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CS: SURVEY OFFICE REPORT A REMARKABLE DOCUMENT

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THE REPORT OF THE SURVEY OFFICE ON THE PUBLIC RESPONSE TO THE GREEN PAPER IS A REMARKABLE DOCUMENT, NOT JUST BECAUSE OF ITS SIZE AND DETAIL, BUT BECAUSE IT REFLECTS THE VIEWS CONTAINED IN OVER 130,000 SUBMISSIONS SENT DIRECT TO THE SURVEY OFFICE, AS WELL AS IN NEARLY 170 PUBLIC OPINION SURVEYS AND OVER 20 SIGNATURE CAMPAIGNS, ON HOW THE PEOPLE OF HONG KONG WISH TO SEE THE SYSTEM OF GOVERNMENT DEVELOP IN 1988 AND BEYOND, THE CHIEF SECRETARY, THE HON DAVID FORD, SAID TODAY (WEDNESDAY).

TABLING THE REPORT AT THE LEGISLATIVE COUNCIL MEETING, MR FORD SAID THE MAGNITUDE OF THAT RESPONSE FAR EXCEEDED THAT IN ANY PREVIOUS PUBLIC CONSULTATION EXERCISE.

HE SAID THAT THERE HAD BEEN UNDERSTANDABLE PUBLIC CONCERN AT THE DISCOVERY THAT SOME SUBMISSIONS TO THE SURVEY OFFICE WERE NOT ACTUALLY SENT BY THOSE FROM WHOM THEY PURPORTED TO HAVE BEEN SENT.

A TOTAL OF 1,909 SUBMISSIONS WERE DELETED FROM THE SURVEY OFFICE RECORDS AND REFERRED TO THE POLICE FOR INVESTIGATION.

THESE SUBMISSIONS ADVOCATED VERY DIFFERENT POINTS OF VIEW. WHILE 904 SUPPORTED AND 977 OPPOSED THE INTRODUCTION OF DIRECT ELECTIONS IN 1988, 28 DID NOT COMMENT SPECIFICALLY ON THE TIMING OF DIRECT ELECTIONS, HE SAID.

MR FORD SAID THAT OF THE FURTHER 542 ALLEGED FALSE SUBMISSIONS WHICH CAME TO LIGHT TOO LATE TO BE EXCISED FROM THE SURVEY OFFICE REPORT, 238 SUPPORTED AND 293 OPPOSED THE INTRODUCTION OF DIRECT ELECTIONS IN 1988, AND 11 DID NOT COMMENT ON THE TIMING OF DIRECT ELECTIONS.

"IT IS INDEED A PITY THAT A SMALL MINORITY SHOULD APPARENTLY HAVE SOUGHT TO INFLUENCE THE OUTCOME OF THE SURVEY WITH THE SUBMISSION OF BOGUS OPINIONS; BUT THESE INCIDENTS SHOULD BE VIEWED IN PERSPECTIVE.

"THERE CAN BE NO DOUBT THAT THE VAST MAJORITY OF SUBMISSIONS ARE GENUINE AND MADE IN GOOD FAITH," HE SAID.

OVER 90 PER CENT OF ALL SUBMISSIONS FROM INDIVIDUALS AND GROUPS OF INDIVIDUALS INCLUDED IDENTITY CARD NUMBERS WHICH COULD BE CROSS-CHECKED AGAINST THE NAMES SUPPLIED.

ALL SUBMISSIONS BEARING AN ADDRESS WERE ACKNOWLEDGED IN WRITING BY THE SURVEY OFFICE, HE SAID, ADDING THAT IT WAS THROUGH THIS MECHANISM THAT THE EXISTENCE OF THE FALSE SUBMISSIONS WAS DISCOVERED.

/MR FORD

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MR FORD SAID: "FAR FROM UNDERMINING THE CREDIBILITY OF THE SURVEY OFFICE REPORT, THE DETECTION OF THESE FALSE SUBMISSIONS HAS DEMONSTRATED THE EFFECTIVENESS OF THE PROCEDURES ADOPTED BY THE SURVEY OFFICE TO ASCERTAIN BEYOND REASONABLE DOUBT THAT THE SUBMISSIONS REFLECTED IN THE REPORT WERE AUTHENTIC."

FURTHER EVIDENCE OF THE THOROUGH SCRUTINY WHICH HAD BEEN BROUGHT TO BEAR ON ALL ASPECTS OF THE WORK OF THE SURVEY OFFICE WAS PROVIDED IN THE REPORT BY THE INDEPENDENT MONITORS, HE SAID.

THE INDEPENDENT MONITORS WERE REQUIRED BY THEIR TERMS OF REFERENCE "TO OBSERVE ALL ASPECTS OF THE WORK OF THE SURVEY OFFICE AND TO SUBMIT THEIR INDEPENDENT REPORT TO THE GOVERNOR AS TO WHETHER THEY ARE SATISFIED THAT THE SURVEY OFFICE HAS PROPERLY, ACCURATELY AND IMPARTIALLY CARRIED OUT ITS DUTIES AND FOLLOWED THE PROCEDURES PRESCRIBED IN ITS TERMS OF REFERENCE.

"IT IS QUITE CLEAR THAT THE MONITORS HAVE OBSERVED ALL ASPECTS OF THE WORK OF THE SURVEY OFFICE VERY CLOSELY, AND THAT CONSIDERABLE WEIGHT CAN AND SHOULD BE ATTACHED TO THEIR JUDGEMENT THAT THE SURVEY OFFICE HAS PROPERLY, ACCURATELY AND IMPARTIALLY CARRIED OUT ITS DUTIES," MR FORD SAID.

MR FORD WENT ON TO SAY THAT WHILE IT WOULD NOT BE APPROPRIATE FOR HIM TO COMMENT ON THE PATTERN OF PUBLIC RESPONSE, THE PUBLIC OPINION ON EACH OF THE MAJOR ISSUES IN THE GREEN PAPER HAD BEEN COLLATED AND WAS RECORDED IN DETAIL IN THE VARIOUS CHAPTERS OF THE SURVEY REPORT.

"AS EXPECTED, THE ISSUE OF WHETHER THERE SHOULD BE DIRECT ELECTIONS TO THIS COUNCIL, AND IF SO WHEN, HAS DOMINATED PUBLIC RESPONSE TO THE GREEN PAPER WITH NEARLY 96 PER CENT OF SUBMISSIONS COMMENTING ON THIS ISSUE.

"THE QUESTION WAS ALSO THE SUBJECT OF NEARLY ALL THE PUBLIC OPINION SURVEYS WHICH HAVE BEEN CONDUCTED, EITHER BY THE FIRM COMMISSIONED BY THE SURVEY OFFICE OR BY OTHERS, AS WELL AS ALL THE SIGNATURE CAMPAIGNS AND SIMILAR DOCUMENTS," HE SAID.

MR FORD SAID THAT IT WOULD NOW BE NECESSARY FOR THE GOVERNMENT TO APPROACH, WITH GREAT CARE, THE TASK OF ASSESSING THE OUTCOME OF PUBLIC CONSULTATION ON THE 1987 REVIEW AND DECIDING ON THE POLICIES TO BE ADOPTED AT THE CONCLUSION OF THE EXERCISE, WHICH MEANT REFLECTING CAREFULLY ON ALL THE MATERIAL CONTAINED IN THE SURVEY OFFICE REPORT.

"ALL THE VIEWS WHICH HAVE BEEN EXPRESSED ARE IMPORTANT AND ALL WILL BE TAKEN FULLY INTO ACCOUNT."

MR FORD SAID THAT IMPORTANT DECISIONS WOULD NEED TO BE TAKEN OVER THE NEXT THREE OR FOUR MONTHS ON WHAT CHANGES IT WOULD BE RIGHT TO MAKE IN 1988, AND HE NOTED THAT THE WHITE PAPER WOULD BE PUBLISHED IN EARLY 1988.

"I AM FULLY CONFIDENT THAT, WHEN IT IS PUBLISHED, THE PEOPLE OF HONG KONG WILL SEE THAT THE GOVERNMENT HAS HONoured ITS COMMITMENT TO TAKE FULL ACCOUNT OF THEIR VIEWS," HE SAID.

DEFINITION OF 'QUALIFIED ENGINEER' AMENDED

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THE HON CHENG HON-KWAN MOVED A RESOLUTION AT THE LEGISLATIVE COUNCIL MEETING TODAY (WEDNESDAY) TO SET OUT PROPOSED AMENDMENTS TO THE DEFINITIONS OF "AUTHORIZED PERSON" AND "QUALIFIED ENGINEER" IN THE AIR POLLUTION CONTROL (SPECIFIED PROCESSES) REGULATIONS 1987 AND THE AIR POLLUTION CONTROL (FURNACES, OVENS AND CHIMNEYS) (INSTALLATION AND ALTERATION) (AMENDMENT) REGULATIONS 1987.

MR CHENG SAID HE HAD MET WITH REPRESENTATIVES OF THE ADMINISTRATION AS WELL AS THE HONG KONG INSTITUTION OF ENGINEERS, WHO HAD EXAMINED THE DEFINITIONS CAREFULLY.

HE SAID: "IN THE DEFINITION OF 'AUTHORIZED PERSON', THE REFERENCE TO 'MUNICIPAL ENGINEER' SHOULD BE DELETED, TO TAKE ACCOUNT OF THE FACT THAT THE INSTITUTION OF MUNICIPAL ENGINEERS NO LONGER EXISTS, AND THAT A SIMILAR AMENDMENT TO THE BUILDINGS ORDINANCE HAD BEEN PASSED IN THE COUNCIL ON JULY 15, 1987.

"FURTHERMORE, THE DEFINITION SHOULD INCLUDE A SURVEYOR WHOSE NAME WAS IN LIST III OF THE AUTHORIZED PERSON'S REGISTER KEPT UNDER SECTION 3 OF THE BUILDINGS ORDINANCE, SINCE HE WAS AS MUCH AN AUTHORIZED PERSON AS THOSE WHOSE NAMES WERE KEPT IN LIST I AND LIST II."

MEANWHILE, IN THE DEFINITION OF 'QUALIFIED ENGINEER', REFERENCE SHOULD BE MADE TO CORPORATE MEMBERS OF THE HONG KONG INSTITUTION OF ENGINEERS ADMITTED ON OR AFTER DECEMBER 5, 1975 UNDER THE BUILDING SERVICES, CHEMICAL, MARINE OR MECHANICAL ENGINEERING DISCIPLINE.

"THE REASON FOR THIS AMENDMENT IS OBVIOUS, SINCE CORPORATE MEMBERS UNDER THE ABOVE DESCRIPTION ARE RECOGNIZED ENGINEERS, JUST AS CORPORATE MEMBERS OF THE HONG KONG INSTITUTION OF ENGINEERS ADMITTED ON OR AFTER THE SAME DATE UNDER OTHER DISCIPLINES ARE RECOGNIZED UNDER THE BUILDINGS ORDINANCE," HE SAID.

HE ADDED THAT AN AMENDMENT SHOULD ALSO BE MADE TO CORRECT AN INCOMPLETE REFERENCE TO THE CHARTERED INSTITUTION OF BUILDING SERVICES ENGINEERS.

MR CHENG SAID HE WAS FULLY AWARE OF THE CURRENT RE-STRUCTURING OF THE MEMBERSHIP OF THE HONG KONG INSTITUTION OF ENGINEERS WITH A VIEW TO REGISTERING ENGINEERS WHO MIGHT INCLUDE QUALIFIED PERSONS NOT BELONGING TO THE INSTITUTION.

HE NOTED THAT HE FELT STRONGLY THAT UPON FULL COMPILATION OF THE LIST OF REGISTERED ENGINEERS WITH GOVERNMENT'S ENDORSEMENT, SUCH REGISTERED ENGINEERS SHOULD BE REFERRED TO IN ALL RELEVANT LEGISLATIONS IN LIEU OF CORPORATE MEMBERSHIP OF ALL OTHER INSTITUTIONS TO ENSURE A HIGH DEGREE OF PROFESSIONALISM.

MR CHENG TOOK THE OPPORTUNITY TO THANK THE ADMINISTRATION FOR ITS UNDERSTANDING AND COOPERATION DURING THE COURSE OF DISCUSSION ON THE AMENDMENT AND TO THE PRESIDENT OF THE HONG KONG INSTITUTION OF ENGINEERS FOR HIS VALUABLE ADVICE.

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NEED FOR FUTURES MARKET CALLED INTO QUESTION

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THE SENIOR MEMBER OF THE LEGISLATIVE COUNCIL, THE HON MISS LYDIA DUNN, TODAY (WEDNESDAY) WELCOMED THE GOVERNMENT'S DECISION TO APPOINT A COMMITTEE TO REVIEW THE STRUCTURE AND OPERATION OF HONG KONG'S STOCK AND FUTURES EXCHANGES.

"WE MUST NOW REVIEW THOSE STRUCTURES URGENTLY IF WE ARE TO RETAIN HONG KONG'S CREDIBILITY," SHE SAID WHEN LEADING OFF THE COUNCIL'S DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

SHE REQUESTED THE GOVERNMENT TO CONSIDER THE FUNDAMENTAL QUESTION OF WHETHER HONG KONG NEEDED A STOCK INDEX FUTURES MARKET, AND IN WHAT WAY SUCH A "LICENSED CASINO" CONTRIBUTED TO HONG KONG'S ECONOMY.

"IN A SMALL PLACE LIKE HONG KONG, IS IT POSSIBLE TO HAVE A FUTURES MARKET WITHOUT RELYING UPON SPECULATORS TO PROVIDE A COUNTER PART TO THOSE WHO WANT TO HEDGE?" SHE ASKED.

MISS DUNN POINTED OUT THAT IN HER OPINION, THE SYSTEM WAS NOT LACKING IN "GOOD LAW" BUT IN "GOOD MANAGEMENT".

BY THIS SHE MEANT THAT THERE WERE ADEQUATE POWERS TO SAFEGUARD THE PUBLIC INTEREST, BUT THE WILL TO EXERCISE THOSE POWERS WAS WANTING.

MISS DUNN BELIEVED THERE WERE LESSONS TO BE LEARNT FROM THE RECENT EVENTS.

FIRST, THERE APPEARED TO HAVE BEEN TOO MANY CONFLICTS OF INTEREST IN THOSE WHO TOOK ON THE RESPONSIBILITY OF RUNNING ORDERLY MARKETS.

"WHERE THE POACHERS AND GAMEKEEPERS ARE THE SAME PERSONS, SELF REGULATION CAN FAIL, ESPECIALLY WHERE THE STAKES ARE HIGH," SHE SAID.

SECOND, THE GOVERNMENT AND ITS WATCHDOGS, THE SECURITIES COMMISSION AND THE COMMODITIES TRADING COMMISSION, WHICH HAD THE DUTY TO SUPERVISE THE MARKETS AND SAFEGUARD THE INTEREST OF GENUINE INVESTORS, MUST HAVE KNOWN FOR A LONG TIME THAT THE RAPID GROWTH IN THE VOLUME OF TRADING, PARTICULARLY IN THE FUTURES MARKET, HAD OVERSTRETCHED THE STRUCTURE ON WHICH THOSE MARKETS DEPENDED.

"WHY DID THE GOVERNMENT AND ITS WATCHDOGS NOT ACT? DID THEY NOT SEE THE NEED TO ACT? OR DID THEY LACK THE WILL TO ACT?" SHE ASKED.

MISS DUNN STRESSED THE NEED FOR AN EFFECTIVE SYSTEM OF CHECKS AND BALANCES IN A FAIR MARKET.

/"WHAT WE

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"WHAT WE NEED ARE STRUCTURES THAT PREVENT TOO MUCH POWER BEING IN TOO FEW HANDS, AND AN EFFECTIVE SYSTEM OF MONITORING THAT WILL PROVIDE CLEAR WARNING OF EMERGING PROBLEMS, AND A DECISIVENESS OF RESPONSE IN DEALING WITH THEM," SHE SAID.

TURNING TO THE CIVIL SERVICE, THE SENIOR MEMBER REGARDED THE GOVERNOR'S DECISION TO REVIEW THE TOP MANAGEMENT STRUCTURE OF THE SERVICE AS AN INDICATION OF THE GOVERNMENT'S OPEN-MINDEDNESS.

SHE HOPED THAT THE DISTRIBUTION OF RESPONSIBILITIES BETWEEN SECRETARIES AND THE WORKING RELATIONSHIP AND RELATIVE ROLES OF SECRETARIES AND HEADS OF DEPARTMENTS WOULD BE CONSIDERED IN THE CONTEXT OF THE RESPONSIBILITIES OF THE GOVERNOR IN EXECUTIVE COUNCIL AND OF THE LEGISLATIVE COUNCIL, AND OF THE STATUTORY RESPONSIBILITIES AND FINANCIAL ACCOUNTABILITY OF HEADS OF DEPARTMENTS.

COMMENTING ON THE PROVISION OF 35 ADMINISTRATIVE SERVICE POSTS IN THE GOVERNMENT SECRETARIAT, MISS DUNN DOUBTED WHETHER SUCH A CONCENTRATION OF THE ADMINISTRATIVE SERVICE IN THE SECRETARIAT WAS REALLY THE BEST WAY TO USE ALL THE MANPOWER.

SHE SAID THAT ONE GREAT DISADVANTAGE OF THIS CONCENTRATION WAS THAT MANY OFFICERS WOULD INEVITABLY SPEND MOST OF THEIR CAREERS IN THE SECRETARIAT AND WOULD BE CUT OFF FROM CONTACT WITH THE PUBLIC AND FROM DAY-TO-DAY WORKING CONTACT WITH THEIR COLLEAGUES WHO WERE AT THE SHARP END.

"THE GOVERNMENT AT ALL LEVELS MUST BE READY AND WILLING - AND LET ME STRESS WILLING - NOT JUST TO CONSULT BEFORE DECISIONS ARE TAKEN. IT MUST ALSO RECOGNISE THE NEED TO EXPLAIN AND JUSTIFY THOSE DECISIONS EFFECTIVELY TO THE PUBLIC AT LARGE, AND PARTICULARLY TO THOSE WHO ARE DIRECTLY AFFECTED," SHE SAID.

"PEOPLE ARE JUST NOT PREPARED TO ACQUIESCE IN GOVERNMENT BY EDICT AS THEY ONCE DID, PARTICULARLY WHEN THEIR MEANS OF LIVELIHOOD IS AT STAKE," SHE SAID.

MISS DUNN BELIEVED THAT THE OLD-FASHIONED ATTITUDES OF THE GOVERNMENT MIGHT DISAPPEAR MORE QUICKLY IF THE SECRETARIAT WERE STAFFED BY PEOPLE WHO HAD HAD RECENT EXPERIENCE OF WORKING AT THE SHARP END.

"NO ONE SHOULD GO INTO THE SECRETARIAT IN HIS TWENTIES AND NOT EMERGE INTO THE LIGHT OF DAY UNTIL HE IS MIDDLE-AGED. HE MAY BE TOO SET IN HIS BUREAUCRATIC WAYS BY THEN," SHE SAID.

SUCH AN ARRANGEMENT COULD ALSO BENEFIT THE FRONT-LINE DEPARTMENTS, SHE SAID. THE SECRETARIAT WOULD HAVE A BETTER UNDERSTANDING OF THE PROBLEMS OF RUNNING A DEPARTMENT AND THE DEPARTMENTS WOULD HAVE A BETTER UNDERSTANDING OF HOW THE SECRETARIAT WORKED.

/MISS DUNN

MISS DUNN WELCOMED THE GOVERNMENT'S INCREASED WILLINGNESS TO ACCEPT NEW IDEAS AND NEW WAYS OF DOING THINGS.

"HONG KONG GROWS AND CHANGES SO FAST THAT THE GOVERNMENT MUST BECOME MORE OPEN-MINDED," SHE SAID.

ON OTHER MATTERS, MISS DUNN SUPPORTED THE GOVERNMENT'S MOVE TO ESTABLISH A NEW COMMITTEE ON SCIENCE AND TECHNOLOGY; TO INCREASE THE RESEARCH FUNDS; TO IMPROVE THE LONG-TERM FINANCIAL PLANNING AND ALLOCATION OF RESOURCES; TO RE-VAMP THE HOUSING AUTHORITY AND TO SET UP THE LAND DEVELOPMENT CORPORATION.

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TIME TO STRENGTHEN SUPERVISION OF SECURITIES MARKETS

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THE STRENGTHENING OF GOVERNMENT SUPERVISION OVER HONG KONG'S SECURITIES MARKETS IS NOW DUE, THE HON PETER C. WONG SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE ANNUAL DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR WONG SAID IT WAS STILL TOO EARLY TO SAY WHAT EFFECTS THE RECENT EVENTS ON THE SECURITIES MARKETS WOULD HAVE ON HONG KONG'S POSITION AS A MAJOR INTERNATIONAL FINANCIAL CENTRE.

BUT IT WAS NOT TOO EARLY TO START PUTTING RIGHT WHATEVER DEFICIENCIES IN OUR SYSTEM WERE BROUGHT TO LIGHT BY THOSE EVENTS, HE ADDED.

HE SAID: "WE HAVE A LAISSEZ-FAIRE, NON-INTERVENTIONIST ECONOMIC AND FINANCIAL SYSTEM, BUT IF THIS SYSTEM IS TO WORK FAIRLY AND EFFICIENTLY IT MUST HAVE A SOUND AND EFFECTIVE REGULATORY FRAMEWORK IN WHICH TO OPERATE.

"OTHERWISE, THE GOVERNMENT HAS TO INTERVENE WHEN THE LAX AND OUTDATED REGULATORY FRAMEWORK IS SHOWN IN A CRISIS TO BE INADEQUATE."

MR WONG WELCOMED THE FINANCIAL SECRETARY'S ASSURANCES THAT THERE WOULD BE AN INVESTIGATION INTO WHAT HAD HAPPENED. "BUT LET THAT INVESTIGATION BE A PRODUCTIVE AND CONSTRUCTIVE ONE AND NOT MERELY A HUNT FOR CULPRITS," HE SAID.

HE SAID IT WAS FAR BETTER TO SPEND MILLIONS ON EXPANDING OUR REGULATORY AGENCIES AND EMPLOYING EXPERT CONSULTANTS TO ADVISE ON IMPROVEMENTS THAN TO SPEND BILLIONS MOPPING UP THE MESS AFTER SOMETHING HAPPENED.

MR WONG

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MR WONG OBSERVED THAT THE COLLAPSE OF THE EXCHANGE MARKETS HAD CERTAINLY ADDED A NEW DIMENSION TO THE NEED TO HAVE EFFECTIVE REMEDIES TO TACKLE COMPLEX COMMERCIAL CRIMES.

HE NOTED THAT THE RECENT CONCLUSION OF THE LONGEST AND MOST COMPLEX COURT CASE IN LOCAL HISTORY HAD SHOWN HOW NECESSARY IT WAS THAT THERE SHOULD BE REFORMS.

HE WAS, THEREFORE, PLEASED TO LEARN THAT A DRAFT BILL IMPLEMENTING, AS FAR AS POSSIBLE, THE RECOMMENDATIONS OF THE LEGCO'S SELECT COMMITTEE ON COMPLEX COMMERCIAL CRIME WOULD SOON BE PUT BEFORE THE EXECUTIVE COUNCIL.

MR WONG SAID: "I DO NOT WISH TO SUGGEST THAT THERE IS ANY SIMILARITY BETWEEN FRAUD AND ABUSES ON THE STOCK EXCHANGE, BUT THE INADEQUACIES OF OUR PRESENT SYSTEM OF INVESTIGATING AND TRYING COMPLEX COMMERCIAL CRIMES AND SUCH MATTERS AS THE ABSENCE OF ANY REAL SANCTIONS AGAINST INSIDER DEALING WILL CONTINUE TO GIVE ENCOURAGEMENT TO THE OPPORTUNIST, THE UNETHICAL, AND THE DOWNRIGHT DISHONEST."

"THIS WILL CERTAINLY BE DETRIMENTAL TO HONG KONG'S REPUTATION AS A FINANCIAL CENTRE," HE ADDED.

TURNING TO HONG KONG'S RELATIONS AND LINKS WITH CHINA, MR WONG POINTED OUT THAT TWO RECENT EXAMPLES OF SPEEDY AND CONSTRUCTIVE HELP SHOWED HOW READY CHINA WAS TO COME TO HONG KONG'S AID IN TIMES OF EMERGENCY.

THE FIRST WAS THE VERY SATISFACTORY ARRANGEMENTS FOR THE REPATRIATION BACK TO CHINA OF LARGE NUMBER OF EX-CHINA VIETNAMESE ILLEGAL IMMIGRANTS; AND THE SECOND WAS THE PARTICIPATION OF THE BANK OF CHINA IN THE EFFORTS TO SUPPORT THE FUTURES EXCHANGE.

MR WONG SAID THERE HAD BEEN DURING THE PAST YEAR CONSIDERABLE QUESTIONING OF CHINA'S INTENTIONS TOWARDS HONG KONG, PARTICULARLY IN RELATION TO THE REVIEW OF DEVELOPMENTS IN REPRESENTATIVE GOVERNMENT.

HE SAID: "IT IS NATURAL FOR THERE TO BE CONCERN THAT OUR PRESENT FREEDOMS SHOULD BE PRESERVED. IT IS UNDERSTANDABLE THAT THIS CONCERN SHOULD SOMETIMES TAKE THE FORM OF ANXIETY ABOUT OUR FUTURE.

"BUT IT WILL DO OUR CONFIDENCE IN OURSELVES AND IN OUR FUTURE NO GOOD IF WE MISTRUST CHINA'S MOTIVES TOWARDS HONG KONG AND DOUBT HER INTENTIONS TO CARRY OUT THE TERMS OF THE JOINT DECLARATION."

HE ADDED: "BY ALL MEANS LET US GUARD FREEDOMS AND EXAMINE CRITICALLY THE MANY CHANGES THAT MUST TAKE PLACE DURING THE TRANSITION PERIOD, BUT LET THIS BE AN ATTITUDE OF HEALTHY CAUTION AND NOT ONE OF UNDUE SUSPICION."

/MR WONG

MR WONG ALSO SPOKE ABOUT THE BOAT PEOPLE ARRIVING FROM VIETNAM. HE SAID THE BURDEN OF KEEPING THOSE REFUGEES HAD ALREADY FALLEN ON HONG KONG FOR FAR TOO LONG, YET THERE WAS LITTLE SIGN OF RELIEF IN THE NEAR FUTURE AND EVERY LIKELIHOOD THAT THE BURDEN WOULD INCREASE.

HE SAID HE SUPPORTED ANY SOLUTION THAT WOULD RELIEVE HONG KONG OF THIS BURDEN WHETHER IT INVOLVED REPATRIATION OR SOME OTHER METHOD. BUT IT MUST BE A SOLUTION THAT DID NOT COMPROMISE HONG KONG'S LONG AND CONSISTENT REPUTATION FOR TREATING THE BOAT PEOPLE IN A HUMANE AND DECENT MANNER.

HE SAID: "SENDING THEM BACK TO VIETNAM MAY BE A LAST RESORT, IF WE CAN BE ABSOLUTELY SURE THAT THEY WILL NOT BE PERSECUTED."

"HOWEVER, I AM FIRMLY OPPOSED TO ANY ATTEMPT OR SUGGESTION TO TURN THEM BACK BEFORE THEY LAND IN HONG KONG. THIS IS NEITHER HUMANE NOR PRACTICAL."

TURNING TO THE BRITISH NATIONAL (OVERSEAS) PASSPORT, MR WONG URGED THE BRITISH AND HONG KONG GOVERNMENTS TO DO MORE TO ENSURE THE ACCEPTABILITY OF THE PASSPORT TO FOREIGN COUNTRIES.

HE SAID THE INITIAL ENTHUSIASM FOR THE NEW PASSPORT HAD FIZZLED OUT LIKE A DAMP MATCH.

MR WONG SAID: "THOSE WHO ARE CONSIDERING WHETHER OR NOT TO TAKE OUT THE PASSPORT WOULD BE MORE INTERESTED TO KNOW HOW THE BRITISH AND HONG KONG GOVERNMENTS' PROMISES ABOUT ENSURING THE ACCEPTABILITY OF THE PASSPORT HAVE BEEN FULFILLED; WHAT POSITIVE EFFORTS HAVE BEEN MADE AND WILL BE MADE TO ENSURE THAT OTHER COUNTRIES' IMMIGRATION OFFICERS ARE FAMILIAR WITH IT; AND HOW MANY COUNTRIES SO FAR HAVE SAID THAT THEY WILL RECOGNISE IT."

"TIME IS NOT REALLY ON OUR SIDE. WHILE I APPRECIATE THE DIFFICULTIES INVOLVED, THIS IS NOT AN EXCUSE FOR NOT PURSUING THE MATTER WITH UTMOST SPEED AND EFFORT."

BOLDER SOLUTION TO LABOUR SHORTAGE NEEDED

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THE GOVERNMENT SHOULD COME UP WITH A BOLDER AND MORE EFFECTIVE SOLUTION TO THE LABOUR SHORTAGE PROBLEM, THE HON F.K. HU SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR HU SAID HONG KONG'S DEVELOPMENT HAD OUTGROWN THE POPULATION AND THERE WERE NOT ENOUGH PEOPLE TO DO THE NECESSARY WORK.

"IF THIS CONDITION IS NOT REMEDIED IN TIME, THE FUTURE DEVELOPMENT OF HONG KONG WILL BE SEVERELY HAMPERED," HE SAID.

CITING JUNE STATISTICS, MR HU SAID THERE WERE 42,300, 14,850 AND 5,940 REPORTED VACANCIES RESPECTIVELY IN THE MANUFACTURING SECTOR, THE WHOLESALE AND RELATED TRADES SECTOR AND THE FINANCE AND BUSINESS SECTOR, MARKING A 85.2 PER CENT, 109.9 PER CENT AND 132.5 PER CENT RISE RESPECTIVELY OVER JUNE LAST YEAR.

AND IN EACH OF THESE SECTORS, CONSIDERABLE WAGE INCREASES HAD BEEN INTRODUCED. "IT IS THEREFORE APPARENT THAT THE PROBLEM NOW IS NOT WHETHER THE EMPLOYERS ARE WILLING TO PAY ENOUGH TO GET PEOPLE TO WORK FOR THEM," HE SAID.

WHILE CONCEDED THAT LABOUR-SAVING METHODS AND WAGE ADJUSTMENTS WERE EFFECTIVE SOLUTIONS TO THE PROBLEM, MR HU COMMENTED THAT THESE MEASURES WOULD ONLY WORK IN THE LONG RUN AND OVER-DEPENDENCE ON THEM WOULD HAVE THE ADVERSE EFFECT OF BEING INFLATIONARY.

"ONE WAY TO SOLVE THE PROBLEM IS TO CUT BACK EXPENDITURE ON PUBLIC WORKS TO RELEASE MANPOWER ENGAGED IN PUBLIC WORKS TO OTHER SECTORS," HE SUGGESTED.

"THE MERIT OF THIS IS THAT IT CAN REDUCE THE DEMAND FOR MANPOWER AND AVOID PUSHING UP INFLATION. HOWEVER, IN THE LONG RUN, THIS COULD MEAN THAT SOME OF OUR MAJOR INFRASTRUCTURAL PROJECTS ARE NOT COMPLETED ON TIME."

ANOTHER FEASIBLE SOLUTION WAS TO RELAX IMMIGRATION REGULATIONS TO ALLOW LABOUR TO BE IMPORTED, MR HU SAID. "WE COULD CONSIDER IMPORTING WORKERS ON A CONTRACTUAL BASIS, UNDER WHICH THE WORKERS COULD ONLY WORK HERE FOR A SHORT AND LIMITED PERIOD. ON THE EXPIRY OF THAT PERIOD THEY WOULD HAVE TO RETURN TO THEIR OWN COUNTRIES," HE SAID.

"ANOTHER SHORT-TERM SOLUTION IS TO ALLOW CHINESE WORKERS TO WORK HERE ON A DAILY BASIS. THEY MAY CROSS THE BORDER IN THE MORNING AND RETURN TO CHINA IN THE EVENING.

/"THIS MEASURE

"THIS MEASURE CAN ALSO BE COMPLEMENTED BY THE ESTABLISHMENT OF AN INDUSTRIAL ZONE AT THE BORDER, EMPLOYING CHINESE LABOUR UNDER SIMILAR CONDITIONS.

"THESE SUGGESTIONS, THOUGH THEY HAVE ALREADY BEEN RULED OUT BY THE GOVERNMENT, DESERVE SERIOUS RECONSIDERATION."

MR HU ALSO URGED THE GOVERNMENT TO REVIEW ITS DECISION NOT TO SET UP A CENTRAL PROVIDENT FUND.

HE SAID : "THE SUCCESS OF HONG KONG HAS BEEN BUILT ON THE INDUSTRY OF THE LOCAL POPULATION. RETIRED WORKERS ARE ENTITLED TO ENJOY THEIR FAIR SHARE OF THE COMMUNITY'S PROSPERITY.

"THE PROPOSALS TO CHANGE THE CHARACTER OF THE LONG SERVICE PAYMENT SCHEME TO INCLUDE EMPLOYEES RETIRING DUE TO OLD AGE OR ILL HEALTH AND TO IMPROVE THE OLD AGE ALLOWANCE SCHEME WITH ITS AGE QUALIFICATION LOWERED TO 65 IN STAGES BY 1991, I AM AFRAID, ARE NOT A SUBSTITUTE FOR A CONTRIBUTORY PROVIDENT FUND SCHEME."

MR HU SAID THERE WAS NO JUSTIFICATION FOR GOVERNMENT SOCIAL SECURITY SCHEMES TO BE CONFINED TO A NON-CONTRIBUTORY BASIS, PARTICULARLY AS PREVIOUS ARGUMENTS AGAINST THE SETTING UP OF A CENTRAL PROVIDENT FUND, SUCH AS THE UNCERTAINTY OF THE FUTURE OF HONG KONG BEYOND 1997 AND THE INABILITY OF THE ECONOMY TO AFFORD SUCH A SCHEME, WERE NO LONGER RELEVANT.

NEVERTHELESS, MR HU SAID HE WAS HEARTENED BY THE FORWARD-LOOKING PROGRAMMES THE GOVERNMENT HAD PLANNED FOR HONG KONG IN THE YEARS TO COME. HE WAS CONFIDENT THAT THE OBJECTIVE OF DEVELOPING HONG KONG INTO A SOCIETY WHICH COMBINED A STRONG, EXPANDING AND COMPETITIVE ECONOMY WITH CONCERN FOR THE QUALITY OF LIFE OF ALL ITS PEOPLE COULD BE ACHIEVED.

HE AGREED ENTIRELY WITH THE GOVERNOR'S APPROACH TOWARDS THE HONG KONG-CHINA RELATIONSHIP, COMMENTING THAT IT WAS OF THE UTMOST IMPORTANCE TO FURTHER CULTIVATE AND IMPROVE THE RELATIONSHIP WITH CHINA TO ENSURE HONG KONG'S STABILITY AND PROSPERITY.

"THERE ARE THREE GUIDING PRINCIPLES FOR THIS RELATIONSHIP, NAMELY MUTUAL UNDERSTANDING, MUTUAL TRUST AND MUTUAL RESPECT," HE SAID.

MR HU EMPHASISED THAT OFFICIAL CHANNELS ALONE WERE NOT ENOUGH TO ACHIEVE THE ABOVE THREE PRINCIPLES AND MORE PRIVATE CHANNELS WERE NEEDED. "ONLY BY CULTIVATING CHANNELS FROM THE TOP TO GRASSROOTS LEVELS CAN WE BUILD UP THE FULL-SCALE RELATIONSHIP WITH CHINA THAT OUR LONG-TERM SUCCESS REQUIRES," HE SAID.

ON THE GROWING INVOLVEMENT OF THE PRIVATE SECTOR IN PUBLIC WORKS PROJECTS, MR HU DESCRIBED THIS AS A MOVE "IN THE RIGHT DIRECTION". HE CITED THE ESTABLISHMENT OF THE LAND DEVELOPMENT CORPORATION AND THE PRIVATE SECTOR'S PARTICIPATION IN REALISING TARGETS SET BY THE LONG TERM HOUSING STRATEGY AS "WELCOME SIGNS OF A GROWING PRIVATE INVOLVEMENT IN BUILDING A BETTER HONG KONG".

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ON HOUSING, MR HU SAID HE WAS GLAD THAT THE GOVERNMENT HAD TURNED TO A MORE DEMAND-ORIENTED HOUSING POLICY, TAKING INTO ACCOUNT RESIDENTS' INCREASING DESIRE TO OWN THEIR OWN HOME.

"BY PROVIDING RESIDENTS WITH THEIR OWN HOMES, WE CAN HELP TO CULTIVATE A SENSE OF BELONGING AMONG THE GENERAL PUBLIC WHICH WILL ENCOURAGE THEM TO STAY IN HONG KONG.

"AN ENLARGED HOME OWNERSHIP SCHEME ALSO SERVES ANOTHER PURPOSE. IT IS AN EFFECTIVE WAY TO STABILISE THE PROPERTY MARKET, BECAUSE THE GOVERNMENT IS IN A POSITION TO ENSURE THAT THE PRICE OF HOME OWNERSHIP SCHEME FLATS IS WITHIN THE REACH OF THOSE ELIGIBLE FOR IT," HE SAID.

ON SPORTS AND PHYSICAL RECREATION, MR HU REGRETTED THAT FUNDS ALLOCATED TO SPORTS BODIES WERE BASED ON THE LEVEL PAID YEARS AGO AND WERE ONLY ADJUSTED TO THE PREVAILING INFLATION RATE, WITHOUT TAKING INTO ACCOUNT ADDITIONAL ACTIVITIES, NEW DEVELOPMENTS AND THE NEED TO STRENGTHEN ADMINISTRATION.

"TO MEET THE IMPROVING STANDARD OF LIVING AND THUS THE GREATER DEMAND FOR SPORTS AND RECREATION, FUNDS PROVIDED TO THE RELATED BODIES HAVE TO BE DEMAND-ORIENTED, BASED ON THE ACTUAL NEED, OR ELSE LITTLE WILL BE ACHIEVED," HE SAID.

IN ADDITION, MR HU SAID THE EDUCATION SYSTEM SHOULD PLACE MORE EMPHASIS ON SPORTS AND PHYSICAL RECREATION AND THAT A DETAILED STUDY OF MATTERS RELATING TO PHYSICAL RECREATION AND HEALTH SHOULD BE UNDERTAKEN.

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DETERMINATION THE FOUNDATION OF CONFIDENCE
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THE DETERMINATION OF THE CHINESE AND BRITISH GOVERNMENTS TO IMPLEMENT IN EARNEST THE TERMS OF THE JOINT DECLARATION IS THE FOUNDATION ON WHICH THE CONFIDENCE OF THE PEOPLE OF HONG KONG AND OF THE WORLD IS BASED, THE HON WONG PO-YAN SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE ANNUAL POLICY DEBATE, MR WONG SAID HE AGREED WITH THE GOVERNOR THAT THE JOINT LIAISON GROUP AND THE LAND COMMISSION WOULD CONTINUE TO PLAY AN EFFECTIVE AND POSITIVE ROLE IN IMPLEMENTING THE JOINT DECLARATION.

REFERRING TO THE ECONOMIC SITUATION, MR WONG NOTED THAT PEOPLE OFTEN SAID IN THE PAST THAT HONG KONG'S ECONOMIC ACTIVITIES, ESPECIALLY THE MANUFACTURING INDUSTRY, WERE FLEXIBLE AND ADAPTED EASILY TO THE INFLUENCE OF EXTERNAL CHANGES.

/ "THIS WAS

"THIS WAS TRUE FOR SOME TIME, BUT I CONSIDER THAT THE SITUATION HAS ALREADY CHANGED," HE SAID.

HE NOTED THAT UP TO THE EARLY 1970'S, HONG KONG WAS AHEAD OF TAIWAN AND SOUTH KOREA. BUT AS A RESULT OF THEIR DEVELOPMENT IN THE LAST DECADE, THEY HAD ALREADY OVERTAKEN HONG KONG.

AT THE SAME TIME, OWING TO THE RAPID COMMUNICATION OF DATA, OUTSIDE CHANGES AFFECTED HONG KONG MORE QUICKLY THAN THEY AFFECTED THE TERRITORY'S NEIGHBOURS.

THEREFORE, HONG KONG SHOULD REALISE ITS CONSTRAINTS AND SHOULD BE CAUTIOUS AND NOT OVER-AMBITIOUS WHEN FORMULATING POLICY DECISIONS, MR WONG SAID.

TURNING TO THE LABOUR SHORTAGE QUESTION, MR WONG SAID THE VARIOUS INDUSTRIES SHOULD, WITHIN THEIR OWN CAPABILITIES, PROVIDE MORE BENEFICIAL CONDITIONS FOR THEIR WORKFORCE, INCLUDING BETTER WAGEES AND OTHER FRINGE BENEFITS TO ATTRACT WORKERS.

HE SUGGESTED THAT MEASURES SHOULD BE TAKEN TO REDUCE THE NUMBER OF HAWKERS WHO REPRESENTED A DRAIN ON THE WORKFORCE. BESIDES, THE SCHEME TO REVOKE HAWKER LICENCES WITH CASH COMPENSATION SHOULD BE ACTIVELY PROMOTED.

HE ALSO SUGGESTED THAT MORE SUBSIDISED NURSERIES BE ESTABLISHED SO THAT MORE WOMEN COULD TAKE UP EMPLOYMENT.

MR WONG ALSO NOTED THAT LAWS REGULATING OVER-TIME WORK BY WOMEN HAD BEEN IN FORCE FOR MORE THAN A DECADE.

HE SAID THESE REGULATIONS SHOULD BE REVIEWED BECAUSE, WITH THE CHANGE OF SOCIAL CIRCUMSTANCES, WOMEN'S STATUS HAD BEEN ELEVATED AND THEIR INDEPENDENCE WAS NOW EVEN STRONGER. OVER-RESTRICTION MIGHT CONTRADICT THEIR DESIRE FOR MORE WORK, HE SAID.

OVERALL, MR WONG SAID, THE GOVERNMENT COULD STILL DO A LOT FOR INDUSTRY.

"FOR MANY YEARS, FOR CERTAIN REASONS WHICH I PERSONALLY DO NOT QUITE UNDERSTAND, WE HAVE NOT BEEN ADOPTING A POSITIVE AND ACTIVE ATTITUDE TOWARDS THE MANUFACTURING INDUSTRY."

THE RECENT ALLOCATION OF \$100 MILLION OR \$200 MILLION TO THE HONG KONG PRODUCTIVITY COUNCIL HAD BEEN REGARDED AS AN UNPRECEDENTED, BIG ISSUE.

"COMPARED WITH THE ALLOCATIONS, WHETHER VOLUNTARY OR INVOLUNTARY, OF BILLIONS OF DOLLARS FROM THE EXCHANGE FUND, TO SOME OTHER INDUSTRIES, THE DIFFERENCE IN THE AMOUNTS IS OBVIOUS," HE OBSERVED.

/HE CONSIDERED

HE CONSIDERED THAT THE GOVERNMENT SHOULD CHANGE ITS APPROACH AND ALLOCATE, SAY, \$10 BILLION, FOR DEVELOPMENT OF HIGH TECHNOLOGY, INCLUDING A TECHNOLOGY PARK AND OTHER RESEARCH CENTRES FOR ELECTRONICS, BIO-ENGINEERING AND SO ON WHICH HE BELIEVED WOULD RECEIVE THE SUPPORT OF MANY.

ON THE DEVELOPMENT OF INFRASTRUCTURE, HE SAID HE WAS GLAD THAT THE GOVERNMENT HAD NOT SLACKENED ITS EFFORTS IN THIS ASPECT BECAUSE IT WAS ESSENTIAL IN PROMOTING PRODUCTION.

HE SAID THAT WHEN PLANNING PORT DEVELOPMENTS, CARE SHOULD BE TAKEN NOT TO NEGLECT THE ANCILLARY FACILITIES SUCH AS THE NETWORK OF ROADS AND PARKING PLACES, ESPECIALLY PARKING PLACES FOR CONTAINER LORRIES.

HE SUGGESTED THAT THE GOVERNMENT SHOULD NOT USE LAND AUCTION PRICES AS THE BASIS TO ASSESS THE NEED FOR PROVIDING PARKING PLACES BECAUSE THESE WERE ABSOLUTELY ESSENTIAL FACILITIES AND THEIR EFFECT ON PRODUCTIVITY WAS INVALUABLE.

ON HOUSING DEVELOPMENT, HE SAID THE RATIO OF HOME-OWNERSHIP FLATS SHOULD BE INCREASED.

"I BELIEVE THAT THE RENTAL FLAT TYPE PUBLIC HOUSING SHOULD BE DECREASED GRADUALLY BECAUSE, IF THE PERCENTAGE OF PEOPLE RECEIVING GOVERNMENT SUBSIDY IS RELATIVELY LARGER, THE ISSUE OF PERSONAL BENEFITS WILL EASILY COME INTO PLAY AT THE TIME OF ELECTION AND THIS HAS A BEARING ON OUR POLITICAL DEVELOPMENT," HE SAID.

HE WHOLEHEARTEDLY AGREED THAT THE GOVERNMENT SHOULD GIVE PRIORITY TO REDEVELOPING THE OLDER PARTS OF THE URBAN AREA.

"AFTER WE HAVE HAD SOME SUCCESS IN DEVELOPING NEW TOWNS, IT IS NOW TIME TO TURN OUR ATTENTION TO THE OLD AND DILAPIDATED PARTS OF THE URBAN AREA," HE SAID.

MR WONG ADDED THAT ALTHOUGH HONG KONG WAS NO LONGER CALLED A "CULTURAL DESERT", WITH THE GENERAL IMPROVEMENT IN THE LEVEL OF EDUCATION, THE DEMAND FOR CULTURAL ENTERTAINMENT FROM THE NEW GENERATION WAS NO LESS THAN THEIR REQUIREMENT FOR WORK.

HE SUGGESTED THAT THE GOVERNMENT POLICY IN THIS RESPECT SHOULD BE MORE POSITIVE, PROVIDING MORE RESOURCES TO THE BUDDING ARTISTIC GROUPS TO ENABLE THEM TO BLOSSOM, TO ENRICH THE CULTURAL LIFE OF THE PUBLIC AND TO PUT OUR EXISTING FACILITIES INTO FULL USE.

TIMELY TO EMPHASISE LOCAL CULTURAL TALENT

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WITH 21,000 THEATRE AND CONCERT HALL SEATS COMING ON STREAM THROUGHOUT THE TERRITORY BY 1989, IT IS TIMELY THAT THE GOVERNMENT'S CULTURAL POLICY SHOULD EMPHASISE THE DEVELOPMENT OF LOCAL TALENT AND LOCAL PROFESSIONAL PERFORMING COMPANIES, THE HON HILTON CHEONG-LEEN SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE POLICY DEBATE, MR CHEONG-LEEN SAID HE AGREED WITH THE GOVERNOR THAT HONG KONG WAS NOW TAKING ITS RIGHTFUL PLACE AS AN IMPORTANT CULTURAL CENTRE IN THE REGION.

ELABORATING ON THE DEVELOPMENT OF TALENT, HE SAID: "AS A FIRST STEP, THE COUNCIL FOR PERFORMING ARTS IS MAKING THE RIGHT MOVE BY SUPPORTING THE IDEA OF FORMING A LIAISON COMMITTEE FOR THE EXCHANGE OF INFORMATION AND CROSS-FERTILISATION OF IDEAS."

"ON THE OTHER HAND, THERE HAS BEEN A DISTINCT VOID IN GOVERNMENT'S SUPPORT FOR THE VISUAL ARTS AND THE LITERARY ARTS. I THEREFORE LOOK FORWARD TO THE REPORT OF THE WORKING PARTY ON THE VISUAL ARTS WHICH IS EXPECTED TO BE COMPLETED DURING THE CURRENT FINANCIAL YEAR."

FURTHERMORE, THE URBAN COUNCIL HAD TAKEN THE INITIATIVE TO PLAN THE SETTING UP OF A VISUAL ARTS CENTRE IN VICTORIA BARRACKS, WHICH SHOULD BE OPEN IN ABOUT TWO YEARS' TIME.

ON THE PROVISION OF CULTURAL AND RECREATIONAL FACILITIES IN THE OLDER AND DENSELY POPULATED URBAN DISTRICTS, MR CHEONG-LEEN SAID THE URBAN COUNCIL HAD EMBARKED ON A FARSIGHTED PLAN TO BUILD SPORTS CENTRES AND COMMUNITY ARTS CENTRES WITHIN EASY ACCESS OF URBAN RESIDENTS.

HOWEVER, WITH THE PRESSURE FROM VARIOUS DISTRICT BOARDS FOR THE GOVERNMENT TO BUILD REGIONAL CULTURAL HALLS HAVING 1,000 OR MORE SEATS, HE FELT THERE WAS A NEED FOR EVEN CLOSER CO-ORDINATION AND CO-OPERATION BETWEEN THE CITY AND NEW TERRITORIES ADMINISTRATION AND THE MUNICIPAL SERVICES BRANCH IN ENSURING THAT TOTAL RESOURCES WERE PROPERLY USED AND THAT THE POLICIES OF THE GOVERNMENT AND THE TWO MUNICIPAL COUNCILS WERE WELL UNDERSTOOD BY DISTRICT BOARDS.

EARLIER IN HIS SPEECH, REFERRING TO HONG KONG'S RELATIONSHIP WITH CHINA, MR CHEONG-LEEN EMPHASISED THAT THE CONFIDENCE OF HONG KONG PEOPLE AND THEIR DETERMINATION TO PRESERVE THEIR LIFE-STYLE AND EVOLVING SYSTEMS OF REPRESENTATIVE GOVERNMENT WERE CRUCIAL TO THE SUCCESSFUL IMPLEMENTATION OF THE JOINT DECLARATION.

ON THE DRAFTING OF THE BASIC LAW, HE HOPED THAT DRAFTERS WOULD REFLECT THE HOPES AND ASPIRATIONS OF HONG KONG PEOPLE FOR A HIGH DEGREE OF POLITICAL AUTONOMY AND PRESERVATION OF A CAPITALISTIC ECONOMIC SYSTEM BASED ON THE PRINCIPLE OF JUSTICE FOR ALL.

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HE SAW THE DECISIONS OF THE 13TH CHINESE COMMUNIST PARTY CONGRESS AS CAUSE FOR EVEN GREATER CONFIDENCE THAT CHINA WOULD CONTINUE WITH HER MODERNISATION PROGRAMME AND OPEN POLICY TO THE REST OF THE WORLD, WHICH IN TURN AUGURED WELL FOR HONG KONG'S FUTURE STABILITY AND PROSPERITY.

MR CHEONG-LEEN ALSO SAID THAT THE SIGNIFICANT ECONOMIC AND POLITICAL DEVELOPMENTS IN TAIWAN HAD PROVIDED EVEN GREATER OPPORTUNITY FOR HONG KONG TO PERFORM THE ROLE OF A NEUTRAL BASE WHEREBY TRADE, CULTURAL AND SOCIAL TIES BETWEEN THE MAINLAND AND TAIWAN COULD BE FURTHER ENHANCED.

HE FELT THIS VITAL ROLE SHOULD NOT BE LOST SIGHT OF EVEN AS THE GOVERNMENT CONTINUED IN MEASURED PACE IN REPLACING EXPATRIATE ADMINISTRATORS BY HONG KONG PEOPLE IN THE RUN-UP TO 1997.

TURNING TO THE ECONOMIC AND FINANCIAL SITUATION IN HONG KONG, MR CHEONG-LEEN SAID HE HOPED THAT ONCE THE DUST OF THE RECENT FINANCIAL CRISIS WAS SETTLED, OUR FINANCIAL INSTITUTIONS WOULD COME OUT EVEN STRONGER AND MORE DURABLE THAN EVER BEFORE.

"THE GOVERNMENT HAS THE DUTY AND RESPONSIBILITY TO THOROUGHLY INVESTIGATE, CLEAR UP AND RECTIFY THE SITUATION SO AS TO RETAIN THE CONFIDENCE OF THE PEOPLE AND HONG KONG'S CREDIBILITY AMONG THE INTERNATIONAL FINANCIAL COMMUNITY," HE SAID.

IN ORDER TO STRENGTHEN HONG KONG'S ECONOMIC VIABILITY AND USEFULNESS AS A MANUFACTURING AND ENTREPOT CENTRE, AND A FINANCIAL CENTRE, MR CHEONG-LEEN NOTED THAT THE GOVERNMENT SHOULD NOT LOSE MOMENTUM IN ITS DEVELOPMENT PLANS TO BUILD A NEW INTERNATIONAL AIRPORT.

"BY THE END OF THE CENTURY, THE NEW AIRPORT WHEN COMPLETED MAY WELL BECOME CHINA'S MOST MODERN INTERNATIONAL AIR GATEWAY TO THE OUTSIDE WORLD. AS SUCH, IT WILL REPRESENT A VITAL ELEMENT IN HONG KONG'S EXPANDING ECONOMIC INFRASTRUCTURE," HE SAID.

"OF EQUAL IMPORTANCE IS THE NEED TO EXPAND THE PORT FACILITIES SO AS TO COPE WITH THE RAPIDLY GROWING CARGO AND CONTAINER TRAFFIC FROM THE MAINLAND. THE JOINT PORT AND AIRPORT DEVELOPMENT STUDY WILL HAVE TO BE COMPLETED ON TIME, THAT IS BY THE LATE SUMMER OF 1989.

"WITH OUR SUPERB HARBOUR AS ONE OF HONG KONG'S GREATER ASSETS, WE MUST AND DEFINITELY CAN PRESERVE HONG KONG'S PROMINENT ROLE AS CHINA'S NO. 1 TRANSHIPMENT CENTRE TO THE WORLD."

MR CHEONG-LEEN SPOKE HIGHLY OF THE "COURTESY CAMPAIGN" WHEN HE TURNED TO THE TOURIST INDUSTRY.

HE SAID THIS BIENNIAL CAMPAIGN WOULD NOT ONLY STRENGTHEN CIVIC CONSCIOUSNESS AND PRIDE AMONG HONG KONG PEOPLE BUT WOULD IN THE PROCESS MAKE HONG KONG AN EVEN MORE ATTRACTIVE TOURIST DESTINATION.

/HE CALLED

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HE CALLED ON THE GOVERNMENT TO KEEP HONG KONG AS AN INTERNATIONAL ORIENTED AND BILINGUAL SOCIETY WHERE CHINESE WAS THE LOCAL "LINGUA FRANCA" AND ENGLISH THE PRINCIPAL INTERNATIONAL MEDIUM OF COMMUNICATION WITH THE WORLD.

TURNING TO REDEVELOPING THE OLDER URBAN AREAS, MR CHEONG-LEEN SAID HE WELCOMED THE SETTING UP OF THE LAND DEVELOPMENT CORPORATION TO IMPLEMENT SPECIFIC AND WELL DEFINED URBAN RENEWAL PROJECTS IN CO-OPERATION WITH THE PRIVATE SECTOR.

AS A NON-PROFIT MAKING BODY, THE LAND DEVELOPMENT CORPORATION WOULD HAVE TO WORK OUT FAIR AND EQUITABLE COMPENSATION ARRANGEMENTS FOR THOSE AFFECTED, AS WELL AS ACCEPTABLE REHOUSING ARRANGEMENTS FOR TENANTS AND OWNERS DISPLACED BY REDEVELOPMENT PROJECTS.

ADEQUATE CHECKS AND BALANCES SHOULD BE PART OF THE PROCEDURES TO ENSURE THAT THE CORPORATION DID NOT ABUSE ITS EXTENSIVE POWERS, HE STRESSED.

"I LOOK FORWARD TO METROPLAN COMING UP WITH AMONG OTHER ASPECTS A COMPREHENSIVE AND REALISTIC DEVELOPMENT PLAN, INCLUDING A LIST OF PRIORITIES FOR RECLAMATION PROJECTS, SUCH AS BETWEEN CENTRAL AND WAN CHAI DISTRICTS, WITH POINTERS FOR MORE DETAILED DISTRICT PLANNING AND URBAN RENEWAL," HE SAID.

MR CHEONG-LEEN ALSO EXPRESSED CONCERN OVER THE DETERIORATING URBAN SEWAGE SYSTEM. HE SAID IN MANY OF THE OLDER DISTRICTS, THE BLOCKING OR OVERSPILL OF THE SEWAGE SYSTEM OFTEN CAUSED BY TOO MANY RESTAURANTS BEING CONCENTRATED IN ONE OR TWO BUILDINGS, WAS ONE OF THE MOST COMMON CAUSES OF COMPLAINT AND FRUSTRATION AMONG MULTI-STORY BUILDING RESIDENTS.

ON THE SUBJECT OF SOCIAL SECURITY, MR CHEONG-LEEN SAID IT WAS HEARTENING TO HEAR THAT THE ADMINISTRATION HAD BEEN PAYING PARTICULAR ATTENTION TO THE CONCERN EXPRESSED BY LEGISLATIVE COUNCILLORS ON THE WELFARE OF THE ELDERLY AND THE FINANCIAL SECURITY OF RETIRED PERSONS.

IN ORDER TO WIN THE HEARTS AND MINDS OF OUR WORKING POPULATION, HE URGED GOVERNMENT TO ACTIVELY MAINTAIN ITS DIALOGUE WITH THE PUBLIC AND CLARIFY EVEN FURTHER WHY IN ITS VIEW A CENTRAL PROVIDENT FUND WAS NOT SUITABLE FOR THE HONG KONG ECONOMIC ENVIRONMENT.

MR CHEONG-LEEN ALSO ASKED FOR A CAREFUL REVIEW OF THE "FALSE NEWS" PROVISION IN SECTION 27 OF THE PUBLIC ORDER ORDINANCE. HE QUESTIONED IF IT WAS STILL WORTHWHILE RETAINING THE PROVISION, AS IT WAS AT PRESENT WORDED, IN HONG KONG'S LEGISLATION AS IT HAD RECEIVED HEAVY CRITICISM BOTH LOCALLY AND INTERNATIONALLY.

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RESCUE PLAN FOR EXCHANGE CRITICISED

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THE RESPONSIBILITY TAKEN ON BY THE GOVERNMENT IN INJECTING BILLIONS OF DOLLARS TO STABILISE THE FUTURES EXCHANGE IS INCOMMENSURATE WITH THE DEGREE OF INFLUENCE THE GOVERNMENT HAD ON THE AFFAIRS OF THE EXCHANGE, THE HON RICHARD LAI SAID TODAY (WEDNESDAY).

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE POLICY DEBATE, MR LAI SAID THAT IF THE GOVERNMENT DEEMED THAT THE WELL-BEING OF THE STOCK AND THE FUTURES MARKETS WAS OF SUCH IMPORTANCE AS TO WARRANT THE USE OF THE EXCHANGE FUND, THEN IT WOULD INDEED BE DIFFICULT TO RECONCILE WITH THE LATITUDE EXTENDED TO THE STOCK EXCHANGE IN DETERMINING THE CLOSURE AND BUSINESS ACTIVITIES OF THE EXCHANGES.

MR LAI SAID INVESTORS PLUNGED INTO THE MARKET AT THEIR OWN RISK; BROKERS TOOK UP CLIENTS AT THEIR OWN RISK; AND THE GUARANTEE CORPORATION CAME TO THE ARRANGEMENT AT ITS OWN RISK.

"BUT THE GUARANTEE CORPORATION HAD THE GOVERNMENT RESCUE PACKAGE TO FALL BACK ON; INSTITUTIONS ARE GUARANTEED TO GET THEIR FULL SHARE OF PROFITS WHILE ORDINARY INVESTORS ARE LEFT TO FACE BANKRUPTCY WITHOUT ASSISTANCE NOR SYMPATHY BECAUSE THEY MADE THE UNWISE DECISION," HE SAID.

THIS IRONY HAD GENERATED MUCH SUSPICION AS TO THE REAL PURPOSE OF USING THE EXCHANGE FUND, MR LAI SAID. HE QUESTIONED WHO WERE THE ACTUAL WINNERS IN THE RECENT STOCK MARKET CRISIS.

"I AM SURE THIS IS A QUESTION TO WHICH THE GENERAL PUBLIC WOULD LIKE TO KNOW THE ANSWER," HE SAID.

MR LAI WENT ON TO SAY THAT WHETHER THE CLOSURE OF THE STOCK EXCHANGE WAS RIGHT OR WRONG, IT SHOULD HAVE BEEN THE GOVERNMENT'S RESPONSIBILITY IN THE FIRST PLACE TO DETERMINE WHETHER TO SUSPEND TRADING OR NOT.

THE FACT THAT THE ADMINISTRATION MERELY AGREED TO GO ALONG WITH THE DECISION OF A SMALL GROUP OF PEOPLE WITH EXTENSIVE INTERESTS IN THE MARKETS WAS HARDLY CONVINCING THAT IT WAS EQUIPPED OR PREPARED TO ASSUME THE COMMANDING ROLE IN A CRISIS.

HE ADDED THAT THE DECISION TO CLOSE THE STOCK MARKET FURTHER DEMONSTRATED THE DANGER UNDER WHICH HONG KONG WOULD BE PLACED IF WE HAD A POLITICAL SYSTEM WHEREIN DECISIONS WERE MADE BY A SMALL GROUP OF ELITES. THE GOVERNMENT, NOW AND BEYOND, MUST BE AUTONOMOUS FOR IT TO DISCHARGE ITS ADMINISTRATIVE FUNCTIONS.

"IF THE PROPOSAL TO INSTALL A GRAND ELECTORAL COLLEGE WERE ADOPTED FOR OUR FUTURE POLITICAL SYSTEM, THE DECISIONS OF THE ECONOMIC ELITE WOULD NOT EVEN BE SUBJECT TO THE EFFECTIVE CHECKS BY AN INDEPENDENT GOVERNMENT," HE SAID.

THE ONLY WAY TO SAFEGUARD THE INTEREST OF THE PUBLIC WAS TO HAVE A LEGISLATURE WHOSE MEMBERSHIP WAS DRAWN FROM THE BROAD BASE OF THE POPULACE, HE SAID.

HE SAID HE FIRMLY BELIEVED THAT ONLY WITH A LEGISLATURE WITH WIDESPREAD SUPPORT FROM AND PARTICIPATION BY THE POPULATION COULD THE ADMINISTRATION FACE THE CHALLENGES IN THE COMING YEARS WITH THE USUAL EFFECTIVENESS THAT HAD CHARACTERISED THE SUCCESS OF HONG KONG. THE BEST WAY TO ACHIEVE THIS WAS BY MEANS OF DIRECT ELECTIONS.

MR LAI SAID HE WAS HEARTENED BY THE GOVERNMENT'S DECISION TO SET UP AN OFFICE OF THE COMMISSIONER FOR ADMINISTRATIVE COMPLAINTS. HIS FIRST IMPRESSION OF THE BILL WAS THAT IT PROVIDED QUITE ADEQUATE POWERS FOR THE COMMISSIONER TO CARRY OUT HIS DUTIES.

"HOWEVER, I HAVE RESERVATION ABOUT THE POLICE NOT BEING INCLUDED IN THE LIST OF DEPARTMENTS THAT THE COMMISSIONER COULD INVESTIGATE AND THE PROVISION THAT THE DECISIONS OF THE COMMISSIONER WILL BE FINAL," HE SAID.

TURNING TO THE DEVELOPMENT OF INFRASTRUCTURE, HE SAID THAT EXPERIENCE IN THE PAST SHOWED THAT HONG KONG COULD HAVE DONE MUCH BETTER IN PLANNING FOR NEW TOWNS AND FOR THE TRANSPORT NETWORK ESSENTIAL TO ANY METROPOLIS.

"I URGE THE GOVERNMENT TO PAY CLOSE ATTENTION TO THE CO-ORDINATION OF VARIOUS SERVICES SO THAT THE PROBLEMS WE ENCOUNTERED IN NEW TOWNS LIKE TUEN MUN, SHA TIN WOULD NOT BE REPEATED," HE SAID.

ON THE EXTENSION OF THE LIGHT RAIL TRANSIT TO URBAN AREAS, MR LAI SAID THAT SINCE THE ROUTES TO TSUEN WAN WOULD HAVE HIGHER PATRONAGE, THESE SHOULD BE GIVEN MORE WEIGHT IN THE DELIBERATION AS TO WHICH ROUTES TO EXPAND.

HE SAID THAT ANOTHER STATUTORY CORPORATION THAT HAD A POTENTIALLY SIGNIFICANT ROLE IN THE DEVELOPMENT OF OUR INFRASTRUCTURE WAS THE LAND DEVELOPMENT CORPORATION.

"I AM OF THE VIEW THAT MEASURES TO SAFEGUARD THE INTERESTS OF OWNERS AND TENANTS INVOLVED IN REDEVELOPMENTS MUST NOT BE SACRIFICED TO FACILITATE A SHORTER REDEVELOPMENT PROCESS," HE SAID.

TURNING TO ENVIRONMENT, MR LAI SAID THAT INDUSTRIAL POLLUTANTS WERE JUST AS DAMAGING AS ANIMAL WASTE, IF NOT MORE SO. HE ADDED THAT THE GOVERNMENT MUST TACKLE ALL POLLUTION WITH THE SAME VIGOUR AND NOT BE SEEN AS FAVOURING ANY PARTICULAR PARTY.

"THE ECONOMIC COSTS MAY BE HIGHER FOR INDUSTRIES TO TIDY UP THEIR OPERATIONS, BUT THE SOCIAL COSTS OTHERWISE WOULD BE MUCH HEAVIER," HE SAID.

HE ALSO SAID THAT IT WAS IMPORTANT THAT THE GOVERNMENT SHOULD NOT COMMIT ITSELF TO SOCIAL PROGRAMMES WHICH HONG KONG MIGHT HAVE TROUBLE IMPLEMENTING IN LEAN YEARS.

GOOD PLANS NEED THOROUGH IMPLEMENTATION

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LEGISLATIVE COUNCILLOR THE HON CONRAD LAM SAID TODAY (WEDNESDAY) THAT THEORETICALLY GOOD PLANS AS OUTLINED BY THE GOVERNOR IN HIS POLICY SPEECH WOULD NEED A PROPER AND THOROUGH IMPLEMENTATION IN ORDER TO GET A SATISFACTORY RESULT.

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE POLICY DEBATE, DR LAM NOTED THAT THE POLICY SPEECH HAD POINTED OUT CORRECTLY THAT THE CONTINUANCE OF SOUND ADMINISTRATION WOULD DEPEND GREATLY ON THE MAINTENANCE OF A DEDICATED AND EFFICIENT CIVIL SERVICE.

"HOWEVER, YOU DID NOT TELL US HOW YOU WOULD HANDLE THOSE UNDEDICATED, INEFFICIENT AND SUB-STANDARD CIVIL SERVANTS AND HOW YOU WOULD STRENGTHEN THE SUPERVISION AND PROMOTE THE QUALITY OF THE STATUTORY ADVISORY COMMITTEES WHICH SERVE AS YOUR EYES AND EARS," HE SAID.

HE CITED AS AN EXAMPLE THE SCHOOL MEDICAL SERVICE BOARD WHICH INCURRED AN ANNUAL SUM OF \$24 MILLIONS FROM THE PUBLIC FUND WITH 370,000 PARTICIPATING STUDENTS. HE SAID IT WAS UPON HIS APPOINTMENT TO THE BOARD THAT HE DISCOVERED THAT THE BOARD HAD NOT MET FOR EVEN ONCE IN A WHOLE YEAR.

HE QUESTIONED WHETHER THERE WAS ANY REAL VALUE FOR THE EXISTENCE OF SUCH "LIFELESS BOARDS". HE ALSO ASKED HOW MANY INACTIVE BOARDS WERE THERE IN HONG KONG AND HOW THE GOVERNMENT WOULD HANDLE THEM.

DR LAM SAID THAT THE RECENT SUSPENSION OF THE STOCK MARKET, APART FROM EXPOSING THE POOR QUALITY AND INCOMPETENCE OF SOME GOVERNMENT OFFICIALS IN HANDLING CRISIS, ALSO HIGHLIGHTED THE LONG EXISTING DRAWBACKS IN THE OPERATION AND SUPERVISORY SYSTEMS OF THE FINANCIAL MARKET.

THIS UPHEAVAL IN THE FINANCIAL MARKET CAN WELL SERVE AS A GOOD LESSON TO THOSE WHO HOLD THE VIEW THAT THE PRESENT SYSTEM HAS WORKED WELL TO MAKE HONG KONG A SUCCESS AND THINK THAT CHANGES ARE NOT NECESSARY.

"IF WE DO NOT MAKE SUITABLE ADJUSTMENT, INCLUDING DIRECT ELECTIONS IN 1988 IN OUR POLITICAL SYSTEM IN TIME, WE WOULD BE VERY UNWISE AND IRRESPONSIBLE," HE SAID.

DR LAM WENT ON TO SAY THAT AMONG THE GOVERNMENT OFFICIALS HE KNEW, MOST OF THEM WERE OF HIGH CALIBRE AND EFFICIENT. THEY DID, HOWEVER, HAVE A COMMON WEAKNESS: SUBJECTIVELY OVER-ZEALOUS IN DEFENDING THE POLICIES THEY HAD DRAWN UP.

/THEY WERE

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THEY WERE OVER-CAUTIOUS ABOUT THE WELL-MEANT AND CONSTRUCTIVE CRITICISMS AND SUGGESTIONS OF THOSE WHO WERE OUTSPOKEN ENOUGH TO CRITICISE GOVERNMENT POLICIES. FOR THIS REASON, MANY IMPORTANT CENTRAL POLICY ADVISORY COMMITTEES ARE NOT SUITABLY REPRESENTED.

HE CITED AS AN EXAMPLE LEGISLATIVE COUNCILLOR THE HON SZETO WAH. HE SAID MR SZETO WAS THE ONLY REPRESENTATIVE OF THE EDUCATION SECTOR ELECTED TO THE LEGISLATIVE COUNCIL AND YET WAS NEITHER APPOINTED A PLACE ON THE EDUCATION COMMISSION NOR THE BOARD OF EDUCATION.

"THIS IS NOT ONLY A DRAIN OF TALENT BUT ALSO AN INSULT AND CONTEMPT TO THE ENTIRE EDUCATION SECTOR," HE SAID.

HE SAID THAT IN FUTURE APPOINTMENTS TO ADVISORY BOARDS, CONSIDERATION SHOULD BE GIVEN TO THE REPRESENTATIVENESS AND WILLINGNESS TO ACCEPT DISSENTING VIEWS OF THE MEMBERS.

"ANY ATTEMPTS TO CUT OUT OPPOSITE OR DISSENTING VIEWS FROM THE MEETING, WHETHER UNDER THE PRETEXT OF 'HIGHER EFFICIENCY', 'CONSENSUS' OR 'AVOIDING CONFRONTATIONAL POLITICS', ARE THE BEGINNING OF A RETROGRESSIVE MOVE AWAY FROM DEMOCRACY. THERE ARE ALSO THE FIRST STEP TOWARDS DICTATORSHIP."

DR LAM NOTED THAT THE GOVERNOR, IN HIS POLICY SPEECH, HAD TALKED ABOUT THE DETERMINATION TO IMPLEMENT FULLY THE TERMS OF THE JOINT DECLARATION.

"YET YOU HAVE NOT TOLD US HOW THE BRITISH AND THE HONG KONG GOVERNMENT WILL IMPLEMENT THE CONCEPTS OF 'A HIGH DEGREE OF AUTONOMY' AND THE 'HONG KONG PEOPLE RULING HONG KONG'," HE SAID.

HE NOTED THAT PRIOR TO AND AFTER THE PUBLICATION OF THE GREEN PAPER ON THE 1987 REVIEW OF DEVELOPMENTS IN REPRESENTATIVE GOVERNMENT, THE CHINESE OFFICIALS REPEATEDLY MADE PUBLIC COMMENTS OPPOSING THE INTRODUCTION OF DIRECT ELECTIONS IN 1988 AND THIS HAD DIRECT INFLUENCE ON PUBLIC OPINIONS.

AT THE SAME TIME, BOTH THE BRITISH AND THE HONG KONG GOVERNMENTS KEPT SILENT ON THE ISSUE, GIVING THE IMPRESSION THAT THE MANAGEMENT AND ADMINISTRATION OF HONG KONG DURING THE TRANSITIONAL PERIOD WERE THE RESPONSIBILITIES OF THE BRITISH GOVERNMENT IN NAME ONLY, WHILE IN PRACTICE, THEY WERE UNDER THE CONTROL OF CHINA.

HE NOTED THAT AS RECENTLY STATED BY CHINESE OFFICIAL MR JI PENGFEI, THE FIRST CHIEF EXECUTIVE OF THE SPECIAL ADMINISTRATIVE REGION WOULD BE SELECTED THROUGH CONSULTATION.

"THIS IS A UNILATERAL MOVE TO ELIMINATE THE POSSIBILITY OF SELECTING THE CHIEF EXECUTIVE BY ELECTION WHICH IS STATED IN THE SINO-BRITISH JOINT DECLARATION," HE SAID.

/THE DRAFT

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THE DRAFT OF THE BASIC LAW HAD YET TO BE FINALISED AND A CONCLUSION HAD ALREADY BEEN REACHED. THE PROMISE OF A "HIGHLY AUTONOMOUS" HONG KONG AFTER 1997 PERHAPS WAS ONLY A CASTLE IN THE AIR, HE SAID.

DR LAM ALSO NOTED THAT THE GOVERNOR, IN HIS POLICY SPEECH, HAD MENTIONED THE DEVELOPMENT OF HONG KONG INTO A SOCIETY WITH CONCERN FOR THE QUALITY OF LIFE OF ALL ITS INHABITANTS.

ACCORDING TO A THESIS ON THE QUALITY OF LIFE WRITTEN BY MR PAUL DE L. HARWOOD OF THE UNIVERSITY OF OTTAWA, THE QUALITY OF LIFE COMPRISED MANY ELEMENTS WHICH INCLUDED THE RIGHT OF THE FREE EXPRESSION, ELECTORAL RIGHTS AND THE RIGHT TO PARTICIPATION IN PUBLIC DECISION MAKING.

HE SAID THE PUBLIC ORDER ORDINANCE AND THE FILM CENSORSHIP ORDINANCE, WHICH WERE PASSED IN THE LEGISLATIVE COUNCIL DURING THE LAST SESSION, WOULD OBVIOUSLY BRING ADVERSE EFFECTS TO THE QUALITY OF LIFE.

IN ORDER TO SAFEGUARD HUMAN RIGHTS, THE GOVERNMENT SHOULD INTRODUCE AMENDMENTS TO THESE TWO ORDINANCES AS SOON AS POSSIBLE, HE SAID.

HE ADDED THAT THE DELAY IN GIVING THE PUBLIC THE RIGHT TO DIRECT ELECTIONS AND THE DECISION NOT TO INTRODUCE THE CENTRAL PROVIDENT FUND WERE AGAINST THE GOVERNOR'S WORDS ON "CONCERN FOR THE QUALITY OF LIFE OF ALL THE INHABITANTS".

TURNING TO THE PROVISION OF MEDICAL AND HEALTH SERVICES, DR LAM SAID THAT AS THE POPULATION STARTED TO AGE, THE GOVERNMENT SHOULD STRENGTHEN ITS MEDICAL AND HEALTH SERVICES FOR THE ELDERLY.

WITH THE SETTING UP OF THE HOSPITAL AUTHORITY, ITS ABILITY TO IMPROVE THE QUALITY OF OUR MEDICAL SERVICES WOULD HAVE TO DEPEND ON ADEQUATE FINANCIAL SUPPORT FROM THE GOVERNMENT AS WELL AS ON THE CALIBRE OF THE MEMBERS OF THE HOSPITAL AUTHORITY AND ITS VARIOUS REGIONAL COMMITTEES, WHICH WAS A VITAL FACTOR IN DETERMINING THE SUCCESS OF THE HOSPITAL AUTHORITY.

REFERRING TO THE PROBLEM OF VIETNAMESE REFUGEES, DR LAM NOTED THAT AT PRESENT THERE WERE ABOUT 3,500 VR'S WHO HAD BEEN STRANDED IN HONG KONG FOR OVER FIVE YEARS.

HE SAID HONG KONG SHOULD FIND A PRACTICAL SOLUTION FOR THOSE WHO HAD NO CHANCES OF RESETTLEMENT OVERSEAS.

HE PROPOSED THAT HONG KONG SHOULD SET A TIME LIMIT, SAY FIVE, SEVEN OR TEN YEARS. UPON EXPIRY OF THIS PERIOD, THE REFUGEES SHOULD BE ALLOWED TO BE INTEGRATED INTO THE COMMUNITY.

IMPORTANCE OF SOUND, HEALTHY ECONOMY STRESSED

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THERE ARE NO OTHER SUBJECTS OF GREATER IMPORTANCE THAN A SOUND, HEALTHY ECONOMY AND THE MAINTENANCE OF OUR FUTURE ECONOMIC GROWTH, THE HON ALLEN LEE SAID TODAY (WEDNESDAY).

SPEAKING IN THE DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS IN THE LEGISLATIVE COUNCIL, MR LEE SAID THE GOVERNMENT'S DECISION TO USE THE EXCHANGE FUND TO INJECT \$2 BILLION INTO THE GUARANTEE CORPORATION OF THE FUTURES EXCHANGE ALONG WITH ANOTHER \$2 BILLION FROM THE FINANCIAL SERVICES SECTOR WAS A MOVE WHICH WAS ABSOLUTELY NECESSARY NOT ONLY TO UPHOLD OUR REPUTATION BUT MORE IMPORTANTLY, TO SAFEGUARD HONG KONG AS A FINANCIAL CENTRE.

HE SAID THE UNPRECEDENTED DRASTIC PLUNGE OF THE HONG KONG STOCK MARKET AND THE FUTURES INDEX MARKET FOLLOWING THE COLLAPSE OF WORLD STOCK MARKETS HAD NOT BEEN PREDICTED NOR ANTICIPATED.

"THE EVENTS WHICH HAVE HAPPENED ARE REACTIONARY AND SOMETIMES TO THE EXTENT OF BEING UNCONTROLLABLE.

"HONG KONG'S REPUTATION AS BEING ONE OF THE WORLD'S MAJOR FINANCIAL CENTRES WAS ON THE BRINK OF BEING PERMANENTLY DAMAGED AND UNREPAIRABLE."

HOWEVER, MR LEE SAID THE INCIDENT HAD SHOWN THE FLEXIBILITY AND INGENUITY OF HONG KONG.

"OUR GOVERNMENT HAD TO TAKE THE LEAD TO ENABLE US TO PULL THROUGH, OR AT LEAST TO STABILISE OUR OWN MARKET, IN VIEW OF THE WORLDWIDE ECONOMIC CRISIS.

"I FIRMLY BELIEVE THAT GOVERNMENT'S DECISION IS CORRECT AND I SUPPORT IT WHOLE-HEARTEDLY."

MR LEE SAID WE WERE LIVING IN A EVER-CHANGING WORLD AND THE INCIDENT SHOWED US HOW VULNERABLE HONG KONG WAS.

"WE MUST ALWAYS BE PREPARED TO ACT AND REACT SWIFTLY TO PREVAILING CIRCUMSTANCES. THIS IS EXACTLY WHAT WE HAVE DONE," HE SAID.

HE SAID HE WAS CONFIDENT IN HONG KONG AND IN THE LONGER TERM OUTLOOK OF HONG KONG'S ECONOMY. HOWEVER, WE MUST BE PREPARED TO RESPOND AT ALL TIMES AS OUR ECONOMY WAS STILL HEAVILY INFLUENCED BY EXTERNAL FORCES BEYOND OUR CONTROL, HE ADDED.

"OUR GOVERNMENT MUST SHOW ITS LEADERSHIP IN THE PLANNING, EXECUTION, AND DECISION MAKING PROCESS IN ORDER FOR US TO GUARD AGAINST ANY FLUCTUATIONS WHICH MAY HAPPEN IN THE FUTURE."

MR LEE ALSO SPOKE ON THE AIRPORT PROJECT, INDUSTRIAL DEVELOPMENT, AND EDUCATION AND TRAINING.

/HE SAID

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HE SAID THE AIRPORT PROJECT WAS ONE OF IMPORTANT SIGNIFICANCE PARTICULARLY AS INTEREST HAD BEEN SHOWN BY THE PRIVATE SECTOR IN PARTICIPATING IN A NEW AIRPORT SCHEME.

HE SAID THE IMPLICATIONS OF BUILDING A NEW AIRPORT WERE WIDE-RANGING. "NOT ONLY DOES IT SHOW GOVERNMENT'S CONFIDENCE IN OUR FUTURE BUT IT ALSO ENHANCES OUR DETERMINATION AND IMAGE AS AN INTERNATIONAL CITY."

HE SAID CAPITAL PROJECTS SUCH AS AN AIRPORT OFTEN HAD A LENGTHY DECISION MAKING PROCESS AND HE URGED THE GOVERNMENT TO QUICKEN ITS PACE AS THE NEED FOR A NEW INTERNATIONAL AIRPORT WOULD BE MORE PRESSING IN A YEAR OR TWO.

ON INDUSTRIAL DEVELOPMENT, MR LEE SAID OUR INDUSTRY WAS FACING INCREASING PROTECTIONISM AND COMPETITION AND WAS NARROWLY BASED.

"THERE IS NO QUESTION IN MY MIND THAT WE MUST MOVE UP-MARKET AND OUR FUTURE MUST BE MORE DEPENDENT ON KNOWLEDGE-BASED INDUSTRIES. A PROPOSAL TO SET UP A TECHNOLOGY CENTRE SHOULD NOT BE DELAYED."

HE REITERATED THAT INDUSTRY WAS THE BACKBONE OF OUR ECONOMY AND WITHOUT A DETERMINED INDUSTRIAL DEVELOPMENT PROGRAMME, HONG KONG WOULD SUFFER IN THE LONG RUN.

AS REGARDS EDUCATION AND TRAINING, MR LEE SAID HE WAS GLAD TO SEE THE GOVERNMENT'S EFFORTS AND DETERMINATION IN THESE AREAS.

"I SUPPORTED THE ESTABLISHMENT OF HONG KONG'S THIRD UNIVERSITY AND THE INCREASE OF THE RESEARCH AND DEVELOPMENT BUDGET FOR OUR TERTIARY EDUCATION INSTITUTES.

"I WOULD LIKE TO SEE MORE OF OUR YOUNG PEOPLE WHO ARE QUALIFIED TO ENTER UNIVERSITIES AND POLYTECHNICS BE GIVEN THE OPPORTUNITY TO FURTHER THEIR EDUCATION."

HE SAID TO INVEST IN EDUCATION WAS AN INVESTMENT IN THE FUTURE AND IT WAS THE BEST GUARANTEE THAT WE COULD HAVE.

MR LEE CONCLUDED BY SAYING THAT A SOUND AND HEALTHY ECONOMY MUST BE BASED ON CONFIDENCE: BUSINESS CONFIDENCE AND CONFIDENCE IN THE GOVERNMENT'S ABILITY TO TAKE THE LEAD DURING A CRISIS AND IN THE GOVERNMENT'S FLEXIBILITY IN THE POLICY AND DECISION MAKING PROCESSES.

"I RECOGNISE THAT NO GOVERNMENT IS PERFECT BUT A GOOD GOVERNMENT IS RESPONSIBLE AND RESPONSIVE.

"JUDGING FROM HONG KONG'S PAST PERFORMANCE AND ECONOMIC SUCCESS, I ACKNOWLEDGE THAT THE HONG KONG GOVERNMENT IS A RESPONSIBLE AND RESPONSIVE GOVERNMENT."

MR LEE ADDED THAT HE WAS CONFIDENT THAT WITH THE COOPERATION OF BUSINESS, GOVERNMENT AND THE COMMUNITY AT LARGE, WE COULD TAKE UP THE CHALLENGES OF THE FUTURE.

APPROPRIATE TIME FOR SOME TAX RELIEF

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THE GOVERNMENT SHOULD CONSIDER PROVIDING SOME RELIEF TO THOSE TAXPAYERS WHOSE ANNUAL INCOME FELL WITHIN THE RANGE OF \$150,001 TO \$400,000, THE HON STEPHEN CHEONG TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE LATEST STATISTICS SHOWS THAT TAXES COLLECTABLE FROM THESE TAXPAYERS (NUMBERING A TOTAL OF 77,581 PERSONS) AMOUNTED TO \$2.56 BILLION REPRESENTING 44.98 PER CENT OF TOTAL COLLECTABLE SALARIES TAX. THE RELIEF IS PERHAPS LONG OVERDUE," MR CHEONG SAID DURING THE DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

"THESE TAXPAYERS GENERALLY OCCUPY POSITIONS AS OUR SECOND AND THIRD TIER EXECUTIVES IN BOTH OUR PRIVATE AND PUBLIC SECTORS. THEY ARE INDEED THE BACKBONE OF OUR SOCIETY NOW, AND WILL ONE DAY LEAD OUR SOCIETY.

"THE EXPENDITURE OUTLAYS OF THIS GROUP OF PEOPLE ARE HIGH IN RELATION TO THEIR DISPOSAL INCOME. IT HAS BEEN REALLY TOUGH FOR THEM TO ACHIEVE ANY REASONABLE DEGREE OF SAVINGS.

"HENCE, AT A TIME WHEN THE GOVERNMENT'S COFFERS ARE LIKELY TO BE FLUSH WITH WINDFALL REVENUES THIS YEAR, A MODICUM OF TAX RELIEF FOR THIS GROUP OF TAXPAYERS SHOULD COMMAND HIGH PRIORITY.

"EVEN IF THEIR TOTAL CONTRIBUTIONS WERE TO BE CUT BY 25 PER CENT, THIS WOULD ONLY COST THE GOVERNMENT APPROXIMATELY \$500 MILLION PER ANNUM. YET, THE INTANGIBLE MORALE BOOSTING EFFECT ON THESE PEOPLE WOULD BE SO TREMENDOUS THAT IT WOULD POSITIVELY CONTRIBUTE TOWARDS HONG KONG'S CONTINUED PROGRESS."

HOWEVER, MR CHEONG SAID THE GOVERNMENT SHOULD BE CAUTIOUS IN ANY CONSIDERATION OF FURTHER TAX CUTS FOR THE BUSINESS COMMUNITY IN THE 1988-89 BUDGET AS A ONE-HALF PER CENT OR EVEN A ONE PER CENT REDUCTION IN CORPORATE PROFITS TAX WOULD NOT BE ENOUGH TO PROVIDE MUCH STIMULUS TO ECONOMIC ACTIVITY.

ON OTHER ISSUES, MR CHEONG SAID THE LONG-TERM STRATEGIES, AS PRESENTED BY THE GOVERNOR, CLEARLY DEMONSTRATED THE GOVERNMENT'S COMMITMENT TO WORKING RESPONSIBLY AND RESPONSIVELY FOR THE WELL-BEING OF HONG KONG.

HOWEVER, DESPITE THE SIGNIFICANT PROGRESS MADE ON MANY FRONTS HONG KONG STILL HAD TO ADDRESS A LOT OF PROBLEMS.

MUCH WORK STILL NEEDED TO BE DONE AND, TO BE SUCCESSFUL, ALL SECTORS OF THE COMMUNITY HAD TO WORK TOGETHER WITH DEDICATION, RESOLUTION, PRAGMATISM, UNDERSTANDING AND, ABOVE ALL, WITH A SPIRIT OF COMPROMISE.

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"UNFORTUNATELY, WHILE OUR POLITICAL SYSTEM IS EVOLVING IN A PERIOD OF SOME UNCERTAINTY, THERE IS A MARKED TENDENCY ON THE PART OF SOME PUBLIC FIGURES TO BOMBARD THE ADMINISTRATION WITH UNDUE CRITICISMS," MR CHEONG SAID.

"THE ACTIONS TAKEN BY OUR POLICY MAKERS HAVE FREQUENTLY BEEN UNDER ATTACK UNFAIRLY BY SUBJECTIVE INTERPRETATIONS BASED ON FAR-FETCHED AND SOMETIMES ERRONEOUS ASSUMPTIONS."

MR CHEONG SAID HE ACCEPTED THAT THIS WAS A PHENOMENON HONG KONG MIGHT HAVE TO PUT UP WITH AT THIS JUNCTURE OF ITS POLITICAL DEVELOPMENT. HOWEVER, A NOTE OF CAUTION NEEDED TO BE VOICED, HE ADDED.

"IN MY VIEW, SUCH PRACTICES, IF CARRIED ON FOR TOO LONG, WILL TEND TO BE UNSETTLING FOR OUR COMMUNITY.

"IT MAY ALSO BREED DISTRUST AND FRUSTRATION THAT WOULD HAVE A DAMAGING EFFECT ON THE MORALE AND EFFICIENCY OF OUR ABLE ADMINISTRATORS.

"OVER THE NEXT DECADE, IF WE ARE TO SUCCEED IN ACHIEVING THE TWIN GOALS OF STABILITY AND PROSPERITY, THE MORALE AND THE EFFICIENCY OF OUR CIVIL SERVICE MUST NOT BE DAMAGED IRRETRIEVABLY."

MR CHEONG SAID HONG KONG NEEDED AN EFFICIENT ADMINISTRATION, BACKED UP BY A BUSINESSLIKE LEGCO, TO IMPLEMENT POLICIES WITH PRAGMATISM, CONVICTION, AND WITH A SENSE OF CONTINUITY.

"IT IS WITH THIS IN MIND THAT I WOULD SINCERELY URGE BOTH OUR POLITICIANS AND ADMINISTRATORS TO TAKE CAUTION. WE HAVE ACHIEVED REASONABLE PROSPERITY BUT WE STILL HAVE A LONG WAY TO GO TO ACHIEVE LONG-TERM STABILITY."

HE SAID PETTY POSTURING COULD BECOME AN OBSTACLE TO THE ACHIEVEMENT OF DESIRED COMMON OBJECTIVES. "WE MUST WORK TOGETHER WITH MUTUAL TRUST AND PRAGMATISM IN TACKLING ALL THE IMPORTANT ISSUES BEFORE US."

TURNING TO OBSERVATIONS ON SPECIFIC ISSUES, MR CHEONG SAID THE CONTINUED HEALTH OF THE ECONOMY WAS THE KEY TO OUR FUTURE SUCCESS.

"INDEED, IF THE HEALTH OF OUR ECONOMY WERE TO BE JEOPARDISED, ALL THE RHETORIC IN THE WORLD WOULD NOT BE ABLE TO SATISFY THE REAL NEEDS AND EXPECTATIONS OF OUR CITIZENS," HE SAID.

HE ADDED THAT THE EVENTS WHICH HAD UNFOLDED OVER THE PAST TWO WEEKS HAD CLEARLY DEMONSTRATED HOW VULNERABLE HONG KONG COULD BE TO EXTERNAL FACTORS.

"OF THE PILLARS UNDERPINNING OUR ECONOMY, TWO MAJOR COMPONENTS - NAMELY, THE MANUFACTURING INDUSTRIES AND THE FINANCIAL SERVICES - ARE ALMOST ENTIRELY ORIENTED TOWARDS EXTERNAL DEMAND."

MR CHEONG SAID THESE SECTORS COLLECTIVELY PROVIDED THE BULK OF JOB OPPORTUNITIES TO THE WORKFORCE AND IF HONG KONG WAS TO ACHIEVE LONG-TERM STABILITY IT COULD NOT ALLOW THESE VITAL COMPONENTS OF THE ECONOMY TO CONTRACT SUDDENLY.

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"IT WAS AGAINST THIS BACKGROUND THAT I FULLY APPLAUDED THE GOVERNMENT'S DECISION TO DEPLOY THE EXCHANGE FUND IN UPHOLDING THE INTEGRITY AND LIQUIDITY OF OUR SECURITIES AND FUTURES MARKETS," HE SAID.

"NEVERTHELESS, SINCE 1980, FOR THE SAKE OF STABILISING HONG KONG, THE GOVERNMENT HAS HAD TO DEPLOY BILLIONS OF DOLLARS IN UPHOLDING THE INTEGRITY OF OUR MONETARY AND FINANCIAL SYSTEMS.

"DARE I SAY THAT IF A SIMILAR AMOUNT HAS BEEN SPENT IN SUPPORT OF INDUSTRIAL DEVELOPMENT, THE LONGER TERM BENEFITS TO HONG KONG'S INDUSTRIAL COMPETITIVENESS MIGHT BE EQUALLY GREAT, IF NOT GREATER."

MR CHEONG SAID IT WAS TRUE THAT, OVER THE PAST DECADE, THE IMPORTANCE OF THE FINANCIAL SERVICES SECTOR TO THE ECONOMY HAD GROWN STEADILY AND IT WOULD CONTINUE TO BE A SIGNIFICANT CONTRIBUTOR TO FUTURE GROWTH.

"BUT, WHILE WE HAVE BEEN ABLE TO STABILISE THE SITUATION FOR THE MOMENT, THE GOVERNMENT MUST DRAW LESSONS FROM THIS UNFORTUNATE EPISODE. THE EXCHANGE FUND IS NOT INEXHAUSTIBLE AND SHOULD NOT ALWAYS REMAIN THE LENDER OF LAST RESORT.

"IF WE ARE TO AVOID THE TRAUMA OF THE RECENT PAST, WE MUST MOVE QUICKLY TO STRENGTHEN OUR SUPERVISORY SYSTEM AND INJECT INTO IT THE CAPACITY TO FORESEE PROBLEMS."

INSOFAR AS OUR ECONOMIC PROSPECTS WERE CONCERNED, MR CHEONG SAID HE WAS NOT TOO CONFIDENT OF THE NEXT TWO OR THREE YEARS.

"SOME MAY ARGUE THAT OUR ECONOMIC INDICATORS HAVE BEEN SUFFICIENTLY POSITIVE AND THAT, GIVEN OUR RECORD OF PERFORMANCE IN THE LAST TWO YEARS, WE MAY LOOK FORWARD TO A REASONABLE RATE OF GROWTH IN 1988.

"I WOULD CAUTION AGAINST SUCH OPTIMISM. IN THE FIRST PLACE, THE WORLD FINANCIAL SCENE IS LIKELY TO REMAIN UNSETTLED FOR SOME CONSIDERABLE TIME. THIS MAY EVEN LEAD TO A PERIOD OF, AT BEST, A MILD RECESSION IN THE FUTURE.

"SECONDLY, PRACTICALLY ALL THE OUTPUT OF OUR MANUFACTURING INDUSTRIES ARE REPRESENTED BY CONSUMER GOODS. THE ULTIMATE SUCCESS IN OUR SALE OF SUCH PRODUCTS IN THE WORLD MARKETS IS VERY MUCH DEPENDENT ON THE LEVEL OF DEMAND IN THOSE MARKETS, ESPECIALLY DURING THE CHRISTMAS SEASON.

"THE POSSIBLE CONTRACTION OF DEMAND AS A RESULT OF THE TRAUMA THAT PEOPLE HAVE EXPERIENCED WORLDWIDE WILL AFFECT US ADVERSELY. ALREADY THERE ARE SIGNS THAT THE ORDERS HAVE BEEN SLOWING DOWN. I EXPECT THEM TO SLOW DOWN EVEN FURTHER."

MR CHEONG SAID AGAINST THIS BACKGROUND, THE GOVERNMENT SHOULD SPEND WISELY AND CONTINUE TO EXERCISE TIGHT BUDGETARY CONTROL PARTICULARLY IN RESPECT OF THOSE SERVICES PROGRAMMES WHICH DID NOT DIRECTLY OR INDIRECTLY PROMOTE EXTERNAL COMPETITIVENESS.

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REVIEW WILL HELP RESTORE CONFIDENCE

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THE REVIEW OF FINANCIAL MARKETS AS PROMISED BY THE FINANCIAL SECRETARY SHOULD BE MADE AS SOON AS POSSIBLE, THE HON PETER POON SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"A CRITICAL INVESTIGATION WOULD IDENTIFY WEAKNESSES AND SHOULD ALSO SUGGEST WHAT SHOULD BE DONE TO REVAMP THESE MARKETS AND RESTORE THE CONFIDENCE OF OUR OWN AND FOREIGN INVESTORS AND TRY TO PREVENT SUCH COLOSSAL MARKET CRASHES IN THE FUTURE," MR POON SAID DURING THE DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

HE SUGGESTED THAT THE GOVERNMENT SHOULD IDENTIFY THE DEFECTS IN MANAGEMENT, REGULATIONS, AND LEGISLATION OF THE STOCK AND FUTURES EXCHANGES AND STUDY WHETHER, IN THE LIGHT OF BITTER EXPERIENCE, GREATER CONTROL SHOULD BE EXERCISED ON SUCH MARKETS. HOWEVER, "REGULATION" SHOULD NOT AMOUNT TO "STRANGULATION".

WHILE STRESSING THAT MORE RESOURCES SHOULD BE ALLOCATED TO THE REGULATORY AUTHORITIES, MR POON SAID THE GOVERNMENT SHOULD CONTINUE TO PRESS AHEAD WITH LEGISLATION ON DISCLOSURE OF SHAREHOLDINGS AND TO SPEED UP INTRODUCTION OF MEASURES AGAINST INSIDER DEALING.

MR POON BACKED THE STEPS TAKEN BY THE GOVERNMENT TO UPHOLD THE STOCK AND FUTURES MARKETS AND THE STANDING OF HONG KONG AS A FINANCIAL CENTRE.

HE SAID: "THE CRASH IN THE WORLD STOCK MARKETS, THE WORST SINCE 1929, HIT US HARD. DURING THESE CRITICAL TIMES, THE GOVERNMENT HAD THE UNPLEASANT CHOICE THAT UNLESS IT TOOK SWIFT ACTION TO SAVE THE FUTURES MARKET, ITS COLLAPSE WOULD HAVE ENORMOUS AND FAR-REACHING REPERCUSSIONS ON OUR STOCK MARKET, FINANCIAL SECTOR, THE STRENGTH OF THE HONG KONG DOLLAR AND THE CREDIBILITY OF HONG KONG AS A FINANCIAL CENTRE.

"VARIOUS DECISIONS TAKEN MAY NOT APPEAR TO BE DESIRABLE TO SOME BUT THE IMPORTANT QUESTION IS WHETHER THEY WERE NECESSARY.

"OUR IMMEDIATE CONCERN IS, HOWEVER, TO RESCUE FIRST AS MANY PASSENGERS AND CREW OF OUR SHIP FROM A BAD STORM BEFORE WE CONDUCT AN ENQUIRY AS TO WHAT WENT WRONG, WHETHER ANYONE SHOULD BE RESPONSIBLE AND THE LESSONS TO BE LEARNT."

NOTING THAT PUBLIC FINANCES WERE IN VERY SOUND SHAPE AND ECONOMIC GROWTH WAS STILL HIGH, MR POON SAID HE BELIEVED HONG KONG COULD SURVIVE THE PREVAILING ECONOMIC STORM WITH THE LEAST POSSIBLE DAMAGE AS LONG AS PEOPLE REMAINED CALM AND SENSIBLE AND DID NOT PANIC.

NEVERTHELESS, MR POON ALSO SAID PEOPLE MUST NOT BE COMPLACENT WITH THE SOUND STATE OF HONG KONG'S ECONOMY AS IT HAD ITSELF BROUGHT VARIOUS PROBLEMS. THE FIRST PROBLEM HE CITED WAS A LABOUR SHORTAGE WHICH, HE SAID, STEMMED FROM THE TREMENDOUS GROWTH IN INDUSTRIAL OUTPUT.

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ON THE SHORTAGE OF LABOUR IN THE MANUFACTURING SECTOR, HE BELIEVED THAT RAISING WAGES ALONE WOULD NOT ATTRACT MORE PEOPLE. "THE SOLUTION IS IN GOING FOR MORE AUTOMATION OR UP-MARKET AND TO DEVELOP FEWER LABOUR-INTENSIVE INDUSTRIES," HE OBSERVED.

"THE QUESTION OF 'IMPORTED LABOUR' HAS TO BE DEALT WITH VERY CAREFULLY BECAUSE IT WOULD DISRUPT LOCAL LABOUR RELATIONS AND MAY GIVE PRETEXT TO OTHER COUNTRIES WISHING TO IMPOSE PROTECTIONISM UPON US.

"HOWEVER, IF THERE ARE LARGE NEW PROJECTS SUCH AS A NEW AIRPORT, CONSIDERATION MAY BE GIVEN TO THIS SUGGESTION SUBJECT TO VERY STRINGENT SAFEGUARDS SUCH AS AN ASSURANCE THAT SUCH WORKERS CAN ONLY WORK IN HONG KONG FOR A SPECIFIED PERIOD OF TIME AND MUST LEAVE HONG KONG AFTER THE COMPLETION OF THE PROJECT," MR POON SAID.

AS TO EMPLOYMENT IN THE SERVICE SECTOR, MR POON FELT THAT THE PROBLEM LAY NOT SO MUCH IN THE GREAT SHORTAGE IN NUMBERS AS IN EMPLOYEES' UNWILLINGNESS TO WORK FOR AN EMPLOYER FOR A SUBSTANTIAL PERIOD OF TIME OR TO WORK OVERTIME. "OUR MAIN AIM MUST AT ALL TIMES BE TO IMPROVE THE PRODUCTIVITY OF OUR WORKERS AND EMPLOYEES DESPITE THEIR FINE TRACK RECORD," HE SAID.

A SECOND PROBLEM HIGHLIGHTED BY MR POON WAS TRADE PROTECTIONISM IN THE UNITED STATES.

"PROTECTIONISM WILL CREATE TRADE RETALIATION AND CONFLICT AND WILL THROW THE WORLD INTO DEPRESSION. HONG KONG, BEING A FREE TRADE TERRITORY, SHOULD CONTINUE ITS EFFORTS TO FIGHT AGAINST ANY SUCH PROPOSED MEASURES," HE SAID.

ON THE QUESTION OF INFLATION, MR POON SAID HONG KONG COULD TOLERATE AN INFLATION RATE OF SIX TO EIGHT PER CENT IF A GDP GROWTH OF 12 PER CENT COULD BE ATTAINED. HE SUPPORTED THE RETENTION OF THE "LINKED EXCHANGE SYSTEM" EVEN THOUGH IT MEANT THAT AS THE US DOLLAR WEAKENED, HONG KONG'S INFLATION RATE WOULD GO UP.

MR POON ALSO SAID THAT REFORMS IN THE TRIAL OF COMPLEX COMMERCIAL CRIMES WAS AN AREA WHICH DESERVED URGENT ATTENTION. NOTING THAT UNDER THE PRESENT SYSTEM, THE TRIALS WERE LONG AND VERY EXPENSIVE AND AT TIMES EVEN UNFAIR TO THE PROSECUTION OR THE ACCUSED, HE HOPED THAT PROPER LEGISLATION TO IMPROVE THE TRIAL OF COMPLEX COMMERCIAL CRIMES COULD BE INTRODUCED AS SOON AS POSSIBLE.

ON TAXATION, HE NOTED THAT MOST OF THE BURDEN OF DIRECT TAX IN HONG KONG FELL ON A RELATIVELY SMALL PROPORTION OF TAXPAYERS. "THE BURDEN ON THE MIDDLE CLASS IS PARTICULARLY HEAVY AND I SUGGEST GOVERNMENT SHOULD LOOK INTO THIS PROBLEM AND SEE WHETHER SUCH A SITUATION CAN BE ALLEVIATED," HE SAID.

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HE SAW A STRONG CASE FOR SEPARATE TAXATION FOR MARRIED WOMEN AS THIS MIGHT HELP TO RELIEVE THE LABOUR SHORTAGE. A WORKING WIFE ALLOWANCE WOULD NEITHER INVOLVE HIGH ADMINISTRATIVE COSTS NOR COMPLICATE THE SIMPLE TAX STRUCTURE AND SHOULD BE SERIOUSLY CONSIDERED.

ON THE MANAGEMENT OF PUBLIC FINANCE, MR POON AGREED THAT THE GOVERNMENT SHOULD PLAY THE ROLE OF A "PRUDENT HOUSEKEEPER" AND HE WELCOMED THE INTRODUCTION OF THE RESOURCE ALLOCATION SYSTEM TO IMPROVE THE GOVERNMENT'S LONG-TERM FINANCIAL PLANNING.

SUMMING UP, MR POON SAID THE GOVERNOR'S POLICY SPEECH HAD PROVIDED A CLEAR PICTURE OF FURTHER IMPROVEMENT IN THE QUALITY OF LIFE AND IN PROVIDING BETTER FACILITIES FOR EVERYONE.

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HK NEEDS TO DIVERSIFY EXPORT MARKETS

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FUTURE PROSPECTS FOR HONG KONG EXPORTERS WILL DEPEND ON THEIR ABILITY TO FURTHER DIVERSIFY MARKETS AS THE PROPENSITY OF THE UNITED STATES, HONG KONG'S MAJOR MARKET, TO IMPORT MAY BE CONSTRAINED, DR THE HON KIM CHAM SAID TODAY (WEDNESDAY).

DR CHAM MADE THIS COMMENT WHEN SPEAKING ABOUT ECONOMIC RELATIONS BETWEEN HONG HONG AND THE UNITED STATES DURING THE POLICY DEBATE IN THE LEGISLATIVE COUNCIL.

HE SAID MANY PEOPLE ATTRIBUTED THE PRESENT WORLD ECONOMIC DIFFICULTIES TO THE UNITED STATES' SIZEABLE BUDGETARY AND TRADE DEFICITS. BUT THERE WAS UNCERTAINTY WHETHER NARROWING THE BUDGETARY DEFICITS OF THE U.S. WOULD, IN EFFECT, ACHIEVE A STATE OF WORLD ECONOMIC STABILITY.

REDUCING THE DEFICITS MIGHT WELL LEAD TO A MORE STABLE U.S. DOLLAR BUT IT MIGHT NOT NECESSARILY CONSTITUTE AN IMPETUS FOR FURTHER GROWTH OF THE U.S. ECONOMY, DR CHAM SAID.

"IF THAT IS THE CASE, THE GROWTH OF THE U.S. ECONOMY WILL REMAIN LIMITED. THIS, IN TURN, WILL TEND TO AFFECT GROWTH OF THE WORLD ECONOMY AT LARGE," HE SAID.

"INASMUCH AS THE HONG KONG DOLLAR IS PEGGED TO THE U.S. DOLLAR, THE HONG KONG ECONOMY MAY REAP SOME BENEFITS.

"THE CRUX OF THE PROBLEM IS THAT THE PROPENSITY OF THE U.S. TO IMPORT MAY THUS BE CONSTRAINED. HONG KONG, WITH ONE-THIRD OF ITS EXPORTS GOING TO THE U.S., WILL BE SUBJECTED TO THIS CONSTRAINT.

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"THEREFORE, THE FUTURE PROSPECT FOR HONG KONG EXPORTERS WILL DEPEND ON THEIR ABILITY TO FURTHER DIVERSIFY THE EXPORT MARKET."

DR CHAM ALSO SAID THAT ONLY IN THE SHORT-TERM WOULD HONG KONG BENEFIT FROM A STABLE AND RELATIVELY LOWER RATE OF CURRENCY EXCHANGE. IN THE LONG RUN, FURTHER DEVELOPMENT OF EXPORTS AND INDUSTRIES WOULD HINGE MAINLY ON TECHNOLOGICAL PROGRESS.

HE SAID IT WAS SENSIBLE FOR HONG KONG TO CONCENTRATE ON ADAPTATION OF INNOVATIVE ACTIVITIES AND GREATER EFFORT SHOULD BE MADE TOWARDS SPEEDING UP THIS PROCESS.

"IT WOULD PUT THE HONG KONG ECONOMY ON A MORE ADVANTAGEOUS POSITION VIS-A-VIS ITS EXPORT COMPETITORS SO THAT IN THE LONGER RUN, HONG KONG INDUSTRIES WILL BE ON A MORE CONCRETE FOUNDATION."

DR CHAM SAID IT WAS ENCOURAGING THAT HONG KONG WAS ENJOYING FULL EMPLOYMENT AT PRESENT.

THERE HAD BEEN A TREMENDOUS GROWTH IN EXPORTS AND, IF THIS HEALTHY GROWTH WAS TO BE SUSTAINED, HONG KONG MUST STRENGTHEN ITS INDUSTRIAL CAPABILITY BY DEVOTING MORE EFFORT TO ENHANCING ITS "HUMAN CAPITAL".

HE URGED THE GOVERNMENT TO DEVISE WAYS AND MEANS OF MINIMISING THE OUTFLOW OF PRECIOUS HUMAN RESOURCES.

DR CHAM SAID THE ESSENCE OF ECONOMIC GROWTH WAS TO PROMOTE ECONOMIC WELFARE OF THE PEOPLE AND HENCE IMPROVE THEIR STANDARD OF LIVING.

GIVEN THIS OVER-RIDING OBJECTIVE, HONG KONG MUST DO EVERYTHING FEASIBLE TO NUTURE THIS GROWTH, INCLUDING PRESERVING FREE TRADE.

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AVOID ANY STRESS WHICH REDUCES CONFIDENCE
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ANY STRESS WHICH MIGHT REDUCE BUSINESS CONFIDENCE IN HONG KONG'S FUTURE SHOULD BE AVOIDED AS FAR AS POSSIBLE, THE HON THOMAS CLYDESDALE SAID TODAY (WEDNESDAY).

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE POLICY DEBATE, MR CLYDESDALE SAID THAT IF HONG KONG WAS TO CONTINUE TO BE DEVELOPED AS A GENUINE AND SUBSTANTIAL CENTRE FOR INTERNATIONAL FINANCIAL OPERATIONS, IT COULD NOT AFFORD TO PERMIT THE KIND OF ACTIONS IN THE OPERATION OF THE FUTURES AND STOCK EXCHANGES WHICH HAD RECENTLY BROUGHT EXTENSIVE INTERNATIONAL CRITICISM AND OPPROBRIUM.

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"WE SIMPLY MUST RECOGNISE THAT IF WE ARE TO BE PART OF AN INTERNATIONAL SYSTEM THEN WE MUST PLAY BY INTERNATIONAL RULES," HE SAID.

HE SAID THE PROPOSED COMMITTEE OF INQUIRY WHICH WAS TO EXAMINE THE NEED FOR BETTER OPERATION AND REGULATION OF THE EXCHANGES SHOULD BE ASKED TO GET ON WITH ITS WORK URGENTLY AND WITH THE NECESSARY TERMS OF REFERENCE AND POWERS TO CARRY OUT A ROOT AND BRANCH STUDY.

"IT IS INTOLERABLE THAT WE SHOULD CONTINUE TO FIND THE NEED FOR IMPROVEMENTS ONLY WHEN DISASTERS OCCUR," HE SAID.

HE ADDED THAT IN VIEW OF RECENT EVENTS, HE WOULD ALSO SUGGEST THAT A RE-EXAMINATION BE CARRIED OUT OF THE TRUE BENEFITS FOR HONG KONG ARISING OUT OF THE OPERATION OF AN INDEX FUTURES EXCHANGE.

HE SAID THE FUTURES EXCHANGE WAS CLEARLY AN INSTRUMENT REQUIRING THE PARTICIPATION OF SPECULATORS IN THE FULL SENSE OF THE WORD.

"THAT BEING SO, I HAVE NO DOUBT THAT THE RULES APPLYING TO THE EXCHANGE AND PARTICULARLY TO THE ADMISSION OF BROKERS, AND TO LIQUIDITY AND MARGIN REQUIRMENTS MUST BE PRUDENT AND CAPABLE OF BEING APPLIED," HE SAID.

HE SAID HE FOUND IT EXTRAORDINARY THAT AN EXCHANGE WHICH HAD SO FAR SEEN A VERY LIMITED LIFE SHOULD ALREADY HAVE REQUIRED THE GOVERNMENT TO BAIL IT OUT WITH A POSSIBLE COMMITMENT OF ONE TO TWO BILLION DOLLARS PROVIDED FROM PUBLIC FUNDS.

"WHY SHOULD THE TAXPAYER FOOT THIS PARTICULAR BILL? WHAT REAL BENEFIT HAS THIS FUTURES EXCHANGE PROVIDED FOR THE ECONOMY AND CAN THIS BE QUANTIFIED?" HE ASKED.

TURNING TO THE ECONOMY, MR CLYDESDALE SAID THAT A MAJOR STUDY SHOULD BE CARRIED OUT, PREFERABLY BY REPUTABLE INTERNATIONAL CONSULTANTS, ON THE PRESENT POSITION OF THE HONG KONG ECONOMY, ITS STRENGTHS AND WEAKNESSES, ITS POTENTIAL FOR GROWTH IN VARIOUS SECTORS, THE PROBLEMS IT FACED AND PERHAPS SOME OF THE SOLUTIONS WHICH MIGHT OVERCOME THE PROBLEMS.

HE NOTED THAT A STUDY ON THE SCALE HE MENTIONED HAD BEEN PROPOSED BY A GROUP OF BUSINESSMEN AND INDUSTRIALISTS, SUPPORTED BY THE HONG KONG GENERAL CHAMBER OF COMMERCE AND THE HONG KONG PRODUCTIVITY COUNCIL.

A DETAILED PROPOSAL HAD BEEN OBTAINED FROM ONE OF THE WORLD'S LARGEST INTERNATIONAL CONSULTANCY ORGANISATIONS AND IT WAS CLEAR THAT, GIVEN GOVERNMENT CONCURRENCE, THE DETAILED STUDY COULD BEGIN SOON. THE COST WOULD BE PROVIDED FROM THE PRIVATE SECTOR BUT GOVERNMENT SUPPORT AND ENCOURAGEMENT WAS CLEARLY NECESSARY.

/HE ADDED

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HE ADDED THAT IN THE LIGHT OF THE POTENTIAL IMPORTANCE OF SUCH A STUDY TO THE ECONOMIC AND SOCIAL PROGRAMME OUTLINED IN THE GOVERNOR'S POLICY SPEECH, THIS STUDY SHOULD NOW GO AHEAD.

ON THE QUESTION OF A CENTRAL PROVIDENT FUND, HE SAID THAT HIS CONSTITUENCY WAS AGAINST THE IDEA, AS WERE MANY OTHER EMPLOYERS ORGANISATIONS.

"HOWEVER, WE HAVE NO DOUBT THAT THERE MUST BE A CONTINUAL AND REAL IMPROVEMENT IN OUR SOCIAL SECURITY SYSTEM AND WE HAVE SUGGESTED THAT ONE OF THE STEPS WHICH SHOULD EVENTUALLY BE TAKEN IS THE ESTABLISHMENT OF A NON MEANS TESTED OLD AGE PENSION AT THE AGE OF 65, FOR ALL QUALIFIED RESIDENTS OF HONG KONG," HE SAID.

HE ADDED THAT THERE SHOULD ALSO BE A PUBLICLY DECLARED INTENTION TO MOVE FROM PUBLIC ASSISTANCE, THAT IS OLD AGE ALLOWANCE, TO THE GRANTING OF AN OLD AGE PENSION BY RIGHT FOR ALL QUALIFIED PERSONS OF 65 OR OVER.

"ON A PHASED BASIS, WE SHOULD HAVE THE FINANCIAL MEANS TO PROVIDE SUCH SECURITY TO THE PEOPLE WHOSE TOIL HAS CONTRIBUTED SO MUCH TO OUR ECONOMY AND I CAN SEE NO REASON FOR SERIOUS DELAY IN ITS IMPLEMENTATION," HE SAID.

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INTEGRITY IN FINANCIAL MARKETS IS ESSENTIAL

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HONG KONG'S PROSPERITY CAN ONLY BE SAFEGUARDED BY STRONG AND RESPECTED LEADERSHIP AND DEMONSTRATED INTEGRITY IN THE MANAGEMENT OF FINANCIAL MARKETS, THE HON DAVID K.P. LI SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE DEBATE ON THE GOVERNOR'S ANNUAL ADDRESS, MR LI SAID THESE WERE CRUCIAL ELEMENTS IN REGAINING FOR HONG KONG THE CONFIDENCE AND CREDIBILITY OF THE REST OF THE WORLD.

HE SAID THE EVENTS OF THE PAST TWO WEEKS HAD SHOWN GOVERNMENT AT ITS INEFFECTIVE WORST.

"AT A TIME WHEN THE COLLAPSE OF THE LOCAL SECURITIES MARKETS INDICATED A NEED FOR MAJOR SURGERY, GOVERNMENT WAS SEEN TO BE RUNNING ROUND STICKING ON BAND AIDS."

MR LI SAID EFFORTS TO PROMOTE HONG KONG AS A MAJOR INTERNATIONAL FINANCIAL CENTRE AND FREE MARKET HAD NOW BEEN SEVERELY COMPROMISED WHEN, AT A TIME WHEN ALL THE OTHER WORLD MARKETS REMAINED OPEN, HONG KONG WAS CLOSED FOR FOUR DAYS.

/"THROUGHOUT THIS

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HE SAID HE ENDORSED THE GOVERNMENT'S PLAN TO SPEND AN EXTRA \$3 BILLION OVER THE NEXT FIVE YEARS TO BETTER THE SOCIAL WELFARE PROGRAMME, ALTHOUGH IT WAS, AFTER ALL, ONLY ONE AND A HALF TIMES THE MONEY THAT HAD BEEN SPENT IN 48 HOURS ON RESCUING THE HONG KONG FUTURES GUARANTEE CORPORATION.

MR LI ALSO SAID THAT DESPITE THE TURBULENT STATE OF HONG KONG'S SECURITIES MARKETS, THE FUNDAMENTALS OF THE ECONOMY REMAINED STRONG.

"ALTHOUGH THE MANUFACTURING SECTOR IS CLOUDED BY INFLATION AND A SHORTAGE OF LABOUR, THIS IS CURRENTLY THE PRICE FOR OUR COMMITMENT TO A STABLE EXCHANGE RATE FOR THE HONG KONG CURRENCY.

"UNDER THE LINKED EXCHANGE RATE REGIME, OUR ECONOMY HAS TO RESPOND TO EXTERNAL CHANGES THROUGH INTERNAL ADJUSTMENT OF COSTS AND PRICES. INFLATION AND LABOUR SHORTAGE, THOUGH UNDERSIRABLE, PROVIDE THE NECESSARY ADJUSTMENT MECHANISMS FOR OUR EXPORT-LED ECONOMIC BOOM.

"I PREFER TO SEE THESE PROBLEMS BEING RESOLVED BY MARKET FORCES RATHER THAN GOVERNMENT INTERVENTION."

MR LI SAID THAT TO CONTEND WITH MOUNTING PROTECTIONISM, HONG KONG MUST UPGRADE ITS INDUSTRIES AND MOVE IN THE DIRECTION OF "HIGH-TECH".

HE SAID THE APPLICATION OF INFORMATION TECHNOLOGY WAS THE KEY TO SUCCESSFULLY DEVELOPING HIGH-TECH INDUSTRIES AND HE URGED THE GOVERNMENT TO PAY CLOSER ATTENTION TO THIS.

UNIVERSITIES AND OTHER TERTIARY INSTITUTIONS MUST BE PREPARED TO TRAIN THE REQUIRED PROFESSIONALS TO HELP OUR ENTERPRISES IN EXPLOITING THE ADVANTAGES OF INFORMATION TECHNOLOGY, HE ADDED.

"COMPUTER KNOWLEDGE SHOULD BE TAUGHT MORE EXTENSIVELY IN OUR PRIMARY AND SECONDARY SCHOOLS. THE COMPUTER LITERACY OF OUR STUDENTS MUST BE GREATLY IMPROVED."

MR LI ALSO POINTED OUT THAT HONG KONG WAS MOVING TOWARDS A GROWING INTEGRATION OF BANKING AND NON-BANKING FINANCIAL ACTIVITIES.

"AS A RESULT, THE REGULATION AND SUPERVISION OF FINANCIAL INSTITUTIONS SHOULD BE BASED ON 'FUNCTION' RATHER THAN ON 'CLASS'."

HE SAID MANY LICENSED DTC'S IN HONG KONG, BY THEIR VERY NATURE, SHOULD BE SUPERVISED AS MERCHANT BANKS RATHER THAN AS ANOTHER CLASS OF DEPOSIT-TAKING INSTITUTIONS.

"IT WOULD ALSO BE APPROPRIATE TO USE THE NAME "MERCHANT BANKS" RATHER THAN "LICENSED DTC'S" BECAUSE THE NAME "DTC" LACKS RECOGNITION IN INTERNATIONAL MARKETS."

MR LI SAID HONG KONG MUST MAINTAIN ITS COMPETITIVE EDGE AS A FINANCIAL CENTRE AND THAT BETTER CO-ORDINATION OF MEASURES BETWEEN THE TAXATION AND BANKING SUPERVISORY AUTHORITIES WAS VITAL.

"TAX CONCESSIONS ON HONG KONG DOLLAR DEBT PAPER ARE A CASE IN POINT," HE SAID. "BY SCRAPPING THE WITHHOLDING TAX ON HONG KONG DOLLAR DEBT INSTRUMENTS SO AS TO REVIVE THE CAPITAL MARKET, HONG KONG'S ATTRACTIVENESS AS AN INTERNATIONAL FINANCIAL CENTRE COULD BE MAINTAINED."

HE ALSO SAID THE RECENT DRASTIC FALL IN THE SECURITIES MARKET APPEARED TO HAVE HAD ONLY A MINIMAL EFFECT ON THE BANKING SECTOR.

"WHILE THE SECRETARY FOR MONETARY AFFAIRS HAS DONE AN EXCELLENT JOB AS CHAIRMAN OF BANKS BAILED OUT BY PUBLIC FUNDS, IT IS HIGH TIME FOR THE GOVERNMENT TO RESOLVE THE CONFLICT OF INTEREST THAT THEY HAVE CREATED BY HAVING THE SAME PERSON ACT BOTH AS INDUSTRY REGULATOR AND AT THE SAME TIME AS THE CHAIRMAN OF THESE COMMERCIAL BANKS," HE WENT ON.

"THE RECENT SALE OF HONG KONG INDUSTRIAL AND COMMERCIAL BANK IS A GOOD PRECEDENT FOR PRIVATISATION OF GOVERNMENT CONTROLLED BANKS."

MR LI SUGGESTED THAT GOVERNMENT SHOULD MAKE GREATER EFFORTS IN RETURNING THE OTHER TWO BANKS, OVERSEAS TRUST BANK AND HANG LUNG BANK, TO PROFITABLE OPERATION AND DISPOSING OF THEM IN THE MARKET.

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SCIENCE COMMITTEE WILL MEET GROWING NEED

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THE GOVERNMENT'S DECISION TO SET UP A COMMITTEE ON SCIENCE AND TECHNOLOGY WILL EFFICIENTLY MEET A GROWING NEED IN HONG KONG, PROF THE HON POON CHUNG-KWONG SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING DURING THE POLICY DEBATE, PROF POON SAID THE COMMITTEE WOULD SERVE PRIMARILY AS A THINK-TANK FOR SCIENTIFIC ISSUES ON BEHALF OF THE GOVERNMENT, TO IDENTIFY PROBLEM AREAS AND HIGHLIGHT OPPORTUNITIES FOR DEVELOPMENT WITHIN HONG KONG.

HE SAID ONE IMPORTANT PURPOSE WHICH THE COMMITTEE WOULD SERVE WAS THE COMPILATION OF A LIST OF LOCAL PERSONNEL IN SPECIFIC SCIENTIFIC AND TECHNOLOGY FIELDS IN THE HONG KONG CONTEXT. IN THIS WAY, A SWIFT AND EFFICIENT LINK WOULD BE ESTABLISHED BETWEEN THE GOVERNMENT AND APPROPRIATE EXPERTS.

/ANOTHER AREA

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ANOTHER AREA OF PARTICULAR INTEREST AT PRESENT WAS THE POSSIBLE IMPLEMENTATION, IN THE TERRITORY, OF SOME FORM OF COMPUTER NETWORK SYSTEM.

FOR EXAMPLE, THE NETWORK WOULD FACILITATE BUSINESS TRANSACTIONS BY REPLACING CONVENTIONAL DOCUMENTARY COMMUNICATION WITH ELECTRONIC COMMUNICATION BETWEEN TRADING COMPANIES, BANKERS, INSURANCE COMPANIES, CARRIERS AND GOVERNMENT DEPARTMENTS CONCERNED WITH LICENSING, CUSTOMS DECLARATIONS, QUOTA CONTROL ETC.

"SIMILARLY, IT WOULD FALL TO THE COMMITTEE TO PROVIDE SAFEGUARDS AGAINST COMPUTER-RELATED CRIMES; AND AGAINST THE MISUSE OF THE SYSTEM OF FINANCIAL CREDIT COMMONLY REFERRED TO AS ELECTONIC MONEY," HE SAID.

PROF POON SAID THE POLICY OF THE TRANSFER OF TECHNOLOGY TO AND FROM HONG KONG WOULD BE A TOPIC OF CONCERN, AS THE TERRITORY'S INDUSTRIES LOOKED TO STEP INTO THE FUTURE, AND THUS EMBRACED MORE HIGH TECHNOLOGY.

LASERS AND RADIO ISOTOPES HAD GAINED A GREAT DEAL OF SIGNIFICANCE IN RECENT YEARS BECAUSE OF THEIR WIDE SPHERE OF APPLICATION IN SUCH FIELDS AS SCIENTIFIC RESEARCH, MEDICINE, THE BUILDING AND THE MANUFACTURING INDUSTRIES, HE WENT ON.

THE QUESTION OF SAFETY CONTROLS IN BOTH AREAS WAS ONE TO WHICH THE COMMITTEE COULD GIVE SERIOUS AND INFORMED CONSIDERATION.

HE SAID YET ANOTHER AREA OF WORK FOR THE COMMITTEE WOULD BE THAT OF LICENSING IN SUCH PROFESSIONS AS ENGINEERING.

TURNING TO THE COMPOSITION OF THE COMMITTEE, PROF POON SUGGESTED THAT THE CHAIRMAN BE CHOSEN NOT FROM AMONG MEMBERS OF THE GOVERNMENT BUT FROM THE INDEPENDENT PUBLIC.

LIKewise, THE MEMBERSHIP OF THE COMMITTEE SHOULD COMPRISE DIRECTORS, OR THEIR DEPUTIES, OF THE RELEVANT GOVERNMENT DEPARTMENTS, AND REPRESENTATIVES DRAWN FROM THE TERTIARY INSTITUTIONS AND THOSE WORKING MORE GENERALLY IN THE FIELDS OF SCIENCE AND TECHNOLOGY.

"IT IS, FURTHERMORE, TO BE HOPED THAT THE COMMITTEE WILL HAVE THE OPPORTUNITY TO HOLD INFREQUENT MEETINGS WITH LOCAL REPRESENTATIVES OF SCIENTIFIC AND PROFESSIONAL BODIES IN ORDER TO ENCOURAGE THE INPUT OF IDEAS AT AN INFORMAL LEVEL," HE SAID.

ON THE SUBJECT OF ENVIRONMENTAL PROTECTION, PROF POON SAID THE RAPID DETERIORATION OF OUR ENVIRONMENT HAD BEEN OBVIOUS TO ANYONE LIVING IN HONG KONG, FOR SOME YEARS NOW. HE FELT THAT IT HAD NOW REACHED THE STAGE WHERE URGENT INTERVENTION WAS NECESSARY.

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HE NOTED THAT THE MAIN THRUST OF THE GOVERNMENT'S ENVIRONMENTAL PROTECTION PROGRAMME TO DATE HAD BEEN ON INTRODUCING LEGISLATIVE CONTROLS.

IN ORDER TO COMBAT AIR POLLUTION, THE GOVERNMENT LIMITED THE AMOUNT OF POLLUTANTS, A FACTORY COULD EMIT; TO CLEAN UP WATERCOURSES, LEGISLATION HAD BEEN INTRODUCED TO BAN THE KEEPING OF LIVESTOCK IN URBAN AND NEW TOWN AREAS, AND TO IMPOSE CONTROLS ON INDUSTRIAL WASTE; AND TO REDUCE THE LEVEL OF NOISE POLLUTION, THE GOVERNMENT INTENDED TO IMPOSE RESTRICTIONS ON INDUSTRIAL NOISE.

PROF POON QUESTIONED WHETHER HONG KONG SHOULD RELY SOLELY ON THESE MEASURES. HE SAID IT WAS HIS FIRM BELIEF THAT EMPHASIS SHOULD ALSO BE PUT ON OTHER ASPECTS OF ENVIRONMENTAL PROTECTION.

HE SUGGESTED THAT EFFORTS SHOULD BE MADE TO HELP INDUSTRIAL MANUFACTURERS AND FARMERS TO IDENTIFY WAYS OF REDUCING THE POLLUTION THEY WERE CAUSING. SUCH MEASURES SHOULD BE IMPLEMENTED PREFERABLY EVEN BEFORE LEGISLATIVE CONTROLS WERE INTRODUCED.

THE MOST POWERFUL AND EFFECTIVE MEANS OF COMBATING POLLUTION LAY IN PLANNING, HE STRESSED.

"CONSTRUCTING MUNICIPAL INCINERATORS IN POPULATION CENTRES, AND BUILDING RESIDENTIAL BLOCKS RIGHT NEXT TO FACTORY CHIMNEYS ARE BUT SOME OF THE MORE GLARING EXAMPLES OF THE BAD PLANNING, WHICH IS PROLIFIC IN HONG KONG," HE SAID.

"IT IS OF PARAMOUNT IMPORTANCE THAT ENVIRONMENTAL PLANNING SHOULD BECOME A KEY ISSUE IN THE FUTURE OF THE TERRITORY.

"GIVEN THAT MUCH OF THE POLLUTION IN HONG KONG IS A RESULT OF POPULATION GROWTH, IT IS IMPORTANT TO INSTIL IN THE GENERAL PUBLIC A SENSE OF SOCIAL RESPONSIBILITY TOWARDS THEIR ENVIRONMENT."

PROF POON SAID THAT AT THE SAME TIME, THE PUBLIC COULD NOT HELP BUT WONDER WHY SO LITTLE IMPROVEMENT IN THE SITUATION HAD BEEN SHOWN, PARTICULARLY IN THE LIGHT OF THE EXPANSION OF THE ENVIRONMENTAL PROTECTION DEPARTMENT OVER THE LAST 10 YEARS, AND THE GREAT INCREASE IN ITS EXPENDITURE.

"PERHAPS IT IS TIME FOR THE GOVERNMENT TO REVIEW ITS WHOLE APPROACH TO THE PROBLEM OF ENVIRONMENTAL PROTECTION, WITH PARTICULAR REGARD TO IMPROVING COST-EFFECTIVENESS, AND TO CONSOLIDATION, RATER THAN CONTINUING EXPANSION OF THE DEPARTMENT," HE SUGGESTED.

FINALLY, PROF POON REMINDED THE GOVERNMENT THAT HONG KONG RELIED HEAVILY ON MAINTAINING ITS COMPETITIVE INDUSTRIAL EDGE. SOLUTIONS TO ENVIRONMENTAL PROBLEMS OVERSEAS COULD NOT BE BLINDLY APPLIED TO HONG KONG, HE SAID.

GOVERNMENT MUST BE EFFECTIVE

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GOVERNMENT MUST BE EFFECTIVE; IT DOES NOT NECESSARILY ALWAYS HAVE TO BE POPULAR, DR THE HON HELMUT SOHMEN SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE DEBATE ON THE GOVERNOR'S POLICY ADDRESS, DR SOHMEN SAID THE RESCUE PACKAGE FOR THE FUTURES MARKET PUT TOGETHER BY THE GOVERNMENT AND THE PRIVATE SECTOR IN A VERY SHORT TIME WAS NOT ONLY VERY NECESSARY BUT APPEARED TO HAVE HELPED TO ARREST THE PANIC AMONG INVESTORS.

"THE USE OF THE EXCHANGE FUND IN THIS CONNECTION HAS AGAIN, AND PREDICTABLY, BEEN CRITICISED IN SOME QUARTERS, BUT IT GOVERNMENT COULD NOT EMPLOY THE FUND TO SAFEGUARD THE CONFIDENCE IN OUR MARKETS AND FINANCIAL INSTITUTIONS, BOTH AT HOME AND ABROAD, THEN WE MIGHT AS WELL FORGET ANY ASPIRATIONS TO REMAIN A MAJOR INTERNATIONAL FINANCIAL CENTRE," HE SAID.

DR SOHMEN SAID TO PUT THINGS IN PERSPECTIVE, HONG KONG TAXPAYERS HAD SO FAR CONTRIBUTED ABOUT \$10.5 BILLION IN TOTAL TO DEFENCE SERVICES UNDER THE 1981 DEFENCE COSTS AGREEMENT WITH THE UNITED KINGDOM, AND CLOSE TO \$6 BILLION SINCE 1984, THE YEAR OF THE SIGNING OF THE JOINT DECLARATION.

HE SAID THE FINANCIAL SECRETARY IN COMING FURTHER TALKS ON THIS ISSUE COULD JUSTIFIABLY ASK AGAINST WHOM HONG KONG WAS BEING DEFENDED, WHEN HE ARGUED FOR A REDUCTION IN HONG KONG'S CONTRIBUTION.

"ARE \$2 BILLION IN CONTINGENT SUPPORT TOO MUCH TO MAINTAIN HONG KONG'S GOOD NAME AND THE SURVIVAL OF A SECTOR OF OUR ECONOMY ON WHICH SO MANY PEOPLE NOW DEPEND?" HE ASKED.

"MUCH DAMAGE HAD ALREADY BEEN DONE BY THE PRECIPITOUS CLOSURE OF THE STOCK MARKET; GOVERNMENT WAS WISE TO MOVE FAST IN DAMAGE CONTROL."

DR SOHMEN SAID THE EVENTS OF THE LAST FORTNIGHT HAD BROUGHT THE POINT HOME TO MANY THAT FUTURES AND OPTIONS DID NOT REALLY CREATE WEALTH; THEY HAD ALSO HIGHLIGHTED A NUMBER OF FALSE ASSUMPTIONS AND SHORTCOMINGS IN OUR REGULATORY ARRANGEMENTS AND IN THE BEHAVIOUR OF SOME MARKET PARTICIPANTS.

"THESE MUST OBVIOUSLY BE PUT RIGHT AS SOON AS POSSIBLE.

"BUT THOSE CRITICS WHO NOW SO LOUDLY INDULGE IN RECRIMINATION AND ACCUSATIONS SHOULD BEAR IN MIND THAT IT IS EASY TO BE CLEVER WITH HINDSIGHT; ONE WOULD BE MORE IMPRESSED WITH THEIR POSITION IF THEY HAD RAISED THEIR VOICES BEFORE THE EVENT."

/HE SAID

HE SAID IT WAS EVIDENT THAT THE RAPID GROWTH IN OUR FINANCIAL MARKETS, AND IN NEW INSTITUTIONS AND NEW INSTRUMENTS HAD ALREADY STRETCHED THE REGULATORY MACHINERY, WITH THE OFFICE OF THE COMMISSIONER FOR SECURITIES SUFFICIENTLY UNDERSTAFFED TO BE UNABLE TO AVOID DELAYS IN DEALING EVEN WITH ROUTINE TASKS.

HE SAID WE COULD NOT GO ON LEGISLATING WITHOUT FIRST ENSURING THAT EXPERIENCED MANPOWER WAS IN PLACE TO COPE WITH THE RESULTING ADDITIONAL DEMANDS MADE ON THE ENFORCEMENT AGENCIES.

"WE SHOULD ALSO NOT OVER-REACT AND ABANDON OUR BASIC PHILOSOPHY OF SELF-REGULATION; IT IS STILL THE MORE EFFICIENT AND ULTIMATELY MORE EFFECTIVE WAY," HE SAID.

"HOWEVER, WE SHOULD CAREFULLY MONITOR AND ASSESS THE ACTIONS OF MARKET PARTICIPANTS IN TIMES OF CRISIS, AND RECORD AND REMEMBER THOSE WHOSE PERFORMANCE LEFT SOMETHING TO BE DESIRED, ESPECIALLY WHEN CALLED UPON TO HELP WITH THE SUPPORT PACKAGE.

"OVER THE LONGER RUN HONG KONG WILL BE BETTER OFF WITHOUT THOSE WHO MAXIMISE BENEFITS FROM PARTICIPATING ONLY IN GOOD TIMES BUT HAVE LITTLE SENSE OF RESPONSIBILITY WHEN THE GOING GETS TOUGH."

DR SOHMEN SAID THE DRAMATIC FALL IN THE STOCK EXCHANGES AROUND THE WORLD AND CONSEQUENTIAL EFFECTS ON INVESTOR CONFIDENCE PROBABLY WOULD HERALD A PERIOD OF VOLATILITY IN THE FINANCIAL MARKETS, AND WOULD UNDOUBTEDLY HAVE A DOWNWARD IMPACT ON PROJECTED GROWTH RATES FOR CONSUMPTION, GROSS DOMESTIC PRODUCT, AND EXPORTS.

HE SAID ALTHOUGH HONG KONG CURRENTLY ENJOYED A SOUND ECONOMIC PERFORMANCE, UNDERPINNED BY STRONG EXPORT FIGURES, THE PAST WEEKS COULD ONLY REINFORCE THE JUSTIFICATION FOR CONTINUE PRUDENCE IN THE MANAGEMENT OF PUBLIC FINANCES.

ON RELATED ISSUES, DR SOHMEN SAID HE WAS DISAPPOINTED THAT THE GOVERNMENT HAD TAKEN A FAIRLY ABSOLUTE STANCE AS REGARDS THE SELECTIVE AND CONTROLLED IMPORTATION OF FOREIGN LABOUR TO ABSORB SOME OF THE REAL AND IMMEDIATE PRESSURES FOR SOME OF OUR INDUSTRIES.

HE SAID ADMINSTRATIVE EXPEDIENCY ALONE NEVER JUSTIFIED INACTION; MOST OF THE OTHER ARGUMENTS USED TO REJECT THE IDEA DID NOT REALLY STAND UP TO SCRUTINY.

HE ALSO SAID THAT, OVERALL, THE GOVERNMENT HAD OBJECTIVELY DONE VERY LILLTE OVER THE YEARS TO HELP INDUSTRY IN HONG KONG IMPROVE QUALITY AND PRODUCTIVITY.

"A SHORTAGE OF LABOUR TENDS TO PUSH UP WAGES AND PRICES, AND DAMPENS COMPETITIVENESS; SO SOLUTIONS PROPOSED HAVE TO ALSO TAKE INTO ACCOUNT THE TIME FACT AS WELL, IF THEY WISH TO BE CREDIBLE," HE ADDED.

ON ECONOMIC LINKS WITH CHINA, DR SOHMEN SAID IT REMAINED SURPRISING THAT THE GOVERNMENT CONTINUED ITS REFUSAL TO TACKLE THE "VEXED QUESTION" OF VISITOR VISAS FOR EAST EUROPEAN AND HAD WAITED SO LONG FOR STUDIES TO BE COMMISSIONED INTO FURTHER AIRPORT IMPROVEMENTS TO CATER FOR THE CHINA TRAFFIC, WAS UNWILLING TO CONSIDER A REDUCTION IN THE AIRPORT DEPARTURE TAX AT LEAST FOR TRAVEL TO CHINA, AND ADHERED TO AN AVIATION POLICY WHICH DID NOT IN PRACTICE FACILITATE THE ESTABLISHMENT OF NEW AIR SERVICES FROM HONG KONG.

ON CULTURAL LIFE, DR SOHMEN SAID MUCH HAD INNDEED BEEN ACHIEVED OVER THE PAST DECADE BUT REGRETTABLY THE LAST FEW YEARS HAD SEEN AN EMPHASIS PRIMARILY ON BUILDINGS RATHER THAN ON PEOPLE.

HE SAID THAT A RIGHT BALANCE SHOULD BE STRUCK BETWEEN EXPENDITURE INVOLVED IN BRINGING TO HONG KONG ARTISTS FROM OVERSEAS AGAINST FUNDS SPENT TO FURTHER ENCOURAGE LOCAL ARTISTS.

ON POLITICAL DEVELOPMENT, DR SOHMEN SAID THE PROPONENTS OF MORE ABRUPT CHANGE TO BE INTRODUCED NEXT YEAR HAD NOT REALLY MADE A GOOD CASE FOR THE NEED FOR URGENCY AND HE WAS NOT SURPRISED THAT THE FINDINGS OF THE SURVEY OFFICE CONFIRMED A DEFINITE PREFERENCE FOR A MORE GRADUAL APPROACH AND ONE THAT WOULD TAKE INTO ACCOUNT THE REALITY OF THE FUTURE BASIC LAW.

"IT IS OF COURSE THE DRAFTING WORK ON THE BASIC LAW WHICH SHOULD OCCUPY OUR FULL INTEREST, NOT SO MUCH THE ARGUMENTS PRO AND CON DIRECT ELECTIONS IN 1988, BECAUSE IT IS THE TOTALITY OF THE PROVISIONS OF THE BAISIC LAW WHICH WILL DETERMINE THE SUCCESS OR FAILURE OF THE 'ONE COUNTRY, TWO SYSTEMS' EXPERIMENT AND THE STATE OF THE TERRITORY DURING THE NEXT 60 YEARS."

HE SAID, THE GREEN PAPER DEBATE HAD AT BEST CREATED A DIVERSION AWAY FROM THE FUNDAMENTAL ISSUES, BUT MORE LIKELY PRODUCED COMPLICATIONS FOR THE DRAFTING PROCESS, WITH THE HONG KONG CONTINGENT OF DRAFTERS PRESENTING A PICTURE OF DISAGREEMENT AND LACK OF PURPOSE TO THE CHINESE SIDE OF WHAT THE HONG KONG PEOPLE REALLY WANTED.

"THIS IS NOT HELPED BY THE ABSENCE OF CONSTITUTIONAL LEGAL EXPERTISE AMONG OUR EMINENT DRAFTING AND CONSULTATIVE COMMITTEE MEMBERS, A LACK OF KNOWLEDGE WHICH IS MIRRORED THROUGHOUT THE TERRITORY AND HAS CLEARLY NOT HELPED TO RAISE THE PROFESSIONAL LEVEL OF THE UNDERTAKING," HE SAID.

ON THE COMPOSITION AND CONTINUED DEDICATION OF THE CIVIL SERVICE, DR SOHMEN SAID CIVIL SERVANTS IN HONG KONG WOULD INCREASINGLY REQUIRE MORE THAN FINANCIAL REWARDS OR GUARANTEED CAREERS PROSPECTS; THEY WOULD NEED TO HAVE CONFIDENCE DURING THE PERIOD UP TO 1997 AND BEYOND IN THE POLITICAL SUPPORT BY THE PEOPLE.

"WHILE INDIVIDUAL OR COLLECTIVE DISAGREEMENTS WITH THE POLICY DECISIONS OF GOVERNMENT ARE AN ACCEPTABLE AND NECESSARY RESULT OF A FREE SOCIETY, GOVERNMENT'S AUTHORITY TO MAKE DECISIONS SHOULD NOT BE UNDERMINED ALL OF A SUDDEN ON THE STRENGTH OF THE ARGUMENT THAT IT IS AN APPOINTED GOVERNMENT."

"THOSE INTENT ON PROVING THEIR POWER BY MEANS OF CHALLENGE, BUT WITHOUT CARRYING ANY RESPONSIBILITY FOR THE RESULTS OF THEIR ACTIONS, DO NOT ULTIMATELY HELP TO ACHIEVE BETTER GOVERNMENT BUT INSTEAD HELP TO CREATE DOUBT, VACILLATION OR INDECISION, OR DEMORALISE THOSE WHO ARE PART OF GOVERNMENT.

"THIS IS NOT WHAT HONG KONG NEEDS OR WANTS IN THIS CRITICAL TRANSITION PERIOD. WE SHOULD ASSIST GOVERNMENT TO FUNCTION PROPERLY THROUGH RESPONSIBLE AND CONSTRUCTIVE COMMENT, NOT BY CONCENTRATED EFFORTS TO DISCOVER AND PUBLICISE ANY AND ALL SHORTCOMINGS, OR BY CAMPAIGNS TO EXPLOIT POLICY DIFFERENCES FOR SHORT-TERM GAINS IN POPULARITY."

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PRIVATE SECTOR HAS IMPORTANT ROLE

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THE SUCCESS OF HONG KONG DEPENDS LARGELY ON THE GOVERNMENT'S POLICY OF ALLOWING THE PRIVATE SECTOR TO JOIN IN ECONOMIC ACTIVITIES IN WHICH THEY EXCEL, THE HON MISS MARIA TAM SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SHE MAINTAINED THAT IT WOULD NOT BE DESIRABLE FOR THE GOVERNMENT TO COMPETE WITH THE PRIVATE SECTOR IN AREAS WHERE THE LATTER WOULD DO WELL.

"IF BRIDGES AND PIERS ARE NEEDED IN FUTURE PLANS OF PORT AND AIRPORT DEVELOPMENT, WE SHOULD ALSO ENCOURAGE THE PRIVATE SECTOR TO INVEST IN THE CONSTRUCTION AND TAKE CARE OF THE MANAGEMENT," SHE SAID DURING THE ANNUAL POLICY DEBATE.

MISS TAM BELIEVED THAT WHEN IT CAME TO PROVISION OF INFRASTRUCTURE SUCH AS TRANSPORT FACILITIES, CONSIDERATION SHOULD NOT BE GIVEN TO MARKET COMPETITION ALONE.

"ON THE CONTRARY," SHE SAID, "AN ENVIRONMENT OF LIMITED COMPETITION WILL SERVE A BETTER PURPOSE."

SHE SUGGESTED THAT IN ORDER TO CONTINUE ATTRACTING THE PRIVATE SECTOR TO INVEST IN TRANSPORT SERVICES, THE GOVERNMENT SHOULD ASSESS AND DETERMINE THE EXTENT OF THE DEMAND AND LET THE PRIVATE SECTOR PROVIDE QUALITY SERVICES.

/MISS TAM

MISS TAM BASICALLY DISAGREED THAT PUBLIC FUNDS SHOULD BE USED TO FINANCE THE SETTING UP OF PRIVATE ENTERPRISES TO COMPETE WITH THE PRIVATE SECTOR, CITING THE ADVERSE EFFECT OF THE MTR ISLAND LINE ON THE CHINA MOTOR BUS COMPANY AND THE YAUMATI FERRY COMPANY AS A CASE IN POINT.

SHE BELIEVED THAT THE PRIME OBJECTIVES OF SUCH COMPANIES AS THE MTRC, THE KCRC AND THE LIGHT RAIL TRANSIT COMPANY SHOULD BE SET ON THE DEVELOPMENT OF EFFICIENT TRANSPORT SERVICES BETWEEN THE URBAN AREAS AND THE NEW TOWNS.

DURING THE DEVELOPMENT OF THE TUEN MUN NEW TOWN, THERE HAD BEEN A LACK OF CO-ORDINATION BETWEEN THE PROVISION OF JOB OPPORTUNITIES AND THE NUMBER AND THE TYPE OF SKILLED WORKERS, SHE SAID.

WITH PHASE II OF THE JUNK BAY DEVELOPMENT NEARING COMPLETION, SHE SUGGESTED THAT THE GOVERNMENT SHOULD SEEK WAYS TO EXTEND THE HOUSING PROJECT THERE IN ORDER TO MAKE EXTENSION OF THE MTR MORE COST-EFFECTIVE.

"ON THE OTHER HAND, THE HOUSING DEPARTMENT SHOULD CONDUCT SURVEYS ON THE OCCUPATIONS OF THE RESIDENTS MOVING INTO THE NEW TOWN AND PROVIDE THE INDUSTRY AND TRADE DEPARTMENTS WITH FIGURES ON THE SKILLED WORKERS WHO HAVE MOVED IN SO THAT MANUFACTURERS CAN BE DULY INFORMED," SHE SAID.

MISS TAM HOPED THAT THE KCRC AND THE MTRC WOULD BE ALLOWED THE FLEXIBILITY TO OPERATE FOR THE PURPOSE OF FACILITATING DEVELOPMENT IN THE TERRITORY RATHER THAN SIMPLY FOR THE PURPOSE OF MAKING PROFITS.

SINCE IT WOULD BE UNREASONABLE TO ASK A PRIVATE ENTERPRISE TO BEAR THE RESPONSIBILITY OF OPERATING A ROUTE WHICH MIGHT NOT YIELD THE HIGHEST RETURNS, MISS TAM SUGGESTED THAT THE RESPONSIBILITY SHOULD BE SHOULDERED BY THE TRANSPORT CORPORATIONS WHICH WERE SUPPORTED BY PUBLIC FUNDS.

"SUCH A MOVE WILL DEMONSTRATE THAT THE GOVERNMENT IS NOT SHIRKING ITS RESPONSIBILITIES BY PRIVATISATION," SHE SAID.

TURNING TO THE COMPETITION BETWEEN LAND AND SEA TRANSPORT, MISS TAM HOPED THAT THE GOVERNMENT WOULD NOT REQUEST A CUT IN CROSS-HARBOUR AND OUTLYING DISTRICTS FERRY SERVICES ON THE GROUND THAT SOME FERRY PIERS HAD TO BE RECONSTRUCTED OR RELOCATED AS A RESULT OF RECLAMATION WORKS IN CERTAIN AREAS.

"THE PRESENT ROUTES SHOULD BE RETAINED UNLESS THE FERRY COMPANY REQUESTS A CUT IN ITS SERVICES UNDER THE PRESENT POLICY," SHE SAID.

/SHE SUGGESTED

SHE SUGGESTED THAT UPON THE COMPLETION OF RECLAMATION WORKS, NEW PIERS SHOULD BE REBUILT AT A POINT NEAREST TO THE ORIGINAL LOCATION TO ENSURE THAT THE VIABILITY OF THE ROUTES WAS NOT AFFECTED.

"THE LANDS AND WORKS BRANCH AND THE TRANSPORT DEPARTMENT SHOULD CO-ORDINATE THEIR WORK IN ORDER TO MINIMISE THE INCONVENIENCE CAUSED TO THE FERRY COMPANY AND TO THE PASSENGERS," SHE ADDED.

DESPITE THE POSSIBILITY THAT SOME DAY LANTAU ISLAND, PENG CHAU AND CHEUNG CHAU WOULD BE LINKED BY BRIDGES, MISS TAM FELT THAT THE GOVERNMENT SHOULD NOT OVERLOOK THE NEED FOR A "SECOND LINK", SUCH AS FERRY SERVICES, IN ORDER TO MAINTAIN A CERTAIN LEVEL OF COMPETITION.

MISS TAM ALSO ASKED THE GOVERNMENT TO LOOK INTO THE MANAGEMENT PROBLEMS THAT MIGHT ARISE FROM THE OPERATION OF EXISTING FERRY SERVICES, AND THE POSSIBLE INTRODUCTION OF NEW BUS ROUTES, TO CHINA.

"HOW SHOULD THE INVESTMENT AND EXPENDITURE OF THESE TWO DIFFERENT KINDS OF SERVICES BE WORKED OUT UNDER THE PROFIT CONTROL SCHEME? OR SHOULD A SUBSIDIARY COMPANY BE FORMED TO TAKE UP SUCH BUSINESS?"

COMMENTING ON THE INCREASING NUMBER OF VEHICLES REGISTERED IN CHINA CROSSING THE BORDER FROM SHENZHEN, IN PARTICULAR GOODS VEHICLES, MISS TAM SAID: "THE DRIVERS AND VEHICLES FROM THE MAINLAND MUST BE SUBJECT TO LOCAL LEGISLATIVE CONTROL, INCLUDING VEHICLE REGISTRATION, INSURANCE, INSPECTION OF VEHICLES AND DRIVING TESTS FOR DRIVERS, AS ARE LOCAL VEHICLES AND DRIVERS."

SHE SUGGESTED THAT THE DRIVING LICENCES ISSUED TO THESE DRIVERS SHOULD BE OF A DIFFERENT COLOUR SO THAT THEY WOULD NOT BE CONFUSED WITH THE IDENTIFICATION DOCUMENTS USED IN HONG KONG.

ON THE QUESTION OF WHETHER PUBLIC OR PRIVATE TRANSPORT SHOULD BE GIVEN PRIORITY IN ROAD USAGE, MISS TAM HOPED THAT THE NEEDS OF PASSENGER AND CARGO TRAFFIC COULD BE INCLUDED IN THE SECOND COMPREHENSIVE TRANSPORT STUDY DUE TO BE COMPLETED IN THE MIDDLE OF 1988.

SHE WELCOMED THE GOVERNMENT'S INTENTION TO SEEK PUBLIC VIEWS ON THE RECOMMENDATIONS BEFORE MAJOR DECISIONS WERE TAKEN, AND ASKED THAT THE SECRETARY FOR TRANSPORT GIVE A DETAILED ACCOUNT OF THE TARGETS AND METHODS OF CONSULTATION.

REPORT OF THE SURVEY OFFICE PUBLISHED

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THE GOVERNMENT PUBLISHED TODAY (WEDNESDAY) THE REPORT OF THE SURVEY OFFICE ON PUBLIC RESPONSE TO THE GREEN PAPER: THE 1987 REVIEW OF DEVELOPMENTS IN REPRESENTATIVE GOVERNMENT.

THE SURVEY OFFICE WAS SET UP IN LATE APRIL THIS YEAR, SHORTLY BEFORE THE PUBLICATION OF THE GREEN PAPER IN MAY, TO COLLECT, COLLATE AND REPORT ON PUBLIC RESPONSE TO THE GREEN PAPER. IT WAS AN INDEPENDENT BODY, SET UP UNDER THE AUTHORITY OF THE GOVERNOR AND SEPARATE FROM THE ORDINARY MACHINERY OF THE GOVERNMENT.

PUBLIC CONSULTATION IN RESPECT OF THE ISSUES DISCUSSED IN THE GREEN PAPER ENDED ON SEPTEMBER 30, 1987, AND THE SURVEY OFFICE WAS REQUIRED TO SUBMIT ITS REPORT TO THE GOVERNOR IN COUNCIL WITHIN A MONTH FROM THE END OF THE CONSULTATION PERIOD.

AS A RESULT OF SUSTAINED PUBLICITY GIVEN TO THE MATTER THROUGHOUT THE CONSULTATION PERIOD BY THE SURVEY OFFICE, NUMEROUS INTERESTED GROUPS AS WELL AS THE MASS MEDIA, AN OVERWHELMING NUMBER OF SUBMISSIONS OF OPINIONS HAD BEEN RECEIVED BY THE SURVEY OFFICE.

A TOTAL OF 134,656 SUBMISSIONS WERE RECEIVED, INCLUDING 469 WHICH WERE RECEIVED AFTER THE DEADLINE. SOME 126,000 OF THESE WERE SUBMITTED BY INDIVIDUALS; OVER 4,600 BY GROUPS OF INDIVIDUALS; AND OVER 1,000 BY ASSOCIATIONS AND OTHER BODIES. EIGHTY SIX PER CENT OF THE SUBMISSIONS FROM INDIVIDUALS AND GROUPS OF INDIVIDUALS WERE IN THE FORM OF PRE-PRINTED LETTERS OR QUESTIONNAIRES. MORE THAN 95 PER CENT OF THE SUBMISSIONS WERE WRITTEN IN CHINESE.

IN ADDITION TO RECEIVING SUBMISSIONS FROM THE PUBLIC, THE SURVEY OFFICE ALSO COMMISSIONED AGB MCNAIR HONG KONG LIMITED TO CARRY OUT TWO SEPARATE PUBLIC OPINION SURVEYS, ONE IN JULY AND THE OTHER IN AUGUST/SEPTEMBER. TO ENSURE THAT THE RESULTS OF THE SURVEYS WERE AS RELIABLE AS POSSIBLE, A RANDOM SAMPLE COMPRISING OVER 3,000 RESPONDENTS WAS SELECTED FOR EACH SURVEY. THIS COMPARES WITH A SAMPLE SIZE OF 1,000 TO 2,000 NORMALLY ADOPTED INTERNATIONALLY FOR OPINION SURVEYS OF THIS NATURE. EXPERIENCED AND TRAINED INTERVIEWERS WERE EMPLOYED, AND THE CONDUCT OF THE INTERVIEWS WERE VERIFIED BY INDEPENDENT PERSONNEL. A PILOT TEST WAS ALSO CARRIED OUT BEFORE THE QUESTIONNAIRE WAS FINALISED FOR USE IN THE TWO SURVEYS. THE RESULTS OF THESE SURVEYS ARE REPRESENTATIVE OF THE ENTIRE ADULT POPULATION OF HONG KONG.

THE SURVEY OFFICE ALSO OBSERVED MEETINGS OF THE LEGISLATIVE COUNCIL, THE URBAN AND REGIONAL COUNCILS AND THE 19 DISTRICT BOARDS AT WHICH THE GREEN PAPER WAS DISCUSSED. THE OFFICE WAS PROVIDED WITH THE FULL TEXTS OR MINUTES OF THE MEETINGS AS THE BASIS FOR ANALYSING THE INDIVIDUAL VIEWS EXPRESSED BY THE MEMBERS.

/REPORTS IN

REPORTS IN NEWSPAPERS, MAGAZINES, RADIO AND TELEVISION PROGRAMMES WERE ALSO MONITORED BY THE SURVEY OFFICE. THESE INCLUDED INTERVIEWS, PUBLIC SPEECHES, DEBATES, DISCUSSIONS, EDITORIALS, FEATURE COLUMNS AND LETTERS TO THE EDITOR. A TOTAL OF 12,784 SUCH REPORTS WERE EXAMINED, AND CHECKS WERE MADE AS TO THE EXTENT TO WHICH THE VIEWS EXPRESSED IN THESE REPORTS REPEATED THE SUBMISSIONS SEPARATELY RECEIVED BY THE SURVEY OFFICE.

THE VARIOUS FINDINGS OF THE SURVEY OFFICE ARE RECORDED IN DETAIL IN THE REPORT BEING PUBLISHED TODAY. THE REPORT COMPRISES THREE VOLUMES. VOLUME I CONSISTS OF THE MAIN SURVEY REPORT. VOLUME II PROVIDES SUPPORTING DETAILS TO THE MAIN REPORT IN THE FORM OF SUMMARIES OF THE VIEWS EXPRESSED BY MEMBERS OF THE LEGISLATIVE COUNCIL AND THE URBAN AND REGIONAL COUNCILS; DETAILS OF THE PUBLIC OPINION SURVEYS AND SIGNATURE CAMPAIGNS SENT TO THE SURVEY OFFICE; AND A COMPREHENSIVE LIST OF ALL ASSOCIATIONS AND OTHER BODIES WHO WROTE TO THE SURVEY OFFICE AND WHO DID NOT REQUEST CONFIDENTIALITY. VOLUME III CONTAINS SAMPLES OF EACH OF THE PRE-PRINTED LETTERS AND QUESTIONNAIRES SENT IN TO THE SURVEY OFFICE.

IN PROCESSING THE SUBMISSIONS SENT IN BY THE PUBLIC, THE SURVEY OFFICE TOOK PARTICULAR CARE TO CHECK THEIR AUTHENTICITY AND THE EXTENT OF ANY DUPLICATION OR REPETITION. THE FOLLOWING PROCEDURES WERE ADOPTED:

- (A) ALL SUBMISSIONS WERE REGISTERED BY SERIAL NUMBER, AND THOSE SUBMISSIONS WHICH PROVIDED AN ADDRESS WERE ACKNOWLEDGED BY LETTER;
- (B) THE OPINIONS SUBMITTED WERE SUMMARISED AND RECORDED ON SPECIALLY DEVELOPED DATA FORMS. THESE WERE DOUBLE-CHECKED BEFORE FEEDING INTO THE COMPUTER FOR PROCESSING;
- (C) SUBMISSIONS JUDGED TO BE IRRELEVANT OR DUPLICATE, OR RECEIVED AFTER THE DEADLINE, WERE NOT PROCESSED;
- (D) SUBMISSIONS JUDGED TO BE REPETITION OF THE SAME VIEWS FROM THE SAME AUTHOR WERE NOT PROCESSED; AND
- (E) IN PROCESSING THE SUBMISSIONS FROM ORGANISERS OF PUBLIC OPINION SURVEYS, SIGNATURE CAMPAIGNS AND SIMILAR DOCUMENTS, FURTHER INFORMATION WAS SOUGHT FROM THE ORGANISERS AS REGARDS THEIR SOURCE AND METHOD OF COMPILATION ETC.

TOWARDS THE END OF THE PUBLIC CONSULTATION PERIOD, THERE WERE REPORTS THAT FRAUDULENT SUBMISSIONS HAD BEEN SENT TO THE SURVEY OFFICE. A TOTAL OF 2,182 INDIVIDUALS REPORTED TO THE SURVEY OFFICE BY OCTOBER 21 THAT SUBMISSIONS WHICH PURPORTED TO HAVE COME FROM THEM HAD BEEN SENT WITHOUT THEIR KNOWLEDGE. SOME 45 OF THESE REPORTS WERE SUBSEQUENTLY WITHDRAWN AFTER THEY HAD BEEN MADE AND 238 COULD NOT BE ACTED ON BECAUSE THE COMPLAINANTS WERE UNABLE TO QUOTE THE REFERENCE NUMBERS WHICH IDENTIFIED THE SUBMISSIONS.

/THUS, THE

THUS, THE NUMBER OF DISPUTED SUBMISSIONS WAS REDUCED TO 1,909. THE SURVEY OFFICE HAS NOW, ACTING ON LEGAL ADVICE, REFERRED ALL THESE CASES TO THE POLICE FOR INVESTIGATION. THEY HAVE ALSO BEEN EXCLUDED FROM THE SURVEY REPORT. THE ACCURACY AND CREDIBILITY OF THE REPORT WILL NOT, THEREFORE, BE AFFECTED.

ALL ASPECTS OF THE WORK OF THE SURVEY OFFICE WERE OVERSEEN BY TWO INDEPENDENT MONITORS. THEY WERE REQUIRED TO SUBMIT THEIR INDEPENDENT REPORT TO THE GOVERNOR AS TO WHETHER THEY WERE SATISFIED THAT THE OFFICE HAD PROPERLY, ACCURATELY AND IMPARTIALLY CARRIED OUT ITS DUTIES.

IN CARRYING OUT THEIR MONITORING WORK, THE MONITORS READ ALL THE SUBMISSIONS RECEIVED BY THE SURVEY OFFICE. THEY STUDIED THE PROCEDURES ADOPTED BY THE SURVEY OFFICE IN HANDLING THE SUBMISSIONS AND OBSERVED HOW THE OFFICE IMPLEMENTED SUCH PROCEDURES.

THEY SCRUTINISED THE SURVEY OFFICE'S CLASSIFICATION OF SUBMISSIONS, EXAMINED THE CODING SYSTEM FOR COMPUTER INPUT, AND CHECKED A RANDOM SAMPLE OF THE COMPUTER OUTPUT. THEY ALSO OVERSAW HOW THE SURVEY OFFICE MONITORED VIEWS AS REPORTED IN OR EXPRESSED THROUGH THE PRINT AND ELECTRONIC MEDIA.

IN ADDITION, THEY OBSERVED MEETINGS OF THE LEGISLATIVE COUNCILS, THE MUNICIPAL COUNCILS, THE DISTRICT BOARDS AND A NUMBER OF SEMINARS TO LISTEN DIRECTLY TO THE RANGE OF VIEWS EXPRESSED BY THE MEMBERS.

ALL SUBMISSIONS WHICH WERE JUDGED BY THE SURVEY OFFICE TO BE IRRELEVANT OR DUPLICATE WERE SCRUTINISED BY THE MONITORS. ALL SUBMISSIONS WHICH WERE THE SUBJECT OF DISPUTED AUTHORSHIP WERE ALSO REFERRED TO THE MONITORS FOR VERIFICATION. FURTHER, LATE SUBMISSIONS WERE PASSED TO THE MONITORS FOR SCRUTINY OF THE POSTMARKS. NONE OF THESE SUBMISSIONS WAS PROCESSED INTO THE COMPUTERS.

THE MONITORS HAVE STATED IN THEIR REPORT THAT "IN CONCLUSION, WE JUDGE THAT THE SURVEY OFFICE HAS PROPERLY, ACCURATELY AND IMPARTIALLY CARRIED OUT ITS DUTIES AND FOLLOWED THE PROCEDURES PRESCRIBED IN ITS TERMS OF REFERENCE". THE REPORT OF THE MONITORS TO THE GOVERNOR IS INCLUDED IN VOLUME I OF THE REPORT BEING PUBLISHED BY THE GOVERNMENT.

THE SURVEY OFFICE HAS CONFIRMED THAT ALL SUBMISSIONS IN WHICH CONFIDENTIALITY WAS REQUESTED WILL BE DESTROYED AS SOON AS PRACTICABLE AFTER PUBLICATION OF THE WHITE PAPER. SIMILARLY, ALL OTHER SUBMISSIONS, AS WELL AS ALL COMPUTER INPUT FORMS, PRINT-OUTS, WORD PROCESSOR DISKETTES AND INFORMATION IN COMPUTER STORAGE, USED FOR THE PURPOSES OF THE SURVEY OFFICE WILL ALSO BE DESTROYED AFTER THE WHITE PAPER HAS BEEN PUBLISHED.

VOLUME I OF THE SURVEY OFFICE REPORT WILL BE AVAILABLE FREE OF CHARGE FROM TOMORROW (THURSDAY) AT THE DISTRICT OFFICES; THE GOVERNMENT PUBLICATIONS CENTRE AT THE GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL; AND THE MARKETING OFFICE OF THE INFORMATION SERVICES DEPARTMENT, NO. 1 BATTERY PATH, CENTRAL. A TOTAL OF 160,000 COPIES (120,000 IN CHINESE AND 40,000 IN ENGLISH) HAS BEEN PRINTED FOR THIS PURPOSE.

VOLUMES II AND III WHICH CONTAIN SUPPORTING DETAILS AND APPENDICES WILL BE AVAILABLE FOR PERUSAL AT THE DISTRICT OFFICES AND PUBLIC LIBRARIES.

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"RESTRICTIVE TRADE MEASURES DO NOT PAY"

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THE EXPORT OF TEXTILES AND CLOTHING PRODUCTS FROM ASIA INTO MANY INDUSTRIALISED COUNTRIES IS SUBJECT TO SEVERE RESTRAINTS AND HONG KONG IS NATURALLY CONCERNED ABOUT SUCH PRESSURES, THE SECRETARY FOR TRADE AND INDUSTRY, MR HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

SPEAKING AT THE OPENING CEREMONY OF THE INTERSTOFF SAIA '87 EXHIBITION, MR MACLEOD SAID HONG KONG'S TEXTILES AND CLOTHING INDUSTRIES HAVE LONG BEEN A MAINSTAY OF THE LOCAL ECONOMY.

"TOGETHER THEY ACCOUNT FOR OVER 40 PER CENT OF THE TOTAL EMPLOYMENT IN OUR MANUFACTURING INDUSTRIES, AND TEXTILES AND CLOTHING PRODUCTS ALSO CONSTITUTE SOME 40 PER CENT OF HONG KONG'S DOMESTIC EXPORTS."

MR MACLEOD SAID AS THE ABILITY TO BUY IS CONTINGENT UPON THE ABILITY TO SELL, IT WOULD BE IN THE INTEREST OF BOTH THE BUYER AND THE SELLER ALIKE TO ENSURE INCREASED TRADE BOTH WAYS: BY LETTING OPPORTUNITIES BE EXPLOITED BY MARKET FORCES WITHOUT HINDRANCE THROUGH PROTECTIONISM.

HE URGED BUSINESSMEN FROM ALL OVER THE WORLD TO BRING HOME THE MESSAGE THAT RESTRICTIVE TRADE MEASURES DO NOT PAY.

MR MACLEOD SAID HONG KONG WAS NOT ONLY THE WORLD'S BIGGEST GARMENT EXPORTER, IT WAS ALSO THE THIRD LARGEST IMPORTER OF TEXTILES AND EIGHTH LARGEST IMPORTER OF CLOTHING.

HE SAID HONG KONG'S OWN FABRICS, MATERIALS AND FASHION ACCESSORIES WERE MOVING INCREASINGLY UP-MARKET AND ITS GARMENT INDUSTRY WAS EVER ON THE LOOKOUT FOR HIGH FASHION FABRICS TO MEET THE NEEDS OF ITS MANY MARKETS.

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PARADE TO LAUNCH KEEP HONG KONG CLEAN DRIVE

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A TOTAL OF 27 ORGANISATIONS, 14 FROM DISTRICT BOARDS AND 13 FROM PRIVATE CORPORATIONS, WOULD PARTICIPATE IN THE KEEP HONG KONG CLEAN PARADE TO BE HELD ON NOVEMBER 15, MEMBERS OF THE URBAN COUNCIL KEEP HONG KONG CLEAN COMMITTEE WERE TOLD AT TODAY'S (WEDNESDAY'S) MEETING.

THEY ALSO HEARD THAT THE CHIEF SECRETARY, MR DAVID FORD, WOULD OFFICIATE AT A BALLOON-FLYING CEREMONY AT EDINBURGH PLACE AND PRESENT SOUVENIRS TO PARTICIPATING ORGANISATIONS.

THE PARADE, WHICH MARKS THE BEGINNING OF THIS YEAR'S KEEP HONG KONG CLEAN CAMPAIGN AT DISTRICT LEVEL, IS AIMED AT ENCOURAGING PRIVATE ORGANISATIONS TO SUPPORT THE CAMPAIGN. THE PARADE WILL START AT TSUEN WAN SPORTS GROUND AND FINISH AT EDINBURGH PLACE.

ALL VEHICLES TAKING PART IN THE PARADE WILL BE DECORATED WITH KEEP HONG KONG CLEAN MESSAGES TOGETHER WITH THEIR RESPECTIVE DISTRICT/CORPORATE IDENTITIES.

AT THE STARTING POINT, THERE WILL BE A DRAGON DANCE PERFORMANCE, PRECEDED BY AN EYE-DOTTING CEREMONY. ON ARRIVAL AT EDINBURGH PLACE, MARCHING BAND PERFORMANCES, A BALLOON-FLYING CEREMONY, AND PRIZE PRESENTATION TO THE BEST-DECORATED VEHICLES WILL BE HELD.

HIGHLIGHT OF THE DAY WOULD BE AN HOUR-LONG VARIETY SHOW WHICH IS PRODUCED BY RTHK AND WILL BE BROADCAST LIVE FROM 12 NOON TO 1 PM.

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VTC TO IMPLEMENT TRADE TESTING FOR CAR INDUSTRY

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THE VOCATIONAL TRAINING COUNCIL HAS ACCEPTED THE PROPOSAL OF THE AUTOMOBILE INDUSTRY TRAINING BOARD TO IMPLEMENT TRADE TESTING IN THE INDUSTRY IN 1989.

THE CHAIRMAN OF THE BOARD, MR HAROLD LEE, ANNOUNCED THIS AT A BEST APPRENTICE AWARD PRESENTATION CEREMONY THIS (WEDNESDAY) AFTERNOON.

THE BOARD IS PREPARING A SET OF DETAILED GUIDELINES FOR TRADE TESTING FOR THE PURPOSE OF ASSESSING AND VALIDATING THE SKILL LEVELS OF AUTOMOBILE INDUSTRY WORKERS.

MR LEE

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MR LEE SAID THE TIME HAD COME TO VALIDATE THE SKILLS OF CRAFTSMEN TRAINED UNDER THE APPRENTICE TRAINING SCHEME SINCE ITS INCEPTION 10 YEAR AGO.

"THE BEST APPRENTICE COMPETITION, OPEN TO FINAL YEAR VEHICLE MECHANIC APPRENTICES, HAS PROVIDED THE BOARD WITH VALUABLE EXPERIENCE IN IMPLEMENTING TRADE TESTING," HE SAID.

"IT HAS ALSO PROVED USEFUL IN IDENTIFYING THE STRENGTHS AS WELL AS WEAKNESSES, AND SO KNOW WHERE TRAINING NEEDS TO BE STRENGTHENED," HE ADDED.

AFTER GOING THROUGH A SERIES OF THEORY AND PRACTICAL TESTS ON THE TRADE, MR MAK TAI-KWONG FROM DAH CHONG HONG WAS DECLARED THE BEST APPRENTICE OF THE YEAR, FROM AMONG 67 CONTESTANTS.

THE FIRST AND SECOND RUNNERS-UP WERE MR YIU KAM-CHEUNG AND MR MARK WING-LEONG, RESPECTIVELY. BOTH ARE APPRENTICED TO THE KOWLOON MOTOR BUS COMPANY.

PRIZES AND CERTIFICATES WERE PRESENTED BY THE VTC'S EXECUTIVE DIRECTOR, MR HORACE KNIGHT, AND THE VICE CHAIRMAN OF THE MOTOR TRADERS' ASSOCIATION OF HONG KONG, MR J.D. RUSHWORTH.

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SECOND CHOLERA CASE CONFIRMED

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A 19-YEAR-OLD MAN VISITING HONG KONG WAS TODAY (WEDNESDAY) CONFIRMED TO BE A CHOLERA CASE - THE SECOND CASE REPORTED THIS YEAR.

THE PATIENT WHO ARRIVED FROM NEPAL ON OCTOBER 28, BEGAN TO DEVELOP DIARRHOEA ON OCTOBER 31. HE WAS ADMITTED TO QUEEN ELIZABETH HOSPITAL ON NOVEMBER 1 AFTER HE ATTENDED THE ACCIDENT AND EMERGENCY DEPARTMENT.

THE MAN WAS TRANSFERRED TO PRINCESS MARGARET HOSPITAL ON NOVEMBER 2 AFTER HE WAS SUSPECTED TO BE SUFFERING FROM CHOLERA.

RESULTS OF HIS STOOL TEST TODAY REVEALED THAT HE WAS SUFFERING FROM CHOLERA EL TOR. HIS CONDITION IS DESCRIBED AS SATISFACTORY TODAY.

HEALTH WORKERS FROM THE MEDICAL AND HEALTH DEPARTMENT HAD VISITED THREE GUEST HOUSES IN TSIM SHA TSUI WHERE THE PATIENT HAD STAYED. ONE CONTACT WAS GIVEN MEDICAL EXAMINATION AND PREVENTIVE DRUGS. THE PREMISES WERE DISINFECTED BY URBAN SERVICES DEPARTMENT WORKERS.

/THE CASE

THE CASE WAS CLASSIFIED AS AN IMPORTED CASE SINCE THE PATIENT CAME FROM NEPAL.

A SPOKESMAN FOR THE DEPARTMENT SAID CHOLERA EL TOR IS ENDEMIC IN THIS PART OF THE WORLD AND THE REPORT OF THIS CASE SHOULD SERVE AS A REMINDER THAT THE DISEASE IS PRESENT IN THIS REGION.

THE LAST CHOLERA CASE REPORTED IN HONG KONG WAS IN SEPTEMBER THIS YEAR. THE VICTIM WAS A 16-YEAR-OLD BOY LIVING IN SAN PO KONG.

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ROAD SAFETY MESSAGE SPREAD IN SOUTHERN DISTRICT

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MEMBERS OF THE SOUTHERN DISTRICT ROAD SAFETY CAMPAIGN ORGANISING COMMITTEE TODAY (WEDNESDAY) VISITED VARIOUS BUSY STREETS IN THE DISTRICT TO PUT ACROSS THE ROAD SAFETY MESSAGE AMONG PEDESTRIANS, ESPECIALLY JAYWALKERS.

LED BY THE COMMITTEE CHAIRMAN, MR MAN HONG-MING, THE GROUP VISITED THE AP LEI CHAU ESTATE AND BUSY SPOTS ALONG ABERDEEN MAIN ROAD, TIN WAN STREET AND TANG FUNG STREET AND DISTRIBUTED THOUSANDS OF COPIES OF A ROAD SAFETY LEAFLET.

THE LEAFLET, WHICH WAS PUBLISHED BY THE COMMITTEE, SET OUT IN LIVELY CARTOONS THE DO'S AND DON'TS IN CROSSING A ROAD.

IT ALSO STRESSED THAT JAYWALKING NOT ONLY PUT ONE'S OWN LIFE AT RISK, IT WAS ALSO AN OFFENCE IN LAW.

IN ADDITION TO TODAY'S PUBLICITY DRIVE, THE COMMITTEE WILL HOLD A CARNIVAL, "SOUTHERN DISTRICT ROAD SAFETY DAY", THIS SUNDAY, NOVEMBER 8.

THE CARNIVAL WILL BE HELD FROM 2 PM TO 5 PM AT THE WONG CHUK HANG HARD-SURFACED SOCCER PITCH.

IT WILL FEATURE A ROAD SAFETY BUS, A ROAD SAFETY TOWN, PERFORMANCES BY RENOWNED ARTISTS, ACROBATIC CYCLING AND LION-DANCES.

THERE WILL ALSO BE A HOST OF GAME STALLS, FOR WHICH FREE GAMES TICKETS ARE NOW AVAILABLE AT THE SOUTHERN DISTRICT OFFICE AND ITS SUB-OFFICES. ENQUIRIES CAN BE MADE ON 5-540271.

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ROAD SAFETY CAMPAIGN TO BEGIN IN KWAI TSING

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RESIDENTS OF KWAI CHUNG AND TSING YI DISTRICT ARE BEING INVITED TO TAKE PART IN A ROAD SAFETY CARNIVAL TO BE HELD ON SATURDAY (NOVEMBER 7) AT THE HING FONG ROAD PLAYGROUND.

APART FROM STALL GAMES, THE CARNIVAL WILL FEATURE A ROAD SAFETY BUS DISPLAY AND AN EXHIBITION OF THE WINNING ENTRIES OF A ROAD SAFETY DRAWING COMPETITION AND A SLOGAN DESIGN COMPETITION.

THE CARNIVAL, BEGINNING AT 10 AM, WILL MARK THE OPENING OF THE DISTRICT'S ROAD SAFETY CAMPAIGN WHICH AIMS AT PROMOTING RESIDENTS' AWARENESS OF ROAD SAFETY MESSAGES.

OFFICIATING AT THE OPENING CEREMONY WILL BE KWAI TSING DISTRICT OFFICER, MR BRIAN COAK; KWAI CHUNG POLICE DISTRICT COMMANDER, MR E.H.EVANS; POLICE SENIOR STAFF OFFICER (NT TRAFFIC), MR I.M.BLAIR; AND KWAI TSING DISTRICT BOARD CHAIRMAN, MR HO TUNG-CHING.

THE CHAIRMAN OF THE TRAFFIC AND TRANSPORT COMMITTEE, MR CHAN KWOK-WAH, AND THE CHAIRMAN OF THE DISTRICT'S ROAD SAFETY CAMPAIGN, MR SIU KONG-YU, WILL ALSO BE PRESENT.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF THE KWAI TSING DISTRICT ROAD SAFETY CAMPAIGN TO BE HELD AT 10 AM ON SATURDAY (NOVEMBER 7) AT THE HING FONG ROAD PLAYGROUND (NEAR KWAI FONG MTR STATION), KWAI CHUNG.

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KWAI CHUNG AND TSING YI DISTRICT BOARD MEETING

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THE KWAI CHUNG AND TSING YI DISTRICT BOARD WILL MEET TOMORROW (THURSDAY) TO DISCUSS THE TAXI POLICY REVIEW, REDEVELOPMENT OF KWAI FONG ESTATE, AND ENVIRONMENTAL AND TRAFFIC IMPACTS AFTER THE COMPLETION OF THE ROUTE 5 HIGHWAY PROJECT. CLEARANCE ARRANGEMENTS FOR A NUMBER OF TEMPORARY HOUSING AREAS AND VILLAGES WILL ALSO BE DISCUSSED.

OTHER ITEMS ON THE AGENDA ARE A PROPOSED OFF-COURSE BETTING CENTRE AT TSING YI GARDEN AND A PROPOSED CHEMICAL WASTE TREATMENT PLANT ON TSING YI.

THE MEETING WILL BE HELD AT 2.30 PM IN THE CONFERENCE ROOM, 10/F, KWAI HING GOVERNMENT OFFICES BUILDING, KWAI CHUNG.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE KWAI CHUNG AND TSING YI DISTRICT BOARD TO BE HELD AT 2.30 PM TOMORROW IN THE CONFERENCE ROOM, 10/F, KWAI HING GOVERNMENT OFFICES BUILDING (NEXT TO KWAI HING MTR STATION), KWAI CHUNG.

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