



DAILY INFORMATION BULLETIN

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GOVERNOR MEETS CHINA'S MINISTER OF FOREIGN AFFAIRS
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THE GOVERNOR, SIR MURRAY MACLEHOSE, NOW IN PEKING ON AN OFFICIAL VISIT, IS EXPECTED TO CALL ON A STATE LEADER TOMORROW (THURSDAY) MORNING.

IN THE AFTERNOON, SIR MURRAY WILL MEET MR. HUANG HUA, MINISTER OF FOREIGN AFFAIRS, AND THE VICE-MINISTER OF RAILWAYS.

THE GOVERNOR WILL HOLD A RETURN BANQUET IN HONOUR OF MR. LI QIANG, MINISTER OF FOREIGN TRADE, IN THE RESIDENCE OF MR. PERCY CRADOCK, BRITISH AMBASSADOR TO CHINA.

HE WILL LEAVE PEKING ON FRIDAY MORNING FOR SIAM.

THIS (WEDNESDAY) MORNING, THE GOVERNOR CALLED ON THE DIRECTOR OF THE BUREAU OF TRAVEL, MR. LI XUZHANG, AND FOUND TIME TO VISIT THE OFFICES OF SUN HUNG KAI AND JARDINES.

IN THE AFTERNOON, SIR MURRAY WILL VISIT THE GREAT WALL AND MING TOMBS AND WILL ATTEND A BALLET PERFORMANCE (SWAN LAKE) IN THE EVENING.

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CALL FOR GOVT TO SET UP 'THINK TANK'
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THE HON. JOHN BREMRIDGE SUGGESTED THAT THE GOVERNMENT SET UP A +THINK TANK+ TO COPE WITH ITS GROWING MANAGEMENT ROLE, WHEN HE COMMENTED ON THE BUDGET IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID THE PRESSURES ON SENIOR CIVIL SERVANTS, WHO HAVE TO BE BOTH MINISTERS AND ADMINISTRATORS, ARE ENORMOUS AND HE WONDERED IF THEY HAVE ENOUGH TIME, +ANY TIME -- FOR BROODING, FOR LATERAL THINKING, FOR REAL INNOVATION.+

HE SUGGESTED THAT IT MIGHT BE USEFUL TO HAVE REPORTING TO THE FINANCIAL SECRETARY OR THE CHIEF SECRETARY, +A GROUP OF TWO OR THREE YOUNGISH BUT EXPERIENCED HONG KONG-BORN ADMINISTRATIVE GRADE OFFICERS WHOSE FULL TIME JOB OVER A THREE-YEAR POSTING WOULD BE TO THINK FORWARD AND SIDWAYS EITHER AS SELF STARTERS OR ON GIVEN PROJECTS BUT WITHOUT ADMINISTRATIVE CHORES.+

MR. BREMRIDGE SET FORTH HIS OWN THINKING ON A NUMBER OF FINANCIAL AND ECONOMIC ISSUES ON WHICH, HE SAID, THERE CANNOT BE EXTREME BLACK OR WHITE VIEWS BUT WHICH ARE SUSCEPTIBLE TO COMMON SENSE +GRAY+ SOLUTIONS.

VEHICLE TAXATION

HE SAID HE REJECTS THE EQUITY OR LOGIC OF CONTROLLING ROAD USAGE BY LICENCE COST OR FIRST REGISTRATION TAX. MOREOVER HE THOUGHT WORKERS MUST BE GIVEN THE INCENTIVE OF CAR OWNERSHIP.

/+LET US

+LET US THEREFORE CONSIDER POSSIBLE ALTERNATIVE TAXES ON USAGE NOT POSSESSION, AND ON CONTROLS ON AREAS AND TIMES IN PARTICULAR AND NOT IN GENERAL,+ HE SAID.

THERE IS A PROPOSAL NOW IN THE U.K. FOR ABANDONING VEHICLE LICENCES IN FAVOUR OF FUEL TAX, AND THERE ARE STRONG ARGUMENTS FOR MEASURES DESIGNED DELIBERATELY TO LIMIT FUEL CONSUMPTION.

ROAD TOLLS

MR. BREMRIDGE SAID HE COULD SEE NO PHILOSOPHICAL DIFFERENCE BETWEEN THE ABERDEEN AND LION ROCK TUNNELS, AND THE TUEN MUN FREEWAY AND COULD NOT UNDERSTAND THE GOVERNMENT'S REFUSAL TO CONSIDER TOLLS FOR THE LATTER WHEN IT IS COMPLETED.

WHILE THERE IS SOME VALIDITY TO ARGUMENTS THAT THE ROAD USER SHOULD NOT PAY FOR UNIQUE FACILITIES IN ADDITION TO NORMAL ROAD TAXES, ALTERNATIVE ROUTES TO THE \$438 MILLION TUEN MUN FREEWAY ARE AVAILABLE AS ARE THE ABERDEEN TUNNEL.

— HE THOUGHT IT IMPROVIDENT NOT TO CHARGE TOLLS SO THAT THE RUNNING COST AND FULL AMORTISATION OF THESE FACILITIES CAN FALL ON THE USER AND NOT PURELY AND SIMPLY ON THE TAXPAYER.

CUTTING THE CIVIL SERVICE

MR. BREMRIDGE SAID THE CIVIL SERVICE, WHICH IS VERY OVER-STRETCHED AT THIS JUNCTION, CAN DO WITH A LITTLE PERSONNEL SHRINKAGE.

HE ASKED FOR A FRESH LOOK AT POSSIBLE AREAS OF DEVOLUTION: THE KOWLOON-CANTON RAILWAY, COMPUTERS, AIRPORT MANAGEMENT, WATER SUPPLIES, THE GENERAL POST OFFICE, GOVERNMENT PRINTER, RADIO TELEVISION HONG KONG, HARBOUR MANAGEMENT, AND REFUSE DISPOSAL.

HE SAID SOME OF THESE COULD PERHAPS BE SOLD OFF TO COMMERCIAL INTERESTS OR SET UP AS QUASI GOVERNMENT CORPORATIONS, RESULTING IN MAJOR SAVINGS AND A TIGHTER AND MORE COMPETENT CIVIL SERVICE, AND HELPING IN SALARY GRADING EXERCISES.

LAND SHORTAGE

MR. BREMRIDGE THOUGHT THE POSSIBILITY OF RECLAIMING VAST TRACTS OF LAND, INVOLVING PRIVATE ENTERPRISE, CAN BE FURTHER STUDIED. FURTHERMORE, THERE ARE STILL ALL THE UNTILLED PADDY LYING FALLOW IN THE NEW TERRITORIES.

/WHILE HE

WHILE HE KNEW THAT MUCH IS BEING DONE ABOUT LAND SHORTAGE, WHICH CAUSES MANY OF THE UNDERLYING PROBLEMS OF HONG KONG, HE WONDERED IF THE TARGETS OF NEW LAND PROVISION WERE GENEROUS ENOUGH AND WHETHER THE SPECIAL COMMITTEE ON LAND PRODUCTION WAS SATISFIED.

NEW AIRPORT

MR. BREMRIDGE SAID THE TIMING OF A DECISION ON A NEW AIRPORT IS HIGHLY POLEMICAL AND THERE IS INDICATION FOR +A SPRINKLE OF COLD WATER.+ WHILE IT IS OBVIOUS THAT A NEW AIRPORT WOULD BENEFIT HOTELS, AIRLINES, THE TOURIST INDUSTRY, AND PRIMA FACIE THE HONG KONG ECONOMY, AND WOULD IMPROVE THE ECOLOGY AND AVOID THE CONSEQUENCES OF A CRASH AT KAI TAK, IT WILL HAVE TO BE SET AGAINST THE CLAIMS OF PUBLIC HOUSING, BETTER TRANSPORT, BETTER SCHOOLS AND ABOVE ALL LESS INFLATION CAUSED BY HEAVY GOVERNMENT SPENDING.

FERRY PIERS

MR. BREMRIDGE ASKED WHY THE FERRY PIERS IN ALL CASES WERE PAID FOR BY THE TAXPAYER AND NOT BY THE FERRY COMPANIES. THE COMPANIES COULD HAVE RECOVERED THE COST FAIRLY BY IMAGINATIVE BUILDING OF COMMERCIAL PREMISES OR HIGHER FARES. THERE IS NOW A DISGRACEFUL WASTE AT THE STAR FERRY WHERE HALF OF THE VALUABLE AND EXPENSIVE PIERS ARE LYING EMPTY AND UNUSED.

LUXURY TAXES

IF IT BECOMES NECESSARY TO INCREASE TAXATION OR TO FIND NEW FORMS OF TAX +TO BALANCE FURTHER VERY NECESSARY MIDDLE CLASS BENEFITS,+ MR. BREMRIDGE SUGGESTED THAT THE FINANCIAL SECRETARY CONSIDER FURTHER SUMPTUARY TAXATION.

HE SAID SUCH TAXES ALREADY EXIST FOR WINES, SPIRITS AND TOBACCO BUT SUGGESTED THAT OTHERS, WHICH WILL BE RELATIVELY PAINLESS TO THE VAST MAJORITY OF OUR POPULATION, CAN BE INTRODUCED, ON EXPENSIVE MOTOR CARS, PERFUMES, HOTEL ROOM RATES, JEWELLERY, PRIVATE SWIMMING POOLS, OVERSEAS TRAVEL BY WAY OF INCREASED AIRPORT TAX, AND IMPORTED PLEASURE BOATS.

HE SAID ANOTHER POSSIBILITY WORTH INVESTIGATING, THOUGH REJECTED ELSEWHERE, IS THE TAXATION OF ADVERTISING EXPENDITURE, WHICH SEEMS IDEALLY COUNTER-INFLATIONARY.

STOCK EXCHANGES

MR. BREMRIDGE BELIEVED THAT THE TIME HAS COME TO IMPOSE STRICTER CONDITIONS ON MARGINAL TRANSACTIONS AND SUPPORTED THE GOVERNMENT'S CONTINUED EFFORT TO PRESS FOR ONE UNIFIED STOCK EXCHANGE.

HE CALLED FOR TIGHTER CONTROL AS WELL OVER THE LIQUIDITY OF BOTH DEPOSIT TAKING COMPANIES AND INSURANCE COMPANIES.

LAND HOLDINGS OF UTILITIES

FRANCHISED UTILITIES CAN SEPARATE THEIR SURPLUS LAND HOLDINGS TO THE PROFIT OF THEIR SHAREHOLDERS. MEANWHILE THEY CAN SUCCESSFULLY APPLY FOR INCREASED RATES ON GROUNDS OF OSTENSIBLY DROPPING PROFITS ON THEIR MONOPOLY OR FRANCHISE OPERATIONAL POSITION.

MR. BREMRIDGE SAID THIS POLICY IS WRONG AND SHOULD BE CHANGED, EVEN IF BY NOW MOST OF THE DAMAGE HAS BEEN DONE.

BUS SERVICES

HE SUGGESTED THAT WITH BUS SERVICES, BIGGER IS NOT BETTER, AND THAT IT IS TIME AT LEAST TO CONSIDER NEW FRANCHISES FOR NEW COMPANIES.

IN RIO DE JANEIRO, HE SAID, A CITY WITH EQUIVALENT TRAFFIC PROBLEMS, BUS COMPANIES COMPETE AGAINST EACH OTHER ON THE SAME ROUTES OFFERING DIFFERENT FARE STANDARDS WITH SEEMING EFFICIENCY.

CROSS HARBOUR CONNECTIONS

MR. BREMRIDGE THOUGHT THE NEED FOR ANOTHER, PROBABLY WESTERN, CROSS HARBOUR LINK WITH THE NECESSARY ROAD CONNECTIONS IS SELF-EVIDENT, TAKING INTO ACCOUNT THE INSUFFICIENCY OF THE EXISTING TUNNEL AT CERTAIN TIMES OF DAY.

HE SAID SOME PRIORITY FOR THIS IS INDICATED, AND NOTED THE TIME THE GOVERNMENT PROCESS TAKES — A CROSS-HARBOUR TUNNEL WAS FIRST PROPOSED IN 1948.

MR. BREMRIDGE SAID ALL HIS PROPOSALS ARE NOT LIKELY TO COST MUCH EXCEPT THE ONE FOR ANOTHER CROSS-HARBOUR LINK, WHICH IN THE PRIVATE SECTOR WILL BE SELF-AMORTISING. INSTEAD THEY OFFER HIGH POTENTIAL RETURNS.

HE SAID HIS COMMENTS MAY SHOW ONLY +HOW MUCH EASIER IT IS TO BE A CRITIC THAN TO BE CORRECT+ AND HE +WREATHED HIS ROD OF CRITICISM WITH ROSES+ BY PAYING TRIBUTE TO SENIOR CIVIL SERVANTS, NOT LEAST THE FINANCIAL SECRETARY, WHO WORK LONGER HOURS FOR LESS REWARD THAN THEIR COUNTERPARTS IN THE PRIVATE SECTOR, FOR WHICH THEY REGULARLY GET CRITICISED, USUALLY WITHOUT BEING ABLE TO DEFEND THEMSELVES.

PEOPLE — HK'S ONE GREAT ASSET IN ECONOMIC DEVELOPMENT
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IT IS A GREAT PITY THAT THE GROWTH OF PUBLIC EXPENDITURE ON SOCIAL SERVICES, WHICH HAVE BEEN MADE MUCH WORSE BY TREMENDOUS ARTIFICIAL GROWTH IN OUR POPULATION, IS TO BE RESTRAINED FOR PURELY ECONOMIC REASONS, THE HON. ROGER LOBO SAID IN COMMENTING ON THE BUDGET IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE POINTED OUT THAT THE HOUSING AUTHORITY'S OWN PROPOSED BUDGET FOR 1979-80 ONWARDS OF SOME 40-45,000 FLATS A YEAR, WHICH WAS ALREADY REVISED FOR VARIOUS REASONS, INCLUDING THE CAPACITY OF THE CONSTRUCTION INDUSTRY, IS TO BE LOWERED TO 35,000 FLATS.

HE SAID OUR ONE GREAT ASSET IN ECONOMIC DEVELOPMENT IS OUR PEOPLE AND UPPERMOST IN MOST OF THEIR MINDS IS HOUSING, WHICH MEANS MUCH MORE THAN A ROOF OVER THEIR HEADS.

+HOUSING MEANS FAMILY UNITY- IT MEANS PEACE OF MIND AND SECURITY- IT MEANS IMPROVEMENT IN THE QUALITY OF LIFE- IT MEANS A CHANCE TO STUDY BETTER, TO WORK BETTER AND TO LIVE WITH SELF-RESPECT,+ HE SAID.

HE POINTED OUT, HOWEVER, THAT ALTHOUGH THE TARGET PRODUCTION OF FLATS HAD TO BE LOWERED AS PART OF A DELIBERATE PLAN TO PROTECT OUR ECONOMIC DEVELOPMENT, THE AMOUNT OF MONEY EARMARKED FOR HOUSING HAS ACTUALLY BEEN INCREASED BY 35 PER CENT.

THE LEVEL OF PRODUCTION IS HIGH BY ANY STANDARDS AND WILL REQUIRE A GREAT DEAL OF MONEY AND A GREAT DEAL OF EFFORT FROM ALL CONCERNED, HE SAID.

TO DATE, 1,915,711 PEOPLE HAVE BEEN ACCOMMODATED IN PUBLIC HOUSING. OVER THE NEXT FOUR YEARS, 142,220 PUBLIC HOUSING FLATS, INCLUDING 25,400 UNDER THE HOME OWNERSHIP SCHEME WOULD BE PROVIDED, WHILE ON THE PRESENT WAITING LIST THERE ARE 143,000 APPLICATIONS FOR FLATS.

TO US WHO KNOW ENOUGH ABOUT HOUSING, THIS DOES NOT MEAN THAT THE WAITING LIST CAN BE WIPED OUT- THE FIGURES IN REALITY TELL US WHAT A LONG PROGRAMME IT IS STILL BEFORE US AND THE TIGHT SITUATION WILL GET TIGHTER WITH THE PRESS OF IMMIGRATION, MR. LOBO SAID.

+IF WE ACCEPT THE NEED NOW TO CUT BACK FOR PURELY ECONOMIC REASONS, WE SHOULD ACCEPT FOR GOOD SOCIAL REASONS THE NEED FOR A FIRM COMMITMENT FROM GOVERNMENT THAT RESOURCES WILL BE PROVIDED TO REACH THE TARGET, WHICH HAS NOW BEEN SET.

+ON THIS MINIMUM FIGURE THE HOUSING AUTHORITY WILL BE ABLE TO DO THE NECESSARY FORWARD PLANNING AND THE PRIVATE SECTOR WILL BE ABLE TO SEE CLEARLY THE PART WHICH THEY WILL HAVE TO PLAY IN MEETING PUBLIC DEMAND,+ HE SAID.

ANOTHER EXAMPLE OF THE HEAVY PRESSURE ON OUR SOCIAL SERVICES IS TO BE FOUND IN OVERCROWDING HOSPITALS, WHERE CAMP BEDS HAVE NOT BEEN COMPLETELY ELIMINATED, MR. LOBO CONTINUED.

HE THOUGHT THE PROBLEM IS MAINLY DUE TO OUR OWN POLICY OF INSTANT ADMISSION TO A REGIONAL HOSPITAL OF EVERY QUALIFYING CASE, AND IS MADE WORSE IN THE EVENT OF EMERGENCIES WHEN CASUALTIES FROM ACCIDENTS HAVE TO BE HANDLED.

HE SAID IT IS IRONIC THAT THIS RESULTS FROM A MORE LIBERAL POLICY THAN IN, FOR EXAMPLE, THE U.K. WHERE PATIENTS ARE SIMPLY NOT ADMITTED AT ALL IF THE BEDS ARE OCCUPIED.

THE PROBLEM IS NOT GOING TO BE ELIMINATED IN THE NEAR FUTURE AND MUST BE AGGRAVATED BY THE RAPID ARTIFICIAL INCREASE IN POPULATION.

+IN THE CIRCUMSTANCES, WE SHOULD CONSIDER ENLARGING THE COMMUNITY NURSING SCHEME WHICH HAS POTENTIAL BEYOND ITS PRESENT SCOPE.

+WE CAN ALSO RE-EXAMINE THE CASE FOR CONVALESCENT HOMES OR 'SOME OTHER FORM OF HALF-WAY HOUSE',+ HE SAID.

MR. LOBO ALSO SPOKE OUT FOR MIDDLE-CLASS TAX-PAYERS WHOM HE DESCRIBED AS THE +CLASS IN THE MIDDLE.+

+THEY HAVE NOT BEEN THE MAIN BENEFICIARIES OF PUBLIC PROGRAMMES BUT HAVE CERTAINLY NOT BEEN RICH ENOUGH TO ESCAPE THE EFFECTS OF RECENT ECONOMIC DEVELOPMENTS,+ HE SAID.

HE SAID THEY ARE THE PEOPLE WHO HAVE TO COPE WITH HIGH RENTS AND WHO HAVE TO USE BADLY-RUN FRANCHISED SERVICES.

THEY ARE OBLIGED, NOT ONLY BY CONVENTION BUT FOR THE SAKE OF THEIR EMPLOYMENT, TO DRESS LESS CASUALLY. THEY ARE THOSE WHO PAY RATES AND PERSONAL INCOME TAX WITHOUT ANY MEANS OF SHIFTING ANY PART OF THAT BURDEN.

+THEY ARE BEING SQUEEZED BETWEEN THE POOR AND THE RICH AND, IN REAL TERMS, MANY OF THEM MAY NOT BE ANY BETTER OFF THAN THOSE WHO NOW ENJOY SOCIAL BENEFITS AND PUBLIC HOUSING, OR THE WELL-PAID CASUAL WORKERS WHO PAY NO TAX,+ HE SAID.

WHILE HE WELCOMED THE MODEST RELIEF IN TAXATION PROPOSED BY THE FINANCIAL SECRETARY, HE HOPED THAT WHEN OUR PLANS CAN BE REVIEWED IN MORE FAVOURABLE CIRCUMSTANCES THE GOVERNMENT WILL PAY MORE ATTENTION TO THE HOPES AND ASPIRATIONS OF THIS GROUP OF +SILENT AND LOYAL+ PEOPLE.

ON THE FINANCIAL SECRETARY'S PROPOSAL FOR INCREASED CHARGES ON FIRST AND SUBSEQUENT REGISTRATIONS OF MOTOR VEHICLES, MR. LOBO SAID HE FAILED TO UNDERSTAND WHY PRIVATE BUSES OR COACHES, WHICH OCCUPY MUCH ROAD SPACE AND STOP ANYWHERE AND EVERYWHERE, HAVE BEEN SPARED.

ALTHOUGH HE DID NOT HAVE STRONG VIEWS ON THE MATTER, HE WANTED TO KNOW IF THERE IS A GOOD REASON FOR THE ANOMALY.

WEDNESDAY, MARCH 28, 1979

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CALL TO USE SURPLUSES TO AID INDUSTRIES

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THE GOVERNMENT WAS TODAY (WEDNESDAY) URGED TO STUDY IF SOME OF THE HUGE ACCUMULATED SURPLUSES AND THOSE FORTHCOMING IN THE YEAR AHEAD COULD BE CHANNELLED INTO PRODUCTIVE PURPOSES.

SUGGESTING THIS AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, THE HON. JAMES M.H. WU SAID THE SURPLUSES COULD BE USED IN THE WAY OF INDUSTRIAL LOANS AT SUBSTANTIALLY LOWER BUT STILL MUCH MORE ATTRACTIVE INTEREST RATES THAT CURRENT ACCOUNT DEPOSITS IN BANKS OFFER.

+I BELIEVE OUR EXISTING BANKING SYSTEM HAS THE EXPERTISE AND FACILITIES TO ADMINISTER THIS OPERATION ON BEHALF OF THE GOVERNMENT AND AT ITS DIRECTION, WITHOUT THE SETTING UP OF AN INDUSTRIAL BANK,+ HE OBSERVED.

CITING SOME OF THE WAYS SOUTH KOREA AND TAIWAN HAVE TAKEN TO FINANCE THEIR INDUSTRIAL DEVELOPMENT, MR. WU SAID: +OUR GOVERNMENT SURPLUSES HAD BEEN DEPOSITED IN COMMERCIAL BANKS WHICH IN TURN LENT TO THE PROPERTY AND SPECULATIVE MARKETS, AS WELL AS OVERSEAS, AGGRAVATING THE INFLATIONARY TREND AND WEAKENING THE DOLLAR.+

EARLIER, MR. WU POINTED OUT THAT THE GOVERNMENT'S PROPOSED ANTI-INFLATION MEASURES +WERE THE VERY POINTS THAT FEATURED SIGNIFICANTLY IN MY SPEECHES IN THIS COUNCIL AND AT THE FEDERATION OF HONG KONG INDUSTRIES DURING THE LAST TWO YEARS.+

+FOR THIS REASON I DO NOT INTEND TO BE REPETITIOUS,+ HE SAID. +SUFFICE TO SAY, WHAT I HAD MENTIONED ABOUT THE SPECULATIVE ATMOSPHERE, THE PROPENSITY TO SPEND, THE RAPIDLY WIDENING TRADE DEFICIT, THE DE FACTO DEPRECIATION OF THE HONG KONG DOLLAR AND THE SPIRALLING INFLATION HAVE NOW DEVELOPED TO SUCH AN ALARMED STAGE THAT OFFICIALDOM HAS AT LAST BEEN STUNNED INTO BELATED ACTION IN THE HOPE OF REMEDYING THE SITUATION.+

MR. WU SAID THE QUESTION NOW IS WHETHER WHAT HAVE BEEN PLANNED AND INDEED IMPLEMENTED ARE ADEQUATE ENOUGH TO ACHIEVE THE DESIRED RESULTS.

HE THEN CITED THE FOLLOWING +RAPID DEVELOPMENTS IN THE LAST SIX MONTHS THAT HAVE SO MUCH AFFECTED THE MANUFACTURING INDUSTRY WHICH IS SUCH A VITAL PART OF OUR ECONOMY.+

* THE DEVELOPMENT IN IRAN THAT THREATENED AN INTERRUPTION OF OIL SUPPLY AND CAUSED SHARP INCREASE IN OIL PRICES

/*THE SHORTAGE.....

- * THE SHORTAGE OF SUPPLY, AND SPECULATIVE PRICE INCREASES OF VITAL INDUSTRIAL MATERIALS SUCH AS PLASTICS AND METALS ETC.
- * THE RAPID RISE OF INTEREST RATES IN HONG KONG, FROM 4.75 PER CENT IN SEPTEMBER 1978 TO 11 PER CENT IN MARCH 1979, THUS GREATLY INCREASING OVERHEAD AND PRODUCTION COSTS.
- * THE EFFECTIVE DEPRECIATION OF THE HONG KONG DOLLAR TO AS MUCH AS FIVE PER CENT IN TWO MONTHS, MAKING IT DIFFICULT TO QUOTE FIRM PRICES AGAINST ENQUIRIES FOR FUTURE ORDERS.
- * THE CHRONIC AND DETERIORATING LABOUR SHORTAGE THAT NOW RENDERS MOST FACTORIES UNDER-STAFFED BY AS MUCH AS 20 TO 30 PER CENT.

MR. WU SAID THESE ARE MAJOR PROBLEMS CONFRONTING LOCAL INDUSTRIES THAT WORK ON VERY CLOSE MARGINS, AND WHAT IS REALLY WORRYING IS THAT THE MANUFACTURING INDUSTRIES IN THE HONG KONG ENVIRONMENT HAVE NOT ALWAYS BEEN ATTRACTIVE INVESTMENTS.

+ONE ONLY HAS TO LOOK AT OUR STOCK MARKETS WHERE PROPERTY SHARES DOMINATE AND WHERE SPECULATION HAD BEEN FUELLED BY EASY MONEY AT LOW INTEREST RATE.

+WHILST THE RECENT RISE IN INTEREST RATE IS BEGINNING TO DISCOURAGE THE STOCK MARKET, ITS DETERRING EFFECT ON INDUSTRIAL INVESTMENT IS PERHAPS EVEN GREATER, IN VIEW OF THE SITUATIONS LISTED ABOVE.

+IN THE MEANTIME, THERE ARE ATTRACTIONS SUCH AS CERTIFICATE OF DEPOSITS IN U.S., EURO OR ASIAN DOLLARS THAT YIELD TAX-FREE INTEREST RATES THAT ARE HIGHER THAN THOSE OBTAINABLE IN HONG KONG. I BELIEVED NO SMALL AMOUNT OF HONG KONG MONEY HAS GONE OVERSEAS IN THIS WAY ALONE AND SO ERODED THE EXCHANGE RATE,+ HE ADDED.

DIFFICULT AND IMPORTANT THE ROLE LOCAL INDUSTRIALISTS PLAY IN THE COMMUNITY, MR. WU CONTINUED, IT MAY NOT BE UNFAIR TO SAY THEIR VIEWPOINTS ARE SELDOM APPRECIATED AND ENCOURAGEMENT FORTHCOMING.

+INDEED,+ HE ADDED,+GOVERNMENT OFFICIALS ARE SO USED TO THIS SO CALLED 'HANDS FREE' POLICY THAT EVEN IN RECENT DIVERSIFICATION COMMITTEE MEETINGS, A NEGATIVE ATTITUDE STILL SEEMED TO PREVAIL IN THAT MEASURES TAKEN AND PROVEN SUCCESSFUL BY OUR COMPETITORS GOT BRUSHED ASIDE WITHOUT MUCH SCRUTINY, AS THESE WERE CONSIDERED NOT RELEVANT AND IMPRACTICABLE IN THE HONG KONG SENSE.

+THUS WE DWELL OURSELVES IN COMPLACENCY, REMINISCENT OF HOW WELL WE HAVE DONE IN THE PAST, AND OBLIVIOUS TO THE PROGRESS MADE BY OUR COMPETITORS WHO HAVE NOW OVERTAKEN US IN A BROADER INDUSTRIAL BASE AND IN TOTAL EXPORT VALUE AND THEIR GROWTH IS STILL SURGING FORWARD AT TREMENDOUS RATES.+

LOANS FOR INDUSTRIALISTS SUGGESTED

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THE HON. HILTON CHEONG-LEEN SUGGESTED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT AN ORGANISATION SIMILAR TO THE HONG KONG BUILDING AND LOAN AGENCY BE SET UP TO HELP INDUSTRIAL ENTERPRISES BUY FACTORY PREMISES AND EXPENSIVE CAPITAL INTENSIVE MACHINERY.

SUCH AN INSTITUTION WILL HAVE TO BE FUNDED INITIALLY BY BOTH THE GOVERNMENT AND THE PRIVATE BANKING SECTOR. REPAYMENTS CAN BE FOR OVER 10 TO 15 YEARS AT PRIME OR NEAR PRIME INTEREST RATES.

MR. CHEONG-LEEN SAID THAT IN THE ABSENCE OF AN IMPORT-EXPORT BANK IN HONG KONG, WHICH MAY NOT BE PRACTICAL IN OUR ECONOMIC ENVIRONMENT, THE NEED FOR SUCH A NON-GOVERNMENT INSTITUTION IS ALL TOO OBVIOUS.

THE GOVERNMENT COULD ALSO PLAY A MORE SOPHISTICATED ROLE IN THE EXCHANGE FUND, ITS NEAREST EQUIVALENT TO A CENTRAL BANK, IN STIMULATING TIMELY REALLOCATION OF RESOURCES OR CREDIT SO THAT HONG KONG'S EXPORT-ORIENTED ECONOMY WOULD BE LESS IMPERILLED, HE ADDED.

ONE OTHER WAY THE GOVERNMENT COULD HELP, MR. CHEONG-LEEN SAID, IS TO ACCELERATE THE THIRD FIVE-YEAR PLAN OF THE PRODUCTIVITY COUNCIL WITHOUT WAITING FOR THE COMPLETION OF THE ADVISORY COMMITTEE ON DIVERSIFICATION REPORT.

WHILE THE REPORT WILL ONLY BE READY IN THE SECOND HALF OF THIS YEAR, THE NEED TO STRENGTHEN OUR INDUSTRIES REMAINS AS URGENT AS EVER, HE SAID.

HE REGRETTED THAT THE FINANCIAL SECRETARY DID NOT OFFER ANY SIGNIFICANT PROPOSALS TO STIMULATE OUR EXPORT-ORIENTED ECONOMY.

HE EXPLAINED THAT THE BEST WAY TO DAMPEN INFLATION IS TO INCREASE PRODUCTIVITY.

+TO GO ABOUT IT, WE SHOULD GIVE WORKERS BETTER TRAINING, MORE UP-TO-DATE TOOLS TO BE USED EFFICIENTLY SO THAT THEY CAN TURN OUT MORE AND BETTER QUALITY GOODS WITHOUT EXTRA TIME OR EFFORT,+ HE SAID.

HE SAID THE PLANNING AND EXPANSION OF TECHNICAL EDUCATION, ALSO, MUST NOT BE PULLED BACK AND IT WOULD BE WISE TO PROVIDE UNIVERSAL EDUCATION UP TO THE AGE OF 16 BY THE MID-80'S AND TO PROVIDE MORE TEACHING FACILITIES FOR TECHNICAL EDUCATION IN THE NEW TERRITORIES.

HE HAD SUGGESTIONS ON OTHER TOPICS NOT RELATED TO THE ECONOMY.

ON GOVERNMENT PLANS FOR A SECOND AIRPORT AT CHEK LAP KOK, MR. CHEONG-LEEN SAID AN ALTERNATIVE SITE ACROSS THE SHUM CHUN BORDER COULD BE CONSIDERED IN GREATER DEPTH WITH THE CO-OPERATION OF CHINA.

SUCH A ONE, WHICH WOULD BE USED AS A SECOND AIRPORT, COULD BE LESS EXPENSIVE AND WOULD SERVE PARTICULARLY THE TWO MILLION RESIDENTS WHO WILL BE LIVING IN THE NEW TERRITORIES BY THE END OF THE 1980'S.

SINCE BUDGET FARE TRAVEL IS NOW A COMMON PHENOMENON, HE ALSO ASKED THE GOVERNMENT TO EXAMINE THE LONG-TERM IMPLICATIONS OF TOURISM FOR HONG KONG, AND ITS PART IN THE HONG KONG ECONOMY IN REAL TERMS.

AS A MEASURE TO ALLAY +INCREASING SIGNS OF RESTIVENESS WITHIN THE CIVIL SERVICE, + MR. CHEONG-LEEN SUGGESTED THAT PERHAPS A SET OF PRODUCTIVITY GUIDE-LINES CAN BE WORKED OUT WHICH WOULD BE REALISTIC AND ACCEPTABLE TO THE CIVIL SERVICE UNIONS GENERALLY.

A SYSTEM OF PRODUCTIVITY BONUSES COULD ALSO BE DEvised FOR THOSE WHO ARE PROFESSIONALS, TO OVERCOME RECRUITMENT PROBLEMS, HE SAID.

HE THOUGHT MANY MORE PEOPLE ARE CAPABLE AND WILLING TO PAY INCOME TAX ALTHOUGH THEY HAVE NOT BEEN APPROACHED BY THE GOVERNMENT, AND SUGGESTED THEREFORE THAT IT CASTS ITS TAX NET WIDER BY SENDING NOTICES TO SUPPLY INFORMATION ON INCOME TO ALL RESIDENTS WHO ARE OVER 18 OR 21 AND WHO HOLD IDENTITY CARDS.

INFLATION SHOULD BE CURBED WITH MORE PUBLIC SUPPORT AND MR. CHEONG-LEEN SUGGESTED THAT THE GOVERNMENT EXPLAIN THIS IN SIMPLE AND PRACTICAL TERMS TO THE PUBLIC WHILE AT THE SAME TIME ESTABLISHING A PREMIUM SAVINGS BOND SCHEME TO ENCOURAGE SAVINGS.

THE BONDS COULD BE IN DENOMINATIONS OF SAY \$50, \$100, \$500 AND \$1,000 AND AN ATTRACTIVE INTEREST RATE OF ABOUT EIGHT PER CENT COULD BE OFFERED.

HE FURTHER SUGGESTED THAT PERHAPS A BALLOT COULD BE HELD EVERY MONTH OR EVERY THREE MONTHS IN WHICH THE SELECTED NUMBERS WOULD DIVIDE UP THE ACCUMULATED INTEREST TAX FREE, WHILE THOSE NUMBERS NOT DRAWN WILL HAVE TO FOREGO RECEIVING ANY INTEREST.

THE OVERHEATED DOMESTIC AND COMMERCIAL REAL ESTATE MARKET COULD BE COOLED DOWN BY INCREASING DOWN PAYMENT FROM 30 TO 50 PER CENT AND REDUCING THE PAYMENT PERIOD FROM 10 TO FIVE YEARS.

MR. CHEONG-LEEN SAID HONG KONG'S FUTURE WOULD NEED TO BE PROJECTED IN SPECIFIC PLANNING TERMS, PARTICULARLY IN THE AREAS OF TECHNICAL EDUCATION, PRODUCTIVITY AND MANPOWER DEVELOPMENT, TRANSFER OF RESOURCES TO TECHNOLOGY-ORIENTED AND CAPITAL-INTENSIVE INDUSTRIES, AND COMBINATION OF HONG KONG'S MARKETING AND TECHNOLOGY-ORIENTED RESOURCES WITH CHINA'S MANPOWER.

HE HOPED THERE WOULD BE MORE FLEXIBLE INTERFACING BETWEEN THE ADMINISTRATION'S FIVE-YEAR DEVELOPMENT PLAN AND THE FIVE-YEAR FINANCIAL FORECAST, IN BOTH ECONOMIC AND SOCIAL DEVELOPMENTAL TERMS.

WEDNESDAY, MARCH 28, 1979

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VIEWS ON COMPULSORY EDUCATION

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THE REV. THE HON. JOYCE BENNETT, SPEAKING IN THE RESUMED DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) DREW THE GOVERNMENT'S ATTENTION TO PROBLEMS ARISING FROM ITS INCLUSION OF MORE SCHOOLS INTO THE PUBLIC SECTOR TO MEET ITS TARGETS FOR 'NINE YEARS' FREE AND COMPULSORY EDUCATION.

SHE POINTED OUT THAT THE NUMBER OF SCHOOLS BROUGHT INTO THE SECTOR IN 1978 WAS 58, AND THIS YEAR THERE WILL BE 65, NEXT YEAR 77 AND THE YEAR AFTER THAT 82.

HOWEVER, THERE HAS NOT BEEN AN INCREASE IN THE NUMBER OF INSPECTORS OF SCHOOLS TO COPE WITH THE MASSIVE PROBLEMS INVOLVED. NEITHER HAS THERE BEEN MORE PROVISION FOR OTHER BACK-UP SERVICES, SUCH AS SHORT IN-SERVICE COURSES FOR IMPROVING THE QUALITY OF TEACHING, VISUAL-AIDS AND LIBRARY SERVICES.

FURTHERMORE, ALTHOUGH VERBAL PROMISES HAVE BEEN MADE FROM TIME TO TIME THAT THERE IS ACTIVE CONSIDERATION TO IMPROVE THE STAFFING OF SCHOOLS WITH FLOATING CLASSES, THE ESTIMATES DO NOT SHOW ANY PROVISION FOR INCREASE IN SCHOOL PERSONNEL -- LABORATORY TECHNICIANS, LIBRARIANS AND TEACHERS -- TO IMPROVE THE CLASS-TEACHER RATIO.

SHE SAID GOVERNMENT AND AIDED SCHOOLS HAVE BEEN VERY WILLING IN IMPLEMENTING REQUESTS FOR MORE CLASSES, BUT THEY HAVE HOPED FOR SOME RELIEF IN RETURN.

MANY OF THEM WOULD PREFER THE GOVERNMENT SPEND ITS MONEY THIS WAY THAN ON ABOLISHING TONG FAI OR SUBSCRIPTIONS, SHE ADDED.

MISS BENNETT SAID SHE WAS DISTURBED TO DISCOVER THAT WHILE THE GOVERNMENT IS KNOWN TO HAVE COMMITTED ITSELF TO A POLICY OF PROVIDING NINE YEARS' FREE AND COMPULSORY EDUCATION, THERE ARE STILL 178 DAY-TIME PRIVATE PRIMARY SCHOOLS EDUCATING OVER 74,000 CHILDREN UNDER 1,828 UNTRAINED TEACHERS.

SHE WAS TOLD BY THE DIRECTOR OF EDUCATION THAT 153 GRADUATES ARE EXPECTED THIS YEAR FROM THE IN-SERVICE TRAINING COURSE FOR THESE TEACHERS, 103 GRADUATES IN 1980, 94 GRADUATES IN 1981 AND NO FIRM NUMBER AFTERWARDS.

SHE THEREFORE AGAIN URGED THE GOVERNMENT TO BE MORE POSITIVE IN ITS APPROACH TO TRAINING THESE TEACHERS AND NOT STOPPING ANY COURSES.

SHE ASKED FOR A RE-EXAMINATION OF THE PARITY PRINCIPLE IN FINANCING ENGLISH-SPEAKING SCHOOLS.

SHE SAID THIS IS ADMITTEDLY A MINORITY QUESTION BUT SHE BELIEVED A COMMUNITY WILL BE JUDGED ON HOW IT TREATS ITS MINORITIES.

/WHILE SHE

WHILE SHE BELIEVED THAT HONG KONG HAS HAD A VERY GOOD RECORD FOR RACIAL HARMONY AND LACK OF DISCRIMINATION, SHE SAW SOME VERY DISQUIETING DANGER SIGNALS BEING RAISED OVER THE ISSUE.

SHE POINTED OUT THAT EVEN IN THE ANGLO-CHINESE SCHOOLS THERE IS NOT COMPLETE PARITY, FOR EXAMPLE, BETWEEN A TECHNICAL SCHOOL AND A GRAMMAR SCHOOL WHICH GETS LESS SUBSIDY, OR FOR SPECIAL SCHOOLS AND CLASSES WHICH HAVE SMALLER CLASSES.

+SUBSIDIES SHOULD, WITHIN REASONABLE LIMITS, RELATE TO THE NEEDS OF THE INSTITUTION AND CHILD,+ SHE SAID.

SHE SAID HONG KONG HAS BENEFITTED FROM ITS INTERNATIONAL COMMUNITIES LIKE THE INDIAN AND PORTUGUESE WHO HAVE MADE THEIR HOMES HERE AND MANY ENGLISH-SPEAKING CHILDREN ARE JUST AS LOCAL AS THE CHILDREN GOING TO THE ANGLO-CHINESE SCHOOLS.

SHE SAID NO QUICK DECISION SHOULD BE MADE FOR REMOVING THE EDUCATION OF ENGLISH-SPEAKING CHILDREN OUT OF THE GENERAL SYSTEM. INDEED, SHE ADDED, THE 1965 WHITE PAPER WHICH PUT FORWARD THE PRINCIPLE OF PARITY, WITHOUT CLEARLY SPELLING IT, HAD IMPLIED UNCERTAINTY AS TO WHETHER IT WOULD BE PRACTICAL.

SHE THOUGHT THE GOVERNMENT SHOULD NOT FOSTER SEPARATISM IN THE EDUCATION SYSTEM BUT INSTEAD WORK TOWARDS INCREASED INTEGRATION OF HONG KONG'S DIFFERENT COMMUNITIES.

SHE TOOK THE OPPORTUNITY TO BRING UP THE DIFFICULTIES FACED BY CHINESE CHILDREN WHOSE PREVIOUS OVERSEAS RESIDENCE OR EDUCATION HINDER THEM FROM COPING WITH THE INTENSIVE STUDY OF CHINESE REQUIRED FOR PROMOTION TO SENIOR SECONDARY AND TERTIARY EDUCATION.

WHEN SHE FIRST CAME TO HONG KONG IN 1949, THESE CHILDREN COULD BE EXEMPTED FROM CHINESE LANGUAGE REQUIREMENTS BY TAKING A LOWER CHINESE LANGUAGE PAPER OR ALTERNATIVELY TAKE A FRENCH PAPER.

THE LOWER CHINESE PAPER IS NOW NO LONGER AVAILABLE FOR FORM V STUDENTS OR UNIVERSITY ENTRANCE AND ONLY 11 SCHOOLS THIS YEAR ARE OFFERING FRENCH IN THE HKCE EXAMINATION AND FIVE AT THE ADVANCED LEVEL COURSE.

THESE CHILDREN ARE BEING PENALISED BY BEING PROVIDED WITH AN INADEQUATE NUMBER OF SCHOOLS THAT ARE FREE AT THE PRIMARY LEVEL AND UP TO FORM III AND ARE REASONABLY PRICED IN THE SENIOR SECONDARY COURSE FOR NON-CHINESE EXAMINATION STUDENTS, SHE SAID.

SHE GAVE THE EXAMPLE OF A CHILD RETURNING TO HONG KONG AND JOINING AN ANGLO-CHINESE SCHOOL. UNDER THE PRESENT SYSTEM, HE IS EXPECTED TO BE ABLE TO RECOGNISE AND WRITE 456 CHARACTERS BY THE END OF PRIMARY 1, 2,680 CHARACTERS ON ENTRY TO FORM I AND 4,000 CHARACTERS BY THE END OF FORM III.

HE WILL BE CONSIDERED STUPID BECAUSE HE CANNOT DO THIS AND WILL BE DEMOTED TO A LOWER CLASS.

SHE SUGGESTED THAT THERE ARE THREE POSSIBLE SOLUTIONS -- PROVIDING FREE EDUCATION TO CHILDREN IN ENGLISH LANGUAGE AS WELL AS ANGLO-CHINESE SCHOOLS, CONTINUANCE OF FEES IN ENGLISH LANGUAGE SCHOOLS BUT WITH MUCH MORE ALLOWANCE FOR FEE REMISSION, OR SUBSIDISING TEACHING OF FRENCH IN DESIGNATED SECONDARY SCHOOLS TO PROVIDE AN ALTERNATIVE SECOND LANGUAGE FOR THESE CHILDREN.

EACH OF THESE WILL COST MONEY BUT SHE BELIEVED PROVISION MUST BE MADE IN THE BUDGET.

SHE SUGGESTED THAT ONE WAY TO PROVIDE REASONABLY PRICED EDUCATION FOR THESE CHILDREN IS TO EMPLOY LOCAL CITIZENS WHO HAVE RETURNED FROM LESS EXAMINATION-ORIENTED STUDIES OVERSEAS. THEY DO NOT REQUIRE HOUSING AND TRAVEL AND ARE VERY CAPABLE OF EDUCATING THE CHILDREN, SHE SAID.

TURNING TO THE AREA OF SOCIAL WELFARE SERVICES, MISS BENNETT URGED THAT INSTITUTIONS SERVING CHILDREN AND OLD PEOPLE BE GIVEN CLEAR-CUT FINANCIAL ARRANGEMENTS TO ENCOURAGE MORE SUCH INSTITUTIONS TO BE RUN.

THE PRESENT SUBVENTION ARRANGEMENTS THROUGH FIVE STAGES UNDER THE ONE-LINE VOTE ARE CLUMSY AND TIME-CONSUMING AND UNCERTAIN, SHE SAID.

UNDER A CODE OF AID, THE GOVERNMENT COULD MAINTAIN A MUCH STRICTER CONTROL OF BUDGETTING AND EXPENDITURE, SHE ADDED. AT PRESENT, WITH LUMP-SUM SUBVENTIONS, ONCE AN INSTITUTION HAS HAD ITS SUBVENTION CUT BY THE AMOUNT OF ITS SURPLUS IN A YEAR, IT WILL BE VERY CAREFUL TO SPEND ITS FUNDS UP TO THE HILT NEXT YEAR, SHE SAID.

SHE ALSO THOUGHT THE GRANTS GIVEN BY THE COMMUNITY CHEST, THE LOTTERIES FUND AND THE SOCIAL WELFARE DEPARTMENT OUGHT TO BE STUDIED TO SEE HOW THEY CAN BEST HELP VOLUNTARY AGENCIES TO PROVIDE THOSE SERVICES WHICH THE GOVERNMENT IS NOT AT PRESENT IN A POSITION TO PROVIDE.

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CALL ON GENERAL LEVY TO FINANCE INDUSTRIAL TRAINING

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THE HON. FRANCIS TIEN URGED THE GOVERNMENT TO GIVE EARLY APPROVAL TO A PROPOSAL BY THE HONG KONG TRAINING COUNCIL TO SET UP A GENERAL LEVY TO FINANCE INDUSTRIAL TRAINING, WHEN HE SPOKE AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE SAID THE COUNCIL HAS ESTIMATED THAT A VERY SMALL GENERAL LEVY WOULD SUFFICE TO FINANCE:

- * THE EXISTING CONSTRUCTION AND CLOTHING INDUSTRIES TRAINING SCHEMES=

* SCHEMES PROPOSED FOR OTHER INDUSTRIES-

- * AN INDUSTRY-WIDE SCHEME TO PROVIDE SOUND BASIC PRACTICAL TRAINING IN KEY ENGINEERING TRADES TO TRAINEES AND,
- * ANOTHER INDUSTRY-WIDE SCHEME TO PROVIDE PRACTICAL TRAINING FOR ENGINEERING GRADUATES.

MR. TIEN GAVE FOUR REASONS FOR PREFERING A GENERAL LEVY TO INDIVIDUAL LEVIES:

- * IT IS THE FAIREST WAY OF SHARING THE TOTAL COST OF TRAINING, PARTICULARLY OF MANPOWER NEEDED BY ALL INDUSTRIES AND THE COMMERCIAL AND SERVICE SECTORS.
- * IT WOULD BE SIMPLER TO ADMINISTER -- ITS COLLECTION IS MORE STRAIGHT FORWARD AND IT WOULD ENABLE THE BODY ADMINISTERING THE SCHEME TO RESPOND EFFECTIVELY TO THE MANPOWER TRAINING NEEDS OF THE ECONOMY.
- * A GENERAL LEVY IS ALSO MORE ECONOMICAL TO COLLECT AND TO ADMINISTER THAN INDIVIDUAL LEVIES, WHICH MAY BE DIFFERENTLY BASED AND MANAGED BY INDIVIDUAL BODIES.
- * THE GOVERNMENT'S PREFERENCE FOR A SINGLE BODY TO BE RESPONSIBLE FOR THE ADMINISTRATION OF INDUSTRIAL TRAINING RATHER THAN A HOST OF STATUTORY BODIES LOOKING AFTER INDIVIDUAL SCHEMES.

MR. TIEN POINTED OUT THAT THE CONCEPT OF A GENERAL LEVY WAS FIRST PROPOSED BY SIR S.Y. CHUNG, +AN EMINENT AND FAR-SIGHTED INDUSTRIALIST,+ IN THE LEGISLATIVE COUNCIL IN 1975, AND EXPERIENCE HAS SHOWN THAT HE WAS RIGHT.

IN THE VIEW OF SIR SZE-YUEN, HE SAID, A GENERAL LEVY IS MORE DESIRABLE BECAUSE IT WOULD ENABLE TRAINING TO BE SO ORGANISED THAT THE OVERALL NEEDS CAN BEST BE MET AND WOULD AVOID PROLIFERATION OF TRAINING AUTHORITIES AND TRAINING CENTRES AND A TOO HEAVY BURDEN ON THE SMALLER INDUSTRIES WHICH ALSO NEED TRAINED MANPOWER.

MR. TIEN ENDORSED THE POLICY OF DIVIDING RESPONSIBILITY BETWEEN THE GOVERNMENT AND INDUSTRY -- THE GOVERNMENT TO PROVIDE +THEORETICAL KNOWLEDGE AT ALL LEVELS AND SUCH PRACTICAL TRAINING AS IS NECESSARY TO ILLUSTRATE THE THEORY,+ AND INDUSTRY TO ACCEPT +THE FULL COST OF PROVIDING PRACTICAL TRAINING, WHETHER IT BE GIVEN IN INDUSTRIAL PREMISES OR IN TRAINING CENTRES,+ INCLUDING THE CAPITAL AND RECURRENT COSTS OF THESE CENTRES.

THE POLICY IS FAIR AND SENSIBLE BECAUSE THE OVERALL RESPONSIBILITY FOR PRODUCING TECHNICAL MANPOWER IS, AS IT SHOULD BE, SHARED BETWEEN ORDINARY TAXPAYERS AND EMPLOYERS WHO ARE USERS OF SUCH MANPOWER, HE SAID.

IN ANY EVENT, HE ADDED, THE BULK OF THE TRAINING, TO BE USEFUL AND EFFECTIVE, MUST BE DONE IN INDUSTRIAL TRAINING CENTRES, WHERE ACTUAL INDUSTRIAL CONDITIONS CAN BE SIMULATED, OR IN INDUSTRY ITSELF.

HE URGED THE GOVERNMENT TO RESPOND SOONER TO THE COUNCIL'S RECOMMENDATIONS, SUBMITTED MORE THAN A YEAR AGO, FOR THE GENERAL LEVY SCHEME, +NEEDED TO COMPLEMENT AND COMPLETE THE WORK DONE BY THE TEACHING INSTITUTIONS.+

+INDEED, WITHOUT SUCH A TRAINING SYSTEM, THE COMMUNITY WOULD NOT GET A PROPER RETURN FROM ITS INVESTMENT ON EDUCATION,+ HE SAID.

MR. TIEN POINTED OUT THE TRAINING COUNCIL HAS NOW EXTENDED ITS ACTIVITIES TO THE COMMERCIAL AND SERVICE SECTORS WITH THE ESTABLISHMENT RECENTLY OF NEW TRAINING BOARDS, AND IT IS LIKELY THAT OFF-THE-JOB TRAINING SCHEMES SIMILAR TO THOSE PROPOSED TO DATE WILL BE PLANNED.

HE SAID HONG KONG CANNOT AFFORD TO PROCRASTINATE.

+AN INDUSTRIAL TRAINING SYSTEM WHICH IS CAPABLE OF MAKING AVAILABLE TRAINING IN ANY AREA, AS AND WHEN THE NEED ARISES, IS VITAL TO THE SUCCESS OF ANY EFFORT AIMED AT UPGRADING PRODUCTS AND ITS DIVERSIFICATION AND ALSO TO ATTRACT OVERSEAS INVESTORS ENGAGED IN HIGH TECHNOLOGY INDUSTRIES,+ HE NOTED.

+DIVERSIFICATION, UPGRADING OF THE LEVELS OF PRODUCTS, AND ADOPTION OF HIGHER TECHNOLOGY INDUSTRIES ARE LITTLE MORE THAN EMPTY WORDS AND PHRASES UNLESS WE HAVE SUITABLY TRAINED MANPOWER TO MAKE THESE ACTIVITIES POSSIBLE,+ HE STRESSED.

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SUPPORT FOR CUTBACKS IN PUBLIC SPENDING

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THE HON. ALEX WU SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT AS A RESULT OF THE DEVELOPMENT IN 1978, HONG KONG NOW FACES +THE POSSIBILITY OF A FURTHER GROWTH OF IMPORTS, A WIDENING VISIBLE TRADE DEFICIT, A FURTHER DEPRECIATION IN THE HK DOLLAR AND SUBSTANTIAL INFLATION,+ BEFORE THE ECONOMY'S EQUILIBRIUM CAN BE RESTORED.

MR. WU SUPPORTED THE FINANCIAL SECRETARY'S PROPOSED REDUCTIONS IN PUBLIC EXPENDITURE, AND THE CONSEQUENTIAL POSTPONING OF THE INTRODUCTION OF FURTHER GOVERNMENT SERVICES.

THIS IS IN THE INTERESTS OF THE COMMUNITY AS A WHOLE, INCLUDING THOSE MEMBERS WHOM THE SOCIAL SERVICES WOULD BE DESIGNED PRIMARILY TO HELP. +INFLATION SEEMS TO ME AN UNACCEPTABLE PRICE TO HAVE TO PAY FOR IMPROVING SOCIAL SERVICES TOO HURRIEDLY,+ HE SAID.

HE WOULD ONLY SUGGEST THAT THE DIRECTOR OF PUBLIC WORKS USES ANY POSTPONEMENT IN THE LETTING OF CONTRACTS FOR PUBLIC WORKS PROJECTS, TO BUILD UP A RESERVE OF CONTRACTS READY TO BE PUT OUT AS SOON AS THE STATE OF THE CONSTRUCTION INDUSTRY PERMITS.

WHEN PUBLIC EXPENDITURE IS TRIMMED TO FIT IN WITH THE STATE OF THE ECONOMY, IT IS IMPORTANT TO FEED A STEADY FLOW OF PUBLIC WORKS PROJECTS INTO THE CONTRACT STAGE, AS AND WHEN CIRCUMSTANCES PERMIT, SO AS TO AVOID AN INVOLUNTARY +STOP GO+, HE EXPLAINED.

MR. WU SAID THE OPTIONS OPEN TO THE FINANCIAL SECRETARY TO COMBAT INFLATION ARE +RATHER SEVERELY LIMITED, PROVIDED THAT HE STICKS TO HIS PRINCIPLES+. THE MOST IMPORTANT OF THESE ARE:

- * MAINTAINING PRESENT SERVICES AND EXPANDING THEM TO MEET DEMAND AT PRESENT STANDARDS, AND
- * INTRODUCING DESIRABLE NEW SERVICES WHEN WE CAN AFFORD THEM, WITHOUT DISTURBING OUR LOW TAX ENVIRONMENT AND WITHOUT INTRODUCING DIRECT CONTROLS WHICH WOULD BE A DANGEROUS DEPARTURE FROM OUR FUNDAMENTAL POLICY.

BESIDES THE OPTION OF CONTROL ON PUBLIC EXPENDITURE, THERE IS THE OPTION OF LIMITATION ON THE WAYS IN WHICH THE HK DOLLAR BALANCES CAN BE USED.

+IF IT DOES NOT DO THE TRICK, THERE IS THE LIQUIDITY RATIO, AND IF THAT IS NOT ENOUGH, A RELUCTANT FINANCIAL SECRETARY IS SURE THAT HE CAN DEVISE SOME OTHER FORMS OF DIRECT CONSTRAINT IN THE GROWTH OF THE MONEY SUPPLY,+ HE SAID.

HE HOPED THAT WITH THE SUPPORT OF THE BUSINESS COMMUNITY, THE EXCHANGE FUND DEPOSITS WILL OPERATE AS THE FINANCIAL SECRETARY EXPECTS.

HE FURTHER REITERATED THAT HE SHARES THE FINANCIAL SECRETARY'S DEVOTION TO THE PRINCIPLES OF LOW TAXATION AND MINIMUM DIRECT GOVERNMENT INTERFERENCE IN THE MECHANISM OF THE ECONOMY.

HE SAID HE HAS SOME JUSTIFIABLE DOUBTS ABOUT THE EFFICACY OF INTERFERENCE. +THE ESSENTIAL ECONOMIC FACT ABOUT HONG KONG IS THAT IT RESPONDS TO INCENTIVE. IN MANY OTHER PLACES THE RESULT OF MIXING CONTROLS AND INCENTIVES HAS BEEN THAT THE INCENTIVES NO LONGER OPERATE. IN HONG KONG OUR TAXATION PATTERN AND THE RELATIVE ABSENCE OF DIRECT GOVERNMENT INTERFERENCE RELEASE ECONOMIC ENERGY AND STIMULATE ENTERPRISE TO THE BENEFIT OF THE WHOLE COMMUNITY,+ HE SAID.

HE THOUGHT THE TIME WILL SOON COME WHEN THE FINANCIAL SECRETARY WILL NOT BE ABLE TO CONDUCT A TRULY COMPREHENSIVE REVIEW OF OUR ECONOMY AND TREAT IT LIKE A THEORETICAL MODEL.

IF IT IS STILL POSSIBLE TO DO SO NOW IT IS BECAUSE OUR ECONOMY IS STILL NARROW ENOUGH, COMPACT ENOUGH AND VISIBLE ENOUGH= BUT EVEN NOW THE FINANCIAL SECRETARY RECOGNISES A MAJOR UNCERTAINTY APART FROM TRENDS IN WORLD TRADE - THE IMPACT OF CHINA'S NEW DIRECTIONS IN INDUSTRIAL DEVELOPMENT, HE SAID.

HE SAID HE SUPPORTS THE PRESENT BUDGET IN THE SPIRIT OF A COMMON CHINESE SAYING: +EXPLORE RESOURCES AND RESTRAIN SPENDING+.

WEDNESDAY, MARCH 28, 1979

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PLEA ON CREATION OF INDUSTRIAL DEVELOPMENT BANK

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THE HON. LI FOOK-WO HAS EXPRESSED CONCERN ABOUT THE EFFECTS OF USING INTEREST RATES TO RESTRICT THE GROWTH RATE OF LOANS AND ADVANCES AND HENCE EXCESSIVE DOMESTIC DEMAND, IN THE CONTEXT OF HONG KONG'S EXPORT-ORIENTATED ECONOMY.

COMMENTING ON THE BUDGET IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR. LI SAID IT IS REGRETTABLE THAT BY CONTINUING TO USE INTEREST RATES AS A WEAPON, THE BUDGET WILL EXERT ADDITIONAL PRESSURE ON THE MANUFACTURING INDUSTRY, WHICH FACES DIFFICULT ENOUGH CONDITIONS ARISING FROM HIGHER LABOUR AND MATERIAL COSTS, SLACKENING DEMAND IN THE PRINCIPAL MARKETS AND INCREASING PROTECTIONISM.

HE THOUGHT SOME OVERALL DISTINCTION SHOULD BE MADE BY FREEING ADVANCES TO THE MANUFACTURING SECTOR WHILE RESTRICTING LOANS FOR ALL OTHER PURPOSES.

ALTHOUGH THE FINANCIAL SECRETARY HAD GIVEN IN HIS BUDGET SPEECH AN ASSURANCE THAT OTHER FORMS OF DIRECT CONTROL, SUCH AS THE IMPOSITION OF CEILINGS ON LENDING FOR SPECIFIED PURPOSES, HAD BEEN EXAMINED BUT DISCARDED DUE TO INEQUITY OR INEFFICIENCY, HE HAD NOT EXPLAINED HOW HE ARRIVED AT THIS DECISION, MR. LI SAID.

ANOTHER REASON THE FINANCIAL SECRETARY GAVE WAS THAT IMPOSITION OF DIRECT CONTROLS MIGHT BE INTERPRETED AS A RADICAL CHANGE OF GOVERNMENT POLICY FROM WHICH AN ERRONEOUS CONCLUSION MIGHT BE DRAWN.

+HOWEVER, THE INTRODUCTION OF ANY FORMAL MONETARY POLICY, SUCH AS THE ONE HE HAD PROPOSED, IS IN ITSELF A RADICAL CHANGE OF POLICY.

+IS IT NOT THE DUTY OF GOVERNMENT, HAVING TAKEN MEASURES TO ATTACK AN ACKNOWLEDGED AREA REQUIRING REGULATION, TO ENSURE THAT THIS ACTION MUST BE AS EFFECTIVE AS POSSIBLE?+ MR. LI ASKED.

HE WONDERED WHETHER THE MEASURES PROPOSED, WHICH ARE NON-FISCAL AND DEPENDENT PRIMARILY ON INTEREST RATES, WOULD BE ADEQUATE WITH THE PRESENT RELATIVELY HIGH AVERAGE LIQUIDITY RATIO IN HONG KONG'S BANKING SYSTEM.

HE THOUGHT THE PROPOSALS ARE JUST A HOLDING OPERATION AND THAT A COMPREHENSIVE PLAN IS ESSENTIAL TO TACKLE THE PROBLEM.

+FOR INSTANCE, HE (THE FINANCIAL SECRETARY) COULD HAVE ELABORATED ON THE VARIOUS MEASURES WHICH COULD BE INTRODUCED BY STAGES TO CONTROL INFLATION, EVEN IF NO DATES ARE GIVEN FOR THEIR RESPECTIVE IMPLEMENTATION,+ HE SAID.

MR. LI.....

MR. LI ADDED THAT IT WOULD BE USEFUL FOR THE PURPOSE OF INDICATIVE PLANNING BY THE ENTIRE BUSINESS COMMUNITY IF THE FINANCIAL SECRETARY WOULD STATE WHAT RATE OF MONEY SUPPLY GROWTH IN, SAY, M2 TERMS, IS IMPLICIT IN HIS FORECAST OF GDP GROWTH IN 1979, AND WHAT RATE OF M2 GROWTH HE WOULD REGARD AS MOST DESIRABLE IN TERMS OF AVERTING OUR +VERY REAL THREAT OF INFLATION.+

CONCERNED THAT HIGHER INTEREST RATES APPLIED GENERALLY WILL ADVERSELY AFFECT INDUSTRIES, MR. LI FURTHER ASKED THE FINANCIAL SECRETARY TO SET UP A MONETARY AUTHORITY TO REGULATE MONEY SUPPLY IN THE ABSENCE OF A CENTRAL BANK.

HE THOUGHT THE BEST OPTION IS THE CREATION OF AN INDUSTRIAL/DEVELOPMENT BANK OR INDUSTRIAL/DEVELOPMENT FINANCE CORPORATION WHICH WOULD ALLOW SHORT, MEDIUM AND LONG-TERM LOANS FOR INDUSTRIAL AND TRADE DEVELOPMENT PROJECTS AT PREFERENTIAL RATES OF INTEREST.

SUCH AN INSTITUTION HAS THE ADVANTAGE OF ALLOWING INDUSTRY TO TAKE FULL ADVANTAGE OF THE FINANCIAL SECRETARY'S PROPOSED +POOLING+ SYSTEM FOR DEPRECIATION ALLOWANCES AND COULD PROVIDE A USEFUL MEANS FOR EMPLOYING PART OF HONG KONG'S FISCAL RESERVES, HE EXPLAINED.

HE SAID THIS YEAR'S BUDGET IS HISTORIC IN THAT THE EMPHASIS --- SLOWING DOWN THE GROWTH RATE OF GOVERNMENT EXPENDITURE SO AS TO MINIMISE THE DISTORTIONS WITHIN INDIVIDUAL MARKETS, AND CONSTRAINING THE GROWTH RATE OF PRIVATE DOMESTIC DEMAND BY REDUCING THE GROWTH RATE OF THE MONEY SUPPLY IN THE HANDS OF THE NON-BANK PRIVATE SECTOR --- IS PRECEDENT-SETTING.

HE FELT RELIEVED, HOWEVER, THAT THIS WOULD BE DONE IN SUCH A MANNER THAT EXPENDITURE ON SOCIAL SERVICES AND APPROVED PROJECTS WILL NOT BE AFFECTED.

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WATER SUPPLY CONTRACT SIGNED

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AN \$82.8 MILLION CONTRACT FOR PIPELINES AND TUNNELS IN THE SECOND STAGE OF THE SCHEME TO TRANSPORT ADDITIONAL CHINESE WATER FROM THE RIVER INDUS PUMPING STATION TO PLOVER COVE WAS SIGNED TODAY (WEDNESDAY) BY THE WATER SUPPLIES DEPARTMENT.

THE CONTRACT, WORTH \$82,816,657, WAS AWARDED TO MITSUI CONSTRUCTION CO. LTD.

THE JOB INVOLVES:

- * 2,040 METRES OF STEEL PIPELINE, 2,020 MM IN DIAMETER, FROM THE RIVER INDUS STATION TO TOP HILL IN WA SHAN.

/ * 2,377 METRES.....

- * 2,377 METRES OF STEEL PIPELINE, OF THE SAME DIAMETER, FROM LAMB HILL EAST TO MA MEI HA.
- * A NEW UNLINED TUNNEL FROM TOP HILL TO LAMB HILL, 2,073 METRES LONG AND WITH A DIAMETER OF 3.3 METRES.
- * A NEW UNLINED TUNNEL FROM MA MEI HA TO NAM CHUNG, 3,227 METRES LONG WITH A DIAMETER OF 3.6 METRES.

ALSO INVOLVED IN THE CONTRACT IS THE ENLARGEMENT OF THE EXISTING UNLINED TUNNEL FROM NAM CHUNG TO CHUNG MEI, AND THE CONSTRUCTION OF A NEW INTAKE STRUCTURE AND NEW SUBSIDIARY TUNNEL 52 METRES LONG.

A SPOKESMAN FOR THE WATER SUPPLIES DEPARTMENT SAID WORK WAS EXPECTED TO START ON APRIL 4, 1979. COMPLETION DATE WAS EXPECTED TO BE APRIL 1981.

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PRIVATE SCHOOL TEACHING EXPERIENCE FULLY RECOGNISED
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THE EDUCATION DEPARTMENT TODAY (WEDNESDAY) ANNOUNCED AN IMPROVED SCHEME OF AWARDING INCREMENTAL CREDIT TO TEACHERS IN GOVERNMENT AND AIDED SCHOOLS WITH PREVIOUS PRIVATE SCHOOL TEACHING EXPERIENCE.

UNDER THE SCHEME THESE TEACHERS WILL BE GIVEN ONE INCREMENT FOR EACH YEAR'S APPROVED POST-QUALIFICATION TEACHING EXPERIENCE IN PRIVATE SCHOOLS OBTAINED AFTER SEPTEMBER 1, 1971.

THE AWARD SCHEME WILL BE EFFECTIVE FROM SEPTEMBER 1, 1978.

A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID THE SCHEME WILL ALSO BE APPLICABLE TO TEACHERS SERVING IN GOVERNMENT AND AIDED SCHOOLS ON SEPTEMBER 1, 1978 WHO:

- * HAD POST-1971 TEACHING EXPERIENCE IN PRIVATE SCHOOLS WHEN JOINING GOVERNMENT AND AIDED SCHOOLS-
- * ARE STILL EMPLOYED IN BASIC RANKS E.G. CERTIFICATED MASTER/MISTRESS AND GRADUATE MASTER/MISTRESS IN GOVERNMENT AND AIDED SCHOOLS- AND
- * HAVE NOT REACHED THE MAXIMUM SALARY OF THEIR RANKS.

+THE TEACHERS' INCREMENTAL POSITION WILL BE ADJUSTED ACCORDINGLY BUT NO RETROSPECTIVE PAYMENT OF SALARIES PRIOR TO SEPTEMBER 1, 1978 WILL BE MADE UNDER ANY CIRCUMSTANCES,+ THE SPOKESMAN SAID.

PREVIOUSLY, TEACHERS WORKING IN PRIVATE SCHOOLS ON JOINING GOVERNMENT RECEIVED INCREMENTS ON THE BASIS OF ONE INCREMENT FOR EVERY TWO YEARS' POST-QUALIFICATION FULL-TIME TEACHING EXPERIENCE.

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WEDNESDAY, MARCH 28, 1979

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\$20.8 MILLION TSUEN WAN DEVELOPMENT CONTRACT SIGNED
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THE PUBLIC WORKS DEPARTMENT TODAY (WEDNESDAY) AWARDED A \$20.8 MILLION CONTRACT TO LEIGHTON CONTRACTORS PTY LTD. FOR A FURTHER STAGE OF DEVELOPMENT WORKS IN TSUEN WAN NEW TOWN.

IT WAS FORMALLY SIGNED BY MR. C.R. SAUNDERS, CHIEF ENGINEER (NORTH), OF THE TSUEN WAN NEW TOWN DEVELOPMENT OFFICE, AND MR. H. CHARITON OF THE COMPANY.

THE CONTRACT IS FOR SITE FORMATION WORKS AT TSO KUNG TAM IN THE NORTHWEST OF TSUEN WAN, DESIGNED PRINCIPALLY TO PROVIDE A LEVEL SITE FOR THE MASS TRANSIT RAILWAY WEST OF ITS DEPOT.

IT ALSO INCLUDES THE FORMATION OF SEVEN HECTARES OF LAND FOR FUTURE DEVELOPMENT.

+THE WORKS, WHICH FORM STAGE VI OF THE TSUEN WAN NEW TOWN DEVELOPMENT, WILL INCLUDE DIVERTING HALF A KILOMETRE OF THE CHUNG HANG STREAM BY CHANNELLING IT INTO A CONCRETE LINED NULLAH OF ABOUT FIVE METRES DEEP AND 20 METRES WIDE,+ MR. SAUNDERS SAID.

SO FAR, THE GOVERNMENT HAS APPROVED THE EXPENDITURE OF \$667 MILLION FOR DEVELOPMENT WORK.

HOWEVER, HE POINTED OUT THAT MORE THAN HALF OF THE SUM WOULD GO TOWARDS MEETING THE COST OF LAND ACQUISITION.

OTHER STAGES OF THE WORK ALREADY IN HAND INCLUDE THE FORMATION OF A SITE NEAR THE CENTRE OF TSUEN WAN FOR THE MASS TRANSIT RAILWAY AT A COST OF \$84 MILLION, AND SITE FORMATION WORKS AT CHUNG PEI SHAN AND CHAI WAN KOK AT A COST OF \$92 MILLION.

MR. SAUNDERS SAID THAT TENDERS FOR FURTHER SITE FORMATION IN THE NORTHERN PART OF TSUEN WAN WOULD BE INVITED NEXT MONTH.

ON COMPLETION OF ALL THE SITE FORMATION WORKS IN SIX DIFFERENT STAGES OF THE PROJECT, MORE THAN 200 HECTARES OF LAND WILL BE MADE AVAILABLE FOR DEVELOPMENT, HE ADDED.

THE PROJECT HAS BEEN DESIGNED AND CONSTRUCTION WILL BE SUPERVISED BY SCOTT WILSON KIRKPATRICK AND PARTNERS, CONSULTING ENGINEERS, ON BEHALF OF THE TSUEN WAN NEW TOWN DEVELOPMENT OFFICE OF PWD.

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RETURN VISIT OF SPECIAL POLICE ADVISERS
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MR. J.W.D. CRANE WILL RETURN TO HONG KONG ON APRIL 18 FOR A MONTH'S VISIT. HE WILL BE ACCOMPANIED BY A CHIEF STAFF OFFICER, CHIEF SUPERINTENDENT ALFRED WALLEN.

MR. CRANE, H.M. INSPECTOR OF CONSTABULARY FOR WALES AND SOUTH WEST ENGLAND, WAS IN HONG KONG BETWEEN JANUARY AND MAY LAST YEAR TO ADVISE THE COMMISSIONER OF POLICE ON THE ORGANISATION AND OPERATION OF THE ROYAL HONG KONG POLICE.

ARISING FROM HIS VISIT A WIDE RANGE OF RECOMMENDATIONS WAS DEVELOPED, AIMED AT STRENGTHENING ADMINISTRATION, MANAGEMENT AND TRAINING AT ALL LEVELS WITHIN THE POLICE FORCE.

DURING THIS FOLLOW-UP VISIT MR. CRANE IS EXPECTED TO ASSESS THE RESULTS OF THE EXTENSIVE ADVICE WHICH HE OFFERED TO THE COMMISSIONER OF POLICE LAST YEAR. HE WILL ALSO CONSIDER HOW THE RECOMMENDATIONS HAVE DEVELOPED AND ARE OPERATING WITHIN THE POLICE FORCE.

THE VISIT WILL ALSO PROVIDE HIM WITH AN OPPORTUNITY OF DISCUSSING WITH THE COMMISSIONER ANY NEW MATTERS WHICH HAVE ARISEN SINCE HE WAS LAST HERE.

THE INVITATION FOR THE RETURN VISIT THIS YEAR WAS EXTENDED TO MR. CRANE BY THE GOVERNOR WITH THE CONCURRENCE OF THE FOREIGN AND COMMONWEALTH OFFICE AND THE HOME OFFICE.

IT WILL BE RECALLED THAT MR. CRANE MENTIONED, AT HIS CLOSING PRESS CONFERENCE LAST MAY, THAT THE COMMISSIONER OF POLICE HAD SUGGESTED THE POSSIBILITY OF A RETURN VISIT TO HONG KONG.

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ACTING GOVERNOR TO OPEN SOCIAL SERVICES CENTRE
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THE ACTING GOVERNOR, SIR JACK CATER, WILL OFFICIALLY OPEN THE CHAN HING SOCIAL SERVICES CENTRE IN TAI KOK TSUI, TOMORROW (THURSDAY)

ALSO ATTENDING WILL BE MR. E.P. HO, SECRETARY FOR SOCIAL SERVICES; MR. THOMAS LEE, DIRECTOR OF SOCIAL WELFARE; MR. J.C.C. WALDEN, DIRECTOR OF HOME AFFAIRS; MR. A.G. EASON, CITY DISTRICT COMMISSIONER (WEST KOWLOON) AND MISS REGINA LAU, CITY DISTRICT OFFICER (MONG KOK).

THE CENTRE, SITUATED AT THE JUNCTION OF IVY STREET AND FUK TSUEN STREET, IS A FOUR-STOREY BUILDING WITH AN AREA OF ABOUT 10,000 SQUARE FEET.

IT OFFERS A COMPREHENSIVE RANGE OF FACILITIES INCLUDING A SPACIOUS MULTI-PURPOSE COMMUNITY HALL WITH A MAXIMUM SEATING CAPACITY OF 800, MEDICAL AND DENTAL CLINICS, A LOW-PRICED CANTEEN, A NUMBER OF ACTIVITY ROOMS FOR EDUCATIONAL, RECREATIONAL AND COMMUNITY USE AS WELL AS SEVERAL ROOF-TOP PLAY AREAS.

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WEDNESDAY, MARCH 28, 1979

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HK POST OFFICE DELEGATION RETURNS
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A DELEGATION FROM THE HONG KONG POST OFFICE ARRIVED BACK FROM CANTON TODAY (WEDNESDAY).

THE FIVE-MEMBER DELEGATION, HEADED BY THE DEPUTY POSTMASTER GENERAL, MR. A.C. HEATHCOTE, DISCUSSED WITH THE CANTON POSTAL AUTHORITIES THE DETAILED ARRANGEMENTS FOR THE CONVEYANCE OF MAIL WHEN THE NEW THROUGH TRAIN SERVICE STARTS ON APRIL 4.

DISCUSSIONS ALSO COVERED OTHER RELATED POSTAL MATTERS AND THE OUTCOME OF THE TALKS PROVED VERY SUCCESSFUL.

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TWO SWD REHABILITATION CENTRES TO HOLD JOINT OPEN DAY
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TWO OF THE SOCIAL WELFARE DEPARTMENT'S REHABILITATION CENTRES WILL HOLD A JOINT +OPEN DAY+ STARTING TOMORROW (THURSDAY) AFTERNOON WHEN PEOPLE CAN SEE FOR THEMSELVES THE WORK AND TRAINING OF THE DISABLED TRAINEES.

THE ABERDEEN REHABILITATION CENTRE AND THE ADJOINING KAI CHI CHILDREN'S CENTRE, BOTH IN WELFARE ROAD, WONG CHUK HANG, WILL BE OPEN TO THE PUBLIC FROM 2.30 P.M. TO 4.30 P.M. TOMORROW AND FROM 9.30 A.M. TO NOON ON FRIDAY.

THE +OPEN DAY+ IS TO MARK THE 15TH ANNIVERSARY OF THE ABERDEEN REHABILITATION CENTRE.

BEFORE IT STARTS, AN OPENING CEREMONY WILL TAKE PLACE AT THE CENTRE IN WHICH THERE WILL BE SINGING, DANCING AND MARTIAL ARTS PERFORMANCES TO BE STAGED BY DISABLED PEOPLE.

AN UNOFFICIAL MEMBER OF THE LEGISLATIVE COUNCIL, DR. THE HON. HO KAM-FAI, WILL OFFICIATE AT THE CEREMONY. AT THE SAME TIME, A REPRESENTATIVE OF THE LIONS CLUB CENTRAL OF HONG KONG WILL CUT A HUGE +BIRTHDAY+ CAKE DONATED BY THE CLUB TO CELEBRATE THE ANNIVERSARY.

WITH A CAPACITY FOR 255, THE ABERDEEN REHABILITATION CENTRE PROVIDES FOR THE SOCIAL AND VOCATIONAL REHABILITATION OF DISABLED PEOPLE. ITS TRAINEES LARGELY COMPRISE THE ORTHOPAEDICALLY DISABLED AND THE MENTALLY RETARDED.

/THE KAI CHI

WEDNESDAY, MARCH 28, 1979

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THE KAI CHI CHILDREN'S CENTRE, WITH A CAPACITY FOR 140, PROVIDES BOTH RESIDENTIAL AND DAY TRAINING FACILITIES TO MENTALLY RETARDED CHILDREN AGED FIVE TO 16 YEARS.

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF THE JOINT +OPEN DAY+ ORGANISED BY THE SOCIAL WELFARE DEPARTMENT'S ABERDEEN REHABILITATION CENTRE AND KAI CHI CHILDREN'S CENTRE IN WELFARE ROAD, WONG CHUK HANG.

THE CEREMONY WILL TAKE PLACE AT THE ABERDEEN REHABILITATION CENTRE AT 10 A.M. TOMORROW (THURSDAY).

PRESS TRANSPORT WILL BE PROVIDED AND WILL LEAVE AT 9.15 A.M. FROM THE EASTERN ENTRANCE, LEE GARDENS, CAUSEWAY BAY.

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INAUGURATION OF SCOUT GROUP AT BOYS' HOME

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TWENTY-FOUR BOYS UNDER TRAINING AT THE SOCIAL WELFARE DEPARTMENT'S BEGONIA ROAD BOYS' HOME WILL GIVE THE TRADITIONAL THREE CHEERS TOMORROW (THURSDAY) AT AN INAUGURATION CEREMONY OF THEIR NEWLY-FORMED SCOUT GROUP.

THE BOYS, AGED BETWEEN 13 AND 15 YEARS, HAVE JUST UNDERGONE MONTHS OF SCOUT TRAINING AS PART OF THEIR SOCIAL REHABILITATION PROGRAMME AT THE HOME.

AMONG THE GUESTS WHO WILL OFFICIATE AT THE INAUGURATION CEREMONY WILL BE A JUVENILE COURT MAGISTRATE, MRS. C.B. MARR- THE DEPARTMENT'S REGIONAL OFFICER FOR WEST KOWLOON, MR. LU YU-HUA- AND THE DEPUTY DISTRICT POLICE COMMANDER, KOWLOON, MR. LI KWAN-HA.

PROGRAMME AT THE CEREMONY WILL INCLUDE THE PRESENTATION OF SCOUT FLAG AND CERTIFICATES, AN INSPECTION OF PARADE BY MR. LI, AND DEMONSTRATIONS ON EMERGENCY RESCUE AND SCOUT CAMPING ACTIVITIES.

NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE INAUGURATION CEREMONY OF A SCOUT GROUP FORMED BY TRAINEES OF THE SOCIAL WELFARE DEPARTMENT'S BEGONIA ROAD BOYS' HOME. THE CEREMONY WILL TAKE PLACE AT NOON AT THE COMPOUND OF THE HOME AT 62 BEGONIA ROAD, KOWLOON.

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WEDNESDAY, MARCH 28, 1979

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TEMPORARY TRAFFIC ARRANGEMENTS IN HAPPY VALLEY
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A NUMBER OF TRAFFIC ARRANGEMENTS WILL BE IMPLEMENTED IN HAPPY VALLEY FROM 8 P.M. ON FRIDAY TO 5 A.M. THE FOLLOWING DAY AND FROM 8 P.M. TO 11 P.M. ON SUNDAY FOR THE CONSTRUCTION OF THE CANAL ROAD FLYOVER.

THE ARRANGEMENTS ARE:

- * THE WESTBOUND BUS-ONLY LANE IN LEIGHTON ROAD WILL BE CLOSED TO TRAFFIC. WESTBOUND BUSES WHICH NORMALLY USE THIS ROAD WILL BE DIVERTED INTO WONG NAI CHUNG ROAD-
- * THE SLIP ROAD BETWEEN CANAL ROAD EAST AND MORRISON HILL ROAD WILL BE RE-ROUTED ONE-WAY EASTBOUND FROM MORRISON HILL ROAD TO LEIGHTON ROAD-
- * THE SLIP ROAD BETWEEN CANAL ROAD EAST AND QUEEN'S ROAD EAST WILL BE RE-ROUTED ONE-WAY EASTBOUND FROM QUEEN'S ROAD EAST TO LEIGHTON ROAD-
- * ALL TRAFFIC FROM CANAL ROAD EAST WILL TURN RIGHT AT THE JUNCTION OF LEIGHTON ROAD AND CANAL ROAD EAST.

TRAFFIC SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

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WATER CUT
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WATER SUPPLY TO A NUMBER OF PREMISES IN WESTERN DISTRICT WILL BE TURNED OFF FOR EIGHT HOURS FROM 10 P.M. ON FRIDAY TO 6 A.M. THE FOLLOWING DAY FOR REPAIR WORK.

THE AFFECTED PREMISES ARE NOS. 2-92, 63-105 HIGH STREET, NOS. 4-7, 99-115 POKFULAM ROAD, NOS. 71-83 BONHAM ROAD, UN SHING LANE AND KING GEORGE V MEMORIAL PARK.

MEANWHILE, WATER SUPPLY TO A NUMBER OF PREMISES ALSO ON FRIDAY IN WESTERN DISTRICT WILL BE STOPPED FOR SEVEN HOURS FROM 11 P.M. TO 6 A.M. THE FOLLOWING DAY FOR LEAKAGE TESTS.

THE AFFECTED AREA IS BOUNDED BY WESTERN MARKET, BONHAM STRAND, WING LOK STREET, DES VOEUX ROAD WEST, SUTHERLAND STREET, CONNAUGHT ROAD WEST AND MORRISON STREET.

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