

Hong Kong Standard

3 October, 1976

Adequate compensation paid

MAY I refer to the letter from Mrs Elsie Elliott which was published in your edition on September 28 on the subject of the clearance of the Class III Licensed Area at Hakwaichung to make way for a new fly-over.

I should like to make it clear that the rules applied to this clearance were decided upon with the full approval of all the members of the Operations Committee of the Housing Authority at a meeting on June 10 this year which Mrs Elliott attended.

It was necessary to update the rules then because the Housing Department was about to carry out a survey of all squatters, one of the purposes of which was to make the operators of all industrial and commercial undertakings, in existence at that time, eligible for ex-gratia compensation upon clearance. Previously many of them were not entitled to any compensation.

It was agreed that operators in Class III Licensed Areas should be treated no less generously than operators using squatter structures outside licensed

areas. This meant accepting the de facto position in the licensed area rather than assessing compensation on the basis of what the conditions of the original licence allowed, and resulted in more generous allowances being paid to all those operators who had temporary structures on their sites which were used for production, because they had all extended their buildings. It also meant that three operators who were conducting trades which could be accommodated in one of the Department's flatted factories would be offered factory space in which to carry on their business as an alternative to receiving the allowance.

Mrs Elliott seems to think that all industrial operators would prefer to move into a flatted factory rather than to receive the ex-gratia allowance. This, however, is not so, as many prefer to accept the allowance. It should be pointed out that ex-gratia allowances in this case ranged from \$6,000 to as high as \$45,000. New factory units in the urban area which have been made available by open tender this

year have been allocated at premia varying from \$1,230 to \$18,000 per unit. At Yuenlong the sums have ranged from \$1,100 to \$2,470 per unit. If people receiving compensation wish to obtain flatted factory units under the Housing Authority, it is clear that the compensation paid is adequate for them to do so. However, Mrs Elliott may be aware that when units are allocated to commercial operators in lieu of compensation they often sub-let them.

I must reject Mrs Elliott's suggestion that operators were tipped off as to which trades to take up in order to ensure the offer of flatted factory space. It is a fact of life in Hongkong that marginal industrial operators working in temporary wooden structures are extremely mobile on the one hand and think nothing of changing their trade on the other. Only eight of the 15 operators affected by this clearance were the same as the owners who were originally resited.

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