

There was a plea from honourable Members relating to the need for formal Gross National Product figures. Such figures are very inexact even in the most sophisticated countries I think they do not have a great deal of meaning, even as a basis of comparison between economies. That other countries make use of them is not, I think, necessarily a good reason to suppose that we need them. But, although I am not entirely clear what practical purpose they would serve in Hong Kong, I am sure they would be of interest. I suspect myself, however, that the need arises in other countries because high taxation and more or less detailed Government intervention in the economy have made it essential to be able to judge (or to hope to be able to judge) the effect of policies, and of changes in policies, on the economy. One of the honourable Members who spoke on this subject, said outright, as a confirmed planner, that he thought that they were desirable for the planning of our future economic policy. But we are in the happy position, happier at least for the Financial Secretary where the leverage exercised by Government on the economy is so small that it is not necessary, nor even of any particular value, to have these figures available for the formulation of policy. We might indeed be right to be apprehensive lest the availability of such figures might lead, by a reversal of cause and effect, to policies designed to have a direct effect on the economy. I would myself deplore this.

The other concern seems rather to be for our international prestige. If we had formal GNP statistics, I suppose we could boast of our economic progress in more precise and authoritative, even if not very accurate, figures and thereby prevent others from belittling us; but I cannot see any great value in that. It is the fact of our progress that is important.

[THE FINANCIAL SECRETARY] **Appropriation Bill—resumption of debate
on second reading (11.3.70)**

My honourable Friend, Mr Wilfred WONG, remarked that we have not yet heard from the University fellow appointed to study the question. In fact his report was published in December last year; I shall have pleasure in sending my honourable Friend a copy. My own conclusion from the report is that the expense and effort needed to produce even very approximate figures in our free economy outweigh the value of having them. As to cost, about which my honourable Friend, Dr CHUNG, enquired, the report suggests a figure of \$250,000 a year for basic salaries alone at 1967 levels. Today, I suppose the total cost would be of the order of \$500,000 a year. But the budgetary cost is only a small part of the story; I doubt if our friends in commerce, finance, the professions, *etc.* would relish the form-filling that would be necessary; for their time also is money. In the meantime we have a rough idea of where we are, certainly enough for any practical purposes; and we may be able to refine that idea to some extent in future from a number of sources. Perhaps we might consider the whole question again indeed when we see how the proposed census of Industrial Establishments goes.

But I feel myself that, in Hong Kong, GNP and other national accounts are a proper subject for academic rather than official research; as it was indeed in other countries at a time when the relationship of Government to the economy was not dissimilar from ours today. We should be happy to give any assistance we can in furtherance of such research.