



DAILY INFORMATION BULLETIN

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STABLE TAX RATES AND FISCAL POLICIES
ESSENTIAL TO ECONOMIC PROGRESS
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WE SHOULD CONTINUE TO MAINTAIN OUR STABLE TAX RATES AND STABLE FISCAL POLICIES IF WE ARE TO CONTINUE TO REALISE ECONOMIC PROGRESS WITH SOCIAL JUSTICE. THE RESULT OF THIS STABILITY IS OBVIOUS FROM OUR HISTORICAL EXPERIENCE, THE HON. LYDIA DUNN SAID IN THE LEGISLATIVE COUNCIL TODAY.

SHE SAID SHE WOULD EVEN SAY THAT THE STABLE TAX RATES IN THE PAST, AND PARTICULARLY THIS DECADE, HAVE POSITIVELY ENCOURAGED ECONOMIC PROGRESS AND HAVE GENERATED SUFFICIENT REVENUE FOR AN EXPANDING PUBLIC SECTOR.

IN ADDITION TO THE MAINTENANCE OF STABLE TAX RATES, MISS DUNN POINTED OUT THREE OTHER PRE-CONDITIONS FOR OUR CONTINUED SUCCESS IN PURSUING ECONOMIC PROGRESS WITH SOCIAL JUSTICE: ADEQUATE CONTROL OF PUBLIC EXPENDITURE, PROPER MANAGEMENT OF THE CIVIL SERVICE AND A MORE TRUSTING AND DIVERSE GOVERNMENT RELATIONSHIP WITH THE PUBLIC.

SHE WAS CONCERNED ABOUT THE GROWTH OF EXPENDITURE IN THE PUBLIC SECTOR. SHE POINTED OUT THAT BETWEEN THE PERIOD 1971 TO 1978 PUBLIC EXPENDITURE IN REAL TERMS HAS INCREASED BY 150 PER CENT AND THE RELATIVE SIZE OF THE PUBLIC SECTOR HAS BEEN INCREASED BY ONE-THIRD. IT SHOULD, SHE BELIEVED, BE HELD AT THIS LEVEL AND NOT ALLOWED TO GROW FURTHER.

+WHATEVER MAY BE TRUE IN THEORY, IN PRACTICE THERE TENDS TO BE SOMETHING SACROSANCT ABOUT PUBLIC EXPENDITURE. SO, TO AVOID HAVING TO CUT PUBLIC EXPENDITURE BACK IN A CRISIS SITUATION, WE SHOULD ENSURE THAT ITS GROWTH IS PROPERLY MONITORED AND CONTROLLED,+ SHE SAID.

SHE FELT THAT THE SIGNS OF +OVERHEATING+ IN OUR ECONOMY CAN BE MORE DIRECTLY RELATED TO THE DEMAND OF THE PUBLIC SECTOR THAN THE GOVERNMENT SEEMS PREPARED TO ADMIT.

ALTHOUGH THE EXISTING IMBALANCE BETWEEN DOMESTIC SECTOR AND EXPORT SECTOR ACTIVITY CANNOT LAST FOREVER, IF IT PERSISTS FOR TOO LONG THE ADJUSTMENT PROCESS IS BOUND TO BE PAINFUL. MISS DUNN ASKED THE GOVERNMENT TO ENSURE, BY THE CONTROL OF PUBLIC EXPENDITURE, AND THE WAY IT MANAGES THE ECONOMY, THAT THE PROCESS IS NO MORE PAINFUL THAN NEED BE, NOTING THAT WE MUST REMAIN EXTERNALLY COMPETITIVE TO EARN OUR LIVING.

SHE FURTHER URGED THE GOVERNMENT TO HAVE EFFECTIVE PROCEDURES FOR REGULAR EVALUATION AND REVIEW OF ITS POLICIES AND PROGRAMMES, BECAUSE NOT ALL OF THEM, EVEN IF THEY ARE BASED ON VALID ASSUMPTIONS, CAN BE PERFECTLY CONCEIVED AT THE OUTSET, AND CIRCUMSTANCES ARE FOREVER CHANGING.

THE CIVIL SERVICE TOO HAS BEEN UNDER CONTINUOUS PRESSURE DUE TO OUR MASSIVE PROGRAMMES, SHE NOTED. SHE WAS NOT SO SURE THAT THE PRESSURE GENERATED ON IT BY THESE PROGRAMMES WILL EASE OFF WITHIN THE NEXT FOUR OR FIVE YEARS, AS WAS ENVISAGED BY THE GOVERNOR. SHE FEARED A BREAKDOWN IN MORALE AS A RESULT AND THAT WE WILL NOT HAVE A +CONFIDENT, ALERT AND REALLY EXPERIENCED CIVIL SERVICE+ IN A FEW YEARS' TIME JUST WHEN THE NEED FOR SUCH A SERVICE WILL BE CRITICAL.

SHE THOUGHT EXPERIENCED OFFICERS IN THEIR PRIME SHOULD BE DISSUADED FROM DEPARTING WHEN THEY ARE ELIGIBLE TO DO SO AND ASKED THAT ADMINISTRATIVE OFFICERS BE POSTED TO VARIOUS EXECUTIVE DEPARTMENTS IN ORDER TO GAIN AN ALL ROUND TRAINING.

SHE ALSO FELT THAT THE PRESSURE TO COPE WITH EXPANSION HAS MADE HEADS OF DEPARTMENTS LESS ALERT TO DISCONTENT WITHIN THE CIVIL SERVICE. SHE CALLED FOR THE ENTIRE CIVIL SERVICE CONSULTATIVE PROCESS BE STRENGTHENED AND IMPROVED TO ENSURE THAT THERE IS EFFECTIVE DIALOGUE BETWEEN GROUPS OF CIVIL SERVANTS AND THE GOVERNMENT.

THE SYSTEM OF COMMUNICATION BETWEEN OFFICIALS AND THE PUBLIC IS ALSO NOT AS EFFECTIVE AS IT MIGHT BE, RESULTING IN DISCONTENT, MISS DUNN SAID.

SHE SUPPORTED OUR UNIQUE SYSTEM OF ADVISORY BODIES BUT DISAPPROVED THE ATTITUDE OF SOME OFFICIALS WHO CANNOT ACCEPT ANY FORM OF CRITICISM AND AS A CONSEQUENCE ARE SUSPECTED OF NOT BEING PREPARED TO RECOMMEND FOR APPOINTMENT TO THEIR COMMITTEES ANYONE WHO IS KNOWN TO BE CRITIC.

+THIS KIND OF ATTITUDE UNDERMINES THE EFFECTIVENESS OF THE SYSTEM.+ FURTHERMORE, SHE SAID, AS LONG AS RESPONSIBLE CRITICS ARE EXCLUDED FROM BEING INVOLVED IN THE DECISION-MAKING PROCESS, THEY WILL NOT BE EXPOSED TO, OR GAIN AN UNDERSTANDING OF, THE SYSTEM AS A WHOLE AND, IN THE END, BECOME DIEHARD, AND EVEN SOMEWHAT IRRATIONAL.

SHE POINTED OUT THAT THE SAME APPLIED TO REPRESENTATIONS BY MEMBERS OF THE PUBLIC, WHICH ARE OFTEN CONTEMPTUOUSLY DISMISSED. ALTHOUGH IT IS TRUE THAT MANY COMPLAINTS ARE INSTIGATED BY MINORITY PRESSURE GROUPS ON RELATIVELY TRIVIAL MATTERS, IT WOULD BE WRONG TO DISMISS ALL COMPLAINTS AS TRIVIAL, SHE SAID.

MISS DUNN REFERRED TO A LETTER FROM THE DIRECTOR OF HOME AFFAIRS TO A NEWSPAPER IN WHICH HE ADMITTED THAT SOME OFFICIALS DO NOT RESPOND TO PUBLIC OPINION BECAUSE +THE PRESSURE TO ACT QUICKLY (IN THE PUBLIC INTEREST) MAY SIMPLY NOT ALLOW TIME TO CONSULT PEOPLE SATISFACTORILY,+ THUS LENDING CREDENCE TO HER POINT THAT THE PRESSURE OF EXPANSION FORCES SOME OFFICIALS TO BECOME CARELESS OF PUBLIC OPINION.

SHE ASKED THE GOVERNMENT TO TAKE HEED OF HISTORY, BOTH PAST AND RECENT, AND NOT TO INTERPRET PUBLIC SILENCE AS INDICATIVE OF PUBLIC SATISFACTION IN ALL THINGS.

+IT IS IMPORTANT, THEREFORE, THAT MORE PEOPLE ARE BROUGHT INTO THE DECISION-MAKING PROCESS.+ SHE SAID, +IT IS ESSENTIAL THAT CARE IS TAKEN TO ENSURE THAT POLICY DECISIONS ARE MADE ON THE BASIS OF VALID ASSUMPTIONS, AND IT IS VITAL THAT OFFICIALS AT ALL LEVELS ARE WILLING TO TALK, WILLING TO LISTEN, WILLING TO AGREE AND JUST OCCASIONALLY WILLING TO ADMIT THAT THEY TOO CAN MAKE MISTAKES AND THAT OTHERS MAY HAVE BETTER AND MORE RELEVANT IDEAS.+

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USE OF CHINESE LANGUAGE IN GOVERNMENT BUSINESS EMPHASISED
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MANY MEMBERS OF THE PUBLIC STILL HAVE THE IMPRESSION THAT THE GOVERNMENT IS ONLY ATTACHING SUPERFICIAL IMPORTANCE TO THE CHINESE LANGUAGE, THE HON. WONG LAM SAID IN THE LEGISLATIVE COUNCIL TODAY.

+SOME PEOPLE EVEN HAVE THE MISCONCEPTION, OR PERHAPS IT IS NO MISCONCEPTION, THAT SENIOR GOVERNMENT OFFICIALS READ THE CORRESPONDENCE COLUMNS IN ENGLISH NEWSPAPERS WHILE JUNIOR OFFICIALS READ THOSE IN CHINESE NEWSPAPERS. IT FOLLOWS THAT ONLY COMPLAINTS PUBLISHED IN ENGLISH PAPERS WOULD CARRY ANY WEIGHT.+

THE GOVERNMENT HAS MANIFESTED ITS DESIRE TO UNDERLINE THE IMPORTANCE OF PUBLIC OPINION, HOWEVER, IF IT DOES NOT ATTACH DUE EMPHASIS TO THE LANGUAGE OF THE MASSES, THERE WILL BE AN EVEN WIDER COMMUNICATION GAP BETWEEN IT AND THE PUBLIC, HE SAID.

THIS IS UNDESIRABLE IN A PLACE LIKE HONG KONG WHERE MUTUAL UNDERSTANDING AND CO-OPERATION BETWEEN THE GOVERNMENT AND THE PEOPLE IS NECESSARY, HE ADDED.

HE URGED THE GOVERNMENT TO ENCOURAGE CIVIL SERVANTS TO SPEAK CANTONESE ON ALL APPROPRIATE OCCASIONS, SUCH AS WHEN MAKING PUBLIC STATEMENTS AND ANSWERING ENQUIRIES.

MR. WONG ALSO FELT THAT MORE SHOULD BE DONE TO HELP MIDDLE-INCOME FAMILIES, WHO ARE AT A DISADVANTAGE WHETHER IN TAXATION OR HOUSING.

THESE PEOPLE ARE THE PRIME MOVERS OF HONG KONG'S PROSPERITY AND THEIR CONTRIBUTION TO THE LOCAL SOCIETY IS NO LESS THAN THAT OF THE WEALTHY OR THE LOWER INCOME GROUP, HE SAID.

AT PRESENT, A FAMILY WITH A TOTAL MONTHLY INCOME OF OVER \$2,850 IS INELIGIBLE FOR PUBLIC HOUSING ACCOMMODATION. ALTHOUGH THEIR DEMAND IS MODEST, THEY HAVE TO SPEND AS MUCH AS ONE-THIRD OF THEIR INCOME IN RENT. AS THE PRICE OF PRIVATE TENEMENTS IS NOW SO HIGH AS TO BE OUT OF THEIR REACH, THEIR ONLY ALTERNATIVE IS TO PROLONG THE PERIOD OF PAYMENT. BUT EVEN IF THEY CAN AFFORD TO PAY THE DOWN PAYMENT AND THE PROFITS OF SPECULATORS WHO PUSH UP THE PRICES, THEY STILL HAVE TO PAY, FOR THE NEXT TEN YEARS OR SO, MONTHLY INSTALMENTS OF OVER \$1,000, OR EVEN \$2,000, WHICH IS HIGHER THAN THE AVERAGE MONTHLY RENTAL.

UNDER SUCH CIRCUMSTANCES, MR. WONG SAID, WHEN COMPARED WITH THOSE WHO HAVE A LESSER INCOME BUT ARE ACCOMMODATED IN PUBLIC HOUSING ESTATES, THEIR LIVING STANDARD IS LAGGING BEHIND, RESULTING IN ANOTHER KIND OF 'INCOME BEING INCOMMENSURATE WITH STANDARD OF LIVING.'

HE THOUGHT IT ABSOLUTELY NECESSARY TO HAVE A THOROUGH REVIEW OF THE GOVERNMENT HOUSING POLICY TOWARDS THIS GROUP OF PEOPLE.

ALTHOUGH THE HOME OWNERSHIP SCHEME DOES OFFER SOME HELP, THERE IS STILL A FIXED INCOME BRACKET FOR ELIGIBLE BUYERS AND THE NUMBER OF FLATS AVAILABLE IS LIMITED.

/HE ALSO.....

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HE ALSO THOUGHT THE GOVERNMENT SHOULD ADOPT A MORE FLEXIBLE POLICY TOWARDS THE CALCULATION OF THE INCOME CEILING FOR PUBLIC HOUSING APPLICANTS WHOSE INCOME, AT THE TIME OF APPLICATION WAS BELOW BUT AFTER A WAIT SOMETIMES OF SEVERAL YEARS, EXCEEDS THE CEILING. THIS CAN BE DONE, FOR EXAMPLE, BY ALLOWING THEIR INCOME TO EXCEED THE CEILING BY A PRE-FIXED PERCENTAGE.

NOT ONLY WILL THESE PEOPLE'S DISAPPOINTMENT BE MINIMISED, NO GREAT ADMINISTRATIVE DIFFICULTIES WILL ARISE, HE SAID.

HE THOUGHT THAT A NEW SALARIES COMMISSION, THE NECESSITY FOR WHICH HE HAD ALREADY SUGGESTED LAST YEAR, BE APPOINTED TO CONDUCT A COMPREHENSIVE REVIEW OF THE STRUCTURE AND CONDITIONS OF SERVICE OF THE WHOLE CIVIL SERVICE.

THE REVIEW SHOULD ALSO COVER CASES IN WHICH THERE APPEARS TO HAVE BEEN EXCESSIVE STAFF INCREASE. HE SAID THAT AT PRESENT, SOME PEOPLE HAVE THE IMPRESSION THAT THERE IS A FAIRLY LARGE NUMBER OF REDUNDANT STAFF IN THE CIVIL SERVICE AND QUOTED THE POSSIBLE EXAMPLE OF HOUSING MANAGERS.

HE THOUGHT THAT THE GOVERNMENT POLICY ON THE CIVIL SERVICE SHOULD IN FUTURE AIM AT BETTERING CONDITIONS OF SERVICE, IMPROVING QUALITY, AND ENHANCING EFFICIENCY, INSTEAD OF MERELY INCREASING STAFF AS A MEASURE TO SOLVE PROBLEMS.

HE SUPPORTED THE WORK OF THE ICAC WHICH HE COMPARED TO A +STRONG DETERGENT USED TO CLEAN UP CORRUPTION AND OTHER RELATED MALPRACTICES.+

HE POINTED OUT THAT THE IMPRESSION OF THE ICAC GRINDING TO A HALT AFTER THE ICAC-POLICE CONFLICT LAST YEAR IS WRONG. THE IMPRESSION, HE EXPLAINED, IS ATTRIBUTABLE TO THE DECREASE IN THE NUMBER OF ICAC PROSECUTIONS, LESS DRAMATIC OPERATIONS AND LIMITED PUBLICITY.

HE SUGGESTED THAT THE COMMISSION GIVE GREATER PUBLICITY TO THE WORK OF ITS COMMUNITY RELATIONS AND CORRUPTION PREVENTION DEPARTMENTS IN AN EFFORT TO SECURE THE CO-OPERATION OF THE GENERAL PUBLIC.

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CALL FOR PUBLIC PARTICIPATION IN PLANNING
IMPLEMENTATION OF GOVERNMENT POLICIES
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THE SENSE OF PUBLIC PARTICIPATION IN THE FORMULATION OF GOVERNMENT POLICIES SHOULD GO FURTHER, TO INCLUDE ALSO A SENSE OF PARTICIPATION IN PLANNING FOR THEIR EXECUTION, DR. THE HON. RAYSON HUANG SAID IN THE LEGISLATIVE COUNCIL TODAY.

AT PRESENT, THE GOVERNMENT TAKES THE LEAD IN LAUNCHING A PROPOSAL, SUCH AS A GREEN PAPER EXPLORING POLICY FORMULATION, AND AFTER TAKING PUBLIC COMMENTS INTO CONSIDERATION IT ISSUES THE FINAL DIRECTIVES IMPLEMENTING AGREED PROGRAMMES.

+BUT GOVERNMENT MUST ENSURE THAT THERE WILL BE FULL AND REGULAR CONSULTATION IN BETWEEN, SO THAT THE DETAILS OF PLANNING AND THE METHODS OF IMPLEMENTATION CAN BE UNDERSTOOD.

+IT SHOULD ALSO USE ITS ADVISORY BODIES COMPREHENSIVELY RATHER THAN SELECTIVELY, SINCE THEIR TRUE ROLE IS CONSULTATIVE TO HELP THE GOVERNMENT, RATHER THAN THAT OF WATCHDOG, TO QUESTION DECISIONS AFTER THEY HAVE BEEN MADE,+ HE SAID.

DR. HUANG NOTED THAT THE GOVERNMENT'S RESPONSIVENESS TO PUBLIC NEED AND PUBLIC OPINION HAS BEEN INCREASINGLY MATCHED BY A PUBLIC RESPONSIVENESS IN COMMUNITY AFFAIRS, AS CAN BE SEEN FROM THE LIVELY DEBATES AND EXPRESSIONS OF VIEWS BY THE PUBLIC ON VARIOUS GOVERNMENT PROPOSALS.

IN THIS REGARD, HE SAID, THE GREEN PAPERS HAVE BY AND LARGE SUCCEEDED IN THEIR OBJECTIVES AND IT IS ENCOURAGING TO NOTE THAT COMMENTS AND SUGGESTIONS FROM OUTSIDE THE GOVERNMENT ARE HEEDDED AND MANY ARE TAKEN UP, ONE VERY GOOD AND TIMELY EXAMPLE BEING THE WHITE PAPER ON SENIOR SECONDARY AND TERTIARY EDUCATION WHICH HAS JUST BEEN PUBLISHED.

DR. HUANG POINTED OUT THAT THE ACHIEVEMENT OF THE GOVERNMENT'S PLANS WILL DEPEND LARGELY ON THE EFFORTS OF THE PUBLIC SERVICE. THIS MEANS THAT THE ROLE OF THE GOVERNMENT AS WELL AS THAT OF THE OFFICIALS AND THEIR STAFF WHO SERVE ITS AIMS WILL BE LARGER.

BESIDES, THE INTENTIONS OF THE GOVERNMENT ARE OFTEN MEASURED AT MORE THAN ONE LEVEL - FROM THE ATTITUDES OF THE DEPARTMENTS IN FORMULATING POLICIES AND THE WAYS IN WHICH THESE ARE TO BE PUT INTO EFFECT, THROUGH TO OFFICIAL IMPLEMENTATION AT THE GRASS-ROOT LEVEL WHERE CONTACT WITH THE COMMUNITY AT LARGE IS MADE.

IN VIEW OF THIS, HE SAID, EFFORTS MUST BE MADE TO ACHIEVE GREATER RAPPORT WITH THE COMMUNITY WITH CORRESPONDING CHANGES IN ADMINISTRATIVE STYLE.

/SOME CHANGE.....

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SOME CHANGE IN THE STYLE OF APPROACH SHOULD BE ENCOURAGED WITHIN THE LOWER RANKS OF THE CIVIL SERVICE -- THE LEVEL AT WHICH THE GOVERNMENT MAKES ITS IMMEDIATE AND DAY-TO-DAY CONTACT WITH THE POPULATION AT LARGE.

IT IS HERE THAT A SPIRIT OF SERVICE TO THE COMMUNITY MUST BE FURTHER BUILT UP, AND BE SEEN TO EXIST, RATHER THAN AN ATTITUDE OF RULING BY EDICT AS HAS BEEN ALLEGED FROM TIME TO TIME.

+WHILE I DO NOT DOUBT THE GOOD INTENTIONS OF OUR HARD-WORKING OFFICERS MANY OF WHOM HAVE SERVED LONG AND WELL, IT WOULD BE WELL TO REMIND THEM FROM TIME TO TIME THAT THE CIVIL SERVICE IS THERE TO SERVE THE COMMUNITY,+ HE SAID.

IN HIS VIEW, THE FUNCTION OF A CIVIL SERVANT IS NOT MERELY TO ADMINISTER AGREED PROGRAMMES= HE SHOULD ALSO BE ENCOURAGED TO TRANSMIT THE VIEWS HE RECEIVES FROM THE PEOPLE HE SERVES.

DR. HUANG THEREFORE ADVOCATED THAT THE MACHINERY WHICH ENSURES THAT GOVERNMENT INTENTIONS ARE PROMULGATED TO THE PUBLIC SHOULD BE MATCHED BY CORRESPONDING MACHINERY TO RELAY THE VIEWS OF THE SERVING OFFICERS, FORMED OUT OF THEIR PUBLIC CONTACTS, BACK TO THE TOP.

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DEVELOPMENT OF PRIVATE LAND
IN N.T. SHOULD BE ENCOURAGED
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WELL PLANNED DEVELOPMENT OF PRIVATE LAND IN THE NEW TERRITORIES SHOULD BE ENCOURAGED BY THE GOVERNMENT TO SUPPLEMENT ITS OWN EFFORTS IN LAND PRODUCTION, THE HON. CHARLES YEUNG SAID IN THE LEGISLATIVE COUNCIL TODAY.

IN MR. YEUNG'S VIEW, THE GOVERNMENT HAS NOT FULLY EXPLORED THE POTENTIAL DEVELOPMENT POSSIBILITIES OF PRIVATE LAND, PARTICULARLY MARGINALLY PRODUCTIVE AGRICULTURAL LAND IN THE NEW TERRITORIES.

MOREOVER, HE SAID, WHEN THE GOVERNMENT ALLOWS MODIFICATION OF THE TERMS OF A CROWN LEASE FOR DEVELOPMENT, IT EXACTS A CHARGE OF ABOUT 80 PER CENT OF THE EXPECTED FUTURE PROFIT OF THE DEVELOPMENT FROM THE OWNER AS PREMIUM.

+AS A RESULT, LAND SUITABLE FOR DEVELOPMENT IS IN SHORT SUPPLY AND COMMANDS A HIGHER PRICE.

+WHEN THERE IS SO MUCH LAND WHICH IS READILY DEVELOPABLE IN THE NEW TERRITORIES, THE ARGUMENT THAT THERE IS NOT ENOUGH LAND FOR HOUSING AND INDUSTRIAL DEVELOPMENT IS UNTENABLE,+ HE SAID.

MR. YEUNG FURTHER POINTED OUT THAT THE GOVERNMENT, EVEN IN THE TIME OF THE LATE SIR ALEXANDER GRANTHAM, HAS RECOGNISED THE CONTRIBUTION OF THE GENERAL PUBLIC TO THE PROVISION OF HOMES AND FACTORIES FOR THEMSELVES.

THIS WAS BORNE OUT BY THE UNPRECEDENTED RATE OF GROWTH OF OUR INDUSTRY AND PROVISION OF HOUSING BY THE PRIVATE SECTOR AND THEIR CONTRIBUTION TO THE BUILDING OF THE NEW COMMUNITIES IN THE TOWNS OF YUEN LONG, TAI PO, SHEUNG SHUI AND FAN LING.

HE THOUGHT IT WAS PROPER TO EXTEND THE LAYOUT PLANS OF THE OLD OR MARKET TOWNS IN THE NEW TERRITORIES TO STIMULATE PRIVATE DEVELOPMENT, AND TO PROVIDE THEM WITH MORE RECREATIONAL FACILITIES AND A BETTER PHYSICAL ENVIRONMENT, SUCH AS PUBLIC PARKS AND GARDENS.

ONE OF THE MANY AREAS WHICH COULD BE ZONED FOR SUCH DEVELOPMENT, HE ADDED, IS THE EXPANSE OF WASTE AND UNCULTIVATED LAND FROM YUEN LONG TO AU TAU.

HE WELCOMED THE REPORT BY THE COMMITTEE CHAIRED BY SIR YUET-KEUNG KAN ON RESUMPTION OF URBAN LAND IN THE NEW TERRITORIES WHICH HE THOUGHT WAS A BIG STEP FORWARD IN ENABLING SPEEDY LAND PRODUCTION AND IN PROVIDING JUST AND EQUITABLE COMPENSATION TO THOSE WHO ARE DEPRIVED OF THEIR LAND.

HE URGED, HOWEVER, THAT A SPEEDY SOLUTION BE FOUND TO THE DISPARITY OF TREATMENT BETWEEN THE RESUMPTION OF LAND WITHIN A LAY-OUT, AND OF LAND IMMEDIATELY OUTSIDE IT.

/WHILE HE.....

WHILE HE AGREED THAT IT MAY BE RIGHT FROM THE ANGLE OF DESIGN AND CITY PLANNING THAT A LARGE BLOCK OF LAND IS OFFERED TO ONE DEVELOPER, THIS HAS THE UNDESIRABLE EFFECT OF CREATING AN UNINTENTIONAL ECONOMIC MONOPOLY WHICH IS SOCIALLY INEQUITABLE APART FROM GIVING RISE TO THE POSSIBILITY OF ABUSE OF POWER AND CORRUPT PRACTICES, HE SAID.

MR. YEUNG THOUGHT THAT THE DISTRICT ADVISORY BOARDS, WHICH ARE AT PRESENT CHARTING THEIR OWN COURSE ACCORDING TO LOCAL SENTIMENT AND NEED, WILL HAVE TO BE CO-ORDINATED BY A CENTRAL ORGAN SO THAT THEY MAY WORK IN UNISON TOWARDS THE SAME GOAL WITH MINIMUM DUPLICATION OF ENERGY AND FINANCE.

IN ORDER TO BE EFFICIENT AND EFFECTIVE, THEY WILL REQUIRE THE CO-OPERATION OF THE GOVERNMENT IN PROVIDING THEM WITH:

- * INFORMATION, PARTICULARLY ADVANCE INFORMATION ON ANY NEW MAJOR PROPOSAL AFFECTING THEIR DISTRICTS,
- * FOLLOW-UP ACTION ON THEIR DECISIONS AND RECOMMENDATIONS, AND
- * FULL FINANCIAL BACKING.

HE ALSO NOTED THE RAPID DEVELOPMENT AND SUCCESS OF THESE ADVISORY BOARDS AND THE FACT THAT VARIOUS CULTURAL ACTIVITIES ARE BEING HELD FREQUENTLY IN ALL THE NEW TERRITORIES DISTRICTS.

MR. YEUNG WELCOMED THE MAJOR PUBLIC WORKS PROJECTS PLANNED FOR THE NEW TERRITORIES WHICH HE SAID SHOWED THAT THE GOVERNMENT IS SERIOUS ABOUT IMPROVING THE STANDARD OF LIVING OF THE PEOPLE IN THE NEW TERRITORIES JUST AS THE URBAN DWELLERS.

HE SUGGESTED THAT THE GOVERNMENT SHOULD FURTHER CONSTRUCT AS SOON AS POSSIBLE A NEW TERRITORIES CIRCULAR MULTI-LANE ROAD AND DOUBLE-TRACK RAIL LINKING TSUEN WAN, TUEN MUN, YUEN LONG, FAN LING, TAI PO AND SHA TIN, TO COPE WITH THE GROWING IMPORTANCE OF THE NEW TOWNS AND THE ENVISAGED DEVELOPMENT OF THE MARKET TOWNS.

HE ALSO SUPPORTED THE GOVERNMENT'S EFFORTS IN STIMULATING CULTURAL AND LEISURE ACTIVITIES, AND IN DEVELOPING THE COUNTRY PARKS.

HE POINTED OUT HOWEVER THAT THERE IS A SHORTAGE OF WELL EQUIPED HOSTELS AND CAMP SITES FOR LONGER STAY IN THE OPEN. FOR EXAMPLE, A FOUR-DAY EXCURSION FOR PEOPLE IN EMPLOYMENT ORGANISED BY THE RECREATION AND SPORT SERVICE ATTRACTED SEVERAL TENS OF THOUSAND OF APPLICANTS, MANY MORE THAN COULD BE COPEDED WITH.

+IT IS LIKELY THAT THIS TREND OF DEMAND WILL CONTINUE TO GROW WITH INCREASING SPEED AND VOLUME. IN THIS AREA PRIVATE ENTERPRISES AND VOLUNTARY AGENCIES MAY WELL BE ENCOURAGED TO SUPPLEMENT GOVERNMENT'S EFFORTS TO MEET THIS ACUTE NEED,+ HE SAID.

PROBLEMS OF REGIONALISATION
OF SOCIAL WELFARE DEPARTMENT
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THE PARTNERSHIP BETWEEN THE GOVERNMENT AND VOLUNTARY AGENCIES, WHICH HAS GREATLY CONTRIBUTED TO THE RAPID AND SMOOTH DEVELOPMENT OF WELFARE SERVICES IN HONG KONG, MAY BE ERODED BY REGIONALISATION OF THE SOCIAL WELFARE DEPARTMENT, DR. THE HON. HO KAM-FAI SAID IN THE LEGISLATIVE COUNCIL THIS AFTERNOON.

REGIONALISATION IMPLIES EMPOWERING THE REGIONAL OFFICES TO CO-ORDINATE THE ACTIVITIES OF THE VOLUNTARY AGENCIES IN HIS REGION AND TO EVALUATE THE AGENCIES' STANDARD OF SERVICES AND TO RECOMMEND SUBVENTIONS. THESE FUNCTIONS, BY SUBJECTING THE AGENCIES TO A SUBORDINATE, DEPENDENT POSITION, MAY ERODE THEIR EXISTING EGALITARIAN PARTNERSHIP WITH THE GOVERNMENT, HE EXPLAINED.

FURTHERMORE, A WELFARE AGENCY, IF IT IS TO WORK CLOSER WITH THE REGIONAL OFFICES, WILL HAVE TO GIVE MORE AUTONOMY TO ITS BRANCH OFFICES IN ASSESSING WELFARE NEEDS AND IN PLANNING SERVICES.

THIS MAY LEAD TO LOSS OF CONTROL BY THE HEADQUARTERS, THUS ADVERSELY AFFECTING ITS INTEGRITY AND IDENTITY, RESULTING IN RESISTANCE TO THE REGIONALISATION SCHEME.

ON LOSING CONTROL, THE HEADQUARTERS MIGHT ALSO KEEP FOR ITSELF MOST OF THE FUNDS IT RAISED, REQUIRING THE BRANCH OFFICES TO DEPEND FULLY ON GOVERNMENT SUBVENTIONS. ADDITIONAL ROLES AND DUTIES WILL ALSO BE DEMANDED OF THE BRANCH OFFICE STAFF. THIS WOULD HAVE TO BE ANTICIPATED BY THE PROVISION OF APPROPRIATE ADMINISTRATIVE TRAINING.

ANOTHER IMPLICATION OF REGIONALISATION DR. HO NOTED IS THE NEED TO ADOPT A MORE RATIONAL AND CONSISTENT SYSTEM OF DISTRICT BOUNDARIES BY DIFFERENT GOVERNMENT DEPARTMENTS. UNDER THE PRESENT GOVERNMENT STRUCTURE, EACH DEPARTMENT DISPENSES ITS SERVICES WITHIN ITS OWN BOUNDARIES. HUMAN PROBLEMS BEING MULTI-DIMENSIONAL IN NATURE, REQUIRE A MULTI-DISCIPLINARY APPROACH, HE SAID.

APART FROM THESE PROBLEMS, WHICH HE ASKED THE GOVERNMENT TO FORESTALL, DR. HO SUPPORTED THE REGIONALISATION SCHEME. +IT WILL ENHANCE ADMINISTRATIVE EFFICIENCY AND, MORE IMPORTANT, IT WILL ENABLE THE PLANNING OF SERVICES TO BE MORE ATTUNED TO LOCAL NEEDS AND PREFERENCES.+

TURNING TO MANPOWER PLANNING FOR SOCIAL WELFARE SERVICES, DR. HO SUGGESTED THAT THE PROBLEM COULD BE TACKLED ON TWO FRONTS -- OBTAINING OPTIMUM DEPLOYMENT OF EXISTING PERSONNEL AND INCREASING THE SUPPLY OF TRAINED SOCIAL WORKERS.

/HE POINTED.....

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HE POINTED OUT THAT DIFFERENT WELFARE FUNCTIONS AND NEEDS REQUIRE DIFFERENT LEVELS OF PROFESSIONAL JOB COMPETENCE AND EXPERIENCE. MATCHING THE TWO REQUIRES AN ACCURATE ANALYSIS OF THE CONTENT AND DEGREE OF RESPONSIBILITY INHERENT IN EACH JOB. FURTHERMORE, OPPORTUNITIES SHOULD BE BUILT IN FOR PROGRESSION FROM ONE CAREER LADDER TO ANOTHER UPON FURTHER TRAINING.

+IN THIS CONNECTION, A NEUTRAL ACCREDITATION BODY FOR PROFESSIONAL SOCIAL WORK TRAINING MAY BE OF IMMENSE VALUE,+ HE SAID.

AS TO INCREASING THE SOURCES OF SOCIAL WORKERS, DR. HO POINTED OUT THAT THE LENGTH AND CONTENT OF TRAINING COURSES SHOULD BE FLEXIBLE, TO SUIT THE TASKS TO BE PERFORMED. +THE IMPORTANT THING IS THAT OUR EDUCATIONAL PROGRAMMES MUST FIT THE NEEDS OF OUR SOCIAL SERVICE GOALS,+ HE SAID. IN ADDITION, EACH CURRICULUM SHOULD HAVE ITS OWN TRAINING OBJECTIVES SO THAT A WIDE SPREAD OF SOCIAL WORKERS MAY BE TRAINED TO MAN DIFFERENT TYPES OF PROGRAMMES.

+A SYSTEMATIC APPROACH TO MANPOWER DEVELOPMENT AND PLANNING WILL ENSURE A REASONABLY HIGH QUALITY OF SERVICE, WITHOUT WHICH THE VALUE OF A QUANTITATIVE EXPANSION OF SOCIAL WELFARE SERVICES WILL BE GREATLY DIMINISHED,+ HE SAID.

DR. HO WELCOMED THE DECLINING INCIDENCES OF DRUG ABUSE AND VIOLENT CRIME. HE POINTED OUT HOWEVER THAT SUCCESS IN SOCIAL REHABILITATION IS ASSESSED IN THE END, NOT BY THE NUMBER OF TREATMENT AND CORRECTIONAL INSTITUTIONS BUILT, BUT BY THE EVENTUAL RE-INTEGRATION OF REFORMED ADDICTS AND PRISONERS INTO THE COMMUNITY, +AND IN THEIR ABILITY TO LEAD A NEW WAY OF LIFE IMBUED WITH DIGNITY, SECURITY AND CONSTRUCTIVENESS.+

ONE OF THE MOST EFFECTIVE WAYS OF ACHIEVING THIS IS TO ASSIST THEM IN SECURING EMPLOYMENT. HE ASKED THE GOVERNMENT TO PROVIDE JOB OPPORTUNITIES FOR THESE PEOPLE IN ADDITION TO THE PHYSICALLY DISABLED, FOR THEY TOO EXPERIENCE A CERTAIN FORM OF DISABILITY, A SOCIAL DISABILITY. PROGRAMMES OF VOCATIONAL GUIDANCE, TRAINING, PLACEMENT AND COUNSELLING SHOULD BE STEPPED UP. GOVERNMENT INITIATIVE WOULD GO A LONG WAY IN DEMONSTRATING THEIR WORTH TO THE INDUSTRIAL AND COMMERCIAL SECTORS, HE SAID.

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GOVERNMENT SHOULD GUIDE INDUSTRY IN DIVERSIFICATION
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THE GOVERNMENT SHOULD GUIDE INDUSTRY TO DIVERSIFY IN THE RIGHT DIRECTION RATHER THAN TO LET THEM PROCEED ON THEIR OWN AS IN THE PAST, THE HON. ALLEN LEE PENG-FEI SAID IN THE LEGISLATIVE COUNCIL TODAY.

ALTHOUGH THIS IS NOT IN LINE WITH THE TRADITIONAL GOVERNMENT PRACTICE OF +NON-INTERFERENCE+, HE THOUGHT THIS KIND OF +INTERFERENCE+ WOULD BE MOST WELCOMED BY INDUSTRY.

IF THE GOVERNMENT DOES NOT DO THIS, THE WHOLE OF HONG KONG WOULD SUFFER, BECAUSE OUR ECONOMIC SECURITY DEPENDS HEAVILY ON THE COMPETENCE OF OUR MANUFACTURING INDUSTRIES.

WITHOUT PREJUDICING THE FINDINGS OF THE ADVISORY COMMITTEE ON DIVERSIFICATION, MR. LEE POINTED OUT THAT DIVERSIFICATION WITHOUT THE GOVERNMENT'S STRONG BACKING AND GUIDANCE WILL PROCEED AT A MUCH SLOWER PACE AND WILL PREVENT US FROM COPING EFFECTIVELY WITH THE MANY PROBLEMS RESULTING FROM THE CHANGING ATTITUDES IN OUR MAJOR MARKETS.

HE ALSO SUPPORTED THE PROPOSAL FOR THE FORMATION OF AN INDUSTRIAL DEVELOPMENT COUNCIL ALONG THE LINES OF THE TRADE DEVELOPMENT COUNCIL, TO FACILITATE INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION.

BEFORE LAUNCHING OUR DIVERSIFICATION PROGRAMME, WE WOULD HAVE TO STUDY CAREFULLY WHAT TYPES OF NEW INDUSTRIES WE WANT TO INTRODUCE AND WHAT TYPES OF EXISTING INDUSTRIES WE SHOULD FURTHER EXPAND IN ORDER TO INCREASE OUR COMPETITIVE EDGE IN THE WORLD MARKET, HE SAID.

THE INDUSTRIES WE SHOULD EMPHASISE ARE THOSE TECHNOLOGY-INTENSIVE RATHER THAN LABOUR-INTENSIVE ONES, SUCH AS THOSE INVOLVED IN THE PRODUCTION OF RAW MATERIALS, MANUFACTURE OF MACHINE TOOLS, INDUSTRIAL EQUIPMENT, OFFICE MACHINES, AND SOPHISTICATED ELECTRONIC PRODUCTS.

TWO PROBLEMS AFFECTING THE SPEED AND EFFECTIVENESS OF DIVERSIFICATION ARE LAND AND MANPOWER.

MR. LEE REGRETTED THAT THE CURRENT GOVERNMENT POLICY ON THE SALE OF INDUSTRIAL LAND HAS RETARDED TO A CERTAIN EXTENT THE SPEED OF INDUSTRIAL DEVELOPMENT. THE HIGH PRICE OF LAND HAS THWARTED THE DEVELOPMENT OF MEDIUM AND SMALL INDUSTRIES AND DETERRED FOREIGN INVESTMENTS.

HE SUPPORTED THE ESTABLISHMENT OF THE SPECIAL COMMITTEE FOR LAND PRODUCTION AND FURTHER SUGGESTED THAT THE GOVERNMENT SERIOUSLY CONSIDER WAYS AND MEANS TO ENSURE THAT THOSE DIRECTLY ENGAGED IN INDUSTRIAL PRODUCTION CAN OBTAIN THE LAND AND FACTORY SPACE THEY WANT AT REASONABLE PRICES.

/WHILE THE.....

WHILE THE GOVERNMENT HAS BEEN DOING QUITE WELL IN THE TRAINING OF QUALIFIED CRAFTSMEN AND TECHNICIANS TO MEET THE NEEDS OF EXISTING INDUSTRIES, HE FELT THAT IT SHOULD ALSO CONSIDER WHICH TYPES OF INDUSTRIES ARE TO BE ENCOURAGED IN ORDER TO HAVE SOME IDEA AS TO WHAT TECHNICAL PERSONNEL WE NEED TO TRAIN.

MR. LEE APPROVED OF THE WORK DONE BY THE CLOTHING INDUSTRY AND CONSTRUCTION INDUSTRY TRAINING CENTRES AND SUPPORTED THE SETTING UP OF TRAINING CENTRES FOR OTHER INDUSTRIES. FOR THIS, HE SUGGESTED THAT THE EXPERIENCE GAINED IN SETTING UP THE FIRST TWO CENTRES COULD BE USED.

HE ALSO ENDORSED OF THE EXISTING APPRENTICESHIP TRAINING SCHEME AND FURTHER SUGGESTED THAT THE GOVERNMENT NOW PAY MORE ATTENTION TO THE TRAINING OF TECHNICAL PERSONNEL ABOVE THE TECHNICIAN LEVEL TO COPE WITH INDUSTRIAL DIVERSIFICATION.

HE AGREED THAT BENEFITS FOR THE BULK OF OUR WORKERS SHOULD BE IMPROVED BUT AT THE SAME TIME ASKED THAT THE CONTRIBUTIONS MADE BY THE ENTREPRENEURS WHO HAVE INVESTED THEIR MONEY AND ENERGY AT THEIR OWN RISKS BE NOT FORGOTTEN.

LIKE MANY INDUSTRIALISTS, HE SAID, HE WAS CONCERNED THAT SOME OF THE RECENT LABOUR LEGISLATIONS HAVE BEEN INTRODUCED AND ENFORCED IN A RATHER RUSH MANNER AND THAT THE GOVERNMENT APPEARS TO HAVE TURNED A DEAF EAR TO THE ARGUMENTS OF INDUSTRIALISTS AFFECTED BY THOSE LEGISLATIONS.

WHILE MORE BENEFITS SHOULD BE PROVIDED FOR OUR WORKERS AS OUR SOCIETY PROGRESSES AND PROSPERS, THESE SHOULD NOT BE ALLOWED TO INCREASE TOO RAPIDLY. +IN THE LONG RUN, THIS WOULD DAMPEN THE ENTHUSIASM OF OUR INDUSTRIALISTS WHICH IN TURN WOULD AFFECT THE WELL-BEING OF THE WORKERS,+ HE SAID.

MR. LEE WELCOMED THE NEWS THAT WATER CHARGES WILL REMAIN UNCHANGED, ALTHOUGH THE COST OF OBTAINING WATER FROM CHINA HAS INCREASED.

BESIDES REMOVING THE APPREHENSION OF LOCAL INDUSTRY, IT HAS ALSO BEEN A GREAT RELIEF TO FAMILIES WHO SHARE ONE WATER METER, WHOSE CONSUMPTION OF WATER INEVITABLY EXCEEDS 14 UNITS IN A PERIOD OF FOUR MONTHS FOR WHICH A HIGHER FEE IS CHARGEABLE.

HE HOPED THIS UNFAIR 'PENALTY' ON THESE FAMILIES WOULD BE TAKEN INTO CONSIDERATION WHEN ANY INCREASE IN WATER CHARGES IS CONTEMPLATED IN THE FUTURE.

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IMPORTANCE OF TOURISM INDUSTRY EMPHASISED

THE NEEDS AND POTENTIAL OF THE TOURIST INDUSTRY MUST BE TAKEN INTO ACCOUNT IN PLANNING THE DEVELOPMENT OF HONG KONG. NOT ONLY IS IT IMPORTANT IN ABSOLUTE TERMS, IT IS ALSO A GROWTH INDUSTRY AND A NEW DIMENSION IS BEING ADDED WITH THE HIGH PRIORITY NOW ATTACHED TO TOURISM IN CHINA, THE HON. DAVID NEWBIGGING SAID IN THE LEGISLATIVE COUNCIL TODAY.

HE SAID DURING THE LAST DECADE, OUR EARNINGS FROM TOURISM HAVE AVERAGED OVER 90 PER CENT OF THE VISIBLE TRADE GAP. THIS YEAR, DESPITE THE SUBSTANTIAL INCREASE IN THE VISIBLE DEFICIT, IT IS STILL EXPECTED TO MAKE A CONTRIBUTION OF OVER 60 PER CENT TOWARDS IT.

IN THE LAST DECADE, OUR EARNINGS GREW AT AN AVERAGE OF SOME 12 PER CENT PER ANNUM. IT GREW BY AS MUCH AS 20 PER CENT IN THE FIRST SIX MONTHS OF THE CURRENT YEAR AND THIS GROWTH IS EXPECTED TO CONTINUE.

FURTHERMORE, THE SCALE OF THE INDUSTRY, WHICH CONTRIBUTES 7.5 PER CENT OF OUR GDP, CAN BE APTLY ILLUSTRATED BY A COMPARISON BETWEEN THE ESTIMATED COST OF THIS YEAR'S PUBLIC WORKS PROGRAMME OF OVER \$3 BILLION, AND THE ACTUAL 1977 EXPENDITURE BY TOURISTS OF \$3.8 BILLION.

HE FELT THAT OUR OTHER SOURCES OF INVISIBLE EARNINGS, SUCH AS BANKING AND INSURANCE, SHOULD ALSO BE QUANTIFIED AND THE ROLE OF THE IMPORTANT SERVICE INDUSTRIES IN OUR ECONOMY UNDERSTOOD, PARTICULARLY AS WE ARE CURRENTLY EXPERIENCING A RAPID INCREASE IN THE VISIBLE TRADE DEFICIT.

IN OUR VISIBLE ECONOMY, MR. NEWBIGGING CAUTIONED THAT WE WOULD HAVE TO BE CONSTANTLY ALIVE TO TWO AREAS IF WE ARE NOT TO BE IMPEDED IN OUR PLANS TO PROVIDE MORE SOCIAL BENEFITS: INDUSTRIAL RELATIONS, WHICH NEED TO BE HANDLED WITH SENSITIVITY AND UNDERSTANDING, AND INFLATION, WHICH MUST BE DEALT WITH FIRMLY.

IN OUR INDUSTRIAL RELATIONS, WE CANNOT RISK A SITUATION WHERE LABOUR BECOMES ALIENATED FROM THE INDUSTRY WHICH DEPENDS ON IT. +WE MUST ENSURE THAT 'MANAGEMENT' AND 'LABOUR' — REMEMBERING THAT SUCCESSFUL INDUSTRIAL RELATIONS IS A TWO WAY STREET — IN BOTH THE PRIVATE AND PUBLIC SECTORS, CONCENTRATE ON PROVIDING THE INCENTIVES AND MOTIVATION WHEREBY PEOPLE WANT TO WORK RATHER THAN FEELING THEY HAVE TO WORK.+

+THIS IS PARTICULARLY IMPORTANT FOR THE YOUNGER GENERATION,+ HE SAID, +WHICH IS GROWING UP IN A VERY DIFFERENT ENVIRONMENT AND FOR WHOM MUCH WIDER HORIZONS ARE OPENING UP.+

HE SENSED A FEW WARNING SIGNS OF OUR INFLATION RISING AT A RATE WHICH WOULD MAKE US FEEL UNCOMFORTABLE.

/IF IT.....

IF IT IS NOT RECOGNISED AND CONTAINED, OUR COMPETITIVE POSITION AND THEREFORE THE VITAL FURTHER DEVELOPMENT OF THE 'ENGINE ROOM' OF OUR ECONOMY- NAMELY, OUR INDUSTRIAL AND EXPORT BASE, COULD BE UNDERMINED, HE SAID.

ABROAD, OUR PROBLEM IS TO COMPETE IN AN INCREASINGLY PROTECTIONIST WORLD AND THERE IS NO ALTERNATIVE BUT TO CONTINUE TO IMPROVE OUR INDUSTRIAL PRODUCTIVITY.

WHILE OUR RECORD IS EXCELLENT, WE MUST CONTINUE TO FIND WAYS TO SUSTAIN OUR PRODUCTIVITY GROWTH. THE TWO KEYS TO IMPROVEMENT, WHICH ARE INTER-DEPENDENT AND SHOULD BE DEVELOPED IN TANDEM, ARE THE UPGRADING OF OUR INDUSTRIAL SKILLS AND ATTRACTING NEW INDUSTRIAL INVESTMENT, HE SAID.

UPGRADING OUR SKILLS WILL NOT ONLY HELP TO IMPROVE THE COMPETITIVENESS OF OUR EXISTING INDUSTRIES, IT WILL ALSO ATTRACT NEW INVESTMENT AND HELP US MOVE UP THE SCALE OF TECHNOLOGY. HE THUS SUPPORTED OUR EXPANDING TECHNICAL TRAINING PROGRAMMES.

ORGANISED PROMOTION OF NEW INDUSTRIAL INVESTMENT, ON THE OTHER HAND, COMPARED WITH EXPORT PROMOTION, HAS DONE LESS WELL IN THE PAST AND HE WELCOMED THE ESTABLISHMENT OF THE ADVISORY COMMITTEE ON DIVERSIFICATION.

HOWEVER, HE SAID, WHAT IS ABSOLUTELY CLEAR IS THAT A VITAL INGREDIENT IN MOST INDUSTRIAL INVESTMENT DECISIONS IS A SUPPLY OF GOOD LAND AT ECONOMIC PRICES AND IN HONG KONG'S CIRCUMSTANCES THIS POSES ACUTE PROBLEMS. HE THEREFORE WELCOMED THE HIGH PRIORITY GOVERNMENT WAS ACCORDING TO LAND PRODUCTION.

FURTHERMORE, HE ADDED, IF WE ARE TO SUCCEED IN OUR EXPORT PROMOTION, IT IS VITAL THAT THE CLOSEST CO-OPERATION AND CONSULTATION SHOULD EXIST BETWEEN THE GOVERNMENT AND THE VARIOUS ORGANISATIONS IN THE PRIVATE SECTOR. HE HOPED THE FORTHCOMING ECONOMIC MISSION TO JAPAN IN WHICH THE GOVERNOR IS TO PARTICIPATE WILL PROVE TO BE A GOOD EXAMPLE OF WHAT SUCH CO-OPERATION CAN ACHIEVE.

MR. NEWBIGGING WELCOMED THE CONFIDENT VIEW OF HONG KONG'S FUTURE EXPRESSED IN THE GOVERNOR'S OPENING ADDRESS WHICH HE SAID WAS A SOURCE OF ENCOURAGEMENT NOT ONLY TO THE PEOPLE OF HONG KONG, +BUT ALSO TO THOSE WHO INVEST HERE AND BUY FROM US AND TO THE MANY OTHERS THROUGHOUT THE WORLD WHO ARE CONCERNED ABOUT OUR SECURITY AND PROSPERITY.+

HE ALSO FOUND THE EXCELLENT STATE OF SINO-BRITISH RELATIONS REFERRED TO BY THE GOVERNOR ENCOURAGING SINCE +THE POLITICAL STABILITY OF HONG KONG IS FUNDAMENTAL TO ITS CONTINUED SUCCESS,+ HE SAID.

HE SAID THAT WHILE WE OFTEN HEAR ABOUT LINKS BETWEEN BRITAIN AND CHINA AND BETWEEN HONG KONG AND CHINA, IT SHOULD BE REMEMBERED THAT +GOOD RELATIONS BETWEEN HONG KONG AND BRITAIN ARE EQUALLY IMPORTANT AND NEITHER BRITAIN NOR HONG KONG SHOULD TAKE THEM FOR GRANTED.+

GOVERNMENT URGED TO PROMOTE SELF-HELP CO-OPERATIVES
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WELL-DIRECTED AND WELL-PLANNED SELF-HELP PROJECTS SHOULD BE PROMOTED TO AVOID THE TENDENCY OF PEOPLE DEPENDING TOO MUCH ON THE GOVERNMENT TO DO EVERYTHING FOR THEM.

SPEAKING IN THE LEGISLATIVE COUNCIL TODAY, THE HON. ANDREW SO KWOK-WING SAID THE GOVERNMENT COULD DIRECT ITS EFFORTS TOWARDS EDUCATING PEOPLE, GIVING THEM A VOICE IN FORMULATING THOSE POLICIES CONCERNING THEM AND INITIATING THEM INTO PROGRAMMES WHICH WOULD LIFT THEM TO A BETTER LEVEL OF LIVING THROUGH THEIR OWN EFFORTS.

MR. SO POINTED OUT THAT AS MATERIAL NEEDS ARE INCREASINGLY SATISFIED, PEOPLE IN HONG KONG WILL WANT A NEW SENSE OF PURPOSE AND MEANING IN THEIR LIFE. SOME WILL PURSUE SELF-FULFILMENT AND SELF-IMPROVEMENT. OTHERS WILL SATISFY PERSONAL INTERESTS IN OTHER FIELDS, SUCH AS BECOMING VOLUNTEERS IN COMMUNITY, SELF-HELP AND CO-OPERATIVE PROJECTS.

THE GOVERNMENT WILL HAVE TO PLAY A GREATER ROLE IN PROMOTING THESE PROJECTS, BY DIRECT PARTICIPATION, MORAL SUASION, LEGISLATION, AND PARTNERSHIP WITH THE PRIVATE SECTOR.

BY PROVIDING SPACE, TAX CONCESSION, TRAINING AND TECHNICAL ASSISTANCE, THE GOVERNMENT CAN ASSIST VOLUNTARY ORGANISATIONS TO SET UP CO-OPERATIVE CHILD CARE CENTRES, HOMES FOR THE AGED AND CO-OPERATIVE OWNERSHIP OF INDUSTRIAL SHARES.

SELF-HELP CO-OPERATIVES NOT ONLY CONTRIBUTE TO PRODUCTION, CONSUMPTION AND INCOME DISTRIBUTION, MR. SO EXPLAINED, +EQUALLY IMPORTANT IS THE ROLE THEY CAN PLAY IN EVOLVING A DEMOCRATIC SOCIETY IN WHICH PEOPLE HAVE THE ATTITUDES AND OUTLOOK FAVOURABLE TO DEVELOPMENT.+

WITH THEIR CHARACTERISTIC MEMBER OWNERSHIP AND CONTROL, SELF-HELP CO-OPERATIVES CAN ALSO DEAL RAPIDLY WITH EMERGING CHANGES IN PUBLIC ATTITUDES, SUCH AS INCREASING DEMAND BY THE LABOUR FORCE FOR MORE INVOLVEMENT IN DECISIONS RELATING TO THEIR WORK. THIS IS WHERE THE CO-OPERATIVES, THE EXISTENCE OF WHICH HINGES ON A NEGOTIATED APPROACH, HAVE THEIR ADVANTAGE. FURTHERMORE, BY NATURE, THEY ARE IDEALLY SUITED TO EXTENSIVE COMMUNICATION FLOWS AND WOULD HELP IMPROVE COMMUNICATION WITH THOSE PEOPLE WHO FEEL ISOLATED.

MR. SO ALSO SUGGESTED A SCHEME OF 'EMPLOYMENT ADJUSTMENT' BY WHICH SURPLUS LABOUR CAN BE DEPLOYED IN TIMES OF STRUCTURAL RECESSION, SUCH AS WOULD PROBABLY OCCUR WITH THE IMPOSITION OF QUOTA RESTRICTIONS ON OUR TEXTILE PRODUCTS, AND INCREASE IN THE PRICE OF COTTON.

UNDER THIS SCHEME, AN ENTERPRISE WITH SURPLUS LABOUR WOULD LOAN SOME OF ITS EMPLOYEES TO ANOTHER ENTERPRISE WHICH HAS A LABOUR SHORTAGE. THIS WILL BENEFIT BOTH OF THEM AS WELL AS THE WORKERS WHO WILL ALSO ACQUIRE ADDITIONAL SKILLS, ALTHOUGH THEY WILL BE INCONVENIENCED BY THE CHANGE OF JOB AND PLACE OF WORK.

MR. SO THOUGHT THAT IN ADDITION TO GREATER SECURITY OF EMPLOYMENT, WORKERS SHOULD HAVE A PACKAGE OF EMPLOYMENT BENEFITS WHICH SERVE AS SOME SORT OF SOCIAL SECURITY. SOME OF THESE BENEFITS ARE PROVIDED UNDER LEGISLATIVE REQUIREMENT BY THE EMPLOYERS AS THEIR SOCIAL SECURITY COSTS.

IN DRAWING UP THIS PACKAGE, THE GOVERNMENT WOULD HAVE TO TAKE INTO ACCOUNT THE PARTICULAR CIRCUMSTANCES IN HONG KONG AND OTHER FACTORS, INCLUDING JUSTICE, PACE OF DEVELOPMENT, COST OF LIVING, INDUSTRIAL PRODUCTION, EMPLOYMENT SITUATION, PRICE STABILITY, BALANCE OF EXPENDITURE, OVERSEAS MARKET COMPETITION AND INDUSTRIAL HARMONY.

MR. SO POINTED OUT THAT HIS SUGGESTIONS ON THESE THREE SUBJECTS WOULD IN THE LONG TERM ENABLE THE GOVERNMENT TO PLAY A GREATER PART IN RELEASING THE ENERGIES, TALENT AND IDEALS OF ALL PEOPLE AND CONTRIBUTE TOWARDS BUILDING A BETTER HONG KONG.

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MONEY SUPPLY STATISTICS FOR SEPTEMBER

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THE MONEY SUPPLY CONTINUED TO GROW IN SEPTEMBER, BUT A SMALL PART OF THE INCREASE IS DUE TO A RISE IN THE NUMBER OF LICENSED BANKS, WHICH HAVE GONE UP FROM 74 IN MAY TO 77 IN AUGUST AND TO 80 IN SEPTEMBER THIS YEAR.

IN SEPTEMBER, NOTES AND COIN AND DEMAND DEPOSITS AT LICENSED BANKS (M1) WAS 3.8 PER CENT HIGHER THAN IN AUGUST, AND 30 PER CENT HIGHER THAN IN SEPTEMBER 1977.

M2 IN SEPTEMBER (M1 PLUS TIME DEPOSITS AND SAVINGS DEPOSITS) WAS 2.6 PER CENT HIGHER THAN IN AUGUST, AND 30 PER CENT HIGHER THAN IN SEPTEMBER 1977.

IN THE LAST FOUR MONTHS M1 HAS BEEN GROWING RATHER FASTER THAN M2 — THIS MAY HAVE RESULTED FROM THE RELATIVELY LOW RATE OF INTEREST AVAILABLE ON DEPOSIT ACCOUNTS.

COMPARING THE AVERAGE FOR THE PERIOD JULY TO SEPTEMBER 1978, WITH THE SAME PERIOD OF 1977, TO SMOOTH OUT SEASONAL FLUCTUATIONS IN THE FIGURES, M1 SHOWS AN INCREASE OF 27.4 PER CENT AND M2 AN INCREASE OF 28.7 PER CENT.

THE LARGEST CONTRIBUTION TO THE GROWTH OF THE MONEY SUPPLY IN SEPTEMBER CAME FROM LOANS AND ADVANCES IN HONG KONG, WHICH ACCOUNTED FOR \$1,630 MILLION OF THE INCREASE OF \$1,780 MILLION.

AN ANALYSIS OF BANK LENDING AT THE END OF SEPTEMBER 1978 SHOWS AN INCREASE OF 9 PER CENT IN BANK LENDING SINCE THE END OF JUNE 1978.

THERE WAS LITTLE CHANGE IN LOANS TO MANUFACTURING INDUSTRY: THE GREATER PART OF THE INCREASE WAS SEEN IN LOANS TO BUILDING AND CONSTRUCTION (+11.4 PER CENT), TO FINANCIAL CONCERNS INCLUDING BANKS (+17 PER CENT) AND TO PERSONAL AND PRIVATE INDIVIDUALS (+12.1 PER CENT).

THIS LARGELY CONTINUES THE TREND OF THE LAST 12 MONTHS, EXCEPT FOR A SLOW DOWN IN THE RATE OF GROWTH OF LOANS TO MANUFACTURING INDUSTRY WHICH MAY BE DUE TO SEASONAL FACTORS.

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NEW GOODS VEHICLE EXAMINATION CENTRE READY FOR USE SOON
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THE TRANSPORT DEPARTMENT'S \$6 MILLION GOODS VEHICLE EXAMINATION CENTRE BEING BUILT ON KOWLOON BAY RECLAMATION WILL BE READY FOR OPERATION EARLY NEXT YEAR.

THE NEW CENTRE WILL BE EQUIPPED WITH MODERN EQUIPMENT FOR THE INSPECTION OF GOODS VEHICLES AND WILL HAVE EIGHT SEMI-AUTOMATED INSPECTION LANES IN A LARGE HALL CAPABLE OF HANDLING OVER 200 INSPECTIONS A DAY.

APART FROM AN INSPECTION HALL, THE CENTRE WILL HAVE AN OFFICE BLOCK, A STORE HOUSE, A PUBLIC WAITING ROOM, A LECTURE ROOM AND A CONFERENCE ROOM.

THE INSPECTION LANES WILL BE EQUIPPED WITH VARIOUS MODERN TESTING DEVICES SUCH AS HYDRAULIC-PNEUMATIC PIT JACK, STEERING/SUSPENSION WEAR DETECTOR, HEADLIGHT TESTER, ROLLER BRAKE TESTER AND HYDRAULIC LOAD SIMULATOR. THEY WILL ENABLE THE INSPECTION OF A VEHICLE TO BE COMPLETED IN 40 MINUTES.

THE NEW INSPECTION PROCEDURES WILL ELIMINATE THE ROAD TEST AND WILL BE CARRIED OUT IN FOUR STAGES - THE FIRST TWO CONCENTRATING ON THE BODY AND ENGINE- AND THE THIRD AND FOURTH ON THE LIGHTS AND THE BRAKE SYSTEM.

MR. COLIN TULLY, MOTOR VEHICLE EXAMINER OF THE TRANSPORT DEPARTMENT SAID : +ON COMPLETION OF THE CENTRE, IT SHOULD BE POSSIBLE TO EXTEND THE EXISTING ANNUAL INSPECTIONS TO COVER ALL GOODS VEHICLES, WHICH NUMBER 45,906 AT PRESENT, AND ARE EXPECTED TO INCREASE TO 48,000 BY 1979 AND 53,000 BY 1980.+

+HOWEVER, OUR ULTIMATE AIM IS TO EXAMINE EVERY VEHICLE ONCE A YEAR TO ENSURE THAT ALL VEHICLES ARE KEPT IN A ROADWORTHY CONDITION. UNROADWORTHY VEHICLES POSE A THREAT TO THE PUBLIC, AND SHOULD BE KEPT OFF THE ROAD,+ HE SAID.

THE VEHICLE EXAMINATION SECTION OF THE TRANSPORT DEPARTMENT IS RESPONSIBLE FOR THE ANNUAL INSPECTION OF TAXIS AND THEIR TARIFF METERS WHICH ARE CHECKED EVERY SIX MONTHS. IT ALSO INSPECTS ALL PRIVATE AND PUBLIC OMNIBUSES AS WELL AS ALL MINIBUSES.

IN ADDITION, MECHANICAL CHECKS ARE CARRIED OUT ON ALL NEW OMNIBUSES, GOODS VEHICLES, USED IMPORTED VEHICLES AND NEW MODELS OF PRIVATE CARS PRIOR TO THEIR REGISTRATION AND LICENSING. VEHICLES REPORTED TO BE DEFECTIVE AND CAUSING POSSIBLE DANGER ON THE ROAD ARE ALSO CHECKED.

THERE ARE NOW FOUR VEHICLES EXAMINATION CENTRES - ONE IN TSUEN WAN, ONE ON HONG KONG ISLAND AND TWO IN KOWLOON.

/THE TOTAL.....

THE TOTAL NUMBER OF VEHICLES INSPECTED ROSE FROM 48,520 IN 1976 TO 56,453 IN 1977 AND TO COPE WITH THE INCREASING WORKLOAD, THE DEPARTMENT IS PLANNING THREE NEW MULTI-LANE VEHICLE EXAMINATION CENTRES, SIMILAR IN DESIGN TO THE KOWLOON BAY GOODS VEHICLE EXAMINATION CENTRE, ON HONG KONG ISLAND, TSUEN WAN AND YUEN LONG RESPECTIVELY.

+WHEN THESE CENTRES ARE COMPLETED, THE INSPECTION PROGRAMME WILL BE EXTENDED TO INCLUDE, INITIALLY, OLDER PRIVATE CARS,+ MR. TULLY SAID.

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LADY MACLEHOSE TO OPEN PRISONS DEPARTMENT'S AUTUMN FAIR
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LADY MACLEHOSE WILL OPEN THE 26TH ANNUAL AUTUMN FAIR OF THE PRISONS DEPARTMENT AT NOON ON SATURDAY (NOVEMBER 4) ON THE SPORTS FIELD NEXT TO STANLEY PRISON.

THE FAIR IS ORGANISED BY THE PRISONS DEPARTMENT SPORTS ASSOCIATION AND ALL PROCEEDS WILL BE DONATED TO VARIOUS CHARITABLE ORGANISATIONS, AS WELL AS THE PRISONERS AND PRISON OFFICERS WELFARE FUNDS.

THERE WILL BE MORE THAN 30 STALLS IN THE FAIR SELLING A WIDE RANGE OF PRISON VOCATIONAL AND HOBBY CLASSES PRODUCTS.

THE FAIR WILL ALSO FEATURE A PARACHUTING DISPLAY BY MEMBERS OF THE HONG KONG PARACHUTE CLUB, A GYMNASTIC SHOW BY PHYSICAL TRAINING INSTRUCTORS OF THE DEPARTMENT, AND MUSIC BY THE BAND OF THE ROYAL HONG KONG POLICE.

ADMISSION TO THE FAIR IS FREE, BUT A CHARGE OF \$2 WILL BE MADE FOR THE SOUVENIR PROGRAMME. REFRESHMENT STALLS AND A CHILDREN'S PLAY AREA ARE ALSO AVAILABLE.

PARKING WILL BE AVAILABLE OUTSIDE THE PRISON GATE AND BEHIND THE BUS STOP OUTSIDE THE STAFF TRAINING INSTITUTE IN TUNG TAU WAN ROAD.

MEMBERS OF THE PUBLIC CAN ALSO TAKE ROUTE 6 BUSES WHICH OPERATE BETWEEN CENTRAL AND STANLEY PRISON.

THE FAIR WILL CLOSE AT 6 P.M.

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NOTE TO EDITORS:

PRESS REPRESENTATIVES ARE INVITED TO COVER THE OPENING CEREMONY OF THE PRISONS DEPARTMENT'S AUTUMN FAIR ON THE SPORTS FIELD NEXT TO STANLEY PRISON. THEY ARE ASKED TO ARRIVE BEFORE 11.45 A.M. ON SATURDAY AND SHOULD CONTACT MR. RAYMOND LEUNG AT THE MAIN ENTRANCE.

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CHEQUE PRESENTATION FOR SQUASH RACKET COMPLEX
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THE SECRETARY FOR HOME AFFAIRS, MR. LI FOOK-KOW, WILL TOMORROW (FRIDAY) PRESENT A CHEQUE FOR \$250,000 TO THE HONG KONG SQUASH RACKETS ASSOCIATION TOWARDS THE COST OF BUILDING A COMPLEX OF SIX SQUASH COURTS AT ISLAND SCHOOL.

THE MONEY COMES FROM THE GOVERNOR'S SPECIAL FUND FOR RECREATION.

AT THE SAME TIME, THE CHAIRMAN OF THE ROYAL HONG KONG JOCKEY CLUB, MR. P.G. WILLIAMS, WILL PRESENT TO THE ASSOCIATION A CHEQUE FOR A SIMILAR AMOUNT.

THE PRESENTATIONS WILL TAKE PLACE AT THE SQUASH RACKET COMPLEX NOW NEARING COMPLETION AT ISLAND SCHOOL, BORRETT ROAD, AT 4.30 P.M.

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND MEMBERS OF YOUR STAFF TO COVER THE CHEQUE PRESENTATIONS TOMORROW AT ISLAND SCHOOL, BORRETT ROAD. THOSE COVERING THE FUNCTION SHOULD MEET MR. DONALD STRANGE, GOVERNMENT SECRETARIAT PRESS OFFICER, AT THE SCHOOL AT 4.20 P.M.

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