



DAILY INFORMATION BULLETIN

THURSDAY, MARCH 31, 1977

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GOVT URGED TO EXERCISE MORE INFLUENCE ON MARKET FORCES

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THE GOVERNMENT SHOULD EXERCISE MORE INFLUENCE ON MARKET FORCES, ESPECIALLY WHEN THEY AFFECT THE COMPETITIVENESS OF HONG KONG'S EXTERNAL TRADE.

THIS WAS SUGGESTED BY THE HON. LYDIA DUNN DURING THE RESUMED BUDGET DEBATE IN LEGISLATIVE COUNCIL TODAY.

MISS DUNN SAID SHE FULLY SUPPORTED THE VIEW THAT A FREE COMPETITIVE SYSTEM ALLOCATED RESOURCES MOST EFFICIENTLY AND MAXIMISED REAL INCOMES.

HOWEVER, SHE WONDERED IF HONG KONG COULD SIMPLY AFFORD TO RESPOND TO EVENTS +AS WE MOVE INTO THE LATE 70S AND 80S, AS OUR ECONOMY DIVERSIFIES AND AS WE BECOME MORE AND MORE INFLUENCED BY THE DESTABILISING FORCES OF THE WORLD'S MONETARY SYSTEM+.

WHILE REALISING THAT HONG KONG'S CIRCUMSTANCES WERE QUITE DIFFERENT FROM THOSE OF ITS COMPETITORS, MISS DUNN FELT SHE HAD GENUINE DOUBTS ABOUT THE GOVERNMENT'S POLICY IN LAND SALE, PARTICULARLY FOR INDUSTRY, AND MANAGEMENT OF THE HONG KONG DOLLAR.

SHE SAID THAT THE FINANCIAL SECRETARY HAD ADMITTED IN HIS BUDGET SPEECH THAT THE GOVERNMENT HAD BEEN UNABLE SO FAR TO DEVISE A LAND PRODUCTION PROGRAMME. THIS MEANT THAT THE GOVERNMENT DID NOT HAVE A PROGRAMME OF PRODUCTION OF LAND FOR SALE, SHE ADDED.

THE FINANCIAL SECRETARY, SHE WENT ON, SEEMED TO HAVE ADMITTED THAT LAND FOR SALE WAS SIMPLY EQUAL TO +WHAT IS LEFT OVER AFTER PUBLIC USES HAVE BEEN SATISFIED FROM CLEARANCES, RESUMPTIONS AND RECLAMATIONS+.

+WHAT WORRIES ME IS THAT THIS APPROACH IMPLIES THAT THE GOVERNMENT REGARDS SUCH LAND AS SIMPLY AN ASSET FOR SALE FOR REVENUE PURPOSES. YET LAND IS A VITAL FACTOR OF PRODUCTION,+ MISS DUNN EMPHASISED.

THE UNOFFICIAL MEMBER FELT THAT IN VIEW OF THE RESTRICTED USER CONDITIONS, THE CONCEPT OF INDUSTRIAL ESTATES COULD NOT FILL THIS NEED.

+WE NEED A MORE COMPREHENSIVE APPROACH TO THE PRODUCTION AND USE OF LAND, WITH THE NEEDS OF THE PRIVATE AS WELL AS THE PUBLIC SECTORS BEING PROPERLY CATERED FOR,+ SHE SAID.

ON MANAGEMENT OF THE HONG KONG DOLLAR, MISS DUNN ENDORSED THE FINANCIAL SECRETARY'S POLICY OF USING THE RESOURCES OF THE EXCHANGE FUND TO SMOOTH OUT +SHORT-TERM WAYWARD AND ERRATIC FLUCTUATIONS+ IN THE EXCHANGE RATE, BUT NOT TO ACT AGAINST THE +UNDERLYING TREND+.

/NONETHELESS,

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NONETHELESS, SHE HOPED THE FINANCIAL SECRETARY WOULD CONSIDER MORE CAREFULLY WHETHER THE STRENGTHENING OF THE HONG KONG DOLLAR BY SOME NINE PER CENT AGAINST THE U.S. DOLLAR OVER THE PAST 14-15 MONTHS REFLECTED THE REALITIES OF HONG KONG'S TRADING SITUATION.

+AND EVEN IF IT DOES, FOR THERE WAS A SUBSTANTIAL REDUCTION IN OUR TRADE DEFICIT LAST YEAR, IS SUCH A STRONG CURRENCY CONDUCTIVE TO OUR MAINTAINING THE GROWTH OF OUR EXPORTS IN 1977?+ SHE ASKED.

MISS DUNN OBSERVED THAT AS THE TRADING ENVIRONMENT OVER THE NEXT 12 MONTHS DID NOT SEEM TOO FAVOURABLE IN HER VIEW, SHE WAS WORRIED AT THE PROSPECT OF THE HONG KONG DOLLAR CONTINUING TO BE THE THIRD STRONGEST CURRENCY IN THE WORLD IN TERMS OF THE EFFECTIVE EXCHANGE RATE INDEX.

THE COMPETITIVENESS OF HONG KONG'S EXPORTS AND ITS PROFIT MARGINS WOULD BE DAMAGED, FOR THE BENEFICIAL EFFECTS ON COSTS OF CHEAPER IMPORTS TOOK TIME TO WORK THROUGH THE SYSTEM, SHE ELABORATED.

IN THIS CONTEXT, MISS DUNN SUGGESTED THAT THE FINANCIAL SECRETARY SHOULD PAY MORE ATTENTION TO THE +UNDERLYING TREND+ OR, RATHER, THE TREND'S IMPLICATIONS FOR THE ENTIRE ECONOMY.

+HE SHOULD NOT RELY TOO HEAVILY ON THE THEORY THAT THE FLEXIBILITY OF COSTS AND PRICES SHOULD ENABLE US TO ADJUST TO GIVEN EXCHANGE RATE.

+THIS MAY BE TRUE IN THE LONG RUN BUT, MEANWHILE, THE PEOPLE OF HONG KONG HAVE TO EARN THEIR LIVING,+ SHE SAID.

IN MISS DUNN'S VIEW, THE SUBSTANTIAL RESERVES OF THE EXCHANGE FUND SHOULD BE DEPLOYED MORE AGGRESSIVELY TO MODIFY THE +UNDERLYING TREND+ PARTICULARLY IF THE TREND WAS OVER-INFLUENCED BY TECHNICAL AND MONETARY FACTORS.

SHE ALSO THOUGHT THAT LOCAL INTEREST RATES SHOULD BE KEPT MORE CLOSELY IN LINE WITH INTEREST RATES ABROAD THAN THEY HAD BEEN, AT TIMES, IN THE PAST.

+THIS IS LARGELY A MATTER FOR THE BANKS BUT, TO THE EXTENT THAT THE EXCHANGE VALUE OF THE HONG KONG DOLLAR IS AT STAKE, THE GOVERNMENT SHOULD ENCOURAGE THE BANKS TO ADJUST INTEREST RATES WHENEVER MONEY FLOWS EXERT EXCESSIVE INFLUENCE ON THE FOREIGN EXCHANGE MARKET.+

TURNING TO THE UNDERSPENDING IN THE PUBLIC WORKS PROGRAMME, MISS DUNN SAID SHE FELT OBLIGED TO TAKE THE FINANCIAL SECRETARY TO TASK FOR HIS FAILURE, YET AGAIN, TO MEET THE EXPENDITURE HE BUDGETTED FOR ON CAPITAL ACCOUNT IN 1976/77.

SHE ASKED THE FINANCIAL SECRETARY TO STATE THE REASONS FOR THE UNDERSPENDING AND INDICATE THE RELATIVE IMPORTANCE OF EACH.

/+IN PARTICULAR

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+IN PARTICULAR,+ SHE CONTINUED, +I SHOULD LIKE TO KNOW WHAT PROPORTION IS DUE TO OVER-ESTIMATION OF CONTRACT PRICES= WHETHER THE FINANCIAL SECRETARY IS SATISFIED THAT THE DEPARTMENT MAINLY CONCERNED -- THE PUBLIC WORKS DEPARTMENT -- IS ADEQUATELY STAFFED AND ORGANISED FOR ITS VAST RESPONSIBILITIES= AND WHETHER THE GOVERNMENT CONSIDERS THAT THE BUREAUCRATIC SYSTEM IS AT FAULT IN ANY WAY.+

MISS DUNN ALSO SOUGHT AN ASSURANCE FROM THE FINANCIAL SECRETARY THAT THE EXPENDITURE BUDGETTED FOR IN 1977/78 IN CAPITAL ACCOUNT OF OVER \$2,000 MILLION WAS MORE REALISTIC.

SHE ADDED THAT SHE WOULD LIKE TO HEAR FROM THE FINANCIAL SECRETARY A MORE DEFINITIVE DEFENCE OF THE PROVISION SOUGHT FOR CAPITAL EXPENDITURE, PARTICULARLY BY THE PUBLIC WORKS DEPARTMENT AND THE HOUSING AUTHORITY.

THE UNOFFICIAL MEMBER ALSO ASKED THE FINANCIAL SECRETARY WHAT ARRANGEMENTS EXISTED IN THE FINANCE BRANCH OR ELSEWHERE TO MONITOR THE PROGRESS OF PUBLIC WORKS PROJECTS.

SHE SAID UNOFFICIAL MEMBERS OF THE LEGISLATIVE COUNCIL SHOULD BE TOLD WHAT THE INTERNAL MONITORING ARRANGEMENTS WERE AND BE PERIODICALLY ADVISED OF THE PROGRESS ACHIEVED.

COMMENTING ON THE FINANCIAL SECRETARY'S ECONOMIC FORECASTS FOR 1977, MISS DUNN INDICATED THAT SHE DID NOT THINK THAT THE DRAMATIC SURGE IN HONG KONG'S EXPORT PERFORMANCE OVER THE PAST 12 MONTHS +SHOULD LEAD US TO BE TOO CONFIDENT EVEN ABOUT THE CURRENT YEAR+.

THE FORECAST GROWTH OF THE GROSS DOMESTIC PRODUCT IN REAL TERMS IN 1977 OF SEVEN PER CENT WAS QUITE HIGH, SHE NOTED.

+AT SEVEN PER CENT IT IS EQUAL TO OUR TREND GROWTH AND DEPENDS, INEVITABLY, ON A VARIETY OF ASSUMPTIONS+.

DESPITE THESE RESERVATIONS, MISS DUNN STRESSED THAT SHE COULD NOT FAULT THE FINANCIAL SECRETARY'S BUDGETARY STRATEGY FOR 1977/78.

SHE PAID TRIBUTE TO THE FINANCIAL SECRETARY AND HIS STAFF FOR THE +CLARITY AND PRESENTATION OF THE BUDGET SPEECH AND RELATED DOCUMENTS+ WHICH, SHE STRESSED, WERE AN IMPORTANT EXAMPLE OF OPEN GOVERNMENT IN HONG KONG.

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EXTENSION OF INFIRMITY ALLOWANCE SCHEME ADVOCATED

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DR. THE HON. HENRY HU TODAY ADVOCATED THE EXTENSION OF THE INFIRMITY ALLOWANCE SCHEME TO INCLUDE PEOPLE IN HOMES FOR THE AGED AND SIMILAR INSTITUTIONS.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, HE SAID THAT THEIR NEED FOR A PERSONAL ALLOWANCE WAS JUST AS GREAT AS THOSE LIVING IN THE COMMUNITY.

DR. HU SAID THAT SINCE THE SCHEME WAS NON-MEANS-TESTED, HE WAS OF THE OPINION THAT AGE SHOULD BE THE ONLY CRITERION FOR ELIGIBILITY.

HE WAS GLAD TO LEARN THAT THERE WAS A POSSIBILITY THAT SOME CONSIDERATION MIGHT BE GIVEN TO LOWERING THE AGE LIMIT OF ELIGIBILITY FOR THE INFIRMITY ALLOWANCE.

WHILE WELCOMING THE INCREASED BENEFITS IN THE SOCIAL SECURITY SCHEMES AS ANNOUNCED BY THE FINANCIAL SECRETARY IN HIS BUDGET SPEECH, DR. HU WAS CRITICAL OF THE PROVISION OF \$68 MILLION FOR SUBVENTIONS TO VOLUNTARY AGENCIES IN 1977-78.

ALTHOUGH IT SHOWED AN INCREASE OF \$12 MILLION OVER THE FIGURE OF THE CURRENT YEAR, HE SAID, IT WAS +UNHEALTHILY INADEQUATE.+

HE ESTIMATED THAT NO LESS THAN \$10 MILLION WOULD HAVE TO BE SPENT ON EXISTING SERVICES AND ON THE IMPLEMENTATION OF THE CHILD CARE CENTRES ORDINANCE, +LEAVING A MEAGRE \$2 MILLION FOR EXPANSION PURPOSES.+

+THIS AMOUNT IS RIDICULOUSLY INADEQUATE FOR THE IMPLEMENTATION OF THE COMMITTED NEW PROJECTS FOR THE YEAR 1977-78, LET ALONE THE RESUMPTION OF PROJECTS WHICH HAVE BEEN ABANDONED DURING THE YEARS OF RECESSION,+ HE SAID.

DR. HU EXPRESSED CONCERN ABOUT SALARIES PAID TO WORKERS IN SUBVENTED WELFARE ORGANISATIONS.

IN ORDER TO MAINTAIN THE QUALITY AND CONTINUITY OF SERVICE IN THESE ORGANISATIONS, HE URGED THE GOVERNMENT +TO ASSUME RESPONSIBILITY IN PAYING THE FULL SALARIES OF WORKERS IN ALL SUBVENTED VOLUNTARY WELFARE ORGANISATIONS, WHICH SHOULD BE EQUAL TO THE SALARIES OF THEIR COUNTERPARTS IN THE CIVIL SERVICE IF THEIR QUALIFICATIONS AND DUTIES ARE COMPARABLE.+

HE ALSO ASKED THAT PROVISION BE MADE FOR ADJUSTING THEIR SALARIES WHENEVER CIVIL SERVANTS HAVE THEIR ADJUSTED.

TURNING TO HOUSING, DR. HU WAS DELIGHTED TO LEARN THAT THE GOVERNMENT WAS PROPOSING TO INVITE PRIVATE REAL-ESTATE DEVELOPERS TO JOIN WITH THE GOVERNMENT IN THE PROMOTION OF THE HOME OWNERSHIP SCHEME.

/HOWEVER,

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HOWEVER, HE WAS SOMEWHAT CONCERNED ABOUT THE PRICE FOR THESE FLATS.

+IT IS MOST IMPORTANT THAT THE PRICE SHOULD BE FIXED AT A REALISTIC LEVEL,+ HE SAID.

DR. HU FURTHER SUGGESTED THAT +THE LAND COST FOR THIS PURPOSE SHOULD BE DETERMINED AT THE MINIMUM RESERVE PRICE LEVEL AND NOT ITS MARKET PRICE, OTHERWISE, THE MEANINGFULNESS OF THIS SCHEME WOULD HAVE BEEN DEFEATED.+

AS TO THOSE WHO CANNOT AFFORD TO BUY THEIR OWN FLATS AND HAVE TO CONTINUE TO LIVE IN PUBLIC HOUSING ESTATES, DR. HU SUBMITTED THAT NO MORE THAN 15 PER CENT OF THEIR TOTAL FAMILY INCOME SHOULD BE SPENT ON RENT.

HE WAS ENCOURAGED BY A STATEMENT BY THE FINANCIAL SECRETARY ON THE POSSIBILITY OF ALLOWING THE HOUSING AUTHORITY TO HAVE MORE FLEXIBILITY IN DETERMINING RENTS, +HAVING REGARD TO THE TENANT'S ABILITY TO PAY AND TO OTHER FACTORS SUCH AS THE LOCATION AND QUALITY OF THE ACCOMMODATION.+

HE SUGGESTED THAT RENT PAYMENT COULD BE ON A SLIDING SCALE ACCORDING TO INCOME LEVEL, OR A RENT REBATE SYSTEM AS PRACTISED IN THE UNITED KINGDOM.

ON EDUCATION, DR. HU WAS PLEASED WITH THE PROGRESS IN THE EDUCATIONAL PROGRAMMES, PARTICULARLY IN SPECIAL AND SECONDARY EDUCATION.

HOWEVER, HE WAS DISAPPOINTED THAT PRE-SCHOOL EDUCATION WAS IGNORED AND HE MAINTAINED THAT SUCH EDUCATION WAS PART AND PARCEL OF THE WHOLE EDUCATIONAL SYSTEM.

ON MEDICAL AND HEALTH SERVICES, HE WELCOMED THE PROVISION FOR IMPLEMENTING THE FIRST STAGE OF THE REGIONALISATION SCHEME AND THE PROVISION FOR THE SUBVENTION OF THE COMMUNITY NURSING SERVICE PROVIDED BY THE VOLUNTARY SECTOR, INITIALLY FOR A PERIOD OF THREE YEARS.

HE HOPED THAT THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE WOULD SEE FIT TO PLAN FOR THE DEVELOPMENT AND EXPANSION OF THIS WORTHY PROJECT.

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PROTECTION OF HK TEXTILE EXPORTS TO EEC SOUGHT

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THE GOVERNMENT WAS TODAY URGED TO SEEK REASSURANCE FROM BRITAIN THAT IT WILL PLAY NO PART IN EUROPEAN ECONOMIC COMMUNITY'S MATTERS WHICH +ADVERSELY, AND MORE IMPORTANTLY, UNFAIRLY AFFECT HONG KONG+.

THE APPEAL CAME FROM THE HON. FRANCIS TIEN DURING THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

MR. TIEN EXPRESSED CONCERN ABOUT PRESS REPORTS THAT THE UNITED KINGDOM WAS SAID TO BE A PARTY TO THE EEC PROPOSAL FOR A MORE RESTRICTIVE MULTI FIBRE ARRANGEMENT (MFA).

HE NOTED THAT THE EXISTING MFA WAS, IN THE VIEW OF TEXTILE EXPORTING COUNTRIES, ALREADY A RESTRICTIVE INSTRUMENT.

ACCORDING TO PRESS REPORTS, MR. TIEN SAID EEC WANTED TO MAKE THE MFA MORE RESTRICTIVE, THUS MAKING THE FRAMEWORK FOR FUTURE NEGOTIATIONS EVEN MORE UNFAVOURABLE TO EXPORTING COUNTRIES.

HE SAID: +IF THESE REPORTS ARE ACCURATE, AND THERE APPEARS TO BE NO REASON TO SUGGEST THAT THEY ARE NOT, THEY WOULD SEEM TO UNDERMINE THE VERY POSITIVE, HELPFUL AND ENCOURAGING REMARKS MADE BY SIR PETER CAREY, A SENIOR CIVIL SERVANT IN THE DEPARTMENT OF INDUSTRY IN THE UNITED KINGDOM.+

SIR PETER, WHO VISITED HONG KONG RECENTLY, EMPHASISED THE SPECIAL RELATIONSHIP BETWEEN THE U.K. AND HONG KONG AND THE DETERMINATION OF THE U.K. GOVERNMENT TO ENSURE THAT IN MATTERS RELATING TO COMMERCIAL RELATIONS, REGARD WOULD BE HAD TO THIS SPECIAL RELATIONSHIP.

MR. TIEN SAID: +THE PUBLIC IN HONG KONG IS ENTITLED TO RE-ASSURANCE FROM HER MAJESTY'S GOVERNMENT THAT IT WOULD PLAY NO PART IN THE EEC IN MATTERS WHICH ADVERSELY, AND MORE IMPORTANTLY, UNFAIRLY AFFECT HONG KONG- AND INDEED IT SHOULD BE EXPECTED TO GO FURTHER BY DEFENDING HONG KONG IN SUCH CIRCUMSTANCES.+

THE UNOFFICIAL MEMBER ALSO ASKED THE GOVERNMENT TO MAKE A PUBLIC STATEMENT ON THE POSITION REGARDING THE FUTURE OF THE MFA AND AN ASSESSMENT AS TO WHAT PROGRESS WOULD LIKELY BE MADE IN THE DISCUSSIONS IN GENEVA LEADING TO THE RENEWAL OF THE MFA, WHICH EXPIRES AT THE END OF THIS YEAR.

THERE WAS AN ELEMENT OF CRYSTAL BALL GAZING IN MAKING FORECASTS OF THIS NATURE, HE SAID.

BUT HE ADDED THAT THE GOVERNMENT SHOULD SPELL OUT ANY FACTS AND INFORMATION IT HAD WHICH COULD RE-ASSURE THE TRADING COMMUNITY IN HONG KONG SO AS TO RESTORE AND MAINTAIN BUSINESS CONFIDENCE.

MR. TIEN DISCLOSED THAT HONG KONG'S DELEGATE TO THE 23RD COMMONWEALTH PARLIAMENTARY ASSOCIATION CONFERENCE TO BE HELD IN CANADA IN SEPTEMBER INTENDED TO PROPOSE THAT A TOPIC ENTITLED +INTERNATIONAL TRADING AGREEMENT+ BE INCLUDED IN THE AGENDA SO THAT THE RECENT EVENTS SURROUNDING THE AUSTRALIAN AND CANADIAN ACTIONS IN INTRODUCING TARIFF QUOTAS IN ONE CASE AND SUPERSEDING BILATERAL AGREEMENTS IN THE OTHER, COULD BE DISCUSSED IN AN OPEN FORUM.

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H.K. MUST PLAN ITS OWN ECONOMIC DESTINY, SAYS CHEN
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HONG KONG SHOULD MAKE A START, HOWEVER MODEST, IN PLANNING ITS OWN ECONOMIC DESTINY, THE HON. S.L. CHEN SAID TODAY.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, HE SAID HE DID NOT DOUBT THAT +OUR POLICY OF ALLOWING INDUSTRY TO DEVELOP FREELY TO TAKE ADVANTAGE OF SHORT-TERM MARKET DEMANDS HAS SERVED US WELL UP TO NOW+.

BUT HE ADDED: +WE COULD NOT SURELY AFFORD TO BE COMPLACENT AND CONTINUE TO THINK THAT WE COULD ALWAYS ENJOY THE GOOD FORTUNE OF THE PAST+.

MR. CHEN SAID THAT WHEN THE FINANCIAL SECRETARY COMMENTED ON HONG KONG'S ECONOMIC FUTURE IN HIS BUDGET SPEECH, HE STRUCK A NOTE OF CAUTION THAT AFTER THE RAPID RECOVERY OF 1976 THE OUTLOOK WAS CLOUDED WITH UNCERTAINTIES.

+WE WERE REMINDED ONCE AGAIN THAT OUR ECONOMIC GROWTH WAS STILL VERY MUCH DEPENDENT ON EXTERNAL FACTORS OVER WHICH WE HAVE NO CONTROL, SUCH AS THE POLICIES OF THE GOVERNMENTS OF THE COUNTRIES TO WHICH WE EXPORT,+ HE SAID.

+THIS PROMPTED ME TO ASK MYSELF THE QUESTION WHETHER WE IN HONG KONG HAD ANY FORM OF STRATEGIC ECONOMIC PLANNING AT ALL, WHETHER WE PLAY A DELIBERATE ROLE IN DECIDING OUR OWN FUTURE, OR WHAT DIRECTION WE SHOULD GO IN ORDER THAT WE HAVE A FUTURE,+ HE ADDED.

MR. CHEN SAID THERE SEEMED TO BE SOME SORT OF PLANS IN OPERATION, SUCH AS EFFORTS TO ATTRACT OVERSEAS INVESTMENTS IN HIGH TECHNOLOGICAL INDUSTRIES, INDUSTRIAL LAND POLICY, ESTABLISHMENT OF THE HONG KONG INDUSTRIAL ESTATES CORPORATION AND INVESTMENT IN TECHNICAL EDUCATION, BUT THERE WAS NO MASTER PLAN WHICH LINKED THEM ALL.

HE STRESSED THAT THE SUCCESS OF ANY PLAN FOR ECONOMIC DEVELOPMENT DEPENDED LARGELY ON THE AVAILABILITY OF MANPOWER POSSESSING THE RIGHT SKILLS AND KNOWLEDGE.

+IT IS THEREFORE ESSENTIAL THAT WE HAVE BOTH AN ACCURATE ASSESSMENT OF THE MANPOWER SUPPLY NEEDED TO ACHIEVE OUR INDUSTRIAL DEVELOPMENT OBJECTIVES AND A REALISTIC AND PRACTICAL PLAN FOR THE DEVELOPMENT OF OUR MANPOWER WHICH IS OUR ONLY AND MOST VALUABLE ASSET,+ HE SAID.

TO ACHIEVE THE FIRST AIM, MR. CHEN SAID, +WE MUST HAVE RELIABLE MANPOWER FORECASTING TO PROVIDE OUR POLICY MAKERS WITH A RATIONAL BASIS ON WHICH TO TAKE DECISIONS ON EDUCATION AND OTHER AREAS OF THE ECONOMY, AND FOR INDUSTRIALISTS, BOTH LOCAL AND OVERSEAS, TO PLAN THEIR INVESTMENTS AND EXPANSION.+

/SUCH FORECASTS,

SUCH FORECASTS, HE ADDED, COULD BE FURTHER REFINED BY BEING COMPARED AGAINST NOT MERELY PAST EMPLOYMENT TRENDS BUT ALSO THE PLANNED GROWTH RATES OF THE REAL PRODUCTS FOR THE MAJOR INDUSTRIES.

+MANPOWER PLANNING,+ MR. CHEN CONTINUED, +CANNOT BE DIVORCED FROM EDUCATION PLANNING, WHETHER TECHNICAL OR GENERAL. THE FORMER MUST REFLECT THE NEEDS OF THE COMMUNITY AND THE LATTER MUST BE THE OUTCOME OF AND BASED ON THE FORMER.+

HE FORESAW THAT THE PROVISION OF THREE YEARS SUBSIDIZED SECONDARY EDUCATION BY 1980 WOULD HAVE A TREMENDOUS IMPACT ON THE FUTURE MANPOWER SITUATION.

+BY THEN THERE WILL ALSO BE SUBSIDIZED PLACES IN FORMS 4 AND 5 FOR 40 PER CENT OF THE FORM 3 LEAVERS,+ HE SAID.

THEREFORE, HE SAID, FROM 1980 ONWARDS THE BULK OF THE 60 PER CENT OF THOSE FORM 3 LEAVERS WHO DO NOT PROCEED TO FURTHER SUBSIDIZED EDUCATION WOULD THEORETICALLY ENTER EMPLOYMENT.

BUT WHAT IS MORE LIKELY TO HAPPEN IS THAT MOST OF THE PARENTS, WITH SAVINGS FROM THE EXTRA THREE YEARS SUBSIDIZED EDUCATION, WOULD DO EVERYTHING TO PUT THEIR CHILDREN THROUGH FORMS 4 AND 5 IN THE PRIVATE SECTOR.

THE LONG TERM EFFECT WOULD BE THAT MOST YOUNG PEOPLE WOULD NOT START WORK UNTIL THEY REACH 17 OR OVER, AND MANY, AFTER COMPLETING SECONDARY EDUCATION, WOULD AIM AT WHITE-COLLAR JOBS AND BE RELUCTANT TO ENTER INDUSTRIAL EMPLOYMENT. THE SHORT TERM EFFECT WOULD BE THAT HONG KONG'S INDUSTRY WOULD BE STARVED OF FRESH MANPOWER FOR TWO YEARS, HE SAID.

HE WARNED THAT HONG KONG WOULD HAVE A SITUATION WHERE INDUSTRY WOULD BE COMPETING WITH PRIVATE EDUCATION FOR FORM 3 LEAVERS AND TECHNICAL INSTITUTES WOULD HAVE TO COMPETE WITH PRIVATE SCHOOLS FOR STUDENTS.

HE URGED INDUSTRY TO PREPARE FOR THIS EVENTUALITY BY OFFERING ATTRACTIVE INCENTIVES, SUCH AS FURTHER EDUCATIONAL OPPORTUNITIES AND MAKING INDUSTRIAL WORK MORE INTERESTING AND SATISFYING.

+WHEN TALKING ABOUT DEVELOPMENT OF SKILLED MANPOWER AT ALL LEVELS, TECHNICAL EDUCATION AND INDUSTRIAL TRAINING MUST BE CONSIDERED AND PLANNED AS AN INTEGRAL WHOLE AND NOT ISOLATION ONE FROM ANOTHER,+ MR. CHEN CONTINUED.

HE SAID THAT THE PRESENT SITUATION WAS NOT SATISFACTORY AND THAT THE TWO IMPORTANT ASPECTS OF MANPOWER DEVELOPMENT WERE OUT OF BALANCE AS SEEN FROM THE ANNUAL EXPENDITURE ON TECHNICAL EDUCATION FAR OUT-PROPORTIONING THAT FOR INDUSTRIAL TRAINING.

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TO PRODUCE THE NECESSARY SKILLED MANPOWER, TECHNICAL EDUCATION MUST BE SUPPLEMENTED BY ADEQUATE INDUSTRIAL TRAINING, HE SAID.

+OTHERWISE,+ HE SAID, +WE WOULD BE TURNING OUT ONLY HALF FINISHED PRODUCTS WHICH WOULD NOT DO EITHER THE GRADUATES OR INDUSTRY ANY GOOD.+

MR. CHEN FURTHER SUGGESTED THAT RESPONSIBILITY FOR THE TWO CLOSELY RELATED ASPECTS OF MANPOWER DEVELOPMENT BE VESTED IN ONE ORGANISATION SO THAT THEY WOULD NOT BE SUBJECT TO DEPARTMENTAL DIFFERENCES.

THIS, HE SAID, WOULD BE IN KEEPING WITH WORLD TREND AND WOULD REFLECT THE IMPORTANCE HONG KONG ATTACHED TO MANPOWER DEVELOPMENT AND INSPIRE CONFIDENCE OF OVERSEAS INVESTORS.

+OUR FUTURE ECONOMIC AND SOCIAL DEVELOPMENT WILL DEPEND ON OUR ABILITY TO MEET THE DEMAND FOR INCREASINGLY SOPHISTICATED TECHNICAL MANPOWER,+ MR. CHEN SAID.

+SUCH DEMAND MUST BE RELIABLY ASSESSED, AND WHEN POSSIBLE, THE ASSESSMENTS SHOULD BE LINKED WITH FORWARD ECONOMIC PLANNING.

+THE DEVELOPMENT OF TECHNICAL MANPOWER MUST BE REGARDED AS A VITAL CAPITAL INVESTMENT AND PLANNED AND EXECUTED WITHOUT LET OR HINDRANCE.+

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CALL FOR MORE FUNDS FOR SOCIAL SERVICES

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WITH A MORE BUOYANT HONG KONG ECONOMY, THE GOVERNMENT SHOULD RID ITSELF OF THE CONSERVATISM SO CHARACTERISTIC OF ITS BUDGETARY EXERCISES IN THE PAST TWO OR THREE YEARS, THE HON. KO SIU-WAH SAID TODAY.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MISS KO CENTRED HER SPEECH ON FOUR POINTS -- LARGER ALLOCATION FOR SOCIAL SERVICES, THE NEED TO PROVIDE +BLOCK GRANTS+ FOR SOCIAL WELFARE DEVELOPMENT, EXTENSION OF THE INFIRMITY ALLOWANCE AND A CHANGE IN GOVERNMENT'S SUBVENTION POLICY TOWARDS VOLUNTARY AGENCIES.

ON ALLOCATION FOR SOCIAL SERVICES, SHE ASKED THE GOVERNMENT TO CONSIDER MORE PROVISIONS FOR SOCIAL SERVICES, PARTICULARLY FOR SOCIAL WELFARE PROGRAMMES, TO COMPENSATE FOR THE CUT BACK IN RECENT YEARS IF THE ECONOMIC SITUATION IMPROVED EVEN BETTER THAN PROJECTED.

SHE NOTED THAT THE BUDGET FOR 1977-78 REPRESENTED A 20.5 PER CENT INCREASE OVER THAT FOR 1976-77 AND THAT THE PROPOSED APPROPRIATIONS FOR SOCIAL SERVICES IN THE GOVERNMENT EXPENDITURE STAYED AT ABOUT 40 PER CENT, AS WERE THE CASE DURING THE PAST SEVERAL YEARS.

THE UNOFFICIAL MEMBER EXPRESSED RESERVATIONS ABOUT THE METHOD THE GOVERNMENT HAD ADOPTED TO FINANCE ITS SOCIAL PROGRAMMES, PARTICULARLY THE COSTS FOR SOCIAL WELFARE EXPANSION.

SHE SAID THIS WAS IMPORTANT AS HONG KONG +IS NOW BEGINNING TO HAVE SOCIAL PROJECTS AND PLANS WHICH EXTEND OVER NOT JUST FIVE, BUT 10 OR EVEN MORE YEARS.+

MISS KO DESCRIBED AS +ESPECIALLY WORRYING+ THE QUALIFICATION IN THE 1976 REVIEW OF THE FIVE-YEAR PLAN FOR SOCIAL WELFARE DEVELOPMENT IN HONG KONG +THAT THE INCLUSION OF ANY PARTICULAR PROJECT OR ACTIVITY IN THE PLAN DOES NOT OF ITSELF CONVEY ANY GUARANTEE OF IMPLEMENTATION+.

SHE CONTENDED THAT THE PRESENT PRACTICE OF LOOKING AT ONLY ONE YEAR AT A TIME SHOULD BE CHANGED.

SHE SAID SHE WAS NOT ASKING FOR A LARGER SHARE OF THE REVENUE FOR SOCIAL WELFARE, BUT +FOR A CHANGE IN OUR BUDGETARY POLICY TO ENSURE THAT OUR SOCIAL GOALS ARE NOT THWARTED BY THE ECONOMIC VICISSITUDES OR THE UNDERSPENDING IN A PARTICULAR YEAR+.

/AS THE

AS THE ABILITY OF THE ECONOMY TO FINANCE PROGRAMMES OR POLICIES VARIED FROM YEAR TO YEAR, DEPENDENT AS IT WAS ON A NUMBER OF UNPREDICTABLE FACTORS, MISS KO CONTINUED, MEASURES SHOULD BE TAKEN TO ENSURE THAT DEVELOPMENT PROJECTS WERE NOT UNNECESSARILY DELAYED BECAUSE OF ECONOMIC CONSTRAINTS OVER A CERTAIN PERIOD.

TO AVOID SUCH UPS AND DOWNS AND TO ENSURE THAT STEADY PROGRESS RESULTED FROM THE SOCIAL PROGRAMMES, SHE PROPOSED THAT EXPENDITURE RELATED TO THE EXPANSION OF SOCIAL WELFARE SHOULD BE TIED TO A MORE STEADY SOURCE THAN THE EXISTING ARRANGEMENT.

+I WOULD SUGGEST THAT AS WE ARE NOW DRAWING UP A LIST OF PROGRAMME PLANS ON REHABILITATION, ON THE ELDERLY AND ON YOUTH, WE SHOULD ENSURE THEIR IMPLEMENTATION BY ALLOCATING 'BLOCK GRANTS' FOR EXPENDITURE, ESPECIALLY CAPITAL EXPENDITURE, FOR NEW PROJECTS ACCORDING TO THE VERY CAREFULLY CONSIDERED AND PRACTICAL PROGRAMME PLANS,+ SHE SAID.

MISS KO POINTED OUT THAT THE 'BLOCK GRANT' IDEA HAD LONG BEEN PRACTISED IN FINANCING BOTH CAPITAL AND RECURRENT EXPENDITURE OF THE TWO UNIVERSITIES AND THE POLYTECHNIC, NOT FOR A SINGLE YEAR, BUT OVER A LONGER PERIOD.

SHE FURTHER SUGGESTED THAT A LIST OF DESIRED SOCIAL WELFARE SERVICES BE DRAWN UP, FOLLOWED BY THE VOTING OF A DEFINITE SUM FOR THE EXPANSION OVER A CERTAIN PERIOD.

IN DECIDING ON THE SIZE OF THIS VOTE, THE PROJECTED INCOME FROM THE LOTTERIES FUND SHOULD ALSO BE CONSIDERED, SHE SAID.

+I MUST STRESS THAT IN PROPOSING THIS, I AM NOT TRYING TO DETACH OUR SOCIAL PROGRESS FROM ECONOMIC REALITY.

+I AM PROPOSING A METHOD OF BRINGING THE BUDGETARY POLICY MORE IN LINE WITH OUR SOCIAL DEVELOPMENT GOALS AND OUR DETERMINATION TO IMPLEMENT THE SOCIAL PROGRAMMES WHICH WE HAVE EITHER ADOPTED OR ARE IN THE PROCESS OF ADOPTING,+ MISS KO EMPHASISED.

TURNING TO THE INFIRMITY ALLOWANCE SCHEME, MISS KO WELCOMED THE FINANCIAL SECRETARY'S PROPOSAL OF LOWERING THE AGE LIMIT OF ELIGIBILITY.

SHE SUGGESTED THAT THIS LIMIT SHOULD FIRST BE LOWERED TO 70 AND EVENTUALLY 65.

SHE FELT THAT IF THE SCHEME REMAINED NON-MEANS-TESTED, IT SHOULD INCLUDE THOSE UNDER INSTITUTIONAL CARE.

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AT PRESENT, THOSE RECEIVING PUBLIC ASSISTANCE CAN APPLY FOR INFIRMITY ALLOWANCE IF THEY REACH THE AGE LIMIT, WHILE THOSE UNDER INSTITUTIONAL CARE CANNOT.

MISS KO THOUGHT THE GOVERNMENT HAD YET TO DEFINE THE NEEDS OF THE ELDERLY, AND TO ASSESS THE WAYS IN WHICH THE PUBLIC ASSISTANCE SCHEME, THE INFIRMITY ALLOWANCE SCHEME AND OTHER SOCIAL SERVICE +CAN BEST WORK TOGETHER TO HELP PROVIDE OLD PEOPLE WITH A SATISFACTORY QUALITY OF LIFE+.

FURTHERMORE, SHE FELT THAT SINCE THE INFIRMITY ALLOWANCE SCHEME HAD BEEN IN OPERATION FOR THREE YEARS, IT WAS ALSO TIME TO REVIEW ITS EFFECTIVENESS AND BRING IT CLOSER TO ACHIEVING ITS OBJECTIVES OF MEETING THE ADDITIONAL NEEDS OF THE ELDERLY INFIRM.

ON SUBVENTED ORGANISATIONS, THE UNOFFICIAL MEMBER EMPHASISED THAT THE GOVERNMENT MUST RECOGNISE THE +INDISPUTABLE VALUE+ OF THE VOLUNTARY SECTOR AND SUBVENT TO THE FULL THE COSTS WHICH VOLUNTARY AGENCIES INCURRED IN EXPANDING THEIR SERVICES.

+THE PRACTICE OF UNDERPAYING STAFF EMPLOYED BY VOLUNTARY AGENCIES MUST BE STOPPED,+ SHE SAID, +NOT MERELY BECAUSE OF THE INJUSTICE OF SUCH PRACTICES, BUT IN RECOGNITION OF THE CONTRIBUTION THESE DEDICATED WORKERS MAKE IN PROMOTING THE WELFARE OF THE COMMUNITY.+

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PRESENT VEHICLE TAX SYSTEM UNFAIR,
SAYS REV. MCGOVERN
* * * * *

REVEREND THE HON. PATRICK MCGOVERN TODAY URGED THE GOVERNMENT TO DEVISE A SIMPLE VEHICLE TAX SYSTEM WHICH WOULD FAVOUR THE SMALL VEHICLE AND DISCOURAGE THE BIGGER ONES.

SPEAKING ON THE SECOND DAY OF THE RESUMED BUDGET DEBATE IN LEGISLATIVE COUNCIL, REV. MCGOVERN SUGGESTED A SCHEME BASED ON ARITHMETIC PROGRESSION FOR SMALL CARS FROM ABOUT 600 C.C. TO 1,500 C.C. AND THEREAFTER, GEOMETRIC PROGRESSION TO FRIGHTEEN OFF THE +SPACE-EATING, FUME-SPEWING MONSTERS+.

HE SAID THE PRESENT SYSTEM, UNDER WHICH ONE HAD TO PAY RELATIVELY MORE TAX FOR A SMALL VEHICLE BUT RELATIVELY LESS TAX FOR A BIG ONE, +WOULD ONLY MAKE SENSE SOMEWHERE IN THE BURROWS OF ALICE IN WONDERLAND+.

ACCORDING TO REV. MCGOVERN, THE OWNER OF A +METAL MONSTER+ OF 6,750 C.C. PAYS A TAX OF ABOUT 22 CENTS PER C.C. AND THE OWNER OF A MODEST UTILITY, SPACE-SAVING, SMALL FAMILY CAR PAYS FROM 35 CENTS FOR THE BIGGEST IN THE CATEGORY TO 58 CENTS FOR A SMALLER 600 C.C. CAR.

+MOST RIDICULOUS OF ALL IS THE PERPETUAL PLIGHT OF THE MOST ECONOMIC OF ALL ROAD USERS, THE PLUMBER OR OTHER MAINTENANCE MAN WHO CAN ONLY GET FROM A PLACE TO ANOTHER IN TIME BY USING A MODEST TWO-WHEELED VEHICLE, TAKING UP PERHAPS ONE QUARTER OR ONE SIXTH OF THE ROAD SPACE OF A SMALL CAR.

+IN THE PRESENT UPSIDE-DOWN LOGIC THIS UNFORTUNATE AT THE BOTTOM OF THE PRIVATE TRANSPORT HEAP PAYS \$1.75 TAX PER C.C. FOR A 100 C.C. MOTOR-CYCLE -- A RATIO OF JUST EIGHT TIMES MORE PER C.C. THAN THE OWNER OF THE METAL MONSTER,+ REV. MCGOVERN SAID.

HE PRAISED THE GOVERNMENT, HOWEVER, FOR GIVING A RESPITE TO THE +MUCH BATTERED OWNER OF A PRIVATE VEHICLE FROM FURTHER BASHING+ AND HOPED IT WOULD USE THE RESPITE TO RECTIFY THE PRESENT SYSTEM OF VEHICLE TAX.

ON THE SUBJECT OF THE METHOD OF ASSESSMENT OF THE RATEABLE VALUES OF PROPERTY, THE REV. MCGOVERN SAID IT WAS +BASED ON UNREALITY.+

TWO TERMS KEEP RECURRING, HE SAID, ONE IS +FREE MARKET RENT+ AND THE OTHER +FAIR MARKET RENT+.

HE POINTED OUT THAT A FREE MARKET PRESUPPOSED A FREE PLAY AND BALANCE OF SUPPLY AND DEMAND. BUT THAT DOES NOT EXIST IN HONG KONG WHERE THE DEMAND FOR HOUSING FAR EXCEEDS THE SUPPLY, REV. MCGOVERN SAID.

/HE ADDED

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HE ADDED THAT RENT CONTROL FOR MOST ORDINARY SIZED DOMESTIC PREMISES ALSO EXCLUDED THE REALITY OF A FREE MARKET.

AS REGARDS A FAIR MARKET, THE REV. MCGOVERN SAID +LANDLORDS IN HONG KONG ARE AS A CLASS, BY AND LARGE, THE MOST RAPACIOUS HIGHWAY ROBBERS IN OUR COMMUNITY.

+IN VIEW OF THE GREED OF LANDLORDS AS A WHOLE, THERE IS NO SUCH THING IN HONG KONG AS A FAIR RENT. ANY VALUATION THEREFORE BASED ON THIS CONCEPT IS BASED ON UNREALITY.

+EVEN IF THE NEW ASSESSMENT, MODIFIED BY THE REDUCED POUNDAGE AND BY THE 33-1/3 PER CENT LIMIT, HAPPENED, TEMPORARILY, TO COME OUT AS THE RIGHT ANSWER FOR THE WRONG REASONS, IT IS ENTIRELY WRONG TO MY MIND, THAT THE LANDLORD CAN PASS ON THE INCREASE TO THE ALREADY OVERBURDENED TENANTS.

+I DO NOT KNOW WHAT CAN BE DONE THIS YEAR, BUT BEFORE THE NEXT REASSESSMENT OF RATEABLE VALUES, I URGENTLY REQUEST GOVERNMENT TO FIND A FAIRER SYSTEM BASED NOT ON IMAGINERY CONCEPTS WHICH DO NOT EXIST, BUT ON ECONOMIC AND SOCIAL REALITY OTHER THAN THE REALITY OF THE GREED OF LANDLORDS,+ HE SAID.

ON THE PROPOSED INCREASE IN CHILD ALLOWANCES, REV. MCGOVERN WELCOMED THE MOVE AS +AN INDICATION OF A SOCIALLY DESIRABLE POLICY.+

THOUGH HE POINTED OUT THAT THE AMOUNT WAS NOT REALLY AN INCREASE BUT MERELY CAUGHT UP WITH THE COST OF LIVING, REV. MCGOVERN ADDED THAT ANYTHING WHICH HELPS TO EASE THE BURDEN OF THOSE WITH FAMILIES AND THEREBY HELPS TO PRESERVE AND STRENGTHEN FAMILY LIFE WAS AN INDICATION OF A SOCIALLY DESIRABLE POLICY.+

HE SAID WEAK OR STRONG FAMILY LIFE AFFECTED A MULTITUDE OF OTHER FACTORS IN SOCIETY RANGING FROM EDUCATION TO HONESTY -- THE MOST POSITIVE FORM OF ANTI-CORRUPTION.

+IN A BUDGET CONTEXT A STRONG FAMILY LIFE CAN SAVE MILLIONS OF DOLLARS OF FUTURE EXPENDITURE ON POLICE, ICAC AND PRISONS, TO MENTION ONLY A FEW AREAS.

+IT IS ALSO THE SUREST GUARANTEE OF AN HONEST HARDWORKING WORKFORCE WHICH WILL INCREASE PRODUCTIVITY, WHETHER WE THINK OF THE WORKFORCE AS AT THE HIGHEST LEVELS OF THE CIVIL SERVICE, OR MANAGEMENT, OR THE FACTORY FLOOR,+ HE SAID.

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GOVT. URGED TO RE-INTRODUCE DEPENDENT PARENT'S ALLOWANCE

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THE HON. WONG LAM TODAY URGED THE GOVERNMENT TO RE-INTRODUCE THE DEPENDENT PARENT'S ALLOWANCE.

HE MADE THE APPEAL DURING RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

BASED ON THE DATA SUPPLIED BY THE FINANCIAL SECRETARY, MR. WONG ESTIMATED THAT BY ADOPTING THE ORIGINAL \$2,000 DEPENDENT PARENT'S ALLOWANCE, THE LOSS TO REVENUE WOULD BE ROUGHLY ONLY BETWEEN \$8 TO \$12 MILLION.

+THIS SHOULD HAVE LITTLE SIGNIFICANT EFFECT ON OUR BALANCE OF PAYMENTS FOR THE NEXT FINANCIAL YEAR. ON THE OTHER HAND, IT WOULD BE OF GREAT IMPORTANCE TO 20 PER CENT OF OUR TAXPAYERS AND WOULD SATISFY THE EXPRESSED WISHES OF THE GENERAL PUBLIC,+ HE SAID.

HE RECALLED THAT IN 1973/74 THE GOVERNMENT ABOLISHED THE ALLOWANCE MAINLY ON THE GROUNDS OF +ABUSE+ AND +INEQUITY DUE TO TERRITORIAL LIMITATION+.

MR. WONG SAID, +ABUSE OR MISINFORMATION ON TAX RETURNS WAS MERELY A TECHNICAL PROBLEM. THE FUNDAMENTAL PRINCIPLE FOR ANY KIND OF TAX SYSTEM WAS THAT IT SHOULD MEET ACTUAL NEEDS.+

HE SAID THERE WOULD OF COURSE BE CERTAIN DISHONEST PEOPLE BUT HE BELIEVED THEY WERE OF A LIMITED NUMBER.

+WE SHOULD LOOK FOR WAYS TO DEAL WITH THIS SMALL NUMBER OF BAD APPLES, BUT SHOULD NOT THROW OUT THE BABY WITH THE BATH WATER,+ HE ADDED.

MR. WONG POINTED OUT THAT WITH THE EXTENSIVE USE OF COMPUTER SERVICES THERE SHOULD NOW BE BETTER WAYS TO DETECT CASES OF MISINFORMATION THAN THREE OR FOUR YEARS AGO.

ADMINISTRATIVE DIFFICULTIES, HE ADDED, SUCH AS IN DEFINING +DEPENDENT PARENTS+ AND IN REQUIRING THE TAXPAYER TO ASCERTAIN WHETHER HIS BROTHERS OR SISTERS HAD MADE SIMILAR CLAIMS, SHOULD NOT BE TOO DIFFICULT TO SOLVE.

REFERRING TO INEQUITY DUE TO TERRITORIAL LIMITATION MR. WONG BELIEVED THAT THE NUMBER OF TAXPAYERS AFFECTED WAS VERY SMALL.

MR. WONG SAID, WHEN THE GOVERNMENT ABOLISHED THE DEPENDENT PARENT'S ALLOWANCE, THE PERSONAL ALLOWANCE WAS RAISED FROM \$7,000 TO \$10,000. THE INCREASE ALREADY TOOK INTO ACCOUNT THE NEED TO SUPPORT PARENTS.

/+HOWEVER,

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+HOWEVER, SINCE THEN, THE COST OF LIVING HAS RISEN AND IT SHOULD BE OBVIOUS THAT NOWADAYS THE PERSONAL ALLOWANCE OF \$10,000 WOULD BE ADEQUATE ONLY FOR ONE'S PERSONAL NEEDS AND THAT THE ELEMENT FOR PARENTS' SUPPORT HAS ALREADY DISAPPEARED,+ HE SAID.

TAKING THE \$180 PER MONTH BASIC RATE OF PUBLIC ASSISTANCE AS THE BASIS FOR CALCULATION, MR. WONG SAID, THE ALLOWANCE SHOULD BE \$2,160 A YEAR. BUT THE ORIGINAL ALLOWANCE OF \$2,000 COULD BE ADOPTED FOR THE SAKE OF CONVENIENCE IN CALCULATIONS.

ON THE PROPOSED SUPPLEMENTARY PERSONAL ALLOWANCE, MR. WONG URGED THE GOVERNMENT TO INCREASE IT TO AT LEAST \$4,000.

HE SAID THAT THE INCREASE SHOULD HINGE ON THE RISE IN THE COST OF LIVING.

+IF THERE IS A BIG INCREASE IN THE COST OF LIVING BUT THE BASIC ALLOWANCE REMAINS THE SAME, IT WOULD AMOUNT TO INCREASED TAXATION IN ANOTHER FORM,+ HE ADDED.

SINCE THE BASIC ALLOWANCE WAS RAISED IN 1973/74 FROM \$7,000 TO \$10,000, MR. WONG SAID, THE COST OF LIVING INDEX HAD RISEN FROM AN AVERAGE OF 138.8 IN 1972 TO AN AVERAGE OF 195.6 IN 1976, A RISE OF MORE THAN 40 PER CENT.

THE SUPPLEMENTARY PERSONAL ALLOWANCE, HE SAID, SHOULD ALSO BE CORRESPONDINGLY INCREASED TO AT LEAST \$4,000.

MR. WONG ADDED THAT THE FIGURE WAS STILL A RELATIVELY CONSERVATIVE ONE BECAUSE IT DID NOT TAKE INTO ACCOUNT TWO OTHER FACTORS: A FURTHER INCREASE IN THE COST OF LIVING SINCE THE END OF 1976 AND THE INCREASE IN THE MINIMUM TAX RATE FROM 2.5 PER CENT TO 5 PER CENT, WHEN THE PERSONAL ALLOWANCE WAS RAISED TO \$10,000, WHICH ALREADY RESULTED IN SOME INCREASE IN SALARIES TAX.

AS TO CHILD ALLOWANCE, MR. WONG AGREED WITH THE FINANCIAL SECRETARY THAT IT SHOULD BE INCREASED. HOWEVER, IN LINE WITH FAMILY PLANNING, HE SUGGESTED THAT THE SCALE BE SLIGHTLY REVISED, THAT IS \$5,000 FOR THE FIRST CHILD, \$3,000 FOR THE SECOND CHILD AND \$1,000 FOR THE THIRD CHILD, AND THE REST UNCHANGED.

+THIS SUGGESTION DOES NOT AIM AT FORCING PEOPLE TO REDUCE THE NUMBER OF CHILDREN THEY WOULD LIKE TO HAVE BUT MERELY ENCOURAGES THEM TO HAVE BETTER FAMILY PLANNING IF POSSIBLE,+ HE SAID.

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PLEA TO HEED UNOFFICIAL MEMBERS' SUGGESTIONS

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THE GENERAL FEELINGS OF THE UNOFFICIAL MEMBERS TOWARDS THE GOVERNMENT'S BUDGETARY PROPOSALS WERE TODAY SUMMED UP BY THE SENIOR UNOFFICIAL MEMBER, DR. THE HON. S.Y. CHUNG, WITH A PLEA TO THE GOVERNMENT TO GIVE SERIOUS CONSIDERATION TO THEIR SUGGESTIONS.

WINDING UP THE BUDGET DEBATE ON BEHALF OF THE UNOFFICIALS IN THE LEGISLATIVE COUNCIL, DR. CHUNG POINTED OUT THAT THE SUBJECTS COVERED BY THE UNOFFICIALS WERE NUMEROUS, BUT THEY GENERALLY GROUPED UNDER SIX MAJOR HEADINGS: BUDGETARY STRATEGY AND FINANCING POLICY= TRADE, INDUSTRY AND ECONOMY= SOCIAL WELFARE AND MEDICAL SERVICES= HOUSING AND EDUCATION= CONTROL OF PUBLIC EXPENDITURE AND TAXATION.

DR. CHUNG DESCRIBED TAXATION AS POSSIBLY THE MOST IMPORTANT SUBJECT IN ANY BUDGET DEBATE, AND ECHOED THE VIEWS OF THE MAJORITY OF UNOFFICIALS CONCERNING SUPPLEMENTARY PERSONAL ALLOWANCE.

THE FINANCIAL SECRETARY PROPOSED A MAXIMUM SUPPLEMENTARY PERSONAL ALLOWANCE OF \$2,500 FOR A SINGLE PERSON AND \$5,000 FOR A MARRIED PERSON WITH A +CLAW-BACK+ OF 20 PER CENT.

DR. CHUNG, HOWEVER, MADE A COUNTER SUGGESTION THAT THE MAXIMUM SHOULD BE PEGGED TO THE INCREASE IN THE COST OF LIVING SINCE MARCH 1973 WHEN THE PERSONAL ALLOWANCE WAS LAST RAISED. THIS WOULD MEAN \$4,000 AND \$8,000 FOR A SINGLETON AND MARRIED PERSON RESPECTIVELY.

UNDER DR. CHUNG'S PROPOSAL, THE SUPPLEMENTARY PERSONAL ALLOWANCE WILL BE EXTENDED TO A SINGLETON WITH AN ANNUAL INCOME OF UP TO \$34,000 AND A MARRIED PERSON WITH AN ANNUAL INCOME OF UP TO \$68,000 AS OPPOSED TO THE FINANCIAL SECRETARY'S RECOMMENDATION OF UP TO \$25,000 AND \$50,000 RESPECTIVELY.

ALTHOUGH THIS PROPOSAL WOULD INCUR SOME LOSS OF REVENUE, DR. CHUNG STRESSED THAT THE UNOFFICIALS FELT THAT IT WAS NOT +UNREASONABLE+ AND DESERVED +SYMPATHETIC CONSIDERATION+ BY THE FINANCIAL SECRETARY.

SHOULD THE PROPOSAL BE UNACCEPTABLE TO THE FINANCIAL SECRETARY, HE HOPED THAT THE GOVERNMENT AND THE UNOFFICIALS COULD GET TOGETHER TO WORK OUT A MUTUALLY ACCEPTABLE FORMULA.

DR. CHUNG ALSO REPEATED THE STRONG PLEA MADE BY HIS TWO UNOFFICIAL COLLEAGUES TO BRING BACK THE DEPENDENT PARENT'S ALLOWANCE BECAUSE +THE CHINESE, BOTH IN ACCORDANCE WITH TRADITION AND CUSTOM, LOOK AT THE NEED TO SUPPORT A DEPENDENT PARENT AS EVEN MORE IMPORTANT THAN SUPPORTING A WIFE.+

ON THE QUESTION OF RATES AND RATEABLE VALUES, DR. CHUNG SUPPORTED REV. MCGOVERN'S ARGUMENTS AGAINST THE BASIC FORMULA USED BY GOVERNMENT IN THE ASSESSMENT OF RATEABLE VALUES.

/+HE ARGUES

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+HE ARGUES WITH CONSIDERABLE LOGIC THAT, AS RATES ARE NO LONGER A PAYMENT FOR SERVICES RENDERED BUT NOW A FORM OF INDIRECT TAXATION, IT IS NOT FAIR TO PUT THE BURDEN SOLELY ON THE OCCUPIERS OF PREMISES,+ DR. CHUNG SAID.

THE SENIOR UNOFFICIAL MEMBER SAID THAT MR. JAMES WU ALSO ARGUED THAT SINCE GOVERNMENT HAD ALLOWED LANDLORDS A 10 PER CENT INCREASE IN RENTALS PER YEAR, WHY SHOULD IT ALLOW ITSELF AN INCREASE OF AS MUCH AS 33-1/3 PER CENT IN RATES. MR. WU BELIEVED THAT A REDUCTION TO A 25 PER CENT MAXIMUM INCREASE FOR THE FIRST YEAR WOULD PROVIDE A MEASURE OF RELIEF FROM HARDSHIP AND DIFFICULTY.

DR. CHUNG OBSERVED THAT THE REAL BASIC CAUSE OF PUBLIC RESENTMENT OVER THIS ISSUE WAS THE INCREASE FROM BETWEEN 60 PER CENT AND 80 PER CENT TO OVER 100 PER CENT IN THE RATIO OF RATEABLE VALUE TO ACTUAL RENTAL.

HE HOPED THAT CLARIFICATION WOULD BE GIVEN BY THE GOVERNMENT ON THE GENUINE FACTORS WHICH HAVE LED TO SUCH A SHARP INCREASE IN RATEABLE VALUES OF PREMISES, THUS HELPING THE PUBLIC BETTER UNDERSTAND THE COMPLEXITIES OF THIS PARTICULAR EXERCISE.

REFERRING TO THE CONTROL OF PUBLIC EXPENDITURE, DR. CHUNG EXPRESSED +DISAPPOINTMENT+ OVER THE GOVERNMENT'S LACK OF ANSWER TO THE VARIOUS PROPOSALS MADE BY UNOFFICIAL MEMBERS, AND LOOKED FORWARD TO A +POSITIVE+ REPLY.

HE REPEATED MR. F.K. LI'S CALL FOR THE SETTING UP OF A PUBLIC ACCOUNTS COMMITTEE WHICH WOULD EXAMINE THE ACCOUNTS OF GOVERNMENT DEPARTMENTS, ENFORCE A SYSTEM OF ACCOUNTABILITY FOR SUBVENTED ORGANISATIONS AND TO LOOK MORE CLOSELY AT SPECIFIC POINTS RAISED BY THE DIRECTOR OF AUDIT.

ON HOUSING AND EDUCATION, DR. CHUNG POINTED OUT THAT HOME OWNERSHIP +FOSTERS A SENSE OF BELONGING AND REINFORCES SOCIAL STABILITY+.

+IN A PLACE LIKE HONG KONG WHERE MANY PEOPLE LOOK AT IT AS A TRANSIENT CENTRE,+ HE SAID, +THESE CONSIDERATIONS ARE OF PARAMOUNT IMPORTANCE FOR OUR CONTINUED SURVIVAL.+

HOWEVER, HE URGED THE GOVERNMENT TO TAKE DUE NOTICE OF THE SUGGESTION MADE BY MR. JOHN BREMRIDGE ON MARKETING THE PROJECT.

DR. CHUNG SAID HONG KONG'S FUTURE WELL-BEING ALSO DEPENDED ON THE ONLY RESOURCE IT HAS -- MANPOWER.

HE EMPHASISED THAT HONG KONG MUST FULLY DEVELOP THIS RESOURCE THROUGH MORE INTEGRATED EDUCATION PLANNING AND MORE BALANCED DEVELOPMENT OF TECHNICAL EDUCATION AND INDUSTRIAL TRAINING.

/IN HIGHLIGHTING

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IN HIGHLIGHTING THE POINTS RAISED ON SOCIAL WELFARE AND MEDICAL SERVICES BY HIS UNOFFICIAL COLLEAGUES, DR. CHUNG ASKED WITH A CHALLENGE WHO COULD NOW SAY WITH JUSTIFICATION THAT HONG KONG HAD NOT BEEN PUTTING SUFFICIENT EMPHASIS ON THE DEVELOPMENT OF SOCIAL WELFARE.

HE WAS REFERRING TO THE MASSIVE INCREASE IN EXPENDITURE IN THIS FIELD FROM ONLY \$55 MILLION IN 1971-72 TO OVER \$430 MILLION IN 1977-78 OR ALMOST EIGHT TIMES AS MUCH AFTER ONLY SIX YEARS.

DR. CHUNG, HOWEVER, JOINED HIS UNOFFICIAL COLLEAGUES IN CALLING FOR +SYMPATHETIC+ CONSIDERATION BY THE GOVERNMENT TO CHANGE ITS POLICY IN THE PROVISION OF CAPITAL FUNDS FOR SOCIAL WELFARE EXPANSION IN ORDER TO AVOID STOP-GO PLANNING AND TO ENSURE STEADY PROGRESS IN OUR SOCIAL PROGRAMMES.

HE ALSO ADVOCATED LOWERING THE AGE LIMIT OF ELIGIBILITY FOR INFIRMITY ALLOWANCE FROM 75 TO 70 AND EVENTUALLY TO 65, AND THE REMOVAL OF THE PRESENT DISCRIMINATION AGAINST OLD PEOPLE IN INSTITUTION CARE.

REFERRING TO MEDICAL AND HEALTH SERVICES, DR. CHUNG URGED THE GOVERNMENT TO GIVE SERIOUS CONSIDERATION TO THE PROPOSALS PUT FORTH BY DR. HARRY FANG WHO, HE SAID, GAVE +A MOST VALUABLE INSIGHT INTO THE PROBLEMS OF OUR MEDICAL AND HEALTH SERVICES.+

+THE HIGH TURNOVER OF DOCTORS IN GOVERNMENT SERVICE IS NO SECRET AND IF THE STANDARD OF OUR MEDICAL SERVICES IS TO BE IMPROVED, A SOLUTION TO THIS PROBLEM MUST BE FOUND AND FOUND QUICKLY,+ HE SAID.

ON MATTERS OF TRADE, INDUSTRY AND THE ECONOMY, DR. CHUNG SAID MOST UNOFFICIALS WERE +FAR FROM HAPPY+ WITH THE GOVERNMENT'S LAND AND SALES POLICY, WHICH IS A VITAL FACTOR OF PRODUCTION.

HE INDICATED THAT BECAUSE OF A LACK OF A LONG-TERM LAND SALES POLICY THE RESULT WAS THAT LAND PRICES HAD BECOME UNREALISTICALLY HIGH.

DR. CHUNG QUOTED AN EXAMPLE WHICH, HE SAID, SHOWED THE +TREMENDOUS DISADVANTAGE+ IN HONG KONG'S EXPORT-ORIENTED MANUFACTURING INDUSTRY AS FAR AS CAPITAL AND PRODUCTION COSTS WERE CONCERNED AS A RESULT OF THE UNREALISTICALLY HIGH LAND PRICES.

+I AM SURE A LARGE NUMBER OF UNOFFICIAL MEMBERS SUPPORT THE CALL OF MR. JAMES WU AND MISS LYDIA DUNN THAT WE NEED A MORE COMPREHENSIVE APPROACH TO THE PRODUCTION AND USE OF LAND WITH A VIEW TO CATERING PROPERLY FOR THE NEEDS OF BOTH THE PUBLIC AND THE PRIVATE SECTORS,+ HE SAID.

DR. CHUNG ALSO SPOT-LIGHTED THE PROBLEMS OF HONG KONG'S EXPORTS, PARTICULARLY CLOTHING AND TEXTILE PRODUCTS IN VIEW OF THE UNILATERAL ABROGATION OF BI-LATERAL TRADE AGREEMENTS BY HONG KONG'S TRADING PARTNERS, AND THE COMPETITION FROM THE MAIN RIVALS, SOUTH KOREA AND TAIWAN.

/HE SUPPORTED

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HE SUPPORTED MR. FRANCIS TIEN'S REQUEST FOR A RE-ASSURANCE FROM HER MAJESTY'S GOVERNMENT THAT IT SHOULD NOT ONLY PLAY NO PART IN THE EEC IN MATTERS WHICH ADVERSELY OR UNFAIRLY AFFECT HONG KONG BUT SHOULD DO MORE TO DEFEND AND SAFEGUARD HONG KONG'S INTERESTS.

LOOKING AT THE 1977-78 BUDGET AS A WHOLE, HOWEVER, DR. CHUNG SAID ALL THE UNOFFICIAL MEMBERS WERE IN GENERAL SUPPORT OF THE FINANCIAL SECRETARY'S PROPOSALS THOUGH SOME ACADEMICS AND OTHERS HAD DESCRIBED IT AS DULL, UNEXCITING AND UNIMAGINATIVE.

HE PRAISED THE FINANCIAL SECRETARY FOR HIS +FINE PERFORMANCE+ IN PRESENTING THE BUDGET.

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MACHINERY GUARDING REGULATIONS EFFECTIVE FROM TOMORROW
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FACTORY PROPRIETORS AND WORKERS WERE TODAY REMINDED THAT THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (GUARDING AND OPERATION OF MACHINERY) REGULATIONS 1976 WILL COME INTO FORCE TOMORROW (APRIL 1).

THE REGULATIONS WHICH AIM TO BRING ABOUT A SAFER INDUSTRIAL ENVIRONMENT FOR WORKERS, GIVE GUIDANCE ON THE GUARDING OF DANGEROUS MACHINERY.

THEY SPECIFY DANGEROUS PARTS OF MACHINERY OR PLANT WHICH NEED EFFECTIVE GUARDING, AND DESCRIBE FIVE METHODS OF GUARDING, WHICH CAN BE ADOPTED.

UNDER THE REGULATIONS, OFFENDERS COULD BE FINED FOR NOT ADEQUATELY GUARDING DANGEROUS PARTS OF MACHINERY OR FOR NOT USING MACHINE GUARDS.

MR. DAVID LIN, ASSISTANT COMMISSIONER FOR LABOUR, SAID: +THESE REGULATIONS WERE APPROVED BY THE LEGISLATIVE COUNCIL IN AUGUST LAST YEAR AND TIME WAS ALLOWED FOR PROPRIETORS TO MAKE ADJUSTMENTS AND MODIFICATIONS TO THEIR MACHINES TO PROVIDE THEM WITH PROPER GUARDING.

+DURING THIS TIME OUR INSPECTORATE STAFF HAS BEEN HELPING TO EDUCATE EMPLOYERS AND WORKERS IN THE NEW LAW BY TRAINING AND PUBLICITY,+ HE ADDED.

TO HELP PROPRIETORS AND WORKERS TO COMPLY WITH THE REGULATIONS, AN EXPLANATORY HANDBOOK IN ENGLISH AND CHINESE HAS BEEN PRINTED FOR FREE DISTRIBUTION.

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LEGCO APPROVES PROPOSALS ON RATES

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THE LEGISLATIVE COUNCIL TODAY APPROVED A RESOLUTION UNDER THE RATING ORDINANCE, GIVING EFFECT TO THE FINANCIAL SECRETARY'S THREE-FOLD PROPOSALS ON RATES -- OUTLINED IN HIS BUDGET STATEMENT.

IN MOVING THE MOTION FOR THE RESOLUTION, THE FINANCIAL SECRETARY, THE HON. PHILIP HADDON-CAVE TOLD THE COUNCIL THAT HIS FIRST PROPOSAL -- A REDUCTION IN THE GENERAL RATES FROM 12 TO 7-1/2 PER CENT FROM APRIL 1, 1977 -- WAS RELATED TO THE RECENT REVALUATION.

HE NOTED THAT RATEABLE VALUES FOR 1977-78 WOULD BE SUBSTANTIALLY HIGHER THAN THOSE IN THE CURRENT VALUATION LIST BECAUSE +RATEABLE VALUES ARE BASED ON MARKET RENTS AND EXISTING RATEABLE VALUES WERE ASSESSED IN 1972 WHEN RENTS WERE MUCH LOWER THAN THEY ARE TODAY+.

+GIVEN THE REVALUATION, SINCE REVENUE FROM RATES FOR 1977-78 SEEMED LIKELY TO BE SUBSTANTIALLY HIGHER THAN FOR 1976-77, I CAME TO THE CONCLUSION, WHICH I ANNOUNCED ON 5TH JANUARY LAST IN THIS COUNCIL, THAT I WAS IN A POSITION TO PROPOSE A REDUCTION IN THE PERCENTAGE CHARGE.

+IN LINE WITH THE POLICY OF ACHIEVING A STEADY GROWTH IN GENERAL RATE REVENUE, I AM SATISFIED THAT THE 4.5 PERCENTAGE POINTS REDUCTION IN THE GENERAL RATE IS JUSTIFIED AND IN THE PUBLIC'S INTEREST,+ HE SAID.

ON HIS SECOND PROPOSAL WHICH SEEKS TO REDUCE THE URBAN COUNCIL RATE BY TWO PERCENTAGE POINTS FROM SIX TO FOUR PER CENT, THE FINANCIAL SECRETARY INDICATED THAT SINCE APRIL 1, 1973 THE URBAN AREAS HAD BEEN CHARGED THE URBAN COUNCIL RATE IN ADDITION TO THE GENERAL RATE.

HE SAID THE URBAN COUNCIL RATE AT SIX PER CENT WAS CALCULATED TO YIELD SUFFICIENT REVENUE TO MEET THE COUNCIL'S BUDGETTED NET EXPENDITURE IN 1973-74.

THIS PERCENTAGE RATE, HE WENT ON, HAD YIELDED SUFFICIENT REVENUE FOR THE COUNCIL'S NET EXPENDITURE SINCE THEN.

+GIVEN THE NEW RATEABLE VALUES FROM THE 1976 REVALUATION THE COUNCIL HAS RECOMMENDED AND IT IS PROPOSED BY THE GOVERNOR THAT THE URBAN COUNCIL RATE BE SET AT FOUR PER CENT,+ THE FINANCIAL SECRETARY EXPLAINED.

MR. HADDON-CAVE POINTED OUT THAT THE EFFECT OF THESE TWO PROPOSALS WOULD BE TO REDUCE THE TOTAL RATES CHARGED IN THE URBAN AREAS FROM 18 TO 11-1/2 PER CENT OF THE RATEABLE VALUES.

HE SAID: +AS A RESULT, THE TOTAL RATES PAYABLE WILL, IN SOME CASES, ACTUALLY BE LESS.

/-REDUCTIONS WILL

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+REDUCTIONS WILL BE ENJOYED BY A PROPORTION OF RATEPAYERS IN MOST CLASSES, BUT MAINLY BY THOSE IN SMALL FLATS, SHOPS AND MISCELLANEOUS COMMERCIAL PREMISES, FACTORIES AND STORAGE PREMISES AND BY THE RATEPAYERS IN SOME 1,000 OR SO PRE-WAR PREMISES.+

THE FINANCIAL SECRETARY THEN WENT ON TO EXPLAIN HIS THIRD PROPOSAL: REDUCTION IN THE GENERAL RATE IN THE NEW TERRITORIES IN A WAY AND TO AN EXTENT COMPARABLE TO THAT PROPOSED FOR THE URBAN AREAS.

UNDER THE PROPOSAL, THE GENERAL RATE PERCENTAGE FOR TSUEN WAN/KWAI CHUNG FOR 1977-78 WOULD BE REDUCED FROM 18 TO 11 PER CENT AND THE CORRESPONDING GENERAL RATE PERCENTAGE FOR THE SEVEN AREAS, NAMELY YUEN LONG, TAI PO, SHA TIN, TUEN MUN, CLEARWATER BAY ROAD, LUEN WO MARKET/ON LOK TSUEN AND SHEK WU HUI, BROUGHT INTO ASSESSMENT FROM APRIL 1 LAST, WOULD BE SEVEN PER CENT.

THE RATE CHARGE FOR THE NEW AREA -- SAI KUNG -- BROUGHT INTO ASSESSMENT FROM APRIL 1, THIS YEAR WOULD BE 5.5 PER CENT.

MR. HADDON-CAVE SAID THE TOTAL YIELD FROM THE GENERAL RATES FOR 1977-78, APPLYING THESE NEW PERCENTAGES TO THE NEW RATEABLE VALUES, WAS ESTIMATED AT \$767 MILLION.

THE FINANCIAL SECRETARY ALSO TOLD THE COUNCIL THAT THE GOVERNOR HAD SIGNED THE NECESSARY REVENUE PROTECTION ORDER UNDER THE REVENUE PROTECTION ORDINANCE, THEREBY GIVING EFFECT TO THE SCHEME OF RELIEF FOR RATEPAYERS PROPOSED IN HIS BUDGET.

UNDER THE SCHEME, THE RATES PAYABLE BY A RATEPAYER IN 1977-78, IRRESPECTIVE OF INCREASES IN RATEABLE VALUES, SHOULD NOT INCREASE BY MORE THAN $33\frac{1}{3}$ PER CENT OF THE RATES PAID BY HIM IN 1976-77..

IN ADDITION, THE RATES PAYABLE BY A RATEPAYER IN 1978-79 SHOULD NOT INCREASE BY MORE THAN $33\frac{1}{3}$ PER CENT OF THE RATES PAID BY HIM IN 1977-78.

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WALLA-WALLA FARE INCREASE
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THE PRIVATE HIRE CHARGES FOR WALLA-WALLAS WILL BE INCREASED WITH EFFECT FROM TOMORROW (FRIDAY).

THE INCREASES VARY FROM 25 PER CENT FOR BIG BOATS LICENSED TO CARRY MORE THAN 50 PASSENGERS TO 31 PER CENT FOR SMALL BOATS LICENSED TO CARRY UP TO 30 PASSENGERS.

THE HIRE PERIODS HAVE BEEN REVISED AND HAVE NOW BEEN SET AT PERIODS OF 20 MINUTES FROM 40 MINUTES UPWARDS.

THE FARE FOR THE LATE NIGHT WALLA-WALLA SERVICE BETWEEN KOWLOON PUBLIC PIER AND QUEEN'S PIER HAS ALSO BEEN INCREASED FROM \$1 TO \$1.50.

A SPOKESMAN FOR THE TRANSPORT DEPARTMENT SAID TODAY THAT THE NEW RATES WERE INTRODUCED FOLLOWING LENGTHY DISCUSSIONS WITH THE HONG KONG AND KOWLOON MOTOR BOATS ASSOCIATION, AND A DETAILED EXAMINATION OF THE PROFITABILITY OF THE OPERATION OF WALLA-WALLAS.

THEY TAKE INTO ACCOUNT HIGHER WAGES AND OPERATING COSTS AND THE DROP IN BUSINESS FOLLOWING THE OPENING OF THE CROSS-HARBOUR TUNNEL.

THE LAST TIME THAT THE WALLA-WALLAS INCREASED THEIR FARES WAS JUST OVER THREE YEARS AGO.

THE NEW FARE SCALES ARE AS FOLLOWS:

<u>PERIOD OF HIRE</u>	<u>BOATS LICENSED TO CARRY UP TO 30 PASSENGERS</u>	<u>BOATS LICENSED TO CARRY BETWEEN 30 AND 50 PASSENGERS</u>	<u>BOATS LICENSED TO CARRY MORE THAN 50 PASSENGERS</u>
1. ANY PERIOD NOT EXCEEDING 40 MINUTES	\$13	\$17	\$20
2. ANY PERIOD BETWEEN 40 MINUTES AND ONE HOUR	\$20	\$26	\$30
3. EACH SUBSEQUENT PERIOD OF 20 MINUTES OR PART THEREOF	\$7	\$8	\$10
(RATE PER MINUTE:	34 CENTS	42 CENTS	50 CENTS)

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CAREERS EXHIBITION ON WHEELS
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HUNDREDS OF SECONDARY SCHOOL STUDENTS TODAY (THURSDAY) FLOCKED TO THE KING GEORGE V SCHOOL IN KOWLOON TO SEE A CAREERS EXHIBITION ON WHEELS.

ORGANISED BY THE YOUTH EMPLOYMENT ADVISORY SERVICE OF THE LABOUR DEPARTMENT, THE TWO-DAY EXHIBITION AIMS TO DISSEMINATE UP-TO-DATE CAREERS INFORMATION TO WOULD-BE SCHOOL LEAVERS.

IT FEATURES A DISPLAY OF CAREERS LITERATURES, PHOTOGRAPHS, CHARTS AND CARTOONS ON A WIDE RANGE OF JOB OPPORTUNITIES IN THE GOVERNMENT, COMMERCIAL AND INDUSTRIAL SECTORS.

THE VISUAL COMMUNICATION SYSTEM RECENTLY DONATED BY THE ROTARY CLUB OF VICTORIA IS BEING PUT TO GOOD USE DURING THE EXHIBITION.

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REOPENING OF MAN WAH LANE TO TRAFFIC
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THE NORTHERN SECTION OF MAN WAH LANE BETWEEN DES VOEUX ROAD CENTRAL AND CONNAUGHT ROAD CENTRAL WILL BE RE-OPENED TO TRAFFIC FROM 10 A.M. ON SATURDAY (APRIL 2).

THIS FOLLOWS THE COMPLETION OF THE ENTRANCE AND VENTILATION SHAFT FOR THE FUTURE MASS TRANSIT RAILWAY WESTERN MARKET STATION.

AS THE WIDTH OF THE CARRIAGEWAY AVAILABLE FOR TRAFFIC WILL BE ONLY 12 FEET, A TRANSPORT DEPARTMENT SPOKESMAN URGED DRIVERS OF VEHICLES OF OVER TWO TONS TO AVOID USING MAN WAH LANE AS MUCH AS POSSIBLE.

APPROPRIATE TRAFFIC SIGNS WILL BE POSTED TO GUIDE MOTORISTS.

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PASSING-OUT PARADE OF H.K. SEA SCHOOL

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THE DIRECTOR OF FIRE SERVICES, MR. FRED WATSON, WILL TAKE THE SALUTE AT A PASSING-OUT PARADE AT THE HONG KONG SEA SCHOOL IN STANLEY TOMORROW (FRIDAY) MORNING.

HE WILL ALSO PRESENT CERTIFICATES TO THE GRADUATES WHO WILL SOON BE LEAVING THE SCHOOL FOR SERVICE AT SEA WITH THE MERCHANT NAVY.

AFTER THE PRESENTATION, MR. WATSON AND A NUMBER OF DISTINGUISHED GUESTS WILL TOUR THE SCHOOL TO SEE THE STUDENTS IN VARIOUS TRAINING SESSIONS.

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NOTE TO EDITORS: THE HONG KONG SEA SCHOOL CORDIALLY INVITES YOU TO SEND A REPRESENTATIVE TO COVER THE EVENT WHICH WILL TAKE PLACE AT 10.30 A.M. A SCHOOL OFFICIAL WILL BE ON HAND TO ASSIST THE PRESS.

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WATER CUT

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WATER SUPPLY TO A NUMBER OF PREMISES IN WESTERN DISTRICT AND SHAM SHUI PO WILL BE INTERRUPTED FOR FIVE HOURS FROM 1 A.M. ON SATURDAY (APRIL 2) TO ENABLE THE WATER SUPPLIES DEPARTMENT TO CARRY OUT NIGHT LEAKAGE TESTS IN THE AREAS.

IN WESTERN DISTRICT, THE AREA AFFECTED IS BOUNDED BY MORRISON STREET, WING LOK STREET, THE SOUTH SIDE OF DES VOEUX ROAD WEST, SUTHERLAND STREET AND QUEEN'S ROAD WEST.

IN SHAM SHUI PO, THE PREMISES AFFECTED ARE BOUNDED BY CHEUNG FAT STREET, PO ON ROAD, PRATAS STREET, UN CHAU STREET, TONKIN STREET AND CASTLE PEAK ROAD, INCLUDING SHUN NING ROAD, FAT TSEUNG STREET AND WING LUNG STREET.

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40 FIRE HAZARD ABATEMENT NOTICES
ISSUED TO SAN PO KONG FACTORY OWNERS
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OFFICERS OF THE FIRE SERVICES DEPARTMENT TURNED UP IN FULL FORCE TODAY TO INSPECT THE COMMON MEANS OF ESCAPE IN FACTORIES IN SAN PO KONG AREA.

THE INSPECTION FOLLOWS THE ONE MADE LAST WEEK WHEN MOST OF THE BUILDINGS INSPECTED WERE FOUND TO BE IN UNSATISFACTORY CONDITIONS.

OVER 100 MEN TOOK PART IN TODAY'S OPERATION WHICH LASTED FOR MORE THAN SEVEN HOURS.

ALTOGETHER 16 FACTORY BUILDINGS WERE INSPECTED RESULTING IN THE ISSUE OF 40 FIRE HAZARD ABATEMENT NOTICES ON THE SPOT. ANOTHER 36 ABATEMENT NOTICES MAINLY RELATING TO STRUCTURAL ALTERATIONS WILL BE ISSUED LATER.

IN ADDITION, SUMMONS WILL ALSO BE TAKEN OUT AGAINST A FACTORY OWNER FOR CONTRAVENTION OF THE REQUIREMENTS IN THE ABATEMENT NOTICE PREVIOUSLY SERVED ON HIM.

THE OFFICERS WILL CONTINUE THE INSPECTION IN THE AREA TOMORROW (FRIDAY).

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