



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

WEDNESDAY, MAY 10, 1989

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LOWER EXPENDITURE WILL BOOST 88-89 SURPLUS

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THE GOVERNMENT EXPECTS TO HAVE A CONSOLIDATED SURPLUS OF \$15.7 BILLION FOR 1988-89 COMPARED WITH THE REVISED ESTIMATE OF \$14.2 BILLION GIVEN IN THE BUDGET SPEECH AS PROVISIONAL OUTTURN FIGURES OF THE GOVERNMENT'S ACCOUNTS HAVE INDICATED A LOWER EXPENDITURE AND HIGHER REVENUE RECEIPTS IN SOME AREAS.

THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL THIS TODAY (WEDNESDAY) IN THE RESUMED DEBATE ON THE BUDGET.

WHILE NOTING THAT THE GOVERNMENT'S ACCOUNTS WOULD NOT BE FINALLY CLOSED FOR SOME WEEKS YET, MR JACOBS POINTED OUT THAT PROVISIONAL OUTTURN FIGURES INDICATED THAT EXPENDITURE ON GENERAL REVENUE ACCOUNT WOULD BE SOMEWHAT LESS THAN THE REVISED EXPENDITURE ESTIMATES TABLED IN THE BUDGET SPEECH.

"ALTHOUGH UNDERSPENDING HAS BEEN IDENTIFIED IN ALL COMPONENTS OF EXPENDITURE THERE ARE NO PARTICULARLY NOTEWORTHY ITEMS.

"THE RESULT IS THAT THE PROVISIONAL EXPENDITURE OUTTURN IS ABOUT ONE PER CENT LESS THAN THE REVISED ESTIMATE," HE SAID.

HE SAID THE PROVISIONAL OUTTURN FOR REVENUE INDICATED THAT RECEIPTS FROM PROFITS TAX, STAMP DUTY AND MOTOR VEHICLES TAX WOULD EXCEED THE REVISED ESTIMATE, ALTHOUGH THE TOTAL FIGURE WOULD BE WITHIN ONE PER CENT OF THE REVISED ESTIMATE.

ALSO, EXPENDITURE FROM THE CAPITAL WORKS RESERVE FUND AND DEVELOPMENT LOAN FUND WAS NOW LIKELY TO BE ABOUT \$0.4 BILLION LESS THAN THE REVISED ESTIMATE, MAINLY BECAUSE OF DELAYS IN LAND ACQUISITION PAYMENTS AND A LOWER THAN EXPECTED LEVEL OF HOUSING LOAN ADVANCES TO CIVIL SERVANTS.

BUT REVENUE TO THE FUNDS WOULD BE AS IN THE REVISED ESTIMATE, MR JACOBS SAID.

HE SAID THESE ADJUSTMENTS WOULD NOT AFFECT THE 1989-90 ESTIMATES OR THE ASSUMPTIONS HE HAD MADE IN THE MEDIUM RANGE FORECAST.

"THE FURTHER INCREASE IN RECEIPTS FROM PROFITS TAX AND STAMP DUTY IS A DIRECT CONSEQUENCE OF THE CONTINUING STRONG PERFORMANCE OF OUR ECONOMY.

"IT ALSO EMPHASISES THE FACT THAT OUR REVENUE CONTINUES TO BE INCREASINGLY DEPENDENT ON DIRECT TAXES WHICH ARE HIGHLY SUSCEPTIBLE TO FLUCTUATIONS IN ECONOMIC PERFORMANCE," HE SAID.

MR JACOBS SAID THIS TREND NEEDED TO BE BORNE IN MIND WHEN CONSIDERING ANY PROPOSALS FOR BROADENING THE TAX BASE AND WIDENING THE SCOPE OF INDIRECT TAXATION.

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ON THE SOMEWHAT LARGER CONSOLIDATED SURPLUS, HE SAID HE STILL DID NOT CONSIDER THAT FURTHER TAX CONCESSIONS OR INCREASES IN EXPENDITURE WERE APPROPRIATE AT THIS TIME IN VIEW OF THE NEED TO AVOID ADDING TO INFLATIONARY PRESSURES.

REFERRING TO SOME MEMBERS' COMMENTS ON THE VARIANCE BETWEEN THE ORIGINAL ESTIMATES, THE REVISED ESTIMATES AND THE FORECAST OUTTURN, MR JACOBS SAID THERE WAS A DANGER OF OVER-STATING THE PROBLEM AND THAT THE FACT WAS THAT SOME VARIATION WAS INEVITABLE.

"BECAUSE WE OPERATE A CASH ACCOUNTING SYSTEM FOR THE GOVERNMENT'S ACCOUNTS, THE TIMING OF THE RECORDING OF TRANSACTIONS TOWARDS THE END OF FINANCIAL YEAR HAS A MATERIAL EFFECT ON THE RESULTS.

"FURTHERMORE, BECAUSE MOST OF OUR REVENUE IS FROM SOURCES WHICH ARE SIGNIFICANTLY INFLUENCED BY ECONOMIC ACTIVITY, ACTUAL OUTTURN RECORDED IN A PARTICULAR YEAR IS LIKELY TO VARY, IN EITHER DIRECTION, BECAUSE OF SHORT TERM FLUCTUATIONS IN HONG KONG'S ECONOMIC PERFORMANCE," HE EXPLAINED.

MR JACOBS SAID THE GOVERNMENT CONTINUED TO SEEK IMPROVEMENTS IN THE FORECASTING METHODS, BUT FOR THE REASONS MENTIONED, ABSOLUTE PRECISION WAS PROBABLY UNATTAINABLE.

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LATEST ECONOMIC INDICATORS CONSISTENT WITH BUDGET FORECAST
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THE LATEST ECONOMIC INDICATORS ARE GENERALLY CONSISTENT WITH THE FORECAST IN THE BUDGET SPEECH THAT THE GROWTH RATE OF THE ECONOMY WOULD SLOW DOWN FURTHER THIS YEAR, AND THAT THE INFLATION RATE MIGHT BE PUSHED HIGHER BEFORE IT TOO BEGAN TO FALL, PROBABLY IN THE LATTER PART OF THIS YEAR.

THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THIS IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR JACOBS SAID ALTHOUGH THE LATEST ECONOMIC INDICATORS SUGGESTED THAT THE ADJUSTMENT PROCESS WAS TAKING PLACE ONLY SLOWLY, THE INDICATORS WERE NEVERTHELESS GENERALLY CONSISTENT WITH THE FORECAST.

HE SAID THE GROWTH RATES IN REAL TERMS OF HONG KONG'S DOMESTIC EXPORTS AND RE-EXPORTS, AT ABOUT SIX PER CENT AND 34 PER CENT RESPECTIVELY IN THE FIRST QUARTER, WERE SLOWER THAN IN THE LATTER PART OF LAST YEAR.

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"WHILE THE LABOUR MARKET REMAINS TIGHT, WITH THE CURRENT UNEMPLOYMENT RATE AT AROUND 1.3 PER CENT, THE PROPERTY MARKET HAS SHOWN SOME SIGNS OF CONSOLIDATION, FOLLOWING THE UPSURGE IN PROPERTY PRICES AND RENTALS OVER THE PAST YEAR OR SO.

"THE RECENT INCREASES IN INTEREST RATES ARE ALSO BEGINNING TO HAVE SOME EFFECT.

"THE SLOWER GROWTH IN TRADE, COUPLED WITH THE PRESSURE ON COSTS, SHOULD IN DUE COURSE RESTRAIN DOMESTIC DEMAND," HE SAID.

MR JACOBS SAID THE RATE OF INCREASE IN THE CONSUMER PRICE INDEX (A) FOR THE FIRST QUARTER AS A WHOLE OVER A YEAR EARLIER WAS 9.8 PER CENT, COMPARING WITH THE CORRESPONDING INCREASES OF 8.1 PER CENT IN THE THIRD QUARTER AND 7.9 PER CENT IN THE FOURTH QUARTER OF LAST YEAR.

HE SAID SOME MEMBERS MIGHT HAVE TAKEN THE BUDGET FORECAST OF THE RATE OF INCREASE OF 8.5 PER CENT FOR 1989 AS A WHOLE IN THE CPI (A) TO BE CONSERVATIVE BECAUSE OF THIS INCREASE IN INFLATION.

"THAT MAY OR MAY NOT BE SO," MR JACOBS SAID, "BUT THERE IS IN MY VIEW NO CASE FOR CHANGING MY BUDGET STRATEGY OR, AS YET, FOR REVISING MY FORECASTS.

"INDEED, A SLOWER ADJUSTMENT ADDS FORCE TO MY DECISION TO RUN A SIGNIFICANT BUDGET SURPLUS THIS FINANCIAL YEAR."

TURNING TO INTEREST RATES, WHICH HAD REMAINED RELATIVELY HIGH, MR JACOBS NOTED THAT IN FACT OVER THE PAST THREE MONTHS HONG KONG DOLLAR RATES IN THE INTERBANK MARKET HAD BEEN KEPT ABOVE THE CORRESPONDING U.S. DOLLAR RATES WITHIN THE CONSTRAINT OF MAINTAINING EXCHANGE RATE STABILITY.

"THIS IS HELPFUL IN RELATION TO INFLATION SINCE IT PROVIDES AN INCENTIVE FOR BORROWERS AND OTHERS TO LIMIT THEIR SPENDING.

"IN ADDITION, THE EXCHANGE RATE OF THE U.S. DOLLAR HAS BEEN FIRMING UP SINCE DECEMBER 1987.

"THIS HAS RESULTED IN AN INCREASE OF OVER TWO PER CENT IN THE EFFECTIVE EXCHANGE RATE OF THE HONG KONG DOLLAR BETWEEN THE END OF 1987 AND THE END OF APRIL THIS YEAR.

"BY LIMITING THE SCOPE FOR INCREASES IN IMPORT PRICES THIS HAS BEEN OF SOME HELP IN RESTRAINING INFLATION.

"THUS, OVER THE PAST 16 MONTHS AT LEAST, CONTRARY TO WHAT SOME HAVE ARGUED, THE LINK WITH THE U.S. DOLLAR HAS NOT CONTRIBUTED TO INFLATION," HE SAID.

REFERRING TO SOME MEMBERS' CONCERN REGARDING THE GOVERNMENT'S FORECASTS OF ECONOMIC GROWTH, THE FINANCIAL SECRETARY SAID FORECASTING IN A VOLATILE SITUATION WAS NEVER EASY.

/HE SAID

HE SAID THE GREATER INTERDEPENDENCE OF HONG KONG'S ECONOMY WITH THOSE OF THE REST OF THE WORLD, ESPECIALLY THAT OF CHINA, AND THE INTERNAL RESTRUCTURING OF THE TERRITORY'S ECONOMY THAT WAS TAKING PLACE, HAD ALSO MADE FORECASTING MORE DIFFICULT.

"I ACCEPT THAT FROM TIME TO TIME WE NEED TO CONSIDER OUR METHODOLOGY," HE SAID, ADDING THAT THERE WAS NOW A NEED TO REVIEW THE GOVERNMENT'S GDP FORECAST MORE FREQUENTLY, SAY AT QUARTERLY INTERVALS INSTEAD OF ONLY ONCE IN SEPTEMBER.

MR JACOBS SAID HE WAS PREPARING FOR MORE FREQUENT REVIEWS AND INTENDED TO RELEASE THE FIRST RESULTS LATER THIS MONTH TO COINCIDE WITH THE PUBLICATION OF THE FIRST QUARTER ECONOMIC REPORT.

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MANUFACTURING REMAINS IMPORTANT TO ECONOMY
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DESPITE THE RAPID GROWTH OF THE SERVICES SECTOR AND THE RE-EMERGENCE OF HONG KONG'S TRADITIONAL ENTREPOT ROLE, PARTICULARLY IN RELATION TO CHINA, MANUFACTURING IS STILL AN IMPORTANT COMPONENT OF OUR ECONOMY, AND WILL REMAIN SO FOR MANY YEARS TO COME, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR JACOBS SAID HONG KONG'S MANUFACTURING INDUSTRY WAS UNDERGOING IMPORTANT CHANGES IN THAT THE MORE LABOUR INTENSIVE OPERATIONS WERE EXPANDING ELSEWHERE.

"BUT AT THE SAME TIME, WE ARE WITNESSING VIGOROUS INVESTMENT BY INDUSTRY IN ADVANCED EQUIPMENT AS A MEANS OF IMPROVING PRODUCTIVITY AND OF UPGRADING QUALITY AND STANDARDS," HE SAID.

MR JACOBS SAID ALTHOUGH SOME STILL ARGUED OTHERWISE, HONG KONG'S MANUFACTURING SECTOR WAS ADJUSTING TO CHANGING CIRCUMSTANCES.

"WE MUST KEEP IN MIND THAT THE ABILITY TO ADAPT QUICKLY LIES IN THE FREEDOM FOR INDUSTRIALISTS TO MAKE THEIR OWN DECISIONS, AND THIS FREEDOM WILL BE ENSURED BY LETTING MARKET MECHANISMS OPERATE," HE ADDED.

HOWEVER, HE POINTED OUT THAT THIS DID NOT MEAN THAT THE GOVERNMENT HAD NO ROLE TO PLAY.

"ON THE INDUSTRIAL FRONT, TECHNO-ECONOMIC STUDIES ARE REGULARLY COMMISSIONED TO IDENTIFY THE STRENGTHS AND WEAKNESSES OF KEY INDUSTRIAL SECTORS INCLUDING TEXTILES AND CLOTHING, ELECTRONICS, METALS AND PLASTICS," THE FINANCIAL SECRETARY SAID.

/HE SAID

HE SAID THAT FORWARD LOOKING REVIEWS AND PROPOSALS OF LONG-TERM STRATEGIC IMPORTANCE TO THE MANUFACTURING SECTOR WERE DEBATED IN THE INDUSTRY DEVELOPMENT BOARD, AND DECISIONS WERE IMPLEMENTED MAINLY THROUGH THE INDUSTRY DEPARTMENT AND THE HONG KONG PRODUCTIVITY COUNCIL.

"THE ESTABLISHMENT OF THE PLASTICS TECHNOLOGY CENTRE AND IMPROVED TARGETTING OF OUR INWARD INVESTMENT PROMOTION EFFORTS REPRESENT TWO OF THE MANY EXAMPLES OF SUCH INITIATIVES," HE EXPLAINED.

MR JACOBS SAID THE GOVERNMENT WAS ALSO PUTTING IN PLACE FACILITIES AND INSTITUTIONS WHICH WOULD ASSIST INDUSTRIALISTS IN CONTINUING TO COMPETE IN THE QUALITY-CONSCIOUS MARKETS OF EUROPE, JAPAN AND NORTH AMERICA.

HE NOTED THAT LAST MONTH, THE HONG KONG LABORATORY ACCREDITATION SCHEME SIGNED A MUTUAL RECOGNITION AGREEMENT WITH ITS COUNTERPART IN BRITAIN.

"THIS SHOULD PAVE THE WAY FOR ACCEPTANCE OF HONG KONG-TESTED GOODS BY THE EEC," HE SAID.

LATER THIS FINANCIAL YEAR, THE GOVERNMENT WILL ESTABLISH A QUALITY ASSURANCE AGENCY TO HELP INDUSTRIALISTS MANUFACTURE IN ACCORDANCE WITH INTERNATIONALLY-RECOGNISED STANDARDS.

THE FINANCIAL SECRETARY POINTED OUT THAT A GREAT DEAL MORE NEEDS TO BE DONE TO DRIVE HOME THE IMPORTANCE OF QUALITY; AND HENCE A QUALITY DRIVE AND THE INTRODUCTION OF A NEW GOVERNOR'S AWARD FOR INDUSTRY WOULD BE LAUNCHED DURING THIS FINANCIAL YEAR.

NOTING THAT BETTER QUALITY, HIGHER TECHNOLOGY AND IMPROVED PRODUCTIVITY WERE ALL INTERRELATED, THE FINANCIAL SECRETARY SAID THE HONG KONG PRODUCTIVITY COUNCIL HAD BEEN DOING A LOT IN THESE AREAS AND WOULD SOON ESTABLISH A CLOTHING TECHNOLOGY DEMONSTRATION CENTRE.

MR JACOBS SAID HE AGREED WITH MEMBERS THAT THE GOVERNMENT SHOULD PAY GREATER ATTENTION TO SCIENCE AND TECHNOLOGY AND TO IMPROVE HONG KONG'S CAPABILITY IN THESE AREAS.

HE ADDED THAT THE DEVELOPMENT OF HIGHER TECHNOLOGY WAS A SUBJECT WHICH THE CENTRAL POLICY UNIT HAD BEEN ASKED TO CONSIDER.

"I ACCEPT THAT THERE IS MUCH TO BE DONE BUT WE MUST USE OUR RESOURCES EFFECTIVELY. PROJECTS MUST BE FULLY CONSIDERED IF WE ARE TO GET VALUE FOR OUR MONEY," HE SAID.

ON THE TRADE FRONT, MR JACOBS SAID THE GOVERNMENT WOULD CONTINUE TO DO ALL IT COULD TO COUNTER PROTECTIONISM IN HONG-KONG'S OVERSEAS MARKETS.

"A CURRENT EXAMPLE CONCERNS THE RECENT SPATE OF ANTI-DUMPING ACTIONS INSTITUTED BY THE EEC AGAINST A NUMBER OF HONG KONG PRODUCTS.

/ "THE GOVERNMENT

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"THE GOVERNMENT HAS REACTED SWIFTLY BY APPOINTING SPECIAL ADVISERS IN EUROPE TO ASSIST IN THE FORMULATION OF COUNTER MEASURES.

"LOCAL MANUFACTURERS ARE BEING PROVIDED WITH TECHNICAL ASSISTANCE IN DEFENDING THEMSELVES AGAINST THE ANTI-DUMPING INVESTIGATIONS. WE ARE REASONABLY OPTIMISTIC ABOUT THE OUTCOME OF THESE EFFORTS," THE FINANCIAL SECRETARY SAID.

AT THE MULTILATERAL LEVEL, MR JACOBS SAID HONG KONG WOULD CONTINUE TO PARTICIPATE ACTIVELY IN THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS TO PROMOTE THE CAUSE OF FREE TRADE.

"THIS INVOLVES NOT ONLY SECURING AND MAINTAINING ACCESS TO WORLD MARKETS FOR MANUFACTURED GOODS, BUT ALSO THE NEGOTIATION OF ACCESS RIGHTS IN THE FIELD OF SERVICES WHICH ARE INCREASINGLY IMPORTANT TO HONG KONG," MR JACOBS SAID.

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URGENCY OF MAJOR PROJECTS RECOGNISED

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THE GOVERNMENT SHARES THE VIEWS OF LEGISLATIVE COUNCIL MEMBERS THAT EARLY DECISIONS SHOULD BE MADE REGARDING THE FUTURE DEVELOPMENT OF THE PORT, THE AIRPORT, THE MAJOR HARBOUR RECLAMATION PROJECTS AND THE TERRITORY'S TRANSPORT NETWORK, THE FINANCIAL SECRETARY, THE HON PIERIS JACOBS, SAID TODAY (WEDNESDAY).

"MEMBERS WILL APPRECIATE THAT THE EXPENDITURE INVOLVED IN ALL THESE PROJECTS WILL BE UNPRECEDENTED IN THE HISTORY OF HONG KONG.

"IT IS ONLY RIGHT THAT WE FULLY ASSESS ALL THE IMPLICATIONS BEFORE WE TAKE ANY DECISIONS. BUT AGAIN, I RECOGNISE THE URGENCY," THE FINANCIAL SECRETARY SAID IN HIS SPEECH CONCLUDING THE DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1989.

HE POINTED OUT THAT THE GOVERNMENT HAD JUST COMPLETED THE SECOND COMPREHENSIVE TRANSPORT STUDY WHICH HAD RECOMMENDED A SERIES OF ROAD AND RAIL PROJECTS AS WELL AS TRAFFIC MANAGEMENT POLICIES.

"THESE WILL BE CONSIDERED IN THE LIGHT OF PUBLIC OPINION AFTER THE PUBLICATION OF THE GREEN PAPER ON TRANSPORT POLICY AND THOSE REGARDED AS ACCEPTABLE WILL BE IMPLEMENTED PROGRESSIVELY," HE SAID.

AS TO THE AIRPORT, MR JACOBS SAID THE ADMINISTRATION HAD CRITICALLY EVALUATED THE CAPACITY OF KAI TAK AND THE OPTIONS FOR THE FUTURE.

"AS I HAVE INDICATED BEFORE, A COMPREHENSIVE IMPROVEMENT PROGRAMME TO ENABLE KAI TAK TO MEET DEMAND UNTIL THE MID 1990S HAS BEEN PUT TOGETHER.

/!"THE CHEK

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"THE CHEK LAP KOK REPLACEMENT AIRPORT MASTER PLAN HAS BEEN UPDATED, AND THE VARIOUS OPTIONS FOR SITING A REPLACEMENT AIRPORT IN THE WESTERN HARBOUR ARE BEING EXAMINED. THOSE INVOLVED ARE UNDER GREAT PRESSURE TO COME UP WITH RESULTS." HE ADDED.

MR JACOBS SAID HE WAS GRATEFUL FOR THE SUPPORT GIVEN TO HIM IN THE DEBATE ON THE MOVE TO SET ASIDE FUNDS FOR MAJOR INFRASTRUCTURAL PROJECTS.

"IN DUE COURSE, THE RESOLUTION TO SET UP THE PROPOSED INVESTMENT FUND WILL REQUIRE THE APPROVAL OF THIS COUNCIL.

"I REGARD THIS SETTING ASIDE OF FUNDS NOT ONLY AS A PRUDENT BUDGETARY MEASURE BUT AS A CLEAR STATEMENT OF INTENT," HE SAID.

IN RESPONSE TO MEMBERS' COMMENTS ON STRATEGY FOR EXPENDITURE, MR JACOBS SAID WHILE IT WAS WORTH STRESSING THAT RESOURCES WERE ALWAYS LIMITED, IT SHOULD ALSO BE NOTED THAT THE SHARE OF THE CAKE CONSUMED BY EDUCATION AND THE SOCIAL SERVICES WAS EXPECTED TO GROW FROM 32 PER CENT IN 1988-89 TO ALMOST 35.5 PER CENT BY 1992-93.

"IN CASH TERMS, THIS INCREASE WOULD, ON PRESENT PROJECTIONS, AMOUNT TO A SIZEABLE SUM," HE SAID.

ON HOSPITAL SERVICES, THE FINANCIAL SECRETARY SAID THE GOVERNMENT WAS LOOKING TO THE HOSPITAL AUTHORITY TO PRODUCE IMPROVED AND MORE COST-EFFECTIVE METHODS OF DELIVERING THOSE SERVICES.

"IN THIS REGARD, I AGREE THAT IF THIS OBJECTIVE IS TO BE ACHIEVED, WE MUST ADOPT A FLEXIBLE APPROACH IN DRAWING UP ARRANGEMENTS FOR THE FUNDING OF THE AUTHORITY. THIS INDEED IS OUR INTENTION," HE SAID.

HOWEVER, HE POINTED OUT THAT IT WOULD BE WRONG TO EXEMPT THE HOSPITAL AUTHORITY FROM COMPETING FOR FUNDS IN THE RESOURCE ALLOCATION SYSTEM.

"ANY MOVE IN THAT DIRECTION WOULD INEVITABLY LEAD TO CALLS FOR PARITY OF TREATMENT FOR OTHER PROGRAMME AREAS AND WOULD UNDERMINE THE SYSTEM WHICH IS A KEY FEATURE OF THE GOVERNMENT'S FINANCIAL MANAGEMENT," HE SAID.

ON CRITICISM BY MEMBERS OF THE FACT THAT THE MEDICAL EXPENSES OF CIVIL SERVANTS WERE SUBSUMED IN THE OVERALL MEDICAL BUDGET AND COULD NOT THEREFORE BE SEPARATELY IDENTIFIED, MR JACOBS SAID HE ANTICIPATED THAT THIS SITUATION WOULD CEASE AFTER THE ESTABLISHMENT OF THE HOSPITAL AUTHORITY, SINCE IT WOULD BE NECESSARY TO INTRODUCE CHARGING ARRANGEMENTS FOR SERVICE PROVIDED TO THE GOVERNMENT BY THE AUTHORITY.

ON MEMBERS' COMMENTS REGARDING THE GROWTH RATE OVERALL OF PUBLIC EXPENDITURE, PARTICULARLY IN THE EARLY YEARS OF THE FORECAST PERIOD, MR JACOBS SAID MEMBERS HAD REPEATED THE WARNING THAT HE HIMSELF GAVE IN THE BUDGET SPEECH.

"THE GROWTH OF PUBLIC EXPENDITURE WILL HAVE TO BE MONITORED CAREFULLY, AND DIFFICULT CHOICES MADE, IF GROWTH IS TO BE CONTAINED WITHIN THE BUDGETARY GUIDELINES," HE SAID.

ON THE SUGGESTION THAT PUBLIC EXPENDITURE SHOULD NOT BE RESTRAINED BY ARBITRARY GUIDELINES, MR JACOBS SAID AS HE HAD EXPLAINED THESE WERE MERELY GUIDELINES.

"I ACCEPT THAT THERE CAN BE OCCASIONS WHEN WE MIGHT NEED TO STEP OUTSIDE THEM, BUT ONLY FOR A LIMITED PERIOD.

"WE NEED SOME YARDSTICKS IF WE ARE TO CONTAIN PUBLIC EXPENDITURE," THE FINANCIAL SECRETARY SAID.

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IMPORTANCE OF HAVING MORE STABLE REVENUE BASE

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HONG KONG MUST HAVE A MORE STABLE REVENUE BASE TO ENSURE THAT ITS DEVELOPMENT PROGRAMMES CAN BE IMPLEMENTED WITHOUT DISRUPTION, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID THAT IF THE REVENUE YIELD WERE TO DROP SHARPLY OVER A NUMBER OF YEARS AS A RESULT OF A SLACKENING ECONOMY, THE PROGRAMME OF PUBLIC SERVICES WOULD BE PLACED IN JEOPARDY.

IN HIS SPEECH WINDING UP DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1989, MR JACOBS SAID THAT FROM TIME TO TIME IT WAS INEVITABLE THAT THE ECONOMY WOULD TURN DOWN.

"WHEN IT DOES SO, THIS IS BOUND TO HAVE A SERIOUS EFFECT ON OUR REVENUE, DEPENDENT AS IT IS ON DIRECT TAXES, IN PARTICULAR BUSINESS PROFITS TAX," HE SAID.

"YES, WE CAN DRAW DOWN OUR RESERVES - THAT IS WHAT THEY ARE THERE FOR - BUT AS I HAVE INDICATED, WE HAVE A VERY HEAVY PROGRAMME OF PUBLIC EXPENDITURE IN RELATION TO THE INFRASTRUCTURE, ENVIRONMENTAL PROTECTION AND SO ON.

"TO ENSURE THAT WE CAN IMPLEMENT OUR PROGRAMMES WITHOUT DISRUPTION, WE MUST HAVE A MORE STABLE REVENUE BASE," HE SAID WHEN REFERRING TO THE POSSIBLE INTRODUCTION OF A SALES, OR WHOLESALE, TAX.

MR JACOBS SAID MANY MEMBERS HAD RIGHTLY WARNED OF THE POSSIBLE ADVERSE EFFECT OF A SALES TAX ON THE LESS WELL TO DO MEMBERS OF THE COMMUNITY.

"I AGREE THAT THIS IS CLEARLY AN IMPORTANT ASPECT THAT WE MUST TAKE INTO ACCOUNT," HE SAID.

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BUT HE SAID THAT, WITHOUT GOING INTO ALL THE PROS AND CONS OF A SALES TAX OR A WHOLESALE TAX, HE WOULD, HOWEVER, ASK MEMBERS TO CONSIDER CAREFULLY THE EFFECT ON THE LESS WELL TO DO MEMBERS OF THE COMMUNITY OF OUR PRESENT NARROWLY BASED TAX SYSTEM.

THE FINANCIAL SECRETARY POINTED OUT THAT A BROADENING OF THE INDIRECT TAX SYSTEM WOULD ENABLE HIM TO RATIONALISE OR BRING DOWN OTHER TAXES.

"THE REST OF THE WORLD IS MOVING IN THIS DIRECTION. HONG KONG MUST NOT LOSE THE COMPETITIVE EDGE THAT IT GAINS FROM HAVING LOW DIRECT TAXES," HE SAID.

"IF WE LOSE THAT EDGE, IT IS LIKELY THAT INVESTORS WOULD LOOK ELSEWHERE, AND ULTIMATELY THIS COULD HIT OUR LABOUR FORCE.

"WOULD I REALLY BE PERFORMING SUCH A SERVICE FOR THE LESS WELL TO DO MEMBERS OF THE COMMUNITY IF I WERE TO ALLOW THIS TO HAPPEN?"

THESE WERE THE THINGS THAT THE GOVERNMENT HAD TO THINK ABOUT IN PUTTING TOGETHER ITS PROPOSALS, HE SAID.

"IN DUE COURSE, SHOULD WE DECIDE TO BRING FORWARD A WHOLESALE TAX, THERE WILL BE AMPLE OPPORTUNITY FOR MEMBERS TO EXAMINE OUR PROPOSALS.

"INDEED, I REGARD IT AS ESSENTIAL AND PROPER THAT PUBLIC DISCUSSION ON THIS ISSUE SHOULD TAKE PLACE IN THIS COUNCIL," HE SAID.

TURNING TO MEMBERS' COMMENTS ON HIS 1989-90 REVENUE PROPOSALS, MR JACOBS SAID HIS PROPOSALS WERE FORMULATED HAVING REGARD TO THE OVERALL ECONOMIC SITUATION AND SPECIFICALLY TO AVOID ADDING TO INFLATIONARY PRESSURES, DESPITE A LARGE FORECAST SURPLUS.

"BUT WHAT I HAVE SOUGHT TO ACHIEVE IS A PACKAGE THAT IS NOT INFLATIONARY, AND ONE THAT STRIKES A BALANCE BETWEEN REVENUE REQUIREMENTS AND LOWERING THE TAX BURDEN.

"HAD I PROPOSED TAXATION MEASURES WHICH FUELLED INFLATION, ALL SECTORS OF OUR COMMUNITY WOULD HAVE BEEN ADVERSELY AFFECTED," HE SAID.

COMMENTING ON THE SUGGESTION BY MEMBERS THAT TAX RELIEF BE PROVIDED FOR HOME PURCHASE PAYMENTS, MR JACOBS SAID IT WOULD BE EXPENSIVE IN TERMS OF REVENUE LOST AND, PERHAPS MORE IMPORTANT, WOULD RESULT IN AN INAPPROPRIATE STIMULUS TO DEMAND.

ON A CALL FOR ABOLITION OF THE CLAWBACK ON ADDITIONAL PERSONAL TAXATION ALLOWANCES, HE EXPLAINED THAT THE CONCEPT OF THE CLAWBACK WAS BASED ON THE ABILITY TO PAY.

"THROUGH ITS OPERATION, A PERSON'S ENTITLEMENT TO ADDITIONAL PERSONAL ALLOWANCES DIMINISHES AS HIS INCOME INCREASES. THIS DOES NOT SEEM TO ME TO BE INEQUITABLE."

/HE SAID

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HE SAID THE RE-INTRODUCTION OF THE CLAWBACK IN 1987 ALSO ENABLED THE BENEFIT OF AN ADDITIONAL ALLOWANCE TO BE MORE FULLY FOCUSED ON THE LESS AFFLUENT THAN WOULD OTHERWISE HAVE BEEN POSSIBLE.

MR JACOBS SAID THE PROVISION OF SOME SORT OF TAXATION INCENTIVES, AS SOME MEMBERS SUGGESTED, WAS UNLIKELY TO HELP STOP THE BRAIN DRAIN.

"WHILST I SHARE THEIR CONCERN ABOUT THIS ISSUE, IT IS UNLIKELY THAT FEASIBLE ADJUSTMENTS TO THE STANDARD RATE, OR REVISIONS OF THE SALARIES TAX STRUCTURE, WOULD SIGNIFICANTLY INFLUENCE THOSE WHO ARE CONSIDERING LEAVING HONG KONG, GENERALLY FOR PLACES WITH CONSIDERABLY HIGHER RATES OF TAX THAN WE HAVE HERE," HE SAID.

ON THE ABOLITION OF INTEREST TAX, THE FINANCIAL SECRETARY SAID HE HAD BEEN CAUTIONED ABOUT A POTENTIAL LEAK OF PROFITS TAX REVENUE ARISING FROM IT.

HE GAVE AN ASSURANCE THAT THE MATTER HAD BEEN CAREFULLY CONSIDERED BEFORE THE FINAL DECISION WAS TAKEN.

"IN ARRIVING AT THE COST TO REVENUE OF THE ABOLITION OF INTEREST TAX, ACCOUNT WAS TAKEN OF THE LIKELY LEVEL OF PROFITS TAX LEAKAGE WHICH MIGHT OCCUR," HE SAID.

MR JACOBS SAID HE WAS CONFIDENT THAT THE EXISTING LAW COULD CONTAIN THE LEAKAGE, BUT ADDED THAT IF IT COULD NOT DO SO APPROPRIATE AMENDING LEGISLATION WOULD BE INTRODUCED AT AN EARLY DATE.

"I MIGHT ADD THAT THE COMMISSIONER OF INLAND REVENUE WILL CONTINUE TO MONITOR THE SITUATION CAREFULLY," HE SAID.

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CLOSE WATCH ON GROWTH OF CIVIL SERVICE

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THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID TODAY (WEDNESDAY) HE WAS CONSCIOUS OF THE NEED TO KEEP A VIGILANT CHECK ON THE GROWTH OF THE CIVIL SERVICE.

WINDING UP THE SECOND READING DEBATE ON THE BUDGET IN THE LEGISLATIVE COUNCIL, MR JACOBS SAID THE GROWTH RATE OF 3.9 PER CENT FOR 1989-90 WAS A PROJECTION AND, INEVITABLY, THE ACTUAL GROWTH WAS SUBJECT TO THE STATE OF THE LABOUR MARKET, THE PROGRESS OF PROJECTS, AND OPERATIONAL CONSIDERATIONS.

"IT IS THEREFORE BY NO MEANS CERTAIN THAT ALL THE POSTS WILL BE CREATED AND FILLED DURING THE YEAR.

/"NEVERTHELESS,

"NEVERTHELESS, WHILE CURBING AND CONTROLLING THE GROWTH OF THE CIVIL SERVICE IS OF THE UTMOST IMPORTANCE, WE MUST ENSURE THAT THE ADMINISTRATION IS ADEQUATELY STAFFED TO MEET THE DEMAND FOR ANY NEW OR IMPROVED SERVICES THAT MAY BE APPROVED," HE SAID.

MR JACOBS SAID THE VAST MAJORITY OF CIVIL SERVANTS HAD CONTINUED TO CARRY OUT THEIR FULL DUTIES LOYALLY AND CONSCIENTIOUSLY.

LIKE THE REST OF THE COMMUNITY, SOME WERE APPREHENSIVE ABOUT THE FUTURE.

"BUT THERE ARE NO SIGNS THAT THE EFFICIENCY OF THE CIVIL SERVICE HAS IN ANY WAY BEEN ADVERSELY AFFECTED," HE SAID.

ON THE EXISTING CIVIL SERVICE SALARY STRUCTURE, MR JACOBS SAID THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE HAD BEEN INVITED TO CARRY OUT AN OVERALL REVIEW OF THAT STRUCTURE.

REFERRING TO A SUGGESTION THAT PROFESSIONAL OFFICERS IN THE SERVICE BE GIVEN EQUAL OPPORTUNITIES TO RISE TO POLICY MAKING LEVELS, MR JACOBS SAID SUCH OPPORTUNITIES ALREADY EXISTED.

MR JACOBS ALSO REFERRED TO THE FOLLOWING ISSUES THAT WERE RAISED IN THE DEBATE:

* STATUTORY CORPORATIONS: ON CONCERN EXPRESSED BY SOME MEMBERS ABOUT THE GOVERNMENT'S MONITORING OF STATUTORY CORPORATIONS, MR JACOBS SAID AT PRESENT THERE WERE NO FORMAL ARRANGEMENTS IN PLACE FOR AGREEING THE STRATEGIC ISSUES AND FRAMEWORK OF OBJECTIVES WITHIN WHICH EACH CORPORATION OR STATUTORY BODY SHOULD OPERATE.

HOWEVER, MR JACOBS STRESSED THAT THE GOVERNOR DID NORMALLY HAVE SPECIFIC POWERS OF DIRECTION WHICH WERE INTENDED FOR USE ONLY IN EXTREME CIRCUMSTANCES.

"EACH ORGANISATION, HOWEVER, OPERATES WITHIN THE REQUIREMENTS OF ITS PARENT ORDINANCE," HE SAID.

NOTING THAT SOME TIME HAD BEEN ELAPSED SINCE THE ESTABLISHMENT OF THESE CORPORATIONS, MR JACOBS SAID IT WAS NOW APPROPRIATE TO REVIEW THE RELATIONSHIP BETWEEN THESE ORGANISATIONS AND THE GOVERNMENT IN THE LIGHT OF EXPERIENCE.

"ACTION IS ALREADY IN HAND ON SUCH AN EXERCISE.

"WHILE WE WOULD NOT WISH TO ENCROACH ON THEIR PROPER OPERATIONAL AUTONOMY, WE NEED TO ENSURE THAT THE CORPORATIONS ARE FULFILLING THEIR STATUTORY RESPONSIBILITIES," HE SAID.

* EXCHANGE FUND BILLS: MR JACOBS NOTED THAT SEVERAL MEMBERS COMMENTED ON AND SUPPORTED THE PROPOSAL TO ISSUE EXCHANGE FUND BILLS.

/HOWEVER,

HOWEVER, HE SAID IT WOULD BE INAPPROPRIATE FOR THE GOVERNMENT TO PUT THE PROCEEDS FROM THE ISSUE OF BILLS INTO THE GENERAL REVENUE IF THE PURPOSE OF THE BORROWING WAS TO PURSUE A MONETARY POLICY OBJECTIVE.

"THE PROCEEDS MUST BE FOR THE ACCOUNT OF THE EXCHANGE FUND AND MANAGED ALONG WITH OTHER ASSETS OF THE FUND," HE SAID.

"IF WE WERE TO TAKE THE MONEY INTO THE GENERAL REVENUE, THE GOVERNMENT MIGHT DRIFT INTO DEFICIT FINANCING UNDER THE GUISE OF PURSUING MONETARY POLICY.

"AS TO ACCOUNTABILITY, THE CONTROL AND USE OF THE EXCHANGE FUND IS GOVERNED BY THE EXCHANGE FUND ORDINANCE, WHICH SPECIFIES THAT THE CONTROL OF THE FINANCIAL SECRETARY SHALL BE EXERCISED IN CONSULTATION WITH AN EXCHANGE FUND ADVISORY COMMITTEE."

THE ACCOUNTS OF THE FUND WERE FURTHER SUBJECT TO THE CLOSE SCRUTINY OF THE DIRECTOR OF AUDIT, HE ADDED.

* PRESENTATION OF ESTIMATES: ON A SUGGESTION THAT MORE TIME SHOULD BE GIVEN FOR THE DRAFT ESTIMATES TO BE STUDIED, MR JACOBS SAID IT WOULD BE DIFFICULT TO ADVANCE THE PREPARATION OF THE VARIOUS BUDGET DOCUMENTS.

"THE ACTUAL PASSAGE OF THE APPROPRIATION BILL THROUGH THIS COUNCIL ALREADY REQUIRES A 10-WEEK PERIOD TO COMPLETE, BUT I WILL CERTAINLY CONSIDER WHETHER WE COULD PUBLISH THE DRAFT ESTIMATES A LITTLE EARLIER OR EXTEND THE TIME ALLOTTED TO THE APPROPRIATION BILL, AND ALSO WHETHER ADDITIONAL INFORMATION CAN BE PROVIDED.

"WE DO REVIEW THE FORMAT AND PRESENTATION OF THE ESTIMATES EACH YEAR AND THE POINTS MADE WILL CERTAINLY BE KEPT IN VIEW," HE SAID.

* VIETNAMESE BOAT PEOPLE: ON THE CONCERN OF A NUMBER OF MEMBERS ABOUT THE PROBLEM OF THE INFLUX OF VIETNAMESE BOAT PEOPLE, MR JACOBS SAID THE RECENT INFLUX, WHICH WAS NOW RUNNING AT ITS HIGHEST LEVEL FOR 10 YEARS, HAD STRETCHED HONG KONG'S RESOURCES TO THE LIMIT, AND HAD LEFT THE TERRITORY FACING A CRISIS IN ACCOMMODATION AND MANPOWER.

HE SAID THIS WHOLE QUESTION WAS TO BE THE SUBJECT OF A DEBATE NEXT WEDNESDAY (MAY 17), WHEN THE ADMINISTRATION WOULD GIVE A FULLER REPLY ON THE POINTS RAISED BY MEMBERS.

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BUDGET STRATEGY CORRECT FOR HK

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THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) HE REMAINED CONVINCED THAT THE STRATEGY HE HAD ADOPTED IN THE 1989-90 BUDGET WAS THE RIGHT ONE FOR HONG KONG.

WINDING UP THE DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1989, MR JACOBS SAID HE CAME TO SUCH A CONCLUSION AFTER LISTENING CAREFULLY TO THE DEBATE AND HAVING HEARD AND READ A VARIETY OF COMMENTARIES BY OUTSIDE OBSERVERS.

HE NOTED THAT HE HAD SAID IN HIS BUDGET SPEECH THAT HE HAD TO RECONCILE THREE KEY FACTORS: INFLATION; THE ACCUMULATION OF LARGE SURPLUSES; AND THE NEED FOR A MAJOR PROGRAMME OF INFRASTRUCTURAL WORKS.

"IN SO DOING, I RECOGNISED THE DEGREE OF CONFLICT INHERENT IN THESE FACTORS AND SOUGHT TO ACHIEVE A BALANCE," HE SAID.

ON THE SPECIAL PLEAS BY MEMBERS THAT THE ALLOCATION OF FUNDS TO VARIOUS WORTHWHILE CAUSES BE INCREASED, MR JACOBS SAID HE WAS AWARE THAT TO HAVE DONE SO WOULD HAVE INCREASED THE INFLATIONARY PRESSURE ON ALL SECTORS OF THE COMMUNITY, INCLUDING THE SANDWICH CLASS.

"IN MY VIEW, THAT WOULD HAVE BEEN IRRESPONSIBLE," HE COMMENTED.

MR JACOBS SAID THAT IN RELATION TO HIS OVERALL STRATEGY HE HAD BEEN TAKEN TO TASK BY A MEMBER FOR CONTRADICTING HIMSELF BY URGING RESTRAINT ON PUBLIC EXPENDITURE ON THE ONE HAND WHILE STILL PROPOSING MAJOR SPENDING ON THE INFRASTRUCTURE ON THE OTHER.

"THE KEY HERE IS THE TIMING," HE SAID.

MR JACOBS SAID IF WE WERE TO EMBARK UPON SUBSTANTIAL ADDITIONAL EXPENDITURE THIS YEAR ON THE KIND OF PROJECTS TO WHICH HE HAD REFERRED IN HIS BUDGET SPEECH, THIS WOULD INDEED HAVE AN INFLATIONARY EFFECT AND THUS RUN CONTRARY TO HIS OVERALL POLICY OF NOT FUELLING INFLATION.

"BUT SUCH CAPITAL WORKS REQUIRE A CONSIDERABLE LEAD TIME, AND WHILE I THINK IT PRUDENT TO EARMARK FUNDS NOW, ACTUAL SPENDING ON ANY SCALE WILL BE AT LEAST TWO YEARS AWAY," HE EXPLAINED.

MR JACOBS ALSO SAID HE WAS GRATEFUL TO THE SENIOR MEMBER, THE HON ALLEN LEE, FOR HIS THOUGHTFUL OPENING SPEECH, AND TO OTHER MEMBERS WHO SPOKE FOR THEIR MANY USEFUL COMMENTS, AS WELL AS THE USUAL LEAVENING OF CONSTRUCTIVE CRITICISM.

ALL MATTERS RAISED WOULD BE CAREFULLY REVIEWED IN ORDER TO SEE WHETHER ANY FOLLOW UP ACTION WAS NEEDED, HE ADDED.

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COMPUTER MODEL TO AID EDUCATION PLANNING
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THE GOVERNMENT IS DEVELOPING A SOPHISTICATED COMPUTER MODEL WHICH WILL STORE INFORMATION FROM ALL EDUCATION SECTORS AND ENABLE COMPLEX COMPARISONS AND PROJECTIONS TO BE MADE OF DIFFERENT POLICY OPTIONS, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED DEBATE ON THE BUDGET, MR BRIDGE SAID THE MODEL WAS BEING DEVELOPED WITH THE HELP OF CONSULTANTS TO ASSIST IN THE INCREASINGLY DIFFICULT TASK OF PLANNING THE FINANCING OF EDUCATION.

"WE HOPE THAT THIS MODEL, WHICH WILL BE THE FIRST OF ITS KIND IN THE WORLD, WILL BE FULLY OPERATIONAL BY 1991," HE SAID.

MR BRIDGE EMPHASISED THAT EDUCATION CONTINUED TO ACCOUNT FOR THE LARGEST SINGLE PORTION OF THE GOVERNMENT'S EXPENDITURE.

"MOREOVER, THERE ARE ALWAYS PROPOSALS FOR IMPROVEMENTS AND NEW INITIATIVES WHICH NEED TO BE CONSIDERED," HE SAID.

HARD CHOICES HAD TO BE MADE BETWEEN COMPETING PRIORITIES NO MATTER HOW LARGE THE ALLOCATION.

"WE MUST ALWAYS BE SURE THAT WHAT WE NOW START WE CAN AFFORD TO MAINTAIN AND, WHERE NECESSARY, EXPAND," HE SAID.

MR BRIDGE REITERATED THAT NO THEME FOR EDUCATION WAS MORE IMPORTANT THAN INCREASING EDUCATIONAL OPPORTUNITIES AND IMPROVING EDUCATIONAL QUALITY.

"IN THE SCHOOLS, WHERE EDUCATIONAL OPPORTUNITIES ARE ALREADY ADEQUATE, WE ARE MAKING IMPROVEMENTS TO THE QUALITY OF EDUCATION.

"FURTHER IMPROVEMENTS WILL BE THE THEME OF THE EDUCATION COMMISSION'S REPORT NO.4 WHICH WE HOPE TO PUBLISH LATER THIS YEAR," HE SAID.

REFERRING TO SOME MEMBERS' CALLS FOR GREATER ASSISTANCE FOR PRE-PRIMARY SERVICES, MR BRIDGE SAID PROPOSALS FOR IMPROVING THE STANDARDS OF KINDERGARTENS WERE NEARLY READY AND WOULD BE PUT TO THE EXECUTIVE COUNCIL FOR CONSIDERATION.

"OUR PRIORITY WILL BE TO ENSURE THAT ALL KINDERGARTEN TEACHERS RECEIVE BASIC TRAINING AND THAT TRAINED TEACHERS ARE PROPERLY PAID," HE SAID.

ON A SUGGESTION THAT FEE INCREASES BE ALLOWED TO RISE TO ENABLE OPERATORS TO IMPROVE STANDARDS, MR BRIDGE SAID THE DIRECTOR OF EDUCATION DID IN FACT ALREADY APPROVE FEE INCREASES TO COVER IMPROVED STANDARDS.

/ "I NEVERTHELESS

"I NEVERTHELESS AGREE THAT IN PRINCIPLE MARKET FORCES ARE A BETTER METHOD THAN GOVERNMENT REGULATION, AND WE WILL EXAMINE PRACTICAL IMPLICATIONS OF A RELAXATION IN FEE CONTROL," HE SAID.

AS TO CRITICISM THAT THE FEE ASSISTANCE SCHEME WAS TOO MEAN, HE SAID: "THE NUMBER OF PARENTS BENEFITTING FROM FEE ASSISTANCE IS RELATED TO FEE LEVELS AND WILL RISE AUTOMATICALLY AS FEES INCREASE TO PAY FOR IMPROVED STANDARDS.

"THE DIRECTOR OF SOCIAL WELFARE IS, MOREOVER, REVIEWING THE BASIS ON WHICH ASSISTANCE LEVELS ARE SET, AND SOME CHANGES MAY BE POSSIBLE," HE NOTED.

MR BRIDGE SAID HE AGREED THAT THE PROCEDURES INVOLVED IN APPLYING FOR ASSISTANCE SHOULD BE SIMPLIFIED, AND THE GOVERNMENT WAS LOOKING INTO HOW THIS COULD BE DONE.

ON PRIMARY EDUCATION, MR BRIDGE POINTED OUT THAT COMPLETE CONVERSION TO WHOLE-DAY PRIMARY SCHOOLS WOULD REQUIRE UP TO 170 NEW SCHOOLS AND THESE WOULD COST \$4 BILLION.

"ANOTHER DIFFICULTY LIES IN FINDING SUITABLE SITES, SINCE IT IS NOT REASONABLE TO EXPECT PRIMARY SCHOOL CHILDREN TO TRAVEL LONG DISTANCES.

"IT MAY BE MORE REALISTIC TO THINK IN TERMS OF CONVERTING THE UPPER PRIMARY CLASSES, WHILE RETAINING HALF-DAY SESSIONS FOR THE YOUNGER CHILDREN.

"WE ARE WORKING OUT THE IMPLICATIONS OF VARIOUS OPTIONS," HE SAID.

ON SUGGESTIONS FOR MAKING IMPROVEMENTS TO THE ADMINISTRATION OF SCHOOLS, MR BRIDGE SAID THE ADMINISTRATION WOULD CERTAINLY LOOK AT THE POSSIBILITY OF PROVIDING COMPUTERS AND ADDITIONAL CLERKS IN SCHOOL OFFICES. THE CASE FOR PROVIDING DEPUTY PRINCIPALS WAS ALSO BEING EXAMINED.

HE SAID SOME OF THESE MATTERS OF DETAIL MIGHT BE LOOKED AT BY THE EDUCATION COMMISSION IN ITS REPORT NO.4.

"BUT THE POINT NEEDS TO BE MADE THAT INDIVIDUAL SCHOOLS HAVE DIFFERENT NEEDS. A MORE GENERAL SOLUTION MAY BE TO GIVE ADDITIONAL FLEXIBILITY TO SCHOOLS IN THE USE OF RESOURCES AND IN SCHOOL MANAGEMENT.

"THE DIRECTOR OF EDUCATION IS NOW CONSIDERING HOW THE CODES OF AID MIGHT BE LIBERALISED FOR THIS PURPOSE," HE SAID.

THE DIRECT SUBSIDY SCHEME, PROPOSED BY THE EDUCATION COMMISSION IN ITS REPORT NO.3, WOULD ALSO SERVE AS AN EXPERIMENT IN INCREASING THE FREEDOM OF PARTICIPATING SCHOOLS TO RAISE AND USE MONEY FLEXIBLY.

/"WE WILL

"WE WILL BE PUTTING PROPOSALS ON THIS SCHEME TO THE EXECUTIVE COUNCIL IN THE NEAR FUTURE," HE SAID.

MR BRIDGE NOTED THAT THE EXPATRIATE ENGLISH LANGUAGE TEACHER PILOT SCHEME WOULD BE EVALUATED DURING THE SUMMER AND THE RESULTS WOULD BE EXAMINED CAREFULLY BEFORE LONGER-TERM PROPOSALS WERE DEVELOPED.

HE SAID THAT ANOTHER PILOT SCHEME TO PROVIDE INTENSIVE LANGUAGE TRAINING IN HONG KONG FOR LOCAL PRIMARY SCHOOL ENGLISH TEACHERS WAS BEING CONSIDERED.

ON TEACHER TRAINING, MR BRIDGE SAID A PROGRAMME WHICH WOULD DOUBLE THE NUMBERS OF PRIMARY TEACHERS BEING RE-TRAINED EACH YEAR HAD BEEN WORKED OUT AFTER CONSULTATION WITH THE TEACHERS UNIONS.

"WE ARE ALSO EXPLORING HOW THE NUMBERS OF TEACHERS ATTENDING SECONDARY RE-TRAINING COURSES COULD BE INCREASED.

"SOME OF THE WIDER ASPECTS OF TEACHER TRAINING ARE BEING EXAMINED BY THE EDUCATION COMMISSION IN ITS STUDY OF THE COLLEGES OF EDUCATION," HE ADDED.

TURNING TO TERTIARY EDUCATION, MR BRIDGE SAID THE NUMBER OF UNIVERSITY PLACES HAD INCREASED SURPRISINGLY SINCE THE EARLY 1960'S.

"WE NOW PROVIDE 35,000 FULL TIME PLACES IN FIVE INSTITUTIONS WITH ABOUT SEVEN PER CENT OF THE AGE GROUP TAKING DEGREE COURSES AND FOUR PER CENT TAKING DIPLOMAS.

"WE HAVE PLANS TO FURTHER EXPAND TO 62,000 PLACES BY THE YEAR 2000," HE SAID.

MR BRIDGE NOTED THAT A MAJOR PART IN THE EXPANSION WOULD BE PLAYED BY THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY.

IN ADDITION, THE OPENING LEARNING INSTITUTE WOULD START ENROLLING STUDENTS BEFORE THE END OF THE YEAR.

"ITS AIM IS TO PROVIDE BOTH DEGREE AND SUB-DEGREE COURSES TO AS MANY PEOPLE AS POSSIBLE STUDYING AT THEIR OWN PACE," MR BRIDGE SAID.

ON THE NEED TO INCREASE RESEARCH AND STRENGTHEN TIES BETWEEN INDUSTRY AND EDUCATION, MR BRIDGE SAID THE GOVERNING COUNCILS OF THE TERTIARY INSTITUTIONS AND THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC) ALREADY INCLUDED REPRESENTATIVES OF THE BUSINESS AND INDUSTRIAL SECTORS.

MR BRIDGE ALSO AGREED THAT ARRANGEMENTS FOR IDENTIFYING TRAINING REQUIREMENTS THROUGH ADVISORY OR CURRICULUM DEVELOPMENT COMMITTEES NEEDED TO BE REVIEWED.

/HE SAID

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HE SAID THE UPGC WOULD DISCUSS FUTURE RESEARCH REQUIREMENTS AT ITS SEPTEMBER MEETING AND THE EDUCATION COMMISSION HAD BEEN ASKED TO CONDUCT A STUDY OF EDUCATION IN RELATION TO TECHNOLOGY AND TO PUBLISH ITS FINDINGS NEXT YEAR.

REFERRING TO THE PROBLEM OF RECRUITING AND RETAINING TEACHING STAFF IN THE NON-UNIVERSITY INSTITUTIONS, MR BRIDGE SAID THE ADMINISTRATION WAS PREPARED TO ADDRESS SPECIFIC PROBLEMS AS THEY AROSE.

"IN OUR EXAMINATION OF PAY AND CONDITIONS OF SERVICE FOR STAFF, WE WILL HAVE TO TAKE INTO ACCOUNT THE EXISTING STRUCTURE OF THE TERTIARY SECTOR AS WELL AS THE IMPLICATIONS FOR THE PUBLIC SECTOR."

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POLICY IN LINE WITH MEMBERS' VIEWS

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THE GOVERNMENT'S RECENT RE-AFFIRMATION OF ITS POLICY OF LABOUR IMPORTATION CONTROL IS IN LINE WITH THE VIEWS EXPRESSED BY LEGISLATIVE COUNCILLORS ON THE MATTER, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, SAID TODAY (WEDNESDAY).

MR BRIDGE WAS SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE RESUMED DEBATE ON THE BUDGET.

HE NOTED THAT ALL MEMBERS WHO HAD SPOKEN ON THE LABOUR SHORTAGE IN THE DEBATE HAD AGREED THAT HONG KONG WORKERS SHOULD SHARE THE FRUITS OF PROSPERITY DURING AN ECONOMIC BOOM, AND THAT THEIR WAGES SHOULD NOT BE ADVERSELY AFFECTED BY LABOUR IMPORTATION.

MR BRIDGE SAID THE VIEW WAS APPARENTLY SHARED BY MOST PEOPLE IN HONG KONG. HE REFERRED TO AN OPINION POLL IN A RECENT RADIO TELEVISION HONG KONG PROGRAMME IN WHICH 80 PER CENT OF THE RESPONDENTS WERE AGAINST LABOUR IMPORTATION AS A MEASURE TO SOLVE THE SHORTAGE FOR FEAR IT WOULD AFFECT WAGES.

"WHILE STRESSING THAT THE IMPORTATION OF UNSKILLED LABOUR WILL NOT BE ALLOWED, WE WILL APPLY THE POLICY TOWARDS SKILLED LABOUR MORE FLEXIBLY TO PROVIDE RELIEF TO AREAS WHICH SUFFER ACUTE SHORTAGES.

"A STEERING GROUP HAS BEEN EXAMINING THIS ISSUE AND DETAILS WILL BE ANNOUNCED SHORTLY," HE SAID.

MR BRIDGE SAID THE IDEA OF A LEVY ON IMPORTED WORKERS WAS WORTH CONSIDERING AND THE STEERING GROUP WOULD EXAMINE ITS POSSIBLE IMPLICATIONS BEFORE COMING TO A FINAL VIEW.

THE SECRETARY ALSO SAID HE FULLY AGREED ON THE IMPORTANCE OF MAINTAINING A CLEAR DIALOGUE BETWEEN EMPLOYEES, EMPLOYERS AND GOVERNMENT OFFICIALS.

THERE WERE MANY USEFUL FORUMS FOR THE THREE GROUPS, SUCH AS THE LABOUR ADVISORY BOARD AND ITS VARIOUS COMMITTEES AND THE OMELCO MANPOWER PANEL, HE ADDED.

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PILOT PROJECTS IN PUBLIC HOSPITALS FOR MIDDLE-INCOME GROUP
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THE GOVERNMENT PLANS TO INTRODUCE A LIMITED NUMBER OF B CLASS BEDS IN A FEW PILOT PROJECTS IN PUBLIC HOSPITALS FOR THE MIDDLE-INCOME GROUP, THE SECRETARY FOR HEALTH AND WELFARE, THE HON T.H. CHAU, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE RESUMED BUDGET DEBATE, MR CHAU SAID OCCUPYING THIS NEW CATEGORY OF BED WOULD COST SOMEWHAT MORE, BUT PATIENTS WOULD ENJOY MORE PRIVACY AND A BETTER ENVIRONMENT, ALTHOUGH THE SAME STANDARD OF MEDICAL TREATMENT WOULD CONTINUE TO APPLY TO ALL CATEGORIES OF PATIENTS.

"CARE WILL BE TAKEN TO ENSURE THAT THE IMPLEMENTATION OF THIS SCHEME WILL NOT BE AT THE EXPENSE OF THIRD CLASS BEDS," MR CHAU ADDED.

REGARDING A SUGGESTION TO PROVIDE FREE MEDICAL SERVICES TO THE ELDERLY, MR CHAU POINTED OUT THAT PUBLIC MEDICAL SERVICES IN HONG KONG WERE HEAVILY SUBSIDISED AND THE CHARGES LEVIED WERE VERY LOW AND COULD EASILY BE AFFORDED.

"THE MAJORITY OF THE LOCAL POPULATION, INCLUDING OUR SENIOR CITIZENS, SHOULD HAVE LITTLE DIFFICULTY IN PAYING THE CHARGES, AND THERE SEEMS TO BE NO REASON FOR NOT LEVYING THESE CHARGES ON THOSE WHO CAN AFFORD THEM," HE SAID.

"ANYONE WHO IS IN GENUINE HARDSHIP CAN HAVE THESE CHARGES WAIVED," HE ADDED.

MR CHAU EXPLAINED THAT THE PRESENT DEFINITION OF NON-ENTITLED PERSONS WAS DESIGNED MAINLY TO STOP RESIDENTS OF NEIGHBOURING COUNTRIES FROM COMING TO HONG KONG SPECIFICALLY TO TAKE ADVANTAGE OF THE MORE ADVANCED AND HEAVILY SUBSIDISED TREATMENT AND FACILITIES IN PUBLIC HOSPITALS.

REGARDING THE PROPOSAL TO EXTEND THE CONCEPT OF NON-ENTITLED PERSONS TO INCLUDE IMPORTED WORKERS, MR CHAU SAID THAT WE SHOULD BEAR IN MIND THAT OUR IMMIGRATION LAWS REQUIRED THAT IT MUST BE DEMONSTRATED THAT A SUITABLE LOCAL CANDIDATE WAS NOT AVAILABLE TO FILL THE POST FOR WHICH A FOREIGN WORKER IS PROPOSED.

"THUS, IN THAT SENSE, THE FOREIGN WORKERS CONTRIBUTE TO THE ECONOMY IN WAYS FOR WHICH LOCAL MANPOWER IS INSUFFICIENT, AND THEY ARE SUBJECT TO THE SAME LAWS AND OBLIGATIONS INCLUDING TAXATION LAW AS OTHER HONG KONG RESIDENTS.

"IN THESE CIRCUMSTANCES, I DOUBT WHETHER WE SHOULD DENY THEM PUBLIC MEDICAL FACILITIES ON THE SAME TERMS AS OTHER HONG KONG RESIDENTS," HE ADDED.

/RESPONDING TO

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RESPONDING TO CONCERNS ABOUT THE DELAYS IN IMPLEMENTING THE STAFF-TO-PATIENT RATIOS RECOMMENDED BY THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE (MDAC), MR CHAU POINTED OUT THAT MDAC RATIOS REPRESENTED THE STANDARDS OF PATIENT CARE THAT ONE WOULD LIKE TO ACHIEVE.

"IN SOME GRADES IT HAS BEEN POSSIBLE TO APPLY THESE STANDARDS IN FULL, BUT IN OTHERS THERE ARE LIMITATIONS OF FINANCIAL AND MANPOWER RESOURCES WHICH MEAN THAT ACHIEVEMENT OF THESE TARGETS WOULD NOT BE REALISTIC EXCEPT IN THE LONGER TERM," HE EXPLAINED.

REGARDING MEDICAL EQUIPMENT, MR CHAU SAID THAT EACH APPLICATION FOR EQUIPMENT, WHETHER FROM GOVERNMENT OR SUBVENTED HOSPITALS, HAD TO BE VETTED AGAINST OPERATIONAL NEEDS, OTHER COMPETING APPLICATIONS AND THE AVAILABILITY OF FINANCING RESOURCES.

"AS FINANCIAL RESOURCES ARE NOT UNLIMITED, INEVITABLY NOT ALL SUCH APPLICATIONS CAN BE APPROVED," MR CHAU SAID.

COMMENTING ON A SUGGESTION THAT MDAC SHOULD ASSESS AND CATEGORISE THE EQUIPMENT NEEDS OF ALL PUBLIC HOSPITALS, MR CHAU SAID : "I BELIEVE THAT THIS TASK WOULD BE OUTSIDE THE SCOPE OF THE MDAC, WHICH IS TO ADVISE GENERALLY ON THE DEVELOPMENT OF MEDICAL AND HEALTH SERVICES.

MR CHAU ALSO SAID HE WAS VERY CONSCIOUS OF THE MEDICAL PROFESSION'S CONCERN TO IMPROVE ARRANGEMENTS FOR POST-GRADUATE TRAINING AND THAT CAREFUL THOUGHT WAS BEING GIVEN TO THE REPORT BY THE WORKING PARTY ON POST-GRADUATE MEDICAL EDUCATION AND TRAINING.

THE PROPOSAL IN THIS REPORT FOR AN ACADEMY OF MEDICINE TO BE RESPONSIBLE FOR THE FURTHER TRAINING OF DOCTORS TO SPECIALIST LEVEL WAS ENDORSED BY THE MDAC IN MARCH THIS YEAR, HE NOTED.

"I AM CONFIDENT THAT AN ANNOUNCEMENT OF THE GOVERNMENT'S INTENTIONS ON THE MATTER WILL BE MADE IN A FEW MONTHS' TIME," MR CHAU ADDED.

TURNING TO PRIVATE HOSPITAL DEVELOPMENTS, MR CHAU SAID : "WHILST WE RECOGNISE THE ROLE OF PRIVATE HOSPITALS, WE DO NOT CONSIDER THAT REDUCTION OF LAND PREMIUM WOULD BE SUFFICIENT OR AN APPROPRIATE MEANS TO ENCOURAGE NEW PRIVATE HOSPITAL DEVELOPMENT."

"OF GREATER IMPORTANCE ARE THE HIGH COSTS OF BUILDING AND EQUIPING SUCH HOSPITALS AS WELL AS A LONG PERIOD OF COST RECOVERY," HE EXPLAINED.

ON PRIMARY HEALTH CARE SERVICES, MR CHAU SAID THE GOVERNMENT WAS COMMITTED TO UNDERTAKE A COMPREHENSIVE REVIEW OF PRIMARY HEALTH CARE SERVICES.

"THIS REVIEW WILL COVER THE VARIOUS ASPECTS OF PRIMARY HEALTH CARE AND WILL FOCUS ON GENERAL OUT-PATIENT SERVICES AND THE ROLE OF GOVERNMENT IN PROVIDING SUCH SERVICES TO THE COMMUNITY," HE SAID.

/ "IT WILL

"IT WILL ALSO CONSIDER THE INTERFACE BETWEEN OUT-PATIENT SERVICES AND HOSPITAL IN-PATIENT CARE PROVIDED BY THE FUTURE HOSPITAL AUTHORITY," HE ADDED.

MR CHAU NOTED THAT THE INTENTION TO ESTABLISH A HOSPITAL AUTHORITY WAS GENERALLY WELCOMED BY LEGISLATIVE COUNCIL MEMBERS WHO WERE ALSO KEEN TO ENSURE THAT ADEQUATE PREPARATIONS WERE MADE TO ENABLE THE AUTHORITY TO GET OFF TO A GOOD START.

SINCE ITS ESTABLISHMENT IN OCTOBER 1988, THE PROVISIONAL HOSPITAL AUTHORITY HAD BEEN WORKING ENERGETICALLY TO MAKE PREPARATIONS FOR THE SETTING UP OF THE HOSPITAL AUTHORITY ON APRIL 1, 1990, HE SAID.

"AS AN INDEPENDENT STATUTORY BODY, THE HOSPITAL AUTHORITY WILL ENJOY A GOOD DEAL OF AUTONOMY AND FLEXIBILITY, WHICH IS NOT SO READILY AVAILABLE WITHIN THE EXISTING CIVIL SERVICE FRAMEWORK," MR CHAU SAID.

"THIS WILL HELP TO OPTIMISE THE UTILISATION OF HOSPITAL RESOURCES, AND TO ATTRACT AND TO RETAIN WITHIN THE PUBLIC SECTOR WELL-QUALIFIED AND EXPERIENCED MEDICAL STAFF," HE ADDED.

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CONTINUED IMPORTANCE PLACED ON NEEDS OF ELDERLY

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THE SECRETARY FOR HEALTH AND WELFARE, THE HON T.H. CHAU, TODAY (WEDNESDAY) EMPHASISED THAT CONTINUED IMPORTANCE WAS BEING PLACED ON MEETING THE NEEDS OF THE ELDERLY WHO REPRESENTED A GROWING PROPORTION OF HONG KONG'S POPULATION.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR CHAU SAID EFFORTS WERE CONTINUING TO EXPAND AND ACCELERATE THE PROVISION OF PLACES IN BOTH RESIDENTIAL AND DAY CENTRES FOR THE ELDERLY, AND THAT OVER THE NEXT FOUR OR FIVE YEARS AT LEAST 1,000 CARE-AND-ATTENTION PLACES WERE EXPECTED TO BE PRODUCED ANNUALLY.

THE BENEFITS OF PROVIDING OUTREACHING SERVICES TO THE ELDERLY WOULD ALSO BE EXAMINED THROUGH TWO PILOT SCHEMES, THE DETAILS OF WHICH WERE BEING DRAWN UP IN CONSULTATION WITH THE VOLUNTARY WELFARE SECTOR, HE NOTED.

"THE PROVISION OF SERVICES SPECIFICALLY FOR THE ELDERLY ACCOUNTS FOR ALMOST 20 PER CENT OF THE SUBVENTION ALLOCATION FOR SOCIAL WELFARE.

"FURTHERMORE, NEARLY 70 PER CENT OF THE TOTAL SOCIAL SECURITY BUDGET IS TARGETTED AT OUR SENIOR CITIZENS," MR CHAU SAID.

HONG KONG, HE SAID, COULD BE PROUD THAT IT HAD DEVELOPED SUCH A COMPREHENSIVE SOCIAL SECURITY SCHEME, TARGETTED AT THE NEEDY AND VULNERABLE IN SOCIETY, ON AN ENTIRELY NON-CONTRIBUTORY BASIS.

"IN DOING SO, IT HAS HAD TO BALANCE, ON THE ONE HAND, CONCERN EXPRESSED IN SOME SECTIONS OF THE COMMUNITY THAT HONG KONG SHOULD BEWARE OF DEVELOPING INTO A WELFARE STATE WITH, ON THE OTHER HAND, EQUALLY ELOQUENT VIEWS FROM OTHER QUARTERS THAT WE SHOULD BE MOVING BEYOND THE CONCEPT OF CATERING TO THOSE WHO ARE LEAST ABLE TO HELP THEMSELVES," HE SAID.

"THE BACKBONE OF OUR SOCIAL SECURITY SYSTEM IS OF COURSE THE PUBLIC ASSISTANCE SCHEME, WHICH IS FULLY MEANS-TESTED," MR CHAU POINTED OUT.

THE OTHER KEY ELEMENT IN THIS SYSTEM, HE SAID, WAS THE SPECIAL NEEDS ALLOWANCE SCHEME COMPRISING THE OLD AGE AND DISABILITY ALLOWANCES WHICH WERE DESIGNED TO ASSIST WITH THE ADDITIONAL EXPENSES ASSOCIATED WITH AGING AND WITH BEING SEVERELY DISABLED.

"HISTORICALLY, THESE ALLOWANCES HAVE NOT BEEN MEANS-TESTED. THE DISABILITY ALLOWANCE IS, HOWEVER, 'NEEDS-TESTED' IN THE SENSE THAT A PERSON MUST BE CERTIFIED BY A GOVERNMENT DOCTOR, UNDER TIGHTLY DEFINED CRITERIA, TO BE DISABLED TO A SERIOUS DEGREE," MR CHAU EXPLAINED.

UNTIL LAST YEAR, THE OLD AGE ALLOWANCE WAS NON-MEANS-TESTED, BUT WHEN A PACKAGE OF MEASURES WAS ANNOUNCED IN 1987 TO IMPROVE SOCIAL SECURITY BENEFITS, INCLUDING THE PHASED EXTENSION OF ELIGIBILITY TO THE ALLOWANCE, THE GOVERNMENT PROPOSED IN TURN THAT NEW APPLICANTS SHOULD BE SUBJECT TO AN INCOME AND ASSET DECLARATION.

"HOWEVER, THE CONCEPT OF MEANS-TESTING THIS ALLOWANCE, EVEN IN THIS RELATIVELY SIMPLE FORM, DID NOT FIND FAVOUR WITH A SIGNIFICANT SECTION OF OUR COMMUNITY.

"CRITICISM IN THE SOCIAL WELFARE ADVISORY COMMITTEE AS WELL AS BY SOME MEMBERS OF THIS COUNCIL WAS PARTICULARLY DIRECTED AT ITS PROPOSED APPLICATION TO THOSE AGED 70 AND ABOVE," MR CHAU SAID.

"IN THE LIGHT OF THESE VIEWS, WE SUBSEQUENTLY DECIDED TO REQUIRE ONLY THOSE IN THE 65 TO 69 AGE GROUP TO COMPLETE SUCH A DECLARATION," HE ADDED.

TURNING TO CONCERN EXPRESSED AS TO WHETHER THE RATES OF BENEFITS AVAILABLE UNDER THE SOCIAL SECURITY SYSTEM WERE ADEQUATE, MR CHAU SAID THE FIGURES QUOTED IN THE LEGISLATIVE COUNCIL DID NOT REFLECT THE FULL PICTURE.

"THE BASIC PUBLIC ASSISTANCE RATE IS DESIGNED TO MAINTAIN DAILY LIVING REQUIREMENTS SUCH AS FOOD AND CLOTHING, BUT THERE ARE A VARIETY OF ADDITIONAL SUPPLEMENTS TO MEET OTHER ESSENTIAL EXPENDITURE SUCH AS RENT, SCHOOL FEES, ETC," HE SAID.

"TAKING INTO ACCOUNT PAYMENTS UNDER ALL THE VARIOUS ELEMENTS OF OUR SOCIAL SECURITY SYSTEM, A SINGLE PERSON RECEIVES ON AVERAGE ALMOST TWICE THE BASIC PUBLIC ASSISTANCE RATE AND A TWO-MEMBER FAMILY MORE THAN TWICE THE BASIC RATE," HE ADDED.

MR CHAU ALSO RE-AFFIRMED GOVERNMENT'S COMMITMENT TO THE SOCIAL SECURITY SYSTEM, WHICH HE SAID WAS REFLECTED, FOR EXAMPLE, BY THE INCREASE IN EXPENDITURE ON THE VARIOUS SCHEMES FROM \$1.4 BILLION IN 1984-85 TO 2.21 BILLION IN 1988-89.

"AS PART OF THIS COMMITMENT, WE WILL CONTINUE TO KEEP THE RATES OF PAYMENTS UNDER THESE SCHEMES UNDER REGULAR REVIEW TO ENSURE THAT THEY KEEP FULLY IN PACE WITH INFLATION AND THUS MAINTAIN THEIR PURCHASING POWER IN REAL TERMS," HE SAID.

IN RESPONSE TO CONCERN OVER THE RELATIVE PROPORTIONS OF THE TOTAL SOCIAL WELFARE BUDGET WHICH WENT TO SOCIAL SECURITY PAYMENTS AND TO WELFARE SERVICES, MR CHAU NOTED THAT ANY IMPROVEMENTS TO SOCIAL SECURITY WERE CONSIDERED ON AN EQUAL FOOTING WITH IMPROVEMENT TO WELFARE SERVICES, ALTHOUGH BOTH HAD TO COMPETE FOR THE ALLOCATION OF RESOURCES.

"UNFORTUNATELY, AN ADDITIONAL RESOURCE CONSTRAINT WHICH WE ARE FACING IN IMPROVING A NUMBER OF WELFARE SERVICES IS THE SHORTAGE OF TRAINED SOCIAL WORKERS.

"THIS HAS BEEN INSTRUMENTAL, FOR EXAMPLE, IN DELAYING THE IMPLEMENTATION OF AGREED MANNING RATIOS IN THE PROVISION OF VARIOUS WELFARE SERVICES AND HAS PREVENTED REDUCTIONS IN SOCIAL WORKERS' CASELOADS," HE SAID.

HOWEVER, THIS MANPOWER PROBLEM WAS BEING ADDRESSED AS A MATTER OF PRIORITY AND, FOLLOWING FINANCE COMMITTEE'S APPROVAL LAST WEEK OF THE NECESSARY FUNDS, THERE WOULD BE THREE SUBSTANTIAL ANNUAL INTAKES OF ADDITIONAL SOCIAL WORK STUDENTS INTO THE TERTIARY INSTITUTIONS COMMENCING IN SEPTEMBER, HE ADDED.

TURNING TO THE PROVISION OF FAMILY WELFARE SERVICES, PARTICULARLY IN THE NEW TOWNS, MR CHAU SAID THAT TO MEET THIS GROWING NEED THE SOCIAL WELFARE DEPARTMENT HAD OVER THE PAST THREE YEARS INCREASED BY ONE-THIRD THE NUMBER OF SUCH CENTRES IT OPERATED.

THERE WERE NOW A TOTAL OF 53 FAMILY SERVICES CENTRES RUN EITHER BY THE SWD OR BY THE VOLUNTARY SECTOR, HE SAID.

"SINCE 1987 ALONE, FIVE SUCH CENTRES HAVE BEEN ESTABLISHED IN THE NEW TOWNS AND THERE ARE PLANS FOR FURTHER CENTRES OVER THE NEXT TWO YEARS IN YUEN LONG AND TSUEN WAN-KWAI CHUNG," MR CHAU SAID.

ON THE NEED TO EXPAND THE NUMBER OF SOCIAL WORKERS WHO WERE FULLY EQUIPPED TO UNDERTAKE MARRIAGE COUNSELLING, MR CHAU SAID THIS SERVICE WAS AVAILABLE AT ALL THE FAMILY SERVICES CENTRES AS WELL AS THROUGH THE CATHOLIC MARRIAGE ADVISORY COUNCIL.

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"I ACCEPT THAT THIS IS SPECIALISED WORK WHICH REQUIRES PARTICULAR SKILLS AND WE ARE SEEKING TO UPGRADE THE QUALITY OF THIS SERVICE THROUGH REGULAR TRAINING PROGRAMMES FOR CASEWORKERS," HE SAID.

REGARDING THE ADEQUACY OF THE ALLOWANCES IN ATTRACTING FOSTER PARENTS TO THE FOSTER CARE SCHEME, MR CHAU POINTED OUT THAT THE MONTHLY PAYMENTS WERE ALREADY UNDER REVIEW BY THE SOCIAL WELFARE DEPARTMENT.

"APART FROM A MONTHLY MAINTENANCE GRANT, THERE IS A MONTHLY INCENTIVE PAYMENT PLUS AN INITIAL SETTING-UP GRANT," HE ADDED.

TURNING TO REHABILITATION MATTERS, MR CHAU NOTED THAT REFERENCE HAD BEEN MADE TO THE LIMITED EMPLOYMENT OPPORTUNITIES FOR THE MODERATELY MENTALLY HANDICAPPED.

"THAT SUCH PERSONS CAN BECOME PRODUCTIVE MEMBERS OF THE LABOUR FORCE IS INDEED RECOGNISED.

"TO THIS END, VARIOUS EDUCATIONAL AND VOCATIONAL TRAINING PROGRAMMES ARE PROVIDED AT SPECIAL SCHOOLS, DAY ACTIVITY CENTRES, SHELTERED WORKSHOPS AND OTHER CENTRES," HE SAID.

HE POINTED OUT THAT THE SELECTIVE PLACEMENT DIVISION OF THE LABOUR DEPARTMENT ORGANISED AND PROMOTED EMPLOYMENT OPPORTUNITIES FOR DISABLED PERSONS, INCLUDING THE MENTALLY HANDICAPPED, THROUGH A VARIETY OF MEANS SUCH AS EXHIBITIONS AND DEMONSTRATIONS, AS WELL AS SEMINARS FOR EMPLOYERS' ORGANISATIONS AND PERSONNEL MANAGERS OF PRIVATE FIRMS.

"WE ARE PLANNING TO LAUNCH A SUPPORTED EMPLOYMENT PILOT SCHEME WHICH WILL INVOLVE THE TRAINING OF MODERATELY MENTALLY HANDICAPPED PERSONS TO PREPARE THEM FOR PARTICIPATION IN THE CLEANSING INDUSTRY.

"IF SUCCESSFUL, THIS SCHEME COULD LEAD TO A SUBSTANTIAL WIDENING OF EMPLOYMENT OPPORTUNITIES FOR SUCH PERSONS, AS WELL AS TO AN EASING OF THE DEMAND FOR SHELTERED WORKSHOPS," MR CHAU SAID.

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COMMITMENT TO IMPROVING RURAL AREAS, ENVIRONMENT
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THE GOVERNMENT ACKNOWLEDGES THAT MORE FUNDING, EFFECTIVE LEGISLATION AND RESOURCES ARE NEEDED FOR THE ENVIRONMENTAL PROTECTION PROGRAMME.

THE SECRETARY FOR LANDS AND WORKS, THE HON GRAHAM BARNES, SAID THIS IN THE RESUMED DEBATE ON THE BUDGET IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), IN RESPONSE TO COMMENTS MADE EARLIER BY SOME MEMBERS.

MR BARNES SAID HE WOULD SPEAK MORE ON THE SUBJECT ON WORLD ENVIRONMENT DAY, WHICH WILL BE OBSERVED ON JUNE 5.

ON OTHER ISSUES, MR BARNES SAID THE GOVERNMENT WAS FIRMLY COMMITTED TO RURAL IMPROVEMENT AND PLANNING AS SPELT OUT IN A RECENTLY RELEASED DOCUMENT.

THE STRATEGY WOULD INVOLVE BUILDING THE PROPER RURAL INFRASTRUCTURE TO CONTROL FLOODS AND POLLUTION AND PROVIDE PROPER ACCESS BOTH TO EXISTING VILLAGES AND TO AREAS SUITABLE FOR RURAL DEVELOPMENT.

"TO DO THIS, IT IS NECESSARY TO BUILD UP A TEAM CENTRED ON THE TERRITORY DEVELOPMENT DEPARTMENT TO CONCENTRATE ON THE RURAL CONSTRUCTION PROGRAMMES AND ALSO TO INTRODUCE TIGHTER PLANNING CONTROL OVER BOTH THE AREAS WE WOULD WISH TO DEVELOP AND THOSE WE WOULD WISH TO CONSERVE," MR BARNES SAID.

ON THE SUPPLY OF OFFICE SPACE, MR BARNES SAID THAT OVER THE LAST FIVE YEARS THE TOWN PLANNING BOARD HAD BEEN AGREEING TO A FAIRLY STEADY STREAM OF CONVERSIONS OF RESIDENTIAL LOTS TO OFFICE USE ALONG THE MASS TRANSIT MAIN LINES.

"IT HAS, HOWEVER, BEEN MORE HESITANT TO RUSH INTO LARGER SCALE CONVERSIONS OF FACTORY LOTS TO OFFICES, BECAUSE OF THE GENERAL UNCERTAINTY OF INDUSTRIAL DEMAND IN A CHANGING SCENE.

"NEVERTHELESS, SOME CHANGES OF ZONING TO COMMERCIAL USE HAVE BEEN AGREED IN AREAS WHERE INDUSTRY IS NO LONGER REALLY COMPATIBLE WITH THE ENVIRONMENT AND THESE ARE LIKELY TO CONTINUE," HE SAID.

MR BARNES ALSO SAID THAT THE BUILDINGS AND LANDS DEPARTMENT WOULD REVIEW ITS PROCEDURES AS REGARDS SMALL HOUSE LAND GRANTS AND CONSTRUCTION AND THE PAYMENT OF RESUMPTION COMPENSATION TO ENSURE THEY WERE COMPLETED AS SPEEDILY AND EFFICIENTLY AS POSSIBLE.

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AMBITIOUS TRANSPORT PROJECTS UNVEILED

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THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, TODAY (WEDNESDAY) UNVEILED IN THE LEGISLATIVE COUNCIL AMBITIOUS TRANSPORT INFRASTRUCTURE PROGRAMMES TO MEET HONG KONG'S GROWING DEMAND FOR IMPROVING THE MOBILITY OF PEOPLE AND GOODS.

SPEAKING IN THE RESUMED BUDGET DEBATE, MR LEUNG SAID THE SECOND COMPREHENSIVE STUDY HAD FORECAST THE NEED FOR THREE MAJOR TRUNK ROADS AND THREE RAILWAY LINKS TO KEEP HONG KONG MOVING INTO THE 21ST CENTURY.

THESE INCLUDED:

- * ROUTE 3 - A HIGH CAPACITY LINK BETWEEN THE LOK MA CHAU BORDER CROSSING AND THE CONTAINER PORT, AND THE URBAN AREAS OF KOWLOON AND HONG KONG ISLAND;
- * ROUTE 7 - A COASTAL TRUNK ROAD LINKING CAUSEWAY BAY TO ABERDEEN VIA THE WESTERN SIDE OF HONG KONG ISLAND TO TAKE THROUGH TRAFFIC AWAY FROM THE PRIMARY DISTRIBUTORS AND LOCAL ROADS;
- * A NEW ROUTE EXTENDING THE HUNG HOM BYPASS FROM TSIM SHA TSUI TO KWUN TONG;
- * AN EXTENSION OF THE MASS TRANSIT RAILWAY FROM LAM TIN TO JUNK BAY;
- * A NEW RAILWAY LINKING THE NORTH-WEST NEW TERRITORIES WITH THE URBAN AREAS; AND
- * A NEW URBAN RAIL HARBOUR CROSSING.

MR LEUNG SAID THAT A GREEN PAPER ON TRANSPORT POLICY WOULD BE TABLED IN THE COUNCIL SOON. AMONG OTHER THINGS IT WOULD OUTLINE A PACKAGE OF OPTIONS FOR THE INFRASTRUCTURE BUILDING PROGRAMME IDENTIFIED IN THE CTS-2 STUDY.

"AN ESSENTIAL FEATURE OF THE STUDY IS THE DEVELOPMENT OF A COMPUTERISED TRANSPORT MODEL WHICH CAN BE UPDATED REGULARLY TO TAKE INTO ACCOUNT FUTURE CHANGES IN POLICIES, PLANS AND CIRCUMSTANCES.

"IMPORTANT DATA SUCH AS THE LOCATIONS OF FUTURE PORT AND AIRPORT DEVELOPMENT WILL BE FED INTO THE MODEL SO THAT AN OPTIMUM AND PRACTICAL ROAD AND RAIL NETWORK CAN CONTINUE TO BE DEvised TO COPE WITH CHANGING NEEDS," HE SAID.

MR LEUNG STRESSED THAT THE GOVERNMENT WAS FIRMLY COMMITTED TO THE CONTINUED DEVELOPMENT OF ADEQUATE TRANSPORT INFRASTRUCTURE.

OVER THE PAST 10 YEARS MORE THAN \$38 BILLION HAD BEEN SPENT IN EXPANDING HONG KONG'S ROAD AND RAILWAY NETWORK.

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"THAT THE MOMENTUM OF OUR BUILDING PROGRAMME IS MAINTAINED IS BEST ILLUSTRATED BY THE TOTAL VALUE OF ALL PUBLIC AND PRIVATE HIGHWAY-RELATED INVESTMENTS, CURRENTLY UNDER CONSTRUCTION OR COMMITTED FOR COMPLETION BEFORE 1992, WHICH STANDS AT NEARLY \$23 BILLION," HE SAID.

"MANY OF THESE PROJECTS ARE NOT ONLY ESSENTIAL FOR ALLEVIATING CONGESTION ON SOME OF OUR BUSY CORRIDORS AND FOR THE CONTINUED GROWTH OF OUR ECONOMY, BUT ALSO IN MAINTAINING HONG KONG'S UNIQUE POSITION AS AN IMPORTANT TRADING PARTNER OF CHINA."

MR LEUNG SAID THAT IN PARALLEL WITH THE EXPANSION AND IMPROVEMENT OF TRANSPORT INFRASTRUCTURE, MUCH EFFORT WOULD CONTINUE TO BE SPENT IN IMPROVING THE EFFICIENCY OF THE ROAD SYSTEM, INCLUDING DEVISING TRAFFIC MANAGEMENT SCHEMES, TRAFFIC ENGINEERING MEASURES AND APPLYING THE MOST UP-TO-DATE TECHNOLOGY.

HE POINTED OUT THAT SUCH SCHEMES WERE OFTEN SMALL AND LOCALISED IN NATURE, BUT THEIR OVERALL CUMULATIVE EFFECT WOULD ENSURE THAT THE TRANSPORT SERVICES AND NETWORK WERE PROVIDED IN AN EFFICIENT AND COST-EFFECTIVE MANNER.

ON OTHER ASPECTS IN ENHANCING EFFICIENCY, MR LEUNG SAID THE GOVERNMENT WAS CONSIDERING TO CONTRACT OUT TRANSPORT DEPARTMENT'S VEHICLE EXAMINATION CENTRES AND PARKING METERS.

THE POSSIBILITY OF EXTENDING THE VALIDITY PERIOD OF DRIVING LICENCES FROM THREE YEARS TO A LONGER PERIOD WOULD ALSO BE CONSIDERED, HE SAID.

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90 PER CENT OF POPULATION TO REMAIN IN HK: SASI
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MORE THAN 90 PER CENT OF THE POPULATION WHO ARE EXPECTED TO REMAIN IN HONG KONG IN THE FUTURE WILL ENJOY A HIGHER STANDARD OF LIVING, AN IMPROVED ENVIRONMENT, ENHANCED EDUCATION AND TRAINING OPPORTUNITIES, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, THE HON PETER TSAO, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

AND, HE SAID, THEY WOULD ENJOY THE SHEER THRILL OF LIVING IN THE MOST VIBRANT CITY IN THE WORLD.

SPEAKING IN THE RESUMED BUDGET DEBATE, MR TSAO POINTED OUT THAT EMIGRATION -- A SUBJECT IN WHICH MANY MEMBERS HAD TOUCHED ON -- WAS NOT A PROBLEM.

/ "IT IS

"IT IS A SITUATION," HE SAID.

"IT CANNOT BE SOLVED BUT IT MUST BE ADDRESSED," HE NOTED.

"THOSE WHO WISH TO LEAVE WILL ALWAYS BE FREE TO DO SO, THOSE WHO WISH TO RETURN MUST ALWAYS BE MADE WELCOME THOUGH THEY SHOULD NOT EXPECT A SPECIAL BONUS ON TOP," HE SAID.

MR TSAO SAID THAT THE GOVERNMENT, SINCE IT STARTED LOOKING INTO THE EMIGRATION SITUATION ONE YEAR AGO, NOW HAD A GOOD GRASP OF THE OVERALL NUMBERS LEAVING.

"THESE FIGURES CAN OF COURSE ONLY BE ESTIMATES -- IN A FREE SOCIETY LIKE OURS THESE COULD HARDLY BE ANYTHING ELSE -- BUT WE ARE SATISFIED THAT OUR ESTIMATES ARE REASONABLY ACCURATE.

"THEY SHOW THAT EMIGRATION IS NOW LEVELLING OFF AT A LITTLE OVER DOUBLE THE RATE PREVAILING IN THE EARLY 1980s," HE SAID.

"THAT IS A SERIOUS SITUATION, BUT IT FALLS A LONG WAY SHORT OF THE CALAMITY PROPAGATED BY THE RUMOUR MILL ONE YEAR AGO," MR TSAO POINTED OUT.

HE SAID THE KNOWLEDGE OF PROFILE OF THOSE LEAVING HAD IMPROVED AND THERE WAS A CLEARER VIEW OF THEIR AGE BREAKDOWN, EDUCATION LEVEL AND THE EMPLOYMENT BREAKDOWN.

IN THE AREAS OF EDUCATION LEVEL AND EMPLOYMENT BREAKDOWN THE GOVERNMENT HAD ESTABLISHED INFORMATION SYSTEMS TO IMPROVE ITS KNOWLEDGE STILL FURTHER, MR TSAO NOTED.

"IN ALL THAT WE HAVE DONE, AND IN ALL THAT WE PROPOSE TO DO, WE WILL OF COURSE HONOUR THE UNDERTAKING THAT I GAVE TO THIS COUNCIL LAST YEAR : THERE WILL BE NO ENCROACHMENT ON THE FREEDOM OF THE INDIVIDUAL," HE SAID.

TURNING TO COUNTER-MEASURES, MR TSAO EMPHASISED THAT THIS WAS A RESPONSIBILITY SHARED BY MANY AND WAS NOT RESTRICTED TO THE GOVERNMENT.

"AS A RECENT REPORT TO THE EXECUTIVE COUNCIL SHOWED, THE FACT OF EMIGRATION IS BEING TAKEN INTO ACCOUNT BY A NUMBER OF BRANCHES AND DEPARTMENTS.

"IN NOTING THAT REPORT, THE EXECUTIVE COUNCIL DIRECTED THAT EFFORTS SHOULD CONTINUE IN A NUMBER OF AREAS," HE SAID.

MR TSAO POINTED OUT THAT FACT FINDING INTO EMIGRATION MUST CONTINUE SO THAT THE UNDERSTANDING OF THE SITUATION WAS AS COMPLETE AS POSSIBLE.

"I MIGHT JUST ADD THAT IN THAT AREA, WE HAVE NO PARTICULAR AXE TO GRIND. WE ARE CERTAINLY NOT PUBLISHING FIGURES TO ADVANCE A PARTICULAR LINE OF ARGUMENT.

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"WE SIMPLY WANT OUR ESTIMATES AND ASSESSMENTS TO BE AS ACCURATE AS POSSIBLE," HE SAID.

MR TSAO SAID MORE RESEARCH SHOULD BE CARRIED OUT INTO WHAT MADE PEOPLE LEAVE AND WHAT FACTORS THEY SAW AS POSSIBLE OBSTACLES TO THEIR RETURN.

"WE ARE LOOKING AT HOW INFORMATION ABOUT JOB OPPORTUNITIES IN HONG KONG -- INCLUDING CIVIL SERVICE VACANCIES -- CAN BE BETTER BROUGHT TO THE ATTENTION OF PEOPLE OVERSEAS, INCLUDING OF COURSE, FORMER HONG KONG RESIDENTS.

"THE EDUCATION FACILITIES FOR CHILDREN OF RETURNEES ARE UNDER REVIEW. WE ARE LOOKING AT THE POSSIBILITY OF BOOSTING STILL FURTHER THE PRODUCTION OF TERTIARY GRADUATES EACH YEAR," MR TSAO SAID.

HE ADDED THAT OTHER SUGGESTIONS MADE IN THE DEBATE WOULD BE CONSIDERED BY THE RELEVANT POLICY SECRETARIES.

ON THE QUESTION OF COMPUTER DATA PROTECTION, MR TSAO SAID THERE WAS A NEED TO LOOK AT THE POSSIBLE THREAT TO HONG KONG'S POSITION AS A FINANCIAL AND COMMERCIAL CENTRE BECAUSE SEVERAL COUNTRIES HAD ENACTED THEIR OWN DATA PROTECTION LEGISLATION AND HAD RATIFIED A CONVENTION FOR THE PROTECTION OF INDIVIDUALS.

"THIS CONVENTION PROVIDES AN INTERNATIONAL LEGAL BASIS FOR RESTRICTIONS ON THE FLOW OF PERSONAL DATA TO COUNTRIES OR TERRITORIES WHICH DO NOT HAVE SIMILAR LEGISLATION OF THEIR OWN," HE POINTED OUT.

"AT THIS STAGE THE THREAT DOES NOT APPEAR IMMINENT BUT IT IS CLEARLY SOMETHING WHICH WE CANNOT IGNORE," HE ADDED.

"AS FAR AS THE RIGHTS OF DATA SUBJECTS ARE CONCERNED THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS TO WHICH HONG KONG SUBSCRIBES THROUGH THE UNITED KINGDOM, PROVIDES THAT NO ONE SHALL BE SUBJECTED TO ARBITRARY OR UNLAWFUL INTERFERENCE WITH HIS PRIVACY AND THAT EVERYONE HAS THE RIGHT TO THE PROTECTION OF THE LAW AGAINST SUCH INTERFERENCE," HE SAID.

"WE ARE THEREFORE LOOKING AT WAYS TO ENSURE THAT THE PROTECTION AFFORDED BY THE COVENANT IS ENSHRINED IN STATUTE," MR TSAO SAID.

"THE AIM OF LEGISLATION IS THEREFORE TO PROTECT AND INDEED TO RECONCILE THE INTERESTS OF ALL PARTIES," HE ADDED.

MR TSAO SAID THE GOVERNOR-IN-COUNCIL DECIDED IN MARCH 1987 THAT DATA PROTECTION LEGISLATION SHOULD BE INTRODUCED IN HONG KONG.

IT WAS ALSO DECIDED THAT A WORKING GROUP WHICH WOULD INCLUDE REPRESENTATIVES OF THE PRIVATE SECTOR SHOULD BE SET UP TO CONDUCT AN EXAMINATION OF LEGISLATION ADOPTED IN OTHER COUNTRIES, AS A REFERENCE FOR THE WORK IN FORMULATING LEGISLATIVE PROPOSALS FOR HONG KONG, HE ADDED.

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AS THIS WAS LIKELY TO BE A LENGTHY AND COMPLEX PROCESS, IT WAS DECIDED THAT IN THE INTERIM A DATA PROTECTION CODE OF PRACTICE SHOULD BE COMPILED GOVERNING THE USE OF COMPUTERS IN GOVERNMENT, MR TSAO SAID.

HE SAID THE TWO MAIN ISSUES WHICH LED TO THE VIEW THAT THE SUBJECT DESERVED CLOSE ATTENTION WERE THE NEED OF DATA USERS TO ENJOY A FREE FLOW OF THE KIND OF INFORMATION WHICH WAS ESSENTIAL TO THE SUCCESSFUL CONDUCT OF THEIR BUSINESS, AND THE RIGHTS OF THOSE PEOPLE ABOUT WHOM SUCH DATA WERE COLLECTED TO ENJOY A PROPER DEGREE OF PROTECTION.

MR TSAO NOTED THAT ALTHOUGH THE CODE OF PRACTICE ISSUED TO GOVERNMENT DEPARTMENTS WAS BEING FOLLOWED, IT DOES NOT HAVE THE FORCE OF THE LAW AND THEREFORE COULD NOT BE POLICED.

"MY OFFICE HAS SERVED AS THE RECIPIENT OF ANY QUERIES FROM BOTH GOVERNMENT DEPARTMENTS AND THE PRIVATE SECTOR WHERE THE CODE HAS EITHER BEEN INCORRECTLY INTERPRETED OR NOT FULLY ADHERED TO. WE FOLLOW UP THESE CASES AND OFFER ADVICE WHERE APPROPRIATE," HE SAID.

HE SAID THE DRAFTING OF LEGISLATION WAS A COMPLEX BUSINESS, AND THAT IT WAS IN EVERYONE'S INTEREST THAT IT SHOULD BE PROCEEDED WITH CAUTIOUSLY.

"EXPERIENCE IN OTHER COUNTRIES HAS SHOWN THAT IT IS ONLY TOO EASY TO OVER -- OR INDEED UNDER -- LEGISLATE IN THIS AREA.

"WE DO NOT WANT TO FALL INTO THE TRAPS THAT HAVE SNARED OTHERS," MR TSAO SAID.

"OUR AIM IS TO DEVISE LEGISLATION OF THE MINIMUM COMPLEXITY WHICH WILL NONETHELESS BALANCE THE INTERESTS OF THE DATA USER, THE DATA SUBJECT AND THE COMMUNITY AT LARGE," HE ADDED.

ON A POINT RAISED ABOUT THE DIVISION OF PROCEEDS OF THE MARK SIX LOTTERIES INCOME, MR TSAO POINTED OUT THAT WHEN THE JOCKEY CLUB WAS ALLOCATED 7.5 PER CENT OF THE LOTTERIES FUND PROCEEDS, IT USED THE MONEY TO COVER ADMINISTRATIVE EXPENSES INVOLVED IN MANAGING THE MARK SIX LOTTERY.

"IF FOR SOME REASON THIS 7.5 PER CENT SHOULD TURN OUT TO BE GREATER THAN THE EXPENSES TO BE COVERED, ANY SUCH SURPLUS WOULD BE AVAILABLE FOR ALLOCATION FOR SOCIAL WELFARE AND SIMILAR PURPOSES," HE SAID.

MR TSAO SAID HE WOULD DARE NOT ALTER WHAT SEEMED TO BE A VERY REASONABLE AND LOGICAL ARRANGEMENT.

MORE TO BENEFIT FROM ASSISTED HOME PURCHASE SCHEMES

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THE HOUSING AUTHORITY HAS ALREADY INCREASED INCOME LIMITS AND LOANS SO THAT MORE PEOPLE CAN BENEFIT FROM THE ASSISTED HOME PURCHASE SCHEMES.

AS FROM APRIL 1 THIS YEAR, THE HOME OWNERSHIP SCHEME WAGE LIMIT WAS RAISED FROM \$8,500 TO \$10,000 WHILE THE LOAN AMOUNT OF THE HOME PURCHASE LOAN SCHEME WAS INCREASED TO \$110,000 FROM \$70,000.

THIS WAS STATED BY THE SECRETARY FOR DISTRICT ADMINISTRATION, THE HON DONALD LIAO, IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"SINCE THESE PROVISIONS HAVE JUST BEEN INTRODUCED, IT WOULD BE PREMATURE TO CONSIDER ANY CHANGES AT THIS TIME," HE SAID.

HOWEVER, MR LIAO ADDED THAT THE HOUSING AUTHORITY WOULD CLOSELY MONITOR THE IMPLEMENTATION OF THE REVISED SCHEMES TO SEE WHETHER ANY FURTHER REVISIONS WOULD BE NECESSARY.

ON THE PRODUCTION SIDE, MR LIAO SAID THAT WHILE THERE WAS A STRONG DEMAND FOR ASSISTED HOME OWNERSHIP, THERE WAS ALSO A SIZEABLE OUTSTANDING DEMAND FOR RENTAL PUBLIC HOUSING FROM SQUATTERS AND OTHER APPLICANTS ON THE GENERAL WAITING LIST.

AND ALTHOUGH A VERY SUBSTANTIAL DEMAND FOR RENTAL HOUSING WOULD BE MET BY THE MID-1990S UNDER THE LONG TERM HOUSING STRATEGY, MR LIAO POINTED OUT THAT THE HOUSING AUTHORITY, IN THE MEANTIME, HAD TO STRIKE A SUITABLE BALANCE IN ITS PRODUCTION PROGRAMME.

ON BUILDING MANAGEMENT, MR LIAO STRESSED THAT THE RESPONSIBILITY PRIMARILY RESTED WITH THE OWNERS THEMSELVES.

ALTHOUGH THE GOVERNMENT HAD NO INTENTION OF ASSUMING ANY PORTION OF THAT RESPONSIBILITY, IT WAS CONCERNED ABOUT THE CONSISTENT NEGLECT OF MANAGEMENT IN CERTAIN PRIVATE BUILDINGS.

IN THIS CONNECTION, MR LIAO SAID THAT GOVERNMENT'S AIM WAS TO ENSURE THAT A RIGHT LEGISLATIVE AND ADMINISTRATIVE FRAMEWORK EXISTED FOR A MULTI-OWNED BUILDING TO BE PROPERLY MANAGED.

CURRENT MEASURES IN THIS DIRECTION INCLUDE INCREASING THE NUMBER OF DISTRICT MANAGEMENT TEAMS AND IMPROVEMENTS TO THE CONTENTS OF NEW DEEDS OF MUTUAL COVENANT.

MR LIAO PRAISED THE ADVISORY COMMITTEE ON PRIVATE BUILDING MANAGEMENT WHICH HE SAID HAD "PUT IN A GREAT DEAL OF EFFORT INTO THEIR WORK SINCE ITS FORMATION SEVEN MONTHS AGO."

/"THE SUPPORT

"THE SUPPORT SERVICES FOR PRIVATE BUILDING MANAGEMENT, SUCH AS EDUCATIONAL PROGRAMMES FOR THE OFFICE-BEARERS OF OWNERS' CORPORATIONS AND MUTUAL AID COMMITTEES, PUBLICATION OF BUILDING MANAGEMENT HAND-BOOKS AND VARIOUS PROMOTIONAL ACTIVITIES, HAVE ALWAYS BEEN FUNDED UNDER VARIOUS EXPENDITURE ITEMS IN THE ESTIMATES," HE SAID.

"THE SUGGESTION THAT THERE SHOULD BE A SPECIFIC EXPENDITURE SUBHEAD IN THE ESTIMATES FOR PRIVATE BUILDING MANAGEMENT ACTIVITIES MAY APPEAR TO HELP TO SIMPLIFY THE EXISTING ARRANGEMENTS, BUT IT MAY LEAD TO PRACTICAL PROBLEMS WHICH HAVE TO BE CONSIDERED CAREFULLY."

TURNING TO SPORTS AND RECREATION, THE SECRETARY SAID THE GOVERNMENT HAD ACCEPTED AN OBLIGATION TO TRY TO ENSURE THAT THERE WAS "RECREATION FOR EVERYONE" AND GREAT STRIDES HAD BEEN MADE TOWARDS THIS GOAL.

"THANKS TO THE WORK OF THE COUNCIL FOR RECREATION AND SPORT, THE MUNICIPAL COUNCILS AND OTHER ORGANISATIONS INVOLVED IN BUILDING FACILITIES AND PROMOTING SPORT, HONG KONG PEOPLE NOW HAVE A WIDE CHOICE OF FACILITIES WHERE THEY CAN ENJOY PHYSICAL RECREATION," HE SAID.

MR LIAO WENT ON TO ANNOUNCE THE PROPOSED ESTABLISHMENT OF A SPORTS DEVELOPMENT BOARD. THIS DECISION FOLLOWED CAREFUL CONSIDERATION OF THE REPORT BY MR EMLYN JONES WHO WAS APPOINTED IN 1987 TO LOOK INTO THE WAY AHEAD FOR SPORT PROMOTION AND DEVELOPMENT IN HONG KONG.

"IT IS ENVISAGED THAT THE BOARD WOULD INCLUDE BOTH APPOINTED AND EX-OFFICIO MEMBERS REPRESENTING ALL THE PRINCIPAL ORGANISATIONS INVOLVED IN HONG KONG SPORT.

"THIS NEW BODY WOULD HAVE AS ITS OBJECT THE DEVELOPMENT OF SPORT AND RECREATION THROUGHOUT HONG KONG.

"IT WOULD WORK TO COORDINATE THE VARIOUS ELEMENTS IN LOCAL SPORT AND HELP OVERCOME EXISTING PROBLEMS, SUCH AS INSUFFICIENT AND COMPLEX FUNDING ARRANGEMENTS AND DIFFICULTIES IN THE BOOKING OF FACILITIES, WITHOUT DIRECT GOVERNMENT INVOLVEMENT IN THE AFFAIRS OF THE GOVERNING BODIES OF SPORT," HE SAID.

MR LIAO ADDED THAT APART FROM THE ESTABLISHMENT OF THE SPORTS DEVELOPMENT BOARD, THE GOVERNMENT HAS ALREADY ANNOUNCED THE APPOINTMENT OF A NEW POLICY SECRETARY FOR RECREATION AND CULTURE LATER THIS YEAR TO OVERSEE THE DEVELOPMENT AND PROMOTION OF SPORT AND RECREATION.

"HE WILL PROVIDE THE IMPORTANT LINK BETWEEN THE GOVERNMENT AND THE SPORTS DEVELOPMENT BOARD AND ENSURE THAT SPORT AND RECREATION WILL RECEIVE ADEQUATE ATTENTION FROM THE ADMINISTRATION."

ALL THESE NEW INITIATIVES, MR LIAO STRESSED, ILLUSTRATED THE GOVERNMENT'S RECOGNITION OF THE IMPORTANCE OF SPORT AND RECREATION TO THE WELL-BEING OF THE COMMUNITY.

WEDNESDAY, MAY 10, 1989

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TAVA SCHEME AMENDMENT APPROVED

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THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) APPROVED AN AMENDMENT TO THE ADMINISTRATIVE DOCUMENT GOVERNING THE TRAFFIC ACCIDENT VICTIMS ASSISTANCE SCHEME TO ENABLE VICTIMS OF ACCIDENTS INVOLVING LIGHT RAIL VEHICLES WHICH TOOK PLACE MORE THAN SIX MONTHS AGO TO APPLY FOR ASSISTANCE FROM THE FUND.

IN MOVING A RESOLUTION TO EFFECT THE AMENDMENT, THE SECRETARY FOR HEALTH AND WELFARE, THE HON T.H. CHAU, REFERRED TO THE TRAFFIC ACCIDENT VICTIMS (ASSISTANCE FUND) (AMENDMENT) BILL PASSED ON MAY 3.

THE MAIN PURPOSE OF THE BILL WAS TO EXTEND THE TRAFFIC ACCIDENT VICTIMS (ASSISTANCE FUND) ORDINANCE TO LIGHT RAIL VEHICLES OPERATED ON THE NORTH-WEST RAILWAY SO THAT VICTIMS OF ACCIDENTS INVOLVING LIGHT RAIL VEHICLES MIGHT APPLY FOR ASSISTANCE FROM THE FUND.

ALSO, IT CONTAINED A PROVISION WHICH WOULD ENABLE PERSONS WHO HAD BEEN INJURED IN AN ACCIDENT INVOLVING A LIGHT RAIL VEHICLE SINCE PUBLIC TRIALS ON THE NORTH-WEST RAILWAY BEGAN ON MARCH 1, 1988 TO BE ELIGIBLE FOR ASSISTANCE FROM THE FUND.

MR CHAU EXPLAINED THAT TO ENABLE VICTIMS OF ACCIDENTS INVOLVING LIGHT RAIL VEHICLES WHICH TOOK PLACE MORE THAN SIX MONTHS AGO TO APPLY FOR ASSISTANCE FROM THE FUND, IT WAS NECESSARY TO AMEND THE ADMINISTRATIVE DOCUMENT WHICH GOVERNED THE OPERATION AND ELIGIBILITY CRITERIA FOR ASSISTANCE UNDER THE SCHEME.

"THIS DOCUMENT, WHICH WAS APPROVED BY RESOLUTION OF THIS COUNCIL UNDER SECTION 4 OF THE ORDINANCE, STIPULATES, AMONGST OTHER THINGS, THAT APPLICATIONS FOR ASSISTANCE MUST BE SUBMITTED WITHIN SIX MONTHS OF THE DATE OF THE ACCIDENT.

"IT IS PROPOSED, THEREFORE, THAT THIS DOCUMENT BE AMENDED SO THAT PERSONS WHO HAVE BEEN INJURED IN A TRAFFIC ACCIDENT ON THE NORTH-WEST RAILWAY SINCE MARCH 1, 1988 ARE NOT SUBJECT TO THE SIX-MONTH APPLICATION RULE," HE SAID.

MR CHAU POINTED OUT THAT THE RELAXATION OF THIS RULE WOULD APPLY ONLY TO ACCIDENTS INVOLVING A LIGHT RAIL VEHICLE, AND NOT TO ACCIDENTS INVOLVING ANY OTHER CLASS OF VEHICLES.

"IT IS FURTHER PROPOSED THAT THIS AMENDMENT WOULD EXPIRE ON SEPTEMBER 1, 1989, WHICH WILL GIVE THE INJURED PERSONS CONCERNED OR THEIR DEPENDENTS MORE THAN THREE MONTHS WITHIN WHICH TO SUBMIT AN APPLICATION," HE SAID.

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KCRC CONDUCTING STUDY TO IMPROVE LRT VIABILITY

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THE KOWLOON-CANTON RAILWAY CORPORATION IS NOW CONDUCTING A FULL-SCALE STUDY TO IDENTIFY WAYS OF IMPROVING THE VIABILITY OF THE LIGHT RAIL TRANSIT SYSTEM, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID TODAY (WEDNESDAY).

TABLING THE ANNUAL REPORT AND ACCOUNTS OF THE CORPORATION FOR THE YEAR ENDING DECEMBER 31, 1988 IN THE LEGISLATIVE COUNCIL, MR JACOBS SAID IN THE FIRST FOUR MONTHS OF OPERATION, THE LIGHT RAIL TRANSIT SYSTEM SUFFERED AN OPERATING LOSS OF \$32 MILLION.

DESPITE TEETHING PROBLEMS, MR JACOBS SAID HE WAS CONFIDENT THAT THE LRT SYSTEM WOULD SOON ESTABLISH ITSELF AS AN ESSENTIAL SERVICE TO THE PEOPLE IN THE NORTH WESTERN NEW TERRITORIES.

HE NOTED THAT PHASE ONE OF THE SYSTEM WAS COMPLETED ON TIME. IT BEGAN OPERATION ON SEPTEMBER 18, 1988 AND CARRIED OVER 180,000 PASSENGERS PER DAY BY THE END OF THE YEAR.

THE FINANCIAL SECRETARY SAID THE CORPORATION ENJOYED A SUCCESSFUL YEAR IN 1988 WITH A TOTAL REVENUE OF \$1.4 BILLION, REPRESENTING A 49 PER CENT INCREASE OVER 1987.

PROFITS ROSE TO \$563 MILLION IN 1988. NET PROFIT, EXCLUSIVE OF \$239 MILLION FROM PROPERTY DEVELOPMENT ABOVE THE LIGHT RAIL TERMINUS AT TUEN MUN PIER HEAD, ROSE BY SOME 17 PER CENT TO \$324 MILLION.

IN ADDITION TO RETURNS FROM PROPERTY DEVELOPMENT, THE CORPORATION HAD MADE SIGNIFICANT GAINS IN ITS COMMERCIAL ACTIVITIES, WITH A REVENUE OF WELL OVER \$ 106 MILLION, MR JACOBS SAID.

DURING THE YEAR, TOTAL NET ASSETS INCREASED FROM \$3.2 BILLION TO NEARLY \$4 BILLION, WHILE BORROWING WAS CONTAINED UNDER \$1.5 BILLION.

"THESE ENCOURAGING RETURNS HAVE ENABLED THE CORPORATION TO CREATE A DEVELOPMENT RESERVE OF \$270 MILLION, FROM WHICH FUTURE INFRASTRUCTURAL IMPROVEMENTS AND EXPANSIONS MAY BE PARTLY FUNDED," THE FINANCIAL SECRETARY SAID.

THE HEAVY RAIL DIVISION OF THE CORPORATION HAD GROWN FROM A SMALL RAILWAY TRANSPORTING 40,000 PASSENGERS A DAY BEFORE ELECTRIFICATION TO A MASS CARRIER OF NEARLY 500,000 PASSENGERS A DAY, HE NOTED.

GROWTH OF 14 PER CENT WAS ACHIEVED DURING THE YEAR AND 153 MILLION JOURNEYS WERE UNDERTAKEN.

TRIPS ON CROSS-BORDER TRAVEL AT LO WU ALSO INCREASED BY 16 PER CENT TO 27 MILLION, MR JACOBS SAID.

/MR JACOBS

MR JACOBS ALSO TOLD MEMBERS THAT A FURTHER ORDER OF 54 CARS, TO BE DELIVERED DURING THE NEXT 18 MONTHS, HAD BEEN PLACED TO COPE WITH THE GROWING DEMAND FROM PASSENGERS.

IN ADDITION, WORK BEGAN LAST MONTH ON A MULTI-MILLION DOLLAR REDEVELOPMENT OF THE WORKSHOP AND DEPOT FACILITIES AT HO TUNG LAU TO CATER FOR THE EXPANSION OF THE TRAIN FLEET AND THE ACCOMPANYING MAINTENANCE WORK.

THE FINANCIAL SECRETARY ALSO POINTED OUT THAT FREIGHT TRAFFIC ON THE RAILWAY CONTINUED TO GROW DURING THE YEAR.

"WHILE IN-BOUND CARGO DROPPED BY 10 PER CENT, THIS WAS MORE OFFSET BY A 30 PER CENT GROWTH IN THE MORE PROFITABLE OUTBOUND TRAFFIC," HE SAID.

IN CONCLUDING, THE FINANCIAL SECRETARY SAID THE KOWLOON-CANTON RAILWAY CORPORATION HAD CONTINUED TO MOVE FROM STRENGTH TO STRENGTH AND HAD DEMONSTRATED ITS SUCCESS IN PROVIDING HIGH QUALITY TRANSPORT SERVICES TO THE COMMUNITY.

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APPROPRIATION BILL 1989 GIVEN SECOND READING.

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THE APPROPRIATION BILL 1989 WAS GIVEN A SECOND READING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN ADDITION, A RESOLUTION THAT AN AMENDMENT TO THE OUTLINE OF THE TRAFFIC ACCIDENT VICTIMS ASSISTANCE SCHEME UNDER THE TRAFFIC ACCIDENT VICTIMS (ASSISTANCE FUND) ORDINANCE WAS PASSED BY THE COUNCIL.

THE KOWLOON-CANTON RAILWAY CORPORATION ANNUAL REPORT 1988 WAS TABLED.

THE NEXT MEETING OF THE LEGISLATIVE COUNCIL WILL BE ON MAY 17 (WEDNESDAY).

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NEW EFFORTS TO CONSERVE ENDANGERED WILDLIFE

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THE GOVERNMENT WILL SHORTLY BE INTRODUCING ADDITIONAL MEASURES TO FURTHER TIGHTEN UP THE CONTROL ON THE TRADE IN ENDANGERED SPECIES IN HONG KONG AND TO ENHANCE ENFORCEMENT OF THE LAW WITH A VIEW TO BETTER CONSERVING ENDANGERED WILDLIFE.

THESE NEW MEASURES WILL BE PRESCRIBED IN A PROPOSED AMENDMENT TO THE ANIMALS AND PLANTS (PROTECTION OF ENDANGERED SPECIES) ORDINANCE. THE LOCAL LEGISLATION GIVING EFFECT TO THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES).

THE PROPOSED AMENDMENT, WHICH WILL SOON BE CONSIDERED BY THE LEGISLATURE, WILL SEEK TO INCREASE THE MAXIMUM FINE FOR BREACHING THE LAW BY FIVE-FOLD FROM \$5,000 TO \$25,000 FOR THE FIRST OFFENCE AND FROM \$10,000 TO \$50,000 FOR A REPEATED OFFENCE.

THE EXISTING FINE CEILINGS WERE FIXED IN 1976 WHEN THE ORDINANCE WAS ENACTED. THEY ARE NOW CONSIDERED TOO LOW TO PROVIDE THE NECESSARY DETERRENT.

ALSO INCLUDED IN THE PROPOSED AMENDMENT WILL BE A PROHIBITION ON THE TRADE IN ANY MEDICINAL PRODUCTS CLAIMING TO CONTAIN RHINOCEROS INGREDIENTS.

THE ASSISTANT DIRECTOR (CONSERVATION AND COUNTRY PARKS) OF THE AGRICULTURE AND FISHERIES DEPARTMENT, MR K.C. IU, TODAY (WEDNESDAY) TOLD A LUNCHEON MEETING OF THE ROTARY CLUB OF KOWLOON WEST ABOUT THESE IMPENDING LEGISLATIVE CHANGES.

MR IU SAID IN THE PAST FEW HUNDRED YEARS, RHINOCEROS HORNS HAD BEEN USED IN CHINA AND SOUTHEAST ASIAN COUNTRIES AS FEVER DISPELLENT AND AS A CURE FOR HEADACHE. THEY HAD ALSO BEEN USED AS THE HANDLE OF DAGGERS IN MIDDLE EAST COUNTRIES.

"BECAUSE OF THE HIGH DEMAND, RHINOCEROS WERE SO EXTENSIVELY POACHED IN THE PRODUCING COUNTRIES THAT THE TOTAL POPULATION WAS DRASTICALLY REDUCED FROM 70,000 IN THE EARLY 1970'S TO LESS THAN 10,000 IN 1988.

"IN COMPLIANCE WITH THE CITES RESOLUTION TO SAVE THE SPECIES FROM EXTINCTION, HONG KONG STARTED BANNING THE IMPORT OF RHINOCEROS PRODUCTS IN 1979. THE BAN WAS FURTHER EXTENDED IN AUGUST 1988 TO COVER THE INTERNAL SALE OF SUCH PRODUCTS," MR IU SAID.

HE ADDED THAT IF THE PROPOSED AMENDMENT WAS APPROVED, HONG KONG WOULD BE THE FIRST PLACE IN THE WORLD WHICH EXERCISED A TOTAL BAN ON RHINOCEROS INCLUDING SUBSTANCES CLAIMING TO CONTAIN ITS INGREDIENTS.

MR IU POINTED OUT THAT THE MAIN OBJECTIVE OF THE ORDINANCE WAS TO PREVENT AND DETECT ILLEGAL TRADING IN ENDANGERED WILDLIFE.

"THE GREAT MAJORITY OF TRADERS IN HONG KONG ARE LAW-ABIDING. HOWEVER, A FEW BLACK SHEEP HAVE BEEN USING VARIOUS WAYS TO CONTINUE WITH THE ILLEGAL TRADING ACTIVITIES.

"THIS HAS TARNISHED THE IMAGE OF HONG KONG INTERNATIONAL ENDANGERED SPECIES TRADE.

"WORSE STILL, IT HAS ALSO RESULTED IN SANCTION AGAINST HONG KONG PRODUCTS BY SOME OVERSEAS COUNTRIES, INDIRECTLY CAUSING FINANCIAL LOSSES TO THE LEGAL TRADERS," HE SAID.

APART FROM TRADERS, THE ORDINANCE ALSO APPLIES TO ANY MEMBER OF THE PUBLIC AND ALSO INDIVIDUALS GOING OR RETURNING FROM HOLIDAYS ABROAD.

ACCORDING TO MR IU, A SIZEABLE PROPORTION OF THE OFFENCES UNDER THE ORDINANCE INVOLVED TRAVELLERS BRINGING BACK SOUVENIRS SUCH AS STUFFED SEA TURTLES AND CROCODILES FROM SOUTHEAST ASIAN COUNTRIES AS WELL AS PANGOLINS, OWLS AND EAGLES FROM CHINA.

"ALTHOUGH MORE PEOPLE ARE NOW AWARE OF THIS PROHIBITION THROUGH GOVERNMENT PUBLICITY AND EDUCATION EFFORTS, THERE WERE STILL SOME 200 SUCH CASES IN 1988," HE SAID.

"I WOULD LIKE TO URGE MEMBERS OF THE PUBLIC TO REFRAIN FROM BUYING SUCH SOUVENIRS AND ANIMAL ITEMS WHEN THEY VISIT OVERSEAS COUNTRIES AND CHINA."

IN ORDER TO CARRY OUT THE CONTROL WORK MORE EFFECTIVELY, MR IU SAID THE GOVERNMENT HAD DEPLOYED ADDITIONAL STAFF RESOURCES IN THE LAST TWO YEARS AND ACTIONS WERE BEING TAKEN TO AMEND THE ORDINANCE TO ENHANCE ENFORCEMENT.

ON CONSERVATION OF ENDANGERED WILDLIFE, MR IU STRESSED THAT IT WAS NECESSARY BECAUSE WILDLIFE WAS AN IMPORTANT AND IRREPLACEABLE NATURAL RESOURCES.

IT WAS ALSO AN IMPORTANT COMPONENT OF THE LIFE-SUPPORTING ECOSYSTEM WHICH WOULD MAINTAIN THE BALANCE OF NATURE, AND ITS CONSERVATION WOULD ENSURE THE CONTINUATION OF THE GENETIC DIVERSITY FOR FUTURE USES.

HE SAID CONSERVATION OF THE ENDANGERED WILDLIFE COULD BE AFFECTED FIRSTLY BY MINIMISING THE DESTRUCTION AND POLLUTION OF THE NATURAL HABITATS TO ENABLE THE WILDLIFE TO REGENERATE.

THE OTHER WAY WAS TO STOP ILLEGAL POACHING AND OVER-HARVESTING IN PRODUCING COUNTRIES AND REGULATE THE TRADE OF THE ENDANGERED SPECIES INTERNATIONALLY.

MR IU CITED AS AN EXAMPLE THE AFRICAN ELEPHANTS WHICH HAVE BEEN EXTENSIVELY POACHED IN THEIR NATIVE COUNTRIES BECAUSE OF THE VALUE OF THEIR TUSKS.

"ALTHOUGH THERE ARE LEGISLATION IN THE PRODUCING COUNTRIES TO PREVENT OVER-EXPLOITATION AND DESTRUCTION OF THE HABITATS, THIS HAS, HOWEVER, PROVED TO BE INEFFECTIVE.

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"IT IS THEREFORE CONSIDERED NECESSARY TO REGULATE ITS PRODUCTION AND TRADE THROUGH INTERNATIONAL CO-OPERATION AND CONTROL," HE SAID.

MR IU ADDED THAT IT WAS THE RESPONSIBILITY OF ALL TO USE NATURAL RESOURCES WISELY AND REFRAIN FROM OVER-EXPLOITING THEM.

"ONLY BY SO DOING, THESE RESOURCES WILL CONTINUE TO BE AVAILABLE FOR USE BY THIS GENERATION AND MANY GENERATIONS TO COME," HE SAID.

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FARMERS VISIT PRIVATE DEMONSTRATION FARM

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ABOUT 30 FARMERS FROM THE YUEN LONG AND NORTH DISTRICTS TODAY (WEDNESDAY) VISITED A PRIVATE POULTRY FARM IN SHEUNG SHUI AND SAW FOR THEMSELVES THE EFFECTIVENESS OF THE LIVESTOCK WASTE TREATMENT SYSTEM INSTALLED THERE.

THE FARM IS IN KAM TSIN TSUEN, SHEUNG SHUI, AND KEEPS ABOUT 15,500 CHICKENS.

THE WASTE TREATMENT SYSTEM ADOPTED WAS THE DRY-MUCK-OUT METHOD. THE SYSTEM WAS HANDED OVER TO THE FARMER IN MARCH THIS YEAR AND HAS BEEN OPERATING SUCCESSFULLY SINCE THEN.

THE VISIT IS THE FIRST IN A SERIES OF VISITS CO-ORDINATED BY THE CITY AND NEW TERRITORIES ADMINISTRATION AND CONDUCTED BY THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD), TO ALLOW FARMERS TO SEE THE ACTUAL OPERATION OF VARIOUS LIVESTOCK WASTE TREATMENT METHODS IN PRIVATE FARM CONDITIONS.

A SPOKESMAN FOR THE EPD SAID DIFFERENT WASTE TREATMENT METHODS HAVE BEEN SET UP ON NINE LOCAL LIVESTOCK FARMS.

VARIOUS METHODS ARE BEING DEMONSTRATED RANGING FROM SIMPLE SYSTEMS REQUIRING DRY MUCKING OUT OF THE WASTE TO MORE SOPHISTICATED FULL WASTE TREATMENT SYSTEMS.

ALSO INCLUDED IS THE NEW TECHNIQUE OF RAISING PIGS ON A DRY SAWDUST LITTER BED IN WHICH THE WASTE IS COMPOSTED USING A BACTERIAL PRODUCT TO ENHANCE NATURAL PROCESSES.

UNDER THE DEMONSTRATION SCHEME, THE GOVERNMENT HAS TO SET UP THE APPROPRIATE SYSTEMS ON THE FARMS AND HAND THEM OVER TO THE FARMERS FOR OPERATION FOR SIX MONTHS.

THE FARMERS WILL BE TRAINED BY THE GOVERNMENT APPOINTED CONSULTANT ON THE USE OF THE FACILITIES.

SO FAR, FIVE TREATMENT SYSTEMS HAVE BEEN HANDED OVER TO THE FARMERS.

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WEDNESDAY, MAY 10, 1989

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DB COMMITTEE TO DISCUSS WAYS TO MONITOR AIR QUALITY
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THE TUEN MUN DISTRICT BOARD'S ENVIRONMENTAL IMPROVEMENT AND DISTRICT DEVELOPMENT COMMITTEE WILL DISCUSS AT ITS MEETING TOMORROW (THURSDAY) WAYS TO MONITOR THE AIR QUALITY IN INDUSTRIAL AREAS FOLLOWING COMPLAINTS ABOUT SMOKE BEING EMMITTED FROM FACTORIES.

A PAPER BY A DISTRICT BOARD MEMBER OUTLINING A NUMBER OF FAVOURABLE FACTORS FOR THE CONSTRUCTION OF A ZOO IN TUEN MUN WILL BE SUBMITTED AT THE MEETING.

MEMBERS WILL CONSIDER AN APPLICATION FROM THE CLEAN TUEN MUN CAMPAIGN COMMITTEE FOR DISTRICT BOARD FUNDS FOR ORGANISING A CLEAN BEACH DAY.

OTHER ITEMS ON THE AGENDA INCLUDE A REQUEST TO RE-PAVE A SECTION OF KAI MAN PATH, THE DEVELOPMENT OF A SITTING-OUT-AREA NEAR HONG LAI GARDEN, THE ENVIRONMENTAL HYGIENE PROBLEM IN WU KING ESTATE, AND A REQUEST TO CONVERT THE LAM TEI MARKET INTO A MARKET COMPLEX.

THE WORK REPORT OF THE COMMITTEE, FINANCIAL POSITION OF DISTRICT BOARD FUNDS, PROGRESS REPORT ON LOCAL PUBLIC WORKS PROJECTS AND A LIST OF PROPOSED MINOR ENVIRONMENTAL IMPROVEMENT PROJECTS WILL ALSO BE TABLED FOR MEMBERS' INFORMATION.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE TUEN MUN DISTRICT BOARD'S ENVIRONMENTAL IMPROVEMENT AND DISTRICT DEVELOPMENT COMMITTEE TO BE HELD TOMORROW (THURSDAY) IN THE DB CONFERENCE ROOM ON THE THIRD FLOOR, TUEN MUN GOVERNMENT OFFICES BUILDING, 1 TUEN HI ROAD.

THE MEETING WILL BEGIN AT 2.30 PM.

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DB COMMITTEE TO DISCUSS ROAD-WIDENING SCHEME
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THE SHAM SHUI PO DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL COMMENT ON A PROPOSAL BY THE TRANSPORT DEPARTMENT TO WIDEN LAI WAN ROAD AT ITS MEETING TOMORROW (THURSDAY).

ACCORDING TO A PAPER TO BE SUBMITTED TO THE COMMITTEE TOMORROW, THE COMPLETION OF THE LAI CHI KOK PARK SPORTS COMPLEX AND LAI CHI KOK PARK STAGE I, PHASE I, WOULD MAKE IT NECESSARY TO WIDEN THE EXISTING LAI WAN ROAD TO PROVIDE PICKING UP AND SETTING DOWN POINTS, AND TO IMPROVE TRAFFIC FLOW.

/THE PROJECT

THE PROJECT IS ALSO NECESSARY FOR IMPROVING PEDESTRIAN FACILITIES AND THE ENVIRONMENT TO TIE IN WITH THE DEVELOPMENTS OF ADJACENT AREAS.

THESE DEVELOPMENTS INCLUDE THE CONSTRUCTION OF A URBAN SERVICES DEPARTMENT TRAINING SCHOOL, A DISTRICT LIBRARY AND THE LAI CHI KOK PARK, AS WELL AS THE LAI CHI KOK RECLAMATION.

MEMBERS WILL ALSO GIVE THEIR VIEWS ON POSSIBLE IMPROVEMENTS TO PEDESTRIAN CROSSING FACILITIES AT KWONG LEE ROAD TO ENSURE THE SAFETY OF ROAD USERS.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE MEETING OF THE SHAM SHUI PO DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE TO BE HELD TOMORROW (THURSDAY) IN THE SHEK KIP MEI COMMUNITY HALL, BLOCK 42, SHEK KIP MEI ESTATE. THE MEETING WILL BEGIN AT 2 PM.

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DB HOUSING COMMITTEE TO DISCUSS WORK PLAN
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THE KWUN TONG DISTRICT BOARD'S HOUSING COMMITTEE WILL DISCUSS ITS WORK PLAN FOR 1989-90 AT ITS MEETING TOMORROW (THURSDAY).

AT THE COMMITTEE'S LAST MEETING IT WAS AGREED THAT THIS YEAR'S PROGRAMME SHOULD FOCUS ON PROVIDING PUBLIC HOUSING TENANTS WITH INFORMATION ON REDEVELOPMENT AND MAINTENANCE OF ESTATES AS WELL AS COLLECTING THEIR VIEWS ON PUBLIC HOUSING MANAGEMENT MATTERS.

AT TOMORROW'S MEETING, MEMBERS WILL DISCUSS IN DETAIL ACTIVITIES TO BE ORGANISED TO ACHIEVE THESE PURPOSES.

THEY WILL ALSO EXPRESS VIEWS ON THE IMPACT OF THE RECENT RENT INCREASE ON THE OPERATION OF MUTUAL AID COMMITTEES IN ESTATES MANAGED BY THE HONG KONG HOUSING SOCIETY.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE KWUN TONG DISTRICT BOARD'S HOUSING COMMITTEE TO BEGIN AT 2.30 PM TOMORROW (THURSDAY) IN THE CONFERENCE ROOM ON THE THIRD FLOOR OF THE KWUN TONG DISTRICT BRANCH OFFICES BUILDING, TUNG YAN STREET.

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WEDNESDAY, MAY 10, 1989

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GOVT SITES TO LET BY TENDER
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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT TERM TENANCY OF A SITE IN SHA TIN, NEW TERRITORIES.

THE SITE, COVERING AN AREA OF ABOUT 5,400 SQUARE METRES, IS LOCATED AT LAI PING ROAD, KAU TO.

IT IS FOR A BUILDING CONTRACTOR'S PLANT (EXCEPT ROCK CRUSHING) MAINTENANCE AND STORAGE DEPOT FOR BUILDING MATERIALS, PLANT, MACHINERY, EQUIPMENT, GOODS (EXCLUDING CONTAINERS) AND THE TENANT'S VEHICLES.

THE TENANCY IS FOR THREE YEARS AND RENEWABLE ON A QUARTERLY BASIS.

TENDERS ARE ALSO BEING INVITED FOR LETTING EIGHT LOG PONDS AT YAM O WAN, NORTHEAST LANTAU.

THE PONDS, COVERING AN AREA RANGING FROM ABOUT 1,755 SQUARE METRES TO 9,336 SQUARE METRES, ARE FOR STORAGE OF FLOATING LOGS ONLY.

THE TENANCY IS FOR ONE YEAR AND RENEWABLE QUARTERLY AFTERWARDS.

FORMS OF TENDER, TENDER NOTICES AND CONDITIONS MAY BE OBTAINED FROM AND TENDER PLAN INSPECTED AT:

- * THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG; AND
- * THE DISTRICT LANDS OFFICES KOWLOON, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON.

TENDERS FOR THE SHA TIN SITE AND THE LOG PONDS MUST BE SUBMITTED BY NOON ON MAY 26.

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CUSTOMS PRAISED FOR ELIMINATING COUNTERFEIT GARMENTS
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HONG KONG IS NO LONGER BEING REGARDED AS A HEAVEN FOR COUNTERFEITING AND PIRACY AFTER THE CUSTOMS AND EXCISE DEPARTMENT HAS CARRIED OUT DETERMINED ENFORCEMENT ACTIONS OVER THE YEARS.

THE DEPUTY COMMISSIONER OF CUSTOMS AND EXCISE, MR K.S. TONG SAID THIS AT A PRESENTATION CEREMONY TODAY (WEDNESDAY).

THE CUSTOMS INVESTIGATION BUREAU AND THE TRADING STANDARDS INVESTIGATION BUREAU WERE EACH PRESENTED WITH A PLAQUE BY THE TEXWOOD LIMITED IN RECOGNITION OF THEIR EFFORTS IN PROTECTING THE TRADEMARK OF THE COMPANY'S GARMENT PRODUCTS.

/MR TONG

MR TONG SAID THAT MOST ILLEGAL ACTIVITIES HAD TURNED UNDERGROUND WITH THE DETERMINED ENFORCEMENT ACTIONS IN THE PAST YEARS.

"IN 1988, \$39 MILLION WORTH OF COUNTERFEIT GOODS WERE SEIZED, OF WHICH \$16.3 MILLION WERE GARMENT PRODUCTS," HE SAID.

MR TONG POINTED OUT THAT CUSTOMS ACTION ON COUNTERFEIT TEXWOOD GARMENTS WAS FIRST INITIATED IN JUNE 1987 WHEN COMPLAINT ABOUT SOME JEANS WITH A TRADEMARK CLOSELY RESEMBLING THE REGISTERED TRADEMARK OF THE COMPANY WAS RECEIVED.

THE OPERATION TAKEN THEN HAD RESULTED IN THE PROSECUTION OF NINE PERSONS, INCLUDING FIVE RETAILERS AND A MANUFACTURER AND THE SEIZURE OF 220 PAIRS OF JEANS.

IN MARCH THIS YEAR, ANOTHER RETAILER WAS ARRESTED AND 370 PAIRS OF COUNTERFEIT JEANS WERE SEIZED. THE RETAILER WAS LATER FINED \$9,250.

MR TONG ADDED THAT THE SUCCESSFUL CONCLUSION OF THESE TWO CASES CLEARLY DEMONSTRATED THE IMPORTANCE OF CO-OPERATION BETWEEN TRADEMARK OWNERS AND ENFORCEMENT AGENCY, WITHOUT WHICH THE DEPARTMENT COULD NOT PROTECT THE TRADING INTEGRITY OF HONG KONG.

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INSTALLATION OF PARKING METERS IN PERTH STREET, KOWLOON CITY
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PARKING METERS INSTALLED AT THE PARKING SPACES IN PERTH STREET, KOWLOON CITY, WILL COMMENCE OPERATION FROM 10 AM ON FRIDAY (MAY 12), THE TRANSPORT DEPARTMENT ANNOUNCED TODAY (WEDNESDAY).

A SPOKESMAN FOR THE DEPARTMENT SAID THE INSTALLATION AIMS TO RATION THE UTILISATION OF THE PARKING SPACES.

THE TWO-HOUR METERED PARKING SPACES FOR VEHICLES OTHER THAN MEDIUM AND HEAVY GOODS VEHICLES, BUSES, MOTOR CYCLES AND PEDAL CYCLES WILL CHARGE \$2 FOR EVERY 30 MINUTES, AND WILL OPERATE FROM 8 AM TO MIDNIGHT DAILY EXCEPT SUNDAYS AND PUBLIC HOLIDAYS.

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WEDNESDAY, MAY 10, 1989

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URBAN CLEARWAYS ON TAIKOO SHING ROAD

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT FROM 10 AM ON FRIDAY (MAY 12), THE FOLLOWING SECTIONS OF TAIKOO SHING ROAD WILL BE DESIGNATED PEAK HOUR (7 - 10 AM AND 4 - 7 PM) DAILY URBAN CLEARWAYS :

- * THE SECTION BETWEEN TAI YUE AVENUE AND A POINT ABOUT 90 METRES TO THE EAST OF WESTLANDS ROAD; AND
- * THE SOUTHERN KERBSIDE LANE FROM ITS JUNCTION WITH TAI YUE AVENUE TO A POINT ABOUT 40 METRES TO THE EAST.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS WITHIN THE RESTRICTED AREAS.

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TEMPORARY URBAN CLEARWAY ON WING FUNG STREET, WAN CHAI

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT FROM 10 AM ON FRIDAY (MAY 12), THE EASTERN KERBSIDE LANE OF WING FUNG STREET IN WAN CHAI WILL BE DESIGNATED A 7 AM TO 7 PM DAILY URBAN CLEARWAY.

THIS MEASURE WILL LAST FOR ABOUT SIX WEEKS TO FACILITATE ROAD RECONSTRUCTION WORKS.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

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VEHICLE BAN IN PERTH STREET, KOWLOON CITY

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT FROM 10 AM ON FRIDAY (MAY 12), ALL VEHICLES EXCEEDING EIGHT METRES IN LENGTH WILL BE BANNED FROM ENTERING PERTH STREET IN KOWLOON CITY BETWEEN SHEK KU STREET AND PRINCESS MARGARET ROAD 24 HOURS DAILY.

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TRAFFIC ARRANGEMENT FOR TAM KUNG FESTIVAL

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THE TRANSPORT DEPARTMENT ANNOUNCED THAT SHAU KEI WAN MAIN STREET EAST BETWEEN KAM WA STREET AND A KUNG NGAM ROAD WILL BE CLOSED FROM 8 AM TO 5 PM ON FRIDAY (MAY 12) TO FACILITATE THE CELEBRATION ACTIVITIES OF THE TAM KUNG FESTIVAL.

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