



HONG KONG GOVERNMENT

## INFORMATION SERVICES

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Wednesday, March 15, 1972

GOVERNMENT HAS FAILED TO ACHIEVED ITS INTENTIONS:

HON. SIR Y.K. KAN

Senior Unofficial Member Criticises "Conservatism and  
Pessimism" in Legislative Council's Budget Debate

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The Hong Kong Government has failed to achieve all that it should have achieved, the Senior Unofficial Member of the Legislative Council, the Hon. Sir Yuet-keung Kan, said today.

Speaking in the resumed debate on the Budget, Sir Yuet-keung said although Government's intentions were "unexceptionable", unfortunately the way in which it had set about putting these into effect was open to criticism.

"There have been several reasons for this," Sir Yuet-keung said.

There had been a serious deficiency in forward planning and Government activity in general had been, to a large extent, "moulded and restricted by a financial policy" which, in his opinion, had erred on the side of "conservatism and pessimism."

Sir Yuet-keung said, although he would hesitate to suggest that Government had not all along felt confidence in the ability of the people of Hong Kong to achieve what they had so notably succeeded in achieving in the past two decades, "this confidence has not made itself manifest in Government policy."

/"Indeed, .....

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"Indeed, the impression has been given of a Government holding back in many fields of endeavour."

Sir Yuet-keung criticised the Government for its "inadequate efforts" in the field of public assistance.

He said Unofficial Members of the Legislative Council had urged the Government, for many years, to give recipients cash assistance instead of only issuing dry rations, "but it was only last year that this began to be done."

Proposals for increasing the rates of assistance, referred to by the Financial Secretary, had now been approved. "Even if these are taken into account, however, the effort in this field must be considered inadequate in the light of our financial position and the public need."

#### Public Assistance

Sir Yuet-keung referred to the Financial Secretary's remarks that the rates of public assistance should not be such as to have an adverse effect on employment and wages.

"This, no doubt, is another way of saying that they are to be kept low so as to discourage anyone from giving up his work and relying on public assistance to support himself.

"While this may be a sound principle as far as able-bodied persons are concerned, can it be considered sound as regards those whom public assistance is in the first place designed to aid - the aged and the disabled?

"Should, say, a man of 80 be given inadequate assistance on the grounds that more would have an adverse effect on employment and wages?"

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The Senior Unofficial Member called for a review of the policy on the resettlement of squatters.

Sir Yuet-keung said this policy, apart from disaster victims and a few special cases on compassionate and other grounds, "continues to be related to the clearance of land required for development.

"While this policy was perhaps justified at the time resettlement began some two decades ago, it is unsatisfactory that it should continue to be applied today when conditions have so radically altered."

#### Rehouse Squatters

In its latest report, the Housing Board had recommended that Government should rehouse squatters in the worst squatter areas in addition to those cleared for development purposes, and that, as a first step, 30,000 people should be rehoused in the next six years.

What was required, Sir Yuet-keung emphasized, "is not fringe modifications but a thorough-going review of resettlement policy in the light of present conditions."

Two major points of this resettlement policy needed to be examined. The first was the question of the future of the oldest resettlement areas, "which have appropriately been described as our new slums." The second concerned the very large number of squatters in the New Territories, now totalling 270,000 as compared with 410,000 in the urban areas, including Tsuen Wan and Kwai Chung.

Sir Yuet-keung said about 40 per cent of the total number of squatters were in the New Territories, "yet the effort to resettle these persons has so far been marginal." In the five-year period ending last year, less than six per cent of those resettled were New Territories squatters.

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Speaking on the subject of education, Sir Yuet-keung said it had occupied, "quite rightly," an important place in Government thinking.

After years of urging by the Unofficial Members of Legislative Council, it was only at the beginning of this year that primary education became free in Government and aided schools.

Sir Yuet-keung said the position with regard to secondary education, however, "still leaves much to be desired."

#### Secondary And Technical Education

According to the Draft Estimates of Revenue and Expenditure, the revised policy for post-primary education provides for 18 per cent of children in the 12-16 age group to have five years of assisted secondary education leading to a Certificate of Education, while the Director of Education's Annual Summary spoke of 18 to 20 per cent.

"In the light of the educational needs today, and our strong financial position," Sir Yuet-keung continued, "we cannot feel satisfied with this low target, particularly as neither the Estimates nor the Annual Summary of the Director of Education give any indication that Government plans to revise it upward in the next few years."

Government activity in the field of technical education, Sir Yuet-keung said, also left much to be desired.

He referred to the 1971 report of the Industrial Training Advisory Committee which expressed concern over Government's "lack of decision" on the recommendation of the Functional Committee on Technical Institutes for the setting up of four more technical institutes.

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He said: "Yet today Government, after long consideration, has only approved the establishment of two more technical institutes, and these are not expected to be opened till September 1975 and September 1976.

"As for the proposed Polytechnic, though a site has been earmarked and a Director has been appointed and indeed, has been in Hong Kong for some months, planning remains in an inchoate stage and there is no indication when it can be expected to get off the ground."

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HON. SIR Y.K. KAN URGES "THOROUGH-GOING RE-APPRAISAL"

OF GOVERNMENT TRANSPORT POLICIES

Sound Overall Policy Needed For The Future

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The Hon. Sir Yuet-keung Kan today called on the Government to make a "thorough-going re-appraisal of its piece-meal policies" on road transport and to work out a "sound overall policy for the future."

Speaking in the resumed debate on the Budget in the Legislative Council, the Senior Unofficial Member said the transport problem "vitally affects every member of our population, as it does the people of any great city."

Sir Yuet-keung said that the Government, instead of facing up to the road congestion problem in a satisfactory manner, was attempting to make the commuter travelling by car the "villain of the piece."

Government was still avoiding "coming to grips" with the transport problem as a whole and working out a satisfactory overall policy.

Sir Yuet-keung said Government had placed itself in an "invidious position" on the question of private motorists and parking by having two widely divergent policies - one for the general public and one for civil servants.

Whatever Government decided to do about private motorists and parking, he added, it should not have one policy for members of the general public and an entirely different one for civil servants.

In his remarks on the transport problem, Sir Yuet-keung said: "And the growth of this problem in the light of our rapidly expanding vehicular use of our roads has been evident for a long time.

/"Yet today .....

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"Yet today we still find Government avoiding coming to grips with the problem as a whole and working out a satisfactory overall policy.

"The various aspects of the problem, such as roads, town-planning, public transport, private transport, parking and the mass transit scheme continue to be dealt with piecemeal and with no sense of urgency."

The Financial Secretary had told Legislative Council in his Budget Speech that even the first stage of the mass transit project would require at least six years to build.

Raises Question

Sir Yuet-keung said: "This surely raises in the minds of the public this question: how is it that, on a project which will require so much time to carry out, Government has dragged its feet for so many years - while all the time the estimated cost of construction has been rapidly mounting?"

Another sector in which the absence of sound policy was keenly felt, Sir Yuet-keung said, was that of road transport and parking.

"My colleagues, I expect, will deal with this, as with other subjects, in much more detail than I propose to, but I would like to make these points."

He said it was a serious reflection on Government thinking on this topic that, apart from a road development programme which suffered from a lack of integrated planning and was many years behind Hong Kong's needs, "virtually the sum total of immediate Government action seems to be to impose what the Financial Secretary calls 'a policy of restraints on the private motorists.'

"While these restraints may lead to a marginal improvement in the situation, our transport problems can no more be solved by squeezing the private motorist than a water shortage could be solved by increasing consumer charges for water."

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Secondly, Sir Yuet-keung went on, "it is disturbing to find that Government, instead of facing up to the road congestion problem in a satisfactory manner, is attempting to make the commuter travelling by car the villain of the piece."

Travel to and from work was a necessity, not a pleasure, and in the light of Hong Kong's inadequate public transport, and the fact that large areas of the Colony were not served by public transport at all, what alternative, Sir Yuet-keung asked, was there for many people than to commute by car?

#### Divergent Policies

Government had placed itself in an "invidious position" on the question of private motorists and parking by having two widely divergent policies - one for the general public and one for civil servants.

In dealing with the public, Sir Yuet-keung said, Government was "all out" to cut down the use of private cars and to make motorists pay more for parking.

"Government has repeatedly pointed out how valuable land used for parking is, and how much more car park charges should be than they are.

"Public servants, however, live in a different world entirely. Government encourages ownership of cars by making loans to civil servants for the purchase of cars on a very generous basis - I think for 36 months of repayment terms at four per cent interest.

"And it encourages even minor civil servants commuting by car by providing free parking on extremely valuable land in expensive central urban areas."

Sir Yuet-keung said that some years ago, the then Financial Secretary did an exercise in which he calculated, on a commercial basis, the cost of parking spaces in multi-storey car parks.

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"Perhaps the present Financial Secretary would let us know what is the present cost of the free parking spaces for civil servants in central urban areas, calculated on the same basis."

In the circumstances, Sir Yuet-keung said, he would urge the Government to make a "thorough-going re-appraisal of its piecemeal policies in this sector and to work out a sound overall policy for the future."

"I scarcely need add that, whatever Government decides to do about private motorists and parking, it should not have one policy for members of the general public and an entirely different one for civil servants."

Sir Yuet-keung concluded his speech by recalling Sir Murray MacLehose's remarks on his arrival in November, 1971 to assume the Governorship.

"Sir, when on your arrival here you said: 'Our object is prosperity with social progress,' I believe you voiced the hopes of all the people of Hong Kong.

"Economic growth and financial success alone are not good enough. These must be matched by social advancement. This is the only sure way to ensure the confidence in the Government which is essential for the establishment of peace and order on a firm foundation.

"All that I have said today has been said with the aim of urging Government to achieve what I think can be achieved in this field."

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LACK OF ENTHUSIASM FOR CAREER IN POLICE FORCE

The Hon. P.C. Woo Wants To Know Why

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The Honourable P.C. Woo wants Government to find out why there is a lack of enthusiasm among young people for careers in the Police Force.

He wanted to know whether the present increase of police salary was sufficient to attract young recruits; whether the risk they had to run deterred them from joining the force or was it because their parents did not deem it an honourable occupation for their children.

Mr. Woo asked these questions in the Legislative Council today when the Unofficial Members spoke on the Budget.

"These are matters we must look into in order to boost recruitment for the Police Force," he stressed.

In his view, he said, one of the causes of the rise in crime committed particularly by youngsters was that Hong Kong had not enough policemen on the streets to combat them.

"I know that the Police Force is below strength to the extent of over 1,700 in rank and file and as Chairman of the Establishment Sub-Committee I know that the Commissioner of Police had proposed to Government to enlarge the establishment to the extent of about 2,000 men."

He pointed out that roughly, if the estimate of the Police Commissioner were correct, the Police force was about 4,000 men below strength in order to combat crime.

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"This is a serious matter, as every man knows that it is not safe for him to go out in the street because when any assistance from the Police is sought it may not be forthcoming," he said.

Mr. Woo also asked Government to consider seriously whether or not some of the duties now performed by the Traffic Branch of the Police Force would be done by civilians.

"The Traffic Branch has taken the job of the Traffic Warden as we have in England, and I am sure that these duties can be performed by civilians rather than by uniformed personnel."

#### Unoccupied Premises

On the proposal to charge rates on unoccupied premises as from April 1, 1973, Mr. Woo pointed out that the burden of payment of rates was on the occupier and if the premises were unoccupied the rates were therefore not payable.

"My Honourable Friend's proposal is a departure from general principles but I am not arguing on general principles and if this Council accepts his proposal one very important exception should be made," he said.

Developers of land at present were building multi-storey buildings with a view not to let them but to sell them and people also found it cheaper to buy their own residences than to rent them.

"If my Honourable Friend's proposal is accepted it would deter development of land in Hong Kong, for once the Certificate of Occupation is granted by the Building Authority rates will begin to be payable even if the premises are vacant," he said.

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It would be a hardship on the developer to have to pay rates even before he had time to sell his vacant premises and therefore, he considered it only equitable to give the developer a period of time to enable him to sell his premises before rates became payable.

He suggested that a period of 6 to 12 months would be sufficient for that purpose and there should be a condition that once the premises were sold for the first time then rates whether the premises were vacant or not, were payable at half rate from the date of sale. He also suggested as an additional condition that the half rate principle should apply after 12 months had elapsed from the granting of the Occupation Permits by the Public Works Department even if the developer had not sold all his flats. In the case of an unscrupulous landlord deliberately leaving his premises vacant in order to get higher rentals, Mr. Woo said he agreed that rates should be payable and no concession should be given.

Pay And Allowances

On the existing rate of pay and allowances for Auxiliary Units, Mr. Woo said it was only equitable that these should be revised in the light of raises in salaries received by civil servants since April 1, 1967.

He pointed out that it should be accepted that a man or a woman who was called out for service with his or her Auxiliary Unit and had to take unpaid leave from his or her normal employment should not lose out on pay and travelling expenses.

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"The rates of pay and allowances for Auxiliaries should therefore be realistic and should compare favourably with the average salaries of the general public. In this respect the rates of pay and allowances of Government civil servants and Services personnel should be used for comparison purposes," he added.

On estate duty, Mr. Woo said he welcomed the proposal of the Financial Secretary to reduce it to the maximum rate of 15 per cent only.

"However, I think my Honourable Friend should not stop at 15 per cent but should consider reducing the rate progressively until the total abolition of estate duty in Hong Kong is achieved."

#### Avoidance Action

Recalling the words of the Financial Secretary when he presented his Budget on March 1, that the proposed reduction "will also help to discourage Hong Kong residents from taking avoidance action by transferring their assets overseas before death", Mr. Woo said "there is also the benefit that if no estate duty is payable in Hong Kong, persons from overseas will bring their assets into Hong Kong for investment or business".

On the growth of the public service, he said the Establishment Subcommittee was specially concerned about the economical and efficient use of staff when proposals for increases of posts were being considered.

He added it was very important that there should be adequate numbers of supervisory staff to ensure that junior staff could carry out their work as efficiently as possible and that even in the middle grade sufficient control should be exercised to avoid a wastage of manpower and to streamline the work and thus prevent undue delay in matters within and without the service and in particular in relation to the general public.

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"It seems to me that there is a need for the appointment of a very senior officer to look into this particular point so as to ensure that all concerned in Government service are fully and gainfully employed at all times," he said.

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HON. SZETO WAI CRITICISES UNDER EXPENDITURE

Progress Of Social, Community Services Retarded

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The Hon. Szeto Wai today voiced strong criticisms of Government's budgetary policies when he spoke at the resumed Budget Debate in the Legislative Council.

He said he could not but "appal the continued deliberate under-estimating of revenue which has been allowed to inhibit expenditure and thereby retard the progress of our social and community services."

"It is all the more difficult to justify, in the face of this year's whacking surplus, the increase of water charges, the meagre provision of public assistance and the stubborn resistance towards improving our technical education," he added.

It was regrettable, Mr. Szeto Wai said, that on occasions of Budget Debate it was invariably the Financial Secretary's prerogative to have the last say and Unofficial Members' vindication inevitably came a year late!

He recalled the many years during which the former Financial Secretary, Sir John Cowperthwaite, had produced large surpluses and described this as "an amazing feat." He said either Sir John's control over spending was excessive or his crystal ball for revenue estimation needed polishing or a more realistic interpretation by its master.

"In any event, such extraordinary inaccuracies have now become the rule rather than the exception and one can no longer dismiss them as just incorrect estimation," Mr. Szeto Wai said.

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He said his critical attitude last year of the four per cent unrealistic growth rate had now been vindicated. In fact the growth rate turned out to be 13 per cent. His criticism on this year's low estimates in revenue from land sales and stamp duty had also turned out to be correct.

Turning to the estimated 7½ per cent increase in revenue for 1972/73, Mr. Szeto Wai said it was an improvement on the four per cent for 1971/72 though in his opinion it was a little pessimistic.

He felt that the Financial Secretary's had been more optimistic than his predecessor on revenue from sale of land -- an expected drop of \$39 million as against Sir John's forecast decline of \$109 million.

#### Land Sales

Recalling that the Director of Public Works had recently indicated that almost two million square feet of land would be ready for disposal next year, Mr. Szeto Wai said in all probability the Financial Secretary would be taken by surprise again by a windfall revenue from that source.

"If my honourable Friend was gloomy over land sales next year the same cannot be said to his outlook on taxi concession," he said.

He felt that the \$30 million which the Financial Secretary had anticipated from that source might prove to be a disappointment for apparently he had been forestalled recently by the previous Commissioner for Transport who, acting on his own, had promised to operators, without any form of competitive tendering, 200 hire-car licences on the context of improving airport transport services.

The premia that would be offered for the new taxi licences as recommended by the Transport Advisory Committee early last year were bound to be affected by the large fleet of additional hire-cars on the roads, he added.

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The most welcome feature of next year's Estimates was its great leap forward in expenditure, he said.

The 25 per cent increase compared well with the 17, 18, 4, 5 and 11 per cent over the previous four years from 1968/69.

"However, closer examination reveals that this great leap lies mainly in the considerably increased cost of our Civil Service which amounts to almost 20 per cent over that of this year while in the last five years the average increase was ten per cent."

He said the \$227 million increase for next year represented 31 per cent of the total increase budgetted.

#### Civil Service Cost

"The total estimated personal emoluments for 1972/73 is over one half of the total recurrent expenditure and over one third of our total expenditure and certainly points to the very high cost of our Civil Service."

He added that the estimated increase of \$259 million in next year's revenue would be almost absorbed by the increase in Civil Service cost.

"Indeed, in the words of my honourable Friend the 1971 Salaries Commission has proved to be a costly exercise. What he said also reflects the opinion of his predecessor held in 1966 that the cost of our Civil Service was disproportionately high to our means," he said.

On capital expenditure, Mr. Szeto Wai pointed out that the \$280 million increase in non-recurrent public works programme represented nearly 82 per cent of the total increase of \$343 million.

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The increase of \$280 million, as explained in the Memorandum Note of the Draft Estimates was due to substantial higher contract prices and several major projects including the Airport Runway Extension, the raising of the Plover Cove Dam, the High Island Water Scheme and the Desalting Plant.

"The increased prices of these large engineering projects not only dig deeply into the public purse they also adversely affect private development," he said.

Clearly, Hong Kong was now suffering from high construction costs in the many capital projects needed to improve and strengthen community services.

#### Construction Prices

"However, I would point out now as I did in the past that opportunity had not been taken in the years of low construction prices when the same volume of work could have been achieved at nearly half the cost.

"The adverse consequences of neglected or inadequate economic, social and community services are legacy of a deliberate fiscal policy of creating and amassing huge yearly surpluses," he said.

Mr. Szeto Wai said the Financial Secretary contradicted himself by saying, in one breath, that "artificial boosting of public expenditure in time of accumulated surpluses would be at the expense of the present generation of taxpayers, and in another, that the present generation of taxpayers has contributed very substantially (\$2,000 million without counting the \$600 million plus interest) in recent years to the financial resources for future spending on capital projects."

"Perhaps it is realised that this remarkable contribution was only made possible by the majority of our people living a very frugal life, in many cases substandard," he said.

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"I therefore see every justification for timely boosting our public expenditure in a suitable but not extravagant scale in this our sixth year of continuing prosperity and surpluses," he added.

He welcomed the proposed increases in Public Assistance and said that Hong Kong's aged, the sick, the widowed and the needy "must be given the opportunity of sharing, even a very small fraction, of our good profit."

While the present proposals might make Hong Kong a pace-setter in the field of social services in Asia as claimed, Government's tardiness in introducing the original scheme was an embarrassment to the Colony's accumulated wealth.

He welcomed the present proposals of improvement and coupled his support with a plea for speedy implementation and a widened scope beyond the present target of 15,000 cases.

Hong Kong's financial state could well afford the additional expenditure involved, he said.

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TIME FOR DECISION ON MASS TRANSIT SYSTEM

Indispensable In Combatting Road Congestion In Major Cities

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The Honourable Szeto Wai said today the time had come for decisive action on the Mass Transit System.

He was speaking in the Legislative Council when debate on the Budget was resumed.

"We have now amassed a reserve in excess of the highest yearly expenditure so far. Sir, all Hong Kong awaits this decision," he said.

Mr. Szeto Wai pointed out that major cities in the world were finding mass transit systems indispensable in combatting road congestion.

By population count, Hong Kong ranked 17th place among those cities but by density of development and physical restrictions, the Colony could certainly claim a primary place, he added.

The Financial Secretary was rightly worried by the scheme's high cost, even the initial scheme, and had said that it could not be provided by simply waving a magic wand.

"But we do have a magic wand, and one studded with jewels to the value of nearly \$4,000 million."

He added that to the uninitiated economic mind, the yearly interest from the Colony's reserves would help to go a long way to financing the Initial Scheme which would in turn go a long way to solving traffic congestion.

"There are other methods of financing such as loan finance, contractor finance, etc., which Sir John Cowperthwaite deprecated and which my Honourable Friend may find acceptable," he said.

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On parking charges, he said the Financial Secretary had stirred up "the hornet's nest" by proposing to increase parking charges.

"The objection is understandable because of the acute shortage of parking spaces and Government's continued denial of the dire need of such facilities in the many busy commercial/residential areas," he added.

"Above all is the resentment to the preferential treatment meted out to civil servants and the expense of the people who are the employers.

"The present policy on off-street parking and the emphasis on commercial viability of Government multi-storey carpark are responsible for our critical parking condition today."

He said the Financial Secretary had not linked the increase of parking charges to commercial viability but rather to a more enlightened principle of road use and had warned that such increases represented the beginning of a continuing process aimed at relieving road congestion.

"I cannot lend my support to the increase if it is designed chiefly as a measure to combat road congestion while continuing to ignore the needs of more off-street car-parks by Government," he said.

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In the context of Hong Kong's economy and investment, Government car-park policy had been severely criticised as being "unrealistic" and the criticism was attested by the negligible number of parking spaces having been provided by private enterprise, he added.

Mr. Szeto Wai said that among the restraining measures to combat road congestion, the increase of off-street parking facilities had to rank with equal importance with road improvement in any overall transport policy and should take priority above other fiscal devices.

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HIGHER TEMPO FOR SOCIAL, COMMUNITY AND ECONOMIC SERVICES

Primary Duty To Present Generation

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Social, community and economic services should be fulfilled at a higher tempo and without having to wait for the building up of the Colony's reserves.

The Hon. Wilfred Wong said this in the Legislative Council today when debate on the Budget was resumed.

"Our primary duty is to the present generation. Therefore, in seeking to establish our aims in social progress, we must not be complacent because of our economic solvency and political stability."

Mr. Wong advocated loan financing to pay for major public works such as the Mass Transit System and the Desalinization Programme.

"If adopted the reserves we have should hold until 1982-83," he said.

The expenditure of those two community services could both be regarded as self-liquidating as there would be revenue from public transport and rates for water, he pointed out.

"In embarking on loan financing on a scale larger than our total annual revenue, we will have the next generation share in the payment for the public debt incurred by the present generation. The justification is that the next generation will also be benefactors if not the owners of the projects."

He said although loans might be obtained internationally, he believed that a public bond would be in the best interest of Hong Kong.

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A public bond would put off increased taxation; would bear lower interest rates than commercial interest or even international loan interest; would create a bond market and absorb surplus capital; and would create a sense of belonging for the bond holders with a greater stake in the Government of Hong Kong, he said.

On raising the retirement age of civil servants from the existing 55 years to 60, Mr. Wong said the Chinese Civil Servants Association were unanimously in favour of bringing the retirement age in line with the rest of the world and thus stabilize their livelihood.

Valid Argument

It appeared that the only valid argument against extending the retirement age from 55 had been put up by the "next in line" in that heads of departments were now blocking their promotion.

The answer to this line of reasoning is that the same terms would apply to the next-in-line in that by waiting a few more years he would stay a few years longer as head.

"Meanwhile, we are losing men at the zenith of their wisdom and experience by this antiquated system.

"The civil service is a career job. The terms of service must be such to make it so. For the sake of the few exceptions we should not leave civil servants high and dry at the age of 55," he said.

Mr. Wong added that he sincerely believed that both from the view point of Government and the individual servant the retirement age of 60 should be instituted forthwith.

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He also advocated that some of the rigid conditions in the existing Merchant Shipping Regulations which are based on the British Merchant Shipping Act 1894 should be modified.

He pointed out that one of the most important of the difficulties which Hong Kong owners were facing was the question of manning.

The regulations stipulate that five officers (the Master, Chief Engineer, 2nd Engineer, Chief Officer and 2nd Officer) of every ship must be of British nationality holding a Board of Trade Certificate.

"I have no doubt a fleet such as World-Wide will eventually get any British officers that it may require but until a tradition of service has been built up in this and other fleet owners are forced, if they register their vessels as British ships, to accept whatever British Officers they can get."

#### Reserves Exceed Expenditure

Earlier in his speech, Mr. Wong said that for the first time Hong Kong's total reserves would exceed one year's expenditure.

Official reserves stood at \$2,513 million on March 31, 1971, plus a Development Loan Fund of \$874 million and an Exchange Fund based on 105 per cent coverage of banknotes in circulation.

He added that bank deposits ending 1971 totalled \$18,785 million and bank advances were \$11,836 million, and the Colony's total reserves by April 1, 1972 should be about \$3,923 million.

Mr. Wong described the 1972/73 Budget as "the biggest and the rosiest".

"It is the biggest because revenue and expenditure are both at a record high. It is the rosiest because it not only reveals that our surplus is likely to be in the neighbourhood of \$700 million by March 31, 1972 but also predicts that the rate of economic growth will rally after 18 months time," he said.

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HUMAN INVESTMENT IMPORTANT IN INDUSTRY DEVELOPMENT

More Technicians And Craftsmen Training Facilities Needed

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Human investment is even more important than financial investment in the development of industry, Dr. the Honourable S.Y. Chung said today.

He was speaking in the Legislative Council when the debate on the Budget was resumed.

"Therefore, we should and must make adequate investment in the development of our human resources through technical education," he added.

Dr. Chung stressed that by technical education he meant technical education at all levels -- technologists and professional engineers, technicians and technician engineers, craftsmen and machine operators.

He said the deficiency lay at the lower levels of technical institutes and vocational schools.

The Hong Kong Polytechnic would take care of 4,000 full-time and 20,000 part time students by 1975.

He pointed out that based on the scale factor alone, without the application of the sophistication factor, Hong Kong would need eight technical institutes by 1976.

"The provision of only three such institutes is completely out of proportion," he added.

He said he personally could not agree with the arguments of the Director of Education that the surveys conducted by the Industrial Training Advisory Committee had not been really accurate and rather out of date.

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He pointed out that the surveys were made in 1967-69 and that any person who had some knowledge of Hong Kong industry would realise that any move to update the statistics would ultimately show a greater need for technical institutes due to the increase both in size and in sophistication of local industry in recent years.

Citing the Morrison Hill Technical Institute, Dr. Chung said "It is bursting along its seams."

"I am informed that factories are holding up their modern industrial training schemes because the Technical Institute could not provide places for technical education running parallel with industrial training."

#### Qualified Teachers

Even when the next two technical institutes would be ready by 1975 or 1976, there was no guarantee that there would be sufficient qualified teachers to mount the courses.

"The shortage of technical teachers was brought to Government's attention more than five years ago and so far Government has no plan to overcome this important shortcoming. In fact, many people doubt whether Government has made any serious attempt to solve this cogent problem," he added.

Hong Kong depended heavily on its manufacturing industry which played a leading role in providing 42 per cent of the Colony's total employment and contributed 43 per cent to the Gross Domestic Product.

"No other industrial country in the world depends so heavily on its manufacturing industry," he pointed out.

/Therefore, .....

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Therefore, the adequate provision of technical education was of paramount importance in the continued success of Hong Kong's economic development.

"And unless we can maintain our economic progress, I foresee many social and possibly political problems ahead," Dr. Chung stressed.

Putting a meagre amount of \$15 million out of a total expenditure budget of \$3,657 million into technical education in a predominantly industrial society "is really a mystery" to the commercial and industrial world, he added.

Dr. Chung went on to say that he fully agreed with the Financial Secretary's proposal to abolish duties on hydro-carbon oils.

#### Concession

He noted that the concession did not include furnace oil on which duty was as high as about 20 per cent of its retail price.

He pointed out that as the proposal now stood, a domestic household using kerosene and liquefied petroleum gas for cooking, heating and lighting would be exempt from duty.

Whereas, another household using town gas and electricity for the same purposes would have to pay a duty, which in some cases, could come to a very significant proportion of the cost of fuel, power and light.

He said town gas and electricity were widely used in Hong Kong industry for heat and power and the continual imposition of a duty on furnace oil did bear on industrial costs.

"I therefore submit, Sir, that this tax concession proposal of the honourable Financial Secretary is discriminatory and should be amended to include also furnace oil."

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Earlier in his speech, Dr. Chung compared Hong Kong's Gross Domestic Product growth rate with other countries in the region.

He said the average growth of Hong Kong's GDP at current prices for the six year period 1966 to 1971 was 14 per cent per annum.

"According to the latest economic survey of Asia and the Far East published only a few days ago by the United Nations Economic Commission for Asia and the Far East (ECAFE), the average annual growth rate of GNP/GDP during the three year period 1969-71 is about nine per cent for Japan and about 13 per cent for Singapore, as compared to Hong Kong's 16 per cent," he said.

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QUARTERLY SURVEY BY LABOUR DEPARTMENT  
Of Employment And Vacancies In Industry

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One of the Labour Department's regular surveys of employment and vacancies in industry now in progress is in respect of the first quarter of this year.

Printed employment return cards were sent on March 10, to the management of all registered and recorded industrial establishments with a request that they accurately provide the information sought as at March 15, and return the card to the Labour Department on or before March 20. The cards are printed in Chinese and English.

From the information provided by these surveys, the numbers of persons employed and of vacancies in each of the main industries in Hong Kong are calculated. The resulting statistics provide information about trends in employment over the years, both in particular industries and in general.

It is hoped that all managements which have received these cards will ensure that they are fully and accurately completed, and promptly returned in the reply-paid envelopes provided.

The co-operation of managements in responding to the last survey resulted in complete coverage for all industrial establishments employing over 200 people while for those employing 50 to 200 people, the response rate was 98%. However, the overall response rate was 64%.

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This could be further improved if all establishments, particularly the smaller ones, would respond promptly to the survey.

The information provided on these cards is kept strictly confidential and is used only for the preparation of statistical information, and not for the enforcement of labour legislation.

The cards are destroyed under supervision when all the relevant information has been extracted and incorporated in statistical summaries and tables.

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#### EXPORTS OF WOOL AND MAN-MADE FIBRE

##### Knitted Sweaters To Canada

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The Hong Kong Government has, with effect from today (Wednesday), lifted the quota control on exports of wool and man-made fibre sweaters to Canada.

Announcing this in a Notice to Exporters Series 4 No. 1/72 issued today, the Director of Commerce and Industry said the decision was made following consultations with the Canadian Government.

Trade Associations and companies on the Commerce and Industry Department's mailing list for Notice to Exporters, Series 4 (Canada) will receive copies of the above Notice shortly but interested persons may also obtain copies from the Department's Textiles Licensing Office, 2nd floor, Fire Brigade Building, Hong Kong.

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HONG KONG DELEGATION TO ATTEND

28th Plenary Session Of ECAFE In Bangkok

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The Hong Kong delegation to the 28th Session of the Economic Commission for Asia and the Far East to be held in Bangkok from March 15 to 27 will be led by Dr. the Hon. S.Y. Chung, Unofficial Member of the Legislative Council.

The other members are Mr. E.I. Lee, Director of Commerce and Industry, Mr. D.J.C. Jones, Deputy Economic Secretary, Mr. D.S.W. Wong, Trade Officer, and Miss J.A. Willis, Assistant Secretary, Economic Branch of the Colonial Secretariat.

The meeting is expected to be attended by a large number of representatives from ECAFE member countries as well as observers from non-member countries.

The 28th Session coincides with the celebration of ECAFE's 25th anniversary.

A commemorative volume describing the work and the role of ECAFE in the region will be tabled before the Commission. The publication consists of two parts: Part I outlines the impact of ECAFE's multiple programmes of studies, research, seminars and advisory assistance on the development activities and policies of its member countries; Part II outlines the genesis, purpose and attainment of selected physical projects involving close co-operation among countries.

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Hong Kong has been an Associate Member of ECAFE since 1947.

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Note to Editors: Dr. Chung is not making any statement when he leaves for Bangkok tonight on flight BA807, E.T.D. 8.20 p.m. But he will meet press representatives in the V.I.P. Press Conference Room at Kai Tak Airport on his return on March 22 by flight ML 568, E.T.A. 7.40 p.m.

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TEMPORARY CLOSURE OF A SECTION OF GARDEN ROAD

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The section of Garden Road adjacent to St. Joseph's Church will be temporarily closed to traffic from 1 a.m. to 6 a.m. on Saturday, March 18 and Sunday, March 19 to allow work to take place on the flyover there.

During these periods, traffic from Garden Road and Kennedy Road wanting to use this section of Garden Road will be diverted to Upper Albert Road, returning to Garden Road via the slip road connecting Upper Albert Road and Garden Road.

Appropriate signs will be posted to guide motorists.

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FOUR BILLS PASSED IN LEGCO

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Four bills received their third reading and were passed by the Legislative Council this afternoon.

They were the Limitation (Amendment) Bill 1972; the Corporal Punishment (Amendment) Bill 1972; the Matrimonial Causes (Amendment) Bill 1972 and the Detention Centres Bill 1972.

The Telecommunication (Amendment) Bill 1972 was read the second time while the Criminal Procedure (Amendment) Bill 1972 was adjourned at its second reading.

The debate on three other bills -- the Appropriation Bill 1972; the Merchandise Marks (Amendment) Bill 1972 and the Offences against the Person (Amendment) Bill 1972 -- were resumed.

Four sessional papers were tabled in the Council. They were the Annual Report by the General Manager, Railway for the year 1970-71; the Annual Report by the Director of Immigration for the year 1970-71; the Accounts and Statements of the Grantham Scholarships Fund for the year ended 31st August 1971 and the Annual Report by the Secretary for Home Affairs for the year 1970-71.

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DEPUTIES MAKE JOINT VISIT

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In a novel joint venture the Deputy heads of two government departments together toured the San Po Kong premises of Sonca Industries today (Wednesday).

Mr. Ian Price, Deputy Commissioner of Labour, and Mr. H. Williams, Deputy Director of Commerce and Industry, spent the afternoon touring the factory which, apart from being a leading manufacturer of electrical appliances and components, also has a well-equipped apprentice training centre.

Said Mr. Williams, who was with the Labour Department before moving to Commerce and Industry, "This type of exercise helps to maintain close co-operation between our two departments although our respective approaches are from different angles."

For Mr. Price, it was an opportunity to see first hand a physical aspect of his department's work.

He said: "Inevitably I get deskbound for much of the time in my job and I think it important to get some insight into the general roles of management and worker."

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RECORDINGS AVAILABLE

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Note to Editors: The proceedings in today's Legislative Council meeting have been recorded. You are welcome to consult the tapes at the Press Room, Government Information Services.

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NEW LAWS NEEDED TO BETTER COMBAT CRIME

Emphasis On Individual Rights Detrimental To Public Well-Being

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The Hon. Mrs. Ellen Li today urged the introduction of new laws to bring into effect better control of law and order and control of other less serious anti-social and illegal acts.

Speaking at the resumed Budget debate in the Legislative Council, she said: "We tend to place more emphasis on individual freedom and rights to the detriment of public well-being and social progress."

Violent crimes committed by young people, very often in broad daylight, were witnessed by crowds of people who did not even give a voice, much less lend a hand to help, she said.

"We blame the police for not being able to catch the robbers and yet at the same time we resent a search for deadly weapons, and we crucify him for wounding or killing a thug when the policeman tries to do his duty," she pointed out.

There were also people who advised one another to carry \$100 in their pockets in readiness to appease prospective robbers in order to avoid possible trouble, she added.

"This permissive attitude on the part of the public must change to one of cooperation with the police if law enforcement is to be effective.

/ "I understand ....

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"I understand that our police force is still under strength and the recent increases in salary for the rank and file may help to speed up recruitment," she said.

Citing examples of permissiveness, Mrs. Li said illegal hawkers were allowed to clutter up the streets and front doors; litterbugs polluted the entire Colony, and squatters were everywhere.

"The public would like to see heavier penalties imposed by the courts on lawbreakers, the Urban Council would welcome heavier fines for litterbugs, and other departments would like to have power to cancel licences of businesses for failure to conform to the conditions stipulated in their permits.

Permissive Attitude

"Unless we change this permissive attitude on the part of Government, the judiciary and the public, we are encouraging disrespect for law and order," Mrs. Li said.

On youth and education, Mrs. Li said that since at least half the population were young people below the age of 21, emphasis of service had to be placed on them and geared to their need.

"Our education system must be streamlined to fit them for work when they leave school without any time gap in between. It should be our ultimate aim to carry a young man up to the age of 17 or 18," she stressed.

She pointed out that Government was vigorously pursuing its policy of providing assisted places for at least half the children within the age group of 12-14.

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It was gratifying to note that some 17,000 additional places in Form I to III plus a further 14,000 subsidized places in existing private schools would be available during 1972/73.

"At this rate, we are pretty sure that the target will be reached in time and with luck perhaps a little ahead of time," she said.

Hence, the ultimate aim for a subsidized universal secondary education was no longer a far-fetched ideal but a possible reality in the not too far distant future, she added.

#### Land Grant

"I would like to repeat my plea to Government to undertake to accelerate its efforts to expedite the process of land grant and capital subsidy to voluntary agencies to build and operate more secondary schools and vocational centres during the next few years," she said.

Many people had criticised the education system as too academic and too examination-oriented.

A system of competitive selection, especially at the university entrance level, had to remain a necessary evil as long as the three tiers of education remained a sharp pyramid.

"However, the aim of secondary education should not be so much to produce candidates for the universities, but more important, to produce useful and responsible citizens as well as a trained work force for commerce and industry and the professions," she said.

"The period 12 to 18 is the most important and formative years in a child's life and we depend heavily on this particular tier of the education system for the development of character, good citizenship and high moral standards in our children, through strict discipline and extra-curricula activities."

/Mrs. Li .....

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Mrs. Li went on to urge Government to provide more recreational and sports facilities for school children and other young people as a whole.

"We need more football and basket-ball pitches, swimming pools, picnic grounds, camp sites, community centres and youth centres for concerts, plays, exhibitions, dances and other forms of healthy entertainment," she said.

On the Financial Secretary's proposals to increase car parking charges and to charge rates on empty flats, she said: "The increase in carpark charges and the levy of one half the amount of rates for empty flats can be described as irritating measures similar to cutting off one's toes to fit the shoes."

More multi-storey carparks were needed to keep cars off the roads, she said.

#### Serious Repercussions

The charging of half rates for empty flats to combat high rents might boomerang into even more serious repercussions, she added.

The high cost of construction would continue and if the demand was there, the rates would still be added onto the rents, she said.

"In a place like Hong Kong, so sensitive to slight changes and so liable to sharp reactions, the law of supply and demand must be left to find its own level. Emergency rent control in time of need is sufficient and effective enough for the purpose."

Mrs. Li suggested a system of deficit subsidy for social welfare services in very much the same way as the Medical and Education subsidies, to maintain a uniformly high standard of such services.

/ "Nowhere ....

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"Nowhere else in the world can we find such a number of voluntary agencies providing a vast variety of services to the community in supplement to Government's efforts," she said.

She was disappointed that Government had not seen fit to adopt a more realistic subvention policy for nurseries, she said.

"Since more than 300,000 women work in industries and 200,000 in other fields, the need for more nurseries or day-care centres has become more and more acute," she pointed out.

#### Quality Of Service

On the Public Service, Mrs. Li said that there was one aspect in the quality of service that every taxpayer would like Government to pay special attention to, that is, the attitude and manners of some of the civil servants need some improvement.

This could be done through training courses on techniques in public relations, especially for those who represented Government in direct contact with the public, she said.

"One rude word, an arrogant gesture or an attitude of indifference may destroy in one moment an image our Government spends years and millions of dollars to build up," she said.

On the high cost of dying, Mrs. Li said that for many years the Urban Council had publicized a practical solution to this problem by offering cheap cremation services and a niche for the ashes at the columbarium, all for \$300.

It had proved so popular that the niches of the columbaria at Cape Collinson Crematorium and Wo Hop Shek Cemetery had all been taken up two years ago.

She said she was glad to note that funds had been provided for an extension to these columbaria in the 1972/73 estimates.

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\$4,500 RAISED BY INMATES FOR CHEST

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A cheque of \$4,500, raised by 20 inmates of the Tai Lam Treatment Centre through taking part in the "Walk for a Million" on March 5, 1972, will be presented to the Community Chest tomorrow (Thursday).

The presentation ceremony will take place at 12 noon in the Assembly Hall of the Tai Lam Treatment Centre.

One of the inmates, who took part in the walk, will present the cheque to Mr. Yu Look-yau, who will receive it on behalf of the Community Chest.

The 20 inmates who took part in the walk had been sponsored by a prominent resident at the rate of \$150 per person, subject to completion of the course. Ten other staff members, including the Superintendent of the Centre, also took part in the walk.

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Note to Editors: You are cordially invited to send a reporter and/or photographer to cover the presentation ceremony. Transportation will be provided by the Prisons Department. A mini bus will leave the open air car park behind the Tsim Sha Tsui Post Office at 11 a.m.

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TWO GRANTS FROM LOTTERIES FUND APPROVED

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A resolution seeking approval for the allocation of two grants totalling \$1,135,400 from the Lotteries Fund were approved by Legislative Council today for community and welfare use.

Both grants were recommended by the Social Welfare Advisory Committee.

The Financial Secretary, Mr. C.P. Haddon-Cave, in moving the resolution, said one of the grants involving \$135,400 was to be made to help the Hong Kong Society for the Blind to meet the cost of renovating and fitting out proper office and storage space for its To Kwa Wan Workshop and Training Centre.

The second grant, amounting to \$1 million, was to be made to the Community Relief Trust Fund to assist towards its expenditure on disaster relief.

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OFFENCES AGAINST THE PERSON (AMENDMENT) BILL

To Be Given Two Years' Trial

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The Attorney General, the Hon. D.T.E. Roberts, today accepted a suggestion by the Hon. Sir Yuet-keung Kan that the Offences Against the Person (Amendment) Bill 1972 should be given a life of two years and that it should cease to have effect unless the Council by resolution extended the period of its operation.

Mr. Roberts was speaking in the resumed debate on the Bill at this afternoon's meeting of the Legislative Council.

He said much can be done to prevent the abuse of the bill by a careful control of the hospitals and clinics in which therapeutic abortions will be permitted.

"If this Bill is enacted, a close watch will be kept by the Director of Medical and Health Services on its operation," he said.

Mr. Roberts hoped that it would not be thought that the Bill in any way sought to encourage easy abortion.

"Any deliberate termination of a pregnancy which does not fall within the conditions prescribed by the Bill will remain a criminal offence," he said.

"Even in circumstances in which the Bill permits an abortion, it will remain for the individual to decide on whether or not she will allow it," the Attorney General added.

Earlier, the Hon. Sir Yuet-keung Kan had suggested that the bill, if passed into law, should be allowed to "run initially for a trial period of say, two years."

This, he said, was to calm genuine fear among certain sections of the community that the bill would lend itself to "rampant abuse."

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He also suggested that during the trial period, the Director of Medical and Health Services should keep a close watch on the situation.

"The question whether or not the law should be extended or made permanent, with or without modifications, can be determined in the light of the experience gained," Sir Yuet-keung added.

Two other Unofficial Members, the Hon. Ellen Li and the Hon. Wilson T.S. Wang, also spoke on the bill.

Mrs. Li said she was sure that she was not alone in feeling that the social aspect, the family circumstances and the welfare of the existing children should be taken into account.

"Furthermore," she said, "the woman herself should be given a chance to decide on her own destiny, not the husband or the mother-in-law, and certainly not a third unknown party in cases of rape."

"A determined mother who tried very hard but still failed to prevent an unwanted pregnancy should also be given a choice," she added.

Mr. Wang spoke of his experiences during his years with the Tung Wah Hospital and said that nothing had grieved him more than to see sad faces in the maternity ward and to deal with cases of abandoned babies.

He urged the Council "to cast a sympathetic eye on such victims and introduce further amendments to this bill in order to bring the social aspects of the problem into consideration."

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Release time: 10.00 p.m.