



DAILY INFORMATION BULLETIN

Wednesday, May 9, 1973

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FOOD PRICES PUSH UP COST OF LIVING

The cost of living in Hong Kong rose more rapidly during the past financial year but generally was on par with the 1970/71 increase of 7.3 per cent, the Acting Financial Secretary, the Hon. D.J.C. Jones, told the Legislative Council today.

After allowing for seasonal fluctuations, he said, an increase of some 7.9 per cent was shown for 1972/73 over the previous twelve months when an increase of just over three per cent was recorded.

Using the same basis of ironing out seasonal fluctuations; the increase for the first three months this year was about 2.8 per cent.

This figure compared with an increase of about 7½ per cent as measured by the General Consumer Price Index which rose by 11 points between January and March.

Mr. Jones stressed, however, that the figure given by the index was "very misleading."

"As it stands it conveys undertones of a highly inflationary situation." But the reality, he added, "is considerably less frightening."

Mr. Jones emphasised that he was not attempting to "paint a rosy picture," but he pointed out that the figures given by the index should not be taken at face value as the index was heavily influenced by the price of food which in turn was affected by seasonal variations in demand.

"This is important, because it means that it can be very misleading to read too much into the rise or fall of the index in a particular month or even a particular quarter."

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In attempting to measure cost of living increases, he explained, "It is the basic underlying trend in consumer prices that matters."

The best way to determine this was to iron out seasonal fluctuations by comparing the average figure for the index over different 12 month periods.

"In other words, once we make allowances for seasonal influences," he said, "the increase in our cost of living during the first quarter of this year -- as measured by the Consumer Price Index -- was not much more than a third of the unadjusted and misleading increase in the index over this three month period."

Mr. Jones explained that food prices had in recent years been rather higher in January and February during Chinese New Year than in the preceding December.

"In some years also these price rises have continued into March. This happened to a modest extent in 1969 and to a greater degree in 1970 and it happened again this year," he said.

As three quarters of the food consumed by Hong Kong was imported, he noted, "we are subject to the prices charged by our suppliers."

He added, however, "there is no real evidence to suggest that either wholesale or retail margins on the sale of food in Hong Kong have increased."

The price of food, he said, had been increasing on the world market and Hong Kong could not insulate itself from this trend.

While prices of foodstuffs imported from China had also gone up in line with the world trend, "there is no sign that they have risen inordinately."

"In fact, they have increased less than prices from other sources and for the most part are still significantly lower than are prices of similar foodstuffs from other countries."

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In general, Mr. Jones said, Hong Kong people still had greater access to a greater variety of food at cheaper prices than elsewhere.

Inflation

Mr. Jones also rejected arguments that alleged inflation generated in Hong Kong itself was a major factor pushing up prices and the cost of living.

"I do not deny that there is inflation in Hong Kong but would submit that it is caused largely by external influences operating on our economy," he said.

"If there were no inflation in the countries from which we obtain our imports and those in which we sell our exports there would be no inflation in Hong Kong."

Mr. Jones conceded that there were two areas in which some degree of inflationary pressure had been generated from within Hong Kong in recent years.

These were the bottleneck in the construction industry and the very large increase in the supply of credit over the past year or so over and above that generated by inflows of funds from abroad.

"Both these factors are, however, being ironed out by natural economic processes and the inflationary forces they have exerted are beginning to die away," he said.

The construction industry which had been hard hit by the banking crisis of 1965 and the events of 1967, he said, was also now employing more labour and was beginning to use labour more productively with more capital intensive operations.

There were also signs that bank loans and deposits, and with them the money supply, were beginning to level off following the considerable increase in bank lending last year and in the first few months of this year.

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"So, the two inflationary elements that have been present in the internal Hong Kong economy are now operating much less strongly and the underlying reality is beginning once more to reassert itself," he said.

This reality, he went on, was the continuing growth in Hong Kong's national income and underpinning it a continuing expansion in its external trade.

Mr. Jones said that to the extent that Hong Kong's rising living costs were imported from the outside world "there is very little we can do about it with our open economy."

But the government had taken "practical action" which had helped the situation.

These included: maintaining a stable exchange rate for the Hong Kong dollar; maintaining a free market with no restrictions (this had enabled Hong Kong to obtain its imports from the cheapest available sources); maintaining "buffer stocks" of rice (which helped smooth out prices in times of shortages); and instituting expanded public housing and social welfare programmes.

He noted that in the first quarter of this year, Hong Kong's domestic exports were up 13.9 per cent over the same period last year. Imports had risen by 19.5 per cent during the same period, while a "phenomenal growth" of 34.6 per cent was recorded in Hong Kong's re-export trade.

Invisible earnings from tourism, shipping, finance and commerce were also continuing to increase while record profits were being recorded by companies throughout Hong Kong.

"This is not a picture of a stagnating economy pricing itself out of world markets but of a dynamic expanding economy sustained by high investment and a growing demand for its products and services."

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EMPLOYERS SHOULD ABSORB COSTS OF LABOUR LEGISLATION

There is absolutely no excuse for employers to raise prices of their products and services as a result of proposed new legislation which will enable workers to obtain better fringe benefits under more lenient conditions.

Dr. the Hon. S.Y. Chung said this today during the resumed debate on the Employment (Amendment) (No. 2) Bill 1973, which extends sickness allowance and holiday pay to all manual workers irrespective of their earnings, and to non-manual workers whose monthly earnings do not exceed \$1,500.

He said the bill would impose an additional maximum financial liability of about two per cent on the average annual wage payroll for industrial employers and of about six per cent for non-industrial employers.

"However, these are only theoretical maximums and, according to information available to me, the actual payout in industry for sickness allowance is very much lower than the maximum liability," Dr. Chung said.

Furthermore, he added, many non-industrial employers were already paying their employees by the month "and this bill should not cause these employers any additional financial burden."

As he saw it, the bill had two major aims -- to remove the discrimination against employees in non-industrial undertakings, such as retail shops and restaurants, and to enable workers to obtain better fringe benefits under more lenient conditions.

At present, said Dr. Chung, an industrial employee had to work for the same employer for not less than six months before he became entitled to claim holidays with pay and sickness allowance.

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"He cannot also carry over his entitlement for sickness allowance, if not exercised from one calendar year to another."

Dr. Chung noted that if the bill was passed, the qualification period would be reduced to three months and any unclaimed sickness allowance could be carried over from one year to another up to a maximum limit of 24 paid sickness days.

In reply, the Commissioner of Labour, the Hon. Paul Tsui, said he shared Dr. Chung's view that there was no case for any employer to use the bill as an excuse to raise prices.

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NO ONE NEED TO BEG FOR A LIVING IN HONG KONG

There is absolutely no need for anyone in Hong Kong to beg for a living in the streets.

The Director of Social Welfare, the Hon. F.K. Li, said that this was because basic needs are adequately met by public assistance, by the recently introduced disability and infirmity allowance scheme and by a variety of welfare services provided by government and voluntary organisations.

Mr. Li was speaking in the Legislative Council in reply to a question by the Hon. Wilson Wang.

He said that government is already enforcing laws prohibiting begging whenever this comes to notice and will continue to do so in future.

Mr. Li said that while the number of beggars seen in the streets has definitely decreased in recent years, some have persisted in begging and when detected have been prosecuted in court.

During 1972, the police prosecuted 455 cases of vagrancy, the majority of which involved begging.

Mr. Li said his department is particularly concerned with cases where children are exploited by irresponsible adults.

He said that when such a case becomes known to the department a full investigation is carried out and appropriate action taken for the protection of the child. This includes, if necessary, an application to the court for the removal of the child from the irresponsible parents.

In reply to a question from the Hon. S.B. Wong, the Director of Medical and Health Services, Dr. the Hon. G.H. Choa, said existing legal provisions for mentally sick persons, including beggars and vagrants, was considered adequate and it was not thought necessary to introduce new legislation.

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CLEAN BUILDINGS CAMPAIGN IN AUGUST

A "Let's Clean Our Buildings" campaign is being planned as a follow up to the massive "Keep Hong Kong Clean" drive.

Disclosing this at the Legislative Council meeting today, the Director of Urban Services, the Hon. D.R.W. Alexander, said the new campaign would take place between mid-August and mid-October.

However, he told the Council in reply to a question from the Hon. T.K. Ann that residents were reverting to their old habit of discarding refuse indiscriminately.

"Now that the campaign publicity is no longer constantly reminding people to observe good litter habits, there is undoubtedly some backsliding, particularly at night in the more heavily populated districts," he said.

Steps were being taken to recruit 50 more anti-litter squads to deal with this problem.

Mr. Alexander said the "Keep Hong Kong Clean" campaign was seen as a continuing effort between the government and the community.

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FLYOVER COMPENSATION BEING INVESTIGATED

An investigation is being made to determine the extent of reductions in rent levels along Ching Fung Street in North Point as a result of the newly-completed flyover in the area, the Director of Public Works, the Hon. J.J. Robson, said today.

"Quite a lot of research has been done and it is hoped to start negotiations with the owners about the middle of this year," he told the Legislative Council.

He was replying to a question by the Hon. Szeto Wai who asked for the reasons behind the "long delay" in the settlement of compensation to the property owners whose premises had been adversely affected by the routing of the flyover.

Mr. Robson said \$11,000 compensation had been paid to each of the owners of Nos. 10, 12, 18 and 20 Ching Fung Street for the removal of their balconies to allow for the construction of the flyover.

He added, however, that there could still be outstanding claims for "injurious affection" to the premises themselves caused by the operations of the flyover.

The owners, he said, were informed that this compensation could not be assessed until the flyover had been in use for some time.

Mr. Robson advised those owners who were in doubt about their legal rights to get in touch with the Public Works Department. Some owners, he added, had already done so and were aware of the situation.

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TRANSFER OF VEHICLE OWNERSHIP MUST BE REPORTED

The Transport Department today reminded motorists that changes of vehicle ownership must be reported without delay.

A spokesman said that on transfer of ownership, both the new and old owners were required by law to deliver a notice of transfer on the prescribed form to the Commissioner for Transport within 72 hours of the transfer.

Any person who fails to comply with this requirement is liable on conviction to a maximum fine of \$1,000 and six months imprisonment.

The spokesman stressed that the form must reach the Commissioner within 72 hours after the transfer, and strongly advised the owners to deliver the form by hand unless it was posted early.

In future, he warned, no reminder would be sent to a defaulter before prosecution.

He also reminded vehicle owners of their legal obligation to notify the Commissioner of any change of address.

The notice must be made on the prescribed form and submitted together with the registration book within 72 hours of the change.

Failure to do so renders a defaulter liable on conviction to a maximum fine of \$1,000 and imprisonment for six months.

Forms for transfer of vehicle ownership and for notifying changes of address may be obtained free of charge from the licensing offices at Rumsey Street Reclamation, Hong Kong, and Pui Ching Road, Kowloon, or at City District Offices.

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LITTLE PREFERENTIAL TREATMENT GIVEN HONG KONG EXPORTS

About three per cent of Hong Kong's total domestic exports last year were given preferential treatment, the Director of Commerce and Industry, the Hon. E.P. Ho, told the Legislative Council today.

The value of these goods amounted to about \$400 million while that of the total domestic exports for the year was \$15,245 million.

Certificates issued by the Commerce and Industry Department under the various Generalised System of Preference schemes in operation during the year totalled 83,881, and the value of goods thus certified amounted to about \$658 million.

The first five major export items, said Mr. Ho, were toys (valued at \$91 million), leather work gloves (\$63 million), dolls (\$48 million), travel goods (\$46 million), and plastic products (\$32 million).

The top five importing markets and the values of goods exported to them under claims to GSP in 1972 were the European Economic Community (\$451 million), the United Kingdom (\$104 million), Sweden (\$43 million), Switzerland (\$40 million), and Japan (\$12 million).

Mr. Ho explained that the figures given for the E.E.C. were for the original six member states of the community.

As the tariff quotas had been exhausted, he said, goods worth some \$250 million did not receive preferential treatment, representing 55 per cent of the value of items exported under cover of GSP certificates to the community.

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MANDATORY SENTENCES - 196 CASES PROSECUTED

Since the introduction five months' ago of mandatory sentences against the possession of offensive weapons in public places, a total of 196 cases were prosecuted for this offence between mid-December and mid-March.

Reporting this to the Legislative Council today, the Acting Attorney General, the Hon. G.C. Thornton, said that although no precise figures were yet available as to the number of persons convicted in these cases, consultations with the Director of Criminal Investigation and the Director of Public Prosecutions suggested that all but a few were convicted.

Of the cases prosecuted, 43 were on Hong Kong Island, 141 in Kowloon and 12 in the New Territories.

Mr. Thornton said all police officers were made fully aware of the provisions of the section constituting the offence so that "this offence is certainly in the minds of police officers when they are in the course of a 'stop and search' operation or when, on the beat or patrol, their attention may be attracted by some person's suspicious behaviour."

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NO MASS MARRIAGES

The Acting Attorney General, the Hon. G.C. Thornton said today that a mass marriage ceremony would be invalid without a special licence and such a licence is 'unlikely to be granted'.

Mr. Thornton was replying to a question by the Hon. Mrs. Ellen Li in the Legislative Council meeting this afternoon.

Mrs. Li had asked whether a mass marriage ceremony held in a night club had any legal validity.

"Under the Marriage Ordinance," Mr. Thornton said, "a marriage may be contracted before the Registrar of Marriage or a Deputy Registrar or alternatively may be contracted at a place of public worship licensed by the Governor."

There are at present 13 full-time Marriage Registries and 14 part-time registries in the New Territories.

"If a number of couples should wish to marry on the same day or at the same registry, then, so long as he is given adequate notice, the Registrar will do his best to make satisfactory arrangements," he added.

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TSING YI SITE SOLD FOR \$1.65 MILLION

The price paid by the successful tenderer for the five-acre industrial site on Tsing Yi Island was \$1,650,000, representing about \$7.10 per square foot for the unformed land.

The tender was awarded to the American company, Outboard Marine Corporation International S.A. -- the largest manufacturer in the world of outboard marine engines -- which submitted the only tender received for the site.

Details of the tender were announced in the Legislative Council today by the Acting Financial Secretary, the Hon. D.J.C. Jones, in reply to a question from the Hon. Dr. S.Y. Chung.

Mr. Jones stressed that in considering the price paid for the site "it must be emphasised that the land involved is at present under the sea." The works required to reclaim and form it, he added, would be "extensive."

Estimates provided by a reputable local construction firm with extensive experience in this type of work, he told Council, indicated that the formed cost would probably amount to about \$47.50 per square foot.

"The conditions of the tender provided that the use of the land should be restricted to the automotive manufacturing industry, including the manufacture of internal combustion engines," he explained.

He added: "It must also be borne in mind that the nature of this particular industry restricts development largely to one-storey buildings."

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QUEENSWAY WORK TO BEGIN THIS YEAR

Road improvement works to eliminate the dangerous bends in Queensway are expected to start towards the end of this year.

This was indicated today in the Legislative Council by the Director of Public Works, the Hon. J.J. Robson, when replying to a question by the Hon. P.C. Woo.

Mr. Robson said alternative accommodation had already been found for the Government departments occupying some of the old buildings at the Old Naval Dockyard adjoining Queensway which had to be demolished to allow for the widening of the road.

Demolition of these buildings would start in June for completion in September.

"Road works will commence shortly thereafter and it is estimated that they will be completed by mid-1975," said Mr. Robson.

He added, however, that it should be possible to bring the new eastern carriageway into operation towards the end of 1974 "thereby eliminating the dangerous bends in one direction by that date."

The Director explained that it had not been possible to launch the project in 1972, as originally envisaged, because of some "unavoidable delay" in finding alternative accommodation for the departments occupying the Old Naval Dockyard buildings.

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MEASURES TO REDUCE ACCIDENTS ON TRAINS

The overcrowding of trains during holidays and at peak hours on weekdays is partly due to the shortage of rolling stock and the limited capacity of the single track line.

Because of this some passengers had to ride on steps and on other dangerous parts of carriages.

This was stated by the Acting Financial Secretary, the Hon. D.J.C. Jones, in reply to a question by the Hon. Wilson Wang who had asked what the government was doing to prevent fatal accidents as the result of passengers falling off crowded trains.

"Additional passenger carriages have been ordered and plans are in hand to double track the line from Hung Hom to Shatin. A further extension of the double line to Tai Po Market is also under consideration," Mr. Jones said.

Apart from the long-term remedies to the situation, he also listed some short-term restrictive measures to be taken at times when trains were overcrowded.

These measures included the discontinuation of the issue of return tickets; the restricted sale of single tickets and frequent warnings to passengers against riding on carriage platforms and on steps.

Consideration is also being given to the erection of fences or other barriers to prevent access to platforms, other than through controlled entrances or via the railway track, and railway personnel will be stationed by the track to prevent unauthorised entry.

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Part-time guards may also be employed at stations to control crowds during public holidays.

Mr. Jones pointed out that not all accidents happened on crowded trains. At least a half of the people who fell off trains during the past 12 months were travelling on trains where ample room was available in the carriages.

These were mostly older school children who rode on the steps or who tried to board or alight from moving trains.

"The Education Department issues annual circulars to heads of schools requesting them to caution students against misbehaviour on trains, but there are still many who disregard these warnings", he added.

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ADMISSION OF MENTAL PRISONERS TO NEW PSYCHIATRIC CENTRE

Adult males detained for observation at the psychiatric observation unit in the Victoria Remand Centre are now being admitted to the Prisons Department's Psychiatric Centre in Siu Lam.

But a provision of the Mental Health (Amendment) Bill 1973 introduced into the Legislative Council today by Dr. the Hon. G.H. Choa, Director of Medical and Health Services, seeks to extend the category of admissions.

This new psychiatric centre is not to be confused with the Medical and Health Department's Siu Lam Hospital for the severely mentally retarded, which shares the same hill in the general area of the Tai Lam Chung Reservoir.

The Prisons Department Centre was completed in November 1972 as a permanent replacement for the psychiatric observation unit set up on a temporary basis in 1961.

The new centre will in future not only admit men now detained at the Victoria Remand Centre but also men who, because of their violent or criminal tendencies, require treatment under conditions of special security.

"They include certain patients presently detained in the Castle Peak Hospital," Dr. Choa said.

The present Mental Health Ordinance did not provide for the admission and detention of such persons at the new centre, and the bill was designed to enable them to be admitted.

But it was not intended to include convicted persons who had been acquitted by the Full Court on appeal, and who were suffering from mental disorder. These people would be sent to the Castle Peak Hospital along with women and young people under 14.

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ONE ANNUAL GAZETTING OF MIDWIVES' NAMES

Dr. the Hon. G.H. Choa, Director of Medical and Health Services, told the Legislative Council today that in future details of registered midwives would be published only once a year in the Gazette instead of twice.

He was moving the second reading of the Midwives Registration (Amendment) Bill which sought to revise the Midwives Registration Ordinance in order to authorise the change.

Dr. Choa explained that as of now, the ordinance required the Midwives Board to publish in the Gazette, as soon as possible after January 1 each year, a list containing the names, addresses and dates of registration, or re-registration, of every woman whose name was on the register on the first day of that year.

In addition, the Board was required to publish a further list in the Gazette during the second half of the year, containing additions to, or deletions from, the register between January 1 and July 1.

"Since there are now in Hong Kong more than 4,700 midwives on the register, and the number is increasing each year, the process of producing these lists of registered midwives for gazetting twice a year is becoming progressively more onerous," Dr. Choa said.

Other amendments concerned the admissibility of a sealed certificate signed by the chairman or secretary of the Midwives Board as evidence of registration for court purposes, and the recovery of costs.

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BILLS PASSED

Three bills passed their committee stage and third readings in the Legislative Council this afternoon and became law.

They were the Inland Revenue (Amendment) (No. 2) Bill 1973, the Marine Fish (Marketing) (Amendment) Bill 1973 and the Employment (Amendment) Bill 1973.

The Mental Health (Amendment) Bill 1973 and the Midwives Registration (Amendment) Bill 1973 had their first and second readings.

Debate on the second readings of four other bills was resumed.

They were the Registration of Persons (Amendment) Bill 1973, the Inland Revenue (Amendment) (No. 2) Bill 1973, the Marine Fish (Marketing) (Amendment) Bill 1973 and the Employment (Amendment) (No. 2) Bill 1973.

Two sessional papers were also tabled in the council today. They were the Annual Report by the Secretary for Home Affairs for the year 1971/72 and the Annual Report by the Community Relief Trust Fund Trustee for the year 1971/72.

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HEALTH EXHIBITION AT CITY HALL

A four-day exhibition designed to create greater awareness in public health and hygiene will be opened at the City Hall, Low Block, tomorrow (May 10, Thursday at 2.30 p.m.)

Dr. Denny M.H. Huang, Chairman of the Environmental Hygiene Select Committee of the Urban Council, will officiate at the ceremony.

Exhibits from at least 14 schools will be on display, including prize-winning entries from a recent school competition organised by the Urban Council and the Education Department.

The displays range from models, posters, photographs to graphs and paintings.

Dr. Denny Huang will also be presenting prizes to the winners of the School Health Education Contest held recently.

This year's first prize (a cash award of \$1,500) goes to the Ho Man Tin Government Middle School whose theme was "What We Should Do To Prevent Fly Nuisance".

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HIGH STREET BUILDINGS DECLARED DANGEROUS

Five buildings in Western District on Hong Kong Island were today declared dangerous by the Building Authority. They are at 26-34 High Street.

The Principal Government Building Surveyor said that these five 4-storey pre-war buildings were surveyed during routine inspections. It was found that the reinforced concrete frame to the kitchen blocks and to the rear part of the main structures was in an advanced state of deterioration.

In addition, the structural timbers forming the roof of Nos. 30 and 32 High Street were severely decayed.

He said it was considered that the condition of these buildings was such that there was a risk of failure leading to collapse.

Notices of intention to apply for closure orders in Victoria District Court at 9.30 a.m. on June 6 were posted today.

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Release Time: 8.00 pm.