



DAILY INFORMATION BULLETIN

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BUDGET 'BALANCED AND LOGICAL', FS SAYS

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WHILE SHARING WITH MEMBERS OF THE LEGISLATIVE COUNCIL AND THE PUBLIC A SENSE OF THEIR SHOCK AT SHARPLY INCREASED INDIRECT TAXES, DUTIES AND FEES, HE BELIEVED THAT HIS +TOUGH BUDGET+ WAS +BALANCED AND LOGICAL+, THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE, SAID TODAY.

+SOME WILL CONTINUE TO CRITICISE IT GENERALLY FOR SOFT REASONS THE EFFECT OF WHOSE ADOPTION CAN GENERALLY BE SEEN ELSEWHERE IN THE SHAPE OF INFLATION, HIGH PUBLIC EXPENDITURE, EXCESSIVE TAXATION, INDUSTRIAL DECAY AND MASS UNEMPLOYMENT.

+MOST WILL AGREE THAT IT IS NECESSARY AT THIS MOMENT IN OUR HISTORY. INDEED WE HAVE NO EASY OPTIONS,+ MR BREMRIDGE SAID.

HE REPEATED THE VIEW HE EXPRESSED IN HIS BUDGET SPEECH THAT THERE WAS NO SENSIBLE ALTERNATIVE BUT TO PROMOTE +ACTUAL EXPORT NOT THEORETICAL EQUITY, SOLVENCY NOT SOFT-HEARTEDNESS, INCENTIVES NOT IDEOLOGY+ -- WHILE STILL REMAINING COMPASSIONATE AND CARING PARTICULARLY IN THE CASE OF INDIVIDUAL INADEQUACIES AND SUFFERING.

REFERRING TO INDIVIDUAL POINTS RAISED BY UNOFFICIAL MEMBERS, MR BREMRIDGE SAID HE AGREED +VERY MUCH+ WITH THE HON S.L. CHEN'S COMMENTS ON THE NEED TO DEVELOP CONTINUALLY IN THE CIVIL SERVICE +VALUE FOR MONEY AWARENESS+.

+MUCH HAS ALREADY BEEN DONE. NO DOUBT MORE IS NECESSARY. BUT CIVIL SERVANTS, LIKE THEIR FELLOWS IN THE PRIVATE SECTOR, ARE GENERALLY MOTIVATED TO DO THEIR BEST,+ HE SAID.

REFERRING TO COMMENTS BY DR THE HON HENRY HU ABOUT INTEREST TAX ISSUES, HE SAID THAT, HAVING WITH SUBSEQUENT SUCCESS REMOVED THE TAX ON FOREIGN CURRENCY DEPOSITS ONLY A YEAR AGO, HE DID NOT INTEND TO LEVY SUCH A TAX AGAIN THIS YEAR --+EVEN ON A REDUCED BASIS+.

+IT WOULD RESULT,+ HE ADDED, +IN A HUGE OUTFLOW.+

MR BREMRIDGE SAID HE NOTED, AND TO SOME EXTENT SHARED, DR HU'S VIEWS ON POSSIBLE GOVERNMENT BORROWING AND WOULD BEAR THIS IN MIND.

MR BREMRIDGE SAID HE SHARED THE CONCERN EXPRESSED BY THE HON WONG LAM AND THE HON CHEUNG YAN-LUNG ABOUT INCREASED RATES.

+BUT, HOWEVER UNPALATABLE, THE SITUATION MUST BE RECOGNISED,+ HE SAID.

FROM 1977-78 TO 1981-82, THE YIELD FROM THE GENERAL RATE INCREASED BY ONLY 1.5 TIMES, COMPARED WITH A THREE-FOLD INCREASE IN ALL OTHER RECURRENT REVENUE.

IN 1982-83 THE YIELD EVEN IN MONEY TERMS FROM THE GENERAL RATE WILL BE SLIGHTLY LESS THAN THE 1977-78 LEVEL. THE PROPOSED INCREASES IN THE GENERAL RATE PERCENTAGES FOR 1983-84 WILL RAISE THE YIELD ONLY marginally ABOVE THE 1981-82 LEVEL, BUT IT WILL STILL BE BELOW IN REAL TERMS.

+WE ARE DOING NO MORE THAN STAND STILL,+ MR BREMRIDGE SAID.

ON THE PROPOSED DEPENDENT PARENTS ALLOWANCE INCREASE BY \$2 000, HE SAID IT WAS TO MAKE SPECIAL PROVISION FOR THOSE WHO ACCOMMODATE THEIR PARENTS IN THEIR OWN HOUSEHOLDS, AND SHOULD NOT APPLY TO PARENTS LIVING ELSEWHERE.

DISCUSSING DR THE HON RAYSON HUANG'S COMPLAINT ABOUT THE INCREASED COST OF DRIVING LICENCES, MR BREMRIDGE EXPLAINED THAT THIS WAS COST RELATED -- THE LAST REVISION BEING AS LONG AGO AS 1973.

ON THE QUESTION OF CIVIL SERVANTS' PAY INCREASE, HE SAID HE FELT THE FINAL DECISION WAS +BOTH FAIR IN ITSELF AND JUST ACCEPTABLE IN BUGDEARY TERMS+.

MR BREMRIDGE SAID MUCH OF WHAT DR THE HON HO KAM-FAI SAID ABOUT SUPERVISION OF PUBLIC EXPENDITURE WAS +VERY HELPFUL+..+

+IN PARTICULAR HE WAS PERCEPTIVE IN STRESSING THE IMPORTANCE OF AN 'ON-GOING MECHANISM WHEREBY DEPARTMENTS ARE CONSTANTLY REVIEWING THEIR EXPENDITURE'+ MR BREMRIDGE SAID.

THE NEED TO BE EVER MINDFUL OF COST EFFECTIVENESS WAS NOT NEW, AND HAD ALWAYS BEEN AN IMPORTANT FACTOR IN THE ROLE OF THE FINANCE BRANCH, HE ADDED.

MR BREMRIDGE SAID THAT HE SHARED THE HON ALLEN LEE'S +SOUND VIEWS ON THE NEED CONSTANTLY TO FIGHT INFLATION+.

BUT HE WAS SORRY THAT MR LEE DID NOT COMMENT THAT THERE WAS A REDUCTION OF 33 PER CENT LAST YEAR AND THAT THERE SHOULD BE A FURTHER 10 PER CENT DROP IN THE NEXT FINANCIAL YEAR DESPITE THE MILD INFLATIONARY IMPACT OF HIS TAX PACKAGES.

MR BREMRIDGE SAID HE HAD NO DOUBT MR LEE WOULD AGREE THAT INFLATION WOULD NOT BE BEATEN BY PLEAS FOR SUBSIDY FOR THE PUBLIC UTILITIES OR FOR VARIOUS INDUSTRIES, AS THIS WOULD MERELY COME THROUGH IN EXCESSIVE PUBLIC SECTOR EXPENDITURE.

+BUT WE MUST CONTINUE TO SEEK HIGHER PRODUCTIVITY AND GREATER EFFICIENCY IN OUR EFFORT TO CONTAIN RISING COSTS,+ HE SAID.

REFERRING TO THE PROPOSAL BY THE HON ANDREW SO FOR A DEPOSIT INSURANCE SCHEME, MR BREMRIDGE SAID THE GOVERNMENT'S POLICY WOULD NOT CHANGE FROM THE FULL ANSWER WHICH HE GAVE THE COUNCIL AS RECENTLY AS MARCH 9, WHEN MR SO RAISED THE SAME ISSUE.

+HE AND OTHERS WILL, HOWEVER, BE PLEASED TO KNOW THAT DRAFTING INSTRUCTIONS HAVE ALREADY BEEN GIVEN FOR AMENDMENTS DESIGNED TO TIGHTEN UP THE BANKING AND DTC ORDINANCES,+ HE SAID.

MR BREMRIDGE SAID THAT, SUBJECT TO CONSULTATIONS AND TO EXECUTIVE COUNCIL ADVICE, HE HOPED TO PRESENT AMENDMENT BILLS TO THE COUNCIL WELL BEFORE THE END OF THIS SESSION.

+CONSISTENT UPDATING IS ESSENTIAL -- NOT LEAST IN THE LIGHT OF RECENT EXCESSES, WHICH I DEPLORE,+ HE ADDED.

ON THE COUNCIL FOR THE PERFORMING ARTS, MR BREMRIDGE SAID THE SUGGESTION BY THE HON WILLIAM BROWN OF A ONE-LINE VOTE WOULD BE CONSIDERED.

MR BREMRIDGE ALSO GAVE ASSURANCE THAT THE GROWTH OF PUBLIC SECTOR EXPENDITURE REQUIRED CONSTANT CONTROL AND THAT HE WOULD DO HIS BEST TO MAKE SURE THAT THERE WAS NO ABSOLUTE GROWTH BEYOND 24 PER CENT.

HE ALSO AGREED ENTIRELY WITH THE HON STEPHEN CHEONG'S +PERTINENT VIEWS ON PUBLIC SECTOR, BUDGETARY AND EXPENDITURE CONTROL+.

+MY AGREEMENT IS OF COURSE IN PRINCIPLE AND NOT NECESSARILY IN DETAIL,+ HE ADDED.

REFERRING TO THE HON MARIA TAM'S COMMENTS ON THE NEED TO TRACE THE INCOME OF COMPANIES REGISTERED IN HONG KONG, MR BREMRIDGE POINTED OUT THAT THE INLAND REVENUE DEPARTMENT HAD AN ACTIVE INVESTIGATIONS UNIT WITH 70 PROFESSIONAL OFFICERS +DEDICATED TO THE DETECTION AND PUNISHMENT OF TAX EVADERS+.

MR BREMRIDGE SAID HE WAS GRATEFUL FOR DR HENRY HU AND THE HON ROGER LOBO'S ACCEPTANCE OF +THE WISDOM OF POSTPONING BUDGET DAY BY A MONTH+.

QUITE DIFFICULT ISSUES WERE, HOWEVER, INVOLVED, AND THE NECESSARY PROCESSES WOULD NOW COMMENCE.

IT WAS TOO EARLY TO SAY WHETHER SUCH A POSTPONEMENT COULD BE IMPLEMENTED SUCCESSFULLY, BUT HE WAS HOPEFUL, MR BREMRIDGE SAID.

AT THE CONCLUSION OF HIS SPEECH, MR BREMRIDGE SAID THAT HE HAD BEEN GREATLY ASSISTED IN THE PAST TWO YEARS BY +AN ADMIRABLE DEPUTY FINANCIAL SECRETARY -- THE HON HENRY CHING+, WHO WOULD BE TAKING UP THE POST OF SECRETARY FOR HEALTH AND WELFARE.

+MY PREDECESSOR JOINS ME IN THANKING HIM FOR ALL HE HAS DONE FOR BOTH OF US AND IN WISHING HIM WELL FOR THE FUTURE,+ MR BREMRIDGE SAID.

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'WE FACE FUTURE WITHOUT DEBT'

LET US BE GRATEFUL THAT WE FACE THE FUTURE WITHOUT DEBT AND WITH SATISFACTORY FISCAL RESERVES, THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE, SAID TODAY AT THE RESUMED BUDGET DEBATE.

HE ALSO SAID WE SHOULD THANK THOSE RESPONSIBLE FOR THIS SITUATION -- +IT IS NOT A GENERAL EXPERIENCE IN TODAY'S WORLD.+

SUMMING UP HIS BUDGETARY POLICY AND ANSWERING UNOFFICIAL COMMENTS, MR BREMRIDGE SAID THE +HARD TRUTH+ WAS THAT ON APRIL 1, 1983, HONG KONG HAD FREE FISCAL RESERVES (SURPLUS AFTER PROPER PROVISION FOR CONTINGENCIES) OF ABOUT \$11.5 BILLION.

HE SAID THE EXPECTED DEFICIT IN THE 1983-84 FINANCIAL YEAR MIGHT CONCEIVABLY BE UP TO \$1 BILLION LARGER THAN FORECAST.

+CONSEQUENTLY WITHOUT INCREASED TAXATION HONG KONG COULD FACE AN UNCERTAIN 1984-85 WITH FREE FISCAL RESERVES REDUCED TO ABOUT \$4.3 BILLION. THIS WOULD CLEARLY BE DANGEROUSLY LOW,+ MR BREMRIDGE EXPLAINED.

HE MAINTAINED FIRMLY THE NEED TO INCREASE TAXATION BY ABOUT \$3 BILLION, ADDING:

+IT IS ALSO IMPORTANT THAT WE SHOULD BE SEEN TO BE RESORTING TO PRESENT SELF HELP AND NOT TO BE TAKING THE EASY WAY OUT BY SHORTSIGHTEDLY LIVING ON OUR PAST SUCCESSSES. MOREOVER WE MUST HAVE ROOM FOR MANOEUVRE -- WITH REGARD TO POSSIBLE BORROWING IN PARTICULAR.+

ON THE CONSIDERABLE INCREASES HE HAD PROPOSED IN INDIRECT TAXATION, MR BREMRIDGE SAID IT WAS A FACT TAXES WERE RAISED FOR FISCAL AND NOT FOR SOCIAL ENGINEERING OR OTHER PURPOSES.

+IN STEADY CIRCUMSTANCES THE TAXPAYER MIGHT THUS EXPECT REGULAR, GENTLE INCREASES IN INDIRECT TAXATION, AND NOT AS HAS HAPPENED A RELATIVE STANDSTILL FOR SEVERAL YEARS AND THEN A HORRIBLE DAY OF AWAKENING.

+BUT AWAKEN WE MUST TO THE FACT THAT THE HONEYED YEARS OF WINDFALL REVENUE FROM LAND SALES CONTRIBUTING TO LARGE BUDGET SURPLUSES -- HELPFUL TO THE TAXPAYER WHILE THEY LASTED -- ALSO PERFORCE SHIELDED US FROM THE CHANGING SITUATION, BECAUSE TAXES COULD REMAIN DECEPTIVELY CONSTANT.+

HE POINTED OUT THAT OUR FISCAL POLICIES WERE RIGHT -- +BUT TIMES HAVE CHANGED AND WE MUST CHANGE WITH THEM.+

MR BREMRIDGE, SPEAKING ON THE 1982-83 REVISED ESTIMATES, SAID THE ASSESSMENT OF TOTAL EXPENDITURE WAS NOW SLIGHTLY LOWER AT \$34.5 BILLION AND TOTAL REVENUE marginally higher AT \$31 BILLION (IN HIS BUDGET SPEECH ESTIMATED EXPENDITURE WAS GIVEN AT \$34.7 BILLION AND REVENUE, \$30.9 BILLION WHICH PRODUCED A DEFICIT OF \$3.8 BILLION).

/BECAUSE OF

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BECAUSE OF THIS +SLIGHTLY IMPROVED SITUATION,+ MR BREMRIDGE SAID A FURTHER \$300 MILLION WILL BE TRANSFERRED TO THE CAPITAL WORKS RESERVE FUND AND THE ESTIMATED DEFICIT WILL REMAIN AT \$3.8 BILLION.

THE TRANSFER, HE SAID, WILL BRING THE RESERVE FUND TOTAL FOR 1983-84 TO \$10.6 BILLION AGAINST AN ESTIMATED EXPENDITURE OF \$9.3 BILLION TO PROVIDE FOR A USEFUL BALANCE OF \$1.3 BILLION AT THE END OF FISCAL 1983.

MR BREMRIDGE SAID HE WOULD MAINTAIN HIS ORIGINAL FORECAST OF FOUR PER CENT GROWTH RATE OF THE GDP FOR 1983 DESPITE RECENT SIGNS OF RECOVERY IN THE USA, WHICH LED TO A NUMBER OF UPWARD REVISIONS IN FORECASTS FOR THAT ECONOMY, PLUS THE FALL IN THE PRICE OF CRUDE OIL.

+IT IS, HOWEVER, STILL EARLY DAYS AND THERE HAVE BEEN FALSE DAWNS BEFORE IN RESPECT OF THE WORLD ECONOMIC RECOVERY,+ HE SAID.

+THE RIGHT TIME TO THINK OF MAKING FORMAL REVISIONS WILL BE IN MY MID-YEAR REVIEW,+ HE ADDED.

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NO CHANGE CONTEMPLATED FOR BUDGET PROPOSALS

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THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE, TOLD THE LEGISLATIVE COUNCIL TODAY THAT HE HAD NO INTENTION TO CHANGE ANY OF HIS +CAREFULLY CONSIDERED+ BUDGET PROPOSALS.

+THIS FIRMNESS OF STAND DOES NOT REFLECT OBSTINACY OR AN ARROGANT BELIEF THAT I AM RIGHT AND MY CRITICS WRONG,+ MR BREMRIDGE SAID AT THE RESUMED BUDGET DEBATE.

AS IT WAS ESSENTIAL THAT THE GOVERNMENT RAISE \$3 BILLION, MR BREMRIDGE SAID, HIS PROPOSALS WOULD DO SO +IN THE LEAST UNATTRACTIVE AND BURDENSOME WAY THAT IS POSSIBLE+.

+THEY ALSO DO NOT IMPEDE THE IMPERATIVE ENCOURAGEMENT OF AN EXPORT-LED RECOVERY.

+WITHOUT A SUCCESSFUL EXPORT TRADE AND THE RESULTANT INCOME THERE WILL BE LITTLE IN HONG KONG TO TAX,+ HE STRESSED.

HE SAID THAT IT WAS THE GOVERNMENT'S JOB TO MAKE UNPLEASANT DECISIONS IN DIFFICULT TIMES WHILE CARRYING ON +CALMLY AND STEADILY WITH AGREED PROGRAMMES+.

+I KNOW THAT MANY OF THE NEW TAXES OR INCREASES IN EXISTING TAXES ARE UNPOPULAR. I SUBMIT ONLY THAT THE POSSIBLE ALTERNATIVES ARE WORSE,+ MR BREMRIDGE SAID.

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+PROFITS TAX INCREASE WOULD BE IRRESPONSIBLE+
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AN INCREASE IN PROFITS TAX TODAY WOULD BE IRRESPONSIBLE AND PROBABLY FOOLISH IN THE EXTREME, THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE, SAID IN THE LEGISLATIVE COUNCIL TODAY.

BUT HE ADDED: +THIS DOES NOT MEAN THAT IN OTHER CIRCUMSTANCES IN FUTURE YEARS I RULE OUT A MODERATE INCREASE. INDEED, IT IS ARGUABLE THAT ONLY THE WINDFALL REVENUE FROM LAND SALES IN THE PAST SIX YEARS HAS PREVENTED SUCH INCREASES BEFORE NOW.+

MR BREMRIDGE WAS REPLYING TO UNOFFICIAL MEMBERS WHO HAD ADVOCATED INCREASED PROFITS TAX.

BUT HE STRESSED THAT IF AN INCREASE BECAME NECESSARY, IT CERTAINLY WOULD NOT FALL MORE HEAVILY ON THOSE WHO MADE LARGER PROFITS.

HE POINTED OUT THAT ABOUT 22 000 LIMITED LIABILITY COMPANIES PLUS 17 500 UNINCORPORATED BUSINESSES WOULD PAY PROFITS TAX NEXT FINANCIAL YEAR, WITH AN ESTIMATED 31 000 PEOPLE INVOLVED IN PAYMENTS BY THE UNINCORPORATED SECTOR.

FURTHERMORE, AN ESTIMATED 55 000 PEOPLE WOULD ELECT TO TRANSFER THEIR BUSINESS PROFITS FOR PERSONAL ASSESSMENT, THUS MAKING A FURTHER 86 000 PEOPLE INVOLVED IN THESE PAYMENTS IN ADDITION TO LIMITED COMPANIES, MR BREMRIDGE SAID.

HE DESCRIBED THESE PEOPLE AS +THE ENTREPRENEURIAL DRIVING FORCE OF HONG KONG, CONTRIBUTING TO THE CREATION OF COMMUNITY WEALTH AND PROVIDING EMPLOYMENT FOR THE LABOUR FORCE.+

+NOT JUST THE LARGE COMPANIES BUT EVERY LITTLE RESTAURANT, EVERY BACKYARD WORKSHOP AND EVEN MANY FIXED STAND HAWKERS ARE INVOLVED. ALREADY THEY PAY 64 PER CENT OF TOTAL DIRECT TAXATION,+ MR BREMRIDGE POINTED OUT.

TURNING TO ARGUMENTS FOR A HIGHER SALARIES TAX, HE SAID, +SETTING ASIDE ESSENTIAL QUESTIONS OF MAINTENANCE OF CONFIDENCE AND OF LIKELY RIPPLE EFFECTS, AND ACCEPTING THAT A MODERATE INCREASE MAY BE INDICATED IN LATER YEARS, I SCORN PERVERSE ACCUSATIONS THAT I NOW PROPOSE THE RAISING OF TAXES ON THE POOR IN THE INTERESTS OF THE RICH. THIS IS RUBBISH.+

MR BREMRIDGE STATED THAT THE LOGIC BEHIND THE VARIOUS INCREASES PROPOSED IN INDIRECT TAXATION OWED NOTHING TO CAPRICIOUSNESS.

TO THE CONTRARY AND GIVEN THE OVERALL SITUATION, HE HAD SET OUT TO LIMIT THE BURDENS OF THE LESS WELL PAID AS MUCH AS POSSIBLE, BY TRYING TO GIVE PEOPLE A CHOICE, MR BREMRIDGE SAID.

+I REGRET THAT SOME CRITICS DO NOT APPRECIATE FREE CHOICES. IT IS ALSO A MAJOR CONCERN THAT OUR DEPENDENCE ON DIRECT TAXES HAS BECOME SO PRONOUNCED AT A TIME WHEN PROFITS AND SALARIES ARE NOT BUOYANT,+ HE SAID.

/THIS TREND,

THIS TREND, HE STRESSED, MUST BE CHANGED.

CITING STATISTICS TO ILLUSTRATE HIS POINT, MR BREMRIDGE POINTED OUT THAT IN THE COMING FISCAL YEAR, THERE WOULD BE ABOUT 2.4 MILLION WAGE AND SALARY EARNERS, ONLY ABOUT 315 000 OF WHOM WOULD PAY ANY SALARIES TAX AT ALL.

OF THESE TAXPAYERS, 22 000 OR SEVEN PER CENT WOULD PAY 50 PER CENT OF THE TOTAL TAX.

+THIS SEEMS CLEAR EVIDENCE THAT NOT ONLY ARE THE POOR NOT OVER-TAXED BUT IN FACT ARE NOT DIRECTLY TAXED AT ALL.

+I REMIND YOU THAT A TYPICAL HONG KONG FAMILY OF MAN, WIFE AND TWO CHILDREN PAYS NO SALARIES TAX BELOW AN INCOME OF \$5 790 A MONTH -- HARDLY A DEFINITION OF THE LOWLY PAID POOR,+ MR BREMRIDGE SAID.

HE ALSO UNDERLINED THE +CONSTANTLY OVERLOOKED FACT+ THAT THE GOVERNMENT NOW PROVIDES HOUSING ON A SUBSIDISED BASIS TO SOME 43 PER CENT OF THE POPULATION, A FIGURE THAT WILL GROW IN THE COMING YEARS.

DESCRIBING THIS SUBSIDY AS +NEGATIVE INCOME TAX+, MR BREMRIDGE NOTED THAT NEARLY HALF OF HONG KONG'S POPULATION IS HOUSED BELOW COST, PARTLY AT OTHER TAXPAYERS' EXPENSE, AND A LARGE MAJORITY ALSO PAYS NO DIRECT TAX.

+THE PICTURE THEREFORE IS NOT ONE OF EXCESS TAXATION OF THE LOWLY PAID, FOR CLEARLY THE FEW CARRY THE MANY.

+THOSE WHO ADVOCATE HIGHER SALARIES TAX SHOULD ALSO NOT FORGET THAT THE REALLY RICH IN HONG KONG ARE GENERALLY NOT SALARIED,+ HE POINTED OUT.

HE EXPLAINED THAT IF HE WAS TO INCREASE THE RETURN ON SALARIES TAX, HE WOULD NEED TO +ATTACK BOTH ENDS OF THE TAX SPECTRUM.+

+THE RICH WOULD PAY MORE BUT THE MIDDLE CLASSES WOULD ALSO FACE ADDITIONAL BURDENS AND LARGE NUMBERS OF THE LESS WELL PAID WHO NOW ARE UNTAXED WOULD PERFORCE ENTER THE NET AS ALLOWANCES WERE REDUCED.

+WE SIMPLY CANNOT SECURE ALL THAT WE NEED FROM THE HIGHER PAID ALONE FOR THERE ARE NOT ENOUGH OF THEM: SUCH AN APPROACH ANYWAY WOULD LACK BALANCE, SMELL OF SOCIAL ENGINEERING, AND DESTROY INCENTIVES,+ MR BREMRIDGE SAID.

TO ILLUSTRATE HIS POINT FURTHER, HE SAID THAT IF THE SALARIES TAX RATE WAS TO BE RAISED BY FOUR PERCENTAGE POINTS TO 19 PER CENT FOR THE +RICH+, SUCH AN INCREASE WOULD YIELD NO MORE THAN \$400 MILLION AT THE MOST.

/+THUS I

+THUS I SHOULD BE OBLIGED TO CAST THE NET WIDE TO PRODUCE THE REMAINING \$1 100 MILLION,+ HE EXPLAINED, IN REFERENCE TO SUGGESTIONS THAT \$1.5 BILLION BE RAISED THROUGH INCREASED SALARIES TAX.

IN THIS CASE, HE SAID, IT WOULD BE NECESSARY TO REDUCE THE TAX THRESHOLDS TO THE LEVELS PREVAILING IN 1979-80, REMOVING THE VERY CONSIDERABLE CONCESSIONS MADE TO THE LOWER AND MIDDLE INCOME GROUPS IN THE BUDGETS FOR THE THREE PREVIOUS FISCAL YEARS.

+NOT ONLY WOULD SUCH A MOVE INCREASE CONSIDERABLY THE TAX BURDEN OF ALL WHO ARE PRESENTLY IN THE NET, BUT IT WOULD ALSO BRING IN NOT LESS THAN A QUARTER OF A MILLION, AND PERHAPS AS MANY AS 300 000, NEW TAXPAYERS -- ALL OF WHOM WOULD BE FROM THE LOWER INCOME GROUP WHO NOW PAY NOTHING,+ MR BREMRIDGE SAID.

RESPONDING TO REMARKS BY DR THE HON RAYSON HUANG ON TAX BANDS, MR BREMRIDGE SAID THAT THE PRESENT BANDS DID NOT GENERALLY CAUSE A REDUCTION IN AFTER-TAX TAKE-HOME PAY BECAUSE OF THE EFFECTS OF INFLATION.

+THE TRUTH REMAINS THAT, WITH THE EXCEPTION OF SOME SINGLE PEOPLE WITHIN A FAIRLY NARROW INCOME RANGE WHO HAVE LOST A FRACTIONAL AMOUNT, THE VAST MAJORITY OF TAXPAYERS ENJOY LOWER EFFECTIVE RATES THAN THEY DID FIVE YEARS AGO, UNLESS OF COURSE, AS FORTUNATELY IS NOT UNCOMMON, THEIR INCREMENTS TO INCOME HAVE OUTSTRIPPED THE RATE OF INFLATION.+

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NEED FOR NEW TAXES ON TOURISM EXPLAINED

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WHEN THERE WERE ABUNDANT SURPLUSES THERE WAS NO PRESSING NEED TO PROPOSE SUCH MEASURES AS AN INCREASED HOTEL TAX, A NEW AIRPORT TAX AND A SMALL LOWERING OF THE HONG KONG TOURIST ASSOCIATION SUBVENTION, THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE TOLD THE LEGISLATIVE COUNCIL TODAY.

BUT THE PICTURE HAD NOW CHANGED, AND HE WAS SEEKING ADDITIONAL REVENUE BY PLACING NEW BURDENS ON THOSE WHO COULD BEST AFFORD THEM, HE SAID AT THE RESUMED BUDGET DEBATE.

MR BREMRIDGE WAS REFERRING TO CONCERN EXPRESSED BY SEVERAL UNOFFICIAL MEMBERS ON THE EFFECTS ON TOURISM OF THE NEW TAXES PROPOSED BY HIM.

WHILE SHARING THEIR CONCERN, HE HAD ALSO NEED TO RESTRAIN PUBLIC SECTOR EXPENDITURE AND TO RAISE ADDITIONAL TAXES, HE SAID.

/HIS PROPOSALS

HIS PROPOSALS WOULD YIELD ABOUT \$245 MILLION IN THE NEXT FINANCIAL YEAR AND APPRECIABLY MORE THEREAFTER, HE SAID.

WHILE HE ACKNOWLEDGED THE VALUE OF TOURISM AS AN EXPORT INDUSTRY UNCONSTRAINED BY PROTECTIONISM AND AS A USEFUL EMPLOYER OF LABOUR, HE FELT IT UNWISE OF THE INTERESTS INVOLVED TO OVERSTATE THEIR CASE, HE SAID.

MR BREMRIDGE SAID TOURISM EARNED ABOUT \$9 BILLION LAST YEAR, BUT THESE WERE GROSS EARNINGS WHICH DID NOT MEASURE THE INDUSTRY'S CONTRIBUTION TO THE GDP.

+THE BEST ESTIMATE WE HAVE OF THE LATTER IS ABOUT FOUR PER CENT AS COMPARED, FOR EXAMPLE, WITH 25 PER CENT AND 26 PER CENT RESPECTIVELY FOR THE MANUFACTURING AND THE FINANCIAL AND ALLIED SERVICES SECTORS,+ HE SAID.

THUS TOURISM'S CONTRIBUTION WAS ABOUT ONE-SIXTH OF THAT OF EACH OF THE TWO MAJOR SECTORS, MR BREMRIDGE SAID.

TOURISM WAS VALUABLE, BUT WAS BY NO MEANS THE MOST IMPORTANT EXPORT INDUSTRY. +IT IS NOW SENSIBLE TO CUT IT LOOSE FROM DIRECT ASSISTANCE BY ALL TAXPAYERS,+ HE EXPLAINED.

MR BREMRIDGE SAID HE WAS UNMOVED BY THE COMPLAINTS ABOUT A 25 PER CENT INCREASE IN HOTEL TAX.

+IT IS COLLECTED BY HOTELS ON THEIR BILLS AND WILL GO ENTIRELY TO SUPPORT THE HKTA, WHOSE MARKETING EFFORTS CLEARLY SUPPLEMENT IF NOT SUPPLANT THOSE THAT THE HOTELS SHOULD BE MAKING. IT SEEMS MODERATE ENOUGH TO ME,+ HE SAID.

HE COMPARED THE PROPOSED TAX TO THOSE PRACTISED ELSEWHERE IN THE WORLD -- MACAU, FIVE PER CENT; LOS ANGELES, 7.5 PER CENT; VANCOUVER AND NEW YORK, EIGHT PER CENT; SOUTH KOREA, JAPAN, THE PHILIPPINES, JAKARTA AND MALAYSIA, 10 PER CENT; BALI, 11 PER CENT; THE UNITED KINGDOM, 15 PER CENT AND BANGKOK, 16.5 PER CENT.

+WE MUST NOT ALSO FORGET VAT OR SALES OR SPECIFIC TAXES ON THE MORE EXPENSIVE RESTAURANT MEALS, WHICH ARE APPLIED IN MANY PLACES. SUCH A SPECIFIC TAX IS INCIDENTALY ONE OF THE MANY IDEAS THAT I CONSIDERED AND DISMISSED FOR HONG KONG -- AT LEAST FOR THE TIME BEING,+ HE ADDED.

ON COMPLAINTS ABOUT FORWARD BOOKING, HE SAID HE WAS SURPRISED THAT ALL CONTRACT NOTES DID NOT INCLUDE AN EXCLUSION CLAUSE TO COVER THE POSSIBILITY OF INCREASED GOVERNMENT TAXES.

+HIGHER SALARIES OR PROFITS TAXES OR TAXES ON RESTAURANT MEALS WOULD ALL HIT THE HOTEL INDUSTRY FAR HARDER. AND ANYWAY IF TAXES WERE REDUCED WHO WOULD BENEFIT: THE HOTEL OR THE GUEST?+ HE ASKED.

/MR BREMRIDGE

MR BREMRIDGE ALSO ACKNOWLEDGED THAT SOME CARELESS MANagements MAY FACE MODERATE DIFFICULTY WITH FORWARD BUSINESS, BUT A ONE PERCENTAGE POINT INCREASE (THE FIRST SINCE 1976) AT \$4 PER HEAD PER DAY WAS REALLY NOT TOO BAD.

+THEY MUST TAKE THE ROUGH WITH THE SMOOTH,+ HE SAID. MR BREMRIDGE SAID THE \$100 AIRPORT DEPARTURE TAX WOULD FALL ONLY ON THOSE WHO COULD AFFORD TO FLY AND, IN MANY CASES, IT WAS LESS THAN THE DISCOUNT GIVEN BY AIRLINES OR THEIR AGENTS ON PUBLISHED FARES.

NEW LEGISLATION, WOULD BE REQUIRED, AND SUBJECT TO EXECUTIVE COUNCIL ADVICE, WOULD BE BROUGHT BEFORE THE COUNCIL AS SOON AS POSSIBLE, HE ADDED.

APPROXIMATE COMPARATIVE FIGURES WERE: SYDNEY AND MELBOURNE, \$118; PAPUA NEW GUINEA, \$104; THE SEYCHELLES, \$70; INDIA, \$67; TOKYO, \$49; SINGAPORE, \$36; AND SHANGHAI, \$34.

+THE TAX PROPOSED FOR HONG KONG IS HIGHER THAN AVERAGE, BUT WE CLEARLY NOW NEED THE REVENUE. WHERE ELSE IS IT TO COME FROM,+ HE ASKED.

MR BREMRIDGE ALSO POINTED OUT THAT HE HAD PROPOSED AN AIRPORT DEPARTURE TAX, NOT A GENERALISED DEPARTURE TAX, BECAUSE HE DID NOT WISH EITHER TO IMPEDE PEOPLE'S FREEDOM TO LEAVE HONG KONG OR TO LAY FINANCIAL BURDENS ON THOSE TRAVELLERS OF WHOM THE MAJORITY WAS +CLEARLY NOT WELL OFF+.

MR BREMRIDGE SAID HE WOULD NOT NOW PROPOSE TO ABOLISH THE PRESENT \$20 SERVICES CHARGE AND INTRODUCE AN AIRPORT TAX AS HIGH AS \$100 IF HE COULD FAIRLY SECURE MATCHING REVENUE FROM OTHER SOURCES.

+THE TAX ITSELF NEVERTHELESS HAS ATTRACTIVE FEATURES. MEMBERS MAY REFLECT THAT SUCH A TAX IS BUT ONE ASPECT OF THE AVAILABLE MARKET MECHANISMS WHICH MAY PROLONG THE EXISTENCE OF AN ADEQUATE AIRPORT AT KAI TAK AND THUS ENABLE US FOR EXAMPLE TO MAINTAIN THE PRESENT PUBLIC HOUSING PROGRAMME,+ HE ADDED.

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FISCAL NEEDS BEHIND OILS TAXES STRESSED
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THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE TODAY STRESSED THAT THE INCREASED TAXES ON HYDROCARBON OILS AND VEHICLE LICENCES WERE MOTIVATED PURELY AND SIMPLY BY FISCAL NEEDS.

IN HIS CONCLUDING SPEECH OF THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR BREMRIDGE SAID THE ADDITIONAL YIELD FROM THIS PACKAGE OF TAXES WOULD BE NO LESS THAN ABOUT \$840 MILLION NEXT FINANCIAL YEAR.

HE SAID HE SYMPATHISED WITH THE VIEWS OF SOME UNOFFICIAL MEMBERS WHO HAD SPOKEN +DISPARAGINGLY ABOUT THIS WIDELY UNPOPULAR PROPOSAL+, BUT HE ADDED: +FROM WHAT OTHER SOURCES CAN I SECURE \$840 MILLION?+

+HONG KONG IS GETTING RICHER AND I FULLY SUPPORT ASPIRATIONS TO CAR OWNERSHIP. MEMBERS MAY, HOWEVER, AGREE THAT ON MOST DEFINITIONS THESE INCREASED TAXES WILL NOT LIE HEAVILY ON THE POOR,+ HE SAID.

+AFTER ALL 80 PER CENT OF THE POPULATION PERFORCE USE PUBLIC TRANSPORT AT ALL TIMES.+

IN A FEW YEARS' TIME, MR BREMRIDGE ADDED, IT MAY ANYWAY BE POSSIBLE THROUGH ELECTRONIC ROAD PRICING TO ADVANCE THE POLICY OF TAXING VEHICLE USAGE RATHER THAN OWNERSHIP.

HE SAID HE WAS WELL AWARE OF THE DEEP FEELING OF UNFAIRNESS BORNE BY A CAR OWNER WHO USED IT SPARINGLY AT WEEKENDS FOR FAMILY OUTINGS.

+AT PRESENT THERE IS NO WAY ROUND THIS PROBLEM, THOUGH I MUST OBSERVE THAT BY EUROPEAN STANDARDS THE INCREASED PETROL PRICE IN HONG KONG IS NOT UNUSUAL.+

EARLIER, MR BREMRIDGE SAID HE HAD EXCLUDED FRANCHISED BUSES FROM THE INCREASED OIL TAX, BUT THE SAME BENEFIT COULD NOT BE EXTENDED TO PLB'S, TAXIS AND OTHERS +FOR THE PRAGMATIC REASON THAT IT WOULD BE IMPOSSIBLE TO SEGREGATE THE NECESSARY FUEL PUMPS+.

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FULL SEPARATE TAXATION FOR MARRIED WOMEN UNSUITABLE
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FULL SEPARATE TAXATION FOR MARRIED WOMEN WAS NOT SUITABLE IN HONG KONG'S FISCAL AND SOCIAL CLIMATE, THE FINANCIAL SECRETARY, THE HON JOHN BREMRIDGE SAID IN THE LEGISLATIVE COUNCIL TODAY.

+MOREOVER, WE SIMPLY CANNOT AFFORD SUCH A TOTAL REVERSAL OF LONG-EXISTING POLICIES AT THE PRESENT TIME,+ MR BREMRIDGE SAID.

THE ESTIMATED COST TO REVENUE OF SEPARATE TAXATION WOULD BE OF THE ORDER OF \$285 MILLION IN THE YEAR OF IMPLEMENTATION,+ HE POINTED OUT.

+SINCE I CAN CERTAINLY NOT FOREGO THAT SUM I SHOULD BE OBLIGED TO RECOUP IT ELSEWHERE.

+WERE I TO DO SO FROM OTHER SALARIES TAXPAYERS, THE EFFECT WOULD BE AN ACROSS THE BOARD INCREASE IN TAX BILLS OF SOME 13 PER CENT,+ MR BREMRIDGE EXPLAINED.

+WITH THIS BACKGROUND AND SUBJECT TO EXECUTIVE COUNCIL ADVICE, I INTEND TO INTRODUCE INTO THIS COUNCIL THE REFORM MEASURES I PROPOSED IN THE BUDGET SPEECH,+ HE SAID.

MR BREMRIDGE NOTED THAT OF THE 23 UNOFFICIALS WHO SPOKE AT THE BUDGET DEBATE, NO LESS THAN 19 HAD NO COMMENT TO MAKE ON THIS +ALLEGEDLY BURNING ISSUE+ -- HIS NEW PROPOSAL FOR THE VOLUNTARY SEPARATE ASSESSMENT OF MARRIED WOMEN.

MR BREMRIDGE SAID HE TOOK IT THAT +SILENCE MEANS ACQUIESCENCE+.

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GOVERNMENT'S ROLES IN TRADE AND INDUSTRY
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THE SECRETARY FOR TRADE AND INDUSTRY, THE HON E.P. HO TODAY (THURSDAY) SAID THAT THE UNDERLYING STRENGTH OF HONG KONG'S CASE AGAINST FRENCH TRADE RESTRICTIONS LAY IN OUR TOTAL AND UNRESERVED FULFILMENT OF OUR OWN OBLIGATIONS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT).

+IT IS MY HOPE THAT THE GATT PANEL CURRENTLY EXAMINING THE CONSISTENCY WITH THE GATT OF THE RESTRICTIONS PLACED ON CERTAIN IMPORTS FROM HONG KONG BY FRANCE WILL SOON MAKE A RECOMMENDATION WHICH WILL LEAD TO THE ELIMINATION OF ALL DISCRIMINATORY TREATMENT AGAINST US IN THAT MARKET,+ SAID MR HO IN THE LEGISLATIVE COUNCIL BUDGET DEBATE.

HE EMPHASISED THAT THE GOVERNMENT HAD AN ONEROUS TASK IN SECURING AND MAINTAINING HONG KONG'S ACCESS RIGHTS TO THE WORLD MARKETS FOR HONG KONG'S GOODS IN ACCORDANCE WITH OUR RIGHTS AND OBLIGATIONS UNDER THE GATT.

+IT WOULD BE WRONG OF ME NOT TO STRESS THAT WITH THE DISAPPOINTING OUTCOME TO THE MINISTERIAL MEETING OF THE GATT IN GENEVA LAST NOVEMBER, AND THE SIGNIFICANT AND INCREASING NUMBER OF MEASURES BEING TAKEN OUTSIDE ITS PROVISIONS, THE INTERNATIONAL TRADING SYSTEM IS PROBABLY IN ITS MOST CRITICAL POSITION SINCE THE 1930'S WHEN IT BEGAN TO DAWN ON ALL THINKING PEOPLE THAT BEGGARING THY NEIGHBOUR DOES NOT REALLY BRING REAL IMPROVEMENTS TO ONES OWN COMMUNITY.

+THIS IS BECAUSE PROTECTIONISM NOT ONLY DISTORTS THE FLOW OF GOODS AND SERVICES BETWEEN TRADING PARTNERS, IT ALSO INVOLVES THE TRANSFER OF INCOME AND RESOURCES BETWEEN DIFFERENT GROUPS OF PEOPLE WITHIN THE TERRITORY OF THE PROTECTIONIST ITSELF, RETARDING THE GROWTH OF DYNAMIC NEW INDUSTRIES THEREIN AND REDUCES THE SIZE OF THE ENTIRE ECONOMIC CAKE THUS RESULTING IN REDUCED SHARES FOR ALL.

+IT IS OUR HOPE AND BELIEF THAT AS THE INTERNATIONAL COMMUNITY RECOILS FROM THE ABYSS TOWARDS WHICH WE SEEM TO BE HEADING THERE WILL BE GENERAL RECOGNITION THAT THE HOPE FOR THE FUTURE FOR EVERYONE - THE GIANTS AS WELL AS THE MIDGETS AMONG TRADING COMMUNITIES - LIES IN RESPECT FOR AND OBSERVANCE OF THE GATT,+ HE NOTED.

IN REPLY TO QUERIES BY UNOFFICIAL MEMBERS REGARDING GOVERNMENT'S PLANS TO UPGRADE HONG KONG'S INDUSTRIAL BASE, MR HO OUTLINED THE GOVERNMENT'S ASSISTANCE PROGRAMME AND PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS BY THE ADVISORY COMMITTEE ON DIVERSIFICATION.

/HE STRESSED

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HE STRESSED THAT THE GOVERNMENT MUST NOT INDULGE IN WHAT COULD BE INTERPRETED AS EXPORT SUBSIDIES.

+I NEED HARDLY SAY THAT ANY INFRINGEMENT BY US OF THE GATT CODE ON SUBSIDIES AND COUNTERVAILING DUTIES WILL NOT ONLY UNDERMINE OUR MORAL AS WELL AS LEGAL STANDING IN THE GATT, WE MIGHT ALSO INVITE COUNTERVAILING ACTION AGAINST OUR PRODUCTS IN OUR OVERSEAS MARKETS IN FUTURE,+ MR HO SAID.

ON MAINTAINING INDUSTRY'S COMPETITIVE POSITION, MR HO TOLD THE COUNCIL THAT THE GOVERNMENT'S ROLE WAS THUS IN PROVIDING THE BASIC INDUSTRIAL INFRASTRUCTURE AND VARIOUS SUPPORT SERVICES, INCLUDING INDUSTRIAL INVESTMENT PROMOTION EFFORTS AND OTHER ACTIVITIES, +BUT THE REAL RESPONSIBILITY LIES IN OUR INDUSTRIALISTS' INNOVATION, RESOURCEFULNESS AND WILLINGNESS TO PARTAKE IN THE CONTINUAL DEVELOPMENT OF HONG KONG.+

COMMENTING ON THE HON WONG PO YAN'S REMARKS THAT THE GROWTH OF LABOUR PRODUCTIVITY WAS ON THE DECLINE, MR HO EXPLAINED THAT LABOUR PRODUCTIVITY WAS RELATED TO INVESTMENT IN PLANT AND MACHINERY AND SKILLS OF WORKERS, AND A DECLINE IN THE GROWTH RATE IN THE LAST COUPLE OF YEARS WAS NOT UNEXPECTED.

+THERE HAS BEEN AN INCREASE IN RECENT YEARS OF UNSKILLED LABOUR THROUGH IMMIGRATION AND A DECLINE IN INVESTMENT OF PLANT AND MACHINERY AS A RESULT OF CHANGING ECONOMIC CIRCUMSTANCES, INCLUDING DIVERSION OF INVESTMENT INTO THE FINANCIAL AND REAL ESTATE SECTORS, TOGETHER WITH A DOWNTURN IN WORLD MARKET DEMANDS.+

MR HO AGREED THAT THERE WAS A NEED TO INCREASE LABOUR PRODUCTIVITY THROUGH GREATER AUTOMATION AND INCREASED MANPOWER TRAINING. +INDUSTRIAL INVESTMENT PROMOTION, INDUSTRIAL DEVELOPMENT BOARD PROJECTS, AND THE HONG KONG PRODUCTIVITY CENTRE'S EFFORTS ALL HELP TO ENCOURAGE AND ASSIST INDUSTRY TO INVEST FURTHER IN PLANT AND MACHINERY AND ADOPT IMPROVED PROCESSES OF PRODUCTION,+ HE ADDED.

ON THE EXHIBITION CENTRE, MR HO DISCLOSED THAT THE STAGE II CONSULTANTS HAD SUBMITTED THEIR REPORT TO THE NON-STATUTORY BOARD IN FEBRUARY 1983. AT THE BOARD'S REQUEST, THE CONSULTANTS MADE CERTAIN AMPLIFICATIONS TO THEIR FINANCIAL ESTIMATES. IT IS ENVISAGED THAT THE NON-STATUTORY BOARD WILL SUBMIT VERY SHORTLY ITS RECOMMENDATIONS ON THIS REPORT TO THE GOVERNOR-IN-COUNCIL FOR A DECISION ON THE FUTURE OF THE PROJECT.

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CIVIL SERVICE ACHIEVES HIGH PRODUCTIVITY
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THE HONG KONG CIVIL SERVICE HAD ALREADY ATTAINED LEVELS OF PRODUCTIVITY NOT GENERALLY ACHIEVED BY CIVIL SERVICES ELSEWHERE -- BUT MUST MOVE FORWARD, THE SECRETARY FOR CIVIL SERVICE, THE HON MARTIN ROWLANDS, SAID TODAY.

SPEAKING AT THE RESUMED BUDGET DEBATE, MR ROWLANDS SAID: +WE HAVE LAID THE GROUNDWORK: WE HAVE THE SUPPORT OF UNOFFICIALS, OF MANAGEMENT, AND OF THE INDIVIDUAL CIVIL SERVANT; AND PROVIDED WE PERSEVERE AND ARE NOT AFRAID TO INNOVATE, WE SHOULD BE ABLE TO RAISE THE EFFICIENCY OF OUR SERVICE TO A NEW PLATEAU.+

MR ROWLANDS WAS REPLYING TO POINTS RAISED BY UNOFFICIAL MEMBERS CONCERNING THE STAFFING OF THE CIVIL SERVICE GENERALLY.

IN THEIR REFERENCES TO THE STAFFING OF THE SERVICE, THE UNOFFICIALS FOCUSED ON THE FOLLOWING THREE MAIN OBJECTIVES:

1. ECONOMY OF RECURRENT EXPENDITURE (THE GREATER PART OF WHICH IS STAFF-BASED);
2. IMPROVED EFFICIENCY AND PRODUCTIVITY; AND
3. MINIMUM GROWTH OF STAFF MEMBERS, THE STAFF FOR NEW AND EXPANDED SERVICES BEING FOUND AS FAR AS POSSIBLE BY REDEPLOYMENT OF EXISTING RESOURCES.

MR ROWLANDS SAID HE WAS SURE THAT ALL OFFICIALS WOULD ENDORSE THESE OBJECTIVES, AND INDEED, THAT THE DRAFT ESTIMATES OF EXPENDITURE FOR THE COMING YEAR REFLECTED NUMEROUS MEASURES ALREADY TAKEN IN THIS DIRECTION.

HE SAID THAT THE CIVIL SERVICE BRANCH, AS THE LARGEST IN THE SECRETARIAT, HAD CLEARLY TO SET AN EXAMPLE AND HAD SOUGHT NO INCREASE IN STAFF FOR THE COMING YEAR.

+THIS DESPITE THE FACT THAT THE SERVICE WHICH WE ARE RESPONSIBLE FOR MANAGING IS CONTINUING TO GROW,+ HE ADDED.

HE SAID THAT OF THE 60 GOVERNMENT DEPARTMENTS AND AGENCIES, 35 (OR 58 PER CENT) WERE DUE TO EXPERIENCE ZERO OR CLOSE-TO-ZERO GROWTH IN STAFF DURING THE YEAR.

SINCE THEIR WORKLOADS WERE UNLIKELY TO DECREASE, THE CONSEQUENCE SHOULD BE INCREASED EFFICIENCY AND PRODUCTIVITY, HE SAID.

MR ROWLANDS SAID THAT THE FACT THAT THE WORK OF THE CIVIL SERVICE WAS OFTEN QUALITATIVE AND COULD NOT EASILY BE MEASURED DID NOT MEAN THAT PRODUCTIVITY COULD NOT BE IMPROVED, OR THAT BENCHMARKS SHOULD NOT BE ESTABLISHED AGAINST WHICH SUCH IMPROVEMENTS COULD BE MEASURED.

/+INDEED IT

+INDEED IT CAN BE ARGUED THAT PRECISELY BECAUSE THE OUTPUT OF THE CIVIL SERVICE IS NOT GENERALLY SUSCEPTIBLE TO MEASURES OF PRODUCTIVITY, SO IT IS MORE THAN EVER NECESSARY TO SUBJECT THE PROCESSES WITHIN THE CIVIL SERVICE TO THE DISCIPLINE OR PRODUCTIVITY MEASURES,+ HE ADDED.

HE SAID THAT THERE WAS HERE +AN ASPECT OF CORPORATE MANAGEMENT WHICH NEEDED TO BE EXPLORED WITH RENEWED VIGOUR AND WITH AN EYE TO INNOVATION+.

HE SAID THAT IMPROVED PRODUCTIVITY COULD NOT BE ACHIEVED IN AN ORGANISATION AS BIG AS THE CIVIL SERVICE WITHOUT A GREAT DEAL OF PREPARATORY GROUNDWORK AIMED AT IMPROVING MANAGEMENT OF THE SERVICE IN ALL ITS ASPECTS.

IT WAS, HE THOUGHT, IMPORTANT TO VIEW WHAT WAS BEING NOW DONE IN HISTORICAL PERSPECTIVE, +BECAUSE ANY SUCCESS THAT ATTENDS OUR EFFORTS IN TIME FUTURE WILL FLOW FROM MEASURES TAKEN IN TIME PAST+.

MR ROWLANDS SAID THAT PERHAPS THE KEY STEP TAKEN WAS THE SETTING UP IN 1979 OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE.

+THE ADVICE CONTAINED IN THE SUCCESSION OF STANDING COMMISSION REPORTS SINCE THEN HAS GIVEN THE SERVICE A GRADE STRUCTURE WHICH IS NOW FACILITATING MOVES TOWARDS GREATER EFFICIENCY AND PRODUCTIVITY.

+WE REALLY ARE INDEBTED TO THE STANDING COMMISSION FOR THE WORK THEY HAVE DONE,+ HE SAID.

MR ROWLANDS POINTED OUT THAT IN 1980 THE SERVICE EMBARKED ON A PROGRAMME OF STRENGTHENING THE ADMINISTRATIVE STRUCTURE OF THE DEPARTMENTS TO BETTER ENABLE THEM TO DISCHARGE THEIR MANAGEMENT FUNCTIONS.

IN 1981, THE SERVICE EMBARKED, WITH THE ADVICE OF THE STANDING COMMISSION, ON SERVICE-WIDE IMPROVEMENTS TO STAFF CONSULTATION AND TO ARRANGEMENTS FOR HANDLING STAFF RELATIONS GENERALLY.

DURING 1982, IT PLACED PARTICULAR EMPHASIS ON THE DEVELOPMENT OF TRAINING PROGRAMMES AIMED AT STAFF ENGAGED IN SUPERVISORY ROLES AND IN STAFF MANAGEMENT WORK.

+FOR 1983, WE CONCLUDED THAT THE TIME HAD COME TO LAY STRESS ON PRODUCTIVITY AND QUALITY AT THE POINT OF DELIVERY OF SERVICES TO THE PUBLIC,+ HE SAID.

MR ROWLANDS SAID THAT THE SERVICE WAS NOW ENGAGED IN A NUMBER OF PRACTICAL STUDIES AND HAD RECEIVED FULL COOPERATION FROM THE STAFF THEMSELVES, AS WELL AS MEMBERS OF THE PUBLIC ASSISTING IN THEIR ROLE AS CLIENTS.

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BOLD AIRPORT PROPOSAL SET ASIDE AFTER INITIAL STUDY
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THE GOVERNMENT HAS DECIDED NOT TO GIVE FURTHER CONSIDERATION TO A PROPOSAL TO STUDY THE POSSIBILITY OF FORMING A 75 SQUARE KILOMETRE RECLAMATION TO THE EAST OF HONG KONG ISLAND TO PROVIDE BOTH A SITE FOR A REPLACEMENT AIRPORT AND AN EXTENSIVE LAND BANK AFTER AN INITIAL EXAMINATION OF THE +BOLD+ CONCEPT.

SPEAKING AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY, THE SECRETARY FOR LANDS AND WORKS, THE HON DAVID MCDONALD, SAID IN REPLY TO THE PROPOSAL MADE EARLIER BY THE HON CHAN KAM-CHUEN THAT SUCH A RECLAMATION WOULD BE A MASSIVE UNDERTAKING, IN BOTH ENGINEERING AND FINANCIAL TERMS.

+IT WOULD BE APPROPRIATE, THEREFORE, TO CONSIDER WHETHER THE BROAD CONCEPT HAS SUFFICIENT MERIT, PRIMA FACIE, TO JUSTIFY DIVERTING RESOURCES SO THAT IT CAN BE STUDIED IN GREATER DETAIL,+ MR MCDONALD SAID.

+SOME ASPECTS WHICH WOULD HAVE TO BE CAREFULLY INVESTIGATED, SUCH AS POSSIBLE FLIGHT PATH CONFIGURATIONS, NOISE POLLUTION PROBLEMS AND EXISTING SHIPPING LANES, WERE MENTIONED BY MR CHAN. I DO NOT PROPOSE TO PURSUE THESE MATTERS TODAY BUT IT WOULD OBVIOUSLY BE NECESSARY TO ESTABLISH THAT MR CHAN'S FAVOURABLE PRELIMINARY CONCLUSIONS ABOUT THEM ARE JUSTIFIED,+ HE ADDED.

AN INITIAL EXAMINATION OF THE BROAD CONCEPT HAD CONCENTRATED INSTEAD ON THE ENGINEERING ASPECTS AND THE CONCLUSIONS WERE FAR FROM FAVOURABLE.

THE RECLAMATION PROPOSED WOULD BE IN WATERS WHICH ARE ABOUT 30 TO 34 METRES DEEP, SOMEWHAT MORE THAN THE 10 FATHOMS, OR 20 METRES, ESTIMATED BY MR CHAN AND CONSIDERABLY MORE THAN THE FOUR TO FIVE METRES DEPTH AT CHEK LAP KOK.

+VERY SUBSTANTIAL PROTECTION AND A HIGH FORMATION LEVEL WOULD BE NEEDED FOR THE RECLAMATION BECAUSE OF ITS EXPOSURE TO THE VAST OCEAN REACH TO THE SOUTH-EAST,+ MR MCDONALD SAID. +BUT EVEN ALLOWING FOR A NOMINAL RECLAMATION OF SAY EIGHT METRES ABOVE PRINCIPAL DATUM AS AT CHEK LAP KOK THE RECLAMATION FOR THE AIRPORT ALONE WOULD REQUIRE ABOUT 1 620 MILLION CUBIC METRES OF FILL AS COMPARED WITH THE 77 MILLION CUBIC METRES REQUIRED FOR CHEK LAP KOK.+

THE PROPOSED THREE-KILOMETRE BAND OF LAND LINKING THE AIRPORT WITH HONG KONG ISLAND WOULD REQUIRE A FURTHER 2 170 MILLION CUBIC METRES OF FILL.

/+ I MIGHT

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+I MIGHT ADD THAT MR CHAN'S SUGGESTED SOURCE OF FILL, THAT IS, THE PO TOI ISLAND GROUP COULD GENERATE APPROXIMATELY 500 MILLION CUBIC METRES OF FILL OR ABOUT ONE-EIGHTH OF THE REQUIREMENT,+ MR MCDONALD SAID.

HE SAID THAT A VERY ROUGH AND CONSERVATIVE ESTIMATE OF THE COST OF THE WHOLE RECLAMATION WAS \$206 BILLION. IN ADDITION, A \$2.4 BILLION HIGHWAY SCHEME WOULD BE REQUIRED AT THE EASTERN END OF HONG KONG TO PROVIDE ACCESS TO THE AIRPORT.

+GIVEN THE IMMENSITY OF THE ENGINEERING TASK INVOLVED, THE VAST QUANTITIES OF FILLING MATERIAL REQUIRED AND THE MULTI-BILLION DOLLAR PRICE TAG, I THINK WE MUST CONCLUDE THAT MR CHAN'S BOLD CONCEPT IS NOT ONE TO WHICH WE COULD GIVE FURTHER CONSIDERATION, EITHER AS A POTENTIAL SITE FOR A REPLACEMENT AIRPORT OR AS A LAND BANK,+ MR MCDONALD SAID.

HE THEN TOLD THE COUNCIL THAT HE SHOULD MENTION THE RANGE OF REGIONAL AND SUB-REGIONAL STUDIES WHICH HAD BEEN UNDERWAY SINCE 1980 TO SYSTEMATICALLY IDENTIFY MAIN FUTURE DEVELOPMENT OPTIONS AND TO RECONCILE THE DEMANDS OF HOUSING, INDUSTRY, DOMESTIC AND INTERNATIONAL TRANSPORT AND ENVIRONMENTAL FACTORS IN A LONG-TERM DEVELOPMENT STRATEGY WITHIN THE LIMITS OF AVAILABLE RESOURCES.

+THE SUB-REGIONS WHICH HAVE BEEN OR ARE BEING STUDIED ARE THE NORTH-WEST NEW TERRITORIES, THE NORTH-EAST NEW TERRITORIES, JUNK BAY/SAI KUNG, NORTH-EAST LANTAU AND THE HARBOUR AREA. THE PRELIMINARY RESULTS OF THESE STUDIES INDICATE THAT THE TERRITORY HAS MORE THAN SUFFICIENT DEVELOPMENT POTENTIAL TO MEET ITS NEED WELL BEYOND THIS CENTURY AND FAR MORE COST EFFECTIVELY THAN IS LIKELY TO BE POSSIBLE WITH THE TYPE OF RECLAMATION SCHEME ENVISAGED BY MR CHAN,+ MR MCDONALD SAID.

+AS HAS BEEN STATED SEVERAL TIMES IN RECENT MONTHS, AND MOST RECENTLY IN THE FINANCIAL SECRETARY'S BUDGET SPEECH, THE WORK THAT HAS GONE INTO THESE STUDIES OVER THE PAST TWO-AND-A-HALF YEARS OR SO SHOULD BEAR FRUIT LATER THIS YEAR WHEN WE WILL BE ABLE TO ASSESS OUR DEVELOPMENT PRIORITIES AND CONSIDER NEW PROGRAMMES,+ HE ADDED.

IN RESPONSE TO ANOTHER POINT RAISED BY THE HON CHEUNG YAN-LUNG, MR MCDONALD SAID THAT HE WAS PLEASED TO SAY THAT GOVERNMENT HAD, IN THE PRESENT DEPRESSED STATE OF THE PROPERTY MARKET, CONSIDERED BUYING RATHER THAN BUILDING ACCOMMODATION.

THIS WAS EVIDENCED BY THE PURCHASE OF POLICE RANK-AND-FILE MARRIED QUARTERS AND NON-DEPARTMENTAL QUARTERS AT LAI CHI KOK AND SHA TIN IN RECENT MONTHS AND THE POSSIBILITY THAT PREMISES FOR THE PRINTING DEPARTMENT MAY ALSO BE PURCHASED RATHER THAN BEING SPECIALLY CONSTRUCTED.

/+UNDER PROCEDURES

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+UNDER PROCEDURES RECENTLY ESTABLISHED, THE ACCOMMODATION POLICY GROUP, COMPRISING SENIOR OFFICIALS FROM COUNCILS AND ADMINISTRATION, FINANCE, ECONOMIC SERVICES AND CIVIL SERVICE BRANCHES OF THE SECRETARIAT TOGETHER WITH THE COMMISSIONER OF RATING AND VALUATION, THE DIRECTOR OF LANDS AND THE DIRECTOR OF BUILDING DEVELOPMENT, DETERMINES WHETHER JUSTIFIED ACCOMMODATION REQUIREMENTS CAN BEST BE MET BY PURCHASE OR CONSTRUCTION,+ MR MCDONALD SAID.

+IN COMING TO A DECISION, THEY MUST OBVIOUSLY TAKE INTO CONSIDERATION WHETHER OR NOT SUITABLE PREMISES ARE ON OFFER, THE TERMS AND CONDITIONS OF SALE WHICH CAN BE NEGOTIATED AND THE AVAILABILITY OF FUNDS TO COMPLETE THE PURCHASE GIVEN OTHER GOVERNMENT COMMITMENTS,+ HE ADDED.

EACH INDIVIDUAL CASE MUST BE CONSIDERED ON ITS MERITS AND NO BROAD GENERALISATION WAS POSSIBLE. HOWEVER, THE GOVERNMENT WAS VERY CONSCIOUS OF THE ADVANTAGES WHICH PURCHASE COULD OFFER, NOT LEAST THE FACT THAT THE PREMISES WOULD BE AVAILABLE FOR OCCUPATION AT A MUCH EARLIER DATE THAN IF BUILT FROM SCRATCH BY GOVERNMENT.

+IF SUITABLE OPPORTUNITIES ARISE IN THE FUTURE, THE PROCEDURES ALREADY ESTABLISHED WILL ENSURE THAT DUE CONSIDERATION IS GIVEN TO THE ADVANTAGES OF PURCHASE AS AN ALTERNATIVE TO BUILDING GOVERNMENT ACCOMMODATION,+ MR MCDONALD SAID.

REPLYING TO THE HON W.C.L. BROWN WHO HAD SUGGESTED THAT FURTHER BENEFIT COULD BE DERIVED FROM DIRECT INPUT BY UNOFFICIAL MEMBERS OF THE COUNCIL IN THE ACTIVITIES OF THE PROJECT STEERING GROUP, MR MCDONALD SAID THAT THE SUGGESTION WOULD SEEM TO BE BASED ON THE BELIEF THAT THE STEERING GROUP HAD A WIDER FIELD OF RESPONSIBILITY THAN IT ACTUALLY HAD.

+IT DOES NOT MONITOR THE PROGRESS OF ALL PUBLIC WORKS PROJECTS THROUGH THE ENTIRE SYSTEM,+ MR MCDONALD SAID. +ITS MAIN FUNCTIONS ARE TO SET STARTING DATES FOR NEW PROJECTS NOT INCLUDED IN DEVELOPMENT PROGRAMMES WHICH HAVE BEEN GIVEN SUBHEADS IN THE ESTIMATES AND TO MONITOR EXPENDITURE TO ENSURE AS FAR AS POSSIBLE ITS CONTAINMENT WITHIN THE EXPENDITURE GUIDELINE.+

IT COULD, THEREFORE, BE SEEN THAT THE PROJECT STEERING GROUP DEALT ONLY WITH PROJECTS IN CATEGORY A OF THE PUBLIC WORKS PROGRAMME OR IN CATEGORY AB BUT SELECTED FOR UPGRADING TO CATEGORY A ALL OF WHICH HAD ALREADY BEEN SCRUTINISED BY UNOFFICIAL MEMBERS, MR MCDONALD SAID.

HE THEN TOLD THE COUNCIL OF THE ADMINISTRATIVE ARRANGEMENTS ESTABLISHED FOR THE PROCESSING OF PROJECTS INTO AND THROUGH THE PUBLIC WORKS PROGRAMME.

/+THE PUBLIC

+THE PUBLIC WORKS VETTING COMMITTEE, UNDER THE CHAIRMANSHIP OF THE DEPUTY FINANCIAL SECRETARY, IS CHARGED WITH THE RESPONSIBILITY OF EXAMINING ALL SUBMISSIONS FOR NEW PROJECTS MADE BY DEPARTMENTS AND ENSURING THAT SUFFICIENT JUSTIFICATION EXISTS FOR THE INCLUSION OF ITEMS IN CATEGORY C,+ MR MCDONALD SAID.

INCLUSION IN CATEGORY C ENTAILED NO MORE THAN ACCEPTANCE INTO THE PROGRAMME BUT DID NOT PERMIT ANY WORK TO BE CARRIED OUT ON SUCH PROJECTS, HE ADDED.

REQUESTS FOR UPGRADING OF PROJECTS FROM CATEGORY C TO CATEGORY B WERE MADE TO THE PUBLIC WORKS PRIORITIES COMMITTEE WHICH COMPRISED THE SECRETARIES FOR LANDS AND WORKS, HOUSING, TRANSPORT, DISTRICT ADMINISTRATION AND THE DEPUTY FINANCIAL SECRETARY UNDER THE CHAIRMANSHIP OF THE CHIEF SECRETARY.

POLICY BRANCH SECRETARIES CONCERNED WITH SUCH REQUESTS ATTENDED MEETINGS OF THE COMMITTEE TO DISCUSS THEIR SUBMISSIONS AND ADVISED ON PROJECT PRIORITIES WITHIN THEIR OWN POLICY SPHERE.

THE COMMITTEE WAS NOT CONCERNED WITH PURELY FINANCIAL ISSUES BUT TOOK A BROADER VIEW OF OVERALL NEEDS, COMMITMENTS AND PLANNING RESOURCES AND WAS GUIDED IN ITS DELIBERATIONS BY THE ADVICE TENDERED BY POLICY BRANCHES.

+HOWEVER, THE UPGRADING OF ITEMS TO CATEGORY B SIMPLY MEANS THAT THEY MAY BE PLANNED IN OUTLINE FORM ONLY TO ENABLE THEIR SCOPE TO BE MORE ACCURATELY DETERMINED,+ MR MCDONALD SAID.

INCLUSION IN CATEGORY C AND UPGRADING TO CATEGORY B WERE, THEREFORE, ADMINISTRATIVE STEPS DESIGNED TO SIFT THROUGH THE FORMLESS MASS OF INFORMATION SUBMITTED BY DEPARTMENTS AND TO ENSURE THAT JUSTIFICATION FOR EACH PROJECT EXISTED AND THAT ITS SCOPE WAS CLEARLY ESTABLISHED BEFORE SUBMISSION FOR FURTHER UPGRADING TO THE PUBLIC WORKS SUB-COMMITTEE, WHOSE MEMBERSHIP WAS LARGELY UNOFFICIAL.

+IT WOULD SEEM DOUBTFUL, THEREFORE, WHETHER ANY USEFUL PURPOSE WOULD BE SERVED BY UNOFFICIAL PARTICIPATION IN EITHER THE PUBLIC WORKS VETTING COMMITTEE OR THE PUBLIC WORKS PRIORITIES COMMITTEE,+ MR MCDONALD SAID.

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VIETNAMESE MUST BE DISCOURAGED FROM COMING, COUNCIL TOLD

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VIETNAMESE REFUGEES WERE FACING SUCH POOR PROSPECTS OF RESETTLEMENT THAT DISCOURAGING THEM FROM COMING TO HONG KONG WAS THE ONLY HUMANITARIAN AND RESPONSIBLE ATTITUDE FOR HONG KONG TO ADOPT, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, SAID IN THE LEGISLATIVE COUNCIL TODAY.

MR JEAFFRESON DISAGREED WITH REV THE HON PATRICK MCGOVERN'S SUGGESTION THAT VIETNAMESE REFUGEES NOW IN CLOSED CENTRES BE ALLOWED TO TILL THE FIELD.

CITING THE EDITORIAL LINE OF A LOCAL ENGLISH DAILY, MR JEAFFRESON SAID THAT WORK AND JOB SECURITY PROVIDED FOR VIETNAMESE REFUGEES WOULD MAKE HONG KONG SEEM A MORE DESIRABLE GOAL FOR VIETNAM'S MALCONTENTS WHO WOULD HEAD THEIR BOATS NORTH IN INCREASING NUMBERS.

+THIS IS SOMETHING WE SIMPLY CANNOT ALLOW TO HAPPEN. WE STILL HAVE A MOST ACUTE AND WORRYING PROBLEM AND A DISTINCT SHORTAGE OF SOLUTIONS,+ HE STRESSED.

ON MARCH 31, HONG KONG HAD 12 162 VIETNAMESE REFUGEES IN OPEN AND CLOSED CENTRES, ONLY 469 LESS THAN ON JANUARY 1 THIS YEAR BUT 2 185 MORE THAN ON MARCH 31, 1982.

+THE BRUTAL FACT IS THAT THE RESETTLEMENT PROSPECT FOR NEW ARRIVALS ARE NOW EXTREMELY BAD.

+AND OVER-CROWDED HONG KONG, HAVING ALREADY ABSORBED AS MANY AS 14 000 FROM VIETNAM INTO ITS OWN COMMUNITY (PER HEAD OF OUR POPULATION AN OUTSTANDING CONTRIBUTION IN WORLD TERMS), CANNOT ITSELF BE EXPECTED TO RESETTLE ANY MORE,+ HE EXPLAINED.

MR JEAFFRESON ALSO REFERRED TO THE HON PETER WONG'S CONCERN THAT AT A TIME WHEN SERIOUS CRIME WAS ON THE INCREASE, THE ESTIMATES OF EXPENDITURE ALLOWED FOR ONLY FOUR PER CENT GROWTH IN THE POLICE FORCE, COMPARED WITH THE FIVE PER CENT OVERALL GROWTH LIMIT FOR THE CIVIL SERVICE AS A WHOLE.

WHILE SYMPATHETIC WITH MR WONG'S VIEW, MR JEAFFRESON SAID HE WOULD NOT WISH TO PRESS FOR MORE ON BEHALF OF THE FORCE.

+THE FACT IS THAT THE POLICE'S FOUR PER CENT MEANS 1 000 NEW POSTS OUT OF A TOTAL OF 6 700 NEW POSTS FOR THE WHOLE OF THE CIVIL SERVICE.

+UNLESS THE TREND IN THE INCREASE IN CRIME CHANGES DRAMATICALLY FOR THE WORSE, I THINK THIS WILL HAVE TO DO,+ HE SAID.

ON DR THE HON HO KAM-FAI'S CONCERN THAT THE POLICE'S PLANNED GROWTH FOR THE NEW TERRITORIES WOULD NOT BE UP TO THAT FOR HONG KONG ISLAND AND KOWLOON, MR JEAFFRESON CONCEDED THAT THE POLICE STRENGTH IN THE NEW TERRITORIES PER 1 000 OF POPULATION HAD FALLEN MARGINALLY IN THE PAST TWO YEARS.

/+BUT I

+BUT I DON'T THINK THE CITIZENS OF THE NEW TERRITORIES HAVE THAT MUCH CAUSE FOR WORRY,+ HE SAID, ADDING THAT THE NT RATIO WAS STILL HIGHER THAN THAT IN KOWLOON.

A MUCH MORE IMPORTANT MEASURE, HE SAID, WAS THE DEPLOYMENT OF THE FORCE IN TERMS OF CRIMES COMMITTED.

+AGAIN I WOULD SLEEP MUCH MORE EASILY IN THE NEW TERRITORIES THAT I WOULD IN KOWLOON.

+AND THE FACT THAT THE DEPLOYMENT FOR HONG KONG ISLAND IN THESE TERMS IS MARGINALLY MORE FAVOURABLE THAN THAT FOR THE NEW TERRITORIES SIMPLY REFLECTS THE CONCENTRATION OF COMMERCIAL AND BANKING ACTIVITY AND ACTIVITIES INVOLVING CROWD CONTROL ON THE ISLAND,+ HE EXPLAINED.

AS FOR THE FUTURE, MR JEAFFRESON ASSURED DR HO THAT PLANS WERE UNDER CONSTANT DEVELOPMENT TO MAKE SURE THAT THE POLICE FORCE IN THE NEW TERRITORIES WAS ADEQUATE IN SIZE AND ORGANISATION TO MEET THE DEMANDS OF THE GROWING POPULATION THERE.

+AS FOR KOWLOON, BECAUSE OF THE SIZE OF ITS POPULATION AND THE HEAVY INCIDENCE OF CRIME, OUR PLANS ARE TO DIVIDE IT INTO TWO REGIONS AND TO STRENGTHEN THE POLICE PRESENCE THERE AS SOON AS WE CAN,+ HE SAID.

REFERRING TO REV THE HON JOYCE BENNETT'S REMARK ABOUT THE OVERLAP OF RESPONSIBILITIES BETWEEN THE CORRECTIONAL SERVICES, THE SOCIAL WELFARE AND THE EDUCATION DEPARTMENT, MR JEAFFRESON SAID THAT THE GOVERNMENT HAD GIVEN +A LOT OF THOUGHT+ TO MISS BENNETT'S IDEA OF TIDYING IT UP.

HE CONCEDED THAT THE POSITION WAS CERTAINLY UNTIDY.

THE SOCIAL WELFARE DEPARTMENT HAS A VARIETY OF FACILITIES CATERING FOR OFFENDERS BETWEEN THE AGES OF SEVEN AND 21, WHILE THE CORRECTIONAL SERVICES DEPARTMENT HAS INSTITUTIONS AND OTHER FACILITIES FOR OFFENDERS AT THE AGES OF 14 AND OVER.

+BUT WE CONCLUDED THAT THERE WERE PSYCHOLOGICAL AND PRACTICAL ADVANTAGES IN RETAINING THE OVERLAP BETWEEN THE TWO DEPARTMENTS.

+IT GIVES MORE VARIED SCOPE FOR PARTICULAR TREATMENT TO SUIT PARTICULAR OFFENDERS, WITH A VIEW TO WEANING THEM AWAY FROM CRIME ALTOGETHER,+ MR JEAFFRESON EXPLAINED.

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BUDGET DEBATE ADJOURNED

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THE TWO-DAY, THIRD BUDGET SITTING AT THE LEGISLATIVE COUNCIL ADJOURNED TODAY, AFTER THE FINANCIAL SECRETARY, THE HON JOHN BREMIDGE, DELIVERED THE SPEECH CONCLUDING THE DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL, 1983.

THE COMMITTEE STAGE AND THIRD READING OF THE BILL WILL BE HELD AT THE FOURTH BUDGET SITTING ON WEDNESDAY, APRIL 27.

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DISTRICT BOARD TO DISCUSS LAI CHI KOK PARK

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DEVELOPMENT OF A 57 400-SQUARE-METRE SITE RECLAIMED FROM THE FORMER LAI CHI KOK BAY INTO A PARK WILL BE DISCUSSED AT TOMORROW'S (FRIDAY) SHAM SHUI PO DISTRICT BOARD MEETING.

MEMBERS WILL BE BRIEFED ON THE STAGE ONE OF THE PROJECT WHICH WILL INCLUDE THREE MINI-SOCCER PITCHES, 10 TENNIS COURTS, 20 SQUASH COURTS AND OTHER ANCILLARY FACILITIES.

AT THE MEETING, MEMBERS WILL ALSO STUDY A REPORT ON ENVIRONMENTAL CLEARANCE OF ILLEGAL STRUCTURES ON PAVEMENTS AND IN REAR LANES IN THE DISTRICT AND THE NOISE NUISANCE CAUSED BY TRAFFIC AT THE KWAI CHUNG ROAD FLYOVER.

OTHER ITEMS ON THE AGENDA INCLUDE THE IMPROVEMENT WORK FOR THE TAI HANG TUNG RECREATION GROUND, ARRANGEMENTS FOR FLOWER WHOLESALERS IN FA HUI PARK AND THE KOWLOON HIGHWAY BEAUTIFICATION PROGRAMME.

TEN SEATS HAVE BEEN RESERVED FOR THE PUBLIC AND THEY ARE REQUESTED TO CONTACT MISS MARIA KONG AT 3-704251 FOR SEATING ARRANGEMENT.

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AMS VOLUNTEERS TO TAKE PART IN SURF LIFE SAVING CONTEST IN HAWAII

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A TEAM OF VOLUNTEERS FROM THE AUXILIARY MEDICAL SERVICE SURF LIFE SAVERS LEAVES FOR HAWAII TODAY (THURSDAY) TO TAKE PART IN AN INTERNATIONAL COMPETITION ON SURF LIFE SAVING.

THE 20-MEMBER SQUAD, LED BY THE CHIEF STAFF OFFICER OF THE AMS, MR K.C. TONG, WILL BE COMPETING IN THE WORLD LIFE SAVING INTERCLUB SURF LIFE SAVING CHAMPIONSHIPS HAWAII 1983.

THE WEEK-LONG COMPETITION, WHICH BEGINS ON FRIDAY (APRIL 15), WILL BE HELD ON THE BEACHES OF WAIKIKI, NORTH BEACH, MAKAPUU AND BELLOWS BEACH.

COMPETITORS WILL BE PUT THROUGH A SERIES OF EVENTS TO TEST THEIR SKILL AND ABILITY IN RESCUE AND LIFE SAVING WITH THE USE OF SURF BOARDS, RESCUE CRAFT AND OTHER LIFE SAVING EQUIPMENT.

THE AMS TEAM WAS NOMINATED BY THE ROYAL HONG KONG LIFE GUARD CLUB TO REPRESENT HONG KONG IN THE CHAMPIONSHIPS.

THIS IS THE SECOND TIME THAT THE AMS SURF LIFE SAVING TEAM HAS REPRESENTED HONG KONG IN THIS INTERNATIONAL COMPETITION. THE TEAM TOOK PART IN THE 1981 CHAMPIONSHIPS WHICH WAS HELD IN BALI, INDONESIA.

THE AMS TEAM WILL RETURN TO HONG KONG ON APRIL 24 (SUNDAY).

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THURSDAY, APRIL 14, 1983

- 24 -

BUILDINGS CONSIDERED DANGEROUS

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THE BUILDING AUTHORITY TODAY DECLARED NOS. 3, 4 AND 5 TANK LANE TO BE IN A DANGEROUS CONDITION AND NOS. 1 AND 2 TANK LANE LIABLE TO BECOME DANGEROUS.

IN A STATEMENT ISSUED THIS MORNING, THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR SAID THAT THESE THREE STOREY PRE-WAR BUILDINGS, CONSTRUCTED WITH LOAD-BEARING BRICK WALLS AND MOSTLY TIMBER BUT WITH SOME REINFORCED CONCRETE FLOORS AND ROOFS, HAD BEEN UNDER SURVEILLANCE SINCE 1970.

A RECENT INSPECTION HAS SHOWN THAT THE EXTENT AND POSITION OF THE FRACTURING IN THE PARTY WALLS DIRECTLY BEHIND THE FRONT ELEVATION COUPLED WITH THE GENERALLY DEFECTIVE CONDITION OF THE CHINA FIRS AND ADVANCED STAGE OF CORROSION TO THE SUPPORTING STEELWORK IS SUCH THAT THERE IS A RISK OF A COLLAPSE. IT IS THEREFORE NECESSARY TO CLOSE AND DEMOLISH THESE BUILDINGS.

NOTICES OF INTENTION TO APPLY FOR CLOSURE ORDERS IN VICTORIA DISTRICT COURT AT 9.30 AM ON MAY 12, 1983 WERE POSTED TODAY.

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EAST KOWLOON WATER CUT

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SALT WATER SUPPLY TO CERTAIN AREAS IN EAST KOWLOON HAS BEEN SUSPENDED THIS (THURSDAY) MORNING FOR EMERGENCY REPAIR AT THE SAU MAU PING SALT WATER PUMPING STATION. THE SUSPENSION WILL LAST UNTIL 12 NOON ON TUESDAY (APRIL 19).

PREMISES AFFECTED INCLUDED THOSE IN SAU MAU PING ESTATE, LAM TIN ESTATE, CHOI WAN ESTATE, SHUN LEE ESTATE, SHUN ON ESTATE, SHUN TIN ESTATE, HONG LEE ROAD, HONG NING ROAD AND KUNG LOK ROAD.

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WATER MAINS LEAKAGE TEST

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FRESH WATER SUPPLY TO CERTAIN PREMISES IN NORTH POINT WILL BE CUT OFF FOR SEVEN HOURS FROM 11 PM ON MONDAY (APRIL 18) FOR LEAKAGE TESTS.

THE PREMISES AFFECTED ARE THOSE BOUNDED BY KING'S ROAD, SHU KUK STREET, PEACOCK ROAD, CHING WAH STREET AND NORTH VIEW STREET INCLUDING MING YUAN TERRACE.

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