



# DAILY INFORMATION BULLETIN

WEDNESDAY, OCTOBER 16, 1974

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COMMODITIES

WEDNESDAY, OCTOBER 16, 1974

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GOVERNMENT TO PUSH AHEAD WITH LONG TERM SOCIAL PROGRAMMES

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY LOOKED TO THE FUTURE WITH CONFIDENCE AND PLEDGED THAT THE GOVERNMENT WOULD PRESS FORWARD WITH ITS LONG TERM PROGRAMMES TO FURTHER IMPROVE THE QUALITY OF LIFE OF THE PEOPLE OF HONG KONG.

IN HIS WIDE RANGING REVIEW AT THE OPENING SESSION OF THE LEGISLATIVE COUNCIL, SIR MURRAY SAID THE COMING YEAR WOULD BE ONE OF CONSOLIDATION RATHER THAN ONE OF LAUNCHING INTO NEW FIELDS OF ENDEAVOUR.

WHILE HE DID NOT EXPECT THE YEAR TO BE AN EASY ONE, HE WAS CONVINCED THAT HONG KONG WOULD FARE MUCH BETTER THAN MANY OTHER CITIES IN THE WORLD.

THE GOVERNMENT'S APPROACH AT THIS TIME +IS ONE OF DETERMINATION, BUT OF PRUDENT AND HARD-HEADED DETERMINATION TO PRESS ON TOWARDS THE OBJECTIVES,+ HE SAID, STRESSING THAT IT WOULD BE A MOST SERIOUS MISTAKE AT THIS STAGE TO ALLOW THE PRESENT WORLD ECONOMIC SITUATION TO DEFLECT US FROM OUR LONG TERM AIMS +EXCEPT TO THE MINIMUM EXTENT THAT COMMON PRUDENCE WILL DICTATE.+

DESPITE PRESENT DIFFICULTIES, HE NOTED, CAREFULLY CONCEIVED PLANS FOR HOUSING, SECONDARY AND TERTIARY EDUCATION, MEDICAL AND HEALTH SERVICES, AND SOCIAL WELFARE WERE ALL GOING FORWARD. +THE SCALE OF THIS SHOULD BE APPRECIATED BECAUSE IT IS AN INDICATION OF OUR CONFIDENCE IN THE FUTURE,+ HE SAID.

IN THE FIELD OF EDUCATION, THE GOVERNOR ANNOUNCED PLANS TO PROVIDE EVERY CHILD IN HONG KONG WITH ASSISTED SECONDARY EDUCATION FROM FORMS 1 TO 3, MOST LIKELY BY 1979. BY THAT TIME IT WAS ENVISAGED THAT THE EXTRA TEACHERS REQUIRED WOULD HAVE BEEN TRAINED. AND BY MAY 1978, PRIMARY 6 LEAVERS WOULD PROBABLY HAVE SAT THE PRESENT SECONDARY SCHOOL ENTRANCE EXAMINATIONS FOR THE LAST TIME.

SIR MURRAY WAS EQUALLY OPTIMISTIC OVER THE PROSPECT OF PROGRESSIVE IMPROVEMENT IN THE HOUSING SITUATION OVER THE NEXT FIVE YEARS, AND HE WAS CONVINCED THAT BY 1984 THE HOUSING SITUATION +WILL HAVE BEEN COMPLETELY TRANSFORMED.+

CONTRACTS NOW LET THROUGHOUT HONG KONG WOULD PROVIDE HOMES FOR UP TO 100,000 MORE PEOPLE IN 1975/76 AND FOR ANOTHER 140,000 IN 1976/77. DETAILED PROPOSALS WERE ALSO BEING PREPARED FOR THE REDEVELOPMENT OF A NUMBER OF OLD TENEMENT BUILDINGS.

FOR HONG KONG'S LARGE LABOUR FORCE, FURTHER BENEFITS AND PROTECTION ARE ON THE WAY, INCLUDING SHORTER OVERTIME WORKING HOURS FOR WOMEN AND YOUNG PERSONS FROM 300 TO 250 HOURS A YEAR FROM THE BEGINNING OF 1975 AND TO 200 HOURS IN 1976= A NEW LABOUR RELATIONS BILL GIVING STATUTORY BACKING TO THE LABOUR RELATIONS SERVICE AND FOR PROCEDURES TO BE FOLLOWED IN A LABOUR DISPUTE WHEN CONCILIATION HAS FAILED= FURTHER INDUSTRIAL SAFETY REGULATIONS COVERING CARCO HANDLING AT WHARVES, QUAYS AND GODOWNS= NEW REGULATIONS PROVIDING A LEGISLATIVE FRAMEWORK FOR APPRENTICESHIP SCHEMES= AND A SPECIAL COMPENSATION SCHEME FOR THOSE SUFFERING FROM SILICOSIS.

/ON TRANSPORT .....

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ON TRANSPORT, SIR MURRAY SAID A TRANSPORT WHITE PAPER WOULD BE PREPARED NEXT YEAR GIVING FIRM INDICATIONS AS TO HOW THE GOVERNMENT INTENDED TO COPE WITH HONG KONG'S TRANSPORT NEEDS OVER THE YEARS AHEAD.

THE GOVERNOR SUPPORTED THE CONTINUATION OF THE MASS TRANSIT RAILWAY PROJECT WHICH, HE SAID, WAS STILL JUDGED TO BE WITHIN OUR RESOURCES. THE PROJECT SHOULD GO AHEAD, HE FELT, +PROVIDED AGREEMENT CAN BE REACHED ON THE BASIS OF THE SPECIFIED PRICE AT WHICH THE RAILWAY IS CALCULATED TO BE COMMERCIALY VIABLE.+

SIR MURRAY ALSO REVEALED THAT ONE OF THE WORLD'S FOREMOST EXPERTS IN METHADONE THERAPY WOULD BE COMING TO HONG KONG TOWARDS THE END OF THIS YEAR TO HELP EVALUATE THE TWO PILOT METHADONE SUBSTITUTION PROJECTS NOW UNDERWAY, AND TO HELP PLOT THE WAY AHEAD FOR METHADONE THERAPY AND ITS PROPER RELATIONSHIP TO OTHER FORMS OF DRUG TREATMENT IN HONG KONG.

TO HELP INDUSTRY, INDUSTRIAL ESTATES ARE TO BE SET UP AND A FEASIBILITY STUDY FOR SUCH A VENTURE IN JUNK BAY HAS BEEN COMMISSIONED. SIMILAR STUDIES INVOLVING SITES AT TAIPO AND YUEN LONG ARE ALREADY FAR ADVANCED.

THE GOVERNOR WAS CONFIDENT THAT HONG KONG'S ECONOMY WOULD CONTINUE TO EXPAND AND HE PREDICTED A FOUR PER CENT GROWTH IN REAL TERMS THIS YEAR.

WHILE HONG KONG EXPORTERS WOULD FACE STRONGER COMPETITION, +THERE IS A FAIR HOPE THAT IN OUR MARKETS AS A WHOLE A SUFFICIENTLY HEALTHY DEMAND WILL CONTINUE TO KEEP HONG KONG BUSY.+

THE TRADE DEVELOPMENT COUNCIL, HE ADDED, WOULD ALSO BE DOING EVERYTHING IN ITS POWER TO HELP FIND NEW MARKETS AND EXPAND OLD ONES, WHILE FOR ITS PART THE GOVERNMENT -- WITH THE SUPPORT THE UK GOVERNMENT -- WOULD CONTINUE ITS EFFORTS FOR A FAIR DEAL FOR HONG KONG'S PRODUCTS.

+THE PROSPECTS OF MAINTAINING OUR EXPORTS ARE FAVOURABLE BECAUSE HONG KONG'S PRODUCTIVITY IS NOW HIGH AND OUR COMPETITIVE POSITION ABROAD IS VERY STRONG,+ HE SAID.

TOUCHING ON ANGLO-CHINESE RELATIONS, THE GOVERNOR NOTED THE STEADY IMPROVEMENT IN RECENT YEARS IN SINO-BRITISH RELATIONS. +THIS HAS MADE POSSIBLE THE FRIENDLY CO-OPERATION ABOUT MATTERS OF MUTUAL INTEREST WHICH IS SO GREATLY TO THE BENEFIT OF HONG KONG.+

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THREE YEARS ASSISTED SECONDARY EDUCATION FOR ALL BY 1979  
EDUCATION WHITE PAPER TABLED IN LEGCO  
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EVERY CHILD IN HONG KONG IS TO BE PROVIDED WITH SUBSIDISED SECONDARY EDUCATION UP FROM FORM 1 TO FORM 3 IN THE SHORTEST TIME POSSIBLE, THE GOVERNOR, SIR MURRAY MACLEHOSE, ANNOUNCED TODAY.

+IF CERTAIN ASSUMPTIONS ARE FULFILLED, THIS COULD BE AS EARLY AS 1979 -- A MUCH SHORTER TIME THAN THAT ENVISAGED IN THE ORIGINAL GREEN PAPER ON EDUCATION,+ HE TOLD THE OPENING SESSION OF THE LEGISLATIVE COUNCIL.

+BY THAT DATE,+ SIR MURRAY SAID, +IT IS JUDGED POSSIBLE TO TRAIN THE EXTRA TEACHERS REQUIRED= BUT IT CERTAINLY WOULD NOT BE POSSIBLE TO PROVIDE THE NUMBER OF NEW SCHOOLS NECESSARY IF SECONDARY SCHOOLS WERE TO BE UNI-SESSIONAL, BECAUSE THE MONEY IS NOT AVAILABLE TO BUILD SCHOOLS FOR ALL THE PLACES REQUIRED IN THE TIME, NOR, IF IT WERE, WOULD IT BE PHYSICALLY POSSIBLE TO DO SO.+

THE GOVERNOR WAS OUTLINING SOME OF THE MAIN FEATURES IN THE WHITE PAPER ON SECONDARY EDUCATION IN HONG KONG DURING THE NEXT DECADE WHICH WAS TABLED IN COUNCIL TODAY.

THE WHITE PAPER ENVISAGES THAT SUFFICIENT PLACES WILL BE PROVIDED BY 1979 IN FORMS 1 TO 3 FOR 100 PER CENT OF THE 12-14 AGE GROUP AND FOR 40 PER CENT OF THE 15-16 AGE GROUP IN FORMS 4 AND 5.

THE GOVERNOR SAID: +THE OBJECTIVE IS PROVISION OF ASSISTED SECONDARY EDUCATION FOR ALL, BUT UNLESS MANY CHILDREN ARE TO BE DENIED THIS FOR MANY MORE YEARS THERE WILL HAVE TO BE A TRANSITIONAL PERIOD DURING WHICH THE SCHOOL BUILDINGS WE HAVE AND CAN CONSTRUCT ARE USED MUCH MORE INTENSIVELY THAN AT PRESENT.+

AS A TEMPORARY MEASURE, HE EXPLAINED, THE WHITE PAPER PROPOSED FLOTATION COUPLED WITH AN EXTENDED DAY SYSTEM SO AS TO MAXIMISE ENROLMENTS IN EXISTING SCHOOLS UNTIL THE BUILDING PROGRAMME OVERTAKES THE SCHOOL POPULATION.

WHILE HE REALISED THAT THIS WAS NOT AN IDEAL SOLUTION, THE GOVERNOR FELT IT TO BE+A REALISTIC COMPROMISE BETWEEN THE OVER-RIDING REQUIREMENT FOR IMMEDIATE SPEED, AND THE EVENTUAL IDEAL SOLUTION OF UNI-SESSIONAL SECONDARY EDUCATION.+

THE GOVERNOR WENT ON TO COMMENT ON THE DECISION TO DROP THE RECOMMENDATION IN THE GREEN PAPER TO MAKE ONE-FIFTH OF JUNIOR SECONDARY SCHOOLS PREVOCATIONAL AND INSTEAD TO MAKE 20-25 PER CENT OF THE CURRICULUM OF ALL JUNIOR SECONDARY SCHOOLS PRACTICAL/TECHNICAL.

THE GOVERNMENT RECOGNISED THE VALUE OF PREVOCATIONAL SCHOOLS AND WOULD CONTINUE TO ASSIST ALL THOSE IN EXISTENCE, HE SAID, BUT IT WAS CONSIDERED WRONG IN PRINCIPLE THAT A GENERAL EDUCATIONAL SYSTEM SHOULD BE BASED ON A SEPARATION OF CHILDREN AT THE EARLY AGE OF 11-1/2 OR 12 YEARS INTO THOSE WHO WOULD RECEIVE PREVOCATIONAL AND THOSE WHO WOULD RECEIVE GRAMMAR SCHOOL SECONDARY EDUCATION.

/+THE WHITE .....

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+THE WHITE PAPER'S VIEW IS THAT ALL CHILDREN WILL BENEFIT EQUALLY UP TO THE AGE OF 14 FROM ELEMENTS OF BOTH GRAMMAR SCHOOL AND TECHNICAL/PRACTICAL TRAINING, AND THAT EVENTUAL SEPARATION OF THE TWO STREAMS SHOULD BE LEFT AS LATE AS POSSIBLE TO SHOW IN WHICH DIRECTION THEIR NATURAL ABILITY LIES.

+WE ARE ALL VERY CONSCIOUS OF THE NEED TO IMPROVE TECHNICAL APTITUDE, BUT WE BELIEVE THAT THIS IS LIKELY TO BE MORE SECURELY BUILT ON THE BASIS OF A GENERAL EDUCATION, INCLUDING OF COURSE A TECHNICAL ELEMENT, UP TO THE AGE OF 14,+ HE SAID. THEREAFTER THERE WOULD BE AMPLE MEANS OF IMPLANTING AND EXTENDING TECHNICAL EDUCATION.

SIR MURRAY SAID THE PROPOSAL WAS THAT EVENTUALLY 40 PER CENT OF SENIOR SECONDARY PLACES WOULD BE IN TECHNICAL FORMS. +FOR THOSE WHO DO NOT REACH SENIOR SECONDARY SCHOOLS THERE WILL BE APPRENTICESHIP SCHEMES COUPLED WITH THE SERVICES OF THE FIVE TECHNICAL INSTITUTES, AND FOR THE MOST TALENTED STUDENTS, THE POLYTECHNIC.+

ON THE SECONDARY SCHOOL ENTRANCE EXAMINATION, THE GOVERNOR SAID THAT WITH THE PROVISION OF SECONDARY PLACES FOR ALL PRIMARY SCHOOL LEAVERS THE NEED FOR THIS EXAMINATION WOULD DISAPPEAR, PROBABLY AFTER MAY 1978.

IT WAS PROPOSED, HE ADDED, TO INTRODUCE A NEW EXAMINATION FOR A HONG KONG JUNIOR CERTIFICATE OF EDUCATION TO BE SAT AT THE END OF THE JUNIOR SECONDARY COURSE AS A RECORD OF ATTAINMENT, AND AS A METHOD OF SELECTION FOR THE SECONDARY COURSE. SIR MURRAY STRESSED, HOWEVER, THAT THE PROPOSAL WAS TO PHASE ITS INTRODUCTION SO THAT NO CHILD WOULD HAVE TO SIT BOTH EXAMINATIONS.

TURNING TO THE HONG KONG POLYTECHNIC, THE GOVERNOR SAID FUNDS HAD BEEN AGREED FOR PHASE ONE OF THE POLYTECHNIC'S PLANS FOR A NEW CAMPUS AT HUNG HOM. THIS WOULD ENABLE THE POLYTECHNIC'S EXPANSION TO REACH A FULL TIME EQUIVALENT OF ABOUT 6,000 STUDENTS BY 1976. THEREAFTER, PHASES TWO AND THREE OF THE POLYTECHNIC'S DEVELOPMENT PLAN WOULD TAKE IT ONWARDS TO THE ULTIMATE OBJECTIVE OF A STUDENT BODY OF AT LEAST 8,000 AND POSSIBLY AS MUCH AS 10,000 FULL TIME EQUIVALENT STUDENTS.

AS THE DEVELOPMENT PLAN WOULD BE DISCUSSED AGAIN IN 1975 BY THE GOVERNMENT AND THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE, SIR MURRAY COULD NOT COMMENT FURTHER AT THIS STAGE.

ON THE UNIVERSITIES, THE GOVERNOR SAID THE RECOMMENDATIONS OF THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE FOR THE CURRENT UNIVERSITIES QUADRENNIUM 1974-78, AND FOR THE FIRST TWO YEARS OF THE DEVELOPMENT PROGRAMME OF THE HONG KONG POLYTECHNIC, HAD BEEN CONSIDERED IN DETAIL AND FUNDS APPROVED ACCORDINGLY.

THE HONG KONG UNIVERSITY AND THE CHINESE UNIVERSITY, HE NOTED, WERE PROGRESSING SATISFACTORILY AND SHOULD REACH A PROJECTED STUDENT ENROLMENT OF 8,850 BY 1978.

EDUCATION WHITE PAPER TABLED IN LEGISLATIVE COUNCIL

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NINE YEARS OF SUBSIDIZED GENERAL EDUCATION IS TO BE PROVIDED FOR EVERY CHILD IN HONG KONG BY 1979. DURING THIS PERIOD, ALL CHILDREN SHOULD FOLLOW A COMMON COURSE OF GENERAL EDUCATION.

THIS MAIN OBJECTIVE OF THE GOVERNMENT IS STATED IN THE WHITE PAPER ON +SECONDARY EDUCATION IN HONG KONG DURING THE NEXT DECADE.+ THE DOCUMENT WAS TABLED IN THE LEGISLATIVE COUNCIL TODAY.

THE PROVISION BY 1979 OF SUFFICIENT PLACES IN FORMS 1 TO 3 FOR 100 PER CENT OF THE 12 - 14 AGE GROUP AND IN FORMS 4 AND 5 FOR 40 PER CENT OF THE 15 - 16 AGE GROUP WILL BE DONE +IN A CONSIDERABLE SHORTER TIME THAN ENVISAGED IN THE GREEN PAPER,+ THE WHITE PAPER POINTED OUT.

IT STRESSED THAT THE FINANCIAL AND OTHER COMMITMENTS INVOLVED WOULD REPRESENT A HEAVY BURDEN, WHICH COULD ONLY BE CARRIED OUT AT THE EXPENSE OF OTHER SOCIAL AND COMMUNITY NEEDS.

+HONG KONG HAS EVERY REASON TO BE PROUD OF ITS PROGRESS IN THE PROVISION OF EDUCATIONAL FACILITIES SINCE THE WAR. THE POPULATION HAS INCREASED SEVENFOLD AND THE DEMANDS WHICH HAVE, IN CONSEQUENCE, FALLEN UPON ITS SOCIAL, ECONOMIC AND FINANCIAL RESOURCES HAVE BEEN IMMENSE,+ THE PAPER SAID.

IN SPITE OF THE URGENT CLAIMS OF HOUSING, MEDICAL SERVICES, SOCIAL WELFARE, AND THE MANIFOLD DEMANDS OF A MODERN URBAN SOCIETY, THE SIGNIFICANT TARGET OF MAKING SUBSIDIZED PRIMARY EDUCATION FREE FOR ALL WAS ACHIEVED IN 1971 WITH THE EXCEPTION OF A SMALL MINORITY OF SUBSIDIZED SCHOOLS AND THE JUNIOR ENGLISH SCHOOLS.

THE GOVERNMENT IS NOW EMBARKING WITH ALL POSSIBLE SPEED ON THE AMBITIOUS SECONDARY EXPANSION TARGET. BY 1976 THERE SHOULD BE ENOUGH FORM 1 PLACES IN THE PUBLIC SECTOR, INCLUDING +BOUGHT+ PLACES IN PRIVATE SCHOOLS, FOR 77 PER CENT OF PRIMARY SIX LEAVERS AND WHEN THE FULLY PRIVATE SECTOR IS ADDED, ABOUT 100 PER CENT OF PLACES WILL HAVE BEEN ATTAINED FOR CHILDREN IN THE 12 - 14 AGE GROUP.

IN LINE WITH THE PROPOSALS IN THE WHITE PAPER, THE PERCENTAGE OF PRIMARY SIX LEAVERS WHO WILL GAIN FORM 1 PLACES IN THE PUBLIC SECTOR IN 1977 WILL RISE TO NEARLY 81 PER CENT, IN 1978 TO 95 PER CENT AND IN 1979 TO 100 PER CENT.

/TEMPORARY .....

### TEMPORARY MEASURES TO MAXIMIZE ENROLMENTS

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TO ACHIEVE THESE TARGETS, TEMPORARY MEASURES WILL HAVE TO BE ADOPTED TO MAXIMIZE ENROLMENTS IN EXISTING SCHOOLS UNTIL THE BUILDING PROGRAMME OVERTAKES THE SCHOOL POPULATION.

IT IS THEREFORE PROPOSED TO INTRODUCE IN SEPTEMBER 1975 FLOTATION, COMBINED WITH AN EXTENDED DAY SYSTEM, TO PERMIT A STAGGERING OF CLASSES THROUGHOUT THE DAY IN ALL JUNIOR SECONDARY FORMS IN GOVERNMENT SCHOOLS, BUT NOT TO SENIOR SECONDARY FORMS, THEREBY INCREASING THE NUMBER OF FORM 1 PLACES BY UP TO 50 PER CENT IN THESE SCHOOLS. THE AIDED SCHOOLS WILL ALSO BE ENCOURAGED TO ADOPT THIS SYSTEM.

THE WHITE PAPER SAID: +IF IT PROVES POSSIBLE TO INCREASE THEIR ENROLMENTS BY 50 PER CENT, THE NUMBER OF PLACES AVAILABLE IN FORMS 1 TO 3 OF THESE SCHOOLS WILL BE 137,000 IN SEPTEMBER 1976 AND 205,000 IN SEPTEMBER 1979.

+THE BALANCE OF PLACES NECESSARY TO MAKE UP THE TARGET OF 100 PER CENT PROVISION FOR THE AGE GROUP BY SEPTEMBER 1979 WOULD BE +BOUGHT+ IN PRIVATE SCHOOLS.

+IN 1979 IT IS LIKELY THAT ABOUT 77,000 PLACES WOULD HAVE TO BE +BOUGHT+, BUT THE ACTUAL NUMBER OF +BOUGHT+ PLACES WILL ALSO DEPEND UPON THE RATE OF COMPLETION OF NEW SCHOOL BUILDINGS AND THE EXTENT TO WHICH AIDED SCHOOLS ARE ABLE AND WILLING TO INCREASE THEIR ENROLMENTS BY FLOTATION/EXTENDED DAY OPERATION.

### EXTENDED DAY OPERATION

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+IT IS NOT PROPOSED TO INCREASE ENROLMENTS IN FORMS 4 AND 5 BY USE OF THE FLOTATION/EXTENDED DAY METHOD. 66,913 PLACES WILL BE AVAILABLE IN SEPTEMBER 1979 IN FORMS 4 AND 5 OF GOVERNMENT, AIDED AND ASSISTED PRIVATE SCHOOLS AGAINST A TARGET FIGURE OF 85,920 PLACES. THE BALANCE OF ABOUT 19,000 PLACES WILL HAVE TO BE +BOUGHT+ IN PRIVATE SCHOOLS AND THERE IS NO REASON TO DOUBT THAT THIS WILL BE AVAILABLE.+

WHILE IT IS NOT THE GOVERNMENT'S INTENTION TO INTRODUCE BISESSIONAL OPERATION IN JUNIOR SECONDARY FORMS EVEN AS AN INTERIM MEASURE, IF INDIVIDUAL SCHOOL AUTHORITIES CHOOSE TO ADOPT BISESSIONALISM THERE WOULD BE NO GOVERNMENT OBJECTION.

SCHOOL AUTHORITIES WILL BE PERMITTED TO CONTINUE ROTATION IF THEY WISH BUT IT IS NOT INTENDED TO RECOMMEND THE ADOPTION OF ROTATION AS STANDARD PRACTICE.

THE WHITE PAPER STRESSED THAT THE 1979 TARGETS SET FOR SECONDARY EDUCATION COULD BE ACHIEVED ON TIME IF :-

- (A) ALL EXISTING AND PLANNED GOVERNMENT AND AIDED SCHOOLS ACCEPT AND PRACTISE THE FLOTATION/EXTENDED DAY SYSTEM TO THE FULLEST EXTENT BY SEPTEMBER 1976=
- (B) THE SCHOOLS BUILDING PROGRAMME IS FULLY IMPLEMENTED ON SCHEDULE= AND
- (C) THE REQUIRED NUMBER OF 'BOUGHT' PLACES IN PRIVATE SCHOOLS CAN BE ACQUIRED.

IT IS ESTIMATED THAT, BY 1983, 161 NEW SECONDARY SCHOOLS WILL BE REQUIRED FOR HONG KONG, KOWLOON AND THE NEW TERRITORIES.

#### COST OF PROPOSALS

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THE COST OF THE PROPOSALS SET OUT IN THE WHITE PAPER AT MID-1974 PRICES (WITH NO ALLOWANCE BEING MADE FOR INFLATION NOR FOR THE RECENT SALARY INCREASES APPROVED FOR THE PUBLIC SERVICE AND AIDED SCHOOLS) WOULD MAKE ESTIMATED RECURRENT EXPENDITURE RISE FROM \$360 MILLION FOR SEPTEMBER 1975 TO \$550 MILLION FOR SEPTEMBER 1979.

THE TOTAL COST OVER THIS FIVE-YEAR PERIOD IS LIKELY TO BE WELL OVER \$2,250 MILLION.

IN ADDITION, THE GOVERNMENT WILL HAVE TO SPEND \$719 MILLION ON CAPITAL EXPENDITURE FOR THE 10-YEAR PERIOD SEPTEMBER 1974 TO SEPTEMBER 1983. ANOTHER \$141 MILLION WILL BE REQUIRED FROM SPONSORS.

+THESE ARE VERY SUBSTANTIAL FIGURES, AND MUST BE VIEWED AGAINST THE BACKGROUND OF ESCALATING PRESSURES FROM OTHER SOCIAL AND COMMUNITY NEEDS ON OUR FINANCIAL RESOURCES. THE GOVERNMENT WILL MAKE EVERY EFFORT TO FULFIL THE AMBITIOUS EDUCATIONAL TARGETS SET OUT IN THIS PAPER. BUT IT HAS TO BE ACCEPTED THAT THEIR FULFILMENT MUST BE SUBJECT TO A REGULAR REVIEW OF THE OVERALL RESOURCES AVAILABLE TO THE GOVERNMENT AND OF THE SHARE OF THEM WHICH PROPERLY CAN BE MADE AVAILABLE FOR SECONDARY EDUCATION,+ THE WHITE PAPER SAID.

IT WILL BE APPRECIATED THEREFORE THAT TOTALLY FREE EDUCATION IN JUNIOR SECONDARY FORMS IS NOT CONSIDERED TO BE FINANCIALLY ACCEPTABLE AT THIS STAGE. BUT THE GOVERNMENT BELIEVES THAT NO CHILD SHOULD BE DENIED A SECONDARY PLACE SOLELY BECAUSE HIS PARENTS ARE UNABLE TO PAY SCHOOL FEES.

+IT IS, THEREFORE, INTENDED THAT THE PRESENT SYSTEM OF FEE REMISSION WILL CONTINUE FOR SO LONG AS THE GOVERNMENT IS UNABLE TO ACCEPT THE HIGH COST WHICH WOULD BE INVOLVED IN MAKING SECONDARY EDUCATION WHOLLY FREE,+ THE DOCUMENT EMPHASISED.

ABOLITION OF S.S.E.E.

DEALING WITH EXAMINATIONS, THE WHITE PAPER SAID THAT AS SOON AS THE TARGET OF PROVIDING 100 PER CENT SUBSIDIZED PLACES FOR FORMS 1 TO 3 IS APPROACHED, THE SECONDARY SCHOOL ENTRANCE EXAMINATION WOULD BE ABOLISHED. IF THIS TARGET WAS REACHED BY 1979 THAT EXAMINATION WOULD BE SET FOR THE LAST TIME IN MAY 1978.

A NEW PUBLIC EXAMINATION - THE HONG KONG JUNIOR CERTIFICATE OF EDUCATION - WILL BE INTRODUCED AT THE END OF FORM 3 AND IT WILL COME INTO BEING IN 1982. THIS EXAMINATION WILL BOTH PROVIDE EVIDENCE THAT A PUPIL HAS SATISFACTORILY COMPLETED HIS EDUCATION TO FORM 3 STANDARD AND WILL ACT AS A FORM OF SELECTION FOR FURTHER SUBSIDIZED EDUCATION.

+THE EXAMINATION WILL BE BASED ON THE COMMON TEACHING SYLLABUS FOR THE JUNIOR SECONDARY SCHOOL COURSE AND WILL NOT HAVE A SPECIAL SYLLABUS OF ITS OWN,+ THE WHITE PAPER SAID.

WITH THE ABOLITION OF THE S.S.E.E., AN ALTERNATIVE SYSTEM WILL HAVE TO BE DEvised TO REGULATE THE FLOW OF STUDENTS FROM PRIMARY TO JUNIOR SECONDARY SCHOOLS. AS FAR AS POSSIBLE, A SECONDARY SCHOOL WILL TAKE PUPILS FROM PRIMARY SCHOOLS IN THE SAME AREA. IT WILL BE THE RESPONSIBILITY OF EACH SCHOOL TO SELECT ITS PUPILS UNDER THE GENERAL SUPERVISION OF THE EDUCATION DEPARTMENT. THOSE SCHOOLS WHICH HAVE LINKED PRIMARY SCHOOLS WILL BE PERMITTED TO GIVE PREFERENCE TO THEIR OWN PRIMARY PUPILS AS AT PRESENT.

AFTER FORM 3, PUPILS SELECTED BY MEANS OF THE JUNIOR CERTIFICATE EXAMINATION WILL ENTER SENIOR SECONDARY TECHNICAL OR GRAMMAR FORMS. IT IS INTENDED THAT 60 PER CENT OF THE PLACES SHOULD BE IN SENIOR SECONDARY GRAMMAR FORMS AND 40 PER CENT IN SENIOR SECONDARY TECHNICAL FORMS, ALTHOUGH THIS RATIO MAY TAKE SOME TIME TO ACHIEVE IN VIEW OF THE EXISTING PREPONDERANCE OF SECONDARY GRAMMAR SCHOOLS.

+IT IS THE GOVERNMENT'S AIM THAT THERE SHOULD BE SUFFICIENT PLACES IN SENIOR SECONDARY FORMS IN THE PUBLIC SECTOR FOR 40 PER CENT OF THE 15-16 AGE GROUP BY 1979,+ THE WHITE PAPER SAID.

SINCE THERE WILL BE NO AUTOMATIC PROMOTION FROM JUNIOR SECONDARY TO SENIOR SECONDARY FORMS, SELECTION AND ALLOCATION PROCEDURES FOR THE SENIOR SECONDARY COURSE WILL BE CONDUCTED BY THE DEPARTMENT AND WILL BE BASED ON THE RESULTS OF THE NEW PUBLIC EXAMINATION.

/EMPHASIS .....

## EMPHASIS ON TECHNICAL EDUCATION

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UNDER THE PROPOSED PLAN OF EXPANSION EMPHASIS HAS BEEN PLACED ON TECHNICAL EDUCATION.

THE WHITE PAPER SAID: +THE INCREASINGLY SOPHISTICATED INDUSTRIAL REQUIREMENTS OF THE NEXT DECADE WILL BEST BE MET BY PROVIDING WORKERS WITH A BASIC MINIMUM NINE-YEAR COURSE OF GENERAL EDUCATION BUT WITH A PRACTICAL AND TECHNICAL CONTENT OF 25 - 30 PER CENT. THIS WILL PROVIDE THE FOUNDATION ON WHICH FURTHER INDUSTRIAL TRAINING CAN BE GIVEN.+

THE GOVERNMENT HAS ALREADY EMBARKED UPON A SUBSTANTIAL PROGRAMME OF BUILDING TECHNICAL INSTITUTES STARTING WITH MORRISON HILL, AND A FURTHER FOUR ARE ALREADY UNDER CONSTRUCTION OR IN THE PLANNING STAGE.

THE QUESTION OF A FURTHER EXPANSION IN THIS FIELD WILL DEPEND UPON THE LONG-TERM ACCEPTABILITY OF TECHNICAL INSTITUTE TRAINEES TO INDUSTRY.

ALTHOUGH THE EMPHASIS IN THE WHITE PAPER IS ON THE NEED TO PROVIDE SUFFICIENT NUMBER OF PLACES AND ON THE WAYS BY WHICH THESE CAN BE MADE AVAILABLE, THE GOVERNMENT IS VERY MUCH AWARE OF THE DESIRABILITY OF IMPROVING THE QUALITY OF EDUCATION.

+WITH THIS IN MIND, STEPS WILL BE TAKEN TO ENSURE AN ADEQUATE SUPPLY OF QUALIFIED TEACHERS TO MEET THE RAPID EXPANSION PLANNED FOR THE PUBLIC SECTOR AND THE ADDITIONAL TEACHERS REQUIRED FOR 'BOUGHT' PLACES IN THE PRIVATE SECTOR. THE EARLY EXTENSION OF EDUCATIONAL TELEVISION TO SECONDARY SCHOOLS IS UNDER CONSIDERATION.

+THE RECENTLY ESTABLISHED CURRICULUM DEVELOPMENT COMMITTEES WILL CONTINUE TO EXAMINE SYLLABUSES, WITH A VIEW TO MAKING THEM MORE RELEVANT TO THE NEEDS OF PUPILS IN A CHANGING AND MORE DEMANDING SOCIETY,+ THE WHITE PAPER SAID.

## LANGUAGE OF INSTRUCTION

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IN THE PAST SECONDARY EDUCATION HAS BEEN CONDUCTED MAINLY THROUGH THE MEDIUM OF ENGLISH. NOW THAT IT IS INTENDED TO MAKE SECONDARY EDUCATION IN FORMS 1 TO 3 AVAILABLE TO ALL, IT IS APPROPRIATE TO REVIEW THIS PRACTICE.

ON EDUCATIONAL GROUNDS THERE ARE STRONG ARGUMENTS FOR MAINTAINING THAT THE MEDIUM OF INSTRUCTION FOR CHILDREN AGED 12 - 14 SHOULD BE CHINESE.

+HOWEVER, THERE ARE OTHER CONSIDERATIONS. HONG KONG IS A COMMERCIAL AND INDUSTRIAL CENTRE WHICH HAS REACHED A HIGH LEVEL OF TECHNICAL AND PROFESSIONAL SOPHISTICATED AND HAS ESTABLISHED CLOSE CONTACTS ALL OVER THE WORLD. IT IS UNDENIABLE THAT HONG KONG, IF IT IS TO MAINTAIN ITS PROGRESS, WILL CONTINUE TO NEED PEOPLE AT ALL LEVELS IN COMMERCE, INDUSTRY AND THE PROFESSIONS WHO ARE AT HOME IN ENGLISH AS WELL AS IN CHINESE.

FOR THESE .....

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+FOR THESE PRACTICAL REASONS, THE STANDARDS OF CHINESE AND ENGLISH MUST BE MAINTAINED, AND INDEED, IF POSSIBLE, IMPROVED, AND PARENTS ARE LIKELY TO DEMAND THAT THEY SHOULD BE. THESE CONSIDERATIONS SUGGEST THE NEED FOR A BALANCED APPROACH.

+IT IS THE GOVERNMENT'S INTENTION THAT INDIVIDUAL SCHOOL AUTHORITIES SHOULD THEMSELVES DECIDE WHETHER THE MEDIUM OF INSTRUCTION SHOULD BE ENGLISH OR CHINESE FOR ANY PARTICULAR SUBJECT IN JUNIOR SECONDARY FORMS.

+THIS WILL FACILITATE THE ADOPTION OF APPROPRIATE MEASURES TO ENSURE THAT THERE IS NO DROP IN THE STANDARD OF ENGLISH OF THOSE CONTINUING THEIR EDUCATION BEYOND FORM 3, WHILE AT THE SAME TIME, ENABLING OTHER STUDENTS TO DERIVE MAXIMUM BENEFIT FROM THEIR EDUCATION THROUGH THE MEDIUM OF CHINESE,+ THE WHITE PAPER SAID.

THE GOVERNMENT, IT SAID, +INTENDS TO REVIEW THE ARRANGEMENTS FOR THE LANGUAGE OF INSTRUCTION AS THESE DEVELOP.+

EVERY EFFORT WILL BE MADE BY THE GOVERNMENT TO FULFIL THE AIMS OF THE TREMENDOUS EXPANSION IN THE FIELD OF AIDED SECONDARY EDUCATION AS OUTLINED IN THE WHITE PAPER BUT THE SUPPORT OF ALL CONCERNED WILL BE REQUIRED TO ACHIEVE THE TARGETS.

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GOVERNOR CONFIDENT OF HONG KONG'S ECONOMIC FUTURE  
CONTINUED GROWTH PREDICTED

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY SOUNDED A NOTE OF CONFIDENCE IN HONG KONG'S ECONOMY WHICH, HE PREDICTED, IS CERTAINLY EXPECTED TO CONTINUE TO GROW THIS YEAR -- MOST PROBABLY AT A RATE OF FOUR PER CENT IN REAL TERMS.

IN HIS OPENING ADDRESS TO THE NEW SESSION OF THE LEGISLATIVE COUNCIL, SIR MURRAY REVIEWED THE LOCAL ECONOMY IN RELATION TO THE INTERNATIONAL ECONOMIC SITUATION, AND NOTED THAT INTERVENTION BY VARIOUS GOVERNMENTS WAS SO GREAT THAT +A RECESSION IS UNLIKELY TO ASSUME AN EXTREME FORM.+

ON INFLATION, HE SAID ONE COULD AT LEAST BE THANKFUL THAT INCOMES WERE NOT BEING EATEN AWAY BY INFLATION IN QUITE THE SAME WAY AS LAST YEAR.

HOWEVER, HE CAUTIONED THAT IT WOULD BE WRONG TO ASSUME THAT LAST YEAR'S EXTERNAL INFLATIONARY PRESSURES WOULD NO LONGER HAVE ANY EFFECT ON THE LOCAL ECONOMY OR THAT THERE WOULD NOT BE ANY FURTHER PRESSURES THIS YEAR.

COMMENTING ON EXPORTS, HE WAS CONFIDENT THAT THERE WOULD BE A FAIR HOPE THAT +A SUFFICIENTLY HEALTHY DEMAND WILL CONTINUE TO KEEP HONG KONG BUSY.+

+IF I MIGHT SAY SO,+ SIR MURRAY SAID, +HONG KONG IS SO ACCUSTOMED TO GROWTH THAT IS PHENOMENAL, THAT WE SHOULD GUARD AGAINST TOO PESSIMISTIC A REACTION TO GROWTH THAT IS, BY COMPARATIVE STANDARDS, MERELY ENVIABLE.+

IN LOOKING DISPASSIONATELY AT THE INTERNATIONAL ECONOMIC SITUATION, THE GOVERNOR NOTED THAT ONE MIGHT SEE IN IT ELEMENTS FROM WHICH HONG KONG MIGHT DRAW ENCOURAGEMENT.

+WE ARE NOT AT ALL FACING A SITUATION OF SLUMP LIKE THAT IN THE '20S OR EARLY '30S. THE LEVEL OF ECONOMIC INTERVENTION BY THE GOVERNMENTS OF THE DEVELOPED WORLD IS NOW SO GREAT, AND THE CHANNELS OF INTERNATIONAL CO-OPERATION SO EXTENSIVE, AND THE POLITICAL PRESSURES ON GOVERNMENTS TO AVOID EXCESSIVELY DEFLATIONARY SITUATIONS SO STRONG, THAT A RECESSION IS UNLIKELY TO ASSUME AN EXTREME FORM.+

DURING THE DOWN-TURN NOW IN EXISTENCE, HE SAID THE PURCHASING POWER OF THE POPULATIONS OF DEVELOPED COUNTRIES WAS CONTINUING AT A COMPARATIVELY HIGH LEVEL.

WHILE DEMAND FOR SOME PRODUCTS, AND IN PARTICULAR CARS AND CONSUMER DURABLES IS BEING AFFECTED, THE COURSE OF DEMAND FOR THE SORT OF THINGS THAT HONG KONG EXPORTED WAS MUCH MORE DIFFICULT TO GAUGE. MOREOVER THE DOWN-TURN WAS NOT EVENLY SPREAD THROUGHOUT THE HONG KONG MARKETS.

/+NO DOUBT .....

+NO DOUBT OUR EXPORTERS WILL FACE INCREASED COMPETITION, AND PERHAPS DIFFICULTIES OVER FINANCE, BUT THERE IS A FAIR HOPE THAT IN OUR MARKETS AS A WHOLE A SUFFICIENTLY HEALTHY DEMAND WILL CONTINUE TO KEEP HONG KONG BUSY.+

THE GOVERNOR WENT ON TO SAY THAT LOCAL INDUSTRIALISTS, WITH THEIR USUAL ENTERPRISE, WOULD BE SEARCHING THE WORLD'S MARKETS FOR CONTRACTS, +AND YOU MAY BE SURE THAT THE TRADE DEVELOPMENT COUNCIL WILL BE DOING EVERYTHING WITHIN ITS POWER TO HELP THEM TO FIND NEW OPENINGS AND EXPAND OLD ONES.

+THE GOVERNMENT FOR ITS PART, AND WITH THE SUPPORT OF HER MAJESTY'S GOVERNMENT, WILL CONTINUE TO DO ALL THAT DETERMINED NEGOTIATIONS CAN TO EASE RESTRICTIONS ON OUR TRADE AND RESIST ATTEMPTS AT FURTHER IMPOSITIONS.

+THE PROSPECTS OF MAINTAINING OUR EXPORTS ARE FAVOURABLE BECAUSE HONG KONG'S PRODUCTIVITY IS NOW HIGH AND OUR COMPETITIVE POSITION ABROAD IS VERY STRONG, INDEED AS STRONG AS IT HAS EVER BEEN, SO WE ARE IN A POSITION TO SUPPLY WHAT DEMAND THERE IS NOW, AND TO RESPOND VERY QUICKLY TO ANY INCREASE IN DEMAND IN THE FUTURE.

+PROVIDED WE RETAIN THIS COMPETITIVE EDGE I EXPECT HONG KONG TO RIDE CURRENT PROBLEMS WITH LESS TROUBLE THAN MOST OTHER COUNTRIES,+ HE SAID.

THE GOVERNOR NOTED THAT WHEN HE ADDRESSED THE COUNCIL LAST YEAR THE GROSS DOMESTIC PRODUCT WAS INCREASING, IN REAL TERMS, AT AN ANNUAL RATE OF SOME SEVEN TO EIGHT PER CENT, JUST A LITTLE ABOVE THE GROWTH RATE WHICH IT WAS BELIEVED COULD BE SUSTAINED IN THE LONGER TERM.

THIS WAS AGAINST THE THEN BACKGROUND OF INTERNATIONAL EXCHANGE RATE VARIATIONS, COMMODITY SHORTAGES OVERSEAS, AND AN ALMOST UNBELIEVABLY RAPID RATE OF WORLD INFLATION. +IT REPRESENTED A TRULY REMARKABLE ACHIEVEMENT BY OUR MANUFACTURERS AND EXPORTERS.+

IT WAS TRUE, HE CONTINUED, THAT THIS WAS NOT WITHOUT SOME SLACKENING OF DEMAND IN THE LABOUR MARKET, AND THERE WERE IN CONSEQUENCE SOME WHOSE PERSONAL CIRCUMSTANCES WERE A GOOD DEAL LESS ROSY THAN THE PERFORMANCE OF THE ECONOMY AS A WHOLE MIGHT HAVE SUGGESTED.

+NEVERTHELESS, HONG KONG'S COMPETITIVE POSITION WAS EXTREMELY STRONG AND A GOOD DEAL STRONGER THAN A YEAR OR TWO EARLIER. THIS CARRIED THE POSSIBILITY, EVEN PROBABILITY, THAT OUR EXPORTS WOULD CONTINUE TO GROW AT A RAPID RATE, AND WITH THEM THE GROSS DOMESTIC PRODUCT.

+THERE WAS THEREFORE, GOOD REASON TO BELIEVE THAT THE DEMAND FOR LABOUR WOULD RISE AGAIN AND WITH IT WAGE LEVELS.+

/FURTHERMORE, .....

FURTHERMORE, SIR MURRAY SAID CONSUMER PRICES, IN THE AUTUMN OF 1973, WERE ALREADY SHOWING SIGNS OF LEVELLING-OFF (AND EVEN FALLING IN SOME INSTANCES) AND SO AT THAT TIME THERE WAS EVERY REASON TO EXPECT A FURTHER IMPROVEMENT IN LIVING STANDARDS IN 1974 ACROSS THE WHOLE SPECTRUM OF SOCIETY.

BUT THEN CAME THE QUITE UNEXPECTED OIL CRISIS AND THE WORLD ECONOMY WAS KNOCKED OFF COURSE. AFTER MAKING ALLOWANCE FOR THE IMPACT ON THE ECONOMY OF THESE NEW CIRCUMSTANCES BY LAST FEBRUARY IT WAS THOUGHT THAT THE GROSS DOMESTIC PRODUCT IN 1974 WOULD INCREASE AFTER ALL, IN REAL TERMS BY SOME FOUR PER CENT.

WHILST THIS WAS SUBSTANTIALLY LESS THAN MIGHT OTHERWISE HAVE BEEN THE CASE, IT WAS STILL BY NO MEANS INSIGNIFICANT.

TOUCHING ON THE OIL SITUATION, THE GOVERNOR NOTED THAT THE SHORTAGE IN HONG KONG WAS FAIRLY BRIEF AND OF LITTLE REAL SIGNIFICANCE, AND THE INDUSTRIALISTS ADAPTED TO THE SITUATION OF SHORTAGES AND CHANGES IN THE SUPPLIES AND PRICES OF OIL-BASED RAW MATERIALS WITH THEIR USUAL SPEED.

OUR EXTERNAL TRADE CONTINUED TO BE BUOYANT IN THE FIRST HALF OF THIS YEAR AND IN THE TWELVE MONTHS TO JUNE 1974, DOMESTIC EXPORTS WERE OVER 8-1/2 PER CENT MORE IN VOLUME THAN IN THE PREVIOUS TWELVE-MONTH PERIOD.+

THE GOVERNOR CONTINUED THAT THE ENORMOUS RISE IN THE PRICE OF OIL, ATTEMPTS BY SOME OTHER COMMODITIES TO FOLLOW SUIT, BALANCE OF PAYMENTS PROBLEMS, LACK OF LIQUIDITY, AND HIGH INTEREST RATES, HAD ALL TOGETHER PRODUCED A SITUATION IN THE REST OF THE WORLD THAT WOULD TAKE TIME TO SOLVE, AND THAT A PERIOD OF ADJUSTMENT WAS INEVITABLE.

HOWEVER, THESE INTERCONNECTED PROBLEMS ARE OF SUCH GREAT IMPORTANCE FOR THE WORLD'S ECONOMIES, AND I MIGHT ADD THE WORLD'S ELECTORATES, THAT AT LEAST WE HAVE THE ASSURANCE THAT THEY ARE RECEIVING MAXIMUM ATTENTION FROM GOVERNMENTS, AND THAT THE BEST BRAINS AVAILABLE EVERYWHERE ARE WORKING ON THEM.

THE PROBLEMS INVOLVED ARE OF COURSE NEW TO BOTH CREDITORS AND DEBTORS ALIKE. BUT INSOFAR AS THERE HAVE BEEN ANY RECENT DEVELOPMENTS THEY HAVE BEEN IN THE RIGHT DIRECTION.+

THERE HAD AT LEAST BEEN NO FURTHER DRAMATIC RISE IN THE PRICE OF OIL, AND THE BEGINNINGS OF A PROCESS OF RECYCLING OF OIL REVENUES CAN BE DISCERNED.

PROVIDED THERE IS NO SETBACK, ONE CAN REASONABLY EXPECT THAT IN DUE COURSE THESE TENDENCIES WILL DEVELOP, WITH OIL PRICES STABILISING, THE PROCESS OF RECYCLING GAINING MOMENTUM AND FINDING NEW INSTITUTIONAL CHANNELS, INTEREST RATES DECLINING FROM THEIR PRESENT LEVELS, AND GENERALLY SPEAKING AN EASING OF CURRENT CONSTRICTIONS ON INVESTMENT AND DEMAND,+ HE SAID.

WHILE A .....

WHILE A PERIOD OF ADJUSTMENT WAS INEVITABLE, SIR MURRAY SAID IT WAS EXCEEDINGLY DIFFICULT TO FORECAST HOW HONG KONG WOULD FARE IN THIS PERIOD OF ADJUSTMENT BECAUSE SO MANY FACTORS WERE NEW AND RELATIVELY UNKNOWN AND VIRTUALLY ALL WERE OUTSIDE THE CITY'S CONTROL.

+CERTAINLY HONG KONG CANNOT HOPE TO AVOID SOME OF THE CONSEQUENCES OF A SLOWING DOWN IN WORLD TRADE. THE RATE OF GROWTH OF THE VOLUME OF OUR EXPORTS HAS DECLINED IN RECENT MONTHS.

+WE KNOW THAT MANUFACTURING EMPLOYMENT HERE, AND IN MANY CASES TAKE-HOME PAY, HAS BEEN FALLING AND EVEN ALLOWING FOR NORMAL SEASONAL VARIATIONS IN TRADE IT IS NOT CONCEIVABLE THAT THE FIGURE FOR THE GROWTH OF EXPORTS DURING THIS CALENDAR YEAR WILL BE AS HIGH AS THE CORRESPONDING FIGURE I QUOTED FOR THE TWELVE MONTHS TO JUNE,+ HE SAID.

SIR MURRAY PREDICTED THAT 1973 LEVELS OF EMPLOYMENT WOULD UNLIKELY BE REGAINED THIS YEAR.

+ONE CAN AT LEAST BE THANKFUL THAT INCOMES ARE NOT BEING EATEN AWAY BY INFLATION IN QUITE THE SAME WAY AS LAST YEAR BUT I AM AFRAID IT WOULD BE WRONG TO ASSUME THAT THE EXTERNAL INFLATIONARY PRESSURES OF THE LAST YEAR HAVE FINISHED WORKING THEIR WAY THROUGH OUR ECONOMY, OR THAT THERE WILL NOT BE FURTHER ONES THIS YEAR,+ HE ADDED.

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PRUDENT AND CAREFUL APPROACH ON EXPENDITURE VITAL

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THE GOVERNMENT IS REQUIRED, UNDER PRESENT CIRCUMSTANCES, TO ADOPT A PRUDENT AND CAREFUL APPROACH TO EXPENDITURE IN THE FOLLOWING YEARS, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE LEGISLATIVE COUNCIL TODAY.

ADDRESSING THE NEW SESSION OF THE COUNCIL, HE SAID THE GOVERNMENT WAS AWARE OF THE POSSIBILITY OF A BUDGET DEFICIT THIS YEAR, +THOUGH THERE IS NOTHING PARTICULARLY ALARMING ABOUT THIS IN ITSELF.+

HOWEVER, THE GOVERNOR EXPRESSED SPECIAL CONCERN AT THE TREND OF RECURRENT EXPENDITURE WHICH HAS BEEN RISING AT A RATE OF NOT FAR SHORT OF 20 PER CENT ANNUALLY IN RECENT YEARS.

+I DOUBT WHETHER IT NEED BE AS HIGH AS THIS IF WE IN THE PUBLIC SERVICE WERE AS PRODUCTIVITY-CONSCIOUS AS OUR COUNTERPARTS IN INDUSTRY.+

IN HIS REVIEW OF GOVERNMENT PROGRAMMES, HE BEGAN WITH THE BACKGROUND AGAINST WHICH HONG KONG HAD BEEN TAKING STOCK.

HE POINTED OUT THAT DURING THE LAST TWO YEARS, THE GOVERNMENT HAD PREPARED LONG-RANGE PLANS COVERING THE NEXT TEN YEARS IN MAJOR FIELDS OF SPENDING -- HOUSING, EDUCATION, MEDICAL AND HEALTH SERVICES AND SOCIAL WELFARE.

ADDED TO THESE WERE PLANS COVERING EXPENDITURE ON THE EXPANSION OF ROAD SYSTEM, THE KOWLOON-CANTON RAILWAY, THE MASS TRANSIT PROJECT, THE POLICE, THE PRISONS AND THE FIRE SERVICES, AS WELL AS COMMUNITY RELATIONS AND COUNTRYSIDE AMENITIES.

+TAKING INDIVIDUALLY, THE BROAD OBJECTIVES OF EACH INITIAL DRAFT PROGRAMME WERE BELIEVED TO BE PROBABLY WITHIN OUR RESOURCES ON CERTAIN ASSUMPTIONS, AND THESE ASSUMPTIONS OF COURSE INCLUDED A REASONABLE DEGREE OF FLEXIBILITY FROM YEAR TO YEAR AS THE ECONOMIC CIRCUMSTANCES OF HONG KONG MIGHT CHANGE,+ THE GOVERNOR SAID.

THOUGH HE BELIEVED THAT THE IMPACT OF ALL THESE PROGRAMMES ON THE BUDGET IN THE IMMEDIATELY FOLLOWING YEAR, THAT IS 74/75, PRESENTED NO PROBLEM, HE SAID IT WAS ONLY WHEN ALL WERE IN A REASONABLY COMPLETE FORM THAT IT WAS POSSIBLE TO ASSESS THEIR REAL FINANCIAL IMPLICATIONS FOR THE YEARS AHEAD.

+IT WAS ONLY AT THIS POINT THAT REALISTIC APPRAISAL, REVIEW AND DRAFTING OF THESE PROGRAMMES BECAME POSSIBLE,+ HE STRESSED.

REFERRING TO CAPITAL WORKS PROGRAMMES, HE QUOTED THE FINANCIAL SECRETARY WHO, EARLIER THIS YEAR, TOLD THE COUNCIL THAT AFTER ALLOWING FOR ALL ADDITIONAL RESOURCES FROM THE BORROWING AND TAXATION THAT THE FINANCIAL SECRETARY CONSIDERED REALISTIC, THERE WAS A SHORT-FALL OF \$1,960 MILLION OR ONE FIFTH OF THE TOTAL ESTIMATES FOR THE FORECAST PERIOD FROM 1975/76 TO 1977/78 INCLUSIVE.

/HE POINTED .....

HE POINTED OUT THAT DURING THE SUCCEEDING MONTHS THE SECRETARIAT HAD SYSTEMATICALLY SUBJECTED THEM TO SCRUTINY AND THE IMPOSITION OF ORDERS OF PRIORITY.

+IN THIS PROCESS, ONE OF THE PRIORITIES HAS BEEN TO ENSURE PROGRESS ON HOUSING AND THE NEW TOWNS, AND IN PRACTICE A BALANCE HAS ALSO BEEN HELD BETWEEN SPENDING ON THE NEW TOWNS AND IN THE OLD URBAN AREAS,+ THE GOVERNOR ADDED.

BUT HAVING ACCORDED HOUSING AND NEW TOWNS A PRIORITY OF THEIR OWN, SIR MURRAY WENT ON, IT WAS ALSO DECIDED THAT A VERY HIGH PRIORITY SHOULD GO TO PROJECTS WHICH FACILITATE THE GROWTH AND EARNING POTENTIAL OF INDUSTRY AND PROVIDE EXPORT-ORIENTED JOBS.

HIGH PRIORITY, HE SAID, WAS ALSO GIVEN TO SELF-LIQUIDATING PROJECTS, WHICH PROVIDE A SIGNIFICANT REVENUE RETURN -- FOR INSTANCE THE PROVISION OF LAND.

IN THIS CONNECTION, THE GOVERNOR CITED THE TUEN MUN MOTOR ROAD AS AN EXAMPLE, NOTING THAT IT MUST BE ON THIS THAT THE INDUSTRIAL AND RESIDENTIAL DEVELOPMENT OF NOT ONLY TUEN MUN ITSELF MUST BE BASED, BUT ALSO THAT OF THE WHOLE YUEN LONG PLAIN.

SIR MURRAY CONTINUED TO EXPLAIN WHAT HAD BEEN DONE AND THAT WAS PROPOSED IN THE FIELDS OF THE NEW TOWNS AND HOUSING IN THE OLD URBAN AREAS WHICH +WILL TAKE A LARGE SLICE OF THE CAKE.+

ON THE OLD URBAN AREAS, THE GOVERNOR SAID THAT THE HOUSING PROGRAMME THERE HAD ENVISAGED AN EXPENDITURE OF \$140 MILLION THIS YEAR, \$200 MILLION NEXT, AND \$250 MILLION IN EACH OF THE FOLLOWING THREE YEARS. THIS, HE SAID, WOULD LARGELY USE UP DEVELOPABLE SITES IN THE OLD AREAS.

AS FOR EXPENDITURE ON THE NEW TOWNS, INCLUDING INFRASTRUCTURE, HOUSING, PUBLIC BUILDINGS, INCLUDING SCHOOLS, CLINICS AND SO ON, IT WAS PLANNED TO RISE FROM \$280 MILLION TO \$740 NEXT YEAR AND NEARLY \$1,000 MILLION IN 1976/77, AND TO CONTINUE THEREAFTER AT RATHER ABOVE THAT LEVEL.

SIR MURRAY POINTED OUT THAT AS THESE FIGURES WERE VERY LARGE, THE GOVERNMENT HAD FELT IT RIGHT TO BUILD FLEXIBILITY INTO ITS PLANS.

AS A RESULT, HE SAID, THE PLANS FOR EACH OF THE NEW TOWNS HAD BEEN DIVIDED INTO SMALL UNITS WHICH WERE CONSTRUCTIONALLY AND SOCIALLY AND ECONOMICALLY VIABLE IN THEMSELVES.

+WE HOPE IN THIS WAY THAT THE TOWNS CAN BE DEVELOPED IN A BALANCED WAY WHETHER IN THE YEARS AHEAD OUR RESOURCES SUGGEST THAT THE RATE OF CONSTRUCTION SHOULD BE SLOWER AT ONE TIME OR FASTER AT ANOTHER,+ THE GOVERNOR CONCLUDED.

IN HIS SUMMARY OF THE APPROACH TO STOCK-TAKING AND ITS OUTCOME, SIR MURRAY TOLD THE COUNCIL THAT THE GOVERNMENT'S APPROACH AT THIS TIME WAS ONE OF DETERMINATION, BUT ALSO OF PRUDENT AND HARD-HEADED DETERMINATION, TO PRESS ON TOWARDS THE OBJECTIVES WHICH THE COUNCIL MEMBERS HAD CONSTANTLY SUPPORTED.

+WHILE PARTS OF THIS ADDRESS MAY HAVE STRUCK A NOTE OF UNCHARACTERISTIC CAUTION, I AM GREATLY ENCOURAGED BY THE FACT THAT THIS WHOLE PROCESS OF CAREFUL AND DETAILED STOCK-TAKING, WHICH HAS OCCUPIED SO MUCH OF OUR TIME THIS YEAR, HAS CONFIRMED OUR ABILITY, AS THINGS STAND AT PRESENT, AND WITH THE CONTINUING SUPPORT OF THE HON. MEMBERS, BROADLY TO SEE THROUGH OUR PROGRAMMES.+

THE GOVERNOR SAID THAT HE WAS IMPRESSED NOT BY THE DEGREE OF REPHASING THAT HAD BEEN DEEMED PRUDENT, BUT BY THE BROAD FRONT OF IMPROVEMENT ON WHICH WE THOUGHT IT RIGHT AND REALISTIC TO ADVANCE.

HE POINTED OUT THAT CAREFULLY CONCEIVED PLANS FOR HOUSING, SECONDARY AND TERTIARY EDUCATION, MEDICAL AND HEALTH SERVICES, AND SOCIAL WELFARE WERE ALL GOING FORWARD.

OTHER PROJECTS COULD ALSO START AT THE SAME TIME, AND THE PRIVATE SECTOR, TOO, WOULD BE EMBARKING ON SOME DRAMATIC PROJECTS SUCH AS THE NEW BERTHS FOR THE KWAI CHUNG CONTAINER TERMINAL AND THE KAI TAK CARGO TERMINAL AND OTHERS.

FINALLY HE PAID TRIBUTE TO THE INDUSTRIALIST, WHO HAD BEEN +STRIVING FOR CONTRACTS AND FINANCE,+ AND TO THE WORKER, WHO HAD BEEN STRIVING TO MAINTAIN HIS LIVELIHOOD AND THAT OF HIS FAMILY,+ ADDING THAT +THESE PEOPLE ARE THE TRUE, THE PRINCIPAL ASSET OF HONG KONG.+

+I HAVE WATCHED WITH ADMIRATION THE ABILITY, INGENUITY AND REALISM PEOPLE IN HONG KONG HAVE SHOWN IN THE DIFFICULT YEAR THAT HAS PASSED, AND WITH THESE QUALITIES I AM SURE THAT WE WILL WEATHER THE YEAR AHEAD,+ THE GOVERNOR SAID.

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GREATER PROTECTION AND BENEFITS FOR WORKERS

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY OUTLINED A NUMBER OF PROPOSALS TO FURTHER IMPROVE WORKING CONDITIONS AND TERMS OF EMPLOYMENT FOR HONG KONG'S LARGE LABOUR FORCE.

THESE INCLUDE, SHORTER OVERTIME WORKING HOURS FOR WOMEN AND YOUNG PERSONS, FURTHER INDUSTRIAL SAFETY REGULATIONS COVERING CARGO HANDLING AT WHARVES, QUAYS AND GODOWNS, NEW REGULATIONS TO PROVIDE A LEGISLATIVE FRAMEWORK FOR APPRENTICESHIP SCHEMES, A NEW LABOUR RELATIONS BILL, AND MAJOR OVERHAUL OF THE WORKMEN'S COMPENSATION ORDINANCE.

THE GOVERNOR NOTED THAT HONG KONG HAD REACHED THE STAGE WHERE LEGISLATION ENACTED OR ABOUT TO BE ENACTED COVERED MOST OF THE MAJOR AREAS IN THE LABOUR FIELD. +WE MUST NOW AIM TO CONSOLIDATE THIS POSITION,+ HE SAID.

SIR MURRAY MADE IT CLEAR, HOWEVER, THAT IN THIS PROGRAMME OF LABOUR LEGISLATION +THE GOVERNMENT HAS NO WISH TO PLACE INDUSTRIAL RELATIONS IN A STRAIGHT JACKET.+ HE REALISED THAT THIS WAS NOT THE WISH OF EITHER WORKERS OR EMPLOYERS, BOTH OF WHOM VALUED THE FLEXIBILITY WHICH HAS CONTRIBUTED SO MUCH TO THE TRADITION AND STRENGTH OF HONG KONG.

+BROADLY SPEAKING,+ HE EXPLAINED, +WE INTEND TO CONTINUE TO MOVE ONLY AFTER CLOSE CONSULTATION WITH THE LABOUR ADVISORY BOARD, AND OTHER ORGANISATIONS CONCERNED.

MANY OF THE EXISTING MEASURES, HE SAID, PROVIDED ONLY MINIMAL STANDARDS AND THERE WERE GAPS TO BE FILLED. THIS COULD BE DONE IN PART BY VIEWING AND REVISING EXISTING LEGISLATION. BUT THERE WERE ALSO OTHER IMPORTANT TASKS TO BE UNDERTAKEN SUCH AS DEVELOPING AND IMPROVING THE FACTORY AND LABOUR INSPECTORATES, AND PROMOTING INDUSTRIAL SAFETY.

+WORK HAS ALREADY STARTED ON THESE MATTERS WITH THE APPOINTMENT, AS AN ADVISER TO THE COMMISSIONER OF LABOUR, OF AN EXPERIENCED FACTORY INSPECTOR FROM THE UNITED KINGDOM,+ HE SAID.

REFERRING TO THE EMPLOYMENT ORDINANCE, SIR MURRAY NOTED THAT GOOD PROGRESS HAD BEEN MADE DURING THE PAST TWO YEARS IN THE CONTINUING REVIEW OF THE ORDINANCE. THE MAIN ACHIEVEMENTS INCLUDED, AN EXTENSION OF HOLIDAY WITH PAY AND SICKNESS ALLOWANCE TO ALL WORKERS COVERED BY THE ORDINANCE= INCREASED ENTITLEMENT TO SICK LEAVE= CONTROLS ON EMPLOYMENT AGENCIES TO PROTECT WORKERS AGAINST EXPLOITATION= STATUTORY PROTECTION FOR TRADE UNION MEMBERS= AND STATUTORY ENTITLEMENT TO SEVERANCE PAY FOR REDUNDANT WORKERS.

/FOR THE .....

FOR THE COMING SESSION, THE GOVERNOR SAID, REGULATIONS WOULD BE SUBMITTED TO THE LEGISLATIVE COUNCIL TO REDUCE THE MAXIMUM PERMISSIBLE OVERTIME FOR WOMEN AND YOUNG PERSONS. +WE HAVE IN MIND A REDUCTION FROM 300 TO 250 HOURS A YEAR FROM THE BEGINNING OF NEXT YEAR AND A FURTHER REDUCTION TO 200 HOURS IN 1976.+

ON THE LABOUR TRIBUNAL, SIR MURRAY NOTED THAT A SECOND TRIBUNAL WAS SET UP THIS YEAR ON A PERMANENT BASIS. AT PRESENT THE JURISDICTION OF THE TRIBUNAL IS LIMITED TO INDIVIDUAL CLAIMS FOR SUMS OF MONEY ARISING FROM A CONTRACT OF EMPLOYMENT.

THE GOVERNMENT, HE WENT ON, INTENDED TO INTRODUCE A NEW LABOUR RELATIONS BILL SHORTLY. +THE BILL IS DESIGNED TO PROVIDE STATUTORY BACKING FOR THE LABOUR RELATIONS SERVICE OF THE LABOUR DEPARTMENT AND FOR PROCEDURES TO BE FOLLOWED IN A LABOUR DISPUTE WHEN CONCILIATION HAS FAILED,+ SIR MURRAY EXPLAINED.

THE GOVERNOR POINTED OUT THAT THE PROPOSED BILL, IN ITS PRESENT FORM, DELIBERATELY AVOIDED PROVISION OF POWERS TO IMPOSE COMPULSORY SETTLEMENTS, AND HE DREW THE COUNCIL'S ATTENTION TO THE FACT THAT ELSEWHERE SUCH COMPULSORY POWERS HAD PROVED CONSPICUOUSLY INEFFECTIVE.

TURNING TO THE PROMOTION OF INDUSTRIAL SAFETY, SIR MURRAY SAID THE MATTER STILL REQUIRED FURTHER URGENT ATTENTION. +FURTHER REGULATIONS WILL SOON BE INTRODUCED TO COVER CARGO HANDLING AT WHARVES, QUAYS AND GODOUNS,+ HE REVEALED. +OTHERS ARE PROJECTED FOR A VARIETY OF SPECIALISED INDUSTRIAL PROCESSES BUT THE ONLY MAJOR AREA ON WHICH A GOOD DEAL OF WORK REMAINS TO BE DONE IS THAT OF GUARDING MACHINERY.+

THE GOVERNOR STRESSED THAT IMPROVED INDUSTRIAL SAFETY COULD NOT BE ACHIEVED BY THE ENACTMENT OF SPECIAL REGULATIONS ALONE.

+THE CO-OPERATION OF EMPLOYERS AND WORKERS IS ESSENTIAL AND STEPS ARE BEING TAKEN TO ENCOURAGE THEIR INVOLVEMENT THROUGH A FIVE-YEAR PROGRAMME OF ACTION INCLUDING THE EXTENSION OF SAFETY TRAINING AND INCREASED PUBLICITY.+

ON THE WORKMEN'S COMPENSATION ORDINANCE, HE SAID THE ORDINANCE WAS DUE FOR A MAJOR OVERHAUL DURING THE NEXT TWO YEARS. IN PARTICULAR, HE MENTIONED SILICOSIS, ONE OF THE MOST SERIOUS OCCUPATIONAL DISEASES OCCURRING IN HONG KONG, WHICH HAS NEVER BEEN INCLUDED IN THE SCHEDULE TO THE ORDINANCE BECAUSE IT TAKES A LONG TIME FOR THE DISEASE TO BECOME APPARENT.

+A SPECIAL COMPENSATION SCHEME FOR THOSE SUFFERING FROM THE DISEASE WILL BE INTRODUCED DURING THIS SESSION,+ HE SAID.

TOUCHING ON INDUSTRIAL TRAINING, THE GOVERNOR NOTED THAT THE HONG KONG TRAINING COUNCIL, DURING ITS FIRST FULL YEAR OF OPERATION, HAD BEEN CONSIDERING A DRAFT BILL DESIGNED TO PROVIDE A LEGISLATIVE FRAMEWORK FOR APPRENTICESHIP SCHEMES.

+WORK ON THIS IS IN THE FINAL STAGES AND IT IS INTENDED THAT THE BILL SHOULD REACH THIS COUNCIL DURING THE COMING SESSION. THE RATE OF FURTHER PROGRESS IN THIS FIELD WILL BE TO SOME EXTENT DEPENDENT ON THE SUCCESS OF EFFORTS TO RECRUIT SUITABLY QUALIFIED TECHNICAL STAFF TO SUPPORT THE RECENTLY CREATED TRAINING DIVISION WITHIN THE LABOUR DEPARTMENT.+

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BRIGHTER HOUSING PROSPECTS OVER NEXT FIVE YEARS  
GOVERNMENT TO PRESS AHEAD WITH BUILDING PROGRAMME

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THE GOVERNMENT IS DETERMINED TO PRESS AHEAD STEADILY WITH THE TASK IN PROVIDING SELF-CONTAINED HOMES IN A DECENT ENVIRONMENT FOR ALL IN HONG KONG FOR AS LONG AS IS NECESSARY UNTIL THIS SOCIAL PROBLEM IS SOLVED, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY.

ADDRESSING THE OPENING SESSION OF THE LEGISLATIVE COUNCIL, SIR MURRAY INDICATED THAT THE HOUSING PROBLEM -- WHICH HE LABELLED A +DEFECT IN OUR SOCIETY+ -- COULD ONLY BE SOLVED BY +STEADY PLANNED AND PERSISTENT CONSTRUCTION OVER A LONG PERIOD OF TIME.+

+THIS YOUR GOVERNMENT AND THE NEW HOUSING AUTHORITY ARE NOW GEARED TO MAINTAIN,+ HE SAID.

SIR MURRAY WAS OPTIMISTIC OVER THE PROSPECT OF PROGRESSIVE IMPROVEMENT IN THE HOUSING SITUATION OVER THE NEXT FIVE YEARS.

WHILE HE RECOGNISED THAT MANY FACTORS SUCH AS THE RATE AND TYPE OF CONSTRUCTION IN THE PRIVATE SECTOR AS WELL AS THE RATE OF IMMIGRATION AND NATURAL GROWTH OF THE POPULATION WOULD DETERMINE WHEN THE HOUSING PROGRAMME COULD BE ACHIEVED, HE WAS CONVINCED THAT BY 1984 THE HOUSING SITUATION +WILL HAVE BEEN COMPLETELY TRANSFORMED.+

SIR MURRAY NOTED THAT THE HOUSING AUTHORITY HAD BEEN VERY ACTIVE IN RECENT MONTHS IN UP-DATING ITS BUILDING PROGRAMME IN CLOSE CONSULTATION WITH THE NEW TOWNS PROJECT MANAGERS.

+CONTRACTS NOW LET THROUGHOUT HONG KONG WILL PROVIDE HOUSING FOR UP TO 100,000 MORE PEOPLE IN 1975/76 AND 140,000 IN 1976/77,+ HE SAID.

THE GOVERNOR WELCOMED THE VARIOUS IMPROVEMENTS WHICH THE HOUSING AUTHORITY WAS MAKING IN ITS ESTATES. HE SINGLED OUT THE NEW OI MAN ESTATE WHICH HE DESCRIBED AS +A FINE EXAMPLE OF WHAT CAN BE DONE ECONOMICALLY TO IMPROVE PUBLIC HOUSING STANDARDS AND OF THE SHAPE OF THINGS TO COME.+

HE BELIEVED THAT THE LAYOUT OF THE AUTHORITY'S ESTATES BEING BUILT IN THE NEW TOWNS SHOULD BE ATTRACTIVE AND PLEASANT PLACES TO LIVE IN.

SIR MURRAY REGRETTED THAT THE NEED FOR TEMPORARY HOUSING WAS STILL PRESENT BUT HE ASSURED THE COUNCIL THAT PROGRAMMES WERE GOING AHEAD FOR BUILDING NEW LICENSED AREAS, BUT TO MUCH HIGHER STANDARDS THAN BEFORE AND THAT FUNDS HAD BEEN PROVIDED RECENTLY TO IMPROVE CONDITIONS IN THE OLDER LICENSED AREAS BY INSTALLING ELECTRICITY AND WATER SUPPLIES.

/+NEVERTHELESS, .....

+NEVERTHELESS, I AM SURE THAT ALL OF US LONG FOR THE DAY WHEN THE PRODUCTION OF HOUSES WILL BE SUFFICIENT TO ENABLE THE AUTHORITY SYSTEMATICALLY TO SET ABOUT THE HOUSING OF THE INMATES OF SUCH AREAS IN PROPER PERMANENT ACCOMMODATION, AND NOT ONLY WHEN THE SITES ARE REQUIRED FOR DEVELOPMENT.+

THE GOVERNOR THANKED MEMBERS OF THE HOUSING AUTHORITY FOR THEIR EFFORT IN BRINGING BETTER HOUSING TO THE PEOPLE OF HONG KONG.

+THIS IS A TIME FOR SOUND AND IMAGINATIVE PLANNING AND POLICY FORMATION,+ HE SAID, +AND THIS HAS MADE HEAVY DEMANDS ON THE HOUSING AUTHORITY'S MEMBERS.+

SIR MURRAY EXPRESSED CONCERN OVER THE NUMBER OF OLD TENEMENT BUILDINGS WHICH REMAIN UNDEVELOPED AND ARE UNLIKELY TO BE DEVELOPED BY PRIVATE ENTERPRISE.

HOWEVER, HE NOTED THAT THE HOUSING SOCIETY HAD BEEN PREPARING DETAILED PROPOSALS FOR THE REDEVELOPMENT OF A NUMBER OF THESE OLD PROPERTIES, AND HAD BEEN ASSURED OF THE GOVERNMENT'S ADMINISTRATIVE AND FINANCIAL SUPPORT.

IN RECOGNITION OF THE SOCIETY'S CONTRIBUTION IN THIS SPHERE AND ITS ROLE IN CONTINUING TO PLAN NEW ESTATES IN NEW TOWN AREAS, THE GOVERNOR PAID WARM TRIBUTE TO ALL ITS MEMBERS AND, IN PARTICULAR, THE CHAIRMAN, SIR DOUGLAS CLAGUE.

ON THE ROLE OF PRIVATE DEVELOPERS IN THE FIELD OF HOUSING, SIR MURRAY FELT THEY WERE A VERY IMPORTANT SOURCE OF NEW HOUSING. +WE WISH TO ENCOURAGE THE MAXIMUM AMOUNT OF PRIVATE HOUSING CONSTRUCTION,+ HE STRESSED.

WHILE HE APPRECIATED THE PROBLEMS FACING PRIVATE DEVELOPERS, PARTICULARLY IN FINANCING NEW SCHEMES, HE HOPED VERY MUCH THAT PRIVATE DEVELOPERS WOULD SEE THE ADVANTAGES OF MAKING NEW INVESTMENTS IN HOUSING NOW +WHEN LAND PRICES HAVE FALLEN AND BUILDING CONTRACTORS HAVE MORE CAPACITY.+

SIR MURRAY SAID IT WAS INTERESTING TO NOTE THE CONFIDENCE DISPLAYED BY OVERSEAS INTERESTS IN HONG KONG AT THIS TIME. NEGOTIATIONS, HE REVEALED, WERE CURRENTLY UNDERWAY WITH A MAJOR OVERSEAS GROUP FOR THE DEVELOPMENT OF A LARGE NEW RESIDENTIAL AREA IN SHA TIN TO HOUSE OVER 300,000 PEOPLE ON A 50-ACRE SITE.

+IT IS THIS SORT OF VISION THAT PAYS OFF, FOR THERE IS ENORMOUS REQUIREMENT FOR HOUSING WHICH CANNOT BE SATISFIED IN FULL FOR MANY YEARS TO COME, IF EVER,+ SIR MURRAY SAID.

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SOCIAL WELFARE -- A YEAR OF CONSOLIDATION

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GOOD OVERALL PROGRESS HAS BEEN MADE WITH THE DEVELOPMENT OF SOCIAL WELFARE SERVICES IN HONG KONG DURING THE PAST YEAR, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE LEGISLATIVE COUNCIL TODAY.

IN HIS REVIEW OF THE YEAR'S ACTIVITIES IN THIS FIELD, HE SAID HONG KONG WAS NOW ON THE COURSE MAPPED OUT IN THE SOCIAL WELFARE FIVE-YEAR PLAN AND HE EXPECTED FURTHER PROGRESS TO BE MADE.

THE GOVERNOR REFERRED BRIEFLY TO SOME NEW MEASURES BEING PLANNED, INCLUDING LEGISLATION TO CONTROL AND REGULATE THE OPERATION OF CHILD CARE CENTRES.

WORK HAD ALSO BEGUN ON THE DRAFTING OF A PROGRAMME PLAN FOR REHABILITATION TO CO-ORDINATE AND GUIDE THE EFFORTS OF THE GOVERNMENT DEPARTMENTS AND MANY VOLUNTARY BODIES WHICH ARE ACTIVE IN THIS COMPLEX FIELD, HE SAID.

SIR MURRAY DESCRIBED THE YEAR AS ONE OF CONSOLIDATION WHICH HAD SEEN MANY NEW SCHEMES AND PROJECTS COMING INTO OPERATION IN LINE WITH THE WHITE PAPER AND FIVE-YEAR PLAN ON SOCIAL WELFARE.

COMMUNITY AND YOUTH OFFICERS HAD BEEN APPOINTED TO ALL DISTRICTS IN THE URBAN AREAS AND WORK WAS WELL ADVANCED TO ESTABLISH THE SCHEME IN THE NEW TERRITORIES.

THE GOVERNOR NOTED THAT THE INSTITUTE FOR SOCIAL WORK TRAINING HAD NOW COMPLETED ITS FIRST FULL YEAR OF OPERATION, AND HE ADVISED THOSE WHO HAVE DOUBTS ABOUT THE ABILITY OF HONG KONG TO PRODUCE YOUNG PEOPLE OF THE RIGHT CALIBRE TO MAN THE SOCIAL SERVICES BEING PLANNED, TO VISIT THE INSTITUTE. +THEY WILL FIND IT A STIMULATING AND ENCOURAGING EXPERIENCE,+ HE SAID.

REFERRING TO THE DISABILITY AND INFIRMITY ALLOWANCE SCHEME, THE GOVERNOR SAID IT WAS PROVIDING REGULAR ALLOWANCES TO 50,000 ELDERLY AND SEVERELY DISABLED PERSONS 18 MONTHS AFTER ITS INTRODUCTION.

THE RATE OF BENEFIT UNDER THIS SCHEME AND THE PUBLIC ASSISTANCE SCHEME, WAS REVIEWED REGULARLY IN THE LIGHT OF THE COST OF LIVING, AND TWO INCREASES HAD BEEN MADE THIS YEAR BRINGING THE RATES UP TO 62 PER CENT ABOVE THE BASE-RATE OF APRIL 1972.

/+TAKEN .....

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+TAKEN TOGETHER WITH THE FREE OR VERY HEAVILY SUBSIDISED MEDICAL AND HEALTH SERVICES AND EDUCATION, OUR SOCIAL WELFARE SERVICES ARE INTENDED TO ENSURE THAT THE UNFORTUNATE IN OUR CITY ARE PROVIDED FOR UNTIL THEY CAN STAND ON THEIR OWN FEET AGAIN,+ HE SAID, ADDING THAT THE PUBLIC ASSISTANCE SCHEME WAS AN ESSENTIAL PART OF THESE SERVICES.

THE GOVERNOR DID NOT ANTICIPATE ANY DRAMATIC INCREASE IN THE LOAD THAT THE SCHEME WILL HAVE TO CARRY, +BUT ANYONE WHO TAKES A LESS OPTIMISTIC VIEW OF OUR PROSPECTS THAN I DO CAN REST ASSURED THAT THIS SCHEME IS NOW SUFFICIENTLY STRONG AND WELL DEVELOPED TO BE CAPABLE OF EXPANSION AND ADAPTATION TO MEET ANY UNFORESEEN CONTINGENCY.+

THE JOINT PLANNING AND CONSULTATIVE MACHINERY BETWEEN THE GOVERNMENT AND THE VOLUNTARY SECTOR, HE WENT ON, CONTINUED TO WORK SATISFACTORILY.

+IT IS NOW SUPPLEMENTED BY PROCEDURES TO EVALUATE THE EFFECTIVENESS OF THE SERVICES PROVIDED BY SUBVENTED ORGANISATIONS. IT IS HOPED THAT THESE CAN BE EXPANDED DURING THE COMING YEAR, TO IMPROVE BOTH QUALITY AND ORGANISATION,+ HE ADDED.

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EXPERT'S ADVICE SOUGHT ON METHADONE TREATMENT

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ONE OF THE WORLD'S FOREMOST EXPERTS IN METHADONE TREATMENT WILL COME TO HONG KONG TOWARDS THE END OF THE YEAR TO HELP EVALUATE THE TWO PILOT METHADONE SUBSTITUTION PROJECTS NOW UNDERWAY.

THE EXPERT WILL ALSO HELP PLOT THE WAY AHEAD FOR METHADONE THERAPY AND ITS PROPER RELATIONSHIP TO OTHER FORMS OF DRUG TREATMENT IN HONG KONG.

REVEALING THIS TODAY, THE GOVERNOR, SIR MURRAY MACLEHOSE, POINTED OUT THAT THE +RATHER ENCOURAGING+ RESULTS OBTAINED SO FAR FROM THE TWO PILOT PROJECTS +HAVE BEEN CAREFULLY CHECKED AND COMPARED WITH WHAT IS BEING DONE IN OTHER PARTS OF THE WORLD.+

THE PILOT PROJECTS ARE BEING CONDUCTED BY THE MEDICAL AND HEALTH DEPARTMENT AND THE DISCHARGED PRISONERS' AID SOCIETY. BOTH HAVE BEEN OPERATING FOR ALMOST TWO YEARS AND WILL CONTINUE FOR A FURTHER YEAR.

SIR MURRAY STRESSED THAT IN THE FIELD OF DRUG ADDICTION, THE GOVERNMENT'S OBJECTIVE MUST BE +TO COUPLE THE MOST VIGOROUS AND RUTHLESS ATTACK ON THE MEANS OF SUPPLY OF DRUGS, WITH PROVISION OF A MEANS OF TREATMENT THAT CAN BE MADE AVAILABLE EN MASSE TO ADDICTS.+

+NOTHING BUT FRUSTRATION CAN RESULT FROM DENIAL OF THE DRUG WITHOUT OFFERING TREATMENT, OR FROM OFFERING TREATMENT WITHOUT DENYING THE DRUG, OR AT LEAST MAKING IT SO SCARCE AS TO BE PROHIBITIVELY EXPENSIVE,+ HE ADDED.

HE NOTED THAT THERE WAS A GROWING SUCCESS IN THE ATTACK ON THE SUPPLY OF DRUGS THAT RESULTED BOTH FROM IMPROVED METHODS AT HOME AND BETTER LIAISON ABROAD.

BUT SIR MURRAY ADMITTED THAT THE MEANS OF TREATMENT PRESENTED AN EVEN MORE DIFFICULT PROBLEM.

HOWEVER, IF THE TWO METHADONE PILOT PROJECTS WERE JUDGED SUCCESSFUL, THE GOVERNOR SAID, +WE WILL HAVE AT OUR DISPOSAL A THERAPY FOR ADDICTION THAT IS MUCH CHEAPER THAN PRESENT METHODS, NEED NOT INVOLVE INCARCERATION, AND CONSEQUENTLY CAN BE APPLIED EN MASSE AND WITH MINIMUM DISRUPTION OF AN ADDICT'S DAILY LIFE OR EARNING CAPACITY.+

SIR MURRAY CAUTIONED, HOWEVER, THAT THERE WERE MANY PITFALLS IN THIS FIELD.

+BEFORE WE LAUNCH OUT INTO THE PROVISION OF FACILITIES FOR TREATMENT ON THE MASSIVE SCALE THAT WOULD BE NECESSARY TO HAVE REAL IMPACT, WE MUST BE ABSOLUTELY SURE THAT WE WILL BE WORKING ALONG LINES THAT ARE OF PROVED RELIABILITY,+ HE STRESSED.

THE GOVERNOR SAID HE WAS CONSCIOUS OF THE IMPORTANCE ATTACHED TO THIS ISSUE BY THE COUNCIL AND SAID IT WAS A RELIEF TO HAVE ADVICE ON THE COMPLEX MEDICAL, SOCIAL AND POLICE ISSUES OF DRUG ADDICTION NOW CO-ORDINATED AND CENTRALISED THROUGH THE ACTION COMMITTEE AGAINST NARCOTICS UNDER THE VIGOROUS AND DISTINGUISHED CHAIRMANSHIP OF SIR ALBERT RODRIGUES.

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UNREGISTRABLE DOCTORS : GOVERNOR SOUNDS NOTE OF CAUTION

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY WARNED AGAINST UNDER-ESTIMATING THE COMPLEXITY OF SOME OF THE ISSUES INVOLVED IN THE CASE OF THE NON-COMMONWEALTH MEDICAL GRADUATES.

THE SUBJECT HAD AROUSED LIVELY PUBLIC INTEREST, HE NOTED, BUT +WE SHOULD NOT UNDER-ESTIMATE THE COMPLEXITY OF SOME OF THE ISSUES INVOLVED HOWEVER SIMPLY AND FORCEFULLY THEY MAY BE ARGUED BY THEIR PROTAGONISTS.+

HE EMPHASISED: +WHAT WE NEED NOW IS AUTHORITATIVE UNBIASED ADVICE ON WHICH THE COMMUNITY CAN RELY.+ SIR MURRAY WAS CONFIDENT THAT THIS WAS EXACTLY WHAT COULD BE EXPECTED FROM SIR RONALD HOLMES AND HIS WORKING PARTY WHICH IS NOW EXAMINING THE ISSUE.

ON THE MEDICAL WHITE PAPER PUBLISHED IN JULY, SIR MURRAY SAID THE DEVELOPMENT PROGRAMME LAID DOWN IN IT, HAD BEEN PREPARED IN SUCH A WAY AS TO ENABLE THE GOVERNMENT TO GO FORWARD IN AN ORDERLY SERIES OF PROGRESSIVE AND INTER-RELATED STEPS YEAR BY YEAR, WITH EACH STEP COSTED AND GIVEN ITS PRIORITY.

+THE SCALE OF THIS PROGRAMME HAS BEEN BASED ON THE BEST ASSESSMENT NOW POSSIBLE OF THE RESOURCES LIKELY TO BE AVAILABLE. IT WILL BE SUBJECT TO REGULAR REVIEW EACH YEAR STARTING IN 1975,+ HE EXPLAINED.

APART FROM INDICATING WHAT THE GOVERNMENT HOPED TO BE ABLE TO ACHIEVE, HE CONTINUED, THE PLAN ALSO PROVIDES GUIDELINES WITHIN WHICH FLEXIBILITY CAN BE APPLIED ACCORDING TO RATIONAL PRIORITIES IF NECESSARY, AND IF MORE OR LESS RESOURCES ARE AVAILABLE THAN SEEM LIKELY NOW, OR IF THE NEEDS OF THE MEDICAL AND HEALTH SERVICES CHANGE, AS TO SOME EXTENT THEY ARE BOUND TO DO OVER A TEN YEAR PERIOD.

THE GOVERNOR POINTED OUT THE PROPOSALS IN THE WHITE PAPER TOGETHER WITH THE ACCOMPANYING WORK THAT HAD BEEN DONE, PROVIDED A +REALISTIC AND FORWARD LOOKING+ FRAMEWORK WITHIN WHICH CO-ORDINATED PROGRESS HAD BEEN CHARTED OVER THE NEXT DECADE.

HE PAID WARM TRIBUTE TO SIR ALBERT RODRIGUES AND THE MEDICAL DEVELOPMENT ADVISORY COMMITTEE FOR ALL THE WORK THEY PUT IN. HE ALSO THANKED THE PUBLIC AND OTHER PROFESSIONAL BODIES FOR THEIR COMMENTS AND ADVICE.

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GOVERNMENT CONSCIOUS OF THE NEED FOR FAMILY PLANNING

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THE GOVERNMENT HAS AN OPEN MIND ON PROPOSALS FOR FISCAL AND OTHER MEANS TO DISCOURAGE PEOPLE FROM RAISING LARGE FAMILIES, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE OPENING SESSION OF THE LEGISLATIVE COUNCIL TODAY.

HOWEVER, HE FELT THAT SUCH A COURSE SHOULD ONLY BE CONSIDERED AFTER THE RESULTS OF OTHER ACTION TO SECURE OUR ENDS BY EDUCATIONAL AND VOLUNTARY MEANS CAN BE SEEN.

SIR MURRAY SAID THE GOVERNMENT WAS VERY WELL AWARE OF THE SOCIAL AND FINANCIAL IMPLICATIONS OF EXCESSIVE POPULATION GROWTH IN HONG KONG, AND ITS FIRST OBJECTIVE HAD BEEN TO SEE THAT THERE WERE ENOUGH FAMILY PLANNING CLINICS CONVENIENTLY AVAILABLE TO ALL MEMBERS OF THE PUBLIC.

+ONCE WE HAVE REACHED THAT POINT, AND WE ARE GETTING NEAR IT, WE WILL BE IN A POSITION TO CONCENTRATE ON BRINGING HOME TO THE PUBLIC THE BENEFITS TO BE DERIVED FROM USING THESE CLINICS.+

THE INTEGRATION OF FAMILY PLANNING SERVICE INTO THE GOVERNMENT'S MATERNAL AND CHILD HEALTH PROGRAMME, HE SAID, HAD MADE EXCELLENT PROGRESS.

BY THE END OF THE YEAR, FAMILY PLANNING SERVICE WILL BE OFFERED IN 37 GOVERNMENT CLINICS AND 32 CLINICS MANNED BY THE FAMILY PLANNING ASSOCIATION AND THIS COVERAGE WILL BE FURTHER EXTENDED NEXT YEAR.

THE GOVERNOR SAID: +THE WORK OF FAMILY PLANNING IS OBVIOUSLY VITAL IF OUR PLANS FOR IMPROVEMENT IN STANDARDS OF LIFE ARE TO HAVE THE EFFECT INTENDED. SO TOO IS THE LEVEL OF IMMIGRATION.+

HONG KONG'S NET GAIN BY MIGRATION LAST YEAR, HE SAID, WAS BELIEVED TO HAVE BEEN OVER 60,000 OF WHOM THE BULK CAME FROM CHINA EITHER LEGALLY OR ILLEGALLY.

+THOUGH THE NUMBERS HAVE BEEN BROUGHT DOWN SUBSTANTIALLY FROM THE HIGH LEVEL OF SEPTEMBER LAST YEAR, THEY REMAIN TOO HIGH, AND DISCUSSION OF THIS MUTUAL PROBLEM WITH THE CHINESE GOVERNMENT CONTINUES.+

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MORE PLAY FACILITIES FOR THE YOUNG

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GOOD PROGRESS IS BEING MADE IN PROVIDING MORE AND BETTER RECREATIONAL FACILITIES FOR THE PEOPLE OF HONG KONG.

IN HIS OPENING ADDRESS TO THE NEW LEGISLATIVE COUNCIL SESSION TODAY, THE GOVERNOR SIR MURRAY MACLEHOSE NOTED THAT THE COUNCIL FOR RECREATION AND SPORT, SET UP IN NOVEMBER LAST YEAR, HAD ALREADY ACHIEVED SOME SATISFACTORY RESULTS AND WAS FORGING AHEAD WITH BIGGER PROGRAMMES TO CATER TO THE NEEDS OF THE THOUSANDS OF HOLIDAY-MAKERS FLOCKING TO THE COUNTRYSIDE.

SIR MURRAY WELCOMED THIS MOVEMENT AND TO ENCOURAGE IT FUNDS HAD BEEN CHANNELLED INTO THE OUTWARD BOUND SCHOOL TO EXPAND IT SO THAT MORE LEADERS FROM CITY DISTRICTS COULD BE TAUGHT HOW THE COUNTRYSIDE COULD BEST BE ENJOYED.

FUNDS HAD ALSO BEEN PROVIDED THROUGH THE COUNCIL FOR THE EXPANSION OF ACTIVITIES IN VARIOUS STANDING CAMPS, OR THE CONSTRUCTION OF NEW ONES, THAT WILL RESULT IN SUPERVISED WEEKENDS IN THE COUNTRY FOR AT LEAST 15,000 MORE YOUNG PEOPLE NEXT YEAR.

+IN ADDITION, PLANS OF THE DEPARTMENT OF AGRICULTURE AND FISHERIES FOR PROVIDING COUNTRYSIDE AMENITIES ARE NOW BEGINNING TO MAKE REAL PROGRESS,+ HE ADDED, NOTING THAT 30 MORE PICNIC SITES WOULD BE COMPLETED IN THE COMING YEAR IN ADDITION TO THE 60 SITES COMPLETED LAST YEAR TOGETHER WITH FIVE MILES OF PATH.

+IF I MIGHT SAY SO,+ THE GOVERNOR SAID +THEY HAVE BEEN BUILT AND EQUIPPED WITH NOTABLE IMAGINATION AND GOOD TASTE.+

SIR MURRAY ALSO WELCOMED THE FORMATION OF THE YOUTH HOSTELS ASSOCIATION IN HONG KONG, AND SAID THAT THE GOVERNMENT WAS GIVING EVERY ASSISTANCE POSSIBLE IN THE PROVISION OF SITES FOR HOSTELS.

THE GOVERNOR SAID THE COUNCIL HAD DONE MUCH AD HOC WORK, GREATLY HELPED BY GENEROUS PRIVATE DONATIONS. AS AN EXAMPLE HE POINTED OUT THAT IN THE URBAN AREAS AND THE NEW TERRITORIES SOME 190 CONCRETE PING PONG TABLES, VOLLEY BALL AND BASKETBALL PITCHES HAD BEEN ORDERED OR WERE IN THE PROCESS OF CONSTRUCTION, ALONG WITH A CONSIDERABLE VOLUME OF EQUIPMENT.

MORE RECENTLY, A PILOT SCHEME FOR FIVE CITY DISTRICTS AND FOR YUEN LONG CAME INTO OPERATION. THE SCHEME AIMS AT ENCOURAGING AND ADVISING ON HOW TO MAXIMISE RECREATIONAL FACILITIES IN EACH DISTRICT AND AT ENCOURAGING THE USE OF THE COUNTRYSIDE BY PEOPLE OF THE CITY.

/SIR MURRAY .....

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SIR MURRAY NOTED, HOWEVER, THAT THE HEAVIER USE OF THE COUNTRYSIDE WOULD BRING PROBLEMS OF CONSERVATION AND HE EMPHASISED THE NEED FOR SYSTEMATIC EDUCATION OF ALL CONCERNED ABOUT HOW TO PRESERVE THE MOUNTAINS AND THE BEACHES THEY VISIT.

AS A PRECAUTION, ADDITIONAL LITTER AND CLEANSING GANGS HAD ALREADY BEEN FORMED BY THE AGRICULTURE AND FISHERIES DEPARTMENT AND THE URBAN SERVICES DEPARTMENT. MORE FIRE FIGHTING CREWS HAD ALSO BEEN SET UP AND CIVIL AID SERVICES WERE NOW TRAINING TO PROVIDE ADDITIONAL FIRE FIGHTING COVERAGE IN THE COUNTRYSIDE THIS WINTER.

+WHILE THESE SERVICES ARE STEADILY IMPROVING THE CLEANLINESS AND REDUCING THE FIRE HAZARDS IN THE MAIN POINTS AT WHICH VISITORS CONGREGATE, THERE REMAINS THE LITTER AND THE BUSH FIRES LEFT BY THE THOUGHTLESS AND THE CARELESS WHO ROAM FURTHER AFIELD,+ SIR MURRAY SAID.

HE APPRECIATED THE EFFORTS OF THE REGULAR HIKING AND PICNICKING CLUBS AND OTHERS WHO ARE NOW ACTING AS SCAVENGERS FOR THE IGNORANT AND CARELESS, BUT STRESSED THAT EVERYONE MUST PLAY HIS PART IN PRESERVING HONG KONG'S NATURAL BEAUTY.

WHILE HE EMPHASISED THE EXPANDING USES OF THE COUNTRYSIDE, THE GOVERNOR SAID THEY COULD ONLY SUPPLEMENT THE FACILITIES PROVIDED IN URBAN AREAS. +THE EFFORTS OF THE URBAN COUNCIL, THE EDUCATION DEPARTMENT AND THE MANY VOLUNTARY AGENCIES CONCERNED ARE THEREFORE VITAL,+ HE STRESSED.

SIR MURRAY NOTED THAT THE URBAN COUNCIL HAD CONTINUED TO MAKE RAPID PROGRESS, COMPLETING LAST YEAR 36 NEW PUBLIC GARDENS, 20 CHILDREN'S PLAYGROUNDS AND 26 COURTS FOR BASKETBALL OR VOLLEY BALL, AND A FURTHER SWIMMING COMPLEX IN KENNEDY TOWN. +THESE COMPLEXES ARE WELL TAILORED TO THE REQUIREMENTS OF HONG KONG, AND COMPARE FAVOURABLY WITH ANYTHING PROVIDED ELSEWHERE IN THE WORLD,+ SIR MURRAY SAID.

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COMBINED EFFORT NEEDED TO FIGHT CRIME

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IMPROVED RELATIONS BETWEEN THE POLICE AND THE PUBLIC AND THE GOOD SPIRIT OF THE YOUNG PEOPLE OF HONG KONG WHO WANTED TO PLAY AN ACTIVE PART IN THE PROTECTION OF THE COMMUNITY WERE THE PRIME REASONS FOR A BREAKTHROUGH IN POLICE RECRUITING, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE OPENING SESSION OF THE LEGISLATIVE COUNCIL TO-DAY.

THERE HAD ALSO BEEN A LEVELLING OFF IN THE INCREASE IN SERIOUS CRIME, BUT HE WARNED THAT ALTHOUGH HEART COULD BE TAKEN FROM THIS FIRST RAY OF HOPE, THERE WAS NO ROOM FOR SELF-CONGRATULATION UNTIL A SIGNIFICANT AND SUSTAINED DECREASE IN SERIOUS CRIME HAD BEEN ACHIEVED.

SIR MURRAY SAID THAT IN THE PAST YEAR THERE HAD BEEN A THREE-WAY THRUST IN THE FIGHT TO MASTER CRIME.

FIRST WAS THE RECRUITMENT, TRAINING AND SENSIBLE DEPLOYMENT OF MORE POLICEMEN= SECOND THE IMPROVEMENT OF POLICE TECHNIQUES, PROCEDURES AND ORGANISATION= AND THIRD THE MOVES TO MOBILISE THE PEOPLE TO ASSIST EACH OTHER AND THE POLICE.

+WITH A SUCCESSFUL COMBINATION OF ALL THESE THINGS WE SHOULD HAVE A LARGER AND MORE EFFICIENT POLICE FORCE TACKLING CRIME IN CIRCUMSTANCES WHICH WOULD BE MUCH MORE DIFFICULT FOR THE CRIMINAL,+ HE SAID.

+NEITHER THE POLICE ALONE NOR THE PUBLIC ALONE CAN TURN BACK THIS TIDE, BUT ACTING TOGETHER AS A UNITED COMMUNITY I BELIEVE WE CAN.+

SPEAKING OF RECRUITMENT, THE GOVERNOR SAID THIS AT LAST WAS PROCEEDING AT A SATISFACTORY RATE AND WITH A NEW INTAKE OF HIGH QUALITY. THE NET INCREASE THIS YEAR WAS LIKELY TO BE AT LEAST 1,500 AS AGAINST 300 LAST YEAR.

CIVILIANISATION, INCLUDING THE INSTALLATION OF TRAFFIC WARDENS, SHOULD FREE ABOUT 300 UNIFORMED MEN AND WOMEN FROM ROUTINE WORK BY THE END OF THIS YEAR.

AS A RESULT OF THE MAGNIFICENT RESPONSE TO THE APPEAL FOR AUXILIARIES ABOUT 1,900 WERE TURNING OUT FOR DUTY EVERY DAY.

THE EFFECTIVE PROFESSIONAL AND VOLUNTEER STRENGTH AVAILABLE FOR DEPLOYMENT EACH DAY, THEREFORE, SHOULD HAVE INCREASED BY SOMETHING LIKE 2,500. THIS WAS A LARGE STEP IN THE RIGHT DIRECTION, AND HE HOPED THAT ANOTHER EQUALLY BIG ONE WOULD BE TAKEN IN 1975.

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CONTAINED EFFORT NEEDED TO FIGHT CRIME

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THE CHANGED RELATIONSHIP WITH THE PUBLIC HAD RESULTED IN THE CREATION OF 1,500 MUTUAL AID COMMITTEES WITH THE ACCOMPANYING SUPERSTRUCTURE OF AREA COMMITTEES. SOME WERE MORE EFFECTIVE THAN OTHERS BUT, BY AND LARGE, THEY ALREADY COVERED A SIGNIFICANT PART OF THE POPULATION.

+THEY HAVE DONE MUCH TO DISCOURAGE CRIME IN THEIR OWN AREAS, CONSTITUTE A NEW DETERRENT TO CRIMINALS AND ARE VERY WELCOME TO POLICE AND PUBLIC ALIKE,+ HE SAID.

SIR MURRAY WAS ENCOURAGED BY THE SUCCESS OF THE NEW METHODS AND ATTITUDES WHICH HAD BEEN ADOPTED. THERE WAS A HEALTHY NEW GROWTH, FIRSTLY AMONG THE PEOPLE AS A MEANS OF KNOWING EACH OTHER AND, SECONDLY, IN THEIR RELATIONSHIP WITH THE PUBLIC SERVICE, PARTICULARLY THE POLICE.

A NEW PATH COULD BE SEEN OPENING UP AND HE WAS SURE EVERYONE WOULD TAKE IT WITH CONFIDENCE AND PERSEVERANCE.

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MORE PRISONS BEING PLANNED TO EASE OVERCROWDING  
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PLANS ARE IN HAND FOR THE ESTABLISHMENT OF MORE PRISON INSTITUTIONS AND THE REBUILDING OF STANLEY PRISON TO COPE WITH THE RISING PRISON POPULATION, THE GOVERNOR, SIR MURRAY MACLEHOSE, TOLD THE NEW SESSION OF THE LEGISLATIVE COUNCIL TODAY.

HE SAID TWO NEW INSTITUTIONS AT PIK UK IN THE NEW TERRITORIES WOULD BE COMPLETED WITHIN THE NEXT FEW MONTHS AND THEY WOULD HELP TO EASE OVERCROWDING IN EXISTING PRISONS.

ALTHOUGH OTHER PROJECTS, INCLUDING A NEW MAXIMUM SECURITY PRISON, WOULD EVENTUALLY ACCOMMODATE ABOUT 3,000 OFFENDERS, IT WOULD BE SOME TIME BEFORE THESE ARE COMPLETED, HE SAID.

+WE ARE THEREFORE LOOKING FOR OTHER TEMPORARY ACCOMMODATION WHICH COULD BE USED TO SOLVE THE IMMEDIATE PROBLEM OF OVERCROWDING, WITH ITS ATTENDANT RISK OF DISORDER.+

THE GOVERNOR ATTRIBUTED THE MARKED INCREASE IN THE PRISON POPULATION TO INCREASED CRIME, MORE VIGOROUS MEASURES TO COMBAT IT, MORE PRECAUTIONS AND THE LONGER SENTENCE BEING IMPOSED.

HE POINTED OUT THAT THE TOTAL NUMBER OF INMATES IN ALL TYPES OF INSTITUTIONS UP TO THE END OF LAST MONTH WAS ABOUT 7,600 AS COMPARED WITH 6,400 THE SAME TIME LAST YEAR.

REFERRING TO THE DETENTION CENTRES, SIR MURRAY SAID THEY HAD NOW COMPLETED THEIR FIRST TWO YEARS AND THE SYSTEM WAS BEING EVALUATED.

+THE PRELIMINARY CONCLUSION IS THAT THEY HAVE BEEN SUCCESSFUL AND REPAID THE IMMENSE AMOUNT OF CARE AND EFFORT PUT INTO THEM BY THE PRISONS DEPARTMENT. SO FAR, ONLY ABOUT 10 PER CENT OF THOSE WHO HAVE PASSED THROUGH THEM HAVE BEEN RECONVICTED.

+WE CAN BE SATISFIED THAT OUR PRISONS DEPARTMENT IS MAKING CONSTRUCTIVE AND REASONABLY SUCCESSFUL PROGRESS IN THEIR PROBLEM OF DEALING WITH THE YOUNG OFFENDER WHO IS NOT YET A HARDENED CRIMINAL,+ HE SAID.

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ICAC GAINING STRONGER PUBLIC SUPPORT

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THE PUBLIC HAS RESPONDED WELL TO THE INDEPENDENT COMMISSION AGAINST CORRUPTION WITH REPORTS MADE TO IT RISING BY SOME 300 PER CENT AS COMPARED WITH A SIMILAR PERIOD LAST YEAR.

THE TREND WAS WELCOMED BY THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY WHEN HE REAFFIRMED THE GOVERNMENT'S DETERMINATION TO ROOT OUT CORRUPTION IN HONG KONG.

HE STRESSED, HOWEVER, THAT THERE COULD BE NO REAL VICTORY IN DEALING WITH THE PROBLEM UNLESS THERE ARE CHANGES OF ATTITUDE THROUGHOUT THE COMMUNITY GENERALLY. +THOUGH THIS WILL TAKE TIME, WE ARE TOTALLY COMMITTED,+ HE SAID.

REVIEWING THE WORK OF THE ICAC IN HIS OPENING ADDRESS TO THE LEGISLATIVE COUNCIL, THE GOVERNOR NOTED THAT THE OPERATIONS DEPARTMENT OF THE COMMISSION -- ITS INVESTIGATORY ARM -- HAD MADE A CONSIDERABLE IMPACT.

+ABOUT 80 PROSECUTIONS FOR CORRUPTION AND KINDRED OFFENCES HAVE BEEN LAUNCHED AGAINST A WIDE VARIETY OF GOVERNMENT SERVANTS AND MEMBERS OF THE PUBLIC, AND THIS IS DOUBLE WHAT WAS DONE IN THE SAME PERIOD LAST YEAR,+ HE SAID.

IN CONSIDERING THIS PERIOD, THE GOVERNOR WENT ON, IT WAS NECESSARY TO REMEMBER THAT SOME 80 PER CENT OF THE OPERATIONS DEPARTMENT HAD A CIVILIAN BACKGROUND.

+INEVITABLY, THIS HAS MEANT A TREMENDOUS EFFORT IN TERMS OF TRAINING STAFF IN THEIR ENTIRELY NEW ROLE,+ HE SAID. +THESE ENTHUSIASTIC NEWCOMERS ARE AN IMPRESSIVE, WELL-EDUCATED GROUP DIRECTED BY EXPERIENCED INVESTIGATORS, AND UNDER THE OVERALL DIRECTION OF MR. JOHN PRENDERGAST, ONE OF THE MOST SUCCESSFUL POLICEMEN IN THE COMMONWEALTH.+

SIR MURRAY FELT THAT BUILDING UP THE INITIAL MOMENTUM OF THE FIGHT AGAINST CORRUPTION WOULD DEPEND LARGELY ON THE SUCCESS OF THE OPERATIONS DEPARTMENT.

+IT IS INESCAPABLE THAT TO MAKE PROGRESS, TO DETER THE CORRUPT AND TO SECURE PUBLIC CONFIDENCE, A SATISFACTORY VOLUME OF DETECTION AND PUNISHMENT IS ESSENTIAL,+ HE NOTED.

BUT, HE WENT ON, ONCE IT HAD BECOME APPARENT TO THE CORRUPT AND TO THE PUBLIC THAT CORRUPTION DID NOT PAY, THE CORRUPTION PREVENTION AND COMMUNITY RELATIONS SIDES OF THE COMMISSION WOULD BE ABLE TO PLAY VITALLY IMPORTANT PARTS. THESE TWO DEPARTMENTS ARE NOW BEING SET UP AND WILL SOON BE AT WORK.

HE SAID, +AS SOON AS THIS STAFF ARE IN POSITION, TWO ADVISORY COMMITTEES ON CORRUPTION PREVENTION AND COMMUNITY RELATIONS WILL BE ESTABLISHED, TOGETHER WITH A SMALL HIGH-POWERED SUPERVISORY COMMITTEE TO ADVISE THE COMMISSIONER AND MYSELF ON MAJOR POLICY ASPECTS OF THE COMMISSION'S WORK.+

SIR MURRAY ASSURED THE COMMISSION OF THE GOVERNMENT'S TOTAL SUPPORT, BUT SAID THAT IN THE LONG RUN, ITS BEST ALLY WOULD BE +THE GOOD SENSE OF THE PEOPLE OF HONG KONG AND THE SINCERITY OF THEIR DEMAND THAT THE TIME FOR NEW STANDARDS HAS COME.+

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M.T.R. PROJECT SHOULD CONTINUE IF PRICE IS RIGHT, GOVERNOR SAYS  
TRANSPORT WHITE PAPER TO BE DRAFTED EARLY NEXT YEAR

\* \* \* \* \*

THE GOVERNMENT STILL BELIEVES THAT THE MASS TRANSIT RAILWAY SYSTEM SHOULD GO AHEAD +PROVIDED AGREEMENT CAN BE REACHED ON THE BASIS OF THE SPECIFIED PRICE AT WHICH THE RAILWAY IS CALCULATED TO BE COMMERCIALY VIABLE,+ THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID TODAY.

NOTING THE RECENT EXPRESSIONS OF DOUBT REGARDING THE WISDOM OF CONTINUING THE PROJECT IN PRESENT CIRCUMSTANCES, SIR MURRAY SAID: +I WOULD HAVE THOUGHT IT APPARENT THAT WHAT WAS JUDGED AN ACCEPTABLE PROPOSITION A YEAR AGO, AT THE SAME PRICE IS AN ACCEPTABLE PROPOSITION NOW.

+THERE IS A TIDE OF SUCH AFFAIRS, AND IF WE MISS THIS ONE IT WILL BE SOME YEARS BEFORE WE COULD FLOAT THE PROJECT AGAIN. MOREOVER, WE HAVE EVERY RIGHT TO HAVE CONFIDENCE IN OUR FUTURE.

+THE PROJECT IS STILL JUDGED TO BE WITHIN OUR RESOURCES. THE FINANCIAL SECRETARY AND HIS TEAM HAVE PUT AN IMMENSE AMOUNT OF WORK INTO THE INTRICATE AND TECHNICAL WORK OF NEGOTIATING THE CONTRACT, AND PROVIDED THEY CAN DO SO AT THE SPECIFIED PRICE, I AM SURE WE SHOULD ALL HEARTILY WISH THEM SUCCESS.+

SIR MURRAY ANNOUNCED THAT A TRANSPORT WHITE PAPER WHICH WILL GIVE FIRM INDICATIONS AS TO HOW THE GOVERNMENT INTENDS TO COPE WITH HONG KONG'S TRANSPORT NEEDS OVER THE YEARS AHEAD WILL BE PREPARED NEXT YEAR.

A COMPREHENSIVE TRANSPORT STUDY, IN WHICH THE NATURE OF THE PROBLEM WILL BE QUANTIFIED ON THE BASIS OF DATA FROM WIDE RANGING SURVEYS IS NOW IN ITS FINAL STAGES AND IS EXPECTED TO PRODUCE RESULTS FOR POLICY GUIDANCE EARLY NEXT YEAR.

THESE RESULTS, TOGETHER WITH THE PUBLIC'S REACTIONS TO THE GREEN PAPER ON TRANSPORT, PUBLISHED LAST JUNE, WILL PROVIDE MATERIAL FOR THE PREPARATION OF THE WHITE PAPER, SIR MURRAY SAID.

REFERRING TO THE BUS COMPANIES, THE GOVERNOR HOPED THAT FINAL AGREEMENT COULD BE REACHED BETWEEN THE GOVERNMENT AND THE TWO BUS COMPANIES UNDER WHICH NEW FRANCHISES COULD BE GRANTED FOR COMMENCEMENT NEXT FEBRUARY.

+AN ESSENTIAL ELEMENT IN THESE WOULD HAVE TO BE DIRECT GOVERNMENT PARTICIPATION IN THE DIRECTION OF THE COMPANIES' AFFAIRS THROUGH REPRESENTATION ON THEIR BOARDS OF DIRECTORS,+ HE SAID.

/DETAILED DISCUSSIONS .....

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DETAILED DISCUSSIONS OVER THE PAST MONTHS HAD ALREADY PRODUCED AGREEMENT ON DETAILED SCHEDULES OF SERVICES, ROUTE-BY-ROUTE FOR 1975/76 TOGETHER WITH THE NUMBERS OF BUSES TO BE PROVIDED TO ACHIEVE ACCEPTABLE FREQUENCIES, HE CONTINUED, AND PLANS FOR BUS CAPACITY LOOKING AHEAD TO THE YEAR 1980 HAVE ALSO BEEN AGREED, ON REASONABLE ASSUMPTIONS ABOUT THE DEMAND FOR BUS TRAVEL OVER THIS PERIOD.

TURNING TO THE KOWLOON-CANTON RAILWAY, THE GOVERNOR SAID NEW PASSENGER ROLLING STOCK HAD BEEN DELIVERED AND DOUBLE TRACKING BETWEEN HUNG HOM AND SHA TIN WOULD BEGIN SHORTLY.

+A REVIEW OF THE FUTURE DEVELOPMENT OF THE RAILWAY HAS BEEN UNDERTAKEN, AND I HOPE THAT THESE IMPROVEMENTS I HAVE REFERRED TO WILL PROVE TO BE ONLY THE FIRST STEPS IN ESTABLISHING IT ON THE ONE HAND AS A MODERN SUBURBAN RAILWAY, LINKING URBAN KOWLOON WITH THE NEW TERRITORIES, AND ON THE OTHER AS AN IMPROVED COMMUNICATION LINK WITH CHINA FOR FREIGHT AND PASSENGERS ALIKE.+

ON HONG KONG'S ROADS, SIR MURRAY SAID THERE HAD BEEN A SHARP INCREASE THIS YEAR IN EXPENDITURE ON NEW ROADS, AND THE INTENTION WAS TO SPEND AN AVERAGE OF \$350 MILLION (AT 1974 PRICES) ON ROADS IN EACH OF THE NEXT FOUR FINANCIAL YEARS, COMPARED WITH AN AVERAGE OF LESS THAN \$130 MILLION DURING THE THREE PRECEDING YEARS.

+ALL THESE DEVELOPMENTS, INDICATE THAT YOUR GOVERNMENT IS PUTTING A GREAT DEAL OF EFFORT AND PRIORITY INTO MEASURES TO COPE WITH HONG KONG'S GROWING TRANSPORT NEEDS, AND THAT THIS EFFORT WILL BE CONTINUED AND INTENSIFIED IN THE YEARS TO COME,+ HE SAID.

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INDUSTRIAL ESTATES PLANNED

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THE GOVERNMENT INTENDS TO SET UP INDUSTRIAL ESTATES IN HONG KONG TO HELP MEET THE RISING DEMAND FOR MORE LAND FOR INDUSTRY IN THE IMMEDIATE FUTURE.

DISCLOSING THIS TODAY, THE GOVERNOR, SIR MURRAY MACLEHOSE, SAID A FEASIBILITY STUDY FOR SUCH A VENTURE IN JUNK BAY HAD BEEN COMMISSIONED AND SIMILAR STUDIES WERE ALREADY FAR ADVANCED FOR MUCH EASIER SITES AT TAIPO AND YUEN LONG.

+THESE PROJECTS,+ HE TOLD COUNCIL, +WILL BE GIVEN HIGH PRIORITY.+

SIR MURRAY ALSO REVEALED THAT THE AMOUNT OF LAND PLANNED FOR ORDINARY INDUSTRIAL DEVELOPMENT IN THE NEW TOWNS WAS ALSO BEING RECONSIDERED.

+I THINK IT ESSENTIAL,+ HE SAID, +THAT IN THIS PERIOD WHEN THERE IS SLACK IN THE CONSTRUCTION AND ENGINEERING INDUSTRY WE SHOULD PRESS ON WITH WORK THAT WILL MAKE HONG KONG A MORE ATTRACTIVE PLACE FOR INVESTMENT WHEN THE UP-TURN IN THE FINANCIAL CLIMATE OF THE WORLD COMES AGAIN, AS COME IT WILL.+

THE GOVERNOR BELIEVED THAT IN THE LONG TERM THE EVENTUAL ANSWER TO PROVIDE MORE LAND FOR INDUSTRY, WAS TO EXPAND THE HARBOUR WESTWARDS BY DEVELOPING THE NORTH SHORE OF LANTAU ISLAND FOR INDUSTRY BY MEANS OF A BRIDGE FROM THE MAINLAND.

+BUT THOUGH PLANNING FOR THIS IS NOW ESSENTIAL, IT IS A VERY LARGE PROJECT AND IN THE NATURE OF THINGS ITS IMPACT COULD NOT BE FELT BEFORE THE 1980S.+

ON BUILDING DEVELOPMENT, SIR MURRAY RECOGNISED THE GOVERNMENT'S OBLIGATION TO ENSURE THAT NEW BUILDING CONFORMED WITH PLANNING, SAFETY AND OTHER REQUIREMENTS.

+BUT AT THIS TIME IT IS MORE THAN EVER NECESSARY THAT THESE CHECKS SHOULD NOT AVOIDABLY HOLD UP THE PUTTING IN HAND OF NEW WORK. I HAVE THEREFORE DIRECTED THAT FURTHER EFFORTS SHOULD BE MADE TO STREAMLINE PROCEDURES TO ENSURE SWIFTER TRANSACTION OF BUSINESS ABOUT LAND AND BUILDINGS.

+I AM PARTICULARLY CONCERNED THAT PROJECTS WHICH ARE KNOWN TO HAVE READY SOURCES OF FINANCE AT THIS TIME AND WHOSE BACKERS ARE READY AND ANXIOUS TO PROCEED SHOULD BE SUBJECTED TO THE MINIMUM OF DELAY, AND I THINK THAT IF NECESSARY SPECIAL PROCEDURES TO ENSURE THIS MUST BE ADOPTED FOR THE TIME BEING,+ HE ADDED.

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TRAFFIC ARRANGEMENTS IN KOWLOON

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MOTORISTS ARE ADVISED TODAY THAT THE EXISTING TEMPORARY U-TURN UNDER THE PRINCESS MARGARET ROAD FLYOVER AT WATERLOO ROAD, KOWLOON, WILL BE CLOSED FROM 10 AM ON FRIDAY TO FACILITATE THE CONSTRUCTION OF A PERMANENT U-TURN THERE.

SOUTHBOUND TRAFFIC IN WATERLOO ROAD WISHING TO RETURN NORTHBOUND WILL HAVE TO TURN RIGHT INTO ARGYLE STREET, MAKE USE OF THE U-TURN IN FRONT OF THE CHINA LIGHT AND POWER CO. OFFICES AND CONTINUE ON THE SLIP ROAD INTO WATERLOO ROAD NORTHBOUND.

WORK ON THE CONSTRUCTION OF THE PERMANENT U-TURN AT WATERLOO ROAD IS EXPECTED TO BE COMPLETED WITHIN FIVE WEEKS.

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CONSUMER COUNCIL ACHIEVES BASIC AIM

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY COMMENDED THE CONSUMER COUNCIL AND SAID IT HAD SUCCESSFULLY ACHIEVED ITS PURPOSE OF REASSURING THE PUBLIC THAT WHERE PRICES WERE HIGH DUE TO UNREASONABLE MANIPULATION OR MARK-UP IN HONG KONG ITSELF, SOMETHING COULD BE DONE ABOUT IT.

WHILE MUCH OF THE COUNCIL'S MEMBERSHIP WAS NEW TO THE WORKING OF PUBLIC ADVISORY BODIES, IT WAS REPRESENTATIVE OF SECTIONS OF THE COMMUNITY ON WHICH THE RISE IN PRICES WAS PRESSING PARTICULARLY HARD, HE NOTED.

THE COUNCIL, HE ADDED, ALSO ACHIEVED ITS SIGNIFICANT AND CONTINUING INFLUENCE THROUGH THE QUICK AND IMPARTIAL INVESTIGATION OF FACTS ON THE ONE HAND, AND THE USE OF PERSUASION AND PUBLIC OPINION ON THE OTHER.

+SURELY WE SHOULD PROCEED IN THIS QUICK AND INFORMAL WAY WHENEVER WE APPROPRIATELY CAN, RATHER THAN ALWAYS RELY ON THE PANOPLY AND PROCEDURES OF LEGISLATION, POLICE INVESTIGATION AND THE LAW COURTS. IT IS SO MUCH BETTER TO PERSUADE THAN TO PUNISH,+ HE SAID.

THE GOVERNOR ALSO EXPRESSED HIS GRATITUDE TO SIR YUET-KEUNG KAN FOR HIS ABLE AND IMAGINATIVE CHAIRMANSHIP OF THE CONSUMER COUNCIL.

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HELPING KEEP TRIADS OUT OF SCHOOLS

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THE TAI HANG TUNG COMMUNITY CENTRE OF THE SOCIAL WELFARE DEPARTMENT HAS ORGANISED A SEMINAR FOR SCHOOL PRINCIPALS AND TEACHERS TO DISCUSS WAYS OF PREVENTING TRIAD SOCIETY INFLUENCE FROM PENETRATING SCHOOLS.

CO-OPERATING IN THE PROJECT IS THE WEST KOWLOON YOUTH GUIDANCE COUNCIL.

THE SEMINAR WILL BE HELD AT THE COMMUNITY CENTRE IN TONG YAM STREET, TAI HANG TUNG, AT 3 P.M. TOMORROW (THURSDAY) AND ABOUT 30 REPRESENTATIVES FROM PRIMARY AND SECONDARY SCHOOLS IN THE AREA WILL ATTEND.

PRINCIPAL SPEAKER WILL BE MR. CHAN PO KWONG, THE POLICE COMMUNITY RELATIONS OFFICER OF SHAM SHUI PO DIVISION.

THE FORUM WILL DISCUSS MEASURES TO KEEP TRIAD SOCIETY INFLUENCE OUT OF SCHOOLS AND ACTION THAT CAN BE TAKEN WHEN CHILDREN ARE THREATENED INSIDE OR OUT OF SCHOOL.

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WATER SITUATION REPORT

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THE TOTAL WATER STORAGE IN ALL RESERVOIRS AS AT 9 AM TODAY (WEDNESDAY) STOOD AT 32,754 MILLION GALLONS, REPRESENTING 48.7 PER CENT OF THE FULL CAPACITY OF 67,300 MILLION GALLONS. AT THIS TIME LAST YEAR THERE WERE 63,459 MILLION GALLONS IN STORE.

THIS MORNING'S STORAGE AT PLOVER COVE WAS 24,998 MILLION GALLONS, COMPARED WITH 48,871 MILLION GALLONS ON THE SAME DAY LAST YEAR. PLOVER COVE'S PRESENT STORAGE REPRESENTS 49.5 PER CENT OF ITS FULL CAPACITY OF 50,500 MILLION GALLONS.

A TRACE OF RAINFALL WAS RECORDED AT THE ROYAL OBSERVATORY DURING THE PAST 24 HOURS ENDING AT 9 AM TODAY. TOTAL RAINFALL RECORDED SO FAR THIS YEAR IS 1,395.7 MM (54.95 IN).

THE MEAN AVERAGE RAINFALL SINCE JANUARY 1 STANDS AT 2,063.2 MM (81.23 IN), REPRESENTING A SHORTFALL OF 32.4 PER CENT.

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JOINT GRADUATION CEREMONY AT CITY HALL FOR PUPILS OF  
FISHERMEN'S SCHOOLS

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ONE THOUSAND CHILDREN AND 150 TEACHERS FROM 14 SCHOOLS OPERATED BY THE FISH MARKETING ORGANIZATION WILL ATTEND A JOINT GRADUATION CEREMONY IN THE CONCERT HALL OF THE CITY HALL AT 11.30 AM ON FRIDAY (OCTOBER 18).

MR. JAMES M.H. WU, LEGISLATIVE COUNCILLOR, WILL PRESENT CERTIFICATES TO GRADUATES FROM PRIMARY 6 CLASSES, AND TO FORM 3 STUDENTS OF THE F.M.O.'S SECONDARY PRACTICAL SCHOOL AT ABERDEEN.

PRIZES TO PUPILS FOR +EXCELLENT APPLICATION+ WILL BE PRESENTED BY MRS. WU.

THIS IS THE FIFTH TIME THAT THE F.M.O. HAS BROUGHT TOGETHER PUPILS FROM ALL ITS WIDELY SCATTERED DISTRICT SCHOOLS TO ATTEND A SINGLE JOINT GRADUATION CEREMONY.

FOLLOWING THE SPEECHES AND PRESENTATIONS, THERE WILL BE FOLK DANCES AND OTHER MUSICAL PERFORMANCES BY PUPILS OF F.M.O. SCHOOLS.

THE CEREMONY WILL CONCLUDE WITH +DIM SUM+ AND TEA BEING SERVED IN THE +GARDEN RESTAURANT+ OF THE CITY HALL.

NOTE TO EDITORS:

THE PRESS, RADIO AND TV SERVICES ARE CORDIALLY INVITED TO COVER THIS EVENT. SEATS WILL BE RESERVED FOR REPORTERS AND PHOTOGRAPHERS. A FULL LIST OF THE NAMES OF THE GRADUATES AND PRIZE WINNERS WILL BE DISTRIBUTED ON THAT DAY. ALL GUESTS ARE REQUESTED TO TAKE THEIR SEATS BY 11.15 AM.

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CROWN LAND AUCTION

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ONE OF THE THREE LOTS OF CROWN LAND SCHEDULED FOR AUCTION ON FRIDAY (OCTOBER 18) HAS BEEN WITHDRAWN.

SITUATED OFF TIN HAU TEMPLE ROAD ON HONG KONG ISLAND, IT MEASURES 48,000 SQUARE FEET.

THE SALE OF THE REMAINING TWO LOTS, ONE FOR PRIVATE RESIDENTIAL DEVELOPMENT AND THE OTHER FOR INDUSTRIAL OR GODOWN PURPOSES, WILL BE HELD IN THE LECTURE ROOM, CITY HALL, ON FRIDAY AT 2.30 P.M. AS SCHEDULED.

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LONG SERVICE BADGES FOR POSTMEN

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ONE HUNDRED POSTMEN, WHO HAVE EACH SERVED THE POST OFFICE FOR OVER 20 YEARS, WILL BE PRESENTED WITH LONG SERVICE BADGES IN TWO SEPARATE CEREMONIES TOMORROW (THURSDAY).

IN THE GENERAL POST OFFICE, PEDDER STREET, THE ACTING CONTROLLER OF POSTS (HONG KONG ISLAND), MR. LO KAI-KON, WILL PRESENT THE BADGES TO 65 POSTMEN WHO HAVE TOGETHER RENDERED OVER 1,300 YEARS OF SERVICE TO THE POST OFFICE.

IN THE KOWLOON CENTRAL POST OFFICE, NATHAN ROAD, SENIOR CONTROLLER OF POSTS (KOWLOON AND NEW TERRITORIES), MR. TAM SHU-KEE, WILL PRESENT THE BADGES TO 35 POSTMEN WITH A TOTAL OF 700 YEARS OF SERVICE.

THE CEREMONY ON HONG KONG ISLAND WILL START AT 4.15 P.M. AND THE ONE IN KOWLOON AT 4.30 P.M.

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NOTE TO EDITORS: YOU ARE INVITED TO HAVE THE CEREMONIES COVERED. THE PRESENTATIONS WILL BE HELD AT THE SORTING OFFICES OF THE TWO POST OFFICES.

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WEDNESDAY, OCTOBER 16, 1974.

CONSUMER ADVISORY SERVICE

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THE FOLLOWING PRICES WERE REALISED TODAY (WEDNESDAY)  
AT SALE UNDER THE RICE CONTROL SCHEME AND AT THE VEGETABLE  
MARKETING ORGANISATION WHOLESALE MARKET AND THE FISH MARKETING  
ORGANISATION WHOLESALE MARKET AT CHEUNG SHA WAN, KOWLOON:

SUPPLIES AND WHOLESALE PRICES OF RICE

<u>GRADE OF RICE</u>	<u>AVAILABILITY OF SUPPLY</u>	<u>WHOLESALE PRICE (\$/CATTY) AVERAGE</u>
<u>CHINA RICE</u>		
SEE MEW	GOOD	2.02
S.C.JIEN	GOOD	1.86
PO NGAI	GOOD	-
CHU CHO	GOOD	-
<u>THAI RICE</u>		
100% WHOLE	GOOD	1.82
10-15% BROKENS	GOOD	1.75
A1 SUPER EXTRA	GOOD	1.70
A1 SUPER	GOOD	1.25
WHOLE GLUTINOUS	GOOD	1.75
<u>U.S. RICE</u>	GOOD	1.92
<u>AUSTRALIAN RICE</u>	GOOD	1.74
<u>PAKISTAN RICE</u>	GOOD	-
<u>TAIWAN RICE</u>	GOOD	-

SUPPLIES AND WHOLESALE PRICES OF SWINE

(CALL SOURCES)

AVAILABILITY OF SUPPLY	-	GOOD
WHOLESALE PRICES OF PORK, (\$/PICUL-LIVE WEIGHT)	-	320 (AVERAGE)

/SUPPLIES AND .....

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SUPPLIES AND WHOLESALE PRICES OF MARINE FISH

(CFMO CHEUNG SHA WAN WHOLESALE FISH MARKET)

SPECIES	AVAILABILITY OF SUPPLY	WHOLESALE PRICE (\$/CATTY)		
		HIGH	LOW	MODE
GOLDEN THREAD	LIMITED	6.20	2.20	4.80
BIG-EYES	GOOD	3.00	1.40	2.20
SQUID	NORMAL	4.30	2.20	3.00
HAIR2TAILS	LIMITED	2.50	0.80	1.50
LIZARD FISHES	GOOD	3.60	0.70	1.80
CROAKERS	NORMAL	2.40	0.90	1.50
CONGER-PIKE-EELS	LIMITED	3.25	1.80	2.60
MELON COAT	LIMITED	3.60	1.70	2.40
BREAMS	SCARCE	3.00	0.90	1.60
YELLOW BELLY	NORMAL	1.60	0.60	1.00
MACKERELS	LIMITED	5.80	2.00	4.00
RED GOAT FISH	--		NO SALE	
FORK-TAIL	--		NO SALE	
HORSE-HEAD	LIMITED	6.50	2.40	4.50
MELON SEED	LIMITED	2.80	1.20	2.20
POMFRETS	--		NO SALE	
GARROUPAS	SCARCE	11.00	6.00	8.50
YELLOW CROAKER	SCARCE	7.20	6.00	6.50

SUPPLIES AND WHOLESALE PRICES OF LOCALLY PRODUCED VEGETABLES

(V.M.O. CHEUNG SHA WAN WHOLESALE VEGETABLE MARKET)

TYPE OF VEGETABLE	AVAILABILITY OF SUPPLY	WHOLESALE PRICE (\$/CATTY)		
		HIGH	LOW	MODE
FLOWERING CABBAGE	LIMITED	2.00	0.60	1.40
WHITE CABBAGE	NORMAL	1.60	0.50	1.20
CHINESE LETTUCE	NORMAL	1.20	0.40	0.80
WATER SPINACH	SCARCE	1.00	0.30	0.60
CHINESE KALE	LIMITED	2.00	0.60	1.40
STRING BEANS	SCARCE	2.60	0.60	1.50
SPRING ONION	NORMAL	2.20	0.50	1.40
SPINACH	SCARCE	3.00	1.00	2.20
WATER CRESS	SCARCE	4.80	3.00	4.00
LEAF MUSTARD CABBAGE	LIMITED	2.20	0.50	1.40
CHINESE SPINACH	SCARCE	1.20	0.40	0.80
TOMATO	SCARCE	4.80	2.00	3.50



# DAILY INFORMATION BULLETIN

## SUPPLEMENT

Speech by His Excellency the Governor, Sir Murray MacLehose, at the Legislative Council on October 16, 1974.

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# DAILY INFORMATION BULLETIN SUPPLEMENT

Wednesday, October 16, 1974

SPEECH BY HIS EXCELLENCY THE GOVERNOR, SIR MURRAY MACLEHOSE  
AT THE LEGISLATIVE COUNCIL ON OCTOBER 16, 1974

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Last year I spoke to you shortly before the outbreak of the Arab/Israeli war and the drastic change in the cost of oil, the savage twist to world inflation and all the related financial and other problems which followed.

The year which ensued has not been easy for Hong Kong though it has been better than might have been expected. And though I expect the year which now begins to be better in Hong Kong than in many other cities in the world, it too will probably not be easy either. This coincides with a period during which in any case your government has thought it right to take stock, and to consolidate and maintain progress in its existing fields of endeavour, rather than to launch out into new ones.

In the last quarter century life in Hong Kong has been dominated by the way in which the growth in population out-stripped the capacity of any government to provide for residents and immigrants alike some of the basic infrastructure of life. But the problem was faced and very great progress was made. So much so, that two years ago your

/Government .....

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Government concluded that the time had come when it would draw up programmes to make an end to these deficiencies forced on Hong Kong in the past, and to do so within a measurable period. As a rough guide we set ourselves the time span of a decade. To make this effort, and I have never under-rated how great the effort would have to be, the machinery of government was overhauled, and procedures were streamlined and geared to the new requirements.

I would like Hon. Members to realise what great pressure on the public services this generated, and I would like to record my admiration for the enthusiasm and devotion with which they have responded. I am thinking in particular of the higher echelons in the Service on whom so much of the increased load has fallen, though the response of all has been equally commendable.

In recent months, in the new economic climate of the world, there has been much speculation and concern not only about whether all these plans taken together are viable or require some cutting back, but also how far the reduced growth of world trade and the many international financial problems that have emerged and remain unsolved, will affect these plans and more immediately the livelihood of people here in Hong Kong. I am sure that such thoughts as these are very much to the fore in your minds, and therefore much of this address will be about them.

/But I....

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But I would like to say at the outset that though no firm prediction is possible at this time of the exact duration of the down-turn in some of our markets, nor of what its effect upon our own economy will be, it may well prove to be temporary, and certainly will do so in comparison to the time span over which our plans are to be implemented. We would therefore be making a most serious mistake at this stage to allow it to deflect us from our long term aims except to the minimum extent that common prudence will dictate. I reiterate my belief that it is upon the realisation of these aims that the future happiness, cohesion and prosperity of this community depends.

In consequence, in spite of these new and unexpected difficulties, your Government has continued to devote a great deal of its time and energy to the elaboration and implementation of long term plans for housing, social welfare, education, medical and health services and transport. I am sure that in this our priorities are right, and later in this address I will explain the practical implications of the work that has been done on them. But before doing so I would like to mention some other aspects of administration to which I attach very great importance and for which I hope to have your support.

#### CRIME

First and foremost, crime and the fight to master it. Fear of crime and criminals continue to be one of the most disturbing factors in the life of our community, and particularly in the lives of its poorer members. This Government has the  
/clear duty ....

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clear duty to restore their peace of mind.

I will not recapitulate the detailed account I gave last year of your Government's many-sided approach to this problem. But in the last year the thrust has been developed on three main points: firstly to recruit, train and sensibly deploy more policemen; secondly to improve police techniques, procedures and organization; thirdly to mobilise people in neighbourhoods to assist each other and the Police to deter crime. With a successful combination of all these things we should have a larger and more efficient police force tackling crime in circumstances which would be much more difficult for the criminal. Neither the police alone nor the public alone can turn back this tide, but acting together as a united community I believe we can.

In this approach we are attempting new methods for dealing with a problem which the world elsewhere has signally failed to master.

Your Government is of course also pressing on with other action which might bear on crime. The provision of assisted secondary education for all is one of them; expansion, co-ordination and improved supervision of recreational and community facilities is another. I am sure that boredom and lack of healthy outlets for energy breed crime. But while such measures could, and I hope will, help in the long term, we are confronted with an immediate and pressing problem calling for more effective action to deter crime.

The substance of the problem - a rising crime rate - is still very much with us, and indeed it would be surprising if dramatic results had been achieved here in so short a time over a problem that has proved so intractable elsewhere.

/Crime statistics ....

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Crime statistics make bewildering reading and can be bedevilled by so many extraneous factors, but the trend of crime over the last year has continued upward. It is true that the increase in serious crimes, which are those against which our main drive has been made, has levelled off. But while both police and public can take heart from this first ray of hope that can be discerned following the great efforts they have made, it would be wrong to read too much into this tendency of the last 6 or 8 months. Nor is there any question of our doing so. The level is in any case unacceptably high, and there can be no room for self-congratulation until a significant and sustained decrease has been achieved. But though success still eludes us, the outlook is not by any means all black, because real progress has been made in the essential pre-requisites, the groundwork that must be laid, before there is much prospect of decisive results.

In the first place there has been a breakthrough in recruitment for the police. This is at last proceeding at a satisfactory rate, and with a new intake of high quality. The net increase this year in the constabulary is likely to be at least 4500, (as against 300 last year), and there is a reasonably satisfactory increase in the inspectorate. Civilianisation, including the installation of traffic wardens, should have freed about 300 uniformed men and women from routine work by the end of this year, and this process will continue. You know of the magnificent response to the appeal for auxiliaries and now about 1900

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a day are turning out for duty. So in this comparatively short time our effective professional and volunteer strength available for deployment each day should have increased by something like 2500. We need many more than this, but it is a large step in the right direction, and I hope that another equally big one will be taken in 1975.

No doubt this greatly improved situation is due to many factors, including improved conditions of service and improved recruiting techniques and perhaps, to a lesser extent, to a tighter labour market. But I think that the prime cause is the improved relations between police and public and the good spirit of our young people. For the present high quality of recruit I suspect there are softer jobs for the money, but they join for a chance of an active life in protection of the community, and Hong Kong has every reason to be proud of them.

Progress has also been made in the re-organisation of the Police Force to fight crime and in retraining it for its changed relationship with the public to which we all attach so much importance. The Secretary for Security will be explaining the details in the course of the debate.

But I would like to speak about what the public -- those at the receiving end of crime -- have done. The creation of 1500 Mutual Aid Committees with the accompanying superstructure of area committees, is not only a considerable administrative achievement, but indicates the great need that these organisations fill. There was indeed a void. A void which

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/was as dangerous....

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was as dangerous for the Government as it was unwelcome to ordinary citizens, who were without means of influencing conditions outside their own front doors. Some of these committees are more effective than others, but by and large they already cover a significant part of the population. They have done much to discourage crime in their own areas. In many cases they have installed alarm systems, and engaged watchmen to patrol the premises, and all in all they constitute a new deterrent to criminals that can be made increasingly effective and is very welcome to police and public alike.

I always leave meetings with Mutual Aid Committees encouraged by the knowledge that in this field attitudes are changing fast, and that we have many good citizens willing to give a lead on how the people of a neighbourhood may help each other and help the community by making their own areas safer, cleaner and better to live in.

We have always had in mind that the ultimate aim was to develop regular policing on a neighbourhood basis, with, in addition, separate forces deployed to attack crime in accordance with strategic and tactical plans directed by District and Divisional Commanders. For this we first needed civilian neighbourhood organisations - we now have them. We also needed more regular policemen available for deployment - these too we are now beginning to have. Finally we needed trained uniformed volunteers, that is to say auxiliaries, from the neighbourhood to form a link between the regular police and the civilian population. We are

/now beginning....

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now beginning to have all these and you will have seen the beginnings of the neighbourhood policing scheme which we intend progressively to develop.

All in all I am encouraged by the success of these new methods and attitudes. Two new sorts of relationship are being built up. The first is between the people who live in a block or a neighbourhood; the means of knowing each other, as the families of a village used to know each other, is being offered and often taken with relief. Secondly a new relationship is being created between the people of these neighbourhoods and the public service, particularly the Police and the Urban Services Department and the Home Affairs Department. The growth is new and too much must not be expected or claimed for it at this stage, but it is a healthy growth, and it must be carefully and consistently encouraged, commensurate with the ability of the Department of Home Affairs to provide the necessary support. The aim must be quality rather than quantity for its own sake. So far this new process of co-operation has been largely confined to the fields of cleanliness and crime, but rightly all the time other subjects are being thrown up in different neighbourhoods, and thus direct consultation and participation over a widening field is being evolved. In short a new path can now be seen opening up before us. I am sure we should take it with confidence and perseverance.

/The Consumer Council .....

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The Consumer Council

Before leaving this subject of community relations I wish to mention briefly the Consumer Council. First of all much of its membership was quite new to the working of public advisory bodies but was representative of sections of the community on which the rise in prices was pressing particularly hard. Secondly it successfully achieved its purpose of reassuring the public that where prices were high because of unreasonable manipulation or mark up in Hong Kong itself, something could be done about it. Thirdly it achieved its significant and continuing influence through the quick and impartial investigation of facts on the one hand, and the use of persuasion and public opinion on the other. Surely we should proceed in this quick and informal way whenever we appropriately can, rather than always rely on the panoply and procedures of legislation, Police investigation and the law courts. It is so much better to persuade than to punish. I would like to record my gratitude to Sir Yuet-keung Kan for his able and imaginative chairmanship of the Consumer Council.

PRISONS

Increased crime, more vigorous measures to combat it, more prosecutions and the longer sentences being imposed, have produced a marked increase in the prison population. The total number of inmates in all types of institutions on 30th September 1974 was about 7,600 as compared with 6,400 on 30th September 1973.

/In Stanley Prison....

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In Stanley Prison alone the population was just under 3,000 whereas the prison was designed for 1,500. Hon. Members will know of the incidents that have occurred in this prison.

Something has already been done to strengthen the physical security of Stanley Prison and to improve management and operating procedures. However, in the long term new institutions will be needed and Stanley Prison itself will have to be progressively rebuilt. Planning for this is already in hand. Two new institutions at Pik Uk in the New Territories will be completed within the next few months and they will help to ease the position. Although other projects in the Public Works Programme, including a new maximum security prison, will eventually accommodate about 3,000 offenders, it will be some time before these are completed. We are therefore looking for other temporary accommodation which could be used to solve the immediate problem of over-crowding with its attendant risk of disorder.

The Detention Centres have now completed their first two years and the system is being evaluated. The preliminary conclusion is that they have been successful and repaid the immense amount of care and effort put into

/them by the....

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them by the Prisons Department. So far, only about 10% of those who have passed through them have been **reconvicted**. We can be satisfied that our Prisons Department is making constructive and reasonably successful progress in their problem of dealing with the young offender who is not yet a hardened criminal.

### ICAC

A year ago in this Council I announced my intention of setting up an Independent Commission Against Corruption under a civilian commissioner. Within 4 months the Commission was in being and working under a new ordinance. While the Operations Department - the investigatory arm of the Commission - is the only section so far fully functional, the special Corruption Prevention and Community Relations departments are now being set up and will soon be at work. As soon as this staff are in position, two advisory committees on Corruption Prevention and Community Relations will be established, together with a small high-powered supervisory committee to advise the Commissioner and myself on major policy aspects of the Commission's work. The public has responded well to this new organisation; and reports made to ICAC have increased by some 300% compared with those made during a similar period last year.

/The Operations....

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The Operations Department has already made a considerable impact. About 80 prosecutions for corruption and kindred offences have been launched against a wide variety of Government servants and members of the public, and this is double what was done in the same period last year. In considering this record it is necessary to remember that some 80% of the Operations Department have a civilian background.

Inevitably this has meant a tremendous effort in terms of training staff in their entirely new role. These enthusiastic newcomers are an impressive, well-educated group directed by experienced investigators, and under the overall direction of Mr. John Prendergast, one of the most successful policemen in the Commonwealth.

Building up the initial momentum of our fight against corruption will depend very largely on the success of the Operations Department. It is inescapable that to make progress, to deter the corrupt and to secure public confidence, a satisfactory volume of detection and punishment is essential. But once it has become apparent to the corrupt and to the public that corruption does not pay, the Corruption Prevention and Community Relations sides of the Commission will be able to play vitally important parts. There can be no real victory

/in dealing ....

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in dealing with this problem unless there are changes of attitude throughout the community generally. Though this will take time, we are totally committed. I have faith in Mr. Jack Cater and the able and devoted people who are directing and manning the Commission. A more difficult task has rarely been undertaken in Hong Kong. They know they can count on the complete support of the Government. But in the long run their best ally will be the good sense of the people of Hong Kong and the sincerity of their demand that the time for new standards has come.

#### RECREATION AND SPORT

Let us turn now to the much pleasanter subject of recreation and sport.

Last year I spoke of the importance I attach to more facilities in this over-crowded city. We need to maximise the facilities that are already in existence and to provide new ones. There is a parallel need to develop the countryside its mountains and the beaches to provide recreation and fresh air when people have time to get to them.

This must be a co-operative effort between the Government departments and many private clubs and voluntary agencies already in the field. It was to co-ordinate and expand these efforts that the Council for Recreation and Sport has been set up. It is now getting into its stride.

/One of its .....

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One of its first steps was to recommend that District Recreation Officers should be appointed whose duty it would be to encourage and advise on how to maximise recreational facilities in each district, and also to encourage the use of the country-side by people of the city. A pilot scheme for 5 City Districts and for Yuen Long is now in operation.

The Council has done much ad hoc work greatly helped by generous private donations. For instance in the urban areas and the New Territories something of the order of 190 concrete ping pong tables, volley ball and basket ball pitches have been ordered or are in process of construction, along with a considerable volume of equipment. Funds have also been channelled through the Council for the expansion of activities in various standing camps, or the construction of new ones, that will result in supervised week-ends in the country for at least 15,000 more young people next year. In addition plans of the Department of Agriculture and Fisheries for providing countryside amenities are now beginning to make real progress: 60 new picnic sites came into commission last year, with an accompanying infrastructure of 5 miles of paths, and 30 more sites will be completed in the coming year. If I might say so they have been built and equipped with notable imagination and good taste and they have performed their function of attracting many more visitors.

/The young .....

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The young people of Hong Kong are taking more and more to picnicking, hiking and camping. Much of this has developed on their own initiative. But to help the movement gain momentum funds have been channelled into the Outward Bound School to expand it to have room to teach leaders from City Districts how the countryside can best be enjoyed. Similarly I was delighted to learn of the formation of a Youth Hostels Association in Hong Kong, and the Government is giving all the assistance it can in the provision of sites for hostels.

These are all comparatively small steps in the direction we must go, but they are already of some significance.

Such heavy use of the country-side brings with it its problems of conservation. During the year additional Agriculture and Fisheries Department litter gangs and Urban Services cleansing gangs have been established, and also more fire-fighting crews, and with its traditional civic spirit, the Civil Aid Services are now training to provide additional fire fighting coverage in the countryside this winter. While these services are steadily improving the cleanliness and reducing the fire hazards in the main points at which visitors congregate, there remains the litter and the bush fires left by the thoughtless and the careless who roam further afield. Many members of the regular hiking and picnicking clubs and others who know and care for Hong Kong's countryside, are already acting as scavengers for the newcomers, the ignorant and the careless who still do not. Now that this admirable trend to walking and picnicking is developing so fast, it is evident that in parallel there must be systematic education of all concerned about how to preserve the mountains and the beaches they visit.

I have emphasised these expanding uses of the countryside because they offer a natural balance to the lack of space for

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facilities in the city. But they can never be more than supplementary to what is done and provided in the urban areas. The efforts of the Urban Council, the Education Department and the many voluntary agencies concerned are therefore vital. The Urban Council has continued to make rapid progress in this field, and Hon. Members will be aware that the Council has completed during the last year 36 new public gardens, 20 children's playgrounds and 26 courts for basket-ball or volley-ball. They also completed a further swimming complex in Kennedy Town. These complexes are well tailored to the requirements of Hong Kong, and compare favourably with anything provided elsewhere in the world. Members will also have noted the steady progress being made by the Parks Department in the provision of more greenery, shade and colour in our city.

#### THE URBAN COUNCIL

And here might I pay my tribute to the new-style Urban Council. Earlier this year it completed its first year under the new autonomous financial arrangements, and I am sure that in this Council which contains both serving members and alumni of the Urban Council, Hon. Members would wish me to say how much we all admire the vigour and imagination with which the new Council has set about its task.

#### LABOUR

I should now like to say something about labour legislation. Hong Kong's prosperity depends fundamentally on its principal resource, its diligent and adaptable work force. The well-being of this labour force rests primarily

/in the hands ...

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in the hands of workers and trades unions on the one hand and of employers on the other. But Government too has a significant responsibility to ensure that reasonable minimum standards are applied. Much has been done in recent years to secure a steady improvement in working conditions and terms of employment through an extensive programme of labour legislation. This is a continuous process and today I will touch on some of the main areas of recent achievement and indicate what your Government proposes for the coming year as well as in the longer term.

First, good progress has been made in the continuing review of the Employment Ordinance. This was originally so framed that further parts could be added progressively to build up a comprehensive code of employment, and a number of major amendments have been made over the past two years. Holidays with pay and sickness allowance have been extended to all employees covered by the Ordinance; entitlement to sick leave has been increased and the qualifications for it simplified; controls have been introduced over employment agencies to ensure that workers, whether to be employed in Hong Kong or overseas, are not exploited; and workers have been afforded statutory protection as members of trades unions in relation to their employers. Finally, severance payments have been made a statutory entitlement for redundant workers. This measure alone represents a significant advance in social legislation. The rates of severance pay provided are lower than those paid by most larger employers, but it was necessary that they should be set at a level which could be afforded by those many smaller employers who formerly gave little or no severance pay, and

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it is particularly in this area that a real improvement has been made.

With regard to the coming session, Regulations will be submitted to this Council to reduce the maximum permissible overtime for women and young persons. We have in mind a reduction from 300 to 250 hours a year from the beginning of next year and a further reduction to 200 hours in 1976.

I mentioned in this Council last year that the Labour Tribunal, which was introduced on 1st March 1973, had proved an immediate success. I am pleased to say that this initial success has been sustained, and this year a second tribunal has been established and the Labour Tribunal Ordinance, which had only a limited life, has been made permanent. However the jurisdiction of the Tribunal is limited to individual claims for sums of money arising from a contract of employment. But it is not concerned with group disputes or collective bargaining with management. During the coming session your Government hopes to introduce for your consideration a new Labour Relations Bill. This bill is designed to provide statutory backing for the Labour Relations Service of the Labour Department and for procedures to be followed in a labour dispute when conciliation has failed. Labour relations have traditionally been good in Hong Kong. But it is hoped that this bill will help to facilitate settlements when other means have failed. As now conceived it deliberately avoids provision of powers to impose compulsory settlements. Perhaps Hon. Members will agree that elsewhere such compulsory powers have proved conspicuously ineffective.

/The promotion .....

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The promotion of industrial safety still requires further urgent attention. Safety regulations made during the last two years have covered the more dangerous industrial activities including construction work, the use of lifting appliances and lifting gear and work in confined spaces. Further regulations will soon be introduced to cover cargo handling at wharves, quays and godowns. Others are projected for a variety of specialised industrial processes but the only major area on which a good deal of work remains to be done is that of guarding machinery. Of course improved industrial safety cannot be achieved solely by the enactment of special regulations. The co-operation of employers and workers is essential and steps are being taken to encourage their involvement through a Five Year programme of action including the extension of safety training and increased publicity.

And now a word about the Workmen's Compensation Ordinance which, like the Employment Ordinance, is kept under constant review. Recent amendments have raised the maximum wage ceiling for entitlement of non-manual workers under these two ordinances from \$1500 to \$2000 per month. At the same time the maximum amounts that can be claimed in workmen's compensation were correspondingly increased by 30%. The Workmen's Compensation Ordinance is due for a major overhaul over the next two years but one other matter deserves mention. This is silicosis, one of the most serious occupational diseases occurring in Hong Kong, which has never been included in the schedule to the

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ordinance because it takes a long time for the disease to become apparent. A special compensation scheme for those suffering from the disease will be introduced during this session.

And now, let me turn briefly to Industrial Training. During its first full year of operation the Hong Kong Training Council has been considering the draft bill designed to provide a legislative framework for apprenticeship schemes. Work on this is in the final stages and it is intended that the bill should reach this Council during the coming session. The rate of further progress in this field will be to some extent dependent on the success of efforts to recruit suitably qualified technical staff to support the recently created training division within the Labour Department.

We have now reached the stage where legislation already enacted or about to be enacted covers most of the major areas in the labour field. We must now aim to consolidate this position. Many of the measures provide only minimal standards and there are some gaps to be filled. This can be done in part by reviewing and revising existing legislation but there are also other important tasks to be undertaken such as developing and improving the factory and labour inspectorates and, as I have already mentioned, promoting industrial safety. Work has already started on these matters with the appointment, as an adviser to the Commissioner for Labour, of an experienced Factory Inspector from the United Kingdom.

/Let me .....

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Let me say that in this programme of labour legislation the Government has no wish to place industrial relations in a straight jacket. I know that this is not the wish of either workers or employers - both of whom value the flexibility which has contributed so much to both the tradition and the strength of Hong Kong. Broadly speaking we intend to continue to move only after close consultation with the Labour Advisory Board, and other organisations concerned. I am glad to say that Hong Kong's performance over the application of the ILO Convention is already fairly satisfactory, though we expect to be able to make some further improvement.

#### MEDICAL & HEALTH SERVICES

In the field of Medical and Health Services we now have in the White Paper published in July a realistic and forward looking framework for future development, and I am most grateful to Sir Albert Rodrigues and the Medical Development Advisory Committee for all the work they put in. I am also grateful for the comments and advice from professional bodies and the public.

The proposals in the White Paper and the accompanying work that has been done, provide a framework within which co-ordinated progress has been charted over a ten year period. They envisage the construction of new hospitals and clinics, the extension of Medical and Health Services to the new towns and the New Territories, measures to relieve over-crowding in Government hospitals and to make fuller use of beds in Government-assisted hospitals, more specialist treatment particularly for psychiatric patients and the elderly, and a general improvement in standards wherever practicable. /The point .....

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The point I wish to make - and I will be returning to it in connection with other major programmes - is that this programme has been prepared in a way which will enable us to go forward in an orderly series of progressive and inter-related steps year by year, with each step costed and given its priority. The scale of this programme has been based on the best assessment now possible of the resources likely to be available. It will be subject to regular review each year starting in 1975. As well as indicating what we hope at present to be able to achieve, the plan also provides guidelines within which flexibility can be applied according to rational priorities if necessary, and if more or less resources are available than seem likely now, or if the needs of the Medical and Health Services change, as to some extent they are bound to do over a ten year period.

Before leaving Medical Services, however, I should like to say something of one or two areas in which the Government has now become more directly involved.

#### Unregistrable Doctors

The question of non-Commonwealth medical graduates, the so-called Unregistrable Doctors, has aroused lively public interest. We should not under-estimate the complexity of some of the issues involved however simply and forcefully they may be argued by their protagonists. What we now need is authoritative unbiased advice on which the community can rely.

/I am sure .....

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I am sure that this is exactly what we can expect from Sir Ronald Holmes and his working party.

Narcotic Addiction

I mentioned last year the formation of the Medical and Health Department's new division to develop and co-ordinate programmes for the treatment and rehabilitation of drug addicts.

Two pilot methadone substitution projects are being conducted by the Medical Department and the Discharged Prisoners' Aid Society. Both have been operating for almost two years and they are to continue for a further year. The rather encouraging results obtained so far have been carefully checked and compared with what is being done in other parts of the world.

One of the world's foremost experts in this form of drug treatment will arrive in Hong Kong towards the end of the year to help us further to evaluate these two pilot projects and to plot the way ahead for this form of therapy and its proper relationship to other forms of drug treatment.

As I see it, our objective must be to couple the most vigorous and ruthless attack on the means of supply of drugs, with provision of a means of treatment that can be made available en masse to addicts. Nothing but frustration can result from denial of the drug without offering treatment, or from offering treatment without denying the drug, or at least making it so scarce as to be prohibitively expensive. You will have noted the growing success of the attack on supply of drugs that results both from improved methods here and also improved liaison abroad. But

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the means of treatment present an even more difficult problem. However if our pilot projects are judged successful we will have at our disposal a therapy for addiction that is much cheaper than present methods, need not involve incarceration, and consequently can be applied en masse and with minimum disruption of an addict's daily life or earning capacity. So far, as I say, the experts have been encouraged. But in this field there are many pitfalls. Before we launch out into the provision of facilities for treatment on the massive scale that would be necessary to have real impact, we must be absolutely sure that we will be working along lines that are of proved reliability.

Meanwhile I am conscious of the importance attached to this issue by Hon. Members. Might I add what a relief it is now to have advice on these complex medical, social and police issues co-ordinated and centralised through a body as strong as the Action Committee Against Narcotics as now constituted, with its own secretariat and Commissioner, and under the vigorous and distinguished chairmanship of Sir Albert Rodrigues.

#### Family Planning

When I addressed this Council last year the integration of Family Planning service into our Maternal and Child Health Programme was just starting. It has made excellent progress.

By the end of this year, the Medical and Health Department will be running a total of 37 clinics throughout the Urban and Rural areas, including six new ones which have been opened this year. In the year ahead more will be

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opened and additional sessions provided to meet the demands made for the service. At the same time, the Family Planning Association which formerly ran many of these clinics will of course continue to provide services in their own premises and I should like to pay a sincere tribute to their co-operation in this endeavour. For the future, the Association will be concentrating on areas not already covered by Government clinics. By the end of this year they will be providing services of various kinds at 32 locations, including eight which have been opened since October last year. In addition they have plans to provide services at a further three sites in the near future.

Your Government is very conscious of the social and financial implications of excessive population growth. Our first objective here has been to see that there are enough clinics conveniently available to all members of the public. Once we have reached that point, and we are getting near it, we will be in a position to concentrate on bringing home to the public the benefits to be derived from using these clinics. I am aware of proposals going much further than this, for fiscal and other discrimination against large families. While the Government has an open mind on this, I am sure Hon. Members would agree that such a course should only be considered after the results of other action to secure our ends by educational and voluntary means can be seen.

/IMMIGRATION .....

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## IMMIGRATION

The work of family planning is obviously vital if our plans for improvement in standards of life are to have the effect intended. So too is the level of immigration. Hong Kong's net gain by migration last year is believed to have been over 60,000 of whom the bulk came from China either legally or illegally. Though the numbers have been brought down substantially from the high level of September last year, they remain too high, and discussion of this mutual problem with the Chinese Government continues.

## TRANSPORT

### The Green Paper on Transport

A green paper was published in June setting out the Government's proposed strategy for dealing with Hong Kong's transport problems. A Comprehensive Transport Study, in which the nature of the problem will be quantified on the basis of data from wide ranging surveys is now in its final stages and is expected to produce results for policy guidance early next year. These results, together with the public's reactions to the green paper, will provide material for the preparation next year of a Transport White Paper. This will give firm indications on how the Government intends to cope with Hong Kong's transport needs over the years ahead.

### The Mass Transit Railway

The green paper envisaged that a major role should be played by a Mass Transit Railway. Your Government still holds to this view, provided agreement can be reached on the basis

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of the specified price at which the railway is calculated to be commercially viable. Doubts have recently been expressed as to the wisdom of continuing with this project in present circumstances. I would have thought it apparent that what was judged an acceptable proposition a year ago, at the same price is an acceptable proposition now. There is a tide in such affairs, and if we miss this one it will be some years before we could float the project again. Moreover, we have every right to have confidence in our future; the project is still judged to be within our resources; the Financial Secretary and his team have put an immense amount of work into the intricate and technical work of negotiating the contract; and provided they can do so at the specified price, I am sure we should all heartily wish them success.

The Bus Companies:

Detailed negotiations have been conducted over the past months with both the Kowloon Motor Bus Company and the China Motor Bus Company with a view to agreeing revised franchises for their operations. The discussions have now produced agreement on detailed schedules of services, route-by-route for 1975/76 together with the numbers of buses to be provided to achieve acceptable frequencies. Plans for bus capacity looking ahead to the year 1980 have also been agreed, on reasonable assumptions about the demand for bus travel over this period. I hope that these discussions will lead to final agreement between the Government and the two companies under which new franchises can be granted to commence next February. An essential element in

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these would have to be direct Government participation in the direction of the Companies' affairs through representation on their Boards of Directors.

The Kowloon - Canton Railway:

New passenger rolling stock has been delivered to the Kowloon-Canton Railway and double-tracking between Hung Hom and Shatin will commence shortly. A review of the future development of the railway has been undertaken, and I hope that these improvements I have referred to will prove to be only the first steps in establishing it on the one hand as a modern suburban railway, linking urban Kowloon with the New Territories, and on the other as an improved communication link with China for freight and passengers alike.

Roads

This year there has been a sharp increase in expenditure on new roads and the intention is that an average of \$350 m. (at 1974 prices) will be spent on roads in each of the next four financial years, compared with an average of less than \$130 m. during the three preceding years.

All these developments indicate that your Government is putting a great deal of effort and priority into measures to cope with Hong Kong's growing transport needs, and that this effort will be continued and intensified in the years to come.

Industrial Land

Hon. Members have frequently urged the need to provide more land for industry, and for more land-intensive industry as well as that in high-rise buildings. This the Government entirely /accepts. ....

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accepts. The first steps along the path have now been taken with the provision of land on special terms to two new industries in Tsing I. In the long term I believe the eventual answer is, as it were, to expand the harbour westwards by developing the north shore of Lantau for industry by means of a bridge from the mainland. But though planning for this is now essential, it is a very large project and in the nature of things its impact could not be felt before the '80s. For the immediate future more rapid action is necessary, and your Government believes that the right answer is to establish industrial estates along the lines of those found so successful elsewhere. With this in mind a feasibility study has been commissioned for Junk Bay, and similar studies are far advanced of much easier sites at Taipo and Yuen Long. These projects will be given high priority. The amount of land planned for ordinary industrial development in the New Towns is also being reconsidered. I think it essential that in this period when there is slack in the construction and engineering industry we should press on with work that will make Hong Kong a more attractive place for investment when the up-turn in the financial climate of the world comes again, as come it will.

### Building

Clearly the Government has an obligation to ensure that new building conforms with planning, safety and other requirements. But at this time it is more than ever necessary that these checks should not avoidably hold up the putting in hand of new work. I have therefore directed that further efforts should be made to streamline procedures to ensure swifter transaction

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of business about land and buildings. I am particularly concerned that projects which are known to have ready sources of finance at this time and whose backers are ready and anxious to proceed should be subjected to the minimum of delay, and I think that if necessary special procedures to ensure this must be adopted for the time being.

SOCIAL WELFARE

I now wish to refer briefly to the development of our Social Welfare Services. The Secretary for Social Services will be speaking at greater length later in the debate.

This has been a year of consolidation following the introduction last year of many new schemes and projects in the context of the White Paper and Five Year Plan. The first full annual review of the Five Year Plan has now been completed. The joint planning and consultative machinery between the Government and the voluntary sector continues to work satisfactorily. It is now supplemented by procedures to evaluate the effectiveness of the services provided by subvented organisations. It is hoped that these can be expanded during the coming year, to improve both quality and organisation.

Good overall progress has been made with the development of Social Welfare services but a few points deserve special mention:

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The Institute for Social Work Training has now completed a full year of operation. Might I add that if anyone has doubts about the ability of Hong Kong to produce young people of the right calibre to man the Social Services that are being planned, let them visit the Institute. They will find it a stimulating and encouraging experience.

Legislation to control and regulate the operation of Child Care Centres has been prepared and will be introduced into this Council shortly.

Community and Youth Officers have been appointed to all districts in the urban areas, and work is well advanced to establish the scheme in the New Territories.

18 months after its introduction the Disability and Infirmity Allowance Scheme is providing regular allowances to 50,000 elderly and severely disabled persons. The rate of benefit under this scheme and the Public Assistance Scheme are reviewed regularly in the light of the cost of living and two increases have been made this year bringing the rates up to 62% above the base-rate of April 1972.

Work has begun on the drafting of a programme plan for Rehabilitation to co-ordinate and guide the efforts of the Government Departments and many voluntary bodies which are active in this complex field.

These are just a few examples of what is happening, but Hon. Members may be reassured to know that broadly speaking we are on the course mapped out in the Social Welfare Five Year Plan, and that we expect to continue so next year.

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Taken together with the free or very heavily subsidised Medical and Health Services and Education, our Social Welfare Services are intended to ensure that the unfortunate in our city are provided for until they can stand on their own feet again. The Public Assistance Scheme is an essential part of these services. For reasons which I will explain later I do not anticipate any dramatic increase in the load that the Scheme will have to carry. But anyone who takes a less optimistic view of our prospects than I do can rest assured that this scheme is not sufficiently strong and well developed to be capable of expansion and adaptation to meet any unforeseen contingency.

#### Anglo-Chinese Relations

Before turning to the state of our economy, might I say how satisfactory it is to see the steady improvement in recent years of Sino-British relations. This has made possible the friendly co-operation about matters of mutual interest which is so greatly to the benefit of Hong Kong.

#### THE ECONOMY

And now I turn to our economic prospects. While these are nothing like as bad as the prophets of doom would have us believe, we are obviously in a difficult period and we cannot say with any accuracy precisely how long it will last.

at the time I spoke to you last year the gross domestic product was increasing, in real terms, at an annual rate of some 7-8%, just a little above the growth rate which it is believed can be sustained in the longer term. This was against the then background of international exchange rate variations, commodity

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shortages overseas, and an almost unbelievably rapid rate of world inflation. It represented a truly remarkable achievement by our manufacturers and exporters.

It is true that this was not without some slackening of demand in the labour market, and there were in consequence some whose personal circumstances were a good deal less rosy than the performance of the economy as a whole might have suggested. Nevertheless, Hong Kong's competitive position was extremely strong and a good deal stronger than a year or two earlier. This carried the possibility, even probability, that our exports would continue to grow at a rapid rate, and with them the gross domestic product. There was, therefore, good reason to believe that the demand for labour would rise again and with it wage levels. Furthermore, consumer prices, in the autumn of 1973, were already showing signs of levelling-off (and even falling in some instances) and so at that time there was every reason to expect a further improvement in living standards in 1974 across the whole spectrum of society.

But then, and quite unexpectedly, came the oil crisis. The World economy was knocked off course. After making allowance for the impact on the economy of these new circumstances, by last February it was thought that the gross domestic product in 1974 would increase after all, in real terms by some 4%. Whilst this was substantially less than might otherwise have been the case, it was still by no means insignificant.

The oil shortage in Hong Kong was fairly brief and of little real significance and our industrialists adapted to the situation of shortages and changes in the supplies and prices

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of oil-based raw materials with their usual speed. Our external trade continued to be buoyant in the first half of this year and in the twelve months to June 1974, domestic exports were over 8½% more in volume than in the previous twelve-month period.

But it has gradually become clear that the enormous rise in the price of oil, attempts by some other commodities to follow suit, balance of payments problems, lack of liquidity, and high interest rates, have all together produced a situation in the rest of the world that will take time to solve, and that a period of adjustment is inevitable. It is also inevitable, and already evident, that during this period the growth of world trade overall will not be as rapid as we have become accustomed to in recent years. However, these interconnected problems are of such great importance for the world's economies, and I might add the world's electorates, that at least we have the assurance that they are receiving maximum attention from Governments, and that the best brains available everywhere are working on them. The problems involved are of course new to both creditors and debtors alike. But insofar as there have been any recent developments they have been in the right direction. There has at least been no further dramatic rise in the price of oil, and the beginnings of a process of recycling of oil revenues can be discerned. Provided there is no setback, one can reasonably expect that in due course these tendencies will develop, with oil prices stabilising, the process of recycling gaining momentum and finding new institutional /channels .....

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channels, interest rates declining from their present levels, and generally speaking an easing of current constrictions on investment and demand.

Meanwhile, as I have said a period of adjustment is inevitable. But it is exceedingly difficult to forecast how Hong Kong will fare in this period of adjustment because so many factors are new and relatively unknown and virtually all are outside our control. Certainly Hong Kong cannot hope to avoid some of the consequences of a slowing down in world trade. The rate of growth of the volume of our exports has levelled off in recent months. We know that manufacturing employment here, and in many cases take-home pay, has been falling; and even allowing for normal seasonal variations in trade it is not conceivable that the figure for the growth of exports during this calendar year will be as high as the corresponding figure I quoted for the twelve months to June.

It is unlikely that 1973 levels of employment will be regained this year. One can at least be thankful that incomes are not eaten away as last year, but I am afraid it would be wrong to assume that the external inflationary pressures of the last year have finished working their way through our economy, or that there will not be further ones this year.

If we look dispassionately at the international economic situation we may see in it elements from which Hong Kong may draw encouragement. We are not at all facing a situation of slump like that in the '20s or early '30s. The level of economic intervention by the governments of the developed world is now so great, and the channels of international co-operation so extensive, and the political pressures on Governments to avoid excessively deflationary situations so strong, that a

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recession is unlikely to assume an extreme form. During the down-turn now in existence, the purchasing power of the populations of developed countries is continuing at a comparatively high level. While demand for some products, and in particular cars and consumer durables is being affected, the course of demand for the sort of things that Hong Kong exports is much more difficult to gauge. One should not assume that because a family in the United States or Europe will economise by keeping an old car instead of buying a new one, or will put off buying a house, it will also put off buying clothes, or radios, toys or cameras. Moreover the down-turn is not evenly spread throughout our markets. No doubt our exporters will face increased competition, and perhaps difficulties over finance, but there is a fair hope that in our markets as a whole a sufficiently healthy demand will continue to keep Hong Kong busy.

And on our side things will not be standing still.

Our industrialists with their usual enterprise will be searching the world's markets for contracts, and you may be sure that the Trade Development Council will be doing everything within its power to help them to find new openings and expand old ones.

The Government for its part, and with the support of Her Majesty's Government, will continue to do all that determined negotiations can to ease restrictions on our trade and resist attempts at further impositions. The prospects of maintaining our exports are favourable because Hong Kong's productivity is now high and our competitive position abroad is very strong, indeed as strong as it has ever been, so we are in a position to supply

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what demand there is now, and to respond very quickly to any increase in demand in the future. Provided we retain this competitive edge I expect Hong Kong to ride current problems with less trouble than most other countries. I certainly expect the economy to continue to grow, and the Financial Secretary's estimate made last February of a growth rate of 4% in real terms still looks the most probable outcome for this year. There are not many industrial countries in the world that could say the same.

If I might say so Hong Kong is so accustomed to growth that is phenomenal, that we should guard against too pessimistic a reaction to growth that is, by comparative standards, merely enviable.

#### REVIEW OF GOVERNMENT PROGRAMMES

This is the background against which we have been taking stock.

During the last two years, as Hon. Members know, we have prepared long-range plans covering the next 10 years for what we want to do in the major fields of Government spending - housing, education, medical and health services, social welfare. To these must be added other plans already fairly precise covering expenditure on the expansion of the road system, the Kowloon-Canton Railway, the Mass Transit project, the Police, the Prisons and the Fire Services. Other comparatively new fields have been opened up such as community relations and countryside amenities, which though relatively cheap all add to the total bill.

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Taken individually, the broad objectives of each initial draft programme were believed to be probably within our resources on certain assumptions, and these assumptions of course included a reasonable degree of flexibility from year to year as the economic circumstances of Hong Kong might change. But though the impact of all these programmes on the budget in the immediately following year, that is to say 74/75, presented no large problem, it was only when all were in a reasonably complete form, and could be assembled to provide a forecast of likely expenditure if all were carried out exactly in accordance with departmental estimates, that it was possible to assess their real financial implications for the years ahead. It was necessary to see them all before there was any firm base from which to examine the priority of each separate plan and the details of each separate plan itself, given that our resources were limited. In other words it was only at this point that realistic appraisal, review and drafting of these programmes became possible.

It would have been necessary to carry out this process of re-examination in any case, even against the background of a buoyant revenue with a large surplus to the budget, and with economic prospects that were clear for all to see. In the event the re-examination was undertaken against the background of the economic situation which I have described, which though by no means bad, is certainly not easy to predict with precision. We are also now aware of the possibility of a budget deficit this year, though there is nothing particularly /alarming about .....

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alarming about this in itself. However, all in all, the circumstances in which we now are, require us to adopt a prudent and careful approach to expenditure in the following years. I am particularly concerned at the trend of recurrent expenditure which has been rising at a rate of not far short of 20% annually in recent years. I doubt whether it need be as high as this if we in the public service were as productivity-conscious as our counterparts in industry. But it is on our capital works programmes that I wish to concentrate today.

You will remember that earlier this year the Financial Secretary, having reviewed departmental estimates and forecasts relating to capital works of all sorts, told us that, after allowing for all additional resources from the borrowing and taxation that he considered realistic, there was a short-fall of \$1960 m., or 1/5 of the total estimates for the forecast period from 1975/76 to '77/78 inclusive. Having regard to the nature of the departmental estimates as I have described them, there was nothing very daunting about this discrepancy, and during the succeeding months the Secretariat has systematically subjected them to scrutiny and the imposition of orders of priority. In this process one of the priorities has been to ensure progress on housing and the new towns, and in practice a balance has also been held between spending on the new towns and in the old urban areas. But having accorded housing and new towns a priority of their own, it was also decided that a very high priority should go to projects which

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facilitate the growth and earning potential of industry and provide export-orientated jobs. High priority was also given to self-liquidating projects, which provide a significant revenue return - for instance the provision of land. It followed from this philosophy for instance that the Highway Office should proceed immediately with the Tuen Mun motor road, because it must be on this that the industrial and residential development of not only Tuen Mun itself must be based, but also that of the whole Yuen Long plain. Similarly it followed that the Engineering Office should give priority to the provision of infrastructure for urban and industrial development. It was the same approach that accorded top priority to development work at Kai Tak, and to works connected with the Mass Transit Railway.

#### Examples of the outcome of the Review

##### The New Towns

Since the new towns and housing in the old urban areas will take a large slice of the cake, and since the method of handling the problems involved gives a clear indication of your Government's general approach, let me explain what has been done and what is proposed. Taking the old urban areas first, where much of the essential social and physical infrastructure already exists, the housing programme envisages expenditure of \$140 m. this year, \$200 m. next, and \$250 m. in each of the following three years. This will largely use up developable sites in the old areas.

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Expenditure on the new towns including infrastructure, housing, public buildings, including of course schools, clinics and so on, is planned to rise from \$280 m. to \$740 m. next year and nearly \$1,000 m. in '76/77, and to continue thereafter at rather above that level. The rate of build-up at least in these initial years, has been dictated not so much by financial considerations since these figures are well within the Financial Secretary's guidelines, as by physical constraints - the simple problems of design, letting of contracts, site formation, and getting on with such large volumes of work.

Nevertheless these figures are very large, and your Government has felt it right to build flexibility into its plans. Consequently the plans for each of the new towns have been divided into small units which are constructionally and socially and economically viable in themselves. For each of the towns as a whole Development Programmes have been prepared embodying these units or packages. The Programmes will be submitted to the Public Works Sub-Committee at the November review as background documents, but they also are working documents to be referred to when considering individual projects at future reviews, and they indicate the time at which action on each project must be taken if the proposed timetable is to be kept. We hope in this way that the towns can be developed in a balanced way whether in the years ahead our resources suggest that the rate of construction should be slower at one time or faster at another.

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## HOUSING

The Housing Authority has been very active in recent months in up-dating its building programme in close consultation with the New Towns Project Managers. Contracts now let throughout Hong Kong will provide housing for up to 100,000 more people in 1975/76 and 140,000 in 1976/77. It would be wrong to give publicity to precise figures thereafter because completions will depend on so many factors, including clearance and site formation, that cannot be foreseen at present. But broadly speaking we intend the figures gradually and no doubt with some irregularity to rise to the 200,000 mark. Meanwhile we may look forward confidently to progressive improvement in the housing situation over the next five years. When our objective will be achieved of a self-contained home in a decent environment for all will depend on many things, including the rate and type of construction in the private sector and, of course, the rate of immigration and of natural growth of the population. But certainly by 1984 the situation will have been completely transformed.

I should emphasise that this problem can only be solved by steady planned and persistent construction over a long period of time. This your Government and the new Housing Authority are now geared to maintain. I reaffirm our determination to press ahead steadily with the work, for as long as necessary, until this defect in our society is removed.

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It is not of course just a matter of quantity and I am very pleased to note the various improvements which the Authority is building into its new estates. The new Oi Man Estate is a fine example of what can be done economically to improve public housing standards and of the shape of things to come. The layout of the Authority's estates now building in the new towns should make them attractive and pleasant places to live in.

The need for temporary housing is regrettably still with us, and programmes are going ahead for building new licensed areas, but to much higher standards than before, and funds have been provided recently to improve conditions in the older licensed areas by installing proper electricity and water supplies. Nevertheless I am sure that all of us long for the day when the production of houses will be sufficient to enable the Authority systematically to set about the housing of the inmates of such areas in proper permanent accommodation, and not only when the sites are required for development.

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I would like to record my gratitude to members of the Housing Authority for all their efforts to bring better housing to the people of Hong Kong. This is a time for sound and imaginative planning and policy formation, and this has made heavy demands on the Housing Authority's members.

I am concerned about the number of old tenement buildings which remain undeveloped and are unlikely to be developed by private enterprise. The Housing Society has been preparing detailed proposals for the redevelopment of a number of these old properties, and has been assured of Government's administrative and financial support. Meantime, the Society continues to plan new estates in new town areas, and I would like to express my appreciation to its members under the chairmanship of Sir Douglas Clague for the time and energy they devote to this very valuable work.

Private developers are a very important source of new housing and we wish to encourage the maximum amount of private housing construction. While I appreciate the problems they face, particularly in financing new schemes, I hope very much that private developers will see the advantages of making new investments in housing now, when land prices have fallen and building contractors have more capacity.

It is interesting to note the confidence in Hong Kong's future displayed by overseas interests at this time; for instance negotiations are currently proceeding with a major overseas group for the development of a large new residential area at Sha Tin, to house over 30,000 people on a site of about 50 acres. It is

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this sort of vision that pays off, for there is an enormous requirement for housing which cannot possibly be satisfied in full for many years to come, if ever.

### EDUCATION

In elaborating proposals for your approval in the Public Works Programme and Housing Programme your Government has attempted to combine tenacity of purpose on broad objectives, with provision for realistic flexibility. In the White Paper on Education tabled today you will see the same approach. The White Paper is a statement of policy and the measures described in it represent an enterprise of some magnitude which will prove a challenge and a stimulus to all concerned. The goal is to provide a 3-year secondary course for all in the shortest time possible. If certain assumptions are fulfilled this could be as early as 1979 - a much shorter time than that envisaged in the original green paper. By that date it is judged possible to train the extra teachers required, but it certainly would not be possible to provide the number of new schools necessary if secondary schools were to be uni-sessional, because the money is not available to build schools for all the places required in the time, nor, if it were, would it be physically possible to do so. The objective is provision of assisted secondary education for all, but unless many children are to be denied this for many more years there will have to be a transitional period during which the school buildings we have and can construct are used much more intensively than at present. The technique for this,

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for which the white paper has opted, is flotation coupled with an extended day. It is realised that this is not an ideal solution, and must in consequence only be a transitional one, but I believe it to be a realistic compromise between the over-riding requirement for immediate speed, and the eventual ideal solution of uni-sessional secondary education.

As in the case of the Public Works and Housing Programmes, and the 10 year Programme for Medical and Health Services, each step that must be taken year by year has been mapped out and costed so that the implications for the whole programme of the financial decisions that must be taken each year can be clearly seen. The figures are large and only in this way can flexibility be considered, if the need arises, on a proper and rational basis.

Later in this debate the Director of Education will be expanding on the policy set out in the white paper. There are one or two points about it I would like to make myself. The first is about the decision to drop the recommendation in the green paper to make 1/5th of junior secondary schools prevocational and instead to make 20-25% of the curriculum of all junior secondary schools practical/technical. I know how passionately some maintain the value of prevocational junior secondary schools. Certainly the Government will continue to assist all those already in existence. But it was

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considered wrong in principle that a general educational system should be based on a separation of children at the early age of 11½ or 12 years into those who would receive prevocational and those who would receive grammar school secondary education. The White Paper's view is that all children will benefit equally up to the age of 14 from elements of both grammar school and technical/practical training, and that eventual separation of the two streams should be left as late as possible, so as to give children as long a time as possible in which to show in which direction their natural ability lies. We are all very conscious of the need to improve technical aptitude, but we believe that this is likely to be more securely built on the basis of a general education, including of course a technical element, up to the age of 14.

Thereafter there will be ample means of implanting and extending technical education. The proposal is that eventually 40% of Senior Secondary places will be in technical forms. For those who do not reach senior secondary schools, there will be apprenticeship schemes coupled with the services of the five technical institutes, and for the most talented students, the polytechnic.

With the provision of secondary places for all primary school leavers, the need for the Secondary School Entrance Examination will disappear, and if the programme outlined in the White Paper can be adhered to this examination will be set for the last term in May, 1978.

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Ultimately it is proposed to introduce a new examination for a Hong Kong Junior Certificate of Education to be sat at the end of the junior secondary course as a record of attainment, and as a method of selection for the senior secondary course. But I hasten to add that the proposal is to phase its introduction so that no child will have to sit both examinations.

I would like to record my thanks to Mr. P.C. Woo and the Board of Education for all the work and expertise they have contributed to this new look at our secondary education system.

#### The Universities

Finally, before leaving the Educational field, I should mention that the recommendations of the University and Polytechnic Grants Committee for the current universities quadrennium 1974-1978, and for the first two years of the development programme of the Hong Kong Polytechnic, were received and considered in detail by the Government and funds approved accordingly. Hong Kong University and the Chinese University are progressing satisfactorily and should reach a projected student enrolment of 8,850 by 1978.

#### Polytechnic

The Hong Kong Polytechnic has prepared impressive plans for a new campus at Hunghom, and funds for Phase 1 have been agreed. This will permit the Polytechnic's expansion to reach a full time equivalent of approximately 6,000 students by 1976. Thereafter Phases II and III of the Polytechnic Development Plan will take the Polytechnic onwards to the ultimate objective of a student body of at least 8,000 and possibly as much as 10,000 full time equivalent students. The Government and the University and Polytechnic Grants Committee will be discussing the Polytechnic Development Plan again early in 1975, and I therefore do not wish to comment further at this stage, other than to record that the Board of Governors and staff of the Hong Kong Polytechnic have already made a most impressive start, and we look for a major contribution from the Polytechnic towards the rising demand for tertiary education in Hong Kong.

/Summary .....

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Summary of the approach to stock-taking and its outcome

Hon. Members will deduce from what I have said about our major programmes what your Government's approach is at this time. It is one of determination, but of prudent and hard-headed determination, to press on towards the objectives which Hon. Members have constantly supported. But to prepare and plan the way to these objectives so that we may increase or decrease the speed of our advance in accordance with the rate at which our resources expand, and to do this smoothly in accordance with predetermined interlocking priorities.

During this year much time and effort have been spent on refining this discipline of stock-taking, and on defining priorities across the whole field of capital expenditure. I believe this to have been extremely beneficial, and that the machinery established to do it - and of course to keep on doing it because in the nature of things this is a continuing exercise - has made the Government more efficient, more flexible and more finely tuned. Indeed it would be quite unrealistic without it to embark on the sort of transformation of life in Hong Kong which has now been charted in so many fields.

The aim to which we all subscribe of expanding and providing services up to the realistic limit of our resources, requires a much more precise idea of what the expenditure and the services and the resources will be over a comparatively long period of time, because the decisions of today are inevitably locked into the decisions of tomorrow.

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However we have now been through all this, we have taken stock and we know much better where we stand and where we are able to go and how fast, and where we might draw back if our resources fall short or accelerate if they unexpectedly expand. It will be for the Financial Secretary to spell out the figures next February, in the light of all the circumstances as they have developed.

But Hon. Members will have realised even from the broad terms in which I have spoken to-day, how much we believe is within our resources as now assessed.

Carefully conceived plans for housing, secondary and tertiary education, medical and health services, and social welfare are all going forward. So too will the negotiations for the contract for a Mass Transit Railway. We are able to proceed with the urban road programme, and with linking the New Towns with the urban areas by the Tuen Mun motor road to the West, and the twin Lion Rock tunnels and the double tracking of the Kowloon-Canton Railway to the East. We expect to start on the construction of new industrial estates. The private sector too will be embarking on some dramatic projects such as the new berths for the Kwai Chung container terminal and the Kai Tak cargo terminal and of course many others too numerous to mention.

While parts of this address may have struck a note of uncharacteristic caution, I am greatly encouraged by the fact that this whole process of careful and detailed stock-taking,

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which has occupied so much of our time this year, has confirmed our ability, as things stand at present, and with the continuing support of Hon. Members, broadly to see through our programmes. I am impressed not by the degree of rephrasing that has been deemed prudent, but by the broad front of improvement on which we think it right and realistic to advance.

The scale of all this should be appreciated because it is an indication of our confidence in the future. It is also important for the economy and the provision of employment that this scale of advance and this level of activity and investment by the Government and the private sector alike should be steadily and smoothly maintained.

Hon. Members, I have tended to speak today in economic or administrative terms, but it is of course of people that I think, of the industrialist, striving for contracts and finance, and of the worker striving to maintain his livelihood and that of his family. These people are the true, the principal asset of Hong Kong. I have watched with admiration the ability, ingenuity and realism people in Hong Kong have shown in the difficult year that has passed, and with these qualities I am sure that we will weather the year ahead.

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