



DAILY INFORMATION BULLETIN

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WEDNESDAY, NOVEMBER 6, 1991

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CLOSING RANKS OF EXCO AND ADMINISTRATION ON NEW POLICY IDEAS: CS

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THE ADMINISTRATION INTENDS TO CONSULT THE EXECUTIVE COUNCIL AT AN EARLY STAGE OF ITS THINKING ABOUT NEW POLICIES AND AT THAT TIME TO SEEK MEMBERS' VIEWS IN THE PRINCIPLES INVOLVED.

THIS WAS STATED BY THE CHIEF SECRETARY, THE HON SIR DAVID FORD, AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THEREAFTER, SIR DAVID SAID, POLICY SECRETARIES WOULD WORK CLOSELY WITH MEMBERS OF EXCO TO DEVELOP POLICY IDEAS INTO FIRM PROPOSALS WHICH COULD BE PUT TO THE COUNCIL FOR ADVICE.

"AS A RESULT INDIVIDUAL EXCO MEMBERS MAY WELL DEVELOP AN INTEREST IN PARTICULAR PROGRAMME AREAS AND CONSEQUENTLY FIND IT USEFUL TO ESTABLISH A CLOSE WORKING RELATIONSHIP WITH THE APPROPRIATE POLICY SECRETARY," HE SAID.

THE CHIEF SECRETARY SAID BY INVOLVING EXCO AT AN EARLIER STAGE MEMBERS WOULD HAVE A GREATER ROLE TO PLAY IN POLICY FORMULATION AND THUS BE IN A BETTER POSITION TO EXPLAIN PUBLICLY THE THINKING BEHIND THE DECISIONS WHICH HAD BEEN TAKEN.

NOTING THAT HONG KONG'S CONSTITUTIONAL ARRANGEMENTS WERE UNUSUAL, SIR DAVID SAID THEY WERE NEITHER TIDY NOR CONVENTIONAL BY THE STANDARDS OF SOVEREIGN STATES.

"BUT THIS SHOULD NOT SURPRISE ANYONE BECAUSE HONG KONG IS NOT AND NEVER WILL BE A SOVEREIGN STATE," HE SAID.

SIR DAVID SAID THE FUNDAMENTAL CONCEPT OF AN APPOINTED EXECUTIVE, WORKING THROUGH AN APOLITICAL CIVIL SERVICE, BALANCED BY AN ELECTED LEGISLATURE WAS A FAIR AND WORKABLE SYSTEM, PROVIDED EVERYONE INVOLVED WAS COMMITTED TO MAKING IT WORK IN THE INTERESTS OF HONG KONG PEOPLE.

HE SAID THAT IN TURN MEANT THE EXECUTIVE COUNCIL AND THE ADMINISTRATION AND THE LEGISLATIVE COUNCIL UNDERSTANDING THEIR ROLES, THEIR RESPONSIBILITIES, THEIR POWER AND THE LIMITATIONS TO THAT POWER.

SIR DAVID STRESSED THAT POLICY MAKING WOULD CONTINUE TO REST WITH THE ADMINISTRATION WORKING WITHIN GUIDELINES ESTABLISHED BY THE GOVERNOR ON THE ADVICE OF THE EXECUTIVE COUNCIL.

"BUT THE ADMINISTRATION CANNOT GO IT ALONE," HE SAID.

IT NEEDED THE COMFORT OF KNOWING THAT ITS POLICIES AND ACTIONS HAD THE WHOLEHEARTED SUPPORT OF THE EXECUTIVE COUNCIL AND WERE LIKELY TO PROVE ACCEPTABLE TO A MAJORITY OF MEMBERS OF THE LEGISLATIVE COUNCIL.

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"WE IN THE ADMINISTRATION RECOGNISE THAT SUCH SUPPORT WILL NOT BE FORTHCOMING AS A MATTER OF COURSE," HE SAID.

IT WOULD ONLY BE ACHIEVED BY INVOLVING MEMBERS OF THE EXECUTIVE COUNCIL MORE IN THE BUSINESS OF POLICY FORMULATION, SIR DAVID SAID.

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LEGCO HAS REAL POWER: CS
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THE CHIEF SECRETARY, THE HON SIR DAVID FORD, SAID TODAY (WEDNESDAY) THAT THE LEGISLATIVE COUNCIL CLEARLY HAS REAL POWER.

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS IN THE LEGISLATIVE COUNCIL, SIR DAVID SAID THESE POWERS WERE NOT CONSTITUTIONAL NICETIES BUT VITAL POWERS AFFECTING THE ACTIONS OF THE GOVERNMENT AND THE DAILY LIVES OF THE PEOPLE OF HONG KONG.

FIRSTLY IT HAD THE POWER TO PASS, AMEND, REJECT AND UNDER CERTAIN CONDITIONS INTRODUCE LEGISLATIVE PROPOSALS.

THE SECOND MAJOR POWER, SIR DAVID SAID, WAS THE RIGHT TO APPROVE OR REJECT THE GOVERNMENT'S EXPENDITURE PROPOSALS.

HE SAID THAT THE GOVERNMENT COULD NOT SPEND THE TAX PAYER'S MONEY WITHOUT THE APPROVAL OF THE LEGISLATIVE COUNCIL.

"THIS IS UNQUESTIONABLY REAL POWER. IT HAS TO BE USED RESPONSIBLY," HE SAID.

BUT AT THE END OF THE DAY THESE WERE THE POWERS WHICH ONLY THE MEMBERS OF THE LEGISLATIVE COUNCIL COULD EXERCISE AND NO ONE ELSE, HE ADDED.

THE CHIEF SECRETARY SAID WHEN THE GOVERNOR REFERRED TO THE NEED FOR PARTNERSHIP BETWEEN THE ADMINISTRATION THE EXECUTIVE COUNCIL AND THE LEGISLATIVE COUNCIL IT WAS NOT A SIGN OF WEAKNESS, NOR A SIGNAL THAT THE GOVERNMENT HAD LOST THE WILL TO GOVERN OR THAT IT DID NOT KNOW WHERE IT WAS GOING AS SOME MEMBERS HAD SUGGESTED.

"IT IS SIMPLY RECOGNITION OF THE CONSTITUTIONAL REALITY WHICH APPLIES NOW, AND WHICH IS INHERENT IN THE SYSTEM WHICH WILL COME INTO EFFECT UNDER THE BASIC LAW, RECOGNITION THAT THE PARTNERSHIP BETWEEN THE ADMINISTRATION, THE EXECUTIVE AND THE LEGISLATIVE COUNCILS MUST BE MADE TO WORK IF HONG KONG IS TO CONTINUE TO BE GOVERNED EFFECTIVELY," THE CHIEF SECRETARY SAID.

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APOLITICAL CIVIL SERVICE IMPORTANT: CS

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IT WILL CONTINUE TO BE IMPORTANT THAT THE CIVIL SERVICE REMAINS APOLITICAL IN THE FACE OF THE CHANGING POLITICAL ENVIRONMENT, THE CHIEF SECRETARY, THE HON SIR DAVID FORD, SAID TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, SIR DAVID SAID THE ADMINISTRATION NEEDED POLITICAL SUPPORT FIRSTLY FROM THE EXECUTIVE COUNCIL AND SUBSEQUENTLY FROM THE LEGISLATIVE COUNCIL.

SIR DAVID SAID THE ADMINISTRATION RECOGNISED THAT IT MIGHT NOT ALWAYS BE EASY TO GAIN THE SUPPORT OF A MAJORITY OF LEGCO MEMBERS BECAUSE UNDER THE SYSTEM THERE WAS NO ORGANISED PARTY SUPPORT FOR THE GOVERNMENT IN THE COUNCIL OR IN THE MEDIA OR IN THE COMMUNITY AS A WHOLE.

HE POINTED OUT THAT UNDER OTHER CONSTITUTIONAL ARRANGEMENTS A GOVERNMENT COULD EXPECT THE COMFORT OF KNOWING THAT ITS PARTY OF SUPPORTERS WOULD RALLY ROUND BOTH ON SUNNY DAYS AND MORE IMPORTANTLY IN STORMY TIMES ALSO.

"THIS GOVERNMENT HOWEVER DOES NOT HAVE THAT LUXURY. IT HAS NO POLITICAL PARTY ANNUAL CONFERENCE, NOR A MANIFESTO, FROM WHICH TO DEVELOP AND PROPAGATE POLICY," SIR DAVID SAID.

"NOR CAN OUR POLICIES BE TESTED IN ELECTIONS BECAUSE WE HAVE NO POLITICAL CANDIDATES TO FIELD," HE SAID.

THE CHIEF SECRETARY POINTED OUT THAT IN THE LEGISLATIVE COUNCIL, THE ADMINISTRATION HAD NO PARTY MACHINE OR WHIP SYSTEM TO GIVE IT THE GUARANTEED MAJORITIES THAT SUPPORTED GOVERNMENTS IN MORE DEVELOPED DEMOCRACIES.

"NOR DO WE HAVE ELECTED MINISTERS TO PROVIDE A POPULAR - AND SOMETIMES UNPOPULAR - PUBLIC FACE," HE SAID.

HE CAUTIONED THAT THE ADMINISTRATION MUST BE CAREFUL THEREFORE NOT TO DRIFT INTO A SERIES OF SITUATIONS IN WHICH IT WAS ISOLATED BECAUSE IT HAD NO IN-BUILT SUPPORT.

"THERE IS A REAL DANGER OF THIS BECAUSE THERE IS A PERCEPTION IN HONG KONG THAT, TO BE POPULAR, A POLITICIAN MUST SOMETIMES BE SEEN TO BE OPENLY CRITICAL OF THE ADMINISTRATION.

"MOREOVER, BECAUSE UNDER OUR SYSTEM, GOVERNMENTS DO NOT CHANGE, THOSE POLITICIANS WHO MAY REGARD THEMSELVES AS ACTING AS OPPOSITION TO THE GOVERNMENT, ARE NOT RESTRAINED BY THE KNOWLEDGE THAT THEY, ONE DAY, AS A GROUP, MAY HAVE TO ASSUME REAL GOVERNMENT RESPONSIBILITY," HE SAID.

IN THE MEDIA TOO, HE SAID, IT WAS A FACT OF LIFE, BOTH IN HONG KONG AND OVERSEAS, THAT CRITICS OF THE GOVERNMENT GENERATED FAR MORE FREQUENT AND INTERESTING HEADLINES THAN DID BUREAUCRATS.

/FURTHERMORE IN

FURTHERMORE IN THE COMMUNITY AT LARGE, SIR DAVID SAID, BUSINESSMEN AND COMMUNITY LEADERS, WHO MIGHT APPEAR SUPPORTIVE OF THE GOVERNMENT IN PRIVATE, SEEMED RELUCTANT TO ENTER THE FRAY.

SOME ALSO PREFERRED TO CRITICISE RATHER THAN JOIN CONSTRUCTIVE DEBATE.

HE CAUTIONED THAT IF THERE WERE TO BE A LACK OF IDENTIFIABLE SUPPORT IT COULD LEAD TO A SITUATION IN WHICH THE GOVERNMENT WAS RELUCTANT TO TAKE DIFFICULT DECISIONS WHICH MIGHT PROVE TO BE UNPOPULAR AMONGST SOME LEGCO MEMBERS, IN THE PRESS AND IN THE COMMUNITY.

"I AM SURE THAT WILL NOT HAPPEN BECAUSE WE KNOW ONLY TOO WELL THAT LEADERSHIP IS ABOUT TAKING TOUGH DECISIONS AND CONVINCING PEOPLE THAT THOSE DECISIONS ARE RIGHT EVEN IF SOMETIMES IT TAKES A LONG TIME TO DO SO, OF SAYING WHAT YOU STAND FOR, AS WELL AS WHAT YOU STAND AGAINST," HE SAID.

SIR DAVID STRESSED THAT THE GOVERNMENT MUST DEVELOP LEADERSHIP IN DEVELOPING NEW POLICIES WHICH MET THE ASPIRATIONS OF THE COMMUNITY.

"WE MUST SHOW PRAGMATISM WHEN THOSE POLICIES ARE DEBATED PUBLICLY AND PASSED THROUGH THE NEW COMMITTEE STRUCTURES.

"AND AT THE TOP LEVELS OF THE CIVIL SERVICE WE MUST ALL BE JUDGED BY HOW WE PERFORM PUBLICLY AS WELL AS HOW WE WORK BEHIND THE SCENES," HE SAID.

SIR DAVID ALSO PROMISED THAT THE GOVERNMENT WOULD TRY TO BE MORE OPEN AND TO EXPLAIN ITSELF BETTER TO MEMBERS AND TO THE MEDIA.

"THIS WILL NOT ALWAYS BE EASY BUT WE ARE NOW BUSILY EXAMINING HOW TO IMPROVE OUR WAYS OF OPERATING AND OF COMMUNICATING OUR POLICIES - AND OUR PROBLEMS - IN THE COMING YEARS.

"ALL THIS MAY SOUND A DAUNTING PROSPECT BUT AS I LOOK AROUND ME ON THESE BENCHES I SEE NO GLOOMY FACES, NO TREPIDATION AND NO UNCERTAINTY," HE SAID.

SIR DAVID ALSO STRESSED THAT CIVIL SERVANTS ON THE GOVERNMENT BENCHES DID NOT "FEEL LIKE LAME DUCKS, SHELTERING IN THE BUNKER WAITING FOR THE SUN TO GO DOWN" AS SOME LEGCO MEMBERS SUGGESTED.

"ON THE CONTRARY, WE ARE LOOKING FORWARD TO THE CHALLENGES AHEAD," HE SAID.

"IF WE WERE A GOVERNMENT PARTY WE BELIEVE WE WOULD HAVE A PRETTY GOOD MANIFESTO TO TAKE TO THE PEOPLE OF HONG KONG," HE ADDED.

SIR DAVID SAID THE GOVERNMENT MIGHT CAMPAIGN UNDER THE SLOGAN "VOTE FOR THE GOVERNMENT THAT DELIVERS THE GOODS".

/HE POINTED

HE POINTED OUT THAT THE GOVERNMENT HAD DELIVERED ON THE ECONOMY, TRANSFORMING HONG KONG FROM A THIRD WORLD TO A FIRST WORLD SOCIETY.

"WE PUT OUR FAITH IN FREE MARKETS, LOW TAXES, ENTERPRISE AND LEAN GOVERNMENT AND WE GOT IT RIGHT," HE SAID.

MEANWHILE, THE GOVERNMENT HAD DELIVERED ON SOCIAL PROGRAMMES, HOUSING, HEALTH AND EDUCATION ALL BUILT, AND NOW HEAVILY SUBSIDISED, THROUGH REVENUE GENERATED BY GROWTH IN OUR ECONOMY RATHER THAN HIGH TAXES.

SIR DAVID ALSO SAID THE GOVERNMENT HAD DELIVERED ON INFRASTRUCTURE WITH THE TRANSPORT AND COMMUNICATION SYSTEMS THE ENVY OF THE WORLD.

"OF COURSE MUCH MORE REMAINS TO BE DONE AND THERE ARE BLEMISHES ON OUR PHYSICAL AND SOCIAL LANDSCAPE.

"BUT SO MUCH HAS BEEN ACHIEVED. LOOK AROUND YOU. THE COMMUNITY IS TRULY PROUD OF THOSE ACHIEVEMENTS AND MEMBERS SHOULD NOT BELITTLE AS SOME HAVE DONE.

"NOR SHOULD WE BE INFLUENCED TOO MUCH BY THE PROPHETS OF DOOM IN OUR MIDST."

BUT CERTAINLY, SIR DAVID CONTINUED, HONG KONG PEOPLE WERE NOT GLOOMY ABOUT THIS PLACE OR INDEED ABOUT THEIR GOVERNMENT.

THE CHIEF SECRETARY SAID OPINION POLLS CARRIED OUT OVER THE LAST SIX MONTHS SUGGESTED THAT CONSISTENTLY 80 PER CENT OF THE PEOPLE OF HONG KONG WERE SATISFIED WITH THE GENERAL SITUATION IN HONG KONG.

THE POLLS ALSO SHOWED THAT OVER 50 PER CENT WERE SATISFIED WITH THE PERFORMANCE OF THEIR GOVERNMENT AND ONLY 32 PER CENT DISSATISFIED.

"BY ANY STANDARDS THOSE FIGURES INDICATE A CONFIDENCE MOST GOVERNMENTS IN THE WORLD WOULD ENVY," HE NOTED.

HAVING SAID THAT, SIR DAVID SAID, ALL GOVERNMENTS MADE MISTAKES INCLUDING THE ONE IN HONG KONG.

"AND I HOPE IF WE MAKE MISTAKES WE WOULD HAVE THE COURAGE TO ADMIT IT.

"BUT WE GET PLENTY RIGHT TOO," HE SAID.

SIR DAVID SAID IF THE GOVERNMENT WAS TO CARRY ON THE ADMINISTRATION OF THE TERRITORY WITH THE VIGOUR WHICH THE COMMUNITY EXPECTED, IT WOULD NEED THE SUPPORT OF PEOPLE WHO WERE PREPARED TO JUDGE ISSUES ON THEIR MERITS AND SPOKE OUT ON THE GOVERNMENT'S BEHALF WHEN THE ADMINISTRATION GOT THINGS RIGHT.

WHEN WE HAD TO TAKE DIFFICULT DECISIONS AND THERE WERE GOING TO BE SOME, SIR DAVID SAID THE GOVERNMENT WAS CERTAINLY GOING TO NEED THE UNDERSTANDING AND SUPPORT OF THE EXECUTIVE COUNCIL, OF LEGCO MEMBERS AND OF THE COMMUNITY.

"POPULAR DECISIONS ARE EASY, EVERYONE WILL BE PLEASED TO TAKE CREDIT FOR THEM.

"BUT WE NEED SUPPORT ALSO FOR DECISIONS WHICH ALTHOUGH UNPOPULAR ARE NEVERTHELESS CORRECT AND JUST AS ESSENTIAL TO KEEP HONG KONG STABLE AND PROSPEROUS AS THE POPULAR ONES," HE SAID.

AND THAT SUPPORT, ACCORDING TO SIR DAVID, MUST BE UPFRONT, IN PUBLIC, FROM ALL THOSE WHO HAD THE COURAGE OF THEIR CONVICTIONS.

"IT WILL NOT BE EASY. THERE WILL BE A GREAT TEMPTATION TO RUN FOR COVER WHEN THE GOING GETS TOUGH POLITICALLY," HE SAID.

SIR DAVID SAID THE ADMINISTRATION DID NOT EXPECT THAT SUPPORT TO BE UNQUESTIONING.

"WE EXPECT TO HAVE TO EARN IT.

"WE EXPECT TO HAVE YOUR QUESTIONING AND YOUR CRITICISMS AND WE WELCOME BOTH," HE SAID.

LASTLY, SIR DAVID HOPED THAT CRITICISM WOULD NOT BE BASED ON MISTRUST OF MOTIVES.

"AND THAT WE CAN START ON COMMON GROUND, THAT IS THAT CIVIL SERVANTS AND MEMBERS OF THIS COUNCIL ARE WELL MOTIVATED PEOPLE WHOSE PRIME INTEREST IS TO DO THEIR BEST FOR THE PEOPLE OF HONG KONG," HE SAID.

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MANAGEMENT OF RELATIONS WITH CHINA CRUCIAL: SCA
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THE MANAGEMENT OF OUR RELATIONS WITH CHINA IS CRUCIAL TO ACHIEVING A SMOOTH AND SUCCESSFUL TRANSFER OF SOVEREIGNTY IN 1997, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR MICHAEL C.C. SZE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED MOTION DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR SZE SAID THE FACT THAT AS MORE THAN HALF OF THE MEMBERS OF THE LEGISLATIVE COUNCIL HAD SPOKEN ON THIS THEME ATTESTED TO THE CLEAR RECOGNITION OF ITS IMPORTANCE NOW AND IN THE NEXT SIX YEARS.

"HONG KONG IS A PLURALISTIC SOCIETY. IT IS ENTIRELY NATURAL THAT DIFFERENT PEOPLE HAVE DIFFERENT VIEWS, AND EXPRESS THEIR OWN VIEWS FORCEFULLY, ON SOMETHING SO IMPORTANT TO OUR FUTURE AS HOW TO MANAGE THAT RELATIONSHIP WITH OUR FUTURE SOVEREIGN POWER," HE SAID.

MR. SZE SAID HE HAD NOTICED THAT A BROAD CONSENSUS, NAMELY THAT RELATIONSHIP MUST BE BASED ON MUTUAL UNDERSTANDING AND COOPERATION, GROUNDED ON THE PROVISIONS OF THE JOINT DECLARATION.

HE ALSO POINTED OUT THAT THE PRIME MINISTER, MR JOHN MAJOR'S RECENT VISIT TO CHINA, AND THE SIGNING OF THE MEMORANDUM OF UNDERSTANDING ON THE AIRPORT, UNDERSCORES THE KEY POINTS OF THAT RELATIONSHIP : INTENSIFICATION OF COOPERATION AND CONSULTATION, AND REAFFIRMATION OF THE DETERMINATION TO IMPLEMENT THE JOINT DECLARATION, IN LETTER AND SPIRIT.

"SURELY, NO LASTING RELATIONSHIP CAN BE FOUNDED ON MUTUAL SUSPICION AND MISTRUST; IF THEY EXIST THEN WE MUST DO ALL WE CAN TO BREAK THEM DOWN. WE MUST TAKE CARE TO EXPLAIN OUR VIEWS TACTFULLY BUT FIRMLY; AT THE SAME TIME WE MUST LISTEN TO THE OTHER SIDE WITH UNDERSTANDING AND PATIENCE. THE STAKES ARE TOO HIGH FOR US TO DO OTHERWISE," HE SAID.

THE SECRETARY NOTED THAT THE JOINT LIAISON GROUP PLAYED A KEY ROLE IN THE TERRITORY'S CONSULTATION WITH CHINA ON THE IMPLEMENTATION OF THE JOINT DECLARATION.

"YET I FEAR THAT ITS ROLE IS SOMETIMES MISUNDERSTOOD. IN THE WORDS OF THE JOINT DECLARATION, IT IS AN "ORGAN FOR LIAISON AND NOT AN ORGAN OF POWER. IT SHALL PLAY NO PART IN THE ADMINISTRATION OF HONG KONG OR THE HONG KONG SPECIAL ADMINISTRATIVE REGION. NOR SHALL IT HAVE ANY SUPERVISORY ROLE OVER THAT ADMINISTRATION." THERE IS NO QUESTION OF THE JLG BECOMING A "SINO-BRITISH CONDOMINIUM GOVERNMENT" : THE ADMINISTRATION OF HONG KONG IS FIRMLY IN THE HANDS OF THE HONG KONG GOVERNMENT," HE SAID.

MR SZE SAID IT HAD SOMETIMES BEEN ALLEGED THAT BRITAIN AND CHINA HAD CONCLUDED AGREEMENTS ON HONG KONG'S FUTURE IN THE JOINT LIAISON GROUP BEHIND OUR BACKS.

"THIS IS BLATANTLY UNTRUE. HONG KONG HAS A DIRECT LINE TO THESE CONSULTATIONS BOTH THROUGH ITS HONG KONG MEMBERSHIP IN THE JOINT LIAISON GROUP AND THROUGH THE EXECUTIVE COUNCIL. THE EXECUTIVE COUNCIL IS FULLY CONSULTED ON THE PREPARATION OF THE BRITISH SIDE'S OBJECTIVE AND AT EVERY STAGE OF THE DISCUSSIONS," HE SAID.

HE POINTED OUT THAT THE GOVERNOR'S RECENT APPOINTMENTS TO THE EXECUTIVE COUNCIL SHOULD BE SEEN IN THIS CONTEXT.

"IN MAKING HIS NEW APPOINTMENTS THE GOVERNOR WAS ANXIOUS TO STRENGTHEN THE LINKS BETWEEN THE EXECUTIVE AND LEGISLATIVE COUNCILS. ALL OF HIS NEW APPOINTEES ARE MEMBERS OF THIS COUNCIL. ALL WILL PLAY THEIR PART IN REPRESENTING THE VIEWS OF THE HONG KONG PEOPLE ON VITAL ISSUES AFFECTING HONG KONG'S FUTURE," HE SAID.

MAXIMUM CONTINUITY OF INDEPENDENT JUDICIAL SYSTEM SOUGHT

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THE GOVERNMENT HAD SOUGHT IN DISCUSSIONS WITH CHINA ON THE COURT OF FINAL APPEAL, TO ACHIEVE MAXIMUM CONTINUITY OF AN INDEPENDENT JUDICIAL SYSTEM, INCLUDING THE VESTING OF THE POWER OF FINAL JUDGMENT IN HONG KONG, ACROSS 1997, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR MICHAEL C.C. SZE, SAID IN THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON.

SPEAKING IN THE RESUMED MOTION DEBATE, MR SZE SAID THIS WAS OF VITAL IMPORTANCE FOR CONFIDENCE, FOR THE PEOPLE OF HONG KONG NO LESS THAN FOR THE BUSINESS COMMUNITY.

"WE ARE CONSCIOUS OF THE STRONG VIEWS EXPRESSED SO FAR; THIS IS UNDERSTANDABLE BECAUSE THE CONTINUATION OF AN INDEPENDENT JUDICIAL SYSTEM IS ONE OF THE IMPORTANT SAFEGUARDS FOR THE FUTURE. BUT I THINK WE NOW NEED TO STAND BACK A LITTLE AND REFLECT," HE SAID.

THE SECRETARY SAID IT WAS UNFORTUNATE THAT PUBLIC COMMENTS HAD SO FAR FOCUSED ON THE COMPOSITION OF THE COURT, WHICH WAS ONLY ONE ASPECT OF A HIGHLY VALUABLE AGREEMENT.

"THE AGREEMENT REACHED IN THE JLG ENABLES US NOW TO PROCEED WITH THE LEGISLATIVE, ADMINISTRATIVE AND PRACTICAL ARRANGEMENTS FOR ESTABLISHING THE COURT OF FINAL APPEAL," MR SZE SAID.

"IT HAS THUS SECURED FOR US THE KEY OBJECTIVE OF HAVING THE COURT UP AND RUNNING WELL BEFORE 1997, SO THAT IT CAN HAVE MAXIMUM OPPORTUNITY TO GAIN EXPERIENCE AND ESTABLISH ITS REPUTATION AND AUTHORITY.

"FURTHERMORE IF THE COURT WE ESTABLISH IS TO GIVE CONFIDENCE FOR THE FUTURE, THERE MUST BE NO ROOM FOR DOUBT THAT IT WILL BE ABLE TO CONTINUE AFTER 1997. WE MUST NOT LOSE SIGHT OF THAT," HE ADDED.

MR SZE SAID THE ESTABLISHMENT OF THE COURT OF FINAL APPEAL WAS A COMPLEX MATTER INVOLVING THE ENACTMENT OF LEGISLATION BOTH IN HONG KONG AND IN THE UNITED KINGDOM.

"WHILE WE AIM TO ESTABLISH THE COURT EARLY, WE ARE STILL SOME WAY OFF BEING IN A POSITION TO INTRODUCE THE NECESSARY BILL INTO THIS COUNCIL AND FINALIZE THE PRACTICAL ARRANGEMENTS.

"MORE WORK IS BEING DONE ON IT, AND WE ARE ACUTELY AWARE OF THE NEED FOR THERE TO BE SUFFICIENT SAFEGUARDS ON THE INDEPENDENCE AND PRESTIGE OF THE COURT. WE WILL IN DUE COURSE SHARE OUR IDEAS WITH MEMBERS OF THIS COUNCIL AND REPRESENTATIVES OF THE LEGAL PROFESSION," HE SAID.

MR SZE NOTED THAT THERE WAS AT LEAST ONE LESSON TO BE LEARNT FROM EXPERIENCE IN THE PAST FEW WEEKS: "THERE IS CLEARLY A NEED TO FIND SOME MEANS OF ENABLING MEMBERS TO UNDERSTAND BETTER, AND EARLIER, WHAT GOES INTO PROPOSITIONS TO BE PUT TO THIS COUNCIL FOR THE ENACTMENT OF LAW OR THE VOTING OF FUNDS NECESSARY TO PUT INTO EFFECT AGREEMENTS REACHED IN THE JOINT LIAISON GROUP."

/ "IN EXPLORING

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"IN EXPLORING SUCH MEANS WE MUST, OF COURSE, RESPECT THE PROVISIONS IN THE JOINT DECLARATION THAT "PROCEEDINGS OF THE JLG SHALL REMAIN CONFIDENTIAL UNLESS OTHERWISE AGREED BETWEEN THE TWO SIDES".

"I ALSO FIRMLY BELIEVE THAT THE FIRST DUTY TO EXPLAIN SUCH MATTERS TO THIS COUNCIL RESTS WITH THE HONG KONG GOVERNMENT. AFTER ALL, THEY ARE PROPOSALS TO WHICH WE HAVE GIVEN OUR AGREEMENT; IT BEHOVES US TO JUSTIFY THEM," MR SZE SAID.

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REVIEW OF ELECTORAL SYSTEM UNDERWAY

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THE REVIEW OF THE ENTIRE ELECTORAL SYSTEM HAS COMMENCED AND OVER THE NEXT FEW MONTHS THE GOVERNMENT WILL BE DEVOTING ITSELF TO A THOROUGH EXAMINATION OF THE ISSUES ARISING FROM THE EXPERIENCE OF THE 1991 ELECTIONS, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR MICHAEL C.C. SZE, SAID IN THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON.

SPEAKING IN THE RESUMED MOTION DEBATE, MR SZE SAID THE REVIEW WAS BEING UNDERTAKEN TO PREPARE FOR 1995 AND SHOULD BE COMPLETED BY THE MIDDLE OF 1992.

THE SECRETARY SAID THE REVIEW WOULD INCLUDE THE ESTABLISHMENT OF AN INDEPENDENT COMMISSION TO DEMARCATATE CONSTITUENCY BOUNDARIES; THE NEED FOR AN INDEPENDENT BODY TO ORGANIZE AND OVERSEE ELECTIONS; THE SYSTEM OF VOTING IN GEOGRAPHIC CONSTITUENCIES; THE MINIMUM VOTING AGE; THE MECHANISM FOR VOTER REGISTRATION; THE ADMINISTRATIVE ARRANGEMENTS FOR THE CONDUCT OF THE ELECTIONS; THE REGULATION OF CAMPAIGN ACTIVITIES; THE QUALIFICATIONS FOR VOTERS IN THE EXISTING FUNCTIONAL CONSTITUENCIES INCLUDING MULTIPLE VOTING RIGHTS IN GEOGRAPHICAL AND FUNCTIONAL CONSTITUENCIES; THE ENFORCEMENT OF ELECTORAL PROVISIONS; AND THE POSSIBLE CONSOLIDATION OF EXISTING ELECTORAL PROVISIONS INTO A SINGLE SET OF LEGISLATION.

HE NOTED THAT WHILE NONE OF THESE ISSUES WAS SIMPLE THE TASK WAS URGENT: "THE NEXT ELECTION CYCLE BEGINS WITH THE DISTRICT BOARD ELECTIONS IN SEPTEMBER 1994. THUS THE RECOMMENDATIONS OF THE REVIEW MUST BE IMPLEMENTED BY THE END OF 1993."

"LAW DRAFTING TO IMPLEMENT THESE RECOMMENDATIONS HAS TO BE COMPLETED MUCH EARLIER. THE TIMETABLE IS THEREFORE EXTREMELY TIGHT. BUT I AM CONFIDENT THAT WITH THE HELP OF THIS COUNCIL THIS CAN BE ACHIEVED," HE SAID.

MR SZE NOTED THAT LEGISLATIVE COUNCIL MEMBERS INTENDED TO SET UP A SELECT COMMITTEE TO STUDY THESE QUESTIONS: "THE ADMINISTRATION LOOK FORWARD TO WORKING CLOSELY WITH THIS COMMITTEE, WITH THE AIM OF FINDING THE BEST ANSWERS THAT WILL MEET THE ASPIRATIONS OF THE COMMUNITY."

/"SOME MEMBERS

"SOME MEMBERS ALSO SPOKE ON THE NEED TO TACKLE CONSTITUTIONAL ISSUES SUCH AS DETAILS ON THE SETTING UP OF AN ELECTION COMMITTEE, AND THE ELECTION OF THE PRESIDENT OF THIS COUNCIL, HIS QUALIFICATIONS AND POWERS.

"THESE ARE ISSUES DIRECTLY RELATING TO CONVERGENCE WITH THE ARRANGEMENTS FOR THE FIRST LEGISLATURE OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION SET OUT IN THE BASIC LAW. SATISFACTORY ARRANGEMENTS FOR THESE AND OTHER PROVISIONS ARE CRUCIAL FOR A SMOOTH TRANSITION."

MR SZE POINTED OUT THAT WHILE THERE WOULD BE KEEN INTEREST IN THESE ISSUES, GIVEN THE TIGHT TIME TABLE FOR THE REVIEW OF ELECTORAL ARRANGEMENTS, THE DETAILED CONSIDERATION OF THESE ISSUES WOULD HAVE TO BE ADDRESSED AT A LATER STAGE.

THE SECRETARY NOTED THAT MANY MEMBERS ARGUED THAT THERE SHOULD BE MORE THAN 20 DIRECTLY ELECTED SEATS IN 1995.

"MINISTERS HAVE MADE CLEAR THAT THE BRITISH GOVERNMENT WILL RAISE WITH THE CHINESE GOVERNMENT BEFORE THE 1995 ELECTIONS THE PACE OF DEMOCRATIC DEVELOPMENT IN HONG KONG, AT THE TIME AND IN THE MANNER WHICH THEY JUDGE MOST LIKELY TO BE SUCCESSFUL," HE SAID.

"DURING HIS VISIT HERE IN SEPTEMBER, THE PRIME MINISTER CONFIRMED THE IMPORTANCE HE ATTACHES TO THE VIEWS OF OMELCO MEMBERS ON THIS ISSUE," MR SZE SAID.

THE SECRETARY SAID THAT THIS YEAR WITNESSED THE SUCCESSFUL ELECTIONS TO THE DISTRICT BOARDS AND MUNICIPAL COUNCILS, CULMINATING IN THE FIRST DIRECT ELECTION TO THE COUNCIL ON SEPTEMBER 15.

"THE SIGNIFICANCE OF THIS DEVELOPMENT LIES NOT JUST IN THE CREATION OF DIRECTLY ELECTED SEATS IN THIS COUNCIL BUT ALSO IN THE FACT THAT THE ELECTORAL ARRANGEMENTS HAVE STOOD THE TEST OF EVENTS WELL," MR SZE SAID.

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INFLATION PROBLEM GETTING BETTER: FS

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HONG KONG HAS ROOM FOR CAUTIOUS OPTIMISM AS THE INFLATION PROBLEM IS GENERALLY BETTER THAN A YEAR AGO, THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THIS IS POSSIBLE AS THE ECONOMY IS DOING CONSIDERABLY BETTER THAN IT WAS TWELVE MONTHS AGO AND THE PROSPECTS FOR THE MONTHS AHEAD ARE ENCOURAGING.

/SPEAKING AT

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR MACLEOD SAID FOLLOWING TWO YEARS OF MODEST GROWTH, THE ECONOMY HAD STARTED TO GATHER STRENGTH.

THE GROWTH IN RE-EXPORTS HAD BEEN PARTICULARLY ROBUST WHILE INVESTMENT IN PLANT AND EQUIPMENT HAD BEEN GROWING STRONGLY, HE SAID.

"THIS TREND IS ENCOURAGING," HE SAID, "IT REFLECTS IMPROVED CONFIDENCE AMONG INVESTORS AND IT ALSO RAISES OUR CAPACITY FOR GROWTH IN THE FUTURE."

IN AUGUST, THE GOVERNMENT RAISED THE ESTIMATE FOR GDP GROWTH THIS YEAR TO FOUR PER CENT.

"WE EXPECT THIS UPWARD TREND TO CONTINUE. THIS SHOULD GIVE US, FOR PLANNING PURPOSES, A GROWTH RATE OF FIVE PER CENT UP TO 1995-96," MR MACLEOD SAID.

THE AGREEMENT WITH CHINA ON THE AIRPORT RELATED PROJECTS HAD BEEN A KEY ELEMENT IN THE GENERALLY MORE UPBEAT ATMOSPHERE IN HONG KONG, HE CONTINUED.

HE SAID HONG KONG HAD ALSO CONTINUED TO BENEFIT FROM THE INCREASINGLY INTEGRATED AND SUCCESSFUL ECONOMIC HINTERLAND INCLUDING THE PEARL RIVER DELTA, WHOSE PROGRESS HAD BEEN FAR MORE SPECTACULAR THAN COULD HAVE BEEN IMAGINED BACK IN 1979 WHEN CHINA BEGAN OPENING UP.

HE SAID HONG KONG INVESTORS WERE NOW VERY MUCH AT HOME ABOUT OPERATING IN GUANGDONG PROVINCE.

"THEY HAVE CONTRIBUTED TO THE CREATION OF A FLOURISHING MANUFACTURING BASE THERE AND TO THE MODERNISATION OF THE INFRASTRUCTURE. ALL OF WHICH IS A VERY ENCOURAGING POINTER TO THE FUTURE," THE FINANCIAL SECRETARY SAID.

DESPITE THIS GENERALLY MORE POSITIVE PICTURE, HE SAID HONG KONG HAD A MAJOR PROBLEM OF INFLATION.

"CONCERN OVER INFLATION IN THE COMMUNITY - AND IN THIS COUNCIL - IS ENTIRELY UNDERSTANDABLE AND APPROPRIATE. THE GOVERNMENT SHARES THIS ANXIETY," MR MACLEOD SAID.

TRUE, HE POINTED OUT, RECENTLY INFLATION HAD EASED, TRENDING SOMEWHAT HESITANTLY DOWN FROM THE PEAK OF 13.9 PER CENT IN APRIL TO 11.5 PER CENT IN SEPTEMBER.

"HOWEVER, INFLATION UNDOUBTEDLY REMAINS A SERIOUS PROBLEM," HE SAID.

HE SAID ECONOMIC GROWTH AND INFLATION WERE NOT MERE ABSTRACTIONS. THEY BOTH HAD A CONCRETE EFFECT ON PEOPLE'S WELL-BEING.

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IN GENERAL, HE NOTED, THE LESS WELL-OFF FELT THE PINCH OF INFLATION THE MOST SEVERELY.

"AN OVERALL ECONOMIC GROWTH RATE OF AROUND FOUR PER CENT WOULD IN MOST PLACES BE VERY RESPECTABLE. BUT INFLATION OF AROUND 11 PER CENT TO 12 PER CENT IS DISTINCTLY UNCOMFORTABLE," HE SAID.

MR MACLEOD SAID THE GOVERNMENT'S AMBITION MUST BE TO DO ALL IT COULD TO RAISE GROWTH AND REDUCE INFLATION.

BUT HE WAS QUICK TO ADD THAT THERE WAS A LIMIT TO WHAT THE GOVERNMENT COULD DO.

INFLATION WAS A COMPLEX PROBLEM, HE CONTINUED, WHICH NO GOVERNMENT HAD FOUND EASY TO SOLVE.

HE SAID HONG KONG HAD TO FIND ITS OWN FORMULA FOR DEALING WITH INFLATION.

"WE NEED TO MOBILISE HONG KONG'S BEST ECONOMIC MINDS," HE STRESSED.

TO THIS END, A NEW ECONOMIC ADVISORY COMMITTEE WOULD BE ESTABLISHED WITH HIM AS THE CHAIRMAN, HE SAID.

ITS MEMBERSHIP WOULD INCLUDE PROMINENT HONG KONG ECONOMISTS, AND ITS TERMS OF REFERENCE WOULD BE BROAD ENOUGH TO ENABLE STRATEGIC ISSUES CONFRONTING THE ECONOMY TO BE DISCUSSED.

THE FINANCIAL SECRETARY ALSO OUTLINED THE MAIN ELEMENTS OF THE INFLATION PROBLEM.

FIRSTLY, HONG KONG HAD SUCCEEDED IN ACHIEVING A MAJOR STRUCTURAL CHANGE. THERE HAD BEEN A SHIFT FROM MANUFACTURING TO THE SERVICE SECTOR, COUPLED WITH A TRANSFER OF THE MORE LABOUR INTENSIVE MANUFACTURING TO SOUTHERN CHINA, TOGETHER WITH NEW INVESTMENTS FROM HONG KONG.

"THIS HAS BEEN A WELCOME CHANGE, AND WE HAVE ACHIEVED A MAJOR UPGRADING OF OUR ECONOMY WITHOUT SIGNIFICANT UNEMPLOYMENT - AN UNUSUAL FEAT," HE SAID.

SECONDLY, THIS STRUCTURAL CHANGE HAD HAD A VARYING EFFECT ON THE LOCAL PRICE STRUCTURE.

ON THE ONE HAND, THE EXPANSION OF HONG KONG INDUSTRY INTO SOUTHERN CHINA IN TURN STIMULATED THE DEMAND FOR SERVICES IN HONG KONG, BUT UNFORTUNATELY IT ALSO PUSHED UP PRICES.

ON THE OTHER HAND, HONG KONG'S RESTRUCTURED INDUSTRY HAD BEEN ABLE TO KEEP ITS PRICES DOWN, THROUGH A COMBINATION OF INCREASED PRODUCTIVITY AND HAVING SOME PROCESSING DONE IN CHINA.

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AS A RESULT, MR MACLEOD SAID, HONG KONG HAD A SITUATION WHERE LOCAL CONSUMER PRICES HAD BEEN RISING TOO FAST FOR COMFORT, BUT WHERE EXPORT PRICES HAD REMAINED BROADLY COMPETITIVE.

"THIS KIND OF DIFFERENTIAL BETWEEN THE RATE OF DOMESTIC PRICE INFLATION AND EXPORT PRICE INFLATION IS UNUSUAL IN A MARKET ECONOMY," HE SAID.

THIRDLY, AND MOST SERIOUS OF ALL, THE SEVERE SHORTAGE OF LAND AND LABOUR AGGRAVATED THE PRESSURE ON CONSUMER PRICES AND RESTRAINED GROWTH.

"LET US NOT FORGET THAT THE LABOUR SHORTAGE IS RELATIVELY NEW, STEMMING FROM THE ENDING OF FREE IMMIGRATION FROM CHINA - THE 'TOUCH-BASE POLICY' - IN 1980. AND ACCENTUATED BY EMIGRATION," HE SAID.

HE SAID THE ADDITIONAL DEMAND CREATED FOR HONG KONG GOODS AND SERVICES BY THE GROWTH IN OVERSEAS ORDERS AND HONG KONG'S EXPANDED ROLE IN SOUTHERN CHINA WOULD HAVE BEEN FAR LESS INFLATIONARY HAD THE LAND AND LABOUR NOT BEEN IN SHORT SUPPLY.

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MEASURES TO CURB INFLATION OUTLINED

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THE GOVERNMENT TODAY (WEDNESDAY) OUTLINED A PACKAGE OF MEASURES TO CURB INFLATION WITH AN AIM TO RETURN TO A MORE STABLE, ORDERLY AND HEALTHY GROWTH, PARTICULARLY IN THE PROPERTY MARKET.

THESE MEASURES WERE TO CURB PROPERTY SPECULATION, INCREASE LABOUR SUPPLY SELECTIVELY, EXPAND THE CONSUMER COUNCIL'S REMIT, ESTABLISH A NEW ECONOMIC ADVISORY COMMITTEE AND EFFECTIVELY CONTROL PUBLIC SPENDING WHILE STILL FUNDING KEY COMMUNITY PROGRAMMES.

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS IN THE LEGISLATIVE COUNCIL, THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID TAKEN TOGETHER THESE MEASURES WOULD EXERT USEFUL DOWNWARD PRESSURE ON INFLATION.

"WE WILL NEED TO MONITOR EVENTS CLOSELY, PARTICULARLY IN THE PROPERTY AREA, AND BE ALERT TO WHAT CHANGES ARE NEEDED," MR MACLEOD SAID.

WHILE ADMITTING THE LONG-TERM MEASURE TO STABILISE THE PROPERTY MARKET WAS TO ENSURE A REASONABLE SUPPLY OF RESIDENTIAL UNITS TO MEET DEMAND, HE SAID A DIRECT SOLUTION WAS TO DETER THE SPECULATOR BY CUTTING INTO HIS PROFIT MARGIN AT EACH STAGE OF A CHAIN OF PROFITABLE TRANSACTIONS.

MR MACLEOD SAID THE MOST EFFECTIVE WEAPON TO DO THIS WAS A CHANGE IN THE WAY STAMP DUTY WAS CHARGED.

AT PRESENT, STAMP DUTY WAS PAYABLE ON ASSIGNMENT OF A PROPERTY; IN OTHER WORDS, ON COMPLETION OF THE DOCUMENT BY WHICH THE PROPERTY WAS LEGALLY TRANSFERRED TO THE PURCHASER.

BUT IT WAS NOT PAYABLE ON SALE AND PURCHASE ARRANGEMENTS ENTERED INTO BEFORE THE ASSIGNMENT.

"WE HAVE NOW DECIDED THAT ALL SUCH ARRANGEMENTS MUST BE COVERED BY SALE AND PURCHASE AGREEMENTS, AND TO CHARGE STAMP DUTY ON SUCH AGREEMENTS," THE FINANCIAL SECRETARY SAID.

HE SAID AN ASSIGNMENT WOULD THEN ONLY ATTRACT NOMINAL DUTY.

THE DUTY ON THE ASSIGNMENT WOULD BE NOMINAL BECAUSE DUTY WOULD ALREADY HAVE BEEN PAID ON THE RELEVANT SALE AND PURCHASE AGREEMENT.

HE STRESSED THAT THE RATE OF STAMP DUTY WAS NOT BEING CHANGED WHILE AN EXCEPTION WOULD BE MADE FOR THE HOME OWNERSHIP SCHEME, WHERE THERE WAS LITTLE OR NO SCOPE FOR SPECULATIVE BUYING AND SELLING.

HE EMPHASISED THAT WHERE NO INTERMEDIARIES INTERVENE, THE STAMP DUTY PAYABLE BY A GENUINE HOME BUYER WOULD BE THE SAME AS AT PRESENT.

"THE IMPOSITION OF STAMP DUTY ON EACH AND EVERY SALE AND PURCHASE AGREEMENT WILL GREATLY ERODE THE PROFITS FROM SPECULATIVE TRANSACTIONS," HE SAID.

THE LARGER THE NUMBER OF TRANSACTIONS, THE GREATER THE EROSION OF SPECULATIVE PROFITS.

MR MACLEOD BELIEVED THAT THIS DISINCENTIVE SHOULD THEREFORE DETER SPECULATIVE ACTIVITIES AND REDUCE THE SCOPE FOR THE ARTIFICIAL INFLATION OF PRICES.

THE RESULT, HE ENVISAGED, SHOULD BE MORE STABLE PRICES, WHICH WOULD BENEFIT GENUINE HOME BUYERS.

NOTING THAT HE WOULD BE ACCUSED OF INTRODUCING THIS CHANGE IN ORDER TO INCREASE REVENUE, HE SAID THIS WAS MOST DEFINITELY NOT THE CASE.

"BUT IT IS AN ACCUSATION I AM PREPARED TO FACE TO HELP GENUINE HOME BUYERS AND TO RESTORE REALISM TO THE MARKET," HE SAID.

TO STRENGTHEN THE LEGAL MUSCLE OF THE CONSUMER COUNCIL TO HELP PROTECT CONSUMERS AT TIMES OF INFLATION, MR MACLEOD SAID A CONSUMER COUNCIL (AMENDMENT) BILL WOULD BE PUT BEFORE THE LEGCO LATER THIS MONTH.

THE BILL WOULD PUT IT BEYOND DOUBT THAT PROPERTY, ALONG WITH GOODS AND SERVICES, IS WITHIN THE PURVIEW OF THE COUNCIL.

"I AM CONFIDENT THAT THE CONSUMER COUNCIL WILL HELP TO CREATE A MORE INFORMED PUBLIC IN THEIR DEALINGS WITH DEVELOPERS, ESTATE AGENTS, FINANCE HOUSES OR CORPORATE LANDLORDS, WHERE THE INDIVIDUAL CONSUMER IS OFTEN IN A WEAKER BARGAINING POSITION," HE SAID.

HE ASSURED THAT THIS SHOULD IN TURN CONTRIBUTE TO A HEALTHIER PROPERTY MARKET.

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR GRAHAM BARNES, SAID NEW MEASURES WERE INTRODUCED TO PROTECT THE INTEREST OF GENUINE HOME BUYERS.

BUT HE ADDED THAT THE GOVERNMENT WOULD NOT CONTROL PROPERTY PRICES BECAUSE THAT WOULD BRING AN END TO THE PROPERTY MARKET.

ANY ATTEMPT TO INTERVENE IN THE PROPERTY MARKET SHOULD NOT LOSE SIGHT OF THE FACT THAT HONG KONG'S PROSPERITY WAS PRIMARILY FOUNDED ON A FREE MARKET ECONOMY WITH THE PROPERTY SECTOR A KEY ELEMENT OF THE ECONOMY.

HE SAID PROPERTY-RELATED ACTIVITIES CONSTITUTED 14 PER CENT OF THE GDP.

MR BARNES SAID THE NEW MEASURES WERE AIMED AT IMPROVING THE EFFECTIVENESS OF THE EXISTING ANTI-PROPERTY SPECULATION MEASURES INTRODUCED IN DECEMBER LAST YEAR AND AUGUST THIS YEAR. THEY INCLUDED:

- * REQUIREMENT TO DISCLOSE INFORMATION ON ALL INTERMEDIARY SALES OF EQUITABLE INTERESTS IN PROPERTY (FOR IMPLEMENTATION WITHIN THIS MONTH);
- * PROCEDURES TO REGULATE THE RE-SALE OF PRIVATELY ALLOCATED UNCOMPLETED FLATS (FOR IMPLEMENTATION AS SOON AS PRACTICABLE);
- * ALL DEPOSITS FOR THE PURCHASE OF UNCOMPLETED FLATS HAD TO BE MADE IN BANK DRAFTS AND NO CHEQUES WOULD BE ACCEPTED (WITH IMMEDIATE EFFECT).

THE SECRETARY ALSO REMINDED DEVELOPERS AND POTENTIAL BUYERS THAT THERE WOULD BE A RISK THAT BALLOTING REQUIREMENT WAS BEING CIRCUMVENTED BY PEOPLE SELLING THE SUCCESSFUL CHIPS TO OTHERS AS ONLY THE SAME PERSON WHOSE NAME AND IDENTITY CARD NUMBER HAD BEEN REGISTERED WITH THE DEVELOPMENT WOULD HAVE THE RIGHT TO SELECT THE FLAT AND TO CONCLUDE THE SALE AND PURCHASE AGREEMENT.

ON THE ROLE PLAYED BY ESTATE AGENTS, MR BARNES SAID THE GOVERNMENT HAD RECENTLY RECEIVED THE CONSUMER COUNCIL'S REPORT AND HAD PUT IT BEFORE THE LAND AND BUILDINGS ADVISORY COMMITTEE.

THE COMMITTEE WERE OF THE VIEW THAT THE GOVERNMENT SHOULD AIM AT ENHANCING PROFESSIONAL ETHICS THROUGH SELF-REGULATION AND, IF NECESSARY, LEGISLATION.

ON THE CONCERN THAT SPECULATION IN THE RESIDENTIAL PROPERTY MARKET SHOULD NOT BE FUELLED BY TOO LIBERAL A LENDING POLICY OF BANKS, THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, SAID RESULTS OF A RECENT SURVEY CONDUCTED BY THE COMMISSIONER OF BANKING REVEALED THAT BANKS HAD TIGHTENED THEIR LENDING POLICIES.

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DESCRIBING THE RESULTS AS ENCOURAGING, MR NENDICK SAID THE MEASURES TAKEN VARIED FROM BANK TO BANK BUT INCLUDED REDUCING THE LOAN-TO-VALUATION AND THE LOAN-TO-INCOME RATIOS, MORE CONSERVATIVE PROPERTY VALUATIONS AND A REDUCTION IN THE MAXIMUM TERM FOR WHICH LOANS WOULD BE GRANTED.

WHILST THESE MEASURES MIGHT ALREADY BE HAVING A POSITIVE EFFECT IN RESTRAINING RISES IN PROPERTY PRICES, HE SAID THE SEPTEMBER MONETARY STATISTICS ON BANK LENDING REVEALED THAT LOANS TO PURCHASE RESIDENTIAL PROPERTY WERE STILL GROWING AT A SIGNIFICANT PACE.

"IT IS IMPORTANT THEREFORE THAT BANKS REMAIN VIGILANT IN THIS REGARD AND THE COMMISSIONER WILL BE WRITING TO AUTHORISED INSTITUTIONS SHORTLY ASKING FOR A CRITICAL REVIEW OF LENDING CRITERIA," HE SAID.

ON LABOUR SUPPLY, THE FINANCIAL SECRETARY POINTED OUT THAT ECONOMISTS HAD GENERALLY ARGUED THAT THE SEVERE SHORTAGE OF LABOUR AT A TIME OF HIGH DEMAND HAD BEEN A MAJOR CAUSE OF INFLATION, THOUGH BY NO MEANS THE ONLY CAUSE.

IN VIEW OF THIS, AND OF THE NEED TO REMOVE A REAL CONSTRAINT ON ECONOMIC GROWTH, IT WAS IMPORTANT THAT HONG KONG FURTHER AUGMENTED MANPOWER SUPPLY FROM OUTSIDE SOURCES, ON A SELECTIVE BASIS.

THESE INITIATIVES TO IMPORT MANPOWER WERE AIMED LARGELY AT PEOPLE AT MANAGERIAL AND PROFESSIONAL LEVEL.

HOWEVER, HE SAID HONG KONG ALSO HAD SEVERE MANPOWER SHORTAGES AT OTHER LEVELS WHICH, IF NOT ALLEVIATED, WOULD HINDER THE TERRITORY'S ECONOMIC GROWTH.

ON THE SEVERE SHORTAGE OF LABOUR WHICH MIGHT BE A MAJOR CAUSE OF INFLATION, THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID THESE MANPOWER SHORTAGES AT CERTAIN LEVELS WHICH IF NOT ALLEVIATED WOULD HINDER HONG KONG'S ECONOMIC GROWTH.

THE GOVERNMENT HAD DECIDED AN INCREASE IN MANPOWER SUPPLY FROM OUTSIDE WAS REQUIRED, BUT WOULD CONSULT CAREFULLY BEFORE DECIDING ON A FINAL FIGURE.

"OUR APPROACH WILL REMAIN HIGHLY SELECTIVE AND WILL BE TARGETTED AT AREAS WHERE SHORTAGES ARE PARTICULARLY SEVERE, AS REFLECTED BY, FOR EXAMPLE, HIGH VACANCY RATES," MR CHAN SAID.

IN ORDER TO FORM A PERMANENT FORUM IN WHICH HONG KONG'S BEST ECONOMIC MINDS WERE POOLED TOGETHER TO DISCUSS KEY ECONOMIC ISSUES INCLUDING INFLATION AND THE IMPLICATIONS OF STRUCTURAL CHANGE, MR MACLEOD SAID A NEW ECONOMIC ADVISORY COMMITTEE WOULD BE ESTABLISHED, WITH HIM AS THE CHAIRMAN.

ITS MEMBERSHIP WOULD INCLUDE PROMINENT HONG KONG ECONOMISTS AND ITS TERMS OF REFERENCE WOULD BE BROAD ENOUGH TO ENABLE STRATEGIC ISSUES CONFRONTING THE ECONOMY TO BE DISCUSSED.

/TO PLAN

TO PLAN PUBLIC SECTOR SPENDING FOR THE NEXT FEW YEARS, THE FINANCIAL SECRETARY SAID THE STARTING POINT WAS LIKELY THE GROWTH OF THE ECONOMY.

"WE ASSUME THIS WILL BE FIVE PER CENT. HENCE, THE GROWTH RATE IN TOTAL GOVERNMENT SPENDING OVER THE FORECAST PERIOD SHOULD ALSO NOT EXCEED FIVE PER CENT," HE SAID.

MR MACLEOD SAID THIS GAVE THE GOVERNMENT THE OVERALL CEILING FOR PUBLIC SPENDING AND HE SAID HE HAD EVERY INTENTION OF ENSURING THAT IT WOULD BE OBSERVED.

ON MONETARY MEASURES, THE FINANCIAL SECRETARY SAID HE SUPPORTED FOR THE PRESENT LINKED RATE.

"THE LINK TO THE US DOLLAR, SUPPLEMENTED BY THE MONETARY ARRANGEMENTS PUT IN PLACE MORE RECENTLY, HAS SERVED US WELL. I SHOULD MAKE VERY CLEAR MY FIRM INTENTION THAT IT WILL CONTINUE," HE SAID.

HE SAID HE BELIEVED THE MONETARY POLICY HAD TO GIVE OVERWHELMING PRIORITY TO ENSURING A STABLE CURRENCY.

HONG KONG HAD IN THE PAST FEW YEARS BEEN SUBJECT TO A NUMBER OF SHOCKS, AND IT HAD BEEN REMARKABLE HOW WELL THESE SHOCKS HAD BEEN ABSORBED, WITH NO DAMAGE TO CONFIDENCE IN HONG KONG CURRENCY. THE EXCHANGE RATE HAD REMAINED STABLE THROUGHOUT.

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CONTINUED GOVT COMMITMENTS REAFFIRMED

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THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, TODAY (WEDNESDAY) REAFFIRMED THE GOVERNMENT'S COMMITMENT TO THE MAJOR SOCIAL AND OTHER PROGRAMMES AND TO THE BASIC FREE MARKET APPROACH WHICH HAS SERVED HONG KONG SO WELL.

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR MACLEOD SAID THE GOVERNMENT'S BASIC APPROACH WAS CLEAR.

"WE BELIEVE IN THE MERITS OF A MARKET ECONOMY AND OF COMPETITION; IN LOW TAX AND MINIMUM RED TAPE; IN COMBINING EFFECTIVE PROTECTION OF THE PUBLIC'S INTERESTS WITH MAXIMUM OPPORTUNITY FOR ECONOMIC GROWTH," HE SAID.

THE FINANCIAL SECRETARY SAID THIS APPROACH HAD BROUGHT HONG KONG RISING STANDARDS OF LIVING AND FULL EMPLOYMENT OVER A LONG PERIOD OF TIME.

"WE BELIEVE STRONGLY IN ENCOURAGING COMPETITION," HE CONTINUED.

COMPETITION IN THE DELIVERY OF PUBLIC SERVICES WOULD, IN PARTICULAR, CONTINUE TO BE ENCOURAGED, HE NOTED.

THE BENEFITS, HE SAID, INCLUDED INCREASED PRODUCTIVITY, INNOVATION AND BETTER QUALITY.

/IN PUBLIC

IN PUBLIC TRANSPORT, FOR EXAMPLE, COMPETITION ALREADY EXISTED BETWEEN DIFFERENT TRANSPORT MODES.

"BUT WE HAVE CONTINUED TO INCREASE COMPETITION IN THIS AREA - FOR EXAMPLE, BY COMPETITIVE TENDERS FOR BUS ROUTES," HE SAID.

MR MACLEOD ALSO SAID THE GOVERNMENT BELIEVED IN PRIVATISATION, THAT IS, HANDING OVER TO THE PRIVATE SECTOR ACTIVITIES BEST RUN BY ENTREPRENEURS RATHER THAN CIVIL SERVANTS.

"WE ARE ALREADY AHEAD OF MANY OTHER ECONOMIES IN THE NUMBER OF SERVICES PROVIDED BY THE PRIVATE SECTOR OR BY STATUTORY CORPORATIONS RATHER THAN BY THE ADMINISTRATION ITSELF," HE SAID.

HE POINTED OUT THAT THE PRIVATISATION OF TUNNELS WAS A GOOD EXAMPLE.

"WE INTEND TO DO MORE IN THIS AREA," HE SAID.

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TIGHTER GRIP ON GOVERNMENT FINANCES MANAGEMENT: FS

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STEPS ARE BEING TAKEN TO ENSURE TIGHTER MANAGEMENT OF THE GOVERNMENT FINANCES SO THAT AGGRAVATE INFLATIONARY PRESSURES ARE NOT AGGRAVATED, THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR MACLEOD SAID THE OVERALL GROWTH IN PUBLIC SPENDING MUST BE KEPT IN LINE WITH THE OVERALL GROWTH RATE FOR THE ECONOMY.

"THIS ENSURES THAT WE DO NOT CROWD OUT THE PRIVATE SECTOR, WHICH GENERATES THE WEALTH THAT RAISES OUR STANDARD OF LIVING," HE SAID.

THE FINANCIAL SECRETARY SAID THIS GUIDELINE WAS NOT APPLIED INFLEXIBLY.

WHEN ECONOMIC GROWTH SLOWED, IT WAS DIFFICULT TO SLOW DOWN PUBLIC SPENDING SIMULTANEOUSLY.

"INDEED, IT WOULD BE WRONG TO APPLY THE BRAKES TOO ABRUPTLY - TO AVOID A STOP-GO EFFECT ON OUR PROGRAMMES. RESERVES HELP IN THIS ADJUSTMENT," HE SAID.

IN THE SECOND HALF OF THE 1980'S, THE AVERAGE ANNUAL GROWTH RATE OF GDP WAS 7.8 PER CENT. THIS SLOWED DOWN TO 2.7 PER CENT IN 1989 AND 2.8 PER CENT LAST YEAR.

IN CONTRAST, MR MACLEOD SAID, THE SHARE OF PUBLIC SECTOR SPENDING IN GDP INCREASED RATHER RAPIDLY, FROM 14.5 PER CENT IN 1987-88 TO 17.4 PER CENT IN 1990-91.

FOR THIS FINANCIAL YEAR, THE SHARE WAS LIKELY TO RISE EVEN FURTHER, TO 19 PER CENT.

"PLAINLY GOVERNMENT SPENDING HAS TO BE BROUGHT INTO LINE WITH LOWER GDP GROWTH PROSPECTS," HE SAID.

IN CURRENT CIRCUMSTANCES, THE FINANCIAL SECRETARY SAID, PARTICULARLY WITH HIGH INFLATION, IT WAS ALL THE MORE IMPORTANT THAT THE GOVERNMENT REIN IN PUBLIC EXPENDITURE.

BUT HE SAID REPORTS ABOUT "CUTBACKS" IN RECURRENT EXPENDITURE MIGHT HAVE CAUSED UNNECESSARY ALARM.

"IN OVERALL TERMS, WE ARE ACTUALLY PLANNING FOR A SIGNIFICANT REAL INCREASE IN EXPENDITURE. WHY THE CONFUSION?" HE ASKED.

HE SAID THE MISUNDERSTANDING MIGHT ARISE FROM THE FACT THAT, WHILE SPENDING MORE EVERY YEAR, THE GOVERNMENT STILL LOOKED FOR GREATER EFFICIENCY IN GOVERNMENT SPENDING.

"WE MUST BRING PRESSURE TO BEAR ON DEPARTMENTS TO USE THEIR FUNDING MORE EFFICIENTLY, TO FIND WAYS TO CUT COSTS," HE SAID.

SOME OF THESE SAVINGS WERE THEN PLOUGHED BACK INTO THE EXISTING PROGRAMMES; INTO THE EXPANSION OF SERVICES TO WHICH THE GOVERNMENT HAD A CONTINUING COMMITMENT BECAUSE OF PAST POLICY DECISIONS; AND TO NEW SERVICES.

THESE ECONOMIES, TOGETHER WITH THE REAL INCREASE IN RECURRENT SPENDING THAT THE GOVERNMENT WAS PLANNING FOR, FUNDED A CONSIDERABLE PACKAGE OF MEASURES TO MEET THE COMMUNITY'S RISING ASPIRATIONS. THESE INCLUDED:

FIRSTLY, NEW POLICY INITIATIVES THAT THE GOVERNMENT HAD ANNOUNCED IN RECENT YEARS. THESE INCLUDED THE EXPANSION OF TERTIARY EDUCATION, BETTER STANDARDS OF SCHOOLING GENERALLY, AND THE PHASED IMPLEMENTATION OF THE ENVIRONMENTAL WHITE PAPER AND THE WHITE PAPER ON SOCIAL WELFARE.

SECONDLY, EXCEPTIONALLY LARGE SPENDING COMMITMENTS REPRESENTED BY THE HOSPITAL AUTHORITY'S TAKEOVER OF GOVERNMENT AND SUBVENTED HOSPITALS.

THIRDLY, ADDITIONAL AND UNAVOIDABLE SPENDING COMMITMENTS SUCH AS INCREASED PURCHASES OF WATER FROM CHINA.

FOURTHLY, THE START UP OF NEW SCHOOLS, CLINICS AND HOSPITALS.

MR MACLEOD SAID THE LIKELY IMPACT OF BUDGETARY RESTRAINT ON THE SOCIAL SERVICES HAD ALSO BEEN THE SUBJECT OF SOME CONFUSION.

/HE SAID

HE SAID THERE WAS NO DOUBT THAT THE NEED FOR BUDGETARY RESTRAINT PRESENTED THE GOVERNMENT WITH HARD CHOICES.

"WE CANNOT HAVE A LOW TAX POLICY UNLESS WE ALSO ENSURE THAT SUBSIDIES ARE KEPT TO A MINIMUM, AND FEES AND CHARGES MOVE IN LINE WITH COSTS," HE SAID.

BUT IN MAKING THESE CHOICES, MR MACLEOD EMPHASISED THAT THE CONTINUING PRIORITY WAS BEING GIVEN TO SOCIAL SERVICES.

ON PRESENT PLANS, THE FINANCIAL SECRETARY SAID RECURRENT EXPENDITURE ON EDUCATION, SOCIAL WELFARE AND HEALTH WOULD SHOW SIGNIFICANT REAL GROWTH OVER THE MEDIUM TERM.

HE SAID THESE PROGRAMMES MUST CONTINUE TO TAKE HIGH PRIORITY TO ENSURE THAT THE DISADVANTAGED WERE PROTECTED IN TIMES OF INFLATION AND TO ENSURE THAT NO ONE SHOULD BE DEPRIVED OF EDUCATION OR HOSPITAL CARE BECAUSE OF A LACK OF MEANS.

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GOVT'S POLICY ON MONETARY AFFAIRS EXPLAINED

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THE GOVERNMENT WILL CONTINUE TO ENSURE THAT HONG KONG'S REGULATORY STANDARDS MATCH UP TO THOSE EXPECTED OF A MAJOR INTERNATIONAL FINANCIAL CENTRE, THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED MOTION DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR NENDICK SAID THE TERRITORY NEEDED A REGULATORY FRAMEWORK WHICH PROVIDED INVESTORS WITH AN ADEQUATE MEASURE OF PROTECTION AND ENSURED THE INTEGRITY OF ITS FINANCIAL MARKETS.

"BUT WE ARE CONSCIOUS OF THE NEED TO AVOID OVER-REGULATION AS THAT WOULD STIFLE THE ENTREPRENEURIAL SPIRIT WHICH IS SO IMPORTANT TO HONG KONG," HE SAID.

IN HIS ADDRESS, APART FROM ELABORATING ON BANK LENDING AND THE PROPERTY MARKET, THE SECRETARY ALSO SPOKE ON REGULATION OF FINANCIAL SERVICES, THE BANK OF CREDIT AND COMMERCE HONG KONG (BCCHK), DEPOSIT INSURANCE, THE INSURANCE INDUSTRY, AND THE PRUDENTIAL REGULATION OF RETIREMENT SCHEMES.

ON THE REGULATION OF FINANCIAL SERVICES, MR NENDICK NOTED A MEMBER'S CONCERN OVER THE POWERS VESTED IN THE SECURITIES AND FUTURES COMMISSION (SFC) WHICH ENABLED IT WHEN NECESSARY TO IMPOSE REFORM ON MARKET BODIES.

/HE ASSURED

HE ASSURED MEMBERS THAT IT WAS NOT THE INTENTION OF THE COMMISSION TO EXERCISE THOSE POWERS OTHER THAN IN EXCEPTIONAL CIRCUMSTANCES AND THAT IN THE VERY UNLIKELY EVENT THAT SFC WERE TO SEEK TO USE ITS POWERS ARBITRARILY OR OPPRESSIVELY, THERE WERE AMPLE CHECKS AND BALANCES BUILT INTO THE LEGISLATIVE FRAMEWORK TO PREVENT ANY SUCH ABUSE.

"MEMBERS OF THIS COUNCIL EXAMINED THESE CAREFULLY, AND INDEED SUPPLEMENTED THEM, IN THE COURSE OF THE PASSAGE OF THE LEGISLATION THROUGH THE CHAMBER," HE SAID.

MR NENDICK POINTED OUT THAT POWERS SIMILAR TO THOSE AVAILABLE TO THE COMMISSION WERE AVAILABLE TO THE COMPARABLE REGULATORY BODIES IN OTHER CENTRES IN THE REGION SUCH AS MALAYSIA, SINGAPORE AND THAILAND AND WERE ALSO TO BE FOUND IN BOTH THE UNITED KINGDOM AND USA.

"SUCH POWERS ARE WIDELY CONSIDERED THE NECESSARY COMPLEMENT TO AN EFFECTIVE SELF-REGULATORY SYSTEM AND I FIRMLY BELIEVE THAT THEY ARE APPROPRIATE IN THE CASE OF HONG KONG," HE SAID.

ON A MEMBER'S VIEW THAT THE SFC SHOULD NOT UNNECESSARILY INVESTIGATE MATTERS RELATING TO THE SECURITIES MARKETS, LEAVING THAT INSTEAD TO THE MARKET BODIES THEMSELVES, MR NENDICK SAID IN THOSE FIELDS WHERE SUCH BODIES EXISTED THIS WAS INDEED THE PRESENT POSITION, WITH THE COMMISSION MAINLY CONFINING ITSELF TO A SUPERVISORY ROLE.

HOWEVER, HE SAID HE THOUGHT THAT IT WAS RIGHT AND PROPER THAT THE COMMISSION, IN COMMON WITH REGULATORS ELSEWHERE, SHOULD EXERCISE ITS OWN INVESTIGATORY POWERS WHERE THIS WAS APPROPRIATE AND NECESSARY.

REFERRING TO THE REFORM PACKAGE AGREED BETWEEN THE SFC AND THE STOCK EXCHANGE OF HONG KONG FOR THE EXCHANGE WHICH HAD BEEN ENDORSED BY THE GOVERNOR IN COUNCIL, MR NENDICK SAID THE REFORMS WERE DESIGNED TO PRODUCE A MORE REPRESENTATIVE MANAGEMENT STRUCTURE FOR THE EXCHANGE AND ENSURE THAT THE INTERESTS OF ALL WHO USED OUR MARKET WERE TAKEN INTO ACCOUNT IN ITS DAY TO DAY AFFAIRS AND IN PLANNING ITS FUTURE STRATEGY.

WITH THE REFORMS IN PLACE, THE STRUCTURE OF HONG KONG'S STOCK MARKET WOULD BEAR FAVOURABLE COMPARISON WITH THAT IN OTHER MAJOR CENTRES, HE SAID.

THE SECRETARY TOOK THE OPPORTUNITY TO PAY TRIBUTE TO SIR Q.W. LEE WHO, AS CHAIRMAN OF THE STOCK EXCHANGE OF HONG KONG, HAD WORKED TIRELESSLY DURING HIS PERIOD OF LEADERSHIP TO RESTORE THE REPUTATION AND STANDING OF THE STOCK EXCHANGE FOLLOWING THE EVENTS IN OCTOBER 1987.

"WHEN HE RETIRES AT THE END OF THIS YEAR HE CAN DO SO WITH THE SATISFACTION OF A JOB WELL DONE.

"HIS CONTRIBUTION TO THE SECURITIES INDUSTRIES WAS INTERNATIONALLY ACKNOWLEDGED IN THE COURSE OF THE CONFERENCE OF THE FEDERATION INTERNATIONALE DES BOURSES DE VALEURS HELD IN HONG KONG LAST MONTH," MR NENDICK SAID.

ON THE BANKING FRONT, THE SECRETARY SAID THE GOVERNMENT WOULD BE CONTINUING THE ONGOING TASK OF REVIEWING THE LEGISLATIVE PROVISIONS IN THE LIGHT OF OPERATIONAL EXPERIENCE AND DEVELOPMENTS.

"WE INTEND TO INTRODUCE AMENDMENTS TO THE BANKING ORDINANCE DURING THE CURRENT SESSION WHICH, AMONGST OTHER THINGS, WILL STRENGTHEN CO-OPERATION BETWEEN AUDITORS AND THE COMMISSIONER OF BANKING.

"THIS WILL ENHANCE THE MONITORING OF BANKS' INTERNAL CONTROLS AND THUS ENABLE THE EARLY DETECTION OF ANY PROBLEMS.

"SOME TECHNICAL AMENDMENTS IDENTIFIED AS DESIRABLE IN THE LIGHT OF THE PROBLEMS WHICH WERE ASSOCIATED WITH THE CLOSURE OF BCCHK WILL ALSO BE INCLUDED," HE SAID.

ON BCCHK, MR NENDICK REITERATED THAT THE PROBLEMS RESULTED FROM EVENTS OUTSIDE HONG KONG AND SHOULD NOT BE SEEN AS DETRACTING FROM THE SOUNDNESS OF THE TERRITORY'S BANKING SYSTEM.

HE SAID THE HONG KONG CHINESE BANK HAD COMPLETED ITS DUE DILIGENCE REVIEW AND HAD MADE PROPOSALS FOR THE TAKEOVER OF THE BANKING BUSINESS OF BCCHK.

"THESE PROPOSALS ARE UNDER CAREFUL CONSIDERATION BY THE OFFICIAL RECEIVER.

"AS NEGOTIATIONS ARE STILL IN PROGRESS, IT WOULD BE UNWISE TO SPECULATE ON THEIR CHANCES OF SUCCESS.

"ANY TERMS THAT MIGHT BE PROVISIONALLY AGREED BY THE PROVISIONAL LIQUIDATOR WOULD REQUIRE THE SANCTION OF THE COURT, AND THE DEPOSITORS AND OTHER CREDITORS WOULD ALSO NEED TO BE CONSULTED," HE SAID.

ON WHETHER HONG KONG SHOULD HAVE SOME FORM OF DEPOSIT INSURANCE SCHEME, MR NENDICK SAID THE GOVERNMENT WAS WORKING HARD ON DRAFTING A PUBLIC CONSULTATION PAPER WHICH IT HOPED COULD BE PUBLISHED BY THE END OF THIS YEAR.

CONCEDING THAT THE ISSUE WAS A COMPLEX ONE WHICH NEEDED CAREFUL RESEARCH, HE SAID THE AUTHORITIES WERE DRAWING UPON THE EXPERIENCE OF OTHER CENTRES AS WELL AS EVALUATING THE IMPACT THE DEPOSIT INSURANCE SCHEME WOULD HAVE FOR THE DEPOSITORS AND BANKING SYSTEM.

IT WOULD BE IMPRUDENT TO RUSH INTO HASTY DECISIONS ON THIS ISSUE AND THE GOVERNMENT WOULD BE TAKING CAREFUL ACCOUNT OF THE VIEWS BOTH OF THE GENERAL PUBLIC AND OF THE BANKING SECTOR IN THE COURSE OF THE CONSULTATION PROCESS, HE SAID.

AS REGARDS THE INSURANCE INDUSTRY, THE SECRETARY SAID THE GOVERNMENT WOULD CONTINUE ITS REGULAR REVIEW TO ENSURE THAT PROVISIONS OF THE INSURANCE COMPANIES ORDINANCE WERE UP-TO-DATE IN THE LIGHT OF OPERATIONAL EXPERIENCE AND MARKET DEVELOPMENTS.

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TO THIS END, THE INSURANCE COMPANIES (AMENDMENT) BILL 1991, THE MAIN PURPOSE OF WHICH WAS TO EXTEND THE GROUNDS ON WHICH THE INSURANCE AUTHORITY MIGHT TAKE INTERVENTIONARY ACTION IN THE INTERESTS OF THE INSURING PUBLIC, WOULD BE INTRODUCED INTO THE LEGISLATIVE COUNCIL NEXT WEEK.

THERE WOULD ALSO BE PROVISIONS ENABLING THE INSURANCE AUTHORITY TO STRENGTHEN ITS SUPERVISION OVER PROBLEM INSURERS, AND GIVING AUDITORS AND ACTUARIES A GREATER ROLE IN THE REPORTING OF SUSPECTED FRAUD, HE ADDED.

MR NENDICK SAID THE LACK OF ANY REGULATION OF INSURANCE AGENTS AND BROKERS HAD BEEN AN AREA OF CONCERN.

"WE FULLY ACCEPT THAT THIS IS UNSATISFACTORY AND THAT STEPS MUST BE TAKEN TO REMEDY THE SITUATION.

"BOTH THE ADMINISTRATION AND THE INDUSTRY BELIEVE THAT THE ANSWER LIES IN A SYSTEM OF SELF-REGULATION WITHIN A FRAMEWORK OF SUPPORTIVE LEGISLATION.

"WORKING GROUPS HAVE BEEN FORMED BY THE INDUSTRY TO DRAW UP PROPOSALS AND THERE HAS BEEN USEFUL DIALOGUE WITH THE INSURANCE AUTHORITY.

"IN PARALLEL, LEGISLATIVE PROPOSALS ARE BEING FORMULATED TO INCREASE THE RESPONSIBILITY OF INSURERS FOR THE ACTIONS OF THEIR AGENTS AND TO ENHANCE THE TRANSPARENCY OF THE PRINCIPAL/AGENT RELATIONSHIP," HE SAID.

FINALLY, MR NENDICK NOTED THAT THE NEED FOR PRUDENTIAL REGULATION OF PRIVATE RETIREMENT SCHEMES TO ENSURE THAT RETIREMENT BENEFITS WERE PAID WHEN THEY FELL DUE HAD RECEIVED WIDE PUBLIC SUPPORT.

THE SECRETARY SAID THE OCCUPATIONAL RETIREMENT SCHEMES BILL WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL IN MAY.

"THERE WAS GENERAL SUPPORT FOR THE PRINCIPLES ENSHRINED IN THE BILL FROM MARKET AND PROFESSIONAL BODIES," HE SAID.

"THE LEGCO AD HOC GROUP WHICH STUDIED THE BILL ENDORSED THE NEED FOR REGULATION ON THESE LINES BUT EXPRESSED CONCERN OVER THE COMPLEXITY OF THE BILL.

"GIVEN THE LIMITED TIME AVAILABLE FOR ITS SCRUTINY, IT WAS AGREED THAT THE ADMINISTRATION WOULD RESTRUCTURE AND SIMPLIFY THE BILL BEFORE RE-PRESENTING IT TO THE COUNCIL IN THE CURRENT SESSION."

MR NENDICK SAID THE AUTHORITIES WERE IN THE COURSE OF REDRAFTING THE BILL IN CLOSE CONSULTATION WITH THE MARKET AND CONCERNED PROFESSIONAL BODIES AND THAT THE REVISED BILL WOULD RETAIN ALL THE BASIC PRINCIPLES.

/THEY WERE

THEY WERE SEPARATION OF ASSETS OF THE RETIREMENT SCHEME FROM THOSE OF THE EMPLOYER'S BUSINESS; PROVISION OF ADEQUATE FUNDING; DISCLOSURE OF RELEVANT INFORMATION TO MEMBERS OF THE RETIREMENT SCHEME; AND ANNUAL INDEPENDENT AUDITS.

HE SAID IMPROVEMENTS WOULD BE MADE TO THE PROVISIONS GOVERNING FUNDING ARRANGEMENTS AND THE REGISTRATION OF POOLED SCHEMES, AND MINOR PROCEDURAL MATTERS WOULD BE DEALT WITH BY WAY OF SUBSIDIARY LEGISLATION.

"WE ENVISAGE THAT THE RE-DRAFTING PROCESS WILL BE COMPLETED BY THE END OF THIS YEAR," HE SAID.

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FACILITIES AND SERVICES TO SUPPORT INDUSTRY OUTLINED

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THE SECRETARY FOR TRADE AND INDUSTRY, MR T.H. CHAU, TODAY (WEDNESDAY) SPELT OUT THE SUBSTANTIAL INVESTMENT THE GOVERNMENT WAS MAKING IN CREATING AN ENVIRONMENT IN WHICH PRIVATE ENTERPRISE COULD FLOURISH.

SPEAKING AT THE LEGISLATIVE COUNCIL IN REPLY TO POINTS RAISED BY MEMBERS ON THE GOVERNOR'S ADDRESS, MR CHAU SAID SUCH FACILITIES AND SERVICES INCLUDED EDUCATION AND TRAINING TO MEET THE ECONOMY'S NEEDS; THE PROVISION OF INDUSTRIAL LAND; SERVICES TO HELP INDUSTRY TO UPGRADE ITS PRODUCTIVITY AND QUALITY; AND ACTIVITIES TO PROMOTE INWARD INVESTMENT IN MANUFACTURING IN HONG KONG.

HE ALSO SAID HONG KONG OWED A LARGE PART OF ITS ECONOMIC SUCCESS TO ITS FREE TRADE POLICY: " WE MAINTAIN NO TARIFFS AND ARE OPEN TO ANY TRADING PARTNER WHO WISHES TO TRADE WITH US. FOR OVER FORTY YEARS WE HAVE FOLLOWED THE MULTILATERAL ROUTE TOWARDS THE LOWERING OF TARIFFS AND THE REMOVAL OF TRADE BARRIERS, USING THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) AS THE CORNERSTONE OF OUR EXTERNAL TRADE POLICY.

MR CHAU SAID THE GOVERNMENT'S INDUSTRIAL SUPPORT PROGRAMME WAS VERY MUCH GEARED TOWARDS HELPING INDUSTRY TO IMPROVE ITS TECHNOLOGICAL CAPABILITY.

"MANY OF THE PLACES ON OFFER IN THE TERTIARY EDUCATION AND TRAINING ESTABLISHMENTS ARE IN SCIENCE AND TECHNOLOGY SUBJECTS.

"THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY HAS JUST OPENED ITS DOORS TO ITS FIRST INTAKE OF STUDENTS. THE HONG KONG PRODUCTIVITY COUNCIL IS ACTIVE IN ACQUIRING AND DISSEMINATING NEW TECHNOLOGIES.

"OUR INDUSTRIAL ESTATES CATER FOR HIGH-TECHNOLOGY INDUSTRIES; AND THE ESTATE AT TAI PO HAS LAND SPECIALLY EARMARKED FOR VERY HIGH-TECHNOLOGY APPLICATIONS.

"WORK HAS STARTED ON THE FORMATION OF A NEW INDUSTRIAL ESTATE - THE THIRD - AT TSEUNG KWAN O.

/"WE ARE

"WE ARE BUILDING AN INDUSTRIAL TECHNOLOGY CENTRE TO PROVIDE SPACE AND FACILITIES FOR NEW TECHNOLOGY-BASED COMPANIES.

"AND OUR INWARD INVESTMENT PROGRAMME ENCOURAGES TECHNOLOGY TRANSFER FROM OVERSEAS," HE SAID.

IN ADDITION, THE GOVERNMENT INTENDED TO BREAK NEW GROUND FOR HONG KONG BY INTRODUCING A NEW SCHEME OF ASSISTANCE FOR APPLIED RESEARCH AND DEVELOPMENT (R&D).

"THE AIM IS TO ENCOURAGE INDUSTRY TO INVEST MORE IN APPLIED R&D. WITH THAT ADDITIONAL INVESTMENT, WE SHOULD SEE INDUSTRY BECOMING MORE SOPHISTICATED TECHNOLOGICALLY - AND, IN THE LONGER TERM, MORE COMPETITIVE IN OUR EXPORT MARKETS.

"UNDER THE SCHEME, GOVERNMENT WILL INVEST JOINTLY WITH INDUSTRY IN WORTHWHILE APPLIED R&D; AND WILL REAP ITS SHARE OF THE BENEFITS OF SUCCESSFUL PROJECTS.

"WE SHALL SHORTLY BE PUTTING PROPOSALS TO THE FINANCE COMMITTEE OF THIS COUNCIL FOR THE FUNDING OF THE SCHEME," HE SAID.

MR CHAU SAID THE GOVERNMENT WAS CONCERNED THAT THE SUPPORT IT OFFERED SHOULD BE EFFECTIVE AND WELL-FOCUSSED.

"THAT IS WHY WE HAVE DECIDED TO ESTABLISH AN INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL, AS THE GOVERNOR ANNOUNCED IN HIS ADDRESS," HE SAID.

MR CHAU ADDED THAT THE NEW COUNCIL, WHICH WOULD START WORK NEXT JANUARY, WOULD TAKE OVER FROM THE INDUSTRY DEVELOPMENT BOARD AND THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO GIVE A SINGLE CHANNEL OF ADVICE TO GOVERNMENT ON THE DEVELOPMENT OF INDUSTRY AND TECHNOLOGY IN HONG KONG.

"I AM CONFIDENT THAT THE NEW COUNCIL WILL HELP GOVERNMENT TO BE MORE RESPONSIVE TO THE RAPIDLY CHANGING NEEDS OF INDUSTRY - INCLUDING THOSE STEMMING FROM THE CHALLENGES OF NEW TECHNOLOGY - AND TO ENSURE THAT THE SERVICES WE PROVIDE ARE BETTER CO-ORDINATED," HE SAID.

MR CHAU NOTED THAT A NUMBER OF MEMBERS HAD SPOKEN IN SUPPORT OF THE GOVERNMENT'S PHILOSOPHY OF MINIMUM INTERVENTION IN THE FREE PLAY OF MARKET FORCES. BUT SOME OTHERS HAD ARGUED THAT THE GOVERNMENT SHOULD DRAW UP A COMPREHENSIVE STRATEGY TO SHAPE HONG KONG'S FUTURE INDUSTRIAL DEVELOPMENT.

"OUR VIEW REMAINS THAT WE SHOULD LEAVE THE PRIVATE SECTOR FREE TO MANAGE ITS OWN AFFAIRS.

"HONG KONG OWES ITS ECONOMIC SUCCESS TO THE ASTUTE DECISIONS OF ITS BUSINESSMEN.

"I BELIEVE IT WOULD BE QUITE WRONG FOR CIVIL SERVANTS TO SEEK TO TAKE DECISIONS ABOUT THE DIRECTION OF INDUSTRIAL DEVELOPMENT. THAT SHOULD BE THE PRESERVE OF OUR ENTREPRENEURS," HE SAID.

ON THE PROPOSAL BY SOME MEMBERS ON ESTABLISHMENT OF A FORMAL MECHANISM FOR ECONOMIC CO-OPERATION BETWEEN HONG KONG AND SOUTH CHINA, MR CHAU SAID TRADE AND INVESTMENT LINKS BETWEEN THE TWO PLACES WERE ALREADY VERY EXTENSIVE.

"THEY HAVE GROWN UP NATURALLY AND RAPIDLY AS OUR TRADERS AND MANUFACTURERS HAVE EXPLORED AND TAKEN ADVANTAGE OF BUSINESS OPPORTUNITIES OVER THE BORDER.

"THE HONG KONG TRADE DEVELOPMENT COUNCIL HAS DONE MUCH TO FACILITATE THIS PROCESS.

"GIVEN SOUTH CHINA'S IMMENSE ECONOMIC POTENTIAL, I BELIEVE THAT ECONOMIC LINKS WILL CONTINUE TO EXPAND AND FLOURISH WITHOUT THE NEED FOR ANY FORMAL GOVERNMENT-LED MECHANISM FOR PROMOTING OR CO-ORDINATING OVERALL DEVELOPMENT," HE SAID.

ON THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS UNDER THE GATT, MR CHAU SAID WE WERE NOW AT THE 11TH HOUR OF THE ROUND AND IT WAS TIME FOR THE MAJOR PLAYERS - THE EUROPEAN COMMUNITY AND THE UNITED STATES - TO SUMMON UP THE NECESSARY POLITICAL WILL IN ORDER TO ACHIEVE A BREAKTHROUGH IN AGRICULTURE.

"IF THAT CAN BE DONE IN THE NEXT FEW WEEKS, THEN WE CAN LOOK FORWARD TO A SUCCESSFUL OUTCOME," HE SAID.

ON REGIONAL ECONOMIC CO-OPERATION, MR CHAU SAID HONG KONG WAS ALREADY A MEMBER OF THE PACIFIC ECONOMIC CO-OPERATION CONFERENCE.

"AT A MINISTERIAL MEETING TO BE HELD NEXT WEEK IN SEOUL, KOREA, HONG KONG WILL BECOME A PARTICIPANT IN THE IMPORTANT FORUM KNOWN AS ASIA PACIFIC ECONOMIC CO-OPERATION OR APEC.

"SINCE 78% OF HONG KONG'S TRADE IS WITH ECONOMIES IN THE ASIA PACIFIC AND, BEING THE 11TH LARGEST TRADING ENTITY IN THE WORLD, HONG KONG OBVIOUSLY HAS A SIGNIFICANT ROLE TO PLAY IN APEC," HE SAID.

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OTHER MEANS SOUGHT FOR FINANCING SEWERAGE STRATEGY

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THE GOVERNMENT IS CURRENTLY EXAMINING VARIOUS WAYS BY WHICH THE SEWERAGE STRATEGY MIGHT BE FINANCED BY OTHER MEANS, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR GRAHAM BARNES, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS. MR BARNES SAID HONG KONG NEEDED THIS STRATEGY AND IT MUST GO AHEAD.

/"BUT WE

"BUT WE MUST PREPARE OURSELVES FOR THE FACT THAT IT WILL TAKE LONGER THAN WE HAD HOPED TO BRING OUR PLANS TO FRUITION.

"IN THE PRESENT CLIMATE OF FINANCIAL STRINGENCY, IT WILL NOT BE EASY TO FINANCE THE WHOLE OF THIS STRATEGY IN THE NORMAL WAY THROUGH THE PUBLIC WORKS PROGRAMME," HE SAID.

IN THE MEANTIME, THE GOVERNMENT WAS KEEPING UP THE STUDIES NECESSARY TO COMPLETE THE PROGRAMME OF WORKS ON TARGET, MR BARNES ADDED.

"IN THIS RESPECT GOOD PROGRESS WAS ACHIEVED DURING A RECENT VISIT OF THE OFFICIALS FROM THE STATE OCEANIC ADMINISTRATION OF CHINA WITHOUT WHOSE CO-OPERATION THIS SCHEME INVOLVING AN OUTFALL WELL WITHIN CHINESE WATERS CANNOT PROCEED.

"AND WHETHER OR NOT SEWAGE CHARGES ARE LEVIED TO HELP RECOUP THE CAPITAL EXPENDITURE CONSULTATIONS WITH CHINA WILL ALSO BE NECESSARY IF A SIGNIFICANT FINANCIAL LIABILITY OF THE WORKS EXTENDS BEYOND 1997.

"BUT OUR COMMITMENT TO IT, TO REDUCING POLLUTION, AND TO THE ENVIRONMENT GENERALLY, REMAINS AS STRONG AS EVER. AND THERE IS NO QUESTION OF SHELVEING THE SEWAGE STRATEGY," MR BARNES SAID.

HE ADDED THAT \$4 BILLION WORTH OF SEWAGE PROJECTS WERE CURRENTLY IN THE PIPELINE.

"WE ARE STILL PRESSING AHEAD TO IMPROVE THE SEWERAGE SYSTEMS, ESPECIALLY IN KOWLOON, WHERE THE WORST PROBLEMS ARE, AND ON THE SOUTH SIDE OF HONG KONG ISLAND, WHERE SOME OF THE MOST POPULAR BEACHES ARE.

"WE WILL GRADUALLY CARRY OUT IMPROVEMENTS TO THE WORST AREAS BY IMPLEMENTING WORKS ARISING FROM OUR SEWERAGE MASTER PLANS, AS FUNDS BECOME AVAILABLE, AND BY FORGING AHEAD ON MANY DIFFERENT ANTI-POLLUTION FRONTS DURING THE COMING YEAR," MR BARNES SAID.

HE SAID IN ADDITION, THERE WERE OTHER MEASURES WHICH THE ADMINISTRATION AIMED TO ACHIEVE DURING THE COMING SESSION.

THESE INCLUDED:

- * INTRODUCTION OF NEW AND VERY STRINGENT INTERNATIONAL EMISSION STANDARDS FOR ALL VEHICLES BOTH DIESEL AND PETROL-ENGINED IMPORTED INTO HONG KONG FROM JANUARY 1, 1992;
- * UPGRADING OF THE SMOKY VEHICLE SCHEME ENABLING VEHICLE EMISSION CHECKS TO BE UNDERTAKEN BY ABOUT 18 PRIVATE GARAGES, WITH A FEE BEING CHARGED FOR SUCH INSPECTIONS;
- * PRODUCING RECOMMENDATIONS ON A POLICY FOR ENERGY EFFICIENCY AROUND THE END OF THIS YEAR; AND
- * SEEKING TO SAVE STAFF BY INTRODUCING LESS MANPOWER-INTENSIVE CONTROL MEASURES, INCLUDING PRIVATISATION OF WASTE DISPOSAL FACILITIES, SMOKY VEHICLE INSPECTIONS AND COLLECTION AND DISPOSAL OF MARINE REFUSE.

ALL PRE-WAR BUILDINGS HAD NOW BEEN INSPECTED, AND THE STAFF HAD MOVED ON TO POST-WAR BUILDINGS WITHOUT MANAGEMENT ORGANISATIONS, HE SAID.

"BUT THE TOTAL NUMBER OF POST-WAR BUILDINGS IS ABOUT 54,000.

"THEY ARE MOSTLY MULTI-STOREY WITH MANY UNITS IN EACH BUILDING AND A FULL INSPECTION OF ALL OF THEM WILL NOT BE COMPLETED UNTIL THE END OF THIS CENTURY IF WE RELY ON EXISTING RESOURCES.

"MORE IMPORTANT, AS A MATTER OF PRINCIPLE, OWNERS OF PRIVATE BUILDINGS SHOULD FACE UP TO THEIR RESPONSIBILITY OF ENSURING THAT THEIR BUILDINGS ARE PROPERLY MAINTAINED AND PREPARED," HE SAID.

MR BARNES SAID THE ADMINISTRATION WAS PUTTING IN HAND AMENDMENTS TO THE BUILDINGS ORDINANCE TO EMPOWER THE BUILDING AUTHORITY TO REQUIRE OWNERS THEMSELVES TO HAVE SURVEYS DONE IN BUILDINGS FOUND TO BE IN A SUSPECT CONDITION.

TURNING TO PUBLIC HOUSING, THE SECRETARY SAID THE LINK OF THE SALE PRICES OF HOME OWNERSHIP FLATS TO PRIVATE SECTOR PRICES WAS VERY FLEXIBLE AND THE DISCOUNT HAD BEEN PEGGED VARIOUSLY TO SUIT THE NEEDS AND AFFORDABILITY OF THOSE FOR WHOM THE FLATS WERE INTENDED.

"THE HOUSING AUTHORITY WILL REVIEW THE HOME OWNERSHIP LIMITS AGAIN NEXT MARCH AND WILL ALSO CONSIDER PROPOSALS TO ASSIST THOSE CAUGHT BETWEEN THE INCOME LIMITS OF THE HOME OWNERSHIP SCHEME AND PUBLIC RENTAL HOUSING," HE SAID.

"THE HOUSING AUTHORITY RECOGNISE THE INCREASING DEMAND FOR MORE PUBLIC SECTOR HOUSING FOR SALE AND INTENDED TO INCREASE THE SUPPLY OF HOS FLATS.

"IT WILL NOT IGNORE THE NEEDS OF THOSE REQUIRING RENTAL HOUSING AND INDEED HAS PLANS FOR PROVIDING MORE ACCOMMODATION FOR SINGLE AND ELDERLY PERSONS," HE ADDED.

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FURTHER MEASURES TO CURB PROPERTY SPECULATION

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THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR GRAHAM BARNES, TODAY (WEDNESDAY) ANNOUNCED A NUMBER OF FURTHER MEASURES WHICH ARE IN THE PIPELINE TO IMPROVE THE EXISTING ONES TO CURB EXCESSIVE SPECULATION IN UNCOMPLETED FLATS WITH THE ASSOCIATED PROBLEMS OF PUBLIC DISORDER DURING THE SALES.

MR BARNES, SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, SAID THESE MEASURES WERE TO BE INTRODUCED WITH THE VIEW TO PROTECTING THE INTEREST OF GENUINE HOME BUYERS RATHER THAN AN ATTEMPT BY THE GOVERNMENT TO CONTROL PROPERTY PRICES.

/TURNING TO

TURNING TO INFRASTRUCTURAL DEVELOPMENT, MR BARNES SAID INFRASTRUCTURAL NEEDS HAD CHANGED AS THE BREAD AND BUTTER FUNCTION OF HONG KONG HAD CONTINUED TO CHANGE FROM MANUFACTURING TO SERVICES INDUSTRY HAD AS LINKS WITH CHINA HAD BECOME INCREASINGLY IMPORTANT.

HE SAID: "IT WAS IN THIS CONTEXT THAT WE HAD TO PLAN FOR A MUCH GREATER PORT AND AIRPORT CAPACITY AND IN WHICH WE HAVE TO GIVE A MUCH HIGHER PRIORITY TO OUR PHYSICAL TRANSPORT LINKS TO THE MAINLAND UPON WHICH MUCH OF THE FUTURE PROSPERITY OF HONG KONG WILL DEPEND.

"IT WAS ALSO WITHIN THIS CONTEXT THAT WE DECIDED THAT THE PORT AND AIRPORT SHOULD BE SITED TO THE WEST OF HONG KONG.

"IN OUR RELATIVELY SMALL TERRITORY, THIS WAS AN IMPORTANT STRATEGIC DECISION AS IT HAS SET UP THE MAJOR PATTERN OF FUTURE INFRASTRUCTURAL DEVELOPMENT.

"THE PATTERN IS SIMPLE: THE WEST, SOUTH AND NORTH OF THE TERRITORY WILL BE THE AREAS IN WHICH WE WILL PRINCIPALLY EXPAND OUR ECONOMY; THE METROPOLITAN AREAS ON THE EAST WILL BE WHERE WE WILL PRIMARILY AIM TO MEET OUR RESIDENTIAL AND RECREATIONAL NEEDS.

"IT IS NOT OF COURSE AS SIMPLE AS THAT, BUT THIS REMAINS BASICALLY THE STRATEGY."

"IN THIS RESPECT, MR BARNES SAID WHEN THE GOVERNMENT STARTED TO PREPARE THE SUB-REGIONAL PLANNING STATEMENT OF THE METROPOLITAN AREAS, IT WAS DECIDED THAT IT SHOULD BE A PLAN WHICH AIMED AT THE KIND OF STANDARDS OF DEVELOPMENT WHICH IT WAS ALREADY ACHIEVING IN THE NEW TOWNS AND THAT THE IMPROVEMENT OF THE URBAN LIVING ENVIRONMENT BE ONE OF ITS MAIN GOALS.

THIS WAS NOT A FORLORN HOPE, HE ADDED.

"WE HAD ALREADY IN TRAIN A PROGRAMME FOR THE REDEVELOPMENT OF PUBLIC HOUSING ESTATES WHICH AFFECTS NEARLY ONE THIRD OF THE POPULATION OF THE METROPOLITAN AREAS, AND WE ALREADY HAD IN PLACE THE LAND DEVELOPMENT CORPORATION, WHICH COULD LEAD IN THE REDEVELOPMENT OF THE DECAYED AND DECAYING AREAS OF THE CITY.

"WHAT WAS NEEDED WAS A PLAN WHICH WOULD CO-ORDINATE THE NEW INFRASTRUCTURAL DEVELOPMENTS AND RECLAMATIONS WITH THE REDEVELOPMENT OF THE OLDER CITY," HE SAID.

THIS WAS WHAT THE METROPLAN, WHICH WAS TO BE PUBLISHED LATER THIS MONTH, WAS INTENDED TO ACHIEVE, MR BARNES SAID.

ADDRESSING THE QUESTION OF BUILDING SAFETY, HE SAID THE GOVERNMENT HAD ALWAYS TAKEN ACTION AGAINST BUILDINGS FOUND TO BE IN A DANGEROUS CONDITION.

IN OCTOBER 1989, THE BUILDINGS ORDINANCE OFFICE ADDITIONALLY LAUNCHED A COMPREHENSIVE SURVEY ON ALL PRIVATE BUILDINGS TO ASSESS AND CATEGORISE THEIR PHYSICAL CONDITIONS AND TO IDENTIFY THE ACTIONS WHICH IT SHOULD TAKE TO ASSURE THEIR SAFETY.

THE MEASURES INCLUDED THE ONES ON WHICH THE GOVERNMENT HAD RECENTLY REACHED AGREEMENT WITH THE REAL ESTATE DEVELOPERS ASSOCIATION WITH REGARD TO THE REQUIREMENT OF DISCLOSURE OF INFORMATION ON ALL INTERMEDIARY SALES OF EQUITABLE INTEREST IN PROPERTY, AND MEASURES TO REGULATE THE RE-SALE OF PRIVATELY ALLOCATED UNCOMPLETED FLATS.

ON THE NEED TO REQUIRE DISCLOSURE OF INFORMATION, MR BARNES SAID THE INFORMATION DISCLOSED WOULD FACILITATE BETTER RECORD KEEPING, AND WOULD BE USEFUL FOR TAX OR STAMP DUTY PURPOSES.

HE SAID THE TERMS OF THIS MEASURE WERE BEING FINALISED FOR INCORPORATION IN THE REGISTRAR GENERAL (LAND OFFICER)'S CONSENT SCHEME FOR IMPLEMENTATION WITHIN THIS MONTH.

REGARDING THE RE-SALE OF PRIVATELY ALLOCATED UNCOMPLETED FLATS, HE DISCLOSED THAT TO BEGIN WITH, THE MEASURE WOULD STIPULATE THAT NOT MORE THAN 50 PER CENT OF THE RESIDENTIAL FLATS FOR WHICH CONSENT HAD BEEN GRANTED MIGHT BE EARMARKED BY DEVELOPERS FOR PRIVATE OR BULK ALLOCATION.

FOR PARTIES ALLOCATED TWO OR MORE UNITS THROUGH PRIVATE PLACEMENT, THERE WOULD BE NO RE-SALE WITHIN THREE MONTHS FROM THE SIGNING OF THE FORMAL SALE AND PURCHASE AGREEMENT.

THEREAFTER AND BEFORE ISSUE OF THE OCCUPATION PERMIT, BULK RE-SALE, THAT IS, THE RE-SALE OF ALL THE UNITS WHICH HAD BEEN BOUGHT PRIVATELY TO A SINGLE PURCHASER WOULD BE ALLOWED.

HOWEVER, MR BARNES NOTED THAT ANY OTHER FORM OF RE-SALE WOULD BE SUBJECT TO FURTHER CONDITIONS IMPOSED BY THE REGISTRAR GENERAL (LAND OFFICER).

HE EXPLAINED THAT THE MEASURES GOVERNING THE RE-SALE OF PROPERTIES ACQUIRED THROUGH INTERNAL OR PRIVATE ALLOCATION WERE AIMED AT PREVENTING THE CREATION OF A SECONDARY MARKET.

THE TERMS OF THE MEASURES WERE NOW BEING FINALISED UP BY THE REGISTRAR GENERAL (LAND OFFICER) IN CONSULTATION WITH THE REAL ESTATE DEVELOPERS ASSOCIATION WITH A VIEW TO IMPLEMENTATION AS SOON AS PRACTICABLE, HE ADDED.

TURNING TO OTHER MEASURES, MR BARNES SAID THERE WOULD ALSO BE SOME REFINEMENTS TO THE CONSENT CONDITIONS ALREADY IN OPERATION.

"WITH IMMEDIATE EFFECT, ALL DEPOSITS FOR THE PURCHASE OF UNCOMPLETED FLATS HAVE TO BE MADE IN BANK DRAFTS AND NO CHEQUES WILL BE ACCEPTED.

"THIS SHOULD PLUG A LOOPHOLE WHEREBY SOME PEOPLE SIMPLY REGISTER WITH A CHEQUE WITHOUT SUFFICIENT MONEY IN THEIR BANK ACCOUNT AND DEPOSIT THE NECESSARY MONEY ONLY IF THEY BECOME SUCCESSFUL IN THE BALLOT FOR SELECTING FLATS.

"BY MAKING IT MANDATORY THAT ONLY BANK DRAFTS ARE ACCEPTED, IT WILL DETER FRIVOLOUS REGISTRATION OR MULTIPLE REGISTRATIONS," HE POINTED OUT.

COMMENTING ON REPORTS THAT THE BALLOTING REQUIREMENT IS BEING CIRCUMVENTED BY PEOPLE SELLING THE SUCCESSFUL CHIPS TO OTHERS, MR BARNES REMINDED DEVELOPERS OF THE CONSEQUENCE IF THEY WERE FOUND TO BE IN COLLUSION WITH SUCH AN ARRANGEMENT, AS WELL AS POTENTIAL BUYERS OF THE RISK WHICH THEY WOULD FACE.

HE POINTED OUT THAT THE CONSENT SCHEME ALLOWED ONLY THE SAME PERSON WHOSE NAME AND IDENTITY CARD NUMBER HAD BEEN REGISTERED WITH THE DEVELOPER THE RIGHT TO SELECT THE FLAT AND TO CONCLUDE THE SALE AND PURCHASE AGREEMENT.

"EVEN IF HE PURPORTED TO HAVE SOLD HIS CHIP THIS PERSON WAS UNDER NO OBLIGATION TO SELL OFF HIS FLAT TO THE PERSON WHO HAD BOUGHT THE CHIP, NOR WAS THERE ANY GUARANTEE THAT HE WOULD NOT SELL IT TO ANOTHER HIGHER BIDDER OR INDEED TO A NUMBER OF BIDDERS.

"SO, TO TRUST ONE'S MONEY TO THOSE SELLING SUCCESSFUL CHIPS IS VERY DANGEROUS. WE HAVE SECURED DEVELOPERS' AGREEMENT TO PUBLICISE THIS FACT BOTH AT THEIR SALE OFFICES AND IN THEIR PUBLIC ANNOUNCEMENTS," HE SAID.

IN RESPONSE TO THE NEED TO INCREASE THE SUPPLY OF RESIDENTIAL LAND TO ENABLE MORE FLATS TO BE PUT ON THE MARKET, AS POINTED OUT BY MANY MEMBERS.

HE EXPLAINED THAT THE AIMS OF HONG KONG'S HOUSING POLICY WERE TO ENSURE THAT ADEQUATE HOUSING AT AN AFFORDABLE PRICE OR RENT WAS AVAILABLE TO ALL HOUSEHOLDS, AND TO PROMOTE AND SATISFY THE GROWING DEMAND FOR HOME OWNERSHIP.

HENCE A MAJOR PRIORITY IN GOVERNMENT'S LAND POLICY WAS TO MAKE SUFFICIENT LAND AVAILABLE TO MEET HOUSING NEEDS.

HE DISCLOSED THAT IN THE PAST FIVE YEARS, AN AVERAGE OF OVER 100 HECTARES OF LAND WAS MADE AVAILABLE FOR HOUSING EACH YEAR AND OVER 390,000 NEW FLATS WERE PRODUCED.

DURING THE SAME PERIOD, THE NUMBER OF HOUSEHOLDS INCREASED BY ONLY 130,000.

"THUS AT MOST ONE-THIRD OF THE NEW FLATS IN BOTH PUBLIC AND PRIVATE SECTORS WOULD HAVE BEEN SUFFICIENT TO MEET THE NEEDS OF NEW HOUSEHOLDS AND AT LEAST TWO-THIRDS WERE AVAILABLE TO MEET THE DEMANDS FOR IMPROVED HOUSING AS WELL AS INVESTMENT OPPORTUNITIES," HE SAID.

LOOKING AHEAD, MR BARNES ANTICIPATED THAT THERE WOULD BE NO SHORTAGE OF RESIDENTIAL LAND.

TAKING INTO ACCOUNT THE FORMATION OF NEW HOUSEHOLDS AND THE NEEDS OF THE INADEQUATELY HOUSED, BALANCED AGAINST ADDITIONAL HOUSING GENERATED BY REDEVELOPMENTS, HE SAID A HOUSING DEMAND OF SOME 66,000 FLATS PER YEAR WAS FORECAST FOR THE PERIOD 1994/95 TO 1998/99.

"ALLOWING TIME FOR THE FLATS TO BE BUILT AND THEREFORE LOOKING AT THE LAND SUPPLY POSITION IN 1991/92 AND 1995/96, THERE SHOULD BE MORE THAN ENOUGH LAND TO MEET THIS DEMAND.

"FURTHERMORE, MOST OF THE LAND TO BE MADE AVAILABLE FOR RESIDENTIAL USE WILL BE FOR HIGH DENSITY DEVELOPMENT," HE ADDED.

IN SUM, HE WAS OF THE VIEW THAT THE HOUSING SUPPLY SITUATION HAD IMPROVED OVER THE YEARS AND WOULD CONTINUE TO IMPROVE.

ADDRESSING THE PUBLIC CONCERN ABOUT THE ROLE PLAYED BY ESTATE AGENTS, MR BARNES SAID THE GOVERNMENT HAD RECENTLY RECEIVED THE CONSUMER COUNCIL'S REPORT ON ESTATE AGENTS AND HAD PUT IT BEFORE THE LAND AND BUILDINGS ADVISORY COMMITTEE.

HE ADDED THAT THE COMMITTEE WAS OF THE VIEW THAT THE GOVERNMENT SHOULD AIM AT ENHANCING PROFESSIONAL ETHICS THROUGH SELF-REGULATION AND, IF NECESSARY, LEGISLATION.

MR BARNES NOTED THAT THE INDUSTRY PURPORTED TO AGREE WITH THE COMMITTEE'S VIEW AND IT WAS MAKING EFFORTS TO ESTABLISH A FRAMEWORK FOR SELF-REGULATION.

HE SAID THE GOVERNMENT WOULD FOLLOW DEVELOPMENTS CLOSELY AND CONTINUE ITS DIALOGUE WITH THE TRADE AND OTHER INTERESTED PARTIES TO SEE WHETHER AND WHAT LEGISLATIVE CONTROLS WERE REQUIRED.

"BUT WE WOULD WISH TO AVOID THEM IF POSSIBLE, AS LEGISLATIVE CONTROLS WOULD BE A FURTHER EXTENSION OF BUREAUCRACY AND WOULD NEED STAFF AND OTHER VALUABLE PUBLIC RESOURCES TO MAKE THEM WORK," HE SAID.

COMMENTING ON THE INTRODUCTION OF NEW MEASURES, MR BARNES STRESSED THAT ANY ATTEMPT TO INTERVENE IN THE PROPERTY MARKET SHOULD NOT LOSE SIGHT OF THE FACT THAT HONG KONG'S PROSPERITY WAS PRIMARILY FOUNDED ON A FREE MARKET ECONOMY WITH PROPERTY SECTOR BEING A KEY ELEMENT OF THE ECONOMY.

PROPERTY-RELATED ACTIVITIES CONSTITUTED 14 PER CENT OF THE GDP.

"FOR MANY, BUYING PROPERTY IS ONE OF THE MOST IMPORTANT DECISIONS IN THEIR LIFETIME. SOME MAY SEE IT AS BUYING THEIR HOME, OTHERS BY FLATS AS AN INVESTMENT AND A HEDGE AGAINST INFLATION.

"ANY ATTEMPT TO INTERVENE IN THE PROPERTY MARKET SHOULD NOT LOSE SIGHT OF THESE FACTORS," HE ADDED.

"FOR ONE THING WE WOULD NOT CONTEMPLATE GOVERNMENT CONTROL OF PROPERTY PRICES, BECAUSE THAT WOULD BE THE END OF THE MARKET. BUT WE ARE VERY CONSCIOUS, OF THE NEED TO PROTECT THE INTEREST OF GENUINE HOME BUYERS," HE SAID.

PUBLIC WORKS PROGRAMME KEEPS PACE WITH PROSPERITY

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THE SECRETARY FOR WORKS, MR JAMES BLAKE, TODAY (WEDNESDAY) UNDERLINED THE GOVERNOR'S STATEMENT THAT THE AIRPORT AND THE AIRPORT CORE PROGRAMME, WHICH CONSISTS OF 10 PROJECTS IN TOTAL, WOULD ABSORB ONLY ABOUT ONE QUARTER OF HONG KONG'S TOTAL CAPITAL EXPENDITURE DURING THE SIX YEARS NEEDED FOR CONSTRUCTION.

HE WAS SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS IN THE LEGISLATIVE COUNCIL.

MR BLAKE EXPLAINED THAT THE PROGRAMME WOULD IN PART BE FUNDED BY THE PRIVATE SECTOR, WHILE OTHER PARTS SUCH AS THE WEST KOWLOON RECLAMATION AND THE WEST KOWLOON EXPRESSWAY WERE NOT EXCLUSIVELY TRANSPORT-AIRPORT-RELATED PROJECTS AND IN THE NORMAL WAY WOULD HAVE BEEN FUNDED THROUGH THE PUBLIC WORKS PROGRAMME.

"THEY ARE IN FACT AN INTEGRAL PART OF THE TERRITORY-WIDE DEVELOPMENT PROGRAMME, FURTHER OPENING UP THE WESTERN PART OF THE TERRITORY," HE SAID.

"GIVEN OUR POLICY OF CAPPING TOTAL CAPITAL EXPENDITURE AS A PERCENTAGE OF PROJECTED GDP GROWTH, IT IS INEVITABLE THAT SOME PROJECTS HAVE BEEN REPHASED.

"THE DISCIPLINE OF PROJECTS COMPETING FOR LIMITED RESOURCES IS NOT NEW, AND HAS A SALUTARY EFFECT IN CONTROLLING PUBLIC SECTOR EXPENDITURE.

"NEVERTHELESS, THE OVERALL DEVELOPMENT OF THE TERRITORY'S INFRASTRUCTURE IS CONTINUING AT A RATE THAT OUTSIDERS CONTINUE TO ADMIRE," HE SAID.

ON THE PUBLIC WORKS PROGRAMME, MR BLAKE SAID IT CONTINUED TO GROW AND KEEP PACE WITH THE INCREASING PROSPERITY OF THE TERRITORY.

"THERE ARE OVER 2,000 PROJECTS CURRENTLY IN THE PROGRAMME; AND EXPENDITURE HAS INCREASED AT AN ANNUAL AVERAGE OF 15 PER CENT IN REAL TERMS OVER THE PAST FIVE YEARS.

"EXPENDITURE FOR THE NEXT THREE FINANCIAL YEARS IS FORECAST TO REACH \$18.7 BILLION, \$21.2 BILLION AND \$24.2 BILLION RESPECTIVELY, EXCLUDING EXPENDITURE ON PUBLIC HOUSING.

"NOT ONLY HAS MUCH BEEN ACHIEVED IN TERMS OF THE SIZE AND SPEEDING UP THE PROGRAMME, WE HAVE ALSO MADE GREAT PROGRESS IN TERMS OF QUALITY," MR BLAKE NOTED.

"IF WE ONLY LOOK AT OUR THIRD GENERATION NEW TOWNS, TSEUNG KWAN O AND TIN SHUI WAI, AND ANOTHER WORLD CLASS PROJECT THE PAMELA YOUDE HOSPITAL, ALL OF WHICH ARE PROCEEDING ON PROGRAMME, WE CAN RIGHTLY BE PROUD OF THESE EXAMPLES OF OUR ACHIEVEMENTS," HE ADDED.

ON MEMBERS' CONCERN TO THE NEED TO PURSUE PUBLIC SECTOR REFORM, MR BLAKE SAID THE WORKS BRANCH HAD SOME TIME AGO INITIATED ACTION ON A NUMBER OF FRONTS.

HE CITED AS EXAMPLE THE FORMAL ESTABLISHMENT OF INTERDEPARTMENTAL CHARGING IN THE VEHICLE REPAIR AND MAINTENANCE WORKSHOP IN THE ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT BY APRIL 1, 1992.

"THIS IS AN ESSENTIAL STEP TOWARDS TRADING FUND OPERATIONS BY THAT DEPARTMENT, WHICH WILL BE FORMALISED IN 1993. ASSESSMENT STUDIES AND A BUSINESS PLAN HAVE DEMONSTRATED THAT THE SCHEME IS VIABLE.

"IN THE MEANTIME, NEW STAFF INCENTIVES HAVE BEEN INTRODUCED, PRODUCTIVITY HAS INCREASED BY 22 PER CENT, AND SAVINGS OF \$54 MILLION HAVE BEEN ACHIEVED.

"FULLY COMPUTERISED SPARE PARTS INVENTORY CONTROL, AND A NEW ACCOUNTING SYSTEM, HAVE BEEN PUT IN PLACE," HE ADDED.

IN REPLY TO A SUGGESTION THAT THE WATER SUPPLIES DEPARTMENT WAS SUITABLE FOR PRIVATISATION, MR BLAKE SAID ALL OPTIONS FOR THE DEPARTMENT'S FUTURE OPERATION WAS BEING REVIEWED BY THE DIRECTOR OF WATER SUPPLIES.

HOWEVER, HE POINTED OUT THAT AS WATER WAS AN ESSENTIAL COMMODITY AND THE CONSUMERS HAD NO VIABLE ALTERNATIVE, PUBLIC INTEREST MUST THEREFORE BE SAFEGUARDED.

"EXPLORATORY TALKS WERE HELD LAST YEAR, FOLLOWING AN APPROACH BY AN INTERNATIONAL FIRM INTERESTED IN PRIVATISATION. THESE WERE USEFUL BUT INCONCLUSIVE. IT WAS DECIDED NOT TO PURSUE PRIVATISATION FURTHER AT THAT TIME," HE SAID.

MR BLAKE SAID THREE OTHER DEPARTMENTS WITHIN THE WORKS GROUP WERE ALSO CONDUCTING STRATEGIC REVIEWS OF THEIR FUNCTIONS, STRUCTURE AND ESTABLISHMENT.

OF THESE, THE ARCHITECTURAL SERVICES DEPARTMENT AND THE TERRITORY DEVELOPMENT DEPARTMENT HAD SUBMITTED PRELIMINARY REPORTS, WHICH WERE BEING EXAMINED BY THE WORKS BRANCH.

THE CIVIL ENGINEERING DEPARTMENT HAD JUST STARTED THE PROCESS, HE SAID.

TURNING TO THE INFLATIONARY TREND ARISING FROM THE HIGH COST OF CONSULTANTS ON PUBLIC WORKS PROJECTS, MR BLAKE ASSURED MEMBERS THAT CONSULTANTS WERE ENGAGED WHEN THE EXPERTISE OR THE REQUIRED STAFF RESOURCES WERE NOT AVAILABLE IN-HOUSE.

"THE WORKLOAD, NUMBER AND LEVEL OF EXPERIENCE OF IN-HOUSE STAFF IS CAREFULLY REVIEWED, BEFORE ANY DECISION IS MADE TO EMPLOY CONSULTANTS," HE SAID.

/MR BLAKE

MR BLAKE SAID CENTRAL TO THE REVIEWS OF THE WORKS DEPARTMENTS WAS A COMPARISON OF THE COST AND BENEFITS OF USING IN-HOUSE STAFF RESOURCES RATHER THAN HIRING CONSULTANTS.

"STUDIES IN THIS REGARD ARE BEING CONDUCTED BY SEVERAL DEPARTMENTS FOR A DIVERSITY OF PROJECTS AND THE WORKS BRANCH WILL SHORTLY BE SUBMITTING SUCH A COMPARISON FOR THREE DRAINAGE PROJECTS, TO MEMBERS OF THE PUBLIC WORKS SUB-COMMITTEE.

"WE HAVE RECENTLY INTRODUCED A NEW PROCEDURE FOR THE SELECTION OF ENGINEERING CONSULTANTS, THAT REQUIRES A LUMP SUM FEE TO BE SUBMITTED, AND WHICH IS AN IMPORTANT CRITERION ALONGSIDE TECHNICAL LEADING TO THEIR ENGAGEMENT."

ON TECHNOLOGY TRANSFER, MR BLAKE SAID THE IMPORTANT NEED TO CONTINUOUSLY IMPROVE TECHNOLOGICAL SKILLS WAS RECOGNISED AS ESSENTIAL TO THE EFFICIENCY OF THE CONSTRUCTION INDUSTRY.

AN EXAMPLE IN THE LARGER SENSE, HE SAID, WAS THE USE FOR THE FIRST TIME IN HONG KONG ON A GOVERNMENT CONTRACT, OF A TUNNEL BORING MACHINE WHICH WAS DRIVING THROUGH ROCK AND LINING WITH CONCRETE A 3.8-METRE DIAMETER TUNNEL, REGULARLY COMPLETING OVER 30 METRES EACH WORKING DAY.

"THE USE OF COMPUTER AIDED DRAUGHTING IS AT THE OTHER EXTREME, ENABLING DRAWINGS TO BE PRODUCED AND COMPLEX SERVICE RUNS TO BE BETTER CO-ORDINATED, RESULTING IN A HIGHER QUALITY INSTALLATION AND A SIGNIFICATION REDUCTION IN OPERATIONAL DEFECTS.

"COMPUTER AIDED ESTIMATING AND PROGRAMMING IS ALSO BEING INTRODUCED BY THE WORKS DEPARTMENTS, WHICH WILL LEAD TO IMPROVEMENT IN THE COST AND TIME ASPECTS OF THEIR WORKS AGENCY RESPONSIBILITIES," HE SAID.

MR BLAKE ALSO PAID TRIBUTE TO THE ACCOMPLISHMENTS OF THE CONSTRUCTION INDUSTRY OVER THE PAST DECADE. HE SAID THE INDUSTRY REPRESENTED FIVE PER CENT OF OUR GROSS DOMESTIC PRODUCT AND TOGETHER WITH THE REAL ESTATE SECTOR WHICH IT SERVED, THE CONTRIBUTION TO GDP WAS AS MUCH AS 14 PER CENT.

"THE CONSTRUCTION INDUSTRY EMPLOYS OVER 100,000 WORKERS INCLUDING SOME 63,500 MANUAL WORKERS, REPRESENTING IN TOTAL 3.6 PER CENT OF THE LABOUR FORCE.

"WITH THE GOVERNMENT'S NEW INITIATIVES ON THE AIRPORT AND PORT DEVELOPMENT WORKS, AND THE ENVIRONMENTAL PROGRAMME, THE PUBLIC WORKS PROGRAMME IS BEING REFOCUSSED FROM THE NEW TOWN INFRASTRUCTURE DEVELOPMENTS OF THE PAST DECADE.

"THE CONSTRUCTION INDUSTRY WILL BE CALLED UPON TO MEET GREATER-CHALLENGES, WITH EVER INCREASING NEED FOR EXACTING TIME AND BUDGET CONSTRAINTS.

"EXCITING TIMES ARE AHEAD: WE ARE LOOKING FORWARD TO THE CHALLENGE," MR BLAKE SAID.

\$15 BILLION SPENT ON HK ROAD SYSTEM

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THE GOVERNMENT HAS SPENT \$15 BILLION ON THE ROAD SYSTEM IN THE PAST FIVE YEARS, REPRESENTING AN AVERAGE OF ABOUT 20 PER CENT OF TOTAL PUBLIC WORKS EXPENDITURE, THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR LEUNG SAID OVER THE PAST 10 YEARS, THE GOVERNMENT HAD BUILT THE MASS TRANSIT RAILWAY, ELECTRIFIED AND MODERNISED THE KOWLOON-CANTON RAILWAY, BUILT SIX TUNNELS, INTRODUCED A MODERN LIGHT RAIL TRANSIT SYSTEM, AND ADDED OVER 300 KILOMETRES OF ROADS THROUGHOUT THE TERRITORY.

HE SAID HONG KONG HAD THE HIGHEST DENSITY OF CARS PER KILOMETRE IN THE WORLD.

"THE TOTAL NUMBER OF VEHICLES NOW STANDS AT 377,000, AN INCREASE OF 30 PER CENT OVER THE PAST 10 YEARS AND IS LIKELY TO GROW TO 470,000 BY 1996 AND TO 750,000 BY 2011.

"DESPITE THE HIGH DENSITY OF VEHICLES, WE MANAGE TO MAINTAIN AN AVERAGE TRAFFIC SPEED OF ABOUT 24 KILOMETRES PER HOUR IN THE URBAN AREA. THIS IS COMPARABLE TO MOST MAJOR CITIES," HE SAID.

MR LEUNG SAID AS A MATTER OF PRIORITY, THE GOVERNMENT WAS LOOKING INTO THE TIMING TO BUILD THE COUNTRY PARK SECTION OF ROUTE 3 TO RELIEVE TUEN MUN ROAD AND TO PROVIDE A DIRECT LINK BETWEEN THE NORTHWEST NEW TERRITORIES AND THE URBAN AREA.

"THIS PROJECT MIGHT BE PRIVATISED, AND A STUDY IS UNDER WAY TO CONSIDER HOW BEST TO TAKE IT FURTHER."

HE SAID SEVERAL MAJOR PROJECTS WERE IN HAND TO BRING SOME RELIEF TO THE NORTHWEST NEW TERRITORIES. THESE INCLUDED THE COMPLETION OF FURTHER SECTIONS OF THE NEW TERRITORIES CIRCULAR ROAD NEXT YEAR, OPENING OF THE NEW YUEN LONG/TUEN MUN EASTERN CORRIDOR IN 1993, WORK ON THE YUEN LONG SOUTHERN BYPASS TO START NEXT YEAR AND PLANS TO IMPROVE SECTIONS OF CASTLE PEAK ROAD.

ON RAILWAY DEVELOPMENT, MR LEUNG SAID THE NEW AIRPORT RAILWAY WOULD NOT ONLY SERVE CHEK LAP KOK BUT WOULD ALSO PROVIDE RELIEF FOR THE OVERCROWDED MTR NATHAN ROAD CORRIDOR.

OTHER RAILWAY DEVELOPMENTS INCLUDED A PROPOSED RAIL LINK FROM TSUEN WAN TO THE NORTHWEST NEW TERRITORIES AND A POSSIBLE FREIGHT LINE FROM THE CONTAINER PORT TO THE BORDER. THEIR PRIORITIES WOULD BE EXAMINED IN THE RAILWAY DEVELOPMENT STUDY TO BE COMPLETED NEXT YEAR.

MR LEUNG SAID HONG KONG WAS PROUD TO HAVE A WIDE RANGE OF PUBLIC TRANSPORT SERVICES AT DIFFERENT DEGREES OF SPEED, COMFORT AND CONVENIENCE, AND PROVIDED AT REASONABLE FARES WITHOUT GOVERNMENT SUBSIDY.

"OUR SYSTEM NOW CARRIES 9.7 MILLION PASSENGERS PER DAY. THIS IS FORECAST TO RISE TO 11.7 MILLION IN FIVE YEARS' TIME," HE SAID.

MR LEUNG SAID SERVICE IMPROVEMENT WAS AN ONGOING PROCESS TO MEET PUBLIC DEMAND AND IT WAS THE AIM OF THE GOVERNMENT TO PROVIDE GREATER CHOICE THROUGH MORE HEALTHY COMPETITION, BETTER QUALITY SERVICES AND CONTINUED EXPANSION IN CAPACITY.

"DURING THE PAST YEAR, 49 NEW BUS ROUTES HAVE BEEN INTRODUCED TO SERVE NEW DEVELOPMENT AREAS. ABOUT 10 PER CENT OF THE 4,000 BUSES ARE NOW AIR-CONDITIONED. FOUR HUNDRED MORE WILL BE ADDED OVER THE NEXT TWO YEARS.

"THE KCR HAS EXPANDED ITS FLEET FROM 99 CARRIAGES TO 117. BY 1992, ITS PASSENGER CARRYING CAPACITY WILL HAVE INCREASED BY 50 PER CENT COMPARED WITH 1989," HE SAID.

ON THE LIGHT RAIL TRANSIT IN THE NORTHWEST NEW TERRITORIES, MR LEUNG SAID THE FIRST EXTENSION FROM YAU OI TO TUEN MUN FERRY PIER WAS OPENED LAST SUNDAY. ANOTHER TWO EXTENSIONS SHOULD BE READY BY FEBRUARY NEXT YEAR, ADDING IN TOTAL AN EXTRA FIVE KILOMETRES OF TRACK.

THE 2.1 KILOMETRE TIN SHUI WAI LINK WOULD BE COMMISSIONED IN EARLY 1993 AND 30 NEW LIGHT RAIL VEHICLES WERE BEING DELIVERED. FIFTY MILLION DOLLARS WOULD BE SPENT ON IMPROVING AIR CONDITIONING IN THE EXISTING LIGHT RAIL CARRIAGES.

"ALL OF THIS CLEARLY DEMONSTRATES A THRIVING PUBLIC TRANSPORT SYSTEM RESPONSIVE TO THE CHANGING NEEDS OF THE COMMUNITY," HE SAID.

STRESSING THE NEED TO MANAGE THE LIMITED ROAD SPACE FAIRLY AND EFFICIENTLY, MR LEUNG SAID THE EVER INCREASING DEMAND FOR ROAD SPACE WOULD NEVER BE SATISFIED NO MATTER HOW MUCH HAD BEEN INVESTED IN THE INFRASTRUCTURE.

"A CASE IN POINT IS THE OPENING IN JUNE THIS YEAR OF THE KWUN TONG BYPASS AND TATE'S CAIRN TUNNEL. SINCE THEN, THE DAILY PATRONAGE OF THE EASTERN HARBOUR CROSSING HAS INCREASED TO 60,000 VEHICLES. DESPITE THIS, SERIOUS CONGESTION PERSISTS AT THE CROSS HARBOUR TUNNEL," HE SAID.

ON THE OTHER HAND, MR LEUNG SAID THE EXISTING AREA TRAFFIC CONTROL SYSTEM ON HONG KONG ISLAND AND PART OF KOWLOON HAD BEEN SUCCESSFUL IN REDUCING JOURNEY TIMES BY 30 PER CENT.

WORK WOULD BEGIN NEXT YEAR ON A MAJOR UPGRADING OF THE SYSTEM IN KOWLOON AND EXTENDING IT TO TSUEN WAN AT A COST OF \$160 MILLION.

OTHER TRAFFIC ENGINEERING SCHEMES TO BE IMPLEMENTED INCLUDED A PILOT SCHEME FOR AUTOMATIC TOLL COLLECTION AT THE ABERDEEN TUNNEL TO IMPROVE TRAFFIC FLOW AND REDUCE MANPOWER FOR TOLL COLLECTION, AND INSTALLATION OF ELECTRONIC PARKING METERS ON A TRIAL BASIS.

"IN THE LONGER TERM, WE ARE CONSIDERING THE POSSIBILITY OF USING AUTOMATIC INFORMATION DISPLAY SYSTEMS ON EXPRESSWAYS TO GIVE MOTORISTS ADVANCE WARNING OF TRAFFIC DIVERSIONS AND CONGESTION," HE SAID.

TURNING TO ROAD SAFETY, MR LEUNG POINTED OUT THAT THE ACCIDENT RATE HAD FALLEN FROM 3.6 PER MILLION VEHICLE KILOMETRES TO 1.8. THE CASUALTY RATE REDUCED FROM 4.7 PER MILLION VEHICLE KILOMETRES TO 2.4.

"VARIOUS MEASURES ARE BEING EXAMINED TO FURTHER IMPROVE ROAD SAFETY, PARTICULARLY THE NEED TO TIGHTEN CONTROL ON THE OVERLOADING OF GOODS VEHICLES," HE SAID.

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MANPOWER TRAINING, SUPPLY NEEDS BEING MET

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DEVELOPMENTS IN MANPOWER TRAINING AND MANPOWER SUPPLY, TO MEET GROWING AND CHANGING NEEDS, WERE OUTLINED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

ON MANPOWER TRAINING, MR CHAN SAID ONE MAJOR CONSEQUENCE OF THE TERTIARY EDUCATION EXPANSION PROGRAMME WAS THE TRANSFER FROM THE POLYTECHNICS TO THE VOCATIONAL TRAINING COUNCIL OF MOST SUB-DEGREE WORK AT DIPLOMA AND HIGHER DIPLOMA LEVEL.

A NEW TECHNICAL COLLEGE WAS BEING BUILT AT TSING YI TO ACCOMMODATE UP TO 3,400 FULL TIME EQUIVALENT PLACES FROM 1993. THE CHAI WAN TECHNICAL INSTITUTE WAS ALSO BEING CONVERTED INTO A TECHNICAL COLLEGE WITH A SIMILAR CAPACITY.

HE SAID THE REMAINING SEVEN TECHNICAL INSTITUTES WERE BEING MODIFIED AND EXPANDED TO ACCOMMODATE COURSES DISPLACED FROM CHAI WAN, AND A NEW INDUSTRY TRAINING CENTRE COMPLEX AT POKFULAM WOULD ACCOMMODATE CRAFT COURSES DISPLACED FROM THE TECHNICAL INSTITUTES.

"THESE PROJECTS WILL AUGMENT A VOCATIONAL TRAINING PROGRAMME THAT HAS UNDERGONE IMPRESSIVE GROWTH AND DEVELOPMENT OVER THE PAST NINE YEARS. THAT PERIOD HAS SEEN RAPID STRUCTURAL CHANGE IN THE ECONOMY AND A CONSEQUENT NEED FOR CHANGED EMPHASES IN THE TRAINING PROGRAMME.

"FOR EXAMPLE, THE INCREASING IMPORTANCE OF TRAINING IN NEW TECHNOLOGIES HAS BEEN ADDRESSED BY SETTING UP, UNDER THE VTC, SPECIAL SCHEMES FOR TRAINING IN THE DESIGN OF APPLICATION SPECIFIC INTEGRATED CIRCUITS AND IN PRECISION SHEET METAL TECHNOLOGY; AND FOR HELPING ENGINEERING GRADUATES MEET THE TRAINING REQUIREMENTS OF THEIR PROFESSIONAL BODIES.

"WE WILL SOON BE LAUNCHING A NEW TECHNOLOGY TRAINING SCHEME, WHICH WILL PROVIDE MATCHING GRANTS TO HELP MANAGERS AND TECHNOLOGISTS ACQUIRE NEW TECHNOLOGIES USEFUL TO THE FURTHER DEVELOPMENT OF THEIR INDUSTRIES," HE SAID.

ON MANPOWER SUPPLY, MR CHAN POINTED OUT THAT WHILE VOCATIONAL TRAINING WAS ONE WAY OF BRINGING THE SUPPLY OF MANPOWER IN LINE WITH THE DEMAND, ANOTHER WAY WAS TO ATTRACT TO HONG KONG THE KINDS OF SKILLS WE NEEDED, BUT WHICH WERE IN SHORT SUPPLY LOCALLY.

HE SAID: "WE HAVE A LONG-STANDING AND, I BELIEVE, UNIVERSALLY SUPPORTED POLICY OF ATTRACTING OVERSEAS COMPANIES TO SET UP IN HONG KONG. ABOUT 100 COMPANIES DO SO EACH YEAR. WE ALLOW THEM TO IMPORT KEY MANAGERIAL AND TECHNICAL STAFF.

"THIS WILL CONTINUE, AS WILL THE POLICY OF SUPPORTING THE PROVISION TO THE CHILDREN OF THESE OVERSEAS RESIDENTS OF THE SORT OF EDUCATION THEY WOULD EXPECT IN THEIR HOME COUNTRIES.

"IN A FURTHER MOVE TO ATTRACT TALENT FROM OVERSEAS, INCLUDING FORMER HONG KONG RESIDENTS, THE GOVERNMENT AND THE HONG KONG INSTITUTE OF PERSONNEL MANAGEMENT HAVE SET UP A JOINT VENTURE TO PROVIDE INFORMATION ON EMPLOYMENT OPPORTUNITIES IN HONG KONG.

"WE HOPE TO OPEN AN OFFICE IN TORONTO BY THE END OF THE YEAR AND, IF THE PROJECT PROVES SUCCESSFUL, TO EXTEND IT TO OTHER APPROPRIATE CITIES OVER TIME."

TURNING TO IMPORTATION OF WORKERS, MR CHAN SAID WHILE THE INITIATIVES MENTIONED ABOVE WERE AIMED LARGELY AT PEOPLE AT MANAGERIAL AND PROFESSIONAL LEVEL, HONG KONG ALSO HAD TO DEAL WITH SEVERE MANPOWER SHORTAGES AT OTHER LEVELS WHICH, IF NOT ALLEVIATED, WOULD HINDER ECONOMIC GROWTH.

"THEREFORE, AS THE FINANCIAL SECRETARY SAID A WHILE AGO, WE HAVE DECIDED THAT AN INCREASE IN OUR MANPOWER SUPPLY FROM OUTSIDE IS REQUIRED, BUT WE WILL WANT TO CONSULT CAREFULLY BEFORE DECIDING ON A FINAL FIGURE.

"OUR APPROACH WILL REMAIN HIGHLY SELECTIVE AND WILL BE TARGETTED AT AREAS WHERE SHORTAGES ARE PARTICULARLY SEVERE, AS REFLECTED BY, FOR EXAMPLE, HIGH VACANCY RATES," HE SAID.

MR CHAN SAID IT WAS INTENDED ALSO TO TAKE STEPS TO TIGHTEN THE SYSTEM OF IMPORTATION SO AS TO MINIMISE THE SCOPE FOR ABUSE BY UNSCRUPULOUS EMPLOYERS.

"WE HAVE IN MIND SUBSTANTIAL INCREASES IN PENALTIES FOR MALPRACTICES, AS WELL AS SPECIFIC MEASURES TO PREVENT UNLAWFUL DEDUCTIONS OF WAGES."

MR CHAN SAID MANY MEMBERS HAD POINTED IN THE DEBATE TO THE NEED FOR RETRAINING PROGRAMMES TO UPGRADE THE SKILLS OF LOCAL WORKERS AND TO HELP THEM ADAPT TO SECTORS WITH A STRONG DEMAND FOR SKILLS.

"WE WELCOME THESE SUGGESTIONS AND WILL PURSUE THEM WITH THOSE CONCERNED, PARTICULARLY THE VOCATIONAL TRAINING COUNCIL. AMONG OTHER THINGS, WE ARE CONSIDERING SETTING UP A SPECIAL FUND FOR SUCH RETRAINING, FINANCED BY A REASONABLE LEVY TO BE PAID BY THOSE EMPLOYERS GIVEN PERMISSION TO IMPORT WORKERS UNDER ANY NEW IMPORTATION SCHEME.

"WE SHALL BE CONSULTING THE RELEVANT BODIES, INCLUDING IN PARTICULAR THE OMELCO MANPOWER PANEL AND THE LABOUR ADVISORY BOARD, BEFORE COMING TO FINAL CONCLUSIONS ON THESE MATTERS. THESE CONSULTATIONS WILL BEGIN SOON," HE SAID.

ON EMPLOYMENT LEGISLATION, MR CHAN SAID THE STEADY PROGRESS MADE OVER THE PAST 15 YEARS OR SO HAD BEEN MAINTAINED IN THE PAST YEAR, WITH IMPROVEMENTS IN SEVERANCE PAYMENTS AND EMPLOYEES' COMPENSATION.

IN THE COMING SESSION, BILLS WOULD BE BROUGHT FORWARD TO IMPROVE LONG SERVICE PAYMENTS FOR YOUNGER WORKERS, TO INTRODUCE COMPENSATION FOR NOISE-INDUCED HEARING LOSS, AND TO IMPROVE SAFETY IN CONTAINER HANDLING, AMONG OTHERS.

HE SAID HEALTH AND SAFETY AT WORK WAS A CRUCIAL MATTER, NOT JUST FOR INDIVIDUAL EMPLOYEES BUT FOR THEIR FAMILIES AS WELL.

"THE SECRETARY FOR HEALTH AND WELFARE AND I HAVE SET UP A JOINT STEERING COMMITTEE TO REVIEW OUR PRESENT LAWS AND PRACTICES IN THIS AREA, AND TO IDENTIFY INADEQUACIES. WE AIM TO REPORT BY THE END OF THE YEAR.

"MEMBERS OF THIS COUNCIL WILL BE ABLE TO STUDY THE REPORT, AND I LOOK FORWARD TO WORKING WITH THEM TO BRING ABOUT ANY NECESSARY IMPROVEMENTS," HE SAID.

REFERRING TO RETIREMENT PROTECTION, MR CHAN SAID THAT AS MEMBERS WERE ALREADY AWARE, THE GOVERNOR IN COUNCIL HAD CONCLUDED THAT, WHILE THE GOVERNMENT SHOULD MAINTAIN ITS POSITION IN NOT SUPPORTING THE ESTABLISHMENT OF A CENTRAL PROVIDENT FUND, THERE WAS A GREATER NEED FOR COMMUNITY-WIDE RETIREMENT SCHEMES AND THAT, IN PRINCIPLE, THESE SHOULD INCLUDE VARIOUS FORMS OF COMPULSORY RETIREMENT SCHEMES, WHICH SHOULD NOW BE EXAMINED BY THE ADMINISTRATION.

"ACCORDINGLY I HAVE SET UP A WORKING GROUP, INITIALLY AT OFFICIAL LEVEL AND UNDER MY CHAIRMANSHIP, TO STUDY ALL THE POSSIBILITIES. THE GROUP WILL START WORK VERY SHORTLY.

"WE WOULD WELCOME ADVICE AND PROPOSALS FROM ALL SOURCES, AND I INTEND TO CONSULT WIDELY ONCE THE WORKING GROUP HAS IDENTIFIED SOME FEASIBLE OPTIONS," HE SAID.

FAR-REACHING EFFECTS ON QUALITY OF EDUCATION

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IMPORTANT RECOMMENDATIONS IN THE EDUCATION COMMISSION'S FOURTH REPORT NOW BEING IMPLEMENTED BY THE GOVERNMENT, IN PARTICULAR A NEW FRAMEWORK FOR CURRICULUM DEVELOPMENT AND THE INTRODUCTION OF ATTAINMENT TARGETS AND RELATED ASSESSMENTS, WILL HAVE FAR-REACHING EFFECTS ON THE QUALITY OF INSTRUCTION IN OUR SCHOOLS.

THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID THIS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), ADDING: "THESE EFFECTS SHOULD BECOME EVIDENT TOWARDS THE END OF THE DECADE. WE ARE CONVINCED THAT THEY WILL BE BENEFICIAL."

MR CHAN SAID IMPROVING THE QUALITY OF SCHOOL EDUCATION WAS ONE OF THE TWIN PILLARS SUPPORTING EDUCATION STRATEGY FOR THE 1990S, THE OTHER BEING THE EXPANSION OF TERTIARY EDUCATION.

HAVING ACHIEVED QUANTITATIVE TARGETS IN THE PROVISION OF SCHOOL PLACES, OR VERY NEARLY DONE SO, THE GOVERNMENT'S SIGHTS WERE NOW FIRMLY SET ON IMPROVING THE QUALITY OF EDUCATION.

OF THE ELEMENTS UNDERPINNING QUALITY, HE SAID, TWO STOOD OUT AS THE MOST IMPORTANT - THE CURRICULUM AND THE TEACHERS.

ON THE CURRICULUM, MR CHAN REFERRED TO IMPORTANT RECOMMENDATIONS IN THE EDUCATION COMMISSION'S FOURTH REPORT WHICH WERE NOW BEING IMPLEMENTED:

- A NEW CURRICULUM DEVELOPMENT INSTITUTE WILL BE SET UP BY APRIL NEXT YEAR; AND A SYSTEM OF ATTAINMENT TARGETS AND TARGET RELATED ASSESSMENTS IN THE CORE SUBJECTS OF CHINESE, ENGLISH AND MATHEMATICS WILL BE INTRODUCED BY 1994.
- A PACKAGE OF MEASURES IS BEING DEVELOPED TO ENCOURAGE MOTHER TONGUE TEACHING IN SECONDARY SCHOOLS, WHILE ENSURING THAT THOSE RECEIVING AN ENGLISH-MEDIUM EDUCATION HAVE THE LINGUISTIC ABILITY TO BENEFIT FROM IT.
- GUIDANCE AND COUNSELLING SERVICES IN SCHOOLS ARE BEING STRENGTHENED AND MORE ATTENTION IS BEING GIVEN TO PUPILS WITH SPECIAL NEEDS.

MR CHAN ALSO SAID THAT ARISING OUT OF EARLIER REPORTS OF THE EDUCATION COMMISSION, THE CURRICULUM AT THE SIXTH FORM LEVEL WAS BEING BROADENED.

"FROM NEXT SEPTEMBER ALL THOSE ENTERING THE SIXTH FORM WILL TAKE A STANDARD TWO-YEAR COURSE WHICH, IN ADDITION TO ADVANCED LEVEL SUBJECTS, WILL INITIALLY PROVIDE A CHOICE OF 17 SUBJECTS AT THE NEW ADVANCED SUPPLEMENTARY LEVEL.

"MEANWHILE, THE EXPANSION OF SIXTH FORM PLACES AND THE NEW ADMISSION SYSTEM INTRODUCED THIS YEAR HAVE INCREASED ENROLMENT BY ABOUT 3,000 COMPARED WITH LAST YEAR," HE SAID.

ON TEACHERS, MR CHAN SAID THE TEACHING PROFESSION HAD AN ABSOLUTELY PIVOTAL ROLE TO PLAY IN BRINGING ABOUT AND SEEING THROUGH THE QUALITATIVE IMPROVEMENTS.

"IF OUR TEACHERS ARE TO BE EQUIPPED FOR THIS ROLE, WE MUST PROVIDE THEM WITH THE RIGHT MIX OF PRE-SERVICE TEACHER EDUCATION, INDUCTION SUPPORT AND IN-SERVICE TRAINING.

"THE EDUCATION COMMISSION IS NOW TAKING A FUNDAMENTAL LOOK AT ALL ASPECTS OF TEACHER PREPARATION, TRAINING AND PROFESSIONAL DEVELOPMENT.

"OBVIOUSLY I CANNOT ANTICIPATE THE COMMISSION'S RECOMMENDATIONS. BUT I CAN SAY THAT GOOD PROGRESS IS BEING MADE, THAT THE COMMISSION HAS LISTENED TO MANY VIEWS AND THAT, AS IN THE PAST, THERE WILL BE WIDESPREAD PUBLIC CONSULTATION ON THE COMMISSION'S REPORT WHEN IT IS COMPLETED," HE SAID.

TURNING TO TERTIARY EDUCATION - "WHERE A BREATHTAKING EXPANSION PROGRAMME IS IN TRAIN" - MR CHAN SAID SEVERAL MEMBERS HAD DRAWN ATTENTION TO THE NEED FOR THE EXPANSION TO BE CLOSELY MONITORED AND CAREFULLY MANAGED, AND FOR MAINTAINING THE BALANCE OF DEVELOPMENT AT DIFFERENT LEVELS OF THE EDUCATION SYSTEM.

HE SAID THAT TO A LARGE EXTENT, THE TERTIARY EXPANSION PROGRAMME WAS A NATURAL CONSEQUENCE OF THE EXPANSION IN SCHOOL PLACES OVER THE PAST 20 YEARS. AT THE SAME TIME, THE MANPOWER FORECAST CLEARLY SHOWED THE NEED FOR A GREATLY INCREASED OUTPUT OF UNIVERSITY GRADUATES BY 1996 AND BEYOND, IF WE WERE TO ENJOY SUSTAINED ECONOMIC GROWTH.

TERTIARY EXPANSION TARGETS HAD BEEN WORKED OUT WITH THE EXPERT ADVICE OF THE UNIVERSITY AND POLYTECHNICS GRANTS COMMITTEE, AND IN CLOSE CONSULTATION WITH THE TERTIARY INSTITUTIONS.

"WE BELIEVE THEY ARE ENTIRELY REALISTIC. FOR EXAMPLE, THE TARGET OF 15,000 FIRST-YEAR FIRST-DEGREE PLACES BY 1994-95 REPRESENTS JUST 84% OF THE PROJECTED NUMBER OF MATRICULANTS IN THAT YEAR.

"THE FACT THAT THE NUMBER OF MATRICULANTS QUALIFYING THROUGH THIS YEAR'S A-LEVEL EXAMINATION WAS WITHIN 2% OF THE FORECAST WE MADE TWO YEARS AGO SUGGESTS THAT OUR PLANNING HAS A SOUND STATISTICAL BASIS," HE SAID.

MR CHAN SAID HE ACCEPTED THAT CIRCUMSTANCES MIGHT CHANGE. THAT WAS WHY HIS BRANCH AND THE UPGC WERE KEEPING A CLOSE EYE ON ALL RELEVANT FACTORS, INCLUDING REVISED POPULATION PROJECTIONS BASED ON THE LATEST CENSUS AND THE PLANNED EXPANSION OF SIXTH FORM PLACES, SO THAT THEY COULD STEER THE EXPANSION SENSIBLY. IN 1993-94 THE UPGC WOULD CONDUCT A MAJOR REVIEW OF PROGRESS AND ADVISE ON THE NEXT STEPS.

MR CHAN SAID THAT THIS YEAR THE SEVEN UPGC-FUNDED INSTITUTIONS FILLED ABOUT 10,500 FIRST-YEAR FIRST-DEGREE PLACES, COMPARED WITH 8,500 PLACES LAST YEAR. PRELIMINARY REPORTS FROM THE INSTITUTIONS SHOWED THAT ALL THESE PLACES HAD BEEN FILLED WITH QUALIFIED APPLICANTS.

/HE SAID

HE SAID: "SOME OF THE PUBLIC CONCERN ABOUT THE POSSIBILITY OF OVER-RAPID EXPANSION APPEARS TO BE BASED ON A PERCEPTION OF FALLING STANDARDS. I SUGGEST THAT, FOR TOO LONG, WE HAVE HAD TOO MUCH COMPETITION FOR TERTIARY PLACES.

"GREATER ACCESSIBILITY HAS NOW ENABLED THE TERTIARY INSTITUTIONS TO ACCEPT CANDIDATES WHO ARE LESS OVER-QUALIFIED THAN BEFORE, BUT NEVERTHELESS WELL QUALIFIED, FOR THE COURSES THEY SEEK TO UNDERTAKE.

"NO-ONE CAN BE MORE CONCERNED THAN THE TERTIARY INSTITUTIONS THEMSELVES ABOUT MAINTAINING THE QUALITY OF THEIR GRADUATES, WHICH IS INTERNATIONALLY RECOGNISED. ALL THE INSTITUTIONS HAVE WELL ESTABLISHED QUALITY CONTROL MECHANISMS THROUGH THEIR NETWORKS OF EXTERNAL EXAMINERS. DEGREE COURSES AT THE NON-UNIVERSITY INSTITUTIONS ARE IN ADDITION VALIDATED BY THE HONG KONG COUNCIL FOR ACADEMIC ACCREDITATION."

AT THE BEGINNING OF HIS SPEECH, MR CHAN REMARKED THAT FEW SOCIETIES ATTACHED AS MUCH IMPORTANCE TO EDUCATION AS DID HONG KONG, AND MEMBERS HAD CLEARLY UNDERLINED THIS WHEN THEY VOICED THEIR CONCERNS ABOUT THE ADEQUACY OF RESOURCES AND THE QUALITY OF EDUCATION.

DEALING WITH RESOURCES, MR CHAN MADE THREE POINTS:

- * "FIRST, AMONG ALL THE GOVERNMENT'S PROGRAMME AREAS, EDUCATION CONSUMES THE LARGEST SHARE OF PUBLIC EXPENDITURE. THAT IS NOT THE WHOLE STORY. ORGANISATIONS SUCH AS SCHOOL SPONSORING BODIES AND THE JOCKEY CLUB HAVE INVESTED SUBSTANTIAL FUNDS, PARTICULARLY IN CAPITAL PROJECTS. SO, TOO, HAVE MANY INDIVIDUAL AND CORPORATE DONORS. BEYOND SECONDARY 3, STUDENTS OR THEIR PARENTS ALSO CONTRIBUTE THROUGH FEES, ALTHOUGH PLACES ARE HEAVILY SUBSIDISED AND THERE ARE FEE REMISSION AND OTHER ASSISTANCE SCHEMES TO ENSURE THAT NO-ONE IS DENIED ACCESS TO EDUCATION THROUGH LACK OF MEANS. THUS, THE FINANCIAL RESOURCES DEVOTED BY THE COMMUNITY AS A WHOLE TO EDUCATION ARE CONSIDERABLY GREATER THAN CAN BE DISCERNED FROM THE GOVERNMENT'S EXPENDITURE ESTIMATES.
- * "SECONDLY, THE QUALITY OF EDUCATION IS NOT DETERMINED BY THE AMOUNT OF RESOURCES ALONE. TRUE, MOST EDUCATIONAL IMPROVEMENTS COST MONEY, AND SUBSTANTIAL AMOUNTS AT THAT. BUT SOME IMPROVEMENTS DO NOT COST THAT MUCH. THE SCHOOL MANAGEMENT INITIATIVE, WHICH SEEKS TO IMPROVE SCHOOL MANAGEMENT BY GIVING SCHOOLS MORE AUTHORITY AND RESPONSIBILITY FOR THE USE OF RESOURCES AND BY INVOLVING TEACHERS IN DECISION MAKING, IS A GOOD EXAMPLE. GREATER COOPERATION BETWEEN PARENTS AND TEACHERS IS ANOTHER.
- * "THIRDLY, THE SAME AMOUNT OF MONEY CAN BE MADE TO PRODUCE MORE RESULTS THROUGH BETTER MANAGEMENT. GIVEN THAT RESOURCES ARE ALWAYS LIMITED, IT BEHOVES ALL MANAGERS TO SEEK TO ACHIEVE THE BEST VALUE FOR MONEY. THANKS MAINLY TO THE MOST CAPABLE ASSISTANCE OF THE DIRECTOR OF EDUCATION, TO WHOM I AM DEEPLY GRATEFUL, MY BRANCH HAS FOUND SIGNIFICANT SAVINGS FROM OUR BASELINE EXPENDITURE - OVER ONE BILLION DOLLARS IN THE NEXT THREE YEARS - TO ALLOW IMPORTANT MEASURES TO BE TAKEN TO IMPROVE THE QUALITY OF OUR SCHOOL EDUCATION."

ON THE SCHOOL SITUATION, MR CHAN SAID THAT 20 YEARS AGO HONG KONG HAD JUST ACHIEVED THE PROVISION OF A PRIMARY SCHOOL PLACE FOR EVERY CHILD. TODAY IT COULD PROVIDE ALL CHILDREN WITH NINE YEARS OF FREE EDUCATION.

"OVER 90% OF SECONDARY 3 LEAVERS CAN JOIN A SENIOR SECONDARY COURSE OR A FULL-TIME BASIC CRAFT COURSE. OVER 35% OF SECONDARY 5 LEAVERS CAN CONTINUE IN FULL-TIME EDUCATION, EITHER IN THE SIXTH FORM, IN A TECHNICAL INSTITUTE OR IN A COLLEGE OF EDUCATION. 18% OF THE RELEVANT AGE GROUP CAN PROCEED TO DEGREE OR SUB-DEGREE COURSES IN TERTIARY INSTITUTIONS.

"INDEED OUR PRESENT EDUCATION PROVISION STARTS EVEN BEFORE PRIMARY SCHOOL. ALTHOUGH KINDERGARTENS REMAIN OUTSIDE THE PUBLIC SECTOR, SOME GOVERNMENT FUNDING HAS BEEN PROVIDED AS RECOMMENDED IN THE EDUCATION COMMISSION'S 2ND REPORT. OVER THE PAST TWO YEARS WE HAVE MORE THAN TRIPLED THE FUNDS PROVIDED FOR FEE REMISSION. AS PREDICTED, THIS HAS LED TO SUBSTANTIALLY HIGHER SALARIES FOR KINDERGARTEN STAFF, IMPROVED RECRUITMENT AND RETENTION OF TEACHERS AND MORE APPLICATIONS FOR TEACHER TRAINING," HE SAID.

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GOVT TO STRENGTHEN CHILD PROTECTION

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THE GOVERNMENT WILL PROPOSE LEGISLATIVE AMENDMENTS TO ENHANCE CHILD PROTECTION IN THE CURRENT LEGISLATIVE SESSION.

SPEAKING AT THE RESUMED DEBATE ON THE MOTION OF THANKS TODAY (WEDNESDAY), THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG SAID: "IN THIS LEGISLATIVE SESSION, WE SHALL BE PROPOSING AMENDMENTS TO THE PROTECTION OF WOMEN AND JUVENILES ORDINANCE TO BETTER DEFINE BOTH CIRCUMSTANCES FOR CHILD PROTECTION AND THE POWERS OF THE DIRECTOR OF SOCIAL WELFARE.

"AMENDMENTS WILL ALSO BE PROPOSED TO THE CHILD CARE CENTRES ORDINANCE TO PROHIBIT UNSUITABLE PERSONS FROM ACTING AS CHILDMINDERS."

MRS WONG POINTED OUT THAT THE GOVERNMENT WOULD ALSO PROVIDE 1,400 NURSERY PLACES ANNUALLY, IN ADDITION TO THE EXISTING 1,000 SUBSIDIZED DAY CRECHE PLACES AND SOME 21,000 SUBSIDIZED NURSERY PLACES.

"OUR INTENTION IS TO IMPROVE AND EXPAND CHILD CARE SERVICES AND TO ADOPT NEW APPROACHES TO MEET CHANGING NEEDS," SHE SAID.

NOTING THAT HONG KONG RANKED AMONGST THE BEST ON HEALTH INDICES BY WORLD STANDARDS, MRS WONG SAID THE GOVERNMENT PLANNED TO INTRODUCE A NEW HEALTH RECORD SYSTEM AND TO PROVIDE DENTAL HEALTH COUNSELLING TO PARENTS.

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"WE WILL REVAMP THE STUDENT MEDICAL SERVICE TO EMPHASIZE DISEASE PREVENTION AND HEALTH PROMOTION," SHE SAID.

"CONCURRENTLY, WE AIM TO STRENGTHEN THE SCHOOL DENTAL SERVICE.

"WE HOPE TO ACHIEVE HEALTH FOR ALL AND ALL FOR HEALTH BY THE YEAR 2000."

TURNING TO CARE FOR SENIOR CITIZENS, MRS WONG SAID THE POLICY WAS TO HELP THE ELDERLY THROUGH DIRECT FINANCIAL ASSISTANCE AND AN UMBRELLA OF COMMUNITY AND RESIDENTIAL SERVICE.

"I INTEND TO RECONVENE THE CENTRAL COMMITTEE ON SERVICES FOR THE ELDERLY IN THE NEAR FUTURE IN ORDER TO REASSESS THE GRAVITY OF THE PRESENT SITUATION AND DEVISE NEW STRATEGIES, IF NECESSARY," SHE SAID.

A NEW SCHEME HAS JUST BEEN LAUNCHED TO PROVIDE HOSTELS IN URBAN DISTRICT FOR SINGLE ELDERLY PERSONS WHO ARE IN NEED OF HOUSING, PARTICULARLY STREET SLEEPERS AND BEDSPACE APARTMENT LODGERS."

REGARDING ELDERLY PERSONS IN PRIVATE HOMES, MRS WONG SAID A BILL WOULD SOON BE INTRODUCED TO PROVIDE FOR A LICENSING SYSTEM OF PRIVATE HOMES SO THAT ADEQUATE STANDARDS COULD BE MAINTAINED.

ON HEALTH CARE, SHE HOPED TO ESTABLISH MORE GERIATRIC DAY HOSPITALS AND TO EXPAND INFIRMARIES AND OTHER SERVICES INCLUDING DOMICILIARY OCCUPATIONAL THERAPY AND COMMUNITY NURSING SERVICES.

HEALTH SCREENING FOR THE ELDERLY WOULD BE INTRODUCED ON A PILOT BASIS, SHE ADDED.

THE COMING YEAR WILL ALSO SEE THE PUBLICATION OF A GREEN PAPER ON REHABILITATION.

"WE WILL DEFINE THE GOALS OF OUR REHABILITATION SERVICES FOR THE NEXT DECADE AND BEYOND," SHE SAID. "OUR AIM IS TO HELP DISABLED PERSONS TO DEVELOP THEIR TALENT AND POTENTIAL, AND TO PARTICIPATE AS EQUAL PARTNERS IN REGULAR COMMUNITY ACTIVITIES AS FULLY AS POSSIBLE."

ON PUBLIC EXPENDITURE, MRS WONG SAID THE TOTAL OPERATING EXPENDITURE FOR HEALTH AND WELFARE MORE THAN DOUBLED FROM \$7.2 BILLION IN 1987-88 TO \$16.6 BILLION THIS YEAR.

SHE SAID THE SHARE FOR THE WELFARE PROGRAMME ROSE FROM 5.9 PER CENT IN 1987-88 TO 6.1 PER CENT IN 1990-91.

THE CORRESPONDING FIGURES FOR THE HEALTH PROGRAMME WERE 9.3 PER CENT AND 9.8 PER CENT RESPECTIVELY.

THE AVERAGE ANNUAL REAL GROWTH FOR THE WELFARE PROGRAMME OVER THE SAME PERIOD WAS 8.1 PER CENT WHILE THAT FOR THE HEALTH PROGRAMME, 8.35 PER CENT. THE CORRESPONDING FIGURE FOR ALL GOVERNMENT DEPARTMENTS WAS 5.2 PER CENT.

ON THE PUBLIC HEALTH SYSTEM, MRS WONG SAID: "WE NEED TO PUT REFORMS IN PLACE TO ACHIEVE AT ONCE A PUBLIC HEALTH SYSTEM WHICH IS MORE PRODUCTIVE, EFFICIENT AND COST-EFFECTIVE."

"HERE IN HONG KONG, THE GENESIS OF REFORM HAS ALREADY BEGUN," SHE ADDED.

THE HOSPITAL AUTHORITY WILL TAKE OVER THE MANAGEMENT OF ALL PUBLIC HOSPITALS NEXT MONTH.

"THIS IS A MAJOR MILESTONE TO DELIVER BETTER MEDICAL SERVICES," MRS WONG SAID. "CONCURRENTLY, OUR AIM IS TO DEVELOP A SOUND PRIMARY HEALTH CARE SYSTEM AND A HEALTHIER COMMUNITY STILL. THE YEARS AHEAD WILL SEE MANY POSITIVE CHANGES."

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CENTRAL VISUAL ARTS POLICY FOR HONG KONG

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A CENTRAL POLICY AND ORGANISATIONAL STRUCTURE ON VISUAL ARTS IS NEEDED IN ORDER TO CO-ORDINATE AND DEVELOP MORE EFFECTIVELY THE EFFORTS OF THE GOVERNMENT, THE MUNICIPAL COUNCILS, THE PRIVATE SECTOR AND ARTISTS IN HONG KONG.

THIS WAS STATED BY THE SECRETARY FOR RECREATION AND CULTURE, MR JAMES SO, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR SO SAID THE GOVERNMENT WAS CONSIDERING THE SETTING UP OF AN ARTS COUNCIL TO REPLACE THE EXISTING COUNCIL FOR THE PERFORMING ARTS TO ACT AS AN ALL-EMBRACING POLICY ADVISORY AND CO-ORDINATING BODY.

"SUCH A BODY WILL HELP FOCUS THE EFFORTS OF ALL INTERESTED PARTIES IN THE RIGHT DIRECTION AND DEPLOY THE LIMITED RESOURCES AVAILABLE IN THE MOST FRUITFUL WAY.

"OUR OVERALL POLICY IS TO PROVIDE THE RIGHT ENVIRONMENT FOR THE DEVELOPMENT OF CULTURE AND THE ARTS IN HONG KONG THAT WOULD CULTIVATE TALENTS AND ENHANCE THE FREEDOM OF ARTISTIC EXPRESSION," MR SO SAID.

THE SECRETARY SAID THE GOVERNMENT HAD A VERY DISTINCT ROLE TO PLAY IN ACHIEVING ITS POLICY OBJECTIVE.

"WE SEE OUR ROLE FIRSTLY AS A CO-ORDINATOR, BRINGING ALL INTERESTED PARTIES TOGETHER AND CHANNELLING THEIR EFFORTS INTO A CONCERTED AND COHESIVE DIRECTION FOR THE PROMOTION OF THE ARTS; SECONDLY, AS A PROVIDER OF THE NECESSARY FACILITIES FOR ARTISTS TO PURSUE THEIR WORK; AND FINALLY AS A PROMOTER, PROVIDING, WHEN NECESSARY, FINANCIAL OR OTHER ASSISTANCE TO NURTURE BUDDING ARTISTS OR NEW ART FORMS."

TURNING TO BROADCASTING, MR SO SAID THE GOVERNMENT'S POLICY WAS TO PROVIDE THE WIDEST POSSIBLE CHOICE OF TELEVISION AND RADIO PROGRAMMES AT A HIGH STANDARD FOR PUBLIC INFORMATION AND ENTERTAINMENT.

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THIS WAS LAID DOWN, AFTER EXTENSIVE PUBLIC CONSULTATION, IN THE BROADCASTING REVIEW BOARD'S REPORT PUBLISHED IN 1985, HE SAID.

"WE HAVE STEADFASTLY PURSUED THIS POLICY AND HAVE MADE IMPRESSIVE PROGRESS THIS YEAR," HE ADDED.

MR SO SAID IN RADIO BROADCASTING, MORE CHOICES IN THE FORM OF 15 CHANNELS, WITH MANY BROADCASTING IN FM STEREO, WERE NOW OFFERED AFTER A SECOND COMMERCIAL RADIO SERVICE WAS LAUNCHED IN JULY THIS YEAR.

IN THE FIELD OF TELEVISION, A PAN-ASIAN REGIONAL SATELLITE SERVICE BASED IN HONG KONG LICENSED LAST DECEMBER WOULD PROVIDE FOUR 24-HOUR CHANNELS, BROADCASTING MUSIC, SPORTS, NEWS AND CURRENT AFFAIRS, AND MANDARIN PROGRAMMES.

"THIS INCREASE IN THE CHOICE OF PROGRAMMES IS MATCHED BY IMPROVEMENT IN THE QUALITY OF TRANSMISSION WHEN IN JULY THIS YEAR MULTI-CHANNEL SOUND TELEVISION BROADCASTING WAS INTRODUCED.

"BY USING THE NEW TECHNOLOGY, COMMONLY CALLED NICAM (NEAR INSTANTANEOUS COMPANDING AND MULTIPLEXING), VIEWERS CAN NOW RECEIVE EXCELLENT HIGH FIDELITY STEREO SOUND EFFECTS, OR A CHOICE OF UP TO THREE LANGUAGES ON A MULTI-LINGUAL PROGRAMME," HE ADDED.

THE SECRETARY SAID THREE MAIN TYPES OF TV BROADCASTERS WERE IDENTIFIED IN HONG KONG.

THEY WERE THE TERRESTRIAL FREE-TO-AIR TV BROADCASTERS OFFERING PROGRAMMES FOR MASS ENTERTAINMENT AND INFORMATION FOR THE LOCAL AUDIENCE; A REGIONAL SATELLITE TELEVISION BROADCASTING SERVICE WITH A TARGET AUDIENCE MUCH WIDER THAN HONG KONG, OFFERING LITTLE OR NO LOCAL PROGRAMMING; AND A SUBSCRIPTION MULTI-CHANNEL TV SERVICE COVERING A WIDE CHOICE TO MEET THE INTERESTS AND TASTES OF DIFFERENT SECTORS OF THE COMMUNITY.

"IN DRAWING UP A REGULATORY FRAMEWORK FOR THE LICENSING OF TV BROADCASTERS, THE ADMINISTRATION MUST HAVE REGARD TO THE DIFFERENT NATURE OF THESE TV BROADCASTERS AND CREATE AN ENVIRONMENT IN WHICH THEY COULD CO-EXIST IN HEALTHY COMPETITION," HE SAID.

MR SO SAID THE GOVERNMENT WAS IN THE FINAL STAGE OF A REVIEW OF A LICENSING FRAMEWORK FOR SUBSCRIPTION TELEVISION.

"WE HOPE TO BE ABLE TO ANNOUNCE DETAILS ON THE LICENSING FRAMEWORK FOR SUBSCRIPTION TV BY THE END OF THE YEAR, WITH A VIEW TO ISSUING LICENCES BY THE SUMMER OF 1992," HE SAID.

HE SAID THE GOVERNMENT WAS IN FAVOUR OF A TECHNOLOGY NEUTRAL APPROACH, AND THAT PROPOSALS WOULD BE ASSESSED PRIMARILY ON A BROADCASTING STANDPOINT.

MEASURES TO TACKLE VIOLENT CRIMES ANNOUNCED

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THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TODAY (WEDNESDAY) OUTLINED A SERIES OF MEASURES TO TACKLE AND REVERSE THE TREND OF INCREASING CRIMES OF VIOLENCE, IN PARTICULAR ROBBERIES WITH REAL OR IMITATION FIREARMS.

SPEAKING IN THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS IN THE LEGISLATIVE COUNCIL, HE SAID THE MEASURES INCLUDED INCREASING POLICE PRESENCE ON THE STREETS, STRENGTHENING POLICE EQUIPMENT AND IN-DEPTH INVESTIGATIONS OF THE GANGS.

THE GOVERNMENT WOULD ALSO APPREHEND AND BRING TO JUSTICE THOSE RESPONSIBLE AS WELL AS INCREASE CO-OPERATION WITH CHINA TO STEM CROSS-BORDER CRIME, HE ADDED.

ON IMPROVEMENTS TO POLICE PRESENCE ON THE STREETS, MR ASPREY SAID THE SEARCH FOR SAVINGS IN RECURRENT EXPENDITURE THROUGH INCREASED PRODUCTIVITY AND EFFICIENCY SHOULD NOT AFFECT THIS.

"ON THE CONTRARY, IT SHOULD LEAD TO MORE EFFECTIVE STAFF DEPLOYMENT, AND HENCE MORE RESOURCES, NOT LESS, DEVOTED DIRECTLY TO THE FIGHT AGAINST CRIME," HE SAID.

HE ADDED THAT POLICE RECRUITMENT WOULD NOT BE CUT.

"IN THE LAST TWO MONTHS, RECRUITMENT HAS EXCEEDED WASTAGE, AND WE ARE OPTIMISTIC THAT THIS WILL CONTINUE," HE SAID.

HE POINTED OUT THAT FOR THE FIRST TIME IN THREE YEARS, THE POLICE TRAINING SCHOOL HAD A FULL INTAKE OF JUNIOR POLICE OFFICERS LAST MONTH.

NOTING THAT THE POLICE FORCE WAS WELL EQUIPPED BY ANY STANDARDS, THE SECRETARY SAID IT HAD A DEDICATED SECTION TO UNDERTAKE RESEARCH INTO NEW EQUIPMENT AND NEW TECHNOLOGY.

THERE HAD BEEN VERY SUBSTANTIAL INVESTMENT IN RECENT YEARS IN SOPHISTICATED EQUIPMENT TO IMPROVE EFFICIENCY AND THE ABILITY OF THE POLICE TO PERFORM THEIR JOB.

SOME \$125 MILLION HAS BEEN INVESTED IN A NEW COMPUTER-AIDED COMMAND AND CONTROL SYSTEM. OVER \$300 MILLION IS BEING SPENT ON SIX NEW MARINE POLICE COMMAND LAUNCHES; AND OVER \$20 MILLION WILL BE SPENT THIS YEAR ON EQUIPMENT FOR THE POLICE TACTICAL UNIT.

TURNING TO ORGANISED CRIME, HE SAID LENGTHY INVESTIGATIONS WERE OFTEN NECESSARY BEFORE THEY BORE FRUIT.

DESPITE RECENT SUCCESSFUL CRACKDOWN OPERATIONS, HE SAID: "THIS CRACKDOWN ON ORGANISED CRIME WILL CONTINUE, AS WILL THE EFFORTS DIRECTED AGAINST SMUGGLING.

"WE ARE WELL AWARE THAT WE CANNOT AFFORD TO RELAX OUR VIGILANCE, AND THAT THOSE INVOLVED IN SMUGGLING HAVE DEVELOPED NEW METHODS IN RESPONSE TO THE VERY SUCCESSFUL OPERATIONS OF THE ANTI-SMUGGLING TASK FORCE EARLIER THIS YEAR; - A SUCCESS MADE POSSIBLE BY THE LEGISLATION PASSED BY THIS COUNCIL IN APRIL," HE ADDED.

HE SAID NEW PROPOSALS TO FIGHT AGAINST SMUGGLING WERE BEING DEVELOPED AND FURTHER LEGISLATIVE AMENDMENTS WOULD BE INTRODUCED LATER THIS SESSION.

AS REGARDS CROSS-BORDER CRIME, HE SAID THE POLICE AND OTHER LAW ENFORCEMENT AGENCIES HAD DEVELOPED A GOOD SYSTEM OF CONTACTS WITH THE CHINESE AUTHORITIES THROUGH INTERPOL, DAY-TO-DAY LIAISON AT THE OPERATIONAL LEVEL, AND REGULAR CONTACTS AT A MORE SENIOR LEVEL.

"WE INTEND TO EXPAND ON THIS CO-OPERATION AND EXCHANGE OF INFORMATION, WHICH HAS ALREADY ACHIEVED RESULTS, NOT ONLY AGAINST SMUGGLING BUT ALSO AGAINST OTHER SERIOUS CRIME," HE SAID.

NOTING THAT THE ORGANISED CRIME BILL HAD RECEIVED GENERAL SUPPORT FROM THE DISTRICT BOARDS WHO HAD SO FAR CONSIDERED IT, HE SAID: "WE SHALL AIM TO REVISE THE PROPOSALS AS NECESSARY IN THE LIGHT OF VIEWS EXPRESSED AND COMMENTS RECEIVED, AND TO INTRODUCE THE BILL INTO THIS COUNCIL EARLY NEXT YEAR."

TURNING TO SOLUTIONS TO THE VIETNAMESE MIGRANTS PROBLEM, MR ASPREY SAID THE MOST RECENT AGREEMENT REACHED WITH THE VIETNAMESE GOVERNMENT PROVIDED THE MEANS TO RESOLVE THE HUMAN TRAGEDY.

"I BELIEVE WE NOW HAVE IN PLACE AT LAST THE HITHERTO MISSING ELEMENT WHICH PERMITS FULL IMPLEMENTATION OF THE COMPREHENSIVE PLAN OF ACTION ADOPTED IN 1989.

"ALL THE MAIN ELEMENTS OF THAT PLAN - ASYLUM, SCREENING, RESETTLEMENT, REPATRIATION - ARE MUTUALLY SELF-SUPPORTING. IF ONE ELEMENT IS MISSING, THE OTHER ELEMENTS ARE AT RISK," HE EXPLAINED.

HE NOTED THAT THE AGREEMENT PROVIDED FOR THE REPATRIATION OF ALL VIETNAMESE ILLEGAL IMMIGRANTS, WITH GUARANTEES AS TO THEIR SAFETY AND TREATMENT AFTER THEY RETURN HOME.

"THE PROGRAMME OF RETURNS WILL NEED TO BE PHASED OVER THE NEXT FEW YEARS. WE ARE THOUGH, I BELIEVE, BEGINNING TO SEE THE WAY AHEAD," HE SAID.

NOTING THAT THE NUMBERS RETURNING VOLUNTARILY HAVE INCREASED DRAMATICALLY IN RECENT MONTHS, HE SAID: "THIS IS A TREND WHICH WE SHALL DO EVERYTHING POSSIBLE TO ENCOURAGE."

ALSO, THE NUMBERS ARRIVING HAD FALLEN FROM AN AVERAGE OF 100 PER DAY IN SEPTEMBER TO AN AVERAGE OF ONLY TWO PER DAY IN THE PAST FEW WEEKS.

"THE NET EFFECT HAS BEEN A DROP OF OVER 1,000 IN THE OVERALL POPULATION IN OCTOBER, A REVERSAL OF THE UPWARD TREND WHICH WE HAVE SEEN SINCE THE BEGINNING OF THE YEAR," HE SAID.

IF THIS WAS SUSTAINED INTO NEXT YEAR, MR ASPREY SAID HONG KONG WOULD SOON SEE THE GRADUAL CLOSURE OF CAMPS; THE POLICE DISENGAGEMENT FROM MANAGEMENT OF THE DETENTION CENTRES; AND THE CONSEQUENT RETURN OF SEVERAL HUNDRED POLICEMEN TO THEIR PROPER DUTIES.

THERE WOULD BE RELIEF FOR THE CORRECTIONAL SERVICES, THE AUXILIARY AND VOLUNTEER SERVICES AND ALL THE OTHER GOVERNMENT DEPARTMENTS AND NON-GOVERNMENT AGENCIES WHO HAD COPEd SO MAGNIFICENTLY IN DIFFICULT CIRCUMSTANCES OVER MANY YEARS, HE SAID.

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GOVT TO MAINTAIN HIGH STANDARD OF CIVIL SERVICE

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HAVING THE BEST CIVIL SERVICE POSSIBLE IS VITAL AND MAINTAINING ITS HIGH STANDARD MEANS RECOGNISING AND ACKNOWLEDGING THE IMPORTANT ROLE PLAYED BY CIVIL SERVANTS, THE SECRETARY FOR THE CIVIL SERVICE, MR BARRIE WIGGHAM, SAID IN THE LEGISLATIVE COUNCIL TODAY. (WEDNESDAY).

MAINTAINING THE STANDARD ALSO MEANT ENSURING THAT AS AN EMPLOYER THE GOVERNMENT COULD COMPETE IN THE MARKET AND CONTINUE TO ATTRACT AND RETAIN FULLY QUALIFIED AND COMMITTED INDIVIDUALS, HE SAID.

COMMENTING THAT HE WAS PLEASED TO HEAR THE OCCASIONAL EXPLICIT WORD OF PRAISE FROM MEMBERS RECOGNISING THAT WE DID HAVE A "DEDICATED AND LOYAL CIVIL SERVICE, THE ENVY OF MANY", MR WIGGHAM SAID, "WE MUST KEEP IT THAT WAY."

"WHEN IT APPEARS THAT EVERYTHING AROUND IS 'ALL CHANGE', ONE OF THE CONSTANTS IS THE CIVIL SERVICE. THIS, I SUGGEST, REPRESENTS TO MANY A WELCOME SYMBOL OF STABILITY AND CONTINUITY.

"AFTER ALL, WHATEVER THE POLITICAL DEVELOPMENTS WE ARE WITNESSING; WHATEVER POLICY DECISIONS ARE TAKEN; WHATEVER FUNDS ARE VOTED BY THIS COUNCIL; WHATEVER LEGISLATION IS PUT IN PLACE - AT THE END OF THE DAY, IMPLEMENTATION DEPENDS ON CIVIL SERVANTS," HE SAID.

MR WIGGHAM SAID ONE MEMBER, HE WAS GLAD TO SAY, DID RECOGNISE THE PRESSURES ON THE CIVIL SERVICE THAT CHANGES DID BRING: CHANGES IN PUBLIC ATTITUDES AND EXPECTATIONS; STRUCTURAL CHANGES INTRODUCED AS PART OF THE TRANSITION; POLITICAL CHANGES MANIFESTED ABOVE ALL IN THIS CHAMBER.

"AGAINST THAT BACKGROUND CIVIL SERVANTS NEED REASSURANCE. IT IS NOT THAT THEY EXPECT TO BE LOVED - BUT THEY DO NEED TO BE APPRECIATED; THEY DO NEED TO HAVE THEIR ROLE AND THEIR CONTRIBUTION TO HONG KONG'S SUCCESS RECOGNISED; AND THEY DO NEED TO BE REASSURED THAT THE SYSTEMS THAT PROVIDE THE CIVIL SERVICE FRAMEWORK - SYSTEMS OF APPOINTMENT, PROMOTION, REWARD AND SO ON - WILL, AS THE JOINT DECLARATION PROMISES, 'BE MAINTAINED'," HE SAID.

MR WIGGHAM SAID THAT IN COMMON WITH OTHER MEMBERS OF THE COMMUNITY, CIVIL SERVANTS DID WORRY ABOUT THE FUTURE.

"AS PART OF THE ADMINISTRATION, SOME HAVE PARTICULAR CONCERNS. AND WE WHO ARE RESPONSIBLE FOR CIVIL SERVICE MANAGEMENT MUST ADDRESS THOSE CONCERNS. IN THAT WE NEED THE SUPPORT OF THIS COUNCIL. UNFORTUNATELY, I FEAR THERE MAY BE NO INSTANT MAGIC-WAND SOLUTIONS," HE SAID.

MR WIGGHAM SAID PART OF THE CHALLENGE, AS SOME MEMBERS HAD POINTED OUT, WAS TO MOTIVATE. THE LAST COMPREHENSIVE SALARY STRUCTURE REVIEW, COMPLETED LAST YEAR, ENSURED THAT THE GOVERNMENT WAS UP TO DATE, AND COMPETITIVE AS AN EMPLOYER AS REGARDS PAY.

ADVANTAGE CONTINUED TO BE TAKEN OF NEW IDEAS, METHODS AND EQUIPMENT TO MOTIVATE STAFF AND ENSURE IMPROVED PRODUCTIVITY. MOTIVATION APPLIED TO ALL LEVELS: FOR INSTANCE THE STAFF SUGGESTIONS SCHEME, WHICH ENCOURAGED INDIVIDUALS TO REVIEW THEIR OWN FIELD OF WORK, APPEALED TO CREATIVITY.

OVER THE YEARS, RELATIVELY JUNIOR CIVIL SERVANTS HAD MADE PRACTICAL AND IN SOME CASES INGENIOUS SUGGESTIONS LEADING TO IMPROVED WORK METHODS - AND CONSIDERABLE SAVINGS TO THEIR DEPARTMENTS.

"RECENTLY FOR INSTANCE I HANDED OUT AN AWARD TO A TRANSPORT OPERATIONS OFFICER FOR A SCHEME RELATING TO THE TRAFFIC FLOW AT LION ROCK TUNNEL; ANOTHER AWARD RELATED TO A SUGGESTION BY A FIREMAN THAT LED TO ENHANCED SAFETY AND EFFICIENCY OF BREATHING APPARATUS EQUIPMENT.

"RECOGNISING THE NEED TO ENCOURAGE SUCH SUGGESTIONS, WE HAVE JUST INCREASED THE MAXIMUM CASH AWARD UNDER THE SUGGESTION SCHEME FROM \$2,000 TO \$12,500," HE SAID.

MR WIGGHAM SAID THE SCHEME WAS BASED ON THE PRINCIPLE THAT THOSE IN THE FRONT LINE WERE OFTEN IN A BETTER POSITION TO JUDGE HOW BEST TO CARRY OUT THEIR WORK.

"ON THE SAME PRINCIPLE WE ARE INCREASINGLY DEVOLVING AUTHORITY FROM THE CENTRE TO DEPARTMENTS, AGAIN AS PART OF OUR EFFORTS TOWARDS GREATER PRODUCTIVITY.

"WITH MORE DECISION-MAKING AUTHORITY, MANAGERS CAN RESPOND MORE DIRECTLY AND EFFECTIVELY TO THE NEEDS OF THEIR STAFF AND DEPARTMENTS. THEY ARE ALSO IN A BETTER POSITION TO SET PRIORITIES. HAND IN HAND WITH THIS GOES ACCEPTANCE OF RESPONSIBILITY AND ACCOUNTABILITY.

"AT THE SAME TIME, DEVOLUTION SERVES TO SIMPLIFY AND SPEED UP PROCEDURES BY REDUCING THE NEED FOR CONSTANT REFERRALS TO THE CENTRE," HE SAID.

MR WIGGHAM SAID AREAS WHERE PROGRESS HAD BEEN MADE IN DELEGATING AUTHORITY TO DEPARTMENTS INCLUDED DISCIPLINE, THE ADMINISTRATION OF CERTAIN CONDITIONS OF SERVICE, PROFESSIONAL TRAINING AND APPOINTMENTS AND PROMOTIONS.

/HE SAID

HE SAID MEMBERS MIGHT NOT BE AWARE THAT SOME 99 PER CENT OF CIVIL SERVICE POSTS WERE NOW HANDLED BY DEPARTMENTS THEMSELVES, WITH THE ADVICE OF THE PUBLIC SERVICE COMMISSION WHERE APPROPRIATE, WITHOUT THE NEED TO INVOLVE CIVIL SERVICE BRANCH.

MR WIGGHAM SAID HE WISHED TO CLARIFY TWO POINTS MADE BY MEMBERS. THE FIRST WAS THAT SENIOR POSTS WERE BEING CREATED AT THE EXPENSE OF JUNIOR POSTS.

"THE POSITION IS THAT NON-DIRECTORATE POSTS ARE CREATED UNDER AUTHORITY DELEGATED TO DEPARTMENTS AND DO NOT COME TO THIS COUNCIL; WHEREAS DIRECTORATE, THAT IS SENIOR, POSTS REQUIRE THE APPROVAL OF THIS COUNCIL. THIS MAY HAVE GIVEN A MISLEADING IMPRESSION. IN FACT, OF THE 3,100 POSTS CREATED LAST FINANCIAL YEAR, FEWER THAN 30 WERE AT THE DIRECTORATE LEVEL," HE SAID.

THE SECOND POINT WAS A SUGGESTION FOR PROMOTION TO BE ON THE BASIS OF MERIT RATHER THAN SENIORITY.

"THIS IS ALREADY THE PRACTICE. SELECTION OF OFFICERS FOR PROMOTION IS DECIDED ON THE CRITERIA OF ABILITY, CHARACTER, ANY QUALIFICATIONS PRESCRIBED FOR THE PROMOTION POSTS, AND EXPERIENCE. ONLY WHEN ON THIS BASIS NO CANDIDATE STANDS OUT CLEARLY AS THE MOST SUITABLE WILL SENIORITY BE GIVEN DUE WEIGHT. AND WE HAVE THE PUBLIC SERVICE COMMISSION TO ENSURE THAT THAT POLICY IS CARRIED OUT IN PRACTICE," HE SAID.

MR WIGGHAM POINTED OUT THAT AS PART OF IMPROVING THE FLOW BETWEEN DEPARTMENTS AND THE CENTRE, HE HAD RECENTLY REORGANISED HIS OWN BRANCH ALONG THE LINES OF DEPARTMENTAL TEAMS, SO AS TO PROVIDE A ONE-STOP PERSONALISED POINT OF CONTACT FOR DEPARTMENTS. THIS HAD BEEN WELCOMED BY ALL CONCERNED AND HAD MADE A MODEST CONTRIBUTION TO REMOVING UNNECESSARY LAYERS OF BUREAUCRACY.

ANOTHER INITIATIVE HAD BEEN TO REVIEW THE GRADE STRUCTURE AND ROLE OF EXECUTIVE OFFICERS, THE RESOURCE AND OFFICE MANAGERS OF THE CIVIL SERVICE. THE REVIEW RECOMMENDED AMONG OTHER THINGS, WAYS IN WHICH EXECUTIVE OFFICERS COULD BE BETTER EMPLOYED TO STRENGTHEN MANAGEMENT IN DEPARTMENTS.

MORE COULD BE DONE, MR WIGGHAM SAID, NOTING THAT IN HIS BUDGET STATEMENT IN MARCH, THE FINANCIAL SECRETARY HAD DESCRIBED A PACKAGE OF MANAGEMENT REFORMS AIMED AT IMPROVING CIVIL SERVICE EFFICIENCY.

"THE PILOT PROJECTS HAVE BEEN SUCCESSFUL AND HAVE LED TO CHANGES IN THE WAY WE WORK. I HAVE MENTIONED GREATER DELEGATION OF AUTHORITY TO DEPARTMENTAL MANAGERS.

"IN ADDITION, AN IMPROVED RESOURCE ALLOCATION SYSTEM TO ENCOURAGE POLICY SECRETARIES TO MAKE SAVINGS AND REDEPLOY RESOURCES, AND THE ADOPTION OF PRIVATE SECTOR MANAGEMENT AND ACCOUNTING SYSTEMS HAVE ALSO HELPED TO IMPROVE PRODUCTIVITY IN THE CIVIL SERVICE.

"WE ARE NOW READY TO MOVE ON TO THE NEXT STAGE. WE SHALL ESTABLISH NEXT YEAR A NEW 'EFFICIENCY UNIT' WORKING DIRECTLY TO THE CHIEF SECRETARY AND THE FINANCIAL SECRETARY.

"THE UNIT WILL CONSIST OF MANAGEMENT SERVICES STAFF TOGETHER WITH THE TEAM WORKING ON PUBLIC SECTOR REFORM. WE ALSO INTEND TO TAKE UP THE OFFER OF HELP BY THE PRIVATE SECTOR BY PUTTING BUSINESS PEOPLE WITH EXPERIENCE OF MANAGEMENT REFORMS ON TO A NEW STEERING COMMITTEE, TO BE CHAIRED BY THE CHIEF SECRETARY, WHICH WILL GIVE IMPETUS TO THE WORK OF THE UNIT," HE SAID.

MR WIGGHAM ALSO NOTED THAT THE GOVERNOR HAD SPOKEN OF THE NEED TO ESTABLISH A HARMONIOUS AND EFFECTIVE PARTNERSHIP WITH COUNTERPARTS AT ALL LEVELS IN CHINA; AND THE INTENTION TO ENSURE THAT THIS CLOSER AND MORE PRACTICAL RELATIONSHIP WAS REFLECTED ALL THE WAY THROUGH THE GOVERNMENT.

"WE ARE VERY AWARE OF THE NEED FOR CIVIL SERVANTS AT VARIOUS LEVELS TO ACQUIRE GREATER KNOWLEDGE OF CHINA. IN RESPONSE TO THAT NEED WE HAVE EXPANDED OUR CHINA STUDIES PROGRAMME.

"A CHINA STUDIES ELEMENT HAS BEEN INCLUDED IN SOME OF OUR ESTABLISHED MANAGEMENT TRAINING ACTIVITIES, SUCH AS THE OXFORD COURSE FOR ADMINISTRATIVE OFFICERS, THE BERKELEY COURSE FOR DEPARTMENTAL OFFICERS, AND THE SENIOR COMMAND COURSE FOR THE DISCIPLINED SERVICES.

"IN PARALLEL WE HAVE ORGANISED IN HONG KONG A RANGE OF CHINA SEMINARS CATERING FOR GROUPS OF BRANCH SECRETARIES AND DEPARTMENT HEADS, DIRECTORATE OFFICERS, AND ADMINISTRATIVE OFFICERS.

"IN ADDITION, STARTING THIS YEAR, WE HAVE EMBARKED ON A FAMILIARISATION VISIT PROGRAMME TO CHINA DESIGNED TO ENABLE PARTICIPANTS TO ACQUIRE A FIRST-HAND UNDERSTANDING OF VARIOUS ASPECTS OF LIFE AND GOVERNMENT IN CHINA.

"WE ARE ALSO TRAINING CIVIL SERVANTS IN PUTONGHUA, AND THE USE OF WRITTEN CHINESE IN OFFICIAL WRITING. OUR EFFORTS IN ALL THESE AREAS WILL CONTINUE," HE SAID.

MR WIGGHAM SAID THE GOVERNOR ALSO REFERRED TO THE NEED FOR CIVIL SERVANTS TO WORK CLOSELY WITH MEMBERS.

"NOTWITHSTANDING MY EARLIER COMMENTS ON THE EFFECTS OF THE PRESSURES OF CHANGE ON THE CIVIL SERVICE, CIVIL SERVANTS HAVE AGAIN AND AGAIN PROVED THEIR ADAPTABILITY. WE HAVE AS A BUREAUCRACY RESPONDED TO THE CHANGES BROUGHT ABOUT AT ALL LEVELS BY THE DEVELOPMENT OF REPRESENTATIVE GOVERNMENT. THAT RESPONSE, THAT ADAPTABILITY, THAT WILLINGNESS TO SERVE IS EVER MORE CRUCIAL. I BELIEVE THIS AFTERNOON MY OFFICIAL COLLEAGUES HAVE FULLY DEMONSTRATED THAT RESPONSIVENESS.

"I KNOW THAT WE ARE READY, EVEN EAGER TO PLAY OUR PART IN ESTABLISHING THE PARTNERSHIP THAT WILL BE CENTRAL TO THE SMOOTH OPERATION OF THIS COUNCIL IN DELIBERATING AND DECIDING ISSUES IN THE INTERESTS OF THE WHOLE OF HONG KONG," HE ADDED.

BILL GIVES FLEXIBILITY TO PEAK TRAMWAY OPERATION

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A BILL TO GIVE MORE FLEXIBILITY TO THE PEAK TRAMWAY COMPANY IN OPERATING A MODERNISED FUNICULAR RAILWAY WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE PEAK TRAMWAY (AMENDMENT) BILL 1991, THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, SAID THE PEAK TRAMWAY UNDERWENT A MAJOR MODERNISATION PROGRAMME IN 1989, BRINGING THE SYSTEM TO THE LATEST INTERNATIONAL STANDARDS OF FUNICULAR RAILWAYS.

TO PROVIDE AN UPDATED LEGAL FRAMEWORK FOR THE NEW SYSTEM, THE PEAK TRAMWAY (AMENDMENT) ORDINANCE 1989 STIPULATING THE SAFETY REQUIREMENTS OF THE MODERNISED TRAMWAY WAS ENACTED IN JULY 1989.

"SINCE THEN, FURTHER REVISIONS TO THE ORDINANCE HAVE BEEN FOUND NECESSARY TO GIVE MORE FLEXIBILITY FOR OPERATION," MR LEUNG SAID.

THE AMENDMENT STIPULATES THAT THE PEAK TRAMWAY COMPANY MAY REQUEST FOR AN EXTENSION TO ITS CURRENT OPERATING RIGHT NOT LESS THAN ONE YEAR BEFORE THE EXPIRY DATE ON DECEMBER 31, 2003.

HOWEVER, THIS PROVISION WILL NOT COMMIT THE GOVERNMENT TO CONSIDERING THE APPLICATION FAVOURABLY NOR PRECLUDE OTHERS FROM APPLYING FOR THE SAME OPERATING RIGHT.

THE BILL ALSO EMPOWERS THE COMPANY TO ENTER LANDS ADJOINING THE PEAK TRAMWAY TO CARRY OUT ANY NECESSARY REPAIR OR ACCIDENT PREVENTION WORKS, AND PROVIDES FOR ANY AGGRIEVED PARTY TO CLAIM COMPENSATION.

ANOTHER PROVISION IN THE BILL STIPULATES THAT EXCEPT FOR THE ASSIGNMENT OF LAND GRANTED BY PRIVATE TREATY, THE APPROVAL OF THE GOVERNOR IN COUNCIL WILL NOT BE REQUIRED FOR THE SALE OR LEASE OF PROPERTIES WHICH ARE NOT NECESSARY FOR THE EFFICIENT MAINTENANCE AND WORKING OF THE PEAK TRAMWAY.

MR LEUNG SAID THIS WOULD FACILITATE THE COMPANY DISPOSING OF ANY OBSOLETE ROLLING STOCK OR OTHER NON-ESSENTIAL ASSETS.

DEBATE ON THE BILL WAS ADJOURNED.

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RESOLUTION UNDER LOANS ORDINANCE MOVED

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THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, TODAY (WEDNESDAY) MOVED A MOTION UNDER THE LOANS ORDINANCE IN THE LEGISLATIVE COUNCIL.

THE MOTION IS AIMED TO PROVIDE THE GOVERNMENT WITH AUTHORITY TO BORROW IN HONG KONG FOR THE PURPOSES OF THE CAPITAL WORKS RESERVE FUND OR THE CAPITAL INVESTMENT FUND SUMS NOT EXCEEDING HK\$5 BILLION IN TOTAL.

MR NENDICK SAID THAT ON MARCH 6 THIS YEAR, THE FINANCIAL SECRETARY MENTIONED IN HIS BUDGET SPEECH FOR 1991/92 THAT A WELL STRUCTURED AND MANAGED BORROWING PROGRAMME THROUGH THE ISSUE OF SHORT-TERM GOVERNMENT BONDS WOULD BE APPROPRIATE FOR HONG KONG.

HE ALSO MENTIONED THAT THE PROCEEDS OF THE BORROWING PROGRAMME WOULD BE USED ONLY FOR CAPITAL PROJECTS.

"DETAILS OF THE PROGRAMME HAVE NOW BEEN WORKED OUT AND THESE ARE DESCRIBED IN THE INFORMATION MEMORANDUM ALREADY CIRCULATED TO MEMBERS," HE SAID.

MR NENDICK SAID THE DIRECTOR OF THE OFFICE OF THE EXCHANGE FUND WOULD BE THE ISSUING AGENT OF GOVERNMENT BONDS.

INITIALLY, AROUND HK\$500 MILLION OF TWO-YEAR BONDS WOULD BE ISSUED FOUR TIMES A YEAR THROUGH OPEN TENDERS ON A BID-PRICE BASIS.

IN ADDITION, BONDS UP TO HK\$100 MILLION PER ISSUE MIGHT BE MADE AVAILABLE TO THE OFFICE OF THE EXCHANGE FUND FOR THE PURPOSES OF LAST RESORT SUPPLY TO MARKET MAKERS.

"THE BOND PROGRAMME WILL, THEREFORE, BUILD UP TO HK\$4.8 BILLION, OR SAY, HK\$5 BILLION, IN TWO YEARS TIME COMPRISING EIGHT ISSUES OF HK\$600 MILLION EACH," THE SECRETARY EXPLAINED.

IN ORDER TO MAINTAIN A LIQUID SECONDARY MARKET, MR NENDICK SAID A NUMBER OF AUTHORISED INSTITUTIONS UNDER THE SUPERVISION OF THE COMMISSIONER OF BANKING WOULD BE APPOINTED AS MARKET MAKERS WHICH WOULD QUOTE BID AND OFFER PRICES FOR THE BONDS.

TO FURTHER ENHANCE LIQUIDITY OF THE MARKET, MARKET MAKERS WOULD BE ALLOWED TO RUN SHORT POSITIONS IN ANY ISSUE OF BONDS SUBJECT TO THEIR COMPLIANCE WITH THE RISK MANAGEMENT MEASURES SPECIFIED BY THE DIRECTOR OF THE OFFICE OF THE EXCHANGE FUND.

A LIQUID SECONDARY MARKET WOULD HELP TO ENHANCE THE ATTRACTIVENESS OF THE BOND PROGRAMME TO INVESTORS AND REDUCE THE BORROWING COST OF GOVERNMENT, MR NENDICK ADDED.

MR NENDICK POINTED OUT THAT THE BONDS WOULD QUALIFY AS LIQUEFIABLE ASSETS UNDER THE BANKING ORDINANCE.

"INTEREST INCOME AS WELL AS THE PROFITS ON SALE OF THE BONDS WILL BE EXEMPT FROM PROFITS TAX AND THEIR TRADING IN THE SECONDARY MARKET WILL BE EXEMPT FROM STAMP DUTY," HE SAID.

IN ORDER TO AVOID ANY SUGGESTION THAT THE BOND PROCEEDS WERE NOT BEING APPLIED EXCLUSIVELY TO CAPITAL EXPENDITURE, MR NENDICK PROPOSED THAT BOND PROCEEDS SHOULD BE CREDITED DIRECTLY TO THE CAPITAL WORKS RESERVE FUND AND THE CAPITAL INVESTMENT FUND AND THAT PAYMENTS OF INTEREST AND SERVICING COSTS ARISING FROM THE BOND ISSUE, AND REDEMPTION OF THE BONDS, SHOULD BE MADE FROM THE FUNDS.

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TWO RESOLUTIONS MOVED UNDER PUBLIC FINANCE ORDINANCE

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THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK TODAY (WEDNESDAY) MOVED TWO RESOLUTIONS UNDER THE PUBLIC FINANCE ORDINANCE IN THE LEGISLATIVE COUNCIL TO ALLOW FOR THE ACCOUNTING FOR THE BOND ISSUES TO BE DONE THROUGH THE CAPITAL INVESTMENT FUND OR THE RESERVE ACCOUNT OF THE CAPITAL WORKS RESERVE FUND.

"THESE ARRANGEMENTS WILL ENSURE THAT THE PROCEEDS OF THE BOND ISSUE WILL BE APPLIED FOR THE INTENDED PURPOSE AND SO WILL ASSURE LENDERS THAT THE BORROWING PROGRAMME IS CLEARLY FOR CAPITAL EXPENDITURE PURPOSES," HE EXPLAINED.

THIS WOULD AVOID ANY SUGGESTION THAT THE BOND PROCEEDS WERE NOT BEING APPLIED EXCLUSIVELY TO CAPITAL EXPENDITURE, HE SAID.

HE ADDED THAT PAYMENTS OF INTEREST AND SERVICING COSTS AND REDEMPTION OF THE BONDS SHOULD BE MADE FROM THE FUNDS.

ONE RESOLUTION WAS MADE UNDER SECTION 29 OF THE PUBLIC FINANCE ORDINANCE TO AMEND A RESOLUTION MADE BY THE COUNCIL ON MARCH 14 LAST YEAR TO ESTABLISH THE CAPITAL INVESTMENT FUND.

THE OTHER RESOLUTION WAS MADE UNDER THE SAME SECTION OF THE ORDINANCE TO AMEND A RESOLUTION OF THE COUNCIL UNDER THAT ORDINANCE ON MAY 15, 1985 TO REPLACE EARLIER RESOLUTIONS TO ESTABLISH THE CAPITAL WORKS RESERVE FUND.

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PROFESSIONS SHOULD VET THEIR MEMBERS' QUALIFICATIONS

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THE GOVERNMENT ADOPTS THE PRINCIPLE THAT THE PROFESSIONS OF LEGAL PRACTITIONERS, ACCOUNTANTS, ENGINEERS, ARCHITECTS, SURVEYORS AND DOCTORS SHOULD BE SELF-REGULATORY IN VERIFYING THEIR MEMBERS' PROFESSIONAL QUALIFICATIONS.

THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, STATED THIS IN A WRITTEN REPLY TO A QUESTION BY THE HON PANG CHUN-HOI IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

ON THE RECENT QUERIES ABOUT THE PROFESSIONAL QUALIFICATIONS OF SOME PEOPLE WHO PRACTISE UNDER HONG KONG LAW, MR CHAN POINTED OUT THAT IT WOULD BE, THEREFORE, FOR THOSE ORGANISATIONS RESPONSIBLE FOR VERIFYING THE AFORESAID PEOPLE'S PROFESSIONAL QUALIFICATIONS.

MR CHAN STRESSED THAT THE PEER JUDGEMENT SYSTEM WAS CONSIDERED TO BE THE MOST EFFECTIVE APPROACH TO QUALIFYING AND NO INTERVENTION OR ASSISTANCE FROM THE GOVERNMENT WAS REQUIRED.

HE SAID PRESENTLY THE ORGANISATIONS RESPONSIBLE FOR VERIFYING PROFESSIONAL QUALIFICATIONS FELL INTO TWO CATEGORIES.

THEY ARE THOSE WHICH VERIFY QUALIFICATIONS TO PRACTISE IN HONG KONG, AND THOSE WHICH VERIFY QUALIFICATIONS TO REGISTER AND/OR PERFORM STATUTORY FUNCTIONS.

THE ORGANISATIONS RESPONSIBLE FOR VERIFYING THE QUALIFICATIONS OF PEOPLE PRACTISING AS ACCOUNTANTS, LEGAL PRACTITIONERS AND DOCTORS UNDER HONG KONG LAW ARE AS FOLLOWS:

- * THE HONG KONG SOCIETY OF ACCOUNTANTS (HKSA) - UNDER THE PROFESSIONAL ACCOUNTANTS ORDINANCE (CAP 50);
- * THE LAW SOCIETY (FOR SOLICITORS) AND THE BAR ASSOCIATION (FOR BARRISTERS) - UNDER THE LEGAL PRACTITIONERS ORDINANCE (CAP 159); AND
- * THE MEDICAL COUNCIL - UNDER THE MEDICAL REGISTRATION ORDINANCE (CAP 161).

AS FOR ENGINEERS, ARCHITECTS AND SURVEYORS, MR CHAN NOTED THAT THERE WAS NO LEGAL REQUIREMENT FOR THEM TO OBTAIN A LICENSE TO PRACTICE IN HONG KONG.

HOWEVER, MR CHAN EXPLAINED THAT IF THEY WERE TO PERFORM STATUTORY FUNCTIONS, THEY MUST BE APPROPRIATELY QUALIFIED AND REGISTERED WITH THE REGISTERING OR LICENSING BODY FOR EACH PARTICULAR ORDINANCE.

A NUMBER OF LEGISLATIONS HAD BEEN ENACTED RECENTLY TO REGISTER PROFESSIONAL ENGINEERS, ARCHITECTS AND SURVEYORS, MR CHAN SAID.

"IT IS INTENDED THAT, WHEN THE REGISTER IS WELL ESTABLISHED, REGISTERED STATUS WILL BE APPLICABLE TO THE STATUTORY FUNCTIONS," HE ADDED.

REGISTRATION REQUIRED PROFESSIONAL QUALIFICATIONS PLUS RELEVANT EXPERIENCE IN HONG KONG, CONTINUING COMPETENCE TO PRACTISE, AND CURRENT RESIDENCE IN HONG KONG.

THE SECRETARY NOTED THAT ALL THREE PROFESSIONS HAD PROFESSIONAL BODIES IN HONG KONG WHICH, IN AWARDING MEMBERSHIP, IMPOSED A PROFESSIONAL TRAINING REQUIREMENT IN ADDITION TO ACADEMIC QUALIFICATIONS.

ON WHETHER THE GOVERNMENT WOULD ASSIST THESE ORGANISATIONS, MR CHAN SAID IN RESPECT OF THE NEW REGISTRATION BOARDS FOR ENGINEERS, ARCHITECTS AND SURVEYORS, THE APPOINTMENT OF A GOVERNMENT REPRESENTATIVE ON EACH BOARD WAS PROVIDED FOR IN THE LEGISLATION.

REGARDING THE NUMBER OF PEOPLE BEING QUERIED ABOUT THEIR PROFESSIONAL QUALIFICATIONS, AND THE NUMBER OF THEM WHO HAD BEEN DISQUALIFIED IN THE PAST FIVE YEARS, THE INFORMATION IS AS FOLLOWS:

PROFESSION	INVESTIGATED	DISQUALIFIED	REMARKS
DOCTORS	0	0	-
LEGAL PRACTITIONERS			
SOLICITOR	1	0	BASED ON INFORMATION FROM THE LAW SOCIETY
BARRISTER	0	0	BASED ON INFORMATION FROM THE BAR ASSOCIATION
ACCOUNTANTS	0	0	BASED ON INFORMATION FROM THE HONG KONG SOCIETY OF ACCOUNTANTS
ENGINEERS	1	1	-
ARCHITECTS	3	1	OF THE THREE CASES INVESTIGATED, TWO ARE STILL CURRENTLY UNDER INVESTIGATION
SURVEYORS	0	0	-

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IMPROVEMENT MEASURES AFOOT TO TACKLE TUEN MUN RIVER POLLUTION
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THE FULL IMPLEMENTATION OF THE LIVESTOCK WASTE CONTROL SCHEME AND THE WATER POLLUTION CONTROL ORDINANCE, TOGETHER WITH OTHER MEASURES, WILL IMPROVE THE WATER QUALITY OF TUEN MUN RIVER.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR GRAHAM BARNES, IN A WRITTEN REPLY TO A QUESTION FROM THE HON NG MING-YUM IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BARNES NOTED THAT THE MONITORING RESULTS BY THE ENVIRONMENTAL PROTECTION DEPARTMENT HAD CONFIRMED THAT THE RIVER SUFFERED FROM POLLUTION.

HE POINTED OUT THAT THE MAJOR CAUSE OF POLLUTION IN THE UPPER REACHES HAD BEEN LIVESTOCK WASTE, AND IN THE MIDDLE AND LOWER REACHES INDUSTRIAL DISCHARGES AND DOMESTIC SEWAGE.

TO IMPROVE THE WATER QUALITY, MR BARNES SAID UNDER THE LIVESTOCK WASTE CONTROL SCHEME WITH EFFECT FROM JUNE 1988 ALL LIVESTOCK KEEPING ACTIVITIES WERE BANNED IN TUEN MUN NEW TOWN, AND ENFORCEMENT ACTION WAS TAKEN AGAINST ANY ILLEGAL LIVESTOCK KEEPING.

"THE ENVIRONS OF TUEN MUN NEW TOWN BECAME PART OF THE LIVESTOCK WASTE CONTROL AREAS ON JANUARY 1, 1990.

"SINCE THEN SOME 90 PER CENT OF THE ACTIVE LIVESTOCK FARMS IN THESE AREAS HAVE APPLIED FOR AN EX GRATIA ALLOWANCE AND CEASED OPERATION.

"THIS HAS RESULTED IN THE RECENT IMPROVEMENT OF WATER QUALITY IN THE UPPER REACHES OF THE RIVER.

"FROM TIME TO TIME CERTAIN SECTIONS OF THE RIVER HAVE BEEN DREDGED, RESULTING IN SOME TEMPORARY IMPROVEMENT," HE SAID.

AS FOR THE WATER POLLUTION CONTROL ORDINANCE, MR BARNES SAID SEWAGE AND INDUSTRIAL WASTES DISCHARGING INTO THE RIVER WOULD BE SUBJECT TO CONTROLS AFTER THE NORTH WESTERN WATER CONTROL ZONE WAS DECLARED DURING THE NEXT FEW MONTHS.

OTHER IMPROVEMENT MEASURES INCLUDED FURTHER DREDGING OF MUD FROM THE RIVER CHANNEL WHICH WOULD START WHEN ARRANGEMENTS HAD BEEN AGREED ON AN ENVIRONMENTALLY ACCEPTABLE MANNER FOR THE DISPOSAL OF THE HEAVILY CONTAMINATED MUD, HE SAID.

FURTHERMORE, A SEWERAGE MASTERPLAN STUDY FOR THE TUEN MUN AREA WOULD SHORTLY COMMENCE TO REVIEW THE ADEQUACY OF EXISTING SEWERAGE AND ADVISE ON THE CAPACITY AND ENGINEERING ARRANGEMENTS FOR NEW SEWERS, HE ADDED.

OPTIONS OPEN FOR ALLOCATING NEW BUS ROUTES THROUGH TENDER

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THE GOVERNMENT WILL KEEP OPEN OPTIONS FOR OFFERING SELECTED BUS ROUTES TO THE MARKET THROUGH COMPETITIVE TENDER, THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON LEE WING-TAT, MR LEUNG SAID THIS WAS IN LINE WITH THE CURRENT POLICY AND WOULD DEPEND ON THE SUCCESS OF THE PILOT SCHEME OF AWARDING A NEW BUS ROUTE BETWEEN CENTRAL AND MACDONNELL ROAD THROUGH COMPETITIVE OPEN TENDER.

THE PILOT SCHEME IS AIMED AT PROMOTING EFFICIENCY AND QUALITY AND TO GIVE COMMUTERS A WIDER CHOICE.

MR LEUNG POINTED OUT THAT THE PROFIT CONTROL SCHEME WOULD NOT BE APPLIED TO FUTURE BUS ROUTES THAT MIGHT BE TENDERED OUT ON A COMPETITIVE BASIS, AS IN THE CASE OF THE BUS ROUTE RECENTLY AWARDED TO CITYBUS LIMITED.

ON THE ALLOCATION OF NEW ROUTES TO EXISTING FRANCHISED BUS OPERATORS, MR LEUNG SAID THIS WAS DONE THROUGH THE ANNUALLY ROLLED-FORWARD FIVE-YEAR DEVELOPMENT PLANS.

"THESE PLANS ARE FINALISED AFTER TAKING INTO ACCOUNT FACTORS INCLUDING DISTRICT NEEDS, ECONOMIES OF SCALE, THE EXTENT OF CROSS-SUBSIDISATION NEEDED TO KEEP SOCIALLY DESIRABLE BUT FINANCIALLY NOT-VIABLE ROUTES, AND INTEGRATION WITH OTHER MODES OF PUBLIC TRANSPORT," HE SAID.

MR LEUNG SAID ALL FOUR FRANCHISED BUS COMPANIES INCLUDING THE NEW LANTAO BUS COMPANY AND CITYBUS LIMITED WERE REQUIRED TO SUBMIT A FIVE-YEAR DEVELOPMENT PLAN FOR GOVERNMENT SCRUTINY AND APPROVAL EACH YEAR.

"AS IS THE CURRENT PRACTICE, THESE PLANS WOULD BE PUT TO THE RELEVANT DISTRICT BOARD FOR DISCUSSION BEFORE THEY ARE FINALISED," HE ADDED.

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SCHEME OF CONTROL AGREEMENT FOR CHINA LIGHT

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THE GOVERNOR IN COUNCIL HAS APPROVED IN PRINCIPLE THE TERMS UNDER WHICH THE SCHEME OF CONTROL AGREEMENT (SCA) FOR CHINA LIGHT AND POWER CO. LTD, EXXON ENERGY LTD AND THEIR GENERATING COMPANIES (THE COMPANIES) MAY BE EXTENDED FOR A FURTHER 15 YEARS, THE ACTING SECRETARY FOR ECONOMIC SERVICES, MRS ELIZABETH BOSHER, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON LAU CHIN-SHEK, MRS BOSHER SAID THE CURRENT SCA BETWEEN THE GOVERNMENT AND THE COMPANIES WOULD EXPIRE ON SEPTEMBER 30, 1993.

/SHE SAID

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SHE SAID UNDER CLAUSE 7(3) OF THAT SCA, "DURING THE THREE YEARS PRIOR TO OCTOBER 1, 1993 THE COMPANIES AND GOVERNMENT WILL INSTITUTE DISCUSSIONS REGARDING REVISION AND EXTENSION OF THE SCHEME OF CONTROL TO EMBODY SUCH TERMS AND CONDITIONS AS ARE THEN FOUND TO BE MUTUALLY ACCEPTABLE".

IN ACCORDANCE WITH THIS PROVISION DISCUSSIONS TO REVISE AND EXTEND THE SCA COMMENCED WITH THE COMPANIES IN JANUARY THIS YEAR, THE ACTING SECRETARY SAID.

"THERE WAS SOME DEGREE OF URGENCY IN THE DISCUSSIONS, AS WITHOUT A NEW SCA IN PLACE THE COMPANIES WILL FIND IT DIFFICULT TO RAISE THE NECESSARY PRIVATE FINANCE NEEDED TO CONSTRUCT THE PROPOSED NEW POWER STATION AT BLACK POINT.

"THE FIRST GENERATING UNITS AT BLACK POINT MUST BE OPERATIONAL DURING THE LATTER HALF OF THIS DECADE, IF CONSUMERS ARE TO CONTINUE TO RECEIVE AN EFFICIENT AND RELIABLE ELECTRICITY SUPPLY," SHE SAID.

"THE DISCUSSIONS WITH THE COMPANIES ARE NOW REACHING A FINAL STAGE," MRS BOSHER SAID, ADDING THAT THE GOVERNMENT HOPED THAT THE TERMS OF THE NEW SCA COULD BE FINALISED BY THE END OF THIS YEAR.

IN ACCORDANCE WITH ARRANGEMENTS WHICH HAD BEEN AGREED IN THE SINO-BRITISH JOINT LIAISON GROUP THE CHINESE SIDE WOULD BE GIVEN AN OPPORTUNITY TO EXPRESS THEIR VIEWS ON THE TERMS OF THE NEW SCA, SHE SAID.

"MEMBERS OF THE OMELCO ECONOMIC SERVICES AND PUBLIC UTILITIES PANEL WILL BE BRIEFED ON THE AGREEMENT BY THE ADMINISTRATION EARLY NEXT WEEK," SHE ADDED.

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FULL-SCALE INVESTIGATION INTO ALLEGED INCORRECT INJECTION CASES

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THE DIRECTOR OF HOSPITAL SERVICES IS CONDUCTING A FULL-SCALE INVESTIGATION INTO THE MATTER OF RECENT ALLEGEDLY INCORRECT ADMINISTERING OF INJECTIONS, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON EMILY LAU, MRS WONG SAID THE INVESTIGATION WAS EXPECTED TO BE COMPLETED SHORTLY AND THE RESULTS WOULD BE MADE PUBLIC.

THE SECRETARY ADDED THAT SUCH INCIDENTS WERE EXTREMELY RARE.

ACCORDING TO RECORD, THERE WAS A SIMILAR INCIDENT IN 1982 AND THE VICTIM'S FAMILY WAS COMPENSATED BY THE GOVERNMENT, MRS WONG SAID.

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ACTION TAKEN TO ENSURE CIVIL SERVANTS KNOW OF
BILL OF RIGHTS' IMPLICATIONS

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THE GOVERNMENT IS AWARE OF THE NEED TO ENSURE THAT CIVIL SERVANTS ARE AWARE OF THE IMPLICATIONS OF THE BILL OF RIGHTS (BOR) ORDINANCE FOR THEIR WORK, THE LEGISLATIVE COUNCIL WAS INFORMED TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION FROM THE HON EMILY LAU, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID THE DISCIPLINED SERVICES HAD TAKEN ACTION IN THIS REGARD.

MR ASPREY SAID THE ROYAL HONG KONG POLICE FORCE HAD SET UP A WORKING PARTY TO EXAMINE THE FULL IMPLICATIONS OF THE BOR ORDINANCE FOR POLICE WORK.

THE POLICE HAD ISSUED CIRCULARS AND ORGANISED BRIEFINGS AND TRAINING SESSIONS FOR THE OFFICERS CONCERNED ON RECENT COURT RULINGS AFFECTING EXISTING LEGISLATION OR POLICE LAW ENFORCEMENT PROCEDURES, HE ADDED.

SIMILARLY, MR ASPREY SAID, THE OTHER DISCIPLINED SERVICES HAD TAKEN STEPS TO INCLUDE SESSIONS ON THE BOR ORDINANCE IN THEIR RECRUIT TRAINING.

IN ADDITION, SENIOR OFFICERS OF THESE SERVICES HAD BEEN SENT TO ATTEND A CONFERENCE ON THE BOR ORDINANCE ORGANISED BY THE UNIVERSITY OF HONG KONG IN JULY THIS YEAR, AND OTHER OFFICERS ON ONE-DAY SEMINARS ON THE SAME SUBJECT ORGANISED BY THE LEGAL DEPARTMENT.

THE SECRETARY NOTED THAT SO FAR, NO SPECIFIC COMPLAINTS HAD BEEN RECEIVED FROM CIVIL SERVANTS ON UNCERTAINTY CAUSED BY THE BOR ORDINANCE IN THE PERFORMANCE OF THEIR DUTIES.

"WE ARE AWARE OF THE VIEWS EXPRESSED BY THE JUNIOR POLICE OFFICERS' ASSOCIATION RECENTLY.

"WE BELIEVE, HOWEVER, THAT THE MEASURES BEING TAKEN BY THE POLICE ARE ADDRESSING THEIR CONCERNS," HE SAID.

WEDNESDAY, NOVEMBER 6, 1991

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MOTION OF THANKS PASSED

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THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) PASSED A MOTION THANKING THE GOVERNOR FOR HIS ANNUAL POLICY ADDRESS TO THE COUNCIL LAST MONTH.

FIFTY-FIVE MEMBERS SPOKE ON THE MOTION FOR TWO DAYS LAST WEEK AND 13 GOVERNMENT OFFICIALS REPLIED TODAY TO THE POINTS THEY HAD RAISED.

THE CHIEF SECRETARY LED THE OFFICIAL REPLIES AND THE LAST SPEECH WAS MADE BY THE SECRETARY FOR THE CIVIL SERVICE.

THREE OTHER MOTIONS, MOVED BY THE SECRETARY FOR MONETARY AFFAIRS, WERE ALSO PASSED. ONE MOTION WAS UNDER THE LOANS ORDINANCE AND TWO WERE UNDER PUBLIC FINANCE ORDINANCE.

MEANWHILE, THE PEAK TRAMWAY (AMENDMENT) BILL 1991 WAS INTRODUCED FOR FIRST AND SECOND READINGS.

DEBATE ON THE BILL WAS ADJOURNED.

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WEDNESDAY, NOVEMBER 6, 1991

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CONSUMER COUNCIL (AMENDMENT) BILL 1991 TO BE GAZETTED

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THE CONSUMER COUNCIL (AMENDMENT) BILL 1991 IS DUE TO BE INTRODUCED INTO THE LEGISLATIVE COUNCIL ON NOVEMBER 20, A GOVERNMENT SPOKESMAN ANNOUNCED TODAY (WEDNESDAY).

IT WILL BE PUBLISHED IN THE GAZETTE ON FRIDAY (NOVEMBER 8).

THE BILL SEEKS TO CLARIFY THAT IMMOVABLE PROPERTIES ARE WITHIN THE CONSUMER COUNCIL'S PURVIEW; TO STRENGTHEN PROHIBITION OF COMMERCIAL EXPLOITATION OF THE COUNCIL'S NAME; AND TO UPDATE THE LIST OF ENTITIES WHICH ARE OUTSIDE ITS PURVIEW.

"UNDER THE EXISTING LEGISLATION, IT IS NOT CLEAR WHETHER PROPERTY TRANSACTIONS AND TENANCY MATTERS ARE WITHIN THE CONSUMER COUNCIL'S PURVIEW," THE GOVERNMENT SPOKESMAN SAID.

"TO REMOVE ANY UNCERTAINTY, WE PROPOSE TO AMEND THE FUNCTIONS OF THE CONSUMER COUNCIL TO CLARIFY THAT IMMOVABLE PROPERTIES ARE INCLUDED," HE SAID.

"IN ORDER TO STRENGTHEN THE EXISTING PROVISION TO PROHIBIT COMMERCIAL EXPLOITATION OF THE COUNCIL'S NAME AND RESEARCH FINDINGS, WE PROPOSE TO INCREASE THE LEVEL OF FINES FROM THE PRESENT \$5,000 TO \$100,000," THE SPOKESMAN SAID.

THE BILL UPDATES THE SCHEDULE TO THE CONSUMER COUNCIL ORDINANCE TO REMOVE DEFUNCT COMPANIES AND TO MAKE CONSEQUENTIAL CHANGES WHERE COMPANIES HAVE ADOPTED NEW NAMES.

IT ALSO REMOVES FROM THE SCHEDULE COMPANIES WHICH ARE NOT UNDER ANY SPECIAL FORM OF GOVERNMENT CONTROL OR PUBLIC MONITORING SUCH AS THE PEAK TRAMWAYS COMPANY LIMITED AND THE HONG KONG AND CHINA GAS COMPANY LIMITED SO THAT THEY WILL BE BROUGHT WITHIN THE COUNCIL'S PURVIEW.

SEVERAL NEW BODIES WHICH MEET THE CRITERIA FOR EXEMPTION FROM THE CONSUMER COUNCIL'S PURVIEW, SUCH AS THE HOSPITAL AUTHORITY, ARE ADDED TO THE SCHEDULE.

"WE ALSO SUPPORT THE COUNCIL'S SUGGESTION THAT TRANSPORT COMPANIES AND PUBLIC UTILITIES SHOULD SET UP CONSUMER LIAISON GROUPS AS A WAY TO ENHANCE CONSUMER REPRESENTATION IN MONITORING THEIR SERVICE STANDARDS.

"TO THIS END, WE HAVE ALREADY ASKED THESE COMPANIES TO GIVE A FIRM COMMITMENT TO ESTABLISH CONSUMER LIAISON GROUPS AND TO PROVIDE A DATE BY WHICH THIS WILL BE DONE," THE SPOKESMAN ADDED.

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WEDNESDAY, NOVEMBER 6, 1991

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FC MEETING ON FRIDAY

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THE FINANCE COMMITTEE WILL HOLD A MEETING ON FRIDAY (NOVEMBER 8) IN THE LEGISLATIVE COUNCIL CHAMBER. IT WILL BEGIN AT 2.30 PM.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE COMMITTEE'S PROCEEDINGS FROM THE CHAMBER'S PUBLIC GALLERIES AND THEY MAY MAKE RESERVATIONS BY TELEPHONING 869 9492.

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NEW PENSION SCHEME FOR EX-POW'S AND WAR VETERANS

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THE NEW HONG KONG WAR MEMORIAL PENSIONS ADVISORY COMMITTEE HELD ITS FIRST MEETING YESTERDAY (TUESDAY) TO CONSIDER MORE THAN 500 APPLICATIONS FROM EXISTING BENEFICIARIES OF THE HONG KONG WAR MEMORIAL FUND AND FAR EASTERN RELIEF FUND.

THE CHAIRMAN OF THE ADVISORY COMMITTEE, MR ANDREW SO KWOK-WING, NOTED THAT THE GOVERNMENT HAD AGREED THAT EXISTING BENEFICIARIES OF THE TWO FUNDS WOULD BE NO WORSE OFF UNDER THE NEW PENSIONS SCHEME.

THE ADVISORY COMMITTEE DECIDED THAT APPLICATIONS FROM 203 LOCAL AND 314 OVERSEAS EXISTING BENEFICIARIES WOULD BE RECOMMENDED TO THE SECRETARY FOR HEALTH AND WELFARE FOR APPROVAL.

THE EXISTING WAR MEMORIAL FUND AND FAR EASTERN RELIEF FUND WOULD BOTH BE WOUND UP ON DECEMBER 1 THIS YEAR WHEN PAYMENT OF PENSIONS TO ELIGIBLE APPLICANTS WOULD START.

THE PAYMENT OF PENSIONS WILL BE ARRANGED BY THE GOVERNMENT TREASURY. THE AMOUNT OF PENSIONS WILL BE ADJUSTED IN FUTURE IN LINE WITH ADJUSTMENTS TO CIVIL SERVICE PENSIONS.

THE MEMBERS OF THE ADVISORY COMMITTEE ARE: MR ANDREW SO KWOK-WING (CHAIRMAN), MR CHRISTOPHER D'ALMADA, MR JACK EDWARDS, MR JACK MITCHELL, MR CHEUNG WING-YIN, MR JOHN FORTUNE, DR CHAN PING-CHEUNG AND DR WONG HONG-HIN.

THE COMMITTEE WILL NEXT MEET ON DECEMBER 10 TO CONSIDER NEW APPLICATIONS.

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ONE NOMINATION RECEIVED TODAY FOR LEGCO BY-ELECTION

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ONE NOMINATION FOR THE LEGISLATIVE COUNCIL BY-ELECTION IN THE NEW TERRITORIES WEST CONSTITUENCY WAS RECEIVED TODAY (WEDNESDAY), BRINGING TO THREE THE TOTAL NUMBER OF NOMINATIONS SO FAR.

THE NOMINATION PERIOD FOR THE BY-ELECTION, TO BE HELD ON DECEMBER 8, WILL CLOSE ON NOVEMBER 18.

FOLLOWING ARE THE PERSONAL PARTICULARS OF THE CANDIDATE WHOSE NOMINATION WAS RECEIVED TODAY:

NAME	SEX	AGE	OCCUPATION	CONTACT TEL. NO.
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TANG SIU-TONG	M	48	MEDICAL PRACTITIONER	443 2202

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ADVICE AGAINST MARKING TIME TECHNOLOGICALLY

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NO ORGANISATION IN HONG KONG, WHETHER INDUSTRIAL OR COMMERCIAL, CAN AFFORD TO MARK TIME TECHNOLOGICALLY AND TO DO SO IS TO FALL BEHIND OTHERS AND RISK GOING OUT OF BUSINESS, THE EXECUTIVE DIRECTOR OF THE VOCATIONAL TRAINING COUNCIL, MR HORACE KNIGHT, SAID TODAY (WEDNESDAY).

BUT, MR KNIGHT SAID, NO BUSINESS ORGANISATION WAS CAPABLE OF REMAINING COMPETITIVE AND IN THE FOREFRONT IN TODAY'S WORLD WITHOUT A TRAINED WORKFORCE THAT WAS CAPABLE OF ADAPTING TO NEW KNOWLEDGE AND TECHNIQUES.

SPEAKING AT THE GRADUATION CEREMONY FOR TRAINER TRAINING COURSES OF THE HONG KONG TECHNICAL TEACHERS' COLLEGE, MR KNIGHT ADDED: "THAT IS WHY TRAINING AS A CONTINUING PROCESS IS CRUCIAL FOR AN EMPLOYER INDIVIDUALLY AND FOR AN INDUSTRY CORPORATELY IF THEY ARE TO REMAIN PROFITABLE AND STAY IN BUSINESS.

"CONCOMITANT WITH THE NEED FOR TRAINING IS A NEED FOR COMPETENT AND EFFECTIVE TRAINERS - SUCH TRAINERS WILL NEED NOT ONLY IN-DEPTH KNOWLEDGE AND EXPERIENCE IN THEIR OWN TECHNICAL FIELDS, BUT ALSO KNOWLEDGE AND SKILLS INVOLVED IN THE IMPARTING OF TECHNICAL SKILLS."

MR KNIGHT SAID TO THIS END, THE HONG KONG TECHNICAL TEACHERS' COLLEGE HAD CONTRIBUTED GREATLY THROUGH PROVIDING TRAINER TRAINING PROGRAMMES.

/IN COLLABORATION

IN COLLABORATION WITH BODIES SUCH AS THE VOCATIONAL TRAINING COUNCIL, HE SAID THE COLLEGE HAD BEEN ASSUMING INCREASINGLY GREATER INDIRECT RESPONSIBILITIES FOR MANPOWER TRAINING AND WAS BECOMING AN INDISPENSABLE PARTNER TO THE COUNCIL IN THE LATTER'S EFFORT TO MEET THE COMMUNITY'S MANPOWER NEEDS.

IN THIS YEAR'S GRADUATION CEREMONY, 458 GRADUATES FROM SIX TRAINING COURSES RECEIVED THEIR CERTIFICATES.

ALSO OFFICIATING AT THE CEREMONY WERE THE DIRECTOR OF EDUCATION, MR LI YUET-TING, AND THE COLLEGE PRINCIPAL, MR DAVID PUN.

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GOVT LAND TO LET BY TENDER

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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCY ON SIX LOTS OF GOVERNMENT LAND IN KOWLOON AND THE NEW TERRITORIES.

THREE OF THE LOTS ARE IN AREA 44, TUEN MUN NEW TOWN, MEASURING 4,200 SQUARE METRES, 3,000 SQUARE METRES AND 7,750 SQUARE METRES RESPECTIVELY.

OF THESE, THE TWO SMALLER LOTS ARE DESIGNATED FOR THE PURPOSES OF OPEN STORAGE (INCLUDING STORAGE OF CONTAINERS), AND THE LARGEST SITE IS FOR A FEE-PAYING PUBLIC VEHICLE PARK FOR LICENSED PRIVATE CARS, GOODS VEHICLES, CONTAINER TRACTORS AND TRAILERS.

THE TENANCY FOR ALL THREE SITES IS TWO YEARS, RENEWABLE QUARTERLY AFTERWARDS.

ANOTHER LOT IS LOCATED AT THE JUNCTION OF TUNG CHAU STREET AND YEN CHOW STREET, SHAM SHUI PO, KOWLOON.

WITH AN AREA OF ABOUT 6,200 SQUARE METRES, IT IS FOR A FEE-PAYING PUBLIC PARKING AREA FOR PRIVATE CARS, TAXIS, PRIVATE LIGHT BUSES, LIGHT GOODS VEHICLES AND MOTORCYCLES CURRENTLY LICENSED UNDER THE ROAD TRAFFIC ORDINANCE.

THE TENANCY IS FOR FOUR MONTHS, RENEWABLE MONTHLY AFTERWARDS.

THE FIFTH LOT, LOCATED AT FUNG CHEUNG ROAD, YUEN LONG, HAS AN AREA OF ABOUT 2,350 SQUARE METRES.

IT IS FOR OPEN STORAGE OF TENANT'S GOODS, EQUIPMENT AND/OR NEW UNLICENSED MOTOR VEHICLES (EXCLUDING ANY CONTAINER VEHICLE, CONTAINER-TRAILER, CEMENT AND OTHER DUSTY MATERIALS).

THE TENANCY IS FOR ONE YEAR AND QUARTERLY AFTERWARDS.

THE REMAINING LOT IS LOCATED AT YUEN CHAU TSAI, TAI PO, NEW TERRITORIES.

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WITH AN AREA OF ABOUT 3.33 HECTARES, THE SITE IS FOR A FEE-PARKING PUBLIC VEHICLE PARK FOR MOTOR VEHICLES CURRENTLY LICENSED UNDER THE ROAD TRAFFIC ORDINANCE.

THE TENANCY IS FOR THREE YEARS AND QUARTERLY AFTERWARDS.

THE DEADLINE FOR SUBMISSION OF TENDERS IS NOON ON NOVEMBER 22.

FORMS OF TENDER, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM AND TENDER PLANS INSPECTED AT THE DISTRICT LANDS OFFICES OF TUEN MUN, YUEN LONG AND TAI PO; THE KOWLOON DISTRICT LANDS OFFICES, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON; AND THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG.

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UNAUTHORISED BUILDING WORKS IN MONG KOK TO BE CLOSED

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THE BUILDING AUTHORITY IS SEEKING TO CLOSE THE UNAUTHORISED BUILDING WORKS AT A BUILDING IN MONG KOK SO THAT THEY CAN BE DEMOLISHED WITHOUT DANGER TO THE OCCUPIERS AND THE PUBLIC.

THE UNAUTHORISED BUILDING WORKS ARE LOCATED ON THE ROOF OVER 200A FA YUEN STREET.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER UNDER THE BUILDINGS ORDINANCE FROM THE HONG KONG DISTRICT COURT ON JANUARY 10 NEXT YEAR WAS POSTED ON THE PREMISES TODAY (WEDNESDAY).

DEMOLITION WORK IS EXPECTED TO START ONCE THE CLOSURE ORDER IS ISSUED.

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WEDNESDAY, NOVEMBER 6, 1991

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	DATE -----	\$ MILLION -----
CLOSING BALANCE IN THE ACCOUNT ON	5.11.91	500
EFFECT OF FORWARDS TO BE SETTLED ON	6.11.91	-502
EFFECT OF OPERATIONS THIS MORNING		+502
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 111.2 *+0.1* 6.11.91

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

	6.11.91	5.11.91
MATURING IN 1 WEEK	3.20 PCT	3.32 PCT
1 MONTH	3.57 PCT	3.62 PCT
3 MONTHS	4.09 PCT	4.10 PCT
6 MONTHS	4.23 PCT	4.20 PCT
12 MONTHS	5.20 PCT	5.21 PCT
TOTAL TURNOVER	2,817 MN	6,495 MN

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