



DAILY INFORMATION BULLETIN

MONDAY, MAY 8, 1978

CONTENTS

PAGE NO.

| | |
|---|---|
| TEXTILE TALKS BETWEEN HONG KONG AND NORWAY SUSPENDED | 1 |
| SPEEDPOST RATES TO BE LOWERED FROM JUNE | 2 |
| LOCAL FISHING INDUSTRY ADOPTS MODERN METHODS..... | 3 |
| AUXILIARY MEDICAL SERVICE SETS TWO RECORDS | 4 |
| RECONSTRUCTION OF JAVA ROAD NEAR COMPLETION | 5 |
| WATER CUT IN SHAU KEI WAN AND AP LEI CHAU | 5 |
| TEMPORARY CLOSURE OF NORTH STREET | 6 |

MONDAY, MAY 8, 1978

- 1 -

HK-NORWAY TEXTILE TALKS SUSPENDED

* * * *

DIRECTOR OF TRADE, MR. LAWRENCE MILLS, WHO LED HONG KONG'S NEGOTIATING TEAM IN TEXTILE TALKS WITH NORWEGIAN OFFICIALS, RETURNED FROM OSLO YESTERDAY (SUNDAY).

MR. MILLS SAID TODAY THAT AN OFFICIAL STATEMENT ON THE SUSPENSION OF CURRENT TEXTILE TALKS HAD BEEN ISSUED BY THE HONG KONG AND NORWEGIAN SIDES BEFORE HE LEFT OSLO.

IN THE STATEMENT HE SAID: +THE DELEGATIONS MET IN OSLO THIS WEEK TO EXAMINE WHETHER A BASIS EXISTED FOR DRAWING MUTUALLY ACCEPTABLE TEXTILE AGREEMENT BETWEEN NORWAY AND HONG KONG.

+AFTER A THOROUGH REVIEW OF THE CURRENT SITUATION AS IT RELATED TO THE NORWEGIAN TEXTILE INDUSTRY AND HONG KONG TEXTILE MANUFACTURERS AND TRADERS, THE TWO DELEGATIONS CONCLUDED WITH REGRET THAT IT WAS NOT POSSIBLE TO REACH A COMMON POSITION AT THIS TIME. +

MR. MILLS SAID, HOWEVER, THAT BOTH DELEGATIONS HAD EXPRESSED A WILLINGNESS TO CONSIDER ANY PROPOSALS PUT FORWARD BY THE OTHER, AND DID NOT RULE OUT THE POSSIBILITY OF FURTHER CONSULTATIONS IN THE COURSE OF THE YEAR.

MR. MILLS SAID THAT HE WOULD BE REPORTING ON THE POSITION REACHED TO THE GOVERNMENT AND TO THE TEXTILES ADVISORY BOARD. AMONG OTHER THINGS WHICH THE BOARD WOULD CONSIDER WOULD BE WHAT NEXT STEPS WERE OPEN TO HONG KONG.

- - - - 0 - - - -

/2

MONDAY, MAY 8, 1978

- 2 -

SPEEDPOST RATES TO BE LOWERED FROM JUNE 1

* * * * *

CERTAIN SPEEDPOST RATES WILL BE LOWERED FROM JUNE 1, THE SENIOR CONTROLLER OF POSTS, MR. ARTHUR DICKSON SAID TODAY.

SPEAKING AT THE LUNCHEON MEETING OF THE ROTARY CLUB OF VICTORIA, MR. DICKSON SAID THE CUTS HAVE BEEN MADE POSSIBLE BECAUSE OF THE GROWING POPULARITY OF SPEEDPOST AMONG HONG KONG BUSINESSMEN.

HE SAID THE RATES OF CONTRACT SPEEDPOST TO TAIWAN AND JAPAN WILL BE REDUCED BY \$10 TO \$70 FOR THE FIRST POUND. BUT THE \$5 CHARGE FOR EACH ADDITIONAL POUND WILL REMAIN UNCHANGED.

THE FIRST POUND CHARGE FOR SENDING 'ON DEMAND' ITEMS TO AUSTRALIA, BRITAIN, THE NETHERLANDS AND THE UNITED STATES WILL ALSO BE REDUCED FROM \$100 TO \$90.

THE REVISED FIRST POUND CHARGE FOR 'ON DEMAND' SERVICE TO JAPAN, SINGAPORE AND TAIWAN WILL BE \$80, MR. DICKSON SAID.

HE ALSO SAID THAT SPEEDPOST SERVICE TO TAIWAN IS NOW AVAILABLE TO ITS FIVE MAJOR CITIES— KEELUNG, KAOHSIUNG, TAICHUNG, TAINAN AND TAIPEI.

+AND WITH EFFECT FROM JUNE 5, MERCHANDISE CAN BE SENT IN THE SPEEDPOST SERVICE TO SINGAPORE,+ HE SAID.

MR. DICKSON SAID FURTHER INFORMATION ON SPEEDPOST SERVICE CAN BE OBTAINED FROM THE POST OFFICE REPRESENTATIVE AT 5-2671105.

- - - - 0 - - - -

/3

HONG KONG FISHING INDUSTRY ADOPTS MODERN METHODS
* * * * *

HONG KONG'S FISHING INDUSTRY HAS CHANGED ITS TECHNIQUES TO MORE MODERN METHODS RESULTING IN INCREASED PRODUCTIVITY DESPITE DECREASES IN LABOUR AND SIZE OF THE FLEET.

THIS WAS STATED THIS EVENING BY THE AGRICULTURE AND FISHERIES DEPARTMENT'S CAPTURE FISH DEVELOPMENT OFFICER, MR. T.Y. YIM AT A DINNER MEETING OF THE Y'S MEN'S CLUB OF VICTORIA AT THE MANDARIN HOTEL.

MR. YIM ESTIMATED THAT DURING THE PAST 10 YEARS, FISH LANDINGS HAD INCREASED BY 50 PER CENT. LAST YEAR, HONG KONG'S FISH AND FISHERY PRODUCTS WERE VALUED AT \$730 MILLION, OF WHICH ABOUT 58 PER CENT WAS FRESH MARINE FISH LANDED BY THE HONG KONG FLEET. THE BALANCE CAME FROM CULTURE FISH FARMS ON LAND AND IN THE SEA.

LARGE SCALE FISHING, HE SAID, HAD THE ELEMENTS OF RUNNING A FULLY COMMERCIAL BUSINESS.

+INVESTMENT IN FISHING OF THIS SCALE IS FAIRLY SUBSTANTIAL AND AS AN EXAMPLE, IN A RECENT PROJECT INVOLVING THE BUILDING OF TWO 26-METRE TRAWLERS WHICH WERE FINANCED BY GOVERNMENT LOANS, COST \$1.8 MILLION. WITH THIS LEVEL OF INVESTMENT AND HIGH OPERATING COSTS, FISHING NOWADAYS, IS A DEMANDING JOB.

+FISHERMEN TODAY ARE LESS ABLE TO AFFORD UNSATISFACTORY FISHING RESULTS AND THEY NOW ADOPT A MORE POSITIVE ATTITUDE.

+THE FLEET IS NOW FAIRLY MOBILE IN THE SENSE THAT WHEN FISHING IS UNSATISFACTORY, THEY WOULD BE QUICK TO CHANGE GROUNDS, WHICH MAY BE FAR APART. THIS SOMETIMES TAKES THEM BEYOND THE TRADITIONAL FISHING AREAS. IN ORDER TO MINIMISE THE LOSS OF FISHING DAYS, THEY WOULD CONTINUE FISHING AS FAR AS POSSIBLE IN ADVERSE WEATHER AND WHEN ALERTED OF POSSIBLE TROPICAL CYCLONES, WOULD STAY ON IN THE FISHING AREAS TILL THE THREAT IS DEFINITE, + SAID MR. YIM.

ALL THESE INFLUENCED THEIR PREFERENCE FOR LARGE VESSELS AND POWERFUL ENGINES FOR SEA KEEPING AND SPEED. IN THE CASE OF TRAWLERS, ENGINE POWER WAS IMPORTANT FOR ANOTHER REASON ... TO ENABLE THE VESSEL TO FISH IN DEEPER WATERS, WITH HEAVIER GEAR, AND IN MORE SEVERE WEATHER CONDITIONS.

+COMPASS AND DEPTH SOUNDER ARE STANDARD ITEMS AMONG THE LARGER VESSELS.

+IN THE FACE OF DEMAND FOR EFFICIENT FISHING OPERATIONS, FISHERMEN, ON THE WHOLE, ARE MORE RECEPTIVE TO IDEAS FOR MODERN FISHING AND NAVIGATIONAL AIDS. A FEW VESSELS HAVE INSTALLED LORAN - AN ELECTRONIC DEVICE TO FIX VESSEL POSITION AT SEA. SEVERAL HAVE INSTALLED RADAR TO HELP NAVIGATION. AND, QUITE A NUMBER OF PURSE SEINERS, SMALL VESSELS WORKING IN INSHORE WATERS, HAVE ONBOARD ELECTRONIC FISHING FINDING EQUIPMENT TO HELP LOCATING FISH. FISHERMEN ARE ALSO MORE RECEPTIVE TO IDEAS FOR LABOUR-SAVING DEVICES, + SAID MR. YIM.

- 4 -

AUXILIARY MEDICAL SERVICE SETS TWO RECORDS
* * * * *

THE AUXILIARY MEDICAL SERVICE HAS SET TWO RECORDS IN THE LAST FINANCIAL YEAR BY CARRYING OUT MORE DUTIES AND PUTTING IN MORE MANHOURS THAN EVER BEFORE.

DURING THE YEAR 1977/78, IT HANDLED 600 ASSIGNMENTS INVOLVING 22,000 MANHOURS COMPARED WITH 400 ASSIGNMENTS AND 15,400 MANHOURS IN 1976/77.

STAFF OFFICER OF THE AMS, MR. K.C. TONG, SAID THE BIG INCREASE IN THE NUMBER OF DUTIES OF THE SERVICE REFLECTS THE EVER GROWING GOVERNMENT INVOLVEMENT IN COMMUNITY BUILDING AND EDUCATION BY ORGANISING NUMEROUS PUBLIC ACTIVITIES THROUGHOUT HONG KONG.

+WHENEVER THESE ACTIVITIES TAKE PLACE, WE ARE CALLED OUT TO HELP PROVIDE FIRST AID SERVICE IN CASE OF AN EMERGENCY,+ MR. TONG SAID.

+AT MAJOR INCIDENTS SUCH AS FIRES, TRAFFIC ACCIDENTS, LANDSLIDES, FLOODINGS AND HOUSE COLLAPSES, WE ARE ALSO CALLED OUT TO THE SCENE TO RENDER FIRST AID AND TO EVACUATE CASUALTIES,+ HE ADDED.

DURING THE SUMMER MONTHS OF EACH YEAR OUR MEMBERS ACT AS LIFE GUARDS TOO ON GAZETTED BEACHES OR PUBLIC SWIMMING POOLS, HE SAID. MEMBERS ALSO HELP IN ADMINISTERING METHADONE AT DETOXIFICATION CENTRES FOR THE MEDICAL AND HEALTH DEPARTMENT. ON SUNDAYS AND PUBLIC HOLIDAYS SOME MEMBERS EVEN VOLUNTEER FOR DUTY AT AMBULANCE DEPOTS.

IN PAST YEARS WE HAVE TAKEN PART IN HEALTH EDUCATION CAMPAIGNS AND MANNED CHOLERA QUARANTINE CENTRES.

THE AMS WAS FORMED IN 1950 WITH THE AIM OF AUGMENTING THE REGULAR MEDICAL AND HEALTH SERVICES IN TIMES OF EMERGENCIES. TODAY IT IS THE LARGEST VOLUNTEER FORCE IN HONG KONG WITH ABOUT 90 TEAMS COMPRISING NEARLY 6,000 MEMBERS WHO CAN BE MOBILISED AT SHORT NOTICE.

ITS MEMBERS COME FROM ALL WALKS OF LIFE, AND ABOUT 4,000 ARE IN THE 20 TO 30 AGE GROUP.

SOME 1,600 VOLUNTEERS ARE DOCTORS, NURSES, DISPENSERS, RADIOGRAPHERS AND PARA-MEDICAL PERSONNEL SERVING EITHER IN GOVERNMENT OR IN PRIVATE MEDICAL INSTITUTIONS.

+APART FROM MEDICAL PROFESSIONALS, ALL RECRUITS ARE GIVEN AN INITIAL 40-HOUR BASIC FIRST AID TRAINING AND DRILL AT WEEKENDS AND PUBLIC HOLIDAYS,+ MR. TONG SAID.

+TRAINING RELATED TO CASUALTY HANDLING, NURSING, THE MANNING OF AMBULANCE DEPOTS AND OTHER PRACTICAL WORK AT HOSPITAL WARD AND CASUALTY DEPARTMENT ARE ALSO BEING PROVIDED. AFTER THAT ADVANCED COURSES IN LEADERSHIP, ADMINISTRATION, AND SUPERVISORY TECHNIQUES AS WELL AS TRAINING WILL BE GIVEN,+ HE SAID.

MR. TONG POINTED OUT THAT AS THE NUMBER OF ACTIVITIES ORGANISED BOTH BY THE GOVERNMENT AND VARIOUS VOLUNTARY BODIES INCREASES IN THE FUTURE, IT IS EXPECTED THAT THE AMS WILL CONTINUE TO PLAY A MAJOR ROLE IN SERVICE OF THE COMMUNITY.

MONDAY, MAY 8, 1978

- 5 -

RECONSTRUCTION OF JAVA ROAD TO BE COMPLETED SOON
* * * * *

TRAFFIC ON JAVA ROAD, NORTH POINT WILL BE ABLE TO MOVE MORE QUICKLY AND SMOOTHLY IN A FEW WEEKS TIME.

WORKMEN FROM PUBLIC WORKS DEPARTMENT WILL, BY THE END OF THIS MONTH, HAVE COMPLETED THE RECONSTRUCTION OF THE ROAD SURFACE AND PEDESTRIAN PAVEMENTS ON EITHER SIDE OF THE ROAD.

THE SECTION OF JAVA ROAD BETWEEN TONG SHUI ROAD AND NORTH POINT ROAD IS BEING RECONSTRUCTED WITH 250 MM. THICK REINFORCED CONCRETE.

MR. HO KWOK-YU, ACTING CHIEF ENGINEER OF THE P.W.D.'S HIGHWAYS (HONG KONG) DIVISION, SAID THAT DESPITE THE WORK, CONGESTION ALONG THE ROAD HAD BEEN KEPT TO A MINIMUM.

+WITH THE COMPLETION OF THE ROAD WORK,+ HE SAID, +TRAFFIC FLOW IN THE AREA SHOULD BE FURTHER IMPROVED.+

- - - - 0 - - - -

WATER CUT IN SHAU KEI WAN AND AP LEI CHAU
* * * * *

THE WATER SUPPLIES DEPARTMENT HAS ANNOUNCED THAT WATER SUPPLY TO AP LEI CHAU AND PARTS OF SHAU KEI WAN WILL BE TEMPORARILY TURNED OFF ON WEDNESDAY (MAY 10) TO FACILITATE WORKS ON WATER MAINS.

IN AP LEI CHAU, WATER SUPPLY WILL BE TURNED OFF FROM 9 A.M. ON THAT DAY FOR 10 HOURS TO FACILITATE REPAIR WORKS OF FRESH WATER MAINS AT TIN WAN NEAR THE BREAKWATER.

ALL PREMISES IN THE AREA INCLUDING THE HONG KONG ELECTRIC POWER STATION WILL BE AFFECTED.

ON THE SAME DAY IN SHAU KEI WAN, WATER SUPPLY TO A NUMBER OF PREMISES WILL BE TURNED OFF FOR EIGHT HOURS FROM 10 P.M. TO FACILITATE THE CONNECTION OF A FRESH WATER MAIN AT SAI WAN HO STREET NEAR SHING ON STREET.

PREMISES AFFECTED ARE NOS. 120 TO 132A AND 137 TO 145 SAI WAN HO STREET= NOS. 1 TO 15 SHING ON STREET= NOS. 18 TO 28 TAI SHEK STREET AND NOS. 92 TO 114 SHAU KEI WAN ROAD.

- - - - 0 - - - -

/6

MONDAY, MAY 8, 1978

- 6 -

TEMPORARY CLOSURE OF NORTH STREET
* * * * *

THE TRANSPORT DEPARTMENT ANNOUNCED TODAY THAT FROM 9 A.M. ON WEDNESDAY (MAY 10), THE SECTION OF NORTH STREET BETWEEN CATCHICK STREET AND BELCHER'S STREET IN KENNEDY TOWN WILL BE CLOSED TO TRAFFIC TO FACILITATE DEMARCATION OF HAWKER STALLS IN NORTH STREET.

THE CLOSURE IS EXPECTED TO LAST UNTIL 10 A.M. ON SATURDAY, MAY 27 WHEN THE STREET WILL BE OPENED TO TRAFFIC AGAIN.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP TO GUIDE MOTORISTS.

- - - - 0 - - - -



DAILY INFORMATION BULLETIN

SUPPLEMENT

Monday, May 8, 1978

OPENING ADDRESS BY ACTING CHIEF SECRETARY AT MINING AND METALLURGICAL CONGRESS

* * * * *

The following is the full text of speech by the Acting Chief Secretary, Mr. Philip Haddon-Cave, at the opening of the 11th Commonwealth Mining and Metallurgical Congress at Convention Centre today.

Introduction

On behalf of the Government it gives me great pleasure to welcome you all to Hong Kong on the occasion of the Eleventh Commonwealth Mining and Metallurgical Congress. Hong Kong is honoured to have been chosen as the venue for this Congress. And it affords us a special pleasure to play host to a Commonwealth meeting. Sir Denys Roberts, your honorary President in absentia, has asked me to convey to you his personal best wishes for a successful meeting and enjoyable stay here.

Ladies and gentlemen, I can see that you have a busy week ahead of you. The Congress handbook lists as many as 71 papers on a vast range of subjects and I am sure the treatment of each will be erudite. I shall, therefore, be mercifully brief, is somewhat simplistic.

/Hong Kong

Hong Kong : Mining and Metals

Hong Kong cannot claim to be among the leading mining areas in the world. In recent years the value of our miniscule production of iron ore, feldspar, kaolin and quartz has averaged less than US\$2 million per annum and our tiny iron ore mine has now closed down. On the other hand, it is possible that a small tungsten mine may be reopened soon after being closed down for 10 years.

Equally, although we are a user of metals for some of our industries, we produce little of our own. We do, however, have one of the largest gold markets in the world, with silver trading soon to be added; and our commodity futures exchange could well, before long, branch out into trading in metals. Indeed, I think Hong Kong will eventually become a major commodities trading centre in this part of the world, with close links with the London and New York markets.

World Trade in Minerals and Metals

The failure successfully to cartellise or control world trade in minerals and their refined products - gold being an exception until recently - has meant that producers have simply had to adapt themselves to movements in market forces. Even today, when much of the world's production and trade in minerals and metals is in the hands of large firms and groups, prices are, for the most part, determined on relatively free markets such as the London Metal Exchange.

/Apart perhaps

Apart perhaps from steel, which is a baleful exception, world trade in minerals and metals is also free from quantitative import restrictions and other protectionist devices. Such a competitive environment has fostered product innovation and the introduction of new techniques aimed at increasing productivity and reducing costs. In other words, this competitive environment has evinced a response from those many individualists traditionally to be found in the mining and metallurgical industries.

World Trade in Manufactures

I think it would be fair to say that manufacturers and traders in Hong Kong count many individualists among their numbers - and very robust individualists they are too - and the Hong Kong Government's fiscal and other policies are committed to the concept of reward for enterprise and effort.

Unfortunately, however, international trade in manufactures is not now conducted within a relatively free trade environment similar to that enjoyed by minerals and metals. It is true that the thirty or so years following the Second World War saw the largest increase in world output and trade in any comparable period in history. Part of the credit for this must go to the gradual lowering of barriers to trade and payments over this period. Indeed, it is no coincidence that the most significant exercise in trade liberalisation in this period, the GATT Kennedy Round in 1967, was followed by a marked acceleration in the growth of world output and trade over the next five years.

The New Protectionism

Now, however, following the shock of the three-fold increase in crude oil prices in 1973 and inflationary tendencies already apparent before then, most of the western developed countries are finding it difficult to overcome recession and unemployment without a resurgence of inflation.

So, once again, as in the 1930s, the case for protectionism is being vehemently argued by strong socio-political forces. These forces argue their case on the basis of two highly suspect propositions : that imports deprive the domestic labour force of jobs and that to cut imports, or to make them prohibitively expensive, will save jobs.

Yet one country's imports are another country's exports and proliferating protectionism will prove to be mutually destructive of jobs and damaging to living standards all round. The fact is that unemployment cannot be reduced, except in the very short term, by restricting imports, while the loss of the benefits which flow from free trade keeps prices high and depresses real incomes further.

The rather novel combination of high unemployment and a high rate of inflation still being experienced by a number of major developed countries is due, in my opinion, to two factors : in the first place, to a failure to allow real incomes to adjust downwards sufficiently to offset the dramatic increase in the size of the transfers made to the oil producing countries; and, secondly, to attempts by governments to follow budgetary, fiscal and monetary policies inconsistent with realistic growth rates for their economies.

/Hong Kong's

Hong Kong's Reliance on Free Trade

Here, in Hong Kong, the possibility of adopting the apparently soft policy option of import restrictions to maintain the level of employment, and correct balance of payments disequilibrium, simply does not exist. This is because of the exceptional degree of external dependence of this economy. That is to say, it is based on the import of foodstuffs, raw materials, capital equipment, semi-manufactures and many consumer goods to pay for which we have to export manufactured goods and financial and mercantile services and sell our tourist facilities. This means that we have to maintain a cost/price structure which is flexible downwards so that our price level continually adjusts to the external price level; and we have to ensure that labour and capital are sufficiently mobile to enable us to respond quickly to changing market circumstances.

The Hong Kong Government seeks to pursue policies which have at least a neutral impact on the flexibility and mobility of our economy. But there are limits to the extent to which even our economy, with its free enterprise-based private sector (which, as a matter of deliberate policy, is neither helped to make profits nor protected from making losses), can cope with trade policy decisions which arbitrarily, and even, sometimes, illegally, erode our GATT most-favoured-nation rights of access to overseas markets.

And I would add that, as a matter of fact, the scope for retaliatory import substitution is very limited indeed here. So, whatever temporary devices that may be available to us to ameliorate the income and employment effects of protectionism, such as the running down of foreign exchange reserves and the financing of part of the public sector's capital works programmes with debt, the fact is that the growth

/rate of

rate of our net external earnings is the basic determinant of the growth rate of real incomes in Hong Kong; and this harsh reality is inescapable except in the very short term. The budgetary and fiscal policy implications of this reality are equally inescapable, if not always entirely self-evident to some.

Free Trade a Condition of Growth

Of course, the adjustment process which is associated with free trade situations can be painful in the short term, as we in Hong Kong know from our own experience in the field of manufactures; and as all of you will know from your own experience in your own fields. Nevertheless, restrictions on trade, although superficially attractive in certain circumstances, are in practice a prescription for stagnation, not growth, in the medium and longer term.

Interdependence of World Economy

To sum up, therefore, whilst we in Hong Kong have an immediate cause for concern because the present lurch to protectionism is directed largely at manufacturers, only through the opportunities provided by an open world economy can a recovery of world output and trade generally be eventually engineered and a satisfactory growth rate sustained thereafter. So, any endeavour to return to a more liberal approach is not the concern of exporters of manufactures alone, but of all participants in world trade including the mining and metals industries.

Conclusion

With these lighthearted words, ladies and gentlemen, I have pleasure in declaring open the Eleventh Commonwealth Mining and Metallurgical Congress.