



HONG KONG GOVERNMENT

INFORMATION SERVICES

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BULLETIN**

Wednesday, March 29, 1972

GOVERNMENT'S INTENTIONS -- "EXCITING AND UNEXCEPTIONABLE"

Financial Secretary Replies To Unofficial Members' Criticisms

The Financial Secretary, the Hon. C.P. Haddon-Cave, today described Government's intentions as "exciting as well as unexceptionable".

"This would be a very remarkable Government if our performance was not open to criticism," he added.

He was replying at the resumed Budget debate in the Legislative Council to points raised by the Hon. Sir Yuet-keung Kan in his "frank and hard-hitting" speech on March 15.

The Financial Secretary said there were bound to be lags in the adaptation of existing policies to changing circumstances for the civil service, and the consultative process which surrounded it, would always tend to be preoccupied with wide ranging responsibilities.

These responsibilities extended from the maintenance of law and order to education; from the collection of statistics to the conduct of international commercial relations; from the oversight of the fishing and agricultural community to the management of a necessarily complicated land policy; from the provision of an adequate water supply to the housing of 40 per cent of the population; and from the provision of various local government type services such as street sweeping and firefighting in unusual conditions to a whole range of medical and health services which were available free to the lower income groups in the community.

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"To meet these and many other responsibilities the Government employs nearly 100,000 public servants organised into 40 departments; and subvents on a deficiency grant basis educational, medical and social welfare institutions employing another 25,000."

The Government operated the largest industrial undertaking -- the waterworks -- in Hong Kong and the largest workshops as well as innumerable other establishments ranging from offices to police stations to hospitals to schools to fire stations and facilities of all kinds, he pointed out.

Government's Stock Of Vehicles

Add to that the Government's stock of vehicles and equipment, the multitude of contractual relationships entered into for supplies and for building and civil engineering works and the "ubiquitous nature" of the Government's activities, despite its liberal economic and fiscal policies, began to become apparent, he said.

"And so does the sheer unlikelihood of our performance being, at all times, and in all areas, perfect."

Sir Yuet-keung blamed Government's less than perfect performance on what he described as "a serious deficiency in forward planning", on a restrictive financial policy and on a lack of confidence in Hong Kong and the people of Hong Kong resulting in a certain hesitancy in "many fields of endeavour", the Financial Secretary said.

"We are planning and forecasting all the time, perhaps not very tidily, but we are," he stressed.

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He cited, the annually updated Five Year Forecast of Revenue and Expenditure, the Public Works Programme, the 10-year water development sequences, the four year housing programmes, the airport development programmes, the Medical Development Plan, the Development Plan for the Fire Services, the setting of targets for the expansion of the education system, various special studies such as the Long Term Road Study and the Mass Transit Studies as well as a host of departmental studies which form the basis, for instance, of land use policy and reclamation.

These had not been set down in an overall 3 or 5 or 10 year Development Plan but all were ultimately reflected in the annual Estimates and extensively documented.

Planned Economy

"But I think it can be fairly said that that sort of overall plan, which usually involves a planned economy too, tends to inhibit that flexibility of approach and execution which is so necessary if the needs of the community are to be met; for, once a share of assumed available resources has been allocated to a particular service or department or sector of the economy, it is difficult to effect changes.

"Not that, in any case, in Hong Kong's circumstances we can ever make very firm assumptions about available resources - though we can, now, in the short term, make such an assumption thanks to our much criticised reserves," he said.

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The Financial Secretary said that the size of Hong Kong's reserves amounting to \$3,923 million had to be assessed in terms of total expenditure.

On April 1, 1972, they would amount to 108 per cent of estimated expenditure in 1972-73 of \$3,657 million; compared with 84 per cent in 1971-72 when the reserves had been \$2,475 million and expenditure \$2,930 million; compared with 65 per cent in 1968-69 when the reserves had been \$1,173 million and expenditure \$1,873 million.

"Clearly, we are well protected against any short term slackening of the rate of growth of revenue, but we must not forget, secondly, that capital revenue only finances a proportion of capital expenditure," he pointed out.

Capital Expenditure

In years of high land sales and/or relatively low capital expenditure that proportion had been as high as 60 per cent but, conversely, in years of low land sales and/or high capital expenditure the proportion was much lower; and, with the very high levels of capital expenditure to be expected in the next few years, the proportion would be as low as 15 to 25 per cent, he said.

"In 1972-73 it is put at 25 per cent, as Honourable Members will see from Appendix III of the Estimates," he added.

In absolute terms, of estimated capital expenditure in 1972-73 of \$1,131 million, only \$287 million would be financed from capital revenue and in 1975-76 probably only about 15 per cent of forecast capital expenditure of \$1,400 to \$1,500 million would be so financed, he said.

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"We need to consider our reserves in terms of the unspent balance in Category A of the Public Works Programme, that is, projects to which we are already fully committed."

At this moment that balance was \$3,548 million compared with \$1,736 million about a year ago and \$1,631 million in February 1970, he said.

"Thirdly, and this is surely significant, the years in which our reserves have increased substantially have been years in which expenditure has likewise increased."

At the beginning of 1970-71 the reserves amounted to \$1,726 million and although expenditure had increased by 21 per cent, the reserves at the beginning of 1971-72 amounted to \$2,475 million, due mainly to a budget surplus of \$618 million.

Budget Surplus

In 1971-72 expenditure had increased by about 20 per cent and yet the reserves at the beginning of 1972-73 would be about \$3,900 million, due partly to a budget surplus of about \$700 million, he said.

"I would suggest that the conclusion to be drawn from these figures is that our surpluses in recent years have been due to the strength of the economy's growth movement, not to under-spending or to under-provision for spending," the Financial Secretary said.

One important fact he had to mention was that while the reserves had increased from \$1,173 million at April 1, 1968 to \$3,923 million four years later or by \$2,750 million, only \$1,975 million could be accounted for by surpluses on the General Revenue Account, he said.

"The remaining

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"The remaining \$775 million is accounted for by appreciation of the book value of our investments and an increase in the surplus available for transfer from the Exchange Fund."

The Financial Secretary said he could not agree with Sir Yuet-keung's diagnosis that "the Government has exhibited less faith in the resilience of the Hong Kong economy than the people of Hong Kong themselves.

"We have been surprised at times that the growth rate of the economy has been so strong, but then the determinants of growth are so largely external.

"Who would have predicated, for instance, the coincidence in 1969-71 of the following factors: renewal of confidence, inflationary demand in our major overseas markets, a continuing inflow of funds from abroad, a re-emergence in a new form of the entrepot trade, a booming tourist industry and an upward swing of the building industry underpinned by a large number of long term civil engineering contracts?

Government Policies

"But I can see no evidence whatever of Government policies being inhibited by nervousness of any kind: only prudence and an anxiety to get value for money, to utilise our resources to the best advantage and to avoid costly mistakes," he said.

"With respect, therefore, to my honourable Friend I honestly do not think his charge that a deficiency in forward planning, a restrictive financial policy and a lack of confidence have limited our horizons and frustrated the realisation of our intentions will stand up to a serious examination," the Financial Secretary said.

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Replying to criticism that Government's performance against intentions had been substantially less than adequate, he said a very large number of people outside the Civil Service were associated with the executive and decision-making process via membership of Government's network of advisory boards and committees.

"The whole system is designed to lay the performance bare."

Neither the Government nor the Civil Service complained about that; nor about attacks on specific targets, he said.

"But these attacks must be seen against our total performance and the speed and accuracy of our responses to particularly urgent situations.

Sufficient Revenue

"They must be seen against our ability to raise sufficient revenue for the public services without recourse to tax increases and here I would like to pay tribute, Sir, to the record of the Inland Revenue Department these past nine years under Mr. Duffy's leadership," he said.

They had to be seen also against Government's failure to make serious mistakes, "for serious mistakes we can ill afford", he added.

The Financial Secretary said Sir Yuet-keung two weeks ago had referred to -- "Government activity moulded and restricted by a financial policy which has erred on the side of conservatism and pessimism" -- and the Hon. Szeto Wai had accused successive Financial Secretaries of "deliberately underestimating revenue to slow down the rate of growth of expenditure".

"This simply is not true," he said.

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"Of course, Financial Secretaries will always err on the side of caution, but not for the Machiavellian reasons ascribed to them by my Honourable Friends," he added.

He wondered how "free and easy our critics inside and outside this Chamber" would be about what Mr. Browne had described as the "credibility of the Estimates" if Hong Kong had not been operating against a strong reserve position, he said.

"And strong we intend to keep it, despite the fact that on my last count various commentators, again inside and outside this Chamber, have spent our reserves several times over," he stressed.

Substantial Amounts

He explained that only in the last three years when the Colony was enjoying a "remarkable growth movement", had revenue exceeded expectations by substantial amounts.

Mr. Haddon-Cave went on to say that he could not believe that his Honourable Friends did not wish a degree of control to be exercised over the rate of growth of expenditure.

"We do this directly and not indirectly by fiddling the revenue estimates," he emphasised.

"Indeed, it is with the utmost reluctance that we ever take the easy way out and say of such and such a project or proposal to expand a service: we cannot afford it," he said.

"Furthermore, our system permits a degree of flexibility which is probably unique," he added.

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He was referring to the Financial Secretary's delegated powers to authorise spending on personal emoluments up to the limit of the approved establishment; his delegated powers to authorise spending on public works projects up to approved project estimates; the fact that there had always been more work in the Public Works Programme than could conceivably be completed before the next batch of projects came forward for upgrading to Category A despite substantial increases in the establishment of the Public Works Department in recent years and increased use of consultants; and finally, the fact that total vote provision, or spending authority, had in recent years been around 112% of actual expenditure and around 115% of the original estimates.

Estimates Of Revenue

"The question does arise, of course, whether my estimates of revenue for 1972-73 are realistic: I cannot say with certainty, nor can my honourable Friend Mr. Szeto. For all his good humoured scepticism I heard nothing in his speech which amounted to a critique of my forecast.

"But I can assure both him and my honourable Friend Mr. Browne that I am as anxious as anyone that the Estimates should be 'credible'. I believe they are," he said.

The Hon Szeto Wai, while deploring in one breath "the amassing of huge yearly surpluses" had implied in another that Government should not compete with the private sector for available resources.

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"But it is simply not possible, except at a social cost, for the demands of the public sector to be cut back at a time when the economy as a whole is expanding with all that that means in terms of the community's requirements for new facilities and expanded services."

In yet the next breath, my honourable Friend pleaded for "a suitable but not extravagant boosting of public expenditure", he pointed out.

"I find this, in fact, a most adequate description of the 1972-73 Draft Estimates of Expenditure and I commend them to my honourable Friend for his further attention," he said.

Long Term Bond

The Financial Secretary assured the Hon. Wilfred Wong that the financing of the deficit on capital account would not, within limits, be allowed to inhibit the steady expansion of the Colony's recurrent services and that, in certain circumstances, Government would "cheerfully draw down our reserves".

On Mr. Wong's suggestion that major public works should be financed with local bond issues, he pointed out that there were various complicated aspects of any attempt to raise funds locally in that way which perhaps had been overlooked.

"Obviously the success of a large long term bond issue would be dependent on the Government being prepared to offer re-purchase facilities or on the development and maintenance of a secondary market throughout the life of the bonds," he said.

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On Hong Kong's foreign exchange reserve position, the Financial Secretary said he hoped to be holding discussions in London shortly on the management and security and future of the Colony's sterling assets.

"I would prefer to say no more at this stage except that I have taken careful note of the various points made," he said.

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MORE RESOURCES -- REAL AND FINANCIAL -- TO TACKLE TRANSPORT PROBLEM

Expansion Of Road Networks, Rail And Water Links

The Financial Secretary, the Hon. C.P. Haddon-Cave, said today that in Government's view the time had come to devote a larger proportion of the Colony's real and financial resources to the emerging movement problem of the 1970s and 1980s.

He was replying to points raised by Unofficial Members when debate on the Budget was resumed in the Legislative Council.

"Any overall policy must obviously involve three elements, namely, first, the expansion of our network of roads and rail and water links; secondly, the improvement of public transport facilities; and thirdly, the restraint of private transport," he said.

A cursory look at the Public Works Programme would show that there was a growing emphasis on the development of the Colony's road network and other improvements, such as, flyovers, bus termini, and the double tracking of the Kowloon/Shatin section of the railway.

In addition the Long Term Road Study was to be updated to take account of the results of the 1971 census, he said.

The bus companies and the ferry companies had been pressed to improve their services and measures had been introduced to improve their financial stability, he said.

Public Light Buses had been regularised but were still a somewhat controversial form of public transport, he added.

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Although in the long run they would not be regarded as efficient contributors to the public transport system, the Financial Secretary said he did not agree with the Hon. G.M.B. Salmon that they should be phased out as soon as possible.

He pointed out that the reconstruction and expansion of the road network and ancillary works and the improvement of public transport had to be coupled with policies designed to optimise the use of available road space.

Overall Policy

The third element in the overall policy -- the restraint of private transport -- involved first, freeing the roads of stationary vehicles; secondly, encouraging the use of vehicles which were efficient users of road space in terms of number of passengers carried; thirdly, discouraging the use of vehicles which were inefficient users; and lastly, developing offstreet parking facilities and charging for their use, as well as for onstreet parking where it could be permitted, on an economic basis. Later, charges will have to be pitched at a higher level as part and parcel of the overall control of the use of road space, in the interests of the community as a whole, including motorists, he said.

"It is surely significant that, whereas some 6,000 trams, buses and mini-buses carry almost four million passengers daily, our 100,000 private cars carry only about 500,000," he stressed.

He added that the carrying capacity of even the present fleet of public transport vehicles would be increased possibly by as much as 25 per cent if the road had been clearer.

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In building up the public transport system, the addition of an underground mass transit railway would undoubtedly be beneficial, but it would cater for only one third of public passenger journeys that were expected to be made in the design year 1986.

"I think it is important that everyone in Hong Kong should realise that a mass transit railway would not itself constitute a solution to our transport problems," he said.

An underground mass transit railway could play an important role in the public transport system as a whole, he said.

"What is difficult is to decide first, whether our transport needs outweigh other calls upon our resources to such an extent that a substantial sum of public money should be committed to assist in the financing of this project rather than many others?

Interest Rate

"If so, secondly, can it be constructed without undue disruption?

"Thirdly, can the outside capital finance be obtained on appropriate terms as regards the interest rate and the repayment arrangements which, for this project, would require an unusually long grace period?

"Fourthly, can the system be operated in such a way as to generate a sufficient cash flow to service the investment and cover operating costs?

"If not, fifthly, should the system be subsidised from public funds, that is to say, should our transport needs take precedence over other social improvements," he pointed out.

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On the financial side one very large unknown factor was the capital cost, he said.

"All our calculations have to be based on assumed prices and, more important, assume that contractors will not seek to cover the risks of working underground with excessively large margins," he added.

"But whatever the ultimate decision on the mass transit railway, the Government is not thinking in piecemeal terms even if the actual implementation of a coherent and internally consistent transport policy has necessarily to be piecemeal, because serious problems of road congestion are already apparent in certain areas at certain times," he said.

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INTRODUCTION OF NEW PARKING CHARGES TO BE DEFERRED

Announcement By Financial Secretary

The Financial Secretary, the Hon. C.P. Haddon-Cave, suggested that the new parking charges be deferred for a month or two.

He said this in the Legislative Council today when the debate on the Budget was resumed.

"When I proposed the increased car parking charges in the Budget Speech I was at pains to stress that they did form part of our overall thinking and that they were only a beginning," he said.

"However, as Honourable Members seem to be reluctant to see even the early beginnings of a restraints policy in the context of an overall policy along the lines I have described, I can only suggest that the introduction of the new charges be deferred for a month or two," he added.

In themselves, and at the new levels now proposed, car parking charges might not ease road congestion by discouraging the use of cars for certain types of journeys, he said.

"But this is their ultimate objective and this means that higher charges as well as other measures will have to be considered in due course," he said.

"Perhaps we all tend to think of higher parking charges as a means of equating the demand for with the supply of parking spaces," he added.

In fact, the resource which was in really short supply and which, unlike parking spaces, was incapable of expansion in certain areas, was road space, he stressed.

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"If the policy of restraining the use of road space is to be achieved by raising parking charges, then there must always be a certain vacancy ratio in the parking facilities available in the central business areas," he said.

"At what level of charges this can be achieved will depend upon three factors: the strength of demand, which in turn will depend partly on the availability of public transports; the supply of parking spaces in the central business areas; and the supply of parking spaces on the outskirts of the main business areas, the provision of which will be more attractive to private developers the higher the level of parking charges in Government-owned car parks in the central areas," he explained.

Private Car Parks

It was true that, at a given level of charges, there could be an over-provision of private car parks in terms of the policy objective of limiting the number of cars using the roads (as opposed to the other objective of getting stationary cars off the roads).

At this point, however, there would have to be a planned restriction on the availability for sale of car park sites.

"My honourable Friend Mr. Szeto seemed to suggest that the only problem was to find sites for car parks and that this could be done by a Colony wide survey."

But there is no real shortage of such sites in relation to the real shortage - the inescapable shortage - which is a shortage of road space," he stressed.

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Thus, the purpose of increasing parking charges stemmed, not so much from the present shortage of parking space, as from the limitation on the availability of road space in our urban society, he explained.

The Hon. G.M.B. Salmon had asked whether higher parking charges had been designed to restrict ownership of cars, he said.

"I must say here and now that the aim of higher parking charges is not to limit car ownership; rather, to repeat, the higher parking charges -- and even higher charges to come -- are designed to restrict the use of cars rather than their ownership," he stressed.

Mr. Salmon's view was that, in the Central district of Hong Kong Island, Government car parks made a profit, he said.

"This is not so: overall we lose \$59 per space per month," he added.

Even if the new charges do not have a deterrent effect, they will only result in our breaking even on an historical cost basis," he said.

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SUBVENTIONS FOR VOLUNTARY WELFARE ORGANISATIONS

Financial Secretary Explains Allocation Methods

The Financial Secretary, the Hon. C.P. Haddon-Cave indicated to the Legislative Council today there would be no change, at least for the time being, in the bases upon which subventions are made to voluntary welfare organisations.

Speaking at the resumed Budget debate, he said nearly all subvented voluntary organisations were being assisted on the discretionary grant basis.

Government, he explained, was still operating on this basis, largely because it had not yet crystallised its views on the development of social welfare services through the voluntary sector.

However, he understood that the Director of Social Welfare was now formulating revised aims for social welfare and drawing up specific targets to meet these aims over a five year period.

"Subject to these recommendations being accepted by Government, I am confident it will be possible to devise ways and means to enable public funds to be applied more positively and meaningfully," Mr. Haddon-Cave said.

The Financial Secretary was replying to a point raised by the Hon. Mrs. Ellen Li, who had suggested that a system of what she called deficit subsidies be adopted by Government for social welfare services in very much the same way as medical and education subsidies, if a uniformly high standard of service was to be maintained.

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Explaining the different bases upon which subventions were made, the Financial Secretary said recurrent subventions were made either in the form of a deficiency grant; or in the form of a discretionary grant.

A deficiency grant is a subvention designed to meet the difference between a subvented organisation's approved expenditure for a programme of activities approved by Government and its income from other sources. These grants are normally made available to organisations providing necessary services that Government does not itself provide, or does not provide in full, for historical, accidental and other reasons.

Discretionary Grant

A discretionary grant, on the other hand, is a lump sum grant designed to assist towards activities which Government considers to be no more than desirable and worthy of support. Organisations receiving discretionary grants are independent bodies over whose operations Government exercises little or no control and, unlike deficiency grant organisations, these agencies do not have to refund unspent balances in their subventions.

The Financial Secretary said nearly all subvented voluntary welfare organisations are assisted on the discretionary grant basis.

"The reason for this is that Government's policy for many years has been that voluntary welfare organisations are, with some special exceptions, not the agencies of Government unlike aided schools and large medical organisations," Mr. Haddon-Cave said.

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"By and large, they take their own policy and financial decisions; and public funds are made available only where we believe assistance to be desirable."

The Financial Secretary warned that a deficiency grant basis of subvention might not be suitable for welfare agencies. This was partly because it would involve a degree of control that the Social Welfare Department was not at present staffed to exercise, partly because such controls would be costly, and partly because the diversity of social welfare services in the voluntary sector did not readily lend itself to controls.

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CREATION OF HONG KONG MERCHANT SHIPPING REGISTER

Suggestion Under Careful Consideration

The Financial Secretary, the Hon. C.P. Haddon-Cave told Legislative Council today that Government was giving careful consideration to the possible creation of a Hong Kong Merchant Shipping Register.

The Government, he said, was now working on this question but there were problems to be overcome and these would involve consultations with the United Kingdom and perhaps with other Commonwealth countries.

The creation of a Hong Kong Merchant Shipping Register was one of the points raised by Unofficial Members when they commented on the Budget two weeks ago.

Mr. Haddon-Cave said the Director of Marine was currently in contact with the Hong Kong Shipowners Association and the Hong Kong General Chamber of Commerce with a view to drawing up proposals on the subject.

The Financial Secretary then referred to the comment that countries allow the use of their flags primarily because they treat registry as a source of revenue, whilst at the same time attempting to evade the responsibility of applying international conventions other than in the letter.

He realised it was not suggested that Hong Kong should tread this path through a relaxation of safety standards for Hong Kong vessels, simply to allow or even encourage registry in Hong Kong at a handsome fee. But he agreed that the creation of a separate Hong Kong Shipping Register could bring some advantages.

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It would, for instance, allow the Director of Marine to adopt a more flexible approach to the conditions of registration. But it would not absolve Hong Kong from meeting its obligations as a signatory to various international safety conventions, such as those associated with life-saving and radio equipment, fire appliances, loadline requirements, and the construction of vessels having regard to structural strength.

"So far as these matters are related to safety of life at sea, the standards agreed to at international level must be maintained, if not improved upon, by signatories to the relevant conventions," Mr. Haddon-Cave said.

Manning Of Vessels

On the manning of vessels, the Financial Secretary said the present legal requirements were laid down in the Hong Kong Merchant Shipping Ordinance, which stipulated that all officers should be British nationals with a certificate of Commonwealth validity. This legislation was based on the United Kingdom Merchant Shipping Act and the standards required were similar to those applied to all British ships, that is ships registered in any Commonwealth country.

The Director of Marine, however, had powers under the Merchant Shipping (Aliens Employment) Ordinance, which provided for aliens to be employed on British ships under certain conditions. Such exemptions were normally granted only when an alien was in possession of an acceptable certificate of competency in the first instance.

The Financial Secretary added: "If we were to alter our requirements for officer manning aboard Hong Kong registered vessels, then it would be necessary to hold detailed consultations with the United Kingdom Department of Trade and Industry to seek acceptance of our proposals on a Commonwealth basis."

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Mr. Haddon-Cave pointed out it was worth noting, in this connection, that the International Maritime Consultative Organisation was attempting to develop internationally accepted standards for the training and certification of merchant marine officers. If this study were to lead to greater acceptance of officers meeting internationally accepted standards it could well be of help to Hong Kong in overcoming the manning problem.

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INTRODUCTION OF MORE ADVANCED FISHING METHODS AND EQUIPMENT

Continuous Investigations By Agriculture And Fisheries Department

The Agriculture and Fisheries Department is continuously investigating more advanced fishing methods and equipment for use by the local fishing fleet.

The department is also currently designing a prototype modern trawler of improved standards in terms of working conditions, safety, efficiency and comfort. The first of such vessels may be introduced within the next year or so.

The Financial Secretary, the Hon. C.P. Haddon-Cave told the Legislative Council today the new type vessel would involve a higher rate of capital investment when compared with existing types of modern vessels.

He added: "It must be recognised that it is not likely that the younger generation of Hong Kong's fishing community will be attracted to work on board fishing vessels unless these improved standards are provided."

The Financial Secretary was replying to suggestions made during the debate on the Budget that money spent on research and development constituted only a small proportion of the allocation to the Agriculture and Fisheries Department.

He said an examination of the 1971-72 figures would show that of a total expenditure of about \$18 million only 13 per cent was spent on administration, but 23 per cent was spent on research, 36 per cent on development and 28 per cent on regulatory requirements.

The pattern, he said was very similar for the 1972/73 estimates.

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The Financial Secretary assured the Unofficial Members that the Director of Agriculture and Fisheries was only too conscious of the need to provide training and engaged in research to increase the productivity of the fishing fleet.

He said there was a shortage of fishing crews in Hong Kong and the younger generation was becoming less willing to pursue that "adventurous life of the sea" to which the Hon. K.S. Lo referred.

Mr. Haddon-Cave said the general economic development of Hong Kong had made life ashore more attractive. Many young sons of fishermen had gone overseas and whole fishing communities in the New Territories had ceased fishing completely or reduced their fishing activities because of the inflow of money from abroad.

The much higher standard of education now available for fishermen's children had also led to a reduction in the numbers of potential fishermen, he said.

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HONG KONG SOCIETY OF ACCOUNTANTS
Legislation To Be Introduced Shortly

Legislation for the establishment of the Hong Kong Society of Accountants will be introduced into the Legislative Council in late April or early May.

The Financial Secretary, the Hon. C.P. Haddon-Cave, said today that final drafts of the bill and of the by-laws had now been agreed both by a Government working party and a working party of practising members of the profession.

Replying to queries from Unofficial Members concerning the employment of qualified accountants in Government departments, Mr. Haddon-Cave said the approved establishment of such posts was 37, and there were five vacancies.

He said if recruitment possibilities in recent years had been more promising the establishment might well be larger.

The Financial Secretary agreed that accountants were thin on the ground, but added that the Accountant General intended to review the position once he was able to assess the effect of the improved terms resulting from the recommendations of the 1971 Salaries Commission.

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BILL TO PROTECT DEPOSITORS AND TO PREVENT FRAUD

Draft Legislation In Advanced Stage

Draft legislation aimed at protecting depositors and to prevent fraud is in an advanced stage of preparation and should be finalised fairly soon.

The Financial Secretary, the Hon. C.P. Haddon-Cave announced this in the Legislative Council today when debate on the Budget was resumed.

Replying to questions raised by the Hon. H.J.C. Browne about the implementation of the recommendations in the First Report of the Companies Law Revision Committee, he said that since the middle of January this year, Government had engaged Mr. James Selwyn, a retired Adviser in the Bank of England, to assist in processing "this comprehensive and complicated" Report.

He was pleased to say that significant progress had been made in the preparation of legislation on the basis of the Committee's recommendations.

On securities with particular reference to stock exchanges, the Financial Secretary said the chapter dealing with it was rather more complicated.

There was much to be said for the Committee's firm conviction that Government should not get too deeply involved in attempts to regulate and supervise stock exchanges and dealings with them.

On the other hand, in the present circumstances of Hong Kong, self-regulation of the kind and to the extent that existed in Britain might take a little time to achieve, he added.

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"The problem is that of finding a workable balance between direct Government supervision and self-regulation by the exchanges themselves," he said.

He said that considerable discussion had taken place between Mr. Selwyn and various interested parties with a view to finding the most satisfactory plan for Hong Kong.

"Some tentative conclusions have been reached which will enable a draft Bill to be sketched out, but much work remains to be done on the details," he said.

The proposal to license investment advisers and portfolio managers had been given low priority, as recommended by the Committee itself, he said.

As regards company prospectuses, the Financial Secretary said a draft Companies (Amendment) Bill giving effect to the Committee's recommendations had been finalised and would be submitted to the Executive Council within the next few weeks.

On take-over bids, he said consideration would be given to that aspect of the Report soon after the Committee's more urgent recommendations had been dealt with.

As regards mutual funds and unit trusts, the Financial Secretary said that a first draft of a Unit Trusts Bill had been completed.

Drafting of a Mutual Funds Bill was also proceeding, but might take rather longer in the absence of corresponding British legislation.

/He explained

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He explained that although mutual funds and unit trusts had similar financial aims, the legal concepts involved were quite dissimilar and it would not be practicable to deal with both those investment media in a single piece of legislation.

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RECORD \$1,200 MILLION FOR PUBLIC WORKS IN 1972/73

Look To The New Territories For Further Expansion

The Director of Public Works, the Hon. J.J. Robson, said today more than \$1,200 million will be spent on Public Works in the coming financial year -- a record by any yardstick.

"But this will be eclipsed by that of the next year when total expenditure by the Public Works Department will probably exceed \$1,500 million on projects already approved and in the Public Works Programme," he added.

Mr. Robson was replying to questions raised by Unofficial Members on March 15 and 16 when debate on the Budget was resumed in the Legislative Council.

He recalled that he introduced his speech last year by explaining that to achieve a rate of expenditure of around \$1,270 million would not be easy either for the Public Works Department or the Construction Industry.

Each year it required more staff time to spend the public works dollar as projects were becoming progressively more difficult and expensive to construct because of shortage of sites, rising standards and congestion of both the Colony's roads and environment, he said.

"I was, however, hopeful that the wages and materials fluctuation clauses introduced into Government contracts would give contractors confidence to bid for Government contracts and that by increasing the number of contracts under construction the delays caused by rising costs to the contractor and shortage of labour could be overcome."

/Mr. Robson.....

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Mr. Robson explained that his 1971/72 estimates had been prepared on that basis and he was happy to say that his hope that they would not prove to be too far off the mark had not been misplaced.

The approved 1971/72 Non-Recurrent P.W.D. estimates were \$530 million and he expected to spend \$550 million. The total of the Non-Recurrent P.W.D. estimates for the past three years \$1,189 million as compared with an actual expenditure of \$1,219.5 million.

"My forecasts must make provision for rising costs, the chances of filling vacancies on establishment, and the many factors which can effect the 600 odd projects for which funds have been provided in this year's estimates and the 400 odd contracts which are running at any moment in time over the year," he said.

P.W.D. Estimates

In the circumstance the P.W.D. estimating had not been too bad and that was only possible because of the extreme flexibility of the financial system and the despatch with which first the Public Works Subcommittee of the Finance Committee of the Legislative Council approved projects for construction and then the approval of the necessary funds by the Finance Committee.

Mr. Robson said that he was to blame for what the Hon. Szeto Wai had described as "the gloomy forecast of returns" from land sales of \$149 million which he had made last year.

For the coming year he had estimated a return of \$223 million but those estimates had to be made anticipating market prices 15 months ahead, he added.

/He refuted

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He refuted the statement made by the Hon. H.J.C. Browne which suggested that Government restricted the amount of land made available for sale in order to secure excessively high premia.

"This, of course, is not so. The allegation has been denied a number of times in recent years and I am surprised to find that the view is still held by my Honourable friend," he said.

He assured Mr. Browne that in the urban areas his department was offering as much land as it possibly could for sale by public auction and at no time had withheld a land sale to achieve excessively high revenue, he added.

Sales Programme

The Sales Programme for the next six months from April to September 1972 contained 66 lots in the urban areas with a total area of over one million square feet covering residential, industrial and commercial property, he said.

"It is hoped that a somewhat similar programme will be possible in the following six months from October 1972 to March 1973.

"But it will not be possible to keep up this rate of sale indefinitely as suitable sites in the Urban Area are becoming fewer and those which can be found are more difficult to develop," he said.

The Urban Area was becoming more and more congested and therefore, for the future, one had to look to the New Territories for further expansion, he pointed out.

Ample land was becoming available at, for instance, Castle Peak where over 300,000 square feet of industrial land was available for sale.

/Referring.....

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Referring to Shatin, the Hon. Oswald Cheung had stressed the need to provide adequate space for roads for Government and Community use; the segregation of pedestrians from vehicles; and the need to ensure that the new township had adequate road and rail access between Kowloon and Shatin and with the neighbouring township of Kwai Chung-Tsuen Wan.

Mr. Robson explained that when large scale detailed planning layouts were prepared adequate road provision would be made in each of the planning areas to match the extent of development planned, both in government and private sectors.

Planning For Shatin

"A feature of the planning for Shatin is the provision of a hierarchy of roads for the main types of traffic encountered, with the primary network providing direct access to the town from Kowloon and Tsuen Wan."

These roads would be of the limited access type and would include grade-separation at all intersections to ensure that the capacity of the system for traffic was maximised, he said.

A system of secondary or district distributor roads would distribute the traffic to the various areas within the town where the local roads would provide access to the individual developments, he added.

As far as the second Lion Rock Tunnel was concerned, Mr. Robson said that he would seek funds at the First Review of the Public Works Programme on May 5 to enable a start to be made on an enlarged Waterworks Tunnel required for the High Island Scheme as that would be made big enough to take vehicular traffic.

/There was ...

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There was no indication that the existing Taipo Road needed to be widened for some years but should the population at Shatin build up far more rapidly than expected the road could be widened if required, he added.

"Plans exist for this although it will be appreciated that it will be an expensive and difficult task due to the general topography of the area."

Plans also existed for a road link between Shatin and Tsuen Wan by way of a tunnel through the Shing Mun hills but the need for that should not arise until the early 1980's, he said.

Double Tracking

Mr. Robson said the cost of double tracking the railway was about \$20 million but that figure did not include a second railway tunnel from Kowloon or the provision of additional rolling stock to provide a more frequent service.

"I would like to add that provision is being made in the planning layouts for the possibility of extending any future mass transit system to Shatin," he added.

The planning for Castle Peak followed the same pattern as Shatin but the most important consideration was to ensure that a new road link between Tsuen Wan and Castle Peak was available to traffic at the earliest possible date.

For that reason the P.W.D. recommended that the work be carried out in two stages -- Stage I providing for a three-lane carriageway and Stage II for a further three lanes, he added.

/He explained

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He explained that the construction of six-lanes in the first instance might achieve economies by virtue of being able to produce a balanced cut-and-fill design for the new road, the savings in cost would be more than offset by the loss due to capital outlay in advance of the road.

More important was the fact that any attempt to complete all the formation works at once would almost certainly delay the opening of the Stage I works to traffic, he added.

"I should like to assure my Honourable friend, Mr. Browne that Phase I of Stage IV of the expansion of Kai Tak Airport Terminal Building will be upgraded to Category A of the Public Works Programme and work started as quickly as possible."

Sketch plans or final details of all sections of this phase were nearing completion and specialist consultants would probably be appointed to advise on the Baggage Handling layout and equipment, he added.

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URBAN COUNCIL'S KEEP HONG KONG CLEAN CAMPAIGN

Plan For Large Scale Community Involvement

The Director of Urban Services, the Hon. D.R.W. Alexander, said today a plan for large scale community involvement in the Urban Council's Keep Hong Kong Clean Campaign is currently being considered.

He was replying at the resumed Budget debate in the Legislative Council to questions raised by the Hon. Oswald Cheung on March 16.

Matters such as staff recruitment and training, designing of new litter containers, scheduling of area clean-ups, and myriad minor details were all being pursued, he added.

"But the crux of the matter will not be solely the provision of funds for staff and equipment and a will on Government's part to clean up Hong Kong."

It rested firstly, on whether the local populace could be persuaded that the days of indiscriminate littering and refuse dumping were over.

He pointed out that this could be done in the long term by a continuation of education and persuasion but in the immediate term, on pain of prosecution with adequate penalties.

Secondly, he added, it was not a question of the Urban Services Department cleaning up the mess but one of the populace not creating it in the first place with his department enabling them not to do so by providing full and adequate services wherever required.

/On garbage

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On garbage and pollution of streams in the New Territories, Mr. Alexander said "the key to the situation, as I believe the Environmental Pollution Committee has already come to appreciate, is in public enlightenment coupled with determined enforcement of the law and land use policies and conditions."

His department was responsible for the collection and disposal of garbage, and had been ever since the New Territories Administration had shed sundry of its executive duties about 1960 and had begun to give priority of attention to land policies and administration.

Rural Villages

Simple rural villages in undeveloped agricultural areas needed little or no rubbish collection but the change of the New Territories to an overpopulated, overgrown series of towns, cottage industrial estates and big farming businesses had been very rapid, he said.

"I am glad to say, however, that we are at last being provided with the resources needed to begin catching up, even though in many areas no rates are as yet paid."

Mr. Alexander pointed out that there were about 1,000 distinguishable villages or small settlements in the New Territories, many of them inaccessible to vehicles.

"This does not make collection and disposal of refuse any easier," he added.

His department shifted nearly 470 tons of refuse a day in the New Territories, he said.

/"I cannot

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"I cannot say how much is being dumped by selfish and unscrupulous farm and factory managers or thoughtless individuals into streams when nobody is looking, but we are hoping for some interesting new information to emerge from the surveys we plan to set up this summer with the help of students dedicated to the war on pollution."

Mr. Alexander said his department also accepted the responsibility of clearing streams provided adequate resources were made available.

But, he said the practical task of cleaning 300 or more streams regularly was quite formidable, particularly at a time when unskilled labour in large numbers was not available.

Open Sewers

He explained that the majority of those streams had been converted into open sewers by the uncontrolled squatters who now infested most of the areas.

"Cleaning up alone will not put an end to the problem, as long as streams are still acting as entry points for all wastes from the activities of squatter structures, industries and whatnots along their banks."

A need existed for all existing streams to be dredged and trained and reverted to their original state, he stressed.

In their place, local sewerage systems and collection centres capable of dealing with all kinds of waste products, including refuse and nightsoil, should be provided.

"The pollution in the New Territories is horrible -- compared with the past, although, as far as I am aware, the general health of the rural population is so much better than it was," he said.

/His ability

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His ability to clean up the mess was proportionate to the human and mechanical resources that he was able to acquire and to train and absorb into his establishment, he pointed out.

"But neither land for dumps nor additional money for staff, transport and equipment falls within my control. And even if they did, and I had all the staff and facilities I need, I still would not be able to succeed in my task unless I have the co-operation of the local population in understanding the problem and assisting me to overcome it.

"For it is they who have dumped their rubbish there -- in many instances on private land," he stressed.

Cost Of Cleaning

Citing that the cost of cleaning up a short stretch of the Sutlej River near the Sheung Shui tanneries was about \$700,000, Mr. Alexander said he expected the whole job to cost millions.

"How much it will cost and what precisely should be done to prevent the same thing happening again we still do not know," he said.

On the problem of hawkers mentioned by the Hon. Ellen Li on March 15, Mr. Alexander said in a community as closely packed as Hong Kong, some curbs had to be put on individual freedom, if the safety and well-being of others were not to suffer.

"The Urban Council, while recognizing that, in certain areas, hawkers provide a very necessary service, also acknowledges the fact that their legitimate needs must be balanced against the needs of traffic and pedestrian circulation and of shops and residences," he said.

/ "I hope, ...

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"I hope, in a very short while, to seek Members' approval of an extensive revision of the Hawker By-laws designed to assist in the implementation of the revised policy, while, at the same time, offering greater protection for law-abiding hawkers," he added.

Replying to questions raised by the Hon. Ellen Li and the Hon. G.M.B. Salmon, Mr. Alexander said that recent progress in the development of active recreation facilities had been very satisfactory.

Over the last two years, the number of swimming pools had risen from two to five, with each of the three new complexes being considerably larger than the two old pools at Victoria Park and Kowloon Tsai put together, he added.

"Two more are under construction at Kennedy Town and Morrison Hill," he said.

Games Pitches

There were now 250 basketball pitches, compared with 200 two years ago, and 132 grass games pitches or hard surfaced mini-soccer pitches, an increase of 30 over the period.

The Colony had 79 volleyball courts and only last month six new tennis courts had been opened in Kowloon where the provision of squash courts were also being considered.

Revised sketch plans and estimates for the Indoor Stadium had recently been submitted, while the Architectural Office of the Public Works Department was actively working on sketch plans for the Ho Man Tin Football Stadium.

"It is hoped that both stadia will be completed by 1976," he said.

The Kowloon Civic Centre had just been included in the Public Works Programme as an Investigation Item so that an order of cost could be established with a view to approaching Finance Committee for approval, he added.

/He refuted

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He refuted any suggestion that departments concerned with those projects were in no hurry to get them upgraded, particularly since the Urban Council and the Urban Services Department were undoubtedly the main instigators of such processing.

"On the whole, I do not think there has been any undue delay without good reason in the processing of recreational and amenity projects, and it must be remembered that a large number of smaller recreational projects are being built from the Urban and New Territories block votes, without going through the Public Works Programme at all," he said.

Pilot Scheme

Mr. Alexander said he shared Mr. Salmon's hopes that it would be possible to build many more multi-purpose game-halls such as that being built at Kai Tak.

"This is, however, being regarded as a pilot scheme and those, who are perhaps a little too cautious, argue that we should see how the new hall will be used and what modifications will be thought to be desirable before we rush into a massive building proposal," he said.

The same argument had been used in respect of study rooms the need for which and the supervision of which by comparatively junior staff had been proved beyond a doubt, he added.

"We have, therefore recently been given authority to include study rooms in our schedule of accommodation for Aberdeen and To Kwa Wan Markets."

With regard to the Hon. Ellen Li's plea for more cultural activities for youth, Mr. Alexander said that during the past year, the Urban Council and the Urban Services Department had presented 177 performances of serious music, drama and dance -- both Chinese and Western.

/He pointed

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He pointed out that many of them had been joint performances, presented with willing and generous help from such organisations as the Goethe Institute, British Council, and Alliance Francaise, and various local groups.

The performances had been attended by about 148,000 people -- the vast majority of them students, he added.

"The Urban Council will continue to present such programme charging a mere \$1 a ticket for students, and in July and August of this year will organise a Hong Kong Arts Festival to celebrate the 10th Anniversary of the City Hall."

Performing Arts

The programme would embrace all branches of the performing arts, as well as several art and photographic exhibitions and would be aimed primarily at young people and for this reason, the summer school vacation period of July and August had been chosen for the Festival, he said.

In addition, the City Museum and Art Gallery had presented ten exhibitions covering a wide range of subjects including Chinese antiquities, Chinese paintings and calligraphy, archaeology in Hong Kong, coins and currency of Kwangtung, Macau and Hong Kong, and children's art.

"These exhibitions were attended by over 175,000 people including a large number of students in organised school visits," he said.

The Urban Council's libraries were jammed mainly by teenagers and the Council believed that additional libraries should now be built.

/The department....

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The department was also, with the assistance of the New Territories Administration and the Social Welfare Department, looking into the existing and anticipated needs of the New Territories for library facilities, he added.

On the formation of a Council for Physical Recreation, he said that the Recreation and Amenities Select Committee of the Urban Council had studied in some depth the feasibility of creating a Physical Recreation Unit, with a controlling or advisory council or committee, to promote the greater and better use of existing public recreational facilities.

"The Select Committee agreed on its recommendations only last month, and I am now about to put these to Government," he said.

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MODERNISATION OF OLDER TYPE RESETTLEMENT ESTATES

Estimated To Cost \$700 Million At Today's Prices

The Commissioner for Resettlement, the Hon. I.M. Lightbody, said today that preliminary proposals had been drawn up for modernising the older type estates at a cost of about \$700 million at today's prices.

The \$700 million figure included the cost of building the necessary new reception estates to allow the old ones to be vacated, he added.

He was speaking in the Legislative Council when the debate on the Budget was resumed.

Mr. Lightbody said a start would be made on the Shek Kip Mei Estate which now housed 60,000 people.

The Public Works Department had prepared a scheme for modernising that estate, converting most of the old blocks with their communal toilets and other communal facilities into self-contained flats, and demolishing other blocks to make way for markets as well as multi-storeyed shopping and commercial complexes.

"What we do in Shek Kip Mei will set a pattern for the clearance of other old estates and we must find the right answers at the outset."

He pointed out that the clearance of Shek Kip Mei would be simply the first of many such major upheavals in future and it was essential that it should be a success.

/"But to

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"But to make it a success, given that its tenants have been established there for up to 17 years, requires patient and time-consuming study of all human implications of the move," Mr. Lightbody stressed.

Above all, he added, a repetition of the impersonal transfers of huge numbers of people from one area to another that characterized the early years of the resettlement programme had to be avoided.

A new organisation would have to be created within the Resettlement Department with the capacity to tackle such a "gigantic task" if that "laudable programme" was to be pursued, he said.

Exciting New Venture

"It is an exciting new venture that we have set ourselves and I have therefore sought the creation, by supplementary provision, of a new Planning and Research Division in my department to supervise it," he added.

Some 250 blocks in the old Mark I and Mark II estates built between 1954 and 1961 were definitely not satisfactory public housing for the 1970s.

"Honourable Members may be assured that I am no less anxious than they to press on with this process, and to see the early demise of the old estates that served us well in the early years of Government housing but which now fall so short of today's needs."

Mr. Lightbody said that efforts over past years to put the needy into simple but secure homes had been prodigious by any standards, but even so, there was complete agreement on all sides that more had to be done and done better.

/"Many

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"Many people are ready to pay higher rents for better public housing and our plans for future public housing must also grow imaginatively to match the rising expectations of the public; we must build for future generations living more spaciouly than people do in our estates today," he said.

The Housing Board, he said, had recently reviewed the building programme and had recommended that whilst the Census data was being studied, the programme should be enlarged by 25 per cent to ensure that the existing approved target, at least, be achieved.

"If this 25 per cent safety margin is approved, the target will increase from 700,000 to 875,000 adult spaces in the six-year period 1970 to 1976," he added.

Substantial Rise

The recommended increase represented a substantial raising of "our sights" over the previous programme period, he said.

"But even this will not be enough if we are to change the old estates from the slums we are ashamed of into the kind of urban environment the people of Hong Kong want -- an environment fit for their children to grow up in."

Mr. Lightbody said a new flexibility was appearing in the use of the terms "resettlement" and "low-cost housing" to meet the obvious logic of combining in one eligibility list the present Waiting List for low-cost housing and the various categories of persons eligible for accommodation in resettlement estates by force of circumstances.

/Estates

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Estates now being designed would be built to a common higher standard which all those in need of housing would enjoy, he added.

"There will soon be no 'second class' housing provided by the Government," he stressed.

On the clearance of squatters, he said it was true that present policies allowed for rehousing of squatters only where Government required the land, except that 5,000 adult spaces a year were earmarked for the clearance of particularly unpleasant areas.

184,000 Resettled

However, he pointed out, since 1964 a total of 184,000 people had been resettled from squatter or similar accommodation even though the land had not been required for development.

Of this, 160,000 were occupants of licensed areas and the remaining 24,000 squatters were victims of fire or typhoon damage.

The figure of 184,000 compared with 277,000 persons cleared from squatter areas for development showed a very significant measure of help for the under-privileged, he said.

"Nonetheless, I fear that the sight of the squatter in his shack will be troubling our social consciences for many years to come, and I hope that it will be possible to expand our building programme to allow a more positive approach to the needs of our still too large squatter community," he said.

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LOANS TO SMALL INDUSTRIES SCHEME SOON POSSIBLE

Applications May Be Invited As Early As July

The Director of Commerce and Industry, the Hon. E.I. Lee, said today that every effort was being made to ensure that the Loans to Small Industries Scheme was introduced as soon as possible.

He was replying at the resumed Budget debate in the Legislative Council to questions raised by Unofficial Members on March 15 and 16.

"Although, as I have said, its operation will involve other organisations besides my own department, with the consequent need for a close liaison between them, I shall be personally disappointed if we are not in a position to invite applications before the end of June."

Mr. Lee stressed that the scheme was experimental in nature and was designed to extend over a period of three years or until such time as the total financial commitment had been reached.

"There is provision for a review after eighteen months and if, by then, the scheme has proved its worth and if a higher level of lending appears justified, I believe there would be a quick response from Government to any proposal for an upward revision of its commitment," he said.

He said he was as anxious as the Hon. K.S. Lo to avoid delay in considering applications and the arrangements now being made to administer the scheme were designed specifically to ensure that decisions were quickly reached.

/He explained

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He explained that processing a loan application would involve consideration by a commercial bank, the Productivity Centre, and by his own department but, despite that he was hopeful that decisions would be reached within two or three weeks.

On the Hon. T.K. Ann's suggestion that an appraisal should be made of Hong Kong's manufacturing industry in an attempt to assess its potential in various spheres, Mr. Lee said he shared Mr. Ann's concern to equip manufacturers with the services their industries required and with the facts which entrepreneurs had to have if they were to continue to make profitable decisions.

Complex Proposal

"But the proposal is a complex one and has implications which I should like to reflect upon before suggesting ways in which it might best be met and before recommending the extent to which Government could and should take part."

The Hong Kong Productivity Centre and the Trade Development Council existed to serve the manufacturer and Mr. Ann was familiar with the research carried out in the department of Commerce and Industry into a series of selected industries, he said.

"I intend first to consult the other agencies involved in the promotion of Hong Kong's industry and trade in the hope that some agreement may be reached on priorities for research into the needs of industry and on the most effective means of carrying it out," he added.

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On the question of having "our own man" in Tokyo, Mr. Lee said that the Trade Development Council had, of course, been represented in Tokyo since November 1970, when an office had been opened in recognition of the growing significance of Japan as an export market.

"As far as Government representation is concerned, we have also considered this but feel that, for the present, the volume of commercial policy work is not sufficient to justify a full time presence, and we are well looked after by Her Majesty's Ambassador and his staff," he said.

He pointed out that Tokyo was only three hours away and, in the past year, senior staff of his department had made several visits there to deal with specific points in conjunction with the British Embassy.

"It is our intention to maintain and strengthen these contacts," he stressed.

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TWO FURTHER TECHNICAL INSTITUTES PLANNED FOR COMPLETION IN 1975

Director Of Education Says Review Of Need For
More Institutes Being Carried Out

Active planning is proceeding on the two further technical institutes and it is now anticipated that it will be possible to complete both projects by the beginning of the academic year 1975 and not one in 1975 and one in 1976 as originally envisaged, the Director of Education, the Hon. J. Canning told Legislative Council today.

"I am investigating ways and means to start the operation of these institutes in other buildings before the new buildings are completed and if this should prove feasible I will submit recommendations through the usual channels," Mr. Canning said.

He was replying at the resumed Budget debate to queries raised by Unofficial Members.

Mr. Canning pointed out that a review of the need for further technical institutes was currently in hand. The target date for the completion of this review, which was ordered by the Governor, is August 1972.

He emphasised that technical institutes, which have a capital cost of the order of \$14 million each, required very detailed planning to get them right.

Clarifying a misunderstanding, Mr. Canning said that officers of his department had relied very heavily on the information and recommendations put forward by the Industrial Training Advisory Committee in promoting new courses in both the Morrison Hill Technical Institute and the Technical College.

/A report

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A report by the Committee emphasised that the responsibility for the training of skilled manpower was divided between Industry on the one hand, to provide the practical training and Government on the other hand to provide the related technical education.

The Committee recommended that the best means of carrying out this principle was by means of part-time day-release courses whereby young people who were being trained by means of apprenticeship in industry were released for one day a week to attend a technical institute for their related technical education.

Technical Institutes

Mr. Canning said that for this reason, courses at the Morrison Hill Technical Institute and the courses in the two new technical institutes at present under planning were based as far as possible on the principle of part-time day-release.

"This division of responsibility for technical training is fully accepted by the Industrial Training Advisory Committee in its final report.

"It is essential, therefore, that the provision of technical institutes should attempt to keep in phase with the numbers of places provided in properly organised apprenticeship schemes within industry and the rate at which industry will be providing apprentice training opportunities will, no doubt, have some bearing on the assessment of the need for additional technical institutes," Mr. Canning said.

He announced that plans were under consideration for the expansion of the Morrison Hill Technical Institute by the addition of some 6,000 square feet of workshop area and constant review of courses were taking place to provide the best possible use of the facilities available.

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But in one industrial field - printing - proposed training schemes might be held up because the Technical Institute could not provide courses for those who would be receiving industrial training.

Mr. Canning said that highly specialised printing workshops, which were required, were not available at Morrison Hill although consideration was being given to include such facilities in one of the two institutes being planned at present.

Referring to expenditure on technical education, Mr. Canning said that the two further technical institutes would require a capital expenditure of the order of \$26 to \$28 million. "When all three technical institutes are operational the recurrent costs will be of the order of \$15 million per annum."

Pre-vocational Schools

Mr. Canning said that the expansion of pre-vocational schools had a planned capital expenditure of the order of \$17 million. When the planned projects were completed the recurrent costs of these schools would be of the order of \$5 million a year.

The Director gave an assurance that everything was being done "to expedite the realisation of our aims" on the plans for three years of post-primary education for all who seek it.

On the shortage of secondary schools in the New Territories, Mr. Canning said that private secondary school operators tended to concentrate their activities in the urban areas and he could not hold out any real hope that any significantly large numbers of places would be provided from that source in the near future.

/However,

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However, he emphasised that the New Territories were not being neglected by Government. "There are at this time of speaking 18 secondary government and aided schools in an advanced stage of planning for the New Territories; work will commence at a new government secondary school at Sha Tin in April of this year and one of the two new technical institutes is to be located in the New Territories.

"Thus there is a total of 20 projects to cater for post-primary education needs in the New Territories. It is, therefore, expected that by 1976, there will be in the New Territories a provision of post-primary places for 18.2 per cent of 12-16 years age group; that is to say within the aim set for Hong Kong as a whole," Mr. Canning said.

Assisted Places

He also pointed out that the New Territories had not been neglected with regard to the scheme to provide by 1976 three-year assisted places for 50 per cent of the 12-14 age group.

"A start has been made with the buying of places; more will be purchased in 1972, and plans are being prepared for new schools offering a three-year course of education."

Mr. Canning gave an assurance that Government in its planning would continue to be mindful of the needs of the young people in the New Territories.

Clarifying one very important point, Mr. Canning said: "The present policy is to provide three years of aided post-primary education for all within the 12-14 years age group, and it is hoped to provide for 50 per cent of such people by 1976. No date for 100 per cent provision has been fixed.

/"For my

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"For my part I would like to achieve 100 per cent provision as early as possible, but I really must emphasise that the expansion programme we have set ourselves in the post-primary field under existing approved policies is a tremendous one."

Mr. Canning said that consideration would be given to a suggestion that public funds be made available to permit any child between the ages of 6 and 15 years to attend a school registered with the Education Department subject to it being established that the parents concerned would need such financial assistance and that there was no aided place available for the child.

Subsidized Special Schools

Turning to fees in subsidized special schools, Mr. Canning said: "It is Government's aim to provide a free primary education for all. Special schools have not yet been included in the present scheme, not because there is any doubt about the merit of extending free primary education to handicapped children, but because the financial arrangements in these schools differ considerably from ordinary primary schools.

"Proposals to increase the level of subsidies for special schools are now under consideration and I have recommended that if they are approved they should take effect from September 1, 1971." This means that the proposed new subsidies would be backdated if approved.

Mr. Canning said it was his view that handicapped children should be educated in ordinary schools provided that the degree of handicap was not severe and that special facilities and staff were made available.

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DEVELOPMENT OF POLYTECHNIC TO PROCEED AT "CRISP" RATE

Considerable Advances Made In Field Of Public Assistance

The Colonial Secretary, the Hon. Sir Hugh Norman-Walker, said today an item to provide an additional 25 lecture rooms as an extension to the existing Technical College had already been included in the Public Works Programme.

In addition, the expansion and reconstitution of the University Grants Committee into a Universities and Polytechnic Grants Committee was proposed, he added.

Speaking at the resumed Budget debate in the Legislative Council, the Colonial Secretary said that his task was to "glean behind his official colleagues" without encroaching on the fields yet to be harvested by the Financial Secretary.

Continuing on the Polytechnic, he said: "Much remains to be done but I am hopeful that under the able leadership of My Honourable Friend, Dr. S.Y. Chung progress from now on will be at a crisp rate."

On the Public Assistance Scheme, he said he welcomed the interest in a scheme designed to help the least fortunate members of the community.

However, he had found it a little difficult to reconcile what had been said with the very considerable advances made in this field.

He pointed out that in December 1970, a single old person had been getting \$33 a month but as from April 1 this year, that person would be getting \$110 a month and a further \$25 for rent as well as additions for special needs where appropriate.

/A family

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A family of five who had been getting \$132 a month in December 1970 would be getting as from April 1 this year \$370 plus a higher amount of up to \$68 for rent as well as additions for schooling expenses, essential travel and special needs, he added.

"Of course, Government is not now going to sit back and say that nothing more needs to be done for the elderly and the disabled or for other categories of people in need."

Although the public assistance scheme had gone a long way in a short time, nevertheless, he did not think Hong Kong should be satisfied with what had been achieved so far though there was no comparable scheme in the region, with the exception of Japan, he added.

Look Ahead

He assured Members that Government accepted the need to look ahead and see what the future needs of the elderly would be.

"For this reason, a working party including members of Government departments and of voluntary agencies concerned are already at work, and I look forward to seeing their proposals," he said.

He reminded Members that the problems associated with geriatrics were worldwide, and that no nation had yet found a satisfactory and all-embracing solution.

"Nevertheless we are, a young community and this is a challenge that we are perhaps in a better position to meet than most administrations."

/Referring

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Referring to the Hon. P.C. Woo's request that the pay of members of the Auxiliary Defence Forces be suitably increased, the Colonial Secretary said he was glad to announce that, subject to the approval of the Finance Committee, increases would soon be made.

He also welcomed and endorsed the point made by the Hon. Ellen Li that there was a need for greater public co-operation with the Police, to make law enforcement more effective.

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PROPOSED CHARGE ON UNOCCUPIED PREMISES

Financial Secretary Accepts Case For Initial Free Period

The Financial Secretary, the Hon. C.P. Haddon-Cave gave an assurance today that points raised by the Unofficial Members on the proposed charge on unoccupied premises would be given careful consideration.

Three Unofficial Members - the Hon. Mrs. Ellen Li, the Hon. Q.W. Lee and the Hon. P.C. Woo - had made several points relating to the implementation of the proposed charge.

Speaking at the resumed Budget Debate in the Legislative Council, Mr. Haddon-Cave said: "Their points will be given careful consideration when the necessary amending legislation is being drafted later this year.

"It will suffice to say now that I accept the case for an initial free period following the issue of an occupation permit."

On Mr. P.C. Woo's suggestion that the funeral expenses allowed as a deduction before determining the value of a dutiable estate should be increased to take account of present day costs, the Financial Secretary said: it was an accepted principle that reasonable funeral expenses should be allowed, but he proposed to increase the allowance from \$2,000 to \$5,000 instead of the \$4,000, suggested.

The Financial Secretary, however, did not agree with the Unofficial Members' view that the proposal to abolish duty on heavy oils be extended to cover oils consumed by the power companies on the principle that the indirect tax system should not inflate costs.

/Mr. Haddon-Cave

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Mr. Haddon-Cave said: "Apart from certain technical difficulties relating to the passing on of relief to consumers, I did not feel justified in extending this measure of reform to them in view of the cost involved (approximately \$37 million); and the difference in cost between cooking by electricity and even town gas, on the one hand, and by kerosene and liquefied petroleum gas on the other is already such that the competitive position of the electricity and gas companies will not be worsened."

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HONG KONG PRESSING FOR EARLY FORMAL CONSULTATIONS

With Britain On Exports Of Cotton Textiles

The Hong Kong Government is now pressing the British Government for early formal consultations on the post-1972 arrangements for exports of cotton textiles to the United Kingdom.

The Financial Secretary, the Hon. C.P. Haddon-Cave, stated this today in the Legislative Council at the resumed Budget Debate.

"We had hoped to be able to press Her Majesty's Government for an improvement of their offer to us in respect of transfers from fabrics to garment quotas," he said.

On transfers, H.M.G.'s response had been that an improvement could be offered only upon certain conditions, which had been unacceptable to Hong Kong, he added.

"Nor were we successful in our bid for hardship yardage, but then neither was any other supplier."

After consulting the Textiles Advisory Board and taking all aspects of the situation into consideration the following decision was taken:-

- * Continue to limit exports in 1972 on the same basis as in recent years;
- * Reserve Hong Kong's position on the question of compensation; and
- * Abandon negotiations for compensation for 1972 provided formal consultations were started soon on the arrangements to be introduced in 1973 consequent on Britain's entry into the E.E.C.

/Earlier,

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Earlier, the Financial Secretary had said that he was grateful to his Honourable Friend Mr. Salmon for mentioning the question of the renewal of quota controls over Hong Kong's exports of cotton textiles to the United Kingdom, for the conditions under which Hong Kong had to conduct its trade was of the utmost importance.

He recalled that when reporting the results of trade talks with Her Majesty's Government in London in January, he indicated that, at the end of the talks, a position had been reached where both sides had been moving towards a measure of agreement.

"But from Hong Kong's point of view, not sufficiently so to meet our objectives."

"I said then that we had remained in correspondence with Her Majesty's Government subsequent to my return from London," he said.

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AMENDMENTS TO LABOUR TRIBUNAL BILL PROPOSED

"Valuable Suggestions For Its Improvement"

Says Attorney General

The Attorney General, the Hon. D.T.E. Roberts, today proposed a number of amendments to the Labour Tribunal Bill to include in it "valuable suggestions for its improvement."

He was speaking during the committee stage of the Bill in the Legislative Council.

Mr. Roberts thanked the Unofficial Members for their valuable suggestions and said that comments and suggestions from various employers' association had also been received and taken fully into account.

"The Bill has also aroused interest among workers and criticism and comment has been voiced by groups and representatives of workers," he said.

"Some of these show a misunderstanding of the scope and purpose of various parts of the Bill."

Mr. Roberts said a Chinese version of the Bill had been prepared by the Secretariat for Home Affairs, but had not been published because it was thought advisable to wait until it was possible to insert in it such amendments as might be made today.

In moving that Clause 9 be amended, the Attorney General said the object was "to make it clear that proceedings can be brought either in the Supreme Court or the District Court, as may be appropriate, after the six months' period during which actions within the jurisdiction of the Labour Tribunal must be brought before the Tribunal."

/Mr. Roberts

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Mr. Roberts reminded the public that the Tribunal would have no power to deal with, or interfere in, industrial disputes, strikes, lock-outs or negotiations between employers and groups of workers or trade unions.

It would deal with claims by individual workers against their employers for money or other benefits due either under the contract of employment or the Employment Ordinance.

He said a claim based on the appropriate provision of the Employment Ordinance might also be dealt with by the Tribunal, if the worker's contract did not already provide for something at least as good as that which the Ordinance obliged the employer to provide.

Maximum Period

In moving that Clause 13 be amended, the Attorney General said this was to meet Dr. the Hon. S.Y. Chung's suggestion that there should be a maximum period within which the date for the hearing of a claim must be fixed, in order to ensure that claims were dealt with speedily.

He emphasised that "the bill is meant to provide a quick method of settling claims. If the process is slow, the Bill will not achieve its purpose."

In moving that Clause 15 be amended, Mr. Roberts said the first amendment would oblige the conciliation certificate required under Clause 15(1) to be produced to the Tribunal at least 24 hours before the date fixed for the hearing of the claim.

This, he said, again was intended to ensure that no avoidable delay occurred in dealing with a claim.

/This Bill

"This Bill will not replace the conciliation machinery of the Labour Department which will continue to play as important a part in the settlement of disputes between employers and workers as it does now," he added.

Referring to the second amendment, the Attorney General said the only substantial difference was that the Commissioner might only adjourn a hearing if all parties to the claim had agreed to the adjournment for the purpose of conciliation.

Moving another amendment to the Bill, the Attorney General said there was some objection to the previous provision for penal costs to be awarded against a claimant. It was thought that this should be removed as it might constitute a deterrent even to those with legitimate claims to pursue.

Adequate Powers

Mr. Roberts said that the present Bill "does not confer adequate powers on the Tribunal to deal with insulting behaviour, failure to comply with orders to appear before the Tribunal or to produce documents or with a refusal to comply with lawful requests by the tribunal officers or with wilful obstruction of them." He proposed that three new clauses dealing with these matters be inserted into the Bill.

Referring to Clause 41 which makes it an offence to induce a witness or party not to give evidence in a hearing before the Tribunal, the Attorney General said: "This clause seeks to ensure that a party to a claim and a witness shall be protected against pressure."

"The clause is not intended to prevent a trade union from assisting a worker in his dealings with his employers, so long as this activity does not amount to an attempt to prevent a party or witness giving evidence to the Tribunal."

TYPE OF MANPOWER REQUIRED BY GOVERNMENT SHORT IN SUPPLY

Outbid By Private Organisations In Both Salaries And Fringe Benefits

The Colonial Secretary said today that many of the qualities, qualifications and types of experience required by the Government was short in supply both locally and overseas.

He was replying in the Legislative Council to questions on the large number of vacancies in the Public Service raised by the Hon. Wilson Wang on March 16.

"In consequence, outside organisations are often prepared to outbid the Government in both salaries and fringe benefits," he added.

He welcomed Mr. Wang's suggestions for improvement in the recruitment and training methods, but would not have him think that the present methods of "fishing" were comparable to those of "old man Keung", who used neither hook nor bait.

"We do not, as my Honourable Friend seems to imply, rely solely on advertisements."

But unless the work was rewarding, the prospects good, and salaries and conditions of service in line with the going rate, then the fish "would not bite," he said.

He pointed out to Members that the Government made energetic and continuous attempts to encourage local candidates to join the Civil Service.

Talks were given at the Universities at regular intervals and in the schools; the Government took an active part in Careers Weeks and Workshops organised by both Universities; lectures were given by senior officers whenever possible, he added.

/More than

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He said more than 200 officers were already away at this moment on courses lasting between three months and three years, and another 215 going in the coming financial year.

He shared the concern expressed on recruitment within the Police Force, but before he committed himself to a course of action on this, he would like a chance to examine the result of the recent improvement in police pay scale.

He said the many comments made by Honourable Members revealed an interesting conflict of views.

Public Service

"On the one hand it is argued that the public service is too expensive, and that the Salaries Commission and its predecessors have resulted in costs that are disproportionately high for our means.

"On the other hand it was also said, and rightly, that our vacancy position is serious, and that the modest increase of 4.3% in staff establishment this year is too little in the light of a record increase in Government expenditure," he said.

The hard facts were that the Public Service was understaffed, most particularly where skill and experience counted, and particularly understaffed, to decide on and implement Government policies, he said.

He pointed out that the size of the Public Service was now of the order of one hundred thousand people, or would be if they were all in position.

/This, however,

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"This, however, is misleading, for we count as public servants scores of thousands of people who in other administrations are differently labelled. For instance, railwaymen would be the Judiciary.

"No, Sir, I am worried about the size of the Civil Service, but I am not worried that it is too large. I am worried it is too small," he stressed.

Relative to the size of the Service the professional, administrative and executive groups formed a tiny proportion, almost at three per cent.

To man the complex and sophisticated services now required by the public of Hong Kong, this seemed to him inadequate, he added.

"The Government's objectives are not achieved as fast and effectively as we would like because the resources that we do have are overstrained," he said.

He stressed that the recruitment of good material and the retention of experience was of paramount importance.

"The price may be high but this must be given increasing priority if all that we aim to do and all that the Senior Unofficial Members indicated that we should do, is to be achieved," he said.

"While much public attention has been focussed on the salary changes resulting from the activities of the Salaries Commission, these are merely a by-product of the principal recommendations of the Commission which in fact amounted to a fundamental reform of the Government salary structure and which I may say have gone largely unremarked," he said.

/The Salaries

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The Salaries Commission had done Hong Kong a good service in creating comparatively painlessly a much more flexible salary structure than the previous model scale system.

Judicious use of these new scales backed by thorough analysis and surveys from the Pay Investigation Unit would enable Government to respond more quickly to the changing patterns of recruitment in the market.

Recruitment had become much more difficult recently in some areas, particularly the professional and disciplined groups, where our salaries "no longer held any competitive edge," he said.

He said comment had been made on the length of our recruitment processes.

"These processes are efficient and thorough, but I do agree that they possibly are geared to more leisurely days when recruiting was easier and when a far less complex Public Service had to be manned.

"I have therefore instructed the Establishment Secretary to undertake a study of these procedures, with the object of reducing or streamlining them where this can be done without detriment to the public interest or loss of quality," he said.

The question on the age of retirement from the Public Service which the Hon. Wilfred Wong raised, was under discussion with the Associations, and he thought, it would be a breach of the spirit of the agreement on the consultative machinery publicly to state his own views, he said.

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REVISION OF LAND POLICY IN NEW TERRITORIES

Measures Being Formulated In Detail

The District Commissioner for the New Territories, the Hon. D.C. Bray, said today that separate measures are being formulated in detail to revise Government's land policy in the New Territories.

The measures relate to rules and procedures for building small houses; to the amount of compensation paid on resumption of agricultural land for public purposes; to the question of re-entry of land for breach of lease conditions; and to restrictions on development in layout areas where plans for development exist but where no development work is proceeding.

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

He explained that the Heung Yee Kuk last summer had raised four points of land policy which had been under discussion during recent months.

"I must say I found our own rules and procedures on the building of small houses were still rather restrictive," he said.

Two sorts of control were involved; the first being controls on siting and location and the second being plans of the buildings themselves, he explained.

The controls on siting involved some sort of crude planning, which was very difficult if you were trying to do it without accompanying the planning with infrastructure works, he added.

/He said

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He said it was not easy to be sure that if a building was allowed it would never be in the way of anything and therefore, it was tempting to allow a "temporary" building and villagers had found that it was easier to get Government to approve temporary buildings than permanent ones -- just as Government found it easier to get supernumerary staff than permanent staff to deal with new work.

"I came to the conclusion that while approval of temporary structures might satisfy some deep felt bureaucratic need to avoid taking a decision, it did not give the same satisfaction to villagers' equally deeply felt need for a home to call his own.

"I have therefore been working since last summer on a package of measures designed to allow small buildings to be as permanent as land title can make them in places where they are allowed at all, to simplify the procedures and remove unnecessary restrictions on the construction of the buildings themselves but to require rigid compliance with the few essential requirements, mainly of a health and safety nature," Mr. Bray said.

On the matter of resumptions, he believed the answers might be found in a more general use of deferred exchanges outside layout areas or very much greater cash payments than the market normally makes.

"Exchange entitlements for land surrendered in a layout area are well liked by New Territories land owners though few townsmen have ever heard of a Letter B", he said.

The Kuk had suggested the same principles be used for land surrendered outside a layout area and these proposals were being examined sympathetically.

/On re-entry,

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On re-entry, Mr. Bray believed there was not much difference of opinion between himself and the Kuk.

Re-entry was a serious step, seldom taken and only for good cause and there was also ample provisions for appeal, he explained.

He pointed out that the question of development in layout areas during the time between the drawing up of a plan and its implementation was more difficult in theory than in practice.

"If the Kuk is really only concerned with small house development, as it says it is, we should be able to find a way out by making provision for village expansion without wrecking major layout plans.

"If we cannot we should consider their proposal to re-site such an owner outside the layout," he said.

The trouble with schemes designed for small scale development was that they could be abused, he said.

"They just will not work for large scale development yet land owners are past masters at getting through policy loopholes and we have to try not to leave too many," he added.

On more amenities for people living in the New Territories, he said that everyone in his department would very much like to see more low cost housing, more schools, more clinics, better water supplies and roads and more clean beautiful country there.

In the field of housing his department had been among the first to exploit the hints of the change in policy emerging from the 1970 Housing Board Report.

/This report

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This report recommended that when people were found living in really appalling conditions the people should be given new homes and the squalor cleared -- cleared simply because it was squalor and not because the land was wanted for development, he said.

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FIVE BILLS RECEIVE THIRD READING AND PASSED

At Today's Legislative Council Meeting

Five bills received their third reading and were passed by the Legislative Council this afternoon.

They were the Appropriation Bill 1972; the Merchandise Marks (Amendment) Bill 1972; the Offences against the Person (Amendment) Bill 1972, the Labour Tribunal Bill 1972; and the Telecommunication (Amendment) Bill 1972.

Two other Bills - the Drug Addicts Treatment and Rehabilitation (Amendment) Bill 1972 and the Oaths and Declarations Bill 1972 were introduced and read for the first and second time.

In addition, the Criminal Procedure (Amendment) Bill 1972 and Appropriation Bill 1972 received their second reading when debate on them was resumed.

The Report of the Finance Committee on the Draft Estimates of Revenue and Expenditure for 1972-73 and eight papers on subsidiary legislation were tabled.

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RECORDINGS AVAILABLE

Note to Editors: The proceedings in today's Legislative Council meeting have been recorded. You are welcome to consult the tapes at the Press Room, Government Information Services.

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OPENING OF IRENE HOUSE ANNEXE

Achievements Of Mental Health Association Of Hong Kong

Mr. Thomas C.Y. Lee, Deputy Director of Social Welfare, today opened an annexe to the Irene House maintained by the Mental Health Association of Hong Kong for discharged mental patients in the Wong Tai Sin Resettlement Estate.

A total of 175 discharged patients from the Castle Peak Hospital had taken up temporary residence in Irene House. They had either had no home to return to, or were unable to go back to their domiciles because of physical or emotional problems.

Mr. Lee said the House, a half-way house first pioneered by Dr. Irene Cheng, an educator and an ardent mental-health worker, had been instrumental in seeing 124 former patients through the last leg of their rehabilitation.

Without the House -- now enlarged with an annexe -- he felt it would have been "open to doubt if some of these mental patients could have been discharged at all, even though they might be certified fit for discharge."

Mr. Lee told an audience of social workers and community leaders that the period of stay in Irene House was an average of three months. Some patients were able to find employment after a few weeks, others took longer. Still others came on week-end parole from the hospital to have their suitability for discharge tested.

/He commended....

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He commended the Association's increasing concern for "a small hard-core group of residents" who were less active than their colleagues as a result of the "residual, indelible mark the illness had stamped on them." They required a much longer recuperation period to adjust to full community life, and even then still needed some degree of supervision.

Mr. Lee referred to the Association's hosting of the 24th Annual Meeting of the World Federation for Mental Health in Hong Kong last November as "the most important single occasion" for the effective placing of Hong Kong on the world mental-health map.

Before this success, the Association had organised the First Mental Health Week in 1970, and it had been the prime mover of the South East Asian Seminar on Education for Mental Health two years earlier.

But these were merely "isolated instances" of the Association's efforts in calling the community's attention to the real problem of mental rehabilitation, which had yet to be accorded the importance it deserved.

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U.S.D. SCHOOLS SCHOLARSHIP FUND

Presentation Ceremony

A ceremony to present scholarships to 107 children of Urban Services Department staff will be held tomorrow (Thursday) at 4.00 p.m. at the Chi Kit School at the junction of Sai Yee Street and Soy Street, Mong Kok, Kowloon.

Mr. A.P. Richardson, Deputy Director of Urban Services and Chairman of the U.S.D. Schools Scholarship Fund Management Committee, will address the gathering in Cantonese and Mrs. Richardson will hand out the scholarships.

The U.S.D. Schools Scholarship Fund, which started with only \$4,000 donated by the staff of the Department, has now accumulated to more than \$60,000. The present assets of the Fund have accrued mainly from raffles, variety shows, film shows and investments.

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Note to Editors: You are welcome to have the event covered.

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WONG TAI SIN DISTRICT COMMITTEE ON WELFARE SERVICES FOR THE AGED

Note to Editors: Miss Annie Chan, Assistant Director (Social Work) of Social Welfare, will tomorrow, Thursday, March 30, inaugurate the new Wong Tai Sin District Committee on Welfare Services For The Aged at a ceremony at 5.30 p.m. in the Social Welfare Department's Wong Tai Sin Community Centre. The committee was set up this February as a result of surveys, seminars, discussions and meetings lasting two years. It is composed of various organisations interested in promoting services for the aged, and is aimed at educating the public towards showing more concern for the elderly. Agencies represented on the committee include Kaifong associations, the churches, the City District Office, the District Scout Association, hospitals, infirmaries, and homes for the aged. A dinner for 250 elderly residents will follow the inauguration ceremony. You are invited to have both occasions covered.

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LABOUR DISPUTE AT A KOWLOON TEXTILE FACTORY SETTLED

Agreement Signed Between Management And Workers

A two-week dispute over wage increase and the date of payment of long-service bonus to workers at a Kowloon textile factory has been settled.

An agreement was signed on March 27 by the management of the Lea Tai Textile Company Ltd. and the representatives of over 400 workers on the day shift of its weaving department.

The settlement was reached as a result of four joint meetings conducted by officers of the Labour Relations Service at the Tsuen Wan branch office of the Labour Department.

Under the agreement, the workers will have a wage rise with effect from April 1 this year. They will also receive their long-service bonus in June this year.

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POST OFFICE ANNOUNCES

Holiday Postal Arrangements

The Post Office today announced postal arrangements for the forthcoming holidays.

On Good Friday (March 31) and Wednesday (April 5), no mail deliveries will be carried out nor will there be any offices open for business.

On Saturday (April 1) and Easter Monday (April 3), there will be one delivery of correspondence and counter facilities will be available at the following offices from 9.00 a.m. to 12 noon:-

General Post Office, Kowloon Central Post Office, Tsim Sha Tsui Post Office, Aberdeen Post Office, Hennessy Road Post Office, King's Road Post Office, North Point Post Office, Sai Ying Pun Post Office, Shau Kei Wan Post Office, Sheung Wan Post Office, Wan Chai Post Office, Cheung Chau Post Office, Mui Wo Post Office, Peng Chau Post Office, Tai O Post Office, Cheung Sha Wan Post Office, Kowloon City Post Office, Kwun Tong Post Office, Mong Kok Post Office, Sham Shui Po Post Office, Kam Tin Post Office, San Tin Post Office, Sha Tau Kok Post Office, Sha Tin Post Office, Shek Wu Hui Post Office, Tai Po Post Office, Tuen Mun San Hui Post Office, Tsuen Wan Post Office, Yuen Long Post Office.

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CLEAR WATER BAY ROAD

Restriction On Use By Goods Vehicles

The Transport Department has announced that the restriction, which was imposed on goods vehicles using Clear Water Bay Road on Sundays and Public Holidays year, will be imposed again this summer.

The restriction will begin from April 1, until October 31.

During these months, between 9 a.m. and noon on each Sunday and Public Holiday, all goods vehicles travelling in an easterly (uphill) direction will be prohibited from using Clear Water Bay Road from its junction with Lung Cheung Road (Ping Shek Estate) to its junction with Fei Ngo Shan Road, unless authorised in writing by the Commissioner for Transport.

Owners of goods vehicles wishing to enter the restricted section of Clear Water Bay Road during the restricted hours are advised to apply in writing to the Transport Department for permission.

This restriction is intended to reduce the congestion caused by slow-moving vehicles to the traffic flow on this section of road during the summer months.

Traffic signs will be erected to guide motorists.

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DISTRICT COMMISSIONER, N.T.,

To Hold Press Conference

Note to Editors:

The District Commissioner, New Territories, the Hon. D.C. Bray, will hold a press conference tomorrow (Thursday) on low-cost housing estates in the rural New Territories.

Also present will be Mr. E.G. Pryor, Senior Planning Officer, New Territories, and Mr. C. Bramwell, Government Architect.

The press conference will be held in the G.I.S. 16 mm theatre at 10.30 a.m. tomorrow. You are invited to have the press conference covered.

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Release Time: 11.30 p.m.