

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 26 October 1983****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR EDWARD YOUDE, G.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  
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL  
MR. MICHAEL DAVID THOMAS, Q.C.

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

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

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.  
SECRETARY FOR DISTRICT ADMINISTRATION

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

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

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

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

THE HONOURABLE LYDIA DUNN, C.B.E., 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.

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 TRADE AND INDUSTRY

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

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 HU FA-KUANG, J.P.

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

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

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

THE HONOURABLE CHAN KAM-CHUEN, J.P.

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

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

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

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

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE HENRY CHING, C.B.E., J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE CHAN NAI-KEONG, J.P.  
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, J.P.  
COMMISSIONER FOR LABOUR

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

**ABSENT**

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

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

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

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

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

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

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

**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):—

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No. 14—Marine Fish Scholarship Fund Report for the period 1 April 1982 to 31 March 1983.	
No. 15—Agricultural Products Scholarship Fund Report for the period 1 April 1982 to 31 March 1983.	

## **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, I am sure we all share some sense of frustration on this occasion. We must all wish that by what we say here, we could be seen making some dramatic contribution to the deliberations about our future.

Although we cannot do that, without prejudice to the negotiations, I do not subscribe to the notion that what is left for us to discuss is unimportant or irrelevant.

I think that you yourself have given us the lead in your address by reminding us of the tasks we have already set our hands to and which will, by themselves, demand all our resolution and all our resources to complete.

It is not irrelevant and it is not unrealistic to recognize that if there is little that can be said at this time about the negotiations on our future there is much that can be usefully said and done about the business of Government into the next century.

We must not fall into the trap of believing that because we cannot talk about the negotiations there is nothing important to talk about.

There really is a trap there because the worst thing we could do at this time is to lose our resolution and our purpose as an administration.

After all, an important question must be the performance of this administration; its relevance to the stability and prosperity which everyone is pledged to preserve; and the extent to which it identifies and is identified with the hopes and ambitions of our people.

We will make no small contribution to that future if we address ourselves seriously and urgently to the performance of the administration in these terms.

I am sure that my colleagues will not be distracted from their customary critical appraisal of Government policies and programmes over the wide range covered by your address.

In the fields of housing, education, and labour; to take only three examples, there can surely be no question of sitting back and saying that decisions and programmes should wait in a kind of limbo.

On the contrary, I would say that the quality of administration is likely to come under more, rather than less, critical appraisal in the immediate future and judgement will be made upon performance, and not promises.

We shall have to deliver the homes that are promised in our programmes; we shall have to produce demonstrable improvements in an educational system which has been tinkered with for too long; and we shall have to produce labour legislation which is workable and realistic.

Economic as well as political circumstances are now putting our administration to an unprecedented test.

Rhetoric apart, I do not think anyone seriously questions the sincere dedication of this administration to a fair and just society which balances opportunity for those who are able and vigorous with protection for those who are weak or disadvantaged.

We are now obliged to do more than declare these good intentions. We must demonstrate that this is also an efficient, effective and expeditious administration which delivers the goods, on time, as advertised and as expected.

I think that is going to mean a great deal of attention to details to make sure that what is resolved in this Council Chamber happens on the street.

Nothing weakens the reputation of a Government more than neglect in this area: the persistence of even petty abuse in apparent defiance of the law, the prevalence of squalor in the presence of extravagance, above all, the gap between promises and performance, as it is perceived by the man in the street.

Far from this being a time to wait for more momentous matters to be resolved I take this to be a time for lively and determined action, and in this spirit I support the motion.

I would only add, Sir, that in your efforts to secure our future, as well as our present, you can count on the whole-hearted support of the Unofficial Members of this Council.

With these remarks, I support the motion.

MISS DUNN:—Sir, every government's actions should be decided as though it will last for ever, whatever may be the situation it faces at any particular time. Our Government is no exception and it is heartening for us all to be reminded, as we are by your Address, that the Hong Kong Government is holding to its course and that the momentum of growth and development is being maintained in all the many areas of Government responsibility. This should in itself strengthen our confidence in the future, despite present uncertainties. We should pay less attention to the vagaries of the foreign exchange markets and to the misfortunes of speculators. We should focus more attention—both here and overseas—on the strengths and successes of our community.

Personally, I don't see even the Government's present financial stringency as an unmitigated misfortune. I think that in some ways it is a blessing in disguise.

The achievements of the 70s were remarkable—in manufacturing and trade, in the service industries, in education, in housing, in the provision for the sick, the poor and the handicapped among a growing population—but there was a price, in double-digit inflation and the relentless growth in the relative size of the public sector.

These two factors were already putting the continuance of our prosperity at risk before the present world recession began to affect us. The inevitable resurgence of inflation stemming from the current weakness of the Hong Kong dollar makes it all the more necessary to exercise restraint where we can—in the growth of the public sector. I am glad to see, Sir, that you are expecting this year a slight improvement from the original budget estimate for the public sector. I hope, however, that you will agree that 23% of gross domestic product is still too high.

Continual review of plans and procedures is always desirable but becomes more important in times like these. We can no longer afford to pursue without modification policies or procedures that may no longer be appropriate and that may lead us into mistakes made by default, mistakes that will be very expensive to rectify.

To take one obvious example from the past: we went on building the old resettlement blocks, which were once perhaps adequate and were certainly once all we could afford, for far too long. We should have done better to improve our designs sooner and thus avoid the very expensive programme of redevelopment and improvement, which, as you have said, Sir, will not be completed before 1990.

#### *Law and order*

Currently, a worrying aspect of housing is our concentration—in both the public and private sectors—on building high. I recognize the restraints imposed by the shortage of land, though I have often argued that those restraints are largely of our own creation, in that the production of land for development has always lagged behind demand. Nevertheless, it is a fact that the disadvantages of building vast high-rise housing estates have now been recognized in many great cities.

Twenty years ago, Hong Kong was able to pride itself on its remarkably low crime rates and particularly on the very low crime rate of juvenile crime. I would not for one moment attempt to lay the deplorable increase in crime in Hong Kong solely on the way we have met the demand for housing but I know I am not alone in believing that the development of vast impersonal housing estates (and the consequential break-up of district communities where neighbours knew each other) has been a factor in the development of a law and order situation which worries us all.

We cannot hold the Police Force responsible for the deterioration in law and order. We all share the responsibility. It is therefore unfair and unreasonable to blame the Force for a situation that it did not bring about but must try to remedy. Constant sniping at the police is demoralizing for them and the public. No police force in a free society can be effective without the support of the public. That support has often been conspicuously lacking.

When crimes are committed we want the police to catch the offenders but most of all we want the crime rate to be reduced. There are two requirements for this: the deterrent fear of being caught plus the deterrent fear of severe punishment for those who are caught. Catching the criminals is the responsibility of the police, in which they need the support and assistance of the public, but when the offender is caught and found guilty, the punishment is out of police hands. That is as it should be but it does mean that we cannot blame the police if the punishment does not deter future crime, as it should. In this connection I must say that I don't believe the public generally is in the least interested in the rehabilitation of the offender. The public's sympathy is with the victim.

That is why the result of the recent debate on capital punishment in the British Parliament has been a great disappointment here. The feeling of the majority of the public on this issue and the pros and cons of the death sentence as a deterrent are well known and I see no point in rehashing them. However, given that there is no likelihood of the death sentence being carried out in Hong Kong, what is the point of keeping it on the statute book? It is a mockery of our system of justice for the judges to go through the ritual of pronouncing the death sentence, when everyone knows that it will not be carried out. The death sentence should be formally abolished and replaced by a life sentence—and in Hong Kong that should *mean* imprisonment for life.

#### *Review of policies and procedures*

Now I should like to revert to my earlier theme—the need for review of policies and procedures. Whatever criticisms of our Government we may voice, it is basically a good government, genuinely working for the good of us all. That basic fact always lies behind our criticisms: we want a good government to be better. Its principal weaknesses are, of course, those that afflict any bureaucracy—indeed even in the private sector—to a varying degree.

It is alleged that a senior bureaucrat in a far Western European country urged a cautious delay on his junior. When the latter replied, 'Ah, the manana philosophy', the older man said 'Not quite. I always feel that word contains a dangerous commitment. After all, it does mean tomorrow.' (*laughter*)

Our trouble is, I think, not generally deliberate delay but failure to look far enough ahead, to exercise a sense of intelligent anticipation—using anticipation in its correct sense of taking action beforehand to meet a situation that you expect to arise—and an acceptance of outdated, cumbersome and laborious procedures.

The sad story of the Lyemun non-bridge is a case in point.

In May 1982 the then Secretary for Lands and Works told us that, because of the 1974-75 recession and the relatively light traffic volumes using the Cross-Harbour Tunnel then, 'the bridge project was not accorded sufficient priority to allow it to proceed further'. At that time, there was no question of vast expenditure on the actual provision of another harbour crossing. It was just a question of commissioning studies.

In the early 70's the *trend* of traffic volumes had been clear. The recession slowed down many things but surely no one thought it likely to produce a *permanent* reversal of the trend. Indeed the then Financial Secretary was correctly assuring us that the automatic adjustment mechanism of our economy would work and that we should recover from that recession, which meant that previous trends could be expected to resume.

I suggest that intelligent anticipation would have led our civil servants to say 'Because of the recession another harbour-crossing may not become essential so soon as we expected but planning for it must continue'. In fact what happened, it seems, was that the whole idea was pigeon-holed until 1980, long after the trend had resumed, and even then only a study of options was commissioned. This study took two years.

And now we have been told that the Lyemun bridge was always a non-starter so that all we can do is investigate other options, which will no doubt take another couple of years. Meanwhile cross-harbour traffic congestion has already reached intolerable levels.

Administrative weaknesses in another quite different field have been highlighted in recent months by the coroners' inquests into the tragic and unnecessary deaths of two children in the Princess Margaret Hospital. Conditions in Government hospitals have been the subject of complaints by staff, doctors and patients alike for many years. Yet apparently nothing has been done to improve and update the administrative procedures in our hospitals. A doctor told the Coroner that the responsibilities of doctors, nursing staff and house officers were not laid down by those in charge: precedent and tradition were followed instead.

When staff are all very experienced and not under pressure, the old way may suffice, but not when staff are largely young and inexperienced and working under extreme pressure. Then clear and clearly understood systems and procedures become essential.

These cases seem to me to exemplify the weaknesses that sometimes afflict our Government: a failure to review and update old-established procedures, a lack of intelligent anticipation and a lack of urgency about pursuing necessary proposals, particularly of course those that, to the officials concerned, seem less urgent than they do to people outside the administration.

Another example of lack of urgency is our non-existent Exhibition Centre. You have told us, Sir, that the Government will shortly decide whether an exhibition centre should be established in Hong Kong. With respect, I must say that I don't think the question is any longer 'Whether?' but 'How?'. I think that it became self-evident long ago—it certainly did to those of us in the private sector—that Hong Kong needs an exhibition centre and that it must have official backing. We need now fewer words and more action for in all these years of talk and reports, without real progress, the economic benefits, visible and invisible, that we have lost are quite unquantifiable.

*Civil service training*

I hope I have made it clear that I have not made these criticisms because I support the attitude that produces nothing but criticism of our Government. I believe that Hong Kong is lucky to have a Government, which in its achievements, its dedication to the public good and its sense of purpose will stand comparison with most others. But Hong Kong people have never been prepared to accept the argument that they should not grumble because others are worse off. They believe that there is always room for improvement here— and now.

Of course mistakes will still be made. We are all fallible. The question is whether our Government is so organized and trained as to minimize mistakes. I make no apology for raising this question once more because, as I said earlier, we can now, in these times of financial stringency, less easily afford mistakes.

We have now a public service of over 166 000 men and women. It is the largest organization in Hong Kong. It is a much more complex organization than it was when our senior officials were young and it is responsible for the welfare of a community whose economic and social life is far more complex: its people and its institutions are more numerous and their expectations are both greater and more difficult to reconcile.

Have the selection, training and organization of the public service kept up? Are its procedures still appropriate? Are they, for instance, sufficiently sound and uniform to enable an officer transferred from one job to another to start contributing quickly to the work of his new section without spending months learning the ropes because his new boss uses a completely different system of rigging? And, incidentally, are the bosses trained, other than by learning 'on the job'?

Experience, said Oscar WILDE, is the name everyone gives to his mistakes. Does the Government ensure that, when mistakes are made, the lessons to be learnt from them are disseminated to the whole service? Or is the file just decently buried?

I know we have Financial and Accounting Regulations, Stores Regulations and so on, and all those Secretariat Circulars, but is the Government satisfied that there is sufficient training in the content and application of all these regulations? Or indeed that everyone they are intended for actually reads them?

Not that I want to see our officials hidebound by regulations, but I do think it is desirable to ensure that uniform procedures are not just written down as an ideal but actually applied wherever they are appropriate to facilitate the despatch of Government business and to free more time for thought (including anticipation) and planning.

I agree with you, Sir, that the first priority for staff training is the introduction of the civil service senior staff course to which you referred, a course ‘designed to prepare mid-career officers for senior directorate level responsibilities’. Once this gets going, and possibly even before that, the Government will, I hope, realize that it needs a staff college providing training at various levels for professional, administrative and executive officers.

The main purpose of a staff college should be to ensure that there are officers throughout the service who have been trained in a uniform ‘staff doctrine’ about how work should be tackled. This does not mean that we should apply a stultifying rigid theory to every job. Staff doctrine or in our case Government procedures must be constantly reviewed and where necessary revised to ensure that we keep up with a changing world. This depends very largely on the regular movement of officers from teaching posts to departments and *vice versa*. A staff college should never have permanent instructors. All the teaching staff should be working administrators who do a spell of teaching and then return to administration.

However, training, even if there is more of it, will not do much good, unless the procedures it teaches are sound and the organization is appropriate.

All that an outsider—and in this context an Unofficial Member of Council is an outsider too—all that an outsider can say is that from the external evidence it appears that our bureaucratic procedures are still too complex—and hence too slow—and that the organization of Government is over-centralized and topheavy.

I believe that we need a fundamental reappraisal of the central machinery of Government and its management structure generally, a continuing review of policies and procedures and a much improved training organization. I believe these things would lead to a better use of the real talent that is available in the public service, and that this is all the more necessary if, as you have said, Sir, restraint on the growth of the civil service is to continue. I also believe that a greater decentralization of authority would bring the Government into closer contact with the people it exists to serve. This in turn would promote that unity in the community that is so necessary in these uncertain times.

#### *Conclusion*

Finally, Sir, I can do no better than echo the conclusion to your Address, and particularly your remark that if we wish others to have confidence in us we should not lose confidence in ourselves. As I said earlier, we should focus more attention on the strengths and successes of our community.

You, Sir, and the Members of your Executive Council, are obliged to maintain the confidentiality of our discussions in that Council but there is no reason why a Member should not say that we are fortunate to have as Governor at this crucial time in our affairs an able and caring leader whose devotion to the interests of this thriving community is beyond doubt.

MR. TIEN:—Your Excellency rightly said in your recent address to this Council that a vital task now facing us is the further development of our system of education. Nothing is more important than education, you will agree, Sir, for the future prosperity of all. It was well said that universal education is a race between triumph and disaster. We are sure that the former is well within our grasp.

However, let me turn more specifically to the question of vocational education. I am happy to be associated, as Chairman of the Vocational Training Council, with the major expansion of technical education and industrial training which is now taking place. This expansion will ensure that many more trained and educated persons with greater productivity enter our workforce. Consequently, our industries will be able to diversify more readily to develop more technologically advanced products as well as to respond to the changing demands of our customers.

The ability of industries to do this will not only contribute towards the maintenance of stability and prosperity but to enhance them. But our education system as a whole needs to be examined closely, particularly with the aim that it will continue to meet the demands of the economy. There has been considerable public interest in the report of the Overseas Panel of Visitors and I am pleased to note that the report and comments will be considered by the Executive Council fairly soon. I hope it will be agreed that there could be merit in establishing an Education Commission as there appears to be a need for a body in Hong Kong to co-ordinate an increasingly complex and costly education system. However, the purpose of the Commission need not be exactly that as specified by the Panel. Indeed the precise purpose of such a Commission needs to be carefully considered because it is important that its creation should not merely result in an increase in the size of the bureaucracy. After all, Sir, according to Sir Robert MENZIES, while bureaucrats are adept at many things, they are best at breeding each other. (*laughter*)

But much could be gained if the various strands of our system are pulled together by one co-ordinating authority to advise on the priorities for the development of education at all levels and to define our educational objectives. In the past, the development of technical education and industrial training at the technician and craft levels have lagged behind developments in other areas of education. The result is that these two vital levels of our workforce have not been so well trained as required by the needs of the economy. This deficiency is being corrected now but we must not risk this happening again and a coordinating body such as that proposed could ensure that this would not happen.

Sir, during a period of great wartime uncertainty, Sir Winston CHURCHILL declared: give us the tools and we will finish the job. To-day, the people of Hong Kong put it somewhat differently. We gave you the job, now find the tools.

Sir, I support the motion.

MR. ALEX WU:—Your Excellency, I am sure everyone in Hong Kong will approve of the task which Your Excellency has set the Government: to get on with the job of making Hong Kong a better place in which to live, work and bring up our children. We will also share your consciousness of the importance of those essentials of a free society and our deep desire to maintain them.

Your Excellency, an essential part of the way of life we want to go on enjoying is the freedom to express ourselves in terms of the arts. I believe that Hong Kong will benefit in an entirely practical way from the encouragement of the arts, and I think this is a good time to remind ourselves of that.

It would be too easy to say that in these difficult economic and political times, we should address ourselves to the harsher realities. That sort of thinking has a temptingly robust ring to it. I challenge that view and its corollary that expenditure in support of the arts is a dispensable luxury.

When I say that we benefit in a practical sense from the encouragement of the arts I do not take the bread-and-circuses view that the arts, and enjoying them and participating in them, keep our minds off our problems and our children off the streets and out of mischief. Art is not divorced from life and experience in that way: it is the expression of our attitude towards our lives and our experiences.

We want to show what satisfaction our social and economic system provides and even more we want others to understand what makes it satisfying. The arts, in all their forms will help us to do that, and would deserve our support for that reason alone.

All I wish to say is that we should not under-estimate the importance of the arts in our society. We should remove obstacles in the way of their development. We should, when we can, give them help. What we must do is to master the art of administering the arts.

In this connection, I congratulate Government for having sponsored the Third Conference of Commonwealth Arts Administrators in Hong Kong which was opened by Your Excellency a few days ago. It has now drawn to a successful close. Although the main theme of the Conference is 'Arts and Education', the deliberations and the contact with arts administrators at the Conference offer much food for thought in learning to make still better use of public funds allocated for development of the arts. The delegates, consisting of some most senior members in arts administration and education, who have been overwhelmed by the rapid development of and easy access to the arts here in Hong Kong, have asked me to convey their appreciation and deep gratitude to

the people of Hong Kong, and particularly to you, Sir, for your personal interest in the encouragement of the arts. A full report of the deliberations and recommendations will shortly be available through the Recreation and Culture Department.

Your Excellency, in respect to education I should like to take up the question of language to which Your Excellency referred in paragraph 55 in your comments on the Overall Review. Languages in the classroom was identified as one of the priority areas by the Panel of Visitors. The remarks of Sir John LLEWELLYN and his team underline my concern. This is indeed a major issue which we need to address.

While the question of the medium of instruction may be a difficult one requiring careful deliberation, there can be no question about the need to move towards improving language standards as such. This is a matter which can be proceeded with now and without waiting for the resolution of other problems. All of us who have this matter at heart and who realize how crucial language is to the advancement of our intellectual and even our economic life would like to see a start made before standards deteriorate further as they will certainly do. Much has been said about the general standard of English in Hong Kong and what should be done about it, but the question of Chinese ought not be forgotten. And I hope that we can have an indication in this debate of the fate of the Report of the Working Party on the Chinese Language Foundation which I had the privilege of chairing.

I wish to add, Sir, that while our efforts in improving language standards must start with the schools, it must not end with the schools. The community at large should also be a target if we wish to achieve a multiplying effect.

My last subject, Sir, also concerns education, in this case medical training.

There have been reports of differences between the universities and the Medical and Health Department over the use of teaching hospitals or, to be more correct, over the use of hospitals for teaching.

Members of the public might well have been dismayed over the spectacle of two organizations dedicated to the same purpose apparently squabbling in this manner. I do not know whether members of the public would have been any more reassured to know that there is a point of principle at stake which involves the career opportunities available in hospitals administered by the Director of Medical and Health Services but staffed in part by the universities.

These problems arise out of the conflict between the role of the Director of Medical and Health Services which is to provide medical care to the population, and he has discharged his responsibilities magnificently with the resources available to him, and the role of the university which is to provide sufficient doctors, to meet the manpower requirements of the medical services.

The doctors who staff these hospitals, whichever organization they belong to, are entitled to their privileges and their career opportunities but we cannot afford to let any demarcation dispute, as seems now to exist, to hold up the expansion of medical education.

It looks as if we have already lost an opportunity to use the Tuen Mun Hospital partly because, to add to our difficulties, we did not plan for teaching facilities in time.

We cannot afford to make either of those mistakes again and I hope that the Secretaries for Health and Welfare, for Education and Manpower, and for the Civil Service, recognizing their joint responsibilities, will get together to produce a solution, perhaps with the help of a seminar on the interface between teaching and service, at the earliest possible opportunity.

If we do not want to reproduce the pattern of the Prince of Wales Hospital which serves as a teaching hospital for the Chinese University, and I recognize that we may not want to do so, then we may have to look at a Hospital Authority providing for the needs of both the Medical and Health Department and the University of Hong Kong Medical Faculty.

This, if I may say so, is exactly the sort of situation the Branch Secretary system was created to deal with. Although this is not an easy problem, it is not very complex either. There is no dispute about the objective. There are plenty of examples to look at. This is a problem which deserves immediate attention, especially when we consider the lead time of more than five years required to plan, build and equip a modern hospital.

With these remarks, Sir, I support the motion.

MR. S. L. CHEN:—Sir, I would like to begin by quoting the closing remarks in your speech, in which you said ‘if we wish others to have confidence in us, we should not lose confidence in ourselves’.

Anxiety over the future must understandably be an over-riding concern in the mind of all. Like a ship sailing in stormy waters, Hong Kong is going through a rough passage in its journey through history. Presently, the sky is heavily overcast and the sea is rough, but I believe we are on the right course steered by Her Majesty’s Government in its determination to find a solution acceptable to all parties concerned. I further believe that over the horizon ahead of us there is a gleam of sunshine. But to get through these rough waters, we must keep our engine going!

Indeed our engine, that is to say our economy, is in good shape. With the gradual revival in demand from our export markets, particularly in the United States and West Germany, our domestic exports began to recover at an increasing momentum. According to the statistics published in the Half-yearly

Economic Report 1983, the growth rate in the first half of 1983 compared with the first half of last year reached 9% in real terms and is expected to increase to an estimated 11% for the year. As the world economy is likely to continue to improve in the coming months, Hong Kong should continue to benefit from the improvements in the economies of our major export markets. But we must not become complacent because of this upturn in the economic scene and we must always remember that unless we have a sound and healthy economy, there would be no base for us to talk about future prosperity and stability, the maintenance of which is a declared common objective of both the British and Chinese Governments in their talks on the future of Hong Kong.

The extent to which our export sector may benefit from our export markets depends very much on our ability to compete and to remain competitive. It is therefore of vital importance that our industry must continue to invest and re-invest in modern plant and machinery in order to keep abreast with advancing technology, increase productivity and upgrade our products. To do this, industry needs confidence, faith in itself and faith in the future. However, it is encouraging to note that parts of our industry are investing and investing heavily. For example, the major utility companies have not been distracted by the issue of Hong Kong's future from continuing their massive development programmes. This is a tangible reflection on their belief and confidence in the continuing growth of Hong Kong's economy. Additionally, the recent over-subscription of \$2 billion loan for the Mass Transit Railway Corporation by an international syndicate of banks is undoubtedly a vote of confidence in Hong Kong. These major investment decisions, which are substantial even by international standards, should inspire confidence in our business community, particularly our industrial sector, on whose performance much of our future survival depends.

It is reassuring to hear in your speech, Sir, that Government too has not been distracted from its sustained effort to improve the services and to provide the environment in which our industry and commerce can compete efficiently in the market places of the world. Good progress is being made and will be maintained with all major capital projects in public works and long-term social development programmes are being pursued with vigour.

Looking ahead to the coming year, education which occupies a prominent place in the long-term social development programme would no doubt attract much of our attention. However, in view of the emphasis which you, Sir, have placed in education, I would like to take this opportunity to air some of the thoughts and concern which have lingered in my mind ever since the debate in 1978 on the Green Paper on Senior Secondary and Tertiary Education, and to explore the strategy which might be adopted in the planning of the next phase development of our education system.

In the 1978 debate on the Green Paper, I was most concerned about the proposal for extending the provision of subsidized Form IV and Form V places to enable more students to continue their education after completing Form III.

I was concerned because firstly the pressure created by the proposal on Government school building programme may have an adverse effect on the quality of education, and secondly the effect of the proposal on the future student enrolment in craft courses operated by the Technical Institutes.

From the 1982 statistics on the Hong Kong Certificate of Education (H.K.C.E.) Examination, I was amazed to learn that of the Form V students who have sat the Examination, only about 36% attained a level of success with Grade E in five subjects, including English and Mathematics, which are the basic minimum requirements for applications to be considered for admission to Form VI or Polytechnic, and these are only the necessary but not sufficient requirements for admission. In other words, about 64% of Form V school leavers were unfit for continuation to a higher level of education. The fact that they had spent two years in the Senior Secondary Schools can only be seen as education for the sake of education.

With the proposed abolition of the Junior Secondary Education Assessment (J.S.E.A.), the pressure on Senior Secondary School places would even be higher. Unless we have adequate resources to meet with the additional surge in demand for further subsidized places, the quality of education is bound to further suffer. In recent years, we have made rapid and considerable progress in the development of our secondary education. Perhaps now is the time to pause to reflect and to consider very carefully the direction we should proceed from the present position, that is to say whether to improve the quality of education for those who can benefit from it, or to continue to produce Form V graduates just for the sake of producing them in quantity.

It is arguable whether some of the 64% Form V leavers in 1982 should have continued general education after completing Form III two years earlier and whether they would not have been better served had they been guided to take up vocational education and training for a career in industry as craftsmen or technicians. Unfortunately parents, especially Chinese parents and not infrequently even teachers, have a biased conception that vocational education is a sub-standard option, fit only for those who fail to obtain a place in senior secondary schools, and that there is no future in their children becoming technicians or skilled craftsmen. It is time that parents should be educated and face the reality that we live in a modern industrial society in which craftsmen play an important and dominant role.

Sir, I must make myself clear, lest my critics jump to the wrong conclusion, that I am not opposed in principle to the proposed abolition of J.S.E.A. On the contrary, I have been one of the many who have advocated reform in our examination system, as was clearly reflected in the opening remarks of my speech in the 1978 debate on the Green Paper. Nevertheless, we must be mindful of the possible problems and repercussions which the abolition could create.

I should now like to turn to my concern over the future enrolment in craft courses operated by the Technical Institutes and the increasingly smaller

number of Form III leavers taking up craft apprenticeship. Statistics in recent years showed that craft courses, particularly part-time day release courses, in the Technical Institutes were seriously under-subscribed. As a matter of fact, in the current year there were 27 part-time day release craft classes cancelled because of lack of applicants. Furthermore, the proportion of student enrolment in Technical Institutes for Technician and Craft courses is far from satisfactory. For example, the technician to craft ratio for full-time courses is at present approximately 3:2. Even taking all modes of attendance into consideration, the ratio of technician to craft is only 2:3. There is, therefore, a huge built-in imbalance which would at the end of the day lead to our industries having an inadequate supply of skilled craftsmen but flooded with technicians some of whom would have to perform craft level work for which they have not been trained.

The proposed abolition of the J.S.E.A. is likely to worsen what is already a serious situation in the Technical Institutes. As the pool of Form III leavers, other than the few from prevocational schools, for craft courses would be completely drained, the very survival of the craft courses in the Technical Institutes and craft apprenticeship would be dangerously threatened. This would be a highly undesirable situation and should this happen, industry would be depleted of skilled craftsmen.

Sir, when I heard you say that 'The financing of any improvements to our education system will need to be carefully considered', I sensed your concern over the likely cost implications in this important element of our long-term social programmes. I hope when drawing up the final plans to improve our education system, some of the remarks which I made earlier would be taken into consideration. In a nutshell, if I have to make a choice between quality and quantity, or between economic value and social aspiration, I opt for the former.

Sir, with these remarks, I support the motion before Council.

MR. PETER C. WONG:—Your Excellency, despite the turbulence of the past year, Hong Kong has not fared too badly. In Your Excellency's words, we have a strong underlying economy, a gifted and resilient population, a highly motivated public service and, above all, a will to succeed.

Unquestionably, we have a sound institutional framework, an equitable legal system and an independent judiciary. The prosperity of Hong Kong owes much to all these factors, and it is essential for our continued prosperity that these be preserved.

It must be a relief to the Government as well as to the public that the Hong Kong dollar is now stabilizing in the region of the official rate of 7.80 to the U.S. dollar. The swift and decisive action taken by Government is certainly commendable. It is safe to assume that the Financial Secretary will continue to monitor the situation closely and will not be tempted to over-react even under the most trying or optimistic circumstances.

It is gratifying to note that Your Excellency attaches great importance to the future development of our system of education. Hong Kong's most important resources are its people and it would be imprudent not to accord the highest priority to its development through an effective education system. We spoke at great length on this subject in this Council at the end of the last session and we remain convinced that Government should waste no time in implementing the various recommendations which receive popular support. On a personal note, I am pleased that the University and Polytechnic Grants Committee has advised that a third University be established with an emphasis on professional and technical studies. As a staunch advocate for a third University, I would make a further plea for the many disappointed students who are unable to receive University education because of shortage of places. A decision on whether planning for a third University should proceed is expected by the end of the year or early next year. Experts in the field of higher education as well as the public will be delighted if the decision is in favour of early action.

On the labour front, the recent enactment of the Employment (Amendment) Bill provides well deserved sickness benefits for our workers, who have contributed much to the success of Hong Kong. In my view, there are merits in the proposal for a contributory sickness insurance scheme. No doubt, Government will focus its attention on this proposal as soon as is practicable. The proposed wage security fund announced by Government last week will offer further benefits to employees. Though not entirely equitable so far as contribution to the fund is concerned, it is simple and inexpensive to operate. In considering further benefits and protection for our work force, Government must ensure that any increase would not adversely affect the competitiveness of our product and the economy as a whole.

I subscribe to the view that every person should have a proper and decent home. It is thus disturbing to note that the latest census survey indicates that some 100 000 families still live in temporary huts. Government's plan to rehouse about half of these families over the next five years is therefore welcome news. And so is the new programme to improve safety, sanitation and environmental conditions in squatter areas. Government has an impressive record in the provision of housing for the needy. Since housing is one of the basic essentials of life, every effort should be made to improve on this record in the years ahead.

Sir, may I now turn to law and order. I entirely agree with Your Excellency that the maintenance of law and order must be a prime objective for any Government. To what extent Government has succeeded in attaining this objective, I do not intend to pass judgment. But it is fair to say that the man in the street is not entirely satisfied with the law and order situation. The recent spate of robberies and kidnaps speak for themselves. And the public is justifiably infuriated over the loss of an innocent young life last week as a direct result of criminal activities. We have an excellent police force, without which the situation would have been far worse. In view of the rising crime rate, there is a

strong case for further strengthening our police force, especially in crime prevention and detection. Obviously, the Secretary for Security and the Commissioner of Police should give this matter their serious consideration.

With your permission, Sir, I would like to voice once again my concern over the imprisonment of civil debtors. During the past three years I have repeatedly stressed that poverty is not a crime. That civil debtors should not be committed to prison. In short, apart from the glaring injustice, criminal sanction should have no place in the civil jurisdiction of our Courts. Fortunately, my plea has not fallen on deaf ears. It has attracted attention even as far away as Canada. I am grateful to the Attorney General and his predecessor for their personal interest and attention. I am sure the final outcome will do justice to our image and our system of law.

Hong Kong has over the years developed a sound and responsive system of Government through an established consultative machinery. The District Boards, for example, have added a new dimension to our consultative process. And the recent appointment of elected District Board members to the two highest Councils has further strengthened the channel of communication and consultation between the Government and the people. Certainly, another step in the right direction.

Looking ahead, courage to face the many challenges is what we all need. I have faith that pragmatism will prevail. In the words of Sir Winston CHURCHILL, the darkest hours always precede the dawn. In years to come, when we look back to the present moment in our history, let us hope we shall be able to say that this was our finest hour!

Sir, with faith in ourselves and faith in our future, I have great pleasure in supporting the motion.

MR. CHARLES YEUNG delivered his speech in Cantonese:—

督憲閣下：本人非常同意督憲閣下所說，政府在過去及將來，沒有一項任務比較尋求解決香港前途方案更重要。

加強人材的培養，發展青少年的教育和鞏固法治和財經的社會架構，是維持香港長期繁榮的要素，故此本人非常高興聽到政府特別着意制訂長遠發展策略，以確保香港能在國際上繼續保持其一定的貢獻。

督憲閣下在施政報告中闡述長遠的發展策略，以港九新界為一體，不受歷史事實的規限，不受將來政治發展的影響，不受中英談判尚未明朗的阻撓，而專心一致，盡量利用香港獨有的地利與人材，以便創造出另一個經濟奇跡，對中英兩國及香港提供特殊的貢獻。

如眾所週知，香港是有很多獨特的地方，例如在地理環境方面，香港位處東南亞中心，擁有天然深水海港及優良的管理和設施，很自然便成為中國和外地的一個盡善盡美的轉口港。雖然香港土地奇缺，但在靈活運用下，亦足以容納工商業所需，帶動了高度的經濟增長率，使香港能夠在低稅收制度下支持高水準的社會福利及服務。在政治方面，戰後三十多年來，許多鄰近地方都經歷到政治或社會的不安，因而引致經濟衰頹，而香港是享有持

續的安定和繁榮，市民享有一切人權和自由，故此順理成章地成爲人材及資金的匯集地。在經濟方面，香港爲東西文化的交流中心，中外貿易融匯之地，以輸入歐美先進的科技，配合中國人悠久文化的傳統，在自由開放的政治氣氛中，成功地發展工商業務，並在香港政府鼓勵而不干預的政策下，充份利用成功所帶來的經濟發動潛力，適應時代的轉變，使香港工商業能達到更成功的境界。在金融方面，香港是享有特低的稅制，自由的外匯，居民出入的自由，穩健而開明的政府，並有以自然公理爲立法基礎的傳統，獨立公平的司法制度，及民眾尊崇法治的精神，香港在數十年間能躍登爲世界第三大金融中心，絕不是僥倖成功所致的。

政府所擬訂的政策中，一方面要加速推進教育，志在改良質量，而另一方面繼續增強經濟的架構。例如，在目前經濟不景的情況下，除了仍然增加公共建設開支之外，更着手研究開拓港九新界各地，加建公路，把將軍澳及馬鞍山連接起來，甚至要穿過大帽山及馬鞍山，貫通新界與九龍的直接交通，此等計劃，實在令人鼓舞。美中不足處是在策劃中，並未提及興建有助發展新界西部平原的鐵路網。

政府亦有計劃擴大社會福利及社會建設的工作，在醫療、勞工、婦孺及老人服務方面會按需要而改善。雖然香港仍未有國家保健制度，但普羅大眾可以享受政府提供的各種免費、廉費或資助的醫療服務。這些社會福利的水準均可以媲美歐美先進國家，在解決民生問題方面，政府對於解決香港首要的居住問題，更不遺餘力，繼續依照原定的計劃推行，我們應以政府在發展公屋方面目前的成就及將來的目標而感到自豪。

香港經濟發展成功，居民生活安逸，因而使更多市民有接受教育的機會。因普及教育水準提高，民眾對社會的認識增加，個人理想和群眾生活質素亦必相應提高。因爲要達到個人的理想和滿足群眾的要求，新的一代對其本身的權利及社會狀態便發生濃厚的興趣，而逐漸希望參與社會的建設。所以行政系統中的區議會，在短短期間能夠成爲本港最龐大的政府民意諮詢機構，是意料中事。而這生於斯長於斯的一代，認爲自由與不可侵犯的人權是與生俱來的。對他們來說，人權的保障、思想及言論的自由，有如圍繞着他們的空氣的存在一樣。呼吸空氣對生命的重要，平時是不會感覺到的，但他們是會爲自己的將來和理想而作出努力。所以爲求達到香港將來的繁榮和安定，應該正視他們所表達的志願。

督憲閣下，本人謹此陳辭，支持動議。

*(The following is the interpretation of what Mr. Charles YEUNG said).*

Your Excellency, I am in full agreement with your statement that there is no other issue more important to Hong Kong than the search for a settlement for our future.

To intensify the training of our workforce and the education of our youth and to strengthen our community infrastructure to support both the rule of law and the economy, Government has formulated a long term development strategy so as to ensure that Hong Kong will be able to continue her useful contribution to the world.

In Your opening address, Sir, you have succinctly outlined Government's long-term development strategy for the territory as a whole, uninhibited by historic facts, unaffected by future political development and unfettered by the uncertainties arising from the negotiations on our future. Instead Government is to concentrate on the full utilization of Hong Kong's unique geo-economic'

advantages and its skilled management and work force, so as to create another economic miracle to the credit of Britain, China and Hong Kong.

It is universally recognized that Hong Kong has many unique features. As an illustration, geographically Hong Kong is embraced in the centre of South East Asia, endowed with a natural deep sea harbour complemented with excellent management and facilities to provide a perfect entrepot for China and other countries. Though Hong Kong's land resources are scarce, the achievement of optimum utilization has succeeded in accommodating commercial and industrial requirements. This has stimulated a high rate of economic growth making possible the provision of high standard social services with a low taxation system.

Politically, amidst the social and political turmoils and concomitant economic problems experienced by our neighbours during this post-war period, Hong Kong has been fortunate enough to enjoy stability and prosperity continuously for nearly four decades and her people, human rights and freedom. It is therefore natural for Hong Kong to become the market place of capital and talent. Economically, Hong Kong is at the cross-roads of the Orient and Occident and at the meeting point of East and West trade. The blending of the advanced technology of the West with long Chinese civilization and tradition in the genial climate of political freedom has successfully fostered commercial and industrial growth. With further Government encouragement and its non-intervention policy, success breeds further success with its development potential and adaptability to change.

Financially, Hong Kong enjoys an exceptionally low taxation regime, no foreign exchange control, freedom of movement of people, a stable and enlightened Government, a tradition of law-making based on natural justice, an independent and fair judiciary as well as the time-honoured rule of law. Her successful emergence as the world's third largest financial centre within a few decades is certainly not a matter of chance.

In the long-term Hong Kong's strategy has on the one hand aimed at improving both the quality and availability of education and on the other hand at continuing to strengthen the infrastructure for economy. For example, despite economic recession, public expenditure on capital works is to increase substantially. It is heartening to learn that feasibility studies are afoot to traverse the New Territories and Kowloon with highways by tunnelling through mountains passing through Tai Mo Shan and Ma On Shan. However, one regret is that the construction of a railway network to link the west part of N.T. has not been mentioned.

Government has also planned to expand social welfare services and community building by improving the medical service, labour welfare and services to women, children and the aged. Although there is no national health system in Hong Kong, the Government provides the general public with either free or very low-cost medical and health services comparable in standard to

those in any other advanced community in Europe or America. On the housing front Government continues un-deterred to carry out its original plans for public housing. The present success and the future objectives of our public housing scheme are achievements we can proud of.

The economic success and high standard of living in Hong Kong has created more educational opportunity for the people. As the general standard of education improves and the awareness of social values by the community increases the personal ideals and the quality of life of the community will correspondingly rise. In order to realize these personal ideals and to satisfy the aspirations of the community, the new generation is likely to develop a keen interest in its personal rights and in its community environment with a desire to participate in community building. This it is expected that the district boards will become the largest advisory body of opinion in the administrative system within a short span of time.

The generation born and bred here was born with freedom and inalienable human rights, to these people the protection of human rights and freedom of speech and thought is as important as the existence of the air around them and as important to life as breathing that air. These people tend to be taken for granted but they will certainly strive for their future and for the attainment of their ideals. For the purpose of achieving a stable and prosperous Hong Kong the expression of their aspirations should be valued.

Sir, I support the motion.

DR. HO:—Sir, it cannot be more fitting, during these times of political and financial turbulence, for Your Excellency to begin your annual address by assuring the public that the Administration has regarded as its ‘first and overriding concern’ the search for a settlement of Hong Kong’s future which promises long-term prosperity and stability. Having reaffirmed Her Majesty’s Government’s continued commitment to a solution acceptable to China, Britain and the people of Hong Kong, you urged members of the public to remain patient, calm and resolute while awaiting the results of the talks. I fully appreciate your advice and I agree that it is the best attitude to be adopted at this time. We should place our faith in the good will and intentions of the Chinese and British Governments and refrain from over-reacting to remarks about our future from sources outside the official negotiations.

Sir, but not all the people can keep their heads cool and behave in a rational manner given the circumstances we have today. The shadow of uncertainty had intensified during the past year. With suggestions on how our future would be moulded springing almost daily from all quarters, it is understandable why many people got confused. What is worse is that many of them may have based their decisions or formed their opinion about the future on this information vacuum, leading to undesirable results for themselves, their families, and the community.

I therefore wonder whether our Government would consider making brief statements occasionally and when necessary to rectify misguided press reports and speculative remarks floating in certain sectors of the community. I am aware of course that the Government has to be careful not to breach the confidentiality rule of the negotiation nor engage in a cold war of words, but experience shows that positive statements from the official sides of the talks, like the one we have heard at the end of the last round of talks in Beijing, could clear a lot of pessimism.

The other comforting feature in your address, Sir, is that long-term development strategies which aim at meeting the needs of Hong Kong into the 1990s and the next century will continue to be formulated. This declaration represents a follow-up of what Your Excellency promised last year when you said 'it is the policy and the firm intention of this Government to invest vigorously in the future of Hong Kong and its people: and that we shall continue to do.' As I see it, the continuation of long-term development planning is the most convincing show of our Government's confidence in the territory.

#### *Alternative forms of higher education*

Among these long term development plans, I wish to react to the Government's proposal on developing other forms of higher education alternative to the traditional, full-time day studies. Given the rate of expansion for the universities and the polytechnics and the establishment of a third university as promulgated, the number of places at tertiary level will no doubt be increased substantially. These expanded opportunities will probably benefit only those students graduating from their secondary schools. We must not forget, however, that there is a vast pool of talented people who may have missed their first opportunity to pursue a university education but who are desirous and intellectually qualified to do so at a later stage of their lives. These motivative learners need an unconventional form of education at first-degree level, run on a flexible timetabling and modes of instruction. A variety of reasons can be given to justify their second-chance education. Some may need more specialized training to enhance their present career, others may want to change to a new career and therefore seek ways to prepare themselves for it, still others may wish to expand their mental horizons and intellectual potentials by engaging themselves in a systematic, structured and degree-conferring scheme of studies at their leisure hours. Regardless of the reasons for which this form of part-time first-degree level education is required, its provision will reap considerable economic and social dividends for the community. This is especially true for Hong Kong, which must constantly harness its human resources into maintaining its competitive position in this world of ever-advancing technology, productivity and efficiency.

This alternative form of second-chance, undergraduate level education can be provided in many models. The most common model consists of a well-designed curriculum of part-time evening courses taught by an extramural or intramural department of an institution of higher learning. The adult learners will have to

attend classes at designated places, to participate in class discussion, to undertake home assignments or exercises, to conduct research and to sit for examination. Upon the successful completion of a given set of courses within the specified number of years, the adult learners will be awarded a baccalaureate degree. In this model, face-to-face tuition is maintained, and the adult learners will have the chance in forming themselves into groups which will facilitate peer group learning. One can see that this model of education bears many characteristics of the traditional full-time day learning.

Another alternative is the external degree model which transmits knowledge largely through printed materials, correspondence and cassette/video-tapes. Study centres and week-end workshops are set up in various locations within easy access of the students to provide a forum of teacher-student contact, where remedial, but to a lesser extent tutorial, teaching takes place. Upon passing a set of examinations, the learner will be granted a bachelor's degree. In this model, the learner's motivation is predominantly dependent on his self-discipline and intensity of purpose.

A third alternative is the distance learning model adopted by the Open University in U.K., known as a university without campus. Tuition given to the home-based students is mainly by correspondence, with set texts and home-study kits linked to a limited amount of distance teaching via radio and television. Learning is also augmented by a network of week-end study centres co-ordinated by regional offices. Learning in this open-university type of education are rather impersonal and discretionary, hence motivation of the students may be difficult to sustain, especially when the total study period spans over too many years. High attrition rates and heavy production costs are two important factors to watch out for.

There are still other models in use, but they tend to be variations of the three models outlined earlier. There are advantages and disadvantages in each of the models. My intention on this occasion is not to discuss them in detail, but merely to point out to the Government that the provision of an alternative form of higher education is feasible and necessary for those mature people who have full-time day employment. I understand too that this is a rather complex issue, not only in cost-effective terms but also in educational and management terms. The cardinal considerations in the design of this type of second-chance first-degree education are *quality* and *flexibility*; without the first element, the educational provision will lose its usefulness to the community which finances it; but without the second, the educational endeavour will lose its clientele. I therefore would like to see that a working party be formed under the aegis of U.P.G.C. to give careful consideration to this worthwhile proposal.

#### *Rehabilitation services for the ex-mentally ill*

Lastly, I wish to make a few observations on the rehabilitation services for the ex-mentally ill. In May 1983, a Working Group submitted a comprehensive, well-documented report on this subject to the Government. Among the long list

of recommendations is the adequate provision of half-way houses for the mental patients discharged from psychiatric hospitals. The intentions are to ensure that the discharged mental patients will be given a wide range of aftercare services to assist them towards full rehabilitation and to reduce relapses to the minimum.

To achieve this end, I am of the opinion that the Government needs to pay special attention to the following areas of concern. The first is in connection with the actual provision of places. The Rehabilitation Development Coordinating Committee recommended an annual additional provision of 150 places and the overall shortfall of half-way house places is estimated to be met after 1988-89. According to my knowledge, only two half-way houses, each with a capacity of 40 places, have been approved for 1984-85. Therefore, I have reasons to believe that the planned provision of 150 places per year could not be realized unless considerably more resources are to be allocated.

A significant spin-off effect of half-way house provision is the relief it will bring to the demand on hospital beds, which are very costly to maintain. Furthermore, an adequate supply of half-way house places will speed up the discharge rate from psychiatric hospitals, thus making it possible to start the process of social rehabilitation earlier for the mental patients.

The second problem area lies in staffing. The present establishment for a half-way house with a standard capacity of 40 places is one senior social work assistant, three welfare workers who work on shifts, and one workman. This means that one welfare worker has to work and look after 40 residents at any one time. A review of the staffing standards is imminent, if the half-way houses are to take in ex-mental patients with a disposition to violence and to perform the enlightened functions recommended by the Working Group.

Currently, almost all the half-way houses exercise a very restrictive admission criteria. They do not admit residents with a history of criminal record or violence or serious anti-social behaviour. Given the current inadequate staffing position this conservative admission policy is understandable. Any relaxation of admission guidelines must therefore be preceded by significant improvements in that area, both in quantitative and qualitative terms. These social work staff are expected to render a wide spectrum of services to the ex-mental patients residing therein, some of whom may have an assessed tendency towards violence. The services include demanding jobs like counselling, medication follow-up, residential therapy, implementing independent life training programmes and mutual aid groups which can only be effectively carried out by staff of good quality and professional training.

With these observations and remarks, Sir, I have much pleasure in supporting the motion.

MR. ALLEN LEE:—Your Excellency, I do not remember the number of business trips I have taken since 1966. However, I do remember that in one year, I had left Hong Kong twenty-six times. I have never taken notice of the aerial view of

Hong Kong because of the frequency of my travels. On my recent return to Hong Kong from a business trip, I asked for a window seat. When the airplane made its approach, I noticed at least 100 ships anchored in our magnificent harbour. The airplane made a sharp turn near the Lion Rock and we were then flying over the high rise buildings. I looked out of the window to see hundreds of high rises. As the pilot made a perfect landing, I recollected meeting a pilot sometime ago who told me that Hong Kong's airport is one of the most difficult airports to land in. As the airplane door opened, the air was hot and humid. My travelling companion made a comment and I quote, 'Oh! I love this capitalistic smell.' Hong Kong, throughout its history has earned a few names for herself—The Pearl of the Orient, The Corridor to the West, The Gateway to China and the Concrete Jungle. Hong Kong (香港) in Chinese means fragrant harbour. This is the home of over five million people of whom 98% are ethnic Chinese. I take great pride in being a citizen of Hong Kong. This is my home. My children were born here. Like many others, I have grown a deep affection for this splendid city. I feel great pride as I am participating in a number of Government boards and committees whereby I can make contributions, however small, towards the betterment of this place. Like two thousand or so other unofficials serving on various boards and committees of this territory, we must feel that our suggestions have, at one time or another, been taken into consideration when Government formulates its policies. Of course, there is much to criticize and there is much to improve in Hong Kong. I am as much a critic as anyone on quite a number of issues. Rightly or wrongly, my views will be heard by Government officials. This is true for all the citizens of Hong Kong. The outspokenness of our people is one of the essential features of our success. Just look at the number of daily newspapers, weekly, bi-weekly, monthly magazines on the newspaper stands. One could easily say that this is one of the freest places in the world. Our people take this freedom for granted because they have it. As long as they abide by the law, they are free to express whatever opinions they have. We have an independent judiciary system which protects the rights of each individual. We are free from arbitrary government decisions. Do we cherish this system? I can answer yes. Of course there are many other ingredients contributing towards our past success but what I have mentioned above, I believe, Sir, in my own personal view, are the most essential features of our success.

### *The future*

When the question of the future of Hong Kong surfaced towards the latter part of last year, my Legislative Council colleagues, Mr. Stephen CHEONG, Mrs. Selina CHOW and I were very concerned about the reports available in the newspapers from groups and individuals visiting Beijing. We went through lengthy discussions about this subject and we decided that if we were invited to visit Beijing, we must without fear express our opinions based on facts. Such an opportunity finally came and we received an invitation to visit Beijing in mid-May. We formed a group of professionals of various disciplines emphasizing however that our opinions are purely individual opinions. We carried out

extensive research. I cannot recall the number of meetings that we had had before we were finally able to complete our presentation paper the evening before we took off. The paper was published after our return from Beijing. We are grateful that this group was given the opportunity to meet Mr. Richard LUCE during his recent visit to Hong Kong. We have equally expressed our opinion to him. Sir, we did this without any ulterior motive. Our efforts may be misunderstood in certain quarters but we feel we owe it to ourselves to be true to ourselves and we want to be at ease with our own conscience, that we did our bit for Hong Kong when the occasion arises. Most of all, we want to make a contribution, however insignificant, towards the most important issue in Hong Kong's history. We were glad to see the start of substantive negotiations in July and we are equally glad to see the recent measures taken by Government in stabilizing the Hong Kong dollar. After all the strength of our export performance does not justify the weakness in our currency. The Hong Kong dollar experience has frightened me as I remember what happened to Gungyuenkuen (金圓券) when I was a boy living in Shanghai. Some critics may say that Government's reaction is too late, but in my opinion, it is better late than never.

As the bilateral negotiations are continuing in search of a solution which is acceptable to the United Kingdom Parliament, to China and to the people of Hong Kong, and there is no doubt that both sides would like to achieve the common aim of continuing stability and prosperity, it is my opinion that we should not speculate on the outcome at this point in time and we should simply get on with our work.

#### *Industrial Development*

Even though a number of local investors are concerned about the uncertainty of the future, our Government must have confidence. As you have said, Sir, our economy depends on our export performance. It is encouraging to note that in 1983, due to the economic recovery of the United States, we have performed well. If we want to succeed, our industry must continue to diversify and to acquire high technology. To this end, I am grateful to you, Sir, for your mentioning of the activities of the Hong Kong Productivity Council. As Chairman of the Hong Kong Productivity Council, I am sure that the staff are encouraged and I can assure you that we will continue to make our contribution towards productivity improvements of our industry in order to strengthen our competitiveness. We, in the Hong Kong Productivity Council, believe that our industry must move towards automation. We will put the suggestion forward to Government shortly of establishing an automation unit within the Hong Kong Productivity Council in support of industrial development.

#### *Exhibition Centre*

Sir, I agree that the Government has some misunderstanding about an exhibition centre. I believe we agree there is a need for an exhibition centre in Hong Kong. Why should an exhibition centre be a complex which includes a hotel and office accommodation? I have attended many exhibitions around the world and I have yet to see an exhibition centre with a hotel and commercial

offices. An exhibition centre is for the purpose of conducting exhibitions. Perhaps the argument is that land is too expensive in Hong Kong simply to build just an exhibition centre. This argument is not valid in my view even though I agree that land is an expensive commodity but we must firstly think about the value and the need. If land value is the question, why should we have a space museum in Tsim Sha Tsui even though it belongs to the Urban Council? Sir, may I urge the Government to consider an exhibition centre for the purpose of conducting exhibitions. We have plenty of hotels and office accommodation in Hong Kong. If the Government has any doubts about the requirement, just look at the activities of the exhibition centre owned by the China Resources Limited in Wanchai. I understand it is practically fully booked throughout 1984.

With these remarks, Sir, I support the motion.

MR. ANDREW SO delivered his speech in Cantonese:—

督憲閣下：本月初閣下在本局作施政報告時，港元極度疲弱。本港的經濟開始產生惡性循環，一般市民亦因而深受壓力；物價不斷提高，受薪人士不勝其苦。閣下的施政報告針對時弊，指出政府將盡最大的努力穩定港幣的匯率，以配合本港經濟顯著的復甦，同時間接穩定人心和控制物價上升，解除民困。本月十七日實行的挽救港幣措施，雖然在實際執行時仍有一些技術上的問題，加上本港前途的談判困擾人心，和優惠利率仍然過高，對經濟造成很大的障礙；但這些措施，顯示了政府對港幣、本港經濟的力量和香港前途的信心，是一項極適當的行動。閣下的施政報告，實而不華，而且能夠坐言起行，深得民心。

政府曾經三番四次的強調對公共事業的價格和本港內部產生的通貨膨脹並不算打算干預，管制或津貼。就香港的經濟活力和彈性而言，是可以理解的。不過，假若通貨膨脹劇烈和物價不斷上升，產生了惡性循環，極度影響民生時，則政府是必要干預的。政府的強化港元措施就是一個好的例子。它除了立竿見影，使港元回挺外，更能收降低物價的實際成效。本人深信香港的商界和市民將會以行動回應政府對港幣、香港經濟和社會結構的信心，調低物價和避免過份投機。

政府更應進一步以身作則，除了致力削減公營部門的成本和改善其經濟之外，更應暫時凍結公營事業任何增加服務收費的建議，使本港的公共事業亦效法，因為仰制公共事業增加服務收費和物價上漲是一般市民眾口一詞的要求。

政府就算沒有正面的對策，亦應多盡一點力量，協助消費者委員會增強消費者教育，鼓勵市民向消費者委員會或在各報章「讀者欄」中舉報提供有關囤積居奇或無理增加物價謀取暴利的事實，對仰制物價上升亦不失為一善策。此舉亦能以具體的事實，證明政府的施政方針和措施，均以市民的意願和期望為依歸。

督憲閣下，本人謹此陳辭，支持動議。

*(The following is the interpretation of what Mr. So said.)*

Sir, the Hong Kong dollar was extremely weak when you delivered your annual policy address to this Council early this month. Hong Kong's economy is beginning to fall into a vicious circle resulting in tremendous pressure on the general public, and the salaried classes are thus made to suffer at the hands of rising prices. Sir, in presenting the speech, you have underlined the maladies of

our time, pointing out that the Government will do all within its power to stabilize the exchange rate of the Hong Kong dollar to reflect the marked upturn in our economy. Such a move will also indirectly sustain people's confidence and check the price spiral, thus easing the hardships and anxieties that afflict the public. In spite of public apprehension over the talks on Hong Kong's future and the persistently high prime rate, which are posing major obstacles to our economy, the new monetary package introduced on October 17 to salvage the dollar is a step in the right direction because this, notwithstanding the technical problems involved, can be seen as a demonstration of the Government's confidence in our dollar, our economy and the future of Hong Kong. Sir, the speech you have made may not be elegant, but it is practical and realistic. As it shows your determination to match words with deeds, it has no doubt received wide public support.

The Government has, time and again, stressed that it does not intend to interfere with, control or subsidize public utility charges and domestically-generated inflation. This is understandable in view of the vigour and resilience of Hong Kong's economy. Galloping inflation and price rises would make it imperative, however, for the Government to intervene should they produce a vicious circle detrimental to the livelihood of the people. A good example can be found in the introduction of new measures by the Government to shore up the local currency. The new monetary arrangement has produced immediate results. Besides giving the flagging dollar a shot in the arm, the new package has succeeded in bringing prices down. It is my firm conviction that both the commercial community and the public would respond to the Government's show of faith in our dollar, our economy and the structure of our society by lowering commodity prices and refraining from excessive speculation.

Furthermore, as there is a united call from the public for action to be taken to stop utility charge increases and price rises, the Government should take the lead and set an example by not only reducing costs and improving productivity in the public sector but also temporarily freezing all increases in charges in the public sector. The public utilities in Hong Kong will then follow suit.

Even if the Government cannot introduce any positive measure, it should assist the Consumer Council to step up the education of consumers. It should also encourage people to report cases of hoarding and speculation as well as staggering price increases to the Consumer Council or the readers' column of the newspapers. This can be an effective way to check price escalation. It can also demonstrate that the Government's policies and actions are governed by the concern and aspirations of the people of Hong Kong.

Sir, with these observations, I support the motion.

MR. F. K. HU:—Sir, it is indeed heartening to have listened to Your Excellency's address, which in spite of the most difficult times we are in, is full of optimism and re-assurance. It contains statements which are positive and forward-looking setting out long term plans extending to the next century to

ensure stability and prosperity of this territory. I entirely agree with you, Sir, that if we wish others to have confidence in us, we should not lose confidence in ourselves and that patience, calm and determination are required of us to bring Hong Kong through difficult times. Hong Kong with its gifted and resilient population must not lose confidence in its own ability and flexibility to cope with changing situations. We have fully demonstrated our capability to do so in the past and will undoubtedly be able to do it again in the present circumstances.

Economic performance as reflected by a rapid recovery in our export industries in the current year has been shown to be better than that of most of our neighbours and therefore our dollar should have been even stronger than the current rate, if not for the anxieties and concerns of our people with the future of Hong Kong. We have been re-assured over and over again by both the United Kingdom and China that they are determined to maintain the stability and prosperity of Hong Kong. To achieve this aim Hong Kong must do its own part by getting on with the job in order to ensure success in a highly competitive world market and to assist China in her modernization programme.

### *Housing*

On the domestic front, I was glad to hear that social programmes are not being neglected and that the housing programme remains a high priority. The Housing Authority in the past 29 years of its history has been able to adapt its policy according to changing situations and I would suggest that we should take a fresh look at our long term public housing policy in all respects including establishment of a realistic ratio between rental housing and home ownership. This ratio should be under constant review with the emphasis on making available home ownership schemes to those who require them and at the same time are able to afford them. Due to limited resources, we only allow minimum three-member families to qualify for public housing but hopefully this can be extended over time to include two-member families, groups of singletons and eventually single persons individually. For our housing programme to succeed, we should eventually reduce the element of subsidy from public funds and generate sufficient surplus to finance future re-development and improvement schemes in all categories of public housing. I suggest that subject to review of long term housing policy, Government should give us an indication of what long term plans it has towards the total re-development of the old Mark I and II estates that remain in Hong Kong and also towards the improvement works that are considered necessary in other older estates.

The transit centres, temporary housing areas and squatter areas should be allowed to exist only as interim arrangements to long term housing policy. Such provisions should, however, be accepted as temporary arrangements and we cannot expect living and environmental conditions to be comparable to those in permanent housing. The overall policy remains to meet the requirements of the majority while offering reasonable flexibility in endeavouring to help in individual cases.

*Social welfare**Care for the elderly*

I now turn to the area of social welfare. Your Excellency made special mention of the care for the elderly. I would like to refer to the recent setting-up of a number of private and profit-making homes for the elderly and feel that there is a need to require these homes to comply with certain minimum standards in terms of requirements for health care, safety, means and supervisions. Eventually these minimum standards should be incorporated into legislation requiring the privately run homes to register along the lines of the Child Care Centres Ordinance. This is intended to provide minimum protection to those in care and not to discourage the setting up of these private and profit-making homes for which there is definitely a need.

*Social security*

Our social security programmes cater for those who are least able to care for themselves. These include public assistance, disability allowances, old age assistance etc. and the recipients are entirely dependent on the benefits and payments for their livelihood. It is important that we must ensure the purchasing power of every dollar they get. I understand that it was 16 months ago when the scales of payment were revised. I wish to urge Government to review these allowances again without delay as inflation has continued to rise since the last revision.

I would now mention another aspect of social security in a broader sense. By this, I am referring to a proposal to set up a compulsory contributory central provident fund scheme. I hope Government will re-consider the feasibility of such a scheme in the light of changing circumstances. The scheme to be funded by contributions from employees, employers and managed by Government would be available to provide additional assistance in emergencies and in the purchase of homes in the form of loans. Our aim is to provide improved benefits and better protection for employees to ensure dedication to work, without necessarily Government stepping in to help out whenever employers are in financial difficulties.

*Local administration*

On our present system of local administration, I welcome the suggestion to examine and review the existing arrangements and the organization of Government departments to give effect to the decisions of the Urban Council and the advice of District Boards. The Urban Council has been paying special attention to the District Boards which have better understanding and knowledge of the needs and interests of the local community and at the grass root level. However, channels of communication and opportunities for consultation between the two bodies still have room for improvement and should be established with a view to achieving better results in the provision of additional services and facilities and in the process of making future plans. In the area of recreation and culture, there is still some duplication of effort and

provision, resulting in a wastage of public funds and this is an area where some co-ordination and streamlining will be beneficial to the Urban Council, the District Boards and the Government departments.

Sir, with these remarks, I support the motion.

MR. WONG PO-YAN:—Sir, Your Excellency's address to this Council on 5th of this month is most timely and reassuring amidst the unfavourable situation prevailing in the past few weeks. If events had been allowed to run their course unchecked, the very foundation of our society might have been shaken. Your address has provided the much needed guidance and support to the population whose faith in Government should now be reaffirmed.

The bold measures and determined attitude adopted by the Government in the recent series of events during the past weeks clearly and irrevocably demonstrated the resolve of the Government to do its utmost to serve the best interest of Hong Kong.

The announcements by the Financial Secretary on Saturday, 15 October to remove the withholding tax on Hong Kong dollar denominated deposits and to link the Hong Kong dollar to the U.S. dollar are further proof of the assertive role assumed by the Government.

We can now reasonably expect a more stable exchange rate. While traders will be able to concentrate their efforts in conducting their business in the usual manner and project their interest on a longer term basis, industrialists too can make plans to increase productivity and perhaps, be more willing to invest in additional capital equipment.

Thence, the benefit Hong Kong can enjoy from the improvement in the economies of our major export markets as you, Sir, pointed out in paragraph 14 of your address, will increase substantially. The rate of inflation should be checked as the currency stabilizes.

Thence, the well-being of the people will be ensured as the danger of a price spiral, which can erode standard of living of the population at times of declining wage rate in real terms, is mitigated.

Nevertheless, we can hardly afford to be complacent as numerous disruptive forces still prevail.

It is imperative, therefore, that we learn from past experience: to examine in depth the cause and effect of what has happened; to evaluate the likely cost we have to bear; and to investigate what appropriate remedial action and precautionary measures should be taken in future to guard against the recurrence of such circumstances.

Taking a lead from Your Excellency's remark (para. 30) that 'the Government's role is to provide a favourable environment for both our industrialist entrepreneurs and our workforce' and 'to maintain and improve the legal and institutional framework within which the financial and allied services industries carry on business', (para. 19) I would like to speak on the following three aspects—

- (a) review of existing legislature relating to commercial activities;
- (b) the improvement of environment for industrial development; and
- (c) overseas representation.

*Review of existing legislature relating to commercial activities*

Paragraphs 19-24 of Your Excellency's speech clearly indicate Government's effort to improve the legal and institutional framework of Hong Kong which, no doubt, will have a far reaching effect on its financial and commercial sectors. In the last session, amendments to the Companies Ordinance, The Insurance Companies Ordinance and the Protection of Investors Ordinance have provided better regulation of our increasingly important financial and service industries. For the coming year, proposals to amend the ordinances governing banks and deposit-taking companies and the Companies (Amendment) Bill 1983 have been introduced. These regulatory efforts are directly effective on certain sectors of our economic activities only; and I wish to point to the need to look further afield into a comparatively minor but nonetheless important segment, that is—credit facilities existing between the traders themselves and the legislative framework regulating it.

The granting of credit among medium and small traders and manufacturing undertakings form an integral part of our daily economic activities and are supplementary to the operations of the financial institutions. They include credit in various forms of payment terms in commercial transaction, and are established practices between importers, manufacturers and exporters, distributors and retailers, and venders of raw materials and manufacturers. It should be noted that these established practices of credit granting are usually not secured and are without coverage of collateral security—as distinct from the practice of financial institutions. Thus, these creditors are extremely vulnerable to malpractice and default.

In the year 1982-83, a total number of 115 cases of bankruptcy and 239 cases of compulsory liquidations were registered, representing dramatic increase of 45.5% and 130% respectively over 1981-82. These figures are also the highest recorded in the past ten years. In these cases of business failures, the ultimate financial loss falls on investors and creditors. Furthermore, these are only the officially proven cases, and there are many more unrevealed cases that have not been brought to the hands of the Official Receiver.

It should not be forgotten, however, that these small private companies are vital links in our economy, accounting for a significant component of our gross domestic production. This type of trading credit is vital for their operation and the smooth functioning of our day-to-day economic activities. The amount and volume extended to these small private companies, taken in aggregation, must be very substantial. The danger of a credit contraction and the resultant chain effect on these small companies and the pace of our economic development cannot be overlooked.

Of course, entrepreneurs, manufacturers and traders owe it to themselves and to one another to follow the code of commercial morality and business ethics voluntarily, but it would not be realistic to assume that such code of practice would be observed conscientiously and vigilantly by each and every individual company especially in times of difficulty. Measures to restrain and sanction these ignorant and/or selfish behaviour are essential.

At this point, I must add that I am not advocating drastic or draconian measures to crack the nut with a sledgehammer. By and large, existing legislative framework provided under the Winding Up Rules and Bankruptcy Ordinance are comprehensive and, mostly sensible. What I suggest is that, perhaps the Law Reform Commission or the Administration could look into the area when it deems appropriate.

*Improvement of environment for industrial development*

I am heartened by the Government's sustained effort to provide the necessary infrastructure and manpower training essential for our industrial advancement and, in particular, the direct support to institutions for the furtherance of practical research. However, it would not be unjust to say that the manufacturing sector had been denied the proportionate allocation of resources during the prosperous years when other sectors were in more robust state, and were again deprived of its share of resources when other sectors were in less robust state.

This remark is made with particular reference to the exhibition centre project. At times of economic prosperity, the project was not accorded the necessary priority to get started because of the land cost involved; and at times of economic recession, the project was again not accorded the necessary priority to get started because of the problem of viability.

Since the project was first conceived, many years have elapsed and I hope this project will finally be realized as so many people have rightly expected.

Secondly, I am concerned about the effect of increases in cost of energy, including power and fuel which I mentioned in this Chamber some eighteen months ago.

Energy cost is a very important component of our production cost. Your Excellency is right in pointing out that the cost of electricity to the Hong Kong consumer, be it household or industrial, is among the lowest in Asia. Nonetheless, we should not be content, but aim for the lowest unit cost of electricity in Asian countries given that:

- (a) our two electricity companies are able to enjoy the favourable infrastructure and technological resources available to this territory which may not be available to the same extent to our Asian neighbours; and
- (b) coal-fired generating plant would gradually be brought into operation, thus achieving savings due to the fact that coal is a much cheaper fuel, compared with oil.

In the circumstances, I hope the two power companies would share my modest view, though the chances are indeed very remote; that electricity consumers in Hong Kong should not be considered 'greedy' when they press for lower tariff rates. This may entirely be feasible if our power companies do not try to utilize, to the maximum possible degree, provisions under the Scheme of Control on which regrettably, we could do nothing for the time being.

With regard to energy sources other than electricity, I believe the consumers of Hong Kong are entitled to have the same expectation.

*Overseas representation*

Despite the limitation of our resources, we have attained the enviable position of ranking 17th among the world's major trading nations in terms of exports in 1981. Mainly because of our economic achievement, we are constantly in the world focus and it is important, therefore, that an accurate image of Hong Kong is projected abroad.

It is indisputable that many happy and satisfied buyers and customers of Hong Kong made goods are poorly informed of our physical environment and existence, not to mention our socio-economic achievements.

Presently, the task falls on our various official and quasi-official representatives in major cities. These promotional efforts should be allotted higher priority to enable these offices to assume an active role in fostering a favourable environment conducive to better communication and closer co-operation in trade, economic and cultural matters.

*Conclusion*

Under the present unusual circumstances I am happy, Sir, to see that Government is looking ahead for many years to come in formulating our long term planning strategy. While Government is looking after the interests of this territory over a period much longer than what we are talking about every day, I expect that every one in Hong Kong would reaffirm his own confidence and work hard for our bright future.

With these remarks, I support the motion.

**Suspension of sitting**

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

*Suspended accordingly at twenty-two minutes to five o'clock.*