



DAILY INFORMATION BULLETIN

Tuesday, December 11, 1973

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Daily guide to wholesale prices and supplies of basic food commodities

Release time: 8.45 p.m.

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AMERICAN COMPANY TO BUILD HUGE POLYSTYRENE PLANT IN HONG KONG

More Land For Selected Heavy Industries

Hong Kong will house one of the world's largest production plants for polystyrene in 1975.

Disclosing this today, the Governor, Sir Murray MacLehose, said approval in principle had been given by the Executive Council for a 10-acre site on Tsing Yi Island to be sold by private treaty to an American company to build the plant.

"The plant, which will deliver this essential material to our plastics industry by mid-1975, will not cause pollution and if properly controlled and managed, poses no threat or danger to the environment," Sir Murray said when opening the 31st Chinese Manufacturers' Association Exhibition.

The site is to be sold to Dow Chemical Pacific Ltd. by private treaty under the government's modified industrial land policy which provides for the development of carefully selected heavier industries which cannot be accommodated in high-rise buildings.

In his address, the Governor said: "Government will continue, on an individual basis along these lines, to try and meet the needs of selected larger industries which would make a significant contribution to Hong Kong's economic growth."

/He revealed

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He revealed that consideration was being given to selling additional land, by private treaty, to the Outboard Marine Corporation which purchased the first restrictive user site on Tsing Yi by public tender in April this year. The company has applied for an extension of the original site in order to double its estimated production and to treble the value added by virtue of the engineering work done in Hong Kong.

The Governor also announced that a third major project was being planned for a plant to produce polyester filament and fibre for Hong Kong's textile industry.

"A site has already been identified in the Castle Peak area and discussions are being held with the applicants about the feasibility of the project on this site. This is distinctly hopeful," he said.

Sir Murray emphasised that unless advance preparation of suitable land was made, "many useful land intensive industries will be lost to Hong Kong."

To meet these needs, a working party has been identifying areas in the New Territories suitable for development as industrial estates, and he hoped that an announcement could be made in early summer about areas which could be made available.

"Similarly, the Junk Bay area, originally developed as a ship-breaking area is being re-examined to see whether a more economic usage could be permitted for the relatively large tracts of idle land in the area," he added.

/He emphasised

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He emphasised that a properly thought out industrial land policy is essential for industrial development and, ultimately, for Hong Kong's economic growth. "Failure to meet this requirement could result in a few years time, in our growth rate, instead of continuing to rise, being stuck on a plateau."

The Governor noted that a great deal of work had been done in the past year within the government to examine land requirements for various sectors of industry, not only to encourage large new ventures but also to ensure that existing industries could continue to develop and expand.

He appreciated, however, that industrial progress did not solely depend on the availability of adequate land. Technical training, productivity, standards, design and marketing were all important contributors to industrial efficiency.

Welcoming the formal establishment in October of the new Hong Kong Training Council, he said it had a vital part to play in ensuring that young people are adequately trained to undertake the skilled industrial work which is more and more needed. He also noted that the special education project -- the C.M.A. Prevocational School -- was going forward and should be ready for classes in 1975.

Turning to the oil situation, the Governor gave an assurance that the government was doing everything it could and was in constant touch with the British and other governments. In particular, he mentioned the "helpful and sympathetic attitude" of Her Majesty's Government and of the Chinese Government.

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The world shortage in oil, he said, could affect us in various ways. Most directly and immediately, supplies for consumption in Hong Kong could and probably will be reduced.

"In the first place everyone of us must do what he can to help reduce demand. Substantial savings can be made simply by reducing waste," he stressed.

While it was impossible to judge at this time whether Hong Kong was going to face seriously reduced supplies in oil and oil products, he said, it was prudent to achieve a reduction in consumption of 10 to 15 per cent now, in anticipation of a reduction in supplies later.

"If reduction in supplies is of this magnitude we may expect personal inconvenience rather than economic damage to result. But damage could come from the less direct impact of the world shortage.

"For instance, in the medium term, world oil shortage must affect our supply of oil-based raw materials -- certainly as to price and probably as to volume. The first need not necessarily affect our competitive position but the second could affect our earnings," he said.

Furthermore, he went on, demand for our exports might be affected if, in the longer term, oil shortage were to slow down the growth of the economies of our major markets.

The Governor said that although tentative reports received forecast a slowing down in Hong Kong's markets, he felt that not too much credence should be placed on such forecasts at this early stage. "At present there is no real certainty as to the exact course that cuts in supply will take or of the impact they will have on our major markets."

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All this, he pointed out, amounted to a new and disturbing prospect which called for careful thought and perhaps some adjustments, but which could not at present be fully assessed.

"We would be wrong to take it lightly, but we would be even more wrong to embrace gloom," he said.

Another new problem, the Governor continued, was the serious shortages of essential raw materials and semi-manufactured materials which had developed with some rapidity, coupled in some cases by price rises of a size unprecedented in recent times.

Virtually everyone of Hong Kong's export industries was experiencing difficulty in securing an adequate supply of raw materials, he said, and price increases had occurred where raw materials are available.

While it was difficult for Hong Kong to influence production in the supplying countries, Hong Kong was not entirely helpless and wherever possible the government had taken steps to improve supplies and would continue to do all in its power.

Sir Murray described improvement of supplies as "a field of the greatest importance" and assured industrialists that the government would continue to maintain close contact with industry about it.

Referring to trade discrimination against Hong Kong, the Governor re-iterated that the government would continue to fight it "with the utmost vigour."

He believed that the continuing, unrelenting and highly expert effort of our trade officials was having some practical success as well as giving Hong Kong's trading partners a better understanding of its problems.

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He welcomed the recent decision by the Japanese authorities to reduce the Hong Kong exceptions list to their generalised preferences from 96 items to 12, but expressed concern over the exclusion in 1974 of Hong Kong's textile and footwear from the EEC's preference scheme.

"Since our textiles are already heavily restricted to that market by quotas, and since our footwear industry is relatively small and not particularly competitive by world standards, we can see absolutely no justification for this discriminatory treatment by the Community," he said.

Sir Murray noted, however, that the British Government had given notice to the Community of its intention to seek cancellation of these exclusions in 1975.

The Hong Kong Government was also participating in the negotiations in Geneva of a new multilateral arrangement for textiles of all fibres, and Hong Kong's knowledge and expertise in this complex field "ensures that the views of our representatives are listened to with respect," he added.

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Note to Editors: Copies of the full text of the Governor's speech are distributed separately as a supplement to today's D.I.B.

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MAJOR ADVANCE IN ATTRACTING NEW INDUSTRIES TO HONG KONG

The Acting Director of Commerce and Industry, Mr. Jimmy McGregor, today welcomed the decision by Dow Chemical Pacific Ltd. to construct the world's biggest polystyrene manufacturing plant in Hong Kong.

"It marks a major leap forward in the efforts we have been making to attract technologically advanced industries to Hong Kong," he said.

Approval in principle has been given by the Executive Council for direct sale to the company of a 10-acre site on Tsing Yi Island.

Details of the project were given at a Press Conference following today's official opening of the C.M.A. Exhibition by the Governor, Sir Murray MacLehose.

Mr. McGregor revealed that several applications for land for special industrial projects unsuitable for high-rise buildings are now being considered by the government.

Provision has been made by the Executive Council for industrial land to be sold by private treaty or by restricted user tender in response to specific applications which meet fairly detailed economic criteria, he added.

"We are taking account of the need to broaden Hong Kong's industrial base by making sites available for land-intensive industry which has particular significance for our future industrial development," Mr. McGregor said.

Outlining the background to the revised policy, he said that for many years industrial land had generally been sold by public auction without restriction of user to any particular

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industry or limitation on subsequent assignment.

This policy had proved economically sound both by the revenue it has brought to the public purse, and by ensuring that land was put to the most profitable use.

Rapidly increasing land prices had made multi-storey development inevitable, however, and these buildings were suitable for the many light industries that have prospered in Hong Kong.

But this development had in recent years inhibited the establishment of industries that could not operate in high-rise buildings, such as medium and heavy engineering, foundries, chemical processing, and heat and chemical treatment plants.

Mr. McGregor said that the revised policy approved by the Executive Council defined a number of principles and specific criteria which would be applied when applications for land to be granted on a restricted user basis were considered.

The projects concerned would have to be new to Hong Kong or represent a technological up-grading to a significant degree of an existing industrial process.

They would also have to provide employment opportunities at a generally higher level of skill than prevailed in existing industries and some, like the Dow polystyrene project, would provide essential raw materials for our export oriented manufacturing industry.

Mr. McGregor pointed out that polystyrene was the basic raw material of a large section of Hong Kong's toy industry, and supports other main industries such as electronics.

He expressed his belief that Hong Kong would attract further major industrial projects in the near future.

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GOVERNOR CALLS FOR JOINT EFFORT IN INDUSTRIAL SAFETY

The Governor, Sir Murray MacLehose, today called on Industry and Commerce to join the government in a joint attack on the growing problem of accidents at work in Hong Kong.

Speaking at the opening of the C.M.A. Association Exhibition, Sir Murray said: "I am sure that only by such a combined attack will this terrible toll in human lives and suffering be reduced."

The Governor welcomed the Industrial Safety Exhibition being staged as a major feature of this year's Exhibition as a sign that industry, commerce and the government were launching such a combined attack.

The Safety Exhibition, sponsored by the Labour Department with the backing of the Commerce and Industry Department, the Fire Services Department and the Marine Department, and with support from industry and commerce in the form of donations and loaned machinery, is the first of its kind in South-east Asia.

"Both the government and the private sector were becoming increasingly alarmed at the huge toll each year of accidents at work," Sir Murray said.

"Such accidents are now happening at the rate of one every seven or eight minutes throughout the day - twice the road accident injury rate.

"Last year 296 people were killed and nearly 30,000 injured at work. Virtually every one of these accidents could have been avoided by proper safety precautions."

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In his speech at the official opening ceremony, the President of the Chinese Manufacturers' Association, Dr. C.W. Chuang said that in the past, industrial safety had been largely underrated by manufacturers.

"It is an integral element in any effort aimed at improving the quality of life, quite apart from its economic implications," Dr. Chuang said.

Attitudes in industry are apparently changing. But what we have done now is only the beginning. Much greater efforts will be required in future to maintain improvement in safety standards.

"I would call upon management, labour and the government to work together to reduce health and safety hazards at work by consultation and legislation, by education and training, and by practice and co-operation."

In a special statement to mark the opening of the Industrial Safety Exhibition, the Commissioner of Labour, Mr. I.R. Price, said the prime responsibility in reducing the appalling number of accidents at work rested squarely upon those managers who had, so far, taken little interest in the positive side of accident prevention.

"There is plenty of evidence to show that there is a close relationship between the safety performance of a concern and the effectiveness of its management," said Mr. Price.

"What is required is a marked change in attitude and an end to complacency towards accidents.

"It is not sufficient for management to hold that their only obligation is to take out insurance against claims for workmen's compensation," he said.

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"Accidents do not just happen. They are caused by unsafe acts - which can be controlled by preventive action by management."

The Industrial Safety Exhibition which has been financed jointly by industry, commerce and the government, will be opened everyday until the close of the CMA Fair on January 9.

By means of displays showing workshop settings involving Hong Kong's major industries and machines and equipment most commonly involved in accidents, it shows a wide range of work hazards, and the measures required to counter them.

Among the other features of the exhibitions are demonstrations, films, scale-working models and life-like settings depicting accidents.

"This Exhibition is unique in this part of the world, and no employer, manager, supervisor or worker in Hong Kong should miss it," Mr. Price said.

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100,000 CIVIL SERVANTS ASKED TO SAVE FUEL

The government today took another step in publicising the need for fuel economy by sending out letters to 100,000 civil servants, outlining ways in which they can help in "saving fuel".

The letter points out that Hong Kong is unlikely to escape the effects of the world wide shortage of oil.

Although there is no shortage at the moment, the government has decided to make the best use of the stocks and future supplies so that essential services and industry do not suffer.

The letter outlines some "simple ways" in which civil servants and their families can economise without seriously affecting their daily lives - either at work or at home.

At work, the civil servants are exhorted to keep all lighting to a minimum, switch off air conditioners, switch off electrical motors when not required, travel to work by public transport wherever possible and use public transport rather than a government vehicle during the day.

At home, the measures that could be taken include, replacing high-power bulbs for low-power ones, limiting the use of electric or gas cookers and geysers and household appliances, and put on warm clothing rather than switch on an electric heater.

The letter says that an appeal has already been made to the public to avoid wastage of electricity and fuel and points out that by carrying out these simple economies civil servants will set an example to their neighbours and friends as well as the general public.

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DIRECTOR OF SOCIAL WELFARE OPENS NEW CHILDREN'S CENTRE

The Director of Social Welfare, Mr. K.W.J. Topley, said today the success of a centre for young people depends very much on the active participation of members as well as on the support of local residents.

He was speaking at the opening of the new Ko Chiu Road Children's Centre run by the Boys' and Girls' Clubs Association at the Ko Chiu Road Housing Estate which had a population of more than 24,000 people.

"In a community like this, it is important to have centres to which young people can go for social and recreational purposes," Mr. Topley said. "It not only provides healthy recreation for the children but also offers a well-equipped library and study room.

"The purpose of these programmes is to encourage young people to become involved in worthwhile activities and interests, to assist them to become mature, responsible and contributing members of the community," he added.

Mr. Topley said the Boys' and Girls' Clubs Association was already well-known for its provision of children services and this was another of its remarkable ventures.

He called on parents in the estate to encourage their children to make full use of the centre.

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CHRISTMAS POSTAL ARRANGEMENTS

Special counter positions for the acceptance of locally-addressed Christmas cards will be operated at the Kowloon Central Post Office, the Tsim Sha Tsui Post Office and the General Post Office in Central to speed up the handling and delivery of local Christmas mail.

The special arrangements will come into effect from Thursday (December 13) and will continue until December 21. Any quantity of cards will be accepted at these counters but customers are asked to separate their cards clearly among Hong Kong, Kowloon and New Territories addresses.

A Post Office spokesman said that during this period, the normal limitation on acceptance of cash in prepayment of postage will be relaxed at all branch offices except those in the New Territories.

Any customers with at least 40 items with a total postage of \$4 or more may hand the items over the counter without affixing stamps. A receipt will be given in exchange for the postage paid on the items concerned.

The latest time for the postings of local items to ensure delivery before Christmas is 6 p.m. on December 21. Postings after this date cannot be guaranteed delivery before Christmas.

Special letter deliveries have also been arranged on holidays. One delivery is scheduled for Sunday, December 16, and two for the following Sunday, December 23. There will also be one delivery on Boxing Day, December 26.

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But there will be no delivery on Christmas Day and New Year Day when all post offices will be closed.

However, counter facilities will be available on Boxing Day from 9 a.m. to 12 noon in 32 post offices and branch offices, including Kowloon Central, Tsim Sha Tsui and the General Post Office in Central.

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TRAFFIC ARRANGEMENTS IN SO UK ESTATE

Motorists are advised that from 10 a.m. on Thursday (December 13) Orchid Street in So Uk Estate will be re-routed one-way from Larkspur Street to Lilac Street to improve traffic circulation in the area.

Traffic signs will be posted to guide motorists.

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DEATH SENTENCE COMMUTED

The Governor, after taking into consideration the advice of Executive Council, has decided that the death sentence passed on August 15, 1973 on LAM Po should be commuted to a term of imprisonment for life. LAM Po was found guilty of the murder of LI Pui-kuen.

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CONSUMER ADVISORY SERVICE

Daily Guide To Wholesale Market Prices And Supplies

The following prices were realised today (Tuesday) at sales under the Rice Control Scheme and at the Vegetable Marketing Organisation Wholesale Market and the Fish Marketing Organisation Wholesale Market at Cheung Sha Wan, Kowloon:

Supplies and Wholesale Prices of Rice

<u>Grade</u>	<u>Availability of Supply</u>	<u>Wholesale Price (\$/catty)</u>
<u>China Rice</u>		<u>Average</u>
See Mew -- old crop	Normal	1.64
-- new crop		1.72
S.C.Jion -- old crop	Good	1.58
-- new crop		1.66
Po Ngai	Good	1.42
Chu Cho	Good	1.22
<u>Thai Rice</u>		
100% Whole	Good	1.52
10-15% Broken	Good	1.50
A1 Super Extra	Good	1.45
A1 Super	Good	1.37 - 1.22
Whole Glutinous	Limited	1.52
<u>U.S. Rice</u>	Good	1.62
<u>Australian Rice</u>	Good	No Sale
<u>Pakistan Rice</u>	Good	No Sale
<u>Taiwan Rice</u>	Good	No Sale

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Supplies and Wholesale Prices of Marine Fish

<u>Species</u>	<u>Availability of Supply</u>	<u>Wholesale Price (\$/catty)</u>		
		<u>High</u>	<u>Low</u>	<u>Average</u>
Golden Thread	Limited	4.8	3.0	3.8
Big-Eyes	Good	2.4	0.4	1.5
Squid	Limited	6.2	2.4	4.5
Hair-Tails	Normal	2.6	1.1	1.8
Lizard Fishes	Normal	2.8	1.0	1.7
Croakers	Good	1.8	0.6	1.4
Conger-Pike-Eels	Good	2.6	1.6	2.2
Melon Coat	Normal	2.6	1.4	1.8
Breams	Limited	4.5	2.8	4.0
Yellow Belly	Normal	1.2	0.75	1.0
Mackerels	Limited	3.5	2.6	3.2
Red Goat Fish	Normal	1.3	0.5	0.8
Fork-Tail	Limited	1.4	0.7	1.2
Horse-Head	Limited	4.8	3.2	4.0
Melon Seed	Normal	3.2	1.4	2.6
Pomfrets	Limited	7.5	5.5	7.0
Garoupas	Limited	8.0	4.5	7.0
Yellow Croaker	Scarce	5.8	3.8	4.5

/Supplies and

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Supplies and Wholesale Prices of

Locally Produced Vegetables

<u>Type</u>	<u>Availability of Supply</u>	<u>Wholesale Price (\$/catty)</u>		
		<u>High</u>	<u>Low</u>	<u>Average</u>
Flowering cabbage	Limited	2.4	1.0	1.8
White cabbage	Normal	0.6	0.2	0.4
Chinese Lettuce	Normal	0.6	0.2	0.4
Chinese Kale	Normal	1.0	0.25	0.5
Spring onion	Normal	1.4	0.4	0.8
Spinach	Normal	1.5	0.7	1.0
Water cress	Normal	1.2	0.3	0.7
Leaf mustard cabbage	Scarce	0.5	0.2	0.3
Tomato	Scarce	2.2	1.4	1.8

Supplies and Wholesale Prices of Pork (Live weight)

	<u>Availability of Supply</u>	<u>Wholesale Price (\$/ picul)</u>
		(Average)
Pork	Good	285

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SUPPLEMENT

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Speech by His Excellency the Governor,
Sir Murray MacLehose, at the opening of
the 31st Chinese Manufacturers' Association
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Dr. Chuang, Ladies and Gentlemen,

Might I congratulate you, Dr. Chuang and your Committee, on all the energy and imagination that has produced this 31st CMA exhibition.

I spoke last year of difficult trading conditions, currency uncertainties, increasing restraints on our textile exports and the concern over our trading position when Britain joined the European Economic Community. All these problems are still very much with us.

But, in recent months, other problems have arisen or have become more acute. I refer in particular to the acceleration of world inflation, of which we in Hong Kong have certainly had to bear our share. There is also the shortage of certain industrial raw materials which has presented acute difficulties for some of our industries, particularly plastics. Finally there is the restriction of oil exports from the Middle East. All these have presented or are presenting problems for Hong Kong.

Our traditional trading problem is discrimination against our exports. This can take a number of forms - unwarranted restraints on our textile exports, discrimination against us and in favour of our close competitors in generalised preference schemes, or direct quantitative restrictions against our exports. Whatever form such discrimination may take,

you may

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you may rely on your Government to fight against it with the utmost vigour. This continuing, unrelenting and highly expert effort by our trade officials, is well known to many of you, and I believe is having some practical success, as well as bringing our trading partners to a better understanding of the matters which cause us concern. I am pleased, for example, that the Japanese authorities have recently reduced the Hong Kong exceptions list to their generalised preferences scheme from 96 items to 12. Although the 12 items represent a substantial proportion of our export trade to Japan, the Japanese Government's move was a welcome step in the right direction, and they have undertaken to review this list again in the near future.

Unfortunately, problems are arising over other preference schemes, particularly that of the now enlarged European Economic Community. Whilst our direct competitors are given full access to the EEC Preference Scheme, Hong Kong's textiles and footwear will be excluded in 1974. Since our textiles are already heavily restricted to that market by quotas, and since our footwear industry is relatively small and not particularly competitive by world standards, we can see absolutely no justification for this discriminatory treatment by the Community. We shall continue to press most vigorously for its removal, and we note with satisfaction that H.M.G. have given notice to the Community of their intention to seek the cancellation of these exclusions in 1975.

Your Government is also participating fully in the negotiations in Geneva of a new multilateral arrangement for textiles of all fibres. Hong Kong's knowledge and expertise in this complex field ensures that the views of our representatives are listened to with respect.

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As regards our trading performance we have so far done better this year than might at one time have been expected. In the first ten months of this year, our domestic exports increased by some 23%, our re-exports by 57% and our imports by 28% compared with the same period last year. Though two-thirds of this might be attributable to higher prices, nevertheless these are encouraging figures in which you as industrialists can rightly take pride. I think they also show that our policy of maintenance of a strong currency has proved, as we had hoped, compatible with a strong export position. Overseas, the recent improvement in the fortunes of the United States dollar is a welcome development which augurs well for future economic developments in our largest market.

Next, the new problems, The first is the serious problem of shortages of essential raw materials and semi-manufactured materials which has developed with some rapidity, coupled in some cases by price rises of a size unprecedented in recent times. Virtually every one of our export industries is experiencing difficulty in securing an adequate supply of raw materials, and price increases have occurred where raw materials are available. It is difficult for us to influence production in the supplying countries and have had to depend largely on the vigour and skill of our traders to secure the materials so essential to our economic well being. But we are not entirely helpless and, wherever possible, the Government has taken steps to improve the supply position. It will continue to do all in its power. This is a field of the greatest importance. I assure you the Government will continue to maintain the closest possible contact with industry about it.

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I come now to oil and its products. I need not outline the background of our present problem of oil supply and storage, since events in the Middle East have filled our newspapers in recent weeks, and you are all aware of the potential gravity of an interrupted flow of oil to Hong Kong. Again we must rely on outside sources and are largely dependent on the skill of our buyers and suppliers to obtain a fair share of the oil products that we need. But what your Government can do I assure you it is doing, and it is in close touch with Her Majesty's Government and other Governments. I should like to mention the helpful and sympathetic attitude of Her Majesty's Government and of the Chinese Government.

The world shortage in oil could affect us in various ways. Firstly, and most directly and immediately, supplies for consumption in Hong Kong could and probably will be reduced. In the first place every one of us must do what he can to help reduce demand. Substantial savings can be made simply by reducing waste. At this point in time, it is impossible to judge whether we in Hong Kong are going to face seriously reduced supplies of oil and oil products. But we think it prudent to achieve a reduction in consumption of 10 - 15% now, in anticipation of reduction in supplies later. If reduction in supplies is of this magnitude we may expect personal inconvenience rather than economic damage to result. But damage could come from the less direct impact of the world shortage.

For instance, in the medium term, world oil shortage must affect our supply of oil-based raw materials - certainly as to price and probably as to volume. The first need not necessarily affect our competitive position but the second could affect our earnings.

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Furthermore, demand for our exports might be affected if, in the longer term, oil shortage were to slow down the growth of the economies of our major markets. Though the tentative reports we have received forecast a slowing down in our markets in 1974/75, I suggest that too much credence should not be placed on such forecasts at this early stage; at present there is no real certainty as to the exact course that cuts in supply will take or of the impact they will have on our major markets.

All this amounts to a prospect which is new and disturbing and which will call for careful thought and perhaps some adjustments, but which cannot at present be fully assessed. We would be wrong to take it lightly, but we would be even more wrong to embrace gloom.

Dr. Chuang, Ladies and Gentlemen, traditionally our industries produce light consumer goods. For a long time it has been widely assumed that medium and heavy industries, other than, perhaps, ship repairing, would not be financially viable in our environment. But rapid growth of our light industries has created sufficient demand for materials and services to make the establishment of some carefully selected heavier industries a feasible proposition. Last year I said that the Government's industrial land policy was being modified to take account of the need to remove disincentives to the development industries which are desirable but by their nature cannot be accommodated in high-rise buildings. The first fruits of this policy are beginning to appear.

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The first site, on Tsing Yi Island, was sold by public tender in April this year to an American company which will manufacture outboard engines for export. That company has subsequently applied for an extension of the original site in order to double its estimated production and to treble the value added by virtue of the engineering work done here. This additional sale, on a private treaty basis, is at present under consideration.

The sale by private treaty of a 10 acre site, again on Tsing Yi Island, to another American company, has recently been approved in principle by Executive Council. This will be used to establish one of the largest production plants for polystyrene in the world. The plant, which will deliver this essential material to our plastics industry by mid-1975, will not cause pollution and if properly controlled and managed, poses no threat or danger to the environment.

A third major project is a plant to produce polyester filament and fibre for our textile industry. A site has already been identified in the Castle Peak area and discussions are being held with the applicants about the feasibility of the project on this site. This is distinctly hopeful.

Government will continue, on an individual basis along these lines, to try and meet the needs of selected larger industries which would make a significant individual contribution to Hong Kong's economic growth. But it is clear that unless advance preparation of suitable land is made, many useful land intensive industries will be lost to Hong Kong. To meet these needs, a working party has been identifying areas in the New Territories

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suitable for development as industrial estates. Criteria for selection are fairly tight, as services must be economical and the land formation costs must not be too high, if the land is to be made available at prices which industry can support. However, I hope that an announcement can be made in the early summer about areas which can be made available. Similarly the Junk Bay area, originally developed as a ship-breaking area is being re-examined to see whether a more economic usage could be permitted for the relatively large tracts of idle land in the area.

A properly thought out industrial land policy is essential for industrial development and, ultimately, for our economic growth. Failure to meet this requirement could result in a few years time, in our growth rate, instead of continuing to rise, being stuck on a plateau. A great deal of work has been done in the past year within the Government to examine the land requirements for various sectors of industry; not only to encourage large new ventures such as those I have just mentioned, but also to ensure that existing industries can continue to develop and expand.

Industrial progress does not, of course, depend only upon adequate land being available. There are other elements too numerous to mention. But technical training, productivity, standards, design and marketing are all important contributors to industrial efficiency. I think it is not too much to say that there has been continued improvement in all of these. Like you, Dr. Chuang, I was particularly pleased to see the formal establishment in October of the new Hong Kong Training Council under the chairmanship of Mr. T.K. Ann. This Council has a vital part to play in ensuring that our young people are adequately trained to undertake the skilled industrial work which is now more and more needed. I note

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also that the special educational project, the C.M.A. Prevocational School, is now going forward and should be ready for classes in 1975. Your Association has shown great initiative and foresight in promoting and helping to finance this.

One of the highlights of this year's exhibition, which you also mentioned, Dr. Chuang, is Hong Kong's first - indeed, I am told, South-East Asia's first - major Industrial Safety Exhibition, which is being held in the exhibition pavilion to my left. Both the Government and the private sector are becoming increasingly alarmed at the huge toll each year of accidents at work, which are now happening at the rate of one every seven or eight minutes throughout the day - twice the road accident injury rate. Last year 296 people were killed and nearly 30,000 injured at work. Virtually every one of these accidents could have been avoided by proper safety precautions. I am particularly pleased that this safety exhibition represents a joint effort by industry, commerce and the Government, because I am sure that only by such a combined attack will this terrible toll in human lives and suffering be reduced.

Dr. Chuang, Ladies and gentlemen, I congratulate you on this Exhibition, and I wish it all success. I am sure its success will be just as bright if, against tradition, I do not switch on the lights while there is still daylight.

I now have much pleasure in declaring open this 31st Exhibition of Hong Kong products.

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DAILY INFORMATION BULLETIN

SUPPLEMENT

Tuesday, December 11, 1973

MASS TRANSIT RAILWAY SYSTEM

Government To Negotiate With Japanese Consortium

The Government announced this evening that it has decided to enter into negotiations with the Japanese Consortium, represented locally by Jardine, Matheson and Company Limited, to see whether it is possible to conclude a contract for the construction and equipment of the first four stages of the Mass Transit Railway. This decision has been taken following upon a series of discussions which have taken place between the Mass Transit Steering Group and the three consortia which had put forward single contract proposals.

In announcing this decision a Government spokesman stressed that the negotiations will take a number of months, but will begin immediately. Whether or not the negotiations can be brought to a successful conclusion will depend upon the Japanese Consortium's ability and willingness to conform to the Government's detailed requirements for a contract.

The Government spokesman said that one of the most important requirements laid down by the Government was that the contract price should be limited to \$5,000 million. This was because it was considered that this was the maximum sum the railway could afford within a given fare structure and bearing in mind the long period over which the debt has to be repaid, resulting in a very heavy interest burden. "The Japanese Consortium's proposal was the only one which was within this limitation," he said.

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Should it not be possible to conclude a contract with the Japanese Consortium, the Government spokesman added, consideration would be given to negotiating with one or both of the other consortia, the Anglo-Italian Group represented locally by Hutchison International and the Anglo-French-German Consortium by Hong Kong Metro Constructors.

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Release Time: 8.30 p.m.