



DAILY INFORMATION BULLETIN

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EXCHANGE FUND UNAUDITED FIGURES ANNOUNCED

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IN A STATEMENT TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, ANNOUNCED THE UNAUDITED FIGURES OF THE EXCHANGE FUND SHOWING THE POSITION AS AT THE END OF 1993.

AT THE END OF 1993, THE EXCHANGE FUND STOOD AT HK\$348 BILLION, UP 21 PER CENT FROM HK\$287 BILLION AT THE END OF 1992. MORE THAN 96 PER CENT OF THE FUND WAS IN FOREIGN CURRENCY ASSETS. ACCUMULATED EARNINGS OF THE FUND STOOD AT HK\$128 BILLION, 20 PER CENT HIGHER THAN A YEAR AGO.

"THE FOREIGN CURRENCY COMPONENT OF THE FUND, AT OVER US\$43 BILLION, PLACES HONG KONG SIXTH IN THE WORLD IN OVERALL FOREIGN CURRENCY RESERVES, AND SECOND IN THE WORLD IN TERMS OF RESERVES PER CAPITA," SIR HAMISH SAID.

"THE STRONG FOREIGN CURRENCY RESERVES POSITION OF THE EXCHANGE FUND REFLECTS HONG KONG'S IMPRESSIVE FINANCIAL STRENGTH AND IS IMPORTANT TO THE MAINTENANCE OF MONETARY AND FINANCIAL STABILITY OF HONG KONG," MR JOSEPH YAM, CHIEF EXECUTIVE OF THE HONG KONG MONETARY AUTHORITY, ADDED.

THE HONG KONG MONETARY AUTHORITY WILL BE ISSUING IN MAY 1994 ITS FIRST ANNUAL REPORT, TO BE TABLED IN THE LEGISLATIVE COUNCIL AND PROVIDING FULLER DETAILS ON ITS ACTIVITIES TOGETHER WITH THE AUDITED ACCOUNTS OF THE EXCHANGE FUND.

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NEW DIRECTOR OF ACCOUNTING SERVICES NAMED

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THE GOVERNMENT ANNOUNCED TODAY (WEDNESDAY) THAT MR CHIU SZE-HUNG, DIRECTOR OF ACCOUNTING SERVICES, WILL RETIRE ON APRIL 1 THIS YEAR.

HE WILL BE SUCCEEDED BY HIS DEPUTY, MR ALAN RICHARDSON.

THE FOLLOWING ARE BRIEF BIOGRAPHICAL NOTES ON THESE OFFICERS:

MR CHIU SZE-HUNG, ISO, JP (AGED 61)

MR CHIU JOINED THE GOVERNMENT AS A TEMPORARY CLERK IN 1952. HE WAS TRANSFERRED TO THE TREASURY ACCOUNTANT GRADE IN 1972.

AFTER A SERIES OF PROMOTION IN THE GRADE, HE WAS PROMOTED TO DIRECTOR OF ACCOUNTING SERVICES IN 1993.

ON HIS RETIREMENT, MR CHIU WILL HAVE COMPLETED 41 YEARS OF SERVICE WITH THE GOVERNMENT.

/MR ALAN RICHARDSON,

MR ALAN RICHARDSON, JP (AGED 52)

MR RICHARDSON JOINED THE GOVERNMENT AS A CHIEF TREASURY ACCOUNTANT IN 1976.

HE WAS PROMOTED TO ASSISTANT DIRECTOR OF ACCOUNTING SERVICES IN 1981 AND TO DEPUTY DIRECTOR OF ACCOUNTING SERVICES IN 1993.

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PUBLIC WORKS QUALITY TO IMPROVE

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THE QUALITY OF PUBLIC WORKS PROJECTS IS EXPECTED TO TAKE ANOTHER STEP TOWARDS PERFECTION AS THE GOVERNMENT IS TO INTRODUCE QUALITY ASSURANCE STANDARDS IN PUBLIC CONSTRUCTION WORKS.

"THE WORKS BRANCH, WITH THE SUPPORT AND AGREEMENT OF THE WORKS DIRECTORS, HAS APPROVED A FRAMEWORK FOR THE INTRODUCTION OF ISO 9000 QUALITY ASSURANCE STANDARDS IN OUR CONSTRUCTION WORKS," ACCORDING TO SECRETARY FOR WORKS, MR JAMES BLAKE.

HE WAS ADDRESSING A SEMINAR ON "QUALITY IN PUBLIC WORKS", ORGANISED BY THE WORKS BRANCH TO EXPLAIN THE GOVERNMENT'S POLICY AND OBJECTIVE ON THE QUALITY OF CONSTRUCTION IN PUBLIC WORKS.

MR BLAKE SAID THERE WAS A GROWING AWARENESS OF THE NEED FOR INTERNATIONAL QUALITY STANDARDS IN HONG KONG.

"INDEED, MANY OF OUR CONTRACTORS AND CONSULTANTS HAVE ALREADY ACHIEVED ISO 9000 CERTIFICATION, OR PLAN TO DO SO," HE SAID.

"THE REASON WHY WE ARE CONCERNED ABOUT QUALITY IN PUBLIC WORKS IS SIMPLE."

"IN THE 1990'S WE CAN NO LONGER AFFORD THE LUXURY OF INEVITABLE TIME AND COST OVERRUNS.

"IN PUBLIC WORKS CONSTRUCTION TODAY, WE ARE NOT ONLY EXPECTED TO BUILD ON TIME AND WITHIN BUDGET, BUT ALSO TO ACHIEVE VALUE FOR MONEY AND QUALITY IN THE COMPLETED WORK.

"QUALITY ASSURANCE IS INTENDED TO ENSURE CONSTRUCTION TO SPECIFICATION AND REDUCE COST BY DOING THINGS RIGHT AT THE FIRST TIME.

MR BLAKE SAID THERE WERE OTHER BENEFITS.

"ONE OF THEM IS ENHANCED SITE SAFETY BY REDUCING THE NUMBER OF HAZARDOUS SITUATIONS WHICH CAN CAUSE INJURY OR LOSS OF LIFE.

"INDEED, MANY CONTRACTORS ALREADY INCLUDE A SAFETY PROCEDURES IN THEIR PROJECT QUALITY PLANS.

MR BLAKE SAID THE GOVERNMENT WOULD MAINTAIN CLOSE LIAISON WITH THE RELEVANT PROFESSIONAL AND TRADE ASSOCIATIONS.

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FIVE QUEEN'S COUNSEL APPOINTED

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THE CHIEF JUSTICE ANNOUNCED THAT THE QUEEN HAD APPOINTED MR ANTHONY R DICKS, MR WARREN CHAN CHEE-HOI, MR LAWRENCE LOK YING-KAM, MR MICHAEL V LUNN, AND MR NIGEL A C AIKEN HER MAJESTY'S COUNSEL FOR HONG KONG.

THE APPOINTMENT IS TO TAKE EFFECT IMMEDIATELY AND A CEREMONY WILL BE HELD IN NO. 1 COURT OF THE SUPREME COURT AT 10 AM ON SATURDAY (MAY 14) TO CALL WITHIN THE BAR THE FIVE NEW QUEEN'S COUNSEL.

THE COURT, WHICH WILL INCLUDE MEMBERS OF THE BENCH AT ALL LEVELS, WILL BE PRESIDED OVER BY THE CHIEF JUSTICE, SIR TI LIANG YANG.

MR ANTHONY DICKS IS 58 YEARS OF AGE AND WAS CALLED TO THE INNER TEMPLE IN 1961. HE WAS ADMITTED TO THE HONG KONG BAR IN 1965 AND WAS ENGAGED IN PRACTICE FROM 1967. HE WAS IN PART-TIME PRACTICE IN LONDON FROM 1968-1974 AND RETURNED TO FULL-TIME PRACTICE IN HONG KONG IN 1974.

HE ACQUIRED A BUSY LITIGATION PRACTICE, LARGELY IN THE COMMERCIAL, ADMIRALTY AND COMPANY FIELDS. THROUGHOUT HIS PERIOD IN PRACTICE, HE HAS BEEN CONSULTED ON A VERY WIDE VARIETY OF ASPECTS OF CHINESE LAW, TRADITIONAL AND MODERN, SOMETIMES GIVING EXPERT EVIDENCE IN THE COURTS OF HONG KONG AND OTHER PLACES.

MR WARREN CHAN IS 40 YEARS OLD AND WAS CALLED TO THE HONG KONG BAR IN 1978 AND THE ENGLISH BAR IN 1983. HE STARTED WITH A GENERAL CIVIL PRACTICE AND GRADUALLY DEVELOPED INTO A PROPERTY AND COMMERCIAL PRACTICE. HE HAS OCCASIONALLY DONE SOME CRIMINAL WORK.

HE SERVED AS A MEMBER OF THE BAR COMMITTEE IN 1980/1981- AND A MEMBER OF THE CRIMINAL INJURIES COMPENSATION BOARD IN 1986/1987. HE HAS BEEN A MEMBER OF THE SUB-COMMITTEE ON OVERSEAS ADMISSION SINCE 1992.

MR LAWRENCE LOK IS AGED 39 AND WAS CALLED TO THE HONG KONG BAR IN 1978. HE HAS BEEN IN PRACTICE SINCE 1979 AND HIS WORK IS NOW EXCLUSIVELY CONFINED TO CRIMINAL CASES.

HE IS A MEMBER OF THE WORKING PARTY FOR THE IMPLEMENTATION OF USE OF CHINESE IN MAGISTRATES COURTS (1989), AND A MEMBER OF THE LAW SOCIETY LEGAL ADVICE AND DUTY LAWYER SCHEME (1989/1992). HE HAS BEEN A MEMBER OF THE CRIMINAL LAW STANDING COMMITTEE SINCE 1990.

MR MICHAEL LUNN IS 43 YEARS OF AGE AND WAS CALLED TO THE INNER TEMPLE IN 1973 AND THE HONG KONG BAR IN 1981. HE WORKED IN THE LEGAL DEPARTMENT FROM 1977 TO 1982. HIS WORK IS MOSTLY IN CRIMINAL LAW DEALING WITH TRIALS IN THE MAGISTRACY, DISTRICT COURT AND THE HIGH COURT. EIGHTY-FIVE PER CENT OF THESE TRIALS ARE IN THE HIGH COURT.

HE HAS BEEN A MEMBER OF THE HONG KONG BAR COUNCIL SINCE 1992 AND IS NOW A MEMBER OF THE WORKING PARTY ON MENTALLY HANDICAPPED PEOPLE GIVING EVIDENCE IN COURT.

MR NIGEL AIKEN IS 44 YEARS OF AGE AND WAS CALLED TO THE ENGLISH BAR IN 1974 AND THE HONG KONG BAR IN 1981. HE WAS A MEMBER OF THE LEGAL DEPARTMENT FROM 1977 TO 1982.

HALF OF HIS WORK IS IN CRIMINAL CASES. HE ALSO TAKES CASES IN BUILDING AND CONSTRUCTION WORK INCLUDING ARBITRATIONS AND GENERAL COMMERCIAL WORK. HE HAS BEEN ASKED SEVERAL TIMES TO ACT AS AN ARBITRATOR.

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ANNUAL REPORT ON CONSUMER PRICE INDEX FOR 1993 PUBLISHED
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THE CENSUS AND STATISTICS DEPARTMENT HAS PUBLISHED A REPORT ANALYSING THE MOVEMENTS OF CONSUMER PRICE INDICES (CPIS) LAST YEAR.

CHARTS AND TABLES SHOWING MOVEMENTS OF THE CPI(A), CPI(B), HANG SENG CPI AND COMPOSITE CPI BY INDIVIDUAL COMMODITY/SERVICE COMPONENTS, AS WELL AS THEIR CONTRIBUTIONS TO THE OVERALL CHANGE IN THE INDICES ARE ALSO INCLUDED IN THE REPORT.

IT ALSO CONTAINS A DETAILED EXPLANATION OF THE CONCEPTS AND COMPUTATION METHOD OF THE CPIS TO HELP READERS GAIN A BETTER UNDERSTANDING OF THE INDICES.

THE ANNUAL REPORT IS A BILINGUAL PUBLICATION IN BOTH ENGLISH AND CHINESE.

IT IS NOW ON SALE, AT \$32 A COPY, AT THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, GROUND FLOOR, CONNAUGHT PLACE, CENTRAL; AND THE PUBLICATIONS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI, HONG KONG.

ENQUIRIES ABOUT THE REPORT CAN BE DIRECTED TO THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 805 6403.

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PROPER PLANNING NEEDED IN CROSS-BORDER FREIGHT TRANSPORT
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PROPER PLANNING IS THE SOLUTION TO THE PROBLEMS CREATED BY THE MASSIVE INCREASE IN CROSS-BORDER FREIGHT, THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, SAID TODAY (WEDNESDAY).

SPEAKING AT THE OPENING OF A SEMINAR ON CHINA-HONG KONG FREIGHT TRANSPORT ORGANISED BY THE HONG KONG GENERAL CHAMBER OF COMMERCE, MR SIU SAID THERE HAD TO BE PROPER PLANNING IN HONG KONG; ACROSS THE BORDER; AND IN BOTH THE PRIVATE AND THE PUBLIC SECTORS.

NOTING THAT FREIGHT TRANSPORT WAS THE VERY LIFE BLOOD OF HONG KONG, MR SIU SAID THE GOVERNMENT WAS DOING ITS BEST TO OVERCOME THE PROBLEM OF CONGESTION ON THE ROADS, AT THE AIRPORT, AND IN THE PORT AS A RESULT OF THE GROWTH OF FREIGHT MOVEMENT BETWEEN CHINA AND HONG KONG.

"OUR EFFORTS IN PLANNING AND BUILDING THE NEW AIRPORT, THE PORT PROJECT, THE TSING MA BRIDGE, EXTENSIVE HIGHWAY SCHEMES, HAVE ATTRACTED ATTENTION AROUND THE WORLD," HE SAID.

MR SIU POINTED OUT THAT KAI TAK WAS NEARING ITS CAPACITY AND THE NEW FREIGHT FACILITIES AT CHEK LAP KOK WOULD BE NEEDED BY SHIPPERS AS SOON AS THEY COULD COME INTO SERVICE.

HE ADDED THAT EVEN IF WORK STARTED IMMEDIATELY ON CONTAINER TERMINAL 9 THERE WAS LIKELY TO BE A SHORTFALL OF SUPPLY OVER DEMAND FOR BERTH SPACE IN 1995.

"ANTICIPATING THE GROWING DEMAND, THE GOVERNMENT IS LOOKING AT WAYS OF BRINGING TERMINALS 10 AND 11 ON LANTAU ON STREAM AS EARLY AS POSSIBLE," HE ADDED.

ON HIGHWAY PROJECTS, MR SIU SAID PROGRESS WAS BEING MADE ON THE TSING MA BRIDGE AND ROUTE THREE, WHILE A FRANCHISE TO BUILD THE \$7 BILLION, DUAL, THREE-LANE COUNTRY PARK SECTION OF ROUTE THREE WOULD BE AWARDED AT THE END OF THIS YEAR.

"ROAD LINKS BETWEEN THE BORDER AND URBAN AREAS WILL BE IMPROVED WITH THE OPENING OF THE YUEN LONG SOUTHERN BYPASS IN SEPTEMBER THIS YEAR.

"IN AUGUST, WE WILL BE AWARDING A CONTRACT FOR THE CONSTRUCTION OF THE TING KAU BRIDGE," MR SIU SAID.

TO HELP DEVELOP RIVER TRANSPORT, MR SIU SAID THE GOVERNMENT WAS PLANNING A RIVER TRADE TERMINAL AT TUEN MUN.

THERE WAS GREAT INTEREST IN FURTHER DEVELOPING FREIGHT RAIL LINKS BETWEEN THE MAINLAND AND HONG KONG WITH DEDICATED RAIL LINES RUNNING TO THE PORT, MR SIU NOTED.

"THE GOVERNMENT HOPES TO FINALISE THE RAILWAY DEVELOPMENT STRATEGY BY MAY BEFORE CONSULTING THE CHINESE AUTHORITIES ON THE PLANS AND MOVING INTO DETAILED NEGOTIATIONS WITH PROSPECTIVE OPERATORS.

"WE PLAN TO HAVE THE FREIGHT LINE COMPLETED BY THE YEAR 2001.

"WITH CHINA MAKING MAGNIFICENT PROGRESS IN DOUBLE TRACKING ITS RAIL SYSTEM, SUCH A LINK, WITH MARSHALLING YARDS BOTH IN CHINA AND HONG KONG, WOULD GREATLY EXPAND THE TERRITORY'S FREIGHT HINTERLAND ON THE MAINLAND.

"IT WOULD ENABLE A TRUE INTERMODAL FREIGHT TRANSPORT SYSTEM TO BE ESTABLISHED FOR THE FIRST TIME IN HONG KONG," MR SIU SAID.

WEDNESDAY, MARCH 30, 1994

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MONETARY STATISTICS FOR FEBRUARY 1994

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HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS DECREASED DURING FEBRUARY, OWING TO A HIGH COMPARISON BASE RESULTING FROM SHARE FLOTATION EXERCISES IN LATE JANUARY, ACCORDING TO STATISTICS PUBLISHED TODAY (WEDNESDAY) BY THE HONG KONG MONETARY AUTHORITY.

CONSISTENT WITH THIS, THE BROADEST HONG KONG DOLLAR MONEY SUPPLY, HK\$M3, DECLINED IN FEBRUARY. HONG KONG DOLLAR LOANS AND ADVANCES ALSO DECREASED DURING THE MONTH.

DEPOSITS

INFLUENCED BY THE HIGH COMPARISON BASE IN JANUARY AS A RESULT OF A FEW SHARE FLOTATION EXERCISES, HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS (ADJUSTED TO INCLUDE SWAP DEPOSITS BOOKED LOCALLY) FELL BY 8.3% IN FEBRUARY 1994, FOLLOWING A DECREASE OF 14.3% IN DECEMBER 1993 AND AN INCREASE OF 11.6% IN JANUARY 1994.

AMONG THESE DEPOSITS, DEMAND DEPOSITS AND TIME DEPOSITS FELL BY 8.7% AND 12.3% RESPECTIVELY DURING THE MONTH.

THE DECREASE WAS ATTRIBUTABLE TO THE REFUNDING OF APPLICATION MONIES FOR NEW SHARE ISSUES LAUNCHED IN LATE JANUARY.

SAVINGS DEPOSITS FELL MARGINALLY BY 0.1%. YEAR-ON-YEAR, TOTAL HONG KONG DOLLAR DEPOSITS GREW BY 25.3%.

FOREIGN CURRENCY DEPOSITS WITH AUTHORISED INSTITUTIONS DECREASED BY 1.2% IN FEBRUARY 1994, AFTER INCREASES OF 0.2% AND 1.2% IN DECEMBER 1993 AND JANUARY 1994 RESPECTIVELY.

OF THESE DEPOSITS, U.S. DOLLAR DEPOSITS DECREASED BY 2.5% WHILE NON-U.S. DOLLAR FOREIGN CURRENCY DEPOSITS RECORDED AN INSIGNIFICANT CHANGE. YEAR-ON-YEAR, TOTAL FOREIGN CURRENCY DEPOSITS GREW BY 1.5%.

DURING FEBRUARY 1994, DEPOSITS IN ALL CURRENCIES WITH LICENSED BANKS DECREASED BY 5.0% WHILE DEPOSITS WITH RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES INCREASED BY 0.8% EACH.

YEAR-ON-YEAR, DEPOSITS WITH LICENSED BANKS GREW BY 13.4% WHILE DEPOSITS WITH RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES DECLINED BY 28.7% AND 3.8% RESPECTIVELY.

MONEY SUPPLY

HK\$M1, HK\$M2 AND HK\$M3 DECREASED BY 4.8%, 7.5% AND 7.4% RESPECTIVELY IN FEBRUARY, COMPARED WITH INCREASES OF 11.6%, 11.3% AND 11.0% RESPECTIVELY IN JANUARY. YEAR-ON-YEAR, HK\$M1, HK\$M2 AND HK\$M3 INCREASED BY 33.4%, 27.2% AND 25.5% RESPECTIVELY.

/TOTAL M1,

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TOTAL M1, M2 AND M3 DECREASED BY 4.0%, 4.7% AND 4.4% RESPECTIVELY IN FEBRUARY. IN JANUARY, THEY ROSE BY 11.0%, 6.8% AND 6.4% RESPECTIVELY. YEAR-ON-YEAR, TOTAL M1, M2 AND M3 ROSE BY 33.3%, 14.2% AND 13.8% RESPECTIVELY.

LOANS AND ADVANCES

TOTAL OUTSTANDING LOANS AND ADVANCES EXTENDED BY AUTHORISED INSTITUTIONS INCREASED BY 1.0% IN FEBRUARY 1994, FOLLOWING A DECREASE OF 4.2% IN DECEMBER 1993 AND AN INCREASE OF 4.1% IN JANUARY 1994.

AMONG THESE LOANS, HONG KONG DOLLAR LOANS FELL BY 5.3%, LARGELY DUE TO THE REPAYMENT OF LOANS FOR SHARE SUBSCRIPTIONS.

FOREIGN CURRENCY LOANS INCREASED BY 4.4% DURING THE MONTH. COMPARED WITH A YEAR EARLIER, THESE LOANS INCREASED BY 18.9% AND 15.7% RESPECTIVELY.

LOANS TO FINANCE VISIBLE TRADE OF HONG KONG DECREASED BY 0.3% IN FEBRUARY 1994, AFTER INCREASES OF 0.3% AND 1.1% IN DECEMBER 1993 AND JANUARY 1994 RESPECTIVELY. YEAR-ON-YEAR, SUCH LOANS GREW BY 13.4%.

OTHER LOANS FOR USE IN HONG KONG FELL BY 3.7% IN FEBRUARY 1994, FOLLOWING A DECREASE OF 10.6% IN DECEMBER 1993 AND AN INCREASE OF 8.1% IN JANUARY 1994. YEAR-ON-YEAR, THESE LOANS INCREASED BY 19.6%.

LOANS FOR USE OUTSIDE HONG KONG INCREASED BY 4.2% IN FEBRUARY 1994, AFTER INCREASES OF 0.3% AND 1.6% IN DECEMBER 1993 AND JANUARY 1994 RESPECTIVELY. YEAR-ON-YEAR, THESE LOANS GREW BY 15.4%.

LOANS TO FINANCE TRADE NOT TOUCHING HONG KONG DECREASED BY 1.5% DURING FEBRUARY 1994 AFTER A DECREASE OF 6.5% IN DECEMBER 1993 AND AN INCREASE OF 2.8% IN JANUARY 1994. YEAR-ON-YEAR, THESE LOANS DECREASED BY 6.9%.

NUMBER OF REPORTING INSTITUTIONS

THE NUMBER OF REPORTING LICENSED BANKS AND RESTRICTED LICENCE BANKS INCREASED BY ONE EACH TO 170 AND 57 RESPECTIVELY WHILE THE NUMBER OF REPORTING DEPOSIT-TAKING COMPANIES REMAINED UNCHANGED AT 139.

/TABLE 1 :

TABLE 1 : MONETARY STATISTICS - FEB 1994

	Feb 1994	Earlier months (% change to Feb 1994)			(HK\$mn)
		Jan 1994		Nov 1993	Feb 1993
<u>Money Supply</u>					
M1 - HK\$	178,903	187,940 (-4.8)	160,842 (11.2)	134,093 (33.4)	
Foreign currency	21,081	20,280 (3.9)	18,776 (12.3)	15,970 (32.0)	
Total	199,984	208,219 (-4.0)	179,618 (11.3)	150,063 (33.3)	
M2 - HK\$*	949,518	1,026,621 (-7.5)	1,062,851 (-10.7)	746,473 (27.2)	
Foreign currency*	843,643	854,466 (-1.3)	838,561 (0.6)	823,706 (2.4)	
Total	1,793,161	1,881,087 (-4.7)	1,901,411 (-5.7)	1,570,180 (14.2)	
M3 - HK\$*	966,364	1,043,224 (-7.4)	1,079,356 (-10.5)	769,810 (25.5)	
Foreign currency*	884,847	893,991 (-1.0)	876,695 (0.9)	857,264 (3.2)	
Total	1,851,211	1,937,215 (-4.4)	1,956,051 (-5.4)	1,627,075 (13.8)	
Notes and coins in circulation	76,798	78,950 (-2.7)	67,958 (13.0)	62,575 (22.7)	
of which held by public	68,695	67,284 (2.1)	60,207 (14.1)	54,761 (25.4)	
<u>Total Deposits</u>					
Total Demand deposits	131,289	140,935 (-6.8)	119,411 (9.9)	95,302 (37.8)	
Total Savings deposits	416,416	415,968 (0.1)	410,823 (1.4)	357,353 (16.5)	
Total Time deposits with licensed banks	1,151,972	1,232,889 (-6.6)	1,288,551 (-10.6)	1,045,570 (10.2)	
Total Time deposits with restricted licence banks	25,587	25,381 (0.8)	28,399 (-9.9)	35,866 (-28.7)	
Total Time deposits with deposit-taking companies	17,820	17,678 (0.8)	17,334 (2.8)	18,523 (-3.8)	
HK\$ deposits*	878,829	957,979 (-8.3)	1,001,685 (-12.3)	701,314 (25.3)	
US\$ deposits*	422,417	433,237 (-2.5)	411,644 (2.6)	417,691 (1.1)	
Other foreign currency deposits*	441,838	441,637 (0.0)	451,190 (-2.1)	433,609 (1.9)	
All deposits	1,743,083	1,832,852 (-4.9)	1,864,518 (-6.5)	1,552,614 (12.3)	
Foreign currency swap deposit	77,289	77,571 (-0.4)	66,607 (6.8)	60,976 (20.2)	
<u>Total Loans and advances</u>					
To finance H.K.'s visible trade	104,068	104,354 (-0.3)	102,975 (1.1)	91,780 (13.4)	
To finance merchandising trade not touching H.K.	11,355	11,532 (-1.5)	11,997 (-5.4)	12,200 (-6.9)	
Other loans for use in H.K.	1,119,004	1,162,030 (-3.7)	1,202,391 (-6.9)	935,875 (19.6)	
Other loans for use outside H.K.	1,721,047	1,651,850 (4.2)	1,621,291 (6.2)	1,491,999 (15.4)	
Other loans where the place of use is not known	45,634	43,007 (6.1)	45,005 (1.4)	38,717 (17.9)	
Loans in HK\$	991,314	1,047,056 (-5.3)	1,089,573 (-9.0)	833,744 (18.9)	
Loans in foreign currencies	2,009,794	1,925,717 (4.4)	1,894,087 (6.1)	1,736,827 (15.7)	
Total loans and advances	3,001,108	2,972,773 (1.0)	2,983,660 (0.6)	2,570,571 (16.7)	

* Adjusted for foreign currency swap deposits. Starting from April 1991, swap deposits can further be broken down into US dollar and non-US dollar foreign currency swap deposits.

Note: 'Restricted licence banks' and 'deposit-taking companies' were known as 'licensed deposit-taking companies' and 'registered deposit-taking companies' respectively before 1 February 1990.

VISITORS MUST OBSERVE CONDITIONS OF STAY

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A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT REMINDED VISITORS THAT THEY SHOULD NOT TAKE UP EMPLOYMENT IN HONG KONG WITHOUT PERMISSION FROM THE DIRECTOR OF IMMIGRATION.

HE GAVE THE ADVICE FOLLOWING A RECENT POLICE OPERATION IN WHICH 35 TWO-WAY PERMIT VISITORS FROM CHINA WERE ARRESTED IN THE CHEUNG SHA WAN VEGETABLE WHOLESALE MARKET.

THEY WERE SUBSEQUENTLY REFERRED TO THE IMMIGRATION DEPARTMENT FOR FOLLOW-UP ACTION.

FURTHER ENQUIRIES BY IMMIGRATION INVESTIGATORS CONFIRMED THAT ALL OF THEM WERE TWO-WAY PERMIT HOLDERS FROM CHINA.

THEY ADMITTED TO HAVE WORKED ILLEGALLY AT THE VEGETABLE WHOLESALE MARKET AS PORTERS OR CASUAL WORKERS WITH DAILY WAGES OF BETWEEN \$50 AND \$150.

ALL DEFENDANTS WERE CONVICTED OF BREACHING THEIR CONDITIONS OF STAY IN HONG KONG AT THE WESTERN MAGISTRACY TODAY (WEDNESDAY) AND WERE EACH FINED EITHER \$1,000 OR \$2,000.

"ALL VISITORS ARE NOT ALLOWED TO TAKE UP ANY EMPLOYMENT, EITHER PAID OR UNPAID, WITHOUT THE PERMISSION FROM THE DIRECTOR OF IMMIGRATION," THE SPOKESMAN SAID.

THOSE WHO BREACH THEIR CONDITIONS OF STAY ARE LIABLE TO PROSECUTION AND UPON CONVICTION TO A MAXIMUM FINE OF \$5,000 AND IMPRISONMENT FOR TWO YEARS.

PEOPLE WHO AID AND ABET OTHERS TO COMMIT THESE OFFENCES ARE ALSO LIABLE TO PROSECUTION AND PENALTY, THE SPOKESMAN EMPHASISED.

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VIDEO ON TSING MA BRIDGE

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PEOPLE IN HONG KONG AND OVERSEAS WILL HAVE THE OPPORTUNITY TO SEE ONE OF THE GRANDEST ENGINEERING PROJECTS UNDER CONSTRUCTION, WITH THE PRODUCTION OF A VIDEO ON THE TSING MA BRIDGE.

THE BRIDGE FORMS THE MAJOR PART OF THE LANTAU FIXED CROSSING, WHICH IS ONE OF THE 10 PROJECTS IN THE AIRPORT CORE PROGRAMME (ACP).

IN ADDITION TO PROVIDING AN ESSENTIAL LINK TO THE NEW AIRPORT AT CHEK LAP KOK, THE CROSSING WILL OPEN UP LANTAU ISLAND FOR DEVELOPMENT.

WITH A SPAN OF 1,377 METRES, THE BRIDGE WILL BE A SPECTACULAR NEW LANDMARK SYMBOLISING HONG KONG'S GROWTH AND ECONOMIC DEVELOPMENT.

THIS AND OTHER SPECIAL FEATURES OF THE BRIDGE ARE ILLUSTRATED IN THE VIDEO, ENTITLED "TSING MA - BRIDGE TO THE FUTURE".

THE VIDEO WAS PRODUCED BY THE NEW AIRPORT PROJECTS CO-ORDINATION OFFICE (NAPCO) AND A SPOKESMAN SAID TODAY (WEDNESDAY) THAT IT WAS DESIGNED TO SHOW HOW THE BRIDGE WAS BEING BUILT, AND TO CAPTURE THE EXCITING NATURE OF THIS PROJECT.

BUILDING OF THE BRIDGE HAS BROUGHT TOGETHER ENGINEERING EXPERTISE AND MATERIALS FROM MANY PARTS OF THE WORLD AND THE VIDEO INCLUDES FOOTAGE TAKEN OVERSEAS.

THIS SHOWS STEEL MANUFACTURING AND FABRICATION OF DECK UNITS IN JAPAN, CASTING AND MACHINING OF CABLE SADDLES AND WIRE MANUFACTURING IN THE UNITED KINGDOM, ASSEMBLY OF DECK UNITS IN CHINA AND WIND TUNNEL TESTS IN CANADA.

THE VIDEO ILLUSTRATES THE VARIOUS STAGES OF CONSTRUCTION ON SITE UP TO THE COMPLETION OF THE TWO GIANT CONCRETE TOWERS ON TSING YI AND MA WAN ISLANDS.

"THROUGH THE USE OF COMPUTER-GENERATED GRAPHICS AND ANIMATION, IT ALSO SHOWS THE BRIDGE ON COMPLETION IN 1997 WHEN IT WILL BE THE LONGEST SUSPENSION BRIDGE IN THE WORLD CARRYING BOTH ROAD AND RAIL TRAFFIC," THE SPOKESMAN SAID.

THE VIDEO HAS BEEN PRODUCED IN SEVERAL LANGUAGES - ENGLISH, CANTONESE, PUTONGHUA AND JAPANESE.

"IT WILL BE GIVEN WIDE CIRCULATION AND WILL BE SEEN BY MANY THOUSANDS OF PEOPLE," THE SPOKESMAN SAID.

COPIES OF THE VIDEO, WHICH IS NINE MINUTES LONG, WILL BE AVAILABLE FOR SALE AT \$120 EACH AFTER THE EASTER HOLIDAYS AT THE GOVERNMENT PUBLICATIONS SALES CENTRE ON THE GROUND FLOOR OF THE GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL.

THE VIDEO WILL BE MADE AVAILABLE FOR VIEWING AT PUBLIC LIBRARIES, THE LIBRARIES OF TERTIARY INSTITUTIONS AND AT THE AIRPORT AND PORT PROJECTS RESOURCE CENTRE ON THE FIRST FLOOR OF THE FRENCH MISSION BUILDING, BATTERY PATH, CENTRAL.

MEMBERS OF THE PUBLIC WILL ALSO HAVE THE CHANCE TO VIEW THE VIDEO AT EXHIBITIONS ON THE ACP WHICH WILL BE STAGED BY NAPCO DURING THE COURSE OF THE YEAR.

THE VIDEO WILL BECOME PART OF THE PROMOTIONAL MATERIAL USED BY THE GOVERNMENT TO PUBLICISE THE ACP GENERALLY. THIS INCLUDES SHOWING IT TO INTERNATIONAL AUDIENCES THROUGH THE OVERSEAS OFFICES OF THE GOVERNMENT, THE HONG KONG TOURIST ASSOCIATION AND THE TRADE DEVELOPMENT COUNCIL.

THE PUBLICITY PACKAGE INCLUDES A VIDEO PRODUCED EARLIER ON ALL THE ACP PROJECTS, ENTITLED "THE VISION TAKES SHAPE" WHICH WON SEVERAL FILM AWARDS. COPIES OF THIS VIDEO ARE ALSO AVAILABLE FOR SALE AT THE GOVERNMENT PUBLICATIONS SALES CENTRE.

WEDNESDAY, MARCH 30, 1994

- 11 -

CLOSURE ORDER FOR ILLEGAL STRUCTURE SOUGHT
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THE BUILDINGS DEPARTMENT WILL APPLY FOR A CLOSURE ORDER SO THAT AN UNAUTHORISED ROOF-TOP STRUCTURE AT 55 SUN CHUN STREET, TAI HANG, CAN BE DEMOLISHED WITHOUT ENDANGERING THE OCCUPIERS AND THE PUBLIC.

A NOTICE STATING THE APPLICATION FOR THE CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT ON JUNE 22 WAS POSTED ON THE STRUCTURE TODAY (WEDNESDAY).

DEMOLITION WORKS ARE EXPECTED TO BEGIN ONCE THE CLOSURE ORDER IS GRANTED.

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REMINDER OF EARLY WELFARE PAYMENTS
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RECIPIENTS OF COMPREHENSIVE SOCIAL SECURITY ASSISTANCE AND SOCIAL SECURITY ALLOWANCE UNDER THE AUTOPAY SYSTEM ARE REMINDED THAT THEY WILL RECEIVE THEIR PAYMENTS EARLIER IF THEIR PAYDAY FALLS ON THE COMING EASTER AND CHING MING PUBLIC HOLIDAYS.

A SPOKESMAN FOR THE SOCIAL WELFARE DEPARTMENT SAID TODAY (WEDNESDAY) THAT PAYMENTS SCHEDULED BETWEEN APRIL 1 (FRIDAY) AND APRIL 5 (TUESDAY) WOULD BE ADVANCED TO TOMORROW (THURSDAY).

MEANWHILE, THE OFFICE HOURS IN ALL THE 32 SOCIAL SECURITY FIELD UNITS WILL BE EXTENDED UNTIL 7 PM TOMORROW FOR RECIPIENTS TO MAKE ENQUIRIES ABOUT PAYMENT ADVANCEMENT FOR PAYDAYS FALLING BETWEEN APRIL 1 AND 5.

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WEDNESDAY, MARCH 30, 1994

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HONG KONG MONETARY AUTHORITY
MONEY MARKET OPERATIONS

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	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
	-----	-----	-----
OPENING BALANCE IN THE ACCOUNT	2,991	0930	-578
CLOSING BALANCE IN THE ACCOUNT	2,993	1000	-437
CHANGE ATTRIBUTABLE TO :		1100	+1
MONEY MARKET ACTIVITY	+2	1200	+1
LAF TODAY	NIL	1500	+1
		1600	+2
LAF RATE 2.00 BID/4.00 OFFER	TWI 125.2	*+0.1*	30.3.94

HONG KONG MONETARY AUTHORITY

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	3.00	17 MONTHS	2508	4.625	99.62	4.97
1 MONTH	3.33	20 MONTHS	2511	4.15	98.46	5.20
3 MONTHS	3.75	23 MONTHS	2602	4.40	98.33	5.42
6 MONTHS	4.01	31 MONTHS	3610	4.20	96.25	5.87
12 MONTHS	4.46	34 MONTHS	3701	4.60	96.59	6.01

TOTAL TURNOVER OF BILLS AND BONDS - 21,206 MN

CLOSED 30 MARCH 1994

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DAILY INFORMATION BULLETIN

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

SUPPLEMENT

WEDNESDAY, MARCH 30, 1994

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DISMISSAL OF STUDENTS GOVERNED BY CODES OF AID

* * * * *

NO PUPIL SHOULD BE EXPELLED BY SCHOOLS WITHOUT PROPER WARNING AND NOTICE TO PARENTS.

ALSO, NO PUPIL UNDER THE AGE OF 15 COULD BE EXPELLED WITHOUT THE APPROVAL OF THE DIRECTOR OF EDUCATION.

IN A WRITTEN REPLY TO A QUESTION BY THE HON HENRY TANG YING-YEN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, POINTED OUT THAT THESE WERE STIPULATED IN THE CODES OF AID.

HE SAID IN ALL EXPULSION CASES, THE DIRECTOR SHOULD BE INFORMED AT THE WARNING STAGE.

THE EDUCATION DEPARTMENT CAN ASK SCHOOLS TO RE-ADMIT STUDENTS WHO HAVE BEEN UNREASONABLY ADVISED TO LEAVE.

"THUS, STAFF OF SUBSIDISED SCHOOLS DO NOT HAVE EXCESSIVE POWERS IN THE DISMISSAL OF STUDENTS, AND NO REVIEW OF THE PRESENT PROVISIONS IN THE CODES OF AID IS CONSIDERED NECESSARY," MR LEUNG SAID.

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CONSULTANCY STUDY IN HAND FOR HOTEL DEVELOPMENT

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WHEN MAKING LAND AVAILABLE FOR COMMERCIAL/RESIDENTIAL DEVELOPMENT, IT HAS BEEN GOVERNMENT'S POLICY TO LEAVE THE MARKET TO DECIDE WHAT TO BUILD WITHIN BROAD LAND USE ZONINGS, THE ACTING SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR CANICE MAK, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HIS WRITTEN REPLY TO A QUESTION FROM THE HON MARTIN BARROW, MR MAK SAID OUTLINE ZONING PLANS COVERING HUNG HOM BAY RECLAMATION AND WEST KOWLOON RECLAMATION HAVE SITES ZONED FOR 'COMMERCIAL' AND 'COMPREHENSIVE DEVELOPMENT AREA' WHICH INCLUDE HOTEL USES.

"THE GENERAL 'COMMERCIAL' ZONING HAS BEEN ADOPTED IN ORDER TO GIVE FLEXIBILITY TO FUTURE DEVELOPMENT IN RESPONSE TO MARKET DEMANDS.

"STATUTORY PLANS FOR CENTRAL AND WAN CHAI RECLAMATION ARE STILL UNDER PREPARATION. THERE WILL ALSO BE SITES INTENDED FOR HOTEL DEVELOPMENTS.

MR MAK SAID A CONSULTANCY STUDY HAS BEEN COMMISSIONED TO REVIEW THE EXISTING FRAMEWORK OF DEVELOPMENT CONTROLS AND MARKET FORCES AND THEIR IMPLICATIONS FOR HOTEL DEVELOPMENT.

"WHEN THE FINDINGS OF THE STUDY ARE AVAILABLE, GOVERNMENT WILL CONSIDER WHETHER IT IS NECESSARY OR APPROPRIATE TO DESIGNATE SITES SPECIFICALLY FOR HOTEL DEVELOPMENT IN NEW RECLAMATION AREAS OR ELSEWHERE,"

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INFORMATION ON SCHOOLS' MEDIUM OF INSTRUCTION
AVAILABLE SOON

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THE EDUCATION DEPARTMENT WILL PROVIDE PARENTS WITH FULL INFORMATION ON THE LANGUAGE PROFICIENCY OF THEIR CHILDREN AS WELL AS THE TEACHING MEDIUM OFFERED BY EACH SECONDARY SCHOOL TO ASSIST THEM IN THEIR CHOICE OF SCHOOLS NEXT MONTH.

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

MR LEUNG SAID ALL 392 SECONDARY SCHOOLS PARTICIPATING IN THE SECONDARY SCHOOL PLACES ALLOCATION WERE ASKED BY THE EDUCATION DEPARTMENT LAST DECEMBER TO CHOOSE A MEDIUM OF INSTRUCTION BEST SUITED TO THEIR INDIVIDUAL CIRCUMSTANCES FOR USE IN 1994/95.

IN RESPONSE, 111 SCHOOLS CHOSE ENGLISH AND 112 CHOSE ENGLISH EXCEPT CULTURAL AND PRACTICAL SUBJECTS.

OF THE REST, 52 SCHOOLS CHOSE CHINESE, 14 CHOSE CHINESE AND ENGLISH BY CLASS, 100 CHOSE CHINESE AND ENGLISH BY SUBJECT, AND THREE CHOSE CHINESE AND ENGLISH BY CLASS AND BY SUBJECT.

TO ASCERTAIN WHETHER THESE SCHOOLS ACTUALLY USE THE CHOSEN MEDIUM OF INSTRUCTION, THE EDUCATION DEPARTMENT WILL CONDUCT SCHOOL INSPECTIONS AND INVESTIGATE COMPLAINTS BY PARENTS AND STUDENTS.

"SCHOOLS WHICH ULTIMATELY FAIL TO IMPLEMENT A RATIONAL AND CONSISTENT TEACHING MEDIUM WILL BE PROVIDED WITH FIRM GUIDANCE," MR LEUNG SAID.

AS ENVISAGED IN THE EDUCATION COMMISSION REPORT NO. 4, THERE WILL BE A TRANSITIONAL STAGE INVOLVING SOME MISMATCH BETWEEN THE NUMBER OF PLACES IN SCHOOLS CHOOSING TO USE CHINESE AND THE NUMBER OF STUDENTS WISHING TO STUDY THROUGH THAT MEDIUM, DURING THE INITIAL INTRODUCTION OF THE NEW POLICY.

THIS MISMATCH, THOUGH UNDESIRABLE, ALREADY REPRESENTS AN IMPROVEMENT OVER WHAT GOES ON IN SCHOOLS NOW.

"THE EXTENT OF THIS MISMATCH WILL BE REDUCED AND ELIMINATED ULTIMATELY AS PARENTS AND SCHOOLS ADJUST TO THE NEW REALITIES, AND IN THE LIGHT OF GUIDANCE ISSUED BY THE DEPARTMENT TO THE SCHOOLS," MR LEUNG ADDED.

CONSULTANTS EMPLOYED ON NON-CIVIL SERVANT APPOINTMENTS

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THE GOVERNMENT APPOINTS CONSULTANTS WHOSE EXPERTISE IS NORMALLY UNAVAILABLE AMONG CIVIL SERVANTS OR OF A NATURE OR DURATION WHERE CIVIL SERVICE APPOINTMENTS ARE NEITHER COST-EFFECTIVE NOR APPROPRIATE.

THIS WAS STATED BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG IN HIS WRITTEN REPLY TO A QUESTION BY THE HON ERIC LI IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE SELECTION AND APPOINTMENT OF GOVERNMENT CONSULTANTS ARE HANDLED BY DIFFERENT AUTHORITIES, MR TSANG SAID.

THERE ARE THREE MAJOR APPROVING AUTHORITIES FOR GOVERNMENT CONSULTANCIES: THE CENTRAL CONSULTANTS SELECTION BOARD, THE ENGINEERING AND ASSOCIATED CONSULTANTS SELECTION BOARD AND THE ARCHITECTURAL AND ASSOCIATED CONSULTANTS SELECTION BOARD.

THE GOVERNMENT APPROVED A TOTAL OF 274 CONSULTANCIES DURING THE PERIOD 1991/92 TO 1993/94.

MR TSANG SAID SMALLER CONSULTANCY STUDIES VALUED AT LESS THAN \$1 MILLION FOR SERVICES RELATING TO CONSTRUCTION AND ENGINEERING WORKS AND \$500,000 FOR OTHER SERVICES WERE NOT INCLUDED IN THE FIGURE.

"THE APPOINTMENT OF INDIVIDUALS FOR NON-CIVIL SERVANT APPOINTMENTS AS CONSULTANTS OR ADVISORS IS DEALT WITH BY HEADS OF DEPARTMENTS UNDER DELEGATED AUTHORITY, SUBJECT TO THE ADVICE OF THE PUBLIC SERVICE COMMISSION UNDER SPECIFIED CIRCUMSTANCES," HE NOTED.

BASED ON AVAILABLE STATISTICS, THE PUBLIC SERVICE COMMISSION HAS APPROVED 23 CONSULTANTS APPOINTED IN THEIR INDIVIDUAL CAPACITIES FROM 1991 TO 1993, HE SAID.

THE GOVERNMENT EXPECTS THERE TO BE A SMALL NUMBER OF CASES WHERE HEADS OF DEPARTMENTS HAVE APPOINTED INDIVIDUAL CONSULTANTS UNDER DELEGATED AUTHORITY WITHOUT INVOLVING THE PUBLIC SERVICE COMMISSION, HE ADDED.

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"VALUE FOR MONEY" ON U.S. COMMISSIONER POST

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THE GOVERNMENT BELIEVES THAT TAXPAYERS ARE GETTING "VALUE FOR MONEY" IN RESPECT OF THE POST OF COMMISSIONER IN WASHINGTON, USA.

"THE COMMISSIONER'S CREDIBILITY IS ENHANCED BY HIS SENIORITY AND PREVIOUS EXPERIENCE IN HONG KONG," THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SINCE TAKING OFFICE IN OCTOBER LAST YEAR, THE COMMISSIONER HAS CULTIVATED CONTACTS WITH MEMBERS OF THE U.S. CONGRESS AND THEIR CHIEF AIDES, SENIOR U.S. OFFICIALS AND LEADING PERSONALITIES IN THINK-TANKS AND IN ACADEMIC AND MEDIA CIRCLES.

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"MANY OF WHOM ARE IN A POSITION TO INFLUENCE THE FORMULATION OF U.S. TRADE AND ECONOMIC POLICIES OF DIRECT RELEVANCE AND IMPORTANCE TO HONG KONG," SAID MR CHAU.

THE COMMISSIONER HAS ALSO ANSWERED A WIDE RANGE OF QUESTIONS ABOUT DEVELOPMENTS IN HONG KONG AND EXPLAINED THE SPECIAL ARRANGEMENTS BEING PUT IN PLACE TO ENSURE HONG KONG'S STABILITY AND PROSPERITY AFTER 1997.

MR CHAU ADDED THAT THE COMMISSIONER HAD TRAVELLED WIDELY ACROSS THE U.S., CULTIVATING SUPPORT FOR HONG KONG THROUGH SPEECHES, PRESENTATIONS, MEDIA INTERVIEWS AND MEETINGS WITH PEOPLE OF INFLUENCE.

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IMPORTING PROFESSIONALS TO MEET BUSINESSES' NEED

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THE PILOT SCHEME TO ALLOW 1,000 PROFESSIONALS AND MANAGERS IN CHINA TO COME TO WORK IN HONG KONG IS DESIGNED TO MEET A PARTICULAR NEED IDENTIFIED BY BUSINESSES OPERATING IN THE TERRITORY.

THE QUOTA OF 1,000 IS A TENTATIVE FIGURE TO ENABLE THE GOVERNMENT TO TEST BOTH THE DEMAND FOR AND THE OPERATION OF THE SCHEME BEFORE ANY CHANGES ARE CONSIDERED.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN A WRITTEN REPLY TO A QUESTION BY THE HON TIMOTHY HA WING-HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN CONSIDERING APPLICATIONS FOR ENTRY, MR LEUNG SAID THE IMMIGRATION DEPARTMENT WOULD TAKE INTO ACCOUNT WHETHER THE EMPLOYING COMPANY HAD A GENUINE NEED FOR THE EMPLOYMENT OF A CHINESE NATIONAL AND WHETHER IT HAD TAKEN ANY ACTIVE STEPS TO RECRUIT LOCALLY, BUT IN VAIN.

THE DEPARTMENT WILL ALSO CONSIDER WHETHER THE APPLICANT'S EXPERIENCES AND QUALIFICATIONS ARE RELEVANT TO THE POST WHICH HE OR SHE WILL FILL, AND WHETHER THE TERMS AND CONDITIONS OF EMPLOYMENT ARE COMPARABLE TO THOSE PREVAILING IN THE MARKET.

"AS APPLICATIONS WILL BE DETERMINED BY BALLOT, ALL EMPLOYERS WILL STAND THE SAME CHANCE UNDER THE SCHEME.

"NO PREFERENCE WILL BE GIVEN TO A PARTICULAR INDUSTRY OR DISCIPLINE," HE SAID.

UNDER THE SCHEME, ONLY GRADUATES OF 36 KEY TERTIARY INSTITUTIONS WHICH ARE IDENTIFIABLE AND REPUTABLE INSTITUTIONS UNDER THE STATE EDUCATION COMMISSION IN CHINA ARE ELIGIBLE TO APPLY.

THIS IS TO KEEP THE SCOPE OF THE EXPERIMENT WITHIN MANAGEABLE PROPORTION AND TO MINIMISE POSSIBLE ABUSES, MR LEUNG SAID.

APPLICATIONS SUBMITTED BY GRADUATES OF OTHER TERTIARY INSTITUTIONS WILL NOT BE CONSIDERED, HE ADDED.

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RESOURCE CENTRES HELP INTEGRATE CHRONIC PATIENTS

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PATIENT RESOURCE CENTRES ARE BEING ESTABLISHED IN MANY PUBLIC HOSPITALS TO PROVIDE A FOCAL POINT OF HEALTH EDUCATION, INFORMATION AND ENQUIRY FOR CHRONIC PATIENTS, INCLUDING THOSE SUFFERING FROM SYSTEMIC LUPUS ERYTHEMATOSUS.

THIS IS AIMED AT INTEGRATING SUCH PATIENTS BACK INTO THE COMMUNITY.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID PATIENTS AND THEIR FAMILIES WERE ALSO ENCOURAGED TO FORM SELF-HELP GROUPS FOR THE SHARING OF EXPERIENCE IN OVERCOMING THE TRAUMA OF THEIR ILLNESS.

AT PRESENT, THERE ARE 160 QUALIFIED SPECIALISTS IN INTERNAL MEDICINE WORKING IN THE HOSPITAL AUTHORITY WHO ARE CAPABLE OF MANAGING RHEUMATOLOGY PATIENTS, INCLUDING THOSE SUFFERING FROM SYSTEMIC LUPUS ERYTHEMATOSUS.

THERE ARE ALSO THREE DESIGNATED RHEUMATOLOGY CLINICS AND 20 SPECIALIST CLINICS PROVIDING TREATMENT TO SUCH PATIENTS.

AS REGARDS THE INTERVAL FOR FOLLOW-UP CONSULTATION, MRS WONG SAID THIS WOULD DEPEND ON THE HEALTH CONDITION AND TYPE OF MEDICATION GIVEN TO INDIVIDUAL PATIENTS.

IT RANGES FROM ONCE EVERY WEEK FOR ACUTE CASES TO ONCE EVERY THREE MONTHS FOR STABLE CASES, SHE ADDED.

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NO REPORTS OF FATAL RAT BITES

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THERE HAVE BEEN NO KNOWN CASES OF FATAL RAT BITES IN THE LAST THREE YEARS.

DURING THE PERIOD, THE NUMBER OF PEOPLE SEEKING TREATMENT FOR RAT BITES AT THE ACCIDENT AND EMERGENCY UNITS OF QUEEN MARY HOSPITAL AND QUEEN ELIZABETH HOSPITAL HAS ALSO DECREASED - FROM 381 IN 1991 TO 227 IN 1992 AND 102 LAST YEAR.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON LAM KUI-CHUN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID PEOPLE WERE NOT REQUIRED TO REPORT RAT BITES.

VICTIMS NORMALLY SEEK MEDICAL TREATMENT BY THEMSELVES, SHE ADDED.

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ON THE QUESTION OF RAT POPULATION, MRS WONG SAID A RAT CENSUS WAS TECHNICALLY A VERY TEDIOUS AND COSTLY UNDERTAKING AND PRONE TO WIDE MARGINS OF STATISTICAL ERROR.

"THE GENERAL LEVEL OF RODENT INFESTATION IS DETERMINED BY ENVIRONMENTAL HYGIENE STANDARDS WHICH, IN TURN, DICTATE THE RAT HOLDING CAPACITY IN ANY GIVEN AREA," SHE ADDED.

AS REGARDS RAT CONTROL, MRS WONG NOTED THAT RODENT CONTROL STAFF OF THE TWO MUNICIPAL SERVICES DEPARTMENTS CONDUCTED REGULAR RAT INFESTATION SURVEYS COVERING THE ENTIRE TERRITORY TO MONITOR HYGIENE CONDITIONS AND SEE IF THERE WERE ANY ABNORMAL INCREASES IN THE RAT POPULATION.

RAT POISONING PROGRAMMES ARE THEN DRAWN UP DEPENDING ON THE DEGREE OF INFESTATION.

THE STAFF ALSO DISSEMINATE ADVICE ON RAT PROOFING AND ENVIRONMENTAL HYGIENE TO RESIDENTS.

IN ADDITION, THE TWO DEPARTMENTS CONDUCT AN ANTI-RAT CAMPAIGN IN NOVEMBER/DECEMBER EACH YEAR TO PUBLICISE THE IMPORTANCE OF ENVIRONMENTAL CLEANLINESS, HENCE REDUCING THE LIKELIHOOD OF RODENT INFESTATION.

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MEDICAL EQUIPMENT PROTECTED AGAINST ELECTRICAL INTERFERENCE

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THERE HAVE BEEN NO REPORTS OF DISTURBANCE TO THE FUNCTIONING OF ELECTRONIC MEDICAL EQUIPMENT BY THE USAGE OF MOBILE TELEPHONES INSIDE HOSPITALS AND CLINICS.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON LEONG CHE-HUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID THE HOSPITAL AUTHORITY WAS AWARE OF THE POSSIBLE ELECTRICAL INTERFERENCE WITH MEDICAL EQUIPMENT CAUSED BY MOBILE TELEPHONE, PARTICULARLY IF OPERATED WITHIN A CLOSE RANGE OF THE EQUIPMENT.

"IT IS CURRENTLY EXAMINING THE SIGNIFICANCE OF THIS PROBLEM WITH A VIEW TO GIVING APPROPRIATE GUIDANCE AND ADVICE TO PUBLIC HOSPITALS," SHE SAID.

MRS WONG ASSURED THAT MOST MEDICAL EQUIPMENT WERE DESIGNED TO PROTECT AGAINST ELECTRICAL INTERFERENCE AND SO FAR THERE HAD BEEN NO RECORDED INCIDENT OF THIS KIND IN HONG KONG.

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FEW REPORTS OF ILLEGAL VENDING AT VESSELS

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THE POLICE, THE CUSTOMS AND THE MARINE DEPARTMENT HAVE RECEIVED VERY FEW REPORTS OF ILLEGAL VENDING TAKING PLACE FROM MAINLAND CHINESE FISHING VESSELS.

THIS WAS STATED BY THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN A WRITTEN REPLY TO A QUESTION BY THE HON ALBERT CHAN WAI-YIP.

"THEY WILL CONTINUE TO MONITOR THE SITUATION CLOSELY, PAYING PARTICULAR ATTENTION TO THOSE AREAS WHERE REPORTS HAVE BEEN RECEIVED," MR SIU SAID.

HE ADDED THAT IN THE 1994/95 DRAFT ESTIMATES FOR THE CUSTOMS AND EXCISE DEPARTMENT, THERE WAS PROVISION FOR TWO REPLACEMENT HARBOUR LAUNCHES.

"THE NEW LAUNCHES WILL ENHANCE THE DEPARTMENT'S ABILITY TO CARRY OUT EFFECTIVELY ITS RESPONSIBILITIES INCLUDING THE INTERCEPTION OF VESSELS UNDERTAKING ILLEGAL ACTIVITIES."

HE EXPLAINED THAT THE VENDING OF GOODS BY A PERSON ON BOARD A CHINESE FISHING VESSEL IN HONG KONG WATERS MAY BE AN OFFENCE IF:

- * THE GOODS CONSTITUTE UNMANIFESTED CARGO UNDER PART IV OF THE IMPORT AND EXPORT ORDINANCE;
- * THE PERSON OR PERSONS INVOLVED HAVE ENTERED HONG KONG OTHER THAN IN ACCORDANCE WITH THE PROVISIONS OF THE IMMIGRATION ORDINANCE; OR
- * SUCH VENDING TAKES PLACE WITHOUT A VALID MARINE HAWKER LICENCE HAVING BEEN ISSUED BY THE DIRECTOR OF MARINE UNDER THE MARINE HAWKER ORDINANCE.

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EMIGRANT FIGURES FOR 1991/93

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A TOTAL OF ABOUT 179,000 PEOPLE EMIGRATED FROM THE TERRITORY DURING THE THREE YEARS FROM 1991 TO 1993, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

ABOUT HALF OF THE EMIGRANTS WERE ECONOMICALLY ACTIVE AND ABOUT 16 PER CENT OF THEM WERE MANAGERS OR ADMINISTRATORS, HE SAID.

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IN A WRITTEN REPLY TO A QUESTION RAISED BY THE HON MARTIN BARROW, MR ASPREY GAVE A BREAKDOWN OF THE CATEGORIES OF EMIGRANTS:

	1991 -----	1992 -----	1993* -----
MANAGERS AND ADMINISTRATORS	9,500 (16%)	10,200 (15%)	8,700 (16%)
OTHER EMPLOYED PERSONS	19,500 (32%)	23,500 (36%)	17,800 (34%)
ECONOMICALLY INACTIVE PERSONS	31,000 (52%)	32,300 (49%)	26,500 (50%)
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	60,000 (100%)	66,000 (100%)	53,000 (100%)

* PROVISIONAL FIGURES ONLY FOR 1993

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STREET NAME PLATES

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UNDER THE PUBLIC HEALTH AND MUNICIPAL SERVICES ORDINANCE, THE URBAN COUNCIL AND THE DIRECTOR OF LANDS ARE RESPONSIBLE FOR NAMING STREETS IN URBAN AREA AND THE NEW TERRITORIES RESPECTIVELY.

THE RELEVANT DISTRICT BOARDS ARE CONSULTED BEFORE DECISIONS ARE TAKEN, AND THE HIGHWAYS DEPARTMENT AFFIXES AND MAINTAINS THE STREET NAME PLATES.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN A WRITTEN REPLY TO A QUESTION BY THE HON TIMOTHY HA WING-HO.

MR BARMA SAID: "IN THE CASE OF LONG STREETS, NAME PLATES ARE USUALLY PROVIDED AT APPROXIMATELY 200-METRE INTERVALS, WHICH IS CONSIDERED ADEQUATE FROM THE PAST EXPERIENCE.

STREET NAME PLATES ARE GENERALLY INSTALLED AT ALL ROAD JUNCTIONS, EXCEPT IN CASES WHERE THIS MAY LEAD TO AN UNDESIRABLE PROLIFERATION OF STREET SIGNS OR OBSTRUCT THE SIGHT OF DRIVERS.

CHECKING STREET NAME PLATES IS PART OF THE REGULAR ROAD INSPECTION DUTIES OF THE HIGHWAYS DEPARTMENT.

THE INSPECTIONS ARE CARRIED OUT AT ABOUT SIX MONTHLY INTERVALS.

IN ADDITION, NAME PLATES ARE REPLACED IF DAMAGE IS REPORTED BY THE PUBLIC.

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STT VEHICLE PARK SITES ARE FOR TEMPORARY USE
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TWO TEMPORARY VEHICLE PARKS IN WESTERN DISTRICT WERE OPERATED UNDER SHORT-TERM TENANCIES (STTS) UNTIL THE SITES WERE REQUIRED IN CONNECTION WITH CONSTRUCTION OF THE WESTERN HARBOUR CROSSING, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON YEUNG SUM, MR BARMA SAID SEVERAL ALTERNATIVE TEMPORARY SITES HAD BEEN FOUND WITHIN THE SAME DISTRICT TO PROVIDE OVER 400 PARKING SPACES AND ADDITIONAL SITES WERE BEING IDENTIFIED.

HE SAID THE GENERAL POLICY IS TO DISPOSE OF SITES IN ACCORDANCE WITH THE TOWN PLAN.

"WHEN THERE IS NO IMMEDIATE REQUIREMENT FOR PERMANENT DEVELOPMENT, SUCH SITES ARE EITHER ALLOCATED TO GOVERNMENT DEPARTMENTS (E.G. AS WORKS AREAS) OR LET ON STTS BY WAY OF PUBLIC TENDERS (E.G. AS VEHICLE PARKS).

MR BARMA SAID THE ADMINISTRATION COULD NOT GUARANTEE THE REPROVISIONING OF TEMPORARY PARKING SITES ON EXPIRY OF STTS.

"OWING TO LAND CONSTRAINTS, IT IS NOT ALWAYS POSSIBLE TO PROVIDE REPLACEMENT VEHICLE PARKS OF THE SAME SIZE AND IN THE SAME LOCALITY.

THE POLICY ON PARKING PROVISION FOR ALL TYPES OF VEHICLE WILL BE REEXAMINED IN THE CONTEXT OF OUR CURRENT PARKING DEMAND STUDY," HE SAID.

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MORE CONSULTATION ON SITING OF REFUSE TRANSFER STATION
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THE ENVIRONMENTAL PROTECTION DEPARTMENT WILL FURTHER CONSULT THE TUEN MUN DISTRICT BOARD ON THE PROPOSED REFUSE TRANSFER STATION (RTS) IN SHUN TAT STREET, TUEN MUN BEFORE PROCEEDING WITH THE PROJECT, THE ACTING SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR CANICE MAK, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HIS WRITTEN REPLY TO A QUESTION FROM THE HON ZACHARY WONG, MR MAK SAID VISITS TO THE COMPLETED REFUSE TRANSFER STATIONS IN ISLAND EAST AND KOWLOON BAY AND PRESENTATION OF THE PROPOSED PROJECT IN NORTHWEST NEW TERRITORIES AT DISTRICT BOARDS AND THE RURAL COMMITTEE HAD BEEN ORGANISED.

/MR MAK

MR MAK SAID UNDER THE LONG-TERM WASTE DISPOSAL STRATEGY, A REFUSE TRANSFER STATION IN THE YUEN LONG - TUEN MUN CORRIDOR IS REQUIRED TO TRANSPORT THE WASTE ARISING FROM THE NORTH WEST NEW TERRITORIES TO THE WEST NEW TERRITORIES LANDFILL IN A COST-EFFECTIVE AND ENVIRONMENTALLY ACCEPTABLE MANNER.

HE SAID THE SHUN TAT STREET SITE WAS SELECTED IN 1993 AFTER CAREFUL AND COMPREHENSIVE INVESTIGATIONS COVERING ENVIRONMENTAL, OPERATIONAL AND LANDUSE ASPECTS.

"THE SITE WAS FOUND TO HAVE THE LEAST ENVIRONMENTAL IMPACTS AMONGST THE NINE POTENTIAL SITES IN THE INITIAL ENVIRONMENTAL ASSESSMENT," HE SAID.

THE TUEN MUN DISTRICT BOARD, TUEN MUN RURAL COMMITTEE AND CONCERNED RESIDENT GROUPS IN THE NEARBY VILLAGES HAVE OBJECTED TO THE SITING BECAUSE THEY WERE CONCERNED THAT IT WOULD CAUSE ADVERSE IMPACT ON THE HYGIENE CONDITIONS, THE EXISTING TRAFFIC PROBLEM AND "FUNG SHUI".

MR MAK SAID MEASURES WOULD BE TAKEN TO ALLEVIATE THE CONCERNS OF THE LOCAL VILLAGERS.

"STRINGENT ENVIRONMENTAL CONTROL STANDARDS WILL BE IMPOSED ON THE RTS OPERATION, AND ADEQUATE QUEUING SPACE WITHIN THE SITE WILL BE PROVIDED TO AVOID REFUSE COLLECTION VEHICLES (RCV) QUEUING OUTSIDE THE STATION.

"THE RTS CONTRACT WILL ALSO INCLUDE PROVISION TO REQUIRE THE CONTRACTOR TO CLEAN THE ROAD SHOULD IT BE FOUND NECESSARY.

"THE RTS WILL BE LANDSCAPED TO BLEND IN HARMONIOUSLY WITH THE SURROUNDING ENVIRONMENT, AND REGIONAL SERVICES DEPARTMENT HAS UNDERTAKEN TO KEEP THE OPERATION OF THEIR RCV FLEET IN A HYGIENIC MANNER," HE SAID.

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TERMINAL FACILITIES ADEQUATE TO MEET DEMAND

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THE EXISTING TERMINAL FOR FERRIES OPERATING BETWEEN CHINA AND HONG KONG HAS ADEQUATE CAPACITY TO MEET DEMAND UNTIL 1997, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHIM PUI-CHUNG, MR BARMA SAID: "PLANS ARE IN HAND TO PROVIDE THREE MORE BERTHS AND AN ENLARGED WAITING AREA AT THE CHINA FERRY TERMINAL TO MEET PROJECTED REQUIREMENTS UP TO 2001,"

HE SAID THERE WERE SUFFICIENT BERTHING FACILITIES FOR PASSENGER SHIPS TO MEET CURRENT DEMAND.

WEDNESDAY, MARCH 30, 1994

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"CHINA FERRY SERVICES ARE ALLOCATED TIME SLOTS FOR USING THE TERMINAL BERTHING FACILITIES. VESSELS ARRIVING ON SCHEDULE CAN USE THE BERTHS ASSIGNED TO THEM WITHOUT DELAY.

"IF A VESSEL IS LATE, IT WILL HAVE TO WAIT UNTIL A BERTH BECOMES AVAILABLE. IN SUCH CIRCUMSTANCES, THE WAITING TIME IS NO MORE THAN 15 MINUTES."

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INTRODUCTION OF A-LEVEL EXAM SUBJECTS
DEPENDS ON VARIOUS FACTORS

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THE HONG KONG EXAMINATIONS AUTHORITY (HKEA) TAKES INTO ACCOUNT A NUMBER OF FACTORS BEFORE INTRODUCING ANY NEW SUBJECTS IN THE HONG KONG ADVANCED LEVEL EXAMINATION (HKALE).

THESE INCLUDE THE NEEDS OF THE CANDIDATES, THE RESOURCES AVAILABLE, AND THE PRACTICABILITY OF OFFERING PUBLIC EXAMINATIONS IN THAT SUBJECT.

AS THE HKEA DERIVES ITS INCOME MAINLY FROM EXAMINATION FEES, IT ALSO HAS TO STRIKE A BALANCE BETWEEN OFFERING EXAMINATIONS AND KEEPING THEIR FEES AFFORDABLE, HAVING REGARD TO THE ACTUAL COST OF CONDUCTING THE EXAMINATIONS.

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

AT PRESENT, 14 SUBJECTS THAT ARE CURRENTLY OFFERED BY THE HKEA IN THE HONG KONG CERTIFICATE OF EDUCATION EXAMINATION ARE NOT OFFERED IN THE HKALE.

A NUMBER OF COURSES OFFERED IN TERTIARY INSTITUTIONS ALSO DO NOT HAVE A-LEVEL COUNTERPARTS, THAT IS LAW, ARCHITECTURE, PHILOSOPHY, EDUCATION, SOCIAL WORK, COMMUNICATION AND PHYSICAL EDUCATION.

"TO THE EXTENT THAT TERTIARY INSTITUTIONS DO NOT REQUIRE SPECIFIC SUBJECTS AS A PRE-REQUISITE FOR ADMISSION TO THEIR COURSES, THE INTERESTS OF STUDENTS ARE NOT ADVERSELY AFFECTED," MR LEUNG SAID.

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HOUSING SOCIETY TO REDEVELOP FIVE STREETS IN KENNEDY TOWN

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THE REDEVELOPMENT PROJECT OF THE FIVE STREETS IN KENNEDY TOWN BY THE HONG KONG HOUSING SOCIETY WAS APPROVED BY THE TOWN PLANNING BOARD IN 1992.

ACCORDING TO HOUSING SOCIETY'S CURRENT PROGRAMME THE PROJECT IS EXPECTED TO START IN EARLY 1998, BUT THE SOCIETY IS CONSIDERING WAYS TO BRING THIS FORWARD.

THIS WAS STATED BY THE ACTING SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR CANICE MAK, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN A WRITTEN REPLY TO A QUESTION BY DR THE HON YEUNG SUM.

THE FIVE STREETS INCLUDE THE KENNEDY TOWN NEW PRAYA, DAVIS STREET, KIN MAN STREET, CADOGAN STREET AND CATCHICK STREET.

THE SITES WERE FIRST ZONED COMPREHENSIVE DEVELOPMENT AREA (CDA) IN 1988 TO HELP A COMPREHENSIVE RATHER THAN PIECEMEAL REDEVELOPMENT.

MR MAK SAID COMPREHENSIVE PLANNING AND REDEVELOPMENT IN THE FORM OF CDA UNDER ONE AGENCY WOULD PROVIDE BETTER ENVIRONMENT AND MORE OPEN SPACE.

THIS SHOULD ALSO BRING ABOUT IMPROVEMENT OF TRAFFIC CIRCULATION AND VEHICULAR ACCESS OF THE AREA.

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ENGLISH LANGUAGE REQUIREMENT FOR JURORS NOT INEQUITABLE

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THE REQUIREMENT THAT JURORS SHOULD HAVE A KNOWLEDGE OF THE ENGLISH LANGUAGE SUFFICIENT TO ENABLE THEM TO UNDERSTAND THE PROCEEDINGS IN THE HIGH COURT IS NOT INEQUITABLE, UNFAIR OR DISCRIMINATORY, THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHIM PUI-CHUNG, MR MATHEWS SAID ALL CRIMINAL TRIALS AND CIVIL TRIALS BY JURY WERE CONDUCTED IN THE HIGH COURT AND UNDER THE OFFICIAL LANGUAGES ORDINANCE, PROCEEDINGS IN THE HIGH COURT HAD TO BE CONDUCTED IN THE ENGLISH LANGUAGE.

HE SAID: "IN THESE CIRCUMSTANCES IT IS RATIONAL FOR THE LAW TO REQUIRE JURORS TO HAVE A KNOWLEDGE OF THE ENGLISH LANGUAGE SUFFICIENT TO ENABLE THEM TO UNDERSTAND THE PROCEEDINGS IN COURT."

MR MATHEWS ALSO NOTED THAT THE LANGUAGE REQUIREMENT FOR JURORS WOULD BE REVIEWED AS AND WHEN IT WAS PROPOSED TO ALLOW THE CHINESE LANGUAGE TO BE USED IN THE HIGH COURT.

IN THIS RESPECT, HE SAID, TWO WORKING PARTIES HAD BEEN ESTABLISHED BY THE JUDICIARY TO CONSIDER WAYS OF PROMOTING THE GREATER USE OF CHINESE IN THE LAW.

IN RELATION TO WHETHER THE LANGUAGE REQUIREMENT WILL BE REPEALED OR AMENDED BEFORE 1997, MR MATHEWS SAID IT WOULD DEPEND LARGELY ON WHETHER, BEFORE THAT DATE, THE LAW WAS TO BE AMENDED TO ALLOW THE CHINESE LANGUAGE TO BE USED IN THE HIGH COURT.

AND, WHETHER THE RETENTION BEYOND 1997 OF THE EXISTING LANGUAGE REQUIREMENT FOR JURORS WOULD CONTRAVENE THE BASIC LAW WAS A MATTER THAT WAS BEING CONSIDERED AS PART OF THE ADAPTATION OF LAWS EXERCISE, HE ADDED.

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SUPREME COURT (AMENDMENT) BILL 1994 INTRODUCED
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A BILL PROPOSING TO PROVIDE FOR THE INTRODUCTION OF A FORMAL SYSTEM OF APPOINTING EXPERIENCED BARRISTERS AS RECORDERS OF THE HIGH COURT WHO WOULD SIT AS TEMPORARY JUDGES FOR SPECIFIC PERIODS WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE SUPREME COURT (AMENDMENT) BILL 1994, THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, SAID FOR SOME YEARS, THE CHIEF JUSTICE HAD INVITED, AND APPOINTED, EXPERIENCED BARRISTERS, NORMALLY QUEEN'S COUNSEL, ON AN AD HOC BASIS TO SIT IN THE HIGH COURT AS DEPUTY JUDGES FOR A PERIOD OF ABOUT FOUR WEEKS.

HE SAID: "THE ARRANGEMENT HAS PROVIDED AN OPPORTUNITY FOR MEMBERS OF THE BAR TO HAVE FIRST-HAND EXPERIENCE OF JUDICIAL WORK, AND ALSO FOR THE CHIEF JUSTICE TO TEST THEIR SUITABILITY FOR POSSIBLE FUTURE APPOINTMENT TO THE BENCH.

"BUT IT HAS NOT PROVED VERY EFFECTIVE IN ATTRACTING MEMBERS OF THE BAR TO APPLY TO JOIN THE BENCH, NOR HAS IT CONTRIBUTED MATERIALLY TO A REDUCTION IN THE TIME TAKEN FOR CASES TO BE HEARD."

MR MATHEWS SAID THE BILL GAVE EFFECT TO THE RECOMMENDATIONS MADE BY A WORKING GROUP WHICH HAD CAREFULLY EXAMINED THE PROPOSAL PUT FORWARD BY THE HONG KONG BAR ASSOCIATION.

THE PROPOSAL AIMED TO ESTABLISH A FORMAL SYSTEM OF RECORDERSHIP TO MAKE MORE EXTENSIVE USE OF THE EXPERTISE AVAILABLE IN THE PRIVATE SECTOR.

THE BILL PROPOSED THAT A MORE FORMAL RECORDERSHIP SYSTEM WHERE BARRISTERS MAY BE APPOINTED TO SIT IN THE HIGH COURT OVER A LONGER PERIOD SHOULD BE INTRODUCED.

MR MATHEWS SAID: "WE PROPOSE THAT, AS RECOMMENDED BY THE WORKING GROUP AND FOLLOWING THE PRACTICE IN THE UNITED KINGDOM, A RECORDER SHOULD NORMALLY BE APPOINTED FOR A PERIOD OF THREE YEARS, WITH A MINIMUM SITTING REQUIREMENT OF FOUR CONSECUTIVE WEEKS EACH YEAR.

/"THE CHIEF

"THE CHIEF JUSTICE WILL CONTINUE TO MAKE AD HOC APPOINTMENTS OF DEPUTY JUDGES AS HE SEES FIT."

MR MATHEWS ALSO POINTED OUT THAT THE RECORDERSHIP SCHEME WOULD BE INTRODUCED ON A MODEST SCALE AND EXPANDED IN THE LIGHT OF EXPERIENCE.

HE SAID: "WE HOPE THAT IT WILL ENCOURAGE MORE MEMBERS OF THE BAR TO OBTAIN EXPERIENCE OF JUDICIAL WORK, AND THAT SOME OF THEM WILL APPLY IN DUE COURSE FOR PERMANENT APPOINTMENT TO THE BENCH.

"THE EVENTUAL EXPANSION OF THE SCHEME MAY ALSO IN THE LONG TERM CONTRIBUTE TO LOWERING THE WAITING TIME FOR HEARING CASES IN THE HIGH COURT BY ENABLING THE CHIEF JUSTICE TO PLAN IN A SYSTEMATIC WAY FOR THE ESTABLISHMENT OF AN ADDITIONAL COURT."

IN ADDITION, THE BILL ALSO DEALS WITH THE APPOINTMENT OF RECORDERS OF THE HIGH COURT AND THE APPOINTMENT OF TEMPORARY REGISTRARS OF THE SUPREME COURT.

HE SAID: "AS RECORDERS WILL BE REQUIRED TO HEAR ALL TYPES OF CASES, THEIR QUALIFICATIONS WILL BE THE SAME AS FOR PERMANENT APPOINTMENTS TO THE SUPREME COURT. THEIR APPOINTMENTS WILL ALSO BE MADE BY THE GOVERNOR ON THE ADVICE OF THE JUDICIAL SERVICE COMMISSION.

"THE CHIEF JUSTICE WILL BE EMPOWERED BY CLAUSE 11 TO APPOINT SUCH TEMPORARY DEPUTY REGISTRARS ON AN AD HOC BASIS TO FILL ANY VACANT POSTS OF DEPUTY REGISTRARS OR TO DEAL WITH TEMPORARY INCREASES IN THE INTERLOCUTORY WORK IN THE SUPREME COURT."

IN RELATION TO RETROSPECTIVE APPOINTMENTS, THE BILL ALSO SEEKS TO FORMALISE THE EXISTING PRACTICE OF ALLOWING THE RETROSPECTIVE APPOINTMENT OF JUDGES AND OTHER JUDICIAL OFFICERS.

MR MATHEWS ADDED: "SUCH RETROSPECTIVE APPOINTMENTS MAY HAVE TO BE MADE IN THOSE RARE CIRCUMSTANCES WHERE THE FORMAL APPOINTMENT INSTRUMENTS, DUE TO SOME ADMINISTRATIVE REASONS, HAVE NOT BEEN MADE READY ON OR BEFORE THE DATES OF THE COMMENCEMENT OF THE APPOINTMENTS."

THE BILL ALSO SETS OUT THE PROFESSIONAL QUALIFICATIONS AT PRESENT REQUIRED OF THE REGISTRAR, THE DEPUTY REGISTRARS AND THE ASSISTANT REGISTRARS OF THE SUPREME COURT TO REMOVE ANY POSSIBLE DOUBT, HE NOTED.

DEBATE ON THE BILL WAS ADJOURNED.

LARGER GOVERNING COUNCIL FOR HKIED

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MORE STAFF AND STUDENT REPRESENTATIVES AS WELL AS PERSONS EXPERIENCED IN SCHOOL EDUCATION WILL BE APPOINTED TO THE GOVERNING COUNCIL OF THE HONG KONG INSTITUTE OF EDUCATION (HKIED).

SPEAKING AT THE RESUMED DEBATE ON THE HONG KONG INSTITUTE OF EDUCATION BILL AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID THE COMPOSITION OF THE COUNCIL AS ORIGINALLY PROPOSED SOUGHT TO MAINTAIN A BALANCE OF STAFF, ACADEMIC AND BROADER INTERESTS, WHILE MAINTAINING A REASONABLE SIZE FOR EFFECTIVE MANAGEMENT.

ON THE SUGGESTION OF THE BILLS COMMITTEE, MR LEUNG NOTED, THE ADMINISTRATION WOULD INCREASE THE MAXIMUM SIZE OF THE COUNCIL FROM 20 TO 26.

THE CHANGES AGREED INCLUDE:

- * INCREASE THE NUMBER OF ELECTED STAFF REPRESENTATIVES FROM ONE TO THREE;
- * APPOINT ONE TO THREE PERSONS WITH EXPERIENCE IN SCHOOL EDUCATION; AND
- * INCLUDE A STUDENT REPRESENTATIVE.

UNDER THE BILL, THE COUNCIL WILL BE APPOINTED BY THE GOVERNOR IN HIS CAPACITY AS THE PRESIDENT OF THE INSTITUTE.

OTHER COUNCIL MEMBERS INCLUDE THE DIRECTOR AND DEPUTY DIRECTORS OF THE HKIED, PUBLIC OFFICERS, AND NOMINEES FROM THE INSTITUTE'S ACADEMIC BOARD.

THE ROLE OF THE ACADEMIC BOARD IS TO PLAN ACADEMIC PROGRAMMES, REGULATE STUDENT ADMISSION AND CONFER ACADEMIC AWARDS.

THE BILL WAS PASSED WITH AMENDMENTS.

ACADEMY OF MEDICINE STARTS FULL OPERATIONS

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THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) PASSED A RESOLUTION TO ENABLE THE HONG KONG ACADEMY OF MEDICINE TO HOLD ITS FIRST ANNUAL GENERAL MEETING AND TO START FULL OPERATIONS.

MOVING THE RESOLUTION, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID THE ACADEMY WAS ESTABLISHED AS A STATUTORY BODY RESPONSIBLE FOR THE CONDUCT OF POSTGRADUATE AND CONTINUING MEDICAL EDUCATION UNDER THE HONG KONG ACADEMY OF MEDICINE BILL PASSED BY THE LEGISLATIVE COUNCIL ON JUNE 24, 1992.

"SINCE THEN, GROUNDWORK FOR THE ACADEMY HAS BEEN CARRIED OUT BY AN INTERIM COUNCIL, INCLUDING THE DRAFTING OF THE NECESSARY SUBSIDIARY LEGISLATION," SHE SAID.

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APPROPRIATION BILL 1994 PASSED

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THE APPROPRIATION BILL 1994 WAS PASSED WITHOUT AMENDMENTS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TELECOMMUNICATION (AMENDMENT) BILL 1994 WAS ALSO PASSED WITHOUT AMENDMENTS.

FIVE OTHER BILLS WERE PASSED WITH AMENDMENTS.

THEY WERE: THE LEGISLATIVE COUNCIL COMMISSION BILL, THE HONG KONG INSTITUTE OF EDUCATION BILL, LAYOUT-DESIGN (TOPOGRAPHY) OF INTEGRATED CIRCUITS BILL, AIR POLLUTION CONTROL (AMENDMENT) (NO. 2) BILL 1993 AND LAND DRAINAGE BILL.

TWO BILLS - SUPREME COURT (AMENDMENT) BILL 1994 AND LAND SURVEY BILL - WERE INTRODUCED FOR FIRST AND SECOND READINGS. DEBATES ON THEM WERE ADJOURNED.

IN ADDITION, FIVE MOTIONS MOVED BY GOVERNMENT OFFICIALS WERE ALSO PASSED.

AMONG THEM, TWO WERE MOVED BY THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS AND THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG UNDER THE OFFICIAL LANGUAGES ORDINANCE AND HONG KONG ACADEMY OF MEDICINE ORDINANCE RESPECTIVELY.

ONE MOTION WAS PROPOSED BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA UNDER THE MASS TRANSIT RAILWAY CORPORATION ORDINANCE. THE OTHER TWO WERE MOVED BY MR BARMA UNDER THE KOWLOON-CANTON RAILWAY CORPORATION ORDINANCE.

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DAILY INFORMATION BULLETIN

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SUPPLEMENT

WEDNESDAY, MARCH 30, 1994

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GOVT TO INTERVENE PROPERTY PRICES: FS

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THE GOVERNMENT HAS DECIDED TO TAKE A MAJOR STEP TO INTERVENE IN THE PROBLEM OF HIGH PROPERTY PRICES AND KEEP THEM DOWN, THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

CONCLUDING THE DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1994, SIR HAMISH SAID:

"WE ARE SERIOUS ABOUT TACKLING THIS ISSUE. BOTH THE CHIEF SECRETARY AND I ARE PERSONALLY COMMITTED TO FINDING A SOLUTION.

"WE RECOGNISE THERE IS A PROBLEM, AND WE HAVE DECIDED TO INTERVENE. THAT IN ITSELF IS A MAJOR STEP, GIVEN OUR GENERAL BELIEF IN LETTING THE MARKET DECIDE," HE SAID.

THE FINANCIAL SECRETARY ADDED THAT INTERVENTION WAS NOT WITHOUT RISKS.

"IT IS NOT POSSIBLE TO FINE-TUNE PROPERTY PRICES, BUT ONLY TO NUDGE THEM FAIRLY CRUDELY IN A PARTICULAR DIRECTION."

SIR HAMISH BELIEVES IT IS RIGHT TO FOCUS ON THE POSITIVE STEP OF INCREASING LAND SUPPLY AS THE KEY.

CLEARLY OTHER BASICALLY NEGATIVE MEASURES, SUCH AS STAMP DUTY AND REDUCED MORTGAGE LENDING, HAVE SIMPLY NOT HAD SUFFICIENT IMPACT, HE ADDED.

HE ALSO BELIEVES THE QUICKEST AND GREATEST IMPACT IS LIKELY TO BE MADE BY HARNESSING THE ENERGIES OF THE PRIVATE SECTOR AND OF QUASI-GOVERNMENT BODIES TO THIS NEW CHALLENGE.

IN SUPPORT OF THIS SPECIAL EXERCISE TO INCREASE LAND SUPPLY, SIR HAMISH SAID HE WAS PREPARED TO CONSIDER PROVIDING FUNDS IF A GOOD CASE COULD BE MADE.

ONE EXAMPLE MIGHT BE TO SET ASIDE A SUM OF MONEY TO REIMBURSE PRIVATE DEVELOPERS FOR PROVIDING THE INFRASTRUCTURE NEEDED TO ENABLE NEW HOUSING TO PROCEED ON AN ACCELERATED BASIS.

ANOTHER EXAMPLE MAY BE TO ASSIST THE LAND DEVELOPMENT CORPORATION OR THE HOUSING SOCIETY TO ACCELERATE THEIR PROGRAMMES, INCLUDING LOANS TO IMPROVE THEIR CASHFLOWS, AND SO TO ALLOW THEM TO PUT MORE COMMERCIAL AND RESIDENTIAL UNITS ON TO THE MARKET.

"OUR AIM IS TO PRODUCE A CREDIBLE PACKAGE OF MEASURES WHICH WILL NOT ONLY INCREASE THE SUPPLY, BUT BE SUFFICIENT TO REDUCE PRICES.

"I REPEAT, OUR AIM IS TO START A DOWNWARD TREND IN PRICES, NOT TO KEEP LAND PRICES HIGH. THIS WILL NOT BE EASY, BUT WE ARE PUBLICLY COMMITTED TO TRY, AND TO TRY HARD OVER THE NEXT FEW MONTHS TO IDENTIFY AND IMPLEMENT THE BEST MEANS OF ACHIEVING RESULTS."

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ON THE PROPOSAL FOR INTRODUCING CAPITAL GAINS TAX, HE SAID PROFITS ARISING FROM TRADING IN PROPERTY WERE ALREADY LIABLE TO PROFITS TAX.

INDEED, OVER THE LAST TWO YEARS, THE INLAND REVENUE DEPARTMENT HAS STEPPED UP ITS EFFORTS TO TRACK DOWN SUCH TRANSACTIONS.

"I AM PLEASED TO SAY THAT THIS HAS ACHIEVED GOOD RESULTS."

HE HIGHLIGHTED SOME PARTICULAR POINTS UNDERLYING THE GOVERNMENT'S RESERVATIONS ON SUCH A PROPOSAL.

A CAPITAL GAINS TAX WOULD RUN AGAINST THE GOVERNMENT'S FUNDAMENTAL POLICY OF MAINTAINING A SIMPLE, PREDICTABLE AND LOW TAX SYSTEM.

TO ACHIEVE A SIGNIFICANT DETERRENT EFFECT, THE TAX WOULD HAVE TO BE SET AT A HIGH LEVEL.

IT WOULD ALSO BE EXPLICITLY INTRODUCED AS A TEMPORARY FISCAL MEASURE TO ADDRESS A SHORT-TERM PROBLEM, SO INTRODUCING UNCERTAINTY, HE SAID.

"THIS WOULD RISK SENDING A STRONG NEGATIVE SIGNAL TO LOCAL AND OVERSEAS INVESTORS. THE COMMUNITY AT LARGE WOULD STAND TO LOSE SHOULD THIS HAPPEN."

MOREOVER, IT IS NOT ENTIRELY CLEAR THAT THE EFFECT OF INTRODUCING A CAPITAL GAINS TAX WOULD BE THAT THE MARKET WOULD AUTOMATICALLY CORRECT ITSELF, BRINGING PROPERTY PRICES BACK TO A MORE REALISTIC LEVEL, AND THEREBY BENEFITING END-USERS.

ELSEWHERE, VERSIONS OF SUCH A TAX HAVE HAD MIXED RESULTS, RANGING FROM PUSHING PRICES UP TO BRINGING ABOUT A COLLAPSE OF THE PROPERTY MARKET.

"HENCE, I MUCH PREFER TO SEEK A SOLUTION IN AN INCREASED SUPPLY. IF THAT DOES NOT SUCCEED, THEN I SHALL BE FORCED, RELUCTANTLY, TO REVIEW OTHER OPTIONS, INCLUDING THE CAPITAL GAINS TAX IDEA." SIR HAMISH SAID.

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IMPORTATION OF GRADUATES SHOULD PROCEED QUICKLY

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THE GOVERNMENT SHOULD PROCEED QUICKLY WITH THE MODEST PILOT SCHEME TO ADMIT 1,000 GRADUATES FROM CHINA TO TACKLE INFLATION.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, WHEN CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR HAMISH SAID LEGCO SHOULD BE CONSULTED BEFORE SUCH A SCHEME WAS ENLARGED.

/"AND THAT

"AND THAT WE NEED TO CONTINUE TO REASSURE OUR OWN GRADUATES THAT THEIR PROSPECTS ARE NOT SIGNIFICANTLY REDUCED."

HE SAID HONG KONG'S INFLATION CONTINUED TO BE LOCALLY GENERATED, WITH SHORTAGES OF LABOUR AND LAND BEING THE TWO MAIN UNDERLYING FACTORS.

IMPORTED INFLATION REMAINS INSIGNIFICANT, AS REFLECTED BY STABLE IMPORT PRICES IN OVERALL TERMS, HE SAID.

THOSE CONSUMPTION ITEMS SHOWING A FASTER INCREASE IN PRICES THAN THE OVERALL CONSUMER PRICE INDEX HAVE A RELATIVELY HIGHER LOCAL INPUT CONTENT.

THE MAIN EXAMPLES ARE HOUSING, TRANSPORT, MEALS AT RESTAURANTS AND VARIOUS OTHER CONSUMER SERVICES.

"I TAKE CAUTIOUS COMFORT FROM THE FACT THAT IN THE FIRST TWO MONTHS OF 1994, THERE WAS A FURTHER MODERATION IN CONSUMER PRICE INFLATION."

THE CPI(A) IN THESE TWO MONTHS ROSE BY AN AVERAGE OF 7% OVER THE SAME PERIOD LAST YEAR. THIS COMPARES FAVOURABLY WITH THE CORRESPONDING INCREASE OF 8.5% FOR 1993 AS A WHOLE. IT IS ALSO BELOW THE FORECAST RATE OF INCREASE, ALSO OF 8.5%, FOR 1994.

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FS UPHOLDS PRUDENT FINANCING

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THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID TODAY (WEDNESDAY) HE WOULD CONTINUE TO HOLD THE BALANCE BETWEEN COMPETING CLAIMS, AND BETWEEN REVENUE AND EXPENDITURE IN A PRUDENT MANNER."

CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, SIR HAMISH POINTED OUT THREE SIMPLE FACTS TO REASSURE THOSE WHO THOUGHT HE HAD BECOME IMPRUDENT.

- * DESPITE THE TAX CONCESSIONS, TOTAL REVENUE IS ESTIMATED TO INCREASE FROM \$164 BILLION IN THE 1993/94 REVISED ESTIMATES TO \$177 BILLION IN THE 1994/95 ESTIMATES;
- * GROWTH IN GOVERNMENT EXPENDITURE CONTINUES TO BE KEPT IN LINE WITH THE GROWTH OF THE ECONOMY;
- * LARGE RESERVES EXIST PRECISELY TO ENABLE HONG KONG TO WEATHER ANY TEMPORARY DOWNSIDES.

HE ALSO SAID THE KEY TO FINANCIAL STABILITY WAS TO MAINTAIN THE REVENUE IN REAL TERMS FROM A MIX OF SOURCES - BE THEY FEES AND CHARGES, DUTIES OR TAXES.

/SIR HAMISH

SIR HAMISH SAID:

"THAT SAID, I DO ACCEPT THAT WHEREVER POSSIBLE WE SHOULD TIP THE BALANCE IN FAVOUR OF RELIABLE, STEADY SOURCES - THAT IS ANOTHER REASON WHY I FAVOUR KEEPING RATES UP WITH INFLATION, AND WHY I HAVE GONE FOR AN INCREASE IN THE BUSINESS REGISTRATION FEE. THEY ARE BOTH RELATIVELY STEADY, RELIABLE SOURCES OF REVENUE."

SIR HAMISH SAID WHATEVER HE PROPOSED TO RAISE IN TAX, HE MUST BE ABLE TO JUSTIFY IN TERMS OF NEED.

"WE HAVE RESERVES WHICH WILL SUSTAIN GROWTH IN EXPENDITURE IN LINE WITH THE PROJECTED GROWTH IN THE ECONOMY."

IN FACT, THE RESERVES ARE MORE THAN ENOUGH FOR THAT: THEY ALSO EXTEND TO PROVIDING AN ASSURANCE THAT HONG KONG CAN SURVIVE QUITE CONSIDERABLE SHOCKS TO THE ECONOMY WITHOUT HAVING TO CUT BACK ON EXISTING EXPENDITURE.

"BUT I CAN'T JUSTIFY GOING BEYOND THAT. AT SOME POINT, I HAVE TO SAY 'WE HAVE ENOUGH TAX FOR NOW, THANK YOU'," HE SAID.

HE SAID THE REVENUE BASE AND THE TAX NET WERE NOT THE SAME.

THE REVENUE BASE IS THE OVERALL MIX OF ALL SOURCES OF REVENUE.

"WE WISH TO KEEP IT STABLE, SIMPLE AND PRODUCTIVE. THE TAX NET, ON THE OTHER HAND, REFERS TO THE NUMBER OF TAX-PAYERS.

"THE NUMBER OF PEOPLE IN THE TAX NET CAN BE REDUCED WITHOUT NECESSARILY AFFECTING THE REVENUE BASE, BECAUSE AT A TIME OF ECONOMIC GROWTH AND OF RISING REAL WAGES WE CAN STILL EXPECT TO MAINTAIN REVENUE DESPITE OUR CONCESSIONS ON SALARIES TAX."

FOR EXAMPLE, REVENUE FROM SALARIES TAX IS EXPECTED TO INCREASE IN 1994/95, AND WILL CONSTITUTE ABOUT THE SAME PROPORTION OF TOTAL REVENUE AS IT DID IN 1993/94.

"THUS, I DON'T THINK IT IS QUITE ACCURATE TO ARGUE THAT BY REDUCING THE NUMBER OF TAX-PAYERS IN THE NET, I AM NARROWING THE REVENUE BASE."

"I WOULD ONLY NARROW THE REVENUE BASE IF I SEVERELY REDUCED THE NUMBER OF SOURCES OF REVENUE, OR LET THE REVENUE FROM THE EXISTING ONES ATROPHY IN REAL TERMS BY FAILING TO KEEP THEM UP-TO-DATE."

"THIS IS WHY I ATTACH IMPORTANCE TO MAINTAINING FEES AND CHARGES IN LINE WITH INFLATION, AND TO MAINTAINING RATEABLE VALUES IN LINE WITH THE MOVEMENT IN RENTAL VALUES."

BUT IT WOULD STILL BE A VALID CRITICISM IF IT COULD BE SHOWN THAT THE TAX CHANGES HAVE MADE THE REVENUE SIGNIFICANTLY LESS RELIABLE, AND MORE VOLATILE.

THIS POINT IS SOMETIMES TREATED AS IF IT IS THE SAME THING AS THE RATIO BETWEEN DIRECT AND INDIRECT TAXES.

/INDEED, THIS

INDEED, THIS RATIO WAS INTRODUCED AS A CRUDE WAY TO MEASURE WHETHER THE REVENUE BASE WAS BECOMING MORE OR LESS ROBUST. THE THEORY WENT THAT IF THE PROPORTION OF INDIRECT TAXES WAS INCREASING, THE REVENUE WAS MORE ROBUST.

THE PROBLEM IS THAT THIS HAS PROVED TOO CRUDE A MEASURE TO BE VERY VALUABLE. INDIRECT TAXES DO NOT NECESSARILY CORRELATE WITH STABLE REVENUE, NOR DIRECT TAXES WITH UNSTABLE REVENUE.

SALARIES TAX, WHICH IS DIRECT, HAS BEEN STEADY, WHEREAS VEHICLE FIRST REGISTRATION TAX, WHICH IS A CLASSIC INDIRECT TAX, HAS BEEN FLUCTUATING VERY CONSIDERABLY.

"THAT IS THE REASON I CEASED TO REFER TO THIS RATIO SOME BUDGETS AGO," SIR HAMISH SAID.

HE SAID THE GOVERNMENT WAS IN THE "RARE AND ENVIABLE" POSITION OF BEING ABLE TO RETURN SOME OF THE CONSIDERABLE WEALTH TO ITS TAXPAYERS.

"I THINK ONE WOULD NEED SOME EXTRAORDINARILY GOOD ARGUMENTS TO TRY TO ARGUE AGAINST THAT."

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FS AIMS TO SOFTEN LARGE RATES INCREASE

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THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID TODAY (WEDNESDAY) HE WOULD LOOK FURTHER AT THE SUGGESTION THAT IN FUTURE THE GOVERNMENT SHOULD INDEX THE RATEABLE VALUES IN BETWEEN REVALUATION YEARS.

THIS IS TO SOFTEN THE IMPACT OF ANY LARGE INCREASE IMMEDIATELY FOLLOWING A GENERAL REVALUATION.

"WE SHALL FIND A SATISFACTORY SOLUTION AS TO HOW BEST TO HANDLE RATES REVISIONS IN THE COMING YEARS THROUGH FURTHER DISCUSSIONS WITH MEMBERS."

FURTHER EXPLAINING HIS THINKING ON RATES REVALUATION WHEN CONCLUDING HIS BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, SIR HAMISH SAID THE PURPOSE OF THE GENERAL REVALUATION WAS TO REASSESS THE RATEABLE VALUES OF PROPERTIES SO THAT RATES FELL EQUITABLY AMONG RATEPAYERS IN PROPORTION TO THE UP-TO-DATE RENTAL VALUES OF THEIR PROPERTIES.

THIS TRIENNIAL EXERCISE HAS BECOME AN ACCEPTED PRACTICE WITH BOTH LEGISLATORS AND THE GENERAL PUBLIC, HE SAID.

AS A STABLE AND BROADLY-BASED TAX, RATES ARE A RELIABLE SOURCE OF REVENUE AND HAVE OVER THE YEARS MADE A STEADY CONTRIBUTION TO THE PUBLIC FINANCES, THE FINANCIAL SECRETARY STRESSED.

HE FOUND IT DIFFICULT TO ACCEPT COMMENTS BY MEMBERS THAT THE ENVISAGED RATES INCREASE WOULD BRING TOO MUCH OF A BURDEN ON THE GENERAL PUBLIC, SET AGAINST RISING REAL WAGES, AND THE MINIMAL TAXES THAT MOST OF THE POPULATION ENJOYED.

IN THE LATEST REVALUATION, THE AVERAGE INCREASE IN THE RATEABLE VALUES FOR ALL CLASSES OF PROPERTIES IS 33%, WHICH REFLECTS THE INCREASE IN RENTAL VALUES OVER THE THREE YEARS TO JULY 1993.

THIS PERCENTAGE HAPPENS TO BE IN LINE WITH INFLATION OVER THE PAST THREE YEARS, AND WELL BELOW THE RISE IN PROPERTY PRICES.

MOREOVER, THE ANNUAL ADJUSTMENTS IN 1994/95 AND 1995/96 WILL EACH BE CAPPED AT 20%, SO THAT THE FULL IMPACT OF THE NEW RATES WILL BE SPREAD OVER THE COMING THREE YEARS.

PUBLIC HOUSING TENANTS, WHO ACCOUNT FOR AS MUCH AS 42% OF THE POPULATION, WILL NOT BE DIRECTLY AFFECTED IN PRACTICE, BECAUSE THE HOUSING AUTHORITY FOLLOWS THE POLICY OF SETTING RENTS BY REFERENCE TO TENANTS' AFFORDABILITY.

SIR HAMISH SAID THE CURRENT OVERALL PERCENTAGE CHARGE AT 5.5% WAS HISTORICALLY LOW.

"AND WE ARE NOT PROPOSING TO INCREASE IT.

"BACK IN THE SEVENTIES, AS SOME OF YOU MAY RECALL, THE OVERALL CHARGE WAS AS HIGH AS 17%. RATES ONLY TAKE UP ABOUT 2% OF THE AVERAGE HOUSEHOLD INCOME. FOR BUSINESSES, RATES REPRESENT 0.2% OF THEIR OUTGOINGS," HE SAID.

THE PLAIN TRUTH IS: THIS IS A MODEST MEASURE WHICH STRIKES A BALANCE BETWEEN MAINTAINING THE REAL WORTH OF A STABLE REVENUE SOURCE, AND GIVING DUE WEIGHT TO EASING THE IMPACT ON RATEPAYERS, HE SAID.

"I SHOULD EMPHASISE THAT IN CONSIDERING A TAX CONCESSION, THE GOVERNMENT'S FISCAL POSITION IS IMPORTANT, BUT IT IS BY NO MEANS THE ONLY CONSIDERATION.

"AND WHEN I SAY THE GOVERNMENT'S FISCAL POSITION, I DO NOT MEAN OUR SURPLUS OR DEFICIT IN ANY ONE YEAR, BUT OUR OVERALL FINANCIAL HEALTH DURING THE FORECAST PERIOD.

"AFFORDABILITY ASIDE, WE ALSO NEED TO TAKE INTO ACCOUNT THE IMPLICATIONS OF THE PROPOSED MEASURE ON OUR TAXATION SYSTEM," HE SAID.

HE SAID TO MAKE FISCAL DECISIONS ON THE BASIS OF THE SURPLUS OR DEFICIT FIGURES FOR A SINGLE YEAR WAS NOT WISE.

"TO ARGUE TO DELAY THE IMPLEMENTATION OF THE LATEST RATES VALUATION OR TO REDUCE THE OVERALL PERCENTAGE CHARGE, SIMPLY BECAUSE WE HAVE PROJECTED A MODERATE SURPLUS FOR NEXT YEAR, IS I SUGGEST TO TAKE A VERY SHORT-TERM VIEW."

NEW ALCOHOL DUTY SYSTEM FAIR

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THE NEW ALCOHOL DUTY SYSTEM COMMENDS ITSELF BECAUSE OF ITS GREATER DEGREE OF FAIRNESS, INCLUDING A CLEARER COMPATIBILITY WITH THE GATT, AND THE BENEFITS IT BRINGS TO THE AVERAGE CONSUMER, THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, SIR HAMISH ASSURED LEGISLATORS THAT HE FULLY RECOGNISED THE ADMINISTRATIVE PROBLEMS INHERENT IN A FULL AD VALOREM SYSTEM.

"FOR THIS REASON, I HAVE ALREADY ASKED THE CUSTOMS AND EXCISE DEPARTMENT TO CLOSELY MONITOR ANY ATTEMPT TO AVOID PAYING THE APPROPRIATE DUTY.

"I UNDERSTAND THAT THERE ARE ALREADY EAGER VOLUNTEERS FOR THE ARDUOUS DUTY OF CARRYING OUT FIELD AUDITS IN THE VINEYARDS OF FRANCE, AUSTRALIA AND CALIFORNIA," HE SAID.

IN INTRODUCING A STRAIGHT AD VALOREM DUTY SYSTEM FOR ALCOHOLIC DRINKS, SIR HAMISH SAID ONE OF HIS OBJECTIVES WAS TO AMEND THE PREVIOUS SYSTEM UNDER WHICH CHEAPER PRODUCTS WERE SUBJECT TO A HEAVIER DUTY RELATIVE TO THEIR COST, COMPARED WITH MORE EXPENSIVE PRODUCTS OF THE SAME TYPE.

"IN SHORT, I HAVE AIMED TO DESIGN A FAIRER SYSTEM."

HE SAID THERE WAS SOME UNDERSTANDABLE CONFUSION OVER THE PRECISE EFFECT OF THE DUTY CHANGES ON RETAIL PRICES, AND RETAILERS WOULD NOT NECESSARILY ADJUST PRICES IN UNIFORM WAYS.

USING WINE TO ILLUSTRATE THE EFFECTS OF THE NEW SYSTEM, HE SAID FOLLOWING THE PROPOSED CHANGES, PRODUCTS WITH AN EXPORT PRICE LESS THAN \$50 A LITRE, WHICH ACCOUNTED FOR SOME 89% OF THE LOCAL WINE CONSUMPTION IN 1993, WOULD PAY MUCH LESS IN DUTY.

"I REPEAT, SOME 89% OF THE WINE SOLD IN HONG KONG WILL PAY LESS DUTY."

FOR THE NINE BEST-SELLING BRANDS IN THIS PRICE RANGE, THE DUTY REDUCTION RANGES FROM \$21 TO \$29 A LITRE. THESE NINE PRODUCTS WERE BEING SOLD BEFORE THE INTRODUCTION OF THE NEW DUTY SYSTEM AT A RETAIL PRICE OF ABOUT \$70 TO \$115 A LITRE.

HE SAID PRODUCTS WHICH COST MORE THAN \$50 A LITRE AT THE POINT OF EXPORTATION WOULD BE SUBJECT TO HIGHER DUTY UNDER THE NEW SYSTEM.

TO SERVE AS AN ILLUSTRATION, TWO OF THE MORE POPULAR BRANDS RETAILING AT AROUND \$200 A LITRE WILL BE PAYING ABOUT \$9 MORE IN ALCOHOL DUTY.

WINES IN THE TOP PRICE RANGE, SOME RETAILING AT A FEW THOUSAND DOLLARS A BOTTLE, WILL BE HARDER HIT.

BUT THE HIGHER DUTY WILL ONLY BE A REFLECTION OF THE CONSUMER'S ABILITY TO PAY, AND IS PROPORTIONAL TO THE COST OF THE PRODUCT.

AND SUCH PRODUCTS, WHICH ACCOUNT FOR WELL UNDER 1% OF HONG KONG'S TOTAL WINE CONSUMPTION, OCCUPY AN EXCLUSIVE NICHE IN THE MARKET WHERE PRICE IS OF LESS IMPORTANCE THAN QUALITY AND PERSONAL PREFERENCES IN DETERMINING CONSUMER CHOICE, HE SAID.

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LOWER PROFITS TAX JUSTIFIED

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AT A TIME WHEN THE FISCAL POSITION PERMITS, IT IS ONLY RIGHT TO RESTORE PROFITS TAX TO ITS PREVIOUS, LOWER LEVEL, THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IT WILL BE HELPFUL IN ENSURING THAT HONG KONG WILL CONTINUE TO ENJOY AN ENVIRONMENT THAT ENCOURAGES INVESTMENT AND REINVESTMENT, PARTICULARLY AT A TIME WHEN THERE IS CONCERN OVER HIGH RENTS, SIR HAMISH SAID.

CONCLUDING THE BUDGET DEBATE, HE SAID HE BELIEVED THE SYMBOLIC NATURE OF THIS STEP WAS IMPORTANT.

"IT ILLUSTRATES BY ACTION THAT THIS GOVERNMENT REALLY DOES BELIEVE IN KEEPING TAXES TO THE LOWEST POSSIBLE LEVEL, AND IN RETURNING MONEY TO THE TAXPAYER WHEN THIS CAN SAFELY BE DONE, SO PRESERVING THE INCENTIVE TO SUCCEED FOR BOTH INDIVIDUALS AND COMPANIES.

"THIS IS ONE OF THE REASONS FOR OUR SUCCESS," SIR HAMISH SAID.

HE STRESSED THAT A KEY BUDGETARY PRINCIPLE WAS TO KEEP GROWTH IN GOVERNMENT EXPENDITURE IN LINE WITH THE TREND GROWTH OF THE ECONOMY.

THIS SETS THE LIMIT ON HOW MUCH THE GOVERNMENT CAN SPEND IN THE PUBLIC SECTOR, HE SAID.

A BUMPER YEAR FOR PROFITS TAX DOES NOT THEREFORE TRANSLATE INTO A SUDDEN EXPANSION IN GOVERNMENT SERVICES.

NOR DOES A CUT IN PROFITS TAX RESULT IN A CUT IN EXPENDITURE.

"IT IS ALSO WORTH NOTING THAT GIVEN OUR BUOYANT BUSINESS OUTLOOK, REVENUE FROM PROFITS TAX IS IN FACT EXPECTED TO INCREASE IN 1994/95 NOT ONLY IN MONEY TERMS, BUT AS A PROPORTION OF TOTAL REVENUE, EVEN AFTER THE REDUCTION," THE FINANCIAL SECRETARY SAID.

ON THE GROWTH OF PUBLIC EXPENDITURE, SIR HAMISH SAID RESTRAINING GOVERNMENT EXPENDITURE TO ECONOMIC GROWTH, WHEN THAT GROWTH WAS RUNNING AT ABOUT 5% IN REAL TERMS, WOULD BE REGARDED IN MOST PLACES IN THE WORLD AS NO RESTRICTION AT ALL, BUT ON THE CONTRARY AS GROWTH BEYOND THEIR WILDEST DREAMS.

"COMPOUND GROWTH OF THIS LEVEL, FOCUSED ESPECIALLY ON INFRASTRUCTURE AND THE SOCIAL SERVICES, HAS ENABLED US TO EXPAND OUR SERVICES AT A DRAMATIC PACE."

HE SAID THIS WAS THE ANSWER TO THOSE WHO PRODUCED YET AGAIN THE RATHER TIRED ARGUMENT THAT TAX CONCESSIONS DID NOT HELP THE LESS WELL-OFF.

"OF COURSE THEY DON'T, BECAUSE IN HONG KONG, UNLIKE IN MOST OTHER PLACES IN THE WORLD, THE LESS WELL-OFF ARE VIRTUALLY TAX-FREE - WE HELP THEM NOT THROUGH TAX CUTS BUT THROUGH OUR EXPENDITURE ON PUBLIC HOUSING AND THE SOCIAL SERVICES.

"AND INCIDENTALLY THAT IS ALSO PART OF THE ANSWER TO THE ANNUAL REFERENCES TO THE GINI COEFFICIENT AND OTHER SUCH MEASURES OF INCOME DISTRIBUTION - THEY DON'T TAKE INTO ACCOUNT THE BENEFITS DERIVED FROM GOVERNMENT EXPENDITURE AND SUBSIDIES, AND IN THAT SENSE THEY ARE MISLEADING."

HE SAID THE GOVERNMENT SHOULD BE ANYTHING BUT PROUD OF THE INCREASES IN SPENDING ON THE SOCIAL SERVICES. TO UNDERLINE THIS POINT, RECURRENT EXPENDITURE OVER THE LAST FIVE YEARS TO 1994/95 WILL HAVE INCREASED:

ON HEALTH, TO \$17.1 BILLION FROM \$6 BILLION, AN INCREASE OF 70% IN REAL TERMS;

ON SOCIAL WELFARE, TO \$11.3 BILLION FROM \$4.4 BILLION, AN INCREASE OF 53% IN REAL TERMS; AND

ON EDUCATION, TO \$25.8 BILLION FROM \$11.2 BILLION, AN INCREASE OF 36% IN REAL TERMS.

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LOOPHOLE IN SERVICE COMPANIES MUST BE CLOSED

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THE LOOPHOLE USED BY SOME WELL-OFF PEOPLE TO PAY LESS TAX BY MEANS OF SERVICE COMPANIES MUST BE CLOSED, THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

THERE MAY BE OVER 4,000 CASES WHERE SERVICE COMPANIES ARE BEING USED TO AVOID TAX, INVOLVING AN AMOUNT OF TAX OF ABOUT \$400 TO \$500 MILLION A YEAR.

"I WOULD FEEL FULLY JUSTIFIED IN PUTTING SIGNIFICANT RESOURCES AND SOME HARD-HITTING LEGISLATION IN PLACE TO GO AFTER THAT AMOUNT OF MONEY." SIR HAMISH SAID, WHEN CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

HE SAID THERE WAS ALSO THE CORRODING EFFECT ON THE PUBLIC'S FAITH IN THE TAX SYSTEM, IF IT WAS PERCEIVED THAT THE SYSTEM WAS UNFAIR, AND SOME WELL-OFF PEOPLE GOT AWAY WITH PAYING LESS TAX THAN OTHERS.

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"THIS LOOPHOLE MUST BE CLOSED," HE STRESSED.

RESPONDING TO A LEGISLATOR'S COMMENT THAT HE WAS USING "A SLEDGEHAMMER TO CRACK A NUT", SIR HAMISH SAID:

"I INFER FROM THIS ANALOGY THAT SOME MEMBERS REALISE THE SIZE OF THE NUT AND FEEL THAT A SLEDGEHAMMER IS LOOMING."

WHERE TAX AVOIDANCE ARRANGEMENTS INVOLVING SIGNIFICANT AMOUNTS OF REVENUE WERE IDENTIFIED, HE SAID THE ENACTMENT OF SPECIFIC LEGISLATION HAD TWO ADVANTAGES OVER THE USE OF THE EXISTING GENERAL ANTI-AVOIDANCE PROVISIONS OF THE INLAND REVENUE ORDINANCE.

FIRST, IT BENEFITS THE GOVERNMENT IN THAT THE EXACT PROBLEM AND THE EXACT REMEDY CAN BE SPECIFIED, THUS REDUCING THE AMOUNT OF COSTLY LITIGATION THAT WOULD BE REQUIRED TO BRING CASES TO BOOK.

SECONDLY, FOR THE TAXPAYER, IT WOULD HAVE THE BENEFIT OF ALLOWING BUSINESS PEOPLE TO UNDERSTAND WITH CERTAINTY THE PURPOSES FOR WHICH SERVICE COMPANIES CAN AND CANNOT BE USED.

THIS MEANS THAT SERVICE COMPANY ARRANGEMENTS WHICH ARE FOR A BONA FIDE COMMERCIAL PURPOSE CAN BE USED WITH MORE CONFIDENCE, SIR HAMISH SAID.

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PUBLIC TO BE CONSULTED ON OLD-AGE PENSION SCHEME

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A CONSULTATION DOCUMENT ON THE FEASIBILITY STUDY ON THE PROPOSED OLD-AGE PENSION SCHEME WILL BE ISSUED IN THE SUMMER AND A DECISION WILL BE TAKEN BY THE END OF THE YEAR.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD WHEN CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"I JUST WISH TO REASSURE MEMBERS THAT I AM AS ANXIOUS AS THEY ARE THAT THIS SHOULD NOT LEAD US DOWN THE PATH OF A WESTERN-STYLE WELFARE STATE.

"IT IS ESSENTIAL THAT WE MAINTAIN DISCIPLINE THROUGH AN IRON LINK BETWEEN THE AMOUNT OF CONTRIBUTIONS AND THE BENEFITS TO BE PAID OUT."

HE SAID AS LONG AS THE GOVERNMENT ENSURED THAT THE TWO AMOUNTS WERE EQUAL OVER A REASONABLE PERIOD OF TIME, AND WERE KEPT SEPARATE FROM OTHER REVENUE AND EXPENDITURE, THE PROPOSED SCHEME SHOULD BE AFFORDABLE TO THE COMMUNITY AS A WHOLE AND NOT BECOME A BURDEN TO FUTURE GENERATIONS.

ON CAPITAL INVESTMENT FUND, HE SAID ALL INVESTMENTS AND LOANS MADE FROM IT WERE SUBJECT TO THE APPROVAL OF FINANCE COMMITTEE.

HE MADE IT CLEAR THAT THE USE OF THE FUND WAS NOT A MEANS OF ESCAPING LEGCO'S SCRUTINY.

MOREOVER, THE MAJOR RECIPIENTS OF INVESTMENTS AND LOANS FROM THE FUND - THE HOUSING AUTHORITY, THE MASS TRANSIT RAILWAY CORPORATION, THE PROVISIONAL AIRPORT AUTHORITY, AND THE RECENTLY ESTABLISHED TRADING FUNDS - ALL HAVE THEIR ACCOUNTS TABLED IN THE LEGCO, SO PROVIDING LEGISLATORS WITH THE OPPORTUNITY TO MONITOR AND QUESTION THE USE TO WHICH THESE BODIES HAVE PUT THE FUNDS, HE SAID.

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ANOTHER GOOD YEAR FOR EXCHANGE FUND

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THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID TODAY (WEDNESDAY) THAT THE EXCHANGE FUND HAD ANOTHER VERY GOOD YEAR IN 1993. UNAUDITED FIGURES OF THE EXCHANGE FUND STOOD AT HK\$348 BILLION AT THE END OF 1993, AN INCREASE OF 21% OVER THE PREVIOUS YEAR.

CONCLUDING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, SIR HAMISH SAID ACCUMULATED EARNINGS OF THE FUND STOOD AT HK\$128 BILLION, 20% HIGHER THAN A YEAR AGO.

"THESE ARE IMPRESSIVE FIGURES," HE SAID.

MOREOVER, THE FOREIGN CURRENCY HOLDINGS OF THE FUND INCREASED FROM US\$35 BILLION TO OVER US\$43 BILLION.

HE SAID THIS PLACED HONG KONG SIXTH IN THE WORLD IN OVERALL FOREIGN CURRENCY RESERVES, COMPARED WITH 10TH LAST YEAR.

"AND WE STAND SECOND IN THE WORLD IN TERMS OF RESERVES PER CAPITA."

HE SAID SO FAR AS THE RESOURCES OF THE EXCHANGE FUND WERE CONCERNED, THESE WERE SUBJECT TO THE SCRUTINY OF THE DIRECTOR OF AUDIT.

THE ANNUAL REPORTS OF THE MONETARY AUTHORITY WILL BE TABLED IN THE COUNCIL, AND THE FIRST SUCH REPORT IS EXPECTED TO BE READY VERY SOON.

SO FAR AS THE DETAILS OF THE EXCHANGE FUND FIGURES WERE CONCERNED, HE SAID THE GOVERNMENT NEEDED TO STRIKE A BALANCE ON THE LEVEL OF DETAIL AND FREQUENCY OF DISCLOSURE.

THE MONETARY AUTHORITY'S FIRST ANNUAL REPORT WILL CONTAIN A FULLER REPORT AND MORE DETAILED FIGURES WILL BE AVAILABLE FOR LEGISLATORS' INFORMATION, SIR HAMISH SAID.

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HK'S FISCAL MANAGEMENT FOR WORLD TO ENVY

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HONG KONG'S FISCAL MANAGEMENT SETS A GOOD EXAMPLE FOR THE REST OF THE WORLD, THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

CONCLUDING THE BUDGET DEBATE, SIR HAMISH SAID:

"I BELIEVE THAT IN OUR MODEST WAY WE SET A GOOD EXAMPLE TO THE REST OF THE WORLD IN OUR FISCAL MANAGEMENT - ZERO DEBT, USE OF THE PRIVATE SECTOR WHEREVER APPROPRIATE, SMALL GOVERNMENT, LOW AND PREDICTABLE TAXES, AND ADEQUATE RESERVES TO CUSHION US AGAINST DOWNSIDE RISKS.

"I WOULD ALSO HAVE TO MENTION OUR WILLINGNESS TO RETURN MONEY TO THE TAXPAYER WHEN IT IS MORE THAN WE NEED, RATHER THAN INCREASE EXPENDITURE TO USE UP THE AVAILABLE REVENUE."

MORE BROADLY, HE SAID HONG KONG HAD A LAW-ABIDING, PROSPEROUS AND CONFIDENT COMMUNITY.

HONG KONG ENJOYS GOOD ECONOMIC GROWTH AND FULL EMPLOYMENT. AND THE GOVERNMENT IS WILLING TO CARRY ON INVESTING BOTH IN THE SOCIAL SERVICES, AND IN THE INFRASTRUCTURE NECESSARY TO ENABLE THAT ECONOMIC GROWTH TO CONTINUE.

"I AM CONVINCED THAT THIS IS THE PATH WE MUST CONTINUE TO TRAVEL," THE FINANCIAL SECRETARY SAID.

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POSITIVE ACTION TO IMPROVE CIVIL SERVICE MORALE: CS

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THE CHIEF SECRETARY, THE HON MRS ANSON CHAN, TODAY (WEDNESDAY) REITERATED THAT THE ADMINISTRATION WOULD TAKE POSITIVE ACTION TO MAINTAIN AND IMPROVE THE MORALE OF CIVIL SERVANTS.

"THE IMPENDING CHANGE IN SOVEREIGNTY HAS UNDOUBTEDLY AROUSED SOME CONCERN AND UNCERTAINTY AMONG CIVIL SERVANTS. THIS IS UNDERSTANDABLE," SHE SAID.

"BUT, GREATLY TO THE CREDIT OF THE CIVIL SERVICE, THIS HAS NOT AFFECTED THEIR WORK. MORALE REMAINS GENERALLY HIGH.

"INDEED WE ARE CONSTANTLY TRYING TO IMPROVE ON OUR PERFORMANCES," SHE ADDED.

OPENING THE RESUMED DEBATE ON THE BUDGET FOR 1994/95 IN THE LEGISLATIVE COUNCIL, MRS CHAN SAID THE GOVERNMENT WAS DETERMINED TO PRESS AHEAD WITH LOCALISATION.

/SHE SAID:

SHE SAID: "THIS IS INEVITABLY A GRADUAL PROCESS, BUT WE HAVE ALREADY BEEN FAIRLY SUCCESSFUL."

THE PERCENTAGE OF OVERSEAS OFFICERS IN THE CIVIL SERVICE HAS SHRUNK FROM ABOUT 4.4 PER CENT IN 1952 TO 1.1 PER CENT IN JANUARY THIS YEAR.

LOCAL OFFICERS NOW FORM 67.4 PER CENT OF THE DIRECTORATE AND OCCUPY HALF OF THE POSTS AT THE LEVEL OF HEAD OF DEPARTMENT AND POLICY SECRETARY.

MRS CHAN SAID THE GOVERNMENT HAD INTRODUCED SPECIAL MEASURES FOR THOSE DEPARTMENTS WHERE PROGRESS HAD NOT BEEN SO EASY TO MAKE.

ON THE PROPOSAL INTRODUCED LAST YEAR FOR COMMON TERMS AND CONDITIONS OF SERVICE FOR ALL FUTURE STAFF, SHE SAID DURING THE FIRST PHASE OF THE CONSULTATION EXERCISE, THE COMMENTS RECEIVED WERE OVERWHELMINGLY IN SUPPORT OF THE PRINCIPLE OF COMMON CONDITIONS OF SERVICE.

"PREDICTABLY, MORE DIVERSE VIEWS HAVE BEEN EXPRESSED ON THE SPECIFIC TERMS PROPOSED.

"WE ARE NOW STUDYING THE VIEWS RECEIVED TO SEE WHETHER ANY PART OF OUR PROPOSAL SHOULD BE CHANGED.

"WHEN WE HAVE REACHED A CONCLUSION, WE WILL HOLD FURTHER DISCUSSIONS WITH STAFF AND SEEK FURTHER ADVICE FROM ADVISORY BODIES," SHE SAID.

THE CHIEF SECRETARY SAID DIALOGUE WOULD BE MAINTAINED WITH THE LEGISLATIVE COUNCIL AND MEMBERS' VIEWS WOULD BE TAKEN INTO ACCOUNT.

"WE WILL THEN CONSULT THE EXECUTIVE COUNCIL AND DISCUSS WITH THE CHINESE GOVERNMENT THROUGH THE JOINT LIAISON GROUP." SHE ADDED.

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GOVT WILL HELP JUDICIARY GO MODERNISATION

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THE ADMINISTRATION WILL DO EVERYTHING IT CAN TO HELP THE JUDICIARY CREATE A MORE OPEN AND USER-FRIENDLY CULTURE AND A MORE EFFICIENT ADMINISTRATIVE SYSTEM, THE CHIEF SECRETARY, THE HON MRS ANSON CHAN, SAID.

WHILE DOING THIS, IT WILL FULLY RESPECT THE PRINCIPLE OF JUDICIAL INDEPENDENCE.

RESPONDING TO LEGISLATIVE COUNCILLORS' CONCERN OVER THE NEED TO IMPROVE THE ADMINISTRATION OF THE JUDICIARY IN THE RESUMED DEBATE ON THE BUDGET, MRS CHAN SAID MUCH HAD BEEN DONE IN THE PAST SIX MONTHS.

MRS CHAN SAID THE HIGH-LEVEL WORKING PARTY ON JUDICIARY ADMINISTRATION WAS MAPPING OUT A BROAD STRATEGY FOR THE JUDICIARY TO FOLLOW UP.

IT HAS IDENTIFIED COMPUTERISATION OF THE JUDICIARY AS A PRIORITY TASK.

"PROPOSALS ON THIS WILL BE PUT TO FINANCE COMMITTEE SOON, AND A PILOT COMPUTERISED RECORDING SCHEME WILL BE INTRODUCED IN THE DISTRICT COURT."

ANOTHER PROBLEM BEING TACKLED BY THE WORKING PARTY IS COURT WAITING TIMES, MRS CHAN NOTED.

A RECORDERSHIP SCHEME WOULD BE INTRODUCED UNDER THE SUPREME COURT (AMENDMENT) BILL 1994, WHEREBY MEMBERS OF THE BAR WOULD BE APPOINTED AS TEMPORARY JUDGES IN THE HIGH COURT.

THE CHIEF JUSTICE IS SEPARATELY APPOINTING MEMBERS OF THE BAR TO SIT IN THE DISTRICT COURT TO ASSIST WITH THE WORKLOAD THERE.

BESIDES MORE FLEXIBLE ADMINISTRATIVE SYSTEMS AND MODERN MANAGEMENT KNOW-HOW, MRS CHAN SAID THE JUDICIARY ALSO NEEDED A SERVICE-ORIENTED MANAGEMENT APPROACH.

"THE SETTING UP OF THREE COURT USERS COMMITTEES AND THE DRAFTING OF THE JUDICIARY'S FIRST PERFORMANCE PLEDGE ARE SIGNIFICANT STEPS IN THIS DIRECTION," SHE EXPLAINED.

REFERRING TO THE CHIEF JUSTICE'S COMMITMENT TO A "QUIET MANAGEMENT REVOLUTION" IN THE JUDICIARY, MRS CHAN SAID THE NEW JUDICIARY ADMINISTRATOR, WHO WAS THE ADMINISTRATIVE HEAD AND CONTROLLING OFFICER OF THE JUDICIARY, HAD A KEY ROLE TO PLAY IN THIS AREA.

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NO GOVT INTERFERENCE IN LEGAL AID SERVICE

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THE CHIEF SECRETARY, THE HON MRS ANSON CHAN, REASSURED THE LEGISLATIVE COUNCIL THAT THE ADMINISTRATION DID NOT INTERFERE IN ANY WAY WITH THE DECISIONS MADE BY THE LEGAL AID DEPARTMENT ON THE GRANT OF LEGAL AID.

ALTHOUGH THE DEPARTMENT IS A GOVERNMENT DEPARTMENT, THE DIRECTOR OF LEGAL AID IS EMPOWERED UNDER THE LEGAL AID ORDINANCE TO CONSIDER APPLICATIONS BEFORE HER INDEPENDENTLY, IN ACCORDANCE WITH STATUTORY CRITERIA.

"THERE IS NO EVIDENCE TO SUGGEST THAT THE DECISIONS TAKEN BY THE DEPARTMENT HAVE EVER BEEN INFLUENCED BY ITS STATUS.

"ON THE CONTRARY, THERE ARE NUMEROUS OCCASIONS ON WHICH THE DEPARTMENT, ACTING ON BEHALF OF ITS CLIENTS, HAS SUCCESSFULLY TAKEN THE GOVERNMENT TO COURT," SHE SAID.

IN HER SPEECH IN THE RESUMED DEBATE ON THE BUDGET, MRS CHAN POINTED OUT THAT ABOUT 90 PER CENT OF LEGAL AID CLIENTS PREFERRED TO USE THE DEPARTMENT'S COUNSEL RATHER THAN OUTSIDE LAWYERS.

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NEVERTHELESS, SHE SAID THE ADMINISTRATION HAD GIVEN SERIOUS CONSIDERATION TO POSSIBLE WAYS OF ENHANCING THE PERCEPTION OF THE INDEPENDENCE OF LEGAL AID ADMINISTRATION.

LAST YEAR A NUMBER OF OPTIONS WERE PUT FORWARD IN THE CONSULTATIVE PAPER ON LEGAL AID.

ONE OF THESE WAS THE ESTABLISHMENT OF AN INDEPENDENT STATUTORY AUTHORITY WITH RESPONSIBILITY FOR THE OVERALL MANAGEMENT OF PUBLICLY FUNDED LEGAL AID SERVICES.

AN INTER-DEPARTMENTAL WORKING GROUP IS STUDYING THE VIEWS EXPRESSED ON THE CONSULTATIVE PAPER.

"THE ADMINISTRATION AIMS TO REACH A DECISION ON THIS WITHIN A FEW MONTHS," SHE SAID.

ADDRESSING CONCERNS ABOUT A REDUCTION IN THE PROVISION FOR LITIGATION IN 1994/95, MRS CHAN SAID THE REDUCTION WAS DUE SOLELY TO THE FACT THAT A CONSIDERABLE AMOUNT OF MONEY WAS NEEDED FOR SOME EXCEPTIONALLY LENGTHY AND COMPLEX CASES IN 1993/94 WHICH WERE NOT EXPECTED TO RECUR THIS YEAR.

THE PRESENT PROVISION FOR LITIGATION IS CALCULATED ON THE ESTIMATED EXPENDITURE IN 1994/95.

"BUT IT IS NOT CASH LIMITED. SUPPLEMENTARY PROVISION WILL BE SOUGHT FROM THIS COUNCIL IF AND WHEN ADDITIONAL LITIGATION EXPENSES ARE NEEDED.

"THE GOVERNMENT REMAINS COMMITTED TO ITS POLICY OF PROVIDING LEGAL AID SERVICES ON A DEMAND BASIS," SHE SAID.

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GOVT DETERMINES TO TACKLE PROPERTY PRICES

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THE GOVERNMENT IS DETERMINED TO TACKLE THE PROBLEM OF THE RISE IN PROPERTY PRICES AND IS WORKING VERY HARD NOW WITH A VIEW TO DEVISING A PACKAGE OF MEASURES IN TWO TO THREE MONTHS' TIME.

THIS WAS STATED BY THE ACTING SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR CANICE MAK, AT THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR MAK SAID A MULTI-DISCIPLINARY TASK FORCE WOULD BE SET UP TO SPEARHEAD THE TASK OF SUPPLYING MORE DEVELOPABLE LAND.

HE SAID THE TASK FORCE HEADED BY HIS BRANCH WOULD COMPRISE REPRESENTATIVES FROM WORKS BRANCH, FINANCE BRANCH, PROFESSIONAL STAFF FROM THE PLANNING DEPARTMENT, LANDS DEPARTMENT AND TERRITORY DEVELOPMENT DEPARTMENT.

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"IT WILL LOOK AT POSSIBLE DEVELOPABLE SITES E.G. TIN SHUI WAI LAND BANK AS WELL AS OTHER AREAS, THE INFRASTRUCTURE REQUIRED TO MAKE THESE SITES SUITABLE FOR DEVELOPMENT AND COST OF PROVIDING SUCH INFRASTRUCTURE.

"THE TASK FORCE WILL ALSO INVITE THE PRIVATE SECTOR TO SUBMIT PROPOSALS THEY WISH TO PURSUE ON LAND HELD BY THEM BUT HAVE NOT BEEN ABLE TO IMPLEMENT DUE TO LACK OF INFRASTRUCTURE.

"THESE PROPOSALS WILL THEN BE SCRUTINISED BY THE TASK FORCE. ISSUES FOR CONSIDERATION INCLUDE THE QUANTITY AND TYPE OF ACCOMMODATION TO BE MADE AVAILABLE, TIMING, THE CAPITAL AND RECURRENT COSTS OF THE INFRASTRUCTURE REQUIRED," HE SAID.

MR MAK SAID THE GOVERNMENT WOULD ALSO BE LOOKING AT WAYS TO EXPEDITE THE PRODUCTION OF PUBLIC HOUSING.

"IN THE NEXT FEW WEEKS, WE SHALL BE TAKING THIS UP WITH THE HOUSING AUTHORITY, THE HOUSING SOCIETY AND THE LAND DEVELOPMENT CORPORATION,"

HE SAID THE GOVERNMENT WOULD ALSO BE LOOKING AT WAYS TO SPEED UP REDEVELOPMENT THROUGH LAND EXCHANGES AND LEASE MODIFICATIONS WHICH WAS AN IMPORTANT SOURCE OF LAND SUPPLY.

"TO ENSURE SPEEDY REDEVELOPMENT, WE WILL CONSIDER INCLUDING A BUILDING COVENANT THAT SETS A TIME LIMIT ON THE CONSTRUCTION PERIOD AS A CONDITION OF A LAND EXCHANGE OR LEASE MODIFICATION. SUCH CONDITION IS ALREADY AVAILABLE IN THE SALE OF NEW LAND.

"IN ADDITION, WE WOULD ALSO NEED TO SEE HOW THE EXISTING CONSENT SCHEME CAN BE IMPROVED TO DISCOURAGE SPECULATION," HE SAID.

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GOVT PROMOTES FAIR COMPETITION AND CONSUMER PROTECTION * * * * *

THE PROMOTION OF COMPETITION AND THE ENHANCEMENT OF CONSUMER PROTECTION WILL CONTINUE TO PLAY A KEY ROLE IN THE FORMULATION OF GOVERNMENT POLICIES, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID TODAY (WEDNESDAY).

RESPONDING TO THE VIEWS OF THE MEMBERS OF THE LEGISLATIVE COUNCIL IN THE RESUMED DEBATE ON THE BUDGET, MR CHAU SAID WITH THE HELP OF THE COUNCIL, THE GOVERNMENT WOULD CONTINUE ITS EFFORTS TO ENSURE A LEVEL PLAYING FIELD FOR CONSUMERS AND PRODUCERS ALIKE.

THE SECRETARY NOTED THAT ADDITIONAL FUNDS HAD BEEN MADE AVAILABLE TO THE CONSUMER COUNCIL TO ENABLE IT TO CONTINUE WITH ITS STUDIES ON THE STATE OF COMPETITION IN MAJOR BUSINESS SECTORS AFFECTING THE DAILY LIFE OF THE GENERAL PUBLIC.

THESE SECTORS INCLUDE BANKING SERVICES, SUPERMARKETS, BROADCASTING, TELECOMMUNICATIONS AND GAS SUPPLY, MR CHAU SAID.

THE FIRST OF THESE STUDIES WAS COMPLETED AND A REPORT, ENTITLED "EVALUATION OF THE BANKING POLICIES AND PRACTICES IN HONG KONG", WAS PUBLISHED BY THE CONSUMER COUNCIL LAST MONTH.

"THE REPORT IS NOW BEING EXAMINED CAREFULLY WITH AN OPEN MIND BY THE GOVERNMENT," MR CHAU SAID.

A FULL RESPONSE IS EXPECTED TO BE PRODUCED WITHIN SIX MONTHS FROM THE DATE OF PUBLICATION OF THE REPORT.

ON THE BASIS OF THE FINDINGS OF THESE STUDIES, THE GOVERNMENT WILL, WHERE APPROPRIATE, REVISE ITS EXISTING POLICIES AND FORMULATE NEW ONES AND, WHERE NECESSARY, CONSIDER INTRODUCING LEGISLATIVE CHANGES TO IMPLEMENT THOSE POLICIES TO PROMOTE COMPETITION, HE ADDED.

THE RECENTLY PROPOSED CONSUMER LEGAL ACTION FUND, WHICH ENJOYS WIDE SUPPORT FROM THE COMMUNITY, IS A TIMELY EXAMPLE IN PROMOTING CONSUMER PROTECTION AND FAIR COMPETITION, MR CHAU SAID.

TO MAINTAIN A STRONG INDUSTRIAL BASE IN HONG KONG, THE SECRETARY SAID SEVERAL IMPORTANT STEPS HAD BEEN TAKEN TO EXPAND SUBSTANTIALLY THE FUNDING AVAILABLE FOR INDUSTRIAL SUPPORT.

FORESHADOWED IN THE GOVERNOR'S POLICY ADDRESS TO THE LEGISLATIVE COUNCIL LAST OCTOBER, AN APPLIED RESEARCH CENTER WILL BE ESTABLISHED LATER THIS YEAR WITH THE SUPPORT OF THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL.

"THE CENTRE WILL SUPPORT INDUSTRIALISTS WHO WISH TO MAKE USE OF RESEARCH EXPERTISE BOTH HERE AND IN CHINA," MR CHAU SAID.

IN ADDITION, THE HONG KONG APPLIED RESEARCH AND DEVELOPMENT FUND COMPANY LIMITED HAS ALREADY APPROVED FUNDING OF MORE THAN \$18 MILLION FOR SPECIFIC PROJECTS, AND MORE ARE IN THE PIPELINE, HE SAID.

ALSO, THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL HAD RECEIVED 207 APPLICATIONS FOR SUBSTANTIAL FUNDS - \$180 MILLION IN 1994/95 ALONE - EARMARKED FOR ADDITIONAL SUPPORT FOR INDUSTRY.

EXPLAINING THE REDUCTION IN SUBVENTION TO THE TRADE DEVELOPMENT COUNCIL, MR CHAU SAID IT WAS AGREED BY THE COUNCIL HAVING REGARD TO ITS HEALTHY FINANCIAL POSITION AND AS A MOVE THAT WOULD BENEFIT BOTH TRADE AND INDUSTRY.

"THE REDUCTION HAS CREATED ROOM WITHIN THE GOVERNMENT'S PUBLIC EXPENDITURE GUIDELINE TO ENABLE US TO ALLOCATE, FROM GENERAL REVENUE, A ROUGHLY EQUIVALENT AMOUNT TO SUPPORT INDUSTRIAL DEVELOPMENT," MR CHAU SAID.

GOVT FIRM TO ROOT OUT TRIAD: S FOR S

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THE GOVERNMENT, POLICE IN PARTICULAR, IS ALL OUT AGAINST THE THREAT OF TRIAD.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TACKLING THIS MENACE WAS A PRIORITY FOR THE POLICE AND THE GOVERNMENT AS A WHOLE.

"HOWEVER, THE POLICE ALONE CANNOT SOLVE THE PROBLEM OF TRIADS.

"THEY NEED CO-OPERATION, INFORMATION AND SUPPORT FROM MEMBERS OF THE PUBLIC. THEY ALSO NEED MORE EFFECTIVE POWERS OF INVESTIGATION," HE SAID.

MR ASPREY NOTED THAT \$8.2 BILLION, ABOUT 8% OF TOTAL GOVERNMENT EXPENDITURE ON GENERAL REVENUE ACCOUNT, WILL BE ALLOCATED TO THE POLICE. THIS DEMONSTRATED THE GOVERNMENT'S FIRM COMMITMENT TO MAINTAIN LAW AND ORDER.

IN ADDITION TO THE INCREASED RECURRENT SPENDING, A FURTHER \$110 MILLION OF NON-RECURRENT FUNDS HAS BEEN ALLOCATED TO THE POLICE FOR UPGRADING OF TECHNOLOGY, TO STRENGTHEN POLICE COMMUNICATIONS AND IMPROVE OPERATIONAL CAPABILITY.

THE SECRETARY SAID HE WOULD LIKE TO SEE THE ORGANISED AND SERIOUS CRIMES BILL, WHICH WOULD PROVIDE THE POLICE WITH ENHANCED INVESTIGATIVE POWER TO COUNTER ORGANISED CRIME ACTIVITIES INCLUDING TRIADS, ENACTED AS SOON AS POSSIBLE.

"WHEN IT IS, WE SHALL BE MUCH BETTER EQUIPPED TO TACKLE ORGANISED AND SERIOUS CRIME IN HONG KONG," HE ADDED.

HE SAID FUNDS HAD BEEN PROVIDED IN RECENT YEAR'S ESTIMATE TO ESTABLISH A CENTRAL WITNESS PROTECTION UNIT IN THE POLICE TO CO-ORDINATE AND IMPLEMENT WITNESS PROTECTION ARRANGEMENTS.

HE SAID: "THIS IS A MATTER OF PRIORITY."

THE SECRETARY ALSO SAID THE GOVERNMENT WAS PREPARING A PUBLICITY STRATEGY.

PUBLIC WOULD BE INFORMED ABOUT THE PROVISIONS OF THE ORGANISED AND SERIOUS CRIMES LEGISLATION; THEIR RIGHTS AND DUTIES AS WITNESSES; THE PROTECTION AND SECURITY OFFERED BY THE WITNESS ASSURANCE ARRANGEMENTS; AND THE IMPORTANCE OF PUBLIC SUPPORT AGAINST TRIADS.

TURNING TO POLICING IN NEW TOWNS, MR ASPREY SAID: "AS THE POPULATION IN NEW TOWNS HAS INCREASED, SO TOO HAVE THE POLICE RESOURCES IN THESE AREAS."

HE SAID THE COMMISSIONER OF POLICE HAD MADE IT A PRIORITY FOR HIS STAFF TO MAINTAIN CLOSE CONTACT WITH THE LOCAL COMMUNITY THROUGH DISTRICT BOARDS, DISTRICT MANAGEMENT COMMITTEES, DISTRICT FIGHT CRIME COMMITTEES AND OTHER ASSOCIATIONS, SUCH AS MUTUAL AID COMMITTEES.

MR ASPREY ALSO POINTED OUT THAT THERE WAS A NEED TO DEVOTE MORE EFFORT TO PREVENT YOUNG PEOPLE FROM BECOMING INVOLVED IN CRIME.

HE SAID THE FIGHT CRIME COMMITTEE HAD COMMISSIONED A STUDY INTO THE SOCIAL CAUSES OF JUVENILE CRIME.

THE RESEARCH IS EXPECTED TO BE COMPLETED IN THE MIDDLE OF THIS YEAR, AND IT SHOULD INDICATE NEW INITIATIVES TO TACKLE THE JUVENILE CRIME PROBLEM.

AS REGARDS OVERALL POLICE MANPOWER, MR ASPREY SAID THE POLICE MANAGEMENT REVIEW HAD STUDIED POLICIES, PROCEDURES AND PRACTICES IN THE FORCE SO AS TO ENSURE THAT RESOURCES WERE USED EFFICIENTLY.

HE SAID: "IT IS EXPECTED THAT THE STUDY WILL BE COMPLETED LATER THIS YEAR. RECOMMENDATIONS WILL THEN BE PRIORITISED FOR FUNDING AND IMPLEMENTATION."

TURNING TO IMMIGRATION MATTERS, THE SECRETARY SAID TO MEET THE DEMANDS OF INCREASED PASSENGER TRAFFIC AT THE CONTROL POINTS, PARTICULARLY LO WU, THE GOVERNMENT HAD BEEN ABLE TO INCREASE THE STAFF DEPLOYED AT LO WU BY NEARLY 20%, BY USING RESOURCES SAVED FROM THE RUNDOWN IN VIETNAMESE MIGRANTS PROGRAMME.

"NEXT YEAR A MAJOR EXTENSION AT LO WU WILL BE COMPLETED, BRINGING A FURTHER INCREASE IN STAFF OF OVER 10%," HE SAID.

MR ASPREY ADDED THAT OPTICAL READERS WERE TO BE INSTALLED AT MAJOR CONTROL POINTS LATER THIS YEAR.

"THIS WILL SPEED UP THE PROCESSING OF THOSE WITH HONG KONG IDENTITY CARDS AND MACHINE READABLE PASSPORTS," HE SAID.

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PUBLIC INFRASTRUCTURE PROGRAMMED INTO NEXT CENTURY

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INVESTMENT IN PUBLIC SECTOR INFRASTRUCTURE IS PROGRAMMED FOR IMPLEMENTATION WELL INTO THE NEXT CENTURY, THE SECRETARY FOR WORKS, MR JAMES BLAKE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED BUDGET DEBATE, MR BLAKE SAID THE GOVERNMENT WOULD CONTINUE TO DEVELOP CONCEPTUAL ESTIMATES USING IMPROVED COST FORECASTING TECHNIQUES, THAT WOULD PROVIDE GREATER CERTAINTY IN DEVELOPING HONG KONG'S INFRASTRUCTURE INTO AND WELL BEYOND THE YEAR 2000.

TO IMPROVE THE DELIVERY OF THE PUBLIC WORKS PROGRAMME, HE SAID, THE GOVERNMENT HAD MADE CONSIDERABLE EFFORTS DURING THE PAST 12 MONTHS.

"WE ARE VERY CLOSE TO MEETING OUR PROGRAMME EXPENDITURE TARGET FOR THIS FINANCIAL YEAR, AND, AS OF THIS MORNING, THE LIKELY GROSS UNDERSPENDING IS ONLY 4% OF THE ORIGINAL EXPENDITURE ESTIMATES.

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"IF WE DISCOUNT THE IMPACT OF LOWER THAN EXPECTED TENDER PRICES, THE NET UNDERSPEND WILL BE SIGNIFICANTLY LESS THAN 4%.

"THIS IS OBVIOUSLY VERY GOOD NEWS AND AN ACHIEVEMENT OF WHICH BEARS WITNESS TO THE EFFORT OF THE WHOLE WORKS GROUP."

MR BLAKE SAID THE AIRPORT CORE PROGRAMME WAS BEING IMPLEMENTED, BOTH ON THE GROUND AND IN THE PREPARATION OF CONTRACTS FOR AWARD, SWIFTLY AND EFFICIENTLY, AND FULLY IN COMPLIANCE WITH THE GOVERNMENT'S OBLIGATIONS IN THIS REGARD SET DOWN IN THE MEMORANDUM OF UNDERSTANDING.

HE SAID EXPENDITURE ON NON-AIRPORT CORE PROGRAMME PUBLIC WORKS IN THE NEXT YEAR WAS EXPECTED TO RISE BY SOME 30%.

TO INCREASE LAND SUPPLY, HE SAID, THE GOVERNMENT WAS RECLAIMING LAND NOW MORE QUICKLY THAN HAS EVER, USING THE MOST MODERN EQUIPMENT AND ENGINEERING TECHNIQUES.

"WE WILL CONTINUE WITH OUR EFFORTS TO IMPROVE UPON THE RATE AT WHICH SERVICED LAND BECOMES AVAILABLE."

MR BLAKE SAID THE GOVERNMENT HAD A COMPREHENSIVE PROGRAMME OF RIVER TRAINING WORKS AND DRAINAGE CHANNEL PROJECTS TO TACKLE THE FLOODING PROBLEM IN THE NEW TERRITORIES.

"THESE PROJECTS, WHICH WILL COST OVER \$3 BILLION AND WILL BE IMPLEMENTED IN PHASES, WILL ALLEVIATE THE FLOODING PROBLEM IN THE NEW TERRITORIES TO A LARGE EXTENT WHEN COMPLETED."

AS REGARDS RURAL DEVELOPMENT, HE SAID THE GOVERNMENT WAS NO LESS COMMITTED TO IMPROVEMENTS TO THE RURAL INFRASTRUCTURE PROGRAMME THAN IT WAS TO THE MORE HIGH PROFILE PROJECTS SUCH AS THE ACP AND THE SEWAGE STRATEGY.

TURNING TO ROAD OPENINGS, MR BLAKE SAID THE GOVERNMENT FULLY ACCEPTED THAT THERE WAS A NEED TO SIGNIFICANTLY IMPROVE WORKING PRACTICES AND REDUCE INCONVENIENCE TO THE PUBLIC AT LARGE.

HE SAID A SPECIAL WORKING COMMITTEE SET UP LAST YEAR HAD REVIEWED ALL ASPECTS OF THE PROBLEM AND IDENTIFIED NEW INITIATIVES.

"CLOSE COLLABORATION WITH TRANSPORT BRANCH, THE POLICE, AND HIGHWAYS DEPARTMENT HAS RESULTED IN NEW INITIATIVES BEING IDENTIFIED, AND WE WILL BE EXPLAINING THESE TO MEMBERS VERY SOON."

NEW AIRPORT COST-EFFECTIVE

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THE COST AND STANDARD OF THE NEW AIRPORT AT CHEK LAP KOK ARE IN THE MIDDLE OF THE RANGE, ACCORDING TO A COMPARISON WITH OTHER MAJOR AIRPORTS CARRIED OUT BY THE PROVISIONAL AIRPORT AUTHORITY.

ADDRESSING POINTS RAISED BY LEGISLATIVE COUNCIL MEMBERS IN THE RESUMED DEBATE ON THE 1994/95 BUDGET, THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, SAID: "WE ARE, BY NO MEANS, BUILDING THE WORLD'S MOST EXPENSIVE AIRPORT."

"WE SHOULD NOT PROVIDE SUB-STANDARD SERVICES AT OUR NEW AIRPORT, NOR SHOULD WE OVER BUILD.

"HONG KONG IS A MODERN VIBRANT WORLD ECONOMY. WE SHOULD HAVE A COST-EFFECTIVE AIRPORT APPROPRIATE TO OUR STANDING. NO MORE, NO LESS," MR SIU SAID.

ON THE LEVEL OF DEBT PROPOSED IN THE FOURTH FINANCING PROPOSAL FOR THE NEW AIRPORT, MR SIU SAID THE TOTAL DEBT PROPOSED FOR THE AIRPORT AND AIRPORT RAILWAY WAS SUBSTANTIALLY REDUCED.

"OUR LATEST FINANCING PROPOSALS WILL MEET IN FULL THE CONCERNS RAISED BY THE CHINESE SIDE IN RESPECT OF THE LEVEL OF DEBT, AND SO THERE IS NO PROSPECT THAT THEY COULD COMPLICATE OUR DISCUSSIONS WITH THE CHINESE SIDE," HE SAID.

IT MUST BE IN THE BEST INTERESTS OF HONG KONG PEOPLE NOT TO INVEST MORE OF THE TAXPAYERS' MONEY IN THESE PROJECTS THAN IS STRICTLY NECESSARY TO PROVIDE A PRUDENT AND CONSERVATIVE FINANCING PLAN, HE EXPLAINED.

IF THE MASS TRANSIT RAILWAY CORPORATION AND THE PROVISIONAL AIRPORT AUTHORITY CAN UNDERTAKE SENSIBLE BORROWINGS, MORE PUBLIC RESOURCES WILL BE AVAILABLE FOR INVESTMENT IN OTHER NEEDED INFRASTRUCTURAL PROJECTS.

"IN VIEW OF THE COMMERCIAL STRENGTH OF THESE TWO PROJECTS AND THE SUBSTANTIAL REVENUES THEY WILL GENERATE, THE LEVEL OF DEBT PROPOSED IN THE FOURTH PLAN WOULD BE EASILY SERVICED."

MR SIU SAID BY ANY STANDARD, THIS WAS A CONSERVATIVE APPROACH TO FINANCING THESE PROJECTS.

"NOT ONLY IS THE GOVERNMENT ITSELF NOT HAVING TO BORROW TO FUND THESE PROJECTS, NEITHER IS IT HAVING TO GUARANTEE THE DEBT RAISED BY THE CORPORATIONS.

"SO FAR FROM CREATING ANY RISKS FOR THE GOVERNMENT OF THE SPECIAL ADMINISTRATIVE REGION, THE AIRPORT CORE PROGRAMME AS A WHOLE WILL PROVIDE AN ESSENTIAL SPRINGBOARD FOR CONTINUED ECONOMIC GROWTH," HE SAID.

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TURNING TO THE PROPOSED \$100 REDUCTION IN AIR PASSENGER DEPARTURE TAX, MR SIU SAID THIS WAS GOOD NEWS FOR THE TOURISM INDUSTRY WHICH PLAYED A CRUCIAL ROLE IN HONG KONG'S ECONOMY.

MANY VISITORS WILL MAKE USE OF THE MONEY THAT THEY WOULD HAVE HAD TO SPEND ON DEPARTURE TAX TO DO A LITTLE BIT MORE OF LAST-MINUTE SHOPPING.

"WHILE SOME MONEY WILL BE LOST TO GENERAL REVENUE, IT WILL NOT NECESSARILY BE LOST TO THE ECONOMY AS A WHOLE," HE SAID.

THE REDUCTION WILL ALSO HELP TO RELIEVE CONGESTION IN THE AIRSIDE DEPARTURE AREA AT KAI TAK BECAUSE LARGER NUMBERS OF TRANSFER PASSENGERS WILL BE ENCOURAGED TO LEAVE THE AIRPORT TEMPORARILY FOR SHOPPING OR SIGHTSEEING.

REGARDING THE CONTINUING STRONG GROWTH IN TOURIST ARRIVALS, PARTICULARLY FROM CHINA, MR SIU SAID THIS ARGUED FOR A CAREFUL REASSESSMENT OF HONG KONG'S ABILITY TO CONTINUE TO ABSORB EVER-INCREASING NUMBERS OF VISITORS.

HE LENT STRONG SUPPORT TO THE PROPOSAL BY THE TOURIST ASSOCIATION TO CARRY OUT A CONSULTANCY STUDY TO EXAMINE THE OPPORTUNITIES FOR AND THE THREATS TO CONTINUING DEVELOPMENT OF THE TOURISM INDUSTRY.

THE 12-MONTH STUDY WILL MAKE RECOMMENDATIONS BOTH ON HOW TO DEVELOP NEW TOURISM ATTRACTIONS AND TO ENSURE THAT THERE ARE SUFFICIENT HOTEL ROOMS, AMENITIES AND TRANSPORT INFRASTRUCTURE TO COPE WITH THE GROWING NUMBERS.

AN IMPORTANT ELEMENT OF THE STUDY WILL BE TO REVIEW DEVELOPMENTS IN CHINA'S TOURISM INDUSTRY AND IDENTIFY OPPORTUNITIES FOR GREATER CO-OPERATION IN PROMOTING HONG KONG AND SOUTHERN CHINA AS JOINT TOURISM DESTINATIONS.

ON THE DEVELOPMENT OF ECONOMIC TIES BETWEEN HONG KONG AND CHINA, MR SIU SAID THE DEVELOPMENT OF ADDITIONAL PORT AND AIRPORT FACILITIES IN CHINA WOULD STIMULATE AND REINFORCE GROWING BUSINESS AND COMMERCIAL TIES, AS WELL AS TOURISM.

"COMPETITION CAN ONLY BE GOOD FOR HONG KONG; IT WILL KEEP US ON OUR TOES AND I HAVE NO DOUBT THAT WE WILL HOLD OUR OWN," HE SAID.

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HEALTH CARE PROFESSIONALS PRAISED FOR HARDWORK

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THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, TODAY (WEDNESDAY) PAID TRIBUTE TO HONG KONG'S HEALTH CARE PROFESSIONALS FOR THEIR DEDICATION AND HARD WORK.

"AT BOTH THE PERSONAL LEVEL AND AS SECRETARY FOR HEALTH AND WELFARE, I KNOW HOW HARD EVERYBODY IN OUR HEALTH CARE SYSTEM WORKS," SHE SAID.

"OUR HEALTH CARE PROFESSIONALS HAVE AN IMPORTANT JOB AND THEY DO IT WELL. THE COMMUNITY'S NEED FOR QUALITY CARE WILL, I AM SURE, AS IN THE PAST, BE MET BY DEDICATION AND COMMITMENT ON ALL OUR PART, TODAY AND IN THE DAYS TO COME."

SPEAKING DURING THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MRS WONG REFUTED AN ALLEGATION BY THE HON MICHAEL HO THAT SHE HAD DENIED ANY KNOWLEDGE OF MANPOWER SHORTAGE AT THE RECENT SPECIAL FINANCE COMMITTEE MEETING.

WHAT SHE ACTUALLY SAID WAS "WE HAVE SUFFICIENT FUNDS TO MEET THE DUTIES WHICH NEED TO BE CARRIED OUT TO DELIVER NURSING CARE TO THE PATIENTS IN HOSPITALS", THE SECRETARY STATED, QUOTING FROM THE VERBATIM REPORT OF THE OFFICIAL RECORD OF THAT MEETING.

"IN OTHER WORDS, THE MONEY IS THERE TO ENGAGE THE NECESSARY PEOPLE TO PROVIDE QUALITY CARE."

OVER THE RECENT YEARS, MRS WONG POINTED OUT, THE GOVERNMENT HAD IMPROVED THE SALARY SCALES AND CAREER PROSPECTS OF HEALTH CARE PROFESSIONALS, AND INCREASED SPECIALIST POSTS AND EDUCATIONAL OPPORTUNITIES.

"LAST YEAR, I ALSO SET UP AN INDEPENDENT STUDY GROUP TO STUDY THE EVOLVING ROLE OF NURSES, THE FUTURE EDUCATION AND TRAINING NEEDS AND RESOURCE IMPLICATIONS INVOLVED.

"WE HAVE IDENTIFIED THE NEED TO PROVIDE ADDITIONAL DEGREE PLACES AND WE HAVE ALSO RESERVED \$10 MILLION TO EXPAND POST-BASIC TRAINING FOR SERVING STAFF."

IN ADDITION, THE HOSPITAL AUTHORITY IS FINALISING NEW MANPOWER INDICATORS WHICH WILL PROVIDE USEFUL INFORMATION FOR HOSPITAL MANAGERS TO EVALUATE THEIR MANPOWER PROVISION AGAINST THE RANGE OF SERVICES.

IN PARALLEL, PATIENT MANAGEMENT PROTOCOLS AND NURSING CARE PLANS ARE BEING DEVELOPED TO ENSURE THAT QUALITY PATIENT CARE IS DELIVERED.

THE HOSPITAL AUTHORITY IS ALSO ADDRESSING PROBLEMS SPECIFIC TO INDIVIDUAL HOSPITALS.

"I KNOW FROM MY RECENT DISCUSSIONS WITH FRONTLINE STAFF THAT THESE ARE THE MATTERS CLOSE TO THEIR HEART," MRS WONG SAID.

"I HAVE, THEREFORE, ASKED THE HOSPITAL AUTHORITY TO EXPEDITE THE COMPLETION OF THIS IMPORTANT EXERCISE. TOGETHER, WE WILL FIND NEW SOLUTIONS TO OLD PROBLEMS," SHE STRESSED.

ON MANPOWER, MRS WONG SAID THERE WERE 16,748 NURSES AND 2,477 DOCTORS IN THE HOSPITAL AUTHORITY WHICH HAD 23,400 BEDS AS AT MARCH THIS YEAR. THERE WERE ALSO 1,245 NURSES AND 474 DOCTORS AT THE DEPARTMENT OF HEALTH.

SINCE THE SETTING UP OF THE HOSPITAL AUTHORITY, THE ANNUAL INTAKE OF NURSES HAS INCREASED FROM 1,950 IN 1992 TO 2,235 IN 1993 AND THAT FOR DOCTORS FROM 330 TO 342.

WASTAGE HAS BEEN NOW KEPT AT 10 PER CENT FOR NURSES AND 7.5 PER CENT FOR DOCTORS.

TURNING TO WELFARE ISSUES, MRS WONG SAID OVER 120,000 ELDERLY PEOPLE HAD ALREADY APPLIED FOR THE SENIOR CITIZEN CARD, WHICH WOULD BE ISSUED NEXT MONTH TO ENABLE THE HOLDERS TO GET CONCESSIONS, DISCOUNTS AND PRIORITY SERVICES IN MORE THAN 1,200 OUTLETS.

THE WORKING GROUP ON CARE FOR THE ELDERLY APPOINTED BY THE GOVERNOR LAST NOVEMBER HAS MADE GOOD PROGRESS AND WILL SUBMIT A REPORT WITH PROPOSALS IN AUGUST.

ON SOCIAL SECURITY, THE SECRETARY SAID AN INDEPENDENT STUDY WAS BEING CONDUCTED ON THE FINANCIAL NEEDS OF DISADVANTAGED INDIVIDUALS AND FAMILIES.

ITS FINDINGS, DUE TO BE AVAILABLE IN AUGUST, WILL BE EXAMINED CAREFULLY BY THE GOVERNMENT.

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LEGCO BRIEFED ON MEASURES TO SLOW CAR GROWTH

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THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, HOPED THAT HE WOULD BE ABLE TO BRIEF THE LEGCO TRANSPORT PANEL ON MEASURES TO SLOW DOWN THE RATE OF GROWTH IN VEHICLE OWNERSHIP AND USAGE BY THE MIDDLE OF THE YEAR.

SPEAKING AT THE BUDGET DEBATE TODAY (WEDNESDAY), MR BARMA SAID THE WORKING GROUP, WHICH HE FORMED TO STUDY THE PROBLEM AND TO DEVISE A PACKAGE OF MEASURES TO RELIEVE THE SITUATION, IS TAKING INTO ACCOUNT THE MANY IDEAS AND PROPOSALS AIRED BY INDIVIDUALS IN CORRESPONDENCE COLUMNS AND PHONE-IN PROGRAMMES AS WELL AS IN NEWSPAPER EDITORIALS AND CRITIQUES.

WHILE HE DID NOT WISH TO PRE-EMPT DECISIONS, HE AGREED WITH THE VIEW EXPRESSED IN THE DEBATE THAT FISCAL PENALTIES ALONE WILL NOT SOLVE THE TRAFFIC CONGESTION PROBLEM.

/HOWEVER, HE

HOWEVER, HE SAID THE FISCAL MEASURES WHEN USED PREVIOUSLY HAVE HAD CONSIDERABLE IMPACT, POINTING OUT THAT AFTER TAXES WERE RAISED IN 1982, THE NUMBER OF PRIVATE VEHICLES REDUCED BY 40,000, OR 23%, AND DID NOT RECOVER TO THE PRE-TAX INCREASE LEVEL UNTIL FOUR YEARS LATER.

"THIS COULD GIVE US VITAL BREATHING SPACE," MR BARMA SAID.

"WE WILL HAVE TO FACE DIFFICULT AND UNPOPULAR CHOICES, IN BALANCING THE INTERESTS OF VEHICLE OWNERS AND POTENTIAL VEHICLE OWNERS WITH THOSE OF THE COMMUNITY AS A WHOLE.

"THE ADMINISTRATION LOOKS TO MEMBERS OF THIS COUNCIL FOR THEIR SUPPORT AND UNDERSTANDING IN REACHING SOLUTIONS WHICH WILL BEST SERVE THE NEEDS OF HONG KONG," HE ADDED.

ON RAILWAY DEVELOPMENT, HE SAID A STRATEGY WILL BE FORMULATED WITHIN THE NEXT FEW MONTHS, FOLLOWING WHICH THERE WILL BE CONSULTATION WITH THE CHINESE AUTHORITIES, SINCE MOST OF THE EXPENDITURE WILL OCCUR AFTER 1997.

THEREAFTER, THE ADMINISTRATION WILL MOVE QUICKLY IN SEEKING THE IMPLEMENTATION OF THE HIGH PRIORITY PROJECTS.

MR BARMA INDICATED THAT HE EXPECTED THAT THIS WOULD INCLUDE THE PROPOSED NORTH WEST NEW TERRITORIES RAILWAY AND A MTR LINK TO TSEUNG KWAN O.

ON THE SUGGESTION TO PROVIDE MORE CAR PARKING SPACES TO HELP RELIEVE TRAFFIC CONGESTION, MR BARMA SAID THE GOVERNMENT WOULD DO ALL IT COULD TO RELIEVE CURRENT SHORTFALLS BY BUILDING MORE CAR PARKS AND PROVIDING TEMPORARY CAR PARKING SPACES IN AREAS WHERE LAND COULD BE MADE AVAILABLE.

IN ADDITION, THE GOVERNMENT HAS COMMISSIONED A PARKING DEMAND STUDY WHICH WILL PROVIDE A COMPREHENSIVE REPORT ON THE PARKING PROBLEM.

ON ROAD INFRASTRUCTURE, MR BARMA SAID ALTHOUGH A SIGNIFICANT PROPORTION OF THE \$9 BILLION EXPENDITURE IN 1994/95 WOULD BE PART OF THE AIRPORT CORE PROGRAMME, IT WAS EQUALLY IMPORTANT TO NOTE THAT THESE ROADS WERE NOT BEING BUILT EXCLUSIVELY FOR AIRPORT-RELATED TRAFFIC.

FOR EXAMPLE, THE WESTERN HARBOUR CROSSING AND ITS ASSOCIATED APPROACH ROADS WERE IDENTIFIED AS HIGH PRIORITIES IN THE COMPREHENSIVE TRANSPORT STUDY IN RELIEVING CROSS-HARBOUR TRAFFIC.

IN SUMMING UP, HE SAID: "ALTHOUGH WE HAVE MORE VEHICLES PER KILOMETRE OF ROAD THAN ANY OTHER PLACE, WE HAVE MANAGED TO MAINTAIN AVERAGE TRAFFIC SPEEDS THAT COMPARE VERY FAVOURABLY WITH ANY OTHER MAJOR CITIES.

"AND OUR PUBLIC TRANSPORT SYSTEM IS IN FACT THE ENVY OF OTHER PLACES, IN THAT WE MANAGE TO PROVIDE A WIDE CHOICE OF MODES OF TRANSPORT AT REASONABLE FARES, AND WITHOUT PUBLIC SUBSIDY," HE ADDED.

WEDNESDAY, MARCH 30, 1994

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OPS - ONLY SOLUTION TO FINANCIAL SECURITY FOR AGED
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THE PROPOSED OLD-AGE PENSION SCHEME IS THE ONLY EFFECTIVE SOLUTION TO THE PROBLEM OF FINANCIAL SECURITY FOR THE AGED, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, REITERATED TODAY (WEDNESDAY).

HE SAID THIS CONCLUSION WAS REACHED AFTER A YEAR-LONG ANALYSIS OF ALL THE SUGGESTED OPTIONS.

"WE HAVE WEIGHED THE PROS AND CONS OF VARIOUS OPTIONS CAREFULLY, AGAINST THE VIEWS EXPRESSED BY THE COMMUNITY AND THE EXPERIENCE OF RETIREMENT SCHEMES OPERATING ELSEWHERE," MR LEUNG SAID DURING THE DEBATE ON THE APPROPRIATION BILL IN THE LEGISLATIVE COUNCIL.

"WE HAVE COME TO THE FIRM CONCLUSION THAT NEITHER OF THE TWO COMPULSORY SAVING SCHEMES, I.E. A CENTRAL PROVIDENT FUND AND THE PRIVATE MANDATORY RETIREMENT SCHEME, WOULD PROVIDE MEANINGFUL RETIREMENT COVER FOR THE BULK OF THE AGED.

"IF THE COMMUNITY'S WISH IS THAT HONG KONG DOES NEED TO PROVIDE A FLOOR OF INCOME PROTECTION FOR OUR SENIOR CITIZENS, THEN THE ONLY EFFECTIVE WAY TO ACHIEVE THIS IN A REASONABLY SHORT TIME IS TO IMPLEMENT AN OLD-AGE PENSION SCHEME," HE STRESSED.

HOWEVER, THE GOVERNMENT HAS TO BE VERY CAREFUL TO ENSURE THE "IRON-LINK" BETWEEN CONTRIBUTIONS AND PENSION BENEFIT PAYOUTS COULD BE MAINTAINED SO AS TO AVOID THE COMMON MISTAKE ELSEWHERE OF TRYING TO FUND PENSIONS OUT OF TAX REVENUE.

"THAT IS WHY WE HAVE TO UNDERTAKE AN EXPERT CONSULTANCY STUDY BEFORE WE MAKE A FINAL DECISION.

"WE AIM TO COMPLETE THE STUDY IN MAY AND PUBLISH A DOCUMENT FOR CONSULTATION BY THE SUMMER.

"WE SHALL THEN MAKE A DECISION ON THE BASIS OF, AMONG OTHER THINGS, THE COMMUNITY'S VIEWS ON WHETHER THEY ARE WILLING TO PAY FOR SUCH A SCHEME."

TURNING TO THE PILOT SCHEME TO ADMIT 1,000 GRADUATE PROFESSIONALS AND MANAGERS FROM CHINA, MR LEUNG SAID IT WAS MERELY ANOTHER LIMITED EXTENSION OF THE LONG-ESTABLISHED AND WELL-ACCEPTED POLICY TO ADMIT EXPERTS FROM OUTSIDE HONG KONG TO MEET THE LOCAL EMPLOYMENT NEEDS.

FROM 1990 ONWARDS, THE GOVERNMENT HAS ALREADY TAKEN A LIMITED STEP TO ENABLE THE PEOPLE'S REPUBLIC OF CHINA EXPERTS WHO HAVE LIVED OVERSEAS FOR TWO YEARS OR MORE TO APPLY FOR ADMISSION TO WORK IN HONG KONG, DUE TO THE INCREASING ECONOMIC LINKS BETWEEN HONG KONG AND CHINA.

/SINCE THEN

SINCE THEN THE GROWTH IN HONG KONG-CHINA TRADE HAS BEEN LEGENDARY - WITH CHINA ACCOUNTING FOR 35 PER CENT OF HONG KONG'S EXTERNAL TRADE IN 1993, AND HONG KONG ACCOUNTING FOR ABOUT TWO-THIRDS OF TOTAL INVESTMENT IN CHINA.

"WE HAVE BEEN RECEIVING CLEAR MESSAGES FROM THE BUSINESS AND COMMERCIAL SECTOR THAT THEY HAVE A GROWING DEMAND FOR EXPERTISE WHO HAVE INTIMATE KNOWLEDGE OF AND FIRST-HAND WORKING EXPERIENCE IN THE CHINA MARKET," HE SAID.

"IT IS IN RESPONSE TO THIS DEMAND THAT WE HAVE DECIDED TO TAKE ONE MORE STEP BY EXTENDING THE POLICY TO ENABLE PROFESSIONALS AND MANAGERS FROM CHINA TO BE ADMITTED.

"IT IS MEANT TO CATER FOR OUR ECONOMIC GROWTH, WHICH IS VITAL TO THE WELL-BEING OF THE ENTIRE COMMUNITY," HE ADDED.

THE 1,000 QUOTA REPRESENTS LESS THAN 0.5 PER CENT OF THE EXISTING STOCK OF MANAGERIAL AND PROFESSIONAL WORKERS AND HENCE THERE IS NO QUESTION OF WAGE DEPRESSION FOR LOCALS AS A RESULT.

"NOR IS THERE ANY QUESTION OF ADVERSE IMPACT ON LOCAL MANAGERIAL AND PROFESSIONAL STAFF," MR LEUNG SAID, ADDING THAT THE UNEMPLOYMENT RATE FOR THIS GROUP STAYED PERSISTENTLY BELOW ONE PER CENT.

TO ALLAY FEARS AND WORRIES OF SOME MEMBERS, MR LEUNG ASSURED LEGISLATORS THAT THE IMMIGRATION DEPARTMENT WOULD VET EACH APPLICATION VIGOROUSLY TO MAKE SURE THAT THOSE WHO WERE TO BE ADMITTED WOULD SUIT THE PURPOSE OF THE SCHEME.

THE SCHEME WILL ALSO BE MONITORED VERY CLOSELY TO MINIMISE ABUSES.

MR LEUNG SAID THE GOVERNMENT WOULD UNDERTAKE A FULL REVIEW IN A YEAR'S TIME, AND TAKE THE COUNCIL AND COMMUNITY VIEWS INTO ACCOUNT BEFORE DECIDING THE NEXT STEPS.

THE SECRETARY ALSO SPOKE ON A WIDE RANGE OF ISSUES UNDER THE EDUCATION PROGRAMME.

COMMENTING ON ALLEGATIONS BY A FEW MEMBERS THAT THE SCHOOL SECTOR HAD SUFFERED AS A RESULT OF SPENDING ON THE TERTIARY SECTOR, MR LEUNG SAID IT WAS SIMPLY NOT TRUE.

HE AGREED THAT HUGE AMOUNTS HAD BEEN SPENT TO BOOST THE NUMBER OF FIRST-YEAR, FIRST-DEGREE PLACES BUT "ALL THESE HAVE NOT BEEN DONE AT THE EXPENSE OF THE SCHOOL SECTOR".

CITING STATISTICS, HE SAID THE SHARE OF TOTAL EXPENDITURE ON TERTIARY EDUCATION HAD RISEN FROM 28 PER CENT IN 1989/90 TO AROUND 36 PER CENT BY 1994/95 WHEREAS THE TOTAL EXPENDITURE ON SCHOOL EDUCATION HAD GROWN FROM \$8,699 MILLION TO \$17,152 MILLION OVER THE SAME PERIOD, REPRESENTING A GROWTH OF 97 PER CENT IN MONEY TERMS, OR A REAL GROWTH OF 20 PER CENT.

"WE HAVE ALSO COMMITTED TO THE BULK OF THE RECOMMENDATIONS IN EDUCATION COMMISSION REPORTS NO. 4 AND 5.

"WE ARE INJECTING LARGE SUMS OF MONEY TO ADDRESS AREAS OF CONCERN, FOR EXAMPLE \$613 MILLION TO IMPROVE OUR SCHOOLS, \$152 MILLION FOR ADDITIONAL TEACHERS AND \$103 MILLION TO REDUCE CLASS SIZES."

ON PRE-PRIMARY EDUCATION, MR LEUNG NOTED THAT THE GOVERNMENT HAD OVER THE YEARS BEEN INCREASING ASSISTANCE TO KINDERGARTENS, THROUGH THE PROVISION OF FREE TEACHER TRAINING AND REBATES FOR RENT AND RATES FOR NON-PROFIT-MAKING KINDERGARTENS, AS WELL AS FEE REMISSION FOR NEEDY PARENTS.

A WORKING GROUP UNDER THE BOARD OF EDUCATION IS NOW FINALISING ITS RECOMMENDATIONS ON WHERE AND HOW MORE NEED TO BE DONE FOR KINDERGARTENS.

"AND WE LOOK FORWARD TO RECEIVING THE ADVICE OF THE BOARD AND THE EDUCATION COMMISSION BY THE SUMMER," HE ADDED.

PROPOSED SPENDING ON OTHER AREAS INCLUDES \$1.9 BILLION TO BUILD A NEW CAMPUS FOR THE HONG KONG INSTITUTE OF EDUCATION, AN ADDITIONAL \$180 MILLION PER YEAR TO ENHANCE THE QUALITY OF TEACHER EDUCATION, AND \$390 MILLION TO UPGRADE TEACHING POSTS IN PRIMARY AND SECONDARY SCHOOLS TO GRADUATE STATUS OVER THE NEXT FOUR YEARS.

TO REDUCE FLOATATION IN SECONDARY SCHOOLS, THE GOVERNMENT HAS BEEN BUILDING EXTENSIONS TO SCHOOLS OF THE OLD DESIGN TO PROVIDE EACH SCHOOL WITH TWO ADDITIONAL CLASSROOMS.

SUCH EXTENSIONS HAVE ALREADY BEEN COMPLETED IN 58 SCHOOLS AND 15 MORE SCHOOLS WILL UNDERGO SIMILAR EXTENSIONS IN 1994/95. IN ADDITION, 80 ADDITIONAL CLASSROOMS WILL BE PROVIDED IN ANOTHER 50 SECONDARY SCHOOLS BY 1995/96.

"OUR PRESENT ESTIMATE IS THAT FLOATING CLASSES AT SECONDARY ONE TO FIVE WILL BE ELIMINATED BY THE YEAR 2000," MR LEUNG SAID.

AS REGARDS BENEFITS FOR SCHOOL TEACHERS IN THE AIDED SECTOR, MR LEUNG REPORTED THAT MORE THAN 900 STAFF IN AIDED SCHOOLS WERE RECEIVING HOUSING BENEFITS UNDER THE MORTGAGE INTEREST SUBSIDY SCHEME INTRODUCED IN 1993.

"WE WILL SOON UNDERTAKE A REVIEW OF THE OPERATION OF THE SCHEME TO SEE IF THE PROCEDURES COULD BE FURTHER IMPROVED.

"THE SUBSTANTIAL CONCESSIONS ON SALARIES TAX AND REDUCTION IN STAMP DUTY ON LOW TO MEDIUM-VALUE PROPERTY PROPOSED IN THE BUDGET SHOULD ALSO INCREASE THE DISPOSABLE INCOME OF MIDDLE-INCOME EARNERS TO WHICH SCHOOL TEACHERS BELONG," HE ADDED.