



DAILY INFORMATION BULLETIN

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

WEDNESDAY, JUNE 18, 1980

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WEDNESDAY, JUNE 18, 1980

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DECISION ON AIRLINES BASED ON VIRTUES OF COMPETITION

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THE SECRETARY OF STATE FOR TRADE, THE RT HON JOHN NOTT, SAID LAST (TUESDAY) NIGHT HIS DECISION TO ALLOW THE APPLICATION FOR THREE NEW AIRLINES TO SERVE THE LONDON-HONG KONG ROUTE WAS BASED ON A STRONG BELIEF IN THE VIRTUES OF COMPETITION IN THE INTERESTS OF CONSUMERS AND PRODUCERS ALIKE.

MR NOTT MADE THE COMMENT AT THE DRAGON BOAT DINNER OF THE HONG KONG ASSOCIATION AT THE DORCHESTER HOTEL, LONDON, SHORTLY AFTER HE ANNOUNCED HIS DECISION EARLIER IN THE DAY AT THE HOUSE OF COMMONS.

HE SAID HIS BELIEF WAS FUNDAMENTAL TO THE PHILOSOPHY AND +INDEED TO THE COMMERCIAL SUCCESS OF HONG KONG.+

AND HE ADDED THAT HE WAS NOT SATISFIED WITH THE PRESENT TIGHTLY REGULATED INTERNATIONAL CIVIL AVIATION ARRANGEMENTS.

+I BELIEVE THAT A MORE LIBERAL MARKET ENVIRONMENT WOULD PROVIDE AIRLINES WITH THE ABILITY TO OFFER A VARIETY OF PRODUCTS AT A RANGE OF PRICES TO SATISFY ALL SECTORS OF CONSUMER DEMAND,+ HE SAID.

THIS, HE SAID, WOULD BE MORE SATISFYING TO CONSUMERS AND WOULD ALLOW THE AIRLINE INDUSTRY TO CONTINUE TO GROW AND DEVELOP TO THE BENEFIT OF BOTH GOVERNMENT AND CONSUMERS.

MR NOTT SAID HE WAS AWARE THAT CIVIL AVIATION HAD A VERY DIFFICULT YEAR. THIS WAS NOT BECAUSE OF ANY LACK OF DEMAND FROM AIRLINE PASSENGERS, BUT BECAUSE OF SUDDEN HIGH INCREASES IN FUEL PRICES.

HE CITED BRITISH AIRWAYS AS HAVING A NINE PER CENT PASSENGER GROWTH LAST YEAR AS COMPARED TO 1978.

+THE PROSPECTS FOR 1980 ARE THEMSELVES UNCERTAIN. BUT THE AVIATION MARKET HAS PROVED ITSELF DYNAMIC IN THE PAST THROUGH ALL THE FLUCTUATIONS IN THE WORLD ECONOMY, AND FOR THAT REASON ALONE IT WOULD BE A MISTAKE TO DECIDE OUR LONG-TERM AVIATION POLICY BY REFERENCE TO JUST SHORT-TERM CRITERIA- THAT WOULD BE AN ARGUMENT FOR FOSSILISATION FROM A FEAR TO TAKE A VIEW FOR THE FUTURE,+ SAID MR NOTT.

BEFORE THE AIRLINES COME ONTO THE ROUTE, THEY REQUIRE LICENCES FROM BOTH THE UNITED KINGDOM AND HONG KONG.

+THE NECESSARY ACTION HAS BEEN TAKEN AT THE LONDON END, BUT THE AIR TRANSPORT LICENSING AUTHORITY IN HONG KONG HAS SO FAR LICENSED ONLY THREE SERVICES A WEEK BY CATHAY AND FOUR BY BCAL, AND HAS TURNED DOWN LAKER'S APPLICATION,+ HE SAID.

IN REJECTING THE ORIGINAL LAKER PROPOSAL THAT ALL THE APPLICANTS SHOULD BE LICENSED ON THE GROUNDS THAT THIS WAS CONTRARY TO THE AIR TRANSPORT REGULATIONS IN HONG KONG, MR NOTT SAID THAT THE HONG KONG AUTHORITY OBSERVED, +AND I QUOTE THEIR WORDS THAT THE LAKER APPLICATION 'FITS IN WITH THE GENERAL ECONOMIC APPROACH WHICH HAS MADE HONG KONG WHAT IT IS TODAY.'

/+IF THERE

+IF THERE ARE FURTHER HEARINGS IN HONG KONG, THE HONG KONG GOVERNMENT WILL PRESUMABLY GIVE EVIDENCE.

+IN THAT CASE I WOULD ASK THEM TO CONSIDER WHETHER THE SOLUTION WHICH I HAVE ADOPTED DOES NOT REFLECT EXACTLY THE PHILOSOPHY ON WHICH HONG KONG'S ECONOMIC SUCCESS HAS BEEN BASED, AND WHETHER SOME WAY CANNOT BE FOUND TO TRANSFORM THAT PHILOSOPHY INTO FACT IN THE PRESENT CASE,+ SAID MR NOTT.

HIS DECISION WAS IMMEDIATELY WELCOMED BY SIR YUET-KEUNG KAN, ANOTHER SPEAKER AT THE DRAGON BOAT DINNER.

HE SAID IT WAS SEEN AS A CLEAR DEMONSTRATION OF BRITAIN'S INTEREST IN MAINTAINING THE PRINCIPLES OF FREE TRADE AND FAIR COMPETITION.

SIR Y.K. CONFINED HIS ADDRESS TO TRADE BETWEEN THE UNITED KINGDOM, HONG KONG AND CHINA AND MADE REFERENCE TO HIS RECENT UK-HONG KONG TRADE MISSION TO GUANGDONG PROVINCE.

+IT HAS BECOME QUITE CLEAR TO ME, DURING MY RECENT VISITS TO CHINA, THAT THE BASIC OBJECTIVES OF THAT COUNTRY WILL BE CONCENTRATED ON COMMUNICATIONS AND ENERGY.

+IN BOTH FIELDS BRITAIN HAS MUCH TO OFFER. BY COMBINING OUR RESOURCES AND TALENTS WE WILL BOTH BE ABLE TO TAKE ADVANTAGES OF THE ENORMOUS OPPORTUNITIES THAT ARE BEING OFFERED,+ SAID SIR Y.K.

HOWEVER, TO DO THIS SUCCESSFULLY, UK-HONG KONG POSITIONS WOULD HAVE TO BE CLARIFIED. HONG KONG AND BRITAIN, HE SAID HAVE FREQUENTLY MISUNDERSTOOD EACH OTHER.

+FOR MY PART I FEEL THAT HONG KONG'S PERFORMANCE HAS BEEN UNDERRATED BY MANY IN THIS COUNTRY,+ HE SAID.

SIR Y.K. SAID THE FUTURE WOULD NOT BE EASY AND THE UNDERSTANDING SOUGHT COULD BE LIKENED TO A DELICATE FLOWER WHICH HAS TO BE NURTURED.

+THOSE IN HONG KONG WHO KNOW YOU (MR NOTT), UNDERSTAND YOUR INTENTIONS, BUT THERE REMAIN MISUNDERSTANDING AND EVEN SUSPICIONS, HE SAID.

EARLIER, MR NOTT TOLD GUESTS AT THE DINNER THAT THE RELATIONSHIP BETWEEN BRITAIN AND HONG KONG WAS ONE TO WHICH THE BRITISH GOVERNMENT ATTACHED THE GREATEST IMPORTANCE.

CIVIL AVIATION WAS THE CURRENT ISSUE IN RELATIONS BETWEEN BRITAIN AND HONG KONG AND THE DECISION HE HAD TAKEN SHOULD RESULT IN BRINGING HONG KONG AND BRITAIN CLOSER TOGETHER, HE SAID.

IN REPLY TO THIS, SIR Y.K. ADDED THAT BY WORKING CLOSE TOGETHER THE ECONOMIC BATTLES CAN BE WON AND +OUR JOINT FUTURES WILL BRING NOT ONLY GREATLY INCREASED ECONOMIC TIES, BUT ALSO A WARMER AND CLOSER RELATIONSHIP BETWEEN OUR PEOPLE.+

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CENSUS REPORT ON DISTRIBUTIVE TRADE AND SERVICE

THE CENSUS AND STATISTICS DEPARTMENT HAS RECENTLY PUBLISHED A REPORT ON THE FIRST ECONOMIC CENSUS FOR HONG KONG'S WHOLESALE, RETAIL, AND IMPORT/EXPORT TRADES, RESTAURANTS AND HOTELS IN 1977.

THE CENSUS WAS CONDUCTED IN 1978 AND 1979.

THE REPORT PROVIDES BENCHMARK STATISTICS ON THE STRUCTURE, CONDUCT AND PERFORMANCE OF THE DISTRIBUTIVE TRADE AND SERVICE SECTOR.

THE REPORT IS PUBLISHED IN TWO VOLUMES.

VOLUME I CONTAINS DESCRIPTION OF THE BACKGROUND AND METHODOLOGY, INCLUDING SAMPLE DESIGN, STATISTICAL CONCEPTS AND MEASURES USED AND A DETAILED ANALYSIS OF THE SALIENT FEATURES OF THIS SECTOR.

ALSO INCLUDED IN THIS VOLUME ARE 13 ANALYTICAL TABLES OF PRINCIPAL STATISTICS AND SEVEN CHARTS.

VOLUME II IS PUBLISHED IN THREE PARTS: PART I FOR WHOLESALE TRADE- PART 2 FOR RETAIL TRADE, RESTAURANTS AND HOTELS- AND PART 3 FOR IMPORT/EXPORT TRADE. EACH PART CONTAINS DETAILED STATISTICS.

ACCORDING TO THE REPORT, 50 392 WHOLESALE, RETAIL AND IMPORT/EXPORT ESTABLISHMENTS, RESTAURANTS AND HOTELS WERE FOUND IN OPERATION IN 1977.

THESE ESTABLISHMENTS ENGAGED 363 365 PERSONS, WITH ESTIMATED TOTAL SALES AND OTHER RECEIPTS OF \$108 578 MILLION, CENSUS VALUE ADDED OF \$15 454 MILLION, LABOUR COST OF \$5 077 MILLION, OPERATING COSTS OF \$7 468 MILLION, PURCHASES OF GOODS FOR SALE \$92 546 MILLION AND CAPITAL STOCK \$6 308 MILLION.

OVER 56 PER CENT OF THE 50 392 OPERATING ESTABLISHMENTS WERE IN RETAIL TRADE WHICH ACCOUNTED FOR 31 PER CENT OF THE TOTAL NUMBER OF PERSONS ENGAGED. RESTAURANTS, ON THE OTHER HAND, REPRESENTED ONLY SEVEN PER CENT OF THE NUMBER OF ESTABLISHMENTS BUT 28 PER CENT OF TOTAL EMPLOYMENT.

IMPORT/EXPORT AND WHOLESALE TRADES EACH MADE UP 21 PER CENT AND 14 PER CENT RESPECTIVELY OF THE TOTAL NUMBER OF ESTABLISHMENTS, AND 24 PER CENT AND 12 PER CENT RESPECTIVELY OF TOTAL EMPLOYMENT.

HOTELS AND BOARDING HOUSES ACCOUNTED FOR ONLY ONE PER CENT OF THE TOTAL NUMBER OF ESTABLISHMENTS AND FIVE PER CENT OF TOTAL EMPLOYMENT.

IMPORT/EXPORT TRADE ACCOUNTED FOR 62 PER CENT OF THE TOTAL VALUE OF SALES AND OTHER RECEIPTS, WHILE WHOLESALE AND RETAIL TRADES EACH HAD 16 PER CENT, RESTAURANTS, FIVE PER CENT, AND HOTELS/BOARDING HOUSES, ONE PER CENT.

/ON EXPENDITURE,

ON EXPENDITURE, RESTAURANTS WERE THE ONLY ACTIVITY WHICH SPENT MORE ON LABOUR THAN ON OTHER OPERATING EXPENSES. IMPORT/EXPORT TRADE WAS AT THE OTHER EXTREME, WITH THE VALUE OF OTHER OPERATING COSTS TWICE THAT OF LABOUR COST.

IN TERMS OF SALES AND OTHER RECEIPTS WITHIN EACH ACTIVITY, ESTABLISHMENTS ENGAGING 10 TO 19 PERSONS WERE THE MOST IMPORTANT GROUP IN WHOLESALE ACTIVITY, CONTRIBUTING 27 PER CENT OF TOTAL TURNOVER.

A SOMEWHAT DIFFERENT PATTERN WAS FOUND IN RETAIL BUSINESSES IN WHICH ESTABLISHMENTS ENGAGING ONE TO FOUR PERSONS AND THOSE WITH 50 OR MORE PERSONS EACH CONTRIBUTED 25 PER CENT OF TOTAL SALES AND OTHER RECEIPTS.

IN IMPORT/EXPORT TRADE, 64 ESTABLISHMENTS ENGAGING 100 OR MORE PERSONS, OR ABOUT ONE HALF PER CENT OF THE TOTAL NUMBER OF ESTABLISHMENTS, ACCOUNTED FOR 22 PER CENT OF TOTAL SALES AND OTHER RECEIPTS.

RESTAURANTS WITH 100 OR MORE PERSONS WERE RESPONSIBLE FOR OVER 43 PER CENT OF TOTAL SALES WHILE IN HOTELS/BOARDING HOUSES 89 PER CENT OF TOTAL SALES WERE SHARED BY THOSE ENGAGING 100 OR MORE PERSONS.

BY CENSUS DISTRICT, SHEUNG WAN AND ISLAND WEST WAS THE MOST IMPORTANT DISTRICT IN WHOLESALE ACTIVITY, ACCOUNTING FOR 24 PER CENT OF THE TOTAL NUMBER OF WHOLESALE ESTABLISHMENTS AND 30 PER CENT OF THEIR TOTAL SALES.

THE NEXT IMPORTANT DISTRICT WAS CHEUNG SHA WAN AND SHEK KIP MEI, FOLLOWED BY YAU MA TEI.

THE NEW TERRITORIES (EXCLUDING TSUEN WAN) HAD THE LARGEST NUMBER OF RETAIL ESTABLISHMENTS. THIS WAS FOLLOWED BY THE DISTRICT KAI TAK AND SAN PO KONG. THE TWO DISTRICTS TAKEN TOGETHER ACCOUNTED FOR 24 PER CENT OF THE TOTAL NUMBER OF RETAILERS.

IN TERMS OF SALES AND OTHER RECEIPTS, TSIM SHA TSUI WAS THE MOST IMPORTANT DISTRICT, CONTRIBUTING 18 PER CENT OF TOTAL RETAIL SALES.

SHEUNG WAN AND ISLAND WEST, CENTRAL AND TSIM SHA TSUI WERE THE MOST PROMINENT AREAS IN IMPORT/EXPORT BUSINESS. SHEUNG WAN AND ISLAND WEST HAD THE LARGEST NUMBER OF IMPORTERS/EXPORTERS, WITH A 20 PER CENT SHARE OF TOTAL SALES, CENTRAL, WITH THE SECOND LARGEST NUMBER OF IMPORT/EXPORT ESTABLISHMENTS, CONTRIBUTED 40 PER CENT OF TOTAL BUSINESS TURNOVER, AND TSIM SHA TSUI, 15 PER CENT.

THE NEW TERRITORIES (EXCLUDING TSUEN WAN) HAD THE LARGEST NUMBER OF RESTAURANTS BUT CONTRIBUTED ONLY SEVEN PER CENT OF TOTAL BUSINESS TURNOVER. DISTRICTS WITH THE LARGEST TURNOVERS WERE WAN CHAI (INCLUDING CAUSEWAY BAY), YAU MA TEI AND TSIM SHA TSUI, EACH CONTRIBUTING 14 PER CENT, 12 PER CENT AND 11 PER CENT RESPECTIVELY TO TOTAL SALES AND OTHER RECEIPTS.

NINETY-TWO PER CENT OF THE HOTEL BUSINESS WAS ATTRIBUTED TO THE DISTRICTS, TSIM SHA TSUI, CENTRAL, AND WAN CHAI (INCLUDING CAUSEWAY BAY). CENTRAL HAD ONLY THREE HOTELS BUT WITH A TURNOVER OF 21 PER CENT OF THE TOTAL.

TSIM SHA TSUI, WITH 92 HOTELS/BOARDING HOUSES, CONTRIBUTED 50 PER CENT OF TOTAL BUSINESS TURNOVER.

WAN CHAI (INCLUDING CAUSEWAY BAY) HAD 145 HOTELS/BOARDING HOUSES, THE LARGEST NUMBER BY CENSUS DISTRICT, AND ACCOUNTED FOR 20 PER CENT OF TOTAL SALES AND OTHER RECEIPTS.

THE MAJORITY OF ESTABLISHMENTS IN THIS DISTRIBUTIVE TRADE AND SERVICE SECTOR WERE SOLE PROPRIETORSHIPS, FOLLOWED BY PARTNERSHIPS, PRIVATE LIMITED COMPANIES AND PUBLIC LIMITED COMPANIES.

IN TERMS OF SALES, PARTNERSHIPS WERE THE MOST IMPORTANT, FOLLOWED BY PRIVATE LIMITED COMPANIES IN WHOLESALE TRADE.

IN RETAIL TRADE, SOLE PROPRIETORSHIPS ACCOUNTED FOR 40 PER CENT OF TOTAL SALES, SLIGHTLY ABOVE THE SHARE OF PRIVATE LIMITED COMPANIES.

A SOMEWHAT DIFFERENT PATTERN WAS SHOWN IN IMPORT/EXPORT TRADE AND RESTAURANTS IN WHICH PRIVATE LIMITED COMPANIES ACCOUNTED FOR 72 PER CENT AND 62 PER CENT RESPECTIVELY OF TOTAL BUSINESS TURNOVER.

IN HOTELS/BOARDING HOUSES, PRIVATE LIMITED COMPANIES HAD A 57 PER CENT SHARE OF TOTAL SALES, FOLLOWED BY PUBLIC LIMITED COMPANIES WITH A 37 PER CENT SHARE.

THE REPORT IS NOW ON SALE AT THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE AT THE FOLLOWING PRICES:-

VOLUME I		\$25 PER COPY
VOLUME II	PART 1	\$35 PER COPY
	PART 2	\$35 PER COPY
	PART 3	\$35 PER COPY

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SUMMER YOUTH PROGRAMME TO BE LAUNCHED

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THE 12TH SUMMER YOUTH PROGRAMME WILL BE LAUNCHED THIS SATURDAY (JUNE 21) BY MR ERIC CUMINE, STEWARD OF THE ROYAL HONG KONG JOCKEY CLUB, AT THE SHA TIN RACE COURSE.

ABOUT 500 GUESTS FROM GOVERNMENT DEPARTMENTS AND VOLUNTARY AGENCIES HAVE BEEN INVITED TO THE OPENING CEREMONY.

TO ADD TO THE FESTIVITIES, 100 YOUNGSTERS FROM THE MUSIC OFFICE WILL GIVE A PERFORMANCE. GUESTS WILL BE INVITED TO SING ALONG WITH THEM. THERE WILL ALSO BE THREE FOLK DANCES BY SCHOOL CHILDREN.

A PREVIEW OF SOME OF THE ACTIVITIES PLANNED FOR THIS YEAR'S PROGRAMME WILL BE DEMONSTRATED BY EIGHT YOUTH GROUPS.

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THIS YEAR'S SUMMER YOUTH PROGRAMME CONTAINS MORE THAN 8 000 INDOOR AND OUTDOOR ACTIVITIES WHICH WILL BE HELD IN VARIOUS PARTS OF HONG KONG IN THE NEXT THREE MONTHS.

THE ORGANISERS WILL ARRANGE MORE OUTDOOR ACTIVITIES THIS SUMMER BECAUSE THEY HAVE PROVED TO BE VERY POPULAR IN PREVIOUS YEARS.

THE TOTAL COST OF THE 1979 SUMMER YOUTH PROGRAMME WAS \$7.3 MILLION, OF WHICH \$2 MILLION WAS DONATED BY THE ROYAL HONG KONG JOCKEY CLUB. THE REST OF THE FUNDS CAME FROM THE GOVERNMENT, THE URBAN COUNCIL, PRIVATE DONATIONS AND PARTICIPANTS' FEES. IT IS EXPECTED THAT THIS YEAR'S COST WILL BE MORE THAN LAST YEAR'S.

THE JOCKEY CLUB, HAS AGAIN MADE A GENEROUS DONATION OF \$2.5 MILLION FOR THIS YEAR'S PROGRAMME.

YOUNG PEOPLE ARE WELCOME TO OBTAIN INFORMATION ABOUT THE PROGRAMME FROM ALL CITY DISTRICT OFFICES, DISTRICT OFFICES IN THE NEW TERRITORIES, COMMUNITY CENTRES, VOLUNTARY AGENCIES AND YOUTH ORGANISATIONS.

THE PROGRAMME IS CO-ORDINATED BY THE CENTRAL CO-ORDINATING COMMITTEE FOR YOUTH RECREATION (CCCYR) SINCE 1969. IT RUNS ALL THE ACTIVITIES AIMED AT PROVIDING RECREATIONAL OPPORTUNITIES FOR YOUNG PEOPLE AGED FROM SIX TO 24.

MEMBERS OF THE CCCYR INCLUDE THE HONG KONG JOCKEY CLUB (CHARITIES) LTD, THE HONG KONG COUNCIL OF SOCIAL SERVICE, THE HOME AFFAIRS BRANCH, THE SOCIAL WELFARE DEPARTMENT, THE EDUCATION DEPARTMENT, THE INFORMATION SERVICES DEPARTMENT, THE HOME AFFAIRS DEPARTMENT AND THE NEW TERRITORIES ADMINISTRATION.

NOTE TO EDITORS:

THIS YEAR'S SUMMER YOUTH PROGRAMME OPENING CEREMONY WILL BE OFFICIATED BY MR ERIC CUMINE, STEWARD OF THE ROYAL HONG KONG JOCKEY CLUB AT 10.30 AM THIS SATURDAY (JUNE 21) AT THE SHA TIN RACE COURSE GRAND STAND.

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER THE CEREMONY.

PRESS TRANSPORT WILL BE PROVIDED. TWO GOVERNMENT VANS WILL DEPART QUEEN'S PIER, CENTRAL, AT 9 AM FOR THE RACE COURSE. GIS OFFICERS WILL BE ON HAND TO ASSIST THE PRESS.

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AUSTRALIAN MP'S VISIT SHA TIN NEW TOWN

A PARLIAMENTARY DELEGATION FROM THE STATE OF QUEENSLAND, AUSTRALIA, TODAY (WEDNESDAY) VISITED SHA TIN NEW TOWN.

HEADED BY MR W.D. LICKISS, MINISTER FOR JUSTICE AND ATTORNEY GENERAL, THE SEVEN-MEMBER DELEGATION FIRST VISITED THE NEW TERRITORIES ADMINISTRATION HEADQUARTERS FOR A SHORT BRIEFING.

THE MP'S LATER TRAVELLED TO SHA TIN AND WENT TO A VANTAGE POINT FOR A BIRD'S EYE VIEW OF NEW TOWN DEVELOPMENT PROJECTS.

THEY WERE BRIEFED BY NEW TERRITORIES ADMINISTRATION STAFF ON HOW SHA TIN WILL PROGRESSIVELY BECOME A BALANCED, SELF-CONTAINED NEW TOWN COMMUNITY OF 750 000 PEOPLE DURING THE 1980'S.

THEY ALSO TOURED THE FO TAN INDUSTRIAL AREA, LEK YUEN ESTATE AND THE SHA TIN RACE COURSE COMPLEX.

THE DELEGATION, WHICH ARRIVED HERE ON SUNDAY AFTER VISITING JAPAN, SINGAPORE AND THE PHILIPPINES, LEAVES FOR HOME TOMORROW (THURSDAY).

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LABOUR COMMISSIONER VISITS TAI PO INDUSTRIAL ESTATE

THE COMMISSIONER FOR LABOUR, MR J.N. HENDERSON, THIS (WEDNESDAY) MORNING TOOK A CLOSE LOOK AT THE LATEST DEVELOPMENTS OF THE TAI PO INDUSTRIAL ESTATE.

ACCOMPANIED BY MRS HENDERSON AND ASSISTANT COMMISSIONER (INDUSTRIAL TRAINING), MR HORACE KNIGHT, MR HENDERSON BEGAN THE TOUR BY GOING TO A HILLTOP FOR A PANORAMIC VIEW OF THE ESTATE WHERE HE WAS BRIEFED BY THE CHIEF EXECUTIVE OF THE HONG KONG INDUSTRIAL ESTATES CORPORATION, MR V.W. MILLER, ON WORK PROGRESS AT THE ESTATE.

IN THE ESTATE MR HENDERSON FIRST VISITED THE PLANT SITE OF THE CARLSBERG BREWERY HONG KONG, WHERE HE WAS BRIEFED BY THE COMPANY'S TECHNICAL MANAGER, MR F. ELTON.

ALSO VISITED WERE THE MAN YEE FACTORY, THE FERRO FAR EAST FACTORY AND THE YING KEE FACTORY.

THE YING KEE FACTORY SPECIALISES IN THE PRODUCTION OF STEEL FURNITURE AND SAFES, THE MAN YEE FACTORY IN TIN CANS AND THE FERRO FAR EAST FACTORY IN ENAMEL FRIT.

THE YING KEE FACTORY HAS STARTED OPERATION AND MACHINERY IS BEING INSTALLED AT THE OTHER TWO FACTORIES.

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PING CHAU GENERATORS IN AIR, SEA AND LAND JOURNEY

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TWO DIESEL GENERATORS, EACH WEIGHING ABOUT 1.3 TONNES, TODAY (WEDNESDAY) BEGAN A TWO-DAY AIR, SEA AND LAND JOURNEY FROM THE PUBLIC WORKS DEPARTMENT DEPOT IN SEK KONG TO THE POWER STATION OF THE POLICE/MILITARY CAMP ON PING CHAU IN MIRS BAY.

MEASURING ABOUT 2.3 M IN LENGTH, 1.3 M IN WIDTH AND 1 M IN HEIGHT EACH, THE GENERATORS AIM TO IMPROVE THE ELECTRICITY SUPPLY ON THE ISLAND.

THEY ARE TO REPLACE THE TWO EXISTING ONES WHICH HAVE BEEN THERE FOR MORE THAN 10 YEARS.

A SPOKESMAN FOR PWD SAID THE TRIP STARTED THIS MORNING WHEN THREE MILITARY LORRIES LOADED WITH THE TWO GENERATORS AND CONTROL EQUIPMENT LEFT SEK KONG FOR WONG CHUK TSUEN NEAR TAI MEI TUK, TAI PO.

ON ARRIVAL AT WONG CHUK TSUEN, THE LORRIES WERE DRIVEN ONTO A WAITING ARMY LANDING CRAFT WHICH THEN BEGAN THE SECOND LEG OF THE JOURNEY TO PING CHAU.

AFTER A THREE-HOUR VOYAGE, THE LANDING CRAFT BEACHED AT A PRE-SELECTED SPOT AT PING CHAU WHERE THE LORRIES WILL STAY FOR THE NIGHT.

A WESSEX HELICOPTER FROM THE ROYAL AIR FORCE WILL TOMORROW MORNING LIFT THE EQUIPMENT ITEM BY ITEM FROM THE LORRIES TO THE POWER STATION WHICH IS ABOUT 400 METRES AWAY.

THE SPOKESMAN SAID THAT THE NEW GENERATORS WOULD BE INSTALLED BY WORKSHOP STAFF OF THE ELECTRICAL AND MECHANICAL OFFICE OF THE PWD.

ON COMPLETION, ELECTRICITY SUPPLY ON THE ISLAND, INCLUDING FOOTPATH LIGHTING, WILL BE GREATLY IMPROVED, HE ADDED.

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WATER SUPPLIES TO HOLD MINI-EXHIBITION

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THE WATER SUPPLIES DEPARTMENT WILL BE HOLDING A MINI-EXHIBITION FROM TOMORROW.

THE EXHIBITION, TO BE HELD IN THE LIFT LOBBY, GROUND FLOOR, OF THE DEPARTMENT HEADQUARTERS IN LEIGHTON CENTRE, WILL LAST THREE WEEKS.

IT TELLS THE DIFFICULTIES ENCOUNTERED AND ACHIEVEMENTS MADE IN THE PAST 120 YEARS BY THE PUBLIC WORKS DEPARTMENT IN ITS EFFORTS TO KEEP PACE WITH THE GROWING NEED FOR WATER.

AMONG THE PHOTOGRAPHS ON DISPLAY WILL BE THOSE ON SOME OF THE OLDEST AND NEWEST RESERVOIRS IN THE TERRITORY.

THE EXHIBITION ALSO TOUCHES ON THE CONSUMER ENQUIRY CENTRE AND FIVE TECHNICAL COMPLAINT CENTRES.

A SPOKESMAN FOR THE DEPARTMENT URGED CONSUMERS TO TAKE FULL ADVANTAGE OF THESE SERVICES.

THE CONSUMER ENQUIRY CENTRE IS ON THE 11TH FLOOR OF LEIGHTON CENTRE, 77 LEIGHTON ROAD, HONG KONG, AND ITS TELEPHONE NUMBERS ARE 5-7900222-4.

THE TELEPHONE NUMBERS OF THE FIVE TECHNICAL COMPLAINT CENTRES ARE: 5-726311 (HONG KONG), 3-960210 AND 3-960219 (KOWLOON), 12-900322 (FANLING), 12-662368 (TAI PO) AND 12-762626 (YUEN LONG).

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APPLY NOW FOR TECHNICAL TEACHER TRAINING COURSES

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THE HONG KONG TECHNICAL TEACHERS' COLLEGE IS INVITING APPLICATIONS TO ONE-YEAR FULL-TIME TRAINING COURSES FOR THE 1980-81 SESSION.

THE COURSES OFFERED ARE IN THE FIELDS OF MECHANICAL AND ELECTRICAL ENGINEERING, AND HOTEL-KEEPING AND CATERING.

APPLICANTS SHOULD HAVE SEVERAL YEARS OF RELEVANT POST-QUALIFICATION EXPERIENCE IN THE RELATED FIELDS, WITH A GOOD STANDARD OF BOTH WRITTEN AND SPOKEN ENGLISH AND CHINESE, A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID TODAY (WEDNESDAY).

FOR ENGINEERING COURSE APPLICANTS, THE MINIMUM ENTRY QUALIFICATION IS AN ORDINARY DIPLOMA OR TECHNICIAN DIPLOMA IN ELECTRICAL ENGINEERING (HEAVY CURRENT) OR MECHANICAL ENGINEERING FROM THE TECHNICAL COLLEGE, THE HONG KONG POLYTECHNIC OR TECHNICAL INSTITUTES, OR ITS EQUIVALENT.

APPLICANTS TO THE HOTEL-KEEPING AND CATERING COURSES SHOULD HOLD AN ORDINARY NATIONAL DIPLOMA (UK) IN HOTEL AND CATERING OPERATIONS AND/OR INSTITUTIONAL HOUSE-KEEPING AND CATERING, ADVANCED COOKERY CERTIFICATE, ADVANCED SERVING TECHNIQUES CERTIFICATE, HOTEL RECEPTION CERTIFICATE, OR EQUIVALENT QUALIFICATION AWARDED AFTER COMPLETION OF A POST-SECONDARY COURSE IN HOTEL-KEEPING OR A RELATED FIELD.

FINANCIAL GRANTS RANGING FROM \$1 650 TO \$2 500 PER MONTH MAY BE GIVEN FOR APPROPRIATE POST-QUALIFICATION INDUSTRIAL EXPERIENCE, THE SPOKESMAN SAID.

/THESE GRANTS

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THESE GRANTS SHALL BE REPAYABLE IF THE RECIPIENT DOES NOT TAKE UP A FULL-TIME TEACHING POST APPROVED BY THE DIRECTOR OF EDUCATION, FOR A MINIMUM PERIOD OF TWO YEARS ON COMPLETION OF THE COURSE, HE SAID.

THOSE WHO HAVE APPLIED IN FEBRUARY AND APRIL THIS YEAR NEED NOT RE-APPLY, THE SPOKESMAN ADDED.

APPLICATION FORMS ARE NOW AVAILABLE FROM THE HONG KONG TECHNICAL TEACHERS' COLLEGE, 373 QUEEN'S ROAD EAST, WAN CHAI, HONG KONG, AND SHOULD BE RETURNED BEFORE JUNE 28.

THE FEE FOR THE COURSES IS \$800 PER ANNUM, PAYABLE IN 10 INSTALMENTS.

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WATER CUT

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WATER SUPPLY TO A NUMBER OF PREMISES IN TO KWA WAN WILL BE INTERRUPTED FOR SIX HOURS FROM MIDNIGHT TO 6 AM ON FRIDAY (JUNE 20) FOR A LEAKAGE TEST.

THE AREA TO BE AFFECTED IS BOUNDED BY LOK SHAN ROAD= TO KWA WAN ROAD= CHI KIANG STREET AND KOWLOON CITY ROAD, INCLUDING SZE CHUEN STREET AND HA HEUNG ROAD.

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DAILY INFORMATION BULLETIN - SUPPLEMENT

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

Wednesday, June 18, 1980

DRAGON BOAT DINNER IN LONDON

* * * *

The Hong Kong Association held a "Dragon Boat" dinner at the Dorchester Hotel, London, on Tuesday (June 17).

The Rt Hon John Nott, Secretary of State for Trade, was the guest of honour and spoke at the dinner. Another speaker was Sir Yuet-keung Kan, Chairman of the Trade Development Council.

The following is the full text of Mr Nott's speech:

"One of the more obvious perks of being Trade Secretary rather than, say, one of the Home Economic Ministers in this country is that the job regularly takes you away from wrestling with the intractable problems of our domestic economy to undertake a programme of visits overseas.

"This is not always as well understood as it might be. Trudging out of the Commons after an all-night sitting into a bitter winter dawn and letting slip to an embattled ministerial colleague that the next day I am off on a visit to Greece, or California, or Hong Kong, I have known the response of even normally mild-mannered men to be quite unsuitable for repetition in polite company.

/"As a result,

"As a result, I have learned the virtues of discretion, since I have discovered that in such circumstances no amount of subsequent reasoning about the less glamorous side of overseas travel - jetlag, the continuous tight schedules, occasional stomach upsets and other hazards - is likely to make any impression on a man harbouring a deep sense of personal injustice at the ways of a world in which I am paid to take off periodically for exotic sun-lit lands, while men no doubt better than I are condemned to remain behind in their ministries and perform tasks almost as thankless as Sisyphus in bleak, cold Whitehall.

"Many of you, however, are at least as familiar with the delights and discomforts of inter-continental jet travel as I am. In devoting the main part of my speech to civil aviation, I know that I am speaking to an audience of experienced travellers with a particular interest in services between London and Hong Kong. And perhaps for you the romance of travel is less significant than the need for efficient services which arrive on time and give the passenger value for money.

"I know also that my audience includes representatives of both the producer and the consumer interest in civil aviation - both the airline operator and the frequent traveller. These are interests which I have to weigh in discharging my responsibilities for civil aviation: indeed I am bound by law to do so.

"My overriding wish is of course to develop the United Kingdom civil aviation industry generally. And in this I include Cathay - in its ability to compete with other international airlines around the world.

"In the House of Commons this afternoon I announced my decision on the application by three new carriers to join British Airways in serving the London-Hong Kong route. Before I came to my decision I was given a good deal of advice on what I might do - some of it, I suspect, from members

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of my audience this evening. And as is usual and entirely proper, much of the advice of each party to the case was devoted to explaining why I should on no account follow the advice given to me by the others. So after considerable thought - and I did indeed devote many hours to pondering the issues - I took the decision I announced earlier today. I upheld the decision of the Civil Aviation Authority to license British Caledonian, and I directed the Authority to grant in addition licenses to Cathay Pacific and to Laker.

The view has for some time been widely held that it would be in the interests of travellers between London and Hong Kong to have a wider choice of service than exists at present. In Hong Kong it was argued strongly that both on grounds of equity and of the loyalty which Cathay command locally there should be a competing airline based in Hong Kong. I then had to decide whether I should allow all four airlines - British Airways, BCAL, Cathay and Laker - to compete together on the route or whether I should exclude one or even two of them, and on what grounds.

"In passing I should say that I am also responsible for competition policy in the United Kingdom.

"In taking the decision my philosophical starting point was a strong belief in the virtues of competition, in the interests of consumers and producers alike. This belief was an essential part of the platform on which my party was elected to government just over a year ago: it is also fundamental to the philosophy and indeed to the commercial success of Hong Kong.

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"I am frankly not satisfied with the present tightly regulated international civil aviation arrangements. I believe that a more liberal market environment would provide airlines with the ability to offer a variety of products at a range of prices to satisfy all sectors of consumer demand, would be more satisfying to consumers, and would allow the airlines industry to continue to grow and develop to the benefit of both government and consumers.

"I am very well aware of course that civil aviation has had a very difficult year. But that is not because of any lack of demand from airline passengers -- indeed British Airlines carried in 1979 about nine per cent more than they did in 1978 -- but because of sudden high increases in fuel prices. The prospects for 1980 are themselves uncertain. But the aviation market has proved itself dynamic in the past through all the fluctuations in the world economy, and for that reason alone it would be a mistake to decide our long-term aviation policy by reference just to short-term criteria -- that would be an argument for fossilisation from a fear to take a view for the future.

"Of course in our civil aviation relations with many overseas countries it is not open to us in practice to operate an open and competitive system. Many governments insist that their airlines should have 50 per cent of the market, irrespective of customer preference. Some governments with very large financial commitments to their airlines go to great lengths to protect them. In other instances airline operations are determined as much by considerations of prestige as by commercial forces. These factors militate against competition, and as long as governments around the world direct their nationals onto their own carrier and prop up uneconomic services with subsidies, it will not be possible to speak in terms of world-wide competition in civil aviation.

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Although I espouse the ideal I do not suggest that it is proving a realistic target in the short term.

"In the case of the London-Hong Kong route, relations with foreign governments were happily not an issue. It is known -- to use the jargon -- as a cabotage route. In my judgement the decision on the number of carriers turned above all on the assessment I had to make of the effect of greater competition on traffic demand. One point of view is that steady growth of the existing market is the most that can be expected. The other, more radical, view is that new types of service and new types of low fare will open up a much wider market, and draw in hitherto untapped sources of traffic. It will attract, to use Freddie Laker's expression, the forgotten men and women at the bottom end of the market".

"I concluded that the substantial new traffic likely to be generated over a period by a wider variety of services and fares offered a reasonable prospect that four carriers could over a period achieve an economic return. I therefore accepted the argument of Cathay and Laker that they should be licensed on the route in addition to British Airways and BCAL.

"I believe also that British airlines have lost business in the recent past to our international competitors between Europe and Hong Kong -- and this must partially be attributed to the past restriction to one carrier.

"My decision does not necessarily mean that four competing services will be on offer immediately. The timing of commencing flights, the frequency, and indeed whether they want to fly at all, are matters for the airlines themselves. Before new airlines come onto the route they require licences from the authorities both here and in Hong Kong.

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The necessary action has been taken at the London end, but the Air Transport Licensing Authority in Hong Kong has so far licensed only three services a week by Cathay and four by BCAL, and has turned down Laker's application.

"It may well be that these airlines will wish to make a fresh application to the Hong Kong authority. How the Hong Kong authority determines any such new application is of course matter for them. But I would make just one point. In rejecting the original Laker proposal that all the applicants should be licensed, on the grounds that this was contrary to the air transport regulations in Hong Kong, the Hong Kong authority observed -- and I quote their words -- that the Laker application 'fits in with the general economic approach which has made Hong Kong what it is today'.

"Quite so. If there are further hearing in Hong Kong, the Hong Kong Government will presumably give evidence. In that case I would ask them to consider whether the solution which I have adopted does not reflect exactly the philosophy on which Hong Kong's economic success has been based, and whether some way cannot be found, consistently with their own legal procedures, to transform that philosophy into fact, in the present case.

"Civil aviation is the current issue in relations between Britain and Hong Kong, and I make no apology for having devoted the greater part of my speech this evening to it. The decision I have taken, although it will no doubt be opposed in some quarters, should result in bringing Hong Kong and Britain closer together, and in enabling more people to travel from one to the other and to get to know each other better. These objectives we all share. As long as there are equal opportunities to compete, governments should think long and hard before they prevent travellers from having access to a

/wider range

wider range of service and lower fares when airline operators, on their commercial judgement, are prepared to offer them.

"Choosing the theme of a speech on this occasion is not easy for the Secretary of State for Trade. My responsibilities include shipping, where Hong Kong has rightly achieved a reputation for securing the benefits of free enterprise and entrepreneurial flair. The United Kingdom and Hong Kong have very much the same outlook in seeking to ensure that the market for international shipping remains as far as possible a commercial one.

"The year has also seen a most interesting development as the long-standing United Kingdom investment in Hong Kong shipping has been mirrored by investment in the other direction with the recent successful acquisition of Furness Withy by the C.Y. Tung group. I am sure that we all wish Furness Withy well in its new incarnation.

"I could have devoted the entire speech to trade -- and indeed it was my original intention to do so. When I was in Hong Kong in January I spoke -- some would say forthrightly -- on the need for Hong Kong to buy more from Britain and thereby to reduce the imbalance of trade between us. There are exciting major projects in Hong Kong (when have there not been?) and I hope that British companies will be bidding competitively, the potentialities for Hong Kong in the growth of trade with China merits a whole evening's dissertation on its own, but I know that my department and the Hong Kong trade advisory group are actively carrying the message to British industry.

"The relationship between Britain and Hong Kong is one to which the British government attach the greatest importance.

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That is Peter Carrington's view, as it is mine, and that of my other colleagues. We admire the energy which the people of Hong Kong bring to building up their industry and external trade. As to social policy, during my visit to Hong Kong early this year I was made aware of the determination with which such problems as illegal immigration, violence and the pressure of demand for housing are being tackled. There can be no doubt of the continuing confidence of Her Majesty's Government in the Government and people of Hong Kong, or of our admiration for all that Hong Kong continues to achieve."

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The following is the full text of Sir Y.K. Kan's speech:

"These annual gatherings are important from my point of view as they enable us all to be better briefed on changes and developments in the United Kingdom and the progress in Britain's small but dynamic territory in the Far East. Indeed, I have sought to establish a tradition whereby once a year, as Chairman of the Trade Development Council, I try to meet together with my friends in Britain. My purpose in this has been to enable me to meet in a friendly and convivial atmosphere to talk about things which mutually affect Great Britain and Hong Kong. This evening's dinner provides me with the opportunity to do so here tonight.

"Mr President, we guests appreciate your opening remarks, your contribution to the development of Hong Kong as Governor and to this night's proceedings. And the words of the Chairman of the Hong Kong Association are most relevant to the present day circumstances of Hong Kong and Great Britain and I thank you for them on behalf of the guests.

"Mr Secretary, when in Hong Kong last January you stated your policies and your philosophical approach to international trade. And we liked what you had to say. Like you, Sir, we in Hong Kong believe that with our very special and unique relationship, closer co-operation will be to our mutual advantage. Indeed, this was very much the theme of your farewell press conference when you talked about reciprocity. There, you expounded a forthright and pragmatic approach to our "special" relationship and we wholeheartedly endorse this. As you have appreciated Sir, we are a very practical and straightforward people in economic matters.

/"This, of course

"This, of course, is the very best of reasons for us all to meet regularly as a group -- may I say perhaps as a family? It certainly helps to dispel the misunderstandings between us arising from biased opinions which, I suspect, often stem from inaccurate and sensational reports. Of course we have no control over external opinion but we can at least ensure that within our family of friends we understand the true facts.

"I will therefore endeavour to give you the facts as I see them from the Hong Kong perspective. Firstly, I need not emphasise that it is a very happy experience for me to come from that tiny place halfway across the world and find myself in the company of so many of my personal friends and friends of Hong Kong. And the occasion is appropriate for it is to celebrate the Dragon Boat Festival, an important annual happening for the Chinese people.

"The story behind the festival is worth mentioning because it is appropriate to people who seek wisdom and understanding. It occurred in the kingdom of Ch'u, several centuries before the birth of Christ, where a wise official named Wat Yuan was principal adviser to and confidante of the king. In addition to being honest and wise, Wat Yuan was also a poet of great merit. However, jealous courtiers continually conspired to bring about his downfall but the honesty and advice of Wat Yuan prevailed and the king maintained his respect and confidence in him.

"However, the king embarked on a particularly disastrous war and Wat Yuan was moved to write his master a beautiful poem. Sadly, the courtiers thought the poem was critical of the venture. Their view prevailed and the king sent Wat Yuan into exile. Feeling he could make no further contribution at court, and saddened by the self-seeking ways of his enemies at court, he threw himself into a great river and drowned.

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To this day the race of the dragon boats commemorates his ultimate sacrifice in the name of responsible and dedicated public service.

"It represents our latter day attempts to find this noble man and to raise him up and bring him back amongst us. The symbolism is obvious and it is appropriate that this annual event should be named the Dragon Boat Dinner.

"Those on whose behalf I speak have, for the most part, journeyed -- many thousands of miles -- to seek in this company a means of re-dedicating themselves to the ideals of Wat Yuan and serving our two communities to the best of their abilities and to the mutual benefit of us all, as one family.

"In these modern times, however, the distances we need to travel in our endeavours are too great for the dragon boat and we indeed use more modern means of transport which have a rather less exotic form.

"We warmly welcome your announcement which we see as a clear demonstration of Britain's interest in maintaining the principles of free trade and fair competition.

"Well, now we are here and in the tradition of this dinner, I must make some reference to the primary concern of my Council and of the people attending this dinner, and indeed the people of Hong Kong. This centres on the economics of our relationship.

"I must first of all refer to what was the most important event for Hong Kong in 1979. As you are aware, in that year, His excellency the Governor, Sir Murray MacLehose, made his historic visit to China. I had the honour to accompany Sir Murray.

"This event was significant as it marked yet another high point in the relations of Britain and Hong Kong with China. More importantly, the Chinese acknowledged Hong Kong's role in the modernisation and economic development of that great country. In no uncertain terms, we were assured that with regard to Hong Kong's economic well-being, the Hong Kong business community need have no fears so far as China was concerned. Shortly after this visit, in mid-1979, China announced its new foreign investment law.

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"This was done to attract overseas manufacturers into arrangements for the production of a wide range of industrial products in a number of designated free trade zones or export processing zones. This very positive start was later followed up by the visit made by the Financial Secretary, Sir Philip Haddon-Cave, who was invited to visit Beijing to discuss matters relating to China's economy and finance. A further step forward in our relations with China was the fact that only last month I was invited by the Guangdong provincial authorities to lead the first Hong Kong trade mission to China. I returned from this venture only a few days prior to my departure from Europe.

"The object of my mission was to explore, understand and develop areas of economic co-operation. My mission comprised not only representatives from Hong Kong, but also from Britain. I was shown every courtesy by the Governor and other officials of the province and given all facilities to examine and understand new China's modernisation plans as they apply to Guangdong. During our stay, we were taken to inspect Shum Chun, one of the three major areas adjacent to Hong Kong selected by the Chinese authorities for development. I can assure you there is very high degree of economic activity in this potentially important area adjacent to Hong Kong.

"It was not only the construction of plants and the operation of factories that impressed me, but the general development of the infrastructure. At the last count over 1 200 firms, many of which were from Hong Kong, were considering joint ventures or actively producing goods in this free zone.

"I have already mentioned the British component of my mission and as I pointed out to Sir Keith Joseph in September last year it is British enterprise, in partnership with Hong Kong enterprise, that has new and vital prospects in China. Over the last few years, many high-level missions have visited China but the initial euphoria and the high hopes that were generated have now gone. The Chinese authorities are now adopting a characteristic, pragmatic approach which was their reason for inviting me to Guangdong.

/"I endorse

"I endorse the Secretary of State's observations on the increasing role that Hong Kong and Britain, working together, might play in China trade to their mutual benefit and also to the benefit of China itself. Hong Kong has indeed the asset of having the great respect of China and its economic ability and, with Hong Kong's easy and regular access to Guangdong Province, it is ideally suited for the development of light industries and the building of industrial infrastructures and estates.

"There are undoubtedly real opportunities for collaboration between British business interests and Hong Kong and I am pleased to note that Her Majesty's Government are very anxious that such arrangements should form an important part of Britain's growing relationship with China. Activities such as these were what the Trade Development Council has established many years ago to promote. It was for good reasons that the title 'trade' as opposed to 'export' development was chosen, as we were well aware that two-way trade was of vital necessity for Hong Kong. And my Council certainly hopes that British enterprise will recognise the value of Hong Kong now, not only as a market in itself, but as a gateway to China and indeed the whole of the Far East.

"Indeed, my Council has always followed the policy of including importers in the trade missions we send to Britain and this has helped lead to a significant improvement in Britain's visible trade with Hong Kong. Following an increase of 36 per cent in 1978, Hong Kong's imports from Britain increased by a further 46 per cent in 1979 to represent a value of £442 million and the first four months of 1980 continued to show very encouraging growth rates.

/"But Britain's

"But Britain's share of manufactured goods in the Hong Kong market is well above the growth rate. This demonstrates very clearly that Hong Kong is a very important market for the United Kingdom and also, indeed, for the whole of the EEC, which incidentally is third supplier to Hong Kong after Japan and China. Another interesting fact is that Hong Kong is Britain's second market, next to Japan, in the whole of Southeast Asia and is catching up even on this performance - very fast indeed.

"As the head of the Hong Kong Trade Development Council, I heartily welcome Britain's increased share in the Hong Kong market. During my very long association with the UK, I have read so often in the media many pessimistic reports emanating from this country but I have been increasingly heartened and personally delighted to see the positive stand being taken by Her Majesty's Government in respect of trade and industry, and I assure you, Mr Secretary, that I personally, together with the Trade Development Council, will give Britain every support to further improve its economic relations with Hong Kong and through Hong Kong to China.

"It has become quite clear to me, during my recent visits to China, that the basic objectives of that country will be concentrated of communications and energy. In both fields Britain has much to offer. By combining our resources and talents we will both be able to take advantage of the enormous opportunities that are being offered.

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"To do this successfully, I feel that we need to clarify our position. Hong Kong and Britain have frequently misunderstood each other. For my part I feel that Hong Kong's performance has been underrated by many in this country, so let me quote the noted economist, Professor Friedman, who was interviewed recently. He cited the British territory of Hong Kong as an example of the freest market in the world. He said: The most remarkable performance in the whole Far East has been turned in by Hong Kong. Hong Kong has no tariffs, no quotas, no central bank, no government direction of industry. It has the lowest ratios of government tax to income in the world. In the past 30 years the population has multiplied eightfold to 4½ million, the average income per capita has quadrupled so that today Hong Kong has the second highest average income throughout Asia, exceeded only by Japan. And what is even more surprising, the average income in Hong Kong is beginning to approach the average income in Great Britain.

"Mr President, Secretary of State, My Lords, Gentlemen, we must not imagine that the future will be easy. The understanding which we seek can be likened to a delicate flower which needs to be nurtured. Those of us in Hong Kong who know you understand your intentions but there remain misunderstanding and even suspicions. However, Mr Secretary, what you have said to us here this evening will go a very long way to dispelling these unworthy thoughts.

"As I said at the beginning I have great faith in both Britain and Hong Kong. I am convinced that by working closely together the economic battles we face can be won and that our joint futures will bring not only greatly increased economic ties but also a warmer and closer relationship between our people.

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"On behalf of the guests I would like to thank our hosts, the Hong Kong Association, for making this evening possible, for the excellent dinner and the warm hospitality.

"May I ask my fellow guests to rise and drink a toast to their host, the Hong Kong Association."

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