



DAILY INFORMATION BULLETIN

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TRANSCRIPT OF GOVERNOR'S MEDIA SESSION

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THE FOLLOWING IS THE TRANSCRIPT OF THE MEDIA SESSION BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, AFTER HIS VISIT TO THE PRINTING AND GOVERNMENT SUPPLIES DEPARTMENTS THIS (WEDNESDAY) AFTERNOON:-

GOVERNOR: WELCOME TO THE GOVERNMENT SUPPLIES DEPARTMENT. I BET IT'S THE FIRST TIME ANY OF YOU'VE COME TO THE GOVERNMENT SUPPLIES DEPARTMENT. MY FIRST TIME AS WELL. JUST AS I'VE BEEN VISITING DISTRICTS REGULARLY, I'VE ALSO HAD A STUDY PROGRAMME OF VISITS TO GOVERNMENT DEPARTMENTS AND I AM VERY PLEASED TODAY TO HAVE THE OPPORTUNITY OF VISITING THE GOVERNMENT PRINTERS AND THE GOVERNMENT SUPPLIES DEPARTMENT WITH THE SECRETARY FOR THE CIVIL SERVICE. THEY BOTH DO AN EXCELLENT JOB. I OBVIOUSLY KNOW A GOOD DEAL ABOUT THE GOVERNMENT PRINTERS BECAUSE THEY DO THINGS LIKE LOOK AFTER MY ANNUAL SPEECH TO THE LEGISLATIVE COUNCIL. BUT I'VE BEEN DELIGHTED AS WELL TO SEE THE WORK OF THE GOVERNMENT SUPPLIES DEPARTMENT. BOTH OF THEM DO A VERY COMPETENT AND PROFESSIONAL JOB. BOTH OF THEM APPLY THE BEST COMMERCIAL PRINCIPLES TO SPENDING THE TAXPAYERS' MONEY IN THE MOST IMAGINATIVE AND EFFECTIVE WAY. THANKS TO GOOD MANAGEMENT PRACTICE IN THE GOVERNMENT SUPPLIES DEPARTMENT. WE'VE BEEN GETTING MUCH BETTER VALUE FOR MONEY OVER THE LAST FEW YEARS. AND I AM VERY PLEASED TO HAVE MET THE EXCELLENT STAFF WHO ARE DOING A VERY GOOD JOB FOR THE WHOLE COMMUNITY AND FOR THE PEOPLE OF HONG KONG AS WELL AS DOING A VERY GOOD JOB FOR THE DEPARTMENTS FOR WHICH THEY WORK. THANK YOU VERY MUCH.

QUESTION: SINO-BRITISH RELATIONSHIP GOING BACK ON A CO-OPERATIVE ATTITUDE RECENTLY?

GOVERNOR: I VERY MUCH HOPE THAT WE WILL SEE AN INCREASINGLY GOOD AND CO-OPERATIVE RELATIONSHIP WITH CHINA. IT'S OBVIOUSLY IN THE INTEREST OF HONG KONG. I WELCOME SOME OF THE REMARKS THAT DIRECTOR LU PING MADE IN AN INTERVIEW WITH THE ASIAN WALL STREET JOURNAL THIS MORNING WHICH I THOUGHT, WERE POSITIVE AND CONSTRUCTIVE. AND I VERY MUCH HOPE THAT BOTH OF US WILL BE ABLE TO SEE THE WORDS WE'VE USED ABOUT CO-OPERATION TURN INTO REAL PRACTICAL SUCCESSES IN THE WORK OF THE JOINT LIAISON GROUP AND ELSEWHERE TOO. I THINK THAT PEOPLE IN HONG KONG WANT TO SEE ACTIONS AS WELL AS HEAR WORDS AND THAT'S A LESSON FOR ALL OF US.

QUESTION: SO, YOU EXPECT THAT THE TALKS ON FRIDAY WILL HAVE SOME BREAKTHROUGH?

GOVERNOR: WE'VE BEEN HAVING TALKS ABOUT THE AIRPORT LITERALLY FOR YEARS AND SOMETIMES, SPIRITS RISE AND SOMETIMES, SPIRITS FALL LIKE THE TIDES. I VERY MUCH HOPE THAT WE CAN SEE A DECISIVE BREAKTHROUGH. EVERYBODY WOULD LIKE TO SEE THAT. WE'D, OF COURSE, BE GETTING ON WITH THE JOB OF BUILDING THE AIRPORT AND WE'VE BEEN DOING IT VERY EFFECTIVELY, VERY COST-EFFECTIVELY AND PRETTY FAST. BUT WE'D BE ABLE TO DO AN EVEN BETTER JOB, WE'D BE ABLE TO WORK EVEN FASTER IF WE HAD AN OVERALL FINANCING AGREEMENT. WE'VE BEEN ABLE TO MAKE PROGRESS SO FAR BECAUSE THE LEGISLATIVE COUNCIL HAVE VERY SENSIBLY VOTED THE FUNDS THAT WE NEED FOR THE PROJECT. BUT I THINK LEGISLATORS THEMSELVES WOULD LIKE TO SEE AN OVERALL AGREEMENT BETWEEN BRITAIN AND CHINA IN THE INTEREST OF HONG KONG. AND THAT'S WHAT I HOPE WE'LL GET ON FRIDAY BUT I CERTAINLY DON'T THINK THAT ANY OF US SHOULD COUNT OUR CHICKENS BEFORE THEY ARE HATCHED, NOT THE CHICKENS USED RUNWAY.

/QUESTION:

QUESTION: MR PATTEN, CAN YOU CONFIRM THE PRESS REPORT THAT THE GOVERNOR-IN-COUNCIL HAS ALREADY RULED OUT THE SETTING UP OF A HUMAN RIGHTS COMMISSION?

GOVERNOR: NO, THERE WAS A PRESS REPORT THIS MORNING WHICH SAID THAT THE EXECUTIVE COUNCIL HAD DISCUSSED A HUMAN RIGHTS COMMISSION YESTERDAY AND IT'S COMPLETELY UNTRUE. WHEN ENQUIRIES WERE MADE OF YESTERDAY ABOUT WHETHER EXCO HAD DISCUSSED A HUMAN RIGHTS COMMISSION, WE TOLD THOSE MAKING THE ENQUIRIES THAT NO SUCH DISCUSSIONS HAD TAKEN PLACE. THEREFORE, WE CAN'T BE BLAMED, IF DESPITE THOSE UNQUALIFIED ASSURANCES, A REPORT WAS STILL WRITTEN. BUT, I REPEAT, THERE WAS NO DISCUSSION WHATSOEVER ABOUT A HUMAN RIGHTS COMMISSION AT EXCO YESTERDAY THOUGH THERE WERE LOTS OF DISCUSSIONS ABOUT OTHER MATTERS.

QUESTION: MR PATTEN, DO YOU THINK MRS ANSON CHAN IS A QUALIFIED PERSON TO BE THE CHIEF EXECUTIVE WHEN THE SAR IS ESTABLISHED?

GOVERNOR: LET ME DEAL WITH, FIRST OF ALL, WHAT PROMPTS YOUR QUESTION AND THEN SET OUT FOR YOU MY ADMIRATION AND, I THINK, THE COMMUNITY'S ADMIRATION FOR THE EXCELLENT LEADERSHIP WHICH ANSON CHAN HAS BEEN GIVING AS CHIEF SECRETARY. AGAIN, THERE IS A REPORT IN ONE OF THE NEWSPAPERS THIS MORNING THAT MR GOODLAD IS GOING TO HAVE ON HIS AGENDA WHEN HE GOES TO PEKING, THE SUGGESTION THAT THE CHINESE SHOULD ACCEPT MRS CHAN AS THE CHIEF EXECUTIVE OF THE SAR. I WANT TO MAKE IT CLEAR THAT STORY ISN'T JUST SLIGHTLY UNTRUE OR MOSTLY UNTRUE. IT'S ABSOLUTELY, COMPLETELY AND WHOLLY UNTRUE. I HOPE I'VE MADE THAT REASONABLY CLEAR. IT IS A FIGMENT OF THE IMAGINATION OF WHOEVER WROTE IT WHICH IS NOT TO SAY THAT WE DON'T HAVE THE VERY HIGHEST REGARD FOR MRS CHAN'S ABILITIES. I THINK THAT FOR EXAMPLE, THE PUBLIC OPINION RATINGS SHOW THAT THE WHOLE COMMUNITY HAS WARMTH TO HER DECISIVE, STRAIGHT-FORWARD, HONEST, COMPETENT STYLE OF LEADERSHIP. SHE'S BEEN ABSOLUTELY TIP-TOP AND ANY JOB SHE DID, SHE WOULD DO OUTSTANDINGLY WELL. BUT MR GOODLAD HAS A LOT OF THINGS TO TALK ABOUT WHEN HE GOES TO PEKING AND THE APPOINTMENT OF THE CHIEF EXECUTIVE OF THE SAR IS NOT, REPEAT, NOT, UNDERLINE NOT, UNDERLINE NOT THREE TIMES, ONE OF THEM. IS THAT REASONABLY CLEAR?

QUESTION: BUT WILL THE BRITISH GOVERNMENT MAKE A SUGGESTION TO THE CHINESE GOVERNMENT THAT THE APPOINTMENT OF CANDIDATE OF THE CHIEF EXECUTIVE?

GOVERNOR: WE HAVEN'T EVEN CONSIDERED THAT SO I DON'T KNOW WHERE THE STORY CAN HAVE COME FROM.

QUESTION: TO WHAT EXTENT DO YOU THINK THAT MR GOODLAD'S VISIT CAN TURN A NEW PAGE TO THE SINO-BRITISH RELATIONSHIP BECAUSE MRS ANSON CHAN JUST MENTIONED THAT SHE WANTED TO START THE DIALOGUE WITH THE CHINESE OFFICIALS ON THE TRANSITION OF CIVIL SERVANTS?

/GOVERNOR:

GOVERNOR: WELL, WE'VE WANTED TO DO THAT AS THE SECRETARY FOR THE CIVIL SERVICE WHO IS WITH ME TODAY WOULD CONFIRM FOR A VERY LONG TIME. WHEN I WENT TO PEKING IN THE AUTUMN OF 1992, I MADE THAT PROPOSAL TO DIRECTOR LU. IT'S A PROPOSAL WHICH I'VE MADE ON A NUMBER OF SUBSEQUENT OCCASIONS, IN LETTERS THAT I'VE WRITTEN TO DIRECTOR LU. I THINK THAT THE DIRECTOR OF THE HONG KONG AND MACAU AFFAIRS OFFICE AND HIS MORE INFORMED COLLEAGUES KNOW THAT THE QUALITY OF THE CIVIL SERVICE IS ONE OF THE REASONS FOR HONG KONG'S SPECTACULAR SUCCESS. AND THEREFORE I THINK SENSIBLE CHINESE OFFICIALS WANT TO SEE AS MUCH ASSURANCE AND RE-ASSURANCE GIVEN TO THE HONG KONG CIVIL SERVICE AS POSSIBLE, AND THEY WANT TO SEE AS SMOOTH A TRANSITION OF THE HONG KONG CIVIL SERVICE AS POSSIBLE. AND IN MY JUDGMENT, AND IN ANSON CHAN'S JUDGMENT, AND IN MICHAEL SZE'S JUDGMENT, THAT INVOLVES TALKING BETWEEN THE HONG KONG GOVERNMENT AND THE CHINESE OFFICIALS ABOUT THE CIVIL SERVICE AND ABOUT INDIVIDUALS WITHIN THE CIVIL SERVICE. SO I VERY MUCH HOPE THAT WE CAN HAVE THAT DIALOGUE. I DON'T THINK THERE'S ANYBODY IN HONG KONG, WHATEVER THEIR POLITICAL VIEW IS, WHO DOESN'T THINK THAT WOULD BE SENSIBLE.

QUESTION: SINCE OUR RELATIONSHIP IS GETTING BETTER, SO IS THERE ANY POSSIBILITIES THAT YOU ARE GOING TO MEET DIRECTOR LU PING?

GOVERNOR: I WILL MEET DIRECTOR LU PING WHENEVER HE HAS TIME IN HIS DOUBTLESS BUSY DIARY. I'M HAPPY TO SEE HIM AT ANY TIME, ANY PLACE, ANYWHERE, AND DISCUSS ANY AGENDA THAT HE WOULD LIKE TO PUT FORWARD.

QUESTION: WILL MRS CHAN IN THE NEAR FUTURE VISIT CHINA?

GOVERNOR: THERE AREN'T ANY PLANS FOR MRS CHAN TO VISIT CHINA. THERE ARE, AS I THINK YOU KNOW, PLANS FOR ONE OR TWO OF OUR SENIOR CIVIL SERVANTS TO VISIT CHINA AS GUESTS OF THE PRC BUT THERE ARE NO PLANS AT THE MOMENT FOR EITHER THE CHIEF SECRETARY OR ME TO VISIT CHINA. WE'LL LET YOU KNOW WHEN THERE ARE, OF COURSE YOU MAY FIND OUT BEFORE WE DO.

QUESTION: MR PATTEN, CAN YOU COMMENT ON THE CRITICISM ON THE ACCESS TO INFORMATION CODE OF PRACTICE, IS IT GOING TO CHANGE THE STRUCTURE OF THE EXECUTIVE-LED GOVERNMENT?

GOVERNOR: NO, I TAKE THE VIEW THAT MORE OPEN GOVERNMENT AND MORE ACCOUNTABLE GOVERNMENT IS BETTER GOVERNMENT, AND I THINK THAT IS THE VIEW TAKEN TO A GREAT EXTENT WITHIN THE CIVIL SERVICE ITSELF. YOU ONLY HAVE TO LOOK AT SOME OF THE REMARKS MADE BY THE CIVIL SERVICE UNIONS ABOUT OUR PROPOSALS. CIVIL SERVICE UNIONS AND CIVIL SERVANTS IN GENERAL HAVE DONE A VERY GOOD JOB IN IMPLEMENTING THE PERFORMANCE PLEDGES WHICH WE'VE STARTED IN THE AUTUMN OF 1992. I SEE OUR PROPOSALS ON MORE OPEN GOVERNMENT AS A DEVELOPMENT OF THAT PROCESS. AS YOU KNOW, WE'VE TAKEN THE VIEW THAT IT'S IMPORTANT FOR THE QUALITY OF GOVERNMENT AND FOR THE COMPETENCE WITH WHICH THE GOVERNMENT IS ABLE TO DO THINGS. THAT'S TO TAKE ONE STEP AT A TIME. THE STEP WE'VE PROPOSED OF HAVING A CODE OF PRACTICE IS A VERY SUBSTANTIAL STEP. WE'LL SHORTLY BE ANNOUNCING THE NAME OF THE CONSULTANT WHO WILL HELP US, ALONG WITH LEGISLATORS, DRAWING UP THE TERMS OF THAT CODE OF PRACTICE. THAT'S THE RIGHT WAY TO PROCEED. WE'VE BEEN ATTACKED BY SOME PEOPLE FOR NOT GOING FAR ENOUGH. I THINK WE'VE WON A VERY GOOD CASE IN RELATION TO THEM. WE'VE BEEN CRITICISED BY OTHERS FOR GOING TOO FAR. I THINK WE'VE GOT IT ABOUT RIGHT. AND I THINK PEOPLE IN HONG KONG WANT THEIR GOVERNMENT TO BE AS OPEN WITH THEM AS POSSIBLE. ONE MORE QUESTION.

/QUESTION:

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QUESTION: THE PWC HAS LASHED OUT AT THE CHANGES TO THE PUBLIC ORDERS ORDINANCE, HOW WOULD YOU REACT TO THAT?

GOVERNOR: I SUGGESTED THAT THEY READ WHAT IS PROPOSED IN THE ORDINANCE. AND I SUGGESTED THAT IF THEY HAVE ANY CRITICISMS, DEALT WITH THROUGH THEIR USUAL CHANNELS. I THINK THAT IT WOULD BE HELPFUL IF WE'RE SERIOUS AS WE ARE ABOUT ESTABLISHING A CONSTRUCTIVE DIALOGUE, IF WE WEREN'T CONTINUALLY READING ABOUT PEOPLE LASHING OUT OR SALVAGING THIS OR THAT GOVERNMENT PROPOSAL. THIS GOVERNMENT HAS DONE A VERY GOOD JOB OVER THE DECADES IN WORKING WITH THE PEOPLE OF HONG KONG AND FOR THE PEOPLE OF HONG KONG, AND I THINK THAT PEOPLE SHOULD OCCASIONALLY, PARTICULARLY WHEN THEY WERE IN THE PAST SOME OF THEM HAD BEEN ASSOCIATED WITH THE HONG KONG GOVERNMENT, RECOGNISE THAT.

QUESTION: SO, DO YOU THINK THE CHANGES ARE AGAINST THE SPIRIT OF THE JOINT DECLARATION AND THE BASIC LAW?

GOVERNOR: CERTAINLY NOT. THEY'RE WITHIN THE SPIRITS OF THE JOINT DECLARATION AND THE BASIC LAW, AND THEY ARE OF COURSE A RECOGNITION OF THE PROVISIONS OF THE BILL OF RIGHTS. THEY'VE BEEN PROPOSED WITH THE WHOLE-HEARTED ENDORSEMENT OF THE ROYAL HONG KONG POLICE FORCE. THANK YOU VERY MUCH.

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GOVERNOR VISITS TWO DEPARTMENTS

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (WEDNESDAY) VISITED THE GOVERNMENT PRINTING DEPARTMENT AND THE GOVERNMENT SUPPLIES DEPARTMENT TO UPDATE HIMSELF ON THEIR OPERATIONS.

ACCOMPANIED BY THE SECRETARY FOR THE CIVIL SERVICE, MR MICHAEL SZE, MR PATTEN FIRST CALLED AT THE PRINTING DEPARTMENT WHERE HE WAS TAKEN ON A GUIDED TOUR BY THE GOVERNMENT PRINTER, MR HARRIS MYERS.

ESTABLISHED IN 1952, THE DEPARTMENT IS RESPONSIBLE FOR THE PRODUCTION OF ALL PRINTING AND CONVERTED PAPER STATIONERY REQUIRED BY THE GOVERNMENT.

MR MYERS TOLD THE GOVERNOR THAT THE DEPARTMENT WAS AN INDUSTRY LEADER IN COMPUTER-AIDED BILINGUAL TYPESETTING IN CHINESE AND ENGLISH.

MOREOVER, IT IS TASKED TO PRODUCE PUBLICITY MATERIALS AND A LARGE NUMBER OF SECURITY DOCUMENTS INCLUDING A SPECIALLY DESIGNED IDENTITY CARD CONTAINING FEATURES TO MINIMISE FORGERY AND COUNTERFEITING.

THE VISIT COVERED THE PRODUCTION CONTROL, ORIGINATION, SECURITY, PRINTING AND FINISHING DIVISIONS. HE STOPPED HERE AND THERE TO TALK TO DEPARTMENTAL STAFF TO FAMILIARISE WITH THEIR WORK.

AT THE GOVERNMENT SUPPLIES DEPARTMENT (GSD) IN NORTH POINT, THE GOVERNOR WAS SHOWN AROUND BY DIRECTOR OF GOVERNMENT SUPPLIES, MR NIGEL SHIPMAN.

/THE DEPARTMENT

THE DEPARTMENT BUYS GOODS AND SERVICES FOR GOVERNMENT DEPARTMENTS AND CERTAIN SUBVENTED ORGANISATIONS TO SUPPORT THEIR OPERATIONS. THESE INCLUDE SPECIALIST STORES AND COMMON-USER ITEMS.

MR PATTEN WAS IMPRESSED THAT GSD HAD ACHIEVED GOOD VALUE FOR MONEY BY CAREFUL PRODUCT SOURCING AND EVALUATION, FAIR AND OPEN TENDERING PROCEDURES AND SKILFUL NEGOTIATION.

HE ALSO NOTED THAT GSD WAS CURRENTLY BUYING EQUIPMENT FOR THE NEW AIRPORT AT CHEK LAP KOK WITH A TOTAL ESTIMATED VALUE OF HK\$1,493 MILLION.

THE GOVERNOR TOURED THE PROCUREMENT AND GENERAL DIVISIONS, AND INSPECTED A NUMBER OF GOVERNMENT STORES, INCLUDING THE WATERPIPES, THE PAINT AND THE PAPER STORES.

MR PATTEN LEARNED THAT A NEW CENTRALISED GOVERNMENT STORE AT CHAI WAN WATERFRONT WOULD BE BUILT BY 1996 TO REPLACE THE TWO MAIN WAREHOUSES IN OIL STREET AND CHEUNG SHA WAN.

HE CONCLUDED HIS VISIT BY MEETING SOME OF THE DEPARTMENTAL STAFF AT A TEA RECEPTION.

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EUROPE AND EAST ASIA COMPLEMENT EACH OTHER

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THE CHIEF SECRETARY, MRS ANSON CHAN, STRONGLY BELIEVES THAT EUROPE AND EAST ASIA COMPLEMENT EACH OTHER.

"THERE IS ROOM FOR GROWTH IN BOTH THE EMERGING ECONOMIES, WITH THEIR ABUNDANCE OF LABOUR AND RAW-MATERIAL RESOURCES, AND THE INDUSTRIALISED ECONOMIES, WITH THEIR EXPERTISE AND TECHNOLOGICAL KNOWHOW, IN THE DYNAMIC GLOBAL ECONOMY OF THE 1990S," MRS CHAN SAID.

ADDRESSING A LUNCHEON HOSTED BY THE FRENCH BUSINESS ASSOCIATION TODAY (WEDNESDAY), THE CHIEF SECRETARY SAID EUROPE AND EAST ASIA MUST NOT THROTTLE THIS PARTNERSHIP BY RESTRICTING IMPORTS FROM THE EAST ASIAN ECONOMIES, IN THE MISTAKEN BELIEF THAT SUCH ARTIFICIAL BARRIERS WILL ENSURE THE SURVIVAL OF THE THREATENED INDUSTRIES.

"HISTORY IS FULL OF EXAMPLES WHICH SHOW THAT PROTECTIONISM ONLY MAKES DOMESTIC INDUSTRIES COMPLACENT, WHICH WILL WEAKEN RATHER THAN STRENGTHEN THEM IN THE LONG-TERM.

"PROTECTIONISM ALSO HURTS THE CONSUMERS, WHO HAVE TO PAY HIGHER PRICES FOR THE GOODS OR SERVICES THAT WOULD OTHERWISE BE MORE AMPLY AVAILABLE; AND DISTORT THE MECHANISM OF THE ECONOMY FOR DISTRIBUTING RESOURCES EFFICIENTLY," SHE SAID.

MRS CHAN NOTED THAT THERE HAD BEEN CONCERNS IN SOME SECTORS IN THE DEVELOPED WORLD THAT DYNAMIC GROWTH IN EAST ASIA PRESENTED AN OMINOUS THREAT TO THE LONG-TERM ECONOMIC WELL-BEING OF INDUSTRIALISED NATIONS.

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SHE CITED GOOD REASONS TO EXPLAIN WHY SUCH CONCERNS WERE UNJUSTIFIED.

FIRST, AS THE ASIAN ECONOMIES BECOME WEALTHIER, THEY THEMSELVES REPRESENT DYNAMIC AND POTENT NEW MARKETS FOR MANY GOODS AND SERVICES PROVIDED BY EUROPE.

SECONDLY, EAST ASIA HAS MUCH TO OFFER IN A WORLD OF GROWING ECONOMIC INTERDEPENDENCE, WITH ITS ABUNDANCE OF NATURAL RESOURCES AND LABOUR, AND ITS STRATEGIC GEOGRAPHICAL LOCATION COVERING SOME OF THE FASTEST GROWING ECONOMIES OF THE WORLD.

THIRDLY, EAST ASIAN ECONOMIES HAVE SET A VERY GOOD EXAMPLE OF GROWTH BY PURSUING MARKET LIBERALISATION STRATEGIES.

THE RISE OF THE EAST ASIAN ECONOMIES PRESENTS A TREMENDOUS OPPORTUNITY RATHER THAN A THREAT TO THE DEVELOPED WORLD, THE CHIEF SECRETARY SAID.

"IF WE CONTINUE TO PUSH BACK BARRIERS TO TRADE AND INVESTMENT RATHER THAN BUILD UP DEFENSIVE PARAPETS, I HAVE NO DOUBT MYSELF THAT BOTH THE DEVELOPED AND DEVELOPING WORLDS WILL STAND TO BENEFIT," SHE ADDED.

MRS CHAN SAID HONG KONG WAS DETERMINED TO MAINTAIN INTERNATIONAL BUSINESS CONFIDENCE IN THE TERRITORY WHICH WOULD FOSTER THE EUROPE-EAST ASIA PARTNERSHIP.

SHE SAID: "THIS MEANS DOING ALL WE CAN TO IMPLEMENT THE MANY GUARANTEES LAID DOWN IN THE SINO-BRITISH JOINT DECLARATION AND THE FUTURE BASIC LAW.

"THIS MEANS A CREDIBLE LEGISLATURE PRODUCED BY OPEN AND FAIR ELECTIONS, AND INDEPENDENT JUDICIARY, THE RULE OF LAW AND A LEVEL PLAYING FIELD FOR BUSINESSES COMING FROM ABROAD AS WELL AS WITHIN HONG KONG.

"IN SHORT, SECURING THE INSTITUTIONAL FRAMEWORK THAT WILL ENSURE THE SUCCESS OF THE 'ONE COUNTRY, TWO SYSTEMS' CONCEPT."

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TRANSCRIPT OF CS' MEDIA REPLIES

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FOLLOWING IS THE TRANSCRIPT OF REPLIES BY THE CHIEF SECRETARY, MRS ANSON CHAN TO PRESS QUESTIONS AFTER ATTENDING THE FRENCH BUSINESS ASSOCIATION LUNCHEON TODAY (WEDNESDAY):

QUESTION : THERE IS A REPORT SAYING THAT MR GOODLAD IS GOING TO PROPOSE TO CHINA THAT YOU BE THE CHIEF EXECUTIVE OF THE SAR. IS THAT TRUE?

/CS :

CS : I WOULD LIKE TO MAKE IT QUITE CLEAR THAT THAT IS COMPLETELY WITHOUT FOUNDATION. THERE IS NO TRUTH WHATSOEVER TO THIS STATEMENT. THE ARRANGEMENT FOR THE FUTURE ELECTION OF THE CHIEF EXECUTIVE OF THE SAR GOVERNMENT IS QUITE CLEARLY LAID DOWN IN THE JOINT DECLARATION. I HAVE A JOB AT PRESENT THAT I AM ENJOYING TREMENDOUSLY. THERE ARE LOT OF TASKS TO BE DEALT WITH AND I AM CONCENTRATING ON THE TASKS AT HAND.

QUESTION : ARE YOU WILLING TO TAKE UP THE POST?

CS : I HAVE ON PREVIOUS OCCASION SAID THAT I AM HAPPY TO CONTINUE TO SERVE HONG KONG IN WHATEVER CAPACITY MAY BE AVAILABLE TO ME. FOR THE TIME BEING, I AM DEALING WITH THE TASKS AT HAND AND I AM NOT WORRYING ABOUT THE FUTURE.

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REDUCTION OF STATUTORY LEVIES

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THE GOVERNOR-IN-COUNCIL HAS MADE THE SECURITIES AND FUTURES COMMISSION (LEVY) (SECURITIES) (AMENDMENT) ORDER 1994 AND THE SECURITIES AND FUTURES COMMISSION (LEVY) (FUTURES CONTRACTS) (AMENDMENT) ORDER 1994 TO REDUCE THE RATES OF STATUTORY LEVY PAYABLE ON SECURITIES AND FUTURES TRANSACTIONS.

AT PRESENT, THE RATE OF LEVY ON SECURITIES TRADING IS 0.02 PER CENT PER TRANSACTION RECORDED ON THE STOCK EXCHANGE OF HONG KONG LTD (SEHK).

THE RATE ON FUTURES TRANSACTION IS \$2 PER SIDE PER CONTRACT IN EACH MARKET OF THE HONG KONG FUTURES EXCHANGE LTD (HKFE).

LEVY REVENUE FROM THE SECURITIES SIDE IS EQUALLY SHARED BY THE SECURITIES AND FUTURES COMMISSION (SFC) AND THE SEHK WHILE THAT FROM FUTURES CONTRACTS IS FULLY CHANNELLED TO THE SFC.

"DUE TO THE ROBUST MARKET ACTIVITY IN THE PAST YEAR, THE LEVY REVENUE HAS FAR EXCEEDED THE ORIGINAL ESTIMATES. THIS MADE IT POSSIBLE FOR THE RATE OF LEVIES TO BE LOWERED," THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, SAID.

THE SFC ORDINANCE STIPULATES THAT WHERE THE RESERVES OF THE SFC EXCEED TWICE THE ESTIMATED OPERATING EXPENSES FOR THAT FINANCIAL YEAR, THE COMMISSION SHOULD CONSULT THE FINANCIAL SECRETARY WITH A VIEW TO RECOMMENDING TO THE GOVERNOR-IN-COUNCIL THAT THE RATE OF LEVY BE REDUCED.

THE SFC REPORTED TO THE FINANCIAL SECRETARY IN AUGUST 1993 THAT THE REPORTING LEVEL HAD BEEN REACHED.

"HAVING CONSIDERED THE MATTER WITH THE SFC AND THE TWO EXCHANGES, IT WAS CONCLUDED THAT THE RATE OF LEVY ON SECURITIES TRANSACTIONS SHOULD BE REDUCED TO 0.013 PER CENT, DIVIDED INTO 0.006 PER CENT FOR THE SFC AND 0.007 PER CENT FOR THE SEHK. THIS REPRESENTS A 35 PER CENT REDUCTION IN THE LEVY RATE.

AT THE SAME TIME, IT IS PROPOSED TO LOWER THE LEVY ON FUTURES TRADING TO \$1 PER SIDE PER CONTRACT - A 50 PER CENT REDUCTION," MR CARTLAND SAID.

THE NEW RATES OF LEVY WILL TAKE EFFECT ON JULY 1, 1994 TO TIE IN WITH THE START OF THE NEW FINANCIAL YEAR OF THE SEHK.

THE REDUCTION WILL HELP TO LOWER, FURTHER THE OVERALL DEALING COSTS IN THE SECURITIES AND FUTURES MARKETS IN HONG KONG.

THE TWO AMENDMENT ORDERS WILL BE GAZETTED ON FRIDAY (JUNE 24).

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SPEEDIER SERVICES FROM LANDS DEPARTMENT

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THE LANDS DEPARTMENT HAS ADOPTED NEW PROCEDURES WHICH WILL RESULT IN SWIFTER SERVICE TO AUTHORISED PERSONS PARTICULARLY IN THE PROCESSING AND APPROVING OF BUILDING PLANS.

ADDRESSING A LUNCHEON MEETING OF THE HONG KONG INSTITUTE OF ARCHITECTS TODAY (WEDNESDAY), THE DIRECTOR OF LANDS, MR BOB POPE, REFERRED TO A PRACTICE NOTE HE ISSUED IN MARCH AIMED AT SPEEDING UP THE WHOLE DEVELOPMENT PROCESS.

HE SAID HENCE SUBSTANTIVE REPLIES WOULD BE GIVEN TO SUBMISSIONS OF MASTER LAYOUT PLANS WITHIN 12 WEEKS FROM THE DATE THE SUBMISSION WAS RECEIVED BY THE DISTRICT LANDS OFFICE (DLO) PROVIDED THAT THE PLANS CONTAINED SUFFICIENT INFORMATION.

"AS FAR AS GENERAL BUILDING PLANS ARE CONCERNED AND ASPECTS THAT REQUIRE APPROVAL UNDER THE LEASE, SUCH AS THE DESIGN AND DISPOSITION OR HEIGHT OF BUILDING, THESE WILL NOW BE DEALT WITH UNDER THE CENTRALISED PROCESSING OF BUILDING PLANS AND THERE WILL BE NO NEED FOR AUTHORISED PERSONS TO MAKE SEPARATE SUBMISSIONS OF BUILDING PLANS TO MY DEPARTMENT.

"WHEN YOU MAKE YOUR FORMAL SUBMISSION OF PLANS TO THE BUILDINGS DEPARTMENT, THEY WILL AUTOMATICALLY BE REFERRED TO THE DLO CONCERNED WHO WILL CONVEY HIS DECISION UNDER THE LEASE WITHIN 15 WEEKS FROM THE DATE HE RECEIVES THE PLANS FROM THE BUILDINGS DEPARTMENT," MR POPE ADDED.

HE ADDED THAT IN CASES WHERE AN AUTHORISED PERSON WANTED TO SEEK PRELIMINARY COMMENTS FROM THE DLO CONCERNED, HE WAS WELCOME TO SUBMIT HIS PROPOSAL DIRECT TO THE DLO.

HOWEVER, FORMAL APPROVAL UNDER THE LEASE WILL ONLY BE GIVEN TO PLANS REFERRED TO THE LANDS DEPARTMENT THROUGH THE CENTRALISED PROCESSING SYSTEM.

"AS FAR AS POSSIBLE, THIS DEPARTMENT WILL GIVE A FREE HAND TO THE ARCHITECT TO DESIGN THE PROPOSED DEVELOPMENT, PROVIDED THAT THE PROPOSAL IS IN COMPLIANCE WITH THE LEASE CONDITION.

/"IN ADDITION,

"IN ADDITION, WE ARE ALWAYS MINDFUL NOT TO IMPOSE CURRENT STANDARDS THAT ARE NOT INCLUDED IN THE LEASE CONDITIONS. FOR EXAMPLE, IT WOULD BE UNREASONABLE FOR THIS DEPARTMENT TO IMPOSE CURRENT PARKING SPACE DIMENSIONS ON OLD LEASES IF REASONABLE SIZES ARE PROPOSED," MR POPE SAID.

HE PROMISED THAT HIS DEPARTMENT WOULD MONITOR ITS WORK UNDER THE NEW ARRANGEMENTS AND IMPROVEMENTS WOULD BE MADE WHERE NECESSARY.

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JOINT EFFORTS NEEDED FOR IMPROVING BUILDING QUALITY

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THE BUILDINGS DEPARTMENT AND THE BUILDING AND CONSTRUCTION INDUSTRY SHARE THE COMMON GOAL OF IMPROVING THE QUALITY OF LIFE AND LIVING IN HONG KONG, THE DIRECTOR OF BUILDINGS, MRS HELEN YU, SAID TODAY (WEDNESDAY).

OFFICIATING AT THE OPENING OF AN EXHIBITION "BUILDING AND CONSTRUCTION MATERIALS AND TECHNOLOGY - THE IBEX '94", SHE SAID: "YOU DO SO BY UNDERTAKING RESEARCH, MANUFACTURE AND SUPPLY OF BETTER BUILDING PRODUCTS AND ADVANCE TECHNOLOGY.

"WE, BY SUPPORTING HIGHER AESTHETIC ASPIRATIONS, PROMOTING FIRMER ENVIRONMENTAL FEATURES AND SETTING FIRM SAFETY REQUIREMENTS," SHE ADDED.

NOW IS A TIME OF NEW OPPORTUNITIES FOR THOSE IN THE CONSTRUCTION AND BUILDING INDUSTRY BROUGHT ABOUT BY THE DEMAND FOR MORE HOUSING, BY GOVERNMENT'S PLANS FOR THE NEW PORT AND NEW AIRPORT AND THE NEED TO PROVIDE PROPER MAINTENANCE AND PREVENTIVE REPAIR OF THE MASSIVE EXISTING BUILDING STOCK IN HONG KONG, SHE SAID.

IN 1993, THE BUILDINGS DEPARTMENT CARRIED OUT 33,500 INSPECTIONS ON POTENTIALLY DANGEROUS BUILDINGS AND UNAUTHORISED STRUCTURES. SOME 8,300 STATUTORY ORDERS WERE ISSUED TO BUILDING OWNERS REQUIRING REMEDIAL WORKS.

"OUR DEPARTMENT HAS HAD TO PUT IN A GOOD DEAL OF RESOURCES IN TACKLING THESE PROBLEMS OVER THE YEARS.

"HOWEVER, WE BELIEVE THAT MORE PROACTIVE PUBLIC AND PROFESSIONAL ATTITUDES CAN TURN THESE VERY 'PROBLEMS' INTO POSITIVE OPPORTUNITIES."

SHE SAID THERE WERE OPPORTUNITIES FOR ALL TO WORK TOGETHER FOR A SAFE AND HEALTHY ENVIRONMENT IN THE INTEREST OF OWNERS AND OCCUPIERS.

MRS YU SAID TO MAKE THE BEST USE OF THESE OPPORTUNITIES, THE GOVERNMENT AND THE BUILDING AND CONSTRUCTION INDUSTRY HAD TO WORK AS A TEAM.

THE GOVERNMENT HAS TO PROVIDE EFFECTIVE LEGISLATION AND GUIDELINES TO MEET THE CHANGING ENVIRONMENT AND DEVELOPING TECHNOLOGY; WHILE BUILDING MATERIAL SUPPLIERS, PROPERTY DEVELOPERS, BUILDING PROFESSIONALS, CONSTRUCTION CONTRACTORS AND BUILDING MANagements SHOULD PROMOTE QUALITY ASSURANCE.

"IN ESSENCE, IT MEANS THE INVOLVEMENT OF ALL CONCERNED: THE SETTING OF HIGH STANDARDS, THE MANUFACTURE OF QUALITY MATERIALS, THE ADOPTION OF GOOD DESIGN, THE OBSERVANCE OF SOUND PRACTICES, MAINTENANCE OF VIGILANT SUPERVISION AND PROVISION OF CAREFUL WORKMANSHIP," SHE CONCLUDED.

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APEC TO LEAD THE WAY IN TRADE LIBERALISATION: D-G OF TRADE
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THE DIRECTOR-GENERAL OF TRADE, MR TONY MILLER, TODAY (WEDNESDAY) EMPHASISED THE IMPORTANCE WHICH HONG KONG ATTACHED TO ASIA PACIFIC ECONOMIC CO-OPERATION (APEC) AS A VEHICLE FOR ACCELERATING THE LIBERALISATION OF WORLD TRADE.

"MEMBERS OF APEC HAVE SOMETHING VERY IMPORTANT IN COMMON - THEY ARE ALL GROWING. THIS GIVES THEM GREATER SELF-CONFIDENCE THAN MANY OTHER ECONOMIES ELSEWHERE IN THE WORLD WHERE LABELS LIKE SCLEROSIS AND NEUROSIS ARE INCREASINGLY APPLIED," HE SAID.

"THIS CONFIDENCE SHOULD ALLOW US TO APPROACH THE NEXT STEPS IN LIBERALISING TRADE AND INVESTMENT FLOWS IN A POSITIVE, NON-PROTECTIONIST WAY. IT SHOULD ALLOW US TO LEAD THE WAY, TO MOVE AHEAD FASTER THAN THE REST OF THE PACK."

ADDRESSING A LUNCHEON MEETING OF THE HONG KONG-CANADA BUSINESS ASSOCIATION IN TORONTO, MR MILLER CAUTIONED AGAINST VIEWING APEC AS A TRADE BLOC.

"I GET A LITTLE NERVOUS WHEN PEOPLE TALK ABOUT APEC AS A FREE TRADE AREA IN THE MAKING, AS IF SUCH A DEVELOPMENT WERE EITHER NECESSARY OR A GOOD IDEA. IT IS NEITHER," HE SAID.

"THE FACT THAT, AS A GROUP, APEC MEMBERS WANT TO MOVE FASTER DOWN THE ROAD TO FREE TRADE IS GOOD. HOWEVER, IT DOES NOT FOLLOW THAT WE SHOULD DO SO IN AN EXCLUSIVE, OR PURELY RECIPROCAL WAY.

"FREE TRADE, GENUINELY FREE TRADE IN GOODS AND SERVICES AND GENUINELY FREE INVESTMENT FLOWS, IS THE OBJECTIVE. WE CAN GET THERE, BUT WE SHOULD NOT SHUT OUR MARKETS TO NON-APEC MEMBERS IN THE PROCESS.

"IF WE HAVE THE COURAGE TO LIBERALISE THEN WE SHOULD DO SO ON AN OPEN MFN BASIS. WE HAVE NOTHING TO LOSE BY IT. WE HAVE EVERYTHING TO GAIN. HONG KONG IS VIVID PROOF OF THE BENEFITS OF THIS SORT OF AUTONOMOUS LIBERALISATION."

MR MILLER DESCRIBED THE INTERNATIONAL TRADING SYSTEM UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) AS A HEALTHY RESPONSE TO THE BEGGAR-THY-NEIGHBOUR POLICIES WHICH HAD STRANGLED PRE-WAR TRADE, AND SAID THE PRINCIPLES ON WHICH GATT WAS FOUNDED WERE BRILLIANTLY SIMPLE AND HAD WORKED WELL THEN THEY HAD BEEN ALLOWED TO.

HE WAS CRITICAL OF A TENDENCY TOWARDS TRADING BLOCS.

"SEVERAL GOVERNMENTS, FRUSTRATED WITH THE SLOW SPEED OF CHANGE IN GATT AND IMPELLED BY OTHER STRATEGIC IMPERATIVES, HAVE TRIED TO IMPROVE ON IT BY EXPERIMENTING WITH OTHER MORE LOCALISED ATTEMPTS AT FREEING UP TRADE," HE SAID.

IN HONG KONG'S VIEW, HE SAID, SUCH ARRANGEMENTS WERE A POOR SECOND-BEST TO THE MULTILATERAL SYSTEM, AND THEIR WEAKNESSES, ESPECIALLY THOSE OF CUSTOMS UNIONS, WERE MANIFOLD.

"GENERALLY SPEAKING, THEY DEFINE THE LIMITS OF FREEDOM RATHER THAN THE POTENTIAL FOR INCREASING IT. EXTERNAL TRADE POLICIES TEND TO BE DICTATED BY THE LOWEST INTERNAL COMMON DENOMINATOR," HE SAID.

"BEFORE, DURING AND AFTER FORMATION," HE ADDED, "BUSINESSMEN ARE DISTRACTED FROM EXTERNAL MARKETS BY THE NEED TO CARVE OUT AND THEN DEFEND INTERNAL MARKET SHARE.

"THE ARRANGEMENTS ENCOURAGE ACCEPTANCE OF THE FALLACY THAT GEOGRAPHICALLY CONTIGUOUS AREAS ARE MORE NATURAL TRADING PARTNERS THAN THOSE WHICH ARE SEPARATE, AND THEY ENCOURAGE IMITATION."

MR MILLER CITED EUROPEAN COMMISSION (EC) TRADE FIGURES TO ILLUSTRATE HOW THIS "BLOCIST" TENDENCY DISTORTED BOTH THE WAY INVESTMENT DECISIONS WERE MADE.

QUOTING AN ANALYSIS OF GATT STATISTICS BY ECONOMIST MARTIN WOLF, HE NOTED THAT, OVER THE 30 YEARS FROM 1961 TO 1991. THE SHARE OF INTRA-EC TRADE IN WORLD EXPORTS ROSE FROM 15 PER CENT TO 24 PER CENT.

OVER THE SAME PERIOD, MEMBER STATES' EXPORTS TO ONE ANOTHER INCREASED FROM 43 PER CENT OF TOTAL EXPORTS TO 62 PER CENT, AND YET THE SHARE OF EC EXPORTS TO THIRD MARKETS IN WORLD EXPORTS FELL FROM 20 PER CENT TO 15 PER CENT.

"THUS ALTHOUGH WORLD TRADE GREW AND, WITHIN THIS, THE TOTAL VOLUME OF EC TRADE ALSO CONTINUED TO GROW, MEMBER STATES INCREASINGLY TRADED WITH ONE ANOTHER AT THE EXPENSE OF THEIR SHARE OF THE EXTERNAL WORLD MARKET," HE SAID.

"HONG KONG IS A REAL FAN OF APEC; WE SEE APEC AS THE PRINCIPAL ARCHITECTURE FOR OPEN REGIONALISM IN THE ASIA PACIFIC. TAKING A COMPLEMENTARY ROLE TO THE MULTILATERAL FRAMEWORK IN THE GATT, LEADING THE WAY IN GLOBAL TRADE LIBERALISATION.

"SINCE HONG KONG JOINED APEC IN NOVEMBER 1991, WE HAVE DEDICATED SIGNIFICANT RESOURCES TO IT AND WE AIM TO INCREASE OUR RESOURCES FURTHER IN THIS AREA EVEN UNDER AN OVERALL TIGHTENING OF OUR BUDGET.

"AS YOU WOULD EXPECT, WE ARE VERY ACTIVE IN THE COMMITTEE ON TRADE AND INVESTMENT, TAKING A KEY ROLE IN ALL EXPERT GROUPS, INCLUDING THE CUSTOMS PROCEDURES GROUP, THE STANDARD AND CONFORMANCE GROUP, THE TARIFF DATABASE GROUP, THE INVESTMENT GROUP AND THE SMALL AND MEDIUM ENTERPRISES GROUP.

/"SIMILARLY, WE

"SIMILARLY, WE HAVE HIGH-POWERED BUSINESS-SECTOR REPRESENTATIVES ON BOTH THE EMINENT PERSONS' GROUP AS WELL AS THE NEWLY FORMED PACIFIC BUSINESS FORUM.

"WE ARE ALSO AN ACTIVE CONTRIBUTOR IN THE AD HOC GROUP ON ECONOMIC TRENDS AND ISSUES WHICH IS PROGRESSING WELL UNDER VERY ABLE CANADIAN CHAIRMANSHIP.

"WE RECENTLY HOSTED A VERY SUCCESSFUL MEETING UNDER THE TELECOMMUNICATIONS GROUP, AND WE ARE LOOKING FORWARD TO HOSTING ANOTHER MEETING UNDER THE REGIONAL ENERGY CO-OPERATION GROUP," HE SAID.

MR MILLER SAID THE RAPID EXPANSION OF APEC'S ACTIVITIES REFLECTED THE ENORMOUS ENTHUSIASM OF ALL MEMBERS IN THE WORK OF THE GROUP AND ITS POTENTIAL FOR FREEING UP TRADE AND INVESTMENT IN THE MOST RAPIDLY GROWING ECONOMIC AREA IN THE WORLD.

HOWEVER, HE CAUTIONED ABOUT TOO RAPID AN EXPANSION.

"MAKE NO MISTAKE ABOUT IT. HONG KONG IS VERY SERIOUS ABOUT ITS COMMITMENT TO APEC. HOWEVER, LIKE CANADA, WE DEMAND A RATIONAL, FOCUSED AND WELL-COORDINATED APPROACH TO IMPLEMENTING APEC ACTIVITIES," HE SAID.

MR MILLER SAID HONG KONG DID NOT APOLOGISE FOR PREACHING A PURIST LINE ON THE VIRTUES OF MULTI-LATERALISM AND THE NEED FOR APEC TO MOVE FORWARD IN HARMONY WITH THE GATT.

"THIS MAY NOT BE MUSIC TO THE EARS OF THOSE WHO ADVOCATE RECIPROCITY, BUT TOGETHER WITH REASONABLE PARTNERS LIKE CANADA, WE ARE SURE THAT APEC WILL ACHIEVE STEADY AND CONSTRUCTIVE PROGRESS IN THE MONTHS AHEAD," HE SAID.

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UNDER-SECRETARY FOR JUSTICE OF MACAU TO VISIT HK

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THE UNDER-SECRETARY FOR JUSTICE OF MACAU, MR MACEDO DE ALMEIDA, WILL PAY A ONE-DAY VISIT TO HONG KONG TOMORROW (THURSDAY) AT THE INVITATION OF THE ATTORNEY GENERAL, MR JEREMY MATHEWS.

IN THE MORNING, MR DE ALMEIDA WILL MEET WITH MR MATHEWS AND SOME SENIOR MEMBERS OF THE LEGAL DEPARTMENT ON MATTERS OF MUTUAL INTERESTS BEFORE CALLING ON THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN.

IN THE AFTERNOON, MR DE ALMEIDA WILL VISIT THE LEGAL DEPARTMENT TO SEE ITS LIBRARY FACILITIES. HE WILL THEN PAY A VISIT TO THE SUPREME COURT AND CALL ON THE CHIEF JUSTICE, SIR TI LIANG YANG, BEFORE RETURNING TO MACAU.

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ATTENTION NEWS EDITORS:

THE UNDER-SECRETARY FOR JUSTICE OF MACAU, MR MACEDO DE ALMEIDA, WILL PAY A ONE-DAY VISIT TO HONG KONG TOMORROW (THURSDAY) AT THE INVITATION OF THE ATTORNEY GENERAL, MR JEREMY MATHEWS.

/MR DE ALMEIDA

MR DE ALMEIDA WILL ARRIVE IN HONG KONG AT ABOUT 10.30 AM AND WILL DEPART AT ABOUT 5 PM.

MEDIA REPRESENTATIVES WHO WISH TO COVER THE ARRIVAL AND DEPARTURE OF MR DE ALMEIDA SHOULD ASSEMBLE OUTSIDE THE ENTRANCE OF THE HONG KONG-MACAU FERRY TERMINAL ON THE THIRD FLOOR OF SHUN TAK CENTRE, CONNAUGHT ROAD CENTRAL, BEFORE 10.15 AM AND 4.45 PM.

INFORMATION OFFICERS FROM THE LEGAL DEPARTMENT WILL BE ON HAND TO ASSIST JOURNALISTS.

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172 REDUNDANT TEACHERS GET JOBS

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ALL REDUNDANT TEACHERS REGISTERED WITH THE EDUCATION DEPARTMENT'S PLACEMENT SERVICE HAVE BEEN SUCCESSFULLY PLACED IN VARIOUS AIDED PRIMARY SCHOOLS, AN EDUCATION DEPARTMENT SPOKESMAN SAID TODAY (WEDNESDAY).

"THE DEPARTMENT WOULD LIKE TO THANK THE SPONSORING BODIES AND SCHOOL AUTHORITIES FOR THEIR CO-OPERATION IN ACCEPTING ALL 172 REDUNDANT TEACHERS," HE SAID.

THE SPOKESMAN SAID ALL AIDED PRIMARY SCHOOLS HAD BEEN INFORMED THAT THERE WAS NO LONGER A NEED TO RESERVE VACANCIES FOR REDUNDANT TEACHERS.

THE PLACEMENT SERVICE, SET UP IN 1975, HAS SO FAR HELPED SOME 7,000 REDUNDANT AIDED PRIMARY SCHOOL TEACHERS IN FINDING JOBS.

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AGE LIMIT OF CONSTRUCTION WORKERS

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THE LABOUR DEPARTMENT TODAY (WEDNESDAY) REMINDED EMPLOYERS NOT TO EMPLOY YOUNG PERSONS UNDER 18 TO WORK IN CONSTRUCTION SITES.

UNDER THE AMENDED CONSTRUCTION SITES (SAFETY) REGULATIONS WHICH BECOMES EFFECTIVE TODAY, YOUNG PERSONS UNDER 18 WHO HAVE NOT RECEIVED APPROPRIATE TRAINING ARE NOT ALLOWED TO WORK IN CONSTRUCTION SITES.

"CONSTRUCTION SITES INVOLVE VARIOUS KIND OF DANGEROUS WORK PROCEDURES AND IT IS NOT SUITABLE FOR YOUNG PEOPLE WITHOUT APPROPRIATE TRAINING TO TAKE UP CONSTRUCTION WORK," A SPOKESMAN FOR THE DEPARTMENT SAID.

THE SPOKESMAN NOTED THAT THE FACTORY INSPECTORATE DIVISION OF THE DEPARTMENT WOULD STEP UP ENFORCEMENT ACTIONS AGAINST EMPLOYERS WHO BLATANTLY TURN A BLIND EYE TO THE LAW.

HE ADDED THAT CONTRACTORS EMPLOYING UNTRAINED YOUNG PEOPLE UNDER 18 TO WORK IN CONSTRUCTION SITES WOULD FACE A MAXIMUM FINE OF \$50,000.

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FARMING STUDY TOUR TO EUROPE

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A 26-MEMBER DELEGATION WILL DEPART FOR EUROPE ON SATURDAY (JUNE 25) TO STUDY NEW AGRICULTURAL TECHNOLOGIES IN EUROPEAN COUNTRIES AND SHARE FARMING AND MARKETING EXPERIENCE WITH RELATED ORGANISATIONS THERE.

COMPRISED OF FARMERS AND FOUR MEMBERS OF THE MARKETING ADVISORY BOARD, THE STUDY GROUP WILL VISIT HOLLAND, SPAIN AND THE UNITED KINGDOM DURING THEIR 13-DAY TRIP.

TO SHOW SUPPORT OF THE DELEGATION, THE DIRECTOR OF AGRICULTURE AND FISHERIES, DR LAWRENCE LEE, PRESENTED A BANNER TO ITS LEADER MR TO WO AT A CEREMONY HELD AT THE DEPARTMENT'S HEADQUARTERS THIS (WEDNESDAY) MORNING.

DR LEE HOPED THAT THE MEMBERS WOULD MAKE FULL USE OF THE VISIT TO ENHANCE THEIR KNOWLEDGE AND TECHNIQUES ON AGRICULTURE WITH A VIEW TO PROMOTING THE TERRITORY'S AGRICULTURAL PRODUCTION AND FUTURE DEVELOPMENT.

HE NOTED THAT THE GROUP'S STUDY WILL EMPHASISE ON CROP PRODUCTION IN GREENHOUSE, PACKAGING OF POST-HARVESTED VEGETABLES, QUALITY SEED PRODUCTION AND BREEDING OF VARIETIES, WHOLESALE MARKETING OF FRESH FRUIT AND VEGETABLES, HORTICULTURAL RESEARCH AND DEVELOPMENT, AS WELL AS RESEARCH AND MAUFACTURING OF PESTICIDES.

DR LEE ALSO THANKED REPRESENTATIVES OF THE HOLLAND CONSULATE; SPAIN CONSULATE AND THE BRITISH TRADE COMMISSION IN HONG KONG FOR THEIR ASSISTANCE IN MAKING ARRANGEMENTS FOR THE STUDY TRIP.

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TWO SITES TO LET

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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCIES OF TWO LOTS OF GOVERNMENT LAND ON HONG KONG ISLAND AND IN THE NEW TERRITORIES.

THE LOT IN NAM FUNG ROAD, WONG CHUK HANG, HAS AN AREA OF ABOUT 8,200 SQUARE METRES. IT IS INTENDED FOR USE AS A COMMERCIAL GARDEN FOR GROWING, STORING AND SELLING POTTED PLANTS.

THE TENANCY IS FOR TWO YEARS, RENEWABLE QUARTERLY THEREAFTER.

THE OTHER LOT AT MA ON SHAN ROAD, AREA 73, SHA TIN NEW TOWN, COVERING AN AREA OF ABOUT 1.68 HECTARES, IS PLANNED AS A FEE-PAYING PUBLIC CAR PARK.

IT CARRIES A TENANCY OF THREE YEARS, RENEWABLE QUARTERLY THEREAFTER.

CLOSING DATE FOR SENDING IN TENDERS FOR BOTH SITES IS NOON ON JULY 8.

FORMS OF TENDER, TENDER NOTICE AND CONDITIONS MAY BE OBTAINED FROM :

- * THE DISTRICT LANDS OFFICES, HONG KONG SOUTH, 20TH FLOOR, SOUTHOEN CENTRE, 130 HENNESSY ROAD, HONG KONG;
- * THE DISTRICT LANDS OFFICE, SHA TIN;
- * THE LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, AND
- * THE DISTRICT LANDS OFFICES KOWLOON, 10TH FLOOR, YAU MA TEI CAR PARK BUILDING, 250 SHANGHAI STREET, KOWLOON.

TENDER PLANS ARE ALSO AVAILABLE AT THE OFFICES.

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HONG KONG MONETARY AUTHORITY
MONEY MARKET OPERATIONS

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	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
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OPENING BALANCE IN THE ACCOUNT	1,677	0930	-546
CLOSING BALANCE IN THE ACCOUNT	2,468	1000	-496
CHANGE ATTRIBUTABLE TO :		1100	-276
MONEY MARKET ACTIVITY	+1,111	1200	-277
LAF TODAY	-320	1500	+763
		1600	+1,111
LAF RATE 2.50 BID/4.50 OFFER		TWI 123.7 *-0.2*	22.6.94

HONG KONG MONETARY AUTHORITY

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.38	17 MONTHS	2511	4.15	97.85	5.83
1 MONTH	4.27	23 MONTHS	2605	6.35	100.20	6.33
3 MONTHS	4.33	28 MONTHS	3610	4.20	94.89	6.69
6 MONTHS	4.78	31 MONTHS	3701	4.60	94.99	6.85
12 MONTHS	5.39	34 MONTHS	3704	6.15	98.20	6.97
TOTAL TURNOVER OF BILLS AND BONDS - 31,114 MN						

CLOSED 22 JUNE 1994

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DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

SUPPLEMENT

WEDNESDAY, JUNE 22, 1994

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LEGISLATORS ENDORSE NT LAND (EXEMPTION) BILL

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A BILL THAT GIVES WOMEN EQUAL SUCCESSION RIGHTS TO LAND OR PROPERTY IN THE NEW TERRITORIES IN THE ABSENCE OF A WILL WAS PASSED WITH AMENDMENTS IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY).

SPEAKING DURING THE RESUMED DEBATE ON THE NEW TERRITORIES LAND (EXEMPTION) BILL, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, REITERATED THAT THE ADMINISTRATION HAD NO INTENTION OF CHANGING OTHER CUSTOMARY RIGHTS CURRENTLY ENJOYED BY INDIGENOUS VILLAGERS.

THE RATES EXEMPTION FOR VILLAGE HOUSES OCCUPIED BY INDIGENOUS VILLAGERS AND THEIR IMMEDIATE FAMILY MEMBERS IS PROVIDED FOR IN THE RATING ORDINANCE.

THE RENT CONCESSION FOR RURAL HOLDINGS HELD BY INDIGENOUS VILLAGERS IS PROVIDED FOR IN THE NEW TERRITORIES LEASE (EXTENSION) ORDINANCE.

"THE ADMINISTRATION HAS NO PLAN TO AMEND THE RELEVANT PROVISIONS IN THESE ORDINANCES TO CHANGE THE STATUS QUO," MR SUEN SAID.

HE ALSO POINTED OUT THAT OTHER CUSTOMARY RIGHTS WHICH WERE PART OF THE GOVERNMENT'S ESTABLISHED POLICIES WOULD LIKEWISE REMAIN UNAFFECTED.

HE SAID: "FOR EXAMPLE, INDIGENOUS VILLAGERS AND LOCALLY BASED FISHERMEN WOULD CONTINUE TO BE ALLOWED TO BE BURIED IN THE NEW TERRITORIES WITHIN CERTAIN APPROVED AREAS OUTSIDE GAZETTED CEMETERIES."

AS REGARDS THE SMALL HOUSE POLICY, MR SUEN SAID HE APPRECIATED THAT IT WAS AN ISSUE OF GREAT CONCERN TO THE NEW TERRITORIES INDIGENOUS VILLAGERS AND THERE WERE DIFFERENT DIMENSIONS TO THE POLICY, WITH IMPLICATIONS FOR BOTH LAND AND HOUSING.

"IN THIS REGARD, WE NEED TO EXERCISE CAUTION SO AS NOT TO BE PRECIPITATED INTO ACTION AGAINST THAT POLICY SIMPLY BY THE PROPOSED EXTENSION OF THE UNITED NATION'S CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN (CEDAW) INTO HONG KONG.

"THE ADMINISTRATION WILL NEED TO GIVE A VERY THOROUGH AND URGENT EXAMINATION OF THIS COMPLEX POLICY ISSUE SO AS TO FIND A WAY OF DEALING WITH THIS MATTER WHICH WOULD BE ACCEPTABLE TO ALL PARTIES CONCERNED AND WITHOUT COMPROMISING THE PRINCIPLE OF GENDER EQUALITY.

"WITH THIS IN MIND, WE HAVE ALREADY INDICATED THAT WE INTEND TO SEEK THE AGREEMENT OF OUR SOVEREIGN POWERS TO RESERVE UNDER CEDAW THE RIGHT TO MAINTAIN THE STATUS QUO FOR THE TIME BEING," HE SAID.

EARLIER, MR SUEN EXPLAINED THAT THE BILL WAS FIRST INTRODUCED INTO THE LEGISLATIVE COUNCIL LAST NOVEMBER MAINLY TO ADDRESS THE VERY STRONG PUBLIC CONCERNS EXPRESSED PARTICULARLY BY NON-INDIGENOUS OWNERS OF LAND AND PROPERTY IN THE NEW TERRITORIES ABOUT THE EFFECT OF THE APPLICATION OF THE NEW TERRITORIES ORDINANCE ON SUCCESSION TO THEIR LAND OR PROPERTY.

/HOWEVER, IN

HOWEVER, IN DECEMBER 1993 THE COUNCIL PASSED A MOTION URGING THE GOVERNMENT TO, INTER ALIA, EXTEND CEDAW TO HONG KONG AS SOON AS POSSIBLE TO PROMOTE SEXUAL EQUALITY.

MEANWHILE MORE THAN 90 PER CENT OF THE SOME 1,100 SUBMISSIONS RECEIVED DURING THE CONSULTATION EXERCISE ON THE GREEN PAPER ON EQUAL OPPORTUNITIES FOR WOMEN AND MEN CALLED FOR THE INTRODUCTION OF LEGISLATION TO REMOVE THE INHIBITION ON FEMALE SUCCESSION TO LAND OR PROPERTY IN THE NEW TERRITORIES IN CASE AN OWNER DIED INTESTATE.

FURTHERMORE, IN OCTOBER 1993 THE COUNCIL PASSED BY A LARGE MAJORITY A MOTION URGING THE GOVERNMENT TO ENSURE EQUALITY OF SUCCESSION RIGHTS THROUGH LEGISLATIVE MEANS.

"AGAINST THIS BACKGROUND, IT IS UNDERSTANDABLE THAT MEMBERS OF THE BILLS COMMITTEE SOUGHT TO ADDRESS THE WIDER ISSUE OF PROVIDING FOR GENDER EQUALITY IN THE INHERITANCE OF LAND IN THE NEW TERRITORIES IN THE CONTEXT OF THE BILL," HE SAID.

IT WAS ALSO AGAINST THIS BACKGROUND THAT THE ADMINISTRATION HAD DECIDED TO RESPOND POSITIVELY TO THE PROPOSAL MADE BY THE HON CHRISTINE LOH TO EXTEND THE ORIGINAL SCOPE OF EXEMPTION UNDER THE BILL TO COVER RURAL LAND AS WELL, HE ADDED.

IN COMING TO A FINAL DECISION IN THIS REGARD, MR SUEN STRESSED, THE ADMINISTRATION HAD VERY CAREFULLY TAKEN INTO ACCOUNT THE VERY STRONG REACTIONS OF THE HEUNG YEE KUK AND NEW TERRITORIES VILLAGERS ON THE QUESTION OF EQUAL INTESTATE SUCCESSION RIGHTS BETWEEN THE SEXES.

MR SUEN ALSO APPRECIATED THE EXTENT AND DEPTH OF THE CONCERN OF THE KUK AND INDIGENOUS NEW TERRITORIES VILLAGERS THAT OTHER CUSTOMARY RIGHTS MIGHT ALSO BE ADVERSELY AFFECTED.

BUT HE ASSURED THEM THAT THEIR FEAR WAS NOT WELL-FOUNDED AS THE BILL DID NOT GIVE RISE TO ANY SUCH EFFECTS.

ELABORATING, HE SAID: "MEMBERS OF THIS COUNCIL AND MYSELF HELD MANY MEETINGS WITH THE KUK AND ITS MEMBERS TO EXPLAIN THE CLEAR AND SPECIFIC INTENTION BEHIND THE PROPOSAL.

"AS A RESULT OF THESE MEETINGS AND BRIEFINGS, THERE SHOULD BE NO MISUNDERSTANDING ON ANYONE'S MIND THAT THE PROPOSAL IS NOT INTENDED TO FORCE INDIGENOUS VILLAGERS TO BEQUEATH THEIR LAND OR PROPERTY TO DAUGHTERS ONLY, OR TO SONS AND DAUGHTERS EQUALLY."

THE INTENTION, HE EMPHASISED, WAS SIMPLY TO PROVIDE FOR AN EQUAL OPPORTUNITY FOR WOMEN TO SUCCEED TO LAND OR PROPERTY IN THE NEW TERRITORIES IF THE OWNER DIED INTESTATE.

"THIS CAN BE ACHIEVED BY THE EXTENSION OF THE APPLICATION OF THE PROBATE AND ADMINISTRATION ORDINANCE, THE INTESTATES' ESTATES ORDINANCE AND THE DECEASED'S FAMILY MAINTENANCE ORDINANCE TO LAND IN THE NEW TERRITORIES.

"VILLAGERS WISHING TO PASS THEIR LAND OR PROPERTY TO THEIR MALE HEIRS CAN OF COURSE DO SO THROUGH THE MAKING OF A WILL," HE SAID.

IN CONCLUSION, MR SUEN SAID IN THE COURSE OF STUDYING THE BILL BY THE BILLS COMMITTEE, THE HON CHRISTINE LOH, PEGGY LAM, MIRIAM LAU AND ANNA WU HAD EITHER PROPOSED AMENDMENTS TO THE BILL OR MADE SUGGESTIONS ON THE WAY TO ADDRESS THE ISSUE OF CUSTOMARY SUCCESSION.

ADVANCE FUNDING NEEDED FOR AIRPORT PROJECT

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THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, TOLD THE LEGISLATIVE COUNCIL THAT HE HOPED THE FINANCE COMMITTEE WOULD APPROVE A FURTHER \$15 BILLION IN ADVANCE FUNDING FOR THE NEW AIRPORT PROJECT ON JULY 1.

"THIS CRUCIAL NEXT STEP MUST BE TAKEN WITHOUT FURTHER DELAY IF WE ARE TO MAINTAIN PROJECT MOMENTUM.

"WE ARE MEANWHILE CONTINUING OUR TALKS WITH THE CHINESE SIDE AND I AM SURE WE ALL HOPE THAT GOOD PROGRESS WILL BE MADE AT THE NEXT MEETING OF THE AIRPORT COMMITTEE TO BE HELD THIS FRIDAY," HE SAID.

HE WAS TABLING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF THE PROVISIONAL AIRPORT AUTHORITY FOR THE YEAR ENDED MARCH 31, 1994.

HE SAID THE PROVISIONAL AIRPORT AUTHORITY WAS READY TO INTENSIFY ITS ACTIVITIES IN COMMERCIAL, OPERATIONAL AND FINANCIAL PLANNING, FOLLOWING THE ACHIEVEMENTS MADE IN THE PAST YEAR.

"IT IS ALSO READY TO UNDERTAKE THE NEXT MAJOR STEP IN CONSTRUCTION OF THIS PROJECT, COMPRISING THE TERMINAL BUILDING, THE FIRST RUNWAY AND OTHER ESSENTIAL AIRPORT INFRASTRUCTURE FACILITIES," HE SAID.

SIR HAMISH SAID THE REPORT TABLED SHOULD BE THE LAST ONE ISSUED BY THIS PROVISIONAL BODY.

"WE AIM TO INTRODUCE THE AIRPORT CORPORATION BILL AS SOON AS WE CAN TO THIS COUNCIL AFTER OUR CURRENT CONSULTATIONS WITH THE CHINESE SIDE HAVE BEEN COMPLETED."

HE NOTED THAT ONLY THREE YEARS REMAINED IN THE CONTEXT OF GOVERNMENT'S COMMITMENT UNDER THE MEMORANDUM OF UNDERSTANDING TO COMPLETE THE AIRPORT TO THE MAXIMUM EXTENT POSSIBLE BY THE END OF JUNE IN 1997.

"THE AUTHORITY'S TASK IS THUS A FORMIDABLE ONE AND IT IS ESSENTIAL THAT WE GIVE IT THE NECESSARY TOOLS TO CARRY IT OUT," HE SAID.

THESE TOOLS ARE: FURTHER FUNDING; AGREEMENT WITH THE CHINESE SIDE ON FINANCING ARRANGEMENTS; ENACTMENT OF THE AIRPORT CORPORATION BILL; AND PROGRESS ON AIRPORT FRANCHISES.

TREASURY SECRETARY IN MTR MOTION DEBATE

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, IN THE LEGCO MOTION DEBATE ON RATE OF RETURN OF THE MASS TRANSIT RAILWAY CORPORATION:

MR PRESIDENT,

I PROPOSE, WITH YOUR CONSENT, TO SHARE THE DUTY OF REPLYING TO THIS MOTION ON BEHALF OF THE GOVERNMENT WITH MY COLLEAGUE, THE SECRETARY FOR TRANSPORT.

I WISH TO DISCUSS WITH MEMBERS WHY IT IS IMPORTANT TO ACCEPT THE CONCEPT OF A RETURN ON THE PUBLIC'S INVESTMENT IN THE MTRC. IN THAT CONTEXT, I SHALL EXPLAIN WHY THE INTEREST OF PASSENGERS ARE BETTER SERVED NOT ONLY BY LOW FARES, BUT ALSO BY QUALITY OF SERVICE, BY REGULAR RENEWAL OF THE EXISTING RAILWAY SYSTEM AS IT AGES, AND BY EXPANSION TO MEET NEW DEMANDS.

AS A MATTER OF POLICY, WE SEEK TO ACHIEVE A RETURN ON THE PUBLIC'S INVESTMENT IN THE MTR SYSTEM, BECAUSE WE SHOULD GAIN THE RESOURCES FROM WITHIN THE REVENUES OF THE EXISTING SYSTEM TO ALLOW US, AT TODAY'S PRICES, TO MAINTAIN, UPGRADE AND EXPAND THE SYSTEM.

IT IS IMPORTANT TO LOOK FORWARD TO THE FUTURE. PROVIDED THAT MTR FARES CAN AT LEAST BE MAINTAINED IN REAL TERMS TOGETHER WITH A MODEST RETURN, WE SHALL HAVE AVAILABLE - MORE OR LESS REGARDLESS OF THE GOVERNMENT'S FINANCIAL POSITION IN THE FUTURE - THE RESOURCES TO KEEP THE SYSTEM CLEAN, EFFICIENT, SAFE AND GROWING TO MEET FUTURE SERVICE NEEDS.

IF WE LET FARES FALL IN REAL TERMS, AND IF WE FAIL TO OBTAIN A RETURN, THEN THE GOVERNMENT OF THE FUTURE WILL BE FACED WITH PUMPING IN FUNDS FOR THE RENEWAL AND DEVELOPMENT SYSTEM WHEN IT WOULD PREFER TO USE THE MONEY FOR SOMETHING ELSE OR IT MIGHT SIMPLY NOT BE ABLE TO AFFORD TO DO SO. ANOTHER IMPORTANT REASON FOR MAINTAINING FARES IN REAL TERMS AND OBTAINING A RETURN IS THAT THE HONG KONG PUBLIC CAN BENEFIT ENORMOUSLY FROM THE MTRC'S ABILITY TO BORROW MONEY AT LOW RATES OF INTEREST. WHAT MONEY THE MTRC CANNOT BORROW TO FUND NEW RAILWAY DEVELOPMENTS HAS EITHER GOT TO BE MADE UP IN HIGHER FARES, OR IN MORE MONEY OR CONCESSIONS FROM THE OWNERS - THE HONG KONG PUBLIC.

I AM SURE MEMBERS WILL REALISE THAT A BUSINESS CANNOT BORROW MONEY EFFECTIVELY AND CHEAPLY IF IT CANNOT EVEN MAINTAIN ITS REVENUE IN REAL TERMS. WHAT IS MORE: LENDERS LOOK FOR A SAFETY MARGIN IN THE BORROWER'S PROFITABILITY REPRESENTED BY THE RATE OF RETURN TO THE OWNER. THEY CAN RELY ON THIS SAFETY MARGIN IN CASE THE ECONOMICS OF THE BUSINESS DETERIORATES, AND THEY REFLECT THAT EXTRA DEGREE OF COMFORT IN LOWER INTEREST RATES.

MOST MEMBERS ARE WELL TRAVELLED. ANY RAILWAY SYSTEM WHICH IS ALLOWED TO DEGENERATE IS MORE THAN JUST A SOURCE OF DISSATISFACTION TO PASSENGERS : IT GRADUALLY BECOMES A REAL THREAT IN TERMS OF SAFETY, SECURITY AND STABILITY OF FARES.

THE POSITION REACHED IN THE CASE OF THE LONDON UNDERGROUND IS ILLUSTRATIVE OF WHAT CAN GO WRONG. IN THE 1960S AND '70S THOSE IN BRITAIN IN CONTROL OF RAILWAY INVESTMENT AND PRICING STRATEGIES WERE UNDER STRONG SOCIAL PRESSURE TO MAINTAIN LOW FARES, AND TO IGNORE PRUDENT COMMERCIAL PRINCIPLES. THIS STORY CAN BE TOLD ABOUT SIMILAR RAILWAYS IN THE UNITED STATES AND ELSEWHERE.

BY THE LATE EIGHTIES, THE CONDITION OF THE LONDON UNDERGROUND DETERIORATED TO A POINT WHERE IT COULDN'T CONTINUE TO OPERATE SAFELY AND EFFICIENTLY WITHOUT MAJOR RENEWAL. BUT BY THAT TIME PASSENGERS COULD NOT AFFORD THE SORT OF MAJOR FARE INCREASES THAT WOULD HAVE BEEN REQUIRED TO MEET A MAJOR UPGRADING, AND PARTS OF THE SYSTEM HAD BECOME SO WORN OUT THAT THERE WAS LITTLE CHANCE OF ATTRACTING PRIVATE INVESTMENT TO FUND IMPROVEMENTS.

I AM NOT TRYING TO BOAST AT THE EXPENSE OF THE LONDON UNDERGROUND SYSTEM, - AND I KNOW THAT VALIANT EFFORTS ARE NOW UNDER WAY TO TRY TO UPGRADE IT - BUT WE HAVE TO BE AWARE OF THIS SORT OF DANGER, AND TO MAKE SURE WE DON'T FALL INTO THE SAME SORT OF TRAP AT A TIME WHEN WE ARE TRYING TO PAY MORE ATTENTION TO MEETING PUBLIC EXPECTATIONS OF MORE SERVICES AT A LOWER COST.

OUR MTR IS PROBABLY THE BEST IN THE WORLD. MOST OF THE REST OF THE WORLD SEEM TO THINK SO, ANYWAY. ONE OF ITS UNIQUE FEATURES IS THAT IT OPERATES WITHOUT A SUBSIDY, AND IS CAPABLE OF PROVIDING A REAL RETURN TO THE OWNER - I.E. THE PEOPLE OF HONG KONG. NOT EVEN THE RAILWAY SYSTEMS IN TOKYO ACHIEVE THAT.

THE MTRC HAS, I UNDERSTAND, ALREADY TAKEN THE INITIATIVE TO START EXPLAINING TO MEMBERS THE RATIONALE BEHIND THEIR POLICY OF SETTING A RATE OF RETURN OF 10 PER CENT OVER A 40-YEAR PERIOD. AS YOU WILL BE AWARE, THE CORPORATION HAS BEEN THROUGH A LONG PERIOD OF CAPITAL EXPANSION AND IS ONLY NOW CLEARING THE DEBT RAISED TO FUND PREVIOUS EXPANSION PHASES. NEW CAPITAL EXPANSION FOR THE AIRPORT RAILWAY AND RELIEF FOR THE NATHAN ROAD CORRIDOR WILL START SOON, AND WITH IT THE MTRC WILL HAVE TO RAISE NEW DEBT. NOT SURPRISINGLY WE HAVE NOT SOUGHT A DIVIDEND FROM THEM AND WE HAVE NOT SET OUT A FORMAL DIVIDEND POLICY FOR THEM. INSTEAD, WITH THE SUPPORT OF THE GOVERNMENT AS SHAREHOLDER, THE CORPORATION HAS SET OUT AT LEAST TO PRESERVE THE LEVEL OF INTEREST THAT THE PUBLIC WOULD EXPECT TO RECEIVE ON THEIR CAPITAL INVESTED OVER SO MANY YEARS. THIS WILL ASSURE THAT THE VALUE OF OUR INVESTMENT IS PRESERVED IN REAL TERMS, AS WELL AS PROVIDING THE MINIMUM LEVEL OF INTEREST COVER REQUIRED BY LENDERS - BOTH PAST AND FUTURE.

THE CORPORATION WILL CONTINUE ITS EFFORTS TO PROVIDE MEMBERS WITH THE DETAILS UNDERLYING THIS POLICY.

LET ME MAKE THIS VERY CLEAR TO MEMBERS : THE GOVERNMENT'S POLICY WILL REMAIN THAT AS LONG AS THE MTRC - OR ANY OF THE OTHER STATUTORY CORPORATIONS - HAS IN HAND VIABLE AND CONCRETE PLANS FOR CAPITAL EXPANSION TO MEET FUTURE TRANSPORT NEEDS, OR TO RENEW THE SYSTEM TO MAINTAIN SERVICE SAFETY AND STANDARDS, THE GOVERNMENT WILL ALWAYS REGARD THAT AS A PRIORITY CALL ON ANY FUNDS WHICH MIGHT OTHERWISE BE PAID TO THE GOVERNMENT IN DIVIDENDS. THIS COMMITMENT IS LITTLE DIFFERENT FROM WHAT I HAVE OFFERED TO THE HOUSING AUTHORITY UNDER THE PROPOSED NEW FINANCIAL ARRANGEMENTS.

WHAT I HAVE JUST SAID IS A STRONG COMMITMENT TO THE MAINTENANCE AND EXPANSION OF THE MTRC SERVICE.

FOR THIS, THE PRICE WILL BE THAT PASSENGERS SHOULD CONTINUE TO PAY IN REAL TERMS THE FARES THEY ARE PAYING TODAY. TO PUT IT IN OTHER WORDS, THEY SHOULD READILY ACCEPT THE HABIT OF FARE INCREASES IN LINE WITH INFLATION. IF THE PUBLIC CAN ACCEPT THIS PRINCIPLE, OUR MTR WILL BE ABLE TO GROW TO MEET THEIR NEEDS IN THE FUTURE. OUR MTRC IS NOT AN EXPENSIVE SYSTEM TO TRAVEL ON. IT IS CERTAINLY EXTRAORDINARILY GOOD VALUE FOR MONEY.

THE MOTION CALLS ON US TO ASK THE MTRC TO EXPLAIN THE RATIONALE BEHIND THE SETTING OF THE AVERAGE INTERNAL RATE OF RETURN. I HAVE DONE THIS VERY BRIEFLY, AND THE MTRC WILL EXPLAIN IN DETAIL LATER.

AS TO THE LATTER PART OF THE PROPOSITION IN THE MOTION - THAT THE MTRC SHOULD BE ASKED TO CONSIDER ABOLISHING REGULAR FARE INCREASES IN LINE WITH INFLATION - I HAVE TRIED TO EXPLAIN BY ANALOGY WITH THE PROBLEMS IN OTHER METRO RAILWAY SYSTEMS WHY THAT IN FACT DOES NOT SERVE THE BEST INTERESTS OF THE PASSENGERS OR THE PUBLIC AT LARGE. I FEEL BOUND THEN, MR PRESIDENT, TO INVITE MEMBERS TO CONSIDER ENCOURAGING THE MTRC TO CONTINUE ITS PRUDENT COMMERCIAL PRINCIPLE AND CONTINUE TO MAINTAIN ITS FARE LEVELS IN REAL TERMS, SO AS TO SAFEGUARD THE INTEREST OF PASSENGERS.

THE DEBATE GOING ON ALL AROUND US ABOUT SUBSIDISED STATE ENTERPRISES MUST BE FAMILIAR TO MEMBERS. FROM THE STEPPES OF MONGOLIA TO THE MOUNTAINS OF ALBANIA, GOVERNMENTS WHO FOR DECADES HAVE TAKEN SUBSIDISED STATE ENTERPRISES AS A MATTER OF FAITH ARE NOW MOVING TOWARDS TRUE COMMERCIAL OPERATION. THIS IS A VERY ODD TIME FOR HONG KONG - OF ALL PLACES - TO THINK OF MOVING IN THE OPPOSITE DIRECTION.

IN THAT NOTE, MR PRESIDENT, I REGRETFULLY OPPOSE THE MOTION, WHILE ACCEPTING THE SPIRIT OF THE FIRST PART OF IT.

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SECRETARY FOR TRANSPORT ON MTRC MOTION

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, IN THE LEGISLATIVE COUNCIL MOTION DEBATE ON RATE OF RETURN OF THE MASS TRANSIT RAILWAY CORPORATION:

MR PRESIDENT,

THE HONOURABLE LAU CHIN SHEK HAS BEEN EXTREMELY PERSISTENT IN HIS PLEAS TO SEEK THE MONITORING OF MTRC FARES. AS SOME MEMBERS HAVE POINTED OUT, THIS IS THE THIRD MOTION DEBATE HE HAS PROPOSED WITHIN THE LAST 17 MONTHS. ON THE OTHER HAND, MY PREDECESSORS AND I HAVE BEEN EQUALLY CONSISTENT IN EXPLAINING THE ADMINISTRATION'S APPROACH AND POLICY. THE SIMPLE HOME TRUTH THAT MUST BE UNDERLINED AND REITERATED IS THE GOVERNMENT'S FUNDAMENTAL POLICY THAT ALL OUR PUBLIC TRANSPORT SERVICES SHOULD BE RUN WITHOUT SUBSIDY. THIS PHILOSOPHY HAS SERVED US WELL AND I AM CONVINCED WILL CONTINUE TO BENEFIT THE TRAVELLING PUBLIC IN THE YEARS AHEAD.

/BECAUSE THIS

BECAUSE THIS SUBJECT HAS BEEN DEBATED SEVERAL TIMES, INVARIABLY MANY OF THE ARGUMENTS AND COUNTER-ARGUMENTS ADVANCED TODAY MAY HAVE A RING OF FAMILIARITY AROUND THEM. DURING THE LAST MOTION DEBATE ON THIS SUBJECT I EXPLAINED AT LENGTH WHY WE MUST CONTINUE TO ALLOW THE MTRC TO DETERMINE THEIR FARES IN KEEPING WITH PRUDENT COMMERCIAL PRINCIPLES. MAY I REFER MEMBERS TO MY RESPONSE OF 12 JANUARY WHICH IS CONTAINED IN THE HANSARD RECORDS. RATHER THAN REITERATE ALL THESE ARGUMENTS, LET ME TRY TO FOCUS ON THIS SUBJECT FROM A SLIGHTLY DIFFERENT PERSPECTIVE.

IN BROAD TERMS, IN MEETING THE CORPORATION'S FINANCIAL PLANS UNTIL THE END OF THE CENTURY, REVENUE FROM FARES IS ESSENTIAL TO MEET THREE BASIC COMPONENTS OF EXPENDITURE:

- (A) ANNUAL OPERATING COSTS;
- (B) SERVICE IMPROVEMENTS AND ASSET REPLACEMENT IN THE EXISTING SYSTEM; AND
- (C) INTEREST PAYMENTS AND REPAYMENT OF OUTSTANDING DEBTS.

MY COLLEAGUE, THE SECRETARY FOR THE TREASURY, HAS DEALT WITH ASPECTS PERTAINING TO MTRC'S EQUITY AND DEBTS AND LONG-TERM INVESTMENT EXPANSION PROGRAMMES. I SHALL THEREFORE ELABORATE ON THE TWO OTHER ASPECTS I HAVE OUTLINED.

OPERATING COSTS INCLUDE STAFF SALARIES AND RELATED EXPENSES, ELECTRICITY CHARGES AND RATES, REPAIRS AND MAINTENANCE, AND OTHER ADMINISTRATIVE OVERHEADS. THESE ARE UNAVOIDABLE COSTS WHICH HAVE TO BE INCURRED BUT THE CORPORATION WILL CONTINUE TO MAKE EVERY EFFORT TO ACHIEVE SAVINGS. FOR EXAMPLE, THE RECENT INTRODUCTION OF A CHOPPER CONTROL SYSTEM ON THE MTR HAS ENABLED TRACTION ENERGY TO BE SAVED BY AS MUCH AS 50%.

AS REGARDS SERVICE IMPROVEMENTS, THE CORPORATION WILL BE SPENDING \$8 BILLION ON SERVICE IMPROVEMENTS OVER THE NEXT SEVEN YEARS. THE PROGRAMME INCLUDES OVER \$5 BILLION ON IMPROVING THE FREQUENCY OF TRAIN SERVICES, AIR-CONDITIONING AND COMMUNICATIONS SYSTEM, \$830 MILLION ON ENVIRONMENTAL IMPROVEMENTS SUCH AS NOISE REDUCTION MEASURES, SOME \$700 MILLION ON STATION FACILITIES AND SYSTEM MANAGEMENT AND A SIMILAR AMOUNT ON ASSET REPAIRS AND REPLACEMENT. ALL THESE MEASURES ENHANCE THE EFFICIENCY OF THE SERVICE AND WILL BENEFIT COMMUTERS.

REVENUE FROM FARES ARE ESSENTIAL TO COVER OPERATING EXPENSES AND THE PLANNED SERVICE IMPROVEMENTS. MR LAU CHIN SHEK HAS ASKED THE MTRC TO EXPLAIN ITS FINANCIAL PLANS AND POLICIES TO ACHIEVE THIS. I WHOLE-HEARTEDLY SUPPORT THIS. THE MTRC ALSO FULLY RECOGNISE AND ACCEPT THAT BEING A PUBLIC CORPORATION, THEY HAVE TO BE OPEN AND ACCOUNTABLE. THEY CONTINUE TO EXPLORE WAYS AND MEANS TO ENHANCE THIS. IN THE 1994 FARE INCREASE EXERCISE, THE CORPORATION MADE A DETAILED PRESENTATION TO THE LEGCO TRANSPORT PANEL AND THE TRANSPORT ADVISORY COMMITTEE (TAC) IN FEBRUARY EXPLAINING THE BACKGROUND AND RATIONALE FOR ITS FINANCIAL STRATEGY AND FARE POLICY. PASSENGER SURVEY RESULTS AND FEEDBACK FROM PASSENGER LIAISON GROUPS CONCERNING FARES WERE ALSO PRESENTED. AND THE CORPORATION TOOK INTO ACCOUNT THE VIEWS OF THE LEGCO TRANSPORT PANEL, TAC AND RESULTS FROM INDEPENDENT PASSENGER SURVEYS BEFORE FINALISING ITS PROPOSALS FOR ITS FARE INCREASE.

THE MTRC'S APPROACH GOES BEYOND JUST TRYING TO JUSTIFY ITS FARE STRUCTURE. IT WAS THE FIRST MAJOR PUBLIC TRANSPORT OPERATOR TO SET PERFORMANCE TARGETS AND PUBLISH ITS PERFORMANCE REGULARLY. SUCH TARGETS COVER TRAIN RELIABILITY, PEAK HOUR TRAIN PERFORMANCE, TICKET RELIABILITY AND ESCALATOR AVAILABILITY. SUCH PERFORMANCE PLEDGES DEMONSTRATE THEIR ACCOUNTABILITY AND THE MTRC DESERVE CREDIT FOR THEIR WILLINGNESS TO SHARE INFORMATION WITH THE PUBLIC AND BE RECEPTIVE TO THEIR VIEWS.

THE HONOURABLE LAU CHIN SHEK HAS REQUESTED THAT THE MTRC SHOULD ABOLISH ITS CURRENT POLICY OF ANNUALLY ADJUSTING FARES SO AS TO SAFEGUARD THE INTEREST OF PASSENGERS. I ENTIRELY ACCEPT AND AGREE THAT THE INTERESTS OF PASSENGERS MUST BE SAFEGUARDED BUT, IN THE ADMINISTRATION'S VIEW, IT IS PRECISELY FOR THIS REASON THAT REGULAR FARE INCREASES ARE ESSENTIAL. MTRC FARES ARE AFFORDABLE. BY KEEPING THE INCREASE BELOW THE RATE OF INFLATION OVER PAST YEARS, COMMUTERS IN PRACTICE HAVE HAD TO PAY NO MORE IN REAL TERMS. IT SHOULD NOT BE FORGOTTEN THAT OFTEN, AS A PACKAGE TO CUSHION FARE INCREASES, CONCESSIONS HAVE ALSO BEEN INTRODUCED, FOR EXAMPLE FOR THE ELDERLY AND STUDENTS AS WELL AS FOR TRAVEL DURING OFF-PEAK HOURS.

IT MUST BE MORE SENSIBLE TO GO FOR SMALL INCREMENTAL INCREASES IN FARES TO RESERVE AND EARMARK FUNDS FOR ONGOING AND PROJECTED EXPENSES, MAINTENANCE AND SERVICE IMPROVEMENTS RATHER THAN IGNORE ALL THIS AND BE FACED WITH SUBSTANTIAL EXPENDITURE THAT HAS TO BE FINANCED FROM SCRATCH WHEN PROBLEMS ARISE. OTHER RAILWAY SYSTEMS HAVE FAILED BECAUSE INSUFFICIENT RESOURCES HAVE BEEN EARMARKED IN GOOD TIME WHICH IN TURN HAS RESULTED IN THOSE SYSTEMS RUNNING DOWN AND THEN BREAKING DOWN.

WE NEED TO LOOK AHEAD AND INVEST IN THE SYSTEM FOR THE FUTURE. THE COMMUNITY DOES THIS IN OTHER WALKS OF LIFE AND IT IS EQUALLY ESSENTIAL TO DO SO IN RESPECT OF OUR PUBLIC TRANSPORT SERVICES. THE MTRC KNOWS ITS BUSINESS WELL. THE MTR IS ONE OF THE MOST EFFICIENT AND SUCCESSFUL RAILWAYS IN THE WORLD BECAUSE IT IS RUN ON PRUDENT COMMERCIAL PRINCIPLES. IT WOULD BE SUICIDAL TO INTERFERE BY ATTEMPTING TO TIE THE CORPORATION'S HANDS. THE CORPORATION HAS NOT ABUSED ITS FINANCIAL AUTONOMY IN RAISING FARES - ON THE CONTRARY IT HAS DEMONSTRATED THAT IT IS FULLY CONSCIOUS OF ITS CIVIC RESPONSIBILITIES.

THE MTRC HAS DEMONSTRATED ITS OPENNESS AND PUBLIC ACCOUNTABILITY AND, IN FACT, CONTINUE TO STEP UP THEIR EFFORTS IN THIS DIRECTION. THE ADMINISTRATION WELCOMES AND ENCOURAGES THIS. THE ADMINISTRATION FIRMLY BELIEVES THAT REGULAR, MODEST FARE INCREASES ARE ESSENTIAL TO SAFEGUARD BOTH THE EFFICIENT OPERATION OF THE MASS TRANSIT SYSTEM AND THE INTEREST OF COMMUTERS. THE HON EDWARD HO, JIMMY MCGREGOR, VINCENT CHENG AND ROGER LUK HAVE ADVANCED PERSUASIVE ARGUMENTS AND FACTS TO EXPLAIN WHY THE MTRC MUST BE ALLOWED TO CONTINUE TO OPERATE ON PRUDENT COMMERCIAL PRINCIPLES. THE ADMINISTRATION IS MOST GRATEFUL FOR THEIR SUPPORT. IT WOULD INDEED BE SAD IF OTHER MEMBERS WHO IN FACT ACCEPT THE VERY VALID REASONS WHICH HAVE BEEN PUT FORWARD TO SAFEGUARD AND MAINTAIN THE MTRC'S FINANCIAL AUTONOMY, NONETHELESS VOTE IN FAVOUR OF THE SECOND PART OF MR LAU'S MOTION, SIMPLY BECAUSE OF HIS WORDING ASKING THE MTRC TO CONSIDER CHANGING ITS APPROACH ON FARE ADJUSTMENTS. THE ADMINISTRATION DOES NOT SUPPORT THE SECOND PART OF MR LAU'S MOTION THAT THE MTRC SHOULD ABANDON ITS CURRENT PRACTICE RELATING TO ADJUSTMENTS IN FARES.

THANK YOU MR PRESIDENT.

DB ELECTION EXPENSES ORDER

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FOLLOWING IS THE SPEECH BY SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR NICHOLAS NG, ON MAXIMUM SCALE OF ELECTION EXPENSES (DISTRICT BOARDS) ORDER 1994 IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY):

MR PRESIDENT,

THERE HAS BEEN MUCH DISCUSSION BOTH INSIDE AND OUTSIDE THIS COUNCIL ON THE ADMINISTRATION'S PROPOSAL TO INCREASE THE ELECTION EXPENSE LIMIT FOR THE 1994 DISTRICT BOARD ELECTIONS FROM \$30,000 TO \$60,000. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO RESTATE AND CLARIFY THE ADMINISTRATION'S POSITION.

FIRST, ON PRINCIPLES. IN SETTING THE ELECTION EXPENSE LIMITS FOR PAST ELECTIONS OF OUR THREE TIERS OF REPRESENTATIVE INSTITUTIONS, WE HAVE ALWAYS FOLLOWED TWO GUIDING PRINCIPLES :

- FIRST, THE CEILING MUST NOT BE SO LOW AS TO PLACE UNREASONABLE RESTRICTION ON ELECTION ACTIVITIES, NOR SO HIGH AS TO DETER LESS WELL-OFF CANDIDATES FROM STANDING.
- SECONDLY, THE LIMIT SHOULD PROVIDE A LEVEL PLAYING FIELD FOR ALL CANDIDATES. IN PARTICULAR, IT MUST NOT BE SO LOW SO THAT NEWCOMERS ARE PLACED AT A DISADVANTAGEOUS POSITION, BEARING IN MIND THAT, UNLIKE THOSE WITH THE BACKUP OF POLITICAL PARTIES, THEY CANNOT ACHIEVE ANY ECONOMY OF SCALE AND HAVE TO SPEND RELATIVELY MORE TO PUBLICISE AND PROMOTE THEMSELVES.

OVER THE YEARS, THESE TWO PRINCIPLES HAVE HELPED TO ENSURE THAT OUR ELECTIONS ARE OPEN AND FAIR. WE HAVE THEREFORE FOLLOWED THESE SAME PRINCIPLES IN REVISING THE ELECTION EXPENSES LIMIT FOR THE FORTHCOMING DISTRICT BOARD ELECTIONS. THEY ARE, I WOULD ARGUE, ALSO THE YARDSTICKS AGAINST WHICH ANY OTHER PROPOSED CEILING SHOULD BE MEASURED.

LET ME NOW TURN TO METHODOLOGY. IN CALCULATING THE CEILING, THREE COMPONENTS ARE INVOLVED. THE FIRST COMPONENT IS EXPENDITURE ITEMS. THESE ARE ITEMS WHICH ARE COMMONLY USED BY ELECTION CANDIDATES, AS DERIVED FROM RETURNS ON ELECTION EXPENSES SUBMITTED BY PAST CANDIDATES, AS WELL AS ASSESSMENT BY OFFICERS WHO ARE CLOSELY INVOLVED IN THE ELECTORAL PROCESS. AS CAMPAIGNING ACTIVITIES GROW IN SOPHISTICATION, THE VARIETY OF COMMON EXPENDITURE ITEMS ALSO INCREASES. THUS, WE HAVE INCLUDED IN OUR CALCULATION 16 ITEMS, SIX OF WHICH, SUCH AS PUBLIC MEETINGS, IDENTITY CARD FOR CAMPAIGN AGENTS, AND TRAVELLING EXPENSES, ARE NEW ADDITIONS THIS TIME ROUND.

THE SECOND COMPONENT IS THE ESTIMATED UNIT COST FOR EACH OF THE EXPENDITURE ITEMS. THE FIGURES WERE ARRIVED AT BY INVITING QUOTATIONS FROM PRIVATE SECTOR SUPPLIERS. FIVE QUOTATIONS WERE OBTAINED FOR EACH ITEM; THE AVERAGE OF THE QUOTATIONS WAS THEN TAKEN AS THE UNIT COST OF THE ITEM.

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THE FINAL COMPONENT IS THE ESTIMATED QUANTITY REQUIRED FOR EACH EXPENDITURE ITEM. HERE, THE FIGURES WERE AGAIN DERIVED ON THE BASIS OF RETURNS FROM PAST CANDIDATES, PLUS ASSESSMENT BY THE RELEVANT GOVERNMENT DEPARTMENTS. I SHOULD PERHAPS ADD THAT IN SO DOING, WE HAVE FULLY TAKEN INTO ACCOUNT THE EFFECT OF SMALLER CONSTITUENCIES AND SMALLER ELECTORATE SIZES FOR THE 1994 DISTRICT BOARDS ON THE ONE HAND, AND THE EFFECT OF MORE KEENLY CONTESTED ELECTIONS ON THE OTHER.

I HOPE THE ABOVE EXPLANATION CLEARLY DEMONSTRATES THAT THE \$60,000 CEILING HAS NOT BEEN ARBITRARILY SET. RATHER, IT IS THE OUTCOME OF A THOROUGH PROCESS OF OBJECTIVE ANALYSIS BASED ON ACTUAL EXPERIENCE AND INFORMAL ASSESSMENT.

MR PRESIDENT, WE HAVE CAREFULLY STUDIED THE LEGISLATIVE COUNCIL SUB-COMMITTEE'S PROPOSAL TO SET THE CEILING AT A LOWER LEVEL OF \$45,000. OUR JUDGMENT IS THAT WHILST THIS CEILING WOULD NOT CAUSE UNDUE DIFFICULTIES TO THE ELECTIONEERING ACTIVITIES OF CANDIDATES OR MATERIALLY AFFECT THE ELECTION RESULTS, IT DOES NOT FULLY REFLECT THE ACTUAL NEEDS OF CANDIDATES. FOR EXAMPLE, IT HAS NOT TAKEN INTO ACCOUNT A NUMBER OF EXPENDITURE ITEMS WHICH ARE NOW COMMONLY USED IN ELECTION CAMPAIGNS.

HAVING REGARD TO ALL THIS, AND WHILE WE UNDERSTAND THE REASONS OF THE LEGISLATIVE COUNCIL SUB-COMMITTEE FOR PROPOSING A LOWER LIMIT, THE ADMINISTRATION'S VIEW REMAINS THAT THE \$60,000 CEILING IS EQUITABLE AND PROVIDES A SOUND BASIS FOR OPEN AND FAIR ELECTIONS.

THANK YOU, MR PRESIDENT.

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SUPPLEMENTARY APPROPRIATION BILL

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SOME EXPENDITURE IN EXCESS OF THE SUM APPROPRIATED FOR THE FINANCIAL YEAR 1993/94 HAS BEEN INCLUDED IN THE SUPPLEMENTARY APPROPRIATION (1993/94) BILL 1994 WHICH WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE EXPENDITURE WAS CHARGED TO 67 HEADS OUT OF A TOTAL OF 83 HEADS IN THE GOVERNMENT ACCOUNTS.

"THIS IS BECAUSE SUFFICIENT OFFSETTING SAVINGS COULD NOT BE FOUND WITHIN THE HEADS CONCERNED," THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, SAID WHEN HE MOVED THE SECOND READING OF THE BILL.

THE TOTAL NET SUPPLEMENTARY APPROPRIATION REQUIRED IN RESPECT OF THE 67 HEADS OF EXPENDITURE IS \$8,050.1 MILLION. THIS EXCESS IS LARGELY ATTRIBUTABLE TO THE IMPLEMENTATION OF THE 1993 PAY ADJUSTMENT IN RESPECT OF THE CIVIL SERVICE AND GOVERNMENT SUBVENTED ORGANISATIONS.

OTHER MAJOR CONTRIBUTING FACTORS INCLUDE THE INCREASED EXPENDITURE UNDER THE COMPREHENSIVE SOCIAL SECURITY ASSISTANCE AND SOCIAL SECURITY ALLOWANCE SCHEMES AND ADDITIONAL EXPENDITURE ON PENSION PAYMENT.

/"THE COST

"THE COST OF THE 1993 PAY ADJUSTMENT AND PENSION INCREASE HAD BEEN ANTICIPATED IN THE 1993/94 ESTIMATES UNDER THE 'ADDITIONAL COMMITMENTS' SUBHEAD.

"SAVINGS WERE ALSO MADE IN OTHER SUBHEADS THROUGH CONTINUED TIGHT CONTROL OVER PUBLIC EXPENDITURE.

"BECAUSE OF THESE SAVINGS AND THE PROVISION MADE FOR ADDITIONAL COMMITMENTS, TOTAL EXPENDITURE FOR THE YEAR IS WITHIN THE SUM APPROPRIATED IN THE APPROPRIATION ORDINANCE 1993," HE SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL TO TACKLE SPECULATION ON TAXI LICENCE INTRODUCED TO LEGCO
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A BILL SEEKING TO TACKLE SPECULATION IN TAXI LICENCES WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1994 SEEKS TO INTRODUCE RESTRICTION ON THE TRANSFERABILITY OF NEW TAXI LICENCES.

MOVING THE SECOND READING OF THE BILL, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, SAID THE EXCEEDINGLY HIGH PREMIUMS PAID FOR TAXI LICENCES WAS ONE PARTICULAR PROBLEM AREA IDENTIFIED IN THE TAXI POLICY REVIEW WHICH WAS CONDUCTED BY THE TRANSPORT ADVISORY COMMITTEE (TAC) AND COMPLETED IN MARCH 1994.

HE NOTED THAT TAXI LICENCES HAD BEEN ISSUED THROUGH PUBLIC TENDER SINCE 1964 AND WERE FREELY TRANSFERABLE UNDER EXISTING LEGISLATION, WITH HOLDERS HAVING A PERPETUAL OPERATING RIGHT.

MR BARMA SAID THESE FACTORS, COUPLED WITH THE LIMITED ISSUE OF NEW TAXI LICENCES, HAD CONTRIBUTED TO THE SHARP RISE AND SPECULATION IN TAXI LICENCES IN RECENT YEARS.

"TO TACKLE THIS PARTICULAR PROBLEM, THE TAC RECOMMENDED, INTER ALIA, THAT THERE SHOULD BE A 12-MONTH RESTRICTION ON THE TRANSFERABILITY OF NEW TAXI LICENCES AND A REQUIREMENT THAT BOTH THE TRANSFEROR AND TRANSFEREE OF THE LICENCE MUST REGISTER THE TRANSACTION IN PERSON," HE SAID.

MR BARMA SAID THE BILL WOULD EMPOWER THE COMMISSIONER FOR TRANSPORT TO PROHIBIT THE TRANSFER OF THE OWNERSHIP OF THE TAXI FOR AN INITIAL PERIOD.

"THE EXACT PERIOD HAS NOT BEEN SPECIFIED IN THE BILL DELIBERATELY SINCE, IN FUTURE, IT MAY BE NECESSARY TO VARY THIS PERIOD TO ENABLE THE COMMISSIONER TO RESPOND QUICKLY TO THE MARKET SITUATION.

"TO ENSURE THAT THE TRADE AND ALL INTERESTED PARTIES ARE MADE AWARE OF THIS RESTRICTION, THE COMMISSIONER FOR TRANSPORT WILL SPECIFY THE 'PERIOD' IN THE TENDER DOCUMENTS.

"SUCH A RESTRICTION WILL ALSO BE ENDORSED IN THE VEHICLE REGISTRATION DOCUMENT FOR VEHICLE LICENSED AS TAXIS," HE SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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LOCAL COINAGE LAW HELPS SMOOTH TRANSITION

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THE ENACTMENT OF A LOCAL COINAGE ORDINANCE BEFORE 1997 TO VEST AUTHORITY FOR ISSUING COINS IN THE HONG KONG GOVERNMENT WILL CONTRIBUTE TO A SMOOTH TRANSITION, THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, SAID.

MOVING THE SECOND READING OF THE COINAGE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR CARTLAND SAID BOTH THE JOINT DECLARATION AND THE BASIC LAW HAD SPECIFIC PROVISIONS TO VEST THE AUTHORITY TO ISSUE HONG KONG CURRENCY IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT.

THE BILL SEEKS TO VEST THE AUTHORITY FOR THE ISSUE OF LEGAL TENDER COINS IN THE HONG KONG GOVERNMENT.

"THIS IS NECESSARY BECAUSE THE RELEVANT PROVISIONS ARE NOW STIPULATED IN A UNITED KINGDOM ORDER IN COUNCIL, WHICH WILL CEASE TO HAVE EFFECT ON JULY 1, 1997," HE SAID.

THE BILL ALSO MAKES PROVISIONS IN CONNECTION WITH THE DEMONETISATION OF THE ONE CENT CURRENCY NOTE.

THE HOLDER OF ONE CENT CURRENCY NOTES SHALL, ON SURRENDERING THEM TO THE DIRECTOR OF ACCOUNTING SERVICES, BE PAID FROM THE GENERAL REVENUE AN AMOUNT IN LEGAL TENDER EQUAL TO THEIR FACE VALUE, BUT ONLY IN RESPECT OF AMOUNTS IN MULTIPLES OF 10.

DEBATE ON THE BILL WAS ADJOURNED.

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GOVERNMENT SUPPORTS MOTION ON PUBLIC ACCOUNTABILITY

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THE ADMINISTRATION AND THE PUBLIC TRANSPORT OPERATORS WILL CONTINUE TO PURSUE THE OBJECTIVE OF PUBLIC ACCOUNTABILITY, AND TO SEE HOW BEST EXISTING ARRANGEMENTS CAN BE ENHANCED.

BUT IT MUST BE RECOGNISED THAT TRANSPORT OPERATORS HAVE A LEGITIMATE REASON IN NOT DISCLOSING COMMERCIALY SENSITIVE INFORMATION.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, AT A MOTION DEBATE CALLING FOR PUBLIC TRANSPORT COMPANIES TO DISCLOSE ALL RELEVANT DATA AND INFORMATION WHEN SEEKING INCREASES IN FARES.

SUPPORTING THE MOTION, MR BARMA SAID AS OVER 10 MILLION PASSENGER TRIPS WERE MADE EVERY DAY, PUBLIC ACCOUNTABILITY WAS INDEED REQUIRED TO PROTECT THE INTERESTS OF COMMUTERS.

HOWEVER, HE SAID IT WOULD BE TOTALLY UNFOUNDED AND WRONG FOR ANYONE TO THINK THAT, UP TO NOW, NOTHING HAD BEEN DONE EITHER ON THE PART OF THE TRANSPORT OPERATORS OR THE ADMINISTRATION TO PROVIDE INFORMATION.

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"IN HIS OPENING ADDRESS LAST OCTOBER, THE GOVERNOR ANNOUNCED THE GOVERNMENT'S INTENTION TO ASK ALL UTILITIES AND PUBLIC TRANSPORT COMPANIES TO ADOPT NEW STANDARDS OF DISCLOSURE ON THEIR FINANCIAL AND OPERATIONAL ACTIVITIES.

"AND INDEED EARLIER THIS MONTH THE ECONOMIC SERVICES AND PUBLIC UTILITIES PANEL OF THIS COUNCIL WAS FULLY BRIEFED ON THE STEPS THAT HAVE BEEN TAKEN.

"ADMITTEDLY SOME COMPANIES HAVE BEEN MORE RESPONSIVE THAN OTHERS," HE SAID.

ILLUSTRATING THE PROCEDURES FOR PROCESSING FARE INCREASE APPLICATIONS, MR BARMA SAID A COMPANY, WHEN SEEKING FARE INCREASE, HAS TO PROVIDE THE NECESSARY FINANCIAL AND OPERATIONAL INFORMATION IN SUPPORT OF ITS APPLICATION.

IN BRIEF, SUCH INFORMATION MUST INCLUDE THE RATE OF FARE INCREASE APPLIED FOR; THE PROPOSED NEW FARES ON INDIVIDUAL ROUTES AND ROUTE GROUPS; DETAILED BREAKDOWN OF OPERATING COSTS COVERING WAGES, REPAIRS AND MAINTENANCE EXPENSES; PATRONAGE AND REVENUE FORECASTS; SERVICE IMPROVEMENT AND FUTURE DEVELOPMENT PROGRAMMES; AND OTHER SUPPORTING AND SUPPLEMENTARY INFORMATION.

SUCH DATA, ONCE RECEIVED, WILL BE CAREFULLY ASSESSED BY THE ADMINISTRATION, WHICH WILL THEN GO THROUGH THE PROCESS OF BRIEFING THE LEGISLATIVE COUNCIL PANEL ON TRANSPORT, SEEKING ADVICE FROM THE TRANSPORT ADVISORY COMMITTEE AND THEN APPROVAL FROM THE EXECUTIVE COUNCIL.

MR BARMA POINTED OUT THAT THE OUTCOME OF THE APPLICATIONS FOR FARE INCREASES SOUGHT THIS YEAR BY KOWLOON MOTOR BUS (KMB) AND CHINA MOTOR BUS (CMB) VIVIDLY ILLUSTRATED THE METICULOUS VETTING UNDERTAKEN BY THE ADMINISTRATION.

"ALTHOUGH KMB AND CMB SOUGHT 19.6% AND 19.1% INCREASES IN FARES, THEIR APPLICATIONS WERE SUBSTANTIALLY SLASHED WITH THE ACTUAL INCREASES BEING LIMITED TO 12.9% AND 9.8% RESPECTIVELY.

MR BARMA SAID ALTHOUGH DETAILED FORECASTS OF FUTURE REVENUE, COSTS AND PROFIT WERE MADE AVAILABLE TO THE GOVERNMENT, SUCH INFORMATION COULD NOT BE REVEALED PUBLICLY BECAUSE MOST OPERATORS WERE PUBLICLY-LISTED COMPANIES.

"BUT WE WILL CERTAINLY LOOK AGAIN AT THIS ASPECT TO TRY TO LIMIT INFORMATION REALLY NEEDS TO BE KEPT CONFIDENTIAL.

"TRANSPORT OPERATORS, UNDERSTANDABLY, ARE RELUCTANT TO DIVULGE INFORMATION SUCH AS PROFIT AND LOSS FIGURES ON INDIVIDUAL ROUTES TO THEIR COMPETITORS.

MR BARMA POINTED OUT THAT TRANSPORT WAS A VERY GOOD PLATFORM FOR ELECTIONEERING.

LETTERS PATENT AMENDMENTS EXPLAINED

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ALTHOUGH TWO SETS OF AMENDMENTS TO THE LETTERS PATENT AND THE ROYAL INSTRUCTIONS WERE PUBLISHED IN THE HONG KONG GAZETTE BEFORE THE RESIDUAL FORMALITIES RELATING TO THEM WERE COMPLETED, THIS WOULD NOT HAVE ANY EFFECT ON THE VALIDITY OF ANYTHING DONE IN HONG KONG BEFORE THE FORMALITIES ARE COMPLETED.

THIS HAS BEEN REAFFIRMED WITH HER MAJESTY'S GOVERNMENT, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR NICHOLAS NG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE COUNCIL'S CONSTITUTIONAL DEVELOPMENT PANEL SUGGESTED AT ITS MEETING ON JUNE 20 THAT THERE SHOULD BE SOME FORM OF RETROSPECTIVE LEGISLATION TO PUT BEYOND ALL POSSIBLE DOUBT THE VALIDITY OF THE AMENDMENTS.

"AT THE PANEL'S REQUEST, THE ADMINISTRATION HAVE CONVEYED THE SUGGESTION TO HER MAJESTY'S GOVERNMENT AND HAVE ASKED FOR AN URGENT RESPONSE.

"WE WILL INFORM THIS COUNCIL OF THE OUTCOME AS EARLY AS WE CAN," HE SAID IN HIS REPLY TO THE HON ANDREW WONG'S QUESTION ABOUT THE VALIDITY OF THE LEGISLATIVE COUNCIL PROCEEDINGS SINCE FEBRUARY 19 LAST YEAR.

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COMMITTEE SET UP TO DETERMINE LAND USES

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SINCE 1990, 12 GOVERNMENT SITES HAVE BEEN SOLD FOR PRIVATE SECTOR DEVELOPMENT, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON RONALD ARCULLI IN THE LEGISLATIVE COUNCIL, HE SAID A COMMITTEE ON REDEVELOPMENT OF UNDER-DEVELOPED GOVERNMENT SITES HAD BEEN SET UP SINCE AUGUST 1991 TO DETERMINE THE APPROPRIATE LAND USES AND REDEVELOPMENT POTENTIAL OF UNDER-UTILISED GOVERNMENT SITES.

MR EASON SAID THE MAJOR OBSTACLES TO THE REDEVELOPMENT OF THESE SITES WERE THE NEED TO REPROVISION EXISTING FACILITIES AND PUBLIC OBJECTIONS TO THE REZONING PROPOSALS WHICH MIGHT BE NECESSARY.

"TO FACILITATE REDEVELOPMENT OF OTHER GOVERNMENT SITES, WE ARE CONSIDERING THE POSSIBILITY OF INVOLVING THE PRIVATE SECTOR IN REPROVISIONING THE GOVERNMENT FACILITIES ON SOME OF THEM," MR EASON SAID.

"BUT EACH CASE HAS TO BE CONSIDERED ON ITS MERITS AND SUITABLE FUNDING ARRANGEMENTS WORKED OUT," HE ADDED.

GOVERNMENT-OWNED PROPERTIES ON GOVERNMENT SITES PROVIDE A TOTAL NET FLOOR AREA OF ABOUT FOUR MILLION SQUARE METRES.

THIS CONSISTS OF SOME 0.72 MILLION SQUARE METRES OF OFFICE SPACE, 1.22 MILLION SQUARE METRES FOR RESIDENTIAL USE AND TWO MILLION SQUARE METRES OF SPECIAL ACCOMMODATION, INCLUDING SCHOOLS, HOSPITALS, POLICE AND FIRE STATIONS.

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CONSUMER PRICE INDEX VALIDLY REFLECTS INFLATION TRENDS

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THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARLAND, TODAY (WEDNESDAY) REITERATED THAT THE CONSUMER PRICE INDEX (CPI) WAS A VALID MEANS OF REFLECTING THE CURRENT INFLATION TRENDS.

CLARIFYING A MISCONCEPTION THAT THE INDEX WAS NOT BASED ON ADEQUATE PRICE DATA, MR CARLAND SAID THE CRITICISM WAS UNFOUNDED BECAUSE A CONTINUOUS PRICING SURVEY WAS UNDERTAKEN BY THE CENSUS AND STATISTICS DEPARTMENT.

A TOTAL OF SOME 40,000 PRICE QUOTATIONS ARE COLLECTED EACH MONTH FROM 3,500 DIFFERENT OUTLETS AND SERVICE PROVIDERS, HE SAID IN A REPLY TO THE HON ROGER LUK KOON-HOO'S QUESTION IN THE LEGISLATIVE COUNCIL.

PEOPLE TEND TO REMEMBER ITEMS THAT HAVE HAD DRASTIC, FREQUENT PRICE INCREASES BUT TO OVERLOOK OR FORGET THOSE WHERE THE INCREASES HAVE BEEN NEGLIGIBLE, HE SAID.

NOT ONLY DO THEY TEND TO IGNORE THE OFFSETTING EFFECT OF THE LOWER INCREASES, BUT THEY ALSO OVERLOOK THE FACT THAT MANY OF THE LOWER INCREASES OCCUR IN ITEMS THAT ACTUALLY REPRESENT QUITE A SIGNIFICANT SHARE OF HOUSEHOLD EXPENDITURE, HE ADDED.

MR CARLAND SAID SOME PEOPLE FAILED TO DISTINGUISH A GENUINE PRICE INCREASE FROM AN INCREASE IN EXPENDITURE OWING TO AN INCREASE IN THE QUANTITY THEY CONSUMED OR IMPROVEMENT IN THE QUALITY OF THEIR CONSUMPTION.

"THESE CHANGES SHOULD NOT BE ATTRIBUTED TO PRICE CHANGES AND HENCE 'INFLATION'."

"THE CPI IS INTENDED TO MEASURE THE EFFECTS OF PRICE CHANGES ON THE TOTAL EXPENDITURE AS DEFINED BY A GIVEN BASKET OF GOODS AND SERVICES."

HE SAID THE EXPENDITURE PATTERN ADOPTED BY THE CPI REPRESENTED THE COLLECTIVE EXPENDITURE PATTERNS OF HOUSEHOLDS.

"WHILE INDIVIDUAL EXPERIENCES MAY VARY, THE CPI REFLECTS COLLECTIVELY THE INFLATION SITUATION FACED BY ALL HOUSEHOLDS," HE SAID.

REFERRING TO CONCERNS THAT THE INFLATION SITUATION REFLECTED BY THE CPI WOULD SOON BE OUTDATED AS THE EXPENDITURE PATTERNS OF HOUSEHOLDS CHANGED OVER TIME, MR CARLAND SAID THIS WAS NOT TRUE.

EXPENDITURE PATTERNS OF HOUSEHOLD ONLY CHANGE GRADUALLY AND THE IMPACT ON THE CPI IS USUALLY MINIMAL, HE SAID, ADDING THAT PAST RESEARCH ON ACTUAL FIGURES WELL ILLUSTRATED THIS.

NOTING THAT UPDATING WAS PART OF THE SYSTEM, HE SAID THE GOVERNMENT WOULD CARRY OUT A HOUSEHOLD EXPENDITURE SURVEY ONCE EVERY FIVE YEARS TO ENSURE THAT CHANGES IN EXPENDITURE PATTERNS OVER TIME WERE TAKEN INTO ACCOUNT IN THE COMPILATION OF THE INDEX.

"THE NEXT SURVEY WILL START IN OCTOBER THIS YEAR," HE SAID, STRESSING THAT THE INDEX WAS COMPILED BY SCIENTIFIC METHODOLOGY THAT FULLY ACCORDED WITH INTERNATIONAL STANDARDS AND PRACTICES.

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ENVIRONMENTAL STUDY ON GOLF CENTRE ENDORSED

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THE ADVISORY COUNCIL ON THE ENVIRONMENT (ACE) HAS ENDORSED A NINE-MONTH ENVIRONMENTAL IMPACT ASSESSMENT (EIA) UNDERTAKEN FOR THE CONSTRUCTION OF THE KAU SAI CHAU PUBLIC GOLF CENTRE, THE ACTING SECRETARY FOR RECREATION AND CULTURE, MRS RACHEL CARTLAND, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY REV THE HON FUNG CHI-WOOD, MRS CARTLAND SAID THE EIA DID PROVIDE AN ADEQUATE UNDERSTANDING OF ANY ENVIRONMENTAL PROBLEMS THAT MIGHT ARISE FROM THE PROJECT.

MRS CARTLAND SAID THE ACE HAD LAID DOWN SIX CONDITIONS WHEN ENDORSING THE EIA REPORT, WHICH THE GOVERNMENT BROADLY ACCEPTED AND COULD MEET AT THE APPROPRIATE TIME.

ON THE FIRST CONDITION OF IMPLEMENTING ALL THE MEASURES RECOMMENDED IN THE EIA STUDY, SHE SAID THEY WOULD BE FULLY INCORPORATED INTO THE DESIGN AND AN ENVIRONMENT MONITORING AND AUDIT MANUAL TO BE USED BY THE CONTRACTORS AND THE FUTURE MANAGEMENT BODY OF THE GOLF CENTRE.

AS REGARDS THE REQUEST FOR AN ECOLOGICAL SURVEY, THE FIELD WORK HAS BEEN COMPLETED AND A REPORT WILL BE SUBMITTED TO THE EIA SUB-COMMITTEE WITHIN THE NEXT COUPLE OF MONTHS.

ALSO MONTHLY PROGRESS REPORTS ON THE IMPLEMENTATION OF THE TURF MANAGEMENT PLAN, THE TRANSPLANTATION OF THE MANGROVES AND THE RESTORATION OF HABITAT WILL BE DRAWN UP AND SUBMITTED TO THE SUB-COMMITTEE.

"THE ACE'S REQUESTS FOR CONSIDERATION OF REPAIRS TO THE LANDSCAPE AND USE OF ZERO EMISSION VEHICLES WILL BE GIVEN EARLY ATTENTION," MRS CARTLAND SAID, ADDING SHE INTENDED TO USE HER POSITION ON THE PROJECT BOARD TO GET THESE MATTERS RAISED IMMEDIATELY AND DISCUSSED THOROUGHLY.

THE BOARD WAS FORMED BY THE ROYAL HONG KONG JOCKEY CLUB, WHICH WILL DEVELOP THE GOLF CENTRE, TO OVERSEE THE PROGRESS OF THE PROJECT.

THE FINAL CONDITION IMPOSED BY THE ACE IS THAT ANY FURTHER DEVELOPMENTS ON THE ISLAND OUTSIDE THE BOUNDARIES OF THE PUBLIC GOLF COURSE SHOULD BE SUBJECT TO FURTHER EIA'S.

"WE ARE HAPPY TO ACCEPT THIS CONDITION ALTHOUGH I SHOULD MAKE IT CLEAR THAT WE CURRENTLY HAVE NO PLANS FOR OTHER DEVELOPMENTS AND WOULD ONLY EVER CONSIDER OTHER DEVELOPMENT THAT WAS FULLY COMPATIBLE WITH GOLF CENTRE," MRS CARTLAND SAID.

SHE ALSO TOLD THE COUNCIL DETAILED SITE INVESTIGATION AND SURVEY WORK WERE NOW UNDERWAY.

"WE EXPECT ACTUAL CONSTRUCTION TO BEGIN NEXT MONTH' ALL BEING WELL AND TO BE COMPLETED IN DECEMBER 1995," SHE SAID.

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HK NOT TO BE USED AS BASE OF SUBVERSION

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THE GOVERNMENT WOULD NOT ALLOW HONG KONG TO BE USED AS A BASE FOR POLITICAL ACTIVITY BY VISITORS CAMPAIGNING TO UNDERMINE ANY OF THE NEIGHBOURING COUNTRIES.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN REPLY TO A QUESTION BY THE HON CHEUNG MAN-KWONG ABOUT A COMMENT MADE BY THE CHIEF SECRETARY, MRS ANSON CHAN, RECENTLY.

HE SAID THERE WAS NO OFFENCE OF SUBVERSION IN HONG KONG LAW AND NO LEGAL DEFINITION OF "SUBVERSIVE" ACTIVITIES.

"THE WORD IN ITS NORMALLY ACCEPTED SENSE REFERS TO ACTIVITIES WHICH THREATEN THE SAFETY OR WELL-BEING OF A STATE AND WHICH ARE INTENDED TO UNDERMINE OR OVERTHROW A STATE BY POLITICAL OR VIOLENT MEANS.

"THIS DOES NOT INCLUDE THE PEACEFUL AND LAWFUL EXPRESSION OF VIEWS BY HONG KONG PEOPLE ON ANY ISSUE, INCLUDING EVENTS IN CHINA."

WITH REGARD TO THE APPLICATION FOR ENTRY INTO HONG KONG BY PEOPLE IN EXILE OVERSEAS FOR SUPPORTING THE CHINESE DEMOCRATIC MOVEMENT IN 1989, MR ASPREY NOTED THAT EACH CASE WAS CONSIDERED ON ITS MERITS SINCE HONG KONG HAD VERY LIBERAL IMMIGRATION AND VISA POLICIES.

"OUR OVER-RIDING RESPONSIBILITY IS TO SAFEGUARD THE INTERESTS, FREEDOMS, RIGHTS AND PRIVILEGES OF HONG KONG PEOPLE, AND THIS IS OUR PRIME CONCERN IN CONSIDERING AND DECIDING INDIVIDUAL CASES," HE ADDED.

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POLICE ACTION DURING PROCESSION TO MAINTAIN PUBLIC ORDER

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POLICE ACTION TAKEN DURING THE PROCESSION ORGANISED BY THE HONG KONG ALLIANCE IN SUPPORT OF THE PATRIOTIC DEMOCRATIC MOVEMENT IN CHINA ON MAY 29 WAS TO MAINTAIN PUBLIC ORDER.

THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID THIS IN HIS REPLY TO THE QUESTION BY THE HON SZETO WAH IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE DECISION REGARDING THE POSITIONING OF THE BANNER AND THE WREATH, AS WELL AS THE LIMITATION ON THE NUMBER OF PARTICIPANTS WHO COULD APPROACH THE ENTRANCE OF THE NCNA BUILDING, WAS MADE HAVING REGARD TO THE PREVAILING CIRCUMSTANCES, INCLUDING THE MOOD AND SIZE OF THE CROWD," MR ASPREY SAID.

"AS WITH OTHER INCIDENTS INVOLVING CROWD CONTROL, THE SENIOR POLICE OFFICER ON THE GROUND TAKES APPROPRIATE ACTION TO STRIKE THE RIGHT BALANCE BETWEEN THE FREEDOM OF THE INDIVIDUAL TO EXPRESS THEIR VIEWS AND THE NEED TO MAINTAIN PEACE AND ORDER."

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CHILDREN CRIME FIGURES

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THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TODAY (WEDNESDAY) RELEASED TO THE LEGISLATIVE COUNCIL FIGURES ON CHILDREN INVOLVED IN CRIMINAL OFFENCES IN THE LAST THREE YEARS.

REPLYING TO THE HON MARTIN LEE'S QUESTION, MR ASPREY SAID THE NUMBER OF CHILDREN AGED BETWEEN SEVEN AND 16 YEARS WHO WERE CHARGED WITH CRIMINAL OFFENCES IN 1991 WAS 2,376; IN 1992, IT WAS 2,322; AND IN 1993, 2,233.

"THE NUMBER OF CHILDREN WHO WERE CONVICTED OF CRIMINAL OFFENCES IN 1991 WAS 1,372; IN 1992, IT WAS 1,345; AND IN 1993, IT WAS 1,305," HE SAID.

REGARDING THOSE CHARGED WITH DRUG-RELATED OFFENCES, THERE WERE 30 IN 1991, OF WHOM 13 WERE CONVICTED; IN 1992 THERE WERE 22, OF WHOM NINE WERE CONVICTED; AND IN 1993 THERE WERE 29, OF WHOM 21 WERE CONVICTED.

THE NUMBER OF CHILDREN WHO RECEIVED A CUSTODIAL SENTENCE IN 1991 WAS 161; IN 1992, IT WAS 177, AND IN 1993, IT WAS 166.

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POLICY ON FRONTIER AREA REVIEWED

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A REVIEW ON THE POLICY OF FRONTIER CLOSED AREA HAS RECENTLY BEEN COMPLETED AND ITS RECOMMENDATIONS ARE BEING CONSIDERED.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON LAU WONG-FAT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE REVIEW HAS TAKEN INTO ACCOUNT THE NEED TO BALANCE INDIVIDUAL RIGHTS AND THE NEED TO COMBAT ILLEGAL IMMIGRATION," HE NOTED.

"THE GOVERNMENT WILL BE ANNOUNCING THE RESULTS SHORTLY," MR ASPREY SAID.

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POPULATION PROJECTIONS TO BE REVISED

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THE CENSUS AND STATISTICS DEPARTMENT HAS DECIDED TO REVISE THE POPULATION PROJECTIONS WHICH WAS ISSUED IN MID-1992 BY THE END OF THIS YEAR.

THIS IS BECAUSE THERE HAS BEEN RELATIVELY SIGNIFICANT VOLATILITY IN THE MIGRATION SITUATION OVER THE LAST TWO TO THREE YEARS, THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, SAID IN A WRITTEN REPLY TO A QUESTION BY THE HON ROGER LUK IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HOWEVER, MR CARTLAND NOTED THAT IT WAS NOT POSSIBLE TO QUOTE SOME SIMPLE FIGURES TO STATE EXACTLY HOW MANY MIGRANTS HAD COME IN AND GONE OUT DURING A PERIOD OF TIME.

UNDER THE PRESENT SYSTEM, HONG KONG PERMANENT RESIDENTS CAN TRAVEL IN AND OUT OF HONG KONG ON THEIR IDENTITY CARDS AND OFFICIALS AT IMMIGRATION CONTROL POINTS DO NOT ASK THEM ABOUT INTENDED DURATION OF ABSENCE FROM HONG KONG WHEN THEY DEPART, OR LENGTH OF STAY WHEN THEY RETURN.

"IN FACT, THE PURPOSE OF TRIPS NEED NOT BE REVEALED AT ALL.

"HENCE, IT IS NOT POSSIBLE TO ESTABLISH WHICH TRAVELLER IS ACTUALLY AN EMIGRANT OR A RETURNING EMIGRANT," MR CARTLAND SAID.

THE TREND OF NET EMIGRATION OF HONG KONG RESIDENTS CAN ONLY BE ESTIMATED BY THE BALANCE OF DEPARTURES AGAINST ARRIVALS. SUCH STATISTICS ARE PUBLISHED.

TO ASSIST THE ANALYSIS OF MIGRATION OF HONG KONG RESIDENTS, ESTIMATES ARE ALSO MADE OF THE NUMBER OF PEOPLE WHO EMIGRATE WITHIN DIFFERENT PERIODS IN TIME, BASED ON STATISTICS ON VISA APPLICANTS AND APPLICATIONS FOR CERTIFICATES OF NO CRIMINAL CONVICTION.

"THE ANALYSIS OF THE MIGRATION TREND IS COMPLICATED AND VARIOUS SETS OF STATISTICS HAVE TO BE STUDIED CONCURRENTLY," HE SAID.

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TRADE IN PRISON LABOUR GOODS NOT PROHIBITED

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THERE IS NO HONG KONG LAW OR INTERNATIONAL OBLIGATION WHICH WOULD PROHIBIT THE IMPORT OR EXPORT OF GOODS PROCESSED OR MANUFACTURED IN HONG KONG OR ELSEWHERE BY PRISON LABOUR, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON CONRAD LAM, MR CHAU SAID HONG KONG'S GENERAL POLICY ON THE EXPORT, RE-EXPORT AND IMPORT OF GOODS WAS, PROVIDED THAT THERE WAS NO INFRINGEMENT OF ANY LOCAL LAW OR ANY OF OUR INTERNATIONAL OBLIGATIONS, GOODS COULD BE TRADED FREELY.

"THE HONG KONG GOVERNMENT DOES NOT KEEP TRACK OF TRADE IN PRISON LABOUR GOODS. THERE IS THEREFORE NO INFORMATION ON WHETHER SUCH PRODUCTS HAVE BEEN FOUND IN THE LOCAL MARKET.

"SINCE TRADE IN SUCH GOODS IS NOT PROHIBITED IN HONG KONG, THE GOVERNMENT HAS NOT CONDUCTED ANY SPECIAL INVESTIGATIONS INTO SUCH TRADE AND DOES NOT MAINTAIN ANY MEASURES TO STOP THE FLOW OF SUCH PRODUCTS INTO HONG KONG FOR SALE OR RE-EXPORT," MR CHAU SAID.

HOWEVER, THERE IS A GENERAL POLICY OF KEEPING HONG KONG'S IMPORTERS AND EXPORTERS INFORMED OF THE TRADE POLICIES AND REGULATIONS OF ITS TRADING PARTNERS.

"IN RESPECT OF PRISON LABOUR GOODS, THE GOVERNMENT HAS REPEATEDLY INFORMED OUR TRADING COMMUNITY THAT IT UNDERSTANDS THAT U.S. LAWS PROHIBIT THE IMPORT OF PRISON LABOUR GOODS AND THAT IT IS CHINA'S POLICY TO PROHIBIT THE EXPORT OF SUCH GOODS," HE ADDED.

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OXYGEN SUPPLIES REASONABLY PRICED

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OXYGEN SUPPLIES CAN BE OBTAINED AT REASONABLE PRICES THAT REPRESENT GOOD VALUE FOR MONEY BY CAREFUL PRODUCT SOURCING AND EVALUATION, USE OF FAIR AND OPEN TENDERING PROCEDURES AND SKILFUL NEGOTIATIONS.

THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, EXPRESSED THIS CONFIDENCE TODAY (WEDNESDAY) IN A WRITTEN REPLY TO DR THE HON HUANG CHEN-YA'S QUESTION IN THE LEGISLATIVE COUNCIL.

MR TSANG SAID THE GOVERNMENT HAD NO INFORMATION ON THE PRICES OF OXYGEN IN NEIGHBOURING TERRITORIES.

"IN ANY EVENT, PRICE COMPARISONS ARE NOT MEANINGFUL WITHOUT DUE REGARD TO THE TERMS OF THE CONTRACT AND LOCAL CONDITIONS," HE SAID.

THE HOSPITAL AUTHORITY SPENT \$15.3 MILLION IN 1992/93 AND \$18.5 MILLION IN 1993/94 TO BUY OXYGEN.

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WHC IS THE SOLUTION FOR CROSS-HARBOUR TRAFFIC

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THE ULTIMATE SOLUTION TO THE CONGESTION PROBLEM DURING PEAK HOURS AT THE ISLAND EASTERN CORRIDOR (IEC) NEAR THE EASTERN HARBOUR CROSSING (EHC) HAS TO AWAIT THE COMPLETION OF THE WESTERN HARBOUR CROSSING TO PROVIDE ADDITIONAL CAPACITY FOR CROSS-HARBOUR TRAFFIC.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, WHEN REPLYING TO A QUESTION BY THE HON MARTIN LEE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BARMA NOTED THAT DURING THE MORNING AND EVENING PEAK HOURS, THE AVERAGE HOURLY THROUGHPUT AT THE EASTERN HARBOUR CROSSING (EHC) WAS 6,270 VEHICLES, WHICH WAS MORE THAN ITS DESIGN CAPACITY OF 6,000 VEHICLES PER HOUR.

WHEN THIS HAPPENS, TRAFFIC QUEUES INEVITABLY BUILD UP FROM THE TUNNEL PORTAL AND EXTEND ONTO THE CARRIAGEWAY OF THE IEC.

TRAFFIC FROM NORTH POINT, VIA MAN HONG STREET SLIP ROAD, HAS TO MERGE WITH THE TUNNEL BOUND TRAFFIC QUEUE ON THE IEC, THUS DISRUPTING EASTBOUND THROUGH TRAFFIC ALONG THE IEC.

TO RELIEVE CONGESTION AT THIS POINT, THE FEASIBILITY OF ONLY ALLOWING BUSES FROM MAN HONG STREET SLIP ROAD TO WEAVE INTO THE MIDDLE LANE OF THE IEC TO HEAD FOR THE EHC IS BEING EXPLORED.

OTHER MOTORISTS WILL HAVE TO USE A MORE CIRCUITOUS ROUTE FOR ACCESS TO THE EHC.

THE LONGER TERM PLANS ARE TO PROVIDE AN ADDITIONAL SLIP ROAD ALONG THE IEC DIRECTLY CONNECTING THE MAN HONG STREET SLIP ROAD WITH THE EHC.

IN THE MEANTIME, THE TRANSPORT DEPARTMENT HAS IMPLEMENTED TRAFFIC MANAGEMENT MEASURES TO REDUCE THE DELAY TO CHAI WAN BOUND TRAFFIC.

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MISUSE OF PARKING AREA AT KOWLOON BAY TACKLED

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THE MISUSE OF PARKING AREAS WITHIN INDUSTRIAL BUILDINGS IN THE KOWLOON BAY AREA IS BEING GIVEN SUFFICIENT PRIORITY UNDER THE ENFORCEMENT PROGRAMME AGREED BY THE KWUN TONG DISTRICT BOARD.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING, MR EASON SAID: "THE DISTRICT LANDS OFFICER FOR KOWLOON EAST HAS RECEIVED A NUMBER OF COMPLAINTS REGARDING UNAUTHORISED CONVERSION OF THE ORIGINAL LAYOUT PLANS OF THE INDUSTRIAL BUILDINGS, PARTICULARLY IN RESPECT OF CAR AND LORRY PARKING SPACES."

DISTRICT LANDS OFFICE STAFF HAVE CARRIED OUT 1,120 INSPECTIONS OF INDUSTRIAL BUILDINGS WITHIN THE KOWLOON BAY AND KWUN TONG INDUSTRIAL AREAS IN THE THREE YEARS PERIOD UP TO THE END OF LAST MONTH.

THESE INSPECTIONS WERE INITIATED EITHER AS A RESULT OF COMPLAINTS OR AS PART OF THE CONTINUING PROGRAMME OF ENFORCEMENT AGAINST THE MISUSE OF PARKING SPACES WITHIN INDUSTRIAL BUILDINGS AGREED BY THE KWUN TONG DISTRICT BOARD.

WHEN A BREACH IS DISCOVERED, A WARNING LETTER CAN BE ISSUED REQUIRING A LOT OWNER TO CORRECT THE BREACH.

IF THE BREACH IS NOT CORRECTED, THE LOT MAY BE RE-ENTERED UNDER THE CROWN RIGHTS ORDINANCE.

MR EASON SAID IN THE THREE YEAR PERIOD UP TO THE END OF MAY THIS YEAR, 132 WARNING LETTERS RELATED TO BREACHES OF LEASE CONDITIONS IN INDUSTRIAL BUILDINGS IN THE KOWLOON BAY AND KWUN TONG AREA HAD BEEN ISSUED.

OF THESE, 36 RELATED TO PARKING SPACES, AND THE BREACHES IN ALL THESE CASES HAVE BEEN CORRECTED.

THE POSSIBLE NEED TO INCREASE STAFF DEPLOYED ON LEASE ENFORCEMENT DUTIES WAS KEPT UNDER REGULAR REVIEW HAVING REGARD TO OTHER PRIORITIES, HE SAID.

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INCREASE IN HA DIRECTORATE POSTS

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THERE ARE 359 POSTS IN THE HOSPITAL AUTHORITY (HA) THAT ARE EQUIVALENT TO DIRECTORATE POSTS OF THE CIVIL SERVICE, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THIS COMPARES WITH 278 POSTS WHEN THE HA TOOK OVER CONTROL OF THE HOSPITALS ON DECEMBER 1, 1991.

IN HER WRITTEN REPLY TO A QUESTION BY THE HON MICHAEL HO, MRS WONG SAID THE INCREASE WAS THE NET EFFECT OF A REDUCTION OF TWO POSTS AT THE HEAD OFFICE LEVEL AND AN ADDITION OF 83 POSTS AT THE HOSPITAL LEVEL.

SHE POINTED OUT THAT THE HA WAS EMPOWERED TO DETERMINE THE REMUNERATION AND CONDITIONS OF SERVICE OF ALL EMPLOYEES WORKING IN THE AUTHORITY, WITH THE EXCEPTION OF THE POST OF CHIEF EXECUTIVE.

ON THE MEANS BY WHICH THE GOVERNMENT MONITORED THE CREATION OF SUCH POSTS, MRS WONG SAID THAT UNDER THE HA ORDINANCE, THE DIRECTOR OF AUDIT MIGHT CONDUCT EXAMINATIONS ON THE ECONOMY AND EFFICIENCY WITH WHICH THE AUTHORITY HAD EXPENDED RESOURCES IN DISCHARGING ITS STATUTORY FUNCTIONS.

"THE AUTHORITY ALSO PUBLISHES AN ANNUAL BUSINESS PLAN WHICH SETS OUT THE PROPOSED PROGRAMMES AND TARGETS BY WHICH THE PUBLIC CAN MONITOR ITS PERFORMANCE," SHE SAID.

"THESE SAFEGUARDS AIM TO ENSURE THAT VALUE FOR MONEY IS ACHIEVED BY THE AUTHORITY IN CONDUCTING ITS ACTIVITIES," SHE ADDED.

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HOSPITAL FUND RAISING ORGANISED BY MANAGEMENT STAFF

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FUND-RAISING ACTIVITIES BY VARIOUS HOSPITALS HAVE BEEN ORGANISED BY THE HOSPITAL MANAGEMENT STAFF WITH MINIMAL INVOLVEMENT OF FRONTLINE MEDICAL AND NURSING STAFF, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HER WRITTEN REPLY TO A QUESTION BY THE HON MICHAEL HO, MRS WONG SAID FUND-RAISING AND PUBLICITY ACTIVITIES WERE IMPORTANT TOOLS TO FOSTER A CLOSE PARTNERSHIP WITH THE LOCAL COMMUNITY, AND TO IMPOSE A CLEAR PUBLIC IMAGE OF THE HOSPITALS CONCERNED.

"THESE ACTIVITIES ARE ALSO PART OF THE TRADITION ESTABLISHED BY MANY EX-SUBVENTED HOSPITALS AND REPRESENT JOINT EFFORTS OF THE HOSPITAL GOVERNING COMMITTEES, BOARDS OF DIRECTORS, LOCAL COMMUNITY GROUPS AND VOLUNTEERS," SHE SAID.

REFERRING TO THE QUEEN ELIZABETH HOSPITAL OPEN DAY, SHE SAID THE PARTICIPATION OF MEDICAL AND NURSING STAFF WAS ENTIRELY VOLUNTARY.

NO SIMILAR ACTIVITY WAS ORGANISED BY QUEEN MARY HOSPITAL EXCEPT FOR THE RECENT PUBLICITY EXERCISE RELATING TO ITS NURSING SCHOOL.

"IN BOTH CASES, THE WORK INVOLVED CONSISTED MAINLY OF PREPARATION OF DEMONSTRATION MATERIAL ON SIGNBOARDS," MRS WONG SAID.

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SMOKING IS DISCOURAGED AT AIRPORT TERMINAL

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THE DIRECTOR OF CIVIL AVIATION IS EXAMINING THE FEASIBILITY OF DESIGNATING THE ARRIVALS HALL AND OTHER PUBLIC AREAS IN THE AIRPORT AS STATUTORY NON-SMOKING AREAS.

THE PURPOSE IS TO ENABLE THE NON-SMOKING MAJORITY OF THE PUBLIC TO ENJOY A FRESHER INDOOR ENVIRONMENT, THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, SAID IN HIS WRITTEN REPLY TO THE HON STEVEN POON KWOK-LIM'S QUESTION IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

AT PRESENT, AREAS WITHIN THE PASSENGER TERMINAL BUILDING ARE NOT DESIGNATED AS STATUTORY NON-SMOKING AREAS. THE DEPARTMENT HAS IMPLEMENTED ADMINISTRATIVE MEASURES TO DISCOURAGE SMOKING THERE.

/"THESE MEASURES

THESE MEASURES INCLUDE THE PUTTING UP OF 'NO SMOKING' NOTICES AND PERIODIC ANNOUNCEMENTS MADE ON THE PUBLIC ADDRESS SYSTEM.

"CIVIL AVIATION DEPARTMENT STAFF HAVE OBSERVED THAT THE VOLUNTARY RESPONSE OF THE PUBLIC HAS BEEN ENCOURAGING AND ONLY A SMALL MINORITY APPEAR TO IGNORE THE NOTICES AND ANNOUNCEMENTS," MR SIU SAID.

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GOVT TO REVIEW INTENSIVE ENGLISH PROGRAMME

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THE GOVERNMENT INTENDS TO CONDUCT AN ANNUAL REVIEW OF THE INTENSIVE ENGLISH PROGRAMME AND THE SUPPLEMENTARY ENGLISH EXAMINATION TO ASSESS WHETHER THERE IS A NEED FOR THEM TO CONTINUE TO BE PROVIDED.

THIS WAS STATED TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL BY THE ACTING SECRETARY FOR EDUCATION AND MANPOWER, MR W K LAM, IN REPLY TO A WRITTEN QUESTION BY THE HON TIK CHI-YUEN.

MR LAM EXPLAINED THAT THE INTENSIVE ENGLISH PROGRAMME HAD BEEN INTRODUCED BY THE GOVERNMENT SINCE 1993 TO PROVIDE SPECIAL ASSISTANCE TO SIXTH FORM CHINESE-MEDIUM STUDENTS TO MEET THE ENGLISH LANGUAGE ENTRANCE REQUIREMENTS OF LOCAL TERTIARY INSTITUTIONS.

"IT IS ONE OF THE POSITIVE MEASURES TO ENCOURAGE TEACHING AND LEARNING IN SECONDARY SCHOOLS THROUGH THE MOTHER TONGUE," HE SAID.

THE PROGRAMME COMPRISED A FOUR-WEEK POST-SECONDARY 6 COURSE, AND A SIX-WEEK POST-SECONDARY 7 COURSE LEADING TO THE SUPPLEMENTARY ENGLISH EXAMINATION.

THE FIRST POST-SECONDARY 6 COURSE WAS HELD IN THE SUMMER OF 1993. THE FIRST POST-SECONDARY 7 COURSE WAS NOW BEING HELD, FOLLOWED BY THE SUPPLEMENTARY ENGLISH EXAMINATION TO BE HELD IN JULY THIS YEAR, MR LAM SAID.

HE POINTED OUT THAT LOCAL TERTIARY INSTITUTIONS HAD AGREED THAT A PASS IN THE SUPPLEMENTARY ENGLISH EXAMINATION WOULD BE DEEMED AS FULFILLING THE ENGLISH LANGUAGE REQUIREMENT FOR ADMISSION TO COURSES FOR WHICH GRADE E IN THE USE OF ENGLISH WAS NORMALLY REQUIRED.

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SUPERVISION OVER PRIVATE SCHOOLS

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ALL PRIVATE SCHOOLS ARE REQUIRED TO COMPLY WITH THE PROVISIONS OF THE EDUCATION ORDINANCE AND REGULATIONS, ANY IRREGULARITY DETECTED WILL BE DEALT WITH PROMPTLY.

THIS WAS STATED TODAY (WEDNESDAY) BY THE ACTING SECRETARY FOR EDUCATION AND MANPOWER, MR W K LAM, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN REPLY TO A QUESTION BY THE HON CHEUNG MAN-KWONG.

MR LAM SAID THE EDUCATION ORDINANCE AND REGULATIONS STIPULATED THE REGISTRATION OF THE SCHOOLS, THEIR MANAGERS AND TEACHERS WITH THE DIRECTOR OF EDUCATION, AS WELL AS OBTAINING HIS PRIOR APPROVAL BEFORE COURSES COULD BE OFFERED.

"COMPLIANCE IS MONITORED THROUGH REGULAR INSPECTIONS BY THE EDUCATION DEPARTMENT SCHOOL INSPECTORS AND INVESTIGATIONS INTO COMPLAINTS RECEIVED," HE SAID.

COMMENTING ON THE PRIVATE SCHOOL MENTIONED BY MR CHEUNG IN HIS QUESTION, MR LAM SAID IN JANUARY THIS YEAR, IN THE COURSE OF INVESTIGATING COMPLAINTS, STAFF OF THE EDUCATION DEPARTMENT DISCOVERED A NUMBER OF IRREGULARITIES IN THE SCHOOL INCLUDING THE RUNNING OF COURSES FOR WHICH THE APPROVAL OF THE DIRECTOR OF EDUCATION HAD NOT BEEN OBTAINED.

"A WARNING LETTER WAS ISSUED AND THE SCHOOL, WHICH WAS A REGISTERED SCHOOL, WAS GIVEN SEVEN DAYS TO RECTIFY THE IRREGULARITIES.

SIMULTANEOUSLY, LEGAL ADVICE WAS SOUGHT FROM THE ATTORNEY GENERAL'S CHAMBERS ON WHETHER PROSECUTION MIGHT BE INSTITUTED. THE IRREGULARITIES WERE DULY RECTIFIED. NO LEGAL PROCEEDINGS WERE INSTITUTED, MR LAM SAID.

MR LAM NOTED THAT A TOTAL OF SIX COMPLAINTS, INCLUDING VERBAL COMPLAINTS, WERE RECEIVED AND HAD BEEN FULLY INVESTIGATED.

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PUBLIC QUERIES ANSWERED ON TV

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THE MAIN AIM OF RADIO TELEVISION HONG KONG'S (RTHK) "ACCESS" PROGRAMME IS TO EXPLAIN MATTERS OF GENERAL CONCERN TO THE PUBLIC AND TO ANSWER PUBLIC QUERIES, THE ACTING SECRETARY FOR RECREATION AND CULTURE, MRS RACHEL CARTLAND, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HER WRITTEN REPLY TO A QUESTION BY THE HON STEVEN POON, MRS CARTLAND SAID ENQUIRIES AND COMPLAINTS SENT IN BY MEMBERS OF THE PUBLIC WERE ANSWERED BY REPRESENTATIVES OF THE ORGANISATIONS CONCERNED.

"THERE ARE NO SET CRITERIA FOR ALLOCATING AIR TIME TO ANY ORGANISATION," MRS CARTLAND SAID.

"THE FREQUENCY WITH WHICH AN ORGANISATION APPEARS ON THE PROGRAMME LARGELY DEPENDS ON THE FREQUENCY AND NUMBER OF QUERIES RECEIVED CONCERNING THAT ORGANISATION'S AREA OF RESPONSIBILITY," SHE ADDED.

CITING STATISTICS, MRS CARTLAND SAID OF THE 208 "ACCESS" PROGRAMMES PRODUCED IN THE PAST TWO YEARS, 76 FEATURED NON-GOVERNMENT ORGANISATIONS.

SHE POINTED OUT THAT AS PERSONAL HEALTH AND RELATED MATTERS HAD FOR SOME TIME BEEN A POPULAR TOPIC, THE HONG KONG MEDICAL ASSOCIATION HAD APPEARED MOST OFTEN ON THE PROGRAMME (24 TIMES).

OTHER NON-GOVERNMENT ORGANISATIONS APPEARING OFTEN ON THE PROGRAMME INCLUDED KOWLOON-CANTON RAILWAY (NINE TIMES), LIGHT RAIL (NINE TIMES), MASS TRANSIT RAILWAY (EIGHT TIMES), VOCATIONAL TRAINING COUNCIL (SIX TIMES) AND KOWLOON MOTOR BUS (FIVE TIMES).

MRS CARTLAND ALSO SAID ABOUT 10 PER CENT OF THE PROGRAMME'S TOTAL AIR TIME WAS FOR ORGANISATIONS TO EXPLAIN THEIR WORK AND SERVICE TO THE PUBLIC.

SHE ADDED THAT ON SUCH EXCEPTIONAL OCCASIONS, THE CONTENT MUST BE OF SUFFICIENT PUBLIC INTEREST AND CONCERN TO BE AIRED.

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NEW BEACH TO OPEN IN AUGUST

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A NEW BEACH AT TUEN MUN IS SCHEDULED FOR OPENING TO THE PUBLIC IN AUGUST, THE ACTING SECRETARY FOR RECREATION AND CULTURE, MRS RACHEL CARTLAND, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HER WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU, MRS CARTLAND SAID THE NEW FACILITY WAS AT GOLDEN BEACH AND WAS BEING DEVELOPED.

SHE ALSO SAID THE REGIONAL COUNCIL (RC) ALWAYS SOUGHT TO DEVELOP POTENTIAL BEACHES IN ITS AREA AND A DECISION IN THIS REGARD DEPENDS ON A NUMBER OF FACTORS.

THESE INCLUDE ACCESSIBILITY, WATER QUALITY, BEACH PROFILE, WATER CURRENT, THE SIZE OF THE HINTERLAND AND THE AVAILABILITY OF INFRASTRUCTURE SUPPORT.

AT PRESENT, THE RC MANAGES 30 GAZETTED BEACHES AND THEIR WATER QUALITY IS MONITORED REGULARLY BY THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD).

"BASED ON THE FINDINGS OF THE EPD, THE RC HAS RESOLVED TO OPEN 27 OF THESE 30 BEACHES IN THE CURRENT SWIMMING SEASON," MRS CARTLAND SAID.

"THE REMAINING THREE, VIZ ANGLERS' BEACH, OLD CAFETERIA BEACH AND CASTLE PEAK BEACH, ARE CLOSED BECAUSE OF THE UNSATISFACTORY WATER QUALITY THERE," SHE ADDED.

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PUBLIC TRANSPORT COMPANIES DISCLOSURE OF INFORMATION REQUIRED

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THE LEGISLATIVE COUNCIL ON WEDNESDAY NIGHT PASSED A MOTION ON THE DISCLOSURE OF INFORMATION BY PUBLIC TRANSPORT COMPANIES UPON THEIR APPLICATION FOR FARE INCREASES.

MEMBERS DEBATED AND PASSED THE MOTION MOVED BY THE HON MRS MIRIAM LAU. THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, SPOKE ON BEHALF OF THE GOVERNMENT.

THREE OTHER MOTIONS WERE ALSO PASSED.

ONE WAS MOVED BY THE HON ANDREW WONG UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE. ANOTHER WAS MOVED BY THE HON MRS ELSIE TU UNDER THE LEGISLATIVE COUNCIL COMMISSION ORDINANCE, AND THE REMAINING BY THE HON LAU CHIN-SHEK ON RATE OF RETURN OF THE MASS TRANSIT RAILWAY CORPORATION.

MEANWHILE, 12 BILLS, FIVE WITH AMENDMENTS, WERE PASSED.

THOSE BILLS PASSED WITH AMENDMENTS WERE THE DUTIABLE COMMODITIES (AMENDMENT) BILL 1994, THE CRIMINAL PROCEDURE (AMENDMENT) BILL 1993, THE NEW TERRITORIES LAND (EXEMPTION) BILL, THE CORRUPT AND ILLEGAL PRACTICES (AMENDMENT) BILL 1994 AND THE LEVERAGED FOREIGN EXCHANGE TRADING BILL.

THE OTHER BILLS WERE THE OFFICIAL LANGUAGES (AMENDMENT) BILL 1994, THE PLACES OF PUBLIC ENTERTAINMENT (AMENDMENT) BILL 1994, THE DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1994, THE PUBLIC HEALTH AND MUNICIPAL SERVICES (AMENDMENT) (NO. 2) BILL 1994, THE REGIONAL COUNCIL (AMENDMENT) BILL 1994, THE URBAN COUNCIL (AMENDMENT) BILL 1994 AND THE CRIMES (AMENDMENT) BILL 1994.