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WEDNESDAY, JUNE 9, 1993

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WEDNESDAY, JUNE 9, 1993

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REVISION OF PRINCIPAL POSTAGE RATES AND
MISCELLANEOUS FEES AND CHARGES

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THE POSTMASTER GENERAL, MR M PAGLIARI, ANNOUNCED TODAY (WEDNESDAY) THAT PRINCIPAL POSTAGE RATES AND MISCELLANEOUS POSTAL FEES AND CHARGES WOULD BE INCREASED AS FROM NOVEMBER 1.

THESE RATES AND CHARGES WERE LAST REVISED ON APRIL 1, 1991 MORE THAN TWO-AND-A-HALF YEARS AGO.

COMMENTING ON THE REVISED RATES, MR PAGLIARI SAID:

"AS A RESULT OF THE SHARP INCREASE IN OPERATING EXPENDITURE IN THE PAST TWO YEARS DUE TO HIGH INFLATION, SUBSTANTIALLY INCREASED STAFF COSTS, HIGHER OUTPAYMENTS TO OVERSEAS POSTAL ADMINISTRATIONS AND HIGHER COST OF MAIL CONVEYANCE, IT IS NECESSARY TO REVISE POSTAGE RATES AND CHARGES IN ORDER TO RESTORE THEIR REAL VALUE".

THE OVERALL WEIGHTED AVERAGE RATE OF INCREASE FOR THE PRINCIPAL POSTAGE RATES WILL BE 20%, WHICH IS BELOW THE RATE OF INFLATION OF 23.5% SINCE THE LAST INCREASE IN APRIL 1991, HE ADDED.

THE BASIC RATES FOR LOCAL LETTERS AND PRINTED PAPERS WILL BE INCREASED BY 20 CENTS, THAT IS, FROM 80 CENTS TO \$1 FOR LETTERS, AND FROM 70 CENTS TO 90 CENTS FOR PRINTED PAPERS.

FOR SURFACE LETTERS AND PRINTED PAPERS TO CHINA, MACAU AND TAIWAN, THE BASIC RATES WILL BE INCREASED FROM 90 CENTS TO \$1.20 AND FROM 80 CENTS TO \$1 RESPECTIVELY.

FOR SURFACE MAIL TO OTHER COUNTRIES, THE BASIC RATES WILL BE INCREASED FROM \$1.70 TO \$2 FOR LETTERS AND FROM \$1.60 TO \$1.80 FOR PRINTED PAPERS.

THE BASIC RATES FOR AIR MAIL LETTERS AND PRINTED PAPERS WILL BE INCREASED BY 10 CENTS.

FOR ZONE 1 (MAINLY ASIAN COUNTRIES), BASIC RATES AT THE FIRST WEIGHT STEP ARE INCREASED FROM \$1.80 TO \$1.90 FOR LETTERS AND FROM \$1.20 TO \$1.30 FOR PRINTED PAPERS.

FOR ZONE 2 (REST OF THE WORLD), BASIC RATES AT THE FIRST STEP ARE INCREASED FROM \$2.30 TO \$2.40 FOR LETTERS AND FROM \$1.70 TO \$1.80 FOR PRINTED PAPERS.

COMMENTING FURTHER ON THE POSTAGE RATES INCREASES, MR PAGLIARI SAID LOCAL AND SURFACE MAIL SERVICES HAD TRADITIONALLY BEEN OPERATING AT A LOSS.

THESE SERVICES ARE CURRENTLY BEING CROSS-SUBSIDISED BY OTHER PROFITABLE SERVICES SUCH AS AIR MAIL. THIS SITUATION IS PARTICULARLY MARKED IN THE PRINTED PAPER SERVICE WHICH IS LARGELY USED BY BUSINESSES FOR MAGAZINE SUBSCRIPTIONS AND PROMOTIONAL MAILINGS, HE SAID.

/FOR EXAMPLE

FOR EXAMPLE, PRINTED PAPER NOW ACCOUNTS FOR OVER HALF THE TOTAL DEFICIT IN THE LOCAL MAIL SERVICE.

THE EXTENT OF THE CURRENT CROSS SUBSIDY TO THE PRINTED PAPER SERVICE IS DEMONSTRATED BY THE FACT THAT DESPITE SIMILAR HANDLING COSTS, POSTAGE FOR LOCAL PRINTED PAPERS AT THE 1 KG LEVEL AT \$4.60 IS 62% LESS THAN THE CORRESPONDING LETTER RATE OF \$12.

IN ORDER TO REDUCE THE EXTENT OF SUBSIDIES TO BUSINESSES, THE INCREASES FOR PRINTED PAPERS VIS-A-VIS LETTERS FOR LOCAL AND SURFACE MAIL SERVICES ARE COMPARATIVELY HIGHER.

ON THE OTHER HAND, THE INCREASES FOR AIR MAIL RATES ARE VERY MODEST - WELL BELOW THE RATE OF INFLATION.

WITH THE PLANNED INCREASES, LOCAL AND SURFACE MAIL SERVICES CONTINUE TO OPERATE AT A LOSS, ALBEIT TO A LESSER EXTENT; WHILE AIR MAIL SERVICES CONTINUE TO OPERATE AT A PROFIT.

MR PAGLIARI WENT ON TO SAY THAT THERE WAS NO GUARANTEE THAT THESE PROFITABLE SERVICES WOULD REMAIN SO.

"EVEN AFTER THESE INCREASES, HONG KONG POSTAL CHARGES REMAIN AMONG THE LOWEST IN THE INDUSTRIALISED WORLD," MR PAGLIARI SAID.

"GIVEN THAT POSTAGE CONSTITUTES ONLY A SMALL PROPORTION OF OVERALL CONSUMER EXPENDITURE AND BUSINESS COSTS, THE INCREASES ARE UNLIKELY TO HAVE ANY SIGNIFICANT IMPACT ON GENERAL INFLATION.

"THE GREATEST IMPACT WILL BE ON THE BULK USERS OF PRINTED PAPER AS POSTAGE RATES FOR PRINTED PAPER HAVE INCREASED BY A HIGHER MARGIN THAN THAT OF ORDINARY MAIL.

"WE SHALL THEREFORE WORK WITH THE USERS OF OUR PRINTED PAPER SERVICE TO EXAMINE HOW THEIR POSTINGS MAY BE IMPROVED SO THAT THE POST OFFICE MAY ACHIEVE OPERATIONAL COST SAVINGS WHICH COULD THEN BE PASSED ONTO THEM IN THE FORM OF DISCOUNTS," MR PAGLIARI ADDED.

AS REGARDS INCREASES IN MISCELLANEOUS FEES AND CHARGES, THE NOTABLE EXAMPLE IS REGISTRATION FEE WHICH WILL BE INCREASED FROM \$9 TO \$11.

ALSO, ANNUAL RENTAL FOR POST OFFICE BOXES WILL BE INCREASED, FOR EXAMPLE, FROM \$460 TO \$570 FOR LARGE BOXES AND FROM \$370 TO \$450 FOR SMALL BOXES AT THE GENERAL POST OFFICE AND THE TSIM SHA TSUI POST OFFICE.

RENTALS AT OTHER POST OFFICES ATTRACT SMALLER INCREASES.

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GOVT VIGILANT ON UNSCRUPULOUS INSOLVENCY CASES

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THE OFFICIAL RECEIVER'S OFFICE HAS, FOR THE FIRST TIME, SUCCESSFULLY PROSECUTED A COMPANY DIRECTOR FOR AN INSOLVENCY OFFENCE ON MONDAY SINCE ACTING UNDER THE TRANSFERRED POWERS FROM THE CROWN PROSECUTOR.

A GOVERNMENT SPOKESMAN TODAY (WEDNESDAY) SAID SUMMONS HAD BEEN ISSUED IN ANOTHER FIVE CASES FOR SIMILAR OFFENCES OF FAILING TO KEEP AND PRESERVE THE BOOKS AND ACCOUNTS OF A COMPANY IN LIQUIDATION.

MR CHEN CHAK-MAN, A DIRECTOR OF GIANT YIELD INVESTMENTS LIMITED WHICH WAS WOUND UP IN 1991, WAS CONVICTED IN THE WESTERN MAGISTRACY ON MONDAY FOR FAILING TO PRESERVE THE ACCOUNTING RECORDS OF THE COMPANY UNDER SECTION 121 OF THE COMPANIES ORDINANCE CAP 32 AND WAS FINED \$60,000.

THE DEFENDANT CLAIMED THAT THE ACCOUNTING RECORDS HAD BEEN SENT TO THE NEW TERRITORIES FOR STORAGE BUT HAD NOW BEEN LOST AND THAT HE HAD NO KNOWLEDGE AS TO THEIR WHEREABOUTS.

IN MARCH LAST YEAR, THE CROWN PROSECUTOR TRANSFERRED THE AUTHORITY TO PROSECUTE VARIOUS INSOLVENCY OFFENCES TO THE LEGAL OFFICERS IN THE OFFICIAL RECEIVER'S OFFICE, WHICH WAS RE-ORGANISED AS A SEPARATE DEPARTMENT ONE YEAR AGO.

DURING 1992/93, 64 SUMMONSES WERE ISSUED AGAINST COMPANY DIRECTORS AND OFFICERS OF COMPANIES IN COMPULSORY LIQUIDATION MOSTLY FOR FAILING TO SUBMIT A STATEMENT OF AFFAIRS AT THE DATE OF THE WINDING UP ORDER, WHICH RESULTED IN 51 CONVICTIONS AND TOTAL FINES BEING AWARDED BY THE COURT OF \$336,730.

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POLL DAYS SET FOR TWO BY-ELECTIONS

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THE POLLING DAYS FOR THE TWO FORTHCOMING BY-ELECTIONS BROUGHT ABOUT BY THE DISQUALIFICATION OF MR GILBERT LEUNG KAM-HO HAVE BEEN DETERMINED.

THE LEGISLATIVE COUNCIL BY-ELECTION IN RESPECT OF THE REGIONAL COUNCIL FUNCTIONAL CONSTITUENCY WILL BE HELD ON WEDNESDAY JULY 28.

THIS WILL BE FOLLOWED BY THE REGIONAL COUNCIL BY-ELECTION FOR THE SAI KUNG CONSTITUENCY 11 DAYS LATER ON SUNDAY AUGUST 8.

EACH BY-ELECTION WILL HAVE A TWO-WEEK NOMINATION PERIOD.

THE NOMINATION PERIOD FOR LEGISLATIVE COUNCIL BY-ELECTION WILL RUN FROM JUNE 25 TO JULY 9.

NOMINATIONS FOR THE REGIONAL COUNCIL BY-ELECTION WILL BE CALLED FOR BETWEEN JULY 5 AND 19.

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NOMINATION OPENS FOR LEGCO INDUSTRIAL SEAT

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NOMINATIONS ARE INVITED FROM FRIDAY (JUNE 11) TO JUNE 25 FOR THE VACANCY LEFT BY THE LATE STEPHEN CHEONG IN THE FIRST INDUSTRIAL ELECTORAL DIVISION OF THE INDUSTRIAL FUNCTIONAL CONSTITUENCY.

CANDIDATES MUST BE REGISTERED ELECTORS IN THE GENERAL ELECTORAL ROLL, HAVE BEEN ORDINARILY RESIDENT IN HONG KONG FOR THE 10 YEARS IMMEDIATELY BEFORE NOMINATION, AND HAVE A SUBSTANTIAL CONNECTION WITH THE FIRST INDUSTRIAL ELECTORAL DIVISION.

NOMINATION FORMS MAY BE OBTAINED FROM FRIDAY FROM THE REGISTRATION AND ELECTORAL OFFICE AT HARBOUR CENTRE, 10TH FLOOR, 25 HARBOUR ROAD, WAN CHAI (ENQUIRIES TELEPHONE 827 9175) OR FROM MS TERESA TSE, PRINCIPAL ASSISTANT SECRETARY FOR TRADE AND INDUSTRY AND THE RETURNING OFFICER, IN ROOM 233, CENTRAL GOVERNMENT OFFICES EAST WING, LOWER ALBERT ROAD, CENTRAL.

NOMINATION PAPERS SHOULD BE HANDED IN TO MS TSE WITHIN THE NOMINATION PERIOD.

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COLLABORATION AND PARTICIPATION IN AIDS PREVENTION

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HEALTH CARE PROFESSIONALS, VOLUNTARY ORGANISATIONS AND THE MEDIA ALL HAVE AN IMPORTANT ROLE TO PLAY IN THE CAMPAIGN AGAINST AIDS.

THIS WAS STATED BY THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, DURING AN INTERVIEW WITH THE VOICE OF AMERICA IN BERLIN YESTERDAY (TUESDAY).

MRS WONG IS CURRENTLY LEADING A GOVERNMENT DELEGATION TO ATTEND THE NINTH INTERNATIONAL CONFERENCE ON AIDS BEING HELD IN BERLIN THIS WEEK.

SHE WAS SINGLED OUT FOR A SPECIAL INTERVIEW AMONG OVER 10,000 PARTICIPANTS FROM COUNTRIES ALL OVER THE WORLD.

ECHOING CALLS FOR GREATER GOVERNMENTAL COMMITMENT IN THE FIGHT AGAINST AIDS, MRS WONG RECOUNTED HONG KONG GOVERNMENT'S INITIATIVES IN RECENT MONTHS AND THE ESTABLISHMENT OF THE \$350 MILLION AIDS TRUST FUND.

"ALL THESE ARE CLEAR DEMONSTRATIONS OF HONG KONG'S DETERMINATION TO COMBAT AIDS WHICH IS AS MUCH A SOCIAL PROBLEM AS IT IS A MEDICAL ISSUE," SHE SAID.

"ALTHOUGH HONG KONG HAS A MUCH LOWER RATE OF HIV INFECTION COMPARED TO OTHER DEVELOPED AND DEVELOPING COUNTRIES, WE HAVE LEARNED FROM THE EXPERIENCE OF OTHERS THAT THE ONLY EFFECTIVE MEANS TO COMBAT THE DISEASE IS TO TAKE EARLY STEPS IN PREVENTION AND PUBLIC EDUCATION.

"APART FROM EDUCATING THE PUBLIC ON PREVENTIVE MEASURES SUCH AS 'SAFER SEX' AND 'CLEAN NEEDLES', WE MUST WORK HARD TO CHANGE PUBLIC ATTITUDE AGAINST PERSONS WITH AIDS, AND TO REPLACE PREJUDICE WITH UNDERSTANDING AND DISCRIMINATION WITH SYMPATHY."

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IN THIS CONNECTION, MRS WONG CONTINUED, HONG KONG GOVERNMENT HAD PROVIDED A LEAD, BOTH THROUGH THE ESTABLISHMENT OF THE AIDS TRUST FUND AND THROUGH ENHANCED PUBLICITY.

SHE NOTED THAT HONG KONG WOULD ENCOURAGE COMMUNITY PARTICIPATION, ESPECIALLY FROM AMONG NON-GOVERNMENTAL ORGANISATIONS AND THE MEDIA, IN THIS CAMPAIGN.

ONLY BY WORKING CLOSELY TOGETHER WILL IT BE ABLE TO ACHIEVE REAL SUCCESS, SHE ADDED.

AT THE CONFERENCE, IT WAS STRESSED THAT THERE WAS A NEED FOR A GLOBAL STRATEGY TO FIGHT AIDS "BECAUSE AIDS INFECTION KNOWS NO NATIONAL, RACIAL OR SEXUAL DISTINCTION".

MRS WONG TOLD THE VOICE OF AMERICA: "WE NEED TO SHARE OUR COMMON OBJECTIVES AND TO WORK IN UNISON.

"TO THIS END, WE ARE LOOKING FORWARD TO COLLABORATIVE EFFORT WITH OUR NEIGHBOURS.

"HONG KONG AS AN INTERNATIONAL CITY HAS AN OBLIGATION TO CONTRIBUTE TO THIS GLOBAL MISSION," SHE ADDED.

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RAID ON SUSPECTED SANCTIONS BUSTER

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A JOINT POLICE AND CUSTOMS TEAM TODAY (WEDNESDAY) RAIDED THE OFFICES OF A LOCALLY BASED OVERSEAS TRADING FIRM SUSPECTED TO HAVE BEEN OPERATING IN VIOLATION OF THE UNITED NATIONS SANCTION ORDER AGAINST SERBIA AND MONTENEGRO.

A QUANTITY OF DOCUMENTARY MATERIAL WAS SEIZED AND INVESTIGATIONS ARE CONTINUING WITH A VIEW TO FURTHER PROCEEDINGS.

A GOVERNMENT SPOKESMAN SAID THE ACTION WAS TAKEN IN ACCORDANCE WITH THE SERBIA AND MONTENEGRO (UNITED NATIONS SANCTIONS) (DEPENDENT TERRITORIES) ORDER 1992, WHICH REFLECTS UN SECURITY COUNCIL RESOLUTION 820.

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SURVEYS ON TRANSPORT AND BUSINESS SERVICES

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THE CENSUS AND STATISTICS DEPARTMENT ANNOUNCED TODAY (WEDNESDAY) THAT THE SURVEY OF TRANSPORT AND RELATED SERVICES AND THE SURVEY OF STORAGE, COMMUNICATION, FINANCING, INSURANCE AND BUSINESS SERVICES FOR 1992 HAD STARTED.

THESE ANNUAL SURVEYS ARE PART OF A CONTINUOUS PROGRAMME TO COMPILE STATISTICS ON THE STRUCTURE AND PERFORMANCE OF VARIOUS ECONOMIC ACTIVITIES IN HONG KONG.

/THE SURVEYS

THE SURVEYS AIM TO OBTAIN UP-TO-DATE STATISTICAL DATA FOR EVALUATING THE CONTRIBUTION OF VARIOUS ECONOMIC ACTIVITIES TO HONG KONG'S GROSS DOMESTIC PRODUCT AND FOR ASCERTAINING THEIR COST STRUCTURE, OPERATING CHARACTERISTICS AND OUTPUT LEVELS.

THE SURVEY RESULTS ARE USEFUL TO BOTH THE GOVERNMENT AND THE PRIVATE SECTOR IN FORMULATING POLICIES AND MAKING DECISIONS.

THE COMMISSIONER FOR CENSUS AND STATISTICS, MR FREDERICK HO, APPEALED TO THE MANagements OF ALL SAMPLED ESTABLISHMENTS TO FULFIL THEIR LEGAL AND SOCIAL RESPONSIBILITIES BY PROMPTLY RETURNING THE COMPLETED QUESTIONNAIRES AND CO-OPERATING WITH OFFICERS OF THE DEPARTMENT.

HE STRESSED THAT INFORMATION RELATING TO INDIVIDUAL ESTABLISHMENTS WOULD BE TREATED IN STRICT CONFIDENCE UNDER THE CENSUS AND STATISTICS ORDINANCE.

ONLY AGGREGATE INFORMATION THAT DOES NOT REVEAL DETAILS OF INDIVIDUAL ESTABLISHMENTS WILL BE RELEASED.

MR HO ALSO POINTED OUT THAT AUDITED ACCOUNTS WERE NOT ESSENTIAL FOR THE SUPPLY OF INCOME AND EXPENDITURE DATA REQUIRED IN THE SURVEYS.

THE CENSUS AND STATISTICS DEPARTMENT ACCEPTS FIGURES BASED ON PERLIMINARY ACCOUNTS OR ESTIMATES WHICH ARE CORRECT TO THE BEST OF THE REpondENTS' KNOWLEDGE AT THE TIME OF SUBMISSION OF THE QUESTIONNAIRE, IF AUDITED ACCOUNTS ARE NOT YET AVAILABLE.

ABOUT 4,000 ESTABLISHMENTS WILL BE ENUMERATED IN THE PRESENT ROUND OF THE SURVEYS.

THE SURVEY OF TRANSPORT AND RELATED SERVICES COVERS LAND, SEA AND AIR TRANSPORT SERVICES, SUCH AS PUBLIC BUSES, TRAMWAYS, TAXIS, PUBLIC LIGHT BUSES, TRUCKS, FERRIES, SHIPPING COMPANIES AND AIRLINES.

IT ALSO COVERS SUCH TRANSPORT-RELATED SERVICES AS THOSE PROVIDED BY CAR PARKS, TRAVEL AGENTS AND CARGO FORWARDING AGENTS.

THE SURVEY OF STORAGE, COMMUNICATION, FINANCING, INSURANCE AND BUSINESS SERVICES COVERS STORAGE AND WAREHOUSE, COMMUNICATIONS, FINANCIAL (EXCEPT LICENSED BANKS, RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES), INSURANCE AND BUSINESS SERVICES SUCH AS ACCOUNTING AND AUDITING, ADVERTISING, DATA PROCESSING, EMPLOYMENT AGENCY, EQUIPMENT AND MACHINERY RENTAL, LEGAL, NEWS AGENCY, SECRETARIAL AND OTHER BUSINESS SERVICES.

INFORMATION TO BE SOUGHT IN THE SURVEYS INCLUDES: TYPE OF OWNERSHIP, ORIGIN OF INVESTMENT, FLOOR AREA, EMPLOYMENT, COMPENSATION OF EMPLOYEES (THAT IS WAGES, SALARIES AND OTHER EMPLOYEE BENEFITS), OPERATING EXPENSES, BUSINESS RECEIPTS, CAPITAL EXPENDITURE AND OTHER RELATED INFORMATION ON THE BUSINESS OPERATION OF THE ESTABLISHMENTS.

THE SURVEYS ARE CONDUCTED UNDER THE CENSUS AND STATISTICS (ANNUAL SURVEY OF TRANSPORT AND RELATED SERVICES) ORDER 1984 AND THE CENSUS AND STATISTICS (ANNUAL SURVEY OF STORAGE, COMMUNICATION, FINANCING, INSURANCE AND BUSINESS SERVICES) ORDER 1984, WHICH WERE MADE UNDER THE CENSUS AND STATISTICS ORDINANCE.

QUESTIONNAIRES HAVE BEEN MAILED TO THE SAMPLED ESTABLISHMENTS WHICH ARE REQUIRED BY LAW TO COMPLETE AND RETURN THE QUESTIONNAIRES TO THE CENSUS AND STATISTICS DEPARTMENT BY JULY 31.

IF REQUIRED, OFFICERS OF THE DEPARTMENT WILL VISIT INDIVIDUAL ESTABLISHMENTS AND HELP THEM COMPLETE THE QUESTIONNAIRES.

THESE OFFICERS WILL EACH CARRY A GOVERNMENT IDENTITY CARD AND A CERTIFICATE FOR CONDUCTING THE SURVEYS WHILE ON DUTY, WHICH ARE AVAILABLE FOR INSPECTION.

ANY ENQUIRIES REGARDING THE SURVEYS MAY BE DIRECTED TO THE TRANSPORT AND MISCELLANEOUS SERVICES STATISTICS SECTION AND THE BUSINESS SERVICES STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 802 1362 AND 802 1368 RESPECTIVELY.

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CLOSURE OF UNAUTHORISED STRUCTURES SOUGHT

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THE BUILDING AUTHORITY IS SEEKING TO CLOSE 12 UNAUTHORISED STRUCTURES AT A BUILDING IN TO KWA WAN SO THAT THEY CAN BE DEMOLISHED WITHOUT CAUSING DANGER TO THE OCCUPIERS AND THE PUBLIC.

THE UNAUTHORISED STRUCTURES ARE ERECTED AT THE COURTYARD AND COMMON AREAS ON THE GROUND FLOOR OF CHAT MA MANSION AT 496-510 CHATHAM ROAD NORTH AND 208-220A MA TAU WAI ROAD.

THESE STRUCTURES ARE USED EITHER FOR DWELLING OR STORAGE.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT UNDER THE BUILDINGS ORDINANCE ON JULY 9 WAS POSTED ON THE PREMISES TODAY (WEDNESDAY).

DEMOLITION IS EXPECTED TO START AS SOON AS THE CLOSURE ORDER IS ISSUED.

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WEDNESDAY, JUNE 9, 1993

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266 VM'S RETURNED TO VIETNAM
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A GROUP OF 266 VIETNAMESE MIGRANTS TODAY (WEDNESDAY) RETURNED TO VIETNAM UNDER THE UNHCR'S VOLUNTARY REPATRIATION PROGRAMME.

COMPRISING 91 MEN, 74 WOMEN, 59 BOYS AND 42 GIRLS, THEY WERE THE 154TH BATCH TO GO BACK UNDER THE PROGRAMME.

THIS GROUP BROUGHT TO 3,312 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAVE RETURNED VOLUNTARILY THIS YEAR, AND TO 29,624 THE TOTAL NUMBER OF RETURNEES SINCE THE PROGRAMME STARTED IN MARCH 1989.

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FINANCE COMMITTEE MEETS ON FRIDAY
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THE FINANCE COMMITTEE WILL HOLD A MEETING AT 3.30 PM ON FRIDAY (JUNE 11) AT THE LEGISLATIVE COUNCIL CHAMBER.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE PROCEEDINGS FROM THE PUBLIC GALLERY. THEY MAY RESERVE SEATS BY CALLING 869 9492.

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ATTENTION NEWS EDITORS:

YOUR REPRESENTATIVES ARE INVITED TO COVER THE MEETING.

ADVANCE COPIES OF THE PAPERS FOR THE MEETING WILL BE AVAILABLE FROM 3.30 PM TOMORROW (THURSDAY) IN THE PRESS ROOM OF THE LEGISLATIVE COUNCIL BUILDING, JACKSON ROAD, CENTRAL. PLEASE NOTE THAT THE PAPERS ARE NOT FOR USE UNTIL THE MEETING IS OVER.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	815
REVERSAL OF LAF	+1,985
BALANCE AFTER REVERSAL OF LAF	2,800
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-1,151
CLOSING BALANCE IN THE ACCOUNT	1,649
LAF RATE 2.00 BID/4.00 OFFER	TWI 111.9 **0.0* 9.6.93

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.10 PCT	15 MONTHS	2408	4.375	100.63	3.86
1 MONTH	2.66 PCT	18 MONTHS	2411	4.625	100.84	4.06
3 MONTHS	3.03 PCT	21 MONTHS	2502	4.75	100.87	4.25
6 MONTHS	3.36 PCT	24 MONTHS	2505	3.75	98.86	4.42
12 MONTHS	3.67 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 21,877 MN

CLOSED JUNE 9, 1993

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MOTION DEBATE ON INDUSTRIAL POLICY

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

MR PRESIDENT,

I WELCOME THIS DEBATE. WHEN, AS SECRETARY FOR TRADE AND INDUSTRY, I APPEAR BEFORE THIS COUNCIL AND ITS COMMITTEES, THE SUBJECT MATTER IS USUALLY TRADE, BECAUSE TRADE ISSUES ARE USUALLY MORE URGENT, MORE IMMEDIATE. INDUSTRY TENDS TO GET LESS ATTENTION. BUT, IT IS THE PRODUCTION IN OUR FACTORIES HERE IN HONG KONG AND IN SOUTH CHINA THAT KEEP OUR TRADERS SO BUSY AND OUR PORT SO FULL. MANUFACTURING IN HONG KONG MAY EMPLOY FAR FEWER PEOPLE TODAY THAN TEN YEARS AGO, BUT IT STILL PROVIDES IMPORTANT VARIETY OF EMPLOYMENT AND OF OPPORTUNITY TO OUR PEOPLE.

IT STILL REPRESENTS A SIGNIFICANT PART OF OUR GDP. IT IS THE SECTOR OF THE ECONOMY THAT HAS THE BEST POTENTIAL FOR SUSTAINED HIGH LEVELS OF IMPROVEMENT IN PRODUCTIVITY. ABOVE ALL, IT IS THE ABILITIES AND EXPERTISE THAT OUR WORKERS, MANAGERS AND ENTREPRENEURS HAVE BUILT UP IN FORTY-FIVE YEARS OF MANUFACTURING EXPERIENCE THAT GIVES HONG KONG THE SERVICES AND THE SKILLS THAT IT CAN SELL TO THE WORLD.

BUILDING ON THESE SKILLS; REFINING THEM THROUGH RESEARCH AND THROUGH THE DEVELOPMENT AND APPLICATION OF NEW TECHNOLOGIES; EXPANDING THEM THROUGH INNOVATION AND ENDEAVOUR; RETRAINING WORKERS FROM OLD INDUSTRIES TO PROVIDE THEM WITH THE SKILLS NEEDED IN NEW AREAS : THESE FOUR TASKS ARE IMPORTANT FOR HONG KONG'S CONTINUED ECONOMIC WELL-BEING. THEY ARE TASKS THAT OUR INDUSTRIAL SUPPORT PROGRAMMES AND INSTITUTIONS ARE DESIGNED TO ASSIST INDUSTRY TO CARRY OUT. TODAY'S DEBATE HELPS US TO CONSIDER WHAT WE HAVE ACHIEVED AND WHERE WE NEED TO BE MOVING FORWARD.

THE HON HENRY TANG IN HIS MOTION HAS CALLED FOR THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL TO BE TURNED INTO AN EXECUTIVE RATHER THAN ADVISORY BODY. THIS IS NOT A PROPOSAL THAT WE CAN SUPPORT. I AM GRATEFUL TO THE HON ALLEN LEE FOR PROPOSING AN AMENDMENT THAT WE CAN ACCEPT. SINCE ALTHOUGH I INTEND FIRST TO SET OUT WHY THE ORIGINAL MOTION COULD NOT BE ENDORSED BY GOVERNMENT, I INTEND TO MOVE ON TO EMPHASISE WHAT I HOPE IS

ALREADY CLEAR, THAT GOVERNMENT SHARES FULLY THE SENSE OF THIS COUNCIL, THAT INDUSTRY IS A MOST IMPORTANT PART OF THE ECONOMIC HEALTH OF OUR COMMUNITY, AND THAT WE NEED REGULARLY TO REVIEW, ADAPT AND DEVELOP OUR MECHANISMS TO PROMOTE THE HEALTH OF INDUSTRY.

/I SAID

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I SAID THAT I WOULD FIRST EXPLAIN WHY MR TANG'S MOTION PRESENTS DIFFICULTIES. I HAVE THREE POINTS TO MAKE. FIRST, THE SUGGESTION THAT THE ITDC SHOULD BE AN EXECUTIVE BODY LIKE THE HONG KONG TRADE DEVELOPMENT COUNCIL, OR EVEN AS SOME, BOTH WITHIN AND OUTSIDE THIS COUNCIL, HAVE SUGGESTED, LIKE SINGAPORE'S ECONOMIC DEVELOPMENT BOARD, IS NOT A NEW IDEA. IT WAS AN IDEA WHICH WAS DEBATED IN THE OLD INDUSTRY DEVELOPMENT BOARD AND THE FORMER COMMITTEE ON SCIENCE AND TECHNOLOGY BEFORE THEY WERE MERGED IN 1991 TO FORM THE ITDC. IT WAS AN IDEA REJECTED THEN WITH GOOD REASON. INDUSTRY IS NOT A DISCRETE ECONOMIC ACTIVITY. IT AFFECTS, AND IS AFFECTED, BY A VAST RANGE OF ECONOMIC AND POLICY FACTORS: EDUCATION, TRAINING, TOWN PLANNING AND LAND USE, ENVIRONMENTAL STANDARDS, MANPOWER SUPPLY. TRADE PROMOTION, BY ITS NATURE, IS A MUCH SIMPLER, MORE EASILY FOCUSED ACTIVITY. AN EXECUTIVE BODY PROMOTING TRADE CAN TAKE DECISIONS QUICKLY AND EASILY BECAUSE THERE IS LITTLE RISK OF DISTORTION OR DISRUPTION TO OTHER ECONOMIC ACTIVITIES OR COMMUNAL PROGRAMMES. INDUSTRY DOES NOT ENJOY THAT SIMPLICITY. AN EXECUTIVE BODY TASKED TO PROMOTE INDUSTRIAL DEVELOPMENT WOULD AFFECT MANY POLICY AND PROGRAMME AREAS. WHATEVER THE IMPACT SUCH A BODY MAY HAVE ON INDUSTRY, IT WOULD INEVITABLY TEND TO ADD A LAYER OF BUREAUCRACY TO THE ASSESSMENT AND DECISION MAKING PROCESS. AN ADVISORY COMMITTEE, WHERE INDUSTRIALISTS CAN BRING THEIR NEEDS AND CONCERNS DIRECTLY TO POLICY MAKERS, AND WHERE ACADEMIC RESEARCH HEADS AND TECHNOLOGY DEVELOPMENT LEADERS ARE ABLE TO POINT OUT NEW OPPORTUNITIES, BACKED UP BY DEBATE IN THIS COUNCIL, SEEMS TO ME TO BE AN INHERENTLY MORE EFFICIENT AND ADAPTABLE MECHANISM FOR THE REVIEW AND DEVELOPMENT OF OUR INDUSTRIAL PROGRAMMES.

SECOND IS A POINT OF PRINCIPLE. THIS GOVERNMENT BELIEVES IN CONSULTING AND CONSIDERING THE VIEWS OF THE BODIES THAT HAVE BEEN SET UP TO ASSIST IN POLICY MAKING. THE ITDC ITSELF IS THE PRODUCT OF CONSULTATION WITH THE FORMER INDUSTRY DEVELOPMENT BOARD AND COMMITTEE ON SCIENCE AND TECHNOLOGY. IT WOULD NOT BE APPROPRIATE FOR GOVERNMENT TO ACCEPT A CHANGE IN THE ITDC'S ROLE WITHOUT SEEKING THE ITDC'S ADVICE ON THE MATTER. INDEED, THE ROLE OF THE ITDC IS A MATTER THAT THAT COUNCIL HAS ALREADY BEGUN TO ADDRESS. THIS YEAR HAS SEEN THE ITDC CHAIRMANSHIP BEING HANDED OVER BY THE FINANCIAL SECRETARY TO A NON-OFFICIAL MEMBER. FURTHER DEVELOPMENT OF THE ITDC'S ROLE WILL BE NEEDED IN RELATION TO THE FUNDING OF INDUSTRY SUPPORT PROGRAMMES. REGULAR REVIEW OF THE ITDC'S FUNCTIONS AND OF INDUSTRIAL POLICIES IS A NECESSARY AND IMPORTANT PART OF ITS ROLE.

THIRD IS A QUESTION. HAS HONG KONG'S INDUSTRIAL DEVELOPMENT REALLY BEEN SO BAD THAT WE NEED TO HAND OVER RESPONSIBILITY TO AN EXECUTIVE BODY IN ORDER TO BREATHE NEW LIFE INTO IT? I SUGGEST NOT. OUR INDUSTRY HAS BEEN CHANGING AND CHANGING TO OUR ADVANTAGE. WE HAVE LOST LABOUR INTENSIVE, LOW VALUE ADDED PRODUCTION PROCESSES, BUT HAVE GAINED SOPHISTICATED BUSINESSES THAT CAN COMPETE WITH THE WORLD ON THE BASIS OF QUALITY AND PRODUCTIVITY. LABOUR PRODUCTIVITY INCREASED IN HONG KONG BY AN AVERAGE OF 9.6% PER ANNUM BETWEEN 1986 AND 1990. THIS WAS SECOND ONLY TO SOUTH KOREA IN THIS REGION. IT WAS SIGNIFICANTLY BETTER THAN JAPAN OR TAIWAN. IT WAS ALMOST THREE TIMES THE LEVEL OF SINGAPORE WHOSE INDUSTRIAL POLICIES SOME MEMBERS HAVE IMPLIED WE SHOULD FOLLOW. THIS GROWTH HAS BEEN ACHIEVED BY SUSTAINED INVESTMENT IN AUTOMATION AND NEW TECHNOLOGY. THIS INVESTMENT HAS CONTINUED VERY STRONGLY SINCE 1990 AND HAS BEEN REFLECTED IN FURTHER SIGNIFICANT INCREASES IN PRODUCTIVITY.

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I DO NOT WANT TO DWELL TOO LONG ON THE RELATIVE MERITS OF EXECUTIVE OR ADVISORY BODIES. I HAVE MADE MY POINTS, BUT THEY NEED TO BE KEPT IN PERSPECTIVE. THE MOST IMPORTANT FACTOR FOR OUR INDUSTRIAL DEVELOPMENT IS THAT WE CONTINUE TO PURSUE AND DEVELOP POLICIES AND PROGRAMMES THAT PROVIDE A FRIENDLY PLACE FOR INDUSTRIES THAT CAN THRIVE THROUGH COMPETITION IN TODAY'S ECONOMIC ENVIRONMENT, AND THAT LAY THE FOUNDATIONS FOR INDUSTRY TO FLOURISH THROUGH UPGRADING AND INNOVATION IN FUTURE.

I WOULD NOT LIKE MEMBERS TO THINK THAT IN WELCOMING THE AMENDED MOTION I AM TAKING AN EASY WAY OUT. I AM AWARE THAT SOME MAY THINK GOVERNMENT IS KEEN ON MAINTAINING AN ADVISORY ITDC SO AS TO AVOID HAVING A FOCUSED INDUSTRIAL POLICY. THE NEED FOR SOME SUCH POLICY WAS A THEME OF THE MOTION DEBATE ON INDUSTRIAL POLICY IN 1992 AND HAS BEEN REPEATED TODAY. I CAN UNDERSTAND THE DESIRE FOR SOME PRECISE POLICY STATEMENT. HONG KONG HAS A WIDE RANGE OF INDUSTRIAL SUPPORT PROGRAMMES - I WILL NOT LIST THESE OUT AGAIN TODAY, BUT REFER MEMBERS TO MY SPEECHES IN LAST YEAR'S DEBATE ON INDUSTRIAL POLICY AND THIS YEAR'S BUDGET DEBATE. THEY ARE IN THE HANSARD RECORD AND PROVIDE AN EXTENSIVE SUMMARY - AS I SAID, WE HAVE A WIDE RANGE OF PROGRAMMES, BUT, WE HAVE NEVER SET OUT THESE PROGRAMMES, AND THE MECHANISM FOR COORDINATING THEM IN A CLEAR, COMPREHENSIVE DOCUMENT. WE HAVE A GENERAL STATEMENT OF THE AIMS OF OUR INDUSTRIAL POLICIES, WHICH ARE "TO MAINTAIN AN INFRASTRUCTURE WHICH ENABLES MANUFACTURING BUSINESSES TO FUNCTION EFFICIENTLY, AND TO PROVIDE SERVICES THAT ENABLE INDUSTRY TO REMAIN COMPETITIVE THROUGH PRODUCTIVITY GROWTH, QUALITY IMPROVEMENT AND PRODUCT INNOVATION," BUT IN RECENT YEARS WE HAVE NOT DEBATED OR REFINED THIS STATEMENT, TO DEVELOP IF YOU LIKE A SHARED CORPORATE STRATEGY STATEMENT, THAT GIVES INDUSTRY, INVESTORS, YOURSELVES AND THE COMMUNITY A CLEAR UNDERSTANDING OF OUR GOALS.

THIS MAKES IT EASY FOR QUESTIONS SUCH AS THOSE THAT HAVE BEEN RAISED THIS AFTERNOON TO BE ASKED. WHAT IS GOVERNMENT DOING FOR INDUSTRY? WHAT CO-ORDINATION IS THERE? ANSWERS TO THE FIRST QUESTION ARE GIVEN IN OTHER PARTS OF THIS SPEECH AND IN PREVIOUS SPEECHES TO WHICH I HAVE EARLIER REFERRED. I WOULD LIKE TO REPLY HERE TO THE SECOND QUESTION. WE HAVE A SOPHISTICATED AND EFFECTIVE MECHANISM FOR THE CO-ORDINATION OF OUR INDUSTRY SUPPORT PROGRAMMES. THE ITDC COMPRISES REPRESENTATIVES OF THE MAJOR INDUSTRIAL ORGANISATIONS, THE HEADS OF THE PRODUCTIVITY COUNCIL AND VOCATIONAL TRAINING COUNCIL, HEADS OF MAJOR ACADEMIC INSTITUTIONS, AS WELL AS THE DIRECTOR-GENERAL OF INDUSTRY, THE POLICY SECRETARIES RESPONSIBLE FOR PLANNING, ENVIRONMENT AND LANDS AND EDUCATION AND MANPOWER, THE GOVERNMENT ECONOMIST AND MYSELF. THIS PROVIDES FOR DEBATE AND CO-ORDINATION AT THE HIGHEST LEVELS OF POLICY MAKING. THE PATTERN IS REPEATED IN THE WELL-STRUCTURED NETWORK OF COMMITTEES THAT THE ITDC HAS ESTABLISHED. THERE IS STRONG CROSS LINKAGE BETWEEN THE ITDC, INDUSTRY DEPARTMENT AND THE PRODUCTIVITY COUNCIL. THE MACHINERY FOR CO-ORDINATION IS THERE. IT IS WORKING.

HOWEVER, OUR WELL KNOWN MAXIMS - "POSITIVE NON-INTERVENTIONISM" - A TERM WHICH WE NO LONGER USE BUT WHOSE SPIRIT LIVES ON - AND "MINIMUM INTERVENTION, MAXIMUM SUPPORT" ARE TRUE STATEMENTS OF OUR PHILOSOPHY, BUT ARE TOO TERSE TO MEET THE NEED THAT MEMBERS HAVE HIGHLIGHTED FOR A CLEAR EXPLANATION OF OUR POLICIES TOWARDS INDUSTRY. QUITE FRANKLY, THE MAXIMS CAN BE CONFUSING, THOUGH I HOPE NONE OF YOU ARE AS CONFUSED AS ONE OF MY OFFICERS WHO WROTE RECENTLY THAT OUR POLICY WAS ONE OF "MAXIMUM INTERFERENCE, MINIMUM SUPPORT."

NO, MR PRESIDENT, I DO NOT WANT AN EASY WAY OUT. IT IS TIME THAT WE PREPARED A CLEARER STATEMENT OF OUR INDUSTRIAL SUPPORT PROGRAMMES AND HOW THESE SHOULD BE DEVELOPED. THE FINANCIAL SECRETARY HAS ALREADY GIVEN AN INDICATION IN HIS BUDGET SPEECH THIS YEAR THAT ADDITIONAL MONEY WILL BE MADE AVAILABLE FOR THE INDUSTRY SUPPORT PROGRAMME. THIS IS ON TOP OF SUBSTANTIAL SUMS THAT HAVE ALREADY BEEN PROVIDED : \$200M FOR THE APPLIED RESEARCH AND DEVELOPMENT FUND WHICH WENT INTO OPERATION IN MARCH THIS YEAR ACCIDENTALLY. \$300M TO ADD TO THE EMPLOYEE RETRAINING FUND; AND ABOUT \$60M A YEAR EXTRA IN RESEARCH FUNDING FOR TERTIARY INSTITUTIONS BY 1994/95. MR HENRY TANG REFERRED TO THE \$200 MILLION WE HAVE ALLOCATED FOR APPLIED R&D AS PEANUTS. IT WOULD BE INTERESTING TO FIND OUT WHAT AMOUNT MR TANG WOULD NOT REGARD AS PEANUTS. SPEECHES IN THIS COUNCIL ON PREVIOUS OCCASIONS HAVE REFERRED TO THE OTHER LITTLE DRAGONS SPENDING BETWEEN ONE TO TWO PER CENT OF THEIR RESPECTIVE GDP ON RESEARCH AND DEVELOPMENT AND SUGGESTED THAT HONG KONG SHOULD FOLLOW SUIT. TRANSLATED INTO HONG KONG FIGURES, ONE PER CENT OF OUR GDP WILL AMOUNT TO HK\$7.4 BILLION. AND TWO PER CENT WOULD BE EQUAL TO ALMOST HK\$15 BILLION. THESE ARE ASTRONOMICAL SUMS, ESPECIALLY WHEN COMPARE WITH REVENUE FROM PROFITS TAX IN 1992 OF ONLY \$32 BILLION. WHERE IS THE MONEY SUPPOSE TO COME FROM? AN INCREASE IN CORPORATE PROFITS TAX? I THINK NOT, THE FINANCIAL SECRETARY WOULD SURELY OBJECT AS WILL AN OVERWHELMING MAJORITY OF OUR BUSINESSMEN AND INDUSTRIALISTS. GOING BACK TO THE ADDITIONAL FUNDING FOR INDUSTRIAL SUPPORT, I CAN SAY THAT THIS NEW FUNDING WOULD BE SUBSTANTIAL ALTHOUGH RIGHT NOW I AM NOT IN A POSITION TO REVIEW HOW MUCH IT WILL AMOUNT TO. I CAN ALSO SAY THAT IT WILL COME OUT OF GENERAL REVENUE, NOT OUT OF ANY LEVY ON TRADE AND INDUSTRY, CERTAINLY NOT OUT OF THE LEVY ON RE-EXPORTS MENTIONED BY MR HENRY TANG JUST NOW. WE NEED TO HAVE A FRAMEWORK FOR EMPLOYING THIS NEW FUNDING TO BEST EFFECT. I INTEND TO WORK WITH ITDC TO DEVELOP THIS FRAMEWORK, AND I LOOK FORWARD TO SHARING IT WITH YOU.

BUT, ANY FRAMEWORK, ANY STATEMENT OF HOW OUR INDUSTRY SUPPORT PROGRAMME SHOULD DEVELOP MUST BE FIRMLY GROUNDED IN REALITY. IT MUST BE SET IN POSITIVE TERMS, BUT THESE MUST BE TERMS THAT DO NOT COMMIT TAXPAYERS' MONEY TO THE PURSUIT OF WISFUL IDEAS. NOR MUST WE BIND OURSELVES TO PROJECTS THAT APPEAR TO OFFER BENEFIT TODAY, BUT AT THE EXPENSE OF THE LONG-TERM HEALTH OF THE ECONOMY.

IN THIS RESPECT I AM SOMEWHAT TROUBLED BY SOME OF THE WORDING COMMON TO BOTH THE MOTION AND THE AMENDMENT. BOTH SPEAK OF A NEED TO "BROADEN" OUR INDUSTRIAL BASE, BUT IS BROADENING, WITH ITS IMPLICATION OF MAINTAINING THE OLD AS WELL AS DEVELOPING THE NEW, REALLY WHAT IS MEANT, OR REALLY WHAT IS POSSIBLE? WE HAVE TO RECOGNISE THAT MANUFACTURING WHICH DEPENDS ON LOW WAGE COSTS HAS LEFT HONG KONG AND WILL NOT RETURN. ONLY THOSE INDUSTRIES THAT CAN HARNESS CONTINUOUS QUALITY AND PRODUCTIVITY IMPROVEMENT; THAT CAN UNITE WITH THE CAPABILITIES THAT HONG KONG HAS TO OFFER FOR RESEARCH AND DEVELOPMENT OF INNOVATIVE PRODUCTS AND SERVICES, ONLY THESE INDUSTRIES WILL REMAIN VIABLE HERE.

BOTH VERSIONS OF THE MOTION EXPRESS THE BELIEF THAT BY UP-DATING OUR POLICY, REVIEWING THE ROLE AND COMPOSITION OF THE ITDC, AND BY INCREASING ITS FUNDING, WE WILL "STRENGTHEN OUR INDUSTRIAL COMPETITIVENESS AND DEVELOPMENT." I BELIEVE THAT THESE ACTIONS WILL HELP, BUT WE ARE LEAVING OUT 90% OF THE PICTURE. HONG KONG'S INDUSTRIAL COMPETITIVENESS AND DEVELOPMENT IN FUTURE DEPENDS OVERWHELMINGLY ON THE ENERGY AND ENTERPRISE OF OUR ENTREPRENEURS, JUST AS IT ALWAYS HAS IN THE PAST.

HONG KONG'S COMPLETE EXPOSURE TO INTERNATIONAL MARKET FORCES MEANS THAT OUR INDUSTRIALISTS MUST REMAIN ACCUTELY ATTUNED TO THE DEMANDS OF THOSE MARKETS IF OUR PRODUCTS ARE TO SELL. WE - THE GOVERNMENT, THE ITDC, THE TRAINING ORGANISATIONS, RESEARCHERS - CAN PROVIDE LAND, INFRASTRUCTURE, TRAINED MANPOWER AND NEW IDEAS, BUT THIS SIMPLY PROVIDES PART OF THE FIELD ON WHICH INDIVIDUAL BUSINESSMEN AND INVESTORS MUST OPERATE. IF WE TRY TO BECOME PLAYERS OURSELVES, OR DIRECT HOW THE REAL PLAYERS SHOULD ACT, WE FORGET OUR OWN ROLE AND DISTORT THE GAME IN WAYS THAT CAN ONLY BE TO HONG KONG'S DISADVANTAGE. ANY INDUSTRY THAT RELIES ON GOVERNMENT SUPPORT IS AN UNHEALTHY ONE, ONE THAT IS MORE LIKELY TO BE A BURDEN TO THE COMMUNITY INSTEAD OF A CREATOR OF WEALTH AND SECURE EMPLOYMENT FOR THE COMMUNITY. ANY INDUSTRIALIST OR ENTREPRENEUR WHO NEEDS TO LOOK TO GOVERNMENT FOR DIRECTION IS OBVIOUSLY IN THE WRONG BUSINESS.

I RAISE THESE POINTS NOT TO CRITICISE THE MOTION BUT TO EMPHASISE THE NEED FOR US TO THINK CAREFULLY ABOUT THE TERMS WE USE, SO THAT WE CAN COME TO A SHARED UNDERSTANDING. THIS IS NEEDED IF WE ARE TO MOVE FORWARD TOGETHER.

I DO WANT TO LOOK FORWARD WITH YOU NOW. HONG KONG'S INDUSTRY HAS RESPONDED QUICKLY AND SUCCESSFULLY TO CHANGES AND OPPORTUNITIES IN THE LAST DECADE, JUST AS IT DID IN ALL THE EARLIER POST-WAR YEARS OF OUR INDUSTRIAL DEVELOPMENT. I HAVE MENTIONED THE TREMENDOUS IMPROVEMENTS IN PRODUCTIVITY THAT HAVE BEEN SEEN. THE INVESTMENTS THAT ARE CONTINUING IN AUTOMATION HOLD OUT THE PROSPECT OF FURTHER INCREASES IN PRODUCTIVITY IN YEARS TO COME. PERHAPS OF EVEN GREATER SIGNIFICANCE FOR OUR FUTURE INDUSTRIAL DEVELOPMENT HAS BEEN THE GROWTH OF HONG KONG'S OWN CAPACITY FOR RESEARCH AND DEVELOPMENT.

RESEARCH AND DEVELOPMENT IS AN AREA THAT OUR INDUSTRY HAS LONG NEGLECTED, LOOKING FOR QUICK RETURNS USING EXISTING IDEAS AND PRODUCTS. OUR UNIVERSITIES AND POLYTECHNICS ARE PROVIDING A LARGE POOL OF TRAINED, TALENTED PEOPLE WHO CAN PRODUCE IDEAS AND INNOVATIONS THAT CAN BENEFIT INDUSTRY. THIS POTENTIAL NEEDS TO BE PUT TO GOOD USE. ALREADY THE UNIVERSITIES AND POLYTECHNICS ARE FORMING THEIR OWN ENTERPRISE UNITS TO PATENT AND COMMERCIALISE INNOVATIONS. THE APPLIED RESEARCH AND DEVELOPMENT FUND AND THE INDUSTRY TECHNOLOGY CENTRE ARE RECENT INITIATIVES THAT THE GOVERNMENT HAS TAKEN TO ENCOURAGE THIS PROCESS. THE INITIAL STUDY ON A SCIENCE PARK HAS COME UP WITH A NUMBER OF HELPFUL IDEAS AS TO HOW HONG KONG'S INFRASTRUCTURE FOR THE PROMOTION AND ENCOURAGEMENT OF TECHNOLOGICAL RESEARCH AND DEVELOPMENT CAN BE IMPROVED. THESE WILL BE TAKEN FORWARD.

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WEDNESDAY, JUNE 9, 1993

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IN CLOSING, MR PRESIDENT, I WISH TO REITERATE ONE POINT. IMPROVING OUR SUPPORT TO INDUSTRIAL DEVELOPMENT DOES NOT IMPLY MOVEMENT AWAY FROM THE FREE MARKET PRINCIPLES THAT ARE THE BEDROCK OF HONG KONG'S SUCCESS. THE HON HENRY TANG, ON THE RADIO ON MONDAY, HAS LAMENTED THAT, WHEREAS SINGAPORE OFFERS INDUSTRIALISTS A WHOLE RAFT OF INCENTIVES TO INVEST, HONG KONG APPEARS ONLY TO OFFER LOW TAXES. THE HON MAN SAI-CHEONG ALSO MADE REFERENCE TO VARIOUS INCENTIVES FOR R&D PROVIDED BY SINGAPORE IN ITS TAX SYSTEM. I AM NOT PERSUADED THAT SINGAPORE IS A MODEL THAT HONG KONG SHOULD FOLLOW. TO SUGGEST THAT ALL WE OFFER IS LOW TAXES IS A TRAVESTY OF THE WIDE RANGE OF FLEXIBLE, INNOVATIVE POLICIES AND SERVICES THAT GOVERNMENT, PUBLIC BODIES AND INDUSTRIAL ORGANISATIONS HAVE BUILT UP OVER MANY YEARS TO SUPPORT INDUSTRIAL DEVELOPMENT.

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/BUT, FUNDAMENTALLY,

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BUT, FUNDAMENTALLY, I CANNOT ACCEPT THE IMPLICATION THAT LOW TAXES ARE UNIMPORTANT. LOW TAXES, EFFICIENT ADMINISTRATION AND IMPARTIAL JUSTICE ARE THE FOUNDATIONS OF THE FREE, ENTREPRENEURIAL SOCIETY THAT WE HAVE IN HONG KONG. THE INCENTIVE TO CREATE WEALTH THAT LOW TAXES PROVIDE IS THE SPUR TO INDUSTRY - INDUSTRY IN ITS FULLEST SENSE, AND NOT JUST MANUFACTURING INDUSTRY. THIS INDUSTRY GIVES EMPLOYMENT TO OUR PEOPLE. LOW TAXES MAKE IT EASIER FOR INDIVIDUALS TO ADVANCE THEMSELVES. THE ATTRACTIONS OF LOW TAXES; OF A FREE MARKET ECONOMY AND OF MINIMUM GOVERNMENT INTERVENTION IN BUSINESS MATTERS WILL REMAIN THE CHIEF ATTRACTIONS OF HONG KONG FOR INDUSTRY. THEY WILL REMAIN THE CHIEF PILLARS OF OUR POLICY.

THANK YOU.

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MOTION DEBATE ON LAND SUPPLY FOR HOUSING

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FOLLOWING IS THE SPEECH BY SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE MOTION DEBATE ON LAND SUPPLY FOR PRIVATE AND PUBLIC HOUSING IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY):

MR PRESIDENT,

THROUGHOUT HONG KONG'S HISTORY LAND PRODUCTION HAS BEEN A VITAL FEATURE FOR BOTH ECONOMIC REASONS AND TO MEET SOCIAL NEEDS. WE MUST ALL HAVE BEEN FASCINATED AT ONE TIME OR ANOTHER TO TRACE THE LINES OF SUCCESSIVE RECLAMATIONS ALONG THE NORTH SHORE OF HONG KONG ISLAND AND AROUND THE KOWLOON PENINSULA ON OLD MAPS OF THE TERRITORY. VAST AREAS WERE ADDED BEFORE THE WAR, BUT SINCE 1945 A FURTHER 2,500 HECTARES HAVE BEEN RECLAIMED; NEARLY 1,000 OF THESE IN THE PAST FIVE YEARS. ANOTHER 1,540 HECTARES OF RECLAMATION ARE PLANNED OVER THE NEXT 10 YEARS; AS WELL AS THE 1,200 HECTARES BEING PRODUCED FOR THE NEW AIRPORT. OUR NEW TOWNS (INCLUDING BOTH NEW RECLAMATION AND RE-FORMED EXISTING LAND) COVER 8,800 HECTARES AND WILL EXTEND OVER ANOTHER 3,200 HECTARES BY FULL COMPLETION. CONSIDERABLE LAND PRODUCTION AND FORMATION HAS BEEN GOING ON, IS GOING ON, AND MORE IS COMING.

ONE OF THE MOST IMPORTANT REASONS FOR ALL THIS ACTIVITY IS THE LONG RECOGNISED NEED TO MEET THE HOUSING REQUIREMENTS OF THE COMMUNITY BY EITHER PROVIDING THE REQUIRED HOUSING DIRECTLY, PARTICULARLY FOR THOSE IN THE LOWER AND MIDDLE INCOME GROUPS, OR MAKING SUFFICIENT LAND AVAILABLE FOR THE PRODUCTION OF HOUSING BY THE PRIVATE SECTOR.

PLANNING FRAMEWORK

THE LONG TERM HOUSING STRATEGY PROVIDES THE FRAMEWORK FOR THE PROVISION OF HOUSING UP TO THE YEAR 2000-01. THE STRATEGY IS DEMAND-LED; THAT IS, SUPPLY IS ADJUSTED TO MEET DEMAND. CONTRARY TO DETERMINED MISUNDERSTANDING OR MISREPRESENTATION OR BOTH, THE CURRENT APPROACH DOES NOT PRESUPPOSE A FIXED SUPPLY PATTERN AND INCLUDES A REVIEW MECHANISM TO ENSURE THAT CHANGES IN DEMAND ARE ASSESSED, SHORTFALLS IN SUPPLY IDENTIFIED AT THE EARLIEST POSSIBLE MOMENT AND PLANS TO INCREASE PRODUCTION ARE PUT IN PLACE.

THE ANNUAL REVIEWS OF THE HOUSING SCENE HAVE TO BE SENSITIVE TO CHANGES IN MANY FACTORS, INCLUDING AFFORDABILITY, REHOUSING PREFERENCES, REDEVELOPMENT ACTIVITY, CLEARANCE PROGRAMMES AND WAITING LIST REQUIREMENTS. THEY ALSO TAKE INTO ACCOUNT THE LATEST CENSUS STATISTICS, POPULATION PROJECTIONS, SURVEY RESULTS, ECONOMIC INDICATORS AND OPERATIONAL EXPERIENCE. CHANGES IN ANY OF THESE FACTORS CAN RESULT IN A CHANGE IN PROJECTED DEMAND, EXPRESSED IN TERMS OF THE NUMBER OF PUBLIC SECTOR FLATS. THE CONSEQUENTIAL CHANGES TO LAND REQUIREMENTS ARE ALSO IDENTIFIED TO MEET NEW PUBLIC HOUSING PRODUCTION TARGETS. THE LAND IMPLICATIONS ARE FED INTO THE STRATEGIC PLANNING AND LAND RESERVATION PROCESSES.

OVERALL LAND REQUIREMENTS FOR THE PRIVATE SECTOR ALSO TAKE ACCOUNT OF THE NEEDS IDENTIFIED UNDER THE LONG TERM HOUSING STRATEGY. THESE ARE MONITORED BY THE LAND AND BUILDING ADVISORY COMMITTEE, WHICH PROVIDES A FORUM FOR DISCUSSION BETWEEN GOVERNMENT AND THE PRIVATE SECTOR. THE COMMITTEE ASSESSES THE LAND REQUIREMENTS AND THE SUPPLY SITUATION ANNUALLY FOR THE COMING TEN YEARS FOR ALL DIFFERENT USES. ACTION IS TAKEN TO MEET SHORTFALLS BY SCHEDULING NEW PRODUCTION OR REZONING LAND FROM CATEGORIES IN SURPLUS.

A MECHANISM FOR IDENTIFYING, MONITORING AND REVIEWING CHANGING HOUSING NEEDS AND OTHER LAND REQUIREMENTS ALREADY EXISTS, THEREFORE, WHICH HAS WORKED WELL. SINCE 1985-86, OVER 600,000 NEW FLATS HAVE BEEN PRODUCED, OR AN ANNUAL AVERAGE OF OVER 76,000 FLATS. PUBLIC HOUSING ACCOUNTED FOR OVER 350,000 FLATS, OR APPROACHING 44,000 FLATS A YEAR ON AVERAGE, CONTRIBUTING TO OVER HALF OF TOTAL FLAT PRODUCTION.

THE CURRENT TARGET UNDER THE LONG TERM HOUSING STRATEGY IS TO PRODUCE 45,000 PUBLIC HOUSING FLATS A YEAR. THIS WILL BE COMPLEMENTED BY THE 35,000 OR SO PRIVATE SECTOR FLATS TO BE BUILT EACH YEAR. BUT, AS I HAVE ALREADY EXPLAINED, THESE TARGETS WILL BE REVIEWED REGULARLY TO TAKE ACCOUNT OF CHANGING CIRCUMSTANCES.

CHANGING CIRCUMSTANCES

I CANNOT EMPHASISE TOO STRONGLY THAT WE ARE FACED WITH A DYNAMIC, NOT A STATIC SITUATION. THE TARGET IS A CONSTANTLY MOVING ONE. FOR INSTANCE, OVER THE YEARS, THE PUBLIC HOUSING NET HAS BEEN CAST GRADUALLY WIDER EACH YEAR AS THE HOUSING AUTHORITY HAS REVISED INCOME LIMITS AND OTHER ELIGIBILITY RULES. WHEN THIS HAPPENS, MORE LAND IS REQUIRED AND SOME LEAD TIME IS NECESSARY TO IDENTIFY ADDITIONAL SITES. "SHORTFALLS" MAY EMERGE, BUT THESE ARE GENERALLY ONLY VERY SHORTLIVED.

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WE ALSO NEED TO BE MINDFUL OF THE ABERRATIONS IN THE MARKET WHICH CAUSE DIFFICULTY FROM TIME TO TIME FOR THOSE WHO FALL OUTSIDE THE PUBLIC HOUSING NET. THE PROPOSED SANDWICH CLASS HOUSING SCHEME IS AN EXAMPLE OF AN INITIATIVE TO EXTEND THE PUBLIC HOUSING PROGRAMME AS QUICKLY AS POSSIBLE BY THE PROVISION OF ADDITIONAL RESOURCES. THE IMPLEMENTATION ARRANGEMENTS FOR THE SCHEME WERE APPROVED BY THE GOVERNOR IN COUNCIL YESTERDAY, MEMBERS OF THE HOUSING AND LANDS AND WORKS PANELS HAVING ALREADY BEEN CONSULTED ON MANY OF THE DETAILS.

THE MAIN SCHEME, I.E. THE LONG-TERM SCHEME, WILL SEE THE HOUSING SOCIETY BUILDING ADDITIONAL FLATS FOR SALE TO THE SANDWICH CLASS AT AFFORDABLE PRICES. IN THE 1993-94 LAND DISPOSAL PROGRAMME, SIX SITES HAVE BEEN EARMARKED FOR THE PRODUCTION OF 5,000 UNITS. THIS ADDITIONAL SUPPLY WILL BE TAKEN INTO ACCOUNT IN ANY PROJECTION OF FUTURE PROVISION OF FLATS.

SOME HAVE RIGHTLY POINTED OUT THAT THE INTERIM SANDWICH CLASS HOUSING SCHEME WILL NOT INCREASE SUPPLY. THE LOW-INTEREST LOAN IS OFFERED MAINLY IN RECOGNITION OF THE FACT THAT ADDITIONAL FLATS CANNOT BE BUILT OVERNIGHT BUT THAT THERE IS A NEED TO PROVIDE MORE IMMEDIATE RELIEF TO CLOSE THE AFFORDABILITY GAP FACED BY THE SANDWICH CLASS. BECAUSE OF THE POSSIBLE EFFECTS ON PROPERTY PRICES, WE PROPOSE TO MAKE A MODEST START AND TO REVIEW THE SITUATION AFTER THE FIRST PHASE. (LEADER WRITERS PLEASE NOTE).

LAND SUPPLY

IT IS DIFFICULT THEREFORE TO ACCEPT THE VIEW THAT INSUFFICIENT LAND IS MADE AVAILABLE FOR HOUSING PRODUCTION. TO HELP PUT THE MATTER IN PERSPECTIVE, SOME MORE STATISTICS MAY BE USEFUL. IN THE 5 YEARS FROM 1987-88 TO 1991-92, ABOUT 165 HECTARES, OR AN AVERAGE OF ABOUT 33 HECTARES A YEAR, WERE GRANTED FOR RESIDENTIAL PURPOSES, PRIVATE AND PUBLIC. AN ADDITIONAL 274 HECTARES OF LAND WERE VESTED IN THE HOUSING AUTHORITY FOR THE PROVISION OF PUBLIC RENTAL HOUSING DURING THE SAME PERIOD, OR AN AVERAGE OF NEARLY 55 HECTARES PER YEAR. THE TOTAL AMOUNT OF NEW LAND PROVIDED EACH YEAR WAS ON AVERAGE 88 HECTARES FOR HOUSING, BOTH PRIVATE AND PUBLIC, DURING THE PERIOD.

LOOKING AHEAD, THERE ARE NO INDICATIONS OF ANY SHORTFALL WHICH CANNOT BE MET EITHER. I REFERRED EARLIER TO OUR ANNUAL ASSESSMENT OF LAND REQUIREMENTS AND LAND SUPPLY OVER A 10-YEAR PERIOD. THIS GIVES US AN EXCELLENT BASIS ON WHICH TO PLAN A STEADY LAND SUPPLY. THE FORECASTS LAY OUT CLEAR INFORMATION ON FUTURE LAND PRODUCTION AND LAND RESERVATIONS AND ENABLE DEVELOPMENT PROGRAMMES TO BE ADJUSTED AND LAND TO BE REZONED TO MEET IDENTIFIED SHORTFALLS IN SUPPLY. ACCORDING TO THE LATEST FORECASTS, MORE THAN 235 HECTARES OF LAND WILL BE MADE AVAILABLE FOR RESIDENTIAL PURPOSES IN THE NEXT FIVE YEARS, WITH OVER 100 HECTARES FOR PUBLIC HOUSING.

/ANOTHER SIGNIFICANT

ANOTHER SIGNIFICANT SOURCE OF LAND FOR RESIDENTIAL PURPOSES COMES FROM REDEVELOPMENT. IN THE THREE-YEAR PERIOD 1989-90 TO 1991-92, LAND EXCHANGES AND LEASE MODIFICATIONS, WHICH ARE LARGELY IN EFFECT REDEVELOPMENT CASES, PRODUCED 95 HECTARES OF LAND. THESE FIGURES SHOW THAT REDEVELOPMENT IS A MAJOR SOURCE OF DEVELOPABLE LAND, ACCOUNTING FOR ABOUT 42% OF THE TOTAL AMOUNT OF LAND AVAILABLE FOR RESIDENTIAL PURPOSES. IN THE SAME PERIOD, APPROXIMATELY 50,000 FLATS WERE PRODUCED THROUGH REDEVELOPMENT. SINCE JUST OVER 8,000 FLATS WERE DEMOLISHED, THIS RATE OF EXCHANGE OF NEW FOR OLD IS EXTREMELY FAVOURABLE. PROVIDED REDEVELOPMENT CAN CONTINUE APACE, THIS PATTERN SHOULD BE MAINTAINED.

PROCESSING OF DEVELOPMENT PROPOSALS

ANOTHER FACTOR WHICH AFFECTS THE RATE AT WHICH RESIDENTIAL UNITS CAN COME TO THE MARKET ARE THE LAND ADMINISTRATION, BUILDING CONTROL AND PLANNING PROCESSES. WE ARE KEEN TO ENSURE THAT THE PROCESSING OF DEVELOPMENT AND REDEVELOPMENT PROPOSALS IS STREAMLINED AS FAR AS POSSIBLE AND WE MONITOR THE SITUATION CLOSELY IN CONSULTATION WITH THE LAND AND BUILDING ADVISORY COMMITTEE. AN AD HOC GROUP SET UP BY THE COMMITTEE IS CURRENTLY EXAMINING EXISTING SYSTEMS WITH A VIEW TO IMPROVING THE PROCEDURES WHERE POSSIBLE.

I SHOULD LIKE TO TAKE UP A FEW POINTS RAISED BY MEMBERS IN THE COURSE OF THE DEBATE. FIRST OF ALL I SHOULD LIKE TO REPEAT SOMETHING WHICH I HAVE SAID VERY RECENTLY IN THIS COUNCIL. AND THIS IS THAT DEVELOPERS ARE NOT PERMITTED TO HOARD NEW LAND. THEY ARE REQUIRED UNDER BUILDING COVENANTS TO COMPLETE DEVELOPMENT TO CERTAIN VALUE AND CERTAIN GROSS FLOOR AREA WITHIN FIXED PERIODS. SECONDLY I THINK WE MUST BEAR IN MIND THAT THE MASS PRODUCTION OF HOUSING WHICH IS WHAT IS ESSENTIAL TO THE TASK OF MEETING DEMANDS WHICH ARE PLACED UPON US REQUIRE MAJOR RESOURCES, AND THAT ALSO THAT MASS PRODUCTION REDUCES COSTS TO THE CONSUMER. IF WE ARE TO RELY ON PRODUCTION OF HOUSING BY SMALLER DEVELOPERS ON SMALLER SITES, WE CANNOT EXPECT THE COSTS AND THEREFORE THE PRICES OF SUCH A PRODUCT TO BE LOWER THAN THE MASS PRODUCED PRODUCTS. I SHOULD ALSO LIKE TO CONFIRM THAT CONTRARY TO POPULAR BELIEF, ALTHOUGH THERE ARE A NUMBER OF MAJOR PLAYERS WHO ARE WELL KNOWN IN THE PROPERTY DEVELOPMENT SECTOR IN HONG KONG, THERE ARE IN FACT NEW PLAYERS COMING ONTO THE SCENE. I SHOULD ALSO LIKE TO CORRECT THAT THE IDEA THAT AS REGARDS GOVERNMENT'S POLICY ON LAND PRICES, GOVERNMENT'S POLICY TO SELL LAND ON THE MARKET, IT IS THE MARKET WHICH DECIDES THE PREMIUM FOR LAND AND NOT THE GOVERNMENT. THE LONG TERM HOUSING STRATEGY IS JUST THAT, WITH THIS SORT OF PROGRAMME, WE NEED TO ASSESS DEMAND, PLAN SUPPLY, INCLUDING THE INFRASTRUCTURAL SUPPORT REQUIRED, AND REVIEW REGULARLY, KEEPING OUR TARGETS FIRMLY IN MIND. WE CANNOT PRETEND, HOWEVER, THAT THE LONG TERM HOUSING STRATEGY CAN BE CONVERTED INTO A SUDDEN MIRACLE, HOWEVER DESIRABLE THIS MAY APPEAR AS A POLITICAL AIM. I HAVE NO DOUBT THAT WE WOULD HAVE A CHANCE TO DISCUSS SOME OF THE OTHER POINTS OF MISUNDERSTANDING AND ENQUIRY ABOUT LAND PLANNING AND PRODUCTION AND HOUSING PROGRAMMES AND POLICIES WITH MEMBERS IN THE HOUSING AND LANDS AND WORKS PANELS OVER THE COMING MONTHS. IT SEEMS FROM THIS EVENING'S DEBATE TO BE PLENTY OF SCOPE FOR THIS.

LAND PRODUCTION IS NOT A SIMPLE MATTER. IT INVOLVES A GREAT DEAL OF DETAILED PLANNING AND THE CO-ORDINATION OF RELATED INFRA-STRUCTURAL DEVELOPMENT THROUGH THE PUBLIC WORKS PROGRAMME. THE LEAD TIMES ARE UNAVOIDABLY LONG. AS WELL AS HOUSING, OTHER COMPLEMENTARY FACILITIES HAVE TO BE PLANNED TO PRODUCE THE RIGHT MIX AND BALANCE AT THE RIGHT TIME. ACCORDING TO PAST STATISTICS, MORE THAN 20% OF THE TOTAL LAND REQUIREMENT EACH YEAR GOES TO MEET THE PURPOSES FOR EDUCATION, WELFARE, RECREATION, PUBLIC UTILITIES AND OTHER INFRASTRUCTURAL USES. LAND FOR INDUSTRIAL AND COMMERCIAL USES ARE ALSO CRUCIAL TO THE ECONOMIC DEVELOPMENT AND THE EMPLOYMENT NEEDS OF HONG KONG, ACCOUNTING FOR ROUGHLY 10% OF THE TOTAL LAND GRANTED EACH YEAR. WHILE WE MAY NOT BE ABLE TO CLAIM PERFECTION, WE DO HAVE A SYSTEM WHICH BY AND LARGE WORKS WELL, IS FLEXIBLE AND DELIVERS THE GOODS.

MR PRESIDENT, URGING THE HONG KONG GOVERNMENT TO PRODUCE LAND IS LIKE URGING THE TIDE TO EBB AND FLOW. URGING IT TO PRODUCE LAND FOR AND ENSURE THE PRODUCTION OF AMPLE SUPPLIES OF HOUSING IS LIKE URGING THE SUN TO RISE AND SET. AS WITH THE MOTION ON THE MANAGEMENT OF HOUSING ESTATES LAST WEEK, SINCE URGING THAT WHAT IS ALREADY REQUIRED AND IS ALREADY BEING DONE IN AMPLE MEASURE SHOULD BE DONE IS UNNECESSARY, THE OFFICIAL MEMBERS WILL NOT SUPPORT THE MOTION.

THANK YOU.

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MORE MONEY INJECTED TO LOTTERIES FUND

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THE MARK SIX LOTTERY PROCEEDS WILL BE REALLOCATED TO PROVIDE THE LOTTERIES FUND ADDITIONAL INCOME FOR SOCIAL WELFARE AND REHABILITATION SERVICES, THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, SAID TODAY (WEDNESDAY).

MOVING A MOTION UNDER THE BETTING DUTY ORDINANCE IN THE LEGISLATIVE COUNCIL, MR TSANG SAID THE ROYAL HONG KONG JOCKEY CLUB HAD PROPOSED TO REDUCE ITS SHARE OF THE LOTTERY PROCEEDS FROM 7.5 PER CENT TO SIX PER CENT IN FAVOUR OF THE LOTTERIES FUND.

"THE GOVERNMENT HAS EXAMINED THE CLUB'S PROPOSAL IN THE LIGHT OF THE INCREASE IN LOTTERY TURNOVER AND THE INCREASE IN ITS OPERATING COSTS SINCE 1987, WHEN THE CURRENT RATE OF 7.5 PER CENT WAS FIXED," MR TSANG SAID.

BETWEEN 1987 AND 1992, LOTTERY PROCEEDS AND THE CLUB'S COSTS INCREASED BY 129 PER CENT AND 84 PER CENT RESPECTIVELY.

"ON THIS BASIS, THE PROPOSED SIX PER CENT SHARE OF THE PROCEEDS WILL BE BROADLY COMMENSURATE WITH THE CLUB'S CURRENT OPERATING COSTS."

ON APRIL 6, THE GOVERNOR IN COUNCIL DECIDED THAT THE CLUB'S SHARE OF THE PROCEEDS SHOULD BE REDUCED BY 1.5 PER CENT FROM 7.5 PER CENT TO SIX PER CENT AND THAT 1.5 PER CENT SHOULD BE CREDITED TO THE LOTTERIES FUND'S SHARE, THAT IS RAISING IT FROM 3.5 PER CENT TO FIVE PER CENT.

/AT PRESENT,

AT PRESENT, 59 PER CENT OF THE MARK SIX LOTTERY PROCEEDS GO TO PRIZES, 30 PER CENT TO GENERAL REVENUE, 3.5 PER CENT TO THE LOTTERIES FUND, AND 7.5 PER CENT TO THE JOCKEY CLUB TO COVER ITS COSTS IN OPERATING THE LOTTERY.

INCREASED ALLOCATION WILL PROVIDE THE LOTTERIES FUND WITH ADDITIONAL INCOME OF ABOUT \$55 MILLION A YEAR AT TODAY'S PRICES.

"IT REPRESENTS A FURTHER BOOST FOR THE FUNDING OF SOCIAL WELFARE AND REHABILITATION SERVICES ON TOP OF LAST YEAR'S CAPITAL INJECTION BY THE GOVERNMENT OF \$2.3 BILLION.

"TAKING INTO ACCOUNT ALL FORESEEABLE COMMITMENTS, THE LOTTERIES FUND IS EXPECTED TO HAVE A HEALTHY BALANCE OF ABOUT \$685 MILLION IN MONEY OF THE DAY BY 1996-97," MR TSANG SAID.

HE NOTED THAT AS IT WAS IMPOSSIBLE TO BACKDATE THE REALLOCATION TO SEPTEMBER 13 LAST YEAR BY A RESOLUTION OF THE COUNCIL, THE CLUB WOULD PAY THE RELEVANT AMOUNT TO THE LOTTERIES FUND IN THE FORM OF A DONATION.

THE MARK SIX IS THE ONLY LOTTERY LICENSED UNDER THE BETTING DUTY ORDINANCE.

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COMPUTER CHIPS TO COME UNDER PROTECTION
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A BILL THAT SEEKS TO PROTECT THE OWNERS OF LAYOUT-DESIGNS OF INTEGRATED CIRCUITS AGAINST INFRINGEMENT OF THEIR RIGHTS WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE LAYOUT-DESIGN (TOPOGRAPHY) OF INTEGRATED CIRCUITS BILL, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID THE AIM WAS TO ENCOURAGE TECHNOLOGY TRANSFER AND INVESTMENT IN THE INTEGRATED CIRCUIT INDUSTRY.

HE SAID INTEGRATED CIRCUIT DEVELOPERS WOULD ONLY INVEST SUBSTANTIALLY IN, OR TRANSFER TECHNOLOGY TO, THOSE JURISDICTIONS WHERE ADEQUATE PROTECTION WAS PROVIDED.

THE BILL ALSO SEEKS TO REFLECT THE INTERNATIONAL CONSENSUS ON THE NEED TO PROTECT LAYOUT-DESIGNS AS LAID DOWN IN THE WASHINGTON TREATY 1989 AND THE DRAFT AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS BEING NEGOTIATED UNDER THE URUGUAY ROUND OF GATT.

"IT WILL SERVE TO DEMONSTRATE TO THE INTERNATIONAL COMMUNITY OUR COMMITMENT TO THE PROTECTION OF LAYOUT-DESIGNS," MR CHAU SAID.

UNDER THE BILL, A LAYOUT-DESIGN WILL BE PROTECTED AUTOMATICALLY UPON ITS CREATION AND UPON FIRST COMMERCIAL EXPLOITATION.

/THE TERM

THE TERM OF PROTECTION WILL BE 10 YEARS AFTER A LAYOUT-DESIGN WAS FIRST COMMERCIALY EXPLOITED AND 15 YEARS AFTER IT WAS CREATED IF THERE IS NO COMMERCIAL EXPLOITATION.

TO QUALIFY FOR PROTECTION, AN OWNER MUST HAVE A RIGHT OF ABODE, OR A REAL AND EFFECTIVE INDUSTRIAL OR COMMERCIAL ESTABLISHMENT FOR THE CREATION OF LAYOUT-DESIGNS OR THE PRODUCTION OF INTEGRATED CIRCUITS IN HONG KONG OR IN A QUALIFYING COUNTRY, TERRITORY OR AREA.

ALTERNATIVELY, AN OWNER CAN BECOME QUALIFIED IF HIS LAYOUT-DESIGN IS FIRST COMMERCIALY EXPLOITED IN HONG KONG OR IN A QUALIFYING COUNTRY, TERRITORY OR AREA.

THE RIGHT TO REPRODUCE AND TO EXPLOIT COMMERCIALY A LAYOUT-DESIGN BELONGS TO THE QUALIFIED OWNER. UNDER THE BILL, CIVIL REMEDIES ARE AVAILABLE FOR THE INFRINGEMENT OF SUCH RIGHTS.

THE BILL ALSO PERMITS CERTAIN NON-INFRINGING ACTS WHICH INCLUDE THE REPRODUCTION OF LAYOUT-DESIGNS FOR PRIVATE USE AND FOR EVALUATION, ANALYSIS, RESEARCH OR TEACHING.

"THESE EXEMPTIONS ARE IN LINE WITH AN INTERNATIONAL CONSENSUS AND WOULD HELP ENCOURAGE RESEARCH AND DEVELOPMENT IN INTEGRATED CIRCUITS TECHNOLOGY," MR CHAU SAID.

THE BILL EMPOWERS THE GOVERNOR TO DESIGNATE A COUNTRY, TERRITORY OR AREA AS A QUALIFYING COUNTRY, TERRITORY OR AREA, IF HE CONSIDERS THAT THEIR LAWS WILL PROVIDE OR HAVE ALREADY ACCORDED ADEQUATE PROTECTION TO HONG KONG LAYOUT-DESIGN OWNERS.

"THIS WILL FACILITATE HONG KONG TO ENTER INTO RECIPROCAL ARRANGEMENTS WITH OTHER COUNTRIES, TERRITORIES OR AREAS," HE SAID.

THE BILL ALSO ALLOWS GOVERNMENT USE OF A LAYOUT-DESIGN WITHOUT THE CONSENT OF ITS OWNER IN THE EVENT OF EXTREME URGENCY DECLARED BY THE GOVERNOR IN COUNCIL.

"THIS IS NECESSARY FOR THE GOVERNMENT TO MAINTAIN THE SUPPLIES AND SERVICES ESSENTIAL TO THE LIFE OF THE COMMUNITY IN AN EXTREME URGENCY," HE SAID.

THE OWNER'S INTEREST WILL BE PROTECTED BECAUSE THE USE WILL BE SUBJECT TO PAYMENT OF COMPENSATION, HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

WEDNESDAY, JUNE 9, 1993

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LIMITATION ON PUBLIC LIGHT BUSES NUMBER

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A MOTION UNDER THE ROAD TRAFFIC ORDINANCE ON THE LIMITATION OF THE NUMBER OF PUBLIC LIGHT BUSES WAS PASSED BY THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE MOTION, THE SECRETARY FOR TRANSPORT, MR K Y YEUNG SAID THE MOTION PROPOSED THAT THE PERIOD LIMITING THE NUMBER OF PUBLIC LIGHT BUSES REGISTERED BE EXTENDED FOR TWO YEARS UP TO JUNE 20, 1995.

MR YEUNG SAID THE EFFECT OF THIS EXTENSION WAS THAT THE TOTAL NUMBER OF VEHICLES WHICH MIGHT BE REGISTERED AND LICENSED AS PUBLIC LIGHT BUSES WOULD REMAIN AT 4,350 AS DECIDED BY THE GOVERNOR IN COUNCIL ON JUNE 10, 1986.

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PASSPORT INCIDENT ARISEN FROM MANUAL MISREADING

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THE INCIDENT OF A HONG KONG FAMILY BEING REFUSED TO BOARD A FLIGHT IN GERMANY BOUND FOR VANCOUVER MAY HAVE ARISEN FROM A MISREADING OF THE LATEST EDITION OF THE TRAVEL INFORMATION MANUAL (TIM).

THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT THE GOVERNMENT HAD ASKED THE MANUAL EDITORS TO CLARIFY THE INFORMATION IN THE MANUAL, AND TO MAKE IT CLEAR THAT BN(O) PASSPORT HOLDERS ENJOY VISA-FREE ACCESS TO CANADA.

THE TIM IS PRODUCED FOR AIRPORT STAFF BY A NUMBER OF AIRLINE COMPANIES WHICH SETS OUT WORLDWIDE CUSTOMS AND VISA REQUIREMENTS.

"THE CANADIAN AUTHORITIES HAVE ALSO TAKEN ACTION TO CLARIFY THE SITUATION," MR ASPREY SAID WHEN REPLYING TO A QUESTION BY THE HON MRS SELINA CHOW.

THE INCIDENT OCCURRED ON MAY 10 AT FRANKFURT AIRPORT AND INVOLVED A FAMILY OF THREE: THE FATHER, THE MOTHER, AND THEIR TWO-YEAR-OLD SON, EACH HOLDING A DIFFERENT FORM OF HONG KONG TRAVEL DOCUMENT.

MR ASPREY SAID THIS APPARENTLY CONFUSED THE STAFF AT THE AIRPORT. THE FATHER, HOLDING A HONG KONG CERTIFICATE OF IDENTITY, NEEDED, AND HAD, A VISA FOR CANADA; NEITHER THE MOTHER NOR SON NEEDED VISAS FOR CANADA, AS THE FORMER HELD A HONG KONG BRITISH DEPENDENT TERRITORIES CITIZEN (BDTC) PASSPORT AND THE CHILD HELD A BNO PASSPORT.

HE SAID THE AIRPORT STAFF APPARENTLY ASSUMED THAT IF THE FATHER NEEDED A VISA, SO TOO WOULD THE WIFE AND SON.

/THE WIFE

THE WIFE WAS ABLE TO CONVINCED THEM THAT SHE DID NOT, BY SHOWING THE PREVIOUS ENTRIES IN HER BDTC PASSPORT INDICATING THAT SHE HAD ENTERED CANADA PREVIOUSLY WITHOUT A VISA.

HOWEVER, THE SON DID NOT HAVE SUCH ENTRIES IN HIS PASSPORT AND WAS NOT ALLOWED TO BOARD THE LUFTHANSA FLIGHT FOR CANADA.

MR ASPREY SAID COMPENSATION TO THE FAMILY CONCERNED WAS A CIVIL MATTER BETWEEN THE COMPANY AND THE FAMILY.

"I BELIEVE THIS WAS AN ISOLATED INCIDENT. WE WILL CONTINUE TO DO ALL WE CAN TO ENSURE THAT THE STATUS OF THE BN(O) PASSPORT IS KNOWN AND UNDERSTOOD," HE SAID.

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DAYA BAY ARRANGEMENTS UNDER DISCUSSIONS

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THE GOVERNMENT IS DISCUSSING WITH THE CHINESE AUTHORITIES ALL ARRANGEMENTS FOR CO-OPERATION IN THE EVENT OF A NUCLEAR ACCIDENT AT THE DAYA BAY NUCLEAR POWER STATION, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY REV THE HON FUNG CHI-WOOD IN THE LEGISLATIVE COUNCIL, MR ASPREY SAID THESE INCLUDED ARRANGEMENTS FOR EARLY NOTIFICATION AND INFORMATION EXCHANGE.

AGREEMENT HAS ALREADY BEEN REACHED THAT THE GOVERNMENT WOULD BE NOTIFIED IMMEDIATELY BY THE GUANGDONG AUTHORITIES, THROUGH A DIRECT COMMUNICATION LINK, OF ANY PLANT EMERGENCY THAT MAY AFFECT HONG KONG, HE SAID.

ONCE THIS NOTIFICATION IS RECEIVED, THE GOVERNMENT WILL IMMEDIATELY PUT IN PLACE THE NECESSARY CONTINGENCY MEASURES AND INFORM THE PUBLIC OF THE SITUATION AND ACTION BEING TAKEN.

MR ASPREY SAID ANNOUNCEMENTS WOULD BE MADE REGULARLY TO KEEP THE PUBLIC INFORMED OF THE LATEST DEVELOPMENTS AND TO ADVISE THEM OF ANY NECESSARY PROTECTIVE MEASURES.

"THE PROCESS WILL BE SIMILAR TO THAT REGULARLY EMPLOYED DURING TYPHOONS, WHICH HAS PROVED EFFECTIVE OVER MANY YEARS," HE SAID.

SEPARATELY, THE GOVERNMENT HAS INSTALLED A SOPHISTICATED MONITORING NETWORK THROUGHOUT THE TERRITORY TO CONSTANTLY MEASURE RADIATION LEVELS AND WEATHER CONDITIONS IN HONG KONG.

"A SIMILAR NETWORK IN GUANGDONG WILL FEED DATA TO US," HE SAID.

"WE WILL, THEREFORE, BE ABLE TO MONITOR VERY CLOSELY THE EFFECT OF ANY RADIATION LEAK FROM DAYA BAY," MR ASPREY SAID.

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CARDBOARD POLICEMEN DRAW PUBLIC INTEREST

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THE CARDBOARD POLICEMEN SCHEME WAS CONSIDERED TO BE SUCCESSFUL IN GENERATING INTEREST FROM THE MEDIA, THE RETAIL INDUSTRY AND THE PUBLIC, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY).

"THE MESSAGE THAT SHOP THEFT IS A CRIME HAS BEEN SUCCESSFULLY PUT ACROSS, AND PUBLIC AWARENESS HAS BEEN RAISED," HE SAID.

REPLYING TO A QUESTION BY THE HON LAU WAH-SUM IN THE LEGISLATIVE COUNCIL, MR ASPREY SAID IT WAS DIFFICULT TO GAUGE THE EFFECT OF THE SCHEME ON SHOP THEFTS IN RETAIL OUTLETS.

HOWEVER, IT PROBABLY CONTRIBUTED, AT LEAST IN PART, TO A FOUR PER CENT DROP IN REPORTED CASES OF SHOP THEFTS IN THE THREE MONTHS FROM DECEMBER LAST YEAR IMMEDIATELY AFTER ITS INTRODUCTION, HE SAID.

LOSSES FROM LARGE RETAIL OUTLETS ALSO DECREASED DURING THE PERIOD.

HE ATTRIBUTED THE EFFECTS TO THE CARDBOARD POLICEMEN SCHEME, IMPROVED MANAGEMENT PRACTICES, AND OTHER CRIME PREVENTION MEASURES TAKEN BY RETAILERS ON THE ADVICE OF THE POLICE.

THE SCHEME WAS REVIEWED IN MARCH THIS YEAR.

MR ASPREY SAID THE SCHEME WOULD BE REVIEWED AGAIN IN NOVEMBER TO DETERMINE WHETHER THE CAMPAIGN SHOULD CONTINUE.

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CIVIL SERVANTS EQUIPPED TO IMPROVE PUBLIC SERVICE

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THE CIVIL SERVICE TRAINING CENTRE HAS DEVELOPED A COURSE ON CUSTOMER SERVICE FOR SUPERVISORS OF FRONT-LINE STAFF AS A SUPPORT TO DEPARTMENTS IN IMPLEMENTING THE PERFORMANCE PLEDGES PROGRAMME.

THIS WAS ANNOUNCED BY THE ACTING CHIEF SECRETARY, THE HON MRS ANSON CHAN, WHEN SHE REPLIED TO A QUESTION BY THE HON ROGER LUK KOON-HOO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MRS CHAN SAID 30 COURSES HAD SO FAR BEEN HELD FOR 600 SUPERVISORS.

THE SUPERVISORS HAVE IN TURN ORGANISED ABOUT 1,000 COURSES FOR 20,000 FRONT-LINE STAFF.

IN ADDITION, SHE SAID \$1.5 MILLION HAD BEEN ALLOCATED THIS YEAR TO PROVIDE INCENTIVES FOR STAFF TO MAKE SUGGESTIONS TO IMPROVE PRODUCTIVITY AND QUALITY OF SERVICE TO THE PUBLIC.

"WE WILL CONTINUE TO LOOK FOR WAYS TO REINFORCE CIVIL SERVANTS' COMMITMENT TO THE PLEDGES PROGRAMME," SHE SAID.

SOME 16 DEPARTMENTS HAVE ALREADY PUBLISHED THEIR FIRST PLEDGES SINCE THE PROGRAMME WAS INTRODUCED IN OCTOBER LAST YEAR.

MRS CHAN SAID SOME 18 MORE WOULD DO SO BY ABOUT SEPTEMBER.

THE TARGET IS FOR THE REMAINING 14 DEPARTMENTS PROVIDING SERVICES DIRECTLY TO THE PUBLIC TO PUBLISH THEIR FIRST PLEDGES BY ABOUT MID-1994, SHE SAID.

"COMMITMENT OF STAFF AT ALL LEVELS IS KEY TO THE SUCCESSFUL IMPLEMENTATION OF PLEDGES."

"EACH DEPARTMENT FULLY BRIEFS AND INVOLVES ITS STAFF AS ITS PLEDGE IS DEVELOPED," SHE SAID.

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ENERGY CONSERVATION CONSIDERED IN GOVT BUILDING DESIGNS

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ENERGY CONSERVATION HAS ALWAYS BEEN ONE OF THE CONSIDERATIONS IN DESIGNING GOVERNMENT BUILDINGS AND THE GOVERNMENT CONSIDERS THAT THERE IS A NEED FOR APPROPRIATE CONTROL OF THERMAL TRANSMITTANCES THROUGH THE ENVELOPE OF BUILDINGS, THE SECRETARY FOR WORKS, MR JAMES BLAKE, SAID TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON CHRISTINE LOH IN THE LEGISLATIVE COUNCIL, MR BLAKE SAID AS EARLY AS 1983, THE THEN ARCHITECTURAL OFFICE PUBLISHED A BOOKLET TITLED "ENERGY CONSERVATION IN BUILDINGS", WHICH WAS REVISED AND REPRINTED IN 1989 AND ISSUED TO ARCHITECTS, ENGINEERS, AND MAINTENANCE SURVEYORS.

THE BUILDING DESIGN RECOMMENDED BY THE BOOKLET CONSIDERED THE BUILDING AS A WHOLE RATHER THAN ONLY LOOKING AT A SINGLE PARAMETER OF THERMAL TRANSMITTANCE VALUES (U-VALUE).

IN 1991, THE ARCHITECTURAL SERVICES DEPARTMENT ISSUED AN INFORMATION PAPER ON OVERALL THERMAL TRANSFER VALUE (OTTV) AND ENERGY CONSERVATION TO GIVE AN UPDATED GUIDELINE TO THE DESIGN TEAMS FOR THE HEAT TRANSFER THROUGH THE BUILDING ENVELOPE AS A WHOLE.

"THE PURPOSE OF THE PAPER IS TO COVER ENERGY CONSUMPTION EFFECTS OF ALTERNATIVE DESIGNS IN TERM OF LAYOUT, ENVELOPE DETAILS AND MATERIALS.

"THE CALCULATION OF OTTV'S AND THEIR RECURRING COST IMPLICATIONS ARE INCLUDED, AND BUILDING DESIGNERS ARE REQUIRED TO FOLLOW THE GUIDELINES AS CLOSELY AS POSSIBLE," MR BLAKE SAID.

/MR BLAKE

MR BLAKE SAID THE GOVERNMENT WAS CONSIDERING INTRODUCING CONTROL TO ALL BUILDINGS BASED ON THE OTTV AND WAS NOW STUDYING THE COMMENTS FROM BOTH THE PRIVATE SECTOR AND OTHER GOVERNMENT AGENCIES ON A DRAFT HANDBOOK ON OTTV IN THE LIGHT OF THEIR ACTUAL OPERATIONAL EXPERIENCE.

THESE COMMENTS WOULD BE TAKEN INTO ACCOUNT BEFORE THE GOVERNMENT MADE A DECISION ON BOTH THE APPROPRIATE STANDARD TO BE ADOPTED AND THE MEANS FOR ENSURING THAT ANY STANDARD PROMULGATED WOULD ACTUALLY BE APPLIED, BOTH IN THE PRIVATE AND GOVERNMENT SECTORS, MR BLAKE.

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OVER-LISTING TO AVOID WASTING COURT TIME

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THE JUDICIARY IS PRACTISING A CERTAIN AMOUNT OF OVER-LISTING TO AVOID WASTAGE OF COURT TIME, THE ACTING CHIEF SECRETARY, THE HON MRS ANSON CHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE OPTIMUM LEVEL OF OVER-LISTING IS REACHED WHEN THERE ARE JUST ENOUGH CASES TO FIT IN WITH ALL VACANT SLOTS SO THAT ALL THE JUDGES ARE FULLY OCCUPIED," SHE SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU, MRS CHAN EXPLAINED THAT A CONSIDERABLE NUMBER OF CASES LISTED FOR HEARING IN THE DISTRICT COURT WERE SETTLED BEFORE TRIAL OR WERE FOUND NOT TO BE READY WHEN THEY WERE CALLED FOR TRIAL.

THE AVERAGE WAITING TIMES FOR TRIALS IN THE HIGH COURT AND THE DISTRICT COURT ARE SEVEN-AND-A-HALF MONTHS AND ABOUT NINE MONTHS RESPECTIVELY.

THESE WAITING TIMES RELATE ONLY TO FIXTURES WHICH ARE LISTS OF CASES WHERE A FIXED DATE IS GIVEN FOR THE START OF THE TRIAL, WHICH IN MOST CASES REQUIRE LONGER LEAD TIME FOR PREPARATION.

AS REGARDS OTHER CASES WHERE THE HEARING IS ESTIMATED NOT TO TAKE LONGER THAN FIVE DAYS, MRS CHAN SAID THEY WERE PUT ON RUNNING LISTS AND WERE HEARD IN THE ORDER IN WHICH THEY WERE SET DOWN.

CASES ON THE CRIMINAL RUNNING LIST IN THE DISTRICT COURT ARE HEARD, ON THE AVERAGE, WITHIN TWO TO THREE WEEKS.

THOSE ON THE CRIMINAL RUNNING LIST AND CIVIL RUNNING LIST IN THE HIGH COURT ARE GENERALLY HEARD WITHIN 25 WEEKS AND 10 WEEKS RESPECTIVELY.

"A CASE IS TRANSFERRED FROM THE HIGH COURT TO THE DISTRICT COURT ONLY IF IT IS DECIDED THAT THE DISTRICT COURT IS THE MORE APPROPRIATE FORUM FOR HEARING THE PARTICULAR CASE."

"NO CASES ARE TRANSFERRED FOR THE PURPOSE OF REDUCING WAITING TIME FOR TRIALS," MRS CHAN SAID.

THE DECISION TO TRANSFER IS MADE BY A JUDGE ON APPLICATION FROM THE ATTORNEY GENERAL, SHE SAID.

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POLICY ON CHINESE NATIONALS WORKING IN HK

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CHINESE NATIONALS HOLDING DIPLOMATIC, SERVICE OR ORDINARY PASSPORTS ISSUED BY THE MINISTRY OF FOREIGN AFFAIRS OF THE PEOPLE'S REPUBLIC OF CHINA ARE ALLOWED TO WORK IN HONG KONG UNDER OFFICIAL AUSPICES.

THE POLICY WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON LAU CHIN-SHEK IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

AT THE END OF MAY, THERE WERE 9,455 SUCH PERSONS.

IN 1991, 1992 AND THE FIRST FIVE MONTHS OF THIS YEAR, THE NUMBERS OF APPLICATIONS APPROVED WERE 1,999, 2,603 AND 1,302 RESPECTIVELY.

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SAFETY CLEARANCE OF HILLSIDE SQUATTERS

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THE GOVERNMENT RECOMMENDS SAFETY CLEARANCE OF SQUATTERS ON STEEP HILLSIDES BECAUSE THEY ARE AT RISK DURING PERIODS OF HEAVY RAIN.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN A WRITTEN REPLY TO THE HON ALBERT CHAN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BLAKE SAID IT WAS NOT FEASIBLE TO CARRY OUT LANDSLIP PREVENTIVE WORKS ON THESE SLOPES UNTIL SQUATTERS WERE CLEARED BECAUSE THEY WERE BLOCKING SUCH WORKS.

BETWEEN 1984 AND 1992, SLOPE INSPECTIONS WERE MADE OF ABOUT 70 NEW TERRITORIES VILLAGES INCLUDING ABOUT 24 IN THE TSUEN WAN AND KWAI CHUNG AREAS AND CLEARANCE RECOMMENDATIONS WERE MADE BY THE GEOTECHNICAL ENGINEERING OFFICE (GEO) TO THE HOUSING DEPARTMENT.

THE PROGRAMME OF RE-INSPECTION OF THESE VILLAGES WHICH STARTED IN JULY 1992 IS PROGRESSING WELL AND WILL BE COMPLETED BY THE END OF JUNE THIS YEAR.

THIS PROGRAMME WILL BE FOLLOWED BY INSPECTIONS OF AREAS NOT PREVIOUSLY DEALT WITH IN THE NEW TERRITORIES.

AT PRESENT, THERE ARE ABOUT 80 SUCH AREAS, A NUMBER OF WHICH ARE WITHIN TSUEN WAN AND KWAI CHUNG DISTRICTS.

"THOSE AFFECTED BY THE CLEARANCE ARE ADVISED BY LETTER AND ARE GIVEN ADVICE ON THE NECESSARY PRECAUTIONS TO BE TAKEN IN THE EVENT OF HEAVY RAINFALL," MR BLAKE SAID.

/MR BLAKE

MR BLAKE SAID OTHER SLOPES WITHIN THE TSUEN WAN AND KWAI CHUNG DISTRICTS NOT OCCUPIED BY SQUATTERS WERE SUBJECT TO NORMAL SLOPE FAILURE PREVENTIVE MEASURES SIMILAR TO THOSE ADOPTED IN OTHER AREAS IN THE TERRITORY.

"THESE INCLUDE CHECKING OF GEOTECHNICAL DESIGNS OF NEW SLOPES BY GEO, INVESTIGATION FOLLOWED BY ANY NECESSARY IMPROVEMENT WORKS FOR EXISTING SLOPES UNDER THE LANDSLIP PREVENTIVE MEASURES PROGRAMME, AND THE INITIATION OF STATUTORY ACTIONS TO HAVE THE WORKS DONE BY THE OWNERS FOR SLOPES ON PRIVATE LAND," MR BLAKE SAID.

IN THE EVENT OF LANDSLIP AND FLOODING, MR BLAKE SAID EMERGENCY STAFF OF DEPARTMENTS CONCERNED WOULD IMMEDIATELY BE MOBILISED TO DEAL WITH THE SITUATION.

CONTINGENCY MEASURES ARE CARRIED OUT BY THE POLICE, THE FIRE SERVICES, THE DRAINAGE SERVICES, THE GOVERNMENT SUPPLIES, THE HIGHWAYS, THE INFORMATION SERVICES, THE SOCIAL WELFARE AND THE TRANSPORT DEPARTMENTS, THE GOVERNMENT LAND TRANSPORT AGENCY, THE GEOTECHNICAL ENGINEERING OFFICE, THE HOSPITAL AUTHORITY, THE GOVERNMENT FLYING SERVICE AND THE CITY AND NEW TERRITORIES ADMINISTRATION.

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GOVT AND TDC OVERSEAS OFFICES PLAY COMPLEMENTARY ROLE

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THE GOVERNMENT'S ECONOMIC AND TRADE OFFICES (ETOS) AND THE OVERSEAS OFFICES OF THE TRADE DEVELOPMENT COUNCIL (TDC) COMPLEMENT EACH OTHER IN PROMOTING HONG KONG'S OVERSEAS TRADE, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON HENRY TANG IN THE LEGISLATIVE COUNCIL, MR CHAU SAID THE FUNCTION OF THE ETOS IN COMMERCIAL RELATIONS WAS DISTINCT FROM THE TRADE PROMOTION WORK CARRIED OUT BY TDC'S OVERSEAS OFFICES.

THE FORMER DEALS PRIMARILY WITH THE GOVERNMENTS OF THE HOST COUNTRIES OR INTERNATIONAL ORGANISATIONS, WHILE THE LATTER DEALS MAINLY WITH BUSINESS ENTITIES IN THE PRIVATE SECTOR, HE SAID.

THE ETOS ENSURE THAT HONG KONG'S EXPORTS TO THEIR HOST COUNTRIES ARE NOT DISCRIMINATED AGAINST, OR OBSTRUCTED, BY GOVERNMENT MEASURES THAT ARE INCONSISTENT WITH THE PROVISIONS OF GATT OR ANY BILATERAL AGREEMENTS BETWEEN HONG KONG AND THE HOST COUNTRY.

THE TDC'S OVERSEAS OFFICES HELP HONG KONG TRADERS DEVELOP AND SECURE A RECEPTIVE AND GROWING MARKET IN THE HOST COUNTRIES.

"THUS THE MAIN THRUST OF THE ETOS' COMMERCIAL RELATIONS WORK AND THEIR INTERLOCUTORS ARE DIFFERENT FROM THOSE OF THE TDC," MR CHAU SAID.

THE ETOS ARE ALSO TASKED TO ENCOURAGE INDUSTRIAL INVESTMENT IN HONG KONG, AND TO ORGANISE THE GOVERNMENT'S PUBLICITY AND PUBLIC RELATIONS EFFORTS IN THE REGIONS.

THEY ALSO PROVIDE AN INFORMATION AND ENQUIRY SERVICE ABOUT HONG KONG AND MAKE ARRANGEMENTS FOR VISITORS IN BOTH DIRECTIONS.

MR CHAU SAID BY COMPARISON, THE TDC OFFICES HAD A NARROWER AND MORE SPECIFIC MANDATE.

THE FOUR CITIES WHERE THE GOVERNMENT AND TDC BOTH MAINTAIN OFFICES ARE NEW YORK, LONDON, TOKYO AND TORONTO.

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NO PLANS TO CHANGE SECURITY CHECKS POLICY

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THE GOVERNMENT HAS NO PLANS TO CHANGE ITS POLICY TO CONDUCT SECURITY CHECKS ON NEW RECRUITS TO ALL POSTS REQUIRING ACCESS TO CLASSIFIED INFORMATION, ALTHOUGH ITS APPLICATION IS BEING REVIEWED.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR ASPREY SAID THE POLICY WAS ONE OF A NUMBER OF MEASURES DESIGNED TO PROTECT CLASSIFIED MATERIALS FROM IMPROPER DISCLOSURE.

"THE DETAILED LIST OF RANKS AND POSTS SUBJECT TO CHECKING IS CLASSIFIED, BUT IT COVERS ALL DIRECTORATE AND SENIOR STAFF IN GENERAL AND DEPARTMENTAL GRADES, AND SECRETARIAL AND CLERICAL STAFF WHOSE WORK INVOLVES ACCESS TO OR THE HANDLING OF CLASSIFIED INFORMATION," HE SAID.

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IMPROVEMENTS TO KOWLOON BAY WATER QUALITY

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THE GOVERNMENT IS WELL AWARE OF THE ODOUR PROBLEM CAUSED BY WATER POLLUTION IN KOWLOON BAY AND OF THE POSSIBLE ADVERSE IMPRESSION THIS COULD GIVE TOURISTS ARRIVING IN HONG KONG.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON CHIM PUI-CHUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID A MAJOR SEWERAGE IMPROVEMENT SCHEME HAD BEEN IMPLEMENTED SINCE LAST YEAR UNDER THE EAST KOWLOON SEWERAGE MASTER PLAN.

/THE SCHEME

THE SCHEME INCLUDES THE INTERCEPTION OF THE POLLUTED SURFACE DISCHARGES INTO KOWLOON BAY, THE UPGRADING OF EXISTING SEWERS, THE PROVISION OF NEW SEWERS, AND THE REDIRECTION OF MANY INCORRECT CONNECTIONS BACK TO THE SEWERAGE SYSTEM.

"THE FIRST STAGE OF THE SEWERAGE SCHEME WILL BE COMPLETED IN 1995 AND THE SECOND IN 1997," HE SAID.

UNDER CURRENT PLANS, ALL COLLECTED SEWAGE WILL BE REMOVED FROM THE AREA TO A CENTRAL TREATMENT WORKS TO BE PROVIDED ON STONECUTTERS ISLAND UNDER STAGE I OF THE STRATEGIC SEWAGE DISPOSAL SCHEME IN 1997, HE SAID.

MR EASON SAID IN THE INTERIM THE FOLLOWING MEASURES MAY HELP IMPROVE WATER QUALITY IN KOWLOON BAY:

- * AN INCREASE IN THE FREQUENCY OF DESILTING OF THE KAI TAK NULLAH BY THE DRAINAGE SERVICES DEPARTMENT; AND
- * DELIVERY OF HIGH QUALITY TREATED EFFLUENTS FROM SHA TIN AND LATER FROM TAI PO TO PROVIDE A FLUSHING EFFECT ON THE RELATIVELY STAGNANT WATER IN KOWLOON BAY THROUGH THE PHASED COMMISSIONING OF THE TOLO HARBOUR EFFLUENT EXPORT SCHEME, STARTING FROM SEPTEMBER.

THE ENVIRONMENTAL PROTECTION DEPARTMENT RECEIVED TWO COMPLAINTS IN 1990 AND ONE LAST YEAR, AND HAS RECEIVED ONE SO FAR THIS YEAR.

THE KOWLOON CITY DISTRICT OFFICE HAS NOT RECEIVED ANY COMPLAINTS IN THE PAST THREE YEARS.

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GOVT HELPS EXPORTERS MEET ENVIRONMENT STANDARDS

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THE GOVERNMENT HAS BEEN MONITORING CLOSELY THE ENVIRONMENTAL PROTECTION LEGISLATION AND STANDARDS ADOPTED BY OVERSEAS MARKETS AND THEIR IMPACT ON HONG KONG'S EXPORTS, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON HUANG CHEN-YA, MR CHAU SAID SO FAR THE GOVERNMENT WAS NOT AWARE THAT ANY LOCAL MANUFACTURER OR TRADER HAD ENCOUNTERED DIFFICULTIES IN MEETING THESE STANDARDS.

MR CHAU NOTED THAT THE INDUSTRY DEPARTMENT PROVIDED LOCAL MANUFACTURERS AND TRADERS WITH ADVICE AND INFORMATION ON NATIONAL AND INTERNATIONAL PRODUCT STANDARDS RELATING TO ENVIRONMENTAL PROTECTION.

ALSO THE DEPARTMENT HAS COMMISSIONED A CONSULTANCY STUDY WHICH EXAMINES THE POTENTIAL EFFECTS OF OVERSEAS ENVIRONMENTAL LEGISLATION AND STANDARDS ON THE INDUSTRY.

"PRELIMINARY INDICATIONS ARE THAT THESE EFFECTS, IF ANY, WOULD BE LIMITED.

"INDEED, THERE MAY BE SCOPE FOR HONG KONG MANUFACTURERS TO GAIN MARKET ADVANTAGE IF THEY ARE ABLE TO ADAPT PRODUCTS AND PROCESS QUICKLY TO MEET OVERSEAS STANDARDS," HE SAID.

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COMMISSION TO REVIEW ALLOWANCES FOR LEGCO MEMBERS

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THE GOVERNMENT PLANS TO SET UP AN INDEPENDENT COMMISSION TO REVIEW THE REMUNERATION AND ALLOWANCES FOR LEGISLATIVE COUNCIL MEMBERS BY THE END OF THE CURRENT LEGISLATIVE COUNCIL SESSION.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON LAM KUI-CHUN, THE SECRETARY FOR CONSTITUTIONAL AFFAIRS, MR MICHAEL SZE, SAID THE ADMINISTRATION HAD BEEN TAKING ACTIVE STEPS TO PURSUE ITS ESTABLISHMENT.

THE COMMISSION WILL BE TASKED TO ADVISE AND MAKE RECOMMENDATIONS TO THE GOVERNOR ON A SYSTEM OF REMUNERATION FOR MEMBERS OF THE COUNCIL, AND TO REVIEW THE CURRENT PROVISIONS, HE SAID.

ITS PRECISE TERMS OF REFERENCE ARE BEING FINALISED, AND WILL HAVE REGARD TO THE WIDER COMMUNITY INTERESTS AND VIEWS EXPRESSED BY MEMBERS AT THE FINANCE COMMITTEE MEETING ON MAY 7 WHEN THE CURRENT PACKAGE WAS APPROVED.

THE COMMISSION IS EXPECTED TO FINISH ITS WORK AS SOON AS POSSIBLE, MR SZE SAID.

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ANTI-TRIAD MEASURES IN SCHOOLS EXPLAINED

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THERE IS NO INDICATION OF AN ORGANISED TRIAD CAMPAIGN TO ENTER TSUEN WAN AND KWAI CHUNG SCHOOLS FOR RECRUITMENT, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ALBERT CHAN WAI-YIP IN THE LEGISLATIVE COUNCIL, MR ASPREY SAID THE PROBLEM OF TRIAD INFILTRATION INTO SECONDARY SCHOOLS IN TSUEN WAN AND KWAI CHUNG WAS NO WORSE THAN IN OTHER DISTRICTS IN THE TERRITORY.

IT IS, HOWEVER, DIFFICULT TO MEASURE THE EXTENT OF TRIAD INFILTRATION IN SECONDARY SCHOOLS.

MR ASPREY SAID A NUMBER OF MEASURES HAD BEEN TAKEN TO CONTAIN THE PROBLEM OF TRIAD INFILTRATION INTO SCHOOLS, AND TO PROTECT STUDENTS FROM TRIAD HARASSMENT.

AN INTER-DEPARTMENTAL WORKING GROUP, CONSISTING OF REPRESENTATIVES FROM THE EDUCATION DEPARTMENT, THE SOCIAL WELFARE DEPARTMENT AND THE POLICE HAS BEEN SET UP TO CONSIDER HOW TO STRENGTHEN SUPPORT FOR SCHOOLS WITH TRIAD PROBLEMS.

HE SAID THE WORKING GROUP PLANNED TO ISSUE GUIDELINES AND ARRANGE IN-SERVICE TRAINING FOR TEACHERS AND DISCIPLINE MASTERS TO HELP THEM HANDLE DELINQUENT STUDENTS AND TRIAD ACTIVITIES IN SCHOOLS.

SINCE STUDENTS WITH POOR LEARNING MOTIVATION ARE MORE VULNERABLE TO TRIAD INFLUENCE, THE PROVISION OF MORE PRACTICAL SCHOOLS FOR SUCH STUDENTS IS BEING PURSUED, HE ADDED.

AT THE SAME TIME, THE SECRETARY SAID THE POLICE CONDUCT REGULAR PATROLS NEAR SCHOOLS AND AT PLACES FREQUENTED BY STUDENTS.

THEY HAVE INTRODUCED, ON A PILOT BASIS IN WONG TAI SIN AND WESTERN DISTRICTS, SPECIAL STUDENT 'CRIME INFORMATION FORMS' TO ENCOURAGE STUDENTS TO REPORT CRIME AND TRIAD ACTIVITIES IN SCHOOLS, HE SAID.

"THE POLICE MAINTAIN GOOD LIAISON WITH, AND RECEIVE GOOD CO-OPERATION FROM, SCHOOLS IN TACKLING THE PROBLEM OF JUVENILE DELINQUENCY", MR ASPREY SAID.

POLICE LIAISON OFFICERS VISIT SCHOOLS REGULARLY TO GIVE TALKS TO STUDENTS ON THE NATURE AND CONSEQUENCES OF TRIAD ACTIVITIES.

THEY ALSO LIAISE CLOSELY WITH HEADMASTERS AND TEACHERS, AND ADVISE ON HOW TO DEAL WITH UNRULY AND DELINQUENT BEHAVIOUR IN SCHOOLS, HE SAID.

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POLICE ARMED ON BORDER PATROL DUTIES

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ALL FIELD PATROL DETACHMENT OFFICERS OF THE POLICE HAVE BEEN INSTRUCTED TO CARRY FIREARMS WHILE ON DUTY IN THE WAKE OF THE TRAGIC DEATH OF A POLICE SERGEANT IN TA KWU LING LAST MONTH.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON TIK CHI-YUEN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID APART FROM THAT INCIDENT THERE WAS NO RECORD OF ANY OFFICERS HAVING BEEN KILLED WHILE PERFORMING BORDER PATROL DUTIES SINCE THE POLICE TOOK UP SUCH DUTIES.

"OPERATIONAL STRATEGY AND DEPLOYMENT ARE KEPT UNDER REGULAR REVIEW," HE SAID.

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MORE HOSPITAL BEDS PLANNED FOR KOWLOON

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THE EXISTING OVERALL SUPPLY OF PUBLIC HOSPITAL BEDS IN THE KOWLOON REGION IS 6,453, AS AGAINST A DEMAND OF 4,930.

BY THE YEAR 2000, THE SUPPLY IS ESTIMATED TO REACH 7,603 COMPARED WITH A DEMAND OF 5,060.

THE STATISTICS WERE GIVEN BY THE ACTING SECRETARY FOR HEALTH AND WELFARE, MRS SHELLEY LAU, IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TURNING TO THE EXTENSION WORKS AT THE UNITED CHRISTIAN HOSPITAL, MRS LAU SAID PHASE I OF THE NEW BLOCK S WHICH WOULD PROVIDE 1,049 BEDS, STARTED IN JANUARY THIS YEAR AND WAS SCHEDULED FOR COMPLETION IN DECEMBER 1994.

AS REGARDS PHASE II OF THE REFURBISHMENT OF BLOCK P, WORK WILL START TOWARDS THE END OF 1995. IT IS DUE FOR COMPLETION IN 1997 WHEN THE NUMBER OF BEDS WILL BE REDUCED FROM THE EXISTING 663 TO 368.

"UPON COMPLETION OF THE PROJECT, THE UNITED CHRISTIAN HOSPITAL WILL PROVIDE A TOTAL OF 1,417 BEDS, REPRESENTING AN INCREASE OF 754 OVER ITS EXISTING BED COMPLEMENT OF 663," MRS LAU SAID.

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REVIEW ON STREET SLEEPERS COMPLETED

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THE WORKING GROUP SET UP BY THE GOVERNMENT IN SEPTEMBER 1991 TO REVIEW ISSUES RELATING TO STREET SLEEPERS HAS COMPLETED ITS DELIBERATIONS AND A DRAFT REPORT IS ALMOST READY.

THE FINDINGS AND RECOMMENDATIONS OF THE GROUP ARE EXPECTED TO BE RELEASED IN THE NEXT FEW MONTHS.

THIS WAS STATED BY THE ACTING SECRETARY FOR HEALTH AND WELFARE, MRS SHELLEY LAU, IN A WRITTEN REPLY TO A QUESTION BY THE HON MRS PEGGY LAM IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MRS LAU TOLD COUNCIL MEMBERS THAT SOME OF THE RECOMMENDATIONS OF THE WORKING GROUP HAD ALREADY BEEN IMPLEMENTED.

"THESE INCLUDE THE URBAN HOSTEL SCHEME FOR STREET SLEEPERS AND THE MORE FLEXIBLE APPLICATION OF COMPASSIONATE REHOUSING CRITERIA FOR STREET SLEEPERS," SHE SAID.

"THE OTHER RECOMMENDATIONS WILL BE IMPLEMENTED SUBJECT TO VIEWS OF THE SOCIAL WELFARE ADVISORY COMMITTEE AND TO THE AVAILABILITY OF RESOURCES," MRS LAU ADDED.

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GOVT CONTINUES ITS FIGHT FOR CHINA'S MFN STATUS

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THE HONG KONG GOVERNMENT WILL CONTINUE TO STRESS TO THE U.S. ADMINISTRATION AND CONGRESS THE IMPORTANCE TO HONG KONG OF CHINA'S MOST-FAVOURED-NATION (MFN) STATUS.

AND IT IS THE GOVERNMENT'S HOPE THAT HONG KONG'S INTERESTS WILL AGAIN BE TAKEN INTO ACCOUNT BY THE U.S. IN CONSIDERING NEXT YEAR'S MFN RENEWAL.

IN A WRITTEN REPLY TO A QUESTION BY THE HON DAVID LI IN THE LEGISLATIVE COUNCIL, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID THE GOVERNMENT WOULD CONTINUE TO SEEK THE SUPPORT OF THE UK GOVERNMENT ON THIS ISSUE AS NECESSARY.

HE HAD NO DOUBT THAT THE UK GOVERNMENT'S STAUNCH SUPPORT WOULD CONTINUE.

MR CHAU SAID THE GOVERNMENT BELIEVED, HOWEVER, THAT SPECIFIC BUSINESS DECISIONS ABOUT HOW BEST TO ADJUST TO ANY CHANGES IN THE BUSINESS ENVIRONMENT WERE BEST MADE BY HONG KONG'S BUSINESS SECTOR.

"NEVERTHELESS, THERE ARE MANY THINGS WHICH THE GOVERNMENT WILL BE DOING IN ANY EVENT TO ENABLE BUSINESSMEN TO MAKE THE BEST OF FUTURE CHALLENGES AND OPPORTUNITIES," HE SAID.

IN PARTICULAR, THROUGH A STRONG COMMITMENT TO EDUCATION, VOCATIONAL TRAINING AND RETRAINING AND TO CONSTANTLY UPGRADING HONG KONG'S PHYSICAL INFRASTRUCTURE, HE ADDED.

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SELECTION OF OCEANIC DISPOSAL OPTION EXPLAINED

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THE GOVERNMENT HAS CONSIDERED MANY OPTIONS BEFORE FINALISING THE STRATEGIC SEWAGE DISPOSAL SCHEME, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY)

MR EASON, IN A WRITTEN REPLY TO A QUESTION BY REV THE HON FUNG CHI-WOOD, SAID THE OCEANIC DISPOSAL OPTION WAS PREFERRED AFTER TWO YEARS OF INTENSIVE STUDY BY INTERNATIONAL EXPERTS.

HE ADDED THAT OVER 1,000 DIFFERENT SOLUTIONS WERE CONSIDERED TO PROVIDE FOR ADEQUATE COLLECTION, TREATMENT AND DISPOSAL OF THE SEWAGE GENERATED AROUND VICTORIA HARBOUR.

"THE EVALUATION TOOK INTO CONSIDERATION A RANGE OF CONSTRAINTS, WITH THE OBJECTIVE OF DETERMINING WHICH WAS THE MOST COST-EFFECTIVE OPTION WHICH WOULD ALSO ACHIEVE THE REQUIRED ENVIRONMENTAL STANDARDS," HE SAID.

/THE SECRETARY

THE SECRETARY SAID IN ORDER TO EVALUATE THE OPTIONS PROPERLY, INCLUDING SECONDARY TREATMENT, SEWAGE TREATMENT WORKS DESIGN WAS INVESTIGATED IN DETAIL.

MR EASON SAID IT WAS ESTIMATED THAT A TOTAL OF OVER 100 HECTARES OF LAND WOULD BE NEEDED ON WHICH TO BUILD THE NECESSARY FACILITIES, AND THAT FEW LOCATIONS EXISTED WHERE SUCH FACILITIES WOULD BE COMPATIBLE WITH EXISTING USES.

HE SAID THE CONCLUSION WAS THAT THE SITES ALREADY PLANNED AND DESIGNATED FOR USE AS SEWAGE TREATMENT FACILITIES AT STONECUTTERS ISLAND AND KWUN TONG WERE THE ONLY AREAS BOTH SUITABLE AND AVAILABLE FOR THE CONSTRUCTION OF EXTENSIVE SEWAGE TREATMENT FACILITIES.

AND THAT A CAVERN BENEATH MOUNT DAVIS COULD BE CONSTRUCTED TO HOUSE WORKS INCORPORATING PRIMARY AND PHYSICO-CHEMICAL TREATMENT.

"THE OVERALL CONCLUSION WAS THAT THE REQUIRED ENVIRONMENTAL STANDARDS COULD MOST RELIABLY AND MOST ECONOMICALLY BE ACHIEVED BY COMBINING A DEGREE OF LAND-BASED SEWAGE TREATMENT WITH THE NATURAL SELF-PURIFYING ABILITIES OF THE OCEAN," MR EASON SAID.

HE SAID THE INCORPORATION OF PHYSICO-CHEMICAL TREATMENT PROVIDED AN ADDITIONAL SAFEGUARD UNDER THE SELECTED OPTION TO ENSURE THE REMOVAL OF TOXIC MATERIAL FROM THE SEWAGE AT MINIMAL ADDITIONAL CAPITAL COST.

IN CONCLUDING THAT THE OCEANIC DISPOSAL OPTION WAS THE PREFERRED CHOICE, MR EASON SAID OTHER FACTORS BESIDES ECONOMICS WERE CONSIDERED, INCLUDING THE AVAILABILITY OF LAND AND THE TOWN PLANNING CONSTRAINTS ON BUILDING A NUMBER OF VERY LARGE SECONDARY TREATMENT WORKS IN DENSELY POPULATED URBAN DISTRICTS AROUND THE HARBOUR.

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AMENDED MOTION ON INDUSTRIAL POLICY PASSED

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AN AMENDED MOTION PROPOSED BY THE HON ALLEN LEE ON INDUSTRIAL POLICY WAS PASSED AFTER ALMOST TWO HOURS OF DEBATE IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY).

ELEVEN MEMBERS SPOKE IN THE DEBATE. THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, REPLIED FOR THE GOVERNMENT.

THE ORIGINAL MOTION MOVED BY THE HON HENRY TANG WAS DEFEATED.

ANOTHER MOTION ON LAND SUPPLY FOR PRIVATE AND PUBLIC HOUSING WAS ALSO PASSED AFTER ONE AND A HALF HOURS OF DEBATE.

THIRTEEN MEMBERS SPOKE IN THE DEBATE. THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SPOKE ON BEHALF OF THE GOVERNMENT.

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THE COUNCIL ALSO PASSED A MOTION MOVED BY THE SECRETARY FOR TRANSPORT, MR K Y YEUNG, UNDER THE ROAD TRAFFIC ORDINANCE.

ANOTHER MOTION MOVED BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, UNDER THE BETTING DUTY ORDINANCE WAS ALSO PASSED.

TWO BILLS, BUILDINGS (AMENDMENT) (NO. 2) BILL 1993 AND LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1993, WERE ALSO PASSED WITHOUT AMENDMENTS.

THE LAYOUT-DESIGN (TOPOGRAPHY) OF INTEGRATED CIRCUITS BILL WAS INTRODUCED FOR FIRST AND SECOND READINGS. DEBATE ON IT WAS ADJOURNED.

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