



# DAILY INFORMATION BULLETIN

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WEDNESDAY, NOVEMBER 24, 1982

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'BRITISH' TO APPEAR IN PASSPORTS FOR HK CITIZENS

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THE UNITED KINGDOM GOVERNMENT HAS AGREED THAT THE WORD 'BRITISH' WILL APPEAR OPPOSITE THE WORD 'NATIONALITY' ON THE FIRST PAGE OF ALL BRITISH DEPENDENT TERRITORIES PASSPORTS, THE CHIEF SECRETARY, SIR PHILIP HADDON-CAVE REPORTED IN THE LEGISLATIVE COUNCIL TODAY.

IMMEDIATELY UNDER THIS DESCRIPTION OF NATIONALITY THERE WILL BE A DESCRIPTION OF THE PASSPORT HOLDER'S CITIZENSHIP. IN THE CASE OF HONG KONG, AFTER THE BRITISH NATIONALITY ACT BECOMES INTO FORCE ON JANUARY 1, 1983, THIS DESCRIPTION WILL BE +BRITISH DEPENDENT TERRITORIES CITIZEN, HONG KONG+.

SIR PHILIP SAID THESE DESCRIPTIONS DO NOT ALTER OR AFFECT EXISTING LAW SO FAR AS RIGHTS OF ENTRY TO, OR ABODE IN, THE UNITED KINGDOM OR ELSEWHERE ARE CONCERNED.

+BUT NATIONALITY AND CITIZENSHIP WILL BE ACCURATELY DESCRIBED IN PASSPORTS TO THE GREAT SATISFACTION, I AM SURE, OF MEMBERS OF THIS COUNCIL AND THE COMMUNITY AT LARGE,+ SIR PHILIP SAID.

HE RECALLED THAT THE HON JOHN SWAINE HAD RAISED THIS SUBJECT IN THE RECENT DEBATE IN THE COUNCIL, AND, IN RESPONDING TO THIS LATER, THE ATTORNEY GENERAL SAID THAT THE GOVERNMENT WAS HOPEFUL THAT, BEFORE TOO LONG, A SATISFACTORY RESOLUTION OF THE POINTS AT ISSUE WOULD BE ACHIEVED.

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+PUBLIC NOT LET DOWN+ FS

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THE FINANCIAL SECRETARY SAID TODAY THAT THE GOVERNMENT HAD NOT LET DOWN THE PUBLIC IN THE MONITORING OF THE OPERATIONS OF PUBLIC UTILITY COMPANIES.

SPEAKING IN THE LEGISLATIVE COUNCIL, MR BREMRIDGE SAID IT WAS NOT ONLY VALUABLE BUT ESSENTIAL FOR THE GOVERNMENT TO LISTEN TO PUBLIC OPINION. AT THE SAME TIME THE GOVERNMENT ALSO HAD A RESPONSIBILITY TO ARRANGE FOR THE AVAILABILITY OF BASIC NECESSITIES.

+IT IS A GOOD THING THAT PEOPLE SHOULD SEEK TO DISCUSS THE COMPLICATED SCHEMES OF CONTROL, WHICH ARE OF GREAT IMPORTANCE TO US ALL. BUT BEYOND THE INTERESTS OF THEIR ORGANISERS, THE VALUE OF SIGNATURES OR PETITIONS CALLING FOR CHEAPER ELECTRICITY CHARGES IS HARD TO DESCRIBE. WHO WOULD NOT WISH FOR CHEAPER ELECTRICITY BILLS? OR FOR THAT MATTER CHEAPER FOOD OR TRANSPORT OR WATER?+ MR BREMRIDGE SAID. HE ADDED THAT IT MEANT NOTHING UNLESS THE PUBLIC WAS TOLD AT THE SAME TIME HOW ELSE THEY WERE TO PAY IF NOT BY DIRECT CHARGES.

MR BREMRIDGE SAID IT WAS A GOOD THING THAT GOVERNMENT SHOULD CONSISTENTLY BE PRODDED AS NOTHING WAS EVER PERFECT, INCLUDING SCHEMES OF CONTROL.

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+IMPROVEMENTS ARE POSSIBLE IN ANY SITUATION; BUT SO OF COURSE IS DETERIORATION. ON THE WHOLE IN HONG KONG WE HAVE GOOD UTILITY SERVICES AT PRICES AT LEAST COMPARABLE WITH OTHERS IN ASIA.

SOME INDIVISIBLE SERVICES MUST BE PROVIDED DIRECTLY BY GOVERNMENT, HE SAID. OTHERS ARE MORE EFFICIENTLY PRODUCED IN THE PRIVATE SECTOR.

MR BREMRIDGE POINTED OUT THAT NEGOTIATION OF SCHEMES OF CONTROL CALLED FOR A MEETING OF THE MINDS, AS THE GOVERNMENT COULD NOT COMPEL INVESTMENT.

+FAILING AGREEMENT THE ALTERNATIVES BASICALLY ARE AN INCOMPETENT AND INEFFICIENT SERVICE, OR GOVERNMENT SUBSIDY, OR TAKE-OVER BY THE GOVERNMENT. THE LATTER TWO ARE ATTRACTIVE ONLY TO THOSE WHO CANNOT SEE THAT GOVERNMENT FUNDS ARE THEIR FUNDS - THE PEOPLE'S FUNDS.+

MR BREMRIDGE SAID THE GOVERNMENT ENCOURAGED PRIVATE ENTERPRISE, AND WHILE MOST SERVED US WELL. SOME ARGUABLY DID NOT. HOWEVER FORCED SEQUESTRATION - SAY NATIONALISATION - WAS ALIEN TO US.

+IF BOTH COMPANIES WANT TO MERGE I DOUBT IF GOVERNMENT WOULD OBJECT. IT IS VERY HYPOTHETICAL. IN ANY CASE IT IS USEFUL FOR GOVERNMENT TO BE ABLE TO COMPARE THE DIFFERENT COSTS OF THE TWO COMPANIES. IN FACT IN 1959 THE MOULD COMMISSION RECOMMENDED THE ESTABLISHMENT OF AN AUTHORITY TO GENERATE, TRANSMIT AND DISTRIBUTE ELECTRICITY. THIS INVOLVED NATIONALISATION OF THE TWO POWER COMPANIES. LUCKY HONG KONG TO AVOID SUCH A FATE.

+IF A TAKEOVER OF THE TWO COMPANIES WAS UNDERTAKEN TODAY MY EXCEEDINGLY ROUGH CALCULATIONS SHOW THAT FAIR COMPENSATION OF ABOUT \$20 BILLION WOULD BE NEEDED. WITH 10 PER CENT GOVERNMENT BONDS AND A 10-YEAR SINKING FUND LESS EARNINGS THE ANNUAL COST WOULD BE AT LEAST \$2 BILLION, AND THE BURDEN OF MANAGEMENT WOULD BE TRANSFERRED TO GOVERNMENT. AT PRESENT IN HONG KONG ANNUAL CORPORATE TAX PROFIT YIELDS ABOUT \$6.8 BILLION PER YEAR.

+WOULD THOSE WHO BELIEVE IN NATIONALISATION ACCEPT THE NEED FOR CORPORATE PROFITS TAX TO BE INCREASED BY 29 PER CENT? WHAT EFFECT WOULD THIS HAVE ON INDUSTRY? IN ANY CASE I SUSPECT THAT UNDER GOVERNMENT CONTROL ELECTRICITY PRICES WOULD ANYWAY STILL RISE, NOT FALL - SO THE PROBLEM WOULD STILL BE WITH US,+ MR BREMRIDGE SAID.

+WELL, SOME WILL SAY, LET US HAVE SUBSIDIES INSTEAD. REFUSAL TO ALLOW A 10 PER CENT ACROSS THE BOARD INCREASE IN ELECTRICITY CHARGES COULD INVOLVE GOVERNMENT IN PAYING A SUBSIDY TO THE COMPANIES OF \$660 MILLION PER YEAR. SALARIES TAX WILL YIELD ABOUT \$2.2 BILLION. WHAT DO YOU FEEL ABOUT A 30 PER CENT INCREASE? WOULD THE VAST MAJORITY NOT PREFER DIRECT CHARGING OF USERS?+

+LET ME ALSO POINT TO THE FACT THAT LONG-TERM SHAREHOLDERS - NOT SPECULATORS - ARE AS MUCH CONCERNED WITH YIELD ON INVESTMENT AS WITH ANY OTHER CRITERIA. THE CURRENT DIVIDEND YIELD ON HEC AND CLP SHARES IS BELOW FIVE PER CENT. IS THIS EXORBITANT? IS IT A GOOD BASIS FOR GOVERNMENT INTERFERENCE? OR CRITICISM OF EXCESS RETURNS? INDEED I BELIEVE THAT EXXON WITH A MAJORITY STAKE IN THE GENERATION SECTOR OF CLP HAVE IN FACT SO FAR TAKEN NO DIVIDENDS.

/MR BREMRIDGE .....

MR BREMRIDGE ALSO COMMENTED ON THE SUGGESTION THAT LONG AGREED RISES SHOULD ONLY BE POSTPONED FOR A PERIOD, THUS HELPING HONG KONG IN THE CURRENT RECESSION. +THIS IS A FAIR DECISION FOR THE POWER COMPANIES TO TAKE - NOT GOVERNMENT. WE WOULD CERTAINLY ACCEPT THEIR DECISION.+ HE NOTED, HOWEVER THAT, HONG KONG IS RIDING THE PRESENT RECESSION BETTER THAN MOST AND WONDERED WHETHER PEOPLE REALLY WANTED DOUBLE INCREASES IN A YEAR'S TIME, OR TREBLE IN TWO YEARS' TIME.

+MOREOVER THE COMPANIES MUST CONSIDER CASH FLOW AND COMMITMENTS TO BANKERS. ANY ATTEMPT BY GOVERNMENT TO MEDDLE IN THIS AREA WOULD SCARCELY BE AN ATTRACTIVE SIGN TO THOSE SEEKING TO RAISE FUNDS FOR NEW ENTERPRISES IN HONG KONG.+

HE ADDED, +THERE EXIST ANYWAY FIRM LEGALLY-ENFORCEABLE AGREEMENTS BETWEEN UTILITY COMPANIES AND THE GOVERNMENT WHICH CANNOT BE ALTERED IN THE CASE OF THE POWER COMPANIES BEFORE 1993, EXCEPT WITH THE CONSENT OF BOTH SIGNATORIES.

+ON THE BACK OF SEVERAL OF THESE AGREEMENTS FINANCE HAS BEEN ARRANGED AND LARGE FORWARD ORDERS FOR EQUIPMENT PLACED. UNILATERAL ACTION IS QUITE UNTHINKABLE.+

MR BREMRIDGE SAID ALL THE INDUSTRIES SUBJECT TO SCHEMES OF CONTROL WERE DIFFERENT. +THERE IS NOT MUCH IN COMMON BETWEEN TELCO WHICH REQUIRES TO INVEST \$5.6 BILLION IN THE NEXT FIVE YEARS, CHINA LIGHT AND POWER WHO ARE COMMITTED TO \$35 BILLION, THE BUS COMPANIES AND THE SMALL HATS. CONSEQUENTLY ALL SCHEMES OF CONTROL MUST BE TAILORED TO SUIT EACH INDUSTRY. THERE IS NO VIRTUE IN A STANDARD PATTERN.+

MR BREMRIDGE SAID HE WAS PERSONALLY NO GREAT PROTAGONIST OF SCHEMES BASED ON NET FIXED ASSETS. HE MUCH PREFERRED A CRITERION OF SHAREHOLDERS' FUNDS, THOUGH THERE ARE SOUND ARGUMENTS EITHER WAY. +BUT GIVEN THAT GOVERNMENT HAS AVAILABLE EXPERT TECHNICAL CONSULTANTS WHO IN THE CASE OF THE POWER COMPANIES CAN ADVISE PROFESSIONALLY ON EQUIPMENT AND ON FUTURE PLANNING AND CURRENT EFFICIENCY, THE BASE ON WHICH PROFITS ARE CALCULATED IS NOT VERY MATERIAL EXCEPT AS A MATTER OF PRESENTATION TO THE MAN IN THE STREET.

+PROFIT THERE MUST BE. DOES IT MUCH MATTER IF THIS PROFIT IS BASED ON 15 PER CENT OF NFA OR AN ALTERNATIVE OF PERHAPS 24 PER CENT OF SHAREHOLDERS' FUNDS? BOTH MIGHT OFFER FAIRLY SIMILAR OUTCOMES. DO NOT BELIEVE THAT THE PERCENTAGES WILL REMAIN SIMILAR, FOR THEY CERTAINLY WILL NOT.

+OF COURSE NO GOVERNMENT WILL ALWAYS GET IT RIGHT. FOR INSTANCE OUR BUS COMPANIES ARE NOT EVERYONE'S FRIENDS. BUT AT LEAST THEY PROVIDE REASONABLY SUFFICIENT SERVICES AT A PRICE WELL BELOW THOSE FOUND IN SINGAPORE. DO PEOPLE REALLY BELIEVE THAT GOVERNMENT OWNERSHIP COULD DO BETTER? OUR TELEPHONE COMPANY, THOUGH REGULARLY EXECRATED, IS PROBABLY THE CHEAPEST AND BEST IN THE WORLD. OUR ELECTRICITY COMPANIES, THOUGH SUBJECT TO CONSTANT ATTACK, OFFER ELECTRICITY AS CHEAP AS MOST IN ASIA, A RELIABLE SUPPLY, EFFICIENT LONG-TERM PLANNING AND COMPETENT MANAGEMENT.+

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+WHY DO THE CRITICS NOT REMARK ON THE FACT HONG KONG ELECTRIC'S INCREASES OVER TWO YEARS REFLECT LESS THAN HALF THE RATE OF INFLATION, OR THAT CHINA LIGHT AND POWER WILL OFFER BULK CONSUMERS NEXT YEAR POWER MORE CHEAPLY THAN TWO YEARS BEFORE? THE FIRST COAL FIRED GENERATOR AT CASTLE PEAK +A+ REPRESENTS A SAVING OF HK\$1 MILLION PER DAY OVER OIL USAGE. THE CAPITAL COSTS OF THE CHANGE ARE HUGE. HOW WAS IT PLANNED MANY YEARS AGO? HOW WAS IT FINANCED?+ HE ASKED.

MR BREMRIDGE SAID HE DID NOT BELIEVE THAT SHAREHOLDERS IN ANY OF THE UTILITIES WERE BEING OVER-REWARDED.

+IN 1981 THE AVERAGE RETURN ON A SELECTION OF SHAREHOLDERS' FUNDS IN MAJOR DISPARATE COMPANIES RANGED FROM 22 PER CENT TO 40 PER CENT. THIS WAS A HIGH RETURN IN A GOOD YEAR. THEY WILL DO LESS WELL IN BAD YEARS. THEY WILL, HOWEVER, AVERAGE OUT, WHILE THE UTILITIES REMAIN STEADY ON A MIDDLE COURSE. BUT DO MEMBERS THINK, FOR EXAMPLE, THAT THE SHAREHOLDERS IN TELCO ENTITLED TO 16 PER CENT ARE UNNECESSARILY PRIVILEGED? OR CMB WITH 15 PER CENT?

+THE ARGUMENT THAT OTHER COMPANIES CUT BACK IN TIMES OF DIFFICULTY IS MATCHED BY THE NEED OF THE UTILITIES CONSISTENTLY TO BE PLANNING AND PROVIDING FOR WHAT IS ESSENTIAL TO THE NEEDS OF THE COMMUNITY IN FIVE OR EVEN 10 YEARS' TIME. NO ONE CARES OVERMUCH - EXCEPT ITS LABOUR - IF AN ORDINARY COMPANY GOES BANKRUPT BECAUSE IT HAS GUESSED WRONG. BUT WE WOULD NOT FIND IT AMUSING IF THIS HAPPENED TO ONE OF THE POWER OR BUS COMPANIES. IN BRIEF, SOME CAN MAKE SERIOUS MISTAKES, BUT THE UTILITIES CANNOT. IN ANY CASE HEC AND CLP ARE VERY LARGE COMPANIES BY WORLD STANDARDS. AGREED PROFITS ARE BOUND TO REFLECT THEIR SIZE.

MR BREMRIDGE SAID THE UTILITIES HAD SERVED THE PUBLIC WELL AND IT WAS THEIR RESPONSIBILITY, NOT THE GOVERNMENT'S, TO CONTINUE TO DO SO. +IT IS QUITE WRONG FOR GOVERNMENT TO INTERFERE WITH MANAGEMENT, SOME OF WHOSE SENSE OF PROPER PUBLIC RELATIONS HAS ADMITTEDLY IN THE PAST BEEN FREQUENTLY AND SIGNIFICANTLY LACKING. IT MUST BE CLEAR, HOWEVER, WHERE MANAGEMENT RESPONSIBILITY LIES. AND IT CAN NEVER LIE WITH A COMMITTEE. I TOTALLY REJECT ANY CONCEPT OF A MONITORING AND INTERFERING COMMITTEE.+

+THE PRESENT ECONOMIC CLIMATE IS DIFFICULT. WE SHALL AS BEFORE FIND OUR WAY OUT AND UP BY HARD WORK, NOT BY SELECTING WHIPPING BOYS OR SEEKING TO BURN WITCHES. BEFORE SCHEMES OF CONTROL COME TO THEIR CONTRACTUAL END WE SHALL NATURALLY SEEK IMPROVEMENT IN THE LIGHT OF EXPERIENCE.+

STANDING COMMISSION ON POWER COMPANIES RULED OUT  
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THE SECRETARY FOR ECONOMIC SERVICES, THE HON PIERS JACOBS TODAY (WEDNESDAY) REJECTED PROPOSALS FOR THE ESTABLISHMENT OF A STANDING COMMISSION OR A COMMISSION OF INQUIRY IN RELATION TO THE POWER COMPANIES.

HE HAS, HOWEVER, GIVEN AN UNDERTAKING TO LOOK AT THE IDEA OF THE APPOINTMENT OF INDEPENDENT PROFESSIONALS TO EXAMINE EXISTING MONITORING ARRANGEMENTS TO SEE WHETHER THEY ACCOMPLISH THE PURPOSES FOR WHICH THEY ARE DESIGNED, ALTHOUGH, HE ADDED, IT MAY BE THAT ON CLOSER EXAMINATION THE IDEA WILL BE FOUND TO BE IMPRACTICABLE.

SPEAKING IN THE LEGISLATIVE COUNCIL, MR JACOBS SAID THE THREE PROPOSALS WERE DISCUSSED DURING A MEETING HE HELD WITH REPRESENTATIVES OF THE FEDERATION OF HONG KONG INDUSTRIES AND THE CHINESE MANUFACTURERS ASSOCIATION LAST MONDAY.

ON THE PROPOSAL FOR A STANDING COMMISSION, HE SAID THAT AS THE TERM WAS UNDERSTOOD, IT WOULD MEAN A PERMANENT COMMISSION WHICH WOULD PLAY AN ACTIVE ROLE IN RELATION TO THE MONITORING OF THE POWER COMPANIES.

MR JACOBS SAID HE HAD MADE IT CLEAR AT THE MEETING THAT HE DID NOT SUPPORT THIS PROPOSAL.

+AS MR PETER WONG HAS ALREADY POINTED OUT, SUCH A STANDING COMMISSION WOULD DUPLICATE THE WORK THAT IS ALREADY BEING DONE BY THE ADMINISTRATION,+ HE SAID.

A STANDING COMMISSION WOULD HAVE TO BE BACKED BY A SECRETARIAT AND PROFESSIONAL AND TECHNICAL SERVICES AND THIS WOULD BE VERY COSTLY, HE ADDED.

+MOREOVER, WHATEVER TERMS OF REFERENCE MAY BE DEvised FOR A STANDING COMMISSION TODAY, IT IS INEVITABLE THAT THAT COMMISSION, OVER THE COURSE OF TIME, WOULD NOT BE ABLE TO AVOID BECOMING INVOLVED IN SUPERVISING THE MANAGEMENT OF THE COMPANIES.+

+THIS INVOLVEMENT WOULD DILUTE AND CONFUSE THE RESPONSIBILITY OF THE MANAGEMENT AND ALMOST CERTAINLY LEAD TO LESS RELIABLE SERVICES AT AN INCREASED COST.+

ON THE SECOND PROPOSAL, MR JACOBS SAID IN GENERAL TERMS A COMMISSION OF ENQUIRY MIGHT BE APPROPRIATE WHERE THERE WAS CLEARLY SOMETHING WRONG, AND A PUBLIC ENQUIRY AT WHICH EVIDENCE COULD BE GIVEN WAS THE ONLY METHOD OF ESTABLISHING THE FACTS.

+BUT AS IT WAS AGREED AT THE MEETING THAT THE POWER COMPANIES PROVIDE A RELIABLE SERVICE -- AND THIS HAS BEEN REPEATED BY SEVERAL MEMBERS TODAY -- THERE IS IN MY VIEW NO CASE WHATSOEVER FOR THE ESTABLISHMENT OF A COMMISSION OF ENQUIRY IN RELATION TO THE PERFORMANCE OF THE POWER COMPANIES.+

HE SAID WHAT WAS BASICALLY AT ISSUE AT THE MEETING WAS THE LEVEL OF TARIFFS AND OTHER ASPECTS OF THE FINANCING PLANS AND THE TERMS OF THE SCHEMES OF CONTROL.

+I MUST EMPHASISE AT THIS POINT THAT THESE PLANS AND THE SCHEMES OF CONTROL HAVE BEEN APPROVED BY THE EXECUTIVE COUNCIL AND THIS REINFORCES MY VIEW THAT A COMMISSION OF ENQUIRY WOULD BE TOTALLY INAPPROPRIATE.+

ON THE THIRD PROPOSAL, MR JACOBS SAID THE CONCEPT OF A SECOND OPINION, PARTICULARLY IF IT WAS DESIGNED TO GIVE SOME REASSURANCE TO THE PUBLIC, WAS NOT UNAPPEALING.

+WE ALREADY ENGAGE THE ASSISTANCE OF TECHNICAL CONSULTANTS, AND A SIMILAR APPROACH ON THE FINANCIAL SIDE COULD WELL PROVE USEFUL.

+AT THIS STAGE I MUST STRESS THAT I SPEAK PERSONALLY. THE IDEA HAS NOT BEEN DEVELOPED WITHIN THE ADMINISTRATION AND IT MAY BE THAT ON CLOSER EXAMINATION IT WOULD BE FOUND TO BE IMPRACTICABLE.+

MR JACOBS SAID HE HAD GIVEN AN UNDERTAKING TO THE FEDERATION AND THE CMA TO LOOK MORE CLOSELY AT THE IDEA AS WELL AS SOME OTHERS THAT EMERGED DURING THE DISCUSSIONS IN ORDER TO SEE WHETHER THERE WAS ANYTHING THAT COULD BE BUILT UPON SO AS TO GIVE THAT REASONABLE ASSURANCE TO THE PUBLIC THAT HE BELIEVED TO BE ESSENTIAL.

TURNING TO THE GENERAL ISSUES RAISED IN THE DEBATE, MR JACOBS SAID THE GOVERNMENT HAD AN OBLIGATION TO PROVIDE A MONITORING FACILITY REGARDING CERTAIN UTILITY COMPANIES WHICH HAD BEEN GRANTED MONOPOLY OR SEMI-MONOPOLY STATUS, AND THE SCHEMES OF CONTROL CONSTITUTED ONE ASPECT OF THAT MONITORING PROCESS.

+THE GOVERNMENT'S POLICY IS TO ENSURE THAT THE PRICES THAT THESE UTILITY COMPANIES CHARGE SHOULD BE RELATED TO THE COST OF THE SERVICES THEY PROVIDED.

+BUT, SUBJECT TO THE MONITORING ARRANGEMENTS, THE RESPONSIBILITY FOR A RELIABLE SERVICE AT A REASONABLE PRICE RESTS PRIMARILY WITH THE COMPANY CONCERNED, AND IT IS THE COMPANY THAT IS DIRECTLY ACCOUNTABLE TO ITS CONSUMERS.+

HE SAID THE SCHEMES OF CONTROL WERE DESIGNED AMONGST OTHER THINGS TO ENABLE THE COMPANIES TO FINANCE THE EXPANSION NECESSARY TO MEET THE DEMAND FROM CONSUMERS AND TO REMAIN FINANCIALLY VIABLE BY GIVING SHAREHOLDERS SUFFICIENT INCENTIVE TO INVEST.

+SO, EVERY SCHEME OF CONTROL MUST PROVIDE A REASONABLE RETURN TO SHAREHOLDERS ON THEIR INVESTMENT,+ HE SAID.

MR JACOBS SAID THAT AS POINTED OUT BY THE HON ALLEN LEE AND THE HON WONG PO-YAN, ALTHOUGH THE RATE OF RETURN AS A PERCENTAGE OF THE VALUE OF AVERAGE NET FIXED ASSETS HAD REMAINED STEADY IN RECENT YEARS, IT HAD INCREASED AS A PERCENTAGE OF SHAREHOLDERS' FUNDS.

+THIS MAY APPEAR TO SUGGEST AN OVER-GENEROUS RETURN TO THE SHAREHOLDERS. BUT IT IS NOT AS SIMPLE AS THAT,+ HE SAID.

+THE PERMITTED PROFIT AS A PERCENTAGE OF SHAREHOLDERS' FUNDS IS NOT THE SAME AS THE ACTUAL DIVIDEND THE SHREHOLDERS RECEIVE, THE MONEY THAT GOES INTO THE POCKET. MUCH OF THE COMPANY'S PROFIT IS RETAINED IN THE BUSINESS AND IS NEEDED FOR FINANCING EXPANSION AND FOR SERVICING DEBT.+

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ON ARRANGEMENTS FOR ANNUAL REVIEW OF THE FINANCING PLANS, MR JACOBS SAID THE SCHEMES OF CONTROL PROVIDED THAT BEFORE THE COMPANIES COULD INTRODUCE CHANGES OF TARIFF IN ACCORDANCE WITH THE FINANCING PLANS APPROVED BY THE EXECUTIVE COUNCIL, THEY MUST REVIEW WITH THE GOVERNMENT THE COMPANY'S ACTUAL PERFORMANCE AGAINST THE CONTENTS OF THE PLANS.

HE SAID PROVIDED THAT ANY PROPOSED CHANGES WERE WITHIN CERTAIN STATED LIMITS, THE CHANGES COULD BE MADE WITHOUT REFERENCE BACK TO THE EXECUTIVE COUNCIL. BUT, IF THE PROPOSED CHANGES EXCEEDED THOSE LIMITS, THEN THEY MUST BE REFERRED BACK TO THE EXECUTIVE COUNCIL.

+SO FAR THIS HAD NOT HAPPENED IN RELATION TO THE POWER COMPANIES. BUT IF IT DID, WE WOULD REQUIRE A COMPLETELY REVISED FINANCING PLAN, WHICH WOULD HAVE TO BE CONSIDERED IN VERY GREAT DETAIL BY THE FINANCIAL MONITORING UNIT OF THE ECONOMIC SERVICE BRANCH AND MYSELF,+ HE SAID.

ON COMMENTS THAT THE SCHEMES OF CONTROL DID NOT PROVIDE ADEQUATE SAFEGUARDS FOR CONSUMERS IN THAT THERE WAS NO PROVISION FOR ANY CEILING TO THE INCREASES FOR WHICH THE COMPANIES MIGHT APPLY, MR JACOBS SAID THE CEILING WAS ALREADY THERE BY VIRTUE OF THE FACT THAT DEPARTURE FROM THE APPROVED FINANCING PLANS DICTATED A NEW PLAN SUBJECT TO THE APPROVAL OF THE EXECUTIVE COUNCIL.

ON REMARKS MADE BY MR LEE THAT THE DEVELOPMENT FUNDS HAD BEEN USED AS PROFIT EQUALISATION FUNDS AND THUS GUARANTEED PROFIT, HE SAID THE FUNDS DID NOT FORM PART OF THE SHAREHOLDERS FUNDS AND IT BELONGED TO CONSUMERS AND THE INTEREST EARNED ON THE FUND WAS DEDUCTED FROM THE PERMITTED RETURN AND REBATED TO CONSUMERS.

MR JACOBS SAID THE FUND COULD EVEN OUT THE RETURN BETWEEN ONE YEAR AND ANOTHER BUT IN NO WAY CONSTITUTED A GUARANTEE OF RETURN TO SHAREHOLDERS. THE LOSS WHICH THE COMPANY SUFFERED IN A PARTICULARLY BAD YEAR WOULD BE REFLECTED IN A REDUCED DIVIDEND TO THE SHAREHOLDERS.

+AS FAR AS THE POWER COMPANIES ARE CONCERNED,+ HE SAID,+ THE SMALL BALANCE AT THE END OF THIS YEAR WILL BE INSUFFICIENT EITHER TO DEFER OR TO REDUCE THE APPROVED INCREASES IN TARIFFS TO ANY APPRECIABLE EXTENT IF CASH FLOW PROBLEMS ARE TO BE AVOIDED.+

MR JACOBS ALSO SPOKE ON THE INTERCONNECTION ARRANGEMENT WHICH COULD MAKE MORE SUFFICIENT USE OF EXISTING GENERATING PLANT AND RESULT IN CONSIDERABLE SAVINGS FOR CONSUMERS, AND THE REVIEW THAT COULD TAKE PLACE NEXT YEAR.

HE SAID MR LEE'S REMINDER OF THE BENEFITS THAT COULD FLOW FROM INTERCONNECTION WOULD BE REPORTED AT THE NEXT MEETING OF THE STEERING COMMITTEE.

ON THE REVIEW, HE SAID GIVEN THAT THE CURRENT INVESTMENT AND DEVELOPMENT PROGRAMME HAD BEEN DESIGNED UPON THE BASIS OF THE EXISTING SCHEMES, IT WAS DIFFICULT TO ENVISAGE ANY BASIC AMENDMENTS TO THESE SCHEMES TAKING PLACE BEFORE THE DATE OF THEIR EXPIRY.

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CHANNEL FOR PUBLIC VIEWS ON UTILITIES SUGGESTED  
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THE HON ANDREW SO CALLED ON THE GOVERNMENT TO CONSIDER ESTABLISHING A PROPER CHANNEL THROUGH WHICH THE GENERAL PUBLIC AND CONSUMERS MAY, AFTER READING THE RECENTLY-PUBLISHED SCHEMES OF CONTROL CAREFULLY, VOICE THEIR OPINIONS AS TO HOW TO MONITOR THE PUBLIC UTILITIES IN A BETTER WAY.

HE SAID THE UMELCO OFFICE WOULD WELCOME OPINIONS FROM THE PUBLIC ON THIS ISSUE AND WOULD ACCORDINGLY REFLECT THEM TO THE AUTHORITIES CONCERNED.

+BUT I AM SURE THE PUBLIC WOULD WELCOME IT MORE IF THE GOVERNMENT SHOULD SET UP A CHANNEL SOLELY FOR COLLECTING OPINIONS ON THE CONTROL SCHEMES,+ HE SAID.

MR SO MADE THE SUGGESTION WHEN MOVING A MOTION TO DEBATE THE SCHEMES OF CONTROL RELATING TO PUBLIC UTILITY COMPANIES IN HONG KONG.

HE STRESSED THAT THE MOTION IS +TO WELCOME THE GOVERNMENT'S RECENT PUBLICATION OF THE SCHEMES OF CONTROL, AND NOT THE CONTROL SCHEMES AS RECENTLY PUBLISHED BY THE GOVERNMENT+.

MR SO TEN OTHER UNOFFICIAL MEMBERS SPOKE IN SUPPORT OF THE MOTION REGARDED THE PUBLICATION OF THE SCHEMES OF CONTROL AS A BREAK-THROUGH AND AN ACT IN DEFERENCE TO PUBLIC OPINION.

BUT HE EXPRESSED MISGIVINGS THAT SHORTLY AFTER THEIR PUBLICATION, THE TWO POWER COMPANIES SIMULTANEOUSLY ANNOUNCED INCREASES IN POWER CHARGES AS FROM JANUARY NEXT YEAR, THUS CAUSING PROTESTS FROM VARIOUS SECTORS OF THE COMMUNITY.

+I AM WELL AWARE OF THE FACT THAT BEFORE APPROVING THE INCREASES, THE GOVERNMENT HAS STUDIED THE MATTER VERY CAREFULLY, TAKING INTO CONSIDERATION THE PUBLIC INTEREST IN THE BROADEST SENSE AND THE CURRENT AGREEMENTS.

+THE GOVERNMENT MUST ABIDE BY THE AGREEMENTS IN ORDER TO GAIN THE CONFIDENCE OF PEOPLE IN HONG KONG AND ABROAD; TO THIS I AM SURE WE ALL AGREE.

+NEVERTHELESS, THE GOVERNMENT CAN MAKE FURTHER NEGOTIATIONS WITH THE TWO COMPANIES, REQUESTING THEM TO RE-CONSIDER THE INCREASES IN THE LIGHT OF THE PRESENT ECONOMIC SITUATION IN HONG KONG, THE DIFFICULTIES ENCOUNTERED BY THE COMMERCIAL AND INDUSTRIAL SECTORS, THE GENERAL LOWERING OF PROFITS AND THE NEWS OF LESS THAN TEN PER CENT SALARY-INCREASE FOR THE CIVIL SERVICE NEXT YEAR,+ SAID MR SO.

HE HOPED THE POWER COMPANIES WOULD TAKE THE INITIATIVE TO LOWER THE PROFITS TARGET SO THAT WITH CONCERTED EFFORT THE COMMUNITY MIGHT TIDE OVER THE PRESENT DIFFICULTIES.

STRONGER MONITORING FUNCTION URGED

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THE HON ALEX WU SPOKE, DURING WHAT HE TERMED THE +ELECTRIFYING+ DEBATE IN THE LEGISLATIVE COUNCIL, OF THE GOVERNMENT'S ROLE IN EXERCISING THE CONTROL OF THE SCHEMES.

WHILE POINTING OUT THAT THE SCHEMES WERE DESIGNED ON THE ONE HAND TO PROVIDE THE PUBLIC WITH A REASONABLE DEAL AND ON THE OTHER TO ENSURE THAT INVESTORS WILL CONTINUE TO BE WILLING TO INVEST IN PROVIDING ELECTRICITY, MR WU STRESSED THAT THE MONITORING FUNCTION OF THE GOVERNMENT OF THE SCHEMES NEEDED TO BE STRENGTHENED.

+IN MY OPINION, THE MONITORING UNIT SHOULD NOT ONLY APPROVE THE FINANCIAL PLANS AT INTERVALS BUT SHOULD PLAY AN ACTIVE PART IN THE OPERATION.

+IN OTHER WORDS, THE GOVERNMENT SHOULD HAVE A PLACE ON THE BOARD OF DIRECTORS OF THE COMPANIES OPERATING UNDER THE SCHEMES OF CONTROL, AS IN THE CASE OF OTHER PUBLIC UTILITIES IN WHICH GOVERNMENT REPRESENTATIVES ARE ALREADY PRESENT.

+PROVIDED THE GOVERNMENT REPRESENTATIVES HAVE THE NECESSARY KNOWLEDGE AND EXPERTISE OF THE BUSINESS, THEY CAN PLAY AN EXTREMELY USEFUL ROLE TO SEE THAT THERE IS ADEQUATE SAFEGUARD FOR CONSUMER INTERESTS,+ HE SAID.

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AD HOC COMMITTEE PROPOSED

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THE HON F.K. HU (WHOSE SPEECH WAS DELIVERED BY DR HENRY HU) CALLED ON THE GOVERNMENT TO SET UP AN AD HOC COMMITTEE TO LOOK INTO THE OPERATION OF THE POWER COMPANIES AND THE IMPLEMENTATION OF THE PRESENT SCHEMES OF CONTROL.

HE WELCOMED THE PUBLICATION OF THE SCHEMES OF CONTROL BUT POINTED OUT THAT THEY SHOULD BE ASSESSED AND MODIFIED, IF NECESSARY, FROM TIME TO TIME TO COPE WITH CHANGING SITUATIONS.

+ALL PARTIES, INCLUDING THE GOVERNMENT, THE POWER COMPANIES AND THE CONSUMERS, MUST ENSURE SATISFACTORY IMPLEMENTATION OF THE SCHEMES OF CONTROL WHICH CAN BE MODIFIED IF ALL SIGNING PARTIES AGREE,+ HE SAID.

MR HU SAID THAT THE AD HOC COMMITTEE SHOULD CONSIST OF OFFICIAL MEMBERS, UMEICO MEMBERS AND MEMBERS OF THE PUBLIC KNOWLEDGEABLE IN MANAGEMENT AND ELECTRICITY GENERATION.

CONSULTANTS SHOULD ALSO BE ENGAGED TO PROVIDE ADVICE AND SERVICE TO THIS COMMITTEE WHICH, MR HU SUGGESTED, SHOULD LOOK INTO THE FOLLOWING AREAS:

- \* EFFICIENCY OF OPERATION;
- \* REALISTIC AND FLEXIBLE EXPANSION PLAN TO COPE WITH FORECAST DEMAND;
- \* SECURED FUEL SUPPLY AT REASONABLE PRICE;
- \* PROCUREMENT OF GENERATING PLANT, TRANSMISSION AND DISTRIBUTION SYSTEM BEARING IN MIND THE OVERALL ECONOMY WITH DUE REGARD TO EFFICIENCY AND COST;
- \* MINIMUM RISK ON FOREIGN EXCHANGE; AND
- \* EFFECT ON OPERATION OF THE CHINA LIGHT AND POWER CO. LTD. ON THE POSSIBLE ESTABLISHMENT OF HYDRAULIC POWER PLANT AND NUCLEAR POWER PLANT.

+UPON CONCLUSION OF THE INVESTIGATION, THE FINDINGS AND RECOMMENDATIONS OF THIS AD HOC COMMITTEE SHOULD BE MADE PUBLIC.

+IF AGREEABLE TO ALL SIGNING PARTIES, THE SCHEMES OF CONTROL CAN BE MODIFIED ACCORDINGLY,+ MR HU SAID.

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PUBLICATION OF SCHEMES OF CONTROL +WISE AND TIMELY+  
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THE HON BILL BROWN, WHOSE SPEECH AT THE LEGISLATIVE COUNCIL TODAY WAS DELIVERED BY THE HON PETER C. WONG, DESCRIBED THE GOVERNMENT'S DECISION TO PUBLISH THE SCHEMES OF CONTROL AS A +WISE AND TIMELY+ MOVE.

IN HIS OPINION, THE SCHEMES ARE TO ENSURE THAT SERVICE TO THE PUBLIC IS ADEQUATE TO MEET DEMAND, IS EFFICIENT AND IS PROVIDED AT THE LOWEST COSTS.

THEY MUST ALSO ENSURE THAT SHAREHOLDERS RECEIVE A RETURN, WHICH IS REASONABLE IN RELATION TO THE RISK INVOLVED AND CAPITAL INVESTED.

+I BELIEVE THEY ACHIEVE JUST THAT AND IT WOULD BE DIFFICULT TO DEVISE OTHER METHODS WHICH WOULD PRODUCE BETTER RESULTS,+ HE SAID.

WHILE APPRECIATING THAT CRITICISM MAY BE LEVIED AT THE SCHEMES BY CONSUMERS AND, IN SOME RESPECTS, BY THE COMPANIES THEMSELVES, MR BROWN SAID: +BUT WHICHEVER WAY ONE LOOKS AT IT ANY FAIR MINDLED PERSON MUST SURELY AGREE THAT IN HONG KONG WE ENJOY STANDARDS OF SERVICE FROM OUR UTILITIES WHICH COMPARE FAVOURABLY WITH MOST OTHER TERRITORIES BOTH IN TERMS OF RELIABILITY AND COST.+

HE CITED THE TWO POWER COMPANIES AS EXAMPLES, POINTING OUT THAT THEIR CHARGES COMPARED FAVOURABLY WITH THOSE IN KOREA, SINGAPORE, JAPAN, MALAYSIA, THE PHILIPPINES, THAILAND AND TAIWAN.

/QUOTING STATISTICS, .....

QUOTING STATISTICS, MR BROWN NOTED THAT THE CHANGES IN ELECTRICITY COST FOR INDUSTRIAL CONSUMERS IN THOSE SEVEN PLACES DURING THE TWELVE-MONTH PERIOD ENDED OCTOBER 1982 REGISTERED AN AVERAGE INCREASE OF 13 PER CENT WHILE THAT IN HONG KONG DECREASED BY FIVE PER CENT.

THE ELECTRICITY COST ALSO DECREASED BY FOUR PER CENT FOR COMMERCIAL CONSUMERS AND THREE PER CENT FOR DOMESTIC USERS IN HONG KONG, WHILE MOST OTHER TERRITORIES RECORDED SIGNIFICANT INCREASES.

ALTHOUGH SOME ARGUED THAT THE BASIC TERMS OF THE SCHEMES OF CONTROL FOR THE POWER COMPANIES SHOULD BE CHANGED, MR BROWN CONSIDERED IT IS NECESSARY TO EXTEND THE DURATION OF THE SCHEMES UNTIL 1993 SO AS TO PROVIDE THE CONTINUITY ESSENTIAL FOR THE PLANNING AND FINANCING OF MAJOR PROJECTS.

+SUBSTANTIAL INTERNATIONAL LOANS AT HIGHLY COMPETITIVE INTEREST RATES, TOTALLING MANY BILLIONS OF DOLLARS, HAVE BEEN ARRANGED ON THE SECURITY OF THE SCHEMES IN THEIR PRESENT FORM,+ HE SAID.

+THESE LOANS WERE ADVANCED ONLY AFTER THE LENDERS HAD SATISFIED THEMSELVES THAT THEIR SECURITY WAS ASSURED THROUGH THE SCHEMES OF CONTROL.

+THERE CAN, THEREFORE, BE NO QUESTION OF CHANGING THE BASIC TERMS OF THE SCHEMES BEFORE 1993 SINCE TO DO SO WOULD CAST DOUBTS ON THE VIABILITY OF HONG KONG IN THE EYES OF INTERNATIONAL FINANCIAL MARKETS.+

MR BROWN ALSO DISAGREED WITH THE SUGGESTION THAT THE SCHEMES SHOULD BE MONITORED BY AN INDEPENDENT BODY.

HE STATED THAT THE COMPANIES ARE TO SUBMIT TO THE GOVERNMENT ON A CONTINUING BASIS FULL DETAILS OF THEIR FINANCIAL FORECASTS, DEMAND AND SALES FORECASTS, CAPITAL EQUIPMENT REQUIREMENTS AND TARIFF PROJECTIONS.

IN ADDITION TO EXAMINING THESE FINANCIAL FORECASTS, HE WENT ON, THE GOVERNMENT CONDUCTS AN ANNUAL AUDIT REVIEW IN WHICH ACTUAL FINANCIAL RESULTS ARE COMPARED WITH FORECASTS SUBMITTED AND FULL EXPLANATIONS AND JUSTIFICATIONS ARE PROVIDED BY THE COMPANIES ON ANY VARIANCES.

+IN THE LIGHT OF THE REVIEW AND CONTROL FUNCTIONS PERFORMED BY THE GOVERNMENT, THE ESTABLISHMENT OF ANY PUBLIC MONITORING OF ELECTRICITY UTILITIES WOULD BE A DUPLICATION OF WHAT IS ALREADY BEING DONE AND WOULD BE OF DOUBTFUL BENEFIT TO CONSUMERS.

+IN PARTICULAR, THE RESPONSIBILITY FOR ENSURING THAT ELECTRICITY IS AVAILABLE WHEN AND WHERE REQUIRED MUST REMAIN WITH THE POWER COMPANIES - IT CANNOT BE DELEGATED TO A MONITORING BODY,+ MR BROWN STRESSED.

PUBLIC HAS RIGHT TO KNOW SCHEMES OF CONTROL - DR HUANG  
\* \* \* \*

DR THE HON RAYSON HUANG SAID AT THE LEGISLATIVE COUNCIL THAT THE PUBLIC HAS A RIGHT TO KNOW THE SCHEMES OF CONTROL UNDER WHICH PUBLIC UTILITY COMPANIES ARE GUARANTEED A +PERMITTED RETURN+ WITHOUT COMPETITION.

AT A TIME WHEN THE ECONOMY IS BUOYANT, HE SAID, THE COMPANIES CONCERNED SHARE IN THE GENERAL PROSPERITY AND THE WORKFORCE PAYS A FAIR PRICE FOR THE SERVICE WITH WHICH IT IS PROVIDED.

HOWEVER, HE FELT THAT IN TIMES WHEN THE ECONOMY IS LESS BUOYANT AND WHEN BUSINESS AND INDUSTRIAL ENTERPRISES ARE HAVING TO ACCEPT LOWER PROFITS OR WORSE, IT WOULD BE REASONABLE TO EXPECT THE LEVEL OF +PERMITTED RETURN+ FOR THESE FRANCHISED COMPANIES TO BE SUITABLY ADJUSTED.

+IT IS IMPORTANT THAT THEY, RELATIVE TO OTHER ENTERPRISES, ARE NOT ACCORDED A POSITION OF UNDUE PRIVILEGE,+ SAID DR HUANG.

+FURTHERMORE, IT IS ESSENTIAL THAT THE SCHEMES OF CONTROL SHOULD BE SUCH AS TO ENSURE MAXIMUM EFFICIENCY AND ECONOMIC VIABILITY.

+THE PUBLIC UTILITY COMPANIES CANNOT EXPECT THE BEST OF BOTH WORLDS.+

DR HUANG REMARKED THAT 'THE BIGGER THE OPERATION THE MORE EFFICIENT' IS THE JUSTIFICATION FOR MONOPOLY.

+HAVING IN THE INTEREST OF EFFICIENCY CHOSEN MONOPOLY, ANY DEVIATION FROM THIS MUST BE THOROUGHLY JUSTIFIED,+ HE ADDED.

CONCERN FOR INDIVIDUAL CONSUMERS

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DR THE HON HO KAM-FAI URGED THE GOVERNMENT TO SET UP A MONITORING MACHINERY TO OVERSEE THE OPERATION OF THE PUBLIC UTILITY COMPANIES.

HE SAID THE EVER INCREASING TARIFFS IMPOSED BY THESE COMPANIES CALL FOR THE +CONSUMER MONITORING+ OF SUCH UTILITIES.

+THERE IS A MYTH THAT CONSUMER MONITORING OF THE OPERATION OF A PUBLIC UTILITY COMPANY IS AN AUTOMATIC ANSWER TO IMPROVED EFFICIENCY AND MAXIMISED PUBLIC INTEREST,+ HE ADDED.

DR HO POINTED OUT THAT THE CONSUMERS OF A PUBLIC UTILITY, SUCH AS A POWER COMPANY, FALL INTO TWO BROAD CATEGORIES: CORPORATE CONSUMERS AND INDIVIDUAL HOUSEHOLD CONSUMERS.

THE CORPORATION CONSUMERS, WHICH OFTEN FORM THEMSELVES INTO A FEDERATION OR AN ASSOCIATION TO TAKE COLLECTIVE ACTION TO FEND FOR THEIR INTERESTS, HAVE THE NEEDED RESOURCES AND EXPERTISE TO STUDY THE PROBLEM CONFRONTING THEM. THEY ALSO HAVE THE SKILL AND TACT TO NEGOTIATE WITH AND TO BRING PRESSURE TO BEAR ON THE PUBLIC UTILITY COMPANIES.

BUT HE FELT THAT INDIVIDUAL HOUSEHOLD CONSUMERS ARE FAR LESS RESOURCEFUL IN TERMS OF TIME, MONEY, SKILL AND EXPERTISE IN DEALING WITH A MODERN UTILITY COMPANY WHICH HAS BECOME HIGHLY COMPLEX IN ORGANISATION AND OPERATION.

IT IS THEREFORE UNDERSTANDABLE THAT SOME OF THE CRITICISMS FROM THE LAYMEN-CONSUMERS MAY BE SOMEWHAT MISPLACED FROM A TECHNICAL POINT OF VIEW, HE SAID.

+FURTHERMORE, THE INTERESTS OF THE CORPORATE CONSUMERS MAY NOT ALWAYS COINCIDE WITH THOSE OF THE INDIVIDUAL HOUSEHOLD CONSUMERS.

+UNDER SUCH CIRCUMSTANCES, IT IS IMPORTANT THAT THE UTILITY COMPANY SHOULD NOT COMPROMISE ITS INTERESTS WITH THOSE OF THE CORPORATE CONSUMERS AT THE EXPENSE OF THE INDIVIDUAL HOUSEHOLD CONSUMERS.+

IN THE EVENT OF A MONITORING MACHINERY BEING ESTABLISHED, DR HO SUGGESTED THAT IT SHOULD INCLUDE GOVERNMENT OFFICIALS, APPOINTED UNOFFICIALS WHO HAVE THE RELEVANT PROFESSIONAL EXPERTISE AND REPRESENTATIVES FROM THE CONSUMING PUBLIC AND THE COMPANIES CONCERNED.

+THE PRINCIPAL FUNCTION OF THESE GOVERNMENT OFFICIALS OR APPOINTED UNOFFICIALS IS TO PLAY AN IMPARTIAL ROLE IN SAFEGUARDING THE INTERESTS OF THE INDIVIDUAL HOUSEHOLD CONSUMERS AND THE COMMUNITY AS A WHOLE,+ HE SAID.

FURTHER CALL FOR +TRIPARTITE COMMISSION+  
\* \* \* \*

THE HON ALLEN LEE, ON BEHALF OF MEMBERS OF THE FEDERATION OF HONG KONG INDUSTRIES, AGAIN URGED THE GOVERNMENT TO SET UP A TRIPARTITE COMMISSION TO REVIEW THE SCHEMES OF CONTROL SO AS TO ENSURE THAT THE SHAREHOLDERS' INTERESTS ARE ACCOUNTED FOR AND THE CONSUMERS' INTEREST ARE PROTECTED.

THE COMMISSION, HE SAID, SHOULD CONSIST OF GOVERNMENT OFFICIALS, REPRESENTATIVES FROM THE POWER COMPANIES AS WELL AS THE GENERAL PUBLIC.

AS STATED IN THE SCHEMES OF CONTROL THAT EACH OF THE COMPANIES AND THE GOVERNMENT WILL HAVE THE RIGHT TO REQUEST MODIFICATION BEFORE THE END OF SEPTEMBER NEXT YEAR, MR LEE FELT THAT THE COMMISSION CAN ONLY SERVE ITS PURPOSE IF IT IS SET UP URGENTLY.

+I AM FULLY AWARE OF THE IMPORTANCE OF HONG KONG'S CREDIBILITY WITH REGARD TO THE INTERNATIONAL FINANCIAL COMMITMENTS,+ HE SAID.

+ON THE OTHER HAND, IF IT CAN BE GUARANTEED THAT THE PAYMENT SCHEDULE OF THE LONG TERM LOANS OF THE POWER COMPANIES WILL BE MET AND THAT THE PURPOSES MENTIONED ABOVE CAN BE ACHIEVED, I SEE NO REASON FOR THE GOVERNMENT'S REFUSAL TO SET UP A COMMISSION.+

EARLIER IN HIS SPEECH, MR LEE QUESTIONED WHETHER THE CONSUMERS' INTEREST WOULD BE PROTECTED UNDER THE CURRENT SCHEMES OF CONTROL.

HE ALSO WONDERED WHAT WOULD HAPPEN TO TARIFF IF THE PROJECTION OF INCREASE CONSUMPTION IS OVERLY OPTIMISTIC.

BASED ON SOME INFORMATION ON CAPITAL EXPANSION PLAN OF CHINA LIGHT, HE GUESSED THAT PROFIT ON YEAR TO YEAR BASIS WOULD BE INCREASED BY A LARGE PERCENTAGE AND TARIFF INCREASES EVERY YEAR WAS INEVITABLE.

QUOTING STATISTICS, HE SAID THE NET RETURN FOR CHINA LIGHT INCREASED FROM \$238 MILLION IN 1978 TO \$919 MILLION IN 1982.

ON YEAR TO YEAR, INCREASE OF NET RETURN PERCENTAGE FROM 1978 TO 1982 WAS 34, 50, 45, AND 31 PER CENT RESPECTIVELY, AND THE AVERAGE NET FIXED ASSETS DURING THE SAME PERIOD INCREASED FROM \$1 863 MILLION TO \$9 290 MILLION.

+CHINA LIGHT HAS PROUDLY ANNOUNCED THAT THE CHINA LIGHT GROUP'S POWER STATIONS AND TRANSMISSION NETWORK REPRESENT THE SINGLE LARGEST PRIVATE INVESTMENT EVER MADE IN HONG KONG, AND FROM 1978-1992, IT IS \$45 BILLION.

+BUT IT DID NOT MENTION THAT 'YOU ARE GOING TO PAY FOR IT'.+

MR LEE AGREED THAT BECAUSE OF THE LARGE AMOUNT OF MONEY INVOLVED IN THE CAPITAL INTENSIVE INDUSTRY, A REASONABLE RETURN SHOULD BE EXPECTED.

HE RECALLED THAT THE SECRETARY FOR ECONOMIC SERVICES HAD ALSO MENTIONED ON NOVEMBER 10 THAT ONE OF THE PURPOSES OF THE GOVERNMENT MONITORING THE AFFAIRS OF THE PUBLIC UTILITIES WAS TO ENSURE THAT SHAREHOLDERS GET A REASONABLE FINANCIAL RETURN ON THEIR INVESTMENT.

HE POINTED OUT, HOWEVER, THAT THE AVERAGE NET RETURN BASED ON SHAREHOLDERS FUNDS FOR CHINA LIGHT IS 16.27 PER CENT FROM 1967 TO 1979, 20.4 PER CENT IN 1980 AND 24 PER CENT IN 1981.

HE ESTIMATED THAT THE PERCENTAGE FOR 1982 COULD BE IN THE REGION OF 27 PER CENT AND THAT IT WOULD WELL EXCEED 30 PER CENT IN THE LATE 1980'S.

+DOES THE SECRETARY FOR ECONOMIC SERVICES STILL THINK THAT THIS IS A REASONABLE FINANCIAL RETURN FOR THE SHAREHOLDERS' INVESTMENTS?+ HE ASKED.

+IT IS MY OPINION, 16 PER CENT IS REASONABLE, 20-25 PER CENT IS EXCESSIVE AND 30 PER CENT OR OVER IS ENORMOUS, PARTICULARLY WHEN DEALING WITH CAPITAL INTENSIVE INDUSTRY OF PUBLIC CONCERN.+

TURNING TO THE DEVELOPMENT FUND, MR LEE SAID ITS TERM NEEDED TO BE REVIEWED.

IN HIS OPINION, THE FUND WAS BEING USED AS AN EQUILIBRIUM FUND INSTEAD OF ASSISTING THE COMPANIES IN THE ACQUISITION OF FIXED ASSETS.

+IN OTHER WORDS IN ANY GIVEN YEAR, IF THE POWER COMPANIES' PERMITTED RETURN IS IN EXCESS OF 15 PER CENT, THE EXCESS WILL BE TRANSFERRED TO THE DEVELOPMENT FUND.

+ON THE OTHER HAND, IF THE PERMITTED RETURN OF 15 PER CENT IS NOT REACHED, IT WILL BE TRANSFERRED FROM THE DEVELOPMENT FUND TO MAKE UP THE DIFFERENCE.

+THIS PRACTICE CONFIRMS MY ARGUMENT OF GUARANTEE PROFIT,+ HE SAID.

WITH REGARD TO THE RESERVE CAPACITY, MR LEE SAID THE SUBJECT ALSO NEEDED TO BE EXAMINED +AS RESERVE CAPACITY IS IN DIRECT PROPORTION OF CAPITAL INVESTMENTS+.

HE NOTED THAT THE RESERVE CAPACITY FOR CHINA LIGHT IN 1983 WILL BE 34.2 PER CENT AND THAT FOR HONG KONG ELECTRIC WILL BE 52 PER CENT.

+BOTH NETWORKS ARE INTERCONNECTED, BUT I UNDERSTAND IT IS A MANUAL SYSTEM.

+WHY CAN IT NOT BE INTERCONNECTED THROUGH AN AUTOMATIC SYSTEM?

+WHAT IS THE USE OF A GRID NETWORK IF IT IS MANUALLY OPERATED?+ HE ASKED.

CALL FOR +MORE EQUITABLE+ PERMITTED RETURN

HE RECALLED THAT THE SECTOR ECONOMIC SERVICES HAD ALSO MENTIONED ON NOVEMBER 10 THAT ONE OF THE PURPOSES OF THE GOVERNMENT

THE HON WONG PO-YAN SAID AT THE LEGISLATIVE COUNCIL THAT THE PROVISION IN THE SCHEMES OF CONTROL TO ALLOW PERMITTED RETURN OF THE ELECTRICITY COMPANIES TO BE BASED ON AVERAGE NET FIXED ASSETS WAS +DEBATABLE+.

HE POINTED OUT, HOWEVER, THAT THE AVERAGE NET RETURN BASED ON HE SUGGESTED THAT THE PERMITTED RETURN OF THE TWO COMPANIES BE BASED ON A MORE EQUITABLE BASIS, SUCH AS SHAREHOLDERS FUND, WITH THE PERCENTAGE TO BE DISCUSSED AND AGREED IN OPEN.

HE ESTIMATED THAT THE PERCENTAGE FOR 1982 COULD BE IN THE NEAR FUTURE HE NOTED THAT THE NET RETURN OF THE CHINA LIGHT AND POWER COMPANY BETWEEN 1967 AND 1979 EXPRESSED AS A PERCENTAGE OF AVERAGE SHAREHOLDERS FUND FLUCTUATED BETWEEN 14.7 AND 17 PER CENT. A RELATIVELY CONSISTENT AND STABLE PATTERN WAS SHOWN DENOTING AN AVERAGE OF 16.28 PER CENT.

HOWEVER, THIS PERCENTAGE JUMPED PERCEPTIBLY TO 20.3 PER CENT IN 1980, 24 PER CENT IN 1981 AND COULD SUBSTANTIALLY INCREASE TO AN UNJUSTIFIABLE 30 PER CENT AND OVER WITHIN THE NEXT FEW YEARS GIVEN THE SCHEDULED INCREASE OF THE FIXED ASSETS AT THE SAID.

MR WONG ATTRIBUTED SUCH INCREASES TO THE PERMITTED RETURN BEING RELATED TO AVERAGE NET FIXED ASSETS.

UNDER THIS PROVISION, BECAUSE OF THE EXPANSION OF FIXED ASSETS, THE PROFIT OF THE ELECTRICITY COMPANIES IN TERMS OF PERCENTAGE OF SALES REVENUE WILL INCREASE DISPROPORTIONATELY. SAID, ADDING THAT THE PROFIT PER UNIT OF ELECTRICITY SOLD WOULD THEN CEASE TO REFLECT REALISTICALLY EITHER SALES OR OPERATIONAL EFFICIENCY.

IT IS ALSO EVIDENT THAT BECAUSE THE RETURN OF ANY YEAR IS ASSURED, THE DECREASE OF SALES OR THE SLOW DOWN OF GROWTH OF ELECTRICITY CONSUMPTION RATE WILL EFFECT A TARIFF INCREASE AUTOMATICALLY.

I NEED NOT REMIND HONOURABLE MEMBERS OF THIS COUNCIL THE ADVERSE EFFECTS AND IMPLICATION OF SUCH PHENOMENA ON THE FUTURE DEVELOPMENT OF OUR ECONOMIC ACTIVITIES.

WITH REGARD TO THE RESERVE CAPACITY, MR LEE SAID THE SUBJECT OF THE PROVISION OF PERMITTED RETURN, THE BOARD SHOULD BE CLOSELY EXAMINED WHEN THE TERMS OF THE AGREEMENTS ARE TO BE REVIEWED YEAR, HE SAID.

HE NOTED THAT THE RESERVE CAPACITY FOR CHINA LIGHT IN 1983 WILL BE 34.2 PER CENT AND THAT FOR HONG KONG ELECTRIC WILL BE 20 PER CENT.

BOTH NETWORKS ARE INTERCONNECTED, BUT I UNDERSTAND IT IS A MANUAL SYSTEM.

WHY CAN IT NOT BE INTERCONNECTED THROUGH AN AUTOMATIC SYSTEMS?

WHAT IS THE USE OF A GRID NETWORK IF IT IS MANUALLY OPERATED? HE ASKED.

WEDNESDAY, NOVEMBER 24, 1982

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CALL FOR +PREVENTIVE MEASURES+

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THE HON K.C. CHAN EXPRESSED THE VIEW AT THE LEGISLATIVE COUNCIL TODAY THAT WITH THE NEW COAL-FIRED POWER STATIONS, HONG KONG MIGHT GET A BREAK FROM THE STEEP INCREASE OF ELECTRICITY TARIFFS IN THE COMING YEARS.

THIS WOULD BE SO, HE SAID, PROVIDED THAT SAVINGS IN FUEL COST WERE MAINLY PASSED ON TO THE CONSUMERS AND THAT THEY WERE NOT ALL ABSORBED INTO THE PERMITTED RETURN OF 13.5 PER CENT OF THE AVERAGE NET FIXED ASSETS, WHICH WAS ABOUT 24 PER CENT OF AVERAGE SHAREHOLDERS FUNDS BY 1981 FIGURES.

HE SUGGESTED THAT PREVENTIVE MEASURES SHOULD BE WORKED OUT SO THAT THE PERMITTED RETURN WOULD NOT BE AUTOMATICALLY MAXIMISED BY A PRO RATA INCREASE IN RATES IN THE EVENT OF A STEEP FALL IN CONSUMPTION ARISING FROM A RECESSION OR ENERGY CONSERVATION MEASURES.

+IF THE PERMITTED RETURN IS COMPUTED ON SHAREHOLDERS FUND, IT MAY INHIBIT DEVELOPMENT TO MEET THE EXPANSION OF INDUSTRY AND DOMESTIC DEMAND,+ MR CHAN EXPLAINED.

+BUT ON THE OTHER HAND, IF THE PERMITTED RETURN IS BASED ON AVERAGE NET FIXED ASSETS, IT MAY RESULT IN THE CONSUMERS PAYING FOR A MUCH LARGER PERMITTED RETURN WHICH INCLUDES GROSS ASSETS NOT YET IN USE OR THOSE USED FOR ELECTRICITY SUPPLY OUTSIDE HONG KONG.

+IT WOULD SEEM THEREFORE THAT ONLY A PERMITTED RETURN BASED ON FIXED ASSETS WHICH IS REQUIRED AND ACTUALLY IN USE FOR SUPPLYING TO HONG KONG CONSUMERS EXCLUSIVELY WOULD BE A FAIRER FORMULA,+ HE SAID.

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ADEQUACY OF SAFEGUARD QUERIED

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THE HON SELINA CHOW QUERIED WHETHER THE SCHEMES OF CONTROL FOR THE TWO POWER COMPANIES WERE ADEQUATE TO SAFEGUARD THE INTEREST OF THE PUBLIC IN A MONOPOLY SITUATION.

SPEAKING AT THE LEGISLATIVE COUNCIL TODAY, SHE SAID THAT ALTHOUGH THE GOVERNMENT HAD OFTEN EXPLAINED THE RATIONALE BEHIND USING +NET FIXED ASSETS+ AS THE BASE FOR THE PERCENTAGE OF PERMITTED RETURN, THE PUBLIC WERE NOT TOLD HOW THE FIGURE OF 13.5 PER CENT HAD BEEN ARRIVED AT.

IN THE CASE OF ONE OF THE COMPANIES, SHE NOTED, THE PERCENTAGE OF RETURN ON ASSETS HAD DROPPED OVER THE PAST FIVE YEARS BUT THE ANNUAL INCREASE IN THAT RETURN HAD JUMPED FROM A SINGLE DIGIT INCREASE TO OVER 60 PER CENT IN THE PAST TWO YEARS.

AND ACCORDING TO THE PROJECTION INTO THE NEXT TEN YEARS, ITS CAPITAL INVESTMENT WOULD LIKELY INCREASE FROM \$9 BILLION TO \$45 BILLION - A GROWTH OF FIVE TIMES.

+IS THAT FAIR RETURN, OR MORE THAN FAIR RETURN?+ MRS CHOW ASKED.

+THIS ARRANGEMENT IS NOT FAIR TO TODAY'S CONSUMERS, FOR THE POWER COMPANIES ARE INVESTING IN THE FUTURE.

+SINCE ASSETS PAID FOR TODAY WILL NOT START TO GENERATE ELECTRICITY UNTIL SOME FOUR YEARS LATER, CONSUMERS ARE NOW ALREADY PAYING FOR THAT PORTION OF THE PERMITTED RETURN DERIVED FROM THE NON-GENERATING ASSETS.+

AS FOR THE FIVE-YEARLY FINANCIAL PLANS STIPULATED IN THE SCHEMES OF CONTROL, MRS CHOW WONDERED WHETHER CONSUMERS WOULD HAVE TO FACE STEEP INCREASES IF THE RATE OF INCREASE OF ELECTRICITY CONSUMPTION SHOULD FALL SHORT OF THAT ENVISAGED IN THE ORIGINAL PLAN.

SHE NOTED THAT THE DROP IN PERCENTAGE IN THE PERMITTED RETURN AGAINST NET FIXED ASSETS IN RECENT YEARS HAD RESULTED IN THE SIZE OF THE DEVELOPMENT FUND DWINDLING TO SUCH AN EXTENT THAT IT COULD NOT BE RELIED UPON TO ACT AS AN EQUALIZING ACCOUNT AS IT WAS ORIGINALLY INTENDED FOR.

+THIS MIGHT VERY WELL LEAD THE COMPANIES TO SEEK A MAJOR INCREASE IN TARIFFS TO MAKE UP FOR THE SHORTFALL,+ SHE SAID.

SHE THEREFORE URGED THE GOVERNMENT, WHEN REVIEWING THE SCHEMES BEFORE SEPTEMBER 30 NEXT YEAR, TO CONSULT THE PUBLIC SO THAT THE INTEREST OF THE CONSUMERS WOULD BE PROTECTED.

PROPOSAL FOR PROTECTION OF PUBLIC INTEREST

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THE HON MARIA TAM SAID THE ROCKETING COST OF ELECTRICITY HAS GENERATED MUCH HEAT IN THE CONSUMERS' CRITICISM OF THE FIXED PERCENTAGE OF PROFITS MADE UNDER MONOPOLY.

SHE NOTED THAT UNDER THE RESPECTIVE SCHEMES OF CONTROL, THE CHINA LIGHT AND POWER COMPANY (CLP) IS ALLOWED TO EARN A PROFIT OF 13.5 PER CENT PER ANNUM ON ITS ASSETS ACQUIRED BEFORE SEPTEMBER 30, 1978 AND A 15 PER CENT RETURN ON ITS ASSETS ACQUIRED AFTER THIS DATE.

THE HONG KONG ELECTRIC COMPANY (HKEC) IS ALLOWED TO EARN A PROFIT AT THE SAME PERCENTAGE AS THE CLP, WITH THE WATERSHED DATE BETWEEN 13.5 PER CENT AND 15 PER CENT RETURN FIXED AT JANUARY 1, 1979.

HOWEVER, SHE POINTED OUT: +IN THE RELEVANT PERIODS BETWEEN 1979 AND 1981, CLP ELECTRICITY CHARGES SOARED FROM 23.51 CENTS PER KILOWATT-HOUR TO 49.86 CENTS PER KILOWATT-HOUR, A RISE OF 112 PER CENT AND HKEC CHARGES ALSO ROSE SIGNIFICANTLY OVER THE SAME PERIOD.

+THE CONSUMERS' EXASPERATION AND INDIGNATION OVER THIS EVER GROWING BURDEN IS CLEARLY WRITTEN ON THE WALL.

+IF THESE SCHEMES ARE NOT MODIFIED THE TWO POWER COMPANIES PROFIT, ALTHOUGH KEPT AT 15 PER CENT OF ITS ACQUIRED ASSETS, WILL IN REAL MONETARY TERMS SNOWBALL, AND SO WILL BE THE DISSATISFACTION OF THE 5.2 MILLION CONSUMERS TOWARDS THE OTHER CONTRACTING PARTY, THE GOVERNMENT.+

TO PROTECT PUBLIC INTEREST, MISS TAM URGED THE GOVERNMENT TO

- \* ADJUST THE FIGURES ON +REASONABLE RETURN+ IN THE CLP AND HKEC AGREEMENTS TO A LOWER FIGURE;
- \* CONFINE DEVELOPMENT FUNDS TO THE PURPOSE OF DEVELOPING PLANTS AND EQUIPMENTS AND NOT TO MAKE UP FOR LOSS PROFITS; AND
- \* CALCULATE THE +PERMITTED RETURN+ OF BOTH CLP AND HKEC BY REFERENCE TO +ACQUIRED ASSETS+ IN OPERATION IN THE RELEVANT YEAR OF ASSESSMENT RATHER THAN PURELY +ACQUIRED ASSETS+ ON THE SPECIFIC DATES.

PROPOSAL FOR PROTECTION OF PUBLIC INTEREST

TUEN MUN ACCIDENTS BEING INVESTIGATED

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THE SECRETARY FOR LANDS AND WORKS, MR DAVID MCDONALD, TOLD THE LEGISLATIVE COUNCIL TODAY THAT INVESTIGATIONS HAD BEEN INSTITUTED BY THE HIGHWAY ENGINEERS, TRANSPORT DEPARTMENT AND POLICE FOLLOWING THE RECENT SERIES OF ACCIDENTS ON THE TUEN MUN HIGHWAY TO ASCERTAIN THE CAUSES OF THE ACCIDENTS AND TO DETERMINE WHAT MEASURES SHOULD BE TAKEN TO IMPROVE SAFETY ASPECTS.

REPLYING TO THE HON ALEX WU, HE SAID THAT A DETAILED CHECK HAD ALREADY BEEN CARRIED OUT ON THE STRETCH OF THE HIGHWAY BETWEEN TSING LUNG TAU AND SIU LAM WHERE NINE ACCIDENTS HAD OCCURRED OVER THE LAST TWO MONTHS.

+THIS CHECK CONFIRMED THAT THE GEOMETRY AND CONSTRUCTION STANDARDS ARE IN ACCORDANCE WITH THE DESIGN SPEED OF THE ROAD WHICH IS 40 M.P.H., OR 64 K.P.H. IN METRIC TERMS. SKID RESISTANCE TESTS OF THE ROAD SURFACE UNDER WET CONDITIONS ALSO PROVED TO BE SATISFACTORY,+ MR MCDONALD SAID.

+THE INVESTIGATIONS ARE CONTINUING BUT PRELIMINARY INDICATIONS ARE THAT THE FAULTS LIE NOT WITH THE HIGHWAY, BUT WITH THE ROAD USERS.+

MR MCDONALD POINTED OUT THAT SPEED STUDIES ALONG THIS SECTION OF THE ROAD HAD SHOWN THAT THE MAJORITY OF DRIVERS EXCEEDED THE SPEED LIMIT OF 40 M.P.H., THEREBY PUTTING THEMSELVES AND OTHERS AT RISK.

+CONSEQUENTLY ADDITIONAL WARNINGS AND SPEED LIMIT SIGNS HAVE BEEN ERECTED OVER THE LAST FEW DAYS AND HOPEFULLY THE MESSAGE WILL GET THROUGH TO MOTORISTS THAT THE TUEN MUN HIGHWAY IS SIMPLY A LIMITED ACCESS, HIGH CAPACITY HIGHWAY, AND IT IS NOT, NOR WAS IT EVER INTENDED TO BE, A HIGH SPEED MOTORWAY.+ MR. MCDONALD SAID.

+WHEN THE CURRENT INVESTIGATIONS HAVE BEEN CONCLUDED, WHATEVER MEASURES, IF ANY, ARE THOUGHT TO BE DESIRABLE TO FURTHER ENHANCE SAFETY FOR ROAD USERS WILL BE IMPLEMENTED AS A MATTER OF URGENCY,+ HE ADDED.

MR MCDONALD SAID HE WOULD PROVIDE MEMBERS WITH FULL DETAILS OF THE INVESTIGATIONS AND RECOMMENDATIONS IN DUE COURSE.

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BUS COMPANIES TOLD TO EXAMINE WORK STANDARDS  
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THE COMMISSIONER FOR TRANSPORT HAS ASKED THE BUS COMPANIES TO EXAMINE THE ADOPTION OF STANDARDS AIMED AT ELIMINATING CERTAIN UNSATISFACTORY WORK SHIFT PATTERNS, THE SECRETARY FOR TRANSPORT, THE HON ALAN SCOTT, SAID AT THE LEGISLATIVE COUNCIL MEETING TODAY.

THESE STANDARDS WILL HAVE IMPLICATIONS FOR BUS SCHEDULES, SPECIFICALLY PERIODS AND FREQUENCIES OF OPERATION BECAUSE OF THE EFFECTS ON DRIVERS' DUTY ROSTERS, WHICH IN TURN WILL REQUIRE DECISIONS ON THE BALANCE BETWEEN MAINTAINING STANDARDS OF SERVICE AND INCREASING OPERATING COSTS, MR SCOTT EXPLAINED.

HE WAS REPLYING TO THE HON LYDIA DUNN, WHO ASKED ABOUT GOVERNMENT GUIDELINES ON THE WORK HOURS, SKILL AND BEHAVIOUR OF BUS DRIVERS.

HE ADDED THAT IF THE BUS COMPANIES DO NOT ADOPT THE STANDARDS VOLUNTARILY, THE GOVERNMENT HAS THE POWER UNDER THE PUBLIC OMNIBUS SERVICES ORDINANCE TO INTRODUCE REGULATIONS FOR THE PURPOSE.

ON THE BEHAVIOUR OF BUS DRIVERS, MR SCOTT EXPLAINED THAT THE TRANSPORT DEPARTMENT ENCOURAGES THE BUS COMPANIES TO SET STANDARDS, BUT DOES NOT PRESCRIBE REGULATIONS.

HE ADDED THAT BOTH THE MAJOR COMPANIES HAVE PLAIN CLOTHES SUPERVISORS OUT ON ROUTES CHECKING THE BEHAVIOUR OF DRIVERS AND TAKE DISCIPLINARY ACTION FOR REPEATED BREACHES OF COMPANY REGULATIONS.

MR SCOTT POINTED OUT THAT DRIVERS UPON RECRUITMENT BY THE TWO COMPANIES RECEIVE SOME 90 HOURS OF TRAINING BEFORE TAKING THE REQUIRED SKILL TEST AT THE TRANSPORT DEPARTMENT.

THE PASS RATE FOR THESE DRIVERS IS 90 PER CENT WHICH MR SCOTT CONSIDERED TO BE HIGH.

RESPONDING TO A QUESTION BY DR THE HON RAYSON HUANG, MR SCOTT REPORTED THAT NINE DOUBLE-DECKER BUSES OVERTURNED IN ACCIDENTS IN THE 12 MONTHS UP TO NOVEMBER 23 THIS YEAR.

IN THREE OF THESE CASES, THE DRIVERS WERE FOUND GUILTY OF DANGEROUS DRIVING AND DISMISSED BY THEIR EMPLOYERS WHILE IN ONE CASE THE COMPANY INVOLVED WAS FINED FOR NOT PROPERLY MAINTAINING THE STEERING OF THE BUS.

THE OTHER FIVE CASES, MR SCOTT SAID, ARE STILL UNDER POLICE INVESTIGATION.

EVERY TYPE OF DOUBLE-DECKER BUS HAS TO PASS A STABILITY OR TILT TEST IN HONG KONG BEFORE IT MAY GO INTO SERVICE, MR SCOTT EXPLAINED.

THE STABILITY OF DOUBLE-DECKER BUSES IS HIGH AND FEW BUSES OVERTURN, COMPARED WITH MOTOR CARS, HE POINTED OUT.

HE ADDED THAT THE MAJOR CAUSE OF VEHICLES OVERTURNING, INCLUDING DOUBLE-DECKER BUSES, IS WHEN THEY HIT OBSTRUCTIONS ON THE GROUND OR GO OFF THE ROAD.

SYSTEM OF HANDLING CHILD ABUSE CASES UNDER REVIEW  
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THE SYSTEM OF HANDLING CHILD ABUSE CASES WAS BEING REVIEWED AFTER MAKING ENQUIRIES AND INVESTIGATIONS, PARTICULARLY INTO RECENT COURT CASES, TO TRY TO GAIN A BETTER UNDERSTANDING OF THE PROBLEM AND TO STRENGTHEN THE PROCEDURES FOR EARLIER IDENTIFICATION AND PROTECTIVE MEASURES FOR CHILDREN AT RISK, THE DIRECTOR OF SOCIAL WELFARE, THE HON SELWYN ALLEYNE, SAID TODAY.

IN REPLY TO A QUESTION BY THE HON JOYCE BENNETT IN THE LEGISLATIVE COUNCIL, MR ALLEYNE DESCRIBED CHILD ABUSE AS A +DIFFICULT AND TRAGIC SOCIAL PROBLEM+.

HE REPEATED A CALL TO THE PUBLIC TO REPORT ANY SUSPECTED CHILD ABUSE CASES TO THE POLICE OR TO THE NEAREST DISTRICT OFFICE OF THE SOCIAL WELFARE DEPARTMENT OR BY CALLING THE DEPARTMENTAL HOTLINE (3-432255).

MR ALLEYNE SAID THAT SUSPECTED CHILD ABUSE CASES WERE NORMALLY DEALT WITH BY A SOCIAL WORKER IN THE S.W.D. OR A VOLUNTARY AGENCY, STAFF IN A HOSPITAL OR CLINIC OR OTHER PEOPLE SUCH AS TEACHERS.

AS AT THE END OF SEPTEMBER, THERE WERE 159 CASES CLASSIFIED AS CHILD ABUSE UNDER THE CARE OF THE S.W.D.

THE DIRECTOR SAID THAT ON BEING NOTIFIED OF A SUSPECTED CASE, A CASEWORKER WOULD BE IMMEDIATELY ASSIGNED TO CONDUCT AN INVESTIGATION AND TO MAKE A REPORT.

THE CASEWORKER WOULD NOTIFY THE CHILD'S PARENTS OF HER INTENTION TO SEEK A MEDICAL EXAMINATION AND ESCORT THE CHILD TO THE NEAREST HOSPITAL. THE POLICE WOULD ALSO BE NOTIFIED.

IF THE PARENTS WERE UNWILLING TO CO-OPERATE, THE CASEWORKER COULD EXERCISE HER POWERS UNDER THE PROTECTION OF WOMEN AND JUVENILES ORDINANCE TO DETAIN THE CHILD FOR ADMISSION TO A PLACE OF REFUGE.

+IF THE DOCTOR HAS REASON TO BELIEVE THAT THE CHILD HAS BEEN THE SUBJECT OF ABUSE, A CASE CONFERENCE ATTENDED BY ALL THE PROFESSIONAL STAFF CONCERNED WILL BE CALLED TO WORK OUT A CO-ORDINATED TREATMENT PLAN FOR THE CHILD AND HIS FAMILY,+ MR ALLEYNE SAID.

IF THE PARENTS REFUSED TO CO-OPERATE AND THERE WERE GROUNDS FOR BELIEVING THAT FUTURE ABUSE WAS LIKELY, A CARE AND PROTECTION ORDER WOULD BE OBTAINED.

IF THE CHILD REQUIRED TO BE REMOVED FROM HIS PARENTS, THE CASEWORKER WOULD ARRANGE FOR THE CHILD TO BE ADMITTED TO A PLACE OF REFUGE UNDER THE PROTECTION OF WOMEN AND JUVENILES ORDINANCE, HE SAID.

+SIMILAR GUIDELINES ARE APPLIED WHERE A CASE COMES TO THE ATTENTION OF OTHER GOVERNMENT DEPARTMENTS,+ THE DIRECTOR SAID.  
+THESE PROCEDURES HAVE BEEN IN FORCE SINCE SEPTEMBER 1981.+

IN REPLY TO A QUESTION FROM THE HON PETER C. WONG, MR ALLEYNE SAID THAT +OUR ADOPTION SERVICE COMPARES WELL WITH THAT IN OTHER PLACES+ IN TERMS OF THE QUALITY OF INVESTIGATIVE WORK, MATCHING OF THE CHILD WITH PROSPECTIVE ADOPTIVE PARENTS, COMPLIANCE WITH LEGAL FORMALITIES, AND SUBSEQUENT SUPERVISION OF THE PLACEMENT.

HE NOTED THAT IN THE PAST TWO YEARS, 58 HANDICAPPED CHILDREN FROM RESIDENTIAL INSTITUTIONS IN HONG KONG HAD BEEN ADOPTED, THE MAJORITY OF THEM OVERSEAS BECAUSE OF DIFFICULTIES IN FINDING SUITABLE LOCAL ADOPTERS.

AT PRESENT ABOUT 80 HANDICAPPED CHILDREN IN LOCAL RESIDENTIAL INSTITUTIONS ARE AWAITING ADOPTION.

MR ALLEYNE SAID THE S.W.D.'S ADOPTION UNIT WAS BEING STRENGTHENED AND MORE OVERSEAS ADOPTION AGENCIES IDENTIFIED TO IMPROVE THE PROSPECTS FOR THESE CHILDREN.

+WE ARE MAKING PARTICULAR EFFORTS TO PERSUADE PROSPECTIVE ADOPTIVE PARENTS IN OUR OWN COMMUNITY TO CONSIDER THE ADOPTION OF HANDICAPPED CHILDREN,+ HE SAID.

+CONTINUOUS EDUCATION AND GREATER PUBLICITY IS REQUIRED AND THE ASSISTANCE OF THE INTERNATIONAL SOCIAL SERVICE IN HANDLING MORE CASES OF OVERSEAS ADOPTIONS ON OUR BEHALF SHOULD DO MUCH TO IMPROVE THE PROSPECTS OF FINDING SUITABLE HOMES FOR HANDICAPPED CHILDREN,+ HE ADDED.

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#### CONCERN OVER YOUNG PEOPLE ON ROADS

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THERE WERE 578 TRAFFIC ACCIDENT CASUALTIES AMONG PEDESTRIANS TRAVELLING TO OR FROM SCHOOL DURING THE YEAR ENDING SEPTEMBER, THE SECRETARY FOR TRANSPORT, THE HON ALAN SCOTT SAID AT THE LEGISLATIVE COUNCIL TODAY, REPLYING TO A QUESTION BY THE HON SELINA CHOW.

MR SCOTT EXPLAINED THAT MOST OF THESE WERE CHILDREN BUT ACCOMPANYING ADULTS WERE ALSO INCLUDED IN THE FIGURE, WHICH REPRESENTED SEVEN PER CENT OF ALL PEDESTRIAN CASUALTIES.

PEDESTRIAN CASUALTIES OF CHILDREN AGED FIVE TO 15, IN ALL CIRCUMSTANCES, TOTALLED 2 324, OR 25 PER CENT OF ALL SUCH CASUALTIES, HE REPORTED.

DURING THE SAME PERIOD, THERE WERE 3 972 CASUALTIES OF ALL KINDS INVOLVING CHILDREN UP TO 15 YEARS OLD, OR 16 PER CENT OF TOTAL CASUALTIES, MR SCOTT SAID.

CHILDREN IN THIS AGE GROUP FORM 24 PER CENT OF HONG KONG'S POPULATION.

HE SAID THAT THE VULNERABILITY OF YOUNG CHILDREN WAS A MATTER OF +VERY CONSIDERABLE CONCERN+ TO THE GOVERNMENT.

ROAD SAFETY INITIATIVES AIMED AT REDUCING THE TOLL OF TRAFFIC ACCIDENTS INCLUDED INCREASING ROAD SAFETY PATROLS, LEGISLATION ON SEAT-BELT WEARING, THE PROPOSED PENALTY POINTS SYSTEM, REFLECTIVE NUMBER PLATES, IMPROVED TRAINING IN SCHOOLS AND ACCIDENT BLACK SPOT INVESTIGATIONS, MR SCOTT SAID.

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YOUNG PEOPLE AND DRUGS

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GREATER AVAILABILITY OF DRUGS AND CONTINUED INTENSIVE ENFORCEMENT ACTION BY THE POLICE AND CUSTOMS SERVICES HAVE BEEN THE MAIN REASONS FOR THE GROWING NUMBERS OF YOUNG PEOPLE PROSECUTED FOR DRUG OFFENCES OVER THE LAST TWO YEARS, THE SECRETARY FOR SECURITY, THE HON D.G. JEAFFRESON, SAID AT THE LEGISLATIVE COUNCIL TODAY.

REPLYING TO A QUESTION BY THE HON HO KAM-FAI, MR JEAFFRESON SAID THAT THE NUMBER OF PEOPLE UNDER 21 THUS PROSECUTED WAS 245 IN 1977, 294 IN 1978, 264 IN 1979, 304 IN 1980, 693 IN 1981 AND 691 IN THE FIRST NINE MONTHS OF THIS YEAR.

HE EXPLAINED THAT THE FIGURES INCLUDED MANY YOUNG PEOPLE PROSECUTED FOR SUCH OFFENCES AS CARRYING DRUGS, BUT WHO WERE NOT THEMSELVES ADDICTS.

HE POINTED OUT THAT THE AVERAGE YOUNG ADDICT IN HONG KONG HAS NO MORE THAN FIVE AND A HALF YEARS' EDUCATION, IS EMPLOYED IN CASUAL-LABOUR OR SEMI-SKILLED OCCUPATIONS, HAS A POOR HOME BACKGROUND AND LIVES IN OVERCROWDED CONDITIONS.

ON PREVENTIVE MEASURES RAISED BY MR HO, MR JEAFFRESON REPORTED THAT THE GOVERNMENT WITH THE ADVICE OF THE ACTION COMMITTEE AGAINST NARCOTICS HAD DEVELOPED A PROGRAMME OF PREVENTIVE EDUCATION AND PUBLICITY SPECIFICALLY DIRECTED AT YOUNG PEOPLE MOST AT RISK OF BECOMING ADDICTS.

THE FIRST +LINE OF ATTACK+ DIRECTED AT THE COMMUNITY IS DESIGNED TO TELL SOCIETY GENERALLY AND PARENTS IN PARTICULAR ABOUT THE DANGERS OF DRUGS AND TO ENLIST THEIR SUPPORT IN ACTIVELY DISCOURAGING YOUNG PEOPLE FROM STARTING ON DRUGS.

THE SECOND IS DIRECTED AT POTENTIAL ADDICTS THROUGH DRUG EDUCATION IN SCHOOLS AS WELL AS THROUGH SEMINARS AND EXHIBITIONS.

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SEX EDUCATION IN SCHOOLS ADEQUATE

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THERE IS ADEQUATE PROVISION IN THE SCHOOL CURRICULA FOR SEX EDUCATION, THE HON COLVYN HAYE, DIRECTOR OF EDUCATION SAID TODAY IN THE LEGISLATIVE COUNCIL MEETING.

THE PROVISION, HE SAID, WAS MADE THROUGH SYLLABUSES FOR PRIMARY AND SECONDARY SCHOOLS, EDUCATION TELEVISION, A MASS OF AUDIO VISUAL RESOURCE MATERIAL, REGULAR SEMINARS AND WORKSHOPS FOR TEACHERS, THE TRAINING OF TEACHERS, SCHOOL INSPECTION, AND CLOSE COLLABORATION WITH THE FAMILY PLANNING ASSOCIATION, AND FAMILY LIFE EDUCATION WORKERS OF THE SOCIAL WELFARE DEPARTMENT.

MR HAYE WAS REPLYING TO A QUERY FROM DR THE HON HO KAM-FAI AS TO WHETHER GOVERNMENT WAS SATISFIED THAT ADEQUATE PROVISION WAS MADE IN SCHOOL CURRICULA FOR SEX EDUCATION.

+WE BELIEVE THAT SEX IS BUT ONE OF MANY FACETS OF HUMAN DEVELOPMENT, AND ACCORDINGLY EMBODY ASPECTS OF SEX EDUCATION IN BASIC SUBJECTS SUCH AS HEALTH EDUCATION, SOCIAL STUDIES AND IN THE BIOLOGICAL SCIENCES, RATHER THAN PRESENT IT AS A SEPARATE SUBJECT,+ HE SAID.

THIS WAS THE MOST EFFECTIVE WAY OF DEALING WITH THE TOPIC BECAUSE IT ENABLED CHILDREN TO UNDERSTAND SEX AS PART OF A PERSON'S TOTAL HEALTH AND WELL-BEING, RATHER THAN AS SOMETHING WHICH WAS ISOLATED FROM OTHER ASPECTS OF PERSONAL AND SOCIAL BEHAVIOUR.

IN THIS APPROACH, APTLY DESCRIBED AS FAMILY LIFE EDUCATION, THE FAMILY PLAYED AS IMPORTANT A ROLE AS THE SCHOOL IN PROMOTING CHILDREN'S UNDERSTANDING AND ACCEPTANCE OF SEX, THE DIRECTOR SAID.

MOST SCHOOLS ACCEPTED THE PROVISION FOR SEX EDUCATION BUT THEIR PRACTICE VARIED, MR HAYE SAID, EMPHASISING THAT ALTHOUGH THE EDUCATION DEPARTMENT RECOMMENDED AND ENCOURAGED SEX EDUCATION, IT DID NOT BELIEVE IN FORCING PEOPLE TO ACCEPT ITS VIEWS.

+THIS IS TRUE OF ALL SUBJECTS IN THE SCHOOL CURRICULUM. WE POINT THE WAY BUT IT IS UP TO THE SCHOOLS TO TRAVEL THE DISTANCE,+ HE SAID.

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#### TRAFFIC CONGESTION IN BUILT-UP AREAS

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ADDITIONAL TRAFFIC GENERATED BY SIGNIFICANT ADDITIONAL PARKING FACILITIES PROVIDED IN NEW COMMERCIAL BUILDINGS WOULD HAVE BROUGHT CERTAIN ROADS UP TO SATURATION POINT, THE SECRETARY FOR TRANSPORT, THE HON ALAN SCOTT TOLD THE LEGISLATIVE COUNCIL TODAY.

MR SCOTT WAS REPLYING TO A QUESTION BY DR THE HON RAYSON HUANG AS TO WHY THE GOVERNMENT HAD NOT REQUIRED LARGE COMMERCIAL BUILDINGS BEING BUILT IN THE TOWN AREA TO PROVIDE THEIR OWN PARKING FACILITIES, DESPITE THE EXPECTATION OVER THE YEARS THAT TRAFFIC CONGESTION IN THE AREA WOULD INCREASE SHARPLY.

MR SCOTT SAID, IT HAD BEEN CLEAR FOR SOME YEARS THAT IN THE BUILT-UP AREAS CONGESTION WAS REACHING UNDESIRABLY HIGH LEVELS.

HE ADDED THAT THE MAIN CONSTRAINT ON FURTHER TRAFFIC IS THE CAPACITY OF ALREADY BUSY CENTRAL ROADS.

REFERRING TO DR HUANG'S QUESTION ON WHETHER THE GOVERNMENT WOULD CONSIDER REQUIRING DEVELOPERS OF COMMERCIAL BUILDINGS IN THE TOWN AREA TO BE RESPONSIBLE FOR THE ADEQUATE PROVISION OF CAR PARKING FACILITIES FOR THEIR TENANTS, MR SCOTT SAID:

+PARKING STANDARDS ARE BEING REVIEWED AND SOME RELAXATION OF RESIDENTIAL PARKING STANDARDS IS LIKELY, AND THE STANDARDS FOR COMMERCIAL BUILDINGS ARE NEXT FOR REVIEW.+

HOWEVER, HE STRESSED THAT THE CAPACITY OF EXISTING ROAD NETWORK IN BUILT-UP ZONE I AREAS WOULD REMAIN THE MAIN CONSTRAINT.

+THEREFORE, IT WOULD BE BETTER TO CONSIDER EACH SITE ON ITS MERITS, AND TO SET PARKING PROVISION AT A LEVEL AT WHICH THE TRAFFIC GENERATED WILL NOT OVERLOAD ADJACENT STREETS,+ HE SAID.

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BUILDING SITE WALKWAYS  
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THE BUILDING AUTHORITY HAS HAD TO DRAW THE ATTENTION OF REGISTERED CONTRACTORS TO THE UNSATISFACTORY CONDITION OF COVERED WALKWAYS AT BUILDING SITES IN ABOUT 270 INSTANCES OVER THE PAST TWO YEARS, THE SECRETARY FOR LANDS AND WORKS, MR DAVID MCDONALD SAID TODAY.

REPLYING TO A QUESTION BY THE HON ANDREW SO IN THE LEGISLATIVE COUNCIL, MR MCDONALD SAID THAT IN EVERY CASE THE CONTRACTOR HAD TAKEN IMMEDIATE ACTION TO PUT THE WALKWAY INTO A SATISFACTORY STATE OF REPAIR AND NO FURTHER ACTION BY THE BUILDING AUTHORITY WAS REQUIRED.

+IN CASES WHERE WALKWAYS ARE RENDERED IMPASSABLE DUE TO BLOCKAGE BY DEBRIS, BUILDING MATERIALS AND SO ON, ACTIONS AGAINST THE OFFENDERS ARE INSTITUTED BY THE POLICE UNDER SECTION 4A OF THE SUMMARY OFFENCES ORDINANCE,+ MR MCDONALD SAID.

HOWEVER, HE ADDED THAT AS THE POLICE DID NOT MAINTAIN READILY AVAILABLE STATISTICS ON THIS TYPE OF PROSECUTION HE WAS UNABLE TO TELL HOW MANY CONTRACTORS MIGHT HAVE BEEN PROSECUTED OVER THE TWO-YEAR PERIOD NOR WHAT PENALTIES MIGHT HAVE BEEN IMPOSED.

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OFF-COURSE BETTING CENTRES AND +OBSCENE+ SIGNBOARDS  
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THE LICENSING OF SUFFICIENT OFF-COURSE BETTING CENTRES IS TO ASSIST IN SUPPRESSING ILLEGAL GAMBLING AND NOT TO ENCOURAGE THE GROWTH OF GAMBLING, THE SECRETARY FOR HOME AFFAIRS, THE HON D.C. BRAY, SAID AT THE LEGISLATIVE COUNCIL TODAY.

MR BRAY WAS REPLYING TO THE HON CHEUNG YAN-LUNG WHO ASKED ABOUT THE GOVERNMENT'S POLICY REGARDING SUCH CENTRES.

ON THE ISSUE OF +OBSCENE ADVERTISING SIGNS+ OUTSIDE OF CLUBS AND RESIDENTIAL FLATS RAISED BY THE HON MARIA TAM, MR BRAY SAID SUCH SIGNS FALL UNDER THE DEFINITION OF +OBJECTIONABLE ARTICLE+ IN THE OBJECTIONABLE PUBLICATIONS ORDINANCE (CAP. 150).

UNDER THE SUBSECTION 6 (3) OF THE ORDINANCE, HE EXPLAINED, ANY POLICE OFFICER WITH A WARRANT FROM A MAGISTRATE MAY SEIZE ANY ARTICLE WHICH HE REASONABLY SUSPECTS IS OBJECTIONABLE UNDER THE LAW.

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POLICY ON NON-DEPARTMENTAL QUARTERS

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THE GOVERNMENT'S POLICY ON THE PROVISION OF NON-DEPARTMENTAL QUARTERS SHOULD TAKE ACCOUNT OF CHANGING CIRCUMSTANCES, INCLUDING THE STATE OF THE PROPERTY MARKET, THE SECRETARY FOR THE CIVIL SERVICE, THE HON MARTIN ROWLANDS, SAID AT THE LEGISLATIVE COUNCIL TODAY.

+AT THE PRESENT TIME WE ENVISAGE MEETING OUR SHORT TERM REQUIREMENTS AS FAR AS POSSIBLE BY PURCHASING OR LEASING ON THE OPEN MARKET,+ MR ROWLANDS SAID.

CURRENTLY, THE GOVERNMENT HAS 1 409 LEASED NON-DEPARTMENTAL QUARTERS, OR 42 PER CENT OF ITS TOTAL STOCK OF 3 338 SUCH QUARTERS, HE SAID IN REPLY TO A QUESTION FROM THE HON LYDIA DUNN.

HE ESTIMATED THE CURRENT SHORTFALL OF NON-DEPARTMENTAL QUARTERS AT ABOUT 150.

FROM NOW TILL NEXT MARCH, THE GOVERNMENT WILL ACQUIRE A FURTHER 133 SUCH QUARTERS, 72 OF THEM BEING PURCHASED ON THE OPEN MARKET, 57 LEASED FROM PRIVATE DEVELOPERS AND FOUR BUILT BY THE GOVERNMENT, HE SAID.

BY THAT TIME, THE PRESENT SHORTFALL WILL IN THEORY HAVE BEEN ALMOST ELIMINATED, MR ROWLANDS SAID.

BUT HE ADDED THAT AS DEMAND IS CONTINUING TO INCREASE, ADDITIONS TO THE STOCK WILL IN PRACTICE BE NECESSARY.

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DOOR TO DOOR MAIL DELIVERIES IN NT

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THE POST OFFICE NOW MAKES DOOR-TO-DOOR DELIVERIES IN THE NEW TERRITORIES TO ALL ESTABLISHED VILLAGES WHICH ARE ACCESSIBLE WITHIN REASON, THE HON P. JACOBS, SECRETARY FOR ECONOMIC SERVICES, SAID TODAY.

THIS MEANS THAT THE POST OFFICE NOW PROVIDES THIS SERVICE TO A TOTAL OF 448 VILLAGES. THE REMAINING ESTABLISHED VILLAGES COMPRISE 55 WHICH ARE NOT REASONABLY ACCESSIBLE, ANOTHER 56 WHICH ARE DESERTED AND SIX VILLAGES WHICH PREFER TO DO WITHOUT DOOR-TO-DOOR DELIVERIES, HE SAID.

HE WAS SPEAKING IN THE LEGISLATIVE COUNCIL IN REPLY TO A QUESTION BY MR CHARLES YEUNG.

MR JACOBS SAID HE WAS ALSO ABLE TO REPORT THAT POSTAL DELIVERIES ARE NOW MADE TWICE A DAY TO INDUSTRIAL AREAS THROUGHOUT THE TERRITORY.

+PREVIOUSLY CERTAIN PLACES RECEIVED ONLY ONE DELIVERY A DAY. THESE INCLUDED KWAI CHUNG, TSING YI, FO TAN AND TAI WAI IN THE NEW TERRITORIES, KOWLOON BAY AND YAU TONG IN KOWLOON AND CHAI WAN IN HONG KONG,+ HE EXPLAINED.

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NEONATAL SCREENING SERVICE EXPECTED  
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THE TECHNICAL AND ADMINISTRATIVE ASPECTS FOR PROVIDING A NEONATAL SCREENING SERVICE FOR CONGENITAL HYPOTHYROIDISM ARE CURRENTLY BEING EXAMINED, DR THE HON K.L. THONG SAID IN THE LEGISLATIVE COUNCIL TODAY.

IT IS ENVISAGED THAT THE SERVICE SHOULD BE IN OPERATION BY THE END OF 1983.

DR THONG WAS REPLYING TO A QUESTION BY DR THE HON HENRIETTA IP.

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SUPPORT FOR HIGH FOOD STANDARDS  
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TWO UNOFFICIAL MEMBERS SPOKE IN SUPPORT OF THE PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 3) BILL 1982 WHICH WENT THROUGH ITS FINAL READING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

DR THE HON HARRY FANG SAID THE BILL, WHICH ESTABLISHES A MECHANISM FOR THE SPEEDY UPDATING OF REGULATIONS IN THE LIGHT OF LOCAL AND OVERSEAS SCIENTIFIC FINDINGS IN THE CONTROL OF HARMFUL INGREDIENTS IN FOOD, WAS AN IMPORTANT ADVANCEMENT IN THE GOVERNMENT'S CONTINUOUS EFFORTS TO PROTECT PUBLIC HEALTH.

HE SAID HONG KONG COULD NOT ALLOW ITS FOOD STANDARD TO FALL BELOW THE INTERNATIONAL LEVEL, OTHERWISE IT COULD WELL BECOME THE DUMPING GROUND OF MANY UNSUITABLE FOOD ITEMS.

DR FANG SAID THAT IT WAS UNREASONABLE TO EXPECT MEMBERS OF THE PUBLIC TO DISCOVER FOR THEMSELVES WHICH FOOD WAS SUITABLE FOR CONSUMPTION AND WHICH WAS NOT.

+LEGISLATIVE CONTROL AND GOVERNMENT SUPERVISION ARE THEREFORE NECESSARY,+ HE SAID.

HOWEVER, HE POINTED OUT THAT WHILE SPEEDY ACTIONS IN THE CONTROL OF HARMFUL SUBSTANCES IN FOOD WERE NECESSARY, THEY SHOULD NOT BE TAKEN AT THE EXPENSE OF A CAREFUL CONSIDERATION OF ALL THE POSSIBLE IMPLICATIONS TO WHICH THEY MAY LEAD.

FOR EXAMPLE, DR FANG SAID, HE UNDERSTOOD THAT ALTHOUGH THE INTENTION TO CONTROL THE LEVEL OF AFLATOXIN AND ERUCIC ACID IN FOOD WAS FIRST INITIATED IN 1977, NO FORMAL ARRANGEMENT HAD BEEN ENTERED INTO WITH TRADERS CONCERNED REGARDING DETAILS OF HOW THE CONTROL WAS TO BE IMPLEMENTED.

+THIS STATE OF UNCERTAINTY HAD RESULTED IN A NUMBER OF FOOD TRADERS APPROACHING THE UMELCO RECENTLY FOR AN ASSURANCE THAT THEY WOULD BE CONSULTED BEFORE GOVERNMENT DECIDES TO IMPOSE SPECIFIC LIMITS ON THE PRESENCE OF SUBSTANCE CONSIDERED HARMFUL IN FOOD,+ HE SAID.

HE ADDED THAT HE WAS GLAD TO LEARN THAT SUCH ASSURANCE HAD NOW BEEN GIVEN AND HE WISHED THAT THE CONSULTATIVE PROCESS COULD CONTINUE WITH FRUITFUL RESULTS.

THE HON MARIA TAM ALSO URGED THAT THE LIMITS OF CONTROL IN CONTAMINATION IN FOOD-STUFF IN HONG KONG MUST CLOSELY FOLLOW THE RECOMMENDATION OF THE WORLD HEALTH ORGANISATION.

MISS TAM SAID RESEARCH EXPERIMENTS IN COUNTRIES ABROAD AND IN HONG KONG HAD SHOWED A CORRELATION BETWEEN AFLATOXIN IN FOOD AND THE INCIDENCE OF LIVER DISEASES AND LIVER CANCER.

ERUCIC ACID, HE SAID, WAS ALSO KNOWN TO BE RESPONSIBLE FOR FATTY DEPOSITS IN THE HEART MUSCLE AND THIS COULD BE DANGEROUS IF CONCENTRATED IN FOOD FOR HUMAN CONSUMPTION.

MISS TAM SAID THE MAIN CONCERN OF LOCAL TRADERS WAS THAT ALTHOUGH THERE WAS CONSULTATION WITH THE TRADE ON THE PROPOSED CONTROL, THERE WAS NO CONSULTATION ON THE PROPOSED LIMITS OF AFLATOXIN AND ERUCIC ACID IN FOOD PRODUCTS AND THAT THE DIRECTOR OF URBAN SERVICES HAD TOO MUCH POWER IN INTRODUCING REGULATIONS MERELY +BY NOTICE IN THE GAZETTE+.

HOWEVER, SHE SAID THE TRADE'S OBJECTION TO THE BILL WAS WITHDRAWN FOLLOWING A MEETING BETWEEN REPRESENTATIVES OF THE TRADE AND THE URBAN SERVICES DEPARTMENT ON THE ADVICE OF THE SOCIAL SERVICE GROUP OF THE LEGISLATIVE COUNCIL.

AT THE MEETING, MISS TAM SAID, REPRESENTATIVES OF THE TRADE (NOW CALLED THE HONG KONG FOODS COUNCIL) PROMISED TO ESTABLISH A PROPER REPRESENTATIVE CAPACITY TO SPEAK ON FOOD CONTROL ISSUES, AND THE USD AGREED TO SEEK AN EXTENSION IN THE SCOPE OF CONSULTATION IN RESPECT OF NEW REGULATIONS IN FUTURE.

IT HAD ALSO BEEN EXPLAINED TO THE TRADE THAT THE DIRECTOR OF URBAN SERVICES COULD NOT MAKE REGULATIONS MERELY +BY NOTICE IN THE GAZETTE+ AND THAT ALL PROPOSED REGULATIONS HAD TO GO THROUGH THE CONSULTATION PROCESS WITH THE FOOD HYGIENE SELECT COMMITTEE OF THE URBAN COUNCIL AND THE SCRUTINY OF THE EXECUTIVE AND LEGISLATIVE COUNCILS BEFORE THEY COULD BE ENACTED AS A PIECE OF SUBSIDIARY LEGISLATION.

IN MOVING THE SECOND AND THIRD READINGS OF THE BILL, THE SECRETARY FOR SOCIAL SERVICES, THE HON ERIC HO, THANKED DR FANG AND MISS TAM FOR THEIR SUPPORT OF THE BILL.

REFERRING TO DR FANG'S POINT ON THE NEED FOR CONSULTATION, HE SAID: +I AM HAPPY TO SAY THAT THERE HAS BEEN NO DISAGREEMENT ON THIS.+

IN THE CASE OF THE PROPOSED CONTROL OF AFLATOXINS AND ERUCIC ACID IN FOOD, AS BOTH DR FANG AND MISS TAM HAVE ACKNOWLEDGED, THE TRADE HAD BEEN CONSULTED OVER A PERIOD OF SIX YEARS, HE SAID.

HOWEVER, HE SAID: +CONSULTATION DOES NOT AND CANNOT MEAN THAT THE GOVERNMENT MUST NOT MOVE WITHOUT A COMPLETE IDENTITY OF VIEWS WITH THE ORGANISATIONS CONSULTED, BECAUSE AS BOTH DR FANG AND MISS TAM HAVE EMPHASIZED, IT IS THE GOVERNMENT'S DUTY TO PROTECT PUBLIC HEALTH.

+IN THE FINAL ANALYSIS IT IS THE GOVERNMENT WHICH WILL HAVE TO TAKE A VIEW AS TO WHAT IS BEST IN THE PUBLIC INTEREST.+

FINALLY, MR HO SAID, THE ADMINISTRATION WAS CONSCIOUS OF THE NEED TO GIVE ADEQUATE NOTICE OF THE EFFECTIVE DATE OF CERTAIN NEW PROPOSALS, AND PROVISION WOULD BE INCLUDED SO THAT THE CONTROLS ON ERUCID ACID WOULD NOT COME INTO EFFECT UNTIL JANUARY 1, 1985.

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#### MEASURES TO COMBAT II'S AND VR'S EXTENDED

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THE LIFE OF SPECIAL IMMIGRATION ORDINANCE AND MERCHANT SHIPPING ORDINANCE PROVISIONS AIMED AT COMBATTING ILLEGAL IMMIGRATION AND THE INFLUX OF VIETNAMESE REFUGEES HAS BEEN EXTENDED FOR ANOTHER YEAR.

THESE PROVISIONS RELATE TO TRAFFICKING IN ILLEGAL IMMIGRANTS WHICH CARRIES A MAXIMUM FINE OF \$5 MILLION AND LIFE IMPRISONMENT, AS WELL AS FORTFEITURE OF VESSELS INVOLVED IN THE CONVEYING OF UNAUTHORISED ENTRANTS, MAKE VIETNAMESE REFUGEES SUBJECT TO REMOVAL FROM HONG KONG AT ANY TIME, AND PROVIDE FOR FORFEITURE OF VESSELS CARRYING EXCESS PASSENGERS.

MOTIONS TO RETAIN THEM FOR 1983 WERE ADOPTED BY THE LEGISLATIVE COUNCIL THIS AFTERNOON.

STRESSING THE NEED FOR THE FURTHER YEAR'S EXTENSION, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, TOLD COUNCIL THAT THE PROBLEMS OF VIETNAMESE REFUGEES AND TRAFFICKING IN ILLEGAL IMMIGRANTS WERE STILL WITH US. BUT HE HOPED THAT THEY WOULD NOT BE PERMANENT.

THE NUMBER OF ILLEGAL IMMIGRANTS, HE SAID, HAD INCREASED SIGNIFICANTLY OVER THE PAST TEN MONTHS AS COMPARED WITH THE SAME PERIOD LAST YEAR.

UP TO THE END OF OCTOBER 1982, 6 896 ILLEGAL IMMIGRANTS HAD BEEN CAPTURED TRYING TO ENTER HONG KONG AND 2 018 EVADERS HAD BEEN ARRESTED WITHIN HONG KONG ITSELF.

AS REGARDS VIETNAMESE REFUGEES, 7 741 HAD ARRIVED SO FAR THIS YEAR, 3 466 OF WHOM HAD REACHED HONG KONG SINCE THE INTRODUCTION OF THE CLOSED CENTRES POLICY ON JULY 2.

LAST YEAR, 8 470 ARRIVED BY BOAT DIRECT FROM VIETNAM COMPARED WITH 6 788 DURING 1980.

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**\$1.3 BILLION INVESTMENT IN INDUSTRIAL ESTATES**

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THE 36 COMPANIES APPROVED TO OPERATE AT THE TAI PO AND YUEN LONG INDUSTRIAL ESTATES WILL INVEST A TOTAL OF \$1.3 BILLION, THE HON WONG PO-YAN SAID AT THE LEGISLATIVE COUNCIL MEETING TODAY.

THIRTY PER CENT OF THIS INVESTMENT IN LAND, BUILDING, EQUIPMENT AND MACHINERY IS FROM OVERSEAS INVESTORS AND THE REMAINDER FROM LOCAL INDUSTRIALISTS, MR WONG WHO IS ALSO A BOARD MEMBER, SAID IN TABLING THE 1982 ANNUAL REPORT OF THE HONG KONG INDUSTRIAL ESTATES CORPORATION.

THE COMPANIES REPRESENT A WIDE RANGE OF PRODUCTS USING UP-TO-DATE TECHNOLOGY, WHICH WILL CONTRIBUTE TO THE ADVANCEMENT OF LOCAL INDUSTRY AND IMPROVE HONG KONG'S EXPORT PERFORMANCE, MR WONG STATED.

THIRTY-FIVE OF THE COMPANIES ARE LOCATED AT THE TAI PO INDUSTRIAL ESTATE, WITH 20 OF THEM ALREADY IN PRODUCTION.

THE GRANTING OF THE FIRST COMPANY AT YUEN LONG +HERALDS AN ADDITIONAL MILESTONE IN THE CORPORATION'S HISTORY+, MR WONG SAID.

HE ALSO DISCLOSED THAT THE CORPORATION IS CURRENTLY PROCESSING APPLICATIONS INVOLVING SUBSTANTIAL INVESTMENT.

THE PERCENTAGE OF APPROVED APPLICATIONS CONTINUED TO RISE FROM 26 PER CENT IN THE FIRST YEAR OF 1977-78 TO 69 PER CENT IN 1981-82, HE REPORTED.

FOLLOWING THE COMPLETION OF THE FIRST STANDARD FACTORY BLOCK AT TAI PO, THE BOARD OF THE CORPORATION DECIDED TO PROCEED WITH THE CONSTRUCTION OF TWO MORE BLOCKS AT TAI PO AND TWO AT YUEN LONG, WITH APPROVED LOANS FROM THE GOVERNMENT DEVELOPMENT LOAN FUND, MR WONG SAID.

THE STANDARD FACTORY UNITS REPRESENT AN IMPORTANT ALTERNATIVE FOR INDUSTRIALISTS WHO MEET THE CORPORATION'S CRITERIA AND WISH TO START MANUFACTURING IMMEDIATELY IN PREMISES WHICH PROVIDE FOR A WIDE RANGE OF MANUFACTURING REQUIREMENTS.

THEY ALSO FURTHER ENHANCE THE CORPORATION'S OBJECTIVE OF BROADENING THE BASE OF HONG KONG INDUSTRY BY PROVIDING A NEW STIMULUS FOR INDUSTRIAL INVESTMENT AND DIVERSIFICATION, MR WONG SAID.

SATISFACTORY YEAR FOR PRODUCTIVITY COUNCIL

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A YEAR OF SATISFACTORY PERFORMANCE AND GROWTH FOR THE HONG KONG PRODUCTIVITY COUNCIL AND CENTRE WAS REPORTED BY THE HON ALLEN LEE, IN TABLING THE ORGANISATION'S ANNUAL REPORT AT THE LEGISLATIVE COUNCIL TODAY.

IN ADDITION TO ITS CORE ACTIVITIES IN INDUSTRIAL CONSULTANCY, TRAINING, MARKET RESEARCH AND ELECTRONIC DATA PROCESSING SERVICES, THE HKPC WAS ABLE TO MAKE CONSIDERABLE PROGRESS IN IMPLEMENTING RECOMMENDATIONS ARISING FROM THE REPORT OF THE ADVISORY COMMITTEE ON DIVERSIFICATION WHICH WERE SUBSEQUENTLY ENDORSED BY THE INDUSTRIAL DEVELOPMENT BOARD, MR LEE SAID.

MR LEE, WHO IS ALSO CHAIRMAN OF THE ORGANISATION, REPORTED THAT IT ESTABLISHED A NUMBER OF SUPPORT FACILITIES AIMED AT REINFORCING WEAK AREAS IN INDUSTRY, INCLUDING A HEAT TREATMENT LABORATORY, A SURFACE TREATMENT AND ANALYTICAL CHEMICAL LABORATORY, AN ENVIRONMENTAL CONTROL LABORATORY AND A MICROPROCESSOR LABORATORY.

+INDUSTRY'S RESPONSE TO THESE ENLARGED FACILITIES HAS BEEN VERY FAVOURABLE,+ MR LEE SAID.

REFERRING TO THE SUPPORT FACILITIES PROVIDED TO INDUSTRY, MR LEE SAID THE SCALE OF THESE SERVICES VARIED WIDELY. WITHIN THE TIME AND RESOURCES AVAILABLE, A GOOD START HAD BEEN MADE, BUT MORE HAD STILL TO BE DONE.

+A SOLID FOUNDATION IS GRADUALLY BEING LAID UPON WHICH WILL BE BUILT MORE SPECIFIC ACTIVITIES WHICH WILL FACILITATE THE PROCESS OF INDUSTRIAL DIVERSIFICATION,+ MR LEE SAID.

HE CONCLUDED BY EXPRESSING APPRECIATION TO THE HON S.L. CHEN FOR HIS CONTRIBUTIONS TO THE COUNCIL WHICH HE CHAIRED FROM JANUARY 1977 TO DECEMBER 1981.

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THREE BILLS PASSED

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THE PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT)(NO. 3) BILL 1982, THE LABOUR TRIBUNAL (AMENDMENT) BILL 1982 AND THE SMALL CLAIMS TRIBUNAL (AMENDMENT) BILL WERE PASSED INTO LAW IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

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PRESERVING CIVIL LIBERTIES IN HONG KONG

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HONG KONG IS UNIQUE IN THAT TWO QUITE COMMON FEATURES OF SOCIETY ELSEWHERE - A GOVERNMENT THAT CANNOT BE CHANGED BY ELECTION, AND A COMPREHENSIVE SET OF CIVIL LIBERTIES - ARE FOUND IN THE SAME PLACE, THE SECRETARY FOR HOME AFFAIRS, MR DENIS BRAY SAID TODAY.

HE SAID CIVIL LIBERTIES ARE PRESERVED IN HONG KONG PARTLY BECAUSE WE BELIEVE IN THEM BUT PARTLY ALSO BECAUSE WE KNOW THAT PARLIAMENT, IN THE BACKGROUND, WOULD BE BOUND TO USE ITS POWER TO ENSURE THAT ANY EROSION OF THEM WOULD BE REVERSED.

+THE CONSTITUTIONAL POWERS ARE THERE,+ MR BRAY EXPLAINED. +THE SECRETARY OF STATE CAN DIRECT THE GOVERNOR AND DISALLOW ORDINANCES. HE HAS NOT HAD TO DO SO BECAUSE THE FEELINGS OF PARLIAMENT ON THESE BASIC CIVIL LIBERTIES ARE SO WELL KNOWN THAT THEY ARE NEVER CHALLENGED.

+PARLIAMENT HAS A HISTORY OF HUNDREDS OF YEARS DURING WHICH IT SEIZED THESE CIVIL LIBERTIES FIRST FROM THE KINGS AND THEN FROM THE NOBLES SO THAT ORDINARY PEOPLE COULD ENJOY THEM IN THEIR DAILY LIVES. IT IS ON THIS INSTITUTION THAT OUR OWN CIVIL LIBERTIES ULTIMATELY REST,+ HE SAID.

MR BRAY SAID HONG KONG HAS A UNIQUE SOCIETY BECAUSE IT HAS A GOVERNMENT WHICH IS NOT ACCOUNTABLE TO AN ELECTORATE BUT WHICH LISTENS TO THE PEOPLE, AND A GOVERNMENT WHICH HAS NO APPARENT LIMITS TO ITS POWER BUT WHICH PRESERVES BASIC CIVIL LIBERTIES FOR ITS PEOPLE.

SPEAKING TO THE ZONTA CLUB OF HONG KONG AT THEIR LUNCHEON MEETING, MR BRAY SET OUT THE CIVIL LIBERTIES WHICH HONG KONG PEOPLE ENJOY: THEY CAN LIVE AND WORK WHERE THEY LIKE, THEY CAN TRAVEL FREELY IN AND OUT OF HONG KONG AND MOVE AROUND AS THEY PLEASE. THEY CANNOT BE ARRESTED OR LOCKED UP BY THE POLICE FOR MORE THAN A FEW HOURS BEFORE THEY MUST BE BROUGHT BEFORE THE COURTS. THE COURTS WILL SET THEM FREE UNLESS IT CAN BE PROVED BEYOND ALL REASONABLE DOUBT THAT THEY HAVE COMMITTED SOME CRIME - SOME OFFENCE AGAINST A LAW WRITTEN DOWN AND INTERPRETED BY THE COURTS; AND THE COURTS DECIDE THE PUNISHMENT OF THE GUILTY. THESE COURTS ARE THEMSELVES ENTIRELY INDEPENDENT OF THE ADMINISTRATION. THEY CANNOT BE TOLD WHAT TO DO EVEN BY THE GOVERNOR. THERE IS A FREE AND PROLIFIC AND COMPETITIVE PRESS COVERING EVERY IMAGINABLE SHADE OF POLITICAL OPINION. ITS REPORTERS FREELY WRITE ABOUT EVENTS IN AND OUT OF HONG KONG, AND ITS EDITORS FREELY CRITICISE THE GOVERNMENT OR ANYONE ELSE THEY WANT, KNOWING THEY WILL NOT BE CLOSED DOWN.

IN ORDER TO MAINTAIN THIS UNIQUENESS OF OUR SOCIETY, THE GOVERNMENT IS SUBMITTED TO SEVERE DISCIPLINE. +SINCE WE CANNOT LOCK UP PEOPLE WE DO NOT LIKE OR CLOSE DOWN NEWSPAPERS THAT DISAGREE WITH US WE ARE OBLIGED TO LISTEN TO WHAT PEOPLE SAY. IF WE DID NOT DO SO AND YET ATTEMPTED TO PRESERVE CIVIL LIBERTIES, HONG KONG WOULD BECOME QUITE UNGOVERNABLE,+ MR BRAY SAID.

TO DO THIS, THE GOVERNMENT UNDERTAKES A GREAT DEAL OF PRESS ANALYSIS AND HAVE THE MOST ELABORATE SYSTEMS OF TALKING TO AND LISTENING TO PEOPLE.

SPECIAL EFFORT IS MADE TO ENSURE THAT SENIOR OFFICERS ARE AWARE OF PRESS OPINION DAY BY DAY. NEWSPAPERS ARE SCANNED FOR ITEMS OF INTEREST TO THE DEPARTMENTS CONCERNED, A SUMMARY OF CHINESE PRESS REPORTS AND OPINIONS AND ANOTHER OF RADIO AND TELEVISION COMMENTS ARE CIRCULATED BEFORE LUNCH TIME, WEEKLY COLLECTIONS OF EDITORIALS ON TOPICAL SUBJECTS ARE PREPARED, AND SPECIAL TRANSLATIONS, SUMMARIES AND ANALYSES ON PARTICULAR TOPICS ARE PRODUCED WHENEVER REQUIRED.

VIEWS NOT EXPRESSED IN THE PRESS ARE OBTAINED THROUGH A VERY EXTENSIVE CONSULTATIVE MACHINERY STARTING WITH THE EXECUTIVE AND LEGISLATIVE COUNCILS, GOING THROUGH HUNDREDS OF SUBJECT ORIENTED COMMITTEES, BOARDS AND SO FORTH, AND INCLUDING THE NEWLY ESTABLISHED DISTRICT BOARDS. CONSULTATION IS ALSO DONE INFORMALLY THROUGH LIAISON WITH TRADITIONAL ORGANISATIONS OF THE PEOPLE THEMSELVES, THROUGH NEWER BODIES LIKE MUTUAL AID COMMITTEES, THROUGH PERSONAL CONTACT, AND THROUGH LISTENING TO COMPLAINTS AND ENQUIRIES AT DISTRICT OFFICES, AT URBAN COUNCIL WARD OFFICES, AT DEPARTMENTAL ENQUIRY AND COMPLAINTS UNITS AND LISTENING TO THOSE TAKING THEIR PROBLEMS TO UMEICO.

+THAT THE GREAT MASS OF PUBLIC BUSINESS IS TRANSACTED SO SMOOTHLY SPEAKS VOLUMES FOR THE EFFICIENCY AND SENSITIVITY OF THE SYSTEM AS A WHOLE. DECISIONS ARE NOT MADE BY CONFRONTATION AND A VOTE BUT BY DISCUSSION AND COMPROMISE. NOT ALL DECISIONS ARE EASY NOR CAN THEY ALL PLEASE EVERYONE. BUT A CONSENSUS IS NEARLY ALWAYS ARRIVED AT WHICH MAY NOT PLEASE EVERYBODY BUT WHICH IS ACKNOWLEDGED AS A WORKABLE COMPROMISE,+ MR BRAY SAID.

WHERE THERE IS NO CONSENSUS, INDIVIDUALS OR GROUPS CAN TAKE THEIR PROBLEMS TO LONDON AND TO MEMBERS OF PARLIAMENT, WHICH IS A LOGICAL AND CORRECT STEP FOR IT IS IN PARLIAMENT THAT ULTIMATE AUTHORITY LIES.

THAT FEW SUCH EXPEDITIONS HAVE LED TO A REVERSAL OF GOVERNMENT POLICY HERE MAKES SOME PEOPLE THINK THAT PARLIAMENT DOES NOT EXERT MUCH INFLUENCE OVER THE GOVERNMENT IN HONG KONG. WHILE THIS IS PROBABLY TRUE IN THE DAY TO DAY AFFAIRS, +WHEN IT COMES DOWN TO BASIC RULES LIMITING THE ACTIONS OF THE GOVERNMENT HERE IN HONG KONG THE INFLUENCE OF PARLIAMENT IS PARAMOUNT,+ MR BRAY STRESSED.

FIRE PREVENTION DRIVE IN WONG TAI SIN  
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THE WONG TAI SIN DISTRICT OFFICE IS TO LAUNCH A DISTRICT-WIDE CAMPAIGN THIS WEEK TO SPREAD FIRE PREVENTION ADVICE TO LOCAL RESIDENTS, PARTICULARLY THOSE IN SQUATTER AND INDUSTRIAL AREAS, DURING THE DRY SEASON.

JOINTLY ORGANISED BY THE FIRE AND THE INFORMATION SERVICES DEPARTMENTS, THE CAMPAIGN WILL BE KICKED OFF THIS SATURDAY (NOVEMBER 27) AFTERNOON BY MR M. KINGDOM, CHIEF FIRE OFFICER, KOWLOON, AT AN OPENING CEREMONY TO BE HELD AT THE WONG TAI SIN DIVISIONAL FIRE STATION.

ALSO OFFICIATING AT THE CEREMONY WILL BE GIS PRINCIPAL INFORMATION OFFICER, MRS BETTY SHUM, AND ASSISTANT DISTRICT OFFICER, WONG TAI SIN, MR STEPHEN FISHER.

THE OFFICIATING GUESTS WILL ALSO PRESENT PRIZES TO WINNERS OF A FIRE PREVENTION CROSSWORD PUZZLE AND QUIZ COMPETITION HELD EARLY THIS MONTH.

THE CEREMONY WILL ALSO MARK THE START OF A THREE-DAY EXHIBITION ON FIRE PREVENTION AT THE STATION'S COMPOUND. WELL ILLUSTRATED WITH PHOTOGRAPHS AND DRAWINGS, THE EXHIBITION WILL SHOW POTENTIAL FIRE HAZARDS AND EFFECTIVE MEASURES TO PREVENT THEIR OCCURRENCES.

DURING THE EXHIBITION PERIOD, THE FIRE SERVICES DEPARTMENT WILL PUT ON A DAILY FIRE FIGHTING DEMONSTRATION AND A TV SHOW ON FIRE SAFETY AT THE COMPOUND FOR THE VISITING PUBLIC.

A SERIES OF ACTIVITIES ARE ALSO BEING ORGANISED IN SUPPORT OF THE PUBLICITY DRIVE. THESE INCLUDE SEMINARS, TALKS, FIRE DRILLS, EXHIBITIONS AND FIRE PREVENTION FILM SHOWS IN LOCAL SQUATTER AREAS.

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND A REPRESENTATIVE TO COVER THE OPENING CEREMONY OF THE WONG TAI SIN DISTRICT FIRE PREVENTION CAMPAIGN WHICH WILL BE HELD AT THE WONG TAI SIN DIVISIONAL FIRE STATION, FUNG TAK ROAD, WONG TAI SIN, AT 2.30 PM THIS SATURDAY (NOVEMBER 27).

GIS OFFICERS AND LIAISON STAFF OF THE WONG TAI SIN DISTRICT OFFICE WILL BE ON HAND TO ASSIST MEDIA REPRESENTATIVES.

WEDNESDAY, NOVEMBER 24, 1982

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TECHNICAL EDUCATION GETS ENDORSEMENT FROM INDUSTRY  
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EIGHT STUDENTS OF THE HAKING WONG TECHNICAL INSTITUTE EACH RECEIVED TODAY (WEDNESDAY) A SCHOLARSHIP VALUED AT \$500 FROM A TRUST FUND SET UP BY THE KWONG YEE WO SHIPYARD FOR THEIR OUTSTANDING ACADEMIC ABILITY.

THE STUDENTS WHO ARE IN THE CONSTRUCTION, MARINE AND FABRICATION, MECHANICAL ENGINEERING AND ELECTRICAL ENGINEERING DEPARTMENTS RECEIVED THEIR AWARDS FROM THE SHIPYARD'S GENERAL MANAGER, MR FUNG SUN-KWAN.

THE TRUST FUND WAS ESTABLISHED IN 1980 TO PROMOTE TECHNICAL EDUCATION AND TRAINING IN CRAFT COURSES.

COMMENTING ON THE AWARDS THE PRINCIPAL OF THE INSTITUTE, MR R. BRAY SAID THAT APART FROM HELPING THE STUDENTS TO MEET THEIR FINANCIAL COMMITMENT ON COMPLETING THEIR STUDIES, THE SCHOLARSHIPS ALSO UNDERLINE INDUSTRY'S RECOGNITION OF THE IMPORTANCE OF TECHNICAL EDUCATION.

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CLEARWAY RESTRICTIONS  
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CLEARWAY RESTRICTIONS WILL BE IMPOSED IN SHA TIN, CLEAR WATER BAY AND SHEUNG WAN FROM 10 AM THIS FRIDAY (NOVEMBER 26) TO IMPROVE TRAFFIC FLOW IN THESE AREAS.

SHA TIN WAI ROAD BETWEEN TAI CHUNG KIU ROAD AND THE ACCESS ROAD TO THE PRINCE OF WALES HOSPITAL WILL BE DESIGNATED AS AN URBAN CLEARWAY FROM 7 AM TO 12 MIDNIGHT DAILY.

A SHORT SECTION OF HANG HAU-BOUND CLEAR WATER BAY ROAD NEAR ERSKINE CAMP WILL ALSO BE MADE AN URBAN CLEARWAY, BUT THE OPERATING HOURS WILL BE FROM 7 AM TO 7 PM EVERY DAY.

IN SHEUNG WAN, PUBLIC LIGHT BUSES WILL BE BANNED FROM STOPPING FOR PASSENGERS ALONG HOSPITAL ROAD FROM 7 AM TO 12 MIDNIGHT DAILY.

THE 24-HOUR CLEARWAY RESTRICTION AT BEECH STREET IN TAI KOK TSUI BETWEEN CHERRY STREET AND ANCHOR STREET WILL BE RESCINDED FROM 10 AM THAT MORNING.

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WEDNESDAY, NOVEMBER 24, 1982

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TEMPORARY ROAD CLOSURE IN KWAI CHUNG AND CENTRAL  
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KWAI HOP STREET IN KWAI CHUNG WILL BE TEMPORARILY CLOSED TO TRAFFIC FROM 1 PM TO 5 PM ON THURSDAY (NOVEMBER 25) FOR THE OPENING CEREMONY OF THE CONSTRUCTION INDUSTRY TRAINING CENTRE.

IN CENTRAL, CLEVERLY STREET BETWEEN BURD STREET AND JERVOIS STREET WILL ALSO BE CLOSED FROM 2.30 PM ON SATURDAY (NOVEMBER 27) TO 12 MIDNIGHT ON SUNDAY TO FACILITATE THE LAYING OF TELEPHONE DUCTS.

WESTBOUND MOTORISTS ON JERVOIS STREET HEADING FOR BONHAM STRAND ARE ADVISED TO USE MORRISON STREET.

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TENANCY INVITED FOR CAR PARK SITE  
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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT TERM TENANCY OF A PUBLIC CAR AND GOODS VEHICLE PARKING SITE IN KWUN TONG.

THE SITE, SITUATED AT THE JUNCTION OF KO CHIU ROAD AND YAN WING STREET, MEASURES ABOUT 2 100 SQUARE METRES.

THE TENANCY WILL BE INITIALLY FOR ONE YEAR CERTAIN AND THEREAFTER QUARTERLY.

THE CLOSING DATE FOR THE ACCEPTANCE OF TENDERS IS 12 NOON ON DECEMBER 10.

TENDER FORMS, NOTICES, AND CONDITIONS MAY BE OBTAINED FROM, AND TENDER PLANS INSPECTED AT, THE DISTRICT LANDS OFFICE, KOWLOON EAST, KOWLOON GOVERNMENT OFFICES 9/F., 405 NATHAN ROAD, KOWLOON.

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