



## DAILY INFORMATION BULLETIN

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THURSDAY, JANUARY 24, 1980

<u>CONTENTS</u>	<u>PAGE NO.</u>
TRUE HONG KONG STYLE TO TACKLE OUR PROBLEMS SAYS SIR JACK .....	1
PROVISIONAL TRADE FIGURES FOR DECEMBER 1979 .....	4
ROYAL OBSERVATORY ACQUIRES SATELLITE RECEIVING STATION .....	6
TWO MORE JUMBC JET PIERS AT AIRPORT .....	7
NEW SCHOOL FOR FISHERMEN'S CHILDREN .....	8
CHIEF SECRETARY OPENS NEW HOME FOR LANGUAGE CENTRE .....	9
CUSTOMS SERVICE OFFICERS COMMENDED .....	9
STUDENTS URGED TO JOIN FLOWER ARRANGEMENT COMPETITION .....	10
TEMPORARY CLOSURE OF EDINBURGH PLACE EAST .....	10

THURSDAY, JANUARY 24, 1980

- 1 -

TRUE HONG KONG STYLE TO TACKLE  
OUR PROBLEMS SAYS SIR JACK  
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THE CHIEF SECRETARY, SIR JACK CATER SAYS ALL GOVERNMENT PLANNING, WHETHER IN TERMS OF LAND PRODUCTION, HOUSING, SOCIAL SERVICES, HAS BEEN AND WILL CONTINUE TO BE AFFECTED OR OUR SUDDEN, STARTLING, POPULATION INCREASE IN 1979.

SPEAKING AT THE ANNUAL DINNER OF THE HONG KONG GENERAL CHAMBER OF COMMERCE TONIGHT, SIR JACK SAID: +UNFORESEEN, UNPLANNED FOR THOUGH THAT INCREASE WAS, WE ARE NEVERTHELESS TACKLING OUR PROBLEMS IN TRUE HONG KONG STYLE.+

+IT IS NOT THE FIRST TIME WE HAVE BEEN OVERWHELMED WITH PEOPLE AND AS USUAL, HONG KONG WILL NO DOUBT MAKE SOME EXTRA BOOTSTRAPS, PICK ITSELF UP BY THEM AND CARRY ON TO THE VERY BEST OF ITS ABILITY.+

SIR JACK SAID THOUGH WE MAY WELL HAVE TO WAIT FOR THE RESULTS OF THE 1981 CENSUS BEFORE GETTING A REASONABLY ACCURATE COUNT OF OUR POPULATION, THE 'GUESS ESTIMATE' WAS THAT AT THE END OF 1979, 70 000 LEGAL IMMIGRANTS AND 110 000 ILLEGAL IMMIGRANTS HAD ARRIVED DURING THE YEAR FROM CHINA APART FROM THE 50 000 BOAT REFUGEES FROM VIETNAM PRESENTLY HERE.

NET MIGRATION IN RESPECT OF COUNTRIES OTHER THAN CHINA SHOWED A SMALL LOSS OF SOME 2 000, LEAVING A BALANCE OF NET MIGRATION INTO HONG KONG OF ABOUT 178 000. EXCLUDING THE TRANSIENT 50 000 VIETNAMESE BOAT REFUGEES, HONG KONG IS STILL LEFT WITH A POPULATION GROWTH RATE OF 5.2 PER CENT LAST YEAR WHICH IS A LOT MORE THAN THE 1.2 PER CENT NATURAL GROWTH RATE.

STARTING WITH THE BASE OF A PRESENT FIVE MILLION POPULATION WHICH SIR JACK DESCRIBED AS ADMITTEDLY MODEST AND IT COULD WELL BE AT LEAST 5.5 MILLION, HE SAID 1986 WOULD SEE HONG KONG'S POPULATION STANDING AT AROUND 6.5 MILLION AND BY 1991 NEARLY EIGHT MILLION.

+IN TERMS OF ONE ASPECT OF SOCIAL SERVICES (BASED ON THOSE THEORETICAL FIGURES) BY THE YEAR 1986 WE SHOULD NEED TO HAVE SOME SEVEN MORE HOSPITALS OF THE CAPACITY OF PRINCESS MARGARET HOSPITAL THAN WE ARE AT PRESENT PLANNING FOR.

ON PUBLIC HOUSING NEED, HE SAID A FURTHER 30 000 FLATS A YEAR WOULD BE REQUIRED ON TOP OF THE CURRENT PRODUCTION RATE OF 35 000 FLATS A YEAR - THE HIGHEST RATE WE HAVE EVER ACHIEVED.

HE ALSO NOTED THAT TO HOUSE AN EXTRA 1.4 MILLION PEOPLE BY 1986 ACCORDING TO THE PROJECTION, WE WOULD NEED THREE MORE TOWNS.

ON LEGAL AND ILLEGAL IMMIGRATION, SIR JACK SAID AS A RESULT OF VARIOUS MEASURES TAKEN BY THE GOVERNMENT, THERE WAS A REDUCTION IN THE LEGAL OUTFLOW FROM CHINA FROM ABOUT 300 A DAY IN DECEMBER TO ABOUT 150 A DAY AT PRESENT. AND FOLLOWING MEASURES INTRODUCED BY THE CHINESE AUTHORITIES THIS MONTH, THERE HAS BEEN A WELCOME DECREASE IN ILLEGAL IMMIGRATION TOO. SO FAR THIS MONTH THE AVERAGE DAILY ARRESTS HAVE NUMBERED 137.

/HE ALSO .....

HE ALSO NOTED THAT ALTHOUGH IN THE FIRST WEEK OF THIS MONTH, DAILY ARRESTS WERE ENCOURAGINGLY LOW, IN THE PAST TWO WEEKS THERE HAS BEEN AN INCREASE: NOT THE FIGURES OF DECEMBER, BUT NEVERTHELESS RATHER WORRYING.

TURNING TO THE ECONOMY, SIR JACK SAID 1979 PROVED TO BE ANOTHER YEAR OF RAPID ECONOMIC GROWTH AND THE LATEST GDP FORECAST SUGGESTED THAT THE GROWTH RATE WOULD BE 10 PER CENT OR MORE FOR THE FOURTH YEAR RUNNING. HE DESCRIBED IT AS A +QUITE REMARKABLE RECORD+ WHICH WAS ACHIEVED AGAINST A MUCH MORE STABLE BACKGROUND THAN HONG KONG EXPERIENCED IN 1978.

REVIEWING 1979, HE SAID MUCH OF HONG KONG'S INFLATION IN THE YEAR WAS IMPORTED: +INCREASES IN WORLD OIL PRICES, WHICH AFFECT OUR LIVES NOT JUST THROUGH INCREASED COSTS IN OIL-BASED FUELS AND THE GAS AND ELECTRICITY DERIVED FROM THEM, BUT ALSO OUR IMPORTS AND THE TRANSPORT COST OF ALL GOODS, VERY FEW ASPECTS OF OUR DAILY LIVES, INDEED, ARE NOT AFFECTED,+ HE SAID.

HE SAID WHILE THERE WAS LITTLE THE GOVERNMENT COULD DO TO CUSHION HONG KONG AGAINST THE EFFECTS OF RISES IN WORLD PRICES GENERALLY, WE WERE ONLY TOO WELL AWARE DURING LAST YEAR, THAT, IN SPITE OF THE ECONOMY'S MOVE TOWARDS GREATER STABILITY, THERE WAS STILL AN UNACCEPTABLY HIGH LEVEL OF DOMESTICALLY-GENERATED INFLATION.

THIS WAS PARTICULARLY TRUE OF ONE IMPORTANT SECTOR: THE PROPERTY MARKET. HE SAID 1979 SAW PRICES OF FLATS ESCALATING TO DIZZY NEW HEIGHTS AND THERE WAS EVIDENCE OF UNREASONABLE LEVELS OF RENT-INCREASE BEING ASKED BY LANDLORDS.

AS A RESULT THE GOVERNMENT LAST MONTH DECIDED TO EXTEND RENT-INCREASE CONTROL TO ALL DOMESTIC TENANCIES AND SCHEMES ARE PRESENTLY BEING CONSIDERED TO CURB SPECULATION ON UNCOMPLETED FLATS.

HE SAID THESE MEASURES WHILE STILL ONLY PROPOSALS AND YET TO BE FULLY DEBATED IN LEGISLATIVE COUNCIL, HAD ALREADY HAD A CALMING EFFECT ON THE DOMESTIC PROPERTY MARKET.

SIR JACK SAID RENT-INCREASE CONTROLS COULD NOT OF THEMSELVES BE THE ANSWER: THE ONLY ANSWER TO A SHORTAGE OF HOUSING WAS THE BUILDING OF MORE HOUSING.

+WE RECOGNISE, AND ACCEPT, THAT WHAT IS NEEDED IS A PACKAGE - A PACKAGE TO INCLUDE NOT JUST ACTION IN RESPECT OF THE PROPERTY MARKET, BUT ALSO AN INCREASE IN THE PRODUCTION OF FORMED LAND, A CONTINUING HIGH RATE OF PRODUCTION OF HOUSING FOR RENT AND AN EXPANDED HOME-OWNERSHIP SCHEME.+

HE SAID THE GOVERNMENT ENVISAGED THAT THERE WOULD BE A MARKED INCREASE IN THE AMOUNT OF LAND MADE AVAILABLE TO THE PRIVATE SECTOR FOR PRIVATE COMMERCIAL AND RESIDENTIAL DEVELOPMENT, IN ADDITION TO A GOOD PERCENTAGE OF PRIVATE INDUSTRIAL DEVELOPMENT. THE GOVERNMENT'S TARGET IS TO BRING UP PRODUCTION TO AT LEAST 400 HECTARES OF SERVICED LAND EACH YEAR FOR ALL PURPOSES BY 1982/83 AND IT IS HOPED TO BE ABLE TO MAINTAIN AT LEAST THIS RATE OF PRODUCTION THEREAFTER.

/TURNING TO .....

TURNING TO THE CONSTRAINING EFFECT OF PROTECTIONISM ON OUR ECONOMIC GROWTH, SIR JACK SAID IN 1961 ONLY ABOUT 10 PER CENT OF OUR TEXTILES AND CLOTHING EXPORTS WERE COVERED BY BILATERAL AGREEMENTS WITH OUR TRADING PARTNERS. THIS PROPORTION HAS NOW INCREASED TO ABOUT 60 PER CENT AND +AT PRESENT, MOST UNHAPPILY, THE TENDENCY IS FOR THIS PROGRESSIVE SHIFT TOWARDS PROTECTIONISM TO CONTINUE.

+WHILE WE SHALL OF COURSE RESIST ITS APPLICATION TO HONG KONG'S TRADE WITH AS MUCH DETERMINATION AS EVER, PROTECTIONISM REMAINS A VERY REAL THREAT TO OUR WELL-BEING,+ HE SAID.

HE SAID DUE TO THE SLACKENING IN THE PACE OF GROWTH OF OUR EXPORT SECTOR RESULTING FROM PROTECTIONISM, OUR ECONOMY MUST DIVERSIFY TO A MUCH GREATER EXTENT THAN IT HAS SO FAR, IN ORDER THAT WE MAY CONTINUE TO PROSPER.

THE GOVERNMENT IS INTENSIVELY CONSIDERING RECOMMENDATIONS BY THE ADVISORY COMMITTEE ON DIVERSIFICATION AND WILL SHORTLY BE SEEKING THE ADVICE OF THE EXECUTIVE COUNCIL ON THEM.

ON THE SUGGESTION THAT THE AVAILABILITY OF IMMIGRANT SEMI-SKILLED AND UNSKILLED WORKERS AT THE PRESENT TIME HAS ASSISTED OUR ECONOMY TO EXPAND, AND THAT IT HAS HELPED LABOUR-MANAGEMENT RELATIONS BY HAVING A SOBERING EFFECT ON THE SO-CALLED +UNREASONABLE+ WAGE DEMANDS, SIR JACK SAID NO ONE COULD DENY THESE CLAIMS BECAUSE THE LATEST INFLUX OF PEOPLE CAME AT A TIME WHEN OUR LABOUR MARKET WAS TIGHT AND IT HAD BEEN POSSIBLE TO PROVIDE MOST OF THEM WITH EMPLOYMENT.

BUT HE SAID WHEN OUR ECONOMY WAS FLOURISHING, IT WAS ALL TOO EASY TO FORGET THE UNHAPPY TIMES OF 1973 AND '74 WHEN THE SITUATION WAS FAR FROM ROSY.

+IT IS, ALSO, PERHAPS, CONVENIENT TO OVERLOOK THE FACT THAT HONG KONG'S WORKERS RESPONDED MAGNIFICENTLY AT THAT TIME BY TIGHTENING THEIR BELTS AND SHARING THE WORK THAT WAS AVAILABLE.

+THEY HAVE A RIGHT TO A FAIR SHARE OF OUR PROSPERITY: AND ESPECIALLY SHOULD THIS BE SEEN TO BE THE CASE WHEN - AS NOW - WE ARE PROSPERING AS A COMMUNITY.+

SIR JACK SAID IF THERE WAS A SHORTAGE OF SKILLED AND SEMI-SKILLED LABOUR, SURELY THE ANSWER WAS IN IMPROVED PRODUCTIVITY. HONG KONG SHOULD CONTINUE TO RELY ON INDUSTRY AS OUR MAJOR SOURCE OF WEALTH, +SURELY WE MUST NOT ONLY DIVERSIFY, BUT MOVE FURTHER UP THE SCALE OF INDUSTRIAL SOPHISTICATION: SURELY, THEN WE NEED IMPROVED AND EXPANDED VOCATIONAL EDUCATION.

+THE WAY AHEAD LIES IN FURTHER AND CONTINUING INVESTMENT IN OUR ONLY NATURAL RESOURCE - PEOPLE,+ HE SAID.

## PROVISIONAL TRADE FIGURES FOR DECEMBER 1979

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THE PROVISIONAL FIGURES FOR HONG KONG'S EXTERNAL MERCHANDISE TRADE IN DECEMBER 1979 SHOW THAT THE VALUE OF TOTAL EXPORTS FOR THAT MONTH WAS \$7 493 MILLION, MADE UP OF DOMESTIC EXPORTS AT \$5 602 MILLION AND RE-EXPORTS AT \$1 891 MILLION.

WITH IMPORTS AT \$8 328 MILLION, THE VISIBLE TRADE DEFICIT FOR DECEMBER WAS \$835 MILLION.

THESE FIGURES WERE PUBLISHED TODAY BY THE CENSUS AND STATISTICS DEPARTMENT.

FOR THE YEAR 1979 AS A WHOLE, THE VALUE OF TOTAL EXPORTS WAS \$75 949 MILLION, MADE UP OF DOMESTIC EXPORTS OF \$55 925 MILLION AND RE-EXPORTS OF \$20 024 MILLION. WITH IMPORTS AT \$85 852 MILLION, THE VISIBLE TRADE DEFICIT FOR 1979 WAS \$9 903 MILLION.

COMMENTING ON THESE FIGURES, A GOVERNMENT SPOKESMAN SAID THAT THE VISIBLE TRADE ACCOUNT FOR 1979 AS A WHOLE SHOWED TWO SUBSTANTIAL IMPROVEMENTS OVER THAT FOR 1978.

FIRST, THE GROWTH RATE OF THE VALUE OF TOTAL EXPORTS AT 41 PER CENT WAS SIGNIFICANTLY FASTER THAN THAT OF THE VALUE OF IMPORTS AT 36 PER CENT. THIS WAS THE REVERSE OF THE WORRYING TREND APPARENT IN 1978 WHEN THE GROWTH RATE OF THE VALUE OF IMPORTS AT 29 PER CENT HAD BEEN VERY MUCH FASTER THAN THE GROWTH RATE OF TOTAL EXPORTS AT 20 PER CENT.

SECONDLY, THE VISIBLE TRADE GAP, THAT IS THE EXTENT TO WHICH IMPORTS WERE NOT PAID FOR BY EXPORTS, NARROWED TO 11.5 PER CENT IN 1979 FROM 14.5 PER CENT IN 1978.

THE SPOKESMAN ADDED THAT THE IMPROVING TREND IN THE VISIBLE TRADE ACCOUNT DURING 1979 WAS EVEN MORE MARKED. IN THE FIRST HALF OF 1979 THE VISIBLE TRADE DEFICIT WAS LARGER THAN IN THE CORRESPONDING HALF OF 1978. IN THE SECOND HALF, IT WAS LESS THAN IN THE SAME PERIOD OF 1978.

THE VISIBLE TRADE DEFICIT FOR 1979 AT \$9 903 MILLION IS ABOUT \$2 000 MILLION LESS THAN THE FIGURE FORECAST AT THE BEGINNING OF 1979, THUS CONFIRMING THE GOVERNMENT'S VIEW THAT THE ECONOMY WAS ADJUSTING FAVOURABLY.

THE FOLLOWING ARE COMPARATIVE MERCHANDISE TRADE FIGURES FOR DECEMBER:

COMPARATIVE FIGURES

<u>LATEST 3 MONTHS</u>	OCT-DEC 1979	OCT-DEC 1978	INCREASE OR DECREASE	
	\$ MN.	\$ MN.	\$ MN.	%
DOMESTIC EXPORTS	16 245	11 953	+ 4 292	+35.9
			/RE-EXPORTS .....	

- 5 -

RE-EXPORTS	5 688	3 873	+ 1 816	+46.9
TOTAL EXPORTS	21 933	15 825	+ 6 108	+38.6
IMPORTS	24 832	18 958	+ 5 875	+31.0
TRADE BALANCE	-2 899	-3 133	+ 234	

SAME MONTH LAST YEAR	DECEMBER	DECEMBER	INCREASE OR	
	1979	1978	DECREASE	
	\$ MN.	\$ MN.	\$ MN.	%
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	5 602 (74.8%)	4 305 (77.9%)	+ 1 297	+30.1
RE-EXPORTS	1 891	1 218	+ 673	+55.2
TOTAL EXPORTS	7 493	5 524	+ 1 970	+35.7
IMPORTS	8 328	6 809	+ 1 519	+22.3
TRADE BALANCE	- 835	-1 285	+ 450	

LAST MONTH	DECEMBER	NOVEMBER	INCREASE OR	
	1979	1979	DECREASE	
	\$ MN.	\$ MN.	\$ MN.	%
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	5 602 (74.8%)	5 337 (72.7%)	+ 265	+5.0
RE-EXPORTS	1 891	2 002	- 111	-5.5
TOTAL EXPORTS	7 493	7 339	+ 155	+2.1
IMPORTS	8 328	8 232	+ 96	+1.2
TRADE BALANCE	- 835	- 893	+ 58	

LAST 12 MONTHS	JAN-DEC	JAN-DEC	INCREASE OR	
	1979	1978	DECREASE	
	\$ MN.	\$ MN.	\$ MN.	%
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	55 925 (73.6%)	40 711 (75.5%)	+15 214	+37.4
RE-EXPORTS	20 024	13 197	+ 6 827	+51.7
TOTAL EXPORTS	75 949	53 908	+22 041	+40.9
IMPORTS	85 852	63 056	+22 796	+36.2
TRADE BALANCE	-9 903	- 9 148	- 755	

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## ROYAL OBSERVATORY ACQUIRES SATELLITE RECEIVING STATION

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A NEW GEOSTATIONARY METEOROLOGICAL SATELLITE RECEIVING STATION AT THE ROYAL OBSERVATORY HEADQUARTERS WAS OPENED TODAY (THURSDAY) BY MR CHEN SHOU-LUM, UNOFFICIAL MEMBER OF THE LEGISLATIVE COUNCIL.

THE STATION IS PART OF THE ROYAL OBSERVATORY'S ON-GOING PROGRAMME TO IMPROVE HONG KONG'S WEATHER AND TYPHOON WARNING SERVICES TO THE PUBLIC.

IT WILL BE REGULARLY RECEIVING CLOUD IMAGERY INFORMATION FROM THE GEOSTATIONARY METEOROLOGICAL SATELLITE (GMS) WHICH WAS LAUNCHED BY JAPAN IN JULY 1977.

THE JAPANESE WEATHER SATELLITE, NOW STATIONARY AT 35 800 KILOMETRES ABOVE THE EQUATOR AT LONGITUDE 140 DEGREE EAST, CONTINUOUSLY MONITORS THE WEATHER CONDITIONS OVER SOUTHEAST ASIA, AUSTRALIA, JAPAN AND THE WESTERN PACIFIC AND TRANSMITS CLOUD PICTURES TO GROUND RECEIVING STATIONS EIGHT TIMES A DAY.

WITH THE SATELLITE INFORMATION RECEIVED BY THE NEW STATION THE ROYAL OBSERVATORY WILL BE ABLE TO FOLLOW IN DETAIL THE DEVELOPMENT OF SEVERE WEATHER SYSTEMS AND THE FORMATION AND MOVEMENT OF TROPICAL CYCLONES AFFECTING HONG KONG.

THE MOST NOTABLE FEATURE OF THE RECEIVING EQUIPMENT IS A FIVE-METRE DIAMETER DISH-SHAPE ANTENNA ERECTED WITHIN THE ROYAL OBSERVATORY COMPOUND IN TSIM SHA TSUI. IN ADDITION, THERE IS A NETWORK OF RECEIVERS, DEDICATED MICRO-PROCESSORS, IMAGE PROCESSING AND DATA DISSEMINATING DEVICES.

THE EQUIPMENT RECEIVES CLOUD IMAGERY INFORMATION FROM THE SATELLITE AND REPRODUCES THE INFORMATION IN BLACK-AND-WHITE PHOTOGRAPHS. IT CAN ALSO DISPLAY THE INFORMATION ON A VIDEO COLOUR MONITOR.

ALSO A SEQUENCE OF CONSECUTIVE SATELLITE PICTURES CAN BE DISPLAYED IN AN ANIMATED FASHION ON A TELEVISION SCREEN FOR OBSERVING THE MOVEMENT AND DEVELOPMENT OF WEATHER SYSTEMS DURING THE PRECEDING 24 TO 48 HOURS. THIS PARTICULAR FACILITY IS EXTREMELY USEFUL FOR TRACKING TROPICAL CYCLONES. IT IS PLANNED THAT ANIMATED SATELLITE PICTURES WILL BE SUPPLIED TO THE SPACE MUSEUM FOR VIEWING BY THE PUBLIC.

SINCE THE EARLY 1960S, THE ROYAL OBSERVATORY HAS BEEN MONITORING WEATHER SATELLITE TRANSMISSIONS FROM THE UNITED STATES POLAR ORBITING SATELLITES WHICH PROVIDE CLOUD PICTURES ONLY TWICE A DAY WHEN THEY PASS OVER HONG KONG. THE JAPANESE SATELLITE, BEING STATIONARY, PROVIDES MORE FREQUENT PICTURES.

ALTHOUGH THE ROYAL OBSERVATORY WAS AMONG THE FIRST FEW ORGANISATIONS IN THE WORLD TO RECEIVE SATELLITE PICTURES, PREVIOUS EQUIPMENT WAS MAINLY HOME MADE. THIS IS THE FIRST COMPLETE SATELLITE SYSTEM TO BE PURCHASED AND TOGETHER WITH ITS COMPUTER COST \$1.9 MILLION.

INDONESIA NOW OPERATES A SYSTEM BY THE SAME MANUFACTURER COSTING ABOUT TWICE AS MUCH, AS IT HAS THE ADDITIONAL FACILITY TO FOLLOW ORBITING SATELLITES. MALAYSIA WILL OPERATE A SIMILAR SYSTEM TO INDONESIA LATER THIS YEAR. OTHER METEOROLOGICAL SERVICES IN THE REGION INCLUDING THOSE IN TAIWAN AND THE PHILIPPINES ARE IN THE PROCESS OF OBTAINING SIMILAR ADVANCED EQUIPMENT.

THURSDAY, JANUARY 24, 1980

- 7 -

TWO MORE JUMBO JET PIERS AT AIRPORT

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+TWO NEW PARKING BAYS WITH PIERS AND AEROBRIDGES WILL COME INTO OPERATION WITHIN THE NEXT FEW DAYS TO ACCOMMODATE WIDE-BODIED AIRCRAFT CALLING AT HONG KONG INTERNATIONAL AIRPORT.+

THESE AIRCRAFT PARKING BAYS ARE ALONGSIDE THE SIX EXISTING INNER BAYS AND THE NEW PIERS ARE MADE AVAILABLE BY EXTENDING THE LINE OF EXISTING PASSENGER BOARDING PIERS WESTWARD BY ABOUT 120 METRES.

THESE WILL BRING TO EIGHT, THE NUMBER OF INNER AIRCRAFT PARKING BAYS WITH PIERS AND AEROBRIDGES AT KAI TAK. IN ADDITION THERE ARE 24 OUTER BAYS.

AN ASSOCIATED BUS DOCK FOR TRANSFER VEHICLES TO FERRY PASSENGERS BETWEEN AN AIRCRAFT AT AN OUTER BAY AND THE PASSENGER TERMINAL WILL ALSO BE BROUGHT INTO USE.

A SPOKESMAN FOR THE AIRPORT MANAGEMENT SAID THAT PASSENGERS WOULD FIND IT MORE CONVENIENT TO BOARD OR DISEMBARK AIRCRAFT AT THESE NEW INNER BAYS BECAUSE THEY WOULD NOT HAVE TO TRAVEL ANY GREAT DISTANCE BETWEEN THE AIRCRAFT AND THE TERMINAL BY VEHICLE.

+FROM MANAGEMENT POINT OF VIEW, IT IS HIGHLY DESIRABLE TO PROVIDE MORE INNER BAYS FOR WIDE-BODIED JETS TO ENHANCE AIRPORT OPERATION EFFICIENCY.

+SUCH AIRCRAFT CARRY OVER 300 PASSENGERS EACH AND IT WOULD TAKE TIME IF THE PASSENGERS HAVE TO USE AN AIRPORT COACH TO GO TO OR FROM THE PLANE SIDE FOR BOARDING OR DISEMBARKATION,+ HE EXPLAINED.

THE NEW PARKING BAYS AND PIERS WERE BUILT UNDER THE AIRPORT'S LONG-TERM DEVELOPMENT PROGRAMME.

EARLIER THIS MONTH, LARGE EXTENSIONS ON BOTH THE DEPARTURES AND ARRIVALS LEVELS TOGETHER WITH A THIRD BAGGAGE RECLAIM UNIT AND A GROUP BAGGAGE CONVEYING SYSTEM WERE BROUGHT INTO USE UNDER THE DEVELOPMENT PROGRAMME.

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THURSDAY, JANUARY 24, 1980

- 8 -

NEW SCHOOL FOR FISHERMEN'S CHILDREN

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THE DIRECTOR OF AGRICULTURE AND FISHERIES, MR TED NICHOLS, PERFORMED HIS LAST OFFICIAL CEREMONY TODAY (THURSDAY) WHEN HE OPENED THE FISH MARKETING ORGANISATION SCHOOL IN AP LEI CHAU.

WITH THE ADDITION OF THE NEW PRIMARY SCHOOL, THE FMO IS NOW CATERING FOR MORE THAN 7 000 PLACES, PARTICULARLY BIASED TOWARDS SERVING THE NEEDS OF THE FISHING COMMUNITY, MR NICHOLS SAID AT THE OPENING CEREMONY.

+I FEEL THAT THE TEACHING STAFF MUST TAKE NO SMALL PRIDE IN HAVING SUCH EXCELLENT FACILITIES AT THEIR DISPOSAL AND I AM CERTAIN THAT THE STUDENTS WHO ATTEND THE SCHOOL WILL CONSIDER THEMSELVES FORTUNATE IN BEING ABLE TO WORK AND LEARN IN SUCH SURROUNDINGS,+ HE SAID.

THE NEW SCHOOL, THE FOURTEENTH OPERATED BY THE ORGANISATION, CONSISTS OF 24 CLASSROOMS AND THREE SPECIAL ROOMS FOR WOODWORK, DOMESTIC SCIENCE AND GENERAL PURPOSES.

THE NEED FOR THE SCHOOL CAME ABOUT IN 1978 WHEN THE ABERDEEN FMO SECONDARY SCHOOL EMBARKED UPON A PROGRAMME OF CONVERSION INTO A FIVE-YEAR SECONDARY TECHNICAL SCHOOL. THIS ENTAILED TAKING OVER THE CLASSROOMS USED BY THE PRIMARY SCHOOL AND TRANSFERRING THE 453 PRIMARY PUPILS TO THE NEW SCHOOL AT AP LEI CHAU ESTATE.

ARRANGEMENTS HAVE BEEN MADE WITH THE EDUCATION DEPARTMENT TO FIND PLACES IN ABERDEEN FOR ABOUT 40 PUPILS WHO COULD NOT TRANSFER TO THE AP LEI CHAU SCHOOL.

MR NICHOLS SAID: +PERHAPS IT IS SIGNIFICANT THAT MY LAST OFFICIAL FUNCTION AS DIRECTOR HAS COMMITTED ME TO THIS OPENING CEREMONY, NOT ONLY BECAUSE OF MY PAST AND PRESENT INTERESTS IN THE FMO SCHOOLS, BUT ALSO BECAUSE OF THE IMPLICATIONS OF TODAY'S CEREMONY FOR THE COMING GENERATIONS OF OUR FISHING INDUSTRY, WHICH I BELIEVE HAS A VERY BRIGHT FUTURE.+

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THURSDAY, JANUARY 24, 1980

- 9 -

CHIEF SECRETARY OPENS NEW HOME FOR LANGUAGE CENTRE

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THE CHIEF SECRETARY, SIR JACK CATER TODAY (THURSDAY) OFFICIALLY OPENED A NEW HOME FOR THE CHINESE LANGUAGE CENTRE OF THE CHINESE UNIVERSITY OF HONG KONG.

THE \$1.5 MILLION CONSTRUCTION COST OF THE NEW FONG SHU CHUEN BUILDING WAS DONATED ENTIRELY BY THE FONG FOOK TONG FOUNDATION.

SPEAKING AT THE OPENING CEREMONY, SIR JACK SAID THE CHINESE LANGUAGE CENTRE WAS FOUNDED IN 1963 UNDER THE JOINT AUSPICES OF THE NEW ASIA COLLEGE AND THE YALE-CHINA ASSOCIATION AND HAD BEEN PART OF THE UNIVERSITY SINCE 1974.

+STUDENTS FROM ALL OVER THE WORLD, RANGING FROM ABSOLUTE BEGINNERS TO TRAINED SINOLOGISTS WHO WISH TO IMPROVE THEIR SPOKEN CHINESE OR LEARN A CHINESE DIALECT ARE ADMITTED FOR TRAINING SUITABLE TO THEIR NEEDS AND ABILITIES,+ HE SAID.

HE SAID THE MOVE OF THE CENTRE INTO A NEW BUILDING WITH MORE SPACE AND BETTER FACILITIES, THE STANDING THAT THE CENTRE HAD ESTABLISHED IN ACADEMIC CIRCLES OVER THE YEARS, AND THE FACT THAT LANGUAGE WAS THE BASIC MEDIUM OF COMMUNICATION WOULD ENSURE ITS CONTINUED ROLE IN THE PROMOTION OF BETTER UNDERSTANDING BETWEEN EASTERN AND WESTERN PEOPLE.

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CUSTOMS SERVICE OFFICERS COMMENDED

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SEVEN OFFICERS OF THE CUSTOMS AND EXCISE SERVICE WERE TODAY (THURSDAY) COMMENDED BY THEIR ASSISTANT COMMISSIONER, MR WALTER NEIL FOR THEIR OUTSTANDING PERFORMANCE IN A NUMBER OF DRUG SEIZURES AND IN DETECTING REVENUE EVASION.

MR NEIL, RECENTLY APPOINTED ASSISTANT COMMISSIONER OF THE SERVICE AFTER MR ROY HATTON'S RETIREMENT, PRESENTED COMMENDATIONS TO THE OFFICERS AND PRAISED THEM FOR THEIR INITIATIVE, EFFICIENCY AND HIGH STANDARD OF PROFESSIONAL SKILL.

CUSTOMS INSPECTOR WONG MAN-MING, CUSTOMS OFFICERS WU HOK-MING AND CHAU CHUNG-PING OF AIRPORT INVESTIGATION SECTION WERE COMMENDED FOR THEIR PART IN THE SEIZURE OF 4.5 KILOGRAMS OF HEROIN ON DECEMBER 12 LAST YEAR FROM A DRUG COURIER FROM BANGKOK.

THE WORK OF CUSTOMS INSPECTOR CHAN LAM IN AUGUST LAST YEAR LED TO THE DISCOVERY THAT CONSIGNMENTS OF A BRAND OF SPARKLING WINE WERE BEING IMPROPERLY DECLARED AS STILL WINE. ABOUT \$35 760 IN REVENUE COULD HAVE BEEN LOST. HE WAS AWARDED A COMMENDATION FOR HIS DETECTION, WHICH RESULTED IN LEGAL ACTION TAKEN AGAINST A LIQUOR IMPORTER.

/WHILE ON .....

WHILE ON BAGGAGE EXAMINATION DUTIES AT KAI TAK AIRPORT ON SEPTEMBER 27 LAST YEAR, SENIOR CUSTOMS OFFICER TO KAM-WING FOUND 890 GRAMS OF HEROIN INGENUOUSLY CONCEALED IN THE LINING OF A HANDBAG OF A WOMAN PASSENGER FROM BANGKOK.

ALSO COMMENDED TODAY WERE CUSTOMS OFFICERS CHAN KAM-CHUEN AND THAM KOW-CHYE, WHOSE WORK IN APRIL LAST YEAR SUCCESSFULLY LED TO THE SEIZURE OF 27 KILOGRAMS OF HEROIN.

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STUDENTS URGED TO JOIN FLOWER ARRANGEMENT COMPETITION  
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STUDENTS UNDER 16 YEARS OF AGE ARE URGED TO TAKE PART IN A FLORAL ART COMPETITION IN THE COMING URBAN COUNCIL 1980 FLOWER SHOW.

IN MAKING THE CALL, AN EDUCATION DEPARTMENT SPOKESMAN SAID: +THIS COMPETITION PROVIDES AN OPPORTUNITY FOR CHILDREN TO EXPRESS THEMSELVES VISUALLY THROUGH A LESS FAMILIAR MEDIUM.+

THE COMPETITION WILL BE HELD ON MARCH 20 IN THE CITY HALL.

IT IS DIVIDED INTO TWO CLASSES, ONE FOR CHILDREN UNDER 12 YEARS OLD, AND THE OTHER FOR CHILDREN BETWEEN 12 AND 16. A NOMINAL FEE OF \$1 IS REQUIRED FOR EACH ENTRY. THE CLOSING DATE IS FEBRUARY 29.

EACH ENTRANT WILL BE ISSUED WITH A BADGE WHICH GIVES FREE ADMISSION TO THE EXHIBITION AT SPECIFIED TIMES, THE SPOKESMAN SAID.

ENTRY FORMS AND DETAILS OF THE COMPETITION WILL BE AVAILABLE FROM THE FOLLOWING ADDRESSES FROM NEXT MONDAY (JANUARY 28):

- \* GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, HONG KONG
- \* CITY DISTRICT OFFICES AND DISTRICT OFFICES
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TEMPORARY CLOSURE OF EDINBURGH PLACE EAST  
\* \* \* \* \*

PART OF EDINBURGH PLACE EAST IN FRONT OF QUEEN'S PIER WILL BE CLOSED TO TRAFFIC ON SATURDAY (JANUARY 26) FROM 9 AM TO 1 PM FOR THE REHEARSAL OF THIS YEAR'S HONG KONG ARTS FESTIVAL.

THE AREA WILL BE CLOSED AGAIN FROM 5 PM ON FEBRUARY 2 TILL MIDNIGHT ON FEBRUARY 3 FOR THE GALA OPENING OF THE ARTS FESTIVAL.

DURING THE TEMPORARY CLOSURE ON FEBRUARY 3, THE NEARBY MAXICAB STAND WILL BE RESITED TO LAMBETH WALK.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

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## DAILY INFORMATION BULLETIN - SUPPLEMENT

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL: 5-233191

Thursday, January 24, 1980.

### CHIEF SECRETARY ATTENDS GENERAL CHAMBER OF COMMERCE ANNUAL DINNER

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The following is the speech by the Chief Secretary, Sir Jack Cater, at the Hong Kong General Chamber of Commerce annual dinner on Thursday, January 24, 1980.

In your speech, Mr Chairman, you said how happy you and the members of the Chamber were that Sir Murray's term of office had again been extended. I am sure these sentiments are shared by the community generally and I shall certainly pass on to him the good wishes you have expressed tonight.

A year ago, the main problem facing our economy was "overheating" - a consequence of three years of very rapid economic growth following the recessionary period of 1974 and 1975.

Government took various measures to counter this, mainly by slowing down the rate of growth of Government spending, particularly in the building and construction industries; and of influencing the behaviour of the monetary aggregates.

/I suspect .....

I suspect that in his next budget, the Financial Secretary will say that overall the economy performed well in 1979; and that while some of the major problems we faced last year are still with us, that others have largely disappeared.

For example, 1979 proved to be another year of rapid economic growth. The latest GDP forecast suggests that for the fourth year running, the growth rate of our economy was 10 per cent or more. This is quite a remarkable record, and was achieved against a much more stable background than we experienced in 1978.

However, there are, as we are all well aware, a number of worrisome spectres on the scene as we enter the Eighties and you, Mr Chairman, have referred to some of them. Under the broad headings of "Inflation, Immigration and Protectionism" I propose to consider further some aspects of our problems of the future. I shall also have something to say later about Labour-Management relations.

An inflationary situation is worrying and unsettling. For Hong Kong in 1979 much of our inflation was imported: the obvious consequence, for example, of the substantial increases in world oil prices, which affect our lives not just through increased costs in oil-based fuels and the gas and electricity derived from them, but also our imports and the transport costs of all goods. Very few aspects of our daily lives, indeed, are not affected.

/However, .....

However, while there is little the Government can do to cushion Hong Kong against the effects of rises in world prices generally, we were only too well aware during last year that, in spite of the economy's move towards greater stability, there was still an unacceptably high level of domestically-generated inflation. This was particularly true of one important sector: the property market.

1979 saw prices of flats escalating to dizzy new heights and there was evidence of unreasonable levels of rent-increase being asked by landlords. As you all know, last month Government decided to extend rent-increase control to domestic tenancies not previously covered, and schemes are presently being considered to curb speculation on uncompleted flats. I am told that these measures while still only proposals and yet to be fully debated in Legislative Council, have already had a calming effect on the domestic property market. This is good.

At the same time, the Government has, in particular, kept a firm grip on the growth of Public Works. When we had, perforce, to decide where to slow down the rate of growth of Government's capital expenditure, the least possible reduction in speed was applied to our public housing programme. This was clearly right and proper in view of our severe housing shortage, but in doing this it has inevitably meant that we have had to delay a number of other important projects (and you, Mr Chairman, have mentioned some, including the HK Island Eastern Corridor and the Tai Po Coastal Road). I assure you that these and other items will be re-introduced into our capital spending programme just as soon as this can be done without too much risk of further fuelling our domestically-generated inflation.

I want to say that once more: just as soon as our domestically-generated inflation is down to a reasonable level, then we can go ahead

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with the necessary and longed-for new roads and other important capital developments. It is therefore up to all of us to ensure that the inflation we can help to control is kept down. Runaway inflation in any sector is not good for anybody in the long run.

What is clearly imperative is to ensure a continuing high rate of land-production both for private and public development. The past three financial years have seen an average annual production of about 370 hectares of serviced land in both the urban areas and the New Territories, of which about 23 per cent was for industrial use and 9 per cent for private commercial and residential development. Our present target is to bring up production to at least 400 hectares of serviced land each year for all purposes by 1982/3, and it is hoped to be able to maintain at least this rate of production thereafter. We envisage that there will be a marked increase in the amount made available to the private sector for private commercial and residential development, in addition to a good percentage for private industrial development.

I said "at least" 400 hectares a year. This, remember, refers to present plans: we are clearly going to need new areas to maintain this rate, so in parallel we are proceeding with engineering design work for further development areas in Junk Bay and Tide Cove, and further investigation of Tuen Mun Eastern Extension and North Lantau with a view to ensuring that sufficient land will be made available to meet demand. In saying this, I am well aware, very well aware, of the increased and increasing demand for housing. Rent-increase controls cannot of themselves be the answer: the only answer to a shortage of housing is the building of more housing. We recognise, and accept, that what is needed is a package - a package to include not just action in respect of the property market, but also an increase in the production of formed land, a continuing high rate of production of housing for rent and additional emphasis on home-ownership.

/I make .....

I make no excuses in respect of our present difficulties. I would merely comment that few people, if any, could have been looking with accuracy into their crystal balls two or three years ago. 20-20 hindsight on the other hand is a gift most of us acquire with diligent practice even, apparently, Hong Kong's taipans: the trick is to apply the lessons of the past intelligently to the future ... and even then, as we all know, one can be wrong.

Seriously, who here foresaw two-and-a-half years ago, the immense increase in our population, not only from immigration, but from business interests drawn to Hong Kong in response to China's Four Modernisations?

Two-and-a-half years is, incidentally, a magic figure: it takes at least that time to "create" new formed and serviced land. I dare say that the various decisions, the additional plans that are being formed now for putting into the Government machine - in any number of directions - will not show fruit for a while, but in the provision of formed land we know that about two-and-a-half years will pass before those plans begin to show through in practical terms. But show through they will.

All Government planning, whether in terms of land-production, housing, social services, what you will, all planning has been, and will continue to be, affected by our sudden, startling, population increase in 1979. Unforeseen, unplanned for though that increase was, we are nevertheless tackling our problems in true Hong Kong style. It is not the first time we have been overwhelmed with people. And, as usual, Hong Kong will no doubt make some extra bootstraps, pick itself up by them and carry on to the very best of its ability. Planning has to be flexible: these days more flexible than ever. We have to take frequent up-dates on our balance sheets and act accordingly.

/For one .....

For one thing, we do not yet know precisely what the position was at the end of last year in respect of immigration, because so much of it was illegal. We have some idea from the numbers of identity cards supplied to those "illegals" who have applied for them. Others have not, and we may well have to wait for the results of the 1981 census before getting a reasonably accurate count of our population. The "guesstimate" is that at the end of 1979, 70,000 legal immigrants and 110,000 illegal immigrants had arrived during the year from China. I do not include the 50,000 odd boat refugees from Vietnam presently here because hopefully they will all eventually be resettled elsewhere. Net migration in respect of countries other than China showed a small loss of some 2,000, leaving a balance of net migration into Hong Kong of about 178,000. Rather a lot of people in one year.

The statisticians have got busy on these figures: and I shall give you just one or two examples of what they have come up with. For instance our usual rate of natural increase in population is said to have been approximately 1.2 per cent - a rate that most countries would consider very reasonable indeed. But adding in last year's arrivals in total (that is including our refugees) the rate becomes a staggering 6.1 per cent! Even when the sums are done without counting the transient 50,000 (and diminishing) Vietnamese boat refugees, we are still left with the calculation that our population increased last year by 5.2 per cent. Which, of course, is a lot more than 1.2 per cent.

A projection was then made to see what would happen if the experience of 1979 were to be repeated and on-going. A progression based on the past year's intake calculated ahead, gives figures that become seemingly fantastic. Starting with the base of a present 5 million  
/population.....

population (and this is admittedly modest: it could well be at least 5.5 million) 1986 would see Hong Kong's population standing at around 6.5 million; and by 1991 nearly 8 million.

In terms of just one aspect of social services (based on those theoretical figures) by the year 1986 we should need to have some seven more hospitals of the capacity of the Princess Margaret Hospital than we are at present planning for.

Still more mind-boggling is the prospect the statisticians present that we would need, in the public sector, to add to our current production plans of 35,000 flats a year, a further 30,000 to keep pace with the increase in demand! And remember, the target of 35,000 flats per year is the highest rate we have ever achieved: that was done, as I mentioned earlier, at a cost in terms of inflationary pressures, by assigning lower priorities to other and important capital works.

This then is the sort of scale on which our social services would be effected. In our already crowded - over-crowded - conditions, the stresses and strains of fitting everybody in would be simply enormous. Not to put too fine a point on it, to house an extra 1.4 million people by 1986 we would need three more towns.

As things stand at present then, we have in addition to our natural increase at least 178,000 more people in Hong Kong than we had a year ago, and the prospect that many more may be wanting to come. What to do about it? Well, as you know, we have strengthened and redeployed our security forces - and here I must pay tribute to the Services and the Police: working together closely they have been and are doing a truly

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magnificent job to counter this influx over the border, both on land and sea. The border fences themselves have been reinforced and improved. We have amended the Law on aiding and abetting. At the same time we have taken, and continue to take, every opportunity to make representations to the Chinese authorities. As a result of these measures, we have seen a reduction in the legal outflow from China (which was about 300 a day in December 1978) to about 150 per day at present. And, following measures announced by the Chinese authorities last month and introduced during this month, there has been a welcome decrease in illegal immigration too. So far this month, the average daily arrests have numbered 137. The decreases are welcome but the figures, both for legal arrivals and for those attempting to come here illegally, are still too high. Furthermore, although in the first week of January, daily arrests were encouragingly low, in the past two weeks there has been an increase: not to the figures of December, but nevertheless rather worrying.

Now let us consider another area of concern in 1979 which continues into the eighties: the constraining effect of protectionism on our economic growth. In 1961 only about 10 per cent of our domestic exports of textiles and clothing were covered by the bilateral agreements our trading partners had obliged us to conclude with them to restrain our exports. This proportion has now increased to about 60 per cent, and at present, most unhappily, the tendency is for this progressive shift towards protectionism to continue. While we shall of course resist its application to Hong Kong's trade with as much determination as ever, protectionism remains a very real threat to our well-being.

In the report of the Advisory Committee on Diversification published recently, it was forecast that the growth potential of textiles and clothing

/exports in.....

exports in the near future would only be about 5% to 6.5% per annum in volume terms; suggesting that the growth potential of the export sector as a whole may not be enough to enable us to sustain through the Eighties, the growth rate of the economy we have experienced in the Seventies. Although our tertiary services sector is expanding rapidly, it is unlikely that its contribution to economic growth can compensate completely for the slackening in the pace of growth in the export sector which will result as a direct consequence of protectionism.

It has, therefore, and for long, been our view that the economy must diversify to a much greater extent than it has so far, in order that we may continue to prosper. This is, indeed, the main conclusion of the Advisory Committee on Diversification, which has now come up with a list of recommendations for strengthening and instituting further Government policies aimed at facilitating the process of diversification. Government is now intensively considering these timely recommendations and will shortly be seeking the advice of Executive Council on them. I can assure you, Mr Chairman, that the Government will play its part: I am confident too that industry and commerce, the private sector, will also recognise the advisability, the necessity of speeding up plans for diversification.

You may well be forgiven for thinking this is a long speech: it is. You may also be forgiven for thinking that I have burdened you with too many figures and percentages. I probably have. I am afraid, though those figures and percentages are inevitable considerations in the scenario of Hong Kong's economic future - and particularly in our recurring and now, once more, very serious problem of people.

In our endeavours to prosper as a business community, Hong Kong's competitiveness in world markets is important; but this single economic

/factor is.....

factor is often used by some employers, arguing in favour of imported labour and in maintaining a relatively low wage structure. It is also used as an argument against any strengthening of organisations representing labour. What is now so often overlooked in sophisticated arguments about our economy is that its success is, and will always be, based on the hard work, versatility and pragmatism of our work force. And when we say "work force", we are talking about our people. People who expect and have a right to share fully in the affluence of their community, people who have a right to put their grievances and worries to their employers and to be treated with sympathy and understanding when they do so.

The extraordinary fact about Hong Kong in 1980 is that such basic elements of good employer/management relations as these will undoubtedly be regarded as "dangerous" by a substantial number of Hong Kong employers. If you find that difficult to believe you should have sat in my chair over the past few months and listened to the dire warnings I have been given over the "dangerous" development of representation or if you prefer "trade unionism" in the civil service, the effect this is having, or may have, on the private sector, upon our competitiveness and there from upon the whole economy of Hong Kong.

In case I should be misunderstood, I do not believe that the development of particular patterns of imported trade unionism would necessarily be beneficial to Hong Kong workers, to employers or to the prosperity of this place generally but this is by no means to condemn organisations which look after the interests of our workforce, and which strive to improve labour-management relations. As our community matures, demands more of a say in its own affairs, and expects a greater measure of social equality, it is very natural that such organisations should develop and flourish.

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I have no doubt that it is the inherent strengths of our workforce that will enable Hong Kong to continue to flourish in the 1980's. But I do ask, Mr Chairman, that we as a community (and particularly those in management) take not our workers for granted. In my experience, their aspirations are modest and usually their requests realistic. The principle of "fair shares for all" may have been regarded by many as revolutionary in the 1960's. I am confident that most - perhaps all - of us here tonight accept that principle, personally and individually, as reasonable and right; is it too much to ask that in the 1980's our business community generally, should see the good sense of it, to the general benefit?

I have heard it suggested that the availability of immigrant semi-skilled and unskilled workers at the present time has assisted our economy to expand: that it has had a "beneficial" effect on wage rates and thus upon Hong Kong's competitiveness; has indeed, it is claimed, helped labour-management relations by having a sobering effect on so-called "unreasonable" wage demands.

Well, no one can deny that because the latest influx of people came at a time when our labour market was tight it has been possible to provide most of them with employment: indeed, one of the wonders of this past year has been that most of these immigrants (a high percentage of them are young, 18 to 26, and male) have found employment. But I need hardly remind this audience of the vulnerability of our economy to changes in the pattern of world trade. When our economy is flourishing, it is all too easy to forget the unhappy times of 1973 and '74 when the situation was far from rosy. It is, also, perhaps, convenient to overlook the fact that Hong Kong's workers responded magnificently at that time by tightening their belts and sharing the work that was available. They have a right to a fair share of our prosperity: and especially should this be seen to be the case when - as now - we are prospering as a community.

/ If there is.....

If there is a shortage of skilled and semi-skilled labour, surely our answer is in improved productivity. If - as I assume - we shall continue to **rely** on industry as our major source of wealth, surely we must not only diversify, but move further up the scale of industrial sophistication: surely, then we need improved and expanded vocational education. The way ahead lies in further and continuing investment in our only natural resource - people.

Some of what I have said earlier tonight, Mr Chairman, may have sounded depressing. But I have been, of course, talking about Hong Kong, a community which has overcome seemingly insuperable problems in the past, when all odds appeared to be against us.

It is important to recognise, to face up to, our problems: - it is important to remember our strengths. And as we go into the Eighties we still have an enormous amount going for us. Relations with China have never been better, and although our precise role in the Four Modernisations has yet to be evolved, there can be no doubt of Hong Kong's economic importance to China nor of the mutual benefits which will accrue. We have our quite remarkable labour force, flexible and hard-working; we have businessmen who are shrewd and able to take advantage of whatever situations arise; and a Government dedicated to the well-being of the community. A recipe which has stood us in good stead in the past and, I have no doubt, will continue to do so in the years ahead.