



DAILY INFORMATION BULLETIN

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REVIEW COMMITTEE WILL DRAW LESSONS FROM RECENT EVENTS

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THE GOVERNMENT HAS SET UP A COMMITTEE OF REVIEW, TO BE KNOWN AS THE SECURITIES REVIEW COMMITTEE, TO DRAW LESSONS FROM RECENT EVENTS IN THE STOCK AND FUTURES MARKETS, AND, AS FAR AS POSSIBLE, ENSURE THAT THOSE EVENTS DO NOT HAPPEN AGAIN, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

LEADING OFF THE REPLIES BY OFFICIALS IN THE RESUMED DEBATE ON THE GOVERNOR'S POLICY SPEECH, MR JACOBS ANNOUNCED THAT MR IAN HAY DAVISON FROM THE UK, WHO HAD GREAT RELEVANT KNOWLEDGE AND EXPERIENCE, HAD ACCEPTED AN INVITATION TO SERVE AS CHAIRMAN OF THE SECURITIES REVIEW COMMITTEE.

MR S.L. CHEN, MR LAU WAH-SUM, THE HON PETER POON, MR CHARLES SOO AND MR PHILIP TOSE HAD AGREED TO SERVE AS MEMBERS OF THE COMMITTEE, HE SAID.

MR DAVISON IS AN ADVISER TO ARTHUR ANDERSEN AND CO. AND A DIRECTOR OF MIDLAND BANK PLC. FROM 1983 TO 1986 HE WAS DEPUTY CHAIRMAN AND CHIEF EXECUTIVE, LLOYD'S OF LONDON.

MR JACOBS ADDED THAT THE SECRETARY OF THE COMMITTEE WOULD BE A SENIOR ADMINISTRATOR FROM THE CIVIL SERVICE, WHO WOULD BE GIVEN ALL THE SUPPORT THAT THE COMMITTEE MIGHT REQUIRE.

HE SAID THE TERMS OF REFERENCE OF THE COMMITTEE WOULD BE:

"IN THE LIGHT OF RECENT EVENTS IN THE STOCK AND FUTURES MARKETS AND IN RECOGNITION OF THE NEED TO MAINTAIN HONG KONG AS A MAJOR INTERNATIONAL FINANCIAL CENTRE, TO REVIEW THE CONSTITUTION, POWERS, MANAGEMENT AND OPERATION OF -

- (A) THE HONG KONG STOCK AND FUTURES EXCHANGES;
- (B) THE SECURITIES AND COMMODITIES TRADING COMMISSIONS; AND
- (C) THE OFFICE OF THE COMMISSIONER FOR SECURITIES AND COMMODITIES TRADING,

AND TO RECOMMEND WHAT CHANGES ARE DESIRABLE TO ENSURE THE INTEGRITY OF THE MARKETS AND TO PROTECT INVESTORS."

THE COMMITTEE WOULD BE ASKED TO ACT IN ACCORDANCE WITH A NUMBER OF DIRECTIONS, HE SAID.

"FIRST, IT SHOULD INVITE SUBMISSIONS FROM ALL INTERESTED PARTIES AND FROM THE PUBLIC;

"SECOND, ITS OBJECT IS TO EXAMINE CRITICALLY THE RELEVANT STRUCTURES AND SYSTEMS RATHER THAN TO ALLOCATE BLAME OR FIND FAULTS WITH NAMED INDIVIDUALS OR INSTITUTIONS FOR PAST EVENTS.

/"THIRD, IT

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"THIRD, IT SHOULD CONSIDER COMPARABLE ARRANGEMENTS IN OTHER MAJOR FINANCIAL CENTRES; AND

"LASTLY, IT SHOULD USE ITS BEST ENDEAVOURS TO SUBMIT ITS REPORT WITHIN SIX MONTHS; THE COMMITTEE SHALL HAVE THE POWER TO MAKE SUCH INTERIM RECOMMENDATIONS AS IT CONSIDERS NECESSARY IN THE INTEREST OF THE URGENT PROTECTION OF INVESTORS."

MR JACOBS SAID THE FIRST MEETING OF THE COMMITTEE SHOULD TAKE PLACE WITHIN THE NEXT 10 DAYS.

HE ADDED: "I KNOW THAT THE WHOLE COMMUNITY IN HONG KONG WILL RECOGNISE THE IMPORTANCE OF THE COMMITTEE'S TASK AND THEY WILL, I HOPE, GIVE IT EVERY SUPPORT.

"I AM GLAD TO SAY THAT THE CHAIRMEN OF THE STOCK EXCHANGE AND OF THE FUTURES EXCHANGE, ON BEHALF OF THEMSELVES AND OF THE MEMBERS OF THEIR RESPECTIVE COMMITTEES, HAVE PROMISED THEIR FULL CO-OPERATION, AS HAS THE CHAIRMAN OF THE SECURITIES AND COMMODITIES TRADING COMMISSIONS."

THE GOVERNMENT INTENDED TO PUBLISH THE COMMITTEE'S REPORT, HE SAID.

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HK SHOULD CONTINUE TO PROSPER, SAYS FS

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THERE IS NO DOUBT THAT THE CRISES IN THE WORLD'S FINANCIAL MARKETS HAVE MADE MORE LIKELY SOME SLOWDOWN IN THE GROWTH RATES OF A NUMBER OF MAJOR ECONOMIES AND HONG KONG, WITH ITS HIGH EXPOSURE TO EXTERNAL FORCES, WILL ALMOST CERTAINLY BE AFFECTED, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR JACOBS SAID THAT IN SUCH AN EXTERNALLY-ORIENTED ECONOMY, THERE WAS NATURALLY LIMITED SCOPE FOR ACTION, BUT, NEVERTHELESS, HONG KONG'S ECONOMY WAS BASICALLY IN GOOD SHAPE. TRADE WAS GROWING RAPIDLY AND UNEMPLOYMENT WAS LOW.

HE SAID: "AS I HAVE INDICATED IN MY MID YEAR REVIEW AT THE END OF SEPTEMBER - WHICH SEEMS A LONG TIME AGO - SOME OF OUR CURRENT PROBLEMS, NOTABLY INFLATION AND SHORTAGE OF LABOUR, ARE ARISING FROM THE FACT THAT OUR PRODUCTIVE CAPACITY IS HAVING SOME DIFFICULTY IN KEEPING UP WITH DEMAND.

/"THESE BOTTLENECK

"THESE BOTTLENECK PROBLEMS WILL PROBABLY MAKE SOME SLOWING DOWN INEVITABLE. RECENT EVENTS COULD WELL ACCELERATE THE PROCESS.

"BUT PROVIDED THE SLOWDOWN IN OUR ECONOMIC GROWTH IS NOT TOO DRAMATIC, WE SHOULD NOT BE ALARMED. IF WE MAINTAIN OUR CONFIDENCE, AND IF WE ARE LUCKY ENOUGH TO SEE GOVERNMENTS WORLDWIDE PURSUING POLICIES AIMED AT FOSTERING ECONOMIC GROWTH, WHILE ELIMINATING THE IMBALANCES IN THE WORLD ECONOMY, THEN HONG KONG SHOULD CONTINUE TO PROSPER."

MR JACOBS NOTED THAT THE HON THOMAS CLYDESDALE HAD REFERRED TO A PRIVATE SECTOR INITIATIVE TO PRODUCE A FORWARD LOOKING REPORT ON THE ECONOMY. "I HAD HEARD THIS PROPOSAL BEFORE, BUT IN THE LIGHT OF WHAT HE HAS SAID, I SHALL BE HAPPY TO GIVE IT FURTHER CONSIDERATION," MR JACOBS SAID.

THE FINANCIAL SECRETARY ALSO NOTED THAT THE HON CHUNG PUI-LAM AND THE HON HO SAI-CHU HAD BOTH MENTIONED THE BENEFITS TO THE ECONOMY THAT HAVE COME FROM ITS INCREASINGLY CLOSE TIES WITH CHINA.

"THESE CLOSER TIES, WHICH ARE EVIDENCED BY THE INCREASED TRADE FLOWS BETWEEN HONG KONG AND CHINA, AND BY THE LARGE NUMBER OF CHINESE WORKERS ENGAGED ON PROCESSING WORK FOR HONG KONG MANUFACTURERS, SHOULD BE WELCOMED FOR HAVING ADDED A NEW AND BENEFICIAL DIMENSION TO OUR ECONOMY," HE SAID.

"AN EVEN GREATER DEGREE OF ECONOMIC INTEGRATION CAN BE EXPECTED IN THE FUTURE AS CHINA CONTINUES TO PURSUE ITS POLICY OF ECONOMIC REFORMS.

"ALTHOUGH IT IS NOT ALWAYS EASY TO PREDICT THE PRECISE WAYS IN WHICH THIS ECONOMIC INTEGRATION WILL DEVELOP, THE GOVERNMENT TAKES THIS TREND INTO ACCOUNT IN ITS PLANNING OF HONG KONG'S INFRASTRUCTURE."

MR JACOBS ALSO DEALT WITH VARIOUS OTHER MATTERS:

DAYA BAY PROJECT

MR JACOBS SAID THE GUANGDONG NUCLEAR POWER JOINT VENTURE COMPANY HAD MADE IT CLEAR THAT WHILE THE RECENT INCIDENT INVOLVING MISSING BARS REVEALED SHORTCOMINGS IN THE QUALITY CONTROL ARRANGEMENTS AT THE DAYA BAY SITE, ALL THE PARTIES INVOLVED IN THE PROJECT REMAIN COMMITTED TO ENSURING THAT BOTH DURING THE CONSTRUCTION AND SUBSEQUENT OPERATION OF THE POWER STATION SAFETY CONSIDERATIONS WILL NOT BE COMPROMISED.

HE ADDED THAT IN SUCH A LARGE AND COMPLEX PROJECT IT WOULD BE UNREALISTIC TO ASSUME THAT PROBLEMS AND MISTAKES WOULD NOT OCCUR.

"WHAT IS IMPORTANT IS THAT WHEN SUCH PROBLEMS DO ARISE, THEY ARE DEALT WITH IN A RATIONAL WAY AND SATISFACTORY REMEDIAL SOLUTIONS ARE DEVELOPED," HE SAID.

/MR JACOBS

MR JACOBS NOTED THAT THE REPORT ON THE INCIDENT, PREPARED BY THE JOINT VENTURE COMPANY, HAD BEEN CAREFULLY CONSIDERED BY THE LEGCO AD HOC GROUP ON THE DAYA BAY PROJECT. IN ADDITION, THE GROUP WAS GIVEN AN EXTENSIVE BRIEFING ON THE SUBJECT BY ENGINEERS FROM THE COMPANY.

PAYING TRIBUTE TO THE WORK OF THE AD HOC GROUP IN RESPONSE TO THE INCIDENT, HE SAID: "NOT ONLY HAVE THEY SOUGHT INFORMATION ON THE INCIDENT BUT THEY HAVE ENSURED THAT THIS HAS ALSO BEEN MADE AVAILABLE TO THE PUBLIC."

FINANCIAL MATTERS

MR JACOBS SAID THE GOVERNMENT WOULD LIKE TO RETURN COMMERCIAL BANKS UNDER ITS CONTROL TO PROFITABLE OPERATION AND DISENGAGE ITSELF FROM OWNERSHIP.

"THAT IS WHAT OUR EFFORTS ARE ALL ABOUT," HE SAID IN REPLYING TO A POINT RAISED BY THE HON DAVID LI.

"IN THE MEANTIME, THERE IS NO CONFLICT OR CERTAINLY NONE THAT CANNOT BE EASILY RESOLVED. THE BANKS IN QUESTION MUST COMPLY WITH THE BANKING ORDINANCE JUST LIKE ANY OTHER BANKS."

MR LI HAD QUESTIONED WHETHER THERE WAS A CONFLICT OF INTEREST WHEN THE SECRETARY FOR MONETARY AFFAIRS ACTED "BOTH AS INDUSTRY REGULATOR AND AT THE SAME TIME AS CHAIRMAN OF COMMERCIAL BANKS (UNDER GOVERNMENT OWNERSHIP)" AND WHETHER THIS COULD BE RESOLVED BY THE GOVERNMENT MAKING GREATER EFFORTS IN RETURNING THE BANKS TO PROFITABLE OPERATION AND DISPOSING OF THEM IN THE MARKET.

REFERRING TO ANOTHER POINT MADE BY MR LI, THE FINANCIAL SECRETARY SAID THAT ON TAXATION OF HONG KONG DOLLAR CAPITAL MARKET INSTRUMENTS, THE COMMISSIONER OF INLAND REVENUE HAD RECENTLY RECEIVED A FORMAL SUBMISSION FROM THE CAPITAL MARKETS ASSOCIATION.

"THIS AROSE FROM THE CONTINUOUS DIALOGUE ESTABLISHED RECENTLY BETWEEN THE ASSOCIATION AND THE MONETARY AFFAIRS BRANCH," HE SAID.

"THE SUBMISSION WILL BE EXAMINED CAREFULLY. THERE WILL NEED TO BE FURTHER CONSULTATION WITH THE FINANCIAL COMMUNITY."

RESOURCE ALLOCATION

DEALING WITH RESOURCE ALLOCATION, MR JACOBS NOTED THAT A NUMBER OF MEMBERS HAD SPOKEN IN SUPPORT OF THE GOVERNMENT'S EFFORTS TO IMPROVE FINANCIAL PLANNING AND FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR.

HE SAID IT WAS INTENDED TO MAKE THE BEST POSSIBLE USE OF THE MEDIUM TERM FORECAST. "IN ESSENCE, THE FORECAST HAS EXTENDED OUR PLANNING HORIZON AND NOW ENABLES US TO MAKE MORE INFORMED DECISIONS ON THE EXTENT TO WHICH WE HAVE ROOM TO EMBARK ON NEW SERVICES AND TO IMPROVE EXISTING ONES IN FUTURE YEARS. IT IS ABOUT PRIORITIES," HE SAID.

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"EQUALLY IMPORTANT IS OUR CONTINUING PROGRAMME OF VALUE FOR MONEY STUDIES. TAKEN TOGETHER, THESE MEASURES COMPRISE A COMPLEX AND AMBITIOUS PROGRAMME OF REFORM, AND I WELCOME THE INTEREST AND SUPPORT THAT HAVE BEEN GIVEN BY MEMBERS TO OUR EFFORTS IN THIS AREA."

TAXATION

ON CALLS MADE BY SOME MEMBERS FOR SEPARATE TAXATION FOR WOMEN, MR JACOBS SAID HE WELCOMED THE COMMENTS THAT HAD BEEN MADE, ADDING: "BUT I AM SURE THAT MEMBERS WOULD NOT WANT ME TO DISCLOSE MY HAND AT THIS STAGE, LET US WAIT FOR A FEW MORE MONTHS."

TRAVEL AND TRAVEL AGENTS

MR JACOBS SAID MUCH WAS BEING DONE IN FACILITATING THE TOURIST INDUSTRY, SO AS TO MAINTAIN THE REPUTATION FOR HIGH STANDARDS OF SERVICE TO THE MILLIONS OF PEOPLE WHO VISITED HONG KONG EVERY YEAR.

HE SAID AT PRESENT THERE WAS A SHORTAGE OF QUALITY HOTEL ROOMS, BUT BY 1990, THERE SHOULD BE AN INCREASE OF NEARLY 45 PER CENT, WITH THE NUMBER OF ROOMS GROWING FROM 20,850 TO 29,800.

"AND TO IMPROVE THE AIRPORT FACILITIES, WE EXPECT TO SEE THE STAGE V EXTENSION TO THE TERMINAL BUILDING COMING ON STREAM IN THE SUMMER OF 1988, THEREBY INCREASING PASSENGER THROUGH-CAPACITY BY 50 PER CENT," HE SAID.

MR JACOBS NOTED THAT THE PRESENT SITUATION IN CLEARING THE AIRPORT AFTER ARRIVAL WAS WHOLLY UNSATISFACTORY. HE SAID AN URGENT REVIEW ON EXISTING IMMIGRATION CLEARANCE PROCEDURES WAS IN PROGRESS TO IMPROVE THE SERVICE.

HE ADDED THAT A NEW COMPUTERISED SYSTEM WOULD BE INTRODUCED IN MID-1988 TO REPLACE THE EXISTING MANUAL IMMIGRATION "WATCH-LIST" CHECK.

CONCERNING PROTECTION FOR THE PUBLIC WHO USED THE SERVICES OF TRAVEL AGENTS, MR JACOBS SAID: "FOR SOME MONTHS, THE ADMINISTRATION, TOGETHER WITH CONCERNED PARTIES HAVE BEEN EXAMINING PROPOSALS TO IMPROVE CONSUMER PROTECTION AND TO PROMOTE GREATER DISCIPLINE WITHIN THE TRAVEL TRADE.

"THE SUBJECT IS NOT EASY BUT WE HOPE TO BE ABLE TO FORMULATE OUR PROPOSALS IN THE VERY NEAR FUTURE.

"OUR ULTIMATE OBJECTIVE IS TO ENCOURAGE THE TRAVEL INDUSTRY TO INTRODUCE A VIABLE SYSTEM OF SELF-REGULATION, AND DISCUSSIONS ARE PROCEEDING WITH REPRESENTATIVES OF THE TRAVEL INDUSTRY ON HOW BEST THIS MAY BE ACHIEVED."

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FS: DISASTROUS TO ALLOW FUTURES MARKET TO COLLAPSE

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THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT HE DID NOT WELCOME THE SUSPENSION OF TRADING IN ANY MARKET, BUT THERE WERE CIRCUMSTANCES IN WHICH SUSPENSION OF TRADING WAS UNAVOIDABLE.

REFERRING TO RECENT EVENTS CONCERNING THE STOCK MARKET AND FUTURES MARKET IN HONG KONG, MR JACOBS SAID THAT HONG KONG WAS NOT ALONE IN EXPERIENCING WHAT HAD HAPPENED ON THE MARKETS IN THE PAST THREE WEEKS. ALL FINANCIAL CENTRES HAD BEEN HIT TO A GREATER OR LESSER DEGREE BY THE RECENT WORLDWIDE COLLAPSE IN EQUITY MARKETS.

ON THE POWER OF THE GENERAL COMMITTEE OF THE UNIFIED EXCHANGE TO SUSPEND TRADING, MR JACOBS SAID IT WAS NOT FOR THE GOVERNMENT TO COMMENT ON THE LEGALITY OF ACTIONS BY A PRIVATE INDIVIDUAL, OR COMPANY, PARTICULARLY WHEN THOSE ACTIONS MIGHT BE THE SUBJECT OF DISPUTE.

"I UNDERSTAND, HOWEVER, THAT THE EXCHANGE HAD TAKEN LEGAL ADVICE ON THE LEGALITY OF ITS ACTION."

COMMENTING ON A SUGGESTION THAT URGENT LEGISLATION SHOULD HAVE BEEN PASSED TO ENABLE THE GOVERNMENT TO ORDER THE STOCK MARKET TO REOPEN, MR JACOBS SAID EVEN HAD THIS BEEN DONE, THE RESCUE PACKAGE WOULD STILL HAVE HAD TO FORM PART OF IT.

"AND IT IS MOST UNLIKELY THAT THE MARKETS WOULD HAVE OPENED BEFORE THE MONDAY IN ANY EVENT," HE SAID.

MR JACOBS SAID: "OUR MAIN OBJECTIVE AFTER THE MARKETS CLOSED WAS TO ENSURE THAT THEY REOPENED AS QUICKLY AS POSSIBLE AND IN AS NORMAL A MANNER AS POSSIBLE. THIS IS IN ACCORDANCE WITH OUR PRIME POLICY OBJECTIVE, WHICH IS TO MAINTAIN THE INTEGRITY OF OUR SECURITIES MARKETS.

"CLEARLY THE MOST IMPORTANT INGREDIENT OF MARKET INTEGRITY IS THE SURVIVAL OF THE MARKET ITSELF, SO THAT PARTICIPANTS CAN CONTINUE TO TRADE NORMALLY.

"IT WOULD HAVE BEEN DISASTROUS, IN MY VIEW, IF WE HAD MERELY ALLOWED THE FUTURES MARKET TO COLLAPSE. THAT WOULD HAVE DONE NOTHING TO SAFEGUARD THE INTERESTS OF INVESTORS IN FUTURES AND WOULD HAVE DONE IMMENSE HARM TO THE REPUTATION OF HONG KONG AS A FINANCIAL CENTRE."

HE SAID THAT THE GOVERNMENT HAD CONSIDERED THE POSSIBLE CONSEQUENCES OF ALLOWING THE FUTURES EXCHANGE, THE HONG KONG FUTURES GUARANTEE CORPORATION, AND MARKET PARTICIPANTS IN THE HANG SENG INDEX FUTURES MARKET TO FIND A SOLUTION BY THEMSELVES.

/BUT THE

BUT THE LIKELY "SOLUTION", IN THE ABSENCE OF THE GOVERNMENT'S INVOLVEMENT, WAS ONE THAT REQUIRED A CLOSING OUT OF CONTRACTS AT AN ARBITRARY PRICE. "THERE WOULD HAVE BEEN A SERIOUS KNOCK ON EFFECT IN THE STOCK MARKET ITSELF, THE LIKELY PERMANENT CLOSURE OF THE FUTURES MARKET, AND SERIOUS DAMAGE TO HONG KONG'S CONTINUANCE AS AN INTERNATIONAL FINANCIAL CENTRE."

THE FINANCIAL SECRETARY ALSO SAID THAT HE HAD CONSIDERED THE POSSIBLE CONSEQUENCES HAD THE GUARANTEE CORPORATION NOT BEEN ABLE TO MEET ITS OBLIGATIONS WHEN TRADING ON THE FUTURES EXCHANGE RESUMED.

HE SAID: "IT WAS CLEAR TO ME THAT THIS WOULD HAVE LED TO A COMPLETE COLLAPSE OF THE GUARANTEE CORPORATION AND THE FUTURES EXCHANGE.

"WITH THE CLOSE LINKS BETWEEN THE FUTURES EXCHANGE AND THE STOCK EXCHANGE THROUGH THE HEDGING ON HANG SENG INDEX FUTURES OF PHYSICAL HOLDING OF SHARES, THERE WAS ALSO A SERIOUS RISK THAT THE STOCK EXCHANGE WOULD BE SIMILARLY AFFECTED.

"HAD THIS HAPPENED, THERE WOULD DOUBTLESSLY HAVE BEEN A MASSIVE OUTFLOW OF CAPITAL, WHICH WOULD IN TURN HAVE CREATED UNACCEPTABLE PRESSURE ON THE EXCHANGE VALUE OF THE HONG KONG DOLLAR."

ANSWERING CRITICISM ON THE USE OF THE EXCHANGE FUND, MR JACOBS SAID IT WAS HIS RESPONSIBILITY AS FINANCIAL SECRETARY TO USE THE EXCHANGE FUND "FOR SUCH PURPOSES AS THE FINANCIAL SECRETARY THINKS FIT" TO STABILISE THE EXCHANGE VALUE OF OUR CURRENCY.

HE NOTED THAT PRIOR TO THE FORMAL INVOLVEMENT OF THE GOVERNMENT IN TALKS LEADING TO THE RESCUE PACKAGE, THERE HAD BEEN ADVERSE PRESSURE ON THE EXCHANGE RATE REQUIRING SUBSTANTIAL INTERVENTION FROM THE EXCHANGE FUND. "IT IS SIGNIFICANT THAT ON THE EMERGENCE OF THE RESCUE PACKAGE THAT PRESSURE EASED," HE SAID.

ON HIS NOT HAVING CONSULTED WITH THE EXCHANGE FUND ADVISORY COMMITTEE, MR JACOBS SAID HE WAS NOT REQUIRED BY SECTION 3(1) OF THE EXCHANGE FUND ORDINANCE TO CONSULT WHENEVER HE USED THE EXCHANGE FUND, ADDING THAT IT WOULD BE IMPRACTICAL TO DO SO.

AS TO WHETHER THE GOVERNMENT COULD HAVE PRESSED THE SHAREHOLDERS OF THE GUARANTEE CORPORATION TO CONTRIBUTE MORE TO THE PACKAGE, MR JACOBS SAID HE WAS SATISFIED WITH AND GRATEFUL FOR THE SUPPORT GIVEN BY THE SHAREHOLDERS OF THE GUARANTEE CORPORATION, A NUMBER OF BROKERS AND MEMBERS OF THE FUTURES EXCHANGE, AND LAST BUT NOT LEAST, THE BANK OF CHINA.

HE ALSO DREW ATTENTION TO THE FACT THAT THE FIRST TWO CREDIT FACILITIES OF \$1 BILLION : THAT IS, THE HK\$1 BILLION PROVIDED BY THE SHAREHOLDERS OF THE GUARANTEE CORPORATION, A NUMBER OF BROKERS AND MEMBERS OF THE FUTURES EXCHANGE AND THE HK\$1 BILLION PROVIDED BY THE EXCHANGE FUND, WERE STRUCTURED IN SUCH A WAY THAT ANY FUNDS LOANED FROM THE EXCHANGE FUND WERE THE LAST TO BE USED AND THE FIRST TO BE REPAYED.

/AS TO

AS TO THE ADDITIONAL CREDIT FACILITY OF HK\$2 BILLION, THESE FUNDS WOULD NOT BE CALLED UPON UNLESS AND UNTIL THE INITIAL HK\$2 BILLION HAD BEEN FULLY DRAWN.

COMMENTING ON THE DOUBT OF THE NEED FOR A STOCK INDEX FUTURES MARKET IN HONG KONG, MR JACOBS SAID THE GOVERNMENT DID NOT POSITIVELY ENCOURAGE THE ESTABLISHMENT OF THIS MARKET, BUT ON THE OTHER HAND DID NOT WISH TO FRUSTRATE ITS PROPERLY REGULATED DEVELOPMENT.

HE SAID WHEN THE DECISION TO ESTABLISH THIS MARKET WAS MADE, IT WAS ACCEPTED THAT HONG KONG NEEDED TO KEEP ABREAST OF DEVELOPMENTS IN OTHER FINANCIAL CENTRES AND THAT AN INDEX FUTURES CONTRACT WOULD HAVE POSITIVE IMPACT ON INVESTORS' INTEREST IN THE HONG KONG STOCK MARKET, PARTICULARLY THROUGH HEDGING THE VALUE OF SHARES AGAINST UNPREDICTABLE MARKET MOVEMENTS.

WHILE RECOGNISING THE DISADVANTAGES' INCLUDING THE POSSIBILITY OF THE INVESTING PUBLIC TAKING UNWISE RISKS AND THE POSSIBILITY OF MANIPULATING THE INDEX, MR JACOBS SAID IT WAS THE CONSENSUS VIEW OF ALL PARTIES AT THAT TIME THAT THE ADVANTAGES OUTWEIGHED THE DISADVANTAGES.

HE NOTED THAT AFTER RECENT EVENTS BOTH HERE AND OVERSEAS, PEOPLE'S PERCEPTION OF THIS TYPE OF MARKET WOULD CHANGE IN A WAY OR TO AN EXTENT THAT THE DEMAND FOR A FUTURES MARKET WOULD DIMINISH.

HOWEVER, IT WAS NOT FOR THE GOVERNMENT ARTIFICIALLY TO CREATE OR SUPPRESS THE DEMAND FOR IT, HE SAID.

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IMPORTANT STUDIES ON AIRPORT IN PROGRESS

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INITIAL DECISIONS ON THE CONSTRUCTION OF A REPLACEMENT AIRPORT COULD BE TAKEN TOWARDS THE END OF 1988 BECAUSE BY THAT TIME THERE WILL BE A BETTER KNOWLEDGE ABOUT KAI TAK AND THE MAXIMUM LENGTH OF TIME DURING WHICH IT WILL CONTINUE TO SERVE OUR NEEDS ADEQUATELY, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID TODAY (WEDNESDAY).

SPEAKING IN THE LEGISLATIVE COUNCIL MEETING, MR JACOBS SAID TWO IMPORTANT STUDIES ON THE AIRPORT WERE IN PROGRESS.

"THE FIRST RELATES TO THE LIFE SPAN OF KAI TAK AND WHAT CAN BE DONE TO IMPROVE THE PRESENT FACILITIES. THIS CONSULTANCY SHOULD BE COMPLETED BY THE THIRD QUARTER OF NEXT YEAR.

/"THE SECOND

"THE SECOND STUDY IS THE PORT AND AIRPORT DEVELOPMENT STRATEGY STUDY, WHICH WILL NOT BE COMPLETED BEFORE 1989. IT IS THE LATTER STUDY THAT WILL EXAMINE THE FEASIBILITY OF ESTABLISHING A COMBINED PORT AND AIRPORT FACILITY WITH SHARED INFRASTRUCTURE, TRANSPORT NETWORKS AND URBAN DEVELOPMENT," MR JACOBS SAID.

HE NOTED THAT SOME MEMBERS HAD URGED THE NECESSITY FOR AN EARLY DECISION, AND HE SHARED THEIR VIEWS.

"BUT A PROJECT OF THIS MAGNITUDE MUST BE APPROACHED IN AN ORDERLY MANNER IF IT IS TO SERVE THE ECONOMIC INTERESTS OF THE COMMUNITY. NEVERTHELESS, WE WILL DO ALL WE CAN TO SPEED UP THE PROCESS," HE SAID.

CONCERNING THE ADDITIONAL FACILITIES AT THE CONTAINER PORT, MR JACOBS SAID WHEN THE CONSTRUCTION WAS COMPLETED IN 1993, TERMINALS 6 AND 7 BETWEEN THEM WOULD ALMOST DOUBLE KWAI CHUNG'S CONTAINER HANDLING CAPACITY.

HE SAID BY THE END OF NEXT YEAR, THERE WOULD BE INFORMATION AVAILABLE TO DECIDE ON THE LOCATIONS OF TERMINALS 8 AND 9.

MR JACOBS SAID, "THE CONTAINER PORT IS UNDER GREAT PRESSURE AND I HAVE NO DOUBT THAT WE SHALL NEED THESE ADDITIONAL FACILITIES.

"KWAI CHUNG, IN TERMS OF THROUGHPUT, IS NOW THE SECOND BUSIEST CONTAINER PORT IN THE WORLD, AND IF THE TREND CONTINUES, IT WILL NOT BE LONG BEFORE WE HOLD THE NO. 1 PLACE.

"THE ABILITY TO MOVE OUR IMPORTS AND EXPORTS EFFICIENTLY IS OF VITAL IMPORTANCE TO OUR ECONOMIC WELL-BEING."

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GOVERNMENT TOTALLY COMMITTED TO HK PEOPLE -- CS

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THE CHIEF SECRETARY, MR DAVID FORD, TODAY (WEDNESDAY) REFUTED ALLEGATIONS THAT THE GOVERNMENT WAS RELINQUISHING ITS AUTHORITY OVER THE GOVERNMENT OF HONG KONG, DECEIVING ITS PEOPLE AND LACKING MORAL FIBRE.

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE RESUMED DEBATE ON THE GOVERNOR'S ADDRESS, HE SAID THE ACCUSATIONS MADE AGAINST THE GOVERNMENT WERE GRAVE INDEED.

"THEY CANNOT BE TAKEN LIGHTLY OR DISMISSED SIMPLY AS PART OF THE CUT AND THRUST OF POLITICAL DEBATE," HE SAID.

/ "I REFUTE

"I REFUTE THEM IN THE STRONGEST POSSIBLE TERMS. THOSE WHO CONTINUE TO MAKE THEM IN THE MISGUIDED BELIEF THAT THEY ARE DEALING WITH A LAME DUCK WILL DISCOVER THAT THEY HAVE A TIGER BY THE TAIL, AND NOT A PAPER TIGER EITHER."

MR FORD ALSO STRESSED THAT THE ADMINISTRATION WAS TOTALLY COMMITTED AND DEDICATED TO FURTHERING THE INTERESTS OF THE PEOPLE OF HONG KONG.

"THAT HAS ALWAYS BEEN OUR PRIMARY CONCERN AND REMAINS SO TODAY. I KNOW I SPEAK FOR THE WHOLE OF THE ADMINISTRATION, SIR, WHEN I SAY THAT WE DEEPLY RESENT THE FACT THAT OUR INTEGRITY AND MOTIVATION HAS BEEN CALLED INTO QUESTION," HE ADDED.

HE SAID THE GOVERNMENT WAS NOT AFRAID OF CRITICISM.

"WE ARE QUITE WILLING TO ADMIT THAT WE MAY NOT GET EVERYTHING RIGHT. INDEED, WE PRIDE OURSELVES ON BEING A FREE SOCIETY WHERE DEBATE IS ENCOURAGED AND PEOPLE CAN SPEAK UP AGAINST THE GOVERNMENT."

BUT THAT FREEDOM ALSO INCLUDED THE RIGHT OF THE GOVERNMENT TO REPLY TO CRITICISM, HE SAID.

THE CHIEF SECRETARY WAS REFERRING TO ACCUSATIONS MADE BY THE HON MARTIN LEE AND THE HON PANG CHUN-HOI WHO "HAVE ATTACKED NOT JUST THE ACTIONS AND POLICIES OF THIS GOVERNMENT, BUT HAVE QUESTIONED ITS INTEGRITY."

"SUCH ASSERTIONS CANNOT GO UNANSWERED," MR FORD SAID.

MR LEE ALSO SUGGESTED THAT THE GOVERNOR HAD INVITED CHINESE INTERVENTION IN HONG KONG DURING HIS LAST VISIT TO PEKING.

THE CHIEF SECRETARY SAID MR LEE DID NOT EXPLAIN HOW HE REACHED THIS REMARKABLE CONCLUSION.

MR FORD SAID HE BELIEVED THAT A BARRISTER WAS TRAINED TO PUT HIS ARGUMENTS ON THE BASIS OF FACT AND EVIDENCE.

"YET MR LEE, IN HIS SPEECH, RELIED ON INSINUATION AND INNUENDO WITH NOT A SINGLE SHRED OF EVIDENCE TO SUPPORT HIS SO-CALLED 'CASE' AGAINST THE HONG KONG GOVERNMENT."

MR FORD NOTED THAT THE GOVERNOR'S ADDRESS HAD PROVIDED CLEAR EVIDENCE OF THE GOVERNMENT'S SENSE OF RESPONSIBILITY AND ITS DETERMINATION TO GOVERN HONG KONG IN THE OVERALL BEST INTERESTS OF THE COMMUNITY.

"MANY OF OUR PROGRAMMES AND PLANS ARE DESIGNED TO BRING BENEFITS WELL BEYOND THE END OF THIS CENTURY," HE SAID.

/ "THIS REFLECTS

"THIS REFLECTS THE SOLEMN OBLIGATION WHICH THE BRITISH GOVERNMENT HAS ACCEPTED UNDER THE JOINT DECLARATION, THAT IT WILL BE RESPONSIBLE FOR THE ADMINISTRATION OF HONG KONG WITH THE OBJECT OF MAINTAINING AND PRESERVING ITS ECONOMIC PROSPERITY AND SOCIAL STABILITY.

"IT IS ALSO AN IMPORTANT FACT THAT THE CONTINUATION OF GOOD GOVERNMENT UP TO AND BEYOND 1997 DEPENDS VERY HEAVILY ON THE EXISTING BODY OF PUBLIC SERVANTS AND ADVISERS."

THE CHIEF SECRETARY SAID THE GOVERNMENT WAS NOT A MACHINE.

"IT IS MADE UP OF PEOPLE: PEOPLE WHO CARE ABOUT THE FUTURE, WHO CARE ABOUT THE FUTURE OF THEIR CHILDREN; PEOPLE WHO, ABOVE ALL, CARE DEEPLY ABOUT HONG KONG.

"YET IT IS THESE VERY PEOPLE WHOM MR LEE AND MR PANG HAVE SOUGHT TO DENIGRATE IN THEIR SPEECHES.

"IT IS ALSO INCUMBENT UPON THE HONG KONG GOVERNMENT TO CONTINUE TO PROVIDE SOUND ADMINISTRATION IN THE TERRITORY, AND TO EXERCISE RESPONSIBLY THE HIGH DEGREE OF AUTONOMY WHICH IT ALREADY ENJOYS UNDER THE BRITISH GOVERNMENT AND WHICH THE GOVERNMENT OF THE FUTURE HONG KONG SAR WILL ENJOY UNDER THE CHINESE GOVERNMENT. WE ARE DETERMINED TO MEET THAT REQUIREMENT."

MR FORD SAID MR LEE AND MR PANG DID A GRAVE DISSERVICE TO THE COMMUNITY BY TRYING TO UNDERMINE THE CREDIBILITY OF THE ADMINISTRATION.

"FOR THE LIFE OF ME I FIND IT DIFFICULT TO SEE WHAT THEY HOPE TO ACHIEVE.

"IF THEY ARE PLAYING POLITICS THEY ARE INDEED PLAYING A DANGEROUS GAME, BECAUSE THE FACT IS THAT THE STABILITY AND PROSPERITY OF THIS COMMUNITY DEPENDS ON THE CREDIBILITY AND AUTHORITY OF THIS ADMINISTRATION.

"THIS GOVERNMENT DOES NOT NEED TO BE REMINDED OF ITS DUTY BY MR LEE AND MR PANG.

"EVERY SENIOR MEMBER OF THIS GOVERNMENT IS ACUTELY AWARE THAT WE MUST RETAIN THE TRUST OF THE PEOPLE OF HONG KONG; THAT EVERY POLICY, EVERY ACTION AND EVERY MOVE THAT WE MAKE MUST HAVE THE SUPPORT, AND BE IN THE INTEREST OF, THE MAJORITY OF THE PEOPLE OF HONG KONG.

"INDEED, OUR ABILITY TO GOVERN DEPENDS AS MUCH NOW, AS IT HAS IN THE PAST, UPON THAT TRUST AND THAT SUPPORT," HE ADDED.

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CS: STRONG ENDORSEMENT OF GOVERNOR'S POLICIES, PLANS

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IT IS CLEAR FROM THE VIEWS EXPRESSED BY MEMBERS OF THE LEGISLATIVE COUNCIL IN THE DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS THAT, ON THE WHOLE, THE POLICIES AND PLANS THAT THE GOVERNOR HAS DESCRIBED HAVE RECEIVED THE STRONG ENDORSEMENT OF THE COUNCIL, THE CHIEF SECRETARY, THE HON DAVID FORD, SAID TODAY (WEDNESDAY).

WINDING UP DEBATE ON THE ADDRESS IN THE LEGISLATIVE COUNCIL, MR FORD SPOKE ON A RANGE OF SUBJECTS THAT WERE COMMENTED ON BY MEMBERS LAST WEEK. THESE INCLUDED THE SURVEY OFFICE REPORT ON THE PUBLIC'S VIEWS ON THE DEVELOPMENT OF REPRESENTATIVE GOVERNMENT, THE CIVIL SERVICE, THE ROLE OF ADVISORY BODIES, HONGKONG'S RELATIONSHIP WITH CHINA AND THE ADMINISTRATION AS A WHOLE.

ON THE SURVEY OFFICE REPORT, MR FORD SAID THE GOVERNMENT WOULD BE STUDYING ALL THE VIEWS SENT IN TO THE SURVEY OFFICE WITH GREAT CARE.

HE SAID THE RELEASE OF THE REPORT HAD REKINDLED THE PUBLIC DEBATE ON WHETHER DIRECT ELECTIONS TO THE LEGISLATIVE COUNCIL SHOULD BE INTRODUCED NEXT YEAR.

"AS THE REPORT ITSELF INDICATES, THIS IS AN ISSUE ON WHICH VIEWS WITHIN THE COMMUNITY REMAIN DIVIDED," HE SAID.

NOTING THAT IT WAS NOT SURPRISING THAT THERE WERE DIFFERENCES OF VIEW ON THE PACE OF POLITICAL DEVELOPMENT, MR FORD SAID THE WAY TO RESOLVE THESE DIFFERENCES LAY IN CAREFUL ANALYSIS AND RATIONAL DISCUSSION, BUT NOT IN PRETENDING THAT A VIEW WHICH WAS DIFFERENT FROM ONE'S OWN EITHER DID NOT EXIST OR HAD BEEN FABRICATED BY A THIRD PARTY WITH ULTERIOR MOTIVES.

HE SAID: "IT IS A GREAT PITY THAT SOME PEOPLE HAVE SOUGHT TO CAST SERIOUS DOUBT ON THE INTEGRITY OF THE SURVEY OFFICE AND ON THE SINCERITY OF THE GOVERNMENT'S WISH TO CONSULT THE PEOPLE OF HONG KONG.

"THESE ALLEGATIONS HAVE NO BASIS IN FACT. THE GREEN PAPER ON THE 1987 REVIEW IS THERE FOR ALL TO SEE. SO IS THE SURVEY OFFICE REPORT. THEY ARE NOT SIMPLE DOCUMENTS, BECAUSE THE ISSUES WITH WHICH THEY ARE CONCERNED ARE NOT SIMPLE, AS SOME COMMENTATORS WOULD HAVE US BELIEVE.

"BUT EVERYONE WHO IS INTERESTED IN THE TRUTH CAN STUDY THEM AND FORM HIS OWN CONCLUSION ABOUT THE GENUINENESS OF THE REVIEW."

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TIMELY TO ENSURE ADMINISTRATIVE STRUCTURE IS IN GOOD SHAPE

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THE TOP MANAGEMENT STRUCTURE OF THE CIVIL SERVICE WILL BE REVIEWED TO ENSURE THAT IT IS CAPABLE NOT ONLY OF PROVIDING STABLE AND CONSISTENT GOVERNMENT, BUT ALSO OF MANAGING AND COPING WITH CHANGE, THE CHIEF SECRETARY, THE HON DAVID FORD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE DIRECTORATE PAY LEVEL SURVEY WHICH WAS UNDERTAKEN LAST YEAR REVEALED THAT THE STRUCTURE IS CLEARLY UNDER PRESSURE," HE SAID WHEN WINDING UP DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

"THERE IS LITTLE DOUBT THAT THE FURTHER DEVELOPMENT OF REPRESENTATIVE GOVERNMENT AND THE RUN-UP TO 1997 WILL ADD TO THIS PRESSURE. IT IS THEREFORE TIMELY TO TAKE ANOTHER GOOD LOOK AT THE STRUCTURE, WITH A VIEW TO ENSURING THAT IT IS IN THE BEST POSSIBLE SHAPE TO COPE WITH THE DEMANDS BEING MADE UPON IT, BOTH NOW AND IN THE FUTURE."

MR FORD SAID THE CONSULTANCY UNDERTAKING THE REVIEW WOULD BE CONCERNED MAINLY WITH EXAMINING THE TOP MANAGEMENT STRUCTURE, ESSENTIALLY THE POLICY BRANCHES OF THE GOVERNMENT SECRETARIAT AND THEIR RELATIONSHIPS WITH THE EXECUTIVE COUNCIL, THE LEGISLATIVE COUNCIL AND THE EXECUTIVE DEPARTMENTS UNDER THEIR CONTROL.

REFERRING TO THE COMMENT ON CONCENTRATION OF ADMINISTRATIVE OFFICERS IN THE GOVERNMENT SECRETARIAT. MR FORD SAID THAT WAS INEVITABLE GIVEN THE POLICY FORMULATION ROLE OF THE CENTRAL GOVERNMENT.

HOWEVER, HE AGREED THAT ADMINISTRATIVE OFFICERS SHOULD HAVE EXPERIENCE OF DIRECT CONTACT WITH THE PUBLIC.

MR FORD SAID THAT BY REGULAR POSTINGS, ALL ADMINISTRATIVE OFFICERS SHOULD HAVE EXPERIENCE OF WORKING BOTH IN FRONT-LINE JOBS IN DEPARTMENTS AND AT POLICY DESKS IN THE SECRETARIAT.

RESPONDING TO A SUGGESTION THAT PROCEDURES FOR DEALING WITH IRRESPONSIBLE AND INEFFICIENT CIVIL SERVANTS SHOULD BE PUT IN PLACE, MR FORD SAID: "THESE ARE ALREADY WELL-ESTABLISHED UNDER CIVIL SERVICE REGULATIONS AND THE PUBLIC SERVICE COMMISSION'S ADVICE IS SOUGHT ON DISCIPLINARY CASES.

"PUNISHMENT CAN RANGE FROM FORMAL WARNINGS TO COMPULSORY RETIREMENT IN THE PUBLIC INTEREST OR DISMISSAL IN MORE SERIOUS CASES.

"THE POWERS ARE CERTAINLY USED AND DURING 1986-87, 26 OFFICERS WERE COMPULSORILY RETIRED AND 190 DISMISSED FOR INCOMPETENCE, SERIOUS DISCIPLINARY OFFENCES OR ON OTHER GROUNDS."

/ON STABILITY

ON STABILITY AND CONTINUITY IN THE PUBLIC SERVICE, MR FORD SAID THERE HAD ONLY BEEN THREE RESIGNATIONS FROM DIRECTORATE OFFICERS IN THE PAST YEAR, OUT OF A TOTAL STRENGTH OF OVER A THOUSAND.

THE WASTAGE RATE IN THE SERVICE AS A WHOLE HAD DECLINED FROM SIX PER CENT 10 YEARS AGO TO THREE PER CENT IN THE LAST TWO YEARS.

IN ORDER TO MAINTAIN CLOSE CONTACT AND BETTER UNDERSTANDING BETWEEN THE ADMINISTRATION AND THE PRIVATE SECTOR, MR FORD SAID THE ADMINISTRATION HAD AN ON-GOING PROGRAMME TO SECOND OFFICERS TO LOCAL FIRMS, THE UK CIVIL SERVICE, AND INTERNATIONAL ORGANISATIONS TO ENABLE THEM TO ACQUIRE WIDER EXPERIENCE.

HE SAID THAT THE ADMINISTRATION ALSO INVITED MANAGEMENT PERSONNEL FROM THE PRIVATE SECTOR TO PARTICIPATE IN THE THREE-MONTH LONG SENIOR STAFF COURSES ORGANISED FOR THE SENIOR PROFESSIONAL AND DIRECTORATE OFFICERS OF THE CIVIL SERVICE.

"I BELIEVE GOVERNMENT OFFICERS AND THEIR COUNTERPARTS IN THE PRIVATE SECTOR ARE BENEFITTING FROM THE OPPORTUNITY THIS PROVIDES FOR THEM TO EXCHANGE IDEAS ON A WIDE RANGE OF HONG KONG PROBLEMS," HE ADDED.

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FORMATION OF ADVISORY BODIES WILL NOT LESSEN RESPONSIBILITIES
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THE ESTABLISHMENT OF ADVISORY AND STATUTORY BODIES WILL IN NO WAY DETRACT FROM THE GOVERNMENT'S AUTHORITY AND RESPONSIBILITY TO GOVERN, OR ALTER THE RELATIONSHIP BETWEEN THE ADMINISTRATION, THE EXECUTIVE COUNCIL AND THE LEGISLATIVE COUNCIL, THE CHIEF SECRETARY, THE HON DAVID FORD, SAID TODAY (WEDNESDAY).

SPEAKING IN THE LEGISLATIVE COUNCIL, IN THE RESUMED DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS, MR FORD REFUTED SUGGESTIONS THAT THE ESTABLISHMENT OF SUCH BODIES WAS A MEANS WHEREBY THE GOVERNMENT COULD OFFLOAD ITS RESPONSIBILITIES, PARTICULARLY FOR TAKING UNPOPULAR DECISIONS, OR THAT IT WAS A CLANDESTINE WAY OF EFFECTING FUNDAMENTAL CHANGES TO THE PATTERN OF RELATIONSHIPS BETWEEN THE DIFFERENT ARMS OF GOVERNMENT.

HE SAID IN ASSESSING THE NEEDS OF THE COMMUNITY AND FORMULATING ITS POLICIES TO MEET THOSE NEEDS, IT HAD BEEN THE GOVERNMENT'S PRACTICE REGULARLY TO EXAMINE THE COMPOSITION AND WORKING OF ITS ADVISORY COMMITTEES, SO AS TO ENSURE THAT THEY CONTINUED TO FUNCTION EFFECTIVELY AND TO FULFIL A GENUINE PURPOSE. HE ADDED THAT CHANGES WERE INTRODUCED WHERE NECESSARY TO MEET NEW SITUATIONS.

"THE ESTABLISHMENT OF STATUTORY BODIES WITH SOME EXECUTIVE FUNCTIONS, AND WITH THE AUTHORITY IN SOME CASES TO PROPOSE POLICY CHANGES, WAS PART OF THIS PROCESS," HE NOTED.

MR FORD SAID THAT IN ESTABLISHING THESE BODIES, THE GOVERNMENT'S AIM WAS TO ENSURE THAT IT WAS BETTER PLACED TO RESPOND PROMPTLY AND FLEXIBLY TO CHANGES IN DEMAND FOR ITS SERVICES, AND THAT ITS ADVISERS WERE BETTER PLACED TO OFFER ADVICE ON POLICY ISSUES ON THE BASIS OF DIRECT KNOWLEDGE AND EXPERIENCE OF THE WAY IN WHICH THESE SERVICES WERE DELIVERED ON THE GROUND.

"THE ESTABLISHMENT OF STATUTORY BODIES WITH A LARGE ELEMENT OF MEMBERSHIP FROM OUTSIDE THE PUBLIC SERVICE IS AN EFFECTIVE WAY OF BRINGING THE DECISION-MAKING PROCESS CLOSER TO THE PUBLIC AND MUST, I BELIEVE, BE A WELCOME DEVELOPMENT," HE SAID.

MR FORD ADDED THAT ALTHOUGH THE STATUTORY BODIES WERE GIVEN DECISION-MAKING POWERS, THE GOVERNMENT REMAINED RESPONSIBLE FOR DETERMINING THE BROAD POLICIES WHICH PROVIDED THE FRAMEWORK FOR SUCH OPERATIONAL DECISIONS.

HE SAID: "MEMBERS OF THE ADMINISTRATION WILL CONTINUE TO SERVE AS MEMBERS ON THESE BODIES, AND ALL THESE BODIES WILL HAVE AS THEIR EXECUTIVE ARMS GOVERNMENT DEPARTMENTS STAFFED BY PUBLIC SERVANTS.

"ANY POLICY PROPOSALS WHICH ARE BASED ON THEIR RECOMMENDATIONS AND WHICH REQUIRE THE ENACTMENT OF LEGISLATION OR THE VOTING OF FUNDS WILL REQUIRE THE APPROVAL OF THIS COUNCIL OR ITS FINANCE COMMITTEE."

"THE ESTABLISHMENT OF THESE BODIES WILL THEREFORE IN NO WAY DETRACT FROM THE GOVERNMENT'S AUTHORITY AND RESPONSIBILITY TO GOVERN, OR ALTER THE RELATIONSHIP BETWEEN THE ADMINISTRATION, THE EXECUTIVE COUNCIL AND THE LEGISLATIVE COUNCIL."

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LINKS WITH CHINA WILL CONTINUE TO DEVELOP

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A SOUND WORKING RELATIONSHIP WITH CHINA HAS ALWAYS BEEN ESSENTIAL TO HONG KONG'S STABILITY AND PROGRESS, THE CHIEF SECRETARY, THE HON DAVID FORD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR FORD SAID THIS, HOWEVER, WAS NOT TO SUGGEST THAT THIS FACT "DOMINATES OUR THINKING OR THE WAY IN WHICH WE GOVERN HONG KONG."

"IT IS A CLEAR DUTY TO ENSURE THAT THE INTERESTS OF HONG KONG PEOPLE ARE PARAMOUNT AND REMAIN SO," HE NOTED.

/WINDING UP

WINDING UP THE DEBATE ON THE GOVERNOR'S ADDRESS, MR FORD SAID OUR LINKS WITH CHINA IN THE POLITICAL AND ECONOMIC FIELDS WOULD NO DOUBT CONTINUE TO DEVELOP, NOT ONLY AS A CONSEQUENCE OF THE SINO-BRITISH JOINT DECLARATION, BUT ALSO AS A CONSEQUENCE OF CHINA'S OWN ECONOMIC DEVELOPMENT AND OF HONG KONG'S ROLE AS A GATEWAY BETWEEN CHINA AND THE OUTSIDE WORLD.

HE SAID: "IN THE RUN UP TO 1997, THE BRITISH AND CHINESE GOVERNMENTS ARE BOTH CONCERNED WITH MAINTAINING THE STABILITY AND PROSPERITY OF THE TERRITORY AND WITH ENSURING A SMOOTH TRANSFER TO GOVERNMENT IN 1997. THIS CAN BEST BE ACHIEVED BY ENSURING THAT THERE IS MAXIMUM CONTINUITY OF ADMINISTRATION BEFORE AND AFTER 1997.

"THIS IS CLEARLY ENVISAGED IN THE JOINT DECLARATION. IT IS THUS NOT ONLY ENTIRELY REASONABLE BUT ALSO QUITE ESSENTIAL THAT THERE SHOULD BE CLOSE CONTACT AND EXCHANGES OF VIEWS BETWEEN THE TWO SIDES, THROUGH FORMAL AND INFORMAL CHANNELS."

MR FORD SAID THAT WE SHOULD NOT BE FEARFUL OF THESE DEVELOPMENTS, ADDING THAT HONG KONG'S RELATIONSHIP WITH CHINA HAD DEVELOPED STEADILY IN A PRACTICAL AND PRAGMATIC WAY.

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GOVT PURSUING REPATRIATION SOLUTION TO REFUGEE PROBLEM

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THE SOLUTION THE GOVERNMENT IS PURSUING IN TACKLING THE PROBLEM OF VIETNAMESE REFUGEES IS TO SCREEN NEW ARRIVALS AND TO REPATRIATE ALL THOSE WHO CANNOT ESTABLISH THEY ARE GENUINE REFUGEES, PROVIDED THAT THE GOVERNMENT CAN BE SATISFIED THAT THEY WILL NOT BE TREATED INHUMANELY.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, DURING THE RESUMED DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

NOTING THAT IT WAS MEETING THIS PROVISIO THAT WAS CURRENTLY HOLDING UP FURTHER PROGRESS, MR JEAFFRESON SAID THE GOVERNMENT WOULD CONTINUE TO DO EVERYTHING IT COULD TO GET ITS POLICY ON REPATRIATION ACCEPTED.

"MEANWHILE, WE WILL CONTINUE DOING EVERYTHING WE CAN TO ENCOURAGE THE RESETTLEMENT COUNTRIES TO TAKE MORE REFUGEES FROM HONG KONG.

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"AND WE BADLY NEED THEIR HELP. OUR VIETNAMESE REFUGEE POPULATION IS NOW 9,366 COMPARED WITH 7,630 IN MAY THIS YEAR," HE SAID.

MR JEAFFRESON SAID THE GOVERNMENT THEREFORE MUST MAINTAIN THE CLOSED CENTRES AS A DETERRENT.

HE NOTED, HOWEVER, THAT AS SOON AS THE GOVERNMENT COULD IMPLEMENT ITS POLICY ON REPATRIATING NEW ARRIVALS, IT WOULD BE PUTTING FORWARD PROPOSALS DESIGNED TOWARDS OPENING UP THE CLOSED CENTRES.

ON RESETTLEMENT OF VR'S, MR JEAFFRESON SAID THE RESETTLEMENT COUNTRIES NOW HAD STRICT LIMITATIONS ON THE NUMBERS AND THE SORT OF REFUGEES THEY WERE PREPARED TO TAKE.

HE SAID: "ONE OF THE REASONS FOR THE DECLINE IN RESETTLEMENT SO FAR THIS YEAR IS THAT FAR FEWER ARRIVALS ARE QUALIFYING UNDER THE CRITERIA THE RESETTLEMENT COUNTRIES APPLY TO DETERMINE WHO THEY WILL TAKE FOR RESETTLEMENT.

"THE MAJORITY OF THOSE NOW ARRIVING ARE NORTHERNERS WITH NO RELATIVES IN THE RESETTLEMENT COUNTRIES. AS THINGS ARE, THERE IS LITTLE HOPE OF THEIR EVER BEING RESETTLED."

MR JEAFFRESON ADDED THAT THERE HAD BEEN A DECLINE OF 50 PER CENT IN RESETTLEMENT COMPARED WITH LAST YEAR.

HE SAID THAT THE BASIC REASON WHY THE RESETTLEMENT COUNTRIES WERE NOW HAVING SUCH DIFFICULTIES IN MEETING THEIR OBLIGATIONS AS FAR AS REFUGEES IN HONG KONG WERE CONCERNED WAS THE PROBLEMS THEY WERE ENCOUNTERING IN RESPECT OF REFUGEES FROM OTHER PARTS OF THE WORLD.

"IF, FOR THIS REASON, THERE CAN'T BE RESETTLEMENT OF VIETNAMESE REFUGEES FROM HONG KONG, THEN THE ALTERNATIVE IS TO SEEK DURABLE SOLUTIONS TO THE PROBLEM OF DISORDERLY DEPARTURES FROM VIETNAM."

MR JEAFFRESON SAID SINCE 1975 SOME 120,000 BOAT PEOPLE HAD ARRIVED IN HONG KONG AND MORE THAN 112,000 OF THEM HAD BEEN RESETTLED.

"THE UNITED STATES ALONE HAS RESETTLED MORE THAN 63,000 REFUGEES FROM HONG KONG, AND MORE THAN 25 OTHER COUNTRIES HAVE HELPED US."

ON ILLEGAL IMMIGRANTS FROM CHINA, MR JEAFFRESON STRESSED THAT "ALL II'S ARE, AND WILL CONTINUE TO BE, RETURNED TO CHINA".

HE SAID HE WOULD LIKE TO WARN POTENTIAL ILLEGAL IMMIGRANT NOT TO TRY TO ENTER HONG KONG, ADDING THAT THE GOVERNMENT'S ANTI-ILLEGAL IMMIGRATION MEASURES WERE VERY EFFECTIVE.

/HE SAID

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HE SAID MOST II'S WOULD BE ARRESTED ON THE BORDER, AND UP TO THE END OF LAST MONTH A TOTAL OF 18,564 HAD BEEN CAUGHT THIS YEAR.

HE NOTED THAT THE FEW THAT MANAGED TO SLIP THROUGH WOULD BE ARRESTED IN HONG KONG.

"OVER THE SAME PERIOD WE FOUND 3,432 SUCH EVADERS, AS WE CALL THEM. AS THEY DO NOT HAVE IDENTIFY CARDS WE ARE SURE WE GET ALL THESE EVADERS IN THE END."

ON BRITISH NATIONAL (OVERSEAS) PASSPORT, MR JEAFFRESON SAID THE BRITISH GOVERNMENT, BRITISH MISSIONS OVERSEAS AND THE HONG KONG GOVERNMENT HAD DONE A GREAT DEAL TO EXPLAIN THE NEW PASSPORT TO THIRD COUNTRIES.

HE SAID: "SINCE MAY, SPECIMEN PASSPORTS HAVE BEEN HANDED OVER TO THE GOVERNMENTS OF THIRD COUNTRIES, BOTH IN HONG KONG AND IN THEIR CAPITALS. THE NEW PASSPORT SHOULD BY NOW BE A BRITISH TRAVEL DOCUMENT WELL KNOWN TO IMMIGRATION STAFF.

"TO DATE, MORE THAN 14,500 BN(O) PASSPORTS HAVE BEEN APPLIED FOR. WE HAVE NO REASON WHATSOEVER TO BELIEVE THAT BN(O) PASSPORT HOLDERS HAVE IN PRACTICE ENCOUNTERED ANY DIFFICULTIES IN THEIR TRAVELS.

"BUT WE WILL CONTINUE TO MONITOR THE SITUATION VERY CLOSELY. BOTH THE BRITISH AND THE HONG KONG GOVERNMENTS WILL REACT IMMEDIATELY IF ANY PROBLEMS DO ARISE," HE ADDED.

TO FACILITATE THE REPORTING OF ANY PROBLEMS TRAVELLERS ENCOUNTER WITH THE BN(O) PASSPORT AND TO ANSWER ANY ENQUIRIES ON THE NEW PASSPORT, MR JEAFFRESON SAID THE IMMIGRATION DEPARTMENT WAS IN THE PROCESS OF SETTING UP A "HOT LINE".

"WE SHALL PUBLICISE THE TELEPHONE NUMBER AS SOON AS THE LINE IS IN OPERATION," HE NOTED.

MR JEAFFRESON SAID HE WOULD LIKE TO REMIND THOSE FACED WITH THE CHOICE OF APPLYING FOR A BDTG PASSPORT OR A BN(O) PASSPORT THAT THE VALIDITY OF A BDTG PASSPORT WOULD NOT RUN BEYOND JUNE 30, 1997 AND THEY WILL HAVE TO CHANGE TO A BN(O) ONE BEFORE THAT DATE IF THEY WISHED TO CONTINUE TO TRAVEL ON A BRITISH TRAVEL DOCUMENT.

"BY CONTRAST, THE BN(O) PASSPORT WILL BE VALID FOR 10 YEARS. IT WILL ALSO, DON'T FORGET, BE A PROOF OF NATIONALITY."

ON THE ACCEPTABILITY OF THE BN(O) PASSPORT, MR JEAFFRESON SAID THE BRITISH GOVERNMENT EXPLAINED THE NEW PASSPORT TO THE GOVERNMENTS OF 141 COUNTRIES IN THE WORLD AND THE HONG KONG GOVERNMENT EXPLAINED IT TO THE 73 WITH REPRESENTATIVES IN HONG KONG.

/"A PASSPORT

"A PASSPORT IS A TRAVEL DOCUMENT THAT BY INTERNATIONAL CONVENTION MUST BE ASSUMED TO BE ACCEPTABLE UNLESS A COUNTRY STATES OTHERWISE. THE IMPORTANT POINT IS THAT NO COUNTRY HAS SAID IT WILL NOT ACCEPT THE BN(O) PASSPORTS," HE SAID.

ON IMPORTATION OF LABOUR, MR JEAFFRESON REFUTED A SUGGESTION BY THE HON HO SAI-CHU THAT THE ADMISSION OF ONE-WAY EXIT PERMIT HOLDERS FROM CHINA SHOULD BE IMPLEMENTED WITH A CERTAIN DEGREE OF FLEXIBILITY SO THAT PERSONS ALLOWED TO ENTER UNDER THE SCHEME COULD CONTRIBUTE TOWARDS ALLEVIATING THE PRESENT LABOUR SHORTAGE.

HE SAID: " I WOULD LIKE TO POINT OUT THAT THE PRESENT SCHEME OF ADMITTING ONE-WAY EXIT PERMIT HOLDERS HAS BEEN WORKING WELL. BUT WE HAVE NO INTENTION WHATSOEVER OF SEEKING TO INCREASE THE PRESENT QUOTA.

"THE 27,000 ENTERING HONG KONG ANNUALLY UNDER THE SCHEME ARE ALREADY EQUIVALENT TO 0.5 PER CENT OF THE POPULATION, BY INTERNATIONAL STANDARDS A VERY HIGH PROPORTION FOR IMMIGRATION.

"IT IS AS MUCH AS OUR COMMUNITY CAN DEAL WITH IN TERMS OF FACILITIES INCLUDING HOUSING, MEDICAL AND SOCIAL SERVICES. NOR WOULD WE WISH TO SEE THE CONTENT OF THE 75-A-DAY ONE-WAY PERMIT HOLDERS CHANGED TO FAVOUR THOSE WHO ARE ABLE TO WORK.

"AT PRESENT THE SYSTEM IS BEING USED PRIMARILY TO ACHIEVE FAMILY REUNION. WE WOULD VERY MUCH HOPE THAT IT REMAINS THAT WAY," HE SAID.

ON VISAS FOR VISITORS FROM EASTERN EUROPE, MR JEAFFRESON SAID THE GOVERNMENT KEPT THE POLICY UNDER REGULAR REVIEW AND IT WAS NOW FAR LESS RIGID THAN WAS OFTEN SUPPOSED.

HE SAID: "EACH APPLICATION FOR A VISA IS CONSIDERED ON ITS MERITS WITH THE OBJECT OF BALANCING HONG KONG'S VARYING INTERESTS IN THIS CONTEXT. WE ACCEPT THAT TOO RESTRICTIVE A POLICY COULD BE AN IMPEDIMENT TO HONG KONG'S DEVELOPMENT AS AN INTERNATIONAL CONFERENCE CENTRE.

"IN ORDER TO MEET THIS POINT, AS A RESULT OF THE LAST REVIEW WE HAVE INTRODUCED A NEW PROCEDURE WHICH TAKES ACCOUNT OF THE LONG LEAD TIMES NECESSARY FOR PLANNING CONFERENCES AND WHICH SHOULD ENABLE HONG KONG TO BID FOR A GREATER PROPORTION OF CONFERENCE EVENTS.

"WE HAVE ALSO AGREED FURTHER TO RELAX OUR POLICY ON THE GRANTING OF VISAS SO THAT WE WILL BE ABLE TO AGREE TO THE ISSUE OF MORE VISAS THAN WE HAVE HITHERTO.

"WE HAVE INFORMED THE HONG KONG TRADE DEVELOPMENT COUNCIL AND THE HONG KONG TOURIST ASSOCIATION. AND THE MANAGEMENT OF THE HONG KONG CONVENTION AND EXHIBITION CENTRE IS ALSO AWARE OF WHAT WE HAVE DONE."

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ARGUMENTS WEIGH AGAINST COMPULSORY PROVIDENT FUND

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ARGUMENTS FOR AND AGAINST COMPULSORY SAVINGS HAVE BEEN DISCUSSED IN GREAT DETAIL AND AT GREAT LENGTH, WITH THE BALANCE OF THE ARGUMENTS QUITE HEAVILY AGAINST COMPULSION, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING ON THE SUBJECT OF A CENTRAL PROVIDENT FUND DURING THE RESUMED DEBATE ON THE GOVERNOR'S POLICY SPEECH, MR BRIDGE SAID PROFESSIONAL ECONOMISTS SUPPORTED THE VIEW THAT THE INTRODUCTION OF A COMPULSORY SAVINGS SCHEME WOULD INCREASE PRODUCTION COSTS AND WEAKEN HONG KONG'S EXTERNAL COMPETITIVENESS.

"OUR ECONOMY DEPENDS ON OUR EXPORTS. IT THEREFORE SEEMS PARTICULARLY UNWISE TO DO ANYTHING THAT COULD PUT OUR COMPETITIVENESS AT RISK," HE SAID.

MR BRIDGE POINTED OUT THAT WHILE A COMPULSORY SAVINGS SCHEME WOULD PROVIDE A REASONABLY ADEQUATE RETURN FOR THOSE WHO HAD BEEN IN STEADY EMPLOYMENT EARNING GOOD WAGES, THOSE EARNING LESS THAN THE AVERAGE WAGE, OR CONTRIBUTING FOR LESS THAN 40 YEARS, COULD EXPECT FROM THEIR COMPULSORY LIFETIME SAVINGS A RETIREMENT INCOME BELOW THE PUBLIC ASSISTANCE THRESHOLD.

MOREOVER, BY COMPULSORY SAVINGS, IT WOULD MEAN THAT EMPLOYERS WOULD BE FORCED TO SET UP RETIREMENT SCHEMES; AND EMPLOYEES WOULD BE FORCED TO JOIN, AND TO CONTRIBUTE FOR THEIR ENTIRE WORKING LIVES.

"I DO NOT BELIEVE THAT SUCH EXTENSIVE GOVERNMENT INTERFERENCE IN THE FINANCIAL AFFAIRS OF SO MANY INDIVIDUALS WOULD IN PRACTICE BE POPULAR," MR BRIDGE SAID.

"WE HAVE THEREFORE REJECTED COMPULSORY SAVING SCHEMES; BECAUSE THEY WOULD BE AN INADEQUATE SOLUTION TO THE PROBLEM OF PROVIDING FOR THE NEEDY ELDERLY; THEY WOULD BE UNPOPULAR WITH A CONSIDERABLE PROPORTION OF THOSE AFFECTED; AND THEY WOULD PUT OUR ECONOMY AT RISK."

MR BRIDGE SAID A MUCH MORE APPROPRIATE SOLUTION TO THE PROBLEMS OF IMPROVING THE FINANCIAL SITUATION OF THE ELDERLY WAS FOUND IN THE LONG SERVICE PAYMENT (LSP) SCHEME.

THE LSP WAS INTRODUCED IN JANUARY 1986 AS A MEASURE TO PROVIDE SOME PROTECTION FOR ELDERLY EMPLOYEES WHO WERE DISMISSED; AND LEGISLATION TO EXTEND THE SCHEME TO COVER RETIREMENT THROUGH OLD AGE OR ILL HEALTH WOULD BE PUT TO THE LEGISLATIVE COUNCIL SHORTLY.

MR BRIDGE SAID THAT THE LSP HAD THREE ADVANTAGES : IT WAS NON-CONTRIBUTORY; IT WAS BASED ON FINAL SALARY AND IT WAS RETROACTIVE.

/BUT HE

BUT HE ALSO NOTED THAT THE SCHEME AT PRESENT DID HAVE SOME LIMITATIONS. FIRSTLY, THE CONDITIONS UNDER WHICH IT WAS PAYABLE WERE RATHER RESTRICTED; SECONDLY, THERE WAS NO REQUIREMENT AT PRESENT FOR AN EMPLOYER TO FUND HIS LIABILITIES UNDER THE SCHEME.

"ON THE FIRST POINT, THE COVERAGE OF THE SCHEME WOULD BE EXTENDED CONSIDERABLY BY THE FORTHCOMING AMENDMENTS," MR BRIDGE SAID. "ON THE SECOND POINT, MANY EMPLOYERS WERE IN FACT TAKING STEPS TO COVER THEIR LSP LIABILITIES BY SETTING UP PRIVATE RETIREMENT SCHEMES."

HE SAID THAT THIS RAPID INCREASE IN THE NUMBER OF PRIVATE RETIREMENT SCHEMES WAS ENCOURAGING, ADDING THAT THE GOVERNMENT INTENDED TO ENCOURAGE IT FURTHER WITH A PUBLICITY AND INFORMATION CAMPAIGN IN PARALLEL WITH THE MEASURES TO IMPROVE THE REGULATION OF PRIVATE SCHEMES.

TURNING TO PROGRESS ON LABOUR LEGISLATION, MR BRIDGE SAID THAT IT HAD TO TAKE INTO ACCOUNT THE CONFLICTING INTERESTS OF EMPLOYERS AND EMPLOYEES, REQUIRING SOMETIMES DIFFICULT NEGOTIATIONS WITH BOTH SIDES.

THE GOVERNMENT HAD ENACTED NO LESS THAN 274 ITEMS OF LABOUR LEGISLATION IN THE LAST 20 YEARS, AND HONG KONG NOW COMPILED IN WHOLE OR IN PART WITH 48 INTERNATIONAL LABOUR ORGANISATION CONVENTIONS, A FIGURE WHICH COMPARED FAVOURABLY WITH MANY OF THE MORE ADVANCED COUNTRIES, E.G. JAPAN AND SINGAPORE.

HOWEVER, MR BRIDGE AGREED THAT THE GOVERNMENT SHOULD CONTINUE TO IMPROVE CONDITIONS FOR WORKERS AS FAST AS HONG KONG'S ECONOMIC GROWTH PERMITTED.

HE SAID HE WAS PARTICULARLY ENCOURAGED BY THE RECENT EXECUTIVE COUNCIL DECISION TO SET UP AN OCCUPATIONAL HEALTH AND SAFETY COUNCIL, WHOSE AIM WOULD BE TO ENHANCE SAFETY AWARENESS AND REDUCE THE TRAGICALLY HIGH NUMBER OF ACCIDENTS AT WORK.

"THE COUNCIL WILL TAKE OVER FROM THE LABOUR DEPARTMENT RESPONSIBILITY FOR SAFETY EDUCATION AND PUBLICITY AND WILL PROVIDE ADVISORY AND CONSULTANCY SERVICES TO EMPLOYERS AND EMPLOYEES IN ALL SECTORS OF THE ECONOMY," HE SAID.

WHITE BILL SHORTLY ON COMPLEX COMMERCIAL CRIME TRIAL LAW

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THE GOVERNOR IN COUNCIL HAS DECIDED THAT A WHITE BILL WILL BE PUBLISHED ON THE PROPOSED LAW GOVERNING THE TRIAL OF COMPLEX COMMERCIAL CRIMES.

THE ATTORNEY GENERAL, THE HON MICHAEL THOMAS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT A WHITE BILL (OR A DRAFT BILL FOR PUBLIC DISCUSSION) WILL BE GAZETTED IN ABOUT TWO WEEKS' TIME.

SPEAKING DURING THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR THOMAS SAID THE 57 RECOMMENDATIONS PUT FORWARD BY THE SELECT COMMITTEE ON COMPLEX COMMERCIAL CRIME COVERED ADMINISTRATIVE AS WELL AS LEGISLATIVE MATTERS.

A NUMBER OF THOSE RECOMMENDATIONS HAD ALREADY BEEN CARRIED INTO EFFECT BY ADMINISTRATIVE MEANS.

A GREAT DEAL OF WORK HAD BEEN DONE ON THE RECOMMENDATIONS REQUIRING LEGISLATION.

"ALTHOUGH THE BILL SEEKS TO IMPLEMENT THE BROAD RECOMMENDATIONS OF THE SELECT COMMITTEE, ITS DETAILED PROVISIONS WILL BE NEW AND INTERESTED PARTIES MUST BE GIVEN THE OPPORTUNITY TO COMMENT ON THEM," HE SAID.

MR THOMAS SAID NO ONE WOULD DISPUTE THAT IT WAS IMPORTANT TO AN INTERNATIONAL FINANCIAL CENTRE SUCH AS HONG KONG TO POSSESS EFFICIENT MEANS OF COMBATTING AND PUNISHING COMMERCIAL CRIME.

"AS A MATTER OF FACT THE GOVERNMENT HAS DEVOTED CONSIDERABLE RESOURCES TO THE FIGHT AGAINST COMMERCIAL CRIME IN RECENT YEARS.

"IT WAS ONLY IN 1980 THAT MY PREDECESSOR FIRST SET UP A COMMERCIAL CRIME UNIT IN THE PROSECUTIONS DIVISION OF THE LEGAL DEPARTMENT BY ASSIGNING TO THAT UNIT A DIRECTORATE OFFICER AND TWO COUNSEL. PRIOR TO THAT, COMMERCIAL CRIME HAD TO COMPETE FOR TIME AND ATTENTION WITH OTHER SERIOUS CRIMES," HE SAID.

TODAY, THE UNIT HAD EIGHT DIRECTORATE OFFICERS AND 15 OTHER EXPERIENCED COUNSEL. THIS GROWTH HAD BEEN PARALLELED IN THE ROYAL HONG KONG POLICE FORCE AND, IN RECENT YEARS, THE ICAC HAD TAKEN ON MAJOR CASES INVOLVING CORRUPTION.

ACCOUNTANTS FROM THE PRIVATE SECTOR WERE ALSO BROUGHT IN TO INVESTIGATE CASES AND AS EXPERT WITNESSES.

"OF COURSE THE FIGHT AGAINST COMMERCIAL CRIME IS COSTLY BUT I AM SURE MEMBERS DO NOT WISH TO ALLOW HONG KONG'S SAVINGS AND INVESTMENTS, BIG OR SMALL, TO BE PLUNDERED WITH IMPUNITY," HE SAID.

/TURNING TO

TURNING TO THE CARRIAN CASE, MR THOMAS SAID HE SHARED THE HON POON CHI-FAI'S CONCERN AND THE WIDESPREAD CONCERN OF SO MANY AT THE OUTCOME OF THE CASE.

HE SAID IT WAS AN IMPORTANT CASE ARISING FROM HONG KONG'S LARGEST EVER CORPORATE COLLAPSE WHICH RESULTED IN DEFICIENCIES OF SOME \$10 BILLION AND WHICH DAMAGED THE TERRITORY'S REPUTATION FOR COMMERCIAL INTEGRITY.

"I WOULD LIKE TO ASSURE MR POON THAT A GREAT DEAL OF CARE AND TROUBLE WAS TAKEN IN THE PREPARATION OF THE PROSECUTION CASE, AND IN FRAMING THE CHARGES," HE SAID.

"AS I SAID IN REPLY TO DR CONRAD LAM WHO WROTE TO ME IN SEPTEMBER ON THIS MATTER, THE CASE WAS COMPLICATED AND THERE WAS A VAST NUMBER OF DOCUMENTS TO ASSIMILATE. CONSIDERATION WAS GIVEN TO ALTERNATIVE WAYS OF PROCEEDING.

"THE DECISION TO PROSECUTE WAS TAKEN AFTER RECEIVING POSITIVE ADVICE ON THE CHARGES TO BE LAID FROM AN EXPERIENCED QUEEN'S COUNSEL IN LONDON, MR HARRY OGNALL, QC (WHO HAS SINCE BEEN MADE A HIGH COURT JUDGE IN THE UNITED KINGDOM), THE THEN CROWN PROSECUTOR AND SENIOR MEMBERS OF THE COMMERCIAL CRIME UNIT OF THE LEGAL DEPARTMENT.

"THE CROWN ALSO OBTAINED ADVICE FROM TWO EXPERIENCED ACCOUNTANTS, INCLUDING LORD BENSON, THE FORMER PRESIDENT OF THE INSTITUTE OF CHARTERED ACCOUNTANTS. BOTH THESE GAVE EVIDENCE FOR THE CROWN AT THE COMMITTAL PROCEEDINGS AND THE TRIAL," THE ATTORNEY GENERAL SAID.

HE SAID THAT UNDER THE TERRITORY'S CRIMINAL PROCEDURE, DEFENDANTS COULD CHOOSE TO TEST THE STRENGTH OF THE PROSECUTION CASE BY WAY OF COMMITTAL PROCEEDINGS. THIS RIGHT WAS EXERCISED IN THE CARRIAN CASE BY FOUR OF THE DEFENDANTS.

A FULL COMMITTAL HEARING LASTING SIX MONTHS TOOK PLACE BEFORE A MAGISTRATE WHOSE FUNCTION IT WAS TO DETERMINE WHETHER THERE WAS SUFFICIENT EVIDENCE UPON WHICH TO COMMIT THOSE DEFENDANTS TO TRIAL IN THE HIGH COURT. THE MAGISTRATE DECIDED THAT A COMMITTAL FOR TRIAL WAS WARRANTED, HE SAID.

MR THOMAS SAID THE ESTIMATE GIVEN TO HIM AND TO THE COURT WAS THAT THE TRIAL WOULD LAST ANOTHER SIX TO EIGHT MONTHS. BUT THIS ESTIMATE WAS FAR EXCEEDED.

"I HAD FOR SOME TIME BEEN TROUBLED BY THE PROLONGATION OF THESE PROCEEDINGS, AND THE STRAIN WHICH THAT PLACED ON MEMBERS OF THE JURY IN PARTICULAR, AND ALL OTHERS INVOLVED IN THE CASE.

"THOSE APPEARING FOR THE CROWN TOOK MANY STEPS TO EFFECT ECONOMIES.

/"BUT MEMBERS

"BUT MEMBERS WILL APPRECIATE THAT THEY DO NOT CONTROL THE COURSE OF A TRIAL," HE SAID.

MR THOMAS SAID THE DEPARTMENT'S COMMERCIAL CRIME UNIT HAD IN RECENT YEARS UNDERTAKEN A SUBSTANTIAL NUMBER OF CASES ARISING FROM COMPLEX COMMERCIAL FRAUD. IN THE THREE YEAR PERIOD FROM 1984, THE UNIT PROSECUTED 44 CASES IN THE HIGH COURT, RESULTING IN 83 PERSONS CONVICTED AND THREE ACQUITTED.

MOST OF THESE CASES HAD BEEN LENGTHY AND COMPLEX AND MANY OF THEM WERE CASES OF CONSPIRACY TO DEFRAUD.

"NONETHELESS I CAN ASSURE MEMBERS, JUST AS I ASSURED DR LAM, THAT WHERE THERE ARE LESSONS TO BE LEARNED FROM THE CARRIAN CASE, THEY WILL NOT BE LOST ON THE COMMERCIAL CRIME UNIT," HE SAID.

ON THE LOCALISATION OF THE DEPARTMENT, THE ATTORNEY GENERAL SAID HE REGARDED THIS AS THE SINGLE MOST IMPORTANT MANAGEMENT ISSUE THE DEPARTMENT WAS FACING.

A DISCUSSION PAPER ON THE ISSUE WAS RELEASED BY THE ATTORNEY GENERAL AND THE DEPARTMENT'S FOUR LAW OFFICERS TO ALL COUNSEL IN JUNE.

MR THOMAS SAID ANYONE WHO HAD STUDIED THE DISCUSSION PAPER MUST BE AWARE OF THE CONSIDERABLE EFFORT THAT WENT INTO ITS PREPARATION AND OF THE DETERMINATION TO PROMOTE MEASURES TO SPEED LOCALISATION IN THE DEPARTMENT.

THE PROPOSED TARGET FOR LOCALISATION WAS THAT BY 1992, 30 PER CENT OF THE DIRECTORATE POSTS AND 50 PER CENT OF THE SENIOR CROWN COUNSEL POSTS SHOULD BE HELD BY LOCALS.

"WE HAVE RECENTLY COMPLETED A COMPREHENSIVE REPORT FOR THE INTER-DEPARTMENTAL WORKING GROUP ON HOW THESE TARGETS MAY BE ACHIEVED.

"I HAVE NO DOUBT THAT THE VIEWS WE HAVE EXPRESSED WILL ASSIST THEM IN THEIR WORK AND I HOPE THAT THEY WILL BE ABLE TO CONCLUDE THEIR DELIBERATIONS SWIFTLY," MR THOMAS SAID.

ON THE QUESTION OF BILINGUAL LAWYERS, MR THOMAS SAID HE AGREED WITH THE HON YEUNG PO-KWAN THAT WITH THE MORE EXTENSIVE USE OF CHINESE IN COURTS AND THE IMPLEMENTATION OF BILINGUAL LEGISLATION, THERE WOULD BE AN INCREASED DEMAND FOR BILINGUAL LAWYERS.

TURNING TO THE LEVEL OF SENTENCING SET BY THE COURTS, MR THOMAS SAID THAT AS ATTORNEY GENERAL HE HAD THE POWER TO SEEK A REVIEW OF ANY SENTENCE WHICH HE CONSIDERED TO BE WRONG IN PRINCIPLE OR TO BE MANIFESTLY INADEQUATE.

"A HIGH PROPORTION OF THOSE REVIEWED HAVE RESULTED IN SUBSTANTIAL INCREASES IN SENTENCE BY THE COURT OF APPEAL. BUT OF COURSE THE ULTIMATE RESPONSIBILITY FOR SENTENCING RESTS WITH THE JUDICIARY.

"IN VIEW OF MEMBERS' CONTINUING CONCERN OVER THE LEVEL OF SENTENCES, I WILL DRAW THE CHIEF JUSTICE'S ATTENTION TO WHAT HAS BEEN SAID IN THIS DEBATE," HE SAID.

INCOME DECLARATION REQUIREMENT FOR OVER-70'S DELETED
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THE GOVERNMENT HAS DECIDED TO DISPENSE WITH THE REQUIREMENT FOR AN INCOME DECLARATION IN OLD AGE ALLOWANCE APPLICATIONS BY NEW APPLICANTS OVER 70, WHILE RETAINING IT FOR THOSE BETWEEN 65 AND 69, WHO HAVE NOT PREVIOUSLY BEEN ELIGIBLE.

THIS WAS STATED BY THE SECRETARY FOR HEALTH AND WELFARE, THE HON JOHN CHAMBERS, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) DURING THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

MR CHAMBERS SAID ALL THOSE AGED 70 AND OVER WOULD BE ELIGIBLE FOR THE NEW HIGHER RATE OF OLD AGE ALLOWANCE WITHOUT HAVING TO DECLARE THEIR INCOME.

THE DECISION FOLLOWED A RE-EXAMINATION OF THE PROPOSALS IN THE LIGHT OF THE STRONG VIEWS EXPRESSED ON THE SUBJECT.

ON THE PROPOSED IMPROVEMENTS TO THE PUBLIC ASSISTANCE SCHEME, MR CHAMBERS SAID THE MOST APPROPRIATE WAY OF HELPING POOR FAMILIES, PARTICULARLY THOSE WITH A LARGE NUMBER OF CHILDREN, WOULD BE TO INCREASE THE BASIC RATES FOR FAMILY MEMBERS AND TO INTRODUCE A MEAL ALLOWANCE FOR CHILDREN ATTENDING FULL DAY SCHOOL.

IN ADDITION, THERE WAS A FEE ASSISTANCE SCHEME FOR CHILD CARE CENTRES, AND CHILDREN FROM SINGLE-PARENT FAMILIES WERE GIVEN PRIORITY FOR ENTRY TO THESE CENTRES, HE SAID.

ON TRAINING PROGRAMMES, MR CHAMBERS NOTED THAT THE ROYAL HONG KONG JOCKEY CLUB HAD DONATED \$6 MILLION TO THE SOCIAL WORK TRAINING FUND, WHICH WOULD ENABLE THE FUND TO SPONSOR MORE IN-SERVICE TRAINING FOR SOCIAL WORKERS.

MR CHAMBERS SAID THE GOVERNMENT WOULD CONTINUE TO CO-OPERATE EFFECTIVELY WITH THE VOLUNTARY AGENCIES CONCERNING THE WELFARE OF LESS FORTUNATE CITIZENS, AND HE NOTED THAT THE VOLUNTARY SECTOR HAD BEEN INVOLVED IN A NUMBER OF MAJOR POLICY REVIEWS IN RECENT YEARS.

TURNING TO MEDICAL AND HEALTH SERVICES, MR CHAMBERS ASSURED MEMBERS THAT WITH THE ESTABLISHMENT OF THE HOSPITAL AUTHORITY, THE GOVERNMENT REMAINED FULLY COMMITTED TO THE PROVISION OF A HEAVILY SUBSIDISED PUBLIC HOSPITAL SERVICE IN THE FORESEEABLE FUTURE.

MOREOVER, THERE WOULD BE NO SLOWING-UP OF THE AMBITIOUS PROGRAMME OF PROVIDING NEW HOSPITALS AND MAKING EXTENSIONS TO EXISTING HOSPITALS DURING THE NEXT FEW YEARS, HE SAID.

/HE ALSO

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HE ALSO ENVISAGED THAT STAFF EMPLOYED IN EXISTING GOVERNMENT AND SUBVENTED HOSPITALS WOULD IN DUE COURSE BE GIVEN THE OPTION OF EITHER ACCEPTING THE NEW TERMS OR RETAINING THEIR PRESENT CONDITIONS OF EMPLOYMENT.

MR CHAMBERS NOTED THAT SEVERAL SUBVENTED HOSPITALS WERE INTRODUCING VARIOUS FORMS OF PALLIATIVE CARE FOR PATIENTS WHO WERE TERMINALLY ILL, WHILE THE MEDICAL AND HEALTH DEPARTMENT HAD STARTED TWO PILOT SCHEMES IN THE QUEEN ELIZABETH HOSPITAL AND THE PRINCE OF WALES HOSPITAL FOR A HOSPITAL VISITATION VOLUNTEER SERVICE WHICH WOULD CO-ORDINATE THE VOLUNTARY SERVICES AVAILABLE.

ON GENETIC COUNSELLING, MR CHAMBERS SAID THAT EDUCATION AND PUBLICITY ON MEDICAL GENETICS AND GENETIC COUNSELLING WERE BEING UNDERTAKEN BY THE MEDICAL AND HEALTH DEPARTMENT, THE HONG KONG SOCIETY OF MEDICAL GENETICS AND VOLUNTARY AGENCIES INTERESTED IN THE SUBJECT, AND PLANS HAD BEEN DRAWN UP BY THE DEPARTMENT FOR DEVELOPMENT OF THIS SERVICE.

TURNING TO ENVIRONMENTAL PROTECTION, MR CHAMBERS SAID THE GOVERNMENT WAS PROPOSING TO SPEND MORE THAN \$600 MILLION OVER A 10-YEAR PERIOD TO RID STREAMS AND COASTAL WATERS OF THE APPALLING POLLUTION CAUSED BY ANIMAL WASTES. MUCH OF THIS MONEY WOULD BE IN THE FORM OF ASSISTANCE TO THE FARMERS TO HELP THEM COMPLY WITH THE NEW REGULATIONS, AND COMPENSATION TO THOSE WHO WERE UNABLE TO COMPLY.

HE ALSO SAID THE GOVERNMENT MADE VERY GREAT EFFORTS TO ENSURE THAT HONG KONG'S COMPETITIVENESS IN ITS EXPORT MARKETS WAS NOT UNDULY AFFECTED BY POLLUTION CONTROLS.

MR CHAMBERS SAID THAT ONCE THE NOISE CONTROL BILL WAS PASSED, WHICH HE HOPED WOULD BE EARLY NEXT YEAR, HONG KONG SHOULD HAVE IN PLACE A COMPREHENSIVE SET OF SUCH LEGISLATION, COVERING AIR, WATER, NOISE AND WASTE DISPOSAL.

THE ENVIRONMENTAL PROTECTION DEPARTMENT WAS NOW REPRESENTED ON ALL THE MAJOR PLANNING COMMITTEES, HE NOTED.

IN ADDITION, PUBLIC WORKS PROJECTS WERE SUBJECT TO ENVIRONMENTAL VETTING AND ENVIRONMENTAL IMPACT ASSESSMENTS WERE CARRIED OUT FOR MAJOR PUBLIC AND PRIVATE SECTOR PROJECTS.

DESPITE AN INCREASE OF 65 PER CENT IN FOSSIL FUEL CONSUMPTION OVER THE LAST DECADE, CAREFUL ENVIRONMENTAL MANAGEMENT HAD LED TO A 50 PER CENT DECREASE IN THE CONCENTRATION OF SULPHUR DIOXIDE IN THE ATMOSPHERE, HE ADDED.

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PERMANENT THINK-TANK ON EDUCATION

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THE SETTING-UP OF THE EDUCATION COMMISSION IN 1984 HAS PROVIDED THE GOVERNMENT WITH A PERMANENT THINK-TANK ON EDUCATION WHICH CAN TAKE THE LONG-TERM VIEW AND LOOK AT ISSUES OF STRATEGIC IMPORTANCE WHICH MIGHT OTHERWISE NOT RECEIVE PROPER ATTENTION, BECAUSE OF THE PRESSURE OF DAY-TO-DAY ADMINISTRATION, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, SAID TODAY (WEDNESDAY).

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE RESUMED DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS, MR BRIDGE SAID A MEMBER HAD CALLED FOR AN ASSESSMENT TO SEE WHETHER THE DEFECTS POINTED OUT IN THE LLEWELLYN REPORT HAD BEEN REMEDIED AND SUGGESTED THAT HONG KONG NEEDED TO ESTABLISH "CLEARLY DEFINED SOCIETAL GOALS ON A SYSTEM-WIDE BASIS".

"I BELIEVE THAT THIS PROCESS - OF CORRECTING DEFECTS IN OUR EDUCATION SYSTEM AND IDENTIFYING LONG-TERM GOALS - IS A CONTINUOUS ONE, WHICH HAS BEEN IN PROGRESS EVER SINCE THE LLEWELLYN REPORT WAS PUBLISHED," MR BRIDGE SAID.

"BUT IN THE FAST-CHANGING WORLD OF HONG KONG WE SHOULD NOT ALWAYS THINK IN TERMS OF ONE-OFF OVERALL REVIEWS WHICH ATTEMPT TO ENCOMPASS ALL OF EDUCATION BETWEEN TWO COVERS.

"SUCH EXERCISES CAN BE USEFUL, BUT THEY ARE LESSENED IN VALUE IF THEY ARE HELD TOO FREQUENTLY.

"AS I SAID IN THE SECOND ADJOURNMENT DEBATE ON EDUCATION COMMISSION REPORT NO. 2 ON FEBRUARY 18 THIS YEAR, THE REFORMS ARISING FROM THE LLEWELLYN REPORT AND FROM THE FIRST TWO REPORTS ARE INEVITABLY BEING ACHIEVED AT THE PRICE OF SOME DISRUPTION AND ADJUSTMENT."

MR BRIDGE SAID THAT AFTER THE RECENT PERIOD OF REPORTS AND DISCUSSION, WE COULD ONLY HOLD YET ANOTHER "OVERALL REVIEW" AT THE PRICE OF MORE SERIOUS AND CONTINUED DISRUPTION TO OUR EDUCATION SYSTEM.

HE NOTED THAT THE COMMISSION WAS CONSIDERING A WIDE RANGE OF OPTIONS AND WOULD CONSULT CONCERNED PARTIES BEFORE MAKING ITS FINAL RECOMMENDATIONS. THESE WERE LIKELY TO BE PUBLISHED EARLY IN 1988, WHEN THERE WOULD BE A PERIOD OF PUBLIC CONSULTATION.

MR BRIDGE POINTED OUT THAT IT WAS TOO EARLY TO SAY WHAT THE COMMISSION'S CONCLUSIONS WOULD BE.

TURNING TO THE QUALITY OF EDUCATION, MR BRIDGE SAID HE AGREED WITH MANY MEMBERS THAT EDUCATION PLANNING MUST NOT BE A SIMPLE NUMBERS GAME OF MAXIMISING ENROLMENTS.

/"THE EXPERIENCE

"THE EXPERIENCE OF MANY COUNTRIES IN THE 1960'S AND 70'S HAS SHOWN THE PERILS OF NEGLECTING QUALITY AND THE HIGHER PURPOSES OF EDUCATION. THAT IS WHY THE EDUCATION COMMISSION HAS BEEN AT SUCH PAINS IN BOTH OF ITS PUBLISHED REPORTS TO LOOK AT LONG TERM OBJECTIVES AND THE PHILOSOPHY BEHIND OUR EDUCATIONAL POLICIES," HE SAID.

HE POINTED OUT THAT IT WAS IN THAT SPIRIT THAT THE COMMISSION HAD SPOKEN, FOR EXAMPLE, OF THE NEED TO STRENGTHEN THE TWO-YEAR INTEGRATED SIXTH FORM AND TO BROADEN ITS CURRICULUM.

"HOWEVER, AS MEMBERS KNOW, OUR SEARCH FOR QUALITY SHOULD NOT MEAN THAT WE DISMISS QUANTITY AS IRRELEVANT. ON THE CONTRARY, THE EXPANSION OF TERTIARY OPPORTUNITIES AND THE SUCCESSFUL IMPLEMENTATION OF NINE YEARS FREE AND COMPULSORY EDUCATION ARE REAL ACHIEVEMENTS," HE SAID.

MR BRIDGE REITERATED THAT QUANTITY AND QUALITY IN EDUCATION MUST GO HAND IN HAND.

SPEAKING ON THE OPEN LEARNING INSTITUTE (OLI), MR BRIDGE SAID HE WAS ENCOURAGED BY THE REMARKS BY SOME MEMBERS CONCERNING THE ESTABLISHMENT OF SUCH INSTITUTE IN HONG KONG.

HE AGREED THAT THE STATUS OF THE NEW INSTITUTE SHOULD BE COMPARABLE TO THAT OF EXISTING TERTIARY INSTITUTIONS AND THAT OUR AIM SHOULD BE FOR ITS QUALIFICATIONS TO BE ACCORDED THE SAME DEGREE OF RECOGNITION AS THOSE OF ESTABLISHED UNIVERSITIES AND POLYTECHNICS.

"OF COURSE, WHETHER THE NEW INSTITUTION ACHIEVES THIS WILL DEPEND ON THE SUCCESS OF THE PLANNING COMMITTEE WHICH IS SHORTLY TO BE APPOINTED," HE SAID.

"WE WILL NEED TO MOVE QUICKLY AND EFFICIENTLY ON THIS IF WE ARE TO ACHIEVE OUR TARGET DATE OF 1989 FOR THE FIRST STUDENT ENTRY," HE ADDED.

MR BRIDGE EXPLAINED THAT IT WAS NO REFLECTION ON THE OLI'S STATUS THAT IT WAS NOT TO BE CALLED AN OPEN UNIVERSITY.

"THE NAME FOR THE NEW INSTITUTION WAS CHOSEN TO REFLECT THE FACT THAT IT WILL OFFER BOTH DEGREE AND SUB-DEGREE LEVEL COURSES.

"MOREOVER, THE OLI WILL NOT DEVELOP LARGE ACADEMIC FACULTIES ALONG THE LINES OF, FOR EXAMPLE, THE OPEN UNIVERSITY IN THE UK.

"BY REMAINING A STREAM-LINED ORGANISATION, WITH A SMALL, EXPERT CORE OF SENIOR ACADEMICS, THE OLI WILL BE ABLE TO REACT QUICKLY TO CHANGES IN THE DEMANDS OF SOCIETY AND WILL BE ABLE TO KEEP THE COST OF COURSES WITHIN THE MEANS OF THE AVERAGE STUDENT," HE SAID.

PLAN FOR PHASED DEVELOPMENT OF HINTERLANDS

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THE LANDS AND WORKS BRANCH AND ITS DEPARTMENTS HAVE STARTED PUTTING TOGETHER A PLAN FOR THE PHASED AND SYSTEMATIC DEVELOPMENT OF THE RURAL HINTERLANDS.

THIS WAS ANNOUNCED BY THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) DURING THE DEBATE ON THE GOVERNOR'S POLICY SPEECH.

"IT IS CLEAR THAT THE COMPONENTS OF THIS PLAN MUST BE A PROGRAMME OF PHASED INVESTMENT, FACILITATION OF APPROPRIATE PRIVATE DEVELOPMENT, AND SOME DEGREE OF PLANNING CONTROL AND PUBLIC LAND ACQUISITIONS," HE SAID.

HE ADDED IT WAS NOT YET SUFFICIENTLY CLEAR WHAT THE MIX SHOULD BE. BUT IT WAS AN EXERCISE WHICH WOULD REQUIRE A VERY SYSTEMATIC PROGRAMME OF CONSULTATION.

MR BARNES SAID THE PRESENT TOWN PLANNING ORDINANCE WAS NO LONGER AN ADEQUATE INSTRUMENT IN REGULATING AND PROMOTING DEVELOPMENT IN BOTH THE RURAL HINTERLANDS AND THE OLDER URBAN AREAS.

CONSEQUENTLY, THE EXECUTIVE COUNCIL HAD AGREED TO UNDERTAKE A COMPLETE REVIEW OF THE ORDINANCE, THE FIRST DISCUSSIONS ON WHICH WERE RECENTLY HELD.

"IT IS AN EXERCISE WHICH WILL REQUIRE A VERY SYSTEMATIC PROGRAMME OF CONSULTATION.

"FOR IT MUST COVER MUCH MORE FULLY THAN AT PRESENT, THE CONSULTATION PROCESSES IN PLANNING, THE RIGHTS OF THOSE AFFECTED BY PLANNING PROPOSALS, THE KINDS OF PLANNING REQUIRED IN SUPPORT OF RURAL RENEWAL, AND THE RELATIONSHIPS BETWEEN THE PLANNING AND PUBLIC AND PRIVATE DEVELOPMENT," HE SAID.

MR BARNES ALSO SAID THAT DISCUSSIONS BETWEEN THE GOVERNMENT AND PROFESSIONAL INSTITUTIONS WERE UNDERWAY ON THE SUBJECT OF PROFESSIONAL REGISTRATION IN THE CONSTRUCTION INDUSTRY, SO AS TO MAINTAIN STANDARDS.

"THERE IS GENERAL AGREEMENT ON THE NEED OF REGISTRATION; THAT IT SHOULD NOT BE RESTRICTED TO INSTITUTION MEMBERS, AND THAT REGISTRATION SHOULD BE ADMINISTERED BY THE INSTITUTIONS, WITH GOVERNMENT REPRESENTATION ON THE CONTROLLING BOARD," HE SAID.

"HOWEVER, MUCH DETAILED WORK AND CONSULTATION REMAINS TO BE DONE TO DRAFT THE NECESSARY LEGISLATION. THIS WILL BE PURSUED ACTIVELY DURING THE COMING YEAR."

MR BARNES ALSO REFERRED TO THE LAND DEVELOPMENT CORPORATION BILL, AND SAID DEBATE ON ITS SECOND READING WOULD RESUME SHORTLY.

HE SAID THERE HAD TO BE A BALANCE BETWEEN THE GRANT OF ADEQUATE POWERS TO THE CORPORATION TO DO ITS JOB AND PROTECTION OF THOSE WHO WOULD BE AFFECTED BY IT.

DMC GUIDELINE WILL IMPROVE BUILDING MANAGEMENT

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A SET OF GUIDELINES FOR THE DRAFTING OF NEW DEEDS OF MUTUAL COVENANT HAS BEEN COMPLETED AND WILL BECOME EFFECTIVE ON DECEMBER 1, THE SECRETARY FOR DISTRICT ADMINISTRATION, MR T.H. CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY)

SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S ADDRESS, MR CHAU SAID THESE GUIDELINES WERE DESIGNED TO ENSURE A BETTER BALANCE OF INTEREST BETWEEN THE DEVELOPER AND THE OWNERS AND SHOULD PROVIDE A BETTER BASIS FOR THE MANAGEMENT OF THE COMMON PARTS OF A DEVELOPMENT.

"ALL NEW RESIDENTIAL AND COMMERCIAL BUILDINGS, UNLESS EXEMPTED BY THE GOVERNMENT, WILL COME UNDER THIS AMBIT," MR CHAU ADDED.

EXPLAINING THE GUIDELINES, HE SAID THEY WOULD LIMIT THE PERIOD OF MANAGEMENT BY DEVELOPER TO TWO YEARS, AFTER WHICH THE OWNERS WOULD BE FREE TO APPOINT THEIR OWN MANAGER.

THE POWERS AND OBLIGATIONS OF MANAGERS WOULD BE CLEARLY DEFINED AND A SCALE OF REMUNERATION FOR MANAGERS WOULD BE SPECIFIED. THE GUIDELINES WOULD ALSO REQUIRE A CLEAR DEFINITION OF THE COMMON AREAS IN A BUILDING, HE CONTINUED.

AS REGARDS ENFORCEMENT, MR CHAU SAID THE GOVERNMENT HAD EARLIER STIPULATED THAT ALL DEEDS OF MUTUAL COVENANT RELATING TO NEW NON-INDUSTRIAL LEASES GRANTED SINCE FEBRUARY 1986 WOULD HAVE TO BE VETTED BY THE REGISTRAR GENERAL.

"APPROVAL WILL BE GIVEN ONLY WHERE THE REGISTRAR GENERAL IS SATISFIED THAT THE GUIDELINES HAVE BEEN FOLLOWED," HE SAID.

IN ADDITION, THE LAW SOCIETY HAD INCORPORATED THE GUIDELINES IN A "PRACTICE DIRECTION" WHICH SOLICITORS WERE OBLIGED TO FOLLOW IN PREPARING DEEDS OF MUTUAL COVENANT.

"THIS MEANS THAT NEW DEVELOPMENTS BUILT UNDER OLD LEASES WILL ALSO BE COVERED BY THE GUIDELINES," HE ADDED.

ON THE EXISTING DEEDS OF MUTUAL COVENANT, MR CHAU SAID SOME PEOPLE HAD SUGGESTED THAT WHERE THEY WERE FOUND TO BE OPPRESSIVE AND UNFAIR, OWNERS SHOULD BE ALLOWED TO PROPOSE AMENDMENTS.

BUT THIS SUGGESTION WOULD HAVE THE EFFECT OF ALTERING EXISTING CONTRACTUAL RIGHTS AND OBLIGATIONS AND ITS IMPLICATIONS MUST THEREFORE BE CAREFULLY CONSIDERED.

MR CHAU SAID AN INTER-DEPARTMENTAL WORKING GROUP HAD BEEN SET UP TO STUDY THE PROPOSAL IN DETAIL.

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ON THE MULTI-STOREY BUILDINGS (OWNERS INCORPORATION) ORDINANCE, MR CHAU SAID THAT FOLLOWING CONSULTATIONS WITH DISTRICT BOARDS, ACTION WAS BEING TAKEN TO AMEND ITS PROVISIONS TO FACILITATE THE FORMATION AND FUNCTIONING OF OWNERS CORPORATIONS.

SINCE THE UNDERLYING SPIRIT OF THE ORDINANCE WAS TO ENCOURAGE SELF-HELP AMONG OWNERS AND TO PROVIDE THEM WITH A LEGAL FRAMEWORK WITHIN WHICH THEY COULD MANAGE THEIR OWN BUILDINGS EFFECTIVELY, THE SUGGESTION OF HAVING A GOVERNMENT DEPARTMENT TO ENFORCE THE REQUIREMENTS OF THE ORDINANCE WAS NOT APPROPRIATE, HE SAID.

"HOWEVER, THE CITY AND NEW TERRITORIES ADMINISTRATION HAS ALWAYS ASSISTED RESIDENTS IN THE FORMATION OF NEW OWNERS CORPORATIONS AND MAINTAINS A REGULAR LIAISON WITH THEM," HE NOTED.

FURTHERMORE, FOUR BUILDING MANAGEMENT CO-ORDINATION TEAMS UNDER THE DISTRICT OFFICE HAD BEEN SET UP SINCE 1975 TO ADVISE AND ASSIST RESIDENTS AND MANAGEMENT BODIES IN DEALING WITH BUILDING MANAGEMENT PROBLEMS. THREE MORE TEAMS WOULD BE SET UP LATER THIS YEAR.

CONCERNING THE PROFESSIONAL STANDARDS OF BUILDING MANAGEMENT COMPANIES, MR CHAU NOTED THAT A JOINT COMMITTEE FORMED BY REPRESENTATIVES OF THREE PROFESSIONAL BODIES WAS CONTEMPLATING THE FORMATION OF AN ASSOCIATION FOR PROPERTY MANAGEMENT COMPANIES.

"SUCH AN ASSOCIATION, IF FORMED, WILL EXERCISE REGULATION OVER ITS MEMBER COMPANIES AND SHOULD ENSURE A HIGHER STANDARD OF BUILDING MANAGEMENT," MR CHAU SAID.

OTHER SUGGESTIONS BEING STUDIED INCLUDED AN ARBITRATION TRIBUNAL ON BUILDING MANAGEMENT MATTERS AND AN ADVISORY COMMITTEE ON MULTI-STOREY BUILDING MANAGEMENT MATTERS.

TURNING TO HOUSING MATTERS, MR CHAU SAID HE WAS PLEASED TO NOTE THE GENERAL ENDORSEMENT OF THE CHANGE TOWARDS A DEMAND-LED APPROACH IN PROVIDING HOUSING FOR THE POPULATION AND FOR THE PROPOSED RE-ORGANISATION OF THE HOUSING AUTHORITY.

HE ASSURED MEMBERS OF THE GOVERNMENT'S COMMITMENT TO THE PROVISION OF ADEQUATE HOUSING AS ENVISAGED IN THE LONG TERM HOUSING STRATEGY AND HE POINTED OUT THAT THE HOUSING AUTHORITY'S REPORT OF THE DOMESTIC RENT POLICY REVIEW COMMITTEE PUBLISHED LAST YEAR HAD RE-AFFIRMED THE PRINCIPLE THAT RENT FOR PUBLIC HOUSING WOULD CONTINUE TO BE BASED ON WHAT TENANTS COULD AFFORD.

ON THE SUGGESTION OF PUTTING THE HOUSING AUTHORITY'S SURPLUSES INTO A SPECIAL FUND FOR THE DEVELOPMENT OF AN IMPROVEMENTS TO PUBLIC HOUSING AND WELFARE MATTERS, MR CHAU SAID THE FUTURE FINANCING OF THE AUTHORITY, INCLUDING THE TREATMENT OF ANY SURPLUSES, WAS CURRENTLY UNDER CONSIDERATION.

MUCH BEING DONE TO BOOST PRODUCTIVITY

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MUCH IS BEING DONE IN THE FIELDS OF TRADE AND INDUSTRY, AND THE GOVERNMENT FULLY INTENDS TO CONTINUE TO DO WHATEVER IS NECESSARY TO MAINTAIN THEIR PRESENT HEALTHY STATE, AND TO FURTHER IMPROVE INDUSTRY'S PRODUCTIVITY AND THE QUALITY AND TECHNOLOGICAL LEVEL OF ITS PRODUCTS, THE SECRETARY FOR TRADE AND INDUSTRY, THE HON HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S ADDRESS, MR MACLEOD SAID IN RELATION TO INDUSTRY, THE GOVERNMENT WOULD CONTINUE TO TAKE "A MODEST AND PRAGMATIC APPROACH", PRAGMATIC ENOUGH TO RESEARCH SYSTEMATICALLY TO IDENTIFY GAPS AND WEAK SPOTS, AND TO TAKE ACTION WHERE SOME INTERVENTION OR ASSISTANCE BY GOVERNMENT WAS REQUIRED.

HE SAID THAT THE GOVERNMENT HAD CONTINUED WITH THE PROGRAMME OF IDENTIFYING AREAS WHERE NEW INITIATIVES WERE NEEDED AND THAT THE TIME HAD COME TO LOOK AT THE MORE AMBITIOUS POSSIBILITY OF ESTABLISHING A TECHNOLOGY CENTRE OR SCIENCE PARK.

"ACCORDINGLY, THE INDUSTRY DEVELOPMENT BOARD WILL LATER THIS MONTH BE HAVING INITIAL DISCUSSIONS ON BOTH THIS POSSIBILITY AND THE CONCEIVABLY RELATED QUESTION OF A THIRD INDUSTRIAL ESTATE," HE SAID.

MR MACLEOD SAID HE DID NOT AGREE THAT OVER THE YEARS THE GOVERNMENT HAD DONE VERY LITTLE IN TERMS OF PROVIDING INDUSTRIAL SUPPORT SERVICES.

ON THE TRADE FRONT, MR MACLEOD SAID HONG KONG MUST CONTINUE TO DO ALL IT COULD TO COUNTER THE THREAT OF PROTECTIONISM AND TO SAFEGUARD ITS TRADING INTERESTS.

HE MENTIONED TWO ENCOURAGING TRENDS. THE FIRST WAS THAT RECENTLY THERE WERE SIGNS THAT HONG KONG'S OVER-DEPENDENCE ON THE UNITED STATES MARKET WAS BEING REDUCED SOMEWHAT.

"THE PROPORTION OF OUR DOMESTIC EXPORTS GOING TO THE USA HAS DECLINED FROM 44 PER CENT IN 1985 TO 38 PER CENT IN THE FIRST HALF OF 1987. AND DOMESTIC EXPORTS TO JAPAN INCREASED BY 39 PER CENT IN 1986, AND BY 71 PER CENT IN THE FIRST HALF OF 1987," HE SAID.

THE SECOND DEVELOPMENT RELATED TO RECENT EVENTS IN WORLD STOCK MARKETS WHICH HAD BROUGHT HOME TO U.S. LEGISLATORS AND OTHERS THE INTERDEPENDENCE OF THE MAJOR TRADING AND FINANCIAL MARKETS, AND THE DANGER WHICH PROTECTIONIST LEGISLATION WOULD POSE TO ALL TRADING ECONOMIES.

"THIS HOPEFULLY WILL MODIFY SOMEWHAT PROTECTIONIST TENDENCIES IN THE U.S.," HE SAID.

/HOWEVER, MR

HOWEVER, MR MACLEOD ALSO POINTED OUT THAT RECENT EVENTS APPEARED TO HAVE RESULTED IN THE U.S. REVIEWING THE ELIGIBILITY OF HONG KONG (AMONG OTHERS) FOR TARIFF PREFERENCE AND A RISK CLEARLY EXISTED THAT AS PART OF SOME NEW PACKAGE HONG KONG WOULD LOSE TARIFF PREFERENCE.

MR MACLEOD SAID THAT ATTEMPTS TO RESOLVE THESE GENERAL AND PERSISTENT TRADE PROBLEMS UNILATERALLY OR EVEN BILATERALLY WERE MISGUIDED AND THAT HONG KONG WOULD CONTINUE TO DEVOTE ENERGY AND INGENUITY TO ADDRESSING THESE PROBLEMS MULTILATERALLY, THROUGH THE GATT.

"THERE IS A REASONABLE CHANCE THAT THE NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS CAN ACHIEVE REAL AND MUCH NEEDED IMPROVEMENTS TO THE WORLD TRADING SYSTEM," HE SAID.

ON THE PROBLEM OF A LABOUR SHORTAGE, MR MACLEOD SAID THE GOVERNMENT CONTINUED TO SEE SERIOUS PROBLEMS IN RELAXING IMMIGRATION RULES TO PERMIT THE LARGE-SCALE IMPORTATION OF LABOUR.

"THESE PROBLEMS RELATE PARTICULARLY TO LABOUR RELATIONS, TO THE EFFECT ON HOUSING AND SOCIAL SERVICES, AND TO IMMIGRATION CONTROL DIFFICULTIES," HE SAID.

HE, HOWEVER, SAID THE EXAMINATION OF LABOUR PARTICIPATION, AS WELL AS THE LEGISLATIVE AMENDMENTS TO ENABLE GREATER FLEXIBILITY IN EMPLOYMENT OF WOMEN WORKERS, WERE BEING TAKEN FORWARD WITH A SENSE OF URGENCY.

"FURTHERMORE, THE POSSIBILITY OF INDUSTRY ESTABLISHING DAY CARE FACILITIES FOR CHILDREN, AS A MEANS OF ATTRACTING HOUSEWIVES BACK TO WORK, IS BEING EXAMINED FURTHER WITH THE FEDERATION OF HONG KONG INDUSTRIES," HE ADDED.

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DEVELOPMENTS ON ARTS, RECREATION AND SPORTS OUTLINED

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THE GOVERNMENT'S EMPHASIS ON CULTURAL ACTIVITIES IS TO PROVIDE THE NECESSARY ENVIRONMENT FOR THE ARTISTIC POTENTIAL OF OUR COMMUNITY TO BE FULLY REALISED, THE SECRETARY FOR DISTRICT ADMINISTRATION, THE HON T.H. CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR CHAU POINTED OUT THAT WITH THE INCREASING NUMBERS OF CULTURAL FACILITIES COMING ON STREAM, THE GOVERNMENT'S ATTENTION TO THE CULTURAL FIELD WOULD TURN TO THE PROVISION OF GREATER SUPPORT FOR THE DEVELOPMENT OF LOCAL TALENT AND PERFORMING COMPANIES.

/SPEAKING DURING

SPEAKING DURING THE DEBATE ON THE GOVERNOR'S POLICY ADDRESS, HE NOTED THAT THE ACADEMY FOR PERFORMING ARTS WAS PLAYING AN IMPORTANT ROLE IN THE TRAINING OF PROFESSIONAL ARTISTS. A PROPOSAL WAS BEING DISCUSSED CONCERNING THE ESTABLISHMENT OF A LIAISON COMMITTEE AMONG THE COUNCIL FOR THE PERFORMING ARTS, THE URBAN COUNCIL AND THE REGIONAL COUNCIL.

MR CHAU POINTED OUT THAT THE PROPOSAL WAS MADE WITH A VIEW TO REINFORCING THE EXISTING CO-OPERATION BETWEEN THE GOVERNMENT AND THE TWO MUNICIPAL COUNCILS AND, THROUGH THE INTERCHANGE OF INFORMATION AND IDEAS, ALLOW THE DEVELOPMENT OF A MORE CO-ORDINATED APPROACH TO THE PROVISION OF PUBLIC FUNDS FOR THE PERFORMING ARTS.

REGARDING THE DEVELOPMENT OF THE VISUAL ARTS, MR CHAU SAID THAT MUCH HAD ALREADY BEEN DONE BY THE GOVERNMENT THROUGH THE EDUCATION SYSTEM AND BY THE MUNICIPAL COUNCILS THROUGH THE PROVISION OF VENUES AND THE ORGANISATION OF EXHIBITIONS AND PROMOTIONAL ACTIVITIES.

"THE ESTABLISHMENT OF A SECONDARY SCHOOL IN SHA TIN FOR STUDENTS SHOWING TALENT IN SPORTS OR VISUAL ARTS FURTHER UNDERLINES THE GOVERNMENT'S COMMITMENT IN THIS AREA," HE ADDED.

TURNING TO RECREATION AND SPORTS, MR CHAU SAID THAT OVER A FIVE-YEAR PERIOD THERE HAD BEEN A 73 PER CENT INCREASE IN GOVERNMENT SUBVENTION TO SPORTS BODIES, FROM \$5.7 MILLION IN 1983-84 TO \$9.9 MILLION IN 1987-88.

THE COUNCIL FOR RECREATIONAL AND SPORT HAD RECENTLY ESTABLISHED A SPORTS AID FOUNDATION WITH A WORKING CAPITAL OF \$10 MILLION TO PROVIDE FINANCIAL ASSISTANCE TO RECOGNISED SPORTS BODIES AND DESERVING ATHLETES.

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WELL ESTABLISHED POLICY ON PUBLIC TRANSPORT

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A KEY TO THE SUCCESS OF HONG KONG'S PUBLIC TRANSPORT SYSTEM LIES IN THE WELL ESTABLISHED POLICY OF THE GOVERNMENT PROVIDING THE REGULATORY FRAMEWORK WHILE LETTING PRIVATE COMPANIES PROVIDE THE SERVICES ON COMMERCIAL LINES, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR LEUNG SAID AT PRESENT SOME NINE MILLION PASSENGERS USED PUBLIC TRANSPORT EVERY DAY, COMPARED WITH SIX MILLION 10 YEARS AGO.

THE WIDE RANGE OF CHOICE OF MODES AND THEIR RELATIVELY LOW FARES WERE UNIQUE TO HONG KONG, AND THE ENVY OF MANY OTHER CITIES, WHERE PUBLIC TRANSPORT WAS OFTEN BOTH LESS RELIABLE AND MORE EXPENSIVE.

"IN RECENT YEARS TOO, THE PUBLIC THROUGH THE DISTRICT BOARDS HAVE BEEN GIVEN AMPLE CHANCE TO AIR THEIR VIEWS ON THE ROUTE DEVELOPMENT PROGRAMMES, WITH ADJUSTMENTS BEING MADE AS FAR AS POSSIBLE TO SUIT LOCAL NEEDS AND DEMANDS," HE SAID.

"THE GOVERNMENT ALSO MAINTAINS AN INTER-MODAL CO-ORDINATION POLICY WHICH AIMS AT MAXIMISING THE USE OF THE MASS CARRIERS AND ENSURING A WIDE GEOGRAPHICAL SPREAD OF SERVICES, WHILST MAINTAINING THE LOWEST POSSIBLE FARES.

"IT IS WITHIN THESE POLICY GUIDELINES THAT COMPETITION IS CONTROLLED SO THAT PRIORITY CAN BE GIVEN TO OFF-STREET MODES AND TO MASS CARRIERS, WITHOUT FORGETTING AT THE SAME TIME THE ESSENTIAL NATURE OF THE FERRY SERVICES AND THE NEED TO MAINTAIN THEIR VIABILITY.

"THIS POLICY REMAINS VALID TODAY AND, GIVEN THE INCREASING DEMAND FOR OUR LIMITED ROAD SPACE, THERE IS NO REASON WHY IT SHOULD BE CHANGED," HE STRESSED.

TURNING TO THE GOVERNMENT'S POLICY REGARDING THE TWO RAILWAY CORPORATIONS, MR LEUNG SAID THERE WAS NO NEED TO SUBJECT THEM TO FURTHER CONTROLS.

HE SAID THE CORPORATIONS WERE REQUIRED TO RUN THEIR OWN AFFAIRS ACCORDING TO PRUDENT COMMERCIAL PRINCIPLES WITHIN THE TERMS OF THEIR ORDINANCES.

THEY WERE BOTH GOVERNED BY A BOARD OF DIRECTORS COMPRISING A BROAD RANGE OF MEMBERS OF THE COMMUNITY, WITH GOVERNMENT OFFICIAL PARTICIPATION TO ENSURE THE NECESSARY CONTROL AND GUIDANCE.

THESE CORPORATIONS HAD THE AUTHORITY TO MAKE DECISIONS ON FARES HAVING REGARD TO THEIR CAPITAL INVESTMENT PROGRAMMES, OPERATING COSTS AND PASSENGER DEMAND.

"THESE FACTORS GUARANTEE THAT FARES WILL NOT BE SO HIGH AS TO BE SOCIALLY UNACCEPTABLE OR SO LOW THAT THEY LEAD TO LOSSES. THE BOARDS OF DIRECTORS ALSO PROVIDE AN EFFECTIVE CHECK, WHILE THE GOVERNOR IN COUNCIL MAY IF NECESSARY GIVE DIRECTIONS TO THE CORPORATIONS IN THE PUBLIC INTEREST," HE SAID.

"IT THEREFORE REMAINS OUR VIEW THAT, AS LONG AS THEY REMAIN GOVERNMENT CORPORATIONS, SUFFICIENT CONTROLS ALREADY EXIST OVER THEM AND THERE IS NO NEED TO SUBJECT THEM TO FURTHER CONTROLS."

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ON PARKING SITES FOR CONTAINER VEHICLES, MR LEUNG SAID THE GOVERNMENT WAS WELL AWARE OF THIS NEED.

A MORE DETAILED LOOK AT LONGER TERM REQUIREMENTS FOR CONTAINER VEHICLE PARKING FACILITIES WOULD BE UNDERTAKEN AS PART OF THE PORT AND AIRPORT DEVELOPMENT STRATEGY STUDY DUE TO START AT THE BEGINNING OF NEXT YEAR AND REPORT BEFORE THE END OF 1989.

MR LEUNG SAID A RECENT SURVEY SUGGESTED THAT 20 HECTARES OF LAND WAS DEDICATED TO CONTAINER PARKING AT PRESENT.

"SEEN SIMPLY IN TERMS OF AREA, THIS SHOULD BE ADEQUATE. HOWEVER, THE SITES ARE SCATTERED THROUGHOUT THE TERRITORY AND ARE CLEARLY NOT IDEAL FROM THE POINT OF VIEW OF THE OPERATORS. SHORT TERM SITES WILL THEREFORE CONTINUE TO BE PUT OUT TO TENDER AS A MEANS TO EASE THE SITUATION," HE SAID.

ON THE MORE GENERAL QUESTION OF PARKING FACILITIES FOR GOODS VEHICLES, MR LEUNG SAID WORKING GROUPS COMPRISING REPRESENTATIVES OF THE TRANSPORT DEPARTMENT AND THE POLICE HAD BEEN FORMED AT A LOCAL LEVEL TO IDENTIFY AREAS WHERE, BECAUSE OF THE AVAILABILITY OF MULTI-STOREY CARPARKS, THE RE-ALLOCATION OF ON-STREET PARKING SPACES FROM PRIVATE CARS TO GOODS VEHICLES WAS POSSIBLE.

THESE GROUPS WERE ALSO IDENTIFYING STREETS WHERE LOW TRAFFIC FLOWS AT NIGHT MADE IT POSSIBLE TO ALLOW ON-STREET OVERNIGHT LORRY PARKING, HE SAID.

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PLANNING FOR TRANSPORT INTO NEXT CENTURY

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THE SECOND COMPREHENSIVE TRANSPORT STUDY WILL FULLY TAKE INTO ACCOUNT ALL POSSIBLE FACTORS, SO THAT THE POLICY OPTIONS BEING DEVELOPED WILL BE WIDE-RANGING AND COMPREHENSIVE, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE STUDY, SCHEDULED FOR COMPLETION BY JUNE NEXT YEAR, WOULD SET OUT OPTIONS FOR THE FURTHER DEVELOPMENT OF THE TRANSPORT INFRASTRUCTURE AND POLICY OPTIONS FOR DEALING WITH THE VARIOUS PROBLEMS OVER THE PERIOD UP TO THE YEAR 2001, MR LEUNG SAID WHEN SPEAKING DURING THE POLICY DEBATE.

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"OVER THE LAST DECADE, SUBSTANTIAL AND SIGNIFICANT DEVELOPMENTS IN TRANSPORT HAVE BEEN MADE, DEVELOPMENTS WHICH HAVE IN FACT TRANSFORMED HONG KONG'S TRANSPORT SYSTEM ENTIRELY," HE SAID.

MR LEUNG NOTED THAT 10 YEARS AGO THERE WAS NO MTR, THE KCR WAS STILL A SINGLE TRACK, DIESEL HAULED SERVICE MAINLY SERVED VILLAGERS AND RECREATIONAL TRAFFIC, THERE WAS NO ISLAND EASTERN CORRIDOR, NO TOLO HIGHWAY OR NEW TERRITORIES CIRCULAR ROAD, AND THE TUEN MUN HIGHWAY WAS ONLY A THREE-LANE CARRIAGEWAY.

ALL THESE MAJOR PROJECTS AND MANY OTHERS HAD BEEN COMPLETED DURING THE PAST 10 YEARS. INVESTMENT IN THE RAIL SYSTEM ALONE WAS \$28 BILLION. AND \$7.5 BILLION HAD BEEN SPENT ON ROADS DURING THIS PERIOD.

"MAJOR PROJECTS NOW IN HAND INCLUDE THE LIGHT RAIL TRANSIT SYSTEM BETWEEN TUEN MUN AND YUEN LONG DUE TO OPEN NEXT YEAR, THE EASTERN HARBOUR CROSSING DUE TO OPEN IN 1989, ROUTE 5 LINKING SHA TIN WITH TSUEN WAN DUE TO OPEN IN 1990 AND THE TATE'S CAIRN TUNNEL, FOR WHICH BIDS FOR A FRANCHISE FOR ITS CONSTRUCTION AND OPERATION ARE NOW BEING PROCESSED. THE ANTICIPATED DATE OF COMPLETION FOR THIS TUNNEL WAS MID-1992, BUT WE ARE NOW HOPEFUL THAT IT MIGHT BE ADVANCED TO LATE 1991," HE SAID.

AGAINST THIS BACKGROUND OF DRAMATIC CHANGES IN THE TRANSPORT SCENE AND TO ALLOW SUFFICIENT LEAD TIME FOR LARGE PROJECTS, MR LEUNG SAID IT WAS NECESSARY TO UPDATE THE FIRST STUDY, AND TO MAP OUT DEVELOPMENT OPTIONS AND PLANS TO TAKE US PAST THE TURN OF THE CENTURY AS A BASIS FOR YET FURTHER IMPROVEMENTS.

THE SECRETARY ASSURED MEMBERS THAT THE GOVERNMENT WOULD SEEK THE VIEWS OF THE PUBLIC AFTER THE REPORT ON THE SECOND STUDY HAD BEEN COMPLETED AND THAT A PAPER WOULD BE DRAFTED ON THE POLICY OPTIONS.

HE HOPED THAT IT WOULD TAKE THE FORM OF A GREEN PAPER ON TRANSPORT AND WOULD BE GIVEN THE WIDEST POSSIBLE PUBLIC CONSULTATION.

"IT IS INTENDED THAT THE GREEN PAPER SHOULD BE READY BEFORE THE END OF NEXT YEAR," HE SAID.

MR LEUNG ALSO NOTED THAT SEVERAL MEMBERS WERE HIGHLY SUPPORTIVE OF, AND KEENLY INTERESTED IN, A RAIL SERVICE BETWEEN THE NORTHWEST NEW TERRITORIES AND THE URBAN CENTRE.

"A DECISION WILL BE MADE AS TO WHETHER IT SHOULD BE BUILT AND, IF IT SHOULD, ON THE EXACT ROUTE, BEFORE THE END OF NEXT YEAR. THIS WILL TAKE FULLY INTO ACCOUNT THE FINANCIAL, SOCIAL, ECONOMIC AND TRANSPORT BENEFITS THE RAIL LINK WILL BRING, AND THE NEEDS OF RESIDENTS IN BOTH WESTERN NEW TERRITORIES AND THE URBAN AREA," HE SAID.

WITHIN THE NORTHWEST TRANSIT SERVICE AREA, MR LEUNG SAID IT WAS GOVERNMENT'S INTENTION THAT THE KCRC SHOULD FULLY DEVELOP THE LRT SYSTEM BETWEEN TUEN MUN AND YUEN LONG, WITH EVENTUAL EXTENSIONS TO TIN SHUI WAI AND POSSIBLY LONG PING IN NORTH YUEN LONG.

"IT REMAINS THE KCRC'S OBJECTIVE THAT STAGE 1 OF THE SYSTEM SHOULD OPEN IN AUGUST NEXT YEAR AND THAT THE SUBSEQUENT REGIONAL EXTENSIONS SHOULD OPEN OVER THE SUCCEEDING THREE TO FOUR YEARS."

"THE DEVELOPMENT OF THE LRT, THE PLANNING OF EXTERNAL RAIL AND ROAD LINKS AND THE MASSIVE PROGRAMME OF HIGHWAY PROJECTS COSTING OVER \$5 BILLION OVER THE NEXT FIVE YEARS ARE CLEAR INDICATIONS OF THE GOVERNMENT'S DETERMINATION TO PROVIDE ADEQUATE TRANSPORT INFRASTRUCTURE TO MEET THE REQUIREMENTS OF THE TERRITORY OVER THE COMING YEARS."

ON THE FUTURE PROJECTS UNDER STUDY, MR LEUNG SAID THESE INCLUDED ROUTE X LINKING YUEN LONG WITH TSUEN WAN, TSING YI AND KOWLOON, IN DUE COURSE, WITH ITS EXTENSION BEING VIA A FUTURE WEST KOWLOON EXPRESSWAY AND WESTERN HARBOUR CROSSING.

MR LEUNG STRESSED THAT TRANSPORT PLAYED A KEY ROLE IN THE BASIC INFRASTRUCTURE TO THE ECONOMIC AND SOCIAL WELL BEING OF OUR COMMUNITY AND IT WAS THE GOVERNMENT INTENTION THAT TRANSPORT FACILITIES AND SERVICES THAT HONG KONG NEEDED SHOULD CONTINUE TO BE PROVIDED.

"IN THIS TASK WE WILL CONTINUE TO SEEK AND TAKE ACCOUNT OF THE VIEWS OF THE TRANSPORT ADVISORY COMMITTEE, THE DISTRICT BOARDS AND THE GENERAL PUBLIC," HE ADDED.

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ECONOMIC GROWTH A FACTOR BEHIND TRAFFIC CONGESTION

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TRAFFIC CONGESTION SHOULD BE LOOKED AT IN SOME PERSPECTIVE, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"IN GENERAL, TRANSPORT PLANNING MUST BE BASED UPON CERTAIN ASSUMPTIONS REGARDING THE GROWTH OF THE ECONOMY, OF TRAFFIC, IN THE NUMBER OF VEHICLES OF DIFFERENT TYPES, AND THE TRAVELLING NEEDS OF PEOPLE IN THE NEW TOWNS AND BETWEEN THE NEW TOWNS AND THE URBAN AREAS," HE SAID.

/ "ALL FORECASTS,

"ALL FORECASTS, NO MATTER HOW WELL BASED, ARE NO MORE THAN PREDICTIONS. IN NORMAL CIRCUMSTANCES THERE IS A TENDENCY TO MAKE INVESTMENT DECISIONS ON A CAUTIOUS BASIS DUE TO THE SCALE OF EXPENDITURE INVOLVED.

"THE FACT THAT TUNNELS AND ROADS BECOME CROWDED EARLIER THAN EXPECTED DOES NOT, HOWEVER, REFLECT A LACK OF PLANNING OR A LACK OF DETERMINATION TO IMPROVE.

"WITH THE BEST WILL IN THE WORLD, TRAFFIC DOES SOMETIMES INCREASE FASTER THAN EXPECTED DUE TO FASTER THAN EXPECTED ECONOMIC GROWTH."

MR LEUNG SAID THAT SOMETIMES, AS WAS THE CASE AS RECENTLY AS FOUR OR FIVE YEARS AGO, LESS BUOYANT TIMES TOOK THEIR TOLL IN THE FORM OF FINANCIAL STRINGENCY, AND THE NEED TO DELAY EXPENDITURE UNTIL BETTER TIMES RETURNED.

"TO PROCEED OTHERWISE WOULD INVOLVE BASIC CHANGES IN THE PRUDENT FINANCIAL POLICY WHICH HAS SERVED US SO WELL OVER THE YEARS, AND WHICH IS THE FOUNDATION OF SO MUCH OF OUR ECONOMIC STRENGTH."

ON MEASURES TO ALLEVIATE SERIOUS TRAFFIC CONGESTION AT THE LION ROCK TUNNEL AND THE CROSS HARBOUR TUNNEL, MR LEUNG SAID A SOLUTION TO THE LATTER WAS NOT FAR AWAY, WITH THE EASTERN HARBOUR CROSSING DUE TO OPEN IN UNDER TWO YEARS FROM NOW. TATE'S CAIRN TUNNEL WOULD TAKE LONGER.

HE ADDED THAT A STUDY WAS UNDERWAY TO SEE WHAT COULD BE DONE IN THE MEANTIME, AND IT SEEMED THERE WERE WAYS OF INCREASING THE CAPACITY OF THE ROAD NETWORK BETWEEN SHA TIN AND KOWLOON BEFORE TATE'S CAIRN TUNNEL OPENED.

"I HOPE TO BE ABLE TO MAKE AN ANNOUNCEMENT ON THIS IN EARLY JANUARY," HE SAID.

TURNING TO OTHER PROJECTS TO COPE WITH INCREASING TRAFFIC DEMAND, MR LEUNG SAID IT WAS ALSO THE GOVERNMENT'S OBJECTIVE TO ENSURE THE SMOOTH FLOW OF CROSS-BORDER TRAFFIC AND AN ADEQUATE ROAD NETWORK TO COPE WITH TRANSPORT TO AND FROM CHINA.

HE SAID THE LOK MA CHAU BRIDGE, TO BE OPENED IN TWO STAGES IN 1989 AND 1990, WOULD INCREASE CROSS-BORDER CAPACITY FROM THE PRESENT 12,000 VEHICLES PER DAY TO OVER 50,000. ON PRESENT PROJECTION THIS SHOULD BE SUFFICIENT UNTIL THE END OF THE CENTURY.

THE ROAD NETWORK IN THE NEW TERRITORIES ALSO HAD AMPLE CAPACITY TO COPE WITH TRANSPORT TO AND FROM CHINA, WITH A CAPACITY OF UP TO 150,000 VEHICLES PER DAY ON THE NEW TERRITORIES CIRCULAR ROAD, AND ROUTE X LINKING YUEN LONG WITH TSUEN WAN, TSING YI AND KOWLOON AND THE WESTERN HARBOUR CROSSING WAS STILL TO COME.

OTHER MAJOR PROJECTS NOW IN HAND INCLUDED THE LIGHT RAIL TRANSIT SYSTEM DUE TO OPEN NEXT YEAR, AND ROUTE 5 LINKING SHA TIN AND TSUEN WAN, DUE TO OPEN IN 1990.

WEDNESDAY, NOVEMBER 11, 1987

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FS: ABILITY TO CHANGE A KEY FACTOR IN SUCCESS

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HONG KONG IS WELL KNOWN FOR ITS ABILITY TO ADAPT EFFECTIVELY AND EFFICIENTLY TO ANY CHANGING CONDITION IN THE BUSINESS ENVIRONMENT, THE FINANCIAL SECRETARY, MR PIERS JACOBS, SAID TODAY (WEDNESDAY).

SPEAKING AT THE OPENING OF THE CONFERENCE ON "THE PROSPECTS FOR HONG KONG'S CHEMICAL PROCESS INDUSTRIES IN THE CHANGING ENVIRONMENT", MR JACOBS SAID THE FIRMS THAT HAD WITHSTOOD THE TEST OF TIME WERE THOSE WHICH HAD ACCEPTED CHANGE AS THE BRINGER OF NEW OPPORTUNITIES RATHER THAN AS A THREAT TO THE EXISTING ORDER.

"THIS IS AN ESSENTIAL INGREDIENT OF SUCCESS IN HONG KONG AND I AM GRATIFIED TO SEE THE CHEMICAL PROCESSING INDUSTRY COLLECTIVELY TAKING STOCK AND FORECASTING FUTURE TRENDS FOR GROWTH," HE SAID.

MR JACOBS NOTED THAT FURTHER DEVELOPMENT OF THE CHEMICAL PROCESSING INDUSTRY IN HONG KONG WOULD BE AFFECTED NOT ONLY BY THE CHANGING SITUATION OF HONG KONG IN RELATION TO CHINA AND THE REST OF THE WORLD BUT ALSO BY SCIENTIFIC AND TECHNOLOGICAL PROGRESS, BY IMPROVEMENTS IN PRODUCTION AND MANAGEMENT TECHNIQUES, BY INNOVATION IN SALES AND MARKETING PROGRAMMES AND BY THE INTRODUCTION OF NEW ENVIRONMENTAL PROTECTION MEASURES.

HE ASSURED THE CONFERENCE THAT ALL VIEWS AND OPINION EXPRESSED WOULD BE WELCOME.

"UNDOUBTEDLY THEY WILL HELP US IN MAKING DECISIONS IN RELATION TO A HOST OF DIFFERENT SUBJECTS," HE SAID.

MR JACOBS ALSO CONGRATULATED THE HONG KONG CHEMICAL SOCIETY ON ITS INITIATIVE IN ORGANISING WHAT PROMISED TO BE A STIMULATING CONFERENCE AND ALSO WELCOMED THE SUPPORT THAT HAD BEEN PROVIDED BY THE INDUSTRIAL AND COMMERCIAL SPONSORS.

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INDUSTRY DEPARTMENT ASSISTS CHEMICAL PROCESS INDUSTRY

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THE INDUSTRY DEPARTMENT HAS ASSISTED THE SETTING-UP OF A NUMBER OF CHEMICAL PLANTS IN THE PAST AND IS CURRENTLY ASSISTING MORE THAN 20 PROJECTS IN THE CHEMICAL PROCESS INDUSTRY.

THE ASSISTANT DIRECTOR OF INDUSTRY, MR IAN HOWARD, SAID THIS TODAY (WEDNESDAY) IN A CONFERENCE JOINTLY ORGANISED BY THE INDUSTRY DEPARTMENT AND THE HONG KONG CHEMICAL SOCIETY ON THE PROSPECTS FOR HONG KONG'S CHEMICAL PROCESS INDUSTRIES IN THE CHANGING ENVIRONMENT.

/HE ADDED

HE ADDED THAT THE POTENTIAL INVESTORS IN THE CHEMICAL PROCESS INDUSTRY WERE BOTH LOCAL AND FOREIGN, AND HE WAS CONFIDENT THAT THE INDUSTRY HAD A BRIGHT FUTURE.

"THE INDUSTRY IS NOT ONLY GROWING BIG AND FAST BUT IS ALSO FURTHER DIVERSIFYING INTO NEW AREAS TO SUPPORT HONG KONG'S MANUFACTURING INDUSTRIES.

"RAPID DEVELOPMENT OF THE ELECTRONICS INDUSTRY HAS PROVIDED MAJOR OPPORTUNITIES IN THE PROVISION OF SPECIALTY CHEMICALS AND CHEMICAL PROCESSING SERVICES, WHILE RECENT EXPANSION OF THE DYEING AND FINISHING SECTOR OF THE TEXTILE INDUSTRY HAS ALSO RAISED LOCAL DEMAND FOR HIGHER QUALITY DYESTUFFS AND TEXTILE CHEMICALS."

MR HOWARD POINTED OUT THAT IN ADDITION TO ITS DIVERSIFICATION, HONG KONG'S CHEMICAL PROCESS INDUSTRY WAS ALSO QUITE SMALL IN RELATIVE, LOCAL TERMS.

"AT THE END OF LAST YEAR THERE WERE 793 ESTABLISHMENTS IN THIS SECTOR AND THEY WERE EMPLOYING ABOUT 8,350 PEOPLE - WHICH IS ROUGHLY ONE PER CENT OF TOTAL EMPLOYMENT IN MANUFACTURING.

"ITS DIRECT CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT CANNOT BE TERMED SIGNIFICANT BUT IT IS MOST IMPORTANT BECAUSE OF ITS SUPPORT TO OTHER MANUFACTURING INDUSTRIES."

IN TRADE TERMS, MR HOWARD SAID HONG KONG WAS AN IMPORTER RATHER THAN AN EXPORTER OF CHEMICALS. IN 1986, IMPORTS OF CHEMICALS AND RELATED PRODUCTS REPRESENTED SEVEN-AND-A-HALF PER CENT OF TOTAL IMPORTS WHILE EXPORTS ONLY ACCOUNTED FOR ONE PER CENT OF TOTAL DOMESTIC EXPORTS.

"THE INDUSTRY IS DEPENDENT ON IMPORTS AND ABOUT 54 PER CENT OF ITS PRODUCTION IS RETAINED FOR LOCAL CONSUMPTION. ONLY ABOUT 15 PER CENT OF DOMESTIC DEMAND IS MET BY LOCAL PRODUCTION," HE ADDED.

"WITH THE EXPANSION AND SOPHISTICATION OF INDUSTRIAL ACTIVITY IN HONG KONG DURING THE LAST FIVE YEARS, THE IMPORTANCE OF THE DOMESTIC MARKET HAS GROWN TREMENDOUSLY, ESPECIALLY IN THE DEMAND FOR FINE CHEMICALS AND SPECIALTY CHEMICALS WHERE BOTH THE ELECTRONICS INDUSTRY AND THE TEXTILE INDUSTRY ARE EAGER CUSTOMERS.

"THE POPULATION, WITH ITS INCREASING EXPECTATIONS AND ASPIRATIONS, IS ALSO EXERTING DEMAND FOR THESE PRODUCTS THROUGH ITS INCREASING PURCHASES OF CONSUMER ITEMS SUCH AS SOAPS, DETERGENTS, COSMETICS, PERFUMES AND TOILET PREPARATIONS," MR HOWARD SAID.

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STEP FORWARD IN TREATING LIVESTOCK WASTE

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THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) TODAY (WEDNESDAY) OFFICIALLY TOOK OVER THE "SEQUENCING BATCH REACTOR SYSTEM (SBRS)" SUCCESSFULLY DEVELOPED BY THE CIVIL AND STRUCTURAL ENGINEERING DEPARTMENT OF THE HONG KONG POLYTECHNIC FOR LIVESTOCK WASTE TREATMENT APPLICATIONS.

THE SBRS IS ONE OF FOUR DEMONSTRATION PROJECTS ON LIVESTOCK WASTE TREATMENT BEING IMPLEMENTED BY THE EPD AT THE TA KWU LING PIG BREEDING CENTRE.

THE SBRS PROJECT INVOLVES THE MODIFICATION OF AN EXISTING AERATION TREATMENT PLANT AT THE PIG BREEDING CENTRE. THE PLANT WAS ORIGINALLY DESIGNED TO TREAT WASTEWATER FROM 200 PORKERS TO 250 MILLIGRAM PER LITRE OF BIOCHEMICAL OXYGEN DEMAND AND 250 MILLIGRAM PER LITRE SUSPENDED SOLIDS AS AN INTERIM MEASURE, PRIOR TO THE IMPLEMENTATION OF LIVESTOCK WASTE CONTROL MEASURES.

THE SBRS NOW PROVIDES A SOLUTION TO UPGRADE THOSE EXISTING ON-FARM LIVESTOCK WASTE TREATMENT FACILITIES IN ORDER TO COMPLY WITH THE PROPOSED FARM EFFLUENT STANDARD OF NOT EXCEEDING 50 MILLIGRAM PER LITRE BIOCHEMICAL OXYGEN DEMAND AND 50 MILLIGRAM PER LITRE SUSPENDED SOLIDS FOR LIVESTOCK WASTE CONTROL.

DURING THE CEREMONY, DR HOWARD WARD, ASSOCIATE DIRECTOR (RESEARCH AND DEVELOPMENT) OF THE POLYTECHNIC, SAID HE WAS HAPPY TO SAY THAT THE CONSULTANCY PROJECT HAD BEEN SATISFACTORILY COMPLETED AND IT WAS NOW TIMELY TO HAND OVER THE TREATMENT SYSTEM TO THE EPD SO THAT THE SYSTEM COULD CONTINUE TO BE OPERATED AND DEMONSTRATED TO LIVESTOCK FARMERS.

THE EPD ASSISTANT DIRECTOR (WASTE AND WATER), MR MIKE STOKOE, SAID THE DEMONSTRATION PROJECTS WOULD SHOW LIVESTOCK FARMERS THE PROPER WAYS AND MEANS TO INSTALL AND OPERATE PROVEN LIVESTOCK WASTE TREATMENT SYSTEMS APPLICABLE TO HONG KONG SITUATIONS.

THE OTHER THREE PROJECTS COVER THE DRY MUCK-OUT AND SOAKAWAY SYSTEM, THE EFFLUENT-FREE PIG PRODUCTION TECHNIQUE WHICH IS A COLLABORATIVE PROJECT BETWEEN THE EPD AND THE AGRICULTURE AND FISHERIES DEPARTMENT, AND THE ACTIVATED SLUDGE TREATMENT SYSTEM BEING DEVELOPED BY THE HONG KONG PRODUCTIVITY COUNCIL FOR LIVESTOCK WASTE TREATMENT APPLICATIONS.

AMONG THOSE ATTENDING TODAY'S HAND-OVER CEREMONY WAS THE DEPUTY REGIONAL SECRETARY FOR THE NEW TERRITORIES (SPECIAL DUTIES), MR LEO KWAN.

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APPOINTMENTS TO CIVIL SERVICE SALARIES COMMISSION

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THE GOVERNMENT ANNOUNCED TODAY (WEDNESDAY) THAT THE GOVERNOR HAS RE-APPOINTED MISS THERESE H. C. CHAN, MR STANLEY G. ELLIOTT, MR VINCENT H. C. KO AND MRS ALICE LAM TO BE MEMBERS OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE FOR A PERIOD OF TWO YEARS.

THE APPOINTMENTS OF MISS CHAN, MR ELLIOTT AND MR KO WILL BE EFFECTIVE FROM MARCH 1, 1988 WHILE MRS LAM'S APPOINTMENT WILL BE EFFECTIVE FROM MARCH 10, 1988.

THE GOVERNOR HAS ALSO APPOINTED MR TANG KWAI-NANG TO BE A MEMBER OF THE STANDING COMMISSION UNTIL DECEMBER 31, 1989. MR TANG IS THE MANAGING DIRECTOR OF SURVEY RESEARCH HK LIMITED, THE VICE-CHAIRMAN OF THE CONSUMER COUNCIL AND A MEMBER OF THE AIR TRANSPORT LICENSING AUTHORITY.

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HK AN ATTRACTION FOR HIGH TECHNOLOGY INVESTMENT

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IT IS EVIDENT THAT OVERSEAS HIGH TECHNOLOGY COMPANIES ARE INCREASINGLY AWARE OF HONG KONG'S ADVANTAGES AND ATTRACTIONS FOR INDUSTRIAL INVESTMENT, THE DIRECTOR OF INDUSTRY, MR K.Y. YEUNG, SAID TODAY (WEDNESDAY).

SPEAKING AT THE GROUND BREAKING CEREMONY OF TIMES-RINGIER (HK) LTD. AT THE TAI PO INDUSTRIAL ESTATE, MR YEUNG SAID THE FACTORY WAS ANOTHER EXCELLENT EXAMPLE OF CONTINUING OVERSEAS INTEREST IN HONG KONG AS AN OFFSHORE MANUFACTURING BASE.

HE SAID THAT HONG KONG WAS ITSELF A STRIKING EXAMPLE OF EAST-WEST CO-OPERATION AND WAS THEREFORE AN IDEAL PLACE TO CHOOSE FOR THE TIMES AND RINGIER PROJECT, A CO-OPERATIVE VENTURE BETWEEN TWO HIGH TECHNOLOGY PRINTING CONCERNS, ONE FROM THE EAST AND ONE FROM THE WEST.

"THEIR DECISION TO SELECT HONG KONG FOR SETTING UP THEIR PLANT IS ALSO INDICATIVE OF THE BENEFITS WE HAVE TO OFFER TO HIGHER GRADE PRINTING ACTIVITIES, AND HONG KONG WILL BENEFIT FROM THE SERVICES WHICH THE PLANT WILL PROVIDE WHEN IT BECOMES OPERATIONAL NEXT YEAR," HE NOTED.

HE ALSO POINTED OUT THAT THE INDUSTRY DEPARTMENT WAS INSTRUMENTAL IN HELPING WITH THE COLLECTION OF NECESSARY DATA FOR THE TIMES EXECUTIVES TO HELP THEM TO COME TO A POSITIVE DECISION ON HONG KONG.

THE PRINTING AND PUBLISHING INDUSTRY RANKS AS HONG KONG'S EIGHTH LARGEST INDUSTRY AT THE FIRST QUARTER OF THIS YEAR, EMPLOYING OVER 32,000 PEOPLE.

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MORE CHILD CARE PLACES IN THE PIPELINE

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THERE ARE 272 CHILD CARE CENTRES IN HONG KONG PROVIDING MORE THAN 28,000 PLACES, AND AN ADDITIONAL 1,600 PLACES HAVE BEEN PLANNED FOR THE CURRENT FINANCIAL YEAR, DIRECTOR OF SOCIAL WELFARE, MRS ELIZABETH WONG, SAID TODAY (WEDNESDAY).

"MOST OF THE CENTRES ARE RUN BY VOLUNTARY AGENCIES AND TO ENSURE THAT CHILDREN RECEIVE PROPER CARE, THE SOCIAL WELFARE DEPARTMENT IS HOPING TO FURTHER DEVELOP CHILD CARE SERVICES IN CO-OPERATION WITH THEM THROUGH INCREASING THE CAPACITIES OF EXISTING CENTRES," SHE ADDED.

MRS WONG WAS OFFICIATING AT THE OPENING OF THE SALVATION ARMY TAI WO HAU NURSERY IN TSUEN WAN.

SHE NOTED THAT CHILD CARE CENTRES WERE AN IMPORTANT COMMUNITY SUPPORT SERVICE AND THAT IT WAS ESPECIALLY SO NOW WITH THE LABOUR SHORTAGE PROBLEM WHEN MORE AND MORE ORGANISATIONS WERE CALLING FOR ADDITIONAL PROVISIONS TO ENABLE MARRIED WOMEN TO REJOIN THE WORKFORCE.

ON CHILD CARE SERVICES IN THE TSUEN WAN/KWAI TSING DISTRICT, MRS WONG POINTED OUT THAT THERE WERE 28 CHILD CARE CENTRES WITH 2,636 PLACES.

"IN ADDITION TO THE ONE OPENED TODAY, FIVE MORE CHILD CARE CENTRES WILL COME INTO OPERATION OVER THE NEXT THREE YEARS TO PROVIDE 550 PLACES," SHE SAID.

MRS WONG COMMENDED THE SALVATION ARMY FOR ITS EXEMPLARY CONTRIBUTION TO CHILD CARE SERVICES. THE AGENCY OPERATES 13 NURSERIES AND THREE CRECHES THROUGHOUT THE TERRITORY.

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CYC MEMBERS TO BREAK WORLD POSTER RECORD

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FOUR HUNDRED MEMBERS OF THE EDUCATION DEPARTMENT'S COMMUNITY YOUTH CLUB (CYC) WILL MAKE AN ATTEMPT TO BREAK THE WORLD'S BIGGEST POSTER RECORD TOMORROW (THURSDAY) AFTERNOON TO RAISE FUND FOR THE ELDERLY.

THEY WILL CONSTRUCT A 50 METRE BY 50 METRE COLOUR POSTER ON THE THEME "HONG KONG - MY HOME" AT VICTORIA PARK IN CAUSEWAY BAY.

/THE HUGE

THE HUGE POSTER EQUIVALENT IN SIZE TO 12 BASKETBALL COURTS WILL BE 25 PER CENT BIGGER THAN THE EXISTING RECORD IN THE GUINNESS BOOK OF RECORDS WHICH WAS SET BY STUDENTS OF OSAKA GAKUIN UNIVERSITY IN JAPAN IN OCTOBER 1984.

THE DIRECTOR OF EDUCATION, MR Y.T. LI, WILL ATTEND A CEREMONY TO MARK THE COMPLETION OF THE POSTER AT VICTORIA PARK TOMORROW (THURSDAY) AFTERNOON. ALSO PRESENT AT THE CEREMONY WILL BE MR LAW TING-PONG OF THE LAWS FOUNDATION TRUST AND SUPERVISORS OF ALL CYC DISTRICT COMMITTEES.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE EVENT AT 3 PM TOMORROW (THURSDAY) AT VICTORIA PARK'S FOOTBALL PITCH NO. 5 NEAR THE ENTRANCE OF HING FAT STREET, CAUSEWAY BAY. INFORMATION OFFICERS OF THE EDUCATION DEPARTMENT WILL BE ON HAND TO ASSIST.

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KWAI TSING SPORTS FESTIVAL CLOSES ON SUNDAY

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RESIDENTS OF KWAI CHUNG AND TSING YI ARE BEING INVITED TO THE CLOSING CEREMONY OF THE FIRST KWAI TSING SPORTS FESTIVAL TO BE HELD AT THE KWAI CHUNG SPORTS GROUND ON SUNDAY (NOVEMBER 15).

THE CEREMONY WILL BEGIN AT 2.30 PM AND WILL BE FOLLOWED BY AN INVITATION MATCH BETWEEN THE GUANGDONG WOMEN'S FOOTBALL TEAM AND THE DISTRICT'S WOMEN FOOTBALLERS.

THE SCHOOL PRINCIPALS OF THE DISTRICT WILL TAKE PART IN ANOTHER FOOTBALL MATCH WITH KWAI TSING DISTRICT BOARD MEMBERS.

OFFICIATING AT THE CLOSING CEREMONY WILL BE CHAIRMAN OF THE REGIONAL COUNCIL, MR CHEUNG YAN-LUNG; PRESIDENT OF THE HONG KONG FOOTBALL ASSOCIATION, MR HENRY FOK; KWAI TSING DISTRICT OFFICER, MR BRIAN COAK; DISTRICT BOARD CHAIRMAN, MR HO TUNG-CHING; AND CHAIRMAN OF THE SPORTS FESTIVAL COMMITTEE, MR CHENG WING-CHUN.

TICKETS FOR FREE ADMISSION ARE AVAILABLE AT THE KWAI TSING DISTRICT OFFICE. RESIDENTS MAY CALL 0-273593 FOR FURTHER DETAILS.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE CLOSING CEREMONY OF THE FIRST KWAI TSING SPORTS FESTIVAL WHICH WILL START AT 2.30 PM ON SUNDAY (NOVEMBER 15) AT THE KWAI CHUNG SPORTS GROUND (NEAR KWAI FONG MTR STATION).

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REGISTRATION OF A DTC REVOKED

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THE COMMISSIONER OF BANKING ANNOUNCED THAT THE REGISTRATION OF PAK SHING FINANCE COMPANY LIMITED AS A DEPOSIT-TAKING COMPANY HAS BEEN REVOKED TODAY AT ITS OWN REQUEST UNDER SECTION 31(2) OF THE BANKING ORDINANCE.

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RESTRICTED ZONES IN ABERDEEN

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TWO ROAD SECTIONS IN ABERDEEN WILL BE DESIGNATED 7 AM TO 7 PM DAILY RESTRICTED ZONES FROM 10 AM ON SATURDAY (NOVEMBER 14).

THEY ARE A 35-METRE STRETCH ALONG NAM NING STREET WEST OF ITS JUNCTION WITH CHENGTU ROAD AND THE WESTERN KERBSIDE OF CHENGTU ROAD FROM ITS JUNCTION WITH NAM NING STREET TO A POINT ABOUT FOUR METRES NORTH OF THE SAME JUNCTION.

NO VEHICLE EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

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