



DAILY INFORMATION BULLETIN

WEDNESDAY, APRIL 26, 1978

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HK IS A MARKET WORTH CULTIVATING -- SAYS GOVERNOR

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THE GOVERNOR, SIR MURRAY MACLEHOSE TODAY EMPHASISED THE IMPORTANCE OF HONG KONG AS A LONG TERM MARKET AND SAID ALL COUNTRIES WERE EQUALLY FREE AND WELCOME TO PARTICIPATE IN ITS SUCCESS.

SPEAKING AT A MEETING ON +HONG KONG: BRITAIN'S SHOWCASE IN ASIA+ AT THE CONFEDERATION OF BRITISH INDUSTRY IN LONDON, SIR MURRAY ALSO DESCRIBED HONG KONG AS A +SHOP-WINDOW ON A PRIME SITE+ AND STRESSED THAT IT WAS IN THE INTEREST OF U.K. TO EXPAND ITS EXPORTS TO HONG KONG.

HE POINTED OUT THE FACT THAT +HONG KONG IS AT THE COMMUNICATIONS CENTRE OF DEVELOPING MARKETS OF EAST AND SOUTHEAST ASIA, AND HAS VERY CLOSE COMMERCIAL AND FINANCIAL LINKS WITH JAPAN.+

+BUT,+ HE SAID, +ITS CLOSEST CONNECTION IS WITH CHINA, THE BIGGEST COUNTRY IN WORLD, NOW POISED FOR A PERIOD OF RAPID ECONOMIC EXPANSION.+

SIR MURRAY ALSO TOLD BRITISH BUSINESSMEN ABOUT OTHER ADVANTAGES OF HONG KONG AS A MARKET. HE SAID: +BUSINESS CAN BE DONE QUICKLY BECAUSE HONG KONG BUSINESSMEN ARE BRISK -- IT IS A CITY IN A HURRY, BUSINESS CAN BE DONE IN ENGLISH AND WHEN DONE IT IS GOVERNED BY BRITISH LAW.+

BESIDES, HE ADDED, THE COMMUNITY OF HONG KONG WAS AN ENVIABLY STABLE ONE POLITICALLY AND +IT IS HAPPILY FREE FROM LABOUR DIFFICULTIES, AND THE ADAPTABILITY, VIGOUR AND INVESTMENTS OF ITS WORK-FORCE AND MANAGEMENT ALIKE ARE PROVERBIAL.+

HE ALSO GREATLY WELCOMED THE INTEREST WHICH THE DEPARTMENT OF TRADE AND INDUSTRY IN U.K., THE CONFEDERATION OF BRITISH INDUSTRY AND THE BRITISH OVERSEAS TRADE BOARD NOW TAKE IN THE DEVELOPMENT OF TRADE WITH HONG KONG, AND SAID THEIR SUCCESS WOULD BE IN THE MUTUAL INTEREST OF BOTH THE UNITED KINGDOM AND HONG KONG.

HE SAID: +BRITISH SUPPORT IS AS VITAL TO HONG KONG AS THE GOODWILL OF CHINA ON THE ONE HAND, AND THE HARD WORK, ENTERPRISE, AND GOOD GOVERNMENT OF THE PEOPLE OF HONG KONG ON THE OTHER.

+BRITISH SUPPORT IS NOT AN ISSUE, BUT INEVITABLY COMMERCIAL SUCCESS AND THE EMPLOYMENT IT BRINGS IS HELPFUL TO BRITISH ATTITUDES TOWARDS A PLACE SO DISTANT AND SO LITTLE UNDERSTOOD.+

SIR MURRAY ALSO POINTED OUT THAT IT IS A STRIKING FACT THAT HONG KONG ALONE SURVIVES AND PROSPERS AS A COLONY OF ANY ECONOMIC SIGNIFICANCE FROM THE EARLY 19TH CENTURY.

HE SAID: +IT HAS DONE SO BECAUSE OF VERY SPECIAL CIRCUMSTANCES, INCLUDING THE ATTITUDE OF THE PEOPLE'S REPUBLIC OF CHINA AND THE SUPPORT OF THE UNITED KINGDOM.

/+BUT I THINK,

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+BUT I THINK, TOO, IT HAS SURVIVED BECAUSE THE COMBINATION OF THE PLACE, THE PEOPLE, AND THE GOVERNMENT HAS BEEN SO EXTRA-ORDINARILY SUCCESSFUL IN PRODUCING STABILITY AND STEADILY RISING LIVING STANDARDS, ALSO BECAUSE IT IS SO OPEN -- ALL ARE EQUALLY FREE AND WELCOME TO PARTICIPATE IN THIS SUCCESS AND TO PROFIT FROM IT WHETHER FROM CHINA, AMERICA, BRITAIN OR ELSEWHERE.+

HE NOTED THAT HONG KONG HAS THE REPUTATION OF BEING THE LAST OUTPOST OF LAISSEZ FAIRE AND THE FACT IS THAT HONG KONG IS UNUSUALLY DEPENDENT ON EXTERNAL ECONOMIC FORCES OVER WHICH IT HAS NO CONTROL.

HE SAID THE HONG KONG GOVERNMENT DOES NOT INTERVENE IN THE NATURAL PLAY OF MARKET FORCES EXCEPT TO STOP ABUSE OR DISTRESS TO THE PUBLIC, OR TO ENSURE THE PROVISION OF THE ESSENTIAL INFRASTRUCTURE WITHOUT WHICH ACCEPTABLE SPEEDS OF SOCIAL ADVANCE AND ECONOMIC GROWTH WOULD NOT BE POSSIBLE.

SIR MURRAY POINTED OUT THAT HONG KONG HAS COMPARATIVELY LOW RATES OF TAX AND A COMPARATIVELY SIMPLE FISCAL SYSTEM: +THERE IS NO EXCHANGE CONTROL, AND THERE IS FREEDOM TO EMPLOY SUCH STAFF AS A FIRM SEES FIT, AND FREEDOM TO REMIT PROFITS AND CAPITAL AT WILL, AND IN COMPARISON WITH OTHER COMMUNITIES, THERE IS A REFRESHING ABSENCE OF REGULATION AND RED TAPE.

+SO IN HONG KONG THE ENTREPRENEUR PROBABLY DOES ENJOY GREATER FREEDOM TO GET ON WITH HIS JOB THAN IN ANY COMPARABLE PLACE OF BUSINESS. WE HAVE EVERY INTENTION OF ADHERING TO THIS GENERAL APPROACH,+ HE SAID.

HE ALSO NOTED THAT U.K. EXPORTS TO HONG KONG LAST YEAR WERE WORTH ABOUT 270 MILLION POUNDS STERLING -- ABOUT THE SAME AS BRITAIN'S EXPORTS TO INDIA, TWO-THIRDS OF HER EXPORTS TO JAPAN, AND FOUR TIMES HER EXPORTS TO CHINA.

+IT IS VERY MUCH A MARKET IN ITS OWN RIGHT, AND I BELIEVE THAT WITH ATTENTION BRITISH SALES WOULD BE MUCH BIGGER THAN THEY ARE,+ HE SAID.

SIR MURRAY ALSO POINTED OUT THAT HONG KONG IS NOT JUST AN INDUSTRIAL COMMERCIAL AND FINANCIAL INSTITUTION. +IT IS A COMMUNITY OF ABOUT FOUR AND A HALF MILLION, INTENSELY SHREWD AND ACTIVE PEOPLE.+

+IT IS GOVERNED WITH MORE REAL FREEDOM THAN ANY OTHER COMMUNITY IN ASIA AND YET -- BECAUSE OF CIRCUMSTANCES WHICH ARE FORCED UPON IT -- WITHOUT ELECTED GOVERNMENT.+

HE CITED A FEW EXAMPLES OF THE VARIOUS SERVICES PROVIDED BY THE GOVERNMENT TO ENSURE THAT THE COMMUNITY CONTINUES TO GROW WITH STABILITY.

/ON HOUSING,

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ON HOUSING, HE SAID THE GOVERNMENT HAS ALREADY HOUSED 46 PER CENT OF THE POPULATION AT HEAVILY SUBSIDISED RENT. IN THE FOUR YEARS FROM 1978/79 TO 1981/82, THE GOVERNMENT WILL COMPLETE PUBLIC HOUSING AT SUBSIDISED RATES FOR ABOUT ONE MILLION MORE PEOPLE.

ON EDUCATION, SIR MURRAY SAID: +THIS YEAR, FOR THE FIRST TIME, THREE YEARS SECONDARY AS WELL AS PRIMARY EDUCATION WILL BE AVAILABLE AND FREE FOR ALL CHILDREN. THIS PROGRAMME ALONE INVOLVES THE CONSTRUCTION OF 85 SCHOOLS. THE NUMBER OF PLACES IN HIGHER EDUCATION (THE TWO UNIVERSITIES AND POLYTECHNIC) IS INCREASING FROM 8,000 IN 1973 TO NEARLY 22,000 IN 1981.+

ON MEDICAL SERVICES, HE SAID THE INCREASE IN HOSPITAL BEDS IN THE SIX YEARS FROM 1978 TO 1984 WILL BE APPROXIMATELY 7,000 AND IN THE SAME TIME EIGHT NEW CLINICS AND POLYCLINICS WILL OPEN.

HE ALSO NOTED THAT THERE IS A MASSIVE PROGRAMME OF ENGINEERING WORKS TO GIVE ACCESS BY ROAD OR RAIL TO AREAS WHERE BUILDING LAND EXISTS OR CAN BE FORMED BY RECLAMATION OF THE SEA, SO THAT THREE NEW SELF-CONTAINED TOWNS AVERAGING 600,000 CAN BE BUILT BEFORE 1984 IN BETTER ENVIRONMENTAL CONDITIONS.

HE SAID: +AGAINST THIS BACKGROUND IT IS NOT SURPRISING THAT THE EXPENDITURE OF THE HONG KONG GOVERNMENT SHOULD HAVE INCREASED FROM NEARLY HK\$3 BILLION IN 1971/72 TO OVER \$10 BILLION IN 1978/79.

+IT IS MUCH MORE SURPRISING THAT THIS HAS BEEN ACHIEVED WITHOUT LARGE INCREASE IN TAXATION, AND WITH THE EXCEPTION OF A FEW SELF-LIQUIDATING PROJECTS, HAS BEEN FINANCED FROM REVENUE NOT DEBT.+

+THIS HAS ONLY BEEN POSSIBLE THROUGH THE RAPID GROWTH OF THE ECONOMY. DOMESTIC EXPORTS GREW FROM HK\$2.9 BILLION IN 1961 TO \$35 BILLION IN 1977 AND THE GROSS DOMESTIC PRODUCT IN PER CAPITA REAL TERMS INCREASED BY AN AVERAGE OF 6.4 PER CENT A YEAR BETWEEN 1961 AND 1971 AND BY 7.1 PER CENT SINCE 1971,+ SIR MURRAY SAID.

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FINANCIAL SECRETARY SPEAKS AT ASIAN DEVELOPMENT BANK MEETING
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THE +LURCH TO PROTECTIONISM+ WHICH HAS BECOME SO ALARMINGLY APPARENT IN THE LAST 12 MONTHS OR SO WILL UNDOUBTEDLY SLOW DOWN THE GROWTH RATE OF WORLD TRADE IN MANUFACTURES, AND GENERALLY.

THE FINANCIAL SECRETARY, MR. PHILIP HADDON-CAVE, SAID THIS YESTERDAY (TUESDAY) DURING A SPEECH TO THE 11TH ANNUAL MEETING OF THE BOARD OF GOVERNORS OF THE ASIAN DEVELOPMENT BANK BEING HELD IN VIENNA.

MR. HADDON-CAVE SAID THAT PROTECTIONISM WOULD THUS BE A SELF-DEFEATING PROCESS IN THE LONG RUN.

+CERTAINLY, PROTECTIONISM WILL PROVE TO BE NO CURE FOR UNEMPLOYMENT AND INFLATION,+ HE SAID. +HOWEVER, IF CERTAIN DEVELOPED COUNTRIES IN EUROPE, NORTH AMERICA AND ELSEWHERE ARE DETERMINED, FOR THE TIME BEING, TO PLACE A DEGREE OF RELIANCE ON NATIONAL OR REGIONAL SELF-SUFFICIENCY IN PRODUCTS WHICH THEY WOULD OTHERWISE OBTAIN THROUGH THE MECHANISM OF WORLD TRADE, THEN I CAN SEE NO ALTERNATIVE BUT FOR REGIONAL DEVELOPMENT BANKS TO STRESS REGIONAL SELF-SUFFICIENCY IN THEIR LENDING FOR DEVELOPMENT.+

THIS WOULD REQUIRE THE ASIAN DEVELOPMENT BANK TO MATCH ITS INVOLVEMENT IN THE DEVELOPMENT PROCESS IN INDIVIDUAL MEMBER COUNTRIES WITH A STRATEGIC VIEW OF THE DEVELOPMENT OF THE ASIAN AND PACIFIC REGION AS A WHOLE -- THAT WAS TO SAY, IN ITS INNOVATIVE ROLE, THE BANK WOULD SEEK TO SUPPORT PROJECTS WHICH WERE DESIGNED SPECIFICALLY TO PROMOTE INTRA-REGIONAL TRADE, MR. HADDON-CAVE POINTED OUT.

+THIS IS NOT AN APPROACH WHICH WOULD BE DEFENSIBLE IN A MORE LIBERAL WORLD TRADING ENVIRONMENT,+ MR. HADDON-CAVE CONTINUED, +BUT THERE ARE CERTAIN IMPLICATIONS OF PROTECTIONISM WHICH ARE INESCAPABLE (A SLOW DOWN IN THE GROWTH RATE OF EVEN DYNAMIC ECONOMIES, FOR INSTANCE) AND WHICH MUST HAVE AN INFLUENCE ON THE POLICIES PURSUED BY THOSE ADVERSELY AFFECTED.

+PERHAPS, WHEN IT IS REALISED BY PROTECTIONIST GOVERNMENTS THAT THERE IS AN UNPALATABLE REALITY ABOUT PROTECTIONISM, THAT IS TO SAY, WHEN THEY REALISE THAT PROTECTIONISM IS BOUND TO HAVE CONSEQUENCES WHICH DAMAGE ALL MEMBERS OF THE WORLD TRADING ECONOMY, MORE LIBERAL -- AND HENCE MORE EFFECTIVE EVEN FROM A NATIONALISTIC POINT OF VIEW -- TRADE POLICIES WILL BE FOLLOWED.+

COMMENTING ON THE BANK'S POSSIBLE ROLE OF PROGRAMME LENDING, MR. HADDON-CAVE SUGGESTED THAT FAMILY PLANNING MIGHT BE A SUITABLE FIELD FOR SUCH LOAN. HE SAID HE REALISED THAT, HITHERTO, SO FAR AS INTERNATIONAL DEVELOPMENT INSTITUTIONS WERE CONCERNED, POPULATION CONTROL PROGRAMMES HAD BEEN THE SPECIAL PRESERVE OF THE WORLD BANK WHICH HAD BUILT UP A WEALTH OF COMPARATIVE EXPERIENCE.

/+BUT I DOUBT,

+BUT I DOUBT,+ HE SAID, +WHETHER THE ASIAN DEVELOPMENT BANK CAN LEGITIMATELY LEAVE ALL EFFORTS IN THIS FIELD TO THE WORLD BANK, GIVEN THE HIGH PROPORTION OF THE WORLD'S POPULATION IN THE ASIAN REGION, AND GIVEN ALSO THE RELATIVELY HIGH POPULATION GROWTH RATES IN MANY MEMBER COUNTRIES WHICH ERODE THE IMPACT ON LIVING STANDARDS OF PUBLIC AND PRIVATE INVESTMENT.+

MR. HADDON-CAVE SAID THE TIME HAD COME FOR ALL INTERNATIONAL DEVELOPMENT INSTITUTIONS TO HAVE CLEARLY DEFINED ROLES +TO AVOID OVERLAPPING OF ACTIVITIES AND SO AS TO ENSURE THE ACTIVITIES OF ALL INSTITUTIONS ARE COMPLEMENTARY ONE TO THE OTHER AND NOT COMPETITIVE.+ HE SAID THE SOMEWHAT HAPHAZARD EMERGENCY OF THESE INSTITUTIONS SINCE THE SECOND WORLD WAR HAD MEANT THAT A NOT INSIGNIFICANT PROPORTION OF AVAILABLE FUNDS, EXPERTISE AND EXPERIENCE WAS NOT BEING UTILISED TO THE BEST ADVANTAGE.

+SPECIFICALLY,+ HE SAID, +I WOULD LIKE TO SUGGEST THAT AN EXAMINATION SHOULD BE MADE OF THE POSSIBILITY OF THE WORLD BANK AND THE SEVERAL REGIONAL BANKS, AS APPROPRIATE, ACCEPTING RESPONSIBILITY FOR ADMINISTERING SOME OF THE DEVELOPMENT FUNDS PRESENTLY CONTROLLED BY SPECIALISED AGENCIES.+

MR. HADDON-CAVE ALSO CALLED FOR A REVIEW OF THE ASIAN DEVELOPMENT BANK'S INTERNAL ADMINISTRATION AS A WHOLE, INCLUDING ALL QUESTIONS RELATING TO THE RECRUITMENT OF MANAGEMENT AND STAFF.

HE SAID: +WHILST I BELIEVE IN THE CONCEPT OF CAREER SERVICE IN THE BANK, I THINK THAT AN INTERNATIONAL DEVELOPMENT INSTITUTION SHOULD DILUTE ITS ESTABLISHMENT OF CAREER STAFF WITH STAFF ON CONTRACT TERMS AND ON SHORT SECONDMENTS.+

MR. HADDON-CAVE SAID THAT A CHART IN THE BANK'S ANNUAL REPORT IMPLIED THAT A DISPROPORTIONATE SHARE OF THE BANK'S STAFF RESOURCES WAS BEING DEVOTED TO NEW LOAN APPROVALS, +AS OPPOSED TO THE EFFECTIVE IMPLEMENTATION OF PROJECTS ALREADY APPROVED.+ THIS WAS NOT THE BANK'S FAULT, BUT IT MUST BE OF CONCERN TO THE BANK.

+ONE WAY OF ACCELERATING DISBURSEMENTS WOULD BE TO IMPROVE THE ABSORPTIVE CAPACITY OF BORROWING COUNTRIES THROUGH AN EXPANDING PROGRAMME OF TECHNICAL ASSISTANCE DESIGNED TO STRENGTHEN THE PLANNING AND EXECUTING CAPABILITY OF THE INSTITUTIONS CONCERNED IN THESE COUNTRIES. I NOTE WITH APPROVAL, THEREFORE, THE BANK'S PRESENT ACTIVITIES AND FUTURE INTENTIONS IN THIS FIELD. TO THIS END, MY GOVERNMENT IS PREPARED TO CONTINUE TO PROVIDE FINANCIAL SUPPORT, ON AN UNTIED BASIS, TO THE TECHNICAL ASSISTANCE SPECIAL FUND.+

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UNOFFICIALS COMMENT ON GREEN PAPER ON SOCIAL SECURITY

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AN AD HOC GROUP OF LEGISLATIVE COUNCIL UNOFFICIALS FORMED TO STUDY THE GREEN PAPER ON SOCIAL SECURITY DEVELOPMENT HAS ASKED THAT THE SICKNESS, INJURY AND DEATH BENEFIT SCHEME BE INTRODUCED BY THE END OF 1980 FOR A TWO YEAR TRIAL PERIOD FOLLOWED BY A DECISION AS TO WHETHER IT SHOULD BE MADE COMPULSORY.

THE CONVENOR OF THE AD HOC GROUP, THE REV. THE HON. PATRICK MCGOVERN WHEN MOVING THE DEBATE ON THE GREEN PAPER IN THE COUNCIL TODAY, POINTED OUT THAT THE UNOFFICIALS SUPPORTED THE SCHEME IN PRINCIPLE BUT DID NOT ACCEPT THE CONDITION STATED IN THE GREEN PAPER THAT THE GOVERNMENT WOULD FURTHER INVESTIGATE THE SCHEME ONLY IF THERE IS A SUBSTANTIAL FAVOURABLE RESPONSE.

+AS A CONTRIBUTORY SCHEME IS A NEW IDEA IT WAS FELT THAT IT WAS ONLY BY INTRODUCING THE SCHEME, AT LEAST ON AN EXPERIMENTAL BASIS, THAT THE PUBLIC COULD EXPERIENCE FOR THEMSELVES THE BENEFITS INVOLVED AND THUS REACH A DECISION,+ HE SAID.

ON THE PROPOSED FEATURES OF THE SCHEME, THERE WERE SUGGESTIONS BY INDIVIDUAL UNOFFICIALS THAT THE AMOUNT OF CONTRIBUTION WAS TOO SMALL TO MAKE IT WORTHWHILE, THAT MORE ATTRACTION WAS NEEDED SUCH AS TAX INCENTIVES, EXTENDING BORROWINGS FROM THE FUND OF THE SCHEME TO NEEDS OTHER THAN HOME OWNERSHIP, AND REQUIRING EMPLOYERS TO MAKE A HIGHER CONTRIBUTION.

THEY AGREED THAT ITS BENEFITS SHOULD BE DISCOUNTED IF THE NEED AROSE TO ASSESS FOR PUBLIC ASSISTANCE AND NOTED THAT THERE WAS A NEED TO CLARIFY THE PRACTICE OF THE SCHEME IN ITS RELATIONSHIP WITH THE PROVISIONS UNDER THE WORKMEN'S COMPENSATION ORDINANCE.

FATHER MCGOVERN REFERRED TO A MISCALCULATION IN THE GREEN PAPER ON SICKNESS BENEFIT WHERE AN EMPLOYEE'S FIRST MONTH AWAY FROM WORK WAS REGARDED AS BEING COVERED BY SICKNESS ALLOWANCE PAYABLE UNDER THE EMPLOYMENT ORDINANCE AND THUS NOT ELIGIBLE FOR BENEFITS UNDER THE SCHEME.

HE POINTED OUT THAT SICK PAY WAS ONLY 12 DAYS PER YEAR AND THE MAXIMUM OF 36 DAYS UNDER THE ORDINANCE WAS CULMULATIVE AND PRESUPPOSED A THREE YEAR PERIOD OF EMPLOYMENT.

THE UNOFFICIALS THEREFORE SUGGESTED THAT THE BENEFIT SHOULD BE PROVIDED FROM THE DAY WHEN THE EMPLOYEE CEASES TO BE ELIGIBLE FOR PAID SICK LEAVE UNDER THE ORDINANCE, UP TO A MAXIMUM OF THREE MONTHS.

ALSO, WHILE THE AMOUNT OF SICKNESS BENEFIT SUGGESTED IN THE GREEN PAPER WAS 'ABOUT HALF NORMAL PAY', SICKNESS PAY UNDER THE EMPLOYMENT ORDINANCE WAS TWO-THIRDS OF NORMAL WAGES.

FATHER MCGOVERN NOTED PERSONALLY THAT HE COULD NOT SEE ANY WAY IN WHICH LEGISLATION COULD BE ENFORCED WHICH WOULD PREVENT DISCRIMINATION AGAINST A WORKER WHO CHANGES TO A JOB UNDER ANOTHER EMPLOYER WHO DOES NOT APPROVE OF THE SCHEME.

/HE PREDICTED

HE PREDICTED THAT IT WOULD BE FOUND NECESSARY TO MAKE THE SCHEME COMPULSORY AND SUGGESTED THAT IT MIGHT, IN 1982, BE EASIER TO INTRODUCE A FULL CENTRAL PROVIDENT FUND. +IT WOULD BE PROFITABLE TO USE THE TIME BETWEEN NOW AND 1982 TO BEGIN LOOKING AT PROVIDENT FUND SCHEMES AND MAKE A PRELIMINARY DECISION ON WHICH TYPE MIGHT BEST SUIT HONG KONG,+ HE SAID.

FIVE OTHER UNOFFICIALS SPOKE ON THE SCHEME DURING DEBATE ON THE MOTION.

THE HON. JAMES WU NOTED THAT INDUSTRIAL AND EMPLOYERS' ASSOCIATIONS AGREE IN PRINCIPLE WITH THE TYPE OF BENEFITS PROPOSED BUT HAVE THE FOLLOWING RESERVATIONS AS TO ITS IMPLEMENTATION:

- * THE PROPOSED SCHEME DOES NOT PROVIDE A RETURN EQUIVALENT TO CONTRIBUTIONS. THE SIX MONTHS SALARY 'RETIREMENT' BENEFIT GIVEN TO A CONTRIBUTOR WHO DOES NOT QUALIFY FOR SICKNESS, INJURY OR DEATH BENEFITS WOULD BE LESS THAN HIS TOTAL CONTRIBUTIONS AND WOULD BE INSUFFICIENT TO RETIRE ON.
- * IT IS DOUBTFUL WHETHER A VOLUNTARY SCHEME IS ACTUARIALY VIABLE. AS THE SCHEME NOW STANDS, THE OLDER AGE GROUP WILL TAKE ADVANTAGE WHILE THE YOUNG WHO IN EFFECT WILL BE SUBSIDISING THE SCHEME, WILL STAY OUT.
- * THERE IS SOME UNCERTAINTY AS TO WHETHER A GOVERNMENT ADMINISTERED SCHEME OF THIS NATURE WOULD OBTAIN A BETTER INVESTMENT RETURN ON MONEY ACCUMULATED THAN BY PRIVATE INSTITUTIONS.
- * LIKE THE RETIREMENT BENEFIT, THE DEATH BENEFIT IS OF LITTLE SIGNIFICANCE. THE AMOUNT CONTRIBUTED WILL RESULT IN A LESSER RETURN UPON MATURITY UNLESS ONE DIES EARLIER.
- * SICKNESS BENEFIT WOULD ONLY BE PROVIDED IF A WORKER IS SICK OVER 36 DAYS. FROM EXPERIENCE HOWEVER, THE NUMBER OF PERSONS WHO ARE LIKELY TO BE SICK FOR LONG PERIODS OVER 36 DAYS ARE FEW AND FAR BETWEEN.
- * THE VERY SMALL AMOUNT OF ACTUAL BENEFITS TO BE DERIVED FROM THE SCHEME UNDER THE CIRCUMSTANCES RAISES DOUBTS AS TO WHETHER IT WOULD BE COMMENSURATE WITH POSSIBLY LARGE ADMINISTRATIVE COSTS.
- * BY WAY OF COMPARISON, PRIVATE INSURANCE INSTITUTIONS ARE CAPABLE OF PROVIDING SUCH BENEFITS AT A MUCH MORE SUBSTANTIAL RATE.

THE HON. HILTON CHEONG-LEEN SUGGESTED THAT THE WORDS +DEATH BENEFIT+ COULD BE MORE APPROPRIATELY AMENDED TO +SURVIVORS' BENEFIT+.

HE THOUGHT THAT THE PROVISION PROPOSED FOR A SMALL RETIREMENT BENEFIT OF ABOUT 6 MONTHS PAY ON REACHING THE AGE OF 60 COULD WELL BE THE STARTING POINT FOR THE EXPANSION OF THE SCHEME AT A LATER DATE INTO A MONTHLY PENSION PLAN.

HE ALSO QUERIED WHETHER IT IS ADVISABLE TO ALLOW EMPLOYERS TO CONTRACT OUT, UNLESS THE BENEFITS OF THEIR OWN SCHEMES ARE CLEARLY BETTER.

HE SAID THAT WHATEVER INITIAL LOANS TO BE MADE BY GOVERNMENT FOR THE FIRST TWO OR THREE YEARS SHOULD BE INTEREST-FREE TO GET THE SCHEME ESTABLISHED ON A SOUND FOOTING. THE GOVERNMENT COULD ALSO CONTRIBUTE TO ITS FUND AS AND WHEN REQUIRED TO PROTECT THE VALUE OF THE BENEFITS AGAINST INFLATION. IT WOULD ALSO HAVE TO CONSIDER WHAT REGULATIONS ARE REQUIRED TO GOVERN THE OPERATION OF THE SOCIAL SECURITY SYSTEM.

DR. THE HON. HARRY FANG ALSO POINTED OUT THE DISCREPANCIES IN THE CALCULATION OF THE AMOUNT AND THE QUALIFYING PERIOD FOR SICKNESS BENEFIT.

HE EXPLAINED THAT WORKERS MIGHT HAVE BEEN EMPLOYED FOR LESS THAN THREE YEARS WITH THEIR EMPLOYER OR MIGHT HAVE ALREADY USED UP THEIR ACCUMULATED LEAVE EARLIER. WHERE THE WORKER IS THE SOLE BREAD-WINNER, WAITING FOR UP TO ONE MONTH TO QUALIFY FOR BENEFITS WOULD CAUSE HARDSHIP.

HE FURTHER EXPLAINED THAT A SICKNESS PAY OF TWO-THIRDS NORMAL WAGE IS CONSIDERED TO BE THE MINIMUM AMOUNT REQUIRED FOR A PERSON TO LOOK AFTER HIS FAMILY DURING THE PERIOD THAT HE IS UNABLE TO WORK.

THE HON. MRS. KWAN KO SIU-WAH SUGGESTED THAT BEFORE THE SCHEME IS IMPLEMENTED PILOT PROJECTS SHOULD BE CARRIED OUT AMONG EMPLOYEES OF SELECTED TRADES SO AS TO OBTAIN INFORMATION AND EXPERIENCE. A WORKING PARTY SHOULD BE SET UP TO LOOK INTO THE DETAILS OF THE SCHEME AND TO CONSULT VARIOUS CONCERNED PARTIES REGARDING ITS IMPLEMENTATION.

SHE DID NOT SUPPORT THE PROVISION FOR CONTRACTING OUT OF THE SCHEME AS THIS MAY LEAD TO THE WITHDRAWAL OF THE BETTER-OFF AND HENCE LIMITATION OF THE SCHEME TO THE LOW INCOME GROUP.

SHE ALSO FOUND THE BENEFITS PROPOSED BY THE SCHEME GROSSLY INADEQUATE AND SUGGESTED THAT THE BENEFITS SHOULD BE WEIGHTED IN FAVOUR OF THOSE WHO EARN RELATIVELY LESS. THE INCOME CEILING COULD BE RAISED FROM \$2,000 TO \$4,000 AND CONTRIBUTION RATE COULD BE RAISED TO FOUR OR EVEN FIVE PER CENT TO IMPROVE THE BENEFITS. A MORE ADEQUATE COVERAGE FOR OLD AGE, IN THE FORM OF PENSION OR A LUMP SUM PAYMENT, OR EVEN FOR UNEMPLOYMENT COULD THEN BE CONTEMPLATED.

THE REV. THE HON. JOYCE M. BENNETT BELIEVED THAT MORE AND MORE WORKERS ARE WILLING TO PAY INTO SCHEMES WHICH WILL PROVIDE SICKNESS, INJURY AND OLD-AGE BENEFITS. SHE THOUGHT THEY MUST BE ENCOURAGED DO THIS SINCE IT WILL CREATE A MORE STABLE SOCIETY OF PEOPLE WITH A STAKE IN THE FUTURE OF HONG KONG.

THE UNOFFICIALS ALSO COMMENTED ON OTHER ASPECTS OF THE GREEN PAPER WHICH THEY THOUGHT NEEDED TO BE IMPROVED.

RENT ALLOWANCE FOR PUBLIC ASSISTANCE RECIPIENTS

THE AD HOC GROUP OF UNOFFICIALS FELT THAT SINCE THERE WAS A SHORTAGE OF PUBLIC HOUSING, A PERSON SHOULD NOT BE PENALISED FOR HAVING TO LIVE IN PRIVATE RENTED PREMISES. THEY THEREFORE SUGGESTED THAT INSTEAD OF BASING THE MAXIMUM RENT ALLOWANCE ON THE MAXIMUM CURRENT PUBLIC HOUSING RENT, IT WOULD BE MORE REALISTIC TO BASE IT ON, SAY, 150 PER CENT OF THE MAXIMUM CURRENT RENT.

CHRONIC SICKNESS ALLOWANCE

THE GROUP DISAGREED WITH THE GREEN PAPER THAT THIS ALLOWANCE SHOULD NOT BE PAID TO THOSE RECEIVING AN OLD AGE OR DISABILITY ALLOWANCE. THEY THOUGHT THAT CHRONIC SICKNESS IS A COMPLETELY DIFFERENT NEED AND IF A PERSON SUFFERS FROM BOTH OLD AGE AND CHRONIC SICKNESS HE SHOULD GET BOTH FORMS OF HELP. THEY ALSO POINTED OUT THAT THERE WAS A NEED TO CLARIFY HOW THIS CHRONIC SICKNESS ALLOWANCE AND THE DISABILITY ALLOWANCE FITS IN WITH COMPENSATION UNDER THE WORKMEN'S COMPENSATION ORDINANCE AND HOPED THAT THEY ARE NOT MUTUALLY EXCLUSIVE.

THEY SUGGESTED THAT THE ALLOWANCE SHOULD BE IMPLEMENTED THIS YEAR RATHER THAN IN OCTOBER 1979.

MRS. KWAN KO SIU-WAH ADDED THAT 12 MONTHS AND NOT 18 MONTHS OF CHRONIC ILLNESS SHOULD ENTITLE A PERSON TO THE ALLOWANCE.

DISABILITY ALLOWANCE FOR THE PROFOUNDLY DEAF

FATHER MCGOVERN NOTED THAT THE AD HOC GROUP HAD EXAMINED THE ARGUMENTS FOR AND AGAINST SUCH ALLOWANCE AND WAS UNANIMOUS IN STRONGLY RECOMMENDING THAT THE PROFOUNDLY DEAF BE INCLUDED IN THE DISABILITY ALLOWANCE SCHEME.

DR. FANG POINTED OUT THAT IT WAS WRONG NOT TO CONSIDER PROFOUND DEAFNESS AS A SERIOUS DISABLEMENT. IT IS AS GRAVE AS LOSS OF SIGHT OR LOSS OF USE OF LEGS AND PERHAPS MORE SO IN PEOPLE WHO ARE BORN DEAF BECAUSE THEY CANNOT EVEN SPEAK.

THE ARGUMENT THAT THE PROFOUNDLY DEAF LIKE THE MEDIUM GRADE MENTALLY SUBNORMAL ARE ABLE TO RESPOND TO TRAINING IS UNCONVINCING. THE BLIND ARE SOMETIMES EVEN MORE RECEPTIVE THAN THE PROFOUNDLY DEAF TO SPECIAL VOCATIONAL TRAINING, FOR EXAMPLE, OPERATING TELEPHONES.

MRS. KWAN KO SIU-WAH HOPED AS WELL THAT THE MEDIUM GRADE MENTALLY RETARDED WOULD BE GIVEN DISABILITY ALLOWANCE.

OLD AGE ALLOWANCE

THE AD HOC GROUP FELT THAT THE OLD AGE ALLOWANCE FOR THOSE AGED 70 TO 72 COULD BE INTRODUCED AT THE SAME TIME AS FOR THOSE AGED 73 TO 74 IN OCTOBER THIS YEAR. THEY SAW NO INSURMOUNTABLE ADMINISTRATIVE DIFFICULTY IN INTRODUCING THE ALLOWANCE IN ONE STEP.

WHILE COMMENTING ON THIS ALLOWANCE, MR. CHEONG-LEEN THOUGHT THAT THE GENERAL QUESTION OF RETIREMENT AGE AND THE RANGE OF BENEFITS AVAILABLE TO PEOPLE AS THEY GROW OLD SHOULD BE REVIEWED.

FOR EXAMPLE THERE IS THE QUESTION OF THE EXTENT AND PACE GOVERNMENT WILL ENCOURAGE OR LEGISLATE FOR NARROWING THE GAP IN RETIREMENT BENEFITS AS BETWEEN CIVIL SERVANTS WHICH ARE REASONABLY GOOD AND THE PRIVATE SECTOR, WITHOUT DETRIMENT TO CONTINUE ECONOMIC GROWTH.

PROTECTING THE VALUE OF BENEFITS

THE AD HOC GROUP AGREED THAT THE INDEX WEIGHTINGS PRESENTLY ADOPTED FOR DETERMINING THE LEVEL OF PUBLIC ASSISTANCE ARE UNSATISFACTORY.

FATHER MCGOVERN HOPED THE NEW INDEX WHICH IS BEING PREPARED WILL REFLECT REALISTICALLY THE IMPROVED LIVING STANDARDS OF THE COMMUNITY AT LARGE.

MRS. KWAN KO SIU-WAH POINTED OUT THAT THE PRESENT WEIGHTING SYSTEM IS UNSATISFACTORY DESPITE THE GRANTING OF LONG-TERM SUPPLEMENTS BECAUSE IT ALLOCATES AS MUCH AS 79 PER CENT OF THE WEIGHTINGS TO FOOD, LEAVING LITTLE FOR OTHER ITEMS TO ENABLE A RECIPIENT TO LEAD A DIGNIFIED LIFE.

MISS BENNETT URGED THAT THE METHOD OF MONITORING PRICE FLUCTUATIONS AND ADJUSTING THE AMOUNT OF PUBLIC ASSISTANCE BE RE-EXAMINED. SHE SAID THAT THE GOVERNMENT'S LOWLY PAID WORKERS HAD AS FROM APRIL LAST YEAR A SALARY REVISION WHICH INCORPORATED THE PREVIOUS COST OF LIVING ALLOWANCE. HOWEVER THE PRESENT COST OF LIVING ALLOWANCE FOR THESE WORKERS IS NOW \$15 A MONTH.

SHE REALISED THAT PUBLIC ASSISTANCE CANNOT BE EQUATED WITH THE GOVERNMENT PAY SCALE BUT SHE SUGGESTED THAT CROSS-REFERENCE MIGHT BE MADE TO IT FROM TIME TO TIME.

OCCUPATIONAL BENEFITS

THE AD HOC GROUP EXPRESSED CONCERN OVER THE POSSIBLE MEANING OF A PART OF THE GREEN PAPER WHICH SAYS +..... THE GOVERNMENT DOES NOT EXPECT OCCUPATIONAL BENEFITS TO PLAY AN ENLARGED ROLE IN THE FORMAL STRUCTURE OF SOCIAL SECURITY NOR THAT EMPLOYERS WILL BE REQUIRED, BY LAW, TO PROVIDE ANY FURTHER TYPE OF BENEFIT.+

FATHER MCGOVERN SAID THE GROUP TOOK IT THAT THE SENTENCE IS STRICTLY IN THE CONTEXT OF FUTURE SOCIAL SECURITY LAWS AND WOULD LIKE AN ASSURANCE THAT IT WILL IN NO WAY INTERFERE WITH BENEFITS WHICH MAY ARISE FROM FUTURE LABOUR LAW.

SOCIAL SECURITY APPEAL BOARD

DR. FANG ASKED THAT THE PANEL OF MEMBERS SERVING THE BOARD SHOULD INCLUDE AN APPROPRIATE NUMBER OF REPRESENTATIVES OF THE MEDICAL PROFESSION WITH SUCH QUALIFICATIONS AS TO BE ABLE TO DEAL WITH ALL KINDS OF DISABILITY.

HE SAID THAT AT PRESENT, APPEALS FROM APPLICANTS DISSATISFIED WITH THEIR MEDICAL ASSESSMENT ARE OFTEN REVIEWED BY THE SAME BOARD OR MEDICAL OFFICER WHO MADE THE INITIAL UNFAVOURABLE DECISION.

OLD AGE AND LONG TERM SUPPLEMENTS

MRS. KWAN KO SIU-WAH WELCOMED THE INTRODUCTION OF THESE SUPPLEMENTS BUT FEARED THAT THEY MAY CREATE INJUSTICE AMONG DIFFERENT PUBLIC ASSISTANCE RECIPIENTS AS THEY ONLY CONSIDER PARTICULAR DEMONSTRATED NEEDS AND NOT OVERALL REQUIREMENTS.

SHE WAS CONCERNED ABOUT THE PLIGHT OF WIDOWS WITH DEPENDENT CHILDREN WHO ARE DISCRIMINATED AGAINST UNDER THE PRESENT INCREMENTAL SCALE OF PUBLIC ASSISTANCE.

SHE REITERATED THAT THE WAITING PERIOD FOR RECEIVING THE LONG TERM SUPPLEMENT SHOULD BE REDUCED FROM 18 TO 12 MONTHS. FATHER MCGOVERN NOTED THAT PAYING THE LONG TERM ALLOWANCE IN A LUMP SUM RATHER THAN ON A MONTHLY BASIS REDUCES THE AMOUNT PAYABLE AND HE URGED THAT ITS ADEQUACY BE LOOKED AT AGAIN.

DISREGARDED INCOME

MISS BENNETT URGED THAT MORE THOUGHT BE GIVEN TO THE AMOUNT OF EARNINGS A WIDOW OR AN ELDERLY PERSON BE ALLOWED TO KEEP, AND SUGGESTED THAT THIS COULD BE UP TO \$200 A MONTH.

SHE SUGGESTED THAT THE NIGGARDLY ATTITUDE HAS PERHAPS STEMMED FROM THE DIVORCE OF THE OFFICE OF THE PUBLIC ASSISTANCE SCHEME FROM THAT OF THE FAMILY SERVICES DIVISION. SHE THOUGHT THESE PUBLIC ASSISTANCE RECIPIENTS WOULD BENEFIT FROM MORE COUNSELLING AND ADVICE FROM PERSONNEL TRAINED IN SOCIAL WELFARE WORK.

DISCRETIONARY POWERS

MISS BENNETT URGED THAT THE LOWER ECHELONS OF THE SOCIAL WELFARE DEPARTMENT BE GIVEN MORE TRAINING AND GUIDANCE ON HOW TO EXERCISE DISCRETIONARY POWERS. SHE SAID THAT TOO FREQUENTLY JUNIOR OFFICIALS, WHO, UNSURE OF THEMSELVES, ARE ONLY TOO HAPPY TO EXERCISE THEIR AUTHORITY BY USING DELAYING TACTICS AND DEFERRING A DECISION.

SCHOOL EXPENSES COVERED BY PUBLIC ASSISTANCE

MISS BENNETT SAID SHE WAS AMAZED TO LEARN OF HIGH FEES BEING PAID FOR CHILDREN TO GO TO THE UPPER FORMS OF PRIVATE INDEPENDENT SCHOOLS. SHE SUGGESTED THAT A WORKING PARTY BE FORMED TO LOOK INTO THE WHOLE QUESTION OF SCHOOL EXPENSES. ONCE IT HAS BEEN DECIDED TO SUPPORT A CHILD AT A CERTAIN SCHOOL HOWEVER, THE SOCIAL WELFARE DEPARTMENT MUST PROVIDE ADEQUATELY FOR THE EXPENSES AND NOT ARBITRARILY DECIDE THAT ONLY SUCH AN AMOUNT OF MONEY IS TO BE ALLOWED FOR TEXTBOOKS AND STATIONERY.

PRE-EMPTIVE STATEMENT IN GREEN PAPER

MEMBERS OF THE AD HOC GROUP QUESTIONED THE WISDOM OF THE PRE-EMPTIVE STATEMENT IN THE GREEN PAPER WHERE IT WAS SAID THAT ARRANGEMENTS WERE BEING MADE TO IMPLEMENT THOSE IMPROVEMENTS PROPOSED FOR APRIL 1978 ON THE ASSUMPTION THAT THEY WOULD COMMAND SUFFICIENT PUBLIC SUPPORT.

FATHER MCGOVERN POINTED OUT THAT THE PURPOSE OF A GREEN PAPER IS TO SEEK PUBLIC COMMENT ON GOVERNMENT PROPOSALS. SUCH A STATEMENT COULD BE A DANGEROUS PRECEDENT.

WORDINGS IN GREEN PAPER

THE MEMBERS ALSO SUGGESTED IMPROVEMENTS IN SOME WORDINGS IN THE GREEN PAPER. THEY SUGGESTED THAT +SOCIAL WAGE+, A PROFESSIONAL TERM, COULD BE AMENDED TO +INDIRECT FINANCIAL

AID+ IN ORDINARY LANGUAGE. THE TERM +WELFARE ALLOWANCE+ IN THE GREEN PAPER ON SOCIAL SECURITY WAS CONFUSING AND COULD BE CHANGED TO +SPECIAL NEEDS ALLOWANCE+.

IF IN FUTURE THE SCHEME SHOULD BE EXTENDED TO NEEDS OTHER THAN OLD AGE AND CHRONIC SICKNESS, THERE WILL BE NO NEED TO CHANGE THE GENERAL TITLE.

THERE WAS ALSO A NEED TO DETERMINE WHEN EXACTLY A PERSON IS OLD. A CIVIL SERVANT RETIRED AT 55, PRESUMABLY BECAUSE HE IS OLD, WHILE FOR THE OLD AGE SUPPLEMENT, ONE IS OLD AT 60 AND FOR THE OLD AGE ALLOWANCE, AT 75. THE PROPOSAL NOW IS THAT PROGRESSIVELY ONE WILL BE OLD AT 70.

THE MEMBERS ALSO SUGGESTED THAT IN FUTURE GREEN AND WHITE PAPERS, A GLOSSARY OF TERMS COULD BE USEFULLY ADDED.

APPROACH TO SOCIAL SECURITY IN HONG KONG

MR. JAMES WU PARTICULARLY APPRECIATED THE CONCEPTS ADVANCED IN THE GREEN PAPER IN RESPECT OF THE SICKNESS, INJURY AND DEATH BENEFIT SCHEME.

HE SAID ITS CONTRIBUTORY FEATURE WOULD TEST WHETHER EMPLOYEES IN HONG KONG WERE PREPARED TO CONTRIBUTE TO IMPROVED BENEFITS FOR THEMSELVES, WHILE THOSE BENEFITTED WOULD HAVE A STAKE IN THEIR FUTURE AND THAT OF HONG KONG.

MR. CHEONG-LEEN POINTED OUT THAT IN DEVELOPING A SOCIAL SECURITY SYSTEM FOR HONG KONG PEOPLE, A NUMBER OF IMPORTANT FACTORS MUST BE EMPHASISED:

- * THE NATIVE CAPACITY OF HONG KONG PEOPLE FOR HARD WORK AND INDIVIDUAL INITIATIVE HAS TO BE FOSTERED,
- * THE CHINESE TRADITION OF FAMILY LIFE, RESPECT AND CARE FOR THE ELDERLY SHOULD BE PRESERVED,

* THE SYSTEM HAS TO BE EQUITABLE BUT SIMPLE, ECONOMICAL AND FLEXIBLE IN THE LIGHT OF THE POPULATION TREND AND THE IMMIGRATION INFLOW, AND

* THE SYSTEM HAS TO BE RELATED TO OUR ECONOMIC ACTIVITIES OR OUR ECONOMIC GROWTH.

MRS. KWAN KO SIU-WAH SAID OUR EFFORTS NOW SHOULD BE CONCENTRATED ON HELPING THOSE WHOSE NEEDS ARE GREATEST, THOSE IN VULNERABLE POSITIONS LIKE THE ELDERLY, THE DISABLED AND THE DESTITUTE. THE APPROACH SHOULD THEN SHIFT GRADUALLY IN EMPHASIS, FROM THE GOVERNMENT HELPING THOSE UNABLE TO HELP THEMSELVES TO GOVERNMENT HELPING PEOPLE TO HELP THEMSELVES. SHE SAID THE SHIFT MAY TAKE YEARS TO ACHIEVE BUT IT IS IMPORTANT THAT WE ADOPT A RIGHT APPROACH FROM THE BEGINNING.

ADMINISTRATION OF SOCIAL SECURITY

MRS. KWAN KO SIU-WAH SUGGESTED THAT AN ADVISORY COMMITTEE BE SET UP EITHER SEPARATELY OR AS A SUB-COMMITTEE OF THE SOCIAL WELFARE ADVISORY COMMITTEE, TO ADVISE THE GOVERNMENT ON THE DEVELOPMENT AND OPERATION OF SOCIAL SECURITY.

SHE FURTHER SUGGESTED THAT THE ADMINISTRATIVE STRUCTURES RESPONSIBLE FOR ADMINISTERING SOCIAL SECURITY AND OTHER SOCIAL WELFARE SERVICES BE SEPARATED SO AS TO BRING ABOUT GREATER EFFICIENCY AND A MORE RATIONAL DEPLOYMENT OF STAFF AND THEREFORE A BETTER SERVICE TO THE PUBLIC.

IN REPLY, THE DIRECTOR OF SOCIAL WELFARE, THE HON. THOMAS LEE SAID THE GOVERNMENT WILL CONSIDER MOST CAREFULLY ALL THE COMMENTS MADE ON THE PROPOSALS CONTAINED IN THE GREEN PAPER ON SOCIAL SECURITY DEVELOPMENT IN REACHING POLICY DECISIONS OR IN SUBSEQUENT REVIEWS OF EXISTING POLICY.

MR. LEE SAID THE UNOFFICIALS' VIEWS CONSTITUTED A MOST USEFUL ADDITION TO THE NUMEROUS COMMENTS WHICH HAD BEEN MADE BOTH IN WRITING AND VERBALLY, AND THAT SOME OF THESE COMMENTS WERE ALREADY BEING REACTED TO IN THE GOVERNMENT'S DELIBERATIONS.

FOR EXAMPLE, HE SAID, THE CALL FOR A NON-MEANS TESTED ALLOWANCE FOR THE DEAF AND THE POSSIBLE ADMINISTRATIVE COMPLICATIONS OF THE PROPOSED CHRONIC SICKNESS ALLOWANCE HAS LED TO THE SETTING UP OF A WORKING GROUP OF THE SOCIAL WELFARE ADVISORY COMMITTEE TO RECOMMEND MODIFICATIONS TO THE GREEN PAPER'S PROPOSALS.

+ I AM INVITING DR. FANG AND A REPRESENTATIVE OF THE DIRECTOR OF MEDICAL AND HEALTH SERVICES TO TAKE PART IN THESE DISCUSSIONS, + HE ADDED.

AS REGARDS THE PROPOSAL BY MR. CHEONG-LEEN TO SUBSTITUTE THE WORD 'DEATH' BY 'SURVIVOR' IN THE PROPOSED SICKNESS, INJURY AND DEATH BENEFIT SCHEME, MR. LEE SAID HE WOULD LIKE TO REACT TO IT FAVOURABLY.

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+IT CERTAINLY SOUNDS MUCH MORE AUSPICIOUS AND APPROPRIATE AS THE ULTIMATE BENEFIT IS INTENDED FOR THOSE WHO SURVIVE US,+ HE SAID.

HE ALSO WELCOMED FATHER MCGOVERN'S SUGGESTION TO CALL THE WELFARE ALLOWANCE 'SPECIAL NEEDS ALLOWANCE' AND SAID BOTH SUGGESTIONS WOULD RECEIVE MOST CAREFUL CONSIDERATION.

IN ADDITION, MR. LEE POINTED OUT THAT COMMENTS RECEIVED ON THOSE PROPOSALS IN THE GREEN PAPER INTENDED FOR IMPLEMENTATION FROM THIS MONTH WERE GENERALLY FAVOURABLE, AND THEREFORE THESE PROPOSALS HAD BEEN ADOPTED AFTER CONSULTATION WITH THE SOCIAL WELFARE ADVISORY COMMITTEE.

REFERRING TO THE PROPOSED SICKNESS, INJURY AND DEATH BENEFIT SCHEME ON WHICH MANY COMMENTS AND SUGGESTIONS HAD BEEN MADE, MR. LEE SAID +WE MUST MOVE CAUTIOUSLY AS WE ARE BREAKING NEW GROUND HERE.+

HE STRESSED THAT ANY SCHEME WHICH WAS TO BE INTRODUCED IN THE FIELD OF SOCIAL INSURANCE MUST BE SUITED TO HONG KONG'S PARTICULAR NEEDS AND MUST NOT DISTORT THE ESTABLISHED PUBLIC ASSISTANCE SCHEME WHICH HAD ALREADY BECOME THE CORNERSTONE OF HONG KONG'S SOCIAL SECURITY POLICY AND PRACTICE.

WHILE NOT CLAIMING THAT THE PUBLIC ASSISTANCE SCHEME WAS PERFECT WITHOUT COMPLAINTS, MR. LEE POINTED OUT THAT THE DISBURSEMENT OF MORE THAN \$300 MILLION ANNUALLY COULD NOT BE CARRIED OUT CONSISTENTLY AND PRUDENTLY WITHOUT REQUIRING THE FRONT-LINE STAFF TO ACT WITHIN THE CONFINES OF CERTAIN PROCEDURES.

+I HOPE THAT THE HARD WORK PUT IN BY MY STAFF CAN BE APPRECIATED AS THEY DEAL WITH 130,000 CASES RECEIVING AID AND THE MAJORITY OF THEM ARE UNDOUBTEDLY SATISFIED WITH SERVICES RENDERED.+

MR. LEE NOTED THAT SOME HAD COMPLAINED AND WOULD CONTINUE TO DO SO, BUT IN FUTURE THEIR COMPLAINTS WOULD BE HEARD BY THE APPEAL BOARD.

HOWEVER, HE SAID, THE PROPOSED REGIONALISATION OF THE SOCIAL WELFARE DEPARTMENT WILL BRING MORE CLOSELY TOGETHER THOSE OFFICERS DEALING WITH CLIENTS' PERSONAL WELFARE PROBLEMS AND THOSE WHO ADMINISTER CASH ASSISTANCE.

+THIS, I AM SURE, WILL IMPROVE OUR APPROACH TO FAMILIES WHO REQUIRE MORE THAN ONE SERVICE FROM THE DEPARTMENT,+ HE SAID.

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APPROACH TO BUILDING OF NEW AIRPORT EXPLAINED

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THE GOVERNMENT HAS ADOPTED A +STAGE BY STAGE+ APPROACH IN LOOKING INTO THE POSSIBILITY OF BUILDING A NEW AIRPORT TO REPLACE THE PRESENT ONE AT KAI TAK.

THIS WAS STATED TODAY IN THE LEGISLATIVE COUNCIL BY THE SECRETARY FOR ECONOMIC SERVICES, THE HON. DAVID JEAFFRESON IN REPLY TO A QUESTION BY THE HON. SIR SZE-YUEN CHUNG.

SUCH AN APPROACH WAS NECESSARY BECAUSE OF THE LONG LEAD TIME (UP TO 10 YEARS) FOR THE PLANNING AND CONSTRUCTION AND THE COMPLEXITY OF THE PROJECT, MR. JEAFFRESON SAID.

HE ADDED THAT A FINAL DECISION MUST DEPEND ON THE RESULTS OF ALL NECESSARY INVESTIGATIONS PLUS UP-DATED AIR TRAFFIC FORECASTS.

SUMMARISING WHAT HAS HAPPENED SO FAR CONCERNING THE BUILDING PLAN OF THE NEW AIRPORT, MR. JEAFFRESON SAID THAT IN 1965, AIR TRAFFIC FORECASTS INDICATED THAT, AT SOME STAGE IN THE NEXT 15 TO 20 YEARS, KAI TAK AIRPORT WOULD BE UNABLE TO MEET THE DEMANDS EXPECTED TO BE PLACED UPON IT.

CONSULTANTS WERE APPOINTED BY THE GOVERNMENT IN 1973 TO UNDERTAKE A LONG TERM STUDY ON THE FUTURE OF HONG KONG'S AIR TRANSPORT SYSTEM AND A REPORT WAS SUBMITTED IN JANUARY 1975, HE SAID.

+THEIR CONCLUSIONS WERE THAT KAI TAK COULD NOT SUSTAIN THE FUTURE DEMAND FOR AIR SERVICES- THAT THE ECONOMIC AND POLITICAL CONSEQUENCES OF TRAFFIC BEING DIVERTED TO ELSEWHERE WOULD BE SERIOUS- THAT A POTENTIALLY SUITABLE SITE FOR A REPLACEMENT AIRPORT WAS AVAILABLE- AND THAT PLANNING SHOULD BE CONTINUED TO DEVELOP A SPECIFIC COURSE OF ACTION TO PROVIDE A REPLACEMENT AIRPORT FOR HONG KONG,+ HE ADDED.

DURING 1975 AND 1976, MR. JEAFFRESON CONTINUED, THE CIVIL AVIATION DEPARTMENT REVIEWED THE FORECAST OF DEMAND AND ESTABLISHED THE MOST PROBABLE GROWTH RATES OVER TWO CONSECUTIVE FIVE-YEAR PERIODS ENDING 1980 AND 1985.

+THE REVIEW WAS UP-DATED EARLY IN 1977 AND CONFIRMED THAT MAXIMUM PRACTICAL CAPACITY OF KAI TAK WOULD PROBABLY BE REACHED IN 1985,+ MR. JEAFFRESON POINTED OUT.

+EXECUTIVE COUNCIL HAS ACCORDINGLY ADVISED THAT INVESTIGATIONS SHOULD BE CARRIED OUT TO EXAMINE WHETHER IT WOULD BE PRACTICABLE IN ENGINEERING AND METEOROLOGICAL TERMS TO CONSTRUCT A REPLACEMENT AIRPORT AT CHEK LAP KOK -- AN ISLAND OFF THE NORTH-WEST COAST OF LANTAU -- WHICH IS THE SITE RECOMMENDED AS BEING THE MOST SUITABLE BY THE CONSULTANTS IN THEIR 1975 REPORT.

+EXECUTIVE COUNCIL ALSO ADVISED THAT CONSULTANTS BE APPOINTED TO DEVELOP A POSSIBLE AIRPORT LAYOUT PLAN, INCLUDING THE CONFIGURATION OF THE RUNWAY, THE APPROACH ZONES AND BOUNDARIES,+ HE SAID.

HOWEVER,

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HOWEVER, MR. JEAFFRESON EMPHASISED THAT THE DECISION, SUBJECT TO THE PROVISION OF THE NECESSARY FUNDS BY THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL, TO GO FORWARD TO THE NEXT STAGE OF THE PLANNING PROCESS DOES NOT MEAN THAT THE GOVERNMENT HAS FINALLY DECIDED TO BUILD A NEW AIRPORT TO REPLACE KAI TAK.

+ONCE THIS NEXT STAGE OF THE PLANNING PROCESS HAS BEEN COMPLETED IN ABOUT 18 MONTHS' TIME, THE ADVICE OF EXECUTIVE COUNCIL WILL AGAIN BE SOUGHT ON WHETHER OR NOT, IN THE LIGHT OF THE TRAFFIC FORECASTS THEN AVAILABLE, THE GOVERNMENT SHOULD GO FORWARD TO THE FOLLOWING STAGE,+ HE EXPLAINED.

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PROPERTY REVIEW 1978

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THE AMOUNT OF FLOOR AREA OF BUILDINGS TO BE COMPLETED THIS YEAR IS EXPECTED TO INCREASE BY 20 PER CENT OVER LAST YEAR, ACCORDING TO THE RATING AND VALUATION DEPARTMENT'S 1978 PROPERTY REVIEW PUBLISHED TODAY.

THE REVIEW, WHICH IS OBTAINABLE FROM THE GOVERNMENT PUBLICATIONS CENTRE AT \$40 A COPY, ALSO REVEALED THAT LAST YEAR ABOUT 25 MILLION SQUARE FEET WERE COMPLETED, UP 60 PER CENT OVER 1976.

COMMENTING ON THE REVIEW, THE COMMISSIONER OF RATING AND VALUATION, MR. RAYMOND FRY, SAID THAT 1977 HAD BEEN A VERY ACTIVE YEAR FOR THE PROPERTY MARKET, AND HAD SET THE SCENE FOR AN UPSURGE OF DEVELOPMENT IN MOST AREAS FOR THE NEXT TWO OR THREE YEARS.

HE CAUTIONED, HOWEVER, THAT DEVELOPMENT ON SUCH AN UNPRECEDENTED SCALE WOULD NECESSITATE A FURTHER EXPANSION OF THE CONSTRUCTION INDUSTRY AND THIS COULD BE AN INHIBITING FACTOR.

THE SUPPLY OF PRIVATE DOMESTIC ACCOMMODATION IN 1977 AT 20,870 UNITS SHOWED A 35 PER CENT INCREASE ON THE 1976 FIGURE OF 15,425 UNITS. IN 1978 AND 1979, OVER 30,000 NEW UNITS ARE EXPECTED TO BE COMPLETED IN EACH YEAR, THAT IS A FURTHER 50 PER CENT UP ON 1977 AND NEARLY DOUBLE THE 1976 FIGURE. MOREOVER, BASED ON KNOWN PROJECTS ONLY, THE PRELIMINARY FORECAST FOR 1980 IS FOR AT LEAST 20,000 UNITS.

+THIS PROSPECT, - ALONG WITH THE RAPIDLY EXPANDING PUBLIC SECTOR - INCLUDING FLATS BECOMING AVAILABLE UNDER THE GOVERNMENT'S HOME OWNERSHIP SCHEME - CAN ONLY BE GOOD NEWS FOR FAMILIES SEEKING A HOME OF THEIR OWN,+ MR. FRY SAID.

+TOTAL DOMESTIC VACANCIES AT DECEMBER 1977 WERE AROUND 9,500 WHICH, SEEMINGLY, IS A SMALL INCREASE ON THE POSITION A YEAR PREVIOUSLY,+ HE ADDED. BUT, THE COMMISSIONER POINTED OUT, THESE ARE MAINLY +CASUAL+ VACANCIES OR VACANCIES IN NEWLY COMPLETED BUILDINGS, AND PROVIDE NO MORE THAN THE NECESSARY WORKING MARGIN IF A DEGREE OF FLEXIBILITY IS TO BE MAINTAINED IN THE MARKET.

RENTALS IN ALL DOMESTIC CLASSES SHOWED A FURTHER UPWARD MOVEMENT DURING THE YEAR 1977, WITH AVERAGE INCREASES OF FROM 9 PER CENT TO 18 PER CENT ON 1976 FIGURES. +OF SOME CONCERN ARE THE FURTHER INCREASES RECORDED IN THE LAST QUARTER OF 1977, BUT THIS TREND SEEMS LIKELY TO BE CHECKED AT THE LOWER END OF THE MARKET BY THE LARGE SUPPLY COMING ON-STREAM IN 1978 AND 1979,+ MR. FRY SAID.

SALE PRICES ALSO SHOWED SUBSTANTIAL INCREASES, WITH AVERAGE PRICES AT 13 PER CENT TO 23 PER CENT ABOVE THOSE RECORDED IN 1976.

/THE REVIEW

THE REVIEW ALSO REFERS TO A SHORTAGE OF ACCOMMODATION AT THE TOP END OF THE DOMESTIC MARKET, AND THE RESULTANT UPWARD TREND OF RENTS AND PURCHASE PRICES FOR SUCH ACCOMMODATION.

IN REGARD TO RETAIL SHOP SPACE, THE COMMISSIONER SAID THAT THE VACANCY POSITION, AT UNDER 1 MILLION SQUARE FEET, HAD NOW FALLEN TO ITS LOWEST LEVEL SINCE 1972, ACCOUNTING FOR ONLY SOME 4 PER CENT OF THE YEAR-END STOCK. THIS WAS DESPITE AN INCREASE IN SUPPLY IN 1977 OF 1.4 MILLION SQUARE FEET OR 21 PER CENT OVER 1976. AS WITH OTHER CLASSES, COMPLETIONS IN 1978 AND 1979 ARE LIKELY TO BE AT OR NEAR RECORD LEVELS.

A FEATURE OF THE YEAR HAS BEEN THE CONTINUING HIGH DEMAND FOR OFFICE ACCOMMODATION, PARTICULARLY FOR PREMISES PROVIDING A HIGH STANDARD OF FINISH AND SERVICES.

THE TAKE-UP OF THE ACCOMMODATION ESTABLISHED A RECORD AT 2.9 MILLION SQUARE FEET, AND EQUALLED THE AMOUNT OF NEW ACCOMMODATION COMPLETED IN THE YEAR WHICH, IN ITSELF, ESTABLISHED ANOTHER RECORD.

COMPLETIONS IN 1978 ARE FORECAST TO DROP TO ABOUT 2 MILLION SQUARE FEET, BUT THIS SEEMS LIKELY TO BE ONLY TEMPORARY, FOR THE RATE OF COMPLETION IN 1979 SHOULD SET NEW RECORDS AT OVER 3 MILLION SQUARE FEET.

NEVERTHELESS, VACANCIES CONTINUED AT A FAIRLY HIGH LEVEL AND, AT 2.6 MILLION SQUARE FEET, SHOWED LITTLE CHANGE ON THE POSITION AT THE END OF 1976. MUCH OF THIS SPACE IS IN POOR BUILDINGS OR UNATTRACTIVELY LOCATED. SOME 35 PER CENT OF THE TOTAL VACANCY FIGURE WAS IN THE SHEUNG WAN DISTRICT, WEST OF CENTRAL.

REGARDING OFFICE RENTS, MR. FRY NOTED THAT THE POSITION APPEARED TO HAVE REMAINED COMPARATIVELY STABLE, ALTHOUGH SOME INCREASES WERE RECORDED FOR GOOD QUALITY ACCOMMODATION IN THE MAIN BUSINESS CENTRES. ON THE OTHER HAND, RENTS FOR LOWER-GRADE ACCOMMODATION CAME UNDER PRESSURE IN CERTAIN DISTRICTS.

ONE OF THE MOST SIGNIFICANT FEATURES HIGHLIGHTED IN THE REVIEW CONCERNS FLATTED FACTORY ACCOMMODATION.

COMPLETIONS IN 1977 REACHED ALMOST 9 MILLION SQUARE FEET, THAT IS THREE TIMES THE 1976 SUPPLY. A FURTHER 10 MILLION SQUARE FEET IS EXPECTED TO BE COMPLETED IN 1978 AND 13 MILLION SQUARE FEET IN 1979.

WHILE THE TAKE-UP OF FLATTED FACTORY ACCOMMODATION AT 6.5 MILLION SQUARE FEET WAS MORE THAN TWICE THE FIGURE FOR 1976, THE LARGE SUPPLY COMING ON-STREAM DURING THE YEAR INEVITABLY RESULTED IN A LARGE INCREASE IN THE VACANCY POSITION. AT 4.1 MILLION SQUARE FEET THIS IS THE HIGHEST VACANCY FIGURE EVER RECORDED FOR FLATTED FACTORY ACCOMMODATION. HOWEVER, A LARGE PROPORTION OF THE ACCOMMODATION RECORDED AS VACANT WAS, IN FACT, ONLY COMPLETED IN THE LATTER HALF OF THE YEAR.

MR. FRY OBSERVED THAT RENTS FOR SUCH PREMISES, WHICH CONTINUED TO INCREASE DURING 1977, WERE TENDING TO WEAKEN TOWARDS THE END OF THE YEAR AND SOME DOWNTURN WAS NOTED. WITH THE LARGE VACANCY POSITION AND AN INCREASED SUPPLY FOR THE YEAR, THERE SEEMS LITTLE DOUBT THAT RENTS IN THIS SECTOR WILL BE UNDER PRESSURE IN 1978.

THE FOLLOWING ARE THE MAIN STATISTICS IN THE PRIVATE SECTOR FOR THE YEARS 1976 AND 1977, AND FORECAST FIGURES FOR 1978 AND 1979.

		FORECAST			
		1976	1977	1978	1979
<u>DOMESTIC</u>					
SUPPLY IN YEAR	UNITS	15,425	20,870	30,510	30,240
BUILT IN YEAR AND VACANT AT DECEMBER OF YEAR	"	4,305	5,545	-	-
<u>SHOPS</u>					
SUPPLY IN YEAR	THOUSAND SQ.FT.	1,157	1,399	1,573	1,658
TOTAL VACANT AT DECEMBER	"	1,094	988*	-	-
<u>OFFICES</u>					
SUPPLY IN YEAR	"	2,170	2,880	1,979	3,243
TOTAL VACANT AT DECEMBER	"	2,548	2,571**	-	-
<u>MISCELLANEOUS COMMERCIAL</u>					
SUPPLY IN YEAR	"	1,122	1,409	860	1,199
TOTAL VACANT AT DECEMBER	"	1,600	1,477+	-	-
<u>FLATTED FACTORIES</u>					
SUPPLY IN YEAR	"	2,871	8,892	9,946	13,152
TOTAL VACANT AT DECEMBER	"	1,680	4,133*+	-	-
<u>STORAGE</u>					
SUPPLY IN YEAR	"	1,228	1,358	1,226	2,685
TOTAL VACANT AT DECEMBER	"	196	392++	-	-

NOTE: FIGURES RELATE TO ALL RATED AREAS.

* 65% RELATES TO SPACE COMPLETED IN 1977.

** 54% RELATES TO SPACE COMPLETED IN 1977.

+ 45% RELATES TO SPACE COMPLETED IN 1977.

*+ 79% RELATES TO SPACE COMPLETED IN 1977.

++ 91% RELATES TO SPACE COMPLETED IN 1977.

CENSUS AND STATISTICS BILL 1978

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A BILL DESIGNED TO PROVIDE AN APPROPRIATE FRAMEWORK FOR THE ORDERING OF STATISTICAL SURVEYS WHERE IT IS DESIRED TO MAKE THEM STATUTORY AND COMPULSORY WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY.

SPEAKING AT THE SECOND READING OF THE CENSUS AND STATISTICS BILL 1978, THE SECRETARY FOR ECONOMIC SERVICES, THE HON. DAVID JEAFFRESON SAID THE BILL DIFFERS FROM THE PRESENT STATISTICAL LEGISLATION -- THE CENSUS ORDINANCE -- LARGELY IN SMALL POINTS OF DETAIL DESIGNED TO MAKE THE LAW CLEARER AND TO ALLOW MORE READILY FOR SURVEYS OTHER THAN POPULATION CENSUSES.

HE SAID: +WHILE THE PRINCIPLES UPON WHICH THE PRESENT ORDINANCE ARE BASED ARE RIGHT AND APPLICABLE TO ANY AREA OF COMPULSORY STATISTICAL ENQUIRY, ITS DETAILED PROVISIONS ARE NOT ADEQUATELY GEARED TO THE EXPANDING WORK PROGRAMME THE CENSUS AND STATISTICS DEPARTMENT IS UNDERTAKING.

+THIS PROGRAMME GOES WELL BEYOND CENSUSES OF POPULATION. IT NOW ALSO INCLUDES, AS EXAMPLES SURVEYS OF VARIOUS SECTORS OF THE ECONOMY DESIGNED TO LEAD TO A BASIC DESCRIPTION OF EACH SECTOR AND ITS CONTRIBUTION TO THE ECONOMY'S OUTPUT= AND SURVEYS DESIGNED TO OBTAIN LABOUR STATISTICS, FOR EXAMPLE ON EMPLOYMENT, UNEMPLOYMENT, AND UNDER-EMPLOYMENT, WAGES AND EARNINGS.+

AMENDMENTS PROPOSED IN THE BILL INCLUDE:

- * A DEFINITION OF THE FUNCTIONS OF THE COMMISSIONER OF CENSUS AND STATISTICS THEREBY DEFINING THE SCOPE OF THE STATISTICAL SURVEYS THAT MAY BE ORDERED UNDER THE BILL=
- * PROVISION FOR +SAMPLING+ I.E. TO DERIVE INFORMATION RELATING TO A WHOLE FIELD OF INQUIRY FROM THE INFORMATION OBTAINED FROM PART OF IT=
- * PROVISION FOR THE COMMISSIONER OF CENSUS AND STATISTICS TO DRAW UP AS ONE SUBMISSION TO THE GOVERNOR-IN-COUNCIL ALL THE DRAFT ORDERS NECESSARY FOR THE SURVEYS FOR THE CURRENT YEAR=
- * PROVISION TO EMPOWER CENSUS OFFICERS TO ENTER PREMISES FOR CERTAIN SPECIFIED PURPOSES=
- * PROVISION TO ALLOW FOR THE PUBLICATION OF NAMES, ADDRESSES, TYPE OF BUSINESS AND THE NUMBER OF EMPLOYEES DERIVED FROM SURVEYS WITH THE PURPOSE OF PERMITTING THE PUBLISHING OF DIRECTORIES, AND=
- * PROVISION EXPRESSLY RELIEVING THE COMMISSIONER OF CENSUS AND STATISTICS FROM HAVING TO DISCLOSE INFORMATION DERIVING FROM SURVEYS FOR THE USE OF OTHER AUTHORITIES IN INVESTIGATING CRIME OR LEVYING TAXES.

COMMENTING ON THE LAST AMENDMENT, MR. JEAFFRESON SAID: +MAINTAINING CONFIDENTIALITY OF INFORMATION ON INDIVIDUAL FIRMS AND PERSONS IS VITAL TO PUBLIC CONFIDENCE IN CENSUSES AND SURVEYS.

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+THE COMMISSIONER PAYS MUCH ATTENTION TO IT AND DOES EVERYTHING POSSIBLE TO ENSURE THAT THE SPIRIT OF THE LAW IS MAINTAINED.+

MR. JEAFFRESON REVEALED THAT AS A FURTHER PRECAUTION AGAINST BREACH OF CONFIDENTIALITY THE COMMISSIONER FOR CENSUS AND STATISTICS IS EXPLORING THE POSSIBILITIES OF SUBSTITUTING NUMBERS FOR NAMES AFTER A CERTAIN STAGE IN PROCESSING THE DATA WITH A VIEW TO REDUCING EVEN FURTHER THE SCOPE FOR UNAUTHORISED DISCLOSURE OF DETAILS.

HE ALSO DISCLOSED THAT THE GOVERNOR HAS DIRECTED THAT TWO UNOFFICIAL MEMBERS OF THE EXECUTIVE AND LEGISLATIVE COUNCILS BE APPOINTED TO THE STATISTICAL ADVISORY BOARD.

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ADJUSTMENT TO EXCHANGE RATE
MAY CAUSE AIR FREIGHT COSTS TO RISE

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THE SECRETARY FOR ECONOMIC SERVICES, THE HON. DAVID JEAFFRESON, SAID TODAY THAT AN ADJUSTMENT OF THE HONG KONG AND U.S. DOLLARS EXCHANGE RATE IMPOSED BY THE INTERNATIONAL AIR TRANSPORTATION ASSOCIATION MIGHT RESULT IN INCREASES IN AIR FREIGHT COSTS.

MR. JEAFFRESON WAS REPLYING IN THE LEGISLATIVE COUNCIL TO THE HON. JAMES WU WHO ASKED IF THE GOVERNMENT WAS AWARE OF THE PROLONGED DISPUTE THE LOCAL SHIPPERS AND FORWARDERS HAD WITH IATA AND OTHER AIR CARRIERS OVER THE LATTERS' IMPOSITION OF A +HIGHLY UNREASONABLE AND DISCRIMINATORY+ EXCHANGE RATE OF THE U.S. DOLLARS WHEREBY HONG KONG SHIPPERS HAD BEEN MADE TO SUFFER A 21 PER CENT HIGHER AIRFREIGHT IN COMPARISON WITH OTHER EXPORTING COUNTRIES.

EXPLAINING THE SITUATION, MR. JEAFFRESON SAID THERE HAS BEEN NO INCREASE IN TRANS-PACIFIC AIR CARGO RATES SINCE 1973, ALTHOUGH AIRLINES HAVE REPEATEDLY FILED HIGHER TARIFF RATES FOR APPROVAL BY GOVERNMENTS, AND THE INCREASES IN FUEL PRICES AND OTHER COSTS SINCE THAT TIME WOULD ARGUE FOR INCREASED TARIFFS.

+SO I SUSPECT THAT IF THE IATA EXCHANGE RATE FOR THE HONG KONG AND U.S. DOLLARS WERE MORE REASONABLY ALIGNED, THEN THE GOVERNMENT WOULD HAVE TO CONCEDE CORRESPONDING INCREASES IN TARIFF RATES,+ MR. JEAFFRESON SAID.

+MY GUESS IS THAT THE ACTUAL COST OF AIR FREIGHT TO SHIPPERS WOULD REMAIN MORE OR LESS AS IT IS AT PRESENT WHEN BOTH ADJUSTMENTS TO THE EXCHANGE RATES AND ADJUSTMENTS TO THE CARGO RATES HAVE WORKED THROUGH THE SYSTEM,+ HE ADDED.

MR. JEAFFRESON POINTED OUT THAT THE EXCHANGE RATE FIXED BY IATA IS US\$1 TO HK\$5.58161, WHICH WAS FIXED DURING 1972 WHEN THE MARKET RATE STOOD AT AROUND \$5.70. IT IS 21 PER CENT HIGHER THAN THE CURRENT MARKET RATE.

+THE GOVERNMENT HAS FOR SOME TIME BEEN SEEKING A MORE REALISTIC ALIGNMENT,+ MR. JEAFFRESON SAID. +TO THIS END WE HAVE FIRST ASKED HER MAJESTY'S GOVERNMENT, WHICH HAS A RESPONSIBILITY FOR HONG KONG IN AIR SERVICES MATTERS, TO PRESS FOR AN ADJUSTMENT.+

+SECONDLY, DURING THE RENEGOTIATION OF THE AIR SERVICES AGREEMENT BETWEEN THE U.S. AND THE UNITED KINGDOM LAST YEAR, THE HONG KONG GOVERNMENT WAS INSTRUMENTAL IN SECURING THE ACCEPTANCE BY THE U.S. GOVERNMENT OF THE NEED TO HAVE REALISTIC EXCHANGE RATES APPLIED TO TARIFFS BETWEEN HONG KONG AND THE U.S.A.

+AND THIRDLY, LAST YEAR WE FORMALISED OUR RELATIONSHIP WITH THE U.K. CIVIL AVIATION AUTHORITY WHICH HAS THE POWER TO APPROVE OR TO DISALLOW ALL TARIFFS FIXED BY IATA, AS THEY AFFECT THE UNITED KINGDOM AND HONG KONG.

/+THIS FORMALISATION

+THIS FORMALISATION HAS STRENGTHENED OUR ABILITY TO RESIST ALL PROPOSALS FOR INCREASES IN AIR CARGO RATES UNTIL THE ISSUE OF A MORE REALISTIC EXCHANGE RATE HAS BEEN SETTLED,+ MR. JEAFFRESON SAID.

MR. WU ALSO EXPRESSED CONCERN IN HIS SECOND QUESTION ON WHAT STEPS THE GOVERNMENT CAN TAKE TO ASSIST LOCAL SHIPPERS AND AIR-FREIGHT FORWARDERS IN VIEW OF THE SINGAPORE AND MALAYSIAN GOVERNMENTS' REQUIRING THE AIRLINES TO ACCEPT LOCAL CURRENCIES AT MARKET EXCHANGE RATES FOR THE SETTLEMENT OF U.S. DOLLAR TARIFFS.

MR. JEAFFRESON REPLIED: +WE ARE NOT IN POSSESSION OF THE FULL INFORMATION CONCERNING THE MOVES OF THE SINGAPORE AND MALAYSIAN GOVERNMENTS.

+WE HAVE NOW ASKED FOR FURTHER INFORMATION AND WE SHALL CONSIDER THE ISSUE IN THE LIGHT OF THE RESULTS.+

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POSTMASTER GENERAL TO EXAMINE INTERNATIONAL
TELECOMMUNICATIONS CHARGES

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THE POSTMASTER GENERAL HAS BEEN DISCUSSING WITH THE CABLE AND WIRELESS FOR SOME MONTHS WITH A VIEW TO EXAMINING IN DETAIL THE STRUCTURE OF HONG KONG'S INTERNATIONAL TELECOMMUNICATIONS CHARGES.

THIS WAS DISCLOSED BY THE SECRETARY FOR ECONOMIC SERVICES, THE HON. DAVID JEAFFRESON IN THE LEGISLATIVE COUNCIL TODAY IN REPLY TO A QUESTION FROM THE HON. T.S. LO.

MR. JEAFFRESON SAID IN EXAMINING SUCH CHARGES, THE POSTMASTER GENERAL, WHO IS THE TELECOMMUNICATIONS AUTHORITY IN HONG KONG, WOULD LOOK FOR JUSTIFICATION FOR ANY DIFFERENCES BETWEEN CHARGES FROM HONG KONG TO OTHER TERRITORIES AND VICE VERSA.

HE ALSO POINTED OUT THAT THE CABLE AND WIRELESS MAY NOT CHARGE MORE THAN THE APPROPRIATE CHARGE IN A SCALE OF FEES APPROVED BY THE TELECOMMUNICATIONS AUTHORITY AND THE POSTMASTER GENERAL IS SATISFIED THAT THE COMPANY'S PRESENT CHARGES IN HONG KONG COMPARE FAVOURABLY WITH THOSE ELSEWHERE IN THE REGION.

+FOR EXAMPLE,+ MR. JEAFFRESON SAID,+THE COST OF A TELEX CALL FROM SINGAPORE TO THE U.K. IS 50 PER CENT HIGHER THAN A CALL FROM HONG KONG TO THE U.K. THE EQUIVALENT TELEPHONE CHARGES ARE 23 PER CENT HIGHER.+

HE ALSO POINTED OUT THAT THE CABLE AND WIRELESS HAS NOT INCREASED INTERNATIONAL TELEX CHARGES FROM HONG KONG SINCE 1959 WHEN THE SERVICE STARTED AND IN FACT THE CHARGES HAVE BEEN REDUCED TWICE.

IN REPLY TO ANOTHER QUESTION FROM MR. LO, MR. JEAFFRESON SAID: +IN DETERMINING THE CHARGES TO BE LEVIED IN A PARTICULAR TERRITORY FOR INTERNATIONAL TELECOMMUNICATIONS SERVICES, THE ORGANISATIONS CONCERNED TAKE INTO ACCOUNT THE COST OF THE INTERNATIONAL CIRCUITS, COSTS TO THE RECEIVING AGENCIES, AND THEIR OWN LOCAL SERVICE COSTS.+

THESE COSTS WOULD INEVITABLY VARY FROM COUNTRY TO COUNTRY HAVING REGARD TO SUCH FACTORS AS THE VOLUME OF TRAFFIC, THE INSTALLED COST OF EQUIPMENT, GOVERNMENT SUBSIDIES AND TAXES, THE COST OF STAFF, LAND AND OTHER OVERHEADS, MR. JEAFFRESON POINTED OUT.

+SUCH VARIATIONS CAN BE ACCENTUATED BY MOVEMENTS IN EXCHANGE RATES. AND THIS HAS HAPPENED PARTICULARLY IN RECENT YEARS WHEN FLOATING EXCHANGE RATES HAVE BECOME GENERAL,+ MR. JEAFFRESON ADDED.

HE SAID WHILE IT IS TRUE THAT THE RATES FROM HONG KONG TO THE U.K. ARE HIGHER THAN IN THE REVERSE DIRECTION, THOSE TO COUNTRIES WHOSE CURRENCIES HAVE APPRECIATED MORE THAN THE HONG KONG DOLLAR ARE LOWER.

+FOR EXAMPLE, THE RATES FOR TELEX CALLS FROM HONG KONG TO GERMANY AND JAPAN ARE HALF THE RATES FOR CALLS IN THE OPPOSITE DIRECTIONS,+ MR. JEAFFRESON SAID.

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'SERIOUS VIEW' OF FALSE PRETENCES INVOLVING
HOME OWNERSHIP FLATS
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ANYBODY WHO OBTAINS A HOME OWNERSHIP FLAT BY FALSE PRETENCES FACES A MAXIMUM FINE EQUIVALENT TO THE FINANCIAL ADVANTAGE HE WOULD GAIN, THE SECRETARY FOR HOUSING, THE HON. ALAN SCOTT, SAID TODAY.

MR. SCOTT WAS SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE SECOND READING OF THE HOUSING (AMENDMENT)(NO. 2) BILL.

*HE SAID: +THE PURPOSE OF CLAUSE 8 IS TO DETER INELIGIBLE PERSONS OR FAMILIES WHO TRY TO OBTAIN, OR WHO DO OBTAIN, A HOME OWNERSHIP FLAT BY FALSE PRETENCES.

+THE MAXIMUM PENALTY IS RELATED TO THE FINANCIAL ADVANTAGE WHICH COULD BE GAINED BY SUCH A PERSON OR FAMILY.

+I AM SURE THAT THE GENERAL PUBLIC EXPECT BOTH GOVERNMENT AND THE HOUSING AUTHORITY TO TAKE A VERY SERIOUS VIEW OF SUCH AN OFFENCE.+

MR. SCOTT SAID THE MAIN PURPOSE OF THE BILL WAS TO GIVE THE HOUSING AUTHORITY POWERS TO DISCHARGE EFFECTIVELY THE RESPONSIBILITIES WHICH IT HAD ACCEPTED UNDER THE GOVERNMENT'S HOME OWNERSHIP SCHEME TO BUILD, SELL AND MANAGE FLATS.

THE EXISTING ORDINANCE, UNDER WHICH THE AUTHORITY WAS SET UP IN 1973, DEALT WITH THE PROVISION OF FLATS FOR TENANCIES BUT NOT FLATS FOR SALE.

THE GENERAL INTENTION OF THE BILL WAS TO PLACE THE AUTHORITY IN THE SAME POSITION AS PRIVATE DEVELOPERS WHO RELY ON CONVEYANCING DOCUMENTS, DEEDS OF ASSIGNMENT AND DEEDS OF MUTUAL COVENANT FOR THE SALE AND MANAGEMENT OF THEIR PROPERTY.

HOWEVER, SOME STATUTORY POWERS WERE NECESSARY BECAUSE TWO MAIN FACTORS DISTINGUISHED THE H.O.S. SCHEME FROM PRIVATE-SECTOR SALES OF FLATS: FIRST, ITS SOCIAL PURPOSE= AND SECOND, THE CAPITAL ADVANTAGE TO BE OBTAINED BY SUCCESSFUL APPLICANTS FOR HOME OWNERSHIP FLATS.

THEREFORE THERE WAS A FIVE-YEAR RESTRICTION ON RESALE TO DISCOURAGE SPECULATION ON THE PART OF FLATS PURCHASERS.

ALSO, CLAUSE 4 MADE VOID ALL ASSIGNMENTS OR AGREEMENTS CONTRARY TO THE TERMS AND CONDITIONS OF THE AGREEMENT OF SALE AND PURCHASE AND THE DEED OF ASSIGNMENT, THUS PREVENTING ANY PERSON FROM OBTAINING A VALID TITLE IN SUCH A MANNER.

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CRIMES (AMENDMENT) (NO. 2) BILL BECOMES LAW
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THE CRIMES (AMENDMENT) (NO. 2) BILL 1978, WHICH AIMS AT PROTECTING RAPE VICTIMS BY PREVENTING THE PUBLIC DISCLOSURE OF THEIR NAMES AND THEIR PAST SEXUAL BEHAVIOUR, WAS PASSED INTO LAW AT THE LEGISLATIVE COUNCIL TODAY.

SPEAKING IN SUPPORT OF THE BILL THE HON. MRS. KWAN KO SIU-WAH, COMMENDED THE GOVERNMENT FOR ITS PROMPT ACTION IN ENACTING THE BILL IN RESPONSE TO HER QUERY ON THE ISSUE IN LEGISLATIVE COUNCIL IN JULY LAST YEAR.

SHE SAID: +I AM SURE THAT WHEN THIS BILL BECOMES LAW, MORE RAPE VICTIMS WOULD FEEL FREE TO REPORT RAPE CASES SO THAT MORE RAPE OFFENDERS CAN BE BROUGHT TO JUSTICE.

+I ALSO HOPE THE FACT THAT RAPE CASES ARE MORE LIKELY TO BE REPORTED WILL ACT AS SOME SORT OF DETERRENT TO POTENTIAL RAPE OFFENDERS IN FUTURE,+ SHE ADDED.

FURTHERMORE, SHE WOULD LIKE TO SEE SOON MORE WOMEN POLICE DEALING WITH SUCH RAPE REPORTS.

THE REV. THE HON. JOYCE M. BENNETT, WHO ALSO SPOKE IN SUPPORT OF THE BILL, SAID LEGISLATION MUST BE +CLEAR AND PROVIDE NO LOOPHOLES+, AND +IT MUST GIVE THE LAW ENFORCEMENT OFFICERS EVERY ASSISTANCE IN PREVENTING CRIME AND IN BRINGING THE GUILTY TO COURT TO RECEIVE THE DUE PUNISHMENT FOR THEIR CRIME.+

+THE POLICE SHOULD NOT BE HAMPERED IN THEIR WORK BY AN INABILITY TO SECURE THE EVIDENCE OF THE WITNESSES OF THE CRIME,+ SHE ADDED.

MISS BENNETT NOTED THAT THERE HAS BEEN MUCH PUBLICITY IN RECENT MONTHS CONCERNING THE FAILURE OF RAPE VICTIMS TO REPORT TO THE POLICE AND THE CONSEQUENT FAILURE OF THE POLICE TO CATCH THE SUSPECTS.

MISS BENNETT SAID: +I HOPE THAT WITH THE PASSING OF THIS BILL, THE PUBLIC WILL RECEIVE SUFFICIENT GUIDANCE AND EDUCATION ON THE HELP IT GIVES TO THE UNFORTUNATE WOMEN AND GIRLS WHO ARE TROUBLED IN THIS WAY.

+THE BILL GUARDS THE ANONYMITY OF THE VICTIMS. I HOPE SOCIAL WORKERS AND TEACHERS WILL NOT HESITATE TO MAKE THIS BILL KNOWN TO THOSE WITH WHOM THEY WORK.

+THEY NEED TO HELP PARENTS TO UNDERSTAND THAT SILENCE IN THESE MATTERS WILL NOT HELP THEIR DAUGHTERS,+ SHE SAID.

NEW AIRPORT HIRE CAR SERVICE
TO COMBAT TAXI OVERCHARGING
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A NEW AIRPORT HIRE CAR SERVICE, WITH AN APPROVED AND REASONABLE SCHEDULE OF CHARGES, WILL SOON BE AUTHORISED TO START OPERATIONS, THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES, TOLD THE LEGISLATIVE COUNCIL TODAY IN REPLY TO A QUESTION FROM THE HON. HILTON CHEONG-LEEN.

THIS WOULD BE IN ADDITION TO THE KMB LUXURY COACH SERVICES WHICH RAN FROM THE AIRPORT TO THE STAR FERRY AND TO CENTRAL DISTRICT EVERY 15 MINUTES FROM 7 A.M. TO 11 P.M. DAILY, HE SAID IN EXPLAINING THE PROVISION OF OTHER COMPETITIVE TRANSPORT SERVICES FROM THE AIRPORT TO COMBAT OVERCHARGING BY TAXIS.

MR. JONES ADDED IN THE FUTURE, WHEN NEW LEGISLATION ALREADY APPROVED BY THE LEGISLATIVE COUNCIL IS BROUGHT INTO FORCE, TAXI DRIVERS AND OWNERS WHO ARE CONVICTED OF SUCH OFFENCES AS REFUSING OR NEGLECTING TO DRIVE A TAXI TO THE PLACE INDICATED BY THE PASSENGER, SOLICITING FARES IN ADVANCE, OR OTHERWISE DEMANDING FARES HIGHER THAN THOSE SHOWN ON THE METER, WILL RISK HAVING THEIR VEHICLES IMPOUNDED FOR PERIODS OF THREE OR SIX MONTHS BY ORDER OF A TRANSPORT TRIBUNAL.

IN THE MEANTIME PLAIN CLOTHES POLICE OFFICERS POSING AS PASSENGERS ARE USED TO COMBAT OVERCHARGING AND OTHER MALPRACTICES OF TAXI DRIVERS OPERATING FROM KAI TAK AIRPORT, MR. JONES SAID.

MR. JONES SAID THAT FOR A TAXI TO OVERCHARGE OR NOT TO TAKE A PASSENGER TO HIS STATED DESTINATION WAS A PROSECUTABLE OFFENCE.

BUT HE ADDED THAT THE PROBLEM WAS TO GET MEMBERS OF THE PUBLIC NOT JUST TO COMPLAIN BUT TO GIVE EVIDENCE IN COURT= +AND THIS IS PARTICULARLY THE CASE WITH TOURISTS WHO ARE MOSTLY ONLY IN HONG KONG FOR A FEW DAYS.+

BECAUSE OF THESE DIFFICULTIES IN OBTAINING EVIDENCE FROM MEMBERS OF THE PUBLIC, MR. JONES SAID THE POLICE HAD BEEN USING PLAIN CLOTHES PERSONNEL AS PASSENGERS IN AN ATTEMPT TO CATCH OFFENDERS.

+HOWEVER,+ HE SAID, +THE RELATIVELY FEW TAXI DRIVERS WHO REGULARLY OVERCHARGE TEND TO BE QUICK TO SPOT AN UNDERCOVER POLICE OFFICER AND THIS PROCESS CAN BE A RATHER FRUSTRATING AND 'HIT AND MISS' AFFAIR.+

MR. JONES SAID THE POLICE ALSO USUALLY MAINTAINED A PRESENCE AT THE AIRPORT TAXI STAND TO PREVENT DRIVERS SOLICITING FARES OR REFUSING TO ACCEPT THE HIRE OF A TAXI, AND A +HOT LINE+ WAS MAINTAINED FOR DEALING WITH PUBLIC COMPLAINTS ABOUT TAXI DRIVERS' BEHAVIOUR.

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ACCIDENTS INVOLVING PLB'S
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ABOUT NINE PER CENT OF THE TRAFFIC ACCIDENTS OCCURRED SO FAR THIS YEAR INVOLVED PUBLIC LIGHT BUSES, THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES, TOLD THE LEGISLATIVE COUNCIL TODAY.

IN REPLY TO QUESTIONS RAISED BY THE HON. PETER C. WONG, MR. JONES REVEALED THAT THE TRAFFIC ACCIDENT TOLL FROM JANUARY 1 TO APRIL 21 THIS YEAR WAS 4,309, OF WHICH 390 INVOLVED PUBLIC LIGHT BUSES.

MR. JONES SAID THE CASUALTY FIGURES REGARDING THE 390 PLB ACCIDENTS WERE 16 FATAL, 164 SERIOUSLY INJURED AND 404 SLIGHTLY INJURED, MAKING A TOTAL OF 584.

+THIS WAS SOME 10.5 PER CENT OF THE 5,521 CASUALTIES FOR ALL ACCIDENTS OVER THE SAME PERIOD,+ MR. JONES SAID.

+OF THE TOTAL OF 390 ACCIDENTS INVOLVING PLB'S 94, OR ABOUT 24 PER CENT, OCCURRED IN THE NEW TERRITORIES,+ HE ADDED.

REFERRING TO OTHER QUESTIONS RAISED BY MR. WONG ON THE CAUSES OF ALL TRAFFIC ACCIDENTS RESULTING IN PERSONAL INJURIES INVOLVING MINI-BUSES SO FAR THIS YEAR AND THE SPEEDS AT WHICH THEY WERE TRAVELLING AT THE TIME OF SUCH ACCIDENTS, MR. JONES SAID SUCH INFORMATION IS NOT IMMEDIATELY AVAILABLE.

MR. JONES SAID THE INFORMATION REQUIRED CAN ONLY BE OBTAINED BY MANUALLY CHECKING EVERY FILE DEALING WITH INVESTIGATIONS INTO ALL TRAFFIC ACCIDENTS INVOLVING SUCH VEHICLES.

+AS THERE WERE ALMOST 400 SUCH ACCIDENTS IN THE PERIOD INDICATED THIS WILL TAKE SOME TIME, BUT I WILL WRITE TO MR. WONG WHEN THE INFORMATION IS AVAILABLE,+ MR. JONES SAID.

IN REPLY TO A SEPARATE QUESTION BY THE HON. ROGER LOBO, MR. JONES SAID THAT THE GOVERNMENT WAS SEEKING ADVICE OF AN EXPERT FROM THE U.K. DEPARTMENT OF TRANSPORT ON THE BEST POSSIBLE USE OF THE COMPUTERISED TRAFFIC ACCIDENTS STATISTICS SYSTEM NOW IN USE.

MR. LOBO ASKED IF THE GOVERNMENT WOULD TAKE EARLY STEPS TO IDENTIFY ACCIDENT BLACKSPOTS IN RESPECT OF EACH CLASS OF VEHICLES INSTEAD OF IDENTIFYING THEM FOR ALL CLASSES OF VEHICLES.

MR. JONES SAID: +THE DATA COLLECTED ON TRAFFIC ACCIDENTS AND STORED IN THE COMPUTER DOES NOT AT PRESENT INCLUDE THIS ASPECT.+

/BUT MR. JONES

BUT MR. JONES ADDED THAT ADVICE IS BEING SOUGHT AND THE MAIN OBJECTIVES OF THE STUDY WILL BE:

- * TO IDENTIFY HIGH ACCIDENT LOCATIONS AND THEIR CAUSES=
- * TO DEVELOP A SYSTEM FOR FORECASTING THE LIKELY REDUCTIONS IN ACCIDENTS AND ACCIDENT SEVERITY WHICH COULD RESULT FROM VARIOUS ROAD IMPROVEMENT PROJECTS AND ROAD SAFETY PROGRAMMES= AND
- * TO DEVELOP AN ANALYSIS OF THE COST EFFECTIVENESS OF VARIOUS PROPOSED IMPROVEMENT SCHEMES.

TO ASSIST IN MEETING THESE OBJECTIVES THE ADVISER WOULD BE ASKED TO EXAMINE THE PRESENT SYSTEM OF COLLECTION OF TRAFFIC ACCIDENT DATA AND THE POINT RAISED BY MR. LOBO WOULD ALSO BE PUT TO HIM FOR CONSIDERATION, MR. JONES SAID.

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WHY PARENTS PREFER AIDED PRIMARY SCHOOLS

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THE DIRECTOR OF EDUCATION, THE HON. KENNETH TOPLEY, TOLD THE LEGISLATIVE COUNCIL TODAY THAT PARENTS GENERALLY PREFERRED AIDED PRIMARY SCHOOLS AND THAT HE BELIEVED ATTEMPTS SHOULD BE MADE TO MAKE GOVERNMENT PRIMARY SCHOOLS MORE ATTRACTIVE.

MR. TOPLEY WAS REPLYING TO THE HON. WONG LAM WHO ASKED IF THE GOVERNMENT AGREED THAT THE MAJORITY OF PARENTS STILL SHOWED LITTLE INTEREST IN MOST GOVERNMENT PRIMARY SCHOOLS AND PREFERRED TO SEND THEIR CHILDREN TO AIDED PRIMARY SCHOOLS DESPITE THE FACT THAT FREE PRIMARY EDUCATION HAD BEEN INTRODUCED SINCE 1971.

MR. WONG ALSO WANTED TO KNOW IF THE GOVERNMENT HAD LOOKED INTO THE REASONS FOR THIS AND HAD ANY PLANS TO RECTIFY THE SITUATION.

AGREEING WITH MR. WONG THAT PARENTS GENERALLY PREFERRED AIDED PRIMARY SCHOOLS, MR. TOPLEY SAID THAT PARENTS WERE FREE TO CHOOSE PRIMARY SCHOOLS FOR THEIR CHILDREN AND THEY TOOK INTO CONSIDERATION FACTORS LIKE LOCALITY, RELIGIOUS AFFILIATION AND THE ACADEMIC REPUTATION OF SCHOOLS.

+AS MOST GOVERNMENT PRIMARY SCHOOLS, UNLIKE AIDED SCHOOLS, ARE LOCATED IN THE OLDER RESIDENTIAL AREAS, THEIR CLIENTELE HAS DECREASED GRADUALLY BECAUSE OF POPULATION MOVEMENT TO THE NEW TOWNS AND ESTATES,+ HE SAID.

ON THE OTHER HAND, MR. TOPLEY POINTED OUT THAT A SMALL NUMBER OF AIDED SCHOOLS WERE FEE CHARGING AND THIS ADDED A CERTAIN GLAMOUR TO THEM. THERE ALSO APPEARED TO BE A GENERAL PREFERENCE FOR SCHOOLS WITH RELIGIOUS AFFILIATIONS BECAUSE IT WAS BELIEVED THAT THESE PROVIDED A STIFFER MORAL EDUCATION.

THE DIRECTOR MENTIONED THAT THE AIDED SCHOOLS WERE MORE SUCCESSFUL IN MANY CASES IN BUILDING AN ACADEMIC REPUTATION WHICH INFLUENCED PARENTS. WHILE GOVERNMENT PRIMARY SCHOOLS WERE REQUIRED TO ACCEPT ANY ELIGIBLE PUPIL, AIDED SCHOOLS COULD BE MORE CHOOSY AND SELECT THE ABLE PUPILS. THEY ALSO IN SOME CASES ASKED PUPILS TO LEAVE WHO WERE NOT MAKING GOOD PROGRESS.

MR. TOPLEY SAID THAT HE WAS DISCUSSING WITH THE STAFF CONCERNED SUITABLE WAYS OF MAKING THE GOVERNMENT PRIMARY SCHOOLS MORE ATTRACTIVE.

+CERTAINLY SOME DEMONSTRATION BY GOVERNMENT PRIMARY SCHOOL HEADMASTERS AND TEACHERS OF A RENEWED DEDICATION TO THEIR TASK OF SERVING PUPILS AND THEIR PARENTS MUST BE PART OF THIS EFFORT,+ HE ADDED.

STEPS TAKEN IN TRACING MISSING PERSONS
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THE SECRETARY FOR SECURITY, THE HON. LEWIS DAVIES, TODAY SAID THAT THERE WERE 154 FEMALES MISSING BY APRIL 22 THIS YEAR AND OUTLINED STEPS TAKEN BY THE GOVERNEMENT IN TRACING MISSING PERSONS.

MR. DAVIES WAS REPLYING TO A QUESTION IN THE LEGISLATIVE COUNCIL BY THE HON. HILTON CHEONG-LEEN WHO ASKED WHAT STEPS ARE BEING TAKEN TO TRACE THE 463 TEENAGERS AND ADULT WOMEN WHO WERE REPORTED AS STILL MISSING AS AT THE END OF LAST YEAR OUT OF A TOTAL OF 2,704 FEMALES REPORTED MISSING DURING THE YEAR.

MR. DAVIES SAID THE PARTICULARS OF EACH PERSON ARE CIRCULATED TO POLICE DIVISIONAL HEADQUARTERS FOR FOLLOW UP ACTION AND ALL UNITS ARE NOTIFIED IF THE MISSING PERSON IS UNDER 16 OR OVER 70 YEARS OF AGE OR IF THERE ARE SUSPICIOUS CIRCUMSTANCES.

+IF THERE ARE SUSPICIOUS CIRCUMSTANCES THE POSITION IS INVESTIGATED BY THE CID+, MR. DAVIES SAID.

+IF A PERSON IS UNDER 12 YEARS THE FAMILY SERVICES DIVISION OF THE SOCIAL WELFARE DEPARTMENT IS INFORMED AFTER 24 HOURS AND THEIR ASSISTANCE REQUESTED.

+IF A PERSON IS BETWEEN 12-16 YEARS THE SAME DIVISION OF THE SOCIAL WELFARE DEPARTMENT IS INFORMED AFTER 48 HOURS.+

MR. DAVIES CONTINUED: +IN OTHER CASES ENQUIRIES ARE CONDUCTED BY THE UNIFORM BRANCH WHO REGULARLY CHECK BARS, MUSIC PARLOURS AND THE LIKE= ALSO OUTDOOR DUTIES AND OFFICERS ON CASE ENQUIRIES KEEP A LOOK OUT.

+WITH THE CONSENT OF THE NEXT OF KIN, THE POLICE ARRANGE FOR DETAILS OF THE MISSING PERSON TO BE PUBLICISED THROUGH THE MASS MEDIA.

+OUTSTANDING CASES REMAIN ON RECORD AND ARE CHECKED WHENEVER YOUNG PERSONS COME TO THE ATTENTION OF POLICE IN SUSPICIOUS CIRCUMSTANCES,+ MR. DAVIES SAID.

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FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL
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A BILL AMENDING THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE SO AS TO CLARIFY ITS LEGAL EFFECT WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY.

MOVING THE SECOND READING OF THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1978, THE COMMISSIONER FOR LABOUR, THE HON. NEIL HENDERSON, SAID THAT THE AMENDMENT WAS CONSIDERED NECESSARY FOLLOWING A RECENT COURT DECISION WHICH CAST DOUBT ON WHETHER SAFETY REGULATIONS MADE UNDER SECTION 7 OF THE ORDINANCE COULD BE EXTENDED TO COVER SITES AND PREMISES WHERE ONLY A TYPE OF INDUSTRIAL ACTIVITY, SUCH AS CONSTRUCTION WORK, IS REFERRED TO IN THE DEFINITION OF +INDUSTRIAL UNDERTAKINGS+.

MR. HENDERSON EXPLAINED THAT THE BILL WOULD EXTEND THE DEFINITION OF +INDUSTRIAL UNDERTAKINGS+ TO EMBRACE VARIOUS SPECIFIED INDUSTRIAL ACTIVITIES AND ALSO THE PREMISES AND THE PLANT INVOLVED IN SUCH ACTIVITIES.

HE POINTED OUT THAT THE AMENDMENT IS ONLY OF A TECHNICAL NATURE TO REFLECT THE REAL INTENT OF THE ORDINANCE. +THE PROPOSED AMENDMENT MERELY SEEKS TO CLARIFY THE LEGAL EFFECT OF EXISTING REGULATIONS AND NO NEW OBLIGATIONS OR REQUIREMENTS ARE BEING PRESCRIBED.+ HE SAID.

HE ALSO SAID THAT ONLY ABOUT FIVE OF THE EXISTING 19 SETS OF REGULATIONS, AND SOME ONLY IN VERY MINOR RESPECTS, WOULD HAVE TO BE AMENDED OR RE-ENACTED.

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HOUSING DEPARTMENT ACTED QUICKLY AND
EFFECTIVELY IN ROOFTOP LEAKAGE INCIDENT

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THE HOUSING DEPARTMENT ACTED QUICKLY AND EFFECTIVELY TO HELP TOP FLOOR TENANTS OF BLOCK 15, LOWER SHEK KIP MEI, AFTER ROOFING REPAIRS COMBINED WITH STORMY WEATHER CAUSED LEAKAGES FROM CEILINGS.

THE SECRETARY FOR HOUSING, THE HON. ALAN SCOTT, SAID THIS IN THE LEGISLATIVE COUNCIL TODAY WHEN REPLYING TO A QUESTION FROM THE HON. LYDIA DUNN ABOUT THE INCIDENT ON THE NIGHT OF APRIL 8.

HE SAID THAT THE ASPHALT LAYER OF THE ROOF WAS BEING REPLACED, BUT THE SHEETING USED AS A TEMPORARY COVER BY THE MAINTENANCE CONTRACTOR WAS LIFTED BY A VERY HEAVY WIND OVERNIGHT. THEN FOLLOWED RAIN, CAUSING THE WATER TO PENETRATE THE ROOF SLAB.

MR. SCOTT SAID: +WITHIN 12 HOURS, ADEQUATE TARPULIN SHEETING WAS SET UP, AND THE TENANTS WERE ASSISTED IN CLEANING UP.

+ARRANGEMENTS WERE THEN MADE TO ADVANCE THEIR PLANNED DATE OF REHOUSING TO UPPER PAK TIN ESTATE, AND 57 OUT OF THE 62 FAMILIES INVOLVED HAVE AGREED TO MOVE.

+IN ADDITION THEY WILL NOT BE ASKED TO PAY RENT FOR THE MONTH OF APRIL.+

ON THE CAUSE OF THE PROBLEM, MR. SCOTT SAID: +WITH MORE FORESIGHT ON THE PART OF THE CONTRACTOR, THE INCIDENT COULD UNDOUBTEDLY HAVE BEEN AVOIDED.+

ANSWERING ANOTHER QUESTION FROM MISS DUNN ABOUT THE REPAIR AND REDECORATION OF ESTATE BUILDINGS, AND PREVENTIVE MAINTENANCE GENERALLY, MR. SCOTT SAID THAT THE HOUSING AUTHORITY'S MAINTENANCE BILL FOR ESTATES HAD GONE UP FROM \$79.5 MILLION IN THE LAST FINANCIAL YEAR TO AN ESTIMATED \$108.6 MILLION IN THE CURRENT YEAR.

HE SAID THAT THE AUTHORITY HAD A REGULAR PROGRAMME OF MAINTENANCE AND REDECORATION FOR ALL PARTS OF ESTATE BUILDINGS.

REPAIRS WERE MADE AS NECESSARY, WHILE MECHANICAL SYSTEMS WERE SERVICED REGULARLY AS PART OF NORMAL PREVENTIVE MAINTENANCE.

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POLICY OF ADMITTING OVERSEAS WORKERS INTO HONG KONG
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IT IS GOVERNMENT'S POLICY THAT IN DECIDING WHETHER TO ADMIT A NEW CLASS OF WORKERS, THE DIRECTOR OF IMMIGRATION CONSULTS THE COMMISSIONER FOR LABOUR TO ASCERTAIN WHETHER THERE IS A SHORTAGE OF EXPERIENCED WORKERS WITH SUCH SKILLS AVAILABLE AND SEEKING EMPLOYMENT.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, THE HON. LEWIS DAVIES IN REPLY TO A QUESTION FROM THE HON. FRANCIS TIEN IN THE LEGISLATIVE COUNCIL TODAY.

MR. DAVIES ALSO SAID THAT EXPERIENCED DOMESTIC WORKERS FROM THE PHILIPPINES AND ELSEWHERE WHO ARE SPONSORED BY A PROSPECTIVE EMPLOYER IN HONG KONG ARE ALLOWED BY THE IMMIGRATION DEPARTMENT TO ENTER HONG KONG TO TAKE UP EMPLOYMENT WITH THE FAMILY IN QUESTION SUBJECT TO THEIR HOLDING A VALID TRAVEL DOCUMENT AND STRICT CONTRACTUAL ARRANGEMENTS.

HE SAID THAT THESE ARRANGEMENTS FOR THE PROVISION OF PERSONAL SERVICE REQUIRE THAT THE EMPLOYER HOUSES THE EMPLOYEE TO ENSURE THAT SUCH DOMESTIC WORKERS DO NOT BECOME A BURDEN ON THE COMMUNITY.

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POLICE ROAD BLOCKS DETER NIGHT RACERS
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THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES, TOLD THE LEGISLATIVE COUNCIL TODAY THAT THE POLICE DO TRY TO STOP MOTORCYCLE AND CAR RACING AT NIGHT BY SETTING UP ROAD BLOCKS AND RADAR SPEED TRAPS.

+THIS ACTION HAS A STRONG DETERRENT EFFECT BUT IT USES A LOT OF MANPOWER AND ITS DEPLOYMENT MUST DEPEND ON OTHER POLICE COMMITMENTS AT ANY PARTICULAR TIME,+ MR. JONES SAID IN REPLY TO A QUESTION FROM THE HON. ROGER LOBO.

MR. JONES ADDED ALTHOUGH RACING BY MOTORCYCLES AND CARS IN THE LATE NIGHT AND EARLY MORNING HOURS DURING THE SUMMER MONTHS WAS DANGEROUS AND A SOURCE OF MUCH PUBLIC COMPLAINT, THE NUMBER OF PEOPLE INVOLVED WAS QUITE SMALL.

BUT HE NOTED THAT THE RACERS ALSO SWITCH THEIR ACTIVITIES AT RANDOM FROM LOCATION TO LOCATION.

+FURTHERMORE, THEY USUALLY SEND OUT 'SCOUTS' TO MAKE SURE THAT POLICE VEHICLES OR ROAD BLOCKS ARE NOT PRESENT ALONG THE ROUTES CHOSEN,+ HE ADDED.

MR. JONES POINTED OUT THAT THE POLICE COUNTER SUCH TACTICS BY SETTING UP A NUMBER OF ROAD BLOCKS AND RADAR SPEED TRAPS SIMULTANEOUSLY, MOVING THEM FREQUENTLY THROUGHOUT THE NIGHT.

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WEDNESDAY, APRIL 26, 1978

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PLANS TO IMPROVE SALT WATER QUALITY IN KWUN TONG

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THE WATER SUPPLIES DEPARTMENT IS INVESTIGATING MEANS OF IMPROVING THE QUALITY OF WATER AT THE KWUN TONG SALT WATER INTAKE BY AERATION AND THE INSTALLATION OF MICRO-STRAINERS.

THIS WAS DISCLOSED BY THE HON. DAVID MCDONALD, DIRECTOR OF PUBLIC WORKS, IN REPLY TO A QUESTION BY THE REV. THE HON. JOYCE M. BENNETT AT THE LEGISLATIVE COUNCIL MEETING TODAY.

HE POINTED OUT THAT THE ONLY FILTERING SYSTEM USED AT THE SALT WATER INTAKES AT PRESENT WAS A COARSE SCREENING MEANT FOR PREVENTING LARGE SOLIDS AND DEBRIS FROM ENTERING THE SYSTEM WHEN WATER WAS BEING EXTRACTED FROM THE SEA.

THE SYSTEM, HE ADDED, WAS SUBJECT TO REGULAR EXAMINATION, MAINTENANCE AND CLEANING SO THAT IT FULFILLED ITS DESIGNED PURPOSE.

MR. MCDONALD SAID THAT DUE TO DEVELOPMENTS IN THE AREA, THE QUALITY OF THE SEA WATER AT THE KWUN TONG INTAKE HAD DETERIORATED SINCE ITS CONSTRUCTION NEARLY 20 YEARS AGO.

+MEANS OF IMPROVING THE QUALITY OF WATER TAKEN INTO SUPPLY, BY AERATION AND THE INSTALLATION OF MICRO-STRAINERS, ARE BEING INVESTIGATED AND IF FOUND TO BE FEASIBLE WILL BE ADOPTED,+ HE SAID.

+HOWEVER, IF NO PRACTICAL SOLUTION CAN BE FOUND, THE PUMPING STATION AND INTAKE WILL BE RESITED TO A LOCATION WHERE THE SEA WATER IS OF ACCEPTABLE QUALITY.+

IN ANSWER TO ANOTHER QUESTION BY MISS BENNETT, MR. MCDONALD SAID THAT THE PURPOSE OF THE RESERVOIR AT JORDAN VALLEY WAS TO STORE RAIN WATER FALLING IN THE CATCHMENT AREA ABOVE IT, IN ORDER TO AUGMENT THE SEA WATER SUPPLY PUMPED FROM KWUN TONG.

AS A RESULT OF DEVELOPMENT IN THE CATCHMENT AREA, HE SAID, EXTENSIVE SILTING HAD OCCURRED AND THE EFFLUENT DISCHARGED FROM THE DEVELOPMENT HAD CAUSED THE WATER QUALITY TO DETERIORATE.

+OVER THE LAST TWO YEARS, THE QUALITY HAS DETERIORATED TO SUCH AN EXTENT THAT WATER FROM THIS SOURCE CANNOT BE USED OTHER THAN AFTER VERY HEAVY RAINFALL WHEN DILUTION HAS IMPROVED THE WATER QUALITY TO AN ACCEPTABLE STANDARD,+ MR. MCDONALD SAID.

+CONSIDERATION IS BEING GIVEN TO USING THIS VALLEY AS A CONTROLLED TIP FOR REFUSE AND, IF THIS PROCEEDS, THE RESERVOIR WILL BE RELINGUISHED AND A NEW SALT WATER RESERVOIR CONSTRUCTED TO REPLACE IT.+

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WEDNESDAY, APRIL 26, 1978

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CONVERSION OF PARKING METERS TO ACCEPT
NEW 50-CENT COINS

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THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES, TOLD THE LEGISLATIVE COUNCIL TODAY THAT THERE IS A PROGRAMME WHICH WILL EVENTUALLY PROVIDE FOR ALL PARKING METERS TO OPERATE ON THE NEW 50-CENT COINS.

IN REPLY TO A QUESTION FROM THE HON. PETER C. WONG, MR. JONES POINTED OUT THAT AT PRESENT OUT OF A TOTAL OF 11,000 PARKING METERS, ONLY 2,000 STILL ACCEPT THE OLD 50-CENT COINS AND NOT THE NEW PIECES.

HE ALSO NOTED THAT CHARGES FOR THE NEW METERS ARE HIGHER THAN FOR THE OLD ONES AND THAT THEY DO NOT ACCEPT 10-CENT COINS.

+BUT, AS THE OLD METERS ARE GENERALLY IN THE MORE PERIPHERAL URBAN DISTRICTS, NEW METERS ARE ONLY INTRODUCED IN THESE AREAS WHEN THE DEMAND FOR METERED PARKING SPACES JUSTIFIES THE HIGHER CHARGES,+ MR. JONES SAID.

+MOST OF THESE OLD METERS, HOWEVER, ALSO ACCEPT 10-CENT COINS. AND THEIR INSTRUCTION PLATES ARE NOW BEING CHANGED TO MAKE IT CLEAR THAT ONLY 10-CENT COINS SHOULD BE USED,+ HE ADDED.

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DISCIPLINED SERVICES (WELFARE FUNDS) BILL

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A BILL AMENDING THE ORDINANCES OF ALL THE DISCIPLINED SERVICES SO AS TO PERMIT GRANTS TO BE MADE FROM THEIR WELFARE FUNDS TO THE DEPENDENTS OF DECEASED SERVING OR FORMER MEMBERS WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY.

THE DISCIPLINED SERVICES (WELFARE FUNDS) BILL 1978, IF PASSED, WILL ENABLE THE HEAD OF EACH DISCIPLINED SERVICE -- FIRE SERVICES, HAWKER CONTROL FORCE, POLICE FORCE, PRISONS, IMMIGRATION AND THE CUSTOMS AND EXCISE SERVICES -- TO DETERMINE THE AMOUNTS OF GRANTS OR LOANS IN THE LIGHT OF CHANGING CIRCUMSTANCES, INDIVIDUAL NEEDS, AND THE FUNDS AVAILABLE.

MOVING THE SECOND READING OF THE BILL, THE SECRETARY FOR THE CIVIL SERVICE, THE HON. MARTIN ROWLANDS, SAID HE BELIEVED THE BILL WOULD BE WELCOMED BY MEMBERS OF ALL THE DISCIPLINED SERVICES.

EXPLAINING THE BACKGROUND TO THE BILL, MR. ROWLANDS SAID A LONG TIME AGO, FOLLOWING THE ACCIDENTAL DEATH OF TWO IMMIGRATION OFFICERS, THE STAFF SIDE OF THE IMMIGRATION DEPARTMENT STAFF CONSULTATIVE COUNCIL RECOMMENDED THAT THE IMMIGRATION SERVICE ORDINANCE AND THE IMMIGRATION SERVICE (WELFARE FUND) REGULATIONS BE AMENDED IN TWO RESPECTS.

THE FIRST WAS TO ENABLE OUTRIGHT GRANTS TO BE PAID TO THE DEPENDENTS OF DECEASED MEMBERS OF THE IMMIGRATION SERVICE. THE SECOND WAS TO RAISE THE MAXIMUM LIMIT ON LOANS TO SERVING MEMBERS.

MR. ROWLANDS SAID IT WAS FELT THAT THESE IMPROVEMENTS SHOULD BE EXTENDED TO ALL THE DISCIPLINED SERVICES.

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ARRANGEMENTS AT CASUALTY DEPARTMENTS IN PUBLIC HOSPITALS

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ALL CASUALTY DEPARTMENTS IN PUBLIC HOSPITALS ARE STAFFED AND EQUIPPED TO DEAL WITH CASES ON A 24-HOUR BASIS, THE DIRECTOR OF MEDICAL AND HEALTH SERVICES, DR. THE HON. K.L. THONG SAID IN THE LEGISLATIVE COUNCIL TODAY.

REPLYING TO A QUESTION BY THE HON. ALEX WU, DR. THONG SAID THE MEDICAL SUPERINTENDENTS AND MEDICAL OFFICERS IN-CHARGE OF SUCH DEPARTMENTS MONITORED, ON A REGULAR BASIS, THE STAFFING AND OTHER FACILITIES SO THAT THESE WERE CONSISTENT WITH ADEQUATE STANDARDS OF MEDICAL ATTENTION AND WERE AVAILABLE WITHOUT UNDUE DELAY.

DR. THONG ALSO POINTED OUT THAT THESE ARRANGEMENTS ARE KEPT UNDER REVIEW AND SUITABLE ADJUSTMENTS ARE MADE AS NECESSARY.

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APPLICATION FOR WATER SUPPLY IN HOUSING ESTATES WELL UNDERSTOOD

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THE GOVERNMENT IS SATISFIED THAT THE PROCEDURES FOR APPLYING FOR WATER SUPPLY IN HOUSING ESTATE ARE UNDERSTOOD BY ESTATE OFFICES AND THAT THEY ARE EXPLAINED TO AND UNDERSTOOD BY INCOMING TENANTS.

THE HON. DAVID MCDONALD, DIRECTOR OF PUBLIC WORKS, SAID THIS TODAY IN REPLY TO A QUESTION IN THE LEGISLATIVE COUNCIL BY THE HON. P.G. WILLIAMS.

DESCRIBING THE PROCEDURES, HE SAID: +IN APPLYING FOR WATER SUPPLY THE INCOMING TENANTS SIGNS FORM F, WHICH IS AN UNDERTAKING TO PAY WATER CHARGES AND TO PAY A DEPOSIT TO COVER THE COST OF SUBSEQUENT WATER CONSUMPTION, WHICH IS BILLED IN ARREARS.+

IN NEW ESTATES, MR. MCDONALD SAID, METERS WERE INSTALLED IN ADVANCE OF OCCUPATION WITH THE HOUSING AUTHORITY BEING THE INITIAL CONSUMER.

WHEN HOUSING UNITS HAD BEEN ALLOCATED THE ESTATES MANAGEMENT OFFICE UNDERTOOK THE ADMINISTRATIVE WORK OF COMPLETING THE FORM F ON BEHALF OF THE INDIVIDUAL TENANTS WHO WERE THEN REQUIRED TO SIGN THEM, HE ADDED.

THE COMPLETED FORMS WERE FORWARDED TO THE WATER SUPPLIES DEPARTMENT FOR PROCESSING AND SUPPLY WAS MADE AVAILABLE ON THE DATES AGREED WITH THE HOUSING ESTATE OFFICE.

+IN CASES WHERE THE METER HAS BEEN REMOVED DUE TO NON-PAYMENT OF WATER CHARGES, A FORM I (WHICH IS A REQUEST FOR A METERED CONNECTION) IS ALSO REQUIRED AND IS FORWARDED BY THE HOUSING ESTATE OFFICE SIMULTANEOUSLY WITH THE FORM F,+ MR. MCDONALD SAID.

+HOWEVER, CONSIDERATION IS CURRENTLY BEING GIVEN TO DISPENSING WITH FORM I APPLICATIONS FOR PUBLIC HOUSING ESTATES.+

MR. MCDONALD EMPHASISED THAT ALTHOUGH THERE HAD BEEN A FEW ISOLATED CASES IN THE PAST WHERE THERE WAS A LACK OF UNDERSTANDING OF THE PROCEDURES, THE GOVERNMENT WAS NOW SATISFIED THAT THE PROCEDURES WERE UNDERSTOOD BY ESTATE OFFICES AND THAT THEY WERE EXPLAINED TO AND UNDERSTOOD BY INCOMING TENANTS.

MR. WILLIAMS ALSO ASKED WHETHER IT WAS GOVERNMENT POLICY THAT WHERE A TENANT OF A PUBLIC HOUSING ESTATE OCCUPIED MORE THAN ONE HOUSING UNIT THAT WATER SERVICE AND METER WOULD ONLY BE SUPPLIED TO ONE OF THE UNITS.

IN REPLY, MR. MCDONALD SAID THAT WHERE ALLOCATED HOUSING UNITS WERE COMBINED AND ADJACENT, ONE WATER METER WAS PROVIDED. THE TENANT THEREFORE RECEIVED ONE BASIC FREE ALLOWANCE IN RESPECT OF THE WATER CONSUMED.

+WHERE THE UNITS ARE SEPARATE, THE NEED FOR WATER SUPPLY IN EACH SEPARATE UNIT IS RECOGNISED AND A WATER METER IS PROVIDED TO EACH. IN SUCH CASES, THE CONSUMER GETS THE FREE ALLOWANCE ON EACH METER,+ MR. MCDONALD SAID.

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LEGCO APPROVES RESOLUTION

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THE LEGISLATIVE COUNCIL TODAY APPROVED A RESOLUTION EXTENDING FOR THREE MONTHS THE PROVISIONS OF THE CRIMINAL PROCEDURE ORDINANCE WHICH ENABLE THE ATTORNEY GENERAL TO SEEK A REVIEW OF THE SENTENCE IMPOSED BY A COURT ON A CONVICTED PERSON.

MOVING THE MOTION, THE ACTING ATTORNEY GENERAL, THE HON. GARTH THORNTON SAID THESE PROVISIONS HAD BEEN IN OPERATION FOR SIX YEARS NOW AND HE BELIEVED THAT THEIR USEFULNESS HAD BEEN ESTABLISHED.

HE SAID THE GOVERNMENT TOOK THE VIEW, AND THE CHIEF JUSTICE AGREED, THAT THESE PROVISIONS SHOULD BE MADE PERMANENT AND A BILL TO THIS END WOULD BE INTRODUCED IN THE NEXT LEGISLATIVE COUNCIL MEETING.

+MEANTIME, IN ORDER TO GIVE SUFFICIENT TIME FOR THE BILL TO BE CONSIDERED BY COUNCIL, THIS RESOLUTION WOULD EXTEND THE PROVISIONS FOR THREE MONTHS,+ MR. THORNTON SAID.

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WEDNESDAY, APRIL 26, 1978

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LAND REGISTRATION (AMENDMENT) BILL 1978
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THE LAND REGISTRATION (AMENDMENT) BILL 1978 WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY TO BRING IN CERTAIN AMENDMENTS TO THE PRINCIPAL ORDINANCE IN RESPECT OF PRIORITY IN THE REGISTRATION OF DOCUMENTS.

MOVING THE SECOND READING OF THE BILL, THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES, SAID ONE OF THE AMENDMENTS PROVIDES A UNIFORM PERIOD OF ONE MONTH FROM THE TIME OF EXECUTION OF A DOCUMENT FOR REGISTRATION UNDER THE RELEVANT PROVISIONS OF THE ORDINANCE, WHETHER SUCH DOCUMENT IS EXECUTED IN HONG KONG OR ELSEWHERE.

HE SAID AT PRESENT DOCUMENTS EXECUTED OUTSIDE HONG KONG WERE GIVEN A PERIOD OF 12 MONTHS IN WHICH THEY SHOULD BE REGISTERED IF THEY WERE TO SECURE STATUTORY PRIORITY.

+THIS PROVISION DATES APPARENTLY FROM THE DAYS OF SAILING SHIPS AND THE CONTINUANCE OF THE DIFFERENTIAL IS CLEARLY UNNECESSARY IN THE AGE OF JET AIRCRAFT.+

ANOTHER AMENDMENT, MR. JONES SAID, PROVIDES FOR THE PRIORITY OF PENDING ACTIONS AND CHARGING ORDERS TO COMMENCE FROM THE DAY FOLLOWING THE DATE OF THEIR ACTUAL REGISTRATION RATHER THAN THE DATE OF THE DOCUMENT ITSELF.

+AT PRESENT, IF A PERSON RELIES UPON A CLEAR TITLE SHOWN ON THE REGISTER AND PURCHASES A PROPERTY ON THE STRENGTH OF THAT CLEAR TITLE, HE CAN STILL BE DEFEATED IF A WRIT IS ISSUED OR A CHARGING ORDER OBTAINED WHICH, ALTHOUGH NOT REGISTERED AT THE TIME OF THE COMPLETION OF THE PURCHASE, IS STILL REGISTERED WITHIN THE STATUTORY PERIOD OF ONE MONTH,+ MR. JONES SAID.

+THE PROPOSED AMENDMENT, BY ACCORDING PRIORITY FROM THE DATE FOLLOWING ACTUAL REGISTRATION, ENSURES THAT, AS FAR AS THESE TWO CLASSES OF DOCUMENTS ARE CONCERNED, A PURCHASER OF PROPERTY WILL BE ABLE TO RELY UPON A CLEAR TITLE SHOWN ON THE REGISTER,+ HE ADDED.

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BILLS PASSED
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TEN BILLS WERE PASSED INTO LAW IN THE LEGISLATIVE COUNCIL TODAY.

THEY WERE THE BANK-NOTES ISSUE (AMENDMENT) BILL 1978= STAMP (AMENDMENT) BILL 1978= STAMP (AMENDMENT) (NO. 2) BILL 1978= STAMP (AMENDMENT) (NO. 3) BILL 1978= CRIMES (AMENDMENT) (NO. 2) BILL 1978= YAN CHAI HOSPITAL (AMENDMENT) BILL 1978= PUBLIC ORDER (AMENDMENT) BILL 1978= MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1978= CRIMINAL PROCEDURE (AMENDMENT) (NO. 2) BILL 1978= AND EVIDENCE (AMENDMENT) BILL 1978.

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FIRE SERVICES INSPECT FACTORIES IN KWUN TONG
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OFFICERS FROM THE FIRE SERVICES DEPARTMENT TODAY UNCOVERED A NUMBER OF FIRE HAZARDS DURING THEIR INSPECTIONS ON ABOUT 500 UNITS IN 26 INDUSTRIAL BUILDINGS IN KWUN TONG.

THEY INCLUDED BLOCKAGE TO EXITS AND LIFT LOBBIES, ILLEGAL STRUCTURES IN OPEN AREA, ILLEGAL INSTALLATIONS OF METAL GATES ON STAIRCASES AND REMOVAL OF SMOKE DOORS.

AS A RESULT OF THESE CHECKS, A TOTAL OF 84 FIRE HAZARD ABATEMENT NOTICES WERE SERVED AND SUMMONSES WILL BE ISSUED AGAINST THREE FACTORY OWNERS FOR VIOLATING FIRE PREVENTION REGULATIONS.

DURING THE INSPECTION 22 CASES OF ILLEGAL ROOFTOP STRUCTURES, UNAUTHORISED BUILDING ALTERATIONS AND UNLICENSED COOKED FOOD STALLS WERE FOUND. THESE WILL BE REFERRED TO THE RELEVANT DEPARTMENTS FOR THEIR ATTENTION.

A TOTAL OF 36 FIRE OFFICERS UNDER THE COMMAND OF DIVISIONAL OFFICER, MR. KEN HODGKINS TOOK PART IN TODAY'S OPERATION.

THE OFFICERS WILL RETURN FOR MORE INSPECTIONS IN KWUN TONG TOMORROW (THURSDAY).

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WEDNESDAY, APRIL 26, 1978

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TRAFFIC BAN AT SECTION OF DES VOEUX ROAD CENTRAL
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THE TRANSPORT DEPARTMENT HAS ANNOUNCED THAT FROM 10 A.M. ON FRIDAY (APRIL 28), THE EASTBOUND SECTION OF DES VOEUX ROAD CENTRAL BETWEEN PEDDER STREET AND ICE HOUSE STREET WILL BE CLOSED TO ALL TRAFFIC EXCEPT FRANCHISED BUSES AND THOSE AUTHORISED BY THE COMMISSIONER FOR TRANSPORT IN WRITING.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

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DAILY INFORMATION BULLETIN SUPPLEMENT

Wednesday, April 26, 1978.

"HONG KONG: BRITAIN'S SHOWCASE IN ASIA"

Following is the full text of a speech given by the Governor, Sir Murray MacLehose, at a meeting on "Hong Kong: Britain's Showcase in Asia", at the Confederation of British Industry in London, on Wednesday, April 26, 1978:

It is for Lord Nelson and Mr. March and Mr. Porter and our chairman (Mr. John Browne) to explain in detail the opportunities that exist in Hong Kong for the British businessman looking for an export market, a base for exports to or investment in the S.E. Asia region - or a manufacturing base. My task is to tell you what sort of place and a market it is. We venture to commend it to you. But it is 8,000 miles away. Its territory is only 400 square miles and its population only 4½ million. References to it in the English media are usually highly coloured and often disparaging. Why should you bother? What is there so special about it? The short answer is that it is among the twenty largest trading units in the world.

I am no admirer of that early nineteenth century era in which the seizure of colonies by developed nations was the order of the day -- like so many British and other colonies, Hong Kong dates from that time. But it is a striking fact that of that era, Hong Kong alone survives and prospers as a colony of any economic significance.

/It has done

It has done so because of very special circumstances, including the attitude of the People's Republic of China and the support of the United Kingdom. But I think, too, it has survived because the combination of the place, the people, and the Government has been so extraordinarily successful in producing stability and steadily rising living standards, also because it is so open -- all are equally free and welcome to participate in this success and to profit from it, whether from China, America, Britain or elsewhere.

Hong Kong has the reputation of being the last outpost of laissez faire and on this account has both its panegyrists and its critics. The fact is that Hong Kong is unusually dependent on external economic forces over which it has no control. Sooner or later it has no alternative but to adjust to them. Consequently the Government does not intervene in the natural play of market forces except to stop abuse or distress to the public, or to ensure the provision of the essential infrastructure without which acceptable speeds of social advance and economic growth would not be possible. These are of course very large qualifications to laissez faire, and I shall describe some of the major programmes which these qualifications involve. Moreover as in any other civilised society, there is comprehensive legislation covering financial, commercial and industrial activity, and labour conditions and relations, and Hong Kong would be an insecure business partner or field for investment if there were not.

/But it is

But it is true that Hong Kong does have comparatively low rates of tax and a comparatively simple fiscal system: there is no exchange control, and there is freedom to employ such staff as a firm sees fit, and freedom to remit profits and capital at will, and in comparison with other communities there is a refreshing absence of regulation and red tape. So in Hong Kong the entrepreneur probably does enjoy greater freedom to get on with his job than in any comparable place of business. We have every intention of adhering to this general approach.

The prudently orthodox financial philosophy of the Government is consistent with this general approach. Hong Kong must be unusual amongst the major cities of the world in having debt of only negligible proportions and in maintaining at the same time very large fiscal reserves. Of course Hong Kong has never received aid of any significance, and suspects that none would help her if she failed, and I can assure you that this background can be a stern enforcer of financial discipline.

But Hong Kong is not just an industrial, commercial or financial institution. It is a community of about 4½ million, intensely shrewd and active people. It is governed with more real freedom than any other community in Asia and yet -- because of circumstances which are forced upon it -- without elected government. It is a fascinating and constantly evolving story, how in these circumstances the Government seeks to achieve consent for its policies, tries to be responsive to the wishes of its people and aims to achieve their participation -- because in these respects Hong Kong really is unique in the world. Nowhere else can the constitution be so authoritarian but the practice be so deeply imbued with liberal traditions and safeguards.

/ The major problem

The major problem of Hong Kong is sheer weight of numbers and the rapidity with which they have built up through immigration and natural increase since the 1950s. This has created great problems of providing housing, education and social welfare and the whole infrastructure that makes life in a community what it should be. But these things are being quickly provided.

For instance the Government already houses 46 per cent of the population at heavily subsidised rents. In the four years from 1978/79 to 1981/82 the Government will complete accommodation at subsidised rates for about one million more people (or more than one-fifth of the population).

This year, for the first time, three years secondary as well as primary education will be available and free for all children. This programme alone involves the construction of 86 schools. The number of places in higher education (the two universities and polytechnic) is increasing from 8,000 in 1973 to nearly 22,000 in 1981.

There is a similar increase in medical facilities. The increase in hospital beds in the six years from 1978 to 1984 will be approximately 7,000 and in the same time eight new clinics and polyclinics will open.

There is a massive programme of engineering works to give access by road or rail to areas where building land exists or can be formed by reclamation of the sea, so that three new self-contained towns averaging 600,000 can be built before 1984, and built in infinitely better environmental conditions than was possible in the old crowded urban areas and hut-covered hillsides for which Hong Kong is known. A similar onslaught on traffic conditions in the old urban areas is being conducted by the construction of an underground railway and a mass of flyovers and some major arterial roads.

/These are just

These are just some examples of the scale of endeavour in the public sector. Against this background it is not surprising that the expenditure of the Hong Kong Government should have increased from nearly three billion HK dollars in 1971/72 to over 10 billion HK dollars in 1978/79, or that in the current budget social services account for 42.6 per cent and community services (largely communications and water) for 20.4 per cent of total expenditure.

It is much more surprising that this has been achieved without large increases in taxation, and with the exception of a few self-liquidating projects, has been financed from revenue not debt.

This has only been possible through the rapid growth of the economy. Domestic exports grew from 2.9 billion HK dollars in 1961 to 35 billion HK dollars in 1977, and the gross domestic product in per capita real terms increased by an average of 6.4 per cent a year between 1961 and 1971 and by 7.1 per cent since 1971.

I quote these figures to show what an unusually dynamic place Hong Kong is, and how much is happening there. It is a place on the move, and the sense of movement, energy and bustle hits the newly arrived visitor like an electric shock. I submit that it is in such a live market as Hong Kong with rapid expansion in both private industry and public sectors that export orders and business opportunities are worth looking for.

In fact last year United Kingdom exports to Hong Kong were about 270 million Sterling, that is to say about the same as Britain's exports to India, two-thirds of her exports to Japan, four times her exports to China. It is very much a market in its own right, and I believe that with attention British sales would be much bigger than they are. But the first essential is to realise that market is there, then seriously to plan its exploitation.

/You may well ask

You may well ask "but will it continue?" "Is it a sufficiently long-term market to be worth cultivating?"

My unequivocal answer is "yes". I have been involved in Sino-British relations for thirty years and they have never been better. Practical co-operation over Hong Kong is excellent, and Chinese trade with and in Hong Kong is important. The community of Hong Kong is an enviably stable one politically, it is happily free from labour difficulties, and the adaptability, vigour and inventiveness of its work-force and management alike are proverbial. Increasingly capital intensive developments of industry and communications and increasing sophistication in banking, commerce and tourism, require large numbers of technicians, technologists and professionals of virtually all disciplines, but Hong Kong's educational system can supply them.

Hong Kong is only vulnerable in that it is so unusually dependent for its prosperity on demand and economic activity in areas beyond its control -- for instance in North America and Europe. So long as a modest growth in the economies of these areas can be maintained Hong Kong should prosper. A U.K. minister once said to me that the Hong Kong economy was so flexible and quick that a puff of demand anywhere would fill Hong Kong's sails. There is of course the threat of protectionism. About this we have no illusions. If carried to excess it could kill Hong Kong and the developing economies as equally it could kill the slow recovery of the developed countries from recession. But I am confident that this will not happen, that wiser counsels will prevail, that recession in the world will gradually lift, and with it the political pressures for protection that high levels of unemployment have generated.

/ Hong Kong is

Hong Kong is very conscious of the need to diversify its exports and sources of prosperity to reduce its reliance on exporting a narrow range of products that can become a focus of protectionist pressures in its markets. We also need to continue to trade up --- for our wages are relatively high for Asia -- and we, no more than you, can continue to rely on manufacturing products that others can make just as well but more cheaply. This year we still expect a growth rate of over eight per cent and we expect to be able to maintain an average rate of seven per cent till the end of the decade. You need have no fear -- the Hong Kong market will continue.

There is another reason why I suggest it is in the United Kingdom's interest to expand its exports to Hong Kong. Hong Kong is an area of comparatively fast economic growth. Korea, Singapore, Malaysia, Indonesia, Thailand all consistently enjoy annual growth rates of between six and 10 per cent. Hong Kong is at the communications centre of these rapidly developing markets of East and South-East Asia. It has very close commercial and financial links with Japan. But its closest connection is with China, the biggest country in the world, now poised for a period of rapid economic expansion. Hong Kong is therefore a shop-window on a prime site. The equipment that is being used or the goods that are being brought or offered for sale in Hong Kong will be seen by the businessmen of the whole area who pass through it or maintain their representatives and correspondents in it -- and remember it is both the financial and communications centre of the region. If what they see is British it may influence them to buy British. Conversely if British goods are noticeably absent from a market under British administration adverse conclusions will be drawn throughout South-East Asia to the detriment of British prospects. I realize that British exporters cannot supply every market in the world, even when opportunities exist they must be selective.

/But I suggest

But I suggest that for those exporters for whom opportunities do exist in Hong Kong, it is a market that merits high priority. It offers a natural centre from which to exploit the expanding markets of East and South East Asia.

There is a further general point worth making to you about the comparative advantages of Hong Kong as a market. Business can be done quickly because Hong Kong businessmen are brisk -- it is a city in a hurry, business can be done in English and when done it is governed by British law.

I have not liked to see the British share of the Hong Kong market decline and am delighted that the trend has at last reversed. British support is as vital to Hong Kong as the goodwill of China on the one hand, and the hard work, enterprise, and good government of the people of Hong Kong on the other. British support is not an issue, but inevitably commercial success and the employment it brings is helpful to British attitudes towards a place so distant and so little understood. I therefore greatly welcome the interest which the Department of Trade and Industry, the CBI and the British Overseas Trade Board now take in the development of trade with Hong Kong. Their success would be in the mutual interest of both the United Kingdom and Hong Kong.

All who come to see the Hong Kong market will find a welcome, most will find both profit and friendship, none will be disappointed by a visit to a place with so much beauty, energy and promise.

STATEMENT BY FINANCIAL SECRETARY AT
11TH ANNUAL MEETING OF ASIAN DEVELOPMENT BANK

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The following is the statement made by the Financial Secretary, Mr. Philip Haddon-Cave yesterday (Tuesday) at the 11th Annual Meeting of the Asian Development Bank in Vienna :

"Both you, Mr. Chairman, and the President, have effectively surveyed the Bank's recent performance and have sought to take a view of the Bank's role in the economic and social development of this immensely diverse region in the second decade of its existence. Your joint analysis deserves to provoke - and I am sure it will - a wide ranging debate for some time to come. I shall confine myself this afternoon to making five disparate points.

"The first one concerns the relatively low level of loan disbursements to date. Over the period 1968 to 1977, loan commitments have increased faster than both disbursements and contracts awarded and the implication of the chart on page 24 of the annual report is that a disproportionate share of the Bank's staff resources is being devoted to new loan approvals, as opposed to the effective implementation of projects already approved. This is not the Bank's

/fault, but

fault, but it must be of concern to the Bank. One way of accelerating disbursements would be to improve the absorptive capacity of borrowing countries through an expanding programme of technical assistance designed to strengthen the planning and executing capability of the institutions concerned in these countries.

"I note with approval therefore the Bank's present activities and future intentions in this field. To this end, my Government is prepared to continue to provide financial support, on an un-tied basis, to the technical assistance special fund. If the results of the proposed comparative research exercises into the social and cultural environments within which the development process must operate in borrowing countries are such that they can be put to practical use, then these studies should also help to improve the speed and effectiveness with which disbursements are made.

"I know that the President has recently re-structured the management of the Bank with a view to ensuring that it remains responsive to changing circumstances and capable of managing the Bank's rapidly expanding lending programmes, and its increasingly complex financial affairs, with maximum efficiency. I hope that this will be followed up by a review of the organisation of the Bank's internal administration as a whole, including all questions relating to the recruitment and management of staff.

"For my second point is this : whilst I believe in the concept of career service in the Bank, I think that an international development institution should dilute its establishment of career staff with staff

/on contract

on contract terms and on short-term secondments. Such a process of continuous interchange of staff would be to the mutual benefit of both the institution and member countries. Incidentally, I would like to note in passing that the newly established Audit Committee of the Board of Directors has contributed significantly to the efficient conduct of the Bank's affairs and I am sure that it will play an increasingly important role in the future.

"I understand that the Board of Directors has recently considered the possible role of programme lending in the Bank's general loan strategy. In my view, and this is my third point, acceptance of the case for programme lending must be coupled with an acceptance of the need for meaningful evaluation techniques, applied *ex ante* and *ex post facto*. Having said that, I would suggest that family planning might be a suitable field for programme lending. I realise that hitherto so far as international development institutions are concerned, population control programmes have been the special preserve of the World Bank which has built up a wealth of comparative experience. But I doubt whether the Asian Development Bank can legitimately leave all efforts in this field to the World Bank given the high proportion of the world's population in the Asian region, and given also the relatively high population growth rates in many member countries, which erode the impact on living standards of private and public investment.

"This leads me on to the question of the respective roles of the World Bank and the several regional banks and, indeed, of all specialised international agencies concerned with economic and social development and to the fourth point I wish to make, namely, that the

/time has

time has come for all international development institutions to have clearly defined roles to avoid overlapping of activities and so as to ensure the activities of all institutions are complementary one to the other and not competitive.

"The some-what haphazard emergence of these institutions since the Second World War has meant that a not insignificant proportion of available funds, expertise and experience is not being utilised to the best advantage. Moreover, access to the limited resources of these institutions appears to be determined on an accidental rather than a fair and rational basis. Specifically, I would like to suggest that an examination should be made of the possibility of the World Bank and the several regional banks, as appropriate, accepting responsibility for administering some of the development funds presently controlled by specialised agencies. It would seem to be self evident that the totality of the overhead costs of all development institutions is now such that substantial resources could be released for productive investment purposes if there was a degree of rationalisation of present arrangements. I think it would be helpful, therefore, if the newly established International Commission on Development looked into the present network of development and allied institutions and examined their respective roles critically.

"My final point concerns the lurch to protectionism which has become so alarmingly apparent in the last twelve months or so. Protectionism will undoubtedly slow down the growth rate of world trade in manufactures, and generally. It will thus be a self-defeating process in the long run.

/Certainly

Certainly protectionism will prove to be no cure for unemployment and inflation. However, if certain developed countries in Europe, North America and elsewhere are determined, for the time being, to place a degree of reliance on national or regional self-sufficiency in products which they would otherwise obtain through the mechanism of world trade, then I can see no alternative but for regional development banks to stress regional self-sufficiency in their lending for development.

"This would require the Asian Development Bank to match its involvement in the development process in individual member countries with a strategic view of the development of the Asian and Pacific regional as a whole. That is to say, in its innovative role, the Bank would seek to support projects which were designed specifically to promote intra-regional trade. This is not an approach which would be defensible in a more liberal world trading environment, but there are certain implications of protectionism which are inescapable (a slow-down in the growth rate of even dynamic economies, for instance) and which must have, an influence on the policies pursued by those adversely affected.

"Perhaps when it is realised by protectionist Governments that there is an unpalatable reality about protectionism, that is to say, when they realise that protectionism is bound to have consequences which damage all members of the world trading economy, more liberal - and hence more effective even from a nationalistic point of view - trade policies will be followed."