



# DAILY INFORMATION BULLETIN

Wednesday, April 7, 1976

## CONTENTS

	<u>Page No.</u>
Scheme to sell flats to better-off estate tenants .....	1
Public sector spending in Hong Kong reaches 'critical limit' .....	5
Wong Nei Chong Reservoir to become a recreation area .....	7
New committee may be set up to oversee public spending .....	10
Development of New Territories gathering momentum .....	13
DC & I to put quota views to Textiles Advisory Board next month ..	16
Correct position of payment of commissions re-stated .....	19
New dental school to take in students in 1979 .....	24
Workings of Hong Kong's fiscal system outlined .....	27
Official and Unofficial Legco Members work for 'good government' in Hong Kong .....	30
Education television to be introduced into secondary schools .....	31
Narcotics expert due here this month .....	38
Action being taken to reduce motorcycle accidents .....	42
Dr. Choa refutes claims that lack of opportunity for training and research causes doctors to leave government service .....	44
Mr. K.S. Lo re-appointed as Chairman of Consumer Council .....	47

Wednesday, April 7, 1976

- 1 -

SCHEME TO SELL FLATS TO BETTER-OFF ESTATE TENANTS

\*\*\*\*\*

The proposed public housing for sale scheme aims at selling flats to better-off families now living in the Housing Authority's low-rent estates, the Secretary for Housing, the Hon. Ian Lightbody, said today.

Speaking in the resumed budget debate, he told the Legislative Council that the time had come for these families to give up their flats for re-allocation to the less well-off people who were still anxiously awaiting decent housing at a rent they could afford.

"Every flat recovered in this way is a clear gain and a step towards fulfilment of our public housing targets."

To get the better-off tenants to buy these flats, he pointed out, would require an attractive selling price, combined with some pressure to vacate.

To this end, the Housing Authority had recently authorised surveys of tenants' income to start in a number of estates, and this process would become an on-going process, he said.

Mr. Lightbody also stressed that the scheme would only make sense if the selling price of the flats was pitched at a level which the intended beneficiaries could afford.

Commenting on the scheme, he said by selling flats to families at a price within their means, rather than rent and have the capital outstanding for many years, the Authority could turn over its funds quickly and generate a significant addition to the public housing output.

/He said .....

Wednesday, April 7, 1976

- 2 -

"He said, a sizeable site in north-eastern Kowloon is being processed for the first of these projects, and the contract should be let this year.

Referring to a call by several Unofficial Councillors to involve private developers in these schemes, Mr. Lightbody said he had recently met representatives of the Real Estate Developers' Association.

The meeting was to reassure them that this scheme was aimed at a special group of people already living in the Authority's estates and so was not in competition with private developers, and also to consider in what way private developers might contribute to the scheme.

"The Association has promised to give further thought to their possible involvement, and I await their considered views."

However, he pointed out that basically such involvement would import a profit element and raise the production cost, and moreover would weaken the Authority's control over construction standards, "and it is by no means certain that these shortcomings will be offset by lower building costs.

"So it is not a self-evident truth, when we are trying to keep the final selling price down, that the scheme must involve private developers.

/"Even so .....

Wednesday, April 7, 1976

- 3 -

"Even so because of staff shortages in the Housing Department in the initial stages, and the general desirability of letting private developers demonstrate in a practical way the economics of their involvement, it would be sensible to invite tenders from selected private developers for the design and construction of one or more of these schemes to laid-down specifications and standards."

He said the Housing Authority would certainly consider this method of building flats for sale.

Commenting on a suggestion by the Hon. James Wu of private treaty land sales to private developers at a fraction of the full value, Mr. Lightbody said the difficulty was that a public body like the Housing Authority would have serious problems in choosing a developer to undertake the scheme, in the absence of competitive bids.

"Nor is there any reason for selling the land to the developer, at whatever price, if all the flats are to be sold at a price fixed by the Authority to households chosen by the Authority.

"If any land concession does prove necessary it should be kept to the justifiable minimum, not least because any large concession in this direction would oblige us to think seriously about controlling re-sale," he added.

The Secretary went on to say that the scheme could be made even more attractive if it were backed up by more liberal mortgage terms than were now generally available.

The mortgage terms in the housing market had been gradually improved over the years, but Mr. Lightbody felt that it was a slow process and he would like to see it speeded up, both as regards the length of the repayment term and the amount of down payment. "We will continue to search for ways of bringing this about."

/Touching .....

Wednesday, April 7, 1976

- 4 -

Touching on suggestions that rents in new estates were "unduly high," he said they were certainly higher than those set, say, three years ago. "But they reflect - as they must - current costs.

"However, the Authority does not fix rents in an arbitrary way, and is at all times aware that they must not run beyond the means of the majority of the occupants."

For those with difficulties in paying their rents, he said the Authority tried to recover older, lower-rent flats by inviting the families occupying them to opt for new estate accommodation.

"This is a sensible way of tackling the problem and the scale of this transfer process is being extended," he added.

----- 0 -----

/5 .....

Wednesday, April 7, 1976

- 5 -

\*\*\*\*\*  
"CRITICAL LIMIT" FOR PUBLIC SECTOR EXPENDITURE

The Financial Secretary, the Hon. Philip Haddon-Cave, said today that the size of public sector spending in Hong Kong reached the "critical limit" when its ratio to the Gross Domestic Product rose to 20 per cent.

Speaking in the resumed debate on the budget in the Legislative Council, he said 20 per cent was the maximum permissible level for an open economy such as Hong Kong, "necessarily dependent on a relatively narrow range of manufacturing industries for export."

When the economy was enjoying strong growth, the ratio of the public sector to the G.D.P. should fall, partly because the growth rate of public spending would always tend to lag behind the growth rate of the economy on the upturn, and partly because "we want to leave room for the public sector to expand relatively to the economy as a whole on the downturn."

"This," Mr. Haddon-Cave said, "is precisely what has happened in recent years."

From about 15 per cent in the four years 1970-73 the ratio rose to 19 per cent in 1974 and 1975 when the economy stood still.

However, if the 1976-77 budget estimates were right the ratio would rise to over 20 per cent and yet 1976 was "destined to be a good year for the economy."

Mr. Haddon-Cave said there was justification for this "as we strive to make up for lost time and provided the ratio tends to fall later on in the upturn."

The Financial Secretary described as "quite incorrect" the Hon. F.W. Li's conjecture that underspending on capital account this year was due to a deliberate slowdown in the public works programme.

/"I seriously .....

Wednesday, April 7, 1976

- 6 -

"I seriously intended that we should spend up to the provision in the Approved Estimates of \$1,626 million and no instructions were issued during the year to the contrary."

He disagreed with Mr. Li's "magical forecast" that the budgetted deficit of \$355 million for this financial year would just disappear.

He regarded "with equanimity" the prospect of a deficit of \$300 million or so in 1976-77, provided "we aim to return to a situation of overall balance no later than 1978-79."

Referring to the role of loan finance, Mr. Haddon-Cave said there was a continuing need for this, on a highly selective basis, for self-liquidating projects already in the public works programme.

There was also a place for loan finance for self-liquidating projects outside the public works programme such as industrial estates and the flats for sale scheme.

The Government, the Financial Secretary said, must monitor the totality of these debt commitments so that its credit-worthiness was not jeopardised and debt servicing charges did not become excessive.

Referring to the Hon. Francis Tien's concern that the capacity of the building industry might fall short of total desired demand of the public sector and the private sector, Mr. Haddon-Cave promised that the situation would be "monitored carefully."

He said "the Government, as a client of the industry, does not wish to see project estimates escalating sharply.

"So we shall be, among other things, watching the trend of tender prices very carefully as the weeks go by."

- - - - 0 - - - -

Wednesday, April 7, 1976

- 7 -

WONG NEI CHONG RESERVOIR TO BE USED FOR BOATING

\*\*\*\*\*

The Government intends to use the Wong Nei Chong reservoir for boating in an attempt to meet the need for this activity on Hong Kong Island.

This was disclosed by the Secretary for Home Affairs, the Hon. Denis Bray, in the Legislative Council this afternoon in reply to points raised by his Unofficial Colleagues during the resumed budget debate.

He said the reservoir was a small one and the loss of its water would not force Hong Kong to water rationing.

The Water Authority, he added, would disconnect this reservoir from the water supply system and hand it to the Director of Agriculture and Fisheries for use as part of a recreation area.

"In the light of this experiment, the Water Authority will also consider whether boating can be permitted at Tytam Reservoir and at Tai Lam Chung," Mr. Bray said.

He explained that the need for boating was greater on Hong Kong Island as there were no sheltered lagoons which were readily accessible to those living in the urban areas.

On the question of using High Island Reservoir for boating, Mr. Bray said considerable problems with shore facilities would have to be overcome inside the reservoir because of the very substantial rise and fall of the water level.

He said that sheltered sea water in the eastern areas of the New Territories was better for boating, easier to get at, and easier to develop for boating than the reservoirs.

/Turning .....

Wednesday, April 7, 1976

- 8 -

Turning to youth services, Mr. Bray said he did not see merit in the proposal made by the Hon. Hilton Cheong-leen for setting up an advisory committee on youth services.

He said: "Public services have to be broken up into various packages before anyone can usefully deal with them and the Government is committed to analysing needs for services on a programme basis.

"A programme is a collection of activities designed to achieve a specific objective. The objective may be defined in fairly general terms but it is difficult to see how such an objective which was wide enough to embrace all services having an impact on youth could be precise enough to mean anything."

Mr. Bray also could not see that much good would be served by attempting to group services in yet another way - by age groups of the public affected.

On the Inter-departmental Committee on Services for Youth, Mr. Bray said its purpose was indeed to see that someone was filling gaps in services.

"It is in the prosecution of efforts to fill gaps -- not in identifying the gaps - that priorities are assessed by the normal government machine including advisory committees."

He referred to the gap mentioned by the Hon. Miss Ko Siu-wah - namely services for children of school age who are not at school.

"For most of these children it is ordinary schooling that is wanted. For all the yearning for some substitute services nobody has come up with anything better.

"The best way to use resources for these children is to provide schools. It would not make sense to cut down resources for school provision to provide other services suggested by Miss Ko," he said.

/"But even .....

Wednesday, April 7, 1976

- 9 -

"But even when all the school places are available it is clear that there will still be children of school age not at school - not many but some - some who drop out from primary schools now and others who will drop out of secondary schools leaving empty school places behind them."

Mr. Bray said that nobody yet knew for certain what was the best sort of service that should be provided for these children to help them grow up as useful members of society or, at the very least, not to grow up as criminals.

Turning to the Pilot Youth Guidance Project being run by four youth organisations, Mr. Bray pointed out that it was a two-year project ending at the end of this year.

He expressed the hope that conclusions would rapidly be drawn and programmes planned to extend appropriate services throughout Hong Kong.

"This will not be easy. The pilot project is on a small scale. It is a social experiment in which the conclusions are unlikely to be as clearcut as those of an experiment in natural sciences. And even if we know exactly what to do there will be the question of the priority to be given to the new services," he added.

Mr. Bray said he did not want to sound despondent that "we must recognise that problems such as those of dropouts and juvenile delinquency are found in even the wealthiest of societies and we do not know all the answers."

"More school places are one thing, and a very good thing," he said, "but they will not bring to an end the problem of bringing up children for whom schools alone are no use."

Mr. Bray said the Government was awaiting with concern the outcome of the pilot project now under way.

- - - - 0 - - - -

/10 .....

Wednesday, April 7, 1976

- 10 -

NEW COMMITTEE MAY BE SET UP TO OVERSEE PUBLIC SPENDING

\*\*\*\*\*

A Public Accounts Committee may be set up to ensure that public funds are spent in the way intended, the Financial Secretary, the Hon. Philip Haddon-Cave, said today (Wednesday).

Winding up the budget debate in the Legislative Council, he said that the proposed Public Accounts Committee would have the task of examining the Director of Audit's report, seeking additional information from those concerned and satisfying itself that any necessary remedial action had been taken.

He said that the Director of Audit was in fact performing a role partly similar to that of a "permanent central team to monitor departmental expenditure" suggested by the Hon. F.W. Li.

"In compiling the enclosure to the despatch forwarding his report of audit to the Secretary of State tabled in this Council around December every year, we require those subject to criticism to explain themselves," the Financial Secretary said. "Invariably, the outcome is some changes to procedures and practices to prevent a recurrence of whatever went wrong."

He said that the setting up of a Public Accounts Committee would involve the Legislative Council more closely in the processing of the Director of Audit's reports and provide a more formal accountability of the Civil Service to taxpayers.

The Financial Secretary refuted "serious charges" by the Hon. F.W. Li concerning financial mismanagement in the Government, and spoke at length on the series of checks and balances designed to prevent this.

Replying to a suggestion made by Mr. Li that "revenue-generating departments" should be run as autonomous corporations, the Financial Secretary said that hiving off in this way would introduce an inflexibility in the use of available funds.

/"I see .....

"I see no point in creating autonomous corporations with the Government retaining power subsequently to claw back control over, say, whether the corporations might spend themselves the funds they generate," he said.

Secondly, he said, there was no evidence that those "revenue-generating bodies" were being run inefficiently.

Mr. Haddon-Cave stressed that it was wrong to suppose that the Government maintained "a strong but detached control" over the Urban Council, the Mass Transit Railway Corporation and the Housing Authority.

He pointed out that the degree of central government control over such organisations "depends on the extent to which they rely on this Council to vote them funds and in the case, for example, of the Mass Transit Railway Corporation, the Housing Authority and the Trade Development Council, on the provisions of the ordinances setting them up."

Turning to arrears of revenue, he pointed out that the actual revenue written off each year as irrecoverable was small. "For example in 1975-76, it is expected to be only about \$3 million in respect of internal revenue".

But he assured Council that the Government was far from being complacent on the subject.

"For example, in conjunction with the introduction of instalment payments for salaries and profits tax, the Commissioner of Inland Revenue has felt able to take a much tougher line with those who do not pay their tax liabilities by the due date," he said. "As a further example, the use of computer for the issue of driving and vehicle licences will facilitate the collection of outstanding fines from drivers in respect of driving and parking offences."

/Turning .....

Turning to the policy of subsidies from public funds for those who could not afford to pay for services for which charges had been raised, Mr. Haddon-Cave said the suggestion that a large proportion of the population would have to be means tested would not prove feasible.

Such a scheme, he said, would be expensive to operate and open to considerable malpractice.

"It is our low tax structure that requires the government to charge for all services rendered on a cost-related basis unless there is a policy reason for not charging or charging less than full costs," he said.

"We combine this charging system with remission schemes for those who cannot afford to pay," he said. "But our low tax structure also dictates that remission schemes must be inexpensive to operate."

- - - - 0 - - - -

/13 .....

84 MILL  
HARD-SIZED

Wednesday, April 7, 1976

- 13 -

DEVELOPMENT OF N.T. GATHERING MOMENTUM

\*\*\*\*\*

Vast sums of public and private money are being spent in the New Territories and expenditure on the New Towns is gathering momentum, Mr. David Akers-Jones, Secretary for the New Territories, said today.

Speaking during the resumed Budget Debate in the Legislative Council, Mr. Akers-Jones said that \$100 million was spent on the New Towns in 1973, \$260 million in 1974, \$450 million last year and \$600 million would be spent this year.

"But it is important," he said, "that areas other than the New Towns are not left behind. Engineering reports on these other towns and large villages are now coming in and a programme of development for Tai Po, Yuen Long, Lantau and Sai Kung is being drawn up which will lead to individual projects being submitted for public works expenditure."

Indeed, he went on, some proposals for a reclamation at Tai Po and roads and other works at Sai Kung would be put forward for urgent consideration during the next few months. At Tai Po, it was important to proceed quickly with urban development to match the growth of the industrial estate, to clear up the "shameful conditions" of the boat squatters at Yuen Chau Tsai and to provide land for private development in which there was very keen interest.

"In 1974, we were worried about the slow rate of industrial development at Tuen Mun," Mr. Akers-Jones said. "Now, it is tending to get ahead of the housing. There are at present ten factories being built and more than 30 applications for the 200,000 square feet of land not yet in the hands of industrial developers."

/At Sha Tin .....

Wednesday, April 7, 1976

- 14 -

At Sha Tin, the first part of the industrial zone at Fo Tan, totalling 263,000 square feet, had been sold - the remainder involved clearance of a cultivated and inhabited valley and would be a fairly lengthy process.

Mr. Akers-Jones described development at Tsuen Wan as "spectacular and breathtaking". He said: "Stand on the Tsing Yi bridge and look around at the container port doubled in size in a year, at the factories on Tsing Yi, the housing estates going up all around you, and you cannot fail to be impressed with the magnitude of the effort and scale of development. And here again so numerous have been the applications for industrial land that I expect that nearly a million square feet will be disposed of in Kwai Chung in the next 18 months."

Mr. Akers-Jones referred to a statement made in the Legislative Council in 1974 by the Director of Public Works about the impracticability of providing a water supply to all areas of the New Territories. "He hoped to draw up proposals for a realistic programme of water supply development so as not to frustrate worthwhile development schemes," said Mr. Akers-Jones. Since then data has been collected on the extent of likely development throughout the New Territories.

"I believe the time has come when we must get on with some of these water extension schemes: failure to do so is inhibiting development and preventing us from realising the full potential of the land resources available to us."

Mr. Akers-Jones said it was "absurd" that Sai Kung should be short of water "next door to our biggest reservoir", particularly as there was no doubt about the great interest and willingness to invest in Sai Kung being shown by private developers.

/The Secretary .....

The Secretary for the New Territories said that he had spoken during last year's budget debate of the need to update land compensation policies and of the search for a cash alternative to offer of land exchange for land resumed. He declared: "It is gratifying to know that a cash alternative is now available for those who want it, although landowners continue to prefer the exchange system."

Mr. Akers-Jones pointed out that 51 million square feet of land had been resumed since 1960 and 38 million square feet of land exchange entitlements redeemed. "There remains a fluctuating outstanding commitment which has tended to grow in the last year because of the scale of resumptions taking place in the New Towns; however, I hope to make available about two million square feet of development land over the next 18 months which will account for some five million square feet of exchange entitlements," Mr. Akers-Jones said.

He said that the development of Hong Kong could not be treated in separate territorial parcels - the needs and provision of facilities in the New Territories should not fall behind that of the rest of Hong Kong. Mr. Akers-Jones declared: "The New Territories provided something like \$150 million in land revenue last year; this year, householders and property owners in the towns of the New Territories will in addition contribute rates and taxes; this is a step forward, the far reaching consequences of which should not be underestimated."

Wednesday, April 7, 1976

- 16 -

D C & I TO PUT QUOTA VIEWS TO TEXTILES ADVISORY BOARD

\*\*\*\*\*

The Commerce and Industry Department will put to the Textiles Advisory Board next month its conclusions on the many proposals it has received on ways of improving the textile quota system, the Director of Commerce and Industry, the Hon. David Jordan, said in the Legislative Council today.

But Mr. Jordan warned that a good deal of further discussion and consultation, probably with the trade associations concerned as well, would be needed before any firm decisions could be made.

In defending the Textiles Advisory Board against the criticism that it was a body of people with vested interests in the existing quota system, Mr. Jordan pointed out that the pressure for a review of the system came initially - many months ago - from the Board itself.

But the department was unable to undertake the review until it had completed the EEC negotiations and the subsequent implementation of that agreement - which involved the calculation and issue of something over 20,000 separate quota allocations.

Mr. Jordan emphasised two points which were made by the Hon. Francis Tien in the Budget Debate. The first is that the guiding principle has always been and must continue to be to maintain a system that ensures that Hong Kong can make the maximum use of the limited export opportunities available, in the interests of the community as a whole.

/The other .....

The other point is that the system is merely a method of distribution. It cannot make more quota available. And the real cause of the trouble recently has been that under the Agreements Hong Kong has been obliged to sign, it just does not have enough quota to be able to allow the current level of demand for some products to be met.

Turning to Hong Kong's industrial development, Mr. Jordan said he shared Mr. James Wu's wish to see the establishment and growth of a medium-to-heavy engineering industry, both for the stimulus it could give to Hong Kong's industrial development and for the employment it could provide for university and polytechnic graduates and for the young people emerging from the technical institutes.

Mr. Jordan added: "We have had a nucleus of heavy engineering in our dockyards for a long time, our first technical institute opened in 1969, the Polytechnic was inaugurated in April 1972, land policy was modified to provide for large-scale industrial plants in 1973. The remaining gap should be filled by the establishment of our first industrial estate, which will make possible the establishment of medium-size factories of types that are unable to operate in high-rise factory buildings."

"The fact that the Tai Po Industrial Estate is now on the way to becoming a reality will, we hope, make it easier to attract new overseas investment into Hong Kong and we are increasing our efforts in this field," Mr. Jordan continued.

He said that the proposed programme for 1976 included overseas missions by the Hong Kong General Chamber of Commerce

/to Australia.....

Wednesday, April 7, 1976

- 18 -

to Australia, Japan and the Northeastern United States and by the Commerce and Industry Department to Switzerland and West Germany, the mid-west USA, Texas and California.

But Mr. Jordan warned against allowing our interest and enthusiasm in attracting new investment to cloud our judgement.

He said: "Whenever we consider departing from our well-established practice of selling land to the highest bidder, there must be strong positive reasons for doing so, based on the most thorough assessment we can make of the potential investors' projects and the benefits it will bring to Hong Kong."

"We must not sell our most valuable fixed asset at bargain prices just because it seems a good idea to have someone here manufacturing such and such a new product. And when we do decide in favour, we must lay down realistic conditions and we must see that they are met - and continue to be met."

"We have seen elsewhere too many cases where anxiety to see some industrial development started has led to the establishment of projects whose viability was really doubtful from the beginning and later proved to be non-existent."

- - - - 0 - - - -

/19 .....

Wednesday, April 7, 1976

- 19 -

PAYMENT OF COMMISSIONS: CORRECT POSITION RE-STATED

\*\*\*\*\*

The recent frequent prosecutions involving the payment of secret commissions was due to the greater willingness of the public to report such cases to the ICAC, and not to a change in the law, the Colonial Secretary, the Hon. Sir Denys Roberts, told the Legislative Council today.

Speaking in the resumed budget debate, he said this was surely a healthy sign that the community was beginning to realise that all forms of corrupt conduct were objectionable and should be suppressed.

Pointing out that a number of recent cases had attracted wide-spread publicity and revealed a general misunderstanding of the law governing them, he said it was worth re-stating the correct position.

He explained that if an agent or employee, whether he is buying or selling on behalf of his principal or employer, accepts a commission, rebate, discount, or kick-back, for his own benefit and without the permission of his principal or employer, he is guilty of corruption.

"And so he should be, for he is deceiving his employer or principal and either depriving the latter of a benefit which should go to the employer or pocketing part of the price which should go to him.

"Similarly, if a person offers a secret advantage to an agent or employee, for doing anything in relation to the affairs of the latter's principal or employer, he is guilty of corruption.

/Again.....

"Again, so should he be, since he is inducing the agent or employee to deceive his principal or employer," Sir Denys said.

He disagreed with suggestions that the law under which these prosecutions were initiated was in some way novel.

"This is not so. Section 9 of the Prevention of Bribery Ordinance follows in essence, and with only minor modifications of wording, Section 4 of the old Prevention of Corruption Ordinance which was in force in Hong Kong for more than 20 years before its replacement in 1970 by the present Section 9."

He added that similar legislation had been in force in the United Kingdom for about 70 years, and in Singapore and most Commonwealth countries for a long time.

The law contained in this Section 9 was correct in principle since it was intended to guard against principals and employers being deceived and robbed by their agents and employees, he said.

"The most important task of the ICAC remains the attainment of a high degree of integrity in the public service and I believe that it has made some real progress towards this goal. But a healthy society depends also upon corrupt practices in business being eliminated."

Referring to the Government machinery, Sir Denys said the Government had made some progress in the better use of long-term planning techniques. "Many plans have been completed or are being prepared."

"But these plans, although comprehensive in relation to a particular activity, have been prepared in isolation and are not linked together in such a way as to enable an overall assessment of our future needs to be made."

/The Government.....

The Government had therefore embarked on an overall Development Plan which would embody all the individual plans and would attempt to estimate the total needs of Hong Kong for land, money and other resources during a specified period.

He told the Council that the outline preparatory structure for the Development Plan had been completed.

"This work has enabled us to identify many new areas which are susceptible to some form of long-term planning, in addition to those on which we are already working.

"It has also emphasised the need for plans to embody the contributions of all the various departments involved in each planning area."

If such a calculation was to be effective, Sir Denys said information on policy produced by branches and departments must be related to the forecasts of expenditure in each planning area, no matter which department controlled the vote.

"We have decided, therefore, that in future the financial information required for the Five-Year Forecast of Revenue and Expenditure will be collected under programme headings."

He added that the Government was also considering whether the development of costing systems would enable the cost of departmental activities contributing to a programme to be obtained on a regular basis for management purposes.

Referring to the possible reduction in size and abolition of some advisory and other committees, he said Secretaries and Heads of Departments were asked to study the purposes and achievements of all committees chaired by them or members of their staff, and to submit their comments on continuance of the committees.

"Preliminary indications are that about 15 per cent of the committees can be abolished, or can meet less frequently, or be reduced in size. We therefore are alert to the need to ensure that a committee shall be effective, or be done away with."

Turning to the Hon. T.S. Lo's suggestion of devising some system of bringing order and economy into the "scattered and uncoordinated ways" the Government subsidised institutions and people, Sir Denys doubted whether the proposal was a practical solution.

However, he found obvious attractions in some kind of a Central Almoner who would have the task of assessing gross, net and disposable incomes and establishing in a coherent way entitlements to various kinds of subsidy and public assistance.

The difficulties of instituting a system of this nature were daunting and yet the possible benefits by way of a more economical use of public funds and a greater fairness in their distribution were attractive.

"I shall therefore ask the Secretary for Administration to institute a study of the problem and of its possible solutions. In this it would be useful if he were able to consult Unofficial Members among whom, no doubt, should be the Honourable Mr. Lo," he said.

The Colonial Secretary went on to say that the public service increased in numbers by less than one eighth of one per cent during 1975/76 and would probably not grow by much more than this in the coming year.

"These figures should reassure those Members who are rightly concerned that the growth of the public service should be

/strictly controlled.....

Wednesday, April 7, 1976

- 23 -

strictly controlled and that its productivity should be improved whenever possible."

On the attitude of civil servants, Sir Denys recalled the Hon. Roger Lobo's emphasis on the importance of the first impressions gained by a visitor arriving in Hong Kong's airport.

He said there was of course another side to this. "Travellers arriving from abroad are themselves often hot, sleepy and short-tempered.

"However, sharp-tongued they may be with Immigration and Health Officers at Kai Tak, they nevertheless expect an infinite degree of charm and patience to be shown to them in return."

He believed that in general the majority of those on duty at Kai Tak remained reasonable, helpful and polite under considerable pressure and often in trying conditions. "Nevertheless, the Heads of all the Departments concerned do attach real importance to ensuring that the highest standards of cheerfulness and courtesy are preserved."

----- 0 -----

/24 .....

NEW DENTAL SCHOOL TO TAKE IN STUDENTS IN 1979

The new dental school at the University of Hong Kong should be admitting its first pre-clinical intake in September 1979, the Hon. Li Fook-kow, Secretary for Social Services, told the Legislative Council today (Wednesday).

He said it was hoped that the dental teaching clinic would be completed by the summer of 1980 and that the first dentists trained at the school would then graduate in 1983.

Mr. Li was replying to points raised by his unofficial colleagues during the resumed debate on the Financial Secretary's budget proposals.

"The first step is the appointment of the Dental Academic Advisory Committee, and the U.P.G.C. has started discussions with the University of Hong Kong on the terms of reference for this committee, on the procedure for the appointment of members and about the appointment of the Dean of the school," he said.

"It is expected that the membership of the committee will be completed by June of this year."

Turning to child care centres, Mr. Li said provision had been sought for the financial year 1976-77 which would allow the Child Care Centres Ordinance to be implemented from June 1 this year.

Regulations made under the ordinance would be published in the Government Gazette on Friday, he said.

"The Social Welfare Department will now mount a publicity campaign aimed not only at operators of these centres for whom a Code of Practice will be issued but also at the parents of children who attend these centres for whom a pamphlet has been prepared explaining what should be expected in the way of services at these centres," he said.

/On the .....

On the employment of the disabled, Mr. Li said he was confident that this year's better situation was not only a consequence of the improving economy, but also a recognition by employers that the disabled could be a viable and hard-working segment of our workforce.

"In the first three months of 1976, 133 disabled were successfully placed in employment including an all-time record of 55 placed in March this year," he said. This compared with 200 for the whole of 1975 and 160 for 1974.

He stressed that it would continue to be the government's policy to employ disabled persons in appropriate jobs wherever possible.

Turning to social welfare subventions, Mr. Li assured the Unofficials that "funds will be forthcoming for services which are accepted by Government as meeting a recognised and defined social need, provided that public funds are used effectively and efficiently".

However he agreed with the Financial Secretary that the increase in social welfare subventions in recent years had been dramatic and that the voluntary social welfare sector could not go on expanding at this rate "ad infinitum".

He said that the social welfare subvention one-line-vote, as allocated on the advice of the Social Welfare Advisory Committee, must be subject to the same constraints in growth as other heads of expenditure.

Turning to the future development of social welfare services, Mr. Li said there was a need for continuous reviews of basic assumptions in the light of events.

"What seems to be necessary in the next review should be a study in greater depth not only into projects which have already been included within the planning process but also into the underlying policy on which the future development of social welfare services will take place," he said.

/He agreed .....

He agreed with the Hon. Miss Ko Siu-wah that evaluations were necessary to develop sound and better social welfare services and to measure the extent to which expenditure of resources upon a particular programme was justified by its results.

However, he stressed that there was no intention to use evaluation as a means of reducing subventions and curtailing essential services in the voluntary sector.

"Indeed it may well be that a proper evaluation will throw up the need for increased subventions in certain spheres perhaps at the expense of others," he said.

Turning to social security payments, Mr. Li said the case-load of infirmity and disability allowances in February 1976 was 65,000.

"This case-load now seems to have stabilised and will increase only marginally in the future," he said.

He estimated that the public assistance case-load would rise to about 72,000 in about two years' time and thereafter increase in line with the population trend.

The increased estimate, he said, was partly due to the breakdown of traditional reluctance to claim welfare assistance and to raised rates.

- - - - 0 - - - -

/27 .....

Wednesday, April 7, 1976

- 27 -

WORKINGS OF H.K.'S FISCAL SYSTEM OUTLINED

\*\*\*\*\*

The purpose of Hong Kong's fiscal system is to, generally speaking, appropriate a suitable proportion of the community's resources for public expenditure and not, in addition, to pursue social justice or to manipulate the rate and pattern of economic growth.

The Financial Secretary, the Hon. Philip Haddon-Cave, said this today in winding up the budget debate in the Legislative Council.

He stressed that the fiscal system should be as equitable as possible as between different income groups and between different classes of taxpayers or potential taxpayers.

"And it should rest as lightly as possible on the disposable incomes of those at the lower end of the range of taxable incomes and possess a degree of progressivity at the upper end.

"Finally, each and every levy - be it direct or indirect - should be simple and easy (and, therefore, inexpensive) to administer."

He said the plain fact was that a fiscal system which was pitched as low as possible so as to minimise its impact on the supply of human effort and investment decisions could not afford to finance costly overheads.

"For this reason, in a low tax environment, not only is the pursuit of equity - or what my Honourable Friend Mr. Bremridge called 'absolute fairness' - for its own sake unnecessary; it is also not possible."

On the question of placing all the emphasis on direct taxation, Mr. Haddon-Cave said: "It is only in the field of direct taxation where we have any significant room for manoeuvre."

/He pointed .....

He pointed out that the Government had already sought to collect the maximum possible revenue from fees and charges, 30 per cent of total recurrent revenue.

He noted that while there were limits to the range of indirect taxes here, yet 46 per cent of all tax revenue came from indirect taxes which was not all that 'minimal', as described by Dr. the Hon. S.Y. Chung.

Referring to the appointment of the third Inland Revenue Ordinance Review Committee, the Financial Secretary said the Committee would consider, in particular, whether Hong Kong should persist with separate levies on salaries, profits, interest earnings and property income and with the limited territorial charge.

He believed that there was scope for increasing the productivity of the direct tax system, thus obviating the possible necessity of adopting the easy - but not necessarily the wise or fair - option of simply lifting the standard rate from the present 15 per cent.

"This is important for there can be no doubt that our direct tax system must be low. Manufacturers and exporters must be able to earn a rate of return after tax which stimulates a maximum rate of capital investment irrespective, incidentally, of its source, to ensure the highest possible growth rate of the economy and hence of living standards," he said.

Mr. Haddon-Cave stressed that the Committee was not specifically asked, as Dr. Chung suggested, to examine the equity and fairness of the system, "although I would expect that it will give full consideration to the removal of such inequities as do exist in the present system where this is consistent with its terms of reference."

/He continued .....

Wednesday, April 7, 1976

- 29 -

He continued that he could not say anything in reply to the Hon. James Wu's request for an assurance that the Committee would accept representations from interested organisations and private individuals because he could not anticipate the Committee's deliberations or determine for the Committee how it would fulfil its task.

But he added: "I shall certainly give every encouragement to the Committee to consult as widely as possible; and I have no doubt it will."

/30 .....

Wednesday, April 7, 1976

- 30 -

OFFICIALS AND UNOFFICIALS WORK FOR 'GOOD GOV'T' IN H.K.

\*\*\*\*\*

The Financial Secretary, the Hon. Philip Haddon-Cave, said today that Official and Unofficial Members alike of the Legislative Council were "striving to develop and, energetically pursue relevant and sound policies so as to bring about a state of 'good government' for the people of Hong Kong."

In his speech winding up the budget debate, he said our critics could only come to this conclusion if they had had the opportunity to listen to, or took the trouble to read Hansard reports on this debate or any other major debate in this Council over the years.

- - - - 0 - - - -

/31 .....

Wednesday, April 7, 1976

- 31 -

TELEVISION FOR SECONDARY SCHOOLS

\*\*\*\*\*

The Director of Education, Mr. Kenneth Topley, said today that he would be seeking funds to introduce educational television into secondary schools.

"If it is humanly possible we will make a start on a selective basis in September 1976," Mr. Topley told the Legislative Council during the resumed debate on the Budget.

He reiterated that 43 new secondary schools were either in course of construction or for which funds were assured and which would begin building this year.

In addition 36 private assisted secondary schools were moving a further big step toward fully aided status.

"Together these major measures represent a considerable injection of quality into the secondary education system," Mr. Topley said.

The Director shared the satisfaction of Council Members and of the Hong Kong community generally that "we now have the agreed financial backing to provide nine years of education in the public sector for everyone who wants it and, what is more, that we shall be providing this one year earlier than originally planned."

He stated that the following tasks must be completed by 1978: the floating of classes in Government and aided schools, the buying of the large number of additional places in private schools and deciding and making arrangements for the replacement of the Secondary School Entrance Examination.

/"As is well .....

Wednesday, April 7, 1976

- 32 -

"As is well known the working party on measures to replace the Secondary School Entrance Examination has reported and its proposals have been widely discussed.

"This debate has brought out clearly the conflict between the desire to retain and develop excellent education for the benefit of some pupils and also for the community through the production of effective leaders and trained professionals on the one hand, and on the other the desire to give a fair chance for everyone through mixed ability intake.

"The debate is not yet finished and clearly we must steer carefully to avoid either injustice, or chaos resulting from a too rapid and doctrinaire re-arrangement of our system.

"The guidance given by the White Paper suggests that we must give the fairest possible chance to everyone, but we must not in the process destroy or undermine the good work of the past," Mr. Topley cautioned.

Turning to long-term commitments, the Director said it was necessary to re-examine the Schools Building Programme in the light of financial forecasts, the probable rate of development of the new towns and their forecast demographic characteristics in order to determine how many schools could and should be built and where.

"These forecasts together with the guidelines laid down in the White Paper on Secondary Education for the appropriate mix of schools will decide what will be the proportions of asymmetrical, grammar and technical schools.

"This will be the mechanism by which we first phase out bought places and, second, reduce extended day and flotation to a reasonable minimum.

/"It will be a .....

Wednesday, April 7, 1976

- 33 -

"It will be a long and difficult job but, in the long run, we must rely on the Schools Building Programme, for a sufficient stock of purpose-built schools provides the right educational environment for improving standards and for introducing constructive change into the educational system," Mr. Topley said.

The Education Department was committed to a programme of continuous adjustment and improvement of the new curriculum for Forms 1 to 3 to meet the proven needs of schools.

"But, like the Schools Building Programme, comprehensive application of these improvements and adjustments, required to achieve a basic junior secondary education for all, will take time and resources.

"And it is of course vital to win the support of the schools," Mr. Topley emphasised.

Pointing out that much work had been done in establishing the range of choices for introducing the technical/practical element into schools, the Director said it was now clear that an effective solution would be expensive by any route.

As a priority in technical education Mr. Topley said that maximum use should be made of the three technical institutes. Another two were being built.

"The recent enactment of the Apprenticeship Ordinance ensures that I am continually reminded of the need to provide the right day-release courses for the young apprentices whose employers will soon be sending them to the technical institutes, which were after all specially designed for this purpose," Mr. Topley said.

/While the Education .....

While the Education Department had undertaken to provide places in Forms 4 and 5 in the public sector for 40 per cent of the 15-16 age group for those most capable of benefiting, the Director said it was also important to provide the right kind of vocationally oriented education or training for the substantial proportion of Form 3 leavers who obtained employment but who wanted to advance themselves through educational means.

"Here again the further development of the technical institutes and the need to make them attractive and exciting places spring to mind.

"Much thought is being given to this whole area in considering the scale, nature and degree of selectivity which we should apply to the education to be provided in the public after Form 3," Mr. Topley said.

The Director stated that one of his long-term tasks was to make adequate provision for teachers.

"We have always recognised that the backbone of the educational system must be the body of trained teachers working in it and over the years very substantial efforts have been made to build and staff Colleges of Education and to provide the appropriate number of teachers to man the system," he said.

Although steps were taken in 1972 to calculate the right output of teachers to meet the secondary expansion programme, what was not known at the time was precisely how the expansion was to be effected.

"Now it is plain that our initial, I repeat initial thrust must be through the buying of places in private schools we are faced with a real difficulty," Mr. Topley said.

/The number of .....

Wednesday, April 7, 1976

- 35 -

The number of children entering primary schools has dropped further than could be predicted at the time when decisions were made and financial circumstances do not permit primary classes to shrink permanently to a size which would enable all graduating teachers to be easily and immediately absorbed.

"Thus, Mr. Topley said, "We are faced this year with a surplus of serving teachers and of graduates from Colleges of Education."

The Director was confident that serving teachers could be absorbed into the primary system through retirements and wastage, and into the secondary system through expansion.

He said that some of the graduates of Colleges of Education would also find jobs in aided primary schools and in aided secondary schools but there would be a substantial body of others for whom there would be no place in aided schools.

"I am offering to 250 of these graduates a third year course in the Colleges which will enable them to improve their qualifications but not all will feel able to take up this offer and I may well be faced with a surplus of 300 or 400 teachers - it is impossible to be more exact - who will require to seek work in private schools or on the general labour market," Mr. Topley said.

While this was far from satisfactory, the Director emphasised that "the Government has never accepted an obligation to find jobs in the aided sector for all graduating teachers; other school, Polytechnic or University graduates might well ask for a similar guarantee."

/The Education .....

Wednesday, April 7, 1976

- 36 -

The Education Department will be organising a placement service to see that as many as possible get jobs in teaching, with clear priority being given to these graduates over unqualified seekers of teaching posts in all schools.

Mr. Topley said he would be seeking funds from the Finance Committee to maintain the complement of primary classes at a level such that another 220 graduating teachers would find posts in aided primary schools.

"This means that the number of graduates unable to get posts in aided schools would no longer be of the order of 300 or 400 and dependent on the success of various measures could be very much less," Mr. Topley said.

He continued: "I should add that the problem is not likely to recur; new teaching opportunities will open up as our secondary education programme gets under way."

The Director said he had taken steps to set up a small central planning unit within the Education Department to carry out these tasks in a co-ordinated manner.

"In addition I must also consider, in the light of our immediate experience, whether a measure of re-organisation will be required in the Department itself," Mr. Topley said.

The Director then answered specific points raised by Unofficial Members.

He said he had taken serious note of the call by Mrs. Joyce Symons for a wider and more inclusive conception of accountability within the educational system.

/Replying to .....

Wednesday, April 7, 1976

- 37 -

Replying to Mr. Alex Wu's call for a more scrupulous examination of arrangements for technical education and in particular for pre-vocational schools; Mr. Topley said: "The fact is that we shall be moving from a total of 11,000 to a total of 18,000 places in pre-vocational schools by 1980 and we shall soon be seeking the approval of the Finance Committee of this Council for this facet of our plans for expanding secondary education."

He added: "It is exceedingly true that we must aim for the right balance of general and technical education and must co-ordinate our efforts, so that there is an economical progress from technical education in the schools to the technical institutes, the Polytechnic and the Universities."

In response to Dr. S.Y. Chung's call on a recent occasion for a co-ordinating body to examine and progress technical education as a whole, Mr. Topley said: "We are moving towards the establishment of a technical education steering group in association with the Board of Education."

Answering Dr. Harry Fang, Mr. Topley said: "I must admit frankly to my failure to carry through on time the programme of special education approved by the Finance Committee of this Council and I must further state that I cannot give him the assurances for which he has quite properly asked. The position is that we have a target but lack some tools essential to meet it; in particular we need a pay and career structure for teachers in special education. A comprehensive Code of Aid, the instrument of such a structure, has been drafted but has not yet been brought to the point of approval."

- - - - 0 - - - -

/38 .....

NARCOTICS EXPERT DUE HERE THIS MONTH

\*\*\*\*\*

A leading international narcotics expert will arrive here next month "to help us get a more accurate picture of the number of addicts in Hong Kong, and to improve our methods of data-collection and analysis in this field," the Secretary for Security, the Hon. Lewis Davies, told the Legislative Council today.

During the course of his consultancy, the expert would also advise Hong Kong on means of evaluating success-rates between the different types of treatment programmes now available.

Mr. Davies disclosed this when he replied to points raised by his Unofficial Colleagues during the resumed budget debate.

The Hon. Hilton Cheong-leen had drawn attention to the large number of drug addicts in prison and mentioned the reported existence of 80,000 to 100,000 drug addicts in Hong Kong.

In reply, the Secretary for Security said the figure of 100,000 addicts in Hong Kong was a well publicised estimate which it had as yet not been possible to confirm by any satisfactory fact-based data.

"The only hard facts we have are that there are about 35,000 unduplicated names on the Central Register of Drug Addicts maintained by my Branch, and there are about 10,000 addicts receiving treatment in either government or voluntary institutions, in clinics and in after-care: this is about 700 more than for the corresponding period last year," he said.

Based on available statistics, Mr. Davies agreed that there could be some connection between narcotics addiction and crime, although at present "we lack more specific and detailed background data on which to base policy decisions".

/To remedy .....

Wednesday, April 7, 1976

- 39 -

To remedy this deficiency, he said, the Police were at present investigating the feasibility of a study of recidivism, which would include the relationship between drug addiction and crime.

"In addition a Working Party chaired by the Commissioner for Narcotics is finalising its report on the treatment of minor drug offenders, after studying what alternatives may be available for dealing with them other than by imprisonment. The report should be available for study by the Government within the next few months," he said.

Turning to triad activities in prisons, Mr. Davies said the majority of offenders not only in prisons but also in other penal institutions had had triad affiliations of varying degrees.

Despite this situation, he said, every effort was made to minimise triad activity in institutions.

He described as exaggerated a suggestion that "triad members exercise a second level of command".

On measures to curb narcotics activities in prisons, Mr. Davies said the Prisons Department had three laboratories for urine testing and in all institutions random samples were constantly being taken for checking.

He added that this task was tackled with vigour and determination.

In January, he said, more than 50 per cent of the prison population in Stanley were sampled and again in February, and special searching units were constantly conducting random searches in the Prison and especially in the cells.

This, coupled with the spot checks involving urine testing, has greatly reduced the problem, Mr. Davies said.

/On prison .....

Wednesday, April 7, 1976

- 40 -

On prison industries, he said the estimated value of manufactured goods rose from \$8.6 million in 1973-74 to about \$12 million in 1975-76, roughly a 40 per cent increase in two years.

But he said: "With increased prison population we must obviously expand prison industries."

"We are now in the process of working up proposals for submission to Finance Committee," he added. "In doing so we shall most certainly take into account the suggestion that we might draw on the expertise of businessmen and other Governments to help in formulating the plans and we have contacts with the Singapore authorities on their plans."

Mr. Davies said, however, the main needs were a strengthened management structure in the field of prison industries, coupled with additional equipment and more workshop and storage space.

"The Prisons Department has made much progress in providing improved security and additional accommodation in its institutions. More accommodation will undoubtedly be needed and that, together with additional and expanded prison industries, is the next priority," he said.

Referring to the educational qualifications of police recruits, Mr. Davies said they had improved dramatically over the past three years.

He expressed the hope that the ground which had been gained could be maintained, despite "the wider employment opportunities which arise from the more buoyant economic conditions which now exist."

Turning to Police terms of service, he said that they were also kept under review.

He pointed out that in 1973 there were 540 rank and file resignations. In spite of the considerable expansion of the Force over the last two years, there were only 184 resignations in 1974 and 178 in 1975.

/On the .....

Wednesday, April 7, 1976

- 41 -

On the arrangements for voting funds for rewards for informers, Mr. Davies said that the Commissioner of Police was satisfied with the present arrangements.

He gave an assurance that, if circumstances changed, "we shall be quick to react to them."

/42 .....

Wednesday, April 7, 1976

- 42 -

FRESH ACTION TO REDUCE MOTORCYCLE ACCIDENTS

\*\*\*\*\*

The Commissioner for Transport is looking for a suitable off-street site for learner motorcyclists, the Secretary for the Environment, the Hon. James Robson, told the Legislative Council today.

With such facilities, he said it might be possible to inculcate some sense of responsibility into learner drivers during their training period.

He felt that rather than trying to reduce the number of motorcycles by fiscal means or by making it more difficult to obtain a motorcycle driving licence, a more fruitful line of action to reduce the number of accidents involving these vehicles would be "the provision of better learner facilities and the requirement that no learner should be allowed on the street, on a motorcycle, until he had passed a basic test."

He said he hoped the Transport Department would be able to find and arrange this off-street site for learner drivers.

Speaking in the resumed budget debate, Mr. Robson pointed out that although nine per cent of all licensed vehicles were motorcycles, the reported fatal or injury accidents involving motorcycles was 20 per cent of the total accident figure last year.

And more alarming, he added, was the fact that over this period the number of motorcyclists prosecuted for dangerous and careless driving almost doubled -- "an indication that, as a class, motorcyclists are becoming increasingly irresponsible."

On the question of controlling the operation of shops hiring out motorcycles, the Secretary said it would be difficult to do so through legislation as these shops usually sold motorcycles, and it would be simple to hire the vehicles under the cover of making them available for test-driving with a view to purchase.

/Mr. Robson .....

Wednesday, April 7, 1976

- 43 -

Mr. Robson discounted a suggestion by the Hon. T.S. Lo of legalising red-plate public cars into taxis.

The forces which caused public cars to act as illegal taxis obviously demonstrated the public's need for more taxis. "But, in meeting this requirement, I feel that we should still preserve the facility provided by public cars whereby it is possible to pre-book chauffeur-driven passenger cars," he said.

He went on to say that the Transport Advisory Committee had made a package of proposals regarding additional taxis, red-plate public cars; taxis for outlying districts; and contract hire cars of a rather different hue from the present public cars.

These proposals, he added, were under consideration by the Executive Council and it would be presumptuous for him to elaborate further. "Nevertheless, I hope to be in a position to do so, very soon."

Touching on the government programme of action against industrial undertakings now existing in non-industrial buildings, Mr. Robson said the problem was a complex one which would require ingenuity to solve.

"It will also require careful handling - and one thing is certain, there will have to be full co-operation between the private sector and the government. It is, however, too early to predict what the final solution will be."

He said stage I of the programme began on March 1 with action being taken now against those dangerous and obnoxious undertakings operating in non-industrial buildings, against any industrial undertakings operating in purely residential buildings and against any such undertakings attempting to start up in a new non-industrial building.

"It will, of course, be necessary to assess and take into account the success of stage I when subsequent stages are being planned," he said.

- - - -0 - - - -

/44 .....

Wednesday, April 7, 1976

- 44 -

EMPLOYMENT OF PART-TIME PRIVATE DOCTORS

NO SOLUTION TO GOVERNMENT STAFFING PROBLEM -- DR. CHOA

\*\*\*\*\*

The Director of Medical and Health Services, Dr. the Hon. Gerald Choa, has refuted claims that lack of opportunity for training and research is one of the reasons for doctors leaving government service.

Speaking at the resumed Budget Debate in the Legislative Council this afternoon, he said that in a large department such as the Medical and Health Department it must be expected that there would be at any time some medical officers leaving for a variety of reasons and others coming to the service.

The resignation rate fluctuates from time to time over the years. Since January this year, 83 medical officers of all grades have given notice that they will be leaving the service, of which 18 are proceeding on normal retirement, 14 on completion of agreement, 23 are emigrating, 12 are going into private practice, five are taking up other employment and eleven for no stated reason.

The Director emphasised that these departures took effect over a period of a few months.

Furthermore, during this period 38 doctors have been recruited and by the end of June this year, 118 interns will have finished their internship. If past experience is any indication, at least between 70 to 80 per cent of these interns can be expected to join government service.

Dr. Choa pointed out of the 83 doctors who had left or were leaving, only ten were either consultants or senior officers with higher qualifications.

/"There is no .....

Wednesday, April 7, 1976

- 45 -

"There is no difficulty in replacing them by promoting others with similar qualifications," he added.

Dr. Choa said he did not accept that lack of opportunity for training and research "inhibits a medical career in the public service". He stressed that opportunities existed for government medical officers who had the required aptitude and capacity to undertake post-graduate training with a view to specialisation.

He said the complaint that training facilities and prospects for promotion in government medical service were lacking was usually an excuse and not a reason for leaving.

He pointed out that in the commissioning of Princess Margaret Hospital alone, 31 posts on the senior medical officer and consultant level were filled by promotion.

"I would not like to think that either work or pay would deter anyone who is set on making a career in government medical service," he said.

Taking all factors into account, Dr. Choa said that the engagement of private doctors on a part-time basis, especially of specialists, would not contribute significantly to a solution of the department's staffing problem.

The Director also commented on the suggestion that in order to relieve pressure upon hospital space, the community nursing service should be developed.

He said: "The idea per se is of course commendable but I must point out that our policy is largely influenced by two important factors which will continue to prevail for this decade: firstly, to relieve the overcrowding of our hospitals which reflects that there are still many disease conditions to be treated in hospital and not at home, and secondly, to provide complementary hospital services parallel with the development of new towns."

/Also .....

Wednesday, April 7, 1976

- 46 -

Also because of the shortage of nurses, he said, the priority must be to man existing institutions and those being constructed under the development programme.

It should not be forgotten, however, that some of the functions which would be provided under the community nursing service were already undertaken by the health visiting service and the maternal and child health service, he said.

Strictly speaking, Dr. Choa said, nurses would require special training before they were qualified for this type of work and the period recommended was at least 12 weeks.

The Director said the question whether those services now provided by the non-government sector should be subvented and extended would be discussed during the next session of the Medical Development Advisory Committee.

- - - - 0 - - - -

/47 .....

Wednesday, April 7, 1976

- 47 -

MR. K.S. LO RE-APPOINTED AS CONSUMER COUNCIL CHAIRMAN

\*\*\*\*\*

The Government announced today that Mr. K.S. Lo has been re-appointed as Chairman of the Consumer Council with effect from April 8, 1976. Also reappointed as members of the Council are Mr. Cham Yau-sum, Mr. Ho Sai-chu, Mr. Gallent Y.T. Ho, Mrs. Lee Lo Yuk-sim, Mr. Shum Choi-sang, Mrs. Sieh Lo Lau-sim and Mr. Wu Kwok-cheung.

Three new members have been appointed and will take office on the same date. They are, Mr. Marvin K.T. Cheung, Mr. Leung Chi-kin and Mrs. Man Lok Hang-choi. One or two other appointments to the Council may be announced during the next few days.

Commenting on the membership of the new Council, a Government spokesman thanked the outgoing members, Mr. Edmund W.H. Chow, Mrs. Kong Fung Yuen-yee, Mr. Ng Ki, Mrs. Tan Ying Chee-mei and Mr. Yip Yam-fong for their contributions during the past year and regretted that they were unable to continue their service on the Council because of other heavy commitments.

Mr. Cheung is an accountant with Peat Marwick Mitchell & Co. Mr. Leung works in the sales department of the Hong Kong Telephone Co. and is the Chairman of a Mutual Aid Committee in Central where he lives. Mrs. Man, a housewife with five children, is also the Chairman of a Mutual Aid Committee in Oi Man Estate.

- - - - O - - - -