



HONG KONG GOVERNMENT

**INFORMATION SERVICES****DAILY INFORMATION  
BULLETIN**

Thursday, March 16, 1972

## SHORTAGE OF LOCAL RECRUITS FOR CIVIL SERVICE

The Hon. Wilson Wang Wants To Know

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The Hon. Wilson Wang wanted to know whether there was really a shortage of local people wanting to join the Civil Service.

He wanted to find out whether this shortage was entirely due to the brain drain or was it due to keen competition in the private sector or was it some other reason.

Mr. Wang asked these questions at the resumed Budget Debate in the Legislative Council today.

"I am inclined to feel that there is room for improvement in the present method of recruitment and in the training of the serving officers," he said.

He suggested that Government should do more than advertise for applicants.

"The potential applicants should be approached and fully briefed on the nature of their work and on promotion prospects and requirements, apart from salary scales," he said.

He pointed out that able young graduates generally received a good number of offers and for that reason they should be booked well in advance of their graduation especially when processing of applications took as long as months so that even second choices were unlikely to be available after completion.

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Enterprising young men want a chance to achieve something and they want their achievement to be recognised in terms of promotion to more responsible positions, he said.

Although a sense of security was desirable, young men were not unconscious of the danger of being turned into useless mules on a tread-mill, he added.

Again, Government should not rely entirely on recruitment from abroad to make up deficiencies in the administration. In any case, overseas personnel were getting increasingly scarce and expensive, he added.

Far-sighted

"What is more important is that our policy should be far-sighted and that we should take active steps to discover men of potential ability from among our serving officers and implement a comprehensive scheme of training them so that we may have an adequate supply of capable and highly qualified local men to fill posts of responsibility," he said.

Hence, he said, it was essential to prepare a forecast of establishment a good number of years ahead.

A search for the right men should begin well in advance, so that all interested persons, already or not yet in the Civil Service, might be given sufficient time to prepare themselves for the posts or be invited to take up courses of training if required, he added.

"I propose, also, that Government, like a good employer, should be more generous in awarding them leave if not as much as those enjoyed by expatriates at the end of each tour of service.

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"I suggest that it is a false economy to confine our local officers to daily routine and keep them like frogs in wells," he said.

On young people, particularly those below the age of 15, Mr. Wang said: "We must not and could not afford to let them go astray for a few years and be content to say that school places will soon be available."

He said this should be more obvious at this moment when the Colony was concerned with the most undesirable upsurge of juvenile crime.

#### Difficulties

Admittedly there were physical difficulties involved in expediting the construction of schools and the training of teachers but he was not sure all had been done to reach at a much earlier date the present target of providing 50 per cent of three years aided post-primary education by 1976 and 100 per cent by 1980.

"I therefore propose that urgent action should be taken to explore all other ways and means of expediting this provision," he stressed.

While waiting for the attainment of that target, Mr. Wang proposed that Government should accept the responsibility of ensuring that no child between the age of 6 and 15 was deprived of education solely because of financial difficulties.

He said public funds should be made available so that all parents-in-need could apply for financial assistance to pay for a part or the whole of the school fees in any school registered with the Education Department, provided the Director of Education was satisfied there were no aided places available for them.

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Mr. Wang also urged that a Council for Physical Recreation be formed immediately.

He envisaged such a Council to be not just an addition to the organisation already in existence, but rather an essential means of enlarging the scope of activities in a field which had surely to be regarded as tremendously important for Hong Kong's young people.

As regards public assistance, Mr. Wang urged that the welfare of the aged should take first priority. Aged people in need should be granted better public assistance than the others, and not merely on a subsistence level.

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TOURISTS MAKE VALUABLE CONTRIBUTION TO COLONY'S ECONOMY

Estimated To Spend \$1,800 Million In 1972

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The Hon. H.J.C. Browne said today tourists would spend an estimated \$1,800 million this year -- a sizeable and very valuable contribution to Hong Kong's economy.

Because of congestion, rising costs and other factors Hong Kong was not as attractive as it once was and was now facing competition from other places in Asia, he added.

Mr. Browne was speaking at the resumed Budget Debate in the Legislative Council.

"We cannot take the expansion of our tourist trade for granted and I feel Government should take positive steps to make things more attractive for tourists in Hong Kong."

He suggested that "more beef" be put behind the Urban Council's campaign to clean up the city, and if necessary introduce new legislation to strengthen the U.S.D.'s hand.

He felt a more positive approach was needed to increase the scope of things that tourists could do.

This could be achieved by setting aside areas for resort development and then inviting bids from international and local developers, he said.

"I would urge a new policy towards the development of resorts in the New Territories and Lantau."

He said higher priority should be given to improving the road system on Lantau so a vehicular ferry service could be introduced.

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Double tracking the short road to Lok Ma Chau was also needed urgently as it was often overcrowded at present, he said.

"These facilities would, of course, be used by our own people as well as by tourists."

He also urged Government to give higher priority to Phase 2 of the Stage IV development of the Hong Kong Airport Terminal Building and to press on with the detailed planning of Phase 3.

"The forecast shows that we are going to run into serious congestion again in the terminal building from 1973 onwards," he said.

#### New Policy

Mr. Browne said he would also like to see a new policy towards shops at the airport.

"I am alarmed to see that against the original estimate of revenue of \$12 million from airport concessions in 1971/72, the figure has doubled to \$25 million in 1972/73."

He thought it wrong to put airport shop spaces out to tender to the highest bidder without considering other factors.

"This results in charging rents that are higher than almost anywhere else in the Colony," he said.

He pointed out that almost every tourist entered and left Hong Kong through the airport and it gave a very unfavourable impression if they were asked to pay an unrealistic rate when money was changed, and high prices for liquor and other goods they might purchase at Kai Tak.

"If we don't do something about overcharging and congestion in the airport terminal we are bound to run into increasingly adverse publicity," he said.

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On the Civil Service, Mr. Browne said he was glad to hear that the Organisational Surveys Unit had now been moved into the Finance Branch.

"I hope it will be strengthened and expanded and that it will be effectively used as a tool; firstly, to streamline existing Government systems and procedures, and second to spearhead an economy drive on Government spending."

In suggesting an economy drive, he wanted it made clear that Hong Kong was well served by the Public Service, he said.

However, there was always room for savings in any large organisation, and Government could be no exception, he added.

#### Determined Drive

With the Public Service at almost 100,000 strong and costing nearly 50 per cent of recurrent revenue, a new and determined drive was needed to reduce waste and increase productivity, he said.

"I hope this suggestion will be seriously considered, even if it means writing new terms of reference for the O.S.U. perhaps tripling its size, employing consultants whenever necessary, and perhaps putting a Senior Administrative Officer in charge of the whole effort," he said.

Supporting the Financial Secretary's budgetting for a modest surplus, Mr. Browne said commitments to considerable and increasing recurrent expenditure in education, medical, social welfare and other items might well lead the Colony into deficits later in the 1970s.

"I am glad that a start has been made in borrowing from the Asian Development Bank for capital projects," he said.

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But there was still a tremendous amount that still had to be done in housing, resettlement, secondary education, and in the development of more facilities for technical education, he said.

Mr. Browne said that Hong Kong must develop more technologically orientated industries if our export trade was to survive. Government should encourage overseas investment by putting up more land for sale and not trying to secure excessively high premia by restricting the amount of land made available.

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TIME TO DIVERSIFY STERLING RESERVES: THE HON Q.W. LEE

U.K. Guarantee Changing In Character

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The Hon. Q.W. Lee said today the time "is coming nearer and nearer" for Hong Kong to diversify its reserves in currencies other than Sterling.

He was one of the eight Unofficial Members who spoke when the debate on the Budget was resumed in the Legislative Council.

Mr. Lee was commenting on Hong Kong's reserves position and the changing character of the United Kingdom Sterling guarantee,

There had not been much dispute that Hong Kong should have reserves, he said.

"It is only their size and where they should be invested that have always been controversial," he added.

The Colony's social, economic and political progress dictated that more and more should be spent on new developmental and social projects such as the desalting plant, High Island water scheme, public assistance, technical education and loans for small industries.

In addition, one day a decision might be reached to go ahead with the Mass Transit System, Social Security, National Health and Free Secondary Education, he said.

It was therefore clearly logical that Hong Kong had to have substantial reserves in order to be prepared to deal with the situation that from 1974/75 onwards budget forecasts would show deficits, he added.

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He recalled that an agreement was reached in June 1968 between the United Kingdom and Hong Kong whereby the U.K. was to issue Hong Kong Dollar bonds to protect the Hong Kong dollar value of the Colony's sterling funds in the United Kingdom.

"This arrangement was, however, substituted in September 1968 by a Sterling guarantee which gave protection to the official Sterling assets deposited by all Commonwealth countries in the United Kingdom that the value of Sterling would not be less than US\$2.40," he added.

Mr. Lee pointed out that the advantages of putting a part of Hong Kong's reserves in London was obvious because, besides that guarantee attraction, London had a large money market capable of offering good returns and sound investment opportunities for them.

#### Investments

The yield from the Colony's United Kingdom investments was higher than that from Hong Kong, he added.

"Notwithstanding these advantages, however, we must always consider how safe are our reserves against future monetary crisis affecting Sterling.

"I think the time has now come when we should re-appraise our situation seriously," he said.

Mr. Lee pointed out that since the re-alignment of all major currencies in the world in December last year, the parity of Sterling had been raised from US\$2.40 to US\$2.6057.

"This almost completely changes the character of the Sterling guarantee for it is only below this rate will Hong Kong be qualified for protection and therefore, for all intents and purposes, the United Kingdom Sterling guarantee now means very little to Hong Kong," he said.

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He went on to point out that the situation for Hong Kong was even more "uncomfortable" by reason of the fact that Government had extended similar guarantees to the banks in Hong Kong to protect the Hong Kong dollar value of their Sterling investments in the U.K.

"For, while a devaluation of Sterling from US\$2.6057 to below US\$2.40 is unlikely, the possibility of Sterling falling back to between US\$2.6057 and US\$2.40 should not be ruled out bearing in mind that the recent strength of Sterling is partly technical as reflected by the weakness of the U.S. Dollar," he said.

#### Sterling

Mr. Lee added that should the U.S. Dollar regain its strength, Hong Kong would be open to risk that could arise from the possibility of Sterling being devalued to a rate below US\$2.6057 but still above US\$2.40 and yet the Hong Kong Dollar, for obvious reasons, might not follow such devaluation or might only follow partly as in the 1967 Sterling devaluation.

"The result would then be that the Government has to compensate the banks for their losses which it could not recover under the United Kingdom Sterling guarantee because the U.S. Dollar value of Sterling would still be above US\$2.40," he said.

The ideal solution would be to raise the parity of US\$2.40 in the guarantee to US\$2.6057 or better still the gold content in Sterling should be guaranteed, he added.

"With the Sterling guarantee expiring in September 1973, Hong Kong must in any case commence negotiation with the United Kingdom Government to find a solution to settle this complicated problem."

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Commenting on borrowing externally to finance Hong Kong's desalting plant, Mr. Lee said the action taken by Government to raise money from the Asian Development Bank was economically and politically sound and should be supported.

The loan from the Asian Development Bank would be long term and the interest rate was lower than what Hong Kong was getting from its reserves, he said.

Other advantages associated with external borrowing which he would like to mention briefly were:-

- \* Hong Kong does not have to draw on its reserves thereby further strengthening its reserves position to meet contingencies;
- \* Hong Kong's internal liquidity will be increased;
- \* External borrowing will counteract inflationary depreciation on the future purchasing power of reserves;
- \* External borrowing will create international presence and attention thereby bringing about psychological political stability.

On the proposal to refund only one half of the rate **charged** on unoccupied premises, Mr. Lee said that a charge of 7½ per cent on the rateable value of unoccupied premises would not effectively deter landlords or developers from keeping their premises vacant or unsold in a seller's market when demand exceeds supply.

On the other hand, this charge would be an unfair burden on the landlords and developers in a buyer's market when supply exceeds demand and premises were difficult to let or to sell, he added.

"The rates are basically charged on the occupation of premises; therefore to levy charge on unoccupied premises would turn out to be a departure from the concept for which it was originally intended."

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Mr. Lee said the logical approach would be to charge a smaller percentage, say 2½ per cent to five per cent rates on vacant premises and the full 15 per cent payable only when they were occupied.

He added that a grace period should be given to premises newly completed, say six months from the date of occupation permit and to premises that have been let three months from the date of their being vacant.

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BARGAINING POSITION ON ECONOMIC ISSUES

One Advantage Of Diversification Of Reserves

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The Hon. G.M.B. Salmon said today there might well be advantages from diversification of the Colony's Sterling reserves bearing in mind the appreciation in value had Hong Kong held Deutchmarks or Yen.

He made this comment in the Legislative Council today when the debate on the Budget was resumed. The speaker before him, the Hon. Q.W. Lee, had dwelt in detail on Hong Kong's reserves position and the changing character of the United Kingdom Sterling guarantee.

Mr. Salmon pointed out that diversification of the Colony's reserves would give Hong Kong a bargaining position on economic issues elsewhere.

He did not know whether Hong Kong's substantial reserves in London had been used for bargaining purposes in the textile negotiations with the British Government in January, he said.

But Hong Kong had full reason to be badly shocked and disappointed over the short notice of the quota controls in the United Kingdom and he hoped the Financial Secretary would keep the Council advised of developments, he added.

Continuing his comments in connection with trade, Mr. Salmon said he would like to make a further point which concerned Hong Kong's public relations effort.

Hong Kong, he said, had an office in London and representatives in Brussels, Geneva and Washington.

/"I wonder, .....

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"I wonder, incidentally, whether it would be worth considering having our own man in Tokyo as well," he asked.

Certainly there was indication that Hong Kong's public relations not only in the United Kingdom, but elsewhere as well, was lacking in some respects, he added.

"The Public Works Programme included in the Estimates shows the gigantic task with which the Department is faced, and they have my utmost admiration," he said.

It was inevitable that some projects got delayed for one reason or other, in whatever category they might be, he added.

#### Post Office

"But the long delay in the Colony Mail Sorting Office in Hung Hom and the General Post Office in Central stick out like a sore thumb; while it is absurd for an item, such as improvements at the Tathong Point Light Station, to go into Category E, in 1969, and have to be upgraded to Category A in 1972 because it is now going to cost three times the original estimate."

A substantial cause of crime and drug taking had to be attributed to the home-life of many of the Colony's citizens, not just in the overcrowded resettlement estates, but the many living in slum conditions in areas of very high density population, he said.

"One form of relief to the younger generation, and I personally think a most important one, is the provision not only of open spaces, and parks, and playgrounds for children, but also for places where sport of one sort or another can be played."

/Mr. Salmon .....

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Mr. Salmon said it was disturbing to see a "magnificent playground" at the top of Garden Road very much under utilised because of its location whilst other very worthy projects both in the urban areas and the New Territories lingering for many years in the planning stage.

From the massive building developments in Tsuen Wan and Kwai Chung, he had a nasty suspicion that even in that new township where recreational space could easily have been put aside with proper planning, there was not anywhere near enough amenities and facilities for the great many people who lived there, he said.

#### Sports

"We could and should do a lot more to provide areas for such games as tennis, basketball, volleyball, squash, and others, to get our youth using up their energy in open air sport rather than leaving them in their leisure hours with nothing much to do and nowhere much to do nothing in."

Referring to the Estimates, Mr. Salmon said there was on Page 608 a list of Committees who determine whether individual building, engineering and waterworks projects should be included in the programme for consideration by the Public Works Sub-Committee.

"I suggest a further Committee be now appointed, chaired I would hope by the Deputy Colonial Secretary, so that sporting and recreational facilities get equal attention in the consideration of priorities," he said.

Mr. Salmon recalled that the Colonial Secretary in his Budget speech two years ago had said; "The ability of the Post Office to cope with this increased work-load is hampered by very genuine problems of accommodation".

/"You, .....

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"You, Sir, have I know recently visited the G.P.O. and I am sure you will agree that if the Post Office staff were 'hampered' two years ago, they are today working almost miracles to receive, sort out and deliver the mail as they do, in conditions that are now really very difficult indeed."

Although the G.P.O. would be getting another hanger on the Central Reclamation, what worried was its problems would be getting worse before they got better, because of the extraordinary inaction over building the Colony Sorting Office and new General Post Office, he said.

#### Parking Charges

On the Financial Secretary's proposals to increase car parking charges, Mr. Salmon wanted to know whether that meant a policy of confining the ownership of a car to the very rich by penal taxation.

He suggested three practical measures to ease the traffic problems. They are:

- \* Continuation of the Colony's substantial road programme;
- \* Provision of more multi-storey car parks;
- \* The gradual phase out of minibuses.

Mr. Salmon said that Hong Kong already had a substantial and commendable road programme -- flyovers, widening of and improvement to roads, and so on -- for all to see and there was a lot more to come.

He did not agree with the Financial Secretary that multi-storey car parks were not profitable.

/"If the .....

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"If the operation of multi-storey car parks is not profitable to Government who do not have to pay out cash for land, what is the use of saying that land will be made available to private developers who will have to pay for land and will have even less hope of making car parks profitable," he said.

"I hope Government will think seriously again, particularly with the tunnel opening soon, and make provision for car parks, profitable or otherwise, where they are urgently needed to get cars off the side of the road and ease the traffic flow," he said.

#### Minibuses

Mr. Salmon urged that minibuses be phased out as quickly as possible and practicable as more double-decker buses come on the road.

"Minibuses are the biggest single obstacle for the movement of buses, trams, and everyone else."

"I have already said in this Council that minibuses are the craziest form of public transport in busy, congested urban areas, and I say it again this afternoon," Mr. Salmon added.

On pollution, he said not much had been heard lately of the "Keep Hong Kong Clean" campaign and the only reference to it in the Estimates was that a co-ordinator had been appointed.

"I do hope this idea is not going to fall by the wayside because Hong Kong gets filthier and we should all be ashamed of it."

With regard to the harbour, Mr. Salmon said he hoped the question of the oil pollution unit being water-borne would be tackled without delay.

/He said ....

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He said the Marine Department's oil pollution unit, was apparently "hamstrung" by not having an appropriate launch to do its work.

"Being properly ready to deal with oil spillages, both minor and major, is of much importance," he said.

Meanwhile, the Hong Kong General Chamber of Commerce had already recommended that Government created an appointment at Director level with authority to co-ordinate and control the efforts of the many Departments involved towards the preservation of the environment, he added.

"I would urge this proposal be given a favourable response," Mr. Salmon said.

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THE HON. T.K. ANN URGES INDUSTRY SURVEY  
On Both Technical And Marketing Aspects

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The Hon. T.K. Ann urged today that a survey be carried out into the prospects of Hong Kong's existing manufacturing industries and of setting up new ones.

Speaking in the resumed Budget debate in the Legislative Council, Mr. Ann said there was an urgent need for such a survey. The world had changed, he said, and Hong Kong must find new targets and pave new approaches.

He suggested that the survey should cover both technical and marketing aspects.

It was immaterial whether Government or another agency undertook the survey, but Government support, in his view, was absolutely vital, for only Government was financially capable and had the ability for a comprehensive in-depth survey.

"This survey is important and should be carried out in the coming year or two in conjunction with a study as to whether industry can sustain the heavy increases in Crown rents now much in discussion among industrialists," he said.

Mr. Ann said industry needed to know the expansion potential of existing manufacturing industries for both short term and long term development as well as the probability of unresolvable competition from neighbouring countries who had developed well in the past decade.

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Possible diversification into related fields, new industries having regard to Hong Kong's present capabilities and potentials, market trends throughout the world for the types of products Hong Kong had traditionally produced and technological trends of which Hong Kong could take advantage, were also among the things an industry survey could find out, he added.

"The results of such a survey will definitely throw valuable light on the problem of attracting prospective entrepreneurs and more overseas investors, and in the meantime guide Government in her future industrial infrastructure planning," he pointed out.

#### Growth Rate

Mr. Ann agreed with the Financial Secretary's prognosis that the rate of growth would ease before a resurgence could be envisaged in late 1973.

"But the anticipated resurgence of the rate of export growth is based on the assumption that the overseas market demands will always be for the same goods which we are now able to produce competitively."

"This simply cannot be true to life," he added.

He cited a recent attempt by Hong Kong industrialists to increase synthetic fiber manufacture exports by staking new investment in that field as evidence of the need for change in Hong Kong's industrial capability.

"The attempt was, unfortunately, frustrated by new restrictions imposed by Hong Kong's trading partners," he said.

Hong Kong could not place reliance permanently on textiles, plastics and wigs -- the three sectors which absorbed 61 per cent of the total employment of 671,308 persons who manufacture for both export and domestic consumption, he said.

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Mr. Ann said he was deeply impressed some years ago by a Japanese delegate at an ECATE meeting when he commented that Japan always endeavoured to meet overseas market demands by making changes in her line of exports.

A ready example was the transistorized pocket radio in which Japan could no longer compete with Hong Kong, Taiwan and South Korea, he cited.

"In this regard, Hong Kong can be no exception," he stressed.

Hong Kong's enamelware industry had dwindled from an export turnover of \$72 million in 1956 to less than half the amount or \$32 million in 1970, he said.

#### Industry

During the ten-year period 1960 to 1970, it shrank from 2.2 per cent of the Colony's then total domestic exports to a present day percentage of 0.26 per cent, he added.

"On the other hand, our early planners saw the possibility of developing the electronic industry and expanding our garment industry by trying to penetrate the fashion domain.

"The Ready-to-Wear Festival, which you, Sir, saw ten days ago, is the result of this exercise," he said.

Mr. Ann attributed Hong Kong's prosperity to the deliberate laissez faire policy of the Colony.

"In Hong Kong's circumstances any undue interference by Government will, we all agree, only stifle its growth," he said.

/He commended .....

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He commended Government's foresight of preparing "fertile ground" for Hong Kong's industrial expansion by providing housing schemes for workers, industrial town planning, water supplies for industrial use, productivity promotion, export credit insurance, safety and health policing, just to name a few.

In planning, he said, Government could see "the forest as well as the trees" and was sufficiently powerful to point to a direction which led to new successes.

"The main concern of a Government is to ensure full employment and to improve the quality of life of its population."

#### More Technicians

Mr. Ann pointed out that although a private entrepreneur knew better than Government what was best for himself and his business, he knew only what was good individually and not collectively.

Hong Kong needed a great many more technicians and craftsmen trained in fundamentals, and the technologists which the new polytechnic would be aiming to produce, he said.

"Our industrial workers must be better educated and technically prepared in line with what is happening in our neighbouring countries, otherwise we will be outpaced by them in no time," he pointed out.

Citing figures in the 1971 Census, Mr. Ann said it showed that 20,900 children in the 12 and 13 age groups were not attending school nor could they join industry.

/Of the age .....

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Of the age group 14 to 17 inclusive, 152,549 had not been attending school with 28,710 of this group employed in industry at the end of 1971, one could assume that about 123,000 in this age group were either unemployed or employed outside industry, he said.

Even a 10 per cent unemployment was a large number, not to mention those in the older age groups who might be in a similar situation, he said.

Jobs had to be found for all those young people who were unemployed and hence industrial development was an urgent matter of a magnitude only Government could provide the framework for, he added.

"Unemployment and unprofitable leisure are poison to young people," he said. "The increasing number of violent crimes perpetrated by youth today must be due in part to the fact that children were not attending school nor engaging in gainful work."

#### Free Schooling

Although Government was aiming at free secondary schooling for 50 per cent of this age group by 1976, it was not sufficient and moreover still had a long way to go, he said.

"I suggest that the process be accelerated and the need be more emphasized and if feasible, technical biased education be provided to the extent of one-third of the candidates for post primary education," he said.

"A well-thought-out White Paper on our social problems is most desirable," Mr. Ann said.

Mr. Ann concluded his talk by endorsing fully the Financial Secretary's "important indication of his new approaches" when he presented his Budget on March 1.

/He agreed ....

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He agreed with the Financial Secretary that Hong Kong had to fit public expenditure to available public resources; that the present generation of taxpayers had contributed substantially in recent years to capital works; gradual abolition of estate duty will encourage overseas money to continuously flow into the Colony.

These and other points, such as, indirect taxes assuming a more important role for reasons which are partly non-fiscal; and that indirect taxation should not bear on industrial costs or on basic cost of living, Mr. Ann said, would provide the right climate for further industrial development.

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#### LOANS TO SMALL INDUSTRIES SCHEME

##### Success Depends On Speedy Processing Of Applications

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The success or failure of the Loans to Small Industries Scheme depends upon the speed with which an application is processed.

The Hon. K.S. Lo sounded these words of warning when he spoke at the resumed Budget debate in the Legislative Council today.

"There must not be too much red tape in approving an application, and the time of waiting should not be more than two to three weeks at the most. Any unnecessary long periods of waiting will scare the small borrowers away and doom the scheme to failure," he said.

He added that it was most gratifying to be told that Government had at last agreed to accept the proposal made by the Trade and Industry Advisory Board for setting up a loans to small industries scheme.

"This comes to me as a great personal satisfaction since I have made so many pleas for such a project in the past."

Government's acceptance of the scheme was a "significant triumph" for the small industrial enterprises and came in the nick of time when fixed investments in plant, machinery and equipment showed signs of drop, he said.

It was also the first time that Government had given official recognition to the part played by small industrial enterprises in the economic growth, and the contribution made by them in the domestic exports, Mr. Lo added.

/"Let us .....

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"Let us hope this will encourage them into upgrading the quality of their products and updating their management practices."

He pointed out that the initial amount of \$30 million for the scheme was undoubtedly small, but he had no doubt that further funds would be made available once the scheme had proven to be a success.

Mr. Lo said he particularly welcomed the Financial Secretary's departure from his predecessors by putting expenditure before revenue.

He pointed out that up to the present an attempt had been made to fit public expenditure to available public resources.

Community's Needs

"Now that we have built up this huge surplus, I think it is time that we turn around to look at the community's needs first and then try to find the necessary revenue," he stressed.

"If in any one year the expenditure should exceed the revenue then we should either spend some of our surplus fund or increase the taxes or do both," he added.

Mr. Lo said that surplus budgetting and inadequate forward planning were the two main reasons why more schools, housing, recreational and sports facilities were not available.

On Government's lack of overall long term planning in the areas of social services, he recalled that he had said last year that had Government tried to assess the community's requirements in education, housing, medical and health services, recreational and cultural facilities in the same manner as it had done with Hong Kong's requirement for water, then planned them accordingly and set target dates to bring them into being, things would have been very much different today.

/"We have ....

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"We have done it with water, is there any reason why we cannot do it with the other services," he asked.

Mr. Lo urged Government to develop the draft Colony Outline Plan which still remained a "conceptual document" into a "master plan" and "to appoint a high power body" to carry out the implementation.

Commenting on the high cost of the Civil Service, Mr. Lo pointed out that out of the \$384 million increase in recurrent expenditure, Civil Service emoluments accounted for 56 per cent of it.

"This represents a record of 22.5 per cent increase over the previous year."

#### Better Management

"I do not think that our civil servants are being overpaid. In fact, having the privilege of serving in the last Salaries Commission, I am quite satisfied that they are not.

"But even with my superficial observation in the course of our visits and exchange of views with the various departments, I am of the opinion that efficiency and productivity can be improved with better management," he said.

A great deal of this had to do with better organisation, supervision, training, simplification and mechanisation, and some assistance from outside management consultants would be most useful, he added.

Commenting on the Agriculture and Fisheries Department's small allocation of the Budget for research and developmental work, Mr. Lo said that he had pointed out last year that over 90 per cent of the Budget was spent on administration and less than 10 per cent on the productive side.

/"I find .....

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"I find again in this year's Budget, although the Department's total expenditure had gone up by 21 per cent to \$22 million, the money allocated for research and development had remained the same as last year, and in some cases the amount is even less than last year," he said.

Quoting figures from the Department's report, Mr. Lo said that production of pigs, chickens, ducks and vegetables for the past two years remained almost constant whereas there was no increase at all in the production of marine fish as compared to an average increase of five per cent between 1960 and 1965 and four per cent between 1965 and 1970.

Research

He pointed out that the increasing demand without the corresponding increase in supply had made the price go up by 17 per cent in last year alone.

"We should speed up our fishery research in order to guide fishermen to better fishing grounds, and to introduce more efficient fishing vessels which the Department is doing at the moment in a small way.

"We should teach our young fishermen modern fishing techniques which their own parents are unable to teach them," he said.

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GOVERNMENT URGED TO IMPROVE AMENITIES IN N.T.

Hon. Oswald Cheung Would Like Improvements  
In Low Cost Housing, Medical Facilities

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The Hon. Oswald Cheung today urged Government to consider the improvement of amenities to people in the New Territories.

He also asked Government to look into the potential in housing and industry and the use for recreation of the New Territories.

Mr. Cheung was speaking in the Legislative Council today when the debate on the Budget was resumed.

"The New Territories is one of our greatest assets, and it is of its proper development and the enhancement of its tremendous value that I rise to speak today," he said.

He would like to see improvements made in relation to low cost housing, water supply, street lighting, telephone communications, garbage disposal, medical facilities, secondary schools and roads.

He pointed out that Government had already announced a low cost housing estate in Sha Tin with greatly improved amenities.

"But apart from that, what of other areas such as Cheung Chau, Tai O, Fanling and Taipo," he asked.

They had not so far had subsidized housing and there was a need for low cost housing schemes in those places even if on a smaller scale than that contemplated for Shatin, he said.

/On the supply .....

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On the supply of potable water to villages in Yuen Long, Mr. Cheung questioned whether the recommendation made by the District Administration to the Public Works Department of one standpipe to 500 people was enough.

"The rural committees think not. I think there are valid grounds for ameliorating this discontent."

He added that there was "surprisingly a problem about water" in a number of places in the New Territories.

Improvement of water supply to Kat O Island had been dealt with but Lamma Island was still not properly supplied, he said.

He also drew the Council's attention to the need for water by the fish culture industry.

#### Fresh Water Fish

"I am told, and I believe these figures to be accurate, that whilst we consume 450,000 piculs of fresh water fish a year, we only produce at present something like 40,000 piculs, the rest being imported from China," he said.

He believed that properly encouraged the fish pond operators could produce more but at present they were handicapped by the lack of a reliable supply of water.

"Another problem among fish pond operators was the lack of fish fry," he said.

"I would ask therefore that Government examine the problem to see whether with its vast resources it could not greatly increase the supply," he added.

Mr. Cheung went on to say that no street lighting was provided in the majority of villages.

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In this day and age, he added, it was not unreasonable for village people to ask for the installation of street lighting for their own safety and convenience.

"It seems to me neither a big problem nor its solution expensive," he stressed.

On telephones, he said, the rural areas were "woefully ill-supplied" and again the satisfaction of such requests seemed to him one which did not require vast expenditure.

"I ask that the Telephone Company be advised and the Postmaster General be directed to look into it," he added.

#### Pollution

Mr. Cheung said that the problem of garbage and pollution had largely grown as a result of confusion in the lines of command.

"Who is responsible for the disposal of garbage in the New Territories -- the Director of Urban Services or the Commissioner for the New Territories," he asked.

"Who is responsible for clearing streams blocked with rubbish and litter," he added.

He suggested that the responsibility, if it had not been done already, be firmly entrusted to one or the other, and that the necessary staff and finance be given to tackle the problem.

Mr. Cheung said he was happy that the Director of Medical and Health Services had asked Finance Committee for money to improve the services at Pak Oi Hospital.

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"But what perturbs me is on the one hand the complaint by rural committees that medical facilities in the New Territories are inadequate, and on the other hand, the fact that the facilities provided are not fully used."

"Are the right facilities provided? Is the policy of Government to have one clinic for every 100,000 of population the correct one to apply to rural areas?" he asked.

He suggested that the Director of Medical and Health Services might find it profitable to sit down with representatives of New Territories rural committees to discuss their needs, and that Government gave sympathetic consideration to them.

#### Shortage

There was a shortage of secondary schools all over Hong Kong but they were more deficient in the New Territories than in the urban areas, he said.

"I think in this connection it would be right to encourage rural committees to get into contact with existing grant in aid institutions, who already ran successful schools in the urban areas, to see if their expertise could be available to the rural areas."

This would fit in with Government's policy of encouraging the establishment of secondary schools by private institutions by providing land, grants and loans, he added.

On the potential of the New Territories in housing and industry, Mr. Cheung, citing Sha Tin, said that the development of that area "ought to be a Town Planners dream" for there he starts practically from scratch.

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He did not want to see the development spoilt by inadequate provision for roads and the indiscriminate sale of land so that in 10 to 15 years time there was a conflict between pedestrian and vehicles.

If Sha Tin was to have a population of 600,000 or possibly 1,000,000, it was important that access and egress from it be dealt with forthwith.

"It means at least three major arteries; a second tunnel parallel with the present road tunnel, double tracking the railway, a six-lane highway along the present Taipo Road, and a fork off it to Kwai Chung or a new road or tunnel through Shing Mun," he said.

Citing Castle Peak, he said much had gone into its planning and construction, but what amazed and alarmed him was the fact that plans for it went ahead of communications with it.

#### Housing

On the wider question as to what the New Territories could contribute to ease the problems of housing and the expansion of industry, Mr. Cheung said that the "time has come when we really must sit down just to think about it".

He said the District Commissioner of New Territories should be provided with more staff who unburdened with day to day administration, could devote their time to thinking and planning.

"The development of the potential of the New Territories could be helped by bringing together a small group of four or five people outside of Government who should be charged with investigating into what the problems are and to advise on lines of development," he added.

/Mr. Cheung .....

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Mr. Cheung pointed out that although the working population had been given one day of rest, not sufficient thought had been given to what they should do with it.

"They are descending every Sunday into the New Territories by the hundreds of thousands and we have not done anything like enough to cope with it."

In his opinion, he said, it was not enough to say that roads and other facilities were sufficient for all needs from Monday to Saturday.

"We must develop facilities to cope with the needs for Sunday and in that regard I think that problem ought also be placed before the small group of four or five people to whom I have referred earlier," he said.

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CORRUPTION CHARGES INVOLVING MINIBUSES

Mrs. Elliott's Offer To Bring Forward Witness Welcomed

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Government welcomes Mrs. Elliott's offer to bring forward witness to substantiate allegations of corruption involving public light buses which were contained in her recent petition to the Governor.

Mrs. Elliott was told this today on the telephone by the Solicitor General, Mr. Graham Sneath, who was replying on behalf of Sir Murray to her petition.

The Solicitor General explained that any witnesses who offered to come forward to assist in these investigations would have to be prepared to give their evidence before the Courts if investigations showed there were grounds for pursuing a prosecution.

Their statements would be taken by the Anti-Corruption Office and would be seen by the Principal Crown Counsel who is the Attorney General's personal representative in the Anti-Corruption Office.

Mr. Sneath went on to explain that the alleged racket had been under investigation for some time but insufficient evidence to justify any prosecution had been obtained. These investigations were continuing and Mrs. Elliott's offer to encourage reliable witnesses to come forward was therefore welcomed.

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PRESS BRIEFING ON FAMILY SERVICES

Head Of Division Invites Newsmen To Conference

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Mr. T.P. Khoo, Senior Principal Social Welfare Officer and head of the Family Services Division, Social Welfare Department, met the Press today at an informal gathering in the West Kowloon District Office.

He took the occasion to introduce officers in charge of the Division's various branches throughout the Colony, and gave an account of how the Family Services worked.

Mr. Khoo referred to the multiplicity of the Division's concern, from adoption and child care to rehabilitation of the disabled and their ultimate placement in "open" employment.

He spoke about counselling services, liaison with the voluntary agencies, responding to emergency situations, and work among the blind, the deaf, the mentally retarded and the physically disabled.

Officers who met the Press on this occasion included Mrs. Evelyn Doe, West Kowloon; Mr. Choy Kim-fun, East Kowloon; Mrs. Rosie Chiu Young, Eastern District; Mrs. Wu Chan Kwai-hing, Western District; and Mr. Wallace Lee, New Territories.

Mr. Khoo thanked the journalists for their interest in the Division's work, and sought their views on how to improve mutual communications so as to increase the harmony that already prevailed.

The conference was the third in a series designed to familiarise working journalists with different aspects of the Department's work. In this connection, the "spotlight" has already fallen on the Training Section, and the Probation and Corrections Division.

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MEDICAL AND HEALTH STATISTICS

For Week Ended February 19

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Statistics released today by the Medical and Health Department for the week ended on February 19, 1972 are as follows:-

Notifications of infectious cases (previous week's figures in brackets) - total 187 (267); amoebiasis -- nil (one); bacillary dysentery -- seven (six); chickenpox -- 12 (37); enteric fever (typhoid) -- three (nine); enteric fever (paratyphoid) -- one (nil); measles -- 19 (33); ophthalmia neonatorum -- nil (two); poliomyelitis -- nil (one); and tuberculosis 145 (178).

Births -- total registered 517; 144 on Hong Kong Island, 315 in Kowloon, and 58 in the New Territories.

Deaths -- 398 from all causes; 121 on the Island, 254 in Kowloon and 23 in the New Territories.

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WATER INTERRUPTIONS

Areas In Wong Tai Sin Affected

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Water supply to certain areas in Wong Tai Sin, Kowloon, will be turned off for five hours from 1 a.m. tomorrow (Friday), to enable Waterworks Office staff to carry out a leakage test.

The water interruption will affect Blocks 14 to 16 and 21 to 26 of the Wang Tau Hom Resettlement Estate and the area bounded by Junction Road, Wang Tau Hom East Road and Fu Mei Street.

On the following morning, water supply to some areas in the same district will again be stopped between 1 a.m. and 6 a.m. to enable another leakage test to be carried out.

This will affect Blocks 17 to 20 of the Wang Tau Hom Resettlement Estate and the area bounded by Fu Mei Street, Wang Tau Hom East Road, Wang Tau Hom North Road and Fu Yue Street.

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Release Time: 9.15 p.m.