

## OFFICIAL RECORD OF PROCEEDINGS

Tuesday, 12 January 1993

The Council met at half-past Two o'clock

### PRESENT

THE PRESIDENT

HIS EXCELLENCY THE GOVERNOR

THE RIGHT HONOURABLE CHRISTOPHER FRANCIS PATTEN

THE DEPUTY PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., Q.C., J.P.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E.

THE HONOURABLE JAMES DAVID McGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

**ABSENT**

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, C.B.E., J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE MRS PEGGY LAM, O.B.E., J.P.

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE TIK CHI-YUEN

DR THE HONOURABLE YEUNG SUM

DR THE HONOURABLE TANG SIU-TONG, J.P.

**IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL

MR CLETUS LAU KWOK-HONG

**Papers**

The following papers were laid on the table pursuant to Standing Order 14(2):

*Subject*

Subsidiary Legislation	<i>L.N. No.</i>
Hotel and Guesthouse Accommodation (Fees) (Amendment) Regulation 1992 .....	405/92
Telecommunication (Amendment) Regulation 1992 .....	406/92
Women and Young Persons (Industry) (Amendment) Regulation 1992 .....	407/92
Pilotage (Dues) (Amendment) Order 1992.....	409/92
Urban Council (Fees for Official Signatures and Miscellaneous Services) (Amendment) Bylaw 1992 .....	410/92
Specification of Public Office .....	411/92
Smoking (Public Health) (Notices) (Amendment) (No. 2) Order 1992 .....	413/92
Telecommunication (Hong Kong Telephone Company) (Exemption from Licensing) (Fees) (Amendment) (No. 3) Order 1992 .....	414/92
Business Registration Appeal (Amendment) (No. 2) Rule 1992.....	415/92
Pharmacy and Poisons (Amendment) Regulation 1992 (L.N. 384 of 1992) (Commencement) Notice 1992 .....	416/92
Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1993 .....	1/93
Road Tunnels (Government) (Amendment) Regulation 1993 .....	2/93
Tramway Ordinance (Alteration of Fares) (Amendment) Notice 1993 .....	3/93

Public Health and Municipal Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1993 .....	4/93
Kowloon-Canton Railway (Restricted Area) Notice 1993 .....	5/93
Shipping and Port Control Ordinance (Exemption) (Amendment) Notice 1993 .....	6/93

### **Affirmation**

Ms Anna WU Hung-yuk made the Legislative Council Affirmation.

DEPUTY PRESIDENT: It is now my pleasant duty to suspend the Council and we shall resume in a couple of minutes for the Governor's question session.

Council suspended from 2.33 pm to 2.35 pm

THE GOVERNOR: Honourable Members, it is just over three months since my address to this Council setting out a policy agenda for Hong Kong between now and 1997. I am glad to say this has generated a good deal of discussion and debate since 7 October, although if you relied solely on the media for what has been said you could be forgiven for thinking that the address concentrated entirely on constitutional issues and very little else.

This is not, perhaps, surprising. The arrangements for the 1995 Legislative Council elections, the last before Hong Kong's change of sovereignty, are of great significance to the community. This is an issue on which there are strong views and genuine differences both within the community itself and between the present and future sovereign powers.

The proposals that I put forward on 7 October sought to find a point of balance between those differing positions. It is natural, indeed it is further proof of the mature and sophisticated society that Hong Kong is, that there should have been such an active debate on whether the balance that I sought was the right one or whether more weights were needed at one end of the scale or the other.

The next stage of that debate will be starting in a few weeks' time in this Chamber when draft legislation on these constitutional matters, the terms of which are presently being discussed by the Executive Council, will be introduced. The debate will bring with it heavy responsibilities. Members will have to take into account the reasonable aspirations of the people of Hong Kong

for a greater say in their own affairs on the one hand, and their desire for stability and continuity on the other.

These matters are weighty and important. It is natural that they should occupy a great deal of our attention. That will no doubt continue to be the case for some months to come, but life goes on and it would be a mistake if we allowed political issues to dominate all our thinking while neglecting entirely the rest of the Government's programmes and activities. That is why much of my speech in October concentrated on a range of other issues affecting the livelihood and the well-being of Hong Kong citizens.

I gave many undertakings in my speech on these issues. I was keen that they should not be simply paper promises. I wanted to be in a position to come back to you after a year and tell you where we were making progress and, if there were areas where progress was not good enough, to tell you what we were doing about it. So I have set up a detailed system of progress-chasing under which the relevant branches and departments across the Civil Service have been asked to report to me at regular intervals how they are doing in meeting the specific targets and undertakings in the policy address for which they are responsible. I have recently received the first round of feedback. Of course we still have plenty of work to do. Remember that the agenda set out in the address was a five year programme; so this is no time for complacency. But I am pleased with the results so far and let me give you just a few examples.

In the health sector, we remain on target for providing 4 200 additional hospital beds, opening 13 new clinics and expanding 11 existing clinics by 1997. We set ourselves some internal targets to be met by December 1992. I am pleased to say that we met them. They included introducing an advance appointment system for chronic patients in 49 general clinics, and installing individual medical record systems in 26 out-patient clinics. We also completed two new clinics during this period.

On the social welfare side, again we are on target for meeting all the major undertakings in the address by 1997. 3 930 extra residential places for people with disabilities, 3 760 additional workshop and day centre places for the mentally handicapped, 44 additional home help teams, and so on. Since October, premises have been identified for additional social service centres and very productive discussions have taken place with service delivery agencies to ensure that the additional services we have promised will be made available.

I know that a number of you wish to ask questions about the housing and environment sectors today. On housing, we are making good progress towards achieving our targets for new public sector flats. Some 2 800 have been completed since the beginning of November. We are on target to meet our undertaking to build an average of more than a hundred flats a day between now and 1997. We are also on target for rehousing by 1997 three-quarters of those in existing temporary housing areas. 3 500 have been rehoused already since

April last year. On sandwich class housing, sites for the first year of the interim scheme have been identified.

On environmental initiatives, controls on major chemical waste have been brought into force since November. Environmental impact assessments are now being provided for all relevant papers put before Executive Council. The preliminary design of Stages I to IV of the Strategic Sewage Disposal Scheme has been completed.

I could report equally encouraging progress in other areas, such as education, law and order, and performance pledges, but rather than use up more of your question time, I will leave it to you to ask me about these, if you wish.

I would just like to end with some words about the economy. Some of you may have heard or read the Financial Secretary's year-end review of the economy on 30 December. It was a record of which Hong Kong can justifiably be proud. Real economic growth of 5%, full employment, a real increase of 20% in our total exports over a year earlier, Hong Kong displacing Singapore as the world's busiest container port, the Hang Seng index up 28% over the year despite recent fluctuations, continuing low and predictable taxes. The list goes on, although I will not. But when much of the world is in the economic doldrums it is salutary to remind ourselves from time to time just what a thriving and successful place Hong Kong truly is.

I understand that the Legislative Council has agreed — which saves me the burden — an order of questions from Members who have not been previously fortunate in catching the President's eye. So perhaps I can take that order as representing once again a historic consensus in this Council, (*Laughter*) a consensus which I am sure will obtain tomorrow and in the weeks and months that lie ahead. Can I begin with Mr Steven POON?

MR STEVEN POON: *Mr Governor, I think I had better stand up because last time everybody sort of stood up. I do not know whether that is the system. In October 1992, the Secretary for Security claimed that the decline in violent shooting incidents during the summer months of last year was a clear indication that the police had corked the problem. The events in the last week, however, have proved violent shooting to be a recurrent problem. Would the Governor inform this Council what measures are being taken to deal with this alarming problem and, in particular, what steps are being taken to protect the innocent bystanders from the threat of jewellery shop robberies, and whether the participation of illegal immigrants from China in violent crimes is on the rise, and if so, what is being done to counteract this disturbing trend?*

THE GOVERNOR: I think that the Honourable Member is right to argue that events show that one can never be complacent when talking about law and order and the threat to civilized living. However, I am sure the Honourable Member

would wish to recognize that whatever the appalling occasional incidence of violent crime, this is one of the very few communities in the world where crime as a whole, and violent crime in particular, is actually falling. I saw figures provided by the Commissioner of Police this morning comparing crime last year with crime the year before, and I doubt whether there are many chief police officers in a similar position to point to a fall in violent crime and a fall in the sort of crimes which have caused the community so much genuine concern. Why has that happened and what further should we do about it?

I think we should commend the police on improved intelligence and on their improved strength on the street because I think the best way of deterring the sort of crimes which concern us all is by an active physical police presence wherever possible. I think that it is also true that individual shop owners — some of the shops that are particularly hit at this time of year — can do a good deal to help themselves and I commend what the Fight Crime Committee have done and said to encourage better security precautions in, for example, jewellers' shops.

But all that said, nothing can excuse the crimes that we have seen and it is wholly understandable that the community should be as concerned as it is about them, when innocent citizens are gunned down accidentally in the streets in which they are shopping in broad day light. The police will, I know, continue to give this matter the greatest priority. They will continue to seek the improved co-operation, which we are starting, in my view, to see, with the authorities in the People's Republic of China. And I commend the authorities in the People's Republic of China for the help which they have given us. I hope that we can continue to take effective measures to deal with illegal immigrants, and I am pleased that the construction industry has been talking very helpfully to us about what more can be done, for example, to deal with the employment of illegal immigrants. There are a number of areas that we have to deal with.

I am sure, finally, that the police will always be very careful about the use of firearms in the street, and I do not believe that the police want to get involved in an arms race with criminals. But on the other hand, I think the community would expect the police to deal in an appropriate way with violence when it occurs, and alas, from time to time that does involve the use of firearms.

MR JAMES TO (in Cantonese): *Mr Governor, I believe that without a democratic system, it may be hard to improve people's livelihood. So I am going to ask a relatively fundamental question on the democratic reforms in our political system. You have recently arranged meetings again with some political organizations in Hong Kong to discuss the political reforms with them. From the subsequent press reports about the remarks you made in the meetings, we have noted that your resolution to push through the political reforms as outlined in your policy address seems to have been on the wane. Mr Governor, are you indeed beating a retreat with regard to the political reforms?*



THE GOVERNOR: What I am intending to do over the coming weeks is to take the advice of the Executive Council who will, I am sure, have noted then the views expressed over the last few months by the Legislative Council on political development, and the views expressed in the community as a whole. I am intending to take the advice of the Executive Council and in due course put before the Legislative Council proposals which again, in my judgment, represent the best point of balance within the community on all these matters. I think that what all of us want to see are clean and fair arrangements for the elections in 1994-95. I think what all of us should also want to see is as credible a legislature after 1995 as possible to which the executive can be properly accountable. Those remain my objectives. The Executive Council has been discussing these matters. The Executive Council has agreed today on the publication of a compendium of all the various proposals on political development, including a number put by individual legislators, so that the Legislative Council and the community can be aware of the range of views that have been expressed. The Executive Council has also agreed today on the gazetting of a Bill on an electoral boundary commission which is, of course, essential to fair and straightforward elections. And in due course the Legislative Council will have to consider that.

Later on, after the Chinese New Year, we will be putting further proposals on other matters to the Legislative Council and it will be my hope, first of all, that we can have as broad a base as possible in this Legislative Council for the proposals for political development, and I also hope that at the end of the day the Legislative Council will agree to proposals which are acceptable to the community and which are acceptable to both the present and the future sovereign powers. Those must be our objectives and I would have thought they should be beyond controversy. But sooner or later, this Council and this community have to deal with these matters, have to deal with them constructively and, I am sure, will deal with them in the mature and responsible way which the community has shown itself capable of in so many other areas.

DR CONRAD LAM (in Cantonese): *Mr Governor, when Members of the Legislative Council held a meeting with some government representatives this morning, a government official fired a broadside at the way the Executive Council had handled things. I hope you will respond to the charge. Recently more than 100 shop operators doing business along six streets in To Kwa Wan brought their complaints to Members of this Council and queried why the operators of the ground floor shops, which are of higher market value and thus entail greater amount of rates, received less compensation than the residential tenants on the upper floors. In his reply to the question of disparity, the government official said that it was not so much the Government's unfair treatment of the operators as the Executive Council's overgenerosity towards the tenants. If what the government official said is true, Mr Governor, I hope you can answer my following three questions: First, why did the Executive Council treat them with partiality in the sense that it was so generous to some affected tenants but so stingy to the shop operators? Second, are the Executive*

*Council and the government officials, in respect of their mutual communication, seemingly in harmony but actually at variance? Third, Mr Governor, has any government official proposed to you that you should revise some of the outdated policies since you assumed office?*

THE GOVERNOR: First of all, on the whole I think most Members of the Executive Council, and perhaps most Members of the Legislative Council, would be pleased if the most serious charge made against them from time to time was an excess of generosity. But putting that on one side, I think that what the Honourable Member is asking me about is the different procedures for treating residential and business properties in the case of resumptions. As I recall, the position is that business property is compensated for the loss of value of the business and the loss of value of the property and that residential owners are given enough compensation to purchase a similar residence in the neighbourhood. I think that is, broadly speaking, the difference between the position of residential owners and business owners. As I understand it, those arrangements have existed for some time and there is thought to be a reason for that different treatment.

I am not aware, myself, of officials having put to me proposals for changes but I will certainly look into that to see if it is the case. I understand that the procedures are likely to be reviewed in the middle of the year and I am sure that the distinction which is made between residential properties and business properties can be considered at that time.

MR PANG CHUN-HOI (in Cantonese): *Mr Governor, you have proposed in your policy address to make an injection of HK\$300 million into the Retraining Fund for the benefit of our workers. This shows the Government's concern for workers whose jobs are at risk. However, it comes to our knowledge that some employers impose restrictions on the workers in terms of their age, educational qualification and even sex to decide whether they would be offered the retraining opportunity. These restrictions, together with the implementation of the general labour importation scheme, have indeed dealt a blow to those workers who are in advanced middle age, with lower educational qualification and facing the real risk of becoming redundant. And they, in fact, constitute the majority of our workforce who are in need of retraining. Indeed, they cannot gain any benefit from this retraining scheme. In this connection, Mr Governor, what does the Government plan to assist those unemployed who are in advanced middle age and with lower educational qualification? Furthermore, will the Government consider establishing an ad hoc group to co-ordinate the deployment of our human resources? Will the Government review the existing labour importation scheme and formulate a more comprehensive long-term labour policy?*

THE GOVERNOR: I think that it is important, in answering a question like that which is of very considerable significance for Hong Kong's economic development and for issues like the abatement of inflation, to remember some of the economic facts. I think I am right in saying that the number of vacancies in the labour market considerably exceeds the number of those who are at present without work. I think I am also right in saying that the number of workers brought in under the labour importation scheme is almost certainly lower than the difference between the number unemployed and the number of vacancies. The number who are brought in under the labour importation scheme represents, I think, about 1% of the total workforce in Hong Kong. So in my own view, we need to keep in mind those facts when we address the community's concerns about labour market issues.

I have got no doubt at all that in order to stay as competitive as we need to be, and in order to cope with inflation as successfully as we want to cope with it, and in order to prevent too many jobs being exported elsewhere, we have to use our labour supply as effectively as possible. And of course the Honourable Member is right to say that that includes those who are older and more mature as well as those who are younger. Many of us, even in advanced middle age like myself, do not think we are entirely past it and would hope to be able to develop perhaps new skills in the future.

I do think that the retraining scheme is a vital part of Hong Kong's economy. I am pleased that the Council supported the commitment of an extra \$300 million to retraining. We should be able to retrain about 10 000 people a year. But if you look at our overall needs, the Council may well regard that as not being sufficient and the Council may also believe that there are additional things that we should be doing. Therefore, I hope that the Retraining Fund Board and all those involved in their training will keep the Government and the Legislative Council closely informed about their views as to how we can make increasingly good use of our labour market, of our workforce — male, female, older, middle-aged, younger — and of all our talents if we are going to continue to grow as we have in the last few years, and if we are going to continue to generate the wealth which the community needs in order to meet its social aspirations.

MR DAVID LI: *Sir, will the Administration inform this Council what further action will be taken to control the use of tobacco in public places in view of the United States Environmental Agency's recent conclusion that secondhand smoke represents a serious health risk to non-smokers, particularly to children?*

THE GOVERNOR: I come to this issue, like a number of other Honourable Members, with the virtuous tread of an ex-smoker. (*Laughter*) I apologize to all those who in the past may have had to endure my secondary smoking and I say to all those whose smoke I have to endure today that I hope they will be mindful of the American report. I would like to give a more detailed reply to the

Honourable Member after consulting the Secretary for Health and Welfare but perhaps I can make one general point. I think this is an area where it is important to balance regulation and persuasion. I think, for example in the workplace, it is invariably sensible to work with the grain when dealing with matters like this rather than against. In areas of work for which I have been responsible from time to time in the past, like government departments, I have therefore, rather than laid down instructions about smoking in offices, given the workforce the ability to vote from office to office about whether they allow smoking and where they allow it. I think that is sometimes the best way of dealing with these matters. But obviously there are a number of utility providers, for example, who are involved. We need to consult public transport operators, we need to consult those who run government offices and we need to consult others so that we can limit the amount of secondhand smoking as much as possible. The smoking may be secondhand but the death is firsthand.

MR FREDERICK FUNG (in Cantonese): *Mr Governor, my question is very simple but before I put it to you, I would cite some data for your easy reference. My question is: how confident is the Government that it can actualize and successfully achieve the Long Term Housing Strategy proposed in 1988 by 2001? Now I have the following data for you. In 1988, the central government endorsed the Long Term Housing Strategy, hoping that by 2001 there would have been adequate public housing to resolve our housing problem, and \$26 billion were loaned to the Housing Authority to implement the scheme. However, the Housing Authority has to pay an annual interest of 5%. At the same time, any profit made by the Housing Authority from the ancillary commercial facilities will have to be shared with the central government. I am a member of the Housing Authority. According to the estimates of the Housing Authority, by 2001 the Housing Authority will have paid a total amount of \$31.1 billion to the central government, that is to say, apart from recovery of the principal, the Government can actually make a profit. Furthermore, by 2001 still there will be a dearth of 54 hectares of land for public housing. In this regard, the way the central government worked out the financial arrangements with the Housing Authority is totally different from that with the Hospital Authority, the airport railway project and the Urban Council. As such, can the Government give a guarantee to the public that firstly these 54 hectares of land are to be made available to the Housing Authority as scheduled? Secondly, for these 54 hectares of land, will they be appropriately distributed in the urban area and the New Territories? And thirdly, can the proceeds generated from public housing be ploughed back totally into public housing so that no profiteering is involved?*

THE GOVERNOR: As I recall — I was trying to look up the figures when the Honourable Member was speaking — the cost of the Housing Strategy over the period to 2001 to meet the aims that the community has set for itself runs at about HK\$107 billion. That is a very substantial commitment of resources. The Housing Authority saw a restructuring of its financial base a few years ago,

and I am not sure that I would want to undo the decisions that were made at that time. Some of the comparisons that are made and some of the arguments that are put about the financial flows between the Government and the Housing Authority are not, I think, entirely fair, because they do not, for example, take account of the provision of land to the Housing Authority, nor the provision of infrastructure to make new housing possible. So I do not wholly accept the Honourable Member's proposition about the financial flows.

I think, myself, that we face larger problems in relation to land supply than in relation to cash supply, and one of the reasons why we have to invest in infrastructure, and in particular some of the new roads which the community is interested in, is in order to make sure that we open up the land that we require in order to carry through the Long Term Housing Strategy. That is a point that I was discussing last week with the chairman of the Housing Authority when reviewing the Housing Strategy with him. It is a point which I know he feels strongly about and that the Housing Authority as a whole feels strongly about, and I hope that we can develop a constructive dialogue with the Housing Authority about how we can make certain that infrastructure develops at a pace which allows us to develop the land which is required by the Housing Authority.

I believe that we can meet our commitments to public sector housing, and I hope that we can from time to time review individual targets. I am particularly interested, for example, in the progress we make in dealing with temporary housing areas. I know that in a number of those temporary housing areas the facilities for families, the accommodation is a great deal less attractive than any of us would like to see. There are difficulties of course, but the more rapidly we can make progress in dealing with them the better. We have set ourselves a target of eliminating about 70% — just over 70% — by 1997, and I will want to look from time to time at whether we can make more rapid progress than that.

MR WONG WAI-YIN (in Cantonese): *Mr President, you have talked about a number of problems concerning people's livelihood, but you seem to have overlooked one very important issue, that is, our traffic problem. In one of our meetings, Mr Governor, you told me that you would make a speech about traffic problems. We therefore keep waiting and looking forward to hearing good news from you. Unfortunately, the bad news comes before any good news is in sight. As matter stands, the recent construction of Container Terminal 9 is having an adverse effect on the mid-stream operation at the site. This being the case, the Government intends to relocate such operation to Tuen Mun. It is anticipated that this measure will lead to an increase of as many as 2 000 container-carrier trips per day and cause serious traffic congestion and problems in the Tuen Mun Highway and Tuen Mun in general. Not long ago a motion was carried in the Legislative Council urging the Government to take concrete actions to improve the traffic situation in the New Territories West. But now it seems we still have to wait. Should the Government really move such mid-stream operation to Tuen Mun, it is obviously acting against the wish*

*shared by both the Legislative Council Members and you, Mr Governor. I hope that, Mr Governor, you would give some thinking to this serious problem and reject the proposal of making Tuen Mun Area 16 the site for the said mid-stream stream operation. What is more important is that we expect the Governor to be able to come up with specific plans of improvement for the traffic problems in Hong Kong, in particular those in the New Territories West, because we do not wish to wait any longer. If we are to hear from you, Mr Governor, today some concrete plans of improvement, I believe this will be the best New Year gift to about one million residents living there, including the existing 600 000-plus people in the New Territories West and the 100 000-plus people who are expected to move to Tin Shui Wai in future. We hope that, Mr Governor, you can give us this most welcome New Year gift. Thank you!*

THE GOVERNOR: I am always, of course, anxious to respond as positively as possible to people who want me to make more speeches. The Honourable Member is correct in saying that I have said to him and others in the past that I hoped shortly to be able to make a fairly comprehensive speech about transport strategy. I very much hope that I will be able to do that after the Budget and after strategic decisions have been made about public expenditure and related matters for the coming year, because I recognize that it was one of the gaps in my Legislative Council speech in October, and a gap which many people would like me to fill. I was struck by the number of questions that I had on transport at my public meetings and perhaps not surprised that so many of the questions that I received were about improving transport in the northwest New Territories, improving the links between those who live in the New Territories and their workplaces, very often in the downtown inner city areas.

We have been doing a certain amount, improving, for example, bus and ferry services, but we need to do more, and the two crucial issues that we shall need to resolve are, first of all, the question of Route 3, and secondly, the issue of the improvement and development of rail services between the northwest New Territories and the city. So I hope that I can satisfy the Honourable Member, in due course, with a speech, and I hope the speech says at least some of what he would like it to say.

On Container Terminal 9, all I feel it necessary to say at this point is that the procedures for CT9 have been the same as the procedures for CT8. We have not in any way changed the procedures in the Land Commission, and I hope that in due course that important project will go forward smoothly. As the Honourable Member will know, Hong Kong's port increases its capacity year on year by about the same amount as, say, Oakland or Seattle. It is an indication of what a huge port we have and how important it is to our economic well-being.

REV FUNG CHI-WOOD (in Cantonese): *Mr Governor, you have indicated time and again that arrangements in respect of the 1995 elections would be made according to the voting results of this Council. You may be aware that this*

*Council once passed a motion to abolish the double rent policy on public housing estates. If you go by the same principle, would you consider it appropriate for the Government to respect the wish of this Council and abolish the double rent policy accordingly? If the Housing Authority refuses to follow the views of this Council and insists on maintaining this policy, would you exercise your power to reverse the decision of the Housing Authority? However, if the Government is bent on carrying out the double rent policy, do you think the co-operation between the Government and this Council will be undermined?*

THE GOVERNOR: I think that the Council would be surprised if I were to say that as Governor I would reject whatever proposals the Council eventually agreed on the 1994-95 elections. I think the Council would regard that as unreasonable behaviour on my part. I think the Council would be equally surprised if I said that because I took that view, I also took the view that whatever the Council decided at any moment would be accepted by the executive. I do not think that would necessarily be the basis for good government, omniscient as the Council doubtless is for much of the time.

In relation to the double rent policy, the Honourable Member will know that the main justification for the policy is not an increase in funds to the Housing Authority but sensible allocation of housing and fairness. I think I am right in saying that most of those who are paying a double rent are paying about 5% of the income going into the household, which does not seem, I think, excessive to many people. Nevertheless, I understand that the Housing Authority will be reviewing the policy later in the year and I am sure that they will take account of the views expressed by the Legislative Council. I am also sure that they will take account of the fact that if some people, when they reached a certain level of income, were not encouraged to become home owners or flat owners there would then be fewer houses or fewer flats in the Housing Authority to allocate to others who are on the waiting list.

DR PHILIP WONG: *Mr Governor, with due respect, do you have any reason to believe that China did not mean what she said in regard to your proposed constitutional package?*

THE GOVERNOR: I imagine that the Honourable Member will have more to say on that particular subject tomorrow, when I am sure that the whole Council will listen to him with the attention which he deserves. As for what Chinese officials have said from time to time about the proposals which the Government put to the Legislative Council in October, I think I could honestly reply by saying that it depends on what the Honourable Member is referring to, and I suppose it depends on which officials the Honourable Member is referring to. Those officials and those statements which have committed themselves to promoting the stability and prosperity of Hong Kong are statements and officials

with which I can readily identify. None of the statements that I have made on political development in the last few months have, for example, been condemned by the Bar Council of Hong Kong as being violations of the Joint Declaration and the Basic Law.

I very much hope that those expressions of interest in co-operation will form the basis for our way forward in Hong Kong. I say today what I have said in the past and what I will continue to say that I would be very happy at any time to talk about the political development of Hong Kong with Chinese officials. I have no preconditions whatsoever for any talks, I want a dialogue and a constructive dialogue, and I am sure that there is a general concern that we should all work towards a political and economic future for Hong Kong which makes certain that Hong Kong is a world-class city.

MR ALBERT CHAN (in Cantonese): *Mr Governor, you were enthusiastic and hopeful when you talked about the political development and social policies in your policy address. However, you were a bit pessimistic when you came to the Airport Core Programme (ACP). Your feelings at the time have now proved to be correct as reflected by the recent development of the airport project. The Chinese and the British Governments have yet to reach a new agreement on the financing of the ACP which may delay the airport and the airport railway projects. Yet the Chinese Government refused to put forth new or counter proposals on the financing of the airport and airport railway. Will the Administration inform this Council whether it has considered any means or plans to break the present deadlock? Has the Administration considered revising the financing proposals of the airport and airport railway with particular reference to the arrangements on contingent liabilities so as to bring both parties back to the negotiation table in the hope that they would reach an understanding on the new financing package rationally for the sake of the long-term interest of Hong Kong?*

THE GOVERNOR: I think that there is agreement between the Hong Kong Government and Chinese officials about a number of aspects concerning the airport. I think it is important to underline those agreements and I think it is important to note the positive remarks which Chinese officials have made, which I greatly welcome, in recent days and weeks about the airport.

First of all, we all agree that Hong Kong needs a new airport and will get a new airport. Secondly, we all, I imagine, agree that that airport needs to be constructed in the most cost-effective way possible. Thirdly, I hope we all agree that the sooner we can complete that airport, the better for Hong Kong and the region, not least the better for the SAR Government. I think those are all points that we should be able to agree about.

We have put in the past, and much of this debate predated my arrival in Hong Kong, a number of proposals to Chinese officials about financing the



airport. The most recent proposals involved, for example, scrapping any idea of callable equity falling due after 1997. That was, I hope, a constructive attempt to meet what we understood to be Chinese concerns. I will be very happy to build on that proposal or previous proposals that we put, in order to try to find a way in which we can agree a comprehensive financing package for an infrastructure project which all of us are committed to and which all of us want to see completed.

Chinese officials are wholly right when they say that we must do this in the most cost-effective way possible. I think, in response, we can legitimately say in Hong Kong that very few communities have a better record of carrying through infrastructure projects in a cost-effective way than this one. It is no credit to the Governor of Hong Kong. It is every credit to my predecessors and to all those who have worked on these projects. It is also, I think, wholly reasonable for Chinese officials to say that they do not want to see the people of Hong Kong in the future saddled with excessive debts. I do not want to see people in the future saddled with excessive debts, nor do I want to see people in the future missing out on the economic benefits of completing an airport as rapidly as we can possibly complete it.

So I do hope that in that spirit before too long we can agree on an overall financial package for the airport — an airport, I repeat, which it is in everyone's interest to see complete, an airport which would be good for Hong Kong and good, in my judgment, for southern China.

THE GOVERNOR: Miss Anna WU, whom I congratulate.

MISS ANNA WU: *Thank you, Sir. Governor, in your policy address, you refer to your commitment to defend free markets and to establish a comprehensive competition policy for Hong Kong. May I ask what steps you have taken since your policy address to safeguard consumer interests and to break up cartels, if any, political cartels being excluded? (Laughter)*

THE GOVERNOR: I very much enjoyed, the other day, opening the new headquarters of the Consumer Council, chaired, of course, by a former distinguished Member of this Council. It is an organization which has an enormously important role in our community and I am pleased to see it extending the scope of its work and becoming increasingly involved in community affairs. The Council may know that we are helping to fund projects which the Consumer Council are undertaking to the tune of, I think, about \$800,000 to see how competition can be developed in a number of particular sectors, and I hope that the work of the Consumer Council will push back the frontiers in those areas where it proves necessary. We have also had the first, I am sure, of a number of useful discussions in the Business Council, which I announced in my Legislative Council address, and which has now met on two

occasions. We have had useful discussion there on competition policy and I am sure that we will have further useful discussions in the future. I think it is an area where we need to assert general principles and then try to take practical measures in individual sectors, and that is where we need to work very closely with the Consumer Council.

MR ROGER LUK: *Mr Governor, following your policy address last October, many government departments have already laid down their service pledges. What tangible measures are being taken to, first, prevent these pledges from becoming no more than promises, and second, increase the awareness to serve in the Civil Service? Thank you.*

THE GOVERNOR: The Honourable Member is of course right to say that it is imperative that we establish a system in which we can, first of all, check that performance pledges are met, and secondly, ensure that the purpose of them is understood widely in the Civil Service and that they are implemented vigorously in the Civil Service. I think that the Honourable Member could have added a point, which I think has been made in one or two newspapers, that we should also make sure that the performance pledges that we set ourselves in the public sector are not merely statements of what we already do or can easily achieve, but are statements of reasonable objectives for improving public service.

I have been impressed by the efforts that have been made in a number of areas to get the performance pledges exercise off the ground. I have been impressed, for example, by what I have seen of the Hospital Authority's efforts to improve service to patients, to put patients first. It is going to be a job for the Efficiency Unit of the Government to check the progress we make and the extent to which we can extend performance pledges into departments where they do not yet operate. I hope it is an area which this Council will take an active interest in and I hope that I will get further questions on the development of performance pledges in the months and years ahead. It is not, I think, an area where newspapers or legislators or Governors should think they can harry civil servants who are already carrying, in many cases, very heavy burdens. It means that we have to work together with civil servants to do what, I am sure, most civil servants already wish to do, which is to provide the best possible service to the taxpayers and to their clients.

I think I have got time for the last questioner at the top of my sheet. Mr Michael HO.

MR MICHAEL HO (in Cantonese): *Mr Governor, I would also like to talk about issues related to people's livelihood. I wrote to you last month and requested you to help to solve the problem of the shortage of nursing staff. It is obvious from your reply that you still do not understand the present situation in Hong Kong. Actually the shortage of nursing staff has prevented hospitals in*

*many districts from becoming fully operational. One typical example is the Tuen Mun Hospital. This has also been admitted in this Council by the Secretary for Health and Welfare. The solution to this problem involves many areas, such as policies, training, the Civil Service and funding. That is why I requested you to consider setting up an inter-departmental working group. Do you really intend to solve the problem? As the Governor of Hong Kong, how will you tackle this problem?*

THE GOVERNOR: I will certainly look at the issue again if the Honourable Member was dissatisfied with my reply because, of course, he is right to say that it is not enough merely to put investment in new hospitals or clinics unless one has adequate medical personnel to run those units satisfactorily. We are committed, for example, next year in pursuit of our pledges on hospital building, to provide, I think, another 950 hospital beds. That will require more nursing support, as the Honourable Member is entitled to point out. So if the Honourable Member does not think that we are taking the issue sufficiently seriously, that is something which must concern me and I hope I can respond more positively to the Honourable Member than he thinks I have responded so far.

THE GOVERNOR: I am much obliged to the Council. I think the Council probably knows that the Privy Council have now approved the amendments to the Letters Patent and Royal Instructions which enable, or will enable in due course, the Council to dispose of my services as President and elect its own President. The Administration is, I know, working closely with the Council on the necessary draft Standing Orders. I hope those can be agreed before too long and that in due course these sessions will be under the benign and intelligent chairmanship of whoever it is that you elect to preside over your meetings.

### **Adjournment and next sitting**

THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday 13 January 1993.

*Adjourned accordingly at twenty-four minutes to Four o'clock.*

