



## DAILY INFORMATION BULLETIN

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

THURSDAY, JANUARY 22, 1981

<u>CONTENTS</u>	<u>PAGE NO.</u>
SIR MURRAY: HELP FOR INDUSTRY IN THE 1980'S .....	1
BUS LANE SCHEME EXTENDS TO KOWLOON .....	2
FURTHER ARRANGEMENTS FOR TRAFFIC SCHEME .....	3
RAPID EXPANSION OF SERVICES FOR THE ELDERLY .....	4
ECONOMIC SANCTIONS AGAINST IRAN LIFTED .....	5
\$80 000 FOR NEW YEAR CELEBRATIONS IN NORTH DISTRICT .....	5
ANTI-NARCOTICS SINGING CONTEST GRAND FINAL .....	6
TICD DIRECTOR OPENS FURNITURE EXHIBITION .....	7
JAPANESE INVESTMENT MISSION LIKES HK .....	7
NEW SPIRIT IN TECHNICAL EDUCATION .....	8
COMPETITION FOR CLEANEST TAI PO BUILDING .....	9
EDINBURGH PLACE CLOSURE .....	9

THURSDAY, JANUARY 22, 1981

- 1 -

SIR MURRAY: HELP FOR INDUSTRY IN THE 1980'S  
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1981 WILL SEE A HOST OF GOVERNMENT-BASED OR GOVERNMENT-LED ACTIVITIES AIMED AT ASSISTING INDUSTRY TO MOVE INTO THE 80'S, THE GOVERNOR, SIR MURRAY MACLEHOSE SAID TODAY.

IN A SPEECH DELIVERED AT THE ANNUAL DINNER OF THE HONG KONG GENERAL CHAMBER OF COMMERCE, SIR MURRAY POINTED OUT THAT PROSPECTS FOR 1981 WERE HARD TO PREDICT AT THIS MOMENT BECAUSE OF UNCERTAINTY IN WORLD SITUATION.

+BUT,+ HE ADDED, +LET US REMEMBER WE FACE THE SECOND YEAR OF THIS DECADE AGAINST A BACKGROUND OF AN UNPRECEDENTED FIVE YEAR PERIOD OF SUSTAINED GROWTH. IF THERE IS TO BE A PERIOD OF HESITATION, WE ARE WELL PREPARED FOR IT AND, IN ANY CASE, I DO NOT THINK WE FACE A PROLONGED OR EXCEPTIONALLY DIFFICULT SHORT TERM FUTURE.+

SIR MURRAY SAID ONE WAY IN WHICH THE GOVERNMENT COULD ASSIST THE SUCCESS OF OUR EXPORTERS WAS BY IMPLEMENTATION OF THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE ON DIVERSIFICATION.

+THESE WERE DESIGNED TO ENABLE HONG KONG TO STRENGTHEN ITS ECONOMIC POSITION IN THE 80'S BY INCREASING THE SUPPLY OF INDUSTRIAL LAND, IMPROVING INDUSTRIAL SUPPORT FACILITIES AND TECHNICAL BACK-UP SERVICES, AND STRENGTHENING PRESENT ARRANGEMENTS FOR BOTH TRADE PROMOTION AND INDUSTRIAL INVESTMENT PROMOTION.

+ALL THESE THINGS, AND THERE WERE 47 RECOMMENDATIONS IN ALL - ARE BEING IMPLEMENTED WITH THE URGENCY THAT THEY DESERVE,+ SIR MURRAY SAID.

OF THE GREATEST CONCERN TO ALL OF US, THE GOVERNOR SAID, ARE THE OUTCOME OF NEGOTIATIONS FOR RENEWAL OF THE MULTI-FIBRE ARRANGEMENTS AND THE RELATED BI-LATERALS.

HE SAID HONG KONG HAD DONE AND WAS DOING ALL IT POSSIBLY COULD TO SHOW UP THE FALLACIES IN THE ARGUMENTS USED TO SUPPORT THE ARRANGEMENTS FORCED ON US IN 1977 AND TO DEMONSTRATE HOW THREADBARE THEY APPEAR IN THE LIGHT OF SUBSEQUENT EXPERIENCE.

+HOWEVER, WHATEVER THE LOGIC OF OUR CASE, IT IS INEVITABLE THAT DEVELOPED GOVERNMENTS WILL BE SUBJECT TO POLITICAL PRESSURES AT THE TIME OF THE NEGOTIATIONS,+ SIR MURRAY SAID.

SIR MURRAY SAID THE LAST HALF DECADE HAD SEEN A HEARTENING IMPROVEMENT IN THE STANDARD OF LIVING OF NEARLY ALL OUR PEOPLE.

THE DROP IN THE GROWTH RATE OF REAL WAGES AND RISE IN UNEMPLOYMENT WHICH WE EXPERIENCED LAST YEAR SHOULD BE TEMPORARY AS WORLD ECONOMIC ACTIVITIES REVIVE AND OUR LABOUR SUPPLY BECOMES MORE STABLE, HE ADDED.

IN HIS SPEECH, SIR MURRAY ALSO TALKED ON THE IMPACT OF IMMIGRATION, INFLATION, COMMERCIAL RENTS, EXPANSION OF THE PUBLIC HOUSING PROGRAMME, MAJOR TRANSPORT IMPROVEMENTS, AND OUR TRADE RELATIONS WITH CHINA.

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THURSDAY, JANUARY 22, 1981

- 2 -

BUS LANE SCHEME EXTENDS TO KOWLOON  
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A NEW BUS LANE WILL BE INTRODUCED IN JUNCTION ROAD BETWEEN DUMBARTON ROAD AND PRINCE EDWARD ROAD IN THE SOUTHBOUND DIRECTION FROM 7 AM ON TUESDAY (JANUARY 27).

THIS IS THE FIRST OF A SERIES OF BUS LANES TO BE INTRODUCED IN KOWLOON.

A GOVERNMENT SPOKESMAN EXPLAINED THAT A STEERING GROUP COMPOSED OF REPRESENTATIVES OF HIGHWAYS OFFICE, TRANSPORT DEPARTMENT, THE TRAFFIC POLICE, CITY DISTRICT OFFICES AND THE KOWLOON MOTOR BUS COMPANY WAS SET UP LAST YEAR TO STUDY THE FEASIBILITY OF SOME 30 SCHEMES IN KOWLOON.

+THIS IS THE FIRST TO BE IMPLEMENTED AND THE STEERING GROUP IS CURRENTLY EXAMINING OTHER SCHEMES IN CHOI HUNG ROAD, UN CHAU STREET, CASTLE PEAK ROAD, TONG MEI ROAD AND LAI CHI KOK ROAD. IF FOUND FEASIBLE, AS MANY OF THESE SCHEMES AS POSSIBLE WILL BE IMPLEMENTED BY THE HIGHWAYS OFFICE OVER THE NEXT 18 MONTHS,+ HE EXPLAINED.

REFERRING TO THE JUNCTION ROAD SCHEME, HE SAID THE NEW SECTION OF SOUTHBOUND BUS LANE WOULD OPERATE DURING THE PEAK HOURS ONLY BETWEEN 7 AM AND 10 AM AND BETWEEN 4 PM AND 7 PM.

+ASSOCIATED WITH THE BUS PRIORITY SCHEME, THE NORTHBOUND CARRIAGEWAY OF THE SAME SECTION OF JUNCTION ROAD WILL BE DESIGNATED A CLEARWAY RESTRICTION ZONE DURING PEAK HOURS,+ HE SAID.

+MOTORISTS WILL NOT BE PERMITTED TO PICK UP OR SET DOWN PASSENGERS OR TO LOAD OR UNLOAD GOODS DURING THE HOURS OF RESTRICTION. CARPENTER ROAD, THE SECTION BETWEEN JUNCTION ROAD AND FUK LO TSUN ROAD, WILL ALSO BE RE-ROUTED ONE WAY WESTBOUND. THESE MEASURES WILL HELP TO IMPROVE LOCAL TRAFFIC CIRCULATION.+

THE SPOKESMAN SAID IT WAS ESTIMATED THAT FOLLOWING THE INTRODUCTION OF THE SCHEME, BUS SPEED IN THIS SECTION OF JUNCTION ROAD WOULD BE IMPROVED FROM THE PRESENT LOW SPEED OF 8 KM PER HOUR. WITH THE IMPROVEMENT OF JOURNEY SPEED, BETTER BUS REGULARITY WOULD ALSO BE EXPECTED. THIS SCHEME AFFECTS KMB ROUTE NOS. 1, 3, 11D, 12B AND THE CROSS HARBOUR SERVICE NO. 113.

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THURSDAY, JANUARY 22, 1981

- 3 -

FURTHER ARRANGEMENTS FOR TRAFFIC SCHEME

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A 47 METRE SECTION OF THE EASTBOUND TRAM-ONLY LANE ON KING'S ROAD WEST OF ITS JUNCTION WITH HEALTHY STREET WEST WILL BE WITHDRAWN FROM 7 AM ON SUNDAY (JANUARY 25).

THIS WILL EASE MOTORISTS MAKING RIGHT TURNS AT THIS ROAD JUNCTION, A TRANSPORT DEPARTMENT SPOKESMAN ANNOUNCED TODAY.

ON THE SAME DAY, SEVERAL BUS-ONLY LANES ON KING'S ROAD AND WING HING STREET WILL BE EXTENDED TO FACILITATE PUBLIC TRANSPORT.

THE EXTENDED BUS-ONLY LANES, WHICH WILL BE INTRODUCED AT 7 AM ON SUNDAY, WILL BE EFFECTIVE DAILY BETWEEN 7 AM AND 10 AM AND BETWEEN 4 PM AND 7 PM.

DURING THESE PERIODS ALL MOTOR VEHICLES, EXCEPT OMNIBUSES AND THOSE AUTHORISED IN WRITING BY THE AUTHORITY, WILL BE PROHIBITED FROM USING THE LANES.

DETAILS OF THE EXTENSIONS ARE AS FOLLOWS:

- \* THE SECTION OF EASTBOUND KERB-SIDE LANE OF WING HING STREET WILL BE EXTENDED WESTWARD FROM HOUSE NO. 3 TO THE TIP OF THE TRAFFIC ISLAND AT VICTORIA PARK ROAD/HING FAT STREET JUNCTION.
- \* THE SECTION OF EASTBOUND KERB-SIDE LANE OF KING'S ROAD WILL BE EXTENDED WESTWARD FROM HOUSE NO. 99 TO 45.
- \* THE EASTBOUND KERB-SIDE LANE OF KING'S ROAD WILL BE EXTENDED EASTWARD FROM HOUSE NO. 125 TO 153A, 171 TO 259, 275 TO 357, AND 373 TO 443= FROM HOUSE NO. 463 TO A POINT 230 METRES WEST OF ITS JUNCTION WITH HEALTHY STREET EAST= FROM A POINT 54 METRES WEST OF ITS JUNCTION WITH HEALTHY STREET EAST TO HOUSE NO. 865= AND FROM HOUSE NO. 873 TO 943.
- \* THE WESTBOUND KERB-SIDE LANE OF KING'S ROAD WILL ALSO BE EXTENDED WESTWARD FROM HOUSE NO. 888 TO 870, AND 850 TO 690= FROM A POINT 53 METRES WEST OF ITS JUNCTION WITH HEALTHY STREET WEST TO A POINT 42 METRES WEST OF ITS JUNCTION WITH TIN CHIU STREET= FROM A POINT 95 METRES WEST OF ITS JUNCTION WITH TIN CHIU STREET TO A POINT 30 METRES WEST OF ITS JUNCTION WITH KAM HONG STREET= FROM A POINT 60 METRES WEST OF ITS JUNCTION WITH KAM HONG STREET TO HOUSE NO. 394= FROM HOUSE NO. 368 TO A POINT 30 METRES WEST OF ITS JUNCTION WITH CHEUNG HONG STREET= FROM A POINT 65 METRES EAST OF ITS JUNCTION WITH FORTRESS HILL ROAD TO A POINT 72 METRES WEST OF ITS JUNCTION WITH FORTRESS HILL ROAD= AND FROM A POINT 119 METRES WEST OF ITS JUNCTION WITH FORTRESS HILL ROAD TO THE SIGNAL CROSSING AT JUPITER STREET.

THE ZONES WILL BE INDICATED BY TRAFFIC SIGNS AND CARRIAGEWAY MARKINGS.

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THURSDAY, JANUARY 22, 1981

- 4 -

RAPID EXPANSION OF SERVICES FOR THE ELDERLY  
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THE DIRECTOR OF SOCIAL WELFARE, MR SELWYN ALLEYNE, SAID THE YEAR 1981 WOULD USHER IN A DECADE OF RAPID EXPANSION OF SERVICES FOR THE ELDERLY.

SPEAKING TODAY AT THE OPENING CEREMONY OF THE TUNG WAH HO TUNG HOSTEL FOR THE ELDERLY IN FU SHAN ESTATE, HE SAID AN ESTIMATED 37 NEW HOSTELS WOULD BE PROVIDED IN PUBLIC HOUSING ESTATES BETWEEN NOW AND 1989.

HE SAID THIS WOULD CREATE AN EXTRA 5 500 PLACES, HALF OF WHICH WOULD PROVIDE A SIMILAR SERVICE AS THAT IN OLD PEOPLE'S HOMES, WITH CENTRALISED MEALS SERVICE AND ASSISTANCE IN HOUSEHOLD CHORES.

THE REMAINING HALF, HE SAID, WILL BE FOR THOSE WHO CAN SHOP AND COOK FOR THEMSELVES BUT WHO WILL BENEFIT FROM SUPERVISED ACCOMMODATION WITH STAFF AVAILABLE ROUND THE CLOCK IN CASE OF NEED.

IN ADDITION, IF PRESENT SCHEDULES CAN BE MET, ABOUT A DOZEN PURPOSE-BUILT OLD PEOPLE'S INSTITUTIONS WILL BE COMPLETED IN THE NEXT TWO YEARS WITH ABOUT 2 000 PLACES, THREE QUARTERS OF WHICH WILL PROVIDE CARE AND ATTENTION FACILITIES, HE SAID.

MR ALLEYNE SAID WHILE THE GOVERNMENT BELIEVED THE MAIN THRUST OF SERVICES FOR THE ELDERLY SHOULD BE THROUGH A CARING COMMUNITY, IT RECOGNISED THERE WOULD ALWAYS BE A NEED FOR RESIDENTIAL CARE FOR THOSE NOT FULLY CAPABLE OF LOOKING AFTER THEMSELVES.

HOWEVER HE POINTED OUT THAT A CONSIDERABLE PERIOD OF PLANNING WAS REQUIRED FOR RESIDENTIAL PROJECTS, PARTICULARLY THE CUSTOM-BUILT ONES.

SINCE THE PUBLICATION OF THE SOCIAL WELFARE WHITE PAPER IN 1979, THE SOCIAL WELFARE DEPARTMENT HAS BEEN WORKING HARD ON PLANNING AN EXTENSIVE PROGRAMME OF EXPANSION OF OLD PEOPLE'S RESIDENTIAL SERVICES, HE SAID.

THE DEPARTMENT HAS BEEN ASSISTED IN ITS EFFORTS IN TWO PARTICULAR WAYS, ONE OF WHICH IS THE ENTHUSIASM OF VOLUNTARY ORGANISATIONS IN AGREEING TO OPERATE THESE SERVICES.

THE OTHER IS THE COMMITMENT MADE BY THE HOUSING AUTHORITY TO SET ASIDE, IN ALL FUTURE HOUSING ESTATES WITH 3 000 OR MORE FLATS, PREMISES FOR THE ESTABLISHMENT OF AN OLD PEOPLE'S RESIDENTIAL INSTITUTION, HE ADDED.

MR ALLEYNE PRAISED THE WORK OF THE TUNG WAH GROUP OF HOSPITALS IN THE FIELD OF RESIDENTIAL SERVICES FOR THE AGED.

HE NOTED THAT BY 1982, WITHIN A DECADE SINCE IT OPENED ITS FIRST HOME FOR THE ELDERLY IN 1972, THE TUNG WAH GROUP WOULD HAVE ESTABLISHED ONE HOME, TWO CARE-AND-ATTENTION HOMES AND SIX HOSTELS FOR WELL OVER 1 000 OLD PEOPLE.

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THURSDAY, JANUARY 22, 1981

- 5 -

ECONOMIC SANCTIONS AGAINST IRAN LIFTED  
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A SPOKESMAN FOR THE TRADE INDUSTRY AND CUSTOMS DEPARTMENT TODAY ANNOUNCED THAT AS A RESULT OF THE IMMINENT REVOCATION OF THE IRAN (TRADING SANCTIONS) ORDER 1980 AND IN LINE WITH ACTION TAKEN BY THE UNITED KINGDOM AND OTHER MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY, NORMAL TRADE WITH IRAN MAY NOW BE RESUMED.

ALL EXPORTS TO IRAN HAVE BEEN SUBJECT TO LICENSING CONTROL SINCE JUNE 4, 1980 AND, EXCEPT FOR FOODSTUFFS AND MEDICAL SUPPLIES, APPLICATIONS TO EXPORT OTHER PRODUCTS WERE NOT ENTERTAINED UNLESS THE SUPPLY OR SALE OF THE GOODS WAS MADE IN PURSUANCE OF A CONTRACT MADE BEFORE MAY 30, 1980 OR IN PURSUANCE OF ESTABLISHED BUSINESS LINKS.

WITH THE LIFTING OF THE TRADE SANCTIONS, THE DEPARTMENT IS NOW PREPARED TO CONSIDER AND APPROVE APPLICATIONS TO EXPORT ANY ARTICLE TO IRAN, SUBJECT TO NORMAL CONDITIONS BEING MET. THIS MEANS THAT THE NEED TO PRODUCE EVIDENCE TO SUPPORT CONTRACTS MADE PRIOR TO MAY 30, 1980 OR ESTABLISHED BUSINESS LINKS WILL NO LONGER BE REQUIRED.

HOWEVER, UNDER THE IMPORT AND EXPORT (GENERAL) REGULATIONS, ALL EXPORTS TO IRAN ARE SUBJECT TO LICENSING CONTROL. THE DEPARTMENT IS TAKING STEPS TO ABOLISH THIS REQUIREMENT SO AS TO BRING TRADE WITH IRAN IN LINE WITH OTHER COUNTRIES.

BEFORE THIS LEGISLATIVE AMENDMENT IS ENACTED, ALL EXPORTS TO IRAN MUST STILL BE COVERED BY LICENCES IRRESPECTIVE OF THE ITEMS CONCERNED, THE SPOKESMAN ADDED.

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\$80 000 FOR NEW YEAR CELEBRATIONS IN NORTH DISTRICT  
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NORTH DISTRICT ADVISORY BOARD AND LOCAL RESIDENTS ARE PLANNING TO SPEND \$80 000 ON CELEBRATIONS DURING LUNAR NEW YEAR.

THE DAB IS TO ALLOCATE \$31 000, WITH THE BALANCE BEING RAISED FROM PRIVATE DONATIONS.

CELEBRATIONS, WHICH WILL BE HELD FROM FEBRUARY 14 TO FEBRUARY 22, INCLUDE FUN FAIRS, A VARIETY SHOW, LION AND UNICORN DANCES, MAGIC SHOWS, KUNG FU DEMONSTRATIONS, A DINNER PARTY FOR THE ELDERLY AND A CROSS-COUNTRY RACE.

THEY ARE BEING ORGANISED SEPARATELY BY SHEUNG SHUI RURAL COMMITTEE, SHA TAU KOK RURAL COMMITTEE, NORTH DISTRICT MUTUAL AID COMMITTEE WORKING SUB-COMMITTEE AND SHEUNG SHUI SPORTS ASSOCIATION.

THE FUN FAIRS AND SHOWS WILL BE HELD AT LUEN WO HUI, SHA TAU KOK AND SHEK WU HUI PLAYGROUNDS.

THERE WILL BE 33 TABLES AT A DINNER PARTY FOR PEOPLE AGED OVER 70 TO BE HELD ON THE LAST DAY OF THE CELEBRATIONS.

A LUCKY DRAW WILL TAKE PLACE DURING THE DINNER AND SPECIAL PRIZES WILL BE AWARDED TO THE FIVE OLDEST PEOPLE ATTENDING.

/THE CROSS-COUNTRY ....

THURSDAY, JANUARY 22, 1981

- 6 -

THE CROSS-COUNTRY RACE, AN ANNUAL EVENT ORGANISED BY SHEUNG SHUI SPORTS ASSOCIATION, WILL ALSO BE HELD ON THE CLOSING DAY OF THE CELEBRATIONS.

IT WILL BE OPEN TO ALL HONG KONG RESIDENTS AGED OVER 16. THE 10-KILOMETRE ROUTE WILL START FROM PING CHE AND FINISH AT SHEK WU HUI PLAYGROUND.

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ANTI-NARCOTICS SINGING CONTEST GRAND FINAL  
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THE FINAL OF THE ACTION COMMITTEE AGAINST NARCOTICS SINGING COMPETITION WILL BE HELD THIS SATURDAY (JANUARY 24) AT 8 PM IN THE AUDITORIUM OF THE TSUEN WAN TOWN HALL.

THE COMPETITION, WHICH IS THE FIRST OF ITS KIND ORGANISED BY ACAN AND SPONSORED BY THE MUSIC OFFICE, RADIO TELEVISION HONG KONG AND TOM LEE PIANO COMPANY, IS AIMED AT PROMOTING AND PUBLICISING ANTI-NARCOTICS MESSAGES.

APART FROM THE EIGHT FINALISTS WHO COMPRISE SIX SOLOISTS AND TWO GROUPS, THE TSUEN WAN CHILDREN'S CHOIR AND MR WILLIAM CHAN, A LOCAL FOLK SINGER, WILL ENTERTAIN THE AUDIENCE. MR ERIC NG, RTHK DISC JOCKEY, WILL BE THE MASTER OF CEREMONIES.

MR LEWIS DAVIES, SECRETARY FOR SECURITY, WILL PRESENT SOUVENIRS TO THE ADJUDICATORS, WHO INCLUDE SENIOR GOVERNMENT OFFICIALS, WELL-KNOWN SINGERS, SONGWRITERS AND A DISC JOCKEY.

MR ROBERT SUN, DIRECTOR OF INFORMATION SERVICES, WILL PRESENT TROPHIES TO THE WINNERS OF THE SINGING COMPETITION AND SOUVENIRS TO THE OTHER FINALISTS.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE WELCOME TO COVER THE EVENT. TRANSPORT WILL BE AVAILABLE ON A FIRST-COME-FIRST-SERVED BASIS. AN 11-SEATER GOVERNMENT VEHICLE (AM 2840) WILL LEAVE THE SIDE ENTRANCE TO THE PENINSULA HOTEL (OPPOSITE YMCA BUILDING) ON HANKOW ROAD, TSIM SHA TSUI, AT 7 PM SHARP.

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TICD DIRECTOR OPENS PLASTIC FURNITURE EXHIBITION  
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THE DIRECTOR OF TRADE INDUSTRY AND CUSTOMS, MR BILL DORWARD TODAY PAID TRIBUTE TO THE PIONEERS OF HONG KONG'S PLASTICS INDUSTRY FOR THE REMARKABLE PROGRESS MADE IN PRODUCTION METHODS, DESIGN AND STYLING.

OPENING A +PLASTICS FOR MODERN LIVING+ EXHIBITION AT THE OCEAN TERMINAL, MR DORWARD CONGRATULATED THE MANUFACTURERS FOR BRINGING DURABLE, WELL-DESIGNED FURNITURE WITHIN THE REACH OF MANY.

RECALLING HIS FIRST CONTACT WITH THE INDUSTRY IN HONG KONG IN THE MID-FIFTIES, MR DORWARD SAID: +THE PLASTICS INDUSTRY OF THOSE DAYS HAD A WELL-EARNED REPUTATION FOR THE CHEAP AND THE SHODDY, THE 'EMPIRE MADE' PLASTIC TOYS WHICH WERE SOLD IN DEPARTMENT STORES TO CHILDREN SPENDING THEIR SATURDAY POCKET MONEY AND WHICH WERE USUALLY BROKEN BY THE TIME THE WEEKEND WAS OVER.

+BUT OUT OF THAT PRIMITIVE INDUSTRY OF 25 YEARS AGO HAS GROWN ONE WHICH IS AN ACKNOWLEDGED WORLD LEADER. LAST YEAR, THE VALUE OF EXPORTS OF ITS PRODUCTS WAS AROUND \$5 000 MILLION. THE TOYS SECTOR IS OF COURSE THE BIGGEST AND BEST KNOWN, FOR HONG KONG IS TODAY THE WORLD'S LEADING EXPORTER OF TOYS.+

MR DORWARD REMARKED THAT THE EQUIPMENT WHICH PRODUCED THE FURNITURE IN THE SHOW - AT 700 OUNCES CAPACITY, THE BIGGEST INJECTION MOULDING MACHINES IN HONG KONG - WAS A FAR CRY FROM THE MANUALLY OPERATED JACK-IN-THE-BOX MACHINES OF THE FIFTIES. +AND THE PRODUCTS THEMSELVES IN THIS EXHIBITION, WHICH IS APTLY KNOWN AS PLASTICS FOR MODERN LIVING, REFLECT PROGRESS NOT MERELY IN PRODUCTION METHODS BUT IN DESIGN AND STYLING,+ HE SAID.

THE FOUR-DAY EXHIBITION IS ORGANISED BY QUALIDUX INDUSTRIAL CO. LTD. WHICH HAS RECENTLY WON THE +FEDERATION OF HONG KONG INDUSTRIES AWARD FOR GOOD DESIGN IN THE FURNITURE CATEGORY+.

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JAPANESE INVESTMENT MISSION LIKES HK  
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SENIOR EXECUTIVES FROM FIVE JAPANESE COMPANIES HAVE COMPLETED (ON WEDNESDAY) A SUCCESSFUL THREE-DAY VISIT TO HONG KONG.

THE VISIT WAS SPONSORED BY THE INDUSTRIAL DEVELOPMENT AND COMMUNICATIONS WORKING COMMITTEES OF THE JAPAN/HONG KONG BUSINESS COOPERATION COMMITTEE IN TOKYO, AND BY THE HONG KONG/JAPAN BUSINESS COOPERATION COMMITTEE IN HONG KONG.

DELEGATE FIRMS, WHICH WERE RECRUITED BY NOMURA SECURITIES CO. LTD., TOKYO, ARE ENGAGED IN THE MANUFACTURE OF FOODSTUFFS, INDUSTRIAL GASES, STATIONERY AND COMPUTERS.

ALL MEMBERS OF THE MISSION WERE ESPECIALLY IMPRESSED BY THE DYNAMIC PACE OF DEVELOPMENT AND GROWTH WHICH THEY SAW EVERYWHERE IN HONG KONG. THEY STATED THAT HONG KONG WAS OF INTEREST TO THEM BECAUSE OF ITS POTENTIAL FOR CONTINUING GROWTH IN THE FUTURE.

A MANUFACTURER OF FOOD PRODUCTS WHO WAS LOOKING FOR A SUB-CONTRACTOR WHO WOULD USE HIS HIGH TECHNOLOGY PROCESSES TO MANUFACTURE IN HONG KONG FOR EXPORT WORLDWIDE SAID HE WAS CONFIDENT THAT HE WOULD FIND A SUITABLE PARTNER HERE. HE WAS ALREADY ARRANGING FOR DETAILED DISCUSSIONS TO TAKE PLACE SHORTLY.

ALL THE OTHER MEMBERS ARE PLANNING TO CARRY OUT FURTHER MARKET STUDIES TO EVALUATE IN DEPTH THE POSSIBILITIES FOR THEM IN HONG KONG, BEFORE REACHING A DEFINITE DECISION.

THE PROGRAMME WAS ORGANIZED BY THE TRADE INDUSTRY AND CUSTOMS DEPARTMENT AND INCLUDED A BRIEFING ON HONG KONG'S ECONOMY AND ITS OPPORTUNITIES FOR JOINT VENTURES, A VISIT TO THE TAI PO INDUSTRIAL ESTATE, AND INDIVIDUAL FACTORY VISITS FOR EACH DELEGATE FIRM.

THIS IS THE FOURTH INDUSTRIAL INVESTMENT MISSION FROM JAPAN SPONSORED BY THE BUSINESS COOPERATION COMMITTEES AND IS AN IMPORTANT PART OF THEIR WORK IN CREATING A NEW CLIMATE OF AWARENESS OF THE OPPORTUNITIES HONG KONG PRESENTS TO JAPANESE INVESTORS.

THE TICD IS ALSO CARRYING OUT A CONTINUING PROGRAMME OF INDUSTRIAL INVESTMENT PROMOTION MISSIONS TO JAPAN, WHILE THE HONG KONG COMMITTEE IS ABOUT TO PUBLISH A BOOKLET IN JAPANESE OUTLINING THE SUCCESSFUL EXPERIENCES OF 17 JAPANESE COMPANIES ALREADY OPERATING IN HONG KONG.

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#### NEW SPIRIT IN TECHNICAL EDUCATION

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THERE IS A NEW SPIRIT IN TECHNICAL STUDIES IN SCHOOLS THESE DAYS, NOTED MR COLVYN HAYE, DIRECTOR OF EDUCATION, AT THE SPEECH DAY OF THE TANG SHIU KIN VICTORIA TECHNICAL SCHOOL THIS AFTERNOON.

+THE OLD-FASHIONED FILING OF BITS OF METAL AND PLANING OF LENGTHS OF WOOD HAS GIVEN WAY TO THE EXCITING CREATION OF ARTEFACTS IN CRAFT, DESIGN AND TECHNOLOGY,+ THE DIRECTOR SAID.

PAYING TRIBUTE TO THE ROLE PLAYED BY THE OLDEST TECHNICAL SCHOOL IN HONG KONG, NOW REVITALISED IN THE NEW BUILDING MADE POSSIBLE BY THE GENEROSITY OF SIR SHIU-KIN TANG, MR HAYE SAID THAT THE RECENT VISIT OF MR JOHN SWAIN, A SENIOR INSPECTOR OF SCHOOLS FROM LONDON, HAD CONFIRMED HIS HIGH OPINION OF THE WORK BEING DONE AT THE SCHOOL.

+IT IS FITTING THAT THE TANG SHIU KIN VICTORIA TECHNICAL SCHOOL WHICH HAD PIONEERED TECHNICAL STUDIES IN HONG KONG SHOULD BE ONE OF THE LEADERS OF THE NEW PHILOSOPHY,+ HE SAID.

CRAFT, DESIGN AND TECHNOLOGY HAD BROUGHT TOGETHER THE AESTHETIC AND PRACTICAL IN AN EXCITING AND VITAL WAY WHICH HAD FIRED THE IMAGINATION OF TEACHERS AND PUPILS IN SCHOOLS.

+GONE ARE THE DULL OLD DAYS IN WORKSHOPS,+ MR HAYE SAID. +NOW CHILDREN ARE CREATING FURNITURE AND MODELS IN WOOD, METAL AND PLASTICS AND IN THE PROCESS LEARNING TO BE CREATIVE CRAFTSMEN AND TECHNICIANS.+

THURSDAY, JANUARY 22, 1981

- 9 -

LOOKING TO A BRIGHT FUTURE FOR TECHNICAL EDUCATION IN SCHOOLS, MR HAYE SAID THAT CRAFT, DESIGN AND TECHNOLOGY COULD TAKE CHILDREN SUCCESSFULLY THROUGH CERTIFICATE OF EDUCATION AND ADVANCED LEVEL STUDIES TO TECHNOLOGIST DEGREES OF THE HIGHEST REPUTATION.

HE HAD NO DOUBT THAT THE CRAFT, DESIGN AND TECHNOLOGY STUDENTS OF TODAY COULD BE THE CRAFTSMEN, TECHNICIANS AND TECHNOLOGISTS OF TOMORROW.

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COMPETITION FOR CLEANEST TAI PO BUILDING  
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A +CLEAN BUILDING+ COMPETITION STARTED TODAY IN TAI PO TO ENCOURAGE RESIDENTS TO TIDY UP THEIR HOMES FOR THE LUNAR NEW YEAR.

THE COMPETITION IS ORGANISED BY THE DISTRICT KEEP HONG KONG CLEAN CAMPAIGN COMMITTEE OF TAI PO TO COINCIDE WITH THE TWO-WEEK YEAR-END CELEBRATION PROGRAMME PREPARED BY THE TAI PO DISTRICT ADVISORY BOARD.

THE PANEL OF ADJUDICATORS, COMPRISING MEMBERS OF THE CAMPAIGN COMMITTEE, MUTUAL AID COMMITTEES AND REPRESENTATIVES OF THE DISTRICT OFFICE AND URBAN SERVICES OFFICE OF TAI PO, TODAY TOURED SOME 20 BUILDINGS TO PICK THE MODEL.

DURING THE TOUR, THEY INSPECTED THE PUBLIC CORRIDORS, COMMON PLACES, CANOPIES AND ROOFTOPS OF THE BUILDINGS.

PRIZES WILL BE PRESENTED TO THE MUTUAL AID COMMITTEE OF THE WINNING BUILDING AT THE CLOSING CEREMONY OF THE TAI PO LUNAR NEW YEAR CELEBRATIONS ON FEBRUARY 19.

A SPOKESMAN FOR THE NEW TERRITORIES SERVICES DEPARTMENT SAID THE RESPONSE TO AND THE RESULTS OF THE CONTEST HAD BEEN VERY ENCOURAGING.

+THE COMPETITION NOT ONLY REVIVES THE TRADITIONAL PRACTICE OF ANNUAL SPRING CLEAN BUT ALSO AROUSES PUBLIC AWARENESS OF THE IMPORTANCE OF KEEPING THE ENVIRONMENT A PLEASANT PLACE TO LIVE IN,+ HE SAID.

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EDINBURGH PLACE CLOSURE  
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EDINBURGH PLACE EAST IN FRONT OF QUEEN'S PIER WILL BE CLOSED THIS SATURDAY AND SUNDAY (JANUARY 24 AND 25) AND ON FEBRUARY 14 AND 22 FOR PROGRAMMES IN THIS YEAR'S HONG KONG ARTS FESTIVAL.

THE PLACE WILL BE CLOSED ON SATURDAY AND ON FEBRUARY 14 FROM 8 AM TO 12 NOON, AND ON SUNDAY AND FEBRUARY 22 FROM 8 AM TO MIDNIGHT.

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## DAILY INFORMATION BULLETIN - SUPPLEMENT

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

(EMBARGOED FOR RELEASE AT 10 PM, THURSDAY, JANUARY 22, 1981)

Speech by the Governor, Sir Murray MacLehose at the  
Annual Dinner of the HK General Chamber of Commerce  
at the Mandarin Hotel on January 22, 1981

I should like to start by congratulating the Chamber on its vigour and enterprise. You, Sir, have already referred to its valuable missions abroad to promote trade and investment and to keep Hong Kong on the map. But there are a host of less publicised services which add up to a major contribution to the trade of Hong Kong.

I am also extremely grateful for the energy with which the Chamber maintains its Good Citizens Award Scheme. I am told that over the last seven years the Chamber has paid \$1 million to about 1 000 members of the public who in one way or another have personally helped a policeman to deal with criminals. The scheme has been a valuable spur to community cooperation and an enormous encouragement to the police themselves.

I very much agree with the general theme and thrust of your speech, and in the first place I would like to answer some of the specific points you have raised.

You suggested that in the present inflationary situation the Government, as the territory's largest employer, should not make matters worse by incorporating anticipated inflation into wage settlements.

We will not. The Standing Commission on Salaries and Conditions of Service

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is addressing itself to the method of conducting annual pay reviews.

But its work will not be completed for some months and this year's review will be conducted on the old basis. Its object is neither to lead nor lag behind trends in the private sector - as they have been, and certainly not as they might be in the future. I would also make the point that, in so large and complex a community, even so ingenious a private sector as that of Hong Kong would come unstuck without an efficient and contented public service; that in Hong Kong you have a public service which in my professional judgment is better than in any of the six countries in which I have <sup>previously</sup> served; and that it is very much in the public interest that this service should feel that it is fairly treated - and for this reason much effort has been put into the overhaul of pay and conditions of service since I last spoke to you. And I would like to record my thanks for the devoted work of members of the Standing Commission, several of whom are members of this Chamber.

I can also assure you we have no intention of intervening in supply and demand more than the Government does at present. For of course it does intervene and on a large scale. Housing, Education, medical services and the various benefits available under our social welfare schemes, are all obvious examples, and they greatly contribute to the well-being and stability, let alone the international acceptability, of our society. In carefully defined circumstances, land is another example. But I certainly take the point that since Hong Kong is so dependent on economic conditions in its overseas markets which are beyond its control, generally speaking Hong Kong costs must be left free to adjust to what will win orders in these markets.

The outcome .....

The outcome of the negotiations for renewal of the Multi-Fibre Arrangements and the related bi-laterals are obviously of the greatest concern to all of us. At present we are waiting for the demandeurs - notably the EEC and the US - to show their hands. They in their turn have been delayed by the coincidence of change of Presidency in America and change of Presidency and Membership of the Commission of the EEC. Meanwhile I think we have done and are doing all we possibly can to show up the fallacies in the arguments used to support the arrangements forced on us in 1977 and to demonstrate how threadbare they appear in the light of subsequent experience. The major cause of reduced employment in the textile industries of some of the larger developed countries is not imports but their own increased productivity, as so clearly pointed in that excellent publication *The MFA: Myths, Facts and Application*, prepared by the Hong Kong Textile and Clothing Industries Joint Conference. Moreover to the extent that it is due to imports - and to some extent it certainly is, the culprits - if that is the right word for someone supplying what the public wants - the culprits are other developed and unrestricted countries, rather than developing countries in general, or Hong Kong in particular. Again the assertion that if we were made to hold back it would leave room for deserving new producers in developing countries has been proved to be as wide of the mark as we said at the time. However whatever the logic of our case, it is inevitable that developed governments will be subject to political pressures at the time of the negotiations. So it would be helpful to us, when the negotiations pick up in the second half of the year, if they did so against a background of some economic revival. While prospects in the UK may not be bright, there is a body of opinion that economic activity in the rest of Europe may improve in the second half of this year. In the American market, the new Presidency makes forecasting difficult for the time being, and we can only wait and see whether that immensely strong economy that has recently proved so volatile will now receive the psychological assurance it needs and regains

/a firmer .....

a firmer course. For my part I am optimistic.

One thing we can certainly be sure of is the competence of our own negotiators and their industrial advisers. You can rest assured that anything that can be done by negotiation they will do.

I agree with your remarks on the importance of extending our transport infrastructure. It is a prerequisite of both our economic expansion and the better distribution of our population. I can assure you that a great deal more is being done by your Government than scratch its head about the problems of King's road in rush hour. This year completed projects will include Phase I of the Tsuen Wan By-pass, Aberdeen Tunnel and the Canal Road flyover, the East Kowloon Corridor leading to the airport tunnel, the flyover at the Pokfulam and Hill Road junction and even, you will be surprised to hear the flyover at the Stubbs Road roundabout. The completion at the end of the next year of the Tsuen Wan extension of the MTR and at the end of next year or the beginning of 1983 completion of the double-tracking and electrification of the railway to Lo Wu will enormously relieve traffic problems in the North-east and South-west <sup>New Territories.</sup> Otherwise, 1984 and 1985 seem to be the years in which general relief can be expected through completion of the MTR Island Line, the Island Eastern Corridor road, and in the New Territories the completion of large portions of the New Territories Circular road. These are gigantic projects. Nevertheless slippage of this programme could be seriously damaging.

You referred to commercial rents. Their rapid rise is a disagreeable aspect of an otherwise encouraging fact, namely the very favourable view that people take of Hong Kong as a place of business in its own right, as a trade base for the Western Pacific growth area, and particularly as a place in the closest contact with the developing economy of China. I am fully aware of the disruptive effect of these very sharp increases in rent, particularly in prime areas, and the harsh effects on

/individuals, .....

individuals, and it is natural that calls for controls should be made. But though Government will continue to watch the situation closely, it does not intend to introduce controls particularly when such an unprecedentedly large supply of new commercial floor space is coming on the market and which in all logic should restrain the rate of further increases.

Turning now to general issues, any analysis of the present situation must contain, like yours, Sir, elements both sweet and sour. Let me first dispose of the sour.

We have had 14% inflation over the last year, largely imported.

It is a high figure, and its implications for all are apparent. And the Government is very well aware that shoe pinches hardest in lower and middle income brackets.

Shortening orders and fall-off in demand in North America and Europe have produced a marked drop in the growth-rate of our exports - from 18% annual growth rate in real terms <sup>(I repeat in real terms)</sup> in the first half of this year to between 4 and 5% in the second. This trend is a matter of concern here in Hong Kong, but by world standards the rate of growth is still respectable, even <sup>enviable.</sup>

Then there has been immigration. The measures to deter illegal immigration have worked so far, and we are deeply indebted to the security forces, the cooperation of the Guangdong Provincial Government, and the support of the public. Nevertheless in the two years up to last October we gained about 300 000 more population by immigration. The effect will have to be faced in many fields. Certainly it held back the growth rate of wage levels even in 1979, and in 1980, in combination with reduced activity in some industrial sectors, it resulted in real incomes at the lower end of the scale at best remaining static and possibly slightly falling.

It also aggravated the effect of economic conditions on unemployment. This has risen from 2.3% in September 1979 (or 3.4%

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if not adjusted for school-leavers) to 3.8% last September (or 4.3% unadjusted), and I have no doubt this trend has continued. It is still comparatively low, but the trend is disturbing, and as the Financial Secretary said yesterday, it may well continue until changes in Hong Kong costs or increased external demand for Hong Kong products have revived demand for labour.

There is no way in which the Government could intervene in this readjustment process, but we have a safety net of social welfare payments to sustain incomes at a defined point. And we have labour legislation. We are of course reviewing both, particularly the first, to ensure that the basis of payments is fair and up to date.

The drop in the growth rate of real incomes and rise in unemployment should be temporary as world economic activity revives and our labour supply becomes more stable. But the demand which extra population will make on goods and services is permanent and because of the generally low age group likely to expand. I therefore entirely agree with what you, Sir, said about the importance of housing. Moreover, though the private sector is building a very large number of housing units - perhaps 27 000 or more last year - their price has become so high that they are either unobtainable to a large section of the population or are building into too many family budgets an element for rent or mortgage that is much higher than they can comfortably bear. The Government's housing production has at last reached fairly satisfactory levels around the 35 000 mark which will be sustained, but clearly the target needs to be reviewed and the original Home Ownership Scheme Committee will soon be reconvened to advise on the continuation, expansion, and even widening the scope of the Home Ownership Programme. While of course there must be no reduction of planned production of government rented accommodation, I think that in expanding the possibility of home

/ownership for .....

and lower-middle ownership for lower/income groups the Government can make the most practical further contribution both to <sup>reducing</sup> housing shortage and to the aspirations of the people concerned. I feel sure that if the Government were to call for the assistance of the private sector in any expansion scheme it would be forthcoming.

Perhaps I should say a word about bus fares. I believe that the fundamental areas of public anxiety at the moment are inflation, static or dropping incomes in some sectors of manufacturing, real  $\angle$  fear of redundancy, and above all in the middle and lower income brackets, pressure from rents and mortgages. Nevertheless the focus is on bus fares. It seems to be assumed that the Government has in some way already made up its mind. This is completely untrue. We realise the effect that very large increases could have on family budgets. We also know that Hong Kong people are realistic and accept that fair charges must be paid to cover particularly if these services are to be improved. the costs of services,  $\angle$  But they need assurance that what they are eventually asked to pay is based on figures that are accurate and accountancy that is fair. So no decision will be taken before all aspects have been submitted to the most searching scrutiny first by the Transport Advisory Committee and secondly by the Executive Council. The first of these stages has only just now commenced. Before leaving the sour, I think it reasonable to point out that we are talking about an unemployment figure that is still comparatively low, about a decline in the growth rate of our and about what looks like being exports  $\angle$  at worst a shallow and temporary recession. Though the situation has been aggravated by the coincidence of immigration and inflation, comparisons with the deep recession of 1974/75 are completely misplaced.

In facing this situation, which is not all that serious compared with situations Hong Kong has overcome in the past, we should remember how extraordinarily well the economy has performed during the last 5 years, when, let us remember most developed economies have been in or on the edge of, recession most of the time.

/It has .....

It has been in these unpromising circumstances that over the 5 years up to the end of 1980 our economy has grown at an average annual rate of about 11½% in real terms; that the gross domestic product per head of population has risen by about 50% in real terms; that public expenditure has risen, and risen through growth not tax increases, by about 90% in real terms, and of course an increasing proportion of this expenditure is going on items such as expanded housing, education, medical and health services and social welfare that directly benefit the family budgets of lower income groups.

Certainly the last half decade has seen a heartening improvement in the standard of living of nearly all our people and it has been based on the extraordinary ability of our exporters and industrialists to maintain growth in the face of a sluggish world economy; on the rapid expansion of Hong Kong's tertiary sector and in particular of its financial services sector, on and on Hong Kong's popularity as the principal place of business in the Western Pacific growth area.

This expansion has also been greatly assisted by Chinese modernisation and the resulting expansion of trade which has a marked impact on Hong Kong.

Total trade with China increased by 69% in money terms in the first eleven months of 1980 over the corresponding period in the previous year. Hong Kong's imports from China in these eleven months amounted to HK\$19 628 million, or 20% of imports from all sources. But the most striking development is the re-emergence of Hong Kong as an entrepot for the China trade. Apart from the fact that China is traditionally the largest source, supplying about 28% of goods re-exported through Hong Kong, China has in 1980 also become the largest market, taking about 15% of goods re-exported through Hong Kong. The increase in the entrepot trade for

/China is .....

China is dramatic; in the first eleven months of 1980, re-exports to and from China as a whole grew by 85% in money terms compared with those in the corresponding period in the previous year.

Moreover, I should expect the relationship with China to grow. I believe the developments at Shenzhen and Shekou will proceed and that possibilities in Guangdong generally

and Fujian, and indeed in the rest of China, will attract increasing investment and participation by Hong Kong businessmen.

/and laws And I should expect this process to grow as Chinese commercial policies/are defined and stabilised, and as confidence in their continuity grows. While some technical aspects must be watched - for instance certificates of origin -

I see no danger in principle in any of this for Hong Kong, indeed quite /the development of Guangdong and Hong Kong are complementary. the reverse, /There could well be room for net expansion of Hong Kong

industry through the lower costs of some materials and components if they were produced in China instead of imported from overseas, and if some land intensive processes were moved north of the border. Equally to be welcomed is the expansion of investment in Hong Kong by agencies of the Chinese government.

One way in which the government can assist the success of our exporters is by implementation of the recommendations of the <sup>Advisory</sup> Committee on Diversification. These were designed to enable Hong Kong to strengthen its economic position in the 80s by increasing the supply of industrial land, improving industrial support facilities and technical back up services, and strengthening present arrangements for both trade promotion and industrial investment promotion. All these things - and there were 47 recommendations in all - are being <sup>implemented</sup> / with the urgency that they deserve and 1981 will see a host of government-based or government-led activities aimed at assisting industry to move into the 80s.

/Gentlemen, I .....

Gentlemen. I accept that prospects for 1981 are hard to predict <sup>this</sup> at this moment, but let us remember we face the second year of this decade against a background of an unprecedented 5-year period of sustained growth. If there is to be a period of hesitation we are well prepared for it and, in any case, I do not think we face a prolonged or exceptionally difficult short-term future. We should remember our assets - our enviable geographical position, our political and fiscal stability, our budgetary strength the excellence of our external communications and harbour, our sophisticated financial services, and the continuing ability of our industrialists to move up market and of our workforce to keep pace with the more complex work called for. The friendly support of the British Government and the helpful attitude of the Chinese Government both give us confidence. In this uncertain world few other governments could say as much about their economy's recent record or possibilities for the future. This encourages me to hope that when on February 5 the Year of the Golden Cockerel dawns and the cockerel crows, it will be proclaiming that Hong Kong will find satisfaction, if not feast in the year ahead.