING.

"AS A RESULT, EXPORTS MUST BE BOTH KNITTED AND LINKED-AND-LOOPED IN HONG KONG.

"NO RELOCATION OF EITHER PROCESS ELSEWHERE, FOR THE PURPOSE OF REDUCING COSTS, IS POSSIBLE," HE SAID.

AT A TIME WHEN THE HONG KONG KNITWEAR INDUSTRY HAD TO FACE INCREASING COMPETITION IN THE U.S. MARKET, SUCH DOUBLE REQUIREMENT WAS A SEVERE RESTRICTION ON THE INDUSTRY'S ABILITY TO COMPETE, MR MACLEOD SAID, ADDING THAT THE KNITWEAR INDUSTRY HAD ASKED THE ADMINISTRATION TO ALLOW RELEVANT PIECE-KNITTED GARMENTS FOR EXPORT TO THE U.S. TO CARRY THE LABEL OF "MADE IN HONG KONG" IN ACCORDANCE ONLY WITH THE U.S. REQUIREMENTS.

"WE AGREE WITH THE INDUSTRY THAT IT IS NOT REASONABLE TO SUBJECT THEM TO DOUBLE REQUIREMENTS WHICH ADVERSELY AFFECT THEIR COMPETITIVE EDGE.

"IN THE CIRCUMSTANCES, WHERE THE INDUSTRY HAS NO OPTION BUT TO COMPLY WITH THE U.S. RULES, WE HAVE CONCLUDED THAT SPECIAL PRACTICAL ARRANGEMENTS ARE REQUIRED.

"WE HAVE, THEREFORE, PROPOSED THE PROVISIONS SET OUT IN THE BILL BEFORE MEMBERS TODAY. THE INTENTION IS TO IMPLEMENT, WITH EFFECT FROM JULY 1 THIS YEAR, A SPECIAL LICENSING SCHEME FOR PIECE-KNITTED GARMENTS FOR EXPORT TO THE U.S., THUS APPLYING THE U.S. RULES ONLY," HE SAID.

MR MACLEOD SAID IT WAS DIFFICULT TO PREDICT WHAT PROPORTION OF THE LINKING-AND-LOOPING WORK FOR SUCH PIECE KNITTED GARMENTS COULD BE RELOCATED ELSEWHERE, BUT THE ADMINISTRATION RECOGNISED THAT THE PROPOSED CHANGES MIGHT HAVE IMPLICATIONS FOR LOCAL EMPLOYMENT.

/HE SAID

HE SAID THE GOVERNMENT HAD DISCUSSED THE SITUATION WITH REPRESENTATIVES OF THE MAJOR KNITWEAR ASSOCIATIONS AND THEY HAD GIVEN THEIR ASSURANCE THAT THEY WOULD DO WHAT THEY COULD TO IMPRESS UPON THEIR MEMBERS THE NEED TO TREAT FAIRLY ANY WORKERS WHO MIGHT BE AFFECTED AS A RESULT.

ALSO, THE ASSOCIATIONS HAD ALSO UNDERTAKEN TO MEDIATE IN ANY CASES OF ALLEGED UNFAIR TREATMENT AND TO HELP WITH HARDSHIP CASES, AND THEY WOULD SET UP A SERVICE CENTRE TO HELP INDIVIDUALS FIND NEW JOBS, MR MACLEOD ADDED.

HE NOTED THAT GIVEN THE SHORTAGE OF EXPERIENCED WORKERS IN HONG KONG IN GENERAL, AND IN THE GARMENT INDUSTRY IN PARTICULAR, ANY WORKER WHO MIGHT BE DISPLACED SHOULD BE ABLE TO FIND ALTERNATIVE EMPLOYMENT WITHOUT A GREAT DEAL OF DIFFICULTY.

"THE GOVERNMENT WILL DO ALL IT CAN TO ENSURE THAT THE INTEREST OF THE WORKFORCE IS PROTECTED," THE SECRETARY SAID, ADDING THAT THE LABOUR DEPARTMENT STOOD READY TO CLARIFY WORKERS' STATUTORY ENTITLEMENTS UNDER THE EMPLOYMENT ORDINANCE AND TO ADVISE ON ALTERNATIVE EMPLOYMENT.

"IF THERE IS A NEED FOR RE-TRAINING, THE DEPARTMENT WILL HELP TO PUT THOSE AFFECTED IN TOUCH WITH THE CLOTHING INDUSTRY TRAINING AUTHORITY OR THE VOCATIONAL TRAINING COUNCIL," HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL TO LIFT PROHIBITION ON SHARE REPURCHASES INTRODUCED
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THE COMPANIES (AMENDMENT) (NO. 2) BILL 1991, WHICH SEEKS TO LIFT THE PRESENT PROHIBITION ON SHARE REPURCHASES BY LOCAL COMPANIES, SUBJECT TO A NUMBER OF SAFEGUARDS TO PROTECT THE INTERESTS OF SHAREHOLDERS AND CREDITORS, WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE BILL ALSO SEEKS TO UPDATE THE PROVISION ON THE GIVING OF FINANCIAL ASSISTANCE AND TO INTRODUCE A DEFINITION OF DISTRIBUTABLE PROFITS.

MOVING THE SECOND READING OF THE BILL, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID COMPANY SHARE REPURCHASES WERE PERMITTED IN MANY PLACES, INCLUDING THE UK, CANADA, THE UNITED STATES AND AUSTRALIA; AND IN CONSIDERING THE DEVELOPMENT OF THE SECURITIES MARKET IN HONG KONG, THE SECURITIES REVIEW COMMITTEE REPORT RECOMMENDED THAT ALLOWING COMPANIES IN HONG KONG TO PURCHASE THEIR OWN SHARES SHOULD BE FAVOURABLY CONSIDERED.

/HE POINTED

HE POINTED OUT THAT IN JANUARY 1990 THE SECURITIES AND FUTURES COMMISSION AND THE STOCK EXCHANGE ISSUED FOR PUBLIC CONSULTATION JOINT PROPOSALS TO PERMIT COMPANY SHARE REPURCHASES IN HONG KONG.

"THESE PROPOSALS WHICH RECEIVED BROAD SUPPORT IN THE MARKET FOLLOW CLOSELY THOSE IN THE UK COMPANIES ACT," MR MACLEOD SAID.

"IT IS GENERALLY ACCEPTED THAT THE OPTION OF A COMPANY SHARE REPURCHASE SCHEME IS A USEFUL FINANCIAL TOOL AND CAN WORK TO THE BENEFIT OF COMPANIES AND SHAREHOLDERS.

"AMONG OTHER THINGS, IT ENABLES A COMPANY TO RETURN SURPLUS CASH TO ITS SHAREHOLDERS, SUPPORT ITS SHARE PRICE DURING PERIODS OF TEMPORARY WEAKNESS AND PREVENT OR INHIBIT UNWELCOME TAKEOVER BIDS," HE SAID.

MR MACLEOD SAID WITH A FEW TECHNICAL AMENDMENTS, THE PROPOSALS WERE SUBSEQUENTLY ENDORSED BY THE STANDING COMMITTEE ON COMPANY LAW REFORM IN JUNE 1990.

HIGHLIGHTING SOME OF THE SALIENT FEATURES OF THE BILL, THE ACTING FINANCIAL SECRETARY SAID: "FIRST, THE BILL PROVIDES THAT AN UNLISTED COMPANY MAY PURCHASE ITS OWN SHARES UNDER A CONTRACT AUTHORISED IN ADVANCE BY A SPECIAL RESOLUTION OF THE COMPANY.

"A COPY OF THE CONTRACT OR A WRITTEN MEMORANDUM OF ITS TERMS MUST BE AVAILABLE FOR INSPECTION BY MEMBERS OF THE COMPANY PRIOR TO AND AT THE MEETING AT WHICH THEY AUTHORISE THE REPURCHASE.

"SECONDLY, THE BILL PROVIDES THAT A LISTED COMPANY MAY PURCHASE ITS OWN SHARES IN ACCORDANCE WITH THE SHARE REPURCHASE CODE ISSUED AND ADMINISTERED BY THE SECURITIES AND FUTURES COMMISSION.

"ESSENTIALLY, THE APPROACH IS TO REQUIRE COMPANY SHARE REPURCHASES TO BE ACHIEVED BY WAY OF A GENERAL OFFER TO ALL SHAREHOLDERS IN ACCORDANCE WITH RULES SIMILAR TO THOSE APPLICABLE TO TAKEOVER BIDS.

"THE REQUIREMENT FOR LISTED COMPANIES TO OBTAIN PRIOR SHAREHOLDER APPROVAL APPEARS IN THE REPURCHASE CODE AND THE LISTING RULES, AND NOT IN THE BILL.

"THIS DEPARTURE FROM THE UK APPROACH IS INTENDED TO PROVIDE THE NECESSARY FLEXIBILITY IN TIMES OF MARKET CRISIS, SINCE THE SECURITIES AND FUTURES COMMISSION AND THE STOCK EXCHANGE HAVE THE RIGHT TO WAIVE SUCH REQUIREMENTS UNDER THE CODE AND THE LISTING RULES AS MAY BE WARRANTED BY EXCEPTIONAL CIRCUMSTANCES.

"THIRDLY, THE NON-STATUTORY SHARE REPURCHASE CODE AND THE LISTING RULES ARE GIVEN STATUTORY BACKING FOR THE PURPOSE OF COMPANY SHARE REPURCHASES.

"FAILURE TO COMPLY WITH THE CODE AND THE LISTING RULES IN RESPECT OF SHARE REPURCHASES WILL THUS ATTRACT THE SAME PENALTIES AS FAILURE TO OBSERVE THE PROVISIONS OF THE BILL.

"LASTLY, REPURCHASED SHARES ARE TO BE TREATED AS CANCELLED, THUS REDUCING THE COMPANY'S ISSUED SHARE CAPITAL BUT NOT ITS AUTHORISED SHARE CAPITAL. THIS FOLLOWS THE APPROACH IN THE UNITED KINGDOM.

"WE HAVE CONSIDERED THE U.S. APPROACH OF RETAINING REPURCHASED SHARES AS TREASURY STOCK WHICH MAY BE RESOLD IN FUTURE. HOWEVER, WE PREFER ON BALANCE THE UK APPROACH WHICH, WE BELIEVE, PROVIDES BETTER SAFEGUARD AGAINST THE POSSIBILITY OF COMPANIES TRAFFICKING IN THEIR OWN SHARES," HE SAID.

MR MACLEOD SAID THE BILL ALSO INTRODUCED MORE COMPREHENSIVE PROVISIONS ON THE GIVING OF FINANCIAL ASSISTANCE BY A COMPANY TO A THIRD PARTY FOR THE PURCHASE OF ITS SHARES.

"THE NEW PROVISIONS MAINTAIN THE GENERAL PROHIBITION ON THE GIVING OF FINANCIAL ASSISTANCE, SUBJECT TO A NUMBER OF EXCEPTIONS ESPECIALLY IN THE CASE OF UNLISTED COMPANIES," HE SAID.

FINALLY, HE SAID, THE BILL INTRODUCED A DEFINITION OF DISTRIBUTABLE PROFITS, NOTING THAT THERE WAS AT PRESENT NO STATUTORY PROVISION GOVERNING THE DISTRIBUTION OF PROFITS BY A COMPANY TO ITS SHAREHOLDERS, ALTHOUGH THERE WERE ACCEPTED PRINCIPLES AND PRACTICES GOVERNED BY COMMON LAW.

"THE NEW PROVISIONS SERVE IN EFFECT TO CODIFY EXISTING GOOD ACCOUNTING PRACTICE," HE SAID.

"A STATUTORY DEFINITION IS DESIRABLE IN ITSELF AND WILL STRENGTHEN THE POSITION OF CREDITORS SINCE SHARE REPURCHASES MAY ONLY BE MADE OUT OF DISTRIBUTABLE PROFITS," HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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HOTEL LICENSING SCHEME EXPLAINED

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THE PROPOSED HOTEL LICENSING SCHEME AIMS AT REGULATING ESTABLISHMENTS WHICH OFFER TEMPORARY SLEEPING ACCOMMODATION TO THEIR CUSTOMERS, THE SECRETARY FOR HOME AFFAIRS, THE HON PETER TSAO, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE HOTEL ACCOMMODATION BILL 1990, MR TSAO SAID IT WAS NOT THE INTENTION OF THE ADMINISTRATION TO CONTROL PREMISES WHICH WERE LET OUT ON MONTHLY BASIS OR AS LEASED TENANCIES.

HE NOTED THAT AS THE FIRST PHASE OF THE LICENSING SCHEME WOULD COVER HOTELS AND GUESTHOUSES, IT HAD OBVIOUSLY AROUSED CONSIDERABLE INTEREST FROM THE INDUSTRY.

/AND ALTHOUGH

WEDNESDAY, MAY 1, 1991

- 17 -

AND ALTHOUGH THERE WAS GENERAL SUPPORT FOR THIS BILL, MR TSAO SAID THE HOTEL INDUSTRY NEVERTHELESS HAD RESERVATIONS ON THE SHORT TITLE OF THE ORDINANCE.

FOR THIS REASON, THE AD HOC GROUP STUDYING THE BILL FELT THAT THE SHORT TITLE SHOULD BE AMENDED TO "HOTEL AND GUESTHOUSE ACCOMMODATION ORDINANCE" TO DISPEL POSSIBLE MISUNDERSTANDING ON THE TYPES OF ESTABLISHMENTS SUBJECT TO THE BILL, HE SAID.

"WHILE I MYSELF DO NOT SEE ANY STRONG REASON FOR AMENDING THE TITLE, AND MAKING SOME 80 INCIDENTAL AMENDMENTS AS WELL, IF STRONG CONCERN HAS BEEN EXPRESSED, AND IF THE AD HOC GROUP'S AMENDMENTS WOULD FIX THEM, NUMEROUS THOUGH THEY MAY BE, THEN I SHALL NOT STAND IN THE WAY OF THESE AMENDMENTS," MR TSAO SAID.

THIS BILL, HE STRESSED, DEALT WITH SAFETY OF LIFE AND LIMB AND WAS NOT AN ATTEMPT TO CATEGORISE HOTELS INTO CLASSES OF LUXURY WHETHER OR NOT THEY WERE PURPOSE-BUILT.

HIGHLIGHTING SOME OF THE AMENDMENTS HE WOULD BE MOVING AT THE COMMITTEE STAGE, MR TSAO SAID THEY INCLUDED A PROPOSAL TO DOUBLE THE FINANCIAL PENALTY BUT WITHOUT CHANGE TO THE IMPRISONMENT TERM.

ANOTHER AMENDMENT WAS THAT AN APPLICANT WOULD BE GIVEN NOTICE IN THE EVENT THAT THE AUTHORITY INTENDED TO REFUSE HIS APPLICATION UNDER CLAUSE 8 (3).

ALSO, CLAUSE 19 (1) (A) WOULD BE DELETED IN THE LIGHT OF REPRESENTATIONS FROM THE HOTEL INDUSTRY THAT THE SECRETARY FOR HOME AFFAIRS' POWER TO GIVE DIRECTIVE REGARDING THE OPERATION AND MANAGEMENT OF A HOTEL OR A GUESTHOUSE WAS TOO WIDE AND THAT THE ADMINISTRATION SHOULD NOT GET INVOLVED IN SUCH MATTER.

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WAR MEMORIAL PENSIONS BILL INTRODUCED

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THE HONG KONG WAR MEMORIAL PENSIONS BILL 1991 WHICH SEEKS TO PROVIDE FOR THE PAYMENT OF PENSIONS TO BENEFICIARIES OF THE EXISTING HONG KONG WAR MEMORIAL FUND AND FAR EASTERN RELIEF FUND, AND TO APPLICANTS WHO MEET THE QUALIFYING CRITERIA STIPULATED IN THE BILL WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, THE SECRETARY FOR HEALTH AND WELFARE, THE HON ELIZABETH WONG, SAID THESE PENSIONS WOULD BE PAID IN RECOGNITION OF THE RECIPIENTS' WAR-TIME SUFFERING AND THE LONG-TERM EFFECTS OF BEING HELD IN CAPTIVITY.

AT PRESENT, BENEFICIARIES OF THE TWO FUNDS WERE REQUIRED TO DECLARE THAT THEIR PERSONAL INCOME WAS BELOW A SPECIFIED INCOME THRESHOLD IN ORDER TO QUALIFY FOR A GRANT, MRS WONG SAID.

/THE INCOME

THE INCOME THRESHOLD REQUIREMENT WAS INTRODUCED ON THE RECOMMENDATION OF A SELECT COMMITTEE OF THE LEGISLATIVE COUNCIL WHICH CONCLUDED, IN 1986, THAT THE TERMS OF THE EXISTING HONG KONG WAR MEMORIAL FUND ORDINANCE REQUIRED THAT ASSISTANCE FROM THE FUND MUST BE BASED ON NEED.

"IN FEBRUARY LAST YEAR, I WAS ASKED IN THIS COUNCIL WHETHER GOVERNMENT WOULD CONSIDER CONVERTING THE EXISTING GRANTS INTO PENSIONS.

"SUBSEQUENTLY, I MET WITH MEMBERS OF THE HONG KONG WAR MEMORIAL FUND COMMITTEE AND RE-EXAMINED THE CURRENT POLICY IN THE LIGHT OF NEW EVIDENCE PRESENTED BY THE COMMITTEE," MRS WONG SAID.

THE COMMITTEE POINTED TO THE SUFFERING ENDURED BY HONG KONG'S OWN EX-PRISONERS OF WAR AND THE GROWING BODY OF EVIDENCE IN A NUMBER OF MEDICAL STUDIES REGARDING THE PARTICULAR LONG-TERM PHYSICAL AND PSYCHOLOGICAL EFFECTS OF BEING HELD IN CAPTIVITY IN ASIA DURING THE SECOND WORLD WAR, THE SECRETARY SAID.

SHE SAID THESE STUDIES OFFERED NEW INSIGHT INTO THE DETRIMENTAL EFFECT OF LONG-TERM CAPTIVITY ON OUR EX-PRISONERS OF WAR; THE MAJORITY OF WHOM WERE ELDERLY AND IN DETERIORATING HEALTH.

SHE ADDED THAT THE REMOVAL OF THE INCOME THRESHOLD REQUIREMENT AND THE AWARD OF PENSIONS, PAYABLE AS RECOGNITION OF INJURIES SUSTAINED IN THE DEFENCE OF HONG KONG AND SUFFERING ENDURED BY EX-PRISONERS OF WAR IN CAPTIVITY WAS WARRANTED.

"IT HAS LONG BEEN THE GOVERNMENT'S POLICY THAT A DEBT OF GRATITUDE IS OWED.

"THE SPECIAL CASE OF EX-PRISONERS OF WAR, ACKNOWLEDGED IN THE PAST BY PAYMENT OF DISCRETIONARY GRANTS, WILL NOW BE RECOGNISED THROUGH CONVERSION OF THESE GRANTS INTO PENSIONS," MRS WONG SAID.

THE HONG KONG WAR MEMORIAL PENSIONS BILL FOLLOWED DIRECTLY FROM THIS CHANGE IN POLICY, MRS WONG NOTED.

THE BILL PROVIDED FOR THE REPEAL OF THE HONG KONG WAR MEMORIAL FUND ORDINANCE AND THE DISSOLUTION OF THE FUND AND ITS COMMITTEE IN ORDER TO PAVE THE WAY FOR THE INTRODUCTION OF THE NEW LEGISLATION AND ARRANGEMENTS CATERING SPECIFICALLY FOR THE AWARD OF STATUTORY PENSIONS.

THESE STEPS WERE NECESSARY BECAUSE, AS THE SELECT COMMITTEE OF THIS COUNCIL CONCLUDED, THE EXISTING ORDINANCE REQUIRED AN APPLICANT'S NEED FOR ASSISTANCE TO BE ASSESSED.

MRS WONG SAID IT WAS ALSO PROBABLE THAT THE LEGAL STATUS OF THE WAR MEMORIAL FUND WAS THAT OF A DISCRETIONARY CHARITABLE TRUST, THUS MAKING IT AN INAPPROPRIATE VEHICLE FOR THE PAYMENT OF STATUTORY PENSIONS.

"PENSIONS OF THIS KIND ARE MORE PROPERLY PAID DIRECTLY BY GOVERNMENT," THE SECRETARY EXPLAINED.

MRS WONG POINTED OUT THAT WITH THE WINDING UP OF THE WAR MEMORIAL FUND, IT FOLLOWED THAT ITS COMMITTEE WOULD NO LONGER BE ABLE TO FUNCTION IN ITS PRESENT FORM.

"HOWEVER, THE COMMITTEE WILL BE RECONSTITUTED THROUGH THIS BILL AS AN ADVISORY COMMITTEE TO ADVISE ON THE ELIGIBILITY OF APPLICANTS AND THE ADMINISTRATION OF THE PENSIONS LEGISLATION," MRS WONG SAID.

IN ADDITION TO SLIGHTLY OVER 700 EXISTING BENEFICIARIES OF THE WAR MEMORIAL FUND AND THE FAR EASTERN RELIEF FUND, THE PROPOSED PENSIONS WOULD ALSO BENEFIT NEW APPLICANTS WHO MET BASIC ELIGIBILITY CRITERIA DERIVED FROM THE EXISTING WAR MEMORIAL FUND ORDINANCE.

IN OTHER WORDS, SHE SAID, PENSIONS WOULD BE PAID TO PERSONS WHO, WHILE SERVING IN SPECIFIED VOLUNTEER UNITS, WERE HELD IN CAPTIVITY BY THE ENEMY AND TO THE WIDOWS OR WIDOWERS OF THOSE WHO WERE KILLED DURING THE FIGHTING OR WHO DIED IN SUBSEQUENT CAPTIVITY.

"CIVILIANS WHO WERE TORTURED AND THE WIDOWS OR WIDOWERS OF THOSE EXECUTED FOR ACTS OF RESISTANCE WILL ALSO CONTINUE TO BE ELIGIBLE," MRS WONG ADDED.

IT WAS ESTIMATED THAT THERE WERE 48 POTENTIAL APPLICANTS WHO MET THE ELIGIBILITY CRITERIA AND WOULD BENEFIT FROM THE REMOVAL OF THE INCOME THRESHOLD REQUIREMENT.

THE EXISTING LEVEL OF BENEFITS UNDER THE HONG KONG WAR MEMORIAL FUND WOULD PROVIDE THE BENCHMARK FOR PAYMENTS UNDER THE NEW PENSION ARRANGEMENTS, MRS WONG SAID, ADDING THAT THESE PAYMENTS WOULD BE REVIEWED ANNUALLY IN LINE WITH INFLATION.

MRS WONG ALSO NOTED THAT AS THIS YEAR MARKED THE 50TH ANNIVERSARY OF THE DEFENCE OF HONG KONG. THE AWARD OF PENSIONS WAS FITTING RECOGNITION FOR THE SUFFERING WHICH AN UNBOWED GROUP OF MEN AND WOMEN ENDURED AND HAD HAD TO LIVE WITH SINCE THOSE PAINFUL DAYS.

THE DEBATE ON THIS BILL WAS ADJOURNED.

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GOVT WELCOMES THINK TANKS ON INDUSTRIAL DEVELOPMENT

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THE GOVERNMENT WELCOMES INITIATIVES FROM THE PRIVATE SECTOR AND THE TERTIARY EDUCATIONAL INSTITUTIONS TO SET UP THINK TANKS AND ADVISE IT ON HOW TO KEEP PACE WITH INDUSTRIAL DEVELOPMENT IN THE REGION, THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON PAUL CHENG, MR MACLEOD SAID A RECENT STUDY ON "TECHNOLOGY ROAD MAPS" IN HONG KONG WAS A GOOD EXAMPLE IN POINT.

/"THIS PROJECT

"THIS PROJECT WAS INITIATED AND CONDUCTED BY ACADEMICS FROM THE SIX TERTIARY EDUCATIONAL INSTITUTIONS IN HONG KONG," HE SAID.

MR MACLEOD ADDED THAT THE GOVERNMENT, HAVING CONSIDERED THEIR STUDY PROPOSALS, AND ON THE ADVICE OF THE INDUSTRY DEVELOPMENT BOARD, HAS AGREED TO FUND PART OF THE COSTS.

"WHERE THE EXPERTISE OR RESOURCES ARE NOT AVAILABLE WITHIN THE ADMINISTRATION, AND WE RESORT TO THE USE OF CONSULTANTS, IT IS FAIRLY COMMON TO REQUIRE OR ENCOURAGE BIDDERS TO INCLUDE PEOPLE OR ORGANISATIONS WITH LOCAL KNOWLEDGE IN THEIR PROPOSALS, WHERE THIS SEEMS APPROPRIATE," HE SAID.

FOR EXAMPLE, IN STUDIES ON INDUSTRIAL MATTERS, THE HONG KONG PRODUCTIVITY COUNCIL WAS FREQUENTLY INVOLVED IN PARTNERSHIP WITH A LOCAL OR OVERSEAS CONSULTANT, HE ADDED.

MR MACLEOD ALSO POINTED OUT THAT THE INDUSTRY DEVELOPMENT BOARD HAD RECENTLY ADVISED THAT THE TERTIARY EDUCATIONAL INSTITUTIONS SHOULD BE ENCOURAGED TO PLAY A LARGER PART IN FUTURE CONSULTANCY STUDIES.

"WE ARE NOW EXAMINING HOW THIS MIGHT BEST BE DONE WHILST STILL ENSURING THE QUALITY AND COST-EFFECTIVENESS THAT STEM FROM COMPETITION," HE SAID.

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PRECAUTIONARY MEASURES FOR DEMOLITION OF UNAUTHORISED STRUCTURES
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STAFF OF THE BUILDINGS AND LANDS DEPARTMENT (BLD) PAY FREQUENT VISITS TO BUILDINGS WHERE DEMOLITION OF UNAUTHORISED BUILDING WORKS IS TO TAKE PLACE TO ENSURE THAT SAFETY MEASURES ARE ACTUALLY IMPLEMENTED.

THIS WAS STATED BY THE ACTING SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, THE HON MARTIN LEWIS, IN REPLY TO A QUESTION BY THE HON CHUNG PUI-LAM IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR LEWIS SAID SAFETY WAS AN IMPORTANT ELEMENT OF THE EXERCISE TO DEMOLISH UNAUTHORISED STRUCTURES, WHICH WAS ALREADY WELL UNDERWAY.

THE STAFF OF BLD WERE, THROUGH FREQUENT CONTACTS WITH THE BUILDING MANAGEMENT ORGANISATIONS AND THE OWNERS CONCERNED, AND THROUGH THE MEDIA, IMPRESSING UPON THE OWNERS AND THE GENERAL PUBLIC THAT ONLY RESPONSIBLE AND EXPERIENCED CONTRACTORS SHOULD BE ENGAGED TO CARRY OUT THE REMOVAL WORKS, HE SAID.

THE OWNERS AND THE GENERAL PUBLIC WERE ALSO TOLD THAT PRECAUTIONARY MEASURES SUCH AS SCAFFOLDING, PROTECTIVE SCREENS, CATCH-FANS AND PLATFORMS SHOULD BE PUT UP WHERE NECESSARY BEFORE ANY DEMOLITION WORK TOOK PLACE.

/MR LEWIS

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MR LEWIS SAID: "TO MAKE SURE THESE SAFETY MEASURES ARE ACTUALLY IMPLEMENTED, STAFF FROM THE DEPARTMENT ARE ALSO PAYING FREQUENT VISITS TO THE BUILDINGS CONCERNED."

HE SAID ADVICE ON IDENTIFICATION AND REMOVAL OF ASBESTOS WAS BEING GIVEN BY BLD STAFF DURING THE CONTACTS WITH THE OWNERS AND CONTRACTORS.

"SIMPLE GUIDELINES CONCERNING ASBESTOS HANDLING AND DISPOSAL ARE BEING MADE AVAILABLE TO OWNERS AND CONTRACTORS, WHO CAN, IF NECESSARY, ALSO SEEK FURTHER ADVICE FROM THE LABOUR DEPARTMENT AND THE ENVIRONMENTAL PROTECTION DEPARTMENT," MR LEWIS SAID.

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SHW ON OCCUPATIONAL HEALTH

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FOLLOWING IS THE SPEECH ON THE MOTION DEBATE ON "OCCUPATIONAL HEALTH AND SAFETY" BY THE SECRETARY FOR HEALTH AND WELFARE, THE HON MRS ELIZABETH WONG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR,

IT HAS BEEN THE ESTABLISHED GOVERNMENT POLICY TO PRESERVE AND PROMOTE OCCUPATIONAL HEALTH.

IN HONG KONG, WE HAVE A HIGHLY PRODUCTIVE WORKFORCE OF SOME 2.8 MILLION PEOPLE. PRESERVATION AND PROMOTION OF OCCUPATIONAL HEALTH MAKES FOR A PRODUCTIVE WORKFORCE AND CONTRIBUTES TO OUR ECONOMIC GROWTH.

OVER THE YEARS, THE GOVERNMENT HAS BEEN PROVIDING A WHOLE RANGE OF PREVENTIVE, PROMOTIVE AND REHABILITATIVE OCCUPATIONAL HEALTH SERVICES TO THE WORKING COMMUNITY. CURRENTLY, UNDER OUR EXISTING REHABILITATION POLICY, REHABILITATION SERVICES ARE PROVIDED TO PHYSICALLY AND MENTALLY DISABLED MEMBERS OF OUR COMMUNITY IRRESPECTIVE OF THE CAUSES OF DISABILITY. SHOULD A WORKER BECOME DISABLED AS A RESULT OF AN INDUSTRIAL ACCIDENT, HE WILL GET THE REQUIRED MEDICAL AND VOCATIONAL REHABILITATION TO ENABLE HIM TO ACHIEVE MAXIMUM RESTORATION OF HIS IMPAIRED ABILITY. ALL THIS IS, OF COURSE, NOT ENOUGH. FOR EXAMPLE, IN THE ADMIRABLE WORDS OF SOME SPEAKERS BEFORE ME, WHAT PREVENTIVE OCCUPATIONAL HEALTH MEASURES ARE THERE FOR THOSE OF US WITH LOWER BACK PAIN WHO BUMBLE AWAY LIKE THE BUSY BUMBLE BEES THAT WE ARE OR HUMBLE BEES THAT SOME OF US HOPE TO BE.

/SIR, THE

SIR, THE IMPORTANCE OF OCCUPATIONAL HEALTH SHOULD BE RECOGNISED. IT IS RECOGNISED IN THE REPORT OF THE WORKING PARTY ON PRIMARY HEALTH CARE WHICH I TABLED IN THIS COUNCIL LAST WEDNESDAY. IN THE SAID REPORT, OCCUPATIONAL HEALTH IS RECOGNISED AS AN ESSENTIAL COMPONENT OF PRIMARY HEALTH CARE. THE REPORT RECOMMENDS, INTER ALIA, THAT AN OVERALL REVIEW OF OCCUPATIONAL HEALTH SHOULD NOW BE CONDUCTED IN THE LIGHT OF CHANGING PRACTICES IN INDUSTRY, EMERGING PATTERNS OF OCCUPATION AND NEW CONCEPTS OF OCCUPATIONAL HEALTH. WE ARE NOW CONSULTING THE PUBLIC ON THIS REPORT AND WILL GIVE DUE CONSIDERATION TO THE VALUABLE VIEWS AND OPINIONS EXPRESSED ON THIS SUBJECT TODAY. FURTHERMORE, POLICIES AND SERVICES ON REHABILITATION AS A WHOLE ARE CURRENTLY UNDER REVIEW AND WILL BE COVERED IN A GREEN PAPER TO BE PUBLISHED FOR CONSULTATION LATER THIS YEAR AND I LOOK FORWARD TO MEMBERS VIEWS.

I THINK, SIR, TO BE TRULY SUCCESSFUL, PRESERVATION AND PROMOTION OF OCCUPATIONAL HEALTH WILL NEED AN INTEGRATED APPROACH VIA THE COMBINED EFFORTS OF SOCIAL WORKERS, HEALTH CARE PROFESSIONALS, EMPLOYERS, EMPLOYEES AND THE GOVERNMENT. BETTER OCCUPATIONAL HEALTH CARE MUST BE PARTICIPATORY, WITH DUE INVOLVEMENT OF ALL CONCERNED.

SIR, WITH THESE REMARKS, I SUPPORT THE MOTION.

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SEM ON OCCUPATIONAL HEALTH

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FOLLOWING IS THE SPEECH ON THE MOTION DEBATE ON OCCUPATIONAL HEALTH AND SAFETY BY THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON K. Y. YEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR,

I HAVE LISTENED WITH GREAT INTEREST TO THE POINTS MADE BY DR LEONG AND OTHER MEMBERS THIS AFTERNOON. THE MOTION BEFORE US COVERS TWO PROGRAMME AREAS, NAMELY, EMPLOYMENT AND REHABILITATION. MY COLLEAGUE THE SECRETARY FOR HEALTH AND WELFARE HAS ALREADY DEALT WITH THE LATTER. I WILL NOW DEAL WITH THE EMPLOYMENT RELATED ISSUES OF OCCUPATIONAL HEALTH AND SAFETY. IN SO DOING I SHALL TRY AS FAR AS POSSIBLE TO RESPOND TO THE POINTS OF PRINCIPLE MADE BY VARIOUS MEMBERS IN THIS DEBATE.

HAZARD PREVENTION

LET ME DEAL FIRST WITH HAZARD PREVENTION. THE GOVERNMENT TAKES THE VIEW THAT THE PRIMARY RESPONSIBILITY FOR HEALTH AND SAFETY AT WORK RESTS WITH THOSE WHO CREATE THE RISKS AND THOSE WHO WORK WITH THE RISKS. THIS PRINCIPLE UNDERLIES THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE - THE MAIN STATUTE GOVERNING HEALTH AND SAFETY AT WORK. AS A RESULT, MAJOR AMENDMENTS INTRODUCED IN DECEMBER 1989, THE ORDINANCE NOW MAKES EMPLOYERS RESPONSIBLE FOR THE HEALTH AND SAFETY OF ALL PEOPLE WORKING WITHIN THEIR UNDERTAKINGS. EQUALLY IT MAKES EMPLOYEES RESPONSIBLE FOR ESTABLISHING A RISK FREE WORKING ENVIRONMENT AS FAR AS POSSIBLE. THE LABOUR DEPARTMENT IMPLEMENTS THIS LEGISLATION IN TWO WAYS. FIRST OF ALL, IT PROMOTES UNDERSTANDING OF THE ORDINANCE THROUGH PUBLICITY, EDUCATION AND TRAINING. AS MR HO SAI-CHU HAS ALREADY POINTED OUT, THIS EFFORT IS ABLY COMPLEMENTED BY THE OCCUPATIONAL SAFETY AND HEALTH COUNCIL.

AS A RESULT, MORE BUSINESSES ARE TAKING THE INITIATIVE IN EMPLOYING SAFETY AND HEALTH PROFESSIONALS TO ADVISE THEM ON THEIR WORK PROCEDURES. SECONDLY, THE DEPARTMENT INSPECTS INDUSTRIAL UNDERTAKINGS TO ENSURE THAT BOTH EMPLOYERS AND EMPLOYEES ARE COMPLYING WITH THE LAW. AND HERE I SHOULD PERHAPS REMIND HONOURABLE MEMBERS THAT WHERE A SERIOUS BREACH OF THE LAW HAS BEEN IDENTIFIED, SUCCESSFUL PROSECUTION CAN RESULT IN THE IMPOSITION OF CUSTODIAL PENALTIES.

THE COMBINED EFFECT OF BOTH OUR PROMOTIONAL AND REGULATORY EFFORT HAS BEEN A STEADY REDUCTION IN THE INCIDENCE AND SEVERITY OF INDUSTRIAL ACCIDENTS. OVER THE PAST FIVE YEARS THE NUMBER OF INDUSTRIAL ACCIDENTS HAS STABILISED AT ABOUT 53 000 A YEAR. BUT WHAT IS MORE ENCOURAGING IS THE FACT THAT THE NUMBER OF SERIOUS INJURIES, PARTICULARLY THOSE CAUSED BY POWER DRIVEN MACHINERY, AND I AM SURE MY COLLEAGUE THE SECRETARY FOR HEALTH AND WELFARE WILL AGREE WITH ME, IT IS THESE INJURIES WHICH ARE REALLY NASTY. THESE INJURIES HAVE DECLINED FROM NEARLY 10 000 IN 1986 TO ABOUT 8 000 LAST YEAR. SO, WE HAVE BEEN ACHIEVING STEADY PROGRESS. NEVERTHELESS THE LEVEL OF INDUSTRIAL ACCIDENTS IS STILL A MATTER OF CONCERN, PARTICULARLY IN THE CONSTRUCTION INDUSTRY, AND WE CANNOT AFFORD TO RELAX OUR VIGILANCE.

SEVERAL MEMBERS HAVE SUGGESTED THAT THE AMBIT OF THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE SHOULD BE EXTENDED TO ALL INDUSTRIES. THE ORDINANCE NOW COVERS FACTORIES, CONSTRUCTION SITES, MINES AND QUARRIES AND, FROM THE END OF THIS YEAR, ALL CATERING ESTABLISHMENTS. IN CONSIDERING FURTHER EXTENSIONS, WE WILL NEED TO BEAR IN MIND THAT RESOURCES ARE LIMITED. I AM NOT TROTting OUT A GLIB FACE IN SAYING RESOURCES ARE LIMITED, THEY ARE TRULY LIMITED. MEMBERS OF THE FACTORY INSPECTORATE DO NOT GROWN ON TREES, THEY HAVE TO BE RECRUITED; TIME HAS TO BE SPEND ON TRAINING THEM; THEY HAVE TO BE GIVEN TIME TO GAIN EXPERIENCE. EVEN WITH THE BEST WILL IN THE WORLD, EVEN WITH UNLIMITED RESOURCES IT WILL NEED TIME AND PATIENCE TO WORK UP AN INCREASED CAPABILITY. SO FAR WE HAVE BEEN CONCENTRATING ON THE HIGHER RISK AREAS, SUCH AS CONSTRUCTION AND MANUFACTURING, WITH SOME MEASURE OF SUCCESS. AS I MENTIONED EARLIER WE HAVE MANAGED TO KEEP THE OVERALL LEVEL OF INDUSTRIAL ACCIDENTS STABLE OVER THE PAST FIVE YEARS AND THERE HAS BEEN A SIGNIFICANT REDUCTION IN THE NUMBER OF SERIOUS INJURIES. WE MUST NOT SPREAD OUR RESOURCES SO THINLY THAT WE PUT AT RISK THE SUCCESS THAT WE HAVE FOUGHT SO HARD FOR SO LONG TO SECURE.

/SEVERAL MEMBERS

SEVERAL MEMBERS HAVE CALLED ON THE GOVERNMENT TO REQUIRE ALL BUSINESSES TO SET UP SAFETY COMMITTEES. THE GOVERNMENT'S POLICY HERE IS TO ENCOURAGE, NOT TO COMPEL. THE EXPERIENCE OF THE LABOUR DEPARTMENT SUGGESTS THAT SAFETY COMMITTEES TEND TO BE PRACTICABLE AND EFFECTIVE ONLY WHERE THE INDUSTRIAL UNDERTAKINGS INVOLVED EMPLOY LARGE NUMBERS OF WORKERS. MANY BUSINESSES, HOWEVER, EMPLOY FEWER THAN 50 WORKERS. IT WOULD NOT BE PRACTICABLE FOR THEM TO SET UP SAFETY COMMITTEES. THAT BEING SO, THE CASE FOR LEGISLATION OR PERHAPS SOME OTHER FORM OF COMPUSSION IS NOT A COMPELLING ONE. WITH SMALL BUSINESSES THE IMPROVEMENT OF SAFETY DEPENDS MUCH MORE ON EDUCATIVE PUBLICITY, COUPLED PERHAPS WITH QUICK, PRACTICAL CASH ASSISTANCE, SUCH AS THAT NOW PROVIDED BY THE OCCUPATIONAL SAFETY AND HEALTH COUNCIL AS AN INDUCEMENT TO WORKERS TO IMPROVE WORK PROCEDURES.

DISABILITY ASSESSMENT AND COMPENSATION

TURNING NOW TO DISABILITY ASSESSMENT AND COMPENSATION, THE GOVERNMENT'S POLICY IS TO ENSURE THAT EMPLOYEES ARE COMPENSATED BY THEIR EMPLOYERS FOR INJURIES SUSTAINED IN WORK, AND FOR OCCUPATIONAL DISEASES. THIS POLICY IS IMPLEMENTED BY THE LABOUR DEPARTMENT ON THE BASIS OF TWO STATUTES. THE EMPLOYEES' COMPENSATION ORDINANCE REQUIRES EMPLOYERS TO INSURE THEMSELVES AGAINST THEIR LIABILITY TO COMPENSATE THEIR EMPLOYEES FOR WORK INJURIES AND OCCUPATIONAL DISEASES. THE PNEUMOCONIOSIS (COMPENSATION) ORDINANCE PROVIDES FOR A SYSTEM OF ASSESSMENT AND COMPENSATION FOR WORKERS SUFFERING FROM THIS DISEASE.

UNDER THE EMPLOYEES' COMPENSATION ORDINANCE, DISABILITY OF A PERMANENT NATURE REQUIRES ASSESSMENT AND CERTIFICATION BY A BOARD CONSTITUTED UNDER THE ORDINANCE. IN STRAIGHT FORWARD CASES, WHERE THE INJURY IS EITHER SPECIFIED IN THE ORDINANCE OR THE DISABILITY CAN CLEARLY BE IDENTIFIED, AN ORDINARY ASSESSMENT BOARD IS CONVENED TO DETERMINE THE LOSS OF EARNING CAPACITY. WHERE THE ORDINARY ASSESSMENT BOARD FINDS THAT THE STANDARDS PRESCRIBED UNDER THE ORDINANCE DO NOT REFLECT ACCURATELY THE LOSS OF EARNING CAPACITY, IT MAY REFER THE CASE TO A SPECIAL ASSESSMENT BOARD. INJURED EMPLOYEES WHO ARE NOT SATISFIED WITH THE FINDINGS OF THE ASSESSMENT MAY ASK FOR A REVIEW. THOSE WHO ARE STILL NOT SATISFIED WITH THE RESULTS MAY TAKE THEIR CASE TO THE COURTS.

SO, IT IS NOT TRUE THAT INJURED EMPLOYEES HAVE NO RECOURSE, THEY HAVE RECOURSE WITH THE FULL RANGE OF SEMI-JUDICIAL AND JUDICIAL AVENUES OF APPEAL.

THE ORDINANCE ALSO PRESCRIBES LEVELS OF COMPENSATION FOR PERMANENT DISABILITY, HAVING REGARD TO THE AGE OF THE EMPLOYEE, HIS EARNINGS AT THE TIME OF THE INJURY AND THE DEGREE OF HIS DISABILITY. THE LEVELS OF COMPENSATION ARE REVIEWED EVERY TWO YEARS, TAKING INTO ACCOUNT MOVEMENTS IN WAGES.

/AND HERE

AND HERE, PERHAPS I SHOULD RESPOND SPECIFICALLY TO TWO POINTS MADE BY MR TAM YIU-CHUNG WHEN HE ASKED ABOUT THE ORIGINS OF THE 96-MONTH RULE AND THE CEILING FOR COMPENSATION SET AT \$485,000. THE PRESENT SYSTEM AS REFLECTED IN THE STATUTE IS DERIVED AFTER VERY CAREFUL CONSULTATION BETWEEN EMPLOYERS AND EMPLOYEES. THAT IS THE SIMPLE ANSWER TO HIS QUESTION OF HOW THESE ARRANGEMENTS HAVE COME ABOUT. BUT I THINK IN FAIRNESS IT SHOULD BE SAID THAT THE PRESENT ARRANGEMENTS REQUIRE EMPLOYERS TO PAY COMPENSATION REGARDLESS OF WHETHER OR NOT THEY ARE AT FAULT. THIS MEANS THAT IF EMPLOYERS HAD BEEN FOUND TO BE AT FAULT, THEY MAY ALSO BE SUED FOR DAMAGES AND AS WE HAVE SEEN RECENTLY IN THE PRESS, A CERTAIN EMPLOYER HAS BEEN SUED HEAVILY FOR DAMAGES. WE ARE TALKING ABOUT COMPENSATION PAYABLE BY EMPLOYERS REGARDLESS OF WHETHER OR NOT THEY HAD BEEN AT FAULT.

SO IN CONSIDERING WHETHER OR NOT WE SHOULD BE RAISING THESE LEVELS OF COMPENSATION, WHETHER WE SHOULD BE RAISING THESE COMPENSATION CEILINGS, WE MUST BEAR IN MIND TWO POINTS. THE FIRST, THAT THERE WILL BE A NEED TO CONSULT, FOR BOTH EMPLOYERS AND EMPLOYEES TO CONSULT; AND THE SECOND IS THAT THE BENEFITS TO BE OBTAINED FROM RAISING THE LEVEL OF COMPENSATION OR THE CEILINGS INVOLVED MUST ALSO BE CAREFULLY COUNTER-BALANCED AGAINST THE COST TO EMPLOYERS AND THEREFORE TO THE ECONOMY OF BRINGING ABOUT THESE BENEFITS.

SEVERAL MEMBERS HAVE ASKED FOR A COMPREHENSIVE REVIEW OF THE PRESENT SYSTEM OF DISABILITY ASSESSMENT AND COMPENSATION. THE LABOUR DEPARTMENT DOES IN FACT KEEP THE SYSTEM UNDER REGULAR REVIEW AND MEMBERS' SUGGESTIONS WILL BE TAKEN INTO ACCOUNT IN THIS PROCESS. MEMBERS MAY WISH TO KNOW THAT WE ARE CURRENTLY CONSIDERING TWO POSSIBLE IMPROVEMENTS. FIRST, WITH THE ENDORSEMENT OF THE LABOUR ADVISORY BOARD, WE ARE EXAMINING A SYSTEM OF DIRECT SETTLEMENT IN CASES OF MINOR INJURIES. THIS WOULD ENABLE EMPLOYERS AND EMPLOYEES TO SETTLE CLAIMS FOR COMPENSATION QUICKLY, WITHOUT INVOLVING THE LABOUR DEPARTMENT. THE NECESSARY AMENDING LEGISLATION IS BEING DRAFTED. SECONDLY, AND AGAIN WITH THE ENDORSEMENT OF THE LABOUR ADVISORY BOARD, WE ARE LOOKING AT THE FEASIBILITY OF A SCHEME THAT WOULD COMPENSATE EMPLOYEES FOR LOSS OF HEARING AS A RESULT OF EXPOSURE TO OCCUPATIONAL NOISE. SIMPLE AS IT MAY SOUND, THE PROPOSED SCHEME IS PROVING TO BE QUITE DIFFICULT TO DEVISE. LOSS OF HEARING CAN TAKE PLACE OVER A LONG PERIOD AND IT IS NOT EASY TO ESTABLISH STAGES IN THE LOSS OF HEARING, NEVER MIND APPORTIONING RESPONSIBILITY TO SPECIFIC EMPLOYERS AND SPECIFIC JOBS IN THE PAST. NEVERTHELESS, I AM GLAD TO SAY THAT THE PRACTICAL SOLUTION IS NOW IN SIGHT AND THAT I WILL SHORTLY BE GETTING LEGISLATIVE DRAFTING PROPOSALS FROM THE COMMISSIONER FOR LABOUR.

/MANY MEMBERS

MANY MEMBERS HAVE POINTED OUT A NUMBER OF INADEQUACIES IN THE PNEUMOCONIOSIS (COMPENSATION) ORDINANCE. AS I SAID IN THIS COUNCIL ON 30 JANUARY IN REPLY TO A QUESTION FROM MR TAM YIU-CHUNG, AN INTER-DEPARTMENTAL WORKING PARTY IS NOW REVIEWING THE ORDINANCE. WHILE THE WORKING PARTY HAS YET TO COMPLETE ITS TASK, ITS PRELIMINARY FINDINGS POINT TO THE NEED FOR A NUMBER OF MAJOR CHANGES TO BE MADE TO THE PRESENT SYSTEM OF ASSESSMENT AND COMPENSATION. GIVEN THE PROGRESSIVE NATURE OF THE DISEASE, WHICH IS AN UNDENIABLE FACT, WE CANNOT RULE OUT THE POSSIBILITY OF THE PRESENT TWO-STAGE ASSESSMENT PROCESS BEING REPLACED BY MORE FREQUENT AND REGULAR ASSESSMENTS AND COMPENSATION PAYMENTS. BUT HERE AGAIN, WE HAVE TO BE CAREFUL. WHILE THERE APPEARS, ON THE FACE OF IT, TO BE A FAIR CASE FOR MORE FREQUENT ASSESSMENTS OF DISABILITY LEADING TO FURTHER PAYMENTS OF COMPENSATION, WE MUST TRY TO AVOID A SITUATION IN WHICH WORKERS ALREADY SUFFERING FROM THIS DISEASE WOULD FURTHER EXPOSE THEMSELVES TO THE SAME OR GREATER HAZARDS. IT WILL BE NECESSARY TO FIND A WAY IN WHICH THESE WORKERS ARE REQUIRED TO PERFORM OTHER, NON-HAZARDOUS WORK, FOLLOWING RE-TRAINING IF NECESSARY.

THE WAY FORWARD

SIR, THE MOTION BEFORE US URGES THE ADMINISTRATION TO CONDUCT WITH URGENCY A COMPREHENSIVE REVIEW OF ITS POLICIES ON OCCUPATIONAL HEALTH AND SAFETY. AS THIS SUBJECT COVERS TWO PROGRAMME AREAS, AND AS MEMBERS HAVE MADE A CONVINCING CASE FOR THE MANY RELATED SERVICES AND ISSUES TO BE LOOKED AT AS A WHOLE, IT WOULD SEEM SENSIBLE FOR THE VARIOUS INVESTIGATIONS NOW BEING UNDERTAKEN BY THE TWO POLICY BRANCHES AND THEIR DEPARTMENTS TO BE JOINTLY MONITORED. MY COLLEAGUE THE SECRETARY FOR HEALTH AND WELFARE WELCOMES THIS. ACCORDINGLY, WE HAVE AGREED TO SET UP A JOINT STEERING COMMITTEE TO REVIEW THE THREE COMPONENT ELEMENTS THAT WE HAVE BEEN DISCUSSING THIS AFTERNOON. FOLLOWING CONSULTATION WITH HER AND MY SUCCESSOR, I CAN SAY THAT WE ARE HOPEFUL WE SHALL BE ABLE TO REPORT MEANINGFUL PROGRESS TO THE OMELCO PANELS CONCERNED BY THE END OF THE YEAR.

SIR, AS THE MOTION POINTS OUT, TODAY IS INTERNATIONAL LABOUR DAY. IT ALSO HAPPENS TO BE MY LAST DAY AS SECRETARY FOR EDUCATION AND MANPOWER. I SHALL THEREFORE HAVE TO LEAVE THE TASK OF THIS JOINT REVIEW TO MY SUCCESSOR INSOFAR AS THE EMPLOYMENT SIDE IS CONCERNED. AS THE NEXT SECRETARY FOR THE TREASURY, I SHALL, OF COURSE CONTINUE TO BE ASSOCIATED WITH THE SUBJECT. AND I SHOULD VERY MUCH HOPE THAT, FOLLOWING THE PROCESS OF CONSULTATION WITH THE RELEVANT OMELCO PANELS, I WILL NOT BE ON THE RECEIVING END OF INCALCULABLY EXPENSIVE PROPOSALS - LIKE FOR EXAMPLE, COMPENSATION FOR OMELCONIOSIS.

SIR, WITH THESE REMARKS I SUPPORT THE MOTION.

SHW ON ELDERLY TRAVEL CONCESSIONS

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FOLLOWING IS THE SPEECH ON ADJOURNMENT DEBATE : "CONCESSIONARY FARES SYSTEM FOR ALL SENIOR CITIZENS OF 65 OF AGE" BY THE SECRETARY FOR HEALTH AND WELFARE, THE HON MRS ELIZABETH WONG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR,

IT IS QUITE EVIDENT FROM THE QUALITY OF THOSE SHORTEN SPEEDY DEBATE THIS EVENING THAT WE IN HONG KONG DO HONOUR AND RESPECT ELDERLY MEMBERS IN OUR COMMUNITY. I SUPPORT ALL THAT HAS BEEN SAID. CLEARLY, WE NEED TO SET PRIORITIES AND EXPLORE WAYS AND MEANS TO ENHANCE THE MOBILITY OF OUR ELDERLY CITIZENS. MY COLLEAGUES AND I IN THE GOVERNMENT WILL ENDEAVOUR TO PURSUE THIS ENERGETICALLY IN THE LIGHT OF MEMBERS' VIEWS.

MIGHT I ADD, BEFORE WE ADJOURN, SIR, THAT I AM GRATEFUL FOR HONOURABLE MEMBERS' WISE COUNSEL AND AS A FUTURE BENEFICIARY, I THANK THEM ALL IN ADVANCE.

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INFORMATION ON FEE REFUNDS LISTED

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THE NUMBER OF WATER DEPOSIT REFUND CASES OF THE WATER SUPPLIES DEPARTMENT INCREASED FROM 67,498 IN 1988/89 TO 73,990 IN 1989/90.

THIS INFORMATION WAS CONTAINED IN A WRITTEN REPLY BY THE ACTING FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, TO A QUESTION BY THE HON PETER WONG HONG-YUEN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN THE REPLY, MR MACLEOD SAID THE TIME TAKEN TO EFFECT REFUND WAS FOUR WEEKS.

THE NUMBER OF WATER DEPOSIT REFUND CASES IN 1987/88 WAS 64,247.

AS FOR WATER CHARGES REFUND CASES, THE NUMBER DROPPED FROM 791 IN 1988/89 TO 770 IN 1989/90. THE NUMBER IN 1987/88 WAS 680. THE TIME TAKEN TO EFFECT REFUNDS WAS ONE TO TWO WEEKS.

IN 1989/90, THE NUMBER OF REFUND CASES FOR CONNEXION/INSTALLATION FEE DECREASED TO 346 FROM 552 IN THE PREVIOUS YEAR. THE NUMBER FOR 1987/88 WAS 501. TWO TO THREE WEEKS WAS REQUIRED TO EFFECT REFUNDS.

IN ADDITION, THE NUMBER OF REFUND CASES WAS 28, 27 AND 34 FOR RECONNECTION FEE IN 1987/88, 1988/89 AND 1989/90 RESPECTIVELY AND 486, 292 AND 276 FOR WATER TEST FEE OVER THE SAME THREE-YEAR PERIOD. TIME TAKEN TO EFFECT REFUNDS FOR BOTH ITEMS WAS FOUR WEEKS.

AS FOR THE MEDICAL AND HEALTH DEPARTMENT, THE NUMBER OF REFUND CASES WAS 544 IN 1987/88 AND 577 IN 1988/89.

SINCE THE MEDICAL AND HEALTH DEPARTMENT WAS DIVIDED INTO THE HOSPITAL SERVICES DEPARTMENT AND DEPARTMENT OF HEALTH ON APRIL 1, 1989, THE NUMBER OF REFUND CASES IN 1989/90 WAS 521 FOR THE HOSPITAL SERVICES DEPARTMENT AND 24 FOR THE DEPARTMENT OF HEALTH.

THE LONGEST REFUND TIME TAKEN FOR THE HOSPITAL SERVICES DEPARTMENT WAS 211 DAYS AND THE SHORTEST TIME TAKEN WAS FIVE MINUTES.

FOR THE DEPARTMENT OF HEALTH, THE LONGEST TIME TAKEN TO EFFECT REFUNDS WAS 45 DAYS WHILE THE SHORTEST 12 DAYS.

THERE WAS ONLY ONE REFUND CASE (IN 1988/89) FOR THE SOCIAL WELFARE DEPARTMENT OVER THE THREE-YEAR PERIOD AND THE TIME REQUIRED WAS 53 DAYS.

MR MACLEOD NOTED THAT THE FIGURES, IN THE CASE OF THE WATER SUPPLIES DEPARTMENT, INDICATED ONLY THE AVERAGE PROCESSING TIME TAKEN BY THE DEPARTMENT ITSELF AND DID NOT INCLUDE THE TWO TO THREE WEEKS THAT THE TREASURY MIGHT HAVE TAKEN TO EFFECT THE PAYMENTS.

HE ADDED THAT BECAUSE OF THE LARGE NUMBER OF TRANSACTIONS INVOLVED, THE ACTUAL LONGEST AND SHORTEST PROCESSING TIME WAS NOT AVAILABLE FROM THE WATER SUPPLIES DEPARTMENT.

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MOTION ON REVIEW OF OCCUPATIONAL HEALTH AND SAFETY PASSED

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A MOTION ON THE REVIEW OF OCCUPATIONAL HEALTH AND SAFETY WAS PASSED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE MOTION, MOVED BY DR THE HON C.H. LEONG, READ: "THIS COUNCIL URGES THE ADMINISTRATION ON THIS INTERNATIONAL LABOUR DAY THAT A COMPREHENSIVE REVIEW ON OCCUPATIONAL HEALTH AND SAFETY BE CONDUCTED WITH URGENCY. IN PARTICULAR THREE ASPECTS MUST BE EXPLORED: HAZARD PREVENTION; DISABILITY ASSESSMENT AND COMPENSATION; AND REHABILITATION."

FOURTEEN MEMBERS, INCLUDING THE SECRETARY FOR HEALTH AND WELFARE AND THE SECRETARY FOR EDUCATION AND MANPOWER, SPOKE ON THE MOTION.

MEANWHILE, 15 NON-GOVERNMENT MEMBERS SPOKE IN AN ADJOURNMENT DEBATE ON THE MATTER OF "CONSIDERATION BY THE GOVERNMENT OF PROVISION TO ENABLE A CONCESSIONARY FARES SYSTEM FOR ALL SENIOR CITIZENS OF 65 YEARS OF AGE AND OVER BY ALL MAJOR PUBLIC TRANSPORT COMPANIES" RAISED BY THE HON J.D. MCGREGOR. THE SECRETARY FOR HEALTH AND WELFARE SPOKE ON BEHALF OF THE GOVERNMENT.

/IN ADDITION

IN ADDITION, FOUR BILLS WERE PASSED BY THE COUNCIL. THEY WERE THE SECURITIES (AMENDMENT) (NO. 2) BILL 1991, ELECTORAL PROVISIONS (AMENDMENT) BILL 1991, HOTEL AND GUESTHOUSE ACCOMMODATION BILL 1991 AND LEGAL AID (AMENDMENT) BILL 1991.

SIX OTHER BILLS WERE INTRODUCED FOR FIRST AND SECOND READINGS, AND DEBATES ON THEM WERE ADJOURNED.

THEY WERE THE COMPANIES (AMENDMENT) (NO. 2) BILL 1991, OCCUPATIONAL RETIREMENT SCHEMES BILL 1991, SECURITIES (DISCLOSURE OF INTERESTS) (AMENDMENT) BILL 1991, SECURITIES (INSIDER DEALING) (AMENDMENT) BILL 1991, TRADE DESCRIPTIONS (AMENDMENT) BILL 1991 AND HONG KONG WAR MEMORIAL PENSIONS BILL 1991.

ALSO, THE ACTING FINANCIAL SECRETARY SPOKE ON THE REPORT OF CHANGES TO THE APPROVED ESTIMATES OF EXPENDITURE APPROVED DURING THE SECOND QUARTER OF 1990-91 UNDER THE PUBLIC FINANCE ORDINANCE SECTION 8.

HK GOVERNMENT'S COMMENTS ON GENEVA MEETING

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SPEAKING FROM GENEVA TODAY (WEDNESDAY), THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY GAVE THE HONG KONG GOVERNMENT'S REACTION TO THE OUTCOME OF THE FOURTH MEETING OF THE STEERING COMMITTEE OF THE INTERNATIONAL CONFERENCE ON INDOCHINESE REFUGEES.

HE SAID THE MEETING PROVIDED AN IMPORTANT OPPORTUNITY TO REVIEW AND REAFFIRM THE COMPREHENSIVE PLAN OF ACTION AS 16 MONTHS WAS FAR TOO LONG SINCE THE LAST MEETING OF THE GOVERNMENTS CONCERNED.

"AS A RESULT OF THE MEETING, THE UNHCR AND OTHER GOVERNMENTS WERE NOW VERY CONSCIOUS OF THE DISPROPORTIONATE BURDEN BEING BORNE BY HONG KONG AS VIRTUALLY THE ONLY CURRENT DESTINATION OF THOSE LEAVING VIETNAM CLANDESTINELY," MR ASPREY SAID.

HE WELCOMED THE PERSONAL ATTENDANCE OF THE HIGH COMMISSIONER FOR REFUGEES.

"AT THE MEETING, BOTH THE HONG KONG GOVERNMENT AND THE UK GOVERNMENT MADE IT CLEAR THAT THERE ARE LIMITS TO HONG KONG'S RESOURCES AND PATIENCE IN ACCOMMODATING A CONTINUING LARGE-SCALE INFLUX OF NON-REFUGEES FROM VIETNAM," HE ADDED.

MR ASPREY SAID THE POSITIVE REAFFIRMATION OF THE CPA WAS WELCOME, ESPECIALLY GIVEN THE IMPORTANCE OF GETTING THE MESSAGE THROUGH TO THE SCREENED OUT THAT THERE WAS NO PROSPECT OF THEIR HAVING ACCESS TO RESETTLEMENT FROM HONG KONG AND NO ALTERNATIVE BUT TO RETURN TO VIETNAM.

"THE REPRESENTATIVES AT THE MEETING GAVE A CLEAR INTERNATIONAL MESSAGE TO DISPEL RUMOURS AND COUNTER-COUNSELLING ABOUT ANY CHANGE IN POLICY OR CUT-OFF DATES," HE SAID.

"IT WAS ALSO HELPFUL THAT THE GUARANTEE OF NON-PERSECUTION FOR ALL THOSE WHO RETURN WAS REITERATED BY VIETNAM," HE ADDED.

MR ASPREY SAID, HOWEVER, THAT DESPITE A CONSENSUS ON THE NEED FOR THE SCREENED OUT TO RETURN, IT WAS DISAPPOINTING THAT FINAL AGREEMENT HAD NOT YET ACHIEVED THE MEANS OF BRINGING THIS ABOUT.

"THE STEERING COMMITTEE AGREED THAT A SUB-COMMITTEE SHOULD MEET AS A MATTER OF URGENCY TO CONSIDER WAYS OF ACHIEVING THE RETURN OF ALL THOSE WHO HAVE BEEN SCREENED OUT, AND WE LOOK FORWARD TO THAT HAPPENING IN THE NEAR FUTURE."

HE ADDED THAT THE GOVERNMENT'S OBJECTIVES WERE NOW TO WORK WITH OTHER KEY PARTICIPANTS TO ACHIEVE EARLY AGREEMENT ON MEANS OF REPATRIATION OF ALL THE SCREENED OUT.

"IN THE MEANTIME, WE WILL REDOUBLE OUR EFFORTS WITH THE UNHCR TO UNDERLINE THE TWIN MESSAGES OF THE STEERING COMMITTEE. FOR THOSE IN CAMPS, THAT THERE IS NO PROSPECT OF RESETTLEMENT FOR THE SCREENED OUT AND FOR THOSE IN VIETNAM, THAT THE ONLY LEGITIMATE AVENUE TO RESETTLEMENT OVERSEAS IS THROUGH THE ORDERLY DEPARTURE PROGRAMME."

RE-APPOINTMENT TO SECURITIES AND FUTURES COMMISSION

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THE GOVERNOR HAS RE-APPOINTED MESSRS DENIS CHANG, DENYS CONNOLLY AND PETER WONG AS NON-EXECUTIVE DIRECTORS OF THE SECURITIES AND FUTURES COMMISSION (SFC), AND IN ADDITION TO THAT, AS MEMBERS OF THE SECURITIES AND FUTURES APPEALS PANEL, FROM MAY 1 FOR PERIODS FROM SIX MONTHS TO ONE YEAR, THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, ANNOUNCED TODAY (WEDNESDAY).

UNDER SECTION 5 OF THE SFC ORDINANCE, THE GOVERNOR SHALL APPOINT NOT LESS THAN EIGHT DIRECTORS TO THE SFC, HALF OF WHOM SHALL BE NON-EXECUTIVE DIRECTORS. AT PRESENT THE COMMISSION IS SERVED BY 12 DIRECTORS.

"THE NON-EXECUTIVE DIRECTORS WILL CONTINUE TO BRING AN INDEPENDENT VIEW TO THE MANAGEMENT AND ORGANISATION OF THE SFC.

"THEY WILL BE FULLY INVOLVED IN ITS POLICY DEVELOPMENT," MR NENDICK SAID.

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VEHICLES MEETING NEW STRINGENT EMISSION STANDARDS CAN REGISTER NOW

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AS A RESULT OF THE SMOOTH INTRODUCTION OF UNLEADED PETROL (ULP) IN HONG KONG, THE ENVIRONMENTAL PROTECTION DEPARTMENT HAS ADVISED THE TRANSPORT DEPARTMENT THAT REGISTRATION OF VEHICLES COMPLYING WITH THE NEW STRINGENT EMISSION STANDARDS CAN COMMENCE TODAY (WEDNESDAY).

"SINCE WE ARE SATISFIED WITH THE LEAD CONTENT IN OUR ULP, WE ARE PREPARED TO ALLOW VEHICLES MEETING THE NEW STANDARDS TO BE REGISTERED STARTING FROM TODAY, PROVIDED OF COURSE, THAT FULL CERTIFICATION OF COMPLIANCE FROM THE MANUFACTURER IS SUPPLIED AND THAT THE VEHICLES MEET ALL OTHER REGISTRATION REQUIREMENTS OF THE TRANSPORT DEPARTMENT," AN ASSISTANT DIRECTOR OF THE ENVIRONMENTAL PROTECTION DEPARTMENT, MR FRED TROMP, SAID.

MR TROMP SAID THE GOVERNMENT RECENTLY CONDUCTED AN ANALYSIS OF ULP SAMPLES TAKEN FROM PETROL FILLING STATIONS ACROSS THE TERRITORY, AND RESULTS SHOWED THAT THE LEAD LEVELS WERE MUCH LOWER THAN THE STANDARD SET BY LAW.

"THE LAW REQUIRES THAT THE LEAD CONCENTRATION IN ULP MUST NOT EXCEED 0.013 GRAMS PER LITRE. THE LEVELS IN OUR SAMPLES ARE MUCH LOWER THAN THIS," HE SAID.

LEAD LEVELS HAVE TO BE LIMITED TO PROTECT THE CATALYTIC CONVERTER, WHICH IS THE VEHICLE EMISSION CONTROL DEVICE THAT ENABLES PETROL VEHICLES TO MEET THE STRINGENT EMISSION STANDARDS MANDATED UNDER THE NEW REGULATIONS.

/"IMPLEMENTATION OF

"IMPLEMENTATION OF THESE STANDARDS REQUIRES FULL AVAILABILITY OF ULP, BECAUSE CATALYTIC CONVERTERS ARE DAMAGED BY THE LEAD IN LEADED PETROL," MR TROMP SAID.

THE CATALYTIC CONVERTERS DRASTICALLY REDUCE THE EMISSIONS OF AIR POLLUTANTS SUCH AS OXIDES OF NITROGEN (NOX), CARBON MONOXIDE (CO) AND HYDROCARBONS (HC), BY CONVERTING THEM TO CARBON DIOXIDE (CO2), WATER VAPOUR AND NITROGEN, WHICH ARE NORMAL CONSTITUENTS OF UNPOLLUTED AIR.

UNDER THE AIR POLLUTION CONTROL (VEHICLE DESIGN STANDARDS) (EMISSION) REGULATIONS GAZETTED ON APRIL 4, 1991, ALL PETROL VEHICLES REGISTERED ON OR AFTER JANUARY 1, NEXT YEAR MUST MEET STRINGENT EMISSION STANDARDS.

THE REGULATIONS ALSO SPECIFY NEW STANDARDS FOR DIESEL VEHICLES OF LESS THAN 2.5 TONNES DESIGN WEIGHT.

IT IS EXPECTED THAT THIS MOVE TO ALLOW REGISTRATION OF VEHICLES MEETING THE SPECIFICATIONS OF THE NEW STANDARD WILL BE WELCOMED BY LOCAL CAR DEALERS, WHO ARE EAGER TO TAKE HONG KONG INTO THE NEW PHASE OF MODERN AND CLEAN MOTORING.

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CONSULTATION ON COPYRIGHT LAW ENDS

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THE LAW REFORM COMMISSION COPYRIGHT SUB-COMMITTEE PUBLISHED A CONSULTATIVE DOCUMENT ON THE REFORM OF THE LAW RELATING TO COPYRIGHT ON JANUARY 28 THIS YEAR.

THE THREE-MONTH CONSULTATION PERIOD EXPIRED YESTERDAY (APRIL 30).

AS AT YESTERDAY, THE COMMISSION SECRETARAIT HAS RECEIVED A TOTAL OF 53 SUBMISSIONS, SOME OF WHICH ARE LENGTHY AND DETAILED.

THE COPYRIGHT SUB-COMMITTEE WOULD LIKE TO THANK ALL THOSE INDIVIDUALS AND ORGANISATIONS, BOTH LOCAL AND OVERSEAS, FOR THEIR TROUBLE TO SUBMIT THEIR VIEWS ON ALL ASPECTS OF THE REFORM OF THE COPYRIGHT LAW OF HONG KONG.

EACH SUBMISSION WILL BE CONSIDERED BY THE COPYRIGHT SUB-COMMITTEE IN A SERIES OF MEETINGS BEGINNING THIS MONTH.

AFTER IT HAS REVIEWED ALL ITS TENTATIVE RECOMMENDATIONS IN THE LIGHT OF THE RESPONSES RECEIVED, THE COPYRIGHT SUB-COMMITTEE WILL THEN REPORT TO THE LAW REFORM COMMISSION. IT IS EXPECTED THAT THE SUB-COMMITTEE WILL DO SO BEFORE THE END OF THE YEAR.

/THE COMMISSION

THE COMMISSION WILL CONSIDER THE RECOMMENDATIONS AND MAY ENDORSE, REJECT OR MODIFY THEM. IT WILL THEN PUBLISH A LAW REFORM COMMISSION REPORT ON COPYRIGHT, WHICH WILL BE AVAILABLE TO THE PUBLIC.

IT IS IMPORTANT TO NOTE THAT IT WILL BE FOR THE GOVERNMENT, NOT THE COMMISSION, TO DECIDE WHETHER OR NOT TO PROPOSE THE IMPLEMENTATION OF ANY RECOMMENDATIONS THE COMMISSION MAY MAKE.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

HKEF

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	DATE ----	\$ MILLION -----
CLOSING BALANCE IN THE ACCOUNT ON	30.4.91	480
EFFECT OF FORWARDS TO BE SETTLED ON	1.5.91	+303
EFFECT OF OPERATIONS THIS MORNING		-303
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 112.0 *-0.5* 1.5.91

HONG KONG GOVERNMENT EXCHANGE FUND
91-DAY EXCHANGE FUND BILLS

HKEI

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----
Q115	10.7.91	360 +120
Q116	17.7.91	360 +120
Q117	24.7.91	308.5 +171.5
Q118	31.7.91	460 +20
Q106	8.5.91	627.5 -147.5
Q107	15.5.91	491 -11
Q108	22.5.91	410 +70
Q109	29.5.91	530 -50
Q110	5.6.91	320 +160
Q111	12.6.91	380 +100
Q112	19.6.91	630 -150
Q113	26.6.91	470 +10
Q114	3.7.91	460 +20

/HONG KONG

HONG KONG GOVERNMENT EXCHANGE FUND
182-DAY EXCHANGE FUND BILLS

HKEJ

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----	
H002	15.5.91	227.5	+32.5
H003	29.5.91	220	+40
H004	12.6.91	250	+10
H005	26.6.91	230	+30
H101	10.7.91	143	+117
H156	24.7.91	150	+110
H157	7.8.91	189.5	+70.5
H158	21.8.91	200	+60
H159	4.9.91	150	+110
H160	18.9.91	260	+0
H161	2.10.91	-10	+270
H162	17.10.91	84	+176
H163	30.10.91	190	+70

HONG KONG GOVERNMENT EXCHANGE FUND
364-DAY EXCHANGE FUND BILLS

HKEK

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----	
Y187	26.2.92	170	+90
Y188	25.3.92	190	+70
Y189	22.4.92	200	+60

AVERAGE DAILY TRANSFER FOR WEEK ENDING 26.4.91 WAS 5,438 MN

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PAU CHUNG STREET BUILDINGS DECLARED LIABLE TO BECOME DANGEROUS

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THE BUILDING AUTHORITY IS SEEKING TO CLOSE THE BUILDINGS AT 103-105 PAU CHUNG STREET, TO KWA WAN AS THEY ARE DECLARED LIABLE TO BECOME DANGEROUS.

IN A STATEMENT ISSUED TODAY (WEDNESDAY), THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR SAID THAT IN JANUARY THIS YEAR, THE BUILDINGS HAD BEEN DECLARED LIABLE TO BECOME DANGEROUS AND SHOULD BE CLOSED AND DEMOLISHED AS A CONSEQUENCE OF THE CLOSURE AND DEMOLITION OF THE ADJOINING BUILDINGS AT NOS. 99 AND 101 WHICH HAD BEEN DECLARED DANGEROUS AT THE TIME.

/HOWEVER, THE

HOWEVER, THE OWNERS OF THE GROUND FLOOR SHOPS AT NOS. 103 AND 105 FROMALLY APPEALED AGAINST THE BUILDING AUTHORITY'S DECISION IN RESPECT OF THEIR BUILDINGS, AND THEREFORE THE PROPOSED APPLICATION FOR CLOSURE ORDER WAS CANCELLED.

THE APPEAL IN ACCORDANCE WITH THE PROVISIONS OF THE BUILDINGS ORDINANCE WAS FORWARDED TO THE APPEAL TRIBUNAL (BUILDINGS) IN FEBRUARY.

THE TRIBUNAL, HAVING CONSIDERED THE REPRESENTATIONS BY THE APPELLANTS, HAD DISMISSED THE APPEAL ON THE GROUND THAT PUBLIC SAFETY MUST TAKE PRECEDENCE OVER THE APPELLANTS' INTEREST.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT ON MAY 21 WAS POSTED ON THE PREMISES TODAY.

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MONG KOK PRE-WAR BUILDING DECLARED DANGEROUS

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THE BUILDING AUTHORITY HAS DECLARED THE BUILDING AT 483 SHANGHAI STREET, MONG KOK, TO BE DANGEROUS.

THE STRUCTURE IS A FOUR-STOREY PRE-WAR BUILDING CONSTRUCTED OF LOADBEARING BRICK AND MASONRY WALLS WITH REINFORCED CONCRETE FLOOR BEAMS AND ROOF.

IN A STATEMENT TODAY (WEDNESDAY), THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR SAID THE BUILDING, CURRENTLY USED AS A BOOKSHOP ON THE GROUND FLOOR AND FOR DOMESTIC PURPOSES ON THE FIRST FLOOR WITH THE REMAINING UPPER FLOORS BEING USED AS A SHOE MANUFACTORY, WAS LAST REPAIRED IN 1979.

RECENT INSPECTION HAVE SHOWN THAT IT IS IN BADLY DILAPIDATED CONDITION AS EVIDENCED BY THE DEFECTS TO THE REINFORCED CONCRETE BEAMS AND ROOF WHICH ARE PARTICULARLY BAD ON THE UPPER STOREYS.

FURTHERMORE, THE LOADBEARING BRICKWORK IN THE REAR KITCHEN PORTIONS OF THE BUILDING IS SEVERELY DILAPIDATED WITH THE INDICATIONS THAT MOVEMENT HAS TAKEN PLACE, AND THE REAR WALL TO THE MAIN BUILDING IS FRACTURED.

IT IS CONSIDERED THAT THE BUILDING IS IN DANGEROUS CONDITION AND IN ORDER TO PROTECT LIVES AND PUBLIC SAFETY, THE BUILDING SHOULD BE CLOSED AND DEMOLISHED.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT ON MAY 31 WAS POSTED ON THE PREMISES TODAY.

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WEDNESDAY, MAY 1, 1991

- 36 -

APPLICATIONS FOR FORESTRY WORK CAMP INVITED

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YOUNGSTERS NOW HAVE AN OPPORTUNITY TO LIVE FOR A FEW DAYS IN A BEAUTIFUL OUTDOOR ENVIRONMENT AND AT THE SAME TIME INVOLVE THEMSELVES IN COUNTRYSIDE CONSERVATION AND MANAGEMENT WORK.

THEY CAN TAKE PART IN THE 1991 FORESTRY WORK CAMP WHICH IS JOINTLY ORGANISED BY THE AGRICULTURE AND FISHERIES DEPARTMENT (AFD) IN CONJUNCTION WITH THE EDUCATION DEPARTMENT.

APPLICATIONS ARE NOW INVITED FROM SCHOOLS AND ORGANISED GROUPS OF YOUNG PEOPLE AGED BETWEEN 14 AND 25 FOR THIS YEAR'S FORESTRY WORK CAMP WHICH WILL BE HELD BETWEEN JULY 8 AND AUGUST 23.

THE SCHEME IS AN ANNUAL EVENT TO PROVIDE YOUNG PEOPLE WITH THE KNOWLEDGE AND FIRST-HAND EXPERIENCE IN COUNTRYSIDE CONSERVATION AS WELL AS A CHANCE TO TAKE PART IN THE MANAGEMENT OF THE COUNTRYSIDE FOR THE BENEFIT OF THE COMMUNITY.

PARTICIPANTS WILL BE REQUIRED TO TAKE PART IN HALF-DAY WORK ON COUNTRYSIDE CONSERVATION AND MANAGEMENT EACH DAY DURING THE CAMP PERIOD. A DAILY ALLOWANCE WILL BE GRANTED FROM THE ROYAL HONG KONG JOCKEY CLUB DONATION TO EACH CAMPER.

THEY ARE ENCOURAGED TO ORGANISE EDUCATIONAL AND RECREATIONAL ACTIVITIES OR USE THE FACILITIES IN THE COUNTRY PARKS DURING THE REST OF THE DAY.

AFD WILL PROVIDE CAMPING FACILITIES IN 18 COUNTRY PARK MANAGEMENT CENTRES IN THE NEW TERRITORIES AND ON LANTAU AND HONG KONG ISLAND WITH A TOTAL CAPACITY OF 400 PERSONS.

BARRACK ACCOMMODATION WITH SLEEPING, COOKING, DINING AND TOILET FACILITIES WILL BE PROVIDED.

THE CAMPS ARE OPENED TO YOUNG PEOPLE FROM ORGANISED GROUPS AND SECONDARY SCHOOLS UNDER THE CHARGE OF AT LEAST ONE ADULT LEADER OR TEACHER. THE NUMBER OF PARTICIPANTS IN EACH GROUP MAY RANGE FROM 15 TO 23.

APPLICANTS CAN CHOOSE TO JOIN EITHER A THREE-DAY CAMP OR A FIVE-DAY CAMP. ALL APPLICATIONS MUST BE SUBMITTED BEFORE MAY 10.

INTERESTED ORGANISATIONS CAN CONTACT AFD'S CONSERVATION EDUCATION UNIT ON TEL. 733 2121 TO ENQUIRE ABOUT APPLICATION AND CAMPING ARRANGEMENTS.

APPLICATIONS FROM SCHOOLS SHOULD BE SUBMITTED THROUGH THE EDUCATION DEPARTMENT.

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