



DAILY INFORMATION BULLETIN

SATURDAY, JUNE 12, 1976

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GOVERNOR PREDICTS SIGNIFICANT ECONOMIC GROWTH

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THE GOVERNOR, SIR MURRAY MACLEHOSE SAID TODAY THAT BARRING UNFORESEEN ACCIDENTS IN THE WORLD, THE GROWTH IN HONG KONG'S ECONOMY THIS YEAR WOULD BE GREATER THAN THAT FORECAST EARLIER IN THE YEAR.

SPEAKING AT THE OPENING OF THE DOW CHEMICAL POLYSTYRENE PLANT ON TSING YI ISLAND, SIR MURRAY SAID THE ECONOMY IN HONG KONG THIS YEAR COULD NOW EXPECT SOMETHING SIGNIFICANTLY BETTER THAN THE 9 PER CENT IN-REAL-TERM GROWTH RATE PREDICTED AT THE TIME THE FINANCIAL SECRETARY WAS PREPARING HIS BUDGET.

+GIVEN THIS PROSPECT AND THE EXPANSION IN GOVERNMENT REVENUE THAT SHOULD GO WITH IT, THE PROSPECTS FOR PROGRESS IN OUR SOCIAL PROGRAMMES ARE GOOD.+

SIR MURRAY NOTED THAT HONG KONG'S EXPORTS HAD GROWN BY OVER 50 PER CENT IN VALUE TERMS FROM THE BOTTOM OF THE RECESSION IN EARLY 1975 TO THE SAME PERIOD THIS YEAR, AND ARE NOW RUNNING AT A LEVEL HIGHER THAN EVER BEFORE.

HE SAID, +IN RECENT MONTHS, ALSO EMPLOYMENT IN MANUFACTURING INDUSTRY HAS BEEN GROWING AT A RAPID RATE AND IT IS NOW ALMOST A FIFTH HIGHER THAN A YEAR AGO.

+ALL THIS IS EVIDENCE OF A RAPID TAKING UP OF THE SLACK AND OF RENEWED REAL GROWTH IN THE ECONOMY, AND THIS HAS BEEN REFLECTED ALSO IN ACTIVITY IN THE CONSTRUCTION INDUSTRY, AS WELL AS IN INCREASED CONSUMPTION AND HIGHER IMPORTS.

THE GOVERNOR SAID, +I BELIEVE HONG KONG IS NOW A STRONGER AND SOUNDER PLACE THAN IT WAS IN THE BOOM YEARS OF 1972/73 AND OUR NEW INDUSTRIAL AND OTHER POLICIES ARE DESIGNED TO MAKE IT STRONGER STILL.+

+IN THE NEW PHASE OF INDUSTRIAL DEVELOPMENT WHICH HONG KONG IS ENTERING, THE GOVERNMENT ACCEPTS THAT IT MUST PLAY A POSITIVE ROLE.

+WE WILL, FOR EXAMPLE, CONTINUE TO OPERATE THE MODIFIED INDUSTRIAL LAND POLICY WHICH WAS INSTRUMENTAL IN MAKING POSSIBLE THIS PROJECT AND OTHERS WHICH CANNOT BE CARRIED OUT IN HIGH RISE BUILDINGS.+

THE GOVERNMENT WILL ALSO PROVIDE MORE LAND FOR INDUSTRIAL DEVELOPMENT THROUGH THE BUILDING OF INDUSTRIAL ESTATES TO PROVIDE ADDITIONAL AREAS FOR LIGHT AND MEDIUM ENGINEERING INDUSTRIES DESIGNED TO EMPLOY THE WORKERS AND SUPERVISORS BEING TRAINED IN HONG KONG'S POLYTECHNIC AND TECHNICAL INSTITUTES.

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HE DISCLOSED THAT ONE ESTATE OF 185 ACRES IS AT PRESENT BEING CONSTRUCTED AT TAI PO AND THE FIRST SITES SHOULD BECOME AVAILABLE FOR OCCUPATION EARLY NEXT YEAR.

SIR MURRAY SAID, +ANOTHER ESTATE IS PLANNED FOR YUEN LONG AND WE HAVE OUR EYE ON POSSIBLE SITES FOR OTHERS AT PILLAR POINT, KOWLOON BAY AND PERHAPS JUNK BAY. +

TO SPEED UP THIS PROCESS, A PROVISIONAL AUTHORITY UNDER THE CHAIRMANSHIP OF A DISTINGUISHED BANKER HAS BEEN ESTABLISHED AND A PROFESSIONAL CHIEF EXECUTIVE APPOINTED.

THE AUTHORITY IS EXPECTED TO ANNOUNCE THE BASIC TERMS AND CONDITIONS FOR LETTING SITES BEFORE AUTUMN SO THAT THOSE INTERESTED CAN PLAN WITH A VIEW TO OBTAINING SITES NEXT YEAR.

THE GOVERNOR ALSO PAID TRIBUTE TO THE DOW CHEMICAL FOR PLACING CONFIDENCE IN THE ECONOMIC PROSPECTS AND SOCIAL AND POLITICAL STABILITY OF HONG KONG BY ESTABLISHING THE POLYSTYRENE PLANT.

+THIS NEW PLANT, + HE SAID, +HOWEVER, REFLECTS GROWING RECOGNITION THAT HONG KONG'S EXPORT INDUSTRY HAS NOW CREATED A WORTHWHILE DOMESTIC MARKET FOR EQUIPMENT AND MATERIALS, SUCH AS POLYSTYRENE, HITHERTO IMPORTED ALMOST ENTIRELY FROM MORE ADVANCED COUNTRIES.

+THE DEMAND IS NOW SUFFICIENT TO JUSTIFY THEIR PRODUCTION IN HONG KONG.

+WE HAVE RECENTLY SEEN, OR SOON EXPECT TO SEE, OTHER DEVELOPMENTS TO PROVIDE AN INCREASINGLY SOPHISTICATED BACK-UP FOR OUR INDUSTRY.

+I AM THINKING, FOR EXAMPLE, OF THE MANUFACTURE OF MACHINE TOOLS= CHEMICAL PRODUCTION IN FIELDS DIFFERENT FROM THOSE SERVED BY THIS PLANT, AND PERHAPS THE ESTABLISHMENT OF FOUNDRY FACILITIES, + SAID THE GOVERNOR.

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NOTE TO EDITORS: COPIES OF FULL TEXT OF THE GOVERNOR'S SPEECH WILL BE AVAILABLE FOR COLLECTION IN THE G.I.S. PRESS BOXES LATER THIS AFTERNOON.

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GOVERNOR VISITS FACTORY

THE GOVERNOR, SIR MURRAY MACLEHOSE, WILL BE PAYING A VISIT TO TWO FACTORIES, THE MEYER MANUFACTURING CO. AND MEYER ALUMINIUM LTD., IN KWUN TONG ON MONDAY (JUNE 14).

THESE ASSOCIATED FACTORIES PRODUCE HIGH QUALITY GAUGE TEFLON/CERAMIC COATED ALUMINIUM COOKWARE, FLASHLIGHT CASES, ASHTRAYS, TENNIS RACKETS AND THE FAMOUS 'CHINESE WOK', AS WELL AS OPERATE HONG KONG'S LARGEST ALUMINIUM ROLLING MILL.

SIR MURRAY MAKES FACTORY VISITS PERIODICALLY IN ORDER TO SEE FOR HIMSELF HOW HONG KONG'S INDUSTRY IS PROGRESSING.

THE TWO MEYER COMPANIES HAVE A TOTAL WORKFORCE OF ABOUT 500 WORKERS AND A MONTHLY TURNOVER OF MORE THAN \$6 MILLION. ITS MULTIWARE RANGE OF COOKWARE HAS CAPTURED FIVE MAJOR DESIGN REWARDS IN THE PAST THREE YEARS. OVER 90 PER CENT OF ITS PRODUCTS IS SOLD OVERSEAS.

NOTE TO EDITORS:

YOU ARE CORDIALLY INVITED TO SEND A REPORTER AND/OR PHOTOGRAPHER TO COVER THE VISIT. THE FACTORIES ARE SITUATED AT 380-2, KWUN TONG ROAD, KWUN TONG, KOWLOON.

SIR MURRAY WILL ARRIVE AT THE FACTORY AT 3 P.M. YOUR REPRESENTATIVE IS URGED TO BE PRESENT BY 2.45 P.M. THE COMMERCE AND INDUSTRY DEPARTMENT'S PUBLIC RELATIONS OFFICER, MR. GERRY XAVIER, WILL BE ON HAND TO ASSIST.

NEW TRAFFIC ARRANGEMENTS ON HK ISLAND

NEW TRAFFIC ARRANGEMENTS WILL BE INTRODUCED IN WAN CHAI AND NORTH POINT FROM 10 A.M. ON TUESDAY (JUNE 15).

IN WAN CHAI, LEARNER DRIVERS WILL NOT BE ALLOWED TO USE THE SOUTHERN SECTION OF OI KWAN ROAD BETWEEN WING CHEUNG STREET AND SUNG TAK STREET FROM 7.30 A.M. TO 8 P.M. DAILY.

IN NORTH POINT, NORTHBOUND VEHICLES ON TONG SHUI ROAD WILL NOT BE PERMITTED TO TURN RIGHT AT THE JUNCTION OF JAVA ROAD AND TONG SHUI ROAD.

APPROPRIATE TRAFFIC SIGNS WILL BE PUT UP TO GUIDE MOTORISTS.

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JOINT VARIETY SHOW

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THE DEPUTY DIRECTOR OF SOCIAL WELFARE, MR. JIMMY SWEETMAN, WILL OFFICIATE AT THE 'JOINT VARIETY SHOW' ORGANISED BY THE LEO CLUB OF KWUN TONG AT 8 P.M. TODAY AT THE CARITAS HALL ON BOUNDARY STREET, KOWLOON.

THE ENTERTAINMENT PROGRAMME, TO BE PERFORMED BY REPRESENTATIVES FROM SEVEN YOUTH CENTRES, WILL INCLUDE CHORUS SINGING, FOLK AND MODERN DANCING, JUDO DEMONSTRATION, STAGE PLAY AND LION DANCE.

THE CLUB IS SPONSORED BY THE KWUN TONG LIONS CLUB. IT'S AIM IS TO HELP TRAIN YOUTH LEADERS AND ITS MEMBERS TO PARTICIPATE AND CONTRIBUTE IN COMMUNITY SERVICES.

THE PRESS IS WELCOME TO COVER THE SHOW.

MR. SWEETMAN'S SPEECH WILL BE AVAILABLE FOR COLLECTION IN G.I.S. PRESS BOXES LATER THIS AFTERNOON.

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OPENING OF HOSTEL FOR MENTALLY RETARDED

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THE ACTING SECRETARY FOR HOME AFFAIRS, MR. LI FOOK-KOW, TODAY CALLED FOR CONTINUED CO-OPERATION BETWEEN GOVERNMENT AND VOLUNTARY AGENCIES TO PROVIDE NEEDS FOR THE CHANGING SOCIETY AND TO BRING ABOUT THE BEST USE OF OUR RESOURCES.

HE WAS SPEAKING AT THE OPENING CEREMONY OF THE NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION'S ROTARY HOSTEL FOR MENTALLY RETARDED AT 8, TAI LOK STREET, SHAU KEI WAN.

MR. LI SAID THE OPENING OF THE HOSTEL WOULD HELP THE MENTALLY RETARDED TOWARDS INDEPENDENT LIVING IN THE COMMUNITY.

+IT REFLECTS THE ABILITIES OF ALL BODIES CONCERNED TO CO-OPERATE IN THE FACE OF CHANGING CIRCUMSTANCES AND CHANGING NEEDS TO BRING ABOUT THE BEST USE OF RESOURCES,+ HE SAID.

THE HOSTEL WAS FIRST BUILT IN 1965 AS A VOCATIONAL TRAINING CENTRE FOR THE BLIND WITH \$200,000 DONATED BY THE ROTARY CLUB OF HONG KONG. THE FOLLOWING YEAR, A GRANT OF \$140,000 FROM THE LOTTERIES FUND WAS USED FOR THE ADDITION OF TWO STOREYS.

WHEN THE TRAINING CENTRE WAS LATER MOVED TO KOWLOON, THE DIRECTOR OF SOCIAL WELFARE SUGGESTED, AND IT WAS AGREED, THAT THE BUILDING BE CONVERTED INTO A HOSTEL TO MEET A LONG FELT NEED ON HONG KONG ISLAND FOR THIS TYPE OF ACCOMMODATION FOR MENTALLY RETARDED PEOPLE OVER 16. THE LOTTERIES FUND GAVE A FURTHER GRANT OF \$100,000 FOR THE CONVERSION.

THE HOSTEL WILL ACCOMMODATE TEN WOMEN AND 20 MEN.

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HONG KONG NEEDS POSITIVE YOUTH WORK

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THE SOCIAL WELFARE DEPARTMENT WILL CONTINUE TO HELP FOSTER THE SCOUT MOVEMENT IN HONG KONG AND PLACE GREAT IMPORTANCE ON POSITIVE YOUTH WORK IN ITS FUTURE DEVELOPMENT PLANS.

+IT IS NECESSARY FOR US TO PROVIDE OUR YOUNGER GENERATION WITH MORE OPPORTUNITIES TO TAKE PART IN MEANINGFUL ACTIVITIES,+ THE DIRECTOR, MR. THOMAS LEE, SAID AT THE INAUGURATION CEREMONY OF THE 9TH TERM OFFICE-BEARERS OF THE SCOUT ASSOCIATION, KOWLOON REGION THIS (SATURDAY) EVENING.

MR. LEE NOTED THAT THE SCOUT MOVEMENT, AN IMPORTANT YOUTH ACTIVITY IN HONG KONG, HELPS TO TRAIN YOUNG PEOPLE TO BECOME BETTER CITIZENS AND TO CONTRIBUTE TO THE WELL BEING OF THE COMMUNITY.

+IT ADVOCATES THE SCOUT PROMISE AND LAW AS THE BASIC PRINCIPLE IN LIFE. IN ITS PROGRAMMES, EMPHASIS IS LAID ON PROGRESSIVE TRAINING, AND OPPORTUNITIES ARE PROVIDED FOR YOUNGSTERS TO ENJOY GROUP LIFE AND RENDER SERVICES TO THE COMMUNITY,+ HE SAID.

THROUGH THE CONCERTED EFFORTS OF ITS LEADERS OVER THE PAST YEARS, MR. LEE SAID, THE SCOUT ASSOCIATION HAD DIRECTED MOST OF ITS EFFORTS TO THE EXPANSION OF THE SCOUT MOVEMENT AT THE REGIONAL LEVEL AND HAD SUCCESSFULLY CARRIED OUT TWO FIVE-YEAR DEVELOPMENT PLANS TO UPGRADE ITS SERVICE.

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SEMINAR ON FAMILY LIFE

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THREE HUNDRED FORM IV AND V STUDENTS FROM 17 SECONDARY SCHOOLS IN SHAM SHUI PO DISTRICT WILL ATTEND A SEMINAR ON FAMILY LIFE TO BE HELD ON TUESDAY (JUNE 15) IN CHEUNG SHA WAN CATHOLIC SECONDARY COLLEGE, FOK WING STREET.

THE THEME OF THE SEMINAR IS +TO KNOW YOURSELF+. ITS AIM IS TO GIVE YOUNG PEOPLE A CORRECT CONCEPT IN INTER-PERSONAL RELATIONSHIP. THREE TALKS, A FILM SHOW AND AN OPEN FORUM WILL BE HELD TO DEPICT THE CHARACTERISTICS OF PSYCHOLOGICAL DEVELOPMENT OF TEENAGERS, THEIR UNDERSTANDING OF THEMSELVES AND THEIR ACCEPTANCE OF OTHERS.

THE SEMINAR IS JOINTLY ORGANISED BY THE SHAM SHUI PO CITY DISTRICT OFFICE AND THE HONG KONG FAMILY WELFARE SOCIETY. EXPERIENCED SOCIAL WORKERS FROM THE FAMILY WELFARE SOCIETY WILL CONDUCT THE SEMINAR.

NOTE TO EDITORS: MEDIA REPRESENTATIVES ARE CORDIALLY INVITED TO COVER THE EVENT.

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SUPPLEMENT

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GOVERNOR'S SPEECH

Following is the full text of the Governor's speech at the opening of the Dow Chemical Polystyrene Plant on Tsing Yi Island today:

Mr. Gerstacker, Mr. Lundeen, Ladies and Gentlemen,

"It is a great pleasure for me to be invited to officiate at this opening ceremony of this magnificent new polystyrene plant, and to welcome this world-famous American company to our industrial and social community. It is a particularly happy coincidence that this should happen in the bicentennial year of the United States.

"It is heart-warming that such a company should place such confidence in the economic prospects and social and political stability of Hong Kong, and is an event of some importance. So I should like to speak about this society of Hong Kong of which Dow Chemicals is now a part, and why it is their participation is of particular significance to us.

"Over the past quarter century the light industry which has developed in Hong Kong has depended on imported raw materials which it has transformed into finished products for overseas consumption. It has been little concerned with the domestic market.

"This new plant, however, reflects growing recognition that Hong Kong's export industry has now created a worthwhile domestic market for equipment and materials, such as polystyrene, hitherto imported almost entirely from more advanced countries. The demand is now sufficient to justify their production in Hong Kong.

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"This new plant we are here to open is an outstanding and dramatic example of this process, but it is not the only one. We have recently seen, or soon expect to see, other developments to provide an increasingly sophisticated back-up for our industry. I am thinking, for example, of the manufacture of machine tools; chemical production in fields different from those served by this plant; and perhaps the establishment of foundry facilities. Some of these developments will, like this one, be the result of overseas investment. Some will be joint ventures between overseas and local companies. And perhaps the greatest part will be carried out by local industrialists. Hong Kong industry has evolved to a point at which its character is beginning to change, and it will change more. Industrial evolution and the social progress that investment and growth will bring; these are the characteristics and objectives of this community which your Company, Sir, has joined.

"From our point of view all sources of investment are welcome. As a Government we have shown, and will continue to show, no discrimination for or against any origin of industrial investment. Indeed, our basic attitude is, within obvious limits, to leave business judgements to businessmen. Unlike some other governments we do not set ourselves up always to know best. But in the new phase of industrial development which Hong Kong is entering the Government accepts that it must play a positive role. We will, for example, continue to operate the modified industrial land policy, which was instrumental in making possible this project and others which cannot be carried out in high rise buildings. Its object is to widen the technological base of our industry, and a complementary programme of overseas industrial investment promotion is being undertaken.

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"We will also provide more land for industrial development through the building of industrial estates. These will provide additional areas for light and medium engineering industries designed to employ the workers and supervisors being trained in our technical institutes and in the Hong Kong Polytechnic which are expanding so rapidly. One estate of 185 acres is at present being constructed at Tai Po, and the first sites should become available for occupation early next year. Another estate is planned for Yuen Long and we have our eye on possible sites for others at Pillar Point, Kowloon Bay and perhaps Junk Bay. To speed up this process a Provisional Authority under the Chairmanship of a distinguished banker has been established to direct it and a professional chief executive appointed. I hope the Authority will be able to announce basic terms and conditions for letting sites before the autumn, so that those interested can plan with a view to obtaining sites next year.

"All this activity will benefit Hong Kong's industrial development through an increase in technical content and productivity. This in turn will provide more skilled and better paid jobs for our labour force, and this is one means of increasing the standard of life. But it is not the only way. Our traditional light industries are constantly improving the quality and sophistication of their products; and the other areas of our economy - building and construction, tourism, commerce, banking and finance among them - are steadily expanding their contribution as they undertake new investments, adopt new techniques and seize new opportunities.

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"So Hong Kong's social progress, a better environment, better housing, schools, hospitals and social welfare and more varied leisure activities, these things are closely related to bettering our economic performance and growth of the economy. This, in turn, can only happen through more investment in productive facilities, both in the private and the public sectors of the economy and through the upgrading of our skills, both in management and labour. We are therefore determined to achieve the administration, fiscal arrangements, industrial relations and social cohesion, in short the climate in our community that will make these things possible.

"This is a process which has been going on for a quarter of a century and which has already transformed Hong Kong from little more than a trans-shipment centre to a modern metropolis, with a national income some fifteen or more times as large as in the early fifties. Even during the recession, whose short wave struck us with such force from mid-1974 to mid-1975, the process of underlying development and investment was continuing and our businessmen were seeking out new markets, new products and new activities.

"Now, given favourable developments in our main overseas markets, our exports have recovered the ground lost in the recession and are poised for a further advance. From the bottom of the recession in the early part of 1975 to the same period in 1976, our exports have grown by over 50% in value terms and are now running at a higher level than in the boom period in the latter part of 1973, that is to say higher than ever before. In recent months, also, employment in manufacturing industry has been growing at a rapid rate and it is now almost a fifth higher than a year ago. As a result wages have also been increasing, and in some industries wage rates have

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risen by as much as 20% or more over their level of last year. All this is evidence of a rapid taking up of the slack and of renewed real growth in the economy and this has been reflected also in activity in the construction industry, as well as in increased consumption and higher imports.

"Obviously we cannot expect this surging upward trend to continue at the same pace indefinitely. As I have said, we have been taking up the slack. Once this process has been completed and we are back to reasonably full employment - as we nearly are now - any further advance must depend on the underlying growth of our productive resources and on their better utilisation. We also continue to depend, and I cannot emphasise this too much, on the continued recovery of our overseas markets, particularly in North America and Western Europe. However particularly in North America but also elsewhere prospects for growth are now most encouraging.

"But this, I think, we can say. By weathering by far the worst recession since the war and coming back onto our growth course so fast, there is new confidence in Hong Kong's underlying strength and future prospects. And to this the helpful attitude of the Peoples' Republic of China is highly relevant. I believe Hong Kong is now a stronger and sounder place than it was in the boom years of 1972/73, and our new industrial and other policies are designed to make it stronger still.

"But economic growth is not the only objective of this Government, although it is a fundamental requirement for the achievement of our other objectives. For economic growth is only of social meaning if it brings about a better life for all our people and not just a few. Some of this will happen automatically, through higher wages and higher incomes of all sorts. But in any just society some of the fruits must be distributed through public action.

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"There now seems little doubt that, barring unforeseen accidents in the world, the growth in the Hong Kong economy this year will be greater than that forecast earlier in the year at the time the Financial Secretary was preparing his Budget. We forecast that our economy would expand by some 9% in real terms in 1976. We can now expect something significantly better. Given this prospect and the expansion in Government revenue that should go with it, the prospects for progress in our social programmes are good. I repeat that the fruits of economic growth must be made available to all our people, while ensuring that the engine of growth, the economy, remains profitable to management and labour, attractive to investors, in good running order and able to deliver the goods. This is the Hong Kong philosophy. It is not based on any political theory, but is pragmatically directed to balancing the greatest reasonable liberty for the reward of private initiative with the progress and welfare of the community as a whole.

"So these gentlemen are the aims of the community your company has joined in which you are so welcome and have so much to contribute, and to whose welfare your standards of construction and technique have shown such scrupulous regard. You will find it open-hearted and stimulating, and you will know the excitement of this city and its industry growing up around you.

"I wish you all possible success and have great pleasure in declaring this plant open."

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