



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Thursday, October 19, 1995

<u>Contents</u>	<u>Page No.</u>
Governor's Question-and-answer session	1
Transcript of the Governor's media session	6
Transcript of CS's media session	8
Government shares concerns about unemployment	9
Governor's speech	11
Governor to visit UK	19
JLG Expert Talks on Air Service Agreements	19
Responsible and balanced course in human rights protection	20
Bill to tidy-up broadcasting law in the pipeline	21
Flood relief projects underway: Director of Home Affairs	23
Unconscionable Contracts Ordinance to become effective	25
Consumer Goods Safety Appeal Board panel appointed	26
More low power devices to be exempted from licensing	28
CS looks at work of EMSD	29
Physical tidal model upgraded	30
Sunday pedestrian precincts in Mong Kok on trial	31
Partial solar eclipse on October 24	32
Hong Kong Beauty to open Gurkha Fair	33
Hong Kong Monetary Authority money market operations	34

Governor's Question-and-answer session

* * * * *

Following is the transcript of the Governor, the Rt Hon Christopher Patten's question-and-answer session after his speech at the joint luncheon of Hong Kong chambers of commerce today (Thursday):

Question: Governor, I didn't want to be the first, and I hope I'm not the last, but I take the opportunity once a year to continue our conversation that we started years and years ago. In the past few years I've had a transcript of our dialogue for the last year. You addressed me as your favourite musician. Thank you very much, sir.

Governor: It hasn't changed, yet.

Question: Thank you.

Governor: The jury is still out for the next minute.

Question: But I'd like to be a bit more serious, sir, this year. Since here you say - a piece of paper - to address your speech, I hope that you allow me to do the same. Earlier this year I chaired a Chamber SME task group. For people who don't know what the SME is - I'm sure you know, sir, - SMEs are small and medium enterprises. I chaired a task group which issued a detailed report about the rising operation costs for SMEs in Hong Kong. A copy of this report is in your hands, sir. If you don't have one, I have a spare copy in my pocket. The operating costs in Hong Kong for small and medium enterprises are very high. I give you a few examples.

Our office rental is the third highest in the world. Our wages are among the highest in the region. The laws governing business operations are getting increasingly detailed and costly to comply with. We operate in a high inflation area whereas we are exporting to low inflation markets - with the exception of the PRC. The SMEs are finding it difficult to survive in many cases, let alone to expand in Hong Kong. We don't hear much about the Business Council advising you but its members, surely, must have drawn your attention to this worrying situation. How do you, sir, and the Hong Kong Government propose to take the lead to ease the concern of the SMEs which form the backbone, not only of the General Chamber of Commerce but, surely, of all the other Chambers represented today in Hong Kong?

Now, before, Mr Patten, receiving your eloquent answer, could I ask you one more question after you have given the answer. I ask it now so that nobody else is taking the floor after you have spoken. Thank you very much.

Governor: We all know that at the heart of any enterprise economy like ours are small and medium enterprises, and that in order to become a large enterprise you've got to first of all get through the small and medium stage. So the well-being and the health of small and medium enterprises should be of the greatest concern to all of us.

Now, you mentioned all the issues which touch on competitiveness. Touch on competitiveness in a way that concerns people in Hong Kong, and understandably concerns them. Not, perhaps, concerns as much the international audience which still regards Hong Kong, according to the World Economic Forum, as the third most competitive economy in the world. We've gone ahead of Japan over the last year, according to them. It is important that wherever we are directly in control of events, we should do everything we possibly can to bear down on costs. One thing that we can continue to do is to ensure that business and individuals enjoy pretty well the lowest tax regime anywhere in the world. People sometimes say to me, but look at this or that economy which offers tax holidays. We don't need to offer tax holidays in Hong Kong. You only offer tax holidays if at the end of the holiday, people are going to be paying pretty high tax.

You mentioned office rentals and prices. I notice that we're now being criticised for the measures that we took last year for deflating property prices without bringing the whole property sector tumbling down around our ears. I think we actually managed that operation remarkably successfully. Getting property prices back to the 1993 level before that big boom later in the year and into 1994. You mention wages. Well, above all, an issue for employers themselves. I don't make this point out of any spirit of fiscal envy. You can't do that for a number of reasons if you are Governor of Hong Kong. But the last time - the last time people came to talk to me about wages being too high was the day after the South China Morning Post had produced an article on what had happened to directors' remuneration over the previous year in relation to profits. There is something called leadership when we look at issues like that.

You mention the regulation of business. Donald is quite deliberately going to ask every business organisation in Hong Kong to tell us where you think we could genuinely get rid of red tape and excessive regulation. But in a more sophisticated economy like Hong Kong's, is it unreasonable that we find ourselves in the financial sector, in quality control, in health and safety, pushing for higher standards?

I sympathise with you. There is a tendency, when governments are presented with problems, everywhere in the world, for them to think that the answer has got to be more regulation and higher spending. And we should, whenever we feel obliged to regulate more, see where we can remove regulations or red tape. But if the world out there starts to think that 'made in Hong Kong' doesn't mean quality, if the world out there continues to see us with health and safety at work statistics which are the sort you would normally see in a third world country, if the world out there thinks that our financial markets aren't squeaky clean, then we won't be as prosperous, whether we're small and medium enterprises or large ones.

Inflation has been an intractable problem in Hong Kong. Well, intractable up to a point. Inflation, at its peak in 1991 was at 13.9%, and we've got it down to about 8.5%. Still much higher than I, as an old fashioned Tory, think should be acceptable and we must go on working on it. I don't have a pat answer to you. What I can promise you is that we will continue to try to ensure that the costs of government are as reasonable and low as possible and that we will continue to try to ensure that Hong Kong enjoys low taxes, that we will continue to give a lead in bearing down on costs. And we hope that the rest of the business community will join us in that.

Next question? Now that somebody has broken the ice.

Question (Christopher Mak, Canadian Chamber): The unemployment rate, interest rate or the office rent, they are all cyclical and contemporary. Can I ask a question about the fundamentals or something eternal. Of all the achievements and miracles achieved by Hong Kong in the past years, as you mentioned, they are all built up on rule of law, as exemplified by the Bill of Rights by which the government in power and the man in the street are treated less unequally. And over the Northern side of the Shenzhen River, or maybe timely after 1997, the Government in power, they believe in the role of law instead of rule of law. The function of law is instrumental rather than eternal. They serve the purpose of the contemporary government. So, do you think there is any grey zone between the role of law and rule of law? If yes, where? If no, are you going to fight another losing battle?

Governor: Well, do you want me to finish by the end of the afternoon or? Let me be very brief. A great political philosopher, a century ago, wrote about what it was that made another refugee community remarkably successful. He referred to people's hard work and thrift and energy and entrepreneurial skills, just like here in Hong Kong. But writing about the United States, De Toqueville(phonetic) thought that what had been so fundamental to the success of that great nation had been the rule of law. The fact that people were working within clear parameters which encouraged them to excel but which also gave them security and fairness in their commercial dealings and in their personal lives. And I think exactly the same is true about Hong Kong. And I just hope - I'll argue for it as passionately as I can - I just hope that everybody who agrees with that, everybody who believes that what has helped to make Hong Kong special, as well as the staggering energy and commitment and dedication of its Chinese citizens, I hope that everybody who believes in that fundamental importance of the rule of law will stand up for it.

I read a couple of interesting editorials in newspapers yesterday about the rule of law, and one which was very elegantly written ended up on a sort of note of elegiac despair. If there are those who are going to erode the rule of law here in Hong Kong, to dismantle it, then, the editorial writer opined, there's not very much we can do about it and there's not very much that anybody around the world will care about it. Well, I put that on one side. But I'm sure there's plenty people can do about it. People can make their views on the subject clear. And I hope that in between the decisions announced by advisers a couple of days ago and the 1st July 1997, I hope that rather more account will be taken of the interests and the ambitions and the concerns of the people of Hong Kong. And I hope that minds will be changed. It matters very much that they are.

Earlier this year we achieved an agreement on the judicial through-train, on a through-train for the administration of justice, which I think was a decent agreement. And I think one reason why we reached it was because so many of you made your views on the subject plain. I think that from time to time you may need to do so again.

Question: Governor, my question deals with an area of the economy where the Government does have direct control. Although the Government's pay trend survey of private sector wage increases may be accurate, the pay formula by which the Civil Service salaries are set seems to be flawed. Since you've been Governor, Civil Service non-directorate grade salaries have increased by one-third, which is five or six per cent faster than CPIA inflation and slightly faster than CPI Hang Seng inflation. Moreover, that one-third increase does not include increases due to annual increments or promotions. The private sector obviously comes under pressure to match these awards which lifts the entire cost base and fuels inflation which affects the profitability of many businesses. When is the Government going to tackle this problem? It will always be difficult, politically, to do so but it's one problem which the Government can directly solve.

Governor: I think that you said in your introduction, or implied in your introduction which was indeed the case, that each year the Government has followed the survey findings. We've been involved in a dialogue with, I think, some business organisations about whether those survey findings are based on the right methodology but I don't think that anybody has convinced us, so far, that they are not. In at least the first two years, we were criticised by the unions for not going further than the survey findings. For not, for example, making up the shortfall which they claimed was a hangover from previous years. But I think the community, by and large, and the Legislative Council, have thought it right for us in these years to stick firmly to the survey findings. And speaking for myself, I think that it's exceptionally important that we have the maximum goodwill in our Civil Service before and after 1997, because I think not to have that would hardly be conducive to the smooth transition that everybody wants to see.

There are quite a lot of anxieties from time to time in the Civil Service about the transition and I wouldn't want to exacerbate any of those. So we are prepared to look at the methodology behind the survey, but so long as nobody convinces us that it is right to junk that methodology, I think we're absolutely right to follow the outcome of the survey every year. And I merely refer back, not in any provocative spirit, to what I said about it the last time I was asked this question.

Thank you all very much indeed.

End/Thursday, October 19, 1995

Transcript of the Governor's media session

* * * * *

Following is the Governor, the Rt Hon Christopher Patten's question-and-answer session with the media after the joint luncheon of Hong Kong chambers of commerce today (Thursday):

Question: Mr Patten, what is your reaction to China giving its endorsement to the PWC's suggestion to repeal the Bill of Rights?

Governor: To whose endorsement?

Question: The endorsement of the

Governor: Well, we've all heard the views of the PWC on the Bill of Rights, and I think the community's reaction speaks for itself. I think it's particularly unfortunate that in the week in which we're giving evidence in Geneva on our compliance with the International Covenants, these proposals have been put forward. I think it's particularly unfortunate in the wake of the very successful meetings that Mr Qian Qichen had in London that these proposals have been put forward. As I think people right across the community have made clear, they are proposals which call in question commitment to the rule of law or indeed, any understanding of the rule of law. They also call into question, I think, a commitment to the basic principle of Hong Kong people running Hong Kong. So, they are a real worry. And I very much hope that much wiser counsels will prevail, that these proposals won't get the chop, won't get the endorsement of Chinese officials, and that we can start to reassure people rather than make them concern and anxious about the future.

You probably heard the question I was asked inside, by a businessman, which I think reflected worries that go deep and wide across the community.

Question: Do you think it's necessary for the Government to of whether the PWC's proposals indeed represent the Chinese Government's position?

Governor: We'll certainly be taking this issue up very vigorously in the Joint Liaison Group, and I hope that in that context, Chinese officials will make it clear that this isn't an official proposal.

Question: Governor, for the benefit of the cameras, could you just repeat which monumental street you think will bear your inscription after 1997?

Governor: Oh, I've said that on the radio already, in jocular vein. I don't think what matters is whether you have your name attached to a building, a street or any other physical object. What matters is whether the values to which you're attached survive and prosper, and that's what I'd like to see.

Question: Mr Patten, you're going to Britain. Some PWC members and even ExCo members the British Government to take the lead to grant visa free arrangements to our passports....

Governor: Perhaps I could say something, briefly, about my visit to Britain, to save you having to come out to the airport this evening. We always have your welfare in mind.

I'm going, this evening, to the United Kingdom for meetings, principally, with the Prime Minister and other senior ministers. I'm also speaking at a conference on business opportunities in Hong Kong, and I'm speaking at the Annual Dinner of the TDC, and I'll be making three other public lectures on Hong Kong and Asia. Obviously, during my talks I'll be wanting to review a number of issues following Mr Qian Qichen's visit to London, including the unwelcome development this week in relation to the threat to dismantle Hong Kong's protection against lawlessness, the threat to the rule of law here in Hong Kong. I'll also be raising a number of nationality issues and related matters, including visa free access to the United Kingdom for SAR passport holders. And the Hong Kong Government's position on that is extremely well known and we will be articulating it as eloquently as possible.

Question: Are you going to map out some further strategy on co-operation with the future SAR Government?

Governor: Not a future strategy. We've already discussed with London our proposals for co-operation with the team designate, and before that with the Preparatory Committee, and I won't have any new proposals to add to the ones which we've already discussed with London.

Question: Do you intend to ask the Prime Minister to tell or ask or whatever the word, the British Ambassador in Peking to say to the Chinese Government at the highest level, that these remarks Do you expect from the highest level of the British Government?

Governor: I think that just as there have been expressions from the highest levels of the British Government over the threat to dismantle a fairly elected Legislative Council, so there will be expressions of concern at the highest levels in the British Government about the threat to the Bill of Rights and the rule of law in Hong Kong. But those are matters that I'll want to discuss with the Prime Minister and the Foreign Secretary over the next few days. But I'm sure that they will be as concerned about those matters as the people of Hong Kong are.

Question: Can you describe Hong Kong you envisage without a Bill of Rights?

Governor: Well, unfortunately, what the proposals seem to be based on wasn't the law, but was a view of politics, and I wondered what those proposals told us about what sort of a place the advisers think Hong Kong is. We have a Bill of Rights. We comply with the International Covenant. And does that compliance make Hong Kong socially unstable? Does that bring disorder to our streets? Of course it doesn't. It's part of the order and decency and civilised values and openness of living in Hong Kong. So, I think that once you embark on a very slippery slope like this one, you fetch up in a situation in which you don't have the rule of law protecting individuals, protecting businesses, and that would be a desperately sad thing for Hong Kong and a very, very bad thing for our prospects, not least our commercial prospects, in the years ahead.

Question: (inaudible)

Governor: We've got no proposal to lean on the banks to get them to change that policy, which I think has been a sensible one in Hong Kong.

Question: There is a report by the Chinese media that somebody is planning for assessing the senior officials of the Hong Kong Government. Do you personally worry about

Governor: I wouldn't want to comment on a matter with security implications. The sensible thing for us to do is to make sure that we continue with security in public and private life in Hong Kong and we take all the measures necessary to ensure that that can happen. Thank you very much indeed.

End/Thursday, October 19, 1995

Transcript of CS's media session

Following is the transcript of the Chief Secretary, Mrs Anson Chan's media session after visiting the Electrical and Mechanical Services Department today (Thursday):

Question: How seriously are you taking the threat against you?

Chief Secretary: I'll repeat for your benefit. I'm not going to comment on security arrangements. You can pose your question in any other different way, the answer will still be the same.

Question: How many security men do you have attached to your..

Chief Secretary: I'm going to comment.

Question: Mrs Chan, how are you going to comment on the Bill of Rights...

Chief Secretary: I think you will see from the community comments from any quarters there is a great deal of concern at any suggestion that the Bill of Rights will be scrapped. I will reiterate that we are satisfied that all our existing legislation, including all the amendments to existing legislation that we've made the past few years, were to ensure that the legislation are fully in conformity with the Bill of Rights and with the International Covenant on Civil and Political Rights. As you know, the Basic Law actually entrench and say that this international convention will continue to apply to the SAR Government after 1997. So, we have duty which we have fulfilled and we will continue to fulfil to make sure that all our laws fully comply with the international covenant.

Question: Do you mean that Government...

Chief Secretary: We will be expressing our concerns to the Chinese side at the next JLG.

End/Thursday, October 19, 1995

Government shares concerns about unemployment

* * * * *

The Government shares concerns about jobs and will do every thing in its power to reduce unemployment, the Governor, the Rt Hon Christopher Patten, said today (Thursday).

Addressing a joint luncheon of Hong Kong chambers of commerce, Mr Patten said he was surprised by remarks attributable to the business community that the Government should attempt to "kick start" the economy and spend its way to faster economic growth and to full employment.

Mr Patten stressed that the Government would not take short-term measures which would damage the long-term competitiveness and flexibility of the economy.

"I have two difficulties with calls for kick starting the economy. The first is that this approach seems to ignore the facts. The economy has not stalled. We are not drifting towards recession," he said.

Citing statistics, the Governor said no matter what time frame one took, the economic facts of life in Hong Kong were compelling testimony to the resilience and success of the economy.

He pointed out that over the long term, Hong Kong had enjoyed economic growth in the past 35 years and its GDP had on average doubled every decade for the past 40 years.

Over the medium term, since 1984, when the Joint Declaration was signed, Hong Kong's GDP had increased by 84 per cent, investment by over 100 per cent, merchandise exports up over 350 per cent and service exports up by 130 per cent.

"Attempting to stimulate an economy which is already growing at 5 per cent in real terms each year would create the very real dangers of giving a kick start to inflation, eroding our competitiveness, and, ultimately, leading to higher unemployment," he said.

On the second difficulty with the kick start school of economic policy, Mr Patten said the impressive statistics of Hong Kong's economic success had not been achieved by government management of the economy.

He said the Government was spending each year over \$30 billion on Hong Kong's physical infrastructure; \$34 billion on skills infrastructure through the educational system, vocational training and research; and hundreds of millions of taxpayers' dollars supporting business through various organisations and encouraging investments.

"But the Government cannot - and should not - attempt to cushion business from the hard realities of the market place. It is these hard realities that ensures that Hong Kong's business remain competitive and successful," he said.

"If we ever attempt to create a sort of welfare state for inefficient business, we shall be putting in jeopardy the enterprise and the flexibility which are the very essence of our economic success."

Turning to the General Labour Importation Scheme, the Governor said since the Scheme was introduced in 1989, the labour market had changed significantly.

"This year, the labour force has been expanding at a rate of 4.3 per cent or by about 120,000 workers. The net rate of creation of new jobs has been 2.6 per cent or about 78,000 new job opportunities for the year. The consequence has been a rise in unemployment to 3.5 per cent of the labour force," he said.

He said government policies must change to meet changing circumstances and that was why he announced in his Policy Address to the Legislative Council that the Government would be phasing out the General Scheme and introduce a smaller scale and more targeted Supplementary Labour Importation Scheme.

The Governor said he believed the new scheme would meet the practical needs of the business community and the economy.

"I think in this instance the best interests of the whole community lie in: getting our unemployed workers back into jobs; and retaining the ability to import workers to meet particular requirements which cannot be met locally," he said.

End/Thursday, October 19, 1995

Governor's speech

* * * * *

Following is the speech given by the Governor, the Rt Hon Christopher Patten, to a joint luncheon of Hong Kong chambers of commerce today (Thursday):

William, ladies and gentlemen,

Thank you very much indeed for the introduction, and thank you very much indeed for another free lunch.

It's an irresistible temptation when one has a Financial Secretary who gives his speeches the titles of movies - 'Silence of the Lambs', 'Basic Instinct' and so on - it's an irresistible temptation to do the same, and I've struggled to find the right title for today. I thought at first that maybe I should choose 'The Empire Strikes Back'. But at the end of the day, I've opted for 'Frankenstein meets the Wolfmen'.

Anyway, thank you for your hospitality today, and thank you for the chance you've given me to make a few remarks and answer your questions.

Hong Kong always fascinates and sometimes surprises. I must say that I was a bit surprised by some of the comments on my speech to the Legislative Council last week. I had assumed it to be a truth universally acknowledged in the Hong Kong business community that the Government should not attempt to manage the economy.

- * That entrepreneurs make better business decisions than civil servants.
- * That public expenditure rates should be low, taxes lower still and government kept small.
- * That the very essence of our economic way of life is to trust the markets and to let competition take command.
- * That Adam Smith's "invisible hand" of the market is much to be preferred to the dead hand of government interference and over regulation.

I took these precepts to be common ground between the business community and the Government. I took them to be a fundamental part of the consensus which has helped to make Hong Kong, to quote one recent international assessment, the freest economy in the world.

Imagine my surprise, then, last Thursday morning. The previous day, I had delivered my fourth annual Policy Address and, as I am sure you will all recall, it received the usual chorus of joyous acclaim. What surprised me were the widely-quoted remarks, attributed to members of our business community, to the effect that the Government should attempt to "kick start" the economy, that the Government should attempt to spend its way to faster economic growth and to full employment.

I know that these calls for the Government to take a more active role in economic management are well intentioned. They are a reaction to the recent revision of our GDP growth forecast for the current year from 5.5 % to 5% - or, as I heard one critic, who would have baffled Kenneth Clark, say the other day 'only 5 per cent'. These calls also stem from anxiety about the recent rise in the level of unemployment. The unemployment rate seems to have stabilised at about 3.5 per cent for the moment (what Financial Secretaries 10 years ago used to define as full employment). Nonetheless, we in the Government share these concerns about jobs and, as I said in my Policy Address, we shall do every thing in our power to reduce unemployment.

What we will not do, however, is to take short-term measures which would damage the long term competitiveness and flexibility of our economy. I have two difficulties with calls for kick starting the economy. The first is that this approach seems to ignore the facts. The economy has not stalled. We are not drifting towards recession. On the contrary, no matter what time frame you take, the economic facts of life in Hong Kong are compelling testimony to the resilience and success of the economy.

- * Over the long term, Hong Kong has enjoyed economic growth in every one of the past 35 years. Our GDP has on average doubled every decade for the past 40 years.
- * Over the medium term, the figures are equally impressive. In real terms since 1984 - the year when, after the Joint Declaration, many predicted that disaster lay ahead - since then our GDP has increased by 84%, investment has increased by over 100 per cent, and, of course, foreign trade has boomed, with merchandise exports up over 350% and service exports up by almost 130%.
- * Over the short term, our economic performance has been equally reassuring. Since 1990, GDP has increased by almost 30% in real terms, and we have settled into a pattern of steady, sustainable annual real growth of around 5%.

It is essential, essential that we keep a firm grip on these facts when we confront our economic problems. The plain truth is that the economy has not faltered. It is not in need of a kick start, and the last thing it needs is a deliberate dose of reflation. Attempting to stimulate an economy which is already growing at 5% in real terms each year would create the very real dangers of giving a kick start to inflation, eroding our competitiveness, and, ultimately, leading to higher unemployment. We spent the last three decades avoiding some of the problems partly created by bad macro-economic management in Europe and North America. Why throw all that wisdom away now?

This brings me to my second difficulty with the kick start school of economic policy. These impressive statistics of Hong Kong's economic success have not been achieved by government management of the economy. We have of course played our part.

- * We are now spending over \$30 billion each year on Hong Kong's physical infrastructure.
- * We are now spending \$34 billion each year on our skills infrastructure through the educational system, vocational training and research.
- * We spend hundreds of millions of taxpayers' dollars each year supporting business through organisations such as the Productivity Centre and the Industrial Estates Corporation, and encouraging new investments and ideas through research grants and investment promotion.

This, I believe, is the right role for Government, providing practical long-term support for business but recognising that this help must stop well short of attempting to direct or manage the economy at a macro level or attempting to second guess markets and entrepreneurs at the micro level.

To go beyond this restricted role would be to enter very dangerous territory indeed. Long-term support for business, yes certainly, and we already provide it. But the Government cannot - and should not - attempt to cushion businesses from the hard realities of the market place. It is this hard reality that ensures that Hong Kong's businesses remain competitive and successful. If we ever attempt to create a sort of welfare state for inefficient businesses, we shall be putting in jeopardy the enterprise and the flexibility which are the very essence of our economic success.

I sometimes hear it said that the Hong Kong Government has much to learn from certain other governments on economic matters. That, for example, the Government of Singapore plays a more active and more extensive role in the economy than we do in Hong Kong and that this in some way gives Singaporean businesses a competitive advantage. I do not want to belittle in any way the rapid progress made by our friends in Singapore and the successes which they have achieved. But Hong Kong performance compares very favourably with Singapore's record. Let me quote just two comparisons.

- * During the 1980s, Singapore's investment rate was about twice that of Hong Kong's. But, remarkably, our productivity growth was about twice that of Singapore's.
- * Hong Kong's citizens have benefited more from economic growth than have Singaporeans. In Hong Kong, growth in consumption has kept pace with growth in output, whereas in Singapore, consumption has in recent years been growing at about half the rate of output.

There is nothing in these simple comparisons which should lead us to question the fundamentals of our economic policy. What these figures demonstrate is that Hong Kong's experience of putting our faith in markets and enterprise pays off for the whole community. That business men and women have a better record of picking the winning investments than governments. But I would be astonished if there was anyone here today who is surprised by this conclusion.

Having got all that off my chest, I now want to talk about an issue which I know is of great concern to the business community: the availability of labour. The General Labour Importation Scheme dates from 1989 when there were serious bottlenecks in the labour market.

- * There were then more than 100,000 job vacancies.
- * At the same time, the unemployment rate stood at an all-time low of 1%.

Since then, the labour market has changed significantly. This year, the labour force has been expanding at a rate of 4.3% or by about 120,000 workers. The net rate of creation of new jobs has been 2.6% or about 78,000 new job opportunities for the year. The consequence has been a rise in unemployment to 3.5% of the labour force. This is low by the standard of other mature economies but it is, nonetheless, a major concern to us in Hong Kong.

Government policies are not, should not be immutable. They must change to meet changing circumstances. To put it very simply, the case for the General Labour Importation Scheme has been eroded in recent years by changes in the labour market. The labour market has changed, and government policy must change with it.

That is why I announced in my Policy Address to the Legislative Council that we will be phasing out this Scheme as the contracts of imported workers lapse between now and the end of the year. But this does not mean that there is no longer a case for any imported workers. To get the best out of our economy, we need to be able to import workers to meet particular requirements, to overcome specific shortages. I therefore announced at the same time that we will be introducing a smaller scale and more targeted Supplementary Labour Importation Scheme which I believe will meet the practical needs of the business community and the economy.

I know there are employers who are very concerned about finding the workers they need to carry on their businesses successfully. There are also many workers and their trade union representatives who believe that there should be no importation of labour at all while there are any local people without jobs. The Government has to devise and revise its policies with the simple objective of securing the best interests of the whole community. And I think in this instance the best interests of the whole community lie in:

- * getting our unemployed workers back into jobs; and
- * retaining the ability to import workers to meet particular requirements which cannot be met locally.

I believe that with the new Supplementary Labour Scheme, we have got the balance about right. Having said this, I was not at all surprised that most of the questions I got last week in my Legislative Council Question Time were on this issue. And I guess the same may be true today.

Let me remind you. We've put these proposals forward for discussion. They are not plucked out of the air. They are the outcome of a serious and comprehensive review. We want if we possibly can to achieve a consensus between employers, employees and legislators. We'll work for a broadly agreed policy and hope that we can meet that goal.

The Hong Kong Government is unashamedly pro-business. You don't have to take it from me. Look at the business magazines. We are pro-business because we believe that economic success is the basis for the good life in Hong Kong. The quality of life for the entire community would collapse without thriving industries and firms. And I believe personally that the best economic policy is to get yourself a good business community and then make sure the government stays out of their way.

I noticed that Donald Tsang, whom I mentioned earlier, in speaking to the General Chamber of Commerce a week or two ago, invoked on that occasion not a film title, but invoked that great thinker Mae West in explaining his economic philosophy. His economic philosophy and mine are one and the same, so I too feel able to call on Ms West for support. She offered us a philosophy for policy making and indeed, for life in general when she advised a friend "Keep cool and collect". Can't think what she had in mind. We should keep cool and we'll go on collecting the rewards of sustained and sustainable growth in the freest economy in the world.

Hong Kong has had more than its share of excitements over the years. We've lived on the threshold of turbulent events. We've seen panics and euphoria, markets falling like stones, and markets soaring like rockets. Fortunately, most people including the Government - have kept cool, have kept their nerve. And the results you all see around you. To borrow the old phrase, "No one has made any money betting against Hong Kong".

I guess we can expect one or two more excitements in the years ahead. I mentioned Singapore earlier. Let's be honest among friends, since we can talk so discretely today. What's the main difference between us and them? It's not policy. It's not the Senior Minister or the Governor. It's not the proportion of GDP spent on this or that. What's the main difference between us and Singapore? You know perfectly well. It's 1997.

What we need is the assurance that 1997 isn't going to change anything fundamentally.

Am I going to change anything fundamentally before 1997? Of course not. Do people think about leaving Hong Kong, do they think about even domiciling in Singapore, because of their pre-1997 worries? You know the answer to that.

I can and will - with the 101% backing of the British Government, the support of all political parties at Westminster, and the understanding of our friends in the region and beyond - I will continue to do all I can to ensure that Hong Kong, our economic well-being, our rule of law and our way of life survive 1997 - survive and prosper. But that reassurance only goes so far. It's for others - China's officials and China's advisers - to give the reassurances that Hong Kong and the world want beyond that.

Don't underestimate the damage done here and abroad every time, for example, that those who advise China give the impression that come 1997 the protection of Hong Kong's freedom and way of life is going to be dismantled. That sort of statement hits every agency tape around the world. You can buy advertising space by the yard to say how wonderful Hong Kong is and how wonderful Hong Kong is going to be, but that sort of story undoes all the good work and all the good words; it does immeasurable damage to confidence and, therefore, immeasurable damage to Hong Kong's prospects.

I, too, think that Hong Kong will stay special and stay successful, if - if - it's given a chance, if it's trusted to get on with its own life, if all of you care sufficiently passionately that things should and must stay the same. IF.

President Bush used to talk about the vision thing. Well, I'll tell you my vision of Hong Kong.

Hong Kong will in 1997 be the richest city in China. Within less than a generation, within perhaps half the average working life, Hong Kong could, on all the present statistics, become the richest city in the world. The richest and one of the most decent. Safe. Stable. Successful. An Asian role model. A world role model. That's what could happen. That's what should happen. And if you want it enough it will happen. Don't allow that vision to be thrown away.

End/Thursday, October 19, 1995

Governor to visit UK

* * * * *

The Governor, the Rt Hon Christopher Patten, will depart for London tonight (Thursday) on a regular visit to brief the Prime Minister, the Deputy Prime Minister, the Foreign Secretary and other ministers on the latest developments in Hong Kong.

The visit follows the delivery of his fourth Policy Address to the Legislative Council on October 11.

Apart from discussing the Hong Kong situation with ministers and officials, Mr Patten will also have separate meetings with members of the Foreign Affairs Committee and the British-Hong Kong Parliamentary Group.

In London, the Governor will attend the opening of the Hong Kong Business Conference, the Trade Development Council's annual dinner, and a lunch meeting with the Hong Kong Association. He also has speaking engagements in London, Buckingham and Oxford.

Mr Patten will return to Hong Kong on October 29.

End/Thursday, October 19, 1995

JLG Expert Talks on Air Service Agreements

* * * * *

Talks between experts of the British and Chinese sides of the Sino-British Joint Liaison Group on Air Service Agreements will take place in Hong Kong on October 20.

The British side will be led by British Representative, Mr Alan Paul. The Chinese side will be led by Chinese Representative, Mr Wang Weiyang. They will be assisted by experts from the two sides.

End/Thursday, October 19, 1995

Responsible and balanced course in human rights protection

* * * * *

The Hong Kong Government has conscientiously nurtured, as a matter of deliberate policy, a high level of domestic awareness of human rights, the Solicitor General, Mr Daniel R Fung, QC, told the United Nations Committee on Human Rights (UNHRC) in Geneva today (Thursday, Geneva time).

Speaking at a hearing of the Committee on the implementation of the International Covenant on Civil and Political Rights (ICCPR) in Hong Kong, Mr Fung said the Government had carefully charted a course between the demands of those who wanted far-reaching and immediate changes and the more conservative elements of the community who would prefer to see as little change as possible.

"The balanced position adopted by the Government is a responsible one, fully consistent with the aspirations enshrined in the ICCPR and the International Covenant on Economic, Social and Cultural Rights (ICESCR)," he added.

Mr Fung noted that the Hong Kong Government was and had been for some years deeply committed to a legal policy and social programme of promotion, enhancement and protection of human rights by law.

Ever since Britain acceded to the ICCPR in right of Hong Kong in 1976, the Hong Kong Government had taken steps progressively to ensure that the domestic legal regime for human rights protection met the minimum standards laid down in the Covenant.

He said in 1984 the United Kingdom and the People's Republic of China signed the Sino-British Joint Declaration on the Future of Hong Kong, and among the most significant provisions in the Joint Declaration were that the Provisions of the ICCPR and the ICESCR as applied to Hong Kong should remain in force after 1997.

In 1990, Mr Fung added, the Hong Kong Government took the initiative of introducing to the legislature a Bill of Rights which reproduced almost verbatim in a domestic statute the provisions of the ICCPR. This passed into law on June 6, 1991.

Mr Fung said under the terms of the Bill of Rights the Judiciary was constrained to give, wherever possible, all previous legislation an interpretation consistent with the Bill of Rights and, where no such interpretation was possible, declared any statutory provision which was inconsistent with the Bill of Rights repealed.

Since Hong Kong enjoyed a common law system with a doctrine of binding precedent, the Judiciary over the last four years had built up a solid body of jurisprudence based on case decisions interpreting the provisions of the Bill of Rights, he said.

Mr Fung added that at its own initiative, the Hong Kong Government had also established a dedicated, specialist Human Rights Unit in the Attorney General's Chambers.

One of its objectives was to assist in the promotion of human rights and the inculcation of human rights values in Hong Kong society and assisting in the carrying out of public educational programmes, he said.

Mr Fung also said the Government was pleased to see so many non-governmental agencies from Hong Kong taking the opportunity to assist the Committee in understanding the situation in Hong Kong.

He said their submissions demonstrated the seriousness with which the people of Hong Kong regarded their human rights as well as the importance they attached to the hearing.

"The Government's attendance here, together with that of NGOs, is testimony to the healthy state of awareness of human rights in Hong Kong," Mr Fung said.

End/Thursday, October 19, 1995

Bill to tidy-up broadcasting law in the pipeline

* * * * *

Hong Kong expects to see the number of television channels increased from the existing 28 to more than 50 over the next few years as the subscription television licensee's fibre optic system comes fully into operation. The number stood at just four in 1990.

The Government is, of course, pleased by this drastic improvement yet aims to add even more to the range of options open to local viewers.

This was stated by the acting Secretary for Recreation and Culture, Mrs Rachel Cartland, during a post-Policy Address briefing to Legislative Council members this (Thursday) morning.

Mrs Cartland told the Councillors that as the exclusivity period of Wharf Cable, the subscription TV licensee, was due to end in mid-1996, the views of the Legislative Council would be sought on the deregulation framework the Government expected to put in place thereafter.

"The deregulation framework must, of course, not only offer more choice to the Hong Kong viewer but must also treat fairly our existing licensed broadcasters," she stressed.

"A broadcasting regulatory regime is rather like a complicated model or a game of chess - if you move one piece you affect all the others and planning must allow for this.

"This sort of complexity is a relatively recently phenomenon and is mainly due to the impact of new technologies and hence to the development of new means of bringing television to the viewer," she added.

In order to deal effectively with these new developments, Mrs Cartland said a complete overhaul of the broadcasting legislation would be necessary with a view to introduce a new Broadcasting Ordinance to replace the existing Television and Telecommunication Ordinances.

"I am pleased to say that we do expect that in this session we will be able finally to introduce the Broadcasting Bill into the Legislative Council. The essence of this bill will be legislative tidying-up on a very large scale," she said.

She undertook to brief LegCo Members on progress, on concepts for the overall structure of the bill and on the single major new issue of substance to be incorporated into the bill, that is regulation of Video on Demand, before the bill was introduced into the Council.

On the arts side, Mrs Cartland noted that it was not too fanciful to say the Government's encouragement of the creative arts helped sustain the entrepreneurial spirit that had allowed Hong Kong to make so much progress over the recent past.

At the same time, she continued, the creative arts' willingness to question and probe kept society on its toes to ensure that other important priorities were not overlooked in a headlong drive for material success.

Sport is another area in which a community's pride and identity can be reinforced through the achievements of its sporting heroes and heroines.

Exercise and recreation were also essential building blocks of society since they were an important component of good health and fitness thus significantly contributing to productivity and providing decent alternatives to various less desirable activities; she said.

In respect of arts and sport, Mrs Cartland said the Sports Development Board and the Arts Development Council had been working on strategic plans to set the course for the next five years.

"Each of these plans has been the subject of a period of public consultation to allow them to be refined and prioritised.

"To implement each of these plans, we will be hoping to identify diverse sources of funding but insofar as sums from General Revenue are required, we are likely also in due course to be putting proposals to the Finance Committee of this Council," said Mrs Cartland.

End/Thursday, October 19, 1995

Flood relief projects underway: Director of Home Affairs

* * * * *

The Administration is taking active and practical steps to alleviate the problems of flooding which are particularly acute in Yuen Long and North Districts, the Director of Home Affairs, Mrs Shelley Lau, said today (Thursday).

Speaking at the opening ceremony of the Tak Yuet Lau flood shelter in Ta Kwu Ling, Mrs Lau said there were both short and long-term solutions to the flooding problems in the northern New Territories.

She said: "In the short term, under the Rural Planning and Improvement Strategy's (RPIS) Minor Works programme, the Home Affairs Department (HAD) and other works agency departments are implementing projects to provide some alleviation of the worst spots or, as in this case, provide temporary measures to help those worst affected.

"In the longer term, the Secretary for Planning, Environment and Lands has a comprehensive programme of river training projects at a cost of some \$5 billion, some of which are already underway."

Mrs Lau said HAD, in consultation with rural leaders and the local population, would continue to prioritize RPIS Minor Works projects to meet urgent local needs as far as possible. Flood relief measures will be accorded high priority within the RPIS programme.

However, she stressed that ultimately, only the major infrastructural projects to fully train these rivers would bring long-term, lasting relief.

Endorsed by the Executive Council in March 1989, the RPIS is divided into two segments, one covering major works projects and the other minor ones.

Mrs Lau pointed out that the Administration has earmarked \$1.6 billion for a 10-year Minor Works programme of infrastructural development and environmental improvement in rural areas in the New Territories.

To better manage the Strategy, HAD assumed overall responsibility for the Minor Works programme in November 1994 and introduced a two-tier administrative structure: the RPIS Minor Works Steering Committee and nine District Working Groups. Such an arrangement has enhanced the formulation of the programme and facilitated consultation with rural residents, New Territories District Boards, Heung Yee Kuk and Rural Committees.

Mrs Lau said that the Tak Yuet Lau minor works project is a typical example of co-operation between the authorities and the local community. Constructed at a cost of about \$3 million, the flood shelter will provide temporary accommodation for 130 villagers.

Under HAD's RPIS Minor Works programme, \$50 million worth of projects were constructed in 1994-95, in line with our projections. For 1995-96, the aim is to construct \$150 million worth of projects. Good progress is being made in constructing these projects.

End/Thursday, October 19, 1995

Unconscionable Contracts Ordinance to become effective

The Secretary for Trade and Industry, Mr T H Chau, has appointed tomorrow (Friday) as the commencement date for the Unconscionable Contracts Ordinance.

The Ordinance was enacted on October 20, 1994. A 12-month grace period has been given for the business community to consider their use of contracts in the sale of goods and supply of services and to make any necessary adjustments before the Ordinance is brought into effect.

"Under the Ordinance, the court is empowered to exercise control over unconscionable terms in consumer contracts for the sale of goods and supply of services. It also seeks to provide judicial guidelines in applying the test of conscionableness," a government spokesman said today (Thursday).

If the court finds a contract or any part of a contract to have been unconscionable at the time it was made, the court may:

- a) refuse to enforce the contract;
- b) enforce the remainder of the contract without the unconscionable part; and
- c) limit the application of, or revise or alter any unconscionable part so as to avoid any unconscionable result.

"With this Ordinance, we hope to offer the greatest protection to consumers against unconscionable contracts without undue interference in the freedom of contract," the spokesman said.

End/Thursday, October 19, 1995

Consumer Goods Safety Appeal Board panel appointed

An Appeal Board panel has been appointed by the Secretary for Trade and Industry under the Consumer Goods Safety Ordinance which will come into effect tomorrow (Friday).

A government spokesman said today (Thursday): "The panel will hear appeals against an enforcement decision or action of the Commissioner of Customs and Excise under Part III of the Ordinance.

"Such action includes notices issued by the Commissioner to require consumer goods suppliers to improve the safety of their products, to stop supplying unsafe products or to recall unsafe products from the market.

"The Appeal Board panel comprises a chairman and a deputy chairman, both of whom are legal practitioners; and not more than 15 members from the general public, consumer goods industry, and the product testing profession."

Members of the Appeal Board panel appointed for a period of two years are:

Chairman:

Mr Andrew Liao Cheung-sing, QC. Member of Law Reform Commission of Hong Kong and Criminal and Law Enforcement Injuries Compensation Board. Chairman of the Appeal Board panel (Toys and Children's Products Safety).

Deputy Chairman:

Mr Larry Kwok Lam-kwong, Solicitor. Member of Board of Review (Inland Revenue) and Appeal Board panel of Hong Kong Housing Authority.

Members:

Dr George Greene, Senior Lecturer of Department of Mechanical Engineering, University of Hong Kong. Member of Appeal Board panel (Gas Safety).

Prof Joseph Lai Ki-leuk, Professor of Department of Physics and Materials Science, City University of Hong Kong. Member of Consumer Council.

Dr Keung Wing-ching, Principal Consultant of Hong Kong Productivity Council. Member of the Metals Committee of the Industry and Technology Development Council.

Dr Chris Wong Ho-ching, Director of Industrial Centre of Hong Kong Polytechnic University. Member of Safety Officer Advisory Committee.

Dr David Lloyd Crone, Senior Racing Chemist of the Royal Hong Kong Jockey Club. Member of Appeal Board panel (Toys and Children's Products Safety) and member of Laboratory Accreditation Board.

Mr Cliff Sun Kai-lit, Executive Director of Kin Hip Metal & Plastic Factory Ltd. Co-opted member of Federation of Hong Kong Industries General Committee. Vice-chairman of Hong Kong Plastic Manufacturers Association.

Mr Jose Yu Sun-say, Chairman of HK International Group of Companies and president of Hong Kong International Knitwear Manufacturing Co Ltd.

Dr Chan Wai-kwan, Assistant Director of HK General Chamber of Commerce and secretary general of HK Coalition of Service Industries.

Mr Geoffrey A. Stammers, Chief Executive Officer of Mannings Retail Ltd. Member of Appeal Board panel (Toys and Children's Products Safety).

Mrs Alice Chan Lai-hing, Executive Director of Retail Management Association. Member of Metrication Committee and Vocational Training Council.

Mrs So Cheung Yee-hing, Headmistress of Cho Yiu Catholic Primary School. Former member of Consumer Council (1989-94).

Mr Norman Lo Kam-wah, Executive Secretary of the Methodist Centre. Member of Telecommunications Users and Consumers Advisory Committee. Former appointed member of District Board (Wan Chai) (1985-94).

Ms Rita Tsui Pei-kum, Assistant General Manager of Hop Hing Oil Factory Ltd. Former member of Working Group on General Products Safety (dissolved) in 1992.

Dr David Lee Ka-yan, doctor. Member of Appeal Board panel (Toys and Children's Safety) and member of Hong Kong Council on Smoking and Health.

Mr Aaron Wan Chi-keung, Managing Director of Associated Surveyors & Auctioneers, Associated Property Consultant & Agent and Associated Fine Arts Auctioneers Ltd. Member of Social Security Appeal Board.

Ends/Thursday, October 19, 1995

More low power devices to be exempted from licensing

The Office of the Telecommunications Authority (OFTA) announces today (Thursday) that the Telecommunication (Low Power Devices) (Exemption from Licensing) (Amendment) Order 1995, which has been approved by the Governor-in-Council, will be gazetted tomorrow (Friday).

The Exemption Order provides for the technical specifications for additional types of low power devices which are exempted from licensing under the Telecommunication Ordinance.

An OFTA spokesman explained: "Since 1989, an Exemption Order under the Telecommunication Ordinance has been in place to exempt from licensing certain radiocommunication devices which operate with very low transmission power and pose little risk of causing radio interference to other telecommunication devices.

"With the advent of radio and electronic technology, many new radiocommunication devices have come into the market and become increasingly popular among local users.

"After careful studies, OFTA has therefore recommended to change the technical specifications in the Order so as to allow many of these new devices to be exempted from licensing.

"The devices added include wireless office communication systems, wireless local area networks and studio quality wireless microphones."

Radio dealers and potential manufacturers will be informed of the technical specifications of the new categories of low power devices included in the Exemption Order.

End/Thursday, October 19, 1995

CS looks at work of EMSD

* * * * *

The Chief Secretary, Mrs Anson Chan, visited the Electrical and Mechanical Services Department (EMSD) headquarters this (Thursday) afternoon to update herself on the work of the department.

Mrs Chan was met by the department's director, Mr Hugh Phillipson; the Development Manager, Mr Brian Dagnall; and the Departmental Secretary, Miss Elizabeth Lee.

Following a briefing given by, and discussions with, directorate staff on the work and activities of the department, the Chief Secretary visited the adjacent vehicle workshop where She saw staff checking a vehicle under repair by means of an engine analyzer.

Mrs Chan also toured the works area, including the car body repair area and the paint shop.

The workshop, together with another in Kowloon, provides a maintenance and repair service for a fleet of 7,000 government vehicles of various models.

After visiting the workshop, Mrs Chan proceeded to the Apprentice Training Centre where she saw apprentices practising on various kinds of machines, and on the electrical work benches. During the tour of the workshop and the Centre, Mrs Chan made enquiries and chatted with staff on their work and problems.

More than 300 craft apprentices are currently being trained under a structured apprentice training scheme organised by EMSD to provide well-tained craftsmen for government services, as well as for the community.

Since the scheme was launched in 1969, more than 28,000 skilled personnel have passed the training programme.

The visit ended with a tea reception attended by EMSD staff.

End/Thursday, October 19, 1995

Physical tidal model upgraded

* * * * *

The Civil Engineering Department (CED) today (Thursday) signed a \$2.2 million consultancy agreement to upgrade its physical tidal model of the Victoria Harbour at the Harbour Hydraulics Laboratory in Tuen Mun.

The consultancy agreement was signed by the Principal Government Civil Engineer, Dr Choi Yu-leuk, Professor Ko Jan-ming of the Hong Kong Polytechnic University and a representative of Delft Hydraulics, Mr Rashed Thabet.

The consultancy will primarily comprise the installation of the latest instruments, implementation of new technology and permanent modifications to the model. Managed by the Civil Engineering Office of CED, it will be completed by August next year.

Speaking after the signing ceremony, Dr Choi said it was essential to increase the effectiveness of the hydraulic modelling studies in view of the increasing importance of harbour engineering projects to the territory.

"By adopting an advanced technology called 'Particle Image Velocimetry', the float track images will be automatically analysed to provide information on current speed and direction over the entire water surface of the tidal model," he said.

"This will greatly reduce the time and manpower required for flow measurements and analysis.

"More powerful microcomputers and electromagnetic current meters will be installed for control, data analysis and acquisition.

"At the same time, the physical tidal model will be modified to reflect the latest developments of Hong Kong including the harbour engineering projects completed since 1989."

The physical tidal model of the Hong Kong's Victoria Harbour is housed inside the Harbour Hydraulics Laboratory which was built in 1989 to investigate and assess the effects on the tidal regime of the harbour of various coastal development proposals, such as reclamations, piers and breakwaters.

Dr Choi pointed out that detailed hydraulic studies had been conducted to ensure that the hydraulic conditions, both during and after the construction of major port developments and large-scale reclamations would suit waterborne activities.

"Results of hydraulic studies have concluded that reclamation works being carried out in the Victoria Harbour pose negligible effect on vessel navigation and other waterborne activities," he said.

He noted that over 30 hydraulic studies had been conducted since 1989 for major port developments including the West Kowloon Reclamation, the Central and Wan Chai Reclamation, and the Lantau Port Development.

End/Thursday, October 19, 1995

Sunday pedestrian precincts in Mong Kok on trial

* * * * *

A scheme will be put on trial from this Sunday (October 22) to improve the heavy pedestrian flow in Mong Kok on Sundays, a Transport Department spokesman said today (Thursday).

The scheme is to close traffic on the sections of roads listed below and turn them into pedestrian precincts from noon to 9 pm on Sundays:

- * Tung Choi Street from Argyle Street to Shantung Street;
- * Tung Choi Street from Shantung Street to Dundas Street;
- * Nelson Street from Fa Yuen Street to Sai Yeung Choi Street South; and
- * Soy Street from Sai Yeung Choi Street South to Fa Yuen Street.

Aimed to enhance pedestrian safety and improve the smooth flow of pedestrians and environment in general, the scheme will be put on trial initially for about three months pending further review.

During the road closure period, motorists should use Argyle Street for to access Sai Yeung Choi Street South between Argyle Street and Dundas Street, while those on the above section of Sai Yeung Choi Street South can make use of Shantung Street for Fa Yuen Street and Sai Yee Street.

Vehicles on Nathan Road southbound heading for Fa Yuen Street southbound are advised to route via Shantung Street and Fa Yuen Street.

However, traffic will resume normal on Nelson Street and Soy Street on other days including public holidays.

It is expected that local shop business might be benefited from the scheme as pedestrians could shop at leisure.

Nevertheless, illegal hawking activities may be attracted by the scheme. Stringent enforcement actions will be carried out by the Urban Services Department and the Police on site.

End/Thursday, October 19, 1995

Partial solar eclipse on October 24

* * * * *

There will be a total solar eclipse on October 24. Weather permitting, the event will be visible as a partial eclipse of the sun in Hong Kong.

Details of the eclipse are as follows:

	Hong Kong Time -----	Azimuth Direction -----	Elevation (Degrees) -----
Sunrise	0623	East-Southeast	-1
Eclipse begins	1048	South-Southeast	51
Maximum eclipse	1218	South	56
Eclipse ends	1349	Southwest	48
Sunset	1752	West-Southwest	-1

The magnitude of the eclipse will be about 0.64. This means that 64 per cent of the sun's diameter will be obscured by the moon at the maximum eclipse.

The best place to observe the eclipse in Hong Kong will be on high grounds with no obstruction of sight to the south.

Special precautions must be taken to observe solar eclipses because of the blinding intensity of the sun's rays.

Under no circumstances should the sun be looked at directly without any protective measures. A safe and better method is to project the sun's image onto a screen and view the reflection.

The next solar eclipse observable in Hong Kong will not occur until March 9, 1997.

End/Thursday, October 19, 1995

Hong Kong Beauty to open Gurkha Fair
* * * * *

Miss Hong Kong 1995, Miss Winnie Yeung, will be officiating at the opening of this year's Gurkha Fair at Malaya Lines, Sek Kong on Saturday (October 21).

Organised by the 1st Battalion The Royal Gurkha Rifles (1 RGR), the two-day fair, which takes place on Saturday and Sunday (October 22), includes motorcycles displays, a tug-of-war competition, a trailer race, a lion dance and a free-fall parachute display. Musical highlights will be provided by the battalion's Pipes and Drums.

The fair will be held at Malaya Lines' Polo Field, near Kam Tin. It will be open from 11 am to 11 pm on Saturday and Sunday. All members of the public are welcome to share the fun.

End/Thursday, October 19, 1995

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	3,063	0930	+109
Closing balance in the account	2,728	1000	+109
Change attributable to :		1100	+109
Money market activity	+105	1200	+114
LAF today	-440	1500	+114
		1600	+105

LAF rate 4.25% bid/6.25% offer TWI 122.0 *+0.1* 19.10.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.51	2 years	2708	6.06	100.56	5.81
1 month	5.53	3 years	3807	6.16	100.32	6.12
3 months	5.58	5 years	5009	6.95	101.12	6.79
6 months	5.60	5 years	M501	7.90	103.10	7.22
12 months	5.61					

Total turnover of EF bills and notes - \$19,517 million

Closed October 19, 1995

End/Thursday, October 19, 1995