



DAILY INFORMATION BULLETIN

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PRAISE FOR BALANCED BUDGET

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THE FINANCIAL SECRETARY WAS PRAISED IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY) FOR PRODUCING A BALANCED BUDGET FOR HONG KONG, WHICH WAS DESCRIBED AS ONE OF THE VERY FEW PLACES IN THE WORLD WHERE A GOVERNMENT COULD CUT TAXES WHILE SUBSTANTIALLY IMPROVING VARIOUS SERVICES.

SPEAKING ON THE SECOND DAY OF THE BUDGET DEBATE, PROF THE HON POON CHUNG-KWONG ALSO CALLED ON THE GOVERNMENT TO GIVE SUFFICIENT FINANCIAL SUPPORT TO THE COMMITTEE ON SCIENCE AND TECHNOLOGY SO THAT THE COMMITTEE COULD IMPLEMENT ITS RECOMMENDATIONS.

HE SAID THAT THE COMMITTEE, OF WHICH HE WAS CHAIRMAN, WOULD HOLD A "BRAINSTORMING" SESSION LATER THIS MONTH TO IDENTIFY AREAS WHICH SHOULD BE EXAMINED WITH SOME PRIORITY.

"THE RESULTS OF THE BRAINSTORMING EXERCISE MAY TAKE THE FORM OF AN IDENTIFIED NEED FOR DETAILED STUDIES INTO CERTAIN SCIENCE AND TECHNOLOGY ISSUES, OR AN IDENTIFIED NEED FOR IMPROVEMENTS TO AN EXISTING SITUATION, OR AN IDENTIFIED NEED FOR SEEKING A SOLUTION TO A PROBLEM, OR A COMBINATION OF THESE," HE SAID.

"IT IS OBVIOUS SOME FINANCIAL RESOURCES WILL BE REQUIRED TO SUPPORT THE FOLLOW-UP WORK ARISING FROM THESE IDENTIFIED NEEDS."

ON INDUSTRIAL DEVELOPMENT, PROF POON WELCOMED THE FINANCIAL SECRETARY'S PROPOSAL TO REDUCE THE RATE OF TAX ON CORPORATE PROFITS FROM 18 PER CENT TO 17 PER CENT, SAYING THAT THIS WOULD HELP ENCOURAGE INVESTMENT.

HOWEVER, HE WAS DISAPPOINTED THAT NO PLANS HAD BEEN MADE TO INCREASE THE CAPITAL ALLOWANCE FOR EXPENDITURE INCURRED ON PROCUREMENT OF PLANT AND MACHINERY.

HE STRESSED THAT IT WAS IMPORTANT THAT INDUSTRY SHOULD BE ENCOURAGED TO INVEST MORE ON NEW TECHNOLOGY IN ORDER TO IMPROVE BOTH THE QUANTITY AND THE QUALITY OF PRODUCTION.

POINTING OUT THAT A HIGHER LEVEL OF CAPITAL ALLOWANCE WOULD DEFINITELY STIMULATE MORE INVESTMENT IN NEW PRODUCTION TOOLS, ESPECIALLY IN THE CASE OF SMALL AND MEDIUM SIZE INDUSTRIAL UNDERTAKINGS, PROF POON STRONGLY URGED THE FINANCIAL SECRETARY TO CONSIDER AN INCREASE IN THE CAPITAL ALLOWANCE.

HE FURTHER SUGGESTED THAT THE INCREASE SHOULD BE A SUFFICIENTLY LARGE ONE IN ORDER TO PRODUCE THE DESIRED EFFECT.

/PROF POON

PROF POON WARNED THAT HONG KONG MUST NOT BE COMPLACENT OVER THE REPORTED 26.8 PER CENT GROWTH IN DOMESTIC EXPORTS IN 1987, AS THERE HAD BEEN A SIGNIFICANT AMOUNT OF PROCESSING WORK DONE IN CHINA AND, CONSEQUENTLY, THE REAL MONETARY BENEFIT TO HONG KONG ARISING FROM EXPORTS HAD BEEN DIMINISHED.

SAYING THAT THE GOVERNMENT HAD A RESPONSIBILITY TO PROVIDE THE NECESSARY INFRASTRUCTURE AND FAVOURABLE CONDITIONS TO HELP INDUSTRY TO ADOPT HIGH TECHNOLOGY, PROF POON URGED THAT MORE BE DONE IN ENCOURAGING THE USE OF COMPUTER TECHNOLOGY.

HE SAID MANY COUNTRIES HAD ADOPTED COMPUTER AIDED DESIGN AND COMPUTER AIDED MANUFACTURING TECHNIQUES.

"THEY HAVE FOUND THAT NOT ONLY THE SPEED OF THEIR PRODUCTION HAS INCREASED DRAMATICALLY, AND THE COST OF PRODUCTION HAS DECREASED, BUT THAT THEY ARE ABLE TO PRODUCE HIGH-QUALITY, PRECISION PRODUCTS THAT MEET THE PRESENT DAY DEMAND OF THEIR COMMUNITIES," HE SAID.

HE ALSO CALLED FOR GOVERNMENT SUPPORT IN ESTABLISHING "SCIENCE PARKS" AND "TECHNOLOGY CENTRES".

HE SAID BY INTEGRATING INDUSTRIAL OPERATORS, ENTREPRENEURS, RESEARCH AND DEVELOPMENT INSTITUTIONS AND ACADEMICS TOGETHER IN A "SCIENCE PARK" OR "TECHNOLOGY CENTRE", THERE WOULD BE A MORE READY TRANSFER OF NEW TECHNOLOGY FROM THE LABORATORY TO THE FACTORY.

THIS WOULD ENCOURAGE MORE PRODUCT INNOVATION AND FACILITATE THE COMMERCIAL APPLICATION OF NEW IDEAS.

PROF POON THOUGHT THAT INITIALLY HONG KONG COULD START WITH A MULTI-STOREY BUILDING "TECHNOLOGY CENTRE" RATHER THAN A LAND INTENSIVE "SCIENCE PARK", AND UTILISE THE SCIENCE AND TECHNOLOGY EXPERTISE IN TERTIARY EDUCATION INSTITUTIONS.

ON THE ENVIRONMENT, PROF POON WAS PLEASED THAT THE FINANCIAL SECRETARY PROPOSED TO ALLOCATE REMARKABLY LARGE SUMS OF MONEY TO COMBAT ENVIRONMENTAL POLLUTION.

HE NOTED THAT MANY USEFUL TECHNIQUES AND FACILITIES HAD BEEN DEVELOPED IN VARIOUS COUNTRIES TO MINIMISE THE LEVEL OF POLLUTANTS AT SOURCE, AND SOME OF THESE MIGHT BE APPLICABLE TO HONG KONG.

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BUDGET GIVES POPULATION THEIR SHARE OF HK'S SUCCESS

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THE BUDGET HAS COMBINED CAUTION WITH AN EFFORT TO ALLOW THE POPULATION AT LARGE TO ENJOY THEIR SHARE OF HONG KONG'S ECONOMIC SUCCESS AND THE VERY MUCH LARGER THAN ORIGINALLY PREDICTED FISCAL SURPLUS, DR THE HON HELMUT SOHMEN SAID TODAY (THURSDAY).

DR SOHMEN WAS SPEAKING DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

HE SAID REDUCTIONS IN DIRECT TAXES, INCREASE IN TAX ALLOWANCES, CUT IN STAMP DUTY TO ENCOURAGE HOME OWNERSHIP, AND INCREASES IN SOCIAL SERVICES SPENDING ALL POINTED TO A BUDGET THAT ATTEMPTED TO ALLOW THE POPULATION TO ENJOY THEIR SHARE OF HONG KONG'S SUCCESS.

TURNING TO THE POSSIBILITY OF WIDENING THE TAX BASE, DR SOHMEN SAID HE WAS PLEASED THAT THE FINANCIAL SECRETARY HAD SHOWN BOTH THE COURAGE TO PURSUE HIS VISION, DESPITE THE NEGATIVE COMMENTS ON THIS SUBJECT, AND THE PATIENCE NOT TO RUSH INTO WHAT WAS ALWAYS PRONE TO BE A POLITICAL MINEFIELD.

DR SOHMEN SAID THAT BECAUSE OUR CURRENT TAX BASE WAS SO NARROW, WE WERE MORE VULNERABLE TO POSSIBLE ADVERSE FACTORS.

HE THEREFORE HOPED THAT BOTH LEGISLATIVE COUNCIL MEMBERS AND THE PUBLIC AT LARGE WOULD SUPPORT THE FINANCIAL SECRETARY'S CONTINUED INVESTIGATION INTO A SCHEME FOR A BROADENED TAX BASE THAT WOULD ACHIEVE THE STATED OBJECTIVES.

ON THE TIGHT LABOUR MARKET SITUATION, DR SOHMEN SAID THIS WAS A HEADACHE THROUGHOUT THE BUSINESS COMMUNITY.

"IT HAS POTENTIALLY VERY WORRYING LONGER-TERM CONSEQUENCES FOR HONG KONG'S REPUTATION AS A SUITABLE SERVICE CENTRE AND BASE LOCATION IN THE REGION, FOR OUR COMPETITIVE TRADING POSITION, AND EVEN FOR THE QUALITY OF GOVERNMENT SERVICES," HE SAID.

DR SOHMEN NOTED THAT THE GOVERNMENT'S RESPONSE SO FAR TO THE PROBLEM HAD BEEN ONE OF "HEAD IN SAND".

THE GOVERNMENT ARGUED THAT PRODUCTIVITY INCREASES, RELOCATION OF MANUFACTURING ESTABLISHMENTS ACROSS THE BORDER, MORE TRAINING, ADDITIONAL CAPITAL INVESTMENT, LARGER FEMALE PARTICIPATION IN THE WORKFORCE, THE ATTRACTIONS OF HIGHER WAGES, AND THE EXPECTED SLOWDOWN IN ECONOMIC GROWTH WOULD EASILY TAKE CARE OF MATTERS, HE SAID.

"BUT THESE REMEDIES TAKE TIME, EVEN ACCEPTING THEY ARE READILY APPLICABLE, AND THEY ALSO COST MONEY AND THUS INCREASE THE COSTS OF PRODUCTION," HE SAID.

/DR SOHMEN

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DR SOHMEN SAID THAT WHILE THERE WAS A SERIOUS LABOUR SHORTAGE, HONG KONG IN THE MEANTIME KEPT ABOUT 10,000 VIETNAMESE REFUGEES IN CLOSED CENTRES AT A COST OF \$1 BILLION OVER THE LAST FIVE YEARS. AND HONG KONG REFUSED THE SELECTIVE IMPORTATION OF FOREIGN LABOUR BECAUSE OF FEARS OF SOCIAL CONSEQUENCE.

"THE ADMINISTRATION IS STILL NOT KEEN ON A MORE WIDESPREAD INTERCHANGE OF PERSONNEL BETWEEN GOVERNMENT AND THE PRIVATE SECTOR TO CREATE MORE FLEXIBILITY, SUCH AS I HAVE REPEATEDLY RECOMMENDED," HE SAID.

HE ADDED THAT INSTEAD OF SHOWING IRRITATION AT THE RISING BUT NOT SURPRISING INCLINATION OF CIVIL SERVANTS TO CONSIDER FILLING THE MANY VACANCIES IN THE COMMERCIAL ARENA, THE GOVERNMENT SHOULD MAKE A VIRTUE OUT OF THE NECESSITY TO ATTRACT LOCAL EXPERTISE INTO THE CIVIL SERVICE, AT LEAST FOR TEMPORARY PERIODS.

THIS MIGHT ALSO HELP TO OVERCOME THE INCREASING INCIDENCE OF "GOVERNMENT BY CONSULTANCY" WHICH HONG KONG WAS NOW WITNESSING AND WHICH WAS ALSO QUITE EXPENSIVE, HE SAID.

DR SOHMEN ALSO QUERIED WHY PRACTICALLY ALL MAJOR POLICY DECISIONS NOW HAD TO BE PRECEDED BY OUTSIDE CONSULTANCY STUDIES.

REFERRING TO THE PROBLEM WHICH THE U.S. TAX REFORM ACT 1986 POSED FOR HONG KONG-BASED SHIPOWNERS, DR SOHMEN SAID THE TECHNICAL QUESTION WAS WHETHER THE GOVERNMENT WAS WILLING TO EXCHANGE A RELATIVELY INSIGNIFICANT SOURCE OF REVENUE FROM THE TAX ON U.S. SHIPS LOADING IN HONG KONG HARBOUR, AGAINST AN AMERICAN EXEMPTION FOR FREIGHT TAXES ON HONG KONG-REGISTERED AND/OR HONG KONG-BENEFICIALLY OWNED VESSELS TRADING TO U.S. PORTS.

THE MORE FUNDAMENTAL QUESTION WAS WHETHER THE GOVERNMENT WAS WILLING TO CONSIDER THE SHIPPING INDUSTRY AS ONE DIFFERENT ENOUGH TO MAKE CERTAIN ALLOWANCES WHICH RECOGNISED ITS INTERNATIONAL CHARACTER AND MOBILITY, AS WELL AS THE ECONOMIC AND FISCAL CONTRIBUTION A STRONG SHIPPING ESTABLISHMENT AT LEAST INDIRECTLY MADE TO HONG KONG.

HE SAID THAT IF THE ANSWER TO THESE QUESTIONS TURNED OUT TO BE IN THE NEGATIVE, HE BELIEVED THAT ANY ENTHUSIASM NOT ONLY FOR THE HONG KONG SHIPPING REGISTER BUT FOR THE TERRITORY AS A PLACE OF OPERATIONS FOR SHIPOWNING AND SHIP MANAGEMENT WOULD QUICKLY DISSIPATE.

"I CAN ONLY STRONGLY URGE THE GOVERNMENT YET AGAIN TO WEIGH ALL FACTORS IN THE BALANCE AND EITHER SEEK AN ACCOMMODATION WITH THE AMERICANS, OR TO TAKE THE UNILATERAL ACTION OPEN TO IT BY REMOVING THE TAX ON FOREIGN SHIPS IN THE PORT HERE WHICH WOULD ACHIEVE THE SAME RESULT WITHOUT THE NEED FOR THE FEARED COMPLICATIONS OF A TAX AGREEMENT," HE SAID.

ON AIR SERVICES, DR SOHMEN SAID HE BELIEVED THAT THOSE RESPONSIBLE FOR THE DELAYS IN THE PLANNING AND CONSTRUCTION OF A REPLACEMENT AIRPORT WOULD BE HELD TO TASK AT THE LATEST BY 1993 WHEN RUNWAY CAPACITY LIMITS WOULD BE REACHED AT KAI TAK.

/"LIKE THE

"LIKE THE CURRENTLY APPLIED SO-CALLED HONG KONG AVIATION POLICY OF ONE AIRLINE PER ROUTE, THIS MISCALCULATION AS TO THE FUTURE GROWTH OF AIR SERVICES, AND THE ARBITRARY AND UNWARRANTED CURTAILMENT OF DOMESTIC COMPETITION, DESPITE THE MANDATE OF EXISTING LEGISLATION, ALL PREVIOUS PRECEDENT AND THE RAPIDLY CHANGING INTERNATIONAL SCENE, WILL PROBABLY COST HONG KONG DEARLY IN MISSED OPPORTUNITIES IN THE YEARS TO COME," HE SAID.

ON THE BUDGET PROPOSAL TO INCREASE THE BANK AND DEPOSIT-TAKING COMPANIES LICENCE FEES BY EIGHT PER CENT, DR SOHMEN SAID THE FINANCIAL SECRETARY HAD OFFERED NO JUSTIFICATION AT ALL FOR THE NEED TO IMPOSE THESE HIGHER FEES.

DR SOHMEN ALSO QUERIED WHY, CONTRARY TO THE PRACTICE SINCE THE TIME OF THE PASSAGE OF THE HOTEL ACCOMMODATION TAX BILL IN 1965 UNTIL LAST YEAR, WHEN THE HONG KONG TOURIST ASSOCIATION RECEIVED THE RECEIPTS FROM THE SPECIAL LEVY ON HOTEL ACCOMMODATION, IT WOULD IN FUTURE ONLY BE GIVEN AN AMOUNT DEEMED REQUIRED FOR ITS ACTIVITIES AND ONLY AFTER THE GOVERNMENT HAD VETTED AND APPROVED ITS BUDGET.

HE NOTED THAT THE WHOLE PURPOSE OF THE 1965 BILL WAS TO RAISE THE FUNDS REQUIRED BY THE HKTA BY A SPECIAL TAX RAISED THROUGH THE HOTEL INDUSTRY. NOW IF THE LEVY TODAY RAISED GENERATED MORE REVENUE THAN THE HKTA REQUIRED, SHOULD NOT THE SOLUTION BE A REDUCTION IN THE TAX? HE ASKED.

TURNING TO ARTS, DR SOHMEN BELIEVED THAT AS A COMMUNITY HONG KONG SHOULD BE WELL ABLE TO AFFORD AT LEAST A PHILHARMONIC ORCHESTRA, A CHAMBER MUSIC ENSEMBLE, AND ONE OR MORE PROFESSIONAL DANCE COMPANIES WHICH HAD A FIRM BASIS OF PUBLIC SUBVENTION, TO AVOID LETTING THEM SKIRT THE EDGE OF BANKRUPTCY YEAR AFTER YEAR.

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LACK OF ACTION IN IMPROVING QUALITY OF EDUCATION

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THE GOVERNMENT WAS ACCUSED OF DRAGGING ITS FEET IN UPGRADING THE QUALITY OF EDUCATION IN SCHOOLS BY THE HON SELINA CHOW IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, MRS CHOW SAID THE GOVERNMENT HAD SIDE-STEPPED A NUMBER OF MEASURES NECESSARY FOR BRINGING ABOUT A DISTINCT IMPROVEMENT.

THESE MEASURES INCLUDED THE POLICY OF WHOLE-DAY SCHOOL AND THE IMPROVEMENT OF PRIVATE SCHOOLS FROM WHICH THE GOVERNMENT WOULD CONTINUE TO BUY FORM 1 - 3 PLACES.

/MRS CHOW

MRS CHOW SAID THAT LITTLE PROGRESS HAD BEEN MADE SINCE 1981 WHEN THE THEN SECRETARY FOR EDUCATION ASSURED THE COUNCIL THAT THE GOVERNMENT HAD ADOPTED WHOLE-DAY SCHOOL AS POLICY.

SEVEN YEARS HAD PASSED, BUT THE OVERWHELMING MAJORITY OF PRIMARY SCHOOLS WERE STILL BI-SESSIONAL AND CONVERSIONS HAD ONLY TAKEN PLACE WHEN SPARE CAPACITY IN SCHOOLS HAD BEEN IDENTIFIED.

TO MRS CHOW, THE FACT THAT ONLY 0.3 PER CENT OF THE EDUCATION PROVISION THIS YEAR WAS EARMARKED FOR THIS PURPOSE REFLECTED A LACK OF ENTHUSIASM AND WILL FOR THE POLICY.

"THE TIME HAS COME FOR MORE POSITIVE ACTION TO BE TAKEN IN THE IMPLEMENTATION OF THIS VERY WORTHWHILE POLICY, AND I HOPE A TIMETABLE WILL BE DRAWN UP FOR IT VERY SOON," SHE SAID.

ON THE POINT OF IMPROVING PRIVATE SCHOOLS, MRS CHOW SAID THAT SINCE A NUMBER OF NEEDS HAD BEEN ANTICIPATED EARLIER, THE GOVERNMENT COULD HAVE WORKED TOWARDS THE REALISATION OF THESE IMPROVEMENTS THIS YEAR.

IT COULD HAVE CONSULTED THE EDUCATION COMMISSION ON THE ISSUE AND ASKED THE SCHOOLS THEMSELVES TO MAKE PROPOSALS WELL IN ADVANCE.

TURNING TO TAXATION, MRS CHOW SAID SHE HOPED THAT THE FINANCIAL SECRETARY WOULD MAKE A FIRM COMMITMENT TO INTRODUCE SEPARATE TAXATION FOR MARRIED COUPLES IN 1989.

MRS CHOW SPOKE AGAINST THE INTRODUCTION OF A GENERAL SALES TAX.

"AT PRESENT, WE HAVE A RELATIVELY SIMPLE SYSTEM, AND THERE IS NO NEED TO COMPLICATE IT," SHE SAID.

"BUT MORE IMPORTANT, WE ARE FACING A SURPLUS OF MORE THAN \$10 BILLION THIS YEAR."

MRS CHOW MAINTAINED THAT HONG KONG DID NOT NEED ANY NEW TAX FOR SOME TIME. ON THE CONTRARY, SHE MENTIONED THREE AREAS WHERE LESS REVENUE SHOULD BE RAISED.

SHE PROPOSED THAT STAMP DUTY SHOULD BE WAIVED FOR ALL HOME PURCHASES UNDER \$500,000 TO FURTHER ENCOURAGE HOME OWNERSHIP AND TO ASSIST THE MIDDLE INCOME GROUP.

HOWEVER, SHE SAID THAT SAFEGUARDS HAD TO BE BUILT IN TO ENSURE THAT CONCESSIONS WERE ONLY EXTENDED TO HOME PURCHASES AND NOT SPECULATIVE ACTIVITIES.

MRS CHOW ALSO OBJECTED TO THE IMPOSITION OF TAX ON SOFT DRINKS AND BEVERAGE, AND ADVOCATED A REDUCTION IN THE AIRPORT DEPARTURE TAX TO BRING ITS LEVEL INTO LINE WITH OTHER AIRPORTS IN THE REGION.

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INDIRECT TAX STABLE SOURCE OF REVENUE

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INDIRECT TAX IS A RELATIVELY STABLE SOURCE OF REVENUE WHICH WILL BE LESS VULNERABLE TO THE UPS AND DOWNS OF THE ECONOMY BECAUSE IT IS A LEVY ON THE BASIS OF CONSUMPTION AND NOT ON THE AMOUNT OF PROFITS MADE, AND IT IS ALSO A MORE EQUITABLE FORM OF TAX.

THE HON YEUNG PO-KWAN SAID THIS DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY) WHEN SPEAKING IN SUPPORT OF THE PRINCIPLE OF BROADENING THE BASE FOR INDIRECT TAX.

MR YEUNG SAID THE INCREASE OF INDIRECT TAX COULD HAVE OTHER POSITIVE EFFECTS SUCH AS PROMOTING THE SPIRIT OF FRUGALITY, REDUCING AN OVERHEATED DOMESTIC ECONOMY AND PRE-EMPTING DIFFICULTIES THAT MIGHT ARISE WHEN ECONOMIC DEVELOPMENT SLACKENED.

HE DESCRIBED THE BUDGET AS ONE THAT HAD TAKEN CARE OF THE INTEREST OF EVERY SECTOR IN THE COMMUNITY, PARTICULARLY THOSE IN THE MIDDLE INCOME GROUP.

THE CONCESSION ON STAMP DUTY WOULD DEFINITELY BOOST THE INTEREST OF PROPERTY BUYERS, AND ENCOURAGE PEOPLE IN THE MIDDLE INCOME GROUP TO BUY HOMES.

"IT WILL NO DOUBT GIVE OUR PROPERTY MARKET 'A SHOT IN THE ARM' AND ACT AS A STIMULUS TO THE DEMAND IN PROPERTIES. HENCE, IT IS NEGATIVE EVIDENCE THAT OUR ECONOMY WILL SLOW DOWN NEXT YEAR," HE SAID.

HOWEVER, HE CRITICISED THE BUDGET FOR PROVIDING VERY FEW INCENTIVES TO NEW INVESTMENT AND FOR DOING LITTLE TO ACCELERATE THE PACE OF BOTH LOCAL AND OVERSEAS INVESTMENT.

MR YEUNG BELIEVED THAT ADDITIONAL ALLOWANCES FOR WORKING WIVES WOULD ENCOURAGE MORE WOMEN TO WORK, WHICH WOULD IN TURN HELP ALLEVIATE THE LABOUR SHORTAGE PROBLEM AND MAINTAIN THE PRINCIPLE OF EQUITY IN TAXATION.

A MORE "VIGOROUS" APPROACH SHOULD BE ADOPTED IN THE GOVERNMENT'S POLICY ON PROFITS TAX, HE SAID.

"AS OUR PROFITS TAX HAS ALWAYS REMAINED AT A LOW LEVEL, IT WILL BE MORE REALISTIC IF THE GOVERNMENT WOULD PROVIDE FURTHER ASSISTANCE FOR THE DEVELOPMENT OF COMMERCE AND INDUSTRY," HE SAID.

TURNING TO LAW AND ORDER, MR YEUNG REMINDED THE GOVERNMENT THAT SINCE THE ROYAL HONG KONG POLICE WOULD GRADUALLY TAKE OVER THE DUTIES OF THE BRITISH GARRISON IN THE NEXT FEW YEARS, IT HAD TO STRENGTHEN ITS ABILITY IN MAINTAINING SECURITY AND IN MEETING SUBSEQUENT ANNUAL INCREASES IN EXPENDITURE ON SECURITY.

/HE SUGGESTED

HE SUGGESTED THAT HONG KONG'S COMMITMENT TO THE DEFENCE COSTS SHOULD BE REDUCED IN ORDER TO MAKE UP FOR THE INCREASE IN EXPENDITURE ON THE POLICE FORCE.

THE GOVERNMENT SHOULD ALSO SERIOUSLY CONSIDER AN APPROPRIATE ADJUSTMENT IN THE ESTABLISHMENT OF THE ROYAL HONG KONG AUXILIARY POLICE FORCE AND A RISE IN THEIR DAILY DUTY HOURS SO THAT THE AUXILIARY FORCE COULD EFFECTIVELY PROVIDE THE REGULAR FORCE WITH MAXIMUM ASSISTANCE.

ON THE QUESTION OF VIETNAMESE REFUGEES, MR YEUNG SUGGESTED THAT THE GOVERNMENT SHOULD CONSIDER GIVING MORE VOCATIONAL TRAINING TO INMATES IN THE REFUGEES CENTRES SO THAT THE PEOPLE OF HONG KONG WOULD NOT FEEL THAT THE MONEY SPENT ON THE REFUGEES WAS WASTED.

"THIS WILL NOT ONLY PROVIDE THEM WITH A SKILL TO MAKE A LIVING, BUT ALSO KEEP THEM OCCUPIED. IT WILL ALSO BE BENEFICIAL TO HONG KONG AS THE 4,000 ADULT REFUGEES IN THE CENTRES MAY BECOME AN ADDITIONAL WORKFORCE FOR HONG KONG IN DUE COURSE," HE SAID.

ON EDUCATION, MR YEUNG CONSIDERED IT NECESSARY FOR THE GOVERNMENT TO STRENGTHEN AND PROMOTE COMPUTER EDUCATION IN ORDER TO KEEP UP WITH PRESENT TRENDS.

HE SAID THAT BEFORE COMPUTER EDUCATION WAS EXPANDED, A SUFFICIENT SUPPLY OF WELL TRAINED TEACHERS MUST BE MADE AVAILABLE.

IN THE LONG TERM, COMPUTER EDUCATION SHOULD BE EXTENDED FROM FORM 1 TO THE MATRICULATION LEVEL.

HE ALSO CALLED ON THE GOVERNMENT TO CONSIDER EXTENDING THE DURATION, AND INCREASING THE CHANCES, OF TRAINING FOR TEACHERS IN COMPUTER EDUCATION, AND ATTRACTING UNIVERSITY GRADUATES IN COMPUTER STUDIES TO THE TEACHING PROFESSION.

ON THE QUALITY OF LANGUAGE TEACHERS, MR YEUNG SAID THAT IN ORDER TO RAISE THE STANDARD OF CHINESE LANGUAGE TEACHING IN SECONDARY SCHOOLS, THE HEAVY WORKLOAD OF THE CHINESE LANGUAGE TEACHERS MUST BE ALLEVIATED SO THAT THEY COULD AFFORD THE SPARE TIME TO ATTEND TRAINING COURSES OR SEMINARS.

"AS THE GOVERNMENT RECOGNISES THAT OUR SOCIETY MUST DEVELOP A YOUNGER GENERATION PROFICIENT IN BOTH ENGLISH AND CHINESE, IT SHOULD TAKE UP THE RESPONSIBILITY TO MAKE EFFECTIVE USE OF THE BUDGET SURPLUS AND PROVIDE FUNDS FOR IMPLEMENTING THE CONSTRUCTIVE RECOMMENDATIONS MADE BY THE EDUCATION COMMISSION," HE SAID.

MR YEUNG WAS REFERRING TO THE RECOMMENDATIONS MADE BY THE EDUCATION COMMISSION IN THE NO. 1 AND 2 REPORTS IN OCTOBER 1984 AND AUGUST 1986 RESPECTIVELY.

TURNING TO MEDICAL SERVICES, MR YEUNG SUGGESTED THAT THE GOVERNMENT COULD CONSIDER INCREASING THE NUMBER OF POSTS FOR CONSULTANTS, IMPROVING THE TERMS OF EMPLOYMENT, AND PROVIDING BETTER OPPORTUNITY FOR FURTHER TRAINING AND RESEARCH.

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IT COULD ALSO ALLOW FOR MORE FLEXIBLE CONDITIONS OF SERVICE IN ORDER TO EASE THE PROBLEM OF DOCTOR SHORTAGE.

"IN THE LONG TERM, TO TACKLE THE PROBLEM OF MANPOWER SHORTAGE AS A RESULT OF BRAIN DRAIN, WE CANNOT SIMPLY RELY ON THE LAUNCHING OF RECRUITMENT EXERCISES.

"IT IS MOST IMPORTANT THAT WE SHOULD LET THE MEDICAL AND CARE PROFESSIONALS HAVE A CLEAR PICTURE OF THE OPERATION OF THE FUTURE HOSPITAL AUTHORITY, AND ENABLE THEM TO HAVE FURTHER DEVELOPMENT IN THEIR CAREERS AND PROFESSION," HE SAID.

REGARDING SEPARATE TAXATION FOR MARRIED COUPLES, MR YEUNG URGED THE FINANCIAL SECRETARY TO MAKE A FIRM COMMITMENT CONCERNING THE POSSIBILITY OF INTRODUCING THE NEW MEASURE IN 1990 OR 1991 SO AS TO PUT THE PUBLIC AT EASE.

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EDUCATION, TECHNOLOGY VITAL INGREDIENTS FOR FUTURE

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HONG KONG PEOPLE SHOULD LOOK FORWARD TO THE FUTURE, ADDRESS THEMSELVES TO WAYS OF MAINTAINING AND STRENGTHENING THE TERRITORY'S COMPETITIVENESS AND CORRECT ANY WEAKNESSES, THE HON ALLEN LEE SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, MR LEE SAID AT A RECENT DINNER HELD IN HONOUR OF MRS CORAZON AQUINO, THE PRESIDENT OF THE PHILIPPINES HAD REMARKED THAT SHE WANTED TO LEARN FROM HONG KONG AND SEE WHAT MADE HONG KONG SO SUCCESSFUL.

WHEN SHE WAS TALKING ABOUT HONG KONG AND ITS ACHIEVEMENTS, MR LEE SAID, HE COULD NOT STOP THINKING ABOUT THE INGREDIENTS OF ITS PAST SUCCESS.

"WHAT ARE THE AREAS IN WHICH WE MUST PAY ATTENTION AND INVEST IN ORDER TO ENHANCE OUR SUCCESS IN THE FUTURE?" HE SAID.

MR LEE SAID HE BELIEVED EDUCATION AND TECHNOLOGY WERE TWO TOPICS WHICH WERE DIRECTLY RELATED TO THE FUTURE AND FUTURE ECONOMIC PERFORMANCE.

"NOT ONLY IS EDUCATION A SOCIAL NECESSITY, IT IS ALSO AN INVESTMENT. AN INVESTMENT WHICH CANNOT BE MEASURED IN MONETARY TERMS BECAUSE THE RETURN ON INVESTMENT IS IN THE FUTURE; WHETHER IT IS THE FUTURE OF A NATION OR A TERRITORY," HE SAID.

/MR LEE

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MR LEE SAID IN PROVIDING A GOOD EDUCATION FOR OUR PEOPLE, WE WERE ASSURING OURSELVES OF OUR FUTURE PROSPERITY AND STABILITY.

"TODAY, I WOULD LIKE TO FOCUS PARTICULARLY ON TERTIARY SECTOR EDUCATION AS I BELIEVE THIS IS WHERE WE TRAIN THE PROFESSIONALS, THE MANAGERS AND THE LEADERS OF TOMORROW," HE SAID.

"FOR MANY YEARS, I HAVE BEEN OBSERVING THE PROGRESS THAT WE HAVE MADE IN THE TERTIARY EDUCATION SECTOR."

MR LEE SAID ALTHOUGH HE COMMENDED THE ACHIEVEMENTS MADE IN SUCH A SHORT PERIOD OF TIME, HE FELT THAT WE HAD NOT PAID MUCH ATTENTION TO RESEARCH AND DEVELOPMENT, MAINLY BECAUSE IT WAS VERY EXPENSIVE AND HIGH RANKING CIVIL SERVANTS COULD NOT SEE THE RETURN.

"THIS PHILOSOPHY IN MY VIEW IS SHORT-SIGHTED AND WILL HURT HONG KONG IN THE LONG TERM," HE SAID.

"WE HAVE ALREADY EXPERIENCED THE EFFECTS OF LAGGING BEHIND OUR COMPETITORS IN RESEARCH AND DEVELOPMENT AND, IN FACT, WE ARE BEHIND IN EVERY ASPECT OF TECHNOLOGY."

MR LEE SAID HE WELCOMED THE ESTABLISHMENT OF THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY AND BELIEVED THAT IT WAS THIS TYPE OF COMMITMENT TO HIGHER EDUCATION WHICH WAS THE BEST GUARANTEE OF THE FUTURE.

"I WANT TO STRESS HERE THAT I BELIEVE WE SHOULD TARGET OURSELVES A MUCH HIGHER PERCENTAGE IN POST-GRADUATE STUDIES FOR THIS UNIVERSITY AND SUGGEST THAT WE SHOULD SET THE GOAL AT 50 PER CENT," HE SAID.

TO ACHIEVE THIS, STRONG RESEARCH AND DEVELOPMENT WAS REQUIRED AND THIS INVESTMENT WOULD BRING HONG KONG TO ANOTHER PLATEAU IN THE FIELD OF HIGHER EDUCATION.

MR LEE SAID THAT WHILE WE MUST ACKNOWLEDGE THAT A BRAIN DRAIN WAS A FACT AND A PROBLEM FOR HONG KONG, HE DID NOT BELIEVE THAT ANYONE HAD THE SOLUTION TO STOP IT.

"WHEN WE ARE FACING A MAJOR PROBLEM OF A BRAIN DRAIN, WE MUST SPEED UP THE PROGRAMME OF TRAINING OUR YOUNGER GENERATION TO FILL THE GAP.

"ALTHOUGH I REALISE THAT THERE WILL BE A TIME LAPSE IN THE WHOLE PROCESS OF PERHAPS AS LONG AS 10 YEARS, IF WE HAVE A SOUND PLAN, WE SHOULD BE ABLE TO MAINTAIN OUR PROSPERITY AND STABILITY WHICH I BELIEVE WE WILL."

IN THE MEANTIME, HE SAID, WE MUST INCREASE THE INTAKE OF OUR CURRENT EDUCATION INSTITUTIONS AND SUBSTANTIALLY INCREASE THEIR RESEARCH AND DEVELOPMENT FUNDS.

"WE MUST ENCOURAGE THEM TO DO MORE IN EDUCATING AND TRAINING OF OUR YOUNG PEOPLE.

/"MY EXPERIENCE

"MY EXPERIENCE AT THE HONG KONG POLYTECHNIC TELLS ME THAT THERE IS NO LACK OF TALENT IN OUR YOUNG PEOPLE. LET US DEVELOP THEM SO THEY CAN FILL THE GAP AND BECOME LEADERS OF TOMORROW."

MR LEE SAID TECHNOLOGY WENT HAND IN HAND WITH EDUCATION.

"I AM GLAD TO SEE THAT AFTER 10 YEARS OF URGING THE GOVERNMENT TO DO SOMETHING ON SCIENCE AND TECHNOLOGY, AN ADVISORY COMMITTEE HAS BEEN SET UP.

"I HOPE TO SEE THE COMMITTEE GET ON WITH ITS WORK OF ADVISING GOVERNMENT ON HOW TO UPGRADE THE TECHNOLOGY BASE OF OUR LOCAL INDUSTRIES."

MR LEE SAID HONG KONG NOW STOOD ON THE THRESHOLD OF A NEW PHASE OF ECONOMIC EXPANSION, A PHASE IN WHICH THE RATE AND PATTERN WOULD BE INCREASINGLY DEPENDENT ON OUR TECHNICAL CAPABILITY.

HE SAID HE WAS DISAPPOINTED THAT AFTER SUCH A LONG TIME, THE SUBJECT OF A SCIENCE PARK WAS STILL IN THE PRIMITIVE STAGE OF STUDY.

"THIS TYPE OF ATTITUDE IS CERTAINLY CONTRARY TO THE USUAL HONG KONG TRADITION AND I FAIL TO UNDERSTAND WHY.

"PERHAPS IT MAY BE DUE TO A LACK OF EXPERIENCE WITHIN OUR GOVERNMENT OR PERHAPS THERE IS A LACK OF COMMITMENT.

"LET ME SAY IT AGAIN THAT WE ARE LAGGING BEHIND IN TECHNOLOGY AND WE MUST CATCH UP. WE NEED A FIRM COMMITMENT FROM OUR GOVERNMENT."

MR LEE SAID THAT ON THE OTHER HAND, THE QUICKEST WAY TO ACQUIRE TECHNOLOGY WAS THROUGH TECHNOLOGY TRANSFER.

"AGAIN, IN THIS ARENA, WHATEVER GOVERNMENT HAS DONE HAS BEEN ON A VERY LIMITED SCALE.

"IN THE CASE OF OTHER COUNTRIES, AND MORE RECENTLY THAILAND, THEIR GOVERNMENTS HAVE SET UP A BOARD OF INVESTMENT IN ORDER TO PROVIDE CENTRALISED SERVICES FOR FOREIGN INVESTORS AND TO PROMOTE FOREIGN INVESTMENT AND TECHNOLOGY TO INVEST IN THEIR COUNTRY.

"WHAT HAS HONG KONG, AS AN INTERNATIONAL CITY AND A GATEWAY TO AND FROM CHINA, DONE IN THIS RESPECT?" HE ASKED.

MR LEE SAID HE HAD ALWAYS BELIEVED THAT IF WE INVESTED OUR MONEY ON THE DEVELOPMENT OF OUR HUMAN RESOURCES, WE WOULD SUCCEED AND ALL THE REST WOULD FALL INTO PLACE.

"I AM GLAD TO KNOW THAT WE HAVE HAD A SURPLUS OF OVER \$10 BILLION LAST YEAR AND OVERALL THE BUDGET PRESENTED BY THE FINANCIAL SECRETARY IS A GOOD ONE.

"I WOULD LIKE TO SEE OUR MONEY SPENT WISELY IN ORDER TO ENSURE A BETTER FUTURE FOR HONG KONG."

FS COULD BE MORE GENEROUS

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THE FINANCIAL SECRETARY SHOULD UNDERTAKE TO REVIEW THE POSSIBILITY OF FURTHER TAX CONCESSIONS IF IN 1989 THERE IS NO CLEAR EVIDENCE OF AN ECONOMIC DOWNTURN, THE HON RITA FAN SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, MRS FAN SAID ALTHOUGH THE BUDGET HAD BEEN WELCOMED BY MANY AS BALANCED AND REASONABLE AND THAT THE ONE PER CENT UNEXPECTED TAX CUT WAS GOOD NEWS TO MANY TAXPAYERS, SHE BELIEVED THAT THE FINANCIAL SECRETARY HAD BEEN LESS GENEROUS THAN HE COULD AFFORD TO BE.

SHE SAID THE TAX CONCESSIONS WERE EXPECTED TO REDUCE REVENUE FOR 1988-89 BY \$1.34 BILLION, AGAINST A NET ESTIMATED SURPLUS OF \$5.5 BILLION.

"THE FINANCIAL SECRETARY INDICATED IN HIS BUDGET SPEECH THAT AN AVERAGE OVERALL SURPLUS OF \$2.7 BILLION WILL LEAVE A COMFORTABLE MARGIN TO MAINTAIN THE REAL VALUE OF OUR RESERVES AND PROVIDE A CUSHION FOR UNFORSEEN EVENTS.

"WITH AN ESTIMATED SURPLUS OF \$5.5 BILLION, WHICH IS TWICE THAT OF THE NECESSARY AMOUNT, AND AN EXPECTED SURPLUS OF \$10 BILLION IN 1987-88, IS THE BUDGET PROPOSAL SUITABLY CAUTIOUS OR IS IT OVER-CONSERVATIVE?

"HAS THE OPPORTUNITY FOR IMPLEMENTING SOME LONG OVERDUE TAX MEASURES, SUCH AS TAX EXEMPTION FOR SEVERANCE PAY FOR WORKERS BEEN ALLOWED TO SLIP AWAY BY DEFAULT?"

MRS FAN SAID THAT IF THERE WAS A SERIOUS DOWNTURN IN OUR ECONOMY IN THE NEAR FUTURE, THIS CAUTIOUS APPROACH MIGHT PROBABLY BE JUSTIFIED.

"HOWEVER, IF THE PREDICTION IS WRONG, IS IT FAIR FOR THE AFFECTED PARTIES, FOR EXAMPLE THE WORKERS, TO KEEP ON PAYING TAX ON THE COMPENSATION WHICH THEY RECEIVE WHEN THEY LOSE THEIR JOBS?

"I BELIEVE THE FINANCIAL SECRETARY HAS BEEN LESS GENEROUS THAN HE CAN AFFORD TO BE, SO I WOULD WELCOME AN UNDERTAKING FROM HIM THAT IF IN 1989 THERE IS NO CLEAR EVIDENCE OF AN ECONOMIC DOWNTURN, HE WOULD REVIEW THE POSSIBILITY OF GRANTING TAX EXEMPTION FOR SEVERANCE PAY, INCREASE THE ALLOWANCE FOR MACHINERY DEPRECIATION, AND REMOVE THE 10 PER CENT CLAWBACK ON PERSONAL ALLOWANCE."

MRS FAN SAID SHE WELCOMED THE INTRODUCTION OF A WORKING WIFE ALLOWANCE AS AN INTERIM MEASURE FOR SEPARATE TAXATION.

HOWEVER, SHE BELIEVED THE TIME HAD COME FOR THE FINANCIAL SECRETARY TO MAKE A FIRM COMMITMENT ON THE DATE FOR THE INTRODUCTION OF SEPARATE TAXATION AND THAT THE DATE SHOULD BE AS EARLY AS POSSIBLE.

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"IN 1970, A WORKING WIFE ALLOWANCE WAS INTRODUCED ONLY TO BE REMOVED THREE YEARS LATER," SHE SAID.

"I WOULD NOT WISH TO SEE THE PRESENT INTRODUCTION OF THE ALLOWANCE FACE THE SAME FATE. BUT IF THE FINANCIAL SECRETARY ACCEPTS SEPARATE TAXATION AS A FEATURE OF OUR TAX SYSTEM, THEN I CAN BE MORE CONFIDENT OF ITS CONTINUATION."

SHE NOTED THAT THE FINANCIAL SECRETARY HAD SAID THAT OWING TO THE COMPLEXITY OF THE SUBJECT, IT WOULD NOT BE FEASIBLE TO INTRODUCE SEPARATE TAXATION OVERNIGHT.

SHE ALSO NOTED THAT PRESS REPORTS HAD QUOTED THE FINANCIAL SECRETARY AS SAYING THAT IF PEOPLE WISHED TO INFLUENCE THE BUDGET THEY REALLY NEEDED TO START AT LEAST SIX MONTHS AHEAD, AND THAT THE REPRESENTATION FROM LEGISLATIVE COUNCILLORS ON SEPARATE TAXATION CAME ABOUT THREE MONTHS BEFORE THE BUDGET AND WAS THEREFORE TOO LATE TO HAVE ANY IMPACT.

"FOR THE SAKE OF THE RECORD, I WISH TO POINT OUT THAT THE FIRST WRITTEN REPRESENTATION FROM THE OMELCO TAXATION PANEL URGING SEPARATE TAXATION WAS SUBMITTED TO THE FINANCIAL SECRETARY IN FEBRUARY 1987, AND THIS WAS FOLLOWED BY A PERSONAL VISIT TO THE FINANCIAL SECRETARY TO CONVEY THE STRENGTH OF THE PANEL'S VIEW BY THE HON PETER POON, CONVENOR OF THE OMELCO TAXATION PANEL, AND MYSELF," SHE SAID.

"OUR VIEWS AND REQUEST WERE RELATED TO THE FINANCIAL SECRETARY 12 MONTHS IN ADVANCE OF THE PRESENT BUDGET. THE REPRESENTATION REFERRED TO BY THE FINANCIAL SECRETARY WAS IN FACT THE SECOND ONE.

"ARE WE TO BELIEVE THAT THE FINANCIAL SECRETARY AND HIS TOP AIDES HAD FORGOTTEN ABOUT THE FIRST REPRESENTATION?"

"IS IT POSSIBLE THAT THEY DID NOT HEAR THE 12 COUNCILLORS ON MARCH 18, 1987 URGING FOR SEPARATE TAXATION, THE SPEECH OF THREE MEMBERS ON NOVEMBER 5, 1987 ALONG THE SAME LINE, NOT TO MENTION ALL THE PREVIOUS SPEECHES IN PRECEDING YEARS?"

SHE SAID THE FINANCIAL SECRETARY REFERRED TO THE COMPLEXITY AND DIFFICULTIES IN ENSURING BROADLY EQUITABLE TREATMENT IN SEPARATE TAXATION.

"WE KNOW WHAT THEY ARE, BECAUSE THEY HAVE BEEN REFERRED TO MANY TIMES BY THE TOP AIDES OF THE FINANCIAL SECRETARY.

"BUT MANY, LIKE ME, REMAIN UNCONVINCED THAT SUCH TECHNICAL DIFFICULTIES SHOULD NECESSARILY DELAY THE IMPLEMENTATION FOR AT LEAST TWO YEARS. IN ORDER TO BE FAIR, THE TAXATION PANEL REQUESTED IN DECEMBER 1987 A PAPER OUTLINING THE DIFFICULTIES.

"THE ADMINISTRATION UNDERTOOK TO PREPARE SUCH A PAPER. WHEN THE PANEL MET WITH THE ADMINISTRATION IN FEBRUARY 1988, THERE WAS NO PAPER NOR COULD THE ADMINISTRATION CLEARLY INDICATE WHETHER THEY HAD STARTED WORKING ON THIS."

/MRS FAN

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MRS FAN SAID THE WHOLE EPISODE WAS SO DIFFERENT FROM THE USUAL EFFICIENCY OF THE ADMINISTRATION THAT SHE COULD NOT HELP WONDERING IF SUCH DELAY AND LACK OF RESPONSE MIGHT BE ASSOCIATED WITH THE PERSONAL CONVICTION OF CERTAIN OFFICERS.

"IN CONTRAST TO SEPARATE TAXATION, THE HIGHLY COMPLEX AND SENSITIVE SUBJECT OF WIDENING THE INDIRECT TAX NET IS PROCEEDING WITH FANTASTIC SPEED," SHE SAID.

"WHILE THE FINANCIAL SECRETARY HAD STRESSED BOTH INSIDE AND OUTSIDE THIS COUNCIL THAT MANY FACTORS REMAINED TO BE CONSIDERED AND HE WANTED COMMUNITY SUPPORT FOR THIS MEASURE, WITHIN ONE MONTH OF HIS SPEECH, A SENIOR OFFICER OF THE FINANCE BRANCH INDICATED TO THE PRESS THAT \$5 BILLION IS EXPECTED FROM WHOLESALE TAX AND SERVICE TAX AND THAT IMPLEMENTATION CAN BE AS EARLY AS NEXT APRIL.

"THE ENTHUSIASM AND DETERMINATION SHOWN BY OFFICIALS TO PUSH AHEAD ON WIDE BASED INDIRECT TAX, WHEN THERE ARE CONSIDERABLE RESERVATIONS IN THE COMMUNITY, MUST NOT BE ALLOWED TO RESULT IN RUSHING SUCH MEASURES THROUGH AN UNWILLING PUBLIC."

SHE REQUESTED THE FINANCIAL SECRETARY TO EXERCISE FAIRNESS AND OBJECTIVITY IN DEALING WITH SEPARATE TAXATION AND INDIRECT TAX, REGARDLESS OF THE PERSONAL PREFERENCES OF HIS ADVISERS.

MRS FAN SAID ONE ARGUMENT AGAINST THE INTRODUCTION OF SEPARATE TAXATION WAS THAT SOME TAXPAYERS ACTUALLY HAD TO PAY MORE. BUT THIS COULD BE REMOVED SIMPLY BY GIVING TAXPAYERS THE OPTION OF INDIVIDUAL TAXATION.

"A NUMBER OF COUNTRIES INCLUDING THE UNITED STATES, UK, SINGAPORE, MALAYSIA, PHILIPPINES AND GERMANY PRACTICE THIS APPROACH.

"I BELIEVE SEPARATE TAXATION NEED NOT BE MANDATORY FOR EVERY ONE, COUPLES SHOULD HAVE THE CHOICE, AND THE BENEFIT SHOULD BE TO THE TAXPAYERS."

ON EXPENDITURE, SHE SAID THE FOUR PER CENT GROWTH IN THE SIZE OF THE CIVIL SERVICE FOR 1988-89 IN TERMS OF HEAD COUNT MEANT OVER 7,000 ADDITIONAL STAFF AND THIS INCREASE, EVEN THOUGH WARRANTED, COULD NOT BE TAKEN LIGHTLY, NOR SHOULD IT BE ALLOWED AS A CONTINUED TREND.

"I FULLY AGREE WITH THE FINANCIAL SECRETARY ON THE IMPORTANCE OF DETERMINING PRIORITIES AND ENSURING EFFECTIVE DEPLOYMENT OF RESOURCES.

"CONSTANT VIGILANCE AND TIMELY REVIEW WILL NEED TO BE EXERCISED OVER ALL SECTORS OF THE CIVIL SERVICE SO THAT VALUABLE MANPOWER IS NOT DEVOTED TO FUNCTIONS THAT HAVE BEEN PERFORMED AS A TRADITION BUT MAY NO LONGER BE NECESSARY DUE TO CHANGING CIRCUMSTANCES.

/"I LOOK

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"I LOOK FORWARD TO A REASONABLE BUT FIRM CONTROL OVER THE GROWTH OF THE CIVIL SERVICE BY THE FINANCIAL SECRETARY."

ON EDUCATION, IN PARTICULAR SECONDARY AND PRIMARY EDUCATION, MRS FAN SAID IT DID NOT RECEIVE MUCH ATTENTION IN THE BUDGET.

"WHILE I AM PLEASED TO SEE A START MADE IN THE DEVELOPMENT OF SCHOOL BASED CURRICULUM, I AM DISAPPOINTED BY THE OMISSION OF TWO ITEMS.

"THEY ARE THE ADDITIONAL GRADUATE TEACHER OF CHINESE FOR EVERY SECONDARY SCHOOL WITH 18 CLASSES OR MORE, AND THE RECURRENT GRANT TO SCHOOLS FOR STRENGTHENING CIVIC EDUCATION," SHE SAID.

MRS FAN SAID THE ADDITIONAL GRADUATE TEACHER OF CHINESE FOR SECONDARY SCHOOLS WAS RECOMMENDED BY THE EDUCATION COMMISSION IN ITS FIRST REPORT PUBLISHED IN 1984.

THE COMMISSION RECOGNISED THE NEED TO STRENGTHEN THE TEACHING OF CHINESE AND THE HEAVIER WORKLOAD OF TEACHERS OF CHINESE SHOULD BE SUITABLY REDUCED TO ENSURE QUALITY AND PROFESSIONAL UPDATING.

THE RECOMMENDATION WAS ACCEPTED, AND THE EDUCATION COMMISSION IN ITS NO. 2 REPORT PUBLISHED IN AUGUST 1986 INDICATED THAT THIS WOULD BE IMPLEMENTED IN SEPTEMBER 1988.

"REGRETTABLY, NO FUNDS WERE PROPOSED IN THE 1988-89 BUDGET FOR EMPLOYING THIS ADDITIONAL TEACHER OF CHINESE ALTHOUGH THE PROBLEM WAS LONG RECOGNISED AND THE COMMITMENT WAS MADE WITH A TARGET DATE," SHE SAID.

"SURELY THIS CANNOT BE DUE TO A LACK OF FUNDS IN 1988-89 WHICH HAS AN ESTIMATED SURPLUS OF OVER \$5 BILLION."

MRS FAN SAID IT WAS LOGICAL THAT WHEN WE WERE ENCOURAGING SCHOOLS TO USE CHINESE AS THE MEDIUM OF INSTRUCTION, WE SHOULD ENSURE THAT STUDENTS' SKILLS IN READING AND WRITING CHINESE WERE UP TO THE STANDARD SO THAT THEY COULD FULLY BENEFIT FROM THE CHANGE IN MEDIUM OF INSTRUCTION.

ON CIVIC EDUCATION, MRS FAN SAID THAT IN AUGUST 1985, THE EDUCATION DEPARTMENT ISSUED A SET OF "GUIDELINES ON CIVIC EDUCATION IN SCHOOLS", AND SINCE THEN, CONSIDERABLE EFFORT HAD BEEN DEVOTED BY SCHOOLS TO STRENGTHENING CIVIC EDUCATION.

SHE SAID TWO EVALUATION EXERCISES WERE SINCE CONDUCTED AND IN THE LAST EVALUATION, IT WAS IDENTIFIED THAT SCHOOLS NEEDED ADDITIONAL FINANCIAL SUPPORT, IN THE FORM OF RECURRENT GRANT, FOR STRENGTHENING CIVIC EDUCATION.

"SUCH GRANT WILL BE USED TO FINANCE CIVIC EDUCATION PROJECTS CARRIED OUT BY STUDENTS AND ENABLE THEM TO ACHIEVE A HIGHER LEVEL OF CIVIC AWARENESS THROUGH ACTUAL PARTICIPATION."

/"I AM

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"I AM VERY MUCH IN FAVOUR OF THIS IDEA. BASED ON MY EXPERIENCE IN PROMOTING CIVIC EDUCATION IN THE COMMUNITY IN THE PAST FEW YEARS, PARTICIPATION IS THE MOST EFFECTIVE WAY OF ACHIEVING BETTER UNDERSTANDING AND MOTIVATION TOWARDS PUBLIC SERVICE.

"IF WE WANT OUR YOUNG PEOPLE TO HAVE A SENSE OF BELONGING TO HONG KONG, THEN THEY MUST BE GIVEN THE OPPORTUNITY TO 'TRY THEIR HANDS OUT' IN THE PRIMARY AND SECONDARY SCHOOLS.

"BUT THE FUNDS WHICH WILL MAKE THIS 'PARTICIPATION' POSSIBLE FOR ALL STUDENTS IN THE PRIMARY AND SECONDARY LEVELS IS NOT FORTHCOMING. I HOPE THEY CAN BE MADE AVAILABLE IN THE NEXT FINANCIAL YEAR."

ON VIETNAMESE REFUGEES, MRS FAN SAID SHE FELT THAT FURTHER ADDITIONAL EXPENDITURE SHOULD NOT BE ALLOWED IN THIS AREA.

SHE RECALLED THAT THE SECRETARY FOR SECURITY, WHEN ANSWERING A QUESTION IN THE SPECIAL FINANCE COMMITTEE MEETING LAST MONTH, INDICATED THAT HE DID NOT KNOW THE SHARE PAID BY UNHCR IN OTHER COUNTRIES OF ASYLUM AS COMPARED TO UNHCR'S SHARE IN HONG KONG, BUT HE THOUGHT THE SHARE PAID BY EACH COUNTRY DEPENDED ON THEIR ABILITY TO PAY.

"HONG KONG IS A PROSPEROUS PLACE. DOES IT FOLLOW THAT WE HAVE BEEN PAYING MORE IN THE PAST AND ARE EXPECTED TO CONTINUE DOING SO OR PAY EVEN MORE IN FUTURE? SURELY THIS IS UNFAIR," SHE SAID.

"HONG KONG PEOPLE WANT A FAIR DEAL AND INDEED DESERVE A FAIR DEAL AFTER SPENDING NEARLY \$1 BILLION ON THIS. THE ADMINISTRATION SHOULD NO LONGER SEEK TO USE MORE TAXPAYERS MONEY TO IMPROVE THE LIVING CONDITIONS OF VIETNAMESE REFUGEES.

"THEY SHOULD BE ASKING THOSE WHO URGE IMPROVED FACILITIES FOR THE VIETNAMESE TO PUT MONEY WHERE THEIR MOUTH IS. UNHCR, WHICH IS WELL SUPPORTED BY INTERNATIONAL FUNDS, SHOULD BE ABLE TO DO MUCH MORE IN FINANCIAL TERMS.

"I STRONGLY SUGGEST THAT THE ADMINISTRATION NEGOTIATES A BETTER DEAL WITH UNHCR, AND BE MORE PERSISTENT AND FIRM IN THEIR PERSUASION. IN THIS, THE ADMINISTRATION CAN BE ASSURED OF THE FULL BACKING OF HONG KONG PEOPLE," MRS FAN ADDED.

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AVOID UNREALISTICALLY CONSERVATIVE REVENUE ESTIMATES

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UNREALISTICALLY CONSERVATIVE REVENUE ESTIMATES MUST BE AVOIDED IN ORDER TO ALLOW THE SOCIAL DEVELOPMENT THROUGH PUBLIC SPENDING TO BE COMMENSURATE WITH THE ECONOMIC DEVELOPMENT, DR THE HON DANIEL TSE TOLD THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, DR TSE EXPRESSED CONCERN OVER THE GROSS INACCURACIES OF THE GOVERNMENT'S PROJECTIONS IN THE GROSS DOMESTIC PRODUCT (GDP) FIGURES IN THE LAST TWO YEARS.

HE NOTED THAT IN 1986, THE GOVERNMENT PROJECTED A GDP GROWTH OF 4.5 PER CENT, AND IT TURNED OUT TO BE 16 PER CENT.

IN 1987, IT PROJECTED A GROWTH OF LESS THAN NINE PER CENT AND NOW IT WAS 13.6 PER CENT OR POSSIBLY HIGHER, DESPITE THE STOCK MARKET CRASH LAST OCTOBER.

"A PRACTICE OF OVERLY CONSERVATIVE REVENUE ESTIMATE, WHEN CARRIED OUT AS A MATTER OF COURSE, WOULD IN THE LONG RUN RENDER THE OVERALL DEVELOPMENT OF THE COMMUNITY INCOMPATIBLE WITH THE STATE OF THE ECONOMY OF THE TERRITORY," HE SAID.

DR TSE SAID THAT IF A CONSERVATIVE APPROACH IN BUDGET ESTIMATES MUST BE CONTINUED ON ACCOUNT OF THE OPEN NATURE OF OUR ECONOMY, WHICH WAS SUBJECT TO DIRECT INFLUENCES FROM THE OUTSIDE, A MID-YEAR BUDGET REVISION EXERCISE SHOULD BE ADOPTED.

THIS WOULD ALLOW SOME BADLY-NEEDED COMMUNITY DEVELOPMENT POLICIES OR PROJECTS, WHICH WERE LEFT OUT IN THE ORIGINAL ESTIMATES, TO BE RECONSIDERED FOR IMPLEMENTATION IN THE LIGHT OF THE MID-YEAR GROWTH OF THE ECONOMY.

"ALTERNATIVELY, PART OF THE SURPLUS OF THE PREVIOUS YEAR COULD BE TRANSFERRED TO THE NEXT YEAR AS AN ADDITIONAL SOURCE OF INCOME DESIGNATED FOR A SPECIFIC PURPOSE."

TAKING FOR INSTANCE THE HUGE SURPLUS OF OVER \$10 BILLION IN 1987, DR TSE SAID A PART OF THIS COULD BE SET ASIDE FOR SPECIAL PROJECTS DESIGNED TO BRIDGE THE GAPS IN THE ONGOING DEVELOPMENT OF OUR COMMUNITY, WHICH COULD NOT BE CLOSED BY THE INCREMENTAL FUNDING PROVISION.

HE POINTED OUT THAT THERE WAS ALSO A WELL-RECOGNISED GAP BETWEEN THE PRESENT RESEARCH STRENGTH IN SCIENCE AND TECHNOLOGY AND THE NEED FOR ADVANCED TECHNOLOGY IN OUR INDUSTRIAL DEVELOPMENT, AND SAID THAT A VERY SUBSTANTIAL INJECTION OF RESEARCH FUNDS WOULD BE NECESSARY IF THIS GAP WAS TO BE CLOSED WITHOUT MUCH DELAY.

ANOTHER GAP HE WOULD LIKE TO SEE CLOSED WAS THE GAP BETWEEN THE QUANTITY AND THE QUALITY OF PRIMARY AND SECONDARY EDUCATION.

/"AREAS SUCH

"AREAS SUCH AS EFFECTIVE LANGUAGE TEACHING, PERSONAL ATTENTION TO STUDENTS' INTELLECTUAL AND SOCIAL GROWTH, PROVISION OF PROPER ACTIVITIES TO CULTIVATE THE SENSE OF CIVIC RESPONSIBILITIES, ARE ALL IMPORTANT AND MANPOWER INTENSIVE," HE SAID.

HE SAID THAT BEFORE THE GOVERNMENT MADE ITS COMMITMENT IN LARGE AND REGULAR RESOURCE TERMS TO TACKLE THE PROBLEM, IT WOULD BE EXTREMELY USEFUL IF A PILOT SCHEME WAS CARRIED OUT IN A SELECTED NUMBER OF SCHOOLS TO IDENTIFY THE BEST AND MOST COST-EFFECTIVE WAYS OF ACHIEVING THE DESIRED LEVEL OF QUALITY IMPROVEMENT.

"THIS KIND OF EXPERIMENT, WHEN CAREFULLY CONDUCTED WITH SUFFICIENT FUNDING IN A LARGE ENOUGH SAMPLE OF DIFFERENT TYPES OF SCHOOLS, WOULD GO A LONG WAY TOWARDS SOLVING THE TOUGH PROBLEM OF ENSURING PROPER QUALITY IN OUR MASS EDUCATION SYSTEM," HE SAID.

HE ALSO SAID THAT IN RECENT CONSULTATION WITH SOME DISTRICT BOARD MEMBERS OF HIS DISTRICT, IT WAS SUGGESTED TO HIM THAT ANOTHER GAP THAT SHOULD BE CLOSED QUICKLY WAS THE GAP BETWEEN THE PRESENT SOCIAL SERVICE TO THE AGED AND THE ACTUAL NEEDS OF THE OLD PEOPLE DUE TO THE CHANGING STRUCTURE OF THE CHINESE FAMILY.

HE POINTED OUT THAT MANY OLD PEOPLE WERE LIVING ALONE, WITH OR WITHOUT ADEQUATE FINANCIAL MEANS, BUT CERTAINLY LACKING IN SOCIAL SUPPORT IN A COMMUNITY IN WHICH THE SOCIAL SERVICE POLICY VERY MUCH REFLECTED THE TRADITION OF THE OLD CHINESE EXTENDED FAMILY.

THEREFORE, A QUANTUM JUMP IN THE CARING OF THE OLD WAS NECESSARY IF SOCIAL SERVICE FOR THE OLD WAS TO CATCH UP WITH THE CHANGING FAMILY TRADITION.

DR TSE SAID THAT THERE WERE OTHER AREAS WHICH COULD BE IDENTIFIED FOR SIMILAR ASSISTANCE, BUT HIS MAIN CONCERN WAS THAT "WHILE WE SHOULD CONTINUE TO EXERCISE PRUDENCE IN SPENDING WITHIN OUR OWN MEANS, WE MUST NOT BE TEMPTED TO THINK THAT THE LARGER THE SURPLUS, THE BETTER IS THE FINANCIAL MANAGEMENT.

"ON A LONG TERM BASIS, OUR RESOURCES MUST BE PROPERLY DEPLOYED SO THAT THE WELL-BEING OF OUR COMMUNITY WILL BE COMMENSURATE WITH THE STATE OF OUR ECONOMIC HEALTH," HE SAID.

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WAYS TO IMPROVE MEDICAL SERVICES SUGGESTED

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A NUMBER OF PROPOSALS TO IMPROVE MEDICAL AND HEALTH SERVICES WERE PUT FORWARD BY DR THE HON HENRIETTA IP AT THE LEGISLATIVE COUNCIL MEETING TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, DR IP SAID THE FIRST STEP SHOULD BE TO CONTAIN THE PUBLIC EXPENDITURE ON MEDICAL AND HEALTH SERVICES.

TO ACHIEVE THIS, SHE SUGGESTED THAT A POLICY SHOULD BE MADE ON CHARGING THE PUBLIC A FIXED PERCENTAGE OF THE ACTUAL COST WHICH MUST BE AFFORDABLE OF COURSE. CHILDREN, THE ELDERLY, THE HANDICAPPED AND THE POOR SHOULD BE EXEMPT.

SHE FURTHER SUGGESTED THAT MEDICAL INSURANCE SHOULD BE ACTIVELY PROMOTED.

TAX CONCESSIONS FOR COMPANIES WITH MEDICAL INSURANCE SHOULD BE EXTENDED TO THE PERSON AS WELL. PUBLIC HOSPITAL SHOULD THEN BE ABLE TO RECOVER FROM THE INSURANCE COMPANIES THE FULL COST FOR THE SERVICES THEY PROVIDED.

"THE CHARGES FOR NEWLY-INTRODUCED TYPE OF MEDICAL SERVICES, NOT PREVIOUSLY PROVIDED AND NOT CATERING FOR LIFE THREATENING SITUATIONS, SHOULD NOT BE SO HEAVILY SUBVENTED AND SHOULD BE PROVIDED PERHAPS EVEN AT COST," SHE SAID.

DR IP ALSO PROPOSED THAT A HEALTH CENTRE, PRIMARILY GEARED FOR ADULTS, SHOULD BE ESTABLISHED TO PROMOTE HEALTHY LIVING, PREVENTIVE HEALTH AND EARLY DETECTION OF DISEASE.

THE SERVICES PROVIDED BY THE HEALTH CENTRE SHOULD INCLUDE ANNUAL CHECKUPS FOR ADULTS OVER 30 YEARS OF AGE, PHYSICAL ASSESSMENTS, ADVICE ON PHYSICAL RECREATION TO PROMOTE HEALTH, AND CLASSES TO EDUCATE THOSE WITH SPECIFIC DIAGNOSED CHRONIC DISEASE ON HOW TO LOOK AFTER THEMSELVES.

SHE SAID THE MAIN OBJECTIVE OF THIS CENTRE WOULD BE TO KEEP OUR WORKING COMMUNITY STRONG AND HEALTHY, AND OUT OF HOSPITALS.

SHE ADDED THAT THE CENTRE SHOULD BE SELF-SUBVENTING. AND IN ORDER TO EFFECTIVELY BENEFIT THE WORKING COMMUNITY, IT MUST OPERATE BY APPOINTMENT EVEN AT NIGHT AND ON WEEKENDS.

TURNING TO SUBVENTED HOSPITALS, DR IP SAID THAT IN ORDER TO FULLY UTILISE THEIR POTENTIALS, A WORKING PARTY CHAIRED BY A NON-OFFICIAL, WITH RICH HOSPITAL EXPERIENCE, MUST BE SET UP IMMEDIATELY TO STUDY THE STATE OF HOSPITAL EQUIPMENT IN SUBVENTED HOSPITALS WITH THE AIM OF UPGRADING THE EQUIPMENT THERE.

/SHE SUGGESTED

SHE SUGGESTED THAT A FUND OF NO LESS THAN \$18 MILLION SHOULD BE MADE AVAILABLE TO SUBVENTED HOSPITALS BEFORE THE CLOSE OF 1989, TO MATCH THE EXPENDITURE FOR GOVERNMENT HOSPITALS ON EQUIPMENT.

TURNING TO THE PROBLEM OF OVERCROWDING IN THE QUEEN ELIZABETH HOSPITAL, DR IP SUGGESTED THAT THE ADJACENT BRITISH MILITARY HOSPITAL SHOULD BE PULLED DOWN AND REPLACED BY A WOMEN'S AND CHILDREN'S ANNEX FOR THE QUEEN ELIZABETH HOSPITAL.

ON THE \$350 MILLION EXPENDITURE ON LOOKING AFTER HANDICAPPED ADULTS WITHOUT A JOB, DR IP SAID TOP PRIORITY SHOULD BE GIVEN TO THE DEVELOPMENT OF LARGE-SCALE INNOVATIVE PROJECTS TO SECURE JOBS FOR THESE PEOPLE.

THIS WOULD IN THE LONG RUN SAVE THE UNNECESSARY GOVERNMENT EXPENDITURE ON SUSTAINING A LIFE WITHOUT MEANING, SHE SAID.

FINALLY, SHE SAID THAT BEFORE SHE FOLLOWED THE FOOTSTEPS OF SENIOR LEGISLATIVE COUNCILLOR MISS LYDIA DUNN AND PLUNGED INTO MARRIAGE, SHE WOULD CONTINUE TO AWAIT THE MATERIALISATION OF SEPARATE TAXATION FOR MARRIED WOMEN.

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SCOPE FOR MEDICAL CARE AT NEIGHBOURHOOD LEVEL

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IN THE COMING YEARS, THE GOVERNMENT SHOULD DEVOTE MORE EFFORT AND RESOURCES TO DEVELOPING PERSONAL AND CONTINUING MEDICAL CARE AT THE NEIGHBOURHOOD LEVEL SO THAT THE HEAVY DEMANDS ON HOSPITAL SERVICES CAN BE RELIEVED.

HOSPITALS WOULD THEN BE ABLE TO ASSUME A SUBORDINATE ROLE, PROVIDING ONLY HIGHLY TECHNICAL AND SPECIALISED SUPPORT WHEN IT WAS NEEDED, DR THE HON CHIU HIN-KWONG SAID DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

DR CHIU POINTED OUT THAT IN RECENT YEARS HOSPITAL COSTS HAD BEEN SOARING AND DEMANDS FOR COSTLY IN-PATIENT SERVICES HAD BEEN INCREASING.

HE ATTRIBUTED THE INCREASING DEMANDS TO THE GENERAL HEALTH OF THE PEOPLE, INADEQUACY OF FAMILY MEDICINE, ADMINISTRATIVE AND MANAGEMENT PROBLEMS IN THE EXISTING HEALTH INSTITUTIONS AS WELL AS TO INDUSTRIAL AND TRAFFIC ACCIDENTS.

DR CHIU SAID HE BELIEVED THAT THE HEALTH OF THE PEOPLE WOULD BE IMPROVED BY PUBLIC AND PERSONAL HEALTH AND INTENSIVE HEALTH EDUCATION PROGRAMMES.

/HE ALSO

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HE ALSO EXPECTED FAMILY MEDICINE, AFTER UNDERGOING A REVIEW EXERCISE IN THE NEAR FUTURE, TO PLAY A MORE IMPORTANT ROLE IN KEEPING PEOPLE OUT OF HOSPITALS.

ACCORDING TO DR CHIU, PREVENTIVE MEDICINE COULD BE DIVIDED INTO THREE LEVELS -- PRIMARY, SECONDARY AND TERTIARY, AND THE IDEAL FORM WAS PRIMARY PREVENTION.

BY THAT, HE MEANT "THE AVOIDANCE OR REMOVAL OF THE CAUSE OF DISEASE".

OPPORTUNISTIC PRIMARY PREVENTION LAY MAINLY IN HEALTH EDUCATION, HE SAID.

THE GOVERNMENT HAD TWO IMPORTANT ROLES TO PLAY IN THAT AREA -- TO EDUCATE THE GENERAL PUBLIC ABOUT THE CAUSE, NATURE AND COURSE OF VARIOUS DISEASES, AND TO DEVELOP PUBLIC HEALTH.

HE POINTED OUT THAT SIGNIFICANT MATTERS IN HEALTH EDUCATION INCLUDED CLEAN WATER, CLEAN AIR, AN ACCEPTABLE LIVING ENVIRONMENT, A BALANCED DIET, APPROPRIATE EXERCISE, GOOD SLEEP, HYGIENE, MENTAL HEALTH, IMMUNISATION, AND AVOIDANCE OF ALCOHOLISM AND DRUG ADDICTION.

HE HOPED THAT HEALTH EDUCATION ACTIVITIES, AT PRESENT UNDERTAKEN BY THE CENTRAL HEALTH EDUCATION UNIT OF THE MEDICAL AND HEALTH DEPARTMENT, WOULD BE FURTHER INTENSIFIED WHEN MORE RESOURCES BECAME AVAILABLE.

REFERRING TO INDUSTRIAL HAZARDS, DR CHIU SAID THAT THERE WAS STILL SCOPE FOR IMPROVING THE SITUATION BY WAY OF LEGISLATION.

HE CALLED FOR "TRIPARTITE CO-OPERATION" IN THE PROMOTION OF INDUSTRIAL HEALTH AND SAFETY, INVOLVING THE GOVERNMENT, THE EMPLOYERS AND EMPLOYEES.

HE CONSIDERED IT IMPERATIVE FOR THE LABOUR DEPARTMENT TO PLAY "A MORE AGGRESSIVE AND REGULATORY" ROLE BY STEPPING UP ITS INSPECTIONS AND INCREASING THE PENALTY SO AS TO POLICE THE OBSERVANCE OF SAFETY STANDARDS IN HUNDREDS OF ESTABLISHMENTS.

THE GOVERNMENT SHOULD ALSO STRENGTHEN ITS PUBLICITY AND EDUCATION ON INDUSTRIAL SAFETY, EMPHASISING THE RESPONSIBILITIES OF BOTH EMPLOYERS AND EMPLOYEES.

TURNING TO MEDICAL ADMINISTRATIVE AND MANAGEMENT PROBLEMS, DR CHIU EXPRESSED CONCERN AT THE HIGH WASTAGE RATES OF DOCTORS IN GOVERNMENT AND SUBVENTED SECTORS, WHICH WERE NINE PER CENT AND 23 PER CENT RESPECTIVELY.

HE WAS WORRIED THAT MANY OF THE CURRENT 350 VACANCIES IN THE PUBLIC SECTOR WERE SENIOR POSTS WHICH COULD NOT BE EASILY FILLED.

/DR CHIU

DR CHIU SAID THAT SINCE 89 PER CENT OF IN-PATIENT CASES WERE HANDLED BY PUBLIC HOSPITALS, THE OUTFLOW OF EXPERIENCED DOCTORS FROM THE PUBLIC SECTOR TO THE PRIVATE SECTOR WAS DEFINITELY NOT IN THE BEST INTEREST OF THE PEOPLE WHO MAINLY RELIED ON THE SERVICES OF PUBLIC HOSPITALS.

"HOW THE CREAM OF MEDICAL PERSONNEL IN PUBLIC HOSPITALS CAN BE RETAINED IN THE PUBLIC SECTOR DESERVES OUR SERIOUS CONSIDERATION," HE SAID.

HE POINTED OUT THAT ALTHOUGH THE ESTABLISHMENT OF THE HOSPITAL AUTHORITY IN 1989 MIGHT HELP RETAIN DOCTORS IN THE PUBLIC SECTOR, THE QUESTION WAS: "HOW MANY OF OUR EXISTING EXPERIENCED MEDICAL PERSONNEL WILL LEAVE IN THE MEANTIME?"

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'\$10 BILLION SURPLUS NOT A GIFT BUT A DEPRIVATION'
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THE \$10 BILLION SURPLUS IN THE 1987-88 FINANCIAL YEAR IS NOT A GIFT BUT A DEPRIVATION BECAUSE SUCH AN UNEXPECTED SURPLUS MEANS IN PRACTICE THAT TAXPAYERS ARE REQUIRED TO PAY TOO MUCH WHILE THE PUBLIC IN GENERAL HAVE BEEN GIVEN TOO LITTLE, THE HON MARTIN LEE SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING DURING THE BUDGET DEBATE, MR LEE SAID THAT TO THE UNWARY PUBLIC, THE RECENT REVELATION THAT THERE WOULD BE A \$10 BILLION SURPLUS SEEMED TO BE A WINDFALL.

BUT THE FINANCIAL SECRETARY SHOULD NOT BE CONGRATULATED FOR IT: INSTEAD HE SHOULD BE EMBARRASSED BY IT.

THE PUBLIC OF HONG KONG SHOULD APPRECIATE THAT IT WAS NOT A WINDFALL BUT A MISCALCULATION.

MR LEE SAID THAT WHILE THE GOVERNMENT PREACHED THE GOSPEL OF CAUTION, IT SHOULD BE REALISED THAT THERE COULD BE A DOWN-SIDE TO OVER CAUTION WHICH HAD RESULTED IN SUCH A HUGE SURPLUS.

"FOR INSTANCE, HOW CAN WE EXPECT OUR NEGOTIATING TEAM ON DEFENCE COSTS TO BE ABLE TO PERSUADE ITS COUNTERPART REPRESENTING THE UNITED KINGDOM GOVERNMENT THAT OUR CONTRIBUTION TOWARDS THE DEFENCE COSTS SHOULD DECREASE WHEN IT IS KNOWN THAT WE HAVE SUCH A LARGE AND UNEXPECTED WINDFALL?" HE ASKED.

MR LEE SAID THAT HONG KONG SHOULD NOT BE REQUIRED TO PAY ANYTHING AT ALL TOWARDS THE DEFENCE COSTS BETWEEN NOW AND 1997.

/THE DEFENCE

THE DEFENCE OF A COLONY WAS THE DUTY OF THE SOVEREIGN STATE. WHEN A SOVEREIGN STATE MAINTAINED AN ARMY IN A COLONY, THE COLONY SHOULD NOT BE EXPECTED TO PAY FOR IT AT ALL, HE SAID.

REFERRING TO THE ARGUMENT THAT UNTIL VERY RECENTLY HONG KONG HAD BEEN PAYING 75 PER CENT OF THE DEFENCE COST, MR LEE SAID HIS COMMENT WAS THAT THE FINANCE COMMITTEE AT THE TIME SHOULD NEVER HAVE ALLOWED THE DEFENCE COST TO REACH SUCH A "RIDICULOUSLY HIGH LEVEL".

HE ADDED THAT NO MATTER HOW MUCH HONG KONG HAD AGREED TO PAY IN THE PAST, THE POSITION HAS COMPLETELY CHANGED WITH THE SIGNING OF THE JOINT DECLARATION WHICH STIPULATED IN CLAUSE 4 THAT "THE GOVERNMENT OF THE UNITED KINGDOM WILL BE RESPONSIBLE FOR THE ADMINISTRATION OF HONG KONG WITH THE OBJECT OF MAINTAINING AND PRESERVING ITS ECONOMIC PROSPERITY AND SOCIAL STABILITY" UNTIL 1997.

IT WOULD BE A BREACH OF THIS CLAUSE FOR THE BRITISH GOVERNMENT TO WITHDRAW ITS TROOPS FROM HONG KONG BEFORE 1997.

FOR THIS REASON, EVEN IF HONG KONG WERE TO REFUSE TO MAKE ANY CONTRIBUTION TOWARDS THE DEFENCE COSTS, MR LEE SAID HE WAS SURE THAT THE BRITISH GOVERNMENT WOULD NOT WITHDRAW ITS TROOPS FROM HONG KONG BEFORE 1997.

TURNING TO THE HONG KONG BAR ASSOCIATION'S CALL FOR IMPROVEMENTS IN THE GOVERNMENT'S TERMS OF EMPLOYMENT FOR LOCAL JUDGES AND LAWYERS, IN RELATION TO HOUSING, MR LEE SAID THAT LAWYERS NORMALLY ALREADY HAD THEIR OWN FLATS TO LIVE IN, AND SO THE OTHERWISE ATTRACTIVE FRINGE BENEFIT OF HOUSING WOULD NOT BE AN INCENTIVE TO THEM.

"INDEED IT MAY TURN OUT TO BE A DISINCENTIVE BECAUSE A LAWYER CONTEMPLATING TO JOIN GOVERNMENT SERVICE WILL KNOW THAT HE WILL NOT BE ABLE TO TAKE ADVANTAGE OF THIS RATHER SUBSTANTIAL FRINGE BENEFIT," HE SAID.

THE BAR ASSOCIATION HAD THEREFORE SUGGESTED THAT SUCH A FRINGE BENEFIT SHOULD BE CONVERTED TO A CASH ALLOWANCE. MR LEE SAID HE SUPPORTED THIS IDEA AND URGED THE GOVERNMENT TO STUDY THIS PROPOSAL PROMPTLY.

HE ADDED THAT ON A MORE GENERAL LEVEL, IT SEEMED TO HIM THAT THE FRINGE BENEFITS AT PRESENT ENJOYED BY CIVIL SERVANTS WERE ENTIRELY EXPATRIATE-ORIENTED: FOR EXAMPLE SCHOOL FEES FOR THE CHILDREN OF CIVIL SERVANTS STUDYING ABROAD AND AIR PASSAGES FOR SUCH CHILDREN.

HE SAID THE OBJECTIVE SHOULD NOT BE TO ENCOURAGE THE CHILDREN OF CIVIL SERVANTS TO STUDY ABROAD BUT TO STUDY AT HOME. ANY STUDENTS STUDYING ABROAD MIGHT DECIDE NOT TO RETURN TO HONG KONG, AND THIS WAS NOT GOOD FOR THE LONG-TERM FUTURE OF HONG KONG.

/HE SUGGESTED

HE SUGGESTED THAT A COMMISSION BE SET UP TO STUDY THE MATTER AND TO CHANGE THE EXPATRIATE-ORIENTED PACKAGE TO A LOCAL-ORIENTED PACKAGE, THEREBY NOT ONLY ENCOURAGING MORE LOCAL PEOPLE TO JOIN GOVERNMENT SERVICE BUT ALSO ENCOURAGING AS MUCH AS POSSIBLE THEIR CHILDREN TO STUDY AND WORK IN HONG KONG.

ON THE QUESTION OF A SALES TAX, MR LEE SAID IT WAS EVIDENT THAT THE IMPOSITION OF ANY SALES TAX WOULD HURT THE POOR MORE THAN THE RICH. AND IT WAS THEREFORE A TAX WHICH SHOULD BE IMPOSED ONLY AS A LAST RESORT.

BUT HE GAVE QUALIFIED SUPPORT TO THE FINANCIAL SECRETARY'S PROPOSAL TO CONTINUE WITH HIS RESEARCH INTO THIS AREA OF TAXATION.

FIRSTLY, THERE WERE ONLY VERY FEW PEOPLE IN HONG KONG WHO HAD TO PAY ANY TAX, AND SECONDLY, THERE WAS A RATHER SERIOUS EMIGRATION PROBLEM. AND MOST OF THE EMIGRANTS CAME FROM THIS SMALL BRACKET OF TAXPAYERS.

"SUPPOSE THIS EMIGRATION TIDE WERE TO CONTINUE, THEN IN THE NOT TOO DISTANT FUTURE, THERE MAY COME A TIME WHEN THERE WILL NOT BE MANY TAXPAYERS LEFT IN HONG KONG," HE SAID.

AND IF THE ECONOMY SHOULD CEASE TO BE VIBRANT AS NOW, THE GOVERNMENT MIGHT FACE A VERY DIFFICULT PROBLEM OF HAVING EITHER TO INCREASE TAXATION - WHICH WOULD CAUSE AN EVEN HEAVIER BURDEN ON THE VERY FEW TAXPAYERS LEFT IN HONG KONG - OR TO REDUCE THE SOCIAL WELFARE PROGRAMMES NOW UNDERTAKEN BY THE GOVERNMENT.

IN THAT SITUATION, AND AS A LAST RESORT, IT MIGHT BECOME NECESSARY FOR THE SALES TAX TO BE IMPOSED, HE SAID.

WHEN THE FINANCIAL SECRETARY'S MOTIVES WERE PROPERLY UNDERSTOOD, WHAT HE WAS PROPOSING WAS LAUDABLE. HE WAS DOING NOTHING MORE THAN MAKING PREPARATION FOR A POSSIBLE RAINY DAY, MR LEE ADDED.

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FAIR SHARE FOR SOCIAL WELFARE

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THE FINANCIAL SECRETARY'S MIDDLE CLASS BUDGET THIS YEAR, HIGHLIGHTING TAX CONCESSIONS AND INCREASED SOCIAL SERVICES EXPENDITURES, HAS OWN HIM ROUNDS OF PRAISE FROM ALMOST ALL SECTORS OF THE COMMUNITY, THE HON HUI YIN-FAT SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY) WHEN SUPPORTING THE APPROPRIATION BILL 1988.

MR HUI SAID THE BUDGET SURPLUS, WHILE MAINTAINING THE CONTINUITY AND PRUDENCE OF PREVIOUS BUDGETS, HAD ENABLED THE GOVERNMENT TO FULFILL ITS PROMISE OF APPROPRIATING A FAIR SHARE FOR SOCIAL WELFARE SERVICES.

"INDEED, THE \$3.9 BILLION ALLOCATION, REPRESENTING 6.3 PER CENT OF THE TOTAL BUDGET, COMPARES FAVOURABLY WITH ALLOCATIONS IN THE PAST FEW YEARS, AND GIVES REASON FOR THE VOLUNTARY SECTOR TO REJOICE," HE SAID.

BUT HE NOTED THAT SOCIAL SECURITY PAYMENTS STILL ABSORBED 83 PER CENT, OR \$584 MILLION, OF THIS YEAR'S \$702 MILLION INCREASE OVER THE 87-88 ESTIMATES FOR SOCIAL WELFARE.

ALSO, THE INCREASE IN SOCIAL WELFARE EXPENDITURES THIS YEAR WAS ONLY ADEQUATE FOR PROVISIONS TO CATCH UP ON PAST SLIPPAGE.

MR HUI SAID THAT SOCIAL WORK TRAINING REMAINED AN AREA THAT REQUIRED A MORE EQUITABLE DISTRIBUTION OF AVAILABLE RESOURCES.

UNTRAINED WELFARE WORKERS WERE CURRENTLY PROVIDING DIRECT SERVICES TO THE PUBLIC, OFTEN LOOKING AFTER THEIR EMOTIONAL AND PSYCHOLOGICAL NEEDS, AND THE NATURE OF THEIR WORK WARRANTED PROPER PRE-SERVICE TRAINING THAT WAS STILL NON-EXISTENT IN HONG KONG.

RECENT TRAGIC CASES EMPHASISED THE NEED FOR QUALIFIED SOCIAL WORKERS TO HAVE IN-DEPTH KNOWLEDGE OF SOCIAL WORK PRACTICE IN ADDITION TO THE GENERIC TRAINING THEY RECEIVE.

MR HUI REGRETTED THAT NO EFFORT HAD BEEN MADE TO EQUIP SOCIAL WORKERS TO DEAL WITH THEIR NEW RESPONSIBILITIES ARISING FROM THE IMPLEMENTATION OF THE MENTAL HEALTH ORDINANCE.

"WITH THE STRENGTHENING OF THE SOCIAL WELFARE DEPARTMENT'S TRAINING DIVISION IN THE COMING YEAR, I MUST URGE THE DEPARTMENT TO ENSURE THAT THE TRAINING NEEDS OF THE VOLUNTARY SECTOR, WHICH EMPLOYS TWO THIRDS OF OUR SOCIAL WORKERS, WILL BE ADEQUATELY MET."

HE SAID THAT THE REGISTRATION SYSTEM, SET TO ENSURE THAT SOCIAL WORK TASKS WOULD BE PERFORMED BY QUALIFIED SOCIAL WORKERS, SHOULD RECEIVE FULL SUPPORT FROM THE GOVERNMENT.

/ON FRINGE

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ON FRINGE BENEFITS FOR EMPLOYEES OF SUBVENTED ORGANISATIONS, MR HUI NOTED THAT EFFORTS WERE CONTINUING TO NARROW THE DISPARITY IN SALARIES AND FRINGE BENEFITS BETWEEN THESE EMPLOYEES AND CIVIL SERVANTS DOING THE SAME WORK.

HE SAID THE ARGUMENT ADVANCED BY THE GOVERNMENT, THAT DIFFERENT PERSONNEL PRACTICES AND SYSTEMS RENDERED STANDARDISED TREATMENT IMPOSSIBLE, WAS INCREDIBLE FOR THREE REASONS.

"FIRSTLY, SUBVENTED ORGANISATION STAFF ARE PAID ON A PAR WITH THEIR CIVIL SERVICE COUNTERPARTS -- CHANGES IN THE LATTER'S SALARIES AND CONDITIONS OF SERVICE DIRECTLY AFFECT THE FORMER.

"SECONDLY, WHERE THE STAFF QUALIFICATION, JOB NATURE AND WORKLOAD ARE EQUAL, PAY PACKAGES SHOULD IN ALL FAIRNESS BE THE SAME FOR BOTH IN ACCORDANCE WITH THE PRINCIPLES OF EQUALITY.

"THIRDLY, SUBVENTED ORGANISATIONS STAFF ARE LOOKED UPON BY THE PUBLIC AS EQUALS TO CIVIL SERVANTS. THEREFORE, IT IS UNREASONABLE THAT THEY SHOULD BE PAID LESS WHEN PUBLIC EXPECTATIONS FOR BOTH GROUPS REMAIN THE SAME."

MR HUI SAID THAT, ALL ALONG, SOCIAL WORKERS EMPLOYED BY VOLUNTARY AGENCIES HAD ACQUIESCED IN A SMALLER PAY PACKAGE, WITH LITTLE OR NO CONCOMITANT FRINGE BENEFITS AS ENJOYED BY CIVIL SERVANTS.

HE WAS CONCERNED THAT THE 1986 PAY LEVEL SURVEY, WHICH SET OUT TO BRING ABOUT A SMALLER PERCENTAGE OF SALARY ADJUSTMENT THIS YEAR, WOULD MEAN IMPOSING A DOUBLE PENALTY ON VOLUNTARY AGENCIES, WHOSE "LOSS" OVER THE YEARS HAD NOT BEEN REMEDIED, WHILE THEIR ACTUAL PAY PACKAGE WOULD BE FURTHER REDUCED.

TURNING TO THE LOTTERIES FUND, MR HUI SAID THAT UNDER THE RECENTLY AMENDED BETTING DUTY ORDINANCE, THE MEAGRE 3.5 PER CENT ALLOCATION TO THE FUND COULD ONLY BENEFIT THE GOVERNMENT TREASURY AND THE JOCKEY CLUB AT THE EXPENSE OF SOCIAL WELFARE PROJECTS.

HE SAID THAT IN VIEW OF THE LARGE NUMBER OF CAPITAL PROJECTS APPLYING TO THE FUND ANNUALLY, IT WOULD NOT BE AVARICIOUS TO ASK FOR A 10 PER CENT ALLOCATION OF LOTTERIES PROCEEDS.

"I WISH ALSO TO POINT OUT THAT THE PIVOTAL QUESTION OF INVOLVING THE GOVERNMENT IN PERMANENT COMMITMENT OF ADDITIONAL RECURRENT EXPENDITURES COULD BE RESOLVED BY SPLITTING THE PROPOSED 10 PER CENT LOTTERIES FUND ALLOCATION INTO TWO PARTS.

"FIVE PER CENT COULD BE USED TO FINANCE CAPITAL PROJECTS, AND THE OTHER FIVE PER CENT COULD BE PUT ASIDE TO SET UP A REVOLVING FUND, GENERATING INTEREST TO COVER IMPROVEMENT COSTS FOR EXISTING SERVICES WHICH HAVE BEEN GIVEN LOW PRIORITY," HE SAID.

/ON TAX

ON TAX CONCESSIONS, MR HUI SAID THAT WHILE THIS YEAR'S BUDGET HAD BEEN HAILED AS A BONANZA FOR THE MIDDLE CLASS, NO PROVISION HAD BEEN MADE FOR THE SO-CALLED SANDWICH CLASS PEOPLE WHO WERE MAINLY NON-OWNER OCCUPIERS OF PREMISES AND WERE NOT QUALIFIED FOR PUBLIC RENTAL HOUSING.

"THESE PEOPLE CANNOT BENEFIT FROM THE ONE PER CENT TAX CONCESSION IN STAMP DUTY FOR PREMISES COSTING \$500,000 TO \$1.5 MILLION WHICH ARE QUITE BEYOND THEIR MEANS TO PURCHASE."

MR HUI MAINTAINED THAT WAIVING THE ONE PER CENT STAMP DUTY FOR PREMISES COSTING LESS THAN \$500,000 WOULD COST THE GOVERNMENT LESS THAN \$500 MILLION, AND WOULD INDUCE MORE MIDDLE-LOWER INCOME EARNERS TO PURCHASE THEIR OWN HOMES, FOSTERING IN THEM A SENSE OF BELONGING TO HONG KONG.

ANOTHER AREA OF CONCERN TO MR HUI WAS THE MENTION OF A SALES TAX, WHICH HE SAID WOULD HIT HARD THE LOWER INCOME GROUP AND WIDEN THE GAP BETWEEN THE RICH AND THE POOR.

ON THE OTHER HAND, HE NOTED THAT THE TOKEN ONE PER CENT REDUCTION IN PROFITS TAX, WHILE NOT MAKING MUCH IMPACT ON THE BUSINESS CIRCLE, COULD HAVE BEEN RETAINED, AND THE MONEY COLLECTED COULD BE SPENT ON SOCIAL SERVICES WHICH WOULD BRING IMMEDIATE BENEFIT TO THE LOWER INCOME GROUP.

SIMILARLY, HE FULLY SUPPORTED THE CALL FOR THE GOVERNMENT TO REVIEW THE OUTDATED SCALE OF INCOME TAX WHICH SHOULD BE ADJUSTED ACCORDING TO INFLATIONARY TRENDS IN ORDER TO EASE THE HARDSHIPS OF LOW INCOME TAXPAYERS.

SAYING HE WAS TAKING THE GRASSROOT POPULATION'S INTERESTS INTO CONSIDERATION, MR HUI PROPOSED THE INTRODUCTION OF TAX EXEMPTIONS FOR EMPLOYERS TO ADAPT THEIR MACHINERY TO MEET THE NEEDS OF DISABLED WORKERS.

THERE SHOULD ALSO BE TAX CONCESSIONS FOR FACTORY OWNERS WHO OPERATED DAY CRECHES FOR WORKING MOTHERS ON THEIR PAYROLL, CHILD ALLOWANCES FOR WORKING HOUSEWIVES AND ALLOWANCES FOR FAMILIES WITH ELDERLY AND INFIRM MEMBERS.

MR HUI ALSO SAID THAT IN ANTICIPATION OF A POSSIBLY LESS BOUYANT ECONOMY AND LIKELY EXPENDITURE CUTBACKS IN 1989, THE GOVERNMENT SHOULD ACT NOW TO EXPAND AND IMPROVE SOCIAL WELFARE SERVICES.

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CHANGES IN TAXATION MUST MEET STATED OBJECTIVES

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THE MOST STRIKING POINT ABOUT THE SECOND BUDGET PRESENTED BY THE FINANCIAL SECRETARY LAY IN THE MENTION OF STRUCTURAL CHANGES TO THE TAXATION SYSTEM, THE HON ROSANNA TAM SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN SUPPORT OF THE APPROPRIATION BILL 1988, MRS TAM SAID THE FINANCIAL SECRETARY HAD ON THE ONE HAND INTRODUCED REFORMS TO ARRANGEMENTS CONCERNING DIRECT TAXATION.

ON THE OTHER HAND, HE HAD SHOWN AN INTENTION TO ADJUST THE RATIO BETWEEN DIRECT TAXATION AND INDIRECT TAXATION, BY WAY OF BROADENING THE INDIRECT TAX BASE AND INTRODUCING NEW FORMS OF INDIRECT TAXES.

"I DO NOT OPPOSE STRUCTURAL CHANGES IN OUR TAX SYSTEM BUT I AM VERY CONCERNED THAT THESE CHANGES SHOULD MEET THE OBJECTIVE AS STATED -- TO MOVE TOWARDS A MORE ROBUST AND EQUITABLE FISCAL REGIME," SHE SAID.

ON SALARIES TAX, MRS TAM SAID SHE WAS PLEASED THAT THE FINANCIAL SECRETARY HAD TAKEN INTO ACCOUNT THE INTERESTS OF THE MIDDLE INCOME GROUP.

HE HAD INCLUDED IN HIS PROPOSALS A REDUCTION IN THE STANDARD TAX RATE, A REVISION OF MARGINAL TAX RATES, AN INCREASE IN THE PERSONAL ALLOWANCE AND A RISE IN THE CHARGEABLE INCOME LIMIT FOR THE MAXIMUM MARGINAL RATE.

SHE SAID THAT THE ONLY DRAWBACK WAS THAT THE FINANCIAL SECRETARY HAD NOT GIVEN ANY DEFINITE ANSWER TO THE REQUEST FOR SEPARATE TAXATION FOR MARRIED COUPLES, OR MADE ANY COMMITMENT TO IT.

"SEPARATE TAXATION DOES NOT ONLY SERVE THE PURPOSES OF BRINGING IMPROVEMENTS TO THE TAX SYSTEM AND PROMOTING THE WORKFORCE, IT ALSO HAS GREAT SOCIAL SIGNIFICANCE IN HELPING TO ESTABLISH WOMEN'S SOCIAL STATUS," SHE MAINTAINED.

SHE SAID THE INTRODUCTION OF A WORKING WIFE ALLOWANCE AS AN EXPEDIENT MEASURE WAS NOT A BAD IDEA, BUT IT DEFINITELY SHOULD NOT TAKE THE PLACE OF SEPARATE TAXATION.

URGING THE GOVERNMENT TO MAKE A CLEAR COMMITMENT ON THE EXACT DATE OF IMPLEMENTING SEPARATE TAXATION, MRS TAM SAID SHE FULLY BELIEVED THAT SEPARATE TAXATION, ON TOP OF THE NEW SALARIES TAX ARRANGEMENTS TO BE IMPLEMENTED THIS YEAR, WOULD MOVE THE PERSONAL TAX SYSTEM TOWARDS A MORE ROBUST AND EQUITABLE SHAPE.

REGARDING THE ADJUSTMENT OF THE RATIO BETWEEN DIRECT AND INDIRECT TAXES, SHE STRESSED THAT THE RATIO ADOPTED SHOULD BE IN LINE WITH THE CHANGES OF THE COMMUNITY.

/SHE NOTED

SHE NOTED THAT THERE DID NOT SEEM TO BE ANY URGENT NEED FOR A WIDER TAX BASE, AND THAT IN THE ABSENCE OF PROPER ARRANGEMENTS, THE SUGGESTED SALES TAX, EVEN IF INTRODUCED AT THE WHOLESALE LEVEL, WOULD INCREASE THE TAX BURDEN ON THE GENERAL PUBLIC.

CALLING ON THE AUTHORITIES TO CAREFULLY CONSIDER HOW SALES TAX COULD BE INTRODUCED TO ENHANCE THE STABILITY OF REVENUE YIELD WITHOUT SERIOUSLY AFFECTING THE PUBLIC'S LIVELIHOOD, SHE PROPOSED, FIRSTLY, THAT THE GOVERNMENT SHOULD CHOOSE ONLY UP-MARKET CONSUMER GOODS FOR THE LEVY OF SALES TAX.

"SECONDLY, THE GOVERNMENT MAY CONSIDER APPLYING DIFFERENT RATES FOR DIFFERENT KINDS OF CONSUMER GOODS."

THIRDLY, CONSIDERATION SHOULD BE GIVEN TO GRANTING GREATER CONCESSIONS TO SALARIES TAX UPON THE INTRODUCTION OF SALES TAX," SHE SAID.

NOTING THAT THE HARDEST HIT WOULD BE THE MIDDLE INCOME GROUP, MRS TAM ALSO SUGGESTED THAT, IN CONSIDERING THE INTRODUCTION OF SALES TAX, THE AUTHORITIES SHOULD GIVE THIS GROUP FURTHER CONCESSIONS IN RESPECT OF THEIR SALARIES TAX, OR WIDEN THE INCOME LEVELS FOR MARGINAL TAX RATES, OR ABOLISH THE CLAWBACK ON ADDITIONAL PERSONAL ALLOWANCES.

ON SOCIAL WELFARE SERVICES, MRS TAM SAID THAT THE IMPROVED ARRANGEMENT WERE ENCOURAGING. HOWEVER, WITH THE HUGE SURPLUS IN PUBLIC FINANCES, THE AUTHORITIES COULD NOW LOOK POSITIVELY INTO THE NEED FOR BETTERING THE QUALITY OF SERVICES.

"TAKE CAMPS AND HOSTELS SERVICE FOR EXAMPLE, THE QUALITY IS EXPECTED TO IMPROVE WHEN MANAGEMENT IS TRANSFERRED FROM THE SOCIAL WELFARE DEPARTMENT TO THE MUNICIPAL SERVICES BRANCH.

"HENCE, THE FUNDS ALLOCATED TO THE SERVICE THIS YEAR HAVE ONLY BEEN INCREASED BY \$800,000 WHICH IS FAR BELOW THE AMOUNT REQUIRED FOR IMPROVING THE CAMPS AND HOSTELS FACILITIES."

SHE ALSO CALLED ON THE GOVERNMENT TO GIVE FULL CONSIDERATION TO THE SHORTAGE OF SOCIAL WORKERS WHEN PLANNING FOR THE DEVELOPMENT OF SOCIAL SERVICES.

ON PLANNING FOR SERVICES, SHE HOPED THAT THE GOVERNMENT WOULD FIRSTLY MAKE A THOROUGH STUDY ON THE IMPACT OF THE CHANGE IN POPULATION DISTRIBUTION ON THE PROVISION OF EXISTING SOCIAL SERVICES.

"SECONDLY, THE AUTHORITIES SHOULD ADOPT A MORE FLEXIBLE APPROACH IN PLANNING FOR THE PROVISION OF ADDITIONAL SOCIAL SERVICES AND MAKE NECESSARY ARRANGEMENTS IN LINE WITH THE DEMOGRAPHIC STRUCTURE OF EACH DISTRICT," SHE SAID.

SHE NOTED THAT WHILE THE PLANNING ON YOUTH CENTRES HAD BEEN GIVEN A DEGREE OF FLEXIBILITY, THAT ON OTHER SERVICES LIKE CENTRES FOR THE ELDERLY AND CHILD CARE CENTRES WAS NOT FLEXIBLE ENOUGH.

"MOREOVER, OWING TO THE RAPID DEVELOPMENT OF NEW TOWNS, MANY PLANNED SOCIAL SERVICES, IN TERMS OF QUALITY AND QUANTITY, CANNOT COPE WITH THE ACTUAL DEMAND."

MRS TAM ALSO ASKED THE GOVERNMENT TO CONSIDER DEVELOPING SPECIFICALLY DESIGNED SERVICES TO MEET THE NEEDS OF TARGET GROUPS SUCH AS THOSE COMING FROM SINGLE-PARENT FAMILIES, TEENAGE GIRLS WHO RAN AWAY FROM HOME FREQUENTLY AND YOUNG MARRIED WOMEN WHO REQUIRED HELP AFTER MOVING TO THE NEW TOWNS.

ON THE FUNDING FOR WELFARE SERVICES, MRS TAM NOTED THAT ORGANISATIONS THAT DONATED PART OF THEIR PROFITS TOWARDS CHARITABLE PURPOSES COULD ONLY ENJOY A TAX-DEDUCTIBLE ALLOWANCE OF NOT MORE THAN 10 PER CENT OF THEIR TOTAL PROFITS.

SHE SAID THAT SUCH PROVISION DISCOURAGED ORGANISATIONS FROM MAKING MORE DONATIONS FOR USE ON SOCIAL WELFARE SERVICES.

AS LONG AS MEMBERS OF THE PUBLIC AND LOCAL ORGANISATIONS WERE WILLING TO CONTRIBUTE, THE GOVERNMENT SHOULD SHOW ENCOURAGEMENT BY RAISING SUBSTANTIALLY THE TAX-DEDUCTIBLE ALLOWANCE FOR CHARITABLE DONATIONS.

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MORE DETAILS NEEDED ON HOSPITAL AUTHORITY

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THE GOVERNMENT SHOULD TAKE THE INITIATIVE NOW TO GIVE MORE DETAILS ABOUT THE ESTABLISHMENT OF THE HOSPITAL AUTHORITY, ITS RELATIONSHIP WITH THE MEDICAL AND HEALTH DEPARTMENT AND ITS FINANCIAL PROVISIONING.

THE HON TAI CHIN-WAH MADE THIS CALL DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

MR TAI SAID IT WAS DISAPPOINTING THAT THE FINANCIAL SECRETARY MADE NO MENTION OF THE HOSPITAL AUTHORITY IN HIS BUDGET SPEECH.

OWING TO ITS IMPORTANCE, THE PUBLIC SHOULD HAVE THE RIGHT TO BE INFORMED OF ITS COMPOSITION AS WELL AS THE BUDGETARY IMPLICATIONS, HE SAID.

COMMENTING ON THE FORECAST SHORTFALL OF DOCTORS IN THE PUBLIC SECTOR FROM 1988 TO 1996, MR TAI SAID THE MAIN REASON FOR THIS WAS THE HIGH WASTAGE RATE IN THE PUBLIC SECTOR.

/THE PRESENT

THE PRESENT CONDITIONS OF SERVICE AND TRAINING OPPORTUNITIES WERE INADEQUATE FOR RETAINING DOCTORS IN THE PUBLIC SECTOR, HE ADDED.

HE THEREFORE APPEALED TO THE COUNCIL AND THE FUTURE HOSPITAL AUTHORITY TO EXAMINE SUCH AN ACUTE SITUATION AND CONSIDER PROVIDING SUFFICIENT FUNDS TO IMPROVE CONDITIONS OF SERVICE AND TRAINING OPPORTUNITIES.

TURNING TO THE LOWERING OF THE STANDARD TAX RATE TO 15.5 PER CENT, MR TAI POINTED OUT THAT ONLY 53,000 OF THE 700,000 ELIGIBLE TAXPAYERS PAID AT THE STANDARD RATE BUT THEY CONTRIBUTED 56 PER CENT OF THE TOTAL TAX YIELD.

"THIS TAX BURDEN CONCENTRATES ON A SMALL NUMBER OF TAXPAYERS. THIS SITUATION IS NEGOTIABLE AS THE SOCIETY OF HONG KONG OWES SO MUCH TO SO FEW," HE SAID.

"BACKED BY THE CUMULATIVE SURPLUS IN BUDGETTING FOR THE LAST THREE YEARS, THE ADMINISTRATION SHOULD GIVE CONSIDERATION TO THE POSSIBILITY OF GRANTING AN INCREASE IN THE PERSONAL ALLOWANCE AND A TAX CONCESSION TO THOSE IN THE MIDDLE INCOME BRACKET AS AN ENCOURAGEMENT FOR THEIR DILIGENCE AND CONTRIBUTION TO THE ECONOMY OF HONG KONG," HE SAID.

TURNING TO THE IDEA OF WIDENING THE TAX NET, MR TAI SAID THAT CHANGES TO THE INDIRECT TAX SYSTEM WOULD AFFECT MUCH MORE OF SOCIETY THAN DID DIRECT TAX.

"ANY CHANGE WITHOUT STRONG JUSTIFYING GROUNDS WILL ONLY DISTRESS A WIDE SECTION OF THE PUBLIC. THEREFORE EVERY MOVE TOWARDS INDIRECT TAX SHOULD BE VERY CAREFULLY SCRUTINISED IF SOCIAL RESENTMENT AND DISTRESS IS TO BE AVOIDED."

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FILM CENSORSHIP BILL DESIGNED TO REDUCE CENSORSHIP

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THE NEW FILM CENSORSHIP BILL NOW BEFORE THE LEGISLATIVE COUNCIL IS DESIGNED TO REDUCE CENSORSHIP, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, MR PETER TSAO, SAID THIS (THURSDAY) EVENING.

MR TSAO SAID THE BILL "REPRESENTS A LIBERALISATION OF CENSORSHIP STANDARDS BY PERMITTING AN 'ADULT FILM' CATEGORY; IT PROVIDES FOR DIRECT PUBLIC PARTICIPATION IN THE CENSORSHIP PROCESS; AND IT REMOVES CENSORSHIP ON ADVERTISING MATERIALS".

SPEAKING AT THE DINNER OF THE MBA ALUMNI ASSOCIATION OF THE CHINESE UNIVERSITY OF HONG KONG AND THE THREE-YEAR MBA (CUHK) ASSOCIATION LIMITED, MR TSAO SAID THE BILL "DOES PROVIDE FOR FILMS TO BE SHOWN TO RESTRICTED MATURE AUDIENCES WHICH OUR PRESENT LAW DOES NOT".

"SEXY OR VIOLENT FILMS WHICH HITHERTO WOULD HAVE BEEN BANNED MAY, IF THE LAW IS PASSED, IN FUTURE BE SHOWN TO ADULT AUDIENCES.

"THIS IS A TANGIBLE LIBERALISATION AS COMPARED WITH THE PRESENT SYSTEM WHERE, IN THE CASE OF MANY MARGINAL FILMS, THE BABY GETS THROWN OUT WITH THE BATH-WATER," HE SAID.

MR TSAO SAID THE BILL ALSO PROVIDED FOR A GREATER COMMUNITY INPUT INTO THE PROCESS OF FILM CENSORSHIP IN THAT A CENSOR MIGHT VIEW A FILM WITH LAY ADVISERS DRAWN FROM A CROSS SECTION OF THE COMMUNITY.

HE ADDED THAT ANYONE AGGRIEVED BY A CENSOR'S DECISION WOULD BE ABLE TO APPEAL TO A BOARD OF REVIEW COMPRISING A MAJORITY OF MEMBERS OF THE PUBLIC AND WITH AN UNOFFICIAL CHAIRMAN.

"IN MY OPINION," HE SAID, "THIS WILL PROVIDE ADEQUATE SAFEGUARDS AGAINST ANY UNJUSTIFIABLE ACTIONS BY THE CENSORING AUTHORITIES," HE SAID.

A FURTHER IMPROVEMENT IN THE NEW BILL WAS THE ENDING OF ADVANCE CENSORSHIP OF ADVERTISING MATERIALS FOR FILMS WHICH, MR TSAO SAID, WOULD PUT SUCH MATERIALS ON A PAR WITH THE TREATMENT OF OTHER PUBLICATIONS.

ON THE SO-CALLED "POLITICAL CENSORSHIP" CLAUSE IN THE BILL, MR TSAO SAID HE HAD NO DOUBT THAT THE CLAUSE WAS NECESSARY FOR THE PROTECTION OF THE WELL-BEING OF OUR COMMUNITY.

"HONG KONG IS AFTER ALL NOT A SELF-SUFFICIENT TERRITORY, AND OUR COMMERCE AND PROSPERITY ARE CLOSELY LINKED TO THE GOODWILL, AND UNDERSTANDING OF NATIONS ALL ROUND THE WORLD.

"IT SIMPLY DOES NOT MAKE SENSE TO ME TO JEOPARDISE OUR GOOD RELATIONS WITH ANY TERRITORY FOR THE SAKE OF SCREENING THE ODD FILM WHICH DISRESPECTS ITS POLITICAL SENSITIVITIES," HE SAID.

/MR TSAO

MR TSAO POINTED OUT THAT THE CENSORING AUTHORITIES HAD HAD THE POWER TO CENSOR FILMS ON SUCH GROUNDS SINCE 1953 AND THE NEW CRITERION WAS TIGHTER ON THE CENSOR THAN THE PRESENT ONE.

TURNING TO TELEVISION, MR TSAO SAID THERE WAS AN EVEN GREATER COMMUNITY INPUT IN THE SUPERVISION OF TELEVISION BROADCASTING THAN FILMS WITH THE RECENT SETTING UP OF THE BROADCASTING AUTHORITY WHICH HAD A MAJORITY OF NON-OFFICIAL MEMBERS AND A NON-OFFICIAL CHAIRMAN.

"THE EXISTENCE OF THIS AUTHORITY ENSURES THAT THE GOVERNMENT ITSELF DOES NOT ACT AS THE GUARDIAN OF THE COMMUNITY'S MORALS: THAT JUDGEMENT IS LEFT TO MEMBERS OF THE PUBLIC WHO ARE APPOINTED TO, AND FORM A MAJORITY ON, THE BROADCASTING AUTHORITY," HE SAID.

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SELF-REGULATION OF INSURANCE INDUSTRY FAVOURED
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THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, SAID THIS (THURSDAY) EVENING THAT HE FAVOURED SELF-REGULATION AS AN ASPECT OF REGULATION OF THE INSURANCE INDUSTRY, SUBJECT TO ADEQUATE SAFEGUARDS AND AN APPROPRIATE LEGISLATIVE FRAMEWORK TO ENSURE THAT IT WORKS EFFECTIVELY.

SPEAKING AT THE ANNUAL DINNER OF THE INSURANCE INSTITUTE OF HONG KONG, MR NENDICK HOWEVER SAID THAT THERE MUST BE PROPER MONITORING AND STRICT COMPLIANCE BY THE INDUSTRY TO ITS OWN RULES OF CONDUCT.

"A PROPER BALANCE CAN ONLY BE STRUCK IF THERE IS PROPER DIALOGUE AND CO-OPERATION BETWEEN THE INSURANCE INDUSTRY AND GOVERNMENT BASED UPON MUTUAL TRUST.

"THIS, I HOPE, IS THE BASIS UPON WHICH WE WILL BE ABLE TO CARRY THE SUBJECT FORWARD HERE IN HONG KONG," HE SAID.

MR NENDICK SAID THE INSURANCE INDUSTRY'S WORKING GROUP ON SELF-REGULATION HAD RECENTLY SUBMITTED ITS BROAD PROPOSALS TO GOVERNMENT ON THE INSURANCE CONTRACT LAW AND THE REGULATION OF INSURANCE INTERMEDIARIES.

WHILE WELCOMING THE INITIATIVE OF THE INSURANCE INDUSTRY, MR NENDICK SAID THE GOVERNMENT WAS NOW EXAMINING THESE PROPOSALS TO SEE WHETHER THEY COULD FORM A SOLID FOUNDATION FOR THE EFFECTIVE CONTROL OF INTERMEDIARIES.

/HE SAID

HE SAID THIS WAS AN IMPORTANT AREA OF CONSUMER PROTECTION AND IT WAS TOO EARLY TO SAY WHETHER THE PROPOSALS WERE PRACTICABLE OR TO IDENTIFY THE EXTENT TO WHICH THEY WOULD NEED TO BE BACKED UP BY A LEGISLATIVE FRAMEWORK.

"WE INTEND TO CONTINUE OUR DIALOGUE WITH THE INDUSTRY IN THE HOPE OF ACHIEVING AN OUTCOME WHICH IS IN THE BEST INTERESTS OF ALL THE PARTIES CONCERNED," HE SAID.

MR NENDICK POINTED OUT THAT ONE AREA IN THE REGULATORY FRAMEWORK CAPABLE OF IMPROVEMENT WAS IN THE FIELD OF CO-OPERATION BETWEEN REGULATORY AGENCIES IN HONG KONG AND OVERSEAS.

THIS WAS TAKEN ACCOUNT OF IN THE INSURANCE COMPANIES (AMENDMENT) BILL WHICH WOULD BE INTRODUCED INTO THE LEGISLATIVE COUNCIL NEXT WEEK AND WOULD, HE HOPED, BE PASSED IN THIS SESSION.

THE BILL'S MAIN OBJECTIVE IS TO CLARIFY THE RIGHTS AND OBLIGATIONS OF THE INSURANCE AUTHORITY IN THE DISCLOSURE OF INFORMATION OBTAINED IN THE COURSE OF HIS STATUTORY DUTIES.

THE BILL WILL ALSO MAKE TWO TECHNICAL AMENDMENTS. IT WILL GIVE THE INSURANCE AUTHORITY A DISCRETION TO DETERMINE AT WHAT TIME CONDITIONS IMPOSED AT THE TIME OF AUTHORISATION OF AN INSURANCE COMPANY SHOULD BE REVOKED AND EMPOWER THE AUTHORITY TO WITHDRAW AUTHORISATION FOR PART OF ANY CLASS OF INSURANCE BUSINESS.

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COUNSELLOR FOR BRITISH JLG OFFICE IN HK

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MR DOUG MARTIN, CURRENTLY HEAD OF CHANCERY AT THE BRITISH EMBASSY IN LISBON, HAS BEEN APPOINTED TO A POST AS COUNSELLOR IN THE BRITISH JOINT LIAISON GROUP OFFICE WHEN THIS OPENS IN HONG KONG ON JULY 1.

MR MARTIN WILL BE IN DAY-TO-DAY CHARGE OF THE OFFICE, ACTING ON BEHALF OF THE BRITISH SENIOR REPRESENTATIVE, MR ROBIN MCLAREN, WHO RETAINS HIS POST AS ASSISTANT UNDER-SECRETARY OF STATE (ASIA) IN THE FOREIGN AND COMMONWEALTH OFFICE.

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DONATIONS TO SAF NOW TAX-DEDUCTIBLE
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DONATIONS TO SPORT THROUGH THE SPORTS AID FOUNDATION ARE NOW TAX-DEDUCTIBLE, A SPOKESMAN FOR THE SPORT AID COMMITTEE OF THE COUNCIL FOR RECREATION AND SPORT ANNOUNCED TODAY (THURSDAY).

THE SPORTS AID FOUNDATION WAS SET UP RECENTLY WITH A DONATION OF \$10 MILLION FROM THE ROYAL HONG KONG JOCKEY CLUB. IT AIMS TO ASSIST TALENTED INDIVIDUAL ATHLETES TO REACH ASIAN OR INTERNATIONAL STANDARDS.

"WITH THE TAX INCENTIVE, IT IS HOPED THAT INCREASED CONTRIBUTION FROM THE PRIVATE SECTOR WILL BE FORTHCOMING FOR THE PROMOTION OF SPORT," THE SPOKESMAN SAID.

"ALSO, A NEW PREFERRED DONATION SCHEME UNDER THE FOUNDATION WILL ENABLE BUSINESS CORPORATIONS, THE PRIVATE SECTOR AND THE GENERAL PUBLIC TO DONATE MONEY TO A SPECIFIED SPORT," HE SAID.

THE SPORTS AID COMMITTEE WHICH ADMINISTERS THE FUND WILL NORMALLY COMPLY WITH THE WISH OF THE DONORS, IN WHICH CASE THE TOTAL AMOUNT, OR PART OF THE "PREFERRED DONATION", WILL BE GRANTED TO THE GOVERNING BODY OF THE CONCERNED SPORT.

"IF THE DONOR DOES NOT HAVE A PREFERENCE, THE COMMITTEE WILL ALLOCATE THE FUND AS IT CONSIDERS APPROPRIATE," THE SPOKESMAN ADDED.

THE FOUNDATION'S FUNDS ARE NOW OPEN FOR APPLICATION. LOCAL AMATEUR ATHLETES WISHING TO APPLY SHOULD COMPLETE AN APPLICATION FORM WHICH IS AVAILABLE FROM THEIR ASSOCIATION OR FROM THE SPORTS AID COMMITTEE OF THE COUNCIL FOR RECREATION AND SPORT, 11TH FLOOR, WING ON CENTRE, 111 CONNAUGHT ROAD, CENTRAL, HONG KONG.

FURTHER ENQUIRIES CAN BE MADE ON 5-458511.

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SAI KUNG DB TO DISCUSS HANG HAU TOWN CLEARANCE
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THE SAI KUNG DISTRICT BOARD WILL MEET TOMORROW (FRIDAY) TO DISCUSS THE PROPOSED RESUMPTION AND CLEARANCE OF PART OF HANG HAU TOWN FOR THE DEVELOPMENT OF JUNK BAY NEW TOWN.

THE PROPOSED ENGINEERING WORKS FOR THE RESUMPTION AND CLEARANCE ARE SCHEDULED TO COMMENCE IN DECEMBER THIS YEAR. A TOTAL OF 159 LOTS COMPRISING BOTH BUILDING AND AGRICULTURAL LAND WILL BE RESUMED AND CLEARED.

/REPRESENTATIVES FROM

REPRESENTATIVES FROM THE SAI KUNG DISTRICT LANDS OFFICE AND THE HOUSING DEPARTMENT WILL BE PRESENT TO GIVE DETAILS ON THE PROJECT AND TO ANSWER QUESTIONS ON REHOUSING MATTERS.

THE PROJECT MANAGER OF THE NEW TERRITORIES SOUTH DEVELOPMENT OFFICE, MR C.K. CHOW, WILL ALSO BE PRESENT TO BRIEF MEMBERS ON THE PROPOSED CONSTRUCTION OF A BREAKWATER AT PACKAGE 5 RECLAMATION WORKS.

OTHER ITEMS ON THE AGENDA INCLUDE THE "MEET THE PUBLIC" SCHEME, THE PROPOSED DISBURSEMENT OF DISTRICT BOARD FUNDS, DEPARTMENTAL ANNUAL PROGRAMMES FOR 1988-89, APPLICATIONS FOR DISTRICT BOARDS FUNDS AND THE PROGRESS REPORT OF THE SAI KUNG DISTRICT MANAGEMENT COMMITTEE.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE SAI KUNG DISTRICT BOARD MEETING TOMORROW (FRIDAY) IN THE DISTRICT BOARD CONFERENCE ROOM, SECOND FLOOR, SAI KUNG GOVERNMENT OFFICES BUILDING, CHAN MAN STREET, SAI KUNG TOWN. THE MEETING WILL BEGIN AT 10 AM.

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SHAM SHUI PO DB MEETING

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THE SHAM SHUI PO DISTRICT BOARD WILL MEET TOMORROW (FRIDAY) AFTERNOON TO APPOINT COMMITTEES OF THE BOARD, ELECT COMMITTEE CHAIRMEN AND DISCUSS THE ALLOCATION OF FUNDS TO THE COMMITTEES FOR 1988-89.

MEMBERS WILL ALSO DISCUSS THE PROVISIONAL TIMETABLE OF MEETINGS AND THE DISTRICT BOARD STANDING ORDERS.

OTHER ITEMS ON THE AGENDA INCLUDE A REPORT FROM THE DISTRICT MANAGEMENT COMMITTEE.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING OF THE SHAM SHUI PO DISTRICT BOARD TOMORROW (FRIDAY) IN THE DISTRICT OFFICE CONFERENCE ROOM, SECOND FLOOR, 37-39 TONKIN STREET, KOWLOON. THE MEETING WILL BEGIN AT 2 PM.

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PRAISE FOR PO LEUNG KUK'S SERVICES

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THE SECRETARY FOR DISTRICT ADMINISTRATION, MR DONALD LIAO, IS PLEASED THAT THE PO LEUNG KUK HAS PUT EMPHASIS ON OFFERING MULTI-FACETED SOCIAL SERVICES TO MEET THE NEEDS OF THE COMMUNITY.

MR LIAO SAID THIS WHEN THE PO LEUNG KUK'S BOARD OF DIRECTORS PAID A COURTESY CALL TO HIS OFFICE TODAY (THURSDAY).

MR LIAO ALSO COMPLIMENTED THE KUK ON THE STEPS IT HAS TAKEN TO IMPROVE ITS SERVICES.

THE KUK PLANS TO BUILD AN INTEGRATED CENTRE FOR THE ELDERLY, TWO CENTRES FOR THE ELDERLY, A DAY CENTRE FOR THE ELDERLY AND A CARE AND ATTENTION HOME.

MR LIAO TOLD THE DIRECTORS THAT THESE PROJECTS WOULD HELP MUCH IN THE PROVISION OF COMPREHENSIVE SERVICES FOR ELDERLY PEOPLE.

THE KUK ALSO PLANS TO BUILD SEVERAL NURSERIES AND WILL PUT CONSIDERABLE EFFORT INTO EDUCATION AND REHABILITATION WORK.

MR LIAO SAID THESE PROJECTS, NOW UNDERWAY IN VARIOUS PARTS OF THE TERRITORY, WOULD BENEFIT PEOPLE FROM ALL SECTIONS OF THE COMMUNITY.

"THE KUK'S EFFORTS TO SERVE THE COMMUNITY ARE MUCH APPRECIATED," HE SAID.

REGARDING THE KUK'S PROPOSED SECOND YOUTH HOLIDAY CAMP IN TAI TONG, YUEN LONG, MR LIAO SAID THE CITY AND NEW TERRITORIES ADMINISTRATION WOULD TRY ITS BEST TO PROVIDE ASSISTANCE SO THAT THE HOLIDAY CAMP COULD BE COMPLETED AS EARLY AS POSSIBLE.

MOREOVER, THE CNTA WOULD GIVE ITS ALL-OUT SUPPORT TO THE "PO LEUNG KUK AND THE COMMUNITY" CAMPAIGN ORGANISED BY THE KUK THIS YEAR TO ESTABLISH CLOSER TIES WITH THE COMMUNITY AND TO PROMOTE A THOROUGH UNDERSTANDING OF THE KUK'S WORK, HE ADDED.

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INAUGURATION CEREMONY OF SHAM SHUI PO AREA COMMITTEES
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AN INAUGURATION CEREMONY OF THE 1988-89 TERM OF AREA COMMITTEES IN SHAM SHUI PO WILL BE HELD TOMORROW (FRIDAY) AT 8 PM AT THE CHEUNG SHA WAN COMMUNITY CENTRE.

THE CEREMONY WILL START WITH AN OPENING SPEECH BY THE DEPUTY REGIONAL SECRETARY (HONG KONG AND KOWLOON), MR PAUL LEUNG, TO BE FOLLOWED BY THE PRESENTATION OF APPOINTMENT LETTERS TO REPRESENTATIVES FROM THE 10 AREA COMMITTEES IN SHAM SHUI PO.

THE 10 AREA COMMITTEES ARE NAMELY SHEK KIP MEI; LEI CHENG UK AND SO UK; PAK TIN; NAM SHAN AND YAU YAT CHUEN; LAI CHI KOK AND UN CHAU; CHEUNG SHA WAN; LAI WAN; NAM CHEONG EAST; NAM CHEONG WEST; AND NAM CHEONG NORTH.

THE CEREMONY WILL BE FOLLOWED BY A TEA RECEPTION.

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE INAUGURATION CEREMONY OF SHAM SHUI PO AREA COMMITTEES TOMORROW (FRIDAY) AT THE CHEUNG SHA WAN COMMUNITY CENTRE, 55 FAT TSEUNG STREET, KOWLOON. THE CEREMONY WILL START AT 8 PM.

END OF ERA FOR AUXILIARY MARINE POLICE
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MODERN TECHNOLOGY LAST MONTH CAUGHT UP WITH ONE OF THE FORCE'S OLDEST ESTABLISHED AUXILIARY UNITS. MARINE HARBOUR UNIT OF THE ROYAL HONG KONG AUXILIARY POLICE WENT ON DUTY FOR THE LAST TIME TO END OVER A CENTURY OF SERVICE IN SUPPORT OF THE REGULAR FORCE.

THE TIME AND COST OF TRAINING THE PART-TIMERS IN THE USE OF NEW SOPHISTICATED MARINE POLICE LAUNCHES LED TO A REVIEW WHICH BROUGHT THE GOVERNMENT DECISION TO DISBAND THE UNIT.

BUT THE LOSS OF THE HARBOUR UNIT HAS ALLOWED FOR ADJUSTMENTS AND IMPROVEMENTS IN OTHER BRANCHES OF THE AUXILIARY FORCE.

SAID MR DENNIS COLLINS, CHIEF STAFF OFFICER, AUXILIARIES: "BY LAST MONTH WE HAD 71 HARBOUR AUXILIARIES REMAINING OUT OF AN ESTABLISHMENT OF 255.

/"ALL BUT

"ALL BUT A FEW HAVE TRANSFERRED TO OTHER UNITS."

A TOTAL OF 215 OF THE FORMER HARBOUR POSTS HAVE BEEN ABSORBED BY OTHER AUXILIARY FORMATIONS.

THE DEMISE OF THE HARBOUR UNIT STEMS FROM THE MARINE FLEET EXPANSION AND REPLACEMENT PROGRAMME.

BECAUSE OF THE INTRODUCTION OF MORE SOPHISTICATED VESSELS TO EXPAND THE FLEET AND TO REPLACE OBSOLETE VESSELS THE PROFESSIONAL STANDARDS TO OPERATE THE NEW VESSELS AND THE TRAINING REQUIREMENTS TO MEET THE NEW STANDARDS WERE COMPLETELY REVISED AND NEW SYSTEMS WERE INTRODUCED.

THE NEW SYSTEM FOR TRAINING REGULAR FORCE MARINERS CONSISTS OF PROGRESSIVE ACADEMIC TRAINING AND EXAMINATION LINKED WITH SEA TIME TO PROVIDE NECESSARY PRACTICAL EXPERIENCE.

FOR AUXILIARY PERSONNEL OF THE AUXILIARY MARINE HARBOUR UNIT TO OPERATE OR BE DEPLOYED UPON THE NEW VESSELS THEIR TRAINING, QUALIFICATION AND EXPERIENCE ARE REQUIRED TO MATCH THEIR REGULAR COUNTERPARTS.

MR COLLINS COMMENTED: "EVEN IF THE HARBOUR AUXILIARIES WERE TO DEVOTE ALL THE TIME AVAILABLE TO SEA TIME THEY WOULD STILL NOT ABLE TO QUALIFY FOR THE NEW LAUNCHES."

CALCULATIONS SHOWED, SAID MR COLLINS, THAT IT WOULD TAKE 24.9 YEARS FOR AN AUXILIARY TO BECOME FULLY QUALIFIED AND PERMITTED TO COMMAND A VESSEL THROUGH THE PROGRESSIVE TRAINING, EXAMINATION AND EXPERIENCE PROGRAMME.

TO QUALIFY AS A DECK HAND/LOOKOUT WOULD TAKE THE AUXILIARY MORE THAN EIGHT YEARS; AS A DUTY COXWAIN, OVER 14 YEARS.

WHILE THERE WAS SORROW AT THE DISBANDMENT OF A HISTORIC AUXILIARY POLICE UNIT, MR COLLINS POINTED TO OTHER DEVELOPMENTS TO IMPROVE AUXILIARY SERVICE.

"WE'VE INCREASED TRAFFIC, DECENTRALISED AND MADE AN EVENLY BALANCED DISTRIBUTION OF WOMAN OFFICERS AND INTRODUCED THE RANK OF WOMAN STATION SERGEANT FOR THE FIRST TIME.

"EACH UNIT WILL GET AN ADDITIONAL STATION SERGEANT; WE'VE INCREASED CHIEF INSPECTOR POSTS BY DELETING SOME SUPERINTENDENT POSTS AND INCREASED STATION SERGEANTS BY DELETING SOME INSPECTORATE POSTS.

"WE'VE RATIONALISED THE WOMEN'S ESTABLISHMENT, INCREASED THE SIZE OF THE BAND AND ESTABLISHED A TRAINING UNIT.

"THE AUXILIARY FORCE HAS BEEN GENERALLY TIDIED UP IN THE PROCESS."

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AUXILIARY TRAINING WILL PLACE MORE EMPHASIS ON PRACTICAL EXPERIENCE, MORE ON-THE-JOB TRAINING.

"ALL AUXILIARIES WILL NOW GET CONSIDERABLY MORE PRACTICAL EXPERIENCE AND WILL BE BETTER PREPARED TO RELIEVE THEIR REGULAR COUNTERPARTS.

"ON-THE-JOB TRAINING WILL BE DONE IN UNITS OF THE MINIMUM SIZE OF HALF A PLATOON AND BE USED TO SUPPORT OR RELIEVE THE REGULARS," SAID MR COLLINS.

"SOME DISTRICTS REQUIRE ADDITIONAL PERSONNEL AT WEEKENDS AND THEY WILL NEED MORE FLEXIBLE ARRANGEMENTS."

THE PLAN WAS TO MAKE THE AUXILIARIES MORE EFFICIENT AND TO IMPROVE MORALE.

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LONG-SERVING POLICE OFFICERS HONOURED

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LONG-SERVICE INSIGNIA WERE AWARDED TO 35 VETERANS BY THE DEPUTY DIRECTOR, OPERATIONS, MR PETER WEBB, AT A CEREMONY HELD AT THE POLICE HEADQUARTERS TODAY (THURSDAY).

MR WEBB PRAISED THE OFFICERS FOR THEIR LONG AND DEVOTED SERVICE TO THE FORCE AND COMMUNITY.

CHIEF STAFF OFFICER OF THE TRAFFIC WING, MR TED TAYLOR, WAS AMONG THE EIGHT OFFICERS TO RECEIVE THE SECOND CLASPS TO THEIR LONG SERVICE MEDALS. THE AWARD IS GIVEN TO POLICE OFFICERS WHO HAVE SERVED IN THE FORCE FOR 30 YEARS.

THREE SENIOR INSPECTORS, A SERGEANT, A WOMAN SERGEANT AND FOUR SENIOR POLICE CONSTABLES WERE PRESENTED WITH FIRST CLASPS, IN RECOGNITION OF THEIR SERVICE IN THE PAST 25 YEARS.

SENIOR SUPERINTENDENT PHIL LAYTON, SUPERINTENDENT HUGH HEALY-BROWN, CHIEF INSPECTOR TAM KWOK-LEUNG, AS WELL AS 15 RANK-AND-FILE OFFICERS RECEIVED LONG SERVICE MEDALS SIGNIFYING 18 YEARS' SERVICE.

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