

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 12 May 1993

The Council met at half-past Two o'clock

## PRESENT

THE PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., LL.D., 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 JOHN WOOD, C.B., 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 HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., 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, 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 PEGGY LAM, 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 MRS ELSIE TU, C.B.E.

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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 HENRY TANG YING-YEN, J.P.

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, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

**ABSENT**

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

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

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

THE HONOURABLE VINCENT CHENG HOI-CHUEN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE STEVEN POON KWOK-LIM

**IN ATTENDANCE**

MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.  
SECRETARY FOR TRANSPORT

THE HONOURABLE JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

MR ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.  
SECRETARY FOR SECURITY

MRS ELIZABETH WONG CHIEN CHI-LIEN, I.S.O., J.P.  
SECRETARY FOR HEALTH AND WELFARE

MR RONALD JAMES BLAKE, J.P.  
SECRETARY FOR WORKS

MR CHAU TAK-HAY, J.P.  
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE MICHAEL SZE CHO-CHEUNG, I.S.O., J.P.  
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR ANTHONY GORDON EASON, J.P.  
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

MR MICHAEL DAVID CARTLAND, J.P.  
SECRETARY FOR FINANCIAL SERVICES

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR CLETUS LAU KWOK-HONG

THE DEPUTY CLERK TO THE LEGISLATIVE COUNCIL  
MR PATRICK CHAN NIM-TAK

**Papers**

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

*Subject*

| Subsidiary Legislation  | <i>L.N. No.</i> |
|---|-----------------|
| Hong Kong Airport (Control of Obstructions)<br>(Consolidation) (Amendment) Order 1993.....  | 145/93          |
| Banking Ordinance (Amendment of Third Schedule)<br>(No. 2) Notice 1993.....   | 146/93          |
| Declaration of Increase in Pensions Notice.....   | 147/93          |
| Widows and Orphans Pension (Increase) Notice.....   | 148/93          |
| Hong Kong Industrial Technology Centre<br>Corporation Ordinance (21 of 1993)<br>(Commencement) Notice 1993.....                         | 149/93          |
| Pension Benefits Ordinance (Established Offices)<br>Order (L.N. 136 of 1993)<br>Corrigendum.....  | 150/93          |
| Multi-storey Buildings (Owners Incorporation)<br>(Amendment) Ordinance 1993 (27 of 1993)<br>(Commencement) Notice 1993.....             | 151/93          |
| Sessional Paper 1992-93   |                 |
| No. 78 — Revisions of the 1992-93 Estimates approved by<br>the Urban Council during the<br>Fourth Quarter of the 1992-93 Financial Year |                 |

**Oral answers to questions****Illegal immigrant workers**

1. MR ALLEN LEE asked: *Will the Administration inform this Council of the total number of Chinese illegal immigrants who were arrested for working in Hong Kong during the last 12 months?*

SECRETARY FOR SECURITY: Mr President, 2 291 illegal immigrants from China were arrested at places of work in the 12 months ending 30 April 1993.

MR ALLEN LEE: *Mr President, will the Secretary inform this Council what the average penalty is for these illegal immigrants caught working in Hong Kong, and how many employers employing illegal immigrants have been prosecuted, and what the average fine is?*

SECRETARY FOR SECURITY: Mr President, I would, I think, like to start by saying that of the illegal immigrants who are prosecuted the great majority, over 90%, are prosecuted for serious offences, such as using forged or stolen identity cards or for robbery or some other offence. It is less than 10% who are prosecuted for the offence of simply entering Hong Kong illegally. But I believe that the normal sentence in such cases is a prison term of 15 months.

In the case of employers, it has been, I think, the general practice in the past that sentences of fines or possibly suspended prison sentences have been imposed. Certainly the Administration has felt that these penalties have been too low in the case of employers and I am very glad to see that there has been recent guidance given by the Court of Appeal on the penalty that is appropriate to employers of illegal immigrants in such cases, and this is to the effect that a jail sentence of two or three years is normally the appropriate penalty.

MRS ELSIE TU: *Mr President, I understand that in the women's prisons in Hong Kong, 60% of the inmates are illegal immigrants from China. Can the Secretary tell us how many of them were illegal workers in Hong Kong, and if possible, their ages?*

SECRETARY FOR SECURITY: Mr President, no, I do not have that detailed information. I can confirm that something like 60% of the women in prison in Hong Kong are illegal immigrants from China. I do not have the other statistics sought, although, as I said in answer to the previous supplementary, over 90% of the illegal immigrants in prison are there for offences other than entering Hong Kong illegally.

DR LAM KUI-CHUN: *Mr President, will the Government provide some serial figures to show whether the problem of illegal immigrant workers is being overcome or running out of hand?*

SECRETARY FOR SECURITY: Mr President, I would say that illegal immigration continues to be a serious problem, but I do not believe it is out of hand. In fact, we have had some recent indications that illegal immigrants are

finding it more difficult in Hong Kong to find work now, and I certainly hope that the effect of the Court of Appeal ruling, which I have just referred to, will be that employers will be much more reluctant to offer employment.

MR MARTIN BARROW: *Mr President, could the Secretary advise the annual cost of keeping illegal immigrants in prison, and does he think this is the best use of the taxpayer's money rather than sending them straight back to China?*

SECRETARY FOR SECURITY: Mr President, I would have to give a written reply on the costs as I do not have those figures with me. (Annex I) I do believe, though, that if we are to tackle the problem of illegal immigration effectively, we must concentrate on the root cause and that is employment, and that we must impose suitable penalties both on the illegal immigrants who are found working in Hong Kong and on the employers.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, will the Secretary inform this Council of the number of unsuccessful prosecutions against employers for employing Chinese illegal immigrants and the reasons for that?*

SECRETARY FOR SECURITY: Mr President, I am afraid I do not have any figures on the number of prosecutions against employers that were unsuccessful, but I could perhaps try to give a general reply. One of the problems that we certainly have faced in prosecuting employers — and this, I think, particularly applies to employers on construction sites — is that it is very difficult sometimes to prove who the employer is. This is particularly the case where there are many subcontractors on a particular site, and certainly that has inhibited prosecutions of employers in a number of cases.

MRS PEGGY LAM (in Cantonese): *Mr President, will the Administration inform this Council how many of the 2 291 illegal immigrants were brought into the territory by "snakeheads"? Does the Administration have any ways or means to prosecute these "snakeheads"?*

SECRETARY FOR SECURITY: Mr President, we certainly would not have any information on the number that made their own way here or the number who may have been assisted by other people. But it is certainly our policy that, wherever possible, we would prosecute "snakeheads" or others who aid and abet illegal immigration, and the penalties for that are very severe.

MR HOWARD YOUNG: *Mr President, I assume this 2 291 figure is only a part of the arrests since the Secretary is only talking about places of work. But would the Secretary tell us to what extent "stop and search" plays a role in these arrests? In other words, are the arrests because of proactive action by the authorities in trying to seek the illegal immigrants out or are they only reactive in responding to tip-offs?*

SECRETARY FOR SECURITY: Mr President, yes, Mr YOUNG is correct that this figure of 2 291 is only a relatively small percentage, I think less than 10% of the total number of illegal immigrants arrested and repatriated to China. Most of the illegal immigrants arrested at places of work would have been as a result of raids either random or on information by the police or the Immigration Department. But in the case of other illegal immigrant arrests, certainly a significant number would have been as a result of stop and search or roadblock checks.

DR PHILIP WONG: *Mr President, can the Secretary inform this Council whether, on the employers' side, there are many second offenders?*

SECRETARY FOR SECURITY: Mr President, I believe not, but I do not have detailed figures with me. I believe that we do not have a big second offender problem in the case of employers. We do have a significant second offender problem in the case of illegal immigrants.

### **Legal procedure for recovery of debts**

2. MR JAMES TO asked (in Cantonese): *Will Government inform this Council:*
- (a) *whether consideration has been given to simplifying the legal procedure in relation to the recovery of debts so that money lenders can legally and effectively recover their loans without having to resort to debt collecting companies to recover them on their behalf;*
  - (b) *if so, what specific plan is in hand; and*
  - (c) *if not, why not?*

SECRETARY FOR SECURITY: Mr President, the existing legal procedures for recovery of debts are contained in various Ordinances: the Small Claims Tribunal Ordinance for claims below \$15,000, the District Court Ordinance for other claims below \$120,000 and the Supreme Court Ordinance for any other claims.



The procedures for seeking legal recovery of debts are fairly simple and we are satisfied that these procedures, and the powers of the courts in such cases, are effective in enabling plaintiffs to recover debts. The Administration has not, therefore, given any consideration to simplifying these legal procedures.

We are however, concerned about allegations of debt collection companies resorting to illegal means to recover debts, although it is not clear whether the reason money lenders employ debt collecting companies is because they are dissatisfied with the legal procedures involved in the recovery of debts. We are now examining the need for some form of regulation of debt collecting companies.

MR JAMES TO (in Cantonese): *Mr President, may I refer to the second paragraph of the reply in which the Secretary said "..... effective in enabling plaintiffs to recover debts". At present, one of the procedures through which judgement debt can be obtained is to examine a debtor's means before a court. However many people believe that some debt collectors can obtain, without resorting to illegal means, information on a debtor's assets which cannot be obtained through proper legal channels. Can the Administration inform this Council whether consideration has been given to reviewing this particular issue, that is, the obtaining of asset information to enable the realization of judgement?*

SECRETARY FOR SECURITY: Mr President, not as far as I am aware. But I am not really familiar with the legal procedures involved in this process and I wonder if I could ask the Attorney General whether he could help me.

ATTORNEY GENERAL: Mr President, there are plenty of legal means in order to recover debt. As the Secretary for Security has said, there are three courts to which recourse can be had. One of the difficulties, of course, in relation to debt collection and debt recovery, is that very often the debtor himself has very little money with which to satisfy the debt. If he has no money at all, of course it is very difficult, indeed impossible, to recover that debt by legal means. And it is not unknown, of course, for debt collecting agencies to approach the debtor, threaten him, and require members of his family to pay the money.

So far as asset information is concerned, there are means of obtaining asset information lawfully. If legal proceedings are taken for the recovery of debt and judgment is obtained, there are a number of orders that the court can make. But most particularly in this respect, the plaintiff may require the debtor to attend in court by way of judgment summons, and in that way the plaintiff may examine the debtor as to his means, as to his assets, and as to his ability to pay the debt.

MRS MIRIAM LAU: *Mr President, the fact that money lenders employ debt collecting companies in lieu of or in addition to the adoption of legal procedures suggests that current legal procedures are not effective to achieve the purpose intended, that is, to recover debts. This being the case, on what basis does the Secretary state in the second paragraph of his answer that the procedures are effective in enabling plaintiffs to recover debts?*

SECRETARY FOR SECURITY: Mr President, I think the fact that some people resort to debt collecting companies to recover debts is not necessarily because the existing procedures for doing so through legal channels are not satisfactory. It is very difficult to say what the reason is but I believe that cost could well be a significant factor.

MR SIMON IP: *Mr President, would the Secretary tell this Council whether there are any plans to review the jurisdiction of the Small Claims Tribunal, raising it from \$15,000 to a more appropriate level, and whether there are any plans to increase the number of bailiffs employed for the enforcement of judgments?*

SECRETARY FOR SECURITY: Mr President, I am afraid I do not know. I will have to give a written reply. (Annex II)

MR WONG WAI-YIN (in Cantonese): *Mr President, referring to the last sentence of the Secretary's reply which says "We are now examining the need for some form of regulation of debt collecting companies", does that imply the Administration also considers that the practices of some debt collecting companies are improper and the situation is indeed very serious? Can the Secretary inform this Council of the form of regulation that is being contemplated?*

SECRETARY FOR SECURITY: Mr President, it is difficult, I think, to gauge precisely the extent of illegal methods used by debt collecting companies. Certainly, the number of complaints made to the police does not indicate that this is a widespread problem. Last year there were a total of 73 complaints relating to unlawful debt collection activities made to the police, of which 31 concerned debt collecting companies. But that may not give a true indication of the scale of the problem. Certainly, some debt collecting companies and some debt collectors do go beyond what is lawfully permissible and stray into the area of unlawful activities. It is really in order to regulate their activities better that the police have recently conducted a study into debt collection and they have put forward recommendations about some form of licensing or registration and some form of self-regulation and code of conduct for debt collecting companies. These recommendations were recently considered by the

Fight Crime Committee and we need to do quite a lot of further work on them, but those are the measures that we are now intending to consider.

MR JAMES TO (in Cantonese): *Mr President, in his supplementary answer a while ago, the Attorney General mentioned that there were plenty of means to effect judgement, that is "realization of judgement" and they include, among other things, examining a debtor's means. But the debtor may say, "I have nothing, no deposit, no share, no jewellery, no gold bullion and no property". Then the creditor may have to employ private detective or resort to other means to ascertain the financial position of his debtor to show that the debtor did lie about his ability to pay in order to have the judgement enforced. May I ask if the Administration would review the situation that in law a respondent can simply give a flat "No" answer to questions about his assets, which can relieve himself of all liabilities, leaving the creditor no other alternative but to turn to debt collecting companies to recover the money?*

SECRETARY FOR SECURITY: Mr President, I do not think I would like to comment on that definitively at the moment. But I take the point that Mr TO is making and it is something that I will certainly look into.

### **Cancer prevention**

3. DR HUANG CHEN-YA asked (in Cantonese): *In view of the fact that cancer is the foremost killer disease in Hong Kong and that the number of deaths has continued to increase in recent years, will the Government inform this Council of the preventive educational programmes and preventive medical services provided by the Government to combat this disease; and of the total amount of government expenditure on these services in the current year?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, anti-cancer education programmes are conducted by the Department of Health in collaboration with other government departments, professional bodies and voluntary agencies. The Department's Central Health Education Unit, in particular, promotes and facilitates community efforts in anti-cancer education through the provision of a whole range of advice and audio-visual resource materials to schools and voluntary agencies. Other departments and agencies also provide educational advice and services where appropriate, for example, the Occupational Health Division of the Labour Department provides professional advice and education to workers exposed to occupational hazards. And, for example, the Council on Smoking and Health (COSH) runs health education programmes highlighting the dangers of cigarette smoking, which is recognized as the single most preventable cause of cancer.

These educational programmes include exhibitions, seminars, publications and training for facilitators. They are targeted at the general public, at youth and at groups known to be particularly at risk.

On the basis of the Department of Health's expenditure of \$12.6 million on health education in the current year, we estimate that about one-sixth, or \$2 million, will be spent on cancer prevention. The focus is primarily on prevention of lung and liver cancers. This figure does not take into account the advice and counselling provided to the public on a day-to-day basis by our healthcare professionals in, for example, government out-patient clinics. Nor does it include expenditure undertaken by other departments or agencies in support of the Department of Health's education programme, nor expenditure on specific anti-cancer preventive programmes such as a Hepatitis B vaccination programme for the prevention of liver cancer in young children.

DR HUANG CHEN-YA (in Cantonese): *Mr President, the Secretary says that anti-cancer education programmes are conducted by the Department of Health in collaboration with other professional bodies and voluntary agencies. Will the Secretary inform this Council whether the Administration is aware that the Hong Kong Anti-Cancer Society has to scale down much of its work on anti-cancer education because of lack of fund in the absence of financial assistance from the Government this year? May I ask what the Government's policy is on financing voluntary organizations in cancer prevention work?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, I cannot comment on the specific case but I will look into this. Certainly, my colleagues and I value the advice and the collaborative effort from many organizations, including community organizations, who are dedicated to the preventive work. There are various areas of deficiency where we need additional support and, in conjunction with these organizations in question, I will certainly welcome additional support, financial or otherwise.

MR MAN SAI-CHEONG (in Cantonese): *Mr President, prevention is better than cure. For food such as salt-fish that may cause cancer, will the Administration prescribe safety standards for the protection of the public? Have efforts been made to educate the public by way of factual information or by releasing confirmed results of studies?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, I think in the prevention of cancer, education certainly is the best course of action and naturally the curing aspect is very important too. I do not at the moment contemplate legislation against eating salt-fish, unless there is sufficient pressure on the Government to do so and I am not sure that pressure actually at the moment exists. However, in terms of expenditure on health education, apart

from the \$12.5 million, there are also centres of excellence which are being contemplated at the moment, for example, one centre of excellence being built at the Prince of Wales Hospital. The capital expenditure alone is \$120 million, and there are other anti-cancer programmes, the costs of which are collectively quite handsome. There are different types of cancer preventive programmes, for example, the Anti-Smoking Programme which annually would cost in excess of \$3 million.

DR LEONG CHE-HUNG: *Mr President, many of these deadly cancers have identifiable possible causes which may be preventable, such as smoking for cancer of the lungs and Hepatitis B for cancer of the liver. Can the Secretary inform this Council whether the Administration has any health targets for eradicating some of these causes so that the deadly disease of cancer can be curbed, in particular the timetable, for example, for banning sale of cigarettes to young children and minors, and for the total territory-wide eradication of Hepatitis B infection?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, my colleagues and I certainly welcome any ideas on the focussing of educational efforts in specific areas which will be carefully targeted. As far as Hong Kong is concerned, lung cancer and also liver cancer are the two chief killers, and therefore these remain our focus for the time being. But if there are any more ideas on how to prevent and make cancer more curable, I would certainly welcome new initiatives from the community and from professionals.

#### **Sino-British talks on 1994-95 election arrangements**

4. REV FUNG CHI-WOOD asked (in Cantonese): *The public and the Legislative Council have no knowledge of the contents of the Sino-British talks that are being held on arrangements for the 1994-95 elections and the convergence of the political system in 1997. Will the Government inform this Council of the agenda and progress of each round of these talks so that the public will not be deprived of their right to information and they will be assured that their interest will not be sacrificed?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, on 13 April this year, the Chinese and British sides agreed that the Government Representatives of the two countries would hold talks on the arrangements for the 1994-95 elections in Hong Kong in accordance with the Sino-British Joint Declaration, the principle of convergence with the Basic Law and the relevant agreements and understandings reached between China and Britain. Two rounds of talks have since been held in Peking; the first on 22-24 April, and the second on 28-29 April. The two Government Representatives have agreed to hold a third round of talks in Peking on 21-23 May.

As agreed with the Chinese Government, the contents of these discussions are confidential. Their scope is defined in the announcement of 13 April. There are no pre-set detailed agenda for each round of meeting. The aim of the British side in these talks is to achieve an understanding with the Chinese side on arrangements for the 1994-95 elections which are, fair, open and acceptable to the people of Hong Kong. If an understanding is reached with the Chinese side, we will recommend it to this Council. There is no question of sacrificing the interest of Hong Kong.

REV FUNG CHI-WOOD (in Cantonese): *Mr President, we understand that it might not be that appropriate to disclose all the details of the Sino-British talks, but as the future political system will directly affect our 6 million people and have a far reaching impact on us, the public has a right to know as to what have been discussed in the talks, and the views or demands put forward by each side. Can the Administration once again urge the Chinese side to allow disclosure of more information after each round of talks?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, as I said, the content of the talks will have to remain confidential. And indeed although it is not appropriate for us to disclose the details of the talks and although there is no pre-set agenda for each round of the talks, the scope of the talks as well as the basis for them are already defined and made public in the announcement on 13 April. I think it is very difficult to have the talks half in private and half in public if we are to try to achieve a successful outcome for the talks. So whilst I sympathize with the thrust of the Rev FUNG's question, I think it will be very difficult for us to comply.

MR MARTIN LEE (in Cantonese): *Mr President, after the first round of the Sino-British talks, we could learn from our Administration only the date and place of the second round of talks. Likewise, after the second round, the date and place of the third round. But when a team headed by Mr Frederick FUNG went to Peking, he could find out more about the talks. At least, he was informed of what had been discussed. That being the case, could this be taken to mean that in the future if we would like to know about anything, we have to ask Mr FUNG to take all the trouble of going north again to get the information for us?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, as I said, we have agreed with the Chinese side that the content of the talks will remain confidential and we intend to abide by our agreement. But I would like to add that if an understanding is reached with the Chinese Government — and one hopes that that will be achieved — we will share it with the community and this Council, as we have done in the past.

MR ERIC LI (in Cantonese): *Mr President, it seems that after each round of talks, the media knows much more than Members of this Council do. The case in point is, I think, how to tell whether such information is true or not. In such circumstances of news confusion, how can the Administration ensure that Members of this Council will know all the facts they need to know in order to make an impartial judgement for the public?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, we have a free, active and aggressive media in Hong Kong, and very often, I can say, they know more things than I do. So I cannot help on that one.

MR LEE WING-TAT (in Cantonese): *Mr President, in the second paragraph of his reply, the Secretary has mentioned that "there are no pre-set detailed agenda for each round of meeting". I find this very surprising and it leaves the impression that the talks are not as serious as it should be. As there are no pre-set agenda for each round of meeting, how can the Administration ensure that there are substantive and practical discussions on specific matters in each round of talks, and that the two sides will not merely talk about principles, or engage in one-way dialogue in which each will only talk about his own concern?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, I would not wish the phrase of "no pre-set agenda for each round" to be misunderstood, because the talks are about the arrangements for the 1994-95 elections. Under that big heading there are many issues which need to be tackled, and these issues have in fact been unveiled by the Governor in his speech to this Council on 7 October, and Members are aware of the proposals. But as to which meeting we address which particular topic, there is no pre-set agenda.

MISS EMILY LAU (in Cantonese): *Mr President, according to a number of opinion polls conducted by the media recently, it was found that about 70% to 80% of the respondents said they were much worried about a secret deal and that the public might be betrayed. Does the Administration consider the results of such polls to be true; if so, why do the public think that way?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, first of all, as to whether or not there will be any secret deal, I think it is clear that there will be no secret deal nor can there be any, because any agreement has to be explained and justified to this Council. It will be for this Council, in exercising its constitutional role, to either pass, amend or reject the relevant draft legislation. That is my answer to the last part of the question.

As to the first part of the question relating to results of polls on the worries, I can only say whatever answer I give will not convince the doubting Thomases of this world. They will soon find out whether or not there are secret deals. So my answer to that is "wait and see".

MR RONALD ARCULLI: *Mr President, we have been told that the Legislative Council cannot depart from an international agreement entered into by the United Kingdom Government. If that is correct, how can the Secretary for Constitutional Affairs expect this Council to accept the answer that he has given to Miss Emily LAU?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, the question of international agreements has been dealt with previously by the Governor in answer to a similar question in this Council. And as regards international agreements entered into by the British Government, the relevant one I can think of is the Joint Declaration. I, for one, believe that neither this Government nor the British Government nor this Council will accept an agreement which is outside or contravenes the Joint Declaration. The second one is the International Covenant on Civil and Political Rights. I do not again think that an agreement which contravenes that covenant will be acceptable.

MR FREDERICK FUNG (in Cantonese): *Mr President, the Secretary has mentioned in the second paragraph of his reply that "there are no pre-set detailed agenda for each round of meeting". Although the aim of both sides is to hold talks on arrangements for the 1994-95 elections, if there are no detailed agenda, such talks will only give the impression that they are "talks without any communication". How long does the Secretary think it will take before there is an agreed agenda?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, I think the question really revolves round whether or not there will be a deadline for the talks. I think Members would understand and appreciate that there are many very difficult issues to be covered by these talks and I do not think that it will be useful either for me here to speculate or to set a deadline for these talks.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, the people of Hong Kong and Members of this Council appreciate with sympathy the hard work of officials of the Hong Kong Government who have participated in the talks (though not in the capacity of official representatives), in particular our Secretary for Constitutional Affairs, who did not even have a chance to make clear to the media his personal views. However, our Governor Mr PATTEN has often expressed his views on political reforms and the tripartite relationships between the United Kingdom, China and Hong Kong through different forums.*



*Does this amount to indirect leak of secrets which will have a negative effect on the talks in future?*

PRESIDENT: I do not think that falls within the main answer and question, Mr CHIM.

MR SZETO WAH (in Cantonese): *Mr President, will the Secretary inform this Council whether the "information" on the talks which Mr Frederick FUNG got from Peking is "good information" or "false information"?*

PRESIDENT: That would be outside Standing Orders, I am afraid, Mr SZETO Wah.

MRS SELINA CHOW: *Mr President, I was going to ask the Secretary for an assurance that there will be no secret deals and there will be no circumvention of this Council. That question has been answered.*

MR FRED LI (in Cantonese): *Mr President, for confidentiality's sake, I will not ask about the content of the talks. But I would like Mr SZE to inform this Council: when the talks started, it was repeatedly said that this Council would go into recess on 21 July this year, which would be the deadline for passing the relevant Bill. But now it is said that no deadline has been set, and the passage of the Bill may be deferred to the end of this year. Will Mr SZE inform this Council how long it actually takes for making the administrative arrangements for the 1994-95 elections so that we can make the necessary preparation?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, before I answer the question, may I seek a ruling on this because I have a similar question to Mr Fred LI's present supplementary to answer next Wednesday. Should I pre-empt that by answering the question now, or should I reserve it until next Wednesday?

PRESIDENT: Mr LI, would you like to wait until next Wednesday when it can be answered properly?

MR FRED LI (in Cantonese): *Mr President, I hope Mr SZE could give us a good answer next Wednesday.*

**Dangerous slopes**

5. DR LEONG CHE-HUNG asked (in Cantonese): *In view of the arrival of the rainy season, which may easily cause accidents such as landslides, will the Government inform this Council of:*

- (a) *the progress and latest development of inspection, maintenance, clearance and related follow-up works carried out on dangerous slopes all over the territory since the tragedy involving loss of lives and property caused by landslides in Baguio Villa and other places during the rainstorms in May last year; and*
- (b) *the measures that are in place to avoid the recurrence of accidents like the one at Baguio Villa?*

SECRETARY FOR WORKS: Mr President,

- (a) The Government has all along been very concerned about the landslides and in particular the accidents involving squatters on hillsides. The progress and latest development since the unfortunate landslide in Baguio Villa and other places last year in May are as follows:

- (i) Inspection and clearance of squatters

Since July 1992, the Geotechnical Engineering Office (GEO) has been reinspecting about 70 squatter villages in the New Territories (NT). They are being reinspected in priority order, based on the time since the original inspection, the village population, and also any landslide history. It is expected this reinspection will be completed on schedule in June of this year. At the end of March, 35 villages had been reinspected and around 4 500 huts recommended for clearance. The Housing Department is developing a programme for clearance.

The study of areas not previously inspected in the NT will start in July. At present, there are about 80 such areas, and it is likely that more will be added as work progresses. This will take around a year to complete. On completion of the inspection programme for these areas in 1994, a further round of reinspections of NT villages will be undertaken.

- (ii) Long-term maintenance measures

The Government has a long-term programme to investigate all slopes and retaining walls. Government slopes and

retaining walls found to be unsatisfactory are upgraded under the LPM Programme. Unsatisfactory slopes and retaining walls on private land must be upgraded by the private owner. For these cases, GEO initiates a statutory order under the Buildings Ordinance requiring owners to investigate and undertake any upgrading works found necessary. If the owners default on these orders, the Government carries out the work at the owners' expense.

During the 1992-93 financial year, statutory orders were served on private lot owners in 31 cases. Upgrading works were completed by the Government on 43 government slopes and retaining walls and works commenced on 61 others. The expenditure under the LPM Programme during the last financial year amounted to about \$73 million for slope works.

In this current financial year, work will be in progress on a total of 67 slopes and retaining walls under this programme. In addition, a great deal of slope work, at a cost of several hundred million dollars per year, is carried out in both the public and private sectors in association with new projects.

On the question of follow-up works consequent to the rainstorms on 8 May 1992, the repair works to slopes in Baguio Villas that failed last year were substantially completed shortly after the rainstorms. Major cases at Baguio Villas and Kennedy Road have been made safe and I have inspected these works.

(iii) Slope maintenance

A review of the landslips which occurred during the severe rainstorm has confirmed that a lack of routine maintenance to slopes and retaining walls is a major contributory factor in the occurrence of landslips. The Government is currently undertaking a publicity campaign to encourage those responsible for slope maintenance to carry out the necessary routine inspections and minor repair works. A new slope maintenance hot-line is in operation by the GEO and publicity efforts are reinforced by a public advisory service, which commenced in June last year, giving public access to the Catalogue of Slopes and maps showing squatter safety clearance.

The District Offices also distribute leaflets in squatter villages giving precautionary advice to hut dwellers at the start of the wet season and this has been done this year. This leaflet

contains simple guidance about slope safety and the need for immediate evacuation in the case of matters of concern.

During this coming wet season GEO will continue to operate the Landslip Warning System in conjunction with the Royal Observatory and shelters will be provided by the District Offices to accommodate hut dwellers in need.

(b) Recurrence of incidents like the one at Baguio Villa

Following the severe rainstorm on 8 May 1992, the GEO began a systematic search for cases which might have the same characteristics as the Baguio landslide. Although over 1 200 individual features have since been inspected, no such cases have yet been discovered. If any are discovered, urgent preventative works will be carried out.

DR LEONG CHE-HUNG: *Mr President, in the first paragraph of his answer the Secretary indicates that some 35 villages in the New Territories have been reinspected since July last year and around 4 500 huts recommended for clearance, and that the Housing Department is also developing a programme for clearance. Can this Council be informed:*

- (a) *what the timetable is for this clearance programme;*
- (b) *when all the residents will be rehoused; and*
- (c) *whether the clearance programme that the Secretary has mentioned will coincide with the rehousing programme indicated to this Council on 20 May 1992?*

SECRETARY FOR WORKS: Mr President, it is planned that by 1996 all squatters on government land in the urban area will be cleared, and the GEO is now concentrating on the more vulnerable of the remaining squatters on hillsides in the New Territories. The squatter clearance programme to improve village conditions over the last decade has contributed significantly to reducing the landslip hazard to squatters. But we will not rest content until all squatters living on vulnerable hillsides have been identified and rehoused.

Since the mid-1980s, some 64 000 squatters have been cleared and around 58 000 of these, of course, have been from the urban area. Over the last year, about 1 700 squatters were rehoused from slopes in the New Territories which were identified as especially vulnerable, and rehousing offers have also been made for another 300 people. The programme is actively under way and, in conjunction with the Housing Department, it is our intention to get all squatters off vulnerable slopes just as quickly as possible.

MR EDWARD HO: *Mr President, referring to paragraph (a)(i) of the main reply, will the Secretary inform this Council what the Housing Department's programme is for clearing the 4 500 huts recommended for clearance?*

SECRETARY FOR WORKS: Mr President, the programme is to clear as quickly as possible, but I will provide further supplementary programme information so far as I am able to at this present point in time. I would like to do that separately. (Annex III)

DR SAMUEL WONG: *Mr President, for the 61 other slopes and retaining wall repairing works mentioned by the Secretary for Works, I presume most of them are within private lots. Could this Council be informed as to how many of these the Government has been unable to recover the cost and what the total amount of money involved is?*

SECRETARY FOR WORKS: I think, Mr President, the Honourable Member may have misunderstood. I believe I have said that works were completed on 43 government slopes and retaining walls, and in fact work commenced on 61 others. These would all therefore be within the Government's long-term preventative maintenance programme.

DR SAMUEL WONG: *Mr President, I mean how many of the privately owned lots did the Government have to come in and do the repair works and subsequently were unable to recover the cost?*

SECRETARY FOR WORKS: I am afraid, Mr President, that is a level of information detail which is not immediately available. I believe similar information was provided last year; I will research and make sure that that is brought up to date.

### **Medium of instruction**

6. MR TIK CHI-YUEN asked (in Cantonese): *Will the Government inform this Council:*

- (a) *whether, in view of the delay in introducing the Target and Target-Related Assessment (TTRA) Scheme, it will consider revising the time frame for implementing the scheme of grouping secondary school students according to the medium of instruction as well as the system for assessing the students' language ability; and*

- (b) *as members of the public are concerned that the implementation of medium of instruction grouping as proposed in the Education Commission Report No. 4 would aggravate the trend in placing the importance of the English language above the Chinese language, what measures are in place to alleviate such concern, such as, adjusting the civil service recruitment policy, language requirements for admission to tertiary institutions and the requirements on languages used in public examination?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the Government's policy regarding the language of instruction in schools is to encourage and assist schools and parents to choose the most appropriate medium for effective learning. To this end, and on the recommendation of the Education Commission, we are working to provide a framework whereby schools will decide whether to become English-medium, Chinese-medium or two-medium schools (that is to say, operating both Chinese and English classes), starting from the 1994-95 school year with Secondary One.

Of course, before parents and schools can choose an appropriate medium rationally, they need information on the language abilities of the individual child and the overall student intake. The introduction of Targets and Target-related Assessments (TTRA) would have provided useful information in this regard, but they will represent only one of several sources of such information. Indeed, ECR4 recognized from the outset that TTRA would not be ready for use when schools were first scheduled to make the choice and that, initially, the results of the secure Hong Kong Attainment Test (HKAT) would provide schools and parents with the necessary objective guidance. ECR4 also stressed that, even after the introduction of the secure HKAT and TTRA, the allocation of secondary school places would still be based on the present system which, in turn, is based on internal assessments covering the whole primary curriculum scaled by the Academic Aptitude Test. In the light of this background, the Government sees no need to revise the timetable for schools to decide on an appropriate medium of instruction, even if we have decided to defer the introduction of TTRA.

The Government does not accept the suggestion that the policy on the choice of language of instruction in schools would aggravate the trend in placing the importance of the English language above that of Chinese. The policy recognizes that students can learn better in their mother tongue and therefore seeks to encourage and bring about more learning in Chinese. And it challenges educators and parents alike to abandon the popular but mistaken belief that operating English medium schools or sending their children to such schools is necessarily the right thing to do. But it also seeks to give the opportunity to those who have the proven ability to learn effectively in English to do so.

In terms of policies and practices to recognize the rightful place of the Chinese language in our community, public examinations may now be taken in

either Chinese or English (apart, obviously, from the language subjects themselves). No indication of the language used is shown on the formal results. Proficiency in Chinese is now an entry requirement for most civil service posts, including the Administrative Service. All tertiary institutions now stipulate a pass in Chinese as a general requirement for admission, in the same way as the Use of English requirement. In line with the recommendations in ECR4, special courses and measures will be introduced this year to help candidates who have studied through the Chinese medium to satisfy the Use of English requirement for admission to tertiary institutions.

MR TIK CHI-YUEN (in Cantonese): *Mr President, the Secretary mentioned in the second paragraph of his reply that initially, the results of the secure Hong Kong Attainment Test would provide schools and parents with the guidance that helped them to make their choice. However, parents in general consider that the status of Anglo-Chinese secondary schools is higher and that their children can have better achievements in English if they study in these schools. Since it is up to parents to decide whether to choose a Chinese-medium or English-medium school, does the Government have any measures in place to encourage parents and assist them in choosing a secondary school with an appropriate medium of instruction for their children?*

SECRETARY FOR MANPOWER AND EDUCATION (in Cantonese): Mr President, over the years, the reports of the Education Commission and various publicity drives and education efforts served to hammer home the message that "students in general learn better in their mother tongue". We earnestly hope that this message can reach all parents, and that they will bear this in mind when choosing schools for their children, thus making a rational choice for the benefit of their children. In the final analysis, however, the option still lies with parents.

MRS SELINA CHOW (in Cantonese): *Mr President, the Secretary has said just now that the message has been put across to parents and the public. Has the Administration ever assessed or tried to find out whether the message has been passed on effectively because we often hear that many parents and members of the public fail to understand it or even misconstrue it? If the situation has been assessed, has the Administration taken any measures to deal with the problem?*

SECRETARY FOR MANPOWER AND EDUCATION (in Cantonese): Mr President, we do not have any large scale or systematic assessment on this. One thing I would like to point out though is that parents' attitude towards this, I think, has changed a lot. In the past, there were fewer tertiary places and many parents thought that learning in the medium of English would give their children a better chance to be admitted to tertiary institutions. In recent years, however, with more and more tertiary places, there is every indication that this

concept is changing. Moreover, as there are going to be changes to our constitutional system, the Chinese language is given more recognition these days. As far as provision of resources and services is concerned, the Government, acting on the advice of the Education Commission, has been taking steps to assist in particular schools and students with Chinese as their medium of instruction so that these students can have as good a chance to enter tertiary institutions as other students. These include giving candidates a choice of answering questions in either language in examinations, no indication of the language used on examination results and providing, at the appropriate stage, English enhancement courses or bridging courses for students in Chinese-medium schools to help them reach a certain standard in English. Through these measures, we hope we can achieve the objective of encouraging the use of the mother tongue as the medium of instruction.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr President, the Government on the one hand says that the use of the Chinese language as the medium of instruction is to be encouraged while on the other hand it places students good at both languages in Anglo-Chinese secondary school through a secure attainment test. Is that policy self-contradictory? Will that further strengthen parents' belief that the English language is for elite students while the Chinese language is for those who do badly academically, thus aggravating the social trend in placing the importance of the English language above that of the Chinese language?*

SECRETARY FOR MANPOWER AND EDUCATION (in Cantonese): Mr President, the secure attainment test is not meant to be a vehicle for determining which students should go to Chinese middle schools and which should go to English-medium schools. Rather it is meant to be a reference for parents and schools from which they could judge a student's learning abilities. Places are still allocated according to the present school places allocation system, and it is mainly the parents who make the choice. Parents have the right to choose which kind of school they would send their children to. Even if their children are found to be proficient in the English language, parents who like or prefer to send their children to a Chinese-medium school are perfectly free to do so.

### **Written answers to questions**

#### **Putonghua as a compulsory subject**

7. MR GILBERT LEUNG asked (in Chinese): *As Hong Kong will become a Special Administrative Region of China in 1997 and Putonghua is the national language of the People's Republic of China, will the Government inform this Council whether there is any plan to stipulate putonghua as a compulsory subject in the curricula for primary and secondary education; if so, of the time frame*



*and details for implementing this plan and of the additional manpower and resources to be incurred; if not, what the reasons are?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, schools are now free to choose which subjects to teach in order to meet the needs of their students and the community at large. The Education Department provides guidance in the form of separate curricula for primary and secondary schools, comprising core and elective subjects.

At present, Putonghua is taught as an elective subject in 375 primary schools and 154 secondary schools. In addition, 93 other schools promote the learning of Putonghua through extra curricular activities. The Government's policy is to encourage schools to teach Putonghua and to train teachers for this purpose. In the 1991-92 school year, training was provided for over 1 000 teachers.

The Sino-British Joint Declaration and the Basic law provide that the future Hong Kong Special Administrative Region (HKSAR) shall maintain the educational system previously practised in Hong Kong. The Government believes that the present policy of encouraging and facilitating the learning of Putonghua is appropriate for Hong Kong's needs. It will continue to monitor the situation to ensure that, as far as possible, resources are provided to match changes in demand.

### **Precision metal working capability**

8. DR HUANG CHEN-YA asked: *As Hong Kong's limited capability for processing precision metals has hindered progress in the production of electronic goods involving precision mechanical parts and precision production processes, will the Government inform this Council what efforts are being made to improve the situation?*

SECRETARY FOR TRADE AND INDUSTRY: Mr President, the metals industry of Hong Kong has been enhancing its precision metal working capability by acquiring more sophisticated machinery in order to supply the electronics and other industry sectors with high precision metal parts.

The Hong Kong Productivity Council (HKPC) is doing much to develop precision manufacturing technology to meet the needs of the industry. Its CAD/CAM Workshop, Sheet Metal Processing Laboratory, Precision Casting Laboratory and Photochemical Machining Laboratory are equipped with computer-aided-design and manufacturing systems, high precision computer numerically controlled machine tools and advanced sheet metal processing equipment. These enable it to provide consultancy and training services in design and manufacturing of precision metal toolings and parts. These services

are well advertised to local manufacturers so that they can acquire up-to-date know-how in precision metals processing.

To ensure that the industry has an adequate supply of competent and skilled workers in precision metal fabrication, the Vocational Training Council (VTC) has enhanced its training facilities in respect of precision tooling and manufacturing of precision mechanical parts. Its Precision Tooling Training Centre, together with its Precision Sheet Metal Processing Training Unit, are equipped with sophisticated machining and metal stamping equipment to provide practical training.

With the trained manpower available from the VTC, and with the support services available from the HKPC, the local metal industry has the means to respond to market demands for precision products.

### **Law Reform Commission's "fast track" procedure**

9. MISS EMILY LAU asked (in Chinese): *In his reply to a question on the progress of work of the Law Reform Commission at the LegCo Sitting held on 4 December 1991, the Attorney General said that the Commission had initiated a "fast track" procedure for some legal topics. Will the Government inform this Council:*

- (a) *what progress has been made by the Commission in expediting the study and review of legal topics;*
- (b) *what criteria are adopted in determining the priority of the reviews; and*
- (c) *how many topics are still waiting to be reviewed by the Commission?*

ATTORNEY GENERAL: Mr President,

- (a) When the reply referred to in the question was given, the average length of time taken to complete a review was 44 months per topic. Since that time, two references have been dealt with by the "fast track" procedure, which does not involve the assistance of a subcommittee. These references were completed in an average of 29 months. One reference is currently being considered under the "fast track" procedure, while terms of reference have been signed for a further reference which will be dealt with in the same way.
- (b) Subjects for review by the Commission are chosen by the Attorney General or the Chief Justice. There are no set criteria which are to be followed when the choice of topics is made. The Chief Justice

and the Attorney General use their judgment to decide which subjects are most deserving of review. Once topics have been formally referred to the Commission, they are generally dealt with in the order in which they were referred, and as staff resources become available on completion of earlier references.

- (c) There are seven topics currently before the Commission, either under discussion in a subcommittee or the Commission itself, or being worked on by the Secretariat. Terms of reference have been signed in relation to two further topics and the Secretariat will begin work on these in due course.

### **Premium surcharge on handicapped drivers**

10. DR CONRAD LAM asked (in Chinese): *In view of the substantial increase in the surcharge of premiums imposed on handicapped drivers by many insurance companies, will the Government inform this Council:*

- (a) *of the number of traffic accidents in which handicapped drivers were involved and the percentage they represented in the total number of traffic accidents that occurred in the past five years; how it compares with the traffic accident percentage of other drivers; and*
- (b) *whether it has any effective measures to monitor and regulate the imposition by insurance companies of surcharge on premiums payable by the handicapped drivers; if not, whether it will consider subsidizing the handicapped drivers in need of assistance in this respect?*

SECRETARY FOR TRANSPORT: Mr President,

- (a) The information on traffic accidents involving handicapped drivers in the last five years as a percentage of the total number of traffic accidents, is as follows:

|   | 1988   | 1989   | 1990   | 1991   | 1992   |
|---|--------|--------|--------|--------|--------|
| Accidents involving handicapped drivers               | 0      | 2      | 1      | 17     | 13     |
| Total traffic accidents                               | 16 318 | 16 214 | 15 255 | 15 327 | 15 322 |
| Percentage of accidents involving handicapped drivers | 0      | 0.012  | 0.007  | 0.111  | 0.085  |

The traffic accident rate for handicapped drivers in 1992, compared with the rate for other private car drivers, is as follows:

|                           | <i>No. of accidents</i> | <i>No. of licensed drivers</i> | <i>No. of vehicles</i> | <i>Accidents per 1 000 drivers</i> | <i>Accidents per 1 000 vehicles</i> |
|---------------------------|-------------------------|--------------------------------|------------------------|------------------------------------|-------------------------------------|
| Handicapped drivers       | 13                      | 1 298                          | 640                    | 10.0                               | 20.3                                |
| Other private car drivers | 5 981                   | 993 429                        | 224 144                | 6.0                                | 26.7                                |

- (b) The Government's role in the supervision of insurance companies, as stated in the Insurance Companies Ordinance, is to ensure that the companies are managed by fit and proper persons and are able to meet their obligations in full. The Authority is specifically debarred from interfering with an insurer's pricing policy, on the principle that commercial decisions are best determined by market forces.

A recent survey by the General Insurance Council has revealed that at least 21 of the 66 authorized insurers providing motor vehicle insurance in Hong Kong, provide insurance cover for handicapped drivers. This cover is offered either without imposing a disability loading, or on more advantageous terms than would be offered to other drivers.

In the circumstances, there should be no difficulty for handicapped drivers in obtaining motor vehicle insurance on either equal or more favourable terms. Financial assistance should not therefore be required to meet the cost of the insurance. The General Insurance Council of Hong Kong is also willing to provide handicapped drivers with further information on the range of motor vehicle insurance services available to them.

### **KCRC's dividend payout to Government**

11. MR LAU CHIN-SHEK asked (in Chinese): *As the Kowloon-Canton Railway Corporation (KCRC) has paid over \$400 million in dividends to the Government in the past three years, will the Government inform this Council of the following:*

- (a) *the agreements and criteria on the basis of which the Government and KCRC determine the amount of dividends to be paid to the Government each year; with specific reference to the amount of*

*dividends paid in the past three years, how the computation of dividends is linked to KCRC's turnover and net profit;*

- (b) the impact of paying dividends to the Government on KCRC's cash flow, development plans and fare increase rates in each of these three years; and*
- (c) if the Government has assessed whether or not allowing KCRC to retain the dividends would facilitate more effective distribution of social resources in safeguarding people's livelihood?*

SECRETARY FOR THE TREASURY: Mr President,

- (a) The cost of net assets vested in the KCRC by the Government represents the initial capital of the Corporation (\$2,117 million). In recognition of this investment, section 9(1) of the KCRC Ordinance provides that the Financial Secretary may, after consultation with the Corporation, give the Corporation directions requiring it to pay the whole or part of the excess to the Government.

In determining the extent of any dividend to be paid, account is taken of the financial performance of the Corporation, its cash-flow requirements (including its future investment programme) and fare levels.

It should be noted that no dividend was sought in the years 1983-89.

The \$415 million in dividends paid in the last three years represents the only return to the public on their substantial investment in the Corporation since 1983. The dividends paid to date are as follows:

| <i>Table 1</i>  | <i>1990</i> | <i>1991</i> | <i>1992</i> |
|-----------------|-------------|-------------|-------------|
| Dividends       | \$125M      | \$140M      | \$150M      |
| % on Turnover   | 7.9%        | 7.6%        | 7.0%        |
| % on Net Profit | 20.0%       | 31.0%       | 28.4%       |

- (b) The distribution of dividends to Government over the last three years has had no impact on KCRC's development programme and fare levels. Indeed, during the last three years, after the payment of dividends to Government of \$415 million, and transfers of \$813 million to its Development Reserve (which now stands at \$1,233 million) the Corporation's retained profits have increased by \$371 million and fares have not needed to be increased over the level of inflation.

- (c) The payment of any dividends is considered on a year by year basis. The interests of the public at large and those of travelling public who make regular use of the KCR in particular reign paramount. Due account is taken of both fare levels and future investment requirements and thus the levels and quality of service to the Corporation's existing and potential customers.

### Importation of labour

12. MR LAU CHIN-SHEK asked (in Chinese): *Will the Government inform this Council of the respective numbers of persons allowed entry into Hong Kong to take up employment in each of the past three years, classified under the following categories:*

- (a) *the general labour importation scheme;*
- (b) *the special importation of labour scheme for the new airport projects;*
- (c) *persons with special skill from overseas who have been issued work permits (excluding those allowed to enter Hong Kong under the two schemes referred to in (a) and (b) above);*
- (d) *persons allowed entry from overseas to undertake training in Hong Kong; and*
- (e) *other specified categories?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the numbers corresponding to the categories listed in Mr LAU's question are as follows:

| <i>Category</i> | <i>Numbers allowed entry</i> |             |             |
|-----------------|------------------------------|-------------|-------------|
|                 | <i>1990</i>                  | <i>1991</i> | <i>1992</i> |
| (a)             | 12 843                       | Nil         | 11 227      |
| (b)             | Nil                          | 34          | 352         |
| (c)             | 11 859                       | 13 073      | 12 941      |
| (d)             | N.A.                         | 2 746       | 4 342       |
| (e)             | 24 060                       | 28 498      | 32 989      |

As regards (a): the figures represent the numbers of persons who were granted employment visas against the quotas announced during the years specified. The figure for 1990 and 1992 include 740 and 319 workers

respectively who were admitted to replace imported workers whose contracts were prematurely terminated. No quota was announced during 1991.

As regards (b): the figures represent the numbers of employment visas actually issued during the years specified.

As regards (d): separate statistics on entry for training were not available before 1991.

As regards (e): the figures mainly represent the numbers of employment visas granted to domestic helpers.

### Computerization programmes in government departments

13. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council of the rough estimated costs of implementing computerization programmes and replacing out-dated computer systems in various government departments in the next three years?*

SECRETARY FOR THE TREASURY: Mr President, a rough estimate of the expenditure required for the development and implementation of Information Technology (IT) programmes, including the replacement of out-dated computer systems, in various government departments for the three years 1993-94 to 1995-96 is \$1.831 billion as follows:

|         | Year Estimated expenditure |
|---------|----------------------------|
|         | \$m                        |
| 1993-94 | 584                        |
| 1994-95 | 610                        |
| 1995-96 | 637                        |
| Total   | <u>1 831</u>               |

It is not possible to give a simple breakdown of the estimated expenditure between new and replacement computer systems because the latter often involve the enhancement and enlargement of existing systems. A breakdown by type of project is given below:

|   | <i>\$m</i> |
|---|------------|
| (a) for implementation of nine Information System Strategy Studies;       | 695        |
| (b) for 60 major projects costing over \$5 million; and                   | 838        |
| (c) for projects costing less than \$5 million financed from a block vote | 298        |
|   | -----      |
|   | 1 831      |
|   | =====      |

### Overseas nurses

14. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of its approach towards implementing the established policy on the recruitment of overseas nurses;*
- (b) *of the criteria adopted by the relevant authorities in accrediting the qualifications and determining the duties and salary scales of overseas nurses; and*
- (c) *whether consideration will be given to recruiting more qualified overseas nurses to serve in public hospitals, clinics and infirmaries and so on?*

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) The Government's approach towards the recruitment of overseas nurses is developed in line with its overall recruitment policy. Consideration will normally not be given to overseas recruitment unless there is difficulty in local recruitment. In view of the prevailing manpower situation, the Public Service Commission approved in October 1990 the recruitment of up to 150 trained nurses from overseas as an interim measure to alleviate the then shortage of nurses.
- (b) All nurses, irrespective of the country in which they obtained their training, must apply for registration with the Nursing Board before they are allowed to practise in Hong Kong. All applications are assessed by the *Nursing Board* having regard to the theoretical and practical training of individual applicants, as well as the facilities



available at the institution providing their professional education. Applicants may also be required to prove their competency in nursing by undergoing examination conducted by the Nursing Board, and to make up for their clinical deficiencies in recognized hospitals for specified periods.

- (c) The same criteria are applied in determining the duties and salary scale of local and overseas nurses. Allocation of duties is based on relevant experience in the particular specialty while the salary scale is determined with recognition to previous post-qualification experience.
- (d) Both the Hospital Authority and Department of Health are satisfied with the outcome of their local *recruitment* drives. Other than the 150 overseas nurses approved by the Public Service Commission, as mentioned in paragraph (a) above, no overseas recruitment exercise is being considered for the time being.

### **Agricultural land for storage of containers**

15. MRS SELINA CHOW asked: *Will the Government inform this Council what strategy is being planned to contain, with a view to eventually eliminating, the environmental nuisance and safety threats caused by the use of agricultural land for the storage of containers and scrapped vehicles?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, there are three main elements in the Government's strategy to contain and reduce the problems caused by the use or abuse of agricultural land in the manner described in this question.

First, the Development Permission Area (DPA) Plans provide a basis for the control of land-use in the New Territories. Since the enactment of the Town Planning (Amendment) Ordinance in 1991, 31 DPAs have been published. Permission from the Town Planning Board is now required for new development inside areas covered by DPAs but not zoned for the purposes planned, and unauthorized development is subject to enforcement action.

Second, further progress can be expected as the DPA plans are converted into Outline Zoning Plans in the near future. More positive zoning for proper development to provide for the uses in question should be possible. To help this process, Planning Department is commissioning a planning study on open storage uses which will assess the overall demand for such uses and their site and locational requirements.

Finally, with regard to non-conforming uses which existed before the gazetting of the DPA Plans, amortization as proposed in the Consultative

Document on the Comprehensive Review of the Town Planning Ordinance and other proposals such as upzoning, may help provide solutions to this problem in the longer term.

### **Soft drug abuse**

16. MR FREDERICK FUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the specific plans in hand to combat the abuse of soft drugs by young people; and*
- (b) *whether it will increase the subvention for those services which help young addicts to give up soft drugs?*

SECRETARY FOR SECURITY: Mr President, we do not use the term "soft drugs" because it gives people, youngsters in particular, the wrong message about drugs, and tends to disguise the otherwise harmful effects of all drugs. We prefer to follow international practice and refer to psychotropic substances and substances of abuse.

- (a) Anti-drug activities, including those targetted at psychotropic substances, are undertaken as part of a regular programme. Psychotropic substances commonly abused are subject to legislative control and enforcement action is taken to suppress illicit supply. In response to a change in the pattern of drug abuse, and on the advice of the Action Committee Against Narcotics (ACAN), a professional counselling centre for psychotropic substance abusers, more commonly known as PS 33, was set up initially with grants from the Lotteries Fund in 1988. Subvention has been provided by the Government since 1993.

The dangers of abuse of psychotropic substances are covered in our preventive education and publicity programmes. A new series of Announcements of Public Interest (API) concerning drug and substance abuse *will be released in the summer for TV and radio broadcast. The release of the API will be accompanied by posters and leaflets providing additional information and guidance.*

*Drug education talks, which have been conducted at secondary schools on a regular basis since 1984, will be extended to Primary IV students from September 1993. In these talks, the dangers of abusing drugs including psychotropic substances are emphasized and correct attitudes and life skills are taught.*

We also plan to organize drug education workshops and seminars for secondary schools teachers, social workers, and final-year students in colleges of education on a regular basis. These workshops will better equip these front-line workers to guide and help young people under their charge.

Another new measure to assist young people to stay away from harmful drugs and substances is the introduction, in February 1993, of an automated Drug Abuse Telephone Enquiry Service which provides information on the harmful effects of 12 common drugs and substances of abuse; we hope that this telephone hotline will encourage callers to stay away from drugs because it will refer them to counselling and treatment service as appropriate.

- (b) PS 33 is so far the only subvented agency which offers specialized counselling services for psychotropic substance abusers. Its operation is closely monitored by a work group established by the ACAN Subcommittee on Treatment and Rehabilitation; on which the agency is represented. The working group advises on the direction of the provision of services, assists in ensuring the provision of adequate and effective services and advises on resource needs.

#### **Competency requirements for examiners at construction sites**

17. DR SAMUEL WONG asked: *In view of the frequent occurrence of accidents at construction sites, culminating in the recent crane failure at the Tsing Yi construction site, will the Government inform this Council:*

- (a) *whether it will review the need for a precise legal definition of "competent" as expressed in the terms "competent examiner" and "competent person" in the Construction Sites (Safety) Regulations, Chapter 59, Subsidiary Legislation;*
- (b) *which organizations are responsible for testing, registering and reviewing the competency of the examiner/person; registering and endorsing the appointments of competent examiners or competent persons; and ensuring that duties, tests and examinations required by the Construction Sites (Safety) Regulations are carried out;*
- (c) *what the relative statutory obligations and liabilities of the competent examiner or competent person and the appointing construction company are; and*
- (d) *whether it will consider using the Engineers Registration Ordinance as a basis for the qualification and licensing of competent examiners and competent persons?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the answers to Dr WONG's questions are as follows:

- (a) At present, the operation and use of lifting appliances are controlled under the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations in respect of industrial undertakings and the Construction Sites (Safety) Regulations in respect of construction sites. Legislative amendments are being drawn up to streamline the system by bringing the control of all lifting appliances under the former Regulations. The amendments will also provide a more precise legal definition of "competent" as well as clearly specify the qualifications of a "competent examiner" and his duty to issue certificates of examination. In addition, the Regulations will be amended to specify that a crane operator must hold a valid certificate issued by the Construction Industry Training Authority or any other certificate recognized by the Commissioner for Labour. A crane operator with a recognized certificate and the relevant training and experience will be considered a "competent person" to conduct the weekly inspections of the cranes or other lifting appliances.
- (b) Contractors usually engage engineering and surveying firms for the purpose of appointing competent examiners to carry out the testing and examination of lifting appliances. The testing and examination work of these firms is normally undertaken by chartered or qualified engineers. The Labour Department, through the publication of construction safety guides, the conduct of regular inspections, the issue of verbal and written advice and the institution of prosecutions, plays an enforcement and supervisory role to ensure that contractors, competent examiners and competent persons carry out their legal obligations properly.
- (c) (i) The statutory obligations of a competent examiner or competent person include:
  - (1) delivering the report of a test or examination to the contractor; and
  - (2) delivering a copy of the report to the Commissioner for Labour should he discover that the appliance cannot be used safely unless repairs are made.

The competent examiner/person who fails to deliver the relevant report within a reasonable time to the contractor commits an offence and is liable on conviction to a maximum fine of \$10,000. Should he deliver a false report to the contractor, a maximum fine of \$50,000 and imprisonment for 12 months may be imposed upon conviction.

- (ii) The statutory obligations of the appointing construction company include:
- (1) having a crane inspected weekly by a competent person;
  - (2) having a crane tested by a competent examiner after each erection or adjustment involving the anchorage of the crane;
  - (3) having a crane thoroughly examined by a competent examiner in every 14 months or when it has been altered or repaired substantially, whichever is earlier;
  - (4) having a crane tested and thoroughly examined by a competent examiner in every four years or when it has been altered or repaired substantially, whichever is earlier; and
  - (5) obtaining the relevant safety reports completed by a competent examiner or competent person in respect of the above tests, examinations and inspections.

The contractor who fails to fulfil the above legal responsibilities will be liable on conviction to a maximum penalty of \$50,000.

- (d) Yes.

### **Mobile telephones**

18. MR LAU WONG-FAT asked (in Chinese): *Mobile telephones have become one of the necessities of our commercial society. To ensure that users are provided with the best services, will the Government inform this Council whether, in issuing the relevant licences, conditions have been imposed:*

- (a) *to restrict the maximum number of mobile telephones subscribing to the particular frequency assigned to each operator, or to restrict the total number of mobile telephones to be sold, so that jamming and communication problems caused by the concurrent use of mobile telephones by a large number of users may be avoided;*
- (b) *to set down the minimum coverage area of the transmitting stations erected by each operator, or even require the operator to extend the coverage to the more remote areas so as to facilitate the provision of mobile telephone services throughout the territory as far as technology allows; and*

- (c) to require all operators to inform their customers of the coverage areas of their respective transmitting stations at the time when they purchase the mobile telephones so as to remove possible misunderstanding on the part of the users who, if not informed, may subsequently find the coverage *area of their telephones inadequate to meet their practical needs?*

SECRETARY FOR ECONOMIC SERVICES: Mr President,

- (a) The licences issued to operators of public mobile radiotelephone services (PMRS) do not contain specific conditions restricting the maximum number of subscribers to a particular service or the maximum number of mobile telephones that may be sold. This is to allow licensees flexibility to introduce new technologies or to expand their network capacities as and when these become available. For example, advances in digital cellular technology are likely to yield large increases in network capacity over the next few years. In practice, the highly competitive nature of Hong Kong's mobile telephone market has imposed a market discipline on operators who have, on their own initiative, imposed limits on the number of subscribers in order to maintain a good quality service.
- (b) Under the PMRS licence, operators have an obligation to provide service coverage commensurate with that set out in the original application for a licence, which would generally cover most parts of the territory. Again, given the competitive nature of the business, operators themselves have a significant incentive to improve coverage in order to maintain and expand their subscriber base. However, due to the rugged topography of Hong Kong, it would not be for them to guarantee 100% coverage of the territory.
- (c) At present there is no requirement on licensees to identify to customers the specific areas covered by their service. In practice, as mentioned in (b) above, all licensees provide extensive coverage excluding only a few "black spots", where buildings or hills block radio waves and the very remote areas. The Telecommunications Authority will nonetheless discuss with the PMRS licensees the need to give more information to customers on locations where service coverage is not provided.

### **Charges for mail**

19. MR FRED LI asked (in Chinese): *In setting the charges for various types of mails, the Post Office aims not only at the recovery of its operating costs but also at generating a reasonable rate of return. Will the Government inform this Council of the following:*

- (a) *the average unit costs and charges for various types of mails during each of the past five years and their respective current value; and*
- (b) *while setting the target return rate, whether the Post Office has also set a target for improving its efficiency; if so, what the details and specific measures are?*

SECRETARY FOR ECONOMIC SERVICES: Mr President,

- (a) A list showing the average unit costs and charges for major postal services is at Annex A.
- (b) The target rate of return is currently under review as part of a wider exercise of reviewing public utility rates of return.

With regard to efficiency, the Post Office is committed to a continuing programme of productivity improvement through management efforts, postal mechanization and counter automation. Over the period 1983-84 to 1991-92, Post Office productivity in terms of evaluated traffic items per staff hour has increased by 31.8% from 84.5 to 111.4 items. During the same period, the volume of postal traffic increased by 92.4% from 496 million to 954.46 million items. Efficiency standards and productivity indices for individual offices and the entire postal system have been set and are monitored regularly by senior management.

To improve efficiency further, the Post Office will continue to mechanize and automate its operations, for example through:

- (a) installation of Mechanized Letter Sorting Systems in Sha Tin and Tuen Mun;
- (b) computerization of Speedpost operations;
- (c) replacement of mechanical stamp vending machines with electronically operated versions which can accept all coins, issue a variety of stamps and give change;
- (d) the use of electronic letter scales at post offices to reduce counter transaction time; and
- (e) development of a prototype automailer to provide "self service" facilities at Post Office counters.

|     |                          | Average charge and cost per item<br>of major postal services |             |               |             |               |             |               |             |                             |             |
|-----|--------------------------|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|-----------------------------|-------------|
|     |                          | 1988-89  |             | 1989-90       |             | 1990-91       |             | 1991-92       |             | <i>Estimated</i><br>1992-93 |             |
|     |                          | <i>charge</i>  | <i>cost</i> | <i>charge</i> | <i>cost</i> | <i>charge</i> | <i>cost</i> | <i>charge</i> | <i>cost</i> | <i>charge</i>               | <i>cost</i> |
| (1) | Local mail               |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 0.62   | 0.67        | 0.64          | 0.75        | 0.65          | 0.95        | 0.86          | 1.03        | 0.86                        | 1.13        |
|     | -Present value #         | 0.94   | 1.01        | 0.88          | 1.03        | 0.81          | 1.19        | 0.94          | 1.13        | 0.86                        | 1.13        |
| (2) | Surface mail             |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 2.55   | 4.51        | 2.35          | 4.77        | 2.23          | 6.14        | 3.34          | 7.68        | 4.00                        | 7.94        |
|     | -Present value #         | 3.86   | 6.82        | 3.23          | 6.55        | 2.79          | 7.69        | 3.65          | 8.40        | 4.00                        | 7.94        |
| (3) | Air mail                 |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 3.04   | 1.83        | 3.04          | 2.05        | 3.14          | 2.52        | 3.73          | 2.43        | 3.71                        | 2.61        |
|     | -Present value #         | 4.60   | 2.77        | 4.18          | 2.82        | 3.93          | 3.16        | 4.08          | 2.66        | 3.71                        | 2.61        |
| (4) | Surface parcel           |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 167.61   | 159.40      | 167.90        | 162.51      | 179.35        | 183.19      | 168.65        | 207.75      | 183.29                      | 218.42      |
|     | -Present value #         | 253.63   | 241.20      | 230.70        | 223.29      | 224.57        | 229.37      | 184.42        | 227.17      | 183.29                      | 218.42      |
| (5) | Air parcel               |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 230.72   | 194.46      | 249.92        | 215.89      | 261.47        | 236.69      | 249.91        | 242.94      | 281.37                      | 268.57      |
|     | -Present value #         | 349.12   | 294.26      | 343.40        | 296.64      | 327.39        | 296.36      | 273.27        | 265.65      | 281.37                      | 268.57      |
| (6) | Speedpost                |  |             |               |             |               |             |               |             |                             |             |
|     | -Money of the day        | 143.39   | 97.58       | 155.06        | 91.75       | 171.67        | 119.10      | 188.82        | 125.45      | 212.45                      | 123.49      |
|     | -Present value #         | 216.98   | 147.66      | 213.06        | 126.07      | 214.95        | 149.13      | 206.47        | 137.18      | 212.45                      | 123.49      |
|     | Consumer Price Index (A) | 1988 :   | 117.5       | 1989 :        | 129.4       | 1990 :        | 142.0       | 1991 :        | 162.6       | 1992 :                      | 177.8       |

NOTE: Figures relate to average weighted charges and costs. These reflect traffic components such as the proportion of letters and cards to printed papers, and weight distribution. Special mention should also be made of the following factors which affected costs and charges during the period from 1988-89 to 1992-93:

- (a) postage rate increases on 1 September 1988 and 1 April 1991;
- (b) introduction with effect from 1 January 1991 of a new accounting system for international mail exchanges which has resulted in large increases in payments in respect of outward letter mail sent to certain countries;
- (c) recommendations made by the Standing Commission on Civil Service Salaries and Condition of Service in the 1989 Salary Structure Review which came into effect in March 1991, with retrospective salary adjustments for the period October 1989 to March 1991;
- (d) commissioning of mechanized letter sorting system in July 1990; and



- (e) implementation of various cost-cutting measures.

# Present value represents money of the day value adjusted by the change in CPI(A) using 1992-93 as the base year.

### Political advertisements

20. DR CONRAD LAM asked (in Chinese): *With regard to paragraph 8M of the Radio Advertising Standards Code of Practice (2) which states that "no advertisement of any political nature shall be broadcast except with the prior approval of the Broadcasting Authority", will the Government inform this Council:*

- (a) *of the specific definition of the term political advertisement;*
- (b) *of any precedent cases in which political groups were allowed to make use of radio advertisements for publicity purpose and, if there were such precedents, the basis on which approval was given; and*
- (c) *whether there is any conflict between this policy and Article 16 of the Bill of Rights; if so, whether the Government were review and revise this policy?*

SECRETARY FOR RECREATION AND CULTURE: Mr President, there is no statutory definition of the term "political advertisement". However, in considering whether an advertisement is political in nature the Broadcasting Authority will normally have regard to whether the proposed advertisement contains material:

- (a) inducing the public to vote for a particular political grouping or an individual in an election;
- (b) seeking to promote the interests of any political grouping whether or not in connection with an election; or
- (c) commenting on or advocating change in the actions or policies of the Hong Kong Government or any other territory.

Since the establishment of the Broadcasting Authority in 1987 no political groups have been allowed to use radio advertisements for publicity purposes.

The need to obtain prior approval for particular kinds of advertisement is not in itself inconsistent with Article 16 of the Bills of Right Ordinance, so the Government has no plan to revise this requirement on these grounds.

**Statement**

PRESIDENT: The Financial Secretary has a statement to make under Standing Order 20.

**Payout to Mr Richard ALLEN on termination of contract with PAA**

FINANCIAL SECRETARY: Mr President, in view of the interest expressed by some Members of this Council in the departure of Mr Richard ALLEN as Chief Executive Officer (CEO) of the Provisional Airport Authority (PAA), I would like to make the following statement.

In February this year, Mr ALLEN's employment contract with the PAA was terminated by mutual agreement between the Board and Mr ALLEN. As is common in such a situation, the PAA Board agreed to pay Mr ALLEN a sum of compensation for the termination of his contract.

Both the Board and the Administration believe that, as a matter of principle, it would not be appropriate to make public details relating to the appointment and departure of staff of a public corporation such as the PAA. Members of this Council have in the past accepted the view that the new airport project is best developed by a public corporation capable of acting on commercial principles and with management flexibility wider than would be possible for a government department. The PAA Ordinance is the embodiment of that view, in that having placed the heavy responsibility of developing the airport on the PAA Board, it goes on to provide the Board with the powers needed to meet that responsibility.

The Board should be allowed the flexibility it needs to make its own management decisions in the best interest of achieving the goals set for it. I do not believe it would make either practical or theoretical sense to change the statutory corporation system which has served us so well, and to restrict management autonomy by in effect requiring personnel decisions to be monitored by the Legislative Council. And I doubt if many Members of this Council would on reflection consider this an appropriate role for the Legislative Council.

An additional factor in this particular case has been that as part of the agreement with Mr ALLEN there were restrictions on public comments on the circumstances of his departure from office.

Having said that, I have been advised that it is a requirement for companies to disclose compensation payments to directors to their shareholders; and where the company is a public company, that in effect means disclosure to the public. The normal way of doing this would be via the annual Report and Accounts.

In all the circumstances, I have decided to make public the compensation which the Board considered it just and reasonable to pay upon the termination of Mr ALLEN's contract of employment. The sum involved was \$5,535,990.

This payment will also be included in the PAA's annual Report and Accounts which are now being finalized.

I am entirely sympathetic to Members' general wish that there should be adequate arrangements to ensure that the PAA is accountable, subject to my earlier remarks about information relating to personnel decisions. One such measure is that the PAA's Annual Report and audited accounts are tabled in this Council. Accountability is further enhanced by the fact that the Board comprises both a number of senior government officials and leading members of the community. On a wide range of issues, the PAA management has also either on its own initiative or in response to specific requests, briefed Members of this Council in detail on various aspects of the development and financing of the airport project itself and of the PAA as an organization. It has also briefed the Airport Consultative Committee on such issues. An enormous effort has been put into making available as much information as possible about the project and the work of the PAA. The PAA fully understands the need for this and the importance of showing its willingness to be publicly accountable for achieving the goals set for it.

I very much hope that we can now focus our energies on the task ahead. The new CEO is in place at the head of an experienced and enthusiastic management team. He has the full support of the Board. And the Board will need continued support from this Council if it is to go on functioning successfully in meeting the challenges ahead.

PRESIDENT: Mr Albert CHAN, did you wish to ask a question? You may now ask, at my discretion, a short question for the purpose of elucidating the statement.

MR ALBERT CHAN (in Cantonese): *Mr President, may I ask the Secretary to explain the basis for and the principles behind the calculation of the sum of compensation which stands at \$5.5 million?*

FINANCIAL SECRETARY: Mr President, I have nothing further to add to the basis for the calculation or the principles behind the calculation.

MISS EMILY LAU: *Mr President, I want the Financial Secretary to explain to this Council the statement he has made to the effect that the PAA Board felt that the \$5.5 million compensation was just and reasonable. Some members of the public would feel that the PAA Board might have made a mistake in the*

*handling of this whole thing and that is why Mr ALLEN got the money that he did. Can the Financial Secretary please enlighten this Council as to whether a mistake has been made?*

PRESIDENT: I would, if there are other Members wishing to ask questions, remind Members that no debate may arise on a statement and questions must be short.

FINANCIAL SECRETARY: Mr President, I think I have already made it clear in my statement that neither the Board nor the Administration thinks it appropriate to go into the details behind Mr ALLEN's departure; that is the whole thrust of the statement.

MR LEE WING-TAT (in Cantonese): *Mr President, referring to the Secretary's statement that the Provisional Airport Authority should be allowed the flexibility it needs to make its personnel decisions, may I ask if "flexibility" would mean having full discretion on the terms of staff remuneration and dismissal and with no accountability to this Council or the public?*

FINANCIAL SECRETARY: Mr President, certainly, discretion to take personnel decisions does indeed cover such matters as the questioner has just mentioned, namely, salary and conditions of service.

MR JAMES TO (in Cantonese): *Mr President, may I ask the Secretary whether the statement he made just now was given in the capacity of the Chairman of the PAA or that of a board director in the form of an announcement to shareholders (that is the general public) under the Companies Ordinance because in law, there is a difference between the two, which could mean different legal consequences that can be very serious?*

PRESIDENT: I am afraid we have to take the statement at face value under Standing Order 20 and that refers to an *ex officio* Member wishing to make a statement on some public matter for which the Government is responsible.

MR STEPHEN CHEONG: *Mr President, in his statement the Financial Secretary says that there is an agreement reached with Mr ALLEN not to disclose any details relating to the circumstances of his departure. Now, if the Government or the PAA or anybody else involved in that decision were to state or were to breach this particular agreement, would that put the Government and the PAA at risk of being sued for further compensation by the other party, if he so wishes?*

PRESIDENT: I think that goes beyond elucidation, Mr CHEONG. This is not Question Time; this is Standing Order 20.

MR ERIC LI (in Cantonese): *Mr President, the Secretary has mentioned just now that the accounts in question will sooner or later be tabled in this Council for endorsement. Since it is a corporation with no shareholders, I believe that the Legislative Council will play the role of shareholders. When the accounts are tabled in this Council, can Members ask questions about the information contained therein before deciding whether or not to endorse them? If so, will the questions we ask be confined to certain areas?*

FINANCIAL SECRETARY: Mr President, I do not have a ready answer to that question. I think it is the practice of course for many organizations — we are experiencing it almost every week — that their report and accounts are tabled in this Council, very often accompanied by a statement either by a government Member or a non-government Member of the Council. I think the answer probably is that, as is happening to me at the moment, questions can then be asked to elucidate that. I think probably it is also true that in some cases a request will be made for more discussion of that in some other forum. But I do not have a precise answer to that off the cuff.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr President, the Secretary has mentioned just now that the PAA is funded by public monies and its shareholders are therefore the public. So it is proper to report to the Legislative Council on the compensation payment to Mr Richard ALLEN on his departure. May I ask whether the application of the principle of "the public being the shareholders" can be extended to include other statutory organizations similar to that of the PAA and that they would provide relevant details to this Council as well?*

PRESIDENT: I am afraid this is beyond Standing Order 20, Mr CHEUNG.

DR YEUNG SUM (in Cantonese): *Mr President, this is the first time that the Secretary discloses to this Council details about the amount of compensation. May I ask the Secretary when the announcement decision was made? Was it made only after Members had invoked the Legislative Council (Powers and Privileges) Ordinance?*

PRESIDENT: That does not seek to elucidate any statement, Dr YEUNG Sum. I have to rule that out of order.

**First Reading of Bills****JUDICIAL PROCEEDINGS (ADJOURNMENT DURING GALE WARNINGS)  
(AMENDMENT) BILL 1993****ROAD TRAFFIC (AMENDMENT) BILL 1993****FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1993****BUILDINGS (AMENDMENT) BILL 1993****NOISE CONTROL (AMENDMENT) BILL 1993**

*Bills read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).*

**Second Reading of Bills****JUDICIAL PROCEEDINGS (ADJOURNMENT DURING GALE WARNINGS)  
(AMENDMENT) BILL 1993**

THE CHIEF SECRETARY moved the Second Reading of: "A Bill to amend the Judicial Proceedings (Adjournment During Gale Warnings) Ordinance."

He said: Mr President, I move that the Judicial Proceedings (Adjournment During Gale Warnings) (Amendment) Bill 1993 be read a Second time. The Bill provides for the adjournment of judicial proceedings during a "Red" or a "Black" heavy rainstorm warning

The "Red" and "Black" rainstorm warnings are public warning signals operated by the Royal Observatory since summer 1992. When the "Red" warning is issued, the public are informed that heavy rain has caused or could cause serious road flooding and traffic congestion. In the event of a "Black" warning, the public are advised to stay home or to take shelter in a safe place, because the inclement weather conditions have caused serious flooding.

The Judiciary will face logistical problems in the transfer of prisoners or other persons under detention from remote locations to courts during a heavy rainstorm. It is therefore considered that judicial proceedings should be adjourned during a "Red" or a "Black" signal, as in the event of a tropical cyclone signal No. 8, 9 or 10. The amendment Bill, which I now move to read a Second time, is intended to achieve this objective.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

**ROAD TRAFFIC (AMENDMENT) BILL 1993**

THE SECRETARY FOR TRANSPORT moved the Second Reading of: "A Bill to amend the Road Traffic Ordinance."

He said: Mr President, I move that the Road Traffic (Amendment) Bill 1993 be read the Second time. This Bill provides for the contracting out of parking meter management.

The Government at present owns and operates about 13 000 parking meters. Under the Road Traffic Ordinance, the Commissioner for Transport is the authority for managing these meters, including their installation and the collection of charges, while the Director of Electrical and Mechanical Services is responsible for their maintenance. Some 190 staff in the two Departments are engaged in these activities, at an annual cost of about \$32 million.

To improve efficiency and to bring about better standards of service, we intend to contract out the management of parking meters to the private sector. The Government will retain control over the approval of meter types, charges, the removal of meters, their locations and future expansion. The police will continue to take enforcement action against parking offences as at present.

Clause 3 of the Bill empowers the private contractor to carry out any necessary functions prescribed in regulations made under the Ordinance to manage and maintain parking meters. Clause 4 empowers the Commissioner for Transport to allow advertising on parking meters.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

**FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1993**

THE SECRETARY FOR TRANSPORT moved the Second Reading of: "A Bill to amend the Fixed Penalty (Traffic Contraventions) Ordinance."

He said: Mr President, I move that the Fixed Penalty (Traffic Contraventions) (Amendment) Bill 1993 be read the Second time. This Bill, together with the Road Traffic (Amendment) Bill which I moved earlier, provide the legislative powers needed for the contracting out of parking meter management.

Under section 10(3) of the Fixed Penalty (Traffic Contraventions) Ordinance, parking of a motor vehicle is prohibited in a parking space which has been suspended by the Commissioner for Transport for operational reasons, for example, when a meter is out of order.

It is proposed that the same power be given to the private contractor managing parking spaces. Clause 2 amends section 10(3) of the Ordinance to this effect.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

### **BUILDINGS (AMENDMENT) BILL 1993**

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS moved the Second Reading of: "A Bill to amend the Buildings Ordinance."

He said: Mr President, I move the Second Reading of the Buildings (Amendment) Bill 1993.

The Buildings Ordinance is in need of updating and improvement to define the powers of the Building Authority better and to streamline existing procedures. Several proposals are involved.

First, as regards the definitions of "building" and "petroleum products", a number of marine structures and underground developments were declared to be "buildings" by notice in the Gazette in September 1990. For the avoidance of doubt, the definition of "building" in the Ordinance should be amended to expressly include these structures. In addition, it is proposed that the definition of "oil and petroleum products" should be replaced by the term "petroleum products", which includes oil products and wholly refined petroleum.

The second proposal would localize the qualification requirements for professionals to meet Hong Kong's obligation in the current Uruguay Round of multilateral negotiations on international trade in services of the General Agreement on Tariffs and Trade. The Royal Institution of Chartered Surveyors will be replaced by the Hong Kong Institute of Surveyors as a source of membership of the registration committee and disciplinary board panel for Authorized Persons and Registered Structural Engineers.

The third proposal seeks to delete prescribed forms in the Ordinance most of which are administrative in nature. To allow for flexibility to keep pace with changing circumstances, the Building Authority will be given the power to specify the format of the forms required. This approach is also in line with good law drafting principles.

The fourth proposal relates to the transfer of the regulation-making power for technical and procedural matters under the Ordinance from the Governor in Council to the Secretary for Planning, Environment and Lands. The power to make regulations in respect of fees will continue to lie with the Governor in Council.



The fifth proposal will allow the fees for the processing of plans of building or street works to recover the cost of processing a reasonable number of re-submissions. The charging system for the processing of plans was simplified last June by building into the fees for the initial submission the cost of processing an average number of re-submissions and to dispense with separate charges for the re-submissions altogether. Section 38 should be amended to put the charging scheme on a proper legal footing to facilitate full cost-recovery.

The need for the sixth proposal arises from the fact that more time is generally required for the investigation of possible offences under the Ordinance in view of the increasingly complex nature of building projects and the increased caseload due to stepped up prosecution. The time limit for commencing prosecution is therefore proposed to be extended from six months to 12 months of the offence being committed or becoming known to the Building Authority.

The last proposal seeks to impose additional geotechnical control on building works in an area in Ma On Shan. Because of the peculiar geotechnical feature in the area, special foundation design and construction measures are required. The area will be designated as Area No. 4 in the Fifth Schedule to the Ordinance.

To implement these proposals, a number of amendments to the subsidiary legislation under the Ordinance are required. We intend to effect the necessary amendments to the regulations after the enactment of the present Bill. Thank you, Mr President.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

## **NOISE CONTROL (AMENDMENT) BILL 1993**

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS moved the Second Reading of: "A Bill to amend the Noise Control Ordinance."

He said: Mr President, I move that the Noise Control (Amendment) Bill 1993 be read the Second time.

In recent months I have presented environmental Bills to this Council which have aimed variously at protecting our waters, protecting our air and protecting the ozone layer. Today, my mission is to propose to Members that we make Hong Kong a less noisy city. This is one of our more formidable environmental challenges. Most of us tend to accept that our crowded and busy metropolitan area is inevitably noisy. But noise can and should be curtailed where it is unnecessary. The purpose of this Bill is to achieve this.

During the past three years, there have been an average of 1 200 active construction sites in the territory at any one time, many of them located in or

near built-up areas. The construction activity that takes place on these building sites is often a considerable nuisance to nearby residents. This is not acceptable, and the 1989 White Paper on Pollution and the First Review of the White Paper in 1991 confirmed the need to tighten control on noise from construction activity.

The Noise Control Ordinance provides for the prevention, reduction and abatement of noise. At present, during the restricted hours of 7 pm to 7 am on weekdays and at any time on general holidays, percussive piling operations are prohibited. The same activity is regulated through a Construction Noise Permit System in daytime. The permit system also controls construction work using powered mechanical equipment during the restricted hours.

While this basic foundation of control is fine, it is no longer enough. There is still a lot of noisy construction activity — the removal of rubble, construction waste and steel bars for example — which is not controlled. The provisions of the Bill cover the banning of particularly noisy construction activity of this kind during the restricted hours in designated areas. The areas are essentially either populated or particularly sensitive.

The activities to be banned during the restricted hours are the erection and dismantling of formwork or scaffolding; the loading, unloading or handling of rubble, steel bars, wood or scaffolding material; and hammering.

In addition, it is our intention, as a matter of policy, to be more restrictive in issuing permits for the use of certain powered mechanical equipment in the designated areas. The activities which will come under tighter control as a result include the operation of dump trucks, vibratory pokers, concrete mixer lorries, bulldozers and hand-held percussive breakers. Controls on such equipment will be provided for in regulations and a Technical Memorandum issued under the Bill. The new restrictions will apply to all renovation work, except work carried out within domestic premises by the occupants themselves.

Under the new system, a permit will not be issued for work during the restricted hours unless it is for essential purposes or has important implications for the community — such as emergency work on utility or transport systems. Quieter methods will also have to be considered. The general effect of this will be to ban virtually all non-essential noisy construction activity in the built-up areas during the night and holidays, thereby providing much needed relief to many residents who would otherwise continue to suffer from noisy construction activities.

Clauses 2, 3, 4 and 7 of the Bill are to empower the Secretary for Planning, Environment and Lands to establish the designated areas, to prescribe the exact types of construction activity that require a permit, and to issue Technical Memoranda (TM) for designated areas.

The Amendment Bill also seeks to amend several other provisions in the Ordinance.

Clause 5 of the Bill provides that the control will be directed towards products intended for use in Hong Kong only; the control in respect of import, manufacture and supply can be implemented independently; and the control on prescribed products will be delayed for a defined period after their import or manufacture, thereby allowing time for importers to apply for labels from the Authority.

Clause 6 of the Bill provides clarification that the only appeal permitted under section 18 of the Ordinance is in respect of percussive piling during the hours of 7 am to 7 pm on days other than Sundays and general holidays.

Clause 8 is to amend section 35 of the Ordinance to make it an offence to contravene any conditions attached to an exemption order and makes the enforcement provisions in the Ordinance applicable to such a contravention.

The proposed legislation has the support of the Environmental Pollution Advisory Committee. The construction industry has also been consulted and has not opposed it. A six-month transition period will be allowed to enable the industry to make adjustments. The combination of the time required for the legislative process and the advance notice given of the proposed controls, means that the industry will in fact have more than six months to prepare for the introduction of the controls.

There is some concern in the construction industry about possible economic repercussions. When the ban on percussive piling was introduced in 1989, similar fears were expressed but proved to be unfounded. Most noisy work can be rescheduled outside the restricted hours. We recognize, of course, that there may be economic implications and the possibility of contract periods lengthening. But against increases in costs, we need to weigh the environmental benefits to the community. Hong Kong remains a noisy city: over the last two years 56% of all environmental complaints received by the EPD were about noise.

As Hong Kong continues to prosper, the public is also becoming more environmentally conscious and demands a better living environment. The Bill will reduce the impact of noise on many residents who have had to suffer it far too long.

Thank you, Mr President.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

**INLAND REVENUE (AMENDMENT) BILL 1993****Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on Second Reading proposed.*

DR HUANG CHEN-YA (in Cantonese): Mr President, the United Democrats of Hong Kong are of the view that the personal allowance for salaries tax purposes offered by the Government still fails to take into consideration the needs of the general public in meeting their basic living expenses. We will therefore abstain from voting on the Inland Revenue (Amendment) Bill 1993.

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**ESTATE DUTY (AMENDMENT) BILL 1993****Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**ENTERTAINMENTS TAX (REPEAL) BILL 1993****Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**STAMP DUTY (AMENDMENT) BILL 1993**

**Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**DUTIABLE COMMODITIES (AMENDMENT) BILL 1993**

**Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1993**

**Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**ROAD TRAFFIC (MISCELLANEOUS AMENDMENTS) BILL 1993**

*Resumption of debate on Second Reading which was moved on 21 April 1993*

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**CROSS-HARBOUR TUNNEL (PASSAGE TAX) (AMENDMENT) BILL 1993**

**Resumption of debate on Second Reading which was moved on 21 April 1993**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**Committee stage of Bills**

Council went into Committee.

**INLAND REVENUE (AMENDMENT) BILL 1993**

Clauses 1 to 4 were agreed to.

**ESTATE DUTY (AMENDMENT) BILL 1993**

Clauses 1 to 5 were agreed to.

**ENTERTAINMENTS TAX (REPEAL) BILL 1993**

Clauses 1 to 6 were agreed to.

**STAMP DUTY (AMENDMENT) BILL 1993**

Clauses 1 and 2 were agreed to.

**DUTIABLE COMMODITIES (AMENDMENT) BILL 1993**

Clauses 1 to 7 were agreed to.

**MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1993**

Clauses 1 to 3 were agreed to.

**ROAD TRAFFIC (MISCELLANEOUS AMENDMENTS) BILL 1993**

Clauses 1 to 14 were agreed to.

**CROSS-HARBOUR TUNNEL (PASSAGE TAX) (AMENDMENT) BILL 1993**

Clauses 1 and 2 were agreed to.

Council then resumed.

**Third Reading of Bills**

THE ATTORNEY GENERAL reported that the

**INLAND REVENUE (AMENDMENT) BILL 1993**

**ESTATE DUTY (AMENDMENT) BILL 1993**

**ENTERTAINMENTS TAX (REPEAL) BILL 1993**

**STAMP DUTY (AMENDMENT) BILL 1993**

**DUTIABLE COMMODITIES (AMENDMENT) BILL 1993**

**MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1993**

**ROAD TRAFFIC (MISCELLANEOUS AMENDMENTS) BILL 1993**

and

**CROSS-HARBOUR TUNNEL (PASSAGE TAX) (AMENDMENT) BILL 1993**

had passed through Committee without amendment. He moved the Third Reading of the Bills.

*Question on the Third Reading of the Bills proposed, put and agreed to.*

Bills read the Third time and passed.

**Member's motion**

PRESIDENT: I have accepted the recommendations of the House Committee as to time limits on speeches and Members were informed by circular on 10 May. The mover of the motion will have 15 minutes for his speech including his reply. Other Members will have seven minutes for their speeches. Under Standing Order 27A, I am required to direct any Member speaking in excess of the specified time to discontinue his speech.

**MOST FAVOURED NATION STATUS FOR CHINA**

MR ALLEN LEE moved the following motion:

"That this Council urges the British Government, on behalf of Hong Kong, to ask the US government to renew the Most Favoured Nation status for China unconditionally, so that Hong Kong's economic interest can be safeguarded."

MR ALLEN LEE (in Cantonese): Mr President, anyone who has Hong Kong's economy and social stability and its people's livelihood at heart is certainly concerned about whether the United States Government will unconditionally renew the Most Favoured Nation (MFN) status for China since the decision will directly affect Hong Kong in those areas and indeed has a direct impact on Hong Kong.

The issue of MFN status for China is basically a trade issue between the United States and China. Yet the United States Government has turned this issue into a political tool, thereby causing a great deal of concern to the people of Hong Kong. Hong Kong is the greatest source of foreign investment in mainland China particularly in manufacturing. Every year, we worry about whether China and the United States can resolve the issue between them and whether a trade war will break out between them, then bringing about serious consequences for Hong Kong's economy. The Hong Kong Government's



estimate is that, if a trade war should break out between China and the United States, Hong Kong would see its gross domestic product (GDP) growth rate dip by three percentage points and a loss of 70 000 jobs. Such being the serious consequences, how can we not worry about how the issue is resolved?

Step by step, China is moving towards a market economy. The living standards of the Chinese people are improving. In addition, China is now playing a significant role in the international arena and every move that it makes is closely watched by the world at large. True, the Chinese Government has issued statements from time to time, decrying foreign interference in China's internal affairs. Still, considering what an important difference China can make internationally, the Chinese Government must act responsibly not only towards the Chinese people but also towards the international community. The progress that China is making is really encouraging. Western economists expect China to become a global economic power in less than 20 years. China's economic growth rate in the past few years has been amazing. The Chinese Government not only has to improve the Chinese people's living standard, but should be committed to liberal policies in the areas of politics and education. This was exactly what we told General Secretary JIANG Zemin during our visit to China in June last year.

Hong Kong's economy is closely linked to China's development. We now depend on mainland China as the base for our manufacturing industries. And China attracts most of our investment. Anything happening to China is sure to affect Hong Kong. Speaking from the standpoint of the people of Hong Kong, we must protect Hong Kong's interests. Miss Christine LOH was quoted as saying in the press that "We are a third party. There is nothing that Hong Kong can do." I do not understand why she said so. True, we are a third party. But it is Hong Kong that will be the victim in this case. In numerous debates held in this Council in the past on the problem of Vietnamese boat people swarming into Hong Kong, we accused the United States Government of applying a double standard: On one hand, it asked Hong Kong to accept the boat people; on the other hand, it refused to allow Haitians to enter its territory and even towed their boats back to the high seas. We have repeatedly asked the British Government to shoulder its responsibility and take care of the Vietnamese boat people in view of their impact on Hong Kong. But now, on the MFN issue, which closely affects Hong Kong's interests, it is being said presumptuously that there is nothing that Hong Kong can do.

Mr Martin LEE thinks that this Council does not need to debate the MFN issue. Yet not long ago, this Council debated the issue of British citizenship for the ethnic minority groups. We made an effort to fight for the well-being of the 7 000 people in the minority groups. We even agreed, at taxpayers' expense, to send a Legislative Council delegation to the United Kingdom on a lobbying mission. We did so despite the fact that we had already known the position of the British Government and despite the fact that we had already lobbied and tried on many occasions. That we should make an effort on behalf of the 7 000 people in the ethnic minority groups is something that has my full

support. Is this Council, then, not to debate the MFN issue, which is much more important to the people of Hong Kong as a whole? The other day, Governor Chris PATTEN made a request to American President Bill CLINTON and to other American political leaders to renew MFN status for China unconditionally. Could we, Members of this Council, sit idly by and not take a position on the same momentous issue? Members from the United Democrats of Hong Kong (UDHK) insist that they are directly elected legislators and that they represent the people of Hong Kong. Yet, when the people of Hong Kong now are in trouble, they are not stepping forward to fight for their interests. Do they want the United States Government to attach conditions to the renewal of MFN status? Do they want the United States Government to use the MFN issue as a political weapon against China? I have read in the newspapers that UDHK intends to abstain from voting on the motion. This signifies its failure to support the call for the United States Government's unconditional renewal of MFN status for China.

Mr President, four more years and Hong Kong will become a Special Administrative Region of China. During last year's debate in this Council on a similar motion, I said that China's future would be Hong Kong's future; that China's fate would be Hong Kong's fate; and that we were apparently in the same boat. I feel the same way today, only more strongly. I spent my childhood in China. I saw the hard lives of the Chinese people. I survived China's civil war. I witnessed the movements against the "three evils" and "five evils". Ever since those youthful days, I have longed for China to become rich as a nation and strong as a people. As a student in the United States, I often asked myself when China would begin to become rich as a nation and strong as a people. What is happening in China today is beginning to make my 30-year-old dream come true. Indeed, China has yet to make improvements in many areas. But it is on the right track. The people of Hong Kong, faced with the changes in the future, have accepted the historic challenge. How can we fail to take a strong and positive position on an issue that directly affects the people of Hong Kong? Members of this Council from the Preparatory Committee for the Liberal Party are all in favour of unconditional renewal of MFN status for China by the United States Government and they want to send a clear message to the United States Government not to use trade as a political weapon or tool. We believe that the American people do not want the people of Hong Kong to suffer for political reasons. Do American politicians really want to do something harmful to Americans and to others? We expect President CLINTON to make the sensible choice.

Mr President, with these remarks, I beg to move.

*Question on the motion proposed.*

MR STEPHEN CHEONG (in Cantonese): Mr President, for the Government of Hong Kong as well as the people of Hong Kong, Most Favoured Nation (MFN) status renewal for China by the United States Government is an annual ritual of

difficult lobbying. In face of a difficulty, different kinds of people react to it differently.

Some people insist that the transfer of sovereignty in 1997 is the end of the world. They are fearful of the future. They have no confidence either in China's development or in Hong Kong's future after 1997. Whenever they encounter a problem affecting Hong Kong or China, these people go to extremes to exaggerate it or to misrepresent it deliberately, depicting it in an unfavourable light. They think that the best solution is to exert foreign pressure on China so that it would embrace rules and systems that are to their liking. They are of the view that, if the Hong Kong issue is given an international aspect, their misgiving about the future will be gone. I feel sorry for such a line of thinking.

On the issue of MFN status for China, these people propose that politics and economics should be lumped together. Without giving any thought to consequences of their proposal or to realities, they endorse the conditional renewal of MFN status for China. They get their inner satisfaction at the expense of Hong Kong's economic interests.

Some people, whenever they are faced with a problem, will react to it with self-hypnosis and escapism. This is their shield. They devise a surrealist theory and keep telling themselves as well as others that it is the truth. With this wall built around them, they avoid facing the truth and stop their search for a solution. These people, who hypnotize themselves, think that anything said and repeated a hundred times becomes the truth. They live in a dream world. They do not want to take a good look at the real world.

Reacting in this way to the MFN issue is not advisable. We know perfectly clear what major repercussions the issue will have for Hong Kong. People's quality of life will be affected as well. Therefore, anybody who chooses not to urge the British Government, on behalf of Hong Kong, to ask the United States Government to renew MFN status for China unconditionally, unless he has a better solution, is shirking his responsibility and being passive. Legislative Councillors, who represent the people of Hong Kong and work for their well-being, really should not take this course of action.

Finally, I would like to talk about those who, whenever they encounter a problem, would invariably react to it with a responsible and pragmatic approach. It is not an approach which would catch people's eyes. It means doing all the work and quietly slogging away. There is no flowery speech. There is no exciting action. Of course, in this age, it would not help one to gain publicity. Still, Mr President, I believe that there are people in every community who take such an approach.

In face of the MFN issue, we are in most need of adopting a pragmatic approach. We must give thought to, and grasp, what the critical factors are, in the economic as well as the political areas, based on the realities in China and the United States. Then, we must map out a suitable action plan.

The motion before us is that we urge the British Government to act in the interests of Hong Kong and to make a request to the United States. There have been views to the effect that Hong Kong should not involve itself with the dispute between the United States and China over MFN status. I do not agree with such views. Whether or not MFN status is unconditionally renewed for China is inalienably linked to the economic interests of Hong Kong and even those of the United Kingdom.

I believe that honourable colleagues and indeed the Administration will certainly describe how Hong Kong's economy will suffer if China's MFN status is not renewed. So I will not waste words on this. What I want to talk about is how British interests may be affected.

Statistics for 1991 show that British investments in Hong Kong's industry alone, based on original cost figures, were \$1.891 billion. In addition, there were huge British investments in Hong Kong's other sectors, such as banking, services, shipping and insurance. The total was presumably astronomical. If the United States Government decides against unconditional renewal of MFN status for China, Hong Kong's economy will be indirectly affected. And under such circumstances will British investors be able to get away unscathed?

In recent years, China has been a significant locomotive for trade and economic development in the Far East. British investors in Hong Kong have of course been a beneficiary. Therefore, I think that neither Hong Kong nor the United Kingdom is a bystander in the whole affair. Both Hong Kong and the United Kingdom would be affected. It is the responsibility of the British Government to protect British investments and to protect the interests of Hong Kong. This is the British Government's unshirkable responsibility and there is no way it can absolve its responsibility.

From recent press reports, one gets the impression that the Governor, during his trip to the United States, made high-profile use of every opportunity to put China in a bad light with his sneering comments. I think that it is debatable whether such "lobbying" serves a useful purpose. The Governor is the United Kingdom's most senior representative in Hong Kong. Do his sneering comments on China represent the views of the British Government? I feel that the British Government must give some clarification.

Today, we have the MFN issue in front of us. It is an issue very important to the well-being of the people of Hong Kong. It is also an issue at which the British Government must take a square look. Let us take a pragmatic approach and discharge our obligations as Legislative Councillors by urging the British Government to discharge its responsibility and to live up to its words

given us in the Sino-British Joint Declaration, words about maintaining Hong Kong's stability and prosperity.

I so submit. I support Mr Allen LEE's motion and I urge all honourable colleagues to support it.

MR MARTIN LEE: Mr President, we know that Mr PATTEN, the Governor of Hong Kong, has just returned from a seven-day trip to the United States, where he strongly lobbied for unconditional renewal of MFN status for China, in order to prevent damage to Hong Kong's economy. He laboured the point repeatedly that it would be wrong to mix political considerations with what he saw as purely a trade issue. He urged the American President, Congress and people not to link the democratization of Hong Kong to MFN renewal. In short, his message was: "You don't help us by hurting us."

We know also that Mr Winston LORD, the new Assistant Secretary of State for East Asian and Pacific Affairs, and former United States Ambassador to China, just completed two days of intense discussions with his Chinese counterpart on a number of issues related to MFN renewal.

One thing is clear. No one who has any insight into the workings of the United States Congress and the election promises of Mr CLINTON realistically expects that MFN will be renewed without conditions this year. Indeed, the Mitchell-Pelosi Bill, which attaches conditions to MFN renewal is already before both Houses of Congress.

It must, therefore, be painfully obvious to everyone in Hong Kong, who has been following this important issue, that the motion before us is not realistic. Nor can it be of any real value to the vital decision on MFN that will soon be made in Washington D.C.

The wording of the motion clearly shows that we, as a legislature, want the British Government to ask the United States Government to renew MFN status for China, but without attaching any conditions whatsoever.

We, the United Democrats of Hong Kong, have a number of reservations about this motion.

Firstly, we do not agree with the wording, which suggests that the British Government has either declined or refused to do anything in that regard. This is plainly misleading, as both Prime Minister MAJOR and Governor PATTEN raised this very issue with the American President, Congress and people recently.

Secondly, we do not think this debate is timely at all. If we had passed such a motion before Governor PATTEN's recent visit to the United States,

then at least it would have helped him to argue his case more strongly. But we are only debating this issue now, after his return.

Thirdly, we do not understand why we are asking the British Government to raise this issue with the United States Government. If we believe it is a good thing, why then do we not tell the United States Government ourselves? This Council has, in the past, urged the PRC Government to make substantial amendments to the Basic Law. More recently, this Council urged the British Government to give the right of abode to ethnic minorities in Hong Kong.

Fourthly, apart from human rights, which I will deal with separately, we do not see how it is this Council's business to concern itself with what are clearly problems for the Chinese and United States Governments alone to resolve: arms proliferation and trade imbalances, to name but a few.

Fifthly, as to human rights, we all know this is a sensitive subject — sensitive because the PRC Government does not like anyone to mention human rights, treating it exclusively as an internal issue. I hope that I am not doing injustice to the many lobbyists for unconditional MFN renewal for China by pointing out that they have deliberately shied away from mentioning human rights because they do not want to offend China. But in avoiding this issue, they are unlikely to have any influence with United States lawmakers.

Mr President, the decision on MFN will be made in the White House and on Capitol Hill, where human rights for all peoples is always held to be sacrosanct. Further, as the new United States Government has made human rights a leading foreign policy concern, no lobbyist for China's MFN renewal will be listened to unless he or she believes in human rights and makes a point of mentioning it.

That was brought home to me vividly during my visit to Washington D.C. in early May, 1990. Because of the Tiananmen Square massacre in 1989, MFN renewal for China had become extremely controversial. The question before Congress then was not whether there should be conditions on MFN renewal, but whether MFN should be renewed at all.

At that time, I pushed the Hong Kong case strongly and urged the United States Government and Congress not to take any measure against China, which would severely hurt our economy, as non-renewal of MFN would undoubtedly have done. I was listened to with courtesy because the people I talked to knew my history of concern for human rights. Likewise, Mr John KAMM's solid credentials as a human rights advocate in China give him obvious credibility whenever he testifies for MFN renewal.

Unfortunately, there is not a word about human rights in this motion. Bearing in mind that this motion is primarily intended for the ears in Washington D.C., we must be careful that this debate today will not be counterproductive.

It will certainly be counterproductive if the United States Congress perceives that we, as a legislature in Hong Kong, are not concerned about the human rights conditions of our compatriots in China, so long as we can continue to make money in Hong Kong.

It will be equally counterproductive if the Chinese leaders in Zhongnanhai believe that no matter how many of our compatriots are locked up without trial — no matter how many priests and Christians are tortured or imprisoned for their religious beliefs — we as a legislature in Hong Kong would still approve.

For these and other reasons to be raised by my colleague, Dr HUANG Chen-ya, all 13 UDHK Members of this Council will abstain when we vote on this motion.

MR NGAI SHIU-KIT (in Cantonese): Mr President, the economies of China and Hong Kong are closely related like lips and teeth. Whether or not China will have its Most Favoured Nation (MFN) status renewed by the United States has become a question of concern among Hong Kong business and industrial circles and even the general public. However, as far as the Government's response is concerned, apart from officials repeating every year the importance of MFN to Hong Kong, we can hardly see any practical, comprehensive and positive government strategy to tackle this problem which has been disturbing Hong Kong year in year out. This indeed is a cause for worry.

I believe honourable colleagues will recall that the Governor, Mr Chris PATTEN, in mentioning the controversy over China's MFN renewal in his policy address last October, stressed his hope that China and the United States would resolve their disagreements on the trade front. Moreover, in his 1993-94 Budget speech, the Financial Secretary, Mr Hamish MacLEOD, also stated, at considerable length, that the deteriorating China-United States trade relations would have a grave impact on the Hong Kong economy. Why has a set of long-term, foolproof strategies not as yet been formulated to cope with the situation when Hong Kong Government officials have been vowing to protect the economic development of Hong Kong against the impact from the China-United States trade dispute? Indeed the people of Hong Kong cannot help worrying about the lack of any contingency preparations to deal with a problem which may lead to a loss of 70 000 jobs in Hong Kong and a 3% drop in annual gross domestic product (GDP) growth.

SUN Tzu once said in his Art of War: "Know the enemy and know yourself; in a hundred battles you will never be in peril." The skills and strategies of lobbying are like tactics on the battle field. I am of the opinion that the Hong Kong Government lobbying group should assume a higher profile and highlight the very strong potentials of China and Hong Kong as a driving force in bringing improvements to the United States' economy and trade performance, so that the American policymakers may find a point of balance, after careful consideration, between economic interests and political strategies.

I think that the Hong Kong Government must reiterate to the United States Government that the United States renewal of China's MFN status is not a grace or bounty, but rather a foundation stone for common economic development on the premise of mutual respect between both sovereign powers. The consequences brought about by the devastation of this foundation stone will jeopardize not only the interest of Hong Kong, China and the United States, but also that of other countries trading with China and of investors from all parts of the world doing business in China. The consequence will be an ill wind that blows nobody any good.

Mr President, Governor PATTEN visited the United States end of April and at his own instance met President CLINTON and various officials concerned. It is worthy of our praise that he is the first Governor to have at his own instance visited the United States and lobbied for unconditional renewal of China's MFN status. Before embarking on his journey, Governor PATTEN claimed that his mission was to lobby the United States Government and to reflect the worries of Hong Kong people. He also reiterated that politics and economic affairs should not be mixed together in order not to complicate the MFN issue.

While we were still savouring these words of his, the Governor told the media that he would be surprised if his political reform proposals were not brought up for discussion during meetings with American officials. After his meeting with President CLINTON, Governor PATTEN stressed that CLINTON supported his reform package. On the issue of China's MFN status, the Governor did no more than just lightly touched on it. He only mentioned that the United States' policy this year would be different from that of the past and that CLINTON, together with the Senate and the House of Representatives, would make an acceptable decision. Hong Kong people find it very distressing indeed to be treated to the spectacle of the Governor promoting his own reform package at this sensitive moment under the banner of lobbying American officials.

The most regrettable thing is that when the United States has categorically stated that it will attach some non-economic conditions to MFN renewal, some people in Hong Kong have added fuel to fire by making comments echoing that of the American politicians, as if the issue is not complicated enough already. American politicians will of course seize this opportunity to come to a facile decision which will ultimately jeopardize the overall interest of Hong Kong. The supreme irony is that the people who have created such circumstances for an easy ride for the American politicians are none other than those local politicians who have always vowed to safeguard the interests of Hong Kong people. These political pawns being used by foreign forces are in fact only a group of hypocrites who shout slogans without really having the public interest at heart. They will surely be spat on and spurned by Hong Kong people.

Mr President, in this year's Budget speech, the Financial Secretary, Mr Hamish MacLEOD, commented "It is impossible to see how those claiming



to protect or help Hong Kong can do so by damaging our trade." He meant those American politicians who are disregarding the interest of Hong Kong people in advocating conditional renewal of China's MFN status. Similarly, there are also a group of politicians in Hong Kong who disregard the interest of Hong Kong much the same way as the American politicians do and who speak of charity as a false front to the dagger they hold, with the objective of fishing for political capital. I sincerely hope the British Government, Governor PATTEN and local politicians will, in the interest of the 6 million people in Hong Kong, adopt a positive rather than a negative attitude of resignation and put in a concerted effort to do Hong Kong people some good.

With these remarks, Mr President, I support the motion.

MR PANG CHUN-HOI (in Cantonese): Mr President, whether the Most Favoured Nation (MFN) status for China can be maintained is of vital importance to Hong Kong. The global economy has generally remained sluggish in recent years, but Hong Kong has achieved a 5.5% economic growth. This is attributable to the huge increase in Sino-Hong Kong trade. Over the years, the Hong Kong Government has, through various channels, lobbied the United States for renewal of China's MFN status. Against all odds, it has succeeded in persuading the United States to do so.

During his election campaign, Mr Bill CLINTON, the new President of the United States, criticized China and made clear his inclination to attach conditions to the renewal of the MFN status for China. Hence the MFN issue is more critical and complicated this year. Even the Governor Mr Chris PATTEN's visit to the United States last week failed to elicit from the United States Government a substantive and affirmative message.

Questions concerning human rights improvement, release of political prisoners, arms non-proliferation and strict adherence to the Sino-British Joint Declaration are non-issues in a democratic and free country. However, requests for improvement in these areas are seen by the Chinese Government as interference in the internal affairs of China. China has repeatedly stressed that in no way will she accept any conditions being attached.

If China is not granted the MFN status, her external trade will definitely suffer a major setback. And her economy will be severely damaged. But the real victims will be the ordinary citizens who have no say, not high-ranking officials and the political elite in Zhongnanhai.

As estimated by the Financial Secretary in the Budget, the loss of MFN status to China would cost Hong Kong up to 70 000 jobs and three percentage points in annual gross domestic product (GDP) growth. This would deal a heavy blow to Hong Kong's economy, our commercial and industrial sectors as well as our labour community.

In view of the above, I support the motion. I urge the British Government, on behalf of Hong Kong, to ask the United States to renew the MFN status for China unconditionally, so that Hong Kong's economic interest can be safeguarded.

Mr President, I so submit.

MR TAM YIU-CHUNG (in Cantonese): Mr President, on 8 July last year, this Council held a motion debate on the Most Favoured Nation (MFN) status for China. At that time, most of the Members agreed that the Government should lobby the United States Government more actively for the renewal of China's MFN status. Today, nearly one year after that debate, this Council is again holding a motion debate on the renewal of China's MFN status by the United States. The difference between this time and last time is that the motion today is about urging the British Government, on behalf of Hong Kong, to ask the United States Government to renew the MFN status for China unconditionally, in the interest of Hong Kong.

It is beyond doubt that Hong Kong's economy will suffer a heavy blow if China's MFN status will not be renewed. The economic relations between Hong Kong and the Mainland are "as close as lips and teeth". Should China lose her MFN status, that would mean Hong Kong manufacturers who run factories in China and re-export their products to the United States would have to face huge increases in tariffs. Hence, the competitiveness of their products will be weakened tremendously. As estimated by the relevant government department(s), if China's MFN status is removed this year, Hong Kong's total trade volume will be reduced by 6% to 8%, and the loss of income will be about \$12 billion to \$16 billion. Moreover, Hong Kong's unemployment rate will also soar to between 4% and 4.5%, a relatively high rate. It will, of course, be a piece of very bad news for the workers.

Since China's MFN status is so important to Hong Kong, the Government of course should try its best to canvass the United States Government for unconditional renewal of China's MFN status. However, it seems that the efforts of the Hong Kong Government are not enough. Recently, the Governor visited the United States to urge the United States Government to renew China's MFN status. Although the Governor claims that this visit has achieved results in that the United States will certainly consider Hong Kong's interests when deciding whether or not to renew China's MFN status, nevertheless, the Governor has not obtained any promise from the United States on the unconditional renewal of China's MFN status.

Mr President, I consider MFN trading status as a trading concession made between two governments on the basis of reciprocity and equality. It should not be considered as a political and diplomatic measure for imposing conditions by one party on the other party. As China has also granted MFN trading status to the United States without conditions attached, the United States, therefore,

should not attach conditions such as human rights when considering the renewal of China's MFN status. Moreover, if China loses her MFN status, it will definitely cause an enormous amount of unemployment in China, Hong Kong and even the United States, thus jeopardizing the right to a stable livelihood of the people of these three places. I do not understand why the United State Government, who always emphasize that "human rights must be respected", is using the human rights issue to threaten other countries and regions. They even prefer to doing something which is both harmful to themselves and others as well as seriously damaging others' rights to employment and a stable livelihood.

Mr President, I recall that last time when this Council debated on China's MFN status, a Member moved an amendment to the motion, requesting that China should first improve its human rights before her MFN status could be renewed. When we debate on this issue this time, no such amendment to the motion is being moved. It is thus clear that colleagues are no longer blind on this subject and are not raising proposals that will harm Hong Kong's economy.

Mr President, with these words, I support the motion.

MR ANDREW WONG (in Cantonese): Mr President, this is not the first time the renewal of the Most Favoured Nation (MFN) status for China is debated in this Council. The position of this Council is perfectly clear in that we support the unconditional renewal of MFN status for China. It is the opinion of this Council that the Government should adopt a stand on this issue similar to that of this Council, because if China's MFN status is withdrawn, the economy of both China and the United States will no doubt suffer. And caught in the Sino-America disputes, the economy of Hong Kong will also be affected through no fault of our own.

As a Legislative Council Member devoted to upholding the interests of Hong Kong, I surely support today's motion in order to enable this Council to convey a clear message to Washington, and that is, Hong Kong supports the unconditional renewal of MFN status for China.

Honourable colleagues of this Council have already elaborated or will elaborate the grounds in support of this motion from different angles and at great length. But I wish to look at the issue from another perspective and make appeals from my heart of hearts to both the United States and China. On the one hand, of course, I appeal to the United States to renew unconditionally MFN status for China. On the other, regardless of whether the United States will renew MFN status for China with or without conditions, I would like to urge China to adopt a pragmatic approach to the human rights issue. It should not react passively and regard the whole matter as an international conspiracy, and consider responding to it in a retaliatory manner.

China should understand that in the United States, on account of their cultural background, the people, Congressmen, Sanators, officials of the

Administration and even the President himself, care not only about the American's human rights, but are also concerned about human rights record in other countries. The concern for human rights has its origin in Western culture. It is, above all, sort of an international standard. In this connection, it is only natural for the United States to tie human rights to economics and trade issues and China should keep its head cool and respond in a calm manner. After all, there is room for improvement with regard to China's human rights record. I call on China to be pragmatic and to make efforts in this respect to bring about the necessary improvements to deflect other countries' criticism.

Of course I also earnestly call on the President and the Congress of the United States not to politicize all economic and trade issues, but to renew unconditionally MFN status for China from purely economic considerations. In considering whether conditions are to be attached in renewing MFN status for China, the American Congress and Administration should bear in mind that China has time and again indicated that it would not accept the renewal with conditions attached. If the United States truly wants China to improve its human rights record, it should not resort so readily to big stick measures to coerce China into submission because this will strain the Sino-American relations and achieve no constructive results. The United States should take measures to assist or encourage China to improve its human rights record, such as inviting China with sincerity to send a human rights delegation to visit the United States, and to send academics and legal experts to China to compare notes on the rule of law. Through such exchanges, China will learn more about the way how the West and the other countries look at human rights.

Mr President, with these remarks, I support the motion.

MR LAU WONG-FAT (in Cantonese): Mr President, this is not the first time that we have a debate on the United States' most favoured nation (MFN) treatment for China. But since some people within and without the United States Government have made a big fuss over this issue in each of the last few years, we have no alternative but to patiently follow up on this issue and make our best effort to protect the interests of Hong Kong.

This year, certain members from the two chambers of the United States Congress have again put forward bills demanding a conditional renewal of the MFN status of China. The new United States President Mr Bill CLINTON has not yet announced what course he will take in this matter, This is surely a subject of great concern to the people of Hong Kong.

The present situation of Hong Kong makes me think of a famous kung-fu novel *The Legend of the Heavenly Sword* and *the Dragon Killing Sabre* written by the master of kung-fu novel Mr JIN Yong who created in this novel a legendary figure called the Lion King XIE Xun who practises a martial art of deep philosophical meaning known as the "Seven Injuries Boxing".

The Lion King's Seven Injuries Boxing is unique and packs a tremendous punch, but the biggest weakness of it is that whenever he hurts others by using this kind of martial art he will also hurt himself. So it is a kind of boxing that will harm both parties of a fight. If the United States attaches any conditions to its renewal of China's MFN status, it will be like using the "Seven Injuries Boxing". In that event, China will be forced to fight back by using the esoteric martial art of the MURONG family of Gusu — another fictional creation — described in the Eight Supernatural Beings — another kung-fu novel, and that is "to do unto the enemy what he doth unto others". In such circumstances, a fierce fight will be unavoidable. The most pitiable party, I think, will be Hong Kong, for its situation is just like someone who is weak in martial art and caught between two kung-fu giants about to fight. Not only is he unable to join in the fight, he is not even able to defend himself. He will only stand to be victimized. If the fight really breaks out, not only will the two giants be severely injured, Hong Kong, being caught between them, will be hurt in equal measure. So the fight will only result in all three parties being severely hurt.

Mr President, if China loses its MFN status, Hong Kong will lose tens of thousands of jobs. It is therefore an important issue affecting not only the economy and people's livelihood of Hong Kong, but also the immediate interests of members of the public. To prevent this calamity from happening is a responsibility that the British Government, which is still governing Hong Kong, cannot evade. Political bodies and people from all walks of life should also take the interests of the whole community into account, unite as one, and put forward forcefully to the United States the disbenefits of the non-renewal of China's MFN status with clear explanation of the situation of Hong Kong and the views of the people of Hong Kong in order to persuade the United States not to exercise the "Seven Injuries Boxing" that is beneficial to nobody.

Mr President, with these remarks, I support the motion.

MR RONALD ARCULLI: Mr President, the purpose of this debate is to give the United States Government a loud and clear signal, to let President CLINTON and his government know the importance of Most Favoured Nation (MFN) status for the economy of Hong Kong. Indeed, during the MFN debate last year the Honourable Dr HUANG Chen-ya said that it was extremely important for Hong Kong and China. Has the situation changed? Of course not. Some have also questioned the need to debate the unconditional granting of MFN status to China or the timing of this debate. I must confess I am quite baffled by such a stance. Are they not aware that the situation this year is quite different from last year?

Mr President, the pragmatism advocated by the United Democrats is both astonishing and refreshing. Some of the points raised by the Honourable Martin LEE are pure technicalities. Indeed, to suggest that we should tailor our arguments to please those we seek to persuade is an approach I have not heard him make before.

Mr President, likewise accusations of playing politics have also been made. If we care deeply for the stability and prosperity for Hong Kong, are we playing politics? The very same voices have asserted that those of us who care for stability and prosperity do not care for human rights, arms proliferation or free trade. Nothing could be further from the truth. The disagreement is over what is the best and most effective approach. To illustrate this I will refer to the contents of the Pelosi Bill which imposes five, but is really 13 conditions and these are:

First, appropriate actions to adhere to the Universal Declaration of Human Rights in China and Tibet. Second, unrestricted emigration of citizens desiring to leave China on political or religious reasons. Third, acceptable accounting for and release of Chinese citizens detained, accused or sentenced for non violent expression of political beliefs, including those involved in the June 4 incident. Fourth, prevent export of convict labour manufactured products to the United States. Fifth, significant progress in (a) ceasing religious persecutions in the People's Republic of China and Tibet; (b) releasing leaders and members of religious groups arrested for their religious beliefs; (c) easing unfair and discriminatory trade practices against United States business; (d) lowering tariffs, removing non tariff barriers and increasing purchase of United States goods and services; (e) adhering to the missile technology control regime and controls adopted by the Nuclear Supplies Group and the Australian Group on Chemical and Biological Arms; (f) adhering to the Sino-British Joint Declaration; (g) co-operating with United States on an acceptable accounting for United States military personnel missing in the Korean or Vietnamese war; (h) ceasing the jamming of the Voice of America and, lastly, (i) providing international human rights and humanitarian groups access to prisoners, trials and places of detention.

It is quite apparent from the conditions I have referred to that everything including the kitchen sink has been thrown in. They include both political and non political issues.

The Liberal Party believes that through improving Chinese economy there will be increased demand from within China for improvements in the areas mentioned in the Pelosi Bill. Indeed, the Honourable Martin Lee has said, and I quote, "A logical way to promote human rights is to improve the standards of living, as economic success and prosperity unavoidably leads to greater political liberalization and respect for human rights."

What seems difficult to understand is why the United Democrats have come to a different conclusion. Perhaps the United Democrats have decided not to seek or undertake what is, in their view, a mission impossible and that is unconditional renewal. It is strange that they have undertaken impossible missions before, why not now? Perhaps by telling us that we are dreaming about unconditional renewal under the present United States Government, the United Democrats believe that renewal should be conditional. Indeed, this is the

closest the United Democrats have come to making an admission of what might be in their heart of hearts.

Mr President, President CLINTON will be making his final decision before 3 June. There is no better time for this Council to send an unequivocal message to the United States Government and Congress that we support unconditional renewal. Indeed, we must also give the same clear message to Hong Kong.

With these remarks, I support the motion.

MR MARTIN BARROW: Mr President, I endorse Mr Allen LEE's motion which provides a timely opportunity to reiterate the importance of this subject.

The underlying issue is that Hong Kong's economy and thus the prosperity of our people is now underpinned by our economic links with the Mainland. In 1978, the year of the start of the open door policy, 12% of our trade was China related. It is now 60% China related. Our imports from China have risen 40 times, our domestic exports to China by 800 times and our re-exports to China by a staggering 1 200 times — incidentally, despite the high rates of growth of exports, China still has a trade surplus with Hong Kong. We used to talk about our relationship with China being one of interdependence, but the reality now is that it is one of integration. As Mr Allen LEE has said, China is poised to achieve great economic strength and Hong Kong will play an important role in China's modernization bringing benefits also to our own people.

There are three brief points I would like to make.

Firstly, I am pleased that Mr LEE has aimed his motion at the British Government. While the latter are well aware of the issue and are supportive, we know little of the so-called special relationship between London and Washington. I am concerned that Hong Kong issues become submerged by other matters on the United Kingdom/United States agenda and it is most important that the United Kingdom speaks up vigorously and publicly in support of Hong Kong's position on unconditional renewal of MFN. It is just like the issue of normalization of relations with Vietnam which would be so helpful to Hong Kong: in recent weeks, Japan, France and Germany have spoken out publicly on that issue, but once again there is no evidence of the United Kingdom taking a public position.

Secondly, we must ensure that we do nothing in Hong Kong to irritate our existing, and potential, supporters in the United States. We have, for example, a Bill before us to give greater access to foreign lawyers. We must ensure that the final result is something which satisfies those in the United States who have been pursuing that issue which will demonstrate Hong Kong's openness to the outside world.

Finally, I am disappointed to learn that some Members will not support this motion. That is sad, Mr President. This is an opportunity to show total unity in pressing the British Government to support Hong Kong. Anything less sends a confused message to both London and Washington and results in politicization of the issue. I urge colleagues to support the motion.

MRS ELSIE TU: Mr President, I feel disappointed that my colleague, Mr Martin LEE, seems to be saying "we know it is useless to talk to the United States of America about MFN because the result is a foregone conclusion." It is most unusual for Mr LEE to give up a fight because he thinks the battle will be lost. So for the sake of the Hong Kong people and their livelihood I hope he will not cave in to the prejudiced politicians we have heard of like Nancy PELOSI.

Mr President, the term Most Favoured Nation has arrogant connotations. It dates back to the days when western nations, including the United States of America, forced China at gunpoint to unequal trading agreements. This colonial arrogance has not changed very much, but nowadays it is disguised in fancy wrappings called human rights.

MFN is in fact still being used to exert economic and political pressures on China. It is hypocrisy for any country to judge the human rights of another nation because no country has a clean history. Every country passes through various stages of development and its people have to struggle for their own rights. Interference by other countries is neither justifiable nor beneficial. America's own record is by no means a clean one, either for human rights in the United States or in the world at large. How many people worldwide have died because American politicians try to impose their own political ideology on other countries? How many are still suffering, for example, in Vietnam? Can that be called upholding human rights?

On the subject of arms proliferation, again, which country has a clean record? Indeed, no country is more guilty than the United States on that score. Need I recall Irangate to prove it?

Now President CLINTON has brought a new vision to the American people and I trust that he will live up to his promises to his people. He had the courage and principle as a young man to oppose the war in Vietnam. Let us trust that he will now reject the vicious attacks of a handful of right wing extremists in the United States who would like to force their own standards on China even at the cost of depriving thousands of Hong Kong, and perhaps millions of Chinese, workers of their livelihood. President CLINTON would bring honour to his country if he would allow other countries the right to their way of life and the right to work out their own destiny without American interference.

Mr President, I support the motion.



MR CHIM PUI-CHUNG (in Cantonese): Mr President, I will try to analyze the issue of Most Favoured Nation (MFN) status for China from three angles: the American angle, the Chinese angle and the Hong Kong angle. I will then draw a conclusion.

On the issue of MFN status for China, the United States Government stresses (1) human rights, (2) arms proliferation and (3) trade imbalance. In the area of human rights, the United States is like a guiding light in the eyes of the entire Free World and some Members of this Council. As a matter of fact, the United States has always had a double standard when it comes to human rights. From how the blacks are treated in the United States (some will perhaps find me bigoted to refer to them as "blacks" but that is really how they are called), from what Israel gets for the way they treat the people of Palestine, and from the action against the former President of Panama, we can all see what human rights there are to talk about under the double standards used by the United States. I have made the same point many times before. In early April, an Asian and Pacific Human Rights Conference was held in Bangkok with participants coming from a total of 49 countries from Asia and other parts of the world. The conference issued the Bangkok Declaration, in which the participating countries made what were clearly very blunt comments on America's and Europe's understanding of human rights. The 49 participating countries stressed that, as sovereign countries, they should not accept that the so-called liberal countries could use the human rights issue to further the interests of power diplomacy against other countries. This is of course a matter of opinion. The real winner and the real loser will be decided by how the economic situation develops. In other words, if it turns out that these Asian and Pacific countries will have to continue to rely on aid from Europe and America, then power diplomacy will win the day. Otherwise, we must wait for history to hand down the verdict. Thus, I obviously have reservations about the United States Government's views on human rights. I am not saying that I do not like human rights. In fact, Hong Kong has already enacted the Bill of Rights Ordinance. What I am against is the United States Government's use of the human rights issue as a diplomatic weapon and this should be censured by the entire world. In particular, the well-informed among us and our self-styled liberal Members in this Council should stand up and point their guns in the right direction. They should condemn the United States Government's views on human rights.

The second point is the arms proliferation issue. This, undeniably, is a very controversial issue. But this is, after all, something to do with the treaty concerned. Any country that is a party to the treaty is committed to honouring its terms or to their implementation. If it violates the treaty, then it must be held responsible for all the consequences. However, which world organization has given the United States the special right or any treaty clause making it the only country in the world that can sell weapons while the other countries must absolutely not develop or be engaged in defensive weapons trading?

The third point is that the United States Government has again reminded China of the latter's trade surplus of between \$15 billion and \$18 billion. In

this connection, the United States Government should conduct a self-examination to find out why American products are losing its competitive edge in the global market, in comparison with those of other countries. As we all know, China is doing its utmost to oblige the Americans by buying from them not only aircraft but also wheat and other food products. That of course is America's prerogative. It has the power and is in a position to press China to take certain actions. Whether China will oblige or not is something between their two countries.

Secondly, I want to analyze the issue from the Chinese angle. We must understand that the Chinese Communist Party came to power 44 years ago. In the 1950s, other countries (including the United Nations) were hostile to China. In response, China adopted a close-door policy for a long time. During the past 12 to 14 years, China embraced an open-door policy. More recently, China made a further step and developed a market economy. Though a market economy with socialist characteristics, it is nevertheless a market economy. This shows that the Chinese Government, representing the Chinese people, is willing to accommodate itself to the global trend and to accept changes of all sorts. In this connection, the free countries of the world should give it not only spiritual support but also material support. Undeniably, in order to carry out its open-door policy, the Chinese Government must take the necessary actions so that the development of its economy and other areas would be more accommodative to the rest of the world. I am convinced that, if this were not the case, the Chinese Government absolutely would not accept any unreasonable demand forced upon it. The most important reason for being accommodative is that China wants safeguards for its future development. I firmly believe that, in 15 years' time, that is, in about 2008, China or its people will have the world's highest national income (not national income *per capita* but national income).

Thirdly, where Hong Kong is concerned, we should note that Members of this Council must work for the overall interests of Hong Kong. I take a slight exception to the wording of Mr Allen LEE's motion today. We must strive for the interests of the people of Hong Kong. We are not requesting that the United States Government must renew China's MFN status. The message we must get across is that whatever action the United States may take it must not hurt the interests of the people of Hong Kong as a whole because Hong Kong is a consistent practitioner of free trade. I have said more than once that we have clearly lost ground in our foreign trade. We are now relying on tourism to balance our payments or even to run a surplus. Therefore, Members from the United Democrats of Hong Kong, who claim themselves as representatives of the so-called liberal camp, should follow their conscience when they purport to speak for the people of Hong Kong. They must never say anything against their conscience and try to irritate China over some related issues. I am convinced that, if they continue to think along their old line, the election results that they were lucky enough to achieve in 1991 will not be repeated in a significant way in 1995.

Personally, I hope that all Members will be united in purpose and in action and confront the United States Government in the name of free trade. If the United States Government practises the so-called power diplomacy or attaches conditions to China's MFN status, we as Legislative Councillors must defend our cause. We must confront the United States Government in the same way that, according to Mr SZETO Wah, we must be in order to defend the Basic Law.

Mr President, I support the motion.

MR FREDERICK FUNG (in Cantonese): Mr President, honourable colleagues, at a Legislative Council sitting in last July, we debated whether the United States Government should be urged to renew the Most Favoured Nation (MFN) status for China unconditionally. I then offered some comments. The comments remain valid today. And I should like to share them with you again.

Some American congressmen and senators recently proposed to attach conditions to the renewal of MFN status for China. The conditions would require China to improve its human rights record and to end its unfair trading practices. It appears that these conditions primarily serve the purpose of advancing the cause of democracy and openness in China. And the Association for Democracy and People's Livelihood (ADPL), myself and the vast majority of the people of Hong Kong support such an object. We hope that China will improve its human rights record and become a democratic and open society. However, is it the most effective way to achieve this object by attaching conditions to the renewal?

Basically, if a society is to attain a satisfactory level of development in terms of democracy and human rights, the time must be right and some social conditions must be present. Western scholars have studied the social conditions in 120 democracies, including particularly a number of relatively stable democratic countries. They found that there are basically some common conditions, as follows:

- (1) A high rate of literacy. This means that the population is well educated.
- (2) A well-developed information network. This includes telecommunications, television and other mass media.
- (3) A high standard of living. This includes the availability of motor vehicles, air conditioners, telephone and refrigerators.
- (4) A middle class of a significant size.

In other words, countries in which the four conditions are present are more democratic and socially stable compared with those in which they are not present.

Let us look at today's China. I feel that the time is not yet ripe for China culturally and in terms of the four conditions mentioned above. An open economy would improve people's living standards and lead to the establishment of an information network and the emergence of a middle class and a better-educated population. An open economy would also induce the people to expect a better quality of life and a better government. Going one step further, they will spontaneously call for more democracy and better human rights conditions. I believe that, when the time comes, it will be difficult for those in power to resist the currents of such social development. Compared with the use of threats or the imposition of conditions, such an evolutionary process will be more effective for bringing about changes and it will effect more solidly based changes.

Should those in power in China, to save their face, refuse to comply with the imposed conditions, the United States Government will then have to withdraw MFN status to China. This will deal a direct blow to China's economic development. It will then be impossible to bring about the gradual political and human rights reforms one could expect, as a byproduct, from an open economy. And China's long-term development will subsequently be hampered.

In the event that conditions are attached to MFN status renewal, what kind of pressure will they really bring to bear on those in power in China today? To what extent will the conditions affect them? I believe that they will not feel much pressure, since they will not be directly affected by the loss of MFN status. Their political positions and their life style will not be affected. Conversely, it is the ordinary people of China and the people of Hong Kong who will be immediately and directly affected if China's efforts to liberalize its economy suffer any setback. It will become more difficult for the ordinary people of China and for the people of Hong Kong to have their hope of enjoying higher living standards fulfilled. Therefore, neither ADPL nor I want to see the United States attach any conditions to China's MFN status renewal regardless of the political situation in China. Still less should we urge the United States to deny MFN status to China. I feel that we must take a good look at the present situation in China.

It may be worth our while to review what has happened in China since the June 4 Incident. Have those in power in China made any welcome changes? Has the Chinese Government released any pro-democracy activists in jail? Has there been economic reform? Is a market economy being developed? Has China made real progress towards the four conditions that I mentioned earlier? I feel that China has made progress in all these areas over the past few years. Therefore, at a time when China is trying to address its problems, I am loath to

see the United States resort to employing intimidation measures. Still less do I want to see China's economic reform slow down as a result.

China's MFN status is actually subject to review each year. This being so and now that China is carrying out economic reform and its people can enjoy more freedom, why should we set up obstacles instead of giving it some encouragement?

Should China really go backward and backpedal in the future, I believe no loud objections would be heard when it is proposed that harsher conditions or even sanctions be imposed.

Apart from a better human rights record and a greater measure of democracy, we of course also hope that China will take initiative to end some of its unfair trade practices and to correct its economic malpractices that infringe on international intellectual property rights.

I do not believe that politics and economics can be totally dealt with separately. When there is a dispute between two countries, each will try to bring all kinds of pressures to bear on the other. Look at what used to be the Soviet Union and Yugoslavia. Whenever some issue popped up there, it became a combination of political, military, diplomatic and economic events. On the MFN issue, if the United States attaches any conditions, it is trying to exert economic and political pressures on China. If the United States attaches no conditions, this could be interpreted as economic inducement.

Lastly, I feel that the most important thing is for the Chinese leaders to realize that human rights are recognized internationally as people's basic rights and not an excuse found by foreign countries for intervening in China's internal affairs. Of course, if they realize that human rights are internationally recognized rights then they should write human rights and democracy into their political programmes for their government.

With these remarks, I support the motion.

DR HUANG CHEN-YA (in Cantonese): Mr President, undoubtedly, the renewal of Most Favoured Nation (MFN) status for China is in the common interests of China, the United States and Hong Kong. Should China lose its MFN status, China and Hong Kong will sustain great losses, and so does the United States. China's economic reform would suffer a setback. A loss of about a quarter of its foreign trade could be expected, which will deal a severe blow to the commercial and industrial establishments and have serious effects on employment in China. Hong Kong would be harder hit in the loss of re-export trade. To make matters worse, a trend towards economic integration between Hong Kong and China has already been in evidence and if China should lose its MFN status, the damage to Hong Kong would not be limited to a drop of re-export trade; Hong Kong's investments in China would be jeopardized as well.

Similarly, for the United States, if China should retaliate in equal measure, it will certainly do harm to the \$30 billion American investments in China and many industries and consumers in America would have to pay higher prices. What is crystal clear at present is that the renewal of MFN status for China is a win-win game for China and the United States and not a zero-sum game, since China's loss will not be America's gain and the renewal will bring benefits for Hong Kong as well. With these factors in mind, the United Democrats of Hong Kong (UDHK) hope very much that the United States Government will renew MFN status for China.

However, given that the economy of the United States is in recession and its trade deficits are sustained at a high level, protectionism is already rearing its head in America. The United States has frequently been engaged in trade disputes with European and Asian countries over the past few months. Several trade talks have been held in atmospheres charged with tension. This shows that the United States Government is doing its utmost to pull the country out of recession and to reduce its trade deficits. On the issue of Sino-American relations, there are certainly people who will use any justification to curb China's widening trade surplus, as an end in itself or as a bargaining chip where other interests are at stake. Therefore, many in America, in or out of the Administration, are inclined to attach conditions to the renewal of MFN status for China.

Actually, there are only three conditions that Americans wish to attach. First, fair trade. Second, no arms proliferation. Third, a better human rights record. In the area of trade, China already realizes how important free trade is in the national interests and for the building of a rich and strong nation. It is therefore gradually removing trade barriers and making painstaking efforts to rejoin the General Agreement on Tariffs and Trade (GATT). On the issue of arms proliferation, China is consistently in favour of the maintenance of world peace. In terms of arms sales, its records are no worse than those of Europe or America. For this reason, the first two conditions will cause no problem for China and China does not have to fear that it will lose MFN status for failing to comply with them. Now, on the human rights issue, many hold that attaching the human rights condition will effectively deny China's MFN status. Those who say so reveal that they, in fact, despise China. China is a country with a 5 000-year-old civilization and yet it is under criticism for having an unsatisfactory human rights record. This is really a shame. It will be an even greater shame for the contemporary Chinese people if China loses its MFN status on account of its unsatisfactory human rights record. Human rights are in fact not the exclusive rights of white people. In the past, when China was struggling in poverty and under imperialist oppression, survival might be the only manifestation of human rights. But the Chinese people must never content themselves with this minimum human right. The Chinese people are entitled to the same human rights as the rest of the people of the world are. China should try to forge ahead and improve its human rights record so that it would compare favourably with those of the Western countries. China cannot stop striving for human rights just because other countries set store on them. We

want a better human rights record not because the Americans urge us to show it before they will give us MFN status. We want it because, along with a rich and strong China with a democratic system, human rights have always been an objective fought for by the Chinese people over the past 100 years and more. And the Chinese Government has the inescapable responsibility to pursue human rights as a goal, as a dream to be realized.

During last year's debate on the same issue, UDHK noted that China should initiate drastic moves to meet fully all the conditions that may be attached. We see that China has indeed done so over the past year. Where the trade deficit is concerned, China has sent trade delegations to the United States and signed contracts with the local businessmen, placing orders for billions of dollars worth of American products and buying bonds. On the human rights front, China has set up a human rights committee, published a report on human rights conditions in China and gradually released political prisoners. These actions speak louder than any words for safeguarding China's MFN status. They make it impossible for the protectionists to use such conditions and issues to impede China's foreign trade or to slow down the pace of its pursuit of a rich and strong China. All these testify that there is nothing wrong at all with UDHK's positions and demands. China can take a positive and pragmatic approach to the MFN issue. And UDHK's position is this: On one hand, we earnestly hope that China will take a pragmatic and sensitive approach to the MFN issue to ensure the renewal of its MFN status. On other hand, we should urge China to take initiative in stepping up the improvement of its trade environment and human rights record so that the issue that has been bothering China, the United States and Hong Kong may be fully resolved and a final cure found for the disease with a record of annual relapses.

In view of the above, I think that Mr Allen LEE's motion, which is simply urging the British Government to ask the United States Government to renew MFN status for China unconditionally, does not deal with the present problem head-on and will mislead the public into thinking that, other than appealing to the United States Government, nothing can be done. And the public will then have to resign to fate and wait for the worst to happen. They will miss the opportunity and the problems will remain unsolved. If so, they will be like a fish in a cooking pot, that begs for pity while being cooked. This is not the right way for bringing the issue to an end. Therefore, UDHK cannot support the motion.

Mr President, I appreciate that some people tend to insult others when they fail to have any sound arguments to convince the latter. UDHK, therefore, do not intend to respond to the personal attacks and insults inflicted upon them today.

I so submit.

MISS EMILY LAU: Mr President, it is that time of year again. As poet Alfred Lord TENNYSON said, "In the spring a young man's fancy lightly turns to thoughts of love" and ours turns inevitably to the renewal of Most Favoured Nation (MFN) status for China. Some may regard this debate as the litmus test of patriotism when we can display the requisite shade of red.

Mr President, that would be a superficial view, as superficial as the motion which we debate this afternoon. I say that the motion is superficial because it implies that Hong Kong's economic interests are safeguarded only if no conditions are attached to MFN renewal, regardless of what those conditions might be, no matter how beneficial to the long-term interests of Hong Kong and to the freedoms so necessary for economic prosperity; superficial also because the motion implies that Hong Kong's economic interests cannot be equally well served by China's compliance with international agreements which China is already bound or to which China aspires to accede.

In spite of all these reservations and the realization that a debate in this Council could have limited impact on the American decision makers, some Members still insist that we have this debate. So why do they do it? Apart from using this debate to demonstrate patriotism to Peking it also serves the purpose of embarrassing supporters of the pro-democracy lobby by presenting them with a dilemma, that is, if they support unconditional MFN they risk being labelled expedient opportunists who are prepared to abandon human rights in return for business contracts; if they vote against the motion they may be accused of jeopardizing the economic well-being of the colony. What better way is there to corner the democrats?

Mr President, I do not subscribe to the absolutist view that under no circumstances should trade be linked with issues other than trade. We delude ourselves if we believe that economic liberalism can be sustained without political and social freedoms. Nor is it realistic to ignore the fact that the international community uses sanctions as a legitimate weapon to secure political or humanitarian objectives. Hong Kong has been party to such actions in the case of South Africa and more recently Iraq.

Perhaps it is the annual nature of this exercise which encourages those who are involved to take the short-term view. The United States Government, the Senate and Congress examine whether China has made sufficient progress in the area of human rights, in reducing the trade imbalance and in other matters during the past year to merit unconditional renewal. China responds by ordering some big items from the United States and releasing a few political prisoners as sops to protectionists and human rights lobbies. The business community of Hong Kong sends lobbying missions to argue the case for unconditional renewal of MFN and then heaves a collective sigh of relief when it is granted, until the whole exercise is repeated the following year.

Mr President, this is no one's interest. As a matter of bilateral relations the United States and China must work out what each expects of the other in



order to assure the continuation of MFN status for China. Until this is done, Hong Kong will be forced to endure the uncertainties engendered by the annual threat of its withdrawal. But it is a matter of bilateral Sino-United States relations.

Attaching conditions to the renewal of MFN is to use an exceedingly blunt weapon. But the message we send out, if we support this motion, is that the people of Hong Kong are only interested in safeguarding our economic interests. In that case, unconditional renewal of MFN means money for now without conditions. I cannot support such a short-sighted view. I shall vote against the motion.

MR GILBERT LEUNG (in Cantonese): Mr President, that the question of China's Most Favoured Nation (MFN) status has been attracting growing concern among Hong Kong people in recent years indeed illustrates an indisputable fact, that is, Hong Kong has in recent years forged an inseparable tie with mainland China in terms of economic development, so much so that the tie is as close as lips are to teeth. Were it not for the fact that the Chinese economy has come a long way under the open policy — in particular the further development of this policy following DENG Xiaoping's call during his tour of southern China in order to stabilize the situation after the June 4 incident — the Hong Kong economy which was in stagnation in the late 1980s might well have plunged into recession, let alone growth. How can Hong Kong people, therefore, not share the worries associated with the economy and how can they treat lightly the MFN question upon which hinge the prospects of trade between China and the United States?

In fact, the Financial Secretary categorically pointed out in his Budget speech this year that Hong Kong will suffer an estimated loss of 70 000 jobs if China does not continue to enjoy her MFN status. And the annual gross domestic product growth of Hong Kong will be reduced by as much as three percentage points. Therefore, there is indeed no reason why anyone who genuinely cares for and protects the interest of Hong Kong should not support any endeavour to secure an unconditional renewal of China's MFN status.

Free trade is regarded as the golden rule in capitalistic societies of the West and hence sacrosanct. However, on this question of trade between China and the United States, the latter Administration is not doing what it preaches, but mixing politics with trade and trying to attach conditions to the renewal of China's MFN status. The United States Government is also attempting to coerce China into compliance by making great play of such issues as improvement of human rights, huge trade deficits with China and arms proliferation. Hence it can be seen that however beautiful the rhetoric and however many the superlatives used, any "-ism" is in the final analysis to serve essential economic interests. The aphorism that politics is the concentrated manifestation of economics is a correct and fitting remark.

In the China-United States trade negotiations, the attaching of conditions is but a tactic of negotiation. The truly crucial and decisive factor lies in the economic interest of the United States. Of the various threatened conditions, questions such as human rights, arms proliferation and even that of Hong Kong's political reform, which some are trying to link with the MFN issue, are no more than side-issues and feints. I am afraid what the United States is genuinely interested in is the ever increasing trade deficit. Last year, the United States chalked up a deficit of US\$84.3 billion in its foreign trade. And China's trade surplus with the United States increased from US\$12.7 billion in 1991 to US\$18.1 billion in 1992. But during the same period, the United States economy was still making little progress. The first budget of the Clinton Administration which, though smaller than those of the Bush Administration is still as high as US\$264 billion. It is estimated that the total deficits during the four-year term of Bill CLINTON will be about US\$1000 billion and the aggregate deficit of the United States will be as much as US\$5000 billion. Cornered by internal and external difficulties, how could President CLINTON who made so many promises during his election campaign not try his best to mitigate the dual deficit, so as to strengthen his popularity with the people?

Therefore, in my opinion, the United States is only feinting its moves in the China-United States trade negotiations, with its sights set on reducing the trade deficit. As long as it sees that China is making efforts to improve in this regard, the MFN question should be resolved smoothly. In fact, China has been making a substantial effort lately, not only in bringing about major reforms in the areas of intellectual property and import/export institutions, but also in further opening up its energy, financial and civil aviation markets. Recently, a large Chinese purchasing delegation visited the United States and placed orders for American oil equipment, various types of vehicles and a number of Boeing airplanes, valued at over US\$2 billion. This shopping spree is expected to create 200 000 jobs in the weak United States economy. As regards the question of human rights, the advance release of WANG Dan and the release of WANG Xizhe on parole are all acts of goodwill. With all the good words spoken and face given to the United States, not to mention the inducements of substantial rewards and good profits, will the United States not renew the MFN status of China for its own good and that of others?

If my calculation is correct, the proposal by Senator MITCHELL and Representative PELOSI to attach harsh conditions to MFN will not be accepted by President CLINTON in full. As the saying goes, the way to administer is to set sights on superior methods and try to achieve the mean. Although Bill CLINTON had stressed time and again, before his assumption of the presidency that the renewal of China's MFN status must be conditional, I believe the conditions, if any, will in the end be nothing more than some general conditions of vague wording and lofty principles. Those will be no cause for worry.

With these remarks, Mr President, I support the Honourable Allen LEE's motion.

MR FRED LI (in Cantonese): Mr President, I have not prepared a draft speech today, but I think it will still serve the purpose if I read out my speech last year on the same subject. On the issue of Most Favoured Nation (MFN) treatment, Meeting Point has clearly pointed out that the United States Government is only playing a political trick. During the debate moved by Mr Vincent CHENG on this same subject on 8 July last year, I quoted in my speech Romania as an example to illustrate that MFN treatment has in fact nothing to do with human rights. Romania was then ruled by Nicolae CEAUSESCU and its human rights situation was terrible, but the United States was still giving Romania MFN treatment. The purpose was to divide the Communist nations, and the reason for granting MFN status to Romania was simply that. So, be it a conditional or unconditional grant, it would still be a joke. Many Members have pointed out that the United States' trade deficit with China is becoming bigger and bigger. If that is the reason for any forced attempt to attach political and human rights conditions to trade provisions, we absolutely cannot accept it.

I am all for demanding China to improve its human rights record, and I believe many Members of this Council will agree with me. But is it right for the United States to attach such conditions in the matter of MFN treatment for China?

In last year's motion debate, tempers frayed and tensions flared as Members fired verbal broadsides at one another. At that time partisan stances were yet not clearly defined. But today the Liberal Party has been established. I hope that we can all "base our arguments on reasons" and do not use the MFN issue as a means for inter-party struggles within this Council or as a division line between different parties. I will be very sorry to see that happen. We have to make it clear that the purpose of this motion debate is to express the view of the people of Hong Kong, which is to request the United States Government not to impose any political conditions on trade matters.

I think we should unite together. Last year, the whole Council sent a letter to the United States Government and there was a motion debate on this issue. This year, the situation is more precarious, and very different from that of last year under the Bush Administration. The United States Government is now led by Bill CLINTON and the Democrats have secured more than half of the seats in both chambers of Congress. So the situation is very different from last year.

I hope Members will understand that the United States Government still regards itself as the "Big Brother" so far as MFN is concerned. Meeting Point thinks that the United States Government should not interfere with the internal affairs of other governments. This MFN issue is however a typical example of American interference. The United States is exploiting it to achieve its own ideals or something it considers to be righteous.

As regards the trade gap, I think the problem should be resolved through normal channels, for example, by negotiations, consultations or contacts

between trade delegations, and not by quarrelling over this issue in June every year. I hope that the MFN issue will not be debated again in this Council next year. Our position is already very clear. Political and economic issues should not be mixed up. Therefore, Meeting Point objects to any conditions being attached, including those on nuclear arms proliferation, human rights, Tibet and so on. The United States itself has also many domestic problems like racial disputes, economic recession and so on. I do not think it qualifies for the international police role.

Mr President, I hope that we will cut down on verbal attacks on one another. This Council should not keep on quarrelling over the MFN issue. The four Members from Meeting Point will support Mr Allen LEE's motion.

MR HENRY TANG (in Cantonese): Mr President, Hong Kong will suffer serious economic loss and massive unemployment if the United States refuses to grant unconditional renewal of China's Most Favoured Nation (MFN) status. This point has been mentioned by many colleagues just now. I feel very sorry that since 1989 the MFN issue has been the United States' most powerful negotiating chip and used by the United States Government to coerce China into compliance and to force the pegging of trade and economic questions to politics.

I am against the United States attaching any condition to the renewal of China's MFN status. My stance has always been clear and firm. The MFN status should purely be an economic question. The United States should not and cannot use it at will to force China into submission on any issue whatsoever. It is because the mutual granting of MFN treatment between China and the United States is an arrangement effected on the basis of equality and reciprocity for the benefit of the economic and trade developments of both countries. China is definitely not the only party on the receiving end. Nor is such an arrangement a grace or bounty from the strong to the weak. While contact between countries should be based on mutual respect, economic and trade agreements or treaties are the product of mutual assistance, mutual benefit and fair competition. There is no question of one country gaining advantage at the expense of another.

In recent years, China has made much improvement in a number of areas, such as setting up a human rights commission, releasing liberal activists like WANG Dan and WANG Xizhe earlier than scheduled, protecting intellectual property and frequently sending delegations to the United States to procure large quantities of agricultural produce, airplanes and motor cars and reducing China's trade surplus with the United States. All this has reflected that China is willing to adopt a pragmatic attitude and initiate some corrections.

Nowadays, China with its socialist characteristics is marching towards market economy and has assumed a cardinal role in the international economic arena. China must adjust its political orientation gradually in order to cope with world trends. Simply opening up its economy without making corresponding changes to its political system will not be a feasible option for China. I am

confident that China, having satisfied the essential needs of its people and developed a strong economy, will be able to heighten its attention and to improve human rights. During my visit to Beijing in November last year, I had a meeting with the incumbent chairman of the Chinese People's Political Consultative Conference, Mr LI Ruihuan. I expressed to him my hope that the human rights situation of China be improved at a faster pace and that liberal activists be released early. His response then was keen and positive. Hence it can be seen that Chinese leaders do attach importance to this matter.

Over the last several years, the question of whether or not the United States would renew China's MFN status has put Hong Kong people in a high-strung mood to the point of paranoia. We had to send out a number of lobbying groups to Washington, D.C. year after year. And no sooner had we "made it" than new fuses were lit the following year. An example is last month's Mitchell-Pelosi Bill proposing that conditions be attached to MFN renewal. The contents of the Bill are highly inflammatory. The Bill also accuses China of exporting AK47 rifles. I am very much surprised at this accusation. Is the United States itself not selling rifles to the other countries? As far as I know, the AR15 automatic rifles currently used by the Royal Hong Kong Police Force are made in the United States. I do not know whether I should laugh or cry at finding that such a practice of "one may steal a horse while another may not even look over the hedge" could ever happen today in a big, self-professed civilized country like the United States.

The doors to China were opened in 1971 by former United States President NIXON after painstaking efforts. And over the last two decades, the Chinese and United States Governments have worked hard to maintain good diplomatic relations. Confrontational diplomatic tricks in fact serve neither party any good. From his assumption of the presidency until now, Bill CLINTON has yet to come up with an economic policy that can break new ground and turn the depressed United States economy around in the near future. United States industries are in the doldrums. General Motors, for example, suffered an astronomical loss last year — probably setting an historical world record for private enterprises. A government is responsible for promoting its country's economic development to make commercial and industrial undertakings competitive in international markets, thereby increasing job opportunities so that its people may live and work happily. The reason for Bill CLINTON's election to the presidential office is that he had promised his voters that he would resurrect the United States economy. But the United States is content with playing its role as the international "Big Brother" concerned only about strengthening its super position of "international police", and oblivious of its weak domestic economy. This is indeed very irresponsible. If conditions were attached to the renewal of China's MFN status, the Americans would have to pay an expensive price. I hope that the United States can understand that now is the time to resolve this matter for good. I do not want to trouble myself the same time every year about the same matter. As the sovereign state of Hong Kong, the United Kingdom is obliged to protect Hong Kong's stability and

our lifestyle. It is only fitting and proper that the United Kingdom should represent Hong Kong in explaining to and lobbying the United States.

Mr President, some people said Hong Kong is concerned about economic development only, at the expense of human rights, democracy and ideals. I do not think this is correct. Hong Kong people are in fact so greedy that they want economic achievements as much as democracy and freedom. They hope all the more fervently that China may become a rich, strong, democratic and open country as soon as possible. I believe every Chinese does sincerely hope that China will succeed in its reforms and opening up, so that the Chinese authorities may become a responsible government and more importantly look after the needs of its people comprehensively. It is a law of nature that democracy must synchronize with economic progress.

With these remarks, Mr President, I support the motion.

DR SAMUEL WONG: Mr President, the Honourable David LI, representative of the Finance Constituency, very much wanted to participate in this debate. Unfortunately an urgent matter has called him away from Hong Kong. He has asked me, however, to convey the views of the banking industry on this motion which I share and wholly support.

Once again we are faced with the sorry spectacle of a debate in the media and the Congress of the United States over China's Most Favoured Nation (MFN) status. While it is not Hong Kong's place to instruct the United States as to what policies it should pursue, it is both our right and our responsibility to state our views clearly and emphatically when decisions made by the United States Government may affect our stability and our prosperity.

The withdrawal of the unconditional granting of China's MFN would hurt the innocent and would impede China's economic growth. It would hurt the American consumer, the Chinese worker, and entrepreneurs from both nations, not to mention the 6 million people of Hong Kong. Is this what the American Congress, or indeed the American people, want?

Any change to China's MFN status would hurt American business and American investors. It would undermine the global competitiveness of American industry. It would cost Americans jobs, not low pay menial jobs but high paying skilled jobs; not expatriate jobs in Hong Kong or China, but jobs in the United States. Is this what the American Congress wants?

Any conditions attached to China's MFN status would also hurt Hong Kong. Our growth would be more than halved and we would lose up to US\$3 billion in income and up to 70 000 jobs. Hong Kong could lose even more if China retaliates by cutting back on imports, imports of American goods. Is this what the Congress wants?

The proposed legislation is deeply flawed as America's premier business newspaper has pointed out. The legislation is simply unworkable because it cannot be applied to the economic and business realities created by China's ongoing economic liberalization. It would create a legal quagmire and thereby make a mockery of United States law, policy and high principles. Is this what the Congress wants?

This tiresome debate in Washington reveals once more how little the United States Congress understands about China, about Hong Kong, about even their own history in economic development. We are fortunate that this year the Governor has recognized the urgency of carrying the message of common sense to Washington. The impact he has had in Washington and in New York has done much to bring the weapons of reason and information to bear on the debate.

The Hong Kong Government and Hong Kong's business community should recognize that there is a major educational task that needs to be conducted in the United States, not once each year but all year long, because there is a profound, dangerous ignorance in Washington, ignorance that can hurt the United States, ignorance that can hurt Hong Kong. Is this what the American Congress wants? I hope not.

With these remarks, Mr President, I support the motion.

DR PHILIP WONG: Mr President, many of my honourable colleagues have demonstrated succinctly the inevitable damages to Hong Kong, China and, not least of all to the United States, if the Most Favoured Nation (MFN) status for China is not renewed or if conditions are attached for its renewal, which latter case China has categorically said she will not accept. In the interest of saving time I shall not dwell further with them here, nor do I aspire to be a spokesman or a voluntary lobbyist for China. As a member of the Chinese General Chamber of Commerce, I have the following observations.

The United States Most Favoured Nation system is not as exclusive as it sounds, seeing that a mere handful of the near 200 nations of the world are not "favoured". United States trade with these "unfavoured" nations is so minuscule comparatively as does not matter anyway. Nor is the MFN the largesse it is made out to be by some. It is merely a strategy, devised by the United States, for smooth and mutually beneficent trade between the United States and another country on equitable terms and with equal trading status. It is a norm rather than an exception.

The rigmarole of whether the MFN status is renewed for China or renewed with conditions, and if so, what conditions, has become a political charade played out by a few politicians in the United States yearly on the same old themes based on half truths and unsubstantiated information. This yearly

enactment has no real meaning and does not help improve Sino-United States relationship.

China has been "favoured" for these many years despite the annual cacophony of her detractors. But even the worst detractors must admit that China has "improved" appreciably its openness and human rights performance over the years. If a China of several years ago could pass muster on the same issues in the eyes of the United States Government, why not now? The pace for human rights, and what not, is for the Chinese Government to set, in the best interest of its people and in accordance with its cultural heritage and democratic experiments, and not to the tune of its critics.

I would like to respond briefly to other issues raised by some United States lawmakers as well.

On Tibet we must realize that it is a part of China. It has been so for over 1 000 years. Tibet became part of China by choice, not by military subjugation. Relationship between the province of Tibet and the historical Chinese central governments has been cordial. The Tibet issue is an internal matter of China. The Chinese stance is that Dalai Lama, with a small group of followers and the covert support of foreign powers, exile themselves to agitate in foreign countries. These people do not represent the people of Tibet. The people of Tibet do not want to forego their welfare for the rule of a secessionist demagogue and his motley followers who are foreign inspired. The United States has never come out in support Quebec's independence movement, I wonder why?

On the allegations of trade issues, the United States must realize that problems like "prison labour products" are bothering China too. The export of these products is unlawful in China. Illicit trade by rogue businessmen of these products to foreign countries are being hound down by the Chinese Government.

The United States can help ease matters in this connection by real co-operation with China to weed out the undesirable illicit practice.

A trade practice does exist against the United States. It has existed ever since China came back to the world market as an international economic force. The gap can be corrected systematically with the United States, among other things, making available to China more of its products and manufactures which, up to now, have been denied artificially and for no rational reason. With better relationship between the two countries, plus more entrepreneurial spirit and efforts of United States businessmen, the situation can undoubtedly get better. China is not the nation with the biggest trade edge over the United States. That country is Japan. If the United States can tolerate such a large deficit with Japan for such a long time China's trade deficit problem must be small by comparison. However, China has repeatedly shown willingness to bridge the gap, and has indeed been sending teams to the United States on buying sprees!



On arms non-proliferation the accusations of indiscriminate exportation of weapons by China are totally unfounded. I am reminded of a Chinese parable of more than 2 000 years ago. A man has lost his axe. He suspects the young man next door of having stolen it. He stealthily observes the actions of the young man. The young man's every movement reaffirms that he must have stolen the axe. When after some days the man recovers his axe, he continues to observe his neighbour. Strangely, the young man's every action now shows he cannot possibly be a stealer of axes.

On the Sino-British Joint Declaration, and its related agreements about the future of Hong Kong, the adherence or otherwise to the letter of these agreements should be overseen by the two signing countries. Any third party should do well to defer to the integrity and honour of the two countries. I note with some degree of surprise that the United States has not uttered a word about the apparent breach of the agreements by the British side.

In conclusion, if the United States wants to rescue her economy, China can help. So many other nations are determined to develop a better relationship with China for economic reasons.

Mr President, coercion never works but only bruises sentiments and dignities.

One must remember that the renewal or otherwise of the MFN status cuts both ways.

Mr President, I am pleased to support the motion.

DR TANG SIU-TONG (in Cantonese): Mr President, Hong Kong and China are neighbours separated only by a strip of water. Geographically speaking, Hong Kong is like a gateway to southern China. Politically speaking, Hong Kong will be returned to China in the near future. Economically speaking, China is Hong Kong's largest trading partner, and the two are symbiotic. So basically, Hong Kong and China are closely related and indivisible. If Hong Kong can maintain its prosperity and stability and secure a smooth transition, then China will not be too far away from economic take-off and prosperity.

In the event that the United States really attaches conditions to the renewal of China's Most Favoured Nation (MFN) status, given the stringency and unreasonableness of the conditions, China may be forced to fight back at any price in order to resist such oppression. If that becomes the reality, the first victim will surely be Hong Kong. Its increase in gross domestic product this year will drop by three percentage points from 6% to 3% and the unemployment figure will increase by 70 000. Since our unemployment figure is already on the increase, such further increase will surely cast a shadow over Hong Kong's economy and undermine the confidence of overseas investors.

Hong Kong will then lose much of its lustre as the Pearl of the Orient. As regards China, it is estimated that 3 million people will be laid off and the economic loss involved will be inestimable. Its modernization progress will surely meet with hindrance or even retrogression. The United States will also stand to lose. As Mr LAU Wong-fat said, conditional renewal will be like the "Seven Injuries Boxing" of the Lion King XIE Xun. The result will be defeat for both China and the United States, and injuries for both parties and Hong Kong. I wonder whether anyone in Hong Kong would like to see that happen. Mr Martin LEE has said just now that the MFN issue is a matter between the United States and China, and has nothing to do with any third party. He has also said that the attaching of human rights conditions is a logical inference. I cannot agree to these two points. Miss Emily LAU has drawn a relation between trade and human rights and elevated such relation to an all important level. Such kind of view is, to me, very regrettable.

I remember that this Council had a debate on the same subject 10 months ago. I was not a Member at that time and could not take part in the debate. But when I referred to the Hansard, I found that many colleagues held quite a different view on the MFN issue. I cannot understand why. Even today, there are still some colleagues who are supportive of attaching conditions to the renewal of China's MFN status, despite their claim that they are acting in the interests of the people of Hong Kong. Can they really be acting in the interests of the people of Hong Kong? As a people's representative who gives utmost priority to the interests of the people of Hong Kong, and a Legislative Council Member elected by the general public, I am very disappointed with the thinking of these Members who belong to a particular political party. They are simply disregarding the interests of the people of Hong Kong! Mr President, "Boyi and Shuqi were not the officials of the Kingdom of Zhou, but since they ate the food grown out the land of the Kingdom, they should know about the virtue of Emperor WU. The four sages on Mount Shang were not the officials of the Kingdom of Han, but since they ate the food grown out of the land of the Kingdom, they should be grateful to Emperor GAO." Can we who make our living in Hong Kong be ungrateful to our motherland?

As a matter of fact, Hong Kong cannot have today's achievements without China, and China will not be able to speedily complete its modernization plan without Hong Kong. So the two are in fact symbiotic. Today, with great sadness and reluctance, I have to ask the United States for its unconditional renewal of China's MFN status, because it is a matter affecting the livelihood of the 6 million people in Hong Kong and that of more than 1 billion people in China. Being an ethnic Chinese with black hair and yellow skin, with a sense of dignity of the Chinese nation and with Chinese blood flowing in my veins, I just cannot turn a blind eye to the hardship of the Chinese people. I appreciate very much what Mrs Elsie TU said just now about racial self-determination and opposition to interference with the internal affairs of other countries. Regarding Dr HUANG Chen-ya's impassioned speech which evaluates the human rights situation in China from a western point of view, I think that his

speech is like "XIANG Zhuang's performance of the sword play" in having a hidden motive, and Dr HUANG's motive is to flatter the western countries.

As Chinese, I deeply hope that a day will come when China will become a rich and strong country such that we can be generous and provide MFN treatment to other countries that are less fortunate! Some people may criticize my thinking as narrow-mindedly nationalistic. But being someone who loves Hong Kong and China, can I be wrong in so thinking?

Honourable colleagues will remember, and I am happy to point out, that last week when I moved the motion on freight transport between Hong Kong and China, Members were aware of the importance of "separating politics from the economy" when they set aside their political disagreement and differences and supported the motion so as to preserve the interests of the Hong Kong people. It shows that even in times of great controversy, the Hong Kong people can still be united. Today, I hope that honourable colleagues can once again set aside their disagreement, search for a consensus, and bring into play the spirit of solidarity.

Mr President, Mencius said, "If after deliberation I believe myself to have a right cause, I would go forward despite the opposition of thousands of millions of people!" This is the spirit behind my unreserved support for the motion. I would like to call for honourable colleagues not to be dominated by their political parties, not to recoil because of the fear of being accused of "having changed tack", and not to give up the overall interests of Hong Kong in order to preserve one's own. We should act according to our conscience and vote for the benefit of the Hong Kong people and the bright future of the Chinese people, so that the motion can be carried unanimously. This will reflect the strength of our solidarity and also the wishes of the Hong Kong people.

Mr President, with these remarks, I support the motion.

MISS CHRISTINE LOH: Mr President, the Honourable Allen LEE said that I was wrong to say that Hong Kong, as a third party to United States-China relations, could not do much about Most Favoured Nation (MFN) status. But apart from moving this motion debate, Mr LEE did not enumerate exactly what Hong Kong can do. It is stating the obvious to say that Hong Kong makes good money out of trade between China and the United States. And that many jobs in Hong Kong depend upon that trade. And that a diminution of Sino-American trade would have a negative effect upon Hong Kong's economic growth rate. And of course, Hong Kong wants to see MFN renewed.

Those points are understood well enough in Hong Kong. They are understood in London and Peking. And they are understood in Washington. I think we can also assume, after 15 or more Congressional debates in the past three years, that the United States Government is familiar with China's position on MFN.

I cannot, on that basis, see what good can have been served by much of today's debate. It may have provided the opportunity for some to present themselves as the impassioned defenders of Hong Kong's prosperity while at the same time show their solidarity with Peking.

Perhaps, too, there is a feeling that Hong Kong must say something in defence of its own interests — however blinkered that "something" might be. These feelings are not really very useful.

I am resigned to the prospect that any attempt to place MFN in any broader political context will be misinterpreted, in some quarters deliberately, as a failure to defend Hong Kong's interests. So let me say here and now, as emphatically as possible, that I want to see MFN renewed.

Personally, I am sceptical about the effectiveness of using MFN by the United States to achieve its objectives. But, realistically, we should at least look coolly at the conditions which might be attached to MFN renewal, and ask ourselves how Hong Kong might be affected.

If the United States Congress or President were to seek to add conditions to MFN renewal requiring China to open its own market wider to imported goods and services, then that should not come as a surprise to us. China's response would presumably be calculated according to its own economic self-interest.

As for Hong Kong, the interests of this territory have traditionally and correctly been identified with the promotion of free trade. If China were encouraged to accelerate its own move towards an open and market-based economy, then Hong Kong will stand to gain from such a development.

Another possibility is that of attaching conditions to MFN relating to China's arms exports. As individuals, we might reasonably react to such a device by saying that the United States' own record as an arms exporter scarcely entitled it to preach self-restraint to others.

If the United States were to propose restricting China's arms sales by means of attaching conditions to MFN, then I suggest that the interests of Hong Kong would be best served by steering well clear of that particular argument altogether. Hong Kong has no expertise in strategic questions. It would not change minds in Peking or Washington on such an issue by self-interested pleading for Hong Kong's own GDP.

Hong Kong does, however, have a very close and specific interest in human rights questions, as they affect China. A very close and specific interest, because in four years Hong Kong will itself be under China's sovereignty. On balance, therefore, anything which encouraged the government of China to take a more positive attitude towards upholding human rights would be of fundamental value and importance to Hong Kong.

The effects of international pressure are slowly becoming visible at a political level. China is coming to acknowledge that human rights issues do have real political importance. That they are not merely humanitarian rhetoric. And that a more understanding attitude towards human rights issues can be both convenient and rewarding. MFN, and the threat of a human rights linkage, has undoubtedly played a part in that process.

Nothing — truly, nothing — is more important to Hong Kong now than that China should feel inclined, when 1997 arrives, to observe the rights and freedoms written into the Joint Declaration and the Basic Law; and that China should not regard these rights and freedoms as mere paper promises, like the rights and freedoms written into the Constitution of the People's Republic.

Nobody can be certain just what the eventual effects would be if the United States did attach human rights conditions to MFN renewal. China has said it would reject such a package outright, and might respond with action of its own against the United States. Perhaps China would risk a trade war with the United States. We cannot say, and we must hope that such hypotheses are never tested.

But if we think that America might attach human rights conditions to its MFN renewal, then what can we possibly gain here today by taking that American concern for human rights in China and throwing it back in America's face? What do we gain by declaring here in Hong Kong we should rather be rich today than free tomorrow?

If the United States insists upon attaching conditions to MFN renewal, then I hope, from a purely selfish point of view, that they will be conditions which serve to reinforce human rights protection in Hong Kong after 1997, and that they will be conditions which China comes eventually to accept.

One gesture which China might be encouraged to make, in order to reassure the world at large — and Hong Kong in particular — about its commitment to human rights, would be for it to accede to the International Covenant on Civil and Political Rights. China promised in the Joint Declaration to maintain the application of this Covenant to Hong Kong after 1997. Yet it was not a signatory then, and it is still not a signatory today. Acceding to the Covenant would be a first step by China towards realizing that essential human rights guarantee.

Another welcomed gesture would be for China to delete the crimes of "counter-revolution" and "subversion" from its criminal code, and by extension the concept of "subversion" from the Basic Law. To do so would diminish in formal terms the opportunity and the temptation for the Communist Party to subordinate China's mechanisms of justice to those of its own political repression.

The attaching of human rights conditions to MFN may or may not be a useful way of advancing this and similar aims. But in general, repressive countries have improved their human rights performance when they have been actively encouraged to do so on an international level.

Mr President, the motion before us is a seductive one within the very limited confines of this Council. But a very dangerous one beyond that compass. I cannot support it, but nor would I wish to vote against it and to be misconstrued or misrepresented as a vote against MFN renewal itself. I, therefore, choose to abstain.

MS ANNA WU: Mr President, very few people in Hong Kong and in this Chamber would have any doubt that unconditional renewal of Most Favoured Nation (MFN) status would be in the interest of Hong Kong. Indeed the Governor of Hong Kong has just spent 10 days in the United States lobbying for just that reason.

The British Governor of Hong Kong has already lobbied at the highest levels, including meetings with the American President, senior members of his Administration, and leaders of both Houses of Congress and of both major parties. It is difficult to imagine what more can be done.

The matter at issue involves negotiation over trade balances, arms proliferation and improvements in human rights between China and the United States. It is a bilateral matter between the two countries which, though affecting Hong Kong, is not within Hong Kong's control.

MFN status for China has been renewed on a year to year basis. Year after year, the threat of attaching conditions to the renewal or the withdrawal of it is threatened. It is naive and unrealistic for Hong Kong to be calling for unconditional renewal of MFN status year after year without a real change in United States-China relationship.

Imagine, if you will, that in spring of 1998, and the United States Government is again trying to decide what to do about MFN for China. Can you imagine Mr LEE — or indeed any other Member of this Chamber — introducing yet another motion urging the Chinese Government to ask the United States Government to renew MFN status unconditionally for China so that Hong Kong's economic interest can be safeguarded?

Hong Kong's economic interest is not secure until the two countries establish a more permanent relationship. What new role can we play? What additional insight can we advance? The old line if overplayed would only be seen by the United States as insincere and utterly self-serving.

I believe that human rights can only be sustained for the long term by economic development. However, the current motion if passed, as I am sure it would be, would have absolutely no material effect on the debate in Washington.

The raising of this motion after the Governor's intense — and intensive — lobbying exercise across the United States, is to my mind ill timed and superfluous. If this motion had been introduced months ago, it might have been less so.

I wish to add that I detected the suggestion by a Member of this Council that perhaps the Governor had said too much. If the complaint was over the aptness or otherwise of what he said, I do not see how the British Government could do better. After all, the Governor is one of the most senior members of the British ruling party and has more clout than a lot of British officials.

Mr President, I support the motion for Hong Kong's economic interest but not without scepticism over the purpose the motion debate is intended to serve.

Thank you.

MR HOWARD YOUNG (in Cantonese): Mr President, I did not intend to speak. Yet I feel obliged to make a response, on a personal capacity, to the remarks of two Members from the United Democrats of Hong Kong (UDHK).

During the debate before this Council, it is surprising to note that Mr Martin LEE, in his attempt to hinder or defer the debate, regards the debate as impractical and even criticizes it as untimely. I cannot bring myself to agree with his move because it is not in the interests of our 6 million Hong Kong people. To put it mildly, he is trying to deny reality and to save his own skin so that his misconceived line will not be exposed in full public view. To put it cruelly, it may be taken as covertly enlisting the help of the United States and urge foreigners to exert political pressure on China, even if it has to be done at the expense of Hong Kong people's interests. Mr LEE said that he could not support the renewal of Most Favoured Nation (MFN) status for China unconditionally and that he would abstain from voting on the motion. It surprises me that he insisted that such an irresponsible act was a pragmatic move and the same approach they adopted last year was correct. As a matter of fact, the most pragmatic approach is to see the issue in context and wake up to the fact that it is the common wish of our 6 million people (including the several tens of thousands of people who voted Members from UDHK to this Council) that MFN status be renewed unconditionally for China. The most pragmatic approach, as I see it, is to admit one's past mistakes, to act sensibly and to be realistic. One should not be afraid of being accused of changing one's mind by supporting the call for unconditional renewal of MFN status for China. I would also like to point out that the so-called MFN status is not a privilege and the issue involved is, after all, a call for equal treatment in trade.

Some Members who are against the motion dare not look at the motion squarely and claim that it is "untimely". This is only an excuse. Now there is a change in presidency in the United States. The new President may change the United States' China policy. And even some Senators and Congressmen have put forward various bills on that score. I wonder if there is any other time that is more timely than the present.

A few Members made groundless accusations against other Members not sharing their views by alleging that the latter deliberately turned blind eye to the question of human rights. They seem to regard only themselves as human rights fighters. I would like to point out that Mr Allen LEE led a delegation whose members are mainly serving the preparatory committee of the Liberal Party to Beijing last year and they were received by the General Secretary JIANG Zemin. And at the meeting, Mr LEE had put across his view directly to Mr JIANG that improving the human rights records is the best means to get MFN renewal for China. Over the past year, China saw much improvement and advancement on that score. The political climate is easing gradually. In my opinion, it would achieve better results by establishing direct working relationship with China, maintaining communication links and dialogues, and raising questions face-to-face with Chinese officers than playing a hero who adopts an antagonistic attitude or acting like a virago barking out across the river. Confrontation may lead Hong Kong people astray. It is totally unworkable.

I earnestly hope that Members and people who regard themselves having lofty moral ideals would adopt a pragmatic attitude in the pursuit of their own ideal. They should not be afraid of being mistaken to be shifting position. As for some Members from the UDHK, especially those who did not speak today, if they abstain from voting because they feel that they are involuntarily tied onto an outdated chariot or that they have become cannon fodder, I would like to express my sympathy to them. But I am still at a loss why they have to do so.

MR JAMES TO (in Cantonese): Mr President, originally I had not planned to speak, so I did not submit my name. However, after I had listened to what Mr Howard YOUNG said just now, I thought that I had to speak my mind. I have neither been forced to toe the line of the United Democrats of Hong Kong (UDHK) nor tied onto the chariot. Unlike the government officials of Hong Kong, I would not be told by the Chinese Government to act with a sense of propriety. I think it could be Mr Howard YOUNG's intention to ask Members from the UDHK to act with a sense of propriety. It seems that, according to Mr YOUNG, we have to give in or vote for the motion if we want to ride on the through train.

I, following my conscience, made the decision of abstaining from voting, after careful deliberation, in accordance with my belief. I have also taken into account the overall social interests of Hong Kong.



Just now Mr Howard YOUNG disclosed for the first time that the Preparatory Committee of the Liberal Party — it comprises of members of the former Co-operative Resources Centre — also raised the issue of human rights when they met the General Secretary JIANG Zemin during their visit to Beijing. Yet, Mr YOUNG did not elaborate why the issue emerged in the course of discussion. Is it because China has poor human rights records or China has excellent human rights records? If he found that there was room for improvement in the promotion of human rights in China, Mr YOUNG did hit the nail on its head since this is exactly the hope of so many people in the wake of the June 4 Incident and the introduction of the reforms and the open policy in China. We want to be aboveboard Chinese. We pray our mother country to get rich and be strong and prosperous. We hope China would improve its human rights records on its own, rather than doing so under external pressure. After China has made the improvements in this respect, I hope the Yankees will be unable to use human rights as an excuse again to withdraw China's MFN status or the equal trading status, in Mr YOUNG's words. But we should not forget that there are some other additional conditions attached by the United States concerning the renewal but Members from the Liberal Party have not given any response to them. I hope Mr Allen LEE will make some response.

Just now Mr CHIM Pui-chung touched upon issues such as the proliferation of nuclear weapons. Actually do we have sufficient studies at international level to confirm that China has done very well in containing the proliferation of nuclear weapons so that we may support China on moral grounds? I think it is a very important issue. For this reason, Members should not blame us for lumping together economic issues and political issues. I agree with Miss Emily LAU that economics and politics are virtually inseparable in some extreme cases as she suggested.

Mr President, with these remarks, I will abstain from voting on the motion.

MR CHEUNG MAN-KWONG (in Cantonese): Mr President, I originally did not intend to speak. Now, however, after listening to Mr Howard YOUNG, I would like to give a response to his remarks. I have to remind myself that his speech is an attempt to sow discord among Members from the United Democrats of Hong Kong (UDHK), so, when responding, I should remain calm and dispassionate. I think that the best thing that can happen to Mr Howard YOUNG is that we stood up now to tell him that we wanted to change course and that we wanted to change our position over the particular issue. Then, perhaps he will drink a toast tonight. But he will be disappointed, I am very sorry to say. Saying nothing does not mean having nothing to say. UDHK is a democratic organization. We have already discussed and decided very clearly how we will vote and what our position is. We chose our final position, the one shown today, by a consensus out of free will.

The first question is: Are we tied onto the chariot? If so, what kind of chariot is it? It was June 4 Incident that tied us onto a chariot. We were Chinese and we saw such a tragic thing before our eyes. We felt that we should get on this chariot of democracy, this chariot of human rights. What we wanted to fight was not any particular government or any particular leader. We just wanted to discharge our minimum obligations as Chinese. We should continue to discharge such obligations and of course we hope that more people will join us. Our position has nothing to do with whether the United States Government gives MFN status to China or not. The MFN issue was not a factor that we considered when we decided to do what we had to do. We bear just one point in mind, that we are Chinese. What we are doing is what we should be doing. It is one of the things that we can do for our compatriots.

Secondly, I have no regret for what we have done. Many have thought, and indeed some people have advised me, that, "When 1997 comes, do you want to ride on the through train? If you do, then do not get on the chariot of democracy and human rights." I want to make it clear here that if I am required to give up my ideal and stop championing the human rights and the democratic rights of the compatriots in the motherland before I am able to ride on the through train, then I would rather be an ordinary citizen instead of staying aboard. I often say to myself: If I must get down from the through train when the time comes, I can take a stroll with my wife and family on the sea-side. I can voice my opinion at many public meetings. Though I will not be in this Council, I still can be a human being with a conscience, a human being with dignity and with high hopes for the motherland. I remain supportive of the fight for democracy and human rights in China. It never occurs to me that I would feel regret. I have never told myself that I should not have done what I did because I have to pay a price. I feel that to pay with one's conscience is to pay the highest price. Therefore, I will not regret about what I have done. I will go on with my endeavour.

Thirdly, I have given serious thought to this question: What kind of role should I play? How should I look at the conditions that the United States Government attaches to the renewal of MFN status for China? UDHK's position is clear enough. It is that we hope that the United States Government will renew China's MFN status. We hope so as Hong Kong people and as Chinese. This is because we know that economic success will bring better lives to the Chinese people, which constitute one of the goals that we pursue. Which Chinese does not want China to be rich and strong? Yet we cannot talk about a rich and strong China without talking about democracy and human rights for the Chinese people at the same time. We are sad, ashamed and upset to see a China which is rich and strong but whose people enjoy no democracy and human rights. Also, as a Hong Kong resident, I hope that the Sino-British Joint Declaration will be properly implemented. This requires efforts from the people of Hong Kong themselves, not any favours from foreign countries. We have never even dreamt of relying on a foreign country's influence to ensure the implementation of the Sino-British Joint Declaration. Therefore, for more than 10 years, it has consistently been the wish of the democrats to build up a solid foundation in

Hong Kong and to champion democracy in Hong Kong. We seek institutional safeguards for the rights and interests of the people of Hong Kong so that they will not be subject to the exalted officials' changing moods. In that case, if the officials are displeased, they may lose their temper on the people; if they are pleased, they will grant the people something to make them happy.

Lastly, even if the United States does not urge China to improve its human rights record, will I, as a Chinese, fight for it? Will I still ask for it? I think that I will. If not, I dread to think what will happen, then, after 1997, when Hong Kong becomes part of China and China's gain or loss will be Hong Kong's gain or loss. As it was said a moment ago, since China and Hong Kong share the same long-term interests, we cannot accept that China and Hong Kong have the same economic interests but are out of step in the context of democratic development. I cannot maintain a double standard on this issue. Mr President, another important consideration is that I always believe that human rights transcend national boundaries. Here is a simple example: A man should enjoy the same human rights no matter whether he lives in the Philippines, South Africa, the United States or China. Similarly, the colour of the person's skin also makes no difference. A couple of days ago, many young people died in a blaze in a toy factory in Thailand. I read the story in a newspaper today. It deeply saddened me. Even the deaths of strangers in a far-away country could touch my heart, let alone compatriots in our own country, let alone the injustices suffered by compatriots in our own country. I do not want human rights to be valued only in this small chamber. Nor do I want it to be a justification for some disguised protectionism. Therefore, I support UDHK's decision, that is, we hope that the United States Government will renew MFN status to China, but at the same time we ourselves, as Chinese, want a better human rights record from China and, as Hong Kong people, will strive for the proper implementation of the Sino-British Joint Declaration which promises us that Hong Kong's system will remain unchanged for 50 years after 1997.

MR ALBERT CHAN (in Cantonese): Mr President, like the two Members from the United Democrats of Hong Kong (UDHK) before me, originally I was not prepared to speak. However, stimulated by the speech delivered by Mr Howard YOUNG, I would now like to speak too. The stimulation does not arise from his criticism of, nor his attempt at instigating dissensions among the UDHK Members, but from what he claimed to be a quote from what Mr Allen LEE had once said to Mr JIANG Zemin. If I heard it right, it was mentioned that Mr Allen LEE had said, in his closed-door meeting with General Secretary JIANG Zemin, that promoting human rights would be the best way for China to strive for the Most Favoured Nation (MFN) status. If Mr Allen LEE himself did say such a thing to the highest leader of China, and if Mr LEE and former Co-operative Resources Centre members both firmly believe in such a message, then why not include it in the motion? Had Mr LEE included this message in the motion, I believe that the UDHK Members would have fully supported the motion. Why were there some words which could be said in the closed-door meeting with the highest leader of China but not in this Council? Did Mr Allen

LEE really say such words then? I hope there will be some clarification later on. If he did say that, it means that Mr LEE identifies with the views that promoting human rights is the best way for China to strive for the MFN status, and that this is a necessary action consistent with the actual political environment. What is the difference then between such a view and the position expressed by Mr Martin LEE and Dr HUANG Chen-ya just now? Therefore, I hope that Mr Allen LEE will clarify these few points. Thank you, Mr President.

MR MICHAEL HO (in Cantonese): Mr President, I would also like to say a few words in response to Mr Howard YOUNG's speech. I am very clear that I am standing on the chariot, not being tied onto it. Before I joined the United Democrats of Hong Kong (UDHK), I had thought about the matter carefully and decided that I wanted to "board the chariot", to take part in the fight. The UDHK do have our own principles. Our colleagues have clear and steadfast beliefs. We certainly know what we are doing now. And we certainly know what we are fighting for. In view of the present human rights condition in China, we, as Chinese, should fight for such rights for our compatriots there.

I am most grateful to Mr Howard YOUNG for his concern about UDHK colleagues. He has reminded us we should "jump off the chariot" now if we wish to do so. But I would very much like to inform him that all our colleagues here are adults with the ability to think independently. We know what we are doing; there is no need for Mr YOUNG to worry about this. I originally had no intention to speak. In fact I could have remained silent, not saying anything. If I wished to "get off the chariot" and slink away, I could do it without any difficulty. However, I hope Mr Howard YOUNG will understand clearly that we have chosen to stand on the chariot. We are not tied onto it.

These are my remarks. I will abstain from voting on this motion.

MRS SELINA CHOW (in Cantonese): Mr President, I feel we have heard just now some very emotive comments the contents of which are way wide of the subject under debate.

We have stated that colleagues from the Liberal Party do have concern for human rights. We hope as much as others do to see some improvements to the human rights situation in China. I believe this is not a "patented" feeling of the United Democrats of Hong Kong (UDHK), but rather a feeling common to every one of us Chinese. UDHK were not the only ones who cried over the June 4 incident. I can tell you I believe every one of us here in this Chamber did cry over June 4. Therefore, UDHK do not hold a "patent" over this.

Frankly speaking, the key point of our discussion today in fact is that we are concerned about the human rights situation of China. But are we going to help the United States gain the upper hand and put pressure on China in

negotiations between the two countries on the excuse of human rights? I believe no Chinese will ever wish to be an accomplice. Of course, this does not mean we understand very well the question of arms sale. But I would like to ask the Honourable James TO a question. Does he know very well the arms sale of the United States? I do not think he knows it well enough.

Life is not so simple. It is not as what the Honourable Anna WU said just now that it is naive for us to discuss this matter. In fact, it is not naive when we talk about the simplest thing in life. It is simple because it comes directly from our heart. The key of today's debate lies in whether or not this Council can reflect fully the wish of Hong Kong people. We have to tell the United States with one voice that we hope China's MFN status be renewed without any condition. It is just that simple. It is not naive. It is our wish.

Just now the Honourable CHEUNG Man-kwong (I have always admired him for his interesting and convincing arguments) spoke of the many longings and ideals for the future. I think that is an ideal for everyone of us, not exclusive to him. In the final analysis, Messrs CHEUNG Man-kwong, Michael HO and Albert CHAN earlier righteously professed that they are standing fast in the chariot. That is an expression of stance and principle. Mr CHEUNG Man-kwong said they would want the United States to renew China's MFN status. But he did not mention the key point. Should the renewal be conditional? This can hardly be resolved by his wishfully saying "This is how I am going to tell the Hong Kong people: I support the renewal not caring whether there will be any condition. I will not say it. But I hope that it will be renewed." But the core of the matter now is not whether it will be renewed, but whether there will be any condition attached. This is the reason why we have the debate here today and why we have to state clearly that we have very strong feelings about the matter as mentioned above. We have to express the strong feelings of Hong Kong people. But it does not matter who will listen to us or whether anybody will care. It is important that we have to speak out. However, I am very surprised that many Members of this Council, who have been supporting democracy and spoken on so many other subjects, choose not to speak on this subject so very strongly felt by Hong Kong people.

I would like to tell Mr Michael HO this: true, he has not jumped off the chariot, but he already has half a leg outside the chariot, for he said "We shall not vote now. We shall abstain." What is the implication of an abstention? I agree very much with the Honourable Emily LAU who said, "If you are opposed to it then oppose it. If you support it then support it. But why abstain?" Abstention means a lack of stance. Abstention is evasion. Abstention is trying to run away from responsibility.

I believe it is of course our earnest hope that this Council can speak with one voice, telling those people who have clout over this matter that we are striving for what we hope they will do for the benefit of Hong Kong and what Hong Kong people hope they will do. I hope that honourable colleagues will refrain from thinking about other things and concentrate on this major premise.

Many of the things we have to consider are complicated and cannot be resolved in a simple way. However, there are times when we have to say something and do something in the hope that some questions about our future and destiny can be so solved. I sincerely hope that our colleagues will put the interest of Hong Kong at the forefront and listen to the opinions of Hong Kong people and speak for them.

Thank you, Mr President.

MRS PEGGY LAM (in Cantonese): Mr President, I virtually have not prepared to speak even at the last minute but now I think I have to speak to state my position. I belong to no party or faction. But, as a Hong Kong citizen, I think I should rise and speak at this juncture. We speak for neither any party nor doctrine but for Hong Kong people. In today's motion, we have to fight for Hong Kong people's economic interests. I am not a businesswoman, so I have never learned how to make money. Nor am I an expert on the Most Favoured Nation (MFN) issue. Yet, I am a Hong Kong citizen and I hope everyone in Hong Kong can live in peace and work in contentment. This is what I am most concerned about as a Member serving in the Legislative Council and what I think I should champion. We should stop bickering here because this will, in a way, adversely affect Hong Kong people's livelihood and jeopardize many people's jobs in future. I believe this is not something Members of the Legislative Council would like to see.

Because of the aforesaid position, I have to rise to say that it would not be proper for us to raise the June 4 Incident time and again and use it as a condition to exert pressure on China because this would do harm to Hong Kong people. We are ethnic Chinese as well as Hong Kong citizens. We should examine our own conscience: if China is not granted an unconditional renewal of its MFN status, who will actually be the greatest victims? If we do care about these people, we should support the motion of urging the United States to renew the MFN status for China unconditionally, should we not?

Mr President, thank you for giving me an opportunity to say a few words. I am in full support of the motion of urging the United States Government to renew the MFN status for China unconditionally.

SECRETARY FOR TRADE AND INDUSTRY: Mr President, I would like to start by assuring Miss Emily LAU that I am speaking in this debate not because I do not agree with Lord TENNYSON's preferred subject for spring but because it happily falls upon me, as Secretary for Trade and Industry, to respond on behalf of the Government.

Honourable Members who have spoken in this debate have all recognized the importance to our economy of China's Most Favoured Nation (MFN) tariff status in the United States. Many references have been made to the damage that

could be caused to Hong Kong's economy if MFN were to be terminated. I do not intend to repeat any of that.

For the purpose of a rational debate and in order to appreciate the particularly difficult situation in which we find ourselves this year, I feel that it is necessary to look back briefly at what happened in the past two years. With the benefit of hindsight, I can say that we had a relatively easy task in the past. President BUSH was clear and firm in his policy of renewing China's MFN status without conditions. The Democrat-controlled Congress was equally determined to impose conditions through legislation. The United States Government's strategy was very simple — the President would veto any conditionality bill passed by Congress and sustain that veto by securing not less than 34 votes in the Senate. All that Hong Kong had to do was to support the United States Government by lobbying selected Senators in order to ensure that no less than 34 of them supported the President's veto.

And President BUSH's strategy was successful in both 1991 and 1992. But did we in the Hong Kong Government claim any of the credit for those successes? Of course not! We were not so naive. We fully recognized that the Hong Kong factor, although significant, was not a decisive argument in the MFN debate and that the outcome would be dictated by the United States' own interests. And that was why one of the main planks of our lobbying strategy was to ally ourselves with a coalition of United States businesses which had huge financial interests linked to the MFN issue and had infinitely greater influence than Hong Kong in Washington.

All that changed with the election of President CLINTON, who had made his position on China very clear during his election campaign. It was necessary to review our own policy and strategy. We came to the conclusion that we should continue to support unconditional MFN renewal for several reasons.

The first is that MFN is the normal condition for international trade and is not a preferential treatment.

Secondly, we believe that trade issues should not be politicized and that MFN is not the right tool to achieve other policy objectives, regardless of the merits or otherwise of those objectives. Of course the Hong Kong Government cares about human rights. We believe however that MFN should not be used as leverage on that issue.

Thirdly, because China has consistently rejected the attaching of conditions to her MFN status, a conditional renewal could be taken by businessmen and investors as an advance notice to phase out operations and investments in China, thereby damaging Hong Kong's economy even before MFN has been revoked.

Fourthly, the United States business community is again lobbying vigorously for unconditional MFN this year in spite of all that the Clinton Administration has said in favour of attaching conditions since assuming office. Given Hong Kong's very limited influence in Washington, it is obviously necessary for us to retain the support of the United States business coalition and act in concert with it.

Fifthly, strong support for unconditional renewal is required to counterbalance the efforts of those who are arguing either for revocation of MFN or for stringent conditions to be imposed.

Mr President, I may not be as clever as I think I am, but I am certainly not as naive or as unrealistic as some people may think I am. We have gone into this year's lobbying exercise with our eyes open. We are fully aware of the immense odds against unconditional renewal. We have known all along that President CLINTON is extremely unlikely to follow the policy of his predecessor. But I also know that if we believe something to be right, and good for Hong Kong, then we should aim for it despite the odds and strive for it ceaselessly until the outcome is known.

Mr President, it is against this background that Hong Kong's lobbying efforts this year should be seen and judged. A great deal has been done, both by the Hong Kong Government and by Hong Kong's business sector. Those efforts have been well publicized and, with one exception, I will not take up Honourable Members' time by repeating them here. Those efforts culminated in the Governor's visit to the United States last week. Before touching on the Governor's visit, I would like one comment to be placed on record, in view of the misunderstanding that has apparently arisen in certain quarters. My comment is that, as far as the Hong Kong Government is concerned, all our lobbying efforts are made on behalf of Hong Kong's interests alone. We recognize that the MFN issue is primarily a bilateral matter between the United States and China and we have no right and no wish to interfere. But the possible damage to Hong Kong's economy, which is proportionally greater than that which MFN revocation might cause to China's own economy, is for us a compelling story which needs to be told, and told in the most forceful terms.

This brings me to the Governor's visit. As Honourable Members are aware, the Governor will be here tomorrow to give his own account of his visit and it is for him to give his own assessment of the outcome of his visit. However, some comments in the media in recent days have prompted me to make a few points on the Governor's visit, in order to have them included in the record of this debate. At the risk of being labelled a sycophant, I would like to say that the Governor has achieved his objective. What was that objective? It was to put Hong Kong's arguments for unconditional renewal to American decision-makers and legislators at the highest levels, so as to ensure that Hong Kong's position would be a factor, however small, in the consideration of United States policy on China's MFN status.



Given this objective, the Governor's visit was extremely well timed. The MFN debate within the United States Government had gone past the level of deputy secretaries and was making its way upwards towards the top, against a deadline of 3 June by which President CLINTON must announce his decision. Two bills seeking to impose conditions had recently been introduced in Congress. The Governor was able to gain access to the highest levels in both the United States Government and the United States Congress so as to ensure that Hong Kong's position would be taken fully into account.

A subsidiary objective of the Governor was to put across to his interlocutors his firm position that Hong Kong's constitutional development should not be linked with China's MFN status. In the Governor's own words, "you cannot help Hong Kong by damaging its economy". The United States Government undertook to take Hong Kong's position fully into account in reaching their final decision. Where Congress is concerned, the *New York Times* of 9 May quoted Congresswoman Nancy PELOSI, author of one of the two conditionality bills, as saying that she had been persuaded by the Governor to adjust her proposal by eliminating its references to Hong Kong.

Two final points on the Governor's visit, Mr President. I reject, categorically and in the strongest terms possible, the comment that the Governor had ridiculed China during his stay in the United States. The Governor of course did nothing to ridicule China in any way. On the contrary, in standing up for Hong Kong's own economic interests, he spent much of his time in the United States arguing forcefully for the renewal of China's MFN status.

One Honourable Member quoted some of the Governor's comments when he was in Washington and came to the erroneous conclusion that, after his meeting with President CLINTON, the Governor had referred only to the President's unsolicited support of his constitutional proposals and did not refer to the MFN issue at all. This is not true. This misunderstanding might have arisen because the media was selective in its reporting of the Governor's remarks. The Governor's public comments in the United States are on the public record, but the Hong Kong Government is, of course, not in a position to control which of his remarks are reported by the media and which are not. The Governor went to Washington for the stated purpose of lobbying for the unconditional renewal of MFN. This purpose was fully and enthusiastically carried out by the Governor. That too is on the public record. As I have earlier reminded Honourable Members, the Governor will come to this Chamber tomorrow to speak about his visit and Honourable Members will have a chance to ask questions of the Governor personally.

Some Honourable Members have commented on the likely outcome of this year's MFN debate in the United States. The situation is still a fluid one. United States Assistant Secretary of State Mr Winston LORD is in Beijing right now for discussions with the Chinese authorities, the outcome of which will clearly have a bearing on the MFN issue. The Democratic leadership in Congress would like to work with a Democratic president and let him take the

lead on this issue. There are many in Congress who are pressing for conditional renewal. However, and this may come as a surprise to some Honourable Members, there are also a not insignificant number of Democratic Senators and Congressmen who are arguing the opposite case. They include the 14 Democratic members of the Ways and Means Committee of the House of Representatives who recently signed a letter on MFN to the White House which stated: "It is our firm belief that it is in the best interest of the United States to renew China's MFN status unconditionally." There is also intense pressure for unconditional renewal from the United States business community. Although President CLINTON's inclinations are clear, he has apparently not yet made up his mind. With three weeks to go before the deadline, it stands to reason that he will not make a final decision until he has received Mr LORD's report on the outcome of his talks in Beijing. And even then, it is likely that, for obvious reasons, the President would not announce his decision until just before the deadline.

The United Kingdom Government is fully aware of the importance to Hong Kong of the unconditional renewal of China's MFN status. While Hong Kong possesses full autonomy in the conduct of its external commercial relations, the United Kingdom Government has all along been very supportive of Hong Kong's stance and has in recent months expressed its support to the United States Government at various levels, including the highest level, that is, as one Honourable Member has pointed out, between the Prime Minister and the President. Our Economic and Trade Office and the British Embassy in Washington have established a close working relationship with each other on this very important issue.

In concluding my comments on the motion, which the Official Members support, I would like to stress that Honourable Members may rest assured that there will be no let-up in the Government's efforts to lobby for unconditional renewal of MFN. If the motion is carried, we will of course convey it to the United Kingdom Government and have no doubt that the United Kingdom Government will continue to communicate its support of Hong Kong's position to the United States Government as necessary.

Thank you.

PRESIDENT: Mr LEE, do you wish to reply? You have 5 minutes 20 seconds.

MR ALLEN LEE (in Cantonese): Mr President, first of all I should like to respond to comments made by Mr Martin LEE, Miss Emily LAU, Miss Christine LOH and Ms Anna WU to the effect that today's motion is unrealistic and untimely. That they think this motion to be unrealistic will mean that they are in effect saying that requesting the United States to grant China unconditional MFN status is unrealistic. Many Members have pointed out today that the political atmosphere of the United States nowadays has already changed.

There is a new president. We must make him understand the thoughts of Hong Kong people. As to the point of untimeliness, I would like to ask: When should we debate the matter if not now? How could it be untimely when the United States President is due to make a final decision about the matter on 3 June? How can we evade a question of the utmost concern to the people of Hong Kong?

Miss Christine LOH even went so far as to say that the MFN renewal should be conditional and that we should ask the United States to impose conditions. This view was shared by Miss Emily LAU. I do not know what is on their mind. Or do they fail to realize how strong the impact will be on Hong Kong? As Members of the Legislative Council, how can we not manifest our attitude towards such an important issue? In the past, we made manifest our attitude, irrespective of success, towards issues such as nationality and the progress of democratization. In retrospect now, were many of those actions unrealistic? What I take to be more unrealistic would be the request for amendment of the Basic Law. How many Members have made requests for amending the Basic Law? Therefore, I can hardly concur with the unrealistic arguments.

Secondly, I should like to thank Mrs Elsie TU and some other Members for their support. I was deeply moved by her speech. I wonder how many of us here do understand the human rights situation of the United States. Have Members heard about Jesse OWENS? He was an American hero who won a number of gold medals in the 1936 Olympiad. But he could not dine with his white counterparts, nor put up at the same hotel during training. He could use the backdoors only. Have Members watched the movie *Dances with Wolves*? How is the human rights situation in the United States? Have Members seen on TV how they towed boatloads of Haitian people out into international waters? I therefore do not want to talk much about human rights in the United States. I am all the more exasperated when it comes to the question of arms sale. I believe Members know that the United States is the largest arms exporting country of the world. Therefore I will not talk much about this issue either. I would just make one point. The United States is applying double standards as far as human rights is concerned. Would you not believe that there may come one day when China would ask the United States to refrain from selling arms, to improve its human rights situation and to improve its treatment of the blacks and not to beat them up like that? If yes, how, do you think, would the Americans feel? To request the United States to impose conditions would be tantamount to requesting them to deal China a blow.

I was delighted to hear Dr HUANG Chen-ya say that the United Democrats of Hong Kong (UDHK) would not resort to personal attacks. I should like to respond to this point. Let us look back on the debates we had in the past. I think UDHK had made consummate use of personal attacks in past debates. This has become their exclusive weapon. But today is an exception. I hope UDHK will refrain from making any more personal attacks in this assembly in future. I am glad to accept his point. Let us wait and see.

Moreover, I should like to respond to a question raised by Messrs Albert CHAN and James TO. They asked if I had talked about the human rights issue with JIANG Zemin (the top Chinese leader). I must say that we are deeply concerned about the development of the human rights situation in China and do hope that China can pay attention to this matter and make some improvement. Therefore, we had raised not only the human rights issue, but also matters of concern to the Americans such as nuclear arms proliferation, arms sale and bilateral trade. I was not the only one at the meeting. With me were 19 other colleagues of this Council. However, we did not go to the United States to ask it to impose conditions that would hurt China. We went to China and we were free to tell leaders it what we would wish to see China do. I believe we need to say .....

*The buzzer sounded a continuous beep.*

PRESIDENT: I must ask you to stop, Mr LEE, I am afraid. I am bound by Standing Orders as you are.

MR ALLEN LEE (in Cantonese): Unfortunately, time is up.

MISS CHRISTINE LOH: Mr President, may I ask your indulgence to make a point of elucidation?

PRESIDENT: Miss LOH, you wish to ask Mr LEE to elucidate?

MISS CHRISTINE LOH: No, Mr President. I wish to clarify on one point. Is that possible?

PRESIDENT: If you have been misunderstood, you can ask to clarify something that you said which has been misunderstood. But it has got to be cogent because this debate has taken a very long time.

MISS CHRISTINE LOH: Yes, Mr President, I realize that. It was just that Mr LEE said I had wanted the United States to impose condition. I never said anything of that sort and I would be very happy to give him a transcript of my speech. Thank you.

*Question on the motion put and agreed to.*

DR PHILIP WONG: Mr President, I claim a division.

PRESIDENT: You have just missed the call, I am afraid, Dr WONG.

### **Adjournment**

CHIEF SECRETARY: Mr President, I move that this Council do now adjourn.

PRESIDENT: Mr LAU Chin-shek has given notice to raise a matter for reply by the Government. Members have been advised by the House Committee that the proposer of the adjournment debate will have five minutes for his speech and other Members will have three minutes. This is for Members themselves to observe. The total time available for Members to speak remains at 45 minutes.

### **Collective bargaining**

7.05 pm

MR LAU CHIN-SHEK (in Cantonese): Mr President, in this year's International Labour Day declaration, the Hong Kong Confederation of Trade Unions has set the target of the realization of "the three labour rights", namely the right to organize trade unions, the right to hold strike, and the right to conduct collective bargaining. It is therefore very meaningful to have a debate on "collective bargaining" today not long after International Labour Day.

As can be inferred, collective bargaining means negotiations on salaries and other working conditions between employers, employees, or even the Administration in order that an agreement acceptable to all the parties can be reached through a process of balancing different interests.

The mere mention of the right of collective bargaining may make some people think that it is something to do with socialism or communism and not suitable for the capitalist system of Hong Kong. But I have to point out that what the communists emphasize is class struggle and proletarian dictatorship, but not the kind of collective bargaining which places employers and employees on an equal footing. As a matter of fact, contrary to the prediction of Karl MARX, the capitalist system has not been overthrown by the working class. The main reasons have been the gradual improvement of labour and social welfare by way of labour legislation and recognition of a system of collective bargaining between employers and employees which has brought about a relatively reasonable distribution of the fruits of labour and a relief of class confrontation. Therefore, to fight for the right of collective bargaining definitely does not mean promoting communism or socialism, since collective bargaining is the product of the ever developing capitalism!

Collective bargaining is something new to the general public, because only a very small number of employees (estimated to be less than 1%) are protected by agreements of collective bargaining. But of other countries around the world, many have developed a system of collective bargaining either through legislation or through derivation from convention or common practice. Besides, in the developed western countries and many neighbouring countries in Asia including Singapore, Japan, Thailand, Malaysia and the Philippines, there is legislation that recognizes the right of collective bargaining.

The Hong Kong Government should be held largely responsible for the underdevelopment of a system of collective bargaining in Hong Kong, for although it recognizes No. 88 of the International Labour Convention, it has not promoted collective bargaining in accordance with the spirit of the Convention. The Administration has for long recommended the Joint Consultative Committee to the employers, which is in fact a measure of faked democracy attempting to replace negotiation with consultation, and to substitute the employer-dominated Joint Consultative Committee for the independent trade unions. In so doing the Administration has hindered the development of trade unions in Hong Kong, and consequently on the pretext of their immaturity, it rejected the trade unions' request for legislation on collective bargaining. As the saying goes, "the one who creates a problem should be the one to solve it", so the Administration should revise the overall policy in this regard, develop the collective bargaining system by way of legislation.

Many people would ask what the advantages are of collective bargaining to employers and employees. Simply put, the collective bargaining system is an accepted mechanism for resolving efficiently differences between employers and employees. It is a matter of course that employers would like their employees to work the best they can, so that profits can be lifted through increase in production. But when the employees are discontent with the working conditions and in the absence of an efficient channel for communicating with their employers, situations like work-to-rule, production fall, work stoppages or even strikes may occur, all of which are detrimental to the employers. Furthermore, under a statutory mechanism for collective bargaining, an opportunity will be provided to the trade union representatives to consider problems from the employers' perspective, thus preventing some extreme actions from being taken when the employers "close the door of negotiation". From the standpoint of employees, if they are to fight for more reasonable employment terms and protection of their employment rights, they must do so by way of negotiation with their employers. But the clout of a single individual is very small. So the only effective way of ensuring the long-term interests of the employee is for one to join the trade union, become a workers' representative and to conduct collective bargaining with the employer.

As regards how Hong Kong can set up a collective bargaining system, the Hong Kong Confederation of Trade Unions has given an information brochure to each Member for reference. I do not want to repeat here what is said in the brochure. I reiterate that the Administration should legislate to the effect that

when any trade union obtains the support of 25% of the workers in an enterprise employing more than 100 persons, the employer of that enterprise must recognize the trade union and conduct a collective negotiation with it, and any agreement arising from such negotiation should be legally enforceable. Moreover, in respect of overall negotiations between employers and employees, the Administration should take certain supplementary legislative actions to promote the collective bargaining mechanism. These should include amending the law for preventing discrimination against trade unions so as to protect their members from persecution, giving legal protection to the right to strike so as to protect the employees on strike from punishment afterwards, and enacting legislation against unfair dismissal so as to improve the job security of employees.

Finally, I would like to caution here that if a collective bargaining system cannot be established, then in the absence of a channel for communication with their employers, the employees will have no other choices but to take collective actions, which will be detrimental to the establishment of good relations between employers and employees and overall social harmony.

Mr President, I so make my submission. Thank you.

THE PRESIDENT'S DEPUTY, MRS ELSIE TU, took the Chair.

MR SZETO WAH (in Cantonese): Madam deputy, human society is full of conflicts. Among them, labour relations constitute one of the major conflicts.

There are two completely different philosophies as to how to handle and deal with conflicts.

The first one is the "struggle philosophy". This philosophy sees the relationship between the opponents in a conflict as an inevitable life and death struggle. Either you eat me up or I eat you up. A moment's co-existence does not mean there will be no eating up of the opponent. It is only because one is unable to bite or swallow up one's opponent. When one is able to do so, one will still eat up one's opponent. People believing in such kind of philosophy are just like long snakes with poisonous teeth. Not only do they swallow everything around them, they will eventually bite their own tails and even eat themselves up.

To handle and deal with labour relations with such kind of philosophy, no matter how gentle, kind, respectful, frugal and courteous one is now, one's ultimate goal is, nevertheless, a revolution through which one class overthrows another.

The other kind of philosophy is the "compromise philosophy". Such kind of philosophy views the relationship between the two opponents in a conflict as

one involving conflict as well as checks and balances. The opponents are also deemed partners who depend on each other for existence. Being aware that their co-existence has to come with interdependence, they would not eat the other up. They are willing to let the other have the power of checking and balancing themselves. Hence, conflicts are turned into a motivating force for improving the relationship between them. Such kind of philosophy involves both struggles and compromises, but compromise is the ultimate goal.

To handle and deal with labour relations with such philosophy, one will view positively the relationship of depending on each other for existence, in particular, the employers would let the employees have the power of checks and balances. Should there be a conflict, it would be transformed to a motivating force for improving the relationship between them. Collective bargaining is such a mechanism. Some advanced capitalist societies, since adopting the mechanism, have gone a long way towards harmonizing labour relations, promoting the economy and stabilizing their societies.

Perhaps some people will criticize this as "reformist philosophy". What is wrong with it if it can change things for the better? Only changing for the worse is undesirable. We oppose changing for the worse, not for the better.

Madam deputy, I so make my submission.

MR TAM YIU-CHUNG (in Cantonese): Madam deputy, our community has long been indulged in the belief in free market. People seem to believe that it possesses a mysterious power which can strike a right balance between supply and demand among various sectors of our economy and such a state of equilibrium would naturally bring our community the best benefits. But what is the true picture behind the so-called social benefits? It really gives us much food for thought. As a matter of fact, following the principles of free economy, our employers, who are well-known for their sophistication, find it nothing wrong to minimize their responsibility towards their employees and the community. And workers' rights are also reduced to the minimum as a result.

Collective bargaining is absolutely necessary in Hong Kong because the community is changing rapidly and the overall social climate makes it very difficult for workers to make a living. Employees are always under threat in terms of job security, occupational health, occupational safety and retirement protection. The spirit of collective bargaining is to ensure that employers and employees alike would have equal status so that employees' wishes can be fully reflected through negotiations. I believe that the establishment of the collective bargaining mechanism and such a tradition will help to free workers from employers' dominance! In this way, even under unfavourable social climate, the predicaments workers are in will not be deliberately covered up or distorted and the rights to which they are entitled would not be denied.



I do not intend to discuss the technical and operational aspects of collective bargaining. I would only like to point out that in our rapidly changing community, there is a continuous interplay of many economic, political and social factors and they have a bearing on millions of our local workers. Economic transformation, importation of labour, inadequate labour legislation, half-hearted efforts in the implementation of occupational safety and health measures and the failure to introduce comprehensive retirement schemes have, in effect, placed workers at an extremely unfavourable position. Worse still, employees in difficulty are not provided with any proper channel to express their grievances or have to suppress them under external pressures. It is necessary for us to introduce collective bargaining, as a democratic mechanism in the area of labour-management relation, to Hong Kong. As for the mode, be it the European mode or the North American mode, to be adopted, it is still open to further discussion. My position is that concrete problems should be analysed in a concrete manner. We should not confine ourselves by any established mode and any particular bargaining topics. In my opinion, it is possible to conduct collective bargaining at different levels, high or low. In bodies where overall labour policy is to be mapped out, staff side should be adequately represented. And where individual trades and enterprises are concerned, issues such as wages, working conditions and terms of compensation should be addressed by both employers and employees.

Madam deputy, with these remarks, I hope that the Government will give the above-mentioned views serious consideration.

MR ANDREW WONG (in Cantonese): Madam deputy, from time to time reports about individual labour disputes are found in our newspapers. These disputes usually involve private companies only, and the number of employees affected is relatively small. However, the strike held by drivers of the China Motor Bus Company Limited in 1989, the protest staged by staff of the Hong Kong Telecommunication Limited in 1991, and the recent strike organized by crew members of the Cathay Pacific Airways Limited showed that labour disputes could evolve into social actions. They also brought to light the inadequacy and loopholes in our existing legislation. It is essential to find out how labour disputes could be nipped in the bud so that serious consequences would not arise.

Introducing the right of collective bargaining into our present labour legislation will provide an effective legal framework under which labour disputes can be resolved at an early stage through suitable channels. If negotiation between the management and the staff side breaks down, workers should exercise restraint voluntarily or as required under the law. No strike should be held within the cooling-off period or without the authorization of a certain ratio of union members or workers. Collective bargaining will give the employers more protection in comparison with the existing practice whereby employees may stage "wild cat strikes" without notifying their employers.

If the right of collective bargaining is established, the employees' right to take collective industrial action will obviously be safeguarded. But since there is constraint on the right of collective bargaining, the employees' right to take collective industrial actions, particularly to strike, cannot be fully protected. The existing legislation does not prohibit employers from taking punitive action against their employees retrospectively. As a supplementary measure, priority should be given to the introduction of legislation against unfair dismissal of employees. Only by so doing can problems in labour relationship be tackled. The proposed legislation should bar employers from using their discretion to dismiss certain workers who have taken part in collective industrial actions. It should also make it impossible for employers to dismiss all workers who have participated in collective industrial actions and then re-employ some of them on a selective basis.

Some employers may query why the proposed legislation will only impose restriction on the dismissal of employees. They may complain about the lack of protection for employers, for employees are allowed to resign any time they like. I hope these employers would do some soul-searching. Maybe the remuneration and benefits offered by them are less attractive than those offered by other companies. Since employees depend on their income for a living and their livelihood will be at risk once they stop working, it is most unlikely that they will resign without reason or cause. The best safeguard for employers is for them to treat their staff well and to enhance their staff's sense of belonging. It would not do for employers to rely on the law to bind their staff to working for them.

Employers often have reservations about the introduction of new labour laws. I hope they would understand that as the progress of our society has brought with it a great desire for fairness, the management and the staff side are more likely to have conflicts. Both sides have to face their problems squarely and co-operate with each other in developing a good relationship. Only in this way can they enjoy a harmonious relationship, thus enabling the economy of Hong Kong to develop further.

Madam deputy, I so submit.

MR RONALD ARCULLI: Madam deputy, collective bargaining is not a concept that is wholly unknown in Hong Kong. That having been said, it is not a concept that is widely understood by the community nor widely practised. The reasons for this state of affairs may well be due to a multitude of reasons and those that readily occur to me would include: first, the fragmentation of our industrial sector; second, the speed with which Hong Kong has changed and indeed is changing in its industrial base; third, Hong Kong's economic success has generally resulted in full employment; fourth, the Government's overall policy of positive non-intervention may have led to relatively little promotion and education by the Government on collective bargaining. To name but a few reasons.

Madam deputy, I am quite sure that those who are in favour of collective bargaining must assert that this is necessary because our working community does not have enough protection. Indeed, this is only part of their complaint as they are also advocating legislation to prevent unfair dismissal, to provide the right to strike and protection for union officials and members.

The Hong Kong approach is generally to properly balance the interests of the community as a whole. We should not forget that Hong Kong's success has been tremendous team work by the whole community. Hard work, tremendous initiative and the taking of risks are but some of the ingredients of our success.

On the issue of labour relations, generally, the Administration has undertaken a review and no doubt both employers and employees will examine their respective positions in due course. We, in this Council, will have to examine the review report in due course and I hope that what we will strive for is a fair balance and not just change for the sake of changing. Thank you.

MR CHEUNG MAN-KWONG (in Cantonese): Madam deputy, the right of collective bargaining is of great significance to employees in a modern society. It not only protects the employees' livelihood and right to work but also ensures the stability of the economy. Collective bargaining allows the management and the staff side to have dialogue instead of confrontation. Therefore it is a safety-valve for both parties.

If there is no appropriate mechanism for collective bargaining through which the problems of the aggrieved employees may be resolved, serious confrontation and strikes may take place. The incident of the Cathay Pacific Airways Limited shows that whenever there is a strike, both parties will suffer and economic losses will be incurred.

Strikes are a form of confrontation to be resorted to only when there is no alternative. It should not be used indiscriminately. The management and the staff side should be encouraged to settle their dispute through negotiation on an equal footing before a strike is held. The prerequisite of the negotiation is that the lawful representatives of both sides, that is the boss and the workers' union, must take part in the negotiation.

So far the vast majority of unions in Hong Kong have not been given the right of collective bargaining although they may exist as legal organizations. Take the example of the Hong Kong Professional Teachers' Union to which I belong. With a membership of more than 50 000 teachers representing over 90% of those in the profession, the union is still not entitled to collective bargaining. It cannot carry out legitimate and mutually-binding negotiation with the Education Department on the remuneration, promotion prospect, job security and service conditions of teachers.

Many other civil servants unions and staff unions of subvented organizations such as the Hong Kong Social Workers General Union, the Association of Hong Kong Nursing Staff and so on are facing a similar situation. These unions play a part in ensuring social stability. They may be compelled to take to the street to confront their backstage boss, that is the Government, in the absence of a mechanism for collective bargaining.

Madam deputy, I therefore urge the Government to set an example by granting civil servants unions and staff unions of subvented organizations the right of collective bargaining. It should promptly enact legislation which will establish and confirm the unions' right to collective bargaining. This will encourage the formation of more unions and safeguard the rights and dignity of employees.

Madam deputy, before concluding my speech, I would like to express deep sorrow for those workers who died or were injured in the blaze which broke out at a toy factory in Thailand the day before yesterday. As revealed by an information paper of the Legislative Council, the right of collective bargaining has already been introduced in Thailand. But for those workers concerned in that hilly region who are poor, sequestered from the outside world and badly informed, it is virtually impossible to exercise such a right. Nor can their lives be protected by such right. Madam deputy, allowing workers to form unions and have their working conditions improved through negotiation is not merely the responsibility of the Government and the legislature. It is also the responsibility of the employers. If this responsibility is not fulfilled, the tragedy in Thailand may recur in any of the special economic zones of China.

Madam deputy, I so submit.

MR FREDERICK FUNG (in Cantonese): Madam deputy, due to the time constraint, I would focus my remarks on a few points to expound my view. To begin with, since collective bargaining, which has no legislative backup, is not popular in Hong Kong, labour relations are hardly established on an equal footing. In plain terms, the management may decide unilaterally on the working conditions of the employees purely according to the market situation while the employees have to accept what are being offered pathetically. The refusal on the part of the management to negotiate with the workers by way of collective bargaining will only goad the staff side into taking collective actions in the form of strikes, for example, to press the management side to go to the negotiating table. If things come to that stage, labour relations would become extremely tense and have difficulty in improving in the future. In this connection, collective bargaining is indeed the first step towards safeguarding the interests of workers and improving labour relations.

Collective bargaining will be beneficial to employers, the Government as well as the overall development of the community. Where employers are concerned, they naturally would not like to see that their staff will readily quit

their jobs or always look for new jobs because that would affect their production. In the case of employees, if they can negotiate with their employers through their trade unions to reach and sign an agreement which will be observed by both parties, then they, I am sure, will put heart and soul to their jobs while the employers will be well assured that there would not be an excessively high mobility of their staff. Without collective bargaining, the management can control unilaterally the terms offered to the workers in the light of market situation. And this will lead to a situation where some older or vulnerable workers would receive unfair treatment. They will be readily dismissed without reasonable grounds or have their wages cut by the management. These workers, at the end of the day, will turn to the Government for help, which will in turn increase the Government's financial burden. A collective bargaining system indeed can afford greater protection to these workers, indirectly reducing the social burden.

Collective bargaining will also promote the development of our economy and social welfare programme as a whole. This is because through collective bargaining, wages are adjusted and set at a predictable level. Such predictability will enable the Government to have a clear idea about the rate of wage increase. This in turn enables it to plan and expand various social services and curb inflation in a well-arranged manner. Therefore, I earnestly request the Government to set out immediately to establish a collective bargaining system through legislation.

These are my remarks.

MR MICHAEL HO (in Cantonese): Madam deputy, in the study of local labour-management relations and labour legislation, many people have pointed out that it is necessary to introduce the mechanism of collective bargaining if local labour-management relations are to be improved. Professor Joe ENGLAND pointed out clearly in his studies on Hong Kong's labour-management relations and legislation that if the unequal labour-management relations are to undergo an effective reform, what the Government should do is to introduce a collective bargaining mechanism through legislative process. Being the largest employer in Hong Kong, the Government should set a good example to the others so as to promote the mechanism of collective bargaining.

Relatively speaking, our civil service is in a better position than any other industries when it comes to the introduction of collective bargaining.

First of all, civil servants, apart from the police, are free to organize and join staff associations. Roughly speaking, about 26% to 30% of the staff belong to civil service staff associations or unions. This figure compares favourably with that of non-civil service trades. There are at present over 150 civil service staff associations. However, it is regrettable that up to the present, the Government has not yet adopted Article 151 of the International Labour Convention and give civil servants collective bargaining power.

We certainly hope that the Government, as the largest employer, will set an example and play a leading role on that front. We have an independent Standing Commission on Civil Service Salaries and Conditions of Service in our civil service structure to decide on civil servants' salaries and conditions of service by consulting the three civil service consultative councils. Yet it is merely a consultation mechanism, not collective bargaining. Consultation is a process whereby employers and employees carry out negotiations. Employees may express their views at the consultative meetings. They have the right to state their requests but they enjoy no legal status, after all. That is to say, employers can make their own decisions without considering the views of their staff. Their decisions may be reached without going through any negotiation or drawing reference to any agreement concluded by both sides at the negotiating table. As a consequence, relations between many civil service trade unions and the management will become increasingly strained and that may eventually lead to industrial actions. And this is something I am loath to see.

These are my remarks.

MR HENRY TANG (in Cantonese): Madam deputy, the flourishing economic development of Hong Kong has always been dependent upon good labour relations. Labour disputes can mostly be settled by negotiations through various channels. Incidents of strike on a large scale can be said to be very few. The Cathay Pacific labour dispute which occurred early this year is a very rare example. On the whole, the way relations between employers and employees in Hong Kong have been conducted is quite good. There is no need for major changes for the time being. Although Hong Kong has not established formal collective bargaining rights, most factories adopt the contractor system whereby staff representatives in fact bargain with the management over pay and the working environment. That is collective bargaining.

Being an employer, I agree, in principle, that the power which comes with collective bargaining can have positive effects. The employers and the employees can settle their disputes and differences through collective bargaining if both sides are sincere and either side tries to understand the other. However, as to whether it is necessary to mandatorily provide for collective bargaining rights through legislative procedures, like what is being done in the western industrialized societies, I believe this issue is open to question. The way the Hong Kong economy works is different from those of foreign countries. In Hong Kong's trading and industrial sector, over 90% of the companies hire less than 20 employees. In other words, the vast majority of the companies are very small and the mobility of Hong Kong workers is high. Therefore, it is undesirable to enact legislation to provide for collective bargaining rights now. I encourage the employers to adopt a more open attitude today in accepting the organization of labour unions and the mechanism of collective bargaining.

However, I believe that, at the present stage, time is not yet ripe to enact legislation for the protection of collective bargaining rights.

Madam deputy, I so make my submission.

MR TIK CHI-YUEN (in Cantonese): Madam deputy, the International Labour Organization held its 32nd meeting in 1949 during which the International Labour Convention was endorsed. Paper No. 98 of the Convention covers the right to organize and to bargain collectively. In fact, the United Kingdom is a signatory to the Convention. However, it is a pity that the main provisions of the Convention are not widely applied in Hong Kong. We, Meeting Point, support collective bargaining mainly because of the following advantages:

Firstly, collective bargaining provides a steady and permanent basis for the employers and employees to decide pay and conditions of service.

Secondly, collective bargaining can help the employers and the employees to fully reflect their interests. Moreover, reasonable procedures can be laid down through collective decision-making.

Thirdly, collective bargaining encourages the setting up of labour unions so as to protect employees' interests.

Conversely, if there is no collective bargaining, the employees are always forced to take more drastic action. In recent years, there have been a lot of industrial actions in Hong Kong. The Hong Kong Telecommunications labour dispute in 1991 and the recent incident involving Cathay Pacific cabin crew are obvious examples. When employees of these big organizations were taking industrial action, it seriously affected the economy and the people's livelihood of Hong Kong.

At present, according to the Hong Kong Labour Relations Ordinance, the Commissioner for the Labour can mediate a dispute if both employers and the employees agree and then the matter will be passed to a committee for arbitration. However, if either side disagrees, this method cannot work. Therefore, it can be seen that both the existing laws and the future Basic Law fail to provide clearly for the enactment of legislation for collective bargaining.

In the long run, Meeting Point is in favour of establishing collective bargaining rights through legislation. Some people (including Mr Henry TANG) mention that it is not yet time to discuss the enactment of legislation for collective bargaining because not many workers join the trade unions and the mobility of workers is high. Nevertheless, we, Meeting Point, think that the Government should play an active role. Basically, for large organizations, franchised companies and companies which hire more than a certain number of

staff, we can encourage and help them form trade unions whereby collective bargaining rights can be established.

Madam deputy, I so make my submission. Sorry, Mr President, I so make my submission. (*Laughter*)

THE PRESIDENT resumed the Chair.

MR JAMES TO (in Cantonese): Mr President, when the average man talks about democracy, his focus will always be on the political level, that is, to stress that there should be participation by the people's representatives in the processes of government policy making on both the executive and legislative fronts and that policies should be made in reference to the wishes of the people. However, other than at the political level, democracy in the broadest sense should indeed also be practised at all levels of human activity. A collective bargaining system is a specific manifestation of democratization of the management of enterprises and factories.

When western societies discuss the people's political rights, such rights are in fact inseparable from citizenship rights whose existence a state recognizes. Apart from fundamental human rights, citizenship includes also social security rights such as entitlement to social services and welfare, and political rights to decide on national affairs and to elect policy makers of the government. After World War II, the concept of citizenship was gradually promoted and introduced into the industries of western societies to become what is known as "industrial citizenship". Similar to general citizenship, industrial citizenship also includes both levels of social and political rights. Social rights within industrial citizenship include legislative protection for production conditions of the workforce such as the minimum wages of workers, provision of medical care for workers and unemployment protection, so that the management may not decide the workers' production conditions at will. Political rights under industrial citizenship means mandatorily requiring, by way of legislation, the management of industries to recognize the status of trade unions, to set up a redress system and to respect the negotiation rights of trade unions so that industrial disputes may be resolved by means of collective consultation and discussion. This last right discourages the management from firing, transferring, cutting the wages of or disbanding the employees at will, thus protecting further the production conditions of the workforce. Therefore, the fundamental political rights of workers such as the right to organize a union, to negotiate and to strike may be established.

Mr President, the establishment of a collective bargaining system will not only give effect to labour-management relations on an equal footing, but more importantly also confirm industrial citizenship. In Hong Kong today where human rights are increasingly emphasized and more democratic participation



called for, the Administration certainly must initiate legislation to provide for the right of collective bargaining.

MR HOWARD YOUNG (in Cantonese): Mr President, like Mr James TO, I would also like to talk about democracy. A democratic system attaches great importance to free flow of information, collective participation in decision-making as well as the transparency of policy-making. The same notions must be followed in industrial actions, especially given the fact that many commercial and industrial establishments in Hong Kong are employing a huge number of staff and, more importantly, their operations have to do with the running of our society or the provision of services for the public such as power supply, sea, land and air traffic, transportation, medical and financial services. Industrial actions taken by staff in these establishments rashly may bring the operation of our society to a standstill and affect people's livelihood. In this connection, the victims are always the management, the staff and the public.

As an industrial action must have the participation of the staff, each worker should be entitled to have access to all the information concerning the action. Then they can weigh the pros and cons before making up their mind. This would remove any possibility of their action to be decided by only a handful of persons, thus leading to an irremediable situation. In order to ensure that the view of each participating worker will be considered, it would be appropriate and fair to carry out a democratic referendum. When an industrial action is taking shape, workers always tend to entrust their association's leaders with the responsibilities of directing the action and bargaining with the management. However, when the action is escalated and important moves or moves which would bring about grave consequences have to be drawn up, it would not be appropriate to leave it to several leaders to make the decisions because such decisions could not fully represent the wishes of all the workers. One must not lose sight of the fact that it is workers whose livelihood and future lives may be affected if the actions include a go-slow or strike. Under such circumstances, they must chew over the matter themselves to decide whether to support the actions or not. Usually the workers may misjudge the consequences of the actions themselves and the impacts they are subject to especially in a situation under which communication is inadequate in such mass actions. At this juncture, holding a referendum not only can help the leaders to chart their moves in accordance with the workers' wishes but can also reflect the latter's wishes as well. Furthermore, such voting must be carried out by secret ballot. This can ensure that the workers will not be under pressures after expressing their own opinions, no matter whether the censure comes from the management or staff side. If an industrial action is guided by the opinions of the participants, the risk of the action being exploited or led astray can be reduced and "collective" decisions will not be made at the expense of workers' interests.

Mr President, these are my remarks.

7.39 pm

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, this debate raises important issues related to the mechanism for conducting relations between employers and employees. In terms of the quality of those relations, Hong Kong, I am pleased to say, has one of the best records in the world. This is a situation which I am sure we will all want to see continue and, indeed, improve further. This is the spirit in which I should like to discuss the subject.

Collective bargaining has been established in many countries as a legitimate and stable framework for joint labour-management negotiation on conditions of employment and for resolving conflicting interests in employment relations. The avowed merits of collective bargaining are that it provides a channel for workers' participation in the decision-making process and an opportunity for enhancing the understanding of the parties regarding each other's position, objectives and problems. Another significant strength underlying collective bargaining is its ability to elicit the workers' consent to work under the terms of an agreement which emerges from the bargaining process, resulting in stable employment relations.

Formal and institutionalized collective bargaining exists in many countries, especially those where employers and employees have been able to establish representative and self-governing institutions for the purpose of protecting and advancing their respective rights. It is indeed a prerequisite for the successful operation of collective bargaining that those who participate in the process do represent the majority of the employers and employees concerned, and that the resultant agreement is binding on all of them. Thus, collective bargaining tends to work effectively mainly in an environment where a small number of businesses employ large numbers of people, where the majority of the employees are represented by trade unions and where both sides consider it mutually advantageous to avoid the trouble and expense of negotiating at the level of individual enterprises.

Such an environment clearly does not exist in Hong Kong, where over 90% of the business and industrial establishments employ less than 20 employees. In such circumstances, collective bargaining is unlikely to be the most effective means for the workers and their employers to negotiate their terms of employment. It would in any case seem unnecessary to introduce collective bargaining in an enterprise when practically every worker is individually able to negotiate direct with the employer in respect of his or her terms and conditions. If the bargaining process is to be conducted beyond the enterprise level, problems regarding the recognition of workers' organizations or trade unions would arise. This is particularly so given the relatively low rate of union participation in Hong Kong. As at the end of 1992, only 21% of the workforce belonged to trade unions. Any agreement reached through collective bargaining in such circumstances would benefit only a small proportion of the workforce in the particular trade or industry in question. On the other hand,

serious problems would arise if such agreements were to be extended, through legal provisions, to those whose views are not represented by trade unions.

Thus, instead of adopting collective bargaining on a formal and institutionalized basis, the Hong Kong Government has adopted the alternative approach of promoting voluntary conciliation of disputes and the establishment of joint consultative machinery at the enterprise level.

We firmly believe that this approach has achieved the desired results. In large enterprises such as public utility companies, machineries for joint consultation often exist whereby elected employee representatives meet regularly with the management to discuss various matters relating to employment conditions, welfare and work safety. There is also a well-established and elaborate staff consultative machinery in the Civil Service. Our experience has generally proved that joint consultation is an effective machinery for voluntary labour-management dialogue and negotiation at the plant level.

Several Members have suggested that we should introduce legislation to give effect to the concept and practice of collective bargaining. I submit that legislation is neither a prerequisite for the successful operation of collective bargaining nor a requirement of International Labour Convention No. 98 concerning the application of the principles of the right to organize and to bargain collectively. Article 4 of the Convention states that:

"Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements."

This article recognizes that there can be wide variations in the circumstances of different countries and territories and that there can be different approaches to the negotiation and regulation of terms and conditions of employment. While legislation is no doubt one way of promoting collective bargaining, other measures appropriate to local conditions can also fulfil the same objective and the approach adopted by the Hong Kong Government is entirely consistent with our obligations under the Convention.

Mr LAU Chin-shek has also touched on the question of the protection of employees involved in trade union activities. This question is also covered by International Labour Convention No. 98. Part 4A of the Hong Kong Employment Ordinance provides protection against anti-union discrimination in employment in a manner which is consistent with the provisions of Convention No. 98. Nonetheless, we are taking a further look at this question, and quite a few others, in the context of the review which I am undertaking to see what lessons can be learnt from the Cathay Pacific dispute which occurred earlier this year.

I conclude by going back to where I started. Hong Kong has one of the best records in the world in the field of employment relations. Our approach and our practices are therefore well tried and well proven. While our minds should certainly not be closed to alternative approaches, I do suggest that we should be extremely careful in considering their adoption, so as to ensure that any changes we make will truly be for the better.

Thank you, Mr President.

*Question on the adjournment proposed, put and agreed to.*

### **Next sitting**

PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Thursday 13 May 1993.

*Adjourned accordingly at twelve minutes to Eight o'clock.*

*Note:* The short titles of the Bills/motions listed in the Hansard have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

**WRITTEN ANSWERS****Annex I****Written answer by the Secretary for Security to Mr Martin BARROW's supplementary question to Question 1**

Since an illegal immigrant prisoner is treated no differently from an ordinary prisoner, and their costs are the same, the Correctional Services Department does not keep a separate account for illegal immigrants.

However, it is possible to work out a rough estimate, based on the total provision given to the Correctional Services Department for maintaining prisoners. In the financial year 1992-93, the Department's costs were \$1,084.4 million; the average percentage of illegal immigrant prisoners was 31.7% during that period. The approximate total cost for illegal immigrants for 1992-93 was, therefore, \$343.75 million.

**Annex II****Written answer by the Secretary for Security to Mr Simon IP's supplementary question to Question 2**

I have consulted the Registrar of Supreme Court who informed me that the Judiciary is currently drawing up a proposal to streamline the procedures and improve record keeping capabilities by means of computerization. Once these objectives are achieved, consideration may be given to reviewing the jurisdiction of the Small Claims Tribunal in the light of the improved capacity of the tribunal system.

As for the suggestion to increase the number of bailiffs to enforce court judgements, the Judiciary is of the view that the present establishment of bailiffs is adequate to meet the demand and consequently there are no plans to increase the number of bailiffs.

WRITTEN ANSWERS — *continued*

## Annex III

**Written answer by the Secretary for Works to Mr Edward HO's supplementary question to Question 5**

To be more precise, the total number of such squatter huts is approximately 4 315. These squatter huts are situated in 35 villages, 20 of which are located in Tsuen Wan, Kwai Chung and Tsing Yi, six of which are in Shatin, three in Tai Po, two in North District, two in Sai Kung, one in Tuen Mun and one in Yuen Long.

After consultation with departments concerned and taking into account available rehousing resources and the workload problems confronting the departments, the 20 villages in Tsuen Wan, Kwai Chung and Tsing Yi have to be programmed for clearances in four year's time. The other 15 villages can be cleared in 1993-94.

A list showing the name of the villages, the number of huts recommended for clearance in each of the villages and the tentative clearance dates is appended.

## Appendix

List of Villages Completed in the  
Re-inspection Programme (up to 31.3.93)

| <i>Serial</i> | <i>District</i> | <i>Village</i>                 | <i>Domestic huts<br/>recommended for<br/>clearance (approx.)</i> | <i>Tentative<br/>clearance<br/>date</i> |
|---------------|-----------------|--------------------------------|--|---|
| 1             | TW, KC & TY     | Tso Kung Tam                   | 120  | 93-94                                   |
| 2             | "               | Pak Tin Pa                     | 300  | "                                       |
| 3             | "               | 6-6 1/2 Miles Castle Peak Road | 225  | "                                       |
| 4             | "               | Shek Lei Hill (Kam Shan)       | 90   | "                                       |
| 5             | "               | Fu Yung Shan                   | 360  | "                                       |
| 6             | "               | Wo Yi Hop                      | 220  | 94-95                                   |
| 7             | "               | Kwong Pan Tin 1 & 2            | 320  | "                                       |
| 8             | "               | Hon Man Tsuen                  | 338  | "                                       |
| 9             | "               | Cheung Hang                    | 350  | "                                       |
| 10            | "               | Kau Wah Keng Upper             | 271  | "                                       |

WRITTEN ANSWERS — *continued*

| <i>Serial</i> | <i>District</i> | <i>Village</i>                             | <i>Domestic huts<br/>recommended for<br/>clearance (approx.)</i> | <i>Tentative<br/>clearance<br/>date</i> |
|---------------|-----------------|--|--|---|
| 11            | TW, KC & TY     | Sham Tseng & Sham Tseng<br>Additional Area | 80   | 95-96                                   |
| 12            | "               | Sheung Kok Shan (Lo Wai)                   | 95   | "                                       |
| 13            | "               | Tai Wo Tsuen                               | 60   | "                                       |
| 14            | "               | Nam Hoi Pui                                | 140  | "                                       |
| 15            | "               | Pump Fong Sheung Tsuen                     | 112  | "                                       |
| 16            | "               | Ha Lo Wai (Wo Yi Hop Road)                 | 52   | "                                       |
| 17            | "               | Sheung Yat Tsuen                           | 151  | "                                       |
| 18            | "               | Upper Kwong Pan Tin 3 & 4                  | 50   | 96-97                                   |
| 19            | "               | Pai Min Kok                                | 40   | "                                       |
| 20            | "               | Ha Fa Shan                                 | 80   | "                                       |
| 21            | ST              | Ma On Shan Tsuen Upper                     | 46   | <b>93-94</b>                            |
| 22            | "               | Pak Tin (Part)                             | 250  | "                                       |
| 23            | "               | Yau Oi                                     | 80   | "                                       |
| 24            | "               | Tin Liu                                    | 80   | "                                       |
| 25            | "               | Pai Tau                                    | 20   | "                                       |
| 26            | "               | Ha Lung Chung                              | 30   | "                                       |
| 27            | TP              | Kam Shan                                   | 65   | "                                       |
| 28            | "               | Shek Kwu Lung                              | 5  | "                                       |
| 29            | "               | Tai Po Tau                                 | 20   | "                                       |
| 30            | N               | Ying Pun                                   | 215  | "                                       |
| 31            | "               | Hang Tau                                   | 2  | "                                       |
| 32            | SK              | Pak Sha Man                                | 2  | "                                       |
| 33            | "               | Tai Chung Hau                              | 6  | "                                       |
| 34            | TM              | Fraser Road & Siu Lung Tsuen               | 10   | "                                       |
| 35            | YL              | Wong Chuk Yuen                             | 30   | "                                       |
|               |                 | Total:                                     | 4315   |   |

|    |   |                |
|----|---|----------------|
| TW | - | Tsuen Wan      |
| KC | - | Kwai Chung     |
| TY | - | Tsing Yi       |
| ST | - | Sha Tin        |
| TP | - | Tai Po         |
| N  | - | North District |
| SK | - | Sai Kung       |
| TM | - | Tuen Mun       |
| YL | - | Yuen Long      |