



# DAILY INFORMATION BULLETIN

WEDNESDAY, MARCH 30, 1977

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GOVT. URGED TO INCREASE SUPPLEMENTARY  
PERSONAL TAX ALLOWANCE

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THE PROPOSED SUPPLEMENTARY PERSONAL TAX ALLOWANCES -- WHICH FORMED PART OF THE FINANCIAL SECRETARY'S PACKAGE OF TAX CONCESSIONS -- SHOULD BE INCREASED, THE HON. Q.W. LEE SAID TODAY.

ADDRESSING THE LEGISLATIVE COUNCIL DURING THE RESUMED BUDGET DEBATE, MR. LEE SAID IT WAS THE MAJORITY VIEW OF THE UNOFFICIAL MEMBERS THAT THE GOVERNMENT SHOULD CONSIDER INCREASING THE SUPPLEMENTARY ALLOWANCE FOR A SINGLE PERSON TO A LEVEL BETWEEN \$3,500 AND \$4,000, INSTEAD OF \$2,500 AND THAT FOR A MARRIED COUPLE TO BETWEEN \$7,000 AND \$8,000, INSTEAD OF \$5,000.

+IF NEED BE, THE CLAW-BACK COULD BE INCREASED TO A SLIGHTLY HIGHER PERCENTAGE OF, SAY, 25 PER CENT,+ HE ADDED.

HOWEVER, MR. LEE POINTED OUT THAT MOST OF HIS UNOFFICIAL COLLEAGUES AGREED THAT THE PRESENT LEVEL OF BASIC ALLOWANCE -- WHICH STANDS AT \$10,000 -- SHOULD BE MAINTAINED.

HE TOLD THE COUNCIL THAT PUBLIC VIEWS HAD BEEN EXPRESSED THAT THE SUPPLEMENTARY ALLOWANCES WERE NOT MUCH OF AN IMPROVEMENT IN REAL TERMS, BASED ON THE ARGUMENT THAT THE GENERAL CONSUMER PRICE INDEX HAD ADVANCED BY SOME 37 PER CENT FROM AN AVERAGE OF 142.7 FOR THE 12 MONTHS ENDED MARCH 1973 TO AN AVERAGE OF 195.6 FOR THE 12 MONTHS ENDED DECEMBER 1976.

+THIS IS CERTAINLY NOT AN INSIGNIFICANT RATE OF INFLATION AND IT IS DIFFICULT TO DISPOSE OF THIS ARGUMENT TOO LIGHTLY BECAUSE OF ITS EFFECT ON THE VALUE OF THE BASIC ALLOWANCES IN REAL TERMS,+ MR. LEE OBSERVED.

IN PROPOSING THE INCREASE IN THE SUPPLEMENTARY ALLOWANCES, MR. LEE NOTED THAT HIS UNOFFICIAL COLLEAGUES REALISED THAT THE MOST IMPORTANT FACTOR IN DECIDING THE QUANTUM OF A TAX-FREE ALLOWANCE WAS ITS EFFECT ON REVENUE YIELD.

+WE ALSO REALISE THAT TO FIX ITS LEVEL PURELY ON THE CURRENT COST OF LIVING COULD GIVE RISE TO SERIOUS AND COMPLICATED PROBLEMS.

+HOWEVER, WE HOPE IN CONSIDERING OUR SUGGESTION THAT GOVERNMENT WILL BEAR IN MIND THE WEIGHT OF INDIRECT TAXATION ON THE MIDDLE AND LOWER INCOME GROUPS,+ HE SAID.

MR. LEE SAID THE PUBLIC, ESPECIALLY THE LOWER INCOME GROUP, WERE PLEASED THAT THE FINANCIAL SECRETARY HAD PROPOSED SOME ADJUSTMENTS BY INTRODUCING A SUPPLEMENTARY ALLOWANCE, QUALIFIED BY A CLAW-BACK PROVISION.

+THIS IS CERTAINLY A STEP IN THE RIGHT DIRECTION.+

MR. LEE .....

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MR. LEE POINTED OUT THAT IN CALCULATING INCOME TAX, A TAX-FREE ALLOWANCE SHOULD BE DEDUCTED FOR THE TAXPAYER'S SUBSISTENCE.

HE REFERRED TO A PRINCIPLE LAID DOWN IN THE SECOND REPORT OF THE ROYAL COMMISSION ON THE TAXATION OF PROFITS AND INCOME (ALSO KNOWN AS THE RADCLIFFE COMMISSION) WHICH STATED THAT +THERE SHOULD BE NO INCOME TAX LEVIED UPON ANY INCOME WHICH IS INSUFFICIENT TO PROVIDE ITS OWNER WITH WHAT HE REQUIRES FOR SUBSISTENCE.+

BY SUBSISTENCE, MR. LEE EXPLAINED, THE COMMISSION MEANT +AN INCOME LARGE ENOUGH TO EQUIP AND SUSTAIN A HEALTHY AND EFFICIENT CITIZEN, NOT MERELY TO KEEP HIM ALIVE.+

COMMENTING ON THE BUDGET IN GENERAL TERMS, MR. LEE POINTED OUT THAT THE INCREASE IN APPROPRIATIONS FOR GOVERNMENT SERVICES IN ALL MAJOR FIELDS AND THE REDUCTION OF THE TAX BURDEN FOR THE MIDDLE AND LOWER INCOME GROUPS WERE THE BUDGET'S OBVIOUS FEATURES.

THESE FEATURES, HE CONTINUED, REFLECTED THE EFFICIENT WAY IN WHICH THE BUDGET WAS PREPARED.

+IF COMMENTS WHICH WE HEAR FROM VOCAL MEMBERS OF THE COMMUNITY CAN BE TAKEN AS A MEASURE OF PUBLIC OPINION, THERE IS NO DOUBT THAT THE PEOPLE OF HONG KONG HAVE FOUND THE 1977/78 BUDGET GENERALLY SATISFACTORY,+ HE SAID.

MR. LEE POINTED OUT THAT OVER THE PAST FEW MONTHS, CONCERN HAD BEEN EXPRESSED IN VARIOUS QUARTERS OVER +THE INFLUENCE OF OUR CRITICS, BOTH HERE AND ABROAD, WHO FEEL THAT WE ARE EITHER NOT DOING ENOUGH FOR OUR OWN SOCIAL DEVELOPMENT OR THAT WHAT WE ARE DOING IS NOT BEING DONE IN THE RIGHT WAY.+

HONG KONG, HE SAID, SHOULD WELCOME CONSTRUCTIVE SUGGESTIONS WHATEVER THEY MIGHT BE AND WHEREVER THEY MIGHT COME FROM AS +WE DO NEED THEM TO BETTER SERVE OUR PEOPLE.+

+BUT I HOPE THOSE WHO ARE RESPONSIBLE FOR OUR AFFAIRS WILL TAKE PRIDE IN HAVING HONG KONG UNDER THEIR CARE, SEEING WHAT WE HAVE ALREADY MANAGED TO ACHIEVE: THAT DESPITE OUR MANY PROBLEMS WE ARE STILL ABLE TO EARN FOR OURSELVES AMONG THE HIGHEST STANDARDS OF LIVING AND PER CAPITA INCOME IN ASIA TODAY,+ HE STRESSED.

IN THIS CONTEXT, MR. LEE SAID IT WOULD BE DIFFICULT NOT TO ACCEPT THAT THE SOCIAL POLICIES LAID DOWN BY THE GOVERNOR TO IMPROVE THE +QUALITY OF LIFE+ AND THE FINANCIAL AND ECONOMIC POLICIES FORMULATED BY THE FINANCIAL SECRETARY TO IMPLEMENT THEM +ARE THOSE BEST SUITED TO OUR PRESENT AND PROSPECTIVE FUTURE CIRCUMSTANCES, WHICH ARE REALLY UNIQUE TO HONG KONG.+

IF CRITICS OF HONG KONG FELT OTHERWISE, HE WENT ON, THEN THE MORE FREQUENT EXCHANGE OF VISITS BETWEEN LONDON AND HONG KONG SHOULD CONTRIBUTE TOWARDS RECONCILING ANY DIFFERENCES IN VIEWS.

/IN THIS .....

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IN THIS RESPECT, MR. LEE WELCOMED, ON BEHALF OF HIS UNOFFICIAL COLLEAGUES, THE RECENT VISIT OF TWO SENIOR OFFICIALS FROM THE FOREIGN AND COMMONWEALTH OFFICE TO ACQUAINT THEMSELVES WITH HONG KONG'S UP-TO-DATE SITUATION AT FIRST HAND.

MR. LEE POINTED OUT THAT STATESMEN AROUND THE WORLD HAD BEEN CHASING AFTER A SOCIETY AS NEAR PERFECTION AS REALITY PERMITTED.

IN DOING SO, GOVERNMENTS OF ALL SHADES HAD BEEN HARD PUT TO FIND A PANACEA FOR PROBLEMS THAT KEPT CROPPING UP IN SOCIETY, HE NOTED, ADDING THAT OFTEN SOLUTIONS COULD ONLY BE FOUND BY STRIKING A BALANCE BETWEEN REALISM AND IDEALISM.

+HONG KONG, I BELIEVE, HAS SO FAR BEEN ABLE TO STRIKE THE RIGHT BALANCE. WE MUST BE CAREFUL NOT TO CARRY IDEALISM TOO FAR LEST IT CREATES MORE PROBLEMS THAN IT IS MEANT TO SOLVE.

+WE MUST AGREE WITH THE FINANCIAL SECRETARY WHEN HE ONCE SAID THAT ONE OF THE OBJECTIVES OF BUDGETARY POLICY IS TO MINIMISE ANY ADVERSE EFFECTS OF PUBLIC EXPENDITURE AND OF THE FISCAL SYSTEM ON THE INTERNAL COST/PRICE STRUCTURE OF THE ECONOMY, ON PRIVATE INVESTMENT DECISIONS AND ON MONETARY ENVIRONMENT,+ MR. LEE OBSERVED.

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ESTABLISHMENT OF AN INDUSTRIAL DEVELOPMENT COUNCIL ADVOCATED  
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THE HON. JAMES WU TODAY AGAIN CALLED ON THE GOVERNMENT TO SET UP AN INDUSTRIAL DEVELOPMENT COUNCIL TO PROMOTE HONG KONG'S INDUSTRIAL DEVELOPMENT TO ENSURE +OUR CONTINUED PROSPERITY AND STABILITY+.

SPEAKING IN THE RESUMED BUDGET DEBATE IN LEGISLATIVE COUNCIL, MR. WU SAID THE COUNCIL SHOULD BE IN THE FORM OF A HIGH-POWERED CO-ORDINATING, PLANNING AND PERHAPS ESSENTIALLY AN ADVISORY BODY.

THE COUNCIL, HE CONTINUED, SHOULD BE RESPONSIBLE FOR RESEARCH INTO AND MONITORING OF ECONOMIC TRENDS, MARKET CONDITIONS, INDUSTRIAL DEVELOPMENT, PROVISION OF LAND AND INFRASTRUCTURE, MANPOWER NEEDS AND TRAINING, TECHNOLOGICAL INNOVATIONS AND PRODUCTIVITY IMPROVEMENT, EXPORT PROMOTION AND CREDIT FINANCE, AMONG OTHERS.

MR. WU INDICATED THAT PROGRAMMES OF STUDY AND PLANNING PROPOSALS ON ALL ASPECTS OF INDUSTRIAL DEVELOPMENT SHOULD BE PURSUED FOR THE INFORMATION AND ADVICE OF THE GOVERNMENT AND EXECUTIVE AND LEGISLATIVE COUNCIL MEMBERS WHO WOULD STILL HAVE THE EXECUTIVE, LEGISLATIVE AND FINANCIAL CONTROL DECISIONS TO MAKE AS TO HOW BEST HONG KONG COULD BENEFIT FROM SUCH PROPOSALS.

HE WENT ON: +SUCH INFORMATION AND ADVICE, WHEN MADE AVAILABLE TO THE PUBLIC EVENTUALLY, MIGHT ALSO HELP TO CHANNEL THE LARGE AMOUNT OF SPECULATIVE MONEY NORMALLY PRESENT IN HONG KONG INTO MORE PRODUCTIVE USE AND INVESTMENT, INSTEAD OF ALLOWING IT TO PLAY HAVOC IN OUR LAND, STOCK AND FOREIGN EXCHANGE MARKETS.

+NEEDLESS TO SAY, SUCH A STEP COULD ONLY BE OF HELP IN OUR CONTINUING EFFORTS TO WOO FOREIGN INVESTMENTS INTO INDUSTRIES OF GREATER SOPHISTICATION AND HIGH TECHNOLOGICAL CONTENT.+

THE UNOFFICIAL MEMBER NOTED THAT THE GOVERNMENT IN THE LAST FEW YEARS HAD BEGUN TO DENY THAT IT WAS PURSUING A COURSE OF LAISSEZ FAIRE IN ITS ATTITUDE TOWARDS HONG KONG'S ECONOMIC DEVELOPMENT.

+INDEED,+ HE ADDED, +IT APPEARS TO BE PARTICIPATING DIRECTLY IN THIS ASPECT, INSTEAD OF JUST PLAYING A SUPPORTING ROLE IN THE PAST.+

WHILE ON THIS THEME OF GOVERNMENT INVOLVEMENT IN INDUSTRIAL DEVELOPMENT, MR. WU POINTED OUT THAT THE PHENOMENAL GROWTH OF SOUTH KOREAN EXPORTS IN THE LAST FEW YEARS HAD BEEN ACHIEVED ONLY WITH +GREAT PUSH AND ENCOURAGEMENT BY ITS GOVERNMENT+.

REFERRING TO HONG KONG'S ECONOMIC OUTLOOK, HE CAUTIONED THAT THERE WAS LITTLE TO BE COMPLACENT ABOUT.

/+THERE IS .....

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+THERE IS EVERY SIGN THAT OUR EXPORT GROWTH IN THE FIRST QUARTER OF 1977 IS SLOWER THAN THAT OF LAST YEAR, AND THAT, WITH THE EXCEPTION OF A FIVE PER CENT INCREASE IN EXPORTS TO THE UNITED STATES COMPARED WITH JANUARY LAST YEAR, THERE ARE REDUCTIONS IN OUR EXPORTS TO WEST GERMANY, JAPAN AND PARTICULARLY TO THE UNITED KINGDOM, CANADA AND AUSTRALIA,+ HE EXPLAINED.

MR. WU EMPHASISED THAT WITH GROWING PROTECTIONISM IN HONG KONG'S MARKETS AND SEVERE UNDER-CUTTING FROM ITS COMPETITIVE NEIGHBOURS, MANUFACTURERS AND EXPORTERS HERE WERE FINDING IT INCREASINGLY DIFFICULT TO OBTAIN ENOUGH ORDERS TO SUSTAIN INCREASING OVERHEADS.

+WE ARE LOSING MANY ORDERS AT THE LOWER END OF OUR PRODUCTION LINES.

+THE OPPORTUNITIES FOR US TO TAKE FULL ADVANTAGE OF OUR FLEXIBILITY IN UTILISING THE FACTORS FOR INCREASED PRODUCTION SUCH AS LABOUR, PLANT AND OTHER FACILITIES (AS WAS THE CASE IN THE LAST +DENIM BOOM+) DO NOT PRESENT THEMSELVES TOO OFTEN.

+INDEED, AS SOON AS OUR COMPETITORS CATCH UP WITH OUR INNOVATIONS, WE IMMEDIATELY SUFFER FROM THE DISADVANTAGES OF HIGHER WAGES AND HIGHER OVERHEADS,+ MR. WU SAID.

TURNING TO THE SUBJECT OF INDUSTRIAL LAND, MR. WU UNDERLINED THE NEED FOR THE GOVERNMENT TO PROVIDE FOR MORE INDUSTRIAL LAND FOR AUCTION TO MEET URGENT DEMANDS AND TO ABSORB THE HUGE SUMS OF SPECULATIVE HOT MONEY THAT HAD DRIVEN PRICES BEYOND THE REACH OF MANY GENUINE USERS.

TO ILLUSTRATE HIS POINT, MR. WU SAID THE AVERAGE PRICE FOR INDUSTRIAL LAND AUCTIONED IN 1975 WAS \$139 PER SQUARE FOOT BUT THAT FOR 1976 HAD SOARED TO \$389 PER SQUARE FOOT, RISING 2.8 TIMES IN ONE YEAR.

HE POINTED OUT THAT FOR THE FORESEEABLE FUTURE, HONG KONG WOULD STILL DEPEND HEAVILY ON EXPORTS OF LIGHT INDUSTRIAL CONSUMER GOODS, COMMONLY MANUFACTURED IN HIGH-RISE GENERAL-PURPOSE INDUSTRIAL BUILDINGS, WHICH WERE STILL UNDER-PROVIDED.

CONSIDERING THE PHENOMENAL INCREASES IN RENTS AND LAND PRICES, AS COMPARED TO THE LESS SIGNIFICANT INCREASES IN WAGES AND MATERIAL COSTS, MR. WU SAID HE WOULD ESTIMATE THAT SOME FIVE TO SIX PER CENT OF HONG KONG'S PRESENT MANUFACTURING COSTS WAS ATTRIBUTABLE TO RENTS AND RATES -- AN UNACCEPTABLE FIGURE BY ANY STANDARD.

HE ADDED THAT IT WAS THIS HEAVY INCREASE IN OVERHEAD COSTS THAT WOULD OFFSET ANY GAIN IN PRODUCTIVITY, AND THAT THE EFFECT OF LAND PRICES ON HONG KONG'S INDUSTRIAL DEVELOPMENT +MUST BE FULLY ASSESSED AND CONTAINED.+

/+THE FEDERATION.....

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+THE FEDERATION OF HONG KONG INDUSTRIES HAS SET UP AN AD-HOC COMMITTEE TO STUDY THIS MATTER AND WE HOPE THAT THE GOVERNMENT WILL ALSO NOT OVERLOOK THE SERIOUSNESS OF THE PROBLEM AND SEEK TO PROVIDE IMMEDIATE REMEDIES,+ HE NOTED.

ON THE QUESTION OF WATER CHARGES, MR. WU SUGGESTED THAT BEFORE A DECISION WAS MADE TO RAISE CHARGES ON WATER FOR INDUSTRIAL USE, THE WHOLE MATTER SHOULD BE THOROUGHLY EXAMINED AS TO ITS EFFECTS AND POSSIBLE ALTERNATIVES.

HE TOLD THE COUNCIL THAT THE FEDERATION OF HONG KONG INDUSTRIES HAD EARLIER WARNED OF THE DANGERS OF INCREASING THE COST OF WATER FOR INDUSTRIAL USE.

THE FEDERATION, HE CONTINUED, HAD DEMONSTRATED THE SIGNIFICANCE OF WATER AS A PRODUCT COST-FACTOR IN MAJOR INDUSTRIAL SECTORS, SUCH AS IN THE DYEING, BLEACHING AND FINISHING, METAL FINISHING, KNITTING, WEAVING AND FOOD PROCESSING INDUSTRIES.

SOME 80 PER CENT OF INDUSTRIAL WATER WAS CONSUMED BY THE DYEING AND FINISHING INDUSTRY -- A VITAL LINK IN THE VERTICAL SET-UP OF HONG KONG'S TEXTILE AND GARMENT INDUSTRIES, HE SAID.

+THE COMBINED EXPORTS OF THESE INDUSTRIES ACCOUNT FOR 50 PER CENT OF OUR EXPORT REVENUE AND THEREFORE PLAY AN ESSENTIAL ROLE IN THE ECONOMY OF HONG KONG AS A WHOLE.

+THE CHAIN FROM YARN TO GARMENT WOULD BE BROKEN IF THE DYEING AND FINISHING INDUSTRY WAS ADVERSELY AFFECTED BY A DECISION TO INCREASE WATER CHARGES, AS MANY FACTORIES MIGHT FIND IT NECESSARY TO MOVE ELSEWHERE,+ MR. WU SAID.

TURNING TO DIVIDENDS WITHHOLDING TAX AND UNDISTRIBUTED DIVIDENDS TAX, THE UNOFFICIAL MEMBER HOPED THE FINANCIAL SECRETARY WOULD BE CONVINCED BY THE THIRD INLAND REVENUE ORDINANCE REVIEW COMMITTEE'S RECOMMENDATION AGAINST THE INTRODUCTION OF THE TWO TAXES IN QUESTION, AND WOULD +PUT THE MATTER TO REST+.

MR. WU NOTED THAT THE MAIN OBJECTIONS WERE THAT THE TWO TAXES WOULD INTERFERE WITH JUDICIOUS AND SOUND FINANCIAL MANAGEMENT BY COMPANY DIRECTORS, AND DISCOURAGE RE-INVESTMENT FOR GROWTH AND PROVISION OF NEW JOBS.

ON THE SUBJECT OF RATES, MR. WU PROPOSED THAT AS A MEASURE OF RELIEF FROM HARDSHIPS AND DIFFICULTY, THE 33-1/3 PER CENT INCREASE IN RATES SHOULD BE REDUCED TO A MAXIMUM OF 25 PER CENT FOR THE FIRST YEAR.

/HE QUERIED .....

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HE QUERIED WHY THE GOVERNMENT SHOULD ALLOW ITSELF AN INCREASE OF AS MUCH AS 33-1/3 PER CENT IN RATES SINCE IT HAD ALLOWED LANDLORDS A 10 PER CENT INCREASE IN RENTALS PER YEAR.

HE WENT ON : +IT HAS TO BE NOTED THAT RENTAL IS THE SINGLE MOST IMPORTANT FACTOR IN THE INFLATION OF COST OF LIVING AND PRODUCTION IN HONG KONG AND THAT RATING OF PREMISES ON THE BASIS OF VACANT POSSESSION WOULD NOT HELP THE SITUATION.+

HOWEVER, MR. WU SAID WHILE THE GOVERNMENT MIGHT NOT HAVE SUCCEEDED IN CONVINCING MOST PEOPLE ON THE FAIRNESS OF ITS METHOD OF ASSESSMENT OF RATEABLE VALUES FOR PREMISES, ITS PROPOSAL TO REDUCE THE POUNDAGE, FROM 18 PER CENT TO 11-1/2 PER CENT, AT LEAST +ALLEVIATED TEMPORARY DISGRUNTLEMENT IF NOT LONG TERM FEAR+.

COMMENTING ON THE BUDGET IN GENERAL TERMS, MR. WU FELT THAT PUBLIC OPINION HAD, BY AND LARGE, BEEN GIVEN SOME CONSIDERATION WHEN GOVERNMENT FORMULATED ITS BUDGET PROPOSALS.

+THIS CAN ONLY HELP TO ENCOURAGE BETTER COMMUNICATION AND TO PROMOTE BETTER UNDERSTANDING BETWEEN GOVERNMENT AND THE COMMUNITY,+ HE OBSERVED.

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BETTER MANAGEMENT AND SUPERVISION OF SOCIAL WELFARE  
OFFICES ADVOCATED

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THE HON. ROGER LOBO TODAY CALLED ON THE GOVERNMENT TO STRENGTHEN ITS SOCIAL WELFARE DEPARTMENT'S CENTRAL ADMINISTRATION TO PROVIDE +ADEQUATE AND EFFECTIVE SUPERVISION AND MANAGEMENT OF ITS MANY BRANCH OFFICES IN THE FIELD.+

SPEAKING DURING THE RESUMED DEBATE ON THE APPROPRIATION BILL 1977 IN THE LEGISLATIVE COUNCIL, MR. LOBO NOTED THAT THE SOCIAL WELFARE DEPARTMENT HAD NOW 131 BRANCH OFFICES, SUB-OFFICES AND OTHER UNITS ALL BUT A FEW DEAL DIRECTLY WITH THE PUBLIC WITH MANY OF THEM RESPONSIBLE ONLY FOR ONE PARTICULAR SERVICE.

HE URGED THAT EARLY STEPS BE TAKEN +TO CONSOLIDATE AND DECENTRALISE THE DEPARTMENT WITH A VIEW TO OFFERING IN EACH DISTRICT A COMPREHENSIVE SERVICE FOR THE PUBLIC UNDER ONE ROOF.

+NOT ONLY WOULD SUCH A SERVICE GREATLY HELP BEWILDERED PEOPLE SEEKING ASSISTANCE BUT SHOULD ALSO LEAD TO IMPROVED COORDINATION, GREATER EFFICIENCY AND, HOPEFULLY IN THE LONG-TERM, SOME SAVINGS IN ANNUALLY RECURRENT CHARGES WITH THE DEPARTMENT,+ HE SAID.

MR. LOBO, WHO HAD SERVED ON THE SOCIAL WELFARE ADVISORY COMMITTEE FOR 10 YEARS, ALSO NOTED THAT RECENTLY INCREASING WORKLOAD THRUST UPON MEMBERS IN EXAMINING APPLICATIONS FROM VOLUNTARY AGENCIES FOR SUBVENTIONS WAS MAKING THE TASK OF THE COMMITTEE EVEN MORE ONEROUS.

HE ASKED THAT THE PROCEDURE FOR DEALING WITH APPLICATIONS FOR SUBVENTIONS BE REVIEWED AND SUGGESTED SOME METHODS OF SPREADING THE WORKLOAD FOR THE COMMITTEE THROUGHOUT THE YEAR.

MR. LOBO WELCOMED THE MOVE TO ESTABLISH A NEW BRANCH IN THE AUDIT DEPARTMENT TO WATCH OVER SUBVENTED ORGANISATIONS IN VIEW OF THE GOVERNMENT'S GROWING COMMITMENT TO SOCIAL WELFARE IN HONG KONG. (IN THE NEW FINANCIAL YEAR, THE GOVERNMENT IS EXPECTED TO SPEND \$430 MILLION ON SOCIAL WELFARE COMPARED WITH \$55 MILLION IN 1971-72.)

MR. LOBO STRESSED THAT THERE SHOULD BE STRICTER CONTROL OVER ALL SUCH ORGANISATIONS, NOT ONLY SHOULD THEY BE FINANCIALLY ACCOUNTABLE BUT THEY SHOULD ALSO BE ACCOUNTABLE FOR THE QUALITY OF SERVICES THEY PROVIDED.

IN SUPPORTING THE BILL, MR. LOBO, HOWEVER, SPOKE UP FOR THE AGED AND PLEADED FOR MORE AID TO THEM.

/+I THINK .....

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+I THINK IT IS TRUE TO SAY THAT MANY ELDERLY PEOPLE AT THE MOMENT ARE NOT GIVEN ANY ASSISTANCE EVEN IN THE WIDEST SENSE OF THE WORD,+ HE SAID.

+WE SHOULD PERHAPS FIRST OF ALL CONSIDER WHETHER THE PRESENT QUALIFYING AGE FOR INFIRMITY ALLOWANCE IS REALISTIC TODAY WHEN STATISTICS SHOW THAT THE AVERAGE LIFE EXPECTANCY IN HONG KONG OF WOMEN IS 73, AND OF MEN ONLY 68.

+TO SET THE QUALIFYING AGE FOR THE ALLOWANCE AT 75 DOES, I BELIEVE, DEFEAT THE PURPOSE FOR WHICH IT WAS DESIGNED, NAMELY, TO MEET AT LEAST PART OF THE FINANCIAL NEEDS OF THE ELDERLY SO THAT THEY MAY HAVE SOME DEGREE OF FINANCIAL INDEPENDENCE AND THUS BE ENCOURAGED TO REMAIN IN THE COMMUNITY RATHER THAN OPTING FOR INSTITUTIONAL CARE,+ MR. LOBO SAID.

HE ALSO POINTED OUT THAT BECAUSE THE ELDERLY LIVING IN INSTITUTIONS WERE NOT ELIGIBLE FOR THE ALLOWANCE, ONLY 72 PER CENT OF THE TOTAL NUMBER OF THOSE WHO HAVE REACHED 75 DID IN FACT RECEIVE IT.

MR. LOBO ALSO URGED THAT CONSIDERATION BE GIVEN TO ASSISTING THIS +VULNERABLE GROUP+ BY WAY OF EXTENDING SUPPORT TO EXISTING HOMES AND HOSTELS FOR THEM AND FINANCING SIMILAR NEW INSTITUTIONS SO THAT THEY MIGHT BE ABLE TO ENJOY THEIR DECLINING YEARS IN REASONABLE COMFORT AND UNDER GOOD CARE.

HE ESTIMATED THAT AT LEAST 7,000 INDIVIDUAL UNITS WOULD BE NEEDED, NOT INCLUDING UNITS FOR HOSTELS FOR THE ELDERLY POPULATION.

AND, FOR THOSE LIVING IN HOMES OR HOSTELS, THE COUNCILLOR URGED THAT SOME FORM OF ALLOWANCE BE GIVEN TO THEM.

ON THE SUBJECT OF HOUSING, MR. LOBO SUGGESTED THAT AS THE HOME OWNERSHIP SCHEME WAS NOW GETTING OFF THE GROUND, THE GOVERNMENT SHOULD SET ITS GOALS HIGHER.

HE DESCRIBED THE PLANS TO BUILD 30,000 FLATS OVER A SIX-YEAR PERIOD AS SOMEWHAT CONSERVATIVE, AND ADDED THAT THE +IMAGINATIVE+ SCHEME SHOULD BE EXTENDED TO INCLUDE EXISTING FLATS OF 400 TO 600 SQ. FT. IN THE PRIVATE SECTOR OR IN BUILDINGS IN THE MAIN PUBLIC HOUSING PROGRAMME.

THIS WOULD EXPEDITE HOME OWNERSHIP AND BRING GOVERNMENT AND PRIVATE ENTERPRISE TOGETHER IN RESOLVING WHAT STILL REMAINS THE MAJOR PROBLEM IN HONG KONG, HE SAID.

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**NEED FOR H.K. TO CONTINUE DIVERSIFYING ITS  
PRODUCTS AND MARKETS**

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THE HON. HILTON CHEONG-LEEN TODAY UNDERLINED THE NEED FOR HONG KONG TO KEEP ON DIVERSIFYING ITS PRODUCTS AND MARKETS TO REMAIN ABREAST WITH ITS COMPETITORS.

SPEAKING IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR. CHEONG-LEEN EXPRESSED CONCERN OVER THE EXPORT GROWTH OF TWO OF HONG KONG'S MAIN COMPETITORS, SOUTH KOREA AND TAIWAN.

HE SAID SOUTH KOREA WAS AIMING FOR A HIGHER EXPORT TARGET THIS YEAR, PARTIALLY THROUGH USING ITS LOW WAGE STRUCTURE TO PRODUCE GOODS SIMILAR TO THOSE OF HONG KONG FOR DISTRIBUTION IN +OUR KEY EXPORT MARKETS+.

RECALLING THE FINANCIAL SECRETARY'S WARNING THAT THERE WAS THE DANGER OF A SLOWDOWN IN WORLD TRADE TOWARDS NEXT YEAR, MR. CHEONG-LEEN FELT IT SHOULD NOT BE COMPLACENTLY ASSUMED THAT HONG KONG'S TRADE PERFORMANCE THIS YEAR WOULD BE AS GOOD AS LAST YEAR.

AS PART OF HIS PACKAGE TO FURTHER BOOST HONG KONG'S INDUSTRY, THE UNOFFICIAL MEMBER URGED THE GOVERNMENT TO ENSURE THAT ITS LAND USE POLICY SHOULD BE CONTINUALLY GEARED TO THE NEEDS OF INDUSTRY FOR MORE LAND AND TO THE CURBING OF EXCESSIVE LAND SPECULATION.

+INDUSTRY SHOULD BE ENCOURAGED TO INSTALL MORE CAPITAL INTENSIVE AND UP-TO-DATE MACHINERY, AND GOVERNMENT SHOULD PROVIDE MORE GENEROUS DEPRECIATION RATES FOR NEW MACHINERY,+ HE SAID.

MR. CHEONG-LEEN ALSO SUGGESTED THAT THE COMMITTEE FOR SCIENTIFIC CO-ORDINATION COULD BE RE-MODELLED INTO A SCIENCE AND TECHNOLOGY COUNCIL WITH A WIDER REPRESENTATION FROM INDUSTRY SO AS TO TAKE A MORE ACTIVE PART IN MEETING THE TECHNOLOGICAL NEEDS OF INDUSTRY THROUGH RESEARCH AND DEVELOPMENT PROGRAMMES.

THE GOVERNMENT, HE CONTINUED, MIGHT ALSO ENCOURAGE OR EVEN INITIATE MORE SURVEYS TO EVALUATE EXPANDING OR POTENTIALLY NEW INDUSTRIES, SUCH AS THE ELECTRONICS INDUSTRY, AND TO PROJECT THE GROWTH OF SUCH INDUSTRIES INTO THE 1980'S.

WHILE THINKING THAT SUPERFICIALLY HONG KONG IS NOT DOING TOO BADLY IN VIEW OF THE EXPECTED SURPLUS OF SOME \$850 MILLION BY THE END OF THE YEAR, MR. CHEONG-LEEN DOUBTED WHETHER THERE WAS STILL A BALANCED EXPANSION IN THE CAPITAL PROJECTS FOR SOCIAL AND COMMUNITY DEVELOPMENT IN THE FACE OF SERIOUS UNDER-SPENDING BY THE PUBLIC WORKS DEPARTMENT.

/ON PUBLIC .....

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ON PUBLIC HOUSING, MR. CHEONG-LEEN FELT THAT THE REDEVELOPMENT OF THE MARKS I AND II BLOCKS -- BUILT OVER 20 YEARS AGO AND HOUSING 460,000 PEOPLE -- SHOULD BE ACCELERATED AND, IF POSSIBLE, COMPLETED WITHIN A 10-12 YEAR PERIOD INSTEAD OF 15-20 YEARS FROM NOW.

HE SUPPORTED THE GOVERNMENT'S HOME OWNERSHIP SCHEME WHICH, HE THOUGHT, MUST BE PUT ON A +PRACTICAL AND EFFECTIVE BASIS+.

REFERRING TO THE PROPOSED FIVE-YEAR LIMIT WITHIN WHICH AN OWNER WISHING TO SELL HIS FLAT WOULD BE OBLIGED TO SELL IT TO THE HOUSING AUTHORITY, MR. CHEONG-LEEN WONDERED WHETHER THIS SHOULD BE EXTENDED TO SEVEN OR EIGHT YEARS TO AVOID ABUSE AND SPECULATION.

AS TO MEDICAL SERVICES, THE UNOFFICIAL MEMBER SAID THE SHORTAGE OF HOSPITAL BEDS AND THE LONG QUEUES AT GOVERNMENT CLINICS REFLECTED THE SERIOUSNESS OF THE SITUATION.

HE WONDERED WHETHER THE DIRECTOR OF MEDICAL AND HEALTH SERVICES HAD, APART FROM THE MEDICAL DEVELOPMENT PLAN, GIVEN THOUGHT TO INTRODUCING MANAGEMENT DEVELOPMENT PROGRAMMES SO THAT HOSPITAL STAFF AT THE APPROPRIATE LEVELS CAN +CONSCIOUSLY LOOK FOR WAYS TO REDUCE COSTS, SAVE MONEY, IMPROVE PERFORMANCE AND GIVE BETTER SERVICE TO THE PUBLIC+.

MR. CHEONG-LEEN HOPED THAT THE GOVERNMENT DENTAL SERVICE COULD BE EXPANDED SO THAT AT LEAST 50 PER CENT OF THE PATIENTS WERE MEMBERS OF THE PUBLIC.

MEMBERS OF THE PUBLIC AT PRESENT MAKE UP ONLY 15 PER CENT OF PATIENTS AT GOVERNMENT DENTAL CLINICS, THE OTHER BEING CIVIL SERVANTS AND THEIR FAMILIES.

MR. CHEONG-LEEN ALSO SUGGESTED THAT FOR THOSE WHO QUALIFIED FOR PUBLIC ASSISTANCE, ARRANGEMENTS SHOULD BE MADE TO REIMBURSE THEM WITH A PORTION OF THE EXPENSES INCURRED IN BUYING SPECTACLES AND OBTAINING PRIVATE DENTAL CARE.

TURNING TO EDUCATION, MR. CHEONG-LEEN ASKED FOR A STATEMENT BY THE FINANCIAL SECRETARY ON THE FINANCIAL IMPLICATIONS OF FIVE YEARS OF POST-PRIMARY EDUCATION FOR ALL CHILDREN IN HONG KONG BY THE EARLY 1980'S.

ON THE QUESTION OF TAX ALLOWANCES, HE REITERATED THAT THE DEPENDENT PARENTS ALLOWANCE SHOULD BE REINSTATED.

THE FINANCIAL SECRETARY, MR. CHEONG-LEEN CONTINUED, COULD REDUCE THE POSSIBILITY OF ABUSE BY REQUIRING THE DEPENDENT PARENT TO SIGN A STATUTORY DECLARATION DISAVOWING THE MORE COMMON ABUSES TO THE SCHEME.

/+AS GOVERNMENT.....

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+AS GOVERNMENT PROVIDES LITTLE BY WAY OF SOCIAL SECURITY FOR THE AGED,+ HE ADDED, +THE DEPENDENT PARENTS SCHEME IS IN LINE WITH THE BEST IN CHINESE TRADITION AND CUSTOM AND SHOULD BE ACCEPTED AND PRESERVED BY THE GOVERNMENT.+

REFERRING TO THE CIVIL SERVICE, MR. CHEONG-LEEN NOTED THAT THE FINANCIAL SECRETARY STILL USED 40 PER CENT OF THE TOTAL BUDGET AS A GUIDELINE FOR PERSONAL EMOLUMENTS AND ALLOWANCES.

+PERHAPS THIS PERCENTAGE FIGURE COULD BE LOWERED IN TIME AS GOVERNMENT DEPARTMENTS BECOME MORE MECHANISED AND LARGER SUMS OF MONEY ARE SPENT ON COMPUTERISATION,+ HE SAID.

ON THE POLICE FORCE, HE FELT THAT SINCE IT WAS EXPECTED TO ARRIVE AT FULL ESTABLISHMENT THIS YEAR, IT WAS NECESSARY TO +PROGRESSIVELY RAISE THE EDUCATIONAL STANDARD OF NEW RECRUITS AND TO ACHIEVE BETTER RESULTS IN REDUCING THE CRIME RATE THROUGH MORE CITIZEN PARTICIPATION+.

AS TO THE +DEADWOOD+ IN THE CIVIL SERVICE, HE NOTED THAT THE NUMBER OF CIVIL SERVANTS WHO WERE +VOLUNTARILY+ OR COMPULSORILY RETIRED ON GROUNDS OF INEFFICIENCY FROM 1971 TO APRIL 1976 WAS 29, OR AN AVERAGE OF SIX A YEAR.

+QUITE OFTEN, IT MAY TAKE AS LONG AS A YEAR TO HAVE A CIVIL SERVANT RETIRED ON GROUNDS OF INEFFICIENCY.

+THE QUESTION IS HOW MUCH ROOM FOR IMPROVEMENT IN EFFICIENCY IS POSSIBLE UNDER THE EXISTING COMPLEX SYSTEM OF +VOLUNTARY+ OR COMPULSORY RETIREMENT,+ MR. CHEONG-LEEN OBSERVED.

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ESTABLISHMENT OF A PUBLIC ACCOUNTS COMMITTEE URGED  
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THE GOVERNMENT WAS TODAY URGED TO TAKE IMMEDIATE AND POSITIVE ACTION IN SETTING UP A PUBLIC ACCOUNTS COMMITTEE TO ACHIEVE IMPROVED AND MORE CONSISTENT ADMINISTRATION OF PUBLIC FUNDS.

THE HON. LI FOOK-WO, MAKING THE APPEAL IN THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, SAID HE WAS FRUSTRATED TO LEARN THAT NO DEFINITE PLANS HAD BEEN FORMULATED FOR SUCH A COMMITTEE WHEN THE FINANCIAL SECRETARY REPLIED TO HIS QUESTION IN THE COUNCIL IN JANUARY THIS YEAR.

HE SAID HE BELIEVED IT WAS A COMMON PRACTICE IN THE BRITISH PARLIAMENTARY SYSTEM, AND ADOPTED IN MANY DEPENDENT AND INDEPENDENT TERRITORIES, FOR SUCH A COMMITTEE TO BE SET UP BY PARLIAMENT.

THE OBJECT OF THIS COMMITTEE, HE WENT ON, WAS TO SCRUTINISE THE DIRECTOR OF AUDIT'S ANNUAL REPORTS, QUESTION HIM AND THE HEADS OF DEPARTMENTS, AS WELL AS DRAWING THEIR OWN CONCLUSION FOR FOLLOW-UP ACTION.

+COULD NOT A SIMILAR PROCEDURE BE FOLLOWED IN HONG KONG ....?+ HE ASKED.

MR. LI NOTED THAT UNDER THE PROCEDURE, THE DIRECTOR OF AUDIT'S REPORT WOULD BE PRESENTED TO THE GOVERNOR IN HIS CAPACITY AS PRESIDENT OF THE LEGISLATIVE COUNCIL INSTEAD OF BEING SENT TO THE GOVERNOR DIRECT.

THE REPORT COULD THEN BE PASSED TO A PUBLIC ACCOUNTS COMMITTEE MADE UP OF UNOFFICIAL MEMBERS WITH THE OFFICIALS IN ATTENDANCE.

THE COMMITTEE'S TASK, MR. LI ELABORATED, WOULD BE THE EXAMINATION OF GOVERNMENT ACCOUNTS AND THOSE OF SUBVENTED ORGANISATIONS, AS WELL AS LOOKING MORE CLOSELY AT SPECIFIC POINTS RAISED BY THE DIRECTOR OF AUDIT.

HE ADDED THAT THE COMMITTEE'S REPORT COULD THEN BE SENT WITH THE DIRECTOR OF AUDIT'S REPORT TO THE SECRETARY OF STATE WHO WOULD ENSURE THAT THE DIRECTOR'S COMMENTS AND CRITICISMS WERE ACTED ON.

+I WOULD ENVISAGE THAT THE COMMITTEE WOULD IN TIME BUILD UP A BODY OF FISCAL CASE PRECEDENTS WHICH SHOULD HELP TO BRING ABOUT IMPROVED AND MORE CONSISTENT ADMINISTRATION OF PUBLIC FUNDS,+ MR. LI SAID.

ON THE +DISAPPOINTING UNDERSPENDING+ IN THE PUBLIC WORKS PROGRAMMES DURING THE CURRENT AND LAST FINANCIAL YEARS, MR. LI COMMENTED THAT THE GOVERNMENT, HAVING MISCALCULATED FOR TWO YEARS THE ABILITY OF THE DEPARTMENTS TO SPEND ON PUBLIC WORKS ITEMS, HAD NOW PRODUCED MORE MODEST FIGURES FOR THE NEXT FINANCIAL YEAR.

/+UNLESS IT .....

+UNLESS IT IS POSSIBLE FOR THE DEPARTMENTS CONCERNED TO REORGANISE THE PHASING OF THE WORKS PROGRAMMES, I WOULD ANTICIPATE THAT THE 1977/78 ESTIMATED FIGURES MAY STILL PROVE TO BE TOO HIGH.

+IF THIS SHOULD BE THE CASE, ONCE AGAIN THE OUTCOME IN THE GENERAL REVENUE ACCOUNT WILL, WITH A FURTHER WAVE OF THE WIZARD'S WAND, BECOME ANOTHER HUGE SURPLUS,+ HE OBSERVED.

THE UNOFFICIAL MEMBER NOTED THAT IN ITS FORECAST FOR FUTURE YEARS, THE GOVERNMENT HAD ESTIMATED CERTAIN OF ITS EXPENDITURE FIGURES ON THE ASSUMPTION THAT THERE WOULD BE DEFICITS IN PRECEDING YEARS.

+WHILST I HAVE NO DOUBT THAT THE FINANCIAL SECRETARY HAS ALREADY ADJUSTED THESE FIGURES TO TAKE INTO ACCOUNT THE FACT THAT HIS PREVIOUS DEFICITS HAVE TURNED INTO SURPLUSES, I SUGGEST THAT HE SHOULD ALSO REVIEW HIS BUDGETARY STRATEGY, AND PERHAPS REVISE SOME OF THE GUIDELINES HE HAS ADOPTED TO ACHIEVE THE OBJECTIVES OF BUDGETARY POLICY.+

MR. LI SAID WHERE THE ESTIMATES OF EXPENDITURE SHOWED AN INCREASE FOR A PARTICULAR HEAD OVER THE CURRENT YEAR'S ESTIMATES, THE FINANCIAL SECRETARY GENERALLY MENTIONED THE INCREASE IN MONETARY TERMS.

IT WOULD BE MOST HELPFUL IF THIS COULD ALSO BE STATED IN REAL TERMS, HE SAID.

REFERRING TO THE FINANCIAL MANAGEMENT OF SUBVENTED VOLUNTARY SOCIAL WELFARE AGENCIES, MR. LI UNDERSCORED THE NEED FOR THESE AGENCIES TO ACCOUNT FOR ALL THEIR FUNDS, WHETHER FROM THE PUBLIC PURSE OR PRIVATE DONORS.

HE SAID THIS WAS ESSENTIAL AS HE BELIEVED THAT THE ABILITY OF GOVERNMENT DEPARTMENTS TO SPEND HAD REACHED A SATURATION POINT AND THAT IN THE NEAR FUTURE IT WOULD BE NECESSARY FOR THE GOVERNMENT TO RELY ON THE VOLUNTARY SECTOR TO CARRY OUT A GREATER PROPORTION OF THE NEW COMMITMENTS IN HONG KONG'S SOCIAL PROGRAMMES.

ON THE SUBJECT OF INDUSTRIAL ESTATES, MR. LI SAID HE FULLY AGREED WITH THE VIEW THAT THE CONCEPT OF INDUSTRIAL ESTATES WAS A RIGHT ONE FOR HONG KONG.

HE NOTED THAT THE RESPONSE TO THE FIRST ESTATE AT TAI PO WAS QUITE ENCOURAGING. PLANS WERE NOW UNDER WAY, HE CONTINUED, FOR THE SECOND ESTATE NEAR YUEN LONG AND, TO ENABLE CONSTRUCTION WORK TO BEGIN THIS YEAR, A FURTHER SUBSTANTIAL LOAN FROM THE DEVELOPMENT LOAN FUND WOULD BE SOUGHT.

MR. LI SAID THE DEMAND FOR OTHER FUTURE ESTATES MIGHT WELL BE SUCH THAT THE INDUSTRIAL ESTATES CORPORATION -- OF WHICH HE IS CHAIRMAN -- WOULD HAVE TO APPROACH GOVERNMENT FOR MORE FUNDS EARLIER THAN ANTICIPATED.

+IF THAT SHOULD BE THE CASE, THE SITUATION COULD ONLY BE VIEWED AS EXCEPTIONALLY AUSPICIOUS FOR OUR ECONOMY,+ HE NOTED.

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BREMIDGE GIVES SOME TIPS ON  
MARKETING HOME OWNERSHIP SCHEME  
\* \* \* \* \*

THE HON. JOHN BREMIDGE TODAY WELCOMED THE HOME OWNERSHIP SCHEME AND THE GOVERNMENT'S MOVES TOWARDS BETTER AND CHEAPER MORTGAGE FACILITIES, BUT WARNED THAT PRODUCTION WITHOUT MARKETING WAS ONLY A +PARTIAL PROCESS+.

SPEAKING ON THE FIRST DAY OF THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR. BREMIDGE POINTED OUT THAT IN PURCHASING A FLAT BUYERS WOULD CONSIDER MANY OTHER FACTORS APART FROM THE COST OF THE UNIT.

+IN THE SALE OF FLATS, LANDSCAPING, FINISH, SECURITY, POSITION, AMENITIES, AND EVEN FACE, WILL BE OF MAJOR IMPORTANCE TO BUYERS, FOR THE PURCHASE OF A HOME IS ALMOST CERTAINLY THE LARGEST FINANCIAL DECISION IN THE LIVES OF MOST MEN AND WOMEN. COST IS BY NO MEANS THE ONLY CRITERION, THOUGH IT IS A LARGE ONE,+ HE NOTED.

MR. BREMIDGE DESCRIBED AS +REMARKABLE+ THE HOUSING PROGRAMME WHICH WOULD PROVIDE ADEQUATE LOW COST GOVERNMENT HOUSING TO THE GREAT MAJORITY OF OUR POPULATION BY THE MID-1980'S.

HOWEVER, HE WARNED THAT BY THE EARLY 1980'S IT WOULD BE NECESSARY FOR THE GOVERNMENT AND THE HOUSING AUTHORITY TO BE MORE IMAGINATIVE ABOUT RENTAL LEVELS, STANDARDS, AND VARIOUS OPTIONS WHEN THE WAITING LISTS BECAME SHORTENED.

+MUCH MORE VARIETY WILL BE NEEDED,+ MR. BREMIDGE SAID, +AND MANY NEW EXPERIMENTS WILL BECOME NOT ONLY POSSIBLE BUT NECESSARY ONCE THE SAD WAITING LISTS FINALLY SHORTEN.+

ON THE QUESTION OF GOVERNMENT'S FINANCIAL MANAGEMENT, MR. BREMIDGE REGRETTED THAT NO MENTION WAS MADE IN THE BUDGET FOR IMPROVEMENT IN GOVERNMENT MANAGEMENT EFFICIENCY.

+I THINK THAT IT IS A PITY THAT DESPITE PROGRESS PARTICULARLY BY THE UNDER-STAFFED MANAGEMENT UNIT WITH THE FIRST DEVELOPMENT PLAN, MORE HAS NOT BEEN DONE OVER THE PRODUCTION OF ANNUAL OPERATING PLANS, OVER MANAGEMENT BY OBJECTIVES, OVER INTRODUCTION OF MORE MODERN SYSTEMS OF BUDGETARY CONTROL, OVER THE RECRUITMENT OF MORE FULLY QUALIFIED ACCOUNTANTS - MANY MORE - OVER BETTER JOB DEFINITIONS= AND SO ON AND SO FORTH,+ HE SAID.

HOWEVER, MR. BREMIDGE WELCOMED THE GOVERNMENT'S APPARENT WILLINGNESS TO CONSIDER POSSIBLE TERMS OF REFERENCE FOR A PUBLIC ACCOUNTS COMMITTEE OF THE LEGISLATIVE COUNCIL.

/REFERRING TO .....

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REFERRING TO THE SECURITIES COMMISSION, MR. BREMRIDGE SAID HE WAS PLEASED TO SEE THAT THE STAFF OF THE OFFICE OF THE COMMISSIONER OF SECURITIES WAS TO INCREASE FROM 21 TO 31, BUT WAS DISAPPOINTED TO FIND THAT 19 OF THEM WERE NON-EXECUTIVES.

HE BELIEVED THAT THERE SHOULD BE MORE THAN 12 OFFICERS ACTUALLY ENGAGED IN THIS IMPORTANT FIELD +IN VIEW OF THE LARGE AND GROWING FINANCIAL IMPORTANCE OF HONG KONG, THE ENORMOUS TURNOVER OF THE FOUR STOCK EXCHANGES, AND THE NEED FOR HIGHER STANDARDS.+

WHILE APPRECIATING THAT RECRUITING IS UNDOUBTEDLY DIFFICULT, HE ASKED FOR AN ASSURANCE THAT THE INCREASE IN ESTABLISHMENT WOULD CONTINUE.

ON TAXATION, MR. BREMRIDGE SAID THAT AS HE HAD STATED IN HIS SPEECH DURING LAST YEAR'S BUDGET DEBATE, THE INLAND REVENUE ORDINANCE REVIEW COMMITTEE DID NOT ACCEPT THE VIEWS OF THE FINANCIAL SECRETARY ON DIVIDEND WITHHOLDING TAX, UNDISTRIBUTED PROFITS TAX, AND ACCOMPANYING ESOTERICA.

+I AM DELIGHTED TO ACKNOWLEDGE THE GRACE AND GOOD HUMOUR WITH WHICH THIS REVERSAL HAS, AT ANY RATE, APPARENTLY BEEN TAKEN. IT IS, I AM SURE, A WISE DECISION. THERE IS MUCH VIRTUE IN SIMPLICITY,+ HE SAID.

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CALL FOR BETTER INCENTIVES FOR GOVT. DOCTORS

\* \* \* \*

DR. THE HON. HARRY FANG TODAY URGED THE GOVERNMENT TO EXPLORE WAYS OF ATTRACTING AND KEEPING EXPERIENCED DOCTORS IN THE CIVIL SERVICE BY OFFERING BETTER TRAINING OPPORTUNITIES AND CAREER PROSPECTS IN THE MEDICAL AND HEALTH DEPARTMENT.

SPEAKING IN SUPPORT OF THE APPROPRIATION BILL 1977 IN THE LEGISLATIVE COUNCIL, DR. FANG SAID HE WAS CONVINCED THAT INADEQUATE TRAINING OPPORTUNITIES COUPLED WITH POOR CAREER PROSPECTS LIE AT THE ROOT OF MANY RESIGNATIONS IN THE MEDICAL AND HEALTH DEPARTMENT.

HE PUT FORWARD SEVERAL SUGGESTIONS TO OVERCOME THE SHORTAGE OF EXPERIENCED DOCTORS IN THE GOVERNMENT SERVICE IN ORDER TO FULFIL THE PLAN FOR REGIONALISING MEDICAL SERVICES.

DR. FANG SAID: +THERE MUST BE MANY QUALIFIED DOCTORS WHO DO NOT WISH TO MAKE A CAREER IN THE CIVIL SERVICE BUT WHO WOULD BE WILLING TO SERVE ON CONTRACT FOR, SAY, FIVE TO TEN YEARS.+ THE SAME TERMS, HE SAID, COULD BE OFFERED TO DOCTORS WHO HAVE RETIRED FROM GOVERNMENT SERVICE BUT WHO WISH TO BE RE-EMPLOYED WITHOUT HAVING TO HAVE THEIR PENSION FROZEN AS AT PRESENT.

AS TO THE ADEQUACY OF TRAINING OPPORTUNITIES, DR. FANG SAID: +IF ALL DOCTORS ON THE PERMANENT ESTABLISHMENT WERE TO BE OFFERED PAID STUDY LEAVE OVERSEAS AFTER, SAY, THREE YEARS OF SERVICE, IT WOULD BE A REAL INCENTIVE FOR LOCAL DOCTORS TO JOIN AND REMAIN IN THE CIVIL SERVICE.+

HE SAID AT PRESENT OFFICERS IN THE MAJOR SPECIALTIES, FOR EXAMPLE, MEDICINE AND SURGERY, WERE REQUIRED TO SHOULDER THEIR OWN EXPENSES FOR OVERSEAS TRAINING AND WERE ONLY REFUNDED WHEN THEY PASSED THEIR EXAMINATIONS.

+THIS IS A VERY SHORT-SIGHTED POLICY AND DOES NOT HELP TO PROMOTE THEIR SENSE OF LOYALTY,+ HE SAID.

HE POINTED OUT THAT ALTHOUGH EXAMINATIONS WERE NOW HELD LOCALLY FOR A NUMBER OF POST-GRADUATE QUALIFICATIONS, THIS COULD NOT REPLACE OVERSEAS TRAINING, THE AIM OF WHICH WAS TO BROADEN THE DOCTOR'S HORIZON AND TO ENABLE HIM TO KEEP ABREAST WITH MODERN TRENDS.

+ALL BRANCHES OF MEDICINE ARE LIVING SCIENCES AND THEY NEED REGULAR NURTURING IF OUR STANDARD OF HEALTH CARE IS TO MOVE AHEAD,+ HE SAID.

DR. FANG FURTHER SUGGESTED THAT THOSE DOCTORS WHO HAVE OBTAINED POST-GRADUATE QUALIFICATIONS, EITHER LOCALLY OR OVERSEAS, SHOULD PROCEED AUTOMATICALLY TO THE RANK OF SENIOR MEDICAL OFFICER. HE THOUGHT THE DOCTOR'S SITUATION WAS SERIOUS ENOUGH TO CALL FOR EXCEPTIONAL ARRANGEMENTS, AS WERE DONE WITH THE ICAC, IN THE MATTER OF GOVERNMENT SALARY SCALES AND GRADINGS.

ON GOVERNMENT'S INTENTION TO PROVIDE MEDICAL AND HEALTH SERVICES ON A REGIONAL BASIS, DR. FANG SAID HE WAS SURE THE PUBLIC WOULD APPRECIATE A FURTHER STATEMENT ON THE POLICY, ITS IMPLICATIONS AND HOW IT WAS TO BE IMPLEMENTED IN STAGES.

HE EMPHASISED THAT REGIONALISATION PROPOSALS MUST BE A PLAN OF ACTION RATHER THAN A PAPER EXERCISE AND THAT EACH REGIONAL HOSPITAL MUST HAVE A FULL COMPLEMENT OF STAFF AND FACILITIES TO DISCHARGE ITS ROLE AS A MAJOR HOSPITAL.

HE ASKED IF THE GOVERNMENT WOULD SAY WHETHER IT WOULD IMPLEMENT ANY OF THE RECOMMENDATIONS ON ACCIDENT SERVICE BY AN EXPERT CALLED IN BY THE GOVERNMENT IN 1971/72.

REFERRING TO THE AMBULANCE SERVICE, DR. FANG POINTED OUT THAT ALTHOUGH IT WAS VERY ABLY OPERATED, IT WAS STILL BY AND LARGE ESSENTIALLY A TRANSPORT SERVICE.

HE SAID THAT DURING THE PAST YEAR, 2,811 CASES WERE CERTIFIED DEAD ON ARRIVAL AT THE HOSPITALS.

+EVEN ASSUMING THAT 50 PER CENT OF THESE CASES WERE ALREADY DEAD WHEN THE AMBULANCE ARRIVED, THIS STILL LEAVES SOME 1,400 CASES OR ABOUT FOUR A DAY WHOSE LIVES MIGHT HAVE BEEN SAVED IF EMERGENCY TREATMENT COULD HAVE BEEN GIVEN AT THE SCENE AND EN ROUTE TO THE HOSPITAL BY MORE ADEQUATELY TRAINED AMBULANCE STAFF,+ HE SAID.

+SUCH STAFF SHOULD BE ABLE TO CONTACT REGIONAL HOSPITALS DIRECT BY RADIO SO THAT THEY CAN SEEK A DOCTOR'S ADVICE AS NECESSARY ON HOW TO DEAL WITH THE PATIENT ON THE SPOT. THE COST INVOLVED IN PROVIDING THE NECESSARY TELE-COMMUNICATIONS EQUIPMENT AND CLINICAL DIAGNOSTIC TRAINING SHOULD NOT BE TOO GREAT AND SHOULD BE WELL WORTHWHILE IN TERMS OF LIVES SAVED,+ HE ADDED.

ON COMMUNITY NURSING, DR. FANG SAID HE HAD NO DOUBT THAT THE SERVICE WAS ESSENTIAL, PARTICULARLY WHEN HOSPITAL BEDS WERE STILL IN SHORT SUPPLY.

HE URGED THE GOVERNMENT TO CONSIDER PLANS NOW FOR TAKING ON THIS SERVICE ITSELF, IN PARTNERSHIP WITH THE VOLUNTARY SECTOR, SO THAT ACTION COULD BE TAKEN AS SOON AS A DECISION WAS MADE TO CONTINUE WITH THE SERVICE.

ON GOVERNMENT SUBVENTIONS FOR VOLUNTARY AGENCIES, DR. FANG SAID IT WOULD SEEM SENSIBLE TO ALLOW SOME FLEXIBILITY IN THE APPLICATION OF THE RULE THAT SALARIES FOR THEIR STAFF SHOULD NOT BE MORE FAVOURABLE THAN GOVERNMENT SALARIES FOR COMPARABLE WORK.

HE EXPLAINED THAT THE VOLUNTARY SECTOR IN GENERAL COULD NOT COMPETE WITH GOVERNMENT IN TERMS OF FRINGE BENEFITS AND CAREER PROSPECTS SO THAT THEY HAD REAL DIFFICULTY IN RECRUITING HIGH CALIBRE STAFF.

+PERHAPS THE HEADS OF DEPARTMENTS CONCERNED COULD BE GIVEN SOME DISCRETION IN THIS AREA,+ HE SAID.

CONTROL ON CARTRIDGE-OPERATED FIXING TOOLS  
EFFECTIVE FROM JULY 1  
\* \* \* \* \*

THE LEGISLATIVE COUNCIL TODAY APPROVED NEW REGULATIONS TO CONTROL THE USE OF CARTRIDGE-OPERATED FIXING TOOLS.

THE REGULATIONS WILL COME INTO EFFECT ON JULY 1 THIS YEAR.

MOVING THE MOTION FOR THE APPROVAL OF THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (CARTRIDGE-OPERATED FIXING TOOLS) REGULATIONS 1977, THE COMMISSIONER FOR LABOUR, MR. IAN PRICE, SAID THAT CARTRIDGE-OPERATED FIXING TOOLS WERE WIDELY USED AS AN EASY METHOD OF FASTENING ATTACHMENTS TO WALLS AND CEILINGS, AND PROVIDED A SIMPLE AND INEXPENSIVE ALTERNATIVE TO DRILLING.

+THEY ARE MAINLY USED IN THE BUILDING CONSTRUCTION INDUSTRY AND IN THE INSTALLATION OF AIR CONDITIONERS AND ELECTRICAL FIXTURES,+ HE SAID.

+SINCE 1973,+ MR. PRICE CONTINUED, +THERE HAVE BEEN 41 REPORTED ACCIDENTS, INCLUDING FOUR FATAL ONES, ARISING FROM THE USE OF CARTRIDGE-OPERATED FIXING TOOLS.

+THESE ACCIDENTS OCCURRED MAINLY BECAUSE THE OPERATORS HAD NOT BEEN PROPERLY TRAINED AND THEREFORE DID NOT APPRECIATE THE POSSIBLE HAZARDS ARISING FROM THE INCORRECT USE OF THIS TYPE OF TOOL.

+SO, IT WAS DECIDED TO DRAFT A SET OF REGULATIONS UNDER THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE TO CONTROL THEIR USE,+ MR. PRICE SAID.

MR. PRICE SUMMARISED THE MAIN PROVISIONS OF THE PROPOSED REGULATIONS AS FOLLOWS:

- \* ONLY TOOLS APPROVED BY THE COMMISSIONER FOR LABOUR AND SPECIFIED IN THE SCHEDULE TO THE REGULATIONS MAY BE USED IN AN INDUSTRIAL UNDERTAKING=
- \* AN OPERATOR OF A TOOL MUST NOT BE UNDER 18 YEARS-OLD, AND MUST HOLD A CERTIFICATE OF COMPETENCY IN A FORM APPROVED BY THE COMMISSIONER FOR LABOUR= AND MUST NOT USE A TOOL WHEN HE DISCOVERS A FAULT OR DEFECT, BUT MUST REPORT IT TO THE PERSON EMPLOYING HIM=
- \* ONLY CARTRIDGES WHICH MEET THE MANUFACTURERS' SPECIFICATIONS MAY BE USED WITH A PARTICULAR TOOL=
- \* A SUITABLE STRONG TOOL BOX, WITH MEANS FOR LOCKING, MUST BE PROVIDED FOR A TOOL WHEN IT IS NOT REQUIRED= AND THAT THE TOOL BOX MUST CONTAIN A COPY OF THE INSTRUCTION MANUAL IN ENGLISH AND CHINESE GIVING INFORMATION ON THE CARE AND OPERATION OF THE TOOL=
- \* THE TOOL MUST BE USED IN A PLACE WHICH IS SUITABLY LIT AND SAFE AND WHERE THERE IS NO FLAMMABLE VAPOUR= AND

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\* A PROPRIETOR OF AN INDUSTRIAL UNDERTAKING OR A CONTRACTOR IN CONSTRUCTION WORK WHO COMMITS AN OFFENCE UNDER THE REGULATIONS IS LIABLE TO A FINE OF \$5,000 AND IF AN OPERATOR COMMITS AN OFFENCE, HE IS LIABLE TO A FINE OF \$2,000.

MR. PRICE SAID, HOWEVER, THAT TWO LOCAL AGENTS LISTED IN THE SCHEDULE OF APPROVED CARTRIDGE-OPERATED FIXING TOOLS WERE PREPARED TO ORGANISE TRAINING COURSES FOR OPERATORS, AND WOULD ISSUE CERTIFICATES OF COMPETENCY IN AN APPROVED FORM.

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TEMPORARY CLOSURE OF WATERLOO ROAD/NATHAN ROAD JUNCTION  
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THE JUNCTION OF WATERLOO ROAD AND NATHAN ROAD WILL BE CLOSED TO TRAFFIC FROM MIDNIGHT ON SATURDAY (APRIL 2) TO 6 A.M. ON SUNDAY (APRIL 3) IN ORDER TO FACILITATE MASS TRANSIT RAILWAY CONSTRUCTION WORKS.

AS A RESULT, BOTH EASTBOUND AND WESTBOUND TRAFFIC IN WATERLOO ROAD WILL BE REDUCED TO ONE LANE BETWEEN 9 P.M. AND MIDNIGHT ON SATURDAY (APRIL 2).

FROM MIDNIGHT TO 6 A.M., ALL WESTBOUND VEHICULAR TRAFFIC AT THE JUNCTION OF WATERLOO ROAD AND YIM PO FONG STREET WILL BE DIVERTED EITHER VIA WYLIE ROAD TO GASCOIGNE ROAD OR VIA YIM PO FONG STREET AND ARGYLE STREET TO TONG MI ROAD.

ALL EASTBOUND VEHICULAR TRAFFIC TO WATERLOO ROAD FROM TONG MI ROAD WILL BE CLOSED AND THE RIGHT TURNS AT RECLAMATION STREET/WATERLOO ROAD AND SHANGHAI STREET/WATERLOO ROAD JUNCTIONS WILL BE BANNED. DUNDAS STREET WILL BE ROUTED ONE-WAY WESTBOUND BETWEEN NATHAN ROAD AND SHANGHAI STREET.

ALL SOUTHBOUND VEHICULAR TRAFFIC AT ARGYLE STREET/NATHAN ROAD JUNCTION WILL BE DIVERTED VIA TONG MI ROAD, EXCEPT FRANCHISED BUSES WHICH WILL OPERATE BY WAY OF NATHAN ROAD, PORTLAND STREET, MAN MING LANE TO REJOIN NATHAN ROAD. MAN MING LANE BETWEEN NATHAN ROAD AND PORTLAND STREET WILL BE RE-ROUTED ONE-WAY EASTBOUND.

THE FOLLOWING BUS SERVICES WILL BE DIVERTED BETWEEN MIDNIGHT ON SATURDAY AND 6 A.M. ON SUNDAY:-

- \* KMB ROUTES NO. 3, 7, 7A AND 70 TRAVELLING WESTBOUND ALONG WATERLOO ROAD WILL BE DIVERTED VIA WYLIE ROAD, GASCOIGNE ROAD AND JORDAN ROAD TO NATHAN ROAD AND JORDAN ROAD FERRY.
- \* KMB ROUTES NOS. 3, 7, 7A AND 70 ON OUTWARD JOURNEYS WILL BE DIVERTED VIA NATHAN ROAD, GASCOIGNE ROAD AND WYLIE ROAD TO WATERLOO ROAD.
- \* KMB ROUTES NO. 1, 1A, 2, 3C, 4, 4A, 6, 6C, 9, 13 AND 71 AND CROSS HARBOUR ROUTES NO. 102, 104, 105, 112 AND 122 TRAVELLING SOUTHBOUND ALONG NATHAN ROAD WILL BE DIVERTED VIA DUNDAS STREET, SHANGHAI STREET, WATERLOO ROAD, PORTLAND STREET AND MAN MING LANE TO REJOIN NATHAN ROAD.
- \* KMB ROUTES NO. 2E, 12, 30, 36B AND 50 TRAVELLING SOUTHBOUND ALONG SHANGHAI STREET WILL BE DIVERTED VIA WATERLOO ROAD, PORTLAND STREET AND MAN MING LANE TO REJOIN NATHAN ROAD.

APPROPRIATE ROAD SIGNS WILL BE SET UP AND TRAFFIC POLICE WILL BE ON HAND TO HELP GUIDE MOTORISTS.

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BILLS PASSED

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THREE BILLS RECEIVED THEIR THIRD READING IN THE LEGISLATIVE COUNCIL AND BECAME LAW TODAY.

THEY WERE THE LIMITED PARTNERSHIP (AMENDMENT) BILL 1977, THE MONEY-LENDERS (AMENDMENT) BILL 1977 AND THE LANDS TRIBUNAL (AMENDMENT) BILL 1977.

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WATER CUT

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WATER SUPPLY TO A NUMBER OF PREMISES IN SHAM SHUI PO WILL BE INTERRUPTED FOR FIVE HOURS FROM 1 A.M. ON FRIDAY (APRIL 1) TO ENABLE THE WATER SUPPLIES DEPARTMENT TO CARRY OUT A NIGHT LEAKAGE TEST.

THE PREMISES AFFECTED ARE BOUNDED BY BUTTERFLY VALLEY ROAD, KING LAM STREET, YEE KUK WEST STREET, CASTLE PEAK ROAD AND YU CHAU WEST STREET, INCLUDING WING HONG STREET, WING MING STREET, TAI NAM WEST STREET AND WAI MAN VILLAGE.

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