



# DAILY INFORMATION BULLETIN

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/TRIBUTE TO .....



## PROSPECTS FOR 1982

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THE GOVERNOR, SIR MURRAY MACLEHOSE SAID AT THE OPENING SESSION OF THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT SOME RECOVERY IN THE WORLD'S ECONOMIES COULD BE EXPECTED IN 1982, WITH SOME BENEFICIAL EFFECT ON WORLD TRADE.

SIR MURRAY SAID ALTHOUGH MUCH DEPENDED ON THE LEVEL OF INTEREST RATES, PARTICULARLY IN THE UNITED STATES, +THE CONSENSUS IS THAT THINGS ARE LIKELY TO BE BETTER NOT WORSE- THE RECESSION IS BOTTOMING OUT+.

+AND WHERE THERE IS SOME REVIVAL IN DEMAND WE ARE WELL PLACED TO TAKE ADVANTAGE OF IT. OUR ABILITY TO REACT QUICKLY TO MEET AN INCREASE IN EXPORT ORDERS HAS BEEN WELL DEMONSTRATED IN THE PAST, AND WITH THE RECENT DEPRECIATION IN THE EXCHANGE OF VALUE OF THE HONG KONG DOLLAR, OUR PRICES ARE NOW VERY COMPETITIVE.

+SO WHILE AWAITING THE ECONOMIC TIDE IN THE WORLD TO TURN AROUND, I HAVE CONFIDENCE THAT WHEN IT DOES, HONG KONG WILL EXPERIENCE YET ANOTHER YEAR OF PROSPERITY,+ HE SAID.

SIR MURRAY SAID THE MANY WORRIES OF OUR BUSINESSMEN IN SPITE OF COMPARATIVE BUOYANCY OF OUR ECONOMY RESULTED FROM MEASURES OF VARIOUS SORTS IN OUR LEADING MARKETS AIMED AT CONTAINING INFLATION. +NEVERTHELESS IN SPITE OF IT ALL WE HAVE NOT DONE TOO BADLY,+ HE SAID.

BUT THERE IS ONE PARTICULAR POINT OF CONCERN: +THE EXPIRY OF THE MULTI-FIBRE ARRANGEMENT AT THE END OF THIS YEAR, AND THE REQUIREMENT FOR ITS RENEGOTIATION CAST A BIG SHADOW ON THE FUTURE OF OUR TEXTILE AND APPAREL EXPORTS WHICH PROVIDE JOBS FOR NEARLY HALF OUR INDUSTRIAL WORKFORCE.+

+ITS RENEGOTIATION ON SATISFACTORY TERMS IS A MAJOR OBJECTIVE OF YOUR GOVERNMENT,+ SIR MURRAY SAID.

+THE DEVELOPING COUNTRIES HAVE NEVER BEEN SO UNITED IN THEIR DETERMINATION TO SECURE A FAIRER BETTER-DEFINED MFA UNDER WHOSE PROVISIONS THEIR BILATERAL TRADE WITH DEVELOPING COUNTRIES CAN BE CONDUCTED.+

SIR MURRAY SAID HONG KONG'S NEGOTIATORS WOULD SHORTLY BE MEETING AGAIN WITH THOSE FROM OTHER DEVELOPING COUNTRIES TO SEEK OUT A COMMON POSITION FOR THE NEXT ROUND OF NEGOTIATIONS IN GENEVA IN NOVEMBER.

+BUT WE HAVE NO ILLUSIONS ABOUT OUR SITUATION. WITH RECESSION AND HIGH UNEMPLOYMENT, THE GOVERNMENTS OF DEVELOPED COUNTRIES ARE UNDER IMMENSE POLITICAL PRESSURE TO TAKE A HARD LINE - HOWEVER IRRELEVANT STATISTICS MAY PROVE OUR EXPORTS HAVE BEEN TO THAT RECESSION AND UNEMPLOYMENT.+

FORTUNATELY, THE GOVERNOR ADDED, WE HAVE SOME OF THE BEST NEGOTIATORS IN THE TEXTILE WORLD AND THEY ARE ABLY ADVISED BY THE TEXTILE ADVISORY BOARD.

+WE WILL PLAY A FULL PART IN OUR OWN RIGHT IN THE NEGOTIATIONS AND VIGOROUSLY DEFEND THE INTERESTS OF OUR INDUSTRY,+ HE SAID. +WE ALSO LOOK TO THE UK TO SEE THAT THE SPECIAL CIRCUMSTANCES OF HONG KONG ARE RECOGNISED AND THAT WE GET FAIR TREATMENT.+

HONG KONG DOING WELL AMID WORLD RECESSION, GOVERNOR SAYS  
\* \* \* \*

HONG KONG AND ITS PEOPLE ARE FARING REMARKABLY WELL IN THE FACE OF THE CURRENT WORLD RECESSION AND CAN LOOK FORWARD TO ANOTHER YEAR OF PROSPERITY ONCE THE WORLD ECONOMIC TIDE TURNS AROUND.

THIS FAVOURABLE OUTLOOK WAS GIVEN BY THE GOVERNOR, SIR MURRAY MACLEHOSE, IN HIS ANNUAL REVIEW TO THE OPENING OF THE NEW LEGISLATIVE COUNCIL SESSION TODAY.

WHILE THERE WERE SOME DARK PATCHES, AND MUCH DEPENDED ON THE LEVEL OF INTEREST RATES - PARTICULARLY IN THE US - THE CONSENSUS WAS, HE SAID, THAT +THINGS ARE LIKELY TO BE BETTER NOT WORSE- THE RECESSION IS BOTTOMING OUT.+

THE GOVERNOR BEGAN HIS WIDE-RANGING REVIEW WITH A LOOK AT THE ECONOMIC AND FINANCIAL SITUATION.

HE POINTED OUT THAT -

- \* THE BUDGETED SURPLUS OF \$7 800 MILLION WOULD BE SURPASSED, THEREBY REINFORCING ITS DISINFLATIONARY EFFECT-
- \* TOTAL EXPENDITURE FOR THE YEAR IS NOW EXPECTED TO EXCEED THE ESTIMATE BY NEARLY 10 PER CENT-
- \* THE GDP IS TO GROW BY 10 PER CENT IN REAL TERMS, MAINLY BEING LED BY DOMESTIC DEMAND-
- \* DOMESTIC EXPORTS ARE EXPECTED TO INCREASE OVER 1980 BY ABOUT SEVEN PER CENT IN REAL TERMS-
- \* THE RENEGOTIATION OF THE MULTI-FIBRE ARRANGEMENT WILL CAST A BIG SHADOW ON THE FUTURE OF OUR TEXTILE AND APPAREL EXPORTS AND THE GOVERNMENT WILL VIGOROUSLY DEFEND THE INTERESTS OF OUR INDUSTRY.

AGAINST THE BACKGROUND OF THE FAVOURABLE SITUATION, THE GOVERNOR MENTIONED THREE UNFAVOURABLE FEATURES -- THE GREAT IMPACT OF RECENT IMMIGRATION ON HONG KONG- SHARP RISES IN THE COST OF ACCOMMODATION AND LAND, FUELLED BY THE EASY AVAILABILITY OF CREDIT WHICH HAD CAUSED CONSIDERABLE DISTRESS- AND THE WEAKENING HONG KONG DOLLAR COUPLED WITH THE RAPID GROWTH RATE OF THE MONEY SUPPLY WHICH IN TURN IS LARGELY THE RESULT OF EXCESSIVE CREDIT GROWTH.

THE GOVERNMENT'S ANSWER TO THE HOUSING PROBLEM, HE SAID, WAS TO BUILD OVER 42 000 FLATS A YEAR WHICH WILL BE EITHER SOLD OR RENTED ON A BASIS THAT TOTALLY EXCLUDES LAND VALUE ON THE OPEN MARKET.

IT HAD BEEN DECIDED, HE SAID, TO REVISE THE HOME OWNERSHIP SCHEME AS SOON AS POSSIBLE SO THAT THE HIGH LAND VALUES THAT HAD BEEN INCLUDED IN THE PRICE DO NOT FRUSTRATE THE SOCIAL PURPOSE OF THE AVERAGE 5 000 UNITS A YEAR TO BE BUILT UNDER THE SCHEME.

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THERE WOULD BE 12 500 UNITS A YEAR FOR SALE AT PRICES WELL WITHIN THE MEANS OF THE MIDDLE AND LOWER-MIDDLE INCOME GROUPS, INSULATED AGAINST THE VAGARIES OF THE LAND MARKET.

THE GOVERNOR ALSO GAVE A DETAILED REVIEW OF PROGRESS IN THE SOCIAL PROGRAMMES RELATING TO EDUCATION, SOCIAL WELFARE, MEDICAL SERVICES AND LABOUR, OUTLINING VARIOUS IMPROVEMENTS AND EXPANSIONS.

HE THANKED THE PEOPLE OF HONG KONG FOR THE RESPONSIBILITY AND GOOD HUMOUR WITH WHICH THEY HAD ACCEPTED THE MEASURES INTRODUCED LAST OCTOBER TO DETER ILLEGAL IMMIGRATION, BUT CAUTIONED THAT HONG KONG MUST REMAIN ON ITS GUARD EVEN THOUGH THE NUMBERS OF ILLEGAL IMMIGRANTS HAD NOW BEEN GREATLY REDUCED.

HE WAS CONCERNED, HOWEVER, OVER THE NUMBER OF LEGAL ARRIVALS FROM CHINA WHO ADDED 55 000 PEOPLE TO OUR POPULATION EACH YEAR.

THE GOVERNOR SAID SINO-BRITISH RELATIONS CONTINUED TO BE EXCELLENT IN THEMSELVES AND OVER HONG KONG, AND HE NOTED WITH SATISFACTION THE STEADY DEVELOPMENT OF ECONOMIC CO-OPERATION BETWEEN AGENCIES OF THE CHINESE GOVERNMENT AND BUSINESSMEN IN HONG KONG, GUANGDONG AND OTHER PART OF CHINA.

ON RELATIONS WITH THE UK, SIR MURRAY EXPRESSED REGRET THAT THE INCREASE IN UNIVERSITY FEES AND THE NATIONALITY BILL HAD BEEN SEEN BY SOME AFFECTED AS DELIBERATE POLICY OF DISENGAGEMENT BY BRITAIN.

THESE, HE SAID, HAD BEEN PROMPTED BY PURELY UK CONSIDERATIONS AND WERE TOTALLY UNCONNECTED WITH HONG KONG. +INDEED IT IS IRONIC THAT SUCH INTENTION SHOULD HAVE BEEN SUSPECTED OF A UK GOVERNMENT WHOSE MEMBERS HAVE BEEN SO HELPFUL TO HONG KONG AND FREQUENTLY SPOKEN SO WARMLY OF IT,+ HE ADDED.

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PUBLIC FINANCES +VERY SATISFACTORY+  
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THE STATE OF HONG KONG'S PUBLIC FINANCES REMAINED VERY SATISFACTORY, THE GOVERNOR, SIR MURRAY MACLEHOSE STATED TODAY (WEDNESDAY).

SIR MURRAY, SPEAKING AT THE LEGISLATIVE COUNCIL, PREDICTED THAT IF THE PRESENT TREND CONTINUED REVENUE WOULD SUBSTANTIALLY EXCEED THE ORIGINAL ESTIMATE AND THE BUDGETED SURPLUS OF \$7 800 MILLION WOULD BE SURPASSED, THEREBY REINFORCING ITS DISINFLATIONARY EFFECT.

+REVENUE COLLECTIONS SO FAR THIS YEAR HAVE EXCEEDED EXPECTATIONS, DUE LARGELY TO HIGH YIELDS FROM INTEREST TAX AND STAMP DUTIES, AND OF COURSE LAND SALES,+ HE SAID.

/HE SAID .....

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HE SAID TOTAL EXPENDITURE FOR THE YEAR WAS NOW EXPECTED TO EXCEED THE ESTIMATE BY NEARLY 10 PER CENT, MAINLY BECAUSE OF SUBSTANTIAL INCREASES IN SALARIES, INCREASED SPENDING ON PUBLIC WORKS, AND THE DESALTER.

+AT PRESENT WE CAN EASILY MEET THE INCREASED EXPENDITURE AND STILL ACHIEVE A LARGER BUDGET SURPLUS, AND CLEARLY PURELY BUDGETARY RESTRAINTS ARE NOT A PROBLEM,+ THE GOVERNOR SAID.

SIR MURRAY, HOWEVER, POINTED OUT THAT IN THE CURRENT INFLATIONARY SITUATION THERE WERE MACRO-ECONOMIC RESTRAINTS ON EXPENDITURE THAT COULD NOT BE IGNORED IF HONG KONG GOODS WERE TO REMAIN COMPETITIVE AND HONG KONG CURRENCY REMAIN STABLE.

WHAT THE GOVERNMENT COULD DO MIGHT BE LIMITED IN COMPARISON TO THE MORE MASSIVE EFFECT OF THE PRIVATE SECTOR ON CREDIT CREATION AND CONSEQUENTLY ON TOTAL FINAL DEMAND- BUT IT WAS STILL IMPORTANT THAT GOVERNMENT EXPENDITURE SHOULD NOT FALL TOO FAR OUT OF STEP WITH THE GROWTH OF THE ECONOMY, HE ADDED.

+THIS WE WILL WATCH,+ HE SAID.

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#### EXPORTS HOLDING UP WELL

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HONG KONG'S DOMESTIC EXPORTS ARE HOLDING UP REMARKABLY WELL DESPITE ADVERSE CONDITIONS ABROAD AND WE CAN EXPECT AN INCREASE OF ABOUT SEVEN PER CENT IN REAL TERMS OVER LAST YEAR, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY (WEDNESDAY).

SIR MURRAY, WHO WAS REVIEWING HONG KONG'S ECONOMY IN HIS OPENING SPEECH AT THE LEGISLATIVE COUNCIL, ALSO SAID THAT THE GROWTH RATE OF DOMESTIC DEMAND NOW SHOWED SIGNS OF SLOWING DOWN.

HE SUMMED UP THE 1981 DEVELOPMENTS IN THE ECONOMY AS, TO SOME EXTENT, A CONTINUATION OF THE TRENDS OF THE SECOND HALF OF 1980.

IN THE FIRST SIX MONTHS, HE SAID, THE GROWTH RATE OF DOMESTIC DEMAND CONTINUED TO BE RAPID AND SO THE RELATIVE SHIFT FROM DOMESTIC EXPORTS TO DOMESTIC DEMAND AS THE MAIN IMPETUS TO ECONOMIC GROWTH WAS MAINTAINED.

SIR MURRAY SAID THAT ALTHOUGH HONG KONG CAN EXPECT THE GDP TO GROW BY TEN PER CENT IN REAL TERMS SUCH GROWTH WAS STILL BEING LED BY DOMESTIC DEMAND.

RE-EXPORTS, HE SAID, HAD CONTINUED TO GROW RAPIDLY IN 1981 SO THAT TOTAL EXPORTS WOULD PROBABLY SHOW AN INCREASE OF ABOUT 15 PER CENT OVER 1980 IN REAL TERMS.

+NEVERTHELESS,+ SIR MURRAY SAID, +THE GROWTH RATE OF TOTAL IMPORTS IN VALUE TERMS IN 1981 SO FAR HAS BEEN SOMEWHAT FASTER THAN THAT OF TOTAL EXPORTS.

/+BUT IN .....

+BUT IN TERMS OF HONG KONG'S OVERALL TRADE POSITION, THE VISIBLE TRADE ACCOUNT CONTINUES TO SHOW A FAIR DEGREE OF STABILITY, WITH THE VISIBLE TRADE 'GAP' HAVING WIDENED ONLY SLIGHTLY IN PERCENTAGE TERMS.+

THE RELATIVE STABILITY IN THE ECONOMY WAS ALSO EVIDENCED BY THERE BEING NO OBVIOUS IMBALANCE BETWEEN THE DEMAND FOR AND THE SUPPLY OF DOMESTIC RESOURCES WITH THE OBVIOUS EXCEPTION OF HOUSING AND LAND, SIR MURRAY ADDED.

ON THE LABOUR FRONT, SIR MURRAY SAID IN MARCH THIS YEAR 2 365 000 PEOPLE WERE EMPLOYED IN HONG KONG, 162 000 MORE THAN IN MARCH LAST YEAR.

BUT IN SPITE OF THIS STRONG INCREASE IN DEMAND FOR LABOUR, THE GROWTH OF SUPPLY CONTINUED TO BE RATHER TOO RAPID FOR THE ECONOMY TO ABSORB, AND THERE WAS A FURTHER INCREASE IN THE UNEMPLOYMENT RATE TO 4.1 PER CENT BY MARCH THIS YEAR.

SIR MURRAY SAID THERE WERE ALSO SIGNS OF EASING IN THE PROPERTY MARKET AND OF A FALL-BACK IN PRICES.

ON THE ONE HAND, DEMAND WAS BEING DAMPENED BY HIGH PRICES AND INTEREST RATES. ON THE OTHER HAND, SUPPLY, PARTICULARLY OF COMMERCIAL PROPERTY, WAS NOW MEETING THE PREVIOUS EXCESS DEMAND.

LAND PRICES, THE GOVERNOR SAID, HAD SIMILARLY BEGUN TO EASE IN MOST AREAS, TO THE EXTENT THAT THE FORMER PRICE LEVELS IN THE PROPERTY MARKET WERE DUE TO SPECULATION.

ON DOMESTICALLY GENERATED INFLATION, SIR MURRAY SAID IT APPEARED TO HAVE MODERATED IN 1981 WITH THE GROSS DOMESTIC PRODUCT DEFLATOR NOW RUNNING AT ABOUT TEN PER CENT PER ANNUM, BUT THE RATE OF INCREASE IN CONSUMER PRICES, AT ABOUT 14 PER CENT PER ANNUM HAD CONTINUED TO BE RAPID.

THIS, HE SAID, WAS ATTRIBUTABLE TO INCREASES IN WORLD PRICES AND TO THE DEPRECIATION OF THE HONG KONG DOLLAR.

+IT IS UNDOUBTEDLY A SERIOUS MATTER FOR OUR PEOPLE,+ SIR MURRAY SAID.

+EVEN THOUGH, ON AVERAGE, MONEY INCOMES HAVE BEEN INCREASING AT AN EVEN MORE RAPID RATE AND EVEN THOUGH EMPLOYMENT IS RELATIVELY FULL, AND THAT IN THESE RESPECTS THERE HAS GENERALLY BEEN IMPROVEMENT OVER 1980, THERE ARE STILL SECTORS IN WHICH REAL INCOMES ARE STATIC OR HAVE FALLEN, AND MANY MORE IN WHICH THE RATE OF INCREASE IN REAL FAMILY INCOMES HAS NOT BEEN AS FAST AS IN THE LATTER 70'S WITH CONSEQUENTIAL DISAPPOINTMENT,+ HE ADDED.

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RELATIONS WITH CHINA EXCELLENT

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SINO-BRITISH RELATIONS CONTINUE TO BE EXCELLENT IN THEMSELVES AND OVER HONG KONG, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID IN HIS OPENING ADDRESS TO THE LEGISLATIVE COUNCIL TODAY.

+IN HONG KONG THE RELATIONS OF OUR OFFICIALS WITH THOSE OF THE CENTRAL GOVERNMENT AND THE GUANGDONG PROVINCIAL GOVERNMENT ARE FRIENDLY, PRACTICAL AND CONSTRUCTIVE,+ SIR MURRAY SAID.

THE GOVERNOR NOTED WITH SATISFACTION THE STEADY DEVELOPMENT OF ECONOMIC CO-OPERATION BETWEEN AGENCIES OF THE CHINESE GOVERNMENT, AND HONG KONG BUSINESSMEN IN HONG KONG, GUANGDONG AND OTHER PARTS OF CHINA.

+I AM CONVINCED THAT AT THIS TIME THE BEST CONTRIBUTION WE CAN MAKE TO OUR OWN FUTURE IS THE FOSTERING OF THE GROWING ECONOMIC LINKS THAT EXIST WITH OUR NEIGHBOUR.

+THESE ARE COMPLEMENTARY TO OUR VERY LARGE ECONOMIC INTERESTS IN OTHER PARTS OF THE WORLD,+ HE SAID.

ON HONG KONG'S RELATIONS WITH THE UNITED KINGDOM, SIR MURRAY NOTED THAT THIS YEAR UNFORTUNATE COINCIDENCE HAD PRODUCED ONE OR TWO DEVELOPMENTS IN THE UK THAT WERE DISAGREEABLE TO HONG KONG -- SUCH AS THE INCREASE IN UNIVERSITY FEES AND THE NATIONALITY BILL.

THE HONG KONG GOVERNMENT PUT UP A STIFF FIGHT, AND THOUGH IT HAD NO SUCCESS ON UNIVERSITY FEES IT HAD SOME OVER THE NATIONALITY BILL.

SOME HERE AFFECTED HAD HOWEVER SEEN THESE DEVELOPMENTS AS PART OF A DELIBERATE POLICY OF DISENGAGEMENT BY THE BRITISH GOVERNMENT.

THE GOVERNOR STRESSED HOWEVER THAT THEY WERE PROMPTED BY PURELY UK CONSIDERATIONS +TOTALLY UNCONNECTED WITH HONG KONG+. THEIR TIMING WAS PURE COINCIDENCE AND THE MOST SATISFACTORY ASSURANCES OF CONTINUED UK SUPPORT FOR HONG KONG WERE GIVEN.

+INDEED IT IS IRONIC THAT SUCH INTENTION SHOULD HAVE BEEN SUSPECTED OF A UK GOVERNMENT WHOSE MEMBERS HAVE BEEN SO HELPFUL TO HONG KONG AND FREQUENTLY SPOKEN SO WARMLY OF IT,+ SIR MURRAY SAID.

HE ADDED, +I BELIEVE THAT IN RECENT YEARS THERE HAS BEEN A WIDER UNDERSTANDING IN PARLIAMENT OF HONG KONG, ITS PROBLEMS AND ITS ACHIEVEMENTS, AND THIS HAS BEEN DUE IN NO SMALL MEASURE, NOT ONLY TO THE VIGOUR OF SUCCESSIVE HONG KONG COMMISSIONERS, BUT ALSO TO THE WORK OF THE ALL-PARTY PARLIAMENTARY GROUP UNDER THE CHAIRMANSHIP OF SIR PAUL BRYAN.+

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IMPORTANCE OF DISTRICT ADMINISTRATION SCHEME

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IT IS THE GOVERNMENT'S DUTY TO ENSURE THE PUBLIC UNDERSTAND THE DISTRICT ADMINISTRATION SCHEME AND REALISE THE NEED FOR LOCAL PUBLIC INVOLVEMENT IN IT, AND UNDERSTAND HOW THEY CAN REGISTER AND VOTE.

THIS WAS STATED BY THE GOVERNOR, SIR MURRAY MACLEHOSE, DURING HIS OPENING ADDRESS IN THE LEGISLATIVE COUNCIL TODAY.

SIR MURRAY SAID: +I ATTACH GREAT IMPORTANCE TO THE NEW FORM OF ADMINISTRATION AND PUBLIC PARTICIPATION NOW BEING CREATED IN EACH DISTRICT.

+INDEED WITHOUT IT I DO NOT SEE HOW THE PLANS FOR DEVELOPMENT SPREADING OUT AND PROVIDING FOR THE NEEDS OF HONG KONG THAT I HAVE DESCRIBED CAN BE CARRIED THROUGH EFFECTIVELY AND IN ACCORDANCE WITH THE WISHES OF RESIDENTS.+

SIR MURRAY SAID THE REFORM IN ADMINISTRATION FOLLOWS AN EVOLUTION THAT HAS BEEN TAKING PLACE OVER A PERIOD OF YEARS.

+SO THOUGH THE FORM IS ENTIRELY NEW TO HONG KONG IT IS NOT A STEP IN THE DARK, NOR DOES IT CIRCUMSCRIBE THE ESSENTIAL POWERS OF THE CENTRAL GOVERNMENT OR OF THIS COUNCIL, THE URBAN COUNCIL OR THE TRADITIONAL ROLE OF THE HEUNG YEE KUK.

+NEVERTHELESS THIS PARTNERSHIP IN DISTRICT ADMINISTRATION WILL PRODUCE NEW AND MUCH SHARPER FOCUS ON THE NEEDS OF EACH DISTRICT, AND WILL DO SO IN THE LIGHT OF THE VIEWS OF THE REPRESENTATIVES OF EACH DISTRICT.

+IT SHOULD MAKE GOVERNMENT LESS FACELESS AND MORE ACCESSIBLE AND RESPONSIVE. IT WILL ALSO PROVIDE A NEW OPPORTUNITY TO PLAY A PART IN ADMINISTRATION TO LARGE NUMBERS OF PEOPLE,+ SIR MURRAY SAID.

SO FAR IN THE NEW TERRITORIES, 90 000 APPLICATIONS FOR REGISTRATION HAVE BEEN RECEIVED. REGISTRATION WILL TAKE PLACE IN THE CITY DISTRICTS IN MARCH AND APRIL NEXT YEAR AND ELECTIONS WILL BE HELD IN SEPTEMBER.

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IMPROVEMENTS IN SOCIAL SECURITY AND SERVICES

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ALTERNATIVE PROPOSALS HAVE NOW BEEN FORMULATED TO REPLACE THE SEMI-VOLUNTARY CONTRIBUTORY SICKNESS, INJURY AND DEATH BENEFIT SCHEME ADVOCATED IN THE 1977 GREEN PAPER +HELP FOR THOSE LEAST ABLE TO HELP THEMSELVES+, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID TODAY.

THE PROPOSALS, AGREED BY THE LABOUR ADVISORY BOARD AND BOTH SIDES OF INDUSTRY, WILL COVER THE SAME RISKS WITHOUT EMPLOYEE CONTRIBUTION UNDER THE EMPLOYMENT ORDINANCE.

SIR MURRAY SAID THE PROPOSALS ENVISAGE:

- \* ENTITLEMENT TO SICK LEAVE WITH PAY UNDER THE ORDINANCE BEING EXTENDED UP TO AN ACCUMULATED MAXIMUM OF 120 DAYS.
- \* A DEATH GRANT BEING PAYABLE TO FAMILY OF A WAGE-EARNER AT A FLAT RATE OF \$3 000 IF DEATH OCCURS DURING EMPLOYMENT, AND SUBJECT TO A QUALIFYING PERIOD OF SERVICE-

WHERE THIS DEATH GRANT IS NOT PAYABLE BY THE EMPLOYER, AN EQUIVALENT GRANT, SUBJECT TO CERTAIN CONDITIONS, WOULD BE PAYABLE WITHOUT MEANS-TEST UNDER THE SPECIAL NEEDS ALLOWANCE SCHEME ADMINISTERED BY THE SOCIAL WELFARE DEPARTMENT.

AMENDMENTS TO THE EMPLOYMENT ORDINANCE DEALING WITH THESE MATTERS WILL BE INTRODUCED DURING THE CURRENT SESSION OF THE COUNCIL AND ARRANGEMENTS TO INTRODUCE THE DEATH GRANT UNDER THE SPECIAL NEEDS ALLOWANCE SCHEME ARE BEING MADE.

ON PUBLIC ASSISTANCE SCHEME AS A WHOLE, SIR MURRAY SAID THE PAST YEAR HAD SEEN SIGNIFICANT IMPROVEMENTS IN BENEFITS PAYABLE UNDER THE SCHEME.

THE IMPORTANCE OF PERSONAL SOCIAL WORK IN +THIS CROWDED CITY+ IS OBVIOUS, AND HAS BEEN UNDERLINED BY THE WORKING GROUP ON JUVENILE CRIME.

ON CHANGES IN THE SUBVENTION SYSTEM, SIR MURRAY SAID THAT, SUBJECT TO THE NECESSARY FUNDS BEING VOTED BY FINANCE COMMITTEE, WITH EFFECT FROM 1982, PRIORITY I SERVICES WILL BE SUBVENTED ON FULL ASSESSED COSTS, WHILE PRIORITY II SERVICES WILL BE SUBVENTED IN A SUM BASED ON A DEFINED PERCENTAGE OF ASSESSED COSTS.

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100 HECTARES OF LAND AVAILABLE THIS YEAR

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THE GOVERNMENT HOPES TO SELL CLOSE ON 100 HECTARES OF LAND THIS YEAR, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE LEGISLATIVE COUNCIL TODAY.

HE WAS CONFIDENT THAT THE GOVERNMENT WOULD ACHIEVE AT LEAST A SIMILAR LEVEL OF SALES IN 1982/83.

SIR MURRAY POINTED OUT THAT THE TARGETS SET BY THE SPECIAL COMMITTEE ON LAND SUPPLY, CHAIRED BY THE HON MISS LYDIA DUNN, CALLED FOR THE SALE IN 1982/83 OF AT LEAST 58 HECTARES OF LAND FOR PRIVATE DEVELOPMENT.

+NEVERTHELESS WE MUST AIM AS FAR AS POSSIBLE TO EXCEED THESE TARGETS IN ORDER TO FURTHER HOUSING AND DIVERSIFICATION AND TO ASSIST IN STABILISING LAND PRICES,+ THE GOVERNOR EXPLAINED.

ON LAND PRODUCTION, THE GOVERNOR SAID THAT IN 1982/83, TOTAL LAND FORMATION WAS EXPECTED TO REACH 580 NET HECTARES, WITH 84 HECTARES DESIGNATED FOR INDUSTRIAL DEVELOPMENT INCLUDING 34 HECTARES TO BE FORMED BY THE INDUSTRIAL ESTATES CORPORATION, 48 FOR COMMERCIAL AND PRIVATE RESIDENTIAL DEVELOPMENT AND 448 FOR PUBLIC PURPOSES, INCLUDING PUBLIC HOUSING, COMMUNITY FACILITIES AND ROADS.

TOTAL LAND FORMATION IN 1983/84 AND 1984/85 IS EXPECTED TO BE ON AVERAGE ABOUT 12 PER CENT MORE THAN THESE FIGURES FOR 1982/83, THE GOVERNOR ADDED.

+ALTHOUGH IN THEMSELVES THEY REPRESENT A STARTLING ADVANCE UPON LAND PRODUCTION IN THE LATE 1970'S, THEY ARE NO MORE THAN SUFFICIENT TO MEET OUR MINIMUM NEEDS AND EVERY EFFORT IS BEING MADE TO IMPROVE ON THEM,+ SIR MURRAY SAID.

THE GOVERNOR ALSO CALLED ON THE PRIVATE SECTOR TO PLAY AN IMPORTANT PART IN LAND PRODUCTION.

+OUR FIRM INTENTION IS TO EXPAND CONSIDERABLY THE OPPORTUNITIES FOR THE PRIVATE SECTOR TO BECOME INVOLVED IN THIS VITAL FIELD OF ACTIVITY.

+IN PARTICULAR, I WOULD WISH TO SEE DIRECT PRIVATE SECTOR PARTICIPATION IN COMPREHENSIVE LAND PRODUCTION AND DEVELOPMENT AND ON A SCALE MUCH GREATER THAN EVER BEFORE.

+THE NEW TOWN DEVELOPMENT PROGRAMME AND OTHER LARGE-SCALE DEVELOPMENT IN THE NEW TERRITORIES WILL PROVIDE THE NECESSARY OPPORTUNITIES,+ THE GOVERNOR SAID.

ON COMMERCIAL AND INDUSTRIAL BUILDING, SIR MURRAY SAID THE TOTAL STOCK OF FLOOR SPACE WOULD INCREASE BY 11 PER CENT THIS YEAR, AND BY A FURTHER 12 PER CENT NEXT YEAR.

/SIMILARLY, .....

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SIMILARLY, SUBSTANTIAL PROGRESS HAD BEEN MADE WITH THE CONSTRUCTION OF FACTORY SPACE OF WHICH THE TOTAL AREA WOULD INCREASE BY 11 PER CENT THIS YEAR AND 13 PER CENT NEXT.

+TAKEN TOGETHER A FURTHER 2.9 MILLION SQUARE METRES WILL BE ADDED TO OUR COMMERCIAL AND INDUSTRIAL FLOOR SPACE BRINGING THE INCREASE IN TOTAL STOCK OVER THE TWO-YEAR PERIOD TO A STAGGERING 25 PER CENT,+ HE SAID.

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#### LAND PRICE NOT TO BE INCLUDED IN HOME SALES PLAN \* \* \* \* \*

THE GOVERNMENT HAS DECIDED TO REVISE THE HOME OWNERSHIP SCHEME SO THAT PRICES OF HOS UNITS WOULD BE REDUCED TO ABOUT HALF OF THOSE IN THE FREE MARKET, WELL WITHIN THE MEANS OF THE FAMILIES FOR WHOM THE SCHEME IS INTENDED, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY.

+IN FUTURE, AS IN PUBLIC HOUSING ESTATES FOR RENTAL, LAND VALUE WILL BE EXCLUDED FROM THE CHARGE,+ HE SAID.

THIS WILL MEAN THAT THE HIGH LAND VALUES THAT HAVE BEEN INCLUDED IN THE PRICE DO NOT FRUSTRATE THE SOCIAL PURPOSE OF THE AVERAGE OF 5 000 UNITS A YEAR TO BE BUILT UNDER THE SCHEME.

HOWEVER, THE GOVERNOR POINTED OUT THAT WITH SUCH FAVOURABLE AND SUBSIDISED TERMS THERE MUST BE SAFEGUARDS AGAINST PROFITEERING ON RESALE.

+THE PROPOSAL IS TO FORBID RESALE, EXCEPT TO THE HOUSING AUTHORITY, FOR THE FIRST 10 YEARS, THEREAFTER A PREMIUM WOULD BE PAYABLE ON SALE TO MAKE GOOD TO THE GOVERNMENT THE LARGE ELEMENT OF SUBSIDY IN THE ORIGINAL PRICE ADJUSTED TO CURRENT OPEN MARKET PRICES,+ SIR MURRAY SAID.

SIR MURRAY SAID SIMILAR ARRANGEMENTS WOULD ALSO APPLY TO THE ADDITIONAL 5 000 UNITS A YEAR PLANNED FOR SALE IN THE PRIVATE SECTOR PARTICIPATION SCHEME, AND THE FURTHER 2 500 PLANNED FOR THE MIDDLE INCOME HOUSING PROGRAMME.

+THUS THERE WILL BE 12 500 UNITS A YEAR FOR SALE AT PRICE WELL WITHIN THE MEANS OF THE MIDDLE AND LOWER INCOME GROUPS, INSULATED AGAINST THE VAGARIES OF THE LAND MARKET,+ SIR MURRAY SAID.

SINCE COMPLETIONS ON THIS SCALE ARE ESSENTIAL TO OUR NEEDS, HE ADDED, +IF SITES OFFERED TO THE PRIVATE SECTOR PARTICIPATION SCHEME DO NOT ATTRACT ADEQUATE TENDERS THEY WILL BE TAKEN OVER AND DEVELOPED AS PART OF THE HOME OWNERSHIP SCHEME.+

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### PRIVATE SECTOR HOUSING

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ABOUT 71 500 HOUSING UNITS WOULD BE COMPLETED BY THE PRIVATE AND PUBLIC SECTORS IN THE CURRENT YEAR, COMPARED WITH 59 100 UNITS FOR LAST YEAR, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY.

OF THESE, THE FORECAST IS FOR THIS YEAR'S TOTAL TO EXCEED 31 000 UNITS IN THE PRIVATE SECTOR, WHILE THE ANNUAL COMPLETION OF PUBLIC SECTOR UNITS SHOULD STEADILY RISE FROM THE CURRENT LEVEL OF AT LEAST 35 000 UNITS TO OVER 42 000 BY 1985/86.

THE GOVERNOR POINTED OUT THAT THE DIMENSIONS OF THE HOUSING SHORTAGE WERE VERY HARD TO QUANTIFY WITH ACCURACY.

THE GOVERNOR SAID: +A COMPARISON ON THE NUMBER OF HOUSEHOLDS RECORDED IN THE CENSUS AGAINST OUR STOCK OF SELF-CONTAINED FLATS IN THE PUBLIC AND PRIVATE SECTORS PRODUCES A SHORTAGE OF SOME 260 000 FLATS. THIS IS ON VARIOUS ASSUMPTIONS INCLUDING THAT 50 PER CENT OF ONE AND TWO PERSON HOUSEHOLDS WILL CONTINUE TO SHARE ACCOMMODATION WITH OTHERS.

+IF WE SUCCEED IN COMPLETING AN AVERAGE, AND I STRESS THE WORD AVERAGE, OF ABOUT 40 000 A YEAR IN THE PUBLIC AND 26 000 A YEAR IN THE PRIVATE SECTOR, OVER THE NEXT FIVE YEARS, THAT IS TO SAY 330 000 NEW FLATS BY THE END OF THE FINANCIAL YEAR 85/86, AFTER ALLOWING FOR INCREASE IN POPULATION AND DEMOLITION OF EXISTING FLATS FOR REDEVELOPMENT AND THE TREND TOWARDS THE FORMATION OF MORE, SMALLER HOUSEHOLDS, THE SHORTFALL SHOULD BE REDUCED TO ABOUT 90 000 AND UNFORESEEN CIRCUMSTANCES APART THE PROBLEM SHOULD BE REDUCED TO MANAGEABLE PROPORTIONS IN THE SECOND HALF OF THIS DECADE.+

THERE WERE TWO FURTHER POINTS ON THIS IMPORTANT SUBJECT.

+FIRSTLY THE SOLUTION TO THIS PROBLEM ASSUMES A LARGE CONTRIBUTION BY THE PRIVATE SECTOR. CONSEQUENTLY IF PRIVATE SECTOR PRODUCTION FALLS OFF, EITHER WAYS OF ENCOURAGING IT, OR AN INCREASE IN GOVERNMENT CONSTRUCTION, MUST BE CONSIDERED.

+SECONDLY THE SHARP RISE IN LAND AND PROPERTY PRICES, IN ADDITION TO INTEREST RATES, HAS GREATLY AGGRAVATED THE EFFECTS OF HOUSING SHORTAGE. HOUSING OTHERWISE AVAILABLE HAS BECOME BEYOND THE MEANS OF THOSE WHO NEED IT, THE PROPORTION OF FAMILY INCOMES SPENT ON RENTS OR MORTGAGES HAS BEEN GROSSLY INFLATED. THIS IS PERHAPS THE GREATEST SINGLE CAUSE OF UNHAPPINESS AND WORRY IN HONG KONG AT THIS TIME.

+YOU WILL NOTE THAT THE GOVERNMENT'S ANSWER IS TO BUILD OVER 42 000 FLATS A YEAR WHICH WILL BE EITHER SOLD OR RENTED ON A BASIS THAT TOTALLY EXCLUDES LAND VALUE ON THE OPEN MARKET,+ THE GOVERNOR SAID.

/REFERRING TO .....

REFERRING TO THE COMMITTEE OF REVIEW WHICH STUDIED THE LEGISLATION DEALING WITH RENT CONTROLS, SIR MURRAY SAID THAT A LARGE NUMBER OF RECOMMENDATIONS MADE BY THE COMMITTEE REMAINED TO BE PUT INTO EFFECT.

+LEGISLATION WILL BE INTRODUCED THIS SESSION, TO ESTABLISH A TRIBUNAL SYSTEM TO PROVIDE REASONABLE SECURITY OF TENURE TO TENANTS OF PREMISES NOT OTHERWISE PROTECTED BY THE ORDINANCE AND WHO ARE PREPARED TO PAY A FAIR MARKET RENT, ADDITIONAL PROTECTION FOR SUB-TENANCIES, AND SAFEGUARDS WITH REGARD TO THE REDEVELOPMENT OF CONTROLLED PREMISES,+ THE GOVERNOR SAID.

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#### NEW LAWS TO PROTECT ENVIRONMENT

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NEW LAWS ON ENVIRONMENTAL PROTECTION WILL BE INTRODUCED DURING THE CURRENT LEGISLATIVE COUNCIL SESSION, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY (WEDNESDAY).

THESE WILL COVER AIR POLLUTION, ILLEGAL DUMPING OF EARTH AND TRADE WASTE, AND THE PROVISION OF REFUSE STORAGE CHAMBERS IN CERTAIN MULTI-STOREY BUILDINGS.

SIR MURRAY SAID REGULATIONS GOVERNING DISPOSAL OF TOXIC AND HAZARDOUS WASTES SHOULD BE BROUGHT INTO FORCE DURING THIS SESSION, AND WORK IS ALSO CONTINUING ON THE DRAFTING OF A NOISE CONTROL BILL.

POLLUTION IN HONG KONG HAD GROWN RAPIDLY, PARTICULARLY WATER POLLUTION, HE SAID, AND AS A COMMUNITY WE ARE BECOMING PAINFULLY AWARE OF WHAT IS AT STAKE.

THE FIRST STEP HAD BEEN TO ENGAGE EXPERTS TO EXAMINE OUR PROBLEMS AND ADVISE ON SUITABLE LEGISLATION. THIS COMPLICATED PROCESS IS FAR ADVANCED, HE SAID, NOTING THAT THE WATER POLLUTION CONTROL AND WASTE DISPOSAL ORDINANCES WERE ENACTED LAST YEAR.

THE GOVERNOR SAID THE ENVIRONMENTAL PROTECTION AGENCY HAD BEEN ESTABLISHED TO PROVIDE EXPERTISE, SCIENTIFIC DATA AND CO-ORDINATION ON ALL ASPECTS OF POLLUTION AND ITS CONTROL.

+WITH THIS LEGISLATIVE ADMINISTRATIVE GROUNDWORK DONE, THE DIFFICULT WORK OF ENFORCEMENT OF CAREFULLY PHASED PLANS OF POLLUTION CONTROL WILL GRADUALLY GATHER MOMENTUM.+

TO MARK THIS NEW PHASE, HE ADDED, THE CHAIRMANSHIP OF THE ENVIRONMENTAL PROTECTION COMMITTEE HAD BEEN RESTORED TO AN UNOFFICIAL, IN THIS CASE MR H.M.G. FORSGATE.

SIR MURRAY NOTED THAT SOME 408 SQUARE KILOMETRES, NEARLY HALF THE TERRITORY, HAD BEEN DESIGNATED AS COUNTRY PARKS, WITH A STAFF OF OVER 1 330 TO PRESERVE THE AREAS' NATURAL BEAUTY AND TO ENCOURAGE ENJOYMENT AND KNOWLEDGE OF THE COUNTRYSIDE.

UP TO 100 000 PEOPLE MADE USE OF THE COUNTRY PARKS ON WEEKENDS IN THE DRY WEATHER.

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EXPANSION IN MEDICAL SERVICES OUTLINED  
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HONG KONG WILL INCREASE ITS STOCK OF HOSPITAL BEDS FROM THE PRESENT 20 800 TO 36 300 AND ACHIEVE THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE'S TARGET OF 5.7 BEDS PER 1 000 POPULATION BY 1990, COMPARED TO 4 BEDS PER 1 000 POPULATION NOW.

THIS WAS STATED BY THE GOVERNOR, SIR MURRAY MACLEHOSE, WHEN HE OUTLINED A SERIES OF DEVELOPMENT PROGRAMMES IN MEDICAL AND HEALTH SERVICES, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE DEVELOPMENT PLANS INCLUDE:

- \* THE NEWLY BUILT 600-BED CARDIOTHORACIC CENTRE AT THE GRANTHAM HOSPITAL WHICH WILL PROVIDE THE MOST UP-TO-DATE AND SOPHISTICATED TREATMENT TECHNIQUES FOR HEART DISEASES NEXT YEAR-
- \* THE 1 400-BED PRINCE OF WALES HOSPITAL AT SHATIN WHICH WILL SERVE AS THE TEACHING HOSPITAL FOR HONG KONG'S SECOND MEDICAL SCHOOL AT THE CHINESE UNIVERSITY OF HONG KONG AS WELL AS THE REGIONAL HOSPITAL FOR THE EASTERN NEW TERRITORIES-
- \* A NEW REGIONAL HOSPITAL FOR THE WESTERN NEW TERRITORIES AT TUEN MUN CONSTRUCTION OF WHICH WILL START NEXT YEAR-
- \* NEW GOVERNMENT HOSPITALS IN EAST KOWLOON, TAI PO AND SHAU KEI WAN WITH CAPACITIES RANGING FROM 1 200 TO 1 500 BEDS EACH- AND
- \* MAJOR EXTENSIONS FOR POK OI HOSPITAL (200 BEDS), YAN CHAI HOSPITAL (500 BEDS) AND UNITED CHRISTIAN HOSPITAL (775 BEDS).

AND IN ORDER TO RELIEVE PRESSURE ON ACUTE HOSPITAL BEDS, THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE HAS ENDORSED A PROGRAMME FOR THE PROVISION OF INFIRMARIES FOR PATIENTS REQUIRING LONG TERM CARE, THE GOVERNOR SAID.

SIR MURRAY SAID IT WAS THE GOVERNMENT'S INTENTION TO CONCENTRATE FUTURE PROVISION OF CLINIC SERVICES IN THE NEW TOWNS AND IN OUTLYING AREAS WHERE THERE WERE FEWER PRIVATE MEDICAL PRACTITIONERS.

+OUR PLANS INVOLVE ALMOST DOUBLING THE PRESENT NUMBER OF CONSULTING ROOMS FROM 254 TO 486, AND ACHIEVING A RATIO OF 7.6 CONSULTING ROOMS PER 100 000 POPULATION BY 1990, COMPARED TO 5.4 AT PRESENT.+

+ON PRESENT FORECASTS, AND PARTICULARLY IN REGARD TO DOCTORS THERE WILL BE A SHORTFALL, EVEN ON EXISTING STANDARDS, LET ALONE IMPROVED ONES. IT IS THEREFORE RATHER DOUBTFUL THAT THIS EXPANSION OF SERVICES CAN ALL BE COMPLETED BY 1990 AS RECOMMENDED BY THE ADVISORY COMMITTEE.

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TRANSPORT PROJECTS COST \$4 BILLION  
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THE GOVERNMENT IS TO SPEND \$4 BILLION ON TRANSPORT PROJECTS THIS YEAR, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID TODAY.

MAJOR IMPROVEMENTS WOULD BE COMING INTO SERVICE ALL WITHIN A YEAR, SUCH AS THE ABERDEEN TUNNEL, THE AIRPORT TUNNEL, THE TSUEN WAN EXTENSION OF THE MASS TRANSIT RAILWAY AND THE MODERNISATION OF THE KOWLOON-CANTON RAILWAY AND ITS INTERCHANGE WITH THE MTR.

HOWEVER, HE SAID, IT WOULD NOT BE UNTIL BETWEEN 1984 AND 1986 THAT SOME MAJOR AREAS OF CONGESTION ARE CLEARED BY COMPLETION OF THE ISLAND LINE AND EASTERN CORRIDOR, THE KOWLOON WESTERN CORRIDOR, THE TSUEN WAN BY-PASS AND THE NEW TERRITORIES CIRCULAR ROAD.

+EARLY RELIEF THROUGH WORKS IS THEREFORE NOT POSSIBLE IN MANY PLACES AND MEANWHILE WE MUST FACE THE FACT THAT OUR TOTAL VEHICLE POPULATION HAS INCREASED BY 64 PER CENT IN FIVE YEARS AND PRIVATE CARS BY 75 PER CENT.

+NO DOUBT IT IS THE RESULT OF UNEXPECTEDLY HIGH AND CONSISTENT PROSPERITY, BUT THE CONSEQUENCE IS SERIOUS CONGESTION.

+I AM AFRAID THAT THE QUESTION HAS BECOME NO LONGER WHETHER RESTRAINTS ON ROAD USE ARE NECESSARY, BUT ONLY WHAT WOULD BE THE MOST EFFECTIVE AND LEAST INCONVENIENT FORM THAT THEY SHOULD TAKE,+ THE GOVERNOR SAID.

IN ADDITION, THERE WERE MANY MAJOR TRANSPORT PROBLEMS TO BE STUDIED AND SOLVED.

+THEY INCLUDE A FURTHER CROSS-HARBOUR LINK, ACCESS TO THE NEW DEVELOPMENT AREA IN JUNK BAY, TRANSPORT FACILITIES TO LINK WITH KOWLOON THE VERY LARGE ADDITIONAL TOWN THAT WILL SHORTLY BE BUILT BETWEEN SHA TIN AND MA ON SHAN, AND OF COURSE THE SITING AND TRANSPORT SUPPORT FOR A NEW AIRPORT,+ THE GOVERNOR SAID.

SIR MURRAY ADDED THAT WITH MANY IMMEDIATE, MEDIUM AND LONG TERM PROBLEMS TO SOLVE, OF SUCH A HIGHLY TECHNICAL AND CONTENTIOUS NATURE, THE GOVERNMENT HAD SET UP A NEW TRANSPORT BRANCH IN THE SECRETARIAT HEADED BY ITS OWN SECRETARY, AND WAS ALSO STRENGTHENING THE TRANSPORT DEPARTMENT BY THE TRANSFER OF SOME STAFF FROM THE HIGHWAYS OFFICE OF THE PUBLIC WORKS DEPARTMENT.

+THE SECRETARY FOR TRANSPORT AND HIS BRANCH AND PLANNING UNIT WILL WORK IN THE CLOSEST POSSIBLE COLLABORATION WITH THE SECRETARY FOR LANDS AND WORKS AND WITH THOSE RESPONSIBLE FOR NEW DEVELOPMENT WHETHER IN THE URBAN AREA OR THE NEW TERRITORIES,+ HE SAID.

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LONG-TERM MANPOWER PLANNING TO OFFSET PROFESSIONAL SHORTAGES  
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THE GOVERNMENT IS DEVELOPING LONG-TERM MANPOWER PLANNING IN CONJUNCTION WITH THE UNIVERSITIES AND THE POLYTECHNIC TO COUNTER THE SHORTAGE OF TECHNICAL AND PROFESSIONAL MANPOWER.

REVIEWING THE PUBLIC SERVICE IN HIS OPENING ADDRESS TO THE LEGISLATIVE COUNCIL, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID THAT AT THE SAME TIME NEW ARRANGEMENTS HAVE BEEN INTRODUCED FOR EXTENSIONS OF SERVICE TO BE GRANTED AFTER THE AGE OF 55 TO ENSURE THAT THE GOVERNMENT DOES NOT DEPRIVE ITSELF OF THE CONTRIBUTION THAT EFFICIENT AND EXPERIENCED OFFICERS, ESPECIALLY THOSE IN SENIOR RANKS, CAN MAKE.

HE SAID THE GOVERNMENT HAD CONTINUED TO PUT A GREAT DEAL OF EFFORT IN BUILDING AN EFFECTIVE, COMMITTED AND WELL TRAINED PUBLIC SERVICE, AND TO IMPROVING CONDITIONS AND STAFF RELATIONS IN THE CIVIL SERVICE.

THE HOME PURCHASE SCHEME FOR PUBLIC SERVANTS AS AN ALTERNATIVE OPTION TO RENT ALLOWANCES WOULD BE IMPLEMENTED BEFORE THE END OF THE YEAR, HE SAID.

THIS WAS A NEW DEPARTURE, HE ADDED, AND WE MUST SEE HOW IT WORKS OUT IN PRACTICE UNDER PRESENT FINANCIAL CIRCUMSTANCES. +BUT I AM CONVINCED THAT THE SCHEME IS RIGHT IN PRINCIPLE.+

SIR MURRAY SAID THE INDEPENDENT COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE HAD PLAYED A KEY PART IN IMPROVING CIVIL SERVICE CONDITIONS AND STAFF RELATIONS. +ITS WORK IS BOTH HARD AND PAINSTAKING AND IT IS STEADILY RATIONALISING THE STRUCTURE AND SALARY LEVELS OF THE SERVICE.+

AMONGST THE NEW MEASURES INTRODUCED, THE GOVERNOR NOTED, WERE THE PROPOSED ESTABLISHMENT OF A CENTRAL CONSULTATIVE COUNCIL FOR JUNIOR CIVIL SERVANTS, THE SETTING-UP OF MORE DEPARTMENTAL STAFF CONSULTATIVE COUNCILS, AND THE CREATION OF NEW STAFF RELATIONS AND MANAGEMENT UNITS IN THE LARGER DEPARTMENTS.

SIR MURRAY ALSO REFERRED TO THE CIVIL SERVANTS' ADVISORY OFFICE SET UP IN MARCH THIS YEAR TO DEAL WITH THE LONG-STANDING PROBLEM OF INDEBTEDNESS IN THE PUBLIC SERVICE.

IN THE FIRST SIX MONTHS OF ITS OPERATION, 3 019 APPLICATIONS WERE RECEIVED AND OVER £38.5 MILLION WORTH OF LOANS WERE RECOMMENDED BY THE OFFICE TO THE PARTICIPATING BANKS FOR FINANCING.

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STEADY PROGRESS IN WORK FOR DISABLED  
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STEADY PROGRESS IS BEING MADE TOWARDS ACHIEVING THE OBJECTIVES OF REHABILITATING THE DISABLED OUTLINED IN THE 1977 WHITE PAPER, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID.

THE INTERNATIONAL YEAR OF THE DISABLED PERSON, COUPLED WITH DR HARRY FANG'S ELECTION AS PRESIDENT OF REHABILITATION INTERNATIONAL, HAS ALSO HELPED OUR COMMUNITY TO FOCUS ON THE PROBLEMS OF THE DISABLED, HE SAID.

+THE ACTIVITIES OF THE YEAR ATTEMPT TO AWAKEN US TO THE PROBLEMS AND NEEDS OF THE DISABLED, AND TO DEMONSTRATE HOW WE CAN ASSIST THEIR INTEGRATION.

+THE LATTER IS OUR DECLARED POLICY AND THE THEME FOR THE YEAR AND THERE ARE SIGNS OF SUCCESS.+

SIR MURRAY SAID IT IS IMPORTANT TO MAINTAIN MOMENTUM AND THE PUBLIC EDUCATION CAMPAIGN STARTED IN THE INTERNATIONAL YEAR OF THE DISABLED PERSON NEEDS TO CONTINUE.

ON THE PROGRESS MADE, SIR MURRAY SAID THAT THE DEVELOPMENTAL SCREENING PROGRAMME COVERING CHILDREN FROM BIRTH TO THE AGE OF FIVE WHICH FIRST STARTED IN PART-TIME CENTRES IN 1978 IS NOW AVAILABLE IN 34 FAMILY HEALTH CENTRES PERFORMING 100 000 EXAMINATIONS A YEAR.

THE SCHOOL SCREENING SERVICE CARRIES ON THE WORK OF THE DEVELOPMENTAL SCREENING PROGRAMME, AND AUDIOMETRIC SCREENING IS BEING EXTENDED TO ALL PRIMARY 1 PUPILS THIS YEAR. VISION SCREENING WILL BE EXTENDED TO ALL PRIMARY 1 PUPILS IN 1982 AND SPEECH SCREENING TO ALL PRIMARY 3 PUPILS IN 1984/85.

IN SPECIAL EDUCATION THE CURRENT PROVISION OF 28 860 PLACES MORE THAN DOUBLES THE 1977 FIGURE OF 12 160.

BUT LARGE SHORTFALLS REMAIN, SIR MURRAY SAID, PARTICULARLY IN PROVISION FOR THE MENTALLY HANDICAPPED AND SLOW LEARNERS.

+THIS IS COMPOUNDED BY A LACK OF TEACHERS AND LACK OF ENTHUSIASM AMONG SCHOOL SPONSORS FOR EXPANDING SPECIAL CLASSES FOR SLOW LEARNERS IN ORDINARY SCHOOLS.+

NEVERTHELESS, HE SAID, OVER 3 000 ADDITIONAL SPECIAL PLACES ARE BEING PROVIDED IN 1981/82.

FOR THE MENTALLY ILL, KWAI CHUNG HOSPITAL WILL PROVIDE AN ADDITIONAL 1 340 BEDS BRINGING THE TOTAL PROVISION TO NEARLY 3 800.

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A FURTHER 1 670 BEDS FOR THE MENTALLY ILL ARE PLANNED FOR THE PERIOD TO 1990, TOGETHER WITH A FURTHER 500 BEDS FOR THE SEVERELY MENTALLY HANDICAPPED, WHEN THE ESTIMATED SHORTFALLS SHOULD BE LARGELY, THOUGH NOT WHOLLY, ELIMINATED.

SIGNIFICANT IMPROVEMENTS CAN ALSO BE EXPECTED IN MEDICAL REHABILITATION SERVICES WHEN THE NEW CENTRE OF THE HONG KONG SOCIETY FOR REHABILITATION AT SANDY BAY IS COMPLETED IN 1983, SIR MURRAY SAID.

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### NEED FOR MUTUAL RESPECT AND RESTRAINT EMPHASISED

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY SOUNDED A NOTE OF WARNING AGAINST +THE UGLY FACE OF CAPITALISM+ AND STRESSED THE NEED FOR MUTUAL RESPECT AND RESTRAINT.

SUMMING UP HIS WIDE RANGING ADDRESS TO THE OPENING OF THE NEW LEGISLATIVE COUNCIL SESSION, SIR MURRAY NOTED THAT THERE HAD BEEN EXCESSIVE SPECULATION IN REAL ESTATE AND SOME SOCIALLY DISRUPTIVE TRANSACTIONS.

+IT IS ALL VERY WELL TO SAY THAT IN A FREE ECONOMY ONE MUST TAKE THE ROUGH WITH THE SMOOTH- BUT THOSE WHO TAKE THE ROUGH ARE SO SELDOM THOSE WHO ENJOYED THE SMOOTH,+ HE SAID, ADDING THAT THIS REFERRED ONLY TO A VERY FEW.

HE POINTED OUT THAT WHAT IS CALLED +THE UGLY FACE OF CAPITALISM+ WAS NOTABLY ABSENT IN THE RECESSION OF 1974/75 AND THE SUBSEQUENT RECOVERY, AND THIS WAS ONE OF THE REASONS HONG KONG CAME THROUGH IT SO WELL.

+NOW WHEN THE ECONOMY AS A WHOLE IS DOING COMPARATIVELY WELL, AND LOOKS LIKE CONTINUING TO DO SO, THERE ARE SIGNS OF THIS LESSON BEING FORGOTTEN BY SOME,+ SIR MURRAY SAID.

GOVERNMENT ACTIVITY, HE SAID, SHOULD PROVIDE THE FRAMEWORK FOR AN ECONOMIC SOCIETY WHICH SHOULD BE AS FREE AS POSSIBLE. BUT THIS, HE STRESSED, ASSUMED THAT THE USE OF THIS FREEDOM DOES NOT RUN COUNTER TO THE CONDITIONS OF OUR SURVIVAL, NAMELY THAT AS A SOCIETY WE REMAIN COHESIVE AND RESPECTED.

+OUR ECONOMY DEPENDS ON THE DEVELOPMENT OF SOUND INDUSTRY, SOUND COMMUNICATIONS, AND SOUND FINANCIAL INSTITUTIONS, BASED ON A DECENTLY HOUSED SOCIETY WHOSE ELEMENTS OBSERVE MUTUAL RESPECT AND RESTRAINT.

+SO LONG AS THE INGENIOUS AND ADMIRABLY INTENSE ECONOMIC ACTIVITY OF HONG KONG CONCENTRATES ON THESE PRODUCTIVE OBJECTIVES, I AM CONVINCED THAT OTHER MEDIUM AND LONG TERM FACTORS ARE VERY GREATLY IN OUR FAVOUR,+ THE GOVERNOR SAID.

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IMPROVED EMPLOYMENT CONDITIONS FOR WORKERS  
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FURTHER AMENDMENTS TO THE EMPLOYEE'S COMPENSATION ORDINANCE COVERING THE INTRODUCTION OF COMPULSORY INSURANCE, THE ESTABLISHMENT OF A MORE EFFECTIVE MACHINERY FOR ASSESSING COMPENSATION, AND MEASURES TO EXPEDITE SETTLEMENT OF COMPENSATION CLAIMS WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL DURING THE CURRENT SESSION, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY.

THESE ARE IN ADDITION TO THE PROVISION OF IMPROVED SICK LEAVE ENTITLEMENT AND A DEATH GRANT TO BE INTRODUCED UNDER THE EMPLOYMENT ORDINANCE. CONSIDERATION WILL ALSO BE GIVEN TO IMPROVING THE CONDITIONS GOVERNING THE AWARD OF SEVERANCE PAY.

SIR MURRAY SAID HE ALSO HAD CALLED FOR A CAREFUL STUDY OF SIR S.Y. CHUNG'S SUGGESTION OF A COUNCIL FOR OCCUPATIONAL SAFETY.

ON INDUSTRIAL HEALTH AND SAFETY, SIR MURRAY SAID A CONSULTANT IN OCCUPATIONAL HEALTH HAD BEEN APPOINTED TO HEAD THE INDUSTRIAL HEALTH DIVISION AND TO EXPAND OCCUPATIONAL HEALTH SERVICES.

SIR MURRAY SAID THAT FURTHER REGULATIONS ON THE SAFE USE OF ELECTRICITY, PROTECTION OF WORKERS' HEARING AND THE EMPLOYMENT OF SAFETY OFFICERS AND SAFETY SUPERVISORS IN HAZARDOUS INDUSTRIES WOULD BE MADE SHORTLY.

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BIG DROP IN NUMBER OF DRUG ADDICTS  
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THE NUMBER OF DRUG ADDICTS IN HONG KONG IS NOW BELIEVED TO BE ABOUT 40 000 AS AGAINST A GUESS OF OVER 100 000 SEVEN YEARS AGO.

THIS WAS REVEALED TODAY BY THE GOVERNOR, SIR MURRAY MACLEHOSE, AT THE LEGISLATIVE COUNCIL.

SIR MURRAY ATTRIBUTED THIS RESULT TO THE VERY EFFECTIVE LAW ENFORCEMENT AND COMPULSORY AND VOLUNTARY TREATMENT IN HONG KONG.

STATING THAT HONG KONG STILL HAD A LARGE PROBLEM WHICH WAS BEING TACKLED WITH VIGOUR AND SUCCESS, SIR MURRAY ADDED, HOWEVER, +WE HAVE COME A LONG WAY IN CONTROLLING NARCOTICS, NO ONE WHO KNOWS POINTS A FINGER AT HONG KONG ANYMORE.+

REFERRING TO THIS YEAR'S BUMPER CROP OF OPIUM IN THE GOLDEN TRIANGLE WHICH HAD PRODUCED AN ABUNDANT SUPPLY, HE SAID THERE WERE PLENTY OF SIGNS OF CRIMINALS TRYING TO DISTRIBUTE IT HERE, INCLUDING THE USE OF YOUNG PEOPLE.

TO MEET THIS THREAT, HE SAID, LAW ENFORCEMENT WAS BEING STEPPED UP AND SO FAR THIS YEAR MORE DRUGS HAD BEEN SEIZED THAN IN THE WHOLE OF LAST YEAR.

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POLICE RESPONDING EFFECTIVELY TO NEW CONDITIONS

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THE ROYAL HONG KONG POLICE FORCE IS RESPONDING EFFECTIVELY AND IMAGINATIVELY TO THE NEW CONDITIONS AND NEW SPREAD OF POPULATION IN HONG KONG, AS WELL AS TO THE NEW TYPES OF CRIME THAT CONFRONT IT.

THIS WAS STATED BY THE GOVERNOR, SIR MURRAY MACLEHOSE, IN HIS REVIEW OF THE POLICE FORCE.

SIR MURRAY SAID THE ROYAL HONG KONG POLICE FORCE HAD CONTINUED ABOUT ITS BUSINESS OF LAW ENFORCEMENT AND HAD SHOULDERED THE ADDITIONAL BURDENS IMPOSED BY ILLEGAL IMMIGRATION.

+IT HAS PERFORMED THESE TASKS WELL, OFTEN WITH ALL TOO LITTLE PUBLIC RECOGNITION OF ITS ACHIEVEMENT,+ HE SAID.

WHILST REPORTING THAT OVERALL CRIME HAD BEEN HELD, AND ROBBERY REDUCED FROM 30 REPORTS A DAY IN 1979 TO 24 AT PRESENT, THE GOVERNOR ALSO POINTED OUT THAT THE DISTURBING INCREASE IN THE USE OF FIREARMS OR IMITATION FIREARMS HAD CONTINUED, AND THE POLICE HAD FOUGHT SOME BRAVE ACTIONS WITH ARMED ROBBERS.

HOWEVER, HE SAID, DUE TO POLICE CRIME PREVENTION MEASURES AND ELEMENTARY ARRANGEMENTS FOR SELF-PROTECTION, BANK AND GOLDSMITH ROBBERIES HAD DECREASED.

SIR MURRAY SAID ALTHOUGH 10 PER CENT OF ARRESTS HAD BEEN FOUND TO BE RECENT IMMIGRANTS, MOSTLY ILLEGAL IMMIGRANTS, AS WERE OVER 62 PER CENT OF THOSE ARRESTED FOR ARMED ROBBERY, THE PUBLIC SHOULD NOT BE ALARMED BY THESE FIGURES INTO BELIEVING THAT ALL IMMIGRANTS WERE CRIMINALS.

+OF COURSE THESE FIGURES RELATE ONLY TO A TINY MINORITY. NEVERTHELESS WE MUST FACE THE FACT THAT WE HAVE NOW SUCH A MINORITY UNABLE EITHER TO INTEGRATE IN GUANGDONG OR ASSIMILATE IN HONG KONG.

+I SHOULD HOPE THAT THIS IS A TRANSITIONAL PHENOMENON BUT IT NEEDS CAREFUL WATCHING,+ HE ADDED.

THE INCREASE IN JUVENILE CRIME WHICH BEGAN IN 1979, SIR MURRAY SAID, CONTINUED. +THE FIGURES ARE SMALL BY INTERNATIONAL STANDARDS BUT WE IGNORE THE TREND AT OUR PERIL,+ HE ADDED.

ON POLICE WELFARE, THE GOVERNOR SAID THAT THE FORCE, WITH THE ASSISTANCE OF HOME OFFICE INSPECTORS, HAD PUT A GREAT DEAL OF EFFORT AND THOUGHT INTO PLANNING BETTER HOUSEKEEPING AND WELFARE FOR ITS MEN AND BETTER DEPLOYMENT OF ITS RESOURCES.

+IN OUR CONCERN TO EXPAND AND ADAPT THE FORCE TO MEET THE NEEDS OF MODERN HONG KONG, I AM SURE THAT WE HAVE PAID TOO LITTLE ATTENTION TO THE WORKING AND LIVING CONDITIONS OF MEMBERS OF THE FORCE, AND THERE IS NOW A SUBSTANTIAL BACKLOG TO BE TACKLED,+ SIR MURRAY ADDED.

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ICAC WELL ABLE TO DEAL WITH CORRUPTION

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THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY (WEDNESDAY) THAT THERE HAD BEEN AN INCREASE IN CORRUPTION CASES BUT THAT THE INDEPENDENT COMMISSION AGAINST CORRUPTION WAS WELL ABLE TO DEAL WITH THIS AS ITS PROSECUTION RECORD SHOWED.

SIR MURRAY SAID A BODY SUCH AS THE ICAC WAS ESSENTIAL AND MUST BE KEPT AT FULL STRENGTH AND AT FULL PITCH FOR MANY YEARS TO COME IF WE WERE TO KEEP THE ENORMOUS GAINS IN PUBLIC HONESTY ACHIEVED SINCE 1972.

THE ATTITUDE TO CORRUPTION OF BOTH PUBLIC SERVICE AND PUBLIC HAD COMPLETELY CHANGED.

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NEW ARTS ACADEMY MAY BE SITED IN WAN CHAI

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A SITE NEXT TO THE ARTS CENTRE IN WAN CHAI IS BEING STUDIED FOR THE POSSIBLE CONSTRUCTION OF A NEW ACADEMY OF THE PERFORMING ARTS, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY (WEDNESDAY).

HE TOLD THE LEGISLATIVE COUNCIL THAT IN THE ARTISTIC FIELD DEVELOPMENT OF PERFORMING ARTS HAD FAR OUT-STRIPPED EXISTING CAPACITY FOR PRACTICE, INSTRUCTION, STORAGE AND ADMINISTRATION. THE PROPOSAL OF THE ROYAL HONG KONG JOCKEY CLUB TO BUILD A NEW ACADEMY WAS THEREFORE MOST TIMELY.

SIR MURRAY ADDED THAT WITH THE PROSPECT OF THE TSIM SHA TSUI CULTURAL COMPLEX, AND NEW TOWN HALL AT TUEN MUN AND SHA TIN ALL DUE TO BE COMPLETED BY EARLY 1985, AS WELL AS THE TSUEN WAN TOWN HALL AND THE LARGE AIR-CONDITIONED HALLS ALREADY IN USE IN YUEN LONG AND SHEUNG SHUI, LOCAL ARTISTS COULD COUNT ON AMPLE OPPORTUNITY TO PERFORM TO HONG KONG AUDIENCES.

THE ARTS, SPORT AND RECREATION, AND THE ORGANISED USE OF LEISURE ALL CONTRIBUTE TO THE BUILDING OF COMPLETE AND COHESIVE COMMUNITIES, THE GOVERNOR SAID.

+THESE HAVE MADE EXTRAORDINARY PROGRESS UNDER THE ENCOURAGEMENT OF THE URBAN COUNCIL, THE GOVERNMENT, THE ROYAL HONG KONG JOCKEY CLUB, THE COUNCIL FOR RECREATION AND SPORTS, THE COUNTRY PARKS AUTHORITY, THE RECREATION AND SPORT SERVICE AND THE MUSIC OFFICE, AND MANY PRIVATE BODIES, AND OF COURSE WITH THE ENTHUSIASTIC SUPPORT OF THE PUBLIC FOR WHICH THESE DEVELOPMENTS CLEARLY FILL A LONG-FELT NEED.+

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NEED FOR MORE TECHNICIANS STRESSED

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HONG KONG'S OUTPUT OF TECHNICIANS, HIGHER TECHNICIANS AND GRADUATES HAD TO BE INCREASED, AND THIS MATTER WOULD BE GIVEN VERY CAREFUL CONSIDERATION, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID AT THE LEGISLATIVE COUNCIL TODAY.

THE REPORT OF THE COMMITTEE TO REVIEW POST-SECONDARY AND TECHNICAL EDUCATION WILL SHORTLY BE CONSIDERED BY THE PANEL CONDUCTING THE OVERALL REVIEW OF EDUCATION, HE SAID.

AFTER THAT THE GOVERNMENT WILL DRAFT A PROGRAMME FOR THE DEVELOPMENT OF THIS WHOLE AREA.

SIR MURRAY SAID ALSO THAT AS AN INTERIM MEASURE THE GOVERNMENT HAD INCREASED THE ANNUAL GROWTH RATE AT THE UNIVERSITIES FROM THREE TO FOUR PER CENT.

SIR MURRAY ALSO DISCLOSED PLANS TO CREATE A STATUTORY VOCATIONAL TRAINING COUNCIL WHICH WILL HAVE EXECUTIVE AS WELL AS ADVISORY POWERS FOR THE PROMOTION OF INDUSTRIAL TRAINING.

+BOTH TECHNICAL INSTITUTES AND INDUSTRIAL TRAINING SCHEMES WILL COME WITHIN THE PURVIEW OF THE COUNCIL, WHICH WILL HAVE ITS OWN DEPARTMENT TO SERVE AS ITS EXECUTIVE ARM,+ HE SAID.

THE CONSTRUCTION INDUSTRY AND THE CLOTHING INDUSTRY TRAINING AUTHORITIES WILL MAINTAIN THEIR CURRENT FINANCING ARRANGEMENTS AND ALSO EXPAND THEIR ACTIVITIES.

MEANTIME, THE GOVERNMENT IS IMPROVING THE POSITION BY MAKING BETTER USE OF SOME EXISTING INSTITUTIONS.

+WITH THE AGREEMENT OF THE GOVERNORS OF THE BAPTIST COLLEGE A BILL WILL BE INTRODUCED THIS SESSION TO MAKE BETTER ARRANGEMENTS FOR ITS FUTURE DEVELOPMENT,+ SIR MURRAY SAID.

HE WAS ACUTELY AWARE OF THE PROBLEMS FACED BY THE 15 000 TO 20 000 HONG KONG STUDENTS IN OVERSEAS UNIVERSITIES PARTICULARLY IN BRITAIN, WHO RECENTLY FACED SEVERE INCREASES IN TUITION FEES, AND THE LOAN SCHEME FOR HONG KONG STUDENTS IN BRITAIN, BROUGHT INTO EFFECT FROM SEPTEMBER THIS YEAR, SHOULD BE OF SOME HELP.

BUT THE LOCAL EDUCATION SYSTEM SHOULD UNDOUBTEDLY BE FURTHER DEVELOPED SO AS TO REDUCE THE RELIANCE ON OVERSEAS PLACES, HE SAID.

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TRIBUTE TO LEGCO MEMBERS

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THE GOVERNOR, SIR MURRAY MACLEHOSE AT THE OPENING SESSION TODAY (WEDNESDAY), PAID TRIBUTE TO MEMBERS OF THE LEGISLATIVE COUNCIL FOR THEIR WORK, DEVOTION AND GOOD HUMOUR.

+THE FORM OF THIS COUNCIL MAY BE AN ANACHRONISM, BUT ITS SPIRIT AND PERFORMANCE MATCH THOSE OF ANY LEGISLATURE IN THE WORLD FOR EFFICIENT TRANSACTION OF BUSINESS, FOR FREEDOM FROM FACTION, AND FOR CONCERN NOT FOR SECTIONAL OR PARTY INTERESTS BUT THOSE OF THE COMMUNITY AS A WHOLE. THESE ARE PRECIOUS ATTRIBUTES.

+I AM SURE THAT THE STEADY INCREASE IN THE NUMBER OF UNOFFICIAL MEMBERS - THEY HAVE MORE THAN DOUBLED IN 10 YEARS - AND THE EXPANSION OF THE SUPPORT AVAILABLE TO THEM IN THE UMELCO OFFICE, HAVE GREATLY CONTRIBUTED TO THE EFFECTIVENESS OF THIS COUNCIL.+

SIR MURRAY SAID THAT HE HAD NO DOUBT THAT AS THE SCOPE AND COMPLEXITY OF THE GOVERNMENT OF HONG KONG CONTINUED TO INCREASE SO THERE MUST CONTINUE TO BE CHANGE IN THE SIZE AND COMPOSITION OF THE COUNCIL.

+MEANWHILE I RECORD MY GRATEFUL THANKS FOR THE HIGH QUALITY OF WORK DONE, AND THE IMMENSE DEVOTION OF PERSONAL TIME AND ENERGY TO DOING IT,+ THE GOVERNOR ADDED.

SIR MURRAY MADE SPECIAL MENTION OF THE SERVICES RENDERED BY THE HON OSWALD CHEUNG, AND THE HON LI FOOK-WO, WHO HAVE RETIRED FROM THE LEGISLATIVE COUNCIL. HE WAS PLEASED, HOWEVER, TO CONTINUE TO HAVE THEIR WISE COUNSEL IN THE EXECUTIVE COUNCIL.

THREE NEW MEMBERS TOOK THEIR SEATS IN THE COUNCIL, THEY ARE: MR CHEUNG YAN-LUNG, MRS SELINA CHOW AND MISS MARIA TAM.

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VR RESETTLEMENT PROGRAMMES MUST CONTINUE - GOVERNOR

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY REITERATED THAT THE INTERNATIONAL COMMUNITY MUST CONTINUE TO PLAY ITS PART IN THE RESETTLEMENT OF VIETNAMESE REFUGEES -- MORE THAN 14 000 OF WHOM ARE STILL IN HONG KONG AWAITING PERMANENT RESETTLEMENT OVERSEAS.

RESETTLEMENT PROGRAMMES MUST CONTINUE, SIR MURRAY STRESSED, IF PLACES OF FIRST ASYLUM LIKE HONG KONG ARE TO CONTINUE TO PLAY THEIR PART.

HE NOTED THAT WHILE THERE WAS NO EVIDENCE OF A RESUMPTION OF MASSIVE ORGANISED DEPARTURES FROM VIETNAM, ARRIVALS IN HONG KONG SO FAR THIS YEAR ALREADY OUTSTRIPPED THE TOTAL FOR THE WHOLE OF LAST YEAR.

/ARRIVALS IN .....

ARRIVALS IN OTHER FIRST ASYLUM COUNTRIES SHOWED A SIMILAR, IF LESS MARKED, TREND.

+SO THE FACT IS THAT LARGE NUMBERS OF PEOPLE STILL REMAIN PREPARED TO FACE UNBELIEVABLE RISKS AT SEA TO ESCAPE THE CONDITIONS IN THEIR HOMELAND,+ HE POINTED OUT.

FACED WITH THIS HUMAN TRAGEDY, HONG KONG HAD RIGHTLY CONTINUED TO PROVIDE FIRST ASYLUM TO THOSE WHO REACHED OUR SHORES.

SINCE 1979, SIR MURRAY SAID, OVER 74 000 REFUGEES HAD BEEN RESETTLED FROM HONG KONG, AND HE WAS PARTICULARLY GRATEFUL FOR THE EFFORTS MADE IN RESETTLEMENT BY THE UNITED STATES, CANADA AND THE UNITED KINGDOM AND FOR THE WORK OF THE UNITED NATIONS HIGH COMMISSION FOR REFUGEES AND OF THE VOLUNTARY AGENCIES.

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#### PERSISTENT AND IMAGINATIVE INNOVATION IN EDUCATION

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EDUCATION MUST BE A FIELD FOR PERSISTENT AND IMAGINATIVE INNOVATION, THE GOVERNOR, SIR MURRAY MACLEHOSE TOLD THE LEGISLATIVE COUNCIL IN HIS OPENING ADDRESS TODAY.

SIR MURRAY SAID THAT IN A COMMUNITY EVOLVING ECONOMICALLY AND SOCIALLY AS FAST AS HONG KONG, OBVIOUSLY THE EVOLUTION OF EDUCATION MUST BE EXCEPTIONALLY FAST TOO IN TERMS OF QUANTITY, QUALITY AND HONG KONG'S NEEDS.

+IT IS THEREFORE NOT SURPRISING THAT THE SUBJECT SHOULD HAVE SPAWNED THREE WHITE PAPERS IN THE LAST 10 YEARS OR THAT IN THE SAME PERIOD, GOVERNMENT EXPENDITURE HAS INCREASED BY 550 PER CENT IN MONEY TERMS,+ HE SAID.

ON PRE-PRIMARY AND PRIMARY EDUCATION, SIR MURRAY SAID THE WHITE PAPER ON THE SUBJECT PUBLISHED IN JULY HAD PUT FORWARD THE FIRST COMPREHENSIVE SCHEME FOR THE DEVELOPMENT OF KINDERGARTENS AND CHILD-CARE CENTRES.

IN PRIMARY SCHOOLS, IT ENVISAGED IN PARTICULAR THE REDUCTION OF CLASS SIZES FROM 45 TO 35 FOR SCHOOLS ADOPTING THE ACTIVITY APPROACH AND TO 40 FOR THOSE FOLLOWING CONVENTIONAL METHODS. THESE REFORMS WILL REQUIRE 1 500 ADDITIONAL TEACHING POSTS IF APPROVED BY THE LEGISLATIVE COUNCIL.

TURNING TO JUNIOR SECONDARY EDUCATION, SIR MURRAY DESCRIBED AS A +GIANT STEP FORWARD+ THE PROVISION OF FREE AND COMPULSORY SUBSIDISED PLACES FOR ALL.

SIR MURRAY REVEALED THAT 12 MORE PRE-VOCATIONAL SCHOOLS WILL BE BUILT BY 83/84, AND MORE WILL BE INCLUDED IN THE FUTURE BUILDING PROGRAMME, TO CATER FOR THOSE WHOSE APTITUDE IS FOR PRACTICAL AND TECHNICAL RATHER THAN ACADEMIC SUBJECTS.

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IMMIGRATION STILL A WORRY DESPITE DROP IN NUMBER OF II'S  
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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY THANKED THE PEOPLE OF HONG KONG FOR THE RESPONSIBILITY AND GOOD HUMOUR WITH WHICH THEY HAD ACCEPTED THE MEASURES INTRODUCED LAST OCTOBER TO DETER ILLEGAL IMMIGRATION.

+COUPLED WITH THE CO-OPERATION OF THE CHINESE AUTHORITIES, THE UNRELENTING EFFORT OF OUR SECURITY FORCES, AND THE STRONG SUPPORT OF THE PUBLIC, THESE MEASURES SUBSTANTIALLY REDUCED THE FLOW,+ HE SAID IN HIS OPENING ADDRESS TO THE NEW LEGISLATIVE COUNCIL SESSION.

HE WARNED, HOWEVER, THAT HONG KONG REMAINED DETERMINED TO MAINTAIN AND IMPROVE ITS GUARD AGAINST ILLEGAL IMMIGRATION.

THE GOVERNOR WAS CONCERNED THAT WHILE ILLEGAL IMMIGRATION HAD NOW BEEN GREATLY REDUCED, THE NUMBER OF THOSE ARRIVING HERE LEGALLY FOR A VISIT AND STAY PERMANENTLY STILL ADDED 55 000 PEOPLE TO OUR POPULATION EACH YEAR.

+AFTER THE FLOOD OF THE LAST FEW YEARS WE NEED A RESPITE,+ HE SAID.

HE SAID IT WOULD BE HELPFUL TO REDUCE THE NUMBERS COMING HERE FOR PERMANENT SETTLEMENT WHILE AT THE SAME TIME PROVIDING GENUINE VISITORS WHOSE RETURN TO THEIR HOMES IN CHINA WAS ASSURED, +BUT WE CAN ONLY ACT IN COOPERATION WITH THE CHINESE AUTHORITIES FOR WHOM I KNOW THIS IS NOT AN EASY MATTER.+

STRESSING THE NEED FOR CONTINUED VIGILANCE AGAINST ILLEGAL IMMIGRATION, SIR MURRAY SAID THE GARRISON MUST CONTINUE TO MAINTAIN A CONSIDERABLE PRESENCE ON THE BORDER, THE NON-URBAN COASTLINE, AND AT SEA.

THE GARRISON HAD OVER THE LAST THREE YEARS MADE A TREMENDOUS CONTRIBUTION TO HOLDING THE LINE AGAINST THE WAVES OF ILLEGAL IMMIGRATION, HE SAID, AND WOULD BE REINFORCED WITH AN EXTRA BATTALION -- INITIALLY A GURKHA UNIT -- WHICH SHOULD BE IN POSITION BY NEXT JANUARY. THIS WOULD BRING THE INFANTRY STRENGTH OF THE GARRISON TO FIVE BATTALIONS.

IN ADDITION, VARIOUS ADDITIONAL SPECIALIST TROOPS ARE BEING ADDED TO THE GARRISON AND AN EXPANSION OF THE HONG KONG MILITARY SERVICE CORPS WAS ABOUT TO TAKE PLACE.

A MODERNISED AND COMPREHENSIVE SYSTEM OF COMMUNICATIONS WAS ALSO BEING PLANNED BY SPECIALIST OFFICERS OF THE ROYAL NAVY AND THE POLICE AND BY 1983 SHOULD GIVE US A NEW, RELIABLE AND EFFICIENT RADIO NETWORK.

+LINKED WITH THIS ARE IMPROVEMENTS IN THE COVERAGE OF HONG KONG WATERS BY LAND AND SHIP BASED RADAR,+ HE SAID, ADDING THAT REPLACEMENT PATROL CRAFT HAD ALSO BEEN ORDERED AND SHOULD BE OPERATING BY 1984.

SUPERVISION OF BANKS AND DEPOSIT-TAKING COMPANIES  
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MORE BILLS WILL BE INTRODUCED TO AMEND THE BANKING ORDINANCE AND THE DEPOSIT-TAKING COMPANIES ORDINANCE IN ORDER TO EXTEND TO THEIR OPERATIONS OVERSEAS THE SYSTEM OF PRUDENTIAL SUPERVISION OF HONG KONG INCORPORATED BANKS AND DEPOSIT-TAKING COMPANIES, THE GOVERNOR, SIR MURRAY MACLEHOSE ANNOUNCED TODAY (WEDNESDAY).

SPEAKING AT THE OPENING SESSION OF THE LEGISLATIVE COUNCIL, HE DISCLOSED THAT DRAFTING PROPOSALS ON DISCLOSURE REQUIREMENTS IN RELATION TO THE SHARE HOLDING OF DIRECTORS, MAJOR SHAREHOLDERS, ADVISERS AND OFFICERS OF PUBLIC COMPANIES HAD ALSO BEEN PREPARED IN ORDER TO OFFER BETTER PROTECTION TO THE INVESTING PUBLIC AND TO BRING HONG KONG INTO LINE WITH OTHER FINANCIAL CENTRES.

IN HIS REPORT ON ECONOMIC MATTERS, THE GOVERNOR, SIR MURRAY MACLEHOSE, STARTED BY SAYING THAT IN THIS PRESENT SITUATION OF WORLD RECESSION HONG KONG AND ITS ECONOMY AND ITS PEOPLE WERE +FARING REMARKABLY WELL+.

+BUT THIS COMPARATIVE GOOD FORTUNE HAS BEEN UNEVENLY SPREAD AND IS NOT REFLECTED IN THE PUBLIC MOOD. THERE ARE SPECIAL REASONS FOR THIS WHICH IT IS IMPORTANT TO APPRECIATE,+ SIR MURRAY SAID.

THE GOVERNOR SAID THAT 1981 WAS PROVING TO BE A YEAR OF REFORM FOR THE BANKING AND DEPOSIT-TAKING INDUSTRY.

THE HONG KONG ASSOCIATION OF BANKS HAD BEEN INCORPORATED BY STATUTE TO ENABLE IT TO PLAY A GREATER PART IN THE MONETARY SYSTEM OF HONG KONG AND THAT STEPS HAD BEEN TAKEN TO LIMIT THE REGISTRATION OF NEW DEPOSIT-TAKING COMPANIES.

THE DEFINITION OF BANKING BUSINESS CONTAINED IN THE BANKING ORDINANCE HAD BEEN AMENDED- A NEW CATEGORY OF FINANCIAL INSTITUTION (THE LICENSED DEPOSIT-TAKING COMPANY) HAD BEEN CREATED- AND AFTER A TWO-YEAR TRANSITIONAL PERIOD, REGISTERED DEPOSIT-TAKING COMPANIES WOULD NO LONGER BE PERMITTED TO ACCEPT FROM THE PUBLIC DEPOSITS REPAYABLE WITHIN THREE MONTHS.

ALSO THIS YEAR, THE PRUDENTIAL LEGISLATION TO WHICH BANKS AND DEPOSIT-TAKING COMPANIES WERE SUBJECT HAD BEEN REVISED- AND NEW STATISTICAL RETURNS WERE BEING RECEIVED FROM BANKS AND DEPOSIT-TAKING COMPANIES UNDER THE MONETARY STATISTICS ORDINANCE.

AT THE BEGINNING OF THIS YEAR, HE CONTINUED, TWO ORDINANCES WERE ENACTED AMENDING THE FIRE AND MARINE INSURANCE COMPANIES DEPOSIT ORDINANCE AND THE LIFE INSURANCE COMPANIES ORDINANCE, REQUIRING ALL INSURANCE COMPANIES CARRYING ON THE RELEVANT CLASSES OF BUSINESS TO HAVE A MINIMUM PAID-UP CAPITAL OF \$5 MILLION AND TO MAINTAIN A SOLVENCY MARGIN.

IN CONSEQUENCE A NUMBER OF INSURANCE COMPANIES HAD BEEN REQUIRED TO INCREASE THEIR PAID-UP CAPITAL, AND SOME OTHERS HAD EITHER DROPPED OUT OF THE MARKET OR HAVE HAD THEIR AUTHORISATION WITHDRAWN.

THIS ESSENTIALLY INTERIM LEGISLATION HAD, THEREFORE, EFFECTED SOME WEEDING OUT AHEAD OF THE COMPREHENSIVE BILL.

IT WAS HOPED TO INTRODUCE ~~THE~~ COMPREHENSIVE BILL THIS SESSION, SIR MURRAY SAID.

### THREE UNFAVOURABLE FEATURES

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THREE UNFAVOURABLE FEATURES STOOD OUT FROM THE PICTURE OF HONG KONG'S ECONOMIC SITUATION, WHICH WAS OTHERWISE FAVOURABLE AGAINST THE BACKGROUND OF AN UNFAVOURABLE WORLD SITUATION, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID.

THESE WERE THE IMPACT OF RECENT IMMIGRATION, THE SHARP RISES IN THE COST OF ACCOMMODATION AND LAND, AND A DEPRECIATING HONG KONG DOLLAR.

ON THE IMPACT OF IMMIGRATION, SIR MURRAY SAID THAT, FOR INSTANCE, THE AVERAGE ANNUAL INCREASE IN POPULATION, INCLUDING NATURAL INCREASE, BETWEEN 1971 AND 1978 WAS 1.8 PER CENT PER ANNUM, BUT IT MORE THAN DOUBLED TO 3.8 PER CENT BETWEEN 1979 AND 1981.

THE GROWTH IN THE LABOUR FORCE HAD BEEN EVEN MORE DRAMATIC, BEING 3.4 PER CENT A YEAR BETWEEN 1971 AND 1978 BUT 7.4 PER CENT BETWEEN 1979 AND 1981.

+IMMIGRANT LABOUR WAS ONE DIRECT CAUSE OF THIS INCREASED GROWTH. IT ALSO PROVIDED AN INDIRECT CAUSE IN THAT BY RESTRAINING WAGE INCREASES, ADDITIONAL PERSONS WENT TO WORK SO AS TO MAINTAIN THE RISING LEVEL OF FAMILY INCOME TO WHICH THEY HAD BEEN ACCUSTOMED.

+THE IMPACT OF THESE UNFORESEEN NUMBERS WILL BE FELT IN MANY WAYS FOR MANY YEARS TO COME,+ SIR MURRAY SAID.

THE SHARP RISES IN THE COST OF ACCOMMODATION AND LAND, FUELLED BY THE EASY AVAILABILITY OF CREDIT, CAUSED CONSIDERABLE DISTRESS, HE SAID.

+IN THE KNOWLEDGE THAT LARGE SUPPLIES OF ACCOMMODATION AND LAND WERE COMING FORWARD THAT SHOULD ARREST OR REVERSE THE UPWARD TREND, YOUR GOVERNMENT, AFTER SOME HESITATION, DECIDED NOT TO INTERVENE IN THE COMMERCIAL SECTOR,+ SIR MURRAY SAID.

+AS EXPECTED THE UPWARD TREND HAS BEEN ARRESTED THIS YEAR PARTLY BECAUSE OF ADDITIONAL SUPPLY STIMULATED BY HIGH PRICES AND PARTLY BECAUSE THE HIGH COST OF BORROWING DEPRESSED DEMAND.

+A CLOSER BALANCE BETWEEN SUPPLY AND DEMAND HAS NOW BEEN ACHIEVED.

+BUT, BECAUSE IT TAKES TIME FOR SUPPLY IN THE PROPERTY MARKET TO CATCH UP WITH INCREASES IN DEMAND, I FEAR THAT THE EXPERIENCE WE HAVE BEEN THROUGH MAY BE REPEATED IN THE FUTURE,+ HE ADDED.

SIR MURRAY SAID THAT AT THE END OF EACH OF THESE CYCLES, WE BENEFIT FROM A SUBSTANTIAL INCREASE IN THE STOCK OF ACCOMMODATION BUT, WITH THE EFFECT OF ORDINARY MARKET FORCES DISTORTED BY SPECULATION, AT A SUBSTANTIAL SOCIAL COST.

ON THE DEPRECIATING HONG KONG DOLLAR, SIR MURRAY SAID THAT WHILE IT HELPS EXPORT COMPETITIVENESS, IT ADDS INFLATIONARY PRESSURES TO THE ECONOMY.

/+BUT ANOTHER .....

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+BUT ANOTHER FACTOR WHICH IS ADDING PRESSURE TO INFLATION, OR AT LEAST IS ACCOMMODATING IT, AND IS WEAKENING THE HONG KONG DOLLAR, IS THE RAPID GROWTH RATE OF THE MONEY SUPPLY WHICH IN TURN IS LARGELY THE RESULT OF EXCESSIVE CREDIT GROWTH.

+SO OBVIOUSLY WE HAVE BEEN GIVING SERIOUS THOUGHT TO WHETHER OR NOT THE GROWTH OF THE MONEY SUPPLY SHOULD BE CONTAINED AND IF SO, HOW IT MIGHT BE DONE, PARTICULARLY WITHOUT PUTTING FURTHER PRESSURE ON OUR INDUSTRY WHICH REMAINS THE BACKBONE OF OUR ECONOMY.

+OBVIOUSLY RECENT EVENTS CAST SOME DOUBT ON THIS, AND THE FINANCIAL SECRETARY IS WATCHING THE SITUATION CLOSELY,+ SIR MURRAY ADDED.

+THE FINANCIAL SECRETARY RECENTLY SPOKE IN DETAIL ABOUT THE VARIOUS POSSIBILITIES OF GOVERNMENT INTERVENTION IN THE SPECIAL CIRCUMSTANCES OF HONG KONG, AND OF HIS STRONG PREFERENCE FOR RESTRAINT OF CREDIT BY THE SELF-DISCIPLINE AND RESPONSIBILITY OF BANKS AND DEPOSIT-TAKING COMPANIES.

+I HEARTILY AGREE. WE ARE COMMITTED IN PRINCIPLE TO AS FREE AS ECONOMY AS POSSIBLE. NEVERTHELESS THIS ASSUMES THAT WE AS A COMMUNITY HAVE THE GOOD SENSE TO ACT FREELY WITHOUT UNDERMINING OUR ECONOMY.+

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CLEAN UP DRIVE STARTS SOON  
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A TERRITORY-WIDE CLEAN HONG KONG CAMPAIGN WILL BEGIN LATER THIS MONTH, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE LEGISLATIVE COUNCIL TODAY.

SIR MURRAY SAID THE CAMPAIGN, TO BE DIVIDED INTO PHASES DEALING WITH SIX DIFFERENT AREAS, WILL START ON OCTOBER 25 AND WILL CONTINUE UP TO DECEMBER, 1982.

IN PREPARATION, HE SAID, THE DEPARTMENTS CONCERNED HAVE ALREADY BEEN STRENGTHENED WITH STAFF AND VEHICLES, MANY BLACK SPOTS HAVE BEEN CLEARED AND REFUSE COLLECTION POINTS IMPROVED.

+I AM SURE THAT THOSE ON THE OPERATIONAL SIDE ARE ON THEIR TOES,+ SIR MURRAY SAID. +IT IS NOW UP TO THE CLEAN HONG KONG EXECUTIVE COMMITTEE AND THE CLEAN HONG KONG CAMPAIGN NEW TERRITORIES ADVISORY COMMITTEE AND THE MANY DISTRICT COMMITTEES THEY HAVE SET UP TO ENCOURAGE THE PUBLIC TO RETURN TO THE PUBLIC SPIRITED RECTITUDE OF 1972 AND 1973.+

+BUT THERE ARE BOUND TO BE SOME WHO WILL BE CARELESS AND THOUGHTLESS, AND I APPEAL TO THE COURTS TO BRING HOME TO THOSE WHO COMMIT LITTER OFFENCES THAT THEY MUST MEND THEIR WAYS,+ HE ADDED.

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## PRISON RULES BEING REVIEWED

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THE GOVERNMENT IS CONSIDERING AMENDING THE PRISON RULES TO BRING THEM IN LINE WITH MODERN PENAL PRACTICE, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY (WEDNESDAY).

IN HIS OPENING ADDRESS TO THE LEGISLATIVE COUNCIL, THE GOVERNOR SAID A BILL TO AMEND THE PRISONS ORDINANCE WOULD BE SUBMITTED TO THE COUNCIL DURING THE CURRENT SESSION.

SIR MURRAY NOTED THAT THE YEAR HAD NOT BEEN AN EASY ONE FOR THE PRISONS DEPARTMENT.

+IN ADDITION TO WHAT MIGHT BE DESCRIBED AS EXTRA-CURRICULAR DUTIES CONNECTED WITH VIETNAMESE REFUGEES AND ILLEGAL IMMIGRANTS, THERE HAS BEEN A 3.4 PER CENT INCREASE IN THE PENAL POPULATION, THE TOTAL MUSTER NOW STANDING AT ABOUT 7 000.

+THE PROBLEMS OF THESE INCREASED DEMANDS HAVE BEEN COMPOUNDED BY STAFF SHORTAGE WITH VACANCIES RUNNING AT 12 PER CENT IN THE OFFICER GRADES AND 15 PER CENT IN THE RANK AND FILE,+ HE SAID.

+NEVERTHELESS,+ HE ADDED, +HIGH STANDARDS ARE BEING MAINTAINED.+

IN DETENTION CENTRES, HE NOTED, 94.6 PER CENT OF INMATES HAVE NOT BEEN RECONVICTED IN THE 12 MONTHS FOLLOWING THEIR RELEASE.

+SIMILARLY THE EXTENSION IN MAY 1980 TO OTHER YOUNG OFFENDERS OF STATUTORY SUPERVISION FOR UP TO 12 MONTHS FOLLOWING DISCHARGE HAS PRODUCED MOST ENCOURAGING FIRST RESULTS ALTHOUGH IT IS TOO EARLY TO DRAW FIRM CONCLUSIONS.

+AT THE SAME TIME THE PRISONS INDUSTRIES HAVE SUCCESSFULLY CONTINUED TO EXPAND AND DIVERSIFY,+ THE GOVERNOR SAID.

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## LAW CHANGED TO REFLECT C AND W STATUS

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AT THE LEGISLATIVE COUNCIL TODAY, THE TELEPHONE (AMENDMENT) BILL 1981 PASSED THROUGH ALL THREE STAGES OF READING TO BECOME LAW.

MOVING THE BILL, MR D.G. JEAFFRESON, SECRETARY FOR ECONOMIC SERVICES, SAID THE PURPOSE WAS TO REPLACE THE WORDS +CABLE AND WIRELESS LIMITED+, IN THE ORDINANCE WITH +CABLE AND WIRELESS (HONG KONG) LIMITED+, AS FROM THE BEGINNING OF THIS MONTH, TO REFLECT THE CHANGE IN STATUS OF THE COMPANY'S OPERATIONS.

+PREVIOUSLY, THE CABLE AND WIRELESS OFFICE HERE WAS A BRANCH OF A COMPANY INCORPORATED IN THE UNITED KINGDOM. NOW ITS OPERATIONS HAVE BECOME THE RESPONSIBILITY OF A LOCAL SUBSIDIARY INCORPORATED IN HONG KONG+, MR JEAFFRESON SAID.

+THE GOVERNMENT HAS BEEN FULLY CONSULTED ON THESE CHANGES AND HAS IN FACT TAKEN UP A TWENTY PER CENT SHAREHOLDING IN THE NEW HONG KONG SUBSIDIARY TO PUT IT IN THE BEST POSSIBLE POSITION TO SAFEGUARD THE INTERESTS OF HONG KONG'S TELECOMMUNICATIONS USERS IN THE ABSENCE OF A SCHEME OF CONTROL.+

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TOYS SEEN AS SHOWCASE FOR HONG KONG INDUSTRY  
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THE NOTABLE ACHIEVEMENT BY HONG KONG'S TOY INDUSTRY EXEMPLIFIES THE UNDERLYING STRENGTH OF THE HONG KONG ECONOMY AS A WHOLE AND MOST PARTICULARLY ITS MANUFACTURING AND EXPORTING SECTOR, THE CHIEF SECRETARY, SIR JACK CATER, SAID TODAY (WEDNESDAY).

SPEAKING AT THE OPENING OF THE SEVENTH HONG KONG TOY AND GIFT FAIR, SIR JACK SAID THAT DESPITE ITS RELATIVELY SHORT HISTORY OF ONLY SEVEN YEARS, THE FAIR HAD BECOME AN INTERNATIONAL EVENT, NO LESS THAN A SHOWCASE FOR HONG KONG'S INDUSTRIAL ACHIEVEMENTS OVER A WIDE RANGE OF TOYS AND GIFTWARE.

+THE INCREASING SUCCESS OF THIS FAIR AMPLY REFLECTS THE SUSTAINED AND DYNAMIC GROWTH OF THE HONG KONG TOY INDUSTRY WHICH, IN THE COURSE OF THE LAST TWO DECADES, HAS BECOME THE LARGEST TOY EXPORTER IN THE WORLD,+ SIR JACK SAID.

HE SAID HONG KONG'S CONTINUED PROSPERITY AS AN ECONOMIC ENTITY RELIED IN LARGE PART UPON THE LOCAL BUSINESS COMMUNITY'S FLEXIBILITY AND ADAPTABILITY, TOGETHER WITH ITS COMMITMENT TO PRODUCING AND EXPORTING A QUALITY PRODUCT AT AN INTERNATIONALLY COMPETITIVE PRICE.

+THIS ENTREPRENEURIAL PHILOSOPHY, BACKED BY A HARD-WORKING AND EFFICIENT WORK FORCE AND SUPPORTED BY A WORLDWIDE PROGRAMME OF PROMOTIONAL ACTIVITIES BY THE TRADE DEVELOPMENT COUNCIL, HAS CONTRIBUTED TO A SIGNIFICANT DEGREE TOWARDS HONG KONG'S PRESENT HIGH WORLD RANKING AS AN IMPORTANT EXPORTER,+ SIR JACK SAID.

+WE IN HONG KONG MAY TAKE SOME JUSTIFIABLE PRIDE IN OUR EXPORT PERFORMANCE AND ECONOMIC DEVELOPMENT, BUT IF THIS IS TO BE MAINTAINED OUR MANUFACTURING INDUSTRY MUST REMAIN ACUTELY AWARE OF THE CONSTANT NEED TO MONITOR AND TO ACCOMMODATE CHANGES IN THE DEMAND PATTERNS OF OUR OVERSEAS MARKETS.

+ONE OF THE PRIME EXAMPLES OF THIS SENSITIVITY TO INTERNATIONAL DEMAND MUST SURELY BE THE HONG KONG TOY INDUSTRY WHICH, OVER THE YEARS, HAS SUCCEEDED IN MATCHING A RAPID RATE OF EXPANSION WITH INNOVATIVE DESIGN, UPGRADED QUALITY AND A HIGH LEVEL OF PRODUCT DIVERSIFICATION,+ HE SAID.

WELCOMING OVERSEAS BUYERS TO THE FAIR, SIR JACK SAID: +I AM CONFIDENT THAT THEY WILL FIND MUCH TO INTEREST THEM NOT ONLY IN THE RANGE OF PRODUCTS ON DISPLAY BUT ALSO IN THE MANY NEW TOY AND GIFT ITEMS WHICH HAVE BEEN DEVELOPED HERE IN HONG KONG SINCE LAST YEAR.+

SIR JACK ALSO COMMENDED THE 200 HONG KONG COMPANIES PARTICIPATING IN THE FAIR ON THEIR SUSTAINED EFFORTS AND INITIATIVES WHICH HAD ASSISTED IN MAKING THE TOY INDUSTRY ONE OF HONG KONG'S LEADING EXPORTING SECTORS.

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TAX FREE INTEREST RAISED  
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INTEREST PAYABLE BY LICENSED BANKS, BY CERTAIN PUBLIC UTILITIES AND BY THE GOVERNMENT AT RATES OF UP TO 13-1/2 PER CENT PER ANNUM WILL BE EXEMPTED FROM INTEREST TAX FROM TODAY (WEDNESDAY), A GOVERNMENT SPOKESMAN ANNOUNCED.

HE SAID THIS REPRESENTS AN INCREASE OF 1-1/2 PER CENT IN THE EXEMPTION LIMIT AND FOLLOWS THE ANNOUNCEMENT BY THE HONG KONG ASSOCIATION OF BANKS ON FRIDAY THAT THE RATE OF INTEREST PAYABLE ON SAVINGS ACCOUNTS WOULD BE SIMILARLY RAISED TO 13-1/2 PER CENT ALSO WITH EFFECT FROM TODAY.

SECTION 28 OF THE INLAND REVENUE ORDINANCE HAS BEEN AMENDED, BY A PUBLIC REVENUE PROTECTION ORDER SIGNED BY THE GOVERNOR, TO RAISE FROM 12 PER CENT TO 13-1/2 PER CENT THE CEILING ON THE POWER OF THE FINANCIAL SECRETARY TO INCREASE THE RATE UP TO WHICH INTEREST IS EXEMPTED FROM INTEREST TAX.

THE PUBLIC REVENUE PROTECTION ORDER, AND THE NOTICE SIGNED BY THE FINANCIAL SECRETARY, ARE PUBLISHED IN AN EXTRAORDINARY ISSUE OF THE GOVERNMENT GAZETTE TODAY.

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SURVEY OF EMPLOYMENT, VACANCIES AND PAYROLL  
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A SURVEY OF EMPLOYMENT, VACANCIES AND PAYROLL IN MAJOR ECONOMIC SECTORS OF THE ECONOMY IS BEING CARRIED OUT THIS MONTH BY THE CENSUS AND STATISTICS DEPARTMENT.

THE SURVEY RESULTS ARE USEFUL IN PROVIDING SHORT-TERM ECONOMIC INDICATORS AS WELL AS INFORMATION ON STRUCTURAL CHANGES IN THE LABOUR MARKET IN HONG KONG.

A SAMPLE OF ABOUT 38 000 IS DRAWN FROM ESTABLISHMENTS IN VARIOUS SECTORS, INCLUDING INDUSTRIAL, SERVICE AND DISTRIBUTIVE TRADES (WHOLESALE, RETAIL, IMPORT AND EXPORT, RESTAURANTS AND HOTELS); WHILE GENERAL BUILDING CONTRACTORS ARE COVERED IN FULL.

INFORMATION ON THE NUMBER OF PERSONS ENGAGED AND EXISTING VACANCIES ON SEPTEMBER 30 WILL BE ASKED OF EACH ESTABLISHMENT.

SOME 10 000 ESTABLISHMENTS WILL BE SELECTED FROM THE SAMPLE AND ASKED ADDITIONAL INFORMATION ON PAYROLL IN EACH OF THE THREE MONTHS DURING THE REFERENCE PERIOD OF JULY TO SEPTEMBER.

QUESTIONNAIRES ARE BEING MAILED TO INDIVIDUAL BUSINESS ESTABLISHMENTS IN EARLY OCTOBER. IN ACCORDANCE WITH THE CENSUS AND STATISTICS ORDER 1981 (LEGAL NOTICE NO. 25 OF 1981, GAZETTED ON JANUARY 27, 1981), ESTABLISHMENTS RECEIVING QUESTIONNAIRES ARE REQUIRED TO COMPLETE AND RETURN THEM TO THE CENSUS AND STATISTICS DEPARTMENT WITHIN THE SPECIFIED PERIOD.

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REMINDER ON VOTER REGISTRATION  
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THE REGISTRATION OFFICER TODAY REMINDED THE PUBLIC THAT ONLY FIVE MORE DAYS WERE LEFT FOR THE RETURN OF APPLICATION FORMS FOR REGISTRATION AS QUALIFIED VOTERS IN HONG KONG.

AS THE GOVERNOR ANNOUNCED THIS AFTERNOON (WEDNESDAY) IN HIS ADDRESS OPENING THE NEW SESSION OF THE LEGISLATIVE COUNCIL, MORE THAN 90 000 APPLICATION FORMS HAD BEEN RECEIVED FROM THE NEW TERRITORIES, A FIGURE WHICH THE REGISTRATION OFFICER DESCRIBED AS ENCOURAGING.

IN ANSWER TO QUERIES RAISED BY MEMBERS OF THE PUBLIC, THE REGISTRATION OFFICER CONFIRMED THAT SOME APPLICATION FORMS WERE PRINTED ON WHITE PAPER, IN ADDITION TO THE MAJORITY WHICH WERE PRINTED ON GREEN PAPER AND WERE ALREADY DISTRIBUTED.

HE EXPLAINED THAT THE FORMS WERE IDENTICAL IN EVERY OTHER RESPECT, BUT THAT SUPPLIES OF THE PARTICULAR BRAND OF GREEN PAPER WERE TEMPORARILY OUT OF STOCK. THIS MEANS THAT ONLY ONE FORM OF EITHER COLOUR NEED BE COMPLETED, AND NOT BOTH.

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HINTS ON LABOUR RELATIONS  
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UNNECESSARY LABOUR DISPUTES WOULD BE REDUCED IF EMPLOYERS SET UP JOINT CONSULTATION MACHINERY AND PAID DUE REGARD TO COMPLAINTS BY EMPLOYEES. A SENIOR LABOUR OFFICER, MR ALFRED W.K.CHAN, SAID TODAY (WEDNESDAY).

HE SAID EXPERIENCE SHOWED THAT MANY LABOUR DISPUTES AROSE FROM MISHANDLING OF TRIVIAL PERSONNEL PROBLEMS. AND ON MANY OCCASIONS EMPLOYERS WERE IMPERIOUS IN THEIR DEALINGS WITH THEIR EMPLOYEES, THUS CAUSING DISCONTENT.

SPEAKING AT THE OPENING OF THE LAST OF A SERIES OF FIVE WORKSHOPS ON LABOUR RELATIONS AT QUEEN ELIZABETH STADIUM, WAN CHAI, MR CHAN SAID HIS DEPARTMENT HAD SET UP A PROMOTION UNIT IN THE LABOUR RELATIONS SERVICE TO ADVISE ORGANISATIONS AND BUSINESSES ON WAYS TO ACHIEVE HARMONIOUS RELATIONS WITH THEIR EMPLOYEES AND TO ASSIST THEM TO SET UP JOINT CONSULTATION MACHINERY.

THE SERIES OF WORKSHOP FORMED PART OF A YEAR-LONG LABOUR AND STAFF RELATIONS DEVELOPMENT PROJECT ORGANISED BY THE DEPARTMENT UNDER THE AUSPICES OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) WITH THE ASSISTANCE OF THE INTERNATIONAL LABOUR ORGANISATION (ILO).

THE FINAL PROGRAMME OF THE PROJECT IS A CONFERENCE FOR PARTICIPANTS OF THE WORKSHOPS TO BE HELD IN DECEMBER.

REPRESENTATIVES OF THE UNDP OR THE ILO ARE EXPECTED TO COME TO HONG KONG TO ADDRESS THE CONFERENCE.

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