



DAILY INFORMATION BULLETIN

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CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

1990-91 BUDGET LACKS PLANNING	1
PUBLIC SECTOR EXPENDITURE SHOULD BE CUT	2
1990 BUDGET SENSIBLE	4
CALL FOR REVIEW OF TAX SYSTEM	5
1990-91 BUDGET "DOES NOTHING, GOES NOWHERE"	6
BUDGET CONTAINS ALL THE RIGHT SENTIMENTS	8
REVENUE POLICY INCONSISTENT	9
BUDGET UNABLE TO CONTAIN PUBLIC EXPENDITURE	10
CHINESE CO-OPERATION NEEDED IN INFRASTRUCTURAL DEVELOPMENT	11
CONCERN OVER AMBITIOUS DEVELOPMENT PROJECTS	12
BROAD-BASED TAX WILL INFLATE ECONOMY	13
ANNUAL REPORT ON HK 1989 TO PARLIAMENT	14
PAC HEARING NEXT WEEK	14
PADS PROJECTS WITHIN HK'S MEANS: SES	15
LEATHER EXHIBITS DEMONSTRATE DIVERSIFICATION EFFORTS	18
COMMITMENT TO QUALITY IMPROVEMENT IMPORTANT	19
TECHNICAL EDUCATION IMPORTANT IN REHABILITATION OF INMATES	21
DIRECTOR OF SOCIAL WELFARE VISITS BOYS' HOME	21
SPORTS DEVELOPMENT BOARD TO HOLD SEMINAR ON NEW FUNDING SYSTEM	22
REMINDER ON APPLICATION FOR TRAVEL DOCUMENTS	23
DB COMMITTEE TO DISCUSS FUND ALLOCATION	24
COMMITTEE TO DISCUSS ICAC DISTRICT PROGRAMME	24
TRAFFIC ARRANGEMENTS IN EASTERN	25
TEMPORARY URBAN CLEARWAYS IN NORTH POINT	25
TRAFFIC IMPROVEMENT PROJECT IN CAUSEWAY BAY	26
URBAN CLEARWAYS IN WESTERN	26
TEMPORARY CLOSURE OF GASCOIGNE ROAD FLYOVER	26

WEDNESDAY, APRIL 25, 1990

- 1 -

1990-91 BUDGET LACKS PLANNING

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THE SENIOR MEMBER OF LEGISLATIVE COUNCIL, THE HON ALLEN LEE, SAID HE WAS DISAPPOINTED AT THE LACK OF CONCRETE PROPOSALS IN THE 1990-91 BUDGET TO TACKLE THE PROBLEMS OF INFLATION, PUBLIC SECTOR EXPENDITURE AND LABOUR SHORTAGE.

LEADING OFF THE DEBATE ON THE BUDGET IN THE COUNCIL TODAY (WEDNESDAY), MR LEE NOTED THAT THOSE PROBLEMS STILL EXISTED AND WERE IN FACT GETTING WORSE.

HE WARNED THAT IF THEY WERE ALLOWED TO CONTINUE, HONG KONG WOULD BE HEADING FOR A RECESSION IF NOT A DEPRESSION.

SINGLING OUT INFLATION AS THE NUMBER ONE ENEMY, MR LEE SAID: "IT IS THE GOVERNMENT'S RESPONSIBILITY TO EASE INFLATIONARY PRESSURE, PERHAPS DRASTIC ACTIONS ARE REQUIRED."

HE CRITICISED THE BUDGET AS ONE THAT LACKED PLANNING AND ANTICIPATION. IT WAS ALSO EXPENDITURE DRIVEN, WHICH HE MEANT: "HERE IS THE EXPENDITURE. NOW, WHICH AREAS OF TAXATION CAN WE INCREASE TO TAKE CARE OF THE EXPENDITURE?"

CITING THE NEW AIRPORT AS AN EXAMPLE, MR LEE SAID: "WE ALL WELCOMED THE PROJECT. THE QUESTION IS HOW TO FINANCE IT."

HE POINTED OUT THAT IT WAS ALL VERY WELL TO TALK ABOUT PRIVATE SECTOR PARTICIPATION, BUT A LOT OF QUESTIONS WOULD HAVE TO BE ANSWERED AND ADDRESSED.

FOR EXAMPLE, HE SAID: "THE PUBLIC AND THE BUSINESS CIRCLE WANT TO KNOW EXACTLY WHAT PORTION OF THE CAPITAL EXPENDITURE AND WHAT TYPE OF SERVICES WILL BE PRIVATISED AND HOW? IS THE PROJECT COMMERCIALY VIABLE? WHAT WILL BE THE PLANNED PUBLIC SECTOR EXPENDITURE? IF THERE IS NO PRIVATE SECTOR INTEREST, WILL GOVERNMENT GO AHEAD WITH THE PROJECT OUT OF NECESSITY? WHERE WILL THE MONEY COME FROM IN THIS CASE?"

IF SUCH INFORMATION WAS ALREADY AVAILABLE, THE PUBLIC OUGHT TO KNOW ABOUT IT, HE STRESSED.

TURNING TO THE SUBJECT OF THE CIVIL SERVICE, MR LEE EXPRESSED GRAVE CONCERN ABOUT THE RECENT GATHERINGS, SIT-INS, HUNGER STRIKES AND MARCHES INVOLVING THE STAFF OF VARIOUS GOVERNMENT DEPARTMENTS, DEMANDING SALARY INCREASES AND BETTER BENEFITS.

WHILST APPRECIATING CIVIL SERVANTS' ANXIETIES AND UNEASE ABOUT THE FUTURE, MR LEE SAID: "MONEY CANNOT BUY PEACE OF MIND."

HE SAID: "THE CURRENT GOVERNMENT CAN DO ONLY SO MUCH, AND IT WOULD BE WRONG FOR THE GOVERNMENT OF THE DAY TO USE MONEY TO BUY THE CIVIL SERVICE. AS FAR AS THE FUTURE IS CONCERNED, IT IS A SERIOUS MATTER THAT THE CHINESE GOVERNMENT MUST ADDRESS."

/IN MR

IN MR LEE'S OPINION, CIVIL SERVANTS WERE, IN GENERAL, ADEQUATELY RENUMERATED.

AS FAR AS THIS YEAR'S PAY INCREASE WAS CONCERNED, MR LEE URGED CIVIL SERVANTS TO LISTEN CAREFULLY TO PUBLIC REACTION. UNION LEADERS SHOULD BE AWARE OF THE VIEWS OF THE GENERAL WORKING CLASS AND MAN-IN-THE-STREET, HE NOTED.

HE POINTED OUT THAT CIVIL SERVANTS SHOULD REMEMBER THAT IT WAS THEIR DUTY TO SERVE THE PUBLIC, AND ANY DISRUPTION IN THEIR SERVICE COULD LEAD TO SOCIAL UNREST LOCALLY AND BAD PUBLICITY OVERSEAS.

HE STRESSED THAT CIVIL SERVANTS HAD A MAJOR ROLE TO PLAY AT A TIME WHEN HONG KONG WAS AT "THE CROSSROAD OF CHANGES IN THE POLITICAL MATRIX".

"WHAT WE NEED IS A STABLE CIVIL SERVICE TO TAKE UP THE CHALLENGES OF THE FUTURE," HE SAID.

MR LEE ALSO SUGGESTED THAT THE GOVERNMENT SHOULD REVIEW THE SIZE OF THE CIVIL SERVICE, AND ASK ITSELF SUCH SOUL-SEARCHING QUESTIONS AS: "IS THERE ANY FAT THAT CAN BE TRIMMED? HOW CAN WE HAVE A MORE EFFICIENT AND EFFECTIVE CIVIL SERVICE? CAN PRODUCTIVITY BE INCREASED?"

AS CHAIRMAN OF THE ESTABLISHMENT SUB-COMMITTEE OF THE FINANCE COMMITTEE, MR LEE UNDERTOOK TO LOOK INTO THE MATTER WHEN REQUESTS FOR ADDITIONAL POSTS COME UP IN THE FUTURE.

MR LEE CONCLUDED HIS SPEECH WITH THIS MESSAGE TO THE CIVIL SERVICE: "WE ARE IN THE SAME BOAT TOGETHER. WHETHER WE SINK OR SWIM DEPENDS ON OUR ATTITUDE TOWARDS THE FUTURE AND THE TOGETHERNESS OF OUR COMMUNITY. WE SHOULD FACE PROBLEMS TOGETHER, TACKLE PROBLEMS TOGETHER AND RESOLVE PROBLEMS TOGETHER."

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PUBLIC SECTOR EXPENDITURE SHOULD BE CUT
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THE HON MARIA TAM, SAID SHE SAW REAL DANGERS IN BUDGET PLANNING BASED ON EXPENDITURE IN VIEW OF THE ENORMOUS PUBLIC SECTOR EXPENDITURE ON INFRASTRUCTURE.

SHE BELIEVED THAT HONG KONG WAS BEGINNING TO FIND WAYS OF SHIFTING THE TAX BURDEN TO THE LOWER INCOME GROUPS.

SPEAKING DURING THE MOTION DEBATE ON THE APPROPRIATION BILL 1990 TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL, MISS TAM SAID PUBLIC SECTOR EXPENDITURE NEEDED TO BE TRIMMED DOWN IF SUCH DANGERS WERE TO BE REDUCED.

TO ACHIEVE THIS END, SHE SUGGESTED THAT THE FINANCIAL SECRETARY SHOULD BE AUSTERE IN KEEPING DOWN THE COST AND SCALE OF THE PUBLIC SERVICE AND LOOK FOR AREAS TO TRIM DOWN ON THE ESTABLISHMENT OF THE CIVIL SERVICE.

SHE SAID THE GOVERNMENT SHOULD IMPOSE STRICT CONTROL ON THE PHASING IN OR CO-ORDINATION OF VARIOUS PUBLIC WORKS PROJECTS WITH THE PADS RELATED PROJECTS TO AVOID AS MUCH AS POSSIBLE OVER HEATING OF THE ECONOMY IN ANY ONE YEAR.

THE GOVERNMENT SHOULD ALSO BE PREPARED TO ACCEPT THAT NO TARGET DATE WAS SACROSANCT, SHE SAID.

"WE MUST GENERATE ENOUGH REVENUE TO SUPPORT THE INFRASTRUCTURAL PROGRAMMES BUT THE BURDEN MUST BE SPREAD CAREFULLY OVER A REASONABLE PERIOD OF TIME SO AS TO AVOID HIGH INFLATION AND UNREASONABLE TAX BURDEN IN ANY GIVEN YEAR," SHE SAID.

MISS TAM ALSO SUGGESTED THAT THE GOVERNMENT WATCH OUT FOR THE COSTS OF PRIVATISATION OF ANY GOVERNMENT SERVICES AS THE COST OF SUCH SCHEMES WAS GETTING HIGHER AND HIGHER.

ON TAXATION, MISS TAM NOTED THAT THE FINANCIAL SECRETARY HAD TAKEN NO FURTHER STEPS TO PUSH FOR THE WHOLESALERS TAX IN HIS BUDGET SPEECH BUT THE INCREASE IN REVENUE AND CHARGES HAD SIMILAR EFFECTS IN SPREADING THE TAX BURDEN AS THE WHOLESALERS TAX, WITH THE INCREASE ON WATER CHARGES AND FUEL TAX AFFECTING EVERYONE AND THE RISE IN RATES AFFECTING 1.09 MILLION RATE PAYERS.

SHE POINTED OUT THAT TAX ON DIESEL OIL WAS INCREASED BY 30 PER CENT WITH NO CORRESPONDING REBATE GIVEN TO ENFRANCHISED PUBLIC BUSES, WHICH WOULD MEAN AN INCREASE OF FOUR CENTS A PASSENGER TRIP.

"IT CERTAINLY GIVES THE IMPRESSION THAT GOVERNMENT IS PREPARED TO ROPE EVERYONE, INCLUDING THE LESS WELL OFF, DEEPER INTO THE TAX NET. THE MOVE FROM DIRECT TAXES TO MORE INDIRECT TAXES IS A SOUND HOUSEHOLD FINANCE MANAGEMENT STRATEGY, BUT WE MUST REMEMBER THE BURDEN IT CAN CREATE ON THE LESS WELL OFF.

"ONE CAN SAY THAT FOR WHOLESALERS TAX IT IS UP TO THE INDIVIDUAL WHETHER HE WISHES TO SPEND MONEY ON GOODS AND SERVICES. BUT PUBLIC TRANSPORTATION EXPENSES CANNOT BE AVOIDED," SHE SAID.

MISS TAM SUGGESTED THAT THE FINANCIAL SECRETARY SHOULD CONSIDER GRANTING A REBATE OF FUEL TAX TO ENFRANCHISED BUS COMPANIES.

SHE EXPRESSED CONCERN THAT THE FINANCIAL SECRETARY MIGHT SEEK TO INTRODUCE WHOLESALERS TAX ON THE ONE HAND AND IMPOSE TAXATION ON THE BASIC ESSENTIALS ON THE OTHER IN LOOKING FOR REVENUE TO PAY FOR PUBLIC SECTOR EXPENDITURE.

"THUS IN THE PROCESS OF ACHIEVING A MORE COMFORTABLE RATIO BETWEEN DIRECT AND INDIRECT TAXATION WE END UP NOT ONLY WIDENING THE TAX BASE BUT ALSO RAISING HIGHER REVENUE ON EXISTING INDIRECT TAX.

WEDNESDAY, APRIL 25, 1990

- 4 -

"THE RESULT IS THAT WE SHALL GO DOWN A SLIPPERY SLOPE OF RISING INFLATION," SHE SAID.

ON THE SHORTAGE OF MANPOWER AND SKILLED LABOUR WHICH WOULD RESTRAIN THE DEVELOPMENT OF ECONOMIC ACTIVITIES, MISS TAM SUGGESTED THAT THE FINANCIAL SECRETARY SHOULD GIVE AN ASSESSMENT OF THE IMPORTED LABOUR SCHEME LAUNCHED LAST MAY.

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1990 BUDGET SENSIBLE
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THE 1990 BUDGET IS A SENSIBLE ONE BUT A LOT HAS TO BE DONE TO ENSURE SUFFICIENT REVENUE FOR INCREASING EXPENDITURE AND TIGHTER CONTROL OF THE ENORMOUS PUBLIC SECTOR EXPENDITURE, HON PETER POON SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MR POON URGED HONG KONG PEOPLE TO WORK HARD DURING THIS TIME OF SLOW ECONOMIC PROGRESS SO AS TO CONTRIBUTE TO FUTURE SUCCESS.

HE SAID THE ECONOMIC PERFORMANCE IN 1989 HAD BEEN DISAPPOINTING WITH A GROWTH RATE OF 2.4 PER CENT AND HONG KONG HAD TO ACCEPT THAT THE ECONOMY WAS LOSING STEAM WITH SEVERAL YEARS OF SLOWER GROWTH AHEAD.

HE ALSO RAISED DOUBT ABOUT THE FINANCIAL SECRETARY'S FORECAST THAT INFLATION WOULD SLOW DOWN TO 8.5 PER CENT BECAUSE OF THE HEAVY COMMITMENT ON INFRASTRUCTURE AND HIGH PUBLIC SECTOR EXPENDITURE WHICH WOULD PUSH INFLATION TO A HIGHER LEVEL.

HE EXPECTED HONG KONG TO FACE A PERIOD OF STAGFLATION -- A STAGNANT ECONOMY WITH INFLATION.

FACED WITH SHORT SUPPLY IN LABOUR AND HIGH STAFF WASTAGE RATES, MR POON URGED EMPLOYERS TO BE MORE PRAGMATIC AND REASONABLE, AND FOR WORKERS TO EXERCISE PROPER CAUTION AND RESTRAINTS IN THEIR ACTIONS.

NOTING THAT THE CIVIL SERVICE TOOK UP 60 PER CENT OF RECURRENT PUBLIC EXPENDITURE, MR POON SUGGESTED THAT THE ADMINISTRATION SHOULD SCRUTINISE VERY TIGHTLY THE GROWTH OF CIVIL SERVICE.

"WHILE ADDITIONAL POSTS ARE JUSTIFIED IN CERTAIN ESSENTIAL SERVICES, RESTRAINT MUST BE EXERCISED ON THE OVERALL STAFF ESTABLISHMENT AND STAFF COSTS WHICH HAVE GROWN TO SUCH A STAGE THAT IT IS CAUSING GREAT CONCERN.

/"I CAN

"I CAN WELL UNDERSTAND THAT WE MUST BE MINDFUL OF THE MORALE OF OUR CIVIL SERVICE, BUT WHEN OUR ECONOMY IS HAVING PROBLEMS, WE MUST EXERCISE THE CLOSEST SCRUTINY IN CONTROLLING SUCH EXPENDITURE," HE SAID.

MR POON POINTED OUT THAT THE ADJUSTMENT IN RATES WAS HEFTY WITH A PROPOSED 25 PER CENT INCREASE WHICH WOULD AFFECT A WIDE SECTION OF THE PUBLIC.

AS ALL RATEABLE VALUES WERE TO BE REVISED WITH EFFECT FROM 1991/92, THE FUTURE IMPACT WOULD BE EVEN GREATER, HE ADDED.

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CALL FOR REVIEW OF TAX SYSTEM

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THE GOVERNMENT SHOULD UNDERTAKE A COMPREHENSIVE REVIEW OF THE ENTIRE TAX SYSTEM, THE HON MARTIN LEE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MR LEE SAID THAT THE REVIEW SHOULD EXAMINE THE PHILOSOPHY BEHIND THE GOVERNMENT'S REVENUE POLICIES AND WHETHER THAT PHILOSOPHY WAS BEING IMPLEMENTED THROUGH THE CURRENT TAX SYSTEM.

"IN PARTICULAR, THE REVIEW WOULD EXAMINE THE PRESENT TAX BAND STRUCTURE AND THE RELATIONSHIP BETWEEN DIRECT AND INDIRECT TAXES, IT WOULD ALSO SEEK TO DETERMINE WHAT ARE THE OPTIMUM RATES FOR THE SALARIES AND PROFITS TAXES."

MR LEE STRESSED THAT OPINIONS FROM ALL SECTORS OF THE COMMUNITY SHOULD BE TAKEN INTO ACCOUNT, AND THAT THE POSSIBILITY OF A TAX ALLOWANCE FOR MORTGAGE INTEREST SHOULD BE EXAMINED FOR THE SAKE OF THE "SANDWICHED" CLASS.

IN ADDITION, THE REVIEW SHOULD DETERMINE HOW THE EXTENSIVE INFRASTRUCTURE PROGRAMMES PLANNED BY THE GOVERNMENT OUGHT TO BE FINANCED, HE SAID.

ON THE SUBJECT OF INFRASTRUCTURE PLANS, MR LEE SAID THE GOVERNMENT MUST NOT HESITATE TO DISCUSS IN FULL THE MANY DIFFERENT SIDES OF THE QUESTIONS WE WOULD FACE, BE THEY POLITICAL OR FISCAL.

"THE GOVERNMENT MUST PROVIDE THE NECESSARY INFORMATION TO THE PUBLIC AND ENCOURAGE THEM AND THEIR REPRESENTATIVES IN THIS COUNCIL TO HAVE A HEALTHY, FULL-FLEDGED DEBATE ON ANY MAJOR POLICY MATTER BEFORE COMING TO A FINAL DECISION ON IT," HE SAID.

/NOTING THAT

WEDNESDAY, APRIL 25, 1990

- 6 -

NOTING THAT THE GOVERNMENT HAD PROPOSED CHANGES TO THE TAX SYSTEM THAT LESSENERED THE SYSTEM'S PROGRESSIVITY, MR LEE EXPRESSED CONCERN THAT NEW TAXES THAT FELL JUST AS HEAVILY ON THOSE LEAST ABLE TO PAY AS ON THOSE MOST ABLE TO DO SO.

HE WARNED THAT IN DECIDING TO INCREASE INDIRECT TAXES, THE GOVERNMENT MUST BEAR CLOSELY IN MIND THE ENTIRETY OF THE SITUATION FACED BY MANY LOWER AND MIDDLE INCOME FAMILIES.

"THE GOVERNMENT CANNOT SIMPLY LOOK AT EACH TAX OR RATE INCREASE SEPARATELY. RATHER, IT MUST APPRECIATE THE CUMULATIVE EFFECT OF THE RISE IN INDIRECT TAXES SUCH AS THAT ON PETROL, THE INCREASE IN RATES AND WATER CHARGES, AND THE MUCH HIGHER COSTS CONSUMERS MAY FACE UNDER CERTAIN PRIVATISATION SCHEMES," HE SAID.

ON THE ENVIRONMENT, HE SUGGESTED THAT THE GOVERNMENT GIVE SERIOUS CONSIDERATIONS TO ADOPTING THE POLICY OF THREE "P'S": POLLUTERS PAY THE PRICE.

BY MAKING THE POLLUTERS PAY THE PRICE, HE SAID MANUFACTURERS WOULD THEN HAVE TO TAKE INTO ACCOUNT THE ENVIRONMENTAL COSTS BEFORE DECIDING TO PRODUCE PARTICULAR TYPES OF PRODUCTS.

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1990-91 BUDGET "DOES NOTHING, GOES NOWHERE"

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HONG KONG NEEDS A "PRO-HONG KONG, PRO-BUSINESS" BUDGET WHICH WOULD BREAK THE CHAIN RESTRAINING THE TERRITORY'S GROWTH AND MAP A CLEAR PATH TOWARDS GREATER PROSPERITY AND STABILITY, THE HON DAVID LI, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MR LI NOTED THAT HONG KONG WAS PLAGUED BY INFLATION, SLOW GROWTH AND A LACK OF CONFIDENCE, AND THAT THE GOVERNMENT'S PLANS FOR A NEW AIRPORT AND PORT FACILITIES DID NOTHING TO PURGE THESE EVILS.

"NOT ONLY DOES THIS BUDGET HIT HONG KONG PEOPLE AND BUSINESS WHERE THEY ARE MOST VULNERABLE, IT CASTS A DARK SHADOW OVER WHAT LIFE IN HONG KONG WILL BE LIKE BEFORE, DURING AND AFTER YOUR DEVELOPMENT PROGRAMME," MR LI SAID.

HE SAID THE FINANCIAL COMMUNITY WAS MOST DISAPPOINTED BY THIS YEAR'S PESSIMISTIC, "DO NOTHING, GO NOWHERE" BUDGET.

MR LI CALLED FOR A HALT TO THE STEADY GROWTH IN PUBLIC SECTOR EXPENDITURE AND FOR THE INTRODUCTION OF "ZERO-BASED BUDGETING" WITHIN GOVERNMENT, WHICH HE SAID WOULD ENCOURAGE SAVING AND EFFICIENCY.

/FOR FISCAL

- 7 -

FOR FISCAL AND ECONOMIC HEALTH REASONS, THE GOVERNMENT SHOULD TAKE STEPS TO REVERSE THE TREND TOWARDS "QUANGOS (QUASI NON-GOVERNMENTAL ORGANISATIONS), HE SAID.

HE SAID THE KCRC, AND THE MTRC SHOULD BE PRIVATISED, AND SERVICES SUCH AS WATER DISTRIBUTION SHOULD BE HANDED OVER TO PRIVATE SECTOR OPERATORS.

THE GOVERNMENT MUST PLACE A FAR HIGHER PRIORITY ON COMPUTERISING ITS OPERATIONS, AND MUST DEVELOP A COMPUTER POLICY WHICH IS CLEAR AND ORGANISED IN ITS OBJECTIVES, STRATEGY AND IMPLEMENTATION, HE ADDED.

MR LI CALLED ON THE GOVERNMENT TO PROMPTLY APPROVE THE PROPOSALS TO GRANT TAX CONCESSIONS TO VENTURE CAPITAL INVESTMENTS AND TO ABOLISH THE STAMP DUTY ON SHARE TRANSFERS, BECAUSE THESE WOULD ENCOURAGE GREATER LOCAL INVESTMENT AND HELP STEM THE FLIGHT OF CORPORATE CAPITAL.

IMMEDIATE ACTION WAS ALSO REQUIRED TO REMOVE THE TAX ANOMALY WHICH WAS DRIVING CORPORATE INVESTORS AWAY FROM THE LOCAL CAPITAL MARKET, MR LI ADDED.

TURNING TO THE LABOUR MARKET, MR LI URGED THE GOVERNMENT TO GIVE PRIORITY TO VOCATIONAL AND PROFESSIONAL TRAINING, AS WELL AS WORKER RE-TRAINING, AS A REMEDY TO THE SHORTAGE OF SKILLED TECHNICIANS AND MIDDLE-MANAGERS.

HE ALSO FELT THAT THE IMPORTATION OF LABOUR ON A CLOSELY-MONITORED, PROJECT-BY-PROJECT, NON-COMPETITIVE BASIS WOULD EASE LOCAL PRESSURES.

ACCORDING TO MR LI, EFFORTS TO EXPAND THE SUPPLY OF LABOUR MUST BE COMPLEMENTED BY EFFORTS TO PROMOTE THE MORE EFFICIENT USE OF LABOUR.

"TAX INCENTIVES SHOULD BE PROVIDED FOR COMPANIES TO INVEST IN AUTOMATION, CAD/CAM AND OTHER LABOUR-SAVING MACHINERY. HIGHER DEPRECIATION ALLOWANCES WOULD ENABLE HONG KONG COMPANIES TO KEEP PACE WITH RAPIDLY CHANGING TECHNOLOGY AND SO KEEP THEIR COMPETITIVE EDGE," HE SAID.

HE SAID THAT AS A MEANS OF CREATING A GREATER SENSE OF BELONGING AND COMMITMENT AMONG THE PEOPLE OF HONG KONG, GOVERNMENT SHOULD PROVIDE MORTGAGE-INTEREST TAX RELIEF FOR OWNER-OCCUPIED RESIDENCES.

"GOVERNMENT MUST ALSO WORK WITH THE PRIVATE SECTOR AND WITH INDUSTRY ASSOCIATIONS TO IMPROVE HONG KONG'S RETIREMENT SCHEMES. IT SHOULD ENCOURAGE MORE COMPANIES TO ESTABLISH SUCH PROGRAMMES," MR LI SAID.

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BUDGET CONTAINS ALL THE RIGHT SENTIMENTS
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THE FINANCIAL SECRETARY'S SPEECH ON THE 1990-91 BUDGET CONTAINED ALL THE RIGHT SENTIMENTS, THE HON EDWARD HO, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MR HO OBSERVED THAT THE BUDGET EMPHASISED A FIRMER CONTROL OF PUBLIC SECTOR EXPENDITURE AND THE NEED TO MAINTAIN THE DISCIPLINE THAT THE GROWTH RATE OF PUBLIC SECTOR EXPENDITURE SHOULD NOT EXCEED THE GROWTH OF THE ECONOMY.

THE FINANCIAL SECRETARY ALSO STRESSED THE IMPORTANCE OF VALUE FOR MONEY AND INCREASING PRODUCTIVITY IN THE PUBLIC SECTOR.

NOTING THAT THE ECONOMY HAD BEGUN TO SLOW DOWN, AND THAT IN THE FACE OF THE MAGNITUDE OF EXPENDITURE ON MAJOR INFRASTRUCTURAL PROJECTS AND OF INCREASED PROVISION OF PUBLIC SERVICES, MR HO SAID IT WAS IMPERATIVE THAT TIGHTER CONTROL OF PUBLIC EXPENDITURE AND THE BUDGET SHOULD BE TURNED INTO ACTION.

HE SAID THAT INDUSTRIAL ACTIONS OVER PAY AND BENEFITS FROM SOME SECTORS OF THE CIVIL SERVICE HAD HIGHLIGHTED THE URGENCY OF THE NEED TO HAVE SOME VERY FUNDAMENTAL OVERHAUL OF THE GOVERNMENT MACHINERY.

MR HO RENEWED HIS CALL FOR FURTHER PRIVATISATION OF PUBLIC SERVICES.

"THERE IS NO BETTER INCENTIVE TO IMPROVE PRODUCTIVITIES THAN TO PERFORM TO COMPETITION AND MARKET FORCES," HE SAID.

MR HO SAID THE PUBLIC SHOULD BE GIVEN THE ROLE TO PROVIDE FOR SOME OF THE PUBLIC SERVICES AND THAT, FOR THE SAKE OF THE CONSUMERS' WELFARE, IT WAS IMPORTANT TO AVOID THE CREATION OF MONOPOLIES.

ON THE CIVIL SERVICE, HE SAID HE WAS STILL LOOKING FOR GOVERNMENT'S IMPLEMENTATION OF THE PROPOSALS PUT FORWARD IN THE PAMPHLET ON PUBLIC SECTOR REFORMS, IN PARTICULAR THE ESTABLISHMENT OF THE "TRADING FUND ACCOUNTING SYSTEM".

ON HOUSING POLICY, MR HO SAID THAT PRIVATE HOME OWNERSHIP SHOULD BE THE MAIN THRUST AND THAT PUBLIC RENTAL HOUSING SHOULD BE RESERVED FOR THOSE WHO WERE REALLY IN NEED.

AS REGARDS INFLATION, HE SAID THE SAME PEOPLE WHO WERE URGING FOR MORE STRINGENT CONTROL ON INFLATION, OBJECTING TO THE INCREASED DUTIES AND RATES, AND OTHER PRICE INCREASES, WERE LIKELY THE SAME ONES WHO WERE ASKING FOR HIGHER WAGES AND INCREASED PUBLIC SERVICES.

HE SAID THAT THE PROBLEM IN FACT LAID IN THE UPWARD SPIRALLING WAGES AND SALARIES CAUSED BY SHORTAGE OF MANPOWER AT ALL GRADES.

ON THE AIRPORT AND PORT PROJECTS, MR HO SAID THE SUCCESSFUL IMPLEMENTATION OF THESE PROJECTS WOULD INJECT MORE CONFIDENCE AMONG THE HONG KONG PEOPLE AND HE HOPED THAT CHINA WOULD ENDORSE THEM.

REVENUE POLICY INCONSISTENT

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A CASUAL STUDY OF PAST BUDGETS SHOWS THAT THE MIX OF REVENUE PROPOSALS DIFFER EACH YEAR, THUS SUGGESTING THAT THE GOVERNMENT DOES NOT HAVE A CONSISTENT POLICY ON HOW TO RAISE REVENUE, THE HON RONALD ARCULLI, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MR ARCULLI SAID SOME GOVERNMENT CHARGES WERE REVISED ALMOST ON A YEARLY BASIS WHEREAS MANY HAD NOT BEEN ADJUSTED FOR YEARS.

HE SUGGESTED THAT THE GOVERNMENT REVISE ALL FEES AND CHARGES REGULARLY, SAY ONCE EVERY TWO YEARS, ACCORDING TO INFLATION LEVELS.

THIS WOULD NOT ONLY PROVIDE THE TREASURY WITH A STABLE AND STEADY INCOME FLOW, BUT ALSO SAVE PAYERS FROM UNEXPECTED AND UNPREDICTABLE HIGH LEVEL OF INCREASES, HE SAID.

ON RATES INCREASE, MR ARCULLI SAID ANY SUBSTANTIAL INCREASE IN RATES WOULD BRING ABOUT AN ADDITIONAL BURDEN ON ALL, AND PARTICULARLY THOSE IN THE MIDDLE AND LOWER INCOME BRACKETS.

"THE GOVERNMENT MIGHT ARGUE THAT INCREASING RATES LEVEL FROM SIX TO 7.5 PER CENT IS BY NO MEANS UNREASONABLE, BUT THE REVISION OF ALL RATEABLE VALUES WITH EFFECT FROM 1991-92 MEANS FURTHER INCREASES NEXT YEAR," HE NOTED.

HE SUGGESTED THAT WHEN THE FINANCIAL SECRETARY LOOKED AT THE PERCENTAGE CHARGES NEXT YEAR, HE MIGHT CONSIDER A SLIDING SCALE, UNDER WHICH PROPERTIES WITH A HIGHER RATEABLE VALUE BE CHARGED A HIGHER PERCENTAGE, ADDING "TO ENSURE THAT THE BURDEN OF THE CHARGE IS EQUITABLY SPREAD BETWEEN DIFFERENT CLASSES OF RATE PAYERS."

NOTING THAT IN HONG KONG CAR-LOVERS, PROPERTY BUYERS AND OWNERS, SMOKERS, RACEGOERS AND WINE GOURMETS, PUMP HUNDREDS OF MILLIONS OF DOLLARS INTO PUBLIC COFFERS EACH YEAR, MR ARCULLI PROPOSED THAT PLEASURE BOAT OWNERS, WHO FOR DECADES HAD BEEN USING AND PERHAPS POLLUTING OUR WATERS AT A MEAGRE COST, BE ASKED TO MAKE A MEANINGFUL CONTRIBUTION.

ON PORT AND AIRPORT DEVELOPMENTS, MR ARCULLI SAID IN A PROJECT OF THIS SIZE AND COMPLEXITY, TIME WAS MONEY.

"IN THIS RESPECT I AGREE WITH THE FINANCIAL SECRETARY'S REMARKS THAT WE CAN LOOK TO PAST EXAMPLES." NEVERTHELESS, HE SAID WHAT WE MUST NOT ASSUME THOUGH WAS THAT THE PRIVATE SECTOR WOULD NECESSARILY SHARE THIS VIEW.

"IT MAY BE THAT THE RISKS PERCEIVED BY THE BUSINESS COMMUNITY ON A PROJECT OF THIS TYPE AND WITHIN THE CONTEMPLATED TIMEFRAME ARE SOMEWHAT HIGHER DUE TO A VARIETY OF REASONS, NOT THE LEAST OF WHICH IS THE COST FACTOR, AND FOR HIGHER RISK THEY WOULD, QUITE UNDERSTANDABLY, WANT A HIGHER RETURN," HE SAID.

/MR ARCULLI

- 10 -

MR ARCULLI SAID TO ENSURE THAT HONG KONG REMAINED SUCCESSFUL IN FUTURE, THE INFRASTRUCTURAL PROJECTS OUTLINED IN THE POLICY ADDRESS WERE CLEARLY IMPORTANT.

HE ADDED: "IN ORDER TO ACHIEVE THESE OBJECTIVES I BELIEVE MEMBERS OF THE PUBLIC WOULD NOT MIND TIGHTENING UP THEIR BELTS WHEN NECESSARY, PROVIDED THAT THEY KNOW THAT THIS BURDEN IS SHARED BY THE ENTIRE COMMUNITY EQUITABLY.

"ANY UNPOPULAR AND UNFAIR REVENUE PROPOSALS AND UNREASONABLE INCREASE IN GOVERNMENT EXPENDITURE WOULD NOT BE WELCOMED AND MAY AFFECT SOCIAL STABILITY, THUS FURTHER POSSIBLY JEOPARDISING OUR ECONOMIC PROSPECTS," MR ARCULLI SAID.

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BUDGET UNABLE TO CONTAIN PUBLIC EXPENDITURE

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THIS YEAR'S BUDGET LACKS A CLEAR PERSPECTIVE FOR THE TERRITORY'S FISCAL POLICIES AND IS UNABLE TO CONTAIN PUBLIC EXPENDITURES, THE HON MRS NELLIE FONG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, MRS FONG SAID SHE WAS DISAPPOINTED WITH THE BUDGET BECAUSE SHE FOUND THE CLUTCHING FOR BITS OF MONEY HERE AND THERE TO COVER INCREASED COSTS, COULD WORK FOR ONE YEAR BUT IT WAS NOT A LONG TERM OPTION.

SHE SUGGESTED THE GOVERNMENT CONDUCT A COMPREHENSIVE REVIEW OF THE FISCAL POLICIES AND DEVELOP A LONG LASTING FINANCIAL AND TAX STRUCTURE, WHILE AT THE SAME TIME TAKING STEPS TO CONTAIN PUBLIC EXPENDITURE.

SHE SAID FREEZING OR REDUCING THE NUMBER OF CIVIL SERVICE POSTS WOULD CERTAINLY BE A MOVE IN THE RIGHT DIRECTION IN CONTAINING PUBLIC EXPENDITURE.

THE GOVERNMENT SHOULD TAKE A SERIOUS LOOK AT VARIOUS AREAS OF GOVERNMENT OPERATION TO SEE WHICH COULD BE PRIVATISED, SHE SAID.

A CRITICAL REVIEW SHOULD BE MADE OF ADMINISTRATIVE PROCEDURES TO CUT DOWN THE NUMBER OF FILES AND THE STEPS INVOLVED IN PROCESSING APPLICATIONS OF ANY NATURE, SHE ADDED.

MRS FONG ALSO SUGGESTED THAT THE GOVERNMENT UNDERTAKE A CONTINUOUS SERIES OF VALUE FOR MONEY STUDIES TO COVER, OVER A PERIOD, ALL AREAS OF THE GOVERNMENT.

MOREOVER, SHE SAID THAT IT MIGHT BE APPROPRIATE TO REVIEW THE NEED FOR GOVERNMENT TO SUBSIDISE PUBLIC ENTERTAINMENT AND CULTURAL EVENTS AS THE STANDARD OF LIVING IN HONG KONG HAD IMPROVED IMMENSELY OVER THE LAST 20 YEARS.

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WEDNESDAY, APRIL 25, 1990

- 11 -

CHINESE CO-OPERATION NEEDED IN INFRASTRUCTURAL DEVELOPMENT

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HONG KONG AND CHINA SHOULD TAKE ALL THE STEPS NECESSARY TO ENSURE THAT THE NEW AIRPORT AT CHEK LAP KOK AND THE AIRPORT TO BE BUILT BY THE CHINESE AUTHORITIES AT SHENZHEN WILL BE OPERATIONALLY COMPATIBLY, THE HON J.D. MCGREGOR, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SPEAKING IN THE BUDGET DEBATE, HE SAID THE SAME CONSIDERATION SHOULD BE APPLIED TO THE DEVELOPMENT OF HONG KONG'S NEW PORT FACILITIES.

NOTING THAT THE VERY LARGE NUMBER OF LABOURERS REQUIRED FOR THE AIRPORT, PORT AND CONNECTED INFRASTRUCTURAL DEVELOPMENTS WOULD NEVER BE MET FROM LOCAL RESOURCES, MR MCGREGOR SAID THEY WOULD HAVE TO COME FROM CHINA.

HE SUGGESTED THAT THE GOVERNMENT START SORTING OUT THIS PROBLEM NOW WITH THE IDEA IN MIND THAT CONTRACTORS ON MAJOR PROJECTS BE ALLOWED TO BRING IN CONTRACT LABOUR FROM CHINA JUST AS THEY WOULD BRING IN TECHNICIANS AND OTHER SKILLED STAFF FROM ELSEWHERE.

MR MCGREGOR SAID MOST PEOPLE IN HONG KONG REALISED THAT IN THE YEARS AHEAD THE ENORMOUS COST OF NEW INFRASTRUCTURE WOULD NEED NEW MEANS OF PAYING FOR THE PUBLIC SECTOR COSTS INVOLVED, NO MATTER HOW SUCCESSFULLY THE PRIVATE SECTOR COULD BE ENCOURAGED TO PARTICIPATE.

"IT IS A DAUNTING TASK AND WILL NEED IMAGINATIVE AND INNOVATIVE THINKING AND A GREAT DEAL OF CO-OPERATION BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR IN FINDING THE ANSWERS."

HE ADDED THAT MUCH WOULD DEPEND ON CHINA AND THE CHINESE GOVERNMENT'S WILLINGNESS TO RECOGNISE THAT THE HUGE PRIVATE SECTOR INVESTMENT INVOLVED IN OUR INFRASTRUCTURAL DEVELOPMENT DURING THE DECADE OF THE 90'S, WOULD NEED AN APPROPRIATELY HIGH LEVEL OF BUSINESS CONFIDENCE.

HE SAID: "THIS CAN ONLY BE SECURED IN A FRIENDLY AND CO-OPERATIVE ENVIRONMENT. THIS IN TURN, WILL NEED DETAILED EXCHANGE OF INFORMATION AND VIEWS BETWEEN HONG KONG AND CHINA, TO SEE HOW BEST INFRASTRUCTURAL DEVELOPMENT SHOULD PROCEED ESPECIALLY GIVEN THE FACT THAT MUCH OF IT IS DIRECTLY RELATED TO TRADING AND TOURISM ACTIVITIES BETWEEN HONG KONG AND CHINA."

MR MCGREGOR REITERATED A CALL FOR THE ESTABLISHMENT OF AN OLD AGE PENSION AT AGE 65 FOR BOTH MEN AND WOMEN WHICH SHOULD NOT BE MEANS TESTED AND SHOULD BE SUFFICIENT TO ALLOW A RETIRED PERSON WITH NO OTHER INCOME TO, AT LEAST, KEEP BODY AND SOUL TOGETHER.

HE ALSO APPEALED TO TRANSPORT SYSTEMS TO PROVIDE SENIOR CITIZENS WITH PREFERENTIAL TRAVEL.

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WEDNESDAY, APRIL 25, 1990

- 12 -

CONCERN OVER AMBITIOUS DEVELOPMENT PROJECTS

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THE HON KINGSLEY SIT, TODAY (WEDNESDAY) EXPRESSED CONCERN OVER THE GOVERNMENT'S AMBITIOUS INFRASTRUCTURAL PROJECTS AND RISING PUBLIC SECTOR EXPENDITURE AGAINST THE BACKGROUND OF A GRADUAL SLOWDOWN OF THE ECONOMY AND HIGH INFLATION.

"I DO NOT UNDERSTAND THE RATIONALE FOR PUSHING AHEAD AT A FAST PACE WITH MAJOR DEVELOPMENT PROJECTS, SUCH AS THE NEW AIRPORT, WHICH WILL PUT SEVERE STRAINS ON THE PUBLIC PURSE," HE SAID.

SPEAKING DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR SIT SAID HE WAS NOT SATISFIED THAT THERE WAS A NEED TO STICK TO THE PRESENT TIME SCHEDULE FOR THE COMPLETION OF THESE PROJECTS WITHOUT ANY IDEA AS TO THE DETAILED FINANCIAL IMPLICATIONS.

WHILE ADMITTING THAT THE COMMUNITY APPRECIATED THE FACT THAT A NEW AIRPORT WOULD BE INEVITABLE GIVEN THE STABLE GROWTH OF HONG KONG'S EXTERNAL TRADING LINKS, HE CALLED ON THE GOVERNMENT TO ADOPT A CAUTIOUS APPROACH.

ON PUBLIC SECTOR EXPENDITURE, MR SIT SAID THE GOVERNMENT SHOULD MAKE A CONSCIOUS ATTEMPT TO REVIEW ITS ESTABLISHMENT, IMPROVE PRODUCTIVITY AND TIGHTEN EFFICIENCY.

HE SAID WHILST CIVIL SERVICE GROWTH WAS NECESSARY IN RESPONSE TO CHANGING DEMANDS ON PUBLIC SERVICES, IT WAS IMPORTANT TO ENSURE THAT ANY REAL INCREASE IN PAY WAS MATCHED BY INCREASED PRODUCTIVITY.

ON THE FINANCIAL SECRETARY'S REVENUE PROPOSALS, MR SIT OBSERVED THAT THE IMPOSITION OF A 1.5 PER CENT INCREASE IN RATES WOULD NULLIFY THE GOVERNMENT'S INTENTION TO ENCOURAGE HOME OWNERSHIP AMONG THE MIDDLE AND LOWER INCOME GROUP SO THAT THEY COULD ENJOY BETTER LIVING CONDITIONS.

TO LESSEN THE BURDEN ON THE MIDDLE INCOME GROUP, HE SUGGESTED LIMITING THE INCREASE TO FLATS WITH A GROSS FLOOR AREA EXCEEDING 700 FEET.

MR SIT ALSO EXPRESSED CONCERN THAT THE PROPOSED INCREASE IN FUEL TAX WOULD EVENTUALLY BE PASSED ON TO CONSUMERS IN TERMS OF GENERAL FARE REVISION, AND AGGRAVATE THE BURDEN OF THE MIDDLE INCOME GROUP.

ON ENVIRONMENTAL PROTECTION, MR SIT OBSERVED THAT THE GOVERNMENT MIGHT SOON HAVE TO TAKE STOCK ON TANGIBLE PROGRESS, MATCH IT AGAINST THE AMOUNT OF RESOURCES DEVOTED TOWARDS MAKING SUCH PROGRESS, AND CONDUCT VALUE FOR MONEY STUDIES TO ASCERTAIN FUTURE STRATEGIES IN THE LIGHT OF THE MANY COMPETING PRIORITIES IT FACED.

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BROAD-BASED TAX WILL INFLATE ECONOMY

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NOTHING WOULD INFLATE THE ECONOMY AND INCREASE DEMAND FOR HIGHER WAGES MORE THAN A BROAD-BASED TAX THAT WOULD SQUEEZE THE POOR TO RELIEVE THE TAXES OF THE RICH, HON ELSIE TU, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MRS TU SUGGESTED THAT INDIRECT TAX SHOULD BE LEVIED ON LUXURY GOODS WHICH PEOPLE COULD AFFORD WITHOUT CAUSING UNDUE SUFFERING TO THEMSELVES.

SPEAKING IN THE BUDGET DEBATE, MRS TU SAID IT WOULD BE TOTALLY FAIR THAT THOSE WHO COULD AFFORD THE LUXURIES OF LIFE TO CONTRIBUTE MORE TO THE ECONOMY THAN THOSE WHO COULD BARELY MANAGE TO BUY THE NECESSITIES OF LIFE.

SHE ADDED THAT REIMBURSEMENT OF TAX COULD EASILY BE ARRANGED TO PROTECT THE TOURIST TRADE AS WAS DONE IN OTHER COUNTRIES.

MRS TU CRITICISED THE FINANCIAL SECRETARY FOR THE INCREASED TAX ON HYDROCARBON OILS WHICH HAD AFFECTED THE WHOLE POPULATION, NOT LEAST LOWER-PAID WORKERS.

SHE POINTED OUT THAT THE RISE IN OIL TAX HAD RESULTED IN TAXI OPERATORS AND DRIVERS PAYING THE TAX PERSONALLY, WHILE OIL SUPPLIERS SUFFERED NO LOSS.

EVENTUALLY, THE BURDEN OF TAX WOULD BE FILTERED TO THE LOWEST PAID WORKERS WITH THE RISE IN PUBLIC TRANSPORT FARES, SHE ADDED.

ON THE CIVIL SERVICE, MRS TU SAID THERE HAD BEEN A WIDENING GAP IN PAY NOT ONLY DOLLAR-WISE, BUT ALSO PERCENTAGE WISE BETWEEN THOSE AT THE TOP AND AT THE BOTTOM OF THE PUBLIC SERVICE LADDER.

ALSO, THERE HAD BEEN AN EVER-WIDENING GAP IN THE WORKLOAD AS WORK WAS PASSED DOWN THE LADDER, SHE ADDED.

"I AM AFRAID IF THIS TREND CONTINUES, LABOUR UNREST, WHICH HAS ALREADY BEGUN, WILL INCREASE ADDING TO THE POLITICAL ANXIETIES WE HAVE ALL EXPERIENCED IN THE PAST YEAR," SHE SAID.

IN APPEALING FOR THE NARROWING OF INEQUALITIES IN THE COMMUNITY, MRS TU SUGGESTED THAT THOSE WHO MADE THE DECISIONS ON PAY AND CONDITIONS OF SERVICE SHOULD LOOK AFTER THE INTERESTS OF THOSE WHO HAD NO SAY IN MAKING THOSE DECISIONS.

"I AM NOT ASKING FOR FREE LUNCHES -- FREE LUNCHES BELONG TO THE PRIVILEGED IN THE COMMUNITY. ALL I ASK IS A FAIR SYSTEM OF REWARD FOR LABOUR, FAIR DISTRIBUTION OF WORKLOAD, AND A FAIR TAX POLICY, FROM EACH ACCORDING TO HIS MEANS," SHE SAID.

WEDNESDAY, APRIL 25, 1990

- 14 -

ANNUAL REPORT ON HK 1989 TO PARLIAMENT

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THE ANNUAL REPORT ON HONG KONG 1989 TO PARLIAMENT WAS TODAY (WEDNESDAY) TABLED IN THE LEGISLATIVE COUNCIL FOLLOWING ITS PRESENTATION TO PARLIAMENT LAST WEDNESDAY.

THE REPORT WAS PUBLISHED IN THE FORM OF A WHITE PAPER IN LONDON ON THE SAME DAY.

A GOVERNMENT SPOKESMAN SAID: "HER MAJESTY'S GOVERNMENT AGREED IN 1985, DURING THE PARLIAMENTARY DEBATES ON THE HONG KONG BILL, TO PRODUCE ANNUAL REPORTS ON HONG KONG AND TO LAY THEM BEFORE PARLIAMENT.

"THE PURPOSE OF THIS SERIES OF REPORTS IS TO KEEP PARLIAMENT INFORMED OF DEVELOPMENTS IN HONG KONG."

HE SAID THE REPORT, THE FIFTH IN THE SERIES, CONTAINED A GENERAL SURVEY OF THE MAIN EVENTS IN HONG KONG DURING THE YEAR 1989 AND THE FIRST THREE MONTHS OF 1990.

IT COVERS VISITS TO HONG KONG BY MEMBERS OF THE ROYAL FAMILY, GOVERNMENT MINISTERS AND THE HOUSE OF COMMONS FOREIGN AFFAIRS SELECT COMMITTEE, VISITS MADE BY THE GOVERNOR OF HONG KONG, THE IMPLEMENTATION OF THE SINO-BRITISH JOINT DECLARATION, AND VIETNAMESE BOAT PEOPLE.

IT ALSO COVERS MATTERS CONCERNING NATIONALITY, EMIGRATION AND IMMIGRATION, CONSTITUTIONAL DEVELOPMENTS, HUMAN RIGHTS, DEVELOPMENT PROGRAMMES, PERFORMANCE OF THE ECONOMY, SOCIAL PROGRAMMES, CIVIL SERVICE MATTERS AND MACHINERY OF GOVERNMENT, AND PUBLIC ORDER.

MEMBERS OF THE PUBLIC MAY OBTAIN A FREE COPY OF THE REPORT, AVAILABLE BILINGUALLY, FROM ALL DISTRICT OFFICES, THE GOVERNMENT PUBLICATIONS SALES CENTRE AT CONNAUGHT PLACE, CENTRAL, AND THE GOVERNMENT PUBLICATIONS SALES SECTION OF THE INFORMATION SERVICES DEPARTMENT AT FRENCH MISSION BUILDING, 1 BATTERY PATH, CENTRAL.

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PAC HEARING NEXT WEEK

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AN OPEN HEARING OF THE PUBLIC ACCOUNTS COMMITTEE WILL BE HELD NEXT WEEK FOLLOWING THE TABLING OF THE REPORT OF THE DIRECTOR OF AUDIT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE REPORT IS ON THE RESULTS OF VALUE FOR MONEY AUDITS COMPLETED BETWEEN OCTOBER 1989 AND FEBRUARY 1990.

THE HEARING WILL TAKE PLACE IN THE LEGISLATIVE COUNCIL CHAMBER ON THURSDAY, MAY 3, STARTING AT 9.30 AM.

CONTROLLING OFFICERS WILL APPEAR BEFORE THE COMMITTEE IN RELATION TO POINTS MADE IN THE REPORT.

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WEDNESDAY, APRIL 25, 1990

- 15 -

PADS PROJECTS WITHIN HK'S MEANS: SES

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THE GOVERNMENT HAS MADE A CAREFUL ANALYSIS OF THE FINANCIAL AND ECONOMIC VIABILITY OF THE PORT AND AIRPORT DEVELOPMENT STRATEGY (PADS) AND IT IS SATISFIED THAT THE VARIOUS COMPONENT PROJECTS OF PADS ARE WITHIN ITS MEANS.

THE SECRETARY FOR ECONOMIC SERVICES, MRS ANSON CHAN, SAID THIS TODAY (WEDNESDAY) WHEN SHE OFFICIATED AT THE OPENING OF THE "NEW HONG KONG AIRPORT AND PORT DEVELOPMENT" CONFERENCE.

"BEFORE FORMULATING THE STRATEGY, YEARS OF DETAILED STUDY HAD TAKEN PLACE TO ENSURE THAT THE STRATEGY PROVIDED THE BEST OPTION IN TERMS OF OVERALL DEVELOPMENT AND WAS THE MOST VIABLE BOTH FINANCIALLY AND COMMERCIALY," SHE SAID.

SHE POINTED OUT THAT AS A PACKAGE, THE VARIOUS ELEMENTS FOR THE PORT AND AIRPORT DEVELOPMENT WOULD ENSURE THAT HONG KONG RETAINS AND ENHANCES ITS POSITION AS ONE OF THE MAJOR SEA AND AIR TRANSPORT HUBS IN THE REGION.

"THESE INFRASTRUCTURAL DEVELOPMENTS ARE ESSENTIAL NOT ONLY FOR HONG KONG'S ECONOMIC WELL BEING BUT ALSO FOR CHINA'S, PARTICULARLY SOUTHERN CHINA," SHE STRESSED.

MRS CHAN SAID SINCE THE COMPLETION OF THE VARIOUS STUDIES, THE GOVERNMENT HAD TAKEN MATTERS FORWARD IN AN EVER EVOLVING SITUATION.

"WE ARE REFINING AND REVISING INITIAL RECOMMENDATIONS PUT TO US BY OUR CONSULTANTS," SHE SAID, ADDING THAT IN THE COMING FEW MONTHS THE GOVERNMENT WOULD BE SHARPENING THE ESTIMATES OF COSTS FOR MANY PROJECTS INVOLVED IN THE LIGHT OF PREVAILING COSTS, UPDATED PLANNING REQUIREMENTS, ESTIMATES OF DEMAND FORECASTS AND PROJECTED REVENUE STREAMS.

"THE ORIGINAL BROAD ORDER OF COSTS QUOTED BY OUR CONSULTANTS ARE LIKELY TO REQUIRE REVISION BUT THIS IS NOTHING UNUSUAL IN STRATEGIC STUDIES OF THE TYPE INVOLVED," SHE SAID.

ON THE GOVERNMENT'S THINKING ON THE FINANCING OF THE PROJECTS, MRS CHAN SAID THAT IN CARRYING OUT THE PLANS, THE GOVERNMENT HAD NO INTENTION OF RUNNING DOWN HONG KONG'S RESERVES TO AN UNACCEPTABLE DEGREE.

"RATHER WE EXPECT TO ATTRACT VERY SIZEABLE PRIVATE PARTICIPATION IN THE PROJECTS BOTH IN THE FORM OF LOANS AND EQUITY FROM THE INTERNATIONAL MARKETS.

"CHINA'S SUPPORT WILL NATURALLY ALSO HELP TO LAUNCH THEM SUCCESSFULLY AND TO BUILD A SECURE ECONOMIC FOUNDATION FOR THE FUTURE SPECIAL ADMINISTRATIVE REGION," MRS CHAN ADDED.

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"ALTHOUGH IT WILL BE SOME TIME BEFORE WE ARE IN A POSITION TO TAKE FINAL DECISIONS ON FUNDING WE KNOW, BASED ON THE EXPRESSION OF INTEREST RECEIVED SO FAR, THAT MANY OF THE ELEMENTS IN THE OVERALL PROGRAMME ARE LIKELY TO PROVE ATTRACTIVE TO THE PRIVATE INVESTOR.

"FOR EXAMPLE, IN THE SAME WAY THAT THE EXISTING CONTAINER TERMINALS HAVE BEEN FINANCED BY THE PRIVATE SECTOR, WE EXPECT THAT THE NEW CONTAINER TERMINALS, AS WELL AS SOME OF THE MULTI-PURPOSE TERMINALS, WILL ALSO BE FINANCED BY ORGANISATIONS INTERESTED IN PROVIDING SUCH FACILITIES.

"ALSO WITH REGARD TO THE NEED FOR ADDITIONAL PUBLIC CARGO WORKING AREAS, SINCE THESE AREAS FULFIL A COMMERCIAL NEED, WE BELIEVE THERE MAY WELL BE SCOPE FOR ALLOWING THE PRIVATE SECTOR TO HAVE A ROLE IN THEIR OPERATION, THAT IS WE ARE CONSIDERING PRIVATISING THEM," SHE SAID.

MRS CHAN SAID THE GOVERNMENT EXPECT THE LANTAU FIXED CROSSING AND WESTERN HARBOUR CROSSING TO BE COMPLETELY FINANCED BY THE PRIVATE SECTOR.

"WITH REGARD TO THE AIRPORT PROJECT, WHILE THE INITIAL FUNDING WILL BE PROVIDED BY THE GOVERNMENT, ONCE THE AIRPORT AUTHORITY IS IN PLACE, MUCH OF THE FINANCE NEEDED TO COMPLETE THE PROJECT WILL BE RAISED THROUGH BORROWINGS.

"THERE WILL, HOWEVER, ALSO BE OPENINGS FOR PRIVATE INVESTMENT AT THE AIRPORT ALTHOUGH, AT THIS STAGE, THE EXTENT OF THESE OPPORTUNITIES HAVE NOT BEEN FULLY DETERMINED," SHE ADDED.

REGARDING THE INFLATIONARY IMPACT WHICH THE PADS PROJECTS MIGHT BRING ABOUT, MRS CHAN SAID IT WAS NOT POSSIBLE AT THIS STAGE TO QUANTIFY SUCH IMPACT ON THE CONSTRUCTION INDUSTRY NOR ON OTHER ECONOMIC SECTORS.

"MUCH DEPENDS ON OTHER PUBLIC AND PRIVATE SECTOR DEMANDS ON THE CONSTRUCTION INDUSTRY AT THAT TIME, AND ON WHETHER THE CONSTRUCTION INDUSTRY CAN ACHIEVE SIGNIFICANT PRODUCTIVITY IMPROVEMENTS.

"AS FAR AS THE PUBLIC SECTOR IS CONCERNED, IT IS IMPORTANT THAT THE VARIOUS PADS AND NON-PADS RELATED PROJECTS ARE PRIORITISED AND IMPLEMENTED SYSTEMATICALLY WITH A VIEW TO REDUCING TO A MINIMUM THE STRAIN ON THE CONSTRUCTION INDUSTRY.

"STEPS ALSO NEED TO BE TAKEN TO ENCOURAGE PRODUCTIVITY IMPROVEMENTS IN THE CONSTRUCTION INDUSTRY," SHE SAID.

MRS CHAN ADDED THAT THE GOVERNMENT WOULD BE KEEPING A CAREFUL WATCH OVER THE SITUATION.

"IF NECESSARY, WE WOULD BE PREPARED TO IMPLEMENT EXCEPTIONAL ARRANGEMENTS TO ENSURE AN ADEQUATE SUPPLY OF CONSTRUCTION LABOUR, FOR EXAMPLE, THROUGH SELECTIVE IMPORTATION ON A PROJECT-ORIENTED BASIS, SO THAT THE PORT AND AIRPORT PROJECTS ARE COMPLETED ON TIME AND WITHOUT CAUSING UNACCEPTABLE INFLATIONARY PRESSURES," SHE SAID.

EARLIER ON IN HER SPEECH, MRS CHAN BRIEFED HER AUDIENCE ON THE RATIONALE BEHIND THE GOVERNMENT'S DECISION TO GO AHEAD WITH THE PADS PROJECTS AND THE SUBSTANTIAL ECONOMIC DISBENEFITS THAT HONG KONG WOULD INCUR IF IT FAILS TO MEET SEA AND AIR TRANSPORT DEMANDS.

"ONE OF THE ADVANTAGES THAT FLOWS FROM THE CHOICE OF CHEK LAP KOK AS THE SITE FOR THE NEW AIRPORT IS THAT THE ROAD AND RAIL LINKS THAT WILL BE BUILT TO SERVE THE AIRPORT WILL ALSO SERVE THE PORT AND SHOULD GENERALLY IMPROVE TRAFFIC ON OUR EXISTING ROAD AND RAIL SYSTEMS," SHE SAID.

MRS CHAN SAID THE ROAD LINK STARTING AT THE AIRPORT WOULD COMPRISE A SIX-LANE EXPRESSWAY WHICH WOULD FOLLOW THE NORTHERN COAST OF LANTAU.

"IT WILL CROSS TO TSING YI ISLAND, PROBABLY ON TWO SUSPENSION BRIDGES VIA MA WAN, TO JOIN ROUTE 3.

"AFTER CROSSING THE RAMBLER CHANNEL, ROUTE 3 WILL THEN CONTINUE AS THE WEST KOWLOON EXPRESSWAY WHICH WILL EXTEND TO HONG KONG VIA A THIRD CROSS HARBOUR TUNNEL.

"BESIDES LINKING THE AIRPORT TO HONG KONG ISLAND, THIS THIRD TUNNEL SHOULD ALSO BRING ABOUT FURTHER IMPROVEMENT TO CROSS HARBOUR VEHICLE TRAFFIC," SHE SAID.

THE RAIL LINK IS LIKELY TO BE DEVELOPED BY THE MASS TRANSIT RAILWAY CORPORATION AND IT WILL PROVIDE AN EXPRESS SERVICE FROM THE MAIN POPULATION CENTRES IN KOWLOON AND HONG KONG ISLAND TO THE AIRPORT, MRS CHAN SAID.

THE PLANNED TRAVELLING TIME WILL BE IN THE ORDER OF 30 MINUTES AND IN ADDITION TO THE EXPRESS SERVICE, THERE WILL ALSO BE STOPPING TRAINS WHICH WILL SERVE BOTH THE AIRPORT AND ORDINARY COMMUTERS.

"THIS SERVICE WILL ALSO EASE PRESSURE ON THE EXISTING MTR SYSTEM, PARTICULARLY IN THE BUSY NATHAN ROAD CORRIDOR AREA," SHE POINTED OUT.

WEDNESDAY, APRIL 25, 1990

- 18 -

LEATHER EXHIBITS DEMONSTRATE DIVERSIFICATION EFFORTS

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EXHIBITS AT AN INTERNATIONAL LEATHER EXHIBITION CLEARLY DEMONSTRATE MANUFACTURERS' SUCCESSFUL EFFORTS IN DIVERSIFYING AND UPGRADING THE QUALITY OF HONG KONG'S EXPORTS, THE SECRETARY FOR TRADE AND INDUSTRY, MR JOHN CHAN, SAID TODAY (WEDNESDAY).

MR CHAN, WHO WAS SPEAKING AT THE OPENING OF THE FOUR-DAY EXHIBITION ORGANISED BY THE HONG KONG TRADE FAIR GROUP AT THE HONG KONG CONVENTION AND EXHIBITION CENTRE, SAID THESE EFFORTS HAD IMPROVED HONG KONG'S COMPETITIVE EDGE IN OVERSEAS MARKETS.

HE SAID HONG KONG'S TRADE IN LEATHER, WHICH STOOD AT \$27 BILLION BY THE END OF 1989, HAD ACHIEVED A SPECTACULAR GROWTH RATE OF 40 PER CENT OVER 1988.

"WITH THIS ENCOURAGING TREND, WE CAN WELL LOOK FORWARD TO FURTHER GROWTH IN THE 1990'S," HE SAID.

MR CHAN SAID THAT, AS FAR AS EXPORT MARKETS WERE CONCERNED, WHILE A SUBSTANTIAL PROPORTION OF HONG KONG'S LEATHER EXPORTS, PARTICULARLY FOOTWEAR, TRAVEL GOODS AND HANDBAGS, WENT TO THE UNITED STATES, ATTEMPTS HAD BEEN MADE TO DIVERSIFY TO MARKETS SUCH AS THE UNITED KINGDOM, CANADA, JAPAN AND AUSTRALIA.

"THIS, I BELIEVE, WILL REMAIN ONE OF THE MOST EFFECTIVE MEANS BY WHICH HONG KONG CAN SEEK TO INCREASE ITS SHARE OF THE WORLD'S MARKETS IN LEATHER AND LEATHER PRODUCTS," HE SAID.

LOOKING INTO THE FUTURE, MR CHAN SAID THE DEVELOPMENT OF HONG KONG'S TRADE AND INDUSTRY IN GENERAL WOULD BE FACED WITH SUCH PROBLEMS AS THE GENERAL SLOWDOWN IN ECONOMIC GROWTH, INCREASING COMPETITION FROM NEIGHBOURING COUNTRIES AND LABOUR SHORTAGE.

"HOWEVER, GIVEN THE CONTINUED PURSUIT OF OUR FREE TRADE POLICY, TOGETHER WITH THE USUAL INNOVATIVENESS AND RESILIENCE OF HONG KONG'S MANUFACTURERS, I AM CONFIDENT THAT WE SHALL BE ABLE TO STRIVE THROUGH SUCH DIFFICULTIES AND ATTAIN BETTER RESULTS IN THE YEARS AHEAD," HE ADDED.

THE EXHIBITION, WHICH HAS NOW BEEN RECOGNISED AS THE MOST IMPORTANT LEATHER EXHIBITION IN ASIA, DISPLAYS AN EXTENSIVE RANGE OF LEATHER PRODUCTS - FROM RAW HIDES AND SKINS, THROUGH SEMI-FINISHED AND FINISHED LEATHERS, CHEMICALS AND MACHINERY, TO FINISHED PRODUCTS.

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WEDNESDAY, APRIL 25, 1990

- 19 -

COMMITMENT TO QUALITY IMPROVEMENT IMPORTANT

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TO BECOME A WINNING COMPANY, THE CHIEF EXECUTIVE MUST BE COMMITTED TO A CONTINUOUS PROCESS OF QUALITY IMPROVEMENT, THE ASSISTANT DIRECTOR OF INDUSTRY (QUALITY SERVICES), MR ERNEST EVANS, SAID TODAY (WEDNESDAY).

SPEAKING AT THE ADVANCED QUALITY MANAGEMENT SYMPOSIUM ORGANISED BY THE FEDERATION OF HONG KONG INDUSTRIES, MR EVANS STRESSED THAT THIS COMMITMENT WAS ABSOLUTELY ESSENTIAL.

HE SAID IF THE CHIEF EXECUTIVE WAS UNCOMMITTED THEN THE REST OF THE WORKFORCE WAS UNLIKELY TO BE MOTIVATED TOWARDS REAL QUALITY IMPROVEMENTS.

"FROM THE CHIEF EXECUTIVE'S COMMITMENT WILL SPRING FORTH THE POLICIES, AIMS AND OBJECTIVES OF THE COMPANY," MR EVANS SAID.

THESE WERE THEN TRANSLATED INTO CLEARLY DEFINED GUIDELINES FOR MANAGERS, STAFF AND OTHER EMPLOYEES TO WORK TO IN BECOMING A WINNING TEAM.

"IF STAFF ARE MADE AWARE THAT THE CHIEF EXECUTIVE AND MANAGEMENT CARE AND ARE PREPARED TO WORK WITH THEM AS A TEAM, AND THAT THEY ARE FAIRLY TREATED AND PAID, THEY ARE UNLIKELY TO BE TEMPTED INTO PLAYING 'MUSICAL CHAIRS' IN THE JOB MARKET," HE SAID.

"THIS IS WHERE THE JAPANESE STYLE OF MANAGING EMPLOYEES HAS PROVED TO BE SO SUCCESSFUL."

MR EVANS ADVISED CHIEF EXECUTIVES THAT IN MAKING FIRST EFFORTS TO INTRODUCE QUALITY AT THE FACTORY FLOOR LEVEL, THEY MIGHT DECIDE FIRST TO START WITH ONE ASPECT OF THEIR OPERATIONS, TO TEST THE VIABILITY OF NEWLY-INTRODUCED CONCEPTS.

"OR YOU MIGHT CONSIDER STARTING WITH ONE PRODUCT LINE," HE SAID.

"FROM YOUR EXPERIENCES, YOU CAN THEN EVALUATE THE GAINS MADE BEFORE INTRODUCING A WIDER APPLICATION OF YOUR NEW POLICIES TO THE WHOLE FACTORY.

"FOR A START YOU MIGHT TRY AN IN-DEPTH EVALUATION OF WASTAGE IN ALL ITS FORMS WITHIN YOUR FACTORY.

"SUCH AN EXAMINATION IS LIKELY TO SHOW RATHER DISCONCERTING RESULTS.

"IT IS ALSO LIKELY TO SHOW AREAS WHERE BIG SAVINGS CAN BE MADE, WITH SCOPE FOR REDUCING OVERHEADS AND INCREASING PROFITS."

MR EVANS SAID THE NEW MANAGEMENT METHODS, EVOLVING FROM JAPANESE EXPERIENCE, WAS A DECENTRALISED APPROACH. THE WORK TEAM CONTAINED A SMALLER NUMBER OF BETTER EDUCATED AND SKILLED EMPLOYEES.

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FULLY FAMILIAR WITH OVERALL AIMS AND OBJECTIVES, THEY WERE COMPLETELY FLEXIBLE IN THEIR METHODS. INSTEAD OF BEING DIRECTED BY STRICT REGULATIONS AND CONTINUOUSLY SUPERVISED, THEY WERE SELF-CONTROLLED, SELF-THINKING AND SELF-MOTIVATED.

"ALL EMPLOYEES FEEL THEY ARE PART OF THE FAMILY ENTERPRISE AND DEVELOP A BROADER PERSPECTIVE OF HOW THEIR ROLES FIT INTO THE GENERAL FRAMEWORK OF THE ORGANISATION," HE SAID.

COMPARING THE CHARACTERISTICS OF COMPANIES RUN IN THE TRADITIONAL WAY WITH THOSE ADOPTING THE MODERN APPROACH, MR EVANS SAID THE TRADITIONAL MANAGEMENT STRUCTURE WAS RIGID WITH LONG CHAINS OF COMMAND FROM THE TOP TO THE WORKERS.

THERE WERE "BLUE-COLLAR WORKERS" AND "WHITE-COLLAR STAFF" - AND NEVER THE TWAIN SHOULD MEET.

"THE MODERN STRUCTURE ON THE OTHER HAND IS FLEXIBLE WITH AN OPEN COMMUNICATION SYSTEM," MR EVANS SAID. "ALL STAFF WORK CLOSE TOGETHER AS A TEAM."

EDUCATION AND TRAINING OF EMPLOYEES WAS CRUCIAL IN THE MODERN SYSTEM, WHEREAS IT WAS OF LITTLE CONCERN UNDER THE TRADITIONAL APPROACH.

MR EVANS SAID, FOR A VARIETY OF REASONS, HONG KONG INDUSTRY HAD DEVELOPED WITH A TRADITIONAL STYLE OF MANAGEMENT AND A SYSTEM OF DOING THINGS WHICH HAD SERVED US IN GOOD STEAD.

"I AM SORRY TO SAY THAT THESE SYSTEMS ARE NO LONGER VIABLE BY MODERN INTERNATIONAL MANAGEMENT STANDARDS AND CANNOT PRODUCE CONSISTENT MANUFACTURING PRODUCTS OF HIGH QUALITY ACCEPTABLE TO THE MORE DEMANDING AND SOPHISTICATED OVERSEAS MARKETS.

"WHY HAS THE SITUATION CHANGED?" HE ASKED.

THERE WERE A NUMBER OF REASONS. FIRST, CUSTOMERS' EXPECTATIONS HAD CHANGED; SECONDLY, MANUFACTURING COMPETITION WORLDWIDE WAS FIERCER; AND THIRDLY, THE LABOUR MARKET WAS CHANGING, WITH NEEDS THESE DAYS BECOMING SOMEWHAT MORE SPECIALISED.

MR EVANS QUESTIONED WHAT A HONG KONG MANUFACTURING COMPANY NEEDED TO DO TO TAKE ACCOUNT OF ALL THESE CHANGES.

"IF IT DOES NOTHING," HE SAID, "THEN IT IS LIKELY TO GO OUT OF BUSINESS IN THE NEXT FEW YEARS BECAUSE OF COMPETITION," HE SAID.

WEDNESDAY, APRIL 25, 1990

- 21 -

TECHNICAL EDUCATION IMPORTANT IN REHABILITATION OF INMATES
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THE MAIN AIM OF THE CORRECTIONAL SERVICES DEPARTMENT IS TO TRANSFORM OFFENDERS INTO RESPONSIBLE AND LAW-ABIDING CITIZENS, THE EXECUTIVE DIRECTOR OF THE VOCATIONAL TRAINING COUNCIL, MR H.R. KNIGHT, SAID TODAY (WEDNESDAY).

SPEAKING AT A CERTIFICATE PRESENTATION CEREMONY HELD AT THE DEPARTMENT'S STAFF TRAINING INSTITUTE, MR KNIGHT SAID: "A MAJOR MEANS BY WHICH THE DEPARTMENT SEEKS TO ACHIEVE THIS IS THE PROVISION OF A WIDE RANGE OF HEALTHY ACTIVITIES TO THE INMATES IN ALL ITS INSTITUTIONS."

MR KNIGHT SAID ONE OF THE MOST, IF NOT THE MOST, IMPORTANT OF THESE ACTIVITIES FOR YOUNG OFFENDERS WAS THE TECHNICAL EDUCATION WHICH THE DEPARTMENT PROVIDED AND WHICH LED TO EXTERNAL ACCREDITATION.

"AN OFFENDER CAN ONLY BE SAID TO HAVE BEEN REHABILITATED WHEN HE HAS ACQUIRED THE MEANS TO EARN AN HONEST LIVING AND PLAY A MEANINGFUL ROLE IN THE COMMUNITY HE LIVES.

"TO EQUIP YOUNG OFFENDERS WITH THE SKILLS NEEDED TO EARN A LIVING, THE CSD DOES NOT ONLY PROVIDE EDUCATIONAL COURSES, BOTH GENERAL AND TECHNICAL, BUT ALSO THE ENCOURAGEMENT WHICH MOTIVATES A YOUNG OFFENDER TO DEVELOP HIS POTENTIAL TO THE FULL," HE SAID.

AT THE CEREMONY, 40 INMATES FROM THE CAPE COLLINSON CORRECTIONAL INSTITUTION, LAI KING TRAINING CENTRE AND TAI TAM GAP CORRECTIONAL INSTITUTION WERE AWARDED CERTIFICATES FOR PASSING EXAMINATIONS OFFERED BY THE PITMAN EXAMINATION INSTITUTE AND THE CITY AND GUILDS OF LONDON INSTITUTE.

SINCE 1979, 1,434 INMATES HAVE SAT A TOTAL OF 1,973 PAPERS IN VARIOUS PUBLIC EXAMINATIONS. ALTOGETHER THEY HAVE ACHIEVED A TOTAL OF 512 DISTINCTIONS, 216 CREDITS AND 956 PASSES.

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DIRECTOR OF SOCIAL WELFARE VISITS BOYS' HOME
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THE DIRECTOR OF SOCIAL WELFARE, MR M.D. CARTLAND, WAS IMPRESSED BY HIS STAFF'S DEVOTION TO DUTIES DURING A FAMILIARISATION VISIT TO A NUMBER OF SERVICE UNITS IN YUEN LONG THIS (WEDNESDAY) AFTERNOON.

DURING A VISIT TO THE CASTLE PEAK BOYS' HOME, MR CARTLAND ALSO LEARNED MORE ABOUT THE TRAINING SERVICES BEING PROVIDED THERE WHICH HAVE BEEN PLAYING AN IMPORTANT ROLE IN HELPING THE BOYS TURN A NEW LEAF.

/THE BOYS'

THE BOYS' HOME IS ONE OF THE CORRECTIONAL INSTITUTIONS RUN BY THE SOCIAL WELFARE DEPARTMENT. IT CURRENTLY ACCOMMODATES ABOUT 100 BOYS, AGED BETWEEN FOURTEEN AND A HALF AND 16 YEARS OLD, WHO ARE UNDERGOING A REHABILITATION PROGRAMME WHICH INCLUDES EDUCATION, VOCATIONAL TRAINING AND COUNSELLING SERVICE.

"WE WILL CONTINUE TO ATTACH IMPORTANCE TO THE SERVICE WHICH WILL PREPARE THE BOYS IN QUESTION FOR THEIR REINTEGRATION INTO THE COMMUNITY," HE SAID DURING A MEETING SESSION WITH THE STAFF OF THE BOYS' HOME.

HE ADDED THAT STAFF'S CONTRIBUTION AND DEDICATION TO THE JOB WAS ONE OF THE VITAL ELEMENTS IN THIS PROCESS.

MR CARTLAND WAS ACCOMPANIED ON THE VISIT BY THE CHIEF SOCIAL WORK OFFICER (YOUTH AND CORRECTIONS), MRS AGNES CHOW, AND THE BOYS' HOME'S SUPERINTENDENT, MR TSUI YEE-FAT. HE TOURED THE WORKSHOPS, CLASSROOMS AND DORMITORIES OF THE HOME.

BEFORE HIS DEPARTURE, MR CARTLAND WAS PRESENTED A LEATHER CANNON MADE BY THE BOYS AND THE WORKSHOP STAFF.

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SPORTS DEVELOPMENT BOARD TO HOLD SEMINAR ON NEW FUNDING SYSTEM

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THE HONG KONG SPORTS DEVELOPMENT BOARD (SDB) WILL HOLD A SEMINAR TOMORROW (THURSDAY) TO INTRODUCE THE GUIDELINES FOR THE NEW ADMINISTRATION SYSTEM OF ITS BLOCK GRANT SCHEME TO LOCAL NATIONAL SPORTS ASSOCIATIONS.

ABOUT 120 KEY OFFICIALS FROM THE SPORTS ASSOCIATIONS WILL ATTEND THE SEMINAR TO BEGIN AT 4 PM AT THE LECTURE HALL OF THE SPACE MUSEUM IN TSIM SHA TSUI.

THEY WILL BE BRIEFED ON THE NEW ADMINISTRATION PROCEDURE OF THE BLOCK GRANT SCHEME WHICH CAME INTO EFFECT THIS MONTH.

EXPLAINING THE SCHEME WILL BE THE SDB'S EXECUTIVE DIRECTOR, MR HOWARD WELLS, AND DIRECTOR OF DEVELOPMENT SERVICES, MR DAVID MAK.

THE PARTICIPANTS WILL ALSO BE BRIEFED ON THE FORMAT OF THE FOUR-YEAR DEVELOPMENT PLAN (1991-95) WHICH THE SPORTS ASSOCIATIONS ARE REQUIRED TO PRESENT WHEN APPLYING FOR SDB GRANTS.

THE FOUR-YEAR PLAN WILL HELP THE ASSOCIATIONS DETERMINE THEIR OBJECTIVES, TARGETS AND WORK PRIORITIES SO THAT DEVELOPMENT OF THE SPORT CAN BE MONITORED MORE EFFECTIVELY.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE SEMINAR TO BE HELD TOMORROW (THURSDAY) AT THE LECTURE HALL OF THE SPACE MUSEUM, SALISBURY ROAD, TSIM SHA TSUI, BEGINNING AT 4 PM.

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REMINDER ON APPLICATION FOR TRAVEL DOCUMENTS

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RESIDENTS INTENDING TO TRAVEL ABROAD DURING THE SUMMER HOLIDAYS SHOULD APPLY FOR A TRAVEL DOCUMENT NOW, A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT SAID TODAY (WEDNESDAY).

"THE NUMBER OF PEOPLE TRAVELLING OUTSIDE HONG KONG WILL BE GREATLY INCREASED DURING THIS TIME OF THE YEAR.

"TO AVOID THE LAST MINUTE RUSH, RESIDENTS ARE ADVISED TO APPLY FOR A PASSPORT OR A CERTIFICATE OF IDENTITY WELL IN ADVANCE OF THE DATE ON WHICH THEY INTEND TO TRAVEL," THE SPOKESMAN SAID.

IT NOW TAKES THE DEPARTMENT 20 WORKING DAYS (APPROXIMATELY FOUR WEEKS) TO ISSUE A BRITISH HONG KONG PASSPORT AND 15 WORKING DAYS (APPROXIMATELY THREE WEEKS) TO ISSUE A HONG KONG CERTIFICATE OF IDENTITY.

HOWEVER, THE PROCESSING TIME FOR AN APPLICATION FOR A BRITISH NATIONAL (OVERSEAS) PASSPORT OR A HONG KONG CERTIFICATE OF IDENTITY IS ABOUT FIVE WEEKS IF THE APPLICANT IS NOT IN POSSESSION OF A PERMANENT IDENTITY CARD BECAUSE HE WOULD HAVE TO OBTAIN ONE AT THE SAME TIME.

"RE-ENTRY PERMIT AND DOCUMENT OF IDENTITY FOR VISA PURPOSES ARE NORMALLY ISSUED ON THE SAME DAY BUT DELAY IS LIKELY IF THERE ARE MANY APPLICANTS COMING AT THE SAME TIME," THE SPOKESMAN ADDED.

"THE PERIOD BEFORE THE SUMMER HOLIDAYS IS ONE OF THE BUSIEST TIME OF THE YEAR.

"BY APPLYING EARLY, IT WILL NOT ONLY HELP SPREAD THE WORKLOAD OF THE DEPARTMENT BUT WILL ALSO GIVE APPLICANTS EXTRA TIME TO MEET ANY FURTHER VISA PROCESSING REQUIREMENTS WHERE NECESSARY," HE SAID.

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WEDNESDAY, APRIL 25, 1990

- 24 -

DB COMMITTEE TO DISCUSS FUND ALLOCATION

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THE SHAM SHUI PO DISTRICT BOARD'S COMMUNITY BUILDING COMMITTEE WILL DISCUSS THE ALLOCATION OF \$1.92 MILLION IN DB FUNDS TO LOCAL ORGANISATIONS AT ITS MEETING TOMORROW (THURSDAY).

MEMBERS WILL ALSO CONSIDER A TOTAL OF 17 APPLICATIONS FOR FUNDS FOR CARRYING OUT COMMUNITY BUILDING PROJECTS.

IN ADDITION, THE MEETING WILL DISCUSS A PROPOSAL TO SEEK THE SUPPORT OF PUBLIC TRANSPORT COMPANIES IN A PREFERENTIAL SCHEME FOR THE ELDERLY.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE SHAM SHUI PO DISTRICT BOARD'S COMMUNITY BUILDING COMMITTEE MEETING TOMORROW (THURSDAY) AT THE SHEK KIP MEI COMMUNITY HALL, BLOCK 42, SHEK KIP MEI ESTATE, NAM CHEONG STREET. THE MEETING WILL BEGIN AT 2 PM.

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COMMITTEE TO DISCUSS ICAC DISTRICT PROGRAMME

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THE SHA TIN DISTRICT BOARD'S COMMUNITY DEVELOPMENT COMMITTEE WILL DISCUSS THE PROGRAMME OF ACTIVITIES 1990-91 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION FOR THE DISTRICT AT A MEETING TOMORROW (THURSDAY).

UNDER THE PROGRAMME, THE ICAC PLANS TO CONTACT 521 ORGANISATIONS AND ORGANISE 916 ACTIVITIES FOR SOME 11,000 RESIDENTS IN THE DISTRICT.

THE COMMITTEE WILL ALSO DISCUSS BOOKING PROCEDURES FOR SHA TIN CENTRAL PARK AND REPORTS BY ITS WORKING GROUPS.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE SHA TIN DISTRICT BOARD'S COMMUNITY DEVELOPMENT COMMITTEE MEETING TOMORROW (THURSDAY) IN THE BOARD'S CONFERENCE ROOM ON THE SIXTH FLOOR, KCR HOUSE, SHA TIN STATION. THE MEETING WILL BEGIN AT 4 PM.

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WEDNESDAY, APRIL 25, 1990

- 25 -

TRAFFIC ARRANGEMENTS IN EASTERN

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT THE SECTION OF WHARF ROAD BETWEEN ITS JUNCTION WITH NORTH POINT ROAD AND A POINT ABOUT 135 METRES WEST OF THE SAME JUNCTION WILL BE RE-ROUTED FROM TWO-WAY TO ONE-WAY EASTBOUND FROM 10 AM ON FRIDAY (APRIL 27).

ON THE OTHER HAND, FROM 8 AM ON FRIDAY, TWO LANES ON BOTH THE EASTBOUND AND WESTBOUND CARRIAGEWAYS OF THE SECTION OF ISLAND EASTERN CORRIDOR OFF TAI ON BUILDING WILL BE CLOSED IN TWO STAGES FOR ABOUT 20 DAYS TO FACILITATE NOISE REDUCTION SURFACING WORKS.

DUE TO RESCHEDULING OF WORK STAGES, THE NOISE REDUCTION SURFACING WORKS ON THE SECTION OF ISLAND EASTERN CORRIDOR OFF NORTH POINT ESTATE, WHICH WAS SCHEDULED TO START AT 10 AM ON APRIL 22, HAS BEEN POSTPONED.

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TEMPORARY URBAN CLEARWAYS IN NORTH POINT

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT FROM 9 AM ON FRIDAY (APRIL 27), THREE SECTIONS OF ROADS IN NORTH POINT WILL BE DESIGNATED URBAN CLEARWAYS FROM 7 AM TO 7 PM DAILY FOR ABOUT THREE MONTHS TO FACILITATE DRAINAGE WORKS.

THEY ARE:

- * SHU KUK STREET BETWEEN JAVA ROAD AND MARBLE ROAD;
- * THE SOUTHERN KERBSIDE LANE OF JAVA ROAD FROM A POINT ABOUT 40 METRES WEST OF ITS JUNCTION WITH SHU KUK STREET TO A POINT ABOUT 40 METRES EAST OF THE SAME JUNCTION; AND
- * THE NORTHERN KERBSIDE LANE OF JAVA ROAD FROM ITS JUNCTION WITH SHU KUK STREET TO A POINT ABOUT 40 METRES WEST OF THE SAME JUNCTION.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

AT THE SAME TIME, THE EXISTING RESTRICTED ZONES FROM 7 AM TO 10 AM AND FROM 4 PM TO 7 PM DAILY ON THE SAME SECTIONS OF SHU KUK STREET AND THE SOUTHERN KERBSIDE LANE OF JAVA ROAD WILL BE CANCELLED.

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WEDNESDAY, APRIL 25, 1990

- 26 -

TRAFFIC IMPROVEMENT PROJECT IN CAUSEWAY BAY

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT A TRAFFIC IMPROVEMENT PROJECT IS BEING CARRIED OUT ON THE WESTBOUND CARRIAGEWAY OF GLOUCESTER ROAD BETWEEN VICTORIA PARK ROAD AND CANNON STREET IN CAUSEWAY BAY.

THE PROJECT INVOLVES ROAD WIDENING WORKS TO PROVIDE ONE ADDITIONAL TRAFFIC LANE FOR THE WESTBOUND TRAFFIC ON GLOUCESTER ROAD HEADING TOWARDS CENTRAL. IT WILL LAST ABOUT FOUR WEEKS AND IS EXPECTED TO BE COMPLETED IN MID-MAY.

IN CONNECTION WITH THE ROAD WORKS, THE BUS STOPS FOR ROUTES A3, 10A, 16, 20, 21, 22, 63, 80 AND 81M ON THE MAIN CARRIAGEWAY OF GLOUCESTER ROAD ARE TEMPORARILY RELOCATED TO THE INNER GLOUCESTER ROAD BETWEEN PATERSON STREET AND CANNON STREET. NOTICES HAVE BEEN PUT UP AT THE AFFECTED BUS STOPS TO INFORM INTENDING PASSENGERS.

DURING THIS PERIOD, ROAD RESURFACING WORKS WILL ALSO BE CARRIED OUT ON THE SAME SECTION OF GLOUCESTER ROAD.

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URBAN CLEARWAYS IN WESTERN

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT FROM 10 AM ON FRIDAY (APRIL 27), TWO ROAD SECTIONS IN WESTERN WILL BE DESIGNATED URBAN CLEARWAYS FOR TWO WEEKS TO FACILITATE TRAM TRACK RENEWAL WORKS.

THE NORTHERN KERBSIDE LANE OF DES VOEUX ROAD WEST BETWEEN CENTRE STREET AND SAI YUEN LANE WILL BE DESIGNATED AN URBAN CLEARWAY 24 HOURS DAILY.

THE EASTERN KERBSIDE LANE OF CENTRE STREET FROM A POINT ABOUT 15 METRES NORTH OF ITS JUNCTION WITH DES VOEUX ROAD WEST TO A POINT ABOUT 15 METRES SOUTH OF THE SAME JUNCTION WILL BE DESIGNATED AN URBAN CLEARWAY FROM 7 AM TO 7 PM DAILY.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

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TEMPORARY CLOSURE OF GASCOIGNE ROAD FLYOVER

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT TO FACILITATE REPAIR WORKS, THE GASCOIGNE ROAD FLYOVER IN YAU MA TEI WILL BE CLOSED TO TRAFFIC FROM 10 PM ON FRIDAY (APRIL 27) TO 6 AM THE NEXT DAY.

MOTORISTS ON FERRY STREET SOUTHBOUND ARE ADVISED TO TRAVEL VIA JORDAN ROAD EASTBOUND INTO GASCOIGNE ROAD EASTBOUND.

MOTORISTS ON GASCOIGNE ROAD WESTBOUND ARE ADVISED TO TRAVEL VIA JORDAN ROAD WESTBOUND OR KANSU STREET WESTBOUND INTO FERRY STREET.

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