



# DAILY INFORMATION BULLETIN

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## CONTENTS

PAGE NO.

### LEGISLATIVE COUNCIL MEETING:

GOVT LOOKS TO PRIVATE SECTOR TO FOLLOW LEAD TO FIGHT INFLATION .....	1
GOVT'S BUDGETARY AND MONETARY SYSTEMS NOT INFLATIONARY .....	4
FS OUTLINES MEASURES TO ATTACK INFLATION .....	8
LAW AMENDMENT AND REFORM BILL INTRODUCED .....	11
BILL TO INTRODUCE ELECTRONIC PARKING METERS AND PARKING TICKET VENDING MACHINES .....	12
BILL TO PROVIDE FOR PRIVATE MANAGEMENT OF GOVERNMENT TUNNELS .....	13
BILL TO CLEAR ANOMALY IN PRACTISING CERT'S VALIDITY PERIODS INTRODUCED	13
AMENDMENTS TO FELONIES AND MISDEMEANOURS BILL .....	14
NO INDICATION OF INCREASING INVOLVEMENT OF UNDERAGED GIRLS IN PROSTITUTION .....	15
GOOD PROGRESS ON INTRODUCTION OF UNLEADED PETROL .....	16
GOVT EXAMINES NEED FOR PARAMEDICAL SERVICES ON AMBULANCES .....	17
EFFORTS CONTINUING FOR REPATRIATION AGREEMENT .....	18
SEVEN-HOUR LEGCO DEBATE ON INFLATION .....	19
TAXI FUEL SUPPLEMENT TO BE WITHDRAWN .....	20
96 VM'S RETURN TO VIETNAM .....	20
YLDB REPRESENTATIVE TO RC ELECTED .....	20
THREE DB'S TO ELECT RC REPRESENTATIVES .....	21
GOVERNMENT LAND TO LET BY TENDER .....	21
FRESH WATER SUPPLY SUSPENSION .....	22
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS .....	22

GOVT LOOKS TO PRIVATE SECTOR TO FOLLOW LEAD TO FIGHT INFLATION

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THE CHIEF SECRETARY, THE HON SIR DAVID FORD, THIS (WEDNESDAY) EVENING SAID THAT THE GOVERNMENT LOOKS TO THE PRIVATE SECTOR TO FOLLOW ITS LEAD IN TACKLING INFLATION.

SPEAKING AT A MOTION DEBATE ON INFLATION IN THE LEGISLATIVE COUNCIL, THE CHIEF SECRETARY OUTLINED WHAT THE GOVERNMENT HAD DONE TO ATTACK THE PROBLEM THROUGH INTRODUCING THE IMPORTATION OF LABOUR SCHEME, BY RESTRICTING GOVERNMENT PAY AWARD AND RESTRAINING THE GROWTH OF THE CIVIL SERVICE.

SIR DAVID NOTED THAT MANY OBSERVERS HAD POINTED TO THE SHORTAGE OF LABOUR IN HONG KONG AS THE CHIEF CULPRIT FOR THE CONTINUING HIGH LEVEL OF INFLATION.

HE SAID THE LIMITED SCHEME FOR THE IMPORTATION OF LABOUR INTRODUCED BY THE GOVERNMENT LAST YEAR WAS AIMED AT RELIEVING PROVEN SHORTAGES.

HE SAID THE CURRENT SCHEME, ALSO AIMED AT RELIEVING CLEARLY IDENTIFIED SECTORAL SHORTAGES, WAS FOUND BY THE EMPLOYERS TO BE USEFUL, PARTICULARLY IN HELPING TO INCREASE THE LEVEL OF PRODUCTION AND PRODUCTIVITY.

THE GOVERNMENT WAS CURRENTLY REVIEWING THE SCHEME AND HAD YET TO DECIDE WHETHER THERE WAS A CASE FOR PROVIDING A FURTHER QUOTA THIS YEAR, SIR DAVID SAID.

"IF WE DO EXTEND THE SCHEME, WE WILL ENSURE THAT IT REMAINS TARGETTED AT AREAS OF PROVEN SHORTAGE.

"SO THE TWO MAIN FACTORS WE WILL FACTOR INTO THE REVIEW ARE THE IDENTIFICATION OF SHORTAGES IN SPECIFIC AREAS AND THE EVIDENCE NOW EMERGING OF SOME SOFTENING IN THE LABOUR MARKET AS A WHOLE," HE SAID.

THE CHIEF SECRETARY POINTED OUT THAT OVER 82 PER CENT OF THE QUOTA HAD BEEN TAKEN UP AND THE REMAINING QUOTA HAD BEEN RE-DISTRIBUTED.

"THE INCIDENCE OF ABUSE SO FAR HAS BEEN LOW. TRADE UNIONS HAVE POINTED OUT CERTAIN DIFFICULTIES IN POLICING THE SCHEME. WE WILL TAKE THESE FACTORS INTO ACCOUNT AND LOOK FOR WAYS TO IMPROVE THE WAY THE SCHEME OPERATES," HE SAID.

DESPITE RECENT SIGNS OF EASING IN THE LABOUR MARKET, SIR DAVID SAID SERIOUS SHORTAGES STILL PERSISTED IN SOME AREAS.

"WHILE THE UNEMPLOYMENT RATE HAS INCREASED FROM 1.4 PER CENT AT THE END OF LAST YEAR TO 1.8 PER CENT IN THE FIRST QUARTER OF THIS YEAR, VACANCIES STILL ABOUND, PARTICULARLY IN THE SERVICE INDUSTRIES AND SPECIFIC CATEGORIES OF SKILLED AND SEMI-SKILLED MANUFACTURING WORKERS," HE SAID.

TURNING TO THE CIVIL SERVICE, THE CHIEF SECRETARY NOTED THAT THE GOVERNMENT WAS OFTEN ACCUSED OF LEADING INFLATION THROUGH ITS ANNUAL PAY AWARDS.

"YESTERDAY WE ANNOUNCED AN INCREASE OF 10.43 PER CENT. THIS IS BELOW THE FIGURE INDICATED IN THE MOST RECENT PAY TREND SURVEYS, BUT, AGAINST THE BACKGROUND OF SLOWER ECONOMIC GROWTH AND HIGHER INFLATION, WE BELIEVE IT IS A FAIR AWARD WHICH WILL MAINTAIN REAL VALUE OF CIVIL SERVICE SALARIES," HE SAID.

REFERRING TO THE CALLS BY SOME MEMBERS FOR A LOWER PAY INCREASE FOR THE BETTER PAID CIVIL SERVANTS, SIR DAVID SAID WHILE THE AWARD WAS ACROSS THE BOARD, HE THOUGH IT WORTH POINTING OUT THAT ITS REFERENCE POINT WHICH LED THE GOVERNMENT TO THE FIGURE OF 10.43 WAS THE MOVEMENT OF THE CPI A OVER THE PAST YEAR.

"MOVEMENT IN THE HANG SENG CONSUMER PRICE INDEX, WHICH MEASURE CHANGES IN THE COST OF LIVING FOR THOSE WITH LARGER HOUSEHOLD EXPENDITURE, HAS BEEN SUBSTANTIALLY GREATER AT 11.6 PER CENT.

"SO THE PAY AWARD OFFERED THOSE ON HIGHER SALARIES DOES NOT FULLY REFLECT INCREASES IN THEIR COST OF LIVING. AND TO THIS EXTENT THE BETTER PAID ARE NOT BENEFITTING TO THE SAME EXTENT AS THE LOWER PAID CIVIL SERVANTS.

"THIS IS ONLY RIGHT BECAUSE THOSE WITH LARGER DISPOSABLE INCOMES HAVE MORE FLEXIBILITY IN ADJUSTING THEIR EXPENDITURE," HE SAID.

SIR DAVID SAID THE CIVIL SERVICE PAY AWARD ALSO SET DOWN A MARKER.

"IT IS A CHALLENGE TO THE PRIVATE SECTOR TO KEEP THE LEVEL OF ITS AWARDS WITHIN INFLATION AND THEREFORE TO HELP BRING TO AN END THE PERCEPTION OF AN ENDLESS SPIRAL," HE ADDED.

IN THIS CONTEXT, SIR DAVID NOTED THE CLAIMS BY SOME IN THE PRIVATE SECTOR THAT THEY HAD ALLOWED ONLY EIGHT PER CENT FOR THE INCREASE IN THE COST OF LIVING.

"THIS IS AN INTERESTING CLAIM, BUT A LITTLE DISINGENUOUS. IT IS THE TOTAL PACKAGE WHICH IMPACTS ON INFLATION, NOT THE INDIVIDUAL COMPONENTS.

"THE EIGHT PER CENT EXCLUDES MERIT PAY AND OTHER ADDITIONAL PAYMENTS WHICH BRING THE OVERALL INCREASES TO OVER 12 PER CENT, AS REFLECTED IN THE RESULTS OF THE PAY TREND SURVEY AND A SIMILAR SURVEY CONDUCTED BY THE HONG KONG INSTITUTE OF PERSONNEL MANAGEMENT. AND EVEN THESE FIGURES OFTEN DO NOT INCLUDE ANNUAL BONUSES WHICH IN SOME CASES ARE VERY SUBSTANTIAL," HE SAID.

STRESSING THE NEED FOR A JOINT PUBLIC AND PRIVATE SECTOR STAND, SIR DAVID SAID HE KNEW THAT MANY MANAGERS IN THE PRIVATE SECTOR WERE DOING THEIR BEST TO LIMIT PAY INCREASES BUT THE PAY TREND SURVEYS SHOWED QUITE CLEARLY THAT THE PACKAGES AWARDED BY THE PRIVATE SECTOR OVERALL STILL EXCEEDED THE RATE OF INFLATION.

/"AND THERE .....

"AND THERE ARE SOME PEOPLE WHO DO NOT SEEM TO HAVE GOT THE MESSAGE. FOR EXAMPLE IT SEEMS THE PRINCIPLE OF EQUAL MISERY IS NOT BEING EXTENDED TO CORPORATE DIRECTORS WHOSE FEES ACCORDING TO A CASUAL SURVEY WE HAVE CONDUCTED, INCREASED BY AN AVERAGE OF OVER 25 PER CENT LAST YEAR.

RESTRICTING GOVERNMENT PAY AWARDS, THE CHIEF SECRETARY SAID WAS NOT THE ONLY WAY IN WHICH THE GOVERNMENT COULD CONTRIBUTE TO CURBING INFLATION.

"IN A TIGHT LABOUR MARKET, IT IS ESSENTIAL THAT GOVERNMENT DO EVERYTHING IN ITS POWER TO RESTRAIN GROWTH OF THE CIVIL SERVICE AND INCREASE ITS PRODUCTIVITY.

"THIS IS NO EASY TASK, AS MOST OF THE JOBS THE GOVERNMENT HAS TO DO TEND TO BE LABOUR INTENSIVE," SIR DAVID SAID, POINTING OUT THAT THE GOVERNMENT WAS HONG KONG'S LARGEST SINGLE EMPLOYER EMPLOYING SEVEN PER CENT OF THE TOTAL WORKFORCE AND CIVIL SERVICE SALARIES ACCOUNTED FOR ABOUT FIVE PER CENT OF GROSS DOMESTIC PRODUCT.

ACKNOWLEDGING THAT CONTROL OF THE SIZE OF THE CIVIL SERVICE WAS A KEY ELEMENT IN THE CONTROL OF PUBLIC EXPENDITURE, SIR DAVID SAID CIVIL SERVICE PAY ACCOUNTED FOR ABOUT 38 PER CENT OF THE GOVERNMENT'S RECURRENT EXPENDITURE AND 27 PER CENT OF THE TOTAL EXPENDITURE.

"SO WE ARE DETERMINED TO CONTINUE OUR EFFORTS TO RESTRAIN THE GROWTH OF THE SERVICE. WE ARE CONTINUING OUR POLICY OF 'ZERO GROWTH', HE SAID.

SIR DAVID POINTED OUT THAT THE GOVERNMENT HAD PROGRESSIVELY REDUCED THE GROWTH IN THE ESTABLISHMENT OF THE CIVIL SERVICE FROM 3.29 PER CENT IN 1988/89 TO 1.49 PER CENT IN 1990/91, TO ABOUT 0.8 PER CENT IN THE CURRENT YEAR.

THE CHIEF SECRETARY SAID THE GOVERNMENT WAS DETERMINED TO SET A GOOD EXAMPLE TO THE COMMUNITY IN TRYING TO TACKLE THE PROBLEM OF INFLATION.

"BUT WE CANNOT WIN THIS BATTLE ON OUR OWN AND WE LOOK TO THE PRIVATE SECTOR TO FOLLOW OUR LEAD. IN FIXING PRICES AND CONTROLLING STAFF COSTS MANAGERS HAVE A KEY ROLE TO PLAY.

"FOR THE SAKE OF THE COMMUNITY AS A WHOLE WE LOOK TO THEM TO RESPOND TO CHALLENGES WITH THE SAME DETERMINATION WHICH WE IN THE GOVERNMENT ARE DEMONSTRATING TODAY," HE CONCLUDED.

## GOVT'S BUDGETARY AND MONETARY SYSTEMS NOT INFLATIONARY

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THE GOVERNMENT'S BUDGETARY AND MONETARY SYSTEMS ARE NOT INHERENTLY INFLATIONARY, THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, SAID THIS (WEDNESDAY) EVENING IN THE LEGISLATIVE COUNCIL.

SIR PIERS WAS RESPONDING TO CRITICISMS THAT THE SYSTEMS WERE INHERENTLY INFLATIONARY WHEN WINDING UP THE MOTION DEBATE ON INFLATION.

IN FACT, HE SAID, IN NATIONAL ACCOUNT AND RESOURCE CONSUMPTION TERMS, THE PUBLIC SECTOR AS A WHOLE REPRESENTED ONLY ABOUT 12 PER CENT OF THE GROSS DOMESTIC PRODUCT.

IN TERMS OF CONSOLIDATED PUBLIC SECTOR EXPENDITURE, THE CORRESPONDING RATIO WAS ABOUT 19.3 PER CENT IN 1991-92, UP FROM 16.6 PER CENT IN 1987-88, NOT FROM 11 PER CENT AS SOME LEGISLATORS MIGHT HAVE SUGGESTED.

MOREOVER, FOR A NUMBER OF YEARS THE GOVERNMENT HAD ACHIEVED FISCAL SURPLUSES, AND FOR THIS FINANCIAL YEAR, SIR PIERS SAID HE HAD AGAIN BUDGETTED FOR A SURPLUS, ALBEIT A RELATIVELY SMALL ONE.

"IT IS IMPORTANT TO NOTE THAT A FISCAL SURPLUS REPRESENTS A NET WITHDRAWAL OF PURCHASING POWER FROM THE ECONOMY.

"OUR BUDGETARY STRATEGY AND GUIDELINES ARE GEARED TO EXERCISING TIGHT CONTROLS ON ALL ASPECTS OF THE PUBLIC FINANCES," HE SAID.

THE EFFECT OF ANY INCREASES IN INDIRECT TAXATION, HE ARGUED, WAS ESSENTIALLY ONE-OFF.

"OVERALL, THE IMPACT OF THE BUDGETS IN RECENT YEARS HAS NOT BEEN INFLATIONARY," SIR PIERS STRESSED.

ON THE MONETARY SIDE, THE FINANCIAL SECRETARY SAID DURING THE LATTER PART OF LAST YEAR THE U.S. DOLLAR DEPRECIATED CONSIDERABLY, RESULTING IN FASTER INCREASES IN THE PRICES OF HONG KONG'S IMPORTS TOWARDS THE END OF THE YEAR.

IN RECENT MONTHS, THE U.S. DOLLAR HAD RECOVERED MOST OF THE LOST GROUND, AND THIS WOULD HELP TO STABILISE IMPORT PRICES, SIR PIERS SAID.

"AS A MATTER OF FACT, SINCE THE HONG KONG DOLLAR WAS FIRST LINKED TO THE U.S. DOLLAR IN OCTOBER 1983, THE EXCHANGE RATE OF THE HONG KONG DOLLAR HAS APPRECIATED BY NEARLY 13 PER CENT ON A TRADE-WEIGHTED BASIS," HE SAID.

HE SAID THIS APPRECIATION COULD HARDLY BE CONSTRUED AS HAVING ADDED TO THE INFLATIONARY PRESSURES.

"LET ME STRESS THAT THE CURRENT INFLATION GIVES NO REASON WHATSOEVER FOR MODIFYING OUR LINKED EXCHANGE RATE SYSTEM OR THE PRESENT RATE," HE SAID.

/ON SUGGESTIONS .....

ON SUGGESTIONS THAT THE HONG KONG DOLLAR SHOULD BE LINKED TO A BASKET OF CURRENCIES RATHER THAN TO THE U.S. DOLLAR AS A CURE FOR INFLATION, SIR PIERS SAID:

"NO ONE SHOULD BE UNDER ANY ILLUSION THAT IN OUR CIRCUMSTANCES A BASKET WOULD PROVIDE THE CURE FOR THE CURRENT INFLATION. IT WOULD NOT."

HE POINTED OUT THAT HAD THE HONG KONG DOLLAR BEEN LINKED IN 1983 TO A BASKET REFLECTING THE COMPOSITION OF HONG KONG'S TRADE, THE EXCHANGE RATE OF THE HONG KONG DOLLAR AGAINST THE U.S. DOLLAR AT THIS POINT IN TIME WOULD BE AROUND 8.80 INSTEAD OF 7.80.

AND THE RESULT: INFLATION WOULD HAVE BEEN EVEN HIGHER THAN IT WAS TODAY.

HE STRESSED THAT SWITCHING TO A BASKET WOULD MEAN GIVING UP STABILITY IN HONG KONG'S EXCHANGE RATE AGAINST THE U.S. DOLLAR, A CURRENCY THAT WAS EXTENSIVELY USED IN EXTERNAL TRADE, WELL ACCEPTED AND READILY UNDERSTOOD BY MEMBERS OF THE PUBLIC.

"THERE CAN BE NO BASKET OF CURRENCIES INTO WHICH HONG KONG DOLLAR BANKNOTES COULD BE CONVENIENTLY CONVERTED.

"THE CONVERTIBILITY OF HONG KONG DOLLAR BANKNOTES INTO A WELL ACCEPTED CURRENCY LIKE THE U.S. DOLLAR IS AN IMPORTANT FEATURE OF OUR LINKED EXCHANGE RATE SYSTEM," SIR PIERS SAID.

HE SAID HONG KONG WOULD HAVE TO GIVE UP THIS IMPORTANT FEATURE IF THE HONG KONG DOLLAR WERE INSTEAD LINKED TO A BASKET.

TO COIN A PHRASE, SIR PIERS SAID THERE WAS NO CERTAINTY IN A BASKET. THE HONG KONG DOLLAR EXCHANGE RATE AGAINST THE U.S. DOLLAR AND INDEED AGAINST ALL CURRENCIES WOULD FLUCTUATE ALL THE TIME.

"I DOUBT VERY MUCH IF THIS WOULD BE WELCOMED BY OUR EXPORTERS, OR THE MAJORITY OF THOSE IN HONG KONG WHO DO BUSINESS WITH THE REST OF THE WORLD.

"I AM ALSO FIRMLY OF THE VIEW THAT IT WOULD NOT BE CONDUCTIVE TO THE MAINTENANCE OF STABILITY AND PROSPERITY IN HONG KONG," SIR PIERS SAID.

HE SAID DOUBTS HAD BEEN EXPRESSED AS TO WHETHER OR NOT KEEPING INTEREST RATES FOR THE HONG KONG DOLLAR AT LEVELS HIGHER THAN THOSE FOR THE U.S. DOLLAR REPRESENTED A DEPARTURE FROM THE GOVERNMENT'S MONETARY POLICY OF MAINTAINING EXCHANGE RATE STABILITY WITHIN THE FRAMEWORK OF THE LINKED EXCHANGE RATE SYSTEM.

"LET ME SAY IN NO UNCERTAIN TERMS THAT THERE IS NO SUCH DEPARTURE.

"THE EXCHANGE RATE HAS STRENGTHENED SOMEWHAT AWAY FROM 7.80 UNDER THE INFLUENCE OF HIGHER HONG KONG DOLLAR INTEREST RATES, BUT FOR AS LONG AS THE DEVIATION FROM 7.80 CAN BE EXPLAINED BY THE TEMPORARY INTEREST RATE GAP, THIS IS ACCEPTABLE," HE SAID.

/SIR PIERS .....

SIR PIERS SAID THERE WAS THE SAME DEVIATION IN JUNE 1989 AS A RESULT OF EVENTS IN CHINA AND IN THE SECOND QUARTER OF 1990 AS A RESULT OF SIMILAR DELIBERATE EFFORT TO SLOW DOWN CREDIT EXPANSION IN HONG KONG.

WHILE SIR PIERS SAID THE ADMINISTRATION RECOGNISED THE EXTENT OF PUBLIC CONCERN AND THAT THE GOVERNMENT HAD NO HESITATION IN SUPPORTING THE MOTION, HE WAS QUICK TO ADD THAT IN SO DOING, THE GOVERNMENT MUST EXAMINE WHAT HAD GIVEN RISE TO THE INFLATIONARY PRESSURES IN ORDER THAT IT COULD JUDGE WHETHER THE MEASURES IT INTENDED TO TAKE WERE LIKELY TO BE EFFECTIVE IN TACKLING THE PROBLEM.

"WE MUST RECOGNISE THAT SOME COURSES OF ACTION, WHILST SUPERFICIALLY ATTRACTIVE, CAN HAVE NEGATIVE EFFECTS IN THE LONGER TERM," HE SAID.

THE FINANCIAL SECRETARY CAUTIONED THAT THE GOVERNMENT WOULD BE DOING A DISSERVICE TO THE COMMUNITY IF FOR THE SAKE OF SHORT-TERM GAINS IT WAS TO INFLICT LONG-TERM DAMAGE ON THE ECONOMY.

HE ALSO EXPLAINED THE PRINCIPAL CAUSES OF THE PRESENT HIGH INFLATION RATE.

QUITE SIMPLY, HE SAID, THE CURRENT HIGH INFLATION RATE WAS LARGELY THE RESULT OF OVERALL DEMAND OUTSTRIPPING SUPPLY.

"WHAT WE ARE NOW FACING IS THE PRICE TAG FOR THE PERIOD OF RAPID ECONOMIC GROWTH," HE SAID.

SIR PIERS SAID INFLATION DID EASE SLIGHTLY AFTER THE MIDDLE OF 1989, FOLLOWING THE SLOW-DOWN IN ECONOMIC GROWTH.

THIS ADJUSTMENT WAS, HOWEVER, OFFSET BY THE OIL PRICE HIKE BROUGHT ABOUT BY THE GULF CRISIS SO THAT, FOR LAST YEAR AS A WHOLE, THE CONSUMER PRICE INDEX (A) ROSE BY 9.8 PER CENT EVEN THOUGH THE GDP GREW BY ONLY 2.4 PER CENT, HE SAID.

IN FACT, SIR PIERS POINTED OUT, THE ECONOMY HAD BEEN ADJUSTING TO THE PRESSURE OF DEMAND ON ITS OWN CAPACITY, BUT ONLY VERY SLOWLY.

"THE REASON FOR THIS IS LARGELY BECAUSE OF THE FACT THAT THE ECONOMY ITSELF HAS BEEN UNDERGOING A PROCESS OF CONTINUOUS STRUCTURAL CHANGE AS IT BECOMES MORE SERVICE ORIENTED," HE SAID.

THIS PROCESS, HE ADDED, NECESSITATED A REDISTRIBUTION OF RESOURCES DURING A PERIOD WHEN THOSE RESOURCES, PARTICULARLY LABOUR, WERE ALREADY IN SHORT SUPPLY.

"AND THAT GIVES RISE TO ADDITIONAL INFLATIONARY PRESSURES," HE SAID.

IN THIS CONNECTION, SIR PIERS SAID THERE WERE A NUMBER OF ADDITIONAL FACTORS THAT WERE RELEVANT.

FIRST, THE GROWTH IN OUTWARD PROCESSING ACTIVITIES IN GUANGDONG HAD GREATLY EXPANDED HONG KONG'S PRODUCTIVE CAPACITY WHILST HELPING MANUFACTURERS KEEP COSTS DOWN.

/CONSEQUENTLY, HE .....

CONSEQUENTLY, HE SAID, ADJUSTMENT IN THE LOCAL ECONOMY HAD TENDED TO WORK MORE SLOWLY THAN BEFORE IN DAMPENING DEMAND. EXPORT PRICES WERE KEPT LOW EVEN THOUGH THE LOCAL INFLATION RATE WAS HIGH.

SECONDLY, IN LINE WITH HONG KONG'S DEVELOPMENT AS A MAJOR REGIONAL CENTRE IN TRADING, FINANCE AND BUSINESS SERVICES, THERE HAD BEEN A SIGNIFICANT SHIFT IN LABOUR RESOURCES FROM MANUFACTURING TO THE SERVICE SECTORS.

"THIS SHIFT HAS BEEN FACILITATED IN PART BY THE RELOCATION OF THE MORE LABOUR-INTENSIVE MANUFACTURING PROCESSES ACROSS THE BORDER," SIR PIERS NOTED.

THE RESULT OF THIS STRUCTURAL CHANGE IN ECONOMY, ACCORDING TO THE FINANCIAL SECRETARY, WAS THAT AS THE LABOUR MARKET REMAINED TIGHT, EMPLOYERS HAD HAD TO PUT UP WAGES AND SALARIES IN ORDER TO INDUCE WORKERS TO CHANGE JOBS.

"COMPETITIVE WAGE BIDDING AMONGST EMPLOYERS HAS A DIRECT IMPACT ON INFLATION," HE ADDED.

THIRDLY, IN THE BUILDING AND CONSTRUCTION INDUSTRY, SIR PIERS SAID A CONSISTENTLY HIGH LEVEL OF ACTIVITY HAD LED TO CONSTRUCTION WAGES INCREASING MUCH FASTER THAN WAGES IN MANY OTHER SECTORS OVER THE PAST FEW YEARS.

"THE SITUATION HAS BEEN AGGRAVATED BY A SLOW AND DECLINING GROWTH RATE FOR THE LOCAL WORKFORCE," THE FINANCIAL SECRETARY SAID.

IN 1989 AND LAST YEAR, THERE WAS VIRTUALLY NO INCREASE IN THE LOCAL LABOUR SUPPLY.

"MOREOVER, SOME OF THE SKILLED MANPOWER WAS LOST THROUGH EMIGRATION," HE ADDED.

HE SAID THE LIMITED AVAILABILITY OF LABOUR HAD NOT ONLY KEPT WAGE INFLATION HIGH BUT ALSO ACTED AS A BRAKE ON ECONOMIC GROWTH.

"IF WE ANALYSE THE COMPONENTS OF THE CONSUMER PRICE INDICES WHAT WE SEE SUGGESTS THAT THE MOST RAPID PRICE INCREASES ARE OFTEN ASSOCIATED WITH ITEMS HAVING A HEAVY LOCAL LABOUR CONTENT, SUCH AS MEALS AT RESTAURANTS, INTERNAL TRANSPORT AND SERVICES FOR HOUSEHOLDS AND INDIVIDUALS," SIR PIERS SAID.

TURNING TO THE RECENT SITUATION, THE SPATE OF INCREASES IN PROPERTY PRICES AND PUBLIC TRANSPORT FARES HAD ADDED TO THE INFLATIONARY PRESSURES AND REINFORCED PEOPLE'S PERCEPTION THAT FURTHER PRICE INCREASES WERE YET TO COME.

"WHAT I WANT TO DO IS TO CHANGE THAT PERCEPTION," SIR PIERS STRESSED.

ACCORDING TO SIR PIERS, THE INFLATION RATE WOULD NOT RISE INDEFINITELY.

FIRST, DEMAND WOULD SHRINK AS HIGHER PRICES PROMPT INDIVIDUALS AND HOUSEHOLDS TO REVIEW THEIR SPENDING HABITS.

SECONDLY, THERE WERE A NUMBER OF FACTORS THAT WOULD CONTRIBUTE TO A MODERATION OF INFLATION IN DUE COURSE.

HE SAID THESE INCLUDED THE RECENT STRENGTHENING OF THE U.S. DOLLAR, LOWER OIL PRODUCT PRICES AFTER THE END OF THE GULF WAR, STABLE WORLD COMMODITY PRICES, LOWER INFLATION RATES IN THE ECONOMIES OF HONG KONG'S TRADING PARTNERS, AND A GENERALLY LESS RAPID INCREASE IN LOCAL WAGES AND SALARIES.

"THE PROBLEM WE FACE IS THAT WE ARE NOW LOCKED INTO A STATE OF MIND THAT FEEDS UPON ITSELF," SIR PIERS NOTED.

"AND SO WE MUST TAKE SOME STEPS TO DAMPEN THE INFLATIONARY EXPECTATIONS FROM WHICH WE ARE SUFFERING," HE ADDED.

FOR THE LONGER TERM, THE FINANCIAL SECRETARY SAID, INCREASES IN LABOUR SUPPLY AND LABOUR PRODUCTIVITY WOULD REMAIN THE CRUCIAL DETERMINANTS OF NON-INFLATIONARY GROWTH FOR THE ECONOMY.

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FS OUTLINES MEASURES TO ATTACK INFLATION  
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THE GOVERNMENT THIS (WEDNESDAY) EVENING OUTLINED A PACKAGE OF MEASURES TO CURB HIGH INFLATION RATE.

THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, WHEN WINDING UP THE MOTION DEBATE ON INFLATION IN THE LEGISLATIVE COUNCIL, SAID THE MEASURES INCLUDED:

- \* THE FREEZING FOR THE NEXT NINE MONTHS ALL PLANNED INCREASES IN DEPARTMENTAL FEES AND CHARGES WHICH HAD NOT BEEN ANNOUNCED BY JUNE 1;
- \* INFORMING BANKS AND DEPOSIT-TAKING COMPANIES TO REMAIN VIGILANT IN ENSURING THAT THEIR CUSTOMERS HAD THE ABILITY TO REPAY LOANS AND THAT COLLATERAL WAS REALISTICALLY VALUED TO HELP CURTAIL PROPERTY SPECULATION;
- \* THE REMOVAL OF THE ONE DOLLAR FUEL SURCHARGE IN TAXI FARES FROM JUNE 2 TO ALLEVIATE THE BURDEN ON TRANSPORT COSTS;
- \* HIGHER INTEREST RATES BY THE HONG KONG ASSOCIATION OF BANKS TO DAMPEN INFLATIONARY EXPECTATION AND HELP CHANGE PUBLIC PERCEPTION ABOUT INFLATION;
- \* RESTORATION OF THE NET DEFLATIONARY IMPACT OF THE EARLIER BUDGETTED SURPLUS THROUGH THE PROGRAMME OF GOVERNMENT BORROWING, WHICH WAS NOW UNDER ACTIVE PREPARATION;
- \* CONSIDERATING THE POSSIBILITY OF ADMITTING MORE IMPORTED WORKERS TO ALLEVIATE THE CONSTRAINTS ON LABOUR RESOURCES WHICH CONSTITUTED BOTH A BOTTLENECK ON ECONOMIC GROWTH AND AN IMPORTANT SOURCE OF INFLATION; AND

- \* THE HOUSING AUTHORITY TO CONSIDER CAREFULLY THE INFLATIONARY IMPACT OF ANY NEW RENT REVIEWS DURING THE COURSE OF THIS YEAR.

SIR PIERS SAID THE MEASURES, TAKEN TOGETHER, WOULD FEED THROUGH THE CONSUMER PRICE INDEX AND HELP TO ADDRESS THE PROBLEM OF INFLATION.

"I MUST STRESS, HOWEVER, THAT WE SHOULD NOT EXPECT RESULTS OVERNIGHT. WE HAVE UNDERTAKEN A COURSE OF ACTION THAT WILL TAKE SOME TIME TO BEAR FRUIT," HE SAID.

THE FINANCIAL SECRETARY ALSO EMPHASISED THAT IT WAS NOT JUST THE GOVERNMENT THAT WAS INVOLVED.

HE SAID THE COMMUNITY AS A WHOLE HAD A VERY CONSIDERABLE ROLE TO PLAY, IF HONG KONG WAS TO ATTACK INFLATION SUCCESSFULLY OVER THE REMAINDER OF THE YEAR.

"EVERYONE IS INVOLVED, WHETHER THEY BE RETAILERS, PROVIDERS OF SERVICES, EMPLOYERS AND INDEED EMPLOYEES. SELF RESTRAINT CAN DO MUCH TO HELP," SIR PIERS SAID.

HE POINTED OUT THAT THE GOVERNMENT HAD FORECAST THAT THE INFLATION RATE WOULD REDUCE IN THE LATTER PART OF THE YEAR IN ANY EVENT.

"WE CAN ACCELERATE THAT PROCESS. THE ADMINISTRATION THROUGH ITS RESTRAINT IS POINTING THE WAY.

"WITH THE COMMUNITY RESPONSE THAT I AM CALLING FOR, I HAVE NO DOUBT THAT WE SHOULD BE LOOKING AT A HAPPIER SITUATION BY THE TIME OF THE NEXT BUDGET," SIR PIERS SAID.

HE SAID THE GOVERNMENT WAS DETERMINED TO PLAY ITS PART.

"ALTHOUGH WE ARE LARGELY AFFECTED BY EXTERNAL CIRCUMSTANCES BEYOND OUR CONTROL, IN TERMS OF RESTRAINT, THERE IS STILL MUCH THAT WE CAN DO TO HELP OURSELVES. LET US DO SO," SIR PIERS SAID.

ON THE FREEZE OF ALL PLANNED INCREASES IN DEPARTMENTAL FEES AND CHARGES, THE FINANCIAL SECRETARY SAID THESE INCLUDED CHARGES FOR OUT-PATIENT SERVICES AT GOVERNMENT CLINICS AND HOSPITALS, CHARGES FOR IN-PATIENT SERVICES AND IMMIGRATION-RELATED FEES.

THEY DID NOT INCLUDE, HOWEVER, INCREASES WHICH HAD ALREADY BEEN ANNOUNCED AND WHICH WERE DUE TO TAKE EFFECT SOME TIME THIS YEAR, FOR EXAMPLE, TUITION FEES, WHICH WERE USUALLY ANNOUNCED OVER A YEAR IN ADVANCE.

SIR PIERS ESTIMATED THAT THE COST TO REVENUE FOR DEFERRING THESE PLANNED INCREASES IN DEPARTMENTAL FEES AND CHARGES WAS ABOUT \$270 MILLION IN 1991-92.

HE ALSO SAID THE COMMISSIONER OF BANKING HAD DRAWN THE BANKS' ATTENTION OF THE AUTHORISED INSTITUTIONS TO THE SUBSTANTIAL INCREASE IN MORTGAGE LENDING IN RECENT MONTHS AND STRESSED THAT THE BANKS AND DEPOSIT-TAKING COMPANIES SHOULD REMAIN VIGILANT IN ENSURING THAT THEIR CUSTOMERS HAD THE ABILITY TO REPAY LOANS AND THAT COLLATERAL WAS REALISTICALLY VALUED.

SIR PIERS SAID HE WELCOMED THE MOVE BY THE HONG KONG ASSOCIATION OF BANKS LAST WEEK WHICH COINCIDED WITH HIS INSTRUCTION GIVEN TO THE OFFICE OF THE EXCHANGE FUND TO WITHDRAW LIQUIDITY FROM THE INTERBANK MARKET.

"HIGHER INTEREST RATES SHOULD HAVE THE PSYCHOLOGICAL EFFECT OF DAMPENING INFLATIONARY EXPECTATION AND HELP TO CHANGE PUBLIC PERCEPTION ABOUT CURRENT INFLATION IN HONG KONG.

"THEY SHOULD ALSO HAVE THE EFFECT OF SLOWING DOWN THE RATE OF CREDIT EXPANSION," HE ADDED.

SIR PIERS SAID DOUBTS HAD BEEN EXPRESSED AS TO WHETHER OR NOT KEEPING INTEREST RATES FOR THE HONG KONG DOLLAR AT LEVELS HIGHER THAN THOSE FOR THE U.S. DOLLAR REPRESENTED A DEPARTURE FROM THE GOVERNMENT'S MONETARY POLICY OF MAINTAINING EXCHANGE RATE STABILITY WITHIN THE FRAMEWORK OF THE LINKED EXCHANGE RATE SYSTEM.

"LET ME SAY IN NO UNCERTAIN TERMS THAT THERE IS NO SUCH DEPARTURE.

"THE EXCHANGE RATE HAS STRENGTHENED SOMEWHAT AWAY FROM 7.80 UNDER THE INFLUENCE OF HIGHER HONG KONG DOLLAR INTEREST RATES, BUT FOR AS LONG AS THE DEVIATION FROM 7.80 CAN BE EXPLAINED BY THE TEMPORARY INTEREST RATE GAP, THIS IS ACCEPTABLE," HE SAID.

SIR PIERS SAID THERE WAS THE SAME DEVIATION IN JUNE 1989 AS A RESULT OF EVENTS IN CHINA AND IN THE SECOND QUARTER OF 1990 AS A RESULT OF SIMILAR DELIBERATE EFFORT TO SLOW DOWN CREDIT EXPANSION IN HONG KONG.

"AS LONG AS THE EXCHANGE RATE IS BROADLY STABLE, I AM NOT AVERSE TO USING INTEREST RATES JUDICIOUSLY TO CREATE AN ENVIRONMENT CONDUCTIVE TO FIGHTING INFLATION," HE NOTED.

HE SAID IT WAS INTERESTING TO NOTE THAT ALTHOUGH THE SPOT EXCHANGE RATE HAD STRENGTHENED TO 7.73, THE FORWARD RATE, SAY, FOR SIX MONTHS HAD REMAINED IN THE PAST FEW DAYS AT AROUND 7.80.

"SHOULD THE EXCHANGE RATE DEVIATE FROM 7.80 UNDER THE INFLUENCE OF SPECULATION, AS WAS THE CASE AT THE END OF 1987 WHEN THE EXCHANGE RATE STRENGTHENED DESPITE VERY LOW INTEREST RATES, THE OFFICE OF THE EXCHANGE FUND WILL ACT DECISIVELY TO DEAL WITH IT," HE ADDED.

SIR PIERS SAID AS A RESULT OF THE CUTBACK IN THE EARLIER INCREASE IN TOBACCO DUTY, WHICH WOULD COST THE REVENUE SOME \$700 MILLION, AND THE MORATORIUM ON DEPARTMENTAL FEES AND CHARGES, THE SURPLUS BUDGETTED FOR THIS FINANCIAL YEAR WOULD BE ALMOST ABSORBED.

"BUT I INTEND TO RESTORE THE NET DEFLATIONARY IMPACT OF THE EARLIER BUDGETTED SURPLUS THROUGH THE PROGRAMME OF GOVERNMENT BORROWING, WHICH IS NOW UNDER ACTIVE PREPARATION," HE SAID.

WEDNESDAY, MAY 29, 1991

- 11 -

LAW AMENDMENT AND REFORM BILL INTRODUCED

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THE LAW AMENDMENT AND REFORM (CONSOLIDATION) (AMENDMENT) BILL 1991 SEEKS TO PUT BEYOND DOUBT THE VALIDITY OF A COMMON PRACTICE BY BANKS AND OTHER LENDING INSTITUTIONS TO SECURE LOANS AND CREDIT FACILITIES BY TAKING CHARGES OVER CASH DEPOSITS HELD WITH THEM BY BORROWERS OR THIRD PARTIES.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, WHEN MOVING THE SECOND READING OF THE BILL IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR PIERS SAID IN A CASE CONCERNING CHARGE CARD SERVICES LTD IN THE UNITED KINGDOM IN 1986, THE COURT HELD THAT, WHEREAS A PERSON MIGHT TAKE A VALID SECURITY OVER A DEBT DUE BY ANOTHER, HE COULD NOT TAKE SUCH A SECURITY OVER A DEBT DUE FROM HIMSELF.

AS A BANK DEPOSIT WAS A DEBT DUE BY A BANK, THE DECISION SUGGESTED THAT A BANK MIGHT TAKE A VALID SECURITY OVER A DEPOSIT HELD BY A THIRD PARTY, SAY ANOTHER BANK OR A SUBSIDIARY DEPOSIT TAKING COMPANY, BUT IT COULD NOT TAKE A MORTGAGE OR CHARGE OVER A DEPOSIT PLEDGED BY THE BORROWER OR A THIRD PARTY WITH ITSELF, HE ADDED.

SIR PIERS SAID THE CHARGE CARD DECISION HAD GENERATED CONSIDERABLE CONTROVERSY AND CONFUSION WITHIN THE LEGAL AND FINANCIAL COMMUNITIES BOTH IN ENGLAND AND HONG KONG.

DUE TO THE UNCERTAINTY, SOME LOCAL LENDING INSTITUTIONS HAD ESTABLISHED INCONVENIENT, CIRCUITOUS AND COSTLY ARRANGEMENTS TO SECURE THEIR LOANS, HE NOTED.

"THIS IS NOT ONLY DETRIMENTAL TO THE INSTITUTIONS AND THEIR CUSTOMERS, BUT ALSO PLACES HONG KONG LENDING INSTITUTIONS AT A CONSIDERABLE DISADVANTAGE IN RELATION TO THOSE IN JURISDICTIONS WHERE THERE IS NO DOUBT AS TO THE VALIDITY OF SECURITY DEPOSITS," THE FINANCIAL SECRETARY SAID.

HE POINTED OUT THAT THIS STATE OF UNCERTAINTY WAS HIGHLY UNSATISFACTORY, ADDING THAT BOTH THE LEGAL AND BANKING COMMUNITIES HAD BEEN CONSULTED ON THE ISSUE.

SIR PIERS SAID THEY SUPPORTED ADDRESSING THIS PROBLEM WITH A LEGISLATIVE AMENDMENT.

DEBATE ON THE BILL WAS ADJOURNED.

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BILL TO INTRODUCE ELECTRONIC PARKING METERS AND  
PARKING TICKET VENDING MACHINES

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THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG TODAY (WEDNESDAY) MOVED A BILL IN THE LEGISLATIVE COUNCIL TO ENABLE THE INTRODUCTION OF MODERN ELECTRONIC PARKING METERS AND AUTOMATIC PARKING TICKET VENDING MACHINES.

MOVING THE SECOND READING OF THE ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1991, MR LEUNG SAID THE BILL ALSO SOUGHT TO EMPOWER THE COMMISSIONER FOR TRANSPORT TO DETERMINE ON-STREET PARKING CHARGES WITHIN A MAXIMUM CEILING SET BY THE GOVERNOR IN COUNCIL.

HE SAID THE 14,000 ON-STREET PARKING METERS CURRENTLY IN USE WERE COIN-OPERATED AND HAD LIMITATIONS FROM THE USER'S AND MANAGEMENT POINT OF VIEW.

HE SAID THE PROPOSED BILL WOULD ADDRESS THESE LIMITATIONS BY PROVIDING FOR THE INTRODUCTION OF ELECTRONIC PARKING METERS AND AUTOMATIC PARKING TICKET VENDING MACHINES.

"BOTH WILL ACCEPT STORED VALUE CARDS AND, IN THE CASE OF PARKING TICKET VENDING MACHINES, OTHER MODES OF PAYMENT IN ADDITION TO COINS, THUS PROVIDING GREATER CONVENIENCE TO MOTORISTS," HE SAID.

THE SECRETARY SAID A SERIES OF TRIALS WOULD BE CONDUCTED TO DETERMINE THE EQUIPMENT BEST SUITED FOR LOCAL NEEDS.

ON PARKING CHARGES, MR LEUNG SAID CURRENTLY, THE COMMISSIONER FOR TRANSPORT REGULATED THE USE OF PARKING SPACES THROUGH A MIX OF METERS WITH VARYING FEE LEVELS AND PARKING DURATIONS, AS SPECIFIED IN THE ROAD TRAFFIC (PARKING) REGULATIONS.

"THE BILL PROVIDES LEGAL BACKING FOR THESE ARRANGEMENTS, AND GIVES THE COMMISSIONER FLEXIBILITY IN SETTING PARKING FEES SO LONG AS THESE ARE WITHIN THE MAXIMUM PRESCRIBED BY THE GOVERNOR IN COUNCIL," MR LEUNG SAID.

THE SECRETARY ALSO INTRODUCED THE FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1991 WHICH MADE FAILURE TO PAY FOR THE USE OF A PARKING SPACE AN OFFENCE, WHERE THE NEW ELECTRONIC PARKING METERS OR PARKING TICKET VENDING MACHINES WERE PROVIDED.

THE PROPOSED PENALTY IS A FIXED PENALTY TICKET OF \$200.

WEDNESDAY, MAY 29, 1991

- 13 -

BILL TO PROVIDE FOR PRIVATE MANAGEMENT OF GOVERNMENT TUNNELS

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A BILL WHICH SEEKS FOR THE PROVISION OF THE PRIVATE MANAGEMENT OF GOVERNMENT TUNNELS WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF ROAD TUNNELS (GOVERNMENT) (AMENDMENT) BILL 1991, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, SAID THE GOVERNMENT WAS PRIVATISING TUNNEL MANAGEMENT IN ORDER TO ACHIEVE BETTER VALUE FOR MONEY AND TO PROVIDE GREATER FLEXIBILITY IN MEETING CHANGING CIRCUMSTANCES.

MR LEUNG SAID DURING 1989-90, SOME 470 STAFF AND RECURRENT EXPENDITURE OF ABOUT \$100 MILLION WERE DEDICATED TO THE RUNNING OF THE TUNNELS.

HE SAID AS A FIRST STEP, THE MANAGEMENT OF THE ABERDEEN TUNNEL WOULD BE CONTRACTED OUT SHORTLY.

A REVIEW WOULD THEN BE CONDUCTED EARLY NEXT YEAR TO SEE HOW BEST THE MANAGEMENT OF THE OTHER GOVERNMENT TUNNELS COULD BE CONTRACTED OUT.

THE SECRETARY SAID THE AMENDMENTS PROPOSED ALLOWED FOR THE APPOINTMENT OF PRIVATE OPERATORS TO MANAGE GOVERNMENT TUNNELS AND PROVIDED THEM WITH THE NECESSARY POWERS, SUCH AS TO SEIZE AND REMOVE ANY VEHICLES WHICH CAUSED OBSTRUCTION.

HE ADDED THAT TO SAFEGUARD THE PUBLIC INTEREST, THE COMMISSIONER FOR TRANSPORT WOULD BE ABLE TO GIVE GENERAL DIRECTIONS TO THE OPERATOR.

MR LEUNG ALSO GAVE AN ASSURANCE THAT THE GOVERNMENT WOULD RETAIN CONTROL OVER THE LEVEL OF TOLLS.

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BILL TO CLEAR ANOMALY IN PRACTISING CERT'S VALIDITY PERIODS INTRODUCED

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A BILL WHICH SEEKS TO REMOVE AN ANOMALY IN THE VALIDITY PERIODS OF PRACTISING CERTIFICATES OF SUPPLEMENTARY MEDICAL PROFESSIONALS BY PROVIDING FOR ALL THESE CERTIFICATES TO END ON THE SAME DATE, I.E. JUNE 30, WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE SUPPLEMENTARY MEDICAL PROFESSIONS (AMENDMENT) BILL 1991 WAS MOVED BY THE SECRETARY FOR HEALTH AND WELFARE, THE HON ELIZABETH WONG.

/MOVING THE .....

MOVING THE SECOND READING OF THE BILL, MRS WONG SAID FOLLOWING THE ENACTMENT OF THE OCCUPATIONAL THERAPISTS (REGISTRATION AND DISCIPLINARY PROCEDURE) REGULATIONS 1990 AND THE MEDICAL LABORATORY TECHNOLOGISTS (REGISTRATION AND DISCIPLINARY PROCEDURE) REGULATIONS 1990, REGISTRATION OF MEMBERS OF THE TWO PROFESSIONS COMMENCED ON OCTOBER 1, LAST YEAR.

"UNDER SECTION 16(1) OF THE PRINCIPAL ORDINANCE, A PERSON REGISTERED SHALL NOT PRACTISE A PROFESSION IN HONG KONG UNLESS HE HOLDS A PRACTISING CERTIFICATE WHICH IS THEN IN FORCE.

"IN ACCORDANCE WITH SECTION 16(3) OF THE ORDINANCE, A PERSON WHO APPLIES FOR A PRACTISING CERTIFICATE, WILL BE ISSUED WITH ONE VALID UNTIL THE END OF THE YEAR," THE SECRETARY NOTED.

SHE POINTED OUT THAT SECTION 16(4) OF THE ORDINANCE, HOWEVER, STATED THAT WHERE A PRACTISING CERTIFICATE WAS ISSUED PURSUANT TO AN APPLICATION MADE DURING THE COURSE OF A YEAR IN RESPECT OF THE FOLLOWING YEAR, THE CERTIFICATE SHOULD BE IN FORCE FOR A PERIOD OF 12 MONTHS COMMENCING ON JULY 1 IN THE FOLLOWING YEAR.

"THUS, THERE COULD BE PERIODS WITHIN THE YEAR NOT COVERED BY VALID PRACTISING CERTIFICATES, THEREBY CREATING AN ANOMALOUS SITUATION," THE SECRETARY ADDED.

SHE SAID THE BILL SOUGHT TO AMEND SECTION 16 OF THE ORDINANCE TO REMOVE THIS ANOMALY.

DEBATE ON THE BILL WAS ADJOURNED.

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#### AMENDMENTS TO FELONIES AND MISDEMEANOURS BILL

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THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, MOVED AMENDMENTS TO THE ADMINISTRATION OF JUSTICE (FELONIES AND MISDEMEANOURS) BILL 1991 DURING COMMITTEE STAGE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID THE AMENDMENTS WERE NECESSARY IN ORDER TO ENSURE THAT THE PROVISIONS OF SECTION 89 OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE, WHICH CONCERNED THE MODE OF TRIAL OF PARTICULAR CLASSES OF OFFENCE, WOULD STILL APPLY ONCE THE DISTINCTION BETWEEN FELONIES AND MISDEMEANOURS WAS REMOVED.

IN SCHEDULE 1, AMENDMENT ITEMS (A) (1) AND (II) SIMPLY CLARIFIED THE EXISTING SECTION 89(1)(B) AND (2)(B) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE.

ITEM (E) WAS CONSEQUENTIAL UPON THE AMENDMENT TO SECTION 86 OF THE TRADE MARKS ORDINANCE ENACTED ON MAY 22, 1991.

ITEM (I) DEALT WITH A REFERENCE TO "FELONY" WHICH WAS OMITTED WHEN THE BILL WAS PREPARED.

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WEDNESDAY, MAY 29, 1991

- 15 -

NO INDICATION OF INCREASING  
INVOLVEMENT OF UNDERAGED GIRLS IN PROSTITUTION

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THE INVOLVEMENT OF GIRLS UNDER 16 YEARS OF AGE IN PROSTITUTION HAS NOT BEEN INCREASING IN RECENT YEARS, BASED ON THE NUMBER OF CASES WHICH COME TO THE NOTICE OF THE GOVERNMENT DEPARTMENTS CONCERNED.

THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, TOLD THE LEGISLATIVE COUNCIL THIS TODAY (WEDNESDAY).

REPLYING TO A QUESTION FROM THE HON ROSANNA TAM, THE SECRETARY SAID THE GOVERNMENT DID NOT HAVE AVAILABLE STATISTICS OR OTHER INFORMATION WHICH INDICATED THE FULL EXTENT OF THIS PROBLEM.

HE NOTED THAT THE NUMBER OF GIRLS UNDER THE AGE OF 16 REPORTED MISSING WHO WERE SUBSEQUENTLY FOUND BY THE POLICE IN EMPLOYMENT IN VICE ESTABLISHMENTS WERE 62 IN 1988, 27 IN 1989, 24 LAST YEAR AND FIVE SO FAR THIS YEAR.

SECONDLY, THE NUMBERS OF GIRLS UNDER THE AGE OF 18 IN RESPECT OF WHOM APPLICATIONS WERE MADE TO THE JUVENILE COURT FOR CARE AND PROTECTION ORDERS WERE 479 IN 1988, 427 IN 1989, 288 LAST YEAR AND 81 SO FAR THIS YEAR.

"MANY, THOUGH BY NO MEANS OF ALL, OF THESE APPLICATIONS ARE MADE IN RESPECT OF GIRLS FOUND IN EMPLOYMENT IN VICE ESTABLISHMENTS," MR ASPREY SAID.

THIRDLY, THE NUMBER OF GIRLS UNDER THE AGE OF 18 ENGAGED IN PROSTITUTION WHO HAD COME TO THE NOTICE OF THE FAMILY WELFARE SERVICES BRANCH OF THE SOCIAL WELFARE DEPARTMENT HAD REMAINED CONSTANT AT ABOUT 200 IN THE PAST THREE YEARS.

AS TO THE MEASURES BEING TAKEN TO TACKLE THE PROBLEM, THE SECRETARY SAID WHERE YOUNG GIRLS WERE FOUND IN EMPLOYMENT IN VICE ESTABLISHMENTS, AND RECOMMENDED BY SOCIAL WORKERS AS IN NEED OF CARE AND PROTECTION, AN APPLICATION FOR A CARE AND PROTECTION ORDER WOULD BE MADE TO THE JUVENILE COURT.

"THE COURT MAY PLACE A JUVENILE UNDER THE SUPERVISION OF A SOCIAL WELFARE OFFICER FOR A PERIOD NOT EXCEEDING THREE YEARS," HE SAID.

BESIDES SUPERVISION, THE SOCIAL WELFARE OFFICER WOULD COUNSEL THE GIRL AND HER PARENTS, ASSIST WITH SCHOOLING AND EMPLOYMENT, AND IF NECESSARY ARRANGE FOR RESIDENTIAL CARE.

"SIMILAR ASSISTANCE MAY BE GIVEN TO GIRLS WHO COME TO THE NOTICE OF THE FAMILY WELFARE SERVICES BRANCH OF THE SOCIAL WELFARE DEPARTMENT," MR ASPREY SAID.

/HE ALSO .....

HE ALSO SAID THAT POLICE SCHOOL LIAISON OFFICERS REGULARLY VISITED SCHOOL AND GAVE TALKS TO STUDENTS WHICH INTER ALIA COVERED THE DANGERS OF INVOLVEMENT WITH TRIAD MEMBERS, AND OF ENTICEMENT OR COERCION INTO PROSTITUTION.

"SCHOOL SOCIAL WORKERS AND OTHER NON-GOVERNMENTAL SOCIAL WORK ORGANISATIONS ALSO PROVIDE GUIDANCE AND ASSISTANCE TO YOUNG GIRLS WHO HAVE BEEN INVOLVED IN PROSTITUTION AND TO THEIR FAMILIES," HE ADDED.

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GOOD PROGRESS ON INTRODUCTION OF UNLEADED PETROL

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HONG KONG HAS A BETTER PERFORMANCE THAN ANY OTHER DEVELOPED COUNTRY WHICH HAS EMBARKED ON A SIMILAR EXERCISE ON THE INTRODUCTION OF UNLEADED PETROL.

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, THE HON GRAHAM BARNES, SAID THIS IN REPLY TO A QUESTION BY THE HON MARTIN LEE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BARNES SAID: "THE DIFFERENTIAL DUTY RATES OF \$3.72 PER LITRE FOR UNLEADED PETROL AND \$4.17 PER LITRE FOR LEADED PETROL CAME INTO EFFECT ON APRIL 1 THIS YEAR AS A REVENUE-NEUTRAL MEASURE TO ENCOURAGE THE USE OF UNLEADED PETROL.

"IN SETTING THESE RATES, IT WAS ASSUMED THAT 90 PER CENT OF PETROL CONSUMED IN THE CURRENT FINANCIAL YEAR WOULD BE UNLEADED.

"IF IT TURNS OUT THAT FEWER DRIVERS GO UNLEADED, THERE WILL BE SOME ADDITIONAL REVENUE, BUT THE AMOUNT WILL NOT BE SUBSTANTIAL."

MR BARNES SAID THE TWO RATES CAME INTO EFFECT JUST TWO MONTHS AGO.

"SOME OF US, INCLUDING MYSELF, HOPED FOR AN EVEN QUICKER CHANGEOVER, BUT, WITH OVER 50 PER CENT OF CONSUMERS APPARENTLY HAVING ALREADY CHANGED TO UNLEADED, WE STILL SEEM TO BE DOING VERY WELL, CERTAINLY MUCH BETTER THAN ANY OTHER DEVELOPED COUNTRY WHICH HAS EMBARKED ON A SIMILAR EXERCISE," HE SAID.

"BUT BEFORE WE BECAME TOO JUBILANT OR DESPONDENT AS THE CASE MAY BE, WE SHOULD ALLOW OURSELVES A FEW MORE MONTHS TO SEE HOW THE CONSUMPTION PATTERN SETTLES DOWN.

"SHOULD IT BE SEEN THAT IT HAS STABILISED AT A RATIO WHICH IS WORSE THAN THE PRESENT RATIO OR SEEMS UNLIKELY TO IMPROVE FURTHER, WE WILL CERTAINLY HAVE TO LOOK AT THE WHOLE MATTER INCLUDING THE DIFFERENTIAL DUTY RATES AGAIN," HE ADDED.

MR BARNES SAID THE GOVERNMENT HAD TAKEN STEPS TO MONITOR THE LEVEL OF BENZENE.

"THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) HAS BEEN CARRYING OUT WHAT ARE KNOWN AS 'MONTHLY BENZENE IN AMBIENT AIR MEASUREMENTS' AS PART OF THEIR AIR POLLUTION MONITORING PROGRAMME.

"THE MEASURED LEVELS AVERAGE AROUND 10 MICROGRAMMES PER CUBIC METRE, AND IS NOT A CAUSE FOR CONCERN. THIS IS, FOR EXAMPLE, ONLY ABOUT ONE-TENTH OF THE NEW YORK STATE AMBIENT AIR STANDARD," HE SAID.

MR BARNES POINTED OUT THAT BOTH UNLEADED PETROL AND LEADED PETROL CONTAINED BENZENE.

"THE OIL COMPANIES HAVE AGREED TO MAINTAIN BENZENE LEVELS IN UNLEADED PETROL AT THE SAME LEVEL AS THAT WHICH LEADED PETROL CONTAINED BEFORE THE INTRODUCTION OF UNLEADED PETROL - WHICH RANGED FROM ONE PER CENT TO THREE PER CENT.

"THE RELEVANT BRITISH STANDARD LIMIT IS FIVE PER CENT," HE SAID.

MR BARNES SAID THE OIL COMPANIES WOULD SUPPLY THE EPD REGULARLY WITH DATA ON THEIR SHIPMENTS INCLUDING THE CONTENT OF BENZENE IN UNLEADED PETROL.

"THE EPD WILL ALSO CARRY OUT SPOT CHECKS ON BENZENE LEVELS AS PART OF THEIR UNLEADED PETROL ENFORCEMENT PROGRAMME," HE ADDED.

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GOVT EXAMINES NEED FOR PARAMEDICAL SERVICES ON AMBULANCES

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A GOVERNMENT ADVISORY GROUP HAS JUST SUBMITTED ITS RECOMMENDATIONS ON THE NEED FOR OTHER PARAMEDICAL SERVICES ON AMBULANCES, INCLUDING INTRAVENOUS INJECTION, INTUBATION AND THE ADMINISTRATION OF DRUGS.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, WHEN REPLYING TO A QUESTION BY DR THE HON HENRIETTA IP IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THESE ARE NOW BEING CONSIDERED BY THE ADMINISTRATION," MR ASPREY SAID.

THE ADVISORY GROUP HAD BEEN APPOINTED TO EXAMINE THE DESIRABILITY AND FEASIBILITY OF EXTENDING THE RANGE OF PARAMEDIC TRAINING GIVEN TO AMBULANCEMEN.

MR ASPREY SAID FOLLOWING THE EARLIER RECOMMENDATIONS OF THE ADVISORY GROUP, THE USE OF DEFIBRILLATORS ON AMBULANCES WAS INTRODUCED ON A PILOT BASIS IN JANUARY THIS YEAR.

MR ASPREY ALSO POINTED OUT THAT AMBULANCEMEN WERE CURRENTLY NOT TRAINED TO GIVE INTRAVENOUS FLUID REPLACEMENT.

/HE SAID .....

HE SAID IN ALL CASES OF SUSPECTED INTERNAL BLEEDING, THE AMBULANCE WOULD DELIVER THE PATIENT TO THE ACCIDENT AND EMERGENCY DEPARTMENT OF THE NEAREST HOSPITAL AS QUICKLY AS POSSIBLE.

HE ADDED THAT AMBULANCEMEN WERE ABLE TO GIVE TREATMENT SUCH AS MAINTAINING A FREE AIRWAY, APPLICATION OF OXYGEN RESUSCITATION AND CARDIOPULMONARY RESUSCITATION IF REQUIRED WHILST ON THE WAY TO HOSPITAL.

"IF NECESSARY, THE AMBULANCE CREW WILL ALERT THE HOSPITAL IN ADVANCE OF ARRIVAL SO THAT THE HOSPITAL CAN MAKE THE NECESSARY ARRANGEMENTS TO BE READY TO TREAT THE PATIENT IMMEDIATELY UPON ARRIVAL," MR ASPREY ADDED.

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EFFORTS CONTINUING FOR REPATRIATION AGREEMENT

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THE GOVERNMENT INTENDS TO RESUME REPATRIATION OF THOSE VIETNAMESE MIGRANTS SCREENED OUT AS NON-REFUGEES AS SOON AS AN AGREEMENT COULD BE REACHED WITH VIETNAM TO TAKE BACK ITS CITIZENS, THE SECRETARY FOR SECURITY, THE HON ALISTAIR ASPREY, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR ASPREY SAID THIS WAS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPREHENSIVE PLAN OF ACTION (CPA) AND NORMAL INTERNATIONAL PRACTICE.

IN A WRITTEN REPLY TO A QUESTION BY THE HON POON CHI-FAI, MR ASPREY SAID THE GOVERNMENT WAS CONTINUING ITS EFFORTS TO OBTAIN AGREEMENT ON ARRANGEMENTS FOR THE REPATRIATION OF ALL THOSE SCREENED-OUT AS NON-REFUGEES.

"THIS, WE BELIEVE, WILL BE THE MOST EFFECTIVE MEASURE TO DISCOURAGE THE INFLUX OF MIGRANTS SEEKING RESETTLEMENT.

"WE BELIEVE THAT THE CPA REMAINS THE RIGHT APPROACH TO SOLVE THE PROBLEM OF VIETNAMESE MIGRANTS," MR ASPREY SAID, ADDING THAT IT WAS THE FAILURE TO IMPLEMENT THE CPA IN FULL WHICH HAD SO FAR PREVENTED A RESOLUTION OF THE PROBLEM.

THE SECRETARY POINTED OUT THAT THE GOVERNMENT WAS ABLE TO RETURN CHINESE ILLEGAL IMMIGRANTS BECAUSE CHINA ACCEPTED THEM BACK.

"THIS IS TRUE ALSO FOR OTHER COUNTRIES IN THE REGION, WHICH ACCEPT BACK THEIR NATIONALS UNDER NORMAL INTERNATIONAL ARRANGEMENTS.

"IT IS REGRETTABLY NOT YET THE CASE WITH VIETNAMESE ILLEGAL IMMIGRANTS," HE SAID.

IN THE MEANTIME, MR ASPREY SAID THE GOVERNMENT WAS CO-OPERATING WITH THE UNHCR AND THE VIETNAMESE AUTHORITIES ON THEIR PUBLICITY IN VIETNAM WHICH SOUGHT TO DISCOURAGE PEOPLE FROM LEAVING VIETNAM CLANDESTINELY.

"WHILE WE ARE SEEKING TO ACHIEVE THE FULL IMPLEMENTATION OF THE CPA, WE INTEND TO ABIDE BY OUR OBLIGATION UNDER THE CPA TO GIVE TEMPORARY ASYLUM TO ASYLUM SEEKERS FROM VIETNAM.

"AT PRESENT THERE ARE NO PLANS TO CHANGE THIS POLICY," HE ADDED.

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SEVEN-HOUR LEGCO DEBATE ON INFLATION

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A MOTION ON INFLATION WAS PASSED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE MOTION, MOVED BY THE HON W.S.LAU, URGED THE GOVERNMENT TO TAKE IMMEDIATE STEPS TO REDUCE THE CURRENT RATE OF INFLATION. A TOTAL OF 38 LEGISLATORS SPOKE IN THE MOTION DEBATE WHICH TOOK SEVEN HOURS TO COMPLETE.

THE CHIEF SECRETARY, THE HON SIR DAVID FORD, AND THE FINANCIAL SECRETARY, THE HON SIR PIERS JACOBS, SPOKE ON BEHALF OF THE GOVERNMENT.

AN AMENDMENT MOTION MOVED BY THE HON MARTIN LEE WAS NOT CARRIED.

MEANWHILE, NINE BILLS WERE PASSED BY THE COUNCIL.

THEY WERE LOANS (AMENDMENT) BILL 1991, INLAND REVENUE (AMENDMENT) (NO. 4) BILL 1991, STAMP DUTY (AMENDMENT) (NO. 2) BILL 1991, ADMINISTRATION OF JUSTICE (FELONIES AND MISDEMEANOURS) BILL 1991, HONG KONG WAR MEMORIAL PENSIONS BILL 1991, IMMIGRATION (AMENDMENT) BILL 1991, EDUCATION (AMENDMENT) BILL 1991, EMPLOYEES COMPENSATION ASSISTANCE BILL 1991 AND PENSIONS (SPECIAL PROVISIONS) (VOCATIONAL TRAINING COUNCIL) BILL 1991.

FIVE OTHER BILLS WERE INTRODUCED FOR FIRST AND SECOND READINGS, AND DEBATES ON THEM WERE ADJOURNED.

THEY WERE LAW AMENDMENT AND REFORM (CONSOLIDATION) (AMENDMENT) BILL 1991, ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1991, FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1991, ROAD TUNNELS (GOVERNMENT) (AMENDMENT) BILL 1991 AND SUPPLEMENTARY MEDICAL PROFESSIONS (AMENDMENT) BILL 1991.

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WEDNESDAY, MAY 29, 1991

- 20 -

TAXI FUEL SUPPLEMENT TO BE WITHDRAWN  
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THE GOVERNMENT HAS DECIDED TO WITHDRAW THE TEMPORARY \$1 FUEL SUPPLEMENT CHARGED BY THE TERRITORY'S TAXIS FROM JUNE 2.

A GOVERNMENT SPOKESMAN SAID THE DECISION WAS TAKEN FOLLOWING THE RECENT DOWNWARD REVISION OF THE PRICE OF DIESEL FUEL FROM \$5.44 IN MARCH TO \$4.84 EARLY THIS MONTH.

HE STRESSED THAT THE EXTRA CHARGE OF \$1 PER HIRING WAS A TEMPORARY MEASURE AIMED AT RELIEVING THE IMMEDIATE IMPACT OF HIGH FUEL PRICES FOLLOWING THE GULF CRISIS.

"WITH THE END OF THE GULF WAR, THE FUTURE MOVEMENT OF OIL PRICES IS EXPECTED TO REMAIN RELATIVELY STABLE AND IT IS THEREFORE IN THE PUBLIC INTEREST THAT THE TEMPORARY FUEL SUPPLEMENT SHOULD BE REMOVED," HE SAID.

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96 VM'S RETURN TO VIETNAM  
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A GROUP OF 96 VIETNAMESE MIGRANTS TODAY (WEDNESDAY) RETURNED TO VIETNAM UNDER THE UNHCR'S VOLUNTARY REPATRIATION PROGRAMME.

COMPRISING 33 MEN, 31 WOMEN, 18 BOYS AND 14 GIRLS, THEY WERE THE 54TH BATCH TO GO BACK UNDER THE PROGRAMME.

THIS GROUP BROUGHT TO 7,066 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAVE RETURNED VOLUNTARILY.

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YLDB REPRESENTATIVE TO RC ELECTED  
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THE YUEN LONG DISTRICT BOARD THIS (WEDNESDAY) MORNING ELECTED MR LAI KWOK-IU AS ITS REPRESENTATIVE TO THE REGIONAL COUNCIL.

HE WAS THE ONLY NOMINEE IN THE ELECTION.

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WEDNESDAY, MAY 29, 1991

- 21 -

THREE DB'S TO ELECT RC REPRESENTATIVES

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THREE DISTRICT BOARDS WILL ELECT THEIR REGIONAL COUNCIL REPRESENTATIVES TOMORROW (THURSDAY) AND ON FRIDAY.

THERE IS ONLY ONE CANDIDATE FOR KWAI TSING DISTRICT BOARD AND TWO CANDIDATES EACH FOR NORTH AND TUEN MUN.

THE ELECTION DETAILS ARE AS FOLLOWS:

DISTRICT BOARD -----	DATE/TIME -----	CANDIDATES -----
NORTH	MAY 30/9.30 AM	MR CHEUNG KUEN MR TANG KWOK-YUNG
KWAI TSING	MAY 30/2.30 PM	MR SIN CHUNG-KAI
TUEN MUN	MAY 31/9.30 AM	MR SHUNG KING-FAI MR SO SHIU-SHING

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GOVERNMENT LAND TO LET BY TENDER

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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCIES ON TWO PIECES OF GOVERNMENT LAND.

THE FIRST SITE IS LOCATED AT CHUNG HAU STREET, HO MAN TIN.

WITH AN AREA OF ABOUT 5,400 SQUARE METRES, THE SITE IS FOR FEE-PAYING PARKING AREA OF VEHICLES (EXCLUDING CONTAINER VEHICLES WITH OR WITHOUT TRAILERS) CURRENTLY LICENSED UNDER THE ROAD TRAFFIC ORDINANCE.

THE TENANCY IS FOR ONE YEAR AND QUARTERLY THEREAFTER.

FORM OF TENDER, TENDER NOTICE AND CONDITIONS MAY BE OBTAINED FROM AND TENDER PLAN INSPECTED AT, THE DISTRICT LANDS OFFICE, KOWLOON WEST, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON AND THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG.

THE OTHER SITE IS AT AREA 11, ON MUK STREET, SHA TIN. IT HAS AN AREA OF ABOUT 2,095 SQUARE METRES.

THE LAND IS FOR EITHER CONCRETE BATCHING OR OPEN STORAGE OF THE TENANT'S GOODS, VEHICLES, CONSTRUCTION MATERIALS AND EQUIPMENT, BUT EXCLUDING STACKING OR STORAGE OF CONTAINERS.

/ON REPAIRING .....

NO REPAIRING OR MAINTENANCE OF THE TENANT'S GOODS OR EQUIPMENT; OR LUBRICATING, WASHING, REPAIRING OR MAINTENANCE OF VEHICLES WILL BE PERMITTED.

THE TENANCY IS FOR THREE YEARS AND QUARTERLY THEREAFTER.

FORM OF TENDER, TENDER NOTICE, CONDITIONS AND TENDER PLANS ARE AVAILABLE EITHER AT THE DISTRICT LANDS OFFICE, SHA TIN; THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG; AND THE DISTRICT LANDS OFFICES, KOWLOON, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON.

THE DEADLINE FOR SUBMISSION OF TENDERS IS 12 NOON ON JUNE 14.

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FRESH WATER SUPPLY SUSPENSION  
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SUPPLY OF FRESH WATER TO CERTAIN AREAS ON LANTAU ISLAND WILL BE TURNED OFF FROM 10 AM TO 2 PM ON FRIDAY (MAY 31) TO FACILITATE LEAKAGE TESTS.

THE SUSPENSION WILL AFFECT MUI WO FERRY PIER ROAD, NGAN WAN ROAD, NGAN KWONG WAN ROAD INCLUDING NGAN WAN ESTATE AND MUI WO TEMPORARY HOUSING AREA, SOUTH LANTAU ROAD (MUI WO SECTION), CHUNG HAU, LUK TEI TONG, TAI TEI TONG, TSOI YUEN TSUEN, MUI WO KAU TSUEN, TUNG WAN TAU, WANG TONG, TAI WAI YUEN, TSENG TAU SAN TSUEN, PAK NGAN HEUNG, LUNG MEI TSUEN, LUNG MEI HANG, WO TIN, SHAP LONG KAU TSUEN, SHAP LONG SAN TSUEN, SHAP LONG CHUNG HAU, CHI MA WAN ROAD INCLUDING CHI MA WAN PRISON; AND HEI LING CHAU.

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HONG KONG GOVERNMENT EXCHANGE FUND  
MONEY MARKET OPERATIONS  
\* \* \* \* \*

HKEF

	DATE	\$ MILLION
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CLOSING BALANCE IN THE ACCOUNT ON	28.5.91	380
EFFECT OF FORWARDS TO BE SETTLED ON	29.5.91	-30
EFFECT OF OPERATIONS THIS MORNING		+30
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 112.8 \*-0.1\* 29.5.91

WEDNESDAY, MAY 29, 1991

- 23 -

HONG KONG GOVERNMENT EXCHANGE FUND  
91-DAY EXCHANGE FUND BILLS

HKEI

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION	
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Q115	10.7.91	370	+110
Q116	17.7.91	370	+110
Q117	24.7.91	478.5	+1.5
Q118	31.7.91	480	+0
Q119	7.8.91	408.5	+71.5
Q120	14.8.91	400	+80
Q121	21.8.91	435	+45
Q122	28.8.91	400	+80
Q110	5.6.91	140	+340
Q111	12.6.91	384	+96
Q112	19.6.91	365	+115
Q113	26.6.91	445	+35
Q114	3.7.91	560	-80

HONG KONG GOVERNMENT EXCHANGE FUND  
182-DAY EXCHANGE FUND BILLS

HKEJ

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION	
-----	-----	-----	-----
H164	13.11.91	170	+90
H165	27.11.91	200	+60
H004	12.6.91	120	+140
H005	26.6.91	220	+40
H101	10.7.91	53	+207
H156	24.7.91	190	+70
H157	7.8.91	159.5	+100.5
H158	21.8.91	200	+60
H159	4.9.91	150	+110
H160	18.9.91	380	-120
H161	2.10.91	150	+110
H162	17.10.91	134	+126
H163	30.10.91	120	+140

HONG KONG GOVERNMENT EXCHANGE FUND  
364-DAY EXCHANGE FUND BILLS

HKEK

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION	
-----	-----	-----	-----
Y187	26.2.92	260	+0
Y188	25.3.92	180	+80
Y189	22.4.92	200	+60
Y190	20.5.92	220	+40

AVERAGE DAILY TRANSFER FOR WEEK ENDING 24.5.91 WAS 3,588 MN

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