

The Post

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# 1,400 JOBLESS AS MILLS CEASE OPERATION TODAY

MORE than 1,400 textile workers become jobless today as the Hong Kong Spinners Ltd. closes its spinning and weaving operations, most papers reported prominently.

Meanwhile, the papers said, the workers were dissatisfied with the severance pay offered by the company and they gathered outside the mills yesterday to protest against the company's decision and put forward 13 demands for better terms of compensation.

Eleven representatives would approach the Labour Department today for assistance.

Some papers quoted industry sources as indicating

that other spinning factories could easily absorb the workers laid off by the Hong Kong Spinners as there were currently vacancies in the industry.

Quoting sources from the textile industry, the papers said that the closure followed a decision by the company's management to re-develop the mills for investment purposes because of the currently low profit in spinning.

In an exclusive interview with the Hong Kong Economic Journal, Mr. Lau Man-lung, a member of the Textile Advisory Board, pointed out that the most common problem facing the industry was insufficient orders.

Another member of the Textile Advisory Board, Mr. Fong Shiu-chau, told the paper that most textile factories were currently working at 70 to 80 per cent of capacity only and that some operators had already turned to other investments.

However, the Express quoted a lecturer in Economics in the Hong Kong University, Dr. Edward Chen, as saying the suspension of weaving operations of the Hong Kong Spinners Ltd would not constitute any threat to Hong Kong's economic structure.

He said that Hong Kong's economy had for the last two

years turned to finance and real estate and these developments would continue to stimulate economic growth.

While conceding that the textile industry had its many problems, the Deputy Commissioner of Industry, Mr. Roy Porter, said that the closure of the mills should not be interpreted as a hopeless state of affair for the local textile industry, the Hong Kong Economic Journal said.

The Chairman of the Cotton Industry Workers General Union, Mr. Chan Yuen-kui, told Wen Wei Po that he felt the textile industry would be shifting its production to more diversified products and processes.

Editorially, the Oriental Daily News expressed concern over the future of local industrial development and called for a review of the textile trade.

Tin Tin said while property investment would bring the most profit return for capital, the tendency by the textile sector to shift to the property market should not be encouraged as it would affect Hong Kong's economy.

Expressing support for the workers' demands for compensation, the Hong Kong Times editorially asked the management to accept the demands.