



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL: 5-233191

THURSDAY, MARCH 24, 1983

CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

PUBLIC SHOULD KNOW ECONOMIC FACTS OF LIFE -- LOBO	1
MANPOWER TRAINING POLICY SUPPORTED	2
TIGHTER EXPENDITURE CONTROL CALLED FOR	5
TIMING OF RATEABLE VALUE REVIEW QUESTIONED	7
GOVERNMENT SHOULD TRACE INCOME OF HK-REGISTERED COMPANIES	9
UNOFFICIAL HELP IN SETTING PRIORITIES PROPOSED	10
IDEA OF MAN-MADE ISLAND FOR AIRPORT RAISED	12
MORE FREQUENT REVIEW OF CHARGES NEEDED - DR IP	14
GOVERNMENT TOLD TO SCRAP FLATTED FACTORY PROGRAMME	15
STUDY OF DEPOSIT INSURANCE SCHEME URGED	17
GOVERNMENT URGED TO LEAD IN FIGHTING INFLATION	18
BUDGET DEBATE ADJOURNED TILL APRIL 13-14	20
1983 CIVIL SERVICE PAY AWARD	20
STANDING COMMISSION'S REPORT NO 9	21
DOMESTIC MERCHANDISE EXPORT STATISTICS FOR 1982	22
CONSULTANCY ON MONITORING OF POWER COMPANIES	25
WORRIES OVER FEE ASSISTANCE SCHEME GROUNDLESS	25
CENTRAL ALLOCATION OF PRIMARY ONE ADMISSION SYSTEM	26
NEW TEMPLE ON TSING YI OPENS	27
HEART HEALTH EXHIBITION IN YUEN LONG	28
SOUTHERN DB MEMBERS TO VISIT ENVIRONMENTAL BLACKSPOTS	28
CLEARANCE OF ILLEGAL STRUCTURES IN SHAM SHUI PO	29
AMERICAN COMEDY FOR SHA TIN RESIDENTS	30
TENDERS INVITED FOR TENANCY OF CROWN LAND	30
EASTER HOLIDAYS POSTAL ARRANGEMENTS	31
WATER CUT IN EASTERN DISTRICT	31

PUBLIC SHOULD KNOW ECONOMIC FACTS OF LIFE -- LOBO

THERE WAS NEVER A TIME SO IMPORTANT FOR PEOPLE TO APPRECIATE THE FACTS OF HONG KONG LIFE, IN PARTICULAR THE ECONOMIC FACTS OF HONG KONG LIFE, THE SENIOR UNOFFICIAL MEMBER OF THE LEGISLATIVE COUNCIL, THE HON ROGER LOBO, SAID TODAY.

HE SAID HE AGREED WITH THE FINANCIAL SECRETARY THAT +WE ARE NOT A RICH COMMUNITY; WE GET NO SUBSIDIES AND WE CAN ONLY HAVE WHAT WE CAN PAY FOR: NO FREE LUNCHES AND NO PASSENGERS.

+THESE ARE THE FACTS OF LIFE TO WHICH ALL OUR ECONOMIC AND SOCIAL AMBITIONS MUST BE RELATED AND GREATER EFFORTS MUST BE MADE TO HAVE THEM UNDERSTOOD.+

AS IT IS, MR LOBO NOTED, PUBLIC CONFIDENCE IS CONFUSED BY RUMOUR, BY THE VAGARIES OF THE YO-YO STOCK MARKET, AND THE ANTICS OF SPECULATORS.

IT IS HARD FOR ORDINARY PEOPLE TO KNOW WHAT MATTERS AND WHAT IS IRRELEVANT, HE SAID.

HE STRESSED THAT IT IS THE DUTY OF THE GOVERNMENT AND ALL PEOPLE OF INFLUENCE TO PROVIDE THE PUBLIC WITH CLEAR GUIDANCE.

BUT HE SAID: +IT IS A SHAME THAT IN HIS BUDGET ADDRESS THE FINANCIAL SECRETARY SHOULD HAVE HAD TO DEVOTE SO MUCH ATTENTION TO THE REGULATION OF ACTIVITIES WHICH CONTRIBUTE LITTLE TO HONG KONG'S ECONOMIC HEALTH.

+TO ME THE MOST IMPORTANT THING HE HAD TO SAY WAS RELEGATED TO A FOOT NOTE WHICH MANY MAY HAVE MISSED ALTOGETHER.+

MR LOBO QUOTED THE FINANCIAL SECRETARY AS HAVING REITERATED HIS COMMITMENT TO PRONOUNCED AND GROWING GOVERNMENT SUPPORT FOR THE BASIC INFRASTRUCTURE NEEDED TO SUPPORT THE CHANGING ECONOMY. AND IN A FOOTNOTE, MR BREMIDGE HAD CITED FOR EXAMPLE, VOCATIONAL, TECHNICAL AND TERTIARY EDUCATION; AN INTELLIGENT APPROACH TO RESEARCH FUNDS; INDUSTRIAL INVESTMENT PROMOTION AND TRAINING SCHEME, MR LOBO SAID.

+OTHER EXAMPLES WERE GOVERNMENT INSTITUTIONS DESIGNED TO FACILITATE DIVERSIFICATION; ALL THE SUPPORT THAT THE GOVERNMENT CAN GIVE IN TRADE RELATIONS AND TRADE FACILITATION; TRANSPORT INCLUDING ROAD, RAIL, AIRPORT AND HARBOUR; LAND FORMATION; TELECOMMUNICATION; PRODUCTION OF PUBLIC HOUSING; OVERSIGHT OF MARKETS; AND NOT LEAST PROMOTION OF WISE MONETARY POLICIES.+

MR LOBO SAID: +THESE ARE COMMITMENTS OF VALUE, AND THE IMPORTANCE OF THIS BUDGET IS THE ASSURANCE IT PROVIDES THAT IN SPITE OF HARD TIMES, OUR PRINCIPAL PUBLIC PROGRAMMES ARE BEING MAINTAINED AND IN SOME CASES INCREASED.+

+I WAS ALSO PLEASED TO HEAR THE FINANCIAL SECRETARY SAY, 'THE GOVERNMENT WILL CARRY ON CALMLY AND STEADILY WITH ITS LONG-TERM POLICIES, AND WE WILL REMAIN ALWAYS SYMPATHETIC TO THE REASONABLE REQUIREMENTS OF THE DISADVANTAGED AND THE POOR'.+

REFERRING TO THE WORK DONE BY UNOFFICIALS IN EXAMINING THE DRAFT ESTIMATES OF EXPENDITURE, MR LOBO SAID THEY FORMED FOUR GROUPS TO LOOK INTO DIFFERENT AREAS - LAW AND ORDER, ECONOMIC AND COMMUNITY SERVICES, SOCIAL SERVICES AND GENERAL SERVICES.

AFTER A SERIES OF MEETINGS AT WHICH EACH AND EVERY ONE OF THE 71 HEADS OF EXPENDITURE WAS CRITICALLY EXAMINED, MEMBERS FORMALLY RAISED A TOTAL OF SOME 366 POINTS OF QUERY.

HE SAID THESE POINTS WERE EITHER ANSWERED IN WRITING OR CLARIFIED BY THE CONTROLLING OFFICERS CONCERNED AT THE FOUR SPECIAL FINANCE COMMITTEE MEETINGS WHICH WERE CONVENED FOR THIS PURPOSE.

AND A TOTAL OF 25 CONTROLLING OFFICERS APPEARED BEFORE THE COMMITTEE AND WERE QUESTIONED CLOSELY BY MEMBERS.

HE SAID THAT WHILE THE PROMPT AND FULL REPLIES PROVIDED BY THE ADMINISTRATION WERE FULLY APPRECIATED, THERE INEVITABLY WERE +A NUMBER OF POINTS WHERE MEMBERS REMAINED UNEASY.+

+MANY OF THESE HAVE BEEN COVERED IN THE OBSERVATIONS OF MY COLLEAGUES ON THE BUDGET AND WE WILL CONTINUE TO MAINTAIN A CLOSE WATCH OVER EXPENDITURE TO ENSURE THAT THE GOVERNMENT GETS FULL VALUE FOR EVERY DOLLAR OF PUBLIC MONEY IT SPENDS,+ HE SAID.

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MANPOWER TRAINING POLICY SUPPORTED

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IT WAS VITAL THAT EDUCATION AND MANPOWER TRAINING ACTIVITIES WERE EFFECTIVELY CO-ORDINATED AND INTEGRATED TO ACHIEVE INCREASED PRODUCTIVITY FOR TRADE AND INDUSTRY, THE HON WONG PO-YAN SAID TODAY.

+IN THIS WAY, WE CAN IMPROVE ON IMPORTED TECHNOLOGY WHILE MAKING OPTIMUM USE OF OUR OWN RESOURCES,+ HE SAID IN THE LEGISLATIVE COUNCIL.

MR WONG COMMENDED THE GOVERNMENT FOR HAVING UNDERTAKEN TO IMPROVE MANPOWER TRAINING BY PROVIDING, AMONG OTHER THINGS, VOCATIONAL, TECHNICAL AND TERTIARY EDUCATION, AN INTELLIGENT APPROACH TO RESEARCH FUNDS AND INDUSTRIAL INVESTMENT PROMOTION AND TRAINING SCHEMES.

HE NOTED THAT \$5.7 BILLION HAD BEEN INCLUDED IN 1983-84 FOR EDUCATION, INCLUDING \$1.3 BILLION ON THE TWO UNIVERSITIES, THE BAPTIST COLLEGE AND THE POLYTECHNIC.

+THUS, ON THE ONE HAND, THE VOCATIONAL TRAINING COUNCIL, ESTABLISHED IN FEBRUARY 1982, AIMS TO DOUBLE THE CAPACITY OF THE TECHNICAL INSTITUTES BY THE END OF THE DECADE AND TO DEVISE A COMPREHENSIVE SYSTEM OF TECHNICAL EDUCATION AND INDUSTRIAL TRAINING TO MEET THE NEEDS OF INDUSTRY AND COMMERCE .

+ON THE OTHER HAND, THE TECHNICAL EDUCATION AND INDUSTRIAL TRAINING DEPARTMENT WAS SET UP IN APRIL, 1982 TO ASSIST THE VOCATIONAL TRAINING COUNCIL IN THE IMPLEMENTATION OF ITS POLICY.

+MEANWHILE, THE PLANNING COMMITTEE FOR THE SECOND POLYTECHNIC WAS ESTABLISHED IN JUNE, 1982, AND THE RESPONSIBILITIES FOR THE FORMULATION OF EDUCATION AND MANPOWER DEVELOPMENT POLICIES WERE MERGED IN FEBRUARY, THIS YEAR,+ MR WONG SAID.

HE SAID THAT THE FULL IMPACT OF ALL THESE ORGANISATIONS WERE YET TO BE FELT AND THEIR EFFECTIVENESS TO BE GAUGED.

MR WONG STRESSED THE NEED TO ENSURE A CONSTRUCTIVE AND PARTICIPATIVE DIALOGUE BETWEEN THE INDUSTRIES AND THE INSTITUTIONS IN COURSE DESIGN AND TO ACHIEVE A PROPER BALANCE BETWEEN THESE ENTITIES.

+THE NEED TO ALLOCATE SENSIBLY RESOURCES AMONG THESE MANY SECTIONS AND DEPARTMENTS CAN THUS NEVER BE OVER EMPHASISED.

+MOREOVER, STAFF MEMBERS OF THESE INSTITUTIONS SHOULD BE ENCOURAGED AND GIVEN THE NECESSARY SUPPORT TO ENABLE THEM TO ANTICIPATE AND RESPOND TO THE NEEDS OF TRADE AND INDUSTRY AND TO INITIATE RESEARCH PROGRAMMES BASED ON LOCAL CONDITIONS AND PARTICULARITIES,+ HE SAID.

MR WONG WAS SADDENED THAT THE GROWTH RATE OF LABOUR PRODUCTIVITY SHOULD HAVE DECLINED FROM 9 PER CENT IN 1977 TO 2 - 3 PER CENT IN 1980, WITH A SLIGHT IMPROVEMENT TO 3.5 PER CENT IN 1981, BUT ONLY TO DECLINE TO A DISAPPOINTING 2 PER CENT IN 1982.

PRODUCTIVITY RELATES DIRECTLY TO THE PLANT AND MACHINERY USED, THE TIME DEVOTED TO PRODUCTIVE WORK AND THE SKILLS OF THE WORKERS.

+LAST YEAR, I SPOKE OF THE INCREASED DEPRECIATION ALLOWANCE FOR NEW CAPITAL EQUIPMENT AND PLANT AND INDUSTRIAL BUILDINGS AS BUT SMALL STEPS IN THE RIGHT DIRECTION.

+IT TURNED OUT THAT PRIVATE EXPENDITURE ON PLANT AND MACHINERY, IN FACT, REGISTERED A DECREASE OF 6 PER CENT IN 1982-83. GRANTED THAT IT COULD BE ARGUED THAT WITHOUT THESE CONCESSIONS, THE ACTUAL PERCENTAGE COULD HAVE BEEN EVEN MORE DISCOURAGING,+ HE SAID.

MR WONG QUERIED THE EFFECTIVENESS OF THE PROPOSED EXEMPTION OF PATENT RIGHTS PAYMENTS FROM PROFITS TAX ASSESSMENTS IN UPGRADING EXISTING TECHNOLOGY.

+WHILE IT IS CERTAINLY TRUE THAT SUCH MEASURES WOULD PROVIDE THE INCENTIVE AND ENCOURAGEMENT FOR TECHNOLOGICAL PROGRESS, THEY ARE UNLIKELY TO BE OF ANY PRACTICAL INDUCEMENT TO THE SMALL AND MEDIUM SIZED INDUSTRIAL UNDERTAKINGS WHICH MUST HAVE ACCOUNTED FOR A SIGNIFICANT PROPORTION OF OUR MANUFACTURING SECTOR.

+THIS IS BECAUSE THESE 'SMALL MEN' HAVE LITTLE OR NO CAPACITY, NOR RESOURCES, FOR PRODUCT RESEARCH AND DEVELOPMENT,+ HE SAID.

- 4 -

HE CONSIDERED THAT IT WOULD BE OF MORE DIRECT RELEVANCE TO UPGRADE THE SKILL AND EFFICIENCY OF THE WORKERS.

MR WONG POINTED OUT THAT THE INITIATIVE OF VARIOUS FINANCIAL INSTITUTIONS IN PROVIDING SPECIAL CREDIT LINE/FACILITIES FOR SMALL AND MEDIUM SIZED INDUSTRIAL UNDERTAKINGS WOULD PRESENT AN OPPORTUNITY FOR THEM +TO RECOUP, CONSOLIDATE AND ADJUST TO MEET FUTURE CHALLENGES+.

TURNING TO PUBLIC SECTOR EXPENDITURE FOR THE COMING YEAR, MR WONG NOTED THAT CAPITAL EXPENDITURE WAS ENVISAGED AT \$15.8 BILLION OR 37 PER CENT OF TOTAL PUBLIC SECTOR EXPENDITURE. THE ESTIMATED EXPENDITURE FROM THE CAPITAL WORKS RESERVE FUND ON THE PUBLIC WORKS PROGRAMME IN 1983-84 IS \$7.6 BILLION, AN INCREASE OF \$355 MILLION OR 5 PER CENT OVER THE REVISED ESTIMATE FOR 1982-83.

HE WAS GLAD THAT PRIORITY HAD BEEN ACCORDED TO LAND PRODUCTION, TRANSPORT AND HOUSING PROJECTS. +I AM PARTICULARLY HEARTENED BY GOVERNMENT'S DETERMINATION IN KEEPING THE MOMENTUM FOR THE CONSTRUCTION OF PUBLIC HOUSING PROJECTS.

+FOR THE COMING YEAR, \$3.7 BILLION WILL BE SPENT ON THE ACTUAL CONSTRUCTION OF HOUSING, WHILE FOR THE COMING FOUR YEARS, A TOTAL OF 164 228 FLATS, AN AVERAGE OF 41 000 FLATS A YEAR WILL BE COMPLETED UNDER THE VARIOUS PUBLIC HOUSING PROGRAMMES AND SCHEMES,+ HE SAID.

HOWEVER, HE WAS DISAPPOINTED THAT NO ANNOUNCEMENT HAD YET BEEN MADE ON THE LONG AWAITED EXHIBITION CENTRE BECAUSE +THE PROPOSED PROJECT HAS AN IMPORTANT PART TO PLAY IN THE PROMOTION OF HONG KONG AS A TRADE CENTRE+.

ON RECURRENT EXPENDITURE, HE NOTED THAT THE TOTAL FOR THE COMING FINANCIAL YEAR IS ESTIMATED AT \$23.8 BILLION, AN INCREASE OF \$3 BILLION IN MONEY TERMS OR AN INCREASE OF 14.5 PER CENT ON THE REVISED ESTIMATES FOR 1982-83.

THE APPROVED ESTABLISHMENT OF CIVIL SERVICE POSTS SHOWN IN THE DRAFT ESTIMATES IS 144 503, EXCLUSIVE OF 29 160 POSTS IN THE URBAN SERVICES AND HOUSING DEPARTMENTS AND THE GOVERNMENT HAS MADE 'CONSCIOUS EFFORT DURING THE YEAR TO RESTRAIN THE GROWTH OF THE CIVIL SERVICE ESTABLISHMENT', THAT 6 665 NEW POSTS WERE CREATED DURING 1982-83 OUT OF A PROVISION FOR 16 500.

+HOWEVER, ALTHOUGH 'THIS CONSTRAINT WILL CONTINUE IN 1983-84', WE CAN EXPECT A FURTHER INCREASE OF 6 700 POSTS IN 1983-84.

+I ACCEPT THAT EXPANSION OF GOVERNMENT ACTIVITIES AND PROJECTS NECESSITATES A PROPORTIONATE INCREASE IN STAFF MANPOWER, BUT I DO NOT THINK ANYONE IN THIS CHAMBER TODAY WOULD DISPUTE THAT THE CIVIL SERVICE COULD BE IMPROVED IN TERMS OF EFFICIENCY AND PRODUCTIVITY. FURTHER, IMPROVEMENTS IN THESE AREAS COULD LEAD TO STAFF SAVINGS.

+IN EXCEPTIONALLY BAD TIMES WHEN GOVERNMENT IS COMPELLED TO TRIM ITS EXPENDITURE, IT SHOULD LOGICALLY EXAMINE AREAS OF POSSIBLE SAVINGS; AND SHOULD THE SITUATION JUSTIFY IT, THE SIZE OF THE CIVIL SERVICE SHOULD NOT ONLY BE CONTAINED, BUT FROZEN,+ HE SAID.

ON STAFF MANAGEMENT, MR WONG CALLED FOR MORE POSITIVE MEASURES TO BE ADOPTED. +I AM PLEASED TO NOTE, THEREFORE, THAT THE FINANCE BRANCH AND CIVIL SERVICE BRANCH HAVE DECIDED TO ESTABLISH A JOINT CO-ORDINATION MACHINERY TO OVERSEE THOSE ASPECTS OF PRODUCTIVITY WHICH PARTICULARLY AFFECT THE MANAGEMENT OF THE CIVIL SERVICE AND THAT A WORKSHOP TITLED ' CONFERENCE ON STAFF MANAGEMENT IN THE CIVIL SERVICE ' WAS HELD IN FEBRUARY THIS YEAR TO MOTIVATE SUBORDINATES AND TO SOLVE REAL PROBLEMS AND INCREASE PRODUCTIVITY.

+THESE ARE INDEED INDICATIONS TO BE WELCOMED AND I SHOULD LIKE TO SEE MORE CONSISTENT AND PERSISTENT EFFORTS IN THIS DIRECTION,+ MR WONG SAID.

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TIGHTER EXPENDITURE CONTROL CALLED FOR
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TO ENSURE THAT ALL PROPOSED EXPENDITURE IS UNAVOIDABLE, A TIGHTER DISCIPLINE NEEDS TO BE INSTILLED INTO OFFICERS TO MAKE REALISTIC SPENDING FORECASTS, THE HON STEPHEN CHEONG SAID IN THE LEGISLATIVE COUNCIL TODAY.

SPEAKING AT THE RESUMED DEBATE AT THE LEGISLATIVE COUNCIL, MR CHEONG EXPRESSED AGREEMENT WITH THE FINANCIAL SECRETARY THAT IN VIEW OF ITS EXTERNALLY ORIENTED ECONOMY, HONG KONG COULD NOT BE MASTER OF ITS ECONOMIC FATE.

+BUT IN THE AREA OF EXPENDITURE CONTROL, WE ARE MASTERS OF, AND ENTIRELY RESPONSIBLE FOR, OUR DESTINY.

+IF WE DO NOT CONSCIOUSLY AND CONTINUALLY SEEK TO EXERCISE ADEQUATE CONTROL OVER EXPENDITURE THE PUBLIC SECTOR WOULD TEND TO CROWD OUT THE PRIVATE SECTOR IN THEIR COMPETITION FOR RESOURCES, WITH ALL THAT WHICH ENTAILS FOR THE RECOVERY AND THE LONG-TERM HEALTH OF THE ECONOMY,+ MR CHEONG SAID.

HE SAID THAT HIS POINTS ABOUT CONTROLLING OFFICERS WITH REGARD TO EXPENDITURE OF GOVERNMENT DEPARTMENTS ALSO APPLIED TO THOSE RESPONSIBLE FOR SUBVENTED ORGANISATIONS.

THE SUBVENTED SECTOR HAD BECOME SO LARGE THAT IT HAD VIRTUALLY BECOME AN EXTENSION OF THE GOVERNMENT IN THE PROVISION OF SOCIAL SERVICES UNDER WELL ESTABLISHED PROGRAMMES, MR CHEONG NOTED.

BUT SUBVENTED AGENCIES DID NOT COME UNDER THE SAME DEGREE OR EVEN THE SAME KIND OF CONTROL WHICH A CONTROLLING OFFICER COULD EXERCISE OVER HIS STAFF, HE SAID.

+I BELIEVE, THEREFORE, THAT THE TIME HAS COME TO REVIEW THE BASIC CONCEPT OF SUBVENTION, THE RULES GOVERNING THE ADMINISTRATION OF SUBVENTIONS, AND THE ADEQUACY OR OTHERWISE OF THE MEANS NOW AVAILABLE TO CONTROLLING OFFICERS TO ENSURE THAT SUBVENTED AGENCIES SUBJECT THEMSELVES TO A SIMILAR DEGREE OF FINANCIAL DISCIPLINE,+ MR CHEONG SAID.

TURNING TO THE GROWTH RATE OF OVERALL EXPENDITURE, MR CHEONG NOTED THAT THE ALLOWANCE OF 10 PER CENT IN MONEY TERMS FOR 1983-84 IMPLIED CONSIDERABLE SLOWDOWN OVER PREVIOUS YEARS' FIGURES.

BUT, HE ADDED, AN EXAMINATION OF THE FINANCIAL SECRETARY'S BUDGET SPEECH SUGGESTS THAT THE DEGREE OF BELT TIGHTENING INVOLVED IS PERHAPS +NOT AS ADEQUATE AS PRESENT AND FORESEEABLE CIRCUMSTANCES JUSTIFY.+

HE NOTED THAT ON RECURRENT ACCOUNT, A GROWTH RATE OF 14 PER CENT IN MONEY TERMS ON THE 1982-83 REVISED ESTIMATES IS ARGUABLY STILL TOO HIGH.

WHILE RECOGNISING THE DIFFICULTIES INVOLVED IN TRYING TO SLOW DOWN THE GROWTH RATE OF EXPENDITURE, MR CHEONG SAID A 14 PER CENT GROWTH RATE IS CLEARLY NOT AS EFFECTIVE AS THE SMALL GROWTH RATE OF 4.4 PER CENT FOR CAPITAL ACCOUNT EXPENDITURE.

+AFTER ALL,+ HE ADDED, +IT IS RECURRENT AND NOT CAPITAL ACCOUNT EXPENDITURE THAT REPRESENTS ON-GOING COMMITMENTS,+ HE SAID. +THE FACT THAT IT IS CAPITAL, OR NON-SALARY RELATED, EXPENDITURE THAT HAS BEEN SALVAGED RAISES THE IMPORTANT QUESTION OF THE NEED FOR MORE EFFECTIVE CONTROL OF RECURRENT EXPENDITURE.

EARLIER, MR CHEONG COMMENDED THE FINANCIAL SECRETARY FOR HIS OVERALL BUDGETARY APPROACH WHICH, HE SAID, IS ADMIRABLY SUITED TO HONG KONG'S PRESENT AND IMMEDIATELY FORESEEABLE CIRCUMSTANCES+.

IT IS SUITED TO HONG KONG'S PRESENT CIRCUMSTANCES BECAUSE IT HAS TO FACE THE FACT THAT LOOMING DEFICIT HAS TO BE FINANCED, HE SAID.

+THERE MAY WELL HAVE BEEN EQUALLY FORCEFUL ARGUMENTS FOR OR AGAINST EITHER METHODS OF RAISING REVENUE - THAT IS, THROUGH INCREASES IN DIRECT OR INDIRECT TAXATION - BUT ON MACRO ECONOMIC GROUNDS ESPECIALLY IN THE CONTEXT OF OUR EXTERNALLY ORIENTED ECONOMY AND THE FACT THAT WE ARE STILL IN A WORLD RECESSIONARY ATMOSPHERE, THE CHOICE OF RAISING INDIRECT TAXATION WOULD DEFINITELY HAVE LESS DAMAGING EFFECTS ON OUR ABILITY TO RECOVER.+

THE BUDGETARY APPROACH IS ALSO SUITED TO OUR IMMEDIATELY FORESEEABLE CIRCUMSTANCES +BECAUSE, GIVEN THE CURRENT INSTABILITY OF THE WORLD FINANCIAL SYSTEM PRECIPITATED BY HUGE TROUBLE THIRD WORLD LOANS, THE FINANCIAL SECRETARY HAS PRUDENTLY PLANNED AHEAD TO POSITION OURSELVES FAVOURABLY IF AND WHEN WE HAVE TO RESORT TO BORROWINGS IN FUTURE+.

+CAN ANYONE OF US IN HONG KONG SERIOUSLY DISPUTE THESE WORDS OF PRAGMATIC WISDOM WHEN HE SAID, 'IT IS ONE THING TO BORROW WHEN YOU STILL HAVE MONEY IN THE BANK AND IT IS ANOTHER WHEN YOU DO NOT'?+ HE ASKED.

TIMING OF RATEABLE VALUE REVIEW QUESTIONED
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THE TIMING FOR THE REVIEW OF RATEABLE VALUES IN THE NEW TERRITORIES WAS QUESTIONED TODAY IN THE LEGISLATIVE COUNCIL BY AN UNOFFICIAL MEMBER, THE HONG BENTON CHEUNG.

+IT IS STATUTORY THAT THE OCCUPANT AND NOT THE OWNER MUST PAY THE RATES.

+AS IT IS, THE GENERAL RATE PERCENTAGE FOR THE NEW TERRITORIES WILL BE INCREASED BY 2-1/2 PER CENT, FROM 11 PER CENT TO 13-1/2 PER CENT, WITH EFFECT FROM APRIL 1, THIS YEAR.

+ON TOP OF WHICH RENT MAY SOON BE FURTHER DECONTROLLED, THUS REDUCING AND EVENTUALLY REMOVING THAT LITTLE PROTECTION THERE IS FOR 'TENANTS'.

+IN ADDITION, RATES ARE TO BE CALCULATED ON NEW RATEABLE VALUES AS FROM APRIL 1984,+ HE SAID.

MR CHEUNG POINTED OUT THAT MOST NEWLY-SETTLED NEW TERRITORIES RESIDENTS COMMUTE TO THE URBAN AREAS DAILY FOR WORK AND, DUE TO INADEQUATE PUBLIC TRANSPORTATION, MANY RESIDENTS DRIVE - AND THIS TOO IS NOW MORE EXPENSIVE.

+WHETHER THESE FACTORS WILL DISCOURAGE PEOPLE FROM SETTLING IN THE NEW TERRITORIES REMAINS TO BE SEEN, BUT THEY DO APPEAR TO RUN CONTRARY TO THE GOVERNMENT OBJECTIVE OF MOVING PEOPLE AWAY FROM URBAN CENTRES,+ HE SAID.

TURNING TO PUBLIC HOUSING, MR CHEUNG POINTED OUT THAT BY WORLD STANDARDS, HONG KONG HAD ACHIEVED WONDERS IN HOUSING MILLIONS OF PEOPLE. +WE HAVE BEEN GETTING THE JOB DONE FOR YEARS NOW, BUILDING AT LEAST 35 000 UNITS ANNUALLY.

+ABOUT 30 000 OF THESE UNITS FALL INTO THE CATEGORY OF LOW COST PUBLIC HOUSING, THE REMAINDER BEING HOME OWNERSHIP SCHEME FLATS,+ HE SAID.

HOWEVER, MR CHEUNG CALLED FOR A COMPLETE RE-EVALUATION OF THE HOUSING PRIORITIES WITH +THE PROVISION OF MORE HOME OWNERSHIP OPPORTUNITY FOR MORE PEOPLE AND LESS EMPHASIS ON LOW COST RENTAL UNITS.+

+IN HONG KONG, WHERE MANY ARE TRANSIENT, I BELIEVE IT IS VITAL TO FOSTER A SENSE OF BELONGING. TO OWN A HOME, HOWEVER HUMBLE, IS TO BELONG SOMEWHERE. IT IS A SOURCE OF ACHIEVEMENT, OF PRIDE, AND MOST IMPORTANT, A SOURCE OF SECURITY AND COMMITMENT.

+TO THE BEST OF OUR ABILITIES, WE MUST TRY TO ENSURE THAT NO ONE WHO CONTRIBUTES TO THE PROSPERITY OF HONG KONG IS DENIED THE RIGHT, NOT THE PRIVILEGE BUT THE RIGHT, OF OWNING A HOME.

+I REFER IN PARTICULAR TO THAT SECTOR OF THE POPULATION SO WELL DESCRIBED BY MY HON FRIEND, MR LOBO, AS THE 'SANDWICHED SOCIETY'. THESE ARE THE PEOPLE WHO ARE NEITHER RICH NOR POOR, BUT I VENTURE TO SAY, THEY ARE INDEED TAXED.

+FROM PERSONAL KNOWLEDGE, BEING NEW TERRITORIES BORN AND HAVING BEEN INVOLVED ON THE BOARD OF THE KOWLOON-CANTON RAILWAY CORPORATION, I WOULD SAY THERE IS NO SHORTAGE OF LAND IN THE NEW TERRITORIES, CONVENIENTLY CLOSE TO THE NEWLY-ELECTRIFIED RAILWAY, SUITABLE FOR BUILDING LOW-DENSITY, AFFORDABLE HOMES,+ HE SAID.

TO BE WITHIN THE REACH OF THE SANDWICHED SOCIETY, SUCH UNITS WOULD HAVE TO BE SOLD AT PRICES THEY CAN AFFORD AFTER THEY HAVE PAID INCOME TAX, RATES, UTILITIES, TRANSPORTATION COSTS, MEDICAL AND DENTAL BILLS, SCHOOL FEES, AND HOUSEHOLD AND LIVING EXPENSES.

IN THE AREA OF GOVERNMENT ACCOMMODATION, MR CHEUNG NOTED THAT THE DRAFT ESTIMATES ALLOCATE \$680 MILLION FOR OFFICE RENTS AND RATES. HE ASKED WHETHER THE GOVERNMENT HAD CONSIDERED BUYING BACK OFFICE BUILDINGS FROM THE PRIVATE SECTOR AT THIS STAGE OF +LOW+ PROPERTY MARKET.

ON THE SUBJECT OF REVENUE-RAISING ALTERNATIVES, HE SUGGESTED THAT CORPORATE PROFITS TAX SHOULD BE CHARGED ON CORPORATIONS WHOSE ANNUAL TURNOVER EXCEEDS A SET SUM.

+THE REVISED ESTIMATE FOR CORPORATE PROFITS TAX 1982-83, CALCULATED AT A RATE OF 16-1/2 PER CENT, COMES TO \$7.1 BILLION. AN ADDITIONAL ONE PER CENT WOULD YIELD ROUGHLY \$430 MILLION,+ HE SAID.

MR CHEUNG STRESSED THAT HONG KONG'S THIRD LARGEST SOURCE OF FOREIGN EXCHANGE WAS TOURISM - WHICH IS A +\$9 BILLION INDUSTRY+. +IS IT WISE THEN TO PENALISE OUR 2.6 MILLION VISITORS BY INCREASES IN HOTEL ACCOMMODATION TAX AND AIRPORT TAX?+

+THIS RAISES THE OVERALL COST OF THEIR STAY, FURTHER DECREASES THEIR SPENDING POWER AND REDUCES THE COMPETITIVE EDGE OF HONG KONG IN THE REGION,+ HE SAID.

HE POINTED OUT THAT THE INCREASED AIRPORT TAX WAS ALSO A BLOW TO OUTBOUND TRAVELLERS, ESPECIALLY THOSE ON ECONOMY TOURS, WHO MUST NOW PAY QUITE A BIT MORE IN TERMS OF PERCENTAGE. FURTHERMORE, IT DOES NOT SEEM REASONABLE THAT SHORT HAUL TRAVELLERS SHOULD HAVE TO PAY SUCH A LARGE PERCENTAGE INCREASE IN AIRPORT TAX.

HE SUGGESTED THAT RATHER THAN AN ACROSS-THE-BOARD INCREASE IN AIRPORT TAX, THE GOVERNMENT SHOULD CONSIDER A SLIDING SCALE OF INCREASES BASED ON THE VALUE OF THE AIRLINE TICKET.

+AS THE FORMER CHAIRMAN OF A LEADING AIRLINE AND OF THE HONG KONG TOURIST ASSOCIATION, MY HON FRIEND, THE FINANCIAL SECRETARY, IS NO DOUBT AWARE THAT THESE PARTICULAR TAX INCREASES MUST BE NEGATIVE FACTORS FOR THE TOURISM AND TRAVEL INDUSTRY,+ HE SAID.

REGARDING THE TIMING FOR THE INCREASED DUTY RATES ON MOTOR SPIRITS, MR CHEUNG ASKED: +MR BREMIDGE, ARE YOU PSYCHIC?+

THURSDAY, MARCH 24, 1983

- 9 -

GOVERNMENT SHOULD TRACE INCOME OF HK-REGISTERED COMPANIES
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THE HON MARIA TAM URGED THE GOVERNMENT TO TRACE THE INCOME OF COMPANIES REGISTERED IN HONG KONG AND OBTAIN PROPER CONTRIBUTIONS TO TAX REVENUE.

SHE SAID THAT THIS POSSIBILITY +SHOULD BE SERIOUSLY EXPLORED IN ORDER TO PROMOTE SOLVENCY, NOT SOFT-HEARTEDNESS.+

MISS TAM WAS COMMENTING ON THE FOOTNOTE TO A PARAGRAPH OF THE FINANCIAL SECRETARY'S SPEECH WHICH GIVES EXAMPLES WHERE SOME COMPANIES REGISTERED IN HONG KONG PAY LITTLE TAX.

THE FOOTNOTE STATES THAT AS A RESULT, +MANY PEOPLE WHO CARRY ON BUSINESS HAVE LITTLE OR NO OTHER CONTRIBUTION TO THE EXCHEQUER.+

IT MIGHT BE VIRTUALLY IMPOSSIBLE TO ASSESS THE TAX ON THE INCOME OF A HAWKER OR A FREE-LANCING ELECTRICIAN, SHORT OF SHIFTING THE BURDEN OF PROOF OF THEIR ACTUAL INCOME TO THESE INDIVIDUALS, SHE SAID.

SHE NOTED FROM THE FINANCIAL SECRETARY'S SPEECH THAT 270 000 PERSONS PAID SALARIES TAX IN HONG KONG AND FROM AN ARTICLE IN THE 1983 HONG KONG ANNUAL REPORT THAT THERE WERE ONLY ABOUT 218 000 PERSONS LIABLE TO SALARY TAX.

+BUT IT SEEMS CLEAR THAT THERE ARE PROBABLY A LOT OF INGENIOUS PEOPLE IN HONG KONG WHO MANAGE TO AVOID TAX AND BECOME TOTALLY INVISIBLE TO THE REVENUE DEPARTMENT,+ SHE SAID.

ON THE INCREASE IN FEES FOR VEHICLE LICENCES, MISS TAM SAID: +I AM UNCONVINCED THAT WE CAN REALLY DISTINGUISH THE REAL MOTIVE BEHIND THE INCREASES IN MAY 1982 AND MARCH 1983, AND I CANNOT SUPPORT THE FISCAL MEASURES NOW IMPOSED.

SHE EXPRESSED THE SAME VIEW ABOUT THE INCREASE IN THE DUTY ON HYDROCARBON OIL.

+IT IS DIFFICULT TO ACCEPT THAT THE FISCAL MEASURES NOW EFFECTED TO INCREASE THE DUTY RATES ON MOTOR SPIRIT FROM \$1.20 TO \$2 A LITRE AND ON DIESEL OIL FROM 35 CENTS TO \$1 A LITRE HAVE NO ULTERIOR PURPOSE AS A MEANS OF FURTHER RESTRAINING OWNERSHIP OF VEHICLES BY FISCAL MEASURES.

+WHILE THE MAY 1982 INCREASES REMAIN AN EFFECTIVE DETERRENT, I THINK IT IS FISCALLY INEQUITABLE TO IMPOSE FURTHER INCREASES AND I CANNOT SUPPORT SUCH MEASURES..

+THE INCREASE IN GOODS VEHICLE LICENCES AND DIESEL OIL DUTY WILL PROBABLY LEAD TO INCREASES IN FREIGHT TRANSPORTATION COSTS AND TAXI FARES,+ SHE SAID.

THE MIDDLE INCOME FAMILIES - THOSE WHO CANNOT ENJOY THE BENEFIT OF ANY PUBLIC OR HOME OWNERSHIP HOUSING SCHEME - WOULD HAVE TO GIVE UP THE IDEA OF OWNING A CAR OR CUT DOWN ON THEIR TAXI TRIPS IN ORDER TO SPEND THEIR SAVINGS ON HOME MORTGAGES, SHE SAID.

/ON SEPARATE

ON SEPARATE TAXATION FOR MARRIED WOMEN, MISS TAM SAID THAT THIS HAD ALWAYS BEEN DESCRIBED AS A +WOMEN'S ISSUE+.

+THIS IS, IN FACT, A NARROW INTERPRETATION OF THE LOGIC AND REASONS BEHIND THE REQUEST FOR REFORM IN THE INLAND REVENUE ORDINANCE CAP 112 SECTION 15B AND SECTION 10,+ SHE ADDED.

SHE SAID THERE WAS NO REASON TO DENY A MARRIED WOMAN THE RECOGNITION OF HER IDENTITY AS AN INDIVIDUAL AND OF HER CONTRIBUTION TO THE FAMILY OR SOCIAL ECONOMY BY +DEEMING HER TO BE THE SAME PERSON AS HER HUSBAND+ IN ANY LEGISLATION, ON TAXATION OR OTHERWISE.

MISS TAM SAID: +A BROADER VIEW OF THE SIGNIFICANCE OF SEPARATE TAXATION FOR MARRIED WOMEN IS THAT WHEN SHE CAN ELECT TO BE TAXED AS AN INDIVIDUAL, THE FAMILY OR THE HUSBAND CAN USUALLY GAIN A TAX SAVING ADVANTAGE WHICH BENEFITS THE WHOLE FAMILY.

+A SIMPLE EXAMPLE FOLLOWING THE UK PATTERN CAN ILLUSTRATE THIS, WHERE THE HUSBAND'S INCOME IS \$8 000 PER MONTH AND THE WIFE'S \$5 000 PER MONTH.

+THE DIFFERENCE TO THE FAMILY IS A SAVING OF \$4 150 IN TAXATION AND TO MANY CHINESE FAMILIES THIS IS THE STRONGEST ARGUMENT IN FAVOUR OF SEPARATE TAXATION.+

MISS TAM POINTED OUT THAT THE PROPOSALS IN THE BUDGET SPEECH WERE WELCOMED BY THE MANY EDUCATED AND WESTERNIZED CHINESE COUPLES IN THE COMMUNITY, ALTHOUGH SOME OF THEM HAD RESERVATIONS THAT THE MORE TRADITIONALLY-MINDED CHINESE FAMILIES WOULD NOT BOTHER TO PRESS FOR OR EVEN FAVOUR SEPARATE ASSESSMENT WITHOUT THE TAX SAVINGS.

+IN ORDER TO MOVE WITH THE TIMES AND GIVE CREDIT WHERE IT IS DUE THE AMENDMENTS TO BE PROPOSED TO THE INLAND REVENUE ORDINANCE ARE TIMELY AND THE REFORM IS WELCOMED,+ SHE SAID.

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UNOFFICIAL HELP IN SETTING PRIORITIES PROPOSED
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THE TIME WAS RIPE FOR MORE UNOFFICIAL PARTICIPATION IN THE SETTING OF PRIORITIES FOR GOVERNMENT PROJECTS, THE HON BILL BROWN SAID AT THE LEGISLATIVE COUNCIL THIS (THURSDAY) AFTERNOON.

HE WAS COMMENTING ON THE FINANCIAL SECRETARY'S REMARK (IN PRESENTING THE 1983-84 BUDGET) THAT +NOTHING WOULD BE LESS CALCULATED TO PROMOTE HONG KONG'S LONG-TERM GROWTH THAN OVERSPENDING OR WRONG PRIORITIES.+

REFERRING TO THE PUBLIC WORKS PROGRAMME, MR BROWN SAID ALSO THAT CONSIDERATION SHOULD BE GIVEN TO WHETHER THE PROJECT STEERING GROUP COULD BENEFIT FROM DIRECT INPUT FROM UNOFFICIAL MEMBERS.

THE GROUP HAD A MEMBERSHIP OF 10 SENIOR GOVERNMENT OFFICIALS UNDER THE CHAIRMANSHIP OF THE DEPUTY FINANCIAL SECRETARY, HE SAID.

HE NOTED THAT THE LEGISLATIVE COUNCIL CONTROLLED PROJECTS IN THE PUBLIC WORKS PROGRAMME IN THE SENSE THAT NO PROJECT COULD BE PLACED IN CATEGORY A -- AND THUS PROCEED TO TENDER AND CONSTRUCTION -- WITHOUT THE APPROVAL OF THE FINANCE COMMITTEE.

BEFORE THIS, HE EXPLAINED, CONTROL WAS EXERCISED THROUGH THE PUBLIC WORKS SUB-COMMITTEE IN RESPECT OF APPROVAL TO PLACE PROJECTS IN CATEGORY AB -- AND THUS ENABLED SITE INVESTIGATION, DETAILED DESIGN AND THE PREPARATION OF TENDER DOCUMENTS TO PROCEED.

HE POINTED OUT THAT UNLESS A PROJECT WAS PLACED IN CATEGORY C BY THE PUBLIC WORKS VETTING COMMITTEE, OR INTO CATEGORY B BY THE PUBLIC WORKS PRIORITY COMMITTEE, IT COULD NOT RECEIVE ANY FORMAL CONSIDERATION BY UNOFFICIAL MEMBERS BECAUSE BOTH THE VETTING COMMITTEE AND THE PRIORITIES COMMITTEE HAD ONLY OFFICIAL MEMBERSHIP.

+PROGRESS OF ALL PROJECTS THROUGH THE ENTIRE SYSTEM IS MONITORED BY THE PROJECT STEERING GROUP AND SOME UNOFFICIAL PARTICIPATION AT THIS LEVEL WOULD BE CONSISTENT WITH THE ROLE OF THE UNOFFICIALS AS PERCEIVED BY YOURSELF, SIR, IN YOUR ADDRESS TO THIS COUNCIL AT THE OPENING OF THE CURRENT SESSION.

+IT WOULD PERHAPS ALSO ASSIST THE FINANCIAL SECRETARY IN HIS EFFORTS 'TO DO HIS BEST' TO QUOTE HIM, PROBABLY UNFAIRLY, IN CONTEXT,+ MR BROWN SAID.

ON SUBVENTIONS TO THE PERFORMING ARTS, MR BROWN HIGHLIGHTED THE NEED TO ENSURE PUBLIC FUNDS WERE USED TO THE MAXIMUM EFFECT.

HE NOTED THAT THE BUDGET ESTIMATES INCLUDED A NUMBER OF SUBVENTIONS TO THE PERFORMING ARTS.

WITH THE FORMATION OF THE COUNCIL FOR THE PERFORMING ARTS, HE SAID, IT SEEMED ONLY LOGICAL THAT IT SHOULD BE GIVEN A ONE-LINE VOTE TO ADMINISTER IN A SIMILAR MANNER AS THE SOCIAL WELFARE ADVISORY COMMITTEE DOES FOR SOCIAL WELFARE SERVICES.

+A ONE-LINE VOTE WOULD ENABLE THOSE BEST QUALIFIED TO JUDGE TO DISTRIBUTE AVAILABLE FUNDS TO DESERVING PROJECTS, INCLUDING PERHAPS SOME LESS PROMINENT ART FORMS WHICH THE COUNCIL NONETHELESS CONSIDERS WORTHY OF ENCOURAGEMENT,+ HE SAID.

+IT WOULD ALSO INCIDENTALLY MAKE IT EASIER TO SUPPORT THE HONG KONG ARTS FESTIVAL, WHICH RECEIVES SUPPORT ON AN ANNUAL SUBVENTED BASIS, NOT WITHSTANDING THE FACT THAT LOGISTICS DEMAND IT PLANS ITS ACTIVITIES AND PRESENTATIONS ON A LONGER TERM BASIS.+

MR BROWN EARLIER POINTED OUT THAT HONG KONG'S SOCIO-ECONOMIC STRUCTURE HAD UNDERGONE SIGNIFICANT CHANGES IN RECENT YEARS.

HE FELT THAT IT WAS NO LONGER APPROPRIATE TO BASE BUDGETS ON +MAKING ENDS MEET WITH AS LITTLE TROUBLE AS POSSIBLE+.

MR BROWN SAID: +LIFE IS NOW MORE COMPLICATED AND IT IS NECESSARY TO TAKE INTO ACCOUNT LONG TERM TRENDS AND OUR BUDGETARY POLICIES MUST BE BASED ON PROPER PLANNING FOR OUR LONG-TERM FUTURE.+

HE ALSO STRESSED THAT THE DEMAND FOR MORE AND BETTER SERVICES IN KEEPING WITH A HIGHER LIVING STANDARD OVERALL, AND THE NEED TO SAFEGUARD THAT RISING STANDARD IN YEARS TO COME, MADE IT INEVITABLE THAT THE ROLE OF THE GOVERNMENT MUST INCREASE IN RELATIVE TERMS.

+THE SPRAWL OF URBANISED AREAS INTO THE NEW TERRITORIES WITH THE NECESSARY, COSTLY INFRASTRUCTURE OF TRANSPORT, LAND AND CIVIL ENGINEERING AND WATER IS ONLY ONE ELEMENT IN THIS EQUATION,+ MR BROWN ADDED.

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IDEA OF MAN-MADE ISLAND FOR AIRPORT RAISED
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THE HON K.C. CHAN SUGGESTED THAT THE IDEAL LOCATION FOR THE CONSTRUCTION OF A REPLACEMENT AIRPORT WOULD BE ON AN ISLAND MORE THAN TEN KILOMETRES EAST OF CAPE D'AGUILAR ON THE EAST OF HONG KONG ISLAND.

BUT HE WAS QUICK TO ADD THAT THIS WAS ONLY A DREAM AS NO ISLAND EXISTED ON THE TEN-FATHOM SEA THERE.

HOWEVER, HE POINTED OUT, THAT HE LEARNED FROM AN ARTICLE IN THE CHINESE PRESS OF JAPAN'S MAN-MADE ISLANDS OUTSIDE TOKYO, KOBE AND OSAKA.

THESE MAN-MADE ISLANDS SERVED VARIOUS PURPOSES, SUCH AS INTERNATIONAL AIRPORT, CONTAINER AND OCEAN TERMINALS, INDUSTRIAL ESTATES, RECREATION AREAS, AND FOR ANTI-POLLUTION REASONS, POWER STATIONS AND COAL STORAGE.

+IF IT IS TECHNICALLY POSSIBLE IN HONG KONG, WE SHOULD LOOK INTO THE POSSIBILITY OF WANGLING FROM THE SEA SUFFICIENT LAND, NOT ONLY FOR THE REPLACEMENT AIRPORT AND ASSOCIATED INDUSTRIES, BUT ALSO TO FORM A BANK OF FLAT LAND.

+DEPENDING ON HOW WE MAKE USE OF THIS SCARCE ITEM, IT MAY HELP TO MAKE THE NEW AIRPORT PROJECT VIABLE.+

HE PROPOSED +A CRASH PROGRAMME TO RECLAIM A THREE-KILOMETRE BAND OF LAND BOUNDED IN THE NORTH BY TAI TAU CHAU AND IN THE SOUTH BY KAU PEI CHAU ON THE EAST OF HONG KONG ISLAND+.

THE LAND WOULD EXTEND +STRAIGHT OUT TO THE EASTERN LIMITS OF THE TERRITORIAL WATERS, ABOUT 25 KILOMETRES, THUS CREATING A MAN-MADE PENINSULA OF FLAT LAND OF ABOUT 75 SQUARE KILOMETRES+.

+THE REPLACEMENT AIRPORT WILL BE AT ITS EASTERN TIP,+ MR CHAN SAID.

+IT SHOULD BE CIRCULAR IN SHAPE TO ALLOW UNRESTRICTED ORIENTATION OF THE THREE RUNWAYS OF ABOUT 5.6 KILOMETRES.+

MR CHAN SAID HE UNDERSTOOD THAT ABOUT 90 PER CENT OF SHIPS COMING TO HONG KONG USE THE EAST LAMMA CHANNEL, AND ONLY A SMALL PERCENTAGE PASS THROUGH LEI YUE MUN.

THE SUGGESTED RECLAMATION WOULD LEAVE A TEN-FATHOM SEA LANE AT TATHONG POINT WHICH IS WIDER THAN LEI YUE MUN, HE SAID.

IF THE CONDITIONS OF THE SEA PERMITTED AND THIS RECLAMATION WAS POSSIBLE, +IT WOULD BOOST BY 74 PER CENT OF THE 100.64 SQUARE KILOMETRES OF BUILT-UP AREA OF THE WHOLE OF HONG KONG, ACHIEVED OVER 140 YEARS,+ HE SAID.

+THIS INVESTMENT FOR THE FUTURE WOULD GO A LONG WAY TO MEETING THE REQUIREMENTS OF OUR INCREASE IN POPULATION AND INDUSTRIAL GROWTH IN THE NEXT CENTURY,+ HE ADDED.

MR CHAN DESCRIBED THE GOVERNMENT'S DECISION AGAINST BUILDING A REPLACEMENT AIRPORT AT CHEK LAP KOK AS A PRUDENT ONE.

HE FELT THAT DUE TO THE MOUNTAINOUS TERRAIN OF HONG KONG, EVEN THE CHOSEN SITE OF CHEK LAP KOK WAS FAR FROM PERFECT.

IT WAS RESTRICTED IN AIRSPACE, AND FLIGHT PATHS TO THE NORTH, EAST AND SOUTH WOULD ALSO CAUSE NOISE POLLUTION TO NEIGHBOURING AREAS, HE SAID.

HOWEVER, HE POINTED OUT THAT AFTER SPENDING YEARS AND \$185 MILLION OF CONSULTANCY FEES ETC. TO STUDY AND TO PLAN THE PROJECT, TO SHELVE IT WOULD BE TANTAMOUNT TO BUYING TWO TONNES OF GOLD AT TODAY'S PRICES AND BURY IT THERE.

+WE MUST TRY TO SALVAGE WHATEVER RESIDUAL VALUE FROM THIS EXPENSIVE REPORT WHICH MAY CONTAIN MANY GOOD POINTS,+ HE SAID.

THURSDAY, MARCH 24, 1983

- 14 -

MORE FREQUENT REVIEW OF CHARGES NEEDED - DR IP

AN UNOFFICIAL, DR THE HON HENRIETTA IP, TODAY URGED THE GOVERNMENT TO REVIEW ITS +UNREALISTIC SCALE OF CHARGES IMPOSED FOR MEDICAL SERVICES+ AND TO GO OVER THE COSTING FOR THESE SERVICES MORE FREQUENTLY.

+I AM IN NO WAY DETERRED BY TUESDAY'S LEAK AND YESTERDAY'S PRESS RELEASE TO THE EFFECT THAT NOMINAL INCREASES, WHICH ESCAPED THE FINANCIAL SECRETARY'S ATTENTION ONLY TWO WEEKS AGO, WILL COME INTO FORCE IN ONE WEEK'S TIME.

+MY ANXIETIES ARE NOT EASED BY AN EXTRA DOLLAR FOR A BANDAGE OR FIVE DOLLARS FOR THE PRICE OF A HOSPITAL BED.

+RATHER, I AM CONCERNED WITH THE EXTENT TO WHICH PRIVATE PATIENTS WITH PRIVATE RESOURCES ARE SUBSIDISED IN THEIR USE OF PUBLIC SERVICES BY FURTHER SUBSTANTIAL PUBLIC FUNDS.

+AND I AM EQUALLY CONCERNED AT AN APPARENT FAILURE TO UPDATE CHARGES EVEN WHEN RE-COSTING EXERCISES SHOW THEM TO BE SERIOUSLY INCORRECT,+ DR IP SAID IN THE LEGISLATIVE COUNCIL.

SHE STRESSED THAT IT WAS TIME TO CONSIDER HOW THE MEDICAL AND HEALTH DEPARTMENT COULD PARTLY FUND ITSELF, NOT BY ECONOMISING AT THE EXPENSE OF THE POOR BUT BY REALISTICALLY CHARGING THOSE ABLE TO PAY.

SHE NOTED THAT THE GOVERNMENT EXPECTED TO COLLECT ONLY \$55.4 MILLION IN FEES AND CHARGES FOR SERVICES PROVIDED BY THE DEPARTMENT DURING FISCAL 1983-84, A FIGURE THAT WOULD REPRESENT ONLY 3.1 PER CENT OF THE DEPARTMENT'S ESTIMATED EXPENDITURE, COMPARED WITH 6.3 PER CENT IN 1979.

+THESE POINTS PROMPTED ME TO MAKE AN ANALYSIS OF THE FEES AND CHARGES REVIEW SYSTEM OF THE MEDICAL AND HEALTH DEPARTMENT REVENUE REGISTER, BASED ON A COMPUTER PRINT-OUT DATED MARCH 15, 1983.

+THE ANALYSIS BRINGS TO LIGHT THAT 80 PER CENT OF THE FEES AND CHARGES WERE LAST REVIEWED BEFORE 1974, 14 PER CENT BETWEEN 1975 AND 1979 AND ONLY SIX PER CENT IN THE 1980'S,+ DR IP POINTED OUT.

SHE ADDED THAT GIVEN THE ANNUAL INCREASES IN THE CONSUMER PRICE INDEX, THERE WAS LITTLE WONDER ABOUT THE DRAMATIC FALL IN THE REVENUE-TO-EXPENDITURE RATIO.

SHE SAID THAT UNDERCHARGED SERVICES WERE WELL PATRONISED BY PATIENTS REFERRED BY PRIVATE PRACTITIONERS BECAUSE THESE SERVICES WERE EITHER EXCELLENT OR PROVIDED EXCLUSIVELY IN HONG KONG.

+A COSTING EXERCISE IN ITSELF IS TIME CONSUMING AND CANNOT BE DONE MORE THAN ONCE EVERY FEW YEARS. HOWEVER, ALL MUST SURELY AGREE THAT THE MORE UP-TO-DATE IS OUR COSTING, THE LESS WILL GOVERNMENT LOSE OUT FINANCIALLY.

/+THIS IS

+THIS IS PARTICULARLY TRUE FOR SERVICES IN WHICH PATIENTS CAN AFFORD TO PAY MORE THAN THE SO-CALLED FULL COST,+ DR IP SAID.

IN HER VIEW, THERE WAS NO EXCUSE FOR NOT REVIEWING CHARGES AFTER THE COSTING HAD BEEN DONE, EXCEPT WHERE THE GOVERNMENT'S POLICY WAS NOT TO CHARGE THE FULL COST.

+I HAVE FOUND 25 EXAMPLES IN WHICH THE FEES CHARGED TODAY ARE BASED ON 1972 COSTINGS DESPITE THE FACT THAT THE SERVICES WERE RECORDED AS RECENTLY AS 1981,+ SHE SAID.

SHE URGED THAT A COSTING SYSTEM, EASY TO REVIEW, PRACTICAL TO IMPLEMENT, AND FINANCIALLY REWARDING IN THE OUTCOME, BE WORKED OUT BETWEEN SENIOR AND JUNIOR DOCTORS, AND ADMINISTRATORS AND ECONOMISTS.

SHE ALSO ASKED WHETHER MORE BEDS IN OVERSUBSCRIBED PRIVATE WARDS IN GOVERNMENT HOSPITALS COULD HELP MAKE THE MEDICAL AND HEALTH SERVICE MORE COST EFFECTIVE SO THAT IT COULD IN TURN REDRESS ITS DEFICIENCIES IN SERVING THE POOR AND THE UNDERPRIVILEGED WITHOUT THE NEED TO INCREASE TAX.

TURNING TO SEPARATE TAXATION FOR MARRIED WOMEN, DR IP SAID THERE WAS A VITAL DIFFERENCE BETWEEN A FAMILY WHERE ONLY ONE MEMBER NEEDED TO WORK AND ANOTHER WHERE BOTH HUSBAND AND WIFE HAD TO WORK TO MAKE ENDS MEET.

+IN THE LATTER, WE HAVE TWO CONTRIBUTORY INDIVIDUALS TO SOCIETY'S WORK FORCE AND THE FAMILY'S POSSIBLE HUMAN RESOURCES ARE ALREADY MAXIMISED TO THE FULL, WITH NO FURTHER POTENTIAL TO OBTAIN OTHER CHANNELS FOR FINANCIAL REWARD,+ SHE POINTED OUT.

SHE FELT THAT A MARRIED WOMAN SHOULD BE GIVEN THE RIGHT TO ELECT FOR SEPARATE TAXATION.

+IF THE UNITED KINGDOM, THE UNITED STATES, CANADA, AUSTRALIA AND SWEDEN ALLOW MARRIED WOMEN SEPARATE TAXATION AS INDIVIDUALS, I CAN'T SEE HOW HONG KONG CAN ESCAPE IT EVENTUALLY,+ DR IP SAID.

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GOVERNMENT TOLD TO SCRAP FLATTED FACTORY PROGRAMME

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THE GOVERNMENT SHOULD STOP ALL PLANS FOR GOVERNMENT FLATTED FACTORY BUILDINGS AND CONSTRUCTION ALREADY STARTED BUT IN A FAIRLY EARLY STAGE SHOULD ALSO BE TERMINATED, THE HON F.K. HU TOLD THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

+IT WILL BE FAR BETTER TO WRITE OFF ABORTIVE WORK AND UTILISE THE SITES FOR OTHER USEFUL PURPOSE,+ HE SAID.

MR HU NOTED THAT UNDER THE FLATTED FACTORY PROGRAMMES, THE ESTIMATE IN 1983-84 WAS \$107 MILLION.

/BUT HE

BUT HE POINTED OUT THAT THE SUPPLY OF THESE UNITS SINCE THE PROGRAMME RESTARTED IN 1978 WAS CONSIDERABLY MORE THAN THE ACTUAL DEMAND IN THE SAME PERIOD.

+WITH ABUNDANT SUPPLY OF SMALL FACTORY UNITS IN THE PRIVATE SECTOR AT PRESENT AND DECLINING DEMAND ON PUBLIC ONES, THERE IS NO NEED FOR THE GOVERNMENT TO PROCEED WITH THE CONSTRUCTION OF FLATTED FACTORIES, WHICH WILL NOT ONLY INCUR CAPITAL EXPENDITURE BUT ALSO FURTHER INCREASE THE RECURRENT OPERATION DEFICIT OF THE HOUSING DEPARTMENT,+ HE SAID.

CONSIDERATION SHOULD ALSO BE GIVEN TO RELAX THE CRITERIA FOR ASSESSING ELIGIBILITY FOR SUCH UNITS TO REDUCE VACANCIES AND RECURRENT DEFICIT, HE ADDED.

TURNING TO THE HOME OWNERSHIP SCHEME, MR HU REITERATED HIS SUGGESTION GIVEN IN THE COUNCIL IN PREVIOUS YEARS THAT THE RATIO OF HOME OWNERSHIP UNITS TO RENTAL UNITS SHOULD BE INCREASED GRADUALLY TO 50 PER CENT, OR EVEN 70 PER CENT, IN FUTURE.

+PRIORITY SHOULD BE GIVEN TO ENCOURAGE EXISTING TENANTS IN PUBLIC HOUSING ESTATES TO TAKE UP HOME OWNERSHIP UNITS IN ORDER TO CREATE EQUIVALENT AMOUNT OF VACANT RENTAL UNITS FOR NEW ALLOCATION SO THAT THE TOTAL NUMBER OF RENTAL UNITS WILL NOT BE REDUCED BECAUSE OF THE HOME OWNERSHIP SCHEME.

+MANY PUBLIC HOUSING ESTATE TENANTS NOW SPEND \$20 000 OR MORE IN DECORATING THEIR UNITS, THIS SUM COULD EASILY COVER THE INITIAL DOWN PAYMENT OF HOME OWNERSHIP UNITS.+

HE ALSO EXPRESSED THE BELIEF THAT THIS WORTHWHILE AIM COULD BE ACHIEVED AND ADDITIONAL REVENUE GENERATED IF THE PRIVATE SECTOR PARTICIPATION SCHEME WERE FURTHER EXPANDED AS THE DEVELOPERS WERE COMMITTED TO SUPPLY THE ACCOMMODATION AT PRE-DETERMINED PRICES AND TO PAY FOR THE ANCILLARY COMMERCIAL FACILITIES.

REFERRING TO THE STUDENT TRAVEL SCHEME, MR HU SAID IT SHOULD AIM AT ASSISTING STUDENTS GOING TO SCHOOL FROM HOME AND RETURNING HOME FROM SCHOOL DURING NORMAL SCHOOL DAYS.

BUT HE QUERIED WHETHER THEIR TRAVEL FOR OTHER PURPOSES, SUCH AS SIGHTSEEING, LEISURE PURSUIT, VISITING FRIENDS, SHOULD BE SUBSIDISED BY PUBLIC FUNDS.

HE URGED THAT CONSIDERATION BE GIVEN TO GRANTING DIRECT SUBSIDY TO STUDENTS THROUGH THEIR SCHOOLS UPON APPLICATION SUCH A SUBSIDY WOULD BE BASED ON THE STUDENTS' EXPENDITURE ON TRAVELLING.

THIS WOULD ENABLE THE PUBLIC TRANSPORT OPERATORS TO RECEIVE FULL FARES FROM STUDENTS WITHOUT THE NECESSITY OF SURVEY, CHECKING OR EVEN ARBITRATION.

MR HU ALSO SPOKE ABOUT THE IMPLEMENTATION OF THE NEW SOCIAL WELFARE SUBVENTION SYSTEM AND CONGRATULATED THE GOVERNMENT ON ITS SUCCESS.

BUT HE POINTED OUT THAT SOME SERVICES CLASSIFIED AS CATEGORY II ONLY RECEIVED EITHER A FIXED PERCENTAGE SUBVENTION DETERMINED ON THE AVERAGE LEVEL OF FINANCIAL SUPPORT PREVIOUSLY GIVEN OR A LUMP SUM GRANTED ARBITRARILY.

SUCH ARRANGEMENTS WERE CAUSING FINANCIAL AND ADMINISTRATIVE DIFFICULTIES TO AGENCIES PROVIDING SERVICES CLASSIFIED AS CATEGORY II, SUCH AS THOSE OPERATING SOCIAL CENTRES AND MULTI-SERVICE CENTRES FOR THE ELDERLY, HE SAID.

ANOTHER AREA WHERE AGENCIES ARE BEING HIT FINANCIALLY IS SUBVENTION GRANTED TOWARD ADMINISTRATIVE EXPENSES, MR HU SAID.

+A MORE LIBERAL AND GENEROUS POLICY ON SUBVENTING THESE TWO SERVICES WILL GO A LONG WAY IN ACHIEVING MORE POSITIVE RESULTS OF OUR MOST ADMIRABLE NEW SUBVENTION SYSTEM ON WHICH WE ARE READY TO SPEND OVER \$350 MILLION IN 1983/84.

+A LITTLE MORE MONEY ALLOCATED TO THESE AREAS WILL BE MONEY WELL SPENT,+ HE ADDED.

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STUDY OF DEPOSIT INSURANCE SCHEME URGED

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THE HON ANDREW SO CALLED ON THE GOVERNMENT TO MAKE AN IN-DEPTH STUDY OF THE FEASIBILITY OF ESTABLISHING A DEPOSIT INSURANCE PROGRAMME IN HONG KONG.

HE SUGGESTED AT THE LEGISLATIVE COUNCIL THAT HONG KONG SHOULD LEARN FROM THE PROGRAMMES OF OTHER COUNTRIES AND SET UP A PRUDENT SUPERVISORY SYSTEM CONGRUOUS TO HONG KONG TO PROTECT THE INTERESTS OF THE WHOLE COMMUNITY.

+IN FACT,+ HE SAID, +IT IS NOT ABSOLUTELY NECESSARY FOR THE GOVERNMENT TO BE RESPONSIBLE FOR A SYSTEM.

+A 'DEPOSIT INSURANCE CORPORATION' MAY BE ESTABLISHED IN HONG KONG, OR THE FINANCIAL INSTITUTIONS THEMSELVES MAY DEVISE A STABILISATION SYSTEM TO PROVIDE SUCH SERVICES AS LOAN GRANTS, FINANCIAL MANAGEMENT, COLLECTION OF BAD DEBTS, AMALGAMATION, LIQUIDATION AND REORGANISATION FOR THEIR MEMBERS WHO MAY HAVE FINANCIAL DIFFICULTIES.+

HE NOTED THAT THE QUESTION OF WHETHER OR NOT SUCH A SYSTEM SHOULD BE SET UP IN HONG KONG HAD AROUSED SOME PUBLIC DEBATE, AFTER A FEW FINANCE COMPANIES HAD RUN INTO DIFFICULTIES.

IN HIS OPINION, INSURANCE WAS ONLY A METHOD OF RISK MANAGEMENT AND LOSS PREVENTION BUT IT HELPED A LOT TOWARDS ENSURING PRUDENT MANAGEMENT AND BOOSTING CONFIDENCE.

AS IN THE CASE OF FIRE AND THEFT INSURANCE, HE SAID, THE INSURANCE COMPANY HAD TO BE ASSURED, BOTH BEFORE AND AFTER AN INSURANCE POLICY WAS TAKEN OUT, THAT THE CLIENT HAD TAKEN AND WOULD CONTINUE TO TAKE FIRE PREVENTION OR ANTI-BURGLARY MEASURES.

SIMILARLY, A FINANCIAL INSTITUTION WHICH IS NOT SOUNDLY MANAGED WOULD NOT BE ABLE TO OBTAIN A DEPOSIT INSURANCE, HE ADDED.

+IN OTHER WORDS, IF A DEPOSIT INSURANCE SYSTEM WERE TO BE SET UP, THE GOVERNMENT AND PERSONS CONCERNED WOULD NEED TO EXERCISE EVEN STRICTER CONTROL OVER THE MONETARY SECTOR.

+RISK MANAGEMENT AND LOSS PREVENTION ARE ESSENTIAL ASPECTS OF BUSINESS MANAGEMENT.

+THIS APPLIES TO ANY BUSINESS AND, IN PARTICULAR, TO THE MONETARY BUSINESS, IRRESPECTIVE OF THEIR SIZE,+ HE SAID.

MR SO ALSO URGED THE GOVERNMENT TO RECONSIDER THE ESTABLISHMENT OF A CONTRIBUTORY SOCIAL SECURITY SCHEME.

THE MOST IMPORTANT MERIT OF SUCH A SCHEME, HE SAID, WAS THAT IT WOULD BOOST THE PEOPLE'S SENSE OF BELONGING TO HONG KONG.

HE AGREED THAT THE TAXATION POLICY, WHICH WAS AIMED AT ATTRACTING INVESTORS, WAS A CORRECT ONE IN THE LIGHT OF THE PRESENT ECONOMIC AND POLITICAL CLIMATE.

BUT IN THE LONG RUN, HE STRESSED, THE RESPONSIBILITY OF MAINTAINING THE PROSPERITY AND STABILITY OF HONG KONG HAD TO BE SHOULDERED BY THE PEOPLE WHO HAD ALWAYS LIVED IN HONG KONG.

+THEREFORE, WHETHER A BUDGET IS A GOOD ONE OR NOT DEPENDS NOT ON ITS BEING IN THE BLACK OR IN THE RED, BUT ON WHETHER THE PEOPLE WILL RECEIVE LONG-TERM BENEFITS.

+IT IS FOR SUCH LONG-TERM BENEFITS THAT I ALSO SUGGEST THE GOVERNMENT SHOULD CONSIDER OPTIONS LIKE INCREASING CORPORATION TAX, SELLING PUBLIC HOUSING UNITS IN THE URBAN AREAS TO TENANTS WHO CAN AFFORD THEM, OR MANAGING THEM LIKE A CO-OP CITY.

+BY SO DOING, THE GOVERNMENT COULD GENERATE MORE RESOURCES FOR IMPROVEMENTS IN BASIC SERVICES IN THE FIELDS OF HOUSING, EDUCATION, MEDICAL CARE AND SOCIAL SECURITY,+ HE SAID.

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GOVERNMENT URGED TO LEAD IN FIGHTING INFLATION
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THE GOVERNMENT MUST TAKE THE LEAD IN FIGHTING INFLATION, THE HON ALLEN LEE SAID IN THE LEGISLATIVE COUNCIL TODAY.

AT A TIME WHEN THE REST OF THE WORLD IS FIGHTING INFLATION, HONG KONG DOES NOT APPEAR TO BE DOING THE SAME, HE SAID.

AS AN EXAMPLE, HE POINTED OUT THAT THE RATE OF INFLATION FOR 1982 IN HONG KONG WAS 10.6 PER CENT WHILE THAT IN THE UNITED STATES WAS 3.9 PER CENT.

+POLICIES MUST BE FORMED AND VIGOROUSLY PURSUED TO CLAMP DOWN ON INFLATION,+ HE URGED.

MR LEE OBSERVED THAT THERE HAD BEEN LITTLE IMPROVEMENT IN INFLATION FOR A NUMBER OF YEARS.

THIS WAS BECAUSE HONG KONG COULD NOT CONTROL IMPORTED INFLATION ON THE ONE HAND, WHILE IT WAS ON THE OTHER HAND, FACING REGULAR INCREASES IN CHARGES FOR PUBLIC UTILITIES, TRANSPORTATION AND MANY OTHER ESSENTIAL ASPECTS OF LIFE, HE NOTED.

+NEEDLESS TO SAY, IF THIS TREND CONTINUES, THE COST-PUSH EFFECT WILL WEAKEN OUR ABILITY TO COMPETE AS WE WILL PRICE OURSELVES OUT OF THE MARKET.

+I REALISE THAT THE TRANSITION TO A NON-INFLATIONARY ENVIRONMENT IS DIFFICULT BUT LET ME STRESS AGAIN THAT OUR GOVERNMENT MUST TAKE THE LEAD IN ALL FRONTS,+ HE ADDED.

MR LEE ALSO CALLED FOR POSITIVE STEPS TO PRESERVE AND TO INCREASE HONG KONG'S COMPETITIVENESS IN WORLD MARKETS.

IN HIS VIEW THE GOVERNMENT COULD DO MUCH MORE, AS ALMOST EVERY GOVERNMENT WAS DOING EVERYTHING POSSIBLE, TO SUPPORT INDUSTRIAL DEVELOPMENT.

CITING THE AREA OF TECHNOLOGY, HE FOUND HONG KONG FALLING BEHIND ITS COMPETITORS BY A WIDE MARGIN.

HE SAID HE REALISED THAT THE HONG KONG PRODUCTIVITY CENTRE WAS CONDUCTING A RESEARCH PROJECT ON TECHNOLOGY TRANSFER. BUT HE STRESSED IT WAS A QUESTION OF TIMING.

MR LEE SUGGESTED THAT STEPS SHOULD ALSO BE TAKEN SWIFTLY TO INTRODUCE COMPUTER COURSES IN SECONDARY SCHOOLS.

CONCEDING THAT SUCH COURSES HAD BEEN INTRODUCED INTO 30 SECONDARY SCHOOLS IN HONG KONG SINCE LAST YEAR, HE SAID IT HAD TAKEN THE BRITISH GOVERNMENT ONLY ONE YEAR TO INTRODUCE COMPUTER COURSES INTO ALL SECONDARY SCHOOLS.

+AS I UNDERSTAND IT, THE UNITED KINGDOM NOW HAS PLANS TO INTRODUCE THESE COURSES INTO PRIMARY SCHOOLS.

+OUR EXPERIMENTAL STAGE OF INTRODUCING COMPUTER COURSES IN SECONDARY SCHOOLS IS FAR BEHIND THE NEED WHICH WE WILL EXPERIENCE IN THE FUTURE OF THE REQUIREMENT OF KNOWLEDGEABLE COMPUTER OPERATORS.

+I URGE THE GOVERNMENT TO TAKE ANOTHER LOOK AT THIS POLICY,+ MR LEE SAID.

BUDGET DEBATE ADJOURNED TILL APRIL 13-14
* * *

DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1983 WAS FURTHER ADJOURNED AT THE CONCLUSION OF THE LEGISLATIVE COUNCIL SITTING TODAY.

TWENTY-THREE UNOFFICIAL MEMBERS SPOKE DURING THE TWO-DAY SITTING OF THE COUNCIL HELD YESTERDAY (WEDNESDAY) AND TODAY.

THE THIRD BUDGET SITTING WILL BE HELD ON APRIL 13 AND 14, WHEN OFFICIAL MEMBERS WILL SPEAK.

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1983 CIVIL SERVICE PAY AWARD
* * * *

CIVIL SERVANTS HAVE BEEN AWARDED A PAY ADJUSTMENT AVERAGING FIVE PER CENT, WHICH IS LESS THAN THE PAY TREND INDICATORS.

THE GOVERNMENT HAS APPROVED A TAPERED PAY AWARD FOR THE NEXT FINANCIAL YEAR, PAYABLE FROM APRIL 1, WHEREBY JUNIOR OFFICERS WILL RECEIVE SLIGHTLY MORE AND SENIOR OFFICERS ON THE MASTER PAY SCALE SLIGHTLY LESS THAN FIVE PER CENT.

OFFICERS ON THE DIRECTORATE PAY SCALE WILL RECEIVE INCREASES RANGING FROM 4.05 PER CENT AT THE BOTTOM TO 2.35 PER CENT AT THE TOP.

THE ADJUSTMENTS ARE AS FOLLOWS:

	<u>PRESENT RANGE</u>	<u>NEW RANGE</u>
MASTER PAY SCALE (POINTS 1-51)	\$1 605 - \$20 685	\$1 700 - \$21 610
DIRECTORATE PAY SCALE (POINTS 1-8)	\$22 200 - \$46 900	\$23 100 - \$48 000

THE MODEL SCALE I PAY SCALE, DISCIPLINED SERVICES (OFFICER) PAY SCALE, DISCIPLINED SERVICES (RANK AND FILE) PAY SCALE AND THE TRAINING PAY SCALE WILL BE ADJUSTED IN LINE WITH THEIR CORRESPONDING POINTS ON THE MASTER PAY SCALE.

A GOVERNMENT SPOKESMAN SAID TODAY THAT ACCOUNT WAS TAKEN OF THE RESULTS OF THE PAY TREND SURVEY WHICH SHOWED AVERAGE PAY AWARDS RANGING FROM 7.24 TO 8.8 PER CENT IN THE PRIVATE SECTOR IN THE LAST YEAR, AND OF THE COST OF LIVING INCREASE OF BETWEEN 8 AND 9.4 PER CENT.

+HOWEVER, THE OVERRIDING CONSIDERATIONS IN ARRIVING AT A LOWER CIVIL SERVICE PAY AWARD OF FIVE PER CENT WERE THE PREVAILING ECONOMIC CLIMATE AND THE NEED FOR AUSTERITY MEASURES IN THE LIGHT OF A BUDGETED DEFICIT OF \$3 200 MILLION FOR 1983-84, + HE SAID.

THE SPOKESMAN EXPLAINED THAT IF THE PAY TREND SURVEY INDICATORS HAD BEEN ADJUSTED TO TAKE ACCOUNT OF THE DIFFERENCE IN THE TOTAL PACKAGE OF PAY AND BENEFITS BETWEEN THE CIVIL SERVICE AND THE PRIVATE SECTOR, IN ACCORDANCE WITH A METHOD SUGGESTED BY THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE IN THE REPORT NO. 9 PUBLISHED TODAY, THE RESULTS WOULD STILL HAVE BEEN HIGHER THAN FIVE PER CENT.

THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL HAS APPROVED THE ALLOCATION OF ABOUT \$690 MILLION FOR THE PAY AWARD, INCLUDING \$224 MILLION TO PROVIDE FOR APPROPRIATE INCREASES IN GRANTS TO SUBVENTED ORGANISATIONS.

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STANDING COMMISSION'S REPORT NO 9

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THE GOVERNMENT ANNOUNCED TODAY ITS ACCEPTANCE OF THE RECOMMENDATIONS OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE IN ITS SECOND REPORT ON CIVIL SERVICE PAY POLICY (REPORT NO 9).

THE COMMISSION'S INTERIM (FIRST) REPORT ON CIVIL SERVICE PAY POLICY (REPORT NO 7) WAS PUBLISHED IN MARCH 1982. THIS SECOND REPORT WAS SUBMITTED TO THE GOVERNMENT IN DECEMBER 1982.

THE COMMISSION'S REPORT IS CONCERNED MAINLY WITH THE ARRANGEMENTS FOR MAKING GENERAL CIVIL SERVICE PAY ADJUSTMENTS. IT RECOMMENDED THAT THE PAY TREND SURVEY SYSTEM, WITH CERTAIN IMPROVEMENTS TO THE SURVEY METHODOLOGY, SHOULD CONTINUE TO PROVIDE THE BASIS FOR ADJUSTING GENERAL CIVIL SERVICE PAY.

THE COMMISSION HAS AGAIN EMPHASISED ITS PREVIOUS RECOMMENDATION (IN REPORT NO 7) THAT ACCOUNT SHOULD BE TAKEN OF THE TOTAL PACKAGE OF PAY AND OTHER BENEFITS IN BOTH THE CIVIL SERVICE AND THE PRIVATE SECTOR IN DETERMINING THE GENERAL LEVELS OF CIVIL SERVICE PAY. IN ORDER TO DEVELOP THIS POLICY FURTHER, THE COMMISSION INTENDS IN THE LONGER TERM TO CARRY OUT PAY LEVEL SURVEYS OF COMPARABLE JOBS IN BOTH SECTORS, AND TO UNDERTAKE REVIEWS OF INDIVIDUAL BENEFITS IN THE CIVIL SERVICE.

HOWEVER, BEFORE ANY PROGRESS CAN BE MADE IN EITHER OF THESE TWO AREAS, THE COMMISSION HAS POINTED OUT THAT IT WOULD BE ESSENTIAL TO DETERMINE WHICH FRINGE BENEFITS SHOULD BE INCLUDED AND TO CONSTRUCT AN ACCEPTABLE BASIS FOR VALUING THE VARIOUS BENEFITS.

THE COMMISSION HAS ALSO RECOMMENDED TWO MEASURES FOR APPLICATION IN 1983 TO TAKE ACCOUNT OF THE DIFFERENCE IN TOTAL PAY PACKAGES BETWEEN THE CIVIL SERVICE AND THE PRIVATE SECTOR. THESE ARE THAT:

/* THERE SHOULD

* THERE SHOULD BE NO FURTHER IMPROVEMENT IN 1983 IN THE REAL VALUE OF CIVIL SERVICE BENEFITS. THIS MEANS THAT NO NEW BENEFIT SHOULD BE INTRODUCED THIS YEAR, AND ADJUSTMENT TO EXISTING BENEFITS SHOULD BE LIMITED TO COVERING INCREASES IN COST DUE TO INFLATION; AND

* THE GAP, IN DOLLAR TERMS, BETWEEN THE CIVIL SERVICE AND THE PRIVATE SECTOR TOTAL PACKAGES SHOULD NOT WIDEN AS A RESULT OF ANY CIVIL SERVICE PAY ADJUSTMENT IN 1983. TO ACHIEVE THIS, AN ADJUSTED SET OF PAY TREND INDICATORS SHOULD BE PRODUCED AND USED BY THE GOVERNMENT AS A GUIDE IN ARRIVING AT AN APPROPRIATE PAY AWARD. A METHOD OF MAKING THE NECESSARY ADJUSTMENT IS CONTAINED IN THE COMMISSION'S REPORT.

THE COMMISSION STRESSED THAT CIVIL SERVICE PAY POLICY IS A HIGHLY COMPLEX SUBJECT AND IS TOO IMPORTANT, NOT ONLY TO CIVIL SERVANTS BUT TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF HONG KONG AS A WHOLE, FOR THE LATEST RECOMMENDATIONS TO BE THE LAST WORD ON THE MATTER. IT IS ESSENTIAL, IN THE COMMISSION'S VIEW, THAT ALL ASPECTS OF CIVIL SERVICE PAY POLICY SHOULD BE KEPT UNDER REVIEW IN THE LIGHT OF CHANGING CIRCUMSTANCES. THE COMMISSION PROPOSES TO CONTINUE ITS STUDY OF THIS DIFFICULT SUBJECT AND TO SUBMIT FURTHER REPORTS AND RECOMMENDATIONS TO THE GOVERNMENT FROM TIME TO TIME.

THE COMMISSION'S REPORT NO 9 IS ON SALE AT THE GOVERNMENT PUBLICATIONS SALES CENTRE AT THE GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, AT \$7 A COPY.

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DOMESTIC MERCHANDISE EXPORT STATISTICS FOR 1982

THE CENSUS AND STATISTICS DEPARTMENT TODAY RELEASED DOMESTIC EXPORTS STATISTICS ANALYSED BY INDUSTRIAL ORIGIN FOR THE YEAR 1982.

THIS SERIES IS DERIVED BY RE-GROUPING ALL SIX-DIGIT COMMODITY EXPORT ITEMS UNDER THE PRESENT EXTERNAL TRADE CLASSIFICATION SYSTEM ACCORDING TO THE INDUSTRIES IN WHICH THESE COMMODITY ITEMS ARE NORMALLY PRODUCED.

SINCE ITS SCOPE IS CONFINED TO MERCHANDISE TRADE, TRANSACTIONS IN GOLD AND SPECIE ARE NOT INCLUDED.

THE CLASSIFICATION OF COMMODITY EXPORT ITEMS BY INDUSTRIAL ORIGIN IS STRUCTURED UPON THE UNITED NATIONS INTERNATIONAL STANDARD CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (ISIC), AS DISTINCT FROM THE UNITED NATIONS STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC) WHICH IS ADOPTED IN THE REGULAR TRADE STATISTICS REPORTS.

WHEN INTERPRETING THESE RE-CLASSIFIED FIGURES, IT SHOULD BE NOTED THAT THE OVERALL EXPORT VALUE OF AN EXPORTED COMMODITY REQUIRING SEVERAL INTERMEDIATE PROCESSING STAGES IS WHOLLY ALLOCATED TO THE INDUSTRY IN WHICH IT IS FINALLY PRODUCED, ALTHOUGH THE INDUSTRY IS NOT REALLY THE SOLE CONTRIBUTOR TO THE VALUE.

BESIDES, THE CLASSIFICATION OF AN EXPORTED COMMODITY TO A PARTICULAR INDUSTRY DOES NOT IMPLY THAT THE ENTIRE AMOUNT OF THE COMMODITY IS ACTUALLY PRODUCED BY ESTABLISHMENTS OF THAT INDUSTRY, SINCE SOME MAY BE SECONDARY PRODUCTS PRODUCED BY ESTABLISHMENTS CLASSIFIED UNDER OTHER INDUSTRIES.

IN TERMS OF THE VALUE OF DOMESTIC EXPORTS, THE SIX MOST IMPORTANT INDUSTRY GROUPS WERE WEARING APPAREL, ELECTRICAL APPLIANCES AND ELECTRONICS, TEXTILES, PROFESSIONAL AND OPTICAL EQUIPMENT, PLASTIC PRODUCTS, AND METAL PRODUCTS.

THEY TOGETHER ACCOUNTED FOR 86 PER CENT OF THE TOTAL VALUE OF MERCHANDISE DOMESTIC EXPORTS IN 1982.

THE LARGEST INCREASES BY ABSOLUTE VALUE OVER 1981 OCCURRED IN ELECTRICAL MACHINERY AND APPLIANCES (INCLUDING ELECTRONICS) (\$587 MILLION), WEARING APPAREL (\$567 MILLION), AND PLASTIC PRODUCTS (\$527 MILLION).

IN PERCENTAGE TERMS, INDUSTRIES WITH THE LARGEST INCREASES WERE: BEVERAGES (31 PER CENT), NON-ELECTRICAL MACHINERY (20 PER CENT), PAPER PRODUCTS (14 PER CENT), AND FOOD (12 PER CENT).

ON THE OTHER HAND, SUBSTANTIAL DECREASES IN THE VALUE OF DOMESTIC EXPORTS WERE RECORDED FOR METAL PRODUCTS (-\$363 MILLION) AND TEXTILES (-\$294 MILLION).

IN PERCENTAGE TERMS, THE MOST SIGNIFICANT DECREASES WERE OBSERVED IN PETROLEUM AND COAL PRODUCTS (-50 PER CENT), RUBBER PRODUCTS (-29 PER CENT), AND NON-METALLIC MINERAL PRODUCTS (-23 PER CENT).

FURTHER DETAILS OF DOMESTIC EXPORTS STATISTICS FOR MERCHANDISE RECLASSIFIED BY INDUSTRIAL ORIGIN MAY BE OBTAINED FROM THE INDUSTRIAL RESEARCH SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (TEL. NO. 3-7224504).

(A STATISTICAL TABLE FOR SELECTED INDUSTRIES IS ATTACHED).

/24

Value of domestic exports for merchandise,
reclassified by industrial origin for 1981 and 1982

(Values in HK\$ million)

Industrial origin of the commodities exported	Merchandise domestic exports		
	1981	1982	% change
<u>Agricultural, Forestry and Fishing</u>			
Agricultural, livestock and poultry production	43	39	-9
Ocean and coastal fishing	133	132	-1
<u>Mining and Quarrying</u>	1	1	.
<u>Manufacturing</u>			
Food	957	1 071	12
Beverages	29	38	31
Tobacco	162	154	-5
Textiles (including knitting)	14 387	14 093	-2
Wearing apparel, except footwear and knitwear	20 432	20 999	3
Leather and leather products	521	484	-7
Footwear	424	382	-10
Wood and cork products, furniture and fixtures	582	493	-15
Paper and paper products, printing and publishing	1 081	1 236	14
Chemicals and chemical products	832	867	4
Products of petroleum and coal	2	1	-50
Rubber products	94	67	-29
Plastic products	6 713	7 240	8
Non-metallic mineral products	291	225	-23
Basic metals and fabricated metal products	4 515	4 152	-8
Machinery, except electrical	741	886	20
Electrical machinery and appliances (incl. electronics)	16 014	16 601	4
Transport equipment	194	158	-19
Professional and optical equipment	8 173	8 187	.
Other manufacturing industries	3 511	4 694	34
<u>Electricity</u>	99	107	8
<u>Miscellaneous items</u>			
(e.g. small postal packages, developed photographic plates and film, antiques, and works of art)	492	721	47
Total	80 423	83 032	3

Individual entries of a column may not add up exactly to the corresponding total due to rounding.

* a change of less than 0.5%

CONSULTANCY ON MONITORING OF POWER COMPANIES

* * * *

THE GOVERNOR-IN-COUNCIL HAS APPROVED A PROPOSAL THAT INDEPENDENT PROFESSIONAL CONSULTANTS SHOULD BE APPOINTED TO UNDERTAKE A REVIEW OF THE GOVERNMENT'S MONITORING ARRANGEMENTS OF THE POWER COMPANIES.

A GOVERNMENT SPOKESMAN SAID THAT THE OBJECT OF THE CONSULTANCY WAS TO REVIEW THE GOVERNMENT'S PRESENT MONITORING ARRANGEMENTS OF THE POWER COMPANIES, AND TO ADVISE WHETHER THESE ARRANGEMENTS ADEQUATELY ACCOMPLISH THE PURPOSE FOR WHICH THEY ARE DESIGNED.

THE GOVERNMENT SPOKESMAN ADDED THAT THE CONSULTANTS WOULD NOT BE REVIEWING THE SCHEMES OF CONTROL. THE GOVERNMENT'S POSITION IN RESPECT TO THE SCHEMES OF CONTROL WAS THAT THEY WERE CONTRACTUAL AGREEMENTS WHICH COULD NOT BE CHANGED WITHOUT THE AGREEMENT OF THE PARTIES.

ALTHOUGH THE GOVERNMENT DOES NOT BELIEVE THAT THERE IS ANYTHING PARTICULARLY UNSATISFACTORY WITH THE PRESENT MONITORING ARRANGEMENTS, THE CONSULTANTS WILL BE ASKED TO ASCERTAIN WHETHER THERE ARE ANY MORE EFFICIENT METHODS BY WHICH THE GOVERNMENT MIGHT PERFORM THIS FUNCTION.

STEPS WILL BE TAKEN NOW TO APPOINT A FIRM OF CONSULTANTS WITH THE NECESSARY EXPERIENCE AND EXPERTISE. THIS INVOLVES THE SELECTION OF SUITABLE ACCOUNTING AND MANAGEMENT CONSULTANT FIRMS CAPABLE OF MOBILISING A MULTI-DISCIPLINE TEAM, FOR CONSIDERATION BY THE CENTRAL CONSULTANTS SELECTION BOARD.

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WORRIES OVER FEE ASSISTANCE SCHEME GROUNDLESS

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MUCH OF THE WORRIES AND PROBLEMS ANTICIPATED BY PARENTS AND NURSERY OPERATORS EARLIER OVER THE FEE ASSISTANCE SCHEME HAVE PROVED +QUITE UNWARRANTED+.

THIS WAS STATED TODAY (THURSDAY) BY THE DEPUTY DIRECTOR OF SOCIAL WELFARE, MRS ANSON CHAN, WHEN SHE OPENED THE PO LEUNG KUK'S WONG SIU CHING NURSERY AT CHOI WAN ESTATE COMMUNITY CENTRE, ITS 16TH DAY NURSERY.

SHE SAID THE CHANGE TO THE NEW SYSTEM FROM SEPTEMBER LAST YEAR WAS INITIALLY GREETED WITH CONSIDERABLE MISGIVINGS.

+AS WE ALL GAIN GREATER EXPERIENCE IN OPERATING THIS NEW SYSTEM AND WITH CONTINUED CO-OPERATION BETWEEN VOLUNTARY AGENCIES AND THE GOVERNMENT, I AM SURE WE CAN IRON OUT ANY REMAINING OPERATIONAL PROBLEMS,+ SHE SAID.

STATISTICS SHOW THAT MORE THAN 10 000 CHILDREN ARE CURRENTLY ENROLLED IN AIDED AND NON-PROFIT MAKING DAY NURSERIES AND OVER 90 PER CENT OF THEM ARE RECEIVING SOME LEVEL OF FINANCIAL ASSISTANCE.

/THEY ALSO

THEY ALSO REVEAL THAT OVER 76 PER CENT OF PARENTS ARE PAYING LESS THAN \$200 A MONTH TO GET FULL DAY CARE OF A HIGH STANDARD FOR THEIR CHILDREN AND THAT 56 PER CENT OF THEM ARE IN FACT PAYING LESS THAN BEFORE.

+I NEED HARDLY REITERATE THAT THE FEE ASSISTANCE SCHEME IS INTENDED TO DEMONSTRATE CLEARLY GOVERNMENT'S COMMITMENT TO IMPROVING THE QUALITY OF DAY CARE AND MAKING SUCH FACILITIES AVAILABLE TO THOSE FAMILIES WHO NEED THE SERVICE,+ SHE SAID.

ENROLMENT HAS NOT BEEN ADVERSELY AFFECTED AND THE SCHEME IS CATERING TO THE NEEDS OF FAMILIES IN BOTH THE LOWER AND MIDDLE INCOME GROUPS.

CHILD CARE SERVICES, MRS CHAN SAID, MUST CONTINUE TO RELY ON THE POSITIVE CONTRIBUTIONS FROM VOLUNTARY AGENCIES.

SHE PAID TRIBUTE TO THE PO LEUNG KUK FOR ITS DEDICATION TO CHARITABLE DEEDS AND CONTRIBUTION TOWARDS THE PROMOTION OF WELFARE SERVICES IN THE LOCAL COMMUNITY, PARTICULARLY IN THE FIELD OF CHILD CARE SERVICES.

THE NEW NURSERY, WITH A CAPACITY OF 100, HAS BEEN MADE POSSIBLE THROUGH A GENEROUS DONATION OF \$200 000 FROM MRS CHEUNG WONG SIU-CHING TOWARDS THE CAPITAL COST OF THE PROJECT.

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CENTRAL ALLOCATION OF PRIMARY ONE ADMISSION SYSTEM

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CHILDREN WHO FAILED TO SECURE A DISCRETIONARY PLACE IN THE PRIMARY ONE ADMISSION SYSTEM WILL BE CENTRALLY ALLOCATED A PLACE IN THE PUBLIC SECTOR BY THE EDUCATION DEPARTMENT.

PARENTS OF THESE CHILDREN HAVE BEEN INFORMED BY LETTER OF THE VARIOUS PROCEDURES CONCERNING THE CENTRAL ALLOCATION OF PLACES.

A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID IF PARENTS HAVE NOT RECEIVED THIS LETTER BY TOMORROW (MARCH 25), THEY SHOULD IMMEDIATELY CONTACT THE DEPARTMENT'S PRIMARY ONE ADMISSION UNIT (TEL. NO. 5-724383).

THE LETTER ADVISES PARENTS TO GO TO A SPECIFIED DISTRIBUTION/ COLLECTION CENTRE FROM MARCH 27 TO 30 BETWEEN 9 AM AND 4 PM TO COLLECT A +CHOICE OF SCHOOLS+ FORM AND A LIST OF ALL GOVERNMENT AND AIDED PRIMARY SCHOOLS IN THEIR OWN SCHOOL DISTRICT.

THE COMPLETED FORM SHOULD BE RETURNED TO THE SPECIFIED CENTRE DURING THE SAME PERIOD.

WHEN FILLING THE FORM, PARENTS SHOULD ONLY ENTER THE CODES OF THE SCHOOLS SERVING THEIR PARTICULAR HOME DISTRICT, THE SPOKESMAN SAID.

IF A PARENT HAD PREVIOUSLY APPLIED UNSUCCESSFULLY FOR A DISCRETIONARY PLACE AT A SCHOOL IN HIS OWN DISTRICT HE CAN STILL INCLUDE THAT SCHOOL IN HIS PREFERENCE LIST.

THE SPOKESMAN SAID THE CENTRAL ALLOCATION WILL BE BASED SOLELY ON PARENTS' CHOICES.

+WHEN A PARTICULAR SCHOOL IS OVERSUBSCRIBED, A RANDOMISATION METHOD WILL BE USED TO ENSURE FAIRNESS TO ALL CHILDREN LIVING IN THE DISTRICT,+ HE SAID.

DUE TO THE UNEVEN DISTRIBUTION OF PRIMARY ONE PUPILS, SOME SCHOOL DISTRICTS WHICH DO NOT HAVE SUFFICIENT PUBLIC-SECTOR PRIMARY ONE PLACES MAY HAVE TO INCORPORATE SOME SCHOOL PLACES FROM SCHOOLS IN NEIGHBOURING DISTRICTS TO MAKE UP FOR THE SHORTAGES.

THE SPOKESMAN ASSURED THAT SUCH MOVES ARE ESSENTIAL IN ORDER TO ENABLE CHILDREN TO BE ALLOCATED TO A SCHOOL NEAREST TO THEIR HOME ACCORDING TO THEIR PARENTS' CHOICES.

THE SPOKESMAN ADDED THAT PARENTS WHO HAVE MOVED HOUSE RECENTLY OR ARE PLANNING TO MOVE HOUSE IN THE NEAR FUTURE MUST INFORM THE PRIMARY ONE ADMISSION UNIT SO THAT ARRANGEMENTS CAN BE MADE TO ALLOCATE A PLACE TO THEIR CHILDREN IN THEIR NEW HOME DISTRICT.

RESULTS OF THE CENTRAL ALLOCATION OF PLACES WILL BE ANNOUNCED IN LATE-JUNE. PARENTS WILL BE ASKED BY THE PRIMARY ONE ADMISSION UNIT TO COLLECT AN ALLOCATION SLIP ON A SPECIFIED DATE FROM THEIR OWN DISTRIBUTION/COLLECTION CENTRE AND REGISTER WITH THE SCHOOL ALLOCATED AT THE TIME AND DATE AS INDICATED ON THE SLIP.

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 NEW TEMPLE ON TSING YI OPENS

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A NEW +HOME+ FOR TIN HAU, THE GODDESS OF HEAVEN, ON TSING YI ISLAND WAS OPENED BY THE SECRETARY FOR DISTRICT ADMINISTRATION, MR DAVID AKERS-JONES, TODAY (THURSDAY).

SITUATED ON CHUNG MEI ROAD, THE 65-SQUARE-METRE NEW TEMPLE HAS BEEN BUILT TO REPLACE THE OLD ONE WHICH WAS BUILT SOME 200 YEARS AGO, AND WILL BE DEMOLISHED TO MAKE WAY FOR DEVELOPMENT PURPOSES.

BEFORE THE OPENING, A TRADITIONAL CEREMONY WAS HELD IN WHICH THE GODDESS WAS CARRIED TO THE NEW TEMPLE IN A SEDAN CHAIR AND ESCORTED BY A UNICORN FROM THE TSING YI RURAL COMMITTEE.

THE NEW TEMPLE WAS THEN OPENED WITH MR AKERS-JONES UNLOCKING THE DOOR AND THE CHAIRMAN OF THE NEW TERRITORIES HEUNG YEE KUK, MR LAU WONG-FAT, UNVEILING THE GODDESS.

ACCOMPANIED BY THE THREE TEMPLE MANAGERS, MR AKERS-JONES THEN BURNT THE FIRST BUNDLE OF INCENSE STICKS AND BOWED TO TIN HAU, FOLLOWED BY MR LAU AND OTHER GUESTS.

CONSTRUCTION OF THE NEW TEMPLE BEGAN LATE LAST YEAR AND WAS COMPLETED RECENTLY. THE GOVERNMENT HAS CONTRIBUTED \$371 000 TO COVER PART OF THE BUILDING COST.

THE TIN HAU TEMPLE ON TSING YI IS ONE OF THE OLDEST BUILDINGS ON THE ISLAND AND IS THE ONLY FORMAL TEMPLE THERE.

APART FROM TSING YI VILLAGERS AND LOCALLY-BASED FISHERMEN, THE TEMPLE IS ALSO VISITED BY PILGRIMS FROM OTHER PARTS OF THE TERRITORY.

HEART HEALTH EXHIBITION IN YUEN LONG
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THE MEDICAL AND HEALTH DEPARTMENT WILL MOUNT AN EXHIBITION ON HEART DISEASES IN YUEN LONG THIS WEEKEND FOR THE BENEFIT OF THE RESIDENTS IN THE DISTRICT.

THE EXHIBITION WILL BE OPEN TO THE PUBLIC ON SATURDAY AND SUNDAY (MARCH 26 AND 27) FROM 10.30 AM TO 4 PM AT THE YUEN LONG TOWN HALL IN TAI YUK ROAD.

A SPOKESMAN FOR THE DEPARTMENT SAID THE AIM OF THE EXHIBITION IS TO EDUCATE THE PUBLIC ON THE CAUSES, PREVENTION AND TREATMENT OF CARDIO-VASCULAR DISEASES.

HEART DISEASES (INCLUDING HYPERTENSIVE HEART DISEASES) AND CEREBRO-VASCULAR DISEASES CLAIMED MORE THAN 7 000 LIVES IN HONG KONG IN 1981.

HE URGED THE 210 000 RESIDENTS IN THE DISTRICT TO VISIT THE EXHIBITION.

+IT IS HOPED THAT THROUGH THE VISIT TO THE EXHIBITION, THE POPULATION WILL KNOW HOW TO KEEP A HEALTHY HEART,+ HE SAID.

AT THE EXHIBITION, MEDICAL AND NURSING STAFF WILL BE ON HAND TO ANSWER ENQUIRIES ABOUT HEART DISEASES.

VISITORS WILL SEE STATIC DISPLAYS, FILM SHOWS, AND SLIDE SHOWS ON THE IMPORTANCE OF TAKING EARLY PREVENTIVE MEASURES.

PAMPHLETS ABOUT HEART DISEASES WILL BE DISTRIBUTED TO MEMBERS OF THE PUBLIC.

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SOUTHERN DB MEMBERS TO VISIT ENVIRONMENTAL BLACKSPOTS
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SOUTHERN DISTRICT BOARD MEMBERS WILL VISIT ENVIRONMENTAL BLACKSPOTS IN SHEK O AND STANLEY ON SATURDAY (MARCH 26) MORNING AND SEE SOME PROJECTS FUNDED BY THE BOARD.

THE TOUR WILL START AT 9 AM WITH A BRIEFING BY THE DISTRICT LANDS OFFICER (SOUTH) ON THE PROBLEM OF ILLEGAL OCCUPATION OF CROWN LAND AND UNAUTHORISED STRUCTURES AT SHEK O VILLAGE.

THE PARTY WILL THEN PROCEED TO HOK TSUI VILLAGE AND INSPECT A WATER STORAGE TANK AND A FIRE HYDRANT BUILT LAST YEAR WITH DISTRICT BOARD FUNDS.

THE BOARD MEMBERS WILL TAKE A PANORAMIC VIEW OF THE MARINE FISH CULTURE RAFTS IN STANLEY AT THE ACCESS ROAD TO COMPOSITE SIGNAL ORGANISATION STATION OFF CHUNG HOM KOK ROAD.

AT MA HANG, THEY WILL BE SHOWN THE VARIOUS DISTRICT BOARD ENVIRONMENTAL IMPROVEMENT PROJECTS AND BRIEFED ON THE POLLUTION PROBLEM OF A NULLAH BROUGHT ABOUT BY PIGSTY OPERATIONS.

THE VISIT WILL END AT 12.45 PM FOLLOWING A MEETING WITH MEMBERS OF THE STANLEY KAIFONG WELFARE ASSOCIATION AT THEIR OFFICE.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES INTERESTED IN JOINING THE TOUR ARE REQUESTED TO ASSEMBLE AT THE COMPOUND OF ABERDEEN POLICE STATION AT 4 WONG CHUK HANG ROAD, ABERDEEN, BEFORE 9 AM.

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CLEARANCE OF ILLEGAL STRUCTURES IN SHAM SHUI PO

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MORE THAN 40 ILLEGAL STRUCTURES AT THE REAR LANES OF WONG CHUK STREET, TAI NAN STREET, SHEK KIP MEI STREET, BOUNDARY STREET AND YU CHAU STREET IN SHAM SHUI PO WERE DEMOLISHED IN A CLEARANCE THIS (THURSDAY) MORNING.

TODAY'S CLEARANCE, THE FIFTH LAUNCHED IN THE DISTRICT SO FAR THIS YEAR, IS PART OF A LONG-TERM ENVIRONMENTAL IMPROVEMENT SCHEME INITIATED BY THE DISTRICT BOARD SINCE LATE 1981.

DURING THE PAST YEARS, ABOUT 50 REAR LANES IN THE DISTRICT HAD BEEN CLEARED, WITH 157 ILLEGAL STRUCTURES, 35 SHOP EXTENSIONS AND 40 CANOPIES BEING PULLED DOWN.

A DISTRICT OFFICE SPOKESMAN SAID THE ILLEGAL STRUCTURES, USED EITHER FOR STORAGE, WORKSHOPS, KITCHENS OR TEMPORARY HOMES, HAD BEEN A LONG-STANDING PROBLEM IN SHAM SHUI PO.

+NOT ONLY DO THESE MAKESHIFT EXTENSIONS POSE A STRUCTURAL PROBLEM, BUT THEY ALSO CAUSE ENVIRONMENTAL NUISANCE AND OBSTRUCT PUBLIC ACCESS,+ HE SAID.

ASIDE FROM THE CLEARANCE, HE SAID, WARNING NOTICES HAD BEEN SENT TO SHOP OPERATORS FROM TIME TO TIME REQUESTING THEM TO PULL DOWN THE ILLEGAL EXTENSIONS THEMSELVES.

TODAY'S CLEARANCE WAS JOINTLY CARRIED OUT BY THE DISTRICT OFFICE, THE URBAN SERVICES, SOCIAL WELFARE AND LANDS DEPARTMENTS.

AN ELDERLY MAN WHO CLAIMED HOMELESS AFTER TODAY'S CLEARANCE OPERATION HAS NOW BEEN GIVEN TEMPORARY ACCOMMODATION AT THE SOCIAL WELFARE DEPARTMENT'S TAI HANG TUNG COMMUNITY CENTRE.

HIS CASE WILL BE REVIEWED AGAIN TOMORROW (FRIDAY) BY THE HOUSING DEPARTMENT TO ESTABLISH HIS ELIGIBILITY FOR REHOUSING.

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THURSDAY, MARCH 24, 1983

- 30 -

AMERICAN COMEDY FOR SHA TIN RESIDENTS

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SHA TIN RESIDENTS WILL NOW BE ABLE TO WATCH A CANTONESE-VERSION OF AMERICAN PLAYWRIGHT EUGENE O'NEILL'S NOBEL PRIZE WINNING PLAY +AH! WILDERNESS+.

THE PLAY, TO BE PERFORMED BY THE THESPIANS DRAMA SOCIETY AND STUDENTS OF THE CHINESE UNIVERSITY, WILL BE STAGED AT THE UNIVERSITY'S SIR RUN RUN SHAW HALL FOR THREE NIGHTS STARTING AT 8 PM THIS (THURSDAY) EVENING.

THE PLAY IS PART OF THE SHA TIN DRAMA MONTH HELD SINCE EARLY THIS MONTH AND FEATURED SEMINARS, LECTURES, AN EXHIBITION AND PERFORMANCES.

DIRECTOR OF THE PLAY +AH! WILDERNESS+ IS MR HARDY TSOI, WHO IS THE CHAIRMAN OF THE SHA TIN DRAMA MONTH ORGANISING COMMITTEE.

TICKETS AT \$8 AND \$12 ARE AVAILABLE AT THE SHA TIN DISTRICT OFFICE AND THE SIR RUN RUN SHAW HALL.

ABOUT \$60 000 HAS BEEN ALLOCATED FOR THE DRAMA MONTH WHICH IS JOINTLY ORGANISED BY THE SHA TIN DISTRICT OFFICE, THE SIR RUN RUN SHAW HALL AND THE SHA TIN ARTS ASSOCIATION.

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TENDERS INVITED FOR TENANCY OF CROWN LAND

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THE LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT TERM TENANCIES FOR TWO PIECES OF CROWN LAND FOR PUBLIC CAR PARKS.

THE FIRST SITE, OF ABOUT 2 419 SQUARE METRES, IS SITUATED AT THE WESTERN RECLAMATION, NORTH OF QUEEN STREET ON HONG KONG ISLAND.

THE TENANCY FOR THIS SITE IS FOR 18 MONTHS INITIALLY AND THEREAFTER QUARTERLY.

THE OTHER SITE IS AT FUNG KAM STREET IN YUEN LONG. IT COVERS AN AREA OF ABOUT 4 330 SQUARE METRES.

THE TENANCY FOR THIS SITE IS FOR ONE YEAR INITIALLY AND THEREAFTER QUARTERLY.

THE DEADLINE FOR ACCEPTANCE OF TENDERS FOR THE HONG KONG ISLAND SITE IS APRIL 15, 1983 WHILE THAT FOR THE YUEN LONG SITE IS APRIL 8, 1983.

TENDER FORMS, NOTICES AND CONDITIONS MAY BE OBTAINED FROM, AND TENDER PLANS INSPECTED AT THE LANDS DEPARTMENT, MURRAY BUILDING, 5TH FLOOR, GARDEN ROAD AND THE DISTRICT LANDS OFFICE, KOWLOON WEST, KOWLOON GOVERNMENT OFFICES, 10TH FLOOR, 405 NATHAN ROAD, KOWLOON.

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THURSDAY, MARCH 24, 1983

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EASTER HOLIDAYS POSTAL ARRANGEMENTS

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THE POST OFFICE ANNOUNCES TODAY (THURSDAY) THAT ALL POST OFFICES WILL BE CLOSED AND THAT THERE WILL BE NO DELIVERY OF MAIL ON GOOD FRIDAY (APRIL 1) AND CHING MING FESTIVAL (APRIL 5).

HOWEVER, THERE WILL BE ONE DELIVERY ON SATURDAY (APRIL 2) AND ONE ON EASTER MONDAY (APRIL 4). ON THESE TWO DAYS, 35 POST OFFICES, INCLUDING THE GENERAL POST OFFICE, THE KOWLOON CENTRAL POST OFFICE, THE TSIM SHA TSUI POST OFFICE, AND THE POST OFFICES IN TSUEN WAN AND TAI PO WILL BE OPEN FROM 9 AM TO 12 NOON.

ALL OTHER POST OFFICES WILL BE CLOSED.

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WATER CUT IN EASTERN DISTRICT

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FRESH WATER SUPPLY TO CERTAIN PREMISES IN EASTERN DISTRICT WILL BE TURNED OFF FOR SEVEN HOURS FROM 11 PM ON MONDAY (MARCH 28) TO 6 AM THE FOLLOWING DAY FOR A LEAKAGE TEST.

THE AFFECTED PREMISES WILL BE THOSE IN THE AREA BOUNDED BY LOCKHART ROAD, CANAL ROAD EAST, HENNESSY ROAD AND EAST POINT ROAD INCLUDING CHEE ON BUILDING.

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