DAILY INFORMATION BULLETIN

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FIRM STANCE FOR REFUGEE PROBLEM URGED

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THE HON. LYDIA DUNN TODAY (THURSDAY) URGED THE GOVERNMENT TO URGENTLY DEVISE A FIRM POLICY TO DEAL WITH THE REFUGEE PROBLEM.

SHE ALSO CRITICISED THE GOVERNMENT FOR THE AD HOC MANNER IN DEALING WITH THE SITUATION. SHE SAID THAT THE GOVERNMENT'S PASSIVE AND EVEN WAVERING ATTITUDE IS BEING EXPLOITED BY THE REFUGEES THEMSELVES AS WELL AS THEIR TRAFFICKERS.

SPEAKING AT THE RESUMPTION OF THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY, MISS DUNN SAID THE NUMBER OF REFUGEES FROM VIETNAM COULD BE POTENTIALLY MUCH GREATER THAN IMMIGRANTS FROM CHINA, AND REPRESENTS VERY MUCH GREATER STRESSES AND STRAINS.

SHE ASKED THE ATTORNEY-GENERAL WHY THE PREFERMENT OF CHARGES AGAINST SHIP-OWNERS AND MASTERS IS SUCH A LONG DRAWN OUT PROCESS AND WHETHER HE THINKS THE LAW, ITS ADMINISTRATION, OR OUR INVESTIGATIVE PROCEDURES, ARE DEFICIENT IN ANY RESPECT.

MISS DUNN SAID THERE IS AN ARGUMENT THAT BY TREATING THE REFUGEES IN A +HUMANITARIAN+ WAY, WE ATTRACT INTERNATIONAL SYMPATHY AND EXPEDITE THEIR ULTIMATE RESETTLEMENT.

THIS IS BELIED BY THE WOEFUL RECORD OF REFUGEES ACCEPTED BY OVERSEAS COUNTRIES, SHE SAID.

THE 4,000 PEOPLE WHO ARRIVED ON THE CLARA MAERSK IN 1975 TOOK THREE YEARS TO RESETTLE, AND FROM JANUARY 1 TO MARCH 22 THIS YEAR, 12,129 REFUGEES HAVE ARRIVED, BUT ONLY 1,771 HAVE LEFT. IN ADDITION, THERE ARE QUOTA PLACES ON OFFER OF ONLY 6,000 FROM THE U.S.A. AND 2,340 FROM OTHER COUNTRIES, INCLUDING THE UK, TO BE FILLED THIS YEAR.

AS FOR THE EMOTIVE CLAIM THAT REFUGEES, LIVING AS THEY DO IN APPALLING CONDITIONS ON BOARD SHIPS, DESERVE OUR PITY, MISS DUNN ASKED IF IT IS FAIR THAT THEY BE GIVEN PRIORITIES FOR FACILITIES WHEN SO MANY HONG KONG PEOPLE STILL LIVE IN SQUATTER HUTS.

+IT IS MISGUIDED TO VIEW THE REFUGEE PROBLEM SIMPLY IN PERSONAL TERMS. THE GOVERNMENT MUST VIEW THE PROBLEM IN TERMS OF ITS IMPACT ON HONG KONG, NOW AND IN THE FUTURE,+ SHE SAID.

THE GOVERNMENT MUST ADOPT A HARD LINE AND NOT BE +SEDUCED BY THE HYPOCRISY AND BLANDISHMENTS OF THOSE GOVERNMENTS AND GROUPS WHO WOULD PREVAIL UPON US TO DO OTHERWISE.+

ITS OBLIGATION IS TO LOOK AFTER ITS OWN PEOPLE. IT MUST NOT ALLOW THE CONSEQUENCES OF ACCEPTING INCREASING NUMBERS OF PEOPLE TO BE OBSCURED -- +ADDING TO OUR ALREADY DAUNTING HOUSING PROBLEM, A DETERIORATION IN LAW AND ORDER, A STRAIN ON OUR SOCIAL SERVICES AND FACILITIES, A SLOWING DOWN IN THE GROWTH RATE OF OUR LIVING STANDARDS AND EVENTUALLY AN ACTUAL EROSION OF THOSE STANDARDS,+ ALL OF WHICH WE HAVE STRUGGLED SO HARD TO ACHIEVE IN RECENT YEARS WITH NO OUTSIDE HELP, SHE SAID.

/+LET US .....

+LET US NOT FORGET ALSO,+ SHE ADDED, +THAT IN THESE RELATIVELY EXCITING TIMES WHEN THERE IS A NEW INTEREST IN US AS AN INTERNATIONAL CITY, AS A MEETING PLACE OF EAST AND WEST AND AS A POINT OF ENTRY TO AND EXIT FROM CHINA THAT HONG KONG REMAINS A COMMUNITY IN ITS OWN RIGHT. ITS INTERESTS MUST NOT BE SACRIFICED ON THE ALTAR OF OTHER CONSIDERATIONS.+

MISS DUNN REFERRED TO FOUR ASPECTS OF THE ECONOMY AND GOVERNMENT MANAGEMENT WHICH SHE THOUGHT WERE NOT WELL COVERED BY THE FINANCIAL SECRETARY IN HIS BUDGET SPEECH.

PRICES

ON THE FINANCIAL SECRETARY'S FORECASTS OF PRICE INCREASES IN 1979 -- OF ONLY NINE PER CENT IN CONSUMER PRICES, AND ONLY EIGHT PER CENT IN THE GENERAL PRICE LEVEL AS MEASURED BY THE GDP DEFLATOR -- MISS DUNN SAID THESE ARE UNREALISTIC, BECAUSE OF THE POSSIBILITY THAT INSUFFICIENT WEIGHT HAS BEEN GIVEN TO POSSIBLE INCREASES IN OIL PRICES LATER ON THIS YEAR, AND THE FACT THAT THE TRADE DEFICIT FOR THE FIRST TWO MONTHS OF THIS YEAR WAS $400 MILLION MORE THAN FOR THE SAME PERIOD.

ALTHOUGH THE GROWTH RATE OF PUBLIC EXPENDITURE IS TO BE SLOWED DOWN FROM 25 PER CENT IN 1978-79 TO 7.5 PER CENT, IT WILL STILL BE GROWING FASTER THAN THE GDP, SHE SAID.

SHE THEREFORE ASKED IF ENOUGH HAS BEEN DONE TO RESTRAIN DOMESTIC DEMAND, IF THE GROWTH RATE OF PUBLIC EXPENDITURE HAS BEEN SUFFICIENTLY SLOWED DOWN, AND IF FURTHER STEPS WILL BE TAKEN TO CURTAIL PUBLIC EXPENDITURE IF, DURING THE COURSE OF THE YEAR, PRICES TEND TO INCREASE FASTER THAN FORECAST.

MTR AND THE PUBLIC SECTOR

MISS DUNN QUERIED THE FINANCIAL SECRETARY'S CONSISTENT REFUSAL TO INCLUDE THE MTR PROJECT IN THE PUBLIC SECTOR, +EVEN THOUGH IT IS A STATUTORY CORPORATION, A WHOLLY-OWNED SUBSIDIARY OF THE GOVERNMENT AND ONE WHOSE LIABILITIES ARE GUARANTEED BY THE GOVERNMENT.+

SHE SAID IT IS MISLEADING NOT TO DO THIS WHEN CONSIDERING OUR APPROPRIATE BUDGETORY STRATEGY DESIGNED TO STABILISE THE ECONOMY.

SHE POINTED OUT THAT IF NET EXPENDITURE BY THE MTR CORPORATION IS INCLUDED, THE PUBLIC SECTOR WILL BE IN DEFICIT BY ABOUT $2,000 MILLION NEXT YEAR.

THE BUDGET, THEREFORE, WILL NOT BE AS DISINFLATIONARY AS THE GOVERNMENT CLAIMS, AND THE PUBLIC SECTOR WILL NOT BE CONTRIBUTING AS MUCH AS IT SHOULD TO CORRECT THE IMBALANCE BETWEEN THE DEMAND FOR THE ECONOMY'S OUTPUT AND THE ECONOMY'S ABILITY TO SUPPLY THAT OUTPUT, SHE SAID.

/GOVERNMENT-OWNED .....

GOVERNMENT-OWNED PUBLIC UTILITIES

MISS DUNN SAID CONSUMERS MUST BE SATISFIED THAT THEY ARE GETTING VALUE FOR MONEY IF THEY ARE CHARGED THE FULL COST UNDER THE GOVERNMENT'S NO-SUBSIDY PRINCIPLE IN THE OPERATION OF ITS PUBLIC UTILITY UNDERTAKINGS.

SHE WAS DISAPPOINTED THAT THE NOTIONAL ACCOUNTS, SAID TO DEMONSTRATE THE TRUE PROFIT AND LOSS POSITION OF EACH UNDERTAKING AND THE RETURN ON AVERAGE NET FIXED ASSETS EMPLOYED, WERE NOT INCLUDED IN THE BUDGET PAPERS.

SHE ASKED IF THE GOVERNMENT IMPOSES ON ITSELF A RATIONAL SCHEME OF CONTROL AS IT DOES ON PRIVATELY-OWNED UTILITIES. SHE ASKED THE GOVERNMENT TO DISCLOSE THE RATES OF RETURN ON NET FIXED ASSETS EMPLOYED, AND HOW IT ARRIVES AT THESE RATES.

SHE WANTED TO KNOW HOW WELL THE GOVERNMENT IS MANAGING THESE FACILITIES TO ENSURE MAXIMUM EFFICIENCY AND COURTEOUS SERVICE ON A PAR WITH ITS COUNTERPARTS IN THE PRIVATE SECTOR.

SHE ALSO ASKED HOW THE RESPONSIBLE GOVERNMENT DEPARTMENTS, LIKE THE PRIVATE-OWNED UTILITIES COMPANIES, ANTICIPATE OVERALL DEMAND, MAKE INVESTMENT DECISIONS TO CATER FOR THAT DEMAND, AND TO REMAIN TECHNICALLY UP-TO-DATE.

LAND POLICY

MISS DUNN POINTED OUT THAT OF THE 2,374 HECTARES OF LAND TO BE PRODUCED BY 1982-83, ONLY 715 HECTARES, OR 30 PER CENT WILL BE AVAILABLE FOR INDUSTRIAL AND PRIVATE NON-INDUSTRIAL USE. THE POSITION AFTER 1982-83 IS NO BETTER IN THAT ONLY 252 HECTARES, OR 34 PER CENT OF THE TOTAL TO BE PRODUCED, ARE DESIGNATED FOR SUCH USE.

THE GOVERNMENT ADMITS THAT IT HAS +INEVITABLY INFLUENCED LAND PRICES,+ BUT APPEARS TO OFFER LITTLE TO ALLEVIATE CURRENT SPIRALLING LAND PRICES AND SPECULATIVE ACTIVITIES IN PROPERTY, SHE SAID.

SHE AGREED THAT THE FINAL SOLUTION +LIES IN MORE LAND BEING PROVIDED, BUT THIS WILL NOT HAVE EFFECT ON PRICES OR HELP TO SATISFY DEMAND IF MOST OF THE LAND PRODUCED IS TAKEN UP BY THE GOVERNMENT.+

SHE THOUGHT THE GOVERNMENT'S LAND DISPOSAL POLICY, AS WELL AS ITS NON-INTERVENTIONIST POLICY OF SELLING TO THE HIGHEST BIDDER, MUST BE REVIEWED, UNLESS IT IS IN A POSITION TO PRODUCE SUFFICIENT LAND TO SATISFY PRIVATE DEMAND AS OPPOSED TO ITS OWN REQUIREMENTS.

SHE FURTHER SUGGESTED THAT THE GOVERNMENT SHOULD CONSIDER SETTING UP A SINGLE LAND DEPARTMENT.

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INFLATION --- HK'S NO. 1 ENEMY

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INFLATION IS HONG KONG'S PUBLIC ENEMY NUMBER ONE, AND IT IS WORTH PAYING A CONSIDERABLE PRICE TO PREVENT THE +CRITICAL MASS EFFECT+ IT CAN HAVE, FROM GETTING A GRIP ON US, THE HON. DAVID NEWBIGGING TOLD THE LEGISLATIVE COUNCIL AT THE RESUMPTION OF THE BUDGET DEBATE TODAY (THURSDAY).

MR. NEWBIGGING SAID THE EFFECT HAS BEEN WITNESSED IN COUNTRIES +WHEN INFLATION REACHES 10 PER CENT OR ABOVE, REMAINS UNCHECKED AND GOES ON TO DEVELOP ITS OWN MOMENTUM.+

+THE SYMPTONS ARE A WEAK CURRENCY, LABOUR UNREST, SOCIAL DIVISIONS, RISING UNPRODUCTIVE GOVERNMENT EXPENDITURE TO BAIL OUT THOSE WHO CANNOT PROTECT THEMSELVES AGAINST INFLATION, AND ECONOMIC STAGNATION GENERALLY.+

HE SAID THE PROBLEM IS PARTICULARLY OMINOUS AT A TIME WHEN HONG KONG IS SUFFERING +FROM INTERNAL INFLATION, CAUSED PRIMARILY BY A COMBINATION OF EXCESS PRIVATE SECTOR DEMAND AND HIGH PUBLIC SECTOR SPENDING --- AND OF WHICH A WEAKENING EXCHANGE RATE IS ALSO BOTH PARTLY CAUSE AND EFFECT --- THAT IT SEEMS THAT A FURTHER BOUT OF EXTERNAL OR IMPORTED INFLATION IS AGAIN WITH US.+

HE HOPED THE MEASURES PROPOSED BY THE FINANCIAL SECRETARY TO SLOW THE GROWTH OF TOTAL DEMAND WILL PROVE TO BE ENOUGH.

VISIBLE TRADE DEFICIT

HE CONTINUED: +IF INFLATION IS PUBLIC ENEMY NUMBER ONE, ITS PARTNER IN CRIME MUST BE THE VISIBLE TRADE DEFICIT.

+AN ANNUAL VISIBLE DEFICIT OF $9,000 MILLION IS UNACCEPTABLE, LET ALONE A DEFICIT OF $12,000 MILLION THAT IS IMPLIED IN THE COMING FINANCIAL YEAR,+ HE SAID.

THE LATTER FIGURE EQUATES TO 20 PER CENT OF THE FINANCIAL SECRETARY'S FORECAST OF PRIVATE CONSUMPTION EXPENDITURE IN 1979.

HE THOUGHT IT IS UNREALISTIC TO EXPECT HONG KONG'S EXTERNAL TRADE TO BE BALANCED IN THE SHORT TERM BY REDUCING THIS AMOUNT OF PRIVATE CONSUMPTION EXPENDITURE, AND URGED THAT MORE POSITIVE WAYS BE FOUND TO OVERCOME THE PROBLEM.

THE FINANCIAL SECRETARY'S PROPOSAL TO LIMIT CREDIT CREATION WILL HAVE SOME IMPACT, BUT MORE FUNDAMENTAL IS THE NEED TO INCREASE EXPORTS (ESPECIALLY THOSE WITH A HIGH ADDED VALUE CONTENT) AND NEW INDUSTRIAL INVESTMENT, PARTICULARLY FROM ABROAD, HE SAID.

/IN VIEW .....

IN VIEW OF CHINA'S NEW INDUSTRIAL AND EXPORTING ACTIVITIES WHICH COULD WELL COMPETE WITH THE LOWER END OF THOSE OF HONG KONG AND ALSO THE RECENT PERFORMANCE OF THE HONG KONG DOLLAR, MR. NEWBIGGING SAID THERE IS AN EXTRA URGENCY IN THIS PROCESS OF +TRADING UP.+

INDUSTRIAL INVESTMENTS

+INWARD INVESTMENT BRINGS, NOT ONLY FOREIGN CAPITAL AND ACCESS TO ADDITIONAL MARKETS, BUT THE TECHNOLOGY WITH WHICH TO ACHIEVE HIGHER PRODUCTIVITY AND ADDED VALUE.+

HOWEVER, HE ADDED THAT IMPORTANT THOUGH IMPORTED TECHNOLOGY IS, +THERE IS ALSO AN IMPORTANT ROLE TO BE PLAYED IN HONG KONG IN THE FIELDS OF APPLIED RESEARCH AND DEVELOPMENT AND INDUSTRIAL TRAINING SO AS TO EQUIP OURSELVES WITH THE SKILLS TO TRANSFORM IMPORTED TECHNOLOGY INTO FOREIGN EXCHANGE EARNINGS.+

LAND

THE EFFECTIVENESS OF THESE EFFORTS IS ALSO LARGELY DEPENDENT UPON AN ADEQUATE AND PREDICTABLE SUPPLY OF INDUSTRIAL LAND AND MR. NEWBIGGING SAID HE WOULD HOPE TO SEE A SHIFT IN POLICY EMPHASIS AWAY FROM PRODUCING LAND TO MAXIMISE REVENUE, TOWARDS A POLICY OF HAVING A MASTER PLAN FOR LAND PRODUCTION TO MEET ANTICIPATED NEEDS.

UNDER SUCH A POLICY, HE EXPLAINED, LAND COULD BE SOLD ON A MORE PREDICTABLE PRICE PATTERN, THUS GREATLY REDUCING THE LAND SPECULATION ELEMENT IN AN INDUSTRIAL INVESTMENT DECISION, AND FAVOURING THE LONG TERM INVESTOR.

INVISIBLES

ON THE SUBJECT OF HONG KONG'S INVISIBLE EARNINGS, WHICH HE FIRST BROACHED IN THE COUNCIL LAST NOVEMBER, MR. NEWBIGGING SAID LITTLE PROGRESS SEEMS TO HAVE BEEN MADE SINCE THEN TO ANALYSE THEIR IMPORTANCE, AT LEAST IN SO FAR AS IS REFLECTED IN THE GDP ESTIMATES.

HE SAID WHETHER OR NOT THE $5,000 MILLION CONTRIBUTION OF INWARD TOURISM IN 1978 SHOULD BE NETTED OFF AGAINST OUTWARD TOURISM BY HONG KONG RESIDENTS IS LESS IMPORTANT THAN +THE CASE FOR BEING ABLE TO QUANTIFY, WITH A REASONABLE DEGREE OF ACCURACY, THE CONTRIBUTION OF OTHER LESS WELL DOCUMENTED ELEMENTS OF OUR INVISIBLE TRADE.+

+THIS WOULD ENABLE (POSSIBLY NEW) PRIORITIES TO BE SET AND MIGHT EVEN PUT THE WIDENING GAP IN OUR VISIBLE TRADE IN A DIFFERENT LIGHT.+

/CREDIT CREATION

CREDIT CREATION

HE THOUGHT THE FINANCIAL SECRETARY'S PROPOSALS TO LIMIT CREDIT CREATION SEEM SENSIBLE IN THE PARTICULAR STRUCTURE OF HONG KONG'S FINANCIAL SECTOR.

WHILE IT MAY BE ARGUED THAT THE BANKS ARE BEING ASKED TO DO THE GOVERNMENT'S DIRTY WORK, BUT THIS IS CERTAINLY PREFERABLE TO THE ALTERNATIVE OF GOVERNMENT DIRECTIVES AND THE ESTABLISHMENT OF NEW MACHINERY TO CONTROL THE SUPPLY OF CREDIT, WHICH THE FINANCIAL SECRETARY IS QUITE RIGHTLY KEEN TO AVOID, HE SAID.

HE SAID HE WAS SURE, FURTHERMORE, THAT SOME PRIORITY WILL BE GIVEN TO THOSE WHO WISH TO BORROW TO FINANCE INDUSTRIAL INVESTMENT OR EXPORTS.

CONCLUSION

MR. NEWBIGGING SAID THE GOVERNMENT AND LEADERS IN THE PRIVATE SECTOR HAVE THESE UNDERLYING OBJECTIVES: MAKING HONG KONG A BETTER, HAPPIER AND MORE PROSPEROUS PLACE IN WHICH TO LIVE AND WORK, CREATING AN ATMOSPHERE OF STABILITY AND CONFIDENCE WHICH WILL ENCOURAGE LONG TERM TRADE AND INVESTMENT, AND DEVELOPING A SOCIAL AND ECONOMIC STRUCTURE WHICH WILL BENEFIT OUR RESIDENTS AND ENABLE US TO LIVE IN HARMONY WITH OUR NEIGHBOURS IN THE REGION.

HE POINTED OUT TWO FACTORS WHICH COULD PLAY AN IMPORTANT PART IN THE FUTURE COURSE OF THESE EVENTS: THE INFLUX OF REFUGEES AND IMMIGRANTS WHICH SEEMS LIKELY TO BECOME AN INCREASING PROBLEM IN THE FORTHCOMING YEAR, AND THE CURRENT VISIT OF THE GOVERNOR TO CHINA.

THE VISIT REFLECTS THE EXCELLENT STATE OF THE IMPORTANT TRIANGULAR RELATIONSHIP BETWEEN LONDON, PEKING AND HONG KONG WHICH --- COUPLED WITH THE EXTENSION OF THE GOVERNOR'S TERM OF OFFICE --- PROVIDES MUCH GROUNDS FOR OPTIMISM IN THE CONTEXT OF THE EFFECT ON OUR ECONOMY ALONE.

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INDUSTRIAL-DEVELOPMENT FINANCE CORPORATION SUGGESTION SUPPORTED

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THE HON. OSWALD CHEUNG AT THE LEGISLATIVE COUNCIL TODAY (THURSDAY) FULLY SUPPORTED SUGGESTIONS FOR THE CREATION OF AN INDUSTRIAL-DEVELOPMENT FINANCE CORPORATION, WITH LOANS FOR INDUSTRIAL AND TRADE DEVELOPMENT PROJECTS, AT PREFERENTIAL RATES OF INTERESTS, OUT OF HONG KONG'S FISCAL RESOURCES.

/+I WOULD .....

+I WOULD ALSO URGE THAT HIGHER PRIORITY BE GIVEN TO DIVERSIFICATION, AND A REASSESSMENT OF THE ROLE THAT GOVERNMENT CAN PLAY IN ENCOURAGING A BROADENING AND UPGRADING OF OUR INDUSTRIAL BASE,+ HE ADDED.

MR. CHEUNG SAID THAT LIKE SEVERAL OTHER FELLOW COUNCILLORS, HE WAS PERTURBED AT THE +DRAGGING OF FEET OVER THE INTRODUCTION OF THE INDUSTRIAL TRAINING SCHEME.+

HE ALSO POINTED OUT THAT THESE WERE AREAS WHERE GOVERNMENT COULD TAKE PRACTICAL MEASURES TO REDUCE TRADE DEFICIT.

MR. CHEUNG, THE LAST OF THE 19 UNOFFICIAL SPEAKERS IN THE TWO-DAY RESUMED DEBATE, SAID IT WOULD BE INCONSISTENT FOR HIM TO SUPPORT A BUDGET WHICH PLACES IN +GRAVE JEOPARDY+ POLICIES OUTLINED BY THE GOVERNOR IN HIS ADDRESS LAST AUTUMN WHICH NO MEMBER, OFFICIAL OR UNOFFICIAL, FAILED TO SUPPORT.

HE SAID VARIOUS VIEWS AND VARIOUS ESTIMATES HAVE BEEN MADE OF THE LIKELY RATES OF INFLATION IN THE COMING YEAR.

+HAS THE HIGH COST OF LAND AND RENTS EVER BEEN TAKEN SUFFICIENTLY INTO ACCOUNT IN MAKING THESE ESTIMATES OF INFLATION AND IN DETERMINING ITS COST?

+I WOULD VENTURE TO THINK THAT IF OUR VARIOUS INDICES HAD BEEN PROPERLY CONSTRUCTED OVER THE YEARS FULLY REFLECTING THIS FACTOR, THEY WOULD SHOW WE HAVE BEEN EXPERIENCING DOUBLE DIGIT INFLATION FOR THE PAST 25 YEARS,+ MR. CHEUNG SAID.

THEREFORE, HE SAID, HE ASKED HIMSELF IF THE BUDGET WAS LIKELY TO BRING RELIEF FROM HIGH LAND COSTS AND THEREBY REDUCE INFLATION.

+I BEG HONOURABLE MEMBERS TO REMEMBER THE PRODUCTION OF LAND — LAND THAT CAN BE USED — REQUIRES A NUMBER OF THINGS TO BE DONE.

* IT HAS TO BE IDENTIFIED, SURVEYED, PLANNED, AND WHERE IT IS IN PRIVATE HANDS, MONEY PROVIDED FOR RESUMPTION,

* MOUNTAINS HAVE TO BE MOVED, SEA WALLS BUILT AND SOIL DUMPED INTO THE SPACE WHEREBY CREATED,

* SERVICES — WATER, DRAINAGE, SEWAGE, ELECTRICITY, TELEPHONES, TRANSPORT — HAVE TO BE LAID ON,

* THERE MUST BE SMOOTH AND CONVENIENT ACCESS TO LAND.

+WHAT DO I FIND IN THE BUDGET?

/+HEAD 71: .....

+HEAD 71: ONE MILLION DOLLARS OUT OF $65 MILLION REQUIRED FOR DOUBLE TRACKING THE RAILWAY FROM TAIPO MARKET TO LO WU.
TEN MILLION DOLLARS OUT OF THE $373 MILLION REQUIRED FOR HONG KONG ISLAND'S EASTERN CORRIDOR.
NOTHING TOWARDS THE COMMITTMENT OF $22 MILLION FOR THE ROAD THROUGH ABERDEEN -- A MOST USEFUL IF SMALL, INDUSTRIAL ZONE.
NOTHING FOR THE PRINCESS MARGARET ROAD FLYOVER. A TOKEN OF $100,000 OUT OF $28 MILLION FOR A DUAL CARRIAGEWAY FROM YUEN LONG TO AU TAU CROSSROADS.
FOUR AND A HALF MILLION DOLLARS OUT OF $493 MILLION, RATHER LESS THAN ONE PER CENT FOR THE TRUNK ROAD FROM SHA TIN TO TAIPO.
NOTHING FOR TAIPO TO LAM KAM ROAD. $6.3 MILLION OUT OF $101 MILLION REQUIRED FOR CONTROLLED REFUSE TIPPING AT JUNK BAY.

+HEAD 169: NOTHING PROVIDED FOR OUTSTANDING COMMITTMENTS IN IN THE NEW TERRITORIES AMOUNTING TO $194 MILLION FOR COMPENSATION, FOR SURRENDERS AND RESUMPTIONS.

+THE DISMAL LIST CAN BE MULTIPLIED,+ MR. CHEUNG SAID.

HE SAID HE FOUND IT VERY HARD TO ACCEPT THE PROTESTATIONS OF CONCERN OVER INFLATION WHEN SAVAGE CUTS WERE MADE TO PROJECTS +WHICH LEAD DIRECTLY TO THE PRODUCTION OF LAND AND THE TOTALLY INADEQUATE MEASURES TAKEN TOWARDS THE REDUCTION OF THE GROSSEST INFLATOR OF THEM ALL -- THE HIGH COST OF LAND WHICH IS ALSO THE MOST SERIOUS MENACE TO OUR COMPETIVENESS IN INTERNATIONAL TRADE.

+IT IS SAID, WE MUST TAKE THE HEAT OUT OF DEMAND BY CUTTING BACK CAPITAL EXPENDITURE. MOST OF THE PRIVATE BUILDING SECTOR WOULD, OF COURSE, WELCOME IT: LESS COMPETITION FROM GOVERNMENT WOULD MEAN LOWER TENDER PRICES,+ MR. CHEUNG SAID.

MR. CHEUNG THEN REFERRED TO AN ADDRESS MADE LAST AUTUMN BY THE GOVERNOR IN WHICH SIR MURRAY MACLEHOSE SAID:

+IT IS APPARENT THAT SHORTAGE OF LAND, AND PARTICULARLY SHORTAGE OF LAND FOR INDUSTRY AND TO SOME EXTENT FOR PRIVATE DEVELOPMENT COULD DETER INVESTMENT AND STIFLE ECONOMIC GROWTH. CONSEQUENTLY PRODUCTION OF LAND IS ONE OF THE GOVERNMENT'S HIGHEST PRIORITIES.+

MR. CHEUNG RECALLED THAT THE GOVERNOR ALSO SAID:

+THE SPREADING OUT OF THE CITY AND ITS POPULATION INTO NEW AREAS WITH ACCESS TO NEW LAND IS ESSENTIAL IF IT IS TO ACHIEVE NOT ONLY BETTER LIVING STANDARDS BUT NEW INVESTMENT, NEW INDUSTRIES AND NEW ECONOMIC FLEXIBILITY. BUT OF COURSE THE ROADS, THE RAILWAYS AND THE TUNNELS ARE ONLY THE START= ONE MUST ADD TO THEM EVERYTHING FROM DRAINS TO SWIMMING COMPLEXES, WATER SUPPLY AND SEWAGE PLANTS.

RECALLING THAT NO OFFICIAL OR UNOFFICIAL MEMBER FAILED TO SUPPORT THE MOTION OF THANKS TO THE GOVERNOR FOR HIS ADDRESS, MR. CHEUNG SAID:

+IT WOULD BE INCONSISTENT, IN MY VIEW, HAVING ENDORSED THOSE POLICIES THEN, TO SUPPORT A BUDGET WHICH PLACES THOSE POLICIES IN GRAVE JEOPARDY, AND INDEED STRANGLES THEM, IN TWO YEARS WITH HUGE SURPLUSES AND I FOR ONE SIR, HAVE NO INTENTION OF BEING INCONSISTENT.+

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SUPPORT FOR GOVT'S DETERMINATION TO FIGHT INFLATION

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THE GOVERNMENT'S DETERMINATION TO FIGHT INFLATION AND TO STRENGTHEN THE HONG KONG DOLLAR FOR THE GOOD OF HONG KONG DESERVES THE FULL SUPPORT OF THE LEGISLATIVE COUNCIL AND THE COMMUNITY, THE HON. CHARLES YEUNG SAID TODAY (THURSDAY) AT THE RESUMED BUDGET DEBATE.

MR. YEUNG, HOWEVER, DOUBTED ONE OF THE TWO +MOST IMPORTANT+ PROPOSALS PUT FORWARD BY THE FINANCIAL SECRETARY IN ACHIEVING THIS GOAL THROUGH AMENDING EXCHANGE FUND ORDINANCE.

+ADMITTEDLY THIS IS A STEP IN THE RIGHT DIRECTION BUT I DOUBT WHETHER THIS PROPOSAL WILL BE SUFFICIENT TO ACHIEVE THE DESIRED EFFECT+ HE SAID.

HIS DOUBT, HE SAID, IS BASED ON THE +LOOP-HOLE ACCESS OF SUCH FUNDS TO POTENTIAL BORROWERS THROUGH THE INTERBANK MARKET.+

+INDEED, BY CHANGING THE STATUS OF GOVERNMENT'S SHORT-TERM DEPOSITS AS SUGGESTED, THE DEPOSITORY BANKS CANNOT USE SUCH FUNDS AS A BASE FOR DIRECT LENDING,+ MR. YEUNG SAID.

BUT HE STRESSED THAT THERE WAS NO GUARANTEE THAT THE FUNDS +WILL NOT BE MADE AVAILABLE BY THE DEPOSITORY BANKS TO OTHER BANKS WHICH CAN IN TURN LEND TO THEIR NON-BANK CUSTOMERS.+

HE EXPRESSED THE HOPE THAT GOVERNMENT WILL SEE TO IT THAT THIS WOULD NO LONGER BE THE CASE BY INTRODUCING MEASURES TO PLUG THIS LOOP-HOPE.

HE FURTHER POINTED OUT THAT ALTHOUGH THERE IS A 100 PER CENT LIQUIDITY REQUIREMENT FOR DEMAND, CALL AND SEVEN-DAY MONEY OBTAINED FROM THE INTER-BANK MARKET, THIS REQUIREMENT CAN BE CIRCUMVENTED.

THE +WINDOW-DRESSING+ SIMPLY INVOLVES THE DEPOSITING OF AN EQUIVALENT SUM BY THE HEAD OFFICE OF A FOREIGN BANK TO ITS LOCAL BRANCH, AND THE RE-DEPOSITING OF THAT SUM BY THE BRANCH TO A FELLOW BRANCH OR ANOTHER BANK OUTSIDE HONG KONG IN A FORM WHICH QUALIFIES AS A SPECIFIED LIQUID ASSET.

ON GOVERNMENT'S PROPOSAL TO SLOW DOWN THE GROWTH RATE OF DEMAND FROM THE PUBLIC SECTOR, MR. YEUNG SAID: +I NOTE THAT GOVERNMENT IS TO TAKE A LEAD BY IDENTIFYING THE PUBLIC WORKS PROGRAMME (INCLUDING THE MASS TRANSIT RAILWAY PROJECT) AS THE MAIN FACTOR CONTRIBUTING TO THE INFLATIONARY PRESSURES AFFECTING THE WHOLE ECONOMY, AND BY ATTEMPTING TO CONSTRAIN THE GROWTH BY REPHASING THE STARTING DATES FOR SOME NEW PROJECTS IN THE PUBLIC WORKS PROGRAMME (OTHER THAN NEW TOWNS AND HOUSING), ACCORDING TO THE AGREED PRIORITY.+

HE SAID HE WAS ALL FOR THE PROPOSAL TO EXERCISE CONSTRAIN ON THIS COMPONENT OF CAPITAL EXPENDITURE BUT NOT ENTIRELY IN AGREEMENT WITH +POSTPONING SOME WORKS AND I AM QUITE UNHAPPY ABOUT THE PRIORITY RATING IN PRINCIPLE.+

/MR. YEUNG .....

MR. YEUNG SAID THAT APART FROM THE FACILITIES PROVIDED OR TO BE PROVIDED IN THE NEW TOWNS, +IN THE WHOLE NEW TERRITORIES THERE IS NOT A SINGLE CULTURAL COMPLEX, NOT A SINGLE AUDITORIUM, NOT A SINGLE INDOOR STADIUM, NOT A SINGLE GAMES HALL, NOT A SINGLE SQUASH COURT, NOT A SINGLE PUBLIC PARK, ONLY ONE FOOTBALL STADIUM, ONE SUB-STANDARD RUNNING TRACK, ONLY ONE SMALL SWIMMING POOL COMPLEX, VERY FEW VILLAGES WITH STREET LIGHTS, MANY VILLAGES WITHOUT WATER SUPPLY AND MANY VILLAGES WITHOUT NORMAL POSTAL SERVICES.

+IN RECENT YEARS GOVERNMENT HAS ADDRESSED ITS ATTENTION TO REDRESS THIS SOCIAL IMBALANCE AND HAS BEGUN TO SPEED UP THE PROGRESS OF PROVIDING BASIC COMMUNITY SERVICES AS WELL AS THE INFRA-STRUCTURE FOR DEVELOPMENT.

+SINCE THIS IS A NEW PHASE OF GOVERNMENT'S ACTIVITIES, ONLY A FEW PROJECTS IN THE PUBLIC WORKS PROGRAMME FOR THE NEW TERRITORIES HAVE BEEN COMPLETED OR COMMENCED, SOME ARE WAITING FOR THEIR TURN IN CATEGORY A TO COMMENCE WORK AND MANY ARE STILL ON THE DRAWING BOARD,+ MR. YEUNG SAID.

HE SAID THE EFFECT OF THE GENERAL CONSTRAINT ACROSS THE BOARD WILL ONLY AGGRAVATE THE NEW TERRITORIES POSITION.

+A WARM RAY OF HOPE IS, HOWEVER, DETECTED FROM THE WARNING OF THE FINANCIAL SECRETARY ISSUED TO THE CONTROLLING OFFICERS FOR THE HEADS OF EXPENDITURE WHEN HE STRESSED THAT 'WHILE THE CASH LIMITS WILL BE APPLIED FIRMLY, THEY WILL ALSO BE APPLIED FLEXIBLY AND FAIRLY'.

+INDEED THE VOTE PROVISION AVAILABLE TO THE PUBLIC WORKS PROGRAMME CAN BE, AND I RESPECTFULLY SUBMIT, SHOULD BE ADMINISTERED FLEXIBLY AND FAIRLY BY ALLOWING CERTAIN VITAL CATEGORY A PROJECTS IN THE NEW TERRITORIES TO PROCEED BY STAGES OR PHASES ACCORDING TO NEED.+

HE THOUGHT PLANNING FOR ALL MAJOR AND CIRCULAR ROAD PROJECTS SHOULD PROCEED, AS THE CONSTRUCTION WORKS WILL BE PHASED AND TAKE YEARS TO COMPLETE.

FOUR SECTIONS IN THE CIRCULAR ROAD SYSTEM PARTICULARLY NEED IMMEDIATE ACTION: THE ROUND-ABOUT IN AU TAU JUNCTION, THE TAI PO BYPASS, THE FANLING BYPASS AND THE SHA TIN-TAI PO COASTAL ROAD.

HE SAID THE BASIC COMMUNITY FACILITY PROJECTS SHOULD ALSO BE DIVIDED INTO SUB-PROJECTS ACCORDING TO PRIORITY OF LOCAL NEEDS AND BE PROCEEDED WITH.

OF THESE, THE FOLLOWING SHOULD NOT BE POSTPONED: THE AUDITORIA OF THE CULTURAL COMPLEXES, PARTICULARLY IN TAI PO, YUEN LONG, SHA TIN, AND TUEN MUN= THE FOOTBALL STADIA CUM RUNNING TRACKS FOR TAI PO, SHA TIN AND TUEN MUN= THE SWIMMING POOLS= THE WATER SUPPLY PROGRAMME ESPECIALLY IN SAI KUNG DISTRICT= THE OVERALL VILLAGE LIGHTING PROGRAMME, AND THE PROGRAMME FOR KEEPING THE NEW TERRITORIES CLEAN AND POLLUTION FREE.

HE ADDED THAT THE REVENUE-GENERATING PROJECTS, SUCH AS THE PROVISION OF INFRA-STRUCTURE TO THE MINOR LAY-OUT OF TONG YAN SAN CHUEN AND THE CONSTRUCTION OF COMMERCIAL-RESIDENTIAL PODIA OVER RAILWAY STATIONS AND MASHALLING YARDS, SHOULD ALSO NOT BE POSTPONED.

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CONSUMER COUNCIL NEEDS MORE SUPPORT

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THE CONSUMER COUNCIL NEEDS MORE FINANCIAL SUPPORT IN THE COMING YEAR TO HIRE ADDITIONAL STAFF AND TO SET UP A FOURTH ADVICE CENTRE, PREFERABLY IN THE DENSE AREA OF TSUEN WAN, THE HON. ALLEN LEE TOLD THE LEGISLATIVE COUNCIL AT THE RESUMPTION OF THE BUDGET DEBATE TODAY (THURSDAY).

MR. LEE, WHO IS A MEMBER OF THE COUNCIL, SAID ITS WORK HAS BEEN VERY SUCCESSFUL IN RECENT YEARS, PARTICULARLY IN CONSUMER EDUCATION AND PROTECTION, AND ITS MAGAZINE -- +CHOICE+ -- IS ONE OF THE 10 MOST POPULAR IN HONG KONG.

HE POINTED OUT THAT ALTHOUGH GOVERNMENT SUBVENTION IN 1979-80 WILL INCREASE BY 36 PER CENT TO $910,000, $770,000 WILL BE PAID FOR STAFF TERMINAL GRATUITIES. THE REMAINING AMOUNT WILL ONLY TAKE CARE OF INFLATION AND STAFF SALARY INCREASES.

THERE IS NEED FOR A FURTHER $500,000, HE SAID, WHICH IS A SMALL DROP IN THE BUCKET BUT WILL YIELD IMMEASURABLE RETURN IN TERMS OF DOLLARS.

COMMENTING ON THE DIFFICULTIES FACING OUR INDUSTRIAL DEVELOPMENT, MR. LEE THOUGHT WE CAN LEARN FROM SOME OF THE INDUSTRIALISED COUNTRIES, PARTICULARLY JAPAN WHICH, LIKE HONG KONG, IS ALSO DEVOID OF NATURAL RESOURCES.

HE SAID HE NOTICED DURING HIS MANY TRIPS THERE THAT THEIR GOVERNMENT, BUSINESS, INDUSTRY AND LABOUR DO WORK TOGETHER VERY CLOSELY.

THERE IS A PRESSING NEED FOR US TO PROMOTE INDUSTRIAL INVESTMENT AND WIDEN OUR INDUSTRIAL BASE, BUT WHETHER THE GOVERNMENT SHOULD CHANGE ITS POLICY AND ASSIST INDUSTRY IS SOMETHING FOR IT TO PONDER, HE SAID.

MR. LEE SUGGESTED THAT THE PROBLEM OF LABOUR SHORTAGE, FOR WHICH HE SAID THERE IS NO SHORT TERM SOLUTION, SHOULD BE TACKLED BY INCREASING PRODUCTIVITY.

HE THEREFORE SUPPORTED THE HON. FRANCIS TIEN'S PROPOSAL EARLIER IN THE DEBATE FOR A GENERAL LEVY TO TRAIN WORKERS FOR ALL INDUSTRIES.

HE EXPLAINED THAT THE ADVANTAGE OF A CENTRALISED TRAINING SCHEME IS MANYFOLD AND, ALTHOUGH TRAINING IS COSTLY, THE COST IS WELL JUSTIFIED IN OUR CASE BECAUSE WE DESPERATELY NEED IT, PARTICULARLY FOR SEMI-SKILLED AND SKILLED WORKERS.

HE SAID HE MISSED PREVIOUS OPPORTUNITIES TO COMMENT ON THE ISSUE OF WATER CHARGES AND IN REOPENING THE SUBJECT HE QUERIED THE LOGISTICS, IF NOT THE PRINCIPLE, BEHIND THE CONCESSION FOR LARGE INDUSTRIAL WATER USERS.

/+HERO ARE .....

+THERE ARE ABOUT 200 TRADE CONSUMERS IN THIS CATEGORY OUT OF 85,000,+ HE SAID. +IT DOES MAKE GOOD BUSINESS SENSE TO INCREASE CHARGES IF NECESSARY, AT LEAST THE INCREASE MUST BE FAIR.+

HE WONDERED WHETHER THE GOVERNMENT ONLY CARES FOR LARGE MANUFACTURERS AND LEAVES THE OTHERS ON THEIR OWN.

HE SAID WHETHER AN INCREASE IS JUSTIFIED AT THIS TIME, +WHILE THE GOVERNMENT MAINTAINS A HEALTHY SURPLUS AND WHEN THE MANUFACTURING SECTOR NEEDS EVERY BIT OF HELP IT CAN GET IN COST REDUCTION IN ORDER TO COMPETE,+ IS FOR THE GOVERNMENT TO DECIDE.

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NEED FOR LONG-TERM INCOME PROTECTION SCHEME FOR RETIRED PEOPLE

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DR. THE HON. HO KAM-FAI SPOKE ON THE NEED FOR A LONG-TERM INCOME PROTECTION SCHEME FOR RETIRED PEOPLE DURING THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

DR. HO POINTED OUT THAT THE SOCIAL SECURITY SCHEMES AT PRESENT ADMINISTERED BY THE SOCIAL WELFARE DEPARTMENT ARE MEANT TO PROVIDE AN INCOME ALTERNATIVE WHEN A PERSON'S EMPLOYMENT IS DISRUPTED BY, FOR EXAMPLE, DISABLEMENT OR ACCIDENT.

THE SUPPLEMENTARY NATURE OF THESE SCHEMES MAKES THEM UNSUITABLE FOR THOSE ABSENT FROM WORK FOR A LONG TIME BECAUSE OF INVALIDITY OR RETIREMENT, HE SAID.

+PUBLIC ASSISTANCE IS NOT A SATISFACTORY FORM OF INCOME PROTECTION BECAUSE OF ITS REQUIREMENT FOR A MEANS TEST AND ITS LOW LEVEL OF PAYMENT,+ HE ADDED.

DR. HO SAID THE NUMBER OF OLD PEOPLE AGED 60 AND OVER, AT 400,000, WAS NINE PER CENT OF THE TOTAL POPULATION IN 1977 AND WILL INCREASE TO ABOUT 10.6 PER CENT IN 1986.

THOUGH MANY OF THEM CONTINUE TO WORK AFTER RETIREMENT, MOSTLY PART-TIME, THE MAJORITY ARE IN THE LOWER LEVELS OF EMPLOYMENT.

THE GOVERNMENT'S HEAVY FINANCIAL BURDEN CAN BE SEEN BY ASSUMING THAT HALF OF THE $405 MILLION EARMARKED FOR PUBLIC ASSISTANCE AND SPECIAL NEEDS ALLOWANCE IN THE COMING YEAR WILL BE SPENT AS INCOME PAYMENTS FOR THE ELDERLY.

HE THEREFORE SUGGESTED INTRODUCTION OF A SCHEME WHEREBY INDIVIDUALS CAN CONTRIBUTE PARTIALLY TOWARD THEIR FUTURE ECONOMIC SECURITY, WITH PUBLIC ASSISTANCE CONTINUING TO FUNCTION AS A SAFETY-NET.

THIS CAN BE BY WAY OF A PROVIDENT FUND SCHEME OR A PENSION SCHEME. THE FIRST IS QUITE EASY AND SIMPLE TO ADMINISTER BUT HAS DRAWBACKS IN THAT THE LUMP-SUM GRANT MAY BE QUITE SMALL AND ITS VALUE MAY WELL BE ERODED BY INFLATION, HE SAID.

A PENSION SCHEME, OPERATED ON SOCIAL INSURANCE PRINCIPLES, WITH POSSIBLE GOVERNMENT PARTICIPATION BY ADDING A SPECIFIED PERCENTAGE TO THE CONTRIBUTIONS FROM THE EMPLOYER AND EMPLOYEE, OR THROUGH BEARING THE ADMINISTRATIVE COSTS, WOULD HAVE MORE ADVANTAGES.

DR. HO EXPLAINED THAT UNDER SUCH A SCHEME, BENEFIT PAYMENTS ARE MADE PERIODICALLY AND THROUGHOUT THE PERIOD FOLLOWING THE RETIREMENT, DEATH OR INVALIDITY OF THE EMPLOYEE, AND THE RATE OF PAYMENT CAN BE ADJUSTED IN LINE WITH THE COST OF LIVING.

EITHER OF THE SCHEMES WOULD, HOWEVER, ENCOURAGE SAVINGS AND WILL CONSTRAIN SPENDING, THUS HELPING IN A SMALL WAY TO COOL DOWN THE OVERHEATED DOMESTIC MARKET.

ANOTHER SUGGESTION DR. HO HAD +TO IMPROVE THE LOT OF CERTAIN VULNERABLE AND UNDERPRIVILEGED CLASSES,+ IS IN THE AREA OF GOVERNMENT SUBVENTION FOR SOCIAL WELFARE SERVICES.

HE SAID THE PRESENT ONE-LINE VOTE SYSTEM IS DETERMINED SOMEWHAT ARBITRARILY, +WITHOUT ADEQUATE CONSULTATION AND WITHOUT MUCH REFERENCE TO OVERALL SOCIAL NEEDS, PRIORITIES AND QUALITY OF SERVICES.+

THE PRACTICE OF DEDUCTING COMMUNITY CHEST CONTRIBUTIONS FROM SUBVENTION GRANTS ALSO GIVES RISE TO DISSATISFACTION AND IS COUNTER TO THE ORIGINAL PURPOSE OF THE CHEST, WHICH WAS TO RAISE MONEY TO OFFSET DWINDLING OVERSEAS FUNDING, HE SAID.

AS TO THE LUMP-SUM DISCRETIONARY GRANTS TO PARTIALLY SUBSIDISE THE OPERATIONAL EXPENSES OF THOSE AGENCIES NOT REQUIRED TO WORK TO APPROVED BUDGETS OR ADHERE STRICTLY TO GOVERNMENT REQUIREMENTS REGARDING STAFF RATIOS, STAFF QUALIFICATIONS AND SALARIES, DR. HO SAID THERE CAN BE NO GUARANTEE THAT THE MONEY IS USED PRUDENTLY.

HE HOPED THE GOVERNMENT WILL COMMENT SOON ON A REPORT IT RECEIVED FROM THE WORKING PARTY ON SUBVENTION POLICY OF THE HONG KONG COUNCIL OF SOCIAL SERVICE.

THE REPORT RECOMMENDED THREE TYPES OF SUBVENTION: UNIT RATE, FOR THOSE SERVICES WHICH ARE ESSENTIAL TO BOTH THE INDIVIDUAL AND THE COMMUNITY AS A WHOLE AND WHICH CAN BE QUANTIFIED ON A UNIT COST BASIS- DEFICIENCY FUNDING, FOR THOSE ESSENTIAL SERVICES THAT ARE NOT AMENABLE TO UNITARY CALCULATION- AND DISCRETIONARY FUNDING, FOR THOSE SERVICES WHICH ARE NOT CONSIDERED ESSENTIAL BUT NEVERTHELESS DESIRABLE.

DR. HO EXPLAINED THAT ALTHOUGH AT PRESENT ONLY DAY NURSERIES ARE SUBVENTED ON A UNIT COST BASIS, SERVICES OF A MORE COMPLEX UNITARY MEASUREMENT MAY BE INCLUDED LATER.

SUBVENTION ON A DEFICIENCY BASIS WOULD REQUIRE CLOSER CONTROL AND GOVERNMENT SUPERVISION. DISCRETIONARY FUNDING HAS THE ADVANTAGE THAT THE SERVICES COVERED BY IT CAN BE SUSPENDED IF THERE ARE COMPETING DEMANDS, OR WHEN THERE IS ECONOMIC STRINGENCY.

HE THOUGHT THERE COULD BE A FOURTH SOURCE OF SUBVENTION --- THE COMMUNITY CHEST AND OTHER CHARITABLE TRUST FUNDS.

PUBLIC MONEY IS NOT ALWAYS SUITABLE FOR EXPERIMENTAL PROJECTS WHICH REQUIRE TIME FOR TESTING, AND FREEDOM TO DEPART FROM ESTABLISHED PROCEDURES.

THIS FURTHER SOURCE OF FUNDING CAN BE USED TO SUPPORT WORTHWHILE PROGRAMMES AND ACTIVITIES LOW IN GOVERNMENT'S SUBVENTION PRIORITY, HE SAID.

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CALL FOR MORE POSITIVE APPROACH TO BUDGETTING

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THE BUDGET GIVES AMPLE EVIDENCE OF THE LATTER PART OF THE PRINCIPLE +EARN MORE, SPEND LESS,+ BUT HAS VERY LITTLE TO OFFER ON THE FIRST PART, THE HON. S.L. CHEN SAID AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

HE SAID ANY FAMILY, COMPANY OR NATION WOULD FIND THIS ELEMENTARY PRINCIPLE A WISE ONE TO FOLLOW.

ALTHOUGH THE PROPOSED INCREASE IN DEPRECIATION ALLOWANCE MAY, IF WISELY RE-INVESTED, RESULT IN A CAPACITY TO +EARN MORE,+ THERE SHOULD BE A MORE POSITIVE APPROACH TO BUDGETTING SO THAT INSTEAD OF ALLOWING A HUGE SURPLUS TO STAGNATE, SOME OF IT, AS WELL AS THE ANTICIPATED SURPLUS FOR 1978-79, COULD BE INVESTED TO FURTHER THIS EARNING CAPACITY, MR. CHEN SAID.

HE LISTED FOUR AREAS WHERE THE GOVERNMENT INVESTMENT WOULD BE HELPFUL.

IN LAND PRODUCTION, HE THOUGHT THERE SHOULD BE A RE-THINK ON THE PRESENT POLICY OF LEAVING EVERYTHING TO THE DICTATES OF MARKET FORCES.

MORE INVESTMENT IN DEVELOPING MANPOWER RESOURCES THROUGH MANPOWER TRAINING IS NEEDED.

ALSO NEEDED IS GOVERNMENT INVESTMENT IN BUILDING UP AN EFFICIENT INDUSTRIAL INFRASTRUCTURE.

AT PRESENT, MR. CHEN SAID, MANY GOVERNMENT SUBVENTED ORGANISATIONS FOR INDUSTRIAL PROMOTION ARE OPERATING ON A SHOE-STRING BUDGET, AND THIS DOES NOT HELP TO IMPROVE THE EFFICIENCY AND COMPETITIVENESS OF OUR INDUSTRY.

THE FOURTH WAY IN WHICH THE GOVERNMENT SHOULD HELP IS THE INTRODUCTION OF SOME FORM OF INCENTIVE TO STIMULATE EXPORT PERFORMANCE, FOR EXAMPLE, A TAX REBATE AS A REWARD FOR ACHIEVEMENT ADOPTED BY MANY EXPORTING COUNTRIES, HE SAID.

MR. CHEN WAS CONCERNED ABOUT THE INCREASE IN EXPENDITURE UNDER THE PUBLIC WORKS CAPITAL DEVELOPMENT PROGRAMME.

THE FINANCIAL SECRETARY HAD SAID THAT BECAUSE OF THE VERY SUBSTANTIAL INCREASE IN THE NEW TOWNS AND HOUSING COMPONENT OF THE EXPENDITURE, IT WOULD HAVE TO BE CONSTRAINED.

NOTWITHSTANDING THIS, THE 1979-80 ESTIMATE IS STILL 13 PER CENT HIGHER THAN THE REVISED ESTIMATE FOR 1978-79, HE SAID.

WHAT IS MORE, HE ADDED, BECAUSE OF THE LARGE INCREASE IN THE NEW TOWNS AND HOUSING COMPONENT, THE TOTAL NON-RECURRENT EXPENDITURE, AT $3,599 MILLION, WILL BE 26.5 PER CENT MORE THAN THE REVISED ESTIMATE FOR 1978-79, WHICH WAS ITSELF NEARLY 50 PER CENT OVER THAT FOR 1977-78.

/HE ASKED .....

HE ASKED FOR A FRESH LOOK INTO THE NEED FOR REPHASING THE PROGRAMME.

+IF THE BUILDING AND CONSTRUCTION INDUSTRY WAS OVER-HEATED IN 1978-79, THE ADDITIONAL $754 MILLION WORTH OF WORK FOR THE COMING YEAR, EVEN ALLOWING FOR INFLATION, IS HARDLY GOING TO HELP RESTORE EQUILIBRIUM,+ HE SAID.

HE FURTHER SUGGESTED THAT TO AVOID EMBARKING ON PUBLIC WORKS PROJECTS ON THE BASIS OF UNREALISTIC COST ESTIMATES, THE GOVERNMENT SHOULD SET UP A TECHNICAL AUDIT SYSTEM TO ENSURE EFFICIENT OPERATION OF ITS TECHNICAL DEPARTMENTS.

HE THOUGHT THE PRINCIPLE OF ACCOUNTABILITY CAN BE APPLIED IN THOSE PROJECTS HANDLED BY CONSULTANTS IF THE EXTRA COST COULD BE THE RESULT OF EITHER OVERSIGHT OR EVEN INCOMPETENCE ON THEIR PART.

ON THE ACUTE MANPOWER SHORTAGE SITUATION, MR. CHEN SAID IT WILL NOT IMPROVE FOR TWO REASONS: THE FURTHER OPPORTUNITIES FOR YOUNG PEOPLE TO OBTAIN EDUCATION AND A GROWING PREFERENCE FOR LEISURE BY WORKERS.

WHAT NEEDS TO BE DONE IS TO INCREASE PRODUCTIVITY OF THE WORK-FORCE AVAILABLE AND THIS MEANS INTENSIVE TRAINING, HE SAID.

HE POINTED OUT THAT TRAINED TECHNICAL MANPOWER IS PARTICULARLY LACKING BECAUSE SOMEONE WHO HAS ONLY COMPLETED A COURSE OF TECHNICAL EDUCATION BUT WITHOUT PRACTICAL TRAINING IS OF LITTLE USE TO INDUSTRY.

MANY EMPLOYERS RESORT TO POACHING WHICH LEADS TO ESCALATING WAGES. OTHERS MAY LOWER THEIR RECRUITMENT REQUIREMENTS WHICH LEAD TO LOWER PRODUCTIVITY, POORER PRODUCT QUALITY AND HIGHER PRODUCTION COSTS.

HE THEREFORE REPEATED AN EARLIER CALL ON THE GOVERNMENT TO INTRODUCE A SYSTEM OF PRACTICAL TRAINING TO MATCH ITS TECHNICAL EDUCATION SYSTEM WHICH HE THOUGHT IS NOW ADEQUATE.

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GOVT URGED TO STICK TO MODERATE, GRADUAL APPROACH

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THE GOVERNMENT SHOULD NOT MODIFY ITS HITHERTO MODERATE AND GRADUAL APPROACH DESPITE THE VIEW OF SOME PEOPLE IN FINANCIAL AND ECONOMIC CIRCLES THAT THE MEASURES PROPOSED TO CORRECT THE IMBALANCE IN THE ECONOMY ARE INADEQUATE, THE HON. WONG LAM SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

HE SAID NO ECONOMIC THEORY CAN DO AWAY WITH THE HUMAN FACTOR AND STAND ALONE AND THAT IS WHY, BEFORE A DECISION IS MADE, THE EFFECTS OF ANY ECONOMIC MEASURE ON THE MAJORITY OF PEOPLE SHOULD FIRST BE CONSIDERED.

/+OVER-DRASTIC .....

+OVER-DRASTIC ADJUSTMENTS ON THE WHOLE MIGHT PRODUCE MORE SIGNIFICANT EFFECTS, BUT FOR CERTAIN TRADES AND INDIVIDUALS, IMMEDIATE ADAPTATION TO THE CHANGES IS NOT ALWAYS POSSIBLE,+ HE SAID.

MR. WONG SUPPORTED THE BUDGET FOR THE CONSIDERATION IT HAS GIVEN TO THE MIDDLE-INCOME GROUP -- THEY ARE TO BE ALLOWED SOME CONCESSION IN TAXATION= LARGE SUMS OF MONEY ALLOCATED FOR THE HOME OWNERSHIP SCHEME, AND THE INCOME CEILING FOR APPLICATIONS UNDER THE SCHEME IS TO BE RAISED.

HE WELCOMED ALL THESE MEASURES BECAUSE THEY WILL EFFECTIVELY IMPROVE THE LIVING STANDARD OF THE MIDDLE-INCOME GROUP AND DIRECTLY BENEFIT THEM.

MR. WONG WAS, HOWEVER, CONCERNED ABOUT THE LARGE INCREASE IN ESTIMATED GOVERNMENT EXPENDITURE NEXT YEAR, TO SOME $12,400 MILLION OR ABOUT 21 PER CENT OVER LAST YEAR'S ESTIMATED EXPENDITURE OF $10,200 MILLION.

LAST YEAR'S ESTIMATE WAS ITSELF EXCEEDED BY ACTUAL EXPENDITURE OF SOME $11,100 MILLION BY NINE PER CENT.

+DESPITE THE FACT THAT THE EVER-INCREASING PUBLIC EXPENDITURE HAS SOMEHOW BEEN OFFSET BY A MODERATE GROWTH IN OUR ECONOMY AND PUBLIC REVENUE, THE GOVERNMENT SHOULD TAKE THEIR PARTICULAR TENDENCY INTO CONSIDERATION AND CAREFULLY REVIEW ITS POLICY AS A PRECAUTIONARY MEASURE,+ HE SAID.

HE SUGGESTED THAT ONE REASON FOR THE BIG INCREASE IS THE SHARP RISE IN THE NUMBER OF CIVIL SERVANTS. NEXT YEAR, THE NUMBER WILL STILL BE CONSIDERABLY INCREASED BY 7,500.

HE WONDERED WHETHER THE RAPID GROWTH OF THE CIVIL SERVICE IS REALLY NECESSARY AND CALLED ON THE GOVERNMENT TO MAKE FULL USE OF ITS MANPOWER RESOURCES BY RAISING EFFICIENCY AND IMPROVING MANAGEMENT METHODS.

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CALL TO ABOLISH DUTY ON LOCAL CHINESE LIQUOR

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THE GOVERNMENT WILL BE APPRECIATED BY THE LEAST PRIVILEGED MEMBERS OF OUR COMMUNITY IF IT WOULD ABOLISH DUTY ON LOCALLY PRODUCED CHINESE SPIRITS, THE HON. LEUNG TAT-SHING SAID TODAY (THURSDAY) DURING THE RESUMED BUDGET DEBATE AT THE LEGISLATIVE COUNCIL.

HE SAID A MODERATE CONSUMPTION OF LIQUOR IS ONE OF THE FEW REWARDS WORKERS ENJOY AFTER A HARD DAY'S WORK.

HE DID NOT BELIEVE ABOLITION OF DUTY WILL LEAD TO EXCESSIVE CONSUMPTION. BESIDES, HE SAID, IT SHOULD MAKE IT UNPROFITABLE TO OPERATE ILLEGAL DISTILLERIES.

THE GOVERNMENT WILL SUFFER NO GREAT LOSS OF REVENUE, HE POINTED OUT. THE TOTAL QUANTITY OF CHINESE SPIRITS CONSUMED OVER THE PAST THREE YEARS, 1976-78, AMOUNTED TO JUST OVER 12.4 MILLION IMPERIAL GALLONS, BRINGING IN TOTAL REVENUE OF JUST UNDER $140 MILLION.

/OF THIS

OF THIS, ONLY THREE MILLION IMPERIAL GALLONS WERE LOCALLY PRODUCED, PROVIDING REVENUE OF ONLY $27.6 MILLION.

IN OTHER WORDS, LOCALLY PRODUCED CHINESE SPIRITS ACCOUNTED FOR ONLY 24.4 PER CENT OF THE OVERALL CONSUMPTION OF CHINESE SPIRITS, AND UNDER 20 PER CENT OF THE TOTAL REVENUE.

ON AVERAGE, THIS BRINGS IN $9.2 MILLION A YEAR, WHICH IS INSIGNIFICANT COMPARED WITH THE ESTIMATED REVENUE FOR THE GOVERNMENT AS A WHOLE FOR THE COMING YEAR, HE SAID.

HE THOUGHT IT WILL ENHANCE ITS IMAGE AS AN UNDERSTANDING GOVERNMENT IF IT WOULD CONSIDER THIS VERY MINOR CONCESSION.

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A +FLAW+ IN THE BUDGET

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THE HON. PETER C. WONG AGAIN ASKED FOR THE PROVISION OF AIR-CONDITIONING IN GENERAL HOSPITAL WARDS DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

HE SAID OMISSION OF THIS PROVISION IS ONE FLAW IN AN OTHERWISE PAINSTAKINGLY PRESENTED AND REALISTIC BUDGET.

HE HAD IN THE COUNCIL LAST MONTH URGED THE GOVERNMENT TO PROVIDE AIR-CONDITIONING TO THE MORE NEEDY PATIENTS BUT WAS TOLD BY THE SECRETARY FOR SOCIAL SERVICES AT THAT TIME THAT PRIORITY HAD TO BE ACCORDED IN THE LIGHT OF THE MANY COMPETING CLAIMS ON LIMITED RESOURCES.

+ADMITTEDLY, THE KEY FACTOR IS THE QUESTION OF PRIORITIES AND COMPETING CLAIMS. BUT IN VIEW OF THE PREDICTED SURPLUS THIS YEAR AND THE ESTIMATED SURPLUS NEXT YEAR -- AMOUNTING TO NO LESS THAN $3,000 MILLION, I FAIL TO SEE WHY THIS LONG OVERDUE NEED SHOULD NOT BE ACCORDED HIGH PRIORITY,+ MR. WONG SAID.

+WHATEVER COMPETING CLAIMS THERE MIGHT BE, GOVERNMENT POLICY SHOULD BE DICTATED BY COMMON SENSE AND A SENSE OF BALANCE. IT WOULD BE A SORRY DAY FOR HONG KONG IF GOVERNMENT WERE SO ENGROSSED IN WEIGHING THE VARIOUS SEEMINGLY COMPETING CLAIMS THAT URGENT NEEDS ARE RELEGATED TO THE BACKGROUND,+ HE ADDED.

MR. WONG APPRECIATED THAT WHEN HE SPOKE LAST TIME, THE ESTIMATES HAD PROBABLY BEEN PREPARED. HE NOW SOUGHT AN ASSURANCE FROM THE FINANCIAL SECRETARY THAT THE GOVERNMENT HAS NOT IGNORED HIS PLEA.

+HOPEFULLY, A DECISION HAS ALREADY BEEN MADE AT LEAST REGARDING NEW HOSPITALS AND, IF SO, THIS COUNCIL AND MEMBERS OF THE PUBLIC SHOULD BE INFORMED,+ HE SAID.

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CONSULTANTS ENGAGED FOR REPLACEMENT AIRPORT STUDIES

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THE GOVERNMENT HAS ENGAGED CONSULTANTS TO PREPARE AN AIRPORT LAYOUT PLAN FOR A POSSIBLE REPLACEMENT AIRPORT FOR HONG KONG IN THE VICINITY OF CHEK LAP KOK ISLAND OFF NORTH LANTAU.

AN AGREEMENT HAS BEEN SIGNED WITH THE AMERICAN CONSULTANTS, PARSONS OVERSEAS COMPANY OF PASEDENA, WHO WILL BE CARRYING OUT THE STUDY IN ASSOCIATION WITH WILBUR SMITH AND ASSOCIATES, THE GOLLINS MELVIN WARD PARTNERSHIP AND THE UNITED KINGDOM CIVIL AVIATION AUTHORITY.

MR. B.D. KEEP, THE DIRECTOR OF CIVIL AVIATION, SIGNED THE AGREEMENT ON BEHALF OF THE HONG KONG GOVERNMENT AND MR. JOHN N. FEHRER, CONTRACTS MANAGER, ON BEHALF OF THE CONSULTANTS.

THE CONSULTANCY INCLUDES A STUDY OF THE FEASIBILITY OF AIRCRAFT OPERATIONS AT THE PROPOSED SITE, A COST ESTIMATE FOR THE LAND FORMATION BASED ON THE PUBLIC WORKS DEPARTMENT SITE INVESTIGATION STUDIES AND A CONCEPTUAL AIRPORT LAYOUT SHOWING THE DISPOSITION OF RUNWAYS, TERMINAL BUILDING AND OTHER AIRPORT FACILITIES.

+THE ENGAGEMENT OF THE CONSULTANTS IS AN ESSENTIAL STEP TO TAKE AS THEIR PLANNING INVESTIGATION WORK WILL HELP THE GOVERNMENT IN REACHING ITS DECISION ON WHETHER OR NOT TO BUILD AN AIRPORT TO REPLACE KAI TAK,+ A SPOKESMAN FOR THE CIVIL AVIATION DEPARTMENT SAID TODAY (THURSDAY).

WITH THE PRESENT RATE OF GROWTH IN AIR TRAFFIC, THE PRESENT AIRPORT WILL REACH ITS CAPACITY IN THE MID-1980S. THEREAFTER, KAI TAK WILL NOT BE ABLE TO SUSTAIN THE AIR TRAFFIC DEMAND WITHOUT INTRODUCING CONSTRAINTS ON THE AIRLINES AND/OR PASSENGERS PLUS CARGO WHICH COULD RESULT IN ECONOMIC DISBENEFITS TO HONG KONG.

+TO BUILD A REPLACEMENT AIRPORT HAS BEEN ONE OF THE ALTERNATIVES EXAMINED BY THE GOVERNMENT TO MAINTAIN THE BENEFITS OF AVIATION TO HONG KONG,+ THE SPOKESMAN SAID.

IT IS EXPECTED THAT THE CONSULTANTS WILL TAKE ABOUT 10 MONTHS TO COMPLETE THE WORK AT WHICH TIME THE STUDIES, TOGETHER WITH THE RECOMMENDATIONS OF THE DIRECTOR OF CIVIL AVIATION, WILL BE SUBMITTED TO THE GOVERNMENT EARLY NEXT YEAR FOR TOTAL CONSIDERATION.

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FACTORY PROPRIETORS REMINDED TO KEEP REGISTER OF WOMEN AND YOUNG PERSONS

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FACTORY PROPRIETORS WERE TODAY (THURSDAY) AGAIN REMINDED TO MAINTAIN A PROPER REGISTER OF ALL THE WOMEN AND YOUNG PERSONS EMPLOYED IN THEIR ESTABLISHMENTS OTHERWISE THEY MIGHT FACE PROSECUTION FOR CONTRAVENING THE FACTORIES AND INDUSTRIAL UNDERTAKINGS REGULATIONS.

/THE REMINDER .....

THE REMINDER CAME FROM A LABOUR DEPARTMENT SPOKESMAN FOLLOWING A RECENT COURT CASE AT TSUEN WAN MAGISTRACY WHERE THE OWNER OF A KNITTING FACTORY WAS FINED $2,000 FOR NOT KEEPING A REGISTER FOR SIX WOMEN WORKERS UNDER HIS EMPLOY. THE FINE WAS THE MAXIMUM FOR SUCH AN OFFENCE.

THE SPOKESMAN POINTED OUT THAT UNDER THE LAW ALL FACTORY PROPRIETORS ARE REQUIRED TO MAINTAIN A REGISTER CONTAINING PARTICULARS OF ALL THE WOMEN AND YOUNG PERSONS OF 14 TO 17 YEARS OF AGE, UNDER THEIR EMPLOY.

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EASTER HOLIDAYS TRAIN TICKETS

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THE KOWLOON-CANTON RAILWAY ANNOUNCED TODAY (THURSDAY) THAT ORDINARY CLASS PERIOD RETURN TICKETS FROM KOWLOON TO LO WU WILL BE SOLD AT KOWLOON STATION FROM APRIL 1 UNTIL APRIL 30.

THE ARRANGEMENT IS MADE FOR THE CONVENIENCE OF PASSENGERS GOING TO CHINA DURING THE EASTER HOLIDAY PERIOD.

THE FARE OF AN ORDINARY CLASS RETURN TICKET IS $3.80. EACH TICKET WILL BE VALID FOR THE JOURNEY FROM KOWLOON TO LO WU ON THE DATE OF ISSUE AND FOR A RETURN JOURNEY ON ANY DAY FROM THE DATE OF ISSUE UNTIL APRIL 30.

THE PERIOD RETURN TICKETS WILL ONLY APPLY TO ORDINARY CLASS AND WILL BE AVAILABLE FOR BOOKING AT KOWLOON STATION.

ON ARRIVAL AT LO WU, PASSENGERS HOLDING RETURN TICKETS ARE REQUESTED TO SHOW THE TICKETS TO THE TICKET COLLECTORS AT THE EXIT GATES AND THEN KEEP THE TICKETS FOR USE ON THE RETURN JOURNEY AFTER WHICH THE TICKETS WILL BE COLLECTED AT KOWLOON OR MONG KOK STATIONS.

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WORK ON $29 MILLION LAUNDRY BEGINS SOON

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CONSTRUCTION OF A SECOND MEDICAL AND HEALTH DEPARTMENT LAUNDRY AT PIK UK IN CLEAR WATER BAY ROAD WILL BEGIN NEXT MONTH.

THE WORK WILL INCLUDE A FIVE-STOREY BUILDING TO ACCOMMODATE LAUNDRY EQUIPMENT, AND IS EXPECTED TO BE COMPLETED IN 15 MONTHS.

WHEN THE $29 MILLION LAUNDRY BECOMES OPERATIONAL IN EARLY 1981, IT WILL HANDLE CLOTHING FROM GOVERNMENT MEDICAL INSTITUTIONS IN KOWLOON AND THE NEW TERRITORIES.

THE LAUNDRY WILL WASH, DRY AND IRON FROM FULL-SIZED BED SHEETS TO THE SMALLEST OPERATION CAPS AND BABY NAPKINS, A DEPARTMENT SPOKESMAN SAID TODAY (THURSDAY).

PROVIDING A MINIMUM THROUGHPUT OF 454,000 KILOGRAMS (ABOUT ONE MILLION POUNDS) DRY WEIGHT A MONTH, THE LAUNDRY IS TO MEET WITH INCREASING REQUIREMENT.

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ACTING GOVERNOR PRAISES MONG KOK KAIFONG ASSOCIATION

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IT IS BOTH RE-ASSURING AND ENCOURAGING TO SEE COMMUNITY SELF-HELP FLOURISHING IN HONG KONG AT THE PRESENT TIME.

THIS WAS STATED BY THE ACTING GOVERNOR, SIR JACK CATER, WHEN HE OFFICIALLY OPENED THE FOUR-STOREY CHAN HING SOCIAL SERVICES CENTRE IN TAI KOK TSUI THIS (THURSDAY) MORNING.

HE ADDED: +INDEED, THERE COULD BE SAID TO BE A TRADITION AMONGST OUR COMMUNITY LEADERS OF NOT SITTING AROUND WAITING FOR THE GOVERNMENT OR OTHERS TO TAKE THE INITIATIVE TO DEAL WITH PROBLEMS THEY CAN SOLVE THEMSELVES.

+THE MONG KOK KAIFONG ASSOCIATION'S COMPLETION OF THIS CENTRE IS PROOF THAT THIS FINE TRADITION CONTINUES.+

THE FOLLOWING IS THE FULL TEXT OF SIR JACK'S SPEECH.

+I AM DELIGHTED TO BE PRESENT TODAY AT THE OFFICIAL OPENING OF THE CHAN HING SOCIAL SERVICES CENTRE OF THE MONG KOK KAIFONG ASSOCIATION.

+THIS CEREMONY MARKS THE CLIMAX OF EFFORTS WHICH BEGAN AS EARLY AS 1968 TO MEET THE NEED OF THE MONG KOK COMMUNITY FOR THE FACILITIES NOW PROVIDED IN THIS CENTRE. A PROJECT LIKE THIS INVOLVES MUCH DETAILED PLANNING AND ORGANISATION AS WELL AS DETERMINED FUND-RAISING ACTIVITY. AND NOW, AS WELL AS THIS FINE HALL, SEVERAL ROOMS ARE AVAILABLE ON THE OTHER FLOORS OF THE CENTRE FOR RECREATIONAL, CULTURAL AND EDUCATIONAL USE.

+THE INCLUSION OF SPACE FOR CLINICS, A CANTEEN AND STAFF ACCOMMODATION WITHIN THE BUILDING INDICATES HOW THOROUGHLY THE JOB HAS BEEN DONE.

+I CONGRATULATE ALL THOSE WHO HAVE BEEN INVOLVED ON THE SOLID CONTRIBUTION THEY HAVE MADE TOWARDS THE IMPROVEMENT OF AMENITIES IN THIS DISTRICT.

+IT IS BOTH RE-ASSURING AND ENCOURAGING TO SEE THIS KIND OF COMMUNITY SELF-HELP FLOURISHING IN HONG KONG AT THE PRESENT TIME. IT IS BY NO MEANS NEW TO HONG KONG OF COURSE.

+INDEED, THERE COULD BE SAID TO BE A TRADITION AMONGST OUR COMMUNITY LEADERS OF NOT SITTING AROUND WAITING FOR THE GOVERNMENT OR OTHERS TO TAKE THE INITIATIVE TO DEAL WITH PROBLEMS THEY CAN SOLVE THEMSELVES.

+THE MONG KOK KAIFONG ASSOCIATION'S COMPLETION OF THIS CENTRE IS PROOF THAT THIS FINE TRADITION CONTINUES.

/+THE MONG KOK .....

+THE MONG KOK KAIFONG ASSOCIATION IS ONE OF THE LONGEST ESTABLISHED AND HAS A PRAISEWORTHY RECORD OF GIVING A LEAD TO RESIDENTS WHEN, FROM TIME TO TIME, VARIOUS CHALLENGES HAVE FACED THE COMMUNITY.

+IN RECENT YEARS, IT HAS BEEN MOST ACTIVE IN THE FIGHT AGAINST CRIME AND IN THE CAMPAIGN FOR A CLEANER HONG KONG. ITS MEMBERS ARE ALSO HEAVILY INVOLVED IN THE WORK OF AREA COMMITTEES AND HAVE GIVEN ENCOURAGEMENT TO THE FORMATION OF MUTUAL AID COMMITTEES IN MULTI-STOREY BUILDINGS.

+THE ASSOCIATION HAS CLOSE RELATIONSHIPS WITH THE CITY DISTRICT OFFICE, THE ROYAL HONG KONG POLICE FORCE AND OTHER GOVERNMENT DEPARTMENTS IN THE DISTRICT. ON THE OFFICIAL SIDE, WE VALUE THIS KIND OF CO-OPERATIVE SPIRIT.

+LAST YEAR THE ASSOCIATION, UNDER YOUR ENERGETIC LEADERSHIP MR. CHAIRMAN, GAVE FURTHER PROOF OF ITS VITALITY AND KEEN INTEREST IN THE WELFARE OF MONG KOK RESIDENTS BY ORGANISING THE HIGHLY SUCCESSFUL MONG KOK WEEK: AN AMBITIOUS PROJECT WHICH SET OUT NOT ONLY TO PROVIDE ENJOYMENT FOR RESIDENTS OF THE DISTRICT BUT TO PROMOTE A GREATER FEELING OF COMMUNITY AND A GREATER FEELING OF IDENTITY. AND THIS I MOST WARMLY WELCOME.

+TODAY'S CEREMONY, THEREFORE, THOUGH IMPORTANT IN ITSELF, IS CLEARLY NOT TO BE SEEN AS AN ISOLATED EVENT BUT AS PART OF AN ON-GOING PROCESS OF WORKING FOR THE COMMUNITY BEGUN BY THE MONG KOK KAIFONG ASSOCIATION MANY YEARS AGO. I AM CERTAIN THAT THE OPPORTUNITIES FOR THIS KIND OF WORK WILL CONTINUE TO ARISE IN FUTURE.

+FOR THE KAIFONG ASSOCIATION THE SUCCESSFUL OPERATION OF THIS CENTRE WILL PRESENT AN EXCITING CHALLENGE, TO WHICH I HAVE NO DOUBT IT WILL RESPOND WITH ITS USUAL ENERGY AND THOROUGHNESS.

+THE NEXT CHALLENGE, I UNDERSTAND, LIES IN THE PROPOSAL TO DEVELOP, UPON THE VACANT SITE NEXT TO THIS CENTRE, A CULTURAL, RECREATIONAL AND SPORTS BUILDING WHICH WILL CONTAIN FACILITIES TO COMPLEMENT THOSE ALREADY AVAILABLE HERE. ALTHOUGH THE PLANNING AND CONSTRUCTION OF THE NEW PROJECT IS TO BE UNDERTAKEN BY THE MONG KOK DISTRICT CULTURAL, RECREATIONAL AND SPORTS ASSOCIATION, I AM AWARE THAT THE KAIFONG ASSOCIATION WILL ALSO BE CONTRIBUTING TO IT. I WISH BOTH ORGANISATIONS EVERY SUCCESS IN THEIR CO-OPERATIVE EFFORT TO PROVIDE STILL FURTHER COMMUNITY BENEFITS FOR THE USE OF LOCAL RESIDENTS.

+THERE IS SOMETHING ESPECIALLY ADMIRABLE ABOUT FACILITIES THAT HAVE BEEN PROVIDED BY MEMBERS OF THE COMMUNITY THEMSELVES. I WOULD ADD THAT THE GOVERNMENT IS ALWAYS WILLING TO DO WHATEVER IT CAN TO ASSIST AND SUPPORT THOSE WHO DEMONSTRATE SELF-HELP IN SUCH A WORTHWHILE MANNER.

+THE CHAN HING CENTRE WILL BE AN INSPIRATION TO OTHERS WITH SIMILAR AMBITIONS. MR. CHAIRMAN, I HOPE AND EXPECT THAT THE PEOPLE OF MONG KOK WILL THOROUGHLY ENJOY THE CENTRE'S FACILITIES FOR MANY, MANY YEARS TO COME.+

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FULL REHEARSAL FOR ANTI-DRUG RALLY

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A FULL REHEARSAL FOR THE ACTION COMMITTEE AGAINST NARCOTICS' (ACAN) MASS RALLY WILL BE HELD AT THE HONG KONG STADIUM ON SATURDAY STARTING AT 2 P.M.

THE COMMISSIONER FOR NARCOTICS, MR. PETER E. I. LEE, AND THE CHAIRMAN OF ACAN'S PREVENTIVE EDUCATION AND PUBLICITY SUB-COMMITTEE, MR. KARL STUMPF, WILL ATTEND THE TWO-HOUR REHEARSAL.

THE RALLY WILL TAKE PLACE AT THE STADIUM NEXT FRIDAY (APRIL 6). THE GOVERNOR, SIR MURRAY MACLEHOSE, WILL BE ATTENDING.

THE REHEARSAL FEATURES A +TELE-MATCH+ DEMONSTRATION BY SELECTED TEAMS FROM GOVERNMENT DEPARTMENTS AND VOLUNTARY AGENCIES AND A BRASS BAND, BUGLES, PIPES AND DRUMS PERFORMANCES BY THE BRITISH FORCES AND THE ROYAL HONG KONG POLICE FORCE.

A MOCK BATTLE WILL BE STAGED BY THE ROYAL HONG KONG REGIMENT (THE VOLUNTEERS).

MORE THAN 2,000 STUDENTS FROM NEW METHOD COLLEGE WILL GIVE AN ANTI-DRUG SLOGAN AND PICTURE DISPLAY WITH THE SKILFUL USE OF +FLIP BOARDS.+

OTHER ITEMS INCLUDE RIBBON AND LION DANCE PERFORMANCES BY THE ROYAL HONG KONG POLICE FORCE, KARATE AND TAEKWANDO DEMONSTRATIONS BY POLICE CADETS, A MOTORCYCLE DEMONSTRATION BY THE CIVIL AID SERVICES AND A FREE-FALL PARACHUTE DISPLAY BY THE BRITISH FORCES' +FLYING DRAGONS.+

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER A FULL REHEARSAL FOR THE ACTION COMMITTEE AGAINST NARCOTICS' (ACAN) MASS RALLY TO BE HELD AT THE HONG KONG STADIUM ON SATURDAY (MARCH 31). INFORMATION OFFICERS FROM G.I.S. AND THE NARCOTICS DIVISION OF THE GOVERNMENT SECRETARIAT WILL BE PRESENT AT THE STADIUM AT 1.45 P.M. TO ASSIST THE MEDIA.

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AIR MAIL SERVICES TO VIETNAM RESUMED

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THE POST OFFICE ANNOUNCED TODAY (THURSDAY) THAT AIR MAIL SERVICES TO VIETNAM HAVE BEEN RESUMED.

AN ANNOUNCEMENT ON DISRUPTION OF SERVICE WAS MADE ON FEBRUARY 22.

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STORM WARNING LIGHTS BACK TO WORK

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THE ROYAL OBSERVATORY ANNOUNCED TODAY (THURSDAY) THAT THE TROPICAL CYCLONE WARNING AND STRONG MONSOON SIGNAL LIGHTS ON TOP OF THE OLD KOWLOON-CANTON RAILWAY TERMINAL TOWER HAS RESUMED FUNCTIONING.

THE LIGHTS HAD CEASED OPERATION FOR FOUR MONTHS TO FACILITATE RENOVATION WORK OF THE BUILDING.

TROPICAL CYCLONE AND STRONG MONSOON SIGNAL LIGHTS ARE DISPLAYED AT 38 STATIONS THROUGHOUT HONG KONG.

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ROAD CLOSURE EXTENDED

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THE TRANSPORT DEPARTMENT ANNOUNCED TODAY (THURSDAY) THAT THE KOWLOON-BOUND CARRIAGEWAY OF CASTLE PEAK ROAD FROM ITS JUNCTION WITH THE ACCESS ROAD LEADING TO KADOORIE BEACH TO ABOUT 150 METRES SOUTHWARD, CLOSED SINCE FEBRUARY 19, WILL CONTINUE TO BE CLOSED UNTIL APRIL 20 FOR ROAD AND DRAINS CONSTRUCTION WORKS.

DURING THIS PERIOD, THE NEW TERRITORIES-BOUND CARRIAGEWAY OF THIS SECTION WILL BE OPENED TO TRAFFIC FROM BOTH DIRECTIONS ALTERNATIVELY.

TRAFFIC FLOW WILL BE REGULATED BY SIGNALS AND SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

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URBAN CLEARWAY RESTRICTIONS

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THE TRANSPORT DEPARTMENT TODAY (THURSDAY) ANNOUNCED THAT FROM 10 A.M. ON MONDAY, APRIL 2, THE WESTBOUND CARRIAGEWAY OF PRINCE EDWARD ROAD BETWEEN SAI YEE STREET AND A POINT ABOUT 15 METRES TO THE EAST OF STREET LAMP POST NO. K2451 NEAR FA YUEN STREET WILL BE DESIGNATED A RESTRICTED ZONE TO ALL MOTOR VEHICLES, EXCEPT FRANCHISED BUSES, FROM 7 A.M. TO MIDNIGHT DAILY.

ALL MOTOR VEHICLES, EXCEPT FRANCHISED BUSES, ARE PROHIBITED FROM STOPPING FOR PASSENGERS OR GOODS WITHIN THIS ZONE.

TRAFFIC SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

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WATER CUT

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WATER SUPPLY TO A NUMBER OF PREMISES IN MONG KOK WILL BE TURNED OFF FOR SIX HOURS FROM MIDNIGHT TO 6 A.M. ON SATURDAY FOR LEAKAGE TESTS.

THE AFFECTED AREA IS BOUNDED BY CANTON ROAD, NELSON STREET, NATHAN ROAD, DUNDAS STREET AND SHANGHAI STREET, INCLUDING PORTLAND STREET, SHAN TUNG STREET, SOY STREET AND CHANG SHA STREET.

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