



DAILY INFORMATION BULLETIN

WEDNESDAY, APRIL 12, 1978

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GOVERNMENT TO PROBE MEANS OF
INCREASING WATER RESOURCES

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THE GOVERNMENT IS PLANNING A FULL SCALE INVESTIGATION OF ALL FEASIBLE METHODS OF OBTAINING WATER INTERNALLY WHICH ARE CHEAPER THAN BY DESALTING SEA WATER AND AT THE SAME TIME INTENDS TO SEEK DISCUSSIONS WITH THE CHINESE AUTHORITIES TO OBTAIN FURTHER WATER SUPPLIES.

THIS WAS REVEALED BY THE SECRETARY FOR THE ENVIRONMENT, THE HON. DEREK JONES AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY.

MR. JONES SAID A SUBMISSION ON THESE INVESTIGATIONS WOULD SHORTLY BE MADE TO THE GOVERNOR-IN-COUNCIL AND IF APPROVED, THEY ARE EXPECTED TO TAKE SOME TWO YEARS TO COMPLETE.

HE SAID IT WOULD THEN BE POSSIBLE TO DETERMINE THE BEST SEQUENCE OF DEVELOPMENT TO MEET OUR FUTURE WATER REQUIREMENTS.

MR. JONES POINTED OUT THAT THE CURRENT LEVEL OF UNRESTRICTED DEMAND FOR WATER IS ABOUT 100,000 MILLION GALLONS A YEAR, AND IT IS ESTIMATED THAT IN TEN YEARS TIME UNRESTRICTED DEMAND WILL HAVE RISEN BY MORE THAN THREE QUARTERS TO 176,000 MILLION GALLONS.

HE AGREED WITH THE HON. SIR SZE-YUEN CHUNG'S SUGGESTION THAT MORE WATER SUPPLY FROM CHINA WOULD BE A MOST VALUABLE SOURCE TO MEET OUR FUTURE WATER REQUIREMENT.

HOWEVER HE HESITATED THAT IT WOULD GO SO FAR AS TO SOLVE ALL OUR WATER PROBLEMS.

MR. JONES SAID THE GOVERNMENT HOPED TO INCREASE THE SUPPLY FROM CHINA TO 37,000 MILLION GALLONS A YEAR FROM OCTOBER 1, NEXT YEAR WHEN OUR INSTALLATIONS WOULD BE ABLE TO RECEIVE THIS QUANTITY.

BUT HE SAID THAT TO ENABLE YET MORE TO BE SUPPLIED WOULD REQUIRE FURTHER MAJOR WORKS ON BOTH SIDES OF THE BORDER TO INSTALL NEW PIPES AND PUMPING STATIONS AND THIS WOULD OF COURSE TAKE TIME TO ARRANGE AND CARRY OUT.

HE ASSURED SIR SZE-YUEN THAT IT IS THE GOVERNMENT'S INTENTION TO SEEK DISCUSSIONS WITH THE CHINESE AUTHORITIES WITH A VIEW TO OBTAINING FURTHER SUPPLIES.

HOWEVER HE SAID EVEN IF WE COULD DOUBLE OUR SUPPLIES FROM CHINA OVER THE NEXT TEN YEARS (AN EXTRA 37,000 MILLION GALLONS A YEAR) WE WOULD STILL NEED A FURTHER 40,000 MILLION GALLONS A YEAR - HALF OF WHAT WE ARE CONSUMING NOW A YEAR - TO MEET OUR DEMAND IN 1988.

/+SO IT IS

+SO IT IS CLEAR THAT WE ALSO NEED TO INVESTIGATE URGENTLY THE DEVELOPMENT OF FURTHER INTERNAL SOURCES OF SUPPLY,+ HE SAID.

ON LAND POLICY, MR. JONES SAID THE GOVERNMENT RECOGNISES THAT IT IS ESSENTIAL TO HAVE A FORWARD PROGRAMME OF LAND PRODUCTION LOOKING SEVERAL YEARS INTO THE FUTURE.

+THE RECENT REPORT OF THE SPECIAL COMMITTEE ON LAND PRODUCTION SHOWS THAT THE EXTENSIVE DEVELOPMENT PROGRAMMES THAT ARE NOW IN TRAIN, PARTICULARLY IN THE NEW TOWNS AND MARKET TOWNS, THE INDUSTRIAL ESTATES AND RECLAMATIONS IN THE URBAN AREA, WILL PRODUCE, BY PAST STANDARDS, QUITE A GOOD SUPPLY OF LAND FOR BOTH THE PUBLIC AND PRIVATE SECTORS OVER THE NEXT FIVE OR SIX YEARS.

+THE GOVERNMENT IS NOW EVALUATING POSSIBLE ADDITIONAL SOURCES OF SUPPLY FOR THE MID-EIGHTIES AND THE VIEWS OF THE SPECIAL COMMITTEE WILL BE SOUGHT ON THESE.

HE SAID ALTHOUGH IT SEEMS PROBABLE THAT NEW DEVELOPMENTS WILL BECOME PROGRESSIVELY MORE EXPENSIVE, EVERY EFFORT WILL BE MADE TO KEEP UP THE MOMENTUM OF LAND PRODUCTION.

ON DEVELOPMENT IN NORTHERN LANTAU, MR. JONES SAID WORK HAS ALREADY STARTED ON INVESTIGATING THE GEOLOGICAL AND ENGINEERING FEASIBILITY OF LAND FORMATION IN THIS POTENTIALLY VERY LARGE DEVELOPMENT AREA AND PREPARATIONS ARE BEING MADE FOR LETTING A CONSULTANCY ON THE DESIGN OF A FIXED CROSSING TO THE MAINLAND.

+ALTERNATIVE PROPOSALS ON THE MEANS OF CONSTRUCTING THIS CROSSING WILL BE RECEIVED FROM A SHORT LIST OF CONSULTANTS IN THE MIDDLE OF MAY AND, ON THE ASSUMPTION THAT IT IS DECIDED TO PROCEED, CONSTRUCTION OF THE CROSSING AND THE NECESSARY SUPPORTING ROADS COULD BE COMPLETED BY THE EARLY EIGHTIES,+ HE SAID.

MR. JONES ALSO REVEALED THAT WORK IS ALSO IN HAND ON INVESTIGATING OTHER AREAS, A PRIME EXAMPLE BEING JUNK BAY.

REFERRING TO POINTS RAISED BY THE UNOFFICIALS ON SHORT-TERM SUPPLY OF LAND, MR. JONES SAID HE RECOGNISED THAT THE GOVERNMENT'S SALES PROGRAMME IN THE IMMEDIATE FUTURE IS NOT AS BIG AS IT SHOULD BE, BUT HE STRESSED THAT IT HAS NEVER BEEN THE INTENTION TO RATION LAND TO HOLD UP THE PRICE. +RATHER IT HAS ALWAYS BEEN TO SELL LAND AS IT BECOMES AVAILABLE.+

TO IMPROVE THE SITUATION AND TIE IN WITH THE LAND PRODUCTION PROGRAMME, HE PROPOSED TO SEEK AUTHORITY TO ESTABLISH SPECIFIC LAND SALES TARGETS FOR DIFFERENT USES WHICH DEPARTMENTS WILL BE REQUIRED TO MEET.

MR. JONES SAID HE HAD ALSO ASKED THE DIRECTOR OF PUBLIC WORKS TO REVIEW ALL POSSIBLE WAYS OF SPEEDING UP THE SALES PROGRAMME IN THE IMMEDIATE FUTURE.

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ON THE SUGGESTION TO REVIEW DENSITY ZONING POLICY, HE PROMISED THAT A REVIEW OF THE VARIOUS POSSIBILITIES WOULD BE PUT IN HAND STRAIGHT AWAY.

HOWEVER HE POINTED OUT THAT IT WOULD NOT BE POSSIBLE TO INCREASE DENSITIES ALL ROUND AND SAID: +BY ANY STANDARDS THE URBAN AREAS OF HONG KONG ARE EXCEPTIONALLY OVERCROWDED, ALL TOO OFTEN TO THE DETRIMENT OF THE REASONABLE ENVIRONMENTAL STANDARDS, PARTICULARLY IN THE ZONE 1 AREAS.

+AND IN OTHER AREAS, SUCH AS THE MID-LEVELS, THE EVER INCREASING FLEETS OF MOTOR CARS LIMIT THE SCOPE OF ADDITIONAL DEVELOPMENT.

+NEVERTHELESS, THERE IS SOME POSSIBILITY FOR AN INCREASE IN PLOT RATIOS IN SOME SELECTED ZONE 2 AND 3 AREAS AND PERHAPS FOR THE INTRODUCTION OF A NEW DENSITY ZONE SOMEWHERE BETWEEN ZONE 2 AND ZONE 3,+ HE SAID.

TURNING TO BUILDING MANAGEMENT, MR. JONES SAID: +THE PROBLEM OF MULTI-STOREY BUILDING MANAGEMENT IS VERY SERIOUS AND ONE WHICH, UNTIL NOW, HAS NOT BEEN FIRMLY ATTACKED.

+SO I THINK THAT WE WILL HAVE TO ACCEPT THAT MORE OFFICIAL INTERVENTION IS GOING TO BE NECESSARY IF THE GENERAL URBAN ENVIRONMENT IS TO BE SAVED FROM SERIOUS DETERIORATION.

+THE EXTENT OF THAT INTERVENTION AND THE OTHER MEASURES WHICH WILL BE NECESSARY TO REINFORCE OWNERS' MANAGEMENT ARE BEING ASSESSED SYSTEMATICALLY, AND I HOPE TO MAKE DEFINITE PROPOSALS IN THE COMING YEAR,+ MR. JONES SAID.

CONCERNING HAWKER SITUATION IN THE NEW TERRITORIES, MR. JONES SAID IT IS HOPED THAT THE PROBLEM WILL BE CONTAINED BY A TWO-PRONGED ATTACK -- THE PROVISION OF ADEQUATE OFF-STREET FACILITIES IN THE FORM OF MARKETS AND COOKED FOOD CENTRES AND THE ESSENTIAL BACK UP OF AN EFFECTIVE ENFORCEMENT PRESENCE ON THE GROUND.

HE NOTED THAT IN TSUEN WAN, FOR EXAMPLE, A NEW MARKET IS BEING BUILT AND ALL EXISTING HAWKERS WILL BE ACCOMMODATED, INCLUDING OVER 300 UNLICENSED HAWKERS.

SIMILAR NEW MARKETS ARE BEING PROVIDED IN SHA TIN AND TUEN MUN AND ARE BEING PLANNED FOR OTHER MARKET TOWNS WITH THE AIM OF ACCOMMODATING THE GREAT MAJORITY OF HAWKERS WHO ARE NOW OPERATING ON-STREET, HE SAID.

HE ALSO POINTED OUT THAT AT PRESENT THE URBAN SERVICES DEPARTMENT'S NEW TERRITORIES REGION IS OPERATING A GENERAL DUTIES TEAM IN TSUEN WAN TO REGULATE HAWKER ACTIVITIES THERE, AND THREE ADDITIONAL TEAMS HAVE ALSO BEEN APPROVED FOR KWAI CHUNG, TAI PO AND YUEN LONG.

+LATER, FUNDS WILL BE SOUGHT FOR YET THREE MORE TEAMS TO OPERATE RESPECTIVELY IN SHA TIN, TUEN MUN AND IN THE SAI KUNG AND ISLANDS DISTRICTS,+ MR. JONES SAID.

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INLAND REVENUE (AMENDMENT) BILL
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THE FINANCIAL SECRETARY, THE HON. PHILIP HADDON-CAVE, INTRODUCED THE INLAND REVENUE (AMENDMENT) BILL 1978 IN THE LEGISLATIVE COUNCIL TODAY.

HE SAID THIS BILL IS A REFORM MEASURE WITH TWO OBJECTIVES: FIRST, TO AMEND THE CHARGE TO PROFITS TAX ON BANKS AND OTHER FINANCIAL INSTITUTIONS, WITH A VIEW TO PLACING THEM IN A BROADLY SIMILAR POSITION TO OTHER BUSINESSES= AND, SECONDLY, TO IMPROVE THE YIELD FROM THE CHARGE, SO AS TO HELP THE GOVERNMENT MAINTAIN THE RATE OF TAX ON CORPORATE PROFITS GENERALLY AT THE EXISTING RATE OF 17 PER CENT FOR AS LONG AS POSSIBLE.

ACCORDINGLY, THE BILL SEEKS TO DEEM INTEREST ACCRUING TO A BANK OR A FINANCIAL INSTITUTION AS ARISING IN HONG KONG WHERE SUCH INTEREST ARISES DIRECTLY OR INDIRECTLY THROUGH, OR FROM, THE CARRYING ON BY A BANK OR OTHER FINANCIAL INSTITUTION OF ITS BUSINESS IN HONG KONG. CONSEQUENTLY, PROFITS FROM SUCH INTEREST WILL BE CHARGEABLE TO PROFITS TAX.

BACKGROUND

UNDER THE INLAND REVENUE ORDINANCE, PAYMENTS OF INTEREST TO THOSE PERSONS (FOR EXAMPLE, BANKS) WHO ARE REQUIRED TO RETURN INTEREST AS PART OF THEIR BUSINESS PROFITS ARE EXEMPT FROM INTEREST TAX AS SUCH, BUT SUCH PAYMENTS ARE CHARGEABLE TO PROFITS TAX WHERE THE SOURCE OF THE INTEREST IS HONG KONG AND WHERE THE INTEREST IS DERIVED FROM A TRADE OR BUSINESS

CARRIED ON IN HONG KONG.

THE ORDINANCE LAYS DOWN NO TEST FOR DETERMINING THE SOURCE OF INTEREST, THAT IS TO SAY, WHERE THE INTEREST ARISES IN OR IS DERIVED FROM. HOWEVER, CASE LAW HAS ESTABLISHED THAT, FOR THE PURPOSE OF DETERMINING THE SOURCE OF INTEREST, THE TEST TO BE USED IS THE PLACE WHERE THE CREDIT IS MADE AVAILABLE TO THE BORROWER.

WITH THE EMERGENCE OF HONG KONG AS A FINANCIAL CENTRE, AND WITH MORE SOPHISTICATED TECHNIQUES NOW BECOMING AVAILABLE, THIS TEST HAS PROVED INCREASINGLY ARTIFICIAL AS A MEANS OF DETERMINING SOURCE.

FOR EXAMPLE, IT IS POSSIBLE TO CARRY OUT VIRTUALLY ALL ASPECTS OF BANKING OPERATIONS IN HONG KONG AND YET, PROVIDED CREDIT IS ONLY MADE AVAILABLE OUTSIDE HONG KONG, NO TAX NEED BE PAID. AS A RESULT, THE YIELD FROM PROFITS TAX ON INTEREST HAS NOT, AND IS UNLIKELY IN THE FUTURE, TO KEEP PACE WITH THE GROWTH OF PROFITS.

THE REVIEW COMMITTEE'S RECOMMENDATION

THE THIRD INLAND REVENUE ORDINANCE REVIEW COMMITTEE RECOMMENDED THAT, IN RESPECT OF BANKS AND FINANCIAL INSTITUTIONS ENGAGED IN DEPOSIT-TAKING AND RELATED BUSINESS, THE PROFITS CHARGEABLE TO TAX SHOULD INCLUDE PROFITS FROM INTEREST WHICH THESE BUSINESSES, ACTIVELY CARRIED ON IN HONG KONG OBTAIN WITHOUT THE SUBSTANTIAL INTERVENTION OF ANY BRANCH ELSEWHERE.

THE REVIEW COMMITTEE CONSIDERED THAT, WHERE FUNDS IN THE HANDS OF A BANK'S HONG KONG OFFICE, ARE MADE AVAILABLE OUTSIDE HONG KONG, THE RESULTANT PROFITS ON THE INTEREST DERIVED FROM SUCH LENDING OPERATIONS OUGHT TO BE BROUGHT TO CHARGE. THE COMMITTEE ARGUED THAT THE ORGANISATION WHICH A BANK POSSESSES IN HONG KONG IS BROUGHT INTO EXISTENCE, AND PUT TO WORK, FOR THE PURPOSE OF RAISING THE VERY FUNDS WHICH ARE USED, INTER ALIA,

FOR THE PURPOSE OF ENTERING INTO TRANSACTIONS WHICH GIVE RISE TO THE SUBSEQUENT RECEIPT OF INTEREST. THUS, THE ACTIVITIES OF THE BANK'S ORGANISATION HERE AND THE USE WHICH THAT ORGANISATION MAKES OF HONG KONG ARE, IN ESSENCE, THE SOURCE OF THE PROFITS EARNED ON THESE TRANSACTIONS.

THE REVIEW COMMITTEE CONCLUDED, THEREFORE, THAT THE PROFITS TAX CHARGE SHOULD APPLY TO THE PROFITS WHICH ARISE FROM SUCH TRANSACTIONS. FOR THE SAME REASONS, THE REVIEW COMMITTEE FURTHER RECOMMENDED THAT THE CHARGE SHOULD APPLY ALSO TO OTHER INSTITUTIONS WHICH ENGAGE IN DEPOSIT-TAKING AND RELATED BUSINESS.

THE GOVERNMENT'S DECISION

THE GOVERNMENT ACCEPTED THE REVIEW COMMITTEE'S VIEW THAT IT IS A BANK'S ORGANISATION IN HONG KONG AND THE USE TO WHICH THAT ORGANISATION IS PUT TO RAISE FUNDS AND ON-LEND THEM WHICH ARE THE SOURCE OF ITS PROFITS FROM INTEREST. ACCORDINGLY, THE GOVERNMENT AGREED THAT SUCH PROFITS OUGHT TO BE CHARGEABLE TO TAX HERE IN THE SAME WAY AS COMMISSIONS, FEES AND FOREIGN EXCHANGE DEALING PROFITS ARE CHARGED AT THE PRESENT TIME.

WITH THE RAPID EXPANSION OF OFFSHORE BUSINESS, AN INCREASING PROPORTION OF THE PROFITS SO EARNED WOULD OTHERWISE ESCAPE TAX. THERE IS NO JUSTIFICATION FOR THIS, INASMUCH AS THESE PROFITS ARE, AS A MATTER OF FACT, DERIVED FROM ECONOMIC ACTIVITIES CARRIED ON IN HONG KONG.

BASED ON PRESENT INFORMATION AVAILABLE IN THE INLAND REVENUE DEPARTMENT, THE ADDITIONAL REVENUE YIELDS, SHOULD THE BILL BE ENACTED, WILL BE ABOUT \$144 MILLION IN 1979-80 AND THEREAFTER ABOUT \$80 MILLION PER ANNUM.

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FUND INCREASES ADEQUATE FOR SOCIAL WELFARE EXPANSION

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THE DIRECTOR OF SOCIAL WELFARE, THE HON. THOMAS LEE, TODAY DISPELLED DOUBTS AS TO THE ADEQUACY OF THE INCREASED PROVISIONS FOR RECURRENT EXPENDITURE ON SOCIAL WELFARE.

REPLYING TO POINTS RAISED BY THE UNOFFICIALS AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR. LEE POINTED OUT THAT THE INCREASE WAS SUBSTANTIAL, BOTH IN ABSOLUTE TERMS AND AS A PERCENTAGE.

HE EMPHASISED THE PROVISIONS WOULD BE ADEQUATE TO MAINTAIN EXISTING SERVICES, TO MEET INCREASED COSTS AND TO CATER FOR NEW PROJECTS LIKELY TO BE IMPLEMENTED DURING THE CURRENT FINANCIAL YEAR.

CITING FIGURES, HE SAID THE INCREASE IN SOCIAL WELFARE SUBVENTION WOULD BE 47 PER CENT OR \$32 MILLION= THE GOVERNMENT'S SOCIAL SECURITY SERVICES WOULD ATTRACT AN INCREASE OF 21 PER CENT OR \$58.5 MILLION, AND OTHER SERVICES, 15 PER CENT OR \$10.3 MILLION.

ON THE PROVISION OF FUNDS FOR SOCIAL WELFARE SUBVENTION, MR. LEE POINTED OUT THAT IN THE RECENTLY COMPLETED ALLOCATION EXERCISE FOR 1978/79, THERE HAD NOT BEEN A SINGLE CASE WHERE AN APPROVED NEW PROJECT WITHIN AGREED POLICY WAS DENIED SUPPORT BECAUSE OF INSUFFICIENT FUNDS.

HE GAVE THE ASSURANCE THAT IN APPROVING SUBVENTION TO A VOLUNTARY AGENCY, THE SOCIAL WELFARE ADVISORY COMMITTEE CONSIDERED SUCH PERTINENT FACTORS AS SALARY INCREASE, INCREASE IN PROVIDENT FUND CONTRIBUTIONS, INCREASE IN RENT AND RATES AS WELL AS ANY JUSTIFIABLE INCREASE IN OTHER COSTS OF PROVIDING THE SERVICE.

+I CONSIDER THE PRESENT PRACTICE IS SATISFACTORY AS LONG AS SUBVENTION REMAINS ON A DISCRETIONARY BASIS,+ HE ADDED.

AS USUAL, HE SAID, THERE WOULD BE SOME FUNDS FOR +CONTINGENCIES+ DURING 1978/79, AND THE SOCIAL WELFARE ADVISORY COMMITTEE WOULD BE PLEASED TO CONSIDER, WHERE THIS COULD BE JUSTIFIED, THE REQUEST BY A VOLUNTARY AGENCY FOR ADDITIONAL SUPPORT EITHER FOR ITS EXISTING SERVICE OR FOR A NEW PROJECT.

WITH REGARD TO A SUGGESTION BY DR. THE HON. HARRY FANG ON THE ALTERNATIVE USE OF THE \$7 MILLION RESERVED FOR IMPLEMENTING PROPOSALS OF THE YOUTH AND ELDERLY GREEN PAPERS, MR. LEE SAID IT WOULD NOT BE NECESSARY.

HE EXPLAINED THAT THE \$93 MILLION ALLOCATED FOR EXISTING SERVICES AND NEW SOCIAL WELFARE PROJECTS UNDER PRESENT POLICIES, INCLUDING THOSE IN THE REHABILITATION PROGRAMME, WOULD BE SUFFICIENT TO MEET EXISTING SERVICES AND NEW PROJECTS PLANNED FOR THE CURRENT YEAR.

/+FURTHERMORE,

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+FURTHERMORE, THE \$7 MILLION IS LIKELY TO BE REQUIRED FOR NEW PROJECTS FOR THE ELDERLY AND YOUNG PEOPLE,+ HE ADDED.

TURNING TO MANPOWER REQUIREMENTS IN RELATION TO THE EXPANSION OF SOCIAL WELFARE, MR. LEE SAID AN ASSESSMENT OF THE FORESEEABLE DEMAND FOR SOCIAL WORKERS, BOTH WITHIN THE GOVERNMENT AND IN THE VOLUNTARY SECTOR, WAS BEING PURSUED WITH URGENCY AND WOULD BE COMPLETED SOON.

+WE WILL THEN HAVE A FIRM BASIS TO APPROACH THE VARIOUS INSTITUTIONS CONCERNED FOR AN INCREASED INTAKE OF SOCIAL WORK STUDENTS,+ HE SAID.

WHILE ENDORSING THE VIEWS EXPRESSED BY DR. THE HON. RAYSON HUANG AND HON. MRS. KWAN KO SIU-WAH ON THE NEED FOR INCREASED CAPACITY IN SOCIAL WORK TRAINING, MR. LEE NOTED THAT THE EXPANSION, IF CARRIED OUT TOO DRAMATICALLY, WOULD INVOLVE PRACTICAL DIFFICULTIES ESPECIALLY IN THE PROVISION OF FIELDWORK PLACEMENT FOR THE STUDENTS.

IN VIEW OF THIS, HE ADVOCATED THE ADOPTION OF A REALISTIC TARGET AND SAID PLANS WERE IN HAND TO ENSURE OPTIMUM USE OF TRAINED PERSONNEL WITHIN THE SOCIAL WELFARE DEPARTMENT.

REFERRING TO THE PROPOSED SETTING UP OF A SUB-COMMITTEE UNDER THE SOCIAL WELFARE ADVISORY COMMITTEE TO PLAN AND INITIATE RESEARCH WORK, MR. LEE SAID THIS ELEMENT HAD ALREADY BEEN INCLUDED IN THE OVERALL PLANNING, WITH A COMMITTEE COMPRISING REPRESENTATIVES FROM THE GOVERNMENT AND THE VOLUNTARY SECTOR TO SUGGEST RESEARCH PROJECTS DURING THE ANNUAL REVIEW OF THE SOCIAL WELFARE FIVE-YEAR PLAN.

IN ADDITION, HE SAID, THE PLANNING AND EVALUATION SUB-COMMITTEE OF THE ADVISORY COMMITTEE CAN ALSO PROPOSE OTHER RESEARCH PROJECTS IN CONNECTION WITH ANY PLANNING BEING CONSIDERED.

+FUNDS COULD BE MADE AVAILABLE FROM THE LOTTERIES FUND, WHERE NECESSARY, FOR INDEPENDENT BODIES TO UNDERTAKE SUCH PROJECTS,+ HE ADDED.

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JUSTIFICATION FOR FREE PUBLIC JUNIOR SECONDARY EDUCATION

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THE DIRECTOR OF EDUCATION, THE HON. KENNETH TOPLEY, TOLD THE LEGISLATIVE COUNCIL TODAY THAT AS THE FIRST SIX YEARS OF PRIMARY EDUCATION WERE FREE, SO SHOULD BE THE THREE YEARS OF JUNIOR SECONDARY EDUCATION IN THE PUBLIC SECTOR.

MR. TOPLEY WAS REPLYING TO POINTS RAISED BY A NUMBER OF UNOFFICIAL MEMBERS WHO DOUBTED THE NEED OR WISDOM OF ABOLISHING FEES IN FORMS 1-3 IN THE PUBLIC SECTOR.

HE POINTED OUT THAT IT WAS DIFFICULT TO JUSTIFY COMPULSORY JUNIOR SECONDARY EDUCATION FOR WHICH PEOPLE HAD TO PAY.

+EVEN A FEE REMISSION SCHEME, NO MATTER HOW GENEROUS, DOES INVOLVE SOME FORM OF MEANS TESTING, RESISTANCE TO WHICH COULD LEAD TO DIFFICULTIES IN A SYSTEM OF COMPULSION.

+WE MUST REMOVE FROM OUR SYSTEM, TOO, ANYTHING WHICH ENCOURAGES OR CAN BE USED TO JUSTIFY UNDER-AGED CHILDREN SEEKING EMPLOYMENT,+ MR. TOPLEY EMPHASISED.

HE ADDED: +IT IS HIGH TIME THAT HONG KONG CAME INTO LINE WITH THE MAJORITY OF THE MORE SOCIALLY ADVANCED AND TECHNOLOGICALLY DEVELOPING COMMUNITIES BY PROVIDING UNIVERSALLY A SOUND BASIC COURSE OF EDUCATION. IT IS OUR BELIEF THAT TO BE EFFECTIVE IN MEETING THE NEEDS OF OUR YOUNG PEOPLE AND OUR COMMUNITY THIS BASIC COURSE CAN BE NO SHORTER THAN NINE YEARS.+

ON 'TONG FAI', THE DIRECTOR SAID THAT FIRM PROPOSALS HAD BEEN FORMULATED BY THE GOVERNMENT AND THESE HAD BEEN SUBMITTED RECENTLY TO THE VARIOUS SCHOOL COUNCILS FOR THEIR COMMENT.

HE SAID: +SUBJECT TO THE AGREEMENT OF FINANCE COMMITTEE AND THE COMMENTS OF SCHOOL COUNCILS, THE GOVERNMENT PROPOSES TO ABOLISH 'TONG FAI' IN FORMS 1-3 IN THE PUBLIC SECTOR UP TO THE LIMIT WHICH WE CAN REASONABLY JUSTIFY.

+TO ACHIEVE THIS IT PROPOSES TO INCREASE THE PRESENT CAPITATION GRANT TO AIDED SCHOOLS BY \$120 PER ANNUM WHICH SHOULD BE SUFFICIENT TO COVER THOSE ITEMS PREVIOUSLY MET FROM 'TONG FAI'.

+A SMALL NUMBER OF THE LONGER ESTABLISHED SCHOOLS WHICH HAVE ADDITIONAL COMMITMENTS AS A RESULT OF EXTRA FACILITIES BUILT UP IN PAST YEARS WILL PROBABLY HAVE TO RETAIN AN ELEMENT OF 'TONG FAI'.+

THE LEVYING OF 'TONG FAI' COULD CONTINUE IN FORMS 4-6 BUT IT WOULD BE REDUCED IN ALL LOAN-BEARING SCHOOLS BECAUSE THE GOVERNMENT WAS PROPOSING TO WAIVE THE BALANCE OF ALL LOANS IN AIDED AND NON-PROFIT-MAKING SCHOOLS.

/REFERRING TO

REFERRING TO THE UNOFFICIAL MEMBERS CONCERN ABOUT THE QUALITY OF EDUCATION, MR. TOPLEY SAID: +THERE IS A WORRY (AND I FULLY UNDERSTAND THE WORRY) THAT THE MEANS BY WHICH WE SHALL ACHIEVE UNIVERSAL JUNIOR SECONDARY EDUCATION WITHIN THE TIME SCALE WE HAVE SET OURSELVES ARE SUCH THAT THE STANDARD ATTAINABLE IN MANY OF OUR SCHOOLS WILL BE INADEQUATE.

+TO PUT IT ANOTHER WAY, DIFFERENT STANDARDS OF PUBLIC SECTOR PLACES WILL RESULT FROM THE DIFFERING LEVELS OF GOVERNMENT ASSISTANCE TO THOSE PLACES. IN PARTICULAR, DIFFERING SALARY SCALES COULD LEAD TO SERIOUS STAFFING PROBLEMS IN SOME SCHOOLS WITH OBVIOUS EFFECTS ON THE TEACHING IN THESE SCHOOLS.+

MR. TOPLEY DREW ATTENTION TO TWO RELATED PROBLEMS OF EDUCATIONAL PLANNING - THE SETTING OF TARGETS FOR PROVISION AT VARIOUS LEVELS IN EDUCATION LEADING TO SPECIFIC CLASS STRUCTURES IN SPECIFIC SCHOOLS AND THE SETTING OF LEVELS OF AID.

+UNLESS WE COMMAND SUFFICIENT FUNDS TO MAKE ALL SCHOOLS FULLY AIDED, WE MUST EITHER BUILD FEWER SCHOOLS OR WE MUST OPEN NEW SCHOOLS AT LOWER LEVELS OF AID.

+TAKING ACCOUNT OF THE ACTUAL SITUATION WE HAVE CREATED SCHOOLS ASYMMETRIC IN CLASS STRUCTURE AND SUPPORTED BY CAPUT GRANTS LOWER THAN THOSE GIVEN TO FULLY AIDED SCHOOLS,+ MR. TOPLEY SAID.

HE ADDED: +MEASURES OF THIS KIND HAVE BEEN USED AT LEAST SINCE 1971 AND WERE BUILT INTO THE PROPOSALS IN THE 1974 WHITE PAPER ON SECONDARY EDUCATION BECAUSE WE BELIEVED THAT PROVISION THROUGH A BUILDING PROGRAMME MADE UP ENTIRELY OF FULLY AIDED SCHOOLS WOULD BE TOO COSTLY AND THEREFORE TOO SLOW.+

THE DIRECTOR THEN REPLIED TO QUESTIONS RAISED BY UNOFFICIAL MEMBERS ABOUT THE IMBALANCE IN THE BUILDING PROGRAMME BETWEEN FULLY AIDED AND NON-PROFIT-MAKING SCHOOLS.

HE SAID: +IN THE CURRENT ACADEMIC YEAR THERE ARE 239 PUBLIC SECTOR SCHOOLS, 196 OF WHICH ARE GOVERNMENT OR AIDED AND 43 ARE NON-PROFIT-MAKING. BY 1981 THERE WILL BE A TOTAL OF 310 -- 224 GOVERNMENT OR AIDED AND 86 NON-PROFIT-MAKING SCHOOLS.

+IN THE NEW TERRITORIES THE PICTURE IS THAT THIS YEAR THERE ARE 39 GOVERNMENT OR AIDED SCHOOLS AND SEVEN NON-PROFIT-MAKING SCHOOLS= IN 1981 THERE WILL BE 58 GOVERNMENT OR AIDED SCHOOLS AND 43 NON-PROFIT-MAKING SCHOOLS.

+THUS BY 1981 THERE WILL BE AN ADDITION OF 81 SCHOOLS IN THE PUBLIC SECTOR LEADING TO A CORRESPONDING REDUCTION IN PLACES IN PRIVATE INDEPENDENT SCHOOLS. THERE WILL ALSO BE A PREPONDERANCE OF GOVERNMENT AND AIDED SCHOOLS IN BOTH THE ESTABLISHED URBAN AREAS AND IN THE NEW TERRITORIES.

/+SO ALTHOUGH

+SO ALTHOUGH IT IS TRUE THAT THE MAJORITY OF THE 55 SCHOOLS TO BE BUILT IN THE NEW TERRITORIES UP TO 1981 WILL BE NON-PROFIT-MAKING, THE END PRODUCT WILL BE 58 GOVERNMENT OR AIDED SCHOOLS AND 43 NON-PROFIT-MAKING SCHOOLS IN THE NEW TERRITORIES BY 1981, COMPARED WITH 39 GOVERNMENT OR AIDED AND SEVEN NON-PROFIT-MAKING SCHOOLS IN THE PUBLIC SECTOR NOW.+

CONTRARY TO WHAT THE HON. CHARLES YEUNG HAD SAID, MR. TOPLEY EMPHASISED THAT +THIS WILL NOT BE A REDUCTION IN STANDARDS BUT A GREAT IMPROVEMENT.+

THE REV. THE HON. JOYCE M. BENNETT HAD EXPRESSED ALARM THAT THE +INTERLOCKING+ SCHOOLS (AND BY THIS MR. TOPLEY WAS SURE SHE MEANT THE ASYMMETRICAL SCHOOLS) WOULD BE +CAPUT GRANT+ SCHOOLS AND NOT, AS SHE CLAIMED WAS ENVISAGED, FULLY AIDED SCHOOLS.

MR. TOPLEY SAID: +THIS MISUNDERSTANDING PUZZLES ME. I FIND IT DIFFICULT TO SEE HOW IT COULD EVER HAVE BEEN THOUGHT THAT THESE ASYMMETRICAL SCHOOLS WERE TO BE FULLY AIDED.

+THE 1974 WHITE PAPER VERY CLEARLY DESCRIBED WHAT WAS MEANT BY ASYMMETRICAL SCHOOLS, HOW THEY WOULD BE ASSISTED, AND THE PART THEY WOULD PLAY IN ANY EXPANSION PROGRAMME.+

IT WAS CERTAINLY TRUE THAT FOR A TIME AT LEAST SOME UNEVENNESS OF PROVISION WOULD EXIST WITHIN THE PUBLIC SECTOR.

+HOWEVER, THE WHOLE QUESTION OF THE LEVELS OF ASSISTANCE TO THE NON-PROFIT-MAKING SCHOOLS MUST BE REVIEWED AND THIS WILL BE DONE.

+I SHOULD ADD THAT THE NEW SYSTEM OF SCHOOL NETS WHICH AIMS TO EQUALISE OPPORTUNITIES BY REGION PLUS THE GREAT INCREASE IN THE NUMBER OF NEW PUBLIC SECTOR SCHOOLS WILL GIVE TO CHILDREN IN THE NEW TERRITORIES AND OTHER DEVELOPING AREAS A MUCH BETTER OPPORTUNITY THAN THEY HAVE NOW OF OBTAINING A SECONDARY PLACE IN A MORE POPULAR SCHOOL.

+SO THE QUALITY OF EDUCATION IS BEING RAISED NOT LOWERED AND CHILDREN IN THE NEW TERRITORIES AND OTHER DEVELOPING AREAS WILL BENEFIT POSITIVELY AND CONSIDERABLY. I AGREE OF COURSE THAT THERE IS ALWAYS ROOM FOR FURTHER IMPROVEMENT AS MORE FUNDS BECOME AVAILABLE,+ MR. TOPLEY SAID.

WEDNESDAY, APRIL 12, 1978

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REVIEW OF MEDICAL AND HEALTH DEVELOPMENT
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THE MEDICAL AND HEALTH SCENE IS ON THE THRESHOLD OF A RARE COMBINATION OF STIRRING EVENTS -- THE IMPENDING BIRTH OF A NEW MEDICAL SCHOOL WITH ITS CONCOMITANT TEACHING HOSPITAL AT SHA TIN AND A NEW DENTAL SCHOOL AT THE HONG KONG UNIVERSITY, AND THE INTRODUCTION OF A DENTAL HEALTH CARE SCHEME FOR THE SCHOOL-GOING POPULATION.

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES, DR. THE HON. K.L. THONG, SAID THIS IN HIS REVIEW OF THE MEDICAL AND HEALTH DEVELOPMENT DURING THE BUDGET DEBATE AT THE LEGISLATIVE COUNCIL TODAY.

HE SAID THESE, TOGETHER WITH OTHER WIDE RANGING PLANS FOR THE DEVELOPMENT OF MEDICAL AND HEALTH SERVICES, PRESENTED AN +EXCITING CHALLENGE+ TO THOSE IN THE MEDICAL PROFESSION AND THE DEPARTMENT.

+IT IS OUR DUTY AND OBLIGATION TO TAKE UP THIS GAUNTLET. TO DO OTHERWISE WILL SURELY RESULT IN SOMETHING MUCH LESS THAN THAT IDEAL STATE OF PHYSICAL, MENTAL AND SOCIAL WELL-BEING WHICH EVERY TERRITORY IN THE WORLD PROFESSES TO ACHIEVE BUT ONLY A COMPARATIVE FEW CAN HOPE TO ATTAIN,+ HE SAID.

+HAPPILY FOR US IN HONG KONG, WE MAY PRIDE OURSELVES IN BEING INCLUDED AMONG THE SELECTED FEW JUDGING BY OUR HEALTH STATISTICS,+ HE ADDED.

DR. THONG SAID SIGNIFICANT PROGRESS HAS BEEN MADE DURING THE YEAR IN THE VARIOUS AREAS OF THE MEDICAL SERVICES AS A RESULT OF THE IMPLEMENTATION BY THE DEPARTMENT OF THE DEVELOPMENT PLANS LAID DOWN IN THE 10-YEAR MEDICAL WHITE PAPER.

THE REGIONALISATION SCHEME, FOR INSTANCE, HAS ACHIEVED ITS MAIN OBJECTIVE OF RELIEVING THE PRESSURE ON THE TWO MAJOR REGIONAL HOSPITALS -- THE QUEEN MARY AND QUEEN ELIZABETH.

DR. THONG SAID FOR YEARS, A REGULAR FEATURE IN THESE TWO HOSPITALS HAD BEEN THE USE OF CAMP BEDS NUMBERING 100 AND 160 A DAY RESPECTIVELY.

+TODAY, I AM GLAD TO SAY THE PICTURE IS VISIBLY DIFFERENT,+ HE SAID.

FOR THE PAST TWO MONTHS ON AN AVERAGE DAY, ONLY A FEW OF SUCH BEDS, IF AT ALL, MAY BE SEEN IN USE AND ONLY AT ODD TIMES WHEN ADMISSIONS ARE PARTICULARLY HEAVY DUE TO EMERGENCIES SUCH AS MAJOR TRAFFIC ACCIDENTS.

/+THIS RESULT

+THIS RESULT IS ALL THE MORE SIGNIFICANT WHEN IT IS REALISED THAT OUR POLICY IS TO ADMIT EVERY CASE THAT PRESENTS AT THE HOSPITALS AND WHICH NEEDS TO BE ADMITTED IRRESPECTIVE, AND THAT ADMISSIONS HAVE INCREASED BY SOME 11 PER CENT SINCE LAST YEAR,+ DR. THONG SAID.

FOLLOWING THE INTRODUCTION OF THE REGIONALISATION SCHEME, THE BED OCCUPANCY RATE OF THE SUBVENTED HOSPITALS HAS BEEN INCREASED TO THE SATISFACTORY LEVEL OF OVER 80 PER CENT.

DR. THONG STRESSED THAT THE EXERCISE IS NOT JUST AN ATTEMPT TO REDISTRIBUTE AND REDESIGNATE BEDS IN GOVERNMENT AND SUBVENTED HOSPITALS.

MORE RESOURCES HAVE, IN FACT, BEEN MADE AVAILABLE IN REAL TERMS WITH A TOTAL OF 440 ADDITIONAL BEDS BEING BROUGHT INTO USE IN THE VARIOUS DISTRICT HOSPITALS, HE ADDED.

IN THE VERY NEAR FUTURE, HE SAID, THE CARITAS MEDICAL CENTRE EXTENSION WILL BE READY FOR USE, PROVIDING AN ADDITIONAL 600 BEDS.

IN THE NEXT FIVE YEARS, A NUMBER OF MAJOR PROJECTS WILL ALSO COME INTO BEING IN RAPID SUCCESSION.

THESE WOULD INCLUDE THE PSYCHIATRIC WING OF THE PRINCESS MARGARET HOSPITAL, THE TEACHING HOSPITAL AT SHA TIN, THE DISTRICT HOSPITAL AT TUEN MUN AND NO LESS THAN 10 CLINICS AND POLYCLINICS WILL BE COMPLETED AND BROUGHT INTO USE ONE AFTER ANOTHER COMMENCING WITH THE SHA TIN GENERAL CLINIC IN 1979.

DR. THONG POINTED OUT THAT THE COMPLETION OF MAJOR HOSPITAL PROJECTS BOTH IN GOVERNMENT AS WELL AS THE PRIVATE SECTOR WILL SEE SIGNIFICANT INCREASES IN THE HOSPITAL BED PROVISION FROM THE PRESENT FIGURE OF 19,300 TO 25,000 BY THE EARLY 1980S.

THE BED/POPULATION RATIO SHOULD THEN HAVE REACHED 5.2 PER 1,000 POPULATION WHICH +IS ONLY marginally BELOW OUR LONG TERM PLANNING TARGET OF 5.5 PER 1,000 POPULATION+, HE ADDED.

ON THE DEVELOPMENT OF CLINIC SERVICES, DR. THONG SAID BECAUSE THE OUT-PATIENT SYSTEM IS EFFECTIVE PROVIDING AS IT IS A PRACTICALLY FREE SERVICE WITH A FULL RANGE OF FACILITIES ON A +WALK-IN+ BASIS, IT IS UNDERSTANDABLE THAT OVER THE YEARS AN OVERWHELMING DEMAND AS OPPOSED TO THE ACTUAL NEED FOR THIS SERVICE HAS BEEN GENERATED.

/HE SAID

HE SAID THE MERE ADDITION OF MORE CLINICS WILL NOT RESULT IN A DECREASE IN THE DEMAND BUT MAY EVEN INCREASE IT.

HOWEVER, WITH THE INCREASE IN POPULATION THERE IS NEED FOR MORE INPUT INTO THE SERVICE, AND IT IS IN THE CONTEXT OF THIS NEED THAT THE MEDICAL AND HEALTH DEPARTMENT HAS PRESENTED TO THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE BOTH LONG-TERM AND SHORT-TERM PLANS TO IMPROVE THE SERVICE, DR. THONG SAID.

THE SHORT-TERM MEASURE WHICH IS CONSIDERED MOST PRACTICAL AND EFFICIENT TO ALLEVIATE THE PROBLEM IS THE PROVISION OF MORE CLINIC SESSIONS USING THE SAME CLINIC FACILITIES OUTSIDE NORMAL OFFICE HOURS, HE SAID.

HE POINTED OUT THAT AT PRESENT, A TOTAL OF 52 SUCH CLINIC SESSIONS PER WEEK -- 31 IN THE EVENINGS AND 21 ON SUNDAYS AND PUBLIC HOLIDAYS -- ARE IN OPERATION, WHICH CATERED FOR MORE THAN HALF A MILLION ATTENDANCES LAST YEAR.

THE LONG-TERM MEASURES INCLUDE THE REPROVISIONING OF OLD CLINICS AND THE BUILDING OF NEW CLINICS, DR. THONG SAID.

+THESE ARE PLANNED FOR AREAS OF ANTICIPATED NEED SUCH AS CENTRES OF POPULATION IN KOWLOON EAST, TSUEN WAN, SHA TIN, TUEN MUN, KOWLOON WEST AND SAI KUNG,+ HE SAID.

IN THE NEXT FIVE YEARS, MORE THAN 10 NEW CLINICS AND POLYCLINICS WILL BE IN OPERATION IN THESE AREAS, PROVIDING AN ADDITIONAL 97 CONSULTATION ROOMS FOR THE PUBLIC, HE ADDED.

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GROWTH OF PUBLIC HOUSING PROGRAMME

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HONG KONG'S PROGRAMME TO SUPPLY PUBLIC HOUSING IS +ENORMOUS+, AND WILL GROW FROM 13,000 FLATS LAST FINANCIAL YEAR TO 20,000 FLATS THIS YEAR AND MORE THAN 44,000 FLATS IN THE NEXT FINANCIAL YEAR.

THIS WAS STATED AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY BY THE SECRETARY FOR HOUSING, THE HON. ALAN SCOTT, WHO MADE THESE OTHER POINTS ON PUBLIC HOUSING:

HOME OWNERSHIP:

THE RESPONSE TO THE FIRST BATCH OF 8,300 FLATS WAS +MOST ENCOURAGING.+ THE BALLOT WILL BE HELD NEXT MONTH, AND SUCCESSFUL APPLICANTS SCREENED IN JUNE. THE ONLY PRIORITY GIVEN WILL BE TO SUCCESSFUL TENANTS OF PUBLIC HOUSING, WHO FOR THEIR PART MUST SURRENDER THEIR RENTED FLATS.

ELDERLY AND DISABLED:

THE HOUSING AUTHORITY HAS AN EXISTING POLICY TO PROVIDE HOSTEL ACCOMMODATION FOR THE ELDERLY= ALSO IN ALLOCATING AND ALTERING FLATS IT TAKES CAREFUL ACCOUNT OF THE NEEDS OF THE DISABLED.

REDEVELOPMENT:

WHERE PARTS OF OLD ESTATES HAVE BEEN REDEVELOPED, THE RESULTANT STANDARD IS EQUAL TO THAT OF NEW ESTATES.

URBAN IMPROVEMENT SCHEME:

SINCE 1974, 50 OLD BUILDINGS HAVE BEEN CLEARED, INVOLVING THE REHOUSING OF 300 FAMILIES TOTALLING 900 PEOPLE. FIFTY MORE OLD PROPERTIES ARE TO BE CLEARED IN THE NEXT PHASE OF THE SCHEME.

FUTURE OF PUBLIC HOUSING:

BETWEEN NOW AND 1984/85, THE PROPORTION OF OUR POPULATION IN PUBLIC HOUSING SHOULD RISE FROM 45 PER CENT AT PRESENT TO MORE THAN 60 PER CENT. ADDITIONAL DEMANDS FOR PUBLIC HOUSING COULD BE EXPECTED FROM THE NATURAL INCREASE IN POPULATION, THE SPLITTING UP OF LARGE FAMILIES, THE DESIRE TO IMPROVE LIVING CONDITIONS AND THE NEED TO REDEVELOP OLDER ESTATES.

CONCERNING FUTURE HOUSING NEEDS, MR. SCOTT SAID: +THE POSITION HAS TO BE CONTINUALLY OBSERVED AND PERIODICALLY RE-ANALYSED, AND WE MUST JUDGE OUR COURSE AND DECIDE OUR ACTIONS ACCORDINGLY.+

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WEDNESDAY, APRIL 12, 1978

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CHIEF SECRETARY THANKS MEMBERS OF FINANCE COMMITTEE
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THE CHIEF SECRETARY, THE HON. SIR DENYS REBERTS TODAY THANKED MEMBERS OF THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL FOR THEIR HARD WORK AND ASSURED THEM THAT THIS +IMPORTANT PUBLIC SERVICE IS GREATLY APPRECIATED BY THE GOVERNMENT.+

SPEAKING AT THE LEGISLATIVE COUNCIL, SIR DENYS SAID MEMBERS OF THE COMMITTEE DEVOTED MUCH OF THEIR TIME AND ENERGY TO THE SCRUTINY OF PUBLIC EXPENDITURE, +BOTH AT THE SPECIAL MEETINGS AT WHICH THEY EXAMINE THE DRAFT ESTIMATES OF EXPENDITURE AND AT REGULAR MEETINGS HELD THROUGHOUT THE YEAR WHEN REQUESTS FOR SUPPLEMENTARY PROVISION ARE CONSIDERED.+

A REPORT OF THE FINANCE COMMITTEE ON THE DRAFT ESTIMATES OF EXPENDITURE 1978-79 WAS TABLED IN THE LEGISLATIVE COUNCIL TODAY.

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BILLS TO GIVE LEGISLATIVE EFFECT TO
STAMP DUTY PROPOSALS IN BUDGET
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THREE BILLS SEEKING TO AMEND THE STAMP ORDINANCE TO LOWER STAMP DUTY ON SHARE TRANSACTIONS AND TO ABOLISH DUTIES ON CHEQUES AND BANK NOTES RECEIVED THEIR SECOND READING IN THE LEGISLATIVE COUNCIL TODAY.

THEY ARE THE STAMP (AMENDMENT) BILL 1978= STAMP (AMENDMENT) (NO. 2) BILL 1978 AND STAMP (AMENDMENT) (NO. 3) BILL 1978.

MOVING THE BILLS, THE FINANCIAL SECRETARY, THE HON. PHILIP HADDON-CAVE SAID THE STAMP (AMENDMENT) BILL 1978, IF ENACTED, WOULD GIVE LEGISLATIVE EFFECT TO AN ORDER MADE BY THE GOVERNOR-IN-COUNCIL UNDER THE PUBLIC REVENUE PROTECTION ORDINANCE TO ABOLISH STAMP DUTY ON BANK NOTES FROM MARCH 1 THIS YEAR.

BEFORE THAT DAY, THE ORDINANCE PROVIDED FOR STAMP DUTY TO BE PAID MONTHLY BY NOTE-ISSUING BANKS AT ONE AND A HALF PER CENT PER ANNUM ON THE AVERAGE VALUE OF BANK NOTES IN CIRCULATION.

THE FINANCIAL SECRETARY ESTIMATED THE COST TO THE REVENUE OF WAIVING SUCH DUTY IN 1978-79 IS \$1.5 MILLION.

ON THE STAMP (AMENDMENT) (NO. 2) BILL 1978, MR. HADDON-CAVE SAID ITS OBJECT WAS TO ABOLISH STAMP DUTY ON CHEQUES ISSUED BY LOCAL BANKS TO THEIR CUSTOMERS FROM MARCH 2, THIS YEAR.

HE SAID: +A BANK IS NOT RELIEVED OF ANY LIABILITY FOR THE PAYMENT OF DUTY ON CHEQUES ISSUED TO ITS CUSTOMERS PRIOR TO MARCH 2, 1978 EXCEPT WHERE THE COLLECTOR OF STAMP REVENUE IS SATISFIED THAT THE CHEQUES HAD BEEN RETURNED BY THE CUSTOMERS TO THE BANK PRIOR TO MARCH 2, 1978 AS SPOILED OR UNUSED,+ HE SAID.

THE ESTIMATED COST TO THE REVENUE OF WAIVING THIS DUTY IN 1978-79 IS \$21 MILLION.

THE STAMP (AMENDMENT) (NO. 3) BILL IS TO GIVE LEGISLATIVE EFFECT TO AN ORDER BY THE GOVERNOR-IN-COUNCIL UNDER THE PUBLIC REVENUE PROTECTION ORDINANCE TO LOWER STAMP DUTY ON SHARE CONTRACT NOTES FROM \$8 PER MILLE ON EACH TRANSACTION TO \$6 PER MILLE FROM MARCH 6.

MR. HADDON-CAVE SAID THE BILL ALSO AMENDS EXTENSIVELY THE PRINCIPAL ORDINANCE TO ACHIEVE ITS OBJECT. +CONSEQUENTIAL AMENDMENTS TO THE STAMP DUTIES MANAGEMENT ORDINANCE, COMPANIES ORDINANCE, STAMP AND DENOTING OF DOCUMENTS REGULATIONS AND STAMP DUTIES MANAGEMENT (FRANKING MACHINES) REGULATIONS ARE SET OUT IN THE SCHEDULE TO THE BILL,+ HE SAID.

THE COST TO THE REVENUE OF LOWERING SUCH DUTY IN 1978-79 IS ESTIMATED AT \$132.5 MILLION.

MR. HADDON-CAVE POINTED OUT THAT IN FUTURE THE STAMP ORDINANCE SHOULD APPLY ONLY TO THREE MAJOR SOURCES OF DUTY: NAMELY, TRANSACTIONS IN SHARES AND MARKETABLE SECURITIES, ASSIGNMENTS OF IMMOVABLE PROPERTY AND LEASES AND AGREEMENTS FOR LEASES.

DEBATES ON THE THREE BILLS WERE ADJOURNED.

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URBAN COUNCIL (AMENDMENT) BILL 1978

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A BILL TO REMOVE AN ANOMALY IN THE PROVISIONS OF THE URBAN COUNCIL ORDINANCE GOVERNING THE REGISTRATION OF URBAN COUNCIL ELECTORS AND TO UPDATE THE ORDINANCE IN THREE OTHER RESPECTS WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY.

SPEAKING AT THE SECOND READING OF THE URBAN COUNCIL (AMENDMENT) BILL 1978, THE CHIEF SECRETARY, THE HON. SIR DENYS ROBERTS SAID : +THE MAIN PURPOSE OF THIS BILL IS TO REMOVE AN ANOMALY IN THE PRESENT PROVISIONS IN THE FIRST SCHEDULE TO THE ORDINANCE WHICH GOVERN THE REGISTRATION OF PROFESSIONAL ACCOUNTANTS AS URBAN COUNCIL ELECTORS BY VIRTUE OF THEIR PROFESSION.+

SIR DENYS POINTED OUT THAT AT PRESENT, AN ACCOUNTANT HOLDING A PRACTISING CERTIFICATE ISSUED UNDER THE PROFESSIONAL ACCOUNTANTS ORDINANCE MAY REGISTER AS AN ELECTOR.

+HOWEVER,+ HE SAID, +ONLY ABOUT HALF OF THE 950 OR SO PROFESSIONAL ACCOUNTANTS REGISTERED UNDER SECTION 22 OF THAT ORDINANCE HOLD PRACTISING CERTIFICATES WHICH ALLOW AN ACCOUNTANT TO UNDERTAKE PUBLIC AUDIT ENGAGEMENTS.

+THE REMAINDER, WHO ARE EMPLOYED BY NON-ACCOUNTANCY FIRMS, IN THE PUBLIC SERVICE OR BY OTHER ORGANISATIONS, ARE NOT THEREFORE ENFRANCHISED BY VIRTUE OF THEIR PROFESSION,+ HE SAID.

SIR DENYS NOTED THAT THE BILL SEEKS TO AMEND THE PRINCIPAL ORDINANCE SO THAT ALL PROFESSIONAL ACCOUNTANTS REGISTERED UNDER THE PROFESSIONAL ACCOUNTANTS ORDINANCE ARE ENFRANCHISED.

THE THREE OTHER AMENDMENTS WHICH WILL UPDATE THE URBAN COUNCIL ORDINANCE ARE :-

- * THE WORDS +BUSINESS PROFIT TAX+ IN THE FIRST SCHEDULE OF THE ORDINANCE WHICH ENABLES SOME TAXPAYERS TO BECOME REGISTERED AS ELECTORS WILL BE REPLACED BY +PROFIT TAX+ AS AMENDED IN THE INLAND REVENUE ORDINANCE=
- * THE WORDS +AUTHORISED ARCHITECT+ IN THE SAME SCHEDULE WILL BE REPLACED BY +AUTHORISED PERSON+ AS AMENDED IN THE BUILDINGS ORDINANCE= AND
- * A HOLDER OF THE HONG KONG CERTIFICATE OF EDUCATION WHICH REPLACED THE HONG KONG CERTIFICATE OF EDUCATION (ENGLISH) AND (CHINESE) IN 1974 SHOULD BE ENTITLED TO REGISTER AS AN ELECTOR IF HIS CERTIFICATE IS OF THE SAME GRADE AND NUMBER OF SUBJECTS AS WERE REQUIRED OF HOLDERS OF THE ABOLISHED ENGLISH AND CHINESE CERTIFICATES.

THE DEBATE ON THE BILL WAS ADJOURNED.

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WEDNESDAY, APRIL 12, 1978

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RECOVERY OF HOSPITAL CARE COST FROM INSURANCE COMPANIES
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THE MAIN OBJECTIVE OF THE MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) AMENDMENT BILL 1978 IS TO STREAMLINE THE PROCEDURE BY WHICH THE GOVERNMENT WILL RECOVER FROM INSURANCE COMPANIES THE COST OF HOSPITAL CARE FOR VICTIMS OF TRAFFIC ACCIDENTS.

THIS WAS STATED BY THE DIRECTOR OF MEDICAL AND HEALTH SERVICES, DR. THE HON. K.L. THONG, WHEN HE PROPOSED THE AMENDMENTS AT THE LEGISLATIVE COUNCIL TODAY.

ONE OF THE AMENDMENTS SEEKS TO PROVIDE FOR THE DIRECTOR OR SUCH OTHER AGENCY AS HE MAY APPOINT TO BE RESPONSIBLE FOR COLLECTING FROM INSURANCE COMPANIES EXPENSES INCURRED IN TREATING VICTIMS OF TRAFFIC ACCIDENTS IN GOVERNMENT HOSPITALS.

IN THE GOVERNMENT SUBVENTED HOSPITALS, THE SAME PROCEDURE WILL APPLY BUT THE COLLECTION OF EXPENSES WILL BE MADE THROUGH THEIR OWN HOSPITAL MANAGEMENT.

ANOTHER AMENDMENT WILL ENABLE THE DIRECTOR TO WAIVE, AT HIS DISCRETION, THE PAYMENT OF EXPENSES WHEN THE INJURED PATIENTS ARE TREATED AS OUT-PATIENTS IN GOVERNMENT HOSPITALS.

DR. THONG EXPLAINED THAT THIS IS BECAUSE AN ORGANISATION AND METHODS STUDY HAS SHOWN THAT IT WOULD BE UNECONOMICAL TO RECOVER SUCH TREATMENT COSTS.

A THIRD AMENDMENT SEEKS TO RAISE THE MAXIMUM LIABILITY OF INSURANCE COMPANIES IN RESPECT OF HOSPITAL EXPENSES FROM A LEVEL OF \$400, WHICH WAS SET IN 1951, TO \$2,500.

THE ACCIDENT INSURANCE ASSOCIATION HAS AGREED TO THESE PROPOSALS WHICH, IN FACT, DO NOT INTRODUCE ANY NEW PRINCIPLES.

DR. THONG POINTED OUT THAT THE EXISTING ORDINANCE ALREADY REQUIRES INSURANCE COMPANIES TO MAKE PAYMENTS FOR THESE EXPENSES APPLICABLE AS IT IS WHEN NEGLIGENCE OF THE INSURED MOTORIST INVOLVED IN THE ACCIDENT IS ESTABLISHED.

+CLAUSE 2 OF THE BILL THEREFORE MAKES AMENDMENT TO SECTION 8 OF THE EXISTING ORDINANCE TO ENABLE NEW ARRANGEMENTS TO BE IMPLEMENTED, THE MAIN OBJECTIVE OF WHICH IS TO STREAMLINE THE PROCEDURE BY WHICH GOVERNMENT WILL RECOVER THE EXPENSES INCURRED IN TREATING VICTIMS OF TRAFFIC ACCIDENTS,+ HE SAID.

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EVIDENCE (AMENDMENT) BILL 1978

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A BILL WHICH SEEKS TO AMEND THE LAW TO EXTEND THE SECURITY GROUND OF EXEMPTION FROM GIVING EVIDENCE TO INCLUDE THE SECURITY OF THE UNITED KINGDOM OR ITS DEPENDENT TERRITORY WAS INTRODUCED IN THE LEGISLATIVE COUNCIL TODAY.

MOVING THE SECOND READING OF THE EVIDENCE (AMENDMENT) BILL 1978, THE ACTING SOLICITOR GENERAL, THE HON DAVID BOY, SAID THE EVIDENCE ORDINANCE CONTAINS PROVISIONS FOR THE TAKING OF EVIDENCE IN HONG KONG FOR USE IN CIVIL OR COMMERCIAL PROCEEDINGS IN THE COURTS OF OTHER TERRITORIES.

A WITNESS MAY, HOWEVER, BE EXEMPTED FROM GIVING EVIDENCE ON SEVERAL GROUNDS, INCLUDING SECURITY GROUNDS.

+BUT THIS GROUND, AS THE ORDINANCE STANDS AT PRESENT,+ MR. BOY SAID, +IS LIMITED TO EVIDENCE PREJUDICIAL TO THE SECURITY OF HONG KONG.+

+IT IS CONSIDERED THAT THERE MIGHT BE CIRCUMSTANCES IN WHICH THE SECURITY OF THE UNITED KINGDOM OR A DEPENDENT TERRITORY OTHER THAN HONG KONG COULD BE PREJUDICED BY EVIDENCE, EVEN THOUGH THE SECURITY OF HONG KONG ITSELF WAS NOT AFFECTED.+

DEBATE ON THE BILL WAS ADJOURNED.

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CRIMINAL PROCEDURE (AMENDMENT) (NO. 2) BILL 1978

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A BILL RESTORING CERTAIN PROCEDURAL POWERS RELATING TO APPEALS IN CRIMINAL CASES TO SUPREME COURT JUDGES WHO ARE NOT JUDGES OF THE COURT OF APPEAL RECEIVED ITS SECOND READING IN THE LEGISLATIVE COUNCIL TODAY.

MOVING THE CRIMINAL PROCEDURE (AMENDMENT) (NO. 2) BILL 1978, THE ACTING SOLICITOR GENERAL, THE HON. DAVID BOY SAID PRIOR TO THE CREATION OF THE COURT OF APPEAL IN 1976 AND THE APPOINTMENT OF JUDGES OF THE COURT OF APPEAL, THE FUNCTIONS NOW PERFORMED BY THAT COURT WERE PERFORMED BY THE FULL COURT.

MR. BOY EXPLAINED THAT ALL JUDGES OF THE SUPREME COURT WERE ALSO JUDGES OF THE FULL COURT AND, ACCORDINGLY, CERTAIN PROCEDURAL POWERS RELATING TO APPEALS IN CRIMINAL CASES, WHICH WERE VESTED IN THE FULL COURT, WERE EXERCISABLE BY ANY JUDGE.

HE ADDED, ON CREATION OF THE COURT OF APPEAL, REFERENCES IN LEGISLATION TO THE FULL COURT WERE REPLACED BY REFERENCES TO THE COURT OF APPEAL.

+THIS HAS, HOWEVER, MEANT THAT JUDGES OF THE SUPREME COURT WHO ARE NOT JUDGES OF THE COURT OF APPEAL MAY NO LONGER HAVE THESE POWERS. IT IS DESIRABLE THAT THEY SHOULD,+ MR. BOY SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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HOUSING (AMENDMENT) BILL 1978
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THE HOUSING (AMENDMENT) BILL 1978, WHICH ENABLES THE HOUSING AUTHORITY TO PROVIDE CAR PARKS IN ESTATES, AND PARKING PLACES ON RESTRICTED ROADS, AND TO CHARGE PARKING FEES, RECEIVED ITS SECOND READING TODAY IN THE LEGISLATIVE COUNCIL.

SPEAKING IN THE RESUMED DEBATE ON THE BILL, THE HON. HILTON CHEONG-LEEN SAID PARKING CHARGES IN PUBLIC HOUSING ESTATES SHOULD BE THE SAME AS THOSE OUTSIDE THE ESTATES AND IN LINE WITH THE OVERALL GOVERNMENT POLICY FOR PARKING FEES.

HE SAID 45 PER CENT OF HONG KONG'S POPULATION WERE LIVING IN PUBLIC HOUSING ESTATES AT PRESENT. THEREFORE THE RESIDENTS IN THESE ESTATES OUGHT NOT TO BE CONSIDERED AS A PRIVILEGED CLASS WHEN IT COMES TO CHARGING PARKING FEES.

MR. CHEONG-LEEN SOUGHT THE ASSURANCE FROM THE SECRETARY OF HOUSING THAT THERE WILL BE NO SPECIAL SUBSIDY GIVEN TO ESTATE RESIDENTS AS AGAINST RESIDENTS LIVING OUTSIDE THE ESTATES IN THE PARKING FEES CHARGED.

+ I WOULD FURTHERMORE LIKE TO HAVE THE ASSURANCE THAT PARKING FACILITIES FOR ALL HOUSING ESTATES SHOULD BE ON A REALISTIC BASIS AND TO BE NEITHER UNDER-PROVIDED NOR OVER-PROVIDED FOR, + MR. CHEONG-LEEN SAID, POINTING THAT 60 PER CENT OF HONG KONG'S POPULATION WOULD BE LIVING IN HOUSING ESTATES IN ANOTHER 10 YEARS.

IN REPLY, SECRETARY FOR HOUSING, THE HON. ALAN SCOTT, REASSURED MR. CHEONG-LEEN THAT THE HOUSING AUTHORITY IS REALISTIC IN REGARD TO THE PROVISION OF PARKING FACILITIES AND THE DETERMINATION OF PARKING CHARGES ON PUBLIC HOUSING ESTATES.

HE SAID: + LIKE OTHER DEVELOPERS IN HONG KONG, THE AUTHORITY IS REQUIRED TO CONFORM WITH THE TRANSPORT AND PARKING POLICIES OF GOVERNMENT. +

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LAW AMENDMENT AND REFORM (CONSOLIDATION) (AMENDMENT) BILL
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THE LAW AMENDMENT AND REFORM (CONSOLIDATION) (AMENDMENT) BILL 1978 RECEIVED ITS SECOND READING TODAY IN THE LEGISLATIVE COUNCIL.

SPEAKING AT THE RESUMED DEBATE OF THE BILL, DR. THE HON. HARRY FANG SAID HE WAS PLEASED TO NOTE THAT THE AMENDED LEGISLATION RECOGNISED THE EXISTENCE AND THE RIGHTS OF THE UNBORN CHILD.

HE ALSO HOPED THAT COUNCILLORS WHO VOTED IN FAVOUR OF THE BILL'S PROVISIONS WILL + BEAR THIS IN MIND SHOULD THEY BE ASKED IN THE FUTURE TO RELAX FURTHER OUR PRESENT LAWS GOVERNING ABORTION. +

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WEDNESDAY, APRIL 12, 1978

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TECHNICAL INSTITUTE HOLDS OPEN DAY
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THE KWUN TONG TECHNICAL INSTITUTE - NOW IN ITS THIRD YEAR OF OPERATION - WILL HOLD ITS OPEN DAY ON FRIDAY AND SUNDAY (APRIL 14 AND 16).

THE INSTITUTE WILL BE OPEN FROM 2 P.M. TO 6 P.M. ON BOTH DAYS. MEMBERS OF THE PUBLIC WILL BE ABLE TO SEE STUDENTS AT WORK IN THE WORKSHOPS. THERE WILL ALSO BE FASHION SHOWS BETWEEN 3 P.M. AND 5 P.M. ON THOSE DAYS.

THE INSTITUTE HAS AN ENROLMENT OF 3,000 STUDENTS IN FULL-TIME DAY CLASSES, PART-TIME DAY-RELEASE CLASSES, AND EVENING CLASSES.

IT ALSO OFFERS A WIDE RANGE OF SHORT COURSES TO UPGRADE SKILLS OF CRAFTSMEN AND TECHNICIANS WORKING IN INDUSTRY. IT HAS 60 FULL-TIME TEACHING STAFF.

THERE ARE FIVE TEACHING DEPARTMENTS IN THE INSTITUTE - CLOTHING INDUSTRIES, ELECTRICAL ENGINEERING, MECHANICAL ENGINEERING, PRINTING, AND TEXTILE INDUSTRIES.

COURSES RUN BY THESE DEPARTMENTS ARE DESIGNED TO MEET THE DEMAND OF LOCAL INDUSTRIES AT BOTH THE TECHNICIAN AND CRAFTSMAN LEVELS.

THE KWUN TONG TECHNICAL INSTITUTE IS ONE OF THE FOUR TECHNICAL INSTITUTES WHICH WERE PLANNED BY THE EDUCATION DEPARTMENT WITH THE ADVICE OF THE HONG KONG TRAINING COUNCIL IN CLOSE LIAISON WITH THE HONG KONG POLYTECHNIC. THE INSTITUTE OPENED IN SEPTEMBER 1975.

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND YOUR REPRESENTATIVES TO COVER THE OPEN DAY OF THE KWUN TONG TECHNICAL INSTITUTE FROM 2 P.M. TO 5 P.M. AT 25 HIU MING STREET, KWUN TONG, KOWLOON ON APRIL 14 AND 16.

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WEDNESDAY, APRIL 12, 1978

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TRAFFIC ARRANGEMENTS IN KWUN TONG AND NORTH POINT
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THE TRANSPORT DEPARTMENT ANNOUNCED TODAY THAT FROM TOMORROW (THURSDAY) THE ROADS BETWEEN BLOCKS ONE AND TWO OF KWUN TONG FLATTED FACTORY OFF WAI YIP STREET WILL BE CLOSED TO TRAFFIC BETWEEN 8 P.M. TO 7 A.M. DAILY FOR ONE WEEK UNTIL APRIL 20.

THE TRAFFIC ARRANGEMENT IS TO FACILITATE ROAD SURFACING WORKS IN THE AREA.

THE DEPARTMENT ALSO ANNOUNCED THAT NORTH POINT ROAD BETWEEN CHUN YEUNG STREET AND WHARF ROAD WILL BE RE-ROUTED ONE-WAY NORTHBOUND FROM 10 A.M. ON FRIDAY (APRIL 14) TO FACILITATE TRAFFIC FLOW.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP IN THE TWO AREAS TO GUIDE MOTORISTS.

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