

1 HONG KONG LEGISLATIVE COUNCIL -- 9 October 1991

HONG KONG LEGISLATIVE COUNCIL -- 9 October 1991 1

LEGISLATIVE COUNCIL

OFFICIAL REPORT OF PROCEEDINGS

LEGISLATIVE COUNCIL CHAMBER

Wednesday, 9 October 1991

The Council met at half past Nine o'clock

PRESENT

THE PRESIDENT

HIS EXCELLENCY THE GOVERNOR

SIR DAVID CLIVE WILSON, G.C.M.G.

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

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

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, 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 NGAI SHIU-KIT, 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 LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

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

THE HONOURABLE MRS MIRIAM LAU KIN-YEE

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

DR THE HONOURABLE LEONG CHE-HUNG

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, J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

PROF THE HONOURABLE EDWARD CHEN KWAN-YIU

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG

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

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE MISS EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

THE HONOURABLE ERIC LI KA-CHEUNG

THE HONOURABLE FRED LI WAH-MING

PROF THE HONOURABLE FELICE LIEH MAK, O.B.E., J.P.

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE NG MING-YUM

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE HENRY TANG YING-YEN

THE HONOURABLE TIK CHI-YUEN

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR LAW KAM-SANG

Affirmations and Oaths

Mr John Joseph SWAINE took the Oath of Allegiance.

Sir David Robert FORD took the Legislative Council Oath.

Mr Nathaniel William Hamish MacLEOD made the Legislative Council Affirmation.

Mr Jeremy Fell MATHEWS took the Oath of Allegiance.

Mr Allen LEE Peng-fei made the Legislative Council Affirmation.

Mr Stephen CHEONG Kam-chuen took the Legislative Council Oath.

Mrs Selina CHOW LIANG Shuk-yee took the Legislative Council Oath.

Mrs Rita FAN HSU Lai-tai made the Legislative Council Affirmation.

Mr HUI Yin-fat took the Legislative Council Oath.

Mr Martin LEE Chu-ming took the Legislative Council Oath.

Mr David LI Kwok-po took the Legislative Council Oath.

Mr NGAI Shiu-kit made the Legislative Council Affirmation.

Mr PANG Chun-hoi made the Legislative Council Affirmation.

Mr SZETO Wah made the Legislative Council Affirmation.

Mr TAM Yiu-chung made the Legislative Council Affirmation.

Mr Andrew WONG Wang-fat took the Legislative Council Oath.

Mr LAU Wong-fat made the Legislative Council Affirmation.

Mr Edward HO Sing-tin took the Legislative Council Oath.

Mr Ronald Joseph ARCULLI took the Legislative Council Oath.

Mr Martin Gilbert BARROW took the Legislative Council Oath.

Mrs Peggy LAM took the Legislative Council Oath.

Mrs Miriam LAU Kin-yeek took the Legislative Council Oath.

Mr LAU Wah-sum took the Legislative Council Oath.

Dr LEONG Che-hung made the Legislative Council Affirmation.

Mr James David MCGREGOR took the Legislative Council Oath.

Mrs Elsie TU made the Legislative Council Affirmation.

Mr Peter WONG Hong-yuen made the Legislative Council Affirmation.

Mr Albert CHAN Wai-yip made the Legislative Council Affirmation.

Prof Edward CHEN Kwan-yiu made the Legislative Council Affirmation.

Mr Vincent CHENG Hoi-chuen made the Legislative Council Affirmation.

Mr Moses CHENG Mo-chi took the Legislative Council Oath.

Mr Marvin CHEUNG Kin-tung made the Legislative Council Affirmation.

Mr CHEUNG Man-kwong made the Legislative Council Affirmation.

Mr CHIM Pui-chung made the Legislative Council Affirmation.

Rev FUNG Chi-wood took the Legislative Council Oath.

Mr Frederick FUNG Kin-kee took the Legislative Council Oath.

Mr Timothy HA Wing-ho took the Legislative Council Oath.

Mr Michael HO Mun-Ka took the Legislative Council Oath.

Dr HUANG Chen-ya made the Legislative Council Affirmation.

Mr Simon IP Sik-on took the Legislative Council Oath.

Dr LAM Kui-chun made the Legislative Council Affirmation.

DR Conrad LAM Kui-shing took the Legislative Council Oath.

Mr LAU Chin-shek took the Legislative Council Oath.

Miss Emily LAU Wai-hing made the Legislative Council Affirmation.

Mr LEE Wing-tat made the Legislative Council Affirmation.

Mr Gilbert LEUNG Kam-ho made the Legislative Council Affirmation.

Mr Eric LI Ka-cheung made the Legislative Council Affirmation.

Mr Fred LI Wah-ming made the Legislative Council Affirmation.

Prof Felice LIEH MAK took the Legislative Council Oath.

Mr MAN Sai-cheong made the Legislative Council Affirmation.

Mr NG Ming-yum made the Legislative Council Affirmation.

Mr Steven POON Kwok-lim made the Legislative Council Affirmation.

Mr Henry TANG Ying-yen took the Legislative Council Oath.

Mr TIK Chi-yuen took the Legislative Council Oath.

Mr James TO Kun-sun took the Legislative Council Oath.

Dr Samuel WONG Ping-wai took the Legislative Council Oath.

Dr Philips WONG Yu-hong made the Legislative Council Affirmation.

Dr YEUNG Sum made the Legislative Council Affirmation.

Mr Howard YOUNG made the Legislative Council Affirmation.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT: I should like to welcome you all, new Members and old Members newly returned as Members of this Council. That concludes the formal business this morning. And now in accordance with Standing Orders I suspend this sitting until 2.30 pm this afternoon.

Suspended accordingly at twenty-five minutes past Ten o'clock.

Council resumed at half past Two o'clock.

Papers

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

Subject

Subsidiary Legislation L.N. No.

Post Office (Amendment) (No. 2) Regulations 1991..... 270/91

Public Health and Municipal Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 6) Order 1991.....	274/91
Trade Marks (Amendment of Schedule) Order 1991.....	275/91
Securities (Accounts and Audit) Rules 1991.....	276/91
Securities (Miscellaneous) (Amendment) Rules 1991.....	277/91
Securities (Specification of Approved Assets, Liquid Assets and Ranking Liabilities) (Amendment) Notice 1991.....	278/91
Abattoirs (Urban Council) (Amendment) Bylaws 1991.....	279/91
Antiquities and Monuments (Declaration of Historical Building) (No. 2) Notice 1991.....	280/91
Legislative Council (Date of General Election) 1991.....	Notice 281/91
Statutes of the Chinese University of Hong Kong 2) Statutes 1991.....	(Amendment) (No. 282/91
Companies (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	283/91
Legal Practitioners (Amendment) Ordinance 1991 Notice 1991.....	(Commencement) 284/91
Merchant Shipping (Safety) (Anchors and Chain Cables) Regulations 1991.....	

285/91

Merchant Shipping (Safety) (Cargo Ship Construction and Survey)
(Ships Built Before 1 September 1984) Regulations
1991..... 286/91

Merchant Shipping (Safety) (Cargo Ship Construction and Survey)
(Ships Built on or after 1 September 1984) Regulations
1991..... 287/91

Merchant Shipping (Safety) (Cargo Ship
Safety Equipment Survey) Regulations 1991..... 288/91

Merchant Shipping (Safety) (Closing of
Openings in Hulls and in Watertight Bulkheads) Regulations
1991..... 289/91

Merchant Shipping (Safety) (Dangerous Goods)
Regulations 1991.....
290/91

Merchant Shipping (Safety) (Fire Protection)
(Ships Built Before 25 May 1980)
Regulations 1991.....
291/91

Merchant Shipping (Safety) (Fire Appliances)
(Ships Built on or after 25 May 1980 but
before 1 September 1984) Regulations 1991..... 292/91

Merchant Shipping (Safety) (Fire Protection)
(Ships Built on or after 1 September 1984)
Regulations 1991.....
293/91

Merchant Shipping (Safety) (Gas Carriers)
Regulations 1991.....
294/91

Merchant Shipping (Safety) (Grain) Regulations 1991.....	295/91
Merchant Shipping (Safety) (Life-Saving Appliances) (Ships Built before 1 July 1986) 1991.....	Regulations 296/91
Import and Export (General) (Amendment) Regulations 1991.....	297/91
Import (Radiation) (Prohibition) (Amendment) Regulations 1991.....	298/91
Import and Export (Removal of Articles) (Amendment) Regulations 1991.....	299/91
Import Prohibition (South Africa) (Amendment) Regulations 1991.....	300/91
Import and Export (Strategic Commodities) (Amendment) Regulations 1991.....	301/91
Shipping and Port Control (Amendment) Regulations 1991.....	302/91
Hong Kong Airport (Restricted Areas and Tenant Restricted Areas) Order 1991.....	303/91
Specification of Factors (Financial Exposure of Authorized Institution) Notice 1991.....	305/91

Trade Descriptions (Place of Manufacture) Notice 1991.....	306/91
Apprenticeship (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	307/91
Banking (Amendment) (No. 2) Ordinance 1991 (Commencement) Notice 1991.....	308/91
Import and Export (Amendment) (No. 2) Ordinance 1991 (Commencement) Notice 1991.....	309/91
Industrial Training (Clothing Industry) (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	310/91
Industrial Training (Construction Industry) (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	311/91
Official Solicitor Ordinance 1991 (Commencement) Notice 1991.....	312/91
Vocational Training Council (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	313/91
Corrigendum..... ... 314/91	
Merchant Shipping (Safety) (Life-saving Appliances) (Ships Built on or after 1 July 1986) Regulations 1991.....	315/91
Merchant Shipping (Safety) (Load Line) Regulations 1991.....	

316/91	
Merchant Shipping (Safety) (Load Lines)	
(Deck Cargo) Regulations 1991.....	
317/91	
Merchant Shipping (Safety) (Load Lines)	
(Length of Ship) Regulations 1991.....	
318/91	
Merchant Shipping (Safety) (Load Lines)	
(Particulars of Depth of Loading)	
Regulations 1991.....	
319/91	
Merchant Shipping (Safety) (Means of Access)	
Regulations 1991.....	
320/91	
Merchant Shipping (Safety) (Musters and	
Training) Regulations 1991.....	
321/91	
Merchant Shipping (Safety) (Navigational	
Equipment) Regulations 1991.....	
322/91	
Merchant Shipping (Safety) (Navigational	
Warnings) Regulations 1991.....	
323/91	
Merchant Shipping (Safety) (Passenger Ship	
Construction) (Ships Built before	
1 September 1984) Regulations 1991.....	324/91
Merchant Shipping (Safety) (Passenger Ship	
Construction and Survey) (Ships Built on or	
after 1 September 1984) Regulations 1991.....	325/91

Merchant Shipping (Safety) (Pilot Ladders and Hoists) Regulations 1991.....	
326/91	
Merchant Shipping (Safety) (Protective Clothing and Equipment) Regulations 1991.....	327/91
Merchant Shipping (Safety) (Radio Installations) Regulations 1991.....	
328/91	
Merchant Shipping (Safety) (Radio Installations Survey) Regulations 1991.....	
329/91	
Electoral Provisions (Procedure) (Amendment) Regulations 1991.....	
330/91	
Legislative Council (Electoral Provisions) (Procedure) (Amendment) Regulations 1991.....	331/91
Fixed Penalty (Criminal Proceedings) (Amendment) Regulations 1991.....	332/91
Hong Kong Airport (Control of Obstructions) (Consolidation) (Amendment) (No. 2) Order 1991.....	333/91
Essential Services Corps Ordinance (Amendment of Schedule) Order 1991.....	
334/91	
Merchant Shipping (Safety) Ordinance (Amendment of Schedule) Order 1991.....	335/91
Electoral Provisions (Registration of	

Electors) (Amendment) Regulations 1991.....	336/91
Import Prohibition (South Africa) (Repeal) Regulations 1991.....	337/91
Immigration (Places of Detention) (Amendment) Order 1991.....	338/91
Immigration (Treatment of Detainees) (Amendment) Order 1991.....	339/91
Ending of 1990/91 Session.....	340/91
Dissolution of Legislative Council of Hong Kong.....	341/91
Stamp Duty (Amendment) (No . 3) Ordinance 1991 (Commencement) Notice 1991.....	342/91
Tax Reserve Certificates (Rate of Interest) (No. 4) Notice 1991.....	343/91
Societies (Suspension of Sections 26A and 26B) Order 1991.....	344/91
Electoral Provisions (Election Petition) Rules 1991.....	345/91
Legislative Council (Electoral Provisions) (Election Petition) Rules 1991.....	346/91
Pleasure Grounds (Regional Council) (Amendment) (No. 3) Bylaws 1991.....	347/91

Hong Kong War Memorial Pensions Ordinance 1991 (Commencement) Notice 1991.....	348/91
Rectification of Errors (No. 2) Order 1991.....	349/91
Registration of Persons (Application for New Identity Cards) (No. 11) Order 1991.....	350/91
Specification of Public Office.....	351/91
Companies (Forms) (Amendment) Regulations 1991.....	352/91
Specification of Route (Citybus) Order 1991.....	353/91
Electricity Networks (Statutory Easements) (Rectification of Approved Scheme) Order 1991.....	354/91
Fish Culture Zone (Designation) (Amendment) (No. 2) Order 1991.....	355/91
Declaration of Change of Title (Director of Industry) 1991.....	Notice 356/91
Shipping and Port Control (Specification of Areas) (Amendment) Notice 1991.....	357/91
Noise Control Ordinance (Exemption From Section 6(1) and (2) (Chek Lap Kok) Order 1991.....	358/91
Public Order Curfew (Variation) (No. 3) Order 1991.....	359/91

Tax Reserve Certificates (Rate of Interest) (No. 5) Notice 1991.....	360/91
Education (Amendment) Regulations 1991.....	361/91
Noise Control Ordinance (Exemption From Section 6(1) and (2) (Lantau Fixed Crossing) 1991.....	Order 362/91
Solicitors (Professional Indemnity) (Amendment) Rules 1991.....	363/91
Declaration of Change of Titles (Civil Engineering Services Department and Director of Civil Engineering Services) Notice 1991.....	364/91
Specification of Factors (Financial Exposure of Authorized Institution) (Amendment) Notice 1991.....	365/91
Road Traffic (Amendment) Ordinance 1991 (Commencement) Notice 1991.....	366/91
Road Traffic (Amendment) (No. 3) Ordinance 1991 (Commencement) Notice 1991.....	367/91
Fish Culture Zone (Designation) (Amendment) (No. 3) Order 1991.....	368/91
Shipping and Port Control (Specification of Areas) (Amendment) (No. 2) Notice 1991.....	369/91
Standing Orders of the Legislative Council of Hong Kong Beginning of 1991/92 Session.....	370/91

Standing Orders of the Legislative Council of Hong Kong Specification under 3(5).....	Standing Order No. 371/91
---	------------------------------

Address by His Excellency the Governor:

Paragraphs

(I) INTRODUCTION	1 -- 4
(II) CONSTITUTIONAL DEVELOPMENT	5 -- 16
(III) RELATIONS WITH CHINA	17 --- 29
(IV) PROGRESS REVIEW AND LEGISLATIVE PROGRAMME	30 -- 81
(a) The Economy	37 -- 50
(b) Managing the Government's Finances	51 -- 52
(c) The Physical Development of Hong Kong	53 -- 54
(d) The Environment	55 -- 61

(e) Social Development 62 -- 64

(f) Health and Welfare 65 -- 69

(g) Public Order 70 -- 76

(h) Vietnamese Migrants 77 -- 81

(V) CONCLUSION: SHARED RESPONSIBILITY FOR 82 -- 87

GOOD GOVERNMENT

The Council will now resume. Honourable Members of the Legislative Council,

(I) INTRODUCTION

1. Hong Kong today is going through three crucial changes. All three are shaping our future. All three raise the issue of how to manage the transition to 1997.

2. For the first time, a majority of the Members of this Council has been elected. This is a landmark in the process of our constitutional development. At the same time, we are over half-way between the signing of the Joint Declaration and the reversion of Hong Kong to Chinese sovereignty in 1997. Hong Kong's relationship with the People's Republic has entered a new, closer and more significant stage.

3. Our society itself is undergoing a process of transformation. Increased education and rising prosperity bring higher expectations. We have already launched major investment programmes to improve the economic and social foundations of the territory on which the standard of living of the community depends. These programmes are designed to make sure that Hong Kong will be one of Asia's leading cities in the next century:

-- prosperous;

-- peaceful; and

-- protective of its disadvantaged members, its children and the environment.

4. In this Address, I will review how we plan to manage these three changes. First, however, I should like to welcome you all to this Council, both those who are new to this Chamber and those who have returned after previous service. To those of you who have recently won election, my congratulations. To all of you, because the Council works as a whole regardless of which door Members have entered by, I should like to say that you have a vital contribution to make in all the three areas of change that I have just mentioned. The public looks to you to ensure that the Administration remains in the closest possible touch with the community -- with its anxieties as well as its aspirations. The Administration will look to you for your help in the important task of running Hong Kong in the interests of the people who live here. We all -- together -- share the responsibility of ensuring that the Government's policies and programmes reflect the public's best interests and enjoy the community's support.

(II) CONSTITUTIONAL DEVELOPMENT

5. One of the main points I wish to address today is the working partnership between this Council and the Administration. Without this Council's support and co-operation in the smooth handling of the legislative and financial affairs of the territory, the Government will not be able to deliver the quality and choice of service that our people expect and deserve. For its part, the Administration must adapt its own procedures to the more representative form of government we now have.

6. Under Hong Kong's present constitutional system, the Administration does not nominate candidates for election. It cannot launch its own political party, supported by its own media and constituency apparatus. On the contrary, at a time of elections, the Administration must remain neutral. Its task is to encourage people to take part, both as candidates and voters, and then to see fair play. This role is very different from that of a governing party in a western style democracy.

7. To pass legislation and obtain financial provision for its programmes, therefore, the Administration will have to win the support of a majority of Members in this Council. This means building up a co-operative partnership with the Council. The Administration will play its part by presenting the Council with measures which we believe to be practical, prudent and in the public interest. And we will provide Members with all the information and explanation they need to assess and, I hope, support our proposals. The Administration is determined to meet the community's

needs and, in so doing, to respond positively to the suggestions and criticisms of all Members of this Council.

8. To achieve these goals, civil servants will have to work closely with Members. From today, only three officials will hold seats in this Council. In the last Session, there were ten; six years ago, there were 22. The small number of officials now in the Council could not possibly carry the burden of explaining the Administration's proposals in every area, let alone providing answers to questions put forward by Members on matters of detail. So, in order to help this Council have a full and direct view of the Government's policies in the great range of areas these cover, and to help build up an effective partnership with Members, I will nominate other officials to attend meetings of the Council at appropriate times.

9. These officials will have the task of presenting Bills; explaining expenditure proposals; answering Members' questions; and replying to debates. They will play a vital role in creating effective day-to-day links so that Members can best discharge their responsibilities to the public. A new structure requires new procedures. I am sure you will welcome the contribution these officials can make, and that you will help in the development of this new relationship with the Civil Service.

10. Equally, if not more important, is the relationship between this Council and the Executive Council. Under our system of government, the Executive Council is, and will continue to be, the key policy-making body in Hong Kong. Its Members will have an important role to play -- an increasingly important role -- both in reflecting the views and concerns of Legislative Council Members and in explaining the Administration's proposals to you and to a wider public. This will help us to create an effective working partnership between the Administration and Members of this Council. We need to give Executive Councillors more time to consider policy issues and their implications, and not allow meetings to become cluttered with routine business. A thorough review has been made of how to do this. The Executive Council's procedures are being streamlined to allow its Members to concentrate more, and earlier, on the essential issues.

11. In addition, Members will, I know, wish to review the way in which the Legislative Council itself is organised and conducts its business. Your Standing Orders and procedures are matters for you to decide for yourselves. But I can assure you that you will have the Administration's full co-operation in the search for new or improved ways of carrying out your legislative responsibilities.

12. These changes which I have outlined are only the immediate agenda. Further constitutional development will take place in 1995. The entire Council will then be elected, at least one third of them by direct election. Members will choose their own President. The system of appointed Members will cease. There will be no civil servant Members. The number of directly elected seats will be increased: so will the number of functional constituencies. Some Members will be returned by an Election Committee.

13. To prepare for 1995, a review of the entire electoral system is being undertaken. It should be completed by the middle of next year. Among the main issues to be considered will be the establishment of an independent Electoral Commission. A Commission of this sort could assume responsibility for regulating electoral procedures including canvassing rules, the role of political parties in elections and the question of election expenses.

14. There are other key questions to be tackled. Our electoral rules are now scattered throughout a variety of Ordinances. We need a cohesive framework of electoral legislation. Decisions are also needed on such important issues as fixing electoral boundaries and the age at which young people should be given the right to vote. Later, when we have built up experience of how the Council in its new form operates, we should consider whether to discuss further with China the precise composition of the different elected elements in 1995.

15. Most of the meetings of this Council over the next four years will take place under the chairmanship of Mr John SWAINE, the first Deputy President ever to be appointed. Mr SWAINE will have the important responsibility of ensuring that the Council's business is conducted impartially and efficiently. His appointment is a significant step in our evolution towards a wholly-elected Council in 1995. It underlines the distinct and independent role which this Council will play in the partnership with the Administration. Mr SWAINE's distinguished record of public service, coupled with his experience as a Member of this Council, make him particularly well-suited to be your first Deputy President. I am sure that all Members will join with me in welcoming him to his new post and in wishing him well.

16. The work of this Council has in the past been characterized by a spirit of pragmatism and a respect for the views of others. We must retain these traditions of tolerance, common sense and honest debate. The people of Hong Kong will best be served by a Legislative Council which focuses on issues, decisions and, wherever

possible, consensus.

(III) RELATIONS WITH CHINA

17. In less than six years, China will resume sovereignty over Hong Kong. This simple number demonstrates why for the Administration, as well as the community as a whole, management of the transition to 1997 is of the greatest significance. It explains the importance which we must attach to establishing a harmonious and effective partnership with our counterparts at all levels in China.

18. Hong Kong has developed social and economic systems very different from those of China. Partly for this reason, relations between the two sides have not always been as smooth as we would have liked. Because history has given Hong Kong a different style of running its affairs, political as well as economic, we cannot assume that our way of doing things will immediately be understood or appreciated in Peking.

19. This does not mean that after 1997 the Hong Kong way of doing things will have to be brought in line with the systems in Peking: Hong Kong's way of doing things, and our own systems, will continue. That is what "one country, two systems" means. But if we are to build the sort of partnership with China that we need, it is vital that all of us, Members of this Council, civil servants and the general public, strive to present our Hong Kong point of view patiently and carefully -- and be prepared to listen with equal care and patience. Our aim and expectation should be that the good sense and goodwill which have resolved differences between the two sides since the Joint Declaration will continue to prevail. This expectation has been given fresh life by the Prime Minister's visit to Peking last month and the signing of the Memorandum of Understanding on the new airport.

20. Thanks to the Memorandum, we are now moving ahead with work on building the airport and port facilities which are so important if Hong Kong is to continue to be a major international business centre, as well as a key component in the development of southern China. These projects will also significantly improve the lives of the residents of Kowloon, by ridding them of the noise and other hazards created by Kai Tak. The present site of Kai Tak airport and the whole western half of the New Territories will be opened up for development. These are exciting goals.

21. The Memorandum of Understanding has been recognized widely, both here and

overseas, as evidence that a partnership is evolving between the two sides, based on a willingness to settle differences in the best interests of Hong Kong. The Memorandum of Understanding shows that with patience, perseverance and goodwill, even the most difficult problems in our relationship with China can be overcome.

22. The British Prime Minister's visit to Peking symbolised the beginning of this new phase of closer co-operation. I believe it demonstrated once again the United Kingdom's commitment to Hong Kong. The British Government has made it clear that it is pledged to discharge its responsibility for the territory up to 1997 and to ensure that we continue to have a strong and effective administration. It is an encouragement to us all that in visiting Peking and in coming here to Hong Kong, both the Prime Minister and the Foreign Secretary have positively underlined, in word and deed, Britain's determination to stand by its obligations.

23. I expect that the year ahead will see the Joint Liaison Group functioning with a new impetus and sense of purpose. During the Prime Minister's talks in Peking, it was agreed that the Group's work should be speeded up and all necessary resources given to it, so that the building blocks for the post-1997 system are firmly in place by that year. The Group should now be in a position to function more efficiently and more quickly than has been possible in the recent past. I very much hope that this will enable it to resolve those issues which are still outstanding between the two sides.

24. As 1997 approaches, the need for closer consultation and co-operation with China will increase. From now on, the Foreign Secretary will meet with the Chinese Foreign Minister on a regular six-monthly basis. These meetings will give additional impetus to the work that needs to be done before 1997. I myself look forward to regular meetings with the Director of the Hong Kong and Macau Affairs Office of the State Council.

25. These frequent, direct contacts with senior Chinese leaders will, I hope, enable us to deal with important issues in a more speedy way than has sometimes been the case in the past. I intend to ensure that this closer and more practical relationship is reflected all the way through the Government, so that more and more departments develop working contacts with their Chinese counterparts.

26. Both the quality and the quantity of our working contacts with China are already changing for the better. So far this year, almost 100 government delegations from

Hong Kong have visited China, on a wide range of official business. Over 60 have come in the other direction. We have received a number of senior Chinese visitors, including Mr JI Pengfei and Mr LU Ping, the Ministers of Finance and Energy, and the Governors of the Provinces of Hubei and Jiangsu. This trend will, I hope, continue.

27. It is not just these high level visits that matter. Contacts across the board -- natural contacts with our neighbour -- are vital. Up to the end of August, our land border with China had been crossed over 23 million times by people making visits of various sorts to China or to Hong Kong. This figure shows that a vast network of personal contacts already exists between this territory and the mainland of China. It is a natural growth. We will encourage it.

28. In addition to these human contacts, our bilateral trade and investment relations are already extensive. Over the past decade, the business community has seen the new opportunities presented by economic reform in China. Hong Kong investment in new manufacturing and processing capacity in Guangdong province and elsewhere in China has helped to sustain our own economic growth. At the same time, it has contributed to southern China's overall development. As many as three million workers in Guangdong are employed by Hong Kong factories: four times Hong Kong's own manufacturing workforce. Over 80% of the external investment in Guangdong comes from Hong Kong. We should not forget that Guangdong province alone has a population greater than that of Britain or France. There remains enormous potential for future growth in the coming years. Indeed, I see the southern area of China as potentially one of Asia's most significant centres of economic growth over the next few decades.

29. Achieving the smooth and successful transfer of sovereignty in 1997 is a goal worth every ounce of our ability and effort. Members of this Council will have a role to play in this process as they will in other areas of government. It will not be an easy task. But meeting this challenge is perhaps our greatest responsibility to the people of Hong Kong. I am sure I can count on this Council to play its part.

(IV) PROGRESS REVIEW AND LEGISLATIVE PROGRAMME

30. I should like now to turn to the third major area of change to which I referred at the beginning of this address. This is the transformation of our society by the Government's programmes for developing the economy and the physical and social infrastructure of Hong Kong.

31. It is worth emphasizing the scope of these programmes. The Government is making major new investments not only in the airport, new port facilities and measures to protect the environment, but also in an unprecedented expansion of higher education. For example, between now and 1995, the number of first year places available for higher education in Hong Kong will rise from under 14 000 to over 20 000. This will be no mean achievement, especially as we are determined to maintain internationally accepted standards. It will require a great deal of work from all concerned. But it shows, in one area, just how large and significant are the Government's programmes for improving the life, and the livelihood of this community.

32. In social welfare, this year's White Paper sets out those areas where further efforts are needed to improve and expand our services, particularly for the disadvantaged, the elderly and children at risk. We will have important new proposals coming forward in primary health care; and a comprehensive green paper will soon be published on services for the disabled.

33. These major commitments and new initiatives are in addition to our more traditional programmes. Many of these we tend to take for granted. We are, for example, constantly improving the quality of our primary and secondary education. Our housing programme remains one of the biggest and most impressive in the world. Some three million people -- over half our population -- now live in Housing Authority homes. Nearly 400 000 new flats will be built by the Authority between now and 2001 -- a major area of continuing government investment in the future of the community. All these programmes make use of our economic success to improve Hong Kong's quality of life.

34. Members of this Council are intimately involved in developing such programmes. You provide advice. You approve funds -- and it is worth remembering that increased funding can only come from further economic growth. Above all, you debate and pass the legislation which forms the essential framework for translating policy into action. In this Session alone, the Administration expects to bring more than a hundred items of legislation before the Council.

35. This legislative programme will make an important contribution to tackling Hong Kong's major problems and improving the quality of life of our community. Let me give a few examples.

-- Members will be presented with important proposals designed to combat triads and to help the fight against drug trafficking.

-- There will be at least six Bills aimed at improving the employment conditions of ordinary workers.

-- There will be Bills to protect women and children from abuse in the home.

-- Several Bills will aim to bring Hong Kong's existing legislation into line with the Bill of Rights.

-- A series of measures will increase our controls on pollution.

36. I do not intend in this speech to deal in detail with all these important policy initiatives and legislative proposals. That would make it far too long. Instead, I shall confine my remarks to key areas of progress and to some of the major items of legislation which Members will be asked to support during the coming year. Members will, I am sure, make full use of this debate to raise those areas with which they are particularly concerned. The Administration looks forward to hearing your views. Later in the debate, Branch Secretaries will respond to points raised by Members and take the opportunity to set out in more detail the policies and programmes of the Administration.

(a) The economy

37. I make no apology for starting with the economy. Economic success is the only guarantee of our living standards. Without continued economic growth, we cannot maintain, let alone improve upon, the ambitious programmes we have undertaken to upgrade our social and other services.

38. The prospects for 1992 look good. There are good grounds for being reasonably optimistic about the economic outlook in the medium term. The international situation is very different from when I last addressed the Council.

39. In October last year, the world faced a crisis in the Middle East. Some of the most important world economies were in recession. Locally, we were some way off an agreement with China over our new airport. All this had cast a shadow over our economic prospects.

40. Now, a year on, the success of the international forces in the Gulf has removed a major threat to world peace. And the agreement with China on the new airport has cleared the way for another decade of economic expansion in Hong Kong.

41. Our domestic exports in the first seven months of this year increased by 2% in real terms. This compares with a decline of 3% for the same period last year. Re-exports have boomed -- up 26%. Other indicators of economic activity are also moving in the right direction. Local and overseas investment in plant and equipment has picked up sharply. In the first seven months of this year, such investment was 18% higher than in the same period a year ago. We have already been able to revise upwards our earlier forecast of economic growth. We now expect growth this year to be about 4%.

42. Hong Kong's economic success is tied closely to our traditional role as the gateway to southern China. Our trade with China continues to expand at great speed. It grew by 15% in 1990. In the first seven months of 1991, growth was an astonishing 27%. As a result, intensive business and investment relations are growing between Hong Kong and the fast-developing economy of southern China. Chief executive officers of international companies who are planning expansion in Asia would do well to think of this, and of the role that Hong Kong will play in this key area of growth.

43. Inevitably, despite our impressive record of economic growth and expanding world-wide trade, we continue to face problems. Some are the result of troubles which begin overseas and are beyond our control. In August last year, the invasion of Kuwait was a serious threat to our prospects. In August this year, the attempted coup in the Soviet Union posed a similar threat to international investment confidence. Fortunately, the immediate political crisis in Moscow passed off quickly. But Hong Kong was reminded once again of how fragile world business sentiments are and of the volatility of world markets. All this affects Hong Kong. We are no longer primarily an exporter of light manufactured products. Instead, we are fully integrated into the world's financial markets. We must expect to be more vulnerable than some other places to the gusty winds of crises in different parts of the world. We must keep ourselves increasingly alert to what is happening elsewhere in our global market.

44. On the domestic front, inflation continues to be a major concern. I made the point last year that there is no easy cure. In May, the Government froze fees and charges and cut back on increases in tobacco duty. Civil servants contributed by

accepting a non-inflationary pay increase. We have worked hard to restrain other areas of public expenditure.

45. These measures have had some impact. Inflation declined from a peak of 13.9% in April to 12.7% in August. This is still far too high. We must consider urgently what else we can do to reduce inflation.

46. The real danger is that inflation will remain at too high a level if we do not tackle some of the structural obstacles to economic growth. One of the main ones is the acute shortage of labour in some sectors of the economy. Inflation is only part of the price we must pay for our chronic shortage of labour. In addition, this shortage imposes a severe constraint on the economy's capacity to expand and create additional wealth. And the shortage of workers will increase as our infrastructural projects get underway.

47. We thus face a choice. Do we accept the need to strengthen our labour force with a carefully controlled scheme to import labour? Or do we accept inflation, aggravated by the slow economic growth caused by the acute shortage of labour? I believe we must go for growth. But it must be growth with the right safeguards. We are therefore considering an expansion of our controlled scheme to import workers from overseas -- but only in those sectors of the economy where the labour shortage is most acute.

48. There is, of course, no question of expanding the scheme to the point where the living standards of local workers would be damaged. The objective must be to increase the prosperity of the people of Hong Kong as a whole by removing a major obstacle to economic growth.

49. The Government's responsibility to the work force goes beyond ensuring that their interests are protected when it becomes necessary to import foreign labour. It also means providing statutory protection in respect of health and safety, employment conditions and compensation. During this Session, Members will be asked to consider:

- tighter controls over cargo handling and related operations;
- legislation to provide compensation for hearing loss induced by noise;
- a scheme for the direct settlement of minor compensation claims;

- improved regulation of employment agencies; and
- improvements to the Long Service Payment Scheme to make employees below the age of 45 eligible for payment if they are dismissed after five years' service.

50. A vital aspect of our economic policy is to make sure that we respond to the rapidly changing technological environment. On 1 January next year, a new Industry and Technology Development Council will be established. It will advise the Government on how Hong Kong's industry should respond to technological developments around the world so as to maintain its competitive edge. One of the Council's most important responsibilities will be to recommend grants to selected businesses for applied research and development.

(b) Managing the Government's finances

51. Later, in the debate on this address, the Financial Secretary will explain in detail the Administration's strategy for financing its programmes, taking account of the various economic and fiscal constraints that we face. But the basic principles are clear. If our strategy is to succeed, we must ensure that the overall growth of expenditure is kept in line with the growth rate of the economy. This means that we must continuously re-examine spending plans and existing commitments. We must be prepared to transfer resources from one programme area to another to reflect changing priorities.

52. In co-operation with this Council's Finance Committee, we must look for ways to provide the public with better value in the provision of public services -- in particular, through improvements in the productivity of the Civil Service. The community has a right to expect that higher quality services should be combined with prudent financial planning.

(c) The physical development of Hong Kong

53. Last year, I reaffirmed our intention to build a new airport at Chek Lap Kok. The Memorandum of Understanding signed with China last month means we can move forward with confidence to the next stage of the project. The New Airport Master Plan and the crucial Financial Consultancy for the airport will both be finished within three months. The airport itself, and the railway, major roads and bridges that will link it to the urban areas, together make up what is called the Airport Core Programme.

A good deal of progress has already been made with this Core Programme.

-- Tenders will soon be invited for the contract to reclaim the airport site itself. The site will cover an area of 1 200 hectares. This is larger than the whole of Kowloon south of Boundary Street.

-- The 300-plus hectare reclamation along the shore-line of west Kowloon is well underway. It is already possible to see significant progress with the new breakwater and typhoon shelter.

-- By the end of the year, we expect to receive tenders for construction of the Tsing Ma Bridge. This will be one of the longest suspension bridges in the world.

-- In a few months' time, tenders will also be invited for the Kap Shui Mun bridge, which will form the other major section of the Lantau Fixed Crossing.

-- Early next year, proposals from the private sector to build the Western Harbour Crossing -- a six-lane tunnel, 1.5 km long -- will be invited.

-- Over the next few months, tenders will also be invited for other important projects, including the North Lantau Expressway.

-- Tenders for preparatory works for the new town of Tung Chung will be invited before the end of this month.

-- Finally, design work is well advanced for the West Kowloon Expressway and the Airport Railway.

54. Some people remain concerned about whether we can afford these massive projects. I believe that we both can and must. Of course we need to plan our financing of these and other major projects prudently. Costs must be controlled, and budgets rigorously monitored. But it is worth remembering that our current expectation is that the Airport Core Programme will absorb only about one-quarter of our total capital expenditure during the six years needed for construction. This level of expenditure will be the equivalent of about 2% of annual GDP over the same period. This is only a little higher than the corresponding figure for the MTR during the period of its construction.

(d) The environment

55. Some people also worry about the impact that the enormous infrastructural developments we are undertaking will have on the environment. At the same time, there is a good deal of relief that removing the airport from Kai Tak will make a very substantial difference to the lives of the sorely-tried inhabitants of Kowloon.

56. Improving the environment remains an urgent priority. Last year, I outlined a comprehensive environmental programme designed to ensure that economic progress is not achieved at the expense of a deterioration in the air we breathe and the water we drink.

57. One major priority must be to deal with the more than 22 000 tonnes of rubbish which Hong Kong produces every day. Also we must stop treating the waters around Hong Kong as a dumping ground for sewage and chemical waste. Every year we discharge over 700 million tonnes of untreated sewage and chemical waste into our streams and coastal waters. Much of this goes straight into the harbour. To solve these problems we have launched a comprehensive programme to upgrade our chemical waste, sewage and refuse disposal facilities. Solving long-standing environmental problems is very expensive; but, despite our severe financial constraints, we must and will press ahead. Over the next five years alone, we have committed some \$8 billion to this crucial programme.

58. We also need new legislative controls. This Session, Members will be asked to consider measures to tighten our legislation on air and water pollution. Also to consider new proposals for controlling toxic waste.

59. Pollution is no respecter of boundaries. If our plans are to succeed, we need to work closely with our neighbours in Guangdong. Gradually we are building up the habit and the mechanisms for doing this. The Hong Kong -- Guangdong Environment Protection Liaison Group has a full agenda in the year ahead. For example, our plans to improve the treatment of sewage depend on co-operation with the Chinese authorities on the construction of a ten kilometre submarine pipeline. And the Liaison Group has set up a joint team of environmental experts to recommend control measures to stop the growing pollution of Deep Bay.

60. Improving the environment is not only a matter of government or even private sector investment in major infrastructural projects. Sometimes, significant

improvements can be made at relatively little cost. More emphasis can be given in our schools to the importance of environmental issues, without any radical changes to the curriculum. Making our young people conscious of the environment they live in is vital if we are to achieve a "greener" Hong Kong. In addition, more private companies and government departments could introduce initiatives to save energy and paper. And more tree-planting could be encouraged by district boards in the urban areas. Some district boards have already done a great deal to improve the environment by planting new trees in their streets.

61. A clean and safe environment requires a personal commitment from all of us. The quality of life in Hong Kong depends on all of us taking our environmental responsibilities seriously. For the Government, improving the environment remains a priority -- a major challenge in the 1990s.

(e) Social development

62. I referred just now to the quality of life. The people of Hong Kong have made great sacrifices in the past to build our economy and develop our infrastructure. We are undertaking new and larger investment programmes for the coming decade. But economic growth is not being pursued simply for its own sake. Our goal must be to use the additional wealth created to improve the living standards of all our families and to create an attractive and secure life-style for the community as a whole.

63. Hong Kong today is as socially and economically mature as many developed nations. In such a community, the Government must be no less committed to improving social services and to protecting the disadvantaged than it is to upgrading the physical infrastructure. That is why we have paid so much attention to social services in recent decades. Much has been achieved.

64. There are, however, still areas of social provision where we lag behind the standards we ought to achieve. The Administration will be bringing forward proposals designed to make good existing deficiencies, and to strengthen our commitment to the disadvantaged and those at risk. Let there be no misunderstanding: the Administration does not regard improving the quality and variety of our social services as a luxury. It is no less important than our investments in port facilities or new road systems.

(f) Health and welfare

65. Major improvements are underway in the medical and health services. The Hospital Authority was formally established on 1 December last year. It will take over the management of all government and subvented hospitals on 1 December this year. This important reform will enable us to improve the quality of patient care in public hospitals throughout the territory. Within a year, rows of camp beds in overcrowded wards will, I hope, be a thing of the past.

66. A major policy review has concluded that, in the past, not enough attention has been paid to primary health care. Improvements in this area could well reduce other medical expenditure in the longer term. The review's major recommendations include:

- introducing a new Student Health Service;
- improving our School Dental Service;
- developing a computerized health information system;
- strengthening our health education system; and
- introducing new screening services for women and the elderly.

67. The Government will also present Members with a series of legislative proposals in the health and welfare field. I hope they will win your full support. One priority is the control and discouragement of smoking. New legislation will be introduced to restrict further the use, sale and promotion of tobacco products. This will involve the imposition of a maximum tar limit; stronger health warnings; the greater use of no-smoking areas; and a clearer definition of what constitutes tobacco sponsorship.

68. In the welfare field, Members will be asked to consider major amendments to our child protection legislation. These will redefine the circumstances under which children require the protection of the Director of Social Welfare and the courts, and provide additional powers of investigation. They will prevent people who are obviously unsuitable from taking on the responsibility of child-minding.

69. This is the final year of the United Nations Decade of Disabled Persons. Hong Kong will mark this occasion with a Green Paper setting out a comprehensive package

of proposals to help the disabled members of our community. Our goal must be not just to provide assistance for the disabled, but to give them equal opportunities, as far as possible, with other members of the community. The measures to be considered include:

- increased integration of disabled children into mainstream education;
- more sheltered workshops for those unable to compete fully in the open market, combined with vigorous encouragement of open employment of the disabled;
- more day activity centres and residential care facilities for the severely mentally handicapped;
- renewed efforts to improve access for the disabled in using buildings and transport facilities;
- a rehabilitation services strategy which takes into account the increasing number of elderly people in the community; and
- an education programme to transform the public's attitude to the disabled.

(g) Public order

70. I will now turn to law and order. Our community is rightly concerned that Hong Kong should remain a safe city in which to live, work and raise a family. The Government shares that concern. We will not let standards slip. Contrary to the impression given by a few dramatic and much publicized criminal incidents, there has been no deterioration in the crime figures in overall terms. Our crime rates remain well below the levels which plague so many other major cities.

71. Nevertheless, there is real cause for concern at the recent increase in violent crime. Robberies involving firearms or imitation firearms have increased threefold in the past five years. The Government shares the community's outrage at such crime. It cannot be tolerated. We must, and will, take determined measures to prevent it.

72. There is already a stronger police presence on the streets. This has meant moving some police officers from support to operational duties; redeploying the Police Tactical Unit; and making greater use of the Auxiliary Police. Relieving the police

from managing the High Island Detention Centre has also helped. There are now 200 more police officers on the streets of the city every day than there were three months ago. In addition we have four regional police emergency units, which have available more powerful and sophisticated arms and protective equipment. These units are there to respond to "999" calls and, in emergencies, to move quickly to support officers on patrol.

73. Over the past 12 months, the police have carried out a series of successful, large-scale operations directed at preventing serious crime. These operations are made possible by intelligence reports on the sources of firearms and the identity of criminals and criminal gangs. Gathering information has been helped by increased co-operation with the Chinese authorities. Our police are developing a good working relationship with their counterparts across the border, not only in the fight against cross-border crime, but also in the rapid exchange of information.

74. Smuggling, particularly of cars and electrical goods into China, has been a particular cause for concern. But the Anti-Smuggling Task Force which was set up in February this year has had a significant impact. In February of this year, there were 167 thefts of luxury cars; in September, only 27. Gangs which had been smuggling thousands of electrical goods to China every day find it much more difficult to ply their trade: the law now makes those who help them highly vulnerable to detection and prosecution. Our success in this area shows that even apparently intractable law-and-order problems can be overcome, given determination, co-operation with China, improved co-ordination of our own security efforts and tight legislative controls.

75. Putting an end to organized crime must also remain a major priority. The success of other countries in destroying the power of organized crime syndicates shows what can be achieved. Since my last address, the police force has been looking intensively at recent developments in triad organization and activity in the territory. Anti-triad operations have been reinforced at street level and anti-triad intelligence is being stepped up. Triad activity will be hit hard in the coming months.

76. We must combine new police initiatives with tough legislation if we are to combat the potential threat to order and stability posed by organized crime. A White Bill has recently been published so that the views of the community can be sought. The proposals in the Bill would improve our ability to prosecute and punish those involved

in organized crime. They would deter organized criminal activity through heavier penalties. And they would cripple the power of criminal syndicates by allowing the proceeds of crime to be confiscated. This major new initiative has the full backing of the Fight Crime Committee. I hope that Members will support the Bill when it comes before them in the new year.

(h) Vietnamese migrants

77. In the past year, Hong Kong has continued to face major difficulties in coping with the influx of Vietnamese migrants. This is an issue which remains a matter of deep concern to the community and to the Administration. So far this year over 20 000 Vietnamese have arrived on our shores. The camp population in Hong Kong is now over 64 000.

78. After so many years of effort, it is encouraging that we are now seeing welcome signs of greater resolve by the international community, including Vietnam, to deal with this problem. For our part, we will continue to conduct ourselves in accordance with the internationally-agreed Comprehensive Plan of Action. We look forward to discussing with the Vietnamese authorities over the next few weeks the details of an orderly return programme for those screened out.

79. Meanwhile, our existing programmes for returning volunteers to their homes in Vietnam, and resettling overseas those found to be genuine refugees, will continue. Since my last address, a year ago, some 6 000 volunteers have gone back to Vietnam. In addition, some 7 000 refugees have left Hong Kong for a new life overseas. This is partly due to our successful use of the new refugee transit centre in the Philippines.

80. A month ago we were able to close the Tuen Mun Open Centre. We are aiming to close the Kai Tak Centre next month. Very soon the Pillar Point Centre will be the only camp for refugees in Hong Kong.

81. It is important that we should continue to look for a sensible, fair and humane way to begin to solve the human tragedy of those who have come in their thousands to Hong Kong from Vietnam trying -- with no real hope of being accepted -- to seek a new life on the other side of the world.

(V) CONCLUSION: SHARED RESPONSIBILITY FOR GOOD GOVERNMENT

82. In conclusion, I believe that, with the help of the Council, we can, and will, deal successfully with the changes which this territory is going through and which are transforming our relationship with China, our political system and our economic and social infrastructure. Hong Kong has a record of meeting challenges successfully. That is the standard we must set ourselves. That is our source of confidence in facing the future.

83. The Administration is committed to doing all it can to meet the aspirations of the community. Inevitably, in reaching for this objective, there will be debate over the selection of priorities and how best to use limited resources. Some of the choices will be complex. Some will no doubt be painful. But I can assure Members that the consistent principle for the Administration will be to determine what is best in the public interest. In trying to chart the right course for government programmes, we shall rely heavily on the advice of this Council and on building up a constructive partnership with its Members.

84. Over the next few years we are committed to making major financial investments in the physical infrastructure of the territory. These projects -- the airport, expanding the port, protecting the environment, building roads and tunnels -- are all part of building for the future. They are all part of making sure that, in the next 10 and 20 years, Hong Kong will be able to compete successfully with other centres in the region and, by competing successfully, provide a life of opportunity and prosperity for its people.

85. These projects will not be carried out at the expense of other aspects of the community's life. Better quality and a wider choice in education; maintaining a high standard of law and order; improving health care; strengthening social welfare; and more efficient transport services all are equally important and will be major parts of the Government's future programmes.

86. To achieve all our goals will not be easy. We will need to develop a practical working relationship with China. We will need an efficient and dedicated Civil Service. We will need, in this Council, the commitment of all Members to work together for the common good. Together, we have a task of great historical significance in working for the people of Hong Kong. Much is expected of us all. Together, much can be achieved.

87. With the help of this Council I believe that we will meet successfully the challenges and the changes which confront us.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: Now in accordance with Standing Orders I adjourn this Council until 2.30 pm on Thursday, 17 October.

Adjourned accordingly at half past Three o'clock.