



# DAILY INFORMATION BULLETIN

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## TRANSCRIPT OF THE GOVERNOR'S DOORSTEP INTERVIEW

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THE FOLLOWING IS THE TRANSCRIPT OF DOORSTEP INTERVIEW AT DOWNING STREET GIVEN BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, IN LONDON TODAY (WEDNESDAY):

MR PATTEN: I AM PLEASED TO HAVE STARTED MY BRIEF VISIT TO LONDON WITH AN EXTREMELY HELPFUL AND INTERESTING MEETING WITH THE PRIME MINISTER. WE DISCUSSED WAYS IN WHICH WE CAN IMPROVE CO-OPERATION BETWEEN THE UNITED KINGDOM AND CHINA IN THE INTERESTS OF HONG KONG, WE DISCUSSED THE ECONOMIC AND SOCIAL POLICIES IN HONG KONG AND LOOKED AHEAD TO THE NEXT JLG MEETING AND THE HOPE THAT THAT WILL BE ABLE TO SHOW THAT WE HAVE TURNED A CORNER AND ARE ABLE TO DO MORE WORK EFFECTIVELY FOR THE PEOPLE OF HONG KONG THAN HAS SOMETIMES BEEN THE CASE IN THE PAST. THOUGH I DO NOT THINK ANYBODY SHOULD UNDER-ESTIMATE THE WORK THAT HAS BEEN DONE BY THE JLG, WE RECOGNISE THAT WE HAVE TO DO MORE AND DO IT FASTER.

I HAVE GOT, OVER THE REST OF THIS WEEK, A LOT OF MEETINGS WITH OFFICIALS, I HAVE GOT A MEETING WITH THE FOREIGN SECRETARY, WITH MR GOODLAD, I AM MEETING THE HONG KONG PARLIAMENTARY GROUP WHICH HAS ALWAYS BEEN SO FRIENDLY TO HONG KONG, I HAVE GOT TWO SPEAKING ENGAGEMENTS, ONE TONIGHT AT THE TDC DINNER AND ONE TOMORROW AT THE SWISS BANK WHEN I AM MAKING A SPEECH LARGELY ABOUT TRADE BUT ABOUT ONE OR TWO OTHER MATTER AS WELL.

SO IT IS A SHORT BUT BUSY PROGRAMME AND FAIRLY TYPICAL OF MY ROUTINE VISITS TO LONDON. LIKE MY PREDECESSOR I INTEND TO COME ABOUT FOUR TIMES A YEAR, SOMETIMES MAYBE ONE MORE, SOMETIMES MAYBE ONE LESS, BUT WE HAVE NOTICED WITH INTEREST THAT THE FREQUENCY OF MY VISITS BOTH TO HONG KONG AND ELSEWHERE IS PRETTY WELL IDENTICAL WITH HIS. AND IT WOULD BE ASTONISHING IF THE GOVERNOR OF HONG KONG DID NOT HAVE REASONABLY FREQUENT MEETINGS WITH MINISTERS IN THE SOVEREIGN POWER FROM TIME TO TIME.

QUESTION: DID YOU WALK IN THE PARK DURING THIS DISCUSSION?

GOVERNOR: YES, WE WENT FOR A WALK ROUND THE PARK SINCE IT WAS SUCH A NICE DAY. I THINK THE COLOURS THIS AUTUMN ARE PRETTY SPECTACULAR AND WE WALKED ROUND THE LAKE AND BACK AGAIN, MUCH TO THE SURPRISE OF ONE OR TWO TOURISTS, ONE MAN WITH A VIDEO CAMERA MUTTERING INTO IT: "YES IT REALLY IS THE PRIME MINISTER".

QUESTION: CAN YOU BE MORE SPECIFIC ABOUT YOUR DISCUSSIONS ON CO-OPERATION BETWEEN CHINA AND BRITAIN?

GOVERNOR: THE PROPOSALS I SET OUT IN MY SPEECH TO THE LEGISLATIVE COUNCIL WHICH I HOPE WILL BEAR FRUIT, BUT AS WE HAVE SAID, WE DO NOT THINK WE HAVE A MONOPOLY OF WISDOM AND WE ARE OPEN TO ANY OTHER IDEAS WHICH CHINESE OFFICIALS MAY HAVE.

QUESTION: YOU SAID THAT BY NEXT YEAR YOU HOPE TO HAVE TURNED A CORNER IN RELATIONS WITH CHINA, DO YOU HAVE ANY EVIDENCE THAT YOU HAVE TURNED A CORNER OR DO YOU HAVE ANY REASON TO BELIEVE YOU WILL HAVE TURNED A CORNER BY THEN?

/GOVERNOR: .....

GOVERNOR: I VERY MUCH HOPE THAT WE WILL SHORTLY BE ABLE TO SIGN A MINUTE ON THE AIRPORT AND I HOPE THAT IF THAT CONFIDENCE IS JUSTIFIED IT WILL HELP PROVIDE A LITTLE MOMENTUM TO OUR RELATIONSHIP.

QUESTION: DID YOU DISCUSS THE FACT THAT AMBASSADOR GUO WAS RECENTLY ALMOST DISMISSIVE ABOUT FURTHER PROGRESS ON LOCALISATION?

GOVERNOR: I DO NOT THINK HE WAS DISMISSIVE ABOUT LOCALISATION. THERE IS A REPORT IN THE TIMES THIS MORNING WHICH UNUSUALLY I THINK IS A LITTLE UNBALANCED. I DO NOT THINK THE PROBLEMS APPLY TO LOCALISATION, THE PROBLEMS THAT HAVE ARISEN RELATE TO THE ADAPTATION OF LAWS. ON LOCALISATION THERE ARE IN OUR ESTIMATION ABOUT 32 BILLS THAT WILL BE REQUIRED TO LOCALISE UK LEGISLATION, WE ARE MAKING PRETTY GOOD PROGRESS WITH THOSE. ADAPTATION RAISES OTHER ISSUES WHICH THE CHINESE SIDE BELIEVE INVOLVE MATTERS OF SOVEREIGNTY. WE PROPOSED WHAT WE CALL THE MIDNIGHT SOLUTION WHICH WOULD TRIGGER THINGS AT MIDNIGHT ON JUNE 30, 1997, THE CHINESE OFFICIALS DO NOT MUCH CARE FOR THAT, BUT THE ISSUE IS STILL ONE TO BE DISCUSSED IN THE JLG AND WE ARE HAPPY TO GO AHEAD WITH THAT. I THINK AMBASSADOR GUO DURING THE COURSE OF HIS REMARKS SAID THAT THERE WERE MANY ADVISERS HELPING CHINESE OFFICIALS DEAL WITH THE QUESTION OF ADAPTATION AND WE HAVE SAID THAT IF THAT EXERCISE CAN BE TIED UP WITH THE WORK OF THE JOINT LIAISON GROUP, IF IN SOME WAY THOSE ACTIVITIES CAN BE PUT TOGETHER, IT MIGHT BE A WAY OF CARRYING THINGS FORWARD, BUT WE ARE OPEN-MINDED ON IT, THERE IS A PROBLEM AND WE HAVE GOT TO TRY TO SOLVE IT.

QUESTION: WHAT WAS THE PRIME MINISTER'S RESPONSE TO YOUR SUGGESTIONS FOR IMPROVING RELATONS WITH BEIJING?

MR PATTEN: HE WAS VERY INTERESTED, HE HAD OBVIOUSLY BEEN FULLY CONSULTED BEFORE THE FOREIGN SECRETARY PUT THOSE POINTS TO VICE PREMIER QIAN QICHEN AND BEFORE I MADE MY SPEECH TO THE LEGISLATIVE COUNCIL, BUT HE WAS INTERESTED IN HEARING ABOUT PROGRESS. WE BOTH WANT TO SEE AS MUCH PROGRESS AS POSSIBLE AS SOON AS POSSIBLE WITHOUT IN ANY WAY GIVING UP ON WHAT IS OUR FUNDAMENTAL OBJECTIVE, WHICH IS TO DO EVERYTHING WE CAN TO IMPLEMENT THE JOINT DECLARATION WHICH IS THE ULTIMATE GUARANTEE OF HONG KONG'S PROSPERITY, OF THE RULE OF LAW IN HONG KONG AND OF THE SURVIVAL OF THE INSTITUTIONS OF CIVIL SOCIETY IN HONG KONG.

TRANSCRIPT OF CHIEF SECRETARY'S MEDIA SESSION

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THE FOLLOWING IS THE TRANSCRIPT OF THE MEDIA SESSION BY THE CHIEF SECRETARY, MRS ANSON CHAN, AFTER HER SPEECH IN THE DEBATE ON THE MOTION OF THANKS FOR THE GOVERNOR'S POLICY ADDRESS AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

CS: GOOD AFTERNOON, EVERYONE. AS YOU KNOW, I HAVE JUST SPOKEN IN THE LEGISLATIVE COUNCIL IN THE DEBATE ON THE MOTION OF THANKS FOR THE GOVERNOR'S POLICY ADDRESS. OVERALL, I THINK WE ARE SOMEWHAT DISAPPOINTED AT THAT NOTWITHSTANDING THE CONSIDERABLE EFFORTS THAT WE'VE PUT INTO, FOR EXAMPLE, PRODUCING POLICY STATEMENTS AND PROGRESS REPORT AND NOTWITHSTANDING THAT IN THE POLICY COMMITMENTS, WE HAVE COVERED A FULL RANGE OF SERVICES AND OUR COMMITMENTS OVER A RANGE OF SERVICES INCLUDING WELFARE, MEDICAL AND HEALTH, AND ENVIRONMENTAL PROTECTION THAT MEMBERS HAVE NOT INDEED SEEMED TO PAY MUCH HEED TO THESE POLICY COMMITMENTS NOR GIVEN US THE CREDIT FOR MAKING THESE EFFORTS. I THINK, OVERALL, WE WOULD HAVE WISHED FOR A MORE CONSTRUCTIVE APPROACH. I DO EMPHASISE THAT IN THE COMING YEAR - THIS COMING YEAR IS GOING TO BE A PARTICULARLY BUSY YEAR FOR THE LEGISLATIVE COUNCIL - WE DO WISH TO ESTABLISH A CONSTRUCTIVE PARTNERSHIP WITH MEMBERS OF THE LEGISLATIVE COUNCIL AND I BELIEVE THAT ON THAT UNDERSTANDING, WE CAN WORK TOGETHER EXTREMELY WELL IN ENSURING THAT THE PROGRAMME THAT WE HAVE SET OURSELVES FOR THIS YEAR WILL BE FAITHFULLY IMPLEMENTED. THANK YOU.

QUESTION: IF THE MOTION TODAY IS NOT PASSED OR CARRIED, WHAT WOULD THAT MEAN TO THE GOVERNMENT?

CS: I DON'T WISH TO ANTICIPATE. WE HAVE NOT YET TAKEN A VOTE ON THE MOTION OF THANKS.

QUESTION: WHAT'S WRONG WITH CRITICISMS?

CS: I HAVEN'T SAID THAT THERE IS ANYTHING WRONG OF CRITICISMS. I THINK IF YOU READ MY SPEECH, YOU WILL SEE THAT I FULLY ACKNOWLEDGE MEMBERS' RIGHT TO CRITICISE. WE WELCOME CRITICISMS BUT CRITICISMS HAVE TO BE CONSTRUCTIVE. TOTALLY NEGATIVE CRITICISMS DO NOT RESULT IN ANY TANGIBLE RESULTS. ON THE CONTRARY, THEY HAVE A VERY DEMORALISING EFFECT ON CIVIL SERVANTS. IN THE CURRENT HIGHLY-CHARGED OR POLITICISED ATMOSPHERE, CIVIL SERVANTS HAVE A DIFFICULT ENOUGH JOB. WE DO OUR BEST. THIS YEAR PARTICULARLY, WE'VE GONE TO THE TROUBLE OF PRODUCING THESE VERY DETAILED POLICY COMMITMENTS. WE DO NOT ASK TO BE PRAISED BUT WE DO ASK AT LEAST THAT OUR EFFORTS BE ACKNOWLEDGED.

QUESTION: DO YOU HAVE ANY EVIDENCE THAT THESE CRITICISMS ARE DEMORALISING?

CS: WELL, I THINK, OF COURSE, WE HAVE EVIDENCE. I ALSO SAID IN MY SPEECH THAT GIVEN THE CONSTANT CARPING CRITICISMS FROM LEGCO MEMBERS, I THINK MANY CIVIL SERVANTS WONDER WHETHER THEIR EFFORTS ARE WORTHWHILE.

/QUESTION: .....

QUESTION: DON'T YOU REALLY THINK THAT THE GOVERNMENT SHOULD TAKE ANY PARTICULAR RESPONSIBILITY FOR THE BAD RELATION BETWEEN LEGISLATORS AND THE GOVERNMENT?

CS: NO. DON'T BE TOTALLY NEGATIVE. I HAVE DRAWN ATTENTION IN MY SPEECH TO THE AREAS WHERE WE HAVE DISCUSSED IN A VERY STATESMAN-LIKE AND PRODUCTIVE WAY WITH MEMBERS. WE HAVE ACCEPTED MANY OF MEMBERS' PROPOSALS. I MENTIONED, FOR EXAMPLE, THAT OF THE TOTAL NUMBER OF MOTION DEBATES, THERE WERE ONLY A FEW WHERE THE GOVERNMENT FELT UNABLE TO ACCEPT MEMBERS' SUGGESTIONS. SO, THERE ARE GROUNDS FOR A CONSTRUCTIVE PARTNERSHIP AND I SIMPLY JUST STRESS THAT WE WISH TO BUILD ON A CONSTRUCTIVE PARTNERSHIP BECAUSE IT IS ONLY ON THAT BASIS THAT WE CAN GET THROUGH THE WORK THAT WE SET OURSELVES IN THIS LEGISLATIVE YEAR. I HOPE THAT YOU ARE NOT GOING TO, YOU KNOW, CONCENTRATE ON THE NEGATIVE ASPECTS. I THINK MY SPEECH IS INTENDED ON THE ONE HAND TO DRAW ATTENTION TO LEGITIMATE CONCERNS WITHIN THE CIVIL SERVICE WHILST ACKNOWLEDGING AT THE SAME TIME MEMBERS' RIGHT TO CRITICISE. BUT I EMPHASISE AGAIN CRITICISMS MUST BE CONSTRUCTIVE IF THEY ARE TO BE EVERYWHERE. THANK YOU.

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LEGCO MEMBERS NOT PAY MUCH HEED TO POLICY STATEMENTS

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THE CHIEF SECRETARY, MRS ANSON CHAN, THIS (WEDNESDAY) AFTERNOON SAID THE GOVERNMENT WAS SOMEWHAT DISAPPOINTED THAT MEMBERS OF THE LEGISLATIVE COUNCIL HAD NOT SEEMED TO PAY MUCH HEED TO THE POLICY STATEMENTS.

SHE SAID THE GOVERNMENT HAD PUT CONSIDERABLE EFFORTS IN PRODUCING THE POLICY STATEMENTS WHICH COVERED A FULL RANGE OF SERVICES.

SPEAKING TO REPORTERS AFTER HER SPEECH IN THE DEBATE ON THE MOTION OF THANKS FOR THE GOVERNOR'S POLICY ADDRESS AT THE LEGISLATIVE COUNCIL, MRS CHAN SAID THE GOVERNMENT WOULD HAVE WISHED FOR A MORE CONSTRUCTIVE APPROACH.

"I DO EMPHASISE THAT IN THE COMING YEAR, WE DO WISH TO ESTABLISH A CONSTRUCTIVE PARTNERSHIP WITH MEMBERS OF THE LEGISLATIVE COUNCIL AND I BELIEVE THAT ON THAT UNDERSTANDING, WE CAN WORK TOGETHER EXTREMELY WELL IN ENSURING THAT THE PROGRAMME THAT WE HAVE SET OURSELVES FOR THIS YEAR WILL BE FAITHFULLY IMPLEMENTED," SHE SAID.

IN RESPONSE TO A QUESTION ABOUT LEGCO MEMBERS' CRITICISMS, MRS CHAN SAID SHE FULLY ACKNOWLEDGED MEMBERS' RIGHT TO CRITICISE.

"WE WELCOME CRITICISMS BUT CRITICISMS HAVE TO BE CONSTRUCTIVE. TOTALLY NEGATIVE CRITICISMS DO NOT RESULT IN ANY TANGIBLE RESULTS. ON THE CONTRARY, THEY HAVE A VERY DEMORALISING EFFECT ON CIVIL SERVANTS," SHE SAID.

"IN THE CURRENT HIGHLY-CHARGED OR POLITICISED ATMOSPHERE, CIVIL SERVANTS HAVE A DIFFICULT ENOUGH JOB. WE DO OUR BEST. THIS YEAR PARTICULARLY, WE'VE GONE TO THE TROUBLE OF PRODUCING THESE VERY DETAILED POLICY COMMITMENTS. WE DO NOT ASK TO BE PRAISED BUT WE DO ASK AT LEAST THAT OUR EFFORTS BE ACKNOWLEDGED."

THE CHIEF SECRETARY DENIED THAT THE RELATION BETWEEN THE GOVERNMENT AND LEGISLATORS WAS BAD.

"DON'T BE TOTALLY NEGATIVE. I HAVE DRAWN ATTENTION IN MY SPEECH TO THE AREAS WHERE WE HAVE DISCUSSED IN A VERY STATESMAN-LIKE AND PRODUCTIVE WAY WITH MEMBERS," MRS CHAN SAID.

"WE HAVE ACCEPTED MANY OF MEMBERS' PROPOSALS. I MENTIONED, FOR EXAMPLE, THAT OF THE TOTAL NUMBER OF MOTION DEBATES, THERE WERE ONLY A FEW WHERE THE GOVERNMENT FELT UNABLE TO ACCEPT MEMBERS' SUGGESTIONS.

"SO, THERE ARE GROUNDS FOR A CONSTRUCTIVE PARTNERSHIP AND I SIMPLY JUST STRESS THAT WE WISH TO BUILD ON A CONSTRUCTIVE PARTNERSHIP BECAUSE IT IS ONLY ON THAT BASIS THAT WE CAN GET THROUGH THE WORK THAT WE SET OURSELVES IN THIS LEGISLATIVE YEAR."

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GOVERNMENT DELEGATION TO VISIT CHINA

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THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, WILL BE VISITING BEIJING AND SHANGHAI FROM OCTOBER 29 TO NOVEMBER 7. HE WILL BE ACCOMPANIED BY SEVEN OTHER HONG KONG GOVERNMENT OFFICIALS.

THIS IS ONE IN A SERIES OF CHINA VISITS STARTED IN 1988 FOR THE PURPOSE OF GENERAL FAMILIARISATION. THE LAST SIMILAR VISIT, WHICH TOOK PLACE IN JULY THIS YEAR, WAS LED BY THE SECRETARY FOR RECREATION AND CULTURE, MR JAMES SO.

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INAPPROPRIATE AND IRRESPONSIBLE TO DISCLOSE BUILDINGS

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THE DIRECTOR OF BUILDINGS, MRS HELEN YU, STRESSED TODAY (WEDNESDAY) THAT IT WOULD BE IRRESPONSIBLE TO DISCLOSE AT THIS JUNCTURE THE IDENTITY OF THE BUILDINGS BUILT BY THE SAME COMPANY WHICH BUILT THE ALBERT HOUSE IN ABERDEEN WHERE A CANOPY COLLAPSED IN AUGUST.

COMMENTING ON A NEWSPAPER ARTICLE AND AN EDITORIAL TODAY CLAIMING "GOVERNMENT OFFICIALS HAVE STEADFASTLY REFUSED TO IDENTIFY THE BUILDINGS", MRS YU SAID: "WE CONSIDER IT INAPPROPRIATE TO DISCLOSE THEIR IDENTITY WHEN IT HAS YET TO BE ESTABLISHED WHETHER OR NOT ANYTHING IS WRONG WITH THOSE BUILDINGS.

"WE CONSIDER IT IRRESPONSIBLE TO CAUSE PUBLIC ALARM WHEN THERE MAY BE NO CAUSE FOR CONCERN."

/THE DIRECTOR .....

THE DIRECTOR POINTED OUT: "WE HAVE IDENTIFIED THOSE BUILDINGS AND WE ARE TAKING ACTION TO INVESTIGATE INTO THEIR CONDITIONS AS A MATTER OF PRIORITY.

"IF OUR INVESTIGATION SHOULD UNCOVER ANY DANGER OR NEED FOR ANY ACTION, WE WILL TAKE WHATEVER STEPS NECESSARY TO PROTECT THE RESIDENTS AND THE PUBLIC."

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ROOFTOP OCCUPANTS FAIL TO ATTEND SPECIAL MEETING

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TSUEN WAN ROOFTOP OCCUPANTS WHO HAVE NOT YET REGISTERED WITH THE HOUSING DEPARTMENT TODAY (WEDNESDAY) DID NOT TURN UP AT A SPECIAL MEETING AT THE TSUEN WAN DISTRICT OFFICE ARRANGED BY THE BUILDINGS DEPARTMENT TO DISCUSS REHOUSING ARRANGEMENTS.

ALSO PRESENT IN THE SCHEDULED MEETING WERE THE ASSISTANT DIRECTOR/OPERATIONS AND DEVELOPMENT MR PETER YIP, AND THE HOUSING MANAGER/CLEARANCE, NEW TERRITORIES WEST OF THE HOUSING DEPARTMENT, MR K Y TANG.

THE ASSISTANT DIRECTOR OF BUILDINGS, MR EDWARD LOK, SAID: "I AM VERY DISAPPOINTED THAT DESPITE OUR SPECIAL EFFORT TO HELP THE ROOFTOP OCCUPANTS, NONE OF THEM TURNED UP AT THE MEETING. THEY WERE INFORMED LAST FRIDAY ABOUT THIS MEETING. ONLY YESTERDAY THEY TOLD US BY FAX THAT THEY WOULD LIKE REHOUSING IN PUBLIC RENTAL HOUSING UNITS FOR ALL AFFECTED OCCUPANTS."

THE HOUSING AUTHORITY HAS ADVISED THAT THE POLICY OF REHOUSING ARRANGEMENT FOR SQUATTERS IS WELL ESTABLISHED AND HAS BEEN APPLIED ACROSS THE TERRITORY IMPARTIALLY.

IN ACCORDANCE WITH GOVERNMENT POLICY FOR DEALING WITH UNAUTHORISED ROOFTOP STRUCTURES, THE BUILDINGS DEPARTMENT LIAISES CLOSELY WITH THE HOUSING DEPARTMENT AND SOCIAL WELFARE DEPARTMENT WELL BEFORE HAND SO THAT REHOUSING ARRANGEMENTS AND OTHER FORMS OF ASSISTANCE NECESSARY COULD BE OFFERED TO ALL OCCUPANTS. THOSE IN NEED WOULD NOT BE RENDERED HOMELESS.

IN THIS CONTEXT, REHOUSING OF THE AFFECTED OCCUPANTS WOULD BE CARRIED OUT IN ACCORDANCE WITH ESTABLISHED POLICY.

ONLY THE ELIGIBLE OCCUPANTS WILL BE REHOUSED IN PUBLIC RENTAL HOUSING UNITS, WHILE THOSE INELIGIBLE WILL BE OFFERED TEMPORARY HOUSING AND THEY CANNOT JUMP THE QUEUE.

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KWAI TSING DISTRICT BOARD CHAIRMAN ELECTED

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MR SIN CHUNG-KAI WAS ELECTED THE CHAIRMAN OF KWAI TSING DISTRICT BOARD AT A MEETING TODAY (WEDNESDAY).

MR SIN DEFEATED HIS RIVAL MR LEUNG KWONG-CHEONG BY 14 TO 13 VOTES.

MEANWHILE, MR CHOW YICK-HAY BEAT ANOTHER CANDIDATE MR CHAN TIN-SUNG TO BECOME THE BOARD'S REPRESENTATIVE TO THE REGIONAL COUNCIL.

SIX FUNCTIONAL COMMITTEE CHAIRMEN OF THE DISTRICT BOARD HAVE ALSO BEEN ELECTED.

THEY ARE MR LEE CHI-KEUNG OF THE ENVIRONMENT AND PLANNING COMMITTEE, MR LUK KING-SHING OF HOUSING AFFAIRS COMMITTEE, MR CHAN SIU-MAN OF SOCIAL SERVICES COMMITTEE, MR WONG CHEONG-SHING OF TRAFFIC AND TRANSPORT COMMITTEE, MR WONG YIU-CHUNG OF WORKS COMMITTEE, AND MS LO WAI-LAN OF CULTURE, RECREATION AND SPORTS COMMITTEE.

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ENGLISH STANDARDS HAVE RISEN GRADUALLY

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WITH THE COMBINED EFFORTS OF THE EDUCATION DEPARTMENT, PRINCIPALS, TEACHERS AND STUDENTS, ENGLISH STANDARDS HAVE RISEN GRADUALLY IN RECENT YEARS, THE DEPUTY DIRECTOR OF EDUCATION, MISS ELAINE CHUNG, SAID TODAY (WEDNESDAY).

SPEAKING AT THE ROYAL COMMONWEALTH ESSAY COMPETITION 1993/94 PRIZE-PRESENTATION CEREMONY, MISS CHUNG SAID: "IT IS WIDELY REPORTED IN SOME QUARTERS THAT THE ENGLISH STANDARD OF THE AVERAGE HONG KONG STUDENT IS FALLING.

"IT IS TRUE IF YOU COMPARE THE STANDARD OF TODAY'S GRADUATE WITH THAT OF HIS COUNTERPART ABOUT 30 YEARS AGO, WHEN EDUCATION WAS FOR THE ELITE AND ONLY A HANDFUL OF STUDENTS WERE ADMITTED INTO UNIVERSITIES.

"TODAY WE HAVE COMPULSORY AND FREE EDUCATION FOR EVERYONE UP TO SECONDARY THREE.

"THE ENGLISH STANDARD OF THE AVERAGE STUDENT AS MEASURED BY THE RESULTS OF THE HONG KONG ATTAINMENT TESTS FELL IN THE LATER 70S AND EARLY 80S, BUT WITH THE COMBINED EFFORTS OF THE EDUCATION DEPARTMENT, PRINCIPALS, TEACHERS AND STUDENTS, ENGLISH STANDARDS HAVE RISEN GRADUALLY IN RECENT YEARS," MISS CHUNG SAID.

"WE HAVE AMBITIOUS PROJECTS IN BOTH THE PUBLIC AND PRIVATE SECTORS WHICH WE WANT TO PURSUE," SHE SAID.

THIS YEAR, 20 HONG KONG STUDENTS WON PRIZES AND WERE COMMENDED IN THE COMPETITION.

THEY WERE AWARDED BOOK COUPONS RANGING FROM \$600 TO \$1,600.

THE HIGHEST AWARD -- THE ROYAL COMMONWEALTH SOCIETY IN HONG KONG AWARD -- WENT TO MISS MICHELLE NG YUN-YUN OF DIOCESAN GIRLS' SCHOOL. APART FROM HER \$1,600 BOOK COUPON, SHE EARNED A ROUND TRIP TO KUALA LUMPUR.

A TOTAL OF 205 STUDENTS FROM 33 LOCAL SCHOOLS COMPETED WITH 6,500 STUDENTS FROM 53 COMMONWEALTH TERRITORIES.

FOR YEARS, MISS CHUNG SAID, THE ROYAL COMMONWEALTH ESSAY COMPETITION HAD CONTRIBUTED TOWARDS ENCOURAGING HONG KONG YOUNG PEOPLE TO DEVELOP THEIR SKILLS IN USING ENGLISH AS A MEDIUM OF COMMUNICATION IN ADDITION TO PROMOTING THEIR UNDERSTANDING OF THE COMMONWEALTH.

IT ALSO PROVIDED A VERY GOOD OPPORTUNITY FOR HONG KONG STUDENTS TO INCREASE THEIR POWERS OF OBSERVATION, ANALYSIS, DEDICATION AND JUDGMENT ON THE ISSUES OF THE DAY AND TO ENHANCE QUALITY AND ORIGINALITY IN THEIR WRITING.

MISS CHUNG SAID TODAY'S PRESENTATION GAVE HER A CHANCE TO INCLUDE IN SOME NOSTALGIA AS SHE WAS THE FIRST HONG KONG STUDENT TO WIN THE ROYAL COMMONWEALTH ESSAY COMPETITION 30 YEARS AGO.

THE LOCAL COMPETITION WAS ORGANISED BY THE EDUCATION DEPARTMENT AND SPONSORED BY THE ROYAL COMMONWEALTH SOCIETY IN HONG KONG AND THE HONG KONG GENERAL CHAMBER OF COMMERCE.

ALSO PRESENT AT THE PRESENTATION WERE THE ASSISTANT DIRECTOR OF HONG KONG GENERAL CHAMBER OF COMMERCE, DR Y S CHEUNG AND THE CHAIRMAN OF THE ROYAL COMMONWEALTH SOCIETY IN HONG KONG, DR FALI SHROFF.

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THREE GOVERNMENT LOTS TO LET

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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCIES OF THREE LOTS OF GOVERNMENT LAND ON HONG KONG ISLAND AND IN THE NEW TERRITORIES.

THE FIRST LOT, LOCATED IN TIN SHUI WAI AREA 3, HAS AN AREA OF 1.35 HECTARES FOR PARKING OF THE TENANT'S VEHICLES OR FOR USE AS A FEE-PAYING CAR PARK.

THE TENANCY IS FOR 15 MONTHS, RENEWABLE QUARTERLY.

THE SECOND LOT IS LOCATED IN AREA 40, FANLING. COVERING AN AREA OF 14,900 SQUARE METRES, THE LOT IS INTENDED FOR USE AS A CAR PARK.

THE TENANCY IS FOR ONE YEAR, RENEWABLE QUARTERLY.

/THE REMAINING .....

THE REMAINING LOT LOCATED NEAR SHING TAI ROAD, CHAI WAN RECLAMATION, HONG KONG, HAS AN AREA OF 1,450 SQUARE METRES FOR OPEN STORAGE OF TENANT'S GOODS, EXCLUDING CONTAINERS, CONTAINER TRAILERS AND TRACTORS, OR FOR USE AS A COMMERCIAL GARDEN.

IT CARRIES A TENANCY OF ONE YEAR, ALSO RENEWABLE QUARTERLY.

CLOSING DATE FOR SUBMISSION OF TENDERS FOR THESE THREE LOTS IS NOON ON NOVEMBER 11.

TENDER FORMS, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM THE THE LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, AND THE DISTRICT LANDS OFFICES, KOWLOON, 10TH FLOOR, YAU MA TEI CAR PARK BUILDING, 250 SHANGHAI STREET AND THE DISTRICT LANDS OFFICES, NORTH, YUEN LONG, AND HONG KONG EAST, 19TH FLOOR, SOUTHOEN CENTRE, 130 HENNESSY ROAD, HONG KONG.

TENDER PLANS CAN ALSO BE INSPECTED AT THE OFFICES.

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#### 27 IMMIGRATION OFFENDERS ARRESTED

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IT IS AN OFFENCE FOR FOREIGN DOMESTIC HELPERS TO OVERSTAY THEIR VISAS OR TAKE UP UNAPPROVED EMPLOYMENT IN HONG KONG, A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT SAID TODAY (WEDNESDAY).

THE SPOKESMAN REFERRED TO THE OPERATION CONDUCTED TODAY BY IMMIGRATION INVESTIGATORS IN WAN CHAI DURING WHICH 27 IMMIGRATION OFFENDERS WERE ARRESTED.

DURING THE OPERATION, A TOTAL OF 23 BUSINESS ESTABLISHMENTS WERE VISITED.

AMONG THE 27 ARRESTEES, THERE WERE 24 FEMALES AND THREE MALES AGED BETWEEN 20 AND 45, OF WHOM 22 WERE FOREIGN DOMESTIC HELPERS (18 FILIPINO, THREE HAI AND ONE INDONESIAN), TWO WERE FILIPINO VISITORS, TWO WERE TWO-WAY PERMIT HOLDERS AND THE REMAINING ONE WAS SKILLED WORKER OF CHINESE ORIGIN.

ALL OF THE ARRESTEES WERE ARRESTED AT PLACES OF WORK WHILE 13 OF THE FOREIGN DOMESTIC HELPERS WERE SUSPECTED TO HAVE BEEN ILLEGALLY DEPLOYED, AND THE REMAINING NINE FOREIGN DOMESTIC HELPERS WERE SUSPECTED OF TAKING UP UNAPPROVED EMPLOYMENT, TWO OF THESE NINE WERE ALSO OVERSTAYERS IN HONG KONG.

FOR THE OTHER FIVE ARRESTEES, ALL OF THEM WERE SUSPECTED OF TAKING UP UNAPPROVED EMPLOYMENT WHILE ONE OF THEM WAS ALSO AN OVERSTAYER.

TWENTY-ONE EMPLOYERS WERE ASSISTING WITH THE INVESTIGATION.

/THE SPOKESMAN .....

THE SPOKESMAN EXPLAINED THAT FOREIGN DOMESTIC HELPERS SHOULD ONLY TAKE UP DOMESTIC DUTIES FOR THEIR CONTRACT EMPLOYERS. THOSE WHO FAILED TO COMPLY WITH THEIR CONDITIONS OF STAY IMPOSED WILL FACE PROSECUTION AND REMOVAL.

HE REITERATED THAT VISITORS WERE NOT ALLOWED TO TAKE UP ANY EMPLOYMENT, WHETHER PAID OR UNPAID, WITHOUT THE PERMISSION FROM THE DIRECTOR OF IMMIGRATION.

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

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

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#### SAFE LOADING OF GOODS VEHICLES EXHIBITION AND CARNIVAL

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AN EXHIBITION TO PROMOTE THE USE OF SAFE AND CORRECT METHODS IN LOADING GOODS BY GOODS VEHICLES WILL BE HELD AT THE KWAI CHUNG HARD SURFACE SPORTS GROUND ON SUNDAY (OCTOBER 30).

THE EVENT WILL BE HELD BETWEEN 10 AM AND 5 PM AT THE SPORTS GROUND.

IT IS JOINTLY ORGANISED BY THE TRANSPORT DEPARTMENT, THE HONG KONG CONTAINER TRACTOR OWNERS' ASSOCIATION, THE KOWLOON TRUCK MERCHANTS' ASSOCIATION AND THE GOODS VEHICLE FLEET OWNERS' ASSOCIATION, WITH THE ASSISTANCE OF A NUMBER OF OTHER ASSOCIATIONS RELATED TO THE TRUCKING INDUSTRY.

THE MAIN THEMES OF THE EXHIBITION ARE TO PROMOTE THE IMPORTANCE OF USING SAFE LOADING METHODS, TO EXPLAIN THE LEGAL REQUIREMENTS REGARDING LOADING OF GOODS VEHICLES, TO PROVIDE GUIDELINES ON HOW TO LOAD GOODS SAFELY AND TO DEMONSTRATE HOW THE POLICE ENFORCE LEGISLATION RELATED TO LOADING OF VEHICLES, A SPOKESMAN FOR THE TRANSPORT DEPARTMENT SAID TODAY (WEDNESDAY).

AT THE EXHIBITION, USEFUL AND INTERESTING INFORMATION ABOUT THE LOADING LEGISLATION, LOADING GUIDELINES AND POLICE ENFORCEMENT WILL BE DISPLAYED, HE SAID.

VARIOUS TYPES OF GOODS VEHICLES DEMONSTRATING CORRECT AND INCORRECT LOADING METHODS WILL ALSO BE EXHIBITED DURING THE EXHIBITION CUM CARNIVAL.

THERE WILL BE GAMES TO FAMILIARISE THE VISITORS WITH THE LEGAL PROVISION AND THE GUIDELINES ON SAFE LOADING METHODS; VIDEO TO EXPLAIN HOW THE POLICE ENFORCE THE LOADING LEGISLATION, AND THE POLICE WILL ALSO CONDUCT ON-SITE DEMONSTRATION TO ILLUSTRATE HOW TO USE PORTABLE WEIGHING DEVICES TO CHECK LOADING.

TRANSPORT DEPARTMENT STAFF AND POLICE OFFICERS WILL BE AVAILABLE AT THE EXHIBITION TO ANSWER PUBLIC ENQUIRES. RELATED PAMPHLETS AND CODE OF PRACTICE WILL ALSO BE DISTRIBUTED AT THE EXHIBITION TO PROVIDE MORE DETAILED INFORMATION ON THE LOADING LEGISLATION AND THE GUIDELINES ON SAFE LOADING METHODS.

SIGNS WILL BE PUT UP AT THE MTR KWAI HING STATION THAT DATE TO INDICATE THE WAY TO THE KWAI CHUNG SPORTS GROUND WHERE THE EXHIBITION WILL BE CONDUCTED. ALL MEMBERS OF THE PUBLIC ARE WELCOME.

- - - - 0 - - - -

37 VIETNAMESE RETURN HOME

\* \* \* \* \*

A GROUP OF 37 VIETNAMESE MIGRANTS TODAY (WEDNESDAY) RETURNED TO VIETNAM ON A COMMERCIAL FLIGHT.

COMPRISING 17 MEN, NINE WOMEN, SEVEN BOYS AND FOUR GIRLS, THEY WERE THE 218TH BATCH TO GO BACK UNDER THE VOLUNTARY REPATRIATION PROGRAMME OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

THE GROUP BROUGHT TO 4,368 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAD RETURNED VOLUNTARILY THIS YEAR, AND TO 42,981 THE TOTAL NUMBER OF RETURNEES SINCE THE PROGRAMME STARTED IN MARCH 1989.

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HONG KONG MONETARY AUTHORITY  
MONEY MARKET OPERATIONS

\* \* \* \* \*

	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
	-----	-----	-----
OPENING BALANCE IN THE ACCOUNT	3,666	0930	+620
CLOSING BALANCE IN THE ACCOUNT	3,410	1000	+620
CHANGE ATTRIBUTABLE TO :		1100	+560
MONEY MARKET ACTIVITY	+549	1200	+560
LAF TODAY	-805	1500	+560
		1600	+549
LAF RATE 3.00 BID/5.00 OFFER	TWI 120.6	*+0.1*	26.10.94

WEDNESDAY, OCTOBER 26, 1994

- 12 -

HONG KONG MONETARY AUTHORITY

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	3.74	19 MONTHS	2605	6.35	99.91	6.51
1 MONTH	4.33	22 MONTHS	2608	6.15	99.20	6.73
3 MONTHS	4.99	30 MONTHS	3704	6.15	99.10	7.44
6 MONTHS	5.32	33 MONTHS	3707	6.95	99.46	7.59
12 MONTHS	5.90	59 MONTHS	5909	7.45	97.36	8.27

TOTAL TURNOVER OF BILLS AND BONDS - 64,249 MN

CLOSED 26 OCTOBER 1994

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# DAILY INFORMATION BULLETIN

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

## SUPPLEMENT

WEDNESDAY, OCTOBER 26, 1994

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CHIEF SECRETARY IN LEGCO

\* \* \* \* \*

FOLLOWING IS THE REPLY BY THE CHIEF SECRETARY, THE HON MRS ANSON CHAN, TO LEGISLATIVE COUNCIL MEMBERS' RESPONSES TO THE GOVERNOR'S POLICY ADDRESS AT THE COUNCIL MEETING TODAY (WEDNESDAY):

MR PRESIDENT,

AS HON MEMBERS KNOW, I WAS AWAY FROM HONG KONG DURING THE DEBATE LAST WEEK. IT WAS THEREFORE THROUGH THE PRESS CUTTINGS AND SUMMARIES SENT TO ME IN THE U.S. THAT I FIRST LEARNT OF HON MEMBERS' RESPONSES TO THE GOVERNOR'S POLICY ADDRESS. THEY MADE DEPRESSING ENOUGH READING. ON ARRIVAL BACK IN HONG KONG LAST WEEKEND, I HAD THE OPPORTUNITY OF READING MEMBERS' SPEECHES FOR MYSELF. I MUST CONFESS THAT THEY DID LITTLE TO LIFT MY SPIRIT.

IT IS PERHAPS NOT EVERY DAY THAT I FIND MYSELF IN AGREEMENT WITH MISS EMILY LAU AND MR. ANDREW WONG, NOR INDEED THAT THEY FIND THEMSELVES IN AGREEMENT WITH EACH OTHER. BUT I ENTIRELY ENDORSE THE GENERAL REMARKS THAT THEY MADE ABOUT THE GOVERNOR'S POLICY ADDRESS AT THE BEGINNING OF THEIR SPEECHES. INDEED, I WOULD GO FURTHER. ANYONE SITTING THROUGH THE TWO LONG DAYS OF DEBATE LAST WEEK WOULD HAVE FOUND IT DIFFICULT TO BELIEVE THAT THE GENERALLY UNCONSTRUCTIVE CRITICISMS THAT THEY HEARD FOR SO MUCH OF THE TIME RELATED IN ANY WAY TO THE ADDRESS THAT WE LISTENED TO 3 WEEKS AGO. MANY MEMBERS CRITICISED THE GOVERNOR'S ADDRESS AS LACKING IDEAS AND VISION. I CAN ONLY SAY THAT THAT CRITICISM SEEMS BEST DIRECTED ELSEWHERE IN THIS DEBATE.

MR PRESIDENT, I KNOW THAT MOST MEMBERS OF THIS COUNCIL FIND IT EASIER AND MORE COMFORTABLE TO SEE THEMSELVES IN THE ROLE OF OPPOSITION TO THE ADMINISTRATION. THAT IS OF COURSE THEIR RIGHT. BUT I DO NOT THINK THAT IT NECESSARILY FOLLOWS THAT THEY MUST DEVOTE THEIR ENTIRE TIME TO CRITICISING THE GOVERNMENT. IT IS SURELY FAR MORE STATESMANLIKE TO ACKNOWLEDGE, IF ONLY OCCASIONALLY, THAT THE ADMINISTRATION IS CAPABLE OF DOING SOMETHING RIGHT. AS MY COLLEAGUES WILL DEMONSTRATE THIS AFTERNOON, THE GOVERNOR'S POLICY ADDRESS DID PUT FORWARD CLEAR AND LONG-TERM SOCIAL POLICIES, IT DID ADDRESS THE CONCERNS THAT MEMBERS OF THIS COUNCIL HAVE EXPRESSED IN THE PAST AND IT DID MAKE POSITIVE PROPOSALS FOR IMPROVING COOPERATION WITH THE CHINESE SIDE. AND THE FULL RANGE OF GOVERNMENT POLICIES WERE SET OUT IN DETAIL IN THE POLICY COMMITMENTS, A POINT ACKNOWLEDGED BY VERY FEW MEMBERS. I COMMEND THE POLICY COMMITMENTS TO THOSE HON. MEMBERS WHO HAVE NOT YET HAD THE OPPORTUNITY TO READ THEM.

I MAKE THESE REMARKS MORE IN SORROW THAN IN ANGER. BUT I MAKE THEM FOR TWO PARTICULAR REASONS. AS I HAVE SAID, I WAS IN THE U.S. WHEN THE DEBATE TOOK PLACE LAST WEEK. I WAS THERE TO PROMOTE HONG KONG TOGETHER WITH OTHER COLLEAGUES AND LEADING MEMBERS OF THE HONG KONG BUSINESS COMMUNITY. WE ALL PUT IN OUR BEST EFFORTS. MANY PEOPLE, PARTICULARLY THOSE WHO KNOW LITTLE ABOUT HONG KONG, HAVE DOUBTS ABOUT OUR ABILITY TO CONTINUE TO PROSPER AS WE HAVE DONE IN THE PAST. BUT I HAVE TO SAY THAT OUR TASK WAS NOT MADE ANY EASIER BY THE BARRAGE OF CRITICISMS THAT MEMBERS AIMED AT THE GOVERNOR'S POLICY ADDRESS. I DO NOT DISPUTE FOR ONE MOMENT MEMBERS' RIGHT TO CRITICISE THE ADMINISTRATION. BUT I HOPE MEMBERS WILL ALWAYS REMEMBER HOW IMPORTANT CONFIDENCE IS TO THE FUTURE OF THIS SMALL AND VULNERABLE TERRITORY. THAT CONFIDENCE CANNOT BE TAKEN FOR GRANTED.

MY SECOND CONCERN IS THE IMPACT THAT DEBATES OF THIS KIND HAVE ON THE CIVIL SERVICE. THIS IS A POINT THAT WAS RAISED BY MR JIMMY MCGREGOR, MR ERIC LI, MR MARTIN BARROW, MR MARVIN CHEUNG AND MR VINCENT CHENG, AND I AM GRATEFUL TO THEM FOR MAKING IT. I AM SURE THAT MOST, PERHAPS ALL, MEMBERS OF THIS COUNCIL RECOGNISE THE IMPORTANCE OF MAINTAINING A STABLE CIVIL SERVICE DURING THE YEARS AHEAD. BUT I DO NOT THINK MANY MEMBERS REALISE THE DAMAGE THAT THEY CAN DO BY CONSTANT CRITICISM. OUR CIVIL SERVANTS WORK VERY HARD TO RUN SERVICES FOR MEMBERS OF OUR COMMUNITY; THEY WORK VERY HARD TO DEVELOP AND PROMOTE PROPOSALS FOR NEW AND IMPROVED SERVICES. I KNOW THAT MANY OF THEM WONDER WHETHER THEIR EFFORTS ARE WORTHWHILE WHEN MEMBERS OF THIS COUNCIL SEEM TO USE EVERY AVAILABLE PUBLIC OPPORTUNITY TO CRITICISE AND BELITTLE THEM. MR PRESIDENT, THERE IS A DIFFERENCE BETWEEN MONITORING THE WORK OF THE GOVERNMENT AND UNDERMINING THE MORALE OF ITS OFFICIALS. I HOPE THAT IN CARRYING OUT THE FORMER, AS IS THEIR DUTY, HON. MEMBERS WILL BE SENSITIVE TO THE DANGER OF THE LATTER.

#### RELATIONS BETWEEN THE EXECUTIVE AND THE LEGISLATIVE

---

MANY MEMBERS COMMENTED ON THE ROLE OF THIS COUNCIL AND ITS RELATIONSHIP WITH THE EXECUTIVE. THE VIEWS EXPRESSED WERE, PERHAPS INEVITABLY, VARIED, BUT A NUMBER OF MEMBERS COMPLAINED THAT THE ADMINISTRATION IGNORED MEMBERS' VIEWS AND DID NOT ALLOW THIS COUNCIL TO CARRY OUT ITS MONITORING ROLE. I CAN ONLY SAY THAT IT LOOKS VERY DIFFERENT INDEED FROM THE OTHER SIDE OF THE FENCE! I DO NOT THINK ANY NEUTRAL OBSERVER, AND CERTAINLY NO CIVIL SERVANT, WOULD DENY THAT THE IMPACT THAT MEMBERS OF THIS COUNCIL HAVE ON THE ADMINISTRATION THROUGH THEIR MONITORING AND QUESTIONING OF ADMINISTRATION POLICIES IS FAR GREATER THAN IT WAS 10, OR EVEN 5, YEARS AGO. DR YEUNG SUM'S SUGGESTION THAT WE PRACTISE "COLONIAL DICTATORSHIP" SEEMS TO ME EXTRAORDINARY AND FAR REMOVED FROM THE TRUTH. IN FACT, OF THE 121 MOTIONS DEBATED IN THIS COUNCIL SINCE 1991, IN ONLY 15 CASES HAS THE ADMINISTRATION FOUND ITSELF UNABLE TO ACCEPT THE COUNCIL'S VIEWS.

IT IS NO SECRET THAT THE ADMINISTRATION BELIEVES IN EXECUTIVE-LED GOVERNMENT. BUT THIS COUNCIL NEVERTHELESS HAS GREAT POWERS, AND MAKES USE OF THEM. MEMBERS CAN, AND DO, AMEND, OR EVEN REJECT, THE ADMINISTRATION'S LEGISLATIVE PROPOSALS. MEMBERS CAN, AND DO, REFUSE TO ACCEPT THE ADMINISTRATION'S EXPENDITURE PROPOSALS. MEMBER CAN, AND DO, SET UP SELECT COMMITTEES OR INQUIRIES INTO ASPECTS OF THE ADMINISTRATION'S ACTIVITIES THAT THEY ARE NOT SATISFIED WITH. MEMBERS CAN, AND DO, RAISE ALMOST ANY SUBJECT FOR DEBATE. THE ADMINISTRATION DOES NOT ALWAYS LIKE IT WHEN YOU EXERCISE THESE POWERS, BUT WE ACCEPT THAT YOU HAVE THE RIGHT TO DO THIS. WE DO NOT, HOWEVER, ACCEPT THAT IT IS RIGHT FOR YOU TO TAKE OVER THE POWERS OF THE EXECUTIVE. AND WE RESERVE THE RIGHT NOT ALWAYS TO AGREE WITH YOUR VIEWS, JUST AS YOU RESERVE THE RIGHT NOT ALWAYS TO AGREE WITH OURS.

SOME MEMBERS COMPLAINED THAT THERE IS NO REAL PARTNERSHIP BETWEEN THE EXECUTIVE AND THE LEGISLATURE. DR C H LEONG SAID THAT THERE WAS NO MACHINERY TO IMPROVE THE RELATIONSHIP BETWEEN THE TWO, AND SUGGESTED AS ONE REMEDY CROSS-MEMBERSHIP BETWEEN THE EXECUTIVE AND LEGISLATIVE COUNCILS, A VIEW SHARED BY MS ANNA WU. I AM SURE THAT HON MEMBERS WILL RECALL THAT THE GOVERNOR SPELT OUT IN HIS 1992 POLICY ADDRESS WHY HE HAD DECIDED THAT COMMON MEMBERSHIP BETWEEN THE TWO COUNCILS WOULD BE WRONG AT THAT TIME. HE HAS SINCE MADE IT CLEAR THAT HE WILL REVIEW THE SITUATION NEXT YEAR. IN HIS 1992 ADDRESS, HE ALSO SUGGESTED THAT ANY CONSEQUENT COMMUNICATION GAP COULD BE FILLED BY THE CREATION OF A GOVERNMENT-LEGCO COMMITTEE. HOWEVER, MEMBERS OF THIS COUNCIL DID NOT ACCEPT THAT IDEA. IT IS STILL ON THE TABLE IF YOU SHOULD CHANGE YOUR MINDS. BUT EVEN WITHOUT THAT, SENIOR GOVERNMENT OFFICIALS HAVE MADE, AND CONTINUE TO MAKE, CONSIDERABLE EFFORTS TO DISCUSS ISSUES WITH MEMBERS OF THIS COUNCIL AND TO SEEK THEIR VIEWS ON GOVERNMENT PROPOSALS. WE WOULD LIKE TO SEE A MORE PRODUCTIVE PARTNERSHIP. WE SEE NO BENEFIT IN DISHARMONY AND DISPUTE. BUT A SUCCESSFUL PARTNERSHIP REQUIRES EFFORTS FROM BOTH SIDES. IT MEANS COOPERATION, NOT TRYING TO SCORE POINTS OFF EACH OTHER. IF ANY MEMBER OF THIS COUNCIL HAS SPECIFIC SUGGESTIONS FOR WAYS OF IMPROVING OUR RELATIONSHIP, I CAN ASSURE YOU THAT WE ARE ALWAYS HAPPY TO CONSIDER THEM.

MS ANNA WU MADE A NUMBER OF PROPOSALS IN THIS AREA, AS WELL AS A NUMBER OF COMPLAINTS. I CANNOT REALLY BELIEVE THAT SHE THINKS THAT THIS COUNCIL IS A RUBBER STAMP, NOR THAT PRIVATE MEMBERS BILLS ARE SUPPOSED TO BE THE CONSTITUTIONAL REMEDY TO EXECUTIVE INERTIA AND UNRESPONSIVENESS. BUT EVEN IF SHE DOES, I CAN ASSURE HER THAT HER BILLS HAVE RESULTED IN A GREAT DEAL OF ACTIVITY AND RESPONSIVENESS IN THE ADMINISTRATION. MY OWN VIEW OF PRIVATE MEMBERS BILLS IS VERY DIFFERENT. I BELIEVE THAT IT IS THE JOB OF THE ADMINISTRATION, THE EXECUTIVE, TO PUT FORWARD PROPOSALS FOR LEGISLATION ON PUBLIC ISSUES. THIS IS BY NO MEANS A UNIQUE INTERPRETATION. INDEED, DESPITE THE IMPRESSION GIVEN BY SEVERAL HON MEMBERS, HONG KONG IS UNUSUAL IN THE LACK OF LIMITS THAT WE PLACE ON THE INTRODUCTION OF PRIVATE MEMBERS BILLS. IN THE UK, FOR EXAMPLE, THESE BILLS MAY BE INTRODUCED ONLY AT SPECIFIED TIMES, AND EVEN THEN THEY CAN BE PREVENTED FROM PROCEEDING BY A SINGLE VOTE BEING CAST AGAINST THEM.

THE ADMINISTRATION TAKES GREAT CARE OVER THE DEVELOPMENT OF POLICY AND THE PREPARATION OF LEGISLATION TO SUPPORT IT. APART FROM THE DIVERSION OF TIME AND RESOURCES NECESSARY TO STUDY PRIVATE MEMBERS' BILLS, WE RUN THE CONSIDERABLE RISK OF SERIOUS DISTORTIONS TO A BALANCED LEGISLATIVE PROGRAMME WHICH, IN TURN, DISTURBS CAREFULLY THOUGHT OUT PRIORITIES AND CALCULATIONS AS TO THE ALLOCATION OF RESOURCES.

/MS WU .....

MS WU ALSO ARGUED THAT MORE RESOURCES SHOULD BE ALLOCATED TO LEGCO AND THAT THE GOVERNOR SHOULD ONLY APPOINT POLICY SECRETARIES AFTER CONSULTATION WITH LEGCO. WE ARE ALWAYS PREPARED TO CONSIDER THE QUESTION OF RESOURCES WITH AN OPEN MIND. BUT I MUST MAKE THE POINT THAT PROPOSALS TO GIVE ADDITIONAL RESOURCES TO THE COUNCIL MUST RECEIVE THE SAME DEGREE OF CAREFUL SCRUTINY AS DO PROPOSALS FROM GOVERNMENT BRANCHES AND DEPARTMENTS. I AM SURE THAT HON MEMBERS WOULD NOT WISH IT TO BE OTHERWISE. AND I CAN ASSURE YOU THAT EVERY BRANCH AND DEPARTMENT FEELS HARD DONE BY EVERY YEAR, AND THAT NONE GET EVERYTHING THAT THEY ASK FOR. I HAVE MORE DIFFICULTY WITH MS WU'S SUGGESTION ABOUT THE APPOINTMENT OF POLICY SECRETARIES. WE PRIDE OURSELVES ON HAVING AN APOLITICAL CIVIL SERVICE, FREE OF POLITICAL INTERFERENCE. IF THE CIVIL SERVICE IS TO REMAIN EFFICIENT AND CLEAN, IT IS IMPERATIVE THAT IT STAYS POLITICALLY NEUTRAL WITH ALL MANAGEMENT FUNCTIONS INCLUDING THE RIGHT OF APPOINTMENT, PROMOTION, DISCIPLINE AND RETIREMENT, VESTED STRICTLY IN THE ADMINISTRATION. IT IS WIDELY ACCEPTED THAT THE CIVIL SERVICE AS PRESENTLY ADMINISTERED IS ONE OF THE KEYS TO HONG KONG'S CONTINUED STABILITY AND PROSPERITY AND WE TAMPER WITH IT AT OUR PERIL.

#### SINO BRITISH COOPERATION

-----

IN THE COURSE OF THIS DEBATE, MANY MEMBERS REFERRED TO THE NEED TO IMPROVE COOPERATION WITH OUR FUTURE SOVEREIGN POWER, CHINA, FOR THE GOOD OF HONG KONG. WE FERVENTLY AGREE.

THE OBJECTIVE OF MAINTAINING HONG KONG'S PROSPERITY AND STABILITY UNDERLIES THE JOINT DECLARATION. BOTH BRITAIN AND CHINA HAVE PLEDGED TO WORK TOGETHER TO ACHIEVE THIS. LET US NOT FORGET, THEREFORE, THAT COOPERATION IS A RESPONSIBILITY OF BOTH SIDES.

OUR RELATIONSHIP WITH CHINA DURING THE PAST TEN YEARS HAS NOT BEEN EASY. THERE HAVE BEEN DISAGREEMENTS, BUT THERE HAVE ALSO BEEN MANY MORE 'SUCCESSES WHEN THE TWO SIDES WERE ABLE TO BUILD ON THE FIRM FOUNDATION LAID DOWN BY THE JOINT DECLARATION, AND ON THE SHARED INTEREST OF A SMOOTH TRANSITION. THE GOVERNOR, IN HIS POLICY ADDRESS, OUTLINED THE BREADTH OF OUR RELATIONSHIP WITH CHINA, AND UNDERScoreD THE MANY IMPRESSIVE ACHIEVEMENTS IN THE JOINT LIAISON GROUP. I SHALL NOT REPEAT THEM HERE. BUT THERE IS A MYTH AROUND TOWN THAT THE LAST TWO YEARS HAVE SEEN NOTHING BUT THE SOUND AND FURY OF ARGUMENTS. THAT COULD NOT BE FURTHER FROM THE TRUTH. LET ME ILLUSTRATE:

- WE HAVE BEEN ABLE TO REACH AGREEMENT ON A RANGE OF LONG TERM, MAJOR CONTRACTS AND FRANCHISES STRADDLING 1997 THAT ENSURE FOR HONG KONG CONTINUED AND STABLE POWER SUPPLIES, MAJOR LANDFILLS TO DISPOSE SAFELY OF OUR SOLID WASTES, AND ENHANCEMENT OF OUR TELEVISION BROADCASTING SERVICES.
- WE HAVE ACHIEVED AGREEMENT ON INCREASING THE QUOTA OF ONE-WAY PERMIT ENTRANTS FROM CHINA, SO AS TO FACILITATE THE EARLIER REUNIFICATION OF FAMILIES WITH WIVES AND CHILDREN IN CHINA.

/WE HAVE .....

- WE HAVE ENHANCED COOPERATION OVER THE COMBATTING OF CROSS-BORDER CRIME AND SMUGGLING, SO AS TO IMPROVE OUR IMPRESSIVE RECORD OF MAKING HONG KONG SAFE FOR OUR CITIZENS.
  
- WE HAVE JOINTLY ESTABLISHED TRAINING ARRANGEMENTS IN THE QINGHUA UNIVERSITY, SO THAT OUR SENIOR CIVIL SERVANTS CAN BE BETTER EQUIPPED TO WORK WITH THEIR CHINESE COUNTERPARTS IN THE FUTURE.

ALL OF THESE WERE ACHIEVED IN THE LAST TWO YEARS. ALL OF THESE ARE BENEFICIAL IN PRESERVING HONG KONG'S PROSPERITY AND STABILITY, AND A SMOOTH TRANSITION. THEY ARE GOOD EXAMPLES OF WHAT WE CAN ACHIEVE JOINTLY, IF WE ROLL UP OUR SLEEVES AND GET DOWN TO THE SERIOUS BUSINESS OF WORKING FOR A BETTER, BRIGHTER FUTURE FOR HONG KONG.

I AM ENTIRELY CONFIDENT THAT IN THE NEXT 980 DAYS OR SO WE WILL SEE A GREAT MANY MORE SUCCESSES IN WORKING TOGETHER WITH OUR FUTURE SOVEREIGN POWER. THE GOVERNOR HAS ALREADY OUTLINED, IN HIS POLICY ADDRESS, THE BROAD AGENDA OF OUR SEARCH FOR COOPERATION WITH CHINA IN PREPARING FOR THE TRANSFER OF GOVERNMENT AND FINANCES, AND IN STRENGTHENING CROSS-BORDER COOPERATION ON INFRASTRUCTURE PLANNING. THESE IDEAS ARE ALREADY BEING PURSUED WITH THE CHINESE GOVERNMENT, AND I LOOK FORWARD TO FURTHER AND SUBSTANTIVE PROGRESS IN THE MONTHS AHEAD. I ALSO LOOK FORWARD TO THE DAY, WHICH CANNOT BE FAR AWAY, WHEN OUR DISCUSSIONS WITH THE CHINESE SIDE OVER THE FINANCING OF THE AIRPORT AND THE AIRPORT RAILWAY BEAR FRUIT. THERE IS LITTLE THAT STANDS BETWEEN US AND AN AGREEMENT; NOR SHOULD THERE BE ANY DOUBT ABOUT OUR COMMITMENT TO MAKE A SUCCESS OF THE AIRPORT.

#### INFRASTRUCTURE COORDINATION

-----

SEVERAL MEMBERS REFERRED IN THE DEBATE TO THE NEED FOR COORDINATION WITH CHINA ON PLANNING INFRASTRUCTURAL DEVELOPMENTS WHICH HAVE CROSS-BORDER IMPLICATIONS. I AGREE WITH THAT SENTIMENT. WE ALREADY HAVE A CONSIDERABLE NETWORK OF CROSS-BORDER CONTACTS WITH GUANGDONG, THAT WE INTEND TO MAINTAIN AND DEVELOP. THROUGH THIS NETWORK WE ARE WORKING CLOSELY WITH OUR NEIGHBOURS IN GUANGDONG ON A WIDE RANGE OF ISSUES, INCLUDING RAIL AND ROAD TRAFFIC, WATER SUPPLIES, ENVIRONMENTAL PROTECTION AND SO ON. A GREAT DEAL OF INFRASTRUCTURE PLANNING INFORMATION IS THEREFORE BEING EXCHANGED ALL THE TIME.

HOWEVER, AS THE GOVERNOR MADE CLEAR IN HIS POLICY ADDRESS, WE ARE RESPONDING POSITIVELY TO VALUABLE SUGGESTIONS FROM CHINESE OFFICIALS ON IMPROVING ARRANGEMENTS FOR STRENGTHENING CROSS-BORDER COOPERATION ON INFRASTRUCTURE. WE ARE DISCUSSING WITH THE CHINESE SIDE HOW WE CAN WORK TOGETHER ON THIS; I HOPE WE WILL BE ABLE TO AGREE AN APPROACH SOON. IT IS VITAL THAT WE HAVE FRUITFUL DISCUSSIONS ON PRACTICAL ISSUES QUICKLY, SO THAT THE IMPRESSIVE DEVELOPMENT PLANS WE HAVE OUTLINED IN OUR POLICY COMMITMENTS CAN PROCEED SMOOTHLY.

THE PWC  
-----

A GREAT DEAL HAS BEEN SAID IN THIS COUNCIL, AND INDEED OUTSIDE, ABOUT CIVIL SERVANTS' CONTACTS WITH THE PRELIMINARY WORKING COMMITTEE (PWC). MUCH THAT WAS SAID WAS, I REGRET, BASED ON A MISUNDERSTANDING ABOUT THE HONG KONG GOVERNMENT'S POSITION. SO LET ME CLARIFY THIS, ONCE AGAIN: -

FIRST, THERE IS NO BAN - I REPEAT, NO BAN - ON CIVIL SERVANTS' CONTACTS WITH MEMBERS OF THE PWC, NOR DO WE SEEK TO DETER SUCH CONTACTS. INDEED, THROUGH SUCH CONTACTS WE HAVE OFFERED INFORMATION TO PWC MEMBERS ON QUESTIONS SUCH AS THE FINANCING OF THE AIRPORT, THE LOCALISATION AND ADAPTATION OF LAWS, THE IMPORTANCE OF THE STABILITY OF THE CIVIL SERVICE THROUGH THE TRANSITION, AND SO ON. I HOPE THAT THESE CONTACTS HAVE BEEN USEFUL FOR PWC MEMBERS. WE ARE PERFECTLY HAPPY FOR THEM TO CONTINUE.

BUT, SECONDLY, IT IS IMPORTANT THAT OUR CIVIL SERVANTS SHOULD NOT BE PUT INTO A POSITION WHERE THEY FACE A CONFUSION OF ROLES. THEY ARE RESPONSIBLE TO HONG KONG PEOPLE, AND AS PART OF THE ADMINISTRATION THEY ARE ACCOUNTABLE TO THE LEGISLATIVE COUNCIL. MANY OF THEM ALSO PLAY THEIR PART IN OFFICIAL CHANNELS, SUCH AS THE JOINT LIAISON GROUP, FOR DISCUSSING TRANSITIONAL ISSUES WITH THE CHINESE SIDE. THEY HAVE THEIR PROPER DUTIES, WHICH THEY MUST CARRY OUT FAITHFULLY. IT WOULD BE QUITE WRONG TO PUT OUR HARD-PRESSED CIVIL SERVANTS IN THE INVIDIOUS POSITION OF HAVING TO ANSWER TO A VARIETY OF BODIES.

THIRDLY, THERE IS NOTHING IN OUR POSITION WHICH DETRACTS FROM THE TRADE UNION RIGHTS, WHICH ARE PROTECTED BY LAW, OF CIVIL SERVICE STAFF ASSOCIATIONS. IF THEY WISH TO PUT FORWARD THEIR LEGITIMATE VIEWS TO THE PWC IN SUPPORT OF THE AIMS OF THEIR ASSOCIATION, THEY CAN DO SO.

WE HAVE NO WISH TO MAKE IT DIFFICULT FOR THE PWC TO TENDER SOUND ADVICE TO THE CHINESE GOVERNMENT WHICH IS IN THE INTEREST OF HONG KONG PEOPLE. IF PWC MEMBERS WISH TO KNOW MORE ABOUT THE HONG KONG GOVERNMENT'S POLICY AND PRACTICES, THEY ONLY HAVE TO ASK. WHEN THEY HAVE DONE SO IN THE PAST IN A GENUINE DESIRE TO EQUIP THEMSELVES FOR THEIR WORK, WE HAVE RESPONDED POSITIVELY AND WITHOUT FANFARE. AND WE WILL CONTINUE TO DO SO. BUT IT IS IN NOBODY'S INTEREST, LEAST OF ALL THE INTEREST OF THE PEOPLE OF HONG KONG, TO POLITICIZE THIS ISSUE AND BLOW IT OUT OF ALL PROPORTION. WE ARE NOT INTERESTED IN POINT-SCORING.

MR PRESIDENT AND HONOURABLE MEMBERS, OURS IS AN OPEN SOCIETY TOLERANT OF DIFFERENT VIEWS AND PERCEPTION. THE REALISATION OF "ONE COUNTRY, TWO SYSTEMS" IS NEVER GOING TO BE EASY. BUT WE OWE IT TO OURSELVES AND TO THE COMMUNITY AT LARGE TO HOLD FAST TO THIS PLEDGE. WE CAN MAKE PROGRESS BY PUTTING ASIDE OUR DIFFERENCES, AND MAXIMISING OUR COMMON GROUND. THAT, PLUS AN UNSHAKEABLE FAITH IN THE ULTIMATE SUCCESS OF OUR JOINT ENTERPRISE, AND HONG KONG'S TRIED AND TESTED BLEND OF ASPIRATION AND PRAGMATISM WILL PREVAIL IN THE END. OF THAT I HAVE NO DOUBT.

MR PRESIDENT, I SUPPORT THE MOTION.

FINANCIAL SECRETARY IN POLICY ADDRESS DEBATE

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FOLLOWING IS THE SPEECH BY THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, IN THE LEGISLATIVE COUNCIL DEBATE ON THE MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

I HAVE LISTENED CAREFULLY TO THE VIEWS OF HONOURABLE MEMBERS, AND PARTICULARLY TO REMARKS ABOUT THE ECONOMY. LET ME BEGIN BY ASSURING THIS COUNCIL THAT WE REMAIN FIRMLY COMMITTED TO MAINTAINING HONG KONG'S STATUS AS A COMPETITIVE BUSINESS CENTRE. INDEED, OUR OPEN MARKET AND FREE ECONOMY GIVE US LITTLE CHOICE BUT TO REMAIN COMPETITIVE. WE SHALL DO ALL WE CAN TO PRESERVE AND PROMOTE THE PROSPERITY OF HONG KONG. THIS IS NO EMPTY SLOGAN. IT IS A FIRM COMMITMENT AND OUR BASIC PHILOSOPHY. BUT MEMBERS WERE RIGHT TO REMIND US OF A NUMBER OF CHALLENGES WHICH WE CONTINUE TO FACE, AND OF CERTAIN POLICIES WHICH NEED TO BE PURSUED WITH VIGOUR IF WE ARE TO CONTINUE TO SUCCEED.

INVESTMENT IN INFRASTRUCTURE

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TO PICK UP SOME OF THE MAJOR THEMES IN MEMBERS' SPEECHES, FIRST, INFRASTRUCTURE. I ENTIRELY AGREE WITH MEMBERS THAT, TO REMAIN COMPETITIVE, WE MUST HAVE THE NECESSARY INFRASTRUCTURE TO SUPPORT OUR GROWTH. I WOULD SUBMIT THAT OUR RECORD ON INFRASTRUCTURE INVESTMENT IS PRETTY GOOD. OVER THE NEXT FIVE YEARS, FOR EXAMPLE, WE WILL PROVIDE SOME \$200 BILLION FOR INFRASTRUCTURE IMPROVEMENTS BY -

- \* SPENDING \$105 BILLION ON NON ACP CAPITAL WORKS
- \* SPENDING NEARLY \$35 BILLION ON GOVERNMENT ACP PROJECTS, MANY OF WHICH HAVE A DUAL PURPOSE, PARTICULARLY IMPROVING TRANSPORT LINKS
- \* INJECTING \$60 BILLION INTO THE AIRPORT CORPORATION AND THE MTRC.

THIS MAJOR INVESTMENT IS OF COURSE COMPLEMENTED BY SUBSTANTIAL PRIVATE SECTOR SPENDING ON INFRASTRUCTURE - TELECOMMUNICATIONS, POWER, AND THE WESTERN HARBOUR CROSSING WOULD BE GOOD EXAMPLES.

BUT FOR THOSE WHO STILL HAVE DOUBTS, I CAN ASSURE YOU WE CONTINUE TO PLACE A VERY HIGH PRIORITY ON CONTINUOUSLY UPGRADING OUR INFRASTRUCTURE. AND HENCE IN REMOVING ECONOMIC BOTTLENECKS, SO HELPING TO IMPROVE EFFICIENCY AND INDIRECTLY TO LOWER INFLATIONARY PRESSURES. WE THEREBY ALSO PROVIDE THE SPRINGBOARD FOR THE PRIVATE SECTOR TO GO ON TO CREATE STILL GREATER WEALTH FOR THE COMMUNITY AS A WHOLE TO SHARE IN FUTURE.

## AIRPORT AND CONTAINER PORT DEVELOPMENT

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A FEW WORDS ON THE AIRPORT AND CONTAINER PORT IN PARTICULAR. IT IS A SAD FACT THAT CT 9 HAS BEEN DELAYED FOR MORE THAN 18 MONTHS. THIS DELAY WILL CAUSE A SIGNIFICANT LOSS IN OUR ECONOMY. WHILE A SOLUTION HAS YET TO BE FOUND, PLANNING WORK FOR CT 10 AND 11 WILL CONTINUE, AND WE SHALL DO ALL WE CAN TO RECOVER MOMENTUM IN THE VITAL TASK OF CONTAINER PORT EXPANSION.

THERE HAS BEEN PROGRESS ON THE AIRPORT FINANCING TALKS. I AM SURE THAT WE ALL HOPE THAT AN AGREEMENT WILL BE REACHED SOON, TO AVOID AS FAR AS POSSIBLE ANY DELAYS OR COST INCREASES.

## THE ECONOMY AND INFLATION

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MEMBERS RIGHTLY DEVOTED CONSIDERABLE ATTENTION TO INFLATION, WHICH LIKE INVESTMENT IN INFRASTRUCTURE IS RELEVANT TO THE QUESTION OF MAINTAINING HONG KONG'S COMPETITIVE EDGE. OUR ECONOMY IS GROWING STEADILY AT A RESPECTABLE RATE OF AROUND 5% OR SO. SOME MEMBERS LAMENTED THAT THIS WAS LOWER GROWTH THAN IN A NUMBER OF OUR COMPETITORS. BUT SURELY IT MUST BE CLEAR THAT HIGHER GROWTH RATES THAN AT PRESENT WOULD RUN UP EVEN HARDER AGAINST OUR CAPACITY CONSTRAINTS, STRAIN OUR RESOURCES, AND CONTRIBUTE TO HIGHER INFLATION. WE CAN'T HAVE IT BOTH WAYS. IT DOES NOT MAKE A LOT OF SENSE TO URGE ME IN ONE BREATH TO GO FOR HIGHER GROWTH, AND WITH THE NEXT BREATH TO BERATE ME FOR NOT REDUCING INFLATION. PARTICULARLY WHEN THE ONE MEASURE THAT MIGHT MAKE SUCH AN APPARENTLY IMPOSSIBLE COMBINATION WORK - NAMELY LABOUR IMPORTATION ON A LARGER SCALE - IS VERY MUCH CONSTRAINED. NAMELY LARGE SCALE LABOUR IMPORTATION - IS RULED OUT, AS THE SECRETARY FOR EDUCATION AND MANPOWER HAS EXPLAINED.

BUT NOR MUST WE EXAGGERATE THE PROBLEM OF OUR RELATIVELY LOWER GROWTH RATE. BY MOST STANDARDS IT IS PRETTY GOOD. MORE IMPORTANTLY, AT THE CURRENT RATE OF GROWTH, AND DESPITE THE UNCOMFORTABLY HIGH INFLATION, WE ARE ABLE TO MEET THE ASPIRATIONS FOR A PROGRESSIVELY HIGHER STANDARD OF LIVING, AND AT THE SAME TIME, TO CHANNEL RESOURCES TO HELP THE NEEDY AND INVEST IN OUR FUTURE.

OUR INFLATION PROBLEM, AS I HAVE POINTED OUT BEFORE, ARISES BASICALLY FROM THE SHORTAGE OF LABOUR AND LAND SUPPLY TO COPE WITH DEMAND. RECENTLY, OUR LABOUR SUPPLY HAS BEEN HELPED CONSIDERABLY BY A GREATER NUMBER OF FORMER EMIGRANTS RETURNING TO HONG KONG. THIS IS A WELCOME DEVELOPMENT. TO HELP COPE WITH OUR TIGHT LABOUR MARKET, I SEE THE NEED TO BE FLEXIBLE IN OUR IMPORTATION OF LABOUR, ADMITTING FOREIGNERS TO WORKER IN HONG KONG, PARTICULARLY IN AREAS WHERE WE FACE AN ACUTE LABOUR SHORTAGE AND WHERE THE EXPERTISE IS DEMONSTRATED TO BE LACKING. HOWEVER, THE INTEREST OF OUR OWN WORK FORCE WILL NOT BE IGNORED. PROMOTING PRODUCTIVITY IS ANOTHER TASK ON WHICH CONSIDERABLE EFFORT IS EXPENDED, AND I AM GRATEFUL FOR THE EFFORTS OF THE HONG KONG PRODUCTIVITY COUNCIL AND MANY OTHER ORGANISATIONS IN THIS IMPORTANT AREA.

LAND AND PROPERTY IS THE OTHER RESOURCE AREA WHERE WE CURRENTLY FACE CONSTRAINTS. MEASURES DEvised BY OUR TASK FORCE, AS EXPLAINED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, HAVE SUCCEEDED SO FAR IN STABILISING THE RESIDENTIAL PROPERTY MARKET. WE ARE NOT COMPLACENT. WE RECOGNISE THAT PRICES ARE STILL HIGH AGAINST AFFORDABILITY. WE WILL CONTINUE OUR EFFORTS TO ENSURE A GREATER SUPPLY OF FLATS IN THE MEDIUM AND LONGER TERM. WE ARE ALSO STUDYING THE COMMERCIAL PROPERTY MARKET CLOSELY, TO SEE THE EXTENT OF ANY PROBLEM, AND WHAT MEASURES MAY BE NEEDED.

SO FAR AS THE CONSUMER PRICE INDEX (A) IS CONCERNED, IT HAS THANKFULLY MODERATED TO 8.6% IN SEPTEMBER, AND IT SEEMS WE ARE ON TARGET THIS YEAR FOR OUR FORECAST OF 8.5%.

#### PROMOTION OF THE SERVICE SECTOR

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I AM GRATEFUL TO SOME MEMBERS FOR HIGHLIGHTING THE QUESTION OF COORDINATING OUR EFFORTS IN THE PROMOTION DEVELOPMENT OF THE SERVICE SECTOR. WE HAVE COME TO THE SAME CONCLUSION THAT THIS MERITS SERIOUS THOUGHT. THE DIVERSITY AMONGST THE DIFFERENT SERVICE INDUSTRIES PROBABLY MILITATES AGAINST ANY SIMPLE ACROSS-THE-BOARD APPROACH. NEVERTHELESS, WE SHALL CONTINUE TO EXPLORE WAYS IN WHICH WE CAN ENHANCE HONGKONG'S ESTABLISHED POSITION AS A REGIONAL SERVICE CENTRE. TO THIS END, THE SECRETARY FOR TRADE AND INDUSTRY WILL CHAIR A COMMITTEE TO STEER A RAPID STUDY ON WHAT PROMOTIONAL SUPPORT THE SERVICE SECTOR NEEDS, HOW WE CAN HELP, AND WHAT OUR PRIORITIES SHOULD BE. THE COMMITTEE WILL DRAW ON THE EXPERTISE FROM BOTH THE TRADE DEVELOPMENT COUNCIL AND THE PRIVATE SECTOR, AS WELL AS RELEVANT GOVERNMENT DEPARTMENTS. WE BELIEVE THAT THERE MAY WELL BE SCOPE FOR SOME COORDINATED EFFORTS IN THE PROMOTION OF THE SERVICE SECTOR. WE ARE CONDUCTING USEFUL DISCUSSIONS WITH INTERESTED ORGANISATIONS AND I EXPECT TO SAY SOMETHING MORE DEFINITE ON THE SUBJECT EARLY NEXT YEAR. I AM GRATEFUL TO MEMBERS FOR RAISING THIS TOPIC.

#### MANAGEMENT OF PUBLIC FINANCES

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MY SPEECH WOULD NOT BE COMPLETE WITHOUT MENTION OF THE MANAGEMENT OF PUBLIC FINANCES. ON THIS TOPIC, SOME RATHER SURPRISING THINGS WERE SAID, THOUGH REASSURINGLY ONLY BY A FEW MEMBERS. BUT IT IS IMPORTANT TO CORRECT ANY MISAPPREHENSIONS WHICH EXIST.

FIRST, THEN, ONE MEMBER CLAIMED WE DID NOT HAVE A LONG TERM POLICY ON PUBLIC FINANCE. I THINK WHAT HE ACTUALLY MEANT WAS THAT HE DID NOT AGREE WITH OUR POLICY, FOR POLICY WE CERTAINLY HAVE - IT IS SET OUT (IN SOME WOULD SAY TEDIOUS DETAIL) IN EVERY BUDGET SPEECH. AND I BELIEVE IT IS SO WELL KNOWN THAT IF I NUDGED A DROWSY MEMBER, OR A DROWSY CIVIL SERVICE COLLEAGUE, AND MUTTERED THE WORDS "FIRST RULE OF PUBLIC FINANCE?" INTO HIS EARS, HE WOULD RESPOND IMMEDIATELY, IN A CONDITIONED REFLEX, WITH THE PHRASE "KEEP GOVERNMENT PUBLIC EXPENDITURE WITHIN THE TREND GROWTH RATE OF THE ECONOMY".

/SECONDLY, IN .....

SECONDLY, IN THE FACE OF ALL THE EVIDENCE, A FEW MEMBERS ALLEGED THAT WE HAD DRAMATICALLY INCREASED GOVERNMENTPUBLIC EXPENDITURE THUS CREATING A FINANCIAL BURDEN FOR THE SAR. IT IS DEPRESSING THAT THIS MYTH CAN GO ON BEING TROTTED OUT DESPITE THE FACTS WHICH SHOW THE CONTRARY. BUT LET ME TRY TO CONVERT THOSE LONELY SCEPTICS. THE GENERAL REASSURANCE IS OF COURSE THE FACT I MENTIONED EARLIER - BOTH FOR THE BUDGET YEAR, AND FOR THE YEARS BEYOND THAT WHICH ARE COVERED BY THE MEDIUM RANGE FORECAST, WE APPLY THE PRINCIPLE THAT EXPENDITURE MUST INCREASE NO FASTER THAN ECONOMIC GROWTH. THIS FACT, COUPLED WITH OUR BUOYANT REVENUE, ENSURES WE LIVE WITHIN OUR MEANS - IN FACT, AS MEMBERS WELL KNOW FROM OUR PUBLISHED FORECASTS, THE SAR GOVERNMENT WILL INHERIT VERY HEALTHY FINANCES.

BUT LET US LOOK ALSO AT SPECIFIC EXAMPLES. TAKE SEWAGE. HAVE WE ARRANGED THE HIGH PRIORITY PROGRAMME OF THE SEWAGE STRATEGY IN SUCH A WAY AS TO PUT AN ADDED BURDEN ON THE SAR GOVERNMENT? NO, QUITE THE CONTRARY. IT WILL BE BUILT AND PAID FOR IN THE PERIOD UP TO 1997. AND THE RECURRENT EXPENDITURE IT IS PROPOSED TO RECOVER THROUGH CHARGES TO THE USER.

OR TAKE THE OLD AGE PENSION SCHEME. AGAIN, WHETHER YOU LIKE THE PROPOSAL OR NOT, YOU SURELY HAVE TO ADMIT THAT THE PACKAGE DOES NOT PRODUCE A BURDEN FOR THE SAR. THE OUTGOINGS ARE BALANCED BY THE CONTRIBUTIONS. IF INSTEAD, AS SOME HAVE SUGGESTED, WE HAD GONE FOR INCREASING OLD AGE ALLOWANCES PAID FOR OUT OF PUBLIC REVENUE - I.E. FROM TAXATION - THEN INDEED IT COULD BE ARGUED WE WERE PUTTING A LARGE NEW RECURRENT COMMITMENT ON THE SAR. BUT THIS IS NOT WHAT WE HAVE DONE. PLEASE LOOK AT THE FACTS, NOT AT PRECONCEPTIONS.

ANOTHER VERSION OF THIS CRITICISM MADE BY ONE MEMBER WAS THAT DELAYS CAUSED BY THE SINO-BRITISH DISAGREEMENT, SUCH AS THAT TO CT9, COULD COST THE SAR GOVERNMENT BILLIONS OF DOLLARS IN EXTRA EXPENDITURE OR LOST REVENUE, PERHAPS EVEN LEAVING IT PENNILESS, WITH THE FISCAL RESERVES TOTALLY SPOKEN FOR. THIS IS INDEED A FERTILE AND PESSIMISTIC MIND. BUT LET ME REASSURE THE HONOURABLE MEMBER THAT HIS EXTRAPOLATIONS ARE NOT WELL FOUNDED - BASICALLY, THEY SEEM TO REST ON A CONFUSION BETWEEN ECONOMIC COSTS TO THE COMMUNITY AND COSTS TO THE PUBLIC FINANCES - BUT THESE ARE TWO QUITE DIFFERENT THINGS.

THE THIRD SURPRISING POINT MADE BY A MEMBER - I'M GLAD TO SAY ONLY ONE - WAS TO EXPRESS DOUBT ABOUT THE WISDOM OF LINKING GROWTH OF GOVERNMENTPUBLIC EXPENDITURE TO ECONOMIC GROWTH, AND ABOUT OUR SIMPLE TAXATION POLICY, AND TO ASK FOR A REVIEW OF THE TAXATION SYSTEM. I COMMEND THIS MEMBER FOR CONSISTENCY AND PERSISTENCE, BUT HAVE TO SAY VERY FRANKLY THAT I AM NOT PERSUADED BY ANY OF THESE POINTS. AND SPECIFICALLY I DON'T THINK NOW IS THE TIME TO REVIEW OUR SIMPLE AND LOW TAX SYSTEM; TO SOW ANY DOUBTS ABOUT OUR COMMITMENT TO THAT SYSTEM, ONE OF OUR GREAT ATTRACTIONS TO INVESTORS AND RESIDENTS ALIKE, WOULD NOT BE HELPFUL.

/NOR CAN .....

NOR CAN A CONVINCING CASE BE MADE FOR INCREASING EXPENDITURE BEYOND OUR GUIDELINE. YOU ONLY HAVE TO THINK OF THE EFFECT ON OUR ALREADY TIGHT LABOUR MARKET, AND ON INFLATION. MORE POSITIVELY, THE FACT IS THAT OUR PRESENT SYSTEM IS DELIVERING THE GOODS. MOST PLACES IN THE WORLD WOULD THINK REAL INCREASES IN EXPENDITURE OF 5% PER ANNUM WERE ALREADY EXTREMELY GENEROUS. AND THE FACT IS THAT BY PRIORITISING, OFTEN TO REFLECT MEMBERS' OWN PREFERENCES, WE HAVE INCREASED RECURRENT SPENDING IN KEY AREAS BY MUCH MORE THAN THE AVERAGE. FOR EXAMPLE, WHILE OVER THE LAST FIVE YEARS TOTAL RECURRENT SPENDING HAS GROWN BY 32% IN REAL TERMS, WE HAVE INCREASED RECURRENT SPENDING :

ON HEALTH	BY 70%
ON SOCIAL WELFARE	BY 53%
ON EDUCATION	BY 36%
ON ENVIRONMENT	BY 72%.

ALL IN REAL TERMS.

#### FEES AND CHARGES

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SOME MEMBERS HAD VIEWS ON THE EXTENT TO WHICH FEES AND CHARGES SHOULD BE KEPT UP TO DATE. THE VAST MAJORITY ARE SET AT LEVELS WHICH SIMPLY RECOVER THE FULL COST OF PROVIDING THE SERVICE. THUS THEY FOLLOW INFLATION, NOT LEAD IT. EVEN IN RESPECT OF THOSE FEW CHARGES WHICH ARE TAX-LOADED, WE ARE VERY MINDFUL OF THE POSSIBLE EFFECT ON INFLATION WHEN CONSIDERING ADJUSTMENT.

OF COURSE NO-ONE LIKES TO PAY FEES AND CHARGES. AND THE TEMPTATION TO SUBSIDISE SERVICES WILL NO DOUBT BE STRONG. BUT IT SHOULD CONTINUE TO BE RESISTED. LET US BE CLEAR : A DECISION NOT TO RECOVER FULL COSTS FOR A PARTICULAR SERVICE IS A DECISION THAT THE COMMUNITY AT LARGE SHOULD SUBSIDISE THE USERS OF THAT SERVICE. MAKING GOOD THE SHORTFALL FROM GENERAL TAXATION.

OUR PUBLIC FINANCE POLICY ALSO MAKES A MODEST CONTRIBUTION TO TACKLING THE INSIDIOUS PROBLEM OF INFLATION :

- \* FIRST, BY PRUDENT MANAGEMENT OF PUBLIC FINANCES. BY KEEPING THE PUBLIC SECTOR SMALL, BY DELIBERATELY PRIORITISING, WE EXERCISE THE SELF RESTRAINT NECESSARY TO FREE UP RESOURCES SO THEY CAN BE PUT TO BEST AND MOST ECONOMICALLY EFFICIENT USE IN THE PRIVATE SECTOR.
- \* SECONDLY, BY INVESTING HEAVILY IN INFRASTRUCTURE. WHILE STILL KEEPING WITHIN OUR EXPENDITURE GUIDELINES, WE HAVE SET ASIDE HUGE SUMS TO REMOVE BOTTLENECKS AND IMPROVE FACILITIES. BY UNCLOGGING THE ARTERIES OF OUR ECONOMIC BODY, WE KEEP THE PATIENT HEALTHY.
- \* THIRDLY, BY IMPLEMENTING A CAREFUL POLICY ON FEES AND CHARGES THAT DOES NOT ADD TO INFLATION. YET BY ACHIEVING FULL COST RECOVERY, THE SYSTEM ENSURES THAT PEOPLE MAKE THE MOST ECONOMICALLY EFFICIENT CHOICES.

/CONCLUSION .....

## CONCLUSION

IN CONCLUSION, WE SHALL ENERGETICALLY CARRY OUT THE POLICIES DESCRIBED IN THE GOVERNOR'S POLICY ADDRESS. WE WILL ALSO LOOK VERY CAREFULLY AT AREAS WHERE MEMBERS HAVE MADE SUGGESTIONS FOR IMPROVEMENTS OR CHANGE. THE END RESULT OF OUR JOINT ENDEAVOURS WILL I AM SURE BE A HONG KONG THAT GOES FROM STRENGTH TO STRENGTH - COMPETITIVE AND EFFICIENT, AND WILLING TO PLOUGH BACK INTO THE COMMUNITY SOME OF THE FRUITS OF OUR SUCCESS IN ORDER TO HELP THE LESS FORTUNATE.

MR PRESIDENT, WITH THESE REMARKS, I SUPPORT THE MOTION.

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VIEWS OF LEGAL PROFESSION ON DRAFT  
CFA BILL TO BE SOUGHT SOON

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THE GOVERNMENT WILL BEGIN VERY SOON TO SEEK COMMENTS FROM THE LEGAL PROFESSION ON THE DRAFT BILL ON THE COURT OF FINAL APPEAL, THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE MOTION OF THANKS, MR MATHEWS SAID THE ADMINISTRATION WOULD THEN AIM TO INTRODUCE THE DRAFT BILL INTO THE LEGISLATIVE COUNCIL EARLY IN 1995, WITH A VIEW TO ITS BEING ENACTED BY THE END OF THIS SESSION.

MR MATHEWS SAID HE KNEW THAT SOME LEGCO MEMBERS REMAINED OPPOSED TO THE 1991 JOINT LIAISON GROUP AGREEMENT.

"TO THEM, I WOULD SAY THAT WE NOW HAVE A VERY CLEAR AND STARK CHOICE: TO SET UP A COURT OF FINAL APPEAL BEFORE 1997 ON THE BASIS OF THE 1991 AGREEMENT, OR NOT TO HAVE ONE UNTIL AFTER 1997," HE SAID.

"I AM IN NO DOUBT WHICH OF THESE WOULD BE MORE IN HONG KONG'S INTERESTS. THE 1991 AGREEMENT MAY NOT BE PERFECT, BUT NO ONE CAN BE SURE THAT WE WILL GET A BETTER ONE AFTER 1997," HE ADDED.

MR MATHEWS SAID THE LACK OF ANY FINAL AVENUE OF APPEAL FOR PERHAPS TWO YEARS WOULD HAVE SERIOUS CONSEQUENCES.

HE SAID: "PARTIES TO PROCEEDINGS WOULD BE UNABLE TO CHALLENGE DECISIONS OF THE COURT OF APPEAL, EVEN IF THEY MAY HAVE SUFFERED A GRAVE INJUSTICE OR IF A QUESTION OF GREAT PUBLIC IMPORTANCE WAS INVOLVED.

"THE LEGAL SYSTEM WOULD BE DEPRIVED OF DECISIONS OF THE HIGHEST JUDICIAL AUTHORITY; DECISIONS THAT ARE VITAL TO THE EVOLUTION OF JURISPRUDENCE FOR HONG KONG."

MR MATHEWS SAID THIS JURISPRUDENCE WAS NOT A MATTER OF ACADEMIC INTEREST.

/HE SAID .....

HE SAID: "IN RECENT YEARS, THE PRIVY COUNCIL HAS ESTABLISHED PRINCIPLES OF GREAT PUBLIC IMPORTANCE CONCERNING THE EFFECT OF THE BILL OF RIGHTS ORDINANCE ON EXISTING CRIMINAL LAWS; THE EXTENT TO WHICH A PUBLIC SERVANT'S ILL-GOTTEN GAINS CAN BE RECOVERED; AND THE ABILITY OF A FOREIGN STATE TO EXTRADITE A PERSON FOR A CONSPIRACY THAT TOOK PLACE OUTSIDE THE JURISDICTION OF THAT STATE.

"THE ABSENCE OF A COURT TO DEVELOP OUR LAWS IN SUCH AN AUTHORITATIVE WAY WOULD UNDERMINE PUBLIC CONFIDENCE IN OUR LEGAL SYSTEM AT A TIME WHEN IT IS MOST NEEDED," HE SAID.

ON THE QUESTION OF THE USE OF CHINESE IN COURTS, MR MATHEWS SAID THE GOVERNMENT MUST ENSURE THAT THE CHINESE LANGUAGE COULD BE USED IN ALL COURTS AS SOON AS POSSIBLE. THE PROVISION IN THE BASIC LAW THAT "IN ADDITION TO CHINESE, ENGLISH MAY ALSO BE USED", MUST OF COURSE BE COMPLIED WITH BY JULY 1, 1997, HE SAID.

MR MATHEWS SAID THE GOVERNMENT INTENDED TO INTRODUCE IN THIS SESSION LEGISLATIVE AMENDMENTS WHICH WOULD SEEK TO ALLOW THE USE OF CHINESE LANGUAGE IN HIGHER COURTS.

ONCE THESE AMENDMENTS HAD BEEN ENACTED, THE CHIEF JUSTICE INTENDED TO IMPLEMENT THE USE OF CHINESE IN COURTS ON A PHASED BASIS ACCORDING TO REALISTIC TIMETABLES WORKED OUT BY A STEERING COMMITTEE, WHICH INCLUDED REPRESENTATIVES OF THE LEGAL PROFESSION AND OTHER CONCERNED PARTIES, AND WOULD ADVISE THE CHIEF JUSTICE ON THE OVERALL IMPLEMENTATION OF THE USE OF CHINESE, IN ADDITION TO ENGLISH, IN THE DISTRICT COURT AND ABOVE.

ON THE SUGGESTION BY THE HON SIMON IP THAT SOLICITORS BE ELIGIBLE FOR DIRECT APPOINTMENT TO THE HIGH COURT, MR MATHEWS SAID THE LEGAL PROFESSION HAD CONFLICTING VIEWS ON THIS ISSUE.

"THE ADMINISTRATION IS NEVERTHELESS GIVING SERIOUS CONSIDERATION TO THE POSSIBILITY OF MAKING SOLICITORS WITH A CERTAIN LEVEL OF EXPERIENCE ELIGIBLE FOR SUCH APPOINTMENTS," HE SAID.

MR MATHEWS SAID MR IP'S PROPOSAL OF RELAXING THE RESTRICTION ON JUDGES TO RETURN TO PRIVATE PRACTICE WAS ANOTHER CONTROVERSIAL ISSUE HOTLY DEBATED FROM TIME TO TIME.

NOTING THAT IT WAS ESSENTIAL THAT JUSTICE MUST NOT ONLY BE DONE, BUT MUST BE SEEN TO BE DONE, MR MATHEWS SAID IF JUDGES WERE FREE TO RETURN TO PRIVATE PRACTICE, THERE COULD BE A PERCEPTION THAT JUDICIAL DECISIONS MAY HAVE BEEN INFLUENCED BY ULTERIOR MOTIVES.

"AND IF MANY EXPERIENCED JUDGES DID RETURN TO PRIVATE PRACTICE THIS COULD UNDERMINE PUBLIC CONFIDENCE IN THE MAINTENANCE OF THE RULE OF LAW WHEN IT IS MOST NEEDED. MOVEMENTS BACKWARDS AND FORWARDS BETWEEN THE BENCH AND THE PROFESSION WOULD TEND TO LOWER THE PUBLIC ESTIMATION OF THE JUDICIARY," MR MATHEWS SAID.

HE ALSO ADDED THAT A RECENT STUDY BY THE ENGLISH BAR'S WORKING PARTY ON THE POSITION OF JUDGES AND THE BAR CAME DOWN IN FAVOUR OF MAINTAINING THE CONVENTION AGAINST RETURN TO PRACTICE.

TURNING TO PRESS FREEDOM, MR MATHEWS SAID THE ADMINISTRATION'S COMMITMENT TO THE PRINCIPLE OF PRESS FREEDOM WAS FIRM AND UNSHAKABLE.

HE SAID: "IT INTENDS TO TAKE WHATEVER PRACTICAL MEASURES AS NECESSARY TO PRESERVE AND REINFORCE THIS IMPORTANT ASPECT OF OUR WAY OF LIFE. THIS COMMITMENT IS WELL DEMONSTRATED BY OUR PROGRAMME TO IDENTIFY PROVISIONS IN OUR LAWS THAT COULD HAVE AN ADVERSE IMPACT ON THE OPERATIONS OF THE PRESS AND TO REMOVE THEM AS SOON AS OUR LEGISLATIVE PROGRAMME ALLOWS.

"TO DATE, 27 ORDINANCES HAVE BEEN REVIEWED, INCLUDING 17 CITED BY THE HONG KONG JOURNALISTS ASSOCIATION."

THE ATTORNEY GENERAL SAID AMENDMENTS HAD ALREADY BEEN MADE TO THREE OF THESE ORDINANCES, AND PROPOSALS TO AMEND TWO OTHER ORDINANCES HAD BEEN BROUGHT FORWARD IN THE PUBLIC ORDER (AMENDMENT) BILL.

HE ADDED THAT WORK WAS IN HAND ON THE AMENDMENT OF FIVE MORE ORDINANCES. THESE INCLUDED AMENDMENTS TO THE SUBSIDIARY LEGISLATION UNDER THE REGISTRATION OF LOCAL NEWSPAPERS ORDINANCE AND THE PRISONS ORDINANCE, AMENDMENTS TO LAWS ON BROADCASTING AND PUBLIC ENTERTAINMENT, AND THE REPEAL OF PROVISIONS RELATING TO THE PUBLICATION OF DEFAMATORY LIBELS AND TO RESTRICTIONS ON THE REPORTING OF COURT PROCEEDINGS.

IN RESPECT OF SEVER OTHER ORDINANCES, INCLUDING THE OFFICIAL SECRETS ACTS, THE CRIMES ORDINANCE, THE EMERGENCY REGULATIONS AND THE POLICE FORCE ORDINANCE, CONSIDERATION WAS BEING GIVEN TO THE BEST WAY TO PROCEED WITH THE COMPLEX ISSUES INVOLVED, MR MATHEWS SAID.

REGARDING THE REMAINING PROVISIONS, MR MATHEWS SAID THE ADMINISTRATION WAS SATISFIED THAT THERE WAS NO INCOMPATIBILITY BETWEEN THEM AND THE BILL OF RIGHTS ORDINANCE, AS THEY EXISTED TO PROTECT THE INDIVIDUAL'S RIGHT TO PRIVACY OR THE PUBLIC INTEREST.

"THIS REVIEW OF LEGISLATION AFFECTING PRESS FREEDOM HAS BEEN A FAR REACHING AND COMPREHENSIVE EXERCISE. IT IS NOT FINISHED, BUT WE FIRMLY INTEND TO PUSH IT AHEAD AS QUICKLY AS POSSIBLE," HE SAID.

MR MATHEWS SAID ANOTHER ASPECT OF PRESS FREEDOM WAS THE LAW OF CONTEMPT OF COURT. HE SAID AS HE EXPLAINED TO THE LEGISLATIVE COUNCIL IN JANUARY OF LAST YEAR, THE ADMINISTRATION DOUBTED THAT CODIFICATION OF THE LAW OF CONTEMPT WAS EITHER NECESSARY OR DESIRABLE.

HOWEVER, MR MATHEWS SAID HE WAS AWARE THAT THE MEDIA MIGHT HAVE PRACTICAL DIFFICULTIES IN KNOWING WHETHER, IN COMMENTING UPON PENDING PROCEEDINGS, THEY RISK FACING PROCEEDINGS FOR CONTEMPT OF COURT.

HE SAID: "THIS IS AN EVOLVING AREA OF THE LAW IN WHICH FREEDOM OF THE PRESS HAS TO BE BALANCED AGAINST THE NEED TO ENSURE THAT THERE IS A FAIR TRIAL. IN ORDER TO GIVE THE MEDIA A BETTER UNDERSTANDING OF THEIR POSITION, I PROPOSE, IN THE NEAR FUTURE, TO ISSUE GUIDELINES IN RESPECT OF THE INSTITUTION OF SUCH PROCEEDINGS.

"THE GUIDELINES WILL NOT AMOUNT TO RULES OF LAW BUT ARE DESIGNED TO HELP MEMBERS OF THE MEDIA RESOLVE THE PRACTICAL PROBLEMS THEY FACE," HE SAID.

ATTORNEY GENERAL SPEAKS ON MOTION OF THANKS

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FOLLOWING IS THE SPEECH BY THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

IN RESPONSE TO COMMENTS MADE BY MEMBERS OF THIS COUNCIL LAST WEEK, I PROPOSE TO DISCUSS FOUR MATTERS TODAY, THE RULE OF LAW, ISSUES CONFRONTING THE JUDICIARY, LEGAL ISSUES ARISING DURING THE TRANSITION, AND PRESS FREEDOM.

RULE OF LAW

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THE MAINTENANCE OF THE RULE OF LAW IN HONG KONG IS OF CRUCIAL CONCERN NOT ONLY TO LAWYERS AND LEGISLATORS BUT, I BELIEVE, TO THE COMMUNITY AT LARGE. IT IS SO MUCH A PART OF OUR WAY OF LIFE THAT ONE RARELY STOPS TO ASK WHAT "THE RULE OF LAW" ACTUALLY MEANS.

THERE ARE SEVERAL VITAL PRINCIPLES UNDER THE PRINCIPLE OF THE RULE OF LAW. ONE IS THAT LAWS OPERATE SEPARATELY FROM THE POLITICAL SYSTEM; THEY ARE PUBLISHED AND ARE ACCESSIBLE; AND THEY PROVIDE A DEGREE OF CERTAINTY AND PREDICTABILITY AS TO HOW DISPUTES ARE TO BE RESOLVED. A SECOND PRINCIPLE IS THAT EVERYONE, NO MATTER HOW HIGH, IS SUBJECT TO THE LAW, AND THAT A PERSON CAN ONLY BE PUNISHED FOR CONDUCT THAT IS A BREACH OF THE LAW. A THIRD PRINCIPLE IS THAT OF EQUALITY BEFORE THE LAW: NO ONE GETS BETTER OR WORSE TREATMENT UNDER THE LAW BECAUSE OF HIS OR HER STATUS, WEALTH, RACE AND SO ON. A FOURTH PRINCIPLE IS THAT THE SETTLEMENT OF DISPUTES IS IN THE HANDS OF JUDGES WHO ARE INDEPENDENT OF THE EXECUTIVE AND WHO MAY NOT BE SUBJECT TO PRESSURE FROM ANY SOURCE IN CARRYING OUT THEIR DUTIES.

ONE SPECIFIC COMMENT ABOUT THE RULE OF LAW WAS MADE BY MR MARTIN BARROW, WHO SAID THAT EFFECTIVE SANCTIONS SHOULD BE IMPOSED ON OFFENDERS. HE CONSIDERED THAT SOME FINES ARE TOO LOW. THIS COMMENT GIVES ME AN OPPORTUNITY TO EXPLAIN THE WAY IN WHICH THE RULE OF LAW OPERATES IN RESPECT OF SENTENCING.

WHAT CAN THE EXECUTIVE DO, IF THE COMMUNITY CONSIDERS THAT SENTENCES IMPOSED FOR A PARTICULAR OFFENCE ARE TOO LOW? FIRSTLY, IT CAN CONSIDER WHETHER THE MAXIMUM PENALTY IS ADEQUATE. IT MAY BE, FOR EXAMPLE, THAT INFLATION HAS ERODED THE VALUE OF THE PRESCRIBED MAXIMUM FINE. OR CHANGING PERCEPTIONS OF THE SERIOUSNESS OF THE OFFENCE MAY MEAN THAT A REVISION OF THE PENALTY IS CALLED FOR. SECONDLY, THE ATTORNEY GENERAL CAN, IN APPROPRIATE CASES, APPLY TO THE COURT OF APPEAL FOR A REVIEW OF THE SENTENCES IMPOSED. BUT WHAT THE EXECUTIVE CANNOT DO, IS SIMPLY DIRECT THE JUDGES TO IMPOSE HEAVIER SENTENCES. THIS WOULD BE CONTRARY TO THE RULE OF LAW. JUDGES, WHEN IMPOSING SENTENCES, MUST DO SO IN ACCORDANCE WITH THE LAW AND THE SENTENCING GUIDELINES LAID DOWN BY THE COURT OF APPEAL. IN SO DOING, THEY MUST BE AND ARE FREE FROM ANY CONTROL OR INFLUENCE BY THE EXECUTIVE.

THE JUDICIARY  
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I TURN NOW TO ISSUES CONFRONTING THE JUDICIARY. CONCERNS WERE EXPRESSED OVER THE NUMBER OF VACANCIES LIKELY TO ARISE IN THE HIGH COURT THROUGH RETIREMENT AND THE CREATION OF NEW POSTS IN THE NEXT 2 TO 3 YEARS. AS PART OF THE JUDICIARY'S MANPOWER PLANNING, VACANCIES THROUGH RETIREMENT ARE KNOWN WELL IN ADVANCE AND PLANS ARE ALREADY IN HAND TO FILL VACANCIES ARISING WITHIN THE NEXT 12 MONTHS. SIMILARLY TENTATIVE PLANS HAVE ALSO BEEN DRAWN UP TO FILL VACANCIES ARISING IN THE LONGER TERM. THE JUDICIARY IS NOT IN A CRISIS SITUATION NOR DOES IT REQUIRE INTENSIVE CARE AS MR SIMON IP SUGGESTED.

THE CHIEF JUSTICE AND THE JUDICIAL SERVICE COMMISSION ARE, OF COURSE, ALIVE TO THE NEED TO MAKE JUDICIAL APPOINTMENTS MORE ATTRACTIVE. AS POINTED OUT BY MR IP, MAKING SOLICITORS ELIGIBLE FOR DIRECT APPOINTMENT TO THE HIGH COURT IS ONE MEANS OF ENLARGING THE POOL OF CANDIDATES FOR APPOINTMENT. THE PROFESSION HAS CONFLICTING VIEWS ON THIS ISSUE. THE ADMINISTRATION IS NEVERTHELESS GIVING SERIOUS CONSIDERATION TO THE POSSIBILITY OF MAKING SOLICITORS WITH A CERTAIN LEVEL OF EXPERIENCE ELIGIBLE FOR SUCH APPOINTMENTS.

MR IP'S PROPOSAL OF RELAXING THE RESTRICTION ON JUDGES TO RETURN TO PRIVATE PRACTICE IS ANOTHER SUBJECT HOTLY DEBATED FROM TIME TO TIME. THE REQUIREMENT FOR SUCH AN UNDERTAKING IS PROMPTED BY A NUMBER OF CONCERNS. IT IS, OF COURSE, ESSENTIAL THAT JUSTICE MUST NOT ONLY BE DONE, BUT MUST BE SEEN TO BE DONE. IF JUDGES WERE FREE TO RETURN TO PRIVATE PRACTICE, THERE COULD BE A PERCEPTION THAT JUDICIAL DECISIONS MAY HAVE BEEN INFLUENCED BY ULTERIOR MOTIVES. AND IF MANY EXPERIENCED JUDGES DID RETURN TO PRIVATE PRACTICE THIS COULD UNDERMINE PUBLIC CONFIDENCE IN THE MAINTENANCE OF THE RULE OF LAW WHEN IT IS MOST NEEDED. MOVEMENTS BACKWARDS AND FORWARDS BETWEEN THE BENCH AND THE PROFESSION WOULD TEND TO LOWER THE PUBLIC ESTIMATION OF THE JUDICIARY. I WOULD ADD THAT, A RECENT STUDY BY THE ENGLISH BAR'S WORKING PARTY ON THE POSITION OF JUDGES AND THE BAR CAME DOWN IN FAVOUR OF MAINTAINING THE CONVENTION AGAINST RETURN TO PRACTICE.

I AM GRATEFUL TO MR MOSES CHENG FOR HIS ENCOURAGING REMARKS ON THE PROGRESS OF ADMINISTRATIVE REFORM WITHIN THE JUDICIARY. MUCH, INDEED, HAS BEEN ACHIEVED OVER THE PAST FEW MONTHS ON TAKING FORWARD WHAT THE CHIEF JUSTICE DESCRIBES AS THE "QUIET MANAGEMENT REVOLUTION" OF THE JUDICIARY. THE JUDICIARY WILL KEEP THE MOMENTUM UP. THESE IMPROVEMENTS WILL INCLUDE THE INCREASED USE OF MODERN COMPUTER TECHNOLOGY, BOTH IN RESPECT OF THE MANAGEMENT OF THE JUDICIARY AND IN RESPECT OF PROCEEDINGS IN COURT. I WOULD ADD THAT MY OWN DEPARTMENT HAS ALSO STARTED TO IMPLEMENT ITS WIDE-RANGING PROPOSALS IN RESPECT OF INFORMATION TECHNOLOGY.

SOME MEMBERS RAISED THE SUBJECT OF THE COURT OF FINAL APPEAL. WE NEED TO ESTABLISH A COURT OF FINAL APPEAL IN HONG KONG AS SOON AS POSSIBLE TO REPLACE THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL AS HONG KONG'S HIGHEST APPELLATE COURT. AS APPEALS TO THE JUDICIAL COMMITTEE CAN TAKE UP A YEAR TO BE HEARD, IT IS IMPORTANT THAT OUR COURT OF FINAL APPEAL SHOULD BE OPERATING AT THE LATEST BY MID 1996.

AS MEMBERS WELL KNOW, AN AGREEMENT WAS REACHED WITH THE CHINESE SIDE ON THE EARLY ESTABLISHMENT OF THE COURT AT THE JOINT LIAISON GROUP IN SEPTEMBER 1991. WE HAVE DRAFTED A BILL ON THE BASIS OF THIS AGREEMENT AND WITH DUE REGARD TO THE RELEVANT PROVISIONS OF THE JOINT DECLARATION AND THE BASIC LAW. THIS DRAFT BILL HAS BEEN HANDED TO THE CHINESE SIDE, AND WE HAVE ANSWERED THE 8 QUESTIONS THAT THEY RAISED AT THE RECENT JOINT LIAISON GROUP MEETING. WE HOPE TO RECEIVE A POSITIVE RESPONSE FROM THE CHINESE SIDE VERY SOON.

THE ADMINISTRATION IS SERIOUS IN ITS EFFORTS TO ESTABLISH THE COURT IN 1996. IT IS COMMITTED TO SEEKING COMMENTS ON THE DRAFT BILL FROM THE LEGAL PROFESSION BEFORE INTRODUCING IT INTO THIS COUNCIL. THIS WE WILL BEGIN TO DO VERY SOON. WE WILL THEN AIM TO INTRODUCE THE DRAFT BILL INTO THIS COUNCIL EARLY IN 1995, WITH A VIEW TO ITS BEING ENACTED BY THE END OF THIS SESSION. I KNOW THAT SOME MEMBERS REMAIN OPPOSED TO THE 1991 JLG AGREEMENT. TO THEM, I WOULD SAY THAT WE NOW HAVE A VERY CLEAR AND STARK CHOICE : TO SET UP A COURT OF FINAL APPEAL BEFORE 1997 ON THE BASIS OF THE 1991 AGREEMENT, OR NOT TO HAVE ONE UNTIL AFTER 1997. I AM IN NO DOUBT WHICH OF THESE WOULD BE MORE IN HONG KONG'S INTERESTS. THE 1991 AGREEMENT MAY NOT BE PERFECT, BUT NO ONE, NO ONE CAN BE SURE THAT WE WILL GET A BETTER ONE AFTER 1997.

THE LACK OF ANY FINAL AVENUE OF APPEAL FOR PERHAPS 2 YEARS WOULD HAVE SERIOUS CONSEQUENCES. PARTIES TO PROCEEDINGS WOULD BE UNABLE TO CHALLENGE DECISIONS OF THE COURT OF APPEAL, EVEN IF THEY MAY HAVE SUFFERED A GRAVE INJUSTICE OR IF A QUESTION OF GREAT PUBLIC IMPORTANCE WAS INVOLVED. THE LEGAL SYSTEM WOULD BE DEPRIVED OF DECISIONS OF THE HIGHEST JUDICIAL AUTHORITY; DECISIONS THAT ARE VITAL TO THE EVOLUTION OF JURISPRUDENCE FOR HONG KONG. THIS JURISPRUDENCE, I WOULD ADD MR PRESIDENT, IS NOT A MATTER OF ACADEMIC INTEREST. IN RECENT YEARS, THE PRIVY COUNCIL HAS ESTABLISHED PRINCIPLES OF GREAT PUBLIC IMPORTANCE CONCERNING THE EFFECT OF THE BILL OF RIGHTS ORDINANCE ON EXISTING CRIMINAL LAWS; THE EXTENT TO WHICH A PUBLIC SERVANT'S ILL-GOTTEN GAINS CAN BE RECOVERED; AND THE ABILITY OF A FOREIGN STATE TO EXTRADITE A PERSON FOR A CONSPIRACY THAT TOOK PLACE OUTSIDE THE JURISDICTION OF THAT STATE. THE ABSENCE OF A COURT TO DEVELOP OUR LAWS IN SUCH AN AUTHORITATIVE WAY WOULD UNDERMINE PUBLIC CONFIDENCE IN OUR LEGAL SYSTEM AT A TIME WHEN IT IS MOST NEEDED.

TWO MEMBERS RAISED THE QUESTION OF THE USE OF CHINESE IN OUR COURTS. CLEARLY WE MUST ENSURE THAT THE CHINESE LANGUAGE CAN BE USED IN ALL COURTS AS SOON AS POSSIBLE. THE PROVISION IN THE BASIC LAW THAT "IN ADDITION TO CHINESE, ENGLISH MAY ALSO BE USED," MUST OF COURSE BE COMPLIED WITH BY 1 JULY 1997. HOWEVER, I BELIEVE THAT MR SIMON IP WAS READING TOO MUCH INTO THAT PROVISION WHEN HE SAID LAST WEEK THAT THIS CONFERS A CONSTITUTIONAL RIGHT ON LITIGANTS AT THEIR ELECTION TO USE CHINESE OR ENGLISH OR BOTH DURING LEGAL PROCEEDINGS.

/IT SHOULD .....

IT SHOULD BE POSSIBLE TO USE THE CHINESE LANGUAGE IN ALL COURTS NOT ONLY IN ORDER TO COMPLY WITH THE BASIC LAW BUT ALSO BECAUSE WE ARE A COMMUNITY IN WHICH THE MAJORITY OF PEOPLE SPEAK CHINESE AS A FIRST LANGUAGE. WE THEREFORE INTEND TO INTRODUCE IN THIS SESSION LEGISLATIVE AMENDMENTS WHICH WILL SEEK TO ALLOW THE USE OF CHINESE LANGUAGE IN HIGHER COURTS. ONCE THESE AMENDMENTS HAVE BEEN ENACTED, THE CHIEF JUSTICE INTENDS TO IMPLEMENT THE USE OF CHINESE IN OUR COURTS ON A PHASED BASIS ACCORDING TO REALISTIC TIMETABLES WORKED OUT BY A STEERING COMMITTEE. THIS COMMITTEE INCLUDES REPRESENTATIVES OF THE LEGAL PROFESSION AND OTHER CONCERNED PARTIES, AND WILL ADVISE THE CHIEF JUSTICE ON THE OVERALL IMPLEMENTATION ON THE USE OF CHINESE, IN ADDITION TO ENGLISH, IN THE DISTRICT COURT AND ABOVE. WE ARE FULLY AWARE OF THE DIFFICULTIES AND COMPLEXITY OF THE TASK BEFORE US AS OUR LEGAL SYSTEM IS BASED ON THE COMMON LAW, WHICH IS FOUNDED ON THE ENGLISH LANGUAGE. WE WILL THEREFORE BE TAKING A PRAGMATIC, STEP-BY-STEP APPROACH.

THE CHIEF JUSTICE'S STEERING COMMITTEE HAS SET UP A STUDY GROUP TO LOOK INTO THE FEASIBILITY OF INTRODUCING A SYSTEM OF SIMULTANEOUS INTERPRETATION IN OUR COURTS. SUCH A SYSTEM HAS BEEN PROPOSED BY THE BAR ASSOCIATION AND WILL BE GIVEN SERIOUS AND CAREFUL CONSIDERATION. IT IS TOO EARLY, AT THIS STAGE, TO SAY WHETHER IT IS A PRACTICABLE SOLUTION. HOWEVER, I WISH TO REASSURE MR IP AND OTHER MEMBERS THAT WHILE WE RECOGNISE THE DESIRABILITY AND INEVITABILITY OF USING CHINESE IN THE COURTS, THERE IS NO INTENTION THAT THIS SHOULD BE DONE AT THE EXPENSE OF THE ADMINISTRATION OF JUSTICE. WHAT WE ARE SEEKING TO ACHIEVE IS TO PROVIDE LITIGANTS WITH THE OPTION OF USING CHINESE IN THE HIGHER COURTS. THE PROCESS OF ACHIEVING THIS GOAL WILL BE GREATLY ASSISTED BY THE GROWING VOLUME OF AUTHENTIC CHINESE TEXTS OF ORDINANCES, AND BY THE PRODUCTION IN MARCH NEXT YEAR OF THE FIRST OF A SERIES OF GLOSSARIES OF BILINGUAL LEGAL TERMINOLOGY.

#### THE TRANSITION

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THIS DISCUSSION OF THE USE OF CHINESE LEADS ME TO MY NEXT TOPIC, NAMELY ARRANGEMENTS NEEDED FOR THE TRANSITION PERIOD TO ENSURE THAT OUR LEGAL SYSTEM OPERATES SMOOTHLY AFTER THE TRANSFER OF SOVEREIGNTY.

THE PROGRESS OF THE LOCALISATION AND ADAPTATION OF LAWS PROGRAMME WAS DISCUSSED BY SOME MEMBERS. IT IS VITALLY IMPORTANT THAT LOCAL LEGISLATION BE ENACTED TO REPLACE RELEVANT BRITISH LAWS APPLICABLE TO HONG KONG THROUGH ACTS OF PARLIAMENT OR ORDERS IN COUNCIL WHICH CANNOT SURVIVE 1997. IT IS ALSO IMPORTANT THAT EXISTING HONG KONG LAWS WHICH DO NOT CONFORM TO THE BASIC LAW BE ADAPTED. THIS IS ESSENTIAL FOR MAINTAINING THE LEGAL STRUCTURE OF HONG KONG AND TO PREVENT GAPS IN THE LAWS ARISING AFTER 30 JUNE 1997. MY COLLEAGUE, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS WILL SPEAK LATER ON THE WORK OF THE JOINT LIAISON GROUP. SUFFICE IT FOR ME TO SAY AT THIS STAGE THAT THE LEGAL DEPARTMENT WILL ENSURE THAT ALL THE NECESSARY LEGAL PAPER WORK WILL BE COMPLETED IN GOOD TIME. I HAVE INCREASED THE NUMBER OF PROFESSIONAL STAFF ENGAGED IN THIS WORK FROM TWO TO SIX. SO FAR, OUR WORK IS ON SCHEDULE. I AM CONFIDENT THAT THE TASK CAN BE COMPLETED BEFORE 1 JULY 1997.

MR SIMON IP RAISED THE ISSUE OF JURIDICAL ASSISTANCE AND LEGAL LINKS BETWEEN HONG KONG AND CHINA. IT IS TRUE THAT THERE IS NO EXTRADITION TREATY BETWEEN THE UNITED KINGDOM AND CHINA, AND THERE ARE NO ARRANGEMENTS IN PLACE FOR THE SURRENDER OF FUGITIVE OFFENDERS BETWEEN HONG KONG AND CHINA. WE RECOGNISE THAT THERE IS ADVANTAGE IN PUTTING IN PLACE ARRANGEMENTS BETWEEN HONG KONG AND OUR NEIGHBOURS ON THE SURRENDER OF FUGITIVE CRIMINALS WHICH CONTAIN ALL THE SAFEGUARDS OF A CIVIL SOCIETY. WE ARE CURRENTLY EXAMINING HOW THIS MIGHT BE ACHIEVED.

AS REGARDS MUTUAL LEGAL ASSISTANCE, THERE IS AT PRESENT CLOSE LIAISON AND CO-OPERATION BETWEEN THE HONG KONG POLICE AND THE CHINESE PUBLIC SECURITY BUREAU, THROUGH THE INTERPOL CHANNEL, IN TACKLING CROSS-BORDER CRIME. INFORMATION AND INTELLIGENCE MAY BE PROVIDED ADMINISTRATIVELY ON MATTERS SUCH AS THE WHEREABOUTS OR MOVEMENTS OF SUSPECTS, OR THE TRACING OF STOLEN PROPERTY. APART FROM THIS, HONG KONG CURRENTLY HAS NO ARRANGEMENTS WITH CHINA RELATING TO ANY TYPE OF LEGAL ASSISTANCE IN CRIMINAL MATTERS. WE ARE CURRENTLY CONSIDERING WHAT OUR APPROACH TO THIS SHOULD BE. IT WOULD BE DESIRABLE IF POSSIBLE TO TRY TO PUT IN PLACE BEFORE 1997 SOME PRACTICAL AND WORKABLE ARRANGEMENTS THAT WOULD CONTINUE TO BE EFFECTIVE AFTER THAT DATE.

ON THE QUESTION OF LEGAL AND PROCEDURAL ARRANGEMENTS BETWEEN CHINA AND HONG KONG IN CIVIL AND COMMERCIAL MATTERS, THE SUBJECT HAS BEEN STUDIED IN DETAIL BY SPECIALISED LEGAL EXPERTS. THEIR RECOMMENDATIONS IN THE VARIOUS AREAS OF IMPORTANCE TO HONG KONG HAVE BEEN ACCEPTED BY THE GOVERNMENT, AND WE HAVE PUT THEM TO THE CHINESE SIDE IN THE JOINT LIAISON GROUP. WE HOPE THAT PRACTICAL SOLUTIONS CAN BE WORKED OUT WITH THE CHINESE SIDE ON THESE IMPORTANT MATTERS. CERTAINLY THE CHINESE SIDE IS AWARE OF THE IMPORTANCE WE ATTACH TO GOOD SOLUTIONS BEING FOUND.

MR PRESIDENT, CONCERN HAS BEEN EXPRESSED BY SOME MEMBERS IN RESPECT OF THE REPORTING OBLIGATION UNDER THE TWO INTERNATIONAL COVENANTS ON HUMAN RIGHTS AFTER THE TRANSFER OF SOVEREIGNTY IN 1997. THE LEGAL POSITION AS WE SEE IT IS CLEAR.

THE SINO-BRITISH JOINT DECLARATION IS AN INTERNATIONAL AGREEMENT BETWEEN THE UNITED KINGDOM AND CHINA REGISTERED WITH THE UNITED NATIONS SECRETARIAT UNDER ARTICLE 102 OF THE UN CHARTER. THE FOURTH PARAGRAPH OF SECTION XIII OF ANNEX I TO THE JOINT DECLARATION PROVIDES EXPRESSLY THAT "THE PROVISIONS OF THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS AND THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS AS APPLIED TO HONG KONG SHALL REMAIN IN FORCE" AFTER THE TRANSFER OF SOVEREIGNTY. THIS OBLIGATION IS ALSO CLEARLY SET OUT IN ARTICLE 39 OF THE BASIC LAW WHICH AGAIN PROVIDES EXPRESSLY THAT THE PROVISIONS OF THE INTERNATIONAL COVENANTS "SHALL REMAIN IN FORCE IN HONG KONG AND SHALL BE IMPLEMENTED THROUGH THE LAWS OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION." THE BASIC LAW, WHICH WILL ENTER INTO FORCE ON 1 JULY 1997, IS A CHINESE LAW THAT GIVES EFFECT TO CHINESE OBLIGATIONS UNDER THE JOINT DECLARATION.

THE CHINESE GOVERNMENT HAS BEEN FULLY BRIEFED ON THE WAYS IN WHICH THE COVENANTS ARE NOW APPLIED IN HONG KONG. ONE OF THE KEY PROVISIONS IS THE OBLIGATION OF THE UNITED KINGDOM, AS THE SOVEREIGN POWER, TO REPORT ON HONG KONG TO THE RELEVANT TREATY MONITORING BODIES. THE UNITED KINGDOM GOVERNMENT HAS MADE CLEAR ITS VIEW THAT TO MEET ITS OBLIGATION UNDER THE JOINT DECLARATION, THE FUTURE SOVEREIGN POWER WILL HAVE TO CONTINUE TO FULFILL THIS REPORTING OBLIGATION. WE WILL CONTINUE TO MAKE OUR VIEWS KNOWN TO THE CHINESE SIDE.

PRESS FREEDOM

I TURN NOW TO THE QUESTION OF PRESS FREEDOM.

THE ADMINISTRATION'S COMMITMENT TO THE PRINCIPLE OF PRESS FREEDOM IS FIRM AND UNSHAKABLE. IT INTENDS TO TAKE WHATEVER PRACTICAL MEASURES ARE NECESSARY TO PRESERVE AND REINFORCE THIS IMPORTANT ASPECT OF OUR WAY OF LIFE. THIS COMMITMENT IS WELL DEMONSTRATED BY OUR PROGRAMME TO IDENTIFY PROVISIONS IN OUR LAWS THAT COULD HAVE AN ADVERSE IMPACT ON THE OPERATIONS OF THE PRESS AND TO REMOVE THEM AS SOON AS OUR LEGISLATIVE PROGRAMME ALLOWS. TO DATE, 27 ORDINANCES HAVE BEEN REVIEWED, INCLUDING 17 CITED BY THE HONG KONG JOURNALISTS ASSOCIATION.

AMENDMENTS HAVE ALREADY BEEN MADE TO 3 OF THESE ORDINANCES, AND PROPOSALS TO AMEND 2 OTHER ORDINANCES HAVE BEEN BROUGHT FORWARD TO THIS COUNCIL IN THE PUBLIC ORDER (AMENDMENT) BILL.

WORK IS IN HAND ON THE AMENDMENT OF 5 MORE ORDINANCES. THESE INCLUDE AMENDMENTS TO THE SUBSIDIARY LEGISLATION UNDER THE REGISTRATION OF LOCAL NEWSPAPERS ORDINANCE AND THE PRISONS ORDINANCE, AMENDMENTS TO LAWS ON BROADCASTING AND PUBLIC ENTERTAINMENT, AND THE REPEAL OF PROVISIONS RELATING TO THE PUBLICATION OF DEFAMATORY LIBELS AND TO RESTRICTIONS ON THE REPORTING OF COURT PROCEEDINGS.

IN RESPECT OF 7 OTHER ORDINANCES, INCLUDING THE OFFICIAL SECRETS ACTS, THE CRIMES ORDINANCE, THE EMERGENCY REGULATIONS AND THE POLICE FORCE ORDINANCE, CONSIDERATION IS BEING GIVEN TO THE BEST WAY TO PROCEED WITH THE COMPLEX ISSUES INVOLVED.

REGARDING THE REMAINING PROVISIONS, WE ARE SATISFIED THAT THERE IS NO INCOMPATIBILITY BETWEEN THEM AND THE BILL OF RIGHTS ORDINANCE, AS THEY EXIST TO PROTECT THE INDIVIDUAL'S RIGHT TO PRIVACY OR THE PUBLIC INTEREST.

THIS REVIEW OF LEGISLATION AFFECTING PRESS FREEDOM HAS BEEN A FAR REACHING AND COMPREHENSIVE EXERCISE. IT IS NOT YET FINISHED, BUT WE FIRMLY INTEND TO PUSH IT AHEAD AS QUICKLY AS POSSIBLE.

/ANOTHER ASPECT .....

ANOTHER ASPECT OF PRESS FREEDOM IS THE LAW OF CONTEMPT OF COURT. AS I EXPLAINED TO THIS COUNCIL IN JANUARY OF LAST YEAR, THE ADMINISTRATION DOUBTS THAT CODIFICATION OF THE LAW OF CONTEMPT IS EITHER NECESSARY OR DESIRABLE. HOWEVER, I AM AWARE THAT THE MEDIA MAY HAVE PRACTICAL DIFFICULTIES IN KNOWING WHETHER, IN COMMENTING UPON PENDING PROCEEDINGS, THEY RISK FACING PROCEEDINGS FOR CONTEMPT OF COURT. THIS IS AN EVOLVING AREA OF THE LAW IN WHICH FREEDOM OF THE PRESS HAS TO BE BALANCED AGAINST THE NEED TO ENSURE THAT THERE IS A FAIR TRIAL. IN ORDER TO GIVE THE MEDIA A BETTER UNDERSTANDING OF THEIR POSITION, I PROPOSE, IN THE NEAR FUTURE, TO ISSUE GUIDELINES IN RESPECT OF THE INSTITUTION OF SUCH PROCEEDINGS. THE GUIDELINES WILL NOT AMOUNT TO RULES OF LAW BUT ARE DESIGNED TO HELP MEMBERS OF THE MEDIA RESOLVE THE PRACTICAL PROBLEMS THEY FACE.

MR ALBERT CHAN RAISED THE QUESTION OF THE AUTONOMY OF CHOICE OF PROGRAMMES IN BROADCASTING. HE SAID THE GOVERNMENT SHOULD REVIEW ITS POLICY TO ENSURE BROADCASTING FREEDOM AND GREATER PUBLIC PARTICIPATION.

AS THE SECRETARY FOR RECREATION AND CULTURE CAN TESTIFY, OUR BROADCASTING POLICY IS TO PROVIDE AS WIDE A POSSIBLE CHOICE OF PROGRAMMING TO THE PUBLIC AS THE BROADCASTING INDUSTRY CAN BEAR. WE BELIEVE THAT THIS PROVIDES A VALUABLE SAFEGUARD TO FREEDOM OF INFORMATION AND EXPRESSION IN THE BROADCASTING MEDIA. THE CHOICE OF PROGRAMMING HAS GROWN SIGNIFICANTLY IN THE PAST FEW YEARS. THE NUMBER OF TELEVISION CHANNELS HAVE INCREASED FROM FOUR IN 1991 TO 23 AT PRESENT, AND MORE WILL BE OFFERED IN THE MONTHS AHEAD.

IN ADDITION, WE HAVE IN PLACE A VERY OPEN, FAIR AND EFFICIENT REGULATORY SYSTEM - ONE WHICH AIMS TO ALLOW MAXIMUM FREEDOM OF EXPRESSION AND CHOICE WITHIN THE BOUNDS OF PROTECTING THE PUBLIC INTEREST AGAINST UNACCEPTABLE PROGRAMMING. AS A CONDITION OF THEIR FRANCHISE, TELEVISION STATIONS ARE REQUIRED TO BROADCAST CERTAIN RADIO TELEVISION HONG KONG PROGRAMMES, EDUCATIONAL MATERIAL AND ANNOUNCEMENTS IN THE PUBLIC INTEREST REQUIRED BY THE BROADCASTING AUTHORITY. BUT APART FROM THIS, IT IS GENERALLY A MATTER FOR THE LICENSEES TO DECIDE THE PROGRAMMES THEY ACQUIRE, MAKE, COMMISSION AND BROADCAST. WE DO NOT PRE-CENSOR WHAT BROADCASTERS SHOW. MEMBERS WILL RECALL THAT THIS POWER WAS SPECIFICALLY REMOVED FROM THE BROADCASTING AUTHORITY LAST YEAR WITH THE ENACTMENT OF THE TELEVISION (AMENDMENT) BILL 1993. NOW ONLY THE HIGH COURT HAS THE POWER TO BAN PROGRAMMES, AND WOULD ONLY DO SO IN VERY EXCEPTIONAL CASES. INSTEAD, WE RELY ON A SYSTEM OF POST-BROADCAST CONTROLS, DRIVEN BY A HIGH DEGREE OF PUBLIC PARTICIPATION. AN EFFICIENT COMPLAINTS PROCEDURE UNDER THE BROADCASTING AUTHORITY AND ITS COMPLAINTS COMMITTEE ENSURES THAT PROGRAMMING FOUND UNACCEPTABLE BY VIEWERS CAN BE OBJECTIVELY EXAMINED AND A DETERMINATION MADE, ACCORDING TO A SET OF STANDARDS SET OUT IN FREELY AVAILABLE CODES OF PRACTICE, WHETHER POST-BROADCAST SANCTIONS SHOULD BE IMPOSED. THE STANDARDS ARE CAREFULLY PITCHED, TO CONFORM TO PREVAILING SOCIAL MORALES AND ATTITUDES. THE PUBLIC PARTICIPATE ACTIVELY IN MONITORING THESE STANDARDS AND IN KEEPING THE CODES UP TO DATE.

MR PRESIDENT, I HOPE THAT WHAT I HAVE SAID TODAY WILL ASSURE MEMBERS OF THIS COUNCIL OF THIS ADMINISTRATION'S UNSWERVING COMMITMENT TO THE MAINTENANCE OF THE RULE OF LAW, WHICH IS TRULY THE BEDROCK ON WHICH OUR SOCIETY IS FOUNDED, AND THAT THE CONCERNS EXPRESSED IN RESPECT OF OUR LEGAL SYSTEM ARE BEING PROPERLY ADDRESSED BY THE ADMINISTRATION.

MR PRESIDENT, I SUPPORT THE MOTION.

GOVT IS DETERMINED TO MEET HOUSING NEEDS

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THE GOVERNMENT IS DETERMINED TO MEET THE HOUSING NEEDS AND ASPIRATION OF THE COMMUNITY AND TO SEEK TO MAINTAIN THE STABILITY OF THE PROPERTY MARKET.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, DURING THE POLICY ADDRESS DEBATE AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID THERE HAD BEEN AN OBSERVABLE MODERATION IN PRICES AND A NOTICEABLE RETREAT IN SPECULATION SINCE THE GOVERNMENT'S PACKAGE OF MEASURES TO INCREASE HOUSING SUPPLY AND DAMPEN SPECULATION WAS INTRODUCED EARLIER THIS YEAR.

HOWEVER, HE SAID, THE GOVERNMENT WOULD CONTINUE TO MONITOR THE RESIDENTIAL PROPERTY MARKET CLOSELY AND, IF NECESSARY, INTRODUCE FURTHER MEASURES TO ENSURE THAT IT DID NOT HEAD SKYWARD AGAIN.

MR EASON SAID THE GOVERNMENT REMAINED OF THE VIEW THAT THE MOST EFFECTIVE WAY OF STABILISING PROPERTY PRICES WAS TO INCREASE THE SUPPLY OF FLATS TO MATCH DEMAND MORE CLOSELY, AND THIS WOULD BE THE GOVERNMENT'S PRIORITY MEASURE.

"BEFORE APRIL 2001, WE WILL HELP THE PRIVATE SECTOR TO PRODUCE 195,000 FLATS BY ACCELERATING THE FORMATION OF SITES AND THE DEVELOPMENT OF INFRASTRUCTURE.

"WE WILL HELP AN ADDITIONAL 180,000 FAMILIES TO BUY THEIR OWN HOMES BY PROVIDING SUBSIDISED HOUSING OR FINANCIAL ASSISTANCE, AND PRODUCE AT LEAST 310,000 NEW FLATS IN THE PUBLIC SECTOR.

MR EASON SAID THESE PROGRAMMES WOULD GO A LONG WAY TOWARDS PROVIDING MORE FAMILIES WITH ACCESS TO DECENT AND AFFORDABLE HOUSING.

ADDRESSING SOME MEMBERS' CONCERN ABOUT LAND SUPPLY FOR PUBLIC HOUSING, MR EASON STRESSED THAT THE GOVERNMENT'S POLICY WAS TO SUPPLY ENOUGH LAND TO MEET THE HOUSING NEEDS OF THE COMMUNITY.

"WE HAVE PROVIDED SUFFICIENT LAND TO THE HOUSING AUTHORITY AND THE HOUSING SOCIETY TO BUILD 430,000 PUBLIC HOUSING FLATS BETWEEN 1991 AND 2001.

"IN 1994/95 ALONE, WE WILL DISPOSE OF EIGHT HECTARES FOR PUBLIC RENTAL HOUSING AND 28 HECTARES FOR SUBSIDISED HOME OWNERSHIP HOUSING.

"ON TOP OF THIS, WE ARE PROPOSING TO DISPOSE OF AN ADDITIONAL EIGHT HECTARES FOR PUBLIC HOUSING THIS YEAR."

HE SAID THE GOVERNMENT REALISED THERE REMAINED A STRONG DEMAND FOR PUBLIC HOUSING AND THE GOVERNMENT WOULD DO ALL IT CAN TO INCREASE LAND SUPPLY TO MATCH DEMAND.

ON ENVIRONMENT, MR EASON SAID THE COVERAGE ACCORDED BY MEMBERS DURING THE DEBATE WAS A REFLECTION OF GROWING UNDERSTANDING OF ENVIRONMENTAL MATTERS IN THE COMMUNITY PARTLY DUE TO THE GOVERNMENT'S INCREASED EFFORT AND RESOURCE ON ENVIRONMENT EDUCATION.

HE SAID THE THIRD REVIEW OF THE 1989 WHITE PAPER ON THE ENVIRONMENT WOULD BE PRODUCED NEXT YEAR.

"WE WILL HAVE MADE SUBSTANTIAL PROGRESS AND BE WELL AHEAD OF MOST OF THE WORLD, IF OUR DEVELOPED THINKING CAN BE SET OUT IN THE REVIEW."

RESPONDING TO SOME MEMBERS' CALL FOR MORE PREVENTIVE POLICY MAKING AND THE QUEST FOR SUSTAINABILITY, MR EASON SAID THE ENVIRONMENT ASSESSMENT BILL, ONE OF THE MOST COMPREHENSIVE PIECE OF PREVENTIVE ENVIRONMENTAL LEGISLATION SO FAR CONCEIVED, WOULD BE INTRODUCED EARLY NEXT YEAR.

REFERRING TO THE POLLUTORS PAY PRINCIPLE, MR EASON NOTED THAT A BILL TO PROVIDE FOR SEWAGE CHARGES WAS BEING EXAMINED BY THE BILLS COMMITTEE. HE URGED MEMBERS TO GRASP THE NETTLE AS WELL AS THE PRINCIPLE.

"TIME AND AGAIN WE ARE SEEING SELECTIVITY - SOMETHING TO DO WITH INTEREST GROUPS AND VOTERS PERHAPS - COLOUR THE OTHERWISE SUPPORTIVE VIEWS OF RESPONSIBLE MEMBERS," HE SAID.

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#### THREAT OF TRAFFIC CONGESTION

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HONG KONG IS FACED WITH A REAL THREAT IN THE SHAPE OF CONGESTION WHICH, IF UNCHECKED, COULD PARALYSE ITS WHOLE TRANSPORT SYSTEM, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, SAID TODAY (WEDNESDAY).

SPEAKING AT THE LEGISLATIVE COUNCIL POLICY ADDRESS DEBATE, HE SAID: "WE NEED TO TACKLE THIS PROBLEM TOGETHER, BOLDLY AND COURAGEOUSLY."

MR BARMA SAID THE WORKING GROUP CONVENED BY HIM HAD DELIBERATED THE THREE MAIN OPTIONS - FISCAL MEASURES, QUOTAS AND ROAD PRICING - AS POSSIBLE WAYS TO CURB CAR GROWTH.

HE SAID HIS APPROACH WAS TO CONSULT WIDELY AND HE EXPECTED A LIVELY EXCHANGE OF VIEWS.

MR BARMA SAID THE RECENT RISE IN PRIVATE CAR OWNERSHIP HAD BEEN PHENOMENAL AS A RESULT OF THE TERRITORY'S ECONOMIC GROWTH AND INCREASE IN PERSONAL WEALTH.

"THERE HAS BEEN A ONE-THIRD INCREASE IN NUMBERS OF PRIVATE VEHICLES IN THE LAST THREE YEARS, CONTINUED GROWTH AT THE RATE OF 10 PER CENT PER ANNUM, OR 68 ADDITIONAL CARS ON THE ROADS EACH DAY.

"NO ROAD-BUILDING PROGRAMME AND NO SOPHISTICATED TRAFFIC MANAGEMENT SYSTEM COULD EVER COPE WITH GROWTH ON THIS SCALE.

"IF WE DO NOTHING, THEN WE CAN EXPECT A GRADUAL SLIDE INTO TRAFFIC GRIDLOCK."

THE IMPLICATIONS ARE HORRENDOUS FOR THE TRAVELLING PUBLIC, FOR THE ECONOMY AND FOR THE ENVIRONMENT, HE SAID.

"GIVING OVER MORE ROAD SPACE FOR USE BY PRIVATE VEHICLES WOULD MEAN LESS ROAD SPACE FOR THE 90 PER CENT OF THE POPULATION WHO USE PUBLIC TRANSPORT, INCLUDING TAXIS.

"IF NOTHING IS DONE, THEN THE AVERAGE CITIZEN CAN EXPECT LONGER TRAVEL TIMES, CONSEQUENTLY HIGHER FARES AND MUCH MORE AIR POLLUTION."

RESPONDING TO SOME MEMBERS' SUGGESTIONS FOR EASING CONGESTION BY INVOLVING A GREATER INVESTMENT IN FLYOVERS, ROADS AND RAILWAYS, MR BARMA SAID THE GOVERNMENT WAS COMMITTED TO MAINTAINING A HIGH LEVEL OF INVESTMENT IN TRANSPORT INFRASTRUCTURE.

"WE ARE SPENDING \$30 BILLION ON NEW ROADS OVER THE NEXT FIVE YEARS, BUT WE SIMPLY CANNOT BUILD OUR WAY OUT OF CONGESTION," HE SAID.

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SEM STRESSES THE IMPORTANCE AT UPHOLDING QUALITY OF TERTIARY EDUCATION

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FOR HONG KONG TO MAINTAIN ITS INTERNATIONAL COMPETITIVENESS AND TO UPHOLD ITS REPUTATION IN PRODUCING QUALITY GRADUATES AND PROFESSIONALS, IT IS ESSENTIAL TO MAINTAIN AN ACCREDITATION AND QUALITY CONTROL SYSTEM THAT HAS CREDIBILITY AT THE INTERNATIONAL LEVEL, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS, MR LEUNG SAID THE QUALITY OF THE TERTIARY EDUCATION WAS OF CONCERN NOT ONLY TO ACADEMIC INSTITUTIONS, BUT ALSO TO PROFESSIONAL ORGANISATIONS AND EMPLOYERS.

"IN THIS RESPECT, WE SHARE A MEMBER'S RESERVATIONS ABOUT BLANKET APPROVALS OF ACADEMIC QUALIFICATIONS REGARDLESS OF APPLICABILITY.

"WE SHOULD CONTINUE TO LEAVE IT TO THE JUDGMENT AND KNOWLEDGE OF OUR PROFESSIONAL BODIES AND ACADEMIC INSTITUTIONS, WHICH HAVE DONE A GOOD JOB OVER THE PAST YEARS, TO LOOK AFTER THE QUALITY AND REPUTATION OF OUR PROFESSIONAL STANDARDS AND ACADEMIC QUALIFICATIONS," MR LEUNG SAID.

ON TERTIARY EDUCATION FEES, MR LEUNG POINTED OUT THAT IT WAS REASONABLE TO EXPECT THOSE PARENTS WHO COULD AFFORD IT TO PAY FOR A SMALL SHARE, AT 18 PER CENT MAXIMUM, OF THE COST FOR EDUCATING THEIR CHILDREN.

"AFTER ALL, UNIVERSITY EDUCATION DOES REPRESENT A GOOD INVESTMENT NOT JUST FOR SOCIETY, BUT ALSO FOR THE PARENTS AND STUDENTS AND THEIR FAMILIES," HE SAID.

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## COMPULSORY PROVIDENT FUNDS WILL NOT BE CONSIDERED: SEM

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THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TODAY (WEDNESDAY) REITERATED THAT THE ADMINISTRATION WOULD NOT LOOK BACK ON THE CASE FOR COMPULSORY PROVIDENT FUNDS, BE THEY PRIVATELY-RUN OR CENTRAL.

"BECAUSE PROVIDENT FUNDS PROVIDE NO RELIEF TO THOSE OUTSIDE THE WORKFORCE. BECAUSE PROVIDENT FUNDS CANNOT MEET THE NEEDS OF THE AGEING POPULATION SOON ENOUGH.

"AND BECAUSE PROVIDENT FUNDS, EVEN AFTER DECADES, ONLY PROVIDE MEAGRE PROTECTION TO THOSE WITH LOW INCOME," HE SAID.

MR LEUNG WAS RESPONDING TO VIEWS OF THE LEGISLATIVE COUNCILLORS ON THE OLD AGE PENSION SCHEME AT THE RESUMED DEBATE ON THE POLICY ADDRESS.

HE STRESSED THAT THE OLD AGE PENSION SCHEME WAS FOUNDED ON THE RATIONALE THAT, AS A CARING AND AFFLUENT SOCIETY, HONG KONG SHOULD NO LONGER RISK AN INCREASING PROPORTION OF ITS ELDERLY SLIPPING INTO POVERTY.

"THE AIM IS TO ENHANCE THE QUALITY OF LIFE, THROUGH INCOME PROTECTION, FOR THAT LARGE GROUP OF ELDERLY PEOPLE WHO HAVE LOST THEIR EARNING CAPACITY," HE SAID.

MR LEUNG NOTED THAT WHILE THE ELDERLY PEOPLE MIGHT NOT BE ENTIRELY WITHOUT MEANS, MANY WERE LIVING AT THE MARGINS OF LOW INCOME AND CONSTANTLY FACED THE PRESSURE OF FINANCIAL HARDSHIP.

"WE ACCEPT THAT THE MODEST LEVEL OF PROVISION PROPOSED IN THE SCHEME WILL NOT PROVIDE RELIEF FOR ALL, BUT IT WILL HELP TO EASE ECONOMIC HARDSHIP FOR MANY," HE SAID.

"THE SCHEME WILL NOT BANKRUPT OUR ECONOMY. BECAUSE TOTAL PROVISION PENSION PAYMENT AMOUNTS TO LESS THAN 1.5 PER CENT OF GDP.

"BECAUSE PENSION PAYMENT WILL BE IRON-LINKED TO CONTRIBUTION INCOME THUS PREVENTING INDISCRIMINATE INCREASES IN BENEFITS AND BECAUSE AT AN ESTIMATED AVERAGE CONTRIBUTION OF \$180 PER MONTH, IT IS AN EXTREMELY MODEST PRICE FOR THE WORKING COMMUNITY TO PAY," MR LEUNG SAID.

EMB ON COURSE TO COMPLETE POLICY COMMITMENTS

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THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TODAY (WEDNESDAY) TOLD THE LEGISLATIVE COUNCIL THAT HIS BRANCH HAD ALREADY ACHIEVED IN FULL, 14 OF THE 34 UNDERTAKINGS IN THE EDUCATION AND EMPLOYMENT PROGRAMMES SET OUT IN THE LAST TWO POLICY ADDRESSES, AND THE REST WERE BEING COMPLETED ON TIME.

SPEAKING AT THE RESUMED DEBATE ON THE MOTION OF THANKS TO THE GOVERNOR'S POLICY ADDRESS, MR LEUNG SAID ON TOP OF THE 16 NEW POLICY COMMITMENTS PUT FORWARD THIS YEAR, THE EDUCATION AND MANPOWER BRANCH WAS DEVELOPING NEW POLICIES ON LANGUAGE PROFICIENCY, SCHOOL FUNDING AND EDUCATIONAL STANDARDS; UNDERTAKING A COMPREHENSIVE REVIEW AND CONSULTATION ON THE OLD AGE PENSION SCHEME; AND FORMULATING HIGHER EDUCATION POLICY FOR THE NEXT CENTURY.

"THESE ARE JUST SOME OF THE MAIN ITEMS ON OUR POLICY AGENDA," HE SAID.

"PUT THESE AGAINST THE BACKGROUND OF OUR ACHIEVEMENTS IN IMPLEMENTING OVER 100 RECOMMENDATIONS IN THE EDUCATION COMMISSION REPORTS NO. 4 AND 5, IN BRINGING ABOUT HIGHER EDUCATION TO ONE-QUARTER OF OUR YOUNG PEOPLE IN THE AGE GROUP, IN SETTING UP FOUR TERTIARY INSTITUTIONS WITHIN THE LAST 10 YEARS, IN MAINTAINING HARMONIOUS LABOUR RELATIONS AND INTRODUCING STEADY IMPROVEMENTS TO LABOUR WELFARE, I WONDER HOW SERIOUSLY THOSE CRITICS TAKE OF THEIR SO-CALLED 'SUNSET GOVERNMENT' RHETORICS," HE SAID.

RESPONDING TO POINTS MADE BY MEMBERS, MR LEUNG SAID HE HAD TO TAKE ISSUE WITH THE VIEW THAT NOT MUCH WAS "NEW" IN THE POLICY COMMITMENTS.

"I MAKE NO APOLOGY FOR THAT. IN AN ADMINISTRATION SYSTEM AS OPEN AS OURS, POLICY FORMULATION TAKES A LABORIOUS PROCESS OF CONSULTATIONS WHICH ARE OFTEN PUBLICISED. DECISIONS ON MAJOR ISSUES, THEREFORE, SELDOM COME AS SURPRISES," MR LEUNG SAID.

HE SAID GOOD ADMINISTRATION WAS NOT SIMPLY MAKING NEW SUGGESTIONS EVERY TIME.

"GOOD ADMINISTRATION IS BUILDING IMPROVEMENTS ON ACHIEVEMENTS. GOOD ADMINISTRATION IS ENSURING THAT DECLARED COMMITMENTS ARE IMPLEMENTED EFFICIENTLY AND EFFECTIVELY. IT IS A CONTINUOUS PROCESS OF UPGRADING," HE SAID.

SLIGHTLY LOWER INCREASE IN EDUCATION EXPENDITURE EXPLAINED

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THE SLIGHTLY LOWER INCREASE IN EXPENDITURE FOR EDUCATION FOR NEXT YEAR MUST BE VIEWED AGAINST THE STEADY, LONG AND STRONG GROWTH IN THE PAST YEARS AND AGAINST THE BACKGROUND THAT THE SCHOOL POPULATION HAS BEEN DROPPING SINCE 1992, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED DEBATE ON THE MOTION OF THANKS TO THE GOVERNOR'S POLICY ADDRESS, MR LEUNG POINTED OUT THAT EDUCATION HAD CLAIMED ONE-FIFTH OF THE GOVERNMENT'S RECURRENT SPENDING, THE SINGLE LARGEST ITEM FOR MANY YEARS AND THAT IT HAD GROWN AT AN AVERAGE ANNUAL RATE OF 16 PER CENT IN THE PAST FOUR YEARS.

ON KINDERGARTEN EDUCATION, MR LEUNG NOTED THAT MEMBERS HAD URGED THAT THE GOVERNMENT SHOULD ADOPT THE TWIN APPROACH OF PROVIDING ADDITIONAL TRAINING OPPORTUNITIES FOR KINDERGARTEN TEACHERS AND SUBSIDISING KINDERGARTENS IN ORDER TO UPGRADE THE QUALITY OF KINDERGARTEN EDUCATION.

"WE AGREE IN PRINCIPLE TO THIS APPROACH. BUT TO ENSURE THAT THERE IS ADEQUATE SUPPLY OF TRAINED TEACHERS TO MEET THE SPECIFIED REQUIREMENT, AND HAVING REGARD TO RESOURCES AVAILABLE, FIRST PRIORITY MUST BE GIVEN TO TRAINING. AND THAT IS WHAT WE HAVE PROPOSED," MR LEUNG SAID.

HE SAID THE ADMINISTRATION ACCEPTED THE LOGIC OF AN ARGUMENT FOR IMPLEMENTING THE SUBSIDY SCHEME EARLIER ON THE GROUND THAT WITHOUT THE SUBSIDY SCHEME, MANY KINDERGARTENS WOULD HAVE TO RAISE FEES TO RETAIN TRAINED TEACHERS, RESULTING IN INCREASED FINANCIAL BURDEN FOR PARENTS.

"BUT THE SCALE OF SUBSIDY PAYABLE AND ITS IMPACT ON INDIVIDUAL KINDERGARTEN FEES MUST BE CAREFULLY ASSESSED. THIS IS TO MINIMISE ANY ADVERSE IMPACT OF FEE INCREASES ON PARENTS AND TO ENSURE THAT THESE SUBSIDIES WOULD NOT BE TURNED INTO ADDITIONAL PROFITS.

"THESE IMPORTANT TECHNICAL AND FINANCIAL PROBLEMS ARE NOW BEING EXAMINED IN DETAIL URGENTLY SO THAT AN APPROPRIATE SCHEME CAN BE DEvised FOR FINAL APPROVAL."

MR LEUNG SAID PROVIDED THAT THE NECESSARY APPROVAL AND FUNDING COULD BE SECURED, THE ADMINISTRATION HOPED TO INTRODUCE THE DIRECT SUBSIDY SCHEME IN THE COMING ACADEMIC YEAR FROM SEPTEMBER 1995.

"THIS MEANS THAT WE WILL BE ADVANCING THE SUBSIDY SCHEME 12 MONTHS AHEAD OF MY POLICY COMMITMENT, THIS SHOULD, I HOPE BE WELCOMED TO MEMBERS AND THOSE IN THE KINDERGARTEN SECTOR," MR LEUNG SAID.

ED TO INTENSIFY PUBLICITY  
TO ENCOURAGE USE OF CHINESE AS TEACHING MEDIUM  
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PARENTAL ATTITUDE REMAINS A MAJOR PROBLEM HAMPERING THE EFFORTS TO ENCOURAGE SCHOOLS TO ADOPT CHINESE AS THE TEACHING MEDIUM.

SPEAKING AT THE RESUMED DEBATE ON THE POLICY ADDRESS TODAY (WEDNESDAY), THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID TO OVERCOME THIS PROBLEM AND TO ASSIST SCHOOLS FURTHER, THE EDUCATION DEPARTMENT WOULD INTENSIFY ITS PUBLICITY AND EDUCATION EFFORTS; CHECK THE TEACHING PROGRAMMES ADOPTED BY SCHOOLS AS COMPARED WITH THOSE BY THE DEPARTMENT; AND GIVE FIRM GUIDANCE TO ALL SCHOOLS IN SEPTEMBER 1997 ON THE APPROPRIATE TEACHING MEDIUM TO ADOPT AS FROM SEPTEMBER 1998.

HE POINTED OUT THAT THESE MEASURES WERE IN ADDITION TO MANY POSITIVE MEASURES THE GOVERNMENT HAD INTRODUCED, INCLUDING THE PROVISION OF EXTRA ENGLISH TEACHERS.

ON TARGET ORIENTED CURRICULUM, MR LEUNG SAID A SPECIAL BODY WOULD SOON BE ESTABLISHED TO MONITOR THE SCHEME, TO INTRODUCE REMEDIAL MEASURES WHERE NECESSARY, AND TO GUIDE ITS FURTHER DEVELOPMENT.

"PARTICIPATING SCHOOLS WILL BE GIVEN EVERY SUPPORT AND ASSISTANCE," HE SAID.

THE DECISION TO INTRODUCE THE TARGET ORIENTED CURRICULUM IN PRIMARY ONE CLASSES IN 70 PRIMARY SCHOOLS IN SEPTEMBER 1995 AND ALL PRIMARY ONE CLASSES IN 1996 HAD BEEN TAKEN AFTER A MOST CAREFUL EVALUATION OF THREE PILOT PROJECTS CONDUCTED IN 1992 TO 1994 AND THE RESULTS OF AN IN-DEPTH STUDY IN 1993, MR LEUNG SAID.

TURNING TO POINTS RAISED BY MEMBERS ON REVIEW OF THE SCHOOL CURRICULUM, MR LEUNG SAID TOPICS SUCH AS THE JOINT DECLARATION, THE BASIC LAW AND KNOW MORE ABOUT CHINA HAD ALREADY BEEN INCLUDED IN SCHOOL SUBJECTS.

"IT IS BEING EXTENDED TO CATER FOR THE NEEDS OF THE LESS MOTIVATED AND THE LOW ACHIEVERS.

"IN SEPTEMBER 1995, IT WILL UNDERGO A MAJOR TRANSFORMATION WITH THE INTRODUCTION OF THE TARGET ORIENTED CURRICULUM. NEVERTHELESS, I HAVE NO DOUBT THAT THE CURRICULUM DEVELOPMENT COUNCIL IS ALIVE TO THE CONCERNS EXPRESSED BY MEMBERS AND WILL CONTINUE TO UPDATE AND MODIFY OUR SCHOOL CURRICULUM TO MEET THE WIDER COMMUNITY NEEDS.

"OUR SCHOOL CURRICULUM NEVER STAYS STATIC," MR LEUNG SAID.

HE SAID HE COULD NOT AGREE WITH THE OBSERVATION THAT WHAT THE GOVERNMENT HAD BEEN DOING IN THE IMPORTANT TASK OF RAISING TEACHERS' STATUS WAS SUPERFICIAL.

"THE ESTABLISHMENT OF THE HONG KONG INSTITUTE OF EDUCATION AND THE COUNCIL ON PROFESSIONAL CONDUCT IN EDUCATION ARE CONCRETE STEPS IN THIS DIRECTION. THE CONTINUED UPGRADING OF TEACHING POSTS IN SCHOOLS IS ANOTHER.

"WE WILL CONTINUE WITH OUR EFFORTS TO PROMOTE THE IMAGE OF TEACHERS. TEACHERS THEMSELVES CAN, OF COURSE, HELP BY RAISING THEIR OWN PROFESSIONALISM," MR LEUNG SAID.

## HONG KONG NEEDS TO IMPORT REASONABLE AMOUNT OF LABOUR: SEM

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HONG KONG WILL CONTINUE TO REQUIRE A REASONABLE AMOUNT OF LABOUR TO BE IMPORTED GIVEN THAT THE LABOUR MARKET REMAINS TIGHT AND UNEMPLOYMENT RATE IS AT 2.3 PER CENT.

"BUT THE LONG TERM SOLUTION TO LABOUR SHORTAGE MUST LIE WITH PRODUCTIVITY INCREASE," THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID TODAY (WEDNESDAY) WHEN ADDRESSING THE RESUMED DEBATE ON THE GOVERNOR'S POLICY ADDRESS.

"WE THEREFORE CALL FOR EMPLOYERS AND EMPLOYEES TO CONTINUE TO IMPROVE THEIR PRODUCTION PROCESS, TO ADOPT EFFICIENT MANAGEMENT PRACTICES, AND TO DO BETTER, TRAIN THEIR OWN EMPLOYEES IN ORDER TO COPE WITH THE GIVEN CONSTRAINT," HE SAID.

ON THE GOVERNMENT'S PART, MR LEUNG SAID THE ADMINISTRATION WOULD CONTINUE TO PROMOTE EMPLOYEES RETRAINING VIGOROUSLY, THROUGH THE EMPLOYEES RETRAINING BOARD, SO THAT THOSE WORKERS WHO HAD BEEN DISPLACED MIGHT REJOIN THE WORKFORCE AS SOON AS POSSIBLE.

"THE BOARD HAS DONE A REMARKABLE JOB IN PUTTING 32,000 PEOPLE THROUGH THEIR TRAINING COURSES IN 18 MONTHS. EXIT SURVEYS HAVE ALSO INDICATED THAT, FOR THOSE WHO WERE ACTIVELY SEEKING JOBS, ABOUT 70 PER CENT HAVE SUCCEEDED.

"THE BOARD WILL SHORTLY PROVIDE FOLLOW UP SERVICE FOR RETRAINEES WHO ARE NOT ABLE TO FIND JOBS AFTER COMPLETING RETRAINING. A PILOT SCHEME IS ALREADY UNDER WAY," MR LEUNG SAID.

IN REPLY TO CRITICISM BY SOME MEMBERS THAT THE ALLOCATION OF QUOTAS TO THE MANUFACTURING AND HOTEL INDUSTRIES UNDER THE GENERAL LABOUR IMPORTATION SCHEME WAS UNFAIR, MR LEUNG EXPLAINED THAT THE QUOTA ALLOCATION WAS MADE ACCORDING TO A PUBLISHED FORMULA WHICH TOOK INTO ACCOUNT FOUR KEY PARAMETERS: VACANCIES, LABOUR UTILISATION, WAGES AND ECONOMIC CONTRIBUTION.

"THE LOGIC BEHIND THE FORMULA IS TO MAKE SURE THAT THE QUOTAS ARE ASSIGNED TO THOSE SECTORS MOST IN NEED AND ARE ABLE TO MAKE THE BEST ECONOMIC USE OF THEM.

"THE ALLOCATION RESULTS HAVE SO FAR MATCHED THIS AIM BROADLY," HE SAID.

NEVERTHELESS, MR LEUNG SAID THE GOVERNMENT WOULD UNDERTAKE A REVIEW OF THE QUOTA ALLOCATION SYSTEM TO SEE WHAT AND HOW COULD BE DONE EVEN BETTER IN OPTIMISING THE ECONOMIC BENEFITS OF THE QUOTAS WITHIN THE ESTABLISHED CEILING.

MR LEUNG REFUTED A POINT MADE BY A MEMBER WHO CLAIMED THAT THE UNEMPLOYMENT STATISTICS WERE FAULTED BECAUSE "GOVERNMENT HAS CLASSIFIED A LARGE NUMBER OF POTENTIAL EMPLOYEES AS BEING OUTSIDE THE LABOUR FORCE".

"WITH RESPECT, THIS IS AN UNINFORMED VIEW.

"THE METHOD BY WHICH HONG KONG'S UNEMPLOYMENT RATES IS COMPILED CONFORMS WITH INTERNATIONALLY ACCEPTED STATISTICAL APPROACH STANDARDS AND IS CONSISTENTLY DONE THROUGH THE YEARS.

"NO ONE IS BEING EXCLUDED ARBITRARILY FROM THE LABOUR FORCE IN THE COMPILATION PROCESS," HE SAID.

NOTING THAT THOSE MEMBERS FROM THE LABOUR CONSTITUENCY CALLED FOR THE SCHEME TO BE SCRAPPED AND THOSE IN THE BUSINESS SECTOR ASKED FOR ITS IMMEDIATE EXPANSION, MR LEUNG SAID THIS WAS IN ITSELF A REFLECTION OF THE DIFFICULT BALANCE THAT GOVERNMENT HAD TO STRIKE.

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SEM SPEAKS ON MOTION OF THANKS

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

BEFORE I RESPOND TO SPECIFIC POINTS, I HAVE TO TAKE ISSUE WITH A VIEW EXPRESSED BY SOME MEMBERS, THAT NOT MUCH IS "NEW" IN MY POLICY COMMITMENTS. I MAKE NO APOLOGY FOR THAT. IN AN ADMINISTRATION SYSTEM AS OPEN AS OURS, POLICY FORMULATION TAKES A LABORIOUS PROCESS OF CONSULTATIONS WHICH ARE OFTEN PUBLICISED. DECISIONS ON MAJOR ISSUES, THEREFORE, SELDOM COME AS SURPRISES.

BUT I WOULD FURTHER ARGUE THAT GOOD ADMINISTRATION IS NOT SIMPLY MAKING NEW SUGGESTIONS EVERY TIME. GOOD ADMINISTRATION IS BUILDING IMPROVEMENTS ON ACHIEVEMENTS. GOOD ADMINISTRATION IS ENSURING THAT DECLARED COMMITMENTS ARE IMPLEMENTED EFFICIENTLY AND EFFECTIVELY. IT IS A CONTINUOUS PROCESS OF UPGRADING.

IN THE EDUCATION AND MANPOWER PROGRAMMES, WE HAVE ANNOUNCED 34 UNDERTAKINGS IN THE LAST TWO POLICY ADDRESSES. 14 HAVE BEEN ACHIEVED IN FULL. THE REST ARE BEING COMPLETED ON TIME. WE HAVE JUST PUT FORWARD ANOTHER 16 NEW COMMITMENTS THIS YEAR.

ON TOP OF THAT, WE ARE DEVELOPING NEW POLICIES ON LANGUAGE PROFICIENCY, SCHOOL FUNDING AND EDUCATIONAL STANDARDS; WE ARE UNDERTAKING A COMPREHENSIVE REVIEW AND CONSULTATION ON THE OLD AGE PENSION SCHEME; AND WE ARE FORMULATING HIGHER EDUCATION POLICY FOR THE NEXT CENTURY. THESE ARE JUST SOME OF THE MAIN ITEMS ON OUR POLICY AGENDA.

PUT THESE AGAINST THE BACKGROUND OF OUR ACHIEVEMENTS IN IMPLEMENTING OVER 100 RECOMMENDATIONS IN THE EDUCATION COMMISSION REPORTS NO. 4 AND 5, IN BRINGING ABOUT HIGHER EDUCATION TO ONE-QUARTER OF OUR YOUNG PEOPLE IN THE AGE GROUP, IN SETTING UP FOUR TERTIARY INSTITUTIONS WITHIN THE LAST TEN YEARS, IN MAINTAINING HARMONIOUS LABOUR RELATIONS AND INTRODUCING STEADY IMPROVEMENTS TO LABOUR WELFARE, I WONDER HOW SERIOUSLY THOSE CRITICS TAKE OF THEIR SO-CALLED "SUNSET GOVERNMENT" RHETORICS.

I NOW TURN TO THE PARTICULAR POINTS.

#### EDUCATION EXPENDITURE

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HONG KONG'S SOCIAL PROGRESS AND ECONOMIC PROSPERITY IS FOUNDED ON ITS HUMAN ASSET. EDUCATION HAS RIGHTLY CLAIMED ONE-FIFTH OF GOVERNMENT'S RECURRENT SPENDING, THE SINGLE LARGEST ITEM FOR MANY YEARS. IT HAS GROWN IN THE LAST FOUR YEARS AT AN AVERAGE RATE OF 16%. THE SLIGHTLY LOWER INCREASE FOR NEXT YEAR MUST THEREFORE BE VIEWED AGAINST THIS STEADY, LONG AND STRONG GROWTH, AND AGAINST THE BACKGROUND THAT OUR SCHOOL POPULATION HAS IN FACT BEEN DROPPING SINCE 1992.

#### KINDERGARTEN EDUCATION

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A NUMBER OF MEMBERS HAVE URGED THE GOVERNMENT TO ADOPT THE TWIN APPROACH OF PROVIDING ADDITIONAL TRAINING OPPORTUNITIES FOR KINDERGARTEN TEACHERS AND SUBSIDIZING KINDERGARTENS IN ORDER TO UPGRADE THE QUALITY OF KINDERGARTEN EDUCATION. WE AGREE IN PRINCIPLE TO THIS APPROACH. BUT TO ENSURE THAT THERE IS ADEQUATE SUPPLY OF TRAINED TEACHERS TO MEET THE SPECIFIED REQUIREMENT, AND HAVING REGARD TO RESOURCES AVAILABLE, FIRST PRIORITY MUST BE GIVEN TO TRAINING. AND THAT IS WHAT WE HAVE PROPOSED.

A VALID ARGUMENT ADVANCED BY SOME MEMBERS FOR IMPLEMENTING THE SUBSIDY SCHEME EARLIER IS THAT WITHOUT THE SUBSIDY SCHEME, MANY KINDERGARTENS WOULD HAVE TO RAISE FEES TO RETAIN TRAINED TEACHERS, THUS RESULTING IN INCREASED FINANCIAL BURDEN FOR PARENTS. WE ACCEPT THE LOGIC OF THIS ARGUMENT. BUT THE SCALE OF SUBSIDY PAYABLE AND ITS IMPACT ON INDIVIDUAL KINDERGARTEN FEES MUST BE CAREFULLY ASSESSED. THIS IS TO MINIMISE ANY ADVERSE IMPACT OF FEE INCREASES ON PARENTS AND TO ENSURE THAT THESE SUBSIDIES WOULD NOT BE TURNED INTO ADDITIONAL PROFITS. THESE IMPORTANT TECHNICAL AND FINANCIAL PROBLEMS ARE NOW BEING EXAMINED IN DETAIL URGENTLY SO THAT AN APPROPRIATE SCHEME CAN BE DEvised FOR FINAL APPROVAL. PROVIDED THAT THE NECESSARY APPROVAL AND FUNDING CAN BE SECURED, I HOPE TO INTRODUCE THIS DIRECT SUBSIDY SCHEME IN THE COMING ACADEMIC YEAR STARTING SEPTEMBER 1995. THIS MEANS THAT WE WILL BE ADVANCING THE SUBSIDY SCHEME 12 MONTHS AHEAD OF MY POLICY COMMITMENT, THIS SHOULD I HOPE BE WELCOME TO MEMBERS AND THOSE IN THE KINDERGARTEN SECTOR.

#### MEDIUM OF INSTRUCTION

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CONCERN HAS BEEN EXPRESSED ABOUT THE ADEQUACY OF MEASURES IN ENCOURAGING SCHOOLS TO ADOPT CHINESE AS THE MEDIUM OF INSTRUCTION. MEMBERS ARE FULLY AWARE OF THE MANY POSITIVE MEASURES WE HAVE INTRODUCED, INCLUDING THE PROVISION OF EXTRA ENGLISH TEACHERS. PARENTAL ATTITUDE REMAINS THE MAJOR PROBLEM. TO OVERCOME THIS AND TO ASSIST SCHOOLS FURTHER, THE DEPARTMENT WILL INTENSIFY ITS PUBLICITY AND EDUCATION EFFORTS; CHECK THE TEACHING PROGRAMMES ADOPTED BY SCHOOLS AS COMPARED WITH THOSE BY THE DEPARTMENT; AND GIVE FIRM GUIDANCE TO ALL SCHOOLS IN SEPTEMBER 1997 ON THE APPROPRIATE TEACHING MEDIUM TO ADOPT AS FROM SEPTEMBER 1998.

### TARGET ORIENTED CURRICULUM

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THE DECISION TO INTRODUCE THE TARGET ORIENTED CURRICULUM IN PRIMARY ONE CLASSES IN 70 PRIMARY SCHOOLS IN SEPTEMBER 1995 AND ALL PRIMARY ONE CLASSES IN 1996 HAS BEEN TAKEN AFTER A MOST CAREFUL EVALUATION OF THREE PILOT PROJECTS CONDUCTED IN 1992 TO 1994 AND THE RESULTS OF AN IN-DEPTH STUDY IN 1993. PARTICIPATING SCHOOLS WILL BE GIVEN EVERY SUPPORT AND ASSISTANCE. A SPECIAL BODY WILL BE SET UP SOON TO MONITOR THE SCHEME, TO INTRODUCE REMEDIAL MEASURES WHERE NECESSARY, AND TO GUIDE ITS FURTHER DEVELOPMENT.

### REVIEW OF THE SCHOOL CURRICULUM

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SOME MEMBERS HAVE CALLED FOR A REVIEW OF THE SCHOOL CURRICULUM. OUR SCHOOL CURRICULUM NEVER STAYS STATIC. TOPICS SUCH AS THE JOINT DECLARATION, THE BASIC LAW AND KNOW MORE ABOUT CHINA HAVE ALREADY BEEN INCLUDED IN SCHOOL SUBJECTS. IT IS BEING EXTENDED TO CATER FOR THE NEEDS OF THE LESS MOTIVATED AND THE LOW ACHIEVERS. IN SEPTEMBER 1995, IT WILL UNDERGO A MAJOR TRANSFORMATION WITH THE INTRODUCTION OF THE TARGET ORIENTED CURRICULUM. NEVERTHELESS, I HAVE NO DOUBT THAT THE CURRICULUM DEVELOPMENT COUNCIL IS ALIVE TO THE CONCERNS EXPRESSED BY MEMBERS AND WILL CONTINUE TO UPDATE AND MODIFY OUR SCHOOL CURRICULUM TO MEET THE WIDER COMMUNITY NEEDS.

### RAISING TEACHERS' STATUS

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I CANNOT AGREE WITH THE OBSERVATION THAT WHAT WE HAVE BEEN DOING IN THE IMPORTANT TASK OF RAISING TEACHERS' STATUS IS SUPERFICIAL. THE ESTABLISHMENT OF THE HONG KONG INSTITUTE OF EDUCATION AND THE COUNCIL ON PROFESSIONAL CONDUCT IN EDUCATION ARE CONCRETE STEPS IN THIS DIRECTION. THE CONTINUED UPGRADING OF TEACHING POSTS IN SCHOOLS IS ANOTHER. WE WILL CONTINUE WITH OUR EFFORTS TO PROMOTE THE IMAGE OF TEACHERS. TEACHERS THEMSELVES CAN, OF COURSE, HELP BY RAISING THEIR OWN PROFESSIONALISM.

### TERTIARY EDUCATION

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A COUPLE OF MEMBERS HAVE EXPRESSED CONCERN ON TERTIARY EDUCATION FEES. THIS SUBJECT HAS BEEN DISCUSSED AT LENGTH IN THE LAST DEBATE IN THIS COUNCIL IN JUNE. I SHALL NOT THEREFORE REPEAT THE DETAILS HERE. SUFFICE IT TO SAY THAT ONCE AGAIN THAT IT IS REASONABLE TO EXPECT THOSE PARENTS WHO CAN AFFORD IT TO PAY FOR A SMALL SHARE, AT 18% MAXIMUM, OF THE COST FOR EDUCATING THEIR CHILDREN. AFTER ALL, UNIVERSITY EDUCATION DOES REPRESENT A GOOD INVESTMENT NOT JUST FOR SOCIETY, BUT ALSO FOR THE PARENTS AND THE STUDENTS AND THEIR FAMILIES.

ONE MEMBER EXPRESSED CONCERN ON THE QUALITY OF OUR TERTIARY EDUCATION. THIS IS INDEED AN IMPORTANT SUBJECT. THE QUALITY OF OUR TERTIARY EDUCATION IS OF CONCERN NOT ONLY TO ACADEMIC INSTITUTIONS, BUT ALSO TO PROFESSIONAL ORGANISATIONS AND EMPLOYERS. FOR HONG KONG TO MAINTAIN ITS INTERNATIONAL COMPETITIVENESS AND TO UPHOLD ITS REPUTATION IN PRODUCING QUALITY GRADUATES AND PROFESSIONALS, IT IS ESSENTIAL THAT WE MAINTAIN AN ACCREDITATION AND QUALITY CONTROL SYSTEM THAT HAS CREDIBILITY AT THE INTERNATIONAL LEVEL.

IN THIS RESPECT, WE SHARE A MEMBER'S RESERVATIONS ABOUT BLANKET APPROVALS OF ACADEMIC QUALIFICATION REGARDLESS OF APPLICABILITY. WE SHOULD CONTINUE TO LEAVE IT TO THE JUDGEMENT AND KNOWLEDGE OF OUR PROFESSIONAL BODIES AND ACADEMIC INSTITUTIONS, WHICH HAVE DONE A GOOD JOB OVER THE PAST YEARS, TO LOOK AFTER THE QUALITY AND REPUTATION OF OUR PROFESSIONAL STANDARDS AND ACADEMIC QUALIFICATIONS.

#### OLD AGE PENSION SCHEME

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21 MEMBERS HAVE SPOKEN ON THE OLD AGE PENSION SCHEME. THIS IMPORTANT SUBJECT RIGHTLY DESERVES SO MUCH ATTENTION. SINCE THERE WILL BE A MOTION DEBATE ON IT VERY SOON, MY RESPONSE WILL BE BRIEF.

WE SHALL NOT LOOK BACK ON THE CASE FOR COMPULSORY PROVIDENT FUNDS, BE THEY PRIVATELY-RUN OR CENTRAL. BECAUSE PROVIDENT FUNDS PROVIDE NO RELIEF TO THOSE OUTSIDE THE WORKFORCE. BECAUSE PROVIDENT FUNDS CANNOT MEET THE NEEDS OF THE AGEING POPULATION SOON ENOUGH. AND BECAUSE PROVIDENT FUNDS, EVEN AFTER DECADES, ONLY PROVIDE MEAGRE PROTECTION TO THOSE WITH LOW INCOME.

THE OLD AGE PENSION SCHEME IS FOUNDED ON THE RATIONALE THAT, AS A CARING AND AFFLUENT SOCIETY, HONG KONG SHOULD NO LONGER RISK AN INCREASING PROPORTION OF OUR ELDERLY SLIPPING INTO POVERTY. THE AIM IS TO ENHANCE THE QUALITY OF LIFE, THROUGH INCOME PROTECTION, FOR THAT LARGE GROUP OF ELDERLY PEOPLE WHO HAVE LOST THEIR EARNING CAPACITY. WHILE THEY MAY NOT BE ENTIRELY WITHOUT MEANS, MANY ARE LIVING AT THE MARGINS OF LOW INCOME AND CONSTANTLY FACE THE PRESSURE OF FINANCIAL HARDSHIP. WE ACCEPT THAT THE MODEST LEVEL OF PROVISION PROPOSED IN THE SCHEME WILL NOT PROVIDE RELIEF FOR ALL, BUT IT WILL HELP TO EASE ECONOMIC HARDSHIP FOR MANY.

THE SCHEME WILL NOT BANKRUPT OUR ECONOMY. BECAUSE TOTAL PROVISION PENSION PAYMENT AMOUNTS TO LESS THAN 1.5% OF GDP. BECAUSE PENSION PAYMENT WILL BE IRON-LINKED TO CONTRIBUTION INCOME THUS PREVENTING INDISCRIMINATE INCREASES IN BENEFITS. AND BECAUSE AT AN ESTIMATED AVERAGE CONTRIBUTION OF \$180 PER MONTH, IT IS AN EXTREMELY MODEST PRICE FOR THE WORKING COMMUNITY TO PAY.

#### LABOUR IMPORTATION AND RETRAINING

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QUITE A LARGE NUMBER OF MEMBERS HAVE COMMENTED ON OUR LABOUR IMPORTATION POLICY. THOSE FROM THE LABOUR CONSTITUENCY CALLED FOR THE SCHEME TO BE SCRAPPED. THOSE IN THE BUSINESS SECTOR ASKED FOR ITS IMMEDIATE EXPANSION. THIS IS IN ITSELF A REFLECTION OF THE DIFFICULT BALANCE THAT GOVERNMENT HAS TO STRIKE.

THE FACT IS THAT THE LABOUR MARKET REMAINS TIGHT. AT 2.3% UNEMPLOYMENT, WE SHALL CONTINUE TO REQUIRE A REASONABLE AMOUNT OF LABOUR TO BE IMPORTED. BUT THE LONG TERM SOLUTION TO LABOUR SHORTAGE MUST LIE WITH PRODUCTIVITY INCREASE. WE THEREFORE CALL FOR EMPLOYERS AND EMPLOYEES TO CONTINUE TO IMPROVE THEIR PRODUCTION PROCESS, TO ADOPT EFFICIENT MANAGEMENT PRACTICES, AND TO DO BETTER, TRAIN THEIR OWN EMPLOYEES IN ORDER TO COPE WITH THE GIVEN CONSTRAINT.

ON OUR PART, WE SHALL CONTINUE TO PROMOTE EMPLOYEES RETRAINING VIGOROUSLY, THROUGH THE EMPLOYEES RETRAINING BOARD, SO THAT THOSE WORKERS WHO HAVE BEEN DISPLACED MAY REJOIN THE WORKFORCE AS QUICKLY AS POSSIBLE. THE BOARD HAS DONE A REMARKABLE JOB IN PUTTING 32,000 PEOPLE THROUGH THEIR TRAINING COURSES IN 18 MONTHS. EXIT SURVEYS HAVE ALSO INDICATED THAT, FOR THOSE WHO WERE ACTIVELY SEEKING JOBS, ABOUT 70% HAVE SUCCEEDED. THE BOARD WILL SHORTLY PROVIDE FOLLOW UP SERVICES FOR RETRAINEES WHO ARE NOT ABLE TO FIND JOBS AFTER COMPLETING RETRAINING. A PILOT SCHEME IS ALREADY UNDER WAY.

SOME MEMBERS HAVE CRITICISED US AS BEING UNFAIR IN THE ALLOCATION OF QUOTAS TO THE MANUFACTURING AND THE HOTEL INDUSTRIES UNDER THE GENERAL LABOUR IMPORTATION SCHEME. THIS IS NOT SO. OUR QUOTA ALLOCATION IS MADE ACCORDING TO A PUBLISHED FORMULA WHICH TAKES INTO ACCOUNT FOUR KEY PARAMETERS: VACANCIES, LABOUR UTILISATION, WAGES AND ECONOMIC CONTRIBUTION. THE LOGIC BEHIND THE FORMULA IS TO MAKE SURE THAT THE QUOTAS ARE ASSIGNED TO THOSE SECTORS MOST IN NEED AND ARE ABLE TO MAKE THE BEST ECONOMIC USE OF THEM. THE ALLOCATION RESULTS HAVE SO FAR MATCHED THIS AIM BROADLY.

NEVERTHELESS, WE SHALL UNDERTAKE A REVIEW OF THE QUOTA ALLOCATION SYSTEM TO SEE WHETHER AND HOW WE CAN DO EVEN BETTER IN OPTIMISING THE ECONOMIC BENEFITS OF OUR QUOTAS WITHIN THE ESTABLISHED CEILING.

I CANNOT LEAVE THIS SUBJECT WITHOUT CORRECTING A POINT MADE BY A MEMBER WHO CLAIMED THAT OUR UNEMPLOYMENT STATISTICS ARE FAULTED BECAUSE "GOVERNMENT HAS CLASSIFIED A LARGE NUMBER OF POTENTIAL EMPLOYEES AS BEING OUTSIDE THE LABOUR FORCE". WITH RESPECT, THIS IS AN UNINFORMED VIEW. THE METHOD BY WHICH HONG KONG'S UNEMPLOYMENT RATES IS COMPILED CONFORMS WITH INTERNATIONALLY ACCEPTED STATISTICAL APPROACH STANDARDS AND IS CONSISTENTLY DONE THROUGH THE YEARS. NO ONE IS BEING EXCLUDED ARBITRARILY FROM THE LABOUR FORCE IN THE COMPILATION PROCESS.

#### INDUSTRIAL SAFETY

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FINALLY, MY SPEECH WILL NOT BE COMPLETE WITHOUT REFERRING TO A MEMBER'S SUGGESTIONS TO ENHANCE INDUSTRIAL SAFETY. WE WILL GIVE THESE SUGGESTIONS FULL AND CAREFUL CONSIDERATION. INDUSTRIAL SAFETY IS AN AREA WHERE WE NEED TO DO SUBSTANTIALLY MORE, AND WHERE WE NEED FULL CO-OPERATION FROM BOTH EMPLOYERS AND EMPLOYEES. WE SHALL BE UNDERTAKING A MAJOR REVIEW ON INDUSTRIAL SAFETY PRACTICES, LABOUR LEGISLATION AND PRACTICES AND WILL ANNOUNCE OUR RECOMMENDATIONS FOR COMMENTS BY THE AUTUMN OF 1995.

THANK YOU.

LOCALISATION IS ONE OF THEM. IT IS A SUBJECT IN DANGER OF GETTING OUT OF PROPORTION. IT IS AN AREA IN WHICH MUCH PROGRESS HAS ALREADY BEEN MADE. ALMOST 99% OF THE CIVIL SERVICE AND NEARLY 70% OF THE DIRECTORATE ARE NOW LOCAL. INDEED THE GOVERNOR HAS COMMITTED IN HIS POLICY ADDRESS THAT ALL SECRETARY POSTS WILL BE FILLED BY LOCAL OFFICERS BY THE END OF NEXT YEAR. WE SHOULD NOT FORGET THE TREMENDOUS CONTRIBUTION WHICH OVERSEAS OFFICERS, INCLUDING MANY ON AGREEMENT TERMS HAVE MADE TO THE DEVELOPMENT OF HONG KONG. BY ENTERING INTO CONTRACTS WITH THEM, WE HAVE BEEN ABLE TO BRING IN EXPERTISE ESSENTIAL TO ACHIEVING SO MUCH, IN SO MANY AREAS OF GOVERNMENT ACTIVITY IN SO SHORT A TIME.

BUT A CONTRACT IS A CONTRACT AND I WANT TO ASSURE MEMBERS THAT WE ARE NOT GOING BACK ON LOCALISATION. WE BELIEVE THAT, WITH THE HELP OF THIS COUNCIL, WE HAVE NOW FOUND AN EQUITABLE MEANS OF BALANCING THE INTERESTS OF LOCAL AND OVERSEAS OFFICERS BY OPENING UP AGREEMENTS TO COMPETITION.

THERE ARE SUGGESTIONS THAT, IN THE CONTEXT OF SUCH COMPETITION, OVERSEAS OFFICERS TRANSFERRING TO LOCAL TERMS SHOULD BE REQUIRED TO SHOW SOME PROFICIENCY IN CHINESE. WE HAVE INDEED IMPOSED SUCH A REQUIREMENT WHERE THE NEED EXISTS. AND WE HAVE SOME SYMPATHY WITH THE ARGUMENT THAT, IN SEEKING TO ASSOCIATE THEMSELVES MORE CLOSELY WITH THE LOCAL COMMUNITY THEY SHOULD BE ENCOURAGED TO LEARN ITS LANGUAGE. HOWEVER WE MUST RESIST THE POLITICAL TEMPTATION TO MAKE PROFICIENCY IN CHINESE A PREREQUISITE TO FURTHER EMPLOYMENT, REGARDLESS OF POSTS TO BE FILLED.

ANOTHER TASK AHEAD IS TO ENSURE THAT ALL DEPARTMENTS ARE STAFFED AT ALL LEVELS, ESPECIALLY THE DIRECTORATE, BY OFFICERS WITH APPROPRIATE EXPERIENCE, TRAINING AND ABILITY. SUCCESSION PLANNING HAS ALWAYS BEEN A PRIORITY BUT IS BECOMING MORE SO AS WE APPROACH THE LAST STAGES OF THE TRANSITION. IT IS NATURAL THAT SOME OFFICERS IN THE FINAL PHASE OF THEIR CAREER MAY DECIDE FOR A VARIETY OF REASONS TO RETIRE A BIT EARLY. IT IS EQUALLY NATURAL THAT THEY SHOULD WISH TO KEEP THEIR OPTIONS OPEN FOR AS LONG AS POSSIBLE. WE KNOW THAT IN SOME DEPARTMENTS THIS COULD CAUSE DIFFICULTIES, BUT IN ALL DEPARTMENTS IT WILL OFFER OPPORTUNITIES - OPPORTUNITIES FOR RENEWAL, FOR ADVANCEMENT OF YOUNGER AND HIGHLY CAPABLE OFFICERS. HONG KONG IS FORTUNATE TO HAVE A WELL-ESTABLISHED, STABLE CIVIL SERVICE WITH A SOUND STRUCTURE PROVIDING STRENGTH IN DEPTH. I HAVE RAISED THESE ISSUES, NOT TO RAISE ALARM BUT TO MAKE SURE THAT MEMBERS OF THIS COUNCIL AND THE COMMUNITY AT LARGE ARE AWARE OF THEM, AND UNDERSTAND AND SUPPORT THE STEPS WE ARE TAKING TO ADDRESS THEM.

MEMBERS KNOW THAT WE HAVE INVESTED HEAVILY IN TRAINING IN THE PAST AND WILL BE INVESTING MORE IN THE FUTURE. MY POLICY COMMITMENT REFERS TO VARIOUS ASPECTS OF TRAINING AND, IN PARTICULAR HIGHLIGHTS THE CONSIDERABLE EXPANSION PLANNED FOR CHINA-RELATED TRAINING.

WE HAVE CONSIDERABLE TRAINING RESOURCES ALREADY. THE CIVIL SERVICE TRAINING CENTRE RUNS EXCELLENT COURSES ON A WIDE RANGE OF SUBJECTS, FROM NEGOTIATING SKILLS TO CHINESE TYPEWRITING, FROM CHINA STUDIES TO COMPUTER TRAINING. SINCE 1984 THE SENIOR STAFF COURSE CENTRE HAS RUN FULL-TIME MANAGEMENT COURSES FOR OFFICERS PREPARING TO SERVE IN THE DIRECTORATE. THESE COURSES ARE POPULAR AND SERVE US WELL. MANY DEPARTMENTS ALSO RUN SUCCESSFUL TRAINING PROGRAMMES TO MEET THEIR SPECIFIC NEEDS. WE AUGMENT ALL THIS IN-HOUSE TRAINING WITH CAREFULLY TARGETED MANAGEMENT COURSES BOTH LOCALLY AND OVERSEAS.

## SCS IN LEGCO DEBATE

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FOLLOWING IS THE SECRETARY FOR THE CIVIL SERVICE MR MICHAEL SZE'S REPLY DURING THE LEGCO DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

MANY MEMBERS HAVE SPOKEN ELOQUENTLY OF THE IMPORTANCE OF THE CIVIL SERVICE AS AN EFFICIENT AND STABLE INSTITUTION, PARTICULARLY AT THIS TIME IN HONG KONG'S DEVELOPMENT. I AM GRATEFUL FOR THESE REMARKS, AND MY COLLEAGUES IN THE CIVIL SERVICE WILL DRAW ENCOURAGEMENT FROM THEM.

MR CHEUNG MAN-KWONG REMARKED ON THE DIFFICULTIES AND CHALLENGES FACED BY THE CIVIL SERVICE. MR MARTIN BARROW PRAISED ITS DEDICATION. MR MARVIN CHEUNG CAUTIONED MEMBERS NOT TO GO "OVERBOARD" IN QUESTIONING CIVIL SERVANTS APPEARING BEFORE THEM AND RIGHTLY REMINDED US THAT THE COMMUNITY EXPECTS US TO WORK TOGETHER. AND I AM SPECIALLY GRATEFUL TO MR JIMMY MCGREGOR FOR ARTICULATING SO COGENTLY THE PROBLEMS FACED BY SENIOR CIVIL SERVANTS IN THEIR DEALINGS WITH THE LEGISLATURE. HE HAS REFLECTED THE SITUATION WELL AND I PARTICULARLY WISH TO ENDORSE HIS POSITION THAT WE ARE MEMBERS' COLLEAGUES AND NOT THEIR ADVERSARIES.

THE CIVIL SERVICE IS INDEED A STRONG AND IMPORTANT INSTITUTION. MR ERIC LI REFERRED TO IT AS HONG KONG'S MOST VALUABLE ASSET AND MR MARTIN BARROW CALLED IT THE ENVY OF MANY. IT HAS SERVED THIS COMMUNITY WELL THROUGH THE YEARS OF RAPID SOCIAL AND ECONOMIC CHANGE. NO LARGE INSTITUTION IS WITHOUT ITS FAULTS AND INEFFICIENCIES. BUT WE ARE COMMITTED TO IMPROVING CONSTANTLY, UPGRADING OUR SERVICES TO THE PUBLIC WHILE CONTAINING COSTS. INDIVIDUAL CIVIL SERVANTS ARE PRONE TO THE UNCERTAINTIES WHICH AFFECT THE COMMUNITY AT LARGE, BUT THE RECORD SHOWS THAT WE HAVE NOT LET THIS AFFECT OUR PERFORMANCE. WE HAVE MAINTAINED THE MOMENTUM OF RAISING OUR STANDARDS OF SERVICE, AND ARE MEETING THE COMMUNITY'S EXPECTATIONS.

IN THE CIVIL SERVICE WE KNOW THAT DESPITE CRITICISMS - SOMETIMES, DARE I SAY UNDESERVED, AS RECOGNISED BY MR MARVIN CHEUNG AND MR JIMMY MCGREGOR - THERE IS, NEVERTHELESS, A BROAD CONSENSUS IN THE COMMUNITY, AS REFLECTED IN MANY MEMBERS' SPEECHES, THAT THE CIVIL SERVICE IS DOING A GOOD JOB AND DESERVES SUPPORT. WE TREASURE THAT SUPPORT.

WE ALSO TREASURE THAT CONSENSUS AND ARE NATURALLY CONCERNED WHEN CIVIL SERVICE ISSUES BECOME POLITICISED, A CONCERN ECHOED BY MR RONALD ARCULLI. I WOULD LIKE TO ASSURE MEMBERS THAT, DESPITE THE PROBLEMS FACING THE CIVIL SERVICE, AND THOSE OF US WHO MANAGE IT, WE ARE DETERMINED TO ENSURE THAT IT WILL NOT BE POLITICISED. POLITICS SHOULD NOT AND WILL NOT HAVE A ROLE IN THE ADMINISTRATION OF THE CIVIL SERVICE - APPOINTMENTS AND PROMOTIONS FOR EXAMPLE - AND INDEED IN THE WAY WE IMPLEMENT THE DECISIONS OF THIS COUNCIL.

THE CIVIL SERVICE FACES MANY DIFFICULT TASKS IN THE YEARS AHEAD. WE MUST FACE THEM SQUARELY. AND I CAN ASSURE MEMBERS WE HAVE THE DETERMINATION TO DO SO. BUT WE NEED THE SUPPORT OF THIS COUNCIL, AND OF THE COMMUNITY, WHICH WE NOW ENJOY. IT WILL BE OF ENORMOUS HELP AND ENCOURAGEMENT IN THE TIMES AHEAD AS WE FACE THESE CHALLENGES. I SAY CHALLENGES AS THESE DIFFICULTIES OFTEN PRESENT OPPORTUNITIES.

/GIVEN THE .....

GIVEN THE INCREASING DEMANDS FOR TRAINING AND THE CHANGES AND CHALLENGES WE FACE I CONSIDER THAT IT IS NOW TIME FOR US TO UNDERTAKE A ROOT AND BRANCH REVIEW OF ALL OUR TRAINING. THE REVIEW WILL EXAMINE WHETHER WE ARE GETTING THE BEST VALUE FOR MONEY AND WHETHER IT MEETS NOT ONLY TODAY'S NEEDS BUT ALSO THOSE OF THE FUTURE. I AM CONFIDENT THAT THIS REVIEW WILL HELP TO ENSURE THAT WE CONTINUE TO HAVE WELL-TRAINED, FORWARD-LOOKING CIVIL SERVANTS THAT LIVE UP TO THE INCREASING EXPECTATIONS OF THIS COUNCIL AND THE COMMUNITY THEY SERVE.

MANY OF MY COLLEAGUES FIND THE COMBATIVE NATURE OF SOME OF OUR ENCOUNTERS WITH THIS COUNCIL DIFFICULT AND ARE CONCERNED BY THE AMOUNT OF TIME THEY HAVE TO DEVOTE TO ITS BUSINESS. I AM ENCOURAGED THAT MANY MEMBERS ARE SYMPATHETIC TO THESE DIFFICULTIES AND HAVE SUGGESTED IMPROVEMENTS. MY COLLEAGUES AND I LOOK FORWARD TO THE RESULTS. IN RETURN, I WOULD LIKE TO REASSURE MEMBERS THAT MY COLLEAGUES AND I RECOGNISE OUR ACCOUNTABILITY TO THIS COUNCIL AND THE OBLIGATIONS THAT COME WITH IT. ON THE BASIS OF THIS MUTUAL UNDERSTANDING I DO HOPE THAT DESPITE THE INEVITABLE DIFFERENCES OF OPINION WE CAN WORK TOGETHER AS COLLEAGUES, SERVING OUR COMMON CONSTITUENTS - THE PEOPLE OF HONG KONG.

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SHW IN LEGCO DEBATE ON MOTION OF THANKS

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR HEALTH AND WELFARE, MRS KATHERINE FOK, IN THE LEGISLATIVE COUNCIL DEBATE ON THE MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

FOR THE THIRD YEAR IN A ROW OUR HEALTH AND WELFARE PROGRAMMES WILL RECEIVE THE LION'S SHARE OF THE NEW MONEY AVAILABLE. IT IS NOT SURPRISING, THEREFORE, THAT THESE PROGRAMMES SHOULD HAVE PROVOKED SOME LIVELY DEBATE AMONG MEMBERS. MY INTENTION TODAY IS TO RESPOND AS SUCCINCTLY BUT AS COMPREHENSIVELY AS I CAN TO MOST OF THE POINTS WHICH MEMBERS HAVE RAISED.

FIRST, WELFARE.

ELDERLY SERVICES  
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SOME MEMBERS HAVE EXPRESSED CONCERN ABOUT THE LACK OF A LONG-TERM PLAN FOR THE DEVELOPMENT OF SERVICES FOR ELDERLY PEOPLE. THE WHITE PAPER ENTITLED "SOCIAL WELFARE INTO THE 1990S AND BEYOND" SETS OUT OUR POLICY FOR THE CARE OF ELDERLY PERSONS. IN SHORT, IT IS TO ASSIST AN ELDERLY PERSON TO LIVE IN HIS OWN COMMUNITY WITH DIGNITY. WE ALREADY HAVE A WIDE RANGE OF RESIDENTIAL CARE AND COMMUNITY SUPPORT SERVICES FOR OUR ELDERLY PEOPLE. THIS IS A GOOD AND SOLID FOUNDATION ON WHICH TO BUILD IN DEVELOPING OUR POLICIES AND SERVICES FOR THE FUTURE.

IN VIEW OF THE DEMOGRAPHIC CHALLENGES FACING HONG KONG, THE GOVERNOR APPOINTED A SPECIAL WORKING GROUP TO REVIEW EXISTING POLICIES AND SERVICES FOR ELDERLY PEOPLE. WE HAVE JUST DONE THAT.

THE WORKING GROUP REPORT IS AN IN-DEPTH REVIEW OF MEDICAL, HEALTH AND SOCIAL WELFARE NEEDS OF OUR ELDERLY PEOPLE. IN FACT, IT CONTAINS 71 RECOMMENDATIONS TO IMPROVE THE QUALITY OF LIFE AND TO ENABLE OUR ELDERLY PEOPLE TO ENJOY A COMFORTABLE, DIGNIFIED AND SECURE OLD AGE. IN MY POLICY COMMITMENTS, I HAVE PLEDGED TO IMPLEMENT ALL 71 RECOMMENDATIONS OF THE WORKING GROUP. WE WILL BE SPENDING A TOTAL OF \$535 MILLION IN RECURRENT EXPENDITURE BETWEEN 1995 AND THE YEAR 2000 AND ANOTHER \$327 MILLION IN CAPITAL COSTS IN IMPROVING SERVICES FOR OUR ELDERLY PEOPLE.

CENTRAL TO THE DEVELOPMENT OF OUR STRATEGY ON CARE FOR THE ELDERLY PEOPLE IS THE ESTABLISHMENT OF THE ELDERLY SERVICES DIVISION IN THE HEALTH AND WELFARE BRANCH TO ASSIST ME IN OVERSEEING POLICY MATTERS RELATED TO MEDICAL, HEALTH AND WELFARE SERVICES FOR ELDERLY PEOPLE. IT WILL SERVE AS A FOCAL POINT FOR LIAISING WITH OTHER GOVERNMENT DEPARTMENTS AND POLICY BRANCHES TO CO-ORDINATE AND ENCOURAGE PROGRAMMES AND POLICIES FOR ELDERLY PEOPLE. THE DIVISION WILL ALSO CONSULT THE RELEVANT ADVISORY COMMITTEES AS WELL AS NON-GOVERNMENTAL ORGANISATIONS.

I WELCOME THE CONSIDERABLE INTEREST SHOWN IN THE ELDERLY SERVICES DEVELOPMENT FUND. THIS INNOVATIVE PROPOSAL FURTHER DEVELOPS A CONCEPT SET OUT IN THE 1991 SOCIAL WELFARE WHITE PAPER THAT NON-GOVERNMENTAL ORGANISATIONS SHOULD BE ENCOURAGED TO INTRODUCE NEW SERVICES ON A FEE-CHARGING AND SELF-FINANCING BASIS FOR THOSE WHO ARE ABLE AND PREPARED TO PAY FOR SERVICES. THIS FUND WILL GIVE THE NON-GOVERNMENTAL ORGANISATIONS THE CONFIDENCE TO INITIATE SUCH NEW PROJECTS. THESE PROJECTS WILL PROVIDE BETTER-OFF FAMILIES WITH AN ADDITIONAL OPTION IN CARING FOR THEIR ELDERLY MEMBERS. IT WILL ALSO ENSURE THAT PRIORITY FOR ADMISSION INTO SUBVENTED HOMES IS GIVEN TO THOSE WHO NEED SUBSIDISED SERVICES.

AS REGARDS THE CAPITAL FINANCIAL ASSISTANCE SCHEME FOR PRIVATE RESIDENTIAL HOMES, LET ME CLARIFY A FEW POINTS. THE SUBSIDY IS A ONE-OFF GRANT TO BE GIVEN ONLY TO EXISTING SELF-FINANCING AND PRIVATE HOMES TO ASSIST THEM TO MEET SAFETY REQUIREMENTS UNDER THE RESIDENTIAL CARE HOMES (ELDERLY PERSONS) ORDINANCE. THE ASSISTANCE SCHEME WAS THE RESULT OF CAREFUL DELIBERATIONS BY THE WORKING GROUP ON CARE FOR THE ELDERLY. WORKING GROUP MEMBERS CONSIDERED IT A PRACTICAL SCHEME. OUR ASSISTANCE IS LIMITED TO A MAXIMUM OF 60% OF THE APPROVED COSTS. EACH CASE WILL BE CONSIDERED ON MERIT. THE MAIN AIM OF THIS SCHEME IS TO FACILITATE THE IMPLEMENTATION OF THE NEW CONTROL REQUIREMENTS AND TO ENSURE THAT NO ELDERLY RESIDENT WILL BE DISPLACED AS A RESULT.

CSSA

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MR PRESIDENT, SOME MEMBERS ASKED THAT THE COMPREHENSIVE SOCIAL SECURITY ASSISTANCE (CSSA) PAYMENT FOR ELDERLY PERSONS BE INCREASED TO \$2,300 A MONTH. THE FACT IS THAT WE ARE NOW ALREADY PAYING THESE ELDERLY CLIENTS AN AVERAGE OF \$2,400 A MONTH. THIS IS BECAUSE CSSA PAYMENT COMPRISES NOT ONLY THE STANDARD RATE BUT ALSO SPECIAL GRANTS TO MEET THE BASIC AND SPECIAL NEEDS OF THOSE IN OUR COMMUNITY WHO, UNFORTUNATELY, ARE UNABLE TO PROVIDE FOR THEMSELVES.

THE CASH ASSISTANCE PROVIDED UNDER THE CSSA SCHEME CONSTITUTES AN INTEGRAL PART OF THE "SAFETY NET" WE HAVE PUT IN PLACE FOR THOSE WHO ARE FINANCIALLY VULNERABLE. THIS "SAFETY NET" COVERS A COMPREHENSIVE RANGE OF SOCIAL SERVICES FOR CSSA CLIENTS INCLUDING CASH ASSISTANCE, FREE MEDICAL CARE, COMPASSIONATE REHOUSING AND OTHER FREE PROGRAMMES ORGANISED BY THE SOCIAL WELFARE DEPARTMENT AND NON-GOVERNMENTAL ORGANISATIONS (NGOS).

THE CSSA BENEFITS ARE KEPT UNDER REGULAR REVIEW TO ENSURE THAT THEY MEET THE NEEDS OF DISADVANTAGED INDIVIDUALS AND THEIR FAMILIES. TO ASSESS HOW WELL THEY ARE MEETING THE NEEDS OF OUR CLIENTS, WE ARE GETTING MORE STATISTICAL INFORMATION ON THE SPENDING PATTERNS OF DIFFERENT TYPES OF HOUSEHOLDS INCLUDING THOSE ON CSSA THROUGH THE 1994/95 HOUSEHOLD EXPENDITURE SURVEY. WE ARE NOW ALSO REVIEWING THE ADMINISTRATION OF SPECIAL GRANTS TO ENSURE THAT THOSE WHO HAVE SPECIAL NEEDS KNOW AND GET WHAT THEY ARE ENTITLED TO.

A NUMBER OF MEMBERS HAVE COMMENTED ON THE INTRODUCTION OF THE SPECIAL SUPPLEMENT FOR SINGLE PARENTS WHO ARE ON CSSA. THE SUPPLEMENT IS ABOUT ONE-FIFTH OF THE STANDARD RATE TO WHICH THESE SINGLE PARENTS ARE NOW ENTITLED. IT IS TO HELP THEM JOIN SUPPORT GROUPS AND ESTABLISH MORE CONTACTS WITH FRIENDS AND RELATIVES. THIS WOULD PROVIDE THEM WITH THE EMOTIONAL AND PSYCHOLOGICAL SUPPORT IN BRINGING UP A FAMILY WITHOUT THE SUPPORT OF A SPOUSE.

SOME MEMBERS HAVE INDICATED THAT THIS SUPPLEMENT IS NOT ENOUGH TO SOLVE THEIR PROBLEMS. I AGREE WITH THIS OBSERVATION BUT FOR ENTIRELY DIFFERENT REASONS. CASH PAYMENT IS IMPORTANT BUT SHOULD NOT BE SEEN IN ISOLATION. OF EQUAL IMPORTANCE ARE THE SERVICES WE PROVIDE. CONTRARY TO SOME OF THE VIEWS EXPRESSED, WE DO HAVE A WELL-DEFINED FAMILY WELFARE POLICY WHICH EMBRACES THE NEEDS OF SINGLE PARENT FAMILIES. THIS POLICY AIMS TO ASSIST FAMILIES TO COPE WITH THEIR SOCIAL AND FINANCIAL PROBLEMS SUCH AS HOUSING, EMPLOYMENT, CHILD CARE AND FINANCIAL MAINTENANCE THROUGH A COMPREHENSIVE NETWORK OF SERVICES AND ASSISTANCE RENDERED BY DIFFERENT GOVERNMENT DEPARTMENTS AND OUR NGOS. WE WILL SPEND ABOUT \$930 MILLION THIS YEAR ON FAMILY WELFARE SERVICES WHICH IS 22% MORE THAN LAST YEAR. NEXT YEAR, SPENDING WILL BE INCREASED FURTHER TO ABOUT \$1,050 MILLION. IMPROVEMENT TO OUR FAMILY WELFARE SERVICES WILL BENEFIT ALL FAMILIES.

#### REHABILITATION

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TURNING NOW TO REHABILITATION SERVICES, I AM GRATEFUL TO HON VINCENT CHENG FOR HIS ENCOURAGING REMARKS ABOUT OUR EFFORTS IN ENHANCING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH A DISABILITY. WE WILL CONTINUE TO DO MORE. THE DIRECTOR OF SOCIAL WELFARE HAS SET UP A WORKING PARTY ON TRAINING AND EMPLOYMENT FOR PEOPLE WITH A DISABILITY TO IDENTIFY FURTHER WAYS TO IMPROVE OUR SERVICES IN THESE TWO IMPORTANT AREAS.

THE OTHER IMPORTANT ELEMENT IN THE PROCESS OF INTEGRATION IS ACCESS TO BUILDINGS. THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS WILL SOON SET UP A STEERING COMMITTEE TO REVIEW THE DESIGN MANUAL ON ACCESS FOR THE DISABLED. ADDITIONALLY, THE ISSUE OF ACCESSIBILITY, AMONG OTHERS, WILL BE TACKLED BY THE PROPOSED DISABILITY DISCRIMINATION LEGISLATION WHICH WE INTEND TO INTRODUCE INTO THIS COUNCIL EARLY NEXT YEAR.

TO IMPROVE THE QUALITY OF LIFE OF PEOPLE WITH A DISABILITY, WE ARE WORKING VERY HARD ON THE IMPLEMENTATION OF THE KEY TARGETS OF THE GREEN PAPER ON REHABILITATION BY 1997. THESE RELATE TO ABOUT 7,700 EXTRA DAY SERVICE AND RESIDENTIAL PLACES FOR PEOPLE WITH VARIOUS DISABILITIES. BY THE END OF THIS FINANCIAL YEAR, WE WILL HAVE PROVIDED JUST OVER ONE-THIRD OF THE ADDITIONAL PLACES REQUIRED. WE STILL HAVE A LOT OF WORK TO DO, FOR EXAMPLE, IDENTIFYING SUITABLE PREMISES, TO ENSURE THAT WE ACHIEVE OUR TARGETS ON SCHEDULE.

LET ME ASSURE MEMBERS THAT THE WHITE PAPER ON REHABILITATION WILL BE PUBLISHED SOON. I INTEND TO DO SO BY THE END OF 1994. THIS DOCUMENT WILL SET OUT GOVERNMENT'S POLICY DECISIONS ON THE FURTHER DEVELOPMENT OF REHABILITATION SERVICES OVER THE NEXT DECADE AND BEYOND.

#### COMMITMENTS

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SOME MEMBERS EXPRESSED CONCERN THAT SOME OF THE GOVERNMENT'S UNDERTAKINGS IN THE WELFARE FIELD ARE BEHIND SCHEDULE. THE PROVISION OF SOME WELFARE FACILITIES HAS, IN FACT, BEEN DELAYED BECAUSE OF DIFFICULTIES IN FINDING SUFFICIENT PREMISES. THE MAIN PROBLEM IS A LACK OF SUITABLE ACCOMMODATION, PARTICULARLY IN THE OLDER URBAN AREAS WHERE THERE ARE NO PUBLIC HOUSING ESTATES. SOME PURPOSE-BUILT FACILITIES WILL PROBABLY SLIP BECAUSE OF CONSTRUCTION DELAYS CAUSED BY DESIGN PROBLEMS AND DIFFICULT SITE CONDITIONS. SOME PROJECTS HAVE ALSO BEEN HELD UP BY THE RESISTANCE OF LOCAL RESIDENTS.

WE ARE TAKING VIGOROUS STEPS TO RECTIFY THIS SITUATION WITH THE ASSISTANCE OF THE HOUSING AUTHORITY, THE LAND DEVELOPMENT CORPORATION, THE GOVERNMENT PROPERTY AGENCY, THE URBAN COUNCIL AND THE REGIONAL COUNCIL. WE ARE LOOKING FOR NEW PREMISES BOTH INSIDE AND OUTSIDE PUBLIC HOUSING ESTATES AND FURTHERMORE WE ARE CONSIDERING RENTING OR BUYING PRIVATE PREMISES. TO OVERCOME LOCAL OPPOSITION AND TO ENSURE LOCAL RESIDENTS' RIGHT TO INFORMATION, WE ARE INFORMING THEM OF REHABILITATION PROJECTS IN THEIR NEIGHBOURHOOD AS EARLY AS POSSIBLE, WITH A VIEW TO ENCOURAGING A MORE POSITIVE ATTITUDE TO PEOPLE WITH DISABILITIES.

WE HAVE BEEN ABLE TO ACHIEVE MOST OF THE KEY TARGETS IN THE GREEN PAPER ON REHABILITATION AND THE WHITE PAPER ON SOCIAL WELFARE ON SCHEDULE. OF THE 111 PREMISES REQUIRED TO ACHIEVE THE KEY TARGETS IN 1994/95, WE HAVE ALREADY SECURED 99. IT IS STILL POSSIBLE TO MEET ALL THE TARGETS ON SCHEDULE IF WE CAN RESOLVE THE PROBLEM OF PREMISES. WE ARE DETERMINED THAT WE SHOULD DO SO.

TURNING NOW TO HEALTH.

#### PREVENTION OF DISEASE

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SEVERAL MEMBERS HAVE SPOKEN ON THE NEED TO PROVIDE MORE EMPHASIS ON THE PREVENTION OF DISEASE.

I CAN ASSURE THEM THAT PREVENTION OF DISEASE IS A PRIORITY ITEM ON THE HEALTH AGENDA. THE GOVERNMENT'S ROLE IS INCREASINGLY TO ENCOURAGE AND ENABLE PEOPLE TO HELP THEMSELVES TO AVOID DISEASE AND DISABILITY AND TO DEVELOP LIFESTYLES THAT SUPPORT POSITIVE HEALTH. THIS IS A CENTRAL THEME IN MY POLICY COMMITMENTS.

/THERE ARE .....

THERE ARE CLEAR EXAMPLES OF HOW WE ARE MOVING TOWARDS A PEOPLE-BASED AND DISEASE-PREVENTION APPROACH. THESE ARE -

- \* OUR CONTINUING AND PROGRESSIVE RESTRICTIONS ON THE PROMOTION AND USE OF TOBACCO PRODUCTS;
- \* THE OPENING OF WOMAN HEALTH CENTRES AND ELDERLY HEALTH CENTRES;
- \* THE INTRODUCTION OF A NEW STUDENT HEALTH SERVICE TO PROMOTE THE HEALTH OF SCHOOL CHILDREN THROUGH REGULAR SCREENING, PHYSICAL EXAMINATIONS AND HEALTH EDUCATION; AND
- \* THE INTRODUCTION OF PATIENT SUPPORT GROUPS AND PATIENT RESOURCE CENTRES TO PROVIDE PSYCHOSOCIAL SUPPORT TO THE CHRONICALLY ILL.

SOME OF THESE NEW SERVICES WILL EVENTUALLY BECOME INTEGRATED INTO THE ACTIVITIES OF ALL OUR GOVERNMENT OUT-PATIENT CLINICS. IN THIS WAY A NEW CULTURE OF DISEASE PREVENTION AND THE PROMOTION OF HEALTHY LIFESTYLES WILL DEVELOP.

WE WILL NOT STOP THERE. TOGETHER WITH THE DIRECTOR OF HEALTH, THE HOSPITAL AUTHORITY AND IN CONSULTATION WITH OUR EXPERT ADVISORY BODIES, WE WILL CONTINUE TO DEVELOP MORE NEW INITIATIVES THAT WILL ADDRESS IN PARTICULAR THE PROBLEMS CAUSED BY THE THREE MAJOR KILLER DISEASES, THAT IS CANCER, HEART DISEASE AND STROKE.

#### AIDS

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TWO MEMBERS HAVE PROPOSED THAT AN INDEPENDENT HIGH-LEVEL COUNCIL OR COMMITTEE BE SET UP TO FORMULATE POLICY ON AIDS.

THE ADVISORY COUNCIL ON AIDS, WHICH WAS RESTRUCTURED IN 1993, HAS WORKED EXTREMELY HARD AND HAS GIVEN MUCH SOUND ADVICE. I CONSIDER THAT IT WOULD BE PREMATURE TO DISMANTLE SUCH AN EFFECTIVE BODY. HOWEVER, I WELCOME SUGGESTIONS ON THE FUTURE ROLE AND STRUCTURE OF THE ADVISORY COUNCIL ON AIDS. IN THE MEANTIME, WE SHALL CONTINUE TO GIVE THE COUNCIL OUR FULL SUPPORT.

#### TSEUNG KWAN O HOSPITAL

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COSTING \$1.2 BILLION IN CAPITAL EXPENDITURE AND ABOUT \$500 MILLION IN ANNUAL RECURRENT EXPENDITURE, THE TSEUNG KWAN O HOSPITAL IS A MAJOR POLICY COMMITMENT BY ANY STANDARD. OUR DECISION TO GO AHEAD WITH ITS CONSTRUCTION HAS BEEN WELCOMED BY MANY HONOURABLE MEMBERS OF THIS COUNCIL, NOTABLY DR CONRAD LAM, DR LEONG CHE-HUNG AND MR ANDREW WONG. THE CLEAR NEED FOR THIS NEW PROJECT WAS IDENTIFIED THROUGH A COMPREHENSIVE SURVEY CONDUCTED BY THE HOSPITAL AUTHORITY AND SUBSEQUENTLY REINFORCED BY WIDESPREAD PUBLIC SUPPORT. THE SUGGESTION THAT THIS PROJECT IS THE OUTCOME OF POLITICAL BARGAINING IS THEREFORE COMPLETELY UNFOUNDED.

SOME MEMBERS HAVE ASKED WHETHER IT IS POSSIBLE TO IMPLEMENT THIS PROJECT ON THE TIMING PROPOSED, PARTICULARLY IN RESPECT OF MANPOWER AVAILABILITY. I CAN ASSURE THEM THAT THIS PROJECT IS BEING TACKLED BY THE ADMINISTRATION AS A PRIORITY TASK.

### QUALITY IMPROVEMENT OF SERVICES

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WE ARE AWARE OF THE NEED TO ACHIEVE CONTINUAL QUALITY IMPROVEMENT IN OUR MEDICAL AND HEALTH SERVICES. THIS IS A COMPLEX TASK INVOLVING THE TRAINING OF STAFF, ESTABLISHMENT OF BENCHMARKS, FORMULATION OF OPERATIONAL GUIDELINES AND THE DEVELOPMENT OF MONITORING MECHANISMS. TO THIS END, THE HOSPITAL AUTHORITY IS ALREADY PROMULGATING OUTCOME INDICATORS IN ALL CLINICAL SPECIALTIES AND HAS LAID DOWN A BASIC FRAMEWORK FOR QUALITY ASSURANCE. BUT TO ACHIEVE OUR AIM, WE NEED THE FULL SUPPORT AND CONTINUED DEDICATION OF OUR HEALTHCARE PROFESSIONALS AND THE COMMUNITY. CONSIDERABLE RESOURCES HAVE BEEN DEVOTED IN THE COMING YEAR TOWARDS THE ENHANCEMENT OF PERSONNEL TRAINING AND DEVELOPMENT.

### HEALTHCARE REFORM

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WE ARE ALSO AWARE OF THE NEED FOR HEALTHCARE REFORM. SINCE MEMBERS DEBATED, AND VOTED IN FAVOUR OF, HEALTHCARE REFORM LAST YEAR, WE HAVE BEEN BUSY FINALISING AND IMPLEMENTING THE SUPPORTED OPTIONS IN THE CONSULTATION DOCUMENT "TOWARDS BETTER HEALTH". THIS DOCUMENT CLEARLY SPELLS OUT THE PRINCIPLES BEHIND OUR HEALTHCARE POLICY AND THE RATIONALE FOR OUR REFORM PROPOSALS.

REFORM IS A LONG AND DIFFICULT PROCESS. IF WE ARE TO KEEP IMPROVING SERVICES TO MEET THE NEEDS OF PATIENTS, IN THE FACE OF RISING COSTS, INCREASING DEMAND AND ADVANCES IN MEDICAL TECHNOLOGY, CHANGES MUST BE MADE TO THE EXISTING SYSTEM. I AM SURE THAT MEMBERS WHO HAVE CALLED FOR HEALTHCARE REFORM APPRECIATE THIS POINT AND THAT THEY WILL LEND THEIR SUPPORT TO SUCH CHANGES.

APART FROM THESE ISSUES, WE WILL KEEP UNDER REVIEW OTHER SIGNIFICANT AREAS OF CONCERN SUCH AS PATIENTS' RIGHTS, THE PROPOSAL TO SEPARATE PRESCRIBING FROM DRUG DISPENSING AND THE SETTING OF TARGETS FOR THE PREVENTION OF DISEASES.

IN CLOSING, MR PRESIDENT, I HOPE THAT MEMBERS WILL FIND TIME TO REFER AGAIN TO MY POLICY COMMITMENTS. THIS IS AN IMPORTANT DOCUMENT WHICH IDENTIFIES IMMEDIATE AND LONG-TERM STEPS TO MEET DEMANDS FOR MORE AND EVEN BETTER SERVICES AT A COST WHICH THE COMMUNITY CAN AFFORD. WE SHALL CONTINUE TO WORK WITH OUR DEDICATED SOCIAL WORKERS, HEALTH CARE PROFESSIONALS AND WITH OUR PARTNERS IN THE NON-GOVERNMENTAL ORGANISATIONS TO MEET THESE OBJECTIVES.

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## SPEECH BY SECRETARY FOR SECURITY

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

I SHOULD LIKE TO RESPOND TO THE POINTS MADE BY MEMBERS ON POLICING, LAW AND ORDER AND IMMIGRATION AND NATIONALITY MATTERS.

FIRST, THE ESTABLISHMENT AND STRENGTH OF THE POLICE FORCE. PRESENT MANPOWER REQUIREMENTS CANNOT BE RELATED SENSIBLY TO HISTORIC ESTABLISHMENT LEVEL. MANPOWER IS INCREASINGLY EXPENSIVE AND MUST BE USED EFFICIENTLY. TO THIS END, WE MUST NOT BECOME HIDEBOUND BY PAST PRACTICE. WE NEED TO TAKE A FUNDAMENTAL LOOK AT WHETHER EXISTING TASKS NEED TO BE PERFORMED BY TRAINED POLICEMEN, OR INDEED AT ALL; AND, IF SO, WHETHER THERE ARE MORE EFFICIENT AND LESS MANPOWER INTENSIVE WAYS OF DOING THE JOB, FOR EXAMPLE BY THE APPLICATION OF MODERN TECHNOLOGY.

IN RECENT YEARS, THE POLICE HAVE SHED A NUMBER OF RESPONSIBILITIES, - FOR EXAMPLE THE SERVICE OF SUMMONSES, THE ESCORT OF PRISONERS, MANY DUTIES IN SPECIAL BRANCH. ALL THESE HAVE RESULTED IN SUBSTANTIAL SAVINGS IN MANPOWER RESOURCES, WHICH THE POLICE HAVE BEEN ABLE TO REDEPLOY TO MAINSTREAM CONSTABULARY DUTIES. WE ARE ALSO INVESTING IN A LARGE SCALE COMPUTERISATION PROGRAMME, COSTING OVER \$460 MILLION, WHICH WILL RELEASE SOME 420 POLICE OFFICERS FROM ADMINISTRATIVE WORK TO FRONTLINE OPERATIONAL DUTIES. THE COMMISSIONER OF POLICE HAS BEEN ABLE TO DEPLOY MORE MEN AND WOMEN TO FIGHTING CRIME ON THE STREET. THIS HAS UNDOUBTEDLY CONTRIBUTED TO THE FALL IN CRIME WE HAVE SEEN IN RECENT YEARS AND ARE CONTINUING TO EXPERIENCE - A DROP OF 5 PER CENT IN VIOLENT CRIME FOR THE FIRST NINE MONTHS OF THIS YEAR AS COMPARED WITH THE SAME PERIOD LAST YEAR, A DROP OF 11 PER CENT IN CAR THEFT, AND OF 37 PER CENT IN ARMED ROBBERIES.

IN OTHER WORDS, THE POLICE FORCE HAS BECOME MORE EFFECTIVE AND MORE EFFICIENT. IT IS ACHIEVING MORE WITH THE SAME RESOURCES. I MAKE NO APOLOGIES FOR THIS. THE MEASURE OF SUCCESS IS RESULTS ACHIEVED, NOT RESOURCES USED. THIS WAS PRECISELY THE PURPOSE OF THE POLICE MANAGEMENT REVIEW, WHICH EXAMINED ALL THE FORMATIONS OF THE FORCE, AND PRODUCED 42 DETAILED REPORTS. WE SHALL FINALISE OUR CONCLUSIONS ON ALL THESE REPORTS WITHIN THE NEXT MONTH OR SO. MANY OF THE RECOMMENDATIONS HAVE ALREADY BEEN PRIORITISED FOR IMPLEMENTATION. RESOURCES TOTTALLING MORE THAN \$145 MILLION HAVE BEEN EAR-MARKED TO FUND SOME OF THE RECOMMENDATIONS IN THE COMING YEAR. FOR EXAMPLE, WE WILL BE DEPLOYING AN EXTRA 400 POLICE OFFICERS ON THE STREETS; AN ADDITIONAL 80 OFFICERS WILL BE PROVIDED TO COMBAT TRIADS AND DRUG RELATED CRIMES; AND WE WILL SET UP A CENTRAL WITNESS PROTECTION UNIT.

I NOTE THE CONCERN EXPRESSED BY MR JAMES TO ABOUT THE NEED TO PRESERVE EXPERIENCE AND CONTINUITY IN THE POLICE FORCE. IN FACT, THE POLICE NO LONGER HAVE A SIGNIFICANT WASTAGE PROBLEM, FOR THE FIRST TIME IN 10 YEARS, THE STRENGTH OF THE POLICE FORCE IS VERY CLOSE TO ITS FULL ESTABLISHMENT. PREMATURE WASTAGE HAS DECREASED IN RECENT YEARS BY MORE THAN 35 PER CENT, FROM 120 PER MONTH IN 1990 TO 75 PER MONTH THIS YEAR. IN A FORCE OF OVER 27,000 MEN AND WOMEN, THIS FIGURE IS LOW, PROBABLY AS LOW AS CAN REASONABLY BE EXPECTED. THE DROP IN WASTAGE IS DUE IN LARGE PART TO THE IMPROVEMENT IN THE PAY AND CONDITIONS OF SERVICE OF JUNIOR POLICE OFFICERS. WE AWARDED A SPECIAL PAY INCREASE TO JPOS IN 1991. WE ARE PROVIDING ADDITIONAL QUARTERS TO MEET THE DEMAND OF ALL ENTITLED POLICE OFFICERS; WE ARE ALSO UPGRADING THE STANDARDS OF OLD QUARTERS. WITH THE PLANNED COMPLETION OF 400 MARRIED POLICE QUARTERS IN WONG TAI SIN BY MID-1996 AND ANOTHER 800 QUARTERS IN CHAI WAN AND NGAU CHI WAN BY EARLY 1997, WE WILL HAVE VIRTUALLY ELIMINATED THE PRESENT SHORTFALL.

I DO NOT PRETEND THAT THE LAW AND ORDER SITUATION IS PERFECT, NOR DENY THAT THERE ARE PROBLEM AREAS WHICH WE NEED TO TACKLE MORE EFFECTIVELY. SOME ASPECTS WARRANT PARTICULAR CONCERN; ONE IS JUVENILE CRIME. THE JUVENILE OFFENDER RATE HAS INCREASED BY NEARLY 10 PER CENT IN THE FIRST NINE MONTHS OF THIS YEAR, AS COMPARED WITH THE SAME PERIOD LAST YEAR. THE RISE IS ATTRIBUTABLE TO MORE JUVENILES BEING ARRESTED FOR SHOPTHEFT, MISCELLANEOUS THEFT AND OFFENCES RELATING TO UNLAWFUL SOCIETIES. WE WILL HAVE TO DEVOTE MORE EFFORT TOWARDS PREVENTING OUR YOUNG PEOPLE FROM BECOMING INVOLVED IN CRIME AND FROM FALLING UNDER THE INFLUENCE OF TRIADS AND GANGS. IN 1992, THE FIGHT CRIME COMMITTEE COMMISSIONED A STUDY INTO THE SOCIAL CAUSES OF JUVENILE CRIME, WHICH IS EXPECTED TO BE COMPLETED BY THE END OF THIS YEAR. IT SHOULD POINT TO NEW INITIATIVES WHICH WE SHOULD TAKE TO TACKLE THE PROBLEM OF JUVENILE CRIME. BUT THE POLICE ARE ALREADY TAKING VIGOROUS ACTION AGAINST THIS PROBLEM OF JUVENILE INVOLVEMENT WITH TRIADS. THEY HAVE SET UP SCHOOL SUPPORT TEAMS TO VISIT SCHOOLS ON A REGULAR BASIS TO DISSEMINATE ANTI-TRIAD INFORMATION, TO INVESTIGATE REPORTS RELATING TO TRIAD ACTIVITIES IN SCHOOLS, TO IDENTIFY, AND IF POSSIBLE, ARREST TRIAD RECRUITERS. THE POLICE HAVE ALSO DEPLOYED MORE OFFICERS IN THE VICINITY OF SCHOOLS AND OTHER PLACES FREQUENTED BY STUDENTS; THEY ARE LIAISING CLOSELY WITH THE EDUCATION DEPARTMENT, PARENT-TEACHER ASSOCIATIONS AND YOUTH ORGANISATIONS.

ANOTHER AREA OF PARTICULAR CONCERN IS DRUG ABUSE BY ADOLESCENTS. IN THE FIRST HALF OF 1994, THE CENTRAL REGISTRY OF DRUG ABUSE RECEIVED REPORTS ON NEARLY 2,500 DRUG ABUSERS AGED UNDER 21. THIS REPRESENTS AN INCREASE OF 44 PER CENT OVER THE NUMBER OF REPORTS RECEIVED DURING THE SAME PERIOD LAST YEAR.

ALTHOUGH ONLY A VERY SMALL PROPORTION OF OUR YOUNG PEOPLE ARE INVOLVED WITH DRUGS - 3.8 YOUNG DRUG ABUSERS PER 1,000 OF THE POPULATION AGED UNDER 21 - THE INCREASE IS WORRYING. WE ARE TAKING MEASURES TO TACKLE IT. AMENDMENTS TO THE DANGEROUS DRUGS ORDINANCE WERE BROUGHT INTO OPERATION ON 1 OCTOBER THIS YEAR TO INTRODUCE FURTHER CONTROLS ON THE IMPORTATION OF CODEINE. LAW ENFORCEMENT ACTION AGAINST THE ILLEGAL SALE OF DRUGS BY RETAIL PREMISES HAS BEEN STEPPED UP. ADDITIONAL MANPOWER HAS BEEN PROVIDED FOR THE DEPARTMENT OF HEALTH TO INCREASE THE FREQUENCY OF INSPECTIONS AND TEST PURCHASES; THE NUMBER OF TEST PURCHASES CONDUCTED IN THE FIRST HALF OF 1994 WAS MORE THAN DOUBLE THAT IN THE SAME PERIOD LAST YEAR. A NUMBER OF INITIATIVES HAVE ALSO BEEN TAKEN TO ENHANCE DRUG EDUCATION IN SCHOOLS: A WORKING GROUP HAS BEEN SET UP TO REVIEW AND IMPROVE THE DRUG EDUCATION TALKS TO SECONDARY SCHOOL STUDENTS; MORE TRAINING IS NOW PROVIDED TO TEACHERS ON DRUG EDUCATION; AND TALKS FOR PARENTS ARE ORGANIZED WITH THE ASSISTANCE OF PARENT-TEACHER ASSOCIATIONS. INCREASED EMPHASIS IS BEING GIVEN TO THE TREATMENT OF YOUNG DRUG ABUSERS, AND A PILOT PROJECT FOR A TREATMENT CENTRE FOR YOUNG ABUSERS IS BEING PLANNED.

MORE GENERALLY, WE HAVE TAKEN A NUMBER OF MEASURES TO ENLIST PUBLIC SUPPORT IN THE PREVENTION AND DETECTION OF CRIME. THERE ARE MANY CHANNELS FOR REPORTING CRIME : INCLUDING THE 999 HOTLINE, THE TRIAD HOTLINE, AND CRIME INFORMATION FORMS, WHICH ARE WIDELY AVAILABLE IN SOME 700 CONVENIENCE STORES AND RETAIL OUTLETS. OUR PUBLICITY, WHICH COVERS PUBLIC EXHIBITIONS, TV AND RADIO APIS, POLICE TV PROGRAMMES, EDUCATIONAL TV SERIES, COMMUNITY SEMINARS, SCHOOLS VISITS, POSTERS, LEAFLETS AND VIDEO PRESENTATIONS, ENCOURAGES VICTIMS AND WITNESSES TO REPORT CRIMINAL ACTIVITIES. WE WILL BE CONDUCTING A LARGE SCALE CRIME VICTIMISATION SURVEY IN JANUARY 1995, WITH THE HELP OF THE CENSUS AND STATISTICS DEPARTMENT; A PRE-TEST SURVEY WAS CARRIED OUT IN JULY THIS YEAR.

I AGREE WITH MR JAMES TO THAT THERE IS AN INCREASING NEED FOR CO-OPERATION TO COMBAT THE GROWTH OF INTERNATIONAL CRIME. WE WISH TO ENSURE THAT HONG KONG CONTINUES TO PLAY ITS FULL PART IN THIS AREA. IT WAS FOR THIS REASON THAT WE PUT TO THE CHINESE SIDE OF THE JOINT LIAISON GROUP A PROPOSAL THAT HONG KONG SHOULD ESTABLISH A NETWORK OF BILATERAL AGREEMENTS IN THE AREA OF MUTUAL ASSISTANCE IN CRIMINAL MATTERS, TO REMAIN IN FORCE BEYOND 30 JUNE 1997. AT JLG 30 IN SEPTEMBER THIS YEAR, THE CHINESE FORMALLY AGREED TO HONG KONG STARTING A PROGRAMME OF NEGOTIATIONS ON THE BASIS OF AN AGREED MODEL TEXT.

LET ME NOW TURN TO IMMIGRATION AND NATIONALITY ISSUES. SOME MEMBERS HAVE POINTED OUT THAT AN EARLY CONCLUSION TO THE DISCUSSIONS ON RIGHT OF ABODE, HKSAR TRAVEL DOCUMENTS AND VISA ABOLITION AGREEMENTS AT THE JOINT LIAISON GROUP IS NECESSARY IN ORDER TO INSPIRE GREATER CONFIDENCE IN THE FUTURE. I AGREE ENTIRELY. IF HONG KONG IS TO MAKE THE BEST POSSIBLE START AS A SPECIAL ADMINISTRATIVE REGION ON 1 JULY 1997, THEN UNCERTAINTIES ABOUT RIGHTS OF RESIDENCE AND TRAVEL DOCUMENTS MUST BE REMOVED. AS MEMBERS ARE AWARE, WE HAVE PUT COMPREHENSIVE PROPOSALS TO THE CHINESE SIDE ON ALL OF THESE ISSUES AND HAVE ALREADY HAD SOME INFORMAL DISCUSSIONS. I LOOK FORWARD TO MORE PROGRESS BEING MADE ON THESE VERY IMPORTANT SUBJECTS IN THE COMING YEAR.

/I DO .....

I DO NOT, HOWEVER WITH AGREE MR HOWARD YOUNG THAT IT IS NECESSARY OR DESIRABLE TO ESTABLISH AN INDEPENDENT AGENCY TO ISSUE SAR PASSPORTS BEFORE 1997. OUR VIEW IS THAT SAR TRAVEL DOCUMENTS, INCLUDING THE SAR PASSPORT, SHOULD BE ISSUED BY THE IMMIGRATION DEPARTMENT; THE PRE-1997 PREPARATION WORK SHOULD ALSO BE DONE BY THE IMMIGRATION DEPARTMENT. I DO NOT SEE THAT ANY BENEFIT WOULD BE GAINED FOR A SMOOTH TRANSITION BY GIVING THIS RESPONSIBILITY TO ANOTHER ORGANISATION. IN FACT, THE REVERSE. THE IMMIGRATION DEPARTMENT HAS THE EXPERIENCE, THE EXPERTISE, AND THE RECORDS NECESSARY FOR THE TASK. IT HAS A VERY GOOD REPUTATION WITH FOREIGN IMMIGRATION AUTHORITIES IN RESPECT OF THE SECURITY OF THE TRAVEL DOCUMENTS IT ISSUES, AND THE PROFESSIONALISM WITH WHICH IT HANDLES IMMIGRATION AND NATIONALITY MATTERS. WE SHOULD BUILD ON THESE STRENGTHS, NOT BYPASS THEM.

MRS ELSIE TU HAS EXPRESSED CONCERN ABOUT OUR POLICY REGARDING ILLEGAL IMMIGRANTS AND CHILDREN BORN TO THEM IN HONG KONG. I SHOULD LIKE TO MAKE IT CLEAR THAT IT IS NOT OUR POLICY TO PUNISH CHILDREN BORN TO ILLEGAL IMMIGRANTS. OUR POLICY ALLOWS A CHILD BORN IN HONG KONG TO AN ILLEGAL IMMIGRANT MOTHER TO STAY, IF THE FATHER IS A LEGAL RESIDENT IN HONG KONG. THIS IS IN LINE WITH INTERNATIONAL IMMIGRATION PRACTICE. IT IS FOR THE FAMILY TO DECIDE WHETHER IT IS BETTER FOR THE CHILD TO REMAIN IN HONG KONG OR TO RETURN TO CHINA. WE ARE ANXIOUS TO FACILITATE FAMILY REUNION, BUT IT MUST BE DONE IN A CONTROLLED AND PHASED WAY, WITH WHICH OUR SOCIAL SERVICES CAN COPE, NOT THROUGH UNCONTROLLED ILLEGAL IMMIGRATION, WHICH WILL INEVITABLY RESULT IN A DEGRADATION OF THE SERVICES AVAILABLE TO THE WHOLE COMMUNITY. AS I HAVE SAID IN MY POLICY COMMITMENT, WE ARE NOW CONSIDERING WHETHER HONG KONG IS CAPABLE OF INCREASING FURTHER THE ONE-WAY PERMIT IMMIGRATION QUOTA FROM CHINA FOR SPOUSES AND CHILDREN OF HONG KONG RESIDENTS.

THANK YOU, MR PRESIDENT.

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SPEECH BY SCA

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR NICHOLAS NG, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

SINO-BRITISH COOPERATION AND THE JOINT LIAISON GROUP  
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IN THIS DEBATE, MANY MEMBERS HAVE REFERRED TO THE WORK OF THE JOINT LIAISON GROUP AND VOICED THEIR CONCERN ABOUT THE APPARENT LACK OF PROGRESS IN SOME KEY AREAS. WE SHARE SUCH A CONCERN. I WISH TO STRESS THAT THE BRITISH SIDE ARE COMMITTED TO THE FULL AND FAITHFUL IMPLEMENTATION OF THE JOINT DECLARATION. THE CHINESE SIDE HAVE ALSO REPEATEDLY ASSURED US OF THEIR INTENTION TO DO SO. WE THEREFORE EXPECT CHINA TO LIVE UP TO THE EXPECTATIONS OF HONG KONG PEOPLE AND THE INTERNATIONAL COMMUNITY BY IMPLEMENTING ALL THE PROVISIONS IN THE JOINT DECLARATION AND THE BASIC LAW TO BRING TO FRUITION THE CONCEPT OF 'ONE COUNTRY, TWO SYSTEMS' AND A HIGH DEGREE OF AUTONOMY FOR THE HONG KONG SPECIAL ADMINISTRATIVE REGION.

IN A MOTION DEBATE IN THIS COUNCIL IN MAY THIS YEAR, I REFERRED TO THE SIGNIFICANT ACHIEVEMENTS WE MADE IN THE LAST TEN YEARS IN IMPLEMENTING THE JOINT DECLARATION. IT WOULD BE WORTHWHILE TO RECALL SOME OF THESE POINTS IN BRIEF.

- \* FIRST, NOTABLY, WE HAVE ATTAINED AGREEMENT ON HONG KONG'S CONTINUED PARTICIPATION IN 29 INTERNATIONAL ORGANISATIONS, INCLUDING THE GATT, THE INTERNATIONAL MARITIME ORGANISATION, THE IMF AND OTHER BODIES WHICH ARE INSTRUMENTAL IN MAKING IT POSSIBLE FOR HONG KONG TO KEEP ABREAST OF AND TO TAKE PART IN DEVELOPMENTS IN THE TRADE, SHIPPING AND MONETARY FIELDS, WHICH ARE THE LIFEblood OF OUR ECONOMIC PROSPERITY.
- \* SECOND, AGREEMENTS ON THE CONTINUED APPLICATION OF 161 INTERNATIONAL RIGHTS AND OBLIGATIONS TO HONG KONG HAVE BEEN ACHIEVED, AND WORK ON THE REMAINING 30 OR SO AGREEMENTS IS CONTINUING.
- \* THIRD, TO MAINTAIN OUR STATUS AS AN INTERNATIONAL CENTRE OF SHIPPING, WE HAVE ESTABLISHED OUR OWN SHIPPING REGISTER.
- \* FOURTH, IN JUNE, WE CONCLUDED AN AGREEMENT ON DEFENCE LANDS WHICH GOVERNS THE TRANSFER OF THE MILITARY ESTATE AND UNDER WHICH 25 SITES WILL BE RETURNED TO CIVILIAN USE FOR OTHER DEVELOPMENTS.

I COULD GO ON. BUT THIS CLEARLY DEMONSTRATES THAT NOTWITHSTANDING THE EBBS AND FLOWS OF SINO-BRITISH RELATIONS, STEADY AND MEASURED PROGRESS HAS BEEN MADE TO PREPARE FOR THE TRANSITION.

WE RECOGNISE FULLY THAT WITH ONLY 32 MONTHS LEFT BEFORE THE CHANGE OF SOVEREIGNTY, WE HAVE TO RE-DOUBLE OUR EFFORTS TO COMPLETE OUR WORK ON THE JLG AGENDA. IN THIS REGARD, WE HAVE RECENTLY MADE VARIOUS PROPOSALS TO THE CHINESE SIDE TO EXPEDITE PROGRESS, FOR EXAMPLE, BY HOLDING MORE PLENARY SESSIONS AND EXPERT GROUPS. THE CHINESE SIDE HAVE TOLD US THAT THEY, TOO, WOULD LIKE TO SPEED UP THE WORK OF THE JLG, AND WE EXPECT TO BE ABLE TO DISCUSS FURTHER OUR DETAILED IDEAS, AND ANY OTHER SUGGESTION FROM THE CHINESE SIDE, WITH THEIR NEW SENIOR REPRESENTATIVE ON THE JLG.

FROM TIME TO TIME, SUGGESTIONS HAVE BEEN MADE THAT IF WE WERE UNABLE TO ATTAIN CONSENSUS IN JLG, WE SHOULD TAKE ACTION OF OUR OWN. LET ME SAY THAT THIS IS NOT A COST-FREE OPTION. IT WOULD NOT, FOR EXAMPLE, GIVE US THE DEGREE OF CERTAINTY AND CONTINUITY OF OUR SYSTEMS THAT WE ALL DESIRE. SURELY A MUCH BETTER WAY OF MANAGING THE TRANSITION IS TO SECURE AGREEMENT AND TO WORK ON THE BASIS OF MUTUAL COOPERATION. BEARING IN MIND THE SUBSTANTIVE PROGRESS WE HAVE ALREADY ACHIEVED IN THE JLG, THAT SHOULD NOT BE AN UNATTAINABLE OBJECTIVE, AND IT WOULD ONLY BE RIGHT THAT WE SHOULD CONTINUE TO WORK TOWARDS THAT. IF THE BEST IS NOT UNATTAINABLE, WHY SETTLE FOR SOMETHING LESS .

## LOCALISATION AND ADAPTATION OF LAWS

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SEVERAL MEMBERS HAVE COMMENTED ON THE NEED TO STEP UP PROGRESS ON THE LOCALISATION AND ADAPTATION OF LAWS. THE CONTINUITY OF THE LEGAL SYSTEM IS A KEY FEATURE OF THE JOINT DECLARATION. TO THIS END, WE HAVE BEEN ADDRESSING IN DETAIL THE LOCALISATION OF UK ENACTMENTS APPLICABLE TO HONG KONG, AND THE ADAPTATION OF HONG KONG LAWS FOR COMPATIBILITY WITH THE BASIC LAW SO AS TO ENSURE THEIR CONTINUITY AFTER 1997.

ON LOCALISATION, WE HAVE MADE CONSIDERABLE PROGRESS. OF THE 300 OR SO UK ENACTMENTS APPLIED TO HONG KONG, ABOUT HALF OF THESE COULD BE ALLOWED TO LAPSE. WORK ON LOCALISING THE REMAINDER IS WELL IN HAND. TO COMPLETE THE LOCALISATION PROGRAMME, OUR CURRENT PLAN IS TO ENACT A TOTAL OF 32 BILLS. OF THESE:

- \* EIGHT BILLS HAVE ALREADY BEEN ENACTED AND TWO ARE UNDER CONSIDERATION BY THIS COUNCIL, NAMELY THE MERCHANT SHIPPING (CARRIAGE OF GOODS BY SEA) BILL AND THE PROTECTION OF TRADING INTERESTS BILL;
- \* THREE OTHER BILLS HAVE BEEN AGREED BY THE JOINT LIAISON GROUP. THESE ARE, THE MERCHANT SHIPPING (SEAFARERS) BILL, THE DUMPING AT SEA BILL AND THE PREVENTION OF TERRORISM BILL. THESE WILL BE INTRODUCED INTO THIS COUNCIL EARLY DURING THE CURRENT SESSION;
- \* PROPOSALS IN RESPECT OF 14 BILLS ARE UNDER CONSIDERATION IN THE JOINT LIAISON GROUP; AND
- \* THE ADMINISTRATION IS WORKING ON PROPOSALS RELATING TO A FEW REMAINING BILLS.

OBVIOUSLY, THE PROPOSALS WILL HAVE TO BE REFINED IN THE LIGHT OF DISCUSSIONS IN THE JLG, AND THE DETAILED DRAFTING OF LEGISLATION FOR SOME OF THESE CAN BE QUITE TECHNICAL. BUT ON THE WHOLE, WHILE THE LANDSCAPE WE NEED TO COVER IS BROAD, THE SURVEY HAS BEEN DONE AND A ROUTE MAP LEADING TO OUR DESTINATION IS ALREADY AVAILABLE. WITH COOPERATION FROM THE CHINESE SIDE, IT SHOULD BE POSSIBLE TO COMPLETE THE LOCALISATION PROGRAMME BEFORE 1997.

ON ADAPTATION OF LAWS, WE HAVE TO WORK THROUGH ALMOST 600 ORDINANCES AND 1,000 PIECES OF SUBSIDIARY LEGISLATION. THE LEGAL DEPARTMENT, IN CONSULTATION WITH THE POLICY BRANCHES CONCERNED, HAS ALREADY DONE A PRELIMINARY REVIEW OF THESE ENACTMENTS WITH A VIEW TO PREPARING DETAILED PROPOSALS FOR THEIR ADAPTATION. INDEED, WE HAVE HANDED OVER TO THE CHINESE SIDE DETAILED PROPOSALS IN RESPECT OF 47 ORDINANCES.

/THE CHINESE .....

THE CHINESE SIDE HAVE RECENTLY INDICATED THAT THE ADAPTATION OF LAWS PROGRAMME RAISES THE QUESTION OF SOVEREIGNTY AND IS A MATTER FOR THEM, ALTHOUGH THE MODALITIES OF HOW THE MATTER SHOULD BE RESOLVED HAVE NOT BEEN MADE KNOWN. BUT WHATEVER THE SOLUTION TO THE QUESTION OF MODALITY, THERE IS STILL THE NEED TO WORK OUT PRECISELY WHAT CHANGES SHOULD BE MADE TO THE ENTIRE BODY OF HONG KONG'S LAWS SO AS TO MAKE THEM COMPATIBLE WITH THE BASIC LAW. THIS IS IMPORTANT, NOT ONLY TO LAWYERS BUT ALSO TO BUSINESSMEN AND INDEED OUR COMMUNITY AS A WHOLE. WE THUS REMAIN OF THE VIEW THAT IT IS IMPORTANT TO RESOLVE THESE IMPORTANT ISSUES AS SOON AS POSSIBLE TO ENSURE THE CERTAINTY AND THE CONTINUITY OF OUR LAWS BEYOND 1997. WE HAVE AN AGREEMENT IN THE JLG THAT THE TWO SIDES SHOULD DISCUSS THIS MATTER. ON OUR PART, WE WILL CONTINUE TO ENGAGE THE CHINESE SIDE ON THE ADAPTATION OF LAWS PROGRAMME AND WE HOPE TO MAKE PROGRESS.

#### THE ELECTORAL SYSTEM

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I WOULD NOW LIKE TO TURN TO OUR ELECTORAL SYSTEM. IN JUNE, THIS COUNCIL APPROVED THE LEGISLATION TO PROVIDE FOR THE 1994/95 ELECTORAL ARRANGEMENTS. ON 18 SEPTEMBER WE SUCCESSFULLY CONDUCTED THE DISTRICT BOARD ELECTIONS UNDER THE NEW ARRANGEMENTS. JUDGING FROM THE RECORD NUMBER OF CANDIDATES NOMINATED AND THE RECORD NUMBER OF ELECTORS WHO CAME OUT TO VOTE IN SUCH ELECTIONS, WE DARE SAY THAT WHAT MEMBERS APPROVED DID HAVE CONSIDERABLE PUBLIC SUPPORT. OUR NEXT TASK IS TO ENSURE THAT THE ELECTIONS TO THE MUNICIPAL COUNCILS IN MARCH 1995 AND THE LEGISLATIVE COUNCIL IN SEPTEMBER 1995 WILL BE OPEN AND FAIR, AND COMMAND THE RESPECT OF THE COMMUNITY.

THE BOUNDARY AND ELECTION COMMISSION IS NOW FOCUSING ON THE PREPARATIONS OF THESE TWO SETS OF ELECTIONS. THERE ARE TWO PARTICULAR ISSUES, THE NINE FUNCTIONAL CONSTITUENCIES AND THE ACCURACY OF THE VOTER REGISTER, WHICH HAVE ATTRACTED CONSIDERABLE PUBLIC ATTENTION AND I WOULD LIKE TO SAY A FEW WORDS ON THEM.

#### THE NINE NEW FUNCTIONAL CONSTITUENCIES

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FIRST, ON THE NINE NEW FUNCTIONAL CONSTITUENCIES, THERE STILL APPEARS TO BE SOME CONFUSION ABOUT THE BASIS FOR THE DELINEATION OF THE NINE NEW FUNCTIONAL CONSTITUENCIES AND A REMINDER OF THE BASIC PRINCIPLES, AS APPROVED BY THIS COUNCIL, IS CALLED FOR.

DELINEATION OF THE NINE NEW FUNCTIONAL CONSTITUENCIES WILL BE BASED ON THE BROAD INDUSTRIAL SECTORS UNDER THE HONG KONG STANDARD INDUSTRIAL CLASSIFICATION (HSIC). THIS CLASSIFICATION IS DERIVED FROM INTERNATIONALLY ACCEPTED SYSTEM FOR CLASSIFYING ECONOMIC ACTIVITIES. OUR WORK FORCE WILL BE GROUPED ACCORDING TO THE MAJOR ACTIVITIES OF THE ESTABLISHMENTS IN WHICH THEY WORK. A WORKING PERSON'S POST OR OCCUPATION IN THE WORK ORGANISATION IS NOT THE DETERMINING FACTOR. FOR EXAMPLE, A DRIVER WHO WORKS FOR A MANUFACTURING FACTORY SHOULD REGISTER IN THE MANUFACTURING FUNCTIONAL CONSTITUENCY. SIMILARLY, A DRIVER WHO WORKS IN AN IMPORT/EXPORT FIRM SHOULD REGISTER WITH THE IMPORT AND EXPORT FUNCTIONAL CONSTITUENCY. THE DRIVER WILL NOT BE REGISTERED UNDER THE TRANSPORT AND COMMUNICATION FUNCTIONAL CONSTITUENCY IN THESE TWO EXAMPLES. THE CHOICE OF A PARTICULAR FC FOR AN EMPLOYEE IS THEREFORE DEPENDENT ON THE MAIN LINE OF BUSINESS OF HIS EMPLOYER.

/TO FACILITATE .....

TO FACILITATE THE REGISTRATION OF THIS POTENTIAL POOL OF 2.5 MILLION VOTERS FOR THE NINE NEW FUNCTIONAL CONSTITUENCIES, THE BOUNDARY AND ELECTION COMMISSION INTENDS TO ASK ALL EMPLOYERS TO PROVIDE INFORMATION ON THEIR EMPLOYEES. THE REGISTRATION ARRANGEMENTS WILL ALSO BE MADE AS SIMPLE AS POSSIBLE AND THERE WILL BE WIDESPREAD PUBLICITY ON THE REGISTRATION EXERCISE WHICH WILL TAKE PLACE DURING THE FIRST HALF OF 1995.

#### ACCURACY OF THE VOTER REGISTER

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SOME CONCERN HAS BEEN EXPRESSED ABOUT THE ACCURACY OF THE EXISTING GENERAL ELECTORAL ROLL AND THERE HAVE BEEN A FEW SENSATIONAL EXAMPLES OF INACCURACIES. NO VOTER REGISTER CAN BE 100 PER CENT ACCURATE ALL THE TIME, PARTICULARLY FOR HONG KONG WHERE PEOPLE HAVE HIGH MOBILITY. HOWEVER, THE GENERAL ELECTORAL ROLL CANNOT BE AS INACCURATE AS SOME REPORTS CLAIMED. ONLY 90,000 OR SOME 3.6 PER CENT OF THE OFFICIAL ELECTION MAIL IN THE LAST DISTRICT BOARD ELECTIONS WERE RETURNED UNDELIVERED. EVEN ALLOWING FOR CASES OF PERSONS WHO DID NOT BOTHER TO RETURN THE WRONGLY ADDRESSED ELECTION MAIL, OUR ESTIMATE IS THAT INACCURACIES IN THE CURRENT VOTER REGISTER SHOULD BE NOT MORE THAN 10 PER CENT.

THE REGISTRATION AND ELECTORAL OFFICER DOES INDEED TAKE GREAT PAIN TO ENSURE THE ACCURACY OF THE ELECTORAL ROLL. IT UNDERTAKES ANNUAL VETTING EXERCISES UNDER WHICH FORMAL INQUIRIES ARE SENT OUT TO ELECTORS WHOSE PARTICULARS ARE SUSPECTED TO BE INACCURATE. THE REGISTRATION AND ELECTORAL OFFICER ALSO UNDERTAKES SPECIAL MATCHING EXERCISES TO CROSS-CHECK ELECTORS' PARTICULARS AGAINST RECORDS KEPT BY THE HOUSING DEPARTMENT AND HOUSING SOCIETY, THE REGISTRATION AND PERSONS' OFFICE, THE TRANSPORT DEPARTMENT AND THE POST OFFICE. IN MAJOR VOTER REGISTRATION DRIVES UPDATED INFORMATION ABOUT CURRENT VOTERS IS OBTAINED AND THEIR PARTICULARS ARE UPDATED ACCORDINGLY. FOR INSTANCE, IN THE 1994 VOTER REGISTRATION DRIVE, SOME 320,000 RECORDS OF EXISTING ELECTORS WERE UPDATED.

FOR THE 1995 LEGCO ELECTIONS, THE REGISTRATION ELECTORAL OFFICE HAS ADOPTED THE FOLLOWING FIVE-POINT PRO-ACTIVE PLAN TO MAKE THE GENERAL ELECTORAL ROLL EVEN MORE ACCURATE :

- \* FIRST, MORE INTENSIVE PUBLICITY TO ENCOURAGE AND REMIND ELECTORS TO REPORT CHANGES OF PARTICULARS;
- \* SECOND, INTENSIVE FOLLOW-UP ON INFORMATION ABOUT CHANGES IN ELECTORS' PARTICULARS OBTAINED FROM THE LAST DISTRICT BOARD ELECTIONS;
- \* THIRD, MORE FOCUSED AND TARGETTED APPROACH IN THE SPECIAL MATCHING EXERCISES AGAINST RECORDS KEPT BY GOVERNMENT DEPARTMENTS;
- \* FOURTH, UPDATING THROUGH THE MAJOR VOTER REGISTRATION DRIVE FOR THE NINE NEW FUNCTIONAL CONSTITUENCIES; AND

\* FIFTH, INTRODUCING A SINGLE CUT-OFF DATE FOR THE COMPILATION OF THE PROVISIONAL AND FINAL VOTER REGISTER. THIS WOULD ALLOW FOR A MORE MEANINGFUL PUBLIC SCRUTINY OF THE PROVISIONAL REGISTER AND GIVE THE REGISTRATION ELECTORAL OFFICE MORE TIME TO EFFECT AMENDMENTS FOR THE PRODUCTION OF A MORE ACCURATE REGISTER.

ULTIMATELY, OUR VOTER REGISTER CAN ONLY AS ACCURATE AS OUR VOTERS WANT IT TO BE. IT IS OUR CIVIC DUTY TO REGISTER AS A VOTER AND IT IS OUR OBLIGATION TO INFORM REGISTRATION ELECTORAL OFFICE OF ANY CHANGES ONCE WE HAVE REGISTERED.

THANK YOU, MR PRESIDENT.

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SES IN POLICY ADDRESS DEBATE

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

I WOULD LIKE TO RESPOND TO THE POINTS RAISED BY HONOURABLE MEMBERS RELATED TO THE IMPORTANCE OF CONTINUING TO DEVELOP HONG KONG'S ECONOMIC INFRASTRUCTURE. THE FUNDAMENTAL GOAL OF THE GOVERNMENT'S POLICY FOR ECONOMIC SERVICES IS TO ENSURE THAT HONG KONG HAS THE ECONOMIC INFRASTRUCTURE TO INTERACT EFFICIENTLY AND EFFECTIVELY WITH THE REST OF THE WORLD. SOME MEMBERS DREW ATTENTION TO THE POTENTIALLY SERIOUS CONSEQUENCES FOR OUR ECONOMY OF DELAYS IN THE OPENING OF OUR MUCH NEEDED NEW PORT AND AIRPORT FACILITIES. I FULLY SHARE THESE CONCERNS; BUT I BELIEVE WE MUST NOT ALLOW THEM TO OBSCURE THE IMPRESSIVE PROGRESS BEING MADE ON MANY KEY PROJECTS.

TAKE THE PORT FOR EXAMPLE, CT8 IS NOW ALMOST FULLY OPERATIONAL AND 22 HECTARES OF NEW LAND TO SUPPORT CONTAINER HANDLING OPERATIONS WILL BECOME AVAILABLE BY THE END OF THIS YEAR. WE ARE ALSO AT AN ADVANCED STAGE OF PLANNING FOR A FIRST DEDICATED TERMINAL, AT TUEN MUN, TO SERVE THE RAPIDLY GROWING TRADE FROM THE PEARL RIVER DELTA.

IT IS TRUE THAT CT9 HAS BEEN DELAYED. THIS DELAY WILL COST US DEARLY AS OUR PORT BECOMES MORE AND MORE CONGESTED AND BUSINESS HAS TO BE TURNED AWAY. SOME MEMBERS HAVE CALLED ON US TO EXPEDITE A SOLUTION TO THE CT9 PROBLEM; OTHERS HAVE ARGUED THAT IT SHOULD BE QUIETLY SHELVED.

AS I MADE CLEAR IN THIS COUNCIL ON 12 OCTOBER, WE HAVE NO INTENTION OF SHELIVING CT9. FIRST WE CANNOT AFFORD TO TURN OUR BACKS ON SUCH A POTENTIALLY VALUABLE ASSET. THIS CONTAINER TERMINAL, TO BE BUILT IN THE DEEPWATER ADJACENT TO THE REST OF KWAI CHUNG PORT, IS DESIGNED TO TAKE FULL ADVANTAGE OF CTS1 TO 8. IN ADDITION IT WILL ENABLE US TO MAKE UP MANY OF THE SHORTFALLS IN SPACE FOR PARKING AND FOR CONTAINER STORAGE PROBLEMS WHICH HAVE PLAGUED CTS1 TO 8 FOR MANY YEARS NOW.

/SECONDLY WE .....

SECONDLY WE CANNOT AFFORD TO ABANDON THE SOUND ECONOMIC PRINCIPLES WHICH LED TO THE DECISION TO OFFER THE DEVELOPMENT OF CT9 TO TWO CONSORTIA EACH OF WHICH INCLUDES ONE OR MORE OF THE WORLD'S LEADING CONTAINER TERMINAL OPERATORS. OUR AIM, IN TAKING THAT DECISION, WAS TO ENSURE THAT :

- THE DEVELOPMENT COULD PROCEED QUICKLY - HENCE THE INVOLVEMENT OF DEVELOPERS OF RECENT TERMINALS;
- THAT THE TERMINALS COULD BE OPERATED EFFICIENTLY - HENCE THE INVOLVEMENT OF THE WORLD'S LEADING OPERATORS; AND THAT
- WE COULD INTRODUCE COMPETITION - HENCE THE INTRODUCTION OF NEW PLAYERS.

IT IS WITH THESE AIMS IN VIEW THAT WE HAVE REACHED FULL AGREEMENT WITH BOTH CONSORTIA.

SOME HAVE ASKED: WHY NOT RETENDER CT9? RETENDERING WOULD RULE OUT OUR INTENTION TO INTRODUCE GREATER COMPETITIVENESS IN CONTAINER TERMINAL OPERATIONS IN HONG KONG. INDEED, NOW THAT WE HAVE REACHED FULL AGREEMENT WITH THE TWO CONSORTIA, ANY CHANGE IN THE RULES OF THE GAME WOULD RUN COUNTER TO WHAT WE HAVE BEEN TRYING TO ACHIEVE IN HONG KONG IN TERMS OF OFFERING A LEVEL PLAYING FIELD, OF ENHANCING BUSINESS CONFIDENCE, AND SO ON. AND DON'T FORGET: OF THE 8 EXISTING TERMINALS, HALF WERE AWARDED ON THE SAME BASIS AS CT9 - INDEED, TWO HAVE BEEN AWARDED ON THIS BASIS SINCE THE SIGNING OF THE JOINT DECLARATION AND THE ESTABLISHMENT OF THE SINO-BRITISH LAND COMMISSION. SO THE NEGOTIATED PRIVATE TREATY GRANT METHOD IS WELL USED AND WELL TESTED.

I WOULD LIKE TO ASSURE MEMBERS, HOWEVER, THAT ALTHOUGH CT9 MAY BE HANGING FIRE, WE ARE NOT JUST SITTING BACK. WE ARE ADDRESSING VIGOROUSLY WAYS OF IMPROVING EFFICIENCY IN EXISTING PORT OPERATIONS - BOTH AT THE TERMINALS AND IN MID-STREAM - AND WE ARE MOVING FORWARD WITH PLANNING FOR THE FIRST CONTAINER BERTHS ON LANTAU TO ENSURE THAT THEY OPEN AS SOON AS PHYSICALLY POSSIBLE. A DEDICATED TEAM WILL SHORTLY BE ESTABLISHED WITHIN THE WORKS BRANCH TO OVERSEE THE PLANNING AND ENGINEERING ASPECTS OF THE LANTAU PORT.

MR STEVEN POON HAS CALLED ON US TO EXPAND THE AMBIT OF THE PORT DEVELOPMENT BOARD AND SUGGESTED THAT THE BOARD SHOULD STUDY HOW PORT DEVELOPMENT IN HONG KONG AND SOUTHERN CHINA COULD COMPLEMENT EACH OTHER. THE BOARD ACTUALLY CARRIES OUT THESE STUDIES ON A REGULAR BASIS AND I AM SATISFIED THAT THE BOARD'S ALREADY WIDE TERMS OF REFERENCE ENABLE IT TO COVER THIS ASPECT ADEQUATELY. IN PRACTICE, THE BOARD TAKES A KEEN INTEREST IN DEVELOPMENTS IN SOUTHERN CHINA. IT ALSO CONDUCTS CAREFUL ASSESSMENT OF THE CONTRIBUTION OF NEIGHBOURING PORTS TO MEETING OVERALL DEMAND. I WILL MAKE SURE THAT MR POON IS SENT FULL DETAILS OF THE BOARD'S RECENT WORK IN THIS AREA.

/TURNING TO .....

TURNING TO AIRPORT SERVICES, MY POLICY COMMITMENTS UNDERLINE THE GOVERNMENT'S DETERMINATION TO KEEP KAI TAK AIRPORT FUNCTIONING AT MAXIMUM EFFICIENCY, WHILE PRESSING AHEAD WITH THE DEVELOPMENT OF OUR NEW AIRPORT AT CHEK LAP KOK. ON THE WORKS SIDE, SEEING IS BELIEVING! OVER 850 HECTARES - OR SOME 70% OF THE TOTAL AIRPORT ISLAND HAS NOW BEEN FORMED. WORK ON THE FOUNDATIONS OF THE PASSENGER TERMINAL BUILDING IS UNDERWAY AND SUPERSTRUCTURAL WORKS ARE SCHEDULED TO COMMENCE EARLY NEXT YEAR.

ON NON-WORKS ASPECTS, THE PROVISIONAL AIRPORT AUTHORITY IS PRESSING AHEAD WITH FRANCHISE AWARD PROCESS FOR MAJOR SUPPORT SERVICES INCLUDING AIR CARGO, AIRCRAFT MAINTENANCE, AIRCRAFT CATERING AND AVIATION FUEL. WE ARE KEEPING THE CHINESE SIDE CLOSELY INFORMED OF PROGRESS AND WILL BE CONSULTING THEM ON THE AWARD OF INDIVIDUAL FRANCHISES.

ON THE AIRPORT BILL, WE ARE CURRENTLY CONSIDERING REVISIONS TO THE WHITE BILL IN THE LIGHT OF COMMENTS RECEIVED FROM THE CHINESE SIDE AND FROM THE PUBLIC DURING THE CONSULTATION EXERCISE HELD AT THE BEGINNING OF THIS YEAR. WE AIM TO INTRODUCE A BLUE BILL INTO THIS COUNCIL BEFORE THE END OF THIS YEAR WITH A VIEW TO EARLY ENACTMENT. IN THIS REGARD, I AM GRATEFUL TO MR BARROW FOR HIGHLIGHTING THE NEED TO GIVE HIGH PRIORITY TO THE AIRPORT BILL IN THIS COUNCIL'S LEGISLATIVE PROGRAMME THIS YEAR.

DR HUANG CHEN-YA AND DR SAMUEL WONG TOUCHED ON ISSUES RELATING TO THE DEVELOPMENT OF HONG KONG'S TELECOMMUNICATIONS INFRASTRUCTURE. LET US BE CLEAR: WHILE GOVERNMENT IS TOTALLY COMMITTED TO FOSTERING THE DEVELOPMENT OF THE WIDEST RANGE OF TELECOMMUNICATIONS SERVICES AT COMPETITIVE PRICES, WE ARE NOT IN THE BUSINESS OF DIRECTLY PROVIDING THE INFRASTRUCTURE FOR SUCH SERVICES. THIS IS A TASK WHICH IS CARRIED OUT MUCH MORE EFFICIENTLY AND COST-EFFECTIVELY BY THE PRIVATE SECTOR.

DR HUANG IS CONCERNED THAT HONG KONG MAY BE LAGGING BEHIND OTHER REGIONAL ECONOMIES IN THE DEVELOPMENT OF THE SO-CALLED "INFORMATION SUPERHIGHWAYS". THERE IS NO CAUSE FOR SUCH CONCERNS. HONG KONG ALREADY HAS ONE OF THE MOST COMPREHENSIVE BROADBAND OPTICAL FIBRE NETWORKS OF ANY CITY IN THE WORLD. IN ADDITION, ALL OUR TELEPHONE EXCHANGES ARE FULLY DIGITALIZED, THUS ENABLING TELEPHONE COMPANIES TO OFFER A WIDE RANGE OF ADVANCED COMMUNICATION SERVICES. SOME 300 COMMERCIAL BUILDINGS ARE ALREADY DIRECTLY CONNECTED TO THE HONG KONG TELEPHONE COMPANY'S OPTICAL FIBRE NETWORK, WITH THE RESULT THAT THEIR TENANTS CAN CONVENIENTLY ACCESS BROADBAND CAPABILITY. WITH THE ADDED IMPETUS OF COMPETITION IN FIXED NETWORK SERVICES, I HAVE NO DOUBT THAT THE NEXT FEW YEARS WILL SEE A RAPID MOVE TOWARDS BRINGING THE BENEFITS OF OPTICAL FIBRE TECHNOLOGY INTO INDIVIDUAL HOMES.

AS REGARDS COMPETITION IN OUR TELECOMMUNICATIONS MARKET, WE PUBLISHED IN JANUARY THIS YEAR A GOVERNMENT POSITION PAPER WHICH REVIEWED DEVELOPMENTS SINCE THE MAJOR POLICY ANNOUNCEMENTS OF 1992 AND MAPPED OUT, AMONGST OTHER THINGS, THE REGULATORY PRINCIPLES WHICH WILL GUIDE THE INTRODUCTION OF COMPETITIVE FIXED NETWORK SERVICES. THE PAPER REFERRED, IN PARTICULAR, TO SUCH ISSUES AS INTERCONNECTION, CUSTOMER ACCESS AND MEASURES TO PREVENT ANTI-COMPETITIVE BEHAVIOUR BY A DOMINANT OPERATOR. IN SUM, OUR INTENTION IS TO PROMOTE THE FREE PLAY OF MARKET FORCES WHILE ENSURING THAT OUR REGULATORS HAVE THE POWERS THEY NEED TO STEP IN, IF NECESSARY, TO ENSURE FAIR PLAY.

AS MADE CLEAR IN MY POLICY COMMITMENTS WE WILL ALSO BE PRESSING AHEAD WITH:

- THE LICENSING OF THREE MORE OPERATORS TO PROVIDE LOCAL FIXED NETWORK SERVICES IN COMPETITION WITH THE HONG KONG TELEPHONE COMPANY;
- THE GRANTING OF MORE PUBLIC MOBILE TELEPHONE LICENCES;
- THE INTRODUCTION OF PORTABLE AND PERSONAL TELEPHONE NUMBERS; AND
- THE LICENSING OF COMPANIES AND ORGANISATIONS TO PROVIDE THEIR OWN EXTERNAL CIRCUITS FOR INTRA-CORPORATE TELECOMMUNICATIONS.

MR PRESIDENT, FINALLY, I WOULD LIKE TO SAY A FEW WORDS ABOUT ONE OF HONG KONG'S MOST IMPORTANT SERVICE INDUSTRIES: TOURISM AND, IN PARTICULAR, TO RESPOND TO CONCERNS RAISED BY MR HOWARD YOUNG THAT CURRENT RESTRICTIONS ON THE DEVELOPMENT OF SITES FOR HOTEL USE MAY LEAD TO A SHORTAGE OF HOTEL ACCOMMODATION.

AS I SAID IN MY BRIEFING TO MEMBERS, THE GOVERNMENT FULLY RECOGNISES THE SIGNIFICANT CONTRIBUTION WHICH THE TOURISM INDUSTRY MAKES TO HONG KONG'S ECONOMY. WE WILL CONTINUE TO SUPPORT THE HONG KONG TOURIST ASSOCIATION AND THE INBOUND TRAVEL INDUSTRY IN THEIR EFFORTS TO MAINTAIN HONG KONG'S POSITION AS ASIA'S MOST POPULAR TRAVEL DESTINATION.

AS MR YOUNG WILL BE AWARE, THE HONG KONG TOURIST ASSOCIATION HAS COMMISSIONED A CONSULTANCY STUDY TO IDENTIFY A COMPREHENSIVE STRATEGY FOR THE LONG TERM DEVELOPMENT OF THE TOURISM INDUSTRY. AMONG OTHER THINGS, THE CONSULTANTS ARE UNDERTAKING A DETAILED ASSESSMENT OF THE HOTEL ACCOMMODATION SITUATION AND WILL MAKE RECOMMENDATIONS ON WHETHER THEY CONSIDER THERE IS A NEED FOR ACTION BY THE GOVERNMENT AND OTHERS TO ENSURE THAT FORECAST DEMAND IS MET. THE STUDY WILL ALSO REVIEW THE OVERALL INSTITUTIONAL FRAMEWORK AND LINKAGES BETWEEN THE ASSOCIATION AND THE VARIOUS BRANCHES IN THE GOVERNMENT, RESPONSIBLE FOR DEALING WITH ISSUES OF CONCERN TO THE INBOUND TRAVEL INDUSTRY. THE CONSULTANT'S REPORT IS DUE TO BE COMPLETED EARLY NEXT YEAR AND THE ADMINISTRATION WILL GIVE CAREFUL CONSIDERATION TO THE SUGGESTIONS MADE.

MEMBERS MAY WISH TO NOTE ALSO THAT I INTEND TO BRIEF THE ECONOMIC SERVICES PANEL OF THIS COUNCIL ON THE SUBJECT OF TOURISM POLICY IN EARLY DECEMBER. THIS WILL PROVIDE ME WITH THE OPPORTUNITY TO SET OUT, IN GREATER DETAIL, THE GOVERNMENT'S POLICY OBJECTIVES WITH RESPECT TO TOURISM AND ADDRESS ANY FURTHER COMMENTS WHICH MEMBERS MAY HAVE ON THIS IMPORTANT AREA OF ECONOMIC ACTIVITY.

THANK YOU, MR PRESIDENT.

STI SPEAKS ON MOTION OF THANKS FOR POLICY ADDRESS

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, IN THE LEGISLATIVE COUNCIL DEBATE ON MOTION OF THANKS TODAY (WEDNESDAY):

MR PRESIDENT,

SEVERAL MEMBERS HAVE DRAWN ATTENTION TO ISSUES ARISING FROM THE RESTRUCTURING OF OUR ECONOMY OVER THE LAST 10 YEARS, INCLUDING THE GROWING SIGNIFICANCE OF THE SERVICE SECTOR, THE MIGRATION OF LOW VALUE-ADDED INDUSTRIES TO CHINA, AND THE NEED FOR THE MANUFACTURING SECTOR TO FOCUS ON HIGH VALUE-ADDED ACTIVITIES, INCLUDING APPLIED RESEARCH AND DEVELOPMENT.

WE ARE VERY MUCH ALIVE TO THESE DEVELOPMENTS, AS THE GOVERNOR'S POLICY ADDRESS AND MY OWN POLICY COMMITMENTS HAVE MADE CLEAR. THE MEASURES WE HAVE TAKEN AND THOSE WE ARE PLANNING DEMONSTRATE OUR CONTINUING COMMITMENT TO BUILDING THE TECHNOLOGICAL INFRASTRUCTURE NEEDED BY ADVANCED MANUFACTURING AND MANUFACTURING-RELATED INDUSTRIES.

THE THIRD INDUSTRIAL ESTATE WHICH OPENED LAST MONTH WILL PRODUCE 70 HECTARES OF LAND FOR HIGHER TECHNOLOGY INDUSTRIES BY 1996, AND WE ARE ALREADY SEARCHING FOR SUITABLE SITES FOR THE FOURTH INDUSTRIAL ESTATE. EARLIER THIS MONTH, THE INDUSTRIAL TECHNOLOGY CENTRE TOOK OVER ITS NEW AND PURPOSE-BUILT PREMISES IN KOWLOON TONG, WHICH WILL PROVIDE 20,000 SQUARE METRES OF SPACE FOR TECHNOLOGY-BASED BUSINESSES. THIS YEAR, WE ARE DISBURSING \$180 MILLION FOR PROJECTS TO BOOST INDUSTRIAL TECHNOLOGY.

NEXT YEAR, WE SHALL ESTABLISH THE APPLIED RESEARCH CENTRE, WITH INITIAL FUNDING OF \$50 MILLION, AND WITH MORE TO BE MADE AVAILABLE THROUGH THE INDUSTRY AND TECHNOLOGY COUNCIL IN THE YEARS TO COME. WE SHALL CONTINUE TO INVEST LARGE SUMS IN INDUSTRIAL DEVELOPMENT AND APPLIED RESEARCH AND DEVELOPMENT THROUGH THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL AND THE APPLIED R & D FUND. ALL THIS COMES ON TOP OF CONTINUING SUPPORT FOR FACILITIES AND SERVICES SUCH AS THOSE PROVIDED BY THE HONG KONG PRODUCTIVITY COUNCIL AND THE STANDARDS AND CALIBRATION LABORATORY, WHICH HAVE A VITAL ROLE TO PLAY IN INDUSTRIAL UPGRADING.

THE FINANCIAL SECRETARY WILL SPEAK ON THE SERVICE SECTOR LATER ON; AND SO I WILL MAKE ONLY ONE POINT NOW ON THIS SECTOR. I WAS SURPRISED THAT DR HUANG CHEN-YA FELT THAT INADEQUATE MANPOWER HAD BEEN ALLOCATED BY THE GOVERNMENT TO DEAL WITH THE URUGUAY ROUND NEGOTIATIONS ON TRADE IN SERVICES. NOTHING COULD BE FURTHER FROM THE TRUTH. HONG KONG WAS A VERY ACTIVE PARTICIPANT IN THOSE NEGOTIATIONS AND OUR NEGOTIATORS WERE EXTREMELY EFFECTIVE IN PROMOTING AND DEFENDING HONG KONG'S INTERESTS. DR. HUANG HAS MY UNQUALIFIED ASSURANCE THAT OUR NEGOTIATORS WILL CONTINUE TO DO SO IN THE UNFINISHED NEGOTIATIONS ON FINANCIAL SERVICES AND OTHER AREAS OF TRADE IN SERVICES.

CERTAIN MEMBERS HAVE CRITICISED US FOR NOT RESPONDING TO THEIR SUGGESTION THAT THERE SHOULD BE A CHINA/HONG KONG ECONOMIC COOPERATION COMMITTEE. SUCH A CRITICISM IS COMPLETELY MISGUIDED. GIVEN THE ABSENCE OF A CENTRALLY PLANNED OR COMMANDED ECONOMY IN HONG KONG, AND GIVEN THE GOVERNMENT'S PHILOSOPHY AND POLICY OF MINIMUM INTERVENTION IN THE ECONOMY AND OF LETTING BUSINESSMEN MAKE THEIR OWN BUSINESS DECISIONS, IT IS CLEARLY NOT THE FUNCTION OF THE GOVERNMENT TO SET UP SUCH BILATERAL ECONOMIC OR BUSINESS COOPERATION COMMITTEES. IT IS UP TO THE PRIVATE SECTOR OR AUTONOMOUS NON-GOVERNMENT BODIES, SUCH AS THE HONG KONG TRADE DEVELOPMENT COUNCIL AND CHAMBERS OF COMMERCE, TO TAKE THE INITIATIVE TO SET UP SUCH A COMMITTEE BETWEEN HONG KONG AND CHINA, IF THEY FEEL THAT IT IS A GOOD IDEA TO DO SO.

THE MOST WELL-KNOWN AMONG SUCH UNOFFICIAL BILATERAL COMMITTEES ARE THE HONG KONG/JAPAN BUSINESS COOPERATION COMMITTEE AND THE HONG KONG/UNITED STATES ECONOMIC COOPERATION COMMITTEE. IN BOTH CASES, THE BODY WHICH SET THEM UP WAS THE TDC AND THEY ARE BOTH SERVICED SOLELY BY THE TDC. THE HONG KONG GOVERNMENT'S ONLY INVOLVEMENT IN THESE TWO COMMITTEES IS THE MEMBERSHIP OF THE SECRETARY FOR TRADE AND INDUSTRY, WHOSE INVOLVEMENT IS, IN MY VIEW, ANACHRONISTIC AND NOT VERY APPROPRIATE. ANACHRONISTIC BECAUSE THE SECRETARY FOR TRADE AND INDUSTRY'S MEMBERSHIP IS A RELIC FROM BYGONE DAYS WHEN THE PRESENCE OF A HIGH OFFICIAL WAS REGARDED AS LENDING PRESTIGE OR FACE TO THESE COMMITTEES. NOT VERY APPROPRIATE BECAUSE OF THE GOVERNMENT'S PHILOSOPHY AND POLICY TO WHICH I REFER EARLIER AND ESPECIALLY BECAUSE THERE ARE NO JAPANESE OR UNITED STATES GOVERNMENT REPRESENTATIVES ON THE COUNTERPART COMMITTEE IN EITHER JAPAN OR THE UNITED STATES. THE THIRD AND LATEST SUCH COMMITTEE INVOLVING THE TDC IS THE HONG KONG/KOREA BUSINESS ROUNDTABLE WHICH WAS SET UP ENTIRELY ON THE INITIATIVE OF THE TDC AND ITS COUNTERPART IN SOUTH KOREA AND, QUITE RIGHTLY, DOES NOT INCLUDE GOVERNMENT OFFICIALS ON EITHER THE HONG KONG OR THE KOREAN SIDE.

TURNING TO CONSUMER PROTECTION, SOME MEMBERS HAVE EXPRESSED CONCERN ABOUT THE SECTOR-SPECIFIC STUDIES ON COMPETITION CONDUCTED BY THE CONSUMER COUNCIL. I HAVE TO POINT OUT THAT THE CONSUMER COUNCIL IS AN AUTONOMOUS STATUTORY BODY. WE HAVE NO WISH TO INTERFERE WITH ITS DAY-TO-DAY OPERATION. IN APPOINTING MEMBERS TO THE COUNCIL, WE ARE MINDFUL OF THE NEED TO ENSURE A BROADLY BASED MEMBERSHIP WHICH DOES NOT REPRESENT ANY PARTICULAR SECTORAL INTERESTS.

THE CONSUMER COUNCIL, IN SELECTING CONSULTANTS TO CONDUCT SECTOR-SPECIFIC COMPETITION STUDIES, DOES TAKE INTO ACCOUNT THE EXPERTISE REQUIRED. IT IS UNFAIR TO DISCREDIT THESE STUDIES SIMPLY ON THE GROUND THAT PRACTITIONERS IN THE RELEVANT SECTORS ARE NOT DIRECTLY INVOLVED IN THE CONSULTANCIES. THE CONSUMER COUNCIL HAS GIVEN AND WILL CONTINUE TO GIVE PRACTITIONERS IN THE RELEVANT SECTORS PLENTY OF OPPORTUNITY TO EXPRESS THEIR VIEWS BEFORE THE STUDIES ARE FINALISED.

THE PROPOSED ESTABLISHMENT OF A TRADE PRACTICES DIVISION IN THE CONSUMER COUNCIL WILL FURTHER STRENGTHEN THE COUNCIL'S CAPABILITY TO UNDERTAKE THESE COMPETITION STUDIES. THE NEW DIVISION WILL HAVE A DEDICATED TEAM OF ECONOMISTS WITH EXPERTISE IN CONDUCTING RESEARCH. IT WILL BE CHARGED WITH THE RESPONSIBILITY TO EXAMINE THE PRACTICES OF DIFFERENT TRADES AND TO PROMOTE THE DEVELOPMENT OF CODES OF PRACTICES BY PROFESSIONAL AND TRADE BODIES.

/AS REGARDS .....

AS REGARDS MR FRED LI'S CRITICISM THAT THE GOVERNMENT HAS FAILED TO FORMULATE A CLEAR POLICY ON COMPETITION, I MUST STRESS ONCE AGAIN THAT OUR COMMITMENT TO PROMOTING COMPETITION IS STRONG AND CLEAR. THE GOVERNMENT IS FULLY COMMITTED TO PROMOTING COMPETITION AS ONE OF THE BEST WAYS OF IMPROVING ECONOMIC EFFICIENCY AND ENHANCING CONSUMER WELFARE. OUR TOTALLY OPEN ECONOMY, WHICH EXPOSES OUR TRADERS AND PRODUCERS TO ACUTE INTERNATIONAL COMPETITION, IS A GOOD ILLUSTRATION OF THIS POLICY. THE ABSENCE OF COMPETITION LAWS SUCH AS ANTI-TRUST LAWS AND COMPETITION AGENCIES SUCH AS MERGERS AND ACQUISITIONS COMMISSIONS PER SE SHOULD NOT BE TAKEN SIMPLISTICALLY TO MEAN THE ABSENCE OF A POLICY TO PROMOTE COMPETITION. THE OPPOSITE IS TRUE. IT IS THE GOVERNMENT'S POLICY TO PROMOTE AS MUCH COMPETITION AS POSSIBLE IN HONG KONG'S ECONOMIC ACTIVITIES. THIS IS ILLUSTRATED BY THE GOVERNMENT'S POLICY TO INTRODUCE GREATER COMPETITION IN TELECOMMUNICATIONS, BROADCASTING AND PUBLIC TRANSPORT AND BY OUR LATEST EFFORTS IN LEGISLATING FOR CONSUMER RIGHTS IN RESPECT OF THE SALE OF GOODS AND SUPPLY OF SERVICES, AND AGAINST UNCONSCIONABLE CONTRACTS. THESE ARE EXAMPLES OF OUR DETERMINATION TO REMOVE UNFAIR TRADE PRACTICES. IN THE YEARS TO COME WE SHALL CONTINUE TO WORK WITH THE CONSUMER COUNCIL TO IDENTIFY AREAS FOR THE FURTHER PROMOTION OF COMPETITION AND FAIR TRADE PRACTICES.

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SEX DISCRIMINATION BILL SERVES HK'S NEEDS WELL: SHA

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THE SEX DISCRIMINATION BILL IS A MAJOR STEP IN THE DEVELOPMENT OF AN ENVIRONMENT CONDUCIVE TO FREE COMPETITION IN HONG KONG, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, MR SUEN SAID THE ENACTMENT OF THE BILL WOULD PROVIDE THE MEANS BY WHICH MEMBERS OF THE COMMUNITY WOULD BE ABLE TO MAKE THE MOST OF THEIR POTENTIAL TO PARTICIPATE FULLY IN ALL AREAS OF ACTIVITY.

IT WILL ALSO ENSURE THAT THE PEOPLE OF HONG KONG ENJOY A SIMILAR LEVEL OF LEGAL PROTECTION AS THEIR COUNTERPARTS IN OTHER ADVANCED SOCIETIES IN RESPECT OF EQUAL OPPORTUNITIES BETWEEN WOMEN AND MEN, HE ADDED.

MR SUEN SAID: "WE HAVE NOT MOVED HASTILY, WE HAVE NOT TRIED TO GO BEYOND THE LEVELS WHICH THE COMMUNITY AT LARGE WANT US TO GO; WE HAVE APPROACHED THIS ISSUE CAREFULLY, AWARE OF THE HIGH EMOTIONS WHICH SUCH SENSITIVE ISSUES CAN RAISE.

"WE HAVE PREPARED LEGISLATION WHICH IS SUITABLE FOR HONG KONG AND, MORE IMPORTANTLY, HAVE GONE BEYOND LEGISLATION TO ENSURE THAT THERE WILL BE AN EFFECTIVE INDEPENDENT AGENCY SET UP TO ENSURE THE EFFECTIVE IMPLEMENTATION OF THE SEX-DISCRIMINATION LEGISLATION AND TO FULFIL THE ESSENTIAL FUNCTION OF PUBLIC EDUCATION WHICH IS CRUCIAL TO THE SUCCESS OF ANY MEASURES INTRODUCED TO ELIMINATE DISCRIMINATION.

"WE ARE CONVINCED THAT THIS BILL, WHICH IS OUR RESPONSE TO DEMONSTRATED PUBLIC DEMAND, WILL SERVE HONG KONG'S NEEDS WELL," HE SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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FOLLOWING IS THE FULL TEXT OF THE SPEECH BY THE SECRETARY FOR HOME AFFAIRS MR MICHAEL SUEN WHEN MOVING THE SECOND READING OF THE SEX DISCRIMINATION BILL IN THE LEGISLATIVE COUNCIL THIS AFTERNOON:

MR PRESIDENT,

I MOVE THAT THE SEX DISCRIMINATION BILL BE READ A SECOND TIME.

GOVERNMENT IS FIRMLY COMMITTED TO PROMOTING GENDER EQUALITY IN HONG KONG AND ACCEPTS THAT THE DEVELOPMENT OF OUR SOCIETY AND COMMUNITY HAS REACHED THE POINT WHERE IT IS NOW APPROPRIATE TO DEVELOP MEASURES TO ACHIEVE THIS. TOWARDS THIS END, WE PUBLISHED IN AUGUST 1993 A GREEN PAPER ON EQUAL OPPORTUNITIES FOR WOMEN AND MEN TO SOLICIT PUBLIC VIEWS ON THE MEASURES WHICH COULD BE TAKEN TO ENHANCE EQUAL OPPORTUNITIES BETWEEN THE SEXES. TO LEGISLATE AGAINST SEX DISCRIMINATION WAS ONE OF THE PROPOSALS PUT FORWARD IN THE GREEN PAPER. MEMBERS OF THE PUBLIC RESPONDED POSITIVELY AND WE RECEIVED 1100 WRITTEN SUBMISSIONS ON THE GREEN PAPER, THE OVERWHELMING MAJORITY OF WHICH SUPPORTED THE LEGISLATIVE OPTION. IN RESPONSE TO THIS CLEAR COMMUNITY DEMAND, WE ANNOUNCED IN JUNE THIS YEAR THE DECISION TO DEVELOP LEGISLATION AGAINST SEX DISCRIMINATION.

THE SEX DISCRIMINATION BILL IS THE PRODUCT OF 14 MONTHS OF THOROUGH RESEARCH, WIDE CONSULTATION AND IN-DEPTH ANALYSIS. THIS BILL HAS BEEN PREPARED AFTER CAREFUL THOUGHT; IT TAKES INTO ACCOUNT THE DIVERSE VIEWS EXPRESSED BY VARIOUS SECTORS OF OUR COMMUNITY. IT REFLECTS COMMUNITY ASPIRATIONS ON HOW WE SHOULD PROCEED TO ACHIEVE EQUAL OPPORTUNITIES BETWEEN THE SEXES IN A MEASURED AND APPROPRIATE MANNER.

THE BILL RENDERS UNLAWFUL SEX DISCRIMINATION AND SEXUAL HARASSMENT IN SPECIFIED AREAS OF ACTIVITY. THESE INCLUDE EMPLOYMENT, EDUCATION, PROVISION OF GOODS AND SERVICES, AND THE DISPOSAL AND MANAGEMENT OF PREMISES. IN ADDITION, THE BILL ALSO MAKES IT UNLAWFUL TO DISCRIMINATE AGAINST A PERSON ON THE GROUND OF MARITAL STATUS OR PREGNANCY IN THE EMPLOYMENT FIELD. THE BILL ALSO RENDERS UNLAWFUL DISCRIMINATION BY WAY OF VICTIMISATION. THIS MAY OCCUR, FOR EXAMPLE, WHERE AN EMPLOYEE WHO HAS ASSERTED HIS OR HER RIGHTS UNDER THE BILL IS SUBSEQUENTLY SUBJECT TO UNFAVOURABLE TREATMENT BY HER EMPLOYER AS A DIRECT CONSEQUENCE OF THE ACTION TAKEN UNDER THE BILL.

TO OVERSEE THE IMPLEMENTATION OF THE SEX DISCRIMINATION LEGISLATION, THE BILL PROVIDES FOR THE ESTABLISHMENT OF AN EQUAL OPPORTUNITIES COMMISSION. THERE ARE FOUR MAIN FUNCTIONS OF THE COMMISSION : FIRST, TO WORK TOWARDS THE ELIMINATION OF SEX DISCRIMINATION AND SEXUAL HARASSMENT; SECONDLY, TO PROMOTE EQUALITY OF OPPORTUNITY BETWEEN MEN AND WOMEN; THIRDLY, TO INVESTIGATE UPON COMPLAINT, ANY ACT ALLEGED TO BE UNLAWFUL BY VIRTUE OF THE BILL AND ENDEAVOURING, BY CONCILIATION, TO EFFECT A SETTLEMENT OF THE MATTER IN DISPUTE; AND FOURTHLY, TO KEEP UNDER REVIEW THE WORKING OF THE SEX DISCRIMINATION LEGISLATION AND WHERE NECESSARY, SUBMIT RECOMMENDATIONS TO THE GOVERNOR FOR AMENDING THE LEGISLATION.

IN LINE WITH ITS RESPONSIBILITY TO PROMOTE GENDER EQUALITY, THE COMMISSION WILL CARRY OUT PUBLIC EDUCATION PROGRAMMES TO PROMOTE EQUALITY OF OPPORTUNITIES BETWEEN THE SEXES AND CONDUCT RESEARCH INTO GENDER RELATED ISSUES. THE COMMISSION IS ALSO EMPOWERED UNDER THE BILL TO DEVELOP AND ISSUE CODES OF PRACTICE, IN CONSULTATION WITH RELEVANT ORGANISATIONS. THESE CODES WILL CONTAIN PRACTICAL GUIDANCE TO ASSIST MEMBERS OF THE COMMUNITY TO COMPLY WITH THE LEGISLATION.

THE COMMISSION WILL HAVE A STRONG CONCILIATION ROLE. THE BILL EMPOWERS THE COMMISSION TO INVESTIGATE INTO COMPLAINTS AND IT CAN MAKE RULES TO REQUIRE PARTIES RELATED TO A COMPLAINT TO ATTEND CONFERENCES WITH A VIEW TO RESOLVING THE MATTER. WHERE CONCILIATION FAILS, THE COMMISSION MAY PROVIDE ASSISTANCE IN RESPECT OF LEGAL PROCEEDINGS. NONETHELESS, I EXPECT THAT A MAJORITY OF THE COMPLAINTS WILL BE RESOLVED IN THE COURSE OF CONCILIATION WITHOUT THE NEED FOR RESORTING TO THE COURT.

THE BILL ALSO EMPOWERS THE COMMISSION TO CONDUCT FORMAL INVESTIGATIONS ON ITS OWN INITIATIVE OR UPON THE REQUEST OF THE CHIEF SECRETARY, FOR ANY PURPOSE CONNECTED WITH THE CARRYING OUT OF ITS FUNCTIONS. THE COMMISSION WILL PREPARE AND PUBLISH OR MAKE AVAILABLE FOR PUBLIC INSPECTION A REPORT ON ANY FORMAL INVESTIGATION IT INITIATES. FURTHERMORE, THE BILL EMPOWERS THE COMMISSION TO ISSUE ENFORCEMENT NOTICES AGAINST PERSONS WHERE, IN THE COURSE OF ANY FORMAL INVESTIGATION, THE COMMISSION IS SATISFIED THAT SUCH PERSONS HAVE CONTRAVENED THE BILL. WHERE A PERSON PERSISTENTLY CONTRAVENES THE BILL, THE COMMISSION IS EMPOWERED TO APPLY TO THE DISTRICT COURT FOR AN INJUNCTION TO RESTRAIN SUCH PERSISTENT DISCRIMINATORY PRACTICES OR SEXUAL HARASSMENT.

AS REGARDS ENFORCEMENT, THE BILL VESTS THE POWER TO HEAR ALL SEX DISCRIMINATION AND SEXUAL HARASSMENT CASES WITH THE DISTRICT COURT. TO ENHANCE THE ACCESSIBILITY OF THE DISTRICT COURT, THE JUDICIARY PROPOSES TO DESIGNATE A COURT AT THE DISTRICT COURT LEVEL TO HEAR ALL SEX DISCRIMINATION AND SEXUAL HARASSMENT CASES ARISING FROM THE BILL. THE DISTRICT COURT MAY ALSO ALLOW PERSONS WHO ARE NEITHER LEGALLY QUALIFIED NOR PARTIES TO THE PROCEEDINGS TO ADDRESS IT. FURTHERMORE, THE USE OF CHINESE LANGUAGE IN THE COURT WILL ALSO BE ALLOWED. CONSIDERATION WILL ALSO BE GIVEN FOR THE DISTRICT COURT TO MAKE ORDERS FOR COSTS EXERCISABLE ONLY IN EXCEPTIONAL CIRCUMSTANCES. TAKEN TOGETHER, THESE INNOVATIVE MEASURES ENSHRINED IN THE BILL WOULD PROVIDE AN EFFICIENT AND ACCESSIBLE AVENUE OF REDRESS FOR THE AGGRIEVED.

WHILE IT IS IMPORTANT THAT SEX DISCRIMINATION LEGISLATION SHOULD BE EFFECTIVE, WE RECOGNISE THAT SUCH LEGISLATION SHOULD NOT UNREASONABLY RESTRICT INDIVIDUAL FREEDOM OR IMPOSE UNDUE FINANCIAL BURDENS. AFTER CAREFUL CONSIDERATION, WE HAVE THEREFORE PROVIDED EXCEPTIONS TO THE DISCRIMINATION RENDERED UNLAWFUL BY THE BILL. IN RELATION TO EMPLOYMENT MATTERS, EXCEPTIONS ARE PROVIDED TO ALLOW FOR SITUATIONS WHERE BEING A PARTICULAR SEX IS A GENUINE OCCUPATIONAL QUALIFICATION. SUCH SITUATIONS ARISE FROM THE NATURE OF THE JOB, CONSIDERATIONS OF DECENCY OR PRIVACY, THE NATURE OF THE ESTABLISHMENT AT WHICH DUTIES ARE PERFORMED, AND THE NEED FOR WELFARE, EDUCATIONAL OR PERSONAL SERVICES TO BE PROVIDED BY PERSONS OF A PARTICULAR SEX. WITH REGARD TO DISCRIMINATION ON THE GROUND OF MARITAL STATUS, THE BILL PROVIDES THAT IT WILL NOT BE UNLAWFUL FOR AN EMPLOYER TO PROVIDE DIFFERENT LEVELS OF SPECIFIED BENEFITS OR ALLOWANCES FOR EMPLOYEES WITH DIFFERENT MARITAL STATUS. BY VIRTUE OF THIS EXCEPTION, AN EMPLOYER IS ALLOWED TO PROVIDE, FOR EXAMPLE, A HIGHER LEVEL OF HOUSING ALLOWANCE TO EMPLOYEES WHO ARE MARRIED.

DURING THE GREEN PAPER CONSULTATION EXERCISE, SMALL EMPLOYERS HAVE EXPRESSED CONCERNS ABOUT THE POSSIBLE PROBLEMS ARISING FROM FRIVOLOUS COMPLAINTS. TO ADDRESS THESE LEGITIMATE CONCERNS, WE HAVE PROPOSED IN THE BILL A GRACE PERIOD OF FIVE YEARS AS A TRANSITIONAL MEASURE TO ALLOW SMALL BUSINESS ESTABLISHMENTS WITH NOT MORE THAN FIVE EMPLOYEES TO COMPLY WITH THE LEGISLATION. WE BELIEVE THAT THIS ARRANGEMENT WILL GIVE SMALL EMPLOYERS THE TIME TO BETTER UNDERSTAND THE OPERATION OF THE BILL AND WE INDEED HOPE TO SEE EMPLOYER ASSOCIATIONS WORKING TOGETHER WITH THE EQUAL OPPORTUNITIES COMMISSION TO PROMOTE UNDERSTANDING OF THE BILL AMONG SMALL EMPLOYERS.

IN LINE WITH OUR DECISION TO SEEK TO ENTER A RESERVATION TO CEDAW IN RESPECT OF THE SMALL HOUSE POLICY, THE BILL ALSO PROVIDES AN EXCEPTION FOR THIS POLICY. THIS EXCEPTION ALLOWS US TO RESERVE THE RIGHT TO CONTINUE WITH THE SMALL HOUSE POLICY.

THE SEX DISCRIMINATION BILL IS A MAJOR STEP IN THE DEVELOPMENT OF AN ENVIRONMENT CONDUCIVE TO FREE COMPETITION IN HONG KONG. WE HAVE NOT MOVED HASTILY, WE HAVE NOT TRIED TO GO BEYOND THE LEVELS WHICH THE COMMUNITY AT LARGE WANT US TO GO; WE HAVE APPROACHED THIS ISSUE CAREFULLY, AWARE OF THE HIGH EMOTIONS WHICH SUCH SENSITIVE ISSUES CAN RAISE. WE HAVE PREPARED LEGISLATION WHICH IS SUITABLE FOR HONG KONG AND, MORE IMPORTANTLY, HAVE GONE BEYOND LEGISLATION TO ENSURE THAT THERE WILL BE AN EFFECTIVE INDEPENDENT AGENCY SET UP TO ENSURE THE EFFECTIVE IMPLEMENTATION OF THE SEX-DISCRIMINATION LEGISLATION AND TO FULFIL THE ESSENTIAL FUNCTION OF PUBLIC EDUCATION WHICH IS CRUCIAL TO THE SUCCESS OF ANY MEASURES INTRODUCED TO ELIMINATE DISCRIMINATION.

THE ENACTMENT OF THE BILL WILL PROVIDE THE MEANS BY WHICH MEMBERS OF THE COMMUNITY WILL BE ABLE TO MAKE THE MOST OF THEIR POTENTIAL TO PARTICIPATE FULLY IN ALL AREAS OF ACTIVITY. MOREOVER, IT WILL ENSURE THAT THE PEOPLE OF HONG KONG ENJOY A SIMILAR LEVEL OF LEGAL PROTECTION AS THEIR COUNTERPARTS IN OTHER ADVANCED SOCIETIES IN RESPECT OF EQUAL OPPORTUNITIES BETWEEN WOMEN AND MEN. WE ARE CONVINCED THAT THIS BILL, WHICH IS OUR RESPONSE TO DEMONSTRATED PUBLIC DEMAND, WILL SERVE HONG KONG'S NEEDS WELL.

#### THE BILL

PART I OF THE BILL DEFINES THE TERMS USED IN THE BILL AND PROVIDES THAT THE BILL BINDS THE GOVERNMENT.

PART II SPECIFIES THE VARIOUS KINDS OF DISCRIMINATION TO WHICH THE BILL APPLIES. THESE ARE SEX DISCRIMINATION AGAINST WOMEN, SEX DISCRIMINATION AGAINST MEN, DISCRIMINATION ON THE GROUND OF MARITAL STATUS OR PREGNANCY IN THE EMPLOYMENT FIELD AND DISCRIMINATION BY WAY OF VICTIMISATION.

PART III RELATES TO DISCRIMINATION AND SEXUAL HARASSMENT IN THE EMPLOYMENT FIELD. CLAUSE 10 MAKES IT UNLAWFUL FOR A PERSON TO DISCRIMINATE AGAINST PROSPECTIVE OR EXISTING EMPLOYEES, BOTH IN RESPECT OF THE TERMS ON WHICH EMPLOYMENT IS OFFERED AND IN RESPECT OF ACCESS TO OPPORTUNITIES FOR PROMOTION, TRANSFER OR TRAINING. CLAUSE 11 SPECIFIES THE CASES WHERE CLAUSE 10 DOES NOT APPLY BECAUSE A PARTICULAR SEX IS A GENUINE OCCUPATIONAL QUALIFICATION FOR THE JOB CONCERNED.

PART IV RELATES TO DISCRIMINATION AND SEXUAL HARASSMENT IN OTHER FIELDS. THESE OTHER FIELDS INCLUDE EDUCATION (CLAUSES 22 TO 24) AND THE PROVISION OF GOODS, FACILITIES, SERVICES AND PREMISES (CLAUSES 25 TO 30).

PART V RELATES TO OTHER UNLAWFUL ACTS RELATING TO DISCRIMINATION AND SEXUAL HARASSMENT, IN PARTICULAR WHERE PERSONS ENGAGE IN PRACTICES WHICH RESULT, OR MAY RESULT, IN UNLAWFUL DISCRIMINATION (CLAUSE 35). IT IS UNLAWFUL FOR CERTAIN PERSONS TO INSTRUCT, OR EXERCISE PRESSURE ON, ANOTHER PERSON TO DO AN ACT WHICH IS UNLAWFUL UNDER THE BILL (CLAUSES 37 AND 38).

PART VI PROVIDES FOR GENERAL EXCEPTIONS FROM THE BILL.

PART VII AND SCHEDULE 5 RELATE TO THE ESTABLISHMENT OF THE COMMISSION, ITS FUNCTIONS AND POWERS, IN PARTICULAR IN RELATION TO THE ISSUING OF CODES OF PRACTICES (CLAUSE 61) AND ITS POWER TO CONDUCT FORMAL INVESTIGATIONS (CLAUSES 62 TO 66).

PART VIII RELATES TO THE ENFORCEMENT OF THE PROVISIONS OF THE BILL, AND IN THIS RESPECT CONFERS JURISDICTION ON THE DISTRICT COURT TO ENTERTAIN CLAIMS OF UNLAWFUL DISCRIMINATION OR SEXUAL HARASSMENT IN LIKE MANNER AS ANY OTHER CLAIM IN TORT (CLAUSE 68). THE COMMISSION IS EMPOWERED TO ISSUE ENFORCEMENT NOTICES (CLAUSE 69) AND TO ASSIST CLAIMANTS AND POTENTIAL CLAIMANTS (CLAUSES 75, 76 AND 77).

PART IX CONTAINS MISCELLANEOUS PROVISIONS, IN PARTICULAR IN RELATION TO THE VALIDITY OF DISCRIMINATORY CONTRACTS (CLAUSE 79).

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EMPLOYEES' COMPENSATION AMENDMENT BILL INTRODUCED  
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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN MOVING THE SECOND READING OF THE EMPLOYEES' COMPENSATION (AMENDMENT) (NO. 2) BILL 1994 IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

MR PRESIDENT,

I MOVE THE SECOND READING OF THE EMPLOYEES' COMPENSATION (AMENDMENT) (NO.2) BILL 1994.

MEMBERS MAY RECALL THAT THE EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1994 WAS INTRODUCED INTO THIS COUNCIL IN MAY THIS YEAR. AT THE COMMITTEE STAGE, MEMBERS GAVE FULL SUPPORT TO THE EARLY ENACTMENT OF THE PROVISION REGARDING COMPENSATION FOR EMPLOYEES INJURED ON THEIR WAY TO OR FROM WORK WITHIN THE DURATION OF A GALE WARNING OR A RAINSTORM WARNING. HOWEVER, IT WAS FELT AT THAT TIME THAT MORE TIME WAS NEEDED TO STUDY THE OTHER PROVISIONS OF THE BILL. AT THE REQUEST OF THE BILLS COMMITTEE, I SUBSEQUENTLY MOVED COMMITTEE STAGE AMENDMENTS TO DELETE ALL THE PROVISIONS IN THE BILL WITH A VIEW TO RE-INTRODUCING THEM IN THE 1994/95 LEGCO SESSION. THE PROPOSALS NOW BEFORE MEMBERS IN THIS BILL ARE THOSE DELETED PROVISIONS.

THE BILL SEEKS TO RECTIFY A NUMBER OF INADEQUACIES IN THE EMPLOYEES' COMPENSATION ORDINANCE AND IMPROVE CERTAIN PROVISIONS RELATING TO THE ENTITLEMENT OF COMPENSATION OF INJURED EMPLOYEES.

AT PRESENT, AN EMPLOYEE WHO SUSTAINS INJURY WHILE TRAVELLING AS A PASSENGER TO OR FROM HIS PLACE OF WORK BY ANY MEANS OF TRANSPORT PROVIDED OR ARRANGED BY HIS EMPLOYER AND NOT BEING A PART OF PUBLIC TRANSPORT SERVICE IS ENTITLED TO COMPENSATION. AS THE SCOPE OF PROTECTION IS RATHER LIMITED, WE PROPOSE TO IMPROVE THE EXISTING PROVISIONS BY PROVIDING FOR COMPENSATION TO AN EMPLOYEE WHO SUFFERS INJURY BY ACCIDENT:

- (A) WHILE DRIVING OR OPERATING ANY MEANS OF TRANSPORT PROVIDED BY HIS EMPLOYER BETWEEN HIS HOME AND HIS PLACE OF WORK FOR THE PURPOSE OF ATTENDING TO OR AFTER ATTENDING TO HIS DUTIES; AND
- (B) WHILE TRAVELLING BETWEEN HONG KONG AND HIS PLACE OF WORK ABROAD BY ANY MEANS OF TRANSPORT AGREED BY HIS EMPLOYER.

WE ALSO PROPOSE THAT THE DEFINITION OF "MEDICAL EXPENSES" BE EXPANDED TO ENABLE THE COMMISSIONER FOR LABOUR TO PROCESS A CLAIM FROM AN EMPLOYEE INJURED AT WORK OUTSIDE HONG KONG FOR MEDICAL EXPENSES INCURRED OUTSIDE HONG KONG.

ANOTHER AREA OF IMPROVEMENT IS THAT THE BILL WOULD ENHANCE THE INTEREST OF AN INJURED EMPLOYEE WHO HAS BEEN ON PROLONGED SICK LEAVE. UNDER THE EXISTING PROVISIONS, THE EARNINGS OF AN EMPLOYEE FOR THE MONTH IMMEDIATELY PRECEDING THE DATE OF HIS ACCIDENT OR HIS AVERAGE MONTHLY EARNINGS DURING THE PREVIOUS 12 MONTHS ARE USED AS THE BASIS FOR CALCULATING PERIODICAL PAYMENTS AND COMPENSATION FOR DEATH OR PERMANENT INCAPACITY. THIS METHOD OF COMPUTATION DOES NOT CATER FOR ANY WAGE INCREASE WHICH THE EMPLOYEE MIGHT HAVE BEEN ENTITLED TO RECEIVE HAD IT NOT BEEN FOR THE ACCIDENT.

WE NOW PROPOSE THAT FOR THE PURPOSE OF CALCULATING THE COMPENSATION PAYABLE TO AN EMPLOYEE AT THE END OF A 12-MONTH OR 24-MONTH PERIOD FOLLOWING HIS ACCIDENT, HIS EARNINGS SHOULD BE SUITABLY ADJUSTED WITH REFERENCE TO THE AVERAGE RATE OF WAGE INCREASE OF OTHER PERSONS EMPLOYED BY HIS EMPLOYER IN SIMILAR EMPLOYMENT, OR WHERE NO OTHER PERSONS ARE EMPLOYED BY HIS EMPLOYER IN SIMILAR EMPLOYMENT, THE RATE OF INFLATION, FOR THE PRECEDING 12 MONTHS OR 24 MONTHS BE USED AS APPROPRIATE.

WE ALSO PROPOSE THAT THE COURT BE PROVIDED WITH A DISCRETIONARY POWER TO EXTEND THE MAXIMUM PERIOD OF 24 MONTHS OF TEMPORARY INCAPACITY BY UP TO 12 MONTHS IN DESERVING CASES. THIS EXTENSION ALLOWS MORE TIME FOR THE CONDITION OF THE INJURED EMPLOYEE TO STABILISE AND BE READY FOR ASSESSMENT OF PERMANENT INCAPACITY.

/AT PRESENT .....

AT PRESENT, AN EMPLOYEE WHO SUFFERS PERMANENT TOTAL INCAPACITY AND WHO REQUIRES THE CONSTANT ATTENTION OF ANOTHER PERSON IS ENTITLED TO CLAIM COMPENSATION FOR THE COST OF SUCH ARRANGEMENTS. HOWEVER, SUCH REQUIREMENT IS CONSIDERED UNDULY RESTRICTIVE AS AN EMPLOYEE WHO SUFFERS SERIOUS RATHER THAN TOTAL PERMANENT INCAPACITY MAY ALSO REQUIRE THE CARE AND ATTENTION OF ANOTHER PERSON. WE THEREFORE PROPOSE TO AMEND THE EXISTING PROVISION TO ALLOW THE COURT TO AWARD COMPENSATION TO MEET THE COST OF ATTENDING TO AN EMPLOYEE WHO SUFFERS SERIOUS PERMANENT INCAPACITY AND TO REMOVE THE REQUIREMENT FOR SUCH ATTENTION TO BE "CONSTANT".

FINALLY, THE OTHER AMENDMENTS PROPOSED IN THE BILL ARE INTENDED TO CLARIFY PROVISIONS AND STREAMLINE PROCEDURES. THANK YOU.

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SFC (AMENDMENT) (NO. 2) BILL INTRODUCED

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, WHEN HE MOVED THE SECOND READING OF THE SECURITIES AND FUTURES COMMISSION (AMENDMENT) (NO.2) BILL 1994 IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

MR PRESIDENT,

I MOVE SECOND READING OF THE SECURITIES AND FUTURES COMMISSION (AMENDMENT) (NO. 2) BILL 1994.

THE BILL SEEKS TO ENABLE THE SECURITIES AND FUTURES COMMISSION (THE "SFC") TO PROVIDE RECIPROCAL INVESTIGATORY ASSISTANCE TO OVERSEAS REGULATORS AND COMPANY INSPECTORS. THIS IS ONE OF THE ITEMS INCLUDED IN THE LEGISLATIVE PROGRAMME WHICH FORMS PART OF THE GOVERNOR'S POLICY ADDRESS DELIVERED ON 5 OCTOBER 1994.

AT PRESENT, SUBJECT TO PUBLIC INTEREST CONSIDERATIONS, THE SFC CAN DISCLOSE TO OVERSEAS REGULATORS, PURSUANT TO THE SECURITIES AND FUTURES COMMISSION ORDINANCE, NON-PUBLIC INFORMATION THAT IS ALREADY IN ITS POSSESSION HOWEVER, IT CANNOT ENTERTAIN REQUESTS FROM OVERSEAS AUTHORITIES FOR INVESTIGATORY ASSISTANCE UNLESS THE CASE ALSO INVOLVES A BREACH OF RELEVANT HONG KONG LAWS. WITH THE GRADUAL INTERNATIONALISATION OF THE LOCAL SECURITIES AND FUTURES MARKETS, IT HAS BECOME INCREASINGLY IMPORTANT FOR THE SFC TO BE ABLE TO PROVIDE SUCH ASSISTANCE ON A RECIPROCAL BASIS. THE INTERNATIONAL REGULATORY COMMUNITY IS GIVING INCREASING EMPHASIS TO CROSS-BORDER REGULATORY CO-OPERATION.

MOST NOTABLY, IN 1991 THE INTERNATIONAL ORGANISATION OF SECURITIES COMMISSIONS (IOSCO) ADOPTED TEN PRINCIPLES FOR CONCLUDING A BILATERAL OR MULTILATERAL MEMORANDUM OF UNDERSTANDING AMONG REGULATORS IN DIFFERENT JURISDICTIONS. THE FIRST PRINCIPLE URGES REGULATORS WHO ARE NOT ABLE TO PROVIDE INVESTIGATORY ASSISTANCE TO THEIR OVERSEAS COUNTERPARTS TO CONSIDER RECOMMENDING APPROPRIATE LEGISLATIVE AMENDMENTS TO ENABLE SUCH ASSISTANCE TO BE GIVEN. THIS YEAR, THE TECHNICAL COMMITTEE OF IOSCO HAS CALLED FOR SELF-EVALUATION REPORTS FROM MEMBERS REGARDING THEIR ABILITY TO PROVIDE MUTUAL ASSISTANCE TO FOREIGN SECURITIES AND FUTURES REGULATORS.

ELSEWHERE IN THE WORLD, THE LEGISLATION IN MAJOR INTERNATIONAL MARKETS ALREADY ALLOWS THEIR REGULATORS TO PROVIDE INVESTIGATORY ASSISTANCE TO THEIR OVERSEAS COUNTERPARTS WHO ARE ABLE TO RECIPROCATE, AND HONG KONG IS LIKELY TO LOSE THE BENEFIT OF CO-OPERATION FROM SUCH JURISDICTIONS IF OUR REGULATORS ARE NOT LIKEWISE EMPOWERED TO CONSIDER THEIR REQUESTS FOR ASSISTANCE. THIS BILL WILL AMEND THE SECURITIES AND FUTURES COMMISSION ORDINANCE TO ENABLE SUCH ASSISTANCE TO BE GIVEN.

IN AMENDING THE LEGISLATION, THE ADMINISTRATION IS MINDFUL OF THE NEED TO CIRCUMSCRIBE THE NEW PROVISIONS. FIRSTLY, IT WILL NOT BE AN OBLIGATION FOR THE SFC TO PROVIDE ASSISTANCE AUTOMATICALLY ON REQUEST. THE COMMISSION WILL HAVE TO CONSIDER INDIVIDUAL CASES ON THEIR OWN MERITS AND AGAINST THE BACKGROUND OF CERTAIN CRITERIA, INCLUDING REQUIREMENTS THAT THE FUNCTIONS OF THE REQUESTING PARTY SHOULD BE SIMILAR TO THOSE OF THE HONG KONG REGULATORY AUTHORITY, THAT'S TO SAY THE SFC, AND THAT THE REQUESTING PARTY SHOULD BE BOUND BY ADEQUATE SECRECY PROVISIONS. IN ADDITION, THE CASES SHOULD INVOLVE CIRCUMSTANCES THAT WOULD MEET THRESHOLDS SIMILAR TO THOSE REQUIRED FOR THE SFC TO INVOKE ITS POWERS FOR ITS OWN INVESTIGATIONS LOCALLY. THE UNDERLYING PRINCIPLE IS THAT IT MUST BE IN THE INTERESTS OF THE PUBLIC OR THE INVESTING PUBLIC LOCALLY FOR THE SFC TO PROVIDE THE ASSISTANCE. WHEN CONSIDERING INDIVIDUAL REQUESTS, THE SFC WILL ALSO TAKE INTO ACCOUNT THE ABILITY OF THE REQUESTING PARTY TO RECIPROCATE AND TO REIMBURSE THE COSTS LIKELY TO BE INCURRED.

AS A FURTHER MEASURE OF PROTECTION, THE BILL ALSO PROVIDES THAT THE SFC SHALL NOT PROVIDE TO OVERSEAS REGULATORS EVIDENCE OF SELF-INCRIMINATING ANSWERS GIVEN BY PERSONS INVESTIGATED WHERE SUCH EVIDENCE MAY BE USED IN CRIMINAL PROCEEDINGS IN THE OVERSEAS JURISDICTION.

THE PROPOSED AMENDMENTS WILL FILL A GAP IN THE EXISTING REGULATORY FRAMEWORK AND ENSURE THAT THE REGULATORY REGIME IN HONG KONG REMAINS CONSISTENT WITH THOSE IN OTHER MAJOR INTERNATIONAL MARKETS. IN PRACTICAL TERMS, THE ABILITY OF REGULATORS TO HELP EACH OTHER IN THIS WAY IS MUTUALLY BENEFICIAL. THE SFC HAS IN THE PAST RECEIVED CONSIDERABLE ASSISTANCE FROM OVERSEAS AUTHORITIES AND IT CANNOT AFFORD TO LOSE THIS FACILITY IN FUTURE.

MR PRESIDENT, I BEG TO MOVE.

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LEVERAGED FOREIGN EXCHANGE TRADING BILL

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, WHEN HE MOVED THE SECOND READING OF THE LEVERAGED FOREIGN EXCHANGE TRADING (AMENDMENT) BILL 1994 IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

MR PRESIDENT,

I MOVE THAT THE LEVERAGED FOREIGN EXCHANGE TRADING (AMENDMENT) BILL 1994 BE READ A SECOND TIME.

/THE BILL .....

THE BILL SERVES THE SAME PURPOSE AS THE SECURITIES AND FUTURES COMMISSION (AMENDMENT) (NO.2) BILL 1994, THE SECOND READING OF WHICH I HAVE JUST MOVED. IT SEEKS TO ENABLE THE SFC TO PROVIDE RECIPROCAL INVESTIGATORY ASSISTANCE TO OVERSEAS REGULATORS AND COMPANY INSPECTORS IN RESPECT OF TRANSACTIONS INVOLVING LEVERAGED FOREIGN EXCHANGE CONTRACTS.

THE LEVERAGED FOREIGN EXCHANGE TRADING ORDINANCE WAS ENACTED ON 22 JUNE 1994 AND BROUGHT INTO EFFECT ON 1 SEPTEMBER 1994. UNDER THE ORDINANCE, COMPANIES OFFERING LEVERAGED FOREIGN EXCHANGE CONTRACTS TO INVESTORS, AND REPRESENTATIVES OF SUCH COMPANIES, HAVE TO BE LICENSED BY THE SFC. THE ORDINANCE CONTAINS PROVISIONS SIMILAR TO THOSE IN THE SECURITIES AND FUTURES COMMISSION ORDINANCE TO ALLOW THE SFC TO DISCLOSE TO OVERSEAS REGULATORS NON-PUBLIC INFORMATION IN ITS POSSESSION SUBJECT TO PUBLIC INTEREST CONSIDERATIONS. AGAIN, THE SFC AT PRESENT MAY NOT ENTERTAIN REQUESTS FROM OVERSEAS AUTHORITIES FOR INVESTIGATORY ASSISTANCE UNLESS THE CASE ALSO INVOLVES A BREACH OF RELEVANT HONG KONG LAWS.

FOR THE REASONS I HAVE EXPLAINED WHEN MOVING THE SECOND READING OF THE SECURITIES AND FUTURES COMMISSION (AMENDMENT) (NO.2) BILL 1994, THE LEVERAGED FOREIGN EXCHANGE TRADING ORDINANCE SHOULD ALSO BE AMENDED TO ENABLE THE SFC TO PROVIDE INVESTIGATORY ASSISTANCE TO OVERSEAS AUTHORITIES ON A RECIPROCAL BASIS. THE CHANGES CONTEMPLATED UNDER THIS BILL ARE IDENTICAL IN NATURE TO THOSE UNDER THE EARLIER BILL. THEY AIM TO KEEP HONG KONG IN LINE WITH OTHER MAJOR INTERNATIONAL MARKETS AND TO MAINTAIN THE INTEGRITY OF OUR REGULATORY FRAMEWORK.

MR PRESIDENT, I BEG TO MOVE.

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PRIVATE BILL FEES REVISED

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, WHEN MOVING A RESOLUTION UNDER THE PRIVATE BILLS ORDINANCE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

MR PRESIDENT,

I MOVE THE RESOLUTION STANDING IN MY NAME IN THE ORDER PAPER.

LET ME FIRST MAKE IT CLEAR THAT A PRIVATE BILL IS NOT A PRIVATE MEMBER BILL. A PRIVATE BILL DOES NOT DEAL WITH A GOVERNMENT MEASURE AND A PRIVATE MEMBER'S BILL NORMALLY DOES. A PRIVATE BILL PROVIDES PRIMARILY FOR THE PARTICULAR INTEREST OR BENEFIT OF AN INDIVIDUAL, ASSOCIATION OR BODY CORPORATE, UNDER SECTION 3 OF THE PRIVATE BILLS ORDINANCE, A PROMOTER OF A PRIVATE BILL IS REQUIRED TO PAY A FEE AS SPECIFIED IN A SCHEDULE TO THE ORDINANCE FOR PRESENTING ANY SUCH BILL TO THE LEGISLATIVE COUNCIL. THE CHIEF SECRETARY MAY, HOWEVER, WAIVE ANY SUCH FEE UPON APPLICATION BY THE PROMOTER IF SHE IS SATISFIED THAT THE BILL IS FOR A CHARITABLE PURPOSE OR FACILITATES A GOVERNMENT MEASURE.

WE LAST REVIEWED THE FEES IN 1991. TO REFLECT THE INCREASES IN COSTS SINCE THEN, WE PROPOSE TO REVISE THE FEE FOR PRESENTING A PRIVATE BILL AMENDING AN EXISTING ORDINANCE FROM \$25,000 TO \$33,500 AND THE FEE FOR PRESENTING A PRIVATE BILL FOR A PRINCIPAL ORDINANCE FROM \$50,000 TO \$67,000.

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## 213 COMPLAINTS RECEIVED FROM WHITEHEAD VIETNAMESE

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FOLLOWING IS A QUESTION BY THE HON CHRISTINE LOH KUNG-WAI AND A WRITTEN REPLY BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE REMOVAL OF VIETNAMESE BOAT PEOPLE (VBP) FROM THE WHITEHEAD DETENTION CENTRE ON 7 APRIL 1994, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING :

- (A) HOW MANY VBP HAVE LODGED COMPLAINTS ABOUT ILL-TREATMENT ON 7 APRIL 1994;
- (B) WHETHER ANY OF THE VBP WHO HAVE LODGED COMPLAINTS HAVE BEEN DEPORTED; IF SO, HOW MANY;
- (C) IN RESPECT OF (B) ABOVE, WHETHER ALL THE COMPLAINTS LODGED BY THE VBP HAD BEEN FULLY INVESTIGATED BEFORE THEY WERE DEPORTED; IF SO, WHAT WAS THE OUTCOME OF THE INVESTIGATION INTO EACH OF THE COMPLAINTS; IF NOT, HOW MANY VBP WERE DEPORTED BEFORE THEIR COMPLAINTS HAD BEEN FULLY INVESTIGATED, WHAT WAS THE NATURE OF THE COMPLAINT IN EACH CASE, AND WHY WAS DEPORTATION NOT POSTPONED IN EACH CASE UNTIL THE COMPLAINT HAD BEEN INVESTIGATED; AND
- (D) WHETHER THE GOVERNMENT WILL GIVE AN UNDERTAKING THAT THERE WILL HENCEFORTH BE NO DEPORTATION OF THOSE WHO HAVE COMPLAINED ABOUT ILL-TREATMENT UNTIL THEIR COMPLAINTS HAVE BEEN FULLY INVESTIGATED AND ANY CONSEQUENTIAL CRIMINAL OR CIVIL ACTIONS OR INTERNAL DISCIPLINARY PROCEEDINGS HAVE BEEN CONCLUDED?

REPLY :

MR PRESIDENT,

- (A) 125 COMPLAINTS OF ASSAULT FROM 99 VIETNAMESE MIGRANTS AND 88 COMPLAINTS OF THEFT/LOST PROPERTY FROM 88 VIETNAMESE MIGRANTS IN RELATION TO THE CAMP TRANSFER OPERATION IN WHITEHEAD DETENTION CENTRE ON 7 APRIL HAVE BEEN RECEIVED.
- (B&C) NONE OF THE COMPLAINANTS HAS BEEN DEPORTED OR REPATRIATED TO VIETNAM.
- (D) UNDER THE COMPREHENSIVE PLAN OF ACTION, ALL VIETNAMESE MIGRANTS WHO HAVE BEEN DETERMINED TO BE NON-REFUGEES MUST RETURN TO VIETNAM. THE ADMINISTRATION IS NOT WILLING TO GIVE A BLANKET UNDERTAKING WHICH WOULD HAVE THE EFFECT OF DELAYING THE SUCCESSFUL COMPLETION OF THE PLAN. HOWEVER, WE WOULD NOT JEOPARDIZE CRIMINAL ACTIONS BEFORE THE COURTS OR LIKELY TO COME BEFORE THE COURTS BY DEPORTING OR REPATRIATING ESSENTIAL WITNESSES.

INCREASING SUPPLY OF INFORMATION TECHNOLOGY MANPOWER

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FOLLOWING IS A QUESTION BY DR THE HON HUANG CHEN-YA AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN VIEW OF THE SHORTAGE OF INFORMATION TECHNOLOGY MANPOWER IN THE TERRITORY, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING :

- (A) WHAT IS THE NUMBER OF TRAINED SOFTWARE ENGINEERS IN THE TERRITORY AND HOW DOES THIS COMPARE WITH THAT IN NEIGHBOURING COUNTRIES IN THE REGION AND OECD COUNTRIES; AND
- (B) WHETHER THERE ARE ANY PLANS TO ENSURE THAT MORE MANPOWER WILL BE TRAINED; IF SO, WHAT ARE THE DETAILS OF SUCH PLANS?

REPLY :

MR PRESIDENT,

- (A) WE DO NOT HAVE STATISTICS ON THE NUMBER OF SOFTWARE ENGINEERS IN HONG KONG AND IN OTHER COUNTRIES. HOWEVER, ACCORDING TO A MANPOWER SURVEY CONDUCTED IN DECEMBER 1993 BY THE COMMITTEE ON INFORMATION TECHNOLOGY TRAINING OF THE VOCATIONAL TRAINING COUNCIL (THE VTC SURVEY), THERE WERE ABOUT 34,940 PERSONS ENGAGED IN THE INFORMATION TECHNOLOGY (IT) SECTOR, INCLUDING ABOUT 8,880 IN APPLICATION PROGRAMMING, 7,870 IN TECHNICAL SUPPORT, 5,060 IN IT MANAGEMENT AND 4,400 IN HARDWARE SUPPORT.
- (B) ACCORDING TO THE VTC SURVEY, INDICATED AVERAGE ANNUAL DEMAND FOR IT MANPOWER IN THE SHORT-TERM AT SUB-DEGREE AND DEGREE LEVEL IS ABOUT 3,900 PER YEAR. THE CURRENT SUPPLY OF SUCH MANPOWER FROM LOCAL POST-SECONDARY AND TERTIARY INSTITUTIONS TRAINED SPECIFICALLY IN COMPUTER SCIENCE AND RELATED DISCIPLINES IS ABOUT 2,450 PER YEAR. TO MATCH THE DEMAND, PLANS ARE ALREADY IN HAND TO INCREASE THE LOCAL IT MANPOWER OUTPUT STEADILY TO ABOUT 3,500 IN 1998. OTHER SOURCES OF SUPPLY INCLUDE THOSE LOCAL GRADUATES TRAINED IN RELATED DISCIPLINES, SUCH AS ENGINEERING, WHO ENTER THE IT PROFESSION, PLUS THOSE GRADUATES TRAINED OVERSEAS IN COMPUTER SCIENCE OR RELATED DISCIPLINES RETURNING TO HONG KONG.

RESIDENTS IMPRISONED IN PHILIPPINES

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FOLLOWING IS A QUESTION BY THE HON EMILY LAU WAI-HING AND A WRITTEN REPLY BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE IMPRISONMENT OF A LOCAL TOURIST GUIDE AND ANOTHER HONG KONG RESIDENT IN THE PHILIPPINES, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE PROGRESS OF THEIR APPEALS; AND WHAT MEASURES HAS THE BRITISH GOVERNMENT TAKEN DURING THIS PERIOD TO FACILITATE THEIR EARLY RELEASE?

REPLY :

MR PRESIDENT,

SINCE THE TWO HONG KONG RESIDENTS WERE CONVICTED AND SENTENCED TO LIFE IMPRISONMENT ON 29 NOVEMBER 1991, THE BRITISH GOVERNMENT HAS BEEN PRESSING THE PHILIPPINE GOVERNMENT AND THE COURT IN MANILA FOR AN EARLY HEARING AND DECISION ON THEIR APPEAL.

WE HAVE RECENTLY BEEN INFORMED BY THE BRITISH EMBASSY IN MANILA THAT, IN RESPONSE TO THEIR ENQUIRIES, THE PHILIPPINE SOLICITOR GENERAL CONFIRMED THAT THE APPEAL, WHICH WAS FILED ON 13 DECEMBER 1993, WAS CURRENTLY WITH THE SUPREME COURT. THE APPELLANTS' ATTORNEY INTENDED TO FILE THEIR BRIEF TO THE SUPREME COURT BEFORE THE END OF OCTOBER 1994. HOWEVER, NO DATE FOR THE HEARING HAS YET BEEN SET.

THE BRITISH EMBASSY IN MANILA WILL CONTINUE TO PRESS THE PHILIPPINE AUTHORITIES FOR AN EARLY HEARING OF THE APPEAL, AND TO MONITOR PROGRESS.

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OVERCHARGING BY TAXI DRIVERS

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FOLLOWING IS A QUESTION BY THE HON ZACHARY WONG WAI-YIN AND A WRITTEN REPLY BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WITH REGARD TO THE SECRETARY FOR TRANSPORT'S REPLY TO THE QUESTION ON OVERCHARGING BY TAXI-DRIVERS ON 20 OCTOBER LAST YEAR, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING :

- (A) THE REASON FOR THE DECREASING TREND IN THE RATIO BETWEEN THE NUMBER OF PROSECUTIONS AGAINST TAXI-DRIVERS FOR OVERCHARGING AND THE NUMBER OF ACTIONABLE COMPLAINT CASES OVER THE PAST FOUR YEARS AND;
- (B) WHETHER, SINCE THE INTRODUCTION OF LEGISLATION REQUIRING THE COMPULSORY DISPLAY OF IDENTITY PLATES BY TAXI-DRIVERS, THERE HAS BEEN ANY IMPROVEMENT IN THE PROSECUTION OF OFFENDING TAXI-DRIVERS, SUCH AS IN THE IDENTIFICATION OF THE TAXI-DRIVERS CONCERNED; IF SO, HOW THE SITUATION HAS IMPROVED?

/REPLY .....

REPLY

MR PRESIDENT,

COMPLAINTS AGAINST OVERCHARGING BY TAXI DRIVERS COVER TWO BROAD CATEGORIES, NAMELY CHEATING (INCLUDING SHORT-CHANGING) AND TAXI-METER OFFENCES (INCLUDING TAXI-METERS RUNNING FAST).

THE NUMBERS OF PROSECUTIONS FOR CHEATING OFFENCES HAVE REMAINED CONSTANT IN THE PAST FEW YEARS. HOWEVER, THE NUMBERS OF PROSECUTIONS FOR TAXI-METER OFFENCES HAVE DROPPED SIGNIFICANTLY BECAUSE OF SUCCESSFUL POLICE OPERATIONS IN EARLY 1992 AGAINST SYNDICATES TAMPERING WITH THE ELECTRONIC TAXI-METERS. IN ADDITION, IN OCTOBER 1992, TRANSPORT DEPARTMENT LAID DOWN SPECIFIC GUIDELINES ON HOW TO SEAL TAXI-METERS AND NOW CHECK THESE DURING PERIODIC INSPECTIONS OF TAXIS.

FOLLOWING THESE MEASURES, THE POLICE HAVE ONLY FOUND SUFFICIENT PRIMA FACIE EVIDENCE TO PROSECUTE 26 CASES IN RESPECT OF TAXI-METER OFFENCES IN 1993 AS COMPARED TO 204 IN 1990; 192 IN 1991; AND 169 IN 1992. NOTWITHSTANDING THIS, THE PUBLIC CONTINUE TO PERCEIVE TAXI-METER OFFENCES AS A COMMON MALPRACTICE. THIS EXPLAINS WHY THE NUMBER OF COMPLAINTS AGAINST OVERCHARGING HAS REMAINED HIGH. A BREAKDOWN OF THESE FIGURES IS ANNEXED.

THE LEGISLATIVE REQUIREMENT FOR THE COMPULSORY DISPLAY OF IDENTITY PLATES BY TAXI DRIVERS CAME INTO EFFECT IN JULY. BETWEEN JULY AND SEPTEMBER 1994, ONLY 12 COMPLAINTS AGAINST TAXI DRIVERS FAILING TO DISPLAY IDENTITY PLATES WERE RECEIVED. THIS INDICATES THE REQUIREMENT HAS GENERALLY BEEN COMPLIED WITH. SUCCESSFUL PROSECUTIONS ARE SUBJECT TO A NUMBER OF FACTORS INCLUDING PASSENGERS' WILLINGNESS TO GIVE EVIDENCE, THE QUALITY OF SUCH EVIDENCE AND THE IDENTIFICATION OF THE OFFENDING TAXI DRIVERS. IT IS NOT POSSIBLE TO ATTRIBUTE ANY ONE SINGLE FACTOR TO THE SUCCESS OR OTHERWISE OF A PROSECUTION. NONETHELESS THE INTRODUCTION OF IDENTITY PLATES HAS GENERALLY ASSISTED THE POLICE IN VERIFYING THE IDENTITY OF OFFENDING TAXI DRIVERS.

ANNEX  
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COMPLAINTS RECEIVED AND PROSECUTIONS AGAINST OVERCHARGING BY TAXI DRIVERS (1990 - 1994)  
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YEAR	COMPLAINTS RECEIVED BY TCU	TCU COMPLAINTS REFERRED TO THE POLICE	COMPLAINTS RECEIVED BY POLICE DIRECT	PROSECUTIONS*
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1990	408	214	199	230
1991	455	222	205	222
1992	1168	561	201	214
1993	1084	543	241	79
1994 (JAN-SEP)	917	567	158	55

/\*BREAKDOWN OF .....

## \*BREAKDOWN OF PROSECUTIONS

YEAR	(A) CHEATING	(B) TAXIMETER OFFENCES	TOTAL (A) + (B)
1990	26	204	230
1991	30	192	222
1992	45	169	214
1993	53	26	79
1994 (JAN- SEP)	27	28	55

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## SAFETY OF SCHOOL BUS

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FOLLOWING IS A QUESTION BY THE HON SELINA CHOW LIANG SUK-YEE AND A WRITTEN REPLY BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : RECENTLY THERE HAVE BEEN REPEATED ACCIDENTS INVOLVING SCHOOL PRIVATE LIGHT BUSES. THERE HAVE ALSO BEEN REPORTS ON THE PROBLEMS OF THESE VEHICLES SUCH AS OVERLOADING AND MODIFICATION OF SEATS TO INCREASE SEATING CAPACITY. THE NUMBER OF PROSECUTIONS TAKEN BY THE ADMINISTRATION AGAINST THE OFFENDERS IN THE FIRST HALF OF THIS YEAR HAS INCREASED BY 40% WHEN COMPARED WITH THE FIGURE FOR THE SAME PERIOD LAST YEAR. IN VIEW OF THIS, WILL THE GOVERNMENT INFORM THIS COUNCIL :

- (A) OF THE FREQUENCY OF INSPECTIONS CONDUCTED BY THE ENFORCEMENT DEPARTMENTS CONCERNED TO CHECK THE OVERLOADING OF SCHOOL PRIVATE LIGHT BUSES;
- (B) WHETHER CONSIDERATION WILL BE GIVEN TO STEPPING UP MEASURES TO MONITOR THE SAFETY OF THESE VEHICLES, SUCH AS INTRODUCING LEGISLATION REQUIRING EACH PASSENGER TO WEAR A SEAT BELT; AND
- (C) WHETHER ANY REVIEW WILL BE CONDUCTED TO ASCERTAIN, INTER ALIA, IF THE PENALTIES IMPOSED ON OFFENDERS ARE TOO LIGHT?

/REPLY .....

REPLY

MR PRESIDENT,

SCHOOL PRIVATE LIGHT BUSES, OR "NANNY VANS" AS THEY ARE SOMETIMES CALLED, HAVE SEATING CAPACITY FOR BETWEEN 8 AND 16 STUDENTS. APPLICANTS FOR LICENCES REQUIRE APPOINTMENT LETTERS FROM THE SCHOOLS TO BE SERVED BEFORE THE LICENCES CAN BE GRANTED BY THE TRANSPORT DEPARTMENT. TO DATE, 1931 SUCH VEHICLES HAVE BEEN LICENSED.

THE NUMBER OF PROSECUTIONS FOR OFFENCES ARISING FROM THE OVERLOADING OF SCHOOL PRIVATE LIGHT BUSES ROSE FROM 24 IN THE FIRST 6 MONTHS OF LAST YEAR TO 34 IN THE SAME PERIOD THIS YEAR (I.E. AN INCREASE OF ABOUT 40%)

ANSWERS TO THE THREE SPECIFIC QUESTIONS ARE:

(A) FREQUENCY OF INSPECTIONS  
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FROM MAY TO SEPTEMBER 1994, THE POLICE MOUNTED 24 OPERATIONS TO CHECK ON SCHOOL SERVICE VEHICLES, INCLUDING SCHOOL PRIVATE LIGHT BUSES AND SCHOOL BUSES. EACH OPERATION WAS TARGETED AT A PARTICULAR GEOGRAPHICAL AREA, AND MANY BUSES WERE INSPECTED. IN ADDITION, SUCH VEHICLES ARE CHECKED FROM TIME TO TIME AS PART OF NORMAL POLICE PATROL DUTIES. SEPARATE STATISTICS ON THE NUMBERS OF INSPECTIONS WERE NOT MAINTAINED BY THE POLICE PRIOR TO MAY THIS YEAR.

(B) STEPPING UP SAFETY MEASURES  
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WE ARE TAKING STEPS TO IMPROVE THE SAFE OPERATION OF SCHOOL SERVICE VEHICLES. THIS INCLUDES A PROPOSAL TO AMEND ROAD TRAFFIC LEGISLATION TO REQUIRE THE INSTALLATION OF WARNING DEVICES SO THAT THE DRIVER IS ALERTED BY A BUZZER AND A RED LIGHT ON THE DASH BOARD, IF THE VEHICLE'S EMERGENCY DOOR IS OPENED OR NOT PROPERLY CLOSED. IN ANTICIPATION OF THE LEGISLATION BEING ENACTED, THE RELEVANT TRADE ASSOCIATIONS ARE ADVISING THEIR MEMBERS TO INSTALL THIS EQUIPMENT NOW. IN ADDITION, THE DIRECTOR OF EDUCATION ISSUES CIRCULARS TO SCHOOLS ADVISING THEM OF THE IMPORTANCE OF SUPERVISING STUDENTS USING SCHOOL BUSES.

THERE ARE TECHNICAL DIFFICULTIES IN FITTING SEAT BELTS IN BUSES BECAUSE OF THE ABSENCE OF PROPER ANCHOR POINTS FOR THE NORMAL THREE POINT SEAT BELTS. VEHICLES ARE ALL IMPORTED AND WE WILL MONITOR FUTURE DEVELOPMENTS IN BUS SAFETY TECHNOLOGY.

(C) PENALTIES .....

(C) PENALTIES

AT PRESENT, DRIVERS CONVICTED OF OVERLOADING A SCHOOL SERVICE VEHICLE ARE LIABLE ON FIRST CONVICTION TO A FINE OF \$5,000 AND IMPRISONMENT FOR THREE MONTHS, AND ON SECOND OR SUBSEQUENT CONVICTION TO A FINE OF \$10,000 AND IMPRISONMENT FOR SIX MONTHS. CARRYING EXCESS PASSENGERS IS ALSO A FIXED PENALTY OFFENCE, WITH A FINE OF \$450. FOR THE TIME BEING THERE IS NO EVIDENCE TO SUGGEST THAT THE PRESENT LEVEL OF PENALTIES PROVIDES AN INSUFFICIENT DETERRENT, BUT THE SITUATION IS BEING MONITORED CLOSELY AND THE PENALTIES WILL BE REVIEWED IF NECESSARY.

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SLOPE SAFETY

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FOLLOWING IS A QUESTION BY THE HON ALBERT CHAN WAI-YIP AND A WRITTEN REPLY BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : A LANDSLIDE OCCURRED AT 14= MILES (TSING LUNG TAU) OF CASTLE PEAK ROAD ON 7 AUGUST 1994. STAFF OF THE GEOTECHNCIAL ENGINEERING OFFICE HAD SUBSEQUENTLY DISCLOSED THAT THE FAILED SLOPE WAS NOT INCLUDED IN THE GOVERNMENT'S CATALOGUE OF SLOPES. LATER ON, WHEN THE HIGHWAYS DEPARTMENT AND THE GEOTECHNCIAL ENGINEERING OFFICE CARRIED OUT A FULL-SCALE INSPECTION OF THE SLOPES ALONG CASTLE PEAK ROAD FROM TSING LUNG TAU TO TSUEN WAN, APPROXIMATELY 40 SLOPES WERE FOUND TO BE IN NEED OF REPAIRS OR STABILIZATION WORK. THESE INCIDENTS INDICATE THE GRAVITY OF THE PROBLEMS POSED BY SLOPES ALONG CASTLE PEAK ROAD. IN VIEW OF THIS, WILL THE GOVERNMENT INFORM THIS COUNCIL :

(A)WHETHER SIMILAR INSPECTIONS HAVE BEEN CARRIED OUT OF THE SLOPES ALONG HIGHWAYS OTHER THAN CASTLE PEAK ROAD; IF SO, WHAT THE FINDINGS ARE; AND

(B)HOW IT CAN ENSURE THAT SIMILAR ACCIDENTS WILL NOT OCCUR IN THE FUTURE?

/REPLY .....

REPLY :

MR PRESIDENT,

- (A) MANY OF THE SLOPES ALONG HIGHWAYS ARE INCLUDED IN THE CATALOGUE PREPARED BY GEO IN 1977/78. THESE SLOPES, LIKE OTHER SLOPES IN THE CATALOGUE, ARE INSPECTED BY GOVERNMENT TO ASCERTAIN THEIR STABILITY, IN ORDER OF THEIR PRIORITY RANKING, A RANKING WHICH HAS BEEN ASSESSED BASED ON THE STABILITY CONDITIONS AS WELL AS THE FAILURE CONSEQUENCES OF THE SLOPE. IN ADDITION TO THE STABILITY INSPECTIONS, MAINTENANCE INSPECTIONS, SUCH AS AT CASTLE PEAK ROAD, ARE ALSO CARRIED OUT FOR SLOPES ALONG HIGHWAYS. THIS IS DONE BY HIGHWAYS DEPARTMENT PERSONNEL AT TECHNICAL AND PROFESSIONAL LEVEL, AND AT FREQUENCIES SPECIFIED BY THE GEOTECHNICAL ENGINEERING OFFICE (GEO). THESE INSPECTIONS ARE PART OF HYD'S COMPREHENSIVE MAINTENANCE SYSTEM, A SYSTEM WHICH HELPS TO PREVENT DETERIORATION OF THE SLOPES, AND THUS TO MINIMIZE THE RISK OF LANDSLIPS. THESE INSPECTIONS TAKE PLACE BEFORE AND AFTER ANY NECESSARY AND APPROPRIATE UPGRADING WORKS CARRIED OUT UNDER THE LONG TERM LANDSLIP PREVENTIVE MEASURES PROGRAMME OPERATED BY GEO.
- (B) ROUTINE MAINTENANCE INSPECTIONS SERVE TO REDUCE THE RISK OF SLOPE FAILURE. GEO HAS ALSO INITIATED A MAJOR STUDY TO RE-CATALOGUE ALL SLOPES IN THE TERRITORY AND THIS EXERCISE, WHEN COMPLETED BY MID 1997, WILL COVER ALL SLOPES OF MAJOR CONCERN, INCLUDING THOSE ALONG HIGHWAYS WHICH ARE NOT INCLUDED IN THE CURRENT CATALOGUE. STABILITY INSPECTIONS WILL BE EXTENDED TO ALL SLOPES UNDER THE NEW CATALOGUE, TO DETERMINE WHAT, IF ANYTHING, NEEDS TO BE DONE TO PROTECT AGAINST THE POSSIBILITY OF SLOPE FAILURE.

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PROVISION OF SECONDARY SCHOOL PLACES

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FOLLOWING IS A QUESTION BY THE HON TIK CHI-YUEN AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE ESTIMATED PROVISION AND DEMAND IN RESPECT OF FORM 1 AND FORM 4 PLACES IN VARIOUS DISTRICTS OF THE TERRITORY FOR THE COMING YEAR ?

REPLY :

/MR PRESIDENT .....

MR PRESIDENT,

THE EXISTING POLICY ON THE PROVISION OF SECONDARY SCHOOL PLACES IS ON A TERRITORY-WIDE BASIS. DEFICIT IN ONE DISTRICT IS BEING MET BY SURPLUSES IN NEIGHBOURING DISTRICTS. SECONDARY I PLACES ARE ALLOCATED AS FAR AS POSSIBLE ON A SCHOOL NET BASIS, AND SECONDARY 4 PLACES ON A TERRITORY-WIDE BASIS.

AS AT 17 OCTOBER 1994, THE TOTAL SUPPLY OF AND DEMAND FOR SECONDARY 1 PLACES IN SEPTEMBER 1995 ARE ESTIMATED TO BE 83,600 AND 84,100 RESPECTIVELY. A BREAKDOWN BY SCHOOL NET IS ANNEXED.

SUPPLY OF AND DEMAND FOR SECONDARY 4 PLACES IN SEPTEMBER 1995 ARE ESTIMATED TO BE 64,600 AND 77,500 RESPECTIVELY. THERE IS NO BREAKDOWN BY SCHOOL NET FOR THE REASON GIVEN IN PARAGRAPH 1 ABOVE.

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TRAFFIC LIGHT FAILURE

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FOLLOWING IS A QUESTION BY THE HON TIMOTHY HA WING-HO AND A WRITTEN REPLY BY THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE PROBLEM OF TRAFFIC LIGHT FAILURE, WILL THE GOVERNMENT INFORM THIS COUNCIL:-

- (A) WHAT IS THE TOTAL NUMBER OF INCIDENTS IN THE PAST 3 YEARS;
- (B) WHAT ARE THE EXISTING STANDARD PROCEDURES FOR THE INSPECTION AND REPAIR OF OUT-OF-ORDER TRAFFIC LIGHTS AND HOW SUCH WORK IS CARRIED OUT; AND
- (C) WHETHER ANY PLAN HAS BEEN DRAWN UP TO REDUCE THE INCIDENCE OF TRAFFIC LIGHT FAILURE; IF SO, WHAT THE DETAILS ARE; IF NOT, WHY NOT?

REPLY

MR PRESIDENT,

(A) THE NUMBERS OF TRAFFIC LIGHT FAILURES WERE AS FOLLOWS:-

1991	:	3546
1992	:	4561
1993	:	4883

NOTWITHSTANDING THESE FIGURES, THE PROBLEM IS NOT SERIOUS SINCE MOST OF THE FAULTS WERE VERY MINOR E.G. CAUSED BY FAULTY BULBS AND CABLES.

- (B) FOR THOSE TRAFFIC LIGHTS WHICH ARE CONTROLLED BY THE CENTRALIZED AREA TRAFFIC CONTROL (ATC) SYSTEMS, SIGNAL FAILURES ARE IDENTIFIED IMMEDIATELY BY COMPUTERS LOCATED IN THE CONTROL CENTRES. FOR THOSE TRAFFIC LIGHTS WHICH ARE NOT LINKED TO THE ATC SYSTEM, FAILURES ARE REPORTED BY THE POLICE OR THE PUBLIC. DURING THE DAY, MOST REPAIRS CAN BE EFFECTED WITHIN 10-30 MINUTES BY GOVERNMENT CONTRACTORS/ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT.

IN ADDITION, ALL TRAFFIC LIGHTS ARE INSPECTED ANNUALLY AND PREVENTIVE MAINTENANCE WORKS CARRIED OUT. OUR TARGET OF MAINTAINING 99% AVAILABILITY FOR ALL TRAFFIC LIGHTS HAS BEEN ACHIEVED IN EACH OF THE PAST 3 YEARS.

- (C) WE HAVE A PROGRAMME TO REPLACE THE OLDER EQUIPMENT, INCLUDING THE SIGNAL CABLES. WE ARE ALSO REPLACING THE WHOLE OF THE KOWLOON ATC SYSTEM, WHICH WAS INSTALLED 17 YEARS AGO. WORK ON THIS WILL BE COMPLETED BY FEBRUARY NEXT YEAR, AND WILL RESULT IN IMPROVED RELIABILITY.

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MEASURES AGAINST RUBBISH DUMPING

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FOLLOWING IS A QUESTION BY THE HON EMILY LAU WAI-HING AND A WRITTEN REPLY BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN VIEW OF THE WORSENING OF THE PROBLEM OF RUBBISH ACCUMULATING ON LAND AND AT SEA IN THE TERRITORY WHICH CAUSES ENVIRONMENTAL POLLUTION AND BLEMISHES THE APPEARANCE OF THE CITY, WILL THE GOVERNMENT INFORM THIS COUNCIL WHETHER CONSIDERATION WILL BE GIVEN TO INCREASING SUBSTANTIALLY THE PENALTIES IMPOSED ON INDIVIDUALS AND ORGANIZATIONS FOR ILLEGAL DUMPING OF RUBBISH, AS WELL AS STEPPING UP PROSECUTION, SO AS TO WARN THOSE WHO ARE NOT CIVIC-MINDED?

REPLY :

MR PRESIDENT,

/THE ILLEGAL .....

THE ILLEGAL DUMPING OF WASTE IS CONTROLLED UNDER A NUMBER OF ORDINANCES. UNDER THE PUBLIC CLEANSING AND PREVENTION OF NUISANCES BY-LAWS OF THE TWO MUNICIPAL COUNCILS, DUMPING IN PUBLIC PLACES ATTRACTS A MAXIMUM PENALTY OF \$10,000 AND IMPRISONMENT FOR SIX MONTHS. UNDER THE SUMMARY OFFENCES ORDINANCE, A SIMILAR MAXIMUM PENALTY IS STIPULATED FOR MARINE LITTERING. THE ATTORNEY GENERAL'S CHAMBERS ARE CURRENTLY REVIEWING THESE PENALTIES.

UNDER THE RECENTLY AMENDED WASTE DISPOSAL ORDINANCE, A MUCH HIGHER MAXIMUM FINE OF \$200,000, AS WELL AS SIX MONTHS' IMPRISONMENT CAN BE IMPOSED ON FIRST OFFENDERS FOR FLY-TIPPING. FOR SUBSEQUENT OFFENCES, THE MAXIMUM FINE IS \$500,000.

AS REGARDS ENFORCEMENT, APART FROM NORMAL MONITORING, BLITZ OPERATIONS ARE CARRIED OUT AT DUMPING OR LITTER BLACK SPOTS. A NEW INTER-DEPARTMENTAL WORKING GROUP HAS RECENTLY STEPPED UP ACTION AGAINST MARINE LITTERING. A SEPARATE WORKING GROUP HAS BEEN SET UP TO ENSURE THAT THE NEW CONTROLS ON FLY-TIPPING UNDER THE WASTE DISPOSAL ORDINANCE ARE PROPERLY ENFORCED.

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#### TIME FRAME FOR CHINESE HISTORY SYLLABUS

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FOLLOWING IS A QUESTION BY THE HON CHEUNG MAN-KWONG AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN RESPONSE TO A MEMBER'S QUESTION DURING THE GOVERNOR'S QUESTION TIME ON 7 JULY 1994, THE GOVERNOR SAID THAT THOSE WHO GIVE ADVICE ON THE DEVELOPMENT OF CURRICULA HAD TAKEN THE GENERAL VIEW THAT INCIDENTS OF THE LAST 20 YEARS SHOULD NOT FEATURE AS HISTORY. WILL THE GOVERNMENT INFORM THIS COUNCIL :

- (A) WHO ARE THOSE PEOPLE AND WHEN DID THEY GIVE THE ADVICE;
- (B) WHETHER THE AUTHORITY CONCERNED WILL CONTINUE TO CONSULT THE EDUCATION PROFESSIONALS REGARDING THE ADVICE GIVEN BY THE ABOVE-MENTIONED PEOPLE AND WHETHER THEIR ADVICE WILL SUBSEQUENTLY BECOME THE GUIDELINE FOR REVISING THE CURRICULA FOR HISTORY COURSES; AND
- (C) IF NO ONE HAS EVER GIVEN SUCH ADVICE, WHETHER THE GOVERNOR WILL CONSIDER WITHDRAWING THAT REMARK; AND WHETHER THE GOVERNMENT WILL INVESTIGATE ITS SOURCE AND PURSUE THE QUESTION OF WHETHER THE PEOPLE CONCERNED SHOULD BEAR ANY RESPONSIBILITY?

REPLY :

/MR PRESIDENT .....

MR PRESIDENT,

- (A) THE CHINESE HISTORY SYLLABUSES FOR SECONDARY 4 TO 7 DRAWN UP BY THE CURRICULUM DEVELOPMENT COUNCIL IN 1990 AND 1991 SPECIFY THAT EVENTS UP TO 1976 SHOULD BE TAUGHT. THIS FORMS THE BASIS OF THE GOVERNOR'S REMARK.
- (B) IN JULY THIS YEAR, THE EDUCATION DEPARTMENT REQUESTED THE CURRICULUM DEVELOPMENT COUNCIL'S CHINESE HISTORY SUBJECT COMMITTEE (COMPRISING MAINLY EDUCATIONAL PROFESSIONALS) TO CONSIDER AGAIN WHETHER A TIME FRAME SHOULD BE SET FOR HISTORICAL EVENTS TO BE TAUGHT AND WHETHER THERE SHOULD BE A TIME FRAME FOR THE CHINESE HISTORY SYLLABUS FOR SECONDARY 1 - 3. THE RECOMMENDATIONS OF THE CHINESE HISTORY SUBJECT COMMITTEE AND THE SECONDARY CO-ORDINATING COMMITTEE WILL BE CONSIDERED BY THE CURRICULUM DEVELOPMENT COUNCIL. THE CONCLUSIONS WILL EVENTUALLY SERVE AS THE BASIS FOR CONSIDERING FUTURE SYLLABUS REVISION.
- (C) THE HYPOTHESIS IS NOT CORRECT.

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MEASURES CONCERNING DROP-OUT STUDENTS

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FOLLOWING IS A QUESTION BY THE HON CHEUNG MAN-KWONG AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WILL THE GOVERNMENT INFORM THIS COUNCIL:

- (A) OF THE BREAKDOWN BY MONTH IN THE 1993-94 ACADEMIC YEAR SHOWING THE NUMBER OF COMPLAINTS RECEIVED BY THE EDUCATION DEPARTMENT (ED) CONCERNING STUDENTS EXPELLED FROM OR ADVISED TO LEAVE SCHOOL, AND THE FOLLOW-UP ACTION TAKEN BY ED IN EACH CASE;
- (B) OF THE FIGURES AND REASONS REPORTED TO THE ED IN THE 1993-94 ACADEMIC YEAR ABOUT STUDENTS LEAVING OR DROPPING OUT OF SCHOOL, THEIR DISTRIBUTION BY DISTRICT IN WHICH THEIR SCHOOLS ARE LOCATED, THE CLASSES IN WHICH THEY WERE STUDYING BEFORE LEAVING SCHOOL AND THEIR WHEREABOUTS AFTER LEAVING SCHOOL; AND
- (C) WHETHER THE ED WILL CONSIDER ADOPTING ANY MEASURES TO IMPROVE THE SITUATION CONCERNING SCHOOL DROP-OUTS, INCLUDING SETTING UP A STUDENT EXCHANGE NETWORK UNDER THE CENTRAL CO-ORDINATION OF THE ED?

REPLY :

/MR PRESIDENT .....

MR PRESIDENT,

- (A) COMPLAINT CASES CONCERNING THE EXPULSION OF PUPILS ARE MOSTLY RECEIVED AFTER THE FINAL SCHOOL EXAMINATIONS EACH YEAR. SIX SUCH COMPLAINTS INVOLVING PRIMARY SCHOOL PUPILS AND 382 COMPLAINTS INVOLVING SECONDARY SCHOOL PUPILS WERE RECEIVED BY THE EDUCATION DEPARTMENT BETWEEN MID-JULY AND THE END OF AUGUST 1994. DETAILS ARE GIVEN IN ANNEXES I AND II. IN ALL THESE CASES, THE DISTRICT EDUCATION OFFICES ASSISTED PUPILS TO RESUME SCHOOLING EITHER IN THEIR ORIGINAL SCHOOLS OR IN OTHER SCHOOLS AS APPROPRIATE. A BREAKDOWN OF THE NUMBER OF COMPLAINTS BY MONTH IS NOT AVAILABLE.
- (B) IN THE 1993-94 ACADEMIC YEAR, THERE WERE 2 832 NON-ATTENDANCE CASES WITHIN THE COMPULSORY SCHOOL AGE: 583 ON HONG KONG ISLAND, 893 IN KOWLOON AND 1 356 IN THE NEW TERRITORIES. A DETAILED BREAKDOWN IS IN ANNEX III. THESE PUPILS DROPPED OUT OF SCHOOL FOR VARIOUS REASONS. MOST OF THEM EXPERIENCED DIFFICULTIES IN MEETING ACADEMIC STANDARDS, AND LACKED MOTIVATION IN STUDY. MANY LACKED PARENTAL SUPPORT AND HAD BEHAVIOURAL OR FAMILY PROBLEMS. OF THESE 2,832 PUPILS, 557 WERE PRIMARY 1-6 PUPILS AND 2 275 WERE SECONDARY 1-3 PUPILS. THE FOLLOW-UP ACTION TAKEN BY THE EDUCATION DEPARTMENT IS GIVEN IN ANNEX IV.
- (C) THE EDUCATION DEPARTMENT AND THE SOCIAL WELFARE DEPARTMENT TOGETHER HAVE TAKEN VARIOUS PREVENTIVE AND REMEDIAL MEASURES CONCERNING DROP-OUT STUDENTS, INCLUDING THE IDENTIFICATION OF YOUTHS AT RISK AND AMENDMENT OF THE CODES OF AID FOR PRIMARY AND SECONDARY SCHOOLS TO GIVE THE DIRECTOR OF EDUCATION CLEAR AUTHORITY TO DIRECT SCHOOLS TO ADMIT PUPILS.

THE SUGGESTION OF SETTING UP A PUPIL EXCHANGE NETWORK WOULD HAVE THE EFFECT OF FORMALISING THE EXISTING ARRANGEMENTS AMONG SCHOOL PRINCIPALS IN PARTICULAR DISTRICTS. THE EDUCATION DEPARTMENT HAS CONSULTED ITS ADVISORY COMMITTEE ON THE PLACEMENT OF DROP-OUT PUPILS REGARDING THIS. THE EDUCATION DEPARTMENT AGREES WITH THE COMMITTEE'S VIEW THAT THE PRESENT INFORMAL ARRANGEMENTS ARE EFFECTIVE AND IT IS NOT NECESSARY TO MAKE THEM COMPULSORY OR TO EXTEND THEM ON A TERRITORY-WIDE BASIS.

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LOW OXYGEN LEVELS TO BLAME FOR CORAL DEATH

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FOLLOWING IS A QUESTION BY THE HON SIMON IP AND A WRITTEN REPLY BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN VIEW OF THE DEATH OF CORALS IN SAI KUNG AND MIRS BAY EARLIER THIS YEAR, WILL THE GOVERNMENT INFORM THIS COUNCIL WHETHER :

- (A) ANY INVESTIGATION INTO THE CAUSE HAS BEEN CONDUCTED; AND
- (B) ANY MEASURES HAVE BEEN TAKEN TO PREVENT THIS FROM HAPPENING AGAIN IN THE FUTURE?

ANSWER

MR PRESIDENT,

- (A) THE CONSULTANTS CARRYING OUT ROUTINE MARINE SURVEYS FOR THE CIVIL ENGINEERING DEPARTMENT (CED) DISCOVERED THIS SUMMER THAT MARINE LIFE OVER A SUBSTANTIAL AREA OF MIRS BAY WAS DYING. AFTER CONSULTATION WITH THE AGRICULTURE AND FISHERIES DEPARTMENT (AFD) AND THE ENVIRONMENTAL PROTECTION DEPARTMENT, CED INSTRUCTED THEIR CONSULTANTS TO UNDERTAKE A SPECIAL SURVEY TO DETERMINE THE CAUSE AND THE EXTENT OF THE EFFECT. THE SURVEY WAS UNDERTAKEN DURING THE FIRST WEEK OF SEPTEMBER.

BASED ON THE SURVEY FINDINGS, THE CONSULTANTS AND AFD CONCLUDED THAT THE SEABED KILL WAS A RESULT OF EXCEPTIONALLY LOW LEVELS OF DISSOLVED OXYGEN. THIS PHENOMENON, KNOWN AS HYPOXIA, IS NATURAL AND OCCURS EVERY YEAR, THOUGH TO A MUCH LESS SERIOUS DEGREE. HYPOXIA IS A RESULT OF STRATIFICATION OF THE WATER COLUMN WHICH HAS TWO DISTINCT LAYERS - AN UPPER, WARMER LAYER OF LOWER SALINITY AND A LOWER, COLDER LAYER OF HIGHER SALINITY. LACK OF MIXING BETWEEN THE LAYERS CAUSES A REDUCTION IN DISSOLVED OXYGEN IN THE LOWER LAYER. THIS YEAR, THE STRATIFICATION WAS ENHANCED - APPARENTLY BECAUSE OF A LACK OF HIGH WINDS FROM TYPHOONS AND THE EXCEPTIONALLY HIGH LEVELS OF RAINFALL IN HONG KONG AND GUANGDONG - WITH THE DRAMATIC RESULTS OBSERVED. THE SURVEY SHOWED THAT BY EARLY SEPTEMBER, MOST MARINE ORGANISMS, INCLUDING CORALS, WORMS, CRABS, ECHINODERMS AND ANEMONES HAD EITHER BEEN KILLED OR SEVERELY AFFECTED UP TO A LEVEL OF -2MPD OVER AN AREA OF APPROXIMATELY 100 SQUARE KILOMETRES.

- (B) THE PHENOMENON IS A NATURAL ONE AND NO PRACTICAL MEASURES CAN BE TAKEN TO PREVENT A RECURRENCE. HOWEVER, RAINFALL STATISTICS AND THE AGE OF THE CORALS FOUND IN MIRS BAY INDICATE THAT THIS IS PROBABLY A 1-IN-100 YEAR EVENT.

## VENTILATION IN BUS TERMINALS

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FOLLOWING IS A QUESTION BY THE HON ZACHARY WONG WAI-YIN AND A WRITTEN REPLY BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN HIS REPLY TO A WRITTEN QUESTION ON THE VENTILATION SYSTEMS IN BUS TERMINALS LOCATED ON THE GROUND FLOOR OF COMMERCIAL/RESIDENTIAL BUILDINGS IN NOVEMBER 1993, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS DISCLOSED THAT A STUDY ON THE DESIGN AND OPERATIONAL REQUIREMENTS FOR VENTILATION SYSTEMS IN THESE FACILITIES COMMISSIONED BY THE ENVIRONMENTAL PROTECTION DEPARTMENT WOULD BE COMPLETED IN MAY THIS YEAR. IN VIEW OF THIS, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING:

- (A) WHAT IS THE PROGRESS OF THE STUDY;
- (B) WHETHER THE GOVERNMENT WILL SPECIFY THAT MECHANICAL VENTILATION SYSTEMS MUST BE INSTALLED IN BUS TERMINALS LOCATED ON THE GROUND FLOOR OF COMMERCIAL/RESIDENTIAL BUILDINGS WHICH ARE NOT YET EQUIPPED WITH SUCH SYSTEMS; AND
- (C) WHETHER, IN RESPECT OF BUS TERMINALS WHICH HAVE ALREADY BEEN EQUIPPED WITH SUCH SYSTEMS BUT THE AIR QUALITY IN THOSE TERMINALS STILL FAILS TO MEET THE AIR QUALITY OBJECTIVES OF THE TERRITORY, THE GOVERNMENT HAS TAKEN ANY REMEDIAL MEASURES TO IMPROVE THE SITUATION; AND IF SO, WHAT THE EFFECTS ARE?

ANSWER :

MR PRESIDENT,

- (A) THE STUDY COMMISSIONED BY THE ENVIRONMENTAL PROTECTION DEPARTMENT TO EXAMINE THE DESIGN AND OPERATIONAL CONSIDERATIONS FOR COVERED TRANSPORT INTERCHANGES WAS INDEED COMPLETED IN MAY 1994. IT CONCLUDED THAT THE MECHANICAL VENTILATION SYSTEMS IN MOST COVERED BUS INTERCHANGES WERE UNABLE TO PROVIDE SUFFICIENT FRESH AIR TO WAITING PASSENGERS, EVEN WHEN OPERATED AT MAXIMUM CAPACITY; AND THAT, TO IMPROVE THE SITUATION, ENCLOSED QUEUING PLATFORMS MAY NEED TO BE PROVIDED. PRELIMINARY CALCULATIONS INDICATE THAT, IN ENGINEERING TERMS, IT WOULD BE FEASIBLE TO ENCLOSE QUEUING PLATFORMS. SUBJECT TO THE AVAILABILITY OF FUNDS IN 1995, EPD WILL CARRY OUT A FURTHER STUDY OF THE PRACTICAL ASPECTS OF THE IDEA BY MEANS OF A DEMONSTRATION PROJECT. THE FINDINGS WOULD THEN BE INCORPORATED INTO A GUIDANCE NOTE ON VENTILATION SYSTEMS AT ENCLOSED TRANSPORT INTERCHANGES.
- (B) AIR QUALITY STANDARDS FOR TRANSPORT INTERCHANGES ARE BEING FORMULATED AND THE MEANS BY WHICH THEY MIGHT BE ATTAINED ARE ALSO BEING CONSIDERED. CONSULTATION ON THESE MATTERS WILL BE CONDUCTED IN 1995.

/C) AS A .....

(C) AS A SHORT TERM MEASURE, THE EPD HAS ADVISED TRANSPORT FLEET OPERATORS AND MANAGERS OF TRANSPORT INTERCHANGES :

(I) TO MINIMISE EMISSIONS BY AVOIDING UNNECESSARY IDLING OF ENGINES; AND

(II) TO IMPROVE VENTILATION DURING PEAK HOURS BY OPERATING VENTILATION SYSTEMS MORE EFFECTIVELY.

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DIRECT FISH SALE GOOD FOR COMPETITION

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FOLLOWING IS A QUESTION BY THE HON FREDERICK FUNG KIN-KEE AND A WRITTEN REPLY BY THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE POLICY OF DIRECT SALE OF FISH INTRODUCED BY THE AGRICULTURE AND FISHERIES DEPARTMENT, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING:

- (A) THE PURPOSE OF INTRODUCING THE DIRECT SALE POLICY;
- (B) THE MONTHLY TURNOVER FIGURES SINCE THE IMPLEMENTATION OF THE POLICY;
- (C) WHAT EXPLANATION CAN BE GIVEN REGARDING THE FISH TRADERS' REMARK THAT THE POLICY HAS DEALT A DIRECT BLOW TO THEIR LIVELIHOOD;
- (D) WHETHER THE AGRICULTURE AND FISHERIES DEPARTMENT WILL GRADUALLY WITHDRAW FROM THE MARKETS OPENED UP THROUGH THE DIRECT SALE POLICY (FOR EXAMPLE, LARGE SUPERMARKETS), AND LET FISH TRADERS TAKE UP THE ROLE OF SALES AGENT; AND
- (E) IN REGARD TO THE AGRICULTURE AND FISHERIES DEPARTMENT'S EARLIER INTIMATION THAT IT WILL CONSIDER UNDERTAKING A REVIEW OF THE "DOUBLE LEVY OF TAX" PHENOMENON IN THE FISH MARKET, WHAT IS THE PROGRESS OF SUCH REVIEW ?

REPLY:

THE FISH MARKETING ORGANIZATION DECIDED IN MAY 1994 THAT IT WOULD BE BENEFICIAL TO COMPETITION IN ITS WHOLESALE FISH MARKETS FOR ITS EMPLOYEES TO PARTICIPATE IN THE MARKETS AS AGENTS TO BUY FISH FOR CUSTOMERS, WITH THE OBJECTIVE OF DEVELOPING A WIDER RANGE OF RETAIL OUTLETS FOR FRESH FISH - SUCH AS SUPERMARKETS - AND PROMOTING MARKET ACCEPTANCE OF FISH SPECIES UNFAMILIAR TO THE PUBLIC.

THE AMOUNT OF FISH HANDLED BY THE ORGANIZATION IN PURSUING THIS POLICY IS LESS THAN 1% OF ITS TOTAL THROUGHPUT, WHETHER BY WEIGHT OR BY VALUE, AS INDICATED IN THE TABLE AT THE END OF THIS REPLY. AT SUCH A LEVEL, THE ORGANIZATION'S DECISION TO PARTICIPATE AS A BUYER POSES NO THREAT TO THE LIVELIHOOD OF ANY FISH TRADERS. IF THE ORGANIZATION IS SUCCESSFUL IN ITS OBJECTIVE OF OPENING UP NEW MARKETING OPPORTUNITIES, FISH TRADERS WILL IN FACT BENEFIT. THE ORGANIZATION CURRENTLY HAS NO PLANS TO WITHDRAW FROM PARTICIPATION IN ITS MARKETS BUT WILL KEEP THE MATTER UNDER REGULAR REVIEW.

THE ORGANIZATION HAS REVIEWED THE ARRANGEMENTS REFERRED TO IN PART (E) OF THE QUESTION, WHICH RELATE TO THE PAYMENT OF THE ORGANIZATION'S COMMISSION ON FISH SOLD AT ITS MARKETS. IT HAS BEEN AGREED AFTER CONSULTATION WITH FISH TRADERS THAT THE MARKET MANAGEMENT WILL WAIVE THE CHARGING OF COMMISSION IN RESPECT OF FISH ASCERTAINED BY MARKET STAFF AS BEING UNSOLD. THIS ARRANGEMENT IS TO ENSURE THAT COMMISSION IS NOT CHARGED TWICE IN RESPECT OF UNSOLD FISH REMOVED FROM ONE MARKET AND SUBSEQUENTLY SOLD IN ANOTHER.

THE MONTHLY TURNOVER SINCE THE ORGANIZATION'S POLICY WAS IMPLEMENTED IS FOLLOWS -

	TOTAL FMO THROUGHPUT		FISH BOUGHT BY FMO AS A PERCENTAGE OF TOTAL THROUGHPUT			
	WEIGHT (TONNES)	VALUE \$ MILLION	WEIGHT (TONNES)		VALUE \$ MILLION	
MAY 94	5 281	49.7	1.2	(0.02%)	0.018	(0.04%)
JUNE	4 594	41.9	3.8	(0.08%)	0.070	(0.17%)
JULY	4 988	45.1	15.1	(0.30%)	0.359	(0.80%)
AUG	5 042	47.0	10.3	(0.20%)	0.315	(0.67%)
SEPT	5 151	48.6	12.4	(0.24%)	0.402	(0.83%)

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#### SHENZHEN RIVER REGULATION PROJECT

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FOLLOWING IS A QUESTION BY THE HON TIK CHI-YUEN AND A WRITTEN REPLY BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : IN VIEW OF THE IMMINENT COMMENCEMENT OF THE WORKS OF STAGE I OF THE SHENZHEN RIVER TRAINING PROJECT, WILL THE GOVERNMENT INFORM THIS COUNCIL WHETHER SUCH WORKS WILL INCLUDE THE TRAINING OF THE TRIBUTARIES OF SHENZHEN RIVER (SUCH AS NG TUNG HO AND SHEUNG YUE HO); IF SO, WHAT ARE THE SPECIFIC WORK PLANS; IF NOT, WHEN WILL THE TRAINING WORKS FOR THE TRIBUTARIES COMMENCE, AND WHAT ARE THE WORK SCHEDULES AND EXPECTED DATES OF COMPLETION?

/ANSWER .....

ANSWER

MR PRESIDENT,

THE NG TUNG HO (RIVER INDUS) AND SHEUNG YUE HO (RIVER BEAS) LIE ENTIRELY WITHIN THE TERRITORY OF HONG KONG AND ARE NOT PART OF THE SHENZHEN RIVER REGULATION PROJECT.

THE TRAINING OF THESE TWO RIVERS AND THEIR TRIBUTARIES IS SCHEDULED TO BEGIN TOWARDS THE END OF 1995 AND TO BE COMPLETED BY 2000. THE WORK WILL BE CARRIED OUT BY THE TERRITORIAL DEVELOPMENT DEPARTMENT UNDER PWP ITEMS 53CD AND 87CL AT AN ESTIMATED COST OF ABOUT \$1 BILLION. FOR THE SECTION OF NG TUNG HO WITHIN AREAS 30B AND 33 OF SHEUNG SHUI, DETAILED PLANNING AND PRELIMINARY DESIGN OF THE TRAINING WORKS ARE ALREADY IN PROGRESS; WHILE CONSULTANTS WILL BE APPOINTED EARLY NEXT YEAR TO IMPLEMENT THE REMAINING SECTION.

A PROGRAMME FOR THE FLOOD CONTROL PROJECTS AFFECTING THE NORTHERN NEW TERRITORIES IS ATTACHED FOR MEMBERS' REFERENCE.

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#### EMPLOYMENT SITUATION OF CONSTRUCTION INDUSTRY

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FOLLOWING IS A QUESTION BY THE HON HENRY TANG YING-YEN AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WILL THE GOVERNMENT INFORM THIS COUNCIL :

- (A) WHAT IS THE CURRENT RATE OF UNEMPLOYMENT AMONG CONSTRUCTION WORKERS AND WHAT IS THE ACTUAL NUMBER OF CONSTRUCTION WORKERS WHO ARE CURRENTLY UNEMPLOYED;
- (B) OF THE QUOTA OF 294 ALLOCATED TO THE CONSTRUCTION INDUSTRY UNDER THE 1994 GENERAL SCHEME ON THE IMPORTATION OF LABOUR, WHAT IS THE NUMBER IN RESPECT OF CONSTRUCTION WORKER CATEGORY; AND
- (C) BEARING IN MIND THE PRINCIPLE OF SAFEGUARDING THE EMPLOYMENT OPPORTUNITY OF LOCAL WORKERS, HOW DOES THE GOVERNMENT ASSESS AND DETERMINE THE NUMBER OF IMPORTED WORKERS, AND HOW DOES IT MONITOR INDIVIDUAL COMPANIES TO FIND OUT IF THERE IS ANY ABUSE OF IMPORTED LABOUR?

REPLY :

MR PRESIDENT,

- (A) THE AVERAGE UNEMPLOYMENT RATE OF WORKERS IN THE CONSTRUCTION INDUSTRY IS 2.8% FOR THE FIRST HALF OF 1994. ABOUT 6,400 PERSONS IN THE INDUSTRY WERE UNEMPLOYED. THESE FIGURES COVER ALL EMPLOYEES IN THE CONSTRUCTION INDUSTRY, INCLUDING THOSE WHO ARE NOT WORKING IN CONSTRUCTION SITES.

(B) IN ALLOCATING .....

(B) IN ALLOCATING QUOTAS TO EMPLOYERS WHO APPLY FOR MORE THAN ONE TYPE OF WORKERS, GOVERNMENT PROVIDES FLEXIBILITY TO EMPLOYERS TO DECIDE THE NUMBER OF EACH TYPE OF WORKERS TO BE IMPORTED. AS A RESULT, THE GOVERNMENT DOES NOT KNOW THE NUMBER OF EACH TYPE OF WORKERS TO BE IMPORTED UNTIL THE VISA APPLICATION STAGE WHEN EMPLOYERS SUPPLY DETAILED INFORMATION OF WORKERS THEY INTEND TO BRING IN. TO PREVENT ABUSE OF THE SYSTEM, THERE IS A REQUIREMENT THAT THE NUMBER OF WORKERS OF EACH TYPE TO BE IMPORTED BY AN EMPLOYER MUST NOT EXCEED THE NUMBER THAT HE REQUESTED IN THE FIRST PLACE.

(C) IN SETTING THE CEILING OF QUOTA FOR IMPORTED LABOUR, THE GOVERNMENT HAS TAKEN INTO ACCOUNT THE LEVELS SET UNDER PREVIOUS LABOUR IMPORTATION SCHEMES, THE EMPLOYMENT SITUATION, THE STATE OF THE ECONOMY, AND COMMUNITY ACCEPTANCE.

TO SAFEGUARD THE EMPLOYMENT OPPORTUNITIES OF LOCAL WORKERS, EMPLOYERS HAVE TO PROVE THAT THEY HAVE OFFERED JOBS TO LOCAL WORKERS FIRST BEFORE THEY ARE ALLOWED TO IMPORT WORKERS. THE LABOUR DEPARTMENT HAS SPECIAL ENFORCEMENT TEAMS WHICH CARRY OUT INSPECTIONS AT PLACES OF EMPLOYMENT AND ACCOMMODATION TO CHECK THE EMPLOYMENT CONDITIONS OF IMPORTED LABOUR. EMPLOYERS FOUND TO HAVE CONTRAVENED LABOUR LAWS WILL BE PROSECUTED.

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TRAINING OF CHINESE NATIONALS IN HK  
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FOLLOWING IS A QUESTION BY THE HON TAM YIU-CHUNG AND A WRITTEN REPLY BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WILL THE GOVERNMENT INFORM THIS COUNCIL :

- (A) OF THE NUMBER OF PERSONS FROM THE MAINLAND WHOSE APPLICATIONS TO COME TO WORK IN HONG KONG FOR TRAINING PURPOSES HAD BEEN APPROVED IN THE PAST THREE YEARS; AND
- (B) WHETHER ANY MEASURES WILL BE TAKEN TO PREVENT MASS IMPORTATION OF FOREIGN LABOUR BY LOCAL ORGANISATIONS UNDER SUCH PRETEXT?

REPLY :

MR PRESIDENT,

(A) THE NUMBERS .....

- (A) THE NUMBERS OF PRC NATIONALS COMING TO HONG KONG FOR TRAINING IN THE LAST THREE YEARS ARE AS FOLLOWS :-

YEAR	NUMBERS OF PERSONS
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1991	1,803
1992	3,433
1993	4,437

- (B) UNDER THE EXISTING POLICY, A PERSON MAY BE ALLOWED TO ENTER AND STAY IN HONG KONG UP TO A MAXIMUM OF 12 MONTHS TO ACQUIRE SPECIAL SKILLS OR KNOWLEDGE NOT AVAILABLE AT HIS PLACE OF DOMICILE. TO PREVENT ABUSE OF THE POLICY, THE IMMIGRATION DEPARTMENT, IN VETTING THE APPLICATIONS, REQUIRES THE SPONSORING COMPANIES TO PRODUCE TRAINING PROGRAMMES AND JUSTIFICATIONS FOR SUCH TRAINING IN HONG KONG AND ITS DURATION. THE DEPARTMENT ALSO EXAMINES THE BACKGROUND OF THE COMPANIES TO SEE WHETHER THEY ARE INDEED ABLE AND COMPETENT TO PROVIDE SUCH TRAINING. THERE IS THEREFORE NO QUESTION OF MASS LABOUR IMPORTATION UNDER THE PRETEXT OF TRAINING.

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VOLUNTEERS TO PERFORM VIETNAMESE ESCORT DUTIES

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FOLLOWING IS A QUESTION BY DR THE HON TANG SIU-TONG AND A WRITTEN REPLY BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE TRAGEDY ON 23RD SEPTEMBER OF THIS YEAR IN WHICH A HERCULES TRANSPORT PLANE CRASHED, KILLING 6 CREW MEMBERS, WHILE DEPARTING FROM HONG KONG AFTER AN OPERATION TO REPATRIATE VIETNAMESE BOAT PEOPLE (VBP), WILL THE GOVERNMENT INFORM THIS COUNCIL WHETHER :-

- (A) THE GOVERNMENT HAS TAKEN OUT EXTRA INSURANCE COVERAGE ON BEHALF OF THOSE CIVIL SERVANTS WHO ARE RESPONSIBLE FOR ESCORTING VBP BACK TO VIETNAM AND WHETHER SUCH CIVIL SERVANTS HAVE BEEN GRANTED THE DANGEROUS DUTIES ALLOWANCE; IF NOT, WHAT THE REASONS ARE;
- (B) THE GOVERNMENT HOLDS A DIFFERENT VIEW FROM THAT OF A DISCIPLINED SERVICE DEPARTMENT WHICH CLAIMED THAT ESCORTING VBP IS OUTSIDE THEIR SCOPE OF RESPONSIBILITY; AND
- (C) ANY CIVIL SERVANTS HAVE RESISTED PERFORMING THE DUTY OF ESCORTING VBP AS A RESULT OF THE TRAGEDY; IF SO, WHAT MEASURES HAS THE GOVERNMENT TAKEN OR WILL TAKE TO PACIFY THEM?

/REPLY .....

REPLY :

MR PRESIDENT,

- (A) THE GOVERNMENT DOES NOT PROVIDE EXTRA INSURANCE COVER OR ANY SPECIAL ALLOWANCES FOR CIVIL SERVANTS IN SUCH CIRCUMSTANCES.
- (B) & (C) IT IS THE PRACTICE TO CALL FOR VOLUNTEERS TO PERFORM ESCORT DUTIES ON ORP FLIGHTS. THIS ARRANGEMENT HAS BEEN ACCEPTED BY THE DISCIPLINED SERVICES AND WILL CONTINUE.

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DEMAND FOR PUBLIC RENTAL HOUSING

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FOLLOWING IS A QUESTION BY THE HON FREDERICK FUNG KIN-KEE AND A WRITTEN REPLY BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : REGARDING THE PLEDGE MADE IN THE POLICY COMMITMENTS OF THE GOVERNOR'S POLICY ADDRESS THAT THE AVERAGE WAITING TIME FOR A PUBLIC RENTAL FLAT FOR APPLICANTS ON THE WAITING LIST WILL BE REDUCED FROM SEVEN YEARS TO FIVE YEARS, WILL THE GOVERNMENT INFORM THIS COUNCIL OF THE FOLLOWING:-

- (A) THE NUMBER OF ADDITIONAL PUBLIC RENTAL FLATS WHICH WILL BE PROVIDED ANNUALLY FROM 1994/95 TO 2000/01; OF THESE, HOW MANY WILL BE ALLOCATED TO APPLICANTS ON THE WAITING LIST, CLEARREES AFFECTED BY REDEVELOPMENT PROJECTS AND APPLICANTS OF OTHER CATEGORIES RESPECTIVELY;
- (B) HOW MANY FAMILIES ON THE WAITING LIST ARE NOT ELIGIBLE FOR PUBLIC RENTAL HOUSING AS THE HOUSING DEPARTMENT HAS INDICATED THAT NOT ALL THE 150,000 FAMILIES ON THE WAITING LIST ARE ELIGIBLE;
- (C) WHAT IS THE NUMBER OF NEW MIGRANT FAMILIES ON THE WAITING LIST;
- (D) WHAT IS THE NUMBER OF INELIGIBLE FAMILIES ON THE WAITING LIST WHOSE HOUSEHOLD INCOME HAS EXCEEDED THE INCOME LIMIT; AND
- (E) WHAT ARE THE RESPECTIVE FIGURES ON THE POTENTIAL DEMAND, EFFECTIVE DEMAND, SUPPLY AND SHORTAGE IN PUBLIC RENTAL HOUSING FROM 1993/94 TO 2000/01?

ANSWER

/MR PRESIDENT .....

MR PRESIDENT,

- (1) ABOUT 160,000 NEW RENTAL FLATS ARE PROGRAMMED FOR COMPLETION BETWEEN 1994/95 AND 2000/01. IN ADDITION, ABOUT 130,000 VACATED FLATS WILL BE AVAILABLE FOR ALLOCATION WITHIN THIS PERIOD. THE QUOTA OF ALLOCATION OF THESE FLATS TO VARIOUS REHOUSING CATEGORIES, E.G. WAITING LIST, REDEVELOPMENT, THA CLEARANCE AND TRAWLING, SQUATTER CLEARANCE, ETC, IS DETERMINED BY THE MANAGEMENT AND OPERATION COMMITTEE OF THE HOUSING AUTHORITY ANNUALLY, HAVING REGARD TO POLICY OBJECTIVES AND COMPETING CLAIMS. BARRING UNFORESEEN CIRCUMSTANCES, WE EXPECT TO BE ABLE TO ALLOCATE MORE HOUSING RESOURCES FOR WAITING LIST APPLICANTS AFTER 1997/98 BY WHICH TIME WE WILL HAVE SUBSTANTIALLY DISCHARGED OUR CLEARANCE COMMITMENTS. ON THIS BASIS, WE ENVISAGE THAT IT SHOULD BE POSSIBLE FOR THE AVERAGE WAITING TIME TO BE REDUCED TO 5 YEARS BY 2001.
- (2) THE ELIGIBILITY OF A WAITING LIST APPLICANT FOR PUBLIC HOUSING IS ASSESSED WHEN HIS TURN IN HIS PREFERRED DISTRICT IS DUE. IT IS THEREFORE DIFFICULT TO ESTIMATE PRECISELY HOW MANY OF THE 150,000 WAITING LIST APPLICANTS WILL BE ELIGIBLE FOR RENTAL HOUSING. SOME APPLICANTS ARE SQUATTERS AND TEMPORARY HOUSING AREAS RESIDENTS WHO WILL BE REHOUSED AS A RESULT OF SQUATTER CLEARANCES OR THA CLEARANCES AND TRAWLING EXERCISES. THEY DO NOT NEED TO GO THROUGH THE WAITING LIST ROUTE. SOME APPLICANTS WILL BE REJECTED FOR FAILING TO FULFIL THE ELIGIBILITY CRITERIA. BY DISCOUNTING THESE FAMILIES, IT IS ESTIMATED THAT SOME 75,000 APPLICANTS CONSTITUTE THE EFFECTIVE DEMAND FOR REHOUSING THROUGH THE WAITING LIST.
- (3) WE DO NOT HAVE THE PRECISE STATISTICS. HOWEVER, ABOUT 6,100 WAITING LIST APPLICATIONS CANNOT BE PROCESSED FURTHER BECAUSE THEY HAVE YET TO MEET THE SEVEN-YEAR RESIDENCE RULE.
- (4) WE DO NOT HAVE THE PRECISE ESTIMATE, BUT IN 1993/94, ABOUT 2,300 WAITING LIST APPLICATIONS WERE REJECTED BECAUSE THEIR INCOMES EXCEEDED THE LIMIT.
- (5) DEMAND FOR PUBLIC RENTAL HOUSING IS REVIEWED EACH YEAR HAVING REGARD TO CHANGES TO PARAMETERS AND STATISTICAL INFORMATION. AS A RESULT OF THE TASK FORCE REPORT RECOMMENDATIONS, A NEW WORKING GROUP ON HOUSING DEMAND, CHAIRED BY THE DEPUTY DIRECTOR OF PLANNING, HAS COMMENCED WORK ON ASSESSING AND UPDATING HOUSING DEMAND. THE WORKING GROUP IS EXPECTED TO PRODUCE FRESH ESTIMATES BY LATE 1994 OR EARLY 1995.

## EXEMPT DEALERS IN SECURITIES

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FOLLOWING IS A QUESTION BY DR THE HON HUANG CHEN-YA AND A WRITTEN REPLY BY THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

QUESTION : WILL THE GOVERNMENT INFORM THIS COUNCIL:

- (A) WHAT IS THE NUMBER OF BANKS IN HONG KONG WHICH ARE EXEMPTED FROM THE REGULATION OF THE SECURITIES AND FUTURES COMMISSION TO TRADE IN SECURITIES OR DERIVATIVE RELATED TO SECURITIES;
- (B) WHAT IS THE TOTAL TRANSACTION VOLUME OF SUCH TRADE IN THE LAST FINANCIAL YEAR;
- (C) WHAT IS THE PROPORTION OF THE VOLUME OF TRADE IN NEW LISTINGS, SECURITIES OR SECURITIES-RELATED DERIVATIVES CARRIED OUT BY THESE EXEMPTED BANKS AND OTHER NON-REGULATED BODIES AS COMPARED WITH THAT CARRIED OUT BY BODIES UNDER THE REGULATION OF THE SECURITIES AND FUTURES COMMISSION; AND
- (D) WHAT MEASURES WILL THE GOVERNMENT TAKE TO ENSURE THAT THE RISKS TO THESE BANKS AND THE FINANCIAL SYSTEM AS A WHOLE WILL BE PROPERLY CONTROLLED?

REPLY

- (A) AS AT END OF SEPTEMBER 1994, THERE WERE 155 AUTHORISED INSTITUTIONS AND ONE REPRESENTATIVE OFFICE UNDER THE BANKING ORDINANCE WHICH QUALIFIED AS EXEMPT DEALERS UNDER THE SECURITIES ORDINANCE.
- (B) THERE IS NO BREAKDOWN OF STATISTICS REGARDING THE TRADING VOLUME OF SECURITIES AND SECURITIES-RELATED DERIVATIVE PRODUCTS CONDUCTED BY EXEMPT DEALERS WHICH ARE AUTHORISED INSTITUTIONS UNDER THE BANKING ORDINANCE. HOWEVER, A SURVEY ON AUTHORISED INSTITUTIONS' EXPOSURE TO MARKET RISKS CONDUCTED BY THE MONETARY AUTHORITY IN 1993 INDICATED THAT, IN GENERAL, AUTHORISED INSTITUTIONS WERE NOT HEAVILY INVOLVED IN DERIVATIVE BUSINESS
- (C) THE EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND FUTURES COMMISSION, MEANS THAT EXEMPT DEALERS ARE NOT REQUIRED TO FILE REGULAR RETURNS WITH THE COMMISSION AS REGARDS THE VOLUME OF THEIR ACTIVITIES. THERE ARE THEREFORE NO READILY AVAILABLE STATISTICS INDICATING THE PROPORTION OF TRADE CARRIED OUT BY EXEMPT DEALERS COMPARED WITH THAT CARRIED OUT BY THE REGULATED SECTOR.

(D) IN LINE .....

- (D) IN LINE WITH THE RECOMMENDATIONS OF THE BASLE COMMITTEE ON BANKING SUPERVISION WHICH THE MONETARY AUTHORITY HAS ADOPTED, THE EXISTING CAPITAL ADEQUACY REGIME FOR AUTHORISED INSTITUTIONS INCLUDES AN ALLOWANCE FOR SECURITIES AND DERIVATIVE BUSINESS. WHILE IT IS PRINCIPALLY THE CREDIT RISK ARISING FROM SUCH ACTIVITIES THAT IS COVERED, THE BASLE COMMITTEE IS CURRENTLY CONSIDERING PROPOSALS TO INTRODUCE EXPLICIT CAPITAL REQUIREMENTS FOR THE MARKET RISK IN RESPECT OF SECURITIES AND DERIVATIVE TRADING. THE MONETARY AUTHORITY IS KEEPING CLOSELY IN TOUCH WITH DEVELOPMENTS IN BASLE AND IS LIKELY TO BRING FORWARD PROPOSALS FOR CAPITAL REQUIREMENTS IN RELATION TO MARKET RISK DURING THE COURSE OF 1995.

THE BASLE COMMITTEE HAS, AT THE SAME TIME, MADE IT CLEAR THAT ADHERENCE TO CAPITAL STANDARDS IS NOT SUFFICIENT TO ENSURE THE SAFE OPERATION OF BANKS INVOLVED IN DERIVATIVE TRADING. IT IS PERHAPS OF GREATER IMPORTANCE THAT BANKS SHOULD HAVE SOUND RISK MANAGEMENT AND CONTROL SYSTEMS. THE COMMITTEE HAS THEREFORE RECENTLY ISSUED TO SUPERVISORS WORLD-WIDE GUIDELINES ON THE SOUND RISK MANAGEMENT OF DERIVATIVES. SIMILAR GUIDELINES HAVE ALSO BEEN ISSUED TO SECURITIES REGULATORS BY THE INTERNATIONAL ORGANISATION OF SECURITIES COMMISSIONS. THE MONETARY AUTHORITY HAS CONSULTED THE INDUSTRY ASSOCIATIONS AND INTENDS TO TURN THE BASLE GUIDELINES INTO A FORMAL GUIDELINE OF ITS OWN IN THE NEAR FUTURE. IT FURTHER PROPOSES TO ISSUE TO AUTHORISED INSTITUTIONS MORE DETAILED GUIDANCE ON DERIVATIVE ACTIVITIES AND ALSO TO CONDUCT A MARKET SURVEY ON THE SUBJECT.

THERE ARE REGULAR CONTACTS BETWEEN THE SECURITIES AND FUTURES COMMISSION AND THE MONETARY AUTHORITY REGARDING THE REGULATION OF INSTITUTIONS WHICH FALL WITHIN THEIR RESPECTIVE AREAS OF RESPONSIBILITY. AD HOC MEETINGS ARE ALSO HELD AS AND WHEN NECESSARY TO DISCUSS SPECIFIC PROBLEMS IN RESPECT OF PARTICULAR INSTITUTIONS. THE TWO REGULATORS HAVE AGREED THAT THEY NEED TO CO-ORDINATE THEIR REGULATION IN RESPECT OF AUTHORISED INSTITUTIONS INVOLVED IN SECURITIES BUSINESS. A WORKING PARTY HAS BEEN FORMED WITH THE OBJECTIVE OF MAPPING OUT A MEMORANDUM OF UNDERSTANDING COVERING THE MECHANICS OF CO-OPERATION BETWEEN THE TWO BODIES. THE MEMORANDUM WILL SET OUT THE RESPECTIVE ROLES OF THE TWO REGULATORS IN OVERSEEING THE OPERATIONS OF EXEMPT DEALERS.

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MOTION OF THANKS PASSED

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THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) PASSED THE HON ELSIE TU'S MOTION OF THANKS FOR THE GOVERNOR'S POLICY ADDRESS BY 35 TO NINE VOTES.

THE CHIEF SECRETARY, THE HON ANSON CHAN; THE FINANCIAL SECRETARY, THE HON SIR HAMISH MACLEOD; THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, AND 11 POLICY SECRETARIES SPOKE ON BEHALF OF THE GOVERNMENT DURING THE RESUMED DEBATE ON THE MOTION.

A MOTION MOVED BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, ON THE PRIVATE BILLS ORDINANCE WAS PASSED, AS WAS A PRIVATE MEMBER'S MOTION MOVED BY THE HON ANDREW WONG ON THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE IN RELATION TO THE PLUGS AND ADAPTORS (SAFETY) REGULATION.

FIVE BILLS WERE INTRODUCED INTO THE COUNCIL FOR FIRST AND SECOND READINGS. THEY WERE: THE EMPLOYEES' COMPENSATION (AMENDMENT) (NO. 2) BILL 1994, THE SEX DISCRIMINATION BILL, THE SECURITIES AND FUTURES COMMISSION (AMENDMENT) (NO. 2) BILL 1994, THE LEVERAGED FOREIGN EXCHANGE TRADING (AMENDMENT) BILL 1994, AND THE CHRISTIAN AND MISSIONARY ALLIANCE (TRANSFER OF HONG KONG IMMOVABLE PROPERTY) BILL, WHICH WAS A PRIVATE MEMBER'S BILL INTRODUCED BY THE HON JAMES TO.

THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, PRESENTED TO THE COUNCIL THE PROTECTION OF WAGES ON INSOLVENCY FUND BOARD ANNUAL REPORT FOR THE FINANCIAL YEAR 1993-94.

THE SECRETARY FOR RECREATION AND CULTURE, MR JAMES SO, PRESENTED THE HONG KONG SPORTS INSTITUTE ANNUAL REPORT 1993-94 AND THE HONG KONG SPORTS DEVELOPMENT BOARD ANNUAL REPORT 1993-94.

THE SECRETARY FOR WORKS, MR JAMES BLAKE, PRESENTED THE SEWAGE SERVICES TRADING FUND ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD ENDING MARCH 31, 1994.

COUNCILLORS ASKED A TOTAL OF 20 QUESTIONS, TO WHICH WRITTEN ANSWERS WERE SUBMITTED BY THE ADMINISTRATION.