



# DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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The following is a transcript of the Governor, the Rt Hon Christopher Patten's meet-the-media session after visiting Li Po Chun United College and Jockey Club Ti-I College today:

Governor: I am delighted that I have been able to visit Ti-I College and Li Po Chun College this afternoon, particularly since I am the patron of the United World College, and I am pleased to see what a good education both colleges are providing.

Question: Governor, the democrats are already drawing up plans for private member's Bill to stop the importation of labour scheme. How do you intend to deal with that, given that they are the majority nowadays?

Governor: I'll be looking forward to discussions with representatives of the Democratic Party and of the other parties as well. And what we are all obviously looking for is a cooperative approach in ensuring that Hong Kong continues to be extremely well governed.

Question: On the co-operation between Government and LegCo there's a lot of talk in the past about setting up a committee of some sort....is that a bit of ping-pong in this issue?

Governor: No. There is no ping-pong although I played rather good ping-pong earlier this afternoon. We are going to be talking about these matters and other matters with the political parties with their representative over the next couple of weeks and I am sure that they will be as keen as the administration is to find ways in which we can improve our cooperation. As I have said before, I don't think that the vote on Sunday could be interpreted by anyone as a vote against the fundamentals which have ensured Hong Kong's success. Obviously there are individual legislators who have different views about how we can best carry things forward. We want to do that in a cooperative way. I am entirely relaxed about the best ways of doing it. But I am sure that legislators will want to be positive on their side as we will want to be. In the past, I have made proposals about how we could improve the cooperation between the executive and the legislature. I made proposals in 1992 which at that stage legislators weren't too keen on. I am not sure whether they'll want to look at that again but the first thing for me to do and the first thing for Anson and Donald and others to do is to talk to the political groups and the independent members, and that's what we'll be doing in the next few weeks.

Question: You must have some new ideas.

Governor: I think the best place to explore ideas is with the political groups themselves.

Question: But what have you got to offer to the parties, especially at a time when there is such a high rate of unemployment and the Government insists that the importation of labour scheme won't be stopped.

Governor: We got a record of success over the last decades which has produced one of the best growth rates in the region and one of the most satisfactory economic performances. We do have some problems today. The ones which I think most concern people are continuing high degree, high rate of inflation, though inflation has come down from the 13 and a half per cent in the year before I came to Hong Kong. And we have unemployment which has gone up to, what is for Hong Kong, an unfortunately high level, though internationally it wouldn't be regarded as that. We have already taken a number of measures directed towards labour market problems, improving the jobmatching scheme, improving retraining, no new quota under the importation of labour scheme, and we have undertaken to review that scheme and obviously we'll be discussing the outcome with legislators and with the community. What I don't think anybody would want us to do is to change any of the fundamentals which have made for Hong Kong's success in the past, like low taxes and proper control over public spending. But we have got an excellent Financial Secretary, who I am sure will have just as good a record as his predecessor.

Question: On retraining, isn't it time to review the retraining board, given that there is a falling number of applicants to this retraining board?

Governor: I think we have been open-minded about how we can improve our retraining and how we can try to ensure that more of those who are retrained get jobs which last. That obviously is the fundamental objective. Retraining should help our economy to be more competitive and it's got to be, we got to ensure that it meets the needs which employers actually have. There is one point which has been brought up by the Government Economist and others and that is that the total number of people in the labour market over the last year has risen by the highest amount in our recent economic history and the problems we've had on the unemployment front have been because the total number in the labour market has risen faster than the number of jobs which has become available. The number who has risen is partly of course a result of people coming back to Hong Kong. It's partly a result of demographic factors, partly a result of immigrants from China. There are a number of reasons for it. But I don't think that anybody seriously supposes that the only issue that we have to look at is the importation of labour scheme. That's one of the issues but not the only one.

Question: Governor, are you going to offer sort of alternatives concerning co-operation between the Government and also LegCo. Say, appointing LegCo members to ExCo.

Governor: I'm going to discuss these issues with Legislative Council members. I think that's the right way of doing it.

Question: Governor, ... investigate why some people are registered...but not even allow those people to vote. Is that something ...

Governor: There are procedures laid down if people have complaints involving both the Boundary and Election Commission and subsequently matters can be taken to court as well. It's all established. It's all there on the statute book and if any candidate has complaints, I'm sure that he will be well advised by his or her lawyers as to how to take their complaints forward.

Question: Do you agree that this is ...

Governor: Of course not. Everybody knows that the elections were carried out extremely fairly. There's a bit of united front propaganda directed at this particular area. I guess it has something to do with the result of the elections, not to do with the way the elections were carried out. We all know that the Boundary and Election Commission and the REO did a first class job, as good as could have been done in any community in the world.

Question: But it ends up with some miscounting of votes.

Governor: It ended up with one or two discrepancies. One of them was dealt with I think very clearly by the Boundary and Election Commission yesterday which I think resulted in the winning candidate having a larger majority.

Question: There are some polls suggesting that young people of Hong Kong are very concerned about post 1997. What messages do you have for young people?

Governor: I think that they should be confident that Hong Kong will survive as a prosperous, open, decent society provided that they, as well as older people in Hong Kong commit themselves enthusiastically to the values which have made Hong Kong so successful in the past. I think it's increasingly clear to all of us that people in Hong Kong value their freedom, value their way of life and a lot of them seem to be saying last weekend that they want that way of life to continue. I am sure it will continue provided people are committed to it continue. I said when I first spoke to Hong Kong students in Canada that I thought it would be a mark of our success and of the success of the SAR Government after 1997 if those young people came back to Hong Kong to make their lives and to contribute to the community rather than thinking they should do so outside Hong Kong. I think that's a challenge for all of us and one which I hope we can rise to.

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## Hong Kong, the 5th largest foreign exchange trading centre

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Hong Kong has become the fifth largest centre for foreign exchange trading, up from the sixth in 1992, according to a series of surveys conducted by central banks and monetary authorities under the auspices of the Bank of International Settlements (BIS).

Hong Kong overtook Switzerland to clinch the fifth position after the United Kingdom, the United States, Japan and Singapore.

The net daily turnover in the Hong Kong foreign exchange market was US\$91 billion on the average day in April 1995. This represents almost 50 per cent growth over the turnover of US\$61 billion recorded in April 1992 and 14 per cent average annual growth rate. This growth rate is higher than in most other centres.

"We are pleased to see that Hong Kong has moved one notch up in the global survey. Our foreign exchange market is growing robustly. This further strengthens our position as an international financial centre," said the Financial Secretary, Mr Donald Tsang.

The BIS survey is conducted every three years and a report on the consolidated global results on foreign exchange trading will be issued in October.

This year the BIS survey has been expanded to include derivatives on interest rates, equities and commodities. Information on this part of the survey is expected to be released in November and full global results covering both parts of the survey are scheduled for release by BIS next year.

Most financial centres reported that the bulk of the increase in trading came from short-term foreign exchange swaps, which was also the case in Hong Kong. Generally about two-thirds to three-quarters of transactions were with foreign banks, again similar to Hong Kong. Dollar-yen and dollar-mark were the major type of transactions in global markets.

Annex

	1995 turnover* (US\$ billion per day)	1992 turnover* (US\$ billion per day)	% change
United Kingdom	464	290	60
United States	244	167	46
Japan	161	120	34
Singapore	105	74	43
Hong Kong	91	61	49
Switzerland	86	66	30
Germany	80	57	40
France	58	33	76
Australia	40	30	36
Canada	30	23	36
Italy	30	19	58
Belgium	28	16	76
Netherlands	26	21	30
Sweden	21	18	15
Total of above	1464	995	47

\* net of local double-counting but not adjusted for cross-border double counting.  
Source: Reports on Bloomberg and Reuters

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Attention News Editors:

A more detailed breakdown on the Hong Kong survey results was released on September 19 and is available from the Press and Publications Section, Hong Kong Monetary Authority, tel 2878 8261.

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Feasibility study for south east Kowloon development

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The Territory Development Department (TDD) has appointed a consultancy company to carry out a \$75-million feasibility study on the development of south east Kowloon.

The consultancy agreement for the study was signed at a ceremony today (Wednesday) by the Director of Territory Development, Mr Lee Shing-see, and a representative of Manusell Consultants Asia Limited, Mr Francis Bong.

The study will last for 20 months, involving a total area of about 940 hectares that is as large as the Kowloon Peninsula.

The scope of this comprehensive study covers a wide variety of aspects including urban planning, environment, transport, marine, engineering, costing and programming.

Speaking at the agreement signing ceremony, Mr Lee said the study aimed at preparing an updated outline master development plan for south east Kowloon.

"The Consultants will draw up development programmes for the early development packages of the Kai Tak Airport site and the proposed Kowloon Bay Reclamation.

"Also, the Consultants will look into the temporary use of the land evacuated after relocation of the existing airport to Chek Lap Kok and identify short and long term solutions to the water pollution problems at Kowloon Bay," he said.

The study will give special attention to the creation of large open spaces and recreational facilities with attractive waterfront landscaping features.

South east Kowloon is expected to become a "city within a city" that can accommodate an estimated population of 285,000 and offer about 110,000 jobs on the new development area.

Mr Lee noted that many people had urged the Government to improve the water conditions of Kowloon Bay and the environmental conditions of the older urban areas adjacent to Kai Tak Airport.

"In this study, our consultants will propose short and long term solutions to these problems," he said.

The cumulative effects of the Kowloon Bay Reclamation and other known and foreseeable reclamations in Victoria Harbour will also be assessed.

Mr Lee said after the Kowloon Bay Reclamation was completed, the notorious water pollution problem in this area would be over.

Referring to concerns on harbour reclamation expressed by some people recently, Mr Lee explained that harbour reclamations had a long history dating back to 1887 and that since the 1950s more and more land had been formed by harbour reclamations to meet both economic and population growth.

"The Government acknowledges these concerns as very real ones. Therefore in the past 15 years, several major studies have been undertaken to ensure that the impacts of new harbour reclamations on our Victoria Harbour will be will within acceptable limits," he said.

Apart from those major studies, Mr Lee added, comprehensive studies were also undertaken for each reclamation project to address such basic issues as urban planning, landscaping, transport, environmental impact assessment, marine navigation and engineering.

Meanwhile, Mr Lee said he had reservations on the opinions that harbour reclamations should cease because of a lot of available land in the New Territories.

He explained that harbour reclamations provided land that primarily aimed at improving the living conditions of the urban area.

"These reclamations will provide land as 'solutions spaces' to accommodate those tenants affected by urban restructuring, reserve land for strategic infrastructure projects, form secondary commercial centres to take pressure off the built-up central business district and provide land for much needed public housing.

"The land in the New Territories would largely meet other objectives which are not necessarily the same as those in the urban area.

"We will implement both new town developments and new reclamations in the urban area concurrently. There are no grounds to give up harbour reclamations," Mr Lee stressed.

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### Vietnamese migrants urged to face reality

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The Commissioner of Correctional Services, Mr Raymond Lai Ming-kee, today (Wednesday) urged Vietnamese migrants detained in Hong Kong to face the reality that having been screened out as refugees, their final destination was Vietnam.

Speaking at a Rotary Club lunch meeting, Mr Lai said the sooner the Vietnamese accept this, the sooner they could get on with their lives and put an end to the violence and escapes.

He said the Correctional Services Department would continue to carry out the task of looking after the Vietnamese migrants to the best of its ability.

"That task has become increasingly difficult as the nature of the Vietnamese migrant population has changed and when something goes wrong, the focus is on us. For the most part, what we do goes unnoticed," said Mr Lai.

"We are facing a fundamental change in the type of person we are being asked to look after," he added.

The Commissioner said for the Vietnamese boat people who were misinformed that they could obtain a "ticket" to the West had spent six wasted years of their lives behind a fence because they did not qualify as refugees.

Children had been forced to grow up without the benefits of a normal childhood while their parents waited and hoped, only to face the awful reality that they had made a terrible mistake, he said.

Then along came someone to tell them that all might not be lost and not to believe what they were told about having to return to Vietnam.

With this, they started to hope again and were convinced that if they remain in Hong Kong long enough they would vindicate the decision which was made years ago.

They would resist, as strongly as they could, any measure to send them back to Vietnam, said Mr Lai.

"I will not question the motives of those who mislead the Vietnamese, though I personally can not see what benefit it is to anyone to persuade people to continue voluntarily a life behind barbed wire," said the Commissioner.

He pointed out that initially the Vietnamese migrants were content to sit and wait for screening.

"The service we provided was care and custody, keeping family groups together in a community setting with as little interference from the management as possible.

"Now that they are screened out, they have nothing to lose by resisting," said the Commissioner.

"The physical structure of the detention centres, the management regime, the level of staff provided, none of these are suitable for dealing with a population of discontented people who are prepared to undertake any action to resist the inevitable repatriation.

"If that means escape, then so be it. If that means non co-operation, so be it. If that means violence, so be it. All of these tactics have been, and will probably continue to be used by the Vietnamese migrants to resist repatriation," said Mr Lai.

The Commissioner noted that scenes of violent resistance this year had not been witnessed in Hong Kong for decades.

"Nor is this one-off phenomenon. The occurrence of violent resistance to transfers and repatriation is now the norm. Now accusations fly as to who started it - an argument which I do not propose to get into.

"The truth of the matter is, however, that as long as the Vietnamese continue to believe there is even the remotest chance of resettlement, they will resist repatriation," he said.

Mr Lai said some pressure groups supporting the Vietnamese migrants had alleged that the Vietnamese no longer trust either the camp management nor the United Nations High Commissioner for Refugees, while others have misled them into believing they would be resettled.

"How many times have false hope been given to them? How many times have people, either inside or outside Hong Kong, hinted that things may change? How many times have these people been right? None.

"On not a single occasion has any rumour, proposed policy change, proposed law, any legal action, any judicial review ever changed the reality for the overwhelming majority of Vietnamese migrants," said Mr Lai.

"As long as some people, for whatever reason, continue to peddle the myth that the Fifth Cavalry will one day come and rescue the Vietnamese migrants and carry them off to California, the Vietnamese migrants will continue to cling to the false hope of resettlement, and that leads to escapes, non co-operation and violence," the Commissioner added.

Statement to refute criticisms by Tobacco Institute

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The following is a statement issued by the Health and Welfare Branch to refute the Tobacco Institute of Hong Kong Ltd.'s criticisms against the Government's proposed ban on tobacco advertising:

"It has been Government's declared policy to discourage smoking since 1975. In 1982, the Smoking (Public Health) Ordinance (Cap 371) was enacted to introduce various measures to control the use, sale and promotion of tobacco products.

"The Smoking (Public Health) Ordinance is reviewed regularly, having regard to changing world trends and local public views. In order to support the World Health Organisation's call for a 'Tobacco-advertising-free Region by the Year 2000', we propose to introduce further anti-smoking legislation to prohibit:

- \* direct advertising in printed media and display advertisements; and
- \* indirect advertising through the use of tobacco brand-names on non-tobacco products.

"These proposals are the second part of a package of measures on which the public and the industry were consulted in 1992. We are consulting the industry again now. The industry's claim that the legislation is being pushed through rapidly and without consultation is untrue.

"According to the World Health Organisation, smoking is now the world's number one killer and the single largest preventable cause of death. It has been found to be a major cause of heart disease and lung cancer - the two main causes of death in the developed world.

"Recent researches showed that the children's positive attitudes to smoking were strongly associated with their perceived attractiveness of cigarette advertisements.

"Subject to the Bill being ready, it will be submitted to ExCo in November and introduced into LegCo in December 1995.

"Hong Kong is fortunate to enjoy a low incidence of smoking. We have less illness and death from smoking than many other countries. The proposed legislation aims to ensure that it stays that way. It is both appropriate and necessary to protect the community from the harmful effects of smoking."

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### Taxi/PLB operators won't be worse off

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A Government spokesman today (Wednesday) reiterated that existing taxi and public light bus (PLB) operators would not be worse off under the proposed diesel to petrol scheme which had fully taken into account their concern about cost increases.

He said: "In working out our proposals, the Government took great care to incorporate sufficient financial incentives to encourage an early switch to the cleaner alternative, to minimise the cost impact to both the operators and their passengers, and to ensure that those operators with diesel taxis and PLBs will not be any worse off financially than they are at present.

"Taxi and PLB operators will be able to enjoy a total exemption in first registration tax for the switch to cleaner petrol vehicles during the five-year conversion period.

"There will also be great discounts in the petrol duty, lowering to only 10 cents a litre in the first year of conversion compared with the existing duty of \$5.25/litre and also in annual licence fees ranging from 100 per cent in the first year to 20 per cent in the fifth year.

"These concessions will keep the operating cost increases including maintenance costs related to the switch to a modest one per cent a year during the five-year conversion period and to two per cent in the subsequent five years. The increases will be absorbed in fare adjustments."

The spokesman also reiterated that early action was required to combat pollution from diesel vehicles primarily because of the increasing health risk posed by the high levels of emissions of Respirable Suspended Particulates (RSP) that caused various respiratory illnesses and probably contribute to cancer. Besides, RSP has an adverse effect on the environment and cleaning costs.

"We have considered carefully all other options including stringent emission standards, clean fuel and an inspection programme for light duty diesel vehicles. But none of these options by themselves would be able to bring the emission level down to the target we want to achieve.

"RSP concentrations in the congested urban area are now consistently higher than our target level. The problem is worsening because of the continuing increase in the usage of our congested road space by taxis and PLBs and other diesel vehicles."

Commenting on a remark that petrol emissions may also cause cancer, the spokesman said: "We are aware that benzene is a known carcinogen. Since 1992, we have been addressing this issue by requiring that all new petrol vehicles to be fitted with catalytic converters which virtually eliminate benzene emissions.

"Also, the oil companies have agreed to keep the benzene content in our petrol within the international standard.

"There is a consensus between the Government and the community that we must do something quickly to contain pollution from diesel emissions.

"Our proposals will bring about early improvement to air quality by gradually phasing out light duty diesel vehicles with cleaner modern petrol vehicles which emit neither RSP nor benzene that may affect our health," the spokesman said.

"Japan has also started a programme of phasing out older diesels in designated urban areas," he noted.

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Insider Dealing Tribunal report on PIIL now on sale

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The report of the Insider Dealing Tribunal on Public International Investments Ltd (PIIL) is now on sale, a Tribunal spokesman announced today (Wednesday).

Earlier the Tribunal concluded that insider dealing in PIIL shares took place in December 1992 and had identified three individuals as insider dealers in those shares.

The Tribunal has ordered the insider dealers to pay to the Government the full amount of profit gained by the insider dealing, plus financial penalties and contributions to the expenses of the inquiry.

In addition, the Tribunal has ordered that the insider dealers shall not be a director or take part in the management of any listed company for three or four years.

Copies of the report, at \$160 each, are now on sale at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong.

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Display of S6 vacancies in district education offices

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The Education Department reminded students that a list showing Secondary 6 vacancies throughout the territory is being displayed at all district education offices for public information until the end of September.

A spokesman for the department said the list of S6 school place vacancies was updated weekly.

"Secondary 5 leavers with the minimum S6 entry requirement who have not secured an S6 place after the completion of Stage V of the Secondary Six Admission Procedure may apply to the schools with vacancies direct. But admission will be at the discretion of the schools," he said.

The current list contains details about 113 Secondary 6 vacant places.

<u>District</u>	<u>Vacancies</u>
Central & Western	7
Wan Chai	2
Eastern	5
Southern	1
Mong Kok	1
Sham Shui Po	6
Kowloon City	15
Wong Tai Sin	3
Kwun Tong	5
Kwai Tsing	24
Tuen Mun	1
Tsuen Wan	1
North	5
Sha Tin	1
Sai Kung	1
Islands	35

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Blood Donation Campaign in Eastern District

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Two blood donation exercises will be held on Friday and Saturday (September 22 and 23) to facilitate residents in the Eastern District to donate blood.

As a joint campaign between the Eastern District Board and the Hong Kong Red Cross, two facilities will be set up to collect blood from members of the public under the supervision of trained staff from the Red Cross. The particulars are listed as follows:

Date: Friday (September 22)  
Time: 9.30 am to 12.30 pm  
Address: District Board Conference Room,  
11th floor, Eastern Law Courts Building,  
29 Tai On Street,  
Sai Wan Ho, Hong Kong.

Date: Saturday (September 23)  
Time: 2 pm to 5 pm  
Address: Chai Wan Community Centre,  
230 Chai Wan Road,  
Chai Wan, Hong Kong.

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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	2,336	0930	-899
Closing balance in the account	1,777	1000	-899
Change attributable to :		1100	-899
Money market activity	-904	1200	-904
LAF today	+345	1500	-904
		1600	-904

LAF rate 4.25% bid/6.25% offer TWI 123.4 \*+0.0\* 20.9.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.86	2 years	2708	6.06	100.26	6.00
1 month	5.82	3 years	3807	6.16	99.90	6.29
3 months	5.82	5 years	5006	6.95	100.43	6.96
6 months	5.82	5 years	M501	7.90	102.44	7.40
12 months	5.82					

Total turnover of EF bills and notes - \$13,846 million

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