



DAILY INFORMATION BULLETIN

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

WEDNESDAY, JUNE 3, 1992

<u>CONTENTS</u>	<u>PAGE NO.</u>
<u>LEGISLATIVE COUNCIL MEETING:</u>	
CONSUMERS TO BENEFIT FROM NEW TELEPHONE TARIFF DEAL	1
REVIEW OF DBS AND MUNICIPAL COUNCILS BEFORE NEXT ELECTIONS	3
TUNNEL CONGESTION INCURS HIGH COST	5
RENT DECONTROL WILL ONLY AFFECT SOME PEOPLE	6
LINGNAN TO BE CONFERRED TERTIARY STATUS	7
WORK OF SFC PRAISED	8
ABOLITION OF DEATH PENALTY KEPT UNDER REVIEW	9
MAJORITY OF AMBULANCE CALLS MET WITHIN TARGET TIME	10
MATURE DEBT MARKET HELPS RAISE PAD FUNDING	11
INTEREST RATE HAS LITTLE DIRECT EFFECT ON COST OF LIVING	11
GUIDANCE ON SECURING GOODS ON VEHICLES	13
RELOCATION WORK OF NAVAL BASE WELL IN PROGRESS	13
NEW RULES TO CURB WORKING IIS EFFECTIVE	14
DATA PROTECTION LAW UNDER STUDY	15
LOCAL REHOUSING FOR CLEARED SQUATTERS IMPOSSIBLE	16
SALARIES AND PROFITS TAX CONTRIBUTION EXPLAINED	16
WAITING TIME FOR INSTALLING VILLAGE LAMPS IMPROVING	17
EXCO TO EXAMINE MULTI-STOREY BUILDINGS BILL SOON	18
LIQUIDITY ADJUSTMENT FACILITY TO BE INTRODUCED	18
EVENING CLINICS CLOSED FOR PATIENTS' SAFETY	19
COMPLAINTS AGAINST VESSEL NOISE	19
GROUNDS FOR REFUSED ENTRY LISTED	20
DRAINAGE SYSTEM IN NEW TYPHOON SHELTER SOUND	21
REMUNERATION AND FRINGE BENEFIT OF CLINICAL TEACHERS	22
MORE ELIGIBLE FOR TIN SHUI WAI PUBLIC HOUSING FLATS	22

/DISTRIBUTION OF

<u>CONTENTS</u>	<u>PAGE NO.</u>
DISTRIBUTION OF FIRST-YEAR, FIRST-DEGREE PLACES BEING WORKED OUT ..	23
MOTION ON TELECOMMUNICATIONS POLICY PASSED	24
AIRPORT FINANCE PLAN UNLIKELY ON PMS' AGENDA	26
STI WELCOMES DECISION ON CHINA'S MFN STATUS	27
GOVERNOR TOURS YUEN LONG	27
WESTERN WHOLESALE MARKET PHASE II CONTRACT AWARDED	28
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS	29

WEDNESDAY, JUNE 3, 1992

- 1 -

CONSUMERS TO BENEFIT FROM NEW TELEPHONE TARIFF DEAL

* * * * *

THE SECRETARY FOR ECONOMIC SERVICES, MRS ELIZABETH BOSHER, SAID TODAY (WEDNESDAY) THAT THE GOVERNMENT HAS REACHED A BROAD MEASURE OF AGREEMENT WITH THE HONG KONG TELEPHONE COMPANY AND HONG KONG TELECOM INTERNATIONAL ON A NUMBER OF MAJOR REGULATORY ISSUES.

THESE INCLUDE THE BROAD PARAMETERS FOR THE INTRODUCTION OF GREATER LIBERALISATION BOTH AT THE LOCAL AND INTERNATIONAL LEVEL, ARRANGEMENTS FOR THE CONTROL OF LOCAL TARIFFS REPLACING THE FORMER SCHEME OF CONTROL AGREEMENT WHICH HAS LAPSED, AND SUBSTANTIAL REDUCTIONS IN IDD CHARGES.

WINDING UP A MOTION DEBATE ON TELECOMMUNICATIONS POLICY IN THE LEGISLATIVE COUNCIL, MRS BOSHER SAID IT WAS AT PRESENT THE GOVERNMENT'S WISH TO BUILD ON THE BROAD PARAMETERS THAT HAD BEEN AGREED WITH THE HELP OF THE VIEWS OF MEMBERS AND OTHER INTERESTED PARTIES.

ON THE REGULATION OF LOCAL TARIFFS, SHE SAID AGREEMENT HAD BEEN REACHED IN PRINCIPLE FOR LOCAL TELEPHONE CHARGES TO BE HELD AT FOUR PERCENTAGE POINTS BELOW INFLATION FROM 1992/93 TO 1994/95.

UNDER THIS SYSTEM OF INCENTIVE REGULATION KNOWN AS PRICE-CAPPING, CONSUMERS WILL BE ABLE TO ENJOY A REDUCTION IN CHARGES IN REAL TERMS BECAUSE THE WEIGHTED AVERAGE ANNUAL INCREASE OF TELEPHONE SERVICE CHARGES WOULD NOT BE ALLOWED TO EXCEED THE PREVAILING ANNUAL INFLATION RATE MINUS AN "X" PERCENTAGE.

"FOLLOWING DISCUSSION WITH THE COMPANY WE HAVE AGREED IN PRINCIPLE THAT THE LEVEL OF "X" SHOULD BE FIXED AT 4% FOR THE REMAINING THREE YEARS OF ITS EXISTING FRANCHISE, WITH A FURTHER REVIEW IN 1994/95.

"WE BELIEVE THIS IS A GOOD DEAL FOR CONSUMERS," MRS BOSHER SAID, POINTING OUT THAT THIS SYSTEM WOULD RESULT IN LOCAL TELEPHONE CHARGES RISING BY SOME 1.5 PER CENT PER ANNUM LESS THAN THE HISTORIC TREND.

OVER THE LAST 10 YEARS UNDER THE PREVIOUS SCHEME OF CONTROL, TELEPHONE CHARGES HAD INCREASED AT AN AVERAGE ANNUAL RATE OF CPI(A) MINUS 2.5 PER CENT, SHE POINTED OUT.

THIS SYSTEM WOULD ALSO PROVIDE A REASONABLE DEGREE OF INCENTIVE FOR THE COMPANY TO CONTINUE TO INVEST AND IMPROVE ITS EFFICIENCY OVER THE LIFE OF THE PRICE-CAP, SHE SAID.

"THE DETERMINATION OF THE VALUE OF "X" IS AN IMPORTANT FIRST STEP, BUT THE DETAIL NEEDS TO BE PAINTED IN BEFORE THE PICTURE IS COMPLETE.

/"FOR EXAMPLE

"FOR EXAMPLE, WE ENVISAGE THE NEED FOR ONE OR MORE SUB-CAPS, WITHIN THE OVERALL PRICE CAP, TO ENSURE THAT CRUCIAL CHARGES, SUCH AS THE RENTAL FEE FOR A RESIDENTIAL LINE, ARE NOT INCREASED EXCESSIVELY TO OFFSET REDUCTIONS IN THE PRICES OF OTHER SERVICES," SHE ADDED.

ON THE CHARGES LEVIED BY HONG KONG TELECOM INTERNATIONAL FOR INTERNATIONAL TELEPHONE SERVICES, MRS BOSHER SAID AFTER INTENSIVE NEGOTIATION WITH THE COMPANY, THE GOVERNMENT HAD SECURED AGREEMENT IN PRINCIPLE FOR IDD CHARGES TO BE REDUCED BY AN AVERAGE OF ABOUT 12% OVER THREE YEARS: COMMENCING WITH AN 8% REDUCTION IN 1992/93; AND FOLLOWED BY FURTHER REDUCTIONS OF 2% IN 1993/94; AND 2% IN 1994/95.

THESE REDUCTIONS WOULD BE IMPLEMENTED IN TANDEM WITH THE INTRODUCTION OF THE NEW ARRANGEMENTS FOR LOCAL TARIFFS.

ADDRESSING MEMBERS' SUPPORT FOR INTRODUCING LOCAL NETWORK COMPETITION, MRS BOSHER AFFIRMED THE GOVERNMENT'S INTENTION TO REPLACE THE HONG KONG TELEPHONE COMPANY'S EXCLUSIVE FRANCHISE OVER THE LOCAL TELEPHONE SERVICE WITH A NON-EXCLUSIVE LICENCE WHEN THE FRANCHISE EXPIRES IN 1995.

"THIS WILL PAVE THE WAY FOR COMPETING NETWORKS TO PROVIDE LOCAL FIXED-LINK VOICE TELEPHONE SERVICES, JUST AS WE ALREADY HAVE COMPETITION IN MOBILE TELEPHONE SERVICES."

SHE ALSO ASSURED MEMBERS THAT THE HONG KONG TELEPHONE COMPANY'S NON-EXCLUSIVE LICENCE WOULD INCLUDE A UNIVERSAL SERVICE OBLIGATION; MEANING THAT THE COMPANY WOULD BE OBLIGED, AS AT PRESENT, TO PROVIDE TELEPHONE SERVICE TO ANYONE WHO REQUIRED IT, REGARDLESS OF WHERE THEY LIVE.

"IN THE SHORT TERM, BEFORE EXPIRY OF THE FRANCHISE, WE WOULD BE PREPARED TO LICENSE COMPETITIVE NETWORKS WISHING TO PROVIDE NON-FRANCHISED SERVICES SUCH AS DATA AND FACSIMILE," SHE SAID.

ON COMPETING NETWORKS, MRS BOSHER STRESSED THAT NO DECISIONS HAD YET BEEN TAKEN ON HOW THE GOVERNMENT SHOULD GO ABOUT LICENSING NEW LOCAL NETWORKS AND WHETHER THE GOVERNMENT, RATHER THAN THE MARKET, SHOULD IMPOSE A LIMIT ON THE NUMBER THAT SHOULD BE LICENSED.

"THE MAIN CHOICE HERE IS BETWEEN A TENDER TYPE LICENSING PROCESS, IN WHICH GOVERNMENT SELECTS ONE OR MORE BIDDERS TO PROVIDE A COMPETING NETWORK OR NETWORKS OR AN OPEN LICENSING REGIME -- SUCH AS HAS BEEN ADOPTED IN THE UK," SHE SAID.

SHE ADDED THAT THE VIEWS OF LEGCO MEMBERS AND OTHER INTERESTED PARTIES ON THE APPROACH TO LICENSING WOULD BE MOST HELPFUL TO THE GOVERNMENT IN FINALISING THE PROPOSALS.

"FOR THERE TO BE EFFECTIVE COMPETITION, IT WILL BE NECESSARY FOR A NEW COMPETING LOCAL NETWORK TO INTERCONNECT WITH THE EXISTING FIXED-LINK TELECOMMUNICATIONS INFRASTRUCTURE OF THE HONG KONG TELEPHONE COMPANY AND HONG KONG TELECOM INTERNATIONAL.

SHE ALSO BRIEFED MEMBERS ON THE BROAD PRINCIPLES THAT WOULD APPLY TO NETWORK INTERCONNECTION, A COMMON VIEW ON WHICH HAD BEEN REACHED WITH THE COMPANIES.

MRS BOSHER EMPHASISED THAT NO DECISIONS HAD BEEN TAKEN ON THE DETAILS AND VIEWS EXPRESSED BY MEMBERS ON THE ISSUE OF INTERCONNECTION WOULD GREATLY HELP THE GOVERNMENT'S DELIBERATIONS ON THE DETAILED ARRANGEMENTS.

THE GOVERNMENT IS ALSO LOOKING FORWARD TO RECEIVING FURTHER VIEWS ON THIS ISSUE FROM INDUSTRY REPRESENTATIVES AND CONSUMERS.

"FURTHER LIBERALISATION IN INTERNATIONAL SERVICES IS OF COURSE CONSTRAINED BY THE TERMS OF HONG KONG TELECOM INTERNATIONAL'S LICENCE WHICH DOES NOT EXPIRE UNTIL 2006.

"THERE IS, HOWEVER, IN OUR VIEW STILL SOME ROOM FOR FURTHER LIBERALISATION IN INTERNATIONAL SERVICES WITHOUT INFRINGING THE EXCLUSIVE RIGHTS GRANTED UNDER THAT LICENCE.

"IN PARTICULAR, WE BELIEVE THAT CURRENT RESTRICTIONS ON THE USE OF INTERNATIONAL PRIVATE LEASED CIRCUITS TO PROVIDE COMPETING VALUE-ADDED SERVICES COULD BE RELAXED FURTHER," SHE SAID.

IN ADDITION, COMPANIES AND ORGANISATIONS COULD BE AUTHORISED TO PROVIDE THEIR OWN INTERNATIONAL PRIVATE CIRCUITS BY, FOR EXAMPLE, DIRECTLY LEASING SATELLITE CAPACITY, SHE SAID.

- - - - 0 - - - -

REVIEW OF DBS AND MUNICIPAL COUNCILS BEFORE NEXT ELECTIONS

* * * * *

THE GOVERNMENT IS ABOUT TO START A REVIEW ON THE CONSTITUTIONAL ARRANGEMENTS, INCLUDING THE APPOINTED AND EX-OFFICIO MEMBERSHIP OF DISTRICT BOARDS AND THE TWO MUNICIPAL COUNCILS, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, TOLD THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON.

WINDING UP A MOTION DEBATE ON THE REVIEW OF "DISTRICT BOARDS AND MUNICIPAL COUNCILS", MR SUEN SAID THE ADMINISTRATION AIMED TO COMPLETE THE REVIEW WITHIN 12 MONTHS IN TIME FOR THE NEXT ROUND OF ELECTIONS IN 1994-95.

MR SUEN SAID TWO REVIEWS HAD ALREADY BEEN CONDUCTED ON THE FUNCTIONS OF DISTRICT BOARDS IN 1984 AND 1987.

"BOTH REVIEWS HIGHLIGHTED THE IMPORTANCE OF DISTRICT BOARDS AS DISTRICT CONSULTATIVE ORGANS AND VEHICLES OF DISTRICT COMMUNITY BUILDING," HE SAID.

AND THIS HAD BEEN FURTHER BACKED UP BY THE 1988 WHITE PAPER ON "DEVELOPMENT OF REPRESENTATIVE GOVERNMENT: THE WAY FORWARD" WHICH CONCLUDED THAT THERE WAS NO DEMAND FOR FUNDAMENTAL CHANGES TO THEIR PRESENT ROLE.

THE REPORT, HOWEVER, STATED THAT THERE WAS CLEAR SUPPORT FOR DEVELOPING THEIR ADVISORY ROLE.

ON THE CURRENT COMPOSITION OF DISTRICT BOARDS, MR SUEN SAID IT PROVIDED FOR A MIXED BAG OF MEMBERSHIP WITH A MAJORITY OF ELECTED MEMBERS AND CHANGES HAD BEEN INTRODUCED OVER THE YEARS WITH THE OBJECTIVE OF ENSURING THAT THE DISTRICT BOARDS REMAINED AS REPRESENTATIVE AS POSSIBLE OF THE COMMUNITY IN WHICH THEY SERVED.

"INSOFAR AS THE CURRENT SYSTEM GOES, EXPERIENCE HAS SHOWN THAT IT HAS WORKED TO THE SATISFACTION OF MOST, IF NOT ALL, OF THOSE CONCERNED.

"THE QUALITY AND THE RANGE OF ADVICE WE GET FROM DISTRICT BOARDS OWES MUCH TO THE FULL SPECTRUM OF INTERESTS REPRESENTED ON DISTRICT BOARDS," HE SAID.

BUT MR SUEN CONCEDED THAT THE ADMINISTRATION HAD NO FIXED VIEW ON HOW DISTRICT BOARDS MIGHT DEVELOP IN THE FUTURE.

TURNING TO THE MUNICIPAL COUNCILS, MR SUEN SAID THE INCEPTION OF THE REGIONAL COUNCIL IN 1986 HAD PUT THE FINAL PIECE OF JIGSAW IN PLACE TO MARK THE COMPLETION OF THE THREE-TIER REPRESENTATIVE GOVERNMENT.

AS TO THE RELATIONSHIP BETWEEN THE MUNICIPAL COUNCILS AND DISTRICT BOARDS, MR SUEN SAID ALTHOUGH THE PRESENT SYSTEM OF PROVIDING AN EFFECTIVE LINK BETWEEN THE TWO WAS WORKING REASONABLY WELL, ANY SUGGESTIONS FOR FURTHER IMPROVEMENT WOULD BE VERY CAREFULLY CONSIDERED.

LOOKING TO THE FUTURE, WITH CHANGES TO THE COMPOSITION OF THE LEGISLATIVE COUNCIL NOT JUST IN 1995 BUT ALSO IN 1999 AND 2003, MR SUEN SAID IT WAS THEREFORE A QUESTION OF FUNDAMENTAL IMPORTANCE WHETHER THE EXISTING SYSTEM OF DISTRICT BOARDS AND MUNICIPAL COUNCILS CALLED FOR FURTHER MAJOR CHANGES.

"I WOULD HOWEVER AGREE WITH THE VIEWS PUT FORTH BY MOST MEMBERS SPEAKING ON THE MOTION TODAY THAT WE SHOULD KEEP AN OPEN MIND IN THIS RESPECT," MR SUEN SAID.

HE SAID HE HAD LISTENED VERY CAREFULLY TO THEIR VIEWS AND ASSURED THE COUNCILLORS THAT THESE WOULD BE TAKEN INTO FULL ACCOUNT DURING THE FORTHCOMING REVIEW.

TUNNEL CONGESTION INCURS HIGH COST

* * * * *

THE EXTRA COST TO THE COMMUNITY IN TERMS OF TRAVEL TIME WASTED DUE TO TRAFFIC CONGESTION AT THE CROSS HARBOUR TUNNEL COULD AMOUNT TO AT LEAST \$350 MILLION A YEAR.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, AT THE ADJOURNMENT DEBATE ON TRAFFIC CONGESTION AT CROSS HARBOUR TUNNEL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR LEUNG SAID SINCE THE CROSS HARBOUR TRAFFIC WAS CONTINUING TO INCREASE BY ABOUT 4 PER CENT EACH YEAR, CONGESTION AT THE CROSS HARBOUR TUNNEL WOULD THEREFORE DETERIORATE FURTHER UNTIL THE WESTERN HARBOUR CROSSING OPENS IN 1997.

"THE PROBLEM MUST BE ADDRESSED. TO DO NOTHING WOULD BE IRRESPONSIBLE. IT WOULD RESULT IN EVEN GREATER CONGESTION, INCONVENIENCE THOSE WHO RELY ON PUBLIC TRANSPORT, AND INCREASE FUEL CONSUMPTION AND HENCE AIR POLLUTION.

MR LEUNG SAID THE GOVERNMENT HAD TAKEN ALL POSSIBLE STEPS TO DEAL WITH THE CONGESTION PROBLEM.

THESE INCLUDE THE OPENING OF THE EASTERN HARBOUR CROSSING IN 1989, AND THE KWUN TONG BYPASS AND TATE'S CAIRN TUNNEL IN 1991; NUMEROUS TRAFFIC MANAGEMENT MEASURES IMPLEMENTED IN THE APPROACH ROADS TO THE CROSS HARBOUR TUNNEL; AND TO ENCOURAGE GREATER USE OF THE VEHICULAR FERRY SERVICE WHICH DOES HAVE SPARE CAPACITY.

MR LEUNG SAID IN PARALLEL, EFFORTS TO PROMOTE THE USE OF EASTERN HARBOUR CROSSING CONTINUED. OVER 170 ADDITIONAL DIRECTIONAL SIGNS HAD BEEN INSTALLED AND ROUTE MAPS HAD BEEN DISTRIBUTED. THE TUNNEL COMPANY HAD JUST INTRODUCED A DISCOUNT TICKET SCHEME TO ATTRACT MORE REGULAR USERS.

MR LEUNG SAID THERE HAD BEEN PROPOSAL TO ENCOURAGE CAR POOLING, BY BANNING ONE PERSON VEHICLES FROM USING THE TUNNEL OR IMPOSING A HIGHER TOLL ON THEM AS A SOLUTION TO THE PROBLEM.

"HOWEVER, THE RESULT WOULD BE TO SLOW DOWN THE PASSAGE OF CARS THROUGH THE TOLL BOOTHS, TO CONSTRAIN THE DEVELOPMENT OF AUTOTOLL AND TO FAVOUR THOSE WHO HAVE CHAUFFEUR DRIVER CARS. A SIMILAR SCHEME HAS BEEN TRIED BUT DROPPED IN SINGAPORE."

ON THE SUGGESTION TO ALLOW VEHICLES WITH ODD AND EVEN REGISTRATION NUMBERS TO USE THE TUNNEL ON ALTERNATE DAYS, MR LEUNG SAID THIS WOULD ALSO SLOW DOWN PASSAGE THROUGH THE TOLL BOOTHS, FAVOUR OWNERS WITH MORE THAN ONE VEHICLE, AND INTERFERE WITH THE ACTIVITIES OF ESSENTIAL TUNNEL USERS.

MR LEUNG SAID THE SUGGESTION OF ALLOWING GOODS VEHICLES TO USE THE TUNNEL ONLY OUTSIDE PEAK HOURS, OR BE DIVERTED TO THE OTHER TUNNEL WOULD CREATE NEW CONGESTION PEAKS DIFFICULT TO JUSTIFY IN VIEW OF ITS EFFECT ON BUSINESSES.

"THE GOODS VEHICLE TRADE HAS ALREADY RAISED STRONG OBJECTIONS TO GOVERNMENT GIVING PRIORITY TO PRIVATE CARS WHILST DISCRIMINATING AGAINST GOODS VEHICLES WHICH ARE ESSENTIAL TO THE ECONOMY.

"ON THE OTHER HAND, LIMITING HEAVY GOODS TRAFFIC TO CERTAIN ROADS AT CERTAIN TIMES IS NOT UNCOMMON ON TRAFFIC MANAGEMENT GROUNDS, AND WE SHALL RE-EXAMINE THIS OPTION IN MORE DETAIL.

MR LEUNG SAID THE GOVERNMENT INTEND TO AMEND THE ROAD TRAFFIC ORDINANCE AS SOON AS POSSIBLE TO REMOVE THE ANOMALY OF BEING CHEAPER FOR GOODS VEHICLE OVER 24 TONNES OR WITH MORE THAN TWO AXLES TO USE THE CROSS HARBOUR TUNNEL RATHER THAN EASTERN HARBOUR CROSSING.

MR LEUNG STRESSED THAT IT WOULD BE A LAST RESORT THAT ONLY AFTER ALL OTHER MEASURES HAD BEEN TRIED SHOULD RAISING THE PASSAGE TAX AT THE TUNNEL BE CONSIDERED.

"DESPITE ITS UNPOPULARITY, THE INTRODUCTION OF THIS TAX IN 1984 EFFECTIVELY REDUCED TUNNEL TRAFFIC FOR ABOUT THREE YEARS, AND THERE WAS ONLY ONE TUNNEL AT THAT TIME.

"IF THE PASSAGE TAX FOR PRIVATE CARS WERE RAISED FROM \$5 TO \$15 DURING PEAK HOURS AND IF GOODS VEHICLES WERE RE-CLASSIFIED, WE ESTIMATE SOME 19,000 VEHICLES PER DAY WOULD STOP USING THE CROSS HARBOUR TUNNEL. OF THIS NUMBER, ABOUT 12,000 WOULD DIVERT TO THE EASTERN HARBOUR CROSSING.

TO FACILITATE PUBLIC TRANSPORT, MR LEUNG SAID THE GOVERNMENT IS ALSO CONSIDERING REMOVING THE PASSAGE TAX COMPLETELY FROM BUSES AND MINI-BUSES.

- - - - 0 - - - -

RENT DECONTROL WILL ONLY AFFECT SOME PEOPLE

* * * * *

THE TOTAL NUMBER OF PREMISES TO BE AFFECTED BY THE PHASING OUT OF RENT CONTROL BY THE END OF 1994 WILL CONSTITUTE ONLY ABOUT 4% OF ALL PRIVATE RESIDENTIAL FLATS, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, TOLD THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON.

MOVING THE SECOND READING OF THE LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1992, MR SUEN SAID THE IMPACT OF THE PROPOSED CHANGES ON THE CONSUMER PRICE INFLATION WOULD BE INSIGNIFICANT.

"WE DO NOT CONSIDER THAT THE DECONTROL OF RENTS WILL AFFECT THE LOCAL RENTAL MARKET IN ANY SIGNIFICANT WAY," HE ADDED.

THE BILL PROVIDES FOR THE INTRODUCTION OF A SERIES OF GRADATED STATUTORY RENT CEILINGS WHICH WILL ENABLE PERMITTED RENTS TO BE BROUGHT CLOSE TO PREVAILING MARKET RENTS BY THE END OF 1994 AT WHICH TIME RENT CONTROLS WILL LAPSE.

/BUT MR

BUT MR SUEN DID ACKNOWLEDGE THAT THE PROPERTY MARKET COULD BE VOLATILE.

"FOR THIS REASON, WE HAVE INCLUDED IN THE BILL PROVISIONS TO ADJUST BOTH THE LEVELS OF INCREASES AND THEIR TIME FRAME SO AS TO MINIMISE THE IMPACT OF ANY UNFORESEEN CIRCUMSTANCES RESULTING FROM THE ADVERSE MARKET FORCES WHICH MAY REQUIRE INTERVENTION.

"WE WILL BE MONITORING THE SITUATION CONTINUOUSLY AND CAREFULLY," HE SAID.

WITH REGARD TO THE STATUTORY COMPENSATION PAYABLE TO THOSE TENANTS DISPOSSESSED BY REDEVELOPMENT, HE SAID IT WAS ACCEPTED THAT A CURRENT RATE OF TWICE THE 1983 RATEABLE VALUE OF THE PROPERTY PLUS REMOVAL EXPENDITURE AND RECOMPENSE FOR FITTINGS WAS "OUTDATED AND INADEQUATE".

IN THIS CONNECTION, MR SUEN SAID, THE BILL PROPOSED TO AMEND THE STATUTORY BASIS FOR COMPENSATION TO A MULTIPLE OF 1.3 OF THE CURRENT RATEABLE VALUE.

THIS WOULD ROUGHLY DOUBLE THE LEVEL OF STATUTORY COMPENSATION AND ALLOW A DISPOSSESSED TENANT TO RENT SIMILAR ACCOMMODATION FOR ABOUT SIX MONTHS.

AT PRESENT, THERE ARE 38,500 POST-WAR UNITS UNDER RENT CONTROL. HOWEVER, THIS FIGURE IS DIMINISHING AT THE RATE OF 5,000 A YEAR.

HE ALSO SAID BY RESTORING RENTS TO MARKET LEVELS, IT WOULD PROVIDE INCENTIVES TO LANDLORDS TO UNDERTAKE A MORE ACTIVE ROLE IN REFURBISHING AND MAINTAINING THEIR PROPERTIES.

- - - - 0 - - - -

LINGNAN TO BE CONFERRED TERTIARY STATUS

* * * * *

LINGNAN COLLEGE WHICH HAS BEEN FUNDED BY THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC) SINCE LAST JULY, PLANS TO PROVIDE 2,000 STUDENT PLACES INCLUDING 690 FIRST-YEAR, FIRST-DEGREE (FYFD) PLACES BY 1994-95.

THIS FOLLOWS THE RECOMMENDATION OF UPGC TO UPGRADE THE COLLEGE TO A DEGREE-GRANTING INSTITUTION IN THE CONTEXT OF THE CURRENT TERTIARY EXPANSION PROGRAMME TO PROVIDE FYFD PLACES FOR 18% OF THE RELEVANT AGE GROUP BY 1994-95.

A BILL THAT SEEKS TO PROVIDE FOR THE ESTABLISHMENT, FUNCTIONS AND GOVERNANCE OF THE COLLEGE AS A DEGREE-AWARDING BODY WAS INTRODUCED TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF LINGNAN COLLEGE BILL, THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID IT PROVIDED THE COLLEGE WITH A NEW FORM OF GOVERNANCE COMMENSURATE WITH ITS STATUS AS A PUBLICLY-FUNDED TERTIARY INSTITUTION.

UNDER THE PROPOSED BILL, A BOARD OF GOVERNORS WITH 40 MEMBERS WILL BE SET UP AS THE SUPREME GOVERNING BODY OF THE COLLEGE.

A 27-MEMBER COUNCIL WILL ALSO BE SET UP TO SERVE AS THE EXECUTIVE BODY OF THE COLLEGE AND BE RESPONSIBLE FOR ITS MANAGEMENT AND OPERATION.

THE COUNCIL WILL BE EMPOWERED TO APPOINT AN ACADEMIC BOARD TO REVIEW AND DEVELOP ACADEMIC PROGRAMMES AND SUPERVISE TEACHING, RESEARCH, ADMISSIONS AND EXAMINATIONS.

APART FROM SUBMITTING ITS ESTIMATES AND PROGRAMMES OF ACTIVITIES TO THE CHAIRMAN OF THE UPGC, THE COLLEGE IS ALSO REQUIRED TO SUBMIT ANNUAL REPORTS ON ITS FINANCES AND GENERAL ACTIVITIES TO THE GOVERNOR.

LINGNAN COLLEGE IN HONG KONG WAS FOUNDED IN 1967 BY A GROUP OF ALUMNI OF THE FORMER LINGNAN UNIVERSITY IN CHINA.

IT WAS FIRST REGISTERED AS A SCHOOL AND BECAME AN APPROVED POST-SECONDARY COLLEGE IN 1978.

FOLLOWING A REVIEW ON THE COLLEGE BY THE UNITED KINGDOM COUNCIL FOR NATIONAL ACADEMIC AWARDS, IT WAS CONCLUDED THAT THE COURSES IT OFFERED WERE EQUIVALENT IN STANDARD TO THOSE OFFERED BY SOME TERTIARY INSTITUTIONS FUNDED BY THE UPGC.

"THE UPGRADING OF THE COLLEGE MAY BE SEEN AS A RECOGNITION OF THE REMARKABLE WORK OF ITS FOUNDERS AND SUCCESSIVE GENERATIONS OF STAFF AND STUDENTS," MR CHAN SAID.

DEBATE ON THE BILL WAS ADJOURNED.

- - - - 0 - - - -

WORK OF SFC PRAISED

* * * * *

THE SECURITIES AND FUTURES COMMISSION (SFC) HAS ACHIEVED MUCH SINCE IT WAS ESTABLISHED IN MAY 1989, THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TABLING THE SECURITIES AND FUTURES COMMISSION 1991/92 ANNUAL REPORT, MR MACLEOD SAID IT WAS LARGELY THANKS TO ITS EFFORTS THAT WE HAD IN PLACE AN EFFECTIVE AND EFFICIENT REGULATORY FRAMEWORK WHICH WAS FULLY UP TO THE STANDARDS EXPECTED OF AN INTERNATIONAL FINANCIAL CENTRE.

HE SAID AS IN PREVIOUS YEARS, MUCH OF THE WORK OF SFC FOCUSED ON REFINEMENTS TO THE REGULATORY FRAMEWORK OF THE SECURITIES MARKETS.

/"THE MOST

"THE MOST IMPORTANT ISSUES INCLUDED THE CONSTITUTIONAL REFORMS TO THE GOVERNING STRUCTURE OF THE STOCK EXCHANGE OF HONG KONG, THE DEVELOPMENT OF THE NEW SECURITIES CLEARING AND SETTLEMENT SYSTEM, AND COMPLETION OF THE TRANSFER OF FULL RESPONSIBILITY TO THE STOCK EXCHANGE FOR ALL DAY-TO-DAY OPERATIONAL AND REGULATORY MATTERS IN RELATION TO LISTINGS," HE SAID.

TURNING TO MORE RECENT DEVELOPMENTS, MR MACLEOD SAID THE HONG KONG SECURITIES CLEARING COMPANY, HAVING RECEIVED THE NECESSARY RECOGNITION FROM THE SFC HAD OPENED ITS DEPOSITORY YESTERDAY.

THE COMPANY WOULD START OPERATING ON A TRADE-FOR-TRADE BASIS LATER THIS MONTH.

"IT IS IMPORTANT FOR THE COMPANY TO PROCEED AS SOON AS POSSIBLE TO A CONTINUOUS NET SETTLEMENT BASIS IN WHICH IT ACTS AS THE COUNTER PARTY AND SETTLEMENT GUARANTOR OF TRANSACTIONS.

"SUCH A MOVE WILL ENABLE HONG KONG INVESTORS TO BENEFIT FROM THE SETTLEMENT OF TRANSACTIONS ON A FULLY NETTED AND GUARANTEED BASIS," MR MACLEOD SAID.

AS THE ESSENTIAL PRE-CONDITION FOR THIS WAS THE ENACTMENT OF THE SECURITIES (CLEARING HOUSES) BILL MR MACLEOD HOPED IT WOULD BE POSSIBLE FOR THE BILL TO BE ENACTED BEFORE THE END OF THE SESSION.

MR MACLEOD ALSO MENTIONED OTHER IMPORTANT MATTERS DEALT WITH BY SFC DURING THE YEAR.

THESE INCLUDED THE ISSUE OF A REVISED UNIT TRUST CODE AND A TAKEOVERS AND SHARE REPURCHASES CODE, AND THE ISSUE OF A CONSULTATIVE DOCUMENT ON FINANCIAL RESOURCE REQUIREMENTS FOR SECURITIES AND FUTURES DEALERS.

IN ADDITION TO THESE WERE THE APPROVAL OF NEW LISTING RULES TO PERMIT SECONDARY LISTINGS FOR COMPANIES WHICH HAD A PRIMARY LISTING ON A RECOGNISED OVERSEAS EXCHANGE, BUT WHERE THE MAJORITY OF TRADING REMAINED IN HONG KONG.

- - - - 0 - - - -

ABOLITION OF DEATH PENALTY KEPT UNDER REVIEW

* * * * *

THE GOVERNMENT WILL KEEP UNDER REVIEW THE ABOLITION OF DEATH PENALTY AND INTRODUCE THE NECESSARY LEGISLATION TO ABOLISH CAPITAL PUNISHMENT IN DUE COURSE.

THIS WAS STATED BY THE ACTING SECRETARY FOR SECURITY, MR IAN STRACHAN, IN A WRITTEN REPLY TO A QUESTION BY PROF THE HON FELICE LIEH MAK IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE GOVERNMENT BELIEVED THAT CAPITAL PUNISHMENT SHOULD BE ABOLISHED IN HONG KONG AT AN APPROPRIATE TIME, MR STRACHAN NOTED.

/HOWEVER, GIVEN

HOWEVER, GIVEN THE CURRENT WIDESPREAD PUBLIC CONCERN OVER LAW AND ORDER IN THE WAKE OF RECENT HIGH PROFILE VIOLENT CRIMES, THE ADMINISTRATION BELIEVED THAT IT WOULD BE INSENSITIVE TO PURSUE ABOLITION AT THIS STAGE.

FURTHERMORE IT MIGHT SEND THE WRONG MESSAGE TO CRIMINAL ELEMENTS, MR STRACHAN ADDED.

- - - - 0 - - - -

MAJORITY OF AMBULANCE CALLS MET WITHIN TARGET TIME
* * * * *

THE ACTING SECRETARY FOR SECURITY, MR IAN STRACHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT LAST YEAR 91.1% OF EMERGENCY CALLS FOR AMBULANCES WERE MET WITHIN THE 10-MINUTE TARGET TIME.

HE SAID THE PERCENTAGE CAN BE IMPROVED WHEN PLANNED AMBULANCE DEPOTS ARE OPENED.

THE CURRENT STANDARD RESPONSE TIME WAS SET BY THE GOVERNMENT IN APRIL 1987, FOLLOWING A CONSULTANCY STUDY BY THE HEALTH OPERATIONAL RESEARCH UNIT OF THE UNITED KINGDOM.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON CONRAD LAM, MR STRACHAN SAID THE OBJECTIVE WAS TO ATTEND TO 95% OF THE EMERGENCY CALLS WITHIN A 10-MINUTE TRAVEL TIME ULTIMATELY.

HE SAID THE FIRE SERVICES DEPARTMENT HAD NO SHORTAGE OF EITHER AMBULANCEMEN OR AMBULANCES.

THE DEPARTMENT HAS 208 OPERATIONAL AMBULANCES AND 49 AMBULANCES FOR TRAINING AND MAINTENANCE RESERVE.

THE AMBULANCEMAN ESTABLISHMENT IS 2,024 AND THERE ARE NO VACANCIES AT PRESENT.

AMBULANCES ARE DESPATCHED TO THE SCENE INITIALLY ON THE BASIS OF INFORMATION RECEIVED BY THE FIRE SERVICES COMMUNICATION CENTRE (FSCC).

WHEN THE OFFICER-IN-CHARGE OF THE INCIDENT ARRIVES AT THE SCENE, HE WILL APPRAISE THE SITUATION AND WHERE NECESSARY, REQUEST THE FSCC TO DESPATCH ADDITIONAL AMBULANCES TO THE SCENE.

IN THE EVENT OF A SERIOUS INCIDENT WHERE MORE THAN FOUR AMBULANCES HAVE BEEN TURNED OUT OR UPON REQUEST OF THE OFFICER-IN-CHARGE, MR STRACHAN SAID A MOBILE CASUALTY TREATMENT CENTRE (MCTC) WILL BE DESPATCHED TO THE INCIDENT.

THE MCTC IS EQUIPPED WITH ADDITIONAL AMBULANCE AID EQUIPMENT TO TREAT AND STABILISE THE CASUALTIES AT SCENE BEFORE CONVEYING THEM TO HOSPITAL.

SHOULD THE SITUATION SO WARRANT, MEDICAL TEAMS WOULD BE SUMMONED TO THE SCENE TO TREAT CASUALTIES.

- - - - 0 - - - -

MATURE DEBT MARKET HELPS RAISE PAD FUNDING

* * * * *

A MATURE AND WELL-DEVELOPED DEBT MARKET WILL FACILITATE FUND RAISING ACTIVITIES, INCLUDING THOSE FOR THE PORT AND AIRPORT DEVELOPMENT PROJECTS, THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON DAVID LI, MR NENDICK ALSO SAID WITH THE BONDS DENOMINATED IN THE LOCAL CURRENCY AND MATURING WELL PAST 1997, THE ASIAN DEVELOPMENT BANK'S ISSUE OF SEVEN-YEAR HONG KONG DOLLAR BONDS HERE IN APRIL WAS A VOTE OF CONFIDENCE IN HONG KONG'S FUTURE AND ITS CURRENCY.

"THE VERY ENTHUSIASTIC RESPONSE FROM THE MARKET INDICATES A SUBSTANTIAL DEMAND FOR FIRST-CLASS HONG KONG DOLLAR PAPER.

"THE ISSUE ALSO HELPS TO PROVIDE A BENCHMARK FOR MEDIUM-TERM MONEY IN HONG KONG," MR NENDICK SAID.

THE SECRETARY SAID THE ADB ISSUE SHOULD PROVIDE A USEFUL GUIDE FOR OTHER BORROWERS WHEN CONSIDERING THEIR FUNDING NEEDS IN THE MARKET.

MR NENDICK SAID BOND ISSUES LAUNCHED IN HONG KONG BY PRESTIGIOUS MULTILATERAL ORGANISATIONS WITH TOP CREDIT RATINGS, SUCH AS THE ASIAN DEVELOPMENT BANK, BROUGHT SIGNIFICANT BENEFITS TO THE DEVELOPMENT OF HONG KONG'S CAPITAL MARKETS.

SHOULD THE ADB WISH TO MAKE ANY FURTHER ISSUES HERE IT WOULD CONSULT THE ADMINISTRATION WITH RESPECT TO AN APPROPRIATE TIMING, SO AS TO ENSURE THERE WAS NO CLASH WITH THE PLANS OF OTHER PROSPECTIVE ISSUERS.

- - - - 0 - - - -

INTEREST RATE HAS LITTLE DIRECT EFFECT ON COST OF LIVING

* * * * *

THE LEVEL OF INTEREST RATES SHOULD HAVE LITTLE DIRECT EFFECT ON THE COST OF LIVING IN GENERAL BECAUSE THE GREAT MAJORITY OF EXPENDITURE ITEMS COVERED BY THE CONSUMER PRICE INDEX ARE NOT SENSITIVE TO INTEREST RATE MOVEMENTS.

THIS WAS STATED BY THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, IN A REPLY TO A QUESTION BY DR THE HON CONRAD LAM IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID IT WAS ARGUABLE THAT NEGATIVE REAL INTEREST RATE MIGHT AFFECT INVESTMENT DECISIONS, THEREBY LEADING TO INVESTMENT OR OVER-INVESTMENT IN CERTAIN ECONOMIC SECTORS SUCH AS THE PROPERTY SECTOR.

IN ORDER TO AVOID SO FAR AS POSSIBLE THE RE-EMERGENCE OF OVERHEATING IN THE RESIDENTIAL PROPERTY MARKET, MR NENDICK SAID THE GOVERNMENT HAD EXTENDED THE AMBIT OF LIABILITY TO STAMP DUTY AND THE BANKS HAD BEEN ADHERING TO A TIGHT POLICY IN RESPECT OF RESIDENTIAL MORTGAGE LOANS.

ALSO, IN ANNOUNCING THE RECENT CHANGES IN DEPOSIT RATES, THE CHAIRMAN OF THE HONG KONG ASSOCIATION OF BANKS (HKAB) MADE IT CLEAR THAT NO RELAXATION OF THE PRESENT CRITERIA FOR SUCH LOANS WAS CONTEMPLATED.

A WORKING GROUP CHAIRED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS IS LOOKING AT POSSIBILITIES OF ADDRESSING THE HOUSING NEEDS OF THE MIDDLE INCOME GROUP.

MR NENDICK SAID LATEST STATISTICS REVEALED THAT INFLATIONARY PRESSURES HAD BEEN MODERATING AND IT WAS HOPED THAT THE RATE OF INFLATION FOR THIS YEAR WOULD BE CONSIDERABLY LOWER THAN IN 1991.

HE SAID INFLATIONARY PRESSURES IN RECENT YEARS HAD ARISEN FROM A STRUCTURAL CHANGE IN HONG KONG'S ECONOMY INTO A SERVICE-ORIENTED ECONOMY.

THE GOVERNMENT HAD BEEN TACKLING INFLATION BY ADDRESSING THE SUPPLY SIDE CONSTRAINTS SUCH AS LAND AND LABOUR, HE SAID.

ON THE GOVERNMENT'S INTEREST RATES POLICY, MR NENDICK SAID IT WAS CENTRED AROUND THE MONETARY OBJECTIVE OF MAINTAINING EXCHANGE RATE STABILITY NEAR TO 7.80 UNDER THE LINKED EXCHANGE RATE SYSTEM.

"WHEN IT IS FELT APPROPRIATE TO DO SO, GOVERNMENT WILL TAKE ACTION TO INFLUENCE INTEREST RATES WITH THIS OBJECTIVE IN MIND," MR NENDICK SAID.

HE SAID THE GOVERNMENT WOULD NORMALLY EXERT ITS INFLUENCE, THROUGH MONEY MARKET OPERATIONS, ON INTERBANK INTEREST RATES.

"BUT AS RETAIL DEPOSIT INTEREST RATES CANNOT FOR LONG BE SIGNIFICANTLY OUT OF LINE WITH INTERBANK RATES, AS THIS WOULD RESULT IN THE BANKS' SUFFERING LOSSES OR MAKING UNDUE PROFITS, THE (HKAB) NEED TO TAKE ACCOUNT OF THE INTERBANK RATES WHEN SETTING DEPOSIT INTEREST RATES.

"IT IS THROUGH THIS INDIRECT MARKET-RELATED PROCESS THAT GOVERNMENT EXERCISES ITS INFLUENCE OVER DEPOSIT INTEREST RATES SET BY THE ASSOCIATION," HE SAID.

MOREOVER, IN ACCORDANCE WITH THE HONG KONG ASSOCIATION OF BANKS ORDINANCE AND THE ASSOCIATION'S RULES ON INTEREST RATES AND DEPOSIT CHARGES, THE COMMITTEE OF THE ASSOCIATION HAS A STATUTORY OBLIGATION TO CONSULT THE FINANCIAL SECRETARY ON THE MAXIMUM INTEREST RATES IT SETS ON THE HONG KONG DOLLAR DEPOSITS GOVERNED BY THE INTEREST RATES RULES.

THIS CONSULTATION IS CARRIED OUT BETWEEN THE CHAIRMAN OF THE ASSOCIATION AND THE SECRETARY FOR MONETARY AFFAIRS, UNDER DELEGATED AUTHORITY OF THE FINANCIAL SECRETARY, BEFORE THE ASSOCIATION'S WEEKLY COMMITTEE MEETING ON FRIDAYS.

GUIDANCE ON SECURING GOODS ON VEHICLES

* * * * *

THE CODE OF PRACTICE FOR LOADING VEHICLES PROVIDES GUIDANCE TO DRIVERS ON HOW TO SECURE GOODS VEHICLE LOADS, AND COPIES ARE AVAILABLE FREE OF CHARGE FROM THE TRANSPORT DEPARTMENT.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, SAID THE ROAD TRAFFIC (TRAFFIC CONTROL) REGULATIONS REQUIRED DRIVERS TO ENSURE THAT THE LOADS OF THEIR GOODS VEHICLES WERE PROPERLY SECURED.

MR LEUNG SAID CONTRAVENTION COULD ATTRACT A MAXIMUM FINE OF \$5,000 AND THREE MONTHS' IMPRISONMENT ON FIRST CONVICTION, AND A MAXIMUM FINE OF \$10,000 AND SIX MONTHS' IMPRISONMENT ON SUBSEQUENT CONVICTION.

HE POINTED OUT THAT A TOTAL OF 7,626 PROSECUTIONS WERE TAKEN OUT FOR FAILURE TO SECURE GOODS VEHICLE LOADS BETWEEN MAY LAST YEAR AND APRIL THIS YEAR.

LAST YEAR, THERE WERE 8,417 PROSECUTIONS, OF WHICH 8,105 WERE SUCCESSFUL.

- - - - 0 - - - -

RELOCATION WORK OF NAVAL BASE WELL IN PROGRESS

* * * * *

WORK TO RELOCATE THE NAVAL BASE FROM HMS TAMAR TO THE NORTH SHORE OF STONECUTTERS ISLAND IS PROCEEDING WELL, THE ACTING SECRETARY FOR SECURITY, MR IAN STRACHAN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON SAMUEL WONG, MR STRACHAN SAID THE GOVERNMENT ANTICIPATED COMPLETION BY MARCH NEXT YEAR.

HE SAID AFTER THE ROYAL NAVY HAD MOVED FROM HMS TAMAR, THE NAVAL BASIN WOULD BE FILLED IN AND THE LAND THUS FORMED WOULD BE DISPOSED OF FOR COMMERCIAL DEVELOPMENT.

THE RELOCATION PROJECT WAS ANNOUNCED BY THE GOVERNOR IN HIS POLICY ADDRESS TO THE LEGCO IN OCTOBER 1989. THE CONTRACT FOR THESE WORKS WAS LET ON OCTOBER 24, 1991 AND WORK BEGAN ON SITE ON NOVEMBER 17 LAST YEAR.

- - - - 0 - - - -

NEW RULES TO CURB WORKING IIS EFFECTIVE

* * * * *

TOUGH NEW MEASURES AGAINST EMPLOYMENT OF ILLEGAL IMMIGRANTS (IIS) ARE PROVING EFFECTIVE AS IS EVIDENCED BY THE DROP IN THE PERCENTAGE FIGURES OF THOSE CAUGHT WORKING.

THIS WAS STATED BY THE ACTING SECRETARY FOR SECURITY, MR IAN STRACHAN, WHEN REPLYING TO A QUESTION BY THE HON GILBERT LEUNG KAM-HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR STRACHAN SAID SOME 25,400 IIS WERE ARRESTED THROUGHOUT HONG KONG IN 1991. 27,800 WERE ARRESTED IN 1990.

OF THOSE ARRESTED IN 1991, SOME 1,400 (UNDER 6%) WERE ARRESTED AT PLACES OF WORK. THE FIGURE FOR 1990 WAS ABOUT 3,300 (ABOUT 12%).

TOUGH NEW IMMIGRATION LAW AIMED AT THOSE EMPLOYING IIS WAS INTRODUCED IN NOVEMBER 1990. THE MAXIMUM PENALTY WAS INCREASED FROM A \$50,000 FINE AND ONE YEAR'S IMPRISONMENT TO \$250,000 FINE AND THREE-YEAR IMPRISONMENT.

MORE, MAIN CONTRACTORS WILL BE FINED A MAXIMUM OF \$250,000 IF IIS ARE CAUGHT ON SITES UNDER THEIR CONTROL.

HE SAID GOVERNMENT STATISTICS SHOWED ONLY BETWEEN THOSE WHO WERE CAUGHT AT PLACES OF WORK AND THOSE WHO WERE NOT.

"THOSE CAUGHT IN THE VICINITY OF A PLACE OF WORK ARE NOT NOW PROSECUTED UNLESS THEY ARE ENGAGED IN CRIMINAL ACTIVITIES AND SO ARE NOT COUNTED SEPARATELY," HE SAID.

MR STRACHAN ALSO SAID THE DIRECTOR OF IMMIGRATION HAD PROPOSED, SUBJECT TO THE AVAILABILITY OF RESOURCES, TO SET UP A TASK FORCE OF ABOUT 100 OFFICERS TO ENHANCE THE PRESENT OPERATIONS AGAINST ILLEGAL IMMIGRATION AND EMPLOYMENT.

HE SAID THE GOVERNOR OF GUANGDONG REAFFIRMED THAT THE GUANGDONG PROVINCIAL AUTHORITIES WOULD CONTINUE THEIR VIGILANCE AGAINST IIS TRYING TO ENTER HONG KONG.

- - - - 0 - - - -

DATA PROTECTION LAW UNDER STUDY

* * * * *

THE GOVERNMENT IS NOW IN THE PROCESS OF DELIBERATING THE BASIC FEATURES OF AN APPROPRIATE APPROACH TO DATA PROTECTION AND ITS IMPLEMENTATION IN HONG KONG, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, SAID TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON PETER WONG IN THE LEGISLATIVE COUNCIL, MR SUEN SAID PARTICULAR ATTENTION WOULD BE PAID TO THE SCOPE AND CONTENT OF SUCH LEGISLATION, AS WELL AS THE ARRANGEMENTS FOR THE ADMINISTRATION AND ENFORCEMENT OF THE PROTECTION SCHEME.

IN THE INTERIM, HE SAID, THE WORKING GROUP ON DATA PROTECTION LEGISLATION HAS ESTABLISHED A SET OF PRINCIPLES AND GUIDELINES WHICH HAVE BEEN ISSUED TO BOTH THE PUBLIC AND PRIVATE SECTORS, INVITING THEIR ADHERENCE TO THE PRINCIPLES AND COMPLIANCE WITH THE GUIDELINES ON A VOLUNTARY BASIS.

"THESE PRINCIPLES WERE BASED ON THOSE WHICH HAVE BEEN ADOPTED IN THE UNITED KINGDOM UNDER THE DATA PROTECTION ACT 1984," HE SAID.

MR SUEN ALSO TOLD THE COUNCIL THAT SINCE MARCH 1990, A PRIVACY SUB-COMMITTEE OF THE LAW REFORM COMMISSION HAS BEEN EXAMINING THE PROTECTION OF PERSONAL DATA IN RECORDED FORM.

"ITS TERMS OF REFERENCE ARE MUCH BROADER THAN THOSE OF THE WORKING GROUP, NOT BEING RESTRICTED TO AUTOMATED DATA.

"THE MEMBERSHIP OF THE SUB-COMMITTEE IS CORRESPONDINGLY BROADER, WITH ONLY A MINORITY BEING ELECTRONIC DATA PROCESSING SPECIALISTS," HE SAID.

IN ORDER THAT BOTH PARTIES COULD BE MUTUALLY ACQUAINTED WITH THE PATH TAKEN BY THE OTHER, MR SUEN SAID ARRANGEMENTS HAD BEEN MADE FOR CROSS-MEMBERSHIP AND EXCHANGE OF MINUTES.

HOWEVER, MR SUEN SAID THESE MEASURES HAVE MINIMISED BUT NOT TOTALLY ELIMINATED THE POTENTIALITY OF THE TWO GROUPS ADOPTING DIFFERENT APPROACHES TO THE SAME SUBJECT MATTER.

"TO OVERCOME THIS PROBLEM, WE INTEND TO USE THE OCCASION OF THE PUBLICATION OF THE PRIVACY SUB-COMMITTEE'S COMPREHENSIVE REPORT ON ITS FINDINGS FOR PUBLIC CIRCULATION LATER THIS YEAR, TO COLLECT GENERAL PUBLIC FEEDBACKS ON THE WIDER QUESTION OF THE PROTECTION OF THE PRIVACY OF PERSONAL DATA," HE SAID.

MR SUEN SAID THE NEXT STEP WILL VERY MUCH BE GUIDED BY THE PUBLIC FEEDBACK.

LOCAL REHOUSING FOR CLEARED SQUATTERS IMPOSSIBLE

* * * * *

IT IS NOT POSSIBLE TO OFFER LOCAL REHOUSING IN NEW ESTATES TO ALL SQUATTERS AFFECTED BY CLEARANCES, PARTICULARLY IN THE MAIN URBAN AREA, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING, HE EXPLAINED THAT SUCH REHOUSING IS PROVIDED ON THE BASIS OF THE AVAILABILITY OF RECEPTION ACCOMMODATION.

SINCE 1987 THE HOUSING AUTHORITY HAS USED THE SUPPLY OF PUBLIC HOUSING IN THE EXTENDED URBAN AREAS, SUCH AS TSING YI, TSUEN WAN, SHA TIN AND TSEUNG KWAN O, TO MEET SOME OF THE DEMAND ARISING FROM CLEARANCES IN KOWLOON.

"THESE AREAS ARE WELL SERVED BY PUBLIC TRANSPORT AND HAVE PROVED TO BE ACCEPTABLE TO MOST PROSPECTIVE TENANTS," MR EASON SAID.

ON HONG KONG ISLAND, HE SAID IT HAD BEEN POSSIBLE TO OFFER RECEPTION ACCOMMODATION ON THE ISLAND TO MEET CLEARANCE REQUIREMENTS.

"THESE REHOUSING ARRANGEMENTS ARE EXPECTED TO CONTINUE IN THE FORESEEABLE FUTURE," HE ADDED.

THE HOUSING AUTHORITY HAS BEEN OFFERING CASUAL VACANCIES IN PUBLIC HOUSING ESTATES TO SQUATTERS CLEARED IN THE MAIN URBAN AREA.

BUT MR EASON SAID URBAN TEMPORARY HOUSING AREAS WOULD NOT BE USED FOR THIS PURPOSE BECAUSE THEY WOULD BE CLEARED EVENTUALLY.

IN THE CASE OF LING NAM UPPER VILLAGE, NEW RECEPTION ACCOMMODATION WILL BE AVAILABLE IN KING LAM ESTATE IN TSUENG KWAN O FOR ALL HOUSEHOLD SIZES, OR TAK TIN ESTATE IN LAM TIN FOR THREE TO FOUR-PERSON HOUSEHOLDS.

THERE WOULD ALSO BE CASUAL VACANCIES FOR SOME IN VARIOUS KOWLOON ESTATES, MR EASON SAID.

- - - - 0 - - - -

SALARIES AND PROFITS TAX CONTRIBUTION EXPLAINED

* * * * *

WHILE THE GOVERNMENT IS CONCERNED TO ENSURE THAT SALARY EARNERS DO NOT SHOULDER AN INEQUITABLE SHARE OF THE TAX BURDEN, A SIMPLE FORMULA CANNOT BE APPLIED TO DETERMINE THE PROPORTIONS OF TOTAL REVENUE TO BE PAID BY SALARY EARNERS AND CORPORATIONS.

THIS WAS STATED BY THE ACTING SECRETARY FOR THE TREASURY, MR K.C. KWONG, IN A WRITTEN REPLY TO A QUESTION BY THE HON HOWARD YOUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

/MR KWONG

MR KWONG SAID THE RATIOS BETWEEN EMPLOYEES COMPENSATION AND GDP ON THE ONE HAND, AND BETWEEN GROSS OPERATING SURPLUS AND GDP ON THE OTHER, WERE FAIRLY STABLE, WITH A SLIGHT TREND IN FAVOUR OF EMPLOYEES COMPENSATION.

IN VIEW OF A PROGRESSIVE TAXATION SYSTEM FOR SALARY EARNERS AND A SIGNIFICANT INCREASE IN SALARIES IN BOTH MONEY AND REAL TERMS IN RECENT YEARS, HE SAID IT WAS NOT SURPRISING THAT THE PROPORTION OF REVENUE CONTRIBUTED BY SALARIES TAX HAD INCREASED.

FOR THE PAST THREE FISCAL YEARS, THE RATIOS OF REVENUES FROM PROFITS TAX TO REVENUES FROM SALARIES TAX WERE 2.03:1, 1.62:1 AND 1.45:1 RESPECTIVELY.

THE RATIO OF EMPLOYEES COMPENSATION (LABOUR INCOME) TO THE GDP HAS BEEN EDGING UP IN RECENT YEARS, FROM ABOUT 50% IN 1988 TO 51% IN 1989 AND FURTHER TO SLIGHTLY ABOVE 53% IN 1990.

BY CONTRAST, THE RATIO OF GROSS OPERATING SURPLUS TO GDP DECREASED FROM ABOUT 50% IN 1988 TO 49% IN 1989 AND FURTHER TO SLIGHTLY UNDER 47% IN 1990.

THE GROSS OPERATING SURPLUS REPRESENTS THAT PART OF THE VALUE ADDED NOT PERTAINING TO EMPLOYEES COMPENSATION, AND THUS COVERS COMPANY PROFITS AND DEPRECIATION OF FIXED ASSETS.

MR KWONG SAID IT WAS DIFFICULT TO MAKE MEANINGFUL STATISTICAL COMPARISONS BETWEEN HONG KONG AND OVERSEAS ADMINISTRATIONS BECAUSE OF DIFFERENT TAXATION SYSTEM.

- - - - 0 - - - -

WAITING TIME FOR INSTALLING VILLAGE LAMPS IMPROVING

* * * * *

THE WAITING TIME FOR INSTALLING VILLAGE STREET LAMPS IS IMPROVING STEADILY AS THE ANNUAL QUOTA OF STREET LAMPS INSTALLED IS CURRENTLY GREATER THAN THE NUMBER OF APPLICATIONS BEING RECEIVED.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON WONG WAI-YIN, MR BLAKE SAID AT PRESENT THE AVERAGE WAITING TIME REQUIRED FOR AN APPLICATION WAS TWO TO THREE YEARS.

HE EXPLAINED THAT SUPPLY AND DEMAND WAS THE MAIN REASON FOR THE OUTSTANDING APPLICATIONS FROM EARLIER YEARS, WHEN THE ANNUAL QUOTA WAS INSUFFICIENT TO MEET ALL REQUESTS.

"CONSEQUENTLY, VILLAGES WITH LARGER POPULATIONS OR LOCATIONS CONSIDERED TO BE CRIME OR TRAFFIC BLACK SPOTS HAVE BEEN NORMALLY ACCORDED HIGHER PRIORITY.

"LOWER PRIORITY HAS BEEN GIVEN TO VILLAGES WITH ENVISAGED PROBLEMS SUCH AS LACK OF ELECTRICITY SUPPLY AND DIFFICULTY IN GETTING LANDOWNERS' CONSENT TO WORKS," MR BLAKE SAID.

HE SAID THE IMPROVED ANNUAL QUOTA OF 1,000 VILLAGE STREET LAMPS SINCE 1987/88 HAD BEEN SUFFICIENT, FOLLOWING THE SAME PRIORITIES, TO COVER MOST NEW APPLICATIONS AND TO REDUCE THE BACKLOG.

THE NUMBER OF VILLAGE LIGHTING POINTS INSTALLED IN THE NEW TERRITORIES OVER THE PAST THREE YEARS WERE 994, 892 AND 1,170 RESPECTIVELY.

AT PRESENT THERE ARE A TOTAL OF 970 OUTSTANDING APPLICATIONS IN THE NEW TERRITORIES.

"THE ESTIMATED TIME REQUIRED TO PROCESS THE EXISTING STOCK OF OUTSTANDING APPLICATIONS IS TWO TO THREE YEARS," MR BLAKE SAID.

- - - - 0 - - - -

EXCO TO EXAMINE MULTI-STOREY BUILDINGS BILL SOON

* * * * *

THE DRAFT MULTI-STOREY BUILDINGS (OWNERS INCORPORATION) (AMENDMENT) BILL 1922 WILL BE SUBMITTED TO THE EXECUTIVE COUNCIL FOR CONSIDERATION SOON.

THIS WAS STATED BY THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, IN A WRITTEN REPLY TO A QUESTION BY THE HON LEE WING-TAT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IF APPROVED BY THE EXECUTIVE COUNCIL, THE BILL WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL TOWARDS THE END OF THE CURRENT SESSION, MR SUEN SAID.

- - - - 0 - - - -

LIQUIDITY ADJUSTMENT FACILITY TO BE INTRODUCED

* * * * *

THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, TOLD THE LEGISLATIVE COUNCIL THAT THE LIQUIDITY ADJUSTMENT FACILITY WILL BE INTRODUCED WITH EFFECT FROM NEXT MONDAY (JUNE 8).

THIS FOLLOWS CONSULTATION WITH THE HONG KONG ASSOCIATION OF BANKS, HE SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON DAVID LI TODAY (WEDNESDAY), HE SAID ALL LICENSED BANKS HAD BEEN NOTIFIED INDIVIDUALLY BY THE OFFICE OF THE EXCHANGE FUND.

- 7 - - - - 0 - - - -

EVENING CLINICS CLOSED FOR PATIENTS' SAFETY

* * * * *

SAFETY OF PATIENTS IS THE KEY CONSIDERATION WHEN DECIDING WHETHER EVENING PUBLIC CLINICS SHOULD BE CLOSED DURING RAINSTORMS OR OTHER NATURAL DISASTERS, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

NORMALLY, GENERAL OUT-PATIENT CLINICS WERE CLOSED ON THE HOISTING OF NO. 8 TYPHOON SIGNAL AND IN INCLEMENT WEATHER CONDITIONS.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON YEUNG SUM, MRS WONG EXPLAINED THAT THE SUSPENSION OF THE EVENING OUT-PATIENT SERVICE AT ABERDEEN JOCKEY CLUB CLINIC ON MAY 8 THIS YEAR WAS DUE TO EXTREMELY INCLEMENT WEATHER AND SEVERE THUNDERSTORM.

"EVEN DURING THE DAY, ATTENDANCE WAS BARELY HALF THE USUAL NUMBERS," SHE SAID.

"ALL 19 EVENING GENERAL OUT-PATIENT CLINICS IN THE DEPARTMENT OF HEALTH WERE SUSPENDED THAT EVENING."

SHE NOTED THAT THE ARRANGEMENT WAS ANNOUNCED THROUGH RADIO AND TELEVISION BROADCASTS AND BY NOTICES AT CLINICS.

PATIENTS REQUIRING EMERGENCY TREATMENT HAVE RECOURSE TO THE ACCIDENT AND EMERGENCY DEPARTMENT IN HOSPITALS, SHE ADDED.

- - - - 0 - - - -

COMPLAINTS AGAINST VESSEL NOISE

* * * * *

THE ENVIRONMENTAL PROTECTION DEPARTMENT HAS RECEIVED 50 COMPLAINTS OVER THE PAST THREE YEARS OF RESIDENTIAL PREMISES AFFECTED BY NOISE ASSOCIATED WITH THE OPERATION OF VESSELS AT PUBLIC CARGO HANDLING SITES AND COMMERCIAL PIERS.

THE FIGURE WAS REVEALED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON LEE WING-TAT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE MARINE DEPARTMENT HAS ALSO RECEIVED THREE MORE COMPLAINTS ASSOCIATED WITH VESSELS BERTHING AT COMMERCIAL PIERS.

OF THESE 53 COMPLAINTS, 33 HAVE BEEN REFERRED TO THE POLICE FOR ENFORCEMENT UNDER THE NOISE CONTROL ORDINANCE.

THE POLICE INITIATED PROSECUTION IN THREE OF THESE CASES, AND ISSUED VERBAL WARNINGS FOR THE OTHERS.

ON THE REMAINING 20 CASES, THE ENVIRONMENTAL PROTECTION DEPARTMENT HAS LIAISED WITH THE VESSEL OPERATORS TO WORK OUT MEASURES, SUCH AS LIMITING OPERATION HOURS, TO MITIGATE THE NOISE DISTURBANCE.

THE POLICE IS EMPOWERED TO ENFORCE PROVISIONS CONTROLLING NOISE EMANATING FROM MOVING VESSELS, INCLUDING THE USE OF LOUDSPEAKERS ON BOARD.

ON NOISE FROM VESSELS BERTHED AT COMMERCIAL PIERS, THE ENVIRONMENT PROTECTION DEPARTMENT IS EMPOWERED TO ISSUE NOISE ABATEMENT NOTICES TO REQUIRE APPROPRIATE ACTION TO BE TAKEN BY VESSEL OPERATORS TO ABATE THE NOISE NUISANCE.

- - - - 0 - - - -

GROUNDS FOR REFUSED ENTRY LISTED

* * * * *

THE GOVERNMENT DOES MAINTAIN A MONITORING SYSTEM FOR IDENTIFYING INDIVIDUALS WHO ARE NOT ALLOWED TO ENTER HONG KONG.

THIS WAS STATED BY THE ACTING SECRETARY FOR SECURITY, MR IAN STRACHAN, IN A WRITTEN REPLY TO A QUESTION BY THE HON MARTIN LEE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE IMMIGRATION AUTHORITIES NEED TO DECIDE WHETHER A PARTICULAR TRAVELLER IS SUBJECT TO IMMIGRATION CONTROL AND WHETHER HE OR SHE IS A BONA FIDE TRAVELLER," HE SAID.

TRAVELLERS MAY BE REFUSED ENTRY IF THEY DO NOT HAVE VALID TRAVEL DOCUMENTS. IF THEY NEED A VISA TO COME HERE, THEY MAY BE REFUSED ENTRY IF THEY ARRIVE WITHOUT ONE.

"PEOPLE WITH VALID VISAS MAY BE REFUSED ENTRY IF WE DISCOVER THAT FALSE REPRESENTATIONS WERE EMPLOYED OR MATERIAL FACTS WITHHELD FOR THE PURPOSE OF OBTAINING THE VISAS," MR STRACHAN SAID.

HE ADDED THAT PEOPLE HOLDING VALID VISAS MAY ALSO BE REFUSED ENTRY IF A CHANGE OF CIRCUMSTANCES SINCE THE VISAS WERE ISSUED HAD REMOVED THE BASIS OF THE TRAVELLERS' CLAIMS TO ADMISSION.

IN ADDITION, TRAVELLERS MAY ALSO BE REFUSED ENTRY ON GROUNDS OF RESTRICTED RETURNABILITY; ON MEDICAL GROUNDS; ON GROUNDS OF CRIMINAL RECORD; BECAUSE EXCLUSION WOULD BE CONDUCIVE TO THE PUBLIC GOOD; OR WHERE IT IS LIKELY THAT A TRAVELLER WILL BECOME A BURDEN ON HONG KONG.

HOWEVER, HE SAID THE HONG KONG GOVERNMENT DID NOT ENTER INTO DISCUSSIONS ON INDIVIDUAL CASES WITH THE CHINESE GOVERNMENT OR ITS REPRESENTATIVES IN HONG KONG.

THE TOTAL NUMBERS REFUSED ENTRY WERE ABOUT 42,800 IN 1989, 34,500 IN 1990, AND 26,400 IN 1991.

- - - - 0 - - - -

DRAINAGE SYSTEM IN NEW TYPHOON SHELTER SOUND

* * * * *

THE DESIGN AND LAYOUT OF THE DRAINAGE SYSTEM IN THE NEW YAU MA TEI TYPHOON SHELTER WOULD NOT RESULT IN THE ACCUMULATION OF SEWAGE IN THE SHELTER AREAS.

AND THE GOVERNMENT HAS NO PLAN AT THIS STAGE TO MODIFY THEM.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN A WRITTEN REPLY TO A QUESTION BY THE HON GILBERT LEUNG KAM-HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BLAKE SAID 12 DRY WEATHER FLOW (DWF) INTERCEPTORS WOULD BE COMPLETED IN THE NEAR FUTURE AFTER WHICH THE QUALITY OF DISCHARGES INTO THE SHELTER WOULD BE GREATLY IMPROVED.

OF THEM, TWO WILL BE COMPLETED IN MID NEXT YEAR AND THE OTHERS IN 1995. THE ESTIMATED COST OF THE DWF INTERCEPTOR SCHEME IS \$28 MILLION.

THESE INTERCEPTORS WILL DIVERT THE DWF FROM THE STORM DRAINAGE SYSTEM TO THE FOUL SEWERAGE SYSTEM DURING DRY WEATHER.

THE DWF IS THE MAJOR POLLUTANT CARRIER AS IT COMPRISES, MAINLY, THE FLOWS FROM ILLEGAL CONNECTIONS INTO THE STORM DRAINAGE SYSTEM.

"THE DWF INTERCEPTORS, WHILE NOT COMPLETELY PREVENTING POLLUTANTS FROM ENTERING THE TYPHOON SHELTER, WILL REDUCE THEM TO AN ACCEPTABLE LEVEL THAT WILL NOT CAUSE SERIOUS POLLUTION IN THE SHELTER," HE SAID.

THE ENVIRONMENTAL GUIDELINES UNDER THE HONG KONG PLANNING STANDARDS AND GUIDELINES IS THAT NO NEW SEWER OR STORMWATER DRAIN SHOULD DISCHARGE INTO ANY NEW TYPHOON SHELTER, MARINA OR BOAT PARK.

THE PLANNING STANDARDS AND GUIDELINES ALLOW A DEGREE OF FLEXIBILITY IN APPLICATION, HAVING REGARD TO LAND USE DEMANDS, LOCAL CONDITIONS, DEVELOPMENT CONSTRAINTS AND RESOURCE AVAILABILITY.

THE SECRETARY SAID THE DECISION TO DEVIATE THE DRAINAGE SYSTEM FROM THIS GUIDELINE IN THE NEW TYPHOON SHELTER WAS TAKEN ONLY AFTER CAREFUL CONSIDERATION OF WHAT COULD BE DONE TO PREVENT POLLUTANTS FROM ENTERING THE STORMWATER OUTFALL AND THE LIKELY RESULTANT WATER QUALITY THERE.

REMUNERATION AND FRINGE BENEFIT
OF CLINICAL TEACHERS

* * * * *

THE BASIC SALARIES PAYABLE TO CLINICAL STAFF OF THE TWO MEDICAL SCHOOLS ARE SIMILAR TO THOSE OF THEIR COUNTERPARTS EMPLOYED BY THE HOSPITAL AUTHORITY (HA), THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HOWEVER, HE ADDED, THE FRINGE BENEFIT PACKAGES ENJOYED BY THE TWO GROUPS OF STAFF WERE DIFFERENTLY STRUCTURED.

IN A REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA, MR CHAN SAID THE HA PACKAGE WAS GENERALLY CONSIDERED TO BE MORE FLEXIBLE THOUGH, ON INDIVIDUAL CIRCUMSTANCES, SOME STAFF WERE LIKELY TO FIND THE UNIVERSITIES' PACKAGE MORE ATTRACTIVE.

HE SAID IN RESPONSE TO REPRESENTATIONS FROM THE UNIVERSITY MEDICAL DOCTORS' ASSOCIATION AND THE TWO UNIVERSITIES, THE GOVERNMENT HAD UNDERTAKEN TO CONSIDER THE CASE FOR OFFERING UNIVERSITY CLINICAL TEACHERS THE OPTION TO CHOOSE BETWEEN REMAINING ON THEIR EXISTING TERMS OR CHANGING OVER TO TERMS SIMILAR TO THOSE OF HA.

"AT THIS STAGE, WE ARE CONSULTING THE UNIVERSITIES ON THE SEVERITY OF THE MORALE AND WASTAGE PROBLEMS THAT THE ABSENCE OF SUCH AN OPTION WAS SAID TO HAVE CAUSED, AND ALSO ON THE FINANCIAL IMPLICATIONS INVOLVED IN OFFERING SUCH AN OPTION.

"THESE ARE IMPORTANT CONSIDERATIONS BECAUSE RESOURCES ARE NECESSARILY LIMITED AND THERE ARE MANY OTHER COMPETING CLAIMS," MR CHAN SAID.

- - - - 0 - - - -

MORE ELIGIBLE FOR TIN SHUI WAI PUBLIC HOUSING FLATS

* * * * *

UNDER A SPECIAL ALLOCATION POLICY TO ENCOURAGE RESIDENTS TO MOVE TO TIN SHUI WAI RENTAL ESTATES, TWO ADDITIONAL CATEGORIES OF HOUSEHOLDS ARE ELIGIBLE TO APPLY, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON ELSIE TU, MR EASON SAID THE FIRST INCLUDED HOUSEHOLDS BELOW THE HOME OWNERSHIP SCHEME INCOME LIMIT OF \$18,000 PER MONTH.

THE SECOND INCLUDED HOUSEHOLDS WITH INCOMES UP TO TWICE THE LIMIT FOR WAITING LIST APPLICANTS, SUBJECT TO A CEILING OF \$22,000 A MONTH FOR A HOUSEHOLD OF FIVE PERSONS OR MORE.

IT ALSO INCLUDED THOSE AFFECTED BY CLEARANCES, RESIDENTS OF TEMPORARY HOUSING AREA AND WAITING LIST APPLICANTS WHO HAVE LIVED IN HONG KONG FOR AT LEAST THREE YEARS BUT LESS THAN SEVEN YEARS.

UP TO MID-MAY, MR EASON SAID A TOTAL OF 1,630 PUBLIC HOUSING FLATS IN TIN SHUI WAI HAD BEEN COMPLETED.

"ALL OF THESE ARE FOR RENTING, WITH 630 TO MEET CLEARANCE AND OTHER OPERATIONAL REQUIREMENTS AND THE REMAINING 1,000 FOR ELIGIBLE WAITING LIST APPLICANTS.

AS AT MID-MAY, A TOTAL OF 1,225 FLATS HAD BEEN LET TO APPLICANTS WHO MEET THE NORMAL REHOUSING ELIGIBILITY CRITERIA.

OF THEM, 755 WERE FROM THE GENERAL WAITING LIST AND 470 FROM CLEARANCE AND OTHER CATEGORIES.

MR EASON SAID A TOTAL OF 8,961 PUBLIC RENTAL HOUSING FLATS AND 1,824 HOS FLATS WERE PROGRAMMED FOR COMPLETION AT TIN SHUI WAI BY THE END OF THE CURRENT FINANCIAL YEAR ADDING THAT THE ALLOCATION CRITERIA WOULD BE THE SAME AS THOSE DESCRIBED ABOVE.

- - - - 0 - - - -

DISTRIBUTION OF FIRST-YEAR, FIRST-DEGREE PLACES
BEING WORKED OUT
* * * * *

THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC) AND THE SEVEN TERTIARY EDUCATION INSTITUTIONS TO WHICH IT PROVIDES FUNDING ARE NOW WORKING OUT THE DETAILS OF HOW THE REVISED PLANNING TARGET OF FIRST-YEAR, FIRST-DEGREE PLACES SHOULD BE PHASED IN OVER THE NEXT THREE ACADEMIC YEARS.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR CHAN SAID THE PLANNING TARGET OF 15,000 FIRST YEAR, FIRST DEGREE PLACES FOR 18 PER CENT OF THE 17-20 AGE GROUP BY 1994-95 HAD BEEN REVISED TO 14,500 FOLLOWING THE RELEASE EARLY THIS YEAR OF NEW DEMOGRAPHIC DATA FROM THE 1991 CENSUS.

REPLYING TO A QUESTION BY THE HON. TIK CHI-YUEN, MR CHAN SAID THE NUMBER OF FIRST-YEAR, FIRST-DEGREE PLACES AND THEIR DISTRIBUTION BETWEEN INSTITUTIONS FROM 1992-93 TO 1994-95 WERE THE SUBJECT OF DISCUSSION BETWEEN THE UPGC AND THE INSTITUTIONS, IN THE CONTEXT OF THE LATTER'S ACADEMIC DEVELOPMENT PROPOSALS FOR THE 1992-95 TRIENNIUM.

"BECAUSE DISCUSSIONS ARE ON-GOING, IT IS NEITHER POSSIBLE NOR APPROPRIATE FOR THE GOVERNMENT TO ANTICIPATE WHAT EFFECT THE ADJUSTMENT OF THE PLANNING TARGET WOULD HAVE ON ACADEMIC PLANNING, STAFFING OR STUDENT ENROLMENT," HE SAID.

/"THE TASK

"THE TASK OF ACCOMMODATING THE NEW PLANNING TARGETS FALLS ON THE TERTIARY INSTITUTIONS THEMSELVES AND I AM CONFIDENT OF THEIR CAPABILITY TO TAKE THE NECESSARY MANAGEMENT DECISIONS EFFECTIVELY."

MR CHAN SAID HE WAS ASSURED THAT THE UPGC WAS PREPARED TO GIVE THE INSTITUTIONS ALL THE NECESSARY ADVICE AND HELP AND TO CONSIDER SYMPATHETICALLY ANY PRACTICAL CONSTRAINTS WHICH MIGHT ARISE AND WHICH WERE DRAWN TO ITS ATTENTION.

THE UPGC WILL BE EXAMINING THE FINANCIAL IMPLICATIONS OF THE REVISED ACADEMIC PLANS SUBMITTED BY THE INSTITUTIONS AT ITS NEXT MEETING IN SEPTEMBER.

ANY FUNDS WHICH MIGHT BECOME "SURPLUS" TO REQUIREMENTS AS A RESULT OF THE DOWNWARD ADJUSTMENT TO STUDENT NUMBER TARGETS WOULD BE RETURNED TO THE GOVERNMENT.

"THE GOVERNMENT WILL CONSIDER THE BEST USE FOR THESE FUNDS, TAKING FULLY INTO ACCOUNT THE REQUIREMENTS OF DIFFERENT SECTORS OF EDUCATION," THE SECRETARY ADDED.

- - - - 0 - - - -

MOTION ON TELECOMMUNICATIONS POLICY PASSED

* * * * *

A MOTION ON THE FORMULATION OF LONG-TERM TELECOMMUNICATIONS POLICY WAS PASSED AFTER A TWO-HOUR DEBATE IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY).

SIXTEEN LEGISLATORS SPOKE ON THE MOTION MOVED BY THE HON STEVEN POON. THE ACTING SECRETARY FOR ECONOMIC SERVICES, MRS ELIZABETH BOSHER, SPOKE ON BEHALF OF THE GOVERNMENT.

AN AMENDMENT MOTION MOVED BY THE HON ANDREW WONG ON THE REVIEW OF MUNICIPAL COUNCILS AND DISTRICT BOARDS WAS PASSED. THE ORIGINAL MOTION MOVED BY DR THE HON YEUNG SUM WAS DEFEATED.

A TOTAL OF 22 MEMBERS SPOKE IN THE DEBATE WHICH LASTED MORE THAN TWO-AND-A-HALF HOURS. THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, SPOKE ON BEHALF OF THE GOVERNMENT.

IN ADDITION, SEVEN MEMBERS SPOKE IN THE ADJOURNMENT DEBATE RAISED BY THE HON MIRIAM LAU ON TRAFFIC CONGESTION AT CROSS HARBOUR TUNNEL. THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, REPLIED FOR THE GOVERNMENT.

MEANWHILE, THREE BILLS WERE PASSED BY THE COUNCIL.

OF THEM, POST OFFICE (AMENDMENT) BILL 1992 WAS PASSED WITHOUT AMENDMENT.

/THE INLAND

WEDNESDAY, JUNE 3, 1992

- 25 -

THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1992 AND IMMIGRATION (AMENDMENT) BILL 1992 WERE PASSED WITH AMENDMENTS.

MEANWHILE, LINGNAM COLLEGE BILL AND LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1992 WERE INTRODUCED FOR FIRST AND SECOND READINGS. DEBATE ON THEM WERE ADJOURNED.

THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, TABLED THE SECURITIES AND FUTURES COMMISSION ANNUAL REPORT 1991/92.

THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR MICHAEL SZE, TABLED THE REGIONAL COUNCIL'S REVISED ESTIMATES OF EXPENDITURE 1991/92.

- - - - 0 - - - -

WEDNESDAY, JUNE 3, 1992

- 26 -

AIRPORT FINANCE PLAN UNLIKELY ON PMS' AGENDA

* * * * *

THE GOVERNOR, LORD WILSON, SAID TODAY (WEDNESDAY) THAT HE WOULD NOT EXPECT THE PRIME MINISTERS OF BRITAIN AND CHINA TO BE DISCUSSING IN RIO DE JANEIRO DETAILED MATTERS LIKE THE FINANCIAL PLAN FOR THE NEW AIRPORT IN HONG KONG.

SPEAKING TO REPORTERS AFTER VISITING YUEN LONG, THE GOVERNOR SAID THOSE WERE THE SORTS OF THINGS WHICH SHOULD BE SORTED OUT AT A MUCH LOWER LEVEL THAN PRIME MINISTERIAL LEVEL.

"THE TWO PRIME MINISTERS ARE MEETING AT RIO WHERE THE EARTH SUMMIT IS GOING ON. IT WILL BE A VERY SHORT MEETING," HE SAID.

"I EXPECT THAT THEY ARE GOING TO BE DISCUSSING A LOT OF WORLD ISSUES. IT WOULDN'T BE SURPRISING IF THEY WANTED TO KNOW WHAT HAD HAPPENED ON THE AIRPORT BECAUSE AFTER ALL THEY HAVE BOTH SIGNED THE MEMORANDUM OF UNDERSTANDING WHICH GIVES APPROVAL TO THE AIRPORT GOING AHEAD AS QUICKLY AS POSSIBLE."

ASKED ABOUT HIS COMING VISIT TO BEIJING, THE GOVERNOR SAID: "THE ESSENTIAL PURPOSE IS FOR GOING TO BID FAREWELL TO A NUMBER OF PEOPLE I HAVE BEEN DEALING WITH SINCE I HAVE BEEN GOVERNOR OF HONG KONG.

"SO I AM NOT GOING THERE TO NEGOTIATE THINGS BUT I WILL EXPECT TO USE IT REALLY TO TRY TO SUM UP THE EXPERIENCE OF OUR RELATION OVER THE LAST FIVE YEARS AND TO LOOK AHEAD TO LESSONS WHICH WE MIGHT TRY TO LEARN FOR THE FUTURE.

"I EXPECT TO TOUCH ON ANY SUBJECTS WHICH ARE CURRENT AT THE MOMENT AND I HAVE NO DOUBT AT ALL THAT WE'LL TOUCH ON THE AIRPORT BUT AS I SAY IT'S NOT TO GO THERE TO NEGOTIATE."

EXPANDING ON THE FINANCIAL ARRANGEMENT FOR THE AIRPORT, LORD WILSON SAID : "WE ARE COMMITTED UNDER THE MEMORANDUM OF UNDERSTANDING TO BUILD AS MUCH THE AIRPORT AS WE CAN BEFORE 1997 AND THAT'S WHAT WE WANT TO DO.

"A KEY PART OF GETTING ON WITH THAT ON PROGRAMME IN TIME IS MAKING SURE THAT WE HAVE AGREEMENT BETWEEN THE TWO SIDES ON THE FINANCIAL ARRANGEMENT SO WE CAN THEN GO TO THE LEGISLATIVE COUNCIL AND PUT IN THE BID TO THE FINANCE COMMITTEE FOR THE MONEY WE NEED."

- - - - 0 - - - -

STI WELCOMES DECISION ON CHINA'S MFN STATUS

* * * * *

THE SECRETARY FOR TRADE AND INDUSTRY, MR T.H. CHAU, WELCOMES U.S. PRESIDENT MR GEORGE BUSH'S DECISION TO EXTEND CHINA'S MOST-FAVOURLED-NATION (MFN) TRADE STATUS FOR ANOTHER YEAR.

PRESIDENT BUSH HAS INFORMED THE U.S. CONGRESS YESTERDAY (JUNE 2) THAT HE PLANS TO EXTEND CHINA'S MFN TRADE STATUS FOR ANOTHER YEAR.

COMMENTING ON PRESIDENT BUSH'S ACTION, MR CHAU SAID TODAY (WEDNESDAY): "THIS IS A GOOD NEWS FOR HONG KONG."

"WE CANNOT AFFORD TO BE COMPLACENT, HOWEVER. IT IS LIKELY THAT THE U.S. CONGRESS WILL AGAIN ATTEMPT TO OVERTURN THE PRESIDENT'S DECISION OR IMPOSE CONDITIONS ON THE RENEWAL OF MFN.

"THE MFN BATTLE IS THEREFORE FAR FROM OVER. THE HONG KONG GOVERNMENT WILL CONTINUE TO MAKE EVERY EFFORT TO ENSURE THAT HONG KONG'S CASE IS UNDERSTOOD AND GIVEN DUE WEIGHT BY BOTH THE U.S. ADMINISTRATION AND CONGRESS," HE ADDED.

- - - - 0 - - - -

GOVERNOR TOURS YUEN LONG

* * * * *

THE GOVERNOR, LORD WILSON, TODAY (WEDNESDAY) VISITED YUEN LONG DISTRICT TO SEE THE PROGRESS OF VARIOUS CONSERVATION, HOUSING AND ENVIRONMENTAL PROJECTS.

LORD WILSON FIRST VISITED THE RECENTLY RENOVATED KUN TING STUDY HALL AND THE TANG ANCESTRAL HALL IN PING SHAN, BOTH OF WHICH WILL FORM PART OF HONG KONG'S FIRST HERITAGE TRAIL WHICH IS DUE TO OPEN NEXT YEAR.

"I AM DELIGHTED TO SEE THE PROGRESS MADE WITH THIS EXCITING PROJECT.

"THE PRESERVATION OF HONG KONG'S HERITAGE IS IMPORTANT BECAUSE IT REMINDS THE COMMUNITY OF THE ACHIEVEMENTS OF EARLIER GENERATIONS.

"THE PACE OF CHANGE IN HONG KONG IS SO RAPID, PRESERVING SOMETHING OF THE PAST HELPS US TO KEEP OUR BEARINGS," HE SAID.

THE GOVERNOR WAS BRIEFED ON PROGRESS WITH THE DEVELOPMENT OF THE TIN SHUI WAI NEW TOWN FROM A ROOF TOP IN THE TIN YIU ESTATE.

/HE VISITED

HE VISITED A FAMILY WHO HAVE RECENTLY MOVED TO YIU MAN HOUSE AND HEARD THEIR VIEWS ABOUT THE QUALITY OF LIFE ON THE ESTATE.

THE GOVERNOR THEN VISITED WANG CHAU WHERE A \$135 MILLION ENVIRONMENTAL IMPROVEMENT PROJECT IS NEARING COMPLETION.

THIS AMBITIOUS PROJECT WILL REDUCE THE LEVELS OF POLLUTION IN THE YUEN LONG NULLAH WHICH FLOWS THROUGH THE CENTRE OF THE TOWN.

YUEN LONG WAS THE FIRST DISTRICT HE VISITED AFTER ARRIVAL AS GOVERNOR IN 1987.

"WHEN I VISITED YUEN LONG IN 1987, THE NULLAH WAS IN A DREADFUL STATE. I SAID THEN THAT SOMETHING HAD TO BE DONE TO CLEAN IT UP. THE IMPROVEMENT IS REMARKABLE AND I AM SURE VERY WELCOME TO EVERYONE LIVING IN YUEN LONG," LORD WILSON SAID.

HE WAS ACCOMPANIED BY THE ACTING REGIONAL SECRETARY FOR THE NEW TERRITORIES, MR FRED TING, AND THE DISTRICT OFFICER, MR ROBIN IP.

BEFORE CONCLUDING HIS VISIT, LORD WILSON ATTENDED A TEA RECEPTION WHERE HE MET DISTRICT BOARD MEMBERS AND COMMUNITY LEADERS.

- - - - 0 - - - -

WESTERN WHOLESALE MARKET PHASE II CONTRACT AWARDED

* * * * *

THE WESTERN WHOLESALE MARKET IN KENNEDY TOWN WILL BE OPERATING IN FULL SWING BY EARLY 1994 AFTER THE COMPLETION OF THE BUILDING WORK ON PHASE II.

THE WHOLESALE MARKET, DESIGNED TO CATER FOR FIVE DIFFERENT TYPES OF FRESH PRODUCE WITHIN A SINGLE MULTI-LEVEL COMPLEX, IS THE FIRST OF ITS KIND IN THE WORLD.

WORK FOR CONSTRUCTION OF PHASE II WILL START SOON FOLLOWING THE SIGNING OF A \$152 MILLION CONTRACT BY THE ARCHITECTURAL SERVICES DEPARTMENT TODAY (WEDNESDAY).

OCCUPYING AN AREA OF MORE THAN 16,500 SQUARE METRES ALONG THE SEAFRONT, THE PHASE II WORK WILL HOUSE 207 STALLS AND 14 MAIN STALLS FOR THE SALE OF VEGETABLES AND POULTRY RESPECTIVELY.

THE NEW EXTENSION WILL BE SERVED BY TWO PIERS, EACH INSTALLED WITH PURPOSE-DESIGNED MECHANISED EQUIPMENT FOR LOADING AND UNLOADING OF PRODUCE.

OVER 120 LORRY PARKING SPACES WILL ALSO BE AVAILABLE ON BOTH LEVELS OF THE MARKET COMPLEX.

/THE BUILDING

THE BUILDING HAS BEEN DESIGNED TO MAXIMISE ON THE USE OF NATURAL LIGHTING AND VENTILATION TO REDUCE OPERATING COSTS.

DUE CONSIDERATION HAS ALSO BEEN GIVEN TO THE TREATMENT OF VARIOUS TYPES OF LIQUID AND SOLID WASTE FROM DIFFERENT TRADES.

PHASE I OF THE WHOLESALE MARKET WHICH CATERS FOR THE SALE OF FISH, FRUIT AND EGGS HAS BEEN IN OPERATION SINCE EARLY THIS YEAR.

- - - - 0 - - - -

HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

* * * * *

	DATE	\$ MILLION
	----	-----
CLOSING BALANCE IN THE ACCOUNT ON	2.6.92	988
EFFECT OF FORWARDS TO BE SETTLED ON	3.6.92	-631
EFFECT OF OPERATIONS THIS MORNING		+631
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 111.4 *-0.1* 3.6.92

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.80 PCT	18 MONTHS	2311	6.25	102.45	4.54
1 MONTH	2.81 PCT	21 MONTHS	2402	5.50	101.14	4.85
3 MONTHS	2.86 PCT	24 MONTHS	2405	5.50	100.87	5.09
6 MONTHS	3.23 PCT					
12 MONTHS	3.95 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 9,038 MN

CLOSED 3 JUNE 1992

- - - - 0 - - - -