



## DAILY INFORMATION BULLETIN

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THURSDAY, MARCH 28, 1985

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BORDER INDUSTRIAL ZONE IDEA OPPOSED

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THE HON K.C. CHAN VOICED HIS OBJECTION IN THE LEGISLATIVE COUNCIL TODAY TO THE SUGGESTION OF SETTING UP A BORDER INDUSTRIAL ZONE USING CHEAP LABOUR FROM CHINA.

SPEAKING AT THE ANNUAL BUDGET DEBATE, MR CHAN SAID THAT SINCE THE POST-WAR YEARS, BOTH THE LABOUR DEPARTMENT, THE LABOUR ADVISORY BOARD AND ITS VARIOUS COMMITTEES AND SUB-COMMITTEES HAD LABOURED UNCEASINGLY TO GET RID OF THE IMAGE OF CHEAP LABOUR AND SWEATSHOP FOR HONG KONG.

+IF WE NOW ANNOUNCE A CHEAP LABOUR ZONE IN HONG KONG WE SHALL NOT BE POINTING OUR SWORD TOWARDS THE PROTECTIONISTS BUT GIVE THEM THE HANDLE SO THAT THEY CAN FINISH US OFF WITH THE ACCUSATION OF DUMPING AND UNFAIR COMPETITION,+ HE SAID.

MR CHAN SAID HE WAS ALL FOR RENEWED EFFORTS FOR NEGOTIATION THROUGH THE PROPER CHANNELS TO SOLVE THE PROBLEMS FACED BY OUR EXPORTS TO THE UNITED STATES OF AMERICA, OUR LARGEST CONSUMER.

WE MUST BE SURE THAT OUR PRODUCTS WERE TRULY HONG KONG MADE OR OF AN AGREED PERCENTAGE LIKE JAPANESE CAR PARTS SENT TO FOREIGN COUNTRIES FOR ASSEMBLY BEFORE THEY WERE ACCEPTED AS LOCAL CARS MADE IN THAT COUNTRY, HE ADDED.

HE WAS SURE THAT THE HONG KONG PRODUCTIVITY COUNCIL COULD COME UP WITH SOME LABOUR-SAVING AND COST-REDUCING AUTOMATION METHODS TO HELP THE INDUSTRY IN QUESTION.

TURNING TO THE CIVIL SERVICE, HE SAID THE INCREASE IN ITS SIZE MIGHT BE DUE TO THE INCREASE IN THE TYPES AND VOLUME OF ACTIVITIES.

+HOWEVER, WE SHOULD NOT BE COMPLACENT OR START MAKING EXCUSES BUT WE SHOULD REVIEW ALL THE ACTIVITIES AND CUT OUT THOSE WHICH ARE NOT COST-EFFECTIVE OR OF MARGINAL VALUE,+ HE SAID.

HE STRESSED THAT EVERY OPPORTUNITY SHOULD BE TAKEN TO USE NATURAL STAFF WASTAGE, SUCH AS RETIREMENT, RESIGNATION, AND HIVE-OFF TO CUT DOWN GRADUALLY THE ACTUAL STRENGTH TO ONE COMMENSURATE WITH POPULATION GROWTH.

TURNING TO THE PROPOSED TAXATION MEASURES, MR CHAN SAID THAT A HEAVIER TAX ON CIGARETTES MIGHT BE A BLESSING IN DISGUISE FOR THE SMOKERS.

IN ADDITION TO THE HARMFUL HEALTH EFFECTS OF SMOKING WHICH HE HAD PREVIOUSLY SPOKEN OF, MR CHAN SAID, THERE WERE ALSO THE ECONOMIC EFFECTS OF SMOKING ON THE FAMILY AND THE COMMUNITY.

/MR CHAN .....

MR CHAN ALSO SUPPORTED THE TAX ON COSMETICS ITEMS.

+AS THE TAX NET IS NOW DRAWN TIGHTER ON THIS DUTIABLE COMMODITIES, IT IS TIMELY TO ADD A WORD OF CAUTION ON SMUGGLING WHICH I AM SURE THE CUSTOMS AND EXCISE PERSONNEL WILL BE ABLE TO CONTROL,+ HE SAID.

EARLIER IN HIS SPEECH, MR CHAN PAID TRIBUTE TO LOCAL PEOPLE, SAYING THAT +THEIR HARDWORK, CAPITAL AND TALENT HAVE HELPED TO BUILD UP HONG KONG.+

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REVIEW ON OVERSEAS EDUCATION FUNDING SCHEMES URGED  
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THE HON CHEUNG YAN-LUNG URGED THE GOVERNMENT TO REVIEW ITS OVERSEAS EDUCATION SUBSIDY SCHEMES TO SEE THAT PUBLIC FUNDS WERE PUT TO THE BEST POSSIBLE USE.

SPEAKING IN THE LEGISLATIVE COUNCIL BUDGET DEBATE TODAY (THURSDAY), MR CHEUNG SAID THE GOVERNMENT SHOULD LOOK INTO THE SUBSIDY SCHEME FOR THE CHILDREN OF GOVERNMENT OFFICERS OF THE APPROPRIATE RANK TO STUDY FROM LATE PRIMARY LEVEL TO THE AGE OF 19 IN BRITAIN.

HE BELIEVED THAT SOME FLEXIBILITY IN THE YEARS OF SUBSIDISED EDUCATION OVERSEAS FOR THESE STUDENTS WAS URGENTLY NEEDED OR THE SCHEME WOULD BECOME A WASTE OF MONEY.

ELABORATING, MR CHEUNG SAID LOCAL CHILDREN FINISHING PRIMARY SCHOOL HAD BECOME PROGRESSIVELY YOUNGER AND THEIR PROFICIENCY IN ENGLISH HAD NOTABLY DECLINED.

+THESE TWO FACTORS MAKE IT UNDESIRABLE FOR THEM TO LEAVE HONG KONG SO SOON AND, INDEED, THEIR PARENTS ARE RELUCTANT TO LET THEM GO,+ HE SAID.

ON THE OTHER HAND, HE SAID, SINCE THE SCHEME BEGAN THE CHILDREN OF NON-BRITISH NATIONALS HAD BEEN REQUIRED TO PAY FULL UNIVERSITY FEES WHICH HAD INCREASED GREATLY IN RECENT YEARS WHILE THE CHILDREN OF BRITISH NATIONALS LIVING IN HONG KONG NEEDED PAY ONLY 'HOME' FEES.

+THUS THE LOCAL STUDENTS WHO DO SECONDARY EDUCATION IN BRITAIN ARE VIRTUALLY EXCLUDED FROM ANY HIGHER EDUCATION.

+MOST OF THEM CAN NEITHER AFFORD TO PAY FULL FEES IN BRITAIN NOR CAN THEY HOPE TO GET A PLACE IN A HIGHER INSTITUTION IN HONG KONG AFTER SECONDARY SCHOOLING IN BRITAIN,+ HE SAID.

/ANOTHER SCHEME .....

ANOTHER SCHEME WHICH NEEDED REVIEW WAS THE JOINT FUNDING SCHEME, WHICH WAS INITIATED BY THE GOVERNOR TWO YEARS AGO AND JOINTLY FUNDED BY HONG KONG AND BRITAIN TO ASSIST CHILDREN OF NEEDY FAMILIES TO STUDY IN BRITAIN, MR CHEUNG SAID.

HE OBSERVED IN SPITE OF THE FACT THAT MORE STUDENTS WENT OVERSEAS FOR STUDIES IN 1984 THAN EVER BEFORE, THE NUMBER RECEIVING SUBSIDIES FROM THIS FUND SEEMED TO HAVE ACTUALLY DROPPED.

+IT IS A SITUATION THAT NEEDS INVESTIGATION TO SEE THAT GOVERNMENT FUNDS ARE USED IN THE BEST POSSIBLE WAY.

+IT MAY BE THAT THE AMOUNT OFFERED TO EACH IS NOT ENOUGH TO ALLOW A STUDENT STUDY IN BRITAIN.

+IT MAY BE THAT THE PARENTS ARE UNABLE TO GET FIRM ASSURANCES TO HELP IN TIME TO MAKE THE NECESSARY ARRANGEMENTS.

+IT MAY BE THAT THE MAN-IN-THE-STREET THINKS THAT HE HAS LITTLE HOPE OF A SUBSIDY AND SO DOES NOT APPLY.

+IT MIGHT EVEN BE THAT HONG KONG PARENTS ARE SO WELL OFF THAT THEY DO NOT NEED A SUBSIDY,+ HE SAID.

ON THE DEVELOPMENT OF THE NEW TERRITORIES, MR CHEUNG SAID NOW THAT THE 1997 ISSUE HAD BEEN HAPPILY RESOLVED, PLANS SHOULD BE PUT IN HAND FOR THOSE AREAS CLOSED FOR DEFENCE PURPOSES TO BE SCHEDULED FOR DEVELOPMENT.

+THE SO-CALLED 'CLOSED-AREA' AT THE BORDER NO LONGER SERVED ITS ORIGINAL PURPOSE.

+THE PEOPLE LIVING THERE, WHO HAVE SO LONG BOWED TO THE OVERRIDING NEEDS OF FRONTIER DEFENCE, SHOULD NOW BE ABLE TO SHARE IN THE DEVELOPMENT AND PROSPERITY OF OTHER PARTS OF THE NEW TERRITORIES,+ HE SAID.

HE AGREED THAT IT MIGHT BE CONSIDERED A CONVENIENCE TO KEEP THE AREA CLOSED BUT, IN VIEW OF THE NEEDS AND RIGHTS OF THOSE WHO LIVED THERE, NO PART SHOULD ANY LONGER BE CUT OFF EXCEPT WHERE IT WAS ABSOLUTELY ESSENTIAL.

+SO MUCH, INDEED, HAS THE AREA STAGNATED THAT, IT IS SAID, THE PEOPLE ON THE CHINESE SIDE AT SHATAUKOK, IN THEIR GLEAMING NEW HOUSES, LIKE TO TAKE VISITORS FROM ALL PARTS OF KWANGTUNG TO THE BORDER AND POINT ACROSS TO THE HONG KONG SIDE AT A WAY OF LIFE THAT HAS NOT CHANGED IN 50 YEARS,+ HE SAID.

HE ADDED THAT IT WAS NOT GOOD FOR OUR IMAGE FOR THE SHATAUKOK AREA TO BE REGARDED AS A FOLK MUSEUM.

ON THE SETTING UP OF THE REGIONAL SERVICES DEPARTMENT, MR CHEUNG SAID BOTH THE ESTIMATE FOR EXPENDITURE AND THAT FOR MANPOWER COULD BE NO MORE, AT THIS STAGE, THAN REASONABLE 'GUESSTIMATES'.

+IN PARTICULAR, THERE IS SOME DOUBT THAT THE MANPOWER PROVISION, IN VIEW OF THE FACT THAT EXPERIMENTAL NEW PROVISIONAL REGIONAL COUNCIL WILL BE COMPLETELY INEXPERIENCED, WILL MEET THE NEED.

+IT WILL BE NECESSARY TO STRETCH THE WHOLE ORGANISATION TO THE LIMIT OF ITS ACTIVITIES DURING THE PROVISIONAL TERM OF THE COUNCIL SO THAT ANY WEAKNESSES IN THE SYSTEM MAY BE REVEALED AND REMEDIED IN TIME.

+ONE YEAR MAY NOT BE ENOUGH FOR THIS EXERCISE. THE PROGRESS OF THE GREAT EXPERIMENT NEEDS CLOSE WATCHING,+ HE SAID.

ON THE RE-INTRODUCTION OF THE AD VALOREM DUTY ON COSMETICS, MR CHEUNG CONSIDERED IT ACCEPTABLE IF VIEWED SOLELY AS A REVENUE PROTECTION MEASURE, BUT HE HOPED THE ADMINISTRATION WOULD CONSIDER CAREFULLY THE POSSIBLE REPERCUSSIONS OF THIS MEASURE.

+FIRST, THERE IS AT PRESENT NO CLEAR REGULATIONS ON HOW MUCH AN INDIVIDUAL PERSON CAN BRING BACK INTO HONG KONG UPON RETURN FROM A FOREIGN COUNTRY.

+PEOPLE CAN EASILY AVOID THE DUTY BY BRINGING IN COSMETICS FROM DUTY FREE COUNTRIES THUS ADVERSELY AFFECTING LOCAL BUSINESS AND DUTY-COLLECTION.

+SECONDLY, A LARGE PROPORTION OF IMPORTED COSMETICS AND PERFUME ARE FOR RE-EXPORT TO OTHER COUNTRIES.

+WITH THE IMPOSITION OF THE AD VALOREM DUTY, HONG KONG WILL LOSE HER POSITION AS REGIONAL DISTRIBUTOR OF COSMETICS TO SOUTHEAST ASIAN COUNTRIES,+ HE SAID.

IN ALL FAIRNESS, MR CHEUNG SAID, THE PROPOSED 25 PER CENT AD VALOREM DUTY SHOULD BE LEVIED ON THE FOB VALUE RATHER THAN THE CIF PRICE BECAUSE THE LATTER INCLUDED THE COST OF FREIGHT AND INSURANCE WHICH WAS NOT PART OF THE COST OF GOODS ITSELF.

CLEAR REGULATIONS MUST BE SET DOWN TO PREVENT PEOPLE FROM EXPLOITING DUTY-FREE CONCESSIONS AND THE AD VALOREM DUTY SHOULD NOT BE LEVIED ON SAMPLES AND GIFT ITEMS AS THESE WERE NOT FOR SALE, MR CHEUNG SAID.

RELIEF URGED FOR IMMIGRATION WORK  
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IMMIGRATION FACILITIES AND PRIVATISATION OF CERTAIN GOVERNMENT SERVICES WERE IDENTIFIED BY THE HON SELINA CHOW IN THE LEGISLATIVE COUNCIL TODAY AS TWO SUBJECTS THAT SHOULD BE GIVEN IMMEDIATE ATTENTION.

MRS CHOW SAID THAT THE SERVICES BEING PROVIDED BY THE IMMIGRATION DEPARTMENT AT THE DIFFERENT POINTS OF ENTRY REQUIRED NOT ONLY LONG TERM PLANNING, WHICH HAD BEEN PROMISED, BUT ALSO SOME IMMEDIATE TEMPORARY RELIEF.

+LINES AT KAI TAK COUNTERS ARE CONSIDERED LONG IF THEY ARE MORE THAN SIX OR SEVEN DEEP, WHILE TRAVELLERS ARE OFTEN REQUIRED TO WAIT FOR MORE THAN AN HOUR BEFORE THEY ARE PROCESSED AT TAI KOK TSUI AND MAN KAM TO,+ SHE SAID.

WITH LIKELIHOOD OF PRESSURE BUILDING UP AT THESE POINTS AS SOCIAL AND ECONOMIC TIES BETWEEN HONG KONG AND CHINA MULTIPLIED, SPECIAL ALLOWANCES MUST BE GIVEN TO THIS AREA OF ACTIVITY, SHE SAID.

TURNING TO PRIVATISATION, MRS CHOW SAID IN VIEW OF THE TREMENDOUS SUCCESS OF THE HIVING OFF OF THE KOWLOON CANTON RAILWAY AND THE LEASING OUT OF GOVERNMENT CAR-PARKS, OTHER GOVERNMENT SERVICES SHOULD BE IDENTIFIED FOR SIMILAR TREATMENT WHEREVER POSSIBLE.

PRIVATISATION OF OTHER NON-REVENUE-PRODUCING GOVERNMENT SERVICES SHOULD ALSO BE ENCOURAGED AS FAR AND AS SOON AS POSSIBLE, SHE SAID.

+I HAVE NO DOUBT THIS OVERALL POLICY OF DEGOVERNMENTISATION IS THE RIGHT PATH TO LESS BUREAUCRACY AND MORE FLEXIBILITY AND EFFICIENCY, IF NOT PROFITABILITY,+ SHE SAID.

AS FOR THE REVENUE-RAISING PROPOSALS IN THE BUDGET, MRS CHOW REITERATED HER FIRM BELIEF THAT IT WAS ROAD USAGE BY MOTOR VEHICLES THAT NEEDED TO BE CONTROLLED, BY FISCAL MEASURES IF NECESSARY, AND NOT THE OWNERSHIP OF PRIVATE CARS.

+IT IS UNFAIR THAT THE PRIVATE MOTORIST SHOULD BE SINGLED OUT TIME AND AGAIN.

+I THEREFORE SUPPORT THE INCREASE ON TUNNEL TOLLS WHILE DEPLORING THE RISE IN FEES FOR VEHICLES AND LICENCES,+ SHE SAID.

MRS CHOW ALSO SAID SHE COULD NOT SUPPORT THE PROPOSED WITHDRAWAL OF THE AVERAGE DUTY-FREE ALLOWANCE AVAILABLE TO RESIDENTS OF ALMOST ALL OTHER COUNTRIES IN THE WORLD.

SHE SUGGESTED THAT THE EXISTING ALLOWANCE SHOULD REMAIN FOR ALL THOSE WHO ENTER HONG KONG BY AIR, WHILE THE NEW RESTRICTION SHOULD APPLY TO ALL OTHER POINTS OF ENTRY.

+THOSE RESIDENTS WHO HAVE NOT AND ARE NOT LIKELY TO OVER EXPLOIT THE CONCESSION SHOULD NOT BE PENALISED.

+FOR THOSE HONG KONG ENTREPRENEURS WHO HAVE HITHERTO ABUSED THE SYSTEM, THIS PROPOSED ADJUSTMENT SHOULD MAKE THEIR EFFORTS TOTALLY UNVIABLE,+ SHE SAID.

REGARDING THE PROPOSED TAX ON NON-ALCOHOLIC DRINKS, MRS CHOW SAID THE CONTROVERSY RESULTING FROM THE FINANCIAL SECRETARY'S REFERENCE TO SOFT DRINKS AS A PLEASING INDULGENCE AND NOT A NECESSITY SHOULD NOT BE MISTAKEN AS RESISTANCE TO THE DUTY.

REAL RESISTANCE, IF ANY, COULD ONLY BE ESTABLISHED BY MONITORING THE MARKET ACTIVITIES, SHE SAID.

SHE OBSERVED THAT ACCORDING TO SURVEYS CONDUCTED BY THE CONSUMER COUNCIL, PRICES HAD REMAINED STABLE AND AT LEVELS PREDICTED BY THE GOVERNMENT.

SHE SAID IT WAS ALSO INTERESTING TO NOTE THAT EVEN AFTER THE INCREASE WHICH TOOK IN THE PROPOSED DUTY, LEVELS WERE ABOUT TEN PER CENT LOWER THAN THE RECOMMENDED RETAIL PRICE IN THE TRADE.

+IT SEEMS TO INDICATE THAT PRICES AT THEIR PRESENT LEVEL ARE AFFORDABLE AND ACCEPTABLE,+ SHE SAID.

HOWEVER, SHE DID NOT AGREE WITH THE FINANCIAL SECRETARY'S COMPARISON OF SOFT DRINKS WITH BEER.

+HE HAS OVERLOOKED THE FACT THAT A CONSIDERABLE PROPORTION OF CONSUMERS OF SOFT DRINKS ARE MINORS. FURTHERMORE I REGRET THAT A DUTY THAT HIT YOUNG PEOPLE THE HARDEST HAD TO BE INTRODUCED IN THE INTERNATIONAL YOUTH YEAR,+ SHE SAID.

TURNING TO THE DUTY ON COSMETICS, MRS CHOW SAID THAT THE COSTS OF PRODUCTS GIVEN IN THE FOOTNOTE OF THE FINANCIAL SECRETARY'S SPEECH WERE MISLEADING, AS THEY HAD NOT INCLUDED MARKETING COSTS SUCH AS ADVERTISING AND PACKAGING.

SHE NOTED THAT NUMEROUS OPERATIONAL PROBLEMS WOULD NOW NEED TO BE RESOLVED BETWEEN THE RELEVANT DEPARTMENTS AND THE TRADE.

SHE URGED THE AUTHORITIES CONCERNED TO BE RECEPTIVE AND RESPONSIVE TO PRACTICAL CIRCUMSTANCES ON THE GROUND, AND TO KEEP INCONVENIENCE TO THE LOWEST POSSIBLE LEVEL.

MRS CHOW ALSO SAID THE APPLICATION OF THE WHOLESALE PRICE AS THE BASE FOR LOCALLY PRODUCED COSMETICS WOULD INFLATE THE DUTY FOR THIS CATEGORY AS THIS PRICE WOULD HAVE INCLUDED THE HEFTY MARKETING COSTS AND PROFITS.

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APART FROM CREATING AN ANOMALY, SHE CONSIDERED IT MIGHT PROVE TO BE AN UNFAIR DISINCENTIVE FOR THIS LOCAL INDUSTRY.

FINALLY, MRS CHOW DISMISSED THAT ARGUMENT THAT THE COSMETICS DUTY WAS DISCRIMINATIVE AGAINST THE FEMALE SEX SINCE SUCH ITEMS AS AFTERSHAVE LOTION AND HAIRSPRAY WERE INCLUDED.

+NEVERTHELESS, JUST SO THERE IS ABSOLUTELY NO QUESTION OF ANY BIAS AGAINST WOMEN, THE DEFINITION OF COSMETICS MUST ALLOW FOR THE COVERAGE OF PRODUCTS CATERING TO BOTH SEXES,+ SHE SAID.

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'NEED TO SUSTAIN CONFIDENCE STRESSED'  
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THE JOINT DECLARATION ON THE FUTURE OF HONG KONG HAD REMOVED A LOT OF SPECULATIONS AND UNCERTAINTIES ON WHAT SORT OF ECONOMIC SYSTEM WOULD BE PUT IN PLACE IN HONG KONG TO PRESERVE ITS VIABILITY FOR INVESTORS, THE HON MARIA TAM SAID TODAY (THURSDAY).

SPEAKING AT THE BUDGET DEBATE, MISS TAM SAID THERE WAS A PRIMA FACIE RETURN OF CONFIDENCE HERE.

HOWEVER, SHE WARNED THAT SUCH CONFIDENCE MUST ALSO BE SUSTAINED BY CONCRETE EVIDENCE OF THE FAITHFUL IMPLEMENTATION OF THE JOINT DECLARATION BY BRITAIN AND CHINA, AND MUST NOT BE TAKEN FOR GRANTED.

+SHOULD THE JOINT DECLARATION NOT BE PERCEIVED TO BE FAITHFULLY IMPLEMENTED, THE EROSION OF THE CONFIDENCE HERE WILL BE SERIOUS ENOUGH TO DEFEAT ALL THE EFFORT IN GOOD BUDGETING BY OUR FINANCIAL SECRETARY,+ SHE STRESSED.

MISS TAM SAID IT WAS WIDELY REPORTED THAT THE +HONG KONG PEOPLE+ WOULD BE CONSULTED ON AND COULD PARTICIPATE IN THE DRAFTING OF THE BASIC LAW.

SHE BELIEVED THAT IF THIS WAS THE CASE, THE +PEOPLE OF HONG KONG+ WOULD WELCOME IT AS A CLEAR INDICATION OF THE PEOPLE'S REPUBLIC OF CHINA'S UNDERSTANDING OF OUR CONCERN, AND THAT CHINA WAS WILLING TO MEET THEM.

THIS WOULD BOOSTER BOTH LOCAL AND INTERNATIONAL CONFIDENCE IN THE TERRITORY, SHE SAID.

MISS TAM SAID THIS WAS THE SAME CASE WITH THE JOINT LIAISON GROUP.

/SHE APPRECIATED .....

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SHE APPRECIATED THAT AS A DIPLOMATIC GROUP IT MIGHT NOT BE POSSIBLE TO HAVE IN ITS NUMBERS NON-GOVERNMENT OFFICIALS FROM HONG KONG.

HOWEVER, SHE POINTED OUT THAT IT WOULD DEFINITELY INSPIRE CONFIDENCE IF HONG KONG GOVERNMENT OFFICIALS COULD PARTICIPATE IN THE JOINT LIAISON GROUP TO DISCUSS ON, FOR EXAMPLE, INTERNATIONAL TRADE AGREEMENTS, AMONG MANY OTHER ISSUES WHICH THE JOINT LIAISON GROUP MUST TACKLE UNDER ITS LIST OF PRIORITIES IN THE FIRST HALF OF THE PERIOD FROM ITS FORMATION TO THE FIRST OF JULY 1997.

+AND AS FAR AS THE SPECIALIST SUB-GROUPS ARE CONCERNED, UNOFFICIAL MEMBERS WITH RELEVANT EXPERTISE MUST ALSO BE ALLOWED TO PARTICIPATE, AND IN GENERAL, PREFERENCE SHOULD BE GIVEN TO HONG KONG CITIZENS OF CHINESE ORIGIN,+ SHE ADDED.

REFERRING TO THE PROPOSED LAND COMMISSION, MISS TAM SAID IT WAS CRUCIAL THAT NOT ONLY LOCAL LAND EXPERTS SHOULD BE MEMBERS, BUT ALSO THAT THE COMMISSION WAS SEEN TO BE ACCOMMODATING REQUESTS FOR FUNDS, AND, IF NECESSARY, REQUESTS FOR MORE LAND TO BE PUT FORTH ON BEHALF OF HONG KONG TO ENSURE PROPER DEVELOPMENT IN THIS TERRITORY.

SHE SAID THAT FROM TIME TO TIME THE PROGRESS ON ALL THE THREE BODIES -- THE JOINT LIAISON GROUP, THE LAND COMMISSION AND THE BASIC LAW DRAFTING COMMITTEE -- SHOULD BE MADE KNOWN TO THE HONG KONG PEOPLE TO ASSURE THEM THAT THE SPIRIT OF THE JOINT DECLARATION WAS BEING UPHOLD EVERY STEP OF THE WAY.

COMMENTING MORE SPECIFICALLY ON THE BUDGET, MISS TAM SAID IT MIGHT BE CRITICISED FOR HAVING NO POSITIVE PROPOSALS TO SHOW THE GOVERNMENT'S DETERMINATION TO ENCOURAGE LONG-TERM INDUSTRIAL DEVELOPMENT AND TO FURTHER TRIM DOWN PUBLIC EXPENDITURE, THUS REFLECTING THE ATTITUDE OF A CARE TAKING RATHER THAN CARING GOVERNMENT.

HOWEVER, JUDGING FROM THE FACT THAT 17 PER CENT OF THE CONSOLIDATED ACCOUNT EXPENDITURE WAS SPENT ON EDUCATION, AND COUPLED WITH THE GOVERNMENT ACCEPTANCE OF THE EDUCATION COMMISSION NUMBER ONE REPORT, SHE FELT THAT THERE WAS CLEARLY THE WILL TO MAKE LONG-TERM INVESTMENT ON HUMAN RESOURCES.

MISS TAM CONSIDERED THAT THIS WAS THE RIGHT TIME TO RE-EXAMINE THE FRINGE BENEFIT PACKAGE FOR CIVIL SERVANTS.

+I BELIEVE, IN LAW, THERE ARE NO MAJOR OBSTACLES FOR GOVERNMENT TO REDUCE THE SCALE OF FRINGE BENEFITS BUT OFTEN THERE IS THE QUESTION OF HOW TO ACHIEVE THIS WITHOUT AFFECTING THE MORALE OF THE PUBLIC SERVICE,+ SHE SAID.

MISS TAM SAID SHE HAD BEEN HAVING INFORMAL DISCUSSIONS WITH LOCAL OFFICERS OF DIFFERENT RANKS SINCE SEPTEMBER 1984.

/SHE DISCOVERED .....

SHE DISCOVERED THAT THERE WAS NO MAJOR INDICATION THAT THE FREE PASSAGES TO ENGLAND, OR AN EXTREMELY SPACIOUS QUARTER UP THE PEAK, OR THE POSSIBILITIES OF THEIR CHILDREN STUDYING IN BOARDING SCHOOLS IN ENGLAND BEING IN ANY WAY A MAJOR CONSIDERATION OF THEIR COMMITMENT IN CONTINUING TO SERVE THE GOVERNMENT.

+I DON'T THINK IT WILL SERIOUSLY AFFECT MORALE IF ANY OF THE EXPATRIATE ORIENTATED TERMS OF SERVICE OR FRINGE BENEFITS IS GRADUALLY REMOVED. WE MAY IN FACT FIND THAT TO THE LOCAL OFFICERS THIS IS NO LONGER A SIGNIFICANT FACTOR IN THEIR DECISION TO STAY OR JOIN THE PUBLIC SERVICE,+ SHE SAID.

MISS TAM ALSO SAID THAT THE GOVERNMENT SPENT AN ENORMOUS AMOUNT EACH YEAR ON OVERSEAS CONSULTANTS FEES ON PUBLIC WORKS PROJECTS AND ON IMPORTED COMPUTER EQUIPMENT.

SHE URGED THAT WHERE ALL OTHER FACTORS WERE COMPATIBLE, GOVERNMENT SHOULD CONSIDER GIVING PRIORITY TO OVERSEAS CONSULTANTS WITH A LOCAL BRANCH IN HONG KONG, OR OVERSEAS MANUFACTURERS WITH LOCAL INVESTMENT.

THIS WAS TO ENSURE THAT THE HONG KONG COMMUNITY COULD BENEFIT FROM THE MONEY THE GOVERNMENT SPENT ON PURCHASING OVERSEAS EXPERTISE AND EQUIPMENT, SHE SAID.

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#### MEDICAL INSURANCE SCHEME PROPOSED

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A MEDICAL INSURANCE SCHEME WAS PROPOSED BY DR THE HON HENRIETTA IP IN THE LEGISLATIVE COUNCIL DURING THE BUDGET DEBATE TODAY.

DR IP NOTED THAT SOME \$4 BILLION WOULD BE SPENT ON MEDICAL AND HEALTH SERVICES IN 1985-86, AND OF THIS SUM, THE PUBLIC PAID A MERE TWO PER CENT, OR \$0.1 BILLION.

+I CONSIDER THAT GOVERNMENT CAN AFFORD ONLY THE CAPITAL OUTLAY FOR DEVELOPING ADEQUATE MEDICAL SERVICES, THE RECURRENT COST FOR THE OVERALL ADMINISTRATION IN THE CONTROL, SURVEILLANCE AND PLANNING, AND LASTLY THE RECURRENT COST IN GIVING FULL MEDICAL SUBVENTION TO THOSE WHO ARE ALREADY ON SOCIAL SECURITY, NAMELY THE OLD, THE HANDICAPPED AND THE VERY POOR,+ SHE SAID.

POINTING OUT THAT THE RECURRENT EXPENDITURE ON MEDICAL SERVICES WORKED OUT TO BE \$616 A PERSON A YEAR OR AROUND \$50 A MONTH, DR IP SAID THAT IF EVERY ABLE-BODIED PERSON PAID AN EQUIVALENT AMOUNT ON MEDICAL INSURANCE, IT WOULD BE SUFFICIENT TO BALANCE RECURRENT EXPENDITURE ON THIS HEAD.

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+A BASIC MINIMUM PREMIUM CAN BE WORKED OUT WHICH EVERYONE MUST PURCHASE AND THE INSURANCE COMPANY, ON BEHALF OF THE INSURED MUST REPAY GOVERNMENT, AT THE RATES OF CHARGES ESTABLISHED BY GOVERNMENT FOR THIRD CLASS SERVICE, AT COST SUCH THAT IN FACT, THE INSURED WILL RECEIVE FREE UNLIMITED CONSULTATIONS AND TREATMENT.

+ANYONE IS AT LIBERTY TO PURCHASE MEDICAL INSURANCE AT A HIGHER PREMIUM AND CAN ENJOY PRIVATE MEDICAL SERVICES OR FIRST AND SECOND CLASS SERVICES AT GOVERNMENT HOSPITALS AT HIGHER RATES OF CHARGES,+ DR IP ELABORATED.

+THIS PROPOSAL IS A MAJOR CHANGE, THE FEASIBILITY WILL TAKE TIME TO WORK OUT AND IT MUST BE PHASED IN, BUT I SEE THIS AS BEING INEVITABLE,+ SHE ADDED.

ON THE MERITS OF THE SCHEME, SHE SAID THAT OTHER THAN BEING A METHOD TO RAISE REVENUE FOR GOVERNMENT, IT WOULD ALSO OFFER THE OPTION TO THE BETTER-OFF PUBLIC TO GO FOR PRIVATE MEDICAL SERVICES THEREBY REDUCING THE OVERCROWDING THAT EXISTED IN GOVERNMENT HOSPITALS.

IT MIGHT ALSO BRING DECENTRALISATION, FINANCIAL INDEPENDENCE, FLEXIBILITY AND COMPETITIVENESS TO THE GOVERNMENT AND GOVERNMENT SUBVENTED HOSPITALS IN THAT THEY COULD GENERATE THEIR OWN FUNDS THROUGH STANDARDISED PAYMENT OUT BY MEDICAL INSURANCE.

+MY PROPOSALS ARE IN LINE WITH THE CONCEPT OF MY HONOURABLE COLLEAGUE, DR HARRY FANG, NAMELY, THE INCREASE IN MEDICAL CHARGES, PRIVATISATION, BLOCK GRANTS TO HOSPITALS, FLEXIBILITY IN MANAGEMENT AND DECENTRALISATION.

+IN THE PHASING IN OF THIS, GOVERNMENT NEED NOT CHARGE THE FULL RATE, BUT AIM AT MEETING HALF ITS RECURRENT EXPENDITURE. THE INSURANCE PREMIUM WILL THEN BE AT A LEVEL MORE ACCEPTABLE TO THE PUBLIC,+ SHE SAID.

+LASTLY, A RECOGNISED MEDICAL INSURANCE SCHEME WHICH GOVERNMENT CAN INITIATE WOULD PAVE THE WAY TO A MORE STANDARDISED CHARGE BY PRIVATE PRACTITIONERS,+ SHE SAID.

TURNING TO THE SUBJECT OF FRINGE BENEFITS AND ITS METHOD OF TAXATION, DR IP SAID OVER THE YEARS, THE VALUE AND THE VOLUME OF THESE NON-TAXABLE FRINGE BENEFITS HAD GRADUALLY INCREASED TO A POINT WHERE IT WAS CAUSING SIGNIFICANT INEQUITY.

SHE SUGGESTED THAT GOVERNMENT SHOULD CONSIDER TO TAX FRINGE BENEFITS AT THEIR TRUE VALUE WHEREVER THIS COULD BE WORKED OUT AND DONE SIMPLY, THUS BROADENING THE TAX BASE AND THROUGH THIS KEEPING THE OVERALL PERCENTAGE OF THE TAX RATE LOW.

/AS A .....

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AS A START, SHE SAID, GOVERNMENT COULD CONSIDER TAXING EDUCATION ALLOWANCE, LEAVE AND PASSAGE ALLOWANCE AND FREE HOUSING ACCOMMODATION.

REGARDING THE DUTY ON NON-ALCOHOLIC BEVERAGES, DR IP SAID SHE WAS GLAD THE FINANCIAL SECRETARY HAD CLARIFIED THAT PURE SOYA BEAN MILK WAS EXEMPTED FROM HIS DUTY PROPOSALS, THOUGH SHE WAS AWARE THAT THIS CONCESSION MIGHT NOT ENTIRELY SATISFY SOME COMMERCIAL FIRMS WHOSE SOYA PRODUCTS CONTAINED FLAVOURINGS.

DR IP WENT ON TO QUESTION SOME ESTABLISHED POLICIES WHICH HAD A FINANCIAL IMPLICATION TO THE BUDGET.

SHE ALSO QUESTIONED THE RATIONALE AND JUSTIFICATION FOR GRANTING OVERSEAS EDUCATION AND PASSAGES ALLOWANCE TO CHILDREN OF LOCAL SERVANTS WHEN THE USE OF CHINESE AS THE MEDIUM OF SPEECH IS BEING ENCOURAGED; THE GRANTING OF SIMILAR BENEFITS TO CHILDREN OF EXPATRIATE OFFICERS WHEN THE ENGLISH SCHOOL FOUNDATION SCHOOLS ARE NOT FULL; THE GIVING OF LEAVE PASSAGES TO LOCAL OFFICERS AND THEIR FAMILIES WHEN HONG KONG IS THEIR HOME; FREE PASSAGE ALLOWANCE FOR EXPATRIATE OFFICERS WHEN THEY GO ON HOLIDAY RATHER THAN RETURN HOME AND THE ALLOCATION OF LARGE FLATS FOR SINGLE EXPATRIATE OFFICERS.

+WOULD THE LACK OF INCENTIVES FOR THOSE WHO FORFEIT BENEFITS SUCH AS PASSAGE, LEAVE, HOUSING, OVERSEAS EDUCATION ALLOWANCES= OR THE LACK OF DISINCENTIVES FOR THOSE FULLY UTILISE THEM, ACTUALLY ENCOURAGE UNNECESSARY GOVERNMENT EXPENDITURE?+ SHE ASKED.

SHE WONDERED IF IT WOULD NOT BE OVERALL CHEAPER FOR GOVERNMENT AND MORE FLEXIBLE FOR CIVIL SERVANTS IF THEY WERE PAID MORE WITH A FRACTION OF THE FRINGE BENEFITS IN CASH INSTEAD.

ON THE ACCOUNTING PRESENTATION OF THE BUDGET ESTIMATES, DR IP QUERIED THE PRACTICE OF PUTTING ALL PERSONNEL RELATED EXPENSES UNDER ONE HEAD RATHER THAN UNDER THE RESPECTIVE DEPARTMENTS AND ALSO THAT OF DEPARTMENTALISING THE COST OF UTILITIES AND RENT WHEN DEPARTMENTS ARE HOUSED IN SHARED PREMISES.

SHE NOTED THAT THE ESTIMATES MADE NO MENTION OF THE PENSION BENEFITS WHICH WOULD BE EARNED BY THE CIVIL SERVANTS IN 1985-86 AND HENCE THE INCREASE IN THE GOVERNMENT'S LIABILITY TO MAKE FUTIRE PAYMENTS.

+IF GOVERNMENT CONTINUES TO OFFER PENSIONS TO CIVIL SERVANTS, RATHER THAN DEVELOP TOWARDS THE CONCEPT OF GRATUITY, WOULD SETTING ASIDE A FUND, THE ANNUAL ADDITION TO IT BEING THE REAL INCREASE IN FUTURE COMMITTMENT FOR THIS YEAR, REFLECT MORE ACCURATELY OUR EXISTING EXPENDITURE?+ SHE SAID.

ANOTHER PROPOSAL MADE BY DR IP WAS THAT GOVERNMENT SHOULD PROMOTE CONTRACT TERMS WITH GRATUITY FOR CIVIL SERVANTS.

/SHE SAID .....

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SHE SAID CONTRACT TERMS WOULD REPLACE ANNUAL ADJUSTMENTS, FRINGE BENEFITS, PENSIONS WITH A TAXABLE GRATUITY, OFFER A HIGHER SALARY, ALLOW FREEDOM OF MOVEMENT AND A FREE FLOW OF EXPERTISE BETWEEN THE CIVIL SERVICE AND THE PRIVATE SECTOR, ATTRACT A HIGHER CALIBRE OF STAFF AND GENERATE THE BEST OUTPUT FROM STAFF BECAUSE NO REDUNDANT PERSONS WOULD BE KEPT IN A POST.

+I FEEL SURE THAT MANY RECENT RECRUITS AND POTENTIAL RECRUITS WOULD BE KEEN TO OPT FOR CONTRACT APPOINTMENTS,+ SHE SAID.

+IF WITH GENTLE PERSUASION IN THE FORM OF TAXING FRINGE BENEFITS AND GRADUAL LOWERING OF SOME UNCALLED FOR FRINGES, GOVERNMENT SHOULD SUCCEED IN MAKING GRADUALLY ALL THOSE POSTS WHICH IT FEELS ARE UNNECESSARY TO BE PENSIONABLE, INTO CONTRACT APPOINTMENTS.

+I AM NOT SUGGESTING THAT THERE IS NO PLACE FOR PENSIONABLE TERMS. I ONLY ASK THAT GOVERNMENT SHOULD REVIEW ITS POLICIES TO SEE WHETHER THE MAJORITY OF CIVIL SERVANTS NEED TO BE ON PENSIONABLE TERMS,+ SHE SAID.

TURNING TO SQUATTER CONTROL, DR IP SAID SHE WAS CONCERNED WITH THE \$184 MILLION SPENT ON THIS ITEM, WHICH WAS 64 PER CENT OF THE HOUSING DEPARTMENT'S EXPENDITURE.

SHE STRESSED WE MUST FIND A CHEAPER METHOD FOR SQUATTER CONTROL.

+IF IT IS CHEAPER TO REGIONALISE SQUATTER CONTROL TO THE DISTRICT BOARDS, LET'S DO IT.

+IF THERE ARE MODERN EQUIPMENT AND CHEAPER TECHNIQUES OF SURVEILLANCE, LET'S TRY OUT A PILOT SCHEME.

+IF BY PAYING FINANCIAL AWARD TO INFORMERS MIGHT SAVE GOVERNMENT'S MONEY ON SQUATTER CONTROL, LET US DO IT,+ SHE URGED.

SHE WAS AWARE THAT A VALUE FOR MONEY EXERCISE WAS BEING DONE AND SHE SAID SHE LOOKED FORWARD TO SUCH A STUDY OFFERING A CHEAPER ALTERNATIVE.

LASTLY, DR IP URGED GOVERNMENT TO CONSIDER STANDARDISING METHODS OF FUNDING ON AS SIMPLE A BASIS AS POSSIBLE FOR NON-PROFIT-MAKING HOSPITAL BEDS, WELFARE PROJECTS, SCHOOL PLACES, POLYTECHNIC, COLLEGE AND UNIVERSITY PLACES.

/CONCEDING THAT .....

CONCEDING THAT NO TWO ORGANISATIONS, HOWEVER SIMILAR, WOULD BE ABLE TO RUN ON AN EXACT BUDGET, SHE SUGGESTED THAT ALL ESTABLISHMENTS BE ALLOWED TO GENERATE MORE FUNDS TO MEET THEIR OWN EXPENDITURE BASED ON THEIR OWN ABOVE STANDARD SERVICES, PROVIDED THE EXTRA CHARGES FELL WITHIN A CERTAIN SET AND REASONABLE LIMIT.

THIS WOULD GIVE MUCH HOPE FOR FLEXIBILITY TO THE ESTABLISHMENTS AND TO SOME EXTENT, ALLOW THE PUBLIC TO CHOOSE THE INSTITUTIONS ON A VALUE FOR MONEY BASIS, SHE ANALYSED.

+WITH ADEQUATE PROVISIONS BUILT IN THE STANDARD FUNDING SYSTEM, PROVIDENT FUNDS SHOULD BE THE RESPONSIBILITY OF THE INSTITUTIONS AND NOT GOVERNMENT,+ DR IP CONCLUDED.

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REAL LUXURIES SEEN AS REVENUE SOURCE  
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PRIORITY SHOULD BE GIVEN TO THE REAL LUXURIES IN LIFE IF MORE REVENUE SOURCES ARE TO BE CONSIDERED, THE HON CHAN YING-LUN SAID TODAY (THURSDAY).

+IF MORE SOURCES OF REVENUE WERE TO BE TAPPED, I WOULD SUGGEST THAT CONSIDERATION BE GIVEN TO LUXURY ITEMS SUCH AS IMPORTED HIGH-QUALITY CLOTHING, ACCESSORIES, FURNITURE, JEWELS AND WATCHES, LUXURIOUS CARS AND PLEASURE CRAFT,+ MR CHAN SAID AT THE ANNUAL BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

+I UNDERSTAND THAT THE PROFIT MARGIN OF THESE COMMODITIES IS GENERALLY PRETTY HANDSOME AND THE TAX TO BE IMPOSED IS LIKELY TO BE READILY ABSORBED BY BOTH THE WHOLESALERS AND RETAILERS AS WELL AS THE CONSUMERS,+ HE SAID.

IN ANY CASE, MR CHAN SAID, FOR PEOPLE WHO PREFERRED THE FINEST IMPORTED DESIRABLES, +I DO NOT THINK A REASONABLE AMOUNT OF TAX AND REVENUE FOR GOVERNMENT WILL HURT AT ALL.+

+AN ADDITIONAL TAX OF ONE THOUSAND DOLLARS LEVIED ON A LUXURIOUS CAR IS ALREADY EQUIVALENT TO THE COLLECTION OF TWENTY CENTS EACH FROM SAY, 5 000 BOXES OF MILK, BUT THE DISTINCTION IS OBVIOUS,+ HE SAID.

ALTHOUGH INDIRECT TAXATION WAS MORE DESIRABLE THAN DIRECT TAXATION AND WAS LESS PAINFUL TO BEAR, IT MUST BE KEPT IN MIND THAT INDIRECT TAXATION MEASURES MUST NOT BE ALLOWED TO HARM THE LIVELIHOOD OF OUR COMMUNITY, MR CHAN SAID.

WHILST THE INCREASES PROPOSED BY THE FINANCIAL SECRETARY WERE FAIRLY MODEST AND THAT THE CONSUMER SHOULD BE ABLE TO TAKE THEM IN THEIR STRIDE IN DUE COURSE, MR CHAN CAUTIONED THAT THERE MUST BE A LIMIT AS TO WHAT SHOULD BE MORE HEAVILY TAXED AND WHAT SHOULD BE THE MAXIMUM LIMIT.

/FOR EXAMPLE, .....

FOR EXAMPLE, MR CHAN SAID, IF MORE INCREASE ON AIRPORT TAX WERE TO BE CONTEMPLATED YET AGAIN, THIS WOULD ONLY HAVE A DAMPENING EFFECT ON THE TOURIST INDUSTRY AND ALSO REDUCE THE ENTHUSIASM OF OUR OWN PEOPLE IN SEEING THE OUTSIDE WORLD WHICH WAS SO IMPORTANT AN INCENTIVE FOR HARD WORK AND ALSO A PROCESS FOR THEM TO ACQUIRE A MORE COSMOPOLITAN OUTLOOK.

ON THE CIVIL SERVICE, MR CHAN SAID HE WAS GLAD TO LEARN THAT THE POLICY OF ZERO GROWTH HAD BEEN CAREFULLY FOLLOWED AND THAT STAFF REQUIRED FOR THE EXPANSION OF EXISTING SERVICES AND THE PROVISION OF NEW SERVICES WERE PROVIDED THROUGH REDEPLOYMENT, INCREASED PRODUCTIVITY AND ELIMINATING UNNECESSARY WORK THROUGH POLICY REVIEW.

WHILE HEARTILY ENDORSING THIS APPROACH, HE SUGGESTED THAT ALL CONTROLLING OFFICERS, IN PRESENTING THEIR ANNUAL ESTIMATES TO THE FINANCE COMMITTEE, MIGHT BE REQUIRED TO OUTLINE THEIR EFFORTS MADE IN THE PRECEDING YEAR IN REDUCING COST AND INCREASING PRODUCTIVITY IN THEIR DEPARTMENTS.

+IN THIS CONTEXT, AND IN ADDITION TO SENDING THEIR SENIOR OFFICERS TO ATTEND FINANCIAL MANAGEMENT COURSES APTLY ADVOCATED BY MY COLLEAGUE, MR S.L. CHEN, I WOULD SUGGEST THAT EACH CONTROLLING OFFICER SHOULD ENSURE THAT THE KNOWLEDGE ACQUIRED WILL BE PROPERLY PRACTISED AND IMPLEMENTED WITHIN HIS ORGANISATION AND THAT SPECIAL OFFICERS ARE ASSIGNED TO MONITOR THEIR PROGRESS IN THIS ASPECT,+ HE SAID.

HE ADDED THAT CONTROLLING OFFICERS SHOULD ALSO MONITOR THE PRODUCTIVITY AND COURTESY OF CIVIL SERVANTS, MANY OF WHOM STILL HAD THE +IRON RICE BOWL+ MENTALITY.

MR CHAN ALSO EXPRESSED CONCERN ABOUT THE EXISTING SYSTEM WHICH ALLOWED CIVIL SERVANTS, NOT JUST THOSE WITH EXCEPTIONAL ABILITIES, TO CONTINUE WORKING BEYOND THE NORMAL RETIREMENT AGE AND RECEIVING THEIR PENSIONS AT THE SAME TIME.

WHILE HE DID NOT OBJECT TO THIS SYSTEM, HE QUESTIONED WHAT WAS THE GOVERNMENT'S DEFINITION OF EXCEPTIONAL ABILITY, WHO DECIDED WHICH OFFICERS SHOULD BE ALLOWED TO CONTINUE BEYOND THE NORMAL RETIREMENT AGE AND WHAT HAD BEEN DONE TO ENSURE THAT YOUNGER OFFICERS WOULD BE ABLE TO SHOULDER FULLY THE RESPONSIBILITIES WHEN THEIR TURN EVENTUALLY CAME.

+WHILST I AGREE THAT WE SHOULD DO OUR BEST TO RETAIN THE EXPERTISE AND EXPERIENCE OF THE SENIOR CIVIL SERVANTS WHO HAVE CONTRIBUTED SUBSTANTIALLY TOWARDS THE SUCCESS OF OUR SOCIETY, I AM AFRAID I DO NOT SUBSCRIBE TO THE IMPLICATION THAT THERE ARE NOT ENOUGH QUALIFIED CONDIDATES TO REPLACE THEM.

+IF SO, WHAT IS THE PURPOSE OF SPENDING SO MUCH ON OUR TRAINING PROGRAMMES?+ MR CHAN ASKED.

HE URGED THAT A COMPREHENSIVE REVIEW OF THE PRESENT POLICY BE CONDUCTED AS SOON AS POSSIBLE, AIMING AT STRIKING A PROPER BALANCE BETWEEN RETAINING IRREPLACEABLE TALENTS WITH THE MOST ECONOMICAL AND PRACTICAL MEANS OF GROOMING UPCOMING OFFICERS TO SHOULDER HEAVIER RESPONSIBILITIES IN THE CRUCIAL YEARS LYING AHEAD OF US.

ON CONSIDERING FUNDING FOR NEW PROJECTS, MR CHAN SAID HE BELIEVED THE DISTRICT BOARDS WERE ONE OF THE MOST SUITABLE FORUMS FOR DISCUSSING THE PRIORITIES IN PUBLIC SECTOR EXPENDITURE AND WHERE THE MONEY SHOULD COME FROM.

HE WELCOMED GOVERNMENT'S INITIATIVE IN CONSULTING DISTRICT BOARDS ON MAJOR POLICY ISSUES SUCH AS THE ELECTRONIC ROAD PRICING SCHEME.

+THE VERY FUNDAMENTAL QUESTION OF PUBLIC HOUSING RENTAL SUBSIDY IS NOW BEING STUDIED BY THE HOUSING AUTHORITY AND I AM SURE THAT DISTRICT BOARDS CAN ALSO CONTRIBUTE TO SETTING THE PRIORITIES.

+IT IS ONLY THROUGH PROCESSES LIKE THESE THAT GOVERNMENT GET TO KNOW BETTER HOW BEST TO SPEND PUBLIC MONEY.

+MOREOVER, PEOPLE NOT INVOLVED IN THE WORKING OF THE CENTRAL GOVERNMENT MAY GRADUALLY BE EDUCATED WITH A BETTER SENSE OF BALANCE AND NOT, AS SOME MAY THINK, JUST SHOUT FOR +FREE LUNCHES+ OR SERVICES WITHOUT PAY,+ HE SAID.

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#### TRAINING OF SCHOOL HEADS NEEDED

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MORE RESOURCES SHOULD BE DEVOTED TO THE TRAINING AND UPDATING OF SCHOOL HEADS, THE HON RITA FAN SAID IN THE LEGCO ANNUAL BUDGET DEBATE TODAY (THURSDAY).

SHE SAID IT WAS OFTEN DIFFICULT TO ASSESS WHETHER STUDENTS HAD ACQUIRED A POSITIVE ATTITUDE TO WORK AND LIFE IN GENERAL THROUGH THE EDUCATION PROCESS.

+ESPECIALLY WORRYING IS THE UNRULY AND DELINQUENT BEHAVIOUR OF A SMALL MINORITY OF STUDENTS, WHICH MUST HAVE AFFECTED THEIR FELLOW STUDENTS AND EVEN THEIR TEACHERS,+ SHE ADDED.

+ARE THE SCHOOL MANAGEMENT AND THE TEACHING STAFF EQUIPPED TO HANDLE SUCH NASTY PROBLEMS AND CAN THEY FACILITATE THE DEVELOPMENT OF POSITIVE ATTITUDES AMONG STUDENTS?+ SHE ASKED.

/MRS FAN .....

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MRS FAN BELIEVED THE ANSWER LAY IN APPROPRIATE TRAINING FOR THE TRAINERS - THE TEACHERS AND SCHOOL ADMINISTRATORS.

IF FACED WITH LIMITED RESOURCES, MRS FAN SAID SHE WOULD GIVE PRIORITY TO THE TRAINING OF HEADS OF SCHOOLS, BECAUSE THEY WERE THE LEADERS, THEY TOOK DECISIONS AND MADE POLICIES.

MRS FAN ADDED THAT SHE WAS NOT TRYING TO BELITTLE THE IN-SERVICE TRAINING THAT THE EDUCATION DEPARTMENT WAS PRESENTLY ENGAGED IN BUT SHE FELT THE DEPARTMENT'S TRAINING UNIT, WHICH WAS RESPONSIBLE FOR THIS IMPORTANT AREA OF WORK WAS CLEARLY RESTRAINED BY THE LACK OF RESOURCES AND AS A RESULT, COULD ONLY OFFER TRAINING TO NEW AND INEXPERIENCED HEADS.

TURNING TO THE TAXATION SYSTEM, MRS FAN URGED THE GOVERNMENT TO PLACE PRIORITY ON MAINTAINING OUR CREDIBILITY IN PRESERVING THE BASIC FEATURES OF OUR TAX SYSTEM.

SHE REFERRED TO THE RESERVATIONS SHE EXPRESSED ABOUT THE FINANCIAL SECRETARY'S SUGGESTION IN THE 1984 BUDGET OF TAXING OFF-SHORE INTEREST WHICH COULD BE PERCEIVED AS A DEPARTURE FROM OUR TERRITORIAL SOURCE TAXATION CONCEPT.

+I WAS AFRAID THAT THESE MEASURES MAY NOT BE ADVANTAGEOUS TO HONG KONG IN PRESERVING OUR REPUTATION AND POSITION AS BEING THE THIRD LARGEST FINANCIAL CENTRE IN THE WORLD.

+IT IS WITH REGRET THAT I NOTED THE NUMEROUS REPRESENTATIONS AGAINST THE SAID BILL AFTER ITS ENACTMENT, AND THAT THERE WAS A SIGNIFICANT DECREASE IN THE NUMBER OF COMPANIES REGISTERED IN HONG KONG BY OVERSEAS INVESTORS SINCE THE PUBLICATION OF THE REVISED INLAND REVENUE DEPARTMENTAL INTERPRETATION AND PRACTICE NOTES NO. 13 IN SEPTEMBER 1984,+ SHE SAID.

SHE THEREFORE WELCOMED THE FINANCIAL SECRETARY'S REMARK IN THE BUDGET SPEECH THAT +SOME OF THE REPRESENTATIONS HAVE MERITS AND MAY WELL REQUIRE FURTHER AMENDMENTS TO THE LAW.+

+I SINCERELY HOPE THAT THE NEW AMENDMENT WILL TAKE CARE OF THE VALID RESERVATIONS AND REPRESENTATIONS FROM THE PUBLIC, AND WILL CLEARLY PRESERVE OUR TERRITORIAL SOURCE TAXATION CONCEPT,+ SHE SAID.

ON THE INTRODUCTION OF ANTI-AVOIDANCE LEGISLATION, MRS FAN SAID SHE FOUND THE PHRASE +TOTALLY EFFECTIVE DEFENCE+ WORRYING, NOT BECAUSE SHE DOUBTED WHETHER THIS OBJECTIVE WAS ATTAINABLE BUT RATHER BECAUSE IN THE COURSE OF TRYING TO ACHIEVE THIS, OUR COMPARATIVELY SIMPLE TAXATION SYSTEM MIGHT EVOLVE INTO A COMPLICATED MAZE WHICH HAD THE EFFECT OF FRIGHTENING AWAY THE GENUINE INVESTORS AND AT THE SAME TIME, CREATING OTHER LOOPHOLES FOR TAX AVOIDANCE.

/+IF EFFECTIVE .....

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+IF EFFECTIVE ANTI-AVOIDANCE MEASURES CAN BE ARRIVED AT WHILE MAINTAINING A SIMPLE TAX STRUCTURE, IT SHALL HAVE MY FULL SUPPORT.

+OTHERWISE, THE REVENUE GAINED THROUGH SUCH MEASURE IS NOT WORTH THE SACRIFICE,+ SHE STRESSED.

COMMENTING ON THE TRAINING OF CIVIL SERVANTS, MRS FAN SUGGESTED THAT THE GOVERNMENT SHOULD CONDUCT AN IN-DEPTH REVIEW ON THE NEED AND VALUE OBTAINED ON ALL THE OVERSEAS TRAINING PROVIDED FOR MEMBERS OF THE CIVIL SERVICE.

SHE WONDERED IF TRAINING COULD NOT BE DONE LOCALLY, ADDING THAT SHE WAS MOST IMPRESSED BY THE PROGRAMMES OFFERED BY THE SENIOR STAFF COURSE CENTRE.

TURNING TO ANOTHER ISSUE IN THE CIVIL SERVICE, MRS FAN DESCRIBED AS +A SENSIBLE MANAGEMENT DECISION+ TO TRANSFER INFORMATION OFFICERS GRADE POSTS TO THE INFORMATION SERVICES DEPARTMENT.

SHE SAID TWO OTHER GRADES - THE CHINESE LANGUAGE OFFICERS AND THE DATA PROCESSING STAFF DESERVED SIMILAR TREATMENT AND SUCH A MOVE COULD RESULT IN BETTER MANAGEMENT AND UTILISATION OF MANPOWER.

ANOTHER SUGGESTION MADE BY MRS FAN WAS THAT REVENUE SHOULD BE RAISED FROM THOSE WHO WERE USING THE HUNG HOM CONTROL POINT, THE LO WU CONTROL POINT AND MAN KAM TO.

SHE DISPUTED THE FINANCIAL SECRETARY'S ARGUMENT THAT THE FACILITIES PROVIDED WERE PATENTLY INADEQUATE.

SHE MAINTAINED IT WAS NOT FAIR FOR THE TAXPAYER TO SUBSIDISE THOSE WHO VISITED CHINA AND THAT IT SEEMED MORE PALATABLE TO CHARGE A SMALL FEE NOW, WHICH WOULD BE ADJUSTED STEP BY STEP WHEN THE FACILITIES IMPROVED.

+FIFTEEN MILLION PASSENGERS TRAVELLED TO CHINA BY LAND IN 1984. IF A \$5 IS LEVIED, THIS WILL YIELD \$75 MILLION IN REVENUE.

+PURELY ON FISCAL GROUNDS, IT SEEMS RATIONAL TO TAP THIS SOURCE OF INCOME,+ SHE SAID.

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'DUTY FREE CONCESSION UNFAIR TO LOCAL RESIDENTS'

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THE INTRODUCTION OF A MINIMUM PERIOD OF ABSENCE ABROAD BEFORE THE DUTY FREE CONCESSION APPLIED WAS SUGGESTED BY THE HON PAULINE NG AT THE BUDGET DEBATE TODAY.

NOTING THAT THERE WOULD BE NO INCREASE IN DIRECT TAXATION, SHE SAID INDIRECT TAX SEEMED INEVITABLE TO MAKE UP THE BUDGETARY DEFICIT, BUT FELT IT WAS UNFAIR TO LIMIT THE DUTY FREE CONCESSION FOR LOCAL RESIDENTS RETURNING TO HONG KONG.

OTHER COUNTRIES, SHE SAID, DID NOT IMPOSE RESTRICTIONS ON THE TYPES OF LIQUOR TO WHICH THE DUTY FREE CONCESSION APPLIED.

+IT IS KNOWN TO ALL THAT THE PEOPLE OF HONG KONG DRINK MUCH MORE SPIRITS THAN WINE, YET IT WAS THE CANCELLATION OF THE DUTY FREE CONCESSION FOR SPIRITS FOR LOCAL RESIDENTS THAT WAS PROPOSED,+ SHE SAID.

SHE NOTED THAT THE MAIN AIM OF THE PROPOSAL WAS TO DETER THOSE TRAVELLERS WHO BRING DUTY FREE ITEMS TO HONG KONG AS A FULL-TIME JOB, AND PROPOSED THE INTRODUCTION OF A MINIMUM PERIOD OF ABSENCE ABROAD BEFORE THE CONCESSION APPLIED.

+I BELIEVE IT WILL NOT RESULT IN ANY SERIOUS CONGESTION AT THE CUSTOMS CONTROL POINTS AS THE DATES OF DEPARTURE AND RETURN ARE CLEARLY INDICATED IN THE TRAVEL DOCUMENTS AND ONLY SOME SIMPLE ARRANGEMENTS ARE REQUIRED TO CARRY OUT THE PROCEDURE.

+I PROPOSE THE MINIMUM PERIOD OF ABSENCE BE SET AT 72 HOURS AND WITH IT, THE REVENUE OF THE GOVERNMENT IN THIS REGARD WILL BE PROTECTED,+ SHE SAID.

AS REGARDS THE NEW TAXATION MEASURES, MRS NG SAID IN VIEW OF THE PECULIAR ECONOMIC SITUATION IN HONG KONG, IT WAS DESIRABLE TO HAVE THE TAX RATE MAINTAINED AT A LOW LEVEL WHEREAS THE RATE OF DIRECT TAX HAD ALREADY BEEN INCREASED IN 1984.

SHE WAS PLEASED AT THE FINANCIAL SECRETARY'S PROPOSAL THAT THE BAND TO WHICH THE 20 PER CENT RATE OF TAX AT PRESENT APPLIED BE WIDENED FROM \$10 000 TO \$20 000, WHICH WOULD BENEFIT THE MIDDLE INCOME GROUP.

SHE ALSO EXPRESSED THE HOPE THAT THE GOVERNMENT WOULD CONSIDER OFFERING CONCESSION IN PERSONAL TAXATION FOR SINGLE PERSONS AS WELL.

COMMENTING ON THE PROPOSAL TO LEVY TAX ON NON-ALCOHOLIC BEVERAGES, MRS NG SUGGESTED THAT SUCH MILK-BASED DRINKS, LIKE MILK, SHOULD BE EXCLUDED FROM THE AMBIT OF THE DUTY.

/ON GOVERNMENT .....

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ON GOVERNMENT FINANCE, SHE SAID THE PROGRESSIVE REDUCTION OF OUR DEFICITS WAS A REMARKABLE ACHIEVEMENT AND COMMENDED THE GOVERNMENT FOR HAVING ADOPTED STEADY AND WELL-PLANNED MEASURES.

+IT IS BELIEVED THAT THE RESTRAINT ON GROWTH OF PUBLIC SECTOR EXPENDITURE HAS PLAYED A VERY EFFECTIVE PART IN REDUCING THE DEFICIT AND SUPPRESSING INFLATION,+ SHE SAID.

TO HOLD THE GROWTH OF PUBLIC SECTOR EXPENDITURE WELL BELOW THE RATE OF GROWTH IN GDP, MRS NG SAID DEPARTMENT HEADS MUST HAVE MADE STRENUOUS EFFORTS TO RESTRICT THE DEPARTMENTAL EXPENDITURE AND THE GROWTH OF MANPOWER.

+I AM VERY PLEASED TO NOTE THAT THE CONCEPT OF VALUE FOR MONEY HAS BECOME A STRICT GUIDELINE FOR THE PUBLIC SECTOR,+ SHE SAID. THE GROWTH OF THE CIVIL SERVICE HAD BEEN SUCCESSFULLY RESTRICTED, AND WORK EFFICIENCY ENHANCED WHEREVER POSSIBLE, SHE SAID.

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'TAX LAW SHOULD NOT HURT INNOCENT'  
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LEGISLATION AGAINST TAX-AVOIDANCE SHOULD AIM AT CASES WHERE THERE WAS AN INTENTION TO EVADE TAX AND SHOULD AVOID CATCHING THE INNOCENT AS WELL AS THE GUILTY, THE HON PETER POON SAID.

SPEAKING ON THE SECOND DAY OF THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY), HE SAID HE FULLY SUPPORTED THE FINANCIAL SECRETARY'S PROPOSAL TO INTRODUCE LEGISLATION AGAINST TAX AVOIDANCE AND AGREED THAT THE PROPOSED LEGISLATION WOULD CLEARLY REQUIRE THE MOST CAREFUL DRAFTING AND SHOULD BE THE SUBJECT OF EQUALLY CAREFUL SCRUTINY BY THE LEGISLATURE.

MR POON ANALYSED THE THREE OBJECTIVES OF THE FINANCIAL SECRETARY'S PROPOSALS AND PINPOINTED SOME OF THE DEFICIENCIES IN THE EXISTING ANTI-AVOIDANCE PROVISIONS IN THE INLAND REVENUE ORDINANCE.

COMMENTING MORE SPECIFICALLY ON ANTI-AVOIDANCE LEGISLATION, HE SAID EVEN THOUGH LEGISLATION AGAINST TAX EVASION WERE CALLED ANTI-AVOIDANCE LEGISLATION, TAX AVOIDANCE, WHICH MIGHT BE LAWFUL, MUST BE CLEARLY DISTINGUISHED FROM TAX EVASION WHICH WAS ILLEGAL.

/+IT USED .....

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+IT USED TO BE QUITE SIMPLE TO DISTINGUISH BETWEEN 'TAX EVASION' I.E. NON-DISCLOSURE OF RELEVANT FACTS OR THE PROVISION OF FALSE INFORMATION WHICH IS DEFINITELY ILLEGAL AND 'TAX AVOIDANCE' I.E. PROPER USE OF RELIEFS AND OTHER LEGISLATIVE PROVISIONS TO MINIMISE A PERSON'S TAX BILL WHICH IS LEGAL AND NOT CONSIDERED BY MANY AS MORALLY REPREHENSIBLE,+ MR POON SAID.

TO PUT IT SIMPLY, HE EXPLAINED, IF A PERSON COULD DO BUSINESS LEGALLY THROUGH EITHER METHOD A OR METHOD B, HE HAD EVERY RIGHT TO CHOOSE THE METHOD WHICH WOULD MINIMISE HIS TAX BURDEN.

+I AM REFERRING TO GENUINE BUSINESS TRANSACTIONS, LEGAL AND PROPERLY EVIDENCED, AS AGAINST ARTIFICIAL OR SHAM TRANSACTIONS.

+AS TAX RATES INCREASE AND TAX LAWS BECOME MORE COMPLICATED, SOME PEOPLE ARE TEMPTED TO ABUSE SUCH PRINCIPLE AND ENGAGE IN ARTIFICIAL SCHEMES, SOMETIMES DESCRIBED AS 'TAX AVOIDANCE' E.G. IMPOSING A SERIES OF ARTIFICIAL OR CONTRIVED PREORDAINED STEPS OR TRANSACTIONS, WHICH HAVE NO COMMERCIAL PURPOSE, TO AVOID OR REDUCE THE TAX BILL USING LOOPHOLES IN THE TAX LEGISLATION.

+THIS IS WHERE GOVERNMENT TAKES A SERIOUS VIEW AND PROPERLY REGARDS THEM AS UNACCEPTABLE,+ HE SAID.

MR POON ADMITTED THAT THE LINE BETWEEN 'TAX EVASION' AND 'TAX AVOIDANCE' MIGHT SOMETIMES BE VERY THIN.

+ANTI-AVOIDANCE LEGISLATION OUGHT TO AIM AT CASES WHERE THERE IS AN INTENTION TO EVADE TAX. I HAVE NO SYMPATHY FOR TAX-DODGERS,+ HE SAID.

+ON THE OTHER HAND, HONG KONG IS NOW A WELL-DEVELOPED FINANCIAL CENTRE. MANY TRANSACTIONS CONDUCTED BY TAXPAYERS ARE COMPLICATED AND SOPHISTICATED BY THEIR VERY NATURE.

+IN VIEW OF THIS, ANTI-AVOIDANCE LEGISLATION SHOULD AVOID CATCHING THE INNOCENT AS WELL AS THE GUILTY,+ HE ADDED.

MR POON SAID THAT EXPERIENCE OF ANTI-AVOIDANCE LEGISLATION ELSEWHERE HAD OFTEN SHOWN AN 'OVERKILL' AND ULTIMATELY SUCH LAWS WERE SOMETIMES CONSIDERED INEFFECTIVE BY THE COURTS.

HE URGED THE ADMINISTRATION AS WELL AS THE LEGISLATURE TO BEAR ALL THIS IN MIND.

+TO ME, THERE IS NO SUCH THING AS 'RIGHT' OR 'WRONG' IN ANY PIECE OF TAX LEGISLATION, THE ONLY CONSIDERATIONS ARE WHETHER IT IS 'FAIR' 'REASONABLE' 'NECESSARY' AND FINALLY 'WORKABLE',+ HE SAID.

/RECOGNISING IT .....

RECOGNISING IT WAS SELDOM ONE GOT TAX LEGISLATION RIGHT THE FIRST TIME, MR POON SAID HE WAS GLAD THAT THE FINANCIAL SECRETARY HAD REITERATED GOVERNMENT'S CONTINUING WILLINGNESS TO PAY HEED TO CONSTRUCTIVE CRITICISMS AND WOULD GIVE DUE CONSIDERATION TO REPRESENTATIONS THAT HAD MERITS.

ON THE REVENUE PROPOSALS, MR POON SAID THE ONLY CONTROVERSIAL ITEM MIGHT BE THE NEW DUTY ON NON-ALCOHOLIC BEVERAGES.

+THE NEW DUTY MAY BE REGARDED BY SOME AS THE FIRST INROAD TO A CONSUMER'S TAX AND UNDERSTANDINGLY OBJECTIONS ARE BOUND TO COME FROM THE BUSINESSES AFFECTED THAT THE LEVY IS UNFAIR TO THEM BEING PURELY SELECTIVE,+ HE SAID.

LASTLY, MR POON SAID THAT WE HAD NOT SUFFERED THE HUMAN MISERIES OF POVERTY AND UNEMPLOYMENT, COMMON IN MANY PARTS OF THE WORLD, WAS ITSELF A TRIBUTE TO THE RESILIENCE OF OUR ECONOMY AND THE VITALITY OF OUR PEOPLE.

HE AGREED WITH THE FINANCIAL SECRETARY THAT WE HAD A REASONABLY GOOD PROSPECT OF BALANCING OUR BUDGET IN 1986/87.

+I HAVE EVERY CONFIDENCE THAT THE GOVERNMENT AND THE PEOPLE OF HONG KONG, DESPITE VARIOUS DIFFICULTIES SUCH AS INCREASED TRADE RESTRICTIONS OF OUR TRADING PARTNERS, WILL STRIVE HARD TO ACHIEVE THIS END,+ HE SAID.

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GOVT TOLD TO CONSIDER CIVIL SERVICE PROBLEMS  
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THE GOVERNMENT WAS URGED TO PAY ATTENTION TO THE PROBLEMS OF THE CIVIL SERVICE, WHOSE GROWTH WAS AGAIN SEVERELY LIMITED.

SPEAKING ON THE SECOND DAY OF THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY, THE HON YEUNG PO-KWAN SAID ATTENTION SHOULD BE PAID ESPECIALLY TO THE PROBLEMS OF CIVIL SERVANTS IN THE MIDDLE AND LOWER LEVELS, INCLUDING PROBLEMS SUCH AS THE INCREASE OF WORK PRESSURE AND DECLINING MORALE.

HE ADMITTED THE GOVERNMENT WAS ABOVE BLAME IN AIMING AT THE GOAL OF +LESS MONEY FOR HIGHER EFFICIENCY+, BUT SAID THIS GOAL SHOULD NOT BE MADE TO SERVE ONLY THE PURPOSE OF CUTTING EXPENDITURE AND REDUCING DEFICIT.

+INSTEAD, IT SHOULD WORK IN THE LONG TERM BY PLANNING ON INCREASING THE EFFICIENCY OF THE GOVERNMENTAL OPERATIONS AND AVOIDING UNDUE WASTE OF GOVERNMENT RESOURCES,+ HE SAID.

/MR YEUNG .....

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MR YEUNG OBSERVED THAT STABILISING THE SIZE OF THE CIVIL SERVICE COULD CERTAINLY RESULT IN A MORE EFFECTIVE DEPLOYMENT OF MANPOWER AND BETTER UTILIZATION OF ECONOMIC RESOURCES.

+WHILE STEPS ARE BEING TAKEN TO GRADUALLY DEVELOP A SYSTEM OF REPRESENTATIVE GOVERNMENT, GOVERNMENT DEPARTMENTS SHOULD ALSO MAKE CORRESPONDING REFORMS IN A BID TO CULTIVATE GOOD FRUGAL HABITS FOR THE NEW REPRESENTATIVE GOVERNMENT AS WELL AS THE FUTURE 'GOVERNMENT BY HONG KONG PEOPLE' TO FOLLOW,+ HE SAID.

ON THE TAX PROPOSALS IN THE BUDGET, MR YEUNG CONSIDERED THE BALANCED AND PRUDENT APPROACH AS A +SENSIBLE MOVE+ BECAUSE HONG KONG'S ECONOMY WAS IMPROVING BUT HAD YET TO RECOVER FULLY.

HE ALSO REGARDED IT AS SENSIBLE AND REASONABLE FOR THE GOVERNMENT TO RELY LESS AND LESS ON REVENUE FROM LAND SALES.

ON THE INTRODUCTION OF TAX-AVOIDANCE LEGISLATION, MR YEUNG WELCOMED SUCH A MOVE BECAUSE HE BELIEVED AVOIDANCE OF TAXES HAD BECOME A MAJOR PREOCCUPATION OF AN INCREASING NUMBER OF TAXPAYERS AND WAS AFFECTING REVENUE FROM DIRECT TAXATION.

MEANWHILE, HE SUGGESTED THAT THE RATE OF INFLATION SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING THE INCREASE OF A FAMILY'S INCOME TAX ALLOWANCE.

HE ALSO PROPOSED THAT TO BENEFIT MORE TAXPAYERS, THE ADDITIONAL ALLOWANCE FOR DEPENDENT PARENTS SHOULD BE EXTENDED TO THOSE WHO WERE NOT ABLE TO RESIDE WITH THEIR PARENTS FOR VARIOUS REASONS BUT WERE ACTUALLY GIVING THEM FINANCIAL SUPPORT.

ON EXPENDITURE, MR YEUNG AGREED WITH THE ALLOCATION OF MORE FUNDS FOR EDUCATION, HOUSING, SOCIAL SERVICES AND MEDICAL SERVICES, BELIEVING THIS WOULD CERTAINLY CONTRIBUTE TOWARDS THE BUILDING OF A BETTER COMMUNITY.

+IT WILL AT THE SAME TIME BE INDICATIVE OF THE GOVERNMENT'S DETERMINATION IN MAINTAINING STABILITY AND PROSPERITY.

+THIS WILL DEFINITELY PROVIDE THE GENERAL PUBLIC WITH SOME ENCOURAGEMENT,+ HE SAID.

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CIVIL SERVANTS SHOULD HAVE FEEL OF FINANCE MARKET  
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GOVERNMENT SHOULD PLACE PUBLIC EMPLOYEES AT MIDDLE MANAGEMENT LEVEL WITH PORTFOLIOS IN FINANCE AND ECONOMIC MATTERS ON SECONDMENT TO THE PRIVATE SECTOR TO GAIN PRACTICAL EXPERIENCE IN THE ACTUAL ARENA OF FINANCIAL ACTIVITIES.

THIS WAS SUGGESTED TODAY BY DR THE HON KIM CHAM AT THE LEGISLATIVE COUNCIL BUDGET DEBATE.

HE SAID THAT IN THE AREA OF FINANCE, DEVELOPMENTS WERE MOVING FORWARD AT SUCH A RAPID PACE THAT EVERYONE ENGAGED IN THE FIELD HAD TO MAKE CONSTANT EFFORTS TO KEEP ABREAST WITH NEWLY CREATED OR MODIFIED FINANCIAL INSTRUMENTS.

+IN THIS RESPECT, MIDDLE MANAGEMENT OF GOVERNMENT OPERATING DEPARTMENTS IS NO EXCEPTION,+ HE SAID.

DR CHAM BELIEVED THAT UPON COMPLETION OF THE SECONDMENT, THE SECONDED OFFICER SHOULD BECOME FULLY AWARE OF AND ACQUIRE THE FEEL OF THE +REAL-LIFE+ FINANCE MARKET WHICH WAS ASSUMING GROWING IMPORTANCE AND VITALITY AS ONE OF THE PILLARS BEHIND HONG KONG'S FREE ENTERPRISE ECONOMY.

HE POINTED OUT THAT WITH A GOOD UNDERSTANDING OF THE MARKET, A CONCERTED EFFORT COULD BE MADE BETWEEN GOVERNMENT DEPARTMENTS AND THE PRIVATE SECTOR FOR THE FURTHER DEVELOPMENT OF THE MARKET MECHANISM IN HONG KONG.

+THE WARNING SIGNAL IS WRITTEN ON THE WALL. UNLESS WE ARE PREPARED TO ADVANCE, AND TO ADVANCE IN A WELL-CO-ORDINATED PACE GEARED TO THE MARKET ACTIVITIES, THE PERFORMANCE AND ATTRACTIVENESS OF OUR FINANCE ECONOMY TO INTERNATIONAL PARTICIPANTS WILL BE OUTSTRIPPED BY OUR NEIGHBOURING COMPETITOR, AS THEY STEP UP THEIR EFFORTS TO CHALLENGE OUR POSITION,+ HE SAID.

EARLIER IN HIS SPEECH, DR CHAM COMMENDED THE FINANCIAL SECRETARY FOR DISPLAYING WELL-BALANCED DISCRETION IN EXPLORING SOURCES FOR ADDITIONAL REVENUE IN A POSITIVE ATTEMPT TO BROADEN THE EXISTING TAX BASE.

HE NOTED THAT MOST OF THE COMMODITIES RECEIVING THE BRUNT DID NOT BELONG TO THE CATEGORY OF +BASIC NECESSITIES+ AND FOR THIS REASON, POSED LESS A THREAT IN INFLATING COST OF LIVING.

+HOWEVER, THE PROLIFERATION OF ITEMS NOW ON THE LEDGER OF DUTIABLE COMMODITIES INEVITABLY RAISES THE TECHNICAL ISSUE OF DEVISING AN EFFECTIVE AND ENFORCEABLE MACHINERY FOR COLLECTING THE DUTIES ON THE VARIETY OF TAXABLE CONSUMPTION GOODS,+ HE SAID.

HE ASKED THE GOVERNMENT TO MONITOR ANY LOOPHOLES OR DEFICIENCIES WHICH MIGHT EASILY BE EXPLOITED IN A MORE COMPLEX SYSTEM OF EXCISE, CUSTOMS AND DUTIES.

/DR CHAM

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DR CHAM VOICED HIS CONCERN OVER THE ISSUE OF EQUITY IN THE FINANCIAL SECRETARY'S PROPOSAL TO DISCRIMINATE BETWEEN LOCAL RESIDENTS AND VISITORS FROM OVERSEAS IN HIS IDEA TO REFORM THE PRESENT SYSTEM OF DUTY-FREE CONCESSION TO BEARERS OF TOBACCO AT THE POINT OF ENTRY INTO HONG KONG.

HE FELT THAT VISITING NON-RESIDENTS SHOULD NOT BE PRIVILEGED UNDER A NEW PREFERENTIAL FORM OF DUTY ALLOWANCE.

+THE VOLUME OF EXEMPTION PROPOSED FOR VISITORS MAY BE TOO LENIENT IF SUCH CONCESSION IS MERELY TO ALLOW FOR THEIR OWN PERSONAL CONSUMPTION DURING THEIR TEMPORARY STAY IN HONG KONG,+ HE SAID.

QUOTING STATISTICS FROM THE HONG KONG TOURIST ASSOCIATION WHICH INDICATED THAT VISITORS TO HONG KONG LAST YEAR STAYED FOR AN AVERAGE PERIOD OF 3.62 NIGHTS, DR CHAM DOUBTED WHETHER THE CONSUMPTION OF 200 CIGARETTES WITHIN SUCH A SHORT INTERVAL WAS REALLY NEEDED.

+I WOULD SUBSCRIBE TO THE RETENTION OF A UNIFORM SYSTEM OF CONCESSION TO BOTH VISITORS AND RESIDENTS ENTERING THE TERRITORY, WITH AN ALLOWANCE OF 100 CIGARETTES FOR BOTH CATEGORIES ON A COMPREHENSIVE NON-DISCRIMINATORY BASIS,+ HE STATED.

DR CHAM ALSO SAID HE AGREED WITH THE FINANCIAL SECRETARY THAT FEES AND CHARGES REQUIRED REGULAR UPDATING TO COVER COSTS.

+RECOVERING COSTS MUST BE AN IMPORTANT CONSIDERATION ESPECIALLY WHEN THE CHARGES ARE RELATED TO NON-ESSENTIAL SERVICES,+ HE SAID.

HE WAS REFERRING PARTICULARLY TO THE PASSENGER EMBARKATION FEES AND BERTHING FEES FOR MACAU FERRY SERVICES AND SAID HE WAS SURPRISED TO HEAR THAT REVENUE DERIVED FROM THIS SOURCE WAS INSUFFICIENT TO COVER OPERATING COSTS LET ALONE TO PROVIDE ANY RETURN ON INVESTMENT.

+AS A MATTER OF PRINCIPLE, THE GENERAL TAXPAYER SHOULD NOT SUBSIDISE VISITORS TO MACAU, WHICH IS MORE A LUXURY THAN AN ESSENTIAL ITEM,+ HE REMARKED.

HE SUGGESTED THAT IF THE PRESENTLY PROPOSED INCREASES STILL COULD NOT COVER COSTS, SHARPER INCREASES SHOULD BE INTRODUCED UNTIL FULL COSTS WERE RECOVERED.

TURNING TO ECONOMY, DR CHAM SAID THE MOST ENCOURAGING EVIDENCE FOR GROWTH IN THE ECONOMY WAS THE HEALTHY GROWTH OF TRADE.

HOWEVER, HE POINTED OUT THAT THERE WAS LITTLE GROUND FOR COMPLACENCY, AT A TIME WHEN THE CURBING EFFECTS OF PROTECTIONISM WERE INCREASINGLY FELT.

/+OBVIOUSLY, FREE .....

+OBVIOUSLY, FREE TRADE IS OF MUTUAL BENEFIT TO ALL TRADING PARTNERS, BUT SHORT-SIGHTED MEASURES OF RESTRICTIONS HAVE BECOME MORE WIDELY USED BY INDIVIDUAL GOVERNMENTS IN ATTEMPTS TO APPEASE THE PAROCHIAL BUSINESS INTERESTS OF THEIR DOMESTIC INDUSTRY.

+NO DOUBT, THIS WILL ADVERSELY AFFECT OUR VISIBLE TRADE ACCOUNT.

+IT IS CLEARLY OF URGENCY ON THE AGENDA OF OUR ECONOMIC POLICY TO COUNTERACT THE IMPEDIMENTS OF THESE DISCRIMINATORY PRACTICES ON OUR TRADING POSITION,+ HE STRESSED.

DR CHAM THE SUGGESTED THAT WHILE WE MUST BE COMMITTED TO STRENGTHENING THE COMPETITIVENESS OF OUR PRODUCTS IN THE WORLD MARKET, WE SHOULD CONTINUE TO DIVERSIFY OUR ECONOMY AND REINFORCE OUR VISIBLE TRADE SURPLUS THROUGH THE EXPANSION OF OTHER SECTORS ESPECIALLY IN FINANCIAL SERVICES.

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GOVT ASKED TO CONTRACT OUT WORK TO CHINA  
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THE HON KEITH LAM CALLED ON THE GOVERNMENT TO CONSIDER CONTRACTING OUT SOME GOVERNMENTAL FUNCTIONS TO CHINA SO AS TO HELP REDUCE PUBLIC EXPENDITURE.

DESCRIBING THIS AS +A BOLD SUGGESTION+, AT THE BUDGET DEBATE TODAY (THURSDAY), HE SAID THAT GOVERNMENT COULD CONSIDER SUCH A MOVE IN PURSUING THE PRINCIPLE OF COST-EFFECTIVENESS AND TO FURTHER PROMOTE CO-OPERATION WITH CHINA.

HE SAID ONE SUCH POSSIBILITY WAS TO MOVE STANLEY PRISON TO SHENZHEN, WHERE OVERHEADS WERE MUCH LOWER.

+AS STANLEY PRISON IS A MAXIMUM SECURITY PRISON, THE RECURRENT EXPENDITURE THERE IS VERY HIGH. IN THE FIRST HALF OF 1984-85, THE AVERAGE COST OF MAINTAINING ONE PRISONER WAS \$144.00 PER DAY OR \$4 320 PER MONTH.

+IF WE LAY DOWN OUR REQUIREMENTS AND SPECIFICATIONS FOR A MAXIMUM SECURITY PRISON AND CONTRACT OUT THE MAINTENANCE OF SUCH A PRISON TO THE CITY OF SHENZHEN, I THINK THE COST PER INMATE WILL BE SUBSTANTIALLY REDUCED WITHOUT LOWERING STANDARDS, FOR STAFF SALARIES AND PRICES OF FOOD AND MATERIALS THERE ARE MUCH LOWER THAN THOSE IN HONG KONG.

/+TO ENSURE .....

+TO ENSURE THAT STANDARDS ARE MET, WE CAN SEND A FEW STAFF TO CARRY OUT PERIODIC INSPECTIONS,+ HE SAID.

MR LAM SAID HE UNDERSTOOD THAT WHETHER THIS PROPOSAL COULD BE CARRIED OUT DEPENDED VERY MUCH ON CHINA, BUT AT LEAST WE COULD LOOK INTO THE MATTER AND CONSULT CHINA ABOUT IT.

+THIS PROPOSAL MAY ALSO BE TREATED AS A FORM OF EXPERIMENT, EXPLORING THE FEASIBILITY OF THE 'ONE COUNTRY TWO SYSTEMS' CONCEPT IN A SMALL SCALE BEFORE 1997 IN THAT THE PROJECT WITH HONG KONG SPECIFICATIONS IS BEING CARRIED OUT UNDER CHINESE SOVEREIGNTY.

+FURTHERMORE, THE POSSIBILITY OF SERVING A SENTENCE IN SHENZHEN MAY PRODUCE GREATER DETERRENT TO POTENTIAL CRIMINALS OF SERIOUS CRIMES,+ HE ADDED.

HE FURTHER SUGGESTED THAT THE LAND WHICH WOULD BE VACATED BY STANLEY PRISON COULD THEN BE USED AS OPEN SPACE OR RECREATION GROUND TO PROVIDE AN ADDITIONAL RESORT AREA AND ENHANCE THE ATTRACTIVENESS OF STANLEY TO TOURISTS AND LOCAL RESIDENTS ALIKE.

MR LAM ALSO CALLED FOR A REVIEW ON WHETHER IT WAS NECESSARY FOR BARRACKS TO BE SITUATED IN THE URBAN AREA.

+IT SEEMS TO ME THAT RELOCATING THOSE BARRACKS IN THE URBAN AREA TO THE BORDER REGION MIGHT INCREASE THE OPERATIONAL EFFICIENCY OF THE TROOPS WHILE RELEASING THE URBAN SITES FOR OTHER DEVELOPMENTS SUCH AS COMMUNITY CENTRES, CARPARKS, SPORTSGROUND AND SITTING-OUT AREAS WHICH ARE BADLY NEEDED IN MANY URBAN DISTRICTS,+ HE SAID.

MR LAM ADMITTED THIS PROPOSAL WOULD INVOLVE SOME MONEY, BUT HE FELT THAT SOME CONSIDERATION MIGHT BE GIVEN TO THIS POSSIBILITY AND CONSULTATIONS COULD BE HELD WITH THE UK GOVERNMENT SO THAT THE RELOCATION EXERCISE COULD START WHEN THE ECONOMY IMPROVED.

TURNING TO THE REVENUE SIDE, MR LAM FULLY AGREED WITH THE FINANCIAL SECRETARY THAT ALL WHO CREATED WEALTH FOR HONG KONG MUST NOT BE DISCOURAGED BY OUR TAXATION SYSTEM.

HE SAID THE COMMUNITY WAS RELIEVED THAT NO INCREASE IN DIRECT TAXES WERE PROPOSED AND THE RISE IN INDIRECT TAXATION WAS MODERATE AND WOULD NOT CAUSE UNDUE HARDSHIP TO THE PUBLIC.

MR LAM SAID HE DID NOT SUBSCRIBE TO THE VIEW THAT SOFT DRINKS, WHICH WERE MAINLY CONSUMED BY CHILDREN, SHOULD NOT BE TAXED.

ECHOING THE FINANCIAL SECRETARY'S VIEW THAT SOFT DRINK WAS 'A PLEASING INDULGENCE NOT A NECESSITY', HE SAID: +IT ONLY INVOLVES PAYING A LITTLE BIT MORE FOR SOMETHING WHICH IS BASICALLY NON-ESSENTIAL CONSUMPTION.+

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ON THE PROPOSED TAX CONCESSIONS, MR LAM CONSIDERED THEM AN INDICATION OF GOVERNMENT'S CONCERN FOR THE MIDDLE INCOME TAXPAYERS OR 'SANDWICH CLASS' AND HE HOPED FURTHER CONCESSIONS WOULD BE MADE ON RETURN TO A BALANCED BUDGET.

TURNING TO THE ADDITIONAL ALLOWANCE FOR A DEPENDENT PARENT RESIDING WITH THE TAXPAYER, HE SAID HE WOULD LIKE TO KNOW THE RATIONALE BEHIND IT.

HE POINTED OUT THAT IT WAS UNFAIR TO PENALISE CHILDREN NOT LIVING WITH PARENTS BY GIVING THEM LESS ALLOWANCE UNLESS GOVERNMENT WAS DELIBERATELY ENCOURAGING THE FORMATION OF EXTENDED FAMILIES, I.E. FAMILIES WITH SEVERAL GENERATIONS LIVING TOGETHER.

+AN ENLIGHTENMENT BY THE GOVERNMENT ON THIS ISSUE WOULD BE MOST APPRECIATED,+ HE SAID.

FINALLY, MR LAM SAID HE WAS PLEASED TO SEE THE FINANCIAL SECRETARY'S DETERMINATION TO COMBAT TAX AVOIDANCE AND LOOKED FORWARD TO MEASURES WHICH WOULD REDUCE THE LOSS OF PUBLIC REVENUE TO A MINIMUM.

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CALL FOR SIMPLE FINANCIAL STATEMENTS  
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THE GOVERNMENT SHOULD HAVE A SIMPLE SET OF FINANCIAL STATEMENTS WHICH PEOPLE CAN UNDERSTAND, THE HON CARL TONG SAID IN THE LEGISLATIVE COUNCIL TODAY.

HE ALSO CALLED FOR +A SIMPLE TAX SYSTEM+ TO MAKE LIFE SIMPLER FOR BUSINESS.

HE SUPPORTED FULLY THE VIEWS EXPRESSED BY THE HON LYDIA DUNN IN THE COUNCIL YESTERDAY ABOUT THE INADEQUACIES OF THE GOVERNMENT'S FINANCIAL STATEMENTS.

+I BELIEVE FOR GOVERNMENT TO MAKE TIMELY AND PROPER DECISIONS, WE MUST HAVE AN INFORMATION DATA BASE AND ACCOUNTING SYSTEM THAT CAN PROVIDE TIMELY AND ACCURATE INFORMATION,+ HE SAID.

HE HOPED THE GOVERNMENT FINANCIAL INFORMATION SYSTEM WOULD BE MUCH STRENGTHENED WHEN THE LEDGER ACCOUNTING AND FINANCIAL INFORMATION SYSTEM (LAFIS) PROJECT WAS FULLY IMPLEMENTED IN ALL GOVERNMENT DEPARTMENTS.

+HOWEVER, I UNDERSTAND THAT PROGRESS IS SOMEWHAT HELD BACK BECAUSE OF THE OVERALL DEFICIENCY IN ACCOUNTANTS,+ HE SAID.

/+I BELIEVE .....

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+I BELIEVE THAT THE APPARENT DEFICIENCY IN ACCOUNTANTS AND ACCOUNTING EXPERTISE MUST BE MADE GOOD.

+IN THIS REGARD, I ALSO SUPPORT FULLY THE HON S.L. CHEN'S RECOMMENDATION IN THE PUBLIC ACCOUNTS COMMITTEE THAT ALL DIRECTOR GRADE CIVIL SERVANTS SHOULD RECEIVE ADEQUATE FINANCIAL TRAINING,+ HE ADDED.

MR TONG ALSO EXPRESSED SUPPORT FOR THE HON SELINA CHOW, WHO HAD EARLIER SPOKEN IN FAVOUR OF PRIVATISATION.

WHERE PRIVATE ENTERPRISES COULD PROVIDE A PUBLIC SERVICE BETTER AND MORE EFFICIENTLY THAN GOVERNMENT, THAT SERVICE SHOULD BE CONSIDERED FOR PRIVATISATION, HE SAID.

TURNING TO THE BUDGET PROVISIONS, MR TONG SAID HE OBJECTED TO THE PROPOSED DUTY ON COSMETICS ON FINANCIAL GROUNDS.

HE SAID THERE WAS A RISK THAT THE YIELD FROM THIS NEW DUTY MIGHT BE MORE THAN OFFSET BY REVENUE LOSSES IN CONNECTION WITH THE TOURIST TRADE.

ON THE EXPENDITURE SIDE, HE URGED THE GOVERNMENT TO CRITICALLY REVIEW ITS ENTIRE POLICY OF OVERSEAS TRAINING.

+FROM THE REPLIES GIVEN TO MY QUESTIONS IN EXAMINATION OF THE BUDGET ESTIMATES, I AM NOT SATISFIED THAT ALL THAT CAN BE DONE IS BEING DONE TO 'LOCALISE' TRAINING OF CIVIL SERVANTS.

+I FAIL TO SEE HOW UK CAN TRAIN OUR ICAC OFFICERS BETTER THAN WE CAN,+ HE SAID.

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BUDGET APPROACH LAUDED  
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IT IS HEARTENING TO SEE THAT GOVERNMENT REMAINS FIRMLY COMMITTED TO A FREE MARKET ECONOMY, TO THE PROVISION OF AN INFRASTRUCTURE WITHIN WHICH ENTERPRISE CAN FLOURISH AND TO THE CARE OF THOSE WHO CANNOT CARE FOR THEMSELVES, THE HON SIR ROGER LOBO SAID TODAY (THURSDAY).

WINDING UP THE UNOFFICIALS' DEBATE ON THE BUDGET IN THE LEGISLATIVE COUNCIL, SIR ROGER SAID HE WAS GLAD TO HEAR THAT THE BUDGET WAS NOT +JUST A STRING OF FIGURES+ AND THAT GOVERNMENT SAW EQUITY AND EFFICIENCY AS GUIDING PRINCIPLES, TO BE PURSUED WITH A +CALM AND REASONED APPROACH+.

/+UNFORTUNATELY, AT .....

+UNFORTUNATELY, AT THIS TIME, INCREASES IN TAXES ARE INEVITABLE, BUT THE FINANCIAL SECRETARY ACKNOWLEDGES THAT ENTERPRISE AND HARD WORK ARE STIMULATED BY LOW DIRECT TAXATION, AND HE HAS DECLARED THAT THOSE WHO CREATE WEALTH FOR HONG KONG ARE NEITHER UNREASONABLY PENALISED NOR DISCOURAGED,+ HE SAID.

SIR ROGER WAS PLEASED THAT GOVERNMENT WAS ALLEVIATING THE BURDEN ON THE MIDDLE INCOME GROUP OR THE +SANDWICH SOCIETY+.

+THE TAX CONCESSIONS FOR THIS GROUP MAY NOT BE AS MUCH AS ONE MIGHT IDEALLY WISH; NONETHELESS, THEY ARE A POSITIVE INDICATION OF GOVERNMENT'S CARE FOR THOSE TAXPAYERS AND SHOULD BE WELCOMED ESPECIALLY AT THIS TIME OF UPWARD PRESSURE TO INCREASE REVENUE.

+THIS CONCESSION MEANS GOVERNMENT GIVING UP APPROXIMATELY \$150 MILLIONS IN 1985-86 AND \$210 MILLIONS IN A FULL YEAR,+ HE SAID.

SIR ROGER NOTED THAT THE FINANCIAL SECRETARY HAD BALANCED THIS BY IMPOSING TAX ON SOFT DRINKS AND COSMETICS, ON WHICH UNOFFICIAL MEMBERS HAD RECEIVED REPRESENTATIONS.

+WE ARE TOLD THAT COSMETIC ITEMS AND PERFUMES ARE MORE POPULAR WITH VISITORS THAN TO OUR LOCAL FAIR SEX WHO OBVIOUSLY NEED LESS TO IMPROVE THEIR QUALITIES; THAT SOME 80 PER CENT OF PERFUME AND 50 PER CENT OF COSMETIC ITEMS WERE PURCHASED BY TOURISTS THROUGH RETAILERS; THAT OUR NEIGHBOURING CITIES HAVE DONE AWAY WITH DUTY ON THESE GOODS; THAT HONG KONG HAS LITTLE TO OFFER OTHER THAN SHOPPING AND WE ARE TAKING YET ANOTHER STEP TOWARDS DISCOURAGING VISITORS BY DIMINISHING THIS ATTRACTION,+ HE SAID.

ON THE SIZEABLE EXPENDITURE ON SOCIAL SERVICES, SIR ROGER SAID IT BORE OUT GOVERNMENT'S STATED COMMITMENT TO CARE FOR THE LESS WELL-OFF MEMBERS OF THE COMMUNITY, AND THOSE WHO WERE WAITING PATIENTLY FOR PUBLIC HOUSING SHOULD BE PLEASED TO NOTE THAT THE PRODUCTION OF FLATS WAS PROGRESSING ON-COURSE AND THEIR DAYS OF WAITING WERE NUMBERED.

HE BELIEVED THE FINANCIAL SECRETARY'S BUDGET PROPOSALS WERE REASONABLE, ALTHOUGH SOME TRADES AND CERTAIN SECTORS OF OUR COMMUNITY WOULD BE AFFECTED AND THEY MIGHT NOT THINK IT SO.

HE TRUSTED THAT CAREFUL ATTENTION AND CONSIDERATION WOULD BE GIVEN TO ALL THAT HAD BEEN SAID DURING THE TWO-DAY DEBATE, ADDING THAT THE UNOFFICIAL MEMBERS HAD OFFERED SEVERAL IMAGINATIVE AND POSITIVE CONTRIBUTIONS BASED ON THEIR EXPERIENCE AND EXPERTISE AND WOULD KEEP ON MONITORING PUBLIC EXPENDITURE THROUGH THE FINANCE COMMITTEE, THE PUBLIC ACCOUNTS COMMITTEE AND OTHER FORUMS.

EARLIER IN HIS SPEECH, SIR ROGER NOTED THAT THE UNOFFICIAL MEMBERS TOOK MANY HOURS GOING OVER THE DRAFT ESTIMATES PRIOR TO THE FOUR PUBLIC HEARINGS HELD IN THE LEGISLATIVE COUNCIL CHAMBER.

+THEY ASKED 221 ORAL AND 359 WRITTEN QUESTIONS WITH OVER 200 SUPPLEMENTARIES ARISING FROM REPLIES.

+I SHOULD ADD - THERE WERE MORE QUESTIONS WHICH MY COLLEAGUES WANTED TO ASK BUT FOR VARIOUS REASONS INCLUDING TIME CONSTRAINTS, THEY WILL PURSUE THESE IN ANOTHER MANNER AND AT ANOTHER TIME,+ HE SAID.

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REVENUE RESOLUTIONS PASSED.

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THE LEGISLATIVE COUNCIL TODAY PASSED THREE RESOLUTIONS PROPOSED BY THE FINANCIAL SECRETARY, SIR JOHN BREMRIDGE, FOR INCREASES IN BETTING DUTY, AIR PASSENGER DEPARTURE TAX AND BUSINESS REGISTRATION TAX WITH EFFECT FROM APRIL 1.

RECAPPING DETAILS OF THE RESOLUTIONS, SIR JOHN SAID THE ONE ON BETTING DUTY PROVIDED FOR THE PERCENTAGE OF TOTAL BETS ALLOCATED AS PRIZE MONEY TO BE REDUCED TO 83 PER CENT FOR STANDARD BETS AND 77 PER CENT FOR EXOTIC BETS RESPECTIVELY.

IT INCREASES THE DUTY ON STANDARD BETS FROM NINE PER CENT TO NINE AND A HALF PER CENT, WITH THE INCREASE TO BE SHARED EQUALLY BETWEEN THE JOCKEY CLUB AND THE PUNTERS, AND THE DUTY ON EXOTIC BETS FROM 15 PER CENT TO 16 PER CENT, WITH 0.6 PER CENT OF THE INCREASE TO BE BORNE BY THE PUNTERS AND 0.4 PER CENT BY THE JOCKEY CLUB.

UNDER ANOTHER RESOLUTION, THE AIR PASSENGER DEPARTURE TAX ON PASSENGERS AGED 12 YEARS OR ABOVE IS INCREASED FROM \$100 TO \$120 WHILE THAT ON CHILDREN BETWEEN THE AGES OF TWO AND 12 FROM \$50 TO \$60.

THE RESOLUTION ON BUSINESS REGISTRATION FEES INCREASES THE FEE FROM \$350 TO \$500.

+THE TOTAL ESTIMATED ADDITIONAL REVENUE AS A RESULT OF THE INCREASES PROVIDED FOR IN THE THREE RESOLUTIONS IS \$265 MILLION PER ANNUM,+ SIR JOHN SAID IN MOVING THE MOTION.

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HK EXPERTISE SEEN OF VALUE TO CHINA  
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THE LEGAL AND FINANCIAL SERVICES AND EXPERTISE WHICH HONG KONG WAS ABLE TO OFFER WOULD BE OF GREAT VALUE TO CHINA IN THE PURSUIT OF HER AMBITIOUS MODERNISATION PROGRAMME.

THIS WAS STATED BY THE ATTORNEY GENERAL, MR MICHAEL THOMAS AT THE OPENING OF THE +LEASE CHINA 1985+ CONFERENCE JOINTLY ORGANISED BY THE HK EQUIPMENT LEASING ASSOCIATION AND THE INSTITUTE FOR INTERNATIONAL RESEARCH TODAY (THURSDAY).

THE DEVELOPMENT OF HONG KONG AS A WORLD CLASS LEGAL AND FINANCIAL CENTRE HAD BEEN THE MOST SIGNIFICANT CHANGE IN THE HONG KONG ECONOMY IN THE LAST TWELVE YEARS OR SO, HE SAID.

+I SEE THIS CONFERENCE BOTH AS IMPORTANT EVIDENCE OF THE GROWTH OF OUR FINANCIAL CENTRE AND AS A VITAL SIGN THAT THE WILL AND ENERGY EXISTS TO CONTINUE DEVELOPING HONG KONG FOR THE BENEFIT OF HONG KONG AND CHINA,+ MR THOMAS SAID.

HE SAID THE IMPORTANCE OF THIS CONFERENCE COULD BE SUMMED UP IN ONE WORD: +EXPERTISE+.

+EXPERTISE IN LEASING INVOLVES SPECIALIST LEGAL EXPERTISE AND SPECIALIST FINANCING EXPERTISE AS WELL AS A PENETRATING KNOWLEDGE OF MARKETS, TAX LAWS AND THE NEED OF CUSTOMERS.

+ALONG WITH OTHER AREAS OF EXPERTISE IN MANAGEMENT FINANCE INVESTMENT, ACCOUNTANCY AND COMMERCIAL LAW, IT IS AN EXAMPLE OF THE KIND OF EXPERTISE WHICH WILL ASSIST HONG KONG IN THE FUTURE,+ MR THOMAS SAID.

HE BELIEVED THAT EXPERTISE WAS ALL IMPORTANT FOR THE FUTURE OF HONG KONG.

HE NOTED THAT HONG KONG'S RELATIONSHIP WITH THE PEOPLE'S REPUBLIC OF CHINA HAD BEEN A VITAL ELEMENT IN HONG KONG'S DEVELOPMENT.

THE GROWTH IN DIRECT AND ENTREPOT TRADE WITH CHINA HAD HELPED HONG KONG COME THROUGH WORLD WIDE RECESSION IN GOOD SHAPE.

+THE LEGAL AND FINANCIAL SERVICES AND EXPERTISE WHICH HONG KONG IS ABLE TO OFFER NOW THAT IT HAS DEVELOPED INTO A WORLD CLASS LEGAL AND FINANCIAL CENTRE WILL I AM SURE BE OF GREAT VALUE TO CHINA IN THE PURSUIT OF HER AMBITIOUS MODERNISATION PROGRAMME,+ MR THOMAS SAID.

+THIS NEW SOURCE OF COOPERATION, ADDED TO THE TRADITIONAL RELATIONSHIP, WILL I AM SURE CONSOLIDATE HONG KONG'S POSITION AS A MAJOR ASSET TO CHINA,+ HE CONTINUED.

AND THIS IN TURN PROVIDES A SOLID ASSURANCE OF SUCCESS AND PROSPERITY FOR HONG KONG OVER THE NEXT 62 YEARS.

/ANOTHER ASPECT .....

ANOTHER ASPECT OF EXPERTISE OPENED TO CONFERENCE PARTICIPANTS CAME FROM THE PIONEERS OF LEASING IN CHINA, MR THOMAS SAID.

HE SAID PARTICIPANTS COULD LEARN FROM THE VALUABLE EXPERIENCE AND INSIGHTS OF THE ORIENT LEASING COMPANY LTD OF JAPAN WHICH WAS THE FIRST TO SET UP A JOINT VENTURE COMPANY, THE CHINA ORIENT LEASING COMPANY, IN CHINA IN 1981.

AS FOR EQUIPMENT LEASING, MR THOMAS SAID, IT INVOLVED AN APPRECIATION AND APPLICATION OF THE TAX LAWS OF DIFFERENT COUNTRIES WHICH WAS SOMETIMES CONTROVERSIAL.

HE SAID, +WHATEVER THE RULES THE SPECIALISTS IN COMPARATIVE TAX LAW WILL BE ABLE TO GIVE THE BEST ADVICE, AND IN INTERNATIONAL LEASING TRANSACTIONS THERE WILL ALWAYS BE ADVANTAGES.

+BUT WHERE THIS IS AT THE EXPENSE OF TAXPAYERS, THE RULES OF THE GAME ALSO INCLUDE THE RIGHT OF FINANCE MINISTERS TO PROPOSE CHANGES IN THE LAW.+

+THE FASCINATION OF THIS PARTICULAR EXPERTISE SEEMS TO BE DEVISING THE RIGHT FINANCIAL PACKAGE TO MEET RAPIDLY CHANGING FISCAL AND ECONOMIC CIRCUMSTANCES, AND THE NEW NEEDS ON THE PART OF CUSTOMERS,+ MR THOMAS SAID.

HE POINTED OUT THAT THE PRINCIPAL CHANGING NEEDS THE PARTICIPANTS WERE CONCERNED WITH WERE THOSE OF THE PEOPLE'S REPUBLIC OF CHINA - IN AIRCRAFT, OIL RIGS, AND CAPITAL EQUIPMENT OF EVERY KIND.

+I AM SURE THAT THE EXPERTISE TO MEET THOSE NEEDS BY LEASING WHERE APPROPRIATE WILL BE DEVELOPED AT THIS CONFERENCE AND THAT IT WILL ASSIST CHINA'S DEVELOPMENT PLANS, WILL ASSIST HONG KONG'S DEVELOPMENT AS A CENTRE OF FINANCIAL EXPERTISE AND CONTRIBUTE TO THE LONG TERM PROSPERITY OF BOTH CHINA AND HONG KONG,+ MR THOMAS SAID.

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NOTE TO EDITORS:

DEBATE TO BE BROADCAST LIVE  
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RTHK RADIO 3 WILL BROADCAST +LIVE+ TONIGHT'S DEBATE ON THE THIRD READING OF THE HONG KONG BILL IN THE HOUSE OF LORDS.

THE DEBATE IS EXPECTED TO START AT ABOUT 11.15 PM TODAY HONG KONG TIME.

IN VIEW OF THE DECISION TO BROADCAST THE DEBATE, THE FACILITY FOR MEDIA REPRESENTATIVES TO LISTEN TO THE DEBATE THROUGH A DIRECT +FEED+ IN THE GIS PRESS CONFERENCE ROOM HAS BEEN CANCELLED.

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THURSDAY, MARCH 28, 1985

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SURVEY OF EMPLOYMENT, VACANCIES, PAYROLL STARTS  
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THE CENSUS AND STATISTICS DEPARTMENT IS NOW CARRYING OUT THE MARCH 1985 ROUND OF THE SURVEY OF EMPLOYMENT, VACANCIES AND PAYROLL IN MAJOR SECTORS OF THE ECONOMY, COVERING THE FIRST QUARTER OF THE YEAR.

A SPOKESMAN FOR THE DEPARTMENT SAID THAT THE SURVEY RESULTS ARE USEFUL IN PROVIDING SHORT-TERM ECONOMIC INDICATORS AND INFORMATION ON THE STRUCTURAL CHANGES IN THE LABOUR MARKET IN HONG KONG.

THIS ROUND OF THE SURVEY COVERS ABOUT 74 000 ESTABLISHMENTS ARE DRAWN FROM VARIOUS SECTORS, INCLUDING THE DISTRIBUTIVE TRADES SECTOR (WHOLESALE, RETAIL, IMPORT AND EXPORT TRADES, RESTAURANTS AND HOTELS), THE INDUSTRIAL SECTOR (MINING AND QUARRYING, MANUFACTURING, ELECTRICITY AND GAS), WITH FULL ENUMERATION OF ESTABLISHMENTS IN THE SERVICES SECTOR (TRANSPORT, STORAGE AND COMMUNICATION, FINANCING, INSURANCE, REAL ESTATE AND BUSINESS SERVICES, COMMUNITY, SOCIAL AND PERSONAL SERVICES).

INFORMATION ON THE NUMBER OF PERSONS ENGAGED AND EXISTING VACANCIES ON MARCH 29 WILL BE SOUGHT FROM EACH SAMPLE ESTABLISHMENT.

SOME 10 000 ESTABLISHMENTS ARE BEING RANDOMLY SELECTED FROM THIS SAMPLE, TO PROVIDE ADDITIONAL INFORMATION ON PAYROLL IN EACH OF THE THREE MONTHS DURING THE REFERENCE PERIOD OF JANUARY - MARCH 1985.

QUESTIONNAIRES ARE BEING MAILED TO INDIVIDUAL SAMPLE ESTABLISHMENTS.

IN ACCORDANCE WITH THE CENSUS AND STATISTICS ORDER 1982 (LEGAL NOTICE NO. 69 OF 1982, GAZETTED ON MARCH 5, 1982), ESTABLISHMENTS RECEIVING QUESTIONNAIRES ARE REQUIRED TO COMPLETE AND RETURN THEM TO THE CENSUS AND STATISTICS DEPARTMENT WITHIN THE SPECIFIED PERIOD, THE SPOKESMAN SAID.

RESPONDENTS WHO FIND DIFFICULTIES IN COMPLETING THE FORMS, MAY CONTACT THE DEPARTMENT FOR ASSISTANCE AT THE FOLLOWING TELEPHONE NUMBERS: 5-436551, 5-444301, 5-455661 AND 5-455668.

ESTABLISHMENTS KNOWN TO THE DEPARTMENT DURING JANUARY - MARCH 1985, WILL ALSO BE ENUMERATED, TO MAKE THE SURVEY RESULTS COMPLETE, HE SAID. FIELD OFFICERS OF THIS DEPARTMENT, EACH BEARING A GOVERNMENT IDENTITY CARD, WILL CALL ON THESE ESTABLISHMENTS TO SOLICIT INFORMATION ON THE NUMBER OF PERSONS ENGAGED, EXISTING VACANCIES, TYPE OF OWNERSHIP, NATURE OF BUSINESS AND DATE ON WHICH BUSINESS COMMENCED.

ENQUIRIES REGARDING THESE FIELD VISITS, MAY BE DIRECTED TO TEL: 5-444364.

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RECRUITMENT OF TEMPORARY STAFF FOR SURVEY

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THE LOCAL EMPLOYMENT SERVICE (LES) OF THE LABOUR DEPARTMENT IS RECRUITING TEMPORARY STAFF FOR THE CENSUS AND STATISTICS DEPARTMENT.

A SPOKESMAN FOR THE LES SAID THE TEMPORARY STAFF WOULD BE REQUIRED TO VISIT BUSINESS ESTABLISHMENTS IN CENTRAL DISTRICT TO COLLECT COMPLETED SURVEY RETURNS DURING THE PERIOD FROM APRIL 22 TO MAY 8. APPLICANTS SHOULD BE FORM FIVE GRADUATES.

THE JOB, WHICH OFFERS A DAILY WAGE OF \$109, IS OPEN TO BOTH MEN AND WOMEN.

THOSE INTERESTED MAY APPROACH ANY BRANCH OFFICE OF THE LOCAL EMPLOYMENT SERVICE OF THE LABOUR DEPARTMENT. ENQUIRIES CAN BE MADE AT TELEPHONES : 3-666615, 3-695525, 3-265123, 0-420154 OR 5-270622.

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FAMILIARISATION TOUR FOR NEW DB MEMBERS

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THE SOUTHERN DISTRICT OFFICE HAS ORGANISED A FAMILIARISATION TOUR FOR NEW MEMBERS OF THE DISTRICT BOARD.

THE FULL DAY'S TOUR TOMORROW (FRIDAY) WILL BE LED BY THE SOUTHERN DISTRICT OFFICER, MR EDDY CHAN AND HIS STAFF, WHO WILL BRIEF BOARD MEMBERS ON THE LATEST DEVELOPMENTS AND PROJECTS CURRENTLY UNDERTAKEN IN VARIOUS AREAS.

DISTRICT BOARD MEMBERS WILL VISIT THE MA HANG SQUATTER AREA IN STANLEY; NAM FUNG SHEUNG VILLAGE AND THE FACTORY AREA IN WONG CHUK HANG; AP LEI CHAU AND WAH FU ESTATE. THEY WILL ALSO TOUR ABERDEEN TOWN CENTRE, TIN WAN AND CHI FU FA YUEN.

THEY WILL INSPECT VARIOUS PUBLIC WORKS, RECLAMATION AND ENVIRONMENTAL IMPROVEMENT PROJECTS AS WELL AS LUNCHEON FACILITIES FOR WORKERS.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE SOUTHERN DISTRICT BOARD'S FAMILIARISATION TOUR TO BE HELD FROM 9.30 AM TO 4 PM TOMORROW (FRIDAY). THERE WILL BE SIX STOPOVERS DURING WHICH THE GROUP WILL BE BRIEFED BY THE SOUTHERN DISTRICT OFFICE STAFF ON VARIOUS DEVELOPMENT PROJECTS. THE TIME AND THE STOPOVER POINTS ARE AS FOLLOWS:

/TIME .....

<u>TIME</u>	<u>STOPOVER POINT</u>
10.10 AM - 10.50 AM	ROOFTOP OF SEA AND SKY COURT IN STANLEY (STANLEY VALLEY DEVELOPMENT), AND THEN PROCEED TO MA HANG SQUATTER AREA (ENVIRONMENTAL IMPROVEMENT PROGRAMMES).
11.15 AM - 11.30 AM	NAM FUNG SHEUNG SQUATTER VILLAGE IN WONG CHUK HANG (SQUATTER IMPROVEMENT PROGRAMMES).
11.35 AM - 12 NOON	COOKED FOOD BAZAAR AND MOBILE FOOD VANS IN YIP FAT STREET, WONG CHUK HANG, AND THEN PROCEED TO THE REFUGE FLOOR OF REMEX CENTRE, WONG CHUK HANG ROAD (COOKED FOOD CENTRE PROJECT).
12.10 PM - 12.30 PM	ROOFTOP OF LIN FUNG BUILDING AT AP LEI CHAU MAIN STREET (NORTHERN AP LEI CHAU AND ABERDEEN TYPHOON SHELTER RECLAMATION PROJECTS).
2.45 PM - 3.10 PM	CARPARK PODIUM OF BLOCK 16, BAGUIO VILLA (TELEGRAPH BAY RECLAMATION PROJECT).
3.30 PM - 3.50 PM	WAH FU ROAD OPPOSITE MATTEO RICCI COLLEGE (WAH FU ESTATE PLAYGROUND PROJECT).

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#### CAS OPENS DIVISIONAL HEADQUARTERS IN SAI KUNG

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THE SAI KUNG DIVISIONAL HEADQUARTERS OF THE CIVIL AID SERVICES ON THE 5TH FLOOR OF THE SAI KUNG GOVERNMENT OFFICES BUILDING, WILL BE OFFICIALLY OPENED ON SUNDAY (MARCH 31).

THE OPENING CEREMONY WILL BEGIN AT 11.30 AM WHEN THE CHAIRMAN OF THE SAI KUNG RURAL COMMITTEE, MR LAU WAN-HEI, WILL INSPECT A PARADE AT THE OPEN AREA ADJACENT TO SAI KUNG GOVERNMENT OFFICES BUILDING AND GIVE THE OPENING ADDRESS.

AFTER THE INSPECTION, THERE WILL BE A LION DANCE AND THE CAS REGIONAL COMMANDER OF KOWLOON, MR NORMAN LEUNG, WILL DOT THE EYES OF THE LION.

/IT WILL .....

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IT WILL BE FOLLOWED BY THE RIBBON-CUTTING CEREMONY, PERFORMED BY THE DISTRICT OFFICER, MR KEVIN HO; THE VICE CHAIRMAN OF THE SAI KUNG RURAL COMMITTEE, MR CHAN KWAI-SANG; THE CAS DEPUTY COMMANDER (ADMINISTRATION AND DEVELOPMENT), MR SO YUN-LAM; MR LAU WAN-HEI AND MR NORMAN LEUNG.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE OPENING OF THE CAS SAI KUNG DIVISIONAL HEADQUARTERS AT 11.30 AM ON SUNDAY (MARCH 31), ON THE 5TH FLOOR OF THE SAI KUNG GOVERNMENT OFFICES BUILDING.

PRESS TRANSPORT WILL LEAVE THE CAS KOWLOON TRAINING CENTRE AT 204, ARGYLE STREET, AT 10.10 AM SHARP. REPORTERS ARE REQUESTED TO REPORT TO THE TRAINING OFFICER, MR LEUNG CHI-TIM, ON THEIR ARRIVAL.

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CAREERS TALKS

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SOME 200 SECONDARY SCHOOLS CAREERS MASTERS AND STUDENTS WILL ATTEND A SEMINAR ON CAREERS AND TRAINING OPPORTUNITIES IN THE TRANSPORT AND PHYSICAL DISTRIBUTION INDUSTRY, ON SATURDAY (MARCH 30) MORNING.

THE SEMINAR IS ORGANISED BY THE TRANSPORT AND PHYSICAL DISTRIBUTION INDUSTRY TRAINING BOARD OF VOCATIONAL TRAINING COUNCIL. IT WILL BE HELD AT THE LEE WAI LEE TECHNICAL INSTITUTE, 30 RENFREW ROAD, KOWLOON TONG, KOWLOON FROM 10 AM TO 12.30 PM.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE SEMINAR.

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'CLEAN AND GREEN SCHEME' TO ENTER STAGE II  
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PARTICIPANTS OF THE 1984/85 CLEAN AND GREEN SCHEME ARE INVITED TO TAKE PART IN STAGE II OF THE SCHEME, WHICH IS DUE TO BEGIN THIS SUNDAY (MARCH 31).

A SPOKESMAN FOR THE CLEAN AND GREEN SCHEME WORKING GROUP SAID TODAY (THURSDAY): +A TOTAL OF 4 619 PEOPLE SUCCESSFULLY COMPLETED STAGE I OF THE SCHEME BY FEBRUARY 28, WHICH INVOLVED LITTER PICKING IN COUNTRY PARKS.+

+THEY CAN NOW MOVE ON TO THE NEXT STAGE WHEN EACH OF THEM WILL BE REQUIRED TO PLANT A TREE IN ONE OF THE SIX SPECIFIED COUNTRY PARKS,+ HE SAID.

THESE COUNTRY PARKS ARE LOCATED IN QUARRY BAY, POKFULAM, BRIDE'S POOL, PAK TAM CHUNG, NAM SHAN AND THE TWISK.

A PARTICIPANT SHOULD GO TO THE REPORTING CENTRE IN THE PARK OF HIS CHOICE BETWEEN 9 AM AND 4 PM ON ANY OF THE FOLLOWING DAYS: MARCH 31 (SUNDAY), APRIL 5 TO 8 (EASTER HOLIDAYS), OR APRIL 14 (SUNDAY).

+HE MUST BRING ALONG HIS PASS CARD SO THAT IT CAN BE STAMPED, AND WILL BE GIVEN A SEEDLING AND PLANTING EQUIPMENT AT THE CENTRE,+ THE SPOKESMAN SAID.

UPON COMPLETION OF THE SECOND STAGE, THE PARTICIPANT WILL BE ENTITLED TO TAKE PART IN A LUCKY DRAW IN WHICH 250 PEOPLE WILL BE SELECTED FOR A FREE PICNIC AT CHEUNG SHEUNG IN SAI KUNG ON APRIL 28 THIS YEAR.

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TREE PLANTING SCHEME TO BE LAUNCHED  
\* \* \*

THE 1985 COMMUNITY TREE PLANTING SCHEME ORGANISED BY THE AGRICULTURE AND FISHERIES DEPARTMENT WILL BE LAUNCHED AT A SIMPLE CEREMONY AT TAI MO SHAN COUNTRY PARK TOMORROW (FRIDAY).

DURING THE CEREMONY, THE DIRECTOR OF AGRICULTURE AND FISHERIES, DR J.M. RIDDELL-SWAN, AND THE CHAIRMAN OF THE +CLEAN AND GREEN SCHEME+, MR HOWARD YOUNG, WILL LEAD OFF THIS YEAR'S PROGRAMME BY PLANTING THE FIRST TREES.

/THEY WILL .....

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THEY WILL BE JOINED BY ABOUT 300 STUDENTS, SCOUTS, PARTICIPANTS OF THE +CLEAN AND GREEN SCHEME+, AND A GROUP OF RETIRED PEOPLE.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE LAUNCHING OF THE COMMUNITY TREE PLANTING SCHEME WHICH WILL BE HELD AT THE TAI MO SHAN COUNTRY PARK AT ABOUT 3 PM TOMORROW (FRIDAY).

PRESS TRANSPORT WILL LEAVE THE CANTON ROAD GOVERNMENT OFFICE CAR PARK AT 2 PM SHARP. INFORMATION OFFICERS WILL BE ON HAND TO ASSIST.

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ACCESS ROAD TO LUNG KWU TAN REPAIRED

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RESIDENTS OF LUNG KWU TAN IN TUEN MUN WHO USED TO TRAVEL ON AN UNPAVED AND UNEVEN ROAD WILL NOW HAVE A NEWLY-REPAIRED ACCESS ROAD.

THE TUEN MUN DISTRICT OFFICE HAD SPENT NEARLY \$300 000 TO IMPROVE THE ACCESS ROAD AT SHA PO KONG IN LUNG KWU TAN, WHICH HAD BEEN DAMAGED DURING A TYPHOON 18 MONTHS AGO.

ALTHOUGH EMERGENCY REPAIR WORK WAS MADE SOON AFTER THE TYPHOON, THE TUEN MUN DISTRICT OFFICE HAD APPROVED WORK TO PAVE THE ACCESS ROAD AT SHA PO KONG FOLLOWING REQUESTS FROM VILLAGERS.

THE ACCESS ROAD IS ABOUT 700 METRES LONG, STRETCHING ALONG THE WESTERN SIDE OF CASTLE PEAK. CONSTRUCTION WORK STARTED IN DECEMBER 1984 AND WAS COMPLETED THIS WEEK.

THE ROAD IMPROVEMENT WORK IS THE BIGGEST OF SEVERAL PROJECTS WHICH THE TUEN MUN DISTRICT OFFICE HAD APPROVED UNDER THE LOCAL PUBLIC WORKS PROGRAMME IN THE DISTRICT.

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TSUEN WAN ROAD CLOSURE

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THE SECTION OF LO WAI ROAD BETWEEN LO WAI BUS TERMINUS AND YUEN YUEN HOK YUEN IN TSUEN WAN WILL BE CLOSED TO TRAFFIC FROM 7 AM TO 4 PM ON MARCH 31 (SUNDAY), AND AGAIN ON APRIL 5 AND 7.

DURING THE CLOSURE, N.T. GREEN MINIBUS ROUTES 81 AND 81M WILL TERMINATE AT THE LO WAI BUS TERMINUS.

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