



DAILY INFORMATION BULLETIN

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SPEECH BY THE CHIEF SECRETARY, SIR DAVID FORD,
IN THE MOTION DEBATE ON NEW AIRPORT

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SIR, I HOPE MEMBERS WILL FORGIVE ME IF I INDULGE IN WHAT OTHER MEMBERS HAVE BEEN DOING IN THE COURSE OF AN EARLIER DEBATE, AND THAT IS TO TELL A SMALL STORY TO START MY SPEECH, AND NOT THIS TIME ABOUT MR WONG OR MR CHAN, BUT ABOUT A MR MARTIN LEE. AND I HOPE HE WILL ALSO FORGIVE ME IF EVIDENCE WHICH I PRODUCE IS HEARSAY, AND NO DOUBT HE WILL CORRECT ME IF I'M WRONG. IT DOES COME HOWEVER, FROM AN IMPECCABLE SOURCE. THE STORY GOES THAT ON THE DAY OF THE ANNOUNCEMENT OF THE AGREEMENT, MR LEE APPROACHED ONE OF THE LADY MEMBERS OF THE EXECUTIVE COUNCIL, EMBRACED HER WARMLY, KISSED AND SAID: "WELL DONE, THAT'S A GOOD AGREEMENT". NOW, I FIND THAT A VERY FASCINATING STORY FOR TWO REASONS; FIRSTLY, THAT MR LEE CERTAINLY SEEMED ON THAT DAY TO THINK THAT THERE HAD BEEN A GOOD AGREEMENT SIGNED, EVEN MORE IMPORTANTLY AND QUITE CORRECTLY, HE RECOGNISED THE ROLE OF THE EXECUTIVE COUNCIL IN COMING TO THAT DECISION.

IT FALLS RATHER ODD WITH THE SUGGESTION TODAY THAT THIS DEAL HAS BEEN DONE BEHIND THE BACK OF HONG KONG WITH NO PARTICIPATION, EITHER OF THE ADMINISTRATION OR INDEED, OF THE EXECUTIVE COUNCIL. THE FACT OF THE MATTER, SIR, AS YOU HAVE SO CLEARLY PUT IT. THE HONG KONG ADMINISTRATION AND THE EXECUTIVE COUNCIL WAS INVOLVED AT EACH STAGE. WE ARE NOT LIVING IN THE DAYS OF "STEAMED PACKETS AND COURIER PIGEONS" WE HAVE CONFIDENTIAL FAX, WE HAVE BEEN IN TOUCH BOTH WITH LONDON AND INDEED, WITH OUR NEGOTIATORS IN PEKING THROUGHOUT THE WHOLE OF THESE DISCUSSIONS. AND CLEARLY WHAT WAS IMPORTANT, BECAUSE THIS IS A PRACTICAL ARRANGEMENT, IS THAT THE ARRANGEMENTS WERE ACCEPTABLE TO HONG KONG TO THE ADMINISTRATION, BECAUSE AFTER ALL, WE ARE GOING TO BE THE PEOPLE WHO BUILD THE AIRPORT. AND I'LL COME BACK TO THAT AGAIN IN A MOMENT.

MUCH HAS BEEN MADE BY MEMBERS OF THE SO-CALLED CONSPIRACY IN THE DARK DAYS, BETWEEN THE DAY IN WHICH THE ANNOUNCEMENT WAS ANNOUNCED, OR WAS ASSIGNED, INITIALED ON THE 30TH AND THE 4TH WHEN IT WAS ANNOUNCED. IT WAS A DIFFICULT TIME CLEARLY. THERE WAS A SITUATION IN WHICH WE KNEW THE AGREEMENT WAS INITIALED, CERTAINLY WE DID BECAUSE WE WERE INVOLVED UNTIL 3 O'CLOCK IN THE MORNING WITH THOSE NEGOTIATIONS. BUT THE ARRANGEMENTS FOR THE PUBLIC ANNOUNCEMENT CLEARLY TOOK SOME TIME. THERE WAS SOME CO-ORDINATION TO BE DONE. CO-ORDINATION BETWEEN PEKING AND LONDON, AND OF COURSE OURSELVES, AND THOSE ARRANGEMENTS TOOK TIME. THERE WAS NO CONSPIRACY. WE WERE NOT IN THE DARK.

AND SIR, I THINK YOUR STATEMENT WHICH WAS MADE AT A DIFFICULT TIME, WHICH SAID THAT THE POSITION, THE PUBLIC POSITION ON THE AIRPORT REMAINS UNCHANGED, WAS SIMPLY A REFLECTION OF THE FACT THAT THE PUBLIC POSITION ON THE AIRPORT WAS INDEED UNCHANGED SINCE YOU LAST MADE THE COMMENT AT THE AIRPORT.

/LET ME

LET ME TURN BRIEFLY, SIR, TO THE AGREEMENT ITSELF. I THINK THE STRENGTH OF THE AGREEMENT IS, IT DOES PROVIDE PRACTICAL, WORKMANLIKE ARRANGEMENTS WHICH ENABLE US TO GET ON WITH THE BUILDING OF THE AIRPORT. AND THE ANNEX TO THE UNDERSTANDING LISTS ALL THE MAJOR PROJECTS, AND THE UNDERSTANDING ITSELF MAKES IT VERY CLEAR THAT THE HONG KONG GOVERNMENT IS GOING TO BE RESPONSIBLE FOR THE BUILDING OF THOSE PROJECTS; CLEARLY A RECOGNITION OF THE ROLE OF THE HONG KONG GOVERNMENT IN THE BUILDING OF THIS AIRPORT.

YES, THERE WILL BE SOME MATTERS WHICH WILL BE DISCUSSED AND MANY MEMBERS HAVE REFERRED TO CLAUSE 3 OF THE AGREEMENT. THE MATTERS WHICH ARE TO BE DISCUSSED ARE MATTERS FOR WHICH THE SAR GOVERNMENT ASSUMES RESPONSIBILITY IN 1997. WE HAVE ALWAYS ACCEPTED THE SITUATION THAT WE SHOULD DISCUSS WITH CHINA, MATTERS WHICH FALL TO THE RESPONSIBILITY OF THE SAR. WE BELIEVE THAT'S A REASONABLE POSITION TO BE IN AND WE BELIEVE THAT THE CLAUSE 3 WHICH IS IN THAT AGREEMENT PROVIDES A FRAMEWORK, A GOOD TIME-SCALE AND VERY GOOD ARRANGEMENTS FOR US TO REACH AN AGREEMENT ON THOSE MATTERS. THERE IS NO SUGGESTION IN THAT CLAUSE OF ANY VETO; THERE IS NO SUGGESTION IN THE WHOLE AGREEMENT INDEED, THAT HONG KONG IS BEING GIVEN DIRECTIONS AS TO HOW IT SHOULD OR SHOULD NOT BUILD THIS AIRPORT. CLEARLY, THAT IS ABSURD.

NOR INDEED IS THE ROLE OF THIS COUNCIL, EITHER IN ITS LAW-MAKING ROLE OR INDEED IN ITS ROLE IN APPROVING FUNDS FOR THIS PROJECT, CALLED INTO QUESTION. THE AUTHORITY OF THIS COUNCIL IN PASSING THE AIRPORT AUTHORITY BILL, IS UNQUESTIONED. THE AUTHORITY OF THE FINANCE COMMITTEE IN PROVIDING THE FUNDS FOR THIS PROJECT OR NOT DOING SO, IS UNQUESTIONED.

NOR SIR, YOUR AUTHORITY QUESTIONED. IN FACT, IT'S CLEARLY RECOGNISED THAT YOU WILL APPOINT MEMBERS OF THE AIRPORT AUTHORITY AND OF CONSULTATIVE COMMITTEE. I WAS QUITE SURPRISED TO HEAR MR LEE SUGGEST THAT BECAUSE THAT IT WAS YOU, SIR, WHO WAS GOING TO BE APPOINTING MEMBERS OF THE CONSULTATIVE COMMITTEE, WE WERE SOMEHOW GOING TO HAVE A SERIES OF LAP-DOGS. COULD I GENTLY REMIND MR LEE THAT THE CHAIRMAN OF THE CONSUMER COUNCIL IS APPOINTED BY THE GOVERNOR AND I'M NOT AWARE THAT HE HAS FOUND HIMSELF INHIBITED IN ANY WAY BY SO BEING APPOINTED.

SIR, LET ME TURN FINALLY TO THE REFERENCE WHICH IS MADE IN THE FINAL CLAUSE OF THE AGREEMENT, CLAUSE G WHICH REFERS TO CONTINUING CONSULTATIONS IN THE PERIOD UP TO 1997, AND THE VISITS OF THE FOREIGN SECRETARY WITH HIS OPPOSITE NUMBER IN CHINA.

SIR, THIS IS A RECOGNITION OF SOMETHING WHICH I THINK MANY MEMBERS OF THIS COUNCIL AND WHICH IN THE ADMINISTRATION HAVE RECOGNISED FOR A LONG TIME, THAT IN THE RUN-UP TO 1997 THERE HAS TO BE CLOSE CO-OPERATION AND DISCUSSION WITH CHINA ON MATTERS OF MUTUAL INTEREST. INDEED, IT WAS THE FOREIGN SECRETARY HIMSELF, MR DOUGLAS HURD, WHO MADE THAT SUGGESTION WHEN HE VISITED PEKING EARLIER IN THE YEAR. AND INDEED, HE DID DISCUSS THAT SUGGESTION BEFORE HE MADE IT IN HONG KONG. SO THERE IS NO QUESTION THAT THIS IS PART OF ANOTHER CONSPIRACY THAT WE ARE SEEING AN ALTERNATIVE METHOD OF TRYING TO NEGOTIATE BEHIND OUR BACKS. THERE ARE MANY MATTERS OF MUTUAL CONCERN OTHER THAN THE AIRPORT WHICH NO DOUBT THE FOREIGN SECRETARIES WILL WISH TO DISCUSS.

/SIR, WE

SIR, WE BELIEVE THAT IN THIS AGREEMENT WE HAVE AN UNDERSTANDING WHICH MEETS OUR PRACTICAL NEED TO GET ON AND BUILD THIS AIRPORT. IT PROVIDES US WITH CHINESE SUPPORT IN AN UNEQUIVOCAL WAY AND THAT CHINESE SUPPORT WILL, IN TURN INDUCE A HIGH DEGREE OF PRIVATE PARTICIPATION WHICH IS WHAT WE HAVE BEEN SEEKING ALL ALONG; AND THAT PRIVATE PARTICIPATION WILL REDUCE THE COST OF THIS AIRPORT FOR THE PEOPLE OF HONG KONG. AND WE ARE DELIGHTED WITH THAT CLAUSE IN THE AGREEMENT. IT PROVIDES US WITH A CERTAINTY TO PROCEED IN A WORKMANLIKE WAY.

SIR, I THINK THE FEELING IN HONG KONG AS WE JUDGE IT AT THE MOMENT IS THAT A DARK CLOUD WHICH HAS HUNG OVER, NOT ONLY THE AIRPORT BUT ALSO OUR RELATIONSHIP WITH CHINA, HAS BEEN BLOWN AWAY. THERE IS AN UPLIFT IN THE MOOD OF THE PEOPLE HERE AND I THINK THAT'S RIGHT. I SUPPOSE IT'S TOO MUCH TO HOPE THAT THE SKIES WILL REMAIN TOTALLY BLUE OVER THE NEXT SIX YEARS, AND THERE WON'T BE THE ODD CLOUD. BUT I THINK THAT WE WOULD ALL AGREE THAT THE WEATHER FORECAST IS MUCH BETTER NOW THAN IT WAS A WEEK AGO. I THINK WE CAN LOOK FORWARD, OVER THE NEXT SIX YEARS, TO A DEGREE OF CONFIDENCE IN OUR RELATIONSHIP WITH CHINA AND ABOVE ALL, GIVING HONG KONG THE AIRPORT IT RICHLY DESERVES.

SIR, I SUPPORT THE AMENDED MOTION.

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FS EXPLAINS SUSPENSION OF BCCHK OPERATIONS

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THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS TODAY (WEDNESDAY) EMPHASISED THAT THE DECISION TO KEEP THE BANK OF COMMERCE AND CREDIT HONG KONG LIMITED OPEN LAST SATURDAY (JULY 6) WAS TAKEN HAVING REGARD TO THE FACTS AVAILABLE ON FRIDAY (JULY 5) EVENING AND IN THE KNOWLEDGE THAT CLOSURE OF A BANK IS A DRASTIC STEP NOT TO BE TAKEN LIGHTLY.

"CLOSURE AT THAT STAGE WOULD ALSO HAVE UNDERMINED THE ATTEMPT TO GAIN THE SUPPORT OF THE GOVERNMENT OF ABU DHABI," SAID SIR PIERS IN A STATEMENT TO THE LEGISLATIVE COUNCIL ON THE SUSPENSION OF OPERATIONS OF THE BANK.

"HOWEVER, WHEN IT BECAME CLEAR THAT SUPPORT WOULD NOT BE FORTHCOMING, THERE SEEMED NO POINT IN RISKING A DRAINING OF CASH FROM THE BANK WHICH WOULD IMPAIR THE ASSETS OF THE BANK AND COULD WELL HAVE RESULTED IN SOME DEPOSITORS BEING REPAID IN FULL TO THE DISADVANTAGE OF THE REST," HE SAID.

THE FINANCIAL SECRETARY WAS RESPONDING TO THE SUGGESTION THAT THE DECISION MADE ON MONDAY (JULY 8) TO SUSPEND THE OPERATIONS OF THE BANK WAS INCONSISTENT WITH THE EARLIER DECISION TO KEEP IT OPEN LAST SATURDAY (JULY 6).

/SIR PIERS

SIR PIERS SAID ALTHOUGH THE EXCHANGE FUND HAD BEEN USED BEFORE IN RESCUING A NUMBER OF BANKS, THIS WAS AGAINST THE BACKGROUND THAT THE FINANCIAL SECRETARY THEN HAD TAKEN THE VIEW, AND RIGHTLY SO, THAT THE EXCHANGE VALUE OF THE CURRENCY OF HONG KONG WOULD OTHERWISE HAVE BEEN UNACCEPTABLY AFFECTED.

"ON THIS PARTICULAR OCCASION, HAVING REGARD TO THE FACTS OF THE CASE, AS DESCRIBED TO ME BY THE COMMISSIONER OF BANKING, AND TO THE FACT THAT OUR MONETARY SYSTEM, AND OUR SKILLS IN MONETARY MANAGEMENT, HAVE OVER THE PAST FEW YEARS BEEN CONSIDERABLY STRENGTHENED, I TOOK THE VIEW THAT THE EXCHANGE VALUE OF THE CURRENCY OF HONG KONG WOULD NOT BE AFFECTED EVEN IF THE BANK WERE TO BE CLOSED DOWN.

"INDEED, THE EXCHANGE RATE HAS NOT BEEN AFFECTED BY EVENTS IN THE PAST FEW DAYS. THERE IS THEREFORE NO CASE FOR USING THE FUND," HE SAID.

"THE PRESENT CIRCUMSTANCES ARE SUCH THAT, IN MY OPINION, THE EXCHANGE FUND HAS NO ROLE TO PLAY IN MATTERS DIRECTLY CONNECTED WITH THE BANK. THIS POSITION WILL, OF COURSE, BE CONTINUOUSLY REVIEWED IN THE LIGHT OF THE CHANGING CIRCUMSTANCES," HE ADDED.

NOTING THAT SOME CALLS HAD BEEN MADE FOR THE USE OF THE EXCHANGE FUND TO RESCUE THE BANK OR PAY OFF DEPOSITORS, THE FINANCIAL SECRETARY DREW ATTENTION TO SECTION 3(1) OF THE EXCHANGE FUND ORDINANCE WHICH STATED THAT - "THE EXCHANGE FUND SHALL BE UNDER THE CONTROL OF THE FINANCIAL SECRETARY AND SHALL BE USED FOR SUCH PURPOSES AS THE FINANCIAL SECRETARY THINKS FIT AFFECTING, EITHER DIRECTLY OR INDIRECTLY THE EXCHANGE VALUE OF THE CURRENCY OF HONG KONG AND FOR OTHER PURPOSES INCIDENTAL THERETO".

SIR PIERS STRESSED THAT THE GOVERNMENT HAD TAKEN ALL NECESSARY STEPS TO SAFEGUARD THE ASSETS OF THE BANK IN THE INTEREST OF DEPOSITORS.

"WE WANT TO MAKE SURE THAT THE ASSETS ARE THERE AND THAT THEY DO NOT DISAPPEAR FROM OUR JURISDICTION," HE SAID.

AS TO THE WAY AHEAD, THE FINANCIAL SECRETARY SAID THE COMMISSIONER OF BANKING WAS CONTINUING DISCUSSIONS WITH THE GOVERNMENT OF ABU DHABI, BUT THESE HAD NOT YET PRODUCED ANY RESULT.

"THERE REMAINS, HOWEVER, THE POSSIBILITY OF A SALE OF THE BANK AND THIS IS BEING PURSUED WITH VARIOUS INTERESTED PARTIES.

"IT HAS JUST BEEN BROUGHT TO OUR NOTICE THAT A LIQUIDATOR HAS BEEN APPOINTED TO THE BANK'S HOLDING COMPANY IN LUXEMBOURG. THE COMMISSIONER IS SENDING REPRESENTATIVES TO LUXEMBOURG TO DISCUSS ANY ARRANGEMENTS NECESSARY TO THE SALE OF THE BANK IN HONG KONG," SIR PIERS SAID.

RECAPITULATING THE CIRCUMSTANCE CONCERNING THE SUSPENSION OF OPERATIONS OF THE BANK, SIR PIERS SAID THE COMMISSIONER OF BANKING'S OFFICE WAS ALERTED TO THE RECENT PROBLEMS OF THE BANK OF CREDIT AND COMMERCE GROUP AT A MEETING OF THE BCC COLLEGE OF SUPERVISORS AT THE BANK OF ENGLAND IN LONDON ON JULY 2.

"THIS FOLLOWED THE DISCOVERY BY THE BANK OF ENGLAND OF SUSPECTED FRAUD IN PARTS OF THE GROUP OUTSIDE HONG KONG. THE RESULTS OF THAT MEETING WERE RECEIVED IN HONG KONG ON WEDNESDAY, JULY 3.

"VARIOUS CONTINGENCY MEASURES WERE IMMEDIATELY PUT IN PLACE BY THE COMMISSIONER OF BANKING'S OFFICE, INCLUDING SENDING A TEAM OF BANK EXAMINERS INTO THE BANK TO EXAMINE ITS LOAN BOOK," HE SAID.

"ON THE EVENING OF FRIDAY, JULY 5, IT WAS ANNOUNCED IN LONDON THAT SUPERVISORY AUTHORITIES IN A NUMBER OF COUNTRIES HAD MOVED TO CLOSE DOWN THE BUSINESS OF PARTS OF THE GROUP.

"A DECISION HAD TO BE MADE AT THAT POINT ON WHETHER TO ALLOW THE BANK TO OPEN THE FOLLOWING MORNING OR NOT. SINCE THE BANK IS A COMPLETELY SEPARATE ENTITY FROM THE REST OF THE GROUP AND SINCE ITS OPERATIONS HERE WERE CONSIDERED SOUND AND VIABLE, THE INITIAL CONCERN WAS TO TRY TO KEEP THE BANK OPEN," HE SAID.

SIR PIERS SAID THE BANK MANAGED TO TRADE RELATIVELY NORMALLY ON SATURDAY, ALTHOUGH SOME WITHDRAWAL OF DEPOSITS WERE MADE.

"WE TOOK THE OPPORTUNITY TO HOLD DISCUSSIONS WITH THE GOVERNMENT OF ABU DHABI, WHICH THROUGH ITS SHAREHOLDING IN THE PARENT IS EFFECTIVELY THE ULTIMATE MAJORITY SHAREHOLDER OF THE BANK, ON THE QUESTION OF FINANCIAL SUPPORT FOR THE BANK.

"THE GOVERNMENT OF ABU DHABI HAD, FOR THE PURPOSES OF THE BANK'S 1990 ACCOUNTS, PROVIDED A LETTER OF COMFORT WHICH CONFIRMED THEIR INTENTION TO PROVIDE THE FINANCIAL SUPPORT REQUIRED TO ENABLE THE BANK TO CONTINUE TRADING FOR THE FORESEEABLE FUTURE," THE FINANCIAL SECRETARY SAID.

"THE COMMISSIONER WISHED TO HAVE THIS SUPPORT REAFFIRMED AND INDEED STRENGTHENED IN THE CHANGED CIRCUMSTANCES. A REPRESENTATIVE OF THE COMMISSIONER'S OFFICE FLEW TO ABU DHABI TO HOLD DISCUSSIONS OVER THE WEEKEND WITH THE GOVERNMENT OF ABU DHABI.

"HOWEVER, IT BECAME CLEAR ON SUNDAY, JULY 7, THAT THE GOVERNMENT OF ABU DHABI WAS UNWILLING TO PROVIDE THE NECESSARY FINANCIAL BACKING TO THE BANK," SIR PIERS SAID.

THE FINANCIAL SECRETARY SAID DURING THE WEEKEND IT ALSO BECAME CLEAR THAT THE BANK'S ABILITY TO CONDUCT ITS BUSINESS COULD BE AFFECTED BY THE PROBLEMS ELSEWHERE IN THE GROUP.

"IN THE ABSENCE OF SUPPORT FROM THE MAJORITY SHAREHOLDER, AND GIVEN THAT A DISORDERLY WITHDRAWAL OF CASH COULD NOT BE RULED OUT, THE COMMISSIONER OF BANKING INSTRUCTED THE BANK NOT TO OPEN FOR BUSINESS FROM MONDAY, JULY 8, UNTIL FURTHER NOTICE.

"HE ALSO ASSUMED CONTROL OF THE BANK. RESTRICTIONS WERE PLACED ON THE BANK'S BUSINESS TO FREEZE DEPOSITS AND PREVENT THE MOVEMENT OF FUNDS OUT OF THE BANK IN ORDER TO SAFEGUARD THE INTEREST OF DEPOSITORS," SIR PIERS SAID.

THERE WERE AT PRESENT SOME 40,000 DEPOSITORS, WHOSE DEPOSITS TOTALLED \$11 BILLION, OF WHICH \$4 BILLION WAS PLEDGED AS COLLATERAL AGAINST LOANS, THE FINANCIAL SECRETARY SAID.

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CENTRAL PROVIDENT FUND NOT FEASIBLE: SEM

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THE PRACTICE FOR THE GOVERNMENT TO REQUIRE ALL EMPLOYERS AND EMPLOYEES WHO ARE ENGAGED IN ECONOMIC ACTIVITIES TO JOIN THE CENTRAL PROVIDENT FUND OR OTHER FORMS OF RETIREMENT SCHEMES HAS MORE DISADVANTAGES THAN ADVANTAGES.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON JOHN CHAN, WHEN WINDING UP THE MOTION DEBATE ON CENTRAL PROVIDENT FUND IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HAVING SAID THIS, MR CHAN SAID HE DEFINITELY DID NOT INTEND TO NEGATE THE VALUE OF A PROVIDENT FUND.

"IN FACT, UNDER CERTAIN CIRCUMSTANCES, A CENTRAL PROVIDENT FUND WAS VIRTUALLY A GOOD WAY TO GET PREPARED FOR RAINY DAYS," MR CHAN SAID.

THE SECRETARY SAID THE GOVERNMENT WOULD KEEP ON ENCOURAGING THE PRIVATE SECTOR TO SET UP RETIREMENT SCHEMES OR PROVIDENT FUND SCHEMES.

IT WOULD ALSO CONTINUE ITS EFFORTS TO IMPROVE LABOUR LEGISLATIONS, ESPECIALLY THE LONG SERVICE PAYMENT SCHEME, SO THAT THE EMPLOYEES, NO MATTER WHETHER THEY WERE DISMISSED OR RETIRE, COULD GET A LUMP SUM OF MONEY.

"I BELIEVE THE GOVERNMENT'S DECISION ON CENTRAL PROVIDENT FUND AND THE RELATED ISSUES IN 1987 WERE CORRECT.

"AFTER TODAY'S DEBATE, I CANNOT SEE ANY NEW ARGUMENTS THAT WOULD SUFFICE TO CHANGE THESE DECISIONS," MR CHAN SAID.

THE SECRETARY SAID THE LEVEL OF PROVIDENT FUNDS AND PENSIONS SET UP BY PRIVATE ORGANISATIONS HAD BEEN GOING UP DURING THE PAST FEW YEARS.

AT THE END OF 1987, THE INLAND REVENUE DEPARTMENT APPROVED 5,469 RETIREMENT SCHEMES. UP TO THE END OF APRIL THIS YEAR, THE NUMBER OF SUCH SCHEMES ROSE TO 10,370.

MOREOVER, ACCORDING TO A SURVEY CONDUCTED BY THE CENSUS AND STATISTICS DEPARTMENT, THERE WERE 8,351 PRIVATE ORGANISATIONS PROVIDING RETIREMENT SCHEMES FOR 468,000 EMPLOYEES, OR 26 PER CENT OF THE WORKFORCE IN 1987.

UP TO LAST YEAR, THE NUMBER OF ORGANISATIONS OPERATING SUCH SCHEMES ROSE TO 19,211, COVERING 707,000 EMPLOYEES OR 33 PER CENT OF THE WORKFORCE.

WHEN DECIDING NOT TO SET UP A CENTRAL PROVIDENT FUND, MR CHAN SAID THE GOVERNMENT WAS ALSO WELL AWARE OF THE NEEDS OF THE RETIRED PEOPLE AND THE ELDERLY.

/THEREFORE, HE

THEREFORE, HE SAID, IN 1987, IT WAS DECIDED THAT A SERIES OF MEASURES, WHICH WERE CONSIDERED TO BE MORE EFFECTIVE THAN THE CENTRAL PROVIDENT FUND, WOULD BE IMPLEMENTED TO HELP THE RETIREES AND OTHER ELDERLY PEOPLE RESOLVE THEIR PROBLEMS OF LIVELIHOOD.

THE ADMINISTRATION HAD ALSO UNDERTAKEN IN 1987 TO KEEP IMPROVING THE LONG SERVICE PAYMENT SCHEME IN ORDER TO PROVIDE BETTER EMPLOYMENT BENEFITS FOR EMPLOYEES DURING THEIR EMPLOYMENT PERIOD.

IN AN EFFORT TO ENCOURAGE EMPLOYERS TO ESTABLISH PROVIDENT FUND OR RETIREMENT SCHEMES, MR CHAN POINTED OUT THAT THE GOVERNMENT ALSO PLEDGED TO PROVIDE A STATUTORY SYSTEM TO REGULATE RETIREMENT SCHEMES.

"IN BOTH RESPECTS, WE HAVE MADE GOOD PROGRESS," THE SECRETARY SAID.

IN JULY 1988, THE LONG SERVICE PAYMENT SCHEME HAD BEEN EXTENDED TO COVER THOSE WHO RETIRE OWING TO AGING OR HEALTH PROBLEMS.

WITH THE GAZETTING OF THE EMPLOYMENT (AMENDMENT) BILL 1991 IN MAY THIS YEAR, THE LONG SERVICE PAYMENT SCHEME WAS FURTHER IMPROVED SO THAT YOUNGER WORKERS MIGHT ALSO RECEIVE A PART OF THE LONG SERVICE PAYMENT AFTER FIVE YEARS' SERVICE IF THEY WERE UNFORTUNATELY DISMISSED.

"IT IS INTENDED THAT THE BILL WILL BE TABLED AT THIS COUNCIL IN OCTOBER," HE NOTED.

IN ORDER TO PROTECT LONG SERVICE AND SEVERANCE PAYMENTS FROM BEING AFFECTED BY EMPLOYERS' INSOLVENCY, THE PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1991 WAS ENACTED IN MAY THIS YEAR SO THAT AFFECTED EMPLOYEES MIGHT RECEIVE MORE PAYMENTS UNDER THE PROTECTION OF WAGES INSOLVENCY FUND.

"AS FAR AS THE SUPERVISION OF RETIREMENT SCHEMES IS CONCERNED, THE OCCUPATIONAL RETIREMENT SCHEMES BILL 1991 HAS BEEN TABLED AT THIS COUNCIL," HE SAID.

WHEN CONSIDERING THE ESTABLISHMENT OF THE CENTRAL PROVIDENT FUND, MR CHAN SAID THE ADMINISTRATION HAD ALREADY LOOKED INTO THE POSSIBILITY OF USING IT AS A SOURCE OF CAPITAL TO FINANCE INFRASTRUCTURAL PROJECTS IN THE STUDY CONDUCTED IN 1987.

"OUR VIEW WAS THAT IT WOULD NOT BE OF ANY GREAT HELP UNLESS THE CENTRAL PROVIDENT FUND PROVIDED LOAN CAPITAL BELOW THE MARKET RATE.

"BUT IF LOAN CAPITAL WERE RAISED FROM THE FUND ON FAVOURABLE TERMS TO FINANCE INFRASTRUCTURAL PROJECTS, THE FUND MIGHT FAIL TO OBTAIN A REASONABLE RETURN FOR ITS INVESTMENT AND WAS THUS UNFAIR TO ITS CONTRIBUTORS.

"OUR VIEW HAS NOT BEEN AFFECTED BY THE DECISION TO BUILD THE NEW AIRPORT," MR CHAN SAID.

HE SAID WHEN THE GOVERNMENT CONSIDERED NOT TO SET UP A CENTRAL PROVIDENT FUND IN 1987, IT HAD TAKEN INTO CONSIDERATION TWO MAIN FACTORS.

/FIRSTLY, THE

FIRSTLY, THE SETTING UP OF SUCH A FUND OR RETIREMENT SCHEMES TO SAFEGUARD THE LIVELIHOOD OF EMPLOYEES AFTER THEIR RETIREMENT WAS BASED ON THE ASSUMPTION THAT THESE RETIREES, BEFORE THEIR RETIREMENT, HAD WORKED CONTINUOUSLY FOR A CONSIDERABLE LENGTH OF TIME AND HAD A STEADY AND MODERATE INCOME.

HE SAID ONLY UNDER THESE CIRCUMSTANCES COULD A PROVIDENT FUND BE MOST EFFECTIVE.

"HOWEVER, EMPLOYEES MEETING THESE REQUIREMENTS GENERALLY REALISE THE NEED TO PROVIDE FOR THEIR FUTURE AND ARE CAPABLE OF DOING SO THROUGH SAVING AND INVESTMENT EVEN WITHOUT RETIREMENT SCHEMES," HE SAID.

BESIDES, MR CHAN SAID A FAIR NUMBER OF THEM HAD ALREADY JOINED PROVIDENT FUND SCHEMES ORGANISED BY PRIVATE FIRMS.

ON THE OTHER HAND, THE CENTRAL PROVIDENT FUND OR COMPULSORY RETIREMENT SCHEMES WERE OF NOT MUCH HELP TO THE LOW PAID OR THOSE WITHOUT REGULAR EMPLOYMENT IN SOLVING THEIR PROBLEMS AFTER RETIREMENT.

THE SECRETARY SAID THE GOVERNMENT'S OTHER MAIN CONSIDERATION WAS THAT THE CENTRAL PROVIDENT FUND WAS ACTUALLY A COMPULSORY SAVING SCHEME WHICH, ONCE IMPLEMENTED, MIGHT HAVE QUITE SERIOUS EFFECTS ON THE ECONOMY.

HE EXPLAINED THAT SINCE WORKERS WERE REQUIRED TO CONTRIBUTE TOWARDS THE PROVIDENT FUND, THEIR MONTHLY DISPOSABLE INCOME WOULD BE REDUCED CORRESPONDINGLY. MEANWHILE, COST FOR EMPLOYERS WOULD BE INCREASED AS THEY HAD TO CONTRIBUTE TO THE FUND.

"ALTHOUGH SUCH COST INCREASES MAY ULTIMATELY BE ABSORBED INTO THE EMPLOYEES' WAGES OR OTHER FRINGE BENEFITS, BUSINESS LOSS CAUSED BY SUCH COST INCREASE MAY HAVE ADVERSE EFFECTS ON OUR OVERALL ECONOMY," HE ADDED.

IN ADDITION, A LARGE AMOUNT OF CAPITAL PLACED UNDER THE CENTRAL PROVIDENT FUND MUST ALWAYS LOOK FOR THE BEST YET NOT TOO VENTUROUS INVESTMENT OPPORTUNITIES, RESULTING IN MASSIVE CAPITAL FLOWING IN AND OUT OF THE FINANCIAL SYSTEM, THUS IMPOSING GREAT PRESSURE ON THE FINANCIAL MARKET AND THE LINKED EXCHANGE RATE SYSTEM.

CRIMES BILL DOES NOT ADVOCATE HOMOSEXUALITY

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THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, SAID TODAY (WEDNESDAY) THAT THE CRIMES (AMENDMENT) BILL 1991 DOES NOT ADVOCATE OR SEEK TO ENCOURAGE HOMOSEXUALITY.

SPEAKING IN THE SECOND READING DEBATE OF THE BILL IN THE LEGISLATIVE COUNCIL, MR ASPREY STRESSED THAT THE GOVERNMENT WAS CONSCIOUS OF THE NEED TO MAINTAIN STANDARDS OF PUBLIC DECENCY AND TO PROVIDE ADEQUATE SAFEGUARDS AGAINST THE SEXUAL EXPLOITATION AND CORRUPTION OF OTHERS, PARTICULARLY THE YOUNG AND THOSE WHO WERE OTHERWISE VULNERABLE.

THE PROVISIONS IN THE BILL PROHIBITING THE PUBLIC DISPLAY OF HOMOSEXUAL ACTS, THE CORRUPTION OF YOUNG PERSONS AND HOMOSEXUAL ACTS COMMITTED OTHER THAN IN PRIVATE, WOULD BE STRICTLY ENFORCED, HE SAID.

MR ASPREY POINTED OUT THAT IT WAS ALMOST A YEAR SINCE THE COUNCIL APPROVED A MOTION PROPOSING THAT MEASURES BE TAKEN TO REMOVE THE CRIMINAL PENALTIES RELATING TO HOMOSEXUAL ACTS COMMITTED IN PRIVATE BY CONSENTING MEN WHO HAD REACHED THE AGE OF 21 AND, TO EXTEND TO MEN AND BOYS, WHERE APPROPRIATE, THE PROTECTION FROM SEXUAL EXPLOITATION AFFORDED BY THE CRIMES ORDINANCE TO WOMEN AND GIRLS.

"THIS WAS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE LAW REFORM COMMISSION," HE SAID.

REFERRING TO THE POINT MADE BY THE HON SELINA CHOW THAT SOME OF THE EXISTING PROVISIONS IN THE LAW RELATING TO HETEROSEXUAL OFFENCES MIGHT BE CONSIDERED TO BE OUTDATED, TO DUPLICATE ONE ANOTHER OR TO BE OTHERWISE ANOMALIES, MR ASPREY SAID THE GOVERNMENT HAD TAKEN THE VIEW THAT THE RECTIFICATION OF THESE ANOMALIES, IF INDEED THEY WERE ANOMALIES, SHOULD NOT DELAY IMPLEMENTATION OF THE BILL.

"IT IS ALREADY A COMPLEX PIECE OF LEGISLATION," HE SAID, "AND CONSIDERABLE DELAY WOULD BE LIKELY IF WE WERE TO EXTEND THE EXERCISE TO ENCOMPASS A THOROUGH REVIEW OF ALL SEXUAL OFFENCES COVERED BY THE CRIMES ORDINANCE.

"WE SHALL, HOWEVER, REVIEW SEPARATELY THE POINTS RAISED BY THE AD HOC GROUP AND MENTIONED BY MRS CHOW," HE ADDED.

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CONTROL OVER CHEMICAL WASTE NOT TOO ONEROUS

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THE GOVERNMENT WILL ENSURE THAT THE EFFECT OF REGULATIONS PROPOSED UNDER THE WASTE DISPOSAL (AMENDMENT) BILL 1991 OVER THE MANAGEMENT OF CHEMICAL WASTE WILL NOT BE UNACCEPTABLY ONEROUS TO INDUSTRY, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, THE HON GRAHAM BARNES, SAID TODAY (WEDNESDAY).

MR BARNES STATED THIS WHEN WINDING UP THE DEBATE ON THE SECOND READING OF THE BILL IN THE LEGISLATIVE COUNCIL.

HE SAID: "POINTS CONCERNING THE PRACTICAL APPLICATIONS OF SOME OF THE DETAILED CONTROLS HAVE BEEN RAISED AND WE ARE NOW ADDRESSING THEM WITH A VIEW TO ENSURING THAT, WHILE MEETING OUR ENVIRONMENTAL TARGETS, THE EFFECT OF THE REGULATIONS WILL NOT BE UNACCEPTABLY ONEROUS TO INDUSTRY."

HE NOTED THAT OVER THE PAST FEW MONTHS, THE GOVERNMENT HAD HELD DISCUSSIONS WITH THE INDUSTRY OVER THE SCOPE AND THE SPECIFIC PROVISIONS OF THE PROPOSED REGULATIONS. GENERALLY, THE INTENT AND SCOPE OF THESE REGULATIONS HAVE BEEN WELCOMED.

THE AIM OF THE BILL IS TO PROVIDE FOR THE NECESSARY POWERS, INCLUDING NEW REGULATION-MAKING POWERS, TO OPERATE AN EFFECTIVE SCHEME OF CONTROL OVER THE MANAGEMENT OF CHEMICAL WASTE.

THE DETAILED CONTROLS WILL BE IMPLEMENTED PRIMARILY THROUGH REGULATIONS TO BE MADE SUBSEQUENTLY UNDER THE ORDINANCE.

MR BARNES SAID THE AMENDMENT BILL HAD NOT, IN ITSELF, DRAWN CRITICISM ALTHOUGH SOME CONCERN HAD BEEN EXPRESSED BY THE INDUSTRY ABOUT A RELATED BUT SEPARATE MATTER, NAMELY, THE PROPOSALS TO RECOVER THE COSTS OF THE CHEMICAL WASTE TREATMENT FACILITIES THROUGH A LEVY ON IMPORTED AND LOCALLY-MANUFACTURED CHEMICALS.

IN THIS CONNECTION, HE EXPLAINED THAT THE PASSAGE INTO LAW OF THE BILL WOULD NOT, NOR SHOULD PRE-EMPT, A FULL AND PROPER CONSIDERATION BY THE LEGISLATIVE COUNCIL OF OUR PROPOSED REGULATIONS FOR THE CONTROL OF CHEMICAL WASTE, AND OF THE LEGISLATION IN PARTICULAR WHICH WOULD BE NECESSARY TO GIVE EFFECT TO ANY CHARGING SCHEME FOR THE CHEMICAL WASTE TREATMENT FACILITIES.

"WE WILL NOT PROGRESS TO THAT STAGE, HOWEVER, UNTIL I AM ENTIRELY SATISFIED THAT THE AFFECTED PARTIES HAVE BEEN THOROUGHLY CONSULTED AND THEIR CONCERNS HAVE BEEN ADDRESSED," HE SAID.

THE SECRETARY ALSO POINTED OUT THAT THERE HAD BEEN GENERAL AND WIDE-RANGING SUPPORT EXPRESSED FOR THE PRINCIPLES BEHIND THIS BILL REGARDING THE NEED TO EXERCISE CONTROL OVER THE MANAGEMENT OF CHEMICAL WASTE.

"IT ALSO EMPHASISES THAT THE GOVERNMENT AND INDUSTRY MUST WORK CLOSELY TOGETHER TO ENSURE THAT THE RECENT PROGRESS MADE IN ENVIRONMENTAL PROTECTION, PARTICULARLY WITH REGARD TO AIR POLLUTION AND WATER POLLUTION, IS CONSOLIDATED AND BUILT UPON IN THE FUTURE.

"I AM OPTIMISTIC WE WILL BE ABLE TO CO-OPERATE IN THIS WAY TO THE BENEFIT OF THE COMMUNITY AT LARGE," HE SAID.

THE BILL WAS PASSED WITHOUT ANY AMENDMENTS.

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MOTION TO ADD TWO FIXED PENALTY TRAFFIC OFFENCES

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THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, TODAY (WEDNESDAY) MOVED A RESOLUTION IN THE LEGISLATIVE COUNCIL TO MAKE TWO TRAFFIC OFFENCES IN RELATION TO DRIVING ON EXPRESSWAYS PUNISHABLE BY FIXED PENALTY OF \$280.

MR LEUNG SAID THE TWO OFFENCES TO BE ADDED WERE REQUIRED ON ROAD SAFETY GROUNDS TO ENSURE PROPER LANE DISCIPLINE ON EXPRESSWAYS.

THE FIRST ONE PROHIBITS, WHERE THERE ARE THREE OR MORE LANES, THE USE OF THE EXTREME RIGHT-HAND LANE BY VEHICLES SUCH AS MEDIUM AND HEAVY GOODS VEHICLES.

THE SECOND ONE PROHIBITS OVERTAKING ON THE LEFT-HAND SIDE OF THE VEHICLE BEING OVERTAKEN.

MR LEUNG SAID IT WAS PROPOSED THAT THE TWO ITEMS, TOGETHER WITH THE ENABLING LEGISLATION, SHOULD COME INTO EFFECT ON OCTOBER 1, 1991 TO ALLOW SUFFICIENT TIME FOR PUBLICITY AND EDUCATION FOR MOTORISTS AND THE GENERAL PUBLIC.

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MOTION TO EXCLUDE MID-LEVELS BUS ROUTE OPERATOR FROM PROFIT CONTROL SCHEME

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THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, TODAY (WEDNESDAY) MOVED A MOTION IN THE LEGISLATIVE COUNCIL TO EXCLUDE THE SUCCESSFUL TENDERER FOR A FRANCHISED BUS ROUTE OPERATING BETWEEN CENTRAL AND MACDONNELL ROAD ON HONG KONG ISLAND FROM THE PROFIT CONTROL SCHEME.

IN MOVING THE RESOLUTION, MR LEUNG SAID IT WAS AIMED AT ALLOWING ALL CONTENDERS FOR THE FRANCHISED BUS ROUTE, INCLUDING EXISTING FRANCHISEES, TO COMPETE ON AN EQUAL FOOTING.

SUBJECT TO APPROVAL BY THE EXECUTIVE COUNCIL, THE FRANCHISE FOR THE ROUTE WILL BE AWARDED SHORTLY.

/MR LEUNG

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MR LEUNG EXPLAINED: "EARLY THIS YEAR, THE GOVERNOR IN COUNCIL DECIDED THAT THE MANNER IN WHICH FRANCHISED BUS ROUTES ARE AWARDED SHOULD BE CHANGED TO ALLOW FOR COMPETITIVE TENDERING.

"THE AIM IS TO PROMOTE QUALITY, EFFICIENCY AND INNOVATION IN BUS SERVICES THROUGH HEALTHY COMPETITION."

THREE COMPANIES NOW HOLD A FRANCHISE UNDER THE PUBLIC BUS SERVICES ORDINANCE. THEY ARE THE CHINA MOTOR BUS COMPANY, KOWLOON MOTOR BUS COMPANY AND NEW LANTAO BUS COMPANY.

THE FIRST TWO ARE SUBJECT TO A PROFIT CONTROL SCHEME WHILE THE LAST ONE IS NOT BECAUSE OF ITS MUCH SMALLER OPERATION.

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GOVT AWARES CHILDREN OF BRITISH CITIZENS
OF HK ORIGIN NOT GETTING PASSPORTS

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THE GOVERNMENT IS AWARE THAT SOME PEOPLE IN HONG KONG HAVE ACQUIRED BRITISH CITIZENSHIP BUT THEIR CHILDREN, OR SOME OF THEIR CHILDREN, BORN BEFORE JANUARY 1, 1983, ARE NOT GRANTED SIMILAR STATUS BECAUSE OF THE 1981 BRITISH NATIONALITY ACT.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, WHEN REPLYING TO A QUESTION BY DR THE HON LEONG CHE-HUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR ASPREY POINTED OUT THAT THE DIRECTOR OF IMMIGRATION ACTED AS THE HANDLING AGENT IN HONG KONG FOR THE UNITED KINGDOM GOVERNMENT IN MATTERS RELATING TO IMMIGRATION AND NATIONALITY.

"IF THE FAMILIES CONCERNED APPROACH THE IMMIGRATION DEPARTMENT THEY WILL BE GIVEN ADVICE AND ASSISTANCE IN APPLYING FOR THE REGISTRATION OF THEIR MINOR CHILDREN AS BRITISH CITIZENS," HE SAID.

MR ASPREY SAID THERE WERE TWO AVENUES OPEN TO THOSE CONCERNED TO APPLY FOR BRITISH CITIZENSHIP.

THE SECRETARY SAID SECTION 4 OF THE BRITISH NATIONALITY ACT 1981 REQUIRED FIVE YEARS' CONTINUOUS RESIDENCE IN THE UNITED KINGDOM; AND SECTION 3 OF THE ACT PROVIDED FOR THE CHILDREN UNDER 18 OF BRITISH CITIZENS THEMSELVES TO BE REGISTERED AS BRITISH CITIZENS AT THE DISCRETION OF THE HOME SECRETARY.

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WEDNESDAY, JULY 10, 1991

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MEDICAL AND HEALTH INFORMATION READILY AVAILABLE

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THE GOVERNMENT MAINTAINS A WHOLE RANGE OF HEALTH STATISTICS AND COST DATA ON MEDICAL AND HEALTH SERVICES WHICH ARE ACCURATE AND READILY AVAILABLE FOR THE PURPOSE OF PLANNING ON A BROAD BASIS.

THIS WAS STATED BY THE SECRETARY FOR HEALTH AND WELFARE, THE HON ELIZABETH WONG, IN A WRITTEN REPLY TO A QUESTION BY THE HON PETER WONG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MRS WONG SAID VITAL HEALTH STATISTICS SUCH AS INFANT MORTALITY RATE, LIFE EXPECTANCY, LEADING CAUSES OF DEATH, INCIDENCE OF INFECTIONS AND OTHER MAJOR DISEASES WERE COLLECTED, COMPILED AND UPDATED REGULARLY TO REFLECT THE HEALTH STATUS OF THE POPULATION AND TO COMPARE WITH INTERNATIONAL TRENDS.

APART FROM THIS, THE GOVERNMENT ALSO CONDUCTED SURVEYS AS NECESSARY TO OBTAIN ADDITIONAL INFORMATION ON SPECIFIC SUBJECTS, MRS WONG ADDED.

HOWEVER, MRS WONG SAID THE PRESENT HEALTH INFORMATION SYSTEM HAD CERTAIN LIMITATIONS.

"IT IS ACCURATE BUT CRUDE. IT IS ADEQUATE BUT NOT SUFFICIENTLY SOPHISTICATED FOR PLANNING WHERE MORE COMPREHENSIVE INFORMATION IS REQUIRED OR DESIRABLE, E.G. ON TERRITORY-WIDE DISEASE PATTERNS, ON HEALTH NEEDS OF INDIVIDUAL DISTRICTS OR SOCIO-ECONOMIC GROUPINGS AND ON THE CLINICAL HISTORY OF INDIVIDUALS.

"THE DEPARTMENT OF HEALTH IS AWARE OF THESE DEFICIENCIES; AND THE REPORT OF THE WORKING PARTY ON PRIMARY HEALTH CARE HAS POINTED OUT THESE LIMITATIONS AND SUGGESTED IMPROVEMENT MEASURES," SHE SAID.

THE REPORT WAS NOW UNDER CONSULTATION FOR VIEWS FROM THE COMMUNITY.

HAVING REGARD TO PUBLIC COMMENTS, MRS WONG SAID THE GOVERNMENT WOULD BE CONSIDERING PRACTICABLE WAYS OF IMPROVING THE PRESENT HEALTH INFORMATION SYSTEM TO FACILITATE MORE EFFICIENT PLANNING OF HEALTH CARE FACILITIES AND BETTER USE OF RESOURCES.

ON HEALTH COSTINGS, MRS WONG POINTED OUT THAT PLANS WERE NOW IN HAND TO STRENGTHEN THE HEALTH ACCOUNTING SYSTEM TO ENABLE BETTER, MORE SOPHISTICATED PLANNING.

AT PRESENT, INFORMATION ON THE EXPENDITURE OF MEDICAL AND HEALTH SERVICES WAS AVAILABLE FROM COMPUTERISED ACCOUNTING SYSTEMS.

SUCH INFORMATION INCLUDED THE COST PER BED-DAY IN DIFFERENT TYPES OF HOSPITALS, THE COST PER GENERAL OR SPECIALIST OUT-PATIENT CONSULTATION, THE COST FOR EACH DRESSING AND INJECTION AND THE COST PER VISIT BY A COMMUNITY NURSE.

/"CALCULATIONS ARE

"CALCULATIONS ARE MADE ACCORDING TO A FULL-COST PRINCIPLE, WHICH EMBRACES STAFF COSTS, DEPARTMENTAL EXPENSES, MAINTENANCE AND DEPRECIATION, ADMINISTRATIVE OVERHEADS AND OTHER OPERATING COSTS; AND AN AVERAGE-COST APPROACH," SHE EXPLAINED.

MRS WONG ADDED THAT SUCH INFORMATION WAS ACCURATE BUT DEFICIENT IN MANY RESPECTS, E.G., DATA ON COST OF SERVICES WHICH WERE PROVIDED FREE OF CHARGE WERE NOT READILY AVAILABLE AND DATA ON THE SUBVENTED SECTOR WERE LIMITED AND FRAGMENTED.

"WE CONSIDER THAT THERE IS A NEED TO IMPROVE THE FINANCIAL INFORMATION SYSTEM FOR MEDICAL AND HEALTH SERVICES," SHE SAID.

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EXTENSION OF SERVICE AFTER RETIREMENT DEPENDS ON SERVICE NEED: CS
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THE ADMINISTRATION'S POLICY ON THE CONTINUED EMPLOYMENT OF CIVIL SERVANTS BEYOND THEIR RETIREMENT AGE IS THAT FURTHER EMPLOYMENT SHOULD BE PRIMARILY SUBJECT TO SERVICE NEED, THE CHIEF SECRETARY, THE HON SIR DAVID FORD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON CHENG HON-KWAN, SIR DAVID SAID THE CONDITIONS FOR RE-EMPLOYMENT DEPENDED ON WHETHER THE OFFICER WAS SERVING UNDER THE OLD PENSION SCHEME OR THE NEW PENSION SCHEME.

"FOR OFFICERS WHO ARE UNDER THE OLD PENSION SCHEME, THE PRESENT POLICY, SUBJECT TO CERTAIN CONDITIONS BEING MET, IS TO ALLOW THEM TO BE RE-EMPLOYED IN THE SERVICE WHEN THEY REACH THE NORMAL RETIREMENT AGE, UP TO THE AGE OF 60.

"THE CONDITIONS ARE THAT AN OFFICER MUST BE PHYSICALLY FIT, FULLY EFFICIENT AND THAT HIS OR HER FURTHER EMPLOYMENT WOULD NOT CAUSE PROMOTION BLOCKAGE.

"IF AN OFFICER FULLY SATISFIES ALL THOSE CRITERIA EXCEPT THAT CONCERNING PROMOTION BLOCKAGE, HE OR SHE MAY BE RE-EMPLOYED IN A LOWER RANK OF HIS GRADE," SIR DAVID SAID.

THE CHIEF SECRETARY POINTED OUT THAT AN EXTENSION OF SERVICE BEYOND THE RETIREMENT AGE OF 60 UNDER THE NEW PENSION SCHEME WAS ALLOWED ONLY UNDER EXCEPTIONAL CIRCUMSTANCES, SUCH AS THE NEED TO RETAIN THE EXPERTISE OF AN OFFICER, OR WHERE THERE WAS SERIOUS SHORTAGE OF STAFF OR WHERE THERE WAS COMPASSIONATE CONSIDERATION IN THE CASE OF MOD I STAFF.

"THE SAME PRINCIPLE APPLIES TO THE RE-EMPLOYMENT OF OFFICERS UNDER THE OLD PENSION SCHEME BEYOND THE AGE OF 60," HE ADDED.

SIR DAVID POINTED OUT THAT THERE WERE 4,299 OFFICERS WHO SERVED UNDER THE OLD PENSION SCHEME WERE RE-EMPLOYED AS AT APRIL 1, 1989; 3,334 AND 2,680 IN THE SAME PERIOD OF 1990 AND 1991.

/HE SAID

HE SAID THAT THE NUMBER HAD BEEN DECLINING AFTER THE INTRODUCTION OF THE NEW PENSION SCHEME IN 1987 BECAUSE SERVING OFFICERS WHO WISHED TO SERVE UNTIL THE AGE OF 60 COULD ELECT TO JOIN THE NEW PENSION SCHEME.

ON THE EXTENSION OF SERVICE OF OFFICERS WHO SERVED UNDER THE NEW PENSION SCHEME, SIR DAVID SAID THERE WERE 32, 59 AND 98 OFFICERS AS AT APRIL 1, 1989, 1990 AND 1991.

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SECONDARY ONE PLACES SUFFICIENT

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THERE WILL BE SUFFICIENT SECONDARY ONE PLACES TO ACCOMMODATE ALL PRIMARY 6 PUPILS PARTICIPATING IN THE 1991 SECONDARY SCHOOL PLACES ALLOCATION ON A TERRITORY-WIDE BASIS, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON JOHN CHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON DAVID CHEUNG, MR CHAN SAID DESPITE THIS OVERALL BALANCE, THERE WERE, AS IN PAST YEARS, IMBALANCES OF SUPPLY AND DEMAND WITHIN THE 19 ADMINISTRATIVE DISTRICTS.

THE TOTAL NUMBER OF PRIMARY 6 PUPILS PARTICIPATING IN THE 1991 SECONDARY SCHOOL PLACES ALLOCATION WAS 84,273.

"THE SCHOOLS REPROVISIONING PROGRAMME WILL ADDRESS SOME OF THE MORE SERIOUS SHORTFALLS."

HOWEVER, THE SECRETARY SAID IT WAS NEITHER PRACTICAL NOR NECESSARY TO ACHIEVE A DISTRICT BY DISTRICT BALANCE BECAUSE THE REQUIREMENT FOR PLACES CHANGES AT A PACE WE COULD NOT HOPE TO MATCH WITH SCHOOL REPROVISIONING.

FOR DISTRICTS WITH AN IMMEDIATE SHORTFALL OF PLACES, MR CHAN SAID THAT THE SELECTION OF SCHOOLS AVAILABLE TO PARENTS HAD BEEN EXTENDED TO INCLUDE SCHOOLS IN NEIGHBOURING DISTRICTS OR ALONG EASILY ACCESSIBLE TRANSPORT ROUTES.

"WHERE NEW SCHOOLS ARE BEING PROVIDED, MAXIMUM OPPORTUNITY IS TAKEN TO MEET ANY SHORTFALLS BY ACCELERATING THE BUILDING PROCESS; BY OPERATING MORE JUNIOR CLASSES FOR THE INITIAL PERIOD; OR BY ADVANCING THE OPENING OF NEW SCHOOLS THROUGH THE INITIAL USE OF SHARED PREMISES," MR CHAN SAID.

SINCE THERE WERE ENOUGH SECONDARY ONE PLACES FOR ALLOCATION PURPOSES FOR THE COMING ACADEMIC YEAR, THE SECRETARY NOTED THAT THE GOVERNMENT HAD NO PLANS TO INCREASE THE NUMBER OF STUDENTS PER CLASS FROM 40 TO 45, OR TO BUY MORE PLACES FROM PRIVATE SCHOOLS IN THE COMING SCHOOL YEAR.

"AS I HAVE EXPLAINED, WE DO ADJUST THE NUMBER OF CLASSES IN SCHOOLS TO ADDRESS DISTRICT SHORTFALLS ON A TEMPORARY BASIS, WHENEVER IT IS NECESSARY AND POSSIBLE TO DO SO," HE ADDED.

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WEDNESDAY, JULY 10, 1991

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NON-REFUGEE CENTRES IN VIETNAM UNDER STUDY

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THE GOVERNMENT IS DISCUSSING WITH THE VIETNAMESE GOVERNMENT THE POSSIBLE ESTABLISHMENT OF INTERNATIONALLY MANAGED CENTRES IN VIETNAM TO ACCOMMODATE THOSE SCREENED OUT AS NON-REFUGEES.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON LAM WAI-KEUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR ASPREY SAID THE GOVERNMENT WAS CONTINUING ITS EFFORTS TO SECURE AGREEMENT TO ARRANGEMENTS FOR THE REPATRIATION OF ALL THOSE SCREENED OUT AS NON-REFUGEES.

MR LAM WAS ASKING THE MEASURES THE ADMINISTRATION WOULD TAKE TO COPE WITH AND ACCOMMODATE THE FURTHER INFLUX OF BOAT PEOPLE.

"WE PLAN TO ACCOMMODATE NEW ARRIVALS IN WHATEVER SPACE IS AVAILABLE IN EXISTING DETENTION CENTRES.

"AT THE SAME TIME, WE ARE, IN CO-OPERATION WITH UNHCR, THE VIETNAMESE GOVERNMENT AND THE INTERNATIONAL COMMUNITY GENERALLY ENDEAVOURING TO GET THE MESSAGE ACROSS TO PEOPLE IN VIETNAM THAT THERE IS NO POINT IN LEAVING VIETNAM CLANDESTINELY IN SEARCH OF A BETTER LIFE OVERSEAS," MR ASPREY ADDED.

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MINIBUS PRICING MECHANISM APPROPRIATE

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THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, TODAY (WEDNESDAY) SAID THE RED MINIBUSES (RMB'S) PROVIDED A SUPPLEMENTARY SERVICE TO THE MASS CARRIERS WHOSE VIABILITY DEPENDED ON MARKET FORCES.

IN A WRITTEN REPLY TO THE HON DAVID CHEUNG CHI-KONG'S QUESTION ON WHETHER THE GOVERNMENT HAS ANY PLAN TO EXERCISE SOME CONTROL OVER THE PRICING OF RMB'S TO PREVENT EXCESSIVE PROFITEERING, MR LEUNG SAID THE EXISTING PRICING MECHANISM OF RMB'S WAS CONSIDERED APPROPRIATE.

RMB'S OPERATE ON NON-SCHEDULED ROUTES. THEY PROVIDE A FLEXIBLE SERVICE FOR PASSENGERS WHO ARE PREPARED TO PAY HIGHER FARES IN RETURN FOR MORE CONVENIENCE AND COMFORT THAN IS GENERALLY PROVIDED BY BUSES.

THEIR VIABILITY IS SUBJECT TO MARKET FORCES AND THE COMPETITIVENESS OF INDIVIDUAL OPERATORS.

IF THEIR CHARGES ARE TOO HIGH, THEY MAY NOT BE ABLE TO ATTRACT ENOUGH CUSTOMERS, WHEREAS, IF THEIR FARES WERE PRE-DETERMINED, THIS WOULD DETRACT FROM THEIR RESPONSIVENESS TO CHANGES IN LOCAL MARKET CONDITIONS.

/MR LEUNG

MR LEUNG SAID SUBJECT TO OPERATING AREAS AND STOPPING RESTRICTIONS, THEY WERE THEREFORE ALLOWED TO UTILISE FULLY THEIR FLEXIBILITY TO OPERATE IN A MANNER SENSITIVE TO PASSENGER REQUIREMENTS.

GREEN MINIBUSES (GMB'S), HOWEVER, OPERATE ON SPECIFIED SCHEDULES ALONG DESIGNATED ROUTES. THEY PROVIDE AN ESSENTIAL SERVICE TO AREAS WHERE LARGE BUSES ARE NOT ECONOMICAL OR CONSTRAINED BY ROAD TERRAIN.

"GMB FARES ARE REGULATED AND APPROVED BY THE COMMISSIONER FOR TRANSPORT," MR LEUNG SAID.

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POLICE OFFICER CONVICTED OF PERJURY MAY FACE DISMISSAL

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A LIE GIVEN ON OATH BEFORE A COURT ON A MATTER WHICH IS MATERIAL IN THAT PROCEEDING AMOUNTS TO PERJURY, AN OFFENCE PUNISHABLE ON CONVICTION UPON INDICTMENT BY A MAXIMUM OF SEVEN YEARS IMPRISONMENT AND A FINE.

THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, INFORMED THE LEGISLATIVE COUNCIL THIS TODAY (WEDNESDAY) IN A WRITTEN REPLY TO A QUESTION BY THE HON ELSIE TU.

MRS TU WAS ASKING WHAT ACTION WOULD BE TAKEN AGAINST POLICE OFFICERS WHO WERE FOUND TO HAVE LIED ON OATH IN COURT IN THE COURSE OF CRIMINAL PROCEEDINGS.

MR ASPREY SAID WHERE THERE WAS EVIDENCE THAT ANY PERSON, INCLUDING ANY POLICE OFFICER, HAD COMMITTED PERJURY, THE MATTER WOULD BE INVESTIGATED AND THEN REFERRED TO THE ATTORNEY GENERAL WHO WOULD DECIDE WHETHER TO PROSECUTE OR NOT.

IF A POLICE OFFICER WAS CONVICTED OF PERJURY, THE COMMISSIONER OF POLICE WOULD DECIDE WHETHER OR NOT TO EXERCISE HIS POWER TO DISMISS THE OFFICER TAKING INTO CONSIDERATION THE CIRCUMSTANCES OF THE CASE, HE SAID.

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OVERTIME WORK OF GOVT DRIVERS EXPLAINED
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GOVERNMENT DRIVERS ARE REQUIRED TO WORK OVERTIME DEPENDING ON THE OPERATIONAL REQUIREMENTS OF INDIVIDUAL DEPARTMENTS, THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON PETER WONG, SIR PIERS SAID ALL GOVERNMENT OFFICERS, IRRESPECTIVE OF RANK, MIGHT USE GOVERNMENT TRANSPORT TO CARRY OUT THEIR OFFICIAL DUTIES DURING OR OUTSIDE OFFICE HOURS.

BUT AS THE DRIVERS WERE DEPLOYED TO A NUMBER OF DEPARTMENTS, A GREAT DEAL OF ADMINISTRATIVE WORK AND HENCE COSTS WOULD BE INVOLVED TO OBTAIN INFORMATION ON ALL OVERTIME ASSIGNMENTS, HE SAID.

SIR PIERS SAID INFORMATION OF OVERTIME JOURNEYS CARRIED OUT BY 55 CHAUFFEURS AND 44 MOTOR DRIVERS FOR TOP SENIOR GOVERNMENT OFFICIALS AT RANK DIRECTORATE D4 AND ABOVE FOR THE LAST 12-MONTH PERIOD (APRIL 1, 1990 - MARCH 31, 1991) WAS HOWEVER AVAILABLE.

THEY WORKED 111,370 HOURS OF OVERTIME, COSTING \$5,116,000. THE AVERAGE MONTHLY OVERTIME HOURS WORKED PER DRIVER WERE 95.44.

THE FINANCIAL SECRETARY SAID IN GENERAL, THE NATURE OF THESE OVERTIME ASSIGNMENTS CONSISTED OF HOME-TO-OFFICE RETURN JOURNEYS AND ATTENDANCE AT OFFICIAL FUNCTIONS AND/OR MEETINGS.

"IT IS NOT POSSIBLE TO PROVIDE A BREAKDOWN ON THE PRECISE LOCATION OF THE OVERTIME ASSIGNMENTS WITHOUT A CONSIDERABLE AMOUNT OF TIME, AND COSTS, BEING SPENT ON ANALYSING IN DETAIL THE RECORDS KEPT BY INDIVIDUAL DEPARTMENTS," HE SAID.

THERE ARE CURRENTLY 2,900 DRIVER GRADE STAFF IN THE GOVERNMENT SERVICE.

OF THESE, 780 ARE SPECIAL DRIVERS WHO ARE NORMALLY EMPLOYED FOR DRIVING SPECIALISED VEHICLES SUCH AS STREET WASHERS, REFUSE COLLECTION VEHICLES, HEAVY GOODS VEHICLES, ARTICULATED VEHICLES AND ROADSWEEPERS.

THE REMAINING 2,120 MOTOR DRIVERS AND CHAUFFEURS ARE DEPLOYED TO DRIVE VEHICLES RANGING FROM SMALL SALOON CARS TO COACHES.

NO IMMEDIATE INTENTION TO SET UP HK OFFICE IN PEKING
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THERE IS NO IMMEDIATE INTENTION BY THE HONG KONG GOVERNMENT TO SET UP A PERMANENT OFFICE IN PEKING.

THIS WAS STATED BY THE CHIEF SECRETARY, THE HON SIR DAVID FORD, IN A WRITTEN REPLY TO A QUESTION BY THE HON JIMMY MCGREGOR IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

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ELEVEN BILLS PASSED AS DEBATES DOMINATE LEGCO
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TWENTY-THREE LEGISLATIVE COUNCILLORS DEBATED FOR NEARLY FOUR HOURS ON THE CENTRAL PROVIDENT FUND IN THE LEGISLATIVE COUNCIL YESTERDAY (WEDNESDAY).

THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON JOHN CHAN AND THE SECRETARY FOR HEALTH AND WELFARE, THE HON ELIZABETH WONG, SPOKE ON BEHALF OF THE GOVERNMENT.

THE MOTION ON CENTRAL PROVIDENT FUND, MOVED BY THE HON TAM YIU-CHUNG, AND THE AMENDMENT MOTION TO IT, BY THE HON HENRIETTA IP WERE BOTH NOT CARRIED.

THE ORIGINAL MOTION ON THE NEW AIRPORT, MOVED BY THE HON MARTIN LEE, WAS NOT CARRIED WHILE AN AMENDMENT MOTION BY THE HON STEPHEN CHEONG WAS PASSED. THE CHIEF SECRETARY, THE HON SIR DAVID FORD, ALSO SPOKE IN THE DEBATE.

THREE OTHER MOTIONS WERE ALSO PASSED: TWO WERE MOVED BY THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG UNDER THE PUBLIC BUS SERVICES ORDINANCE AND FIXED PENALTY (CRIMINAL PROCEEDINGS) ORDINANCE RESPECTIVELY AND ONE BY THE SECRETARY FOR HEALTH AND WELFARE UNDER THE PHARMACY AND POISONS ORDINANCE.

MEANWHILE, 11 BILLS WERE PASSED BY THE COUNCIL. THE CRIMES (AMENDMENT) BILL 1991 WAS PASSED WITH AMENDMENT WHILE THE DUTIABLE COMMODITIES (AMENDMENT) BILL 1991, STAMP DUTY (AMENDMENT) (NO.3) BILL 1991, WASTE DISPOSAL (AMENDMENT) BILL 1991, DENTISTS REGISTRATION (AMENDMENT) BILL 1991, MEDICAL REGISTRATION (AMENDMENT) BILL 1991, SUPPLEMENTARY MEDICAL PROFESSIONS (AMENDMENT) (NO.2) BILL 1991, GRANTHAM SCHOLARSHIPS FUND (AMENDMENT) BILL 1991, BREWIN TRUST FUND (AMENDMENT) BILL 1991, SIR ROBERT BLACK TRUST FUND (AMENDMENT) BILL 1991 AND LI PO CHUN CHARITABLE TRUST FUND (AMENDMENT) BILL 1991 WERE PASSED WITHOUT AMENDMENT.

A PRIVATE MEMBER'S BILL- ELECTORAL PROVISIONS (PROCEDURE) REGULATIONS (AMENDMENT) BILL 1991 WAS WITHDRAWN.

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WEDNESDAY, JULY 10, 1991

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CLOSURE OF VIETNAMESE REFUGEE CAMPS AND
NEW MEASURES AT DETENTION CENTRES

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TWO OF THE THREE REMAINING VIETNAMESE REFUGEE CAMPS WILL BE CLOSED DOWN IN THE NEXT FEW MONTHS.

ANNOUNCING THIS TODAY (WEDNESDAY), THE REFUGEE COORDINATOR, MR CLINTON LEEKS ALSO GAVE DETAILS OF ADDITIONAL SECURITY MEASURES REQUIRED AT DETENTION CENTRES TO DEAL WITH THE GROWING NUMBER OF NON-REFUGEES.

THE TOTAL NUMBER OF VIETNAMESE REFUGEES HAS BEEN REDUCED TO LESS THAN 6,000, AND MR LEEKS SAID THEY NOW PRESENTED A DWINDLING PROBLEM FOR HONG KONG.

"ABOUT 3,600 REFUGEES HAVE BEEN RESETTLED FROM HONG KONG SO FAR THIS YEAR. IN ADDITION, WITH EFFECT FROM APRIL 1, VIETNAMESE ASYLUM SEEKERS WHO ARE SCREENED IN AS REFUGEES ARE TRANSFERRED TO A DEPARTURE CENTRE IN BATAAN IN THE PHILIPPINES TO AWAIT RESETTLEMENT," HE EXPLAINED.

"AT THE PRESENT RATE OF RESETTLEMENT, THE CURRENT POPULATION OF REFUGEES WILL HAVE BEEN REDUCED FURTHER TO A MUCH SMALLER NUMBER BY THE END OF THIS YEAR. THE RESETTLEMENT PORTION OF THE COMPREHENSIVE PLAN OF ACTION (CPA) HAS WORKED EXTREMELY WELL. AS AT 1 JULY 1989, WHEN THE CPA RESETTLEMENT PROGRAMME BEGAN, THERE WERE OVER 14,000 REFUGEES IN HONG KONG COMPARED TO ONLY 5,800 TODAY. IN ADDITION ALMOST 5,000 REFUGEES HAVE BEEN SCREENED IN SINCE THAT DATE. THIS HAS BEEN A VERY IMPRESSIVE RESPONSE BY THE RESETTLEMENT COUNTRIES."

REFUGEES LIVING IN THE TUEN MUN AND KAI TAK TRANSIT CENTRES ARE BEING NOTIFIED THIS WEEK THAT THEY WILL BE TRANSFERRED IN PHASES EITHER TO THE BATAAN CENTRE OR TO PILLAR POINT VIETNAMESE REFUGEE CENTRE, WHICH CAN ACCOMMODATE UP TO 5,000 PEOPLE.

TUEN MUN IS MANAGED BY THE HOUSING DEPARTMENT AND ITS EVENTUAL CLOSURE WILL RESULT IN GOVERNMENT SAVINGS OF ABOUT \$8.4 MILLION A YEAR IN OPERATING COSTS. KAI TAK IS MANAGED BY HONG KONG CHRISTIAN AID TO REFUGEES ON BEHALF OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

"WHILE THIS IS GOOD NEWS, THE SAME CANNOT BE SAID ABOUT THE PROBLEM OF NON-REFUGEES, WHOSE GROWING POPULATION HAS IMPOSED ADDITIONAL BURDENS ON THE MANAGEMENT OF THE DETENTION CENTRES," MR LEEKS SAID.

HE SAID THE ARRIVAL OF MORE THAN 13,000 VIETNAMESE SINCE THE BEGINNING OF THE YEAR HAD ALSO STRETCHED THE CAPACITIES OF THE DETENTION CENTRES, RISKING OVERCROWDING AND POSING GREATER POTENTIAL SECURITY PROBLEMS.

"THERE ARE NOW SOME 56,000 NON-REFUGEES IN THE DETENTION CENTRES, WHICH ARE VERY CROWDED, DESPITE THE OPENING OF TAI A CHAU IN FEBRUARY AND THE REOPENING OF SEK KWU CHAU LAST MONTH FOR TEMPORARY USE," HE POINTED OUT.

/"PREVIOUS MEASURES

"PREVIOUS MEASURES TO ENHANCE SECURITY WERE EFFECTIVE IN REDUCING ESCAPES FROM CENTRES, AT A TIME WHEN THERE WAS A DROP IN THE NUMBER OF ARRIVALS. NEW MEASURES ARE NOW REQUIRED TO RAISE THE LEVEL OF SECURITY IN VIEW OF THIS YEAR'S INFLUX OF VIETNAMESE, THE PRESSURES THIS HAS PUT ON MANAGEMENT AND THE PUBLIC CONCERN ABOUT THE POSSIBILITY OF ESCAPES. BETTER CONTROL AND SECURITY OF THE CENTRES IS IN THE INTERESTS OF THE VIETNAMESE POPULATION THEMSELVES AS WELL AS THE LOCAL COMMUNITY," HE ADDED.

THE DETENTION CENTRES INVOLVED ARE WHITEHEAD, HIGH ISLAND, HEI LING CHAU, CHI MA WAN, NEI KWU CHAU AND GREEN ISLAND.

THE MEASURES PROPOSED INCLUDE THE STRENGTHENING OF FENCES AND GATES AND THE UPGRADING OF LIGHTING AND EMERGENCY ELECTRICAL SUPPLIES, AT AN ESTIMATED COST OF \$75 MILLION. FUNDS FOR THESE WORKS ARE SUBJECT TO APPROVAL BY THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL.

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BEST WISHES TO HONG KONG CONTINGENT TO SPECIAL OLYMPIC GAMES
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LADY WILSON THIS (WEDNESDAY) AFTERNOON SENT HER VERY BEST WISHES FOR THE CONTINUED SUCCESS OF THE HONG KONG CONTINGENT IN THE 1991 INTERNATIONAL SUMMER SPECIAL OLYMPIC GAMES TO BE HELD NEXT WEEK IN MINNEAPOLIS, USA.

SPEAKING AT THE HONG KONG SPECIAL OLYMPICS FLAG PRESENTATION CEREMONY, SHE SAID SHE WAS CONFIDENT THAT THE HONG KONG TEAM WOULD DO EQUALLY WELL AS THEIR PREDECESSORS.

"THIS IS THE FOURTH TIME HONG KONG HAS PARTICIPATED IN THE SUMMER SPECIAL OLYMPIC GAMES," LADY WILSON SAID, "AND PAST RECORDS SHOW HOW WELL HONG KONG DID."

IN THE LAST GAMES, HONG KONG HAD WON 49 GOLD, 24 SILVER AND FIVE BRONZE MEDALS.

NOTING THAT THE 25 ATHLETES OF THE HONG KONG TEAM HAD UNDERGONE SERIOUS TRAINING FOR THE PAST TWO YEARS, SHE SAID THE TEAM HAD BEEN PREPARED WITH THE ENTHUSIASTIC ASSISTANCE OF RELATED GOVERNING BODIES OF SPORT.

SHE CONGRATULATED THE ORGANISERS, AND ALL THOSE INVOLVED IN PREPARING THE HONG KONG COMPETITORS, FOR THE EXCITING EVENT.

"PLANNING AND ARRANGING SPORTS TRAINING SESSIONS AND COMPETITIONS FOR MORE THAN 28,000 HANDICAPPED PERSONS ON A REGULAR AND YEAR ROUND BASIS IS NO MEAN FEAT.

"I AM FULL OF ADMIRATION FOR YOU, AND ALL THE PARTICIPANTS IN THESE EVENTS, FOR YOUR STAMINA AND DEDICATED HARD WORK. WHAT YOU HAVE DONE AND ARE DOING COULD NOT BE MORE WORTHWHILE," SHE SAID.

THE SPECIAL OLYMPIC GAMES, HELD EVERY FOUR YEARS, IS THE LARGEST SPORTS EVENT IN THE WORLD FOR MENTALLY HANDICAPPED PERSONS.

SOME 6,000 ATHLETES FROM 80 COUNTRIES WILL COMPETE IN VARIOUS ATHLETICS, GYMNASTICS, SWIMMING EVENTS AND BALL GAMES.

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1989 SURVEY OF WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES,
RESTAURANTS AND HOTELS

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A TOTAL OF 135,090 WHOLESALE, RETAIL AND IMPORT/EXPORT ESTABLISHMENTS, RESTAURANTS AND HOTELS/BOARDING HOUSES WERE IN OPERATION DURING THE WHOLE OR PART OF 1989, REPRESENTING AN INCREASE OF 8% OVER 1988.

THIS IS ACCORDING TO THE SUMMARY RESULTS OF THE 1989 SURVEY OF WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES, RESTAURANTS AND HOTELS RELEASED BY THE CENSUS AND STATISTICS DEPARTMENT TODAY (WEDNESDAY).

IN 1989, THESE ESTABLISHMENTS GENERATED \$1,160,272 MILLION OF SALES AND OTHER RECEIPTS; AND SPENT \$55,172 MILLION ON COMPENSATION OF EMPLOYEES, \$122,006 MILLION ON OPERATING EXPENSES AND \$932,399 MILLION ON PURCHASES OF GOODS FOR SALE.

WHEN COMPARED WITH 1988, SALES AND OTHER RECEIPTS INCREASED BY 14%, WHILE COMPENSATION OF EMPLOYEES, OPERATING EXPENSES, AND PURCHASES OF GOODS FOR SALE ROSE BY 23%, 28% AND 11% RESPECTIVELY.

ALL VALUE FIGURES ARE EXPRESSED IN CURRENT PRICE TERMS. PERCENTAGE CHANGES DERIVED FROM THESE FIGURES HAVE NOT BEEN ADJUSTED FOR PRICE INCREASES.

THE SECTOR'S VALUE ADDED GREW BY 16% TO \$120,610 MILLION IN 1989 FROM \$104,359 MILLION IN 1988. VALUE ADDED IS A MEASURE OF THE CONTRIBUTION OF AN ECONOMIC SECTOR TO HONG KONG'S GROSS DOMESTIC PRODUCT.

ANALYSED BY ECONOMIC ACTIVITY, THE IMPORT/EXPORT TRADE HAD THE LARGEST SHARE OF SALES AND OTHER RECEIPTS, AT \$869,796 MILLION OR 75% OF THE SECTOR TOTAL.

RETAIL TRADE ACCOUNTED FOR 12%, WHILE WHOLESALE TRADE TOOK UP 9%, RESTAURANTS 3% AND HOTELS/BOARDING HOUSES 1%.

IN 1989, THE IMPORT/EXPORT TRADE ALSO RECORDED THE LARGEST SHARE (60%) OF TOTAL VALUE ADDED IN THE SECTOR. THE REST WAS CONTRIBUTED BY RETAIL TRADE (16%), RESTAURANTS (12%), WHOLESALE TRADE (6%) AND HOTELS/BOARDING HOUSES (6%).

WHEN COMPARED WITH 1988, RESTAURANTS SHOWED THE LARGEST PERCENTAGE INCREASE IN SALES AND OTHER RECEIPTS (+20%), FOLLOWED BY HOTELS/BOARDING HOUSES (+17%), WHOLESALE TRADE (+14%), IMPORT/EXPORT TRADE (+14%) AND RETAIL TRADE (+10%).

IN TERMS OF VALUE ADDED, RESTAURANTS RECORDED THE LARGEST PERCENTAGE INCREASE (+28%), FOLLOWED BY IMPORT/EXPORT TRADE (+15%), WHOLESALE TRADE (+14%), HOTELS/BOARDING HOUSES (+12%) AND RETAIL TRADE (+11%).

THE 1989 SURVEY WAS ONE IN A SERIES OF ANNUAL SURVEYS CONDUCTED FOR THE PURPOSE OF OBTAINING UP-TO-DATE INFORMATION ON THE STRUCTURE AND OPERATING CHARACTERISTICS OF THE WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES, RESTAURANTS AND HOTELS SECTOR, AND ON THE SECTOR'S CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT OF HONG KONG.

DATA COLLECTED IN THE SURVEY INCLUDED TYPE OF OWNERSHIP, FLOOR AREA, NUMBER OF PERSONS ENGAGED, NUMBER OF EMPLOYEES, COMPENSATION OF EMPLOYEES, OPERATING EXPENSES, PURCHASES OF GOODS FOR SALE, STOCKS, SALES AND OTHER RECEIPTS, AND ACQUISITION AND DISPOSAL OF FIXED ASSETS.

DESCRIPTIONS OF THE BACKGROUND AND METHODOLOGY OF THE SURVEY, TOGETHER WITH TABLES SHOWING THE PRINCIPAL STATISTICS FOR ALL ESTABLISHMENTS CLASSIFIED BY ACTIVITY/MAJOR GROUP AND ANALYSED BY VARIOUS ECONOMIC VARIABLES, ARE INCLUDED IN THE "1989 SURVEY OF WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES, RESTAURANTS AND HOTELS" REPORT. THIS REPORT WILL BE ON SALE NEXT MONTH AT THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GPO BUILDING, CONNAUGHT PLACE, CENTRAL; AND THE PUBLICATIONS SALES COUNTER OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER I, 12 HARBOUR ROAD, WAN CHAI.

ENQUIRIES ABOUT THE SURVEY MAY BE DIRECTED TO THE WHOLESALE/RETAIL TRADE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (TEL. NO. : 802 1248).

Comparison of Selected Principal Statistics for all establishments in
the Wholesale, Retail and Import/Export Trades, Restaurants and Hotels Sector between 1989 and 1988

Activity		Number of establish- ments	Number of persons engaged	Number of employees	Compensa- tions of employees	Operating expenses	Purchases of goods for sale	Changes in stocks	Sales and other receipts	Value added
					\$ Mn.	\$ Mn.	\$ Mn.	\$ Mn.	\$ Mn.	\$ Mn.
Wholesale trade	1989	16 103	70 899	53 462	3,579	7,064	86,643	534	99,942	7,043
	1988	14 917	68 229	51 359	3,029	5,530	76,966	1,166	87,363	6,199
	% change	+8	+4	+4	+18	+28	+13	-54	+14	+14
Retail trade	1989	51 102	192 358	134 032	9,209	17,779	107,170	3,187	140,587	19,393
	1988	51 233	190 145	129 690	7,806	14,506	99,191	3,298	127,596	17,463
	% change	#	+1	+3	+18	+23	+8	-3	+10	+11
Import/export trade	1989	58 507	328 513	287 386	28,537	83,893	722,383	6,731	869,796	72,499
	1988	50 195	295 141	264 007	23,293	64,557	648,963	11,939	762,401	63,032
	% change	+17	+11	+9	+23	+30	+11	-44	+14	+15
Restaurants	1989	7 835	177 959	167 959	11,018	8,789	15,108	32	38,749	15,016
	1988	7 654	168 768	159 359	8,774	7,404	13,251	47	32,272	11,719
	% change	+2	+5	+5	+26	+19	+14	-32	+20	+28
Hotels/ boarding houses	1989	1 543	36 233	34 904	2,830	4,482	1,094	13	11,199	6,659
	1988	1 369	31 058	29 777	2,056	3,217	961	13	9,599	5,947
	% change	+13	+17	+17	+38	+39	+14	+2	+17	+12
Total	1989	135 090	805 962	677 743	55,172	122,006	932,399	10,497	1,160,272	120,610
	1988	125 367	753 341	634 192	44,958	95,213	839,333	16,464	1,019,230	104,359
	% change	+8	+7	+7	+23	+28	+11	-36	+14	+16

Notes : (1) Individual items may not add up to the corresponding total due to rounding.

(2) Value added is a measure of the contribution of an economic sector to Hong Kong's Gross Domestic Product.

(3) Figures denoting changes are derived from unrounded figures.

(4) # denotes changes within $\pm 0.5\%$.

LOWERING OF SHARK WARNING FLAGS AT FOUR NT BEACHES

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SHARK WARNING FLAGS WILL BE LOWERED TOMORROW (THURSDAY) AT FOUR BEACHES IN THE NEW TERRITORIES UNDER THE MANAGEMENT OF THE REGIONAL COUNCIL.

THEY ARE CLEARWATER BAY FIRST AND SECOND BEACHES IN SAI KUNG AND HUNG SHING YEH AND LO SO SHING AT LAMMA ISLAND.

FLAGS WILL STILL BE HOISTED AT SILVERSTRAND, HAP MUN, KIU TSUI, TRIO, CAMPERS' AND PAK SHA CHAU BEACHES.

A SPOKESMAN FOR THE REGIONAL SERVICES DEPARTMENT SAID TODAY THE LAST SHARK SIGHTING WITHIN PORT SHELTER IN SAI KUNG WAS MADE ON JUNE 20 AND A SHARK WAS REPORTED TO HAVE BEEN CAUGHT IN THE AREA ON JUNE 24.

ALTHOUGH THERE WERE FURTHER REPORTS OF SHARK SIGHTING TO THE SOUTH OF HONG KONG ISLAND, SOME TIME HAS ELAPSED SINCE THEN AND IT IS CONSIDERED THAT IT IS NOW REASONABLY SAFE TO LOWER THE FLAGS IN THE ABOVE BEACHES.

NEVERTHELESS, PRECAUTIONARY MEASURES WILL BE TAKEN TO ENSURE THE SAFETY OF SWIMMERS. THERE WILL BE MORE FREQUENT PATROLS BY LIFEGUARDS ON CATAMARANS, AND MORE DEPLOYMENT OF LIFEGUARDS ON THE BEACHES WHERE FLAGS ARE LOWERED.

SHOULD THERE BE NO FURTHER INCIDENT, CONSIDERATION WILL BE GIVEN TO LOWERING THE FLAGS AT THE OTHER SIX NT BEACHES.

THE SPOKESMAN REMINDED SWIMMERS THAT THEY SHOULD CONTINUE TO HEED ANY ADVICE BY LIFEGUARDS.

THERE WILL CONTINUE TO BE CLOSE SURVEILLANCE OF THE BEACH WATERS AND MONITORING OF ANY SIGHTINGS ELSEWHERE.

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REMINDER ON DEADLINE FOR RETURNING SURVEY QUESTIONNAIRES

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THE CENSUS AND STATISTICS DEPARTMENT TODAY (WEDNESDAY) REMINDED CONCERNED ESTABLISHMENTS THAT THE CLOSING DATE IS DRAWING NEAR FOR THE RETURN OF A NUMBER OF SURVEY QUESTIONNAIRES IN RESPECT OF 1990.

THEY ARE:

- * THE SURVEY OF INDUSTRIAL PRODUCTION;
- * THE SURVEY OF WHOLESALE AND RETAIL TRADES, RESTAURANTS AND HOTELS;

- * THE SURVEY OF BUILDING, CONSTRUCTION AND REAL ESTATE SECTORS;
- * THE SURVEY OF TRANSPORT AND RELATED SERVICES; AND
- * THE SURVEY OF STORAGE, COMMUNICATION, FINANCING, INSURANCE AND BUSINESS SERVICES.

THESE SURVEYS ARE CONDUCTED ANNUALLY BY THE CENSUS AND STATISTICS DEPARTMENT TO COLLECT UP-TO-DATE INFORMATION ON THE STRUCTURE AND PERFORMANCE OF THESE ECONOMIC ACTIVITIES, AND TO EVALUATE THEIR CONTRIBUTIONS TO THE GROSS DOMESTIC PRODUCT OF HONG KONG.

RESULTS OF THE SURVEYS WILL BE USEFUL TO BOTH THE GOVERNMENT AND THE PRIVATE SECTOR IN FORMULATING POLICIES AND MAKING DECISIONS.

QUESTIONNAIRES WERE MAILED IN APRIL - MAY 1991 TO ABOUT 25,000 ESTABLISHMENTS SAMPLED FOR THE 1990 SURVEYS. THE ESTABLISHMENTS CONCERNED ARE LEGALLY REQUIRED TO RETURN THE COMPLETED QUESTIONNAIRES TO THE DEPARTMENT BY JULY 31 THIS YEAR.

THE COMMISSIONER FOR CENSUS AND STATISTICS APPEALS TO THE MANAGERMENTS OF THE SAMPLED ESTABLISHMENTS TO RETURN THE COMPLETED QUESTIONNAIRES WITHOUT DELAY. THOSE WHO FAIL TO DO SO MAY BE COMMITTING AN OFFENCE.

EACH QUESTIONNAIRE OF THESE ANNUAL ECONOMIC SURVEYS HAS BEEN SO DESIGNED THAT RESPONDENTS MAY COMPLETE IT THEMSELVES. IF NECESSARY, OFFICERS OF THE CENSUS AND STATISTICS DEPARTMENT, WHO CARRY A GOVERNMENT IDENTITY CARD AND A CERTIFICATE FOR CONDUCTING THE RESPECTIVE SURVEYS, CAN VISIT THE ESTABLISHMENTS CONCERNED TO ASSIST THEM IN COMPLETING THE QUESTIONNAIRES.

THE COMMISSIONER POINTED OUT THAT AUDITED ACCOUNTS ARE NOT ESSENTIAL FOR PROVIDING INFORMATION RELATING TO INCOME AND EXPENDITURE IN THESE ANNUAL ECONOMIC SURVEYS.

THE DEPARTMENT ACCEPTS FIGURES BASED ON PRELIMINARY ACCOUNTS OR ESTIMATES WHICH ARE CORRECT TO THE BEST OF THE RESPONDENTS' KNOWLEDGE AT THE TIME OF SUBMITTING THE QUESTIONNAIRES.

THE ESTABLISHMENTS CONCERNED THEREFORE NEED NOT WAIT FOR THEIR AUDITED ACCOUNTS IN ORDER TO COMPLETE THEIR QUESTIONNAIRES.

HE ALSO STRESSED THAT INFORMATION RELATING TO INDIVIDUAL ESTABLISHMENTS WILL BE TREATED IN STRICT CONFIDENCE UNDER THE PROVISION OF THE CENSUS AND STATISTICS ORDINANCE, AND THAT ONLY AGGREGATE INFORMATION WHICH DOES NOT REVEAL DETAILS OF INDIVIDUAL ESTABLISHMENTS WILL BE RELEASED.

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FC MEETING ON FRIDAY

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THE FINANCE COMMITTEE WILL HOLD A MEETING ON FRIDAY (JULY 12) IN THE LEGISLATIVE COUNCIL CHAMBER, BEGINNING AT 2.30 PM.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE COMMITTEE'S PROCEEDINGS FROM THE CHAMBER'S PUBLIC GALLERIES AND THEY MAY MAKE RESERVATIONS BY TELEPHONING 844 0899.

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SCHEME HELPS STUDENTS DEVELOP READING HABIT

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THE PRIMARY 5-6 READING AWARD SCHEME HELPS STUDENTS TO DEVELOP READING HABITS AND CULTIVATE A GENUINE INTEREST TOWARDS BOOKS, THE ACTING CHIEF INSPECTOR OF SCHOOLS, MR HO CHE-LEUNG, SAID TODAY (WEDNESDAY).

MR HO WAS OFFICIATING AT THE PRIZE-GIVING CEREMONY OF THIS YEAR'S READING AWARD SCHEME.

HE ALSO SAID: "DEVELOPING GOOD READING HABITS IS EXTREMELY IMPORTANT AND, IN FACT, IS THE KEY TO FURTHER EDUCATION AND KNOWLEDGE."

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THREE GOVT LOTS TO LET BY TENDER

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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT TERM TENANCY OF THREE LAND LOTS IN KOWLOON.

TWO LOTS, MEASURING ABOUT 3,970 AND 1,320 SQUARE METRES RESPECTIVELY, ARE NEAR FUNG SHING STREET, NGAU CHI WAN. THEY ARE DESIGNATED FOR OPEN STORAGE, EXCLUDING STORAGE OF CONTAINERS.

THE OTHER LOT IS A 730-SQUARE-METRE SITE AT TSUI PING ROAD, KWUN TONG, FOR THE STORAGE OF UNLICENSED NEW MOTOR VEHICLES AND/OR FOR THE PARKING OF LICENSED MOTOR VEHICLES, EXCLUDING CONTAINER LORRIES AND OTHER ARTICULATED VEHICLES.

THE TENANCY FOR THE LOTS IS FOR TWO YEARS, RENEWABLE QUARTERLY AFTERWARDS.

THE DEADLINE FOR SUBMISSION OF TENDERS IS NOON ON JULY 26.

FORMS OF TENDER, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM AND TENDER PLANS INSPECTED AT THE KOWLOON EAST DISTRICT LANDS OFFICE, AND THE BUILDINGS AND LANDS DEPARTMENT AT 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG.

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WEDNESDAY, JULY 10, 1991

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	DATE ----	\$ MILLION -----
CLOSING BALANCE IN THE ACCOUNT ON	9.7.91	480
EFFECT OF FORWARDS TO BE SETTLED ON	10.7.91	-367
EFFECT OF OPERATIONS THIS MORNING		+367
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 114.3 *+0.1* 10.7.91

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

	10.7.91	9.7.91
MATURING IN 1 WEEK	6.13 PCT	6.27 PCT
1 MONTH	6.16 PCT	6.31 PCT
3 MONTHS	6.37 PCT	6.44 PCT
6 MONTHS	6.38 PCT	6.45 PCT
12 MONTHS	6.64 PCT	6.80 PCT
TOTAL BILLS TRANSFERRED	4,749 MN	2,761 MN

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