



DAILY INFORMATION BULLETIN

WEDNESDAY, MARCH 24, 1976

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APPOINTMENT OF THIRD INLAND REVENUE ORDINANCE
REVIEW COMMITTEE WELCOMED

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THE TAX SYSTEM IN HONG KONG SHOULD CONTINUE TO BE INDUCIVE TO FOREIGN INVESTMENT, BE SIMPLE AND EFFECTIVE, INEXPENSIVE TO OPERATE, NOT UNREASONABLY UNFAIR AND EASY TO ADMINISTER, DR. THE HON. CHUNG SZE-YUEN TOLD THE LEGISLATIVE COUNCIL TODAY.

IN OPENING THE RESUMED BUDGET DEBATE, DR. CHUNG SAID THIS WAS THE VIEW OF THE UNOFFICIAL MEMBERS OF THE COUNCIL.

HE RECALLED THAT THE FINANCIAL SECRETARY HAD REVEALED IN HIS BUDGET SPEECH THAT THE UNOFFICIAL MEMBERS HAD EXPRESSED DISSATISFACTION WITH BOTH THE UNDERLYING PRINCIPLES AND THE DETAILS OF THE PROPOSED DIVIDENDS WITHHOLDING TAX AND THE UNDISTRIBUTED PROFITS TAX.

+IT IS TRUE THAT THE MAJORITY OF UNOFFICIAL MEMBERS DO OBJECT TO THE PRINCIPLES OF THESE PARTICULAR TYPES OF TAXATION, BUT TO BE FAIR TO THEM, I AND, TO THE BEST OF MY KNOWLEDGE, THEY ARE NOT OPPOSED TO THE PRINCIPLE OF RAISING MORE TAXES, IF SUCH A COURSE IS NECESSARY AND DESIRABLE,+ HE SAID.

DR. CHUNG WELCOMED THE APPOINTMENT OF THE THIRD INLAND REVENUE ORDINANCE REVIEW COMMITTEE, BUT HE HAD DOUBTS ON THE ADEQUACY OF THE COMMITTEE'S TERMS OF REFERENCE.

HE FELT THAT THE AMOUNT OF TAX REQUIRED TO BE RAISED EACH YEAR FOR THE NEXT FIVE OR TEN YEARS WAS OF UTMOST IMPORTANCE IN CONSIDERING AND REVIEWING THE PRESENT HONG KONG TAX SYSTEM OF PROFITS AND OTHER FORMS OF INCOME, AND SHOULD BE INCLUDED IN THE COMMITTEE'S TERMS OF REFERENCE.

UNLESS THE GOVERNMENT WOULD SPECIFY THE RANGE OF THE PROJECTED AMOUNTS OF EARNINGS AND PROFITS TAX REQUIRED IN EACH OF THE NEXT FIVE TO TEN YEARS, DR. CHUNG SAID HE WOULD FIND IT DIFFICULT, IF HE WAS A MEMBER OF THE COMMITTEE, TO ASSESS THE NEED AND PRIORITY FOR OTHER FORMS OF EARNINGS AND PROFITS TAX TO BE INTRODUCED IN HONG KONG.

HE SAID ABOUT 75 PER CENT OF THE 200,000 BUSINESS ESTABLISHMENTS REGISTERED IN HONG KONG MADE EXTENSIVE USE OF THE INFRASTRUCTURE, BUT PRACTICALLY PAID NO TAXES.

+SOME OF THESE BUSINESS FIRMS MAKE NO PROFIT NOT BECAUSE THEY ARE UNABLE TO MAKE MONEY BUT SIMPLY THEY DON'T WANT TO MAKE ANY PROFIT. SINCE OUR INDIRECT TAXATION IS MINIMAL, THESE FIRMS ARE TAKING ADVANTAGE OF THE TAX-PAYERS IN HONG KONG.+

ON THE QUESTION OF FINANCING CAPITAL EXPENDITURE, HE SAID IT WAS INEVITABLE THAT HONG KONG MUST CONTINUE TO DEVELOP ITS INFRASTRUCTURE SUCH AS TRANSPORT, COMMUNICATION, WATER AND POWER SO AS TO IMPROVE BOTH THE COMMERCIAL/INDUSTRIAL EFFICIENCY AND THE STANDARDS OF LIVING.

UNTIL RECENT YEARS, ALL CAPITAL EXPENDITURES CAME FROM THE REVENUE, BE IT RECURRENT OR CAPITAL. APART FROM THE FACT THAT IT WAS USUALLY DIFFICULT TO FINANCE MAJOR CAPITAL PROJECTS FROM REVENUE WITHOUT THE SACRIFICE OF SOME DEVELOPMENT IN SOCIAL SERVICES, DR. CHUNG SAID HE ALWAYS FELT THAT THERE WAS ADDITIONAL SOCIAL INJUSTICE IN THAT APPROACH.

+IT IS REALLY NOT EASY TO DEFEND THE PHILOSOPHY THAT THE PRESENT GENERATION SHOULD PAY FOR ALL THE COST OF A CAPITAL PROJECT WHICH IS TO BE ENJOYED ALSO BY THE NEXT GENERATION.+

HE SUBSCRIBED TO THE BUDGETARY STRATEGY THAT LOAN FINANCING WAS, TO CERTAIN EXTENT, DESIRABLE FOR THOSE CAPITAL PROJECTS WHICH WERE, GENERALLY SPEAKING, REVENUE GENERATING SUCH AS AIRPORT, WATER RESERVOIR AND RAILWAYS.

DR. CHUNG CONTINUED THAT THOSE WHO HAD THE GOOD OF HONG KONG AT HEART WOULD FULLY RECOGNISE THE URGENT NEED TO CONTINUE TO IMPROVE SOCIAL SERVICES AND RAISE THE LIVING STANDARDS OF THE LESS-PRIVILEGED RESIDENTS.

+I KNOW ALL THE UNOFFICIALS ARE IN SUPPORT OF THE INTERIM INCREASE OF CORPORATION PROFITS TAX TO 17 PER CENT. IN FACT, SOME OF MY UNOFFICIAL COLLEAGUES FEEL THAT THE FINANCIAL SECRETARY SHOULD HAVE TAKEN THE OPPORTUNITY TO RAISE THE STANDARD RATE OF TAX TO THE SAME LEVEL OF 17 PER CENT.+

DR. CHUNG WENT ON TO SAY THAT WHILE HE WAS GLAD TO SEE THE UPTURN OF HONG KONG'S ECONOMY, HE WISHED TO SOUND A NOTE OF CAUTION. HE FELT THAT THE FINANCIAL SECRETARY'S FORECAST ON THE ECONOMIC PROGRESS IN 1976 -- A NINE PER CENT GROWTH RATE OF THE GROSS DOMESTIC PRODUCT IN REAL TERMS -- WAS SOMEWHAT OPTIMISTIC.

HE POINTED OUT THAT FROM 1965 TO 1975 INCLUSIVE, THERE WERE ONLY THREE YEARS IN WHICH HONG KONG WAS ABLE TO ACHIEVE ANNUAL GROWTH RATES OF GDP AT CONSTANT MARKET PRICES HIGHER THAN NINE PER CENT.

HE SAID IT WAS DOUBTFUL THAT THE MOMENTUM OF HONG KONG'S GROWTH COULD BE MAINTAINED TOWARDS THE SECOND HALF AND IN PARTICULAR THE FOURTH QUARTER OF 1976.

AS LONG AS THE TREND OF REAL ECONOMIC GROWTH WAS RISING, HE CONTINUED, ONE SHOULD BE PREPARED TO ACCEPT, AT LEAST FOR THE TIME BEING, THE FACT THAT THERE WOULD BE SURPLUS IN A PROSPEROUS YEAR AND DEFICIT IN A LEAN YEAR.

+IT IS OF COURSE NECESSARY THAT OVER A PERIOD OF TIME, THE SURPLUSES IN THE GOOD YEARS SHOULD BALANCE THE DEFICITS IN THE BAD ONES,+ DR. CHUNG SAID.

THE RATHER SMALL SURPLUS OR DEFICIT EACH YEAR WAS NOT REALLY IMPORTANT, HE SAID. THIS WAS PARTICULARLY SO WHEN A CASH ACCOUNTING SYSTEM WAS USED IN THE GOVERNMENT.

+THIS MEANS THAT, UNLIKE THE NORMAL ACCOUNTING PRACTICE IN THE PRIVATE SECTOR, THERE ARE NO ACCOUNTS PAYABLE NOR ACCOUNTS RECEIVABLE IN THE GOVERNMENT ACCOUNTING PROCESS. AS A RESULT, ANY SURPLUS OR DEFICIT AT YEAR END DOES NOT NECESSARILY REFLECT THE TRUE DIFFERENTIAL POSITION OF REVENUE AND EXPENDITURE DURING THE YEAR.+

TO TAKE THE 1975-76 ACCOUNT AS A CASE IN POINT, DR. CHUNG EXPLAINED THAT THE FINANCIAL SECRETARY ESTIMATED A MONTH AGO THAT THERE WOULD BE A DEFICIT OF \$50 MILLION WHICH WAS LESS THAN ONE PER CENT OF THE TOTAL EXPENDITURE.

+IF A PROPER ACCOUNTING SYSTEM SHOWING BOTH ACCOUNTS PAYABLE AND RECEIVABLE WERE USED BY THE GOVERNMENT, THIS \$50 MILLION DEFICIT COULD QUITE POSSIBLY BECOME \$50 MILLION SURPLUS.

+THEREFORE, WE SHOULD NOT PUT TOO MUCH EMPHASIS ON THE SWING OF A SMALL SURPLUS OR DEFICIT FROM YEAR TO YEAR. ON THE OTHER HAND, IF THERE WERE CONSISTENTLY TO BE A LARGE SURPLUS OR DEFICIT FOR A NUMBER OF YEARS, THE TREND CANNOT BE IGNORED,+ HE ADDED.

TOUCHING ON BUDGETARY STRATEGY, DR. CHUNG REFERRED TO A GRAPH HE HAD PREPARED, SHOWING THE TOTAL EXPENDITURE AND RECURRENT EXPENDITURE AS WELL AS CAPITAL EXPENDITURE FROM 1965-66 TO 1975-76.

FROM THE GRAPH, HE OBSERVED THAT THE ANNUAL GROWTH RATES FOR BOTH TOTAL EXPENDITURE AND RECURRENT EXPENDITURE WERE PRACTICALLY EQUAL -- ONE WAS 16.4 PER CENT AND THE OTHER 16.9 PER CENT -- AND THEREFORE THE TWO TREND LINES WERE ALMOST PARALLEL.

HE EXPLAINED THAT AS THE GRAPH WAS PLOTTED ON SEMI-LOGARITHMIC PAPER, THE PARALLEL TREND LINES MEANT THAT, ON THE AVERAGE, THE RATIO OF CAPITAL TO RECURRENT EXPENDITURES HAD BEEN CONSTANT THROUGHOUT THE PAST 11 YEARS AT ABOUT 42 PER CENT.

OR, RECURRENT EXPENDITURE DURING THE PAST 10 TO 12 YEARS WAS ABOUT 70 PER CENT OF TOTAL EXPENDITURE. HENCE, THE PROPOSED 1976-77 BUDGET GIVING A RECURRENT EXPENDITURE OF \$5,289 MILLION AND A TOTAL EXPENDITURE OF \$7,212 MILLION -- A RATIO OF 73 PER CENT -- WAS VERY CLOSE TO THE 70 PER CENT AS REVEALED BY THE TWO TREND LINES ON THE GRAPH.

HOWEVER, FOR THE ESTIMATED EXPENDITURE DURING THE FORECAST PERIOD FROM 1977-78 TO 1979-80, DR. CHUNG SAID THE RANGE OF TOTAL AND RECURRENT EXPENDITURES TENDED TO DEVIATE FROM THE TREND LINES.

IN OTHER WORDS, THERE WAS INDICATION THAT THE GROWTH IN EXPENDITURE DURING THE FORECAST PERIOD WOULD BE SLOWER THAN THE HISTORICAL AVERAGE.

+NEVERTHELESS, ON FURTHER EXAMINATION, THIS IS NOT NECESSARILY TRUE, AS ALL FIGURES FOR THE FORECAST PERIOD ARE NET PRESENT VALUES (THAT IS, AT APRIL 1976 PRICES) AND IT IS NECESSARY TO CORRECT THEM FOR PRICE INFLATION.+

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IF AN ANNUAL INFLATION RATE OF SEVEN PER CENT WAS ASSUMED, THE MID-RANGE OF THE TOTAL AND RECURRENT EXPENDITURES FOR THE FORECAST PERIOD WOULD BE VERY CLOSE TO THE TWO RESPECTIVE TREND LINES, AND WOULD BE CONSISTENT WITH THE HISTORICAL GROWTH RATES.

+IN THIS RESPECT, I SEE NO REASON TO TRY TO PICK HOLES IN MY HONOURABLE FRIEND'S FORECAST OF EXPENDITURE FOR THE THREE YEARS FOLLOWING THE BUDGET YEAR AND WISH TO EXPRESS MY GENERAL AGREEMENT WITH HIM,+ DR. CHUNG SAID.

COMPARING THE FINANCIAL SECRETARY'S REVENUE FORECAST WITH HISTORICAL TREND, DR. CHUNG OBSERVED THE CONSERVATIVE ATTITUDE TAKEN BY THE FINANCIAL SECRETARY. AS AN EXAMPLE, RECURRENT REVENUE IN THE BUDGET COULD BE NEARER TO \$7,000 MILLION THAN \$6,000 MILLION. +NEVERTHELESS,+ DR. CHUNG SAID, +IN THE WORLD WHERE THE ONLY CERTAINTY IS UNCERTAINTY, IT IS UNDERSTANDABLE FOR THE FINANCIAL SECRETARY TO TAKE A PRUDENT APPROACH IN REVENUE FORECASTING.+

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MORE MEANINGFUL LIFE FOR THE DISABLED
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THE HON. ROGER LOBO TODAY CALLED ON EMPLOYERS TO SET ASIDE A SMALL QUOTA IN THEIR WORKFORCE FOR THE LESS DISABLED WHO FALL OUTSIDE THE DISABILITY SCHEME, SO THAT THIS GROUP OF PEOPLE COULD +HELP SUPPORT THEMSELVES AND BRING MORE MEANING INTO THEIR LIVES.+

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, HE SAID HE SHOULD LIKE TO SEE SOME PROGRAMME DEvised IN THIS DIRECTION.

THIS WOULD INVOLVE SOME EXTRA COST TO EMPLOYERS IN ADAPTING THEIR FACILITIES TO THE NEEDS OF THE DISABLED, MR. LOBO SAID. BUT, IN RETURN FOR A QUOTA, IT MIGHT BE APPROPRIATE FOR SOME TAX CONCESSION TO BE LINKED TO THE NUMBER OF DISABLED PEOPLE EMPLOYED.

+THERE WOULD, OF COURSE, BE A SAVING TO GOVERNMENT TO THE EXTENT THAT NEWLY EMPLOYED DISABLED PEOPLE WOULD FLOAT OFF THE PUBLIC ASSISTANCE CASELOAD BECAUSE OF THEIR EARNINGS AND THIS COULD HELP TO COMPENSATE FOR THE LOSS OF TAX REVENUE,+ HE ADDED.

MR. LOBO REITERATED A SUGGESTION ON SOCIAL WELFARE WHICH HE MADE IN THE LEGISLATIVE COUNCIL LAST YEAR THAT WHERE POSSIBLE, WELFARE ORGANISATIONS SHOULD BE MERGED WITH THE VIEW TO RAISING STANDARDS AND, AT THE SAME TIME, REDUCING COSTS.

HE STRESSED THAT NO DOUBT THERE WAS MUCH OVER-LAPPING AND DUPLICATION OF EFFORT BY AGENCIES, AND EVALUATION WORK WAS THEREFORE IMPERATIVE.

ON TOURISM, MR. LOBO EMPHASISED THE IMPORTANCE OF COMMON COURTESY TO BE DISPLAYED BY ALL THOSE HAVING DEALINGS WITH TOURISTS.

HE WAS PARTICULARLY CRITICAL OF THE ATTITUDE AND MANNER OF SOME SHOPKEEPERS AND TAXI DRIVERS TOWARDS TOURISTS AS WELL AS LOCAL RESIDENTS.

PEOPLE WORKING BEHIND THE PORT HEALTH AND IMMIGRATION COUNTERS AT THE AIRPORT SHOULD ALSO BE COURTEOUS.

FIRST IMPRESSIONS WERE IMPORTANT, HE SAID. AN OCCASIONAL SMILE AND A CHEERFUL WORD OF WELCOME OR GREETING FROM THOSE BEHIND THESE COUNTERS COULD MAKE A VISITOR'S STAY +JUST THAT LITTLE BIT MORE PLEASANT FROM THE VERY START.+

/MR. LOBO SAID :

MR. LOBO SAID: +I APPRECIATE THAT GREAT EFFORTS HAVE BEEN AND ARE BEING MADE BY THE DEPARTMENTS CONCERNED TO IMPROVE ATTITUDES, BUT MUCH STILL REMAINS TO BE DONE IN THIS AREA IF WE ARE TO CONTINUE TO ATTRACT VISITORS TO OUR SHORES.+

HE FELT THAT A SUBSTANTIAL SUBVENTION TO THE TOURIST ASSOCIATION WAS NOT ENOUGH IN ITSELF TO PROMOTE TOURISM. HE REITERATED: +THIS INDUSTRY, WHICH IS OF SUCH IMPORTANCE TO THE ECONOMY OF HONG KONG, IS A HIGHLY COMPETITIVE BUSINESS. IF WE WISH TO ATTRACT VISITORS TO HONG KONG AND ENCOURAGE THEM TO STAY LONGER, BOTH GOVERNMENT AND THE PRIVATE SECTOR MUST PLAY THEIR COMPLEMENTARY ROLES MORE EFFECTIVELY.+

MR. LOBO PROPOSED THAT LOCAL TRADE ASSOCIATION AND TAXI COMPANIES AND THE TRADE UNIONS CONCERNED SHOULD TRY TO BRIEF THEIR MEMBERS ON THE PART WHICH COMMON COURTESY COULD PLAY IN CONTRIBUTION TO +THE FURTHER GROWTH OF OUR TOURIST INDUSTRY AND, IN THE PROCESS, THEIR OWN STANDARD OF LIVING.+

HE ADDED THAT WHILE THERE WERE MAJOR AND CONTROVERSIAL ISSUES INVOLVED, IT MUST ALSO REMAIN A MAJOR SOURCE OF CONCERN THAT THE PRESENT AIRPORT MAY PROVE INSUFFICIENT TO COPE WITH POSSIBLE DEMANDS BY 1987/1990.

ON MOTOR-CYCLING, MR. LOBO WAS DISAPPOINTED THAT THE FINANCIAL SECRETARY DID NOT INTRODUCE ADDITIONAL MEASURE OF FISCAL CONTROL TO CONTAIN THE NUMBER OF MOTOR-CYCLES ON THE ROADS.

HE POINTED OUT THAT OVER 22,000 SUCH VEHICLES WERE REGISTERED AT THE END OF LAST YEAR, OF WHICH +A FAIRLY LARGE PROPORTION APPEARS TO BE IN THE HANDS OF SUICIDAL MANIACS, WHO NOT ONLY ENDANGER THEIR OWN LIVES BUT, WHAT IS MORE, THE LIVES AND PROPERTY OF OTHERS.+

DURING 1975, MOTOR-CYCLES WERE INVOLVED IN 2,271 REPORTED ACCIDENTS -- NEARLY 20 PER CENT OF THE TOTAL NUMBER OF ACCIDENTS INVOLVING DEATH AND INJURY.

BASED ON THE PREMISE THAT PUBLIC SERVICES SHOULD BE SELF-FINANCING WHEREVER POSSIBLE, HE THOUGHT THAT, IN RELATION TO REVENUE FROM REGISTRATION AND LICENCE FEES, A CONSIDERABLE LOSS WAS INCURRED BY THE GOVERNMENT IN PROVIDING THE NUMEROUS SERVICES REQUIRED TO DEAL WITH THESE 2,271 ACCIDENTS.

+THIS THEREFORE LEADS ME TO QUESTION WHETHER THERE IS NOT A CASE FOR INCREASING THE ANNUAL REGISTRATION FEE FOR A MOTOR-CYCLE FROM \$175 TO A MORE REALISTIC FIGURE. LET US REMEMBER THAT MOTOR-CYCLISTS ENJOY FREE ON-STREET PARKING THROUGHOUT THE COLONY.+

MR. LOBO CALLED FOR THE LEGALISATION OF THE +MOTOR-CYCLE FOR HIRE+ BUSINESS, THUS BRINGING ITS OPERATORS INTO THE T/X NET.

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POINTING OUT THAT 3,500 PROVISIONAL LICENCES FOR MOTOR-CYCLES WERE ISSUED LAST YEAR AND PLUS THOSE CARRIED FORWARD FROM 1974, HE SAID IT WOULD BE REASONABLE TO ASSUME THAT THERE WAS A THRIVING ILLEGAL BUSINESS IN THIS FIELD.

ON MEDICAL AND HEALTH, MR. LOBO NOTED THAT THE FINANCIAL SECRETARY IN HIS BUDGET SPEECH MENTIONED THAT THE PROVISION FOR MEDICAL AND HEALTH SERVICES REPRESENTED 8.7 PER CENT OF TOTAL EXPENDITURE IN 1976/77, COMPARED WITH 9.5 PER CENT OF THE REVISED ESTIMATES FOR 1975/76.

HE QUESTIONED WHETHER THIS LOWERING OF THE PRIORITY WOULD MEAN FURTHER DELAY IN THE IMPLEMENTATION OF THE VARIOUS RECOMMENDATIONS IN THE MEDICAL WHITE PAPER WHICH HAD ALREADY BEEN SHELVED FOR A YEAR.

HE ALSO ASKED THE DIRECTOR OF MEDICAL AND HEALTH SERVICES TO REVIEW THE DEVELOPMENT IN THE SERVICES PROVIDED BY HIS DEPARTMENT IN THE PAST SIX YEARS, AND THE PROGRESS FOR THE NEXT FOUR YEARS.

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CALL FOR TRUST TOWARDS PRIVATE SCHOOLS
WHICH WILL PLAY MAJOR ROLE IN SECONDARY EDUCATION
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THE HON. MRS. JOYCE SYMONS TODAY APPEALED FOR TRUST AND RESPECT TOWARDS THOSE PRIVATE SCHOOLS WHICH WILL, IN THE NEXT TWO TO THREE YEARS, PLAY A MAJOR PART IN THE GOVERNMENT'S PROGRAMME OF EXPANDING SECONDARY EDUCATION.

SPEAKING IN THE RESUMED BUDGET DEBATE, SHE HOPED THAT THE DIRECTOR OF EDUCATION WOULD HAVE +BRAVE AND NEW IDEAS+ FOR AN EXTENSION OF THE STRONG LINKS BETWEEN GOVERNMENT AND AIDED SCHOOLS TO SUCH PRIVATE SCHOOLS.

FURTHERMORE, SHE STRESSED THAT IT MUST BE THE GOVERNMENT'S SUPREME DUTY +TO FOSTER THE FLEXIBILITY OF SCHOOLS, TO ENCOURAGE THE OLDER SCHOOLS TO HELP THE NEW, RESPECTING THE INDIVIDUALITY AND INTEGRITY OF EACH SCHOOL.+

MRS. SYMONS COMPLIMENTED THE GOVERNMENT ON ITS INTENTION TO PROVIDE 18,741 MORE SECONDARY PLACES THIS COMING ACADEMIC YEAR, AND SHE SUSPECTED THAT THE MAIN THRUST OF EXPANSION WOULD BE THROUGH BOUGHT PLACES IN THE PRIVATE SECTOR IN THE NEXT TWO TO THREE YEARS.

WELCOMING THE HINT BY THE FINANCIAL SECRETARY THAT THE DIRECTOR OF AUDIT WOULD PAY GREATER ATTENTION TO THE VAST SUMS OF MONEY SPENT BY SUBVENTED ORGANISATIONS, SHE SAID ACCOUNTABILITY COULD NOT BE EQUATED WITH THE MERE SUBMISSION OF AUDITED ACCOUNTS.

+SUBVENTED BODIES MUST, AND IN THE MAIN, DO USE GOVERNMENT MONEY AS CAREFULLY AS THEIR OWN- IF ANYTHING TWICE AS CAREFULLY. NO ONE SHOULD TAKE UMBRAGE AT THIS.

+IT FOLLOWS THEREFORE THAT THOSE RECEIVING A NEW FORM OF SUBSIDY AS IN THE PRIVATE SCHOOLS THROUGH THE BUYING OF PLACES OR PER CAPITA GRANTS MUST BE IN THE AUDIT NET, TOO.+

JUST AS THERE WAS ACCOUNTABILITY OF MONEY, MRS. SYMONS SAID, SO THERE WAS THE MORE IMPORTANT ACCOUNTABILITY OF MUTUAL TRUST AND RESPECT.

FOR A VERY LONG TIME, SHE WENT ON, THE CO-OPERATION BETWEEN THE GOVERNMENT AND THE AIDED SCHOOLS HAD ENABLED BOTH, IN HARNESS, TO SERVE THE COMMUNITY AND SERVED IT WELL WITHIN THE LIMITATIONS OF FINANCE.

+NOW IN CO-OPERATION THERE WILL BE A TROIKA - THE PRIVATE SCHOOLS IN RECEIPT OF GOVERNMENT AID THROUGH THE BUYING OF PLACES OR SPECIAL GRANT.+

SHE HOPED THAT THE DIRECTOR OF EDUCATION WOULD HAVE +BRAVE AND NEW IDEAS FOR AN EXTENSION OF THE STRONG LINKS BETWEEN GOVERNMENT AND AIDED SCHOOLS TO EXTEND TO SUCH PRIVATE SCHOOLS AS MAY BE PLEASED TO CO-OPERATE.+

+SUCH SHARING OF EXPERTISE AT ADMINISTRATION, STAFF AND STUDENT LEVEL SHOULD DO NO HARM AND COULD DO SOME GOOD,+ SHE ADDED.

ON THE SUBJECT OF BOUGHT PLACES, MRS. SYMONS SAID SHE SHARED THE CONCERN OF THOSE WHO WERE WORRIED ABOUT QUALITY. BUT SHE DID NOT AGREE WITH SOME CRITICS WHO WOULD RATHER CHILDREN BE UNSCHOOLED THAN THAT THEY SHOULD BE IN PRIVATE SCHOOLS.

SHE ESTIMATED THAT IT WOULD TAKE ABOUT TEN YEARS BEFORE THERE WOULD BE GOVERNMENT AND AIDED PLACES IN +NORMAL+ SCHOOLS, NOT EXTENDED DAY, FLOTATION AND BOUGHT PLACE IMPROVISATIONS. +ANOTHER GENERATION WILL HAVE GROWN UP, AND ONE CAN ONLY SAY THAT THE CO-OPERATION OF ALL TYPES OF SCHOOLS HELPED SUCH CHILDREN THROUGH THE INTERREGNUM.+

SHE CONTINUED THAT IF STRENUOUS EFFORTS WERE MADE TO IMPROVE QUALITY DESPITE THE MAXIMISATION OF QUANTITY, THERE WAS SOME HOPE THAT AFTER A PERIOD OF CONSOLIDATION HONG KONG WOULD SEE EVOLVE EDUCATION FOR ITS YOUNG PEOPLE WHICH WOULD BE SUITABLE FOR THE YOUTH OF TOMORROW, WHEREVER THEY MAY GO, WHATEVER THEY MAY DO.

MRS. SYMONS WENT ON TO SAY THAT THE IDEA THAT +CLEVER+ TEACHERS TEACH THE SIXTH FORM AND NOT ELSEWHERE WAS +A DETERRENT TO A HEALTHY ATTITUDE TO WORK.+

+UNWITTINGLY PERHAPS WE HAVE ENGENDERED THIS. TO SAY HOWEVER SINCERELY TO A YOUNG PERSON 'YOU DO NOT HAVE TO BE A UNIVERSITY GRADUATE TO BE A HUMAN BEING' BORDERS ON THE VERGE OF LUNACY TO THE INCREDULOUS LISTENER.

+THE DAYS OF UNQUESTIONING ARE MERCIFULLY OVER - OUR YOUNG WILL WANT TO DISCOVER DREAMS AND REALITIES FOR THEMSELVES, THEY WILL NOT BE CONTENT TO STUDY FACTS AND REGURGITATE THEM IN EXAMINATIONS, THEY WILL WANT TO ASSESS AND EVALUATE, AND ALL CONCERNED WITH EDUCATION WILL HAVE TO RE-EQUIP THEMSELVES TO CONTINUE AS GUIDES, PHILOSOPHERS AND FRIENDS.+

MRS. SYMONS CONCLUDED THAT THE FINANCIAL SECRETARY HAD SET ASIDE THE MONEY -- IT NOW REST WITH THE DIRECTOR OF EDUCATION TO USE IT VERY JUDICIOUSLY TO MARK A NEW ERA IN THE EDUCATION SYSTEM.

WHETHER THIS WOULD PROVE TO BE MEANINGFUL OR NOT WOULD DEPEND ON ALL INVOLVED IN THIS FIELD. IT MUST REMAIN THE SUPREME DUTY OF THE GOVERNMENT TO FOSTER THE FLEXIBILITY OF SCHOOLS, TO ENCOURAGE OLD SCHOOLS TO HELP NEW ONES, RESPECTING THE INDIVIDUALITY AND INTEGRITY OF EACH SCHOOL.

THAT WAS WHAT ACCOUNTABILITY MEANT IN THE LONG RUN, +AND I AM CONFIDENT THAT GIVEN GOODWILL WE WILL DEVELOP A SYSTEM OF EDUCATION USEFUL TO ALL STUDENTS WHO IN OUR CITY WILL BE ENABLED THROUGH ITS PROVISION TO SERVE HONG KONG IN THE FUTURE.

+IF WE ARE ALL ACCOUNTABLE WE WILL NOT FAIL THE YOUNG- IF WE DO, WE WILL FALL TO ASHES -- CAN WE BE SURE THEN A PHOENIX WILL ARISE? LET US BE ON SOLID ROCK AND BUILD WISELY -- WITH ACCOUNTABILITY TO ALL,+ SHE ADDED.

ADVISORY BOARD ON PRISON INDUSTRIES PROPOSED
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THE HON. PETER WILLIAMS TODAY PROPOSED THE SETTING UP OF A BOARD TO ADVISE THE PRISONS DEPARTMENT ON TAKING THE BEST ADVANTAGE OF PRISON LABOUR BOTH TO THE BENEFIT OF SOCIETY AND OF THE PRISONERS THEMSELVES.

ADDRESSING THE LEGISLATIVE COUNCIL IN THE RESUMED BUDGET DEBATE, HE SAID THAT THE BOARD SHOULD CONSIST LARGELY OF ACTIVE BUSINESSMEN WHO COULD ADVISE AND GIVE TO THE PRISONS DEPARTMENT +THE BUSINESS ACUMEN THEY LACK.+

MR. WILLIAMS FELT SURE THERE WERE MANY CITIZENS WHO WOULD WELCOME THIS CHALLENGE AND COULD PROCURE PRIVATE INVESTMENT IF IT WAS NEEDED.

IF HIS IDEA WAS ACCEPTED, HE SAID, IT MIGHT REQUIRE SOME CHANGE IN GOVERNMENT ACCOUNTING PROCEDURES AND A MORE FLEXIBLE APPROACH.

+FOR EXAMPLE, IF PRISON LABOUR WAS SOLD OUTSIDE IT WOULD BE UNREALISTIC TO CHARGE THE FULL COST OF SUPERVISORY STAFF WHO WOULD BE NEEDED WHETHER THE PRISONERS WERE EMPLOYED OR NOT,+ HE POINTED OUT.

MR. WILLIAMS WAS PLEASED TO SEE IN THE FINANCIAL SECRETARY'S BUDGET SPEECH THE REFERENCE TO INCREASED EXPENDITURE IN THE DEVELOPMENT OF PRISON INDUSTRIES.

WITH THE PUBLIC SCREAM FOR LONGER SENTENCES, HE SAID, HONG KONG WOULD HAVE A BIGGER PRISON POPULATION AND IT WAS EXPENSIVE.

HOWEVER, HE ADDED THAT WITH IMAGINATION AND INNOVATION, +WE CAN ACHIEVE CONSIDERABLE RETURNS.+

MR. WILLIAMS SAID THAT HIS OWN VIEWS ON PUNISHMENT WERE THAT +THE PROTECTION OF SOCIETY IS MORE IMPORTANT THAN THE SAVIOUR OF INDIVIDUALS.+

+INDEED, IT IS SAD TO SAY THAT WITH SO MANY PRISONERS WE ARE TRYING TO MEND BROKEN TOYS,+ HE WENT ON. +BUT THEY ARE HUMAN BEINGS AND EVEN IF THEY ARE AGAINST SOCIETY MANY MUST WORRY ABOUT THE DAMAGE THEY HAVE CAUSED TO THEIR FAMILIES.+

HE POINTED OUT THAT IF, IN SOME WAY, A PART OF THE RESULT OF THEIR INDUSTRY COULD BENEFIT THEIR FAMILIES, THERE WOULD BE A BIG RESPONSE.

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ON THE EFFICIENCY OF THE CIVIL SERVICE, MR. WILLIAMS SUGGESTED THAT SENIOR CIVIL SERVANTS SHOULD BE REQUIRED TO ACCOUNT FOR THEIR TIME AS SOLICITORS, ACCOUNTANTS AND OTHER PROFESSIONAL MEN DID.

HE RECALLED THAT SOMETIME AGO HE SUGGESTED IN THE COUNCIL THAT THE LENGTH OF MEETINGS COULD BE RECORDED SO THAT BUSINESS DONE THIS WAY SHOULD BE EXPEDITED. HOWEVER, HE ADDED THAT THE SUGGESTION WAS PARRIED WITH +URBANE CHARM+.

MR. WILLIAMS POINTED OUT THAT +PRODUCTIVITY IS THE PARRY TO INCREASING COSTS, AND IF SENIOR PUBLIC SERVANTS HAD AN INCREASED AWARENESS OF THEIR OWN COSTS AND HOW THESE ARE DEPLOYED IN TIME, THIS WOULD PENETRATE DOWN THROUGH THE LOWER LEVELS AND PRODUCTIVITY WOULD INCREASE THROUGHOUT.+

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CALL TO INVOLVE PRIVATE DEVELOPERS
IN PUBLIC HOUSING PROGRAMME
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THE HON. JAMES WU TODAY URGED THE GOVERNMENT TO INVOLVE PRIVATE DEVELOPERS IN ITS PUBLIC HOUSING PROGRAMME AND TO START A HOUSING-FOR-SALE SCHEME TO ACCELERATE THE PROVISION OF PUBLIC HOUSING AND TO SAVE PUBLIC FUNDS FOR OTHER SOCIAL SERVICES.

SPEAKING AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, HE SAID IF THE GOVERNMENT WAS TO SPEED UP ITS HOUSING PROGRAMME AND GENERATE INWARD CASH-FLOW IT COULD SELL LAND AT ONE-THIRD ITS MARKET PRICE TO PRIVATE DEVELOPERS WHO WOULD BUILD THE FLATS FOR SALE TO EXISTING TENANTS AND THOSE ELIGIBLE AT A RESTRICTED PROFIT MARGIN.

HE ESTIMATED THE PRICE OF A FLAT BUILT UNDER THIS SCHEME AT ABOUT \$100 PER SQ. FT. — A FIGURE WELL WITHIN THE REACH OF MANY ELIGIBLE APPLICANTS WITH THE ASSISTANCE OF HOME MORTGAGES.

THE NEW SCHEME WOULD ALSO ENABLE TENANTS OF EARLIER ESTATES WHO HAVE BECOME MORE AFFLUENT THROUGH YEARS OF DILIGENCE, THRIFT AND SAVINGS IN RENT, TO BUY A NEW FLAT AND VACATE THE OLD ONE FOR A NEW-COMER WHO MIGHT NOT BE ABLE TO AFFORD THE RENT IN A NEW ESTATE, HE SAID.

THESE NEW PUBLIC HOUSES COULD ALSO BE SOLD TO PEOPLE NOT ELIGIBLE UNDER THE PRESENT HOUSING DEPARTMENT REQUIREMENTS IF THEY COULD BE ASKED TO PAY TO THE GOVERNMENT THE BALANCE OF THE FULL LAND VALUE.

+THIS AGAIN ALSO HELPS TO BRING BETTER HOUSING TO WITHIN THE MEANS OF THE DESERVING MIDDLE CLASS, WHO MOST LIKELY HAVE BEEN PAYING DIRECT TAXATION BUT, UP TO THIS MOMENT, DENIED ANY ASSISTANCE FOR HOUSING, AND HAVE TO GO FOR FULL MARKET PRICE IN THE PRIVATE SECTOR WHICH AGAIN HAVE BEEN BUYING LAND AT INFLATED PRICES IN LAND AUCTIONS,+ HE SAID.

ON INDUSTRIAL DEVELOPMENT, MR. WU REITERATED THAT HONG KONG INDUSTRY MUST MOVE UP THE TECHNOLOGICAL SCALE WITH INCREASED AND ACCELERATED VIGOUR.

LIGHT AND HEAVY ENGINEERING INDUSTRIES, HE SAID, MUST BE PROMOTED AND NURTURED BECAUSE BESIDES HAVING TREMENDOUS POTENTIAL BY ITSELF IN ITS MANY BRANCHES, IT WOULD ALSO GIVE STRONG BACK-UP SERVICES TO THE ESTABLISHED AND GROWING INDUSTRIES IN PLASTICS, TOYS AND ELECTRONICS.

WITH PROPER ENCOURAGEMENT AND FACILITATION, HONG KONG COULD CREATE, WITHIN A DECADE OR SO, A +SWITZERLAND OF THE ORIENT+ FOR QUALITY PRODUCTS RANGING FROM TEXTILE TO PRECISION MACHINES, HE SAID.

HE FELT THAT THERE WAS ALSO A VERY REAL AND URGENT NEED TO SET UP MORE TECHNOLOGICAL OR ENGINEERING ORIENTED INDUSTRIES TO PROVIDE MORE EMPLOYMENT FOR THE MANY YOUNG PEOPLE NOW BEING TRAINED IN TECHNICAL INSTITUTES, THE POLYTECHNIC AND THE UNIVERSITIES, AND IN PARTICULAR, FOR THE MALE WORK FORCE WHICH AT THE MOMENT WAS OUT-NUMBERED BY THE FEMALE, DUE TO THE DEVELOPMENT OF MAINLY LIGHT INDUSTRIES.

HE EXPRESSED SATISFACTION THAT THE INDUSTRIAL ESTATE SCHEME WAS FINALLY BECOMING A REALITY AND HOPED THAT LOCAL INDUSTRIALISTS PLANNING TO SET UP SUPPORT INDUSTRIES WOULD ALSO RECEIVE THE FULLEST CONSIDERATION.

SPEAKING ON TAXATION POLICY, MR. WU BELIEVED THAT +SHORT OF ANY SERIOUS DOWN-TURN IN THE ECONOMY OF THE DEVELOPED NATIONS, WE WILL CONTINUE TO BE ABLE TO FINANCE THE SOCIAL SERVICES INTENDED WITH REVENUE ENHANCED BY OUR CONTINUING ECONOMIC GROWTH UNDER THE PRESENT TAX SYSTEM AND WITH MOBILISATION OF RESOURCES IN PRIVATE SECTOR FROM WITHIN AND WITHOUT, GIVING THE CONFIDENCE IN OUR VIABILITY AND STABILITY.

+I DO AGREE HOWEVER THAT WAYS AND MEANS SHOULD BE DEvised TO TAX NON-RESIDENT CORPORATIONS WHICH BENEFIT FROM HONG KONG'S INFRASTRUCTURE AND PUBLIC SERVICES, AND TO COUNTER ACCUSATION OF BEING A TAX HAVEN, BUT NOT AT THE EXPENSE OF A WELL-TRIED AND MIRACULOUSLY SUCCESSFUL TAX-SYSTEM, WHICH, HOWEVER OUTDATED, IS STILL THE ENVY OF MANY PEOPLE AND GOVERNMENTS,+ HE SAID.

UNOFFICIAL MEMBERS AS WELL AS THE MAJOR TRADE AND INDUSTRIAL ORGANISATIONS, HE SAID, OBJECTED STRONGLY TO THE FINANCIAL SECRETARY'S PROPOSAL TO INTRODUCE A DIVIDEND WITHHOLDING TAX AND AN UNDISTRIBUTED PROFITS TAX BECAUSE IT INVOLVED DOUBLE TAXATION WHICH WAS UNFAIR TO SMALL SHAREHOLDERS- IT CONSTITUTED A RADICAL CHANGE IN HONG KONG'S SIMPLE TAX STRUCTURE AND WOULD DISCOURAGE NEW INVESTMENT- IT WOULD INTERFERE WITH PROPER FINANCIAL MANAGEMENT IN DETERRING RE-INVESTMENT- AND IT WAS NOT IN LINE WITH THE WELL KNOWN STRATEGY OF LIMITING DIVIDEND PAYMENTS AND WAGE INCREASES TO FIGHT INFLATION.

+IN GENERAL, TAXES THAT BEAR ON SAVINGS AND RETURNS ON INVESTMENT WILL DISCOURAGE GROWTH COMPARED TO TAXES THAT FALL ON CONSUMPTION,+ HE SAID. +ALSO, LOW TAXES THAT DO NOT DETER OR REDUCE THE INCENTIVE TO LONGER AND HARDER WORK, VENTURE INVESTMENT AND FORMATION OF RISK CAPITAL, DO STIMULATE RAPID ECONOMIC GROWTH, AS IS THE CASE IN HONG KONG WHERE WE PLACE THESE CONSIDERATIONS UPPERMOST.+

HE SAID IT WAS UNFORTUNATE THAT SUCH CONSIDERATIONS CONFLICTED WITH COMMONLY HELD IDEAS OF WHAT IS AN EQUITABLE TAX STRUCTURE. MANY WELL-MEANING AND IDEALISTIC PEOPLE THEN WENT FOR TAX SYSTEMS THAT TENDED TO EMPHASISE ON DISTRIBUTION RATHER THAN ON THE PRODUCTION OF WEALTH.

+IN THE PROCESS ONCE GREAT NATIONS BEGIN TO GO DOWN-HILL AND STRONG INDUSTRIAL ECONOMIES BECOME RUINS. POOR NATIONS BECOME POORER. ALL BECAUSE OF THE LACK OF DIRECTION AND MOTIVATION FOR PRODUCTIVE LABOUR AND CAPITAL INVESTMENT, PLUS THE COSTLY PROVISION OF EASY-GOING SOCIAL BENEFITS THAT ARE OPEN TO ABUSE.+

MR. WU STRESSED THAT HONG KONG, WITH NO ENDOWMENT OF NATURAL RESOURCES BUT ONLY WITH INDUSTRIOUS LABOUR AND RISK CAPITAL, COULD LEAST AFFORD TO TREAD ON SUCH A TREACHEROUS ROAD.

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GOVERNMENT URGED TO REVIEW EXISTING
COMMITTEES AND BOARDS

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THE HON. HILTON CHEONG-LEEN TODAY URGED THE GOVERNMENT TO REVIEW ALL THE EXISTING COMMITTEES AND BOARDS SO AS +TO ELIMINATE THOSE WHICH ARE NO LONGER NEEDED AND TO MAKE ROOM FOR OTHER NEW COMMITTEES WHICH CAN RELATE TO THE CHANGING TIMES.+

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, HE SAID SINCE A CASE HAD BEEN MADE OUT THAT THE GOVERNMENT BY ITS VERY NATURE HAD TO RULE BY CONSULTATION, BY CONSENT AND BY CONSENSUS, THERE HAD BEEN SET UP A LARGE NUMBER OF COMMITTEES OF ALL SORTS AND DESCRIPTION.

HE POINTED OUT, HOWEVER, THAT SOME COMMITTEES WHICH HAD ALREADY MORE THAN FULFILLED THEIR PURPOSE WERE STILL UNPRODUCTIVELY LINGERING ON, THUS TAKING UP VALUABLE TIME OF CIVIL SERVANTS AND MEMBERS OF THE PUBLIC.

ON SERVICES FOR THE YOUTH, MR. CHEONG-LEEN SAID THERE WAS A NEED TO KEEP ON STRENGTHENING THE CO-ORDINATION OF SUCH SERVICES AND TO GIVE IT A MORE LONG-RANGE APPROACH.

HE REFERRED TO THE INTER-DEPARTMENTAL COMMITTEE ON SERVICES FOR YOUTH, WHICH HAD MET ABOUT A DOZEN TIMES IN THE TWO-AND-A-HALF YEARS SINCE IT WAS FORMED.

HE SAID HE WAS SURPRISED THAT THE GOVERNMENT HAD NOT THOUGHT IT ADVISABLE TO ALLOW NON-GOVERNMENTAL PARTICIPATION IN THE DELIBERATIONS OF THIS COMMITTEE ON MATTERS RELATING TO THE FUTURE WELL-BEING OF THE YOUNG PEOPLE.

MR. CHEONG-LEEN WAS OF THE OPINION THAT THE OBJECTIVES OF THE INTER-DEPARTMENTAL COMMITTEE ON SERVICES FOR YOUTH SHOULD BE REVIEWED AND EXPANDED TO GIVE IT A MORE LONG-TERM APPROACH, AND ITS MEMBERSHIP ENLARGED TO INCLUDE KNOWLEDGEABLE MEMBERS OF THE COMMUNITY WHO HAVE HAD RICH EXPERIENCE IN THIS AREA OF SOCIAL WORK.

TURNING TO LAW AND ORDER, MR. CHEONG-LEEN URGED THAT THE HOME AFFAIRS DEPARTMENT IN PARTICULAR BE GIVEN SUFFICIENT FUNDS TO EXPAND ITS MUTUAL AID COMMITTEE LIAISON STAFF.

THIS, HE SAID, WOULD ENABLE THE M.A.C. MOVEMENT TO WORK CLOSELY WITH THE GOVERNMENT AGENCIES TO FIGHT CRIME AS WELL AS TO IMPROVE THE GENERAL LIVING ENVIRONMENT.

WHILE NOTING THE RECENT IMPROVEMENT IN THE CRIME SITUATION, HE SAID THE GENERAL LEVEL OF EDUCATION OF NEW RECRUITS SHOULD BE FURTHER UPGRADED AND POLICE TERMS OF SERVICE SHOULD BE REGULARLY REVIEWED.

MR. CHEONG-LEEN SAID THAT A COMPREHENSIVE REVIEW SHOULD ALSO BE CARRIED OUT TO SEE IF ALL THE YOUTH SERVICES WERE EFFECTIVELY MEETING THE REAL NEEDS OF THE YOUNG PEOPLE OF HONG KONG.

/HE SAID

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HE SAID THAT SINCE 1975, 50.5 PER CENT OF THE PEOPLE ARRESTED FOR CRIME WERE FIRST OFFENDERS, AND OF THE FIRST OFFENDERS 46 PER CENT WERE UNDER THE AGE OF 21 YEARS.

ON NARCOTICS AND TRIAD ACTIVITIES WITHIN THE PRISON, HE SAID THERE WAS A NEED FOR ADDITIONAL FINANCES TO BE MADE AVAILABLE TO STRENGTHEN THE INTELLIGENCE GATHERING AND OTHER PREVENTIVE MEASURES.

ON HOUSING, MR. CHEONG-LEEN WELCOMED THE ANNOUNCEMENT BY THE FINANCIAL SECRETARY ON THE HOME OWNERSHIP SCHEME.

HE SAID : +IT IS A STEP IN THE RIGHT DIRECTION FOR THE HOUSING AUTHORITY TO TAKE, PROVIDING THE SCHEME IS CAREFULLY THOUGHT OUT AND PROPERLY PLANNED FOR IN ADVANCE.+

HOWEVER, HE WOULD LIKE TO SEE THE PLANNED IMPROVEMENTS IN ALL LICENSED AREAS, PARTICULARLY THE OLDER AND SUB-STANDARD ONES, FINISHED AS EARLY AS POSSIBLE.

IN REGARD TO THE OLDER MARK I AND II ESTATES, MR. CHEONG-LEEN URGED THE GOVERNMENT TO SPEED UP THE REDESIGNING AND REBUILDING OF ALL THESE SUB-STANDARD ESTATES.

ON GOVERNMENT'S ACTION PROGRAMME AGAINST INDUSTRIAL UNDERTAKINGS IN NON-INDUSTRIAL BUILDINGS, HE SAID THE CORE OF THE PROBLEM WAS THE DIFFERENCE IN AREA BETWEEN THE FACTORIES IN INDUSTRIAL AND NON-INDUSTRIAL BUILDINGS.

IF THE GOVERNMENT WISHED TO PROCEED WITH ITS PLAN, HE SAID, IT WOULD BE NECESSARY FOR IT AND THE PRIVATE SECTOR TO COOPERATE TOGETHER TO PLAN AND TO CONSTRUCT INDUSTRIAL BUILDINGS WITH UNITS VARYING IN SIZE FROM 1,000 SQ. FT. TO 2,000 SQ. FT. TO CATER FOR THE NEEDS OF THE 22,000 FACTORIES IN NON-INDUSTRIAL BUILDINGS.

TURNING TO THE DEPENDENT PARENTS ALLOWANCE, WHICH WAS ABOLISHED IN APRIL 1973, MR. CHEONG-LEEN REITERATED THAT +LOOKING AFTER ONE'S DEPENDENT PARENTS IS A TRADITIONAL CHINESE VIRTUE, ESPECIALLY IN A CITY LIKE HONG KONG WHERE THERE ARE HARDLY ANY OLD PEOPLE'S HOMES.+

DESPITE THE ARGUMENTS HE PUT FORWARD LAST YEAR, HE SAID HE FOUND IT HARD TO UNDERSTAND WHY THE FINANCIAL SECRETARY WAS NOT PREPARED TO REINSTATE IT THIS YEAR.

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DECENTRALISATION OF REVENUE-EARNING DEPARTMENTS
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THE HON. LI FOOK-WO TODAY STRONGLY URGED THE GOVERNMENT TO APPOINT A HIGH-POWERED COMMITTEE, CONSISTING OF OUTSIDE CONSULTANTS, CIVIL SERVANTS AND BUSINESSMEN, TO MAKE A FULL FEASIBILITY STUDY OF DECENTRALISATION OF REVENUE-EARNING DEPARTMENTS.

THIS WAS ONE OF SEVERAL MEASURES MR. LI ASKED THE GOVERNMENT TO ADOPT TO IMPROVE COST-EFFICIENCY IN THE CIVIL SERVICE WHEN HE SPOKE IN THE RESUMED BUDGET DEBATE IN LEGISLATIVE COUNCIL THIS AFTERNOON.

MR. LI SAID HE WAS SURPRISED THAT THE GOVERNMENT'S OBJECTIONS TO DECENTRALISATION HAD REMAINED UNCHANGED SINCE THE FINANCIAL SECRETARY SPOKE ON IT IN THE 1973 BUDGET DEBATE.

+SURELY, AT THIS JUNCTURE, WHEN WAYS AND MEANS OF INCREASING REVENUE ARE OF SUCH UTMOST IMPORTANCE, IT IS MOST TIMELY FOR GOVERNMENT TO CHANGE THIS DOGMATIC ATTITUDE AND REVIEW THE SITUATION,+ HE SAID.

WHILE HE AGREED THAT STRONG CENTRAL CONTROL WAS NECESSARY TO ALLOW FOR MAXIMUM FLEXIBILITY IN THE USE OF RESOURCES AND KEEPING OVERHEAD LOW, HE DID NOT FEEL THE OVERALL PLANS FOR THE DEVELOPMENT OF HONG KONG WOULD BE ADVERSELY AFFECTED BY THE ESTABLISHMENT OF AUTONOMOUS BODIES.

CITING THE MASS TRANSIT AUTHORITY, THE URBAN COUNCIL AND THE HOUSING AUTHORITY AS EXAMPLES, MR. LI SAID THAT THE GOVERNMENT STILL MAINTAINED A STRONG BUT DETACHED CONTROL OVER THESE THREE BODIES.

ANOTHER MEASURE MR. LI SUGGESTED TO ENSURE THERE WAS NO EXTRAVAGANCE OR WASTAGE IN THE SPENDING OF PUBLIC FUNDS WAS THE ESTABLISHMENT OF A PERMANENT CENTRAL GOVERNMENT TEAM TO MONITOR DEPARTMENTAL EXPENDITURE AFTER APPROVAL IN THE ESTIMATES.

AT PRESENT, HEADS OF DEPARTMENTS ARE +VIRTUALLY FREE+ TO SPEND THE FUNDS, PROVIDED THE MONEY IS SPENT FOR A PARTICULAR PURPOSE AND THE TOTAL AMOUNT IS NOT EXCEEDED.

MR. LI STRESSED THE NEED TO IMPRESS ON THEM AND OTHER SENIOR OFFICERS THAT THEY BORE THE MAJOR RESPONSIBILITY OF ENSURING THAT THE MONEY VOTED TO THEIR DEPARTMENT WAS PROPERLY SPENT.

+A DEPARTMENT HEAD IS NOT MERELY RESPONSIBLE TO SOMEONE IN THE COLONIAL SECRETARIAT= HE IS ALSO ACCOUNTABLE TO THE TAXPAYERS,+ HE SAID.

AS A COMPLEMENTARY STEP, MR. LI PROPOSED THE ESTABLISHMENT OF SMALL INTERNAL MONITORING TEAMS WITHIN THE HEADQUARTERS OF EACH DEPARTMENT, WHICH WOULD BE DIRECTLY RESPONSIBLE TO THE DEPARTMENT HEAD HIMSELF.

/+IT SHOULD

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+IT SHOULD SATISFY ITSELF THAT THE NEED TO SPEND MONEY VOTED FOR A PARTICULAR PURPOSE HAS NOT BEEN DIMINISHED BY CHANGES IN CIRCUMSTANCES OCCURRING AFTER THE DEPARTMENTAL ESTIMATES ARE APPROVED.+

ON A POSSIBLE SALARIES REVISION FOR THE CIVIL SERVICE, MR. LI SAID BESIDES THE TWO CONDITIONS MENTIONED BY THE FINANCIAL SECRETARY -- CONSISTENCY WITH THE CURRENT PRACTICE OF THE PRIVATE SECTOR AND ABILITY OF THE GOVERNMENT'S GENERAL FINANCIAL SITUATION TO PAY -- HE WOULD SUGGEST A THIRD CONDITION, I.E. CIVIL SERVANTS MUST ACCEPT THE PUBLIC'S RIGHT TO EXPECT +MORE PAY FOR A JOB BETTER DONE+.

HE SAID THE TAXPAYERS WOULD NOT NECESSARILY AGREE THAT A SALARY REVISION WAS JUSTIFIED +UNLESS THERE IS A CORRESPONDING INCREASE IN PERFORMANCE AND EFFICIENCY+.

+TO MY MIND, THIS IS THE MOST IMPORTANT OF ALL THE CONDITIONS ,+ HE SAID.

REFERRING TO THE TOTAL ARREARS OF REVENUE, A QUESTION HE RAISED DURING THE 1974 BUDGET, MR. LI SAID THE SITUATION SEEMED TO HAVE GONE FROM BAD TO WORSE.

HE POINTED OUT THAT THE TOTAL ARREARS AT THE END OF JUNE 1975, EXCLUDING NEW ARREARS ACCUMULATED DURING THE FIRST THREE MONTHS OF THE CURRENT FINANCIAL YEAR, WAS \$136 MILLION, WHICH IRONICALLY REPRESENTED +EXACTLY THE SAME AMOUNT+ WHICH THE FINANCIAL SECRETARY EXPECTED TO GAIN AS ADDITIONAL REVENUE FROM HIS TAX INCREASE PROPOSALS FOR 1976/77.

+YEAR AFTER YEAR, WE READ WITH GROWING DISMAY AND FRUSTRATION, THE TALES OF MISMANAGEMENT, INADEQUATE SUPERVISION, UNCOORDINATED PLANNING AND OUTRIGHT NEGLIGENCE. IT IS DISCOURAGING INDEED TO SEE THAT THERE HAS BEEN SO MUCH WASTAGE IN SO MANY DEPARTMENTS IN SO MANY WAYS.

+TWO YEARS AGO, MY HONOURABLE FRIEND, THE FINANCIAL SECRETARY HAD SAID THAT HE WELCOMED MY OBSERVATIONS. HE ALSO STATED THAT THE REPORT FROM THE DIRECTOR OF AUDIT SHOULD DESERVE MORE ATTENTION.

+OBVIOUSLY, MERE ATTENTION HAS PROVEN INADEQUATE= POSITIVE AND IMMEDIATE ACTION IS NECESSARY,+ HE SAID.

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PUBLIC INVITED TO SEE PUPILS' WORK AT GOVERNMENT SCHOOLS

PARENTS AND MEMBERS OF THE PUBLIC WILL HAVE OPPORTUNITIES TO SEE SAMPLES OF PUPILS' WORK AT THREE GOVERNMENT SECONDARY SCHOOLS DURING THEIR OPEN DAYS THIS WEEK.

VILLAGE REPRESENTATIVES WILL BE AMONG THE PEOPLE WHO WILL BE GOING TOMORROW TO THE SHA TAU KOK GOVERNMENT SCHOOL WHICH HAS 300 PUPILS IN EIGHT FORMS 1 TO 5 CLASSES.

EXHIBITS ON DISPLAY IN THE SCHOOL'S COVERED PLAYGROUND INCLUDE VARIOUS TYPES OF ROCK COLLECTED BY THE PUPILS AND FURNITURE MADE BY SENIOR PUPILS.

AT KING'S COLLEGE, WHICH IS ALSO OPENING ITS DOORS TO THE PUBLIC TOMORROW, A NEWLY BUILT MODEL OF THE SCHOOL BY MEMBERS OF THE WOODWORK CLUB WILL BE AMONG THE ITEMS ON EXHIBITION IN THE HALL. THERE WILL ALSO BE MODELS OF THE COUNTRYSIDE, A SMALL BOAT, A TRAIN AND A CHURCH.

PAINTINGS, BATIK AND SCULPTURE BY MEMBERS OF THE ART CLUB WILL BE AMONG ITEMS TO BE DISPLAYED BY MEMBERS OF THE GEOGRAPHY SOCIETY, CIVICS CLUB, PHOTOGRAPHIC CLUB, SCOUTS, RED CROSS GROUP AND OTHERS.

KING'S COLLEGE, WHICH IS CELEBRATING ITS GOLDEN JUBILEE, HAS 1,040 PUPILS IN 28 FORMS 1 TO 6 CLASSES.

ON FRIDAY, THE QUEEN ELIZABETH SCHOOL WILL SHOW WORK DONE BY PUPILS OF THE VARIOUS CLUBS IN THE SCHOOL HALL.

THE DEVELOPMENT OF SHA TIN, THE FLYOVER SYSTEM IN THE MONG KOK DISTRICT AND THE TOURIST INDUSTRY IN HONG KONG WILL BE HIGHLIGHTED BY THE GEOGRAPHY SOCIETY WHILE THE SCOUTS WILL DEMONSTRATE FIRST AID AND EXPERIMENTS WILL BE CARRIED OUT IN THE LABORATORY.

THERE WILL ALSO BE A SECTION ON SOCIAL SERVICE WORK AND A HISTORY OF THE SCOUT MOVEMENT IN THE SCHOOL.

THE QUEEN ELIZABETH SCHOOL HAS 910 STUDENTS IN 24 FORMS 1 TO 6 CLASSES. IN THE EVENING, THE SCHOOL IS USED AS A CENTRE BY THE EDUCATION DEPARTMENT FOR ITS EVENING INSTITUTE SECONDARY SCHOOL COURSE. IT IS ALSO AN ADULT EDUCATION CENTRE.

NOTE TO EDITORS: YOU ARE INVITED TO COVER THE OPEN DAYS AT THE THREE SCHOOLS.

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CAR PARK TO MAKE WAY FOR M.T.R.
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THE EX-NAVAL DOCKYARD OPEN-AIR CAR PARK IN CENTRAL DISTRICT WILL BE HANDED OVER TO THE MASS TRANSIT RAILWAY CORPORATION ON MONDAY, APRIL 5, AS A WORKS AREA.

THE CAR PARK WILL CLOSE PERMANENTLY FROM 8 A.M. ON FRIDAY (MARCH 26). ALTERNATIVE PARKING IS AVAILABLE AT THE NEARBY MULTI-STOREY CAR PARK AT 2 MURRAY ROAD.

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WATER CUT
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WATER SUPPLY TO A NUMBER OF PREMISES IN TSIM SHA TSUI WILL BE INTERRUPTED FROM 1 A.M. TO 6 A.M. ON FRIDAY (MARCH 26) TO ENABLE THE WATERWORKS OFFICE TO CARRY OUT LEAKAGE TESTS.

THE PREMISES TO BE AFFECTED ARE BOUNDED BY NATHAN ROAD, AUSTIN ROAD, CHATHAM ROAD, AUSTIN AVENUE, KIMBERLEY ROAD AND OBSERVATORY ROAD AND INCLUDE THOSE ON HILLWOOD ROAD.

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