



## DAILY INFORMATION BULLETIN

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WEDNESDAY, APRIL 12, 1989

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FS EXPLAINS APPROVED ESTIMATES OF EXPENDITURE

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THE ESTIMATES OF EXPENDITURE APPROVED DURING THE SECOND QUARTER OF 1988-89 INCLUDED THOSE ON SUPPLEMENTARY PROVISION, APPROVED NON-RECURRENT COMMITMENTS AND NEW NON-RECURRENT COMMITMENTS, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING ON THE REPORT OF CHANGES TO THE ESTIMATES OF EXPENDITURE APPROVED DURING THE SECOND QUARTER OF 1988-89, MR JACOBS SAID THAT THE SUPPLEMENTARY PROVISION OF \$2,236.3 MILLION WAS APPROVED.

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

IT INCLUDED \$1,407 MILLION FOR PAYMENT OF THE HONG KONG GOVERNMENT'S CASH CONTRIBUTION TOWARDS THE COST OF THE GARRISON IN 1988-89, AND \$266 MILLION TO COVER THE VALUE ADDED TAX AND SALARIES TAX ON ALLOWANCES INCURRED UNDER THE 1981 DEFENCE COSTS AGREEMENT.

IT ALSO INCLUDED \$247.2 MILLION TO MEET THE EXPENSES IN IMPLEMENTING THE NEW STUDENT TRAVEL SCHEME.

IN ADDITION, IT COMPRISED \$125.0 MILLION TO ENABLE THE UNIVERSITIES, POLYTECHNICS AND THE BAPTIST COLLEGE TO AWARD SALARY INCREASES TO MINOR STAFF FOLLOWING THE ADJUSTMENT TO THE CIVIL SERVICE MODEL SCALE I PAY SCALE WITH RETROSPECTIVE EFFECT FROM APRIL 1, 1987, AND TO ACADEMIC AND NON-ACADEMIC STAFF FOLLOWING THE ADJUSTMENT TO THE CIVIL SERVICE PAY SCALES WITH EFFECT FROM APRIL 1 LAST YEAR.

APPROVED NON-RECURRENT COMMITMENTS WERE INCREASED BY \$42.3 MILLION DURING THE PERIOD, AND NEW NON-RECURRENT COMMITMENTS OF \$314.9 MILLION WERE ALSO APPROVED.

"IN THE SAME PERIOD, A NET INCREASE OF 1,670 POSTS WERE APPROVED," MR JACOBS ADDED.

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

THE LATTER HAD BEEN REPORTED TO THE FINANCE COMMITTEE IN ACCORDANCE WITH SECTION 8(8)(A) OF THE PUBLIC FINANCE ORDINANCE.

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WEDNESDAY, APRIL 12, 1989

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MTRC MADE FIRST NET PROFIT IN 1988

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THE MASS TRANSIT RAILWAY CORPORATION RECORDED ITS FIRST NET PROFIT LAST YEAR, THANKS TO THE PROFITS FROM NON-RECURRENT PROPERTY DEVELOPMENT.

THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THIS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) WHEN TABLING THE CORPORATION'S ANNUAL REPORT 1988.

HE SAID THE RECEIPT OF NON-RECURRENT PROPERTY DEVELOPMENT PROFITS OF \$722 MILLION LED TO THE CORPORATION'S FIRST NET PROFIT OF \$200 MILLION, COMPARED WITH A NET LOSS OF \$78 MILLION IN 1987.

HOWEVER, MR JACOBS POINTED OUT THAT BECAUSE OF THE NON-RECURRENT NATURE OF PROPERTY DEVELOPMENT PROFITS, IT WOULD BE SOME TIME IN THE FUTURE BEFORE THE RAILWAY OPERATING REVENUE WOULD REGULARLY PRODUCE A NET PROFIT FOR THE CORPORATION.

HE SAID THAT LAST YEAR THE CORPORATION RECORDED A TOTAL REVENUE OF \$2,307 MILLION - 12 PER CENT INCREASE OVER 1987 - OF WHICH \$2,066 MILLION CAME FROM THE FARE REVENUE THAT REPRESENTED AN 11 PER CENT GROWTH.

MR JACOBS ELABORATED THAT THE CORPORATION'S PROFIT BEFORE INTEREST AND FINANCE CHARGES INCREASED TO \$837 MILLION, SOME 29 PER CENT OVER THE PREVIOUS YEAR.

"INTEREST AND FINANCE CHARGES OF \$1,372 MILLION WERE PAID IN 1988 GIVING A LOSS OF \$535 MILLION AS AGAINST \$749 MILLION IN 1987," HE SAID.

DESPITE PRESSURE FROM INCREASED LABOUR COSTS AND SUBSTANTIAL INCREASES IN RAILWAY MAINTENANCE COSTS, THE CORPORATION WERE ABLE TO CONTAIN ITS COSTS TO A SEVEN PER CENT INCREASE, MR JACOBS SAID.

"I AM SATISFIED THAT THE CORPORATION'S COSTS ARE CONTAINED AND ITS REVENUE GROWTH IS SUFFICIENT TO MEET ITS OBLIGATIONS," HE ADDED.

"ITS GOOD CREDIT RATINGS AND FINANCING ARRANGEMENTS HAVE WON THE CORPORATION AN EXCELLENT REPUTATION IN INTERNATIONAL FINANCIAL MARKET."

ON THE CORPORATION'S BURDEN OF DEBTS, THE FINANCIAL SECRETARY NOTED THAT IT REDUCED ITS INDEBTEDNESS BY FOUR PER CENT TO A TOTAL DEBT OF \$17,434 MILLION AT THE END OF 1988.

"FOLLOWING THE EXECUTIVE COUNCIL'S AGREEMENT IN APRIL 1988, THE GOVERNMENT PAID A FURTHER \$1,000 MILLION IN RESPECT OF THE CORPORATION'S PARTLY PAID SHARES IN ACCORDANCE WITH THE FINANCE COMMITTEE'S APPROVAL," HE ADDED.

/"THERE REMAINS .....

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"THERE REMAINS UNCALLED ON THE PARTLY PAID SHARES A FURTHER \$2,500 MILLION, AND THIS EXPENDITURE IS PROVIDED FOR IN THE GOVERNMENT FORECAST OF MEDIUM TERM EXPENDITURE."

MR JACOBS SAID THAT AT THE END OF LAST YEAR, SHAREHOLDERS' FUNDS STOOD AT \$6,315 MILLION, AN IMPROVEMENT OF OVER \$2,900 MILLION.

"THIS AROSE FROM THE FURTHER EQUITY INJECTION OF \$1,000 MILLION THAT HAVE JUST REFERRED TO, THE NET PROFIT EARNED DURING THE YEAR AND THE REVALUATION OF INVESTMENT PROPERTIES HELD BY THE CORPORATION WHICH INCREASED ITS RESERVES BY \$1,604 MILLION," HE SAID.

"THIS MOVEMENT LED TO A YEAR-END DEBT TO EQUITY RATIO OF 2.8 TO ONE COMPARED WITH 5.3 TO ONE IN 1987."

BUT MR JACOBS SAID THAT THE CORPORATION HAD, AND WOULD CONTINUE TO HAVE FOR SOME TIME, A LARGE BURDEN OF DEBT.

"IN RECOGNITION OF THIS, THE CORPORATION REMAINS AN ACTIVE AND INNOVATIVE BORROWER IN HONG KONG AND IN THE WORLD FINANCIAL MARKET."

"I AM HAPPY TO ADD THAT DURING THE YEAR THE CORPORATION IMPROVED ITS INTERNATIONAL CREDIT RATINGS.

"THIS IS IMPORTANT BECAUSE IT ENSURES THAT THE CORPORATION IS WELL REGARDED IN THE INTERNATIONAL FINANCIAL MARKETS NOW AND IN THE FUTURE."

ON THE MTR PASSENGER GROWTH RATE, MR JACOBS SAID THAT A TOTAL OF 630 MILLION PASSENGERS WERE CARRIED LAST YEAR, REPRESENTING A SIX PER CENT INCREASE OVER 1987.

HOWEVER, HE WARNED THAT FURTHER INCREASES IN THE PASSENGER GROWTH RATE WERE EXPECTED IN THE FUTURE, THAT COULD LEAD TO THE CONTINUED BUILD-UP OF THE PEAK HOUR PATRONAGE ALONG THE NATHAN ROAD CORRIDOR.

"THE CORPORATION HAS AND WILL CONTINUE TO ADOPT MEASURES TO ENCOURAGE MORE PEOPLE TO TRAVEL TO WORK EARLIER OR LATER," HE SAID.

THE OPENING OF THE EASTERN HARBOUR CROSSING IN LATE SUMMER SHOULD PROVIDE SOME RELIEF, HE ADDED.

"FOR THE LONGER TERM, DEVELOPMENT OPTIONS ON OUR FUTURE TRANSPORT NETWORK WILL BE SET OUT IN THE SECOND COMPREHENSIVE TRANSPORT STUDY TO BE PUBLISHED SHORTLY AND THE CORPORATION IS EXPECTED TO PLAY AN ACTIVE ROLE IN SUCH DEVELOPMENTS," MR JACOBS SAID.

THE FINANCIAL SECRETARY THANKED THE FORMER CHAIRMAN, MR WILFRID NEWTON, AND THE BOARD, AS WELL AS THE MANAGEMENT AND STAFF OF THE MTRC FOR THE VERY RESPONSIBLE AND EFFICIENT WAY IN WHICH THEY MANAGED THE CORPORATION DURING THE PAST YEAR.

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ENGLISH CONSUMER MAGAZINE ADVOCATED

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THE CONSUMER COUNCIL MONTHLY MAGAZINE "CHOICE", WITH A CIRCULATION OF 46,400 COPIES SHOULD BE PUBLISHED IN ENGLISH FOR THOSE CONSUMERS WHO DO NOT READ CHINESE, THE HON MARTIN LEE SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TABLING THE ANNUAL REPORT OF THE CONSUMER COUNCIL FOR 1987-88, MR LEE WHO IS CHAIRMAN OF THE COUNCIL SAID THAT DURING THE YEAR UNDER REVIEW, THE COUNCIL HAD PUBLISHED ITS FIRST ENGLISH VERSION ENTITLED "CHOICE BUYING GUIDE 1988" WHICH BROUGHT TOGETHER IN ONE VOLUME ALL THE MAJOR TESTS AND SURVEY REPORTS FROM THE PRECEDING 12 ISSUES OF THE CHOICE MAGAZINE.

"THIS PROVED TO BE VERY POPULAR AMONG ENGLISH READING CONSUMERS. AND VERY RECENTLY, WE PUBLISHED THE CHOICE BUYING GUIDE 1989," HE SAID.

MR LEE SAID HE HOPED THAT THE COUNCIL COULD SOON PUBLISH ALL ITS MAGAZINES IN BOTH CHINESE AND ENGLISH BECAUSE HE BELIEVED THAT IT WAS A SERVICE WHICH THEY OUGHT TO PROVIDE EVEN THOUGH THEY MIGHT SUSTAIN A LOSS IN DOING SO.

STRESSING THAT JUSTICE IN THE MARKET-PLACE WAS WHAT CONSUMER PROTECTION WAS ALL ABOUT, MR LEE SAID THAT, REGRETTABLY, IT OFTEN TOOK QUITE A LONG TIME BEFORE THE PUBLIC COULD SEE THE PRINT OF THE COUNCIL'S WORK.

CITING THE REVAMPED TRAVEL AGENTS ORDINANCE AS AN EXAMPLE, MR LEE SAID THAT THE REPORT GAVE A VIVID ACCOUNT OF THE CONTRIBUTION MADE BY THE COUNCIL IN THE LEGISLATIVE PROCESS OF THE AMENDMENTS TO THIS ORDINANCE, BUT IT WAS NOT UNTIL NOW THAT THEY WERE BEGINNING TO WITNESS ITS EFFECT.

"ANOTHER EXAMPLE IS THE AMENDMENTS TO THE MONEY CHANGERS (DISCLOSURE OF RATES, CHARGES AND COMMISSIONS) ORDINANCE. THE AMENDMENTS WERE PASSED INTO LAW ONLY LAST MONTH, BUT, THE CONSUMER COUNCIL HAD BEEN PRESSING FOR CHANGE FOR SOME YEARS," HE NOTED.

TURNING TO THE REPORT ITSELF, MR LEE HIGHLIGHTED THE "RIGHT TO KNOW" CAMPAIGN OFFICIALLY LAUNCHED LAST YEAR, AND SAID HE WAS GLAD THAT THE CAMPAIGN HAD BEEN IMMENSELY SUCCESSFUL WITH, VERY FEW CONSUMERS TODAY STILL UNAWARE OF THE CAMPAIGN'S SLOGAN: "IF YOU ASK MORE, YOU GET MORE".

SOUTHERN CHINA TAKEN INTO ACCOUNT WHEN DEVELOPMENTS ARE PLANNED

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THE POSSIBLE EFFECTS OF THE NEW FACILITIES IN SOUTHERN CHINA WOULD BE TAKEN INTO ACCOUNT WHEN DECIDING ON HONG KONG'S FUTURE PORT AND AIRPORT NEEDS, THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION FROM THE HON KINGSLEY SIT, MR BARNES SAID FORMAL DISCUSSIONS WITH THE CHINESE AUTHORITIES ON THE DEVELOPMENT OF PORT AND AIRPORT FACILITIES IN BOTH PLACES WOULD BE CONSIDERED AS AND WHEN MORE DETAILED PLANS COULD BE DRAWN UP LATER THIS YEAR.

"FORMAL LIAISON ON PORT AND AIRPORT DEVELOPMENTS BETWEEN HONG KONG AND THE CHINESE AUTHORITIES LAST TOOK PLACE IN LATE 1987.

"HOWEVER, LESS FORMAL EXCHANGES ALSO TAKE PLACE FROM TIME TO TIME ESPECIALLY AT AN OPERATIONAL AND TECHNICAL LEVEL," HE SAID.

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HEIGHT RESTRICTION ON SALE SITE EXPLAINED

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THE 220-METRE HEIGHT RESTRICTION TO BE IMPOSED ON THE SALE SITE BETWEEN THE BANK OF CHINA BUILDING AND MURRAY BUILDING WAS AIMED AT PRODUCING A SCALED GRADATION BETWEEN THE BANK OF CHINA AND THE NEARBY LOWER DEVELOPMENTS, THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, SAID IN THE LEGISLATIVE COUNCIL MEETING TODAY (WEDNESDAY).

IN REPLY TO A QUESTION FROM THE HON CHENG HON-KWAN, MR BARNES SAID THE DECISION TO IMPOSE THE RESTRICTION WAS TAKEN FOLLOWING A PLANNING STUDY OF THIS AND ADJACENT SITES.

"IT IS AIMED AT PRODUCING A SCALED GRADATION BETWEEN THE BANK OF CHINA AND THE LOWER DEVELOPMENT AT MURRAY BUILDING AND ST JOHN'S CATHEDRAL. LIMITATION TO 220 METRES WILL NOT RESULT IN A REDUCTION IN PLOT RATIO AND WILL SECURE GOOD LINES OF SIGHT FROM THE NEW BUILDING," HE SAID.

MR BARNES ADDED THAT THERE WAS NOTHING UNUSUAL IN THIS DECISION.

"PLANNING RESTRICTIONS ARE FREQUENTLY INCLUDED IN LEASE CONDITIONS IN THE INTEREST OF LANDSCAPING AND THE ENVIRONMENT, PARTICULARLY IN THE CONTROL OF SIGNIFICANT SITES AND WHERE BUILDINGS MAY BREAK THE SKY-LINE OR INTRODUCE AN UNWANTED TYPE OF DEVELOPMENT INTO THE AREA.

"SPECIFIED HEIGHT RESTRICTIONS ARE GENERALLY BETTER AND MORE HELPFUL TO TENDERERS THAN APPLICATION OF DISCRETIONARY CONTROLS OVER DESIGN DISPOSITION AND HEIGHT WHICH ARE CONTAINED IN MANY PRESENT LEASE CONDITIONS," MR BARNES SAID.

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AG EXPLAINS DECISION NOT TO PROSECUTE FALSE SUBMISSIONS

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THE DECISION NOT TO PROSECUTE THE AUTHORS OF FALSE SUBMISSIONS MADE TO THE SURVEY OFFICE WAS TAKEN AFTER CAREFUL CONSIDERATION, THE ATTORNEY GENERAL, MR JEREMY MATHEWS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION FROM THE HON MARTIN LEE, MR MATHEWS SAID THE POLICE HAD ATTEMPTED TO FOLLOW UP ALL 2,581 COMPLAINTS OF ALLEGEDLY FALSE SUBMISSIONS MADE TO THE SURVEY OFFICE IN 1987 AND HAD ATTEMPTED TO INTERVIEW ALL COMPLAINANTS.

HOWEVER, ONLY 2,310 COMPLAINANTS RESPONDED TO THE POLICE INVESTIGATION AND THE REST EITHER REFUSED TO BE INTERVIEWED OR COULD NOT BE LOCATED, HE SAID.

ALL EXCEPT FOUR OF THE 2,310 COMPLAINANTS INTERVIEWED WITHDREW THEIR ALLEGATIONS, HE ADDED.

MR MATHEWS SAID THAT IN RESPECT OF THE FOUR COMPLAINTS THAT WERE NOT WITHDRAWN, THE AUTHORS OF THE SUBMISSIONS WERE IDENTIFIED.

"HAVING GIVEN VERY CAREFUL CONSIDERATION TO THESE CASES AND AFTER TAKING THE ADVICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS, I DECIDED NOT TO PROSECUTE ANY OF THESE CASES," HE SAID.

HE SAID IT WAS IMPROPER FOR HIM TO DISCLOSE THE REASONS FOR THE DECISION AS "THE DISCLOSURE MAY TRIGGER OFF A PUBLIC DEBATE ON THE GUILT OR INNOCENCE OF THE SUSPECTS.

"IT IS UNFAIR THAT THEY SHOULD BE SUBJECT TO A 'TRIAL' OUTSIDE THE COURT WHERE THEY HAVE NO OPPORTUNITY TO DEFEND THEMSELVES."

MR MATHEWS RESTATED THE PRINCIPAL CRITERIA TO BE CONSIDERED IN DECIDING WHETHER TO INSTITUTE CRIMINAL PROCEEDINGS.

"FIRSTLY, THERE IS THE SUFFICIENCY OF EVIDENCE CRITERION. THERE ARE A NUMBER OF WAYS IN WHICH THIS CAN BE DESCRIBED.

"MY PREDECESSOR, IN THIS COUNCIL ON MARCH 25, 1987, EXPRESSED IT THUS: THERE MUST BE ENOUGH EVIDENCE TO PROVE ALL THE INGREDIENTS OF AN OFFENCE. HE WENT ON TO NOTE THAT A BARE PRIMA FACIE CASE IS, GENERALLY SPEAKING, NOT ENOUGH TO WARRANT A PROSECUTION. THERE MUST BE A REASONABLE PROSPECT OF SECURING A CONVICTION.

"IF THE FIRST CRITERION - THE SUFFICIENCY OF EVIDENCE TEST - IS SATISFIED, THEN THE SECOND CRITERION IS THE PUBLIC INTEREST TEST.

"THIS CAN BE EXPRESSED IN THE QUESTION: DOES THE PUBLIC INTEREST REQUIRE A PROSECUTION? THAT QUESTION BRINGS INTO CONSIDERATION A NUMBER OF FACTORS, SOME OF WHICH WERE, BY WAY OF EXAMPLE, DESCRIBED BY THE ATTORNEY GENERAL IN THIS COUNCIL ON MARCH 25, 1987," MR MATHEWS SAID.

ASBESTOS IN BRAKE LININGS HARMLESS

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THE ASBESTOS CONTAINED IN VEHICLE BRAKE LININGS DO NOT CREATE ANY ADVERSE ENVIRONMENTAL IMPACT, THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION FROM PROF. THE HON C.K. POON, MR BARNES EXPLAINED THAT ONLY A VERY SMALL PORTION OF ASBESTOS FROM BRAKE LININGS WAS RELEASED AS FREE FIBRES AS MOST OF THE ASBESTOS WAS CHANGED BY THE INTENSE HEAT AND ABRASION OF BRAKE OPERATION INTO A HARMLESS NON-FIBROUS MATERIAL.

"ITS RISK ON THE HEALTH OF THE PUBLIC AT LARGE IS NEGLIGIBLE," MR BARNES ADDED.

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BI-SESSIONAL CONVERSION TARGETTED FROM 1994: SEM

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THE TIME FRAME THE GOVERNMENT WAS LOOKING AT FOR A COMPLETE CONVERSION OF BI-SESSIONAL PRIMARY SCHOOL TO WHOLE DAY SCHOOLING WAS THE PERIOD 1994 TO 2006, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION FROM THE HON DR HENRIETTA IP, MR BRIDGE SAID THE GOVERNMENT WAS STUDYING VARIOUS OPTIONS FOR PHASING OUT BI-SESSIONAL PRIMARY SCHOOLS WITHIN A REASONABLE NUMBER OF YEARS.

SINCE A LARGE NUMBER OF SCHOOLS WERE REQUIRED FOR FULL CONVERSION, AND THERE WAS DIFFICULTY IN FINDING SUITABLE SITES FOR ALL OF THEM, THE GOVERNMENT WAS STUDYING AN OPTION THAT WOULD REDUCE THE NUMBER OF NEW SCHOOLS NEEDED, HE ADDED.

THIS OPTION WOULD INVOLVE A MIXED MODE PRIMARY SCHOOLS, IN WHICH OLDER CHILDREN (PRIMARY FOUR TO SIX) WOULD GO TO SCHOOL ALL DAY WHILE CHILDREN IN PRIMARY ONE TO THREE WOULD CONTINUE THE HALF DAY SESSION, HE NOTED.

"THIS WOULD REDUCE THE NUMBER OF NEW SCHOOLS NEEDED, BUT WOULD REQUIRE CHANGES TO SCHOOL ADMINISTRATION AND WOULD BE MORE COMPLICATED BOTH FOR SCHOOLS AND PARENTS THAN A PROGRAMME OF FULL CONVERSION," MR BRIDGE EXPLAINED.

/HE SAID .....

HE SAID DR IP'S SUGGESTION THAT THE CONVERSION TO WHOLE DAY SCHOOLING SHOULD START FROM PRIMARY SIX AND BE COMPLETED FOR ALL PRIMARY PUPILS BY 1998 MIGHT BE TOO OPTIMISTIC BECAUSE THE INITIAL RESULTS OF A STUDY JUST RECEIVED SUGGESTED THAT A BUILDING PROGRAMME SHOULD BE DONE OVER A 12-YEAR PERIOD.

"OUR PROJECTIONS INDICATE THAT COMPLETE CONVERSION WOULD REQUIRE SOMETHING LIKE 4,400 ADDITIONAL CLASSROOMS," HE SAID. "THIS IS EQUIVALENT TO 147 SCHOOLS OF THE NEW 30 CLASSROOM DESIGN."

"SINCE IN PRACTICE WE CANNOT FIND ENOUGH SITES IN SUITABLE LOCATIONS LARGE ENOUGH FOR THE NEW DESIGN, THE ACTUAL NUMBER OF NEW SCHOOLS OF VARIOUS SIZES MAY HAVE TO BE AS MANY AS 170," MR BRIDGE SAID.

"ABOUT 100 OF THESE WOULD BE ADDITIONAL SCHOOLS ARISING FROM A NEW POLICY OF WHOLE DAY PROVISION, AND THE REST WOULD BE NEEDED TO REPLACE SCHOOLS DEMOLISHED IN HOUSING REDEVELOPMENT PROGRAMMES."

SINCE IT TOOK FIVE YEARS TO PLAN AND BUILD A SCHOOL, THE TIME FRAME THE GOVERNMENT WAS LOOKING AT WAS THE PERIOD 1994 TO 2006 FOR THE COMPLETE CONVERSION, MR BRIDGE SAID.

"THIS WOULD BE SUBJECT TO POLICY APPROVAL BY EXECUTIVE COUNCIL AND THE NORMAL RESOURCE ALLOCATION PROCEDURES," HE ADDED.

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#### 400 II'S JAILED IN PAST SIX MONTHS

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ABOUT 400 ILLEGAL IMMIGRANTS WHO WERE FOUND AT PLACES OF EMPLOYMENT DURING THE PAST SIX MONTHS FROM OCTOBER LAST YEAR, HAD BEEN PROSECUTED AND SENTENCED TO IMPRISONMENT, THE SECRETARY FOR SECURITY, THE HON GEOFFREY BARNES, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION FROM THE HON ELSIE TU, MR BARNES SAID SOME 90 PER CENT OF THEM HAD BEEN SENTENCED TO TERMS OF 15 TO 18 MONTHS, AND THAT OVER 90 PER CENT OF THEM HAD NO RECORD OF PREVIOUS CONVICTION.

"THE MEAN AGE OF THE CHINESE ILLEGAL IMMIGRANTS IMPRISONED IS ABOUT 27," HE ADDED.

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NO CONTROLS ON MSG IN FOODSTUFFS: SHW

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THE GOVERNMENT WOULD NOT CONTROL THE USE OF MONOSODIUM GLUTAMATE (MSG) IN THE PREPARATION OF FOODSTUFFS IN HONG KONG, THE SECRETARY FOR HEALTH AND WELFARE, THE HON CHAU TAK-HAY, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION FROM THE HON EDWARD HO, MR CHAU SAID THE MUNICIPAL SERVICES BRANCH, AS THE LOCAL FOOD CONTROL AUTHORITY, DID NOT CONSIDER IT NECESSARY TO CONTROL THE USE OF MSG, FOLLOWING THE RECOMMENDATIONS OF THE EXPERT COMMITTEE ON FOOD ADDITIVES.

AFTER CONDUCTING EXTENSIVE CHEMICAL, BIOCHEMICAL, TOXICOLOGICAL AND OTHER REVIEWS IN 1987, THE COMMITTEE CONSIDERED MSG AS SAFE FOR HUMAN CONSUMPTION, MR CHAU SAID.

"ON THE BASIS OF THE AVAILABLE DATA, THE TOTAL DIETARY INTAKE OF GLUTAMATES ARISING FROM THEIR USE AT THE LEVELS NECESSARY TO ACHIEVE THE DESIRED TASTE-ENHANCING EFFECT, DO NOT, IN THE OPINION OF THE EXPERT COMMITTEE, REPRESENT A HAZARD TO HEALTH," SAID MR CHAU.

HE SAID THE RECOMMENDED "ACCEPTED DAILY INTAKE" OF MSG HAD SINCE BEEN DESIGNATED BY THE EXPERT COMMITTEE AS "NOT SPECIFIED" WHICH WAS THE COMMITTEE'S MOST FAVOURABLE DESIGNATION ON THE SAFETY OF A FOOD ADDITIVE.

MSG WAS THE SODIUM SALT OF GLUTAMIC ACID WHICH WAS A COMPONENT OF PROTEINS AND HAD A SUBSTANTIAL NATURAL PRESENCE IN THE FOOD SUPPLY AND MSG WAS PERHAPS THE BEST STUDIED OF ALL FOOD ADDITIVES, HE SAID.

THE EXPERT COMMITTEE ON FOOD ADDITIVES IS A SUBSIDIARY BODY JOINTLY OF THE WORLD HEALTH ORGANISATION AND THE FOOD AND AGRICULTURE ORGANISATION OF THE UNITED NATIONS.

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EMPLOYMENT VISA POLICY APPLIED LIBERALLY AND FLEXIBLY

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THE EXISTING IMMIGRATION POLICY IN GRANTING EMPLOYMENT VISAS TO QUALIFIED PROFESSIONAL FROM OVERSEAS WAS BEING APPLIED LIBERALLY AND FLEXIBLY BY THE IMMIGRATION DEPARTMENT, THE SECRETARY FOR SECURITY, THE HON GEOFFREY BARNES, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE WAS REPLYING A QUESTION FROM THE HON PETER WONG, WHO ASKED IF CONSIDERATION WOULD BE GIVEN TO RELAXING EXISTING IMMIGRATION PROCEDURES TO GRANT EMPLOYMENT VISAS TO QUALIFIED ACCOUNTANTS FROM OVERSEAS WHO HAD BEEN OFFERED JOBS BY LOCAL COMPANIES AND AUDIT FIRMS.

/MR BARNES .....

MR BARNES POINTED OUT THAT THE EXISTING IMMIGRATION POLICY PERMITS A PERSON TO ENTER HONG KONG FOR EMPLOYMENT PROVIDING HE POSSESSED A SPECIAL SKILL, KNOWLEDGE OR EXPERIENCE OF VALUE TO AND NOT READILY AVAILABLE IN HONG KONG, OR THAT HE WAS IN A POSITION TO MAKE A SUBSTANTIAL CONTRIBUTION TO THE ECONOMY OF HONG KONG.

"I UNDERSTAND THAT QUALIFIED PROFESSIONAL ACCOUNTANTS DO NOT NORMALLY ENCOUNTER PROBLEMS IN ENTERING HONG KONG TO TAKE UP EMPLOYMENT.

"THE NEED TO RELAX IMMIGRATION PROCEDURES DOES NOT THEREFORE ARISE," HE SAID.

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SITES FOR NEW COAL-FIRED POWER STATION BEING SOUGHT

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HAVING REGARD TO THE LONG LEAD TIME INVOLVED IN THE CONSTRUCTION OF A NEW COAL-FIRED POWER STATION, THE SECRETARY FOR LANDS AND WORKS HAD ESTABLISHED A WORKING GROUP TO EXAMINE PRELIMINARY SUGGESTIONS MADE BY CHINA LIGHT AND POWER COMPANY ON POSSIBLE SITES, THE LEGISLATIVE COUNCIL WAS INFORMED TODAY (WEDNESDAY).

THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THIS IN A WRITTEN REPLY TO A QUESTION FROM THE HON TAM YIU-CHUNG.

TO ENSURE SUFFICIENT GENERATING CAPACITY IS AVAILABLE TO MEET THE FORECAST DEMAND FOR ELECTRICITY, CHINA LIGHT AND POWER COMPANY (CLP) HAD INFORMED THE GOVERNMENT THAT IT WOULD LIKE TO BUILD A FURTHER COAL-FIRED POWER STATION IN THE TERRITORY WHICH WOULD COMMENCE OPERATION IN 1996, MR JACOBS SAID.

"CLP'S PREFERENCE FOR A COAL-FIRED STATION IS BASED ON THE COMPANY'S EXPERIENCE AT THE CASTLE PEAK POWER STATION, WHICH HAS SHOWN COAL TO BE RELIABLE, ECONOMIC AND CAPABLE OF MEETING ACCEPTABLE ENVIRONMENTAL STANDARDS.

"WHILE THE GOVERNMENT HAS NOT COMPLETED ITS EXAMINATION OF CLP'S FORECASTS AND PROPOSALS, IT RECOGNISES THAT, NO MATTER HOW SOUND THE CASE FOR A NEW POWER STATION, TO FIND A SUITABLE SITE WILL BE AN EXTREMELY DIFFICULT TASK," HE ADDED.

MR JACOBS SAID THAT OF THE FIVE SITES INITIALLY SUGGESTED, THREE OF THEM WHICH LOCATED AT GRUFF HEAD, CRESCENT ISLAND AND HIGH ISLAND WERE ALL IN THE EAST OF THE TERRITORY IN COUNTRY PARKS AND FOR ENVIRONMENTAL AND CONSERVATION REASONS WERE NOT FAVOURED.

THE OTHER TWO SITES PROPOSED WERE AT FAN LAU WHICH WAS ON SOUTHERN LANTAU AND AT BLACK POINT NEAR THE CASTLE PEAK POWER STATION.

/ "WHILE CLP .....

"WHILE CLP PREFERS THE FAN LAU SITE, FURTHER INVESTIGATION OF BOTH SITES, AND OTHER POSSIBLE LOCATIONS HAS STILL TO BE UNDERTAKEN," HE SAID.

MR JACOBS STRESSED THAT IN CARRYING OUT A COMPREHENSIVE SITE SEARCH FOR A MAJOR FACILITY OF THIS KIND, EVERY EFFORT WAS MADE TO IDENTIFY AND EVALUATE ALL PRACTICABLE OPTIONS WITH DUE REGARD BEING GIVEN TO ENVIRONMENTAL CONSIDERATIONS.

"ACCOUNT IS ALSO TAKEN OF STRATEGIC PLANNING CONSIDERATIONS SUCH AS THE FUTURE PORT AND AIRPORT DEVELOPMENT IN THE TERRITORY.

"HAVING CHOSEN THE MOST SUITABLE SITE, A COMPREHENSIVE ENVIRONMENTAL IMPACT ASSESSMENT WILL HAVE TO BE CARRIED OUT TO CONSIDER THE POTENTIAL IMPACT OF THE PROPOSED POWER STATION AND ITS ASSOCIATED WORKS SUCH AS THE CONSTRUCTION OF TRANSMISSION LINES, ACCESS ROADS AND PFA STORAGE AND DISPOSAL FACILITIES ON THE ENVIRONMENT," HE SAID.

ON THE FACTORS THAT WOULD BE TAKEN INTO ACCOUNT IN SELECTING THE SITE, MR JACOBS SAID THAT THESE WERE NUMEROUS.

"THEY GENERALLY INCLUDE THE IMPACT ON THOSE LIVING NEAR THE PROPOSED LOCATION, THE PLANNING CONSIDERATIONS AND ENVIRONMENTAL IMPACT AS A WHOLE, PARTICULARLY IN RESPECT TO STACK EMISSIONS AND COOLING WATER AND THE NEED FOR GOOD FOUNDATION CONDITIONS.

"THEY ALSO INCLUDE THE NEED FOR DEEP WATER FOR COOLING AND FOR DELIVERIES BY BULK FUEL CARRIERS AND THE NEED, IF COAL IS USED, FOR SUITABLE AREAS TO DISPOSE OF ASH PRODUCED BY THE PLANT.

"SECURITY AND SAFETY OF SUPPLY, TOGETHER WITH THE ECONOMIC CONSIDERATIONS ARE ALSO IMPORTANT FACTORS THAT MUST BE TAKEN INTO ACCOUNT," MR JACOBS SAID.

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USD STAFF DO NOT REQUIRE POWER TO CHECK I.D. CARDS

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URBAN SERVICES DEPARTMENT (USD) STAFF DO NOT HAVE, NOR DO THEY REQUIRE THE POWER TO DEMAND IDENTITY CARDS FROM UNLICENSED HAWKERS AND "LITTERBUGS" FOR INSPECTION IN DISCHARGING THEIR DUTIES, THE SECRETARY FOR HEALTH AND WELFARE, THE HON T. H. CHAU, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO THE QUESTION ASKED BY THE HON TAM YIU-CHUNG, MR CHAU SAID THERE WERE DIFFERENT PROVISIONS UNDER THE PUBLIC HEALTH AND MUNICIPAL SERVICES ORDINANCE (CAP 132) GOVERNING THE ENFORCEMENT OF PROVISIONS IN RESPECT OF UNLICENSED HAWKING AND DEPOSITING OF LITTER IN A STREET OR PUBLIC PLACE.

/HE SAID .....

HE SAID IN THE CASE OF UNLICENSED HAWKING, SECTION 84(1) PROVIDED, AMONG OTHER THINGS, THAT ANY AUTHORISED PUBLIC OFFICER SUCH AS A MEMBER OF URBAN SERVICES DEPARTMENT STAFF, MIGHT ARREST WITHOUT WARRANT ANY PERSON SUSPECTED OF SUCH AN OFFENCE.

IN ADDITION, SECTION 85(1) PROVIDED THAT ANY PERSON WHO WAS SO ARRESTED SHOULD BE TAKEN TO THE NEAREST POLICE STATION, OR BE GIVEN INTO THE CUSTODY OF A POLICE OFFICER, WHO WAS EMPOWERED TO OBTAIN EVIDENCE OF IDENTITY OF THE PERSON.

"SINCE THIS PROCEDURE IS ALWAYS FOLLOWED, THE QUESTION OF USD STAFF POWERS TO DEMAND IDENTITY CARDS DOES NOT ARISE," MR CHAU SAID.

HE NOTED THAT FOR LITTERING OFFENCES, THE PRIME METHOD OF ENFORCEMENT WAS THE ISSUE OF A NOTICE TO THE LITTERER TO APPEAR BEFORE A MAGISTRATE UNDER SECTION 8A OF THE MAGISTRATES ORDINANCE.

THE NOTICE IS ISSUED BY AUTHORISED URBAN SERVICES DEPARTMENT STAFF.

THE FORM OF THE NOTICE IS PRESCRIBED AND IS SET OUT AS FORM 1A IN PART I OF THE SCHEDULE TO THE MAGISTRATES (FORMS) RULES MADE UNDER THE MAGISTRATES ORDINANCE (CAP 227).

THE FORM PROVIDES FOR THE ENTRY OF THE HONG KONG IDENTITY CARD NUMBER OF THE SUSPECT, IF KNOWN.

MR CHAU ALSO SAID THAT SECTION 131(3) OF CHAPTER 132 REQUIRED URBAN SERVICES DEPARTMENT STAFF TO MAKE A COMPLAINT OR PROVIDE INFORMATION IN RESPECT OF VARIOUS OFFENCES INCLUDING LITTERING OFFENCES IN THE MANNER PRESCRIBED BY THE MAGISTRATES ORDINANCE.

IN ADDITION, SECTION 23(1)(A) OF CHAPTER 132 PROVIDED THAT ANY PUBLIC OFFICER AUTHORISED BY THE URBAN SERVICES DEPARTMENT MIGHT REQUIRE ANY PERSON WHOM HE REASONABLY SUSPECTED OF HAVING CONTRAVENED ANY REGULATION MADE UNDER SECTION 15, TO GIVE HIS CORRECT NAME AND ADDRESS AND PRODUCE EVIDENCE TO THAT EFFECT, HE SAID.

THE PUBLIC CLEANSING AND PREVENTION OF NUISANCE (URBAN COUNCIL) BY-LAWS WERE MADE UNDER THAT SECTION.

"POWERS OF ARREST ARE GIVEN IN DEFAULT," MR CHAU SAID.

HE SAID THAT SECTION 23(1)(A) WAS CONSIDERED IN THE SUPREME COURT OF HONG KONG IN THE CASE THE ATTORNEY GENERAL AND TAM MAN-WAI (MAG. APP. 917 OF 1988).

MR CHAU SAID IN THAT CASE MR JUSTICE HOOPER RULED THAT IN THIS CONNECTION, THE FAILURE TO PRODUCE AN IDENTITY CARD AT FIRST INSTANCE UNDER 23(1) WOULD NOT AMOUNT TO OBSTRUCTION.

/BUT MR .....

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BUT MR JUSTICE HOOPER SAID THAT IF THE SUSPECT HAD NO EVIDENCE OF HIS NAME AND ADDRESS OTHER THAN HIS IDENTITY CARD, THE PUBLIC OFFICER WOULD BE ENTITLED TO DEMAND THAT THE SUSPECT PRODUCE IT, MR CHAU NOTED.

"THE ANSWER IS THEREFORE NOT ENTIRELY STRAIGHT-FORWARD BUT THE URBAN SERVICES DEPARTMENT IS SATISFIED THAT THESE VARIOUS PROVISIONS, WHEN READ IN CONJUNCTION WITH THE JUDGEMENT OF MR JUSTICE HOOPER IN RELATION TO SECTION 23 OF CHAPTER 132, GIVES ITS OFFICERS SUFFICIENT POWERS TO ENFORCE THE LEGISLATION," MR CHAU SAID.

HE ADDED THAT THE DEPARTMENT HAD ISSUED FULL GUIDELINES TO ITS STAFF TO ENABLE THEM TO ENFORCE THE LEGISLATION SATISFACTORILY.

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UNPAID MEMBERS OF ADVISORY BODIES NOT DISCOURAGED  
FROM COMMUNITY WORK  
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THERE WAS NO EVIDENCE THAT UNPAID MEMBERS OF ADVISORY BODIES WERE DISCOURAGED FROM PARTICIPATING IN COMMUNITY WORK, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, THE HON PETER TSAO, INFORMED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON JAMES MCGREGOR, MR TSAO SAID THE GOVERNMENT WAS SATISFIED THAT ALTHOUGH PAYMENTS WERE NOT MADE TO MEMBERS OF MANY OF THE BOARDS AND COMMITTEES, THERE WAS NO EVIDENCE TO SUGGEST THAT THIS WAS A DISINCENTIVE TO PARTICIPATING IN COMMUNITY WORK THROUGH APPOINTMENT TO SUCH BODIES.

THERE WAS NO DOUBT THAT THE GOVERNMENT RELIED HEAVILY ON THE ADVICE OF MEMBERS OF THE PUBLIC WHO SERVED ON STATUTORY AND NON-STATUTORY BOARDS AND COMMITTEES, HE SAID.

"WHETHER PAYMENT SHOULD BE MADE TO MEMBERS OF A PARTICULAR BOARD OR COMMITTEE AND THE LEVEL OF THE PAYMENT ARE DECIDED ON A CASE-BY-CASE BASIS," MR TSAO EXPLAINED.

"THE FACTORS FOR CONSIDERATION INCLUDE THE FREQUENCY AND DURATION OF MEETINGS, THE PROFESSIONAL EXPERTISE REQUIRED AND THE NATURE AND LEVEL OF RESPONSIBILITIES," HE SAID.

HOWEVER, MR TSAO ADDED THAT VARIOUS FORMS OF PAYMENTS, SUCH AS REMUNERATION, HONORARIUM, FEE AND ALLOWANCE, WERE IN FACT AVAILABLE TO MEMBERS OF 42 BOARDS AND COMMITTEES.

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MANAGEMENT OF ZOOLOGICAL GARDENS  
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THE PROVISION AND MANAGEMENT OF ZOOLOGICAL GARDENS IN THE TERRITORY WAS THE RESPONSIBILITY OF THE MUNICIPAL COUNCILS, AND IN JANUARY 1988, THE REGIONAL COUNCIL AGREED IN PRINCIPLE TO PROVIDE A ZOO OF INTERNATIONAL STANDARDS, THE LEGISLATIVE COUNCIL WAS INFORMED TODAY (WEDNESDAY).

THIS WAS STATED BY THE SECRETARY FOR DISTRICT ADMINISTRATION, THE HON DONALD LIAO IN A WRITTEN REPLY TO THE HON JIMMY MCGREGOR.

MR LIAO POINTED OUT THAT EXTENSIVE RESEARCH ON THE PROVISION AND OPERATIONS OF A ZOO HAD BEEN UNDERTAKEN BY THE REGIONAL SERVICES DEPARTMENT THROUGH LIAISON WITH REPUTABLE ZOOS IN AUSTRALIA, CANADA, ENGLAND, JAPAN AND SINGAPORE.

AN INTER-DEPARTMENTAL AD HOC WORKING GROUP HAD ALSO BEEN FORMED TO SEARCH FOR SUITABLE SITES FOR A ZOO. AT PRESENT, SEVERAL SITES HAVE BEEN IDENTIFIED BY THE WORKING GROUP.

PROPOSALS HAD BEEN SUBMITTED TO THE DEVELOPMENT PROGRESS COMMITTEE FOR CONSIDERATION.

"ONCE A SITE HAS BEEN RESERVED, THE REGIONAL COUNCIL WILL CONSIDER THE FEASIBILITY OF COMMISSIONING A CONSULTANCY STUDY ON THE ZOO PROJECT," MR LIAO SAID.

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PHOTOCOPIERS MAY BE PROVIDED TO AIDED SECONDARY SCHOOLS NEXT YEAR  
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PHOTOCOPYING MACHINES WOULD BE PROVIDED FOR AIDED SECONDARY SCHOOLS IN THE NEXT FINANCIAL YEAR, SUBJECT TO FUNDS BEING ALLOCATED, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RONALD BRIDGE, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON CHEUNG CHI-KONG, MR BRIDGE SAID A REVIEW OF THE STANDARD FURNITURE AND EQUIPMENT LIST FOR AIDED SCHOOLS WAS COMPLETED IN NOVEMBER LAST YEAR AND ESTABLISHED THE NEED FOR A PHOTOCOPYING MACHINE IN BOTH PRIMARY AND SECONDARY SCHOOLS.

"SUBJECT TO FUNDS BEING ALLOCATED, AIDED SECONDARY SCHOOLS WILL BE PROVIDED WITH PHOTOCOPIERS IN THE FINANCIAL YEAR 1990-91.

"FUNDS FOR PHOTOCOPIERS IN AIDED PRIMARY SCHOOLS MAY NOT BE AVAILABLE UNTIL THE FOLLOWING FINANCIAL YEAR," MR BRIDGE SAID.

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FILM CENSORSHIP VIEWING FREQUENCY APPROPRIATE

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THE EXISTING FREQUENCY OF VIEWING BY ADVISERS TO THE FILM CENSORS SHOULD ENABLE THEM TO MAINTAIN AN APPROPRIATE LEVEL OF CONSISTENCY IN THE SUBSTANCE OF THEIR ADVICE, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, THE HON PETER TSAO, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON DAVID CHEUNG, MR TSAO SAID SO FAR THERE WAS NO EVIDENCE TO SUGGEST THAT THE SENSITIVITIES OF THE ADVISERS HAD BEEN AFFECTED IN ANY WAY BY THE EXISTING FREQUENCY OF FILM CENSORSHIP VIEWING.

"THE COMMISSIONER FOR TELEVISION AND ENTERTAINMENT LICENSING IS EMPOWERED UNDER SECTION 6 OF THE FILM CENSORSHIP ORDINANCE 1988 TO APPOINT MEMBERS OF THE PUBLIC TO THE PANEL OF ADVISERS.

"ADVISERS ARE ASSIGNED FROM THE PANEL TO GIVE ADVICE TO THE CENSOR ON A SPECIFIC FILM BY COMPLETING A QUESTIONNAIRE AND WHERE APPROPRIATE DISCUSSING IT WITH THE CENSORS.

"THE NUMBER OF PERSONS WHO MAY BE APPOINTED TO THE PANEL IS NOT SPECIFIED IN THE LAW," MR TSAO SAID.

A TOTAL OF 136 PERSONS FROM A WIDE CROSS-SECTION OF THE COMMUNITY HAVE BEEN APPOINTED TO THE PANEL FOR A PERIOD OF ONE YEAR EFFECTIVE FROM NOVEMBER 10, 1988.

AN AVERAGE OF FOUR TO FIVE ADVISERS ARE ASSIGNED FROM THE PANEL TO ADVISE ON A FILM AT EACH VIEWING SESSION.

MR TSAO ALSO SAID THAT EACH ADVISER WAS NORMALLY REQUIRED TO ATTEND A FILM VIEWING SESSION ONCE EVERY TWO WEEKS.

"IT IS OF COURSE ALWAYS POSSIBLE FOR THE COMMISSIONER TO APPOINT MORE ADVISERS TO THE PANEL BUT SUCH ADDITIONAL APPOINTMENT SHOULD NOT BE FOR THE PURPOSE OF REDUCING THE FREQUENCY OF VIEWING BY THE ADVISERS BUT FOR THE PURPOSE OF ASSIGNING MORE ADVISERS TO GIVE ADVICE ON EACH FILM.

"IN THIS CONNECTION, THE COMMISSIONER IS REGULARLY REVIEWING THE NEED TO APPOINT MORE ADVISERS TO THE PANEL.

"THERE IS THEREFORE NO REASON WHY THE EXISTING FREQUENCY OF VIEWING BY THEM SHOULD BE CHANGED," MR TSAO ADDED.

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VIEWS ON CRIMES BILL TAKEN INTO CONSIDERATION

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VIEWS EXPRESSED FOLLOWING THE PUBLIC CONSULTATION ON THE DRAFT CRIMES (AMENDMENT) BILL IN 1988 HAD BEEN CONSIDERED BY THE GOVERNMENT, AND THE BILL WAS BEING REVISED FOR SUBMISSION TO THE EXECUTIVE COUNCIL, THE SECRETARY FOR SECURITY, THE HON GEOFFREY BARNES INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BARNES WAS GIVING A WRITTEN REPLY TO A QUESTION FROM THE HON SIT HO-YIN CONCERNING THE PROGRESS MADE TO PROHIBIT PUBLIC DISPLAY OF SIGNS ADVERTISING PROSTITUTION SERVICES AND FOR THE CONTROL OF VICE ESTABLISHMENTS AS CONTAINED IN THE BILL.

"IT IS INTENDED TO INTRODUCE THE CRIMES (AMENDMENT) BILL INTO THE LEGISLATIVE COUNCIL IN THE CURRENT LEGISLATIVE SESSION," MR BARNES SAID.

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SOCIETY FLAT OWNERS NEED TO PAY PREMIUM TO SELL IN OPEN MARKET

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MEMBERS OF CIVIL SERVANTS' COOPERATIVE BUILDING SOCIETIES WHO HAD OBTAINED TITLE TO THEIR FLATS WERE REQUIRED TO PAY A PREMIUM BEFORE THEY COULD SELL THEIR FLATS IN THE OPEN MARKET, THE LEGISLATIVE COUNCIL WAS INFORMED TODAY (WEDNESDAY).

THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, SAID THIS IN A WRITTEN REPLY TO A QUESTION FROM THE HON ELSIE TU.

MR BARNES SAID THE PREMIUM, THE ESTIMATES OF WHICH WERE GIVEN ON REQUEST, WAS CALCULATED ON TWO-THIRDS OF THE LAND VALUE.

"WHEN ALL THE OWNERS HAVE PAID THE NECESSARY PREMIUM, THEY ARE FREE TO REDEVELOP THEIR PROPERTIES BUT THE NEW BUILDING WOULD BE LIMITED TO THE BULK OF THE EXISTING BUILDING.

"IF THE COLLECTIVE OWNERS WISH TO REDEVELOP TO A GREATER INTENSITY, THEN A FURTHER LEASE MODIFICATION WOULD BE NECESSARY AND THE AMOUNT OF THE PREMIUM PAYABLE FOR IT WOULD DEPEND ON ALL THE TERMS AND CONDITIONS OF THE REDEVELOPMENT," MR BARNES EXPLAINED.

AS WITH ALL LEASE MODIFICATION CASES THE PREMIUM COULD ONLY BE ASSESSED WHEN ALL THE TERMS AND CONDITIONS OF THE PROPOSED REDEVELOPMENT WERE FINALISED, SO IT WAS UNLIKELY THAT THIS COULD BE DONE AT AN EARLY STAGE, HE ADDED.

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## THREE MAIN SOURCES OF INFORMATION ON EMIGRATION

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THE GOVERNMENT RELIED ON THREE MAIN SOURCES OF INFORMATION IN ESTIMATING THE EXTENT OF EMIGRATION, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, THE HON PETER TSAO, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THESE WERE THE POLICE, CONSULATES OR COMMISSIONS IN HONG KONG, AND THE IMMIGRATION DEPARTMENT, MR TSAO SAID IN A WRITTEN REPLY TO A QUESTION FROM THE HON SELINA CHOW.

MR TSAO SAID THAT APPLICATION FOR CERTIFICATES OF NO CRIMINAL CONVICTION (CNCC) PROCESSED BY THE POLICE FORCE, WHICH WERE REQUIRED BY MOST DESTINATION COUNTRIES, WAS ONE SOURCE OF INFORMATION.

ANOTHER SOURCE WAS THE NUMBER OF VISAS ISSUED BY THE MAIN DESTINATION COUNTRIES, WHICH WAS PROVIDED BY CONSULATES OR COMMISSIONS IN HONG KONG, HE SAID.

THE IMMIGRATION DEPARTMENT, BY PROVIDING THE STATISTICS ON THE BALANCE OF MOVEMENT OF HONG KONG RESIDENTS (OTHER THAN THOSE IN AND OUT OF CHINA), WAS THE THIRD SOURCE OF INFORMATION.

BASED ON THESE SOURCES AND ALLOWING FOR THE VARIOUS TIME INTERVALS IN THE EMIGRATION PROCESS, MR TSAO SAID THAT THE GOVERNMENT HAD FORECAST A TOTAL OF 42,000 HONG KONG PEOPLE EMIGRATING IN 1989.

IT WAS ESTIMATED THAT THE NUMBER LEAVING FOR CANADA IN 1989 WOULD BE ABOUT 16,400 PEOPLE, WHILE THE NUMBER EMIGRATING TO AUSTRALIA WOULD BE ABOUT 10,900 PEOPLE. SOME 12,800 PEOPLE WOULD LIKELY EMIGRATE TO THE UNITED STATES AND ABOUT 1,900 WOULD GO TO OTHER COUNTRIES.

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## BILL SEEKS TO INCREASE FEES FROM DEPOSIT-TAKING COMPANIES

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THE BANKING (AMENDMENT) BILL 1989 SEEKS TO GIVE LEGISLATIVE EFFECT TO THE PROPOSALS IN THIS YEAR'S BUDGET TO INCREASE WITH EFFECT FROM APRIL 1, 1989 THE FEES PAYABLE BY DEPOSIT-TAKING COMPANIES.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, WHEN MOVING THE SECOND READING OF THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR JACOBS NOTED THAT THESE FEES WERE LAST REVISED IN 1988.

THE INCREASE WERE DESIGNED TO REDUCE THE UNDER-RECOVERY OF GOVERNMENT SUPERVISION COSTS INCURRED IN RESPECT OF THESE COMPANIES, HE SAID.

"I ESTIMATE THAT THE INCREASES WILL YIELD AN ADDITIONAL \$3 MILLION IN THE CURRENT FINANCIAL YEAR," MR JACOBS SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL PROVIDES LEGISLATIVE EFFECT  
TO INCREASE BUSINESS REGISTRATION FEE

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A BILL PROVIDING LEGISLATIVE EFFECT TO INCREASE THE FEE FOR BUSINESS REGISTRATION, AS PROPOSED IN THIS YEAR'S BUDGET, WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BUSINESS REGISTRATION (AMENDMENT) BILL 1989, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THE FEE WOULD BE INCREASED FROM \$550 TO \$630 WITH EFFECT FROM APRIL 1.

MR JACOBS NOTED THAT THE FEE WAS LAST REVISED IN 1987.

"THE INCREASE IS DESIGNED TO MAINTAIN THE REVENUE YIELD IN REAL TERMS," HE SAID.

MR JACOBS ESTIMATED THAT THE INCREASE WOULD YIELD AN ADDITIONAL \$37 MILLION IN THE CURRENT FINANCIAL YEAR.

"THIS FEE WILL APPLY TO ALL REGISTERED BUSINESSES, BUT SMALL BUSINESSES WILL CONTINUE TO BE GRANTED EXEMPTION, IF THEIR MONTHLY TURNOVER DOES NOT EXCEED CERTAIN PRESCRIBED LIMITS," MR JACOBS SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL SEEKS LEGISLATIVE EFFECT ON DUTIABLE COMMODITIES

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A BILL SEEKING TO GIVE EFFECT, FROM MARCH 1, TO THE ADJUSTMENT OF DUTY PAYABLE ON TOBACCO, ALCOHOLIC DRINKS AND HYDROCARBON OILS WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IT WAS PROPOSED THAT THE DUTY PAYABLE ON BEER SHOULD BE REVISED, WHILE THAT ON BRANDY BE REDUCED AND DUTY ON OTHER TYPES OF LIQUOR, INDUSTRIAL ALCOHOL, TOBACCO AND HYDROCARBON OILS SHOULD BE INCREASED.

MOVING THE DUTIABLE COMMODITIES (AMENDMENT) BILL 1989, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THAT BY REPEALING SECTION 63 OF THE ORDINANCE, THE BILL WOULD CHANGE THE METHOD OF ASSESSING DUTY PAYABLE ON BEER.

"IT WILL REPLACE AN ARCHAIC AND ADMINISTRATIVELY COSTLY SYSTEM BASED ON SPECIFIC GRAVITY BY A SYSTEM WHICH REQUIRES ASSESSMENT ON THE VOLUME OF BEER RELEASED FOR LOCAL SALE," HE SAID.

/"THE NEW .....

"THE NEW SYSTEM WILL ALSO ELIMINATE THE NEED FOR REPAYMENT OF DUTY ON BEER WHICH HAS BEEN EXPORTED, AND WILL GENERALLY SIMPLIFY MATTERS BOTH FOR THE BEER TRADE AND THE CUSTOMS AND EXCISE DEPARTMENT."

MR JACOBS SAID THE BILL WOULD ALSO REDUCE THE LEVEL OF DUTY ON BRANDY.

"THIS WILL ELIMINATE THE DIFFERENTIAL ON SPECIFIC DUTY RATES WHICH PREVIOUSLY EXISTED BETWEEN BRANDY AND OTHER SPIRITUOUS LIQUORS," HE ADDED.

THE VARIOUS INCREASES, WHICH ARE DESIGNED TO MAINTAIN THE REVENUE YIELD IN REAL TERMS, WERE ESTIMATED TO YIELD AN ADDITIONAL \$266 MILLION IN THE CURRENT FINANCIAL YEAR, MR JACOBS SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL SEEKS LEGISLATIVE EFFECT TO TAX CONCESSIONS : FS

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THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1989 SOUGHT TO GIVE LEGISLATIVE EFFECT TO THE TAXATION CONCESSIONS PROPOSED IN THIS YEAR'S BUDGET, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1989, MR JACOBS, SAID: "THE PROPOSED TAXATION CONCESSIONS INCLUDE A REDUCTION IN THE STANDARD RATE FROM 15.5 PER CENT TO 15 PER CENT.

"THEY ALSO INCLUDE A REDUCTION IN THE RATE OF PROFITS TAX PAYABLE BY CORPORATIONS FROM 17 PER CENT TO 16.5 PER CENT," HE SAID.

IN ADDITION, MR JACOBS SAID THE BILL SOUGHT TO INTRODUCE AN ALLOWANCE FOR THOSE PARENTS, SUCH AS WIDOWS OR SINGLE PARENTS, WHO WERE SOLELY OR PREDOMINANTLY RESPONSIBLE FOR THE CARE OF DEPENDENT CHILDREN, BUT WHO WERE CURRENTLY INELIGIBLE FOR A PERSONAL ALLOWANCE AT THE HIGHER RATE APPLICABLE TO MARRIED PERSONS.

THIS BILL ALSO PROVIDED FOR THE COMPLETE ABOLITION OF INTEREST TAX AND AN INCREASE IN THE INITIAL ALLOWANCE FOR EXPENDITURE INCURRED ON QUALIFYING MACHINERY AND PLANT.

"I ESTIMATE THE COST TO THE GENERAL REVENUE OF IMPLEMENTING THESE PROPOSALS TO BE APPROXIMATELY \$1,100 MILLION IN THE CURRENT FINANCIAL YEAR, AND \$1,735 MILLION PER ANNUM THEREAFTER AT PRESENT LEVELS OF CHARGEABLE INCOME," MR JACOBS ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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WEDNESDAY, APRIL 12, 1989

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INCREASE IN VEHICLE REGISTRATION  
AND DRIVING LICENCE FEES GIVEN EFFECT

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A BILL THAT SOUGHT TO GIVE LEGISLATIVE EFFECT FROM MARCH 1, 1989 TO INCREASE THE FEES FOR VEHICLE REGISTRATION AND DRIVING LICENCES WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THESE FEES WERE LAST REVISED IN 1988.

MOVING THE SECOND READING OF THE ROAD TRAFFIC (DRIVING LICENCES REGULATIONS AND REGISTRATION AND LICENSING OF VEHICLES REGULATIONS) (AMENDMENT) BILL 1989, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THAT THE INCREASES WERE DESIGNED TO MAINTAIN THE REVENUE YIELD IN REAL TERMS.

"I ESTIMATE THAT THE INCREASES WILL YIELD AN ADDITIONAL \$103 MILLION IN THE CURRENT FINANCIAL YEAR," HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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ACCOUNTING AND AUDITING ARRANGEMENTS OF TRUST FUNDS EXPLAINED

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THE SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATION (AMENDMENT) BILL 1989 PROVIDES FOR ACCOUNTING AND AUDITING ARRANGEMENTS IN RESPECT OF TRUST FUNDS.

THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THIS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) WHEN MOVING THE SECOND READING OF THE BILL.

IN ADDITION TO THE PROVISIONS OF THIS BILL, MR JACOBS ALSO SPOKE ON THE DIRECTOR OF SOCIAL WELFARE INCORPORATION (AMENDMENT) BILL 1989 AND THE DIRECTOR OF EDUCATION INCORPORATION (AMENDMENT) BILL 1989.

HE SAID THE THREE PRINCIPAL ORDINANCES PROVIDED THE SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATED, THE DIRECTOR OF SOCIAL WELFARE INCORPORATED AND THE DIRECTOR OF EDUCATION INCORPORATED RESPECTIVELY WITH POWERS TO ACCEPT TRUSTS AND TO INVEST AND DEPOSIT TRUST FUNDS IN ACCORDANCE WITH PROVISIONS OF THE TRUSTEE ORDINANCE.

MR JACOBS NOTED THAT AT PRESENT, THERE WERE NO PROVISIONS IN THE THREE ORDINANCES FOR ACCOUNTING AND AUDITING ARRANGEMENTS IN RESPECT OF THE VARIOUS TRUST FUNDS.

HE ADDED THAT FOR CONTROL PURPOSES, THE GOVERNOR HAD DECLARED THESE TRUST FUNDS TO BE PUBLIC MONEY UNDER THE PUBLIC FINANCE ORDINANCE AND THE AUDIT ORDINANCE.

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"NEVERTHELESS, IN VIEW OF THE IMPORTANCE OF THE TRUST FUNDS AND THE EXTENT OF THE ADMINISTRATION'S RESPONSIBILITY, IT IS DESIRABLE THAT THESE ORDINANCES SHOULD BE AMENDED ACCORDINGLY TO PROVIDE FOR THE KEEPING OF ACCOUNTS AND RECORDS OF TRANSACTIONS INVOLVING THESE TRUST FUNDS AND FOR THEIR AUDIT BY THE DIRECTOR OF AUDIT," MR JACOBS SAID.

"THESE ARRANGEMENTS WILL BRING THE THREE ORDINANCES IN LINE WITH SIMILAR ORDINANCES," HE ADDED.

DEBATE ON THE BILLS WERE ADJOURNED.

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BILL PROVIDES FLEXIBILITY TO FURTHER EDUCATION: SEM

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THE OPEN LEARNING INSTITUTE OF HONG KONG BILL AFFORDED THE NECESSARY FLEXIBILITY TO SUPPORT A NEW SYSTEM OF FURTHER EDUCATION DESIGNED TO MEET HONG KONG'S NEEDS, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, MR BRIDGE SAID IT HAD BEEN DRAWN UP ON THE ADVICE OF THE PLANNING COMMITTEE, TAKING INTO ACCOUNT THE FEATURES AND SPECIAL NEEDS OF OPEN LEARNING.

"THE BILL PROVIDES FOR THE NECESSARY POWERS AND ORGANISATIONAL STRUCTURE FOR A PUBLICLY ACCOUNTABLE INSTITUTION," MR BRIDGE SAID.

"IT CREATES THE FRAMEWORK FOR THE OPERATION OF A CONSORTIUM BASED ON THE EXISTING UPGC FUNDED INSTITUTIONS," HE ADDED.

MR BRIDGE SAID SINCE THE FIRST ANNOUNCEMENT OF THE INTENTION TO SET UP THE OPEN LEARNING INSTITUTE (OLI) IN THE LEGISLATIVE COUNCIL IN OCTOBER 1987, THE PLANNING COMMITTEE UNDER THE CHAIRMANSHIP OF THE HON CHENG HON-KWAN HAD MADE GOOD PROGRESS AND WOULD SOON BE PUBLISHING ITS REPORT.

"MEANWHILE, IT IS NECESSARY TO LEGISLATE FOR THE FORMAL ESTABLISHMENT OF THE NEW INSTITUTE," MR BRIDGE SAID.

"THAT IS THE PURPOSE OF THE PRESENT BILL," HE SAID.

MR BRIDGE NOTED THAT THE CONCEPT OF OPEN LEARNING WAS STILL QUITE NEW, BUT ALREADY WIDELY ACCEPTED THROUGHOUT THE WORLD.

HE POINTED OUT THAT IT HAD TWO MAIN FEATURES.

/"FIRSTLY, IT .....

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"FIRSTLY, IT IMPLIES OPEN ACCESS, IN THAT STUDENTS ARE NOT REQUIRED TO HAVE SPECIFIC QUALIFICATIONS TO ENROL FOR COURSES," MR BRIDGE SAID.

"SECONDLY, OPEN LEARNING IS NOT LIMITED IN ITS TEACHING METHODS: STUDENTS CAN LEARN IN A WIDE VARIETY OF WAYS AND CAN CHOOSE THE TIME, PACE AND PLACE AT WHICH THEY LEARN.

"THE OPEN LEARNING INSTITUTE OF HONG KONG WILL OFFER PEOPLE IN HONG KONG A WHOLE RANGE OF NEW OPPORTUNITIES FOR TERTIARY EDUCATION TO ADVANCE THEIR CAREERS, LEARN NEW SKILLS OR SIMPLY FOLLOW THEIR OWN INTERESTS," HE ADDED.

MR BRIDGE NOTED THAT GIVEN OPEN ENTRY TO ITS PROGRAMMES, THE CREDIBILITY OF THE OLI AS AN ACADEMIC INSTITUTION MUST BE JUDGED BY THE STANDARDS ACHIEVED BY ITS STUDENTS ON GRADUATION.

"THE OLI WILL ENSURE HIGH STANDARDS THROUGH CAREFULLY DESIGNED TEACHING PACKAGES, STUDENT COUNSELLING AND TUTORIAL SUPPORT, CONTINUOUS ASSESSMENT AND FINAL EXAMINATIONS," MR BRIDGE SAID.

"EXTERNAL EXAMINERS WILL OVERSEE BOTH THE CONTINUOUS ASSESSMENT AND THE FINAL EXAMINATIONS," HE SAID.

MR BRIDGE POINTED OUT THAT AS A FURTHER SAFEGUARD, THE DEGREE LEVEL PROGRAMMES TO BE OFFERED BY THE OLI WOULD BE SUBJECT TO INDEPENDENT ASSESSMENT TO ENSURE THAT THEY WERE UP TO INTERNATIONAL STANDARDS.

"THIS TASK WILL BE PERFORMED BY THE HONG KONG COUNCIL FOR ACADEMIC ACCREDITATION WHEN IT IS SET UP, WHICH IS LIKELY TO BE EARLY NEXT YEAR," HE SAID.

"MEANWHILE, THE UNITED KINGDOM COUNCIL FOR NATIONAL ACADEMIC AWARDS WILL BE ASKED TO ADVISE THE OLI ON ACADEMIC STANDARDS.

"ON THE BASIS OF THESE QUALITY ASSURANCES, THE GOVERNMENT WILL RECOGNISE DEGREES TO BE AWARDED BY THE OLI AS COMPARABLE TO OTHER DEGREES AWARDED IN HONG KONG FOR THE PURPOSE OF CIVIL SERVICE APPOINTMENTS," HE ADDED.

MR BRIDGE NOTED THAT AS RECOMMENDED IN THE SECOND REPORT OF THE EDUCATION COMMISSION, THE OLI WOULD OPERATE AS A CONSORTIUM OF THE TERTIARY INSTITUTIONS FUNDED THROUGH THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC).

"ALL OF THESE INSTITUTIONS HAVE BEEN GIVING THE PLANNING COMMITTEE THEIR FULL SUPPORT OVER THE PAST 15 MONTHS," MR BRIDGE SAID.

"THEY HAVE ALSO SAID THAT THEY WILL BE HAPPY TO BECOME MEMBERS OF THE FUTURE CONSORTIUM AND, WHERE APPROPRIATE, TAKE PART IN THE FURTHER PLANNING OF OPEN LEARNING PROGRAMMES, DEVELOPING NEW COURSE MATERIALS AND MAKING AVAILABLE THEIR PHYSICAL FACILITIES," HE ADDED.

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## EXTENDING TAVA TO COVER LIGHT RAIL TRANSIT

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THE MAIN PURPOSE OF THE TRAFFIC ACCIDENTS VICTIMS (ASSISTANCE FUND)(AMENDMENT) BILL 1989 WAS TO EXTEND THE EXISTING ORDINANCE TO LIGHT RAIL VEHICLES OPERATED ON THE NORTH-WEST RAILWAY BY THE KOWLOON CANTON RAILWAY CORPORATION, THE SECRETARY FOR HEALTH AND WELFARE, THE HON T. H. CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, MR CHAU SAID THIS WOULD ENABLE ALL PERSONS WHO SUFFERED PERSONAL INJURY IN AN ACCIDENT INVOLVING A LIGHT RAIL VEHICLE OF THE LIGHT RAIL TRANSIT SYSTEM TO BE ELIGIBLE TO APPLY FOR ASSISTANCE FROM THE TRAFFIC ACCIDENT VICTIMS ASSISTANCE FUND.

HE SAID THAT IN CASES WHERE PERSONS WERE KILLED IN SUCH ACCIDENTS, THEIR DEPENDENTS WOULD BE ELIGIBLE FOR ASSISTANCE FROM THE FUND.

MR CHAU POINTED OUT THAT LIGHT RAIL VEHICLES OF THE LRT OPERATED ON TRACKS WHICH WERE MAINLY SEGREGATED FROM ROAD AND PEDESTRIAN TRAFFIC.

HOWEVER, MR CHAU SAID THERE WERE A NUMBER OF INTEGRATED JUNCTIONS WHICH WERE USED NOT ONLY BY LIGHT RAIL VEHICLES BUT ALSO BY OTHER VEHICLES AND PEDESTRIANS.

HE SAID THAT THE SEGREGATED SECTIONS OF THE TRACK WERE RESTRICTED TO THE PUBLIC BUT IT WAS NOT DIFFICULT FOR PERSONS TO GAIN ACCESS TO THEM, PARTICULARLY IN AREAS WHERE THE TRACK WAS NOT ENCLOSED.

WHILST THE LRT WAS ESSENTIALLY A RAIL SYSTEM, IT HAD VERY SIMILAR CHARACTERISTICS TO THE TRAM SYSTEM OPERATED BY HONG KONG TRAMWAYS LTD, MR CHAU SAID.

AT PRESENT, THE INTEGRATED SECTIONS OF THE LRT TRACK FELL WITHIN THE DEFINITION OF 'ROAD' IN THE TRAFFIC ACCIDENT VICTIMS (ASSISTANCE FUND) ORDINANCE.

AS SUCH, ACCIDENTS INVOLVING LIGHT RAIL VEHICLES ON THESE SECTIONS WERE DEEMED TO BE 'TRAFFIC ACCIDENTS', AND VICTIMS WERE ALREADY ELIGIBLE TO APPLY FOR ASSISTANCE UNDER TAVAS.

HOWEVER, THE SEGREGATED SECTIONS OF THE LRT TRACK DID NOT FALL WITHIN THE EXISTING DEFINITION OF 'ROAD', AND PERSONS INJURED IN AN ACCIDENT ON THESE SECTIONS WERE CURRENTLY INELIGIBLE TO APPLY, ALTHOUGH THEY MIGHT SEEK ASSISTANCE FROM CHARITABLE FUNDS IF THEY WERE IN FINANCIAL DIFFICULTIES.

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"GIVEN THE INHERENT OPENNESS OF THE LRT, AND THE FACT THAT VICTIMS OF ALL ACCIDENTS INVOLVING TRAMS ARE ELIGIBLE FOR ASSISTANCE UNDER TAVAS, IT IS PROPOSED THAT THE AMBIT OF TAVAS SHOULD BE WIDENED SO AS TO EXTEND ELIGIBILITY TO ALL VICTIMS OF ACCIDENTS INVOLVING LIGHT RAIL VEHICLES, IRRESPECTIVE OF WHETHER THE ACCIDENT TAKES PLACE ON THE INTEGRATED OR THE SEGREGATED SECTIONS OF THE TRACK," MR CHAU SAID.

CLAUSE 2 OF THE BILL THEREFORE RE-DEFINED 'ROAD' SO THAT ALL ACCIDENTS WHICH INVOLVED A LIGHT RAIL VEHICLE COULD BE CONSIDERED AS TRAFFIC ACCIDENTS FOR THE PURPOSES OF THE ORDINANCE

THIS CLAUSE ALSO DEFINED A 'LIGHT RAIL VEHICLE'.

"WE CONSIDER THAT IT IS APPROPRIATE THAT ALL PERSONS WHO HAVE SUFFERED PERSONAL INJURY, OR DEPENDENTS IN THE CASE OF DEATH, IN AN ACCIDENT INVOLVING A LIGHT RAIL VEHICLE SINCE PUBLIC TRAILS OF THE SYSTEM BEGAN SHOULD BE ELIGIBLE FOR ASSISTANCE FROM THE FUND," MR CHAU SAID.

THE BILL THEREFORE INCLUDED IN CLAUSE 6A, DECLARATION WHICH PROVIDED THAT ALL ACCIDENTS INVOLVING A LIGHT RAIL VEHICLE WHICH HAD TAKEN PLACE SINCE MARCH 1, 1988, COULD BE DEEMED AS BEING TRAFFIC ACCIDENTS FOR THE PURPOSE OF THE AWARDING ASSISTANCE FROM THE FUND.

MR CHAU SAID CLAUSE 3 PROVIDED THAT THE KOWLOON-CANTON RAILWAY CORPORATION SHOULD PAY AN ANNUAL LEVY IN RESPECT OF EVERY LIGHT RAIL VEHICLE AT THE RATE SPECIFIED IN PART 1 OF THE SCHEDULE TO THE ORDINANCE WITH EFFECT FROM MARCH 1, 1988, THE DATE AT WHICH PUBLIC TRAILS ON THE SYSTEM BEGAN.

"IT IS PROPOSED IN CLAUSE 5 THAT THE LEVY FOR EACH LIGHT RAIL VEHICLE SHOULD BE THE SAME AS FOR ANY OTHER VEHICLE USING THE ROAD INCLUDING TRAMCARS, BUSES, AND GOODS VEHICLES," MR CHAU SAID.

"THE OPPORTUNITY IS ALSO TAKEN TO MAKE A NUMBER OF MINOR CONSEQUENTIAL AMENDMENTS TO SECTIONS IN THE ORDINANCE TO UPDATE THE REFERENCE TO THE PRESENT ROAD TRAFFIC ORDINANCE AND SUBSIDIARY LEGISLATION, CAP. 374 RATHER THAN THE REPLACED CAP. 200.

"THESE PROPOSED AMENDMENTS ARE CONTAINED IN CLAUSE 4 AND RELATE TO REVISED TYPES OF DRIVING LICENSE," MR CHAU ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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SFC SHOULD HAVE EFFECTIVE POWER AND RESOURCES

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THE NEW SECURITIES AND FUTURES COMMISSION (SFC) SHOULD BE VESTED WITH NECESSARY POWER AND RESOURCES TO EFFECTIVELY MONITOR THE FINANCIAL SECURITIES MARKET AND MUST BE SUBJECT TO NECESSARY CHECKS AND BALANCES SO AS TO GUARD AGAINST FUTURE EXCESSES.

THE HON STEPHEN CHEONG SAID THIS TODAY (WEDNESDAY) DURING THE RESUMED DEBATE IN THE LEGISLATIVE COUNCIL ON THE SECURITIES AND FUTURES COMMISSION BILL 1989.

MR CHEONG SAID THAT, RIGHT FROM THE START THE LEGCO AD HOC GROUP TO STUDY THE BILL, OF WHICH HE WAS CONVENOR, REALISED THAT THEY HAD TAKEN ON A HEAVY RESPONSIBILITY.

WORKING CLOSELY WITH THE ADMINISTRATION AND THE NEW COMMISSIONER FOR SECURITIES AND FUTURES, THE GROUP HAD INSTALLED THE NECESSARY CHECKS AND BALANCES THROUGH AMENDMENTS TO THIS BILL OR THROUGH REACHING AN UNDERSTANDING WITH THE ADMINISTRATION THAT THEY WOULD ADDRESS POINTS OF CONCERNS THROUGH ADMINISTRATIVE MEANS.

MR CHEONG SAID THAT A TOTAL OF 270 COMMITTEE STAGE AMENDMENTS WERE INCORPORATED INTO THE BILL, INCLUDING 80 WHICH DEALT WITH THE CHINESE TEXT.

THE FIRST OF THE MAJOR AMENDMENTS CONCERNED THE PROPOSAL THAT THERE SHOULD BE AN EQUAL NUMBER OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS ON THE SFC BOARD, AND THAT THE CHAIRMAN SHOULD HAVE A CASTING VOTE IN CASE OF A TIED VOTE.

MR CHEONG SAID THAT THE AD HOC GROUP CONSIDERED THAT SUCH AN ARRANGEMENT WOULD DEPRIVE THE NON-EXECUTIVES OF THE OPPORTUNITY OF COUNTER-BALANCING THE EXECUTIVES, AND ACCORDINGLY RECOMMENDED THAT THERE SHOULD BE A MAJORITY OF NON-EXECUTIVES ON THE BOARD, IN ORDER TO ALLEVIATE THE CONCERN IN THE MARKET ABOUT THE DOMINANCE BY THE EXECUTIVES.

"THE ADMINISTRATION, HOWEVER, CONSIDERS THAT THE SFC SHOULD BE RUNN BY FULL-TIME PROFESSIONALS WHO ARE FAMILIAR WITH MARKET SITUATIONS IF THE SFC IS TO COMMAND THE RESPECT OF THE MARKET AND THEREFORE FUNCTION EFFECTIVELY."

"FURTHERMORE, THEY CONSIDER THAT THERE SHOULD BE NO QUESTION OF DOMINATION BY THE EXECUTIVES SINCE THE NON-EXECUTIVES ARE EXPECTED TO BE PEOPLE OF INDEPENDENT MIND."

WHILE NOTING THE ADMINISTRATION'S CONCERN THAT THE COMPOSITION OF THE BOARD SHOULD REMAIN AS PROPOSED, AND TO ENSURE THAT THE EXECUTIVES WOULD NOT BE ABLE TO OVERDOMINATE THE BOARD, THE GROUP HAD RECOMMENDED THAT, IN THE EVENT OF A TIED VOTE, THE CHAIRMAN SHOULD BE REQUIRED TO CONSULT THE FINANCIAL SECRETARY SHOULD HE WISH TO EXERCISE HIS CASTING VOTE, MR CHEONG SAID.

/ALSO, HE .....

ALSO, HE SAID ADMINISTRATIVE ARRANGEMENTS WOULD BE MADE TO REQUIRE THE SFC TO RECORD IN ITS ANNUAL REPORT ALL INSTANCES IN WHICH THE CHAIRMAN HAS EXERCISED HIS CASTING VOTE.

MR CHEONG ADDED THAT, AS A MEANS TO ENSURING THAT THE NON-EXECUTIVE DIRECTORS COULD RAISE ANY ISSUE FOR DISCUSSION BY THE BOARD, THE GROUP HAD RECOMMENDED THAT THERE SHOULD BE A NEW PROVISION FOR A REQUISITION FROM NOT LESS THAN TWO DIRECTORS TO TRIGGER A BOARD MEETING.

SIMILARLY, ANY THREE MEMBERS OF THE SFC ADVISORY COMMITTEE WERE REQUIRED TO TRIGGER A MEETING OF THE ADVISORY COMMITTEE, MR CHEONG SAID.

ALSO THE ADVISORY COMMITTEE SHOULD MEET AT LEAST ONCE EVERY QUARTER IN ORDER THAT THERE WOULD BE NO MEANS FOR DELIBERATELY PUTTING OFF MEETINGS OF THE COMMITTEE.

THE SECOND MAJOR AMENDMENT WAS IN RESPECT OF CLAUSE 10 OF THE BILL, WHICH STIPULATED THAT THE GOVERNOR MIGHT GIVE DIRECTIONS TO THE SFC IN POLICY MATTERS ONLY.

ACCORDING TO MR CHEONG, HIS GROUP CONSIDERED THAT SUCH A PROVISION WAS UNNECESSARILY RESTRICTIVE AND HAD THEREFORE PROPOSED AN AMENDMENT TO ENABLE THE GOVERNOR TO GIVE DIRECTIONS TO THE COMMISSION IN A GENERAL SENSE.

ON THE BUDGET OF THE SFC, MR CHEONG NOTED THAT THERE HAD BEEN CONSIDERABLE CONCERN ABOUT THE MAGNITUDE OF THE BURDEN ON THE MARKET, HIS GROUP HAD CONSIDERED THAT THE LEGISLATURE SHOULD HAVE THE OPPORTUNITY OF LOOKING AT THE BUDGET OF THE SFC IN DRAFT FORM AS A SAFEGUARD AGAINST EXCESSIVE SPENDING.

HE SAID THAT THE ADMINISTRATION HAD, APART FROM AGREEING THAT THE SFC DRAFT BUDGET SHOULD BE SUBMITTED TO THE FINANCE COMMITTEE BEFORE IT WENT TO THE GOVERNOR FOR APPROVAL EVERY YEAR, MADE A PROVISION FOR THE TABLING OF THE SFC BUDGET IN LEGCO AFTER IT WAS APPROVED BY THE GOVERNOR.

"NEVERTHELESS, THE PORTION OF THE GOVERNMENT'S CONTRIBUTION TO FUND THE COMMISSION WILL REMAIN A MATTER FOR THE CONSIDERATION OF THE FINANCE COMMITTEE OF THE ANNUAL APPROPRIATION EXERCISE," SAID MR CHEONG.

HE ALSO SAID THAT SINCE THE AGREED FORMULA FOR FUNDING THE SFC FROM THE MARKET WOULD DEPEND ON MARKET SITUATIONS, THE ADMINISTRATION HAD AGREED THAT THE SFC FUNDING SITUATION WOULD BE THE SUBJECT OF REGULAR REVIEW BY THE AUTHORITIES CONCERNED.

NOTING THAT CONCERN HAD ALSO BEEN EXPRESSED ABOUT THE COMPOSITION OF THE PROPOSED APPEALS PANEL AND THE LACK OF PROVISIONS FOR APPEALS ON THE DETERMINATION OF A TRIBUNAL, MR CHEONG SAID THAT THE AD HOC GROUP SHARED THE ADMINISTRATION'S VIEW THAT SINCE CASES INVOLVED WERE FREQUENTLY HIGHLY TECHNICAL IN NATURE, IT WOULD BE DESIRABLE TO HAVE SOMEBODY WITH MARKET KNOWLEDGE IN THE TRIBUNAL.

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"IT IS THEREFORE DESIRABLE TO LEAVE THE PROPOSED COMPOSITION OF THE APPEALS TRIBUNAL AS PROPOSED IN THE BILL AS IT IS: THE TRIBUNAL SHOULD COMPRISE OF THREE MEMBERS."

"ONE SHOULD BE THE LEGALLY QUALIFIED CHAIRMAN OR DEPUTY CHAIRMAN OF THE APPEALS PANEL, ONE SHOULD BE A PERSON WITH RELEVANT MARKET EXPERIENCE WHOLLY INDEPENDENT OF THE SFC WHILST THE THIRD ONE SHOULD BE A NON-EXECUTIVE DIRECTOR OF THE SFC.

HE SAID THAT THE GROUP ALSO CONSIDERED THAT THERE SHOULD BE PROVISIONS FOR APPEALS ON POINTS OF LAW AND, AFTER MUCH DISCUSSIONS, THE ADMINISTRATION AGREED THAT APPLICATIONS COULD BE MADE TO THE TRIBUNAL TO HAVE POINTS OF LAW CLARIFIED BY THE COURT OF APPEAL THROUGH THE CASE STATED APPROACH.

THE ADMINISTRATION HAD ALSO AGREED THAT THERE SHOULD BE PROVISIONS FOR APPEAL TO THE GOVERNOR-IN-COUNCIL ON A RESTRICTION NOTICE SERVED ON THE EXCHANGE COMPANIES AND CLEARING HOUSE, AND FOR A SEPARATE CHANNEL OF APPEAL IN RESPECT OF THE CLOSURE OF THE EXCHANGE COMPANIES BY THE COMMISSION UNDER THE SECURITIES ORDINANCE AND COMMODITIES TRADING ORDINANCE, HE SAID.

ON THE POWER OF MAKING FINANCIAL RESOURCES RULES, MR CHEONG SAID THAT THE GROUP FELT THAT SINCE THE FINANCIAL RESOURCES RULES IN RESPECT OF THE REGISTERED PERSON WOULD HAVE SIGNIFICANT BEARING ON THE BUSINESS OF THE REGISTERED PERSON, SUCH RULES SHOULD BE MADE IN THE FORM OF SUBSIDIARY LEGISLATION, AFTER CONSULTATION WITH THE RELEVANT MARKET ORGANISATIONS. THIS HAD BEEN AGREED BY THE ADMINISTRATION.

MR CHEONG SAID THAT THE GROUP HAD ALSO SUGGESTED, AND THE ADMINISTRATION HAD AGREED, THAT A SPECIAL COMMITTEE LOOKING AFTER THE REMUNERATION PACKAGES OF SFC STAFF SHOULD BE ESTABLISHED SINCE THE SFC BOARD WAS TO BE COMPOSED LARGELY OF PEOPLE WHO WERE ALSO EMPLOYEES OF THE COMMISSION.

THE COMMITTEE WOULD BE CHAIRED BY A NON-EXECUTIVE DIRECTOR OF THE SFC.

OTHER POINTS WHICH WOULD BE DEALT WITH BY FUTURE ADMINISTRATIVE MEASURES CONCERNED THE DUPLICATION OF ROLES OF THE SFC AND THE MARKET ORGANISATIONS, AND THE INDUSTRIES' MOVE TOWARDS SELF-REGULATION, MR CHEONG SAID.

IN RESPECT OF LISTING MATTERS IN THE STOCK MARKET, HE SAID THAT A SIX-MONTHLY AUDITS OR THE LISTING DIVISION OF THE STOCK EXCHANGE WOULD BE CARRIED OUT WITH A VIEW TO DETERMINING WHEN THE EXCHANGE WAS READY TO TAKE UP THE ROLE OF OVERSEEING LISTING MATTERS IN THE MARKET.

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FINALLY, ON PUBLICITY, MR CHEONG SAID THAT THE GROUP CONSIDERED THAT PUBLICATION IN THE GAZETTE OF NOTICES OR ORDERS MADE UNDER THE BILL WAS NOT ADEQUATE, AND THE ADMINISTRATION HAD ACCORDINGLY AGREED THAT A PRESS RELEASE WOULD BE ISSUED WHENEVER PUBLIC NOTICE WAS REQUIRED.

COMMENDING THE SFC BILL TO HIS LEGCO COLLEAGUES, MR CHEONG SAID THAT IT WAS THE RESULT OF 31 MEETINGS WITH REPRESENTATIVE MARKET ORGANISATIONS AND PROFESSIONAL BODIES AND THE ADMINISTRATION OVER THE LAST THREE MONTHS, AND OF LENGTHY DELIBERATIONS ON THE PROPOSED FUNDING ARRANGEMENTS OF THE SFC AND ITS ORGANISATIONAL STRUCTURE.

IN CONCLUDING, MR CHEONG EXPRESSED HIS DEEPEST THANKS TO ALL MEMBERS OF THE LEGCO AD HOC GROUP FOR THEIR EFFORTS TO HELP THE GROUP IN DISCHARGING THEIR RESPONSIBILITY SMOOTHLY AND COMPLETELY.

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#### SFC BILL SIGNIFICANTLY IMPROVED

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WITH THE EFFORTS OF ALL CONCERNED, SIGNIFICANT IMPROVEMENT HAD BEEN MADE TO THE ORIGINAL SECURITIES AND FUTURES COMMISSION (SFC) BILL 1989 WHICH WAS GAZETTED IN JANUARY THIS YEAR, THE HON RONALD ARCULLI SAID TODAY (WEDNESDAY).

MR ARCULLI WAS THE DEPUTY CONVENER OF A LEGCO AD HOC GROUP SET UP TO STUDY THE BILL.

SPEAKING IN SUPPORT OF THE BILL IN THE LEGISLATIVE COUNCIL, MR ARCULLI SAID A MOST CONSTRUCTIVE APPROACH BY THE ADMINISTRATION, THE PROVISIONAL SFC, MARKET PARTICIPANTS AND THE INDUSTRY HAD BROUGHT ABOUT A NUMBER OF COMMITTEE STAGE AMENDMENTS TO THE BILL.

WITH THESE AMENDMENTS, THE BILL WOULD BE ABLE TO PROVIDE THE SFC WITH THE NECESSARY LEGISLATIVE FRAMEWORK TO PROPERLY AND EFFECTIVELY CARRY OUT ITS FUNCTIONS, HE SAID.

HIGHLIGHTING SOME OF THE IMPORTANT FEATURES OF THE BILL, MR ARCULLI NOTED THAT UNDER THE ORIGINAL BILL THE APPEAL TO THE APPEAL TRIBUNAL WAS FINAL AND NOT APPEALABLE.

HOWEVER, THE LEGCO AD HOC GROUP WAS ABLE TO PERSUADE THE ADMINISTRATION AND THE PROVISIONAL SFC THAT IT WAS DESIRABLE TO MAKE PROVISION FOR AN APPEAL BY WAY OF CASE STATED TO THE COURT OF APPEAL ON A POINT OF LAW WHERE THE APPEAL TRIBUNAL DID SO ON ITS OWN VOLITION OR GRANTED AN APPLICATION MADE EITHER BY THE SFC OR THE APPELLANT AND THE DECISION OF THE APPEAL TRIBUNAL IN THIS RESPECT WAS NOT APPEALABLE.

MR ARCULLI .....

MR ARCULLI SAID THAT THIS CHANGE WAS IMPORTANT IN THE CONTEXT OF A NUMBER OF SECTIONS OF THE BILL WHICH DEALT WITH THE POWERS OF THE SFC TO, INTER ALIA, IMPOSE PROHIBITIONS OR REQUIREMENTS ON A REGISTERED PERSON, ON ASSETS BELONGING TO OR IN THE CUSTODY OF A REGISTERED PERSON AND MAINTENANCE OF ADEQUATE ASSETS.

ON THE SUBJECT REGARDING ACCESS TO RECORDS AND OTHER DOCUMENTS OF A REGISTERED PERSON AND ACCESS TO PREMISES AT WHICH SUCH RECORDS AND DOCUMENTS WERE KEPT, MR ARCULLI SAID THE AD HOC GROUP FELT THAT IF A REGISTERED PERSON WISHED TO KEEP SUCH PAPERS AT HOME, HE SHOULD BE ALLOWED TO DO SO PROVIDED HE NOTIFIED THE SFC AND HE WAS FULLY AWARE THAT HIS HOME WOULD THEN BE ACCESSIBLE IN THE SAME WAY AS HIS OFFICE. THE INITIATIVE RESTED ENTIRELY WITH THE REGISTERED PERSON.

ON PRESERVATION OF SECRECY, MR ARCULLI SAID SECTIONS 54(2)(G) AND (H) OF THE ORIGINAL BILL WHICH REFERRED TO DISCLOSURE OF INFORMATION TO OVERSEAS AUTHORITIES AND ORGANISATIONS WERE TO BE AMENDED SO THAT SUCH DISCLOSURES SHOULD ONLY BE MADE WHERE IT WAS DESIRABLE OR EXPEDIENT IN THE INTEREST OF THE INVESTING PUBLIC OR IN THE PUBLIC INTEREST AND THAT THIS POWER OF DISCLOSURE COULD NOT BE DELEGATED.

HE ADDED THAT THE AMENDMENT WAS NECESSARY SO THAT HONG KONG'S STATUS AS A LEADING FINANCIAL CENTRE WOULD NOT BE JEOPARDISED BY UNNECESSARY DISCLOSURES.

NOTWITHSTANDING THAT THE INVESTIGATION POWERS UNDER SECTION 31 WERE EXERCISABLE IN LIMITED INSTANCES THERE WAS NO DISPUTING THAT SUCH POWERS WERE WIDE AND EXTENSIVE, INCLUDING THE POWER TO REQUIRE A PERSON TO ANSWER QUESTIONS WHICH MIGHT TEND TO INCRIMINATE HIM.

MR ARCULLI HOPED THAT THE COMMISSION WOULD USE THIS POWER JUDICIOUSLY AND IN PROPER CASES AND CIRCUMSTANCES BECAUSE ANY UNFAIR OR IMPROPER USE WOULD LEAD TO PUBLIC OUTCRY AND PERHAPS A DEMAND FOR CHANGE.

MR ARCULLI ALSO NOTED THAT SOME POINTS THAT AROSE DURING THE LEGCO AD HOC GROUP SCRUTINY OF THE BILL WOULD BE REVIEWED IN THE NEXT PHASE OF THE REFORM OF SECURITIES LEGISLATION.

THESE POINTS INCLUDED:

- \* CONSIDERING WHETHER FUTURES TRADING OUGHT TO BE INCLUDED IN INSIDER DEALING CHANGES;
- \* WHETHER GUIDELINES TO BE ISSUED UNDER SECTION 4(2) SHOULD REMAIN NON-STATUTORY;
- \* PROVISION FOR NOTIFICATION OF AND APPROVAL FOR CHANGE IN SHAREHOLDINGS UNDER SECTION 21(6)(A)(IV);
- \* WHETHER SECTION 25 CAN BE SIMPLIFIED IN THE LIGHT OF OPERATIONAL EXPERIENCE;

- \* THE CONSOLIDATION OF PROVISIONS DEALING WITH INVESTIGATIONS UNDER THE RELEVANT ORDINANCES;
- \* TO REVIEW SECTION 31(5) AS IT MAY ENCOURAGE BLANKET CLAIMS IN RESPECT OF SELF-INCRIMINATING STATEMENTS;
- \* PROVISION REGARDING DELIVERY OF INVESTIGATION NOTES UNDER SECTION 31;
- \* UNDER SECTION 54 THE FORM OF THE SECRECY PROVISION AND TO REVIEW UNDER SECTION 54(2)(B) THE DISCLOSURE IN RESPECT OF "ANY INVESTIGATION" IN THE LIGHT OF OPERATIONAL EXPERIENCE.

MR ARCULLI CONCLUDED BY SAYING: "IN PASSING THE SFC BILL INTO LAW WE WOULD HAVE DONE OUR PART BUT THE MORE IMPORTANT PART REMAINS: THE CO-OPERATION OF ALL CONCERNED IN TAKING THE HONG KONG SECURITIES AND FUTURES MARKETS INTO THE NEXT IMPORTANT PHASE OF ITS DEVELOPMENT."

AND, HE MADE ONE OBSERVATION FOR THE SFC: "IT ALWAYS FALLS ON THE REGULATOR TO SET THE SCENE".

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#### SECURITIES BILL HELPS BOTH MARKET AND INVESTORS

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THE SECURITIES AND FUTURES COMMISSION BILL 1989 COULD ACHIEVE THE PURPOSE OF BALANCING THE NECESSITY OF HAVING FAIR, EFFICIENT AND ORDERLY SECURITIES MARKETS ON THE ONE HAND AND PROPER PROTECTION OF INVESTORS ON THE OTHER, THE HON PETER POON SAID TODAY (WEDNESDAY).

MR POON WAS SPEAKING IN THE LEGISLATIVE COUNCIL IN SUPPORT OF THE BILL.

HE NOTED THAT THE NEW SECURITIES AND FUTURES COMMISSION WOULD BE AN AUTONOMOUS WATCHDOG ON THE LOCAL SECURITIES MARKETS.

"THOUGH WE SHOULD FOLLOW INTERNATIONAL STANDARD OF SUPERVISION OF OUR MARKETS TO REGAIN CREDIBILITY, WE SHOULD NOT FOLLOW SLAVISHLY ALL THE COMPLICATED AND DRACONIAN SECURITIES LAWS IN THE UNITED KINGDOM AND THE USA," HE SAID.

HE ADDED THAT WHAT HONG KONG LOOKED FOR WAS A HONG KONG SOLUTION, WITH PROFESSIONAL-BASED MEMBERS WITHIN THE NEW COMMISSION WHICH SHOULD HAVE SUFFICIENT POWER AND RESOURCES TO REGULATE THE SECURITIES MARKETS EFFECTIVELY.

HE WAS CONFIDENT THAT WITH SOME AMENDMENTS, THERE WOULD BE SUFFICIENT CHECKS AND BALANCES AND SAFEGUARDS TO ALLAY FEARS OF UNDUE INTERFERENCE OF THE LOCAL SECURITIES MARKETS.

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"I AM SURE THAT THE NEW COMMISSION WILL BEAR IN MIND ITS ROLE AND DISPEL THE VARIOUS CONCERNS EXPRESSED THAT IT MIGHT EMBARK ON AMBITIOUS BUDGETS, UNNECESSARY DUPLICATION OF WORK OF THE EXCHANGE, FISHING EXPEDITIONS AND WITCHHUNTING OR CREATE BUREAUCRATIC REGULATIONS WHICH MAY STIFLE OUR MARKETS," HE SAID.

MR POON ALSO NOTED THAT THE BILL WAS THE FIRST-EVER BILINGUAL LEGISLATION TO BE PASSED.

"I BELIEVE THAT THE EFFORTS MADE TO ENACT THIS BILL IN BOTH LANGUAGES HAVE ACHIEVED REASONABLY SATISFACTORY RESULT," HE SAID.

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SFC SHOULD BE FINANCIALLY ACCOUNTABLE TO THE PUBLIC  
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THE NEW SECURITIES AND FUTURES COMMISSION SHOULD BE SUBJECTED TO THE SAME FINANCIAL ACCOUNTABILITY AS THE GOVERNMENT ITSELF, THE HON DAVID LI SUGGESTED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE SECURITIES AND FUTURES COMMISSION BILL 1989, MR LI SAID THE BILL SHOULD BE AMENDED TO PROVIDE THAT THE FINANCIAL ESTIMATES OF INCOME AND EXPENDITURE SHOULD FIRST BE SUBMITTED TO THE FINANCE COMMITTEE FOR PUBLIC SCRUTINY BEFORE BEING PRESENTED TO THE GOVERNOR FOR FINAL APPROVAL.

FURTHERMORE, THE COMMISSION'S ANNUAL REPORT SHOULD BE TABLED AND DEBATED IN LEGCO SO THAT MEMBERS COULD SEE TO IT THAT THE LETTER AND SPIRIT OF THE LAW WERE BEING CARRIED OUT.

NOTING THAT THE BILL WAS NOT PERFECT AND PROBLEM AREAS WOULD SURFACE ONCE IT CAME INTO FORCE, MR LI UNDERLINED THE NEED FOR THE COMMISSION TO HAVE FLEXIBILITY.

"WITHOUT SUCH FLEXIBILITY EVEN HONG KONG'S FUTURE AS A FINANCIAL CENTRE MAY BE IN DOUBT," HE WARNED.

THE AD HOC STUDY GROUP HAD TRIED TO ENSURE THAT THERE WERE ADEQUATE CHECKS AND BALANCES IN THIS BILL, BUT A GREAT DEAL WOULD DEPEND ON THE QUALITY AND THE JUDGEMENT OF THE COMMISSION AND ITS STAFF, HE CONTINUED.

"TO THE COMMISSION I WOULD SAY, ACT THE MARTINET, AND OUR MARKETS ARE DOOMED. PLAY THE FOOL, AND OCTOBER, 1987, MAY WELL REPEAT ITSELF.

"THERE HAS TO BE A MIDDLE GROUND BETWEEN MICKEY MOUSE AND THE PRUSSIAN GUARD -- AND YOU HAVE TO FIND IT.

/" ABOVE ALL .....

"ABOVE ALL, YOU MUST BE RESPONSIVE TO THE NEEDS OF THE INDUSTRY AND THE PUBLIC.

"THE COMMISSION MUST REMEMBER, TOO, THAT HONG KONG WANTS AND NEEDS SELF-REGULATION TO BE THE PRIMARY AND PRINCIPAL METHOD OF REGULATION," MR LI STRESSED.

IN MR LI'S VIEW, WHAT BROUGHT ABOUT THE DISASTER OF OCTOBER, 1987 WAS THE IGNORANCE OF KEY PERSONNEL IN THE GOVERNMENT ABOUT HOW THE FINANCIAL MARKETS WORKED. THEREFORE, ANOTHER OF THE RESPONSIBILITIES OF THE NEW COMMISSION MUST BE TO KEEP THE GOVERNMENT INFORMED AND IN CHECK.

MR LI DISAGREED THAT THE LARGE BUDGET OF THE COMMISSION WAS A HEAVY PRICE TO PAY TO EDUCATE A COMPARATIVELY SMALL NUMBER OF OFFICIALS AS, TO HIS KNOWLEDGE, THE ACQUIESCENCE OF THE GOVERNMENT AT THE CLOSURE OF WHAT WAS THOUGHT TO BE A FREE MARKET RAISED ALMOST AS MANY QUESTIONS IN THE INTERNATIONAL FINANCIAL COMMUNITY ABOUT HONG KONG'S FINANCIAL FUTURE AS CONCERN ABOUT 1997.

HOWEVER, IN VIEW OF THE LARGE BUDGET, IT WAS IMPERATIVE TO HAVE INTELLIGENT, INDEPENDENTLY-MINDED NON-EXECUTIVE DIRECTORS ON THE COMMISSION TO REIN THE BUREAUCRATIC ZEAL AND EMPIRE-BUILDING OF BUREAUCRATS, MR LI SAID.

THE APPOINTMENT OF NON-EXECUTIVE DIRECTORS WOULD ALSO HELP PREVENT THE COMMISSION FROM MAKING MISTAKES, WHICH COULD AFFECT SIGNIFICANTLY HONG KONG'S REPUTATION AS A FINANCIAL MARKET.

NEVERTHELESS, THESE NON-EXECUTIVE DIRECTORS MUST BE INDIVIDUALS WHO NOT ONLY HAD THE NECESSARY EXPERTISE AND PERSONAL INTEGRITY, BUT WHO WERE ALSO NOT AFRAID TO DISAGREE WITH THE GOVERNMENT ITSELF, WHEN THEY BELIEVED THE GOVERNMENT WAS WRONG, HE STRESSED.

EQUALLY IMPORTANT, THE NON-EXECUTIVE DIRECTORS MUST BE -- AND MUST BE SEEN TO BE -- TOTALLY INDEPENDENT OF ANY SPECIAL POINT OF VIEW, IF THEY WERE TO GAIN CREDIBILITY WITH THE PUBLIC, THE INDUSTRY, THE GOVERNMENT AND OFFICIALS IN THE COMMISSION AND TO FUNCTION EFFECTIVELY, MR LI WENT ON.

MR LI FELT THAT THE SECURITIES AND FUTURES COMMISSION BILL WAS IMPORTANT TO HK'S FUTURE IN TWO WAYS. IN ONE WAY, IT WAS AN ATTEMPT TO PUT RIGHT WEAKNESSES IN THE SUPERVISION OF OUR FINANCIAL MARKETS -- WEAKNESSES WHICH CONTRIBUTED DIRECTLY AND SIGNIFICANTLY TO THE DISASTER OF OCTOBER, 1987.

IN ANOTHER, THE LEGISLATION SHOWED THAT THE GOVERNMENT AND THE LEGCO AD HOC GROUP COULD WORK CLOSELY TOGETHER IN SCRUTINISING A BILL WHICH ORIGINALLY GENERATED MUCH CRITICISM AND AMEND IT TAKING INTO ACCOUNT THE VIEWS EXPRESSED BY THE FINANCIAL INDUSTRY.

CAUTION AGAINST OVERREGULATION OF MARKETS

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OVERREGULATION COULD STIFLE THE VIGOUR AND INNOVATION OF HONG KONG'S SECURITIES MARKETS AND SHOULD BE STRENUOUSLY AVOIDED, THE HON MARTIN BARROW SAID TODAY (WEDNESDAY).

MR BARROW WAS SPEAKING IN THE LEGISLATIVE COUNCIL IN SUPPORT OF THE SECURITIES AND FUTURES COMMISSION BILL 1989.

"THE MAINTENANCE OF HONG KONG AS A STRONG AND SUCCESSFUL FINANCIAL CENTRE IS ONE OF THE KEY OBJECTIVES ON WHICH THE ADMINISTRATION AND THE PRIVATE SECTOR MUST WORK CLOSELY TOGETHER.

"WE MUST ALL THEREFORE WELCOME THE SETTING UP OF THE SECURITIES AND FUTURES COMMISSION WHICH CAN PLAY A MAJOR ROLE IN ACHIEVING THIS," HE SAID.

"IN ENSURING THAT HONG KONG HAD A REGULATORY BODY WITH SUFFICIENT RESOURCES TO MAINTAIN AN ADEQUATE LEVEL OF INVESTOR PROTECTION, WE MUST AT THE SAME TIME STRENUOUSLY AVOID OVERREGULATION," HE ADDED.

"WE MUST REMEMBER THAT THE WHOLE POINT OF THE HAY DAVISON REPORT WAS SUPERVISED SELF-REGULATION. CARE MUST BE TAKEN TO ENSURE THAT WE DO NOT SEE INTERVENTIONISM IN ALL AREAS OF SECURITIES DEALINGS WHICH COULD AFFECT AND DESTROY THE FACTORS WHICH GAVE HONG KONG ITS SPECIAL NICHE," MR BARROW SAID.

"THE ROLE OF THE SECURITIES COMMISSION SHOULD BE TO MONITOR THE EXCHANGES, NOT TO DO THE EXCHANGES WORK FOR IT."

HE SAID THAT OF THE VARIOUS AMENDMENTS TO THE BILL, THE MOST IMPORTANT WERE THOSE WHICH INTRODUCED THE CHECKS AND BALANCES THAT WERE SO ESSENTIAL TO KEEP THE BALANCE RIGHT BETWEEN OVERREGULATION AND POORLY CONTROLLED MARKETS.

HE ADDED THAT IT WAS NOT GOING TO BE THE NITTY GRITTY CONTENTS OF THE BILL THAT WERE GOING TO MAKE OR BREAK HONG KONG AS A FINANCIAL CENTRE.

"WHAT IS GOING TO BE ABSOLUTELY KEY IS THE REALITY OF THE WORK RELATIONSHIP BETWEEN THE COMMISSION AND THE MARKETS," HE SAID.

MR BARROW SUGGESTED THAT THE COMMISSION SHOULD, THROUGH THE MEDIA, ARTICULATE THEIR ROLE AS CLEARLY AS POSSIBLE AND DESCRIBE HOW THEY SAW THEMSELVES RELATING TO THE EXCHANGES.

IT WOULD BE ESSENTIAL THAT AN EXCELLENT WORKING RELATIONSHIP DEVELOPED BETWEEN THE EXCHANGES AND THE COMMISSION AND THAT THEY SHOULD IRON OUT AS QUICKLY AS POSSIBLE ANY AREAS OF POSSIBLE DUPLICATION.

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"FOR EXAMPLE, FIRST AND FOREMOST PROBABLY WILL BE THE QUESTION OF OVERSEEING LISTING ARRANGEMENTS WHICH SHOULD AS QUICKLY AS POSSIBLE BE PUT IN THE HANDS OF THE STOCK EXCHANGE," HE SAID.

HE SUGGESTED THAT THE ADMINISTRATION REVIEWED THE PROGRESS IN THIS RESPECT THROUGH A SIX-MONTHLY AUDIT.

IN CONCLUSION, MR BARROW SAID IT WAS RIGHT THAT THE SECURITIES AND FUTURES COMMISSION SHOULD BE GIVEN THE RELATIVELY STRONG POWERS ALLOWED FOR IN THE BILL BUT IN PRACTICE IT MUST REMAIN A LEAN AND TIGHTLY MANAGED ORGANISATION.

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RESERVATIONS OVER SFC STRUCTURE  
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THE HON PAUL CHENG TODAY (WEDNESDAY) TOLD THE LEGISLATIVE COUNCIL THAT HE HAD SERIOUS RESERVATIONS CONCERNING THE OVERLY ELABORATE PROPOSED ORGANISATIONAL STRUCTURE OF THE SECURITIES AND FUTURES COMMISSION (SFC) AND SUBSTANTIAL BUDGETARY PROVISION BEING ALLOTTED TO IT.

SPEAKING DURING THE RESUMED DEBATE ON THE SECURITIES AND FUTURES COMMISSION BILL 1989 MR CHENG SAID HE FULLY AGREED THAT THERE WAS A NEED TO ESTABLISH A COMMISSION WITH THE NECESSARY POWERS TO PERFORM A WATCHDOG FUNCTION OVER THE EXCHANGES.

HOWEVER, HE FELT THAT THERE WERE FAR TOO MANY LAYERS IN THE SFC STRUCTURE AND THE SPAN OF REPORTING SCOPE FAR TOO NARROW.

MR CHENG WONDERED IF THERE WAS A REAL NEED TO HAVE EIGHT PEOPLE WORKING FOR THE COMMISSION CHAIRMAN'S OFFICE AND 25 PEOPLE FOR THE PERSONNEL AND ADMINISTRATIVE DEPARTMENT OF A 229-STRONG ORGANISATION.

HE WAS OF THE OPINION THAT THEY COULD EASILY BE TRIMMED DOWN WITHOUT LOSING THE COMMISSION'S OVERALL EFFECTIVENESS.

"THIS UNNECESSARILY TOP HEAVY STRUCTURE CAN ONLY LEAD TO OVER-REGULATION BECAUSE SOME OF THE STAFF WILL NEED TO JUSTIFY THEIR EXISTENCE.

/ "I SEE .....

"I SEE LITTLE JUSTIFICATION IN HAVING SUCH AN ELABORATE ORGANISATION, ESPECIALLY SINCE THE TWO EXCHANGES THEMSELVES HAVE RECENTLY BEEN COMPLETELY OVERHAULED," HE SAID.

NOTING THAT THE TOP FIVE EXECUTIVE DIRECTORS WERE ALL EXPATRIATES RECRUITED FROM ABROAD, SOME WITH NO PRIOR EXPERIENCE IN HONG KONG, MR CHENG SAID HE WAS SURPRISED TO LEARN THAT NONE OF THESE POSITIONS WAS FILLED WITH LOCAL EXECUTIVES ALTHOUGH HONG KONG WAS SUPPOSEDLY ONE OF THE LEADING INTERNATIONAL FINANCIAL CENTRES WITH QUALIFIED LOCAL EXECUTIVES IN BOTH THE PRIVATE FINANCIAL AND PUBLIC SECTORS.

HE ALSO URGED THE ADMINISTRATION TO CLOSELY MONITOR THE ORGANISATIONAL BUILD-UP OF THE COMMISSION AND STRIVE TOWARDS ASSEMBLING A MORE BALANCED MANAGEMENT TEAM AS SOON AS POSSIBLE.

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#### LEGCO AD HOC GROUP CONVENORS PRAISED

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THE HON STEPHEN CHEONG AND THE HON RONALD ARCULLI HAVE WON PRAISES FROM FELLOW LEGISLATIVE COUNCILLORS FOR THEIR WORK AS CONVENOR AND DEPUTY CONVENOR OF THE LEGCO AD HOC GROUP TO STUDY THE SECURITIES AND FUTURES COMMISSION BILL 1989.

SPEAKING AT THE RESUMED DEBATE ON THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE HON JIMMY MCGREGOR, SAID THAT THE BILL, ONE OF THE MOST COMPLICATED AND IMPORTANT SETS OF LEGISLATION EVER TO BE CONSIDERED BY LEGCO, COULD NOT HAVE BEEN TAKEN FORWARD AS EFFECTIVELY AS IT WAS NOW WITHOUT THE 'EXCELLENT LEADERSHIP, DEDICATION AND TOTAL COMMITMENT' OF MR CHEONG AND MR ARCULLI.

MR MCGREGOR WENT ON TO THANK THE ORGANISATIONS WHICH SUBMITTED THEIR VIEWS TO THE COUNCIL AND WHOSE REPRESENTATIVES TOOK PART IN MANY HOURS OF DETAILED DISCUSSION.

HE ALSO THANKED GOVERNMENT OFFICIALS, EFFECTIVELY LED BY SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, FOR HELPING MEMBERS TO MODIFY THE LEGISLATION WHICH HE BELIEVED WOULD ENHANCE HONG KONG'S STATUS AS ONE OF THE LEADING FINANCIAL CENTRES IN THE WORLD.

HOWEVER, MR MCGREGOR NOTED THAT WE MUST NOT FORGET THE TRAUMA AND SCANDAL THAT BROUGHT ABOUT THE NEED FOR THIS IMPORTANT LEGISLATION WITH ITS NEW AND GREATLY IMPROVED SYSTEM OF SUPERVISION OF OUR FINANCIAL MARKETS.

"THE INSTRUMENT AND SYSTEM IS NOW BEING PROVIDED. IT WILL BE UP TO THE COMMISSION AND THE EXCHANGES TO MAKE SURE THAT IT IS USED EFFECTIVELY IN THE LONG TERM INTEREST OF HONG KONG," HE SAID.

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"GAPING HOLE" IN SFC BILL

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MEMBERS OF A LEGISLATIVE COUNCIL AD HOC GROUP HAD TO WORK THEIR HEARTS OUT IN STUDYING THE SECURITIES AND FUTURES COMMISSION BILL 1989 BUT REGRETTABLY THE FINAL PRODUCT STILL HAD A GAPING HOLE IN IT, THE HON MARTIN LEE SAID TODAY (WEDNESDAY).

FOR THIS REASON, IT WAS WITH RESERVATIONS THAT HE SUPPORTED THE BILL, HE TOLD THE LEGISLATIVE COUNCIL.

THE GAPING HOLE HE REFERRED TO WAS THAT CLAUSE 4(1)(C) DID NOT REQUIRE THE SECURITIES AND FUTURES COMMISSION TO REPORT TO THE FINANCIAL SECRETARY THE OCCURRENCE OF ANY DEALING IN RELATION TO FUTURES CONTRACTS WHICH IT REASONABLY BELIEVED OR SUSPECTED TO BE AN INSIDER DEALING.

MR LEE SAID HE HAD SHOWN THE BILL TO AN EMINENT QUEEN'S COUNSEL WHO SPECIALISED IN COMPANY LAW, AND POINTED OUT TO HIM THE OMISSION; AND THE COMMENT WAS: "SURELY THIS IS AN OVERSIGHT".

MR LEE SAID THIS WAS ALSO HIS IMMEDIATE REACTION WHEN THE AD HOC GROUP DISCOVERED THIS OMISSION AT ITS MEETING.

BUT WHEN THE POINT WAS RAISED WITH THE ADMINISTRATION, IT SOON TRANSPIRED THAT IT WAS A DELIBERATE OMISSION. QUITE A FEW REASONS WERE ADVANCED, BUT NONE CONVINCING, HE SAID.

"INDEED, ONE IS AT A LOSS TO UNDERSTAND WHY ONE IS NOT PUSHING AN OPEN DOOR IN THIS MATTER, SINCE ONE IS MERELY REMINDING THE COMMISSION TO ARM ITSELF WITH A POWER WHICH ON ANY VIEW IT SHOULD POSSESS," HE SAID.

HE NOTED THAT THE ADMINISTRATION HAD PUT FORWARD A PAPER SETTING OUT FIVE REASONS WHY A CONGRESSIONAL COMMITTEE OF THE UNITED STATES CONGRESS HAD DECIDED IN 1984 NOT TO AMEND THE LAW BY PROHIBITING INSIDER DEALING IN FUTURES CONTRACTS IN THE COUNTRY.

THE FIRST TWO REASONS GIVEN WERE CLEARLY THE MOST IMPORTANT, HE SAID. THE FIRST WAS THAT "FUTURES TRANSACTIONS DO NOT GIVE RISE TO FIDUCIARY DUTIES WHICH CORRESPOND TO THOSE WHICH A SECURITIES INSIDER OWES TO THE COMPANY WHOSE SHARES ARE CONCERNED, AND PURCHASERS OR SELLERS OF THOSE SHARES."

"THE SECOND REASON WAS THAT "INSIDE INFORMATION ABOUT FUTURES MARKET DOES NOT GENERALLY RELATE TO INDIVIDUAL COMPANIES."

"BUT HONG KONG'S LAWS WERE DIFFERENT FROM THOSE OF THE UNITED STATES, AND THE FIRST REASON GIVEN BY THE ADMINISTRATION HAD NO RELEVANCE TO HONG KONG," HE SAID.

/AS TO .....

AS TO THE SECOND REASON, AGAIN THE POSITION IN THE UNITED STATES WAS TOTALLY DIFFERENT FROM HONG KONG'S, BECAUSE IN HONG KONG THE HANG SENG INDEX WAS ONLY BASED ON THE PRICES OF 30 COMPANIES.

"EXPERIENCE HAS SHOWN THAT ANY SENSITIVE INFORMATION PERTAINING TO ANY ONE OF THESE 30 COMPANIES, PARTICULARLY IN THE LIGHT OF A RISING OR FALLING MARKET, WILL MOST CERTAINLY CAUSE THE HANG SENG INDEX TO RISE OR FALL EVEN FURTHER," MR LEE SAID.

IF THERE WAS NO POWER FOR THE SECURITIES AND FUTURES COMMISSION TO INVESTIGATE INTO SUSPECTED INSIDER DEALING IN FUTURES CONTRACTS, A PERSON POSSESSED OF SENSITIVE INFORMATION CONCERNING THE SHARES OF ONE OF THE SAID 30 COMPANIES WOULD SIMPLY BUY FUTURES CONTRACTS IF HE HAD GOOD NEWS, WITH A VIEW TO SELLING THEM AFTER THE HANG SENG INDEX HAD RISEN WHEN THE NEWS HAS BECOME PUBLIC; AND VICE VERSA IN RELATION TO BAD NEWS.

"THERE IS SIMPLY NO COMPARISON BETWEEN OUR SMALL MARKET IN HONG KONG AND THE MUCH LARGER MARKETS IN THE U.S.A. WHERE THE NEWS OF A SINGLE COMPANY, NO MATTER HOW LARGE, SIMPLY DOES NOT BRING THE WHOLE MARKET UP OR DOWN WITH IT," HE SAID.

FOR THESE REASONS, THE SECOND REASON SET OUT IN THE PAPER WAS NOT APPLICABLE TO HONG KONG.

HE ADDED THAT IT WAS NO ANSWER TO SAY THAT EVEN THE UNITED STATES DID NOT HAVE IT, AS WAS SAID TO THE AD HOC GROUP.

"FOR WE SHOULD BE PROUD TO TAKE THE LEAD, IF NECESSARY, IN THE FIGHT AGAINST INSIDER DEALING, AND SHOULD NOT WAIT COWARDLY FOR SOME OTHER COUNTRIES TO TAKE THE LEAD, PARTICULARLY WHEN THEY MAY NOT HAVE THE NEED," MR LEE SAID.

HE SAID HE HAD DELIBERATED LONG AND HARD WHETHER HE SHOULD PUSH THE ADMINISTRATION INTO ACTION BY SEEKING TO AMEND THE BILL OR USE GENTLE PERSUASIVE ARGUMENT.

HE CHOSE THE LATTER BECAUSE HE BELIEVED IT WOULD BE MORE EFFECTIVE.

SFC SHOULD NOT PROTECT SECTORAL INTEREST

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THE SECURITIES AND FUTURES COMMISSION SHOULD NOT BE INVOLVED IN THE PROTECTION OF SECTORAL INTEREST, THE HON NELLIE FONG EMPHASISED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING AMENDMENTS TO CLAUSES 46(1) AND 47(1) OF THE SECURITIES AND FUTURES COMMISSION BILL 1989 AT THE COMMITTEE STAGE, MRS FONG SAID THE LEGCO AD HOC GROUP WAS CONCERNED THAT THE PROTECTION OF A CERTAIN GROUP OF INVESTORS FROM FINANCIAL LOSS COULD BE AT THE EXPENSE OF THE ANOTHER GROUP OF INVESTORS UNDER THE ORIGINAL CLAUSES.

AS ONE OF THE INSTANCES UNDER WHICH CLAUSES 46(1) AND 47(1) CAME INTO PLAY WAS IN A SITUATION WHERE THE COMMISSION CONSIDERED IT APPROPRIATE "FOR THE PROTECTION OF INVESTORS AGAINST FINANCIAL LOSS", IT WAS PROPOSED THAT THE WORDS "AGAINST FINANCIAL LOSS" SHOULD BE DELETED TO ADDRESS SUCH CONCERN.

"THE AD HOC GROUP ALSO SHARES THE CONCERN OF THE STOCK EXCHANGE THAT THERE IS NO PROVISION FOR APPEAL IN RESPECT OF A RESTRICTION NOTICE SERVED BY THE COMMISSION UNDER CLAUSE 46.

"THE ADDITION OF THE NEW CLAUSE 46(2A) PROVIDES AN AVENUE FOR APPEAL TO THE GOVERNOR IN COUNCIL AGAINST A RESTRICTION NOTICE RELATING TO THE AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OR ARTICLES OF ASSOCIATION OF AN EXCHANGE COMPANY OR CLEARING HOUSE," MRS FONG EXPLAINED.

ON CLAUSE 47(4) WHICH PROVIDED THAT A SUSPENSION ORDER SHOULD "COME INTO OPERATION IMMEDIATELY ON THE MAKING OF THE ORDER", MRS FONG SAID THE AD HOC GROUP CONSIDERED THAT TO AVOID THE POSSIBILITY OF UNFAIR RETROSPECTIVITY, THE ORDER SHOULD NOT TAKE EFFECT BEFORE IT IS SERVED.

"A NEW CLAUSE 47(4) IS PROPOSED SO THAT A SUSPENSION ORDER SHALL TAKE EFFECT ONLY WHEN IT IS SERVED ON THE EXCHANGE COMPANY OR CLEARING HOUSE, AND THAT COPIES OF THE ORDER OR NOTICE OF EXTENSION SHOULD BE SERVED NOT ONLY ON THE EXCHANGE COMPANY OR CLEARING HOUSE, BUT ALSO ON THE DIRECTORS, COMMITTEE MEMBERS OR CHIEF EXECUTIVE OFFICERS CONCERNED," SHE CONTINUED.

TURNING TO CLAUSE 47(6), MRS FONG NOTED THAT IT ONLY PROVIDED FOR THE MAKING OF A NOTICE IN THE GAZETTE OF THE "FACT" OF A SUSPENSION ORDER MADE BUT DID NOT REQUIRE THE "TERMS" OF THE ORDER TO BE PUBLISHED.

THE AMENDMENT TO CLAUSE 47(6) STIPULATED THAT THE ACTUAL SUSPENSION ORDER SHOULD BE PUBLISHED IN THE GAZETTE RATHER THAN "THAT FACT" ALONE AS WAS PROVIDED IN THE ORIGINAL CLAUSE.

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SFC BILL STRIKES RIGHT BALANCE

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THE SECURITIES AND FUTURES COMMISSION BILL 1989 HAD STRUCK A BALANCE BETWEEN THE NEEDS OF THE NEW COMMISSION TO EFFECTIVELY WATCH OVER THE SECURITIES INDUSTRY, AND THE LEGITIMATE RIGHTS OF THE MARKET PARTICIPANTS TO CARRY ON THEIR ACTIVITIES FREE FROM OVER-REGULATION, THE HON PETER WONG SAID TODAY (WEDNESDAY).

MR WONG WAS SPEAKING IN THE LEGISLATIVE COUNCIL IN SUPPORT OF THE BILL.

HE SAID THE MEMBERS OF THE SOON TO BE DEFUNCT SECURITIES COMMISSION AND THE COMMODITIES TRADING COMMISSION FULLY SUPPORTED THE HAY DAVISON COMMITTEE IN ITS ENQUIRIES INTO THE REASONS WHY THE HONG KONG MARKET WENT WRONG.

HE SAID HE WAS APPALLED BY THE INITIAL DRAFT OF THE BILL IN THE MIDDLE OF 1988.

"THE HAY DAVISON REPORT WAS USED TO PRODUCE AN ABSOLUTE TRAVESTY OF A BILL WHICH WOULD HAVE GIVEN THE COMMISSIONER CARTE BLANCHE TO RULE OVER THE INDUSTRY AND HAD INDIVIDUAL FREEDOM SERIOUSLY COMPROMISED," MR WONG SAID.

HE SAID THAT IN RETROSPECT HE WAS SURPRISED THAT THE LEGAL DEPARTMENT COULD BE THE AUTHOR OF SUCH A DOCUMENT.

MR WONG RECALLED THAT MUCH OF THE SECURITIES INDUSTRY'S AND THE CONCERNED PROFESSIONALS' INITIAL SYMPATHY AND GOODWILL FOR REFORM WAS LOST, AND THE LEGISLATIVE COUNCIL AD HOC GROUP STUDYING THE BILL HAD TO RESORT TO ATTACK TACTICS TO REMOVE THE WORST OF THE EXCESSES.

"BY THE TIME WE GOT TO DISCUSSING THE SIZE OF THE COMMISSION AND ITS FUNDING, WE DID SO WITH ANTAGONISM AND DISBELIEF. PHRASES SUCH AS EMPIRE BUILDING AND UNNECESSRY DUPLICATION OF FUNCTIONS WERE COMMONLY USED," HE NOTED.

HE SAID HE WAS PLEASED THAT AT THE END OF THE DAY REASON PREVAILED AND RESULTED IN A RESOLUTION OF THE FUNDING PROBLEM WHICH PROVED TO BE GORDIAN KNOT.

"EVERYTHING FLOWED SMOOTHLY THEREAFTER WHEN COMMUNICATIONS WERE RE-ESTABLISHED. THE RATIONALES WERE THEN EXPLAINED FULLY AND I BELIEVE THAT WE NOW HAVE A WORKABLE SOLUTION FOR THE MARKETS," MR WONG SAID.

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SFC DRAFT ESTIMATES TO GO THROUGH FINANCE COMMITTEE  
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MEMBERS OF THE LEGISLATIVE COUNCIL SHOULD HAVE THE OPPORTUNITY OF LOOKING AT THE ESTIMATES OF THE SECURITIES AND FUTURES COMMISSION BEFORE IT IS FINALISED FOR SUBMISSION TO THE GOVERNOR, THE HON LAU WAH-SUM SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HIS COMMENTS CAME WHEN HE WAS MOVING AMENDMENTS TO CLAUSES 13, 56 AND 58 OF THE SECURITIES AND FUTURES COMMISSION BILL 1989 AT THE COMMITTEE STAGE OF THE BILL.

ACCORDING TO MR LAU, THE LEGCO AD HOC GROUP STUDYING THE BILL HAD RECOMMENDED THAT A BUDGET REVIEW COMMITTEE COMPRISING LEGCO MEMBERS SHOULD BE CONSULTED ON THE ESTIMATES AND THE ADMINISTRATION IN RESPONSE AGREED TO AN ADMINISTRATIVE ARRANGEMENT UNDER WHICH DRAFT ESTIMATES OF THE COMMISSION WOULD BE SUBMITTED TO THE FINANCE COMMITTEE BEFORE IT WAS SUBMITTED TO THE GOVERNOR FOR APPROVAL.

THE ADMINISTRATION ALSO AGREED TO MAKE A NEW PROVISION FOR THE TABLING OF THE ESTIMATES OF THE COMMISSION IN LEGCO AFTER IT WAS APPROVED BY THE GOVERNOR AND THE PROPOSED SECTION 13(3) GAVE EFFECT TO SUCH AN AMENDMENT.

ON CLAUSE 26 OF THE BILL, WHICH RELATES TO THE MAKING OF FINANCIAL RESOURCES RULES BY THE COMMISSION, MR LAU SAID THE AD HOC GROUP CONSIDERED THAT IN VIEW OF THE IMPORTANCE OF THE FINANCIAL RESOURCES RULES TO THE BUSINESS OF THE REGISTERED PERSON, SUCH RULES SHOULD BE MADE IN THE FORM OF SUBSIDIARY LEGISLATION.

THE NEW SECTION 26(5) MADE IT ABSOLUTELY CLEAR THAT FINANCIAL RESOURCES RULES ARE ONLY TO HAVE EFFECT WHEN THEY HAVE BEEN GAZETTED AND LAID ON THE TABLE OF LEGCO AND THE ADMINISTRATION HAD ALSO AGREED THAT THE INDUSTRY WOULD BE CONSULTED WHEN THE RULES WERE BEING FORMULATED, HE NOTED.

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SECURITIES AND FUTURES COMMISSION BILL PASSED  
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THE SECURITIES AND FUTURES COMMISSION BILL REPRESENTED A SIGNIFICANT STEP FORWARD IN THE FURTHER DEVELOPMENT OF A STABLE, FAIR AND ORDERLY MARKET IN HONG KONG, AND WE HAD REACHED THIS POINT WITHIN 18 MONTHS OF OCTOBER 1987, THE FINANCIAL SECRETARY, MR PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

A NUMBER OF AMENDMENTS, AGREED BETWEEN THE ADMINISTRATION AND THE LEGISLATIVE COUNCIL AD HOC GROUP DURING THE PAST 12 WEEKS AFTER THE BILL WAS FIRST INTRODUCED ON JANUARY 18, WERE MOVED AT THE COMMITTEE STAGE TODAY.

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WITH THE ENACTMENT OF THE BILL, THE SECURITIES AND FUTURES COMMISSION WILL BE ESTABLISHED ON MAY 1.

THE FINANCIAL SECRETARY SAID THE BILL, IN ITS AMENDED FORM, WOULD PROVIDE ADEQUATE PUBLIC ACCOUNTABILITY ON THE PART OF THE COMMISSION WITHOUT ERODING ITS AUTHORITY AND AUTONOMY.

"WHILST IT IS INTENDED THAT THE COMMISSION SHOULD HAVE A HIGH DEGREE OF AUTONOMY IN ITS DAY-TO-DAY OPERATIONS, ANY MAJOR CHANGES TO AND DEVELOPMENTS IN POLICY WILL STILL BE SUBJECT TO NORMAL CONSULTATION WITH THE INDUSTRY AND THE ADMINISTRATION, AND WHERE NECESSARY, THE APPROVAL OF THE GOVERNOR IN COUNCIL WILL BE SOUGHT," HE ADDED.

MR JACOBS EMPHASISED THAT THE COMMISSION AND THE STOCK EXCHANGE WOULD WORK TOGETHER TO ENSURE THAT THEIR COLLECTIVE RESOURCES WOULD BE USED IN THE MOST EFFICIENT WAY, AND THAT THERE SHOULD BE NO UNNECESSARY DUPLICATION.

THE COMMISSION'S TASK WAS TO ENSURE THAT THE REGULATORY SYSTEMS IN HONG KONG WERE UP TO THE PREVAILING INTERNATIONAL STANDARDS.

"WE ARE NOW PART OF ONE INTER-RELATED WORLD MARKET IN WHICH INTERNATIONAL INVESTORS ARE PLAYING AN INCREASINGLY IMPORTANT ROLE AND WE CANNOT AFFORD TO IGNORE THE INTERNATIONAL DIMENSION," ADDED MR JACOBS.

WITH THE ESTABLISHMENT OF THE COMMISSION ON MAY 1, RULES, REGULATIONS AND GUIDELINES WOULD HAVE TO BE MADE UNDER THE ORDINANCE OR ITS SUBSIDIARY LEGISLATION AND THESE WOULD ALL BE WIDELY PROMULGATED.

"IN FORMULATING ITS PROPOSALS AND IN IMPLEMENTING IT POLICIES THE COMMISSION WILL CONSULT MARKET BODIES, PAYING SPECIAL ATTENTION TO HONG KONG'S OWN CIRCUMSTANCES AND THE NEEDS OF BOTH INTERNATIONAL CORPORATE PLAYERS AS WELL AS LOCAL BROKERS. NATURALLY THE COMMISSION WILL HAVE TO ESTABLISH PRIORITIES IN RELATION TO ITS ACTIVITIES AND EXERCISE ITS POWERS JUDICIOUSLY AND WITH FLEXIBILITY," HE SAID.

THE MAJOR AMENDMENTS MADE TO THE BILL ARE OUTLINED BELOW -

- \* THE COMMISSION SHOULD, AS ONE ITS STATUTORY FUNCTIONS, BE RESPONSIBLE FOR PROMOTING AND DEVELOPING SELF-REGULATION BY MARKET BODIES IN THE SECURITIES AND FUTURES INDUSTRIES (CLAUSE 4).
- \* THE CHAIRMAN OF A COMMISSION MEETING WILL NOT BE ABLE TO EXERCISE HIS CASTING VOTE WITHOUT PRIOR CONSULTATION WITH THE FINANCIAL SECRETARY (CLAUSE 5).
- \* SAFEGUARDS ARE PROVIDED FOR AGAINST EXCESSIVE DELEGATION OF POWERS. THE LEGISLATIVE COUNCIL WILL HAVE A FINAL SAY ON WHICH POWERS SHOULD NOT BE DELEGATED BY THE COMMISSION (NEW CLAUSE 8A AND SCHEDULE 1).

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- \* AS A SAFEGUARD, THE GOVERNOR WILL HAVE GENERAL POWER TO GIVE DIRECTIONS TO THE COMMISSION (CLAUSE 10).
- \* APPROVED ESTIMATES OF THE COMMISSION WILL BE TABLED BEFORE THE LEGISLATIVE COUNCIL FOR INFORMATION (CLAUSE 13).
- \* VARIOUS CHANGES ARE MADE TO THE APPEAL PROVISIONS TO PROVIDE FOR, INTER ALIA, A CHANNEL OF APPEAL TO THE COURT OF APPEAL ON POINTS OF LAW (WITH THE LEAVE OF THE APPEALS PANEL), AND TO THE GOVERNOR IN COUNCIL AGAINST THE COMMISSION'S DECISIONS RELATING TO THE CONSTITUTION AND CLOSURE OF THE EXCHANGES AND CLEARING HOUSES (PARTS III AND VI).
- \* THE TRANSACTION LEVY ON THE STOCK EXCHANGE WILL BE APPORTIONED BETWEEN THE EXCHANGE AND THE COMMISSION IN A WAY TO BE SPECIFIED BY ORDER OF THE GOVERNOR IN COUNCIL (CLAUSE 48).

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SFC BILL PASSED WITH AMENDMENTS

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THE SECURITIES AND FUTURES COMMISSION BILL 1989 WAS PASSED WITH A NUMBER OF AMENDMENTS IN THE LEGISLATIVE COUNCIL MEETING TODAY (WEDNESDAY).

IN ADDITION, A TOTAL OF TEN BILLS WERE INTRODUCED FOR FIRST AND SECOND READINGS.

THESE WERE THE BANKING (AMENDMENT) BILL 1989; THE BUSINESS REGISTRATION (AMENDMENT) BILL 1989; THE DUTIABLE COMMODITIES (AMENDMENT) BILL 1989; THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1989; THE ROAD TRAFFIC (DRIVING LICENCES REGULATIONS AND REGISTRATION AND LICENSING OF VEHICLES REGULATIONS) (AMENDMENT) BILL 1989; THE SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATION (AMENDMENT) BILL 1989; THE DIRECTOR OF SOCIAL WELFARE INCORPORATION (AMENDMENT) BILL 1989; THE DIRECTOR OF EDUCATION INCORPORATION (AMENDMENT) BILL 1989; THE OPEN LEARNING INSTITUTE OF HONG KONG BILL 1989; AND THE TRAFFIC ACCIDENT VICTIMS (ASSISTANCE FUND) (AMENDMENT) BILL 1989.

DEBATES ON THESE BILLS WERE ADJOURNED.

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CENTRAL POLICY UNIT TO BE SET UP ON APRIL 17

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THE CENTRAL POLICY UNIT (CPU), A HIGHLY FLEXIBLE RESOURCE CENTRE FOR THE GOVERNMENT, WILL BE SET UP ON APRIL 17, A GOVERNMENT SPOKESMAN SAID TODAY (WEDNESDAY).

"THE HEAD OF THE UNIT WILL BE MR LEO GOODSTADT, A WELL-KNOWN ECONOMIST WITH EXTENSIVE EXPERIENCE OF BUSINESS, THE MEDIA AND ACADEMIC AFFAIRS AND A LONG RECORD OF INVOLVEMENT WITH ADVISORY BODIES.

"THE OTHER FULL-TIME MEMBERS WILL BE MR RICHARD HOARE, UNTIL RECENTLY PRIVATE SECRETARY TO THE GOVERNOR; MR VINCENT CHENG, CHIEF ECONOMIST WITH THE HONGKONG AND SHANGHAI BANK; AND MR LINUS CHEUNG, GENERAL MANAGER PASSENGER MARKETING WITH CATHAY PACIFIC AIRWAYS," HE SAID.

THE SPOKESMAN POINTED OUT THAT THE MAIN ROLE OF THE CPU WOULD BE TO PROVIDE A WIDER OR LONGER-TERM PERSPECTIVE, OR OFFER A SOURCE OF ALTERNATIVE THINKING, ON MAJOR POLICY ISSUES.

"IT WILL REPORT DIRECTLY TO THE GOVERNOR, THE CHIEF SECRETARY AND THE FINANCIAL SECRETARY, WHO WILL ASSIGN PROJECTS TO IT," HE SAID.

THE SPOKESMAN ADDED THAT WHEN UNDERTAKING ITS PROJECTS, THE CPU WOULD AIM TO CALL UPON AS WIDE A RANGE OF EXPERTISE AS POSSIBLE FROM THE COMMUNITY.

"TO THIS END, IT WILL HAVE A PANEL OF PART-TIME MEMBERS, WHOM IT WILL CONSULT REGULARLY.

"IT WILL ALSO BE ABLE TO RECRUIT EXPERTS TO WORK ON SPECIAL PROJECTS.

"SO FAR, FIVE PART-TIME MEMBERS HAVE BEEN APPOINTED.

"THEY ARE MR DENIS CHANG, FORMER CHAIRMAN OF THE BAR ASSOCIATION; PROFESSOR EDWARD CHEN, DIRECTOR OF THE CENTRE OF ASIAN STUDIES, THE UNIVERSITY OF HONG KONG; PROFESSOR RANCE LEE, DIRECTOR OF THE INSTITUTE OF SOCIAL STUDIES, THE CHINESE UNIVERSITY OF HONG KONG; MR ROGER LUK, A SENIOR MANAGER OF THE HANG SENG BANK LIMITED; AND DR VICTOR FUNG, CHAIRMAN OF PRUDENTIAL ASIA CAPITAL LTD," HE SAID.

THE CPU WILL BE LOCATED AT ST JOHN'S BUILDING, GARDEN ROAD.

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GIFTS AND HOUSEWARE FAIR OPENS  
\* \* \* \* \*

HONG KONG MUST CONTINUOUSLY SEEK NOT ONLY TO DIVERSIFY ITS EXPORTS BUT ALSO TO IMPROVE THE QUALITY OF ITS PRODUCTS IN ORDER TO MEET THE EVER-CHANGING DEMANDS OF CONSUMERS IN THE INCREASINGLY SOPHISTICATED AND COMPETITIVE OVERSEAS MARKETS.

THE SECRETARY FOR TRADE AND INDUSTRY, MR JOHN CHAN, SAID THIS AT THE OPENING CEREMONY OF THE 1989 HONG KONG INTERNATIONAL GIFTS AND HOUSEWARE FAIR TODAY (WEDNESDAY).

MR CHAN POINTED OUT THAT HONG KONG'S DOMESTIC EXPORTS OF GIFTS AND HOUSEWARE EXCEEDED \$59 BILLION IN 1988.

"I AM CONFIDENT THAT GIVEN THEIR FLEXIBILITY, EFFICIENCY AND ENTREPRENEURIAL SPIRIT, HONG KONG EXPORTERS AND MANUFACTURERS WILL BE ABLE TO SUSTAIN AND IMPROVE UPON THIS EXCELLENT PERFORMANCE IN THE YEARS AHEAD," HE SAID.

MR CHAN SAID IT WAS CERTAINLY IMPRESSIVE TO SEE THE NUMBER OF EXHIBITORS HAD MORE THAN DOUBLED FROM 128 LAST YEAR TO 310 THIS YEAR.

"THIS IS THE FIRST TIME THAT OVERSEAS EXHIBITORS ARE INVITED TO PARTICIPATE. THE OVERWHELMING RESPONSE HAS REAFFIRMED THE POPULARITY OF THE EVENT," HE SAID.

ON DESIGN ORIGINALITY, HE PAID TRIBUTE TO THE GIFTS AND HOUSEWARE COMPETITION WHICH PROMOTED AND ENCOURAGED NEW DESIGNS. HE WAS ALSO IMPRESSED BY THE HIGH STANDARD DISPLAYED BY THE CONTESTANTS.

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GOVERNOR TO VISIT KWAI TSING TOMORROW  
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THE GOVERNOR, SIR DAVID WILSON, WILL VISIT KWAI TSING DISTRICT TOMORROW (THURSDAY) TO SEE VARIOUS DEVELOPMENTS TO IMPROVE THE LIVING ENVIRONMENT THERE.

SIR DAVID WILL LOOK AT A DRAINAGE IMPROVEMENT PROJECT AT YIP SHING STREET, KWAI CHUNG, THE RESIDENTIAL AND INDUSTRIAL DEVELOPMENTS IN UPPER KWAI CHUNG AREA AND COASTAL DEVELOPMENTS ON TSING YI ISLAND.

/HE WILL .....

HE WILL ALSO MEET WITH KWAI TSING DISTRICT BOARD MEMBERS AND OTHER LOCAL PEOPLE.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE GOVERNOR'S VISIT TO KWAI TSING DISTRICT TOMORROW (THURSDAY).

MEDIA REPRESENTATIVES WHETHER THEY WISH TO TAKE GOVERNMENT VANS OR USE THEIR OWN TRANSPORT SHOULD ALL GATHER AT THE KOWLOON PUBLIC PIER, TSIM SHA TSUI AT 2 PM. PHOTOGRAPHERS ARE ADVISED TO BRING TELEPHOTO LENSES.

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DB COMMITTEE TO DISCUSS TRAFFIC MANAGEMENT IN YUEN LONG TOWN  
\* \* \* \* \*

THE YUEN LONG DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL DISCUSS RECOMMENDATIONS TO IMPROVE THE TRAFFIC CONDITIONS IN YUEN LONG TOWN AT A MEETING ON FRIDAY (APRIL 14).

THE RECOMMENDATIONS ARE DRAWN UP BY A WORKING GROUP UNDER THE YUEN LONG DISTRICT MANAGEMENT COMMITTEE.

THEY AIM AT IMPROVING THE TRAFFIC SITUATION IN YUEN LONG TOWN IN VIEW OF THE OPERATION OF THE LIGHT RAIL TRANSIT SYSTEM AND THE ASSOCIATED TRAFFIC DIVERSIONS.

AT THE MEETING, A REPRESENTATIVE OF THE TRANSPORT DEPARTMENT WILL ALSO EXPLAIN THE GOVERNMENT'S PROFIT CONTROL SCHEME FOR THE TWO FRANCHISED BUS COMPANIES.

OTHER TOPICS ON THE AGENDA INCLUDE THE CONSTRUCTION OF A FOOTBRIDGE TO LINK THE SOUTHEASTERN PART OF YUEN LONG AND THE LRT TERMINUS, AND IMPROVEMENTS TO TRANSPORT FACILITIES IN SHAN HA TSUEN, PING SHAN.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE YUEN LONG DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE TO BE HELD ON FRIDAY (APRIL 14) IN THE DB CONFERENCE ROOM, 13TH FLOOR, TAI KIU GOVERNMENT OFFICES, BUILDING, 2 KIU LOK SQUARE, YUEN LONG.

THE MEETING WILL BEGIN AT 10 AM.

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DB COMMUNITY BUILDING COMMITTEES TO MEET TOMORROW

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THE COMMUNITY BUILDING COMMITTEES OF THE SHAM SHUI PO AND THE MONG KOK DISTRICT BOARDS WILL DISCUSS THE ALLOCATION OF DISTRICT BOARD FUNDS FOR COMMUNITY INVOLVEMENT PROJECTS FOR THE YEAR 1989-90 AT SEPARATE MEETINGS TOMORROW (THURSDAY).

BOTH COMMITTEES WILL BE INFORMED OF THE WORK PLAN OF THE ICAC KOWLOON WEST REGIONAL OFFICE FOR THE CURRENT FINANCIAL YEAR.

ALSO ON THE AGENDA OF THE SHAM SHUI PO DB COMMITTEE IS THE URBAN COUNCIL COMMUNITY RECREATION AND SPORTS PROGRAMME FOR THE DISTRICT THIS YEAR.

MEANWHILE, MEMBERS OF THE MONG KOK DB COMMITTEE WILL BE ASKED TO CONSIDER AND ENDORSE A REPORT ON A SURVEY ON THE VOTING BEHAVIOUR OF ELECTORS IN THE DISTRICT.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE MEETINGS OF THE COMMUNITY BUILDING COMMITTEES OF THE SHAM SHUI PO AND THE MONG KOK DISTRICT BOARDS TOMORROW (THURSDAY).

THE SHAM SHUI PO DB COMMITTEE MEETING WILL BEGIN AT 2.15 PM AT THE SHEK KIP MEI COMMUNITY HALL, BLOCK 42, SHEK KIP MEI ESTATE.

THE MONG KOK DB COMMITTEE MEETING WILL BEGIN AT 2.30 IN THE CONFERENCE ROOM OF THE MONG KOK DISTRICT OFFICE, FIRST FLOOR, 157 PRINCE EDWARD ROAD.

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WORLD ENVIRONMENT DAY ON DB COMMITTEE AGENDA

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THE WONG TAI SIN DISTRICT BOARD'S ENVIRONMENT COMMITTEE WILL DISCUSS AT ITS MEETING TOMORROW (THURSDAY) A PROPOSAL TO MARK THE WORLD ENVIRONMENT DAY 1989.

ACCORDING TO THE PROPOSAL, A MURAL WILL BE PAINTED ON A RETAINING WALL AT THE SOUTH WING OF UPPER WONG TAI SIN ESTATE AT A COST OF ABOUT \$10,000 TO PROMOTE THE ENVIRONMENTAL AWARENESS OF RESIDENTS.

/MEMBERS WILL .....

MEMBERS WILL CONSIDER AN APPLICATION FOR \$1,600 OF DISTRICT BOARD FUNDS FOR THE DEMOLITION OF FOUR CONCRETE BENCHES AT A SITTING-OUT AREA IN NGA TSIN WAI VILLAGE.

OTHER ITEMS ON THE AGENDA INCLUDE THE PROPOSED BUDGET FOR THE COMMITTEE IN 1989-90; A PAPER ON FLUSH WATER SUPPLY IN WONG TAI SIN DISTRICT; PROGRESS REPORTS ON THE COMMITTEE'S MINOR WORKS PROJECTS AND STREET MANAGEMENT; AND THE COMMITTEE'S STATEMENT OF EXPENDITURE.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE MEETING OF THE WONG TAI SIN DISTRICT BOARD'S ENVIRONMENT COMMITTEE, WHICH WILL BEGIN AT 2.30 PM TOMORROW (THURSDAY) IN THE CONFERENCE ROOM OF THE WONG TAI SIN DISTRICT OFFICE, FOURTH FLOOR, SAN PO KONG GOVERNMENT OFFICES BUILDING, KING FUK STREET.

WHOLESALE FINE FOR SELLING CONTAMINATED VEGETABLES

\* \* \* \* \*

THE MUNICIPAL SERVICES BRANCH TODAY (WEDNESDAY) REMINDED VEGETABLES TRADERS NOT TO SELL VEGETABLES CONTAINING THE BANNED PESTICIDE "METHAMIDOPHOS".

A SPOKESMAN FOR THE BRANCH SAID OFFENDERS WILL BE LIABLE TO A MAXIMUM FINE OF \$5,000 AND THREE MONTHS' IMPRISONMENT.

"IF THE VEGETABLES ARE PROVEN TO HAVE CAUSED POISONING IN PEOPLE, THE MAXIMUM PENALTY WILL BE \$25,000 AND SIX MONTHS' IMPRISONMENT," HE SAID.

THE REMINDER FOLLOWS A CASE AT THE FANLING MAGISTRACY TODAY IN WHICH A VEGETABLE WHOLESALER AT THE CHEUNG SHA WAN WHOLESALE VEGETABLE MARKET WAS FINED \$960 FOR SELLING "CHOI SUM" (CHINESE FLOWERING CABBAGE) CONTAINING "METHAMIDOPHOS".

THE COURT WAS TOLD THAT ON NOVEMBER 16 LAST YEAR, FOOD INSPECTORS FROM THE MUNICIPAL SERVICES BRANCH RANDOMLY CHECKED VEGETABLES AT THE MAN KAM TO CONTROL POINT AND TOOK SAMPLES OF "CHOI SUM" FROM A LORRY BELONGING TO LEE KWONG-WAH OF THE WHOLESALER, "MAN FUNG CHAN", FOR CHEMICAL TESTING.

/THE RESULT .....

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THE RESULT OF THE CHEMICAL ANALYSIS SHOWED THAT THE SAMPLES CONTAINED THREE MILLIGRAMS OF "METHAMIDOPHOS" PER KILOGRAM OF VEGETABLES.

LEE WAS THEN CHARGED UNDER SECTION 52 (1) OF THE PUBLIC HEALTH AND MUNICIPAL SERVICES ORDINANCE FOR HAVING SOLD FOOD "NOT OF THE SUBSTANCE DEMANDED BY THE PURCHASER".

LEE WAS ALSO ORDERED TO PAY \$120 FOR COSTS OF ANALYSIS OF THE SAMPLES.

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TWO LAND LOTS TO LET  
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TENDERS ARE BEING INVITED BY THE BUILDINGS AND LANDS DEPARTMENT FOR LETTING TWO LOTS OF LAND IN LAI CHI KOK AND SHA TIN.

A LOT MEASURING ABOUT 1,130 SQUARE METRES AT MEI LAI ROAD, LAI CHI KOK, HAS BEEN DESIGNATED FOR A FEE-PAYING PUBLIC CARPARK FOR PRIVATE MOTOR CARS, TAXIS AND LIGHT VANS AND/OR FOR THE SALE AND STORAGE OF POTTED PLANTS.

THE OTHER LOT, MEASURING ABOUT 3,325 SQUARE METRES IN AREA 11, SHA TIN NEW TOWN, WILL BE LET FOR THE PURPOSE OF GOODS STORAGE, BUT EXCLUDING CONTAINER VEHICLES AND CONTAINERS.

BOTH LOTS WILL BE LET FOR AN INITIAL TENANCY PERIOD OF ONE YEAR, RENEWABLE ON A MONTHLY AND QUARTERLY BASIS RESPECTIVELY.

FORMS OF TENDER, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM THE DISTRICT LANDS OFFICE, KOWLOON WEST, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON; AND FROM THE DISTRICT LANDS OFFICE, SHA TIN.

THEY MAY ALSO BE OBTAINED FROM THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG.

THE TENDER PLAN MAY ALSO BE INSPECTED AT THE ABOVE OFFICES.

TENDERS MUST BE SUBMITTED BY NOON ON APRIL 28.

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TEMPORARY TRAFFIC ARRANGEMENTS IN WESTERN DISTRICT

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT TEMPORARY TRAFFIC ARRANGEMENTS WILL BE IMPLEMENTED IN WESTERN DISTRICT FROM FRIDAY (APRIL 14) FOR ROAD AND DRAINAGE WORKS.

WHITTY STREET BETWEEN DES VOEUX ROAD WEST AND QUEEN'S ROAD WEST WILL BE CLOSED TO TRAFFIC DURING THE FOLLOWING PERIODS:

- \* BETWEEN 8 PM AND 6 AM THE NEXT DAY DAILY ON APRIL 14 AND 15;
- \* BETWEEN 10 PM AND 6 AM THE NEXT DAY DAILY FROM APRIL 16 TO 27; AND
- \* FROM 6 AM ON APRIL 28 TO 5 PM ON MAY 3.

DURING THE CLOSURES, MOTORISTS HEADING FOR QUEEN'S ROAD WEST ARE ADVISED TO USE EASTERN STREET.

MEANWHILE, FROM 10 AM ON APRIL 14, THE FOLLOWING ROAD SECTIONS WILL BE DESIGNATED 7 AM TO 7 PM DAILY URBAN CLEARWAYS FOR ABOUT THREE MONTHS:

- \* THE SOUTHERN KERBSIDE LANE OF CONNAUGHT ROAD WEST FROM ITS JUNCTION WITH EASTERN STREET TO A POINT ABOUT 22 METRES WEST OF THE SAME JUNCTION; AND
- \* THE EASTERN KERBSIDE LANE OF EASTERN STREET FROM ITS JUNCTION WITH CONNAUGHT ROAD WEST TO A POINT ABOUT 15 METRES SOUTH OF THE SAME JUNCTION.

IN ADDITION, THE FOLLOWING SECTIONS WILL BE MADE URBAN CLEARWAYS ROUND-THE-CLOCK:

- \* THE SOUTHERN KERBSIDE LANE OF CONNAUGHT ROAD WEST FROM ITS JUNCTION WITH HILL ROAD TO A POINT ABOUT 121 METRES WEST OF THE SAME JUNCTION FOR ABOUT TWO MONTHS;
- \* THE NORTHERN KERBSIDE LANE OF DES VOEUX ROAD WEST FROM ITS JUNCTION WITH HILL ROAD TO A POINT ABOUT 55 METRES EAST OF THE SAME JUNCTION FOR ABOUT TWO MONTHS;
- \* THE WESTERN KERBSIDE LANE OF KA ON STREET FOR ABOUT THREE MONTHS;
- \* THE SOUTHERN KERBSIDE LANE OF CONNAUGHT ROAD WEST FROM ITS JUNCTION WITH SUTHERLAND STREET TO A POINT ABOUT 15 METRES WEST OF THE SAME JUNCTION FOR ABOUT FOUR MONTHS; AND
- \* THE WESTERN KERBSIDE LANE OF SUTHERLAND STREET FROM ITS JUNCTION WITH CONNAUGHT ROAD WEST TO A POINT ABOUT 23 METRES SOUTH OF THE SAME JUNCTION FOR ABOUT FOUR MONTHS.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS WITHIN THE RESTRICTED AREAS.

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URBAN CLEARWAYS IN MA ON SHAN

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT FROM 10 AM ON FRIDAY (APRIL 14), THE FOLLOWING ROAD SECTIONS IN MA ON SHAN WILL BE DESIGNATED 7 AM TO MIDNIGHT DAILY URBAN CLEARWAYS:

- \* ON LUK STREET BETWEEN ITS JUNCTION WITH MA ON SHAN ROAD AND A POINT ABOUT 165 METRES WEST OF THE SAME JUNCTION;
- \* THE LOOP ROAD SECTION OF ON SHING STREET NORTH OF ITS EASTERN JUNCTION WITH ON LUK STREET;
- \* ON SHING STREET SOUTHBOUND FROM ITS EASTERN JUNCTION WITH ON LUK STREET TO A POINT ABOUT 45 METRES SOUTH OF THE SAME JUNCTION; AND
- \* ON SHING STREET NORTHBOUND FROM ITS EASTERN JUNCTION WITH ON LUK STREET TO A POINT ABOUT 50 METRES SOUTH OF THE SAME JUNCTION.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS WITHIN THE RESTRICTED AREAS.

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TEMPORARY LANE CLOSURE ON MA TAU WAI ROAD FLYOVER

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT MA TAU WAI ROAD FLYOVER WILL BE RESTRICTED TO SINGLE-LANE TWO-WAY TRAFFIC FROM 10 AM ON FRIDAY (APRIL 14) TO 10 AM ON SUNDAY (APRIL 16) BECAUSE OF ROADWORKS.

DURING THE CLOSURE, MOTORISTS ARE ADVISED TO DRIVE WITH CARE AND PATIENCE.

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TEMPORARY TRAFFIC ARRANGEMENTS IN TUEN MUN

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT THE SLIP ROADS AT SIU LAM INTERCHANGE LINKING TUEN MUN ROAD WESTBOUND AND CASTLE PEAK ROAD WILL BE CLOSED BETWEEN MIDNIGHT AND 6 AM DAILY FROM FRIDAY (APRIL 14) FOR TWO NIGHTS FOR ROAD MAINTENANCE WORKS.

DURING THE CLOSURE, KMB ROUTE 52M ON TUEN MUN ROAD WESTBOUND HEADING FOR TUEN MUN WILL BE RE-ROUTED VIA TUEN MUN ROAD, SHAM TSENG INTERCHANGE AND CASTLE PEAK ROAD.

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