



DAILY INFORMATION BULLETIN

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Transcript of Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, on his return from London at the airport this (Monday) morning:

Governor: Good morning. I've had a very full and interesting visit to Brussels and London. While I was in Brussels, I had meetings with the President of the Commission, Mr Santer, the two Vice-Presidents and two of the Commissioners Senor Monti and Madam Gradin. The main purposes of my meetings in Brussels was first of all to discuss the extremely close economic and trading relationship between Europe and Hong Kong. And secondly, to take forward discussions on visa-free access for SAR passport holders. The situation is complicated in Europe. Both by the differences between the so-called Shenghen countries and the other members of the European Union, and by the fact that some European Union States give us present visa-free access to BDTC passport holders and presumably would do the same for BNO passport holders but have not given any indications about their positions on SAR passport holders. And other European Union countries don't give visa-free access to anyone from Hong Kong. What we are pressing for obviously in the first place is to secure as generous treatment of SAR passport holders as exists for BDTC passport holders and if we can accomplish that it would be an advance but we'll obviously go for more than that in due course. It's a question principally for individual member states, a point which the Chief Secretary and the Financial Secretary have made in the past and which I made again. So we've got quite a bit of lobbying in the capitals of the member states as well as in Brussels as such and we'll be doing as much as we can over the coming months in Europe as well as elsewhere in the world. It was gratifying a few months ago to secure agreement in principle at least from the Canadians to visa-free access for SAR passport holders. We've had good responses elsewhere for example in Singapore. But there is still a long way to go, and I have to say that there is quite a hill for us to climb in Europe.

In London I had a meetings with the Prime Minister, the Foreign Secretary and officials. I made a speech, I also had a useful meeting with the Prince of Wales. And the subjects of our meetings were to consider the state of play on the JLG agenda between the last meeting and the next one and generally to review the situation here in Hong Kong, not least our continuing economic strength. But we are obviously looking to our agenda for the last year before the handover next summer so that we can achieve as much as possible as we move towards what we hope will be a successful transition. Okay.

Question: Governor, what is your comment on a report saying that the Prime Minister and you are already agreed that the Chief secretary and some other two or three Secretaries will quit their posts temporarily during next year to help the Chief Executive Designate to set up the SAR Government?

Governor: I don't know of any basis for that report.

Question: Governor, have you decided who will take up the post of Director of Immigration? Is she the present Director of Trade (sic) Regina Ip?

Governor: We'll be making an announcement shortly. There is a report in one of, I think two of, this morning's papers that I discussed that appointment when I was in London. Those reports are completely untrue.

Question: Do you think that the Government and Mr Leung should explain to the public that why he suddenly retired?

Governor: I think that the Government and Mr Leung have already made the position as clear as is necessary. The Secretary for the Civil Service answered questions in the Legislative Council at length last week, gave comprehensive replies. There is a difference between collective curiosity and the public interest.

Question: What question hadn't been answered, Governor, was Mr Leung asked to retire?

Governor: The position is that Mr Leung retired on personal grounds and Mr Lam, the Secretary for the Civil Service, answered that question at considerable and comprehensive length last week and I have nothing whatsoever to add to what he said.

Question: But how about the Legislative Council insist on having a public hearing on his case. How would the Government... would you yourself come to the public hearing and clarify ...

Governor: We'd give replies as comprehensive as those that we've given so far. They would be no more and no less comprehensive.

Question: As far as the report on Anson Chan is concerned, do you think it is okay or is it all right for Anson Chan to quit all her official positions and just ... to help out the future Chief Executive to ...?

Governor: I gave what I thought was a very unequivocal reply to that question so there is no point in me answering a question as though I've given the opposite reply.

Question: ... This transitional period, is it necessary for a team of top government officials quit their job in order to help or give assistance to the future...?

Governor: We haven't got even close to the Selection Committee yet. How can we start answering detail questions about in which particular ways we would help the Chief Executive Designate who emerges from that selection committee. All that I'll repeat, which I have said many times before, is that we wish to give the Chief Executive Designate as much help as he or she needs.

Question: You said the meeting with Prince Charles was useful, in what way useful Governor?

Governor: It's always been useful for me to be able to brief senior members of the Royal Family on Hong Kong in whose fortunes they've taken active interest. On previous visits, I've met other members of the Royal Family. On one previous visit I had a long audience with Her Majesty the Queen. The Prince of Wales has visited Hong Kong on two occasions while I've been Governor. He is interested in what is happening in Hong Kong and I am sure that its important to meet that interest by briefing him on the position.

Question: will you empower Legco to hold the special meeting to investigate Laurence Leung's early retirement?

Governor: I think it would be slightly surprising to recall Legco. Legco wasn't after all recalled when there was a huge public controversy in Daya Bay. I think when we are talking about the personal reasons for individual civil servant's retirement from the civil service, it would be slightly surprising to take an even more substantial view of the situation then was taken in that situation. I don't think one should get these things out of proportion and I'd be surprised if Legislative Councillors really thought we were going to do so. Thank you very much indeed.

End

Law Reform Commission publishes Report on Fraud

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The Law Reform Commission today (Monday) published a report on the "Creation of a Substantive Offence of Fraud". The report follows the issue of a consultation paper in June last year on the Commission's preliminary proposal that a new offence of fraud should be enacted in Hong Kong.

In announcing the release of the report, the Secretary to the Commission, Mr Stuart Stoker, explained that at present Hong Kong did not possess a general offence of fraud. He said that instead there are a number of specific offences (such as obtaining property by deception) provided in the Theft Ordinance. Where two or more persons are involved in fraudulent conduct, it is possible to charge them with conspiracy to defraud. In the absence of a specific offence of fraud, however, similar conduct committed by one person acting alone does not amount to an offence unless it falls within the confines of one of the Theft Ordinance offences, he said.

Mr Stoker said that there had been criticism of the law both here and in England. It had been pointed out that it was illogical that an act which was lawful if done by one person should become unlawful simply because more than one person has agreed to commit it. There had also been criticism of the breadth of the conspiracy to defraud charge, which potentially covered almost every type of dishonest conduct.

Mr Stoker said that while neither England nor Hong Kong have a general offence of fraud, a number of other jurisdictions have had such an offence for many years. "The experience of those jurisdictions which possess an offence of fraud is that it works well, and can readily be understood by laymen and lawyers alike," Mr Stoker said.

The Commission proposes the creation of a new offence of fraud. This would be committed by a person who by deceit with intent to defraud induces another to follow a course of action resulting in either (a) prejudice or a substantial risk of prejudice to another or (b) benefit to the person committing the fraud. The person committing the fraud must know or believe that his deceit is false and must intend his victim to act upon it.

Anyone who wishes a copy of the report should contact the Secretary to the Commission, 20th floor Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong. The report can also be accessed on the Internet at <http://www.info.gov.hk>.

End

Latest unemployment and underemployment statistics

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The seasonally adjusted unemployment rate for the period March - May 1996 was 3.2%, and the underemployment rate was 1.9%, according to the latest labour force statistics released today (Monday) by the Census and Statistics Department.

For the period April - June 1996, the provisional seasonally adjusted unemployment rate edged further lower to 3.1%. The provisional underemployment rate also fell slightly, to 1.8%.

Commenting on the latest figures, a Government spokesman said that labour market conditions showed a gradual improvement in recent months. For the latest period April - June 1996, the decrease in the unemployment rate was concentrated mainly in the construction sector, while the unemployment situation in the other major sectors remained broadly stable. As to the underemployment rate, decreases were observed in the construction, transport, and restaurants and hotels sectors. The underemployment situation in the other major sectors was likewise stable.

The growth in total labour supply continued to outstrip that in total employment. In the three months ending May 1996, total employment grew by 2.9% over a year earlier, while total labour supply rose relatively faster, by 3.3%.

During the period March - May 1996, the number of unemployed persons with previous jobs was estimated at 89,800. Another 5,100 unemployed persons were first-time job-seekers. The number of underemployed persons was estimated at 59,000.

The unemployment and underemployment statistics were obtained from a continuous General Household Survey. The survey for March - May 1996 covered a quarterly sample of some 21,600 households or 72,700 persons, selected scientifically to represent the land-based civilian non-institutional population in Hong Kong. Data were obtained from the survey by interviewing each member aged 15 or over in the households sampled.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organisation.

'Seasonally adjusted' refers to adjustment for seasonal variations in the proportion of first-time job-seekers in the labour force.

Detailed analysis of labour force characteristics is given in the report on the General Household Survey which is published four times a year.

The next report covering the quarter ending June 1996 will be on sale at the Government Publications Centre at ground floor, Low Block, 66 Queensway, Hong Kong, by the end of September.

End

Future PLA Garrison Commander to visit British Forces HK

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Major General Liu Zhenwu, Commander of the future PLA Garrison of Hong Kong, will arrive Hong Kong tomorrow (Tuesday) on a three-day visit at the invitation of Commander British Forces, Major General Bryan Dutton.

General Dutton invited General Liu to make a reciprocal visit to the British Garrison when he visited General Liu's headquarters in Shenzhen in May. General Liu's visit is intended to further increase familiarisation of the two Garrisons with each other, and to establish a professional relationship which will be beneficial as defence issues are discussed during the transitional process.

General Liu will call on General Dutton at the Prince of Wales Barracks and will later visit British Garrison units of the Royal Navy, the Army and the Royal Air Force.

End

Chevron marking trial scheme on Tolo Highway

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A chevron marking scheme is put on trial from today (Monday) for one year on Tolo Highway to increase drivers' awareness towards safe driving distance.

Chevron markings have been painted on each traffic lane for a two-kilometre section of Tolo Highway south of Lam Kam Interchange at 40-metre intervals to help drivers gauge the safe driving distance between two vehicles.

Informatory signs were also erected on the road sides to advise drivers to keep two chevron markings apart from the vehicle in front.

Introducing the trial scheme, Senior Engineer (Analysis and Strategy) of the Department's Road Safety and Standards Division, Miss Ying Fun-fong, said the markings would be a simple aid to drivers for keeping a safe distance from the vehicle ahead.

She said: "This is the commonly known 'two seconds rule' as recommended in the Road Users Code.

"The application of this rule is simple. Just choose a stationary object ahead, such as a lamp post or traffic sign, as your marker.

"When the vehicle ahead passes the marker, say the phrase 'a thousand and one, a thousand and two'. If you pass the marker before finished saying the phrase, then you are driving too close and cannot stop safely in case of a hazard."

Miss Ying expressed hope that this scheme could increase drivers' awareness towards safe driving distance and lead to a reduction of road traffic accidents.

She noted that similar experiments were conducted in the United Kingdom and France.

"In the UK ones, an achievement of 56 per cent in accident reduction and improved driving behaviour were realised. We surely hope similar results can be achieved in Hong Kong to cut down our accident rates and casualties", she said.

Miss Ying pointed out that driving too close to a vehicle in front had been a major contributory factor to traffic accidents in the territory, in particular on expressways.

Jointly presenting the trial scheme, Chief Inspector of Police of Accident Investigation Unit, Traffic New Territories North, Ngan Cheuk-leung, said that the head to tail (H/T) accidents on Tolo Highway in the past three years were 332, representing a 48 per cent of the total accidents of 695 occurred on the highway.

During the same period, a total of 640 casualties caused by H/T accidents was recorded on the highway with seven persons being killed.

End

121 VMs depart on orderly repatriation flight

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A group of 121 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam today (Monday) on the 46th flight under the Orderly Repatriation Programme (ORP).

All but three of the returnees, comprising 60 men, 26 women, 16 boys and 19 girls, are from North Vietnam.

The majority of them arrived in Hong Kong in 1989, with the remaining in 1988, 1990 and 1991.

The group brought to 4,127 the total number repatriated on ORP flights since November 1991.

End

Monitors' Report submitted to CS

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The monitors appointed to observe the Orderly Repatriation Programme operation this (Monday) morning have submitted their report to the Chief Secretary.

The two monitors comprised a non-official Justice of the Peace, Mr Yeung Yuk-chiu, and a representative from a non-governmental organisation, Mr Joseph C M Lee from Caritas - Hong Kong.

End

Air Quality Report for June

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The Environmental Protection Department today (Monday) released air quality information for June 1996.

The purpose of the announcement is to keep the public informed of the air quality levels in the territory and to explain the measurements.

The announcement contains monitoring results from Mong Kok, Central/Western and Kwai Chung, which represent three important land use types in the territory :

- * locations close to road traffic in built-up urban areas,
- * combined commercial and residential districts, and
- * districts close to industrial areas.

The reported air pollutants include sulphur dioxide (SO₂), nitrogen dioxide (NO₂), total suspended particulates (TSP) which comprise all sizes of dust particles, and the respirable fraction of the dust (RSP). All these pollutants can affect respiratory health in sufficient concentration.

In June, there was no exceedance of the 24-hour Air Quality Objective (AQO) values at any of three stations.

The gases and particles described originated from various sources. SO₂ is mostly produced when fuels that contain sulphur are burned. NO₂ is formed during combustion by the combination of nitrogen and oxygen, and by the atmospheric oxidation of nitric oxide (NO), also a product of combustion.

Vehicle exhaust is an important source of NO and NO₂ in terms of impact on local air quality. It is also a major source of airborne particulate matter, especially the smaller respirable particles.

Diesel-engined vehicles such as taxis, public light buses, passenger coaches, franchised buses and light and heavy goods vehicles are the greatest contributor of particulate matter. Other sources include industry, furnaces and boilers, construction activities, the sea and the soil.

It is worth noting that while the weather and climate always affect the concentrations of pollutants in the air, the only sure way of reducing the levels is to reduce emissions from the man-made sources.

End

Secondary Four places allocation should continue

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Members of the Board of Education (BOE) today (Monday) endorsed that the Secondary Four Places (SFP) Allocation Method for the Junior Secondary Education Assessment (JSEA) System should continue.

Assistant Director of Education Mr Anthony Tong Kai-hong told the meeting that since the 1993/94 school year, the SFP Allocation Method has been adopted for the JSEA System.

Mr Tong said "under this method, students' academic performance and parental choices form the basis of selection and allocation of Secondary 3 leavers to subsidised Secondary 4 places.

"The SFP Allocation Method was introduced with the understanding that it would be reviewed after two years of implementation," Mr Tong noted.

He pointed out that a working group to review the SFP Allocation Method was set up last December to deliberate on the comments and feedback from schools, major schools councils/associations and public.

Mr Tong said that after reviewing the major features and statistics of the SFP Allocation Method, the working group recommended that the method should continue.

"The working group considered that the existing method, while maintaining fairness in allocation, has been able to upkeep a comparatively steady allocation of places for schools.

"In the absence of a better alternative and without re-introducing public test, the SFP Allocation Method is considered by far the best allocation method for the JSEA System," Mr Tong said.

He added that the working group also advised that a review of the existing method should be carried out in conjunction with any new education policy in future having implications on the JSEA System.

On the issue of public consultation on the Report of Special Education, BOE member Dr Simon Leung Man-on reported that two public consultations were conducted last month. Over 500 people from concerned sectors participated.

The Sub-committee on Special Education also received 120 representations from individuals and educational bodies.

"The views expressed at the consultation sessions and written submissions generally support the recommendations of the Special Education Report with some specific recommendations and additional requests," Dr Leung said.

BOE members endorsed the report for presentation to the government.

At the meeting BOE members also agreed to phase out the Qualified Assistant Kindergarten Teacher (QAKT) course.

In explaining, BOE member Irving Koo Yee-yin said in view of the huge number (over 2300) of untrained kindergarten teachers in last October, many of whom did not possess the academic qualification for entry into the QKT course, the QAKT course should be organised for one more year after the 1996/97 school year.

"If the QAKT course had to be organised after the 1996/97 school year, and that the Hong Kong Institute of Education could not absorb the cost of operation in its allocated resources, additional funding would be necessary.

"Under such circumstance, the Hong Kong Institute of Education and other tertiary institutes could be approached for the provision of the additional QAKT courses," he continued.

End

Original thinking essential to education

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In response to media enquiries on students reciting model essays in the Chinese Language and Culture subject of the Advanced-level examination, the Education Department today (Monday) expressed concern over the issue.

A spokesman for the department said members of the public and the media had confused the function of the Hong Kong Examinations Authority with that of the Education Department.

"The Advanced-level examination is under the jurisdiction of the Authority and that any decision in relation to the matter is entirely in the hand of the Authority.

"The Education Department is fully aware of the need for creativity and critical thinking in our education system and strongly disapproves of plagiarisms, let alone in a subject like composition in which original thinking must be an essential element," the spokesman added.

Meanwhile, the department will study the operation of tutorial schools.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 93.1 per cent of capacity or 545.686 million cubic metres.

This time last year the reservoirs contained 426.929 million cubic metres of water, representing 72.8 per cent of capacity.

End

Issue of 3-Year Exchange Fund Notes

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The Hong Kong Monetary Authority announced today (Monday) that the tender for the twelfth issue of 3-year Exchange Fund Notes will be held on July 22 (Monday) for settlement on July 23 (Tuesday).

Similar to the previous issue, an amount of HK\$500 million 3-year Notes will be on offer. In addition to that, another HK\$100 million will be held as reserve by the Hong Kong Monetary Authority for supply to Market Makers in the secondary market. The Notes will mature on July 23, 1999 and will carry interest at the rate of 6.80% per annum payable semi-annually in arrears.

Members of the public who wish to tender for the Notes may do so through any of the Market Makers or Recognized Dealers on the published list which can be obtained from the Hong Kong Monetary Authority at 30th floor, 3 Garden Road, Hong Kong (or telephone 2878 8150). Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

Following are details of tender information for the twelfth issue of 3-Year Exchange Fund Notes:

Issue Number	:	3907
Tender Date and Time	:	Monday July 22, 1996, 9.30 a.m. to 10.30 a.m.
Issue and Settlement Date	:	Tuesday July 23, 1996
Amount on Offer	:	HK\$500 million plus an additional HK\$100 million as reserve stock for the Monetary Authority
Maturity	:	Three years
Maturity Date	:	July 23, 1999
Interest Rate	:	6.80% per annum payable semi-annually in arrears
Interest Payment Dates	:	23 Jan 1997, 23 Jul 1997, 23 Jan 1998, 23 Jul 1998, 25 Jan 1999, 23 Jul 1999.

Tender Amount : Each tender must be for an amount of HK\$50,000 or integral multiples thereof. Members of the public who wish to tender for the Notes may approach Market Makers or Recognized Dealers on the published list

Other details : Please see Information Memorandum published or approach Market Makers or Recognized Dealers

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,922	0930	+37
Closing balance in the account	1,939	1000	+37
Change attributable to :		1100	+37
Money market activity	+37	1200	+37
LAF today	-20	1500	+37
		1600	+37

LAF rate 4.00% bid/6.00% offer TWI 124.6 *+0.1* 15.7.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.10	2 years	2805	6.30	99.90	6.45
1 month	5.16	3 years	3904	6.30	98.91	6.85
3 months	5.32	5 years	5106	7.23	99.45	7.50
6 months	5.49	7 years	7305	7.60	99.65	7.81
12 months	5.94	5 years	M502	7.30	99.18	7.66

Total turnover of EF bills and notes - \$7,102 million

Closed July 15, 1996

End