



DAILY INFORMATION BULLETIN

THURSDAY, OCTOBER 6, 1977

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HONG KONG TEXTILES NEGOTIATING TEAM LEAVES FOR BRUSSELS

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The Director of Trade, Mr. Lawrence Mills, and the Assistant Director, Mr. T.H. Chau, left Hong Kong this evening for Brussels.

Mr. Mills heads the Hong Kong team which will be negotiating new textile arrangements covering Hong Kong exports to the EEC from January 1 next year. The negotiations will start on Tuesday, October 11. Mr. Tran Van Think will lead the EEC side.

Shortly before his departure, Mr. Mills said he would not make any forecast as to the outcome of the negotiations.

"I first want to see a detailed statement of the EEC's proposals before making any comments along those lines," he said.

"What I can say is that I am satisfied that we have done all we can in the Trade Department to prepare for these negotiations, and I have an excellent team with me."

Mr. Mills said he looked forward to being joined by the Director of Trade, Industry and Customs and Chairman of the Textiles Advisory Board, Mr. David Jordan, and members of the Board as the talks progress.

"Mr. Chau and I are leaving one day ahead of the rest of the team to be briefed on the latest developments by Mr. Claude Burgess, Hong Kong's minister in Brussels responsible for commercial relations between Hong Kong and EEC and its member states," Mr. Mills said.

Five other members of the team, including Mr. Justin Yue, the Assistant Director of Trade responsible for Hong Kong's textile exports controls and Mr. Clive Brockelbank of the Legal Department will leave for Brussels tomorrow. Mr. Stuart Webb-Johnson,

/Assistant

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Assistant Commissioner in the Hong Kong Office in London and Mr. Michael Wu, the Second Secretary in Hong Kong's Brussels office will also participate in the talks.

"Our task is not an easy one and negotiations will almost certainly be difficult. But we have faced similar situations in the past both with the EEC and with other trading partners and we have always been able to come up with a workable, negotiated agreement in the end. I hope we can do the same this time."

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INSIDER DEALING TRIBUNAL TO BE SET UP

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A new committee is to be established to investigate and report on suspected cases of "insider" dealing in stocks and shares.

To be called the "Insider Dealing Tribunal", the new body will be headed by a Supreme Court judge who will be assisted by two other members with broad financial and commercial experience.

Details of the tribunal will be contained in the Securities (Amendment) Bill published tomorrow (Friday) and referred to by the Governor in his address to the Legislative Council yesterday (Wednesday).

A spokesman for the Office of the Commissioner for Securities said the establishment of a tribunal was a unique way of attempting to solve a problem which exists in all securities markets. By contrast, other countries, including the United States, Canada, Australia and Singapore, had made insider dealing a criminal offence.

"One of the difficulties in coping with insider dealing is defining precisely who is an insider. As a member of the Securities and Exchange Commission in the United States once remarked: 'We don't know how to define an insider, but we sure know one when we see him,' " the spokesman explained.

"In Hong Kong the situation is made even more complex because many directors of leading companies sit on one another's boards, and because of the large number of family-controlled companies, many of which obtained stock market quotations during the 1972-73 boom period," he added.

The spokesman stressed that: "The Government is not convinced that the imposition of criminal sanctions is the best way to solve the problem of insider dealing in Hong Kong.

/"At the same

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"At the same time, the Government considers that positive action to overcome the problem has to be initiated.

"While self-policing may work satisfactorily in other markets (though whether it actually does so is debatable) it would be difficult to operate in Hong Kong. Accordingly, a third solution, appropriate to Hong Kong's rather special situation, is now proposed.

"The Insider Dealing Tribunal will have wide powers of inquiry and will publish its findings.

"In many cases the tribunal's inquiries will no doubt lead to the discovery of offences against the Securities Ordinance for which sanctions are available.

"In cases involving insider dealing alone the disciplines of the financial, commercial and professional communities of Hong Kong will undoubtedly be applied and the risk of public exposure will effectively deter would-be insider dealers," the spokesman said.

The detailed investigations which will precede the tribunal's sittings will be conducted by the Office of the Commissioner for Securities.

On identifying instances of insider dealing, the Commissioner for Securities will recommend to the Securities Commission, which will in turn recommend to the Financial Secretary, cases to be referred to the tribunal.

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Additionally, the Financial Secretary has the power to refer a case independently to the tribunal. The tribunal's report, which will be made public, will be addressed to the Financial Secretary and will be protected by qualified privilege.

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Background

Section 140 of the Securities Ordinance (passed in 1974) made insider dealing a criminal offence, carrying a penalty of a \$50,000 fine and two years' imprisonment.

This section was never brought into effect, however, as at that time a new companies bill was under consideration in the United Kingdom which contained provisions for covering insider dealing, and the Hong Kong authorities wished to profit from U.K. experience before effecting legislation in Hong Kong.

In the event, the Conservative Government (whose bill it was) lost the election and the bill automatically lapsed.

The Labour Government subsequently enacted a companies bill, but it contained no provisions relating to insider dealing. It is understood that a draft companies bill, including provisions in respect of insider dealing, is shortly to be published.

It is proposed to repeal section 140 of the 1974 Securities Ordinance.

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PWD AWARDS \$8.7 M CONTRACT FOR MUI WO PIER

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The Public Works Department today awarded an \$8.7 million contract for the construction of a ferry pier at Mui Wo (Silvermine Bay), Lantau Island, to Harbour Engineering Co. Ltd.

The contract, which forms part of a programme to develop Mui Wo into a rural township, was formally signed in the Sha Tin Government Offices this morning.

Mr. Bosco Keown, senior engineer of P.W.D.'s New Territories Development Branch, said that work on the new pier, which aims to cope with the increasing number of visitors to Lantau Island, would begin later this month and finish in about 18 months' time.

He said that facilities at the existing one-berth ferry terminal at Mui Wo were inadequate to cope with the peak summer traffic of 30,000 passengers a day.

"The new pier has been designed to cater for the largest ferries and will be 78 metres long with two decks and berths on both sides," Mr. Keown said.

"A dolphin and movable ramp will also be constructed on the southern side of the pier to allow for the berthing of vehicular ferries."

The development of Mui Wo will move another step forward tomorrow when the Public Works Department invites tenders for a major engineering project.

The project comprises the formation of about four hectares of land to be reclaimed from the sea to provide sites for a sewage treatment plant, an abattoir, the second phase of a public housing estate, a helipad and other government uses.

/"A seawall

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"A seawall 350 metres in length and a rubble wall measuring 340 metres will be built to contain the filling," Mr. Keown said.

"Other infrastructure consists of 0.7 kilometre of two-lane road and 1.8 kilometres of storm and foul water drains."

In the meantime, work has begun on the first stage of the development of Mui Wo, providing land for public and private housing.

About five hectares of land will be formed in this stage to provide sites for a new and improved bus terminus, waterfront cooked food stalls, public housing and commercial and light industrial use.

Also included in the stage one works are the construction of 1.1 kilometres of two-lane road and 2.7 kilometres of foul water drains.

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CERTIFICATION PROCEDURE FOR EXPORT OF
IVORY PRODUCTS TO THE USA

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The Trade, Industry and Customs Department announced today (Thursday) the introduction of a new certification procedure for export of ivory products to the USA.

A spokesman for the department stated that the department had drawn up a control arrangement in support of the certification required by the US Government for ivory products to be exported to the USA.

The essence of the control is that ivoryware factories registered with the department must give an undertaking not to take in unworked ivory which is not supported by an export permit issued by the National Management Authority designated to implement the Washington Convention in the country of origin of the ivory.

The ivoryware factories must also submit a monthly return to the department showing details of stocks of unworked ivory, semi-finished and finished products; purchases and consumption of unworked ivory; production and sales of finished products.

Details of the control arrangement have been set out in Certificate of Origin circular No. 8/77 which has been issued to the trade.

The spokesman stressed that as from November 1, 1977, the department will issue Certificates of Origin or Forms A covering exports of ivory products to the USA only in respect of the products of factories which have completed the registration procedure stipulated in the control arrangement.

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REMINDER TO RATEPAYERS

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Ratepayers were today reminded that rates for the fourth quarter must be settled by the end of this month.

A spokesman for the Treasury said any ratepayer who had not received a demand note should apply immediately for a copy to the Rates Section of Treasury Revenue Branch, room 203, Hang Chong Building, 2nd floor, 5 Queen's Road Central.

"Non-receipt of the demand note does not alter the requirement that the rates must be paid by 4 p.m. on October 31, 1977," the spokesman said.

"And unless so paid it may be subject to a surcharge of five per cent imposed under the Rating Ordinance. A further surcharge of 10 per cent may be added to amounts, including the normal five per cent surcharge, which remain unpaid six months after the due date," he added.

When making payment, ratepayers are reminded that the amount to be paid is indicated on the demand note by an arrow-head in the "total amount now due" box.

The spokesman pointed out that "rates are payable on vacant properties but are refundable under conditions specified in the ordinance."

However, no refunds would be payable in the case of a vacant tenement last used or intended to be used wholly or primarily for domestic purposes, unless it is vacant by reason of an order of the Government.

Ratepayers are urged to pay by cheque or money-order through the post to avoid the possible inconvenience of queueing. If they are paying in person they are requested to do so early at any of the offices listed on the back of the demand note.

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CAS TO CELEBRATE 25TH ANNIVERSARY

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The Civil Aid Services will hold its silver jubilee parade at Victoria Park on Sunday (October 9) to mark its 25 years of service in Hong Kong.

The Secretary for Security, Mr. Lewis Davis, will inspect the grand parade which will be formed by about 800 members of the C.A.S.

Mr. Davis will be met on arrival by the Commissioner of Civil Aid Services, Mr. Roger Lobo.

After the parade, C.A.S. members will display their rescue and signalling skills and give a demonstration on bicycle and motor-cycle riding.

Other programmes of the day include a variety show jointly organised by C.A.S., Radio Television Hong Kong and Urban Council, and a fun fair for both the public and C.A.S. members.

Note to Editors :

You are cordially invited to have the C.A.S. 25th anniversary parade covered. The programmes will be held at numbers 1 to 3 pitches in Victoria Park from 9.30 a.m. to 1 p.m. on Sunday. Mr. Davis will inspect the parade at 10 a.m.

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COMMISSION OF INQUIRY ON SEK KONG INCIDENT

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The commission appointed by the Governor-in-Council to inquire into events which occurred in the course of a live television broadcast by Television Broadcasts Ltd. at Sek Kong on July 1, 1977 will commence its hearing of evidence on Monday (October 10) at 10 a.m., at Austin Centre, first floor, 21 Austin Avenue, Kowloon.

A preliminary hearing by the commission was held late last month.

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QUEEN'S ROAD EAST TRAFFIC ARRANGEMENTS

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A number of temporary traffic arrangements will be introduced in Wan Chai district to facilitate road works in Queen's Road East.

With effect from 10 a.m. tomorrow (Friday), vehicles will not be permitted to enter Kennedy Street from Queen's Road East, and the section of Kennedy Street between Queen's Road East and King Sing Street will become a cul-de-sac open to two-way traffic.

Meanwhile, the section of Stone Nullah Lane between Queen's Road East and King Sing Street will be routed two-way.

These arrangements will last until about mid-November.

Appropriate traffic signs will be set up to guide motorists.

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