



DAILY INFORMATION BULLETIN

FRIDAY, JANUARY 27, 1978

CONTENTS

PAGE NO.

GOVERNOR CALLS ON PUBLIC TO GIVE CONFIDENCE TO THE POLICE	1
PERSONAL ALLOWANCES IN LEGAL AID SCHEME TO BE RAISED NEXT MONTH	3
BILL TO CONTROL NEW INSURANCE COMPANIES GAZETTED	4
SUCCESS OF REHABILITATION OF DELINQUENTS DEPENDS ON PARENTS	5
EMPLOYERS REMINDED OF LUNAR NEW YEAR STATUTORY HOLIDAYS ..	7
SCHOOL HEALTH EDUCATION PROJECT COMPETITION INVITES APPLICATION	8
NEW NOTES FOR TSIM SHA TSUI EAST OUTLINE ZONING PLAN	9
NEW PLB RESTRICTED ZONE DESIGNATED IN SHAU KEI WAN	9
APPLICATION INVITED FOR INDUSTRIAL TRADE INSTRUCTORS' COURSES	10
YAN CHAI HOSPITAL EXTENSION	10

.....

FRIDAY, JANUARY 27, 1978

- 1 -

GIVE CONFIDENCE TO THE POLICE - GOVERNOR

* * * * *

THE GOVERNOR, SIR MURRAY MACLEHOSE, THIS EVENING CALLED ON THE PUBLIC TO HELP THE COMMISSIONER OF POLICE AND HIS OFFICERS AND MEN IN THEIR TASK BY SHOWING CONFIDENCE IN A FORCE WHICH, AS A WHOLE, + IS SURELY DESERVING OF MUCH MORE PRAISE THAN CRITICISM. +

+THE ROYAL HONG KONG POLICE FORCE HAS MADE GREAT STRIDES IN THE PAST FEW YEARS AND I AM SURE THAT IT IS THE WISH OF THE OVERWHELMING NUMBER OF ITS MEMBERSHIP TO TAKE THE ONE STEP MORE WHICH WILL COMPLETELY RE-ESTABLISH ITS STANDING IN THE EYES OF THE COMMUNITY, + SIR MURRAY SAID AT THE HONG KONG GENERAL CHAMBER OF COMMERCE COMMITTEE MEMBERS ANNUAL DINNER AT THE FURAMA HOTEL.

HE SAID THAT THE TRAUMA OF THE PAST FEW MONTHS SHOULD NOT OBSCURE THE SIGNIFICANT SUCCESSES THAT THE FORCE IS ACHIEVING AND HAS ACHIEVED.

+FURTHERMORE, THE RELATIONSHIP OF THE FORCE WITH MEMBERS OF THE PUBLIC, AND ITS AWARENESS OF THE NEED FOR THE CLOSEST CO-OPERATION WITH THOSE WHOM IT IS THEIR DUTY TO PROTECT, HAS GREATLY IMPROVED, + HE SAID.

BUT, HE ADDED, HE WOULD NOT HAVE CALLED IN A VERY SENIOR TEAM OF UK OFFICERS IF HE THOUGHT THAT ALL WAS WELL.

+OBVIOUSLY THE LAW MUST BE ENFORCED WHETHER BY POLICE OR ON POLICE OR ON ANY OTHER MEMBER OF THE PUBLIC SERVICE.

+IF THERE ARE SOME SO FOOLISH AS TO THINK THAT IN MODERN HONG KONG IT COULD BE OTHERWISE, THEY SHOULD COME TO THEIR SENSES= THERE IS NO ROOM FOR COMPROMISE, + SIR MURRAY STRESSED.

HE BELIEVED THAT IN THE FORCE AS A WHOLE, ATTITUDES HAVE BEEN AFFECTED BY SOME GENUINE GRIEVANCES AND BY A SENSE OF ILL-USAGE, AS WELL AS BY MISUNDERSTANDINGS, AND THAT THERE ARE PROBABLY WEAKNESSES IN COMMUNICATION AND CHAIN OF COMMAND AND OTHER FACTORS RESULTING FROM VERY RAPID EXPANSION.

+I VERY MUCH HOPE THAT THE UNITED KINGDOM TEAM WITH LOCAL HELP AND ACTION WILL BE ABLE TO ASSIST IN PUTTING ALL THIS TO RIGHT.

+I ALSO BELIEVE THAT A POLICE ASSOCIATION COULD PLAY A VERY USEFUL ROLE, PROVIDED IT IS PROPERLY MOTIVATED AND RESPONSIBLY LED, + SIR MURRAY SAID.

EARLIER, SIR MURRAY SPOKE ABOUT HONG KONG'S TRADING PROSPECTS.

HE URGED THAT WE MUST NOW GET ON WITH MAKING THE BEST OF THE (TEXTILES) AGREEMENTS WHICH WE HAVE SIGNED WITH OUR TRADING PARTNERS AND ALSO DO EVERYTHING WE CAN TO IMPRESS ON OFFICIALS AND EXPORTERS AS WELL AS THE MEDIA AND PUBLIC IN EUROPE AND AMERICA WHAT HONG KONG HAS TO OFFER AS A PLACE OF BUSINESS.

/SIR MURRAY SAID

FRIDAY, JANUARY 27, 1978

- 2 -

SIR MURRAY SAID HONG KONG MUST NOT BE REGARDED SIMPLY AS A SOURCE OF IMPORTS OR A SHOPPING CENTRE.

+IT IS A VERY BIG MARKET IN ITS OWN RIGHT, AND THROUGH THE COMPARATIVE ABSENCE OF RED TAPE AND THE SOPHISTICATED SERVICES AND COMMUNICATIONS THAT IT OFFERS, A PARTICULARLY QUICK AND CONVENIENT ONE IN WHICH TO DO BUSINESS,+ SIR MURRAY SAID.

+IT IS ON THE MAINLAND OF CHINA, THE BIGGEST COUNTRY IN THE WORLD WHICH IS HEADED FOR RAPID ECONOMIC DEVELOPMENT+ AND IS ALSO AT THE +HEART OF THE GROWTH AREA OF THE WESTERN PACIFIC+.

+IT IS THE NATURAL PLATFORM FROM WHICH THESE MARKETS SHOULD BE WORKED BY HEAD OFFICES, BY STOCKING AND SERVICING CENTRES, BY LOCAL ASSEMBLY OR MANUFACTURE.

+WE MUST BUILD UP AN IMAGE OF HONG KONG AS A POTENTIAL SOURCE OF PROFIT AND EMPLOYMENT TO EUROPE AND AMERICA, A LARGE MARKET ITSELF AND THE FOCAL POINT IN ONE OF ALMOST UNLIMITED EXTENT,+ SIR MURRAY SAID.

HE ALSO POINTED OUT THAT WE HAVE A DUTY TO OURSELVES AND TO ALL SMALL TRADING UNITS TO KEEP ALIVE THE ISSUE OF THE RULE OF LAW IN INTERNATIONAL TRADE AND TO +EMPHASISE WHENEVER WE REASONABLY CAN BOTH THE ECONOMIC FALLACIES BEHIND THE VIOLENCE THAT HAS BEEN DONE TO THESE RULES AT OUR EXPENSE, AND THE DANGER TO WORLD TRADE THAT COULD RESULT IF SUCH ATTITUDES ABOUT TEXTILES ARE ALLOWED TO SPREAD TO OTHER ITEMS+.

ON THE PROSPECTS FOR HONG KONG'S ECONOMY THIS YEAR, SIR MURRAY SAID THE BALANCE OF OPINION AT PRESENT SUGGESTS THAT THE OVERALL GROWTH IN OUR DOMESTIC EXPORTS IN 1978 IS LIKELY TO BE NO LESS THAN LAST YEAR'S.

.

NOTE TO EDITORS:

COPIES OF THE FULL TEXT OF THE GOVERNOR'S SPEECH ARE AVAILABLE FOR COLLECTION FROM G.I.S. PRESS BOXES.

-----0-----

/3

- 3 -

PERSONAL ALLOWANCES IN LEGAL AID SCHEME TO BE INCREASED
* * * * *

THE LEGAL AID (ASSESSMENT OF CONTRIBUTIONS) REGULATIONS HAVE BEEN AMENDED TO INCREASE THE PERSONAL ALLOWANCES MADE WHEN ASSESSING THE DISPOSABLE INCOMES OF LEGAL AID APPLICANTS IN BOTH CIVIL AND CRIMINAL CASES.

THE INCREASE WILL BECOME EFFECTIVE FROM NEXT MONTH. IT WILL ENABLE PEOPLE WITH HIGHER GROSS INCOMES TO BECOME FINANCIALLY ELIGIBLE FOR LEGAL AID.

A SPOKESMAN FOR THE LEGAL AID DEPARTMENT SAID: +IT MEANS MORE PEOPLE WILL RECEIVE COMPLETELY FREE LEGAL AID, WHICH OTHERS WITH HIGHER INCOMES WILL PAY SMALLER CONTRIBUTIONS TOWARDS THEIR LEGAL COSTS.+

UNDER THE LEGAL AID SCHEME, WHEN CALCULATING THE DISPOSABLE INCOME AND CAPITAL OF AN APPLICANT FOR AID, ALLOWANCES ARE MADE IN RESPECT OF RENT FOR THE APPLICANT'S DWELLING AND FOR HIS BASIC LIVING EXPENSES, AND OF THE APPLICANT'S DEPENDENTS.

SINCE 1973, THE ALLOWANCES MADE FOR THE LIVING EXPENSES OF APPLICANTS AND THEIR DEPENDENTS HAVE BEEN AT THE SAME RATE AS THE BASIC PUBLIC ASSISTANCE RELIEF SCALES IN FORCE AT THE RELEVANT TIME.

THE SPOKESMAN SAID: +IT HAS RECENTLY BEEN ANNOUNCED THAT THE BASIC PUBLIC ASSISTANCE SCALES WILL BE INCREASED.

+ACCORDINGLY, THE RELEVANT LEGAL AID REGULATIONS HAVE BEEN AMENDED TO INCREASE THE PERSONAL ALLOWANCE LEVELS USED IN CALCULATING THE DISPOSABLE INCOMES OF APPLICANTS, SO AS TO KEEP THIS ALLOWANCE IN LINE WITH THE NEW PUBLIC ASSISTANCE RATES.+

THE EXISTING AND NEW SCALES OF ALLOWANCES ARE AS FOLLOWS:

	EXISTING RATE -----	NEW RATE -----
(A) PERSON WITH NO DEPENDENT	\$180	\$200
(B) PERSON WITH FIRST TWO DEPENDENTS	\$130 EACH	\$145 EACH
(C) THIRD, FOURTH AND FIFTH DEPENDENTS	\$105 EACH IN ADDITION TO (B)	\$120 EACH IN ADDITION TO (B)
(D) SIXTH AND ADDITIONAL DEPENDENTS	\$80 EACH IN ADDITION TO (B) AND (C)	\$90 EACH IN ADDITION TO (B) AND (C)

- - - - 0 - - - -

/4

FRIDAY, JANUARY 27, 1978

BILL TO CONTROL NEW INSURANCE COMPANIES
* * * * *

NEW INSURANCE COMPANIES WILL NOT BE ABLE TO SET UP IN HONG KONG AFTER JANUARY 31 UNLESS THEY CAN SATISFY THE REGISTRAR OF COMPANIES THAT THEY HAVE ISSUED SHARE CAPITAL OF NOT LESS THAN \$5 MILLION FULLY PAID IN CASH.

COMPREHENSIVE LEGISLATION IS PROPOSED TO CONTROL INSURANCE COMPANIES AND IT IS EXPECTED TO BE BROUGHT INTO EFFECT WITHIN TWO YEARS. MEANWHILE, IN ORDER TO CONTROL THE PROBLEM PRESENTED BY UNDER-CAPITALISED COMPANIES THE GOVERNMENT HAS GAZETTED THE INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL 1978.

THE PURPOSE OF THIS BILL, WHICH WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL NEXT MONTH (FEBRUARY), IS TO PREVENT FURTHER EFFORTS TO ANTICIPATE THE COMPREHENSIVE LEGISLATION.

THERE IS AN INCREASING NUMBER OF INSURANCE COMPANIES BEING ESTABLISHED IN HONG KONG IN THE HOPE, IT IS THOUGHT, OF GAINING SOME ADVANTAGE THROUGH BEING IN BUSINESS AHEAD OF THE PROPOSED COMPREHENSIVE LEGISLATION.

A TOTAL OF 19 NEW COMPANIES RECEIVED AUTHORISATION TO CARRY ON REGULATED CLASSES OF BUSINESS IN 1975, 17 IN 1976, AND 43 DURING 1977, OF WHOM MANY HAD A PAID UP CAPITAL OF LESS THAN \$5 MILLION.

IT IS CONSIDERED THAT THE MARKET HAS NOW REACHED SATURATION POINT WITH A TOTAL OF 316 LOCALLY INCORPORATED COMPANIES AND FOREIGN COMPANIES CARRYING ON ONE OR MORE OF THE FOUR REGULATED CLASSES OF INSURANCE BUSINESS - FIRE, MARINE, LIFE OR MOTOR VEHICLE.

A GOVERNMENT SPOKESMAN SAID THE COMPANIES RANGED FROM OLD ESTABLISHED CONCERNS TO RECENTLY INCORPORATED COMPANIES WITH SMALL CAPITAL AND DOUBTFUL MANAGEMENT EXPERIENCE.

COMPETITION WAS FIERCE AND, WHILE THIS MAY APPEAR TO BENEFIT CONSUMERS, IT COULD HAVE DISASTROUS LONG TERM CONSEQUENCES BECAUSE IN THE STRUGGLE TO SURVIVE SOME COMPANIES OFFERED SUCH LOW RATES OF PREMIUM AND SUCH LARGE DISCOUNTS THAT THEY RISKED INSOLVENCY.

THE SPOKESMAN SAID THE PRESENT REQUIREMENTS UNDER EXISTING LEGISLATION ARE FAIRLY EASILY MET, EVEN BY COMPANIES WITHOUT A STRONG FINANCIAL BASE.

HE ADDED THE COMPREHENSIVE LEGISLATION WAS UNDER PREPARATION IN CONSULTATION WITH THE INDUSTRY. BESIDES THE REQUIREMENT OF A MINIMUM PAID UP CAPITAL, COMPANIES WOULD ALSO NEED TO HAVE A SATISFACTORY MARGIN OF SOLVENCY.

THE LEGISLATION WOULD GIVE THE REGISTRAR GENERAL MUCH WIDER POWERS, INCLUDING THE POWER TO INTERVENE IN THE EVENT OF CAUSE FOR SERIOUS CONCERN.

/THE SPOKESMAN OBSERVED

- 5 -

THE SPOKESMAN OBSERVED THAT IF A COMPANY COULD NOT RAISE THIS AMOUNT OF CAPITAL IT COULD NOT HOPE TO SURVIVE ON A LONG TERM BASIS IN THE MODERN INSURANCE INDUSTRY AND, TO PROTECT POTENTIAL POLICY HOLDERS, SHOULD NOT BE ALLOWED TO SET UP IN BUSINESS.

THE PROVISIONS OF THE BILL IN THE GAZETTE WILL NOT BE EXTENDED TO EXISTING INSURANCE COMPANIES.

+IT REMAINS NO MORE THAN AN INTERIM MEASURE FOR THE PURPOSE OF LIMITING THE SIZE OF THE PROBLEM PRESENTED BY UNDER-CAPITALISED INSURANCE COMPANIES WHEN THE SUBSTANTIVE LEGISLATION COMES INTO EFFECT,+ THE SPOKESMAN SAID.

THE BILL PROPOSES PENALTIES OF \$500,000 AND IMPRISONMENT FOR TWO YEARS, PLUS A DAILY FINE OF \$50,000 IF THE OFFENCE CONTINUES.

- - - - 0 - - - -

PARENTS PLAY CRUCIAL ROLE IN REHABILITATION OF DELINQUENTS
* * * * *

A CRUCIAL PART OF THE REHABILITATION PROGRAMME FOR JUVENILE DELINQUENTS WOULD REST ON THE CHILDREN'S PARENTS BECAUSE WITHOUT WHOSE CO-OPERATION, EFFORTS OF THE CORRECTIONAL INSTITUTIONS WOULD BE WASTED, MR. JUSTICE T.L.YANG, SAID THIS (FRIDAY) EVENING.

MR. JUSTICE YANG WAS ADDRESSING THE GATHERING AT THE FELLOWSHIP NIGHT - A PERFORMANCE STAGED BY RESIDENTS OF THE FIVE CORRECTIONAL INSTITUTIONS RUN BY THE SOCIAL WELFARE DEPARTMENT.

HE ALSO EMPHASISED THE ROLE OF THE COMMUNITY IN ASSISTING MINOR OFFENDERS IN THEIR STRUGGLE FOR A FRESH START IN SOCIETY.

+IT IS ESSENTIAL THAT IN ANY HUMAN SERVICE THE EXPERTS SHOULD NOT BE LEFT TO DO ALL THE WORK= A LOT MORE DEPENDS ON THE ATTITUDES OF ALL THE PARTIES CONCERNED AND THAT OF THE COMMUNITY ITSELF,+ MR. JUSTICE YANG SAID.

HE SAID THAT THESE UNFORTUNATE YOUTHS NEED THE ACCEPTANCE BY THEIR PARENTS, HEADMASTERS OR EMPLOYERS AS THE MERE GESTURE OF ACCEPTANCE WOULD GREATLY REINFORCE THEIR CONFIDENCE.

TURNING TO THE WORK OF THE CORRECTIONAL INSTITUTIONS, MR. JUSTICE YANG INDICATED THAT THERE WAS A CLEAR NEED FOR THESE ESTABLISHMENTS WHERE DELINQUENT YOUNGSTERS WERE TRUSTED TO THE CARE AND SUPERVISION OF PROFESSIONAL SOCIAL WORKERS.

THEY WOULD BE PROVIDED WITH ALL THE FACILITIES, EDUCATIONAL AND SOCIAL, TO LEARN TO COME TO TERMS WITH THEIR PROBLEMS IN AN ORDERLY AND DISCIPLINED ENVIRONMENT, HE SAID.

/+THESE YOUNGSTERS WHO,

FRIDAY, JANUARY 27, 1978

- 6 -

+THESE YOUNGSTERS WHO, THROUGH THEIR OWN MISCHIEF, HAVE VIOLATED THE LAW, SHOULD CONSIDER THEMSELVES FORTUNATE TO HAVE BEEN PLACED IN THE CARE OF THESE HOMES.

+THE VARIOUS PROGRAMMES OF TRAINING AT PRESENT BEING PROVIDED WOULD CERTAINLY HELP MODIFY THEIR ATTITUDE AND CHARACTER, IMPART MORE SOCIAL SKILLS WHICH WOULD ENABLE THEM TO RESTORE THEIR SELF-RESPECT AND COPE WITH THE STRENUOUS SITUATIONS IN LIFE. MOREOVER, THEY WOULD LEARN HOW TO MAKE DECISION FOR THEMSELVES.+

MR. JUSTICE YANG NOTED THAT EFFORTS HAD BEEN MADE BY WORKERS OF THE INSTITUTIONS TO INVOLVE THE PARENTS IN THE REHABILITATION PROGRAMMES.

+NOT ONLY WOULD THE PARENTS BE KEPT IN THE PICTURE ABOUT THE PROGRESS OF THEIR CHILDREN BUT THEY ARE HELPED TO BRIDGE THE COMMUNICATION GAP BETWEEN PARENTS AND CHILDREN SO AS TO BRING ABOUT POSITIVE INTERACTION BETWEEN THEM,+ HE SAID.

DESCRIBING TONIGHT'S JOINT PERFORMANCE AS AN OCCASION FOR THE DEVELOPMENT AND GROWTH OF THE CHILDREN'S SKILLS AND TALENTS IN A POSITIVE PURSUIT, HE CONGRATULATED ALL THOSE WHO HAD PARTICIPATED IN ITS PRODUCTION AND ORGANISATION.

THE 90-MINUTE PROGRAMME FEATURES A MODERN MUSICAL PLAY AND A CHINESE OPERA IN ENGLISH. OTHER ITEMS INCLUDE CHINESE RIBBON DANCE, HARMONIC PERFORMANCE AND FOLK SONGS.

THE OCCASION WAS ATTENDED BY COURT JUDGES, MAGISTRATES, GOVERNMENT OFFICIALS, COMMUNITY LEADERS CONCERNED WITH THE SERVICES FOR MINOR OFFENDERS AND PARENTS OF THE RESIDENTS OF THE INSTITUTIONS.

- - - - 0 - - - -

/7

LUNAR NEW YEAR STATUTORY HOLIDAYS
* * * * *

THE COMMISSIONER FOR LABOUR, MR. PETER WILLIAMS, TODAY REMINDED EMPLOYERS THAT THE FIRST THREE DAYS OF THE LUNAR NEW YEAR WHICH FALL ON FEBRUARY 7, 8 AND 9 ARE THREE OF THE TEN STATUTORY HOLIDAYS APPOINTED UNDER THE EMPLOYMENT ORDINANCE.

MR. WILLIAMS EMPHASISED THAT THE PROVISIONS OF THE ORDINANCE APPLY NOT ONLY TO ALL MANUAL WORKERS IRRESPECTIVE OF THEIR EARNINGS, BUT ALSO THOSE NON-MANUAL EMPLOYEES EARNING LESS THAN \$2,000 A MONTH. IT COVERS WORKERS IN THE ENTIRE INDUSTRIAL, COMMERCIAL AND SERVICES SECTORS WITHIN THIS DESCRIPTION.

HE POINTED OUT THAT THERE WAS A COMMON MISCONCEPTION THAT THE LAW APPLIES ONLY TO ALL THOSE WORKERS EARNING LESS THAN \$2,000 A MONTH.

HE SAID: +UNDER THE ORDINANCE, ALL MANUAL EMPLOYEES INCLUDING DOMESTIC SERVANTS IRRESPECTIVE OF THEIR EARNINGS, AND ALL NON-MANUAL EMPLOYEES EARNING NOT MORE THAN \$2,000 A MONTH ARE ENTITLED TO THE HOLIDAYS.

+THEY MUST ALSO BE PAID FOR THE THREE DAYS OFF IF THEY HAVE WORKED CONTINUOUSLY FOR THEIR EMPLOYERS FOR THREE MONTHS IMMEDIATELY PRECEDING THE STATUTORY HOLIDAYS.+

MR. WILLIAMS POINTED OUT THAT AN EMPLOYEE, WHO IS NOT EMPLOYED ON A CONTINUOUS CONTRACT BY THE SAME EMPLOYER FOR LESS THAN THREE MONTHS, IS ALSO ENTITLED TO THE HOLIDAYS, BUT HAS NO LEGAL ENTITLEMENT TO PAY.

A CONTINUOUS CONTRACT, HE EXPLAINED, IS ONE WHERE THE EMPLOYEE HAS WORKED FOR THE SAME EMPLOYER FOR FOUR WEEKS OR MORE, PRIOR TO A GIVEN DATE, ON AT LEAST THREE DAYS IN EACH OF THE FOUR WEEKS AND FOR NOT LESS THAN SIX HOURS ON EACH DAY.

IF AN EMPLOYER REQUIRES AN EMPLOYEE TO WORK ON A STATUTORY HOLIDAY, HE MUST GIVE HIM AT LEAST 48 HOURS' NOTICE, AND HE MUST GIVE HIS EMPLOYEE AN ALTERNATIVE HOLIDAY WITHIN 60 DAYS OF THE STATUTORY HOLIDAY.

IF THE EMPLOYER INTENDS TO GIVE HIS EMPLOYEE AN ALTERNATIVE HOLIDAY BEFORE THE STATUTORY HOLIDAY, HE MUST NOTIFY HIS EMPLOYEE 48 HOURS IN ADVANCE OF THAT ALTERNATIVE HOLIDAY. AND IF AN ALTERNATIVE HOLIDAY IS TO BE GIVEN AFTER THE STATUTORY HOLIDAY, THE EMPLOYER MUST INFORM HIS EMPLOYEE OF THE ARRANGEMENT AT LEAST 48 HOURS BEFORE THE STATUTORY HOLIDAY.

IF THE EMPLOYER AND EMPLOYEE AGREE, ANY DAY WITHIN 30 DAYS OF A STATUTORY HOLIDAY OR ALTERNATIVE HOLIDAY MAY BE TAKEN BY THEIR EMPLOYEE AS A SUBSTITUTED HOLIDAY.

ENQUIRIES OR COMPLAINTS REGARDING STATUTORY HOLIDAYS MAY BE MADE TO THE NEAREST BRANCH OFFICE OF THE LABOUR RELATIONS SERVICE. THE TELEPHONE NUMBERS ARE: KOWLOON EAST - 3-205638= KOWLOON WEST - 3-201652= KWUN TONG - 3-898520= TSUEN WAN - 12-422096= TUEN MUN - 12-818443= AND HONG KONG ISLAND - 5-282523 EXT. 60.

FRIDAY, JANUARY 27, 1978

- 8 -

HEALTH EDUCATION PROJECT SCHOOL COMPETITION

* * * * *

A HEALTH EDUCATION PROJECT COMPETITION FOR SECONDARY SCHOOLS IS BEING JOINTLY SPONSORED BY THE EDUCATION DEPARTMENT AND THE URBAN COUNCIL TO STIMULATE THE INTEREST AND AWARENESS AMONG SCHOOL CHILDREN ON PUBLIC HEALTH TOPICS.

THE THEMES CHOSEN FOR THE PROJECT ARE: HYGIENE OF DRINKING WATER, PREVENTION OF RODENT INFESTATION, AND PREVENTION OF ACCIDENTS AT PLAY.

THE SUBJECTS WILL BE OF PARTICULAR INTEREST TO TEACHERS IN SOCIAL STUDIES, PHYSICAL EDUCATION, AND SCIENCE SUBJECTS, AS THEY WILL HELP THEM TO DRAW PUPILS' ATTENTION TO MATTERS RELATING TO CLEANLINESS AT HOME, PROPER USAGE OF WATER, AND SAFETY AT PLAY.

THE COMPETITION WILL BE FOR EYE-CATCHING ILLUSTRATIONS AND DISPLAYS, INCLUDING PICTURES, PHOTOGRAPHS, MODELS, SPECIMENS, GRAPHS, CHARTS, OR FEATURE ARTICLES. THE URBAN COUNCIL WILL AWARD FIVE CASH PRIZES RANGING BETWEEN \$500 AND \$1,500 AND 10 MERIT PRIZES OF \$300 EACH.

A PRIZE FOR THE BEST ARTWORK DESIGN IN THE FORM OF A TROPHY WILL ALSO BE AWARDED TO THE PROJECT WITH THE BEST ARTWORK. THE JUDGING WILL BE DONE DURING THE JOINT EXHIBITION IN THE CITY HALL EXHIBITION HALL.

THE EDUCATION DEPARTMENT WILL PROVIDE EACH PARTICIPATING SCHOOL WITH PROJECT MATERIALS WORTH ABOUT \$100.

COMPETING SCHOOLS WILL PUT UP THEIR DISPLAYS AT THEIR SCHOOLS FOR AT LEAST SEVEN WORKDAYS FROM MARCH 1 TO MARCH 10, WHEN JUDGING WILL TAKE PLACE. SCHOOLS WISHING TO TAKE PART IN THE COMPETITION ARE REMINDED TO SEND THEIR APPLICATION FORMS TO THE SENIOR INSPECTOR (HEALTH EDUCATION SECTION), EDUCATION DEPARTMENT, LEE GARDENS, FIFTH FLOOR, HYSAN AVENUE, HONG KONG, BEFORE FEBRUARY 2.

THE PUBLIC EXHIBIT WILL BE HELD AT THE CITY HALL EXHIBITION HALL FROM MARCH 23 TO 27. THE PRIZE GIVING CEREMONY WILL TAKE PLACE AT THE OPENING OF THE EXHIBITION ON MARCH 23.

- - - - 0 - - - -

/9

FRIDAY, JANUARY 27, 1978

- 9 -

NEW NOTES FOR TSIM SHA TSUI EAST OUTLINE ZONING PLAN

* * * * *

THE TOWN PLANNING BOARD HAS APPROVED THE INCORPORATION OF NEW NOTES INTO THE DRAFT OUTLINE ZONING PLAN FOR TSIM SHA TSUI EAST.

THE NOTES LIST THE PERMITTED USES WITHIN THE VARIOUS ZONES AS WELL AS THOSE THAT MAY BE PERMITTED AT THE DISCRETION OF THE TOWN PLANNING BOARD.

COPIES OF THE UNCOLOURED DRAFT OUTLINE ZONING PLAN (NO. LK 1/62) ALONG WITH THE NOTES ARE ON SALE AT \$5 A COPY AT THE P.W.D.'S CROWN LANDS AND SURVEY OFFICE, 19TH FLOOR, MURRAY BUILDING, HONG KONG.

THE PLAN MAY ALSO BE INSPECTED DURING NORMAL OFFICE HOURS UNTIL MARCH 26 AT THE TOWN PLANNING OFFICE, PUBLIC WORKS DEPARTMENT, 17TH FLOOR, MURRAY BUILDING= THE CITY DISTRICT OFFICE (CENTRAL AND WESTERN) ENQUIRY SUB-OFFICE, CENTRAL GOVERNMENT OFFICES, WEST WING ENTRANCE= AND THE CITY DISTRICT OFFICE (YAU MA TEI), 260-264 TEMPLE STREET, GROUND FLOOR, KOWLOON.

ANYONE OBJECTING TO ANY ASPECT OF THE NEW NOTES SHOULD ADDRESS HIS OBJECTION IN WRITING TO THE SECRETARY OF THE TOWN PLANNING BOARD, PUBLIC WORKS DEPARTMENT, MURRAY BUILDING, HONG KONG, BEFORE MARCH 26, THIS YEAR.

- - - - 0 - - - -

PLB RESTRICTED ZONES IN CHURCH STREET, SHAU KEI WAN

* * * * *

THE TRANSPORT DEPARTMENT ANNOUNCED TODAY THAT FROM 10 A.M. MONDAY (JANUARY 30), CHURCH STREET IN SHAU KEI WAN WILL BE DESIGNATED PUBLIC LIGHT BUS RESTRICTED ZONE FROM 7 A.M. TO MIDNIGHT DAILY.

DURING THESE HOURS, PUBLIC LIGHT BUSES WILL BE PROHIBITED FROM PICKING UP OR SETTING DOWN PASSENGERS ON THE STREET.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP TO INDICATE THE RESTRICTION.

- - - - 0 - - - -

/10

FRIDAY, JANUARY 27, 1978

- 10 -

INDUSTRIAL TRADE INSTRUCTORS' COURSES

* * * * *

THE HONG KONG TECHNICAL TEACHERS' COLLEGE IS INVITING APPLICATIONS FOR ADMISSION TO TWO-WEEK FULL-TIME BLOCK-RELEASE AND 15-WEEK PART-TIME DAY-RELEASE INDUSTRIAL TRADE INSTRUCTORS' COURSES.

THE COURSES, COMMENCING IN LATER FEBRUARY, OFFER AN OPPORTUNITY FOR TRADE INSTRUCTORS AND WORKSHOP SUPERVISORS TO OBTAIN THE NECESSARY TRAINING FOR CARRYING OUT THEIR DAY TO DAY TEACHING DUTIES.

AMONG THE SUBJECTS TAUGHT WILL BE METHODS OF TEACHING, EDUCATION THEORY AND EDUCATION PSYCHOLOGY.

APPLICATION FORMS ARE OBTAINABLE FROM THE HONG KONG TECHNICAL TEACHERS' COLLEGE, 373 QUEEN'S ROAD EAST, HONG KONG.

COMPLETED APPLICATION FORMS SHOULD BE RETURNED TO THE COLLEGE NOT LATER THAN FEBRUARY 3.

- - - - 0 - - - -

NOTE TO EDITORS:

EXTENSION OF YAN CHAI HOSPITAL

* * * * *

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES, DR. K.L. THONG WILL PERFORM A CEREMONY MARKING THE START OF CONSTRUCTION OF A NEW EXTENSION TO THE YAN CHAI HOSPITAL, TSUEN WAN ON MONDAY (JANUARY 30) AT 3 P.M.

YOU ARE WELCOME TO SEND A REPORTER/PHOTOGRAPHER TO COVER THE OCCASION.

- - - - 0 - - - -



DAILY INFORMATION BULLETIN

SUPPLEMENT

Friday, January 27, 1978

Speech By Governor At The Hong Kong General Chamber
Of Commerce Committee Members Annual Dinner

The following is the full text of the speech by the Governor, Sir Murray MacLehose, at the Hong Kong General Chamber of Commerce Committee Members Annual Dinner this evening:

I should like to start by talking about and around the problem that has concerned us all so much since the middle of last year, that is the trend to protectionism, which was such a feature of our major markets in 1977 and which shows no signs of failing.

I will not rake over the singularly unedifying story of the negotiations in Brussels. All the credit goes to our negotiators and all the odium to the Governments who handed down the mandate to which the Commission worked.

The aspect of this diktat in which I see the greatest danger is that the EEC breached and deliberately breached, and refused even to discuss as relevant, various international undertakings about the conduct of international trade to which they had subscribed. The rule of law in international trade broadly associated with the General Agreement on Trade and Tariffs has served the world well for a quarter of a century. It has been a considerable factor in the unprecedented expansion of world trade. If these rules fall into disregard it will be the weak and the small who suffer. Indeed it is significant that the most likely gainers from the EEC restrictions will not be the producers of Europe, far less the allegedly deserving and somewhat hypothetical new entrants into the market, but the exporters of large unrestrained countries like the U.S. and Japan.

We know that the justification for this restrictive agreement cannot stand up to economic or statistical analysis, and this was consistently evaded. It was politically motivated; a response to massive and persistent unemployment and all the pressures it generated. In such circumstances it was easier to lay the blame at the door of so-called 'market penetration' by imports than to consider rationally what their effect on employment really was in comparison to that of increased productivity and other factors, and agree appropriate levels of restraint.

The major cause of unemployment in Europe has not been imports but the unexpectedly slow recovery of the economies of Europe and America from recession for reasons that are basically financial, psychological, fiscal and political, rather than commercial.

We have signed the agreements and must now get on with making the best of them. But I do suggest that we have a duty to ourselves and to all small trading units to keep alive the issue of the rule of law in international trade, and to emphasise whenever we reasonably can both the economic fallacies behind the violence that has been done to these rules at our expense, and the danger to world trade that could result if such attitudes about textiles are allowed to spread to other items. Because that is precisely what is already beginning to happen. Once the principle is accepted that protection may be freed from accepted rules, the political pressures to widen its scope are very strong.

I hope this situation is an ephemeral product of the post-oil-crisis world of today. I hope that the threat will fade as economies and employment recover and the normally liberal Governments of our principal markets are released from the present pressures. This, I think, will be a matter of time and above all of the creation of confidence through successful leadership. World trade has picked up from deep recession, but has got stuck short of complete recovery. A demonstrable success, whether in stabilising an international trouble spot or in legislating for one of the major economies such as that of the U.S. would have a tonic effect.

Meanwhile one may expect a period in which the threat of protectionism exists, particularly, but not exclusively, in respect of Asian products.

We can

Friday, January 27, 1978

- 3 -

We can help ourselves by diversifying into products that escape restraint, and this is happening. Any more radical change to broaden the base of our economy will take time, but I await with the greatest interest the outcome of the Financial Secretary's Committee on Diversification.

We will resist any new manifestations of protectionism with all the ingenuity and determination we can. But over this period muscle could help. We are devoted multi-nationalists in accordance with the basic concept of the GATT. Nevertheless Hong Kong would be in a stronger position could she point to better sales in Hong Kong by the exporters in her principal markets. Profits and jobs due to Hong Kong orders would speak louder to Governments than anything we could say. We are bound to run a very large deficit in our trade with China and this is entirely acceptable; but both the public and private sectors should bear in mind that when other things are equal, or almost equal, to buy from our major markets may help us to sell in them. Of course this is a two-sided business and it is for this reason that we have made such efforts to encourage the exporters of our major markets to pay more attention to their sales in Hong Kong.

We must also do everything we can to impress on officials and exporters as well as the media and public in Europe and America what Hong Kong has to offer as a place of business. It must not be regarded simply as a source of imports, a shopping centre. It is a very big market in its own right, and through the comparative absence of red tape and the sophisticated services and communications that it offers, a particularly quick and convenient one in which to do business. It is on the mainland of China, the biggest country in the world which is headed for rapid economic development. It is also at the heart of the growth area of the Western Pacific. It is the natural platform from which these

/markets

Friday, January 27, 1978

- 4 -

markets should be worked by head offices, by stocking and servicing centres, by local assembly or manufacture. We must build up an image of Hong Kong as a potential source of profit and employment to Europe and America, a large market itself and the focal point in one of almost unlimited extent.

It will be apparent to you from what I have just said why I have so enthusiastically supported the efforts of this Chamber, in conjunction with the Trade Development Council and the Department of Trade, Industry and Customs, to promote Hong Kong abroad as a place for investment or establishment. It is very valuable work and pays a political and public relations dividend at least equal to its direct commercial return.

Prospects for the Economy in 1978

I have spoken at some length about this subject of the threat of protectionism, how real it is, and what we can do to counter its effect on us, because it has been very much in all our minds. But I shall emphasise that so far it has only operated at the margins and has not substantially affected the overall expansion of our economy, though it certainly could do, and certainly is already affecting certain sectors of it. I therefore do not want what I have said to distort the general image of Hong Kong, its economy and its prospects at this time, which I see as definitely favourable.

/Our

Friday, January 27, 1978

- 5 -

Our economists are still analysing the performance for trade and economy generally in 1977, and preparing a forecast for 1978; but they believe that growth in 1977 is likely to have been rather better than we expected at the beginning of the year; and that the outlook for the economy in 1978 is far from gloomy.

Although our domestic exports in 1977 only increased by about five per cent in real terms, or 7.3% in value terms over 1976 - an exceptional year - economic growth was boosted by buoyant domestic activity. This is a situation unusual for Hong Kong and one that cannot be sustained indefinitely given the open nature of our economy. In my address at the opening session of the Legislative Council in October 1977, I said that the situation needed watching. But I also said there was no cause for immediate anxiety and that I expected market forces would adjust the economy to its normal export-led situation. This may already be happening. Our export prices stopped rising in the second half of 1976 and have since remained fairly stable. The exchange rate has adjusted downwards against most currencies other than the U.S. dollar since March 1977. Although the boom in the construction industry shows no signs of slackening, the increase in the import of consumer goods has slowed down, suggesting a reduction in consumer demand; at the same time, there has been a slight improvement in orders for textiles and clothing and in the import of raw materials. This is still no more than a trend. Its continuation must depend largely on the state of demand in our major export markets, and our ability to take advantage of it.

The outlook for demand in our largest market, the United States, is reasonably good for the immediate future, and we expect exports to it to continue to grow, though perhaps at a slower rate than in 1977. The outlook in Europe varies; for instance while there seems little immediate hope of much improvement in the Federal Republic of Germany, prospects in the United Kingdom are good. So are those in the Middle East and in some other new markets. Overall it looks as if there should be a least adequate demand in our major markets.

/Trade

Trade prospects have of course been complicated and restricted by the new bilateral textiles agreement, particularly that with the EEC. Although the restraint limits in 1978 are generally higher than the level of shipments in 1977, the flexibility with which exporters will be able to respond to a revival in demand has been reduced; more products have been brought under restraint; the rate of growth of the restraint levels has been reduced; and flexibility to move between products is much less.

In addition, the EEC agreement has set a dangerous precedent. The Norwegians and Swedes have already followed it and proposed substantial cuts. Although trade with these countries represents only a small proportion of our domestic exports, the implications are depressing and could be serious if Sweden and Norway were joined by other countries.

As I have already said there is the further danger, and at present it is no more than that so far as Hong Kong products are concerned, of the extension of protectionism to other products.

Against this background, it is obviously difficult to assess our export prospects with any accuracy. Nevertheless, at present the balance of opinion suggests that growth in our domestic exports in 1978 is likely to be no less than in 1977. In other words, though the problems will be different, and the balance between different markets or lines of export may change, the overall growth rate for exports is likely to be similar to 1977.

I think that the sort of steady rather than frenetic growth in exports and in the economy which we experienced last year was what suits Hong Kong best, and the prospect of much the same overall picture next year is heartening. As I said in speaking to the Legislative Council last October, the picture could be greatly improved, at least in the short-term, were measures taken to stimulate the economies of any of our major markets and this is still not impossible.

/ We have

- 7 -

"We have used this favourable period to push on with our social programmes; since last year I described in some detail the way in which they will transform Hong Kong physically and socially over the next few years, I will not do so again. Suffice it to say that we have kept well up to all targets and expect to continue so this year.

The pace of construction for all programmes and consequent physical change has now reached the level at which we have been aiming. I know it is fast, and it is disconcerting as well as exciting and encouraging to watch the face of Hong Kong changing so rapidly. I know it is causing acute inconvenience and discomfort to many people, and we have every reason to be grateful to them for the patience and good humour with which they have tolerated the dust, the construction trucks and the pile drivers. However, the end result will soon be a cleaner, quieter, better provided, and in many cases a more profitable life for all, including present sufferers.

As you know I attach great importance to these changes and to their rapid implementation. I believe them to be the prerequisite for Hong Kong's survival as a cohesive contented healthy and efficient society, and I believe there is good support for this view amongst all sections of the population.

Insofar as there is distrust or reservations they relate not to what has been or is being done, but to the fear that in the future something will be attempted that will set the economy or the financial attractions of Hong Kong at risk. Such fears are natural, but I can only say they are unfounded. The economy is the power house of all we wish to do here, must be, and always will be, our prime concern.

We must also remember that the rest of the world is changing too, and must be sensitive to its view of us and what we are doing. We have every right to be proud of our present rate of progress, but I can see a Hong Kong which faltered in these aims receiving short shrift in a world impatient with a community irresolute in solving its long-standing social problems though anxious to market its goods.

/Any survey

Friday, January 27, 1978

- 8 -

Any survey of Hong Kong's recent performance and prospects would be incomplete without some reference to the Royal Hong Kong Police Force. News tends to be bad news, and my first point is that the trauma of the past few months should not obscure the significant successes-operational-that the Force is achieving and has achieved.

There can be little doubt that it has become far more effective in its in its main task - the containment of crime. Its greater strength, its improved organisation, equipment and professional skill, have done much to reduce crime, improve detection, and to make people safer.

Furthermore, the relationship of the Force with members of the public, and its awareness of the need for the closest cooperation with those whom it is their duty to protect, has greatly improved.

But I would not have called in a very senior team of UK Officers if I thought that all was well. Obviously the law must be enforced whether by Police or on Police or on any other member of the public service. If there are some so foolish as to think that in modern Hong Kong it could be otherwise, they should come to their senses; there is no room for compromise.

But I believe that in the Force as a whole attitudes have been affected by some genuine grievances and by a sense of ill-usage, as well as by misunderstandings, and that there are probably weaknesses in communication and chain of command and other factors resulting from very rapid expansion which have contributed. I very much hope that the United Kingdom team with local help and action will be able to assist in putting all this to rights. I also believe that a police association could play a very useful role, provided it is properly motivated and responsibly led.

/The Royal

Friday, January 27, 1978

- 9 -

The Royal Hong Kong Police Force has made great strides in the past few years and I am sure that it is the wish of the overwhelming number of its membership to take the one step more which will completely re-establish its standing in the eyes of the community. Meanwhile the community can do much to help the Commissioner and his officers and men in their task by showing confidence in a Force which, as a whole, is surely deserving of much more praise than criticism.

I should like to congratulate, you Sir, on such a notably successful spell as Chairman of the Chamber. It has been a term of constant challenge in Hong Kong, and under your Chairmanship the Chamber has always been ready to encourage, to caution, or to give a hand as the situation required - and then four years included times when it was not easy for all to keep their heads. I am well aware of the Chamber's many-sided role, and admire the work it does for Hong Kong as well as of its members and its innumerable correspondents.

I am grateful too for its cooperation with the Government, and I do not forget that a hundred years ago the roles might have been reversed.

I thank you and the Committee and Members for your hospitality and ask all to rise and drink a toast to the Hong Kong General Chamber of Commerce and the prosperity of its members in 1978.

- - - - 0 - - - -