



# DAILY INFORMATION BULLETIN

FRIDAY, DECEMBER 19, 1975

<u>CONTENTS</u>	<u>PAGE NO.</u>
FIVE NON-GOVERNMENT ORGANISATIONS AUTHORISED TO ISSUE CERTIFICATES OF ORIGIN .....	1
NEW RENT CONTROL EXPLANATORY BOOKLETS AND FORMS TO BE AVAILABLE .....	2
SPECIAL DIB SUPPLEMENT ON NEW DEFENCE COSTS AGREEMENT ..	3
TRAINING COURSE FOR TOOL AND DIE MAKERS .....	4
MAIL DELIVERY DURING X'MAS HOLIDAY .....	4
IMPORTANCE OF ELECTRICAL SAFETY EMPHASISED AT EXHIBITION	5
LAND TO BE RECLAIMED AT LAI CHI KOK FOR PUBLIC PARK .....	6
DIRECTOR OF EDUCATION SPEAKS ON NEED TO EDUCATE PEOPLE IN ALL ASPECTS .....	7

FRIDAY, DECEMBER 19, 1975.

- 1 -

NON-GOVERNMENT ORGANISATIONS TO ISSUE CERTIFICATES OF ORIGIN  
\* \* \* \* \*

THE COMMERCE AND INDUSTRY DEPARTMENT ANNOUNCED TODAY (FRIDAY) THAT FROM JANUARY 1, 1976, FIVE NON-GOVERNMENT ORGANISATIONS WILL BE AUTHORISED TO ISSUE CERTIFICATES OF ORIGIN (FORM A) FOR GOODS SHIPPED UNDER GENERALISED SCHEMES OF PREFERENCES TO JAPAN AND SWITZERLAND.

THE GOVERNMENTS OF AUSTRIA AND CANADA HAVE ALSO BEEN REQUESTED TO ACCEPT FORMS A CERTIFIED BY THESE ORGANISATIONS.

UP TO NOW, ONLY THE COMMERCE AND INDUSTRY DEPARTMENT ISSUED THESE CERTIFICATES.

THE FIVE ORGANISATIONS ARE : THE HONG KONG GENERAL CHAMBER OF COMMERCE= THE FEDERATION OF HONG KONG INDUSTRIES= THE INDIAN CHAMBER OF COMMERCE= CHINESE MANUFACTURERS' ASSOCIATION AND THE CHINESE GENERAL CHAMBER OF COMMERCE.

THE STAFF OF THE FIVE ORGANISATIONS HAVE UNDERGONE TRAINING IN THE COMMERCE AND INDUSTRY DEPARTMENT AND ARE FULLY COMPETENT TO DEAL WITH FORM A APPLICATIONS.

A D C AND I SPOKESMAN SAID THAT THE FIVE ORGANISATIONS WOULD APPLY THE SAME RULES AND PROCEDURES ADOPTED BY THE DEPARTMENT AND THAT CLOSE CO-ORDINATION WOULD BE MAINTAINED THROUGH A +CERTIFICATION CO-ORDINATION COMMITTEE+ WHICH COMPRISES SENIOR OFFICIALS OF THE ORGANISATIONS AND THE DEPARTMENT.

MOST GOODS ARE NOT SUBJECT TO EXPORT LICENSING IN HONG KONG. FOR THOSE THAT ARE, THE D C AND I, IN ANOTHER MOVE TO ASSIST HONG KONG TRADERS, INTRODUCED TWO MONTHS AGO AN ARRANGEMENT FOR TRANSSHIPMENT CARGO WHEREBY AN EXPORTER COULD SHIP AN INDEFINITE NUMBER OF CONSIGNMENTS UNDER ONE LICENCE VALID FOR THREE MONTHS.

HE SAID THAT THE DEPARTMENT WAS CONSTANTLY SEEKING WAYS OF REDUCING TRADE FORMALITIES TO A MINIMUM, A POLICY WHICH HAD CONTRIBUTED MUCH TO HONG KONG'S TRADE SUCCESS.

- - - - 0 - - - -

/2 .....

FRIDAY, DECEMBER 19, 1975

- 2 -

NEW FORMS FOR USE UNDER RENT CONTROL LAW

\* \* \* \* \*

SPECIFIED FORMS FOR USE UNDER THE LANDLORD AND TENANTS (CONSOLIDATION) (AMENDMENT) (NO.4) ORDINANCE 1975 AND SIMPLE EXPLANATORY BOOKLETS WILL SHORTLY BE AVAILABLE AT THE OFFICES OF THE RATING AND VALUATION DEPARTMENT, PUBLIC ENQUIRY COUNTERS AND DISTRICT OFFICES.

THE AMENDED ORDINANCE, WHICH WAS PASSED ON WEDNESDAY BY THE LEGISLATIVE COUNCIL, ALLOWS FOR INCREASED RENTS TO BE CHARGED FOR PRE-WAR PREMISES, BOTH DOMESTIC AND BUSINESS, BUT ONLY WHERE THE CURRENT RENT BEING PAID IS BELOW THE NEW PERMITTED LEVEL.

WHERE THE CURRENT RENT IS EQUAL TO OR MORE THAN THE NEW PERMITTED RENT, A TENANT WILL NOT BE OBLIGED TO PAY ANY INCREASE.

A SPOKESMAN FOR THE RATING AND VALUATION DEPARTMENT, COMMENTING ON THE AMENDED ORDINANCE, SAID TODAY THAT THE ACTUAL INCREASES, IN MONEY TERMS, WOULD BE COMPARATIVELY SMALL.

IN ORDER TO OBTAIN AN INCREASE IN RENT, A LANDLORD WILL HAVE TO SERVE ON HIS TENANT A NOTICE OF INCREASE AND A COPY OF THE NOTICE MUST BE SENT TO THE COMMISSIONER OF RATING AND VALUATION FOR ENDORSEMENT.

LANDLORDS AND TENANTS CAN ALSO APPLY TO THE COMMISSIONER FOR HIS ASSESSMENT OF STANDARD RENT WHICH IS THE BASE FIGURE UPON WHICH THE PERMITTED INCREASES ARE CALCULATED.

FOR POST-WAR DOMESTIC PREMISES, THE NEW ORDINANCE REMOVES PROTECTION FROM FRESH LEASES FOR THREE YEARS OR MORE AND ALSO FROM LETTINGS HELD IN THE NAMES OF GOVERNMENTS, CORPORATIONS AND SO ON.

THE MAJOR CHANGE, HOWEVER, IS THE ALTERATION OF THE FACTOR, FROM FIVE TO FOUR, WHICH IS USED TO DETERMINE THE AMOUNT OF INCREASE IN RENT PERMITTED FOR POST-WAR PREMISES.

+THIS CHANGE,+ THE SPOKESMAN SAID, +WAS CONSIDERED NECESSARY IN ORDER TO CONTINUE TO PROGRESS, AT AN ACCEPTABLE PACE, TOWARDS EVENTUAL DECONTROL.+

HE EMPHASISED THAT THERE WAS NO CHANGE IN THE MAXIMUM PERMITTED INCREASE OF 21 PER CENT FOR PREMISES WITH A RATEABLE VALUE NOT EXCEEDING \$30,000.

/THE PROPOSAL .....

FRIDAY, DECEMBER 19, 1975

- 3 -

THE PROPOSAL TO ALLOW INCREASE IN RENT FOR POST-WAR DOMESTIC PREMISES WHERE THE LANDLORD HAS SPENT MONEY ON IMPROVEMENTS WAS OMITTED FROM THE ORDINANCE PASSED ON WEDNESDAY.

THE SPOKESMAN EXPLAINED THAT FOLLOWING PUBLICATION OF THE BILL CONTAINING THIS PROPOSAL, A NUMBER OF REPRESENTATIONS HAD BEEN MADE TO THE GOVERNMENT. THESE WERE CONCERNED MAINLY WITH THE DIFFICULTY OF APPLICATION OF THE PROVISIONS AND THE MINIMUM AMOUNT TO BE SPENT.

IT WAS AGREED THAT THIS PROPOSAL REQUIRED FURTHER STUDY AND IT WAS THEREFORE WITHDRAWN. +HOWEVER, IT IS INTENDED TO RE-INTRODUCE IT, SUITABLY AMENDED, EARLY NEXT YEAR,+ THE SPOKESMAN ADDED.

----- 0 -----

STATEMENT ON NEW DEFENCE COSTS AGREEMENT

\* \* \* \* \*

NOTE TO EDITORS:

FULL TEXT OF A JOINT STATEMENT BY THE HONG KONG GOVERNMENT AND THE UNITED KINGDOM GOVERNMENT ON THE NEW DEFENCE COSTS AGREEMENT AND SEVERAL OTHER ITEMS RELATED TO THE ISSUE ARE CONTAINED IN A SUPPLEMENT TO TODAY'S DAILY INFORMATION BULLETIN.

----- 0 -----

/4 .....

FRIDAY, DECEMBER 19, 1975.

- 4 -

COURSE ON TOOL AND DIE MAKING  
\* \* \* \* \*

TWO EXPERTS IN TOOL AND DIE MAKING FROM BRITAIN HAVE BEEN INVITED TO CONDUCT A PART-TIME DAY-RELEASE COURSE FOR THE TRAINING OF TOOL AND DIE INSTRUCTORS IN HONG KONG.

THE COURSE, TO BE RUN BY THE HONG KONG TECHNICAL TEACHERS' COLLEGE, IS ORGANISED TO MEET THE NEED OF LOCAL INDUSTRIES FOR TOOL AND DIE MAKERS.

IT WILL BE HELD FROM 9 A.M. TO 7 P.M. EVERY THURSDAY FOR 34 WEEKS STARTING FROM JANUARY 15.

THE MEDIUM OF INSTRUCTION WILL BE ENGLISH, BUT WILL BE SUPPLEMENTED BY CHINESE INTERPRETATION.

APPLICATIONS ARE NOW INVITED FOR PLACES ON THE COURSE. APPLICANTS SHOULD BE TOOL AND DIE MAKERS OR SHOULD EXPECT TO BE EMPLOYED AS ONE. THEIR EMPLOYERS WILL BE ASKED TO RECOMMEND THEM FOR THE COURSE.

APPLICATION FORMS CAN BE OBTAINED FROM THE HONG KONG TECHNICAL TEACHERS' COLLEGE, 373 QUEEN'S ROAD EAST, WAN CHAI, HONG KONG FROM TOMORROW (SATURDAY) AND MUST BE RETURNED BY JANUARY 3.

- - - - 0 - - - -

ONE LETTER DELIVERY ON BOXING DAY  
\* \* \* \* \*

LETTER DELIVERY ARRANGEMENTS AND COUNTER BUSINESS FACILITIES FOR THE CHRISTMAS AND NEW YEAR HOLIDAYS WERE ANNOUNCED BY THE GENERAL POST OFFICE TODAY.

THERE WILL BE TWO DELIVERIES ON SUNDAY (DECEMBER 21) AND ONE ON BOXING DAY, BUT THERE WILL BE NO DELIVERY ON CHRISTMAS DAY AND NEW YEAR'S DAY.

ALL POST OFFICES WILL BE CLOSED ON CHRISTMAS DAY AND NEW YEAR'S DAY.

ON BOXING DAY, 32 POST OFFICES, INCLUDING THE GENERAL POST OFFICE, THE KOWLOON CENTRAL POST OFFICE AND THE TSIM SHA TSUI POST OFFICE, WILL BE OPEN FOR BUSINESS FROM 9 A.M. TO 12 NOON. ALL OTHER POST OFFICES WILL BE CLOSED.

- - - - 0 - - - -

/5 .....

FRIDAY, DECEMBER 19, 1975

- 5 -

ELECTRICITY CAN BE AN INVISIBLE DANGER  
\* \* \* \* \*

ELECTRICITY CAN BE A HIDDEN OR INVISIBLE MENACE IF NOT HANDLED WITH CARE.

THIS IS THE MESSAGE THE LABOUR DEPARTMENT AIMS TO PUT ACROSS TO PEOPLE IN THE CONSTRUCTION INDUSTRY THROUGH A SERIES OF ELECTRICAL SAFETY EXHIBITIONS STAGED ON BOARD A MOBILE VAN AT CONSTRUCTION SITES.

OPENING THE FIRST OF THESE EXHIBITIONS TODAY, THE PRESIDENT OF THE BUILDING CONTRACTORS ASSOCIATION, MR. HO SAI-CHU, SAID THAT THE TROUBLE WITH ELECTRICITY WAS THAT IT COULD NOT BE SEEN BUT IT COULD BE FELT.

+AND WHEN IT IS FELT, IT IS ALWAYS TOO LATE TO REGRET. THIS INVISIBLE DANGER IS PARTICULARLY HAZARDOUS IN BUILDING CONSTRUCTION SITES WHERE DARK CORNERS, WET SPOTS, AND CRAMPED AREAS ARE COMMON,+ HE SAID.

MR. HO POINTED OUT THAT IN 1974, 50 PER CENT OF THE FATAL AND 30 PER CENT OF THE NON-FATAL ELECTRICAL ACCIDENTS REPORTED TO THE LABOUR DEPARTMENT OCCURRED IN BUILDING AND CONSTRUCTION INDUSTRY.

+THIS INDEED IS A SAD PICTURE AND IT DEMANDS GREAT ATTENTION AND EFFORT FROM EVERYONE INVOLVED TO REDUCE SUCH ACCIDENTS.+

BECAUSE OF THE TEMPORARY NATURE OF MANY OF THE WORKS AT CONSTRUCTION SITES, HE SAID ELECTRICIANS OR FITTERS TENDED TO USE HOME-MADE ELECTRICAL CONNECTIONS AND SUB-STANDARD INSTALLATIONS AND FITTINGS THAT MIGHT COME HANDY. +THIS IS A MAJOR CAUSE OF ELECTRICAL ACCIDENTS.+

MR. HO WENT ON TO SAY THAT QUITE OFTEN MANAGERMENTS WERE INCLINED TO THINK THAT THE RESPONSIBILITY FOR ACCIDENT PREVENTION RESTED SOLELY WITH THE GOVERNMENT.

+MAY I POINT OUT HERE THAT THIS THINKING IS UNFAIR AND COULD ONLY LEAD TO MISCONCEPTION. SAFETY IS IN FACT EVERYONE'S BUSINESS. THE PROMOTION OF INDUSTRIAL SAFETY REQUIRES WHOLE-HEARTED SUPPORT FOR WORKERS AND MANAGERMENTS ALIKE.

+ON BEHALF OF THE ASSOCIATION, I WOULD LIKE TO APPEAL TO ALL OUR MEMBERS AND THEIR EMPLOYEES TO TAKE ADVANTAGE OF THESE EXHIBITIONS SO THAT THEY CAN BENEFIT FROM THE EDUCATIONAL FUNCTIONS OFFERED BY THESE SAFETY EXHIBITIONS AND APPLY THE ACCIDENT PREVENTION TECHNIQUE SO LEARNT TO SAVE THE LIVES OF OTHER FELLOW WORKERS.+

+/HE ALSO .....

- 6 -

HE ALSO URGED SITE WORKING PERSONNEL TO PASS ON THE SAFETY KNOWLEDGE GAINED FROM THE EXHIBITION TO FELLOW COLLEAGUES AND TO SET A GOOD EXAMPLE FOR OTHERS TO FOLLOW.

MR. HO FURTHER ENCOURAGED EMPLOYERS AND MANAGERIAL STAFF TO CONTACT THE LABOUR DEPARTMENT FOR ARRANGEMENT OF SIMILAR EXHIBITIONS TO BE STAGED AT THEIR SITES.

TODAY'S EXHIBITION, HELD AT THE GAMMON (HK) LTD. SITE FOR THE NEW CAMPUS OF THE HONG KONG POLYTECHNIC IN YUK CHOI ROAD, HUNG HOM, WAS WELL ATTENDED BY GAMMON WORKERS AND POLYTECHNIC STUDENTS. IT WILL CLOSE AT NOON TOMORROW (SATURDAY).

THE SECOND IN THE SERIES OF ELECTRICAL SAFETY EXHIBITIONS WILL BE HELD AT THE SITE OF THE HIP HING CONSTRUCTION CO. LTD. FOR THE NEW A.I.A. BUILDING IN QUEEN'S ROAD CENTRAL ON TUESDAY (DECEMBER 23).

- - - - 0 - - - -

LAND TO BE RECLAIMED FOR A PARK  
\* \* \* \*

LAND WILL BE RECLAIMED AT LAI CHI KOK BAY FOR A PUBLIC PARK.

THE PARK WILL HAVE SITTING-OUT AREAS, GAMES PITCHES, A SWIMMING POOL AND POSSIBLY A GAMES HALL.

THERE ARE ALSO PLANS FOR THE CONSTRUCTION OF A NEW FERRY PIER AND CONCOURSE.

MOST OF THE DUMPING MATERIAL FOR THE 27-ACRE SITE WILL BE EXCAVATED MATERIALS FROM MASS TRANSIT RAILWAY WORKS.

THE EXTENT OF THE AREA INVOLVED IS DESCRIBED IN A NOTICE IN THE GAZETTE TODAY.

ANYONE WHO HAS OBJECTIONS TO THE PROPOSAL OR HAS ANY CLAIM OF PRIVATE RIGHT SHOULD WRITE TO THE DIRECTOR OF PUBLIC WORKS WITHIN THE NEXT TWO MONTHS.

THE NOTICE, IN BOTH ENGLISH AND CHINESE, CAN ALSO BE SEEN ON NOTICE BOARDS POSTED NEAR THE SITE.

- - - - 0 - - - -

/7 .....

CONCEPT OF MODERN EDUCATORS TOWARDS THE CHILD

\* \* \* \* \*

EDUCATION SHOULD EMBRACE THE WHOLE OF MAN'S DEVELOPMENT - PHYSICAL, MENTAL, EMOTIONAL, SOCIAL AND SPIRITUAL - SO THAT HE MAY REALISE ALL HIS INNATE POWERS AND POSSIBILITIES THAT MAY BE OF VALUE TO HIMSELF AND TO THE COMMUNITY AS A WHOLE, THE DIRECTOR OF EDUCATION, MR. KENNETH TOPLEY, SAID THIS EVENING.

+THE MAN WHO IS EDUCATED IS NOT JUST A LEARNED MAN, BUT A MAN OF BALANCED PERSONALITY,+ MR. TOPLEY TOLD THE GATHERING AT THE SPEECH DAY OF THE DIOCESAN BOYS' SCHOOL.

THIS IDEA HAD COMPLETELY ALTERED THE CONCEPT OF MODERN EDUCATORS TOWARDS THE CHILD, WHATEVER HIS AGE.

+THEY REALISE THAT THE HABITS OF THOUGHT, FEELING AND ACTION, WHICH HE IS FORMING FROM THE FIRST WEEK OF LIFE AND THROUGHOUT CHILDHOOD AND YOUTH, ARE AS MUCH A PART OF HIS EDUCATION AS THE SUBJECTS HE LEARNS AT SCHOOL.

+THE HOME AND THE SCHOOL ARE EQUALLY RESPONSIBLE FOR DETERMINING THE KIND OF MAN OR WOMAN THE CHILD WILL BE. THEY SHARE EQUALLY IN HIS EDUCATION WHICH WILL DECIDE WHETHER HE FINDS SOME MEASURE OF SELF-REALISATION AND DEVELOPS THE POWER TO ADJUST HIMSELF TO THE DEMANDS OF LIFE.

+FROM THIS POINT OF VIEW IT IS EDUCATION THAT DETERMINES ALSO WHETHER THE CHILD BECOMES AN ADULT WITH A SENSE OF SOCIAL RESPONSIBILITY TOWARDS THE COMMUNITY IN WHICH HE LIVES, OR, LACKING MORAL STANDARDS, MAKES THE MOST OF EVERY OPPORTUNITY FOR SELF-AGGRANDISEMENT AND THE ACQUISITION OF MATERIAL POSSESSIONS NO MATTER WHAT THE COST TO OTHERS,+ THE DIRECTOR SAID.

MR. TOPLEY EMPHASISED THAT CHILDREN SHOULD BE ENCOURAGED IN THE HOME AND IN THE SCHOOL TO THINK FOR THEMSELVES, TO SOLVE PROBLEMS AND TO USE THEIR KNOWLEDGE TO MAKE LIFE MORE INTERESTING AND WORTHWHILE.

HE ALSO REFERRED TO THE SPEECH BY THE PRINCIPAL OF DIOCESAN BOYS' SCHOOL, MR. JAMES LOWCOCK, WHO COMMENTED ON A NUMBER OF FUNDAMENTAL ISSUES IN EDUCATION.

MR. TOPLEY SAID THAT ONE SUCH ISSUE CONCERNED THE CLAIMS OF THE INDIVIDUAL VERSUS THOSE OF SOCIETY.

+THERE IS NO DOUBT THAT THE SCHOOL MUST ACCEPT THAT ITS FIRST DUTY IS TO ITS PUPILS AS INDIVIDUALS. EACH PUPIL MUST BE REGARDED AS A UNIQUE PERSONALITY WITH HIS OWN NEEDS AND ABILITIES.

+AS AN INDIVIDUAL HE MUST BE RESPECTED- HE MUST BE GIVEN THE OPPORTUNITY FOR SELF-REALISATION AND SELF-EXPRESSION. IF THIS IS NOT DONE AT ALL STAGES OF HIS DEVELOPMENT, HE WILL SUFFER FROM A SENSE OF FRUSTRATION OF WHICH HE WILL BE MORE OR LESS CONSCIOUS ALL HIS LIFE.+

FRIDAY, DECEMBER 19, 1975

- 8 -

THE DIRECTOR CAUTIONED AGAINST GIVING THE CHILD ONE-SIDED DEVELOPMENT, THAT IS CONSIDERING HIM ONLY AS AN INDIVIDUAL AND NOT CONSIDERING HIM ALSO AS A MEMBER OF A COMMUNITY.

+THERE IS A REAL DANGER THAT WHILE DEVELOPING HIS OWN NATURAL POWERS, HE WILL NOT BE AWARE OF HIS RESPONSIBILITY TOWARDS THE COMMUNITY AS A WHOLE.

+THE GENERAL AIM SHOULD THEREFORE BE TO OFFER THE FULLEST SCOPE TO INDIVIDUALITY WHILE KEEPING STEADILY IN VIEW THE CLAIMS OF SOCIETY,+ HE SAID.

ON MR. LOWCOCK'S REFERENCE TO EDUCATION FOR CITIZENSHIP, MR. TOPLEY SAID: +IN THIS FIELD AS IN MANY OTHER FIELDS INCLUDING MORAL EDUCATION, I FULLY AGREE THAT EMPHASIS SHOULD BE LAID ON EVERYDAY APPLICATION RATHER THAN MERE PRECEPT - ON PRACTICE BOTH IN AND OUT OF SCHOOL RATHER THAN ABSTRACT CLASSROOM TEACHING.+

THE DIRECTOR PRAISED D.B.S. FOR OFFERING A LIBERAL EDUCATION WITH CONSTANT EMPHASIS ON ALL-ROUND PERSONAL DEVELOPMENT.

HE SAID: +NOT ONLY DO THE PUPILS SHINE IN THE PUBLIC EXAMINATIONS, BUT THEY ALSO DISTINGUISH THEMSELVES IN MANY SPHERES OF EXTRA-CURRICULAR ACTIVITIES, INCLUDING SPORT AND GAMES, MUSIC AND SPEECH AND COMMUNITY SERVICE.+

----- 0 -----



HONG KONG GOVERNMENT

**INFORMATION SERVICES****DAILY INFORMATION BULLETIN  
SUPPLEMENT**

Friday, December 19, 1975

DEFENCE COSTS AGREEMENTJOINT STATEMENT

United Kingdom Government and the Hong Kong Government have agreed on the size and the division of the cost of the British garrison in Hong Kong. This agreement will succeed the present 5-year agreement which expires on 31st March, 1976.

The new agreement reaffirms Her Majesty's Government's commitment to the security and integrity of Hong Kong and stipulates the size of the agreed garrison, which will be smaller than in the past, but which will be reinforced should circumstances so require. The garrison will in future include 4 Infantry Battalions (3 of them Gurkha), a Gurkha Engineering Squadron, 5 Naval patrol craft and an RAF helicopter squadron. At current prices the cost will be £42½m. a year which is some £20m. less than the present garrison. The Hong Kong Government will meet 50% of the cost of the garrison in the first year of the new agreement (1976/77), 62½% in the second year and 75% in the 3rd and succeeding years, compared with a contribution in this financial year of about £11m. under the present agreement. The new agreement will run for 7 years initially and will be renewed for further period of 5 years on the same terms unless either Government wishes to vary them.

/An important .....

An important feature of the new agreement which was not included in earlier agreements, is that Hong Kong's payments to the United Kingdom will be adjusted for changes in price levels. The greater part of the cost is incurred in Hong Kong and is thereby subject to price movements in Hong Kong rather than in the United Kingdom. The agreement makes provision for reviews of any aspect of the costs or composition of the garrison including the costs of the support elements, with any savings being shared in the same proportion as the contributions.

Her Majesty's Government has undertaken to release land currently occupied by the Services at Kai Tak (about 120 acres) and at Victoria Barracks (43 acres) in the years in which the Hong Kong contribution increases to 62% and 75% (1977/78 and 1978/79 respectively) subject to the reprovision elsewhere of essential service facilities by the Hong Kong Government. These two areas are already the property of the Hong Kong Government, which will bear the full cost of reprovisioning. The agreement also makes provision for the release for civil use of other land and buildings no longer required by the British Services.

The new agreement assures Hong Kong of a continuing British commitment, backed by a British garrison, for which Her Majesty's Government will continue to pay a proportion of the cost. This will ensure that the stability and confidence which are so essential to Hong Kong's prosperity are maintained in the future.

.....

/3 .....

COMMENT ON THE DEFENCE COSTS AGREEMENT BY  
THE ACTING GOVERNOR

The new Defence Costs Agreement has been concluded today between the Governments of Hong Kong and the United Kingdom - after very tough negotiations which have lasted for more than a year.

Understandably, the progress of these negotiations has aroused considerable public interest - and much anxiety lest the agreement should place on Hong Kong financial burdens which we should find it difficult to carry.

In the course of public debate and discussion, some have even questioned the need for there to be any garrison at all. Let me make it abundantly clear that the Government has no doubt whatsoever that a substantial British garrison is essential for the stability and prosperity of Hong Kong.

It is the primary responsibility of any Government to maintain security. Unless this is assured, confidence in Hong Kong and its future would be shaken - with dire economic and social consequences.

Some of the critics, while accepting that a garrison of some kind is required, have asserted that it could be provided more effectively and cheaply by an enlarged and re-equipped police force, or by an augmented Hong Kong Regiment.

This possibility has been carefully examined - by soldiers, civilians and police. The clear conclusion is that such an alternative would give us a second-class army, lacking the professional skills traditions and spirit which make the superb British and Gurkha soldiers, sailors and airmen such an effective garrison. Furthermore, a local force would have to be larger, because we would not be able to rely on reinforcements from Britain, as we shall be able to do while we have a British garrison.

/A local .....

A local force would also be much more expensive, because the United Kingdom would not contribute anything towards its upkeep. Naval vessels, helicopters, vehicles, arms and armaments would have to be purchased by the Hong Kong Government and stockpiles of equipment, stores and ammunition would have to be maintained to provide the necessary support. All this would be very costly indeed.

Having accepted that a British garrison is essential, the Government has investigated in great detail the composition of the present garrison, in order to ensure that its strength and make-up are adequate and appropriate to our present needs, and that it contains nothing which is unnecessary. I believe that this has been achieved, with the willing co-operation of the Services themselves.

The overall cost of the forces stationed in Hong Kong in the next financial year will not exceed \$450 million - though it would have been \$700 million if we had continued to maintain the same garrison which was here at the beginning of this year.

Throughout the negotiations with the British Government, we have argued strongly that Hong Kong's contribution should be kept to a level which would affect other essential calls on our public resources as little as possible.

At an early stage, we were faced with the suggestion that we should meet the whole cost of whatever forces were stationed here. But our arguments have been successful to the extent that we shall now contribute half of the cost in the next financial year, rising to 62% in 1977/78 and 75% from April 1978 onwards.

/This will .....

This will involve a substantial increase over our present expenditure on defence, which is about \$110 million in this financial year. Nevertheless, we must keep this expenditure in proportion. In 1971/72, when the current cost sharing agreement came into force, we were paying for defence about 3.3% of our total expenditure. In 1976/77 under the new agreement, our contribution will be less than 3%, and by the third year of the agreement (when we reach our maximum contribution) it will still be less than 4%. These percentages must be compared with the 18% of our total expenditure which is set aside for education in the present financial year, the 8% spent on medical services and the 11% allocated to housing.

The additional charge on our finances comes at a time when we are only beginning to recover from the world recession. However, taking into account the grave economic difficulties from which Britain is suffering, it would have been unrealistic to expect that we should not be called upon to make a larger contribution to such an important commitment as security.

And when we are trying to assess the reasonableness of the agreement, we should not overlook the areas of very valuable land which are to be returned to the Government. These will become available for redevelopment and will be of great benefit to the community, both financially and in terms of the amenities which they will make available.

Of course, the agreement is not as favourable to Hong Kong as we would have liked. Such agreements are seldom wholly satisfactory to either of the parties to them. Nevertheless the vital factor is that it guarantees that we shall continue to have an effective British garrison of the highest quality.

/Most important .....

Most important of all, the British commitment to the integrity and security of Hong Kong is reinforced and restated by its terms. And the presence of a British garrison will ensure that confidence and stability which are so essential for Hong Kong's prosperity are maintained in the future

.....

LARGE AREAS OF LAND TO BE RETURNED TO  
HONG KONG GOVERNMENT

Seven valuable areas of land, including Victoria Barracks and R.A.F. Kai Tak, will be returned to the Hong Kong Government over the next four years under the new defence costs agreement announced today. The first land will be handed back before the end of next April.

The sites to be returned are Dodwell's Ridge Camp (10 acres), Sai Kung Camp (24 acres), Sham Shui Po Camp (33 acres), two camps in Argyle Street (13.6 acres), R.A.F. Kai Tak (about 120 acres) and Victoria Barracks (43.4 acres).

In each case, no compensation will be paid by Hong Kong as was the practice in some instances in the past. This provision is clearly stated in the new agreement. It will apply also to any future releases of land that is no longer required for the garrison.

The Kai Tak site, which includes the whole of the old aerodrome and the officers' mess on the opposite side of Kwun Tong Road is scheduled to be released by March 31, 1978.

/The R.A.F. ....

The R.A.F. units affected by the move will be repositioned at Sek Kong within the area already occupied by the Army. Technical accommodation for the helicopter squadron will be built at Sek Kong airstrip. Quarters for R.A.F. personnel will be constructed nearby.

All but four acres of the Victoria Barracks site is scheduled to be returned to the Government by March 31, 1979. The headquarters and other units now in the barracks will be rehoused in a new complex to be built inside H.M.S. Tamar.

The four-acre site which is being retained by the Army is in one corner of the barracks and contains a newly-built multi-storey block; further quarters will be constructed on the site, as part of the re-provisioning of the barracks.

The cost of repositioning the R.A.F. at Sek Kong and the Army and Joint Services (at Hqs) HMS Tamar will be borne by the Hong Kong Government, at an estimated cost of \$175 million.

A Government spokesman said that the revenue to be realised as a result of developing R.A.F. Kai Tak and Victoria Barracks, after they have been vacated, will obviously depend on the decisions taken for their eventual use.

"The revenue is, however, likely to be substantial and the return from the sale of only a part of these large areas will more than cover the cost of re-provisioning."

The spokesman emphasised that the increase in Hong Kong's contribution to the defence costs to over 50 per cent is tied to the release dates of these two most valuable sites.

/Any delay .....

Any delay on the part of the Services in vacating the land would affect Hong Kong's contribution under the terms of the agreement.

If, for instance, the Kai Tak land is not ready for release on the date stipulated (31.3.78), in circumstances which are the responsibility of the British Government, then the contribution will remain at 50 per cent until the land is vacated.

Units from the camps in Sham Shui Po and Argyle Street will be reprovisioned in existing army camps and this cost will be included in the normal services works programme which is part of the agreement, the spokesman added.

The Dodwell's Ridge and Sai Kung camps will both be released within the first month of the new agreement.

The Sham Shui Po camp will be returned in two stages. The first covering about five acres will be released by November 1 next year and the remainder of the camp (28 acres) will be handed back by December 31, 1977.

The first of the two camps in Argyle Street, covering some 4.5 acres will be returned by March 31, 1977; and the second (9.1 acres) by December 31, 1979.

Under the new agreement, about \$59 million a year (out of the total cost of \$450 million a year) will be spent on capital works, maintenance and minor works for the Services.

The spokesman pointed out that it has always been the policy of the garrison to hand back to the Government any land which is no longer required.

/"In future .....

"In future all such land and buildings will revert to the Hong Kong Government, free of charge," he said.

A recent example of this was the return in June, this year, of the Shouson Hill site (16.6 acres). Chatham Road camp (7.8 acres) will be handed back on the 31st December (1975). A large part of one of the biggest pieces of land formerly held by the garrison - the old Lyemun Barracks - covering some 130 acres is currently being prepared for handover to the Government.

.....

/10 .....

.....

NEW DEFENCE COSTS AGREEMENT CONCLUDED

\* \* \* \* \*

Under the defence agreement signed in London today, Hong Kong's contribution to the total annual cost of the garrison will be based on a sliding scale beginning at 50% and reaching 75% in the third year.

The total annual cost of the garrison, at September 1975 prices, is \$450 million. In the first year of the new agreement - April 1, 1976 to March 31, 1977 - Hong Kong's contribution will be \$225 million. This will rise to \$281 million in the second year - April 1, 1977 to March 31, 1978 - and to \$337 million from April 1, 1978 onwards.

Announcing this tonight, a government spokesman said that the Hong Kong Government is satisfied that the agreement is a fair one and in the interest of Hong Kong. It will run for a period of seven years in the first instance. It will be renewed on the same terms for further periods of five years unless either government gives notice, a year before the end of any such period, that it wishes to vary the terms.

The agreement contains a clause which allows either government to seek information, at any time, relating to any part of the garrison's cost with a view to making further savings.

Any economies that are found in this way will be shared in the same proportions as the contributions to the cost of the garrison, the spokesman said.

Provision is made for the cost of the garrison to be varied by changes in price levels in Hong Kong and the United Kingdom. The revised cost will be shared by both governments in the appropriate proportions. These changes will be determined in respect of each component part of the garrison's cost.

/Giving .....

Giving an example, the spokesman said that, in the case of equipment, it has been agreed that the Hong Kong Consumer Price Index should be used to measure changes in cost. This applies even to equipment manufactured in the United Kingdom, where inflation could continue at a higher rate than in Hong Kong.

"In this way," the spokesman stressed, "there is no question of Hong Kong paying more, in respect of the cost as a whole, simply because there is a high rate of inflation in Britain."

Commenting on the budgetary implications of the agreement, the Deputy Financial Secretary, Mr. David Jeaffreson, said: "Although the actual amounts of our contributions over the next seven years are substantial, they represent small percentages of the likely total government expenditure during the period."

"Under the existing agreement, which expires in March 1976, our contribution represented 3.3 per cent of total expenditure in 1971-72. It then fell to 1.7 per cent in 1975-76, largely because the agreement contained virtually no provision for adjusting the size of the contribution as costs increased.

"In 1976-77 the contribution of \$225 million is likely to represent no more than three per cent of estimated total expenditure. This expenditure is likely to rise to 3.8 per cent by the third year of the agreement," the Deputy Financial Secretary explained.

Putting the contributions under the new agreement into perspective, Mr. Jeaffreson added: "These percentages compare with 18 per cent of total government expenditure which has been set aside for education during 1975-76, eight per cent on medical services and 11 per cent on Housing.

/"The .....

"The agreement accords with the ability of Hong Kong to pay a larger contribution toward a garrison than in the past."

He said that in planning government expenditure for the next year, it had been estimated that \$205 million would be required for Hong Kong's defence contribution. This figure was arrived at before the terms of the new agreement were negotiated.

"If the economy continues to pick up there is no reason why the Government cannot absorb the additional contributions without seriously affecting the long-term planning of our social services programme," Mr. Jeaffreson said.

/13 .....

COMMENT ON THE DEFENCE COSTS AGREEMENT BY  
COMMANDER BRITISH FORCES

I am very pleased that the new Defence Costs Agreement has been concluded which ensures that a first class professional garrison will continue to serve Hong Kong. The new garrison, with elements of all three Services in it, and containing both British and Gurkha troops, will be tailor-made to meet Hong Kong's security needs and will be fully capable of carrying out its main roles of supporting the Royal Hong Kong Police Force along the border, in coastal waters and in any possible internal security situation. And of course its presence emphasizes Britain's continuing commitment to Hong Kong in the future.

In some ways, this has not been an easy time for the Armed Forces. The negotiations have been tough and protracted. At a time when money is short, people in Hong Kong understandably have been dismayed at the prospect of having to pay more for defence. In these circumstances it is only natural that the whole question of the need for a British garrison has been raised. In the course of argument the British Forces have come in for a good deal of comment, some of which has been quite unconnected with the immediate issues under discussion.

The major issue - the need for the garrison - has in fact been the subject of a most detailed and comprehensive examination by the British and Hong Kong Governments, and I am sure that the community here will now confidently accept the decision, embodied in this agreement, that there is a continuing need for a viable British garrison.

/Moreover .....

Moreover now that agreement has been reached I am sure that people will continue to give the support and encouragement to the Services which has been so marked in the past.

--- 0 ---