



DAILY INFORMATION BULLETIN

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TUESDAY, AUGUST 11, 1981

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MORE AMENDMENTS TO BANKING ORDINANCES LIKELY

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SOME FURTHER AMENDMENTS TO THE BANKING AND DEPOSIT-TAKING COMPANIES ORDINANCES WERE BEING PLANNED WHICH HE HOPED WOULD BE PUT FORWARD TO THE LEGISLATIVE COUNCIL LATER THIS YEAR, THE FINANCIAL SECRETARY, MR JOHN BREMRIDGE, TOLD THE HONG KONG ASSOCIATION OF BANKS AT ITS FIRST ANNUAL DINNER, HELD TONIGHT AT THE MANDARIN HOTEL.

MR BREMRIDGE SAID THESE AMENDMENTS, LIKE SOME OF THE RECENT ONES, WERE NECESSARY +TO ENSURE THAT ALL THE BANKS AND DEPOSIT-TAKING COMPANIES THAT GO TO MAKE UP THIS RAPIDLY-GROWING FINANCIAL CENTRE ARE SUBJECT TO A COMMONSENSE DEGREE OF PRUDENTIAL SUPERVISION IN THE INTERESTS OF THEIR DEPOSITORS, OF THE SYSTEM AS A WHOLE, AND OF OUR COMMUNITY IN WHICH BANKING IS ONLY A PART -- THOUGH INDEED A PART OF RAPIDLY-INCREASING IMPORTANCE+.

+THIS SUPERVISION SHOULD NOT ONLY BE ADEQUATE, IT SHOULD ALSO BE SEEN TO BE ADEQUATE. JUST AS REPUTATION FOR QUALITY IS ESSENTIAL FOR THE GOODS MANUFACTURED IN HONG KONG, SO THAT REPUTATION IS ESSENTIAL IN RESPECT OF OUR FINANCIAL SERVICES, WHETHER THE INSTITUTIONS CONCERNED ARE INCORPORATED IN HONG KONG OR ELSEWHERE,+ THE FINANCIAL SECRETARY SAID.

WHILE RECALLING BRIEFLY THE MAJOR DEVELOPMENTS IN HONG KONG'S FINANCIAL SYSTEM OVER THE PAST TEN YEARS, AND ESPECIALLY IN THE PAST THREE YEARS, MR BREMRIDGE WENT ON TO CONSIDER +WHERE WE NOW STAND, OR RATHER WHERE WE WILL STAND WHEN THE LATEST LEGISLATIVE CHANGES HAVE BEEN FULLY IMPLEMENTED+.

MR BREMRIDGE SAID HONG KONG WOULD THEN HAVE A MONETARY SECTOR FORMED OF THREE SEPARATE BUT INTER-DEPENDENT ELEMENTS.

THE FIRST, THE LICENSED BANKS, OFFERED A WIDE RANGE OF SERVICES TO A WIDE GROUP OF CUSTOMERS, AND MADE HONG KONG THE THIRD LARGEST INTERNATIONAL BANKING CENTRE AFTER LONDON AND NEW YORK.

HE SAID THERE ARE ALREADY 115 LICENSED BANKS, INCLUDING 72 INCORPORATED OUTSIDE HONG KONG AND CHINA, AND THE GRANT OF LICENCES TO FURTHER MAJOR INTERNATIONAL BANKS WAS IMMINENT.

THE SECOND ELEMENT WOULD CONSIST OF LICENSED DEPOSIT-TAKING COMPANIES, -- THOUGH NO COMPANY HAD YET BEEN GRANTED THAT STATUS -- AND THE THIRD CONSISTED OF REGISTERED DEPOSIT-TAKING COMPANIES, OF WHICH THERE WERE 346.

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THESE THREE DIFFERENT TYPES OF INSTITUTION ALL HAD DISTINCT ROLES TO PLAY, AND IT MIGHT EVENTUALLY BE APPROPRIATE TO RECOGNISE THIS DISTINCTION BY DEVELOPING THE SOMEWHAT CRUDE MINIMUM LIQUIDITY RATIOS TO WHICH THEY WERE NOW SUBJECT INTO RATIOS DESIGNED MORE SPECIFICALLY TO TAKE INTO ACCOUNT THE DIFFERING NATURE AND MATURITY PATTERN OF THEIR DEPOSIT LIABILITIES.

BUT THIS WAS A COMPLEX AND HIGHLY CONTENTIOUS SUBJECT, AND MUCH WORK WOULD BE NEEDED TO ENSURE THAT THE EXPERIENCE IN OTHER COUNTRIES ON WHICH HONG KONG WOULD HAVE TO DRAW WAS APPROPRIATE FOR HONG KONG CONDITIONS.

+IT IS IMPORTANT TO UNDERLINE THIS LATTER POINT, FOR WHILE WE WISH TO LEARN FROM OTHERS, HONG KONG SHOULD IN ALL AREAS, MAKE ITS OWN DECISIONS TO SUIT ITS UNIQUE, CLEARLY SUCCESSFUL (WARTS AND ALL) AND LARGELY CHINESE STYLE,+ MR BREMRIDGE SAID.

MR BREMRIDGE SAID THE QUESTION OF WITHHOLDING TAX ON INTEREST ON FOREIGN CURRENCY DEPOSITS PLACED WITH BANKS AND DEPOSIT-TAKING COMPANIES POSED A NUMBER OF PROBLEMS.

IN EXPLAINING THE ADVANTAGES AND DISADVANTAGES OF THE WHOLE QUESTION OF WITHHOLDING TAX, MR BREMRIDGE SAID, +WE HAVE NOT YET REACHED A DECISION, EXCEPT THAT FOR MANY REASONS IT WOULD BE UNACCEPTABLE TO REMOVE ENTIRELY INTEREST TAX, THE YIELD FROM WHICH THIS YEAR IS EXPECTED TO BE ABOUT \$900 MILLION PLUS A FURTHER \$400 MILLION COMING FROM INTEREST SUBJECT TO PROFITS TAX.+

THE ISSUE WAS +MORE COMPLEX THAN IS SUGGESTED BY SOME RATHER SIMPLISTIC COMMENTS MADE FROM TIME TO TIME+.

HE LOOKED FORWARD TO FULL DISCUSSIONS WITH THE BANKS ASSOCIATION, AND PROMISED THAT HE WAS +GENUINELY OPEN-MINDED WITH A PREDILECTION FOR FREEDOM+.

REFERRING TO THE +FUTURE SCOPE OF THE INTEREST RATE AGREEMENT+, HE SAID HE WAS AWARE THAT SOME BANKS WERE UNDERSTANDABLY CONCERNED ABOUT THEIR ABILITY TO COMPETE, EITHER DIRECTLY OR THROUGH A DEPOSIT-TAKING COMPANY SUBSIDIARY FOR LARGE DEPOSITS AFTER THE MIDDLE OF NEXT YEAR.

+ONE POSSIBLE RESPONSE TO THIS PARTICULAR PROBLEM COULD BE EITHER TO REMOVE FROM THE AGREEMENT'S SCOPE SHORT TERM DEPOSITS OF \$500 000 OR MORE, OR TO ALLOW A HIGHER RATE OF INTEREST TO BE PAID ON SUCH DEPOSITS,+ HE SAID.

MR BREMRIDGE SAID THE GOVERNMENT WAS CLOSELY OBSERVING PROBLEMS AS THEY AROSE AND CONSIDERING WHAT STEPS, IF ANY, SHOULD BE TAKEN SENSIBLY TO DEAL WITH THEM.

+I AM PERSONALLY COMMITTED TO THE VIRTUES OF CONSULTATION LEADING HOPEFULLY TO DECISION BY CONSENSUS,+ HE SAID.

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IN CONCLUDING, HE SAID THAT WHILE HE SHARED HIS PREDECESSOR, SIR PHILIP HADDON-CAVE'S +COMMITMENT TO POSITIVE NON-INTERVENTIONISM+, HE WOULD ADD HIS OWN FIRM BELIEF IN THE COROLLARY -- +THE EXERCISE OF PRUDENT FREEDOM+, WHICH FOR THE BANKING BUSINESS +INTER ALIA TOUCHES UPON YOUR FREEDOM TO CREATE CREDIT+.

MR BREMRIDGE SAID HE ACCEPTED THAT +A PERSUASIVE ARGUMENT AGAINST INTERVENTION IS NOT THAT IN MANY CASES IT IS NOT PHILOSOPHICALLY DECENT, BUT THAT GOVERNMENTS OFTEN CANNOT PREDICT ACCURATELY WHAT THE EFFECTS OF NEW CONTROLS WILL BE+.

THE WORLD WAS LITTERED WITH ECONOMIC DISASTERS CREATED BY WELL-MEANING INTERFERENCE WITH THOSE FREE MARKET MECHANISMS WHICH HAD SERVED HONG KONG SO WELL.

+BUT SELF-CONTROL IS ANOTHER MATTER, AND SO IS THE EXERCISE OF RESPONSIBILITY. WE ARE NOT JUST A LAISSEZ FAIRE GOVERNMENT. HOW COULD WE BE SO ACCUSED WHEN WE PROVIDE HEAVILY SUBSIDISED HOUSING FOR OVER TWO MILLION PEOPLE?

+WHEREVER THE BALANCE LIES, AND MY PREFERENCE IS CLEAR, IT SEEMS TO ME THAT A LITTLE SELF DOUBT AMONGST CIVIL SERVANTS AND POLITICIANS SHOULD BE PART OF THE PROCESS OF GOOD GOVERNMENT,+ HE SAID.

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UK AND CHINA AIR SERVICES TALKS

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AIR SERVICES TALKS BETWEEN THE AERONAUTICAL AUTHORITIES OF THE UNITED KINGDOM AND CHINA, AT WHICH THE HONG KONG GOVERNMENT WAS REPRESENTED, WERE HELD IN LONDON FROM AUGUST 3 TO 7.

AGREEMENT WAS REACHED TO CARRY FORWARD THE PRESENT ARRANGEMENTS GOVERNING THE SCHEDULED SERVICES OPERATED BY CPA AND CAAC, SUBJECT TO MINOR AMENDMENT, FOR SIX MONTHS FROM NOVEMBER 1, 1981. FROM THIS DATE, CPA WILL MAINTAIN A TWICE-WEEKLY SERVICE BETWEEN HONG KONG AND SHANGHAI, WHILE CAAC WILL CONTINUE TO OPERATE SCHEDULED SERVICES BETWEEN HONG KONG AND PEKING, SHANGHAI, CANTON AND HANGZHOU.

CAAC WILL ALSO INTRODUCE SCHEDULED SERVICES BETWEEN HONG KONG AND XIAN AND HONG KONG AND KUNMING.

A FULL SCALE REVIEW OF THE PRESENT ARRANGEMENTS, COVERING BOTH REGIONAL AND TRUNK SERVICES BETWEEN PEKING AND LONDON, WILL TAKE PLACE IN MARCH AND APRIL NEXT YEAR.

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EXTENDED TSUEN WAN ENQUIRIES SERVICE CONTINUES

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TWO PUBLIC ENQUIRY SERVICE CENTRES IN TSUEN WAN DISTRICT WILL REMAIN OPEN IN THE EVENINGS FOR A FURTHER SIX WEEKS STARTING THURSDAY.

SINCE EARLY JULY, THE CENTRES AT HOI PA STREET IN TSUEN WAN AND AT SHEK LEI ESTATE IN KWAI CHUNG HAVE STAYED OPEN UNTIL 9.15 PM EVERY TUESDAY AND THURSDAY.

THIS EXTENDED SERVICE WAS INITIALLY PLANNED FOR A TRIAL PERIOD OF SIX WEEKS ENDING TODAY (TUESDAY).

BUT BECAUSE OF THE DEMAND FOR SUCH A SERVICE IN THE DISTRICT, IT HAS BEEN DECIDED TO EXTEND IT FOR ANOTHER SIX WEEKS, A TSUEN WAN DISTRICT OFFICE SPOKESMAN SAID.

+ON THE WHOLE, RESIDENTS HAVE FOUND IT VERY CONVENIENT FOR LODGING COMPLAINTS OR SEEKING HELP,+ HE SAID.

BESIDES GIVING ADVICE AND GUIDANCE ON ALL GOVERNMENT SERVICES AND POLICIES, STAFF AT THE CENTRES ALSO DISTRIBUTE PAMPHLETS AND FORMS, PROCESS APPLICATIONS FOR FREE LEGAL AID AND REFER TENANCY DISPUTES TO RENT OFFICERS FROM THE RATING AND VALUATION DEPARTMENT.

THE TWO CENTRES ARE LOCATED ON THE FIRST FLOOR OF CHUEN KING BUILDING IN HOI PA STREET AND ON THE GROUND FLOOR OF BLOCK 14, SHEK LEI ESTATE. NORMAL OPENING HOURS ARE FROM 8.45 AM TO 5.15 PM ON WEEKDAYS AND FROM 9 AM TO NOON ON SATURDAYS.

MEANWHILE, THE PES CENTRE AT KWAI KING BUILDING IN KWONG FAI CIRCUIT, KWAI CHUNG, WILL REMAIN OPEN DURING LUNCH TIME ON A PERMANENT BASIS STARTING MONDAY.

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TOP INDUSTRIAL SAFETY QUIZ PRIZE WON BY WOMAN

A 23-YEAR-OLD CLERK, MISS WONG PIK-LAI, WON THE FIRST PRIZE OF A \$4 500 PHILIPS COLOUR TELEVISION SET IN THE SECOND ROUND OF THE INDUSTRIAL SAFETY QUIZ COMPETITION HELD DURING THE +HAPPY HOUR+ PROGRAMME ON REDIFFUSION TELEVISION LAST (MONDAY) NIGHT.

IN THE KEENLY-CONTESTED COMPETITION, MISS WONG BEAT EIGHT OTHER CONTESTANTS WHO SHARED PRIZES WORTH MORE THAN \$10 000.

MR KWOK YUK-KWONG, A 17-YEAR-OLD COOK, WON THE SECOND PRIZE OF AN AIR TICKET TO JAPAN, PLUS FREE BOARD AND LODGING, WHILE THE THIRD PRIZE OF AN AIR TICKET TO THAILAND WENT TO MR WONG CHUNG-FAT, A 35-YEAR-OLD WORKER.

THE OTHER PRIZES OF AN AIR TICKET TO THE PHILIPPINES, A RTV MINIATURE 24K GOLD SAFETY HELMET, AN ATARI VIDEO ELECTRONIC TV GAME AND THREE STEREO CASSETTE PLAYERS WERE SHARED AMONG MR LAU CHEUCK-MING, MR CHAN WING-KEUNG, MR TSANG YAU-CHEUNG, MR YEUNG KAM-TONG, MISS TSANG WAI-CHI AND MISS CHENG SHUET-FONG.

THE AIR TICKETS WERE DONATED BY HONG KONG DAILY NEWS AND THE TV GAME BY KONG KING TRADING COMPANY.

THE THIRD ROUND OF THE COMPETITION - JOINTLY ORGANISED BY THE LABOUR DEPARTMENT, HONG KONG DAILY NEWS AND RTV - IS UNDERWAY, AND LINE DRAWINGS AND MULTIPLE CHOICE QUESTIONS ARE BEING PUBLISHED BY HONG KONG DAILY NEWS, HONG KONG TV NEWS AND RTV'S TV TIMES.

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TEXTILE INDUSTRY JOB STANDARDS
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THE TEXTILE INDUSTRY TRAINING BOARD OF THE HONG KONG TRAINING COUNCIL HAS PUBLISHED A MANUAL OF JOB STANDARDS AND TRADE TESTS FOR THE PRINCIPAL JOBS IN THE FINISHING BRANCH OF THE TEXTILE INDUSTRY.

A SPOKESMAN FOR THE BOARD SAID TODAY (TUESDAY) THAT THE MANUAL IS AIMED AT INTRODUCING A GENERALLY ACCEPTABLE STANDARD OF SKILL FOR PRINCIPAL JOBS IN THE INDUSTRY AND TO ASSIST TECHNICAL INSTITUTIONS IN PLANNING COURSES AS WELL AS EMPLOYERS IN DRAWING UP PROPER TRAINING PROGRAMMES FOR APPRENTICES OR TRAINEES AND IN ASSESSING THE COMPETENCE OF THEIR WORKERS.

THE MANUAL CONSISTS OF JOB STANDARDS AND TRADE TESTS FOR 50 PRINCIPAL JOBS AT TECHNOLOGIST, TECHNICIAN, CRAFT AND OPERATIVE LEVELS, SETTING OUT THE SKILLS, KNOWLEDGE AND TRAINING REQUIRED FOR EACH OF THE JOBS AS WELL AS GUIDELINES FOR TESTING COMPETENCY AT COMPLETION OF TRAINING.

PUBLISHED IN BOTH ENGLISH AND CHINESE, COPIES OF THE MANUAL ARE NOW ON SALE AT THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE, AT \$15 A COPY.

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WATER MAINS WORK
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FRESH WATER SUPPLY TO A NUMBER OF PREMISES IN TSIM SHA TSUI WILL BE TURNED OFF FOR NINE HOURS FROM 9 PM ON THURSDAY (AUGUST 13) TO 6 AM THE FOLLOWING DAY FOR WORK ON WATER MAINS.

THE AREA TO BE AFFECTED IS BOUNDED BY CHATHAM ROAD TO KIMBERLEY ROAD AND OBSERVATORY ROAD TO AUSTIN AVENUE, INCLUDING CHATHAM COURT.

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