



# DAILY INFORMATION BULLETIN

WEDNESDAY, MARCH 29, 1978

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SPEED UP DEVELOPMENT OF EXPORT-ORIENTED INDUSTRIES  
URGES SIR SZE-YUEN

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SENIOR UNOFFICIAL MEMBER OF THE LEGISLATIVE COUNCIL, THE HON. SIR SZE-YUEN CHUNG POINTED OUT THAT HONG KONG MUST EXPORT TO LIVE AND CANNOT RELY ON DOMESTIC ACTIVITIES, AS IT SEEMS WE ARE TENDING TO DO NOW, TO RAISE OUR GROSS DOMESTIC PRODUCT.

IN AN ANALYSIS OF OUR ECONOMIC DEVELOPMENT HE GAVE IN TODAY'S RESUMED BUDGET DEBATE, SIR SZE-YUEN SAID OUR GDP GROWTH RATES, DESPITE THE INFLATIONARY EFFECT IN THE EARLY 1970'S, WERE HIGH BY ANY STANDARDS.

AT CURRENT MARKET PRICES IT ROSE ALMOST 200 PER CENT OR BY AN AVERAGE OF NEARLY 17 PER CENT ANNUALLY FROM \$18,670 MILLION IN 1970 TO \$54,444 MILLION IN 1977. ITS PER CAPITA RATE ALSO ROSE BY AN AVERAGE OF 14 PER CENT ANNUALLY FROM \$4,716 TO \$12,100.

HE NOTED SIGNS OF CONCERN HOWEVER OVER THE CHANGE OF IMPORTANCE IN THE COMPONENTS OF OUR GDP.

OUR EXPORT-ORIENTED MANUFACTURING SECTOR CONTRIBUTED OVER 31 PER CENT OF THE TOTAL GDP IN 1970. IT WAS ONLY 26.6 PER CENT IN 1975 AND WENT DOWN FURTHER, POSSIBLY TO ABOUT 24 PER CENT LAST YEAR. IN ADDITION, THE SPENDING OF LOCAL PEOPLE OUTSIDE HONG KONG WAS RISING MUCH FASTER THAN THE RECEIPT FROM INCOMING TOURISTS. WHILE EVERY DOLLAR SPENT ABROAD IS A NET OUTFLOW OF FUNDS, ONLY A SMALL PORTION OF THE AVERAGE TOURIST DOLLAR IS RETAINED BY US.

ON THE OTHER HAND, SIR SZE-YUEN SAID, THE CONTRIBUTION TO OUR GDP FROM DOMESTIC ACTIVITIES, PARTICULARLY FROM CIVIL CONSTRUCTION AND REAL ESTATE, HAS BEEN AND IS STILL RISING QUITE FAST.

GIVEN HONG KONG'S LACK OF NATURAL MATERIAL RESOURCES AND SUFFICIENT ARABLE LAND, RAISING OUR GDP THIS WAY IS NOT A LONG-TERM POSSIBILITY. BESIDES, THE INCREASING CIVIL CONSTRUCTION WORK OF THE MTR IS FINANCED FROM BORROWED FUNDS, EVERY DOLLAR OF WHICH HAS TO BE REPAID, HE SAID.

IN VIEW OF THESE CHANGES, SIR SZE-YUEN SAID THERE IS AN URGENT NEED TO ACCELERATE THE DEVELOPMENT OF OUR EXPORT-ORIENTED INDUSTRIES AND SERVICES AND HE ASKED WHETHER THE GOVERNMENT SHOULD NOT BE INVOLVED MORE ACTIVELY IN THIS DEVELOPMENT.

HE SAID THERE IS A GROWING BODY OF LOCAL OPINION THAT WE IN HONG KONG SHOULD NOT IGNORE THE FACT THAT SUCH INVOLVEMENT IS A MAJOR REASON FOR THE SUCCESSFUL INDUSTRIAL DEVELOPMENT IN JAPAN AND MORE RECENTLY IN SOUTH KOREA AND TAIWAN.

QUOTING THE EXAMPLE OF THE ELECTRONIC INDUSTRY IN SOUTH KOREA, SIR SZE-YUEN SAID THEIR EXPORTS IN 1972 WERE MERELY HALF OF OURS. WITHIN FIVE YEARS, THEIR EXPORTS WENT UP SEVEN TIMES AND OVERTOOK BY 50 PER CENT OURS WHICH HAD ONLY INCREASED BY ONE AND A QUARTER TIMES.

IN THE WAY OF GOVERNMENT ASSISTANCE AND INVOLVEMENT, OUR COMPETITORS HAVE AN INSTITUTE OF SCIENCE AND TECHNOLOGY WHICH CARRIES OUT RESEARCH AND DEVELOPMENT FOR INDUSTRY, AND AN INSTITUTE OF ELECTRONIC TECHNOLOGY TO ASSIST IN TECHNOLOGY TRANSFER.

THEY ALSO HAVE AN ELECTRONIC TECHNICIAN TRAINING CENTRE AND A FINE INSTRUMENT CENTRE, BOTH SET UP WITH PUBLIC FUNDS.

+IN THE CASE OF HONG KONG, THE QUESTION NOW IS NOT WHETHER THE GOVERNMENT SHOULD BE INVOLVED IN INDUSTRIAL DEVELOPMENT BUT TO WHAT EXTENT THE INVOLVEMENT SHOULD BE,+ HE SAID.

SIR SZE-YUEN REFERRED TO THE WORK OF THE ADVISORY COMMITTEE ON INDUSTRIAL DIVERSIFICATION, WHICH HAD MET SIX TIMES SINCE LAST OCTOBER AND EXPECTED SEVEN MORE MEETINGS DURING THE NEXT THREE MONTHS.

HE THOUGHT THE COMMITTEE HAD NO EASY TASK AND SHOULD NOT BE PUSHED INTO DRAWING SUPERFICIAL CONCLUSIONS AND MAKING HASTY RECOMMENDATIONS.

+THE FORMULATION OF HONG KONG'S ECONOMIC POLICIES IN THE NEXT TEN YEARS DEPENDS VERY MUCH ON THE FINDINGS AND PROPOSALS OF THIS COMMITTEE,+ HE SAID.

SIR SZE-YUEN SPOKE ON HONG KONG'S FRESH WATER SUPPLY AND WATER CHARGES, WHICH HE SAID HAD DRAWN MOST FREQUENT PUBLIC COMMENT IN THIS YEAR'S BUDGET.

ON WATER CHARGES, HE SAID THE MORE URGENT PROBLEM IS HOW TO BE FAIRER TO THOSE WHO LIVE IN FLATS WITHOUT INDIVIDUAL WATER METERS AND THOSE FAMILIES WHO SHARE ONE APARTMENT AND ONE METER.

HE NOTED THE FINANCIAL SECRETARY'S ESTIMATES OF DEFICITS IN WATERWORKS ACCOUNTS IN THE CURRENT AND COMING FINANCIAL YEARS.

HE POINTED OUT HOWEVER, THAT IN THE MANAGEMENT OF WATERWORKS, THE GOVERNMENT HAS FAILED ON MANY OCCASIONS TO PROVIDE SUPPLY ON DEMAND BY ALLOWING SUPPLY TO LAG BEHIND, AND HAS FAILED TO A CERTAIN EXTENT TO ACHIEVE THE LOWEST COSTS AND CHARGES.

THESE, IN ADDITION TO PROVIDING AN EFFICIENT, DEPENDABLE AND QUALITY SERVICE, ARE BASIC OBJECTIVES IN THE MANAGEMENT OF PUBLIC UTILITIES.

QUOTING COMPARATIVE COST FIGURES, SIR SZE-YUEN SHOWED THAT OF OUR THREE SOURCES OF SUPPLY, WATER FROM THE EAST RIVER, AT \$3.47 PER THOUSAND GALLONS (\$0.25 IN CAPITAL COST PLUS \$3.22 IN RECURRENT COST), GIVES THE MOST ECONOMICAL OPTIMUM. IT IS ALSO MUCH MORE DEPENDABLE THAN CONVENTIONAL RESERVOIRS AS IT NEVER DRIES UP.

HE SAID IT WAS GRATIFYING TO LEARN THAT THE CHINESE AUTHORITIES HAVE AGREED TO INCREASE THEIR SUPPLY TO 30,000 MILLION GALLONS DURING THE CURRENT PERIOD AND TO 37,000 MILLION GALLONS ANNUALLY THEREAFTER, MAKING MAXIMUM USE OF THE CARRYING CAPACITY OF EXISTING PIPELINES.

IT WOULD SEEM LOGICAL IN THE CIRCUMSTANCES, HE SAID, FOR THE GOVERNMENT TO APPROACH THE CHINESE AUTHORITIES TO NEGOTIATE FOR THE INSTALLATION OF A SECOND SET OF PIPELINES TO, SAY, DOUBLE THE QUANTITY OF SUPPLY. TOGETHER WITH THE COMPLETION OF THE HIGH ISLAND WATER SCHEME, THIS WILL SOLVE OUR WATER PROBLEM FOR THE NEXT TEN YEARS.

+WITH THE PRESENT EXCELLENT SINO-BRITISH RELATIONS, I BELIEVE, AS MANY PEOPLE DO, THAT OUR REQUEST FOR MORE WATER FROM THE EAST RIVER WILL RECEIVE A VERY SYMPATHETIC AND FAVOURABLE RESPONSE BY THE CHINESE AUTHORITIES,+ HE SAID.

SIR SZE-YUEN COMMENTED ON TWO OF THE SEVEN REVENUE PROPOSALS.

HE DID NOT AGREE WITH THE LOGIC OF THE PROPOSED PENALTY ON THOSE WHO DEFAULT ON THEIR PROVISIONAL TAX PAYMENT.

MAKING THE SECOND INSTALMENT DUE AUTOMATICALLY IF THE FIRST INSTALMENT IS NOT PAID ON THE DUE DATE +WILL AGAIN NOT MEET THE ORIGINAL OBJECTION THAT TAX PAYMENTS WOULD HAVE TO BE MADE BEFORE EARNINGS OR PROFITS HAD BEEN RECEIVED,+ HE SAID.

HE SAID THE PRESENT PENALTY OF A 5 PER CENT SURCHARGE ON THOSE WHO FAIL TO PAY ANY INSTALMENT ON THE DUE DATE IS BADLY DESIGNED. THE TAX DEFAULTER TENDS TO DELAY PAYMENT BECAUSE THERE IS NO FURTHER PENALTY TO PROMPT HIM.

HE SUGGESTED THAT A BETTER WAY TO ENCOURAGE PAYMENT IS TO INTRODUCE A SURCHARGE WHICH PROGRESSIVELY INCREASES WITH THE TIME OF DELAY.

AS TO THE INCREASE IN EXCISE DUTY ON IMPORTED CIGARETTES, SIR SZE-YUEN SAID THE UNOFFICIALS WERE VERY PLEASED THAT LOCAL CIGARETTE MANUFACTURERS, WHO HAD EARLIER APPEALED THROUGH UMELCO TO THE GOVERNMENT, WOULD NOW BE ABLE TO DEVELOP A GREATER VOLUME OF SALES AND REGAIN SOME OF THEIR SHARE IN THE MARKET THEY LOST IN RECENT YEARS.

HE WONDERED HOWEVER WHY THE FINANCIAL SECRETARY HAD NOT FOLLOWED A PRINCIPLE PUT FORWARD BY HIS PREDECESSOR IN THE 1966 BUDGET DEBATE OF REVISING THE DUTY ON TOBACCO BY MULTIPLES OF TEN CENTS.

IN THIS INSTANCE, THE FINANCIAL SECRETARY MENTIONED THAT THE INCREASE IN DUTY WOULD ONLY RAISE THE PRICE OF A PACKET OF 20 IMPORTED CIGARETTES BY SIX CENTS. RETAIL PRICES HOWEVER HAVE BEEN INCREASED BY MORE THAN SIX CENTS SO THAT THE GOVERNMENT WILL RECEIVE ABOUT \$7 MILLION LESS IN REVENUE PER ANNUM WHILE THE MANUFACTURERS AND DEALERS WILL OBTAIN A WINDFALL OF THE SAME AMOUNT.

THIS IS RATHER UNFORTUNATE, HE SAID, AS THE GOVERNMENT PROVIDED AN UNNECESSARY OPPORTUNITY FOR CONSUMER EXPLOITATION.

/REFERRING TO .....

REFERRING TO THE PROPOSAL TO PROVIDE FREE AND COMPULSORY JUNIOR SECONDARY EDUCATION, SIR SZE-YUEN SAID THERE HAS EMERGED A DIVERGENCE OF VIEWS DURING THE COURSE OF DISCUSSION AMONG THE UNOFFICIALS, ABOUT NINE OF WHOM WILL SPEAK ON THE SUBJECT FOLLOWING HIM DURING THE BUDGET DEBATE.

ALTHOUGH THE MAJORITY SUPPORT THE PROPOSAL, THERE IS A MINORITY WHO BELIEVE THAT THE ADDITIONAL FUNDS WOULD BE BETTER SPENT ON SUBSIDISING FIVE YEARS OF SECONDARY EDUCATION WITH REMISSION OF FEES FOR THOSE WHO CANNOT AFFORD THEM.

SIR SZE-YUEN SAID WHILE HE AGREED WITH A SYSTEM OF FEES REMISSION AT THE HIGHER EDUCATION LEVEL SO AS NOT TO USE PUBLIC FUNDS TO SUBSIDISE THE RICH AND POOR ALIKE, HE TOTALLY DISAGREED WITH IT IN THE CONTEXT OF NINE YEARS OF GENERAL EDUCATION.

HE EXPLAINED THAT JUNIOR SECONDARY EDUCATION CANNOT BE MADE COMPULSORY IF IT IS NOT FREE SINCE WE CANNOT FORCE POOR PARENTS TO SEND THEIR CHILDREN TO SCHOOL AND AT THE SAME TIME ASK THEM TO APPLY FOR REMISSION OF FEES.

BESIDES, IN A WORLD OF INCREASING SOCIAL CONSCIOUSNESS, IT IS ONLY RIGHT FOR HONG KONG TO ACCEPT THE FACT THAT SUCH EDUCATION IS THE BIRTHRIGHT OF EVERY CHILD, WITHOUT REQUIRING HIM TO +GO THROUGH THE AGONY AND HUMILIATION OF EXPOSING THE STRAITENED FINANCIAL CIRCUMSTANCES OF THEIR PARENTS.+

HE POINTED OUT THAT TEN YEARS AGO WHEN HE SPOKE IN SUPPORT OF FREE AND COMPULSORY PRIMARY EDUCATION HE HAD ENVISAGED THAT THE GENERAL EDUCATION REQUIREMENTS OF OUR INDUSTRIAL WORKERS WILL BE RAISED AT THE SAME TIME AS OUR INDUSTRIAL TECHNOLOGY IS UPGRADED.

HE ADDED THAT THERE IS ALSO A NEED TO RAISE THE GENERAL LEVEL OF EDUCATION OF OUR FUTURE GENERATIONS.

ON BEHALF OF ALL HIS UNOFFICIAL COLLEAGUES, SIR SZE-YUEN WELCOMED THE EXTENSION OF THE GOVERNOR'S TERM OF OFFICE. UNDER THE ABLE LEADERSHIP OF THE GOVERNOR, HE SAID, +WE ARE CONFIDENT THAT HONG KONG WILL CONTINUE TO MOVE FORWARD FROM STRENGTH TO STRENGTH.+

ON THE FINANCIAL SECRETARY'S BUDGET CALCULATIONS FOR 1978-79, SIR SZE-YUEN SAID, FOR THE FIRST TIME, THE FORECAST OF \$9,130 MILLION IN RECURRENT REVENUE IS VERY NEAR TO HIS OWN FIGURE OF \$9,300 MILLION WHICH HE DERIVED FROM STATISTICAL ANALYSIS.

THE FINANCIAL SECRETARY'S ESTIMATES FOR RECURRENT EXPENDITURE AND TOTAL EXPENDITURE, AT \$7,323 MILLION AND \$10,266 MILLION RESPECTIVELY, WERE PRACTICALLY IDENTICAL AS IN PAST YEARS, TO HIS FORECASTS OF \$7,300 MILLION AND \$10,000 MILLION.

HE RECALLED THAT IN THE 1976 BUDGET DEBATE HE HAD CALCULATED A RECURRENT REVENUE FOR 1976-77 OF AROUND \$7,000 MILLION, WHICH WAS CLOSER TO THE ACTUAL FIGURE OF \$6,849 MILLION THAN THE FINANCIAL SECRETARY'S \$6,370 MILLION.

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HIS CALCULATION OF \$8,000 MILLION LAST YEAR FOR 1977-78 WAS ALSO CLOSER TO THE REVISED ESTIMATE OF \$8,074 MILLION THAN THE BUDGET ESTIMATE OF \$7,474 MILLION.

+ALLOW ME TO MAKE ONE POINT VERY CLEAR,+ HE SAID. +THESE COMPARISONS DO NOT IMPLY THAT I AM BETTER THAN THE FINANCIAL SECRETARY IN ESTIMATES. ANY MAN IN HIS POSITION WOULD HAVE TAKEN A MORE CAUTIOUS AND CAREFUL ATTITUDE.+ IN FACT, HE ADDED, HE SUBSCRIBED TO THE FINANCIAL SECRETARY'S PRUDENCE LAST YEAR IN THE LIGHT OF THE RATHER UNCERTAIN OUTLOOK OF WORLD ECONOMY AT THAT TIME.

ALL IN ALL, HE SAID, THE 1978-79 BUDGET IS GENERALLY IN LINE WITH OUR PAST TRENDS AND ACCEPTABLE GUIDELINES AND HE BELIEVED HIS UNOFFICIAL COLLEAGUES SHARE HIS SUPPORT FOR IT.

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## SUPPORT FOR FINANCIAL SECRETARY'S BUDGET PRESENTATION

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THE HON. Q.W. LEE SUPPORTED THE COMPREHENSIVE WAY IN WHICH THE FINANCIAL SECRETARY PRESENTED HIS ANNUAL BUDGET WHICH, HE SAID, REFLECTS SOUND MANAGEMENT AND GENERATES INTERNAL AND EXTERNAL CONFIDENCE VITAL TO OUR CONTINUED DEVELOPMENT AND PROSPERITY.

SPEAKING IN THE RESUMED DEBATE AT THE LEGISLATIVE COUNCIL TODAY, MR. LEE EXPLAINED THAT OUR POSITION AS AN INTERNATIONAL TRADER HAS CHANGED WITH OUR OWN UNCEASING GROWTH AND UNEVEN POLITICAL AND ECONOMIC DEVELOPMENTS ELSEWHERE. WE ARE NOW MUCH MORE VULNERABLE TO INTERNATIONAL DEVELOPMENTS AND OUR FISCAL, MONETARY AND ECONOMIC POLICIES MUST BE ABLE TO MAINTAIN EXTERNAL COMPETITIVENESS AND CONFIDENCE.

AS OUR POLICIES ARE OF INTEREST TO PEOPLE INVOLVED IN BUSINESS WITH US, IT IS IMPORTANT THAT WHAT WE DO AND PLAN TO DO ARE CONSISTENT WITH SOUND PRINCIPLES AND FULLY EXPLAINED, EVEN THOUGH PEOPLE MAY NOT NECESSARILY HAVE TO AGREE WITH ALL OF THEM, HE SAID.

HE POINTED OUT THAT THE SIGNIFICANCE OF THIS YEAR'S BUDGET, AS IN THE PAST, LIES IN OUR ABILITY TO FINANCE AN EVER-INCREASING PACKAGE OF PROGRAMMES WITHOUT STRAINING THE ECONOMY OR THE GOVERNMENT'S CREDIT WORTHINESS, AND IN THE EXISTENCE OF A RATIONAL BODY OF WELL-FOUNDED POLICIES.

MR. LEE WAS CONCERNED ABOUT THE INADEQUATE PROVISION OF LAND FOR OUR DEVELOPMENT.

HE APPRECIATED WHAT THE GOVERNMENT HAS DONE SO FAR WITH THE APPOINTMENT OF THE SPECIAL COMMITTEE ON LAND PRODUCTION. HE NOTED HOWEVER THAT AGAINST THE BACKGROUND OF THE COMMITTEE'S REPORT, THE AMOUNT OF LAND AVAILABLE FOR SALE NEXT YEAR IS NOT ENTIRELY SATISFACTORY WHEN THERE WILL ONLY BE 88 ACRES, COMPARED WITH 136 ACRES SOLD IN 1976-77 AND 115 ACRES IN 1977-78.

ONLY 20 OF THE 88 ACRES ARE TO BE INDUSTRIAL LAND. THIS DOES NOT COMPARE FAVOURABLY WITH PREVIOUS RECORDS, WHEN INDUSTRIAL DIVERSIFICATION IS SO MUCH IN OUR MIND, HE SAID.

EVEN IF THIS TREND CAN BE REVERSED IN THE LONG TERM, HE CONTINUED, THERE IS STILL A PROBLEM OF LAND PRICES RISING AT SUCH A RATE THAT THEY TAKE UP A DISPROPORTIONATE PART OF PRODUCTIVITY COST AND THUS HINDER DEVELOPMENT OF OUR ECONOMY.

HE POINTED OUT THAT THE RATIO OF LAND COST TO BUILDING CONSTRUCTION COST WAS GENERALLY ABOUT 1 TO 1 FOR RESIDENTIAL ACCOMMODATION AND 0.5 TO 1 FOR FLATTED FACTORIES A FEW YEARS AGO. IT HAS NOW REACHED THE AVERAGE LEVEL OF BETWEEN 2 AND 3 TO 1 FOR RESIDENTIAL ACCOMMODATION, ABOUT 1.5 TO 1 FOR FLATTED FACTORIES AND BETWEEN 2 AND 4 TO 1 FOR COMMERCIAL ACCOMMODATION, NOT COUNTING THOSE IN CENTRAL DISTRICT THE RATIO OF WHICH IS EVEN MUCH HIGHER.

HE PROPOSED THAT HAVING DEVOTED OUR EFFORTS TO PRODUCING LAND, WE SHOULD NOW FOCUS ATTENTION ON MAXIMISING ITS USE.

HE HAS TWO SUGGESTIONS, TOUCHING ON PRESENT LAND USE LIMITATIONS AND ON PLANNING STANDARDS.

HE THOUGHT THAT IT IS NECESSARY NOW TO STUDY THE POSSIBILITY OF EASING PRESENT RESTRICTIONS ON PLOT RATIOS AND HEIGHT RESTRICTIONS IN THE URBAN AREA, OTHER THAN HEIGHTS IN THE FLIGHT PATH TO KAI TAK, AND IN THE NEW TOWNS.

TOGETHER WITH THIS STUDY, THE GOVERNMENT'S DENSITY ZONING POLICY COULD ALSO BE REVIEWED, WITH CONSIDERATION GIVEN TO RE-DESIGNATING SOME ZONE 3 AREAS AS ZONE 2 AND SOME ZONE 2 AREAS AS ZONE 1.

IF THESE PROPOSALS ARE FEASIBLE, AND MR. LEE ASKED THAT THEY BE STUDIED URGENTLY BECAUSE OF THE IMMEDIATE POTENTIAL EFFECT, THE PREMIUM FOR THE INCREASED BENEFIT WOULD HAVE TO BE PAID BY THE LANDOWNERS.

AS TO PLANNING STANDARDS, HE ASKED WHETHER THOSE USED TO RESERVE LAND FOR GOVERNMENT, INSTITUTIONAL AND COMMUNITY USES IN DEVELOPING AREAS COULD NOT BE REVISED.

ALTHOUGH HE DID NOT KNOW WHAT THE PRESENT STANDARDS ARE, HE NOTED THAT THE REPORT OF THE SPECIAL COMMITTEE ON LAND PRODUCTION SHOWS LAND RESERVED FOR SUCH USES AMOUNTING TO AS MUCH AS 40 PER CENT OF THE TOTAL QUANTITY OF LAND TO BE PRODUCED IN AREAS COVERED BY DEFINITE WORKS PROJECTS.

HE REALISED THAT HIS SUGGESTIONS HAVE ENVIRONMENTAL, POPULATION DENSITY AND ENGINEERING SERVICES IMPLICATIONS BUT POINTED OUT THAT EVEN IN 1961, A PWD WORKING PARTY, WHICH RECOMMENDED THE PRESENT BUILDING RESTRICTIONS, HAD RECOGNISED THAT HIGH DENSITIES FOR BOTH RESIDENTIAL AND COMMERCIAL BUILDINGS MUST BE ACCEPTED. THESE RESTRICTIONS, MR. LEE POINTED OUT, WERE CONSIDERED UNDER ECONOMIC CIRCUMSTANCES 17 YEARS AGO AND THEREFORE SHOULD BE RE-CONSIDERED UNDER PRESENT DAY CIRCUMSTANCES.

HE HOPED THE LAND DEVELOPMENT POLICY COMMITTEE, THE TOWN PLANNING BOARD AND GOVERNMENT DEPARTMENTS CONCERNED WOULD RE-EXAMINE THE SITUATION, TAKING INTO ACCOUNT NOT ONLY ENVIRONMENTAL CONSIDERATION AND PLANNING STANDARDS, BUT ALSO THEIR COST TO THE ECONOMY AS AGAINST THE BENEFITS IN RELAXING THEM.

MR. LEE WELCOMED THE ALMOST 15 PER CENT INCREASE IN SPENDING ON EDUCATION AND FULLY SUPPORTED THE INTRODUCTION OF FREE JUNIOR SECONDARY EDUCATION. HE NOTED THAT THIS MEASURE HAS GENERATED A FAIR AMOUNT OF PUBLIC ARGUMENT. HE THOUGHT HOWEVER THAT THE COMMUNITY SHOULD REGARD BASIC EDUCATION AS A SOCIAL RIGHT FOR ALL.

PROVIDED THAT THE COST CAN BE AFFORDED, HE WOULD PERSONALLY WELCOME MORE OF THIS BASIC SERVICE TO BE INTRODUCED IN AN ORDERLY SEQUENCE, FIRST BY MAKING PLACES AVAILABLE TO ALL, THEN MAKING THEM FREE, AND FINALLY COMPULSORY.

COMMENTING ON THE FINANCIAL SECRETARY'S FISCAL POLICY, MR. LEE RECALLED THAT THE THIRD INLAND REVENUE ORDINANCE REVIEW COMMITTEE HAD RECOMMENDED THE TAXING OF INTEREST RECEIVED ON FUNDS USED BY A BORROWER TO PRODUCE PROFITS CHARGEABLE TO HONG KONG TAX.

THIS WAS BASED ON THE VIEW THAT ALL SIGNIFICANT FLOWS OF INCOME WHICH ARE THE RESULT OF ECONOMIC ACTIVITY CARRIED ON IN HONG KONG SHOULD BE TAXED.

THE GOVERNMENT WORKING PARTY ACCEPTED THIS RECOMMENDATION AND WITH A VIEW TO OBTAIN PROBLEMS OF APPORTIONMENT OF FUNDS, CONCLUDED THAT A SUPPLEMENTARY SOURCE TEST RELATED TO THE ACTIVITIES OF THE BORROWER SHOULD BE APPLIED.

IN THE EVENT HOWEVER, MR. LEE SAID, THE GOVERNMENT TOOK THE VIEW THAT THE IMPLICATIONS OF APPLYING SUCH A TEST WERE UNACCEPTABLE, THUS GIVING RISE TO A TAX LOOPHOLE AND REVERTING THE SITUATION TO THE TIME WHEN THIS LOOPHOLE WAS FIRST REFERRED TO THE REVIEW COMMITTEE BY THE COMMISSIONER OF INLAND REVENUE.

+ALREADY,+ HE SAID, +WE HAVE SEEN HONG KONG DOLLAR LOANS PROVIDED FROM FUNDS IN HONG KONG BEING STRUCTURED TO AVOID INTEREST TAX. THE GOVERNMENT'S DECISION MAY FURTHER ENCOURAGE MOVEMENTS TO STRUCTURE FUTURE LOANS IN THIS WAY.+

THIS WILL RESULT IN FURTHER LOSS OF REVENUE, AND WILL BE UNFAIR TO THE SMALLER BORROWERS, WHO UNLIKE THE SOPHISTICATED, WILL NOT FIND IT EASY TO ARRANGE SUCH AN INTEREST-TAX-FREE LOAN.

ON THE FINANCIAL ADMINISTRATION OF THE GOVERNMENT, MR. LEE POINTED OUT THAT THE VOLUME OF TRANSACTION IN THE GENERAL REVENUE ACCOUNT AND CONSOLIDATED ACCOUNT, AT \$20,000 MILLION AND \$23,000 MILLION RESPECTIVELY IN THE COMING YEAR, HAS GROWN VERY SUBSTANTIALLY.

ALTHOUGH MORE FINANCIAL AUTHORITY AND FLEXIBILITY HAVE BEEN ALLOWED HEADS OF DEPARTMENTS, BY DIRECT DELEGATION FROM THE LEGISLATIVE COUNCIL AND INDIRECTLY BY REQUIRING FEWER ANNUALLY RECURRENT SUB-HEADS TO BE SHOWN IN THE ESTIMATES, +THESE WERE CHANGES OF DEGREES AND NOT CHANGES IN THE BASIC SYSTEM,+ HE SAID.

HE RECOMMENDED THAT A WORKING PARTY, HEADED BY THE FINANCIAL SECRETARY, BE FORMED TO STUDY WHETHER ANY BASIC CHANGE IN THE DIRECTION OF SIMPLIFICATION AND DELEGATION IS CALLED FOR, TO ACHIEVE GREATER PRODUCTIVITY AND EXPEDIENCY.

THE WORKING PARTY MAY ALSO INCLUDE SOME UNOFFICIALS OF THE COUNCIL, AS THERE WOULD BE FURTHER RELAXATION OF VOTE CONTROL BY THE LEGISLATIVE.

WITH THE PROPOSED PUBLIC ACCOUNTS COMMITTEE SOON COMING INTO BEING TO WORK WITH THE DIRECTOR OF AUDIT, MR. LEE WAS SURE THAT CAREFULLY DEvised MEASURES FOR SIMPLIFICATION AND DELEGATION WILL ONLY ASSIST TO MONITOR THE SPENDING OF PUBLIC FUNDS FOR THE VALUE AND PURPOSE THEY ARE VOTED FOR.

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LOBO EXPRESSES CONCERN OVER GOVERNMENT'S  
MANAGEMENT OF CIVIL SERVICE

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THE HON. ROGER LOBO TODAY EXPRESSED CONCERN ABOUT THE GOVERNMENT'S MANAGEMENT OF THE 126,000 STRONG CIVIL SERVICE WHICH HE SAID REPRESENTS DIRECTLY AND INDIRECTLY THE ASPIRATIONS AND AIMS OF PERHAPS HALF A MILLION PEOPLE.

HE WAS SPEAKING AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL.

HE POINTED OUT THAT CASES OF DISPUTE WITHIN THE SERVICE ARE NO LONGER RARE AND REFERRED TO DISSATISFACTION EXPRESSED BY THE SENIOR NON-EXPATRIATE OFFICERS ASSOCIATION, GOVERNMENT STENOGRAPHERS, SOCIAL WELFARE WORKERS, AND +THE UNFORTUNATE INCIDENT+ LAST NOVEMBER WHICH INVOLVED, AS HAS SINCE BEEN POINTED OUT HE SAID, +A QUESTION OF PERSONNEL MANAGEMENT+.

MR. LOBO POINTED OUT THAT THERE IS NO WAY OF KNOWING WHETHER THIS UPSURGE IN THE NUMBER OF DISPUTES REFLECTS GROWING DISSATISFACTION GENERALLY WITHIN THE SERVICE, STRONG MINDED MINORITY GROUPS EXERCISING THEIR INFLUENCE, OR OPPORTUNISM ON THE PART OF THOSE ALREADY EATING FROM 'IRON RICE BOWLS'.

IT COULD BE CULTURAL AND LINGUISTIC DIFFERENCES OR IT COULD BE THAT CIVIL SERVANTS, PARTICULARLY AT THE JUNIOR LEVELS, ARE NOW GENERALLY BETTER EDUCATED AND THUS INCLINED TO BE MORE VOCAL.

ALL THE SAME, HE THOUGHT THERE ARE STRONG GROUNDS FOR CONSIDERING WHETHER SUFFICIENT ATTENTION IS PAID AT THE VARIOUS SUPERVISORY LEVELS OF DEPARTMENTS TO THE VITAL AREA OF STAFF RELATIONS.

HE SAID WE HAVE COMMISSIONED SOPHISTICATED AND COSTLY STUDIES OF THE POLICY-MAKING AND DECISION-MAKING MACHINERY OF THE GOVERNMENT BUT MUST HAVE AN EQUALLY SOPHISTICATED APPROACH TO THE MANAGEMENT OF THE LARGE STAFF WHICH CARRY OUT THESE POLICIES AND DECISIONS.

HE DID NOT KNOW WHETHER THE CIVIL SERVICE BRANCH OF THE SECRETARIAT, WHICH PLAYS THE PART OF PERSONNEL DEPARTMENT TO THE GOVERNMENT, HAS FORMAL MACHINERY FOR +KEEPING ITS FINGER ON 126,000 PULSES, BUT CLEARLY THAT FINGER HAS BEEN LIFTED ON MORE THAN ONE OCCASION+.

HE EMPHASISED THE NEED TO SUSTAIN MORALE AND FOSTER INCENTIVE WITHIN THE CIVIL SERVICE. +IT HAS OFTEN BEEN FOUND THAT GRIEVANCES EXPRESSED IN TERMS OF PAY COMPARISONS OR PROMOTION PROSPECTS HAVE THEIR ROOTS IN A GENERAL FEELING OF NEGLECT AND OF BELONGING TO A LARGE MACHINE,+ HE EXPLAINED.

HE WARNED THAT IN THIS DAY AND AGE STAFF RELATIONS CANNOT BE IGNORED OR HANDLED HAPHAZARDLY AND POINTED OUT THAT PROPER PERSONNEL MANAGEMENT COULD DO MUCH TO ANTICIPATE PROBLEMS AND TO RELIEVE THEM, AS WELL AS TO MAKE THE PUBLIC SERVICE MORE EFFECTIVE.

/HE RAISED .....

HE RAISED THREE QUESTIONS:

- (A) WHY SO LITTLE HAS BEEN DONE TO LOCALISE THE TOP LEVEL OF THE CIVIL SERVICE BRANCH WHERE LEADERSHIP, COMMUNICATION AND UNDERSTANDING ARE SO VITAL TO GOOD STAFF MANAGEMENT?
- (B) HOW THE GOVERNMENT CAN IMPROVE COMMUNICATION WITH THE PEOPLE WHEN COMMUNICATION WITHIN ITSELF IS DEFICIENT, AND ALTHOUGH THERE ARE CONSULTATIVE COUNCILS WITHIN DEPARTMENTS THEIR EFFECTIVENESS IS QUESTIONABLE?
- (C) COULD IT BE THAT IN THE COURSE OF BUILDING UP AND TRAINING THE PUBLIC SERVICE, THE GOVERNMENT HAS OVERLOOKED THE RESPONSIBILITIES OF A GOOD EMPLOYER?

MR. LOBO SAID OUR ECONOMY IS DEPENDENT ON MANY FACTORS, AMONG WHICH IS THE CONFIDENCE HONG KONG CAN GENERATE OVERSEAS TO ATTRACT BUSINESS AND INFLOW OF CAPITAL.

+WE MUST NOT OVERRULE THE POSSIBILITY OF DISPUTES WITHIN THE CIVIL SERVICE BEING EXPLOITED BY THOSE WHO ARE ANTI-HONG KONG, IF THIS HAS NOT ALREADY BEEN DONE.

+CIVIL SERVANTS' PROTESTS COULD SO EASILY BE USED IN PROMULGATING THE MYTH OF THE HONG KONG SWEAT SHOP. IF GOVERNMENT IS NOT SEEN TO BE LOOKING AFTER ITS OWN, HOW CAN IT EXPECT OTHERS TO DO BETTER?+ HE ASKED.

TURNING TO PUBLIC HOUSING, MR. LOBO SOUGHT ASSURANCE FROM THE FINANCIAL SECRETARY THAT THE GOVERNMENT DOES NOT OVERLOOK ITS RECENT COMMITMENT TO PROVIDE FROM THE DEVELOPMENT LOAN FUND SUCH CAPITAL AS IS NEEDED FROM TIME TO TIME TO FINANCE THE HOUSING AUTHORITY'S CONSTRUCTION PROGRAMME.

HE SOUGHT THE ASSURANCE BECAUSE THERE APPEARS TO BE SOME DIFFERENCE BETWEEN HIS UNDERSTANDING OF THE FINANCIAL SITUATION AND WHAT WAS SAID BY THE FINANCIAL SECRETARY IN HIS BUDGET, WHICH SHOWED A SHORTFALL OF 296 MILLION IN THE AUTHORITY'S ESTIMATED EXPENDITURE NEXT YEAR.

HE COMPLIMENTED THOSE WHO HAVE BEEN INVOLVED IN THE HOME OWNERSHIP SCHEME WHICH HE SAID HAS GOT OFF TO A RUNNING START AND HAS ITS INITIAL MODEST PLAN DOUBLED IN ADDITION TO PHASE II.

HE SAID THE TEN-YEAR HOUSING PROGRAMME WHICH IT COMPLEMENTS IS NOW REACHING TOP GEAR AGAIN AFTER THE HICCUP CAUSED BY THE RECESSION, WHILE THE BIGGEST REDEVELOPMENT PROGRAMME IN THE WORLD IS MOVING AHEAD SMOOTHLY TO UPDATE THE STANDARDS OF FORMER RESETTLEMENT ESTATES. IN ADDITION A LARGE PROGRAMME IS IN FULL SWING TO CONSTRUCT PART-BUILT STRUCTURES IN A LARGE NUMBER OF TEMPORARY HOUSING AREAS TO PROVIDE STOP-GAP BUT REASONABLE HOUSING.

/HAVING BEEN .....

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HAVING BEEN DIRECTLY CONNECTED WITH PUBLIC HOUSING FOR OVER 13 YEARS, HE SAID, HE IS CONSCIOUS OF THE FACT THAT IT IS ONE OF HONG KONG'S GREATEST SUCCESSES, REGARDLESS OF WHAT SOME ARDENT CRITICS MAY SAY.

+HOWEVER, I HAVE OFTEN WONDERED WHAT PERCENTAGE OF OUR POPULATION IS TO BE HOUSED EVENTUALLY IN PUBLIC HOUSING, APPRECIATING THAT SOME VERY AND QUITE WELL-TO-DO PEOPLE ARE ALREADY PUBLIC HOUSING TENANTS.+

HE NOTED THAT AT PRESENT, ABOUT 47 PER CENT OF THE POPULATION ARE SUCH TENANTS PAYING AN AVERAGE OF ONLY 4.3 PER CENT OF THEIR INCOME ON RENT AS COMPARED TO 6.3 PER CENT IN 1971, WHILE THE FIGURE IN THE PRIVATE SECTOR TODAY IS 19.5 PER CENT COMPARED WITH 19.3 PER CENT IN 1971.

+THE RENT GAP BETWEEN PRIVATE AND PUBLIC HOUSING IS WIDENING YEAR AFTER YEAR AND THIS COULD WELL BECOME AN INSOLUBLE PROBLEM,+ HE SAID.

HE HOPED THAT IN THE COURSE OF THE BUDGET DEBATE, HE WOULD RECEIVE SOME ANSWERS REGARDING THE DIRECTION AND EXTENT PUBLIC HOUSING SHOULD GO, AND WHETHER THE PRIVATE SECTOR WOULD BE LEFT TO DO ITS FAIR SHARE OF PROVIDING HOUSING.

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GOVERNMENT URGED TO STEP UP EFFORTS TO  
HELP HONG KONG COMPETE WITH INDUSTRIAL COUNTRIES  
\* \* \* \* \*

UNOFFICIAL LEGISLATIVE COUNCILLOR, THE HON. JAMES WU, TODAY CALLED ON THE GOVERNMENT TO STEP UP ITS EFFORTS TO HELP HONG KONG COMPETE WITH OTHER INDUSTRIAL COUNTRIES.

SPEAKING IN THE RESUMED BUDGET DEBATE, MR. WU SAID +A CORRECT ASSESSMENT OF THE SITUATION AND THE WILL AND MEANS TO TACKLE IT+ WERE NECESSARY IF HONG KONG WAS TO MAINTAIN A DESIRED GDP GROWTH RATE.

+A GREAT DEAL MORE INPUT, INCLUDING A CHANGING ATTITUDE, WOULD HAVE TO COME FROM GOVERNMENT,+ MR. WU STRESSED.

CITING JAPAN AS AN EXAMPLE, MR. WU SAID JAPAN FOR SOME TIME FLOURISHED IN LIGHT INDUSTRIES FOR CONSUMER GOODS IN TEXTILES AND GARMENTS, TOYS AND METAL WARE, BUT WITH MASSIVE INVESTMENT FROM GIANT BANKS AND TRADING HOUSES AND GOVERNMENT ASSISTANCE, THEY BEGAN TO RE-DEVELOP NOT SO LONG AGO THEIR HEAVIER AND MORE SOPHISTICATED INDUSTRIES IN THE FIELD OF AUTOMOBILES, ELECTRICAL APPARATUS AND APPLIANCES, MACHINERY, PETRO-CHEMICALS, STEEL AND SHIP-BUILDING.

MR. WU ADDED THIS ENABLED JAPAN TO TRADE-UP OR EXPAND INTO MORE SOPHISTICATED FIELDS EMPLOYING HIGHER TECHNOLOGY WHEN THEIR LABOUR INTENSIVE INDUSTRIES OR MARGINAL TECHNOLOGY WERE THREATENED BY COMPETITION FROM LOWER-COST REGIONS.

+THAT THEY HAVE BEEN ABLE IN A MATTER OF 20 TO 30 YEARS TO REBUILD FROM RUINS AND TO BEAT THE AMERICANS AND EUROPEANS AT THEIR OWN GAME IN THE ELECTRONICS, IRON AND STEEL, AUTOMOBILES AND PETRO-CHEMICAL INDUSTRIES IS A GREAT TRIBUTE TO THEIR POLICIES AND EFFORTS, WITH GOVERNMENT AND BUSINESS WORKING IN A CONCERTED MANNER AS ONE 'JAPAN INC.',+ MR. WU SAID.

REFERRING TO HONG KONG, MR. WU SAID IN THE LAST 20 TO 30 YEARS WE HAVE DEVELOPED OUR OWN LIGHT INDUSTRIES TO THE EXTENT THAT WE HAVE BEEN QUITE SUCCESSFUL IN COMPETING WITH JAPAN TAKING OVER THE LEADERSHIP IN GARMENTS, TOYS AND SIMPLER ELECTRONICS.

SOUTH KOREA AND TAIWAN, BOTH CLOSELY FOLLOWING THE DEVELOPMENT PATTERNS AND METHODS OF JAPAN, HAVE SCORED GREAT SUCCESSES IN A WIDE INDUSTRIAL SPECTRUM, MR. WU NOTED. +OBSERVERS ARE LIKENING IT TO THE STATE OF JAPANESE DEVELOPMENT SOME 15 TO 20 YEARS AGO,+ MR. WU SAID.

+AT OUR PRESENT STAGE OF DEVELOPMENT, AND WITH LITTLE NEW INDUSTRIES AND FOREIGN INVESTMENTS, THE GROWTH WILL BE FAR SHORT OF THE MAGNITUDE WE ARE USED TO KNOW, IF LEFT BY ITSELF WITHOUT MASSIVE EFFORTS AND INPUT FROM BOTH THE PUBLIC AND PRIVATE SECTORS,+ HE ADDED.

/MR. WU ALSO .....

MR. WU ALSO DISAGREED WITH THE IDEA THAT INDUSTRY SHOULD BE TAKING CARE OF ITSELF AND NOT ACCEPT ASSISTANCE OR HIDDEN SUBSIDY OF ANY NATURE.

+I STRESS THAT WE MUST BE PRAGMATIC. AS IN MANY INSTANCES, CERTAIN TYPES OF CONCERTED EFFORTS COULD ONLY BE MARSHALLED WITH OFFICIAL PARTICIPATION, GIVEN THE MANY SMALL INDUSTRIAL UNDERTAKINGS WE HAVE, AND THE INDIVIDUALISTIC NATURE OF OUR ENTREPRENEURS THAT ARE BOTH OUR STRENGTH AND WEAKNESS.

+FOR EXAMPLE, OUR TEXTILES AND GARMENT INDUSTRY'S GROWTH AND DEVELOPMENT IN THE PAST WAS DUE IN NO SMALL MEASURE TO THE EXCELLENT PERFORMANCE OF THE DEPARTMENT OF TRADE, INDUSTRY AND CUSTOMS IN THE NEGOTIATIONS FOR, AND SUBSEQUENT IMPLEMENTATION OF, THE QUOTAS THAT HAVE TAKEN A CONSIDERABLE PART OF THE RESOURCES OF THE DEPARTMENT, WORKING IN CLOSE CONCERT WITH INDUSTRY.+ MR. WU SAID.

MR. WU SUGGESTED THAT SUCH CO-OPERATION AND ASSISTANCE BE +INITIATED, ORGANISED OR EXPANDED WITH RELEVANT AND APPROPRIATE GOVERNMENT DEPARTMENTS OR PUBLIC INSTITUTIONS IN MATTERS RELATING TO ALL ASPECTS OF TRADE, MANPOWER UTILISATION AND AMENITIES, APPLIED RESEARCH AND DEVELOPMENT, TECHNICAL ASSISTANCE AND TRANSFER, AS HAVE ALREADY BEEN STARTED WITH THE FORMATION OF THE TRADE DEVELOPMENT COUNCIL AND THE HONG KONG TRAINING COUNCIL.+

+GOVERNMENT SPONSORSHIP OF, AND CONTRIBUTION IN THE SERVICES AND ACTIVITIES WILL HAVE A CATALYTIC EFFECT BRINGING ABOUT VERY REWARDING RESULTS.

+THESE ARE FULLY PROVEN APPROACHES AND I SUGGEST THAT THE FINANCIAL SECRETARY INVEST A MINUTE FRACTION OF OUR RECORD \$1 BILLION SURPLUS TO THIS USE FOR RICH DIVIDENDS THAT ARE TO COME BY WAY OF INCREASED PROFITS AND REVENUE BEFORE LONG,+ MR. WU SAID.

ON THE MANUFACTURING INDUSTRIES, MR. WU AGREED WITH THE FINANCIAL SECRETARY THAT THE REDUCED DEMAND FROM THE EEC MARKETS MIGHT HAVE BEEN A FACTOR CONFRONTING INDUSTRIALISTS AND INHIBITING THE GROWTH, BUT FELT THAT THE MAIN FACTORS WERE INCREASES IN RENTS, RATES AND INDUSTRIAL LAND PRICES TO AS MUCH AS 50 PER CENT, TOGETHER WITH INCREASES IN WAGES TO AS HIGH AS 30 PER CENT, PLUS INCREASES IN MATERIAL COSTS AND BURDENS DUE TO NEWLY INTRODUCED LABOUR LEGISLATION.

ON THE ISSUE OF WATER, MR. WU WARNED AGAINST RAISING WATER CHARGES AS IT WAS +UNTIMELY AND UNCALLED FOR.+ +IT WILL GREATLY ENDANGER OUR SUPPORTING INDUSTRIES IN DYEING AND FINISHING AND METAL FINISHING,+ HE SAID.

+I ALSO CONSIDER THAT WHEN THE COMMUNITY'S WELL-BEING DEPENDS SO MUCH ON THE VIABILITY OF OUR MANUFACTURING INDUSTRIES, ANY MEASURE THAT THREATENS TO HURT A SECTOR THAT CAN PREJUDICE THE WHOLE SHOULD NOT BE TAKEN, AS IN THE LONG RANGE VIEW, THE COMMUNITY WOULD IN TURN BENEFIT FROM ANY SUCCESS WE HAVE IN OUR EXPORT INDUSTRIES,+ MR. WU SAID.

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MR. WU ALSO NOTED THAT THE FINANCIAL SECRETARY HAD INDICATED THAT IN THE 1970'S OUR TERTIARY OR SERVICE INDUSTRIES HAD BEGUN TO GROW IN RELATIVE IMPORTANCE WHILE OUR MANUFACTURING INDUSTRIES HAD DECLINED IN IMPORTANCE.

BUT MR. WU SAID THAT CONSIDERING THE NATURE OF THESE SERVICE INDUSTRIES, +IT IS DIFFICULT TO VISUALISE THAT THEY TOGETHER COULD BECOME NET CONTRIBUTORS TO OUR BALANCE OF PAYMENTS AND THEREFORE BE SELF-SUSTAINING.+

+OUR MIND WILL THEREFORE NOT BE AT EASE UNTIL IT HAS BEEN PROVEN CONCLUSIVELY THAT OUR TERTIARY OR SERVICE INDUSTRIES AS SUCH ARE NET CONTRIBUTORS TO OUR BALANCE OF PAYMENTS, HOWEVER DIFFICULT IT MIGHT BE FOR SUCH PROOF TO BE ESTABLISHED.+

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TAX RESPITE FOR MIDDLE-INCOME FAMILIES URGED

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UNOFFICIAL LEGISLATIVE COUNCILLOR, THE HON. HILTON CHEONG-LEEN, ASKED FOR TAX RESPITE FOR MIDDLE-INCOME FAMILIES AND HAS DRAWN ATTENTION TO DEFICIENCIES IN AREAS OF PUBLIC SERVICE WHICH REQUIRE MORE GOVERNMENT SUPPORT OR ACTION.

SPEAKING AT THE RESUMED BUDGET DEBATE TODAY MR. CHEONG-LEEN POINTED OUT THAT SPIRALLING COSTS TO HOME BUYERS AND THE RECENT INCREASES ALLOWED BY GOVERNMENT ON RENTS OF CONTROLLED PREMISES ARE AFFECTING THESE FAMILIES, A GREAT MANY OF WHOM ARE TENANTS AND TAXPAYERS.

MEANWHILE, SIZEABLE AMOUNTS OF MONEY ARE FALLING INTO THE GOVERNMENT COFFERS DERIVED FROM THE SALE OF LAND AT HIGH PRICES.

HE THOUGHT THE FINANCIAL SECRETARY COULD WELL AFFORD TO EASE THEIR BURDEN BY INCREASING PERSONAL ALLOWANCES BY BETWEEN \$500 TO \$1,000 A PERSON WHICH WOULD ALSO HELP THEM TO TIDE OVER THE 5 PER CENT INFLATION THIS YEAR.

HE REFERRED TO THE UNWILLINGNESS OF THE FINANCIAL SECRETARY TO REINTRODUCE THE DEPENDENT PARENTS' ALLOWANCE, +DUE EITHER TO A LACK OF APPRECIATION OF THE WIDER NATURE OF THE PROBLEM OR TO SHEER INTELLECTUAL OBSTINACY+, AND URGED HIM TO GIVE IT SYMPATHETIC AND UNBIASED CONSIDERATION.

HE SUGGESTED THAT FOR THE ALLOWANCE, THE TAXPAYER COULD BE REQUIRED TO SUBMIT:

- \* A COPY OF HIS PARENT'S IDENTITY CARD WITH THE APPLICATION, AND
- \* ANY OF THE PARENT'S INCOME SO LONG AS IT DOES NOT REQUIRE A SEPARATE TAX RETURN CAN BE DISREGARDED.

HE ALSO SUGGESTED THAT COMPUTER FACILITIES BE EMPLOYED TO AVOID DUPLICATION OF CLAIMS.

ON HOUSING, MR. CHEONG-LEEN WAS CONCERNED ABOUT HONG KONG TURNING INTO +A CITY OF SLUMS+ AND ASKED THE BUILDING AUTHORITY TO ENSURE THAT THE MINIMUM STANDARD FOR THE SMALLER FLATS IN PRIVATE DEVELOPMENT ARE AT LEAST ON A PAR WITH THE STANDARD IN THE NEWER HOUSING AUTHORITY ESTATES, AND NOT TO ACQUIESE TO LOW STANDARDS IN THE NAME OF RAPID DEVELOPMENT.

HE POINTED OUT THAT LACK OF PROFESSIONAL HOUSING MANAGEMENT HAS HAMPERED THE ACTIVITY OF MUTUAL AID COMMITTEES AND OWNER CORPORATIONS AND SUGGESTED THAT THE HOUSING AUTHORITY OR HOUSING SOCIETY COULD LEND A TEAM OF MANAGEMENT PERSONNEL TO THE HOME AFFAIRS DEPARTMENT TO GIVE HELP AND ADVICE.

/HE SAID .....

HE SAID IT WAS VITAL THAT THE PRICES OF DOMESTIC FLATS DO NOT BECOME SO INFLATED THAT THEY ARE BEYOND THE REACH OF THOSE MIDDLE-INCOME FAMILIES WHO ARE NOT YET CATERED FOR BY THE HOME OWNERSHIP SCHEME.

HE POINTED OUT THAT AN IMPORTANT FACTOR LEADING TO SPIRALLING COSTS OF BOTH DOMESTIC AND INDUSTRIAL PREMISES HAS BEEN GOVERNMENT'S TENDENCY TO STIMULATE LAND SPECULATION BY DELIBERATELY RATIONING OUT LAND FOR AUCTION, ALTHOUGH MORE LAND IS AVAILABLE.

HE STRESSED THAT LAND PRICES SHOULD BE KEPT AT REASONABLE LEVELS TO KEEP LIVING STANDARDS STABLE AND TO AVOID HONG KONG'S EXPORT-ORIENTED ECONOMY BECOMING UNBALANCED.

FOR PUBLIC HOUSING ESTATES, HE ADVOCATED THAT MORE EFFORT SHOULD BE GIVEN TO ENSURE THAT THE REDEVELOPED OLD BLOCKS (FORMER MARK I AND II ESTATES) DO NOT RE-ACQUIRE THE 'RESETTLEMENT' OR SLUM ATMOSPHERE, BY REPAINTING THEM AT LEAST ONCE EVERY TWO INSTEAD OF FOUR YEARS AND DOING SOME SIMPLE LANDSCAPING TO THE OPEN SPACES IN-BETWEEN THEM.

MR. CHEONG-LEEN COMMENDED THE WORK OF THE HOUSING SOCIETY AND URGED THE GOVERNMENT TO REVIEW THE SOCIETY'S CAPABILITIES IN ORDER TO PUT MORE STEAM INTO THE SCHEME TO IMPROVE THE QUALITY OF LIFE IN THE MORE CROWDED URBAN DISTRICTS, WHERE THERE ARE STILL QUITE A NUMBER OF PRE-WAR PREMISES IN A VERY DILAPIDATED CONDITION.

HE SUGGESTED THAT WITHIN THE NEXT FEW YEARS WHEN THE HOUSING AUTHORITY'S BUILDING PROGRAMME IN THE NEW TERRITORIES IS IN FULL STRIDE, IT COULD DEPLOY SOME OF ITS RESOURCES IN THIS AREA OF URBAN RENEWAL.

ON EDUCATION, MR. CHEONG-LEEN WELCOMED THE GOVERNMENT'S MOVE TO PROVIDE PLACES IN FORMS I TO III TO ALL PRIMARY 6 LEAVERS BY 1981 BUT WAS WORRIED THAT THE RAPID BUILD-UP OF EDUCATION WOULD UNDERMINE THE QUALITY OF TEACHING STANDARDS.

HE URGED THE GOVERNMENT TO EXPEDITE TRAINING FACILITIES FOR TEACHERS TO ELIMINATE SUB-STANDARD JUNIOR SECONDARY EDUCATION, AND TO ENSURE THAT ALL TEACHERS IN THE JUNIOR FORMS WOULD EVENTUALLY BE ON COMPARATIVELY EQUAL SCALES OF PAY.

AT THE SAME TIME, HE SAID, WE SHOULD AIM TO PROVIDE BETWEEN NOW AND 1981 TWO YEARS OF SUBSIDISED UNIVERSAL EDUCATION AFTER FORM III, WHETHER IN A GRAMMAR SCHOOL OR IN A TECHNICAL SCHOOL, IF WE ARE TO PROGRESS TOWARDS MORE ECONOMIC GROWTH AND HIGHER LIVING STANDARDS.

MR. CHEONG-LEEN NOTED THE IMPORTANCE THE GOVERNMENT GIVES TO MAINTAINING LAW AND ORDER IN HONG KONG AND SUGGESTED SETTING UP MORE NEIGHBOURHOOD POLICE UNITS AS AGAINST THE MORE STATIC POLICE REPORTING CENTRES, AND EXPANDING HOUSING FACILITIES AS WELL AS PROMOTION PROSPECTS FOR LOCAL POLICE OFFICERS.

/HE ALSO .....

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HE ALSO STRESSED THE IMPORTANCE OF PUBLIC CONFIDENCE AND SUPPORT FOR THE FORCE AND HOPED THAT COMMUNICATION WOULD BE IMPROVED BETWEEN THE UPPER AND LOWER ECHELONS WITHIN THE FORCE AND BETWEEN THE POLICE AND THE PUBLIC.

THE USEFULNESS AND IMPORTANCE OF THE AUXILIARY POLICE FORCE, THE CIVIL AID SERVICES AND AUXILIARY MEDICAL SERVICE SHOULD NOT BE OVERLOOKED TOO, AND HE URGED THAT THEIR ESTABLISHMENT BE STRENGTHENED, PARTICULARLY THE CAS WHICH HAD CONTRIBUTED GREATLY TO FOREST-FIRE FIGHTING, CROWD-CONTROL AND DUTIES IN NATURAL DISASTERS.

HE WAS CONCERNED THAT OVER HALF OF THE OFFENCES RECORDED BY THE POLICE IN THE MISCELLANEOUS CATEGORY RELATED TO HAWKING WHILE THE MAIN THRUST OF POLICE ACTIVITIES SHOULD HAVE BEEN ON REDUCING VIOLENT AND SERIOUS CRIME.

ESPECIALLY IN THE NEW TERRITORIES NEW TOWNS, HE SAID, UNLESS THE GOVERNMENT ACTS MORE DECISIVELY IN PROVIDING THE USD WITH ADDITIONAL STAFF AND MORE LAND FOR HAWKER BAZAARS AND MARKETS, THE SITUATION WILL DEGENERATE UNTIL, AS IN MANY OF THE HAWKER CONGESTED AREAS IN KOWLOON, THE URBAN COUNCIL AND THE USD BARELY HAVE CONTROL.

MR. CHEONG-LEEN QUERIED THE CUT-BACK IN THE NUMBER OF MAGISTRATES NEXT YEAR FROM 30 TO 25 IN SPITE OF THE LONG WAIT FOR HEARINGS AND COMPLAINTS BY THE PUBLIC.

IF GOVERNMENT WISHES TO IMPROVE THE PROCESSES OF LAW AND ORDER AND GAIN EVEN MORE CO-OPERATION FROM THE PUBLIC, IT WOULD BE ADVISABLE TO INCREASE BOTH THE NUMBER OF COURTS AND OF MAGISTRATES, HE SAID.

HE ALSO ASKED THAT RECRUITMENT FOR QUALIFIED STAFF FOR THE ENVIRONMENT PROTECTION UNIT BE PROCEEDED WITH DESPATCH, NOW THAT GOVERNMENT IS AWARE OF THE PRINCIPAL ENVIRONMENT PROBLEMS AND THE POTENTIAL HEALTH HAZARDS DERIVING FROM SEA, LAND, AIR AND NOISE POLLUTION.

HE PRESSED FOR QUICK ACTION FROM GOVERNMENT TO LOCATE AND DEVELOP SITES FOR HOLIDAY CAMPS IN THE NEW TERRITORIES SO THAT YOUNG AND OLD ALIKE CAN GET AWAY ON REST DAYS FROM THE URBAN AREAS.

MR. CHEONG-LEEN WAS CONCERNED ABOUT THE RECORD NUMBER OF 13,862 TRAFFIC ACCIDENTS IN 1977 WHICH RESULTED IN 372 PEOPLE KILLED, 6,031 SERIOUSLY INJURED AND 11,454 SLIGHTLY INJURED, AND PEDESTRIAN CARELESSNESS WHICH MAINLY CONTRIBUTED TO THESE ACCIDENTS.

HE WANTED MORE AND SUSTAINED GOVERNMENT EFFORT IN PROMOTING ROAD SAFETY, INVOLVING POSSIBLY THE JUNIOR POLICE CALL AND MORE WIDESPREAD COMMUNITY PARTICIPATION ON THE SCALE OF THE KEEP HONG KONG CLEAN CAMPAIGN.

/HE DEPLORED .....

HE DEPLORED THE LACK OF CO-ORDINATION AMONG GOVERNMENT DEPARTMENTS AND BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR IN THE PROVISION OF CAR PARKS, PARTICULARLY IN THE HEAVILY BUILD-UP AREAS. IT IS DISQUIETING THAT A LONG-TERM CAR-PARKING POLICY WITH FINANCIAL IMPLICATIONS HAS NOT YET BEEN FULLY WORKED OUT, HE SAID.

HE WELCOMED THE OPENING OF THE ARTS CENTRE AND THE SETTING UP OF THE HONG KONG CHINESE MUSIC ORCHESTRA AND THE HONG KONG REPERTORY COMPANY ON A PROFESSIONAL BASIS LAST YEAR AND RECOMMENDED THAT THE DISTRICT ADVISORY BOARDS IN THE NEW TERRITORIES LIKEWISE BUILD UP THE ARTISTIC TALENTS OF HONG KONG PEOPLE TO THE EXTENT OF THE RESOURCES THEY HAVE AVAILABLE.

HOWEVER, HE HOPED THE GOVERNMENT WOULD SOON ALLOCATE A SUITABLE SITE TO HELP THE URBAN COUNCIL TO BUILD A SCIENCE AND TECHNOLOGY MUSEUM, TO ENCOURAGE YOUNG PEOPLE TO TAKE A GREATER INTEREST IN TECHNICAL AND SCIENCE EDUCATION.

HE ALSO ASKED THAT AN EARLY DECISION BE MADE TO SET UP AN INDUSTRIAL DEVELOPMENT BOARD OR COUNCIL, AS PREVIOUSLY ADVOCATED BY OTHER UNOFFICIALS.

HE POINTED OUT THAT HONG KONG IS MEETING STIFFER COMPETITION FROM LOW-COST COUNTRIES IN ASIA, IN PRODUCT-LINES WELL-ESTABLISHED HERE, AND HAS TO WITHSTAND ILLOGICAL AND OFTEN EMOTIONAL ATTACKS ON OUR EXPORT PERFORMANCE, WHILE THE MOVEMENT TO DIVERSIFY INDUSTRY HAS STILL TO BUILD UP MOMENTUM.

THE SOONER SUCH A BOARD IS ESTABLISHED THE MORE PRODUCTIVE THE RESULTS WILL BECOME, HE SAID, AS THERE WILL BE EVEN CLOSER CO-ORDINATION BETWEEN THE PRIVATE SECTOR AND GOVERNMENT IN INDUSTRIAL PROMOTION ON A BASIS OF 'SELECTIVE ENCOURAGEMENT' OF SUITABLE HIGH TECHNOLOGY INDUSTRIES AND TARGET OVERSEAS COMPANIES.

IT WOULD BE PREFERABLE, HE ADDED, THAT SUCH A BOARD IS CHAIRED BY AN UNOFFICIAL SO THAT GOVERNMENT WILL BE SEEN TO BE ENCOURAGING AND ASSISTING RATHER THAN DIRECTING AND CONROLLING.

IN GENERAL, MR. CHEONG-LEEN AGREED WITH THE FINANCIAL SECRETARY'S MODERATE AND CAUTIOUS APPROACH TO THE BUDGET BECAUSE OF THE CONTINUING EXPORT DIFFICULTIES, AND BECAUSE IF LAND SALES IN THE LAST FINANCIAL YEAR HAD NOT EXCEEDED THE ORIGINAL ESTIMATE BY OVER \$1,000 MILLION, THERE WOULD HARDLY HAVE BEEN ANY SURPLUS.

RENEWED CALL FOR INDEPENDENCE  
OF GOVERNMENT UTILITY UNDERTAKINGS  
\* \* \* \* \*

UNOFFICIAL LEGISLATIVE COUNCILLOR, THE HON. LI FOOK-WO, HAS CALLED AGAIN ON THE GOVERNMENT TO TURN SOME OF ITS UTILITY UNDERTAKINGS INTO INDEPENDENT CORPORATIONS, WITH GOVERNMENT OFFICIALS NOMINATED TO THEIR BOARDS.

SPEAKING AT THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR. LI ALSO URGED THE GOVERNMENT TO BEGIN ASSESSING THE IMPLICATIONS OF ITS PRICING POLICY FOR HONG KONG'S SYSTEM OF FINANCIAL ADMINISTRATION, AND FOR THE ORGANISATION OF ITS INTERNAL ADMINISTRATION AS A WHOLE.

THE UNDERTAKINGS MR. LI THOUGHT COULD BE RE-CONSTITUTED ARE THE WATERWORKS, THE POST OFFICE, THE AIRPORT, THE KOWLOON-CANTON RAILWAY AND THE LION ROCK TUNNEL.

HE SAID THE RESOURCES INVOLVED ARE LARGE, +BUT THAT ALONE SHOULD NOT RULE OUT MY PROPOSAL SINCE THE ASSETS PLACED AT THE DISPOSAL OF THE MASS TRANSIT RAILWAY CORPORATION ALREADY AMOUNT TO \$1,142 MILLION, + NOT INCLUDING CONTINGENT LIABILITIES ARISING FROM GOVERNMENT GUARANTEES FOR ITS LOANS.

MR. LI SAID ANY HIVING OFF OF PUBLIC ENTERPRISES WOULD HAVE STAFF IMPLICATIONS, INCLUDING THE TRANSFER OF CIVIL SERVANTS TO THE NEW CORPORATIONS, BUT THE CIVIL SERVICE WOULD BE REDUCED TO MORE MANAGEABLE PROPORTIONS.

+THIS WOULD IN TURN LEAD TO GREATER PRODUCTIVITY, WITH THE TAXPAYER GETTING VALUE FOR HIS MONEY, + MR. LI SAID.

HE SAID HE HAD ADVOCATED THIS IDEA WHEN SPEAKING ON THE 1976 BUDGET, BUT THE SUGGESTION WAS DISMISSED OUT OF HAND BY THE FINANCIAL SECRETARY.

MR. LI POINTED OUT, HOWEVER, THAT WHEN THE FINANCIAL SECRETARY DELIVERED HIS BUDGET THIS YEAR HE REFERRED TO THE PRICING POLICY WHICH MUST BE ADOPTED FOR GOVERNMENT OWNED AND OPERATED PUBLIC UTILITY UNDERTAKINGS. THIS POLICY IS, ACCORDING TO THE FINANCIAL SECRETARY, THAT CONSUMERS - BE THEY INDIVIDUALS OR TRADES AND INDUSTRIES - SHOULD BE CHARGED THE FULL COST OF THE RESOURCES CONSUMED BY EACH UNDERTAKING UNLESS CONSCIOUS POLICY DECISIONS DICTATE OTHERWISE ON SOCIAL OR POLITICAL GROUNDS.

+SUCH A PRICING POLICY IS IN ACCORDANCE WITH COMMERCIAL PRACTICE IN THE PRIVATE SECTOR, + MR. LI NOTED.

REFERRING TO THE BUDGET, MR. LI CONGRATULATED THE FINANCIAL SECRETARY FOR HIS PRESENTATION OF HONG KONG'S FIRST \$10,000 MILLION BUDGET FOR THE NEXT FINANCIAL YEAR, AND ITS FIRST \$1,000 MILLION SURPLUS FOR THE CURRENT YEAR. +HE HAS SURPASSED ALL RECORDS, + MR. LI SAID.

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/ON THE SEVEN .....

ON THE SEVEN REVENUE PROPOSALS BY THE FINANCIAL SECRETARY, MR. LI SUGGESTED THAT THE ONE DESIGNED TO REDUCE LOSSES BEING INCURRED ON CERTAIN POSTAL SERVICES BE ABANDONED.

HE SAID THE INCREASES IN THIS PROPOSAL WERE INSIGNIFICANT, BRINGING IN A MERE \$8 MILLION NEXT YEAR, AND THE ADMINISTRATIVE COST INVOLVED IN MAKING THE CHANGES MIGHT WELL SWALLOW UP THE ADDITIONAL REVENUE.

+I FAIL TO SEE ANY MERIT IN THE INCREASED CHARGES FOR THESE BASIC COMPONENTS IN OUR COMMUNICATION NETWORK. AS A MATTER OF PRINCIPLE, I FEEL THAT TAXPAYERS AND THE PUBLIC ARE ENTITLED TO THESE SERVICES,+ MR. LI SAID.

+AFTER ALL, THE POST OFFICE, AS A WHOLE, IS NOT A LOSS-MAKING PROPOSITION.+

SPEAKING ON HONG KONG'S RESPONSE TO PROTECTIONISM IN CERTAIN COUNTRIES, MR. LI SAID WE SHOULD BE A 'LEADER' RATHER THAN BE CONTENTED WITH BEING A 'FOLLOWER' IN INDUSTRIAL DIVERSIFICATION, AND URGED THAT GOVERNMENT TAKE THE INITIATIVE.

OUR NATURAL RESOURCES ARE LIMITED, BUT HE THOUGHT MUCH MORE CAN BE DONE IN THE ALLOCATION OF LAND FOR DEVELOPMENT OF NEW INDUSTRIES.

MR. LI AGREED WITH THE FINANCIAL SECRETARY IN CALLING FOR +CAREFUL THOUGHT TO BE GIVEN TO THE WAY IN WHICH THE ADMINISTRATION MIGHT BE ADAPTED TO MEET THE CHALLENGES OF THE YEARS AHEAD+. BUT FIRST, MR. LI SUGGESTED THAT THE GOVERNMENT REASSESS ITS PRESENT ACTIVITIES AND CONSIDER WHAT OUR PRIORITIES ARE, WHETHER THERE IS A NEED FOR A MASTER PLAN AND HOW BEST WE CAN CARRY OUT OUR AIM TO MAKING HONG KONG A BETTER PLACE TO LIVE IN.

+THERE IS CLEARLY INSUFFICIENT PLANNING IN CERTAIN AREAS. ALSO, IN OTHER AREAS WHAT WAS AT ONE TIME ADEQUATE NEEDS TO BE UP-DATED. CO-ORDINATION AND PHASING OF ACTIVITIES CAN ALSO BE IMPROVED,+ HE ADDED.

+NOW THAT WE HAVE GONE THROUGH A RECESSION WITHOUT HAVING SUSTAINED SEVERE DAMAGE TO THE ECONOMY AND ARE ON THE UPSWING, I THINK IT IS APPROPRIATE TO TAKE STOCK AGAIN.+

HE SAID WE SHALL HAVE TO CONSIDER HOW THE ADMINISTRATION AND THE CIVIL SERVICE MIGHT BE MODIFIED TO DEAL WITH FUTURE PROBLEMS.

COMMENTING ON THE INCREASING SIZE OF THE CIVIL SERVICE, MR. LI STRONGLY URGED THAT EXTREME CARE BE TAKEN TO ONLY ALLOW INCREASES WHICH ARE ABSOLUTELY ESSENTIAL.

HE ALSO SAID IT IS TIME WE HAVE ANOTHER CLOSE LOOK AT THE STRUCTURE OF THE ADMINISTRATION, WITH PERHAPS SOME ATTENTION GIVEN TO PROGRESS MADE IN THE LOCALISATION OF THE CIVIL SERVICE AND IN THE INTRODUCTION OF MANAGEMENT PRINCIPLES.

MR. LI SAID HE WAS NOT SUGGESTING ANOTHER MCKINSEY STUDY, BUT FELT STRONGLY THAT WE SHOULD SATISFY OURSELVES WHETHER THE PRESENT SYSTEM IS WORKING EFFECTIVELY AND WHETHER THE LEVEL OF PRODUCTIVITY IS SUFFICIENTLY HIGH.

FINALLY, MR. LI SUGGESTED THAT THE GOVERNMENT RE-EXAMINE THE PROCEDURE AND CRITERIA GOVERNING APPLICATIONS FOR ASSISTANCE FROM THE LOTTERIES FUND, WHICH WILL HAVE AN ESTIMATED SURPLUS OF \$30 MILLION NEXT YEAR.

HE SAID THERE ARE REGULAR INDICATIONS FROM SOCIAL WELFARE AGENCIES THAT INADEQUATE FUNDS HAVE BEEN ALLOCATED TO THEM FOR THEIR EXPANSION PROGRAMME. ON THE OTHER HAND, THE FUND, ESPECIALLY ESTABLISHED FOR THE PURPOSE OF MEETING SUCH NEEDS, SHOWS A HEALTHY SURPLUS AT THE END OF EACH FINANCIAL YEAR.

+IT HAS BEEN SOME 13 YEARS SINCE THIS FUND WAS CREATED BY RESOLUTION OF THIS COUNCIL AND MANY CHANGES HAVE EVOLVED DURING THIS PERIOD WHICH MAY WARRANT SOME MODIFICATIONS TO ALLOW ITS ASSETS TO BE EMPLOYED MORE EFFECTIVELY,+ HE SAID.

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BREMIDGE WARNS OF COST-CUTTING TACTICS OF RUSSIAN  
SHIPPING  
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UNOFFICIAL LEGISLATIVE COUNCILLOR, THE HON. JOHN BREMRIDGE, TODAY WARNED OF THE THREAT POSED ON OUR ECONOMY BY THE COST-CUTTING TACTICS OF RUSSIAN LINER SHIPPING.

SPEAKING AT THE LEGISLATIVE COUNCIL'S BUDGET DEBATE, MR. BREMRIDGE SAID THESE TACTICS MUST BE WELCOME TO SOME EXTENT BY MERCHANTS, BUT IT IS FOOLISH TO LET THIS GET OUT OF HAND.

+THE REASONS ARE CLEAR. THEY COULD AT ANY TIME WITHDRAW IN AN EFFORT TO PUT VARIOUS TYPES OF PRESSURE UPON US, AND THEY CERTAINLY WOULD WITHDRAW IN ANY SORT OF MAJOR EMERGENCY, AND NO DOUBT TAKING OUR CARGO WITH THEM+

HE SAID COMPETITION -- ACTUAL OR THREATENED -- MUST EXIST, AND SHOULD BE WELCOME TO THE EXTENT THAT IT IS FAIR. AND DOES NOT RESULT IN SHIPPING TARIFFS BECOMING COMPLETELY UNCERTAIN AS A RESULT OF ANARCHY.

BUT THE RUSSIANS CHARACTERISTICALLY DO NOT COMPETE FAIRLY. +THERE IS CLEARLY ALSO THE OVER-RIDING CONSIDERATION THAT THERE IS A POINT BEYOND WHICH NO COMMUNITY CAN ALLOW A VITAL INTEREST TO BE HEAVILY INFLUENCED BY THOSE IT DOES NOT TRUST, + HE SAID.

RUSSIAN SHIPPING OPERATES WITH CREWS THAT ARE PAID WELL BELOW NORMAL STANDARDS, AT ABOUT \$450 MONTHLY, COMPARED WITH OVER \$2,000 FOR A HONG KONG SEAMAN. THEIR SHIPS GENERALLY SPEAKING ARE REPAIRED AND DRY-DOCKED IN RUSSIA, ARE VICTUALLED WITH RUSSIAN FOOD, ARE BUNKERED WITH RUSSIAN FUEL TO A CONSIDERABLE EXTENT, AND THEIR DEPRECIATION POLICY IS QUITE ENIGMATIC, AS ARE CALCULATIONS OF BUILDING COST AND OVERALL PROFIT, HE SAID.

THEY CAN CARRY A FAIR SHARE OF THEIR OWN IMPORTS AND EXPORTS, HE CONTINUED, BUT IN CROSS TRADES THESE BUILT-IN FACTORS MUST SURELY REQUIRE AN IMPOSED DISCIPLINE.

+UNLESS WISDOM PREVAILS -- WHICH SEEMS UNLIKELY -- OR UNLESS OTHERWISE CHECKED THE RUSSIANS COULD IN THEORY CONTINUE TO EXPAND ALMOST TO THE EXTINCTION OF WESTERN SHIPPING BY THEIR PRESENT POLICY OF UNDERCUTTING TARIFFS BY ABOUT 25 PER CENT.+

MR. BREMRIDGE QUOTED LAST YEAR'S FIGURES ON HONG KONG'S MAJOR AND VITAL EXPORT ROUTES TO EUROPE AND WEST COAST U.S.A. WHICH, TO HIM, SEEMED TO BE NUDGING ON THE TOLERABLE LIMITS.

TO EUROPE VIA THE TRANS-SIBERIAN RAILWAY, THE RUSSIANS LIFTED ABOUT 134,000 TONS OR ABOUT 7.6 PER CENT OF THE TOTAL MOVEMENT AND TO THE WEST COAST OF THE U.S.A. THEY LIFTED 104,000 TONS OR ABOUT 8.2 PER CENT OF THE TOTAL.

+WHILE THERE IS AS YET NO CAUSE FOR UNDUE ALARM I MUST SUGGEST THAT GOVERNMENT SHOULD NOW BEGIN TO CONSIDER ADMINISTRATIVE MEASURES TO ENSURE THAT THE RUSSIANS DO NOT INCREASE THEIR CARRYINGS, + HE SAID.

/REFERRING TO .....

REFERRING TO THE GOVERNMENT'S PROPOSALS TO BRING IN THREE YEARS FREE AND COMPULSORY SECONDARY EDUCATION, MR. BREMRIDGE SAID THERE HAS BEEN A CLEAR-CUT AND HONEST DIFFERENCE OF OPINION BOTH AMONG THE UNOFFICIALS OF THE COUNCIL AND OUTSIDE.

HE HIMSELF BELIEVED THAT A MINIMUM REASONABLE BASE EDUCATION, SAY NINE YEARS, + MUST BE MADE COMPULSORY, AND THUS FREE, ON THE GROUNDS THAT OUTSIDE GENERAL TAXATION IT IS QUITE UNFAIR TO COMPEL A MAN TO SPEND MONEY.+

THERE ARE HOWEVER THOSE WHO BELIEVE, IN THE HONG KONG CONTEXT, THAT WHILE SUFFICIENT EDUCATION SHOULD BE MADE AVAILABLE AND INDEED BE COMPULSORY, IT SHOULD NOT BE FREE TO THE EXTENT THAT THOSE WHO CAN AFFORD TO PAY FOR IT WHOLLY OR IN PART SHOULD DO SO.

THIS WOULD RELEASE SOME TAXPAYERS' MONEY FOR OTHER PRIORITIES, BUT, MR. BREMRIDGE POINTED OUT, WOULD INVOLVE ADMINISTRATIVE PROBLEMS.

HE ADDED THAT EVERY ADVANCED WESTERN COUNTRY AND NEARLY ALL OUR EASTERN NEIGHBOURS NOW SUPPLY FREE EDUCATION AT LEAST TO THE EXTENT OF NINE YEARS COMPULSORY SCHOOLING. DISSUADING THE GOVERNMENT FROM ITS RECENT POLICY WOULD CERTAINLY NOT ASSIST OUR IMAGE OVERSEAS. BESIDES, THE ARGUMENT FOR MEANS-TESTED SECONDARY EDUCATION COULD APPLY TO PRIMARY EDUCATION.

HE SAID HE DOES NOT BELIEVE IN HUMAN RIGHTS PER SE BUT DOES BELIEVE THAT AN ADEQUATE FREE AND COMPULSORY EDUCATION IS A CONCOMITANT OF ANY CIVILISED SOCIETY.

+I DO NOT PRECLUDE THE PARALLEL AVAILABILITY OF SOME INDEPENDENT SCHOOLS WHOSE COSTS ARE COVERED BY FEES. BUT AT LEAST NO PARENT SHOULD BE FORCED TO PAY SCHOOL FEES BECAUSE ADEQUATE FREE EDUCATION IS NOT OTHERWISE AVAILABLE,+ HE SAID.

MR. BREMRIDGE WELCOMED THE DRIVE TO INCREASE U.K. EXPORTS TO HONG KONG, WHICH ROSE BY 32 PER CENT IN 1977, AND HOPED THAT THE RISING TREND WILL CONTINUE.

THIS IS BECAUSE, HE SAID, U.K. IMPORTS REPRESENT GOOD VALUE FOR MANY, BECAUSE HE BELIEVES VERY STRONGLY IN BILATERAL TRADE, BECAUSE THIS RELIEVES WORRYING UNEMPLOYMENT IN U.K. AND BECAUSE THIS UNDERLINES HONG KONG'S AND BRITAIN'S MUTUAL RELATIONSHIP.

HE POINTED OUT THAT U.K. EXPORTS TO HONG KONG ARE NOW OF THE SAME ORDER AS THOSE TO INDIA AND EXCEEDS THE TOTAL TO INDONESIA, THAILAND, AND THE PHILIPPINES. JAPAN WITH 30 TIMES OUR POPULATION TOOK 469 MILLION POUND STERLING, WHILE WE TOOK OVER 270 MILLION POUND STERLING WORTH OF U.K. IMPORTS LAST YEAR.

TURNING TO THE NEED FOR BUILDING A SECOND AIRPORT, MR. BREMRIDGE SAID IT IS PERFECTLY CLEAR TO ANYONE WHO CAN SENSE THE VARIOUS NUANCES THAT A DECISION FOR GOVERNMENT IS FRAUGHT WITH SERIOUS DIFFICULTIES.

CONSEQUENTLY, HE SAID, HE MAKES NO CRITICISM BUT HE BELIEVED THAT GOVERNMENT SHOULD MAKE THE FACTS WIDELY KNOWN, FOR IT IS CLEAR THAT IN THE LATER 1980S, WITH FULL UTILISATION OF THE SINGLE RUNWAY AT KAI TAK, OUR TOURIST GROWTH WILL HALT AND THIS HAS FAIRLY WIDE RANGING ECONOMIC IMPLICATIONS.

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ON THE BUDGET PROPOSALS, MR. BREMRIDGE SAID HE APPRECIATED THE PROPOSED INCREASED EXPENDITURE ON THE I.C.A.C. AND WELCOMED THE DECISION TO BRING IN DIFFERENTIAL TAXATION ON EXPENSIVE MOTOR CARS.

HE SUGGESTED THAT THE FINANCIAL SECRETARY MIGHT IN 1979 CONSIDER OTHER INCREASES BEARING ON CONSPICUOUS CONSUMPTION FOR WHICH THERE IS A DEVELOPING TENDENCY IN HONG KONG.

MR. BREMRIDGE NOTED THAT THERE ARE MANY INCREASINGLY VOCIFEROUS MINORITY GROUPS IN HONG KONG. +SOME ARE WISE. OTHERS ARE NOT. GENERALLY SPEAKING THEY COMPLAIN RATHER THAN PRAISE. THIS IS THE NATURE OF A FREE SOCIETY. SOME OF THE COMPLAINTS ABOUT LACK OF COMMUNICATION MAY HAVE A FOUNDATION. IN OTHER CASES WHAT IS DEPLORED IS THAT THOSE WHO CARRY THE BURDEN OF RESPONSIBILITY DO NOT AGREE WITH THE COMPLAINERS. THIS IS HOWEVER WHAT RESPONSIBILITY IS ALL ABOUT.+

HE SAID ONLY FOOLS CAN BELIEVE THAT ALL IS PERFECT AND MUCH REMAINS TO BE DONE IN HONG KONG PARTICULARLY FOR THE UNDERPRIVILEGED.

+BUT WE ARE NOW MOVING FAST IN THE RIGHT DIRECTION -- PERHAPS FASTER THAN OTHER SIMILAR COMMUNITY. THIS PROCESS OF CHANGE AND IMPROVEMENT CAN NEVER END, AND INDEED FAIR CRITICISM IS PART OF IT,+ HE SAID.

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DR. FANG OUTLINES AREAS FOR MORE EXPENDITURE  
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DR. THE HON. HARRY FANG SAID TODAY THAT A DECREASING PROPORTION OF PUBLIC FUNDS IS BEING SPENT ON MEDICAL SERVICES IN RECENT YEARS AND HAS PINPOINTED AREAS WHERE THERE IS NEED FOR IMPROVEMENT.

HE POINTED OUT AT THE LEGISLATIVE COUNCIL BUDGET DEBATE THAT THERE IS LIKELY TO BE UNDERSPENDING OF SOME \$46 MILLION ON MEDICAL SERVICES THIS YEAR, AND ALTHOUGH THE EXPENDITURE FOR NEXT YEAR IS ESTIMATED AT \$891 MILLION, IT IS ONLY 8.7 PER CENT OF THE TOTAL EXPENDITURE.

IN 1971-72 AND THE FOUR YEARS 1974-78, THE PROPORTION WAS 11.3, 9.4, 9.3, 9.8 AND 9.2 PER CENT RESPECTIVELY. +IN OTHER WORDS, A DECREASING SLICE OF THE CAKE IS GOING TOWARDS A VERY BASIC AND ESSENTIAL SERVICE,+ HE SAID.

HE ASKED WHETHER THE RATE OF EXPANDING HOSPITAL BEDS COULD BE ACCELERATED, FOR ALTHOUGH THE PLANNING TARGET WAS 5.5 BEDS PER THOUSAND POPULATION, WE WILL ONLY ACHIEVE 4.3 BEDS BY 1978-79 AND 4.62 BEDS BY THE END OF 1982.

DR. FANG NOTED THAT WE ARE PARTICULARLY SHORT OF OUT-PATIENT CLINICS, AND URGED THE GOVERNMENT TO ESTABLISH MORE OF THEM AS PART OF ITS MEDICAL REGIONALISATION PLANS.

HE SUPPORTED THE OPENING OF CLINICS ON SUNDAYS AND IN THE EVENINGS, BUT CONSIDERED THIS NOT A SATISFACTORY LONG TERM SOLUTION.

+AS IT HAS ALREADY BEEN ACKNOWLEDGED IN THIS COUNCIL THAT THE PROBLEM IS NOT ONE OF STAFF SHORTAGE BUT PHYSICAL LIMITATION, WE SHOULD TAKE ADVANTAGE OF OUR PRESENT SURPLUS POSITION TO CORRECT THIS DEFICIENCY,+ HE SAID.

TURNING TO THE AREA OF WORKERS' HEALTH, DR. FANG SAID THE VERY IMPORTANT WORK UNDERTAKEN BY THE INDUSTRIAL HEALTH DIVISION OF THE LABOUR DEPARTMENT IS BEING SERIOUSLY UNDERMINED BY ITS PREOCCUPATION WITH THE ADMINISTRATION OF WORKMEN'S COMPENSATION LEGISLATION.

AS HE UNDERSTOOD THAT THE GOVERNMENT HAS ACCEPTED THE REPORT SUBMITTED LAST JUNE BY AN OVERSEAS ADVISOR APPOINTED TO EXAMINE THE ENTIRE SERVICE, HE URGED THAT A PUBLIC ANNOUNCEMENT BE MADE SOON ON THE STEPS THAT WILL BE TAKEN TO IMPLEMENT ITS RECOMMENDATION.

HE PRESSED THE GOVERNMENT AGAIN FOR EARLY INTRODUCTION OF LEGISLATION ON PROFESSIONS SUPPLEMENTARY TO MEDICINE. HE EXPLAINED THAT WITHOUT MINIMUM STIPULATED STANDARDS, THERE WOULD BE NO INCENTIVE FOR ANYONE TO ENGAGE IN FORMAL TRAINING, WHILE THE NEED FOR TRAINED PERSONNEL IS ESSENTIAL FOR IMPLEMENTING THE WHITE PAPER ON REHABILITATION AND THE GREEN PAPER ON THE ELDERLY.

/+THIS LEGISLATION .....

+THIS LEGISLATION HAS BEEN UNDER PREPARATION FOR THE LAST THREE YEARS AND I MUST URGE THAT IT BE ENACTED DURING THE CURRENT SESSION,+ HE SAID.

ALSO ON TRAINING, HE WAS CONCERNED ABOUT THE PROVISION OF CLINICAL TEACHING STAFF FOR THE SECOND MEDICAL SCHOOL WHICH WILL RECEIVE ITS FIRST INTAKE OF STUDENTS IN 1982.

HE POINTED OUT THAT THE TEACHERS THERE WILL HAVE TO BE ABLE TO RELATE TO AND COMMUNICATE IN CHINESE WITH THE PATIENTS WHO WILL BE AN INTEGRAL PART OF THE TEACHING PROCESS.

HE ASKED THAT THEY BE RECRUITED LOCALLY, TO CONFORM WITH THE GOVERNMENT'S LOCALISATION POLICY AND TO SAVE TAXPAYERS' MONEY. FURTHERMORE, HE SAID, OUR LOCAL GRADUATES HAVE A HIGH REPUTATION AND MEASURE UP WELL TO INTERNATIONAL STANDARDS. HE RECOGNISED THAT UNIVERSITIES ARE AUTONOMOUS BUT SINCE PUBLIC FUNDS ARE INVOLVED, HE HOPED THE GOVERNMENT AND THE AUTHORITIES WILL CONSIDER THESE POINTS.

DR. FANG ALSO ASKED FOR A BETTER DEAL IN PUBLIC HOUSING FOR THE DISABLED AND THE ELDERLY.

HE WAS PLEASED TO NOTE FROM THE GREEN PAPER ON SERVICES FOR THE ELDERLY THAT A QUOTA WOULD BE SET ASIDE FOR THEM, BUT WANTED THIS TO BE EXTENDED TO THE DISABLED WHO ARE ALSO A CLEARLY DEFINABLE VULNERABLE GROUP.

HE SUSPECTED THAT THE PRESENT ARRANGEMENTS THROUGH THE COMPASSIONATE HOUSING QUOTA DO NOT WORK WELL FOR THEM NOT BECAUSE THE DEMAND IS NOT THERE BUT BECAUSE THE CRITERIA IS UNDULY RESTRICTIVE.

HE SUGGESTED THAT WHEN BUILDING NEW HOUSING ESTATES, THESE SEPARATE QUOTAS OF FLATS BE INCORPORATED INTO THE DESIGN TO REMOVE THE NEED FOR FURTHER EXPENSIVE ALTERATIONS.

HE FURTHER PROPOSED THAT SOME PRIORITY CONSIDERATION BE GIVEN TO THE DISABLED AND THE ELDERLY UNDER THE HOME OWNERSHIP SCHEME, SINCE THIS WOULD ACT AS A POSITIVE ENCOURAGEMENT TOWARDS SELF-RELIANCE.

CIVIL SERVANTS WHOSE EARNINGS RENDER THEM INELIGIBLE FOR PUBLIC HOUSING ALSO DESERVE A SPECIAL HELPING HAND AND PERHAPS A QUOTA OF FLATS MAY BE EARMARKED FOR THEM, HE ADDED.

STILL ON THE SUBJECT OF HOUSING, DR. FANG URGED THE GOVERNMENT TO REVIEW ITS PRIVATE TENANCY ALLOWANCE SCHEME FOR CIVIL SERVANTS, THE RULES OF WHICH SEEM TO CONFLICT WITH ITS AIM OF PROMOTING HOME OWNERSHIP.

/AN ELIGIBLE .....

AN ELIGIBLE OFFICER OCCUPYING HIS OWN FLAT RECEIVES A HOUSE ALLOWANCE OF A MERE TWO OR THREE HUNDRED DOLLARS COMPARED WITH A PRIVATE TENANCY ALLOWANCE OF SEVERAL THOUSAND DOLLARS FOR ANOTHER WHO DOES NOT LIVE IN HIS OWN FLAT. THE SCHEME ALSO INVITES ABUSE THROUGH OFFICERS BUYING PROPERTIES UNDER ASSUMED NAMES, WHILE FINANCIALLY, IT MAKES NO DIFFERENCE TO THE GOVERNMENT WHETHER THE ALLOWANCE IS PAID OUT IN RENT, IN MONTHLY INSTALMENTS, OR IN LOANS FOR OFFICERS TO BUY THEIR OWN FLATS, HE SAID.

HE URGED THE GOVERNMENT TO CONSIDER LONG TERM LOANS AT CONCESSIONARY RATES OF INTEREST TO ASSIST ITS EMPLOYEES, BOTH LOCAL AND EXPATRIATE, TO PURCHASE THEIR OWN HOMES.

DR. FANG STATED THAT AS CONVENER OF AN UMELCO AD HOC GROUP FORMED TO STUDY THE GREEN PAPER ON SERVICES FOR THE ELDERLY HE FELT DUTY BOUND TO ASK THE FINANCIAL SECRETARY TO RECONSIDER REINSTATING THE DEPENDENT PARENTS' ALLOWANCE.

THE OSTENSIBLE REASON FOR ABOLISHING IT IN 1973 WAS TO SIMPLIFY AND ASSIST ADMINISTRATION AND DISCOURAGE EVASION. BUT THIS CANNOT BE VALID NOW, HE EXPLAINED.

THERE HAS BEEN A SIGNIFICANT INCREASE IN STAFF FOR THE INLAND REVENUE DEPARTMENT AND THE PLANNED INTRODUCTION OF COMPUTERISATION SHOULD ALSO SIMPLIFY ADMINISTRATION. +IT SEEMS QUITE WRONG IN PRINCIPLE TO PENALISE THE MAJORITY BECAUSE A FEW UNSCRUPULOUS TAXPAYERS ABUSED THE SCHEME,+ HE SAID.

ADMITTEDLY, HE CONTINUED, THE ABOLITION OF THE ALLOWANCE WAS PART OF A QUID PRO QUO FOR AN INCREASE IN PERSONAL, WIFE AND CHILD ALLOWANCES BUT ANY BENEFITS IN REAL TERMS DERIVED FROM THIS PACKAGE DEAL HAVE LONG SINCE BEEN ERODED BY INFLATION.

+THE COMMUNITY HAS SPOKEN WITH ONE VOICE ON THIS ISSUE AND I HOPE THAT IT WILL MOVE THE FINANCIAL SECRETARY TO RECONSIDER HIS STAND,+ HE SAID.

DR. FANG SUPPORTED THE MOVE TOWARDS SOCIAL WELFARE SUBVENTION ON A UNIT RATE BASIS SINCE THIS WILL GIVE GREATER SECURITY AND CONFIDENCE TO THE VOLUNTARY AGENCIES IN HELPING TO IMPLEMENT THE VARIOUS GREEN AND WHITE PAPER PROPOSALS.

HE SUGGESTED THAT IF THE \$7 MILLION ALLOCATION RESERVED FOR THE PROPOSALS FOR THE YOUNG AND THE ELDERLY BE NOT SPENT IN 1978-79 SINCE THE GREEN PAPERS TAKE TIME TO TURN WHITE, IT BE MADE AVAILABLE FOR EXPANSION IN EXISTING SERVICES IN OTHER FIELDS.

DR. FANG DREW ATTENTION TO THE NEED TO ADEQUATELY REMUNERATE THE AUXILIARY POLICE. HE POINTED OUT THAT THEIR PAY AND ALLOWANCES HAVE NOT BEEN ADJUSTED SINCE 1972 DURING WHICH TIME THEIR REGULAR COUNTERPARTS HAVE HAD FOUR SALARY INCREASES ALONG WITH THE REST OF THE CIVIL SERVICE. IN ADDITION IN NOVEMBER 1973 A SPECIAL REVISION WAS MADE FOR THE REGULAR RANK AND FILE.

HE NOTED THAT THE ESTIMATES FOR NEXT YEAR WOULD SOON PUT THIS RIGHT BUT HE WANTED TO BE ASSURED THAT IN LINE WITH THE LAST INCREASE FOR THE WHOLE CIVIL SERVICE, THE REVISED SALARY SCALES WOULD BE MADE RETROSPECTIVE TO APRIL 1, 1977.

MORE FUNDS NEEDED FOR EXPANSION OF SOCIAL SERVICES

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THE HON. MRS. KWAN KO SIU-WAH HAS ASKED, IN VIEW OF THE SURPLUS LAST YEAR, AND IN THE COMING YEAR IF EVIDENCE INDICATES THAT PUBLIC REVENUE WILL EXCEED EXPENDITURE, WHETHER MORE RESOURCES WILL BE IMMEDIATELY DIRECTED TO THE EXPANSION OF SOCIAL SERVICES WITHOUT WAITING UNTIL THE FOLLOWING YEAR.

SPEAKING IN THE RESUMED BUDGET DEBATE AT THE LEGISLATIVE COUNCIL TODAY, SHE POINTED OUT THAT ALTHOUGH THE ALLOCATION FOR THE SOCIAL WELFARE DEPARTMENT FOR THE COMING FINANCIAL YEAR IS TO INCREASE BY \$99 MILLION TO \$415 MILLION, A LARGE PART OF THE INCREASE, ABOUT 90 PER CENT, WILL BE ABSORBED BY THE EXPANSION OF THE PUBLIC ASSISTANCE AND WELFARE ALLOWANCE SCHEMES AND SUBSEQUENT STAFF INCREASES.

APART FROM SOCIAL SECURITY, THE ALLOCATION WILL ALLOW LITTLE OPPORTUNITY FOR EXPANSION, LET ALONE IMPROVEMENT IN QUALITY.

SHE EXPLAINED THAT THE ADMINISTRATION OF SOCIAL SECURITY IS DIFFERENT FROM OTHER WELFARE SERVICES AND DOES NOT NECESSARILY REQUIRE PERSONNEL WITH SOCIAL WORK TRAINING. WHEN ALLOCATING BUDGET FUNDS THE GOVERNMENT SHOULD REGARD THEM SEPARATELY SO AS TO DO JUSTICE TO THEM BOTH.

THERE WILL BE A NEED FOR CLOSE CO-ORDINATION AND EFFECTIVE REFERRAL PROCEDURES BETWEEN THE TWO BUT SOCIAL SECURITY SHOULD HAVE ITS OWN ADMINISTRATION TO INCREASE ITS EFFICIENCY, SHE SAID.

AS TO THE \$100 MILLION TO BE SUBVENTED TO VOLUNTARY AGENCIES, MRS. KWAN KO SIU-WAH SAID THE INCREASE OF \$28 MILLION APPEARS SUBSTANTIAL BUT CLOSER EXAMINATION SHOWS THAT 85.8 PER CENT WILL BE USED TO COVER THE COST OF MAINTAINING EXISTING SERVICES, SALARY INCREMENTS, RENT AND RATES INCREASES, AND CONTRIBUTIONS TO PROVIDENT FUNDS.

A MERE 7 PER CENT WILL BE AVAILABLE FOR CARRYING OUT THE MANY PROPOSALS IN THE GREEN PAPERS. THE \$100 MILLION ALLOCATED WILL NOT BE ENOUGH NOT ONLY FOR THE GREEN PAPERS BUT ALSO FOR THE AGENCIES TO CARRY OUT THEIR EXISTING PROGRAMMES AND THE PROGRAMMES IN THE FIVE-YEAR PLAN FOR SOCIAL WELFARE DEVELOPMENT, SHE SAID.

IN FACT THE SOCIAL WELFARE ADVISORY COMMITTEE HAS ESTIMATED THE REQUIREMENTS TO BE ABOUT \$116 MILLION IF THE EXISTING PROGRAMMES ARE TO CONTINUE AND ESSENTIAL NEW SERVICES ARE TO BE IMPLEMENTED, SHE ADDED.

SHE STRONGLY URGED THE GOVERNMENT TO ACT MORE POSITIVELY TO ENSURE THAT DEVELOPMENT PLANS ARE NOT DELAYED BECAUSE OF INSUFFICIENT FINANCIAL SUPPORT. 'THE RESOURCES AT THE DISPOSAL OF THE GOVERNMENT GIVE NO REASON FOR CAUTION IN THIS AREA,' SHE SAID.

REFERRING TO THE GOVERNMENT'S SUBVENTION POLICY, SHE THOUGHT THAT IN SOME AREAS, SUCH AS THE NURSERY SERVICE WHERE SUBVENTION IS CALCULATED ON A FIXED SUM FOR EACH CHILD EACH MONTH, GOVERNMENT FINANCIAL ASSISTANCE BASED ON UNIT COST MAY BE APPROPRIATE, ALTHOUGH THERE IS A NEED TO ENSURE THAT STANDARD SETTING AND EVALUATION OF THE SERVICES ARE NOT NEGLECTED.

CALCULATING ON A UNIT COST BASIS WOULD HOWEVER BE DIFFICULT FOR SERVICES WHICH ARE NOT EASILY QUANTIFIED AND MEASURED. SHE POINTED OUT THAT THE WHOLE MATTER NEEDS TO BE THOROUGHLY STUDIED AND SUGGESTED FOR EXAMPLE THAT THE GOVERNMENT MIGHT CONSIDER EXPANDING THE PURCHASE OF CERTAIN SERVICES OF HIGH PRIORITY AT FULL COST FROM VOLUNTARY AGENCIES.

MEANWHILE THE COMMUNITY CHEST SHOULD COMPLEMENT GOVERNMENT'S EFFORTS IN SUPPORTING VOLUNTARY AGENCIES BY PARTLY FINANCING PILOT PROJECTS, ENHANCING THEIR PIONEERING ROLE AND HELPING WITH VALUABLE PROGRAMMES NOT CONSIDERED OF TOP PRIORITY BY THE GOVERNMENT.

SHE FURTHER ASKED THE GOVERNMENT TO TAKE A FRESH LOOK AT THE WAY OF DETERMINING SUBVENTIONS TO VOLUNTARY AGENCIES AND THE OPERATION OF THE ONE-LINE VOTE. SHE POINTED OUT THAT COST INCREASE OTHER THAN SALARY INCREASES IN PROVIDING OR MAINTAINING A SERVICE IS OFTEN NEGLECTED IN CALCULATING SUBVENTIONS.

SHE HOPED THAT IN DETERMINING THE REQUIREMENTS OF VOLUNTARY AGENCIES IN FUTURE THE GOVERNMENT WILL ALSO TAKE INTO ACCOUNT THE NEED FOR EXPANDING AND IMPROVING THE SERVICES AND THE INFLATED COST OF PROVIDING SUCH SERVICES.

SHE WAS CONCERNED THAT THERE WILL BE SUFFICIENT SOCIAL WORKERS TO COPE WITH THE DEVELOPMENT OF SOCIAL WELFARE PROGRAMMES AND HOPED THAT ADDITIONAL FUNDS WILL BE MADE AVAILABLE TO THE UNIVERSITIES AND OTHER POST-SECONDARY INSTITUTIONS FOR PROVIDING MORE PLACES TO TRAIN THEM.

AS REGARDS DEVELOPMENT PLANNING, SHE SAID THERE HAS NOT BEEN SUFFICIENT RESEARCH TO FORM A BASIS FOR REALISTIC DECISIONS, AS IN THE CASE OF THE NURSERY SERVICE, WITH RESULTING WASTE IN TIME AND MONEY. SHE SUGGESTED THAT A SUB-COMMITTEE BE FORMED UNDER THE SOCIAL WELFARE ADVISORY COMMITTEE TO PLAN AND INITIATE THE NECESSARY RESEARCH WHICH WILL BE CONDUCTED BY INDEPENDENT BODIES.

MRS. KWAN KO SIU-WAH ALSO POINTED OUT THE DISPARITIES IN THE CONDITIONS OF SERVICE FOR MARRIED FEMALE OFFICERS IN THE CIVIL SERVICE.

SHE HOPED THAT A WORKING PARTY WILL BE FORMED TO REVIEW THIS UNSATISFACTORY SITUATION TO GIVE EQUAL BENEFITS TO MALE AND FEMALE CIVIL SERVANTS, WHETHER THEY BE SINGLE OR MARRIED. SAFEGUARDS CAN BE PROVIDED TO AVOID ANY OVERLAPPING BENEFITS IN CASE BOTH HUSBAND AND WIFE ARE CIVIL SERVANTS OR IF EITHER OF THEM IS ALREADY RECEIVING SUCH BENEFITS IN THE PRIVATE SECTOR.

/MRS. KWAN KO .....

MRS. KWAN KO SIU-WAH STRESSED THAT THE QUALITY OF EDUCATION SHOULD NOT BE SACRIFICED FOR THE SAKE OF INCREASING THE NUMBER OF SCHOOL PLACES. SHE URGED THE GOVERNMENT TO ACCORD THE HIGHEST PRIORITY TO UPGRADING THE QUALITY OF EDUCATION IN THE PRIVATE SECTOR, AS OVER HALF OF THE FORM 1 PLACES WILL BE BOUGHT IN PRIVATE SCHOOLS IN 1978-79.

THE UNOFFICIAL MEMBER SUGGESTED THAT TEACHER TRAINING PROGRAMMES, BOTH PRE-SERVICE AND IN-SERVICE, BE STRENGTHENED- THAT HELP BE GIVEN TO PRIVATE SCHOOLS WHICH WANT AND HAVE THE POTENTIAL TO BECOME PROPERLY AIDED, AND THAT THE UNDESIRABLE FLOATING CLASS SYSTEM BE DISCONTINUED AS SOON AS POSSIBLE.

SHE PROPOSED THAT FREE JUNIOR SECONDARY EDUCATION FOR ALL BE POSTPONED TEMPORARILY, IF THE GOVERNMENT HAS FINANCIAL DIFFICULTIES TO COPE WITH THE OTHER SUGGESTIONS. DURING THE TRANSITION PERIOD, A SCHEME FOR FREE PLACES FOR THOSE WHO REALLY NEED THEM SHOULD BE DEvised TO ENSURE THAT NO HARDSHIP ARISES, SHE SAID.

THIS IS BECAUSE PARENTS WHO CAN AFFORD TO PAY FOR THE EDUCATION OF THEIR CHILDREN SHOULD DO SO AND IN SO DOING, PART OF THE GOVERNMENT FUNDS COULD BE RELEASED FOR USE IN OTHER AREAS SUCH AS IMPROVING THE QUALITY OF EDUCATION.

SHE ALSO HOPED THAT THERE WOULD BE SUFFICIENT SUBSIDISED PLACES AT THE SENIOR SECONDARY LEVEL FOR THOSE WHO WANT IT.

SHE ALSO THOUGHT THAT SCHOOLS SHOULD BE ALLOWED TO CONTINUE TO CHARGE TONG FAI AND OTHER SUBSCRIPTION CHARGES IF THEY SO CHOOSE SO THAT THEY CAN USE THE CHARGES ON IMPROVING SCHOOL FACILITIES AND PROVIDING VARIOUS EXTRA-CURRICULAR ACTIVITIES.

ON THE COMMUNITY NURSING SCHEME, MRS. KWAN KO SIU-WAH QUERIED THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE'S DECISION NOT TO EXPAND THE SERVICE DURING ITS THREE-YEAR EVALUATION PERIOD ENDING 1979-80.

SHE POINTED OUT THAT IN LAST OCTOBER AND NOVEMBER, 591 REFERRALS HAD TO BE REJECTED DUE TO INSUFFICIENT STAFF.

+ONE YEAR OF THE THREE-YEAR EVALUATION PERIOD HAS ELAPSED AND A LOT OF INFORMATION ON THE DEMAND FOR COMMUNITY SERVICE IS NOW AVAILABLE FOR ASSESSMENT.+

FURTHERMORE, SHE ADDED, THE GOVERNMENT GREEN PAPER ON SERVICES FOR THE ELDERLY HAS RECOMMENDED EARLY EXPANSION OF THE PRESENT RESTRICTED SCOPE OF THE SERVICE AND ESTIMATED THAT NO LESS THAN 91 NURSES WOULD BE REQUIRED IN 1978 AND 130 BY 1986.

ON THE REVENUE PROPOSALS BY THE FINANCIAL SECRETARY, MRS. KWAN KO SIU-WAH SUPPORTED THE INCREASED TAXATION ON IMPORTED CIGARETTES AND EXPENSIVE CARS AND WANTED IT TO BE EXTENDED TO OTHER LUXURY GOODS.

SHE DISAGREED HOWEVER WITH THE SITUATION WHERE AN ENORMOUS SUM OF \$480 MILLION TO BE EXPECTED FROM TAXES ON GAMBLING ACTIVITIES, PARTICULARLY HORSE RACING.

SHE POINTED OUT THAT MANY YOUNG PEOPLE WHO INDULGE IN GAMBLING ARE THE SOCIALLY VULNERABLE ONES AND THE GOVERNMENT MIGHT NEED TO SPEND A LOT ON SOCIAL WELFARE AND LAW AND ORDER AS A RESULT OF SOCIAL PROBLEMS ARISING FROM GAMBLING ACTIVITIES.

+THE TIME HAS COME FOR GOVERNMENT TO LOOK CAREFULLY INTO THE MATTER AND DO SOMETHING TO STOP ANY FURTHER EXPANSION OF GAMBLING ACTIVITIES,+ SHE SAID.

SHE WAS ALSO DISAPPOINTED THAT TAX ALLOWANCES FOR DEPENDENT PARENTS AND WORKING WIVES WERE NOT INTRODUCED, AND SUGGESTED THAT LARGER ALLOWANCES OR A LOWER RATE OF TAXATION, SUCH AS 2 PER CENT, ON THE FIRST \$10,000 NET TAXABLE INCOME, BE CONSIDERED.

+TAX ALLOWANCES IN THESE AREAS WOULD HAVE SIGNIFICANT SOCIAL IMPLICATIONS IN STRENGTHENING COHESION BETWEEN FAMILY MEMBERS,+ SHE STRESSED.

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WEDNESDAY, MARCH 29, 1978

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NEW POSTAGE RATES EFFECTIVE NEXT MONTH  
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THE POST OFFICE ANNOUNCED TODAY THAT FROM SATURDAY (APRIL 1) THE POSTAGE RATES FOR INLAND PRINTED PAPER AND PARCEL, AND FEES FOR REDIRECTION AND BUSINESS REPLY SERVICES WILL BE INCREASED.

DETAILS OF THE INCREASES ARE AS FOLLOWS:-

INLAND PRINTED PAPER RATE

<u>WEIGHT NOT EXCEEDING</u>	<u>OLD RATE (\$)</u>	<u>NEW RATE (\$)</u>
1 OZ.	0.10	0.20
2 OZ.	0.10	0.20
4 OZ.	0.20	0.30
8 OZ.	0.40	0.50
1 LB.	0.80	1.00
2 LB.	1.30	1.70

INLAND PARCEL RATE

<u>WEIGHT</u>	<u>EXISTING (\$)</u>	<u>WEIGHT</u>	<u>NEW RATE (\$)</u>
FIRST 2 LBS.	3.00	FIRST 2 LBS.	3.00
EACH ADDITIONAL 2 LBS.	0.50	EACH ADDITIONAL 1 LB.	1.00

REDIRECTION SERVICE

	<u>EXISTING (\$)</u>	<u>NEW RATE (\$)</u>
FIRST 3 MONTHS	FREE	FREE
NEXT 12 MONTHS	15.00	60.00
EACH SUCCEEDING 12 MONTHS	30.00	60.00

BUSINESS REPLY SERVICE

	<u>EXISTING</u>	<u>NEW RATE</u>
HANDLING FEE PER ITEM	5 CENTS	10 CENTS

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WEDNESDAY, MARCH 29, 1978

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NOTE TO EDITORS:

PRISONS DEPARTMENT TO PRESENT CHEQUE TO COMMUNITY CHEST  
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THE DEPUTY COMMISSIONER OF PRISONS, MR. T. ECOB, WILL PRESENT A CHEQUE ON BEHALF OF PRISONS DEPARTMENT STAFF TO THE COMMUNITY CHEST AT 11 A.M. ON FRIDAY (MARCH 31) AT THE DEPARTMENT'S HEADQUARTERS IN WAN CHAI.

RECEIVING THE CHEQUE WILL BE MRS. R.R. KAPAHU OF THE COMMUNITY CHEST.

THE PRESENTATION CEREMONY WILL TAKE PLACE IN THE CONFERENCE ROOM ON THE 10TH FLOOR OF GUARDIAN HOUSE, 32 01 KWAN ROAD.

YOU ARE CORDIALLY INVITED TO SEND REPRESENTATIVES TO COVER THE EVENT.

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BUILDINGS DECLARED DANGEROUS  
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THE BUILDING AUTHORITY TODAY DECLARED NOS. 95 AND 99 MAIN STREET, AP LEI CHAU, TO BE IN A DANGEROUS CONDITION AND NO. 93 IN THE SAME STREET LIABLE TO BECOME DANGEROUS.

IN A STATEMENT ISSUED THIS (WEDNESDAY) MORNING THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR SAID THAT THESE TWO-STOREY PRE-WAR BUILDINGS HAD BEEN OBSERVED TO BE IN A DILAPIDATED CONDITION AND A DETAILED INSPECTION WAS THEREFORE MADE.

THE ENCLOSING WALLS TO NOS. 95 AND 99 MAIN STREET WERE FOUND TO BE SEVERELY FRACTURED AND BULGED. IN ADDITION A HIGH PROPORTION OF THE STRUCTURAL WOODEN MEMBERS SUPPORTING THE FLOORS AND ROOFS WERE DEFECTIVE.

AS THERE IS A RISK OF THESE BUILDINGS COLLAPSING IT IS NECESSARY TO CLOSE AND DEMOLISH THEM.

NO. 93 MAIN STREET IS UNLIKELY TO SURVIVE THE DEMOLITION OF THE ADJOINING BUILDING AT NO. 95 DUE TO WEAKNESSES IN THE SEPARATING PARTY WALL AND DEFECTIVE STRUCTURAL WOODEN MEMBERS AND WILL ALSO HAVE TO BE CLOSED AND DEMOLISHED.

ACCORDINGLY, NOTICES OF INTENTION TO APPLY FOR CLOSURE ORDERS IN VICTORIA DISTRICT COURT AT 9.30 A.M. ON APRIL 19, 1978 WERE POSTED TODAY.

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WEDNESDAY, MARCH 29, 1978

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IMPORTANCE OF SPORTS IN REHABILITATION PROCESS STRESSED

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THE DIRECTOR OF SOCIAL WELFARE, MR. THOMAS LEE, UNDERLINED THE IMPORTANCE OF SPORTS ACTIVITIES IN THE REHABILITATION OF DISABLED PEOPLE.

SPEAKING AT THE OPENING CEREMONY OF A SPORTS DAY FOR THE DISABLED HELD TODAY AT THE MONG KOK STADIUM MR. LEE SAID: +APART FROM BEING A GOOD MEANS OF HEALTH IMPROVEMENT, PARTICIPATION IN SPORTS EVENTS CAN HELP SHARPEN ONE'S INITIATIVE AND DEVELOP THE SENSE OF DISCIPLINE.+

MR. LEE ADDED THAT BECAUSE OF THIS CHARACTER BUILDING ELEMENT, SPORTS ACTIVITIES, LIKE OTHER FORMS OF TRAINING AND SERVICES, WOULD CONTRIBUTE TO THE RAPID REHABILITATION OF THE DISABLED.

MR. LEE ALSO ADVISED COMPETITORS NOT TO ATTACH TOO MUCH IMPORTANCE TO TROPHIES AND MEDALS SO FAR AS THEY HAD TRIED THEIR BEST.

A TOTAL OF 400 PARTICIPANTS FROM THE SOCIAL WELFARE DEPARTMENT'S 15 REHABILITATION CENTRES, COMPRISING THE PHYSICALLY HANDICAPPED, THE DEAF, THE MENTALLY RETARDED AND EX-MENTAL PATIENTS COMPETED IN 51 INDIVIDUAL AND TEAM EVENTS WATCHED BY A CHEERING CROWD OF 1,000 FELLOW-INMATES.

IN ADDITION TO BEAN-BAG RELAYS, RELAYS ON WHEELCHAIRS, SHORT-DISTANCE RUNS, SHOT PUT, JUMPS AND TOSS, TWO OPEN EVENTS FOR FORMER TRAINEES AND A TUG-OF-WAR FOR STAFF MEMBERS WERE ALSO ORGANISED.

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NOTE TO EDITORS:

COPIES OF A PHOTOGRAPH TAKEN AT THE SPORTS DAY FOR THE DISABLED WILL BE DISTRIBUTED SEPARATELY IN G.I.S. PRESS BOXES THIS EVENING.

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WEDNESDAY, MARCH 29, 1978

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KWAI CHUNG FOOTBRIDGE OPENING TOMORROW

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RESIDENTS OF KWAI CHUNG WILL BE ABLE TO CROSS CASTLE PEAK ROAD SAFELY AS FROM TOMORROW FOLLOWING THE OPENING OF A TEMPORARY FOOTBRIDGE NEAR LAI YIU ESTATE.

MR. C.L. AU, SENIOR ENGINEER OF P.W.D.'S HIGHWAYS (NEW TERRITORIES) DIVISION, SAID TODAY THAT DUE TO THE DEVELOPMENT IN THE AREA PEDESTRIANS WERE FINDING IT EXTREMELY DIFFICULT AND DANGEROUS TO CROSS THE ROAD.

+WITH THE COMPLETION OF THIS TEMPORARY FOOTBRIDGE THEY SHOULD NOW BE ABLE TO CROSS THE ROAD SAFELY,+ HE SAID.

THE TEMPORARY FOOTBRIDGE WILL BE USED FOR ABOUT 18 MONTHS PENDING THE COMPLETION OF A PERMANENT ONE ASSOCIATED WITH THE TAI WO TSUEN INTERCHANGE IMPROVEMENT, MR. AU SAID.

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NOTE TO EDITORS:

CUSTOMS OFFICERS PASSING OUT PARADE

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FORTY PROBATIONARY CUSTOMS OFFICERS WHO HAVE COMPLETED A TWO-MONTH TRAINING COURSE WILL TAKE PART IN A PASSING OUT PARADE ON SATURDAY (APRIL 1) AT THE CUSTOMS AND EXCISE SERVICE TRAINING SCHOOL AT TAI LAM CHUNG, NEW TERRITORIES.

SUPERINTENDENT GRAHAM CROOKDAKE, WHO WILL RETIRE AFTER 30 YEARS WITH THE CUSTOMS AND EXCISE SERVICE, WILL TAKE THE SALUTE AT THE PARADE.

YOU ARE CORDIALLY INVITED TO SEND REPRESENTATIVES TO COVER THE OCCASION WHICH WILL START AT 11.15 A.M. PRESS TRANSPORT WILL BE PROVIDED. A GOVERNMENT COACH (AM 5606) WILL LEAVE FROM THE KOWLOON PUBLIC PIER, TSIM SHA TSUI AT 9.30 A.M. ON SATURDAY FOR THE TRAINING SCHOOL.

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WEDNESDAY, MARCH 29, 1978

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TRAFFIC ARRANGEMENTS IN KWAI CHUNG AND LAI CHI KOK  
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THE TRANSPORT DEPARTMENT HAS ANNOUNCED THE TEMPORARY CLOSURE AND TRAFFIC RE-ROUTING OF SEVERAL STREETS IN KWAI CHUNG AND LAI CHI KOK.

IN KWAI CHUNG, TA CHUEN PING STREET BETWEEN SHEK KIN STREET AND CHUN PIN STREET HAS BEEN CLOSED TO TRAFFIC TO FACILITATE EMERGENCY REPAIRS TO WATER MAINS.

AS A RESULT, THE SECTION OF TA CHUEN PING STREET BETWEEN WO YI HOP ROAD AND SHEK KIN STREET HAS BEEN RE-ROUTED FROM ONE-WAY SOUTHBOUND TO TWO-WAY, AND CHUN PIN STREET BETWEEN LAM TIN STREET AND TA CHUEN PING STREET RE-ROUTED FROM TWO-WAY TO ONE-WAY NORTHBOUND.

THE ARRANGEMENTS ARE EXPECTED TO LAST FOR ABOUT ONE WEEK.

IN LAI CHI KOK, YUET LUN STREET HAS BEEN RE-ROUTED FROM TWO-WAY TO ONE-WAY FROM LAI CHI KOK ROAD TO PO LUN STREET TO IMPROVE TRAFFIC CIRCULATION. THIS ARRANGEMENT IS EXPECTED TO LAST FOR TWO WEEKS.

APPROPRIATE TRAFFIC SIGNS HAVE BEEN POSTED TO GUIDE MOTORISTS IN THESE AREAS.

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