



## DAILY INFORMATION BULLETIN

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

WEDNESDAY, FEBRUARY 27, 1980

<u>CONTENTS</u>	<u>PAGE NO.</u>
INCREASE IN PERSONAL TAXATION ALLOWANCES PROPOSED.....	1
\$2 318 MILLION SURPLUS PREDICTED FOR 1979/80 .....	3
HK'S GDP IN 1980 TO GROW BY NINE PER CENT .....	4
1979 ANXIETIES RECEDING AS HK ENTERS 1980 .....	5
HK ECONOMY MOVING TOWARDS INTERNAL AND EXTERNAL EQUILIBRIUM .....	8
DOMESTIC EXPORTS IN 1980 TO GROW BY SEVEN PER CENT .....	9
ONLY ONE FEE INCREASE PROPOSAL IN THE BUDGET .....	10
REVALUATION OF RATEABLE VALUES ABANDONED .....	11
TOTAL REVENUE TO RISE TO \$21 428 MILLION .....	13
'STARTLING' RISE IN TOTAL EXPENDITURE .....	13
TAX REFORM TO PLUG LOOPHOLE .....	16
MORE LAND TO BE PUT ON SALE .....	17

\$2 943 MILLION .....



DAILY INFORMATION BULLETIN

\$2 943 MILLION TO BE SPENT ON EDUCATION IN 1980-81 ..... 18

\$1 502 MILLION TO BE SPENT ON LAW AND ORDER ..... 19

\$792 MILLION FOR SOCIAL WELFARE ..... 21

MORE HOSPITAL BEDS TO BE PROVIDED ..... 22

PUBLIC SECTOR SIZE TO RISE TO 19.7 PER CENT ..... 23

BUDGET FOR INFRASTRUCTURE FACILITIES ..... 24

GOVERNOR VISITS TFCB ..... 24

CORRECTIONAL ADMINISTRATORS VISIT MORE PENAL INSTITUTIONS ..... 25

FIRST ASIAN AND PACIFIC CONFERENCE OF CORRECTIONAL  
ADMINISTRATORS ENDS ON FRIDAY ..... 26

TOWN MANAGER SPEAKS ABOUT COMMUNITY BUILDING IN TSUEN WAN ..... 26

TENDERS FOR OPERATING BEACH FACILITIES IN NT ..... 27

AUCTION OF SPECIAL CAR REGISTRATION NUMBERS ..... 28

9 000 STUDENTS TO ATTEND CAREER SEMINARS ..... 28

MUSIC OFFICE TO HOLD STUDENTS' CONCERT IN NT ..... 29

WEDNESDAY, FEBRUARY 27, 1980

- 1 -

INCREASE IN PERSONAL TAXATION ALLOWANCES PROPOSED  
\* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, TODAY PROPOSED TO INCREASE VARIOUS ALLOWANCES FOR BOTH SALARIES TAX AND PERSONAL ASSESSMENT TO BENEFIT MORE THAN 370 000 EXISTING AND POTENTIAL TAXPAYERS.

PRESENTING HIS BUDGET IN THE LEGISLATIVE COUNCIL, SIR PHILIP OUTLINED HIS PROPOSALS AS FOLLOWS:

- \* PERSONAL ALLOWANCE FOR A SINGLE PERSON WILL GO UP FROM \$10 000 TO \$15 000 AND FOR MARRIED PERSONS FROM \$20 000 TO \$30 000-
- \* CHILD ALLOWANCE WILL BE INCREASED AS FOLLOWS:
  - FROM \$4 000 TO \$5 000 FOR THE FIRST CHILD-
  - \$3 000 TO \$4 000 FOR THE SECOND CHILD-
  - \$2 000 TO \$3 000 FOR THE THIRD CHILD-
  - \$1 000 TO \$2 000 FOR THE 4TH, 5TH AND 6TH CHILD- AND
  - \$500 TO \$1 000 FOR THE 7TH, 8TH AND 9TH CHILD.
- \* THE DEPENDENT PARENT ALLOWANCE WILL BE INCREASED FROM \$4 000 TO \$5 000 AND THE CRITERIA FOR GRANTING THIS ALLOWANCE WILL REMAIN UNCHANGED.

HIS PROPOSAL FOR INCREASING THE PERSONAL ALLOWANCE CONSISTS OF INCREASING THE LEVEL OF PERSONAL ALLOWANCES FROM \$10 000 TO \$12 500 FOR A SINGLE PERSON, AND FROM \$20 000 TO \$25 000 FOR MARRIED PERSONS, AND ABOLISHING THE EXISTING CLAW-BACK PROVISION IN THE SUPPLEMENTARY PERSONAL ALLOWANCES SO THAT ALL TAXPAYERS WILL ENJOY THIS ALLOWANCE WHICH IS \$2 500 FOR A SINGLE PERSON AND \$5 000 FOR A MARRIED PERSON.

SIR PHILIP SAID THE IMPLEMENTATION OF THESE PROPOSALS WOULD BE EFFECTIVE FOR FINAL SALARIES TAX ASSESSMENT FOR 1979-80 (AND FOR PERSONAL ASSESSMENT ALSO) AND PROVISIONAL SALARIES TAX FOR 1980-81.

+THE EFFECT OF THESE PROPOSALS WILL BE TO EXEMPT 15 000 PERSONS PREVIOUSLY LIABLE TO SALARIES TAX AND A FURTHER 45 000 WHO WOULD HAVE BECOME CHARGEABLE IN 1980-81, WILL REMAIN OUT OF THE TAX NET, + HE SAID.

+ADDITIONALLY, 265 000 SALARIES TAXPAYERS WILL BENEFIT BY WAY OF REDUCED LIABILITY AND A FURTHER 50 000 WILL BENEFIT UNDER PERSONAL ASSESSMENT.+

SIR PHILIP SAID THE COST TO THE REVENUE IN 1980-81 TO IMPLEMENT THESE PROPOSALS WOULD BE \$426 MILLION.

/UNDER THESE .....

UNDER THESE PROPOSALS, THE TAX PAYABLE BY A SINGLE PERSON EARNING \$25 000 A YEAR WILL BE REDUCED FROM \$875 TO \$500, FOR MARRIED PERSONS WITH NO CHILDREN AT AN ANNUAL INCOME OF \$45 000, THE TAX WILL BE LOWERED FROM \$1 800 TO \$1 000.

TAKING INTO ACCOUNT THE DEPENDENT PARENT ALLOWANCE, FOR A SINGLE PERSON WITH TWO CHILDREN AND TWO DEPENDENT PARENTS EARNING \$35 000 A YEAR, THE TAX PAYABLE WOULD BE LOWERED FROM \$487 TO \$50 AND FOR MARRIED PERSONS EARNING \$60 000 WITH THE SAME NUMBER OF CHILDREN AND DEPENDENT PARENTS, THE TAX WOULD BE REDUCED FROM \$2 025 TO \$600.

SIR PHILIP ALSO PROPOSED THREE OTHER TAX CONCESSIONS RELATING TO INTEREST TAX LIABILITY OF CREDIT UNIONS, ESTATE DUTY AND STAMP DUTY ON CONVEYANCES OF LOW VALUE PROPERTIES.

SIR PHILIP PROPOSED TO AMEND THE INLAND REVENUE ORDINANCE SO THAT INTEREST ON LOANS MADE BY CREDIT UNIONS TO THEIR MEMBERS BE EXEMPT FROM TAX FROM YEAR OF ASSESSMENT 1980-81. ON OUTSIDE INVESTMENT INCOME OF THESE UNIONS, HE SAW +NO COMPELLING ARGUMENT+ TO JUSTIFY EXEMPTION FROM INTEREST WITHHOLDING TAX, SINCE CREDIT UNIONS WERE NEITHER CHARITABLE INSTITUTIONS NOR TRUSTS OF A PUBLIC CHARACTER.

THE PROPOSAL WOULD COST \$100 000 TO THE REVENUE.

ON ESTATE DUTY, HE PROPOSED TO RAISE THE EXEMPTION LIMIT FROM \$400 000 TO \$600 000 FOR THE ESTATES OF PERSONS DYING AFTER THE ENACTMENT OF THE NECESSARY LEGISLATION. THE COST TO THE REVENUE OF THIS PROPOSAL IS ESTIMATED TO BE ABOUT \$5 MILLION IN 1980-81.

ON STAMP DUTY ON CONVEYANCE OF LOW VALUE PROPERTIES, HE PROPOSED TO RAISE THE LIMIT FOR THE CONCESSIONARY AD VALOREM RATE OF DUTY OF ONE PER CENT BY \$75 000 TO \$250 000 AT A COST TO THE REVENUE OF NO LESS THAN \$67 MILLION IN 1980-81.

SIR PHILIP SAID THIS CONCESSION WAS IN +RECOGNITION OF THE MUCH HIGHER LEVEL OF PRICES OF DOMESTIC FLATS+. A FURTHER 18 000 FLAT PURCHASERS WILL BENEFIT FROM THIS CONCESSION A YEAR IN ADDITION TO THE 40 000 FLAT PURCHASERS ALREADY ENJOYING IT NOW. THIS CONCESSION WILL BE EFFECTIVE FROM THE OPENING OF BUSINESS TOMORROW MORNING.

BILLS TO AMEND THE INLAND REVENUE ORDINANCE TO PROVIDE FOR IMPLEMENTATION OF HIS PROPOSALS IN RESPECT OF PERSONAL TAXATION AND ESTATE DUTY WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL AS SOON AS POSSIBLE.

**\$2 318M SURPLUS PREDICTED FOR 1979/80**

\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, HAS PREDICTED A RECORD SURPLUS OF \$2 318 MILLION FOR THE CURRENT FINANCIAL YEAR 1979-80.

IN HIS BUDGET SPEECH, SIR PHILIP SAID THE REVISED ESTIMATES OF REVENUE AND EXPENDITURE FOR 1979-80 WERE \$16 550 MILLION AND \$14 232 MILLION RESPECTIVELY, THUS RESULTING IN A SURPLUS OF \$2 318 MILLION.

+THIS FIGURE DOES NOT QUITE MATCH UP WITH THE SURPLUS DERIVED FROM THE TREASURY'S CASH BOOK AT FEBRUARY 14,+ HE ADDED. +AND SO I SHALL USE A FIGURE OF \$2 500 MILLION WHEN CONSIDERING OUR CUMULATIVE FINANCIAL POSITION AT APRIL 1 NEXT.+

THE FINANCIAL SECRETARY SAID THAT FOR THE THIRD YEAR RUNNING THIS LARGER THAN BUDGETTED FOR SURPLUS — \$2 318 MILLION RATHER THAN \$1 455 MILLION — +IS DUE TO A FLUSH OF REVENUE RATHER THAN A FAILURE OF EXPENDITURE, BUT THIS OUTCOME IS ENTIRELY CONSISTENT WITH THE CONSTRAINING OBJECTIVE OF BUDGETARY POLICY IN 1979-80.+

AT \$16 550 MILLION, THE REVISED ESTIMATE OF REVENUE EXCEEDS THE ORIGINAL ESTIMATE OF \$13 888 MILLION BY \$2 662 MILLION, OR BY 19 PER CENT.

RECURRENT REVENUE AT \$13 214 MILLION IS UP BY A NET \$1 738 MILLION, OR BY 15 PER CENT, ON THE ORIGINAL ESTIMATE.

CAPITAL REVENUE IS UP BY \$924 MILLION, OR BY 38 PER CENT, ON THE ORIGINAL ESTIMATE AS PREMIA FROM LAND TRANSACTIONS ARE UP BY \$886 MILLION, OR BY 45 PER CENT, AND THE YIELD FROM ESTATE DUTY IS UP BY \$55 MILLION, OR BY 41 PER CENT.

ON EXPENDITURE, SIR PHILIP SAID THE REVISED ESTIMATE OF EXPENDITURE, AT \$14 232 MILLION, EXCEEDED THE APPROVED ESTIMATE OF \$12 433 MILLION BY \$1 799 MILLION, OR BY 14.5 PER CENT. FOR THE THIRD YEAR RUNNING, ACTUAL EXPENDITURE WOULD EXCEED THE APPROVED ESTIMATE, HE ADDED.

ON RECURRENT ACCOUNT, AT \$9 081 MILLION, THE FINANCIAL SECRETARY SAID THERE WAS NET OVER-SPENDING OF \$721 MILLION, OR NEARLY NINE PER CENT, LARGELY DUE TO THE PAY TREND SURVEY SALARY REVISION WITH EFFECT FROM APRIL 1 AND THE IMPLEMENTATION OF REPORT NO. 2 OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AS FROM OCTOBER 1.

AS FOR CAPITAL ACCOUNT, AT \$5 151 MILLION, THERE WAS NET OVER-SPENDING OF \$1 078 MILLION, OR NEARLY 27 PER CENT, OF WHICH \$591 MILLION IS ACCOUNTED FOR BY PUBLIC WORKS PROGRAMME OTHER THAN NEW TOWNS AND HOUSING.

IN ADDITION, SIR PHILIP SAID, AN EXTRA \$382 MILLION WAS REQUIRED FOR EXTRAORDINARY ITEMS UNFORESEEN WHEN THE ESTIMATES WERE PREPARED, SUCH AS CAMPS FOR VIETNAMESE REFUGEES, THE PURCHASE OF FAIRMOUNT GARDENS AND ADDITIONAL EXPENDITURE ON SLOPES.

TURNING TO HONG KONG'S FINANCIAL POSITION, SIR PHILIP SAID THAT AT APRIL 1 HONG KONG WOULD HAVE +FREE+ RESERVES OF AROUND \$5 700 MILLION TO FINANCE ITS SEASONAL DEFICITS ON GENERAL REVENUE ACCOUNT, AND ANY UNEXPECTED SHORT TERM DIFFICULTIES AND EMERGENCY SITUATIONS WHICH COULD NOT BE -- AND, INDEED, SHOULD NOT BE -- DEALT WITH BY A REVISION OF EXPENDITURE AUTHORITIES OR BY FISCAL MEASURES.

+THE LEVEL OF OUR 'FREE' FISCAL RESERVES IS ALSO SUCH AS TO ENABLE US TO MAINTAIN A GIVEN LEVEL OF EXPENDITURE, WITHOUT RESORTING TO DEBT FINANCE, AS AND WHEN THE REVENUE AND EXPENDITURE ESTIMATES BREACH THE RELEVANT GUIDELINES- AND AS AND WHEN THE FINANCING OF CAPITAL EXPENDITURE BECOMES MORE DEPENDENT AGAIN ON THE SURPLUS ON RECURRENT ACCOUNT,+ HE SAID.

----- 0 -----

#### HK'S GDP IN 1980 TO GROW BY NINE PER CENT

\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, TODAY (WEDNESDAY) FORECAST THAT HONG KONG'S GROSS DOMESTIC PRODUCT (GDP) WOULD GROW BY NINE PER CENT IN REAL TERMS IN 1980 COMPARED WITH THE ACHIEVED GROWTH RATE OF 11.5 PER CENT IN 1979.

PRESENTING HIS BUDGET FOR 1980-81 IN THE LEGISLATIVE COUNCIL, SIR PHILIP SAID IN PER CAPITA TERMS, ASSUMING THE GROWTH RATE OF THE POPULATION TO BE ABOUT 4.1 PER CENT, THE GROWTH RATE OF GDP PER CAPITA WOULD BE FIVE PER CENT, ROUGHLY THE SAME AS THE ACHIEVED GROWTH RATE OF 4.8 PER CENT IN 1979. THE GROWTH RATE OF REAL INCOME PER CAPITA WILL ALSO BE ABOUT FIVE PER CENT.

IN MONEY TERMS, THE GDP GROWTH RATE IN 1980 IS 21 PER CENT. THIS IMPLIES THAT TOTAL EXPENDITURE ON GDP AT CURRENT PRICES WILL BE \$106 000 MILLION. IN PER CAPITA TERMS, GDP AT CURRENT PRICES WILL BE ALMOST \$21 000 REPRESENTING A GROWTH RATE OF 17 PER CENT, COMPARED WITH THE ACHIEVED GROWTH RATE OF 18.7 PER CENT IN 1979.

HE ALSO PREDICTED THAT THE RATE OF INCREASE IN CONSUMER PRICES IN HONG KONG IN 1980 WAS 10 PER CENT REPRESENTING A SLOWDOWN FROM THE ACTUAL RATE OF INCREASE OF 11.6 PER CENT IN 1979, WHILE THE RATE OF INCREASE IN THE GENERAL PRICE LEVEL - THE GDP DEFLATOR - WAS 11 PER CENT COMPARED WITH AN ACTUAL 13.3 PER CENT INCREASE IN 1979.

SIR PHILIP ALSO ANALYSED THE GROSS DOMESTIC PRODUCT IN 1980 BY COMPONENT.

FOR PRIVATE CONSUMPTION EXPENDITURE PRICE, HE FORECAST A NINE PER CENT GROWTH RATE WHICH WAS LESS THAN MIGHT BE IMPLIED BY THE GROWTH RATE OF REAL INCOME IN 1979, AND THE FORECAST GROWTH RATE FOR 1980. THERE ARE THREE POSSIBLE REASONS FOR THIS: FIRST, A RELATIVELY HIGH RATE OF INCREASE IN PRICES MAY, WHEN ALLIED WITH UNCERTAINTIES FACING OUR ECONOMY, EXERT A CONSTRAINING EFFECT ON CONSUMPTION AND PROVIDE A GREATER INCENTIVE TO SAVE.

/SECONDLY, .....

SECONDLY, THERE HAS BEEN AN INCREASING TENDENCY FOR FAMILIES TO PURCHASE THEIR OWN FLATS- AND, WITH A HIGH RATE OF INCREASE IN THE PRICES OF FLATS AND HIGHER MORTGAGE RATES, A LARGE PROPORTION OF THE INCOMES OF SOME FAMILIES WILL BE TIED UP IN MONTHLY HOUSEHOLD EXPENDITURE.

THIRDLY, THE SPURT IN THE GROWTH RATE OF PRIVATE CONSUMPTION EXPENDITURE FROM TWO PER CENT IN 1975 TO 8.8 PER CENT IN 1976 TO 18.4 PER CENT IN 1978 WILL CONTINUE TO DEPRESS REPLACEMENT DEMAND AS WAS PROBABLY THE CASE IN 1979.

ON GOVERNMENT CONSUMPTION EXPENDITURE, THE FORECAST GROWTH RATE IS 12 PER CENT, ROUGHLY THE SAME AS THAT ACHIEVED IN 1979.

ON GROSS DOMESTIC FIXED CAPITAL FORMATION, THE FORECAST GROWTH RATE IS 12 PER CENT COMPARED WITH THE ACHIEVED GROWTH RATE OF 23.7 PER CENT IN 1979. THE GROWTH RATE OF INVESTMENT IN PLANT AND MACHINERY IN 1980 IS 15 PER CENT, A SLOWDOWN FROM THE GROWTH RATE OF OVER 40 PER CENT ACHIEVED IN 1979 WHICH WAS THE RESULT OF A RAPID GROWTH RATE OF INVESTMENT IN TRANSPORT EQUIPMENT AND OFFICE MACHINERY. TOTAL EXPENDITURE ON BUILDING AND CONSTRUCTION IS 10 PER CENT WITH THE PRIVATE SECTOR GROWING BY FIVE PER CENT AND THE PUBLIC SECTOR, INCLUDING THE MTRC, BY 15 PER CENT.

- - - - - 0 - - - - -

#### 1979 ANXIETIES RECEDING AS HK ENTERS 1980

\* \* \* \* \*

THE ANXIETIES WITH WHICH WE WERE SEIZED AS WE ENTERED 1979 ARE BEGINNING TO RECEDE AS WE ENTER 1980, THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, SAID THIS (WEDNESDAY) AFTERNOON IN PRESENTING HIS BUDGET.

SIR PHILIP POINTED OUT THAT INFLATION SUFFERED LAST YEAR WAS MAINLY IMPORTED, AND THAT THE ACCELERATING WORLD INFLATION WAS PARTLY A RESULT OF THE OIL SITUATION.

+WE MUST ALSO RECOGNISE THAT THERE IS LITTLE WE CAN DO, WHICH WOULD BE CONSISTENT WITH THE NEED TO MAINTAIN EXTERNAL COMPETITIVENESS, TO ISOLATE OURSELVES FROM WORLD INFLATION,+ HE SAID.

BUT, HE SAID, THIS WAS NOT SO IN THE CASE OF DOMESTICALLY GENERATED INFLATION AND IN A MARKET ORIENTED ECONOMY LIKE HONG KONG, PRICES INCREASE BECAUSE DEMAND EXCEEDS SUPPLY.

+UNDER NORMAL CIRCUMSTANCES, DOMESTICALLY GENERATED INFLATION ARISING FROM AN IMBALANCE BETWEEN THE DEMAND FOR, AND THE SUPPLY OF, RESOURCES WILL TEND TO CORRECT ITSELF. I SAY, UNDER NORMAL CIRCUMSTANCES, BECAUSE COMPLETE DEPENDENCE ON MARKET FORCES MAY INVOLVE A SOCIAL COST WHICH MAY BE TOO LARGE FOR THE COMMUNITY TO BEAR,+ SIR PHILIP EXPLAINED.

HE SAID THAT WHERE THERE WAS A POSSIBILITY THAT THIS WAS SO, DELIBERATE STEPS MIGHT HAVE TO BE TAKEN TO DAMPEN DOWN DOMESTICALLY GENERATED INFLATION, EITHER BY SLOWING DOWN DEMAND OR BY INCREASING SUPPLY.

/IN HIS .....

IN HIS PRELIMINARY ESTIMATE OF GDP IN 1979, THE FINANCIAL SECRETARY SAID THAT DESPITE A SURGE IN THE SIZE OF OUR POPULATION, THE GROWTH RATE OF PRIVATE CONSUMPTION EXPENDITURE WAS ONLY 7.7 PER CENT IN 1979 — REPRESENTING A SHARP DECELERATION WHEN COMPARED WITH THE GROWTH RATES IN 1977 AND 1978 OF 17.3 PER CENT AND 18.4 PER CENT RESPECTIVELY.

AT 12.3 PER CENT, THE PRELIMINARY ESTIMATE OF THE GROWTH RATE OF GOVERNMENT CONSUMPTION EXPENDITURE IN 1979 IS HIGHER THAN FORECAST (9 PER CENT) AND IS ABOUT THE SAME AS IN 1977 AND 1978 AT 12.5 PER CENT AND 12.8 PER CENT RESPECTIVELY.

THE GROWTH RATE OF EXPENDITURE ON GROSS DOMESTIC FIXED CAPITAL FORMATION, FORECAST AT 9 PER CENT LAST YEAR, IS ESTIMATED AT AS HIGH AS 23.7 PER CENT FOR 1979 WITH THE DIFFERENCE BEING LARGELY THE RESULT OF HIGHER THAN EXPECTED INVESTMENT IN PLANT AND MACHINERY — 46.3 PER CENT INSTEAD OF 8 PER CENT.

MUCH OF THIS INVESTMENT WAS IN TRANSPORT EQUIPMENT (INCLUDING AIRCRAFT), BUT MANUFACTURERS ALSO EXPANDED THEIR CAPACITY BECAUSE THEY WERE ABLE TO ACQUIRE THE LABOUR THEY NEEDED.

THE PRELIMINARY ESTIMATE OF THE GROWTH RATE OF TOTAL EXPORTS OF GOODS FOR 1979 IS 19.5 PER CENT, MADE UP OF 16.6 PER CENT FOR DOMESTIC EXPORTS AND 28.8 PER CENT FOR RE-EXPORTS. SIR PHILIP SAID THESE GROWTH RATES WERE SIGNIFICANTLY HIGHER THAN HIS FORECAST GROWTH RATE OF 8 PER CENT, 7 PER CENT AND 12 PER CENT RESPECTIVELY.

+THE UPSURGE IN THE RE-EXPORT TRADE, WHICH BEGAN TO GET UNDERWAY IN LATE 1977, WAS SUSTAINED FOR THE SECOND YEAR RUNNING. THIS PROVIDES CONFIRMATION THAT OUR ROLE AS AN ENTREPOT IS NOW A SIGNIFICANT FACTOR IN OUR DEVELOPING AND DIVERSIFYING ECONOMY,+ HE SAID.

SIR PHILIP SAID THE PRELIMINARY ESTIMATE OF THE GROWTH RATE OF IMPORTS FOR 1979 AT 15.6 PER CENT WAS ALSO HIGHER THAN HIS FORECAST OF 10 PER CENT BUT THIS WAS A REFLECTION OF THE BETTER THAN EXPECTED EXPORT PERFORMANCE — THE GROWTH RATE OF IMPORTS OF CONSUMER GOODS SLOWED DOWN AS FORECAST, BUT THE GROWTH RATE OF IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES SLOWED DOWN LESS THAN HE EXPECTED, WHILE THE GROWTH RATE OF IMPORTS OF CAPITAL GOODS ACTUALLY ACCELERATED.

HE SAID THAT THE NEW ESTIMATES NOW AVAILABLE ON IMPORTS AND EXPORTS OF SERVICES SUGGESTED THAT, IN 1979, THE SURPLUS ON INVISIBLE TRADE WAS SUBSTANTIALLY LARGER THAN IN 1978 AND WAS ALMOST LARGE ENOUGH TO OFFSET THE DEFICIT ON THE VISIBLE TRADE ACCOUNT.

+SO, TAKING THE VARIOUS COMPONENTS OF EXPENDITURE ON THE GDP TOGETHER, INSTEAD OF MY FORECAST OF 7 PER CENT, THE PRELIMINARY ESTIMATE FOR 1979 IS FOR A GROWTH RATE OF GDP IN 1979 OF 11.5 PER CENT,+ HE SAID.

/HE ADDED: .....

HE ADDED: +THIS UNEXPECTEDLY HIGH GROWTH RATE WAS THE RESULT OF A HIGHER THAN EXPECTED GROWTH RATE OF DEMAND FOR OUR EXPORTS WHICH WE WERE ABLE TO MEET AS A RESULT OF A RAPID EXPANSION IN THE PRODUCTIVE CAPACITY OF THE ECONOMY.

+THIS, IN TURN, WAS THE RESULT OF THE UNEXPECTEDLY HIGH GROWTH RATE OF THE POPULATION, RATHER THAN ADDITIONAL PRODUCTIVITY.

+THIS IS REFLECTED IN THE FACT THAT THE PRELIMINARY ESTIMATE OF THE GROWTH RATE OF GDP IN PER CAPITA TERMS AT 4.8 PER CENT IS IN LINE WITH THE FORECAST. AS SHIFTS IN THE TERMS OF TRADE WERE INSIGNIFICANT IN 1979, THE GROWTH RATE OF REAL INCOME AT 11.18 PER CENT WAS ROUGHLY THE SAME AS THAT OF GDP. AT CONSTANT PRICES, THE PRELIMINARY ESTIMATE OF GDP IN 1979 IS \$56 577 MILLION.+

BUT AT CURRENT PRICES, HE SAID THE PRELIMINARY ESTIMATE OF GDP FOR 1979 WAS \$87 345 MILLION, OR 26.4 PER CENT HIGHER THAN THAT IN 1978.

SIR PHILIP SAID THIS EXCEEDED HIS FORECAST OF 16 PER CENT BECAUSE, IN ADDITION TO THE HIGHER THAN EXPECTED GROWTH RATE OF GDP IN REAL TERMS, THE RATE OF INCREASE IN PRICES WAS HIGHER THAN EXPECTED.

+THE GDP DEFLATOR INCREASED BY 13.3 PER CENT COMPARED WITH MY FORECAST OF 8 PER CENT AND CONSUMER PRICES INCREASED BY 11.7 PER CENT COMPARED WITH MY FORECAST OF 9 PER CENT,+ HE SAID.

SIR PHILIP POINTED OUT THAT FOR THE FOURTH CONSECUTIVE YEAR THE GROWTH RATE OF THE ECONOMY WAS SIGNIFICANTLY HIGHER THAN THE TREND GROWTH RATE OF 9 PER CENT.

+THIS IS A REMARKABLE RECORD INDEED, NOTWITHSTANDING THAT THE GROWTH RATE OF GDP PER CAPITA HAS BEEN SLOWED DOWN DURING THE FOUR POST-RECESSION YEARS FROM 17.5 PER CENT IN 1976, TO 8.1 PER CENT IN 1977, TO 7.8 PER CENT IN 1978, TO 4.8 PER CENT IN 1979, DUE TO THE EFFECTS OF IMMIGRATION ON THE GROWTH RATE OF POPULATION IN 1978 AND PARTICULARLY, OF COURSE, IN 1979,+ HE ADDED.

HK ECONOMY MOVING TOWARDS  
INTERNAL AND EXTERNAL EQUILIBRIUM  
\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE SAID THE PRESENT FORECAST OF ECONOMIC GROWTH IN 1980 SUGGESTS THAT THE MOVEMENT TOWARDS INTERNAL AND EXTERNAL EQUILIBRIUM WHICH BEGAN TO BECOME APPARENT IN THE SECOND HALF OF 1979, WILL NOT BE REVERSED.

HE GAVE THE INDICATIONS LEADING TO THIS TREND AS FOLLOWS:

- \* THE GROWTH RATE OF TOTAL FINAL DEMAND IN 1980 AT 10 PER CENT WILL ONLY BE marginally HIGHER THAN THAT OF GDP AT NINE PER CENT-
- \* GROWTH RATE OF DOMESTIC DEMAND AT 11 PER CENT WILL BE HIGHER THAN THE GROWTH RATE OF DOMESTIC EXPORTS OF GOODS AT SEVEN PER CENT, AND EVEN HIGHER THAN THE GROWTH RATE OF TOTAL EXPORTS AT NINE PER CENT-
- \* THE GROWTH RATE OF PUBLIC SECTOR DEMAND AT 13 PER CENT WILL BE HIGHER THAN THE GROWTH RATE OF PRIVATE SECTOR DEMAND AT 11 PER CENT-
- \* THE PRESSURE OF DEMAND FOR THE OUTPUT OF THE BUILDING AND CONSTRUCTION INDUSTRY WILL STILL BE CONSIDERABLE WITH A FORECAST GROWTH RATE OF TEN PER CENT INCREASE IN THE EXPENDITURE ON BUILDING AND CONSTRUCTION-
- \* GROWTH RATE OF PRIVATE CONSUMPTION EXPENDITURE AT NINE PER CENT WILL BE LESS THAN MIGHT BE EXPECTED AND THIS IS USEFUL IN THE CONTEXT OF THE IMPACT OF THE RAPID GROWTH RATE OF PUBLIC SECTOR DEMAND-
- \* GROWTH RATE OF IMPORTS OF GOODS AT 11 PER CENT WILL BE HIGHER THAN THAT OF TOTAL EXPORTS OF GOODS AT NINE PER CENT-
- \* THE VISIBLE TRADE GAP WILL IN 1980 WIDEN TO ABOUT 14 PER CENT FROM 12.1 PER CENT IN 1979 BUT THIS IS LARGELY OFFSET BY THE SURPLUS ON THE INVISIBLE TRADE ACCOUNT, AND
- \* WITH THE EXCEPTION OF THE BUILDING AND CONSTRUCTION INDUSTRY, THE DEMAND FOR, AND THE SUPPLY OF, DOMESTIC RESOURCES IN THE ECONOMY, WILL CONTINUE TO MOVE IN THE DIRECTION OF A BETTER BALANCE AS REFLECTED BY SLOWER RATES OF INCREASE OF PRICES.

## DOMESTIC EXPORTS IN 1980 TO GROW BY SEVEN PER CENT

\* \* \* \* \*

HONG KONG'S DOMESTIC EXPORTS IN 1980 IS FORECAST TO GROW BY SEVEN PER CENT COMPARED WITH THE ACHIEVED GROWTH RATE OF 16.6 PER CENT IN 1979, THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, SAID TODAY.

IN HIS BUDGET SPEECH IN THE LEGISLATIVE COUNCIL TODAY, SIR PHILIP PREDICTED A NINE PER CENT GROWTH RATE IN THE TOTAL EXPORTS OF GOODS, INCLUDING RE-EXPORTS, IN 1980 COMPARED WITH THE ACHIEVED GROWTH RATE OF 19.5 PER CENT IN 1979.

ON RE-EXPORTS, HE SAID THE GROWTH RATE WOULD CONTINUE TO BE RAPID AT 14 PER CENT, TAKING INTO ACCOUNT THE EXPANSION IN CHINA'S INTERNATIONAL TRADE AND HONG KONG'S ROLE AS AN ENTREPOT FACILITATING THIS EXPANSION. IN 1979, RE-EXPORTS ACHIEVED AN ACTUAL GROWTH RATE OF 29 PER CENT.

HE ALSO FORECAST THAT IMPORTS WOULD GROW BY 11 PER CENT COMPARED WITH THE ACHIEVED GROWTH RATE OF 15.6 PER CENT IN 1979.

HE SAID THE VISIBLE TRADE GAP IN 1980 WOULD WIDEN TO ABOUT 14 PER CENT FROM 12.1 PER CENT IN 1979, BUT THE VISIBLE TRADE DEFICIT IMPLIED SHOULD BE LARGELY OFFSET BY THE SURPLUS ON THE INVISIBLE TRADE ACCOUNT.

+AT 14 PER CENT, THE VISIBLE TRADE GAP IS WITHIN THE HISTORICAL RANGE OF 10 PER CENT TO 16 PER CENT IN THE 1970S,+ HE SAID.

ON HONG KONG'S DOMESTIC EXPORTS BY MARKETS, SIR PHILIP SAID HE EXPECTED THAT THE GROWTH RATE OF OUR DOMESTIC EXPORTS TO THE UNITED STATES WOULD CONTINUE TO BE FAIRLY RAPID IN THE FIRST HALF OF 1980, BUT WOULD SLOW DOWN IN THE SECOND HALF. HE FORECAST THAT THE GROWTH RATE OF DOMESTIC EXPORTS TO THE US FOR THE YEAR AS A WHOLE WOULD BE FOUR PER CENT COMPARED WITH THE ACHIEVED GROWTH RATE OF EIGHT PER CENT IN 1979.

HIS FORECAST FOR GROWTH RATE OF OUR DOMESTIC EXPORTS TO GERMANY WAS 10 PER CENT, TO UNITED KINGDOM SIX PER CENT AND TO THE REST OF THE WORLD NINE PER CENT, AS AGAINST THE 1979 GROWTH RATES OF 22 PER CENT, 28 PER CENT AND 20 PER CENT RESPECTIVELY.

ON THE AMERICAN MARKET, SIR PHILIP SAID THE GROWTH RATE OF OUR DOMESTIC EXPORTS IN THE SECOND HALF OF 1979 PICKED UP SIGNIFICANTLY= AND, AT THE END OF THE YEAR ORDER BOOKS STILL REMAINED REASONABLY FULL.

+BUT ONE OF THE FACTORS BEHIND THIS RECOVERY WAS THAT INVENTORIES WERE BEING REPLENISHED, HAVING BEEN RUN DOWN IN RESPONSE TO HIGH INTEREST RATES AND IN ANTICIPATION OF THE MUCH TALKED OF IMMINENT RECESSION.

+INVENTORIES ARE REPORTED TO BE STILL BELOW NORMAL AND THERE MAY BE A TENDENCY TO RE-BUILD IN ANTICIPATION OF FURTHER INFLATION, BUT IT IS DIFFICULT TO BE CERTAIN ABOUT THIS,+ HE SAID.

ON OUR MAJOR MARKETS IN EUROPE, HE SAID REPORTED PROSPECTS OF THE ECONOMIES IN THESE MARKETS IN 1980 ALSO SUGGESTED A SLOWING DOWN IN THE GROWTH RATES OF REAL INCOMES AND CONSUMPTION EXPENDITURE.

AS A WHOLE, HE EXPECTED THAT THERE WOULD BE A SMALL REPLENISHMENT OF STOCKS IN 1980 FOLLOWING THE DEPLETION IN 1979.

SIR PHILIP PREDICTED THAT THE GROWTH RATE OF THE NET BALANCE OF INVISIBLE TRADE IN 1980 TO BE ABOUT NINE PER CENT COMPARED WITH THE ACHIEVED GROWTH RATE OF 15 PER CENT IN 1979.

- - - - 0 - - - -

ONLY ONE FEE INCREASE PROPOSAL IN THE BUDGET  
\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE IN HIS BUDGET PRESENTED BEFORE THE LEGISLATIVE COUNCIL TODAY MADE ONLY ONE FEE INCREASE PROPOSAL AND THAT IS TO RAISE THE CHARGE FOR SUPPLYING CERTIFIED COPIES OR EXTRACTS OF BUSINESS REGISTRATION DOCUMENTS.

THE CHARGE FOR THIS SERVICE WILL BE INCREASED FROM \$15 TO \$30 EFFECTIVE FROM TOMORROW (THURSDAY).

SIR PHILIP SAID HE DECIDED NOT TO PROPOSE OTHER FEE INCREASES FOR THE TIME BEING FOR TWO REASONS:

- \* GENERALLY, BECAUSE OUR FINANCIAL POSITION DOES NOT INDICATE AN IMMEDIATE NEED TO BOOST RECURRENT REVENUE, FOR THE GUIDELINE WHICH REQUIRES US TO ENSURE THAT RECURRENT EXPENDITURE ABSORBS NO MORE THAN 80 PER CENT OF RECURRENT REVENUE IS STILL BEING MET, AND
- \* BECAUSE HE THOUGHT THAT, IN MOST CASES, THE ELASTICITIES ARE SUCH THAT INCREASE IN RATES OF CHARGE COULD BE MILDLY INFLATIONARY AND HE WISHED TO AVOID THIS AT THIS TIME.

HOWEVER, HE ADDED THAT THERE IS NO NECESSARY REASON WHY FISCAL PROPOSALS HAVE TO BE ANNOUNCED IN THE ANNUAL BUDGET SPEECH- AND, +OF COURSE, COST-RELATED FEES AND CHARGES AND CHARGES RAISED FOR THE SERVICES OF OUR PUBLIC UTILITY-TYPE UNDERTAKINGS CANNOT BE ALLOWED TO LAG BEHIND FULL COSTS (APPROPRIATELY DEFINED) FOR VERY LONG.+

IN FACT, HE SAID, WE HAVE JUST ANNOUNCED A REVISION OF PASSENGER CHARGES FOR THE KOWLOON-CANTON RAILWAY EFFECTIVE FROM APRIL 1 NEXT WHICH, INCIDENTALLY, WILL NOWHERE NEAR YIELD A SATISFACTORY RATE OF RETURN ON THAT ENTERPRISE EVEN IN RELATION TO PRESENT CAPITAL EMPLOYED, LET ALONE ONCE WE HAVE FINISHED INVESTING NEARLY \$2 000 MILLION IN DOUBLE TRACKING, ELECTRIFICATION, NEW ROLLING STOCK AND MODERNISED FACILITIES OVER THE FIVE YEARS ENDING 1983-84.

+I SHOULD MENTION ALSO THAT REVISED SAND PRICES ARE LONG OVERDUE- AND VARIOUS AIRPORT CHARGES ARE CURRENTLY UNDER REVIEW AND MAY WELL BE INTRODUCED LATER ON THIS YEAR,+ SIR PHILIP ADDED.

/ON THE .....

ON THE SERVICE FOR PROVIDING CERTIFIED COPIES OR EXTRACTS OF BUSINESS REGISTRATION DOCUMENTS, SIR PHILIP NOTED THAT IN RECENT YEARS, THERE HAS BEEN A SIGNIFICANT INCREASE IN THE NUMBER OF REQUESTS FOR SUCH SERVICE WHICH, UNDER THE PROVISIONS OF THE BUSINESS REGISTRATION ORDINANCE, ANY PERSON MAY REQUIRE THE COMMISSIONER OF INLAND REVENUE TO PROVIDE ON PAYMENT OF THE PRESCRIBED FEE.

IN 1978-79, THE BUSINESS REGISTRATION OFFICE ISSUED OVER 92 000 CERTIFIED COPIES OR EXTRACTS OF BUSINESS REGISTRATION DOCUMENTS AND, CURRENTLY, REQUESTS ARE BEING RECEIVED AT THE RATE OF 2 000 A WEEK.

HE SAID: +CERTIFIED COPIES OR EXTRACTS ARE SOUGHT FOR A VARIETY OF REASONS, BUT USUALLY RELATE TO A DESIRE TO ASCERTAIN THE IDENTITY OF THE PROPRIETORS OF A BUSINESS WITH WHOM A TRANSACTION IS INTENDED.

+I AM NOT SATISFIED THAT THE GOVERNMENT IS BEING ADEQUATELY RECOMPENSED FOR THE EFFORT INVOLVED IN PROVIDING THESE CERTIFIED COPIES OR EXTRACTS BY THE PRESCRIBED FEE OF \$15 AND SO I PROPOSE THAT THE FEE SHOULD BE DOUBLED TO \$30 BRINGING IN EXTRA REVENUE OF \$1.5 MILLION A YEAR.+

- - - - 0 - - - -

#### REVALUATION OF RATEABLE VALUES ABANDONED \* \* \* \* \*

THE REVALUATION EXERCISE FOR THIS YEAR WITH A VIEW TO BRINGING NEW LISTS OF RATEABLE VALUES INTO EFFECT ON APRIL 1, 1981 HAS BEEN ABANDONED AND THE RATE PERCENTAGE CHARGE FOR 1980-81 WILL REMAIN UNCHANGED.

THIS WAS REVEALED BY THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE WHO ALSO ANNOUNCED THAT AN EXERCISE TO UPDATE ASSESSABLE VALUES FOR PROPERTY TAX HAS BEEN POSTPONED.

HOWEVER HE GAVE +DUE NOTICE OF MY INTENTION TO CONSIDER AN INCREASE IN THE GENERAL RATE PERCENTAGE FOR 1981-82.+

SIR PHILIP GAVE THREE REASONS FOR THE ABANDONMENT OF THE REVALUATION EXERCISE FOR THE TIME BEING AS FOLLOWS:

- \* THE COMMISSIONER OF RATING AND VALUATION HAS HAD TO DIVERT EXPERIENCED PROFESSIONAL AND TECHNICAL STAFF TO RENT CONTROL WORK AS A RESULT OF THE RECENT DECISION TO EXTEND RENT CONTROLS TO ALL DOMESTIC ACCOMMODATION AS PROVIDED FOR IN THE NEW RENT CONTROL ORDINANCE=
- \* RATEABLE VALUES BY LAW HAVE TO BE RELATED TO UNAFFECTED MARKET RENTS. AS A RESULT OF THE IMPOSITION OF BLANKET RENT CONTROLS, THERE IS NOW UNLIKELY TO BE SUFFICIENT USABLE DATA TO PROVIDE A SOUND BASIS FOR UPDATING RATEABLE VALUES OF DOMESTIC PREMISES= AND

- \* SUCH CONTROLS TEND TO DISTORT THE MARKET SITUATION IN THAT ALTHOUGH RENTS FOR FIRST AND FRESH LETTINGS ARE NOT RESTRICTED, THE FREE RENTAL MARKET IS SUBJECT TO ABNORMAL PRESSURES AS LANDLORDS ATTEMPT TO MITIGATE THE EFFECTS OF BEING ENCUMBERED WITH CONTROLLED TENANTS.

HE SAID UNTIL A SUFFICIENTLY LARGE FREE RENTAL MARKET FOR DOMESTIC ACCOMMODATION WAS RE-ESTABLISHED AND THE GAP BETWEEN CONTROLLED RENTS AND MARKET RENTS WAS NARROWED, +THERE ARE POOR PROSPECTS FOR A REVALUATION ON THE PRESENT HISTORICAL BASIS.+

ON THE POSTPONEMENT OF AN UPDATING OF THE ASSESSABLE VALUES FOR PROPERTY TAX, SIR PHILIP SAID ASSESSABLE VALUES, LIKE RATEABLE VALUES, WERE BASED ON THE FREE RENTAL MARKET CONCEPT, UNLESS THE RENT WAS CONTROLLED UNDER THE LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE, WHEN CONTROLLED RENT WAS SUBSTITUTED FOR THE FREE MARKET RENT. THIS ENSURES THAT A PROPERTY OWNER IS NOT TAXED ON GREATER AMOUNT.

HE SAID TO ASCERTAIN PROPER ASSESSABLE VALUES WITH A REASONABLE DEGREE OF CERTAINTY IT WOULD, THEREFORE, BE NECESSARY TO SEND OUT A FURTHER RETURN TO OBTAIN INFORMATION RELATIVE TO APRIL 1, 1980.

+THIS INFORMATION WOULD THEN HAVE TO BE RECORDED AND ANALYSED AND, FOR THOSE PREMISES NEWLY BROUGHT UNDER CONTROL, IT WOULD BE DESIRABLE TO DELAY FIXING THE ASSESSABLE VALUES UNTIL SUCH TIME AS THE PROCESSING OF INITIAL APPLICATIONS TO ESTABLISH CONTROLLED RENTS IS COMPLETED.

+GIVEN THESE CONSTRAINTS, TIGHT SCHEDULES ON COMPUTER PROCESSING AND DOUBTS AS TO THE AVAILABILITY OF THE NECESSARY STAFF, RELUCTANTLY I HAVE HAD TO CONCLUDE THAT THIS EXERCISE MUST BE POSTPONED,+ HE SAID.

HOWEVER HE GAVE A WARNING THAT THERE COULD BE NO QUESTION OF THE NEXT REVIEW OF ASSESSABLE VALUES NOT BEING UNDERTAKEN FOR 1981-82.

## TOTAL REVENUE TO RISE TO \$21 428M

\* \* \* \* \*

TOTAL REVENUE COLLECTIONS FOR THE COMING FINANCIAL YEAR, AFTER ADJUSTMENTS ON CAPITAL ACCOUNT, WILL BE \$21 428 MILLION, REPRESENTING AN INCREASE OF \$4 878 MILLION, OR 29 PER CENT, OVER THE REVISED ESTIMATE FOR 1979-80.

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, SAID TODAY (WEDNESDAY) THAT OF THE TOTAL COLLECTIONS, \$14 798 MILLION WOULD BE RECURRENT REVENUE, AN INCREASE OF \$1 584 MILLION, OR 12 PER CENT, OVER THE REVISED ESTIMATE FOR 1979-80.

HE SAID EARNINGS AND PROFITS TAXES ACCOUNTED FOR \$6 920 MILLION, OR 47 PER CENT, OF RECURRENT REVENUE, REPRESENTING AN INCREASE OF 18 PER CENT ON THE REVISED ESTIMATE FOR 1979-80, OR 43 PER CENT UP ON ACTUAL COLLECTIONS IN THAT YEAR. +SUCH HAS BEEN THE GROWTH RATE OF MONEY INCOMES IN RECENT YEARS, PARTICULARLY IN THE BANKING AND PROPERTY SECTORS,+ SAID SIR PHILIP.

SIR PHILIP ESTIMATED \$1 700 MILLION FROM SALARY TAX, AN INCREASE OF 32 PER CENT ON THE REVISED ESTIMATE FOR 1979-80- \$750 MILLION FROM STAMP DUTIES, \$50 MILLION LESS THAN THE REVISED ESTIMATE FOR 1979-80- \$720 MILLION FROM BETS AND SWEEPS TAXES, UP 12.5 PER CENT- \$942 MILLION FROM DUTIABLE COMMODITIES, UP BY SIX PER CENT ON THE REVISED ESTIMATE FOR 1979-80.

THE FINANCIAL SECRETARY PREDICTED A CAPITAL REVENUE OF \$6 630 MILLION FOR THE NEXT FINANCIAL YEAR, AN INCREASE OF 99 PER CENT OVER THE REVISED ESTIMATE FOR 1979-80.

LAND TRANSACTIONS, WHICH INCLUDE THE SALE OF 197 ACRES OF LAND IN THE NEXT FINANCIAL YEAR, AS WELL AS PRIVATE TREATY GRANTS, MODIFICATIONS AND REGRANTS, CONTRIBUTE \$6 169 MILLION TO THE STAGGERING ESTIMATE, COMPARED WITH A MODEST \$275 MILLION FROM TAXI CONCESSIONS AND A MERE \$170 MILLION FROM ESTATE DUTY.

- - - - 0 - - - -

## 'STARTLING' RISE IN TOTAL EXPENDITURE

\* \* \* \* \*

TOTAL EXPENDITURE IN THE GOVERNMENT DRAFT ESTIMATES FOR THE NEXT FINANCIAL YEAR IS \$18 028 MILLION, REPRESENTING A +STARTLING+ INCREASE OF \$3 796 MILLION OR 27 PER CENT ON THE REVISED ESTIMATE FOR 1979-80, THE FINANCIAL SECRETARY, SIR PHILIP HADDON-CAVE, DISCLOSED IN HIS BUDGET TODAY.

THIS INCREASE, HE POINTED OUT, WAS MORE THAN TOTAL EXPENDITURE IN 1972-73.

THE PROVISION FOR CAPITAL EXPENDITURE IS \$7 326 MILLION, AN INCREASE OF \$2 175 MILLION, OR 42 PER CENT, ON THE REVISED ESTIMATE FOR 1979-80. THAT FOR EXPENDITURE ON RECURRENT SERVICES IS \$10 702 MILLION, AN INCREASE OF \$1 621 MILLION, OR 18 PER CENT.

/INCLUDED IN .....

INCLUDED IN THE TOTAL ESTIMATE FOR CAPITAL EXPENDITURE ARE \$1 817 MILLION FOR THE PUBLIC WORKS PROGRAMME (OTHER THAN NEW TOWN AND HOUSING), \$1 542 MILLION FOR THE SAME PROGRAMME ON NEW TOWN AND HOUSING, \$441 MILLION FOR LAND ACQUISITION AND \$1 831 MILLION FOR TRANSFER TO THE DEVELOPMENT LOAN FUND FOR ON-LENDING TO THE HOUSING AUTHORITY.

THE PROVISION SOUGHT FOR THESE FOUR COMPONENTS, OUT OF THE 12 IN THE ESTIMATE, IS \$5 631 MILLION, COMPARED WITH THE REVISED ESTIMATE FOR THIS YEAR OF \$4 238 MILLION, AN INCREASE OF 33 PER CENT.

SIR PHILIP ALSO QUANTIFIED IN TERMS OF BOTH EXPENDITURE AND PRODUCTION WHAT THE GOVERNMENT WAS DOING TO SOLVE THE COMMUNITY'S HOUSING PROBLEM.

+TOTAL CAPITAL EXPENDITURE ON HOUSING IN 1979-80 IS ESTIMATED TO BE \$1 746 MILLION AND, IN 1980-81, IT IS ESTIMATED TO RISE TO \$2 981 MILLION- AND THESE FIGURES EXCLUDE THE VALUE OF LAND USED BY THE HOUSING AUTHORITY FOR THE RENTED HOUSING PROGRAMME,+ HE SAID.

THE FORECAST OF PUBLIC HOUSING PRODUCTION IN THE FOUR YEARS, 1980-81 TO 1983-84, AT 142 116 FLATS, EXCEEDS PRODUCTION IN THE PREVIOUS FOUR YEARS BY 72 271 FLATS, OR BY 103 PER CENT.

THESE PRODUCTION FIGURES DO NOT INCLUDE 7 207 HOUSING SOCIETY FLATS AND 2 274 HOME OWNERSHIP (PRIVATE SECTOR PARTICIPATION) SCHEME FLATS EXPECTED TO COME ON STREAM DURING THE SAME FOUR YEAR PERIOD, HE ADDED.

ON ESTIMATED RECURRENT EXPENDITURE, SIR PHILIP NOTED THAT PERSONAL EMOLUMENTS, AT \$4 066 MILLION, ACCOUNT FOR 38 PER CENT OF THE TOTAL COMPARED WITH AN HISTORICAL RATIO BASED ON ACTUAL EXPERIENCE IN THE 1970S OF 41 PER CENT.

THE APPROVED ESTABLISHMENT OF THE CIVIL SERVICE SHOWN IN THE DRAFT ESTIMATES IS 141 136, AN INCREASE OF 7 714 POSTS, OR 5.8 PER CENT, ON THE APPROVED ESTABLISHMENT OF 133 422 POSTS AT APRIL 1, 1979.

NO ALLOWANCE IS MADE IN THE PROVISION FOR THE COST OF A REVISION OF CIVIL SERVICE SALARIES IN 1980-81, HE ADDED.

OUT OF THE TOTAL NINE COMPONENTS OF RECURRENT EXPENDITURE, TWO, RECURRENT SUBVENTIONS AND THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE AT \$2 707 MILLION WILL ABSORB 25.3 PER CENT OF THE TOTAL, JUST BELOW THE HISTORICAL RATIO OF 26 PER CENT.

THIS IS PARTLY BECAUSE NO PROVISION HAS BEEN INCLUDED FOR GRANTS TO AGENCIES SUBVENTED ON A DISCRETIONARY GRANT BASIS AND TO THE UNIVERSITIES AND POLYTECHNIC FOR SALARY REVISIONS FOLLOWING THE SECOND REPORT OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES, SIR PHILIP EXPLAINED.

/OVERALL, .....

OVERALL, TAKING RECURRENT AND CAPITAL SUBVENTIONS TOGETHER, 17.4 PER CENT OF TOTAL EXPENDITURE ON GENERAL REVENUE ACCOUNT WILL BE DISBURSED BY SUBVENTED ORGANISATIONS.

THIS IS LESS THAN THE HISTORICAL RATIO OF 20 PER CENT, BUT THE AVERAGE RATIO IN THE LAST TWO YEARS HAS BEEN 18.6 PER CENT ONLY BECAUSE OF THE LARGE INCREASES IN GOVERNMENT EXPENDITURE ON CAPITAL ACCOUNT AND NOT BECAUSE THE ROLE OF SUBVENTED ORGANISATIONS IN THE DISBURSEMENT OF PUBLIC FUNDS HAS DECLINED, HE SAID.

+AND, INCIDENTALLY, CONTRARY TO THE UNSUBSTANTIATED BELIEF OF SOME COMMENTATORS, THE FINANCE BRANCH IS CONCERNED TO SEE THE VALUE-FOR-MONEY CRITERION OBSERVED BY SUBVENTED ORGANISATIONS- AND SO IS THE DIRECTOR OF AUDIT,+ HE ADDED.

ON THE PROPOSED PATTERN OF PUBLIC SECTOR EXPENDITURE ON CONSOLIDATED ACCOUNT IN 1980-81, SIR PHILIP GAVE A RUN-DOWN AS FOLLOWS:

	<u>PERCENTAGE OF TOTAL EXPENDITURE</u>	<u>HISTORICAL RATIO BASED ON EX- PERIENCE IN 1970S</u>
<u>GENERAL SERVICES</u>	14.8	16.7
(LAW AND ORDER AND DEFENCE)	(11.7)	(12.8)
<u>ECONOMIC SERVICES</u>	8	8.5
<u>COMMUNITY SERVICES</u>	22	24
(TRANSPORT, ROADS, CIVIL ENGINEERING AND LAND)	(12.8)	(10.7)
<u>SOCIAL SERVICES</u>	44.3	41.3
(HOUSING)	(18.6)	(9.8)

HE SAID HOWEVER THAT HE WAS NOT ENTIRELY SATISFIED THAT THERE WAS SUFFICIENT EMPHASIS ON LAW AND ORDER AND DEFENCE AND OUR TRANSPORT INFRASTRUCTURE AND HE HOPED TO GET AN EARLIER THAN ENVISAGED START ON THE HONG KONG ISLAND EASTERN CORRIDOR.

## TAX REFORM TO PLUG LOOPHOLE

\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE PROPOSED ONLY ONE TAX REFORM THIS YEAR.

DESCRIBING IT AS A +MILDLY COMPLICATED ONE,+ SIR PHILIP SAID THE COMMISSIONER OF INLAND REVENUE HAD DRAWN HIS ATTENTION TO A LOOPHOLE IN THE TRANSITIONAL PROVISIONS ENACTED WHEN THE METHOD OF ASSESSMENT OF PROFITS TAX WAS CHANGED IN 1975-76 FROM A PRECEDING YEAR BASIS TO AN ACTUAL YEAR BASIS.

+THE LOOPHOLE APPEARS TO HAVE BEEN THE CONSEQUENCE OF AN ANXIETY ON OUR PART NOT TO DEPRIVE PERSONS GENUINELY GOING OUT OF BUSINESS OF THEIR RIGHTS TO A FORM OF TERMINAL RELIEF,+ HE SAID.

SIR PHILIP SAID IT WAS NOW CLEAR THE GENEROUS APPROACH ADOPTED IN 1975 WAS NOW BEING EXPLOITED BY SOME PROPERTY DEVELOPERS AND SPECULATORS WHO, THROUGH THE USE OF CONTRIVED CESSATIONS OF BUSINESS, WERE SUCCEEDING IN DROPPING OUT OF CHARGE TO TAX ENORMOUS PROFITS ON SALES OF PROPERTIES AT A CONSIDERABLE COST TO THE REVENUE.

+CLEARLY, THIS STATE OF AFFAIRS CANNOT BE ALLOWED TO CONTINUE AND, ACCORDINGLY, AN AMENDING BILL WHICH WILL CLOSE THIS LOOPHOLE IS ABOUT TO BE PUBLISHED. AS I AM BOUND TO BE ACCUSED OF CLOSING THE STABLE DOOR AFTER THE HORSE HAS BOLTED, I SHOULD MAKE IT CLEAR THAT THERE IS NO TIME LIMIT ON THOSE CONTRIVED CESSATIONS SO THAT, WITHOUT CORRECTIVE LEGISLATION NOW, CONSIDERABLE SUMS OF FUTURE REVENUE WILL REMAIN AT RISK,+ HE SAID.

ON TAX REFORMS IN HAND, SIR PHILIP SAID HE UNDERTOOK TO HAVE AMENDMENTS TO THE INLAND REVENUE ORDINANCE IN RESPECT OF:

- \* A SYSTEM OF +POOLING+ OF CAPITAL EXPENDITURE AS A MEANS OF SIMPLIFYING THE CALCULATION OF DEPRECIATION ALLOWANCES FOR THE PURPOSES OF PROFITS TAX- AND
- \* GRANTING RELIEF TO TRUSTEES WHO BECOME SUBJECT TO WITHHOLDING TAX ON INTEREST RECEIVED AND THEREAFTER ARE OBLIGED TO DEDUCT INTEREST TAX A SECOND TIME FROM INTEREST PAID TO BENEFICIARIES OF THE TRUST FUND.

HE SAID DESPITE THE RELATIVELY SIMPLE CONCEPTS INVOLVED, THE DRAFTING OF THE NECESSARY LEGISLATION HAD PROVED UNUSUALLY DIFFICULT, BUT IT WAS NOW NEARING COMPLETION.

AS REGARDS THE TAXATION TREATMENT OF CERTIFICATES OF DEPOSITS AND MONETARY INSTRUMENTS, SIR PHILIP CONCLUDED THAT ON THE GROUNDS OF EQUITY AND TO PROTECT THE REVENUE, THE ORDINANCE SHOULD BE AMENDED TO PLACE THE INTEREST TAX OR PROFITS TAX LIABILITY, AS THE CASE MAY BE, OF THE SURPLUSES REALISED ON THESE INSTRUMENTS BEYOND DOUBT, AND A BILL IS NOW IN DRAFT FORM.

## MORE LAND TO BE PUT ON SALE

\* \* \* \* \*

MORE LAND WILL BE PUT ON SALE IN THE COMING FINANCIAL YEAR FOR INDUSTRIAL AND RESIDENTIAL DEVELOPMENT WHILE LAND PRODUCTION WILL BE MAINTAINED AT A HIGH LEVEL.

SAID THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, SAID TODAY (WEDNESDAY) THE SALE OF 197 ACRES OF LAND IN NEXT FINANCIAL YEAR WOULD BRING IN \$5 168 MILLION, COMPARED WITH THE REVISED ESTIMATE FOR 1979-80 OF \$2 223 MILLION FROM THE SALE OF 95 ACRES.

IN THE LAST FOUR YEARS, LAND SALES HAVE BEEN 38 ACRES, 34 ACRES, 57 ACRES AND 95 ACRES RESPECTIVELY. THE FACT THAT THE LAND SALES PROGRAMME IN 1980-81 ENVISAGES THAT SALE OF NO LESS THAN 197 ACRES IS A REFLECTION OF THE BUILD-UP OF EXPENDITURE ON DEVELOPMENT WORKS IN THE POST-RECESSION PERIOD, SIR PHILIP SAID.

IN THE COMING FINANCIAL YEAR, 26 INDUSTRIAL LOTS AND 77 NON-INDUSTRIAL LOTS WILL BE OFFERED FOR SALE. MANY OF THESE LOTS WILL BE LARGE INDUSTRIAL LOTS IN KOWLOON BAY RECLAMATION, APLICHAU, CHAI WAN RECLAMATION, SHA TIN NEW TOWN AND TUEN MUN NEW TOWN. NON-INDUSTRIAL LOTS FOR RESIDENTIAL DEVELOPMENT WILL INCLUDE LARGE LOTS IN RED HILL, TAI TAM RESERVOIR ROAD, WONG CHUK HANG AND SHA TIN NEW TOWN.

NON-INDUSTRIAL LAND IN SHA TIN NEW TOWN, TUEN MUN NEW TOWN AND TSUEN WAN NEW TOWN WILL ALSO BE PUT ON SALE FOR COMMERCIAL AND RESIDENTIAL DEVELOPMENT.

IN ADDITION, TWO EXTREMELY VALUABLE SITES IN THE CENTRAL DISTRICTS OF HONG KONG AND KOWLOON WILL BE READY FOR SALE FOR COMMERCIAL DEVELOPMENT AND THEY AFFECT THE REVENUE ESTIMATE, THE FINANCIAL SECRETARY SAID.

HE SAID THE OUTLOOK FOR LAND SALES IN THE NEXT FEW YEARS SHOULD BE: 219 ACRES IN 1981-82= 151 ACRES IN 1982-83= 193 ACRES IN 1983-84.

MORE LAND IS THOUGHT TO BE THE SOLUTION TO PRETTY WELL ALL OUR PROBLEMS FROM HOUSING TO RENTS TO INFLATION, SAID SIR PHILIP. NONE OF THESE PROBLEMS IS QUITE AS SIMPLE AS THAT.

HE GAVE AN ASSURANCE THAT OVER THE THREE YEARS OF THE NEW FORECAST PERIOD, LAND PRODUCTION WOULD BE MAINTAINED AT HIGH LEVELS. LAND PRODUCTION IN 1980-81 IS EXPECTED TO BE 853 ACRES, COMPARED WITH 1 236 ACRES IN 1979-80 AND 238 ACRES IN 1976-77.

IT IS DIFFICULT TO BE DEFINITIVE ABOUT THE ACTUAL GROSS AREAS LIKELY TO COME ON STREAM, BUT THEY SHOULD BE IN THE ORDER OF 1 100 ACRES PER ANNUM, THE FINANCIAL SECRETARY SAID.

ON THE GROUNDS OF EQUITY AND TO PROTECT THE REVENUE, THE ORDINANCE SHOULD BE AMENDED TO PLACE THE INTEREST TAX OR PROFITS TAX LIABILITY, AS THE CASE MAY BE, OF THE SURPLUSES REALISED ON THESE INSTRUMENTS BEYOND DOUBT, AND A BILL IS NOW IN DRAFT FORM.

**\$2 943 MILLION TO BE SPENT ON EDUCATION IN 1980-81****\* \* \* \* \***

THE GOVERNMENT WILL SPEND \$2 943 MILLION ON EDUCATION IN 1980-81 REPRESENTING 16.3 PER CENT OF THE TOTAL EXPENDITURE IN THE NEXT FINANCIAL YEAR.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, IN HIS BUDGET SPEECH TODAY.

REVIEWING ACHIEVEMENTS IN EDUCATION, SIR PHILIP SAID THE PROVISION OF PLACES IN JUNIOR SECONDARY FORMS FOR ALL CHILDREN IN THE 12-14 AGE GROUP WILL BE FULLY ACHIEVED IN SEPTEMBER THIS YEAR.

TUITION FEES AT JUNIOR SECONDARY LEVEL WERE ABOLISHED, FOLLOWED BY THE ABOLITION OF TONG FAI AND SIMILAR CHARGES IN AIDED AND GOVERNMENT SCHOOLS WITH EFFECT FROM SEPTEMBER 1979.

AT THE SENIOR SECONDARY LEVEL THERE WILL BE IN THE COMING YEAR AN INCREASE IN THE NUMBER OF PLACES IN THE PUBLIC SECTOR FROM ABOUT 56 000 TO 64 000 THEREBY CATERING FOR 29 PER CENT OF THE 15-16 AGE GROUP.

THE PROPORTION OF SECONDARY SCHOOL PLACES IN GOVERNMENT AND AIDED SCHOOLS WILL RISE TO 90 PER CENT BY SEPTEMBER 1983, BY WHICH TIME THE MAJORITY OF PRIVATE NON-PROFIT-MAKING SCHOOLS WILL HAVE COME ON TO FULL AID AND THE OPENING OF NEW SCHOOLS WILL PERMIT THE PHASING OUT OF THOSE BOUGHT PLACES WHICH ARE OF AN UNSATISFACTORY STANDARD, HE SAID.

SIR PHILIP SAID REVISED POPULATION PROJECTIONS HAVE NECESSITATED A RE-EXAMINATION OF THE SHORTFALL IN THE PROVISION OF NEW SECONDARY SCHOOL PLACES, AND THE BUILDING PROGRAMME HAS NOW BEEN EXPANDED TO 130 SCHOOLS OF WHICH 55 HAVE ALREADY BEEN COMPLETED.

FIFTY-SIX NON-PROFIT-MAKING SCHOOLS COMMENCED THE CONVERSION PROCESS IN SEPTEMBER 1979 TO BECOME FULLY SUBSIDISED, AND THE DRAFT ESTIMATES INCLUDE \$28.5 MILLION IN IMPROVEMENT GRANTS TO ENABLE THEM TO IMPROVE THE STANDARD OF EDUCATION PROVIDED IN THEIR JUNIOR SECONDARY FORMS, SIR PHILIP SAID.

AT THE POST-SECONDARY LEVEL, AS A RESULT OF ARRANGEMENTS WITH THE BAPTIST AND LINGNAN COLLEGES, FUNDS HAVE BEEN PROVIDED FOR THE OPENING OF COURSES AT THE SIXTH FORM LEVEL.

+A FURTHER \$5 MILLION IS PROVIDED IN THE DRAFT ESTIMATES TO ENABLE FULL DEVELOPMENT OF THESE COURSES PLUS THE OPENING OF NEW TWO-YEAR POST-FORM VI COURSES IN SEPTEMBER 1980,+ HE ADDED.

HE SAID THAT IN LINE WITH THE GOVERNMENT'S POLICY THAT NO CHILD SHOULD HAVE TO TRAVEL AN UNREASONABLE DISTANCE TO ATTEND PRIMARY SCHOOL, EIGHT NEW PRIMARY SCHOOLS PROVIDING AN ADDITIONAL 12 960 PLACES, ARE EXPECTED TO BE COMPLETED IN 1980-81, IN CONJUNCTION WITH THE DEVELOPMENT OF PUBLIC HOUSING ESTATES.

/IN THE .....

IN THE FIELD OF SPECIAL EDUCATION, HE SAID, THE PROVISION OF HEARING TESTS AND EDUCATIONAL APTITUDE TESTS FOR PRIMARY I PUPILS WILL BE FULLY ACHIEVED IN 1980-81, WHILE THE FULL EXTENT OF DEMAND FOR VISION TESTS FOR THESE PUPILS WILL ALSO BE MET.

AN ADDITIONAL 3 741 PLACES WILL BE PROVIDED IN SPECIAL SCHOOLS AND CLASSES, AND IN RESOURCE CLASSES, BRINGING THE TOTAL NUMBER OF SUCH PLACES TO MORE THAN 26 500.

FOR THE TWO UNIVERSITIES AND THE POLYTECHNIC, IN ADDITION TO \$403 MILLION PROVIDED IN APPROVED RECURRENT GRANTS, THE DRAFT ESTIMATES INCLUDE PROVISION FOR EARMARKED RECURRENT GRANTS TOTTALLING \$35.2 MILLION, OF WHICH \$19.5 MILLION IS FOR THE SETTING UP OF A DENTAL SCHOOL AT THE UNIVERSITY OF HONG KONG, SIR PHILIP POINTED OUT.

THE DENTAL TEACHING HOSPITAL, WAS DUE FOR COMPLETION IN TIME FOR THE FIRST INTAKE OF 80 STUDENTS THIS SEPTEMBER, HE ADDED.

THE UNIVERSITIES AND THE POLYTECHNIC, HE SAID, WERE COMMITTED TO MAJOR CAPITAL WORKS PROGRAMME, BOTH IN RESPECT OF THE CONSTRUCTION OF ADDITIONAL TEACHING AND STUDENT AMENITY BUILDINGS, AS WELL AS STAFF QUARTERS AND RECREATIONAL FACILITIES. FOR THIS, THE DRAFT ESTIMATES PROVIDE \$287 MILLION FOR THE FUNDING OF CAPITAL ITEMS IN 1980-81.

AS FOR STUDENT LOANS, HE EXPECTED THAT GROSS PAYMENTS OF SOME \$53.8 MILLION WILL BE MADE FOR THE 1980-81 ACADEMIC YEAR.

- - - - - 0 - - - - -

**\$1 502M TO BE SPENT ON LAW AND ORDER**  
\* \* \* \* \*

THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE, THIS (WEDNESDAY) AFTERNOON SAID THE 1980-81 DRAFT ESTIMATES FOR EXPENDITURE ON LAW AND ORDER WAS \$1 502 MILLION, REPRESENTING 8.3 PER CENT OF TOTAL EXPENDITURE.

OF THE TOTAL, \$979 MILLION, COMPARED WITH \$731 MILLION APPROVED IN THE 1979-80 FISCAL YEAR, WILL GO TO THE ROYAL HONG KONG POLICE FORCE.

SPEAKING ON THE FORCE, SIR PHILIP SAID THE PROCESS OF CONSOLIDATION WITHIN THE FORCE CONTINUED DURING 1979-80.

HE SAID POLICE MANAGEMENT SERVICES WERE EXPANDED TO INCREASE PLANNING CAPABILITY AND POLICE HEADQUARTERS WAS REORGANISED.

THIS HAS BEEN FOLLOWED BY A MANPOWER DEPLOYMENT STUDY OF COMMANDS AT DISTRICT AND DIVISIONAL LEVELS. THE FORCE CONTINUED TO EXPAND FROM THE APPROVED 1979-80 ESTABLISHMENT OF 22 687 (INCLUDING 3 617 CIVILIANS) TO THE 1980-81 ESTIMATES OF 24 769 (INCLUDING 3 884 CIVILIANS).

/SIR PHILIP .....

SIR PHILIP SAID REPORTED CRIME ROSE SIGNIFICANTLY DURING THE YEAR, SHOWING A 22 PER CENT INCREASE IN VIOLENT CRIME (17 604 COMPARED WITH 14 376 IN 1978) AND A 17 PER CENT INCREASE IN SERIOUS CRIME (61 516 COMPARED WITH 52 383 IN 1978).

THIS TREND, HE SAID, COINCIDED WITH A MARKED SHORTAGE AT STREET LEVEL OF ILLEGAL NARCOTICS DUE PARTLY TO SUCCESSFUL ENFORCEMENT ACTION BOTH HERE AND IN THAILAND, RESULTING IN HIGHER PRICES OF ILLEGAL NARCOTICS.

+THERE IS NO DOUBT AN INTER-RELATIONSHIP BETWEEN THIS AND THE INCIDENCE OF QUICK-CASH CRIME SUCH AS ROBBERIES, BURGLARIES AND THEFT. BUT THE PRISON MUSTER OF CONVICTED CRIMINALS DROPPED FROM 6 406 IN JANUARY TO 5 919 IN DECEMBER 1979,+ HE SAID.

THE FINANCIAL SECRETARY SAID EFFORTS TO ENCOURAGE MORE REPORTING OF CRIME AND BETTER COMMUNICATION WITH THE PUBLIC INCLUDED THE EXPANSION BY 149 POSTS OF THE NEIGHBOURHOOD POLICING SCHEME AND AN ADDITIONAL 46 NEIGHBOURHOOD POLICE UNITS AND POLICE REPORTING CENTRES IN 1980-81.

+A MAJOR EFFORT WAS REQUIRED FROM THE FORCE DURING THE YEAR IN THE FIGHT AGAINST ILLEGAL IMMIGRATION,+ HE SAID, ADDING,+ A SMALL BOAT UNIT WAS ESTABLISHED, AND NINE NEW SECTOR LAUNCHES WERE ORDERED FOR DELIVERY IN 1980-81 AT A TOTAL CAPITAL COST OF \$61.7 MILLION.+

#### IMMIGRATION DEPARTMENT

SIR PHILIP SAID THAT TO MEET PRESSURES BROUGHT ON BY IMMIGRATION, LEGAL AND ILLEGAL, AND VIETNAMESE REFUGEES, THE IMMIGRATION DEPARTMENT WAS EXPANDED DRAMATICALLY.

ITS AUTHORISED ESTABLISHMENT HAS INCREASED FROM 1 757 IN 1979-80 TO 2 570 IN THE 1980-81 DRAFT ESTIMATES. ABOUT 500 POSTS MAY BE REQUIRED DURING 1980-81.

+THE DRAFT ESTIMATES PROVIDE FOR EXPENDITURE OF \$101 MILLION FOR THE IMMIGRATION DEPARTMENT, AN INCREASE OF 68 PER CENT OVER THE PROVISION IN THE 1979-80 APPROVED ESTIMATES (\$60 MILLION),+ HE SAID.

#### DEFENCE

SIR PHILIP SAID THE DRAFT ESTIMATES PROVIDED FOR EXPENDITURE OF \$928 MILLION ON DEFENCE.

THESE INCLUDED (1979-80 APPROVED ESTIMATES IN BRACKETS) AUXILIARY MEDICAL SERVICE \$4 MILLION (\$4 MILLION)- CIVIL AID SERVICES \$10 MILLION (\$8 MILLION), DEFENCE COSTS AGREEMENT \$471 (\$390 MILLION), ROYAL HONG KONG AUXILIARY AIR FORCE \$31 MILLION (\$7 MILLION) AND THE ROYAL HONG KONG REGIMENT \$11 MILLION (\$9 MILLION).

/THE INCREASED .....

THE INCREASED DRAFT ESTIMATE (FROM \$453 MILLION IN 1979-80) WAS DUE, AS IN PREVIOUS YEARS, PRINCIPALLY TO THE GOVERNMENT'S 75 PER CENT SHARE OF THE COST OF THE GARRISON UNDER THE DEFENCE COSTS AGREEMENT, AND THE FULL COSTS OF CERTAIN MAJOR REPROVISIONING WORK AGREED IN SUPPLEMENTARY PROGRAMMES.

+NEW LIABILITIES REFLECTED IN THE DRAFT ESTIMATES INCLUDE A 75 PER CENT SHARE (APPROVED COMMITMENT AT \$270 MILLION AND PROVISION IN DRAFT ESTIMATES AT \$38 MILLION) OF THE COST OF FIVE REPLACEMENT PATROL CRAFT FOR THE ROYAL NAVY, AND AN ESTIMATED PAYMENT OF \$180 MILLION AS THE GOVERNMENT'S CONTRIBUTION, ASSESSED PARTLY AT 75 PER CENT AND PARTLY AT 100 PER CENT, TOWARDS THE COST OF REINFORCEMENTS TO ASSIST THE RESIDENT GARRISON AND THE POLICE IN MEASURES TO PREVENT ILLEGAL IMMIGRATION,+ SIR PHILIP SAID.

HE SAID THAT THE REPROVISIONING OF LYEMUN BARRACKS, SHAM SHUI PO CAMP, BOWRING CAMP AND OTHER SITES TO BE RELEASED COMMENCED IN 1979, AND \$132.7 MILLION WAS PROVIDED IN THE DRAFT ESTIMATES FOR THIS PURPOSE.

SIR PHILIP ALSO SAID IT WAS NECESSARY IN 1979-80 TO PROVIDE AN ADDITIONAL FIXED WING TWIN-ENGINED AIRCRAFT FOR THE ROYAL HONG KONG AUXILIARY AIR FORCE AT \$3.1 MILLION, AND TO ORDER THREE NEW TWIN-ENGINED HELICOPTERS FOR DELIVERY IN 1980-81, AT \$22.8 MILLION, TO REPLACE THE THREE SINGLE-ENGINED HELICOPTERS, ONE OF WHICH CRASHED DURING THE YEAR.

HE ADDED THAT A FURTHER MAJOR ITEM OF DEFENCE EXPENDITURE MADE NECESSARY IN 1979-80 WAS THE CONSTRUCTION OF A NEW BORDER FENCE FROM SHA TAU KOK TO LO WU, FOR WHICH \$30 MILLION WAS PROVIDED IN THE DRAFT ESTIMATES.

- - - - 0 - - - -

#### \$792M FOR SOCIAL WELFARE

\* \* \* \* \*

PROPOSED SPENDING ON SOCIAL WELFARE SERVICES NEXT FINANCIAL YEAR AT \$792 MILLION REPRESENTS A TWENTYFOLD INCREASE DURING THE PAST DECADE, THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDONCAVE NOTED IN HIS BUDGET SPEECH TODAY.

HE POINTED OUT THAT TWO FURTHER SOCIAL SECURITY PROPOSALS ARISING FROM THE WHITE PAPER +SOCIAL WELFARE INTO THE 1980S+ WILL BE IMPLEMENTED FROM APRIL 1 THIS YEAR: A DISABILITY SUPPLEMENT, UNDER THE PUBLIC ASSISTANCE SCHEME, FOR THE PARTIALLY DISABLED, AND EXTENSION OF THE DISABILITY ALLOWANCE SCHEME TO THE PROFOUNDLY DEAF.

IN 1980-81, THESE PROPOSALS WILL BENEFIT AN ESTIMATED 1 000 PARTIALLY DISABLED PEOPLE AND 3 800 PROFOUNDLY DEAF PEOPLE, AND WILL REQUIRE AN ESTIMATED \$8.9 MILLION.

EXPENDITURE ON ALL FORMS OF SOCIAL SECURITY DURING THE SAME YEAR IS EXPECTED TO BE \$476 MILLION. SOME \$211.3 MILLION WILL BE SPENT ON PUBLIC ASSISTANCE, \$195.2 MILLION ON OLD AGE ALLOWANCE AND \$69.1 MILLION ON DISABILITY ALLOWANCE.

/SIR PHILIP .....

SIR PHILIP SAID SUFFICIENT FUNDS HAVE BEEN PROVIDED TO IMPLEMENT PROPOSALS SET OUT IN THE WHITE PAPER TO MEET TARGET SERVICES FOR THE ELDERLY AND YOUNG.

IMPROVEMENT IN IN-SERVICES FOR THE ELDERLY WILL INCLUDE 22 ADDITIONAL HOME HELPERS, 250 HOSTEL PLACES AND 40 PLACES IN CARE AND ATTENTION HOMES, AND THE SETTING UP OF ONE MORE HOME FOR THE AGED, TWO MULTI-SERVICE CENTRES AND 20 SOCIAL CENTRES.

FOR THE YOUNG, FAMILY LIFE EDUCATION WILL BE EXPANDED, TWO ADDITIONAL OUT-REACHING SOCIAL WORK TEAMS WILL BE SET UP AND 27 MORE PROFESSIONAL SOCIAL WORKERS FOR SCHOOL SOCIAL WORK WILL BE PROVIDED.

ADDITIONAL ANNUALLY RECURRENT EXPENDITURE ARISING FROM IMPLEMENTATION IN 1980-81 ONWARDS OF THE WHITE PAPER PROPOSALS FOR IMPROVEMENTS AND EXPANSION OF SOCIAL SECURITY SCHEMES AND OF SERVICES FOR THE ELDERLY AND YOUNG IS ESTIMATED TO BE \$73 MILLION BY 1984-85.

DURING THE SAME FIVE-YEAR PERIOD FROM 1980-81 TO 1984-85, CAPITAL EXPENDITURE, INCLUDING DISBURSEMENTS FROM THE LOTTERIES FUND, WILL TOTAL \$189 MILLION AT 1979 PRICES.

A MAJOR PORTION OF INCREASED RECURRENT EXPENDITURE WILL BE CHANNELLED THROUGH SOCIAL WELFARE SUBVENTIONS. THE AMOUNT, AT \$145 MILLION, REPRESENTS AN INCREASE OF 24 PER CENT COMPARED WITH THE APPROVED PROVISION OF \$114 MILLION FOR 1979-80. THE BULK WILL BE DISBURSED, ON THE ADVICE OF THE SOCIAL WELFARE ADVISORY COMMITTEE, IN THE FORM OF DISCRETIONARY GRANTS TO VOLUNTARY AGENCIES.

- - - - 0 - - - -

#### MORE HOSPITAL BEDS TO BE PROVIDED

\* \* \* \* \*

AN ADDITIONAL 1 672 HOSPITAL BEDS WILL BECOME AVAILABLE IN GOVERNMENT AND SUBVENTED HOSPITALS DURING THE COMING FINANCIAL YEAR, THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE SAID WHEN HE OUTLINED PROPOSED SPENDING ON MEDICAL AND HEALTH SERVICES IN THE BUDGET.

TOTAL EXPENDITURE ON THESE SERVICES WILL BE \$1 491 MILLION, REPRESENTING 8.3 PER CENT OF TOTAL EXPENDITURE IN 1980-81.

NEXT YEAR, THREE NEW GOVERNMENT CLINICS ARE EXPECTED TO BE COMPLETED, TOGETHER WITH A NEW DEPARTMENTAL LAUNDRY. PROVISION IS ALSO MADE FOR STAFF FOR THE COMMISSIONING OF THE NEW SHATIN HOSPITAL.

IN SUBVENTED HOSPITALS, SEVERAL MAJOR PROJECTS ARE UNDERWAY: A CARDIAC THORACIC CENTRE AT GRANTHAM HOSPITAL, EXTENSIONS AND IMPROVEMENTS TO THE WONG TAI SIN INFIRMARY, THE CARITAS MEDICAL CENTRE AND THE YAN CHAI AND POK OI HOSPITALS, AND A NEW PATHOLOGY BUILDING AT KWONG WAH DUE TO OPEN IN LATE 1980.

THE LARGE NUMBER OF CAPITAL PROJECTS NOW UNDERWAY IS REFLECTED IN AN INCREASE IN EXPENDITURE ON CAPITAL SUBVENTIONS TO MEDICAL ORGANISATIONS FROM \$29 MILLION IN THE 1979-80 APPROVED ESTIMATES TO \$56 MILLION IN THE DRAFT ESTIMATES.

FUNDS ARE ALSO PROVIDED TO IMPROVE STANDARD HOSPITAL DIETS FOR PATIENTS IN GOVERNMENT HOSPITALS AND TO FURTHER EXPAND THE COMMUNITY NURSING SERVICE, INCLUDING THE OPENING OF A NEW NURSING STATION AT PRINCESS MARGARET HOSPITAL WITH FIVE SATELLITE CENTRES IN TSUEN WAN.

THE SCHOOL DENTAL CARE SERVICE WILL COME INTO OPERATION THIS SEPTEMBER AND WILL GRADUALLY BE EXTENDED TO COVER ALL PRIMARY SCHOOL CHILDREN. FOUR SCHOOL DENTAL CLINICS ARE PLANNED IN ADDITION TO THE EXISTING ONE AT THE MACLEHOSE DENTAL CENTRE.

- - - - 0 - - - -

#### PUBLIC SECTOR SIZE TO RISE TO 19.7 PER CENT

\* \* \* \* \*

THE RELATIVE SIZE OF THE PUBLIC SECTOR IN HONG KONG'S GROSS DOMESTIC PRODUCT WILL BE FURTHER INCREASED FROM ITS HISTORICAL HIGH OF 18.7 PER CENT IN 1979-80 TO 19.7 PER CENT IN 1980-81, THE FINANCIAL SECRETARY, THE HON SIR PHILIP HADDON-CAVE SAID AT THE LEGISLATIVE COUNCIL THIS (WEDNESDAY) AFTERNOON.

+THIS REFLECTS A VERY HIGH LEVEL OF EXPENDITURE ON CONSOLIDATED ACCOUNT AND, WHILST IT MAY BE JUST ACCEPTABLE ON MACRO-ECONOMIC GROUNDS, IT DOES UNDERLINE THE IMPORTANCE OF ALL CONCERNED ENSURING THAT THE VALUE-FOR-MONEY CRITERION IS CONSCIENTIOUSLY OBSERVED AT ALL TIMES,+ SIR PHILIP SAID.

HE SAID THE FACT WAS THAT THE GREATER THE VOLUME OF PUBLIC SECTOR TRANSACTIONS, THE GREATER THE SCOPE FOR PUBLIC FUNDS TO BE DISBURSED INEFFICIENTLY AND FOR ASSETS TO BE UNDERUTILISED.

THE FINANCIAL SECRETARY ALSO NOTED THAT THE TREND GROWTH RATE OF PUBLIC EXPENDITURE MUST NOT BE ALLOWED TO EXCEED THE TREND GROWTH RATE OF GDP TO SUCH AN EXTENT AND SO PERSISTENTLY THAT THE RELATIVE SIZE OF THE PUBLIC SECTOR BECAME EXCESSIVE.

HE SAID ALTHOUGH HE DID NOT REGARD THE 18.7 PER CENT IN 1979-80 AS AN ABSOLUTE LIMIT, ANY FURTHER INCREASE +MUST BE CAREFULLY WATCHED.+

SIR PHILIP POINTED OUT THAT THE ESTIMATED SURPLUS ON GENERAL REVENUE ACCOUNT WAS \$2 904 MILLION AND ON CONSOLIDATED ACCOUNT, \$2 649 MILLION.

+TO ENSURE THAT THE SURPLUS ON GENERAL REVENUE ACCOUNT HAS ITS FULL CONSTRAINING EFFECT ON DOMESTIC DEMAND BY THE PRIVATE SECTOR, AND HENCE ON TOTAL DOMESTIC DEMAND, THE CONSEQUENT INCREASE IN THE GOVERNMENT'S HONG KONG DOLLAR BALANCES WILL BE EITHER PLACED BY THE EXCHANGE FUND SHORT TERM, OR SWITCHED INTO FOREIGN CURRENCIES WHEN SUITABLE OPPORTUNITIES OCCUR,+ HE SAID.

- - - - 0 - - - -

WEDNESDAY, FEBRUARY 27, 1980

- 24 -

### BUDGET FOR INFRASTRUCTURE FACILITIES

\* \* \* \* \*

GOVERNMENT SPENDING ON PROVIDING INFRASTRUCTURE FACILITIES, IN THE COMING FINANCIAL YEAR, WILL INCLUDE \$1 900 MILLION FOR THE CONTINUING DEVELOPMENT OF NEW TOWNS, A 41 PER CENT INCREASE ON THE 1979-80 REVISED ESTIMATE, AND \$549 MILLION FOR 22 RAILWAY PROJECTS.

THERE WILL ALSO BE CONTINUING DEVELOPMENT AT THE AIRPORT, AND IMPROVEMENTS TO WATER SUPPLIES AND ROAD COMMUNICATIONS- WHILE THE MASS TRANSIT RAILWAY CORPORATION ESTIMATES THAT IT WILL SPEND ABOUT \$2 000 MILLION, EXCLUDING FINANCE CHARGES, DURING 1980 LARGELY ON THE TSUEN WAN EXTENSION.

MANY OF THESE PROJECTS HAVE ALREADY STARTED AND INCLUDE THE START OF CONSTRUCTION ON STAGE I OF THE HONG KONG ISLAND EASTERN CORRIDOR- PLANNING AND DESIGN WORK FOR RECEPTION AND TRANSFER FACILITIES TO HANDLE INCREASED SUPPLY OF WATER BEYOND 1983 FROM THE EAST RIVER- AND DOUBLE TRACKING FROM HUNG HOM TO TAI PO AND EVENTUALLY TO LO WU WITH THE NEW DOUBLE-TRACK TUNNEL THROUGH BEACON HILL WHICH IS EXPECTED TO BE COMPLETED IN EARLY 1981.

- - - - 0 - - - -

### GOVERNOR VISITS TICD

\* \* \* \* \*

THE GOVERNOR, SIR MURRAY MACLEHOSE THIS (WEDNESDAY) MORNING TOURED THE OCEAN CENTRE OFFICES OF THE TRADE, INDUSTRY AND CUSTOMS DEPARTMENT.

AT A ONE-HOUR MEETING WITH THE FULL DIRECTORATE, THE GOVERNOR DISCUSSED THE DEPARTMENT'S PLANS FOR THE FUTURE. THESE INCLUDED THE MODERNISATION OF THE CUSTOMS AND EXCISE SERVICE AND OTHER LAW ENFORCEMENT FUNCTIONS, CONSUMER PROTECTION, TRADE NEGOTIATIONS, AND THE NEW IMPETUS TO INDUSTRIAL DEVELOPMENT WHICH WILL COME FROM IMPLEMENTATION OF THE REPORT OF THE ADVISORY COMMITTEE ON DIVERSIFICATION.

ACCOMPANIED BY THE DIRECTOR, MR BILL DORWARD, THE GOVERNOR VISITED THE GROUND FLOOR LICENSING AND CERTIFICATION ISSUING OFFICES. SIR MURRAY WAS TOLD BY MR DOUGLAS JORDAN, COMMISSIONER OF CUSTOMS AND CONTROLS THAT LAST YEAR THE DEPARTMENT ISSUED 823 000 TEXTILE EXPORT LICENCES- AND NEARLY 64 000 CERTIFICATES OF ORIGIN AND GENERAL PREFERENCE CERTIFICATES FOR HONG KONG PRODUCTS VALUED AT \$24 000 MILLION - REPRESENTING 43 PER CENT OF ALL DOMESTIC EXPORTS IN 1979.

MR GORDON MORTIMER, DEPUTY DIRECTOR (ADMINISTRATION) SAID THAT NEARLY 2.5 MILLION DECLARATIONS FOR IMPORTS, EXPORTS AND RE-EXPORTS WERE LODGED LAST YEAR, AND AD VALORUM DUTIES TOTALLING \$81 MILLION WERE COLLECTED.

/THE WORK .....

THE WORK OF THE TRADE INVESTIGATION BRANCH WAS OUTLINED TO SIR MURRAY. IN 1979 ITS OFFICERS INSPECTED 41 000 FACTORIES AND CONSIGNMENTS. LEGAL ACTION WAS TAKEN AGAINST 324 COMPANIES AND PERSONS, RESULTING IN COURTS IMPOSING FINES TOTALLING \$2 MILLION.

MR LAWRENCE MILLS, COMMISSIONER OF INDUSTRY CONDUCTED THE GOVERNOR THROUGH HIS DÉPARTMENT.

MR MILLS DESCRIBED THE CURRENT WORK OF THE INDUSTRIAL SUPPORT AND LIAISON DIVISION, WHICH PROVIDES THE MAIN POINT OF CONTACT BETWEEN GOVERNMENT AND INDUSTRY ON MANY IMPORTANT ISSUES.

THE GOVERNOR WAS INTERESTED IN THE PROGRAMME OF 11 OVERSEAS INDUSTRIAL PROMOTION MISSIONS IN THE NEXT FINANCIAL YEAR - PART OF THE WORK OF THE INDUSTRIAL DEVELOPMENT DIVISION - TO PROMOTE INVESTMENT IN LOCAL INDUSTRY. COUNTRIES TO BE VISITED WILL INCLUDE THE USA, FEDERAL REPUBLIC OF GERMANY, UK, DENMARK, SWEDEN, JAPAN, FRANCE, ITALY AND AUSTRALIA.

ACCOMPANIED BY MR PETER TSAO, DIRECTOR OF TRADE, SIR MURRAY ALSO VISITED THE TEXTILE QUOTA OFFICES. MR TSAO SAID THAT LAST YEAR 372 000 APPLICATIONS FOR RESTRAINED TEXTILE EXPORT LICENCES WERE HANDLED. THE SPEED OF PROCESSING HAD BEEN STEPPED UP IN THE PAST YEAR AS A RESULT OF QUOTA CONTROLS FOR THE UNITED STATES HAVING BEEN COMPUTERISED. A SIMILAR SYSTEM IS BEING DEVISED FOR THE EEC QUOTAS AND WILL BE OPERATIONAL IN 1982.

- - - - 0 - - - -

#### CORRECTIONAL ADMINISTRATORS VISIT MORE PENAL INSTITUTIONS

\* \* \* \*

DELEGATES TO THE FIRST ASIAN AND PACIFIC CONFERENCE OF CORRECTIONAL ADMINISTRATORS TODAY (WEDNESDAY) CONTINUED THEIR SERIES OF VISITS TO PENAL INSTITUTIONS OF PRISONS DEPARTMENT.

ACCOMPANIED BY THE COMMISSIONER OF PRISONS, MR T G GARNER, THE GROUP VISITED SIU LAM PSYCHIATRIC CENTRE, TAI LAM CENTRE FOR WOMEN, SHA TSUI DETENTION CENTRE AND HEI LING CHAU DRUG ADDICTION TREATMENT CENTRE.

THEY ALL EXPRESSED INTEREST IN THE PROGRAMMES AND FACILITIES PROVIDED IN DIFFERENT TYPES OF PENAL INSTITUTIONS.

THEY FIRST WENT TO SIU LAM PSYCHIATRIC CENTRE TO SEE HOW INMATES WITH MENTAL DISORDER ARE BEING TREATED WHILE UNDER CONFINEMENT.

NEXT THEY MOVED TO THE TAI LAM CENTRE FOR WOMEN. APART FROM INSPECTING THE FACILITIES THERE, THEY ALSO SAW A COLOURFUL MARCHING DISPLAY BY THE INMATES. A MARCHING TEAM WAS FORMED RECENTLY IN THE CENTRE TO PROVIDE A NEW RECREATIONAL OUTLET FOR THE INMATES.

AT THE HEI LING CHAU DRUG ADDICTION TREATMENT CENTRE, THE VISITORS WATCHED A LION DANCE PERFORMED BY THE INMATES.

- - - - 0 - - - -

NOTE TO EDITORS:

FIRST ASIAN AND PACIFIC CONFERENCE  
OF CORRECTIONAL ADMINISTRATORS ENDS ON FRIDAY  
\*\*\*\*\*

HEADS OF DELEGATIONS AT THE FIRST ASIAN AND PACIFIC CONFERENCE OF CORRECTIONAL ADMINISTRATORS WILL HOLD A PRESS CONFERENCE ON FRIDAY (FEBRUARY 29) AT THE END OF THE FIVE-DAY CONFERENCE.

YOU ARE INVITED TO SEND YOUR REPRESENTATIVES TO COVER THE PRESS CONFERENCE WHICH WILL BE HELD IN THE CONFERENCE ROOM OF THE PRISONS DEPARTMENT HEADQUARTERS ON THE 10TH FLOOR OF GUARDIAN HOUSE, 32 OI KWAN ROAD, WAN CHAI AT 11 AM ON FRIDAY.

TELEVISION CREWS ARE ADVISED TO ARRIVE EARLY SO THAT THEY WILL HAVE AMPLE TIME TO SET UP THEIR EQUIPMENT.

- - - - 0 - - - -

TOWN MANAGER SPEAKS ABOUT COMMUNITY BUILDING IN TSUEN WAN  
\*\*\*\*\*

TSUEN WAN TOWN MANAGER AND DISTRICT OFFICER, MR JAMES HAYES, TODAY (WEDNESDAY) PRAISED THE COMMUNITY BUILDING WORK DONE BY RURAL COMMITTEES WITHIN TSUEN WAN NEW TOWN.

ADDRESSING THE TSUEN WAN, TSING YI AND MA WAN RURAL COMMITTEES' JOINT DINNER, MR HAYES SAID: +THE TSUEN WAN RURAL COMMITTEE HAS LONG LED THE WAY IN COMMUNITY BUILDING WORK- IF I MAY SAY SO, TO AN EXCEPTIONAL DEGREE.

+I AM GLAD TO SEE THAT THE TSING YI RURAL COMMITTEE AND OTHER LOCAL BODIES ON THE ISLAND ARE NOW FOLLOWING SUIT IN THE NEW COMMUNITY. THEY HAVE GOT IN ON THE GROUND FLOOR OF THIS DEVELOPMENT, SO TO SPEAK, WHICH IS VERY PRAISEWORTHY.

+THE MA WAN RURAL COMMITTEE DOES ITS BEST IN ALL FIELDS FOR THE COMMUNITY IT SERVES.+

MR HAYES SAID HE SPECIALLY APPRECIATED THE WORK OF THE RURAL COMMITTEES AND VILLAGE REPRESENTATIVES IN FACILITATING NECESSARILY INTENSIVE AND WIDESPREAD DEVELOPMENT AND ENSURING RAPID SOCIAL CHANGE.

+YOU ARE, AND HAVE LONG BEEN ON THE RECEIVING END OF DEVELOPMENT AND IT HAS ALWAYS MEANT A LOT OF TROUBLE AND INCONVENIENCE FOR YOU.

+WE MUST ALWAYS BEAR THIS IN MIND AND GIVE CREDIT WHERE CREDIT IS DUE FOR CONTINUED FOREBEARANCE AND CO-OPERATION.+

/MR HAYES .....

MR HAYES SAID, FOR HIS PART, HE ALWAYS TRIED TO REDUCE THE OCCASIONS WHERE ANCESTRAL GRAVES HAD TO BE MOVED. HE SAID THE DISTRICT OFFICE WAS CURRENTLY DISCUSSING WITH THE AGRICULTURE AND FISHERIES DEPARTMENT THE QUESTION OF +FUNG SHUI+ BURIALS AND ENTRY TO COUNTRY PARKS FOR GRAVE WORSHIPPING PURPOSE.

MR HAYES SAID HE HOPED TO BE IN A POSITION TO PUT PROPOSALS FOR A NECESSARILY MODEST SCHEME FOR THE INNER TSUEN WAN VILLAGES TO THE TSUEN WAN RURAL COMMITTEE AT ITS NEXT MEETING.

- - - - 0 - - - -

TENDERS FOR OPERATING BEACH FACILITIES IN NT  
\* \* \* \* \*

TENDERS ARE INVITED FOR THE PROVISION OF VARIOUS FACILITIES ON SIX BEACHES IN THE NEW TERRITORIES MANAGED BY THE NEW TERRITORIES SERVICES DEPARTMENT.

A SPOKESMAN FOR THE DEPARTMENT SAID TODAY (WEDNESDAY) THAT THE TENDERS WILL COVER THE PERIOD FROM APRIL 1 THIS YEAR TO NOVEMBER 30, 1982.

FACILITIES WILL INCLUDE THE SALE OF LIGHT REFRESHMENTS, THE ERECTION OF TENTS FOR HIRE AND THE PROVISION OF CHANGING FACILITIES.

TENDERS ARE CALLED FOR ALL THREE TYPES OF SERVICES AT ANGLER'S BEACH IN CASTLE PEAK ROAD, HUNG SHING YEH BEACH ON LAMMA ISLAND, AND CLEAR WATER BAY (FIRST) BEACH AND KIU TSUI BEACH IN SAI KUNG.

AT DRAGON BEACH IN CASTLE PEAK ROAD, TENDERS ARE INVITED FOR THE SALE OF LIGHT REFRESHMENTS ONLY, WHEREAS AT CAMPER'S BEACH IN SAI KUNG, TENDERS ARE CALLED FOR THE SALE OF LIGHT REFRESHMENTS AS WELL AS THE PROVISION OF CHANGING FACILITIES.

ALL TENDERS MUST BE PLACED IN THE TENDER BOX AT THE NEW TERRITORIES SERVICES DEPARTMENT HEADQUARTERS ACCOUNTS OFFICE ON THE THIRD FLOOR OF AUSTIN CENTRE, 19-23 AUSTIN AVENUE, KOWLOON, BEFORE 9 AM ON FRIDAY (FEBRUARY 29).

TENDER FORMS AND FURTHER PARTICULARS MAY ALSO BE OBTAINED FROM THE NTSD HEADQUARTERS AT AUSTIN CENTRE, KOWLOON.

- - - - 0 - - - -

WEDNESDAY, FEBRUARY 27, 1980

- 28 -

### AUCTION OF SPECIAL CAR REGISTRATION NUMBERS

\*\*\*\*\*

THE TRANSPORT DEPARTMENT WILL HOLD ANOTHER AUCTION OF SPECIAL CAR REGISTRATION NUMBERS ON SATURDAY (MARCH 1). THE AUCTION WILL START AT 10 AM IN THE LECTURE HALL OF THE CITY HALL.

THIRTY NUMBERS WILL BE OFFERED TO THE PUBLIC. THEY ARE:

CC5224	CC 25	CC 564	CC 280	CD 1
CC 988	CC 810	CC 911	CC9616	CC 322
CC 993	CC 912	CB 31	CD 88	CC 730
CD 11	CC 103	CC 4	CC 380	CC 672
CC 288	CC 2	AA 987	CC2892	AZ 898
CC3330	CC 178	CC 718	CC 308	CC 484

SUCCESSFUL BIDDERS MUST PAY IN CASH OR BY CHEQUE IMMEDIATELY AFTER THE CLOSE OF BIDDING.

A TRANSPORT DEPARTMENT SPOKESMAN REMINDED BIDDERS THAT THE VEHICLE REGISTRATION NUMBER WILL BE ASSIGNED ONLY TO A VEHICLE REGISTERED IN THE NAME OF THE SUCCESSFUL BIDDER WITHIN 12 MONTHS OF THE AUCTION.

PROCEEDS OF THE AUCTION WILL AS USUAL GO INTO THE GOVERNMENT LOTTERIES FUND.

THE COMING AUCTION WILL BE THE 51ST ORGANISED BY THE TRANSPORT DEPARTMENT SINCE MAY 1973.

- - - - 0 - - - -

### 9 000 STUDENTS TO ATTEND CAREERS SEMINARS

\*\*\*\*\*

A SERIES OF 13 CAREERS SEMINARS WILL BE ORGANISED BY THE YOUTH EMPLOYMENT ADVISORY SERVICE OF THE LABOUR DEPARTMENT FOR SENIOR SECONDARY SCHOOL STUDENTS WHO WILL BE LEAVING SCHOOL IN THE NEAR FUTURE.

THE SEMINARS WILL BE HELD IN VARIOUS DISTRICTS ON HONG KONG ISLAND, KOWLOON AND THE NEW TERRITORIES BETWEEN TOMORROW (THURSDAY) AND MARCH 18. A TOTAL OF 9 000 STUDENTS ARE EXPECTED TO ATTEND.

A SPOKESMAN FOR THE DEPARTMENT SAID TODAY (WEDNESDAY) THAT THE DAY-LONG SEMINARS WERE AIMED AT PROVIDING STUDENTS WITH FIRST HAND INFORMATION ON THE WIDEST RANGE OF CAREERS AND TO HELP THEM MAKE A DECISION ON A CAREER BEST SUITED TO THEIR INTEREST AND ABILITIES.

THE FIRST SEMINAR WILL TAKE PLACE AT DELIA MEMORIAL SCHOOL IN KWUN TONG AT 9.30 AM TOMORROW, AND STUDENTS FROM SECONDARY SCHOOLS IN THE DISTRICT HAVE BEEN INVITED TO PARTICIPATE.

/THE PROGRAMME .....

THE PROGRAMME FOR EACH SEMINAR WILL CONSIST OF SLIDE SHOWS, TALKS AND PANEL DISCUSSIONS ON SUCH TOPICS AS SURVEYING, PHOTOGRAPHY, SALES, SPEECH THERAPY, SOCIAL WORK AND THE DENTAL PROFESSIONS.

THE TALKS WILL BE GIVEN BY EXPERTS FROM COMMERCE, INDUSTRY, THE SERVICES SECTOR AND VARIOUS GOVERNMENT DEPARTMENTS, ON ENTRY QUALIFICATIONS AND TRAINING FOR THEIR RESPECTIVE TRADES AS WELL AS JOB REWARDS.

- - - - - 0 - - - - -

#### MUSIC OFFICE TO HOLD STUDENTS' CONCERT IN NT

\* \* \* \* \*

THE MUSIC OFFICE WILL HOLD A STUDENTS' CONCERT AT 5 PM TOMORROW (THURSDAY) AT THE TSUEN WAN TRAINING CENTRE.

THE PROGRAMME WILL INCLUDE FLUTE TRIO, CLARINET ENSEMBLE, CHINESE INSTRUMENT UNISON PLAYING, VIOLIN SOLO, CELLO DUET, GLOCKENSPIEL UNISON, HORN AND TRUMPET SOLO.

PERFORMERS IN THE CONCERT, AGED BETWEEN NINE AND 16, ARE MAINLY PRIMARY AND SECONDARY SCHOOLS STUDENTS WHO JOINED THE INSTRUMENTAL TRAINING CLASSES IN DECEMBER 1978. MOST OF THEM COME FROM KWAI CHUNG, TSUEN WAN AND YUEN LONG.

GUEST PERFORMERS WILL BE MEMBERS OF THE HONG KONG YOUTH SYMPHONY ORCHESTRA AND HONG KONG YOUTH SYMPHONIC BAND.

INSTRUCTORS FROM THE MUSIC OFFICE, MISS LIU LI-CHUAN, A DISTINGUISHED 'CHENG' PLAYER AND MR CHAN KWOK-FAI, A FAMOUS 'YANG CHIN' PLAYER, WILL ALSO BE THERE TO GIVE A DEMONSTRATION PERFORMANCE.

SECRETARY FOR THE NEW TERRITORIES, MR DAVID AKERS-JONES WILL GIVE A SPEECH AND PRESENT SOUVENIRS TO THE PERFORMERS.

ANYONE WHO IS INTERESTED IN ATTENDING THE CONCERT MAY OBTAIN FREE ADMISSION TICKETS FROM THE MUSIC OFFICE NEW TERRITORIES SUB-OFFICE IN CHEUNG YIU BUILDING, TSUEN WAN OR TELEPHONE 12-428127 FOR FURTHER INFORMATION.

THE INSTRUMENTAL TRAINING SCHEME IN THE NEW TERRITORIES STARTED IN DECEMBER 1978. AT PRESENT, THERE ARE 413 TRAINEES TAKING WEEKLY LESSONS IN WESTERN AND CHINESE INSTRUMENTS IN DIFFERENT PARTS OF THE NEW TERRITORIES.

THE OFFICE ALSO HELPS TO ORGANISE AND TRAIN ONE YOUTH BAND, TWO YOUTH CHINESE ORCHESTRAS AND TWO CHILDREN'S CHOIRS IN THESE AREAS.

-----

NOTE TO EDITORS: YOU ARE CORDIALLY INVITED TO SEND A REPRESENTATIVE TO ATTEND THE STUDENTS' CONCERT AT 5 PM TOMORROW (THURSDAY) AT THE REHEARSAL HALL, MUSIC OFFICE NEW TERRITORIES SUB-OFFICE, SECOND FLOOR, CHEUNG YIU BUILDING, 167-173 CASTLE PEAK ROAD, TSUEN WAN. FOR FURTHER DETAILS, PLEASE CONTACT MISS PAULINE NG AT 5-283257.

- - - - - 0 - - - - -