



DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting Wan Chai District this (Monday) afternoon:

Governor: I'm actually going to save you all the effort of coming out to the airport tomorrow and say something after Exco about my Canada and US trip if you'd like. But if there're any questions anybody wants to ask today, I'm delighted to hear from you.

Question: Do you think now the China Airline becomes the biggest shareholder of the Dragonair, ... do you think Cathay and Swire selling all their shares to the China Airline is a political exchange or trade ...?

Governor: I think whatever has been announced today is commercial. It's a matter between the companies involved and it's not I think for me to comment. But Cathay is of course a very significant force in the airline industry. Many people in Hong Kong have rightly regarded it over the years as carrying the flag for Hong Kong and I'm sure it will continue to play a major role in the international market place for many years to come.

Question: Do you think it is a symbol of the diminishing influence of the British in Hong Kong ...?

Governor: It seems to me it is curious to talk about diminishing their influence when they're investing so very heavily in Chek Lap Kok. And I think that one of the reasons for the decisions that have been announced is because they're raising more money to invest in Chek Lap Kok. So they're going to remain a major and forceful player in one of the most important economies in the world. You look around the world. It's not very surprising to find airlines and other companies broadening their ownership base.

Question: The US Government has already announced the renewal of MFN to China unconditionally. So what is the point for you to go to the States to lobby?

Governor: With due respect, they haven't. What has happened is that Mr Warren Christopher has said that it's the US Administration's policy to renew MFN unconditionally. But that as you know is subject to votes in the Congress, the votes in the House of Representatives and in the Senate, and one of the main things that I'll be doing in the United States is to lobby senators and congressmen to support unconditional MFN renewal. I'll be carrying the same message to the United States that Martin Lee has carried very eloquently and helpfully in the last few days.

Question: ... this morning that Anson Chan reported to you her trip to Beijing?

Governor: She reported on her trip to Beijing. I'd already spoken to her over the weekend by telephone. But we had a good discussion about her trip. I'm glad that it went well. I think it was a useful building block in our relationship with Peking. And I hope it will have provided some reassurance for the civil service.

Question: Did she mention to you her private meeting with Mr Lu, the ten minutes?

Governor: Of course. It's slightly more than ten minutes.

Question: Can you tell us what it's about?

Governor: I'm mad about you, but I do think that's one of the daftest questions that I've ever been asked.

Question: Regarding the provisional legislature, do you foresee any difficulty in assisting the ...?

Governor: You know perfectly well what our position is on a provisional legislature. There is only one Legislative Council in Hong Kong before 30th June 1997 and that's that.

Question: Has Mr Cook given you any indication of your future ...?

Governor: No, he hasn't, nor have I asked for one.

Question: (follow-up)

Governor: Very confident. One of the very few policies on which there's been cross party support at Westminster over the last four years has been policy on Hong Kong, and I hope that will continue right through to the 30th June 1997, and indeed beyond. But while I'm sure that opposition spokesmen will occasionally mention reservations about this or that aspect of the handling over policy over the last four years, by and large there's been substantial support from the Liberal Democrats and from the main opposition party, the Labour Party as well as of course from the Conservative Party.

Question: Do you think a Labour Government would have anything to offer Hong Kong ...?

Governor: I think a Labour Government would have as much to offer Hong Kong as the present Government given that the Labour Party policy and the Conservative Party policy have been very similar. There're differences, there're differences on one or two issues that affect Hong Kong, but by and large I think that they have been important underlining similarities. I think these are probably questions which you should address to Mr Cook. He is going to hold a press conference later in the week, and he is also speaking to the Legislative Council. He's got a question and answer session for I think about an hour on Wednesday morning with them which is of course an open one.

Question: Mr Governor, what is your reaction on the recent issues against the Correctional Services Department?

Governor: I think those were criminal attacks, let us be under no doubt about it, and the sooner those who perpetrated them are brought to justice the better. We've established a task force to try to deal with the problem. And I hope it's successful very quickly. Of course, if anybody has complaints about some aspect of policy in the Correctional Services Department, then there are established means of dealing with those sort of complaints. And those are the channels that people should use, nothing justifies criminal behaviour.

Question: How will you assure that Hong Kong people that there is no secret deal between Director Lu Ping and your number two Mrs Chan?

Governor: Because I trust my Chief Secretary and my Chief Secretary trusts me.

Question: There's been wide report concerning the private meeting between Anson Chan and Director Lu Ping.

Governor: Are you saying that ..., I mean what exactly you're suggesting?

Question: While reports are speculating what happened during the ten minutes plus private meeting between ...?

Governor: Mrs Chan told me what happened this morning.

Question: So what happened?

Governor: I mean, as I said I think you're all charming but you're seriously supposing that I am going to tell you what was discussed between Anson and Director Lu at their private meeting. Absolutely potty, come on. Any other questions?

Question: Is there any indication that senior officials who are selected to join the team designate might have to resign in order to avoid this problem of dual loyalty?

Governor: No. Okay? And as I say, Robin Cook is giving a press conference Wednesday afternoon, remember the time? Five forty-five. Okay. Nice to see you all. Thanks very much indeed.

End

Governor's visit to Canada and USA

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The Governor, the Rt Hon Christopher Patten, will depart Hong Kong tomorrow (Tuesday) to begin a 10-day official visit to Canada and the United States.

This is part of the Governor's regular programme to visit Hong Kong's major trading partners to promote and strengthen bilateral relations. An important task that the Governor will undertake is to argue Hong Kong's interests with the United States for an unconditional renewal of MFN with China.

Mr Patten will be in Canada first, covering the cities of Vancouver, Ottawa and Toronto. He will then move on to New York, Washington and Seattle of the United States. In both countries, the Governor will give keynote speeches to functions to be attended by business and political leaders.

The Governor will leave Seattle on May 10 arriving Hong Kong the next day.

End

Govt publishes 50th Anniversary Edition of Annual Report

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The Government today (Monday) published the 50th Anniversary Edition of the Hong Kong Annual Report, entitled Hong Kong 1996, which carries several special features marking the occasion.

In nearly 500 pages of words and pictures, Hong Kong 1996 covers the economy, political development towards 1997 and other activities that made up the essence of the year just past.

It includes a Review Chapter written by the recently retired Senior Member of the Executive Council, the Baroness Dunn, who comments on the necessary ingredients for Hong Kong's success.

"With all the official facts and figures of 1995 included, the yearbook is the authoritative source of information on Hong Kong and an invaluable reference book for academics, businessmen and anyone interested in the territory," a Government spokesman said.

The spokesman said only one-fifth of Hong Kong's population could have any recollection of life in the territory 50 years ago, when it was recovering from the destruction of World War II. However, the facts were recorded in the first Hong Kong Annual Report, which was published in March 1947 and covered events from Liberation to the end of 1946.

"A Foreword in the 1996 yearbook describes what life was like in the immediate post-war period and how Hong Kong developed subsequently," he said.

The continuing problem of Kai Tak Aerodrome – 'never very satisfactory' – appears throughout the half-century of yearbooks. In 1947, it was deemed totally inadequate and liable to cramp Hong Kong's development as an air centre.

The following year, Hong Kong experienced the world's first case of attempted air piracy. Some of the 23 passengers in a Catalina flying boat en route from Macau belonged to a gang which tried to rob the rest of those on board. The plane crashed, killing the four crew and 22 of the passengers.

Photographs provide startling contrasts across the years: aircraft landing at right angles to the current Kai Tak runway; Tide Cove turning into Sha Tin; Victoria Park filling Causeway Bay; Kowloon Peninsula more than doubling in size.

And some things never change: the 1948 yearbook complained about the traffic congestion created by Hong Kong's 9 266 vehicles – running two photographs to prove it. One shows cars parked 'on the waterfront' along both sides and in the centre of Connaught Road outside the Hong Kong Club. The other shows a street that no longer exists.

By contrast, Hong Kong 1996 records the fact that there were 458,785 licensed vehicles in the territory last year, and just 1,717 kilometres of roads, one of the world's highest traffic densities.

The contrasts are also illustrated in a special pictorial section which shows some of the remarkable changes that Hong Kong has undergone in the past half century.

The yearbook contains more photographs than normal, depicting various aspects of life in the territory. The 20 colour sections cover subjects ranging from striking views of the Lantau Fixed Crossing as construction nears completion to the moving moments of the disbandment of the Royal Hong Kong Regiment (The Volunteers).

Besides recording the events of 1995, the anniversary edition of the yearbook has a new appendix listing all international agreements to which Hong Kong is a party, including those agreed to since the Joint Liaison Group was established in 1984.

The endpaper maps are another special feature of the yearbook. Hong Kong 1996 has the updated 1995 map of the territory in the front and – for the first time – Hong Kong in its regional setting as the back endpapers.

This map, redrawn in late 1995 especially for the yearbook, pinpoints the major cities of the Pearl River Delta and southern Guangdong. It delineates the Shenzhen and Zhuhai special economic zones and the main road and rail routes already built, plus those under construction. Southern China's new ports and airports are also marked.

Hong Kong 1996 is available in English and Chinese and costs \$80.

Copies are available from the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong; leading bookshops; and District Offices.

Mail orders should be addressed to the Information Services Department, Publications Sales Office, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong. Enquiries may be made on 2598 8194-7, or by fax on 2598 7482.

End

Governor visits Wan Chai District

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The Governor, the Rt Hon Christopher Patten, visited Wan Chai District this (Monday) afternoon to keep himself abreast of the latest developments in the district.

The Governor was accompanied on the visit by Mr Lee Lap-sun, the Acting Director of Home Affairs and the Wan Chai District Officer, Mrs Karen Pong.

The Governor and his party first visited the Lions Morninghill School at Blue Pool Road, a subsidised special school for about 200 mildly mentally handicapped students aged 6 to 16.

The party watched students attend language classes, receive arts and practical skills training and participate in sports and physical exercises in the playground. They also admired an exhibition of the students' works and enjoyed an instrumental performance by the students.

They then proceeded to the revolving restaurant on the 62nd floor of Hopewell Centre for a bird's eye view of the district.

Representatives from Planning Department, Territory Development Department, Land Development Corporation (LDC) and Urban Services Department briefed them on the redevelopment in Wan Chai Central, the new projects in Wan Chai North and the Wan Chai Road and Tai Yuen Street Redevelopment Scheme.

The proposed \$4 billion redevelopment scheme at Wan Chai Road and Tai Yuen Street, drawn up by LDC, aims to provide high-rise commercial and residential developments and a purpose-built market to replace the existing Wan Chai Road Market and Temporary Market in the area.

The party then walked along Wan Chai Road, Cross Street, Tai Yuen Street and arrived at the "Sheung Hei" Tea House, one of the oldest tea parlours with 47 years of history, for afternoon tea. They were joined by the Labour Party's Shadow Foreign Secretary, Mr Robin Cook, at the tea house.

The visit was concluded with a community reception at the Chinese YMCA Multi-Purpose Centre at Harbour View International House where the Governor met with local district board members and community leaders. Chinese YMCA's Harmonica Group also gave a lively performance for the guests.

End

11th and 12th informal get-together

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Following consultation with the Xinhua News Agency (Hong Kong Branch), we are pleased to announce that the 11th and 12th informal get-together between senior Hong Kong civil servants and officials of the Chinese side will take place respectively on May 2 and 3, 1996 at the Voting Members' Box, Happy Valley Racecourse starting at 10.30 am. It will end after lunch.

Participating officers will be :

May 2, 1996

Mr Gordon Siu
Secretary for Economic Services

Mr Lawrence Lee
Director of Agriculture and Fisheries

Mr Ian Dale
Director of Marine

Mr Richard Siegel
Director of Civil Aviation

Mr Robert Lau
Director of the Royal Observatory

Mr Robert Footman
Postmaster General

Mr Anthony Wong
Director-General of Telecommunications (Acting)

They will be accompanied by Mr Michael Stone, Deputy Secretary for the Civil Service and Mrs Marion Lai, Principal Assistant Secretary for the Civil Service.

May 3, 1996

Mr Jeremy Mathews
Attorney General

Lady Cheung
Director of Legal Aid

Mr Ian Wingfield
Crown Solicitor

Mr Peter Nguyen
Crown Prosecutor

Mr Daniel Fung
Solicitor General

Mr Tony Yen
Law Draftsman

Mr David Little
Law Officer (International Law)

Mr Chan Shu-ying
Director of Legal Aid (Designate)

They will be accompanied by Mr W K Lam, Secretary for the Civil Service and Mrs Marion Lai, Principal Assistant Secretary for the Civil Service.

End

Chinese delegation to visit Hong Kong

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An eight-member Chinese delegation led by Mr Zhang Xiaojian, Director of Vocational Skills Development of the Ministry of Labour, will visit Hong Kong from tomorrow (Tuesday) to May 9, the Government announced today (Monday).

A government spokesman said this was one in a series of sponsored visits between China and Hong Kong.

"The objective of the sponsored visit programme is to enhance mutual understanding of Chinese and Hong Kong government officials on each other's systems," he said.

The delegation will be briefed by senior Hong Kong Government officials on policies relating to education and manpower, health and welfare, housing, infrastructure development and the civil service.

End

Working Group on Reinsurance set up

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A Working Group on Reinsurance has been set up as part of the Government's initiatives to further promote insurance services in Hong Kong.

A Financial Services Branch spokesman today (Monday) said that the working group would advise the Government on the potential for the reinsurance business in Hong Kong, China and other countries in Southeast Asia as well as on ways to promote the development of Hong Kong as a regional reinsurance centre.

He said that the formation of the working group was aiming at implementing one of the proposals set out in the Action Agendas for leading service industries which was an important part of the Financial Secretary's 1996-97 Budget.

The spokesman pointed out that the development of the reinsurance market would enable Hong Kong to service the reinsurance requirements of the territory and of the region, currently estimated at \$4.8 billion and \$45 billion respectively.

"We believe that there is a huge potential for reinsurance business in the region as the market is growing rapidly. We also believe that we are well-positioned to tap this business," he emphasised.

"While we already have here the presence of a number of reputable and well established reinsurers serving the local and regional needs, there is still plenty of scope for our services to reach out further.

"We hope the Working Group will provide us with pointers on how Hong Kong may enhance its role as provider of reinsurance for the region," the spokesman added.

The Working Group which is chaired by the Secretary for Financial Services, Mr Rafael Hui, comprises experienced and well-respected practitioners in the insurance industry. They are Mr Kenneth Kwok Tsun Wa, Mr Kenneth Ng Yu Lam, Mr Rudolf Oswald, Mr Shiu Wai Kwok, Mr Ulrich Trumpp, Mr Edmund Tse, Mr Wang Xian Zhang and Mr Alex P H Wong.

The Deputy Chief Executive of the Hong Kong Monetary Authority, Mr Andrew Sheng who has previous experience in studying the promotion of reinsurance business is also a member of the Working Group.

End

Parents to receive school choice information

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Parents of Primary 6 pupils participating in the Secondary School Places Allocation exercise 1996 will receive information on the choice of secondary schools and the results of Medium of Instruction Grouping Assessment of their children through the schools tomorrow (Tuesday).

Announcing this, a Senior Education Officer, Mrs Lily Lai, said that this year a total of 79,000 pupils are participating in the allocation exercise.

"The Secondary One Choice of Schools Form is for parents to indicate their choices of secondary schools, based on the particulars in the Secondary School List of their respective school net," Mrs Lai said.

"Normally parents can make a maximum of 30 school choices provided that the number of schools in their school net reach this number."

In any case, Mrs Lai emphasised that parents should include as many school choices as possible since this will increase the chances of their children being allocated to a school of their choice.

The information on Medium of Instruction Grouping will enable parents to choose a secondary school which offers a suitable language of instruction for their children.

Grouping is based on the schools' internal assessments on pupils at the end of Primary 5 and during the mid-year of Primary 6, both of which are scaled by the Academic Aptitude Test.

Mrs Lai said that pupils in the Medium of Instruction Group I should be able to learn effectively in either English or Chinese. Pupils in Group II should learn more effectively through the Chinese Medium while those in Group III should learn better through the Chinese Medium but will probably also be able to learn effectively in English.

This year, among the 79,000 primary 6 pupils participating in the Secondary School Places Allocation exercise, a total of 26,134 pupils (33.08 per cent) are in Group I, while 46,670 pupils (59.08 per cent) are in Group II and 5,845 pupils (7.4 per cent) in Group III.

Medium of Instruction Grouping is not applicable to non-Chinese speaking pupils and pupils with incomplete assessments, Mrs Lai said. A total of 351 pupils (0.44 per cent) belong to this Group.

Mrs Lai reminded parents that this year, prevocational schools have simplified their procedures for admission to Secondary 1. Like other schools, prevocational schools have joined the central allocation exercise and therefore parents can choose prevocational schools supplying school places in their school net along with other schools on the school list.

Unlike grammar schools, prevocational schools offer a curriculum with wider subject choices, many of which are more practical in nature. Parents of children who are likely to benefit from this type of curriculum are encouraged to include prevocational schools in their choices.

End

Garment manufacturer fined for false statements

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A garment manufacturer and one of the directors of his company were fined \$114,000 and \$46,000 respectively today (Monday) by Kwun Tong Magistracy for making false statements regarding the origin of goods in five export licence applications.

In addition, the garment manufacturer was fined \$170,000 for either applying or attempting to falsely apply the 'MADE IN HONG KONG' label to 34,253 men's boxer shorts which were manufactured in China.

The total quantity of goods involved were 40,000 men's cotton woven boxer shorts and 3,672 ladies' cotton woven briefs worth \$1.08 million.

The court heard that an investigation by officers of the Customs and Excise Department revealed that between March to May 1995, Parawin Industries Limited, through the arrangement of its director Mr Tse Fuk Chuen, contracted out to a factory in China for the production of the goods.

In order to obtain five Hong Kong quota licences to cover the goods for export to the United States, the company falsely declared in the export licence applications that the goods were of Hong Kong origin.

End

Company fined for breach of Inland Revenue Ordinance

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A company was today (Monday) charged for failing, without reasonable excuse, to notify in advance the Commissioner of Inland Revenue in writing of the resignation of a senior employee of the company and his departure from Hong Kong within the one-month period stipulated in the Inland Revenue Ordinance.

As a result of the belated notice, the Commissioner of Inland Revenue was unable to recover salaries tax due from the employee.

The defendant, Winterthur Swiss Insurance Co., pleaded guilty to the charges and was fined \$10,000 in the Western Magistracy.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 80.6 per cent of capacity or 472.368 million cubic metres.

This time last year the reservoirs contained 386.675 million cubic metres of water, representing 66 per cent of capacity.

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,905	0930	+504
Closing balance in the account	2,560	1000	+504
Change attributable to :		1100	+498
Money market activity	+500	1200	+500
LAF today	+155	1500	+500
		1600	+500

LAF rate 4.00% bid/6.00% offer TWI 123.6 *-0.1* 29.4.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.98	2 years	2802	5.16	98.68	6.03
1 month	5.02	3 years	3904	6.30	99.83	6.46
3 months	5.14	5 years	5103	6.75	99.11	7.09
6 months	5.23	7 years	7302	6.02	93.01	7.47
12 months	5.52	5 years	M502	7.30	100.27	7.36

Total turnover of EF bills and notes - \$14,901 million

Closed April 29, 1996

End