

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 27 October 1982****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, K.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
SECRETARY FOR LANDS AND WORKS

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE MCGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR SOCIAL SERVICES

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.
THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

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

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C., J.P.
LAW DRAFTSMAN

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM DORWARD, O.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, O.B.E., J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE GRAHAM BARNES, J.P.
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW
TERRITORIES ADMINISTRATION

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

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

THE HONOURABLE SELWYN EUGENE ALLEYNE, J.P.
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

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

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, J.P.
SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION (*Acting*)
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES
ADMINISTRATION

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

ABSENT

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. JENNIE CHOK PANG YUEN-YEE

Papers

The following papers were laid pursuant to Standing Order 14(2):—

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Firearms and Ammunition Ordinance.	
Firearms and Ammunition (Amendment) Regulations 1982	364
Evidence Ordinance.	
Evidence (Authorized Persons) (No. 15) Order 1982	371
Public Health and Urban Services Ordinance.	
Public Health and Urban Services (Designation of Libraries) (No. 5) Order 1982	372
Interpretation and General Clauses Ordinance.	
Specification of Public Office.....	373
Arbitration (Amendment) Ordinance 1982.	
Arbitration (Amendment) Ordinance 1982 (Commencement) Notice 1982	374
Factories and Industrial Undertakings (Electricity) Regulations 1982.	
Factories and Industrial Undertakings (Electricity) Regulations 1982 (Commencement) Notice 1982	375

Government business**Motion****MOTION OF THANKS**

THE CHIEF SECRETARY moved the following motion:—That this Council thanks the Governor for his address.

MR. LOBO:—Your Excellency, as the first speaker of this two days session, I will be brief.

Your Excellency's first report to this Council has covered a great deal of ground and will no doubt stimulate much comment from my Unofficial Colleagues in their special spheres of interest.

I am bound to preface my contribution by responding to your kind remarks about the role of the Unofficials in the business of this Council and about our representative role.

It is indicative that you, and Your Excellency's predecessors, have found it so often necessary to express public appreciation for work done behind the scenes.

As a community, we are prone to suspect that what is done out of the public eye cannot be as credible or as commendable as that which takes place in full view. 'Behind closed doors' is a common Hong Kong criticism of actions not fully understood.

The fact is that very little of the work which unofficials do behind the scenes is any more secretive than ordinary business sense would dictate.

In the U.M.E.L.C.O. Office we see the public—and we receive public representations. Policies that we discuss in their preliminary stages, behind the scenes, have no significance nor effect until they are openly presented.

A great deal of productive business would not be helped in any way by transferring it into public session simply to achieve a better understanding of the role of the Unofficials, and I suspect that even longer public debates would not necessarily increase public understanding or confidence in the machinery of policy making.

What we need, as you have said, Sir, are measures to increase public interest and understanding of the work of this Council, and on behalf of my colleagues I welcome the initiatives which you have announced to achieve these objectives. Sir, in your remarks on this subject you referred more than once to the representative role of the Unofficials.

It is only too easy to question that description in the absence of an elected element in this Council but in practice, and more and more, with the enlargement of the Council in recent years, the Unofficial Members have spoken for all classes and all interests in the community and will continue to do so.

I am confident that the objectives you have outlined for the working party on the procedures of this Council are appropriate to our situation and they will give us great opportunities to contribute to the orderly advancement of our social and economic institutions.

In referring to the current consultation upon our future, you, Sir, spoke of the need for steady nerves. You went on to give us the best prescription: not a tranquillizer but a confident rededication to our programmes of social improvement and to the economic policies which have given us our fundamental prosperity.

Nothing that is happening has taken away from us the will and the duty to improve the living and working conditions of all classes in our community. By far the best contribution which we can make to the successful resolution of our future status is to pursue these aims with vigour and unswerving determination.

The present situation puts a heavy responsibility on all of us who are in a position to influence public opinion, whatever we are, tycoons, public servants, legislators, academics or the media.

This is no time to put our heads in the sand but neither is it a time to overdramatize, to sensationalize or to speculate idly. It is a time to take stock of what we are doing and to strive to do it better. We must carry the community with us and the information gap must not re-open. This Administration cares for people; it is the bedrock on which Hong Kong's fortunes are founded; and it is the custodian of our hopes for the future. We should not hesitate to make this clear, and I am not convinced the Government is fully aware of the need to do so and to invest in its own image.

The future of Hong Kong would not be worth much at all if it were not a place which has, despite its reputation for transitory superficiality, given a great many people the chance to enjoy essential human values in a stable but stimulating environment—this we are determined to maintain and is well worth preserving.

Sir, I welcome your reminder that we should not forget the elderly persons. Hong Kong today owes much to their hard work in past decades and they now deserve a dignified old age.

The plans and policies you have outlined on the Social Programme Areas underlines Government's continued concern for the welfare of the people and restates the endeavours which will be made to meet the aspirations of our people.

Indeed, critics and other finger pointers usually fail to appreciate the basic quality which makes Hong Kong the magic place that it is. The ingredient, in one word is 'continuity'—continuity made possible by the rule of law and a willingness to update within sensible limits to meet the changing circumstances, but always within the rule of law.

Sir, with these remarks, I am pleased to support the motion.

DR. FANG:—Sir, it was encouraging to hear Your Excellency confirm that the expansion and improvement of Hong Kong's medical services will continue to be given a high priority by the Government. This message was most timely because the demand for social services as a whole, and medical services in particular, has become more pressing with rising expectations and increasing population. It is my belief that we would all do better by devoting our energies to the realities and the quality of life in Hong Kong than to the much-discussed 'uncertainties' which feed on imaginary fear.

In recommending this pragmatic approach I have to point out, however, that success in our tasks depend on the existence of a framework which would facilitate quick progress in achieving higher standards. This framework unfortunately, is not yet available to our medical and health field.

Medical and health administration has remained essentially unchanged in the past decade. The modest increases to the Medical and Health Department's establishment have barely coped with the day to day pressures of more

hospitals, more clinics, more specialties, etc. This preoccupation inevitably means that a great deal of long term planning and policy formulation must be left to someone else. The Secretary for Social Services is charged with these important tasks but he and his staff are generalist administrators. I have the greatest respect and admiration for their skills and ingenuity, but these qualities cannot compensate for a lack of professional knowledge and wide medical perspectives. I believe these to be essential pre-requisites, if the Director of Medical and Health Services is to have any chance of meeting the challenges of the 80s and the 90s. Specifically, we need to set the right priorities in our health programme, rationalize the many competing demands and produce a comprehensive blue print for future development.

What I am suggesting, Your Excellency, is that urgent consideration should now be given to the restructuring of the upper echelon of the medical and health administration. Specifically I recommend that thought be given to the creation of a Secretary for Health to oversee the development of our medical and health services, and for the post to be filled by a medically qualified person. This does not imply any criticism of the individuals who at present perform this role, far from it. But the point I wish to make is that we have outgrown our present administrative structure and there is a pressing need to create a more suitable framework to steer through the improvement necessary to our medical and health services.

It is significant that the medical and health services is today the only major programme area which does not have its own policy chief. Judging from the growing demand on health services and the scale of development foreshadowed in the medical programme for the 80s, I am convinced that the creation of a Secretary for Health is well justified.

This is a first step and in my view a vital one. Once the decision to set up a Branch and to appoint a Secretary has been taken, thought must then be given as to how best to plan for the future. It is a matter of record that practically all of the major objectives of the 1974 White Paper has been achieved or are well advanced. Although the objectives have been continuously updated by the Medical Development Advisory Committee which I chair, I am increasingly aware that this process of updating is not the most effective way of charting our future course. I believe that the time has now come for us to look afresh at our health services and to plan for the next ten years.

This is not the time to discuss how such a review should be carried out but I am in no doubt that one is required and could serve as the first task for the proposed new Branch and the new Secretary. There is a wealth of experience both local and overseas on which they can draw.

A comprehensive review will enable us to take stock of the past achievements, to determine the priorities for the future and to derive the maximum benefit from the limited resources we have at our disposal.

Sir, with these remarks I have pleasure in supporting the motion.

MR. LO:—Your Excellency, before going into the future may I address you on a few matters relating to the present.

First as Chairman of the Establishment Sub-Committee of the Finance Committee may I express the hope that in limiting the growth of the Civil Service to about around four or five per cent we will not stifle the Directorate and prevent it from having a proper sense of being accountable for the planning and execution of its part in the various programme areas. We must not try to over centralize in the name of economy.

Next, as Chairman of the U.M.E.L.C.O. Police Group I would like to report that as required impliedly by the terms of reference our members look at their work not only as a monitor of how the Police deal with complaints but also as an influence to try constructively to improve the efficiency of the Force and to increase the public's confidence in it. It is my belief that although the U.M.E.L.C.O. Group takes its work very seriously and although the work of the Complaints Against the Police Office (C.A.P.O.) is of a high standard, the public does not believe this. In my view, there are three major reasons for the credibility gap.

The first is the fact that most complaints involve the one-to-one situation aptly described by Lord Scarman in his famous report about another police force in the following terms:—

‘One constant problem—which no procedural change can overcome—is that many complaints resolve themselves into a conflict of evidence between the complainant and the accused police officer, with no third element present which could objectively resolve the conflict. This situation is, of course, common in a court of law; but whereas few feel aggrieved if a defendant is acquitted because of lack of evidence, someone complaining against the Police is unlikely to accept a similar “not guilty” verdict.’

The second reason for the credibility gap is that we cannot tell the complainant whose case has been substantiated how the offending policeman is being punished. To disclose the disciplinary record of a serving policeman would obviously and seriously impair his ability to discharge his duties particularly in dealing with criminal syndicates. However, the withholding of such information from the victim will lead him to the mistaken belief that nothing is ever done to right a wrong.

The third reason here is habit. From time immemorial, members of the public have said to each other that policemen were a bad lot. They could never be trusted and anyone who could detect any goodness in them were in turn suspect. This habitual denigration is a powerful force. A thousand repetitions make one truth.

We cannot expect completely to eradicate all bad elements from this or any other police force. We do not believe that overnight we can expect the Police to have a perfect management structure, clear-cut Police General Orders or even a full understanding of the judge's rules.

Consequently, may I express my full agreement with what Your Excellency said when you reminded us that if ‘the community and the Police do not show confidence in each other only the criminals benefit’. Although it is difficult always to quantify such matters, those of us in constant contact with it are aware of the considerable improvement of the Force in the last five years or so. The community ought now to have confidence in it.

Next, as Convener of the U.M.E.L.C.O. Group which is at present engaged in dealing with the Air Pollution Bill referred to by Your Excellency may I say that we are deep in the process of looking into it. The Group is particularly concerned to ensure that the relativities are right between what Hong Kong itself can do about Air Pollution, its cost in human terms if we do not deal with the problem now and its cost in economic terms if we do. These are not easy relativities to reconcile. However, we are making haste even if some of our critics think that we are doing it very slowly.

As Convener of the U.M.E.L.C.O. Group looking into the Insurance Companies Bill 1982 I would like to commend the Administration for the amount of work that they have put into this extraordinarily complex subject involving such diverse interests. It is not always easy for those who have been involved with the subject for a very long time to have patience with those who have come only recently into it. Here again, we are progressing step by step and with deliberate speed.

Sir, we are all grateful to the kind remarks you have made to the work of Unofficials and to your assessment that its work is insufficiently known to members of the public. The position might be improved if our work were done in a place more easily accessible to members of the public. Accordingly, may I commend for your consideration the conversion of the old Supreme Court Building for this purpose. It could probably accommodate Council meetings, Council work and perhaps even U.M.E.L.C.O. Offices. I know that those who feel that the Supreme Court Building ought to be preserved at all costs will certainly be amongst my allies in this suggestion. A dignified building in the obvious centre of the city would underline for the future the importance of the role of this Council and the work of its Members.

For this Council will have an important part to play in charting the course for the future of Hong Kong. We must stand guard over a series of inter-related elements which together have made Hong Kong the success that it is and which your noble predecessor listed in his historic farewell speech delivered to this Council by the Chief Secretary on his behalf six months ago.

We have, he said, a fine harbour and we must keep it a free port; we have a system of law whose practice is well understood domestically and internationally, administered by a judiciary that is independent; we have a currency that is backed fully and is convertible and acceptable; we maintain a fiscal environment which is extremely predictable in the extraordinarily low burdens it imposes and is free from ideological bias. We have access to markets overseas

via the U.K. through our membership of the G.A.T.T., we have financial services on a scale and of an expertise that rank third in the world; we maintain freedom to invest, to employ and to earn and to do what one will with the proceeds. Our administration is efficient by world standards and its policies free from the sudden shifts and changes that affect most other governments; we have a net of social security which shelters the less fortunate from a lack of medical treatment, education, subsistence or shelter; we have a vast scheme of public housing; we have social and political stability and by international standards a high level of law and order. We have a free press. He reminded us of the excellent relations we had with China and of the excellent Sino/British relations over Hong Kong. He pointed to the increasing two-way economic co-operation between Hong Kong and China and he pointed to our British connection. These inter-related things in combination have produced as he said 'a vital flame that has fired men and women to risk and work for Hong Kong's growth and to build up and maintain investment, employment and services in this tiny area; that vital flame is confidence and is our most precious asset'.

Sir, I entirely agree with all of that. I am confident that under your wise and unruffled leadership the Government of Hong Kong will do its utmost to stand guard over our heritage.

Meanwhile, the people of Hong Kong are overwhelmingly in support of the diplomatic endeavour for a solution to the future. No one can fail to grasp the necessity at this stage for confidentiality. No one seeks crumbs of information. We must all steadily work and firmly protect the various inter-related elements which together have made Hong Kong the stable and prosperous place that it is today. And I have the honour of supporting the motion before Council.

MR. TIEN:—Sir, I support the Government's recent efforts to assist Hong Kong's industry to diversify into new and more rewarding fields. I am delighted to know that, within a comparatively short space of time, the Industry Department has already established three industrial promotion offices, in Tokyo, London and Stuttgart. And I understand that the fourth office, in San Francisco, will be opened at the end of next month. Hong Kong is not short of investment capital, nor are we short of managerial talents. What we do lack is a sufficiently wide range of technologically advanced industries to enable us to compete in the markets of the future, which predictably will be oriented in a similar fashion. Therefore the promotion of industrial investments, with the primary aim of attracting new technologies into Hong Kong, is something to which I feel sure the industrial sector of Hong Kong will give full support.

I am also glad to see that Government is taking steps to make available the sort of facilities which our industries need, particularly in areas of research and development, and scientific support. The establishment of the Standards and Calibration Laboratory, for example, will provide a popular and essential service to industries in the electrical and electronics field. I strongly urge the Industry Department to proceed with all speed in establishing this project.

I hope, Sir, that Government's existing policy towards industry, designed with minimum interference on the one hand, and provisions for appropriate support and impetus for Hong Kong to enter into a new era of industrial development on the other, will continue. We will, I feel sure, have to continue to rely on textiles and garments as the mainstay of our manufacturing sector. But with the efforts being made by investors, and complemented by the measures adopted by Government, I am sure the programme of diversification will advance with speed and determination.

Sir, with these remarks, I support the motion.

MR. ALEX WU:—Your Excellency, I believe that everyone who is concerned with the future of Hong Kong is heartened by your very pragmatic Address. You asked us to keep a steady nerve and get on with the job in hand. This is sound advice indeed.

In fact, there are a large number of things that we have to do. Each of the social projects you reviewed needs to be attended to without hesitation and with resolute action. If we are to slow down these projects which would improve our social conditions, our past achievements would be undone and the economic momentum of Hong Kong would be undermined. Thus, we must work hard, wasting no time and energy in making unnecessary conjectures.

The economic system of Hong Kong is one that has withstood many tests over the years and considered by many in the world as one conducive to the development of free economy, bringing benefits to all. I believe that like the people of Hong Kong, people in other parts of the world would also like to see the continuation of the economic system and that everyone would be determined and work hard to maintain the stability and prosperity of the place.

The economic recession we are facing is but temporary. As you have pointed out, the economic situation of 1983 will be better than that of 1982. As the recovery of world economy is in sight, the resurgence of the local economy is only a matter of time.

But still, we need time before we achieve complete recovery. The people of Hong Kong will certainly agree with and support your determination in putting the funds of Government to the best use. At the same time, we would surely ask to what extent the development of Hong Kong will be affected by the stringent policy? Will our projects in social welfare, education, medical and health, housing and culture and recreation be cut? Will their growth rate be reduced? Will our standard of living be lowered too as a result? What should be done if we are to give such questions a negative answer?

I recognize that a workable way to answer such questions is to carry out a comprehensive review of all the public works projects of Hong Kong. Select those of a large scale in our programme, seek appropriate percentage of funds for them in the international finance market, and carry them out in joint

ventures between the Government and the private sector. This would on the one hand lighten the pressure on the internal economy and facilitate the completion of various social constructions; on the other, it would let the international investors show their confidence in Hong Kong in a concrete way, thereby further consolidating the status of Hong Kong as a world finance centre.

The stability and prosperity of Hong Kong depend on local and international confidence. I hope that the above suggestion, which would provide a base for 'parallel' confidence, would be considered by the Government.

With these remarks, Sir, I support the motion.

REVD. JOYCE M. BENNETT:—Your Excellency, any change in the top management of an institution or company may well cause alarm and despondency among the staff members of those organizations, especially when the Principal or Manager was highly respected, dearly loved and the inspirer of a first class policy. Your first speech therefore as President of this Council was extremely reassuring. Clearly you do not intend to abandon the advances we have seen in the last ten years of Lord MACLEHOSE's governorship. I have been reassured to learn of the steady progress to which you look forward especially in the field of the social services and the development of the Government's internal administration. It is to these matters which I wish to draw the Council's attention this afternoon.

I shall start with the educational system which I consider an important investment in the future of Hong Kong. Government's firm commitment to the better provision of schooling for all our children will assuredly set the minds of many at ease. Investment in the next generation will certainly witness to Government's firm assurance that it cares about the future of Hong Kong and is committed to its people. Unfortunately the international Panel of Visitors making the overall review of our education system has not yet presented its findings. You were therefore unable to comment on their recommendations. I would nevertheless like to reiterate how important and necessary I consider certain improvements in our educational system to be.

You, Sir, mentioned in your speech at paragraph 71 that the Government is now making a study of how to 'improve "bought" places in private secondary schools.' I was delighted to hear you say this as I have become increasingly alarmed at the continued reliance on these 'bought' places, especially in areas such as Kwun Tong where there are insufficient Government and aided places. As a result students of low academic achievement coming from deprived and socially inadequate backgrounds are brought together into half-day schools where the discipline is lax and teaching standards not of the highest.

I speak on behalf of the families who are forced to send their children to the 'bought' places in these private secondary schools. Instead of having full-day schooling in a building with facilities available to them before and after school, these students only attend half-day. In Kwun Tong at almost any time of the

day students of bi-sessional secondary schools are seen wandering the streets. Not yet motivated to study, these youngsters are ready preys to gangs and triads who are trying to recruit them. The students least able to do independent academic work and most attracted to the least worthy leisure activities are at present herded together in overcrowded classrooms. Whereas Government and aided schools are expected to have 40 students in Form I and Form IV, these private secondary schools are sent 45 students to each of their classes. The management of these schools need the maximum of 45 in each class in order to maximize the financial benefits of receiving students from the central allocation of Form I and Form IV students.

Many parents have pleaded with me to rescue their children from such schools. In order to help them, I have even encouraged such parents to apply to the Education Department for their girls to be placed in our special classes for slow-learners. But the authorities have hesitated to reduce the numbers in these private schools, as they fear their managers will object to the lowering of their income from fees.

U.M.E.L.C.O. has been approached for help by those running some of the better private secondary schools with 'bought' places, who have in the past been refused permission to raise their fees above a certain amount. They pleaded with us to be allowed to have more fee income so they could improve their salary scales of their teachers and attract more mature and more qualified staff. At the moment many of their teachers are paid pitifully low salaries so only freshly graduated Form V or matriculant young people can be attracted. No wonder parents complain that the teachers in these schools cannot control their classes. Nor is it surprising to learn that such schools have a high turn-over rate of teachers. You, Sir, in paragraphs 69 and 70 of your address spoke of improving staffing ratios in schools, of more remedial teaching and of improvements in the training of teachers. But do you realize that these advantages do not help our students forced into these private independent secondary schools by our present central allocation system? In September 1982, 24.71% of all the new Form I students were allocated to 64 such secondary schools with bought places. 22 000 of our 89 000 Form I students do not have the benefits of our educational improvements. May I emphasize the majority of the parents of these students have no choice in placing their children in other schools. They cannot afford to send them overseas, while in Hong Kong the Government and fully-aided schools have few vacancies. I consider this aspect of our secondary education to be seriously in need of remedy, especially as the children in certain areas have a much higher chance of going to these schools which are less well provisioned. Study the numbers of secondary schools available to the primary school students and you will find in many parts of Kowloon, the greater Tsuen Wan area and the Yuen Long area, there is a far greater chance of the child being allocated to one of these inferior schools.

Perhaps you are alarmed that I label these schools as inferior. I cannot help myself. In the schools run by one of these private organizations, the teacher-student ratio is 1:35, in schools of another organization it is 1:42. In contrast I am glad to say that the teacher-student ratio in Government and aided schools is 1:25. Consider also the amount of Government funds allocated on the basis of the standard cost of education per child per annum. I give the estimated figure for the current year, 1982-83: in Government schools, the cost per child is to be \$7,510; in aided schools, \$5,914; and in private independent schools with bought places, a mere \$1,872. I question whether this money is being wisely spent. The children in those schools are not benefitting from our education reforms. How can the Government enforce its policy relating to improvements in language teaching and other matters in these schools? It is the students from poor families and deprived areas who suffer, play truant and drop out from these schools. One of the girls in my Form II special class for slow learners asked permission one afternoon to take her brother studying in a bought place in one such private school to the Education Department. He was persistently playing truant and could not cope with the lessons in English in the school to which the Government had allocated him. His elder sister was expected to deal with the situation. Such private schools cannot be compelled to appoint School Social Workers, so this family in need expected their child of 13 to cope with her young brother's schooling problems.

If the Government plans to continue to use these schools, more money should be put into them in order to upgrade their quality. If more money is given to them in subsidy, the Government must make more demands on them and keep stricter control. We might perhaps consider drawing up a profit control scheme for these schools on a par with the schemes of control for the utilities. I wish to make the following suggestion: that in addition to the subsidy to these schools for the actual places bought, provision should be made to ensure that the staffing ratio and remedial teaching requirements be brought up to the same standard as for other Government and aided schools in the public sector. The Government should impose adequate controls to ensure that this money is used for the purpose allocated. If these schools are unwilling to accept these additional controls and supervision, they should no longer be sent any students under the Bought Places Scheme. We must ensure that all schools in the public sector have comparable staffing-ratios and facilities, so that no family can complain that they are unfairly treated in the lottery provision for their children's education. We must ensure that no child is sent for compulsory and free education to a school which is substandard. Our Government and aided sectors must provide enough places for all our children.

Sir, I wish now to refer to my second topic this afternoon. I am grateful to you for indicating in paragraph 139 that the Government was actively considering further changes in the central Government organization. I should like to see this brought to a conclusion in the next few months. I reiterate what I have said before in this Council. I was pleased to see educational affairs recently

placed under its own Secretary, but imagine my dismay when I learnt a short while ago that in fact some educational matters were still not yet fully under the Secretary for Education. As a member of the Education Sub-Committee of the R.D.C.C., I recently learnt that policies for Special Schools and Special Classes in Ordinary Schools are not formulated by him but by the Secretary for Social Services. I have been horrified to learn by implication that Government still does not consider handicapped children deserve education similar in content and depth to other children. Education policy dealing with Special Schools and Special Classes is classified as a service. Thus it remained under the Rehabilitation Section of the Social Services Branch. Recently I have become aware of the disastrous effect this is having on the formulating of policy and the provision of school buildings for Special Schools. How easy it is for action and implementation of policy to be delayed because two branches are involved. Let us acknowledge that the expertise of the educationalists is necessary for planning and organization of Special Classes and Special Schools for the handicapped. Then we shall not have ill-conceived schemes and badly-presented papers based on unsound educational and psychological premises. In specialist fields, we must allow the experts to advise us. Certainly in the field of public works, we are continually paying for consultant fees. In the field of education where we have local experts who know the local scene, do not let us in future tie their hands. Allow them to concentrate in the one Department without having to persuade the Secretary of another policy branch to forward their plans to the Finance Branch.

I can give you an example of the inefficiency resulting from this separation of policies regarding Special Schools from the Education Department. A special school received the go-ahead from the Education Department about ten years ago that it should be further developed. Plans were put in hand to re-provision the secondary section. The then Resettlement Department promised to clear squatters from the land needed for the redevelopment. Now ten years later the rebuilding project is still held up. Divided responsibilities so often mean that no strong lead is given. That school needs to be developed, but the Education Department's encouraging words of approval are not matched by any positive action from other Government departments. I believe if the education of handicapped children had been entirely under the Education Department's role for the development and building of schools, it would have been completed long before now. In the meantime, these children are deprived of the education to which they are entitled and which will help them to become responsible and productive citizens of the future Hong Kong.

The slowness in the building plans for another special school also disturbs me. Funds have already been approved by the Financial Committee of this Council in April 1980 for a school for maladjusted children. Were all our educational projects fully under the Secretary of Education, I believe we might have seen some positive assistance given to the sponsoring body by the Education Department regarding this project. Certainly more such schools for

maladjusted children are needed and the expertise regarding them must be made available to those voluntary agencies willing to venture into this field. Divided responsibility between two departments so easily becomes nobody's responsibility. Let us bring all the Special Education Schools and Special Classes in Ordinary Schools entirely under the Education Department.

The Social Services Branch has in the past in fact done valiant work in bringing us into the eighties with our greatly improved social services. Now our schools and educational work can stand on their own feet. I see the Social Services Branch as a midwife bringing forth first the Education Branch; now another new and lusty infant is ready to come forth. Indeed I consider this baby is already overdue—I refer to the Medical and Health Department. You, Sir, refer to the need 'to achieve more effective and appropriate groupings of policy programmes and a better balance of responsibilities.' I believe we would achieve a streamlining of effort and an enhanced accountability if all hospitals, clinics and medical work were placed under a Secretary for Medical and Health Affairs.

A further improvement in efficiency and streamlining of effort could be achieved by placing all the correctional institutions of the Social Welfare Department under the Correctional Services Department. The probation officers and other workers for these institutions could then gain the benefit of the experience and expertise of the newly-appointed senior member of staff in the Correctional Services Department. He has been appointed to deal with the psychological services and programme development of his Department. A small group of Unofficials have been studying with me the present situation in our correctional institutions run by the Social Welfare Department. We met with the U.K. Adviser on this subject, who made some useful recommendations in his two reports. We are pleased to support many of these recommendations, particularly are we pleased to note his recommendation that youngsters on remand and probation should be separated from those in the institutions which cater for children under care and protection orders. Were they so separated, I believe we could use the skill and experience of our newly appointed expert in the Correctional Services Department to draw up programmes for these young people who at an early age are already showing signs of becoming future criminals and recidivists. This will leave the Social Welfare Department to concentrate on young people found to be in need of care and protection.

Further, I do not believe we have yet got enough suitable buildings for such young girls and boys in need of care and protection. I am convinced that this aspect of our changing social scene will increasingly demand our attention, despite Your Excellency's encouraging reference to the recent halting of the alarming increase in juvenile crime. I agree we need to make every effort to ensure that this downward trend continues. Those of us involved in schools drawing pupils from overcrowded estates, where parents are overwhelmed by the burden of scraping a living for their large families, know only too well positive action is needed to help these youngsters in danger.

My call then this afternoon is for the Administration to devote more resources in personnel and finance to our young people. The future of our community is in their hands and we shall not regret the further improvement of the schools that cater for the least able of our children. Once again I urge our Government to upgrade the facilities provided for those least able to help themselves. I trust that 'more effective and appropriate groupings of policy programmes and a better balance of responsibilities' can indeed be achieved.

With these remarks, I support the motion.

MISS DUNN:—Sir, I shall confine myself in this debate to exploring an apt phrase you used right at the beginning of your comprehensive review of the work of the Government and your hopes and intentions for the future. You described Members of this Council as '(your) colleagues in a common enterprise'. I believe this to be profoundly true, but I would go further: this whole community is engaged in, and committed to, the same common enterprise which is to see this city of ours safely through this present phase in its history.

There may be some among us who are indifferent about the future; there may be some faint hearts; there may be some cynics. But I believe the people of Hong Kong—be they in the public or the private sector, in industry or commerce, of substantial or modest means, long time residents or fairly recent arrivals, Chinese or non-Chinese, old or young—I believe the people of this place, the people who live and work and have their being here collectively invoke a sense of purpose in troubled times. How else can Hong Kong's track record of survival, coupled with prosperity and stability and expanding opportunities for all, be explained?

During the past 40 years or so our prosperity and stability have been threatened—and, indeed, impaired—on many occasions: we have experienced occupation by an invader, and destitution, from the ruins of which we built a new Hong Kong. We have experienced, periodically, the backwash of regional turbulence, which has not destabilized us. We have experienced surges in the size of our population which we have absorbed. We have experienced natural disasters from which we have recovered. Frequently, we have been buffeted by a world trading and monetary system which is essentially unsympathetic to a small, exposed economy such as ours.

Indeed, at no time in the living memory of 80% of our population has Hong Kong enjoyed a tranquil economic setting or a certainty about its political future. Yet, as a well-known local journalist put it recently when discussing our predilection for recurring crises: 'realism and pragmatism have (always) prevailed in the end.' I believe they will likewise ensure that we do so again.

There is nothing particularly unusual about one aspect of the background against which Your Excellency had to prepare your opening address for this 1982-83 Session of the Legislative Council, namely, an extremely difficult economic climate caused by the world recession. Nor should we be surprised

that the longer term implications of our geo-political circumstances are now being questioned, for we have, after all, entered the decade of the 1980s. So there is growing concern about Hong Kong's future. This could have a really damaging impact on the fabric of our economic and social life, if the negotiations between London and Peking are protracted. The passage of time will generate fears and uncertainties here, and frustrations and acrimony elsewhere, which will not help in the search for a satisfactory and acceptable solution. I am not advocating haste, but measured progress. Hong Kong people accept that the issues to be resolved are complex and they can be relied upon to follow the course of the talks which have just begun in Peking calmly, provided they feel confident that their interests and wishes are taken into account and that both the British and Chinese Governments wish to seek agreement and to avoid dispute.

In these circumstances, the theme of Your Excellency's address, namely that the Government remains confident of the future of Hong Kong and will continue to implement its programmes vigorously and to project them forward is well taken. Equally important, you made it clear that there will be no change in the basic philosophy underlying the Government's policies. You stressed the need to live within our means. Yet, you pledged that the Government will 'invest vigorously in the future of Hong Kong and its people'; that the momentum and direction of our economic development and social progress will continue; that there will be a concern for the quality of life and the preservation of law and order; and that the role of Unofficials at all levels and in every facet of our public life will be emphasized and new forms of participation devised.

Our response, the response of every Member of this Council and this community, must be to make sure that Hong Kong continues to remain a desirable, rewarding and challenging place to live and work in. That is to say, we must put aside our doubts and fears about the future and concentrate all our energies on 'the common enterprise'.

Sir, I support the motion.

DR. HENRY HU:—Sir, may I congratulate you, for your very honest, prudent and pragmatic approach to Hong Kong's problems. We are indeed fortunate to have Your Excellency to assume the reins of the Government at this difficult time, the circumstances of which are beyond our control.

On the economic front, it is reasonable to expect that our annual economic growth will be reduced to about 4% this financial year after about eight years' continuous double-digit growth. Government in encouraging diversification of our industries has achieved some success, and our tertiary services sector has nearly doubled in the last three years to become a significant element of our economy. It is regretted, however, that growth of our manufacturing sector cannot match that of our tertiary services, but that is due in part to the worldwide recession. I am sure that as the world gradually emerges from recession

Hong Kong's manufacturers will be the first to benefit because of their skill and adaptability. Even in the present difficult times, the performance of some of our manufacturing industries such as toy-making and watch-manufacturing etc. is much to be admired.

However, both tertiary services (including the re-export trade) and manufacturing industries need a stable currency. A stable currency is more important than a stable share market. Your Excellency mentioned in your speech that this year the Government reduced the rate of interest tax on Hong Kong dollar deposits from 15% to 19%. May I urge the Government to abolish the interest tax on the deposit of Hong Kong dollars in line with that on foreign currency in order to boost the value of local currency and thus indirectly lend substantial help to Hong Kong industries.

We are indeed grateful of Your Excellency's concern about the living conditions of ordinary citizens in Hong Kong. The top priority for the ordinary man in the street in Hong Kong is still the problem of housing. It is gratifying to note that the building of residential accommodation both in public and in private sectors is continuing with a total figure of about 74 000 units completed in the last financial year. Your Excellency also mentioned the Home Ownership Scheme and predicted that by 1985-86 some 12 500 flats would be produced annually. It was further predicted that by the end of the decade, the housing problem would be greatly reduced. While I hope that Your Excellency's predictions will come true, I think we should start to pay attention to the question of distribution. Housing should be viewed as a kind of social service in Hong Kong. Many people of the poorer echelon who are waiting for public housing cannot obtain any benefit because the waiting list is too long and the allocation procedure is complex and time-consuming, people now have to wait seven years or more to get a unit. On the other hand, to encourage the better-off public-housing-tenants with a favourable term to live in a flat of a home ownership scheme would be in fact a double subsidy to those fortunate tenants from Government while the unfortunate ones should wait for six to seven years before they can be offered a unit to live. I know many arguments have been advanced both for and against a means test for public housing but I believe that with the aid of modern techniques and in particular the recent introduction of computers and data processors the viability of such testing could be readily reexamined. There is no harm in re-examining an issue at any time.

Your Excellency's kind attention to social welfare and social security must be a consolation and also an encouragement for a great many people. Sometimes a government is judged by the social services it provides for its people. But the lack of social workers is greatly hampering the carrying out of many social services schemes and projects. The lowering of the starting salary for social workers is a further blow to the training and retaining of much-needed social workers in Hong Kong. I hope that Government will re-examine its decision on this matter too.

At the same time, it is indeed very encouraging to learn that the second Polytechnic will be established as soon as practicable to meet educational and social needs. There are always two predominant goals for tertiary education; to serve the community and to undertake research. To fulfil the first objective, the students may need some moral guidance and for the second objective we will need this new institution to be of a high academic standard. Hong Kong is very much in need of this new institution to help in promoting its economic development.

Sir, I view with great interest the success of the recent District Board elections. Over 35% of registered voters turned out to cast votes. Those elected are mainly young people who should have special responsibility for the stability and prosperity of this territory. Their enthusiasm and sense of belonging have given us great encouragement. Hong Kong people have come through all kind of vicissitudes with success. We should have faith and confidence in ourselves. Although for the moment we will need patience and steady nerves, our future is bright and full of hope. Our determination and resilience have overcome all kinds of difficulties in the past and they will do so in the future.

With these remarks, Sir, I have great pleasure in supporting the motion.

Severance Pay

REVD. P. T. MCGOVERN:—Sir, I was glad to note in your annual address (para. 82) that you have decided to set up a working group to study the question of severance pay. I welcome this move. At the same time I cannot but have some misgivings. A working group can, consciously or unconsciously, become a cause of delay. There has already been too long a delay in finding remedies for the defects in the present legislation and in improving its implementation. The recession of the past year or so has again brought real hardship to many redundant workers. I therefore issue a plea that the working group should work as rapidly as possible. It should be possible to do this because since severance pay was introduced in 1974 many representations were made to Government suggesting improvements in the legislation. This was especially true at the time of the debate in this Council in 1977 when the Ordinance was slightly improved. That material should be readily available to be rapidly acted on. The last amendment was in 1977. It will soon be 1983. Six years is a long time to wait for further improvement in a matter which affects thousands of people every year. It affects them when they are unemployed and therefore in the greatest need.

Statutory Holidays

I will briefly mention two other areas where there would appear to be avoidable delay. The first is also in the labour field. In 1976 an amendment was passed, in spite of considerable opposition, which raised the number of statutory holidays from six per year to ten per year effective from January 1977. At that time it was pointed out that there was an undesirable disparity in the treatment of blue collar workers getting ten paid holidays and white collar workers, either by law or by custom, getting 17 paid public holidays. It has taken from 1976 to 1982,

effective in January 1983, again six years, to narrow that gap by one measly day. At that pace it will be the year 2019 before equality is reached. (If I were to live to see the day I would be in my 99th year. I do not like the idea of having to risk waiting so long.)
(laughter)

It will be said of course in the present recession that 'now is not the time'. I would not too respectfully point out that a considerable number of employers believe that there is never a right time for improving working conditions if it costs money. An appeal for more statutory holidays has often been made over the years. In prosperous times it was also said that 'now is not the time' because factories were working full blast with overtime, and further holidays, it was said, would disrupt such vigorous production. Whether it be the best of times or the worst of times, apparently now is never the time. Another not too unreasonable excuse for delay and again saying that 'now is not the time' was when the country parks were not yet ready and, it was said, a flood of holiday-making workers would have nowhere to go. May I gently point out that the country parks are now open (and very nice they are too) and transport to the Parks has improved. That excuse for delay is no longer valid.

In the present recession factories and other businesses are working shorter hours. I suggest that now is the time to ease the burden on workers whose real income has remained almost stagnant since 1979 by changing some of that idle time to holiday time. To add say two days a year for each of the next three years, or three days a year for each of the next two years, would I suggest be a more reasonable speed at which to close the six day gap than the present pace of one day in six years. And please, let no one have the temerity to suggest closing the gap by reducing the number of days from seventeen. After all it is eleven years since we consciously set out to improve the quality of life.

Consumer Council

My second and last mention of delayed and unfinished business is in a different and unrelated field. Hong Kong people have a reputation for being smart in using business opportunities and in using money. Yet even here and even in this age of modernization, it would appear that there is still one sucker born every minute. Or maybe it should be said that there is one even smarter con-man born every minute. Whatever the reason, it is a fact that consumers need protection. It is also a fact that the Consumer Council is doing a good job in trying to protect them. I think most of us would agree that the Consumer Council deserves our support. If so, whatever has happened to the legislation to control hire purchase? Such legislation was, I believe, agreed in principle to be necessary when the Consumer Council Ordinance was passed in 1977. Somewhere in the machinery of Government there is a notorious pipeline. It would seem that it is stuffed again. Would somebody please undertake the unpleasant task of clearing it out. While doing so they might look for some legislation on the control of travel agents, who year after year are still making money on bogus holidays. And while down there, wherever it is, they could also have a

look for the urgently needed legislation on product safety. Apart from the danger to life, the picture of consumers getting their hair singed by faulty curlers and blowers is not doing the image of Hong Kong any good in our overseas markets.

With these observations, and without further delay, I support the motion.

MR. PETER C. WONG:—Your Excellency, this afternoon, I shall speak briefly on five topics which, I believe, are of general concern—landlord and tenant, services for the elderly, medical services, Legal Advice and Duty Lawyer Schemes and public expenditure.

Landlord and Tenant

In paragraph 37 of Your Excellency's address, Your Excellency stated that 'a significant advance in the private rental field over the past year has been the introduction, under the aegis of the Lands Tribunal, of a system providing reasonable security of tenure to tenants of premises not subject to rent control, provided they are prepared to pay the fair market rent'. While I do not disagree, it is my view that the pendulum has swung too far to the side of the tenants. Given the present state of the property market and the 'abnormally high number of unsold properties', something must be done, and done quickly, to restore the equilibrium.

In my speech in this Council on 9 December 1981 on the Landlord and Tenant (Consolidation) (Amendment) (No. 2) Bill 1981 I said that there was insufficient time for Unofficial Members to discuss thoroughly with the Administration certain points of substance. And I suggested that Government should actively consider the following issues which were still unresolved—

1. Some time limit on the period for which a tenancy can be renewed under the new Part IV.
2. Some provision in the new Part IV to enable property owners, particularly small investors, to dispose of their property with vacant possession.
3. The position of the corporate landlord who requires the premises for the occupation of its own employees. Under the existing law, a corporate landlord is unable to obtain possession of its property on the ground that it is required for self-occupation.
4. Specific time limits may be desirable for determination of rent under the new section 119K.
5. Section 119Q of the new Part IV provides for appeal to the Court of Appeal against a determination of the Lands Tribunal on a point of law. It may be desirable to provide some form of appeal against decisions of the Lands Tribunal generally.

Will Government confirm that the above issues will be carefully considered and appropriate legislation introduced as soon as possible?

Services for the Elderly

The fact that our population is ageing needs no elaboration. According to the 1981 Population Census, the number of people aged 60 or over was 487 000 in 1981 and this number is expected to reach 634 000 by 1987. I am therefore much encouraged by Your Excellency's statement that 'the aged and the disadvantaged will be cared for with a growing sense of compassion'.

Indeed the novel proposal of purchasing flats in the private sector for the elderly is widely welcome and will be a good stop-gap measure to supplement the housing needs of old people. But I am somewhat surprised by the proposal that this scheme would be financed by the surpluses from the sale of gold coins and not the General Revenue.

Health care for those elderly who are weak and infirm is another area where improvement deserves high priority. On 31 March 1982 only 375 places were available at care-and-attention homes where meals, accommodation, general personal care and limited nursing care are provided. The number on the waiting-list for admission at the same date shows a short-fall of 704 places. In the face of changing socio-economic factors, many of our senior citizens will become increasingly vulnerable. There is therefore a strong case to revise upwards to a more realistic level the standard of four places per 1 000 old people in respect of care and attention homes.

As regards other support services for the elderly, the Administration may wish to consider issuing old people over 60 or 65 with a Senior Citizen Card which entitles an elderly person to concessionary rates on public transports, and admission to cultural or recreational events. Similar schemes are not uncommon in other countries, notably in the United Kingdom.

Sir, our ageing population calls for more and better services for the elderly. It also calls for better co-ordination at high level in the planning, monitoring and reviewing of the programme for the aged. Without efficient and centralized coordination, it would not be possible to achieve maximum result in the use of resources and in the efforts directed towards this very important social service.

Medicial Services

The decision to build a regional hospital serving the Eastern District of Hong Kong Island has received only qualified support as the new hospital is not expected to be commissioned until after mid-1980s. Shortage of medical facilities could result in the loss of precious lives. Surely, it is only sensible to advance this project to Category A of the public works building programme so as to ensure an early start on the hospital. The shift in population calls for revised and remedial measures. It is imperative that Government should constantly review the priorities of the various programmes and projects in the light of changing circumstances.

I am pleased to note, Sir, that the review on the provision of services for the mentally-ill will be completed shortly and that Government will give urgent

attention to its findings. Psychiatric disorder is to a large extent an unfortunate by-product of modern urban life. It is important that the community as a whole should take a sympathetic view towards these patients. Apart from expanding medical and social rehabilitation services for such patients, Government should urgently consider the manpower needs in this area and provide the necessary vocational and in-service training for staffs at all levels. I agree with you, Sir, that action starts with legislation. In the field of mental health, perhaps Government may wish to examine whether there is room for improvement in our existing legislation.

Legal Advice and Duty Lawyer Schemes

Three years ago I spoke in this Council of two Schemes administered by the Law Society working closely with the Bar Association. The Free Legal Advice Scheme which offered free legal advice at two evening centres and a second Scheme—now known as the Duty Lawyer Scheme—which provided free legal representation for six scheduled offences at three of the eight Magistracies in the Territory.

It is gratifying to note that with the financial support provided by the Government, and the continuing efforts of the Law Society and the many lawyers involved, the Schemes have continued to progress and expand for the benefit of our community, particularly those who can ill afford to pay legal fees.

In contrast to 1979 the Free Legal Advice Scheme now operates at six evening centres—Eastern, Wan Chai, Mong Kok and Wong Tai Sin City District Offices, and Sha Tin and Tsuen Wan District Offices. Over 20 lawyers each week attend these bureaux, and 100 applicants benefit weekly from their expert advice on a wide range of legal problems. Members may wish to note that these lawyers provide their services entirely without charge.

The Duty Lawyer Scheme now covers six of the eight Magistracies (Causeway Bay, Western, San Po Kong, North Kowloon, South Kowloon and Tsuen Wan Magistracies), and covers nine instead of six offences. The additional three offences were added to the list in January 1981.

In the first nine months of 1979 some 3 036 defendants were accorded legal representation. In the first eight months of 1982, however, some 6913 defendants were given representation. The average cost per defendant in 1979 is \$440. This year it is only \$407. The acquittal rate in not guilty plea cases in 1979 was 54%; it is now 71%. In 1979 11% of defendants eligible declined the service; this year only 8% did so.

180 barristers and solicitors—an increase of 80 over the 1979 figure—are now undertaking the task of offering representation and providing the only ‘legal first aid’ in six of the eight Magistracies to people unable to afford the cost of legal fees.

Sir, these figures speak for themselves.

Your Excellency, this lengthy preface is the prelude to a plea for the Duty Lawyer Scheme to be extended to the remaining two Magistracies at Fanling and Kwun Tong so that the Duty Lawyer Scheme will be available in all the eight Magistracies in the Territory. The fact that those charged with scheduled offences at Fanling and Kwun Tong Magistracies are denied free legal representation is repugnant to our social conscience. I am assured by those responsible for the Schemes that sufficient manpower is available and subject to funds being forthcoming it is planned to have a territory wide Duty Lawyer Scheme by 1983. With a modest increase in expenditure, Government will be able to provide an independent and comprehensive free legal assistance service for serious offences in all the eight Magistracies in the Territory. I commend this worthy proposal to the Attorney General, the Financial Secretary and my Unofficial Colleagues in the Finance Committee of this Council and, of course, to the Chief Secretary in his capacity as the Chairman of the Finance Committee. Needless to say, we look forward to Your Excellency's personal support and guidance.

Public Expenditure

I am sure few will disagree with Your Excellency that 'we shall be prudent in our public expenditure for we must not live beyond our means'. Herein lies the keynote of Your Excellency's address. In the context of Hong Kong, it would be unwise to pursue a policy of deficit financing. How the various priorities should be set is a matter for the Government. But I have no doubt that under Your Excellency's able administration, Government will be able to strike the right balance in the spending of public money. With dwindling revenue, the task will not be easy. Government will need both the understanding and the co-operation of the people, civil servants included. In the months to come, fortitude is a virtue which the people of Hong Kong must actively cultivate.

Sir, I have great pleasure in supporting the motion.

DR. HUANG:—Sir, in congratulating you on your first annual policy address to this Council, may I express my gratification that, despite the somewhat adverse conditions with which Hong Kong is at present contending, the Government remains committed to its long-term goal of the social and educational wellbeing of the entire spectrum of Hong Kong's citizens. Economic and political uncertainty we have lived with and triumphed over before, and I am convinced that with our direction and priorities clearly charted, we will once more surmount our difficulties.

Amongst these priorities, the proposals to extend tertiary education level opportunities to a much greater proportion of the population are particularly welcome. In whole-heartedly supporting the positive moves to extend the educational and training opportunities for our young people I would raise questions of the quantity and quality of the provision; but I am aware that such queries are best left until the overall review of our education system is made

public. For today, I venture to direct your attention to another aspect of your address which is equally important in the impact it has on the shaping of young minds.

I refer, of course, to the nature of our social structure and the communication and self-identity we find within it. In this regard, I am pleased to note the emphasis you have given to the consultative process. In recent years, Government's increasing responsiveness to public need and public opinion has been matched by an increasing public interest and participation in community affairs. This interest is invigorating and vital to our future well-being. It reflects the legitimate expectations of an increasingly well-educated community, not only to voice its opinions and its needs but to participate and to share in the responsibilities of Government. Lately there has been much discussion about the type of administration best suited to Hong Kong's needs in the future. The safest way of ensuring a workable and effective framework is to take steps now in the direction of the type of administration which we know we will need and to nurture its healthy development, so that it will take root and be respected.

In this regard, the recent creation of the district boards has provided us with an immense impetus in this direction. Your Excellency's intention to re-examine the terms of reference of the advisory committees will provide another. I hope that in this exercise we shall expand the scope of the consultative process and indeed transform it. We are renowned for our innovativeness in so many areas of human activity; and yet in this crucially important matter of our social organization we seem to be dreadfully conservative, and slow and loathe to make progress.

The fact is that we have a good civil service but our sense of Government still reflects to a considerable extent its 19th century prototype. Platforms of opinion no matter how conscientiously devised are something less than real consultation, just as the consultative process, however well carried out, falls short of a system of government. Your Excellency has expressed your determination to look into the practices that are followed, in this Council as well as at the other levels of the consultative process. May I suggest that, apart from practices, attention be also given to processes and people, in that ascending order of importance.

In reviewing our practices we should ensure real consultation at the various levels of our system and in each of the areas of our activities so as to engender the feeling of a common responsibility in Government. This is a subject on which I spoke in this Council four years ago when I pressed among other things for a more meaningful and effective role for our advisory committees at various levels. As to this Council, despite the slight broadening of the spectrum from which Unofficial Members have been drawn over the past years, it has to be admitted that certain sectors of our community are disproportionately represented in our unofficial membership, and in certain matters this can have the effect of misrepresentation of the wishes and the needs of the community as a whole.

We have today a much better educated society than we had even ten years ago, a society which deserves to be involved more closely in its own government and representation of its wishes and needs as a community. The need for greater involvement by Hong Kong's citizenry, and involvement by a wider spectrum of that citizenry, must now be acknowledged and given momentum. The favourable response of the electorate in both numbers and enthusiasm to the recently created District Boards should be encouraged and given meaning. Your kind mention of the value you ascribe to the role of unofficials in the legislative and consultative process thus prompts me to suggest that as a further step forward we should link the District Boards in an indirect but logical way with the legislative process. The Legislative Council is now bipartite, with Official Members and appointed Unofficial Members. It seems to me that the opportunity now exists for it to become tripartite, and in part indirectly elected. It is Government's declared intention for the chairmanship of the 18 District Boards to be open as soon as possible to elected Members. If these district boards were to have their elected chairman join the ranks of the Legislative Council to form a third type of Council Membership, the citizens of Hong Kong would have a much more direct channel than has hitherto been provided for the expression in the higher councils of Hong Kong of grass-root opinion. This will, as well, invigorate the District Boards themselves in providing them with a direct link to the legislative process.

At the same time, I would urge that a systematic review be carried out of the consultative process at all the intermediate levels. The work of our advisory committees is all too often empty of meaning and apparently isolated from the decisions that are subsequently made. Consequently, in this important area of community involvement the initial enthusiasm of members often turns to scepticism. We should perhaps explore the possibility of making these committees something more than advisory. At the least we should be given an understanding of the working relationship between appointed committees and relevant Government departments.

Sir, I am aware of the dangers of precipitate action when changes are to be made in the processes of government and I share your feeling that such changes should be made only after careful consideration. However, to my mind, the danger of inaction is the greater. In this situation I venture to remind you of a Chinese saying which provides one of the mainsprings of positive action in the Chinese character: a time of crisis is a time of opportunity. Despite the uncertainties which face us, it is within our capability to decide on the sort of constitutional processes which can best carry us firmly into the future. We surely know what system can give our talents full expression and it is up to us to establish it and to demonstrate our intentions and expectations to the world.

With these observations, Sir, I support the motion.

MR. WONG PO-YAN:—Sir, at a time of economic and general uncertainties, Your Excellency's frank and perceptive appraisal of our situation and your confirmation of Government's intention and commitment to the long term stability and prosperity of Hong Kong expressed in your first address to this Council are most reassuring and encouraging.

Taking a lead from Your Excellency's address, I would like to look into two aspects which I consider are of particular importance.

Manufacturing Sector

First, the manufacturing sector. Whatever our performance has been in the past, we are now in circumstances that have known no precedents.

Externally, as you have put it, 'the world is going through the worst recession since the 1930s', we face mounting protectionism, weak market demand in our major importing countries, intensifying competition from developing countries, and world-wide anxiety over the erratic behaviour of the international monetary system.

Internally, we are confronted with a weak Hong Kong dollar, increasingly higher production cost which in turn affects our competitiveness; our inherent weakness of a lack of natural resources and our dependence on export further magnify their unfavourable effects on our economic situation today.

These unfavourable conditions and problems are of such magnitude that we find ourselves in an unprecedented hostile situation, so much so that we have to adjust our expected G.D.P. growth for the current year from +8% to +4% and our domestic export growth from +7% to -2%. That circumstances can change so much and so quickly within a short period of seven months is certainly alarming. Bearing this in mind, I think we need to suitably adapt ourselves instead of adhering to the traditional ways in drawing conclusions to our problems.

I agree with Your Excellency that 'the manufacturing sector is still the backbone of our economy and the main employer', and it is commendable that Government seeks to provide the infrastructure, the training of skilled manpower, and the environment within which growth and stability can be achieved. They would all be conducive to growth in manufacturing activities in the long term. However, at the risk of being labelled a pessimist, I have to say that the effects of these measures cannot be felt immediately or shortly enough. The gravity of our present predicament clearly calls for alternative measures urgently.

At this moment, many of our factories are struggling for survival—not only the so-called 'sunset industries' but also the vanguard industries. Granted that some establishments may not be able to keep pace with technology and thus may be rendered economically not viable in present circumstance, and granted that a certain degree of restructuring may be desirable towards our consolidation effort, we cannot disown these marginal industrialists and industries that

are now facing difficulties. They would survive in less volatile situations. Moreover, many of them represent wisdom, skill, and practicality, and it would be clearly wrong to apathetically streamline them out of existence.

Instead, we should be embarking on short term initiatives urgently to consolidate our existing manufacturing base and to brace ourselves for future challenges.

Here, I must emphasize explicitly that industries are NOT asking for handouts, nor special treatment. Our industries have stood on their own feet and adapted to changing conditions in the past and I am confident that they are prepared to continue to do so. But the resources of any industrialist or industry are necessarily limited, to the extent that some of them may not be able to persevere under the present inhospitable climate by themselves. Drastic times call for drastic action, and I now see a case for Government to diverge, however slightly, from its traditional non-intervention policy and adopt a more active and positive stance. I hasten to say that I am neither seeking direct intervention nor market forces interference from the Government. I appeal for some form of action or gesture from Government to act as a catalyst to assist industries to overcome the tribulations, to recuperate and to revitalize.

Sir, this is not a talk of utopia, but a careful and realistic consideration. Further, if we pursue in this direction, we would not be abandoning our policy of free economy and non-interventionism. We would simply be reacting to the urgent needs of our industries like a responsible and respectable Government would, following the wise examples of others, so many of which had been proposed inside and outside this Council before, and for which reason I shall not repeat them here.

The Public Finances

I turn now, to my second topic: the Public Finances.

I am glad to learn that, in spite of the disappointing record of revenue collection, expenditure on capital works projects in the Public Works Programme is to be maintained in the coming year to enable work to proceed as planned. Here, I wish to commend on Government's emphasis on improvement of major road network, its continuing land production programme and its unwavering effort in public housing.

At this point, Sir, I wish to point out that we should not be short-sighted nor indeed adopt a piecemeal approach in highway development in the New Territories. I refer in particular to recent developments in respect of the New Territories Circular Road. An efficient road network is essential to the successful development of our New Towns in the area. To reduce the scale of development or to delay our programme of road works in New Territories will affect the livelihood of nearly one million people. The sheer number of people involved would justify these programmes to be awarded high priority.

As regards the public service, I am as concerned as Your Excellency are at its rate of growth. However, I am not convinced that the establishment of the true cost of services by a computer-based financial information system to assist management decision is the answer to assess whether public funds have been spent in the most efficient manner. Nor can the establishment of the true cost be a valid measuring instrument of the efficiency, productivity and costeffectiveness of the public service. I am glad, therefore, that further efforts would be made to enhance the quality of performance by improved staff management.

With these remarks, Sir, I support the motion.

MR. SWAINE:—Sir, the burning topic of the day is the future of Hong Kong in the light of the recent talks between the Prime Minister and the Chinese leadership. The immediate outcome of those talks should have been welcomed with guarded optimism having regard to the joint statement declaring the common aim of the two sides. Instead, there has been a pervasive sense of gloom, with the stock market running its erratic and downward course. This is of course most unfortunate and I cannot help but think that, had there been less sensational and more responsible reporting, public reaction would have been more positive. The danger is that people here will worry themselves into a crisis. They should therefore start thinking positively and cast their vote of confidence in the future of Hong Kong in a material and realistic way. There ought to be a great future for Hong Kong. The confidence of this Government has been demonstrated in the most practical way by the massive capital investments which have been made and which will continue to be made here as set out in Your Excellency's speech. The people of Hong Kong will get the future they deserve: make sure it is one of continuing stability and prosperity.

It is the essence of the talks now under way that confidentiality should be preserved. However, that should not inhibit an expression of support for the Prime Minister in the basic assumptions with which she began the talks. It is easy to speak of maintenance of the status quo but what does this mean in real terms in order that the common aim of stability and prosperity be maintained? First and foremost in my view is the continuation of British administration. As a concomitant, the administration of justice and the rule of law as we know it must continue. Change must come by evolutionary process, not through having it thrust upon us. No doubt in the course of time changes will come about, but our basic institutions must remain. Without these, I fear that the common aim will not be capable of attainment.

Sir, I turn to the subject of Hong Kong passports. This is a topic which has been much misunderstood, both it appears in Hong Kong and in the U.K. The Hong Kong passport holder does not have the right of abode in the U.K. and this has been the case since the U.K. law was amended as early as 1962. But passports are not really about rights of abode, they are about national status. As to that, the present Hong Kong passport correctly describes the national

status of the holder as British. He is also described, perhaps incongruously as Citizen of the U.K. and Colonies, as citizenship of the U.K. has been a hollow title since 1962. The British Nationality Act of 1981 has removed one anomaly in that Hong Kong passport holders will no longer be described as citizens of the U.K. but will be called citizens of British Dependent Territories. However, the national status of Hong Kong passport holders remains unchanged in that they owe allegiance to the Queen and are entitled as a matter of reciprocity to her protection when abroad. This is where the passport comes into its own. It tells the world that the traveller enjoys the protection of the Crown. Hence it is right, logically and clearly right, that the passport should proclaim the national status of the holder, namely British. These views have been urged upon the U.K. Government and we have had the assurance of the Prime Minister when in Hong Kong that she would look into this question. The time is particularly opportune for such review, and I think Hong Kong would be deeply and understandably disappointed if the U.K. Government were not to accede to our representations.

Sir, with these observations, I support the motion.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Order I now suspend the Council until 2.30 p.m. tomorrow.

Suspended accordingly at twenty-seven minutes past four o'clock.