

OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 9 November 1988

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

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

THE HONOURABLE THE CHIEF SECRETARY

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

THE HONOURABLE THE FINANCIAL SECRETARY

MR. PIERS JACOBS, O.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL

MR. JEREMY FELL MATHEWS, J.P.

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

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

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

THE HONOURABLE MARIA TAM WAI-CHU, C.B.E., J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.

THE HONOURABLE CHAN YING-LUN, J.P.

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, O.B.E., J.P.

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

THE HONOURABLE CHENG HON-KWAN, J.P.

THE HONOURABLE CHUNG PUI-LAM

THE HONOURABLE HO SAI-CHU, M.B.E., J.P.

THE HONOURABLE HUI YIN-FAT

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

THE HONOURABLE DAVID LI KWOK-PO, J.P.

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

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

THE HONOURABLE POON CHI-FAI

PROF. THE HONOURABLE POON CHUNG-KWONG

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING

DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT

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

THE HONOURABLE GRAHAM BARNES, C.B.E., J.P.  
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.  
SECRETARY FOR TRANSPORT

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

THE HONOURABLE GEOFFREY THOMAS BARNES, J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE PETER TSAO KWANG-YUNG, C.P.M., J.P.  
SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION

THE HONOURABLE CHAU TAK-HAY, J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

THE HONOURABLE PAUL CHENG MING-FUN

THE HONOURABLE MICHAEL CHENG TAK-KIN, J.P.

THE HONOURABLE DAVID CHEUNG CHI-KONG, J.P.

THE HONOURABLE RONALD CHOW MEI-TAK

THE HONOURABLE MRS. NELLIE FONG WONG KUT-MAN, J.P.

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

THE HONOURABLE DANIEL LAM WAI-KEUNG, J.P.

THE HONOURABLE MRS. MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR. THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

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

THE HONOURABLE KINGSLEY SIT HO-YIN

THE HONOURABLE MRS. SO CHAU YIM-PING, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

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

THE HONOURABLE PETER WONG HONG-YUEN

ABSENT

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

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

THE HONOURABLE TAM YIU-CHUNG

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR. LAW KAM-SANG

Papers

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

Subject

L.N. No.

Subsidiary Legislation:

Public Health (Animals and Birds) Ordinance Dairies (Amendment) (No.2) Regulations 1988.....	290/88
Public Health (Animals and Birds) Ordinance Public Health (Animals and Birds) (Animal Traders) (Amendment) (No.2) Regulations 1988.....	291/88
Public Health (Animals and Birds) Ordinance Public Health (Animals and Birds) (Exhibitions) (Amendment) (No.2) Regulations 1988.....	292/88
Registration of Persons Ordinance Registration of Persons (Application for New Identity Cards) (No.8) Order 1988.....	293/88
Revised Edition of the Laws Ordinance 1965 Revised Edition of the Laws Correction of Error) (No.4) Order 1988.....	294/88
Prisons Ordinance Prisons (Amendment) Order 1988.....	295/88
Immigration Ordinance Immigration (Places of Detention) (Amendment)	

(No. 6) Order 1988.....  
296/88

Sessional Paper 1988-89:

No. 22 - Ocean Park Corporation Annual Report 1987/88

Other Papers:

Technical Memorandum on noise from construction work  
other than percussive piling

Technical Memorandum on noise from percussive piling

Technical Memorandum for the assessment of noise from  
places other than domestic premises, public places or  
construction sites

Members' Motions

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR. SZETO WAH moved the following motion:

"That the period referred to in section 34(2) of the Interpretation and General Clauses Ordinance for amending subsidiary legislation laid on the table of the Council be extended in relation to the following -

Film Censorship Regulations 1988

for a further period of 21 days until 30 November 1988."

He said: Sir, I move the motion standing in my name on the Order Paper.

The period referred to in Section 34(2) of the Interpretation and General Clauses Ordinance for amending subsidiary legislation laid on the table of the Council be extended in relation to the following -- Film Censorship Regulations 1988 for a further period of 21 days until 30 November 1988.

Question proposed.

SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION: Sir, the motion tabled by the Honourable SZETO Wah is, I understand, put forward in anticipation of possible comments on the Film Censorship Regulations which may be raised by the film distribution industry.

The Film Censorship Ordinance 1988 and the Film Censorship Regulations 1988 will come into force tomorrow. In anticipation of this event, many in the film industry have made commercial plans and dispositions and so, in order not to upset these plans, the Administration has decided not to seek to delay the coming into force of the Ordinance.

The film industry will experience some uncertainty, because of this delay given that this Council may be asked to consider changes to the regulations between now and 30 November.

I understand that such amendments, if any, will be proposed for the benefit of the film industry. I therefore assume that they will accept the uncertainty that might result.

Sir, on this assumption, I support the motion.

Question put and agreed to.

MOTION OF THANKS

MR. ALLEN LEE moved the following motion :

"That this Council thanks the Governor for his address."

MR. ALLEN LEE: Sir, I move that this Council thanks the Governor for his address.

Sir, your address to this Council this year covers a great variety of subjects. I am sure Members of this Council will express their opinions and put forward their suggestions during this two-day debate.

The 1985-88 Legislative Council Session has been our first Session with elected Members in this Council and I must say I have learnt a great deal during the past three years. Public awareness of the work of the Legislative Council has increased tremendously with daily reporting in our newspapers with regard to many different issues. The scope of the work of the Legislature has expanded considerably and I believe that Members find it hard not to devote more time in handling issues facing us. In my view, this is a healthy development. It is new to Hong Kong but I am confident that Members of this Council know their roles and responsibilities. During this transformation, it is inevitable that there will be a learning period. A period during which many of us may get frustrated either over issues or personalities. A period during which many of us may wonder why we are sacrificing and devoting so much of our time to public affairs. I have always maintained that what we do is for Hong Kong and for the people of Hong Kong. The community is looking for leadership. To be a leader is not for the name nor for the glory. It is a responsibility. The responsibility of decision making and being accountable for them. I therefore ask the Members of this Council to take up the leadership role. We must recognize that in the next few years, Hong Kong will face many challenges and changes.

How can we ensure that there will be a smooth transition? How can we maintain our economic performance and establish Hong Kong as an international city? To accomplish these tasks is definitely not an easy feat but we must meet the challenges. Therefore, leadership is of utmost importance. The people of Hong Kong will judge us by our performance. It takes great courage and tremendous dedication to serve and I believe that Members of this Council, whether elected or appointed, must give our people confidence in our ability to lead Hong Kong through the challenging years ahead. It is with the longer-term future in mind that I would like to speak on subjects I believe are of significance to Hong Kong and to the future of Hong Kong.

## Economy

First and foremost is our economy. Without a sound economy, Hong Kong's international position and reputation would be entirely different. Internally, all other programmes such as social welfare, medical services, law and order, education, transport, housing and so on would not progress at the pace that we would wish to. Therefore, to maintain our economic growth and to enhance our future, economic development must be the number one priority in our tasks ahead. I have noticed that the basis of our economy has begun to shift from depending heavily on our export performance to a much more service oriented economy.

This trend does not mean that our manufacturing industry has lost its importance but it is a fact that our manufacturing base has shifted to the Pearl River delta area with approximately 2 million workers there compared with the labour force of 850 000 in Hong Kong. The shifting of the manufacturing base is inevitable with China's open door policy and it offers a cheaper wage rate. Therefore, manufacturers have been taking advantage of this situation and started shifting production to the Mainland some four years ago. In my view, this is a good move. It gives us a competitive edge in the short term while providing our economy the opportunity to adjust. I would say that if our production had not shifted to the Mainland, we would be unable to compete in many of our products and we would not have experienced the economic growth we have had in the past few years.

In the longer term, I can envisage that there will be further movement of the production of more sophisticated products to the Mainland and Hong Kong's role as a production centre of light industrial goods will gradually be reduced in the future. Hong Kong has undoubtedly established itself as a financial centre, a service centre and a shipping and communications centre. We will see the growth in our tertiary services sector in the years to come. In face of this transformation, Hong Kong must prepare itself in manpower training and technology to cope with the new era ahead of us.

## Education

Sir, it is said that the only resource of Hong Kong is our people. Therefore, education and training our people is of great importance. I am glad to see that our Government is paying much attention in this area. This investment is expensive but we must provide as many places as possible for our young people in our universities

and polytechnics.

I have spoken often on education in this Council and I listened with enormous interest to the debate on the Education Commission Report No. 3. I agree with my colleagues that we should establish a common entry point for our tertiary education institutions and I prefer a credit unitary system for our institutions because it provides the flexibility. The credit unitary system is not new. It is easy to implement and I believe it would appeal to our young people.

We must also bear in mind that what we need is more supervisors and managers, sales and marketing specialists, technologists and professionals because if we are to succeed in the future development of Hong Kong, we will require these talents. Furthermore, I believe we will be depending much more on knowledge and management other than just manual labour.

There is much talk these days of a brain drain. Although it is true that many Hong Kong people have chosen to emigrate, we must think about those who have chosen Hong Kong as their home. We must invest in them. Human resources development is a slow process but this investment will definitely be paid off in the long run.

## Technology

Sir, I have stressed in the past that Hong Kong is behind our competitors in technology. It is becoming more evident now than ever that if we do not surge ahead and pay attention to technological development, we will be so far behind and we will not be able to catch up.

The establishment of the Committee on Science and Technology should only be the beginning. The problem that I see is what in fact can this committee do? Which department or branch of the Government is responsible for science and technology? My colleague, Professor POON, has his work cut out for him as chairman of this committee. Sir, there should be no argument from the Administration over the need of technology. I suggest that we establish a department of science and technology. I fail to understand the reluctance. Is it because of funding or is it because there is a lack of knowledge within Administration about technology? Can Hong Kong compete without technology? If we were going to lose to our competitors, what would be the effect on our future economic performance? What would be the future of Hong Kong? These questions need to be addressed and I hope by addressing them, I will be able

to catch the attention of the Administration.

## Environment

Sir, you have devoted 14 paragraphs of your address to environment. I agree entirely with you that as we continually make progress in our economic performance, we must make Hong Kong a pleasant place to live in. It is not only for our people but for the millions of visitors who come to Hong Kong. The environment has deteriorated which is partly due to our economic success and not enough attention being paid in the past to this subject. I am glad to hear that we are going to spend billion of dollars to improve our environment in the next 10 years. This subject is becoming so important that I suggest an environmental branch of the Government be established to tackle the problem. I am somewhat disappointed that there is no proposal of such an establishment. I am quite certain that this Council and the public at large will welcome such an establishment. I hope the Administration will consider the merits of such a proposal. It is certainly an important subject both in the short and long term.

## Wives and widows of ex-servicemen

Sir, during a recent OMELCO meeting, the subject of the British Government granting the wives and widows of ex-servicemen British passports came up. Many Members felt strongly that the British Government should grant these people British passports. After all, these are the wives and widows of Hong Kong's war heroes who fought and risked their lives for the British Government and there are not too many such persons alive. Sir, I agree with my colleagues. We urge the Hong Kong Government to make representation to the British Government to resolve this subject as soon as possible.

## Conclusion

Before closing, let me reiterate again that there will be many changes and challenges ahead. I have every confidence that Members of this Council will take up the leadership role of our community and face up to the challenges. There is no doubt that we will discuss issues openly and frankly. We want to see Hong Kong continue to grow and prosper. We must work together to tackle the problems confronting us and by working with the Administration, I am sure that we will be able

to achieve much for Hong Kong.

Sir, I beg to move.

Question proposed.

MR. CHEONG: Sir, in supporting the motion, I wish to thank not only for His Excellency's address but also for his courage and dedication in taking up the post of Chief Executive of this unique yet complex community of ours. The job is not easy nor is it enviable.

As we march towards 1997 and beyond, a lot of problems will need to be addressed. And in the interest of the people of Hong Kong we have to try our best to solve them. Our future, bright or otherwise, depends heavily on all of us -- whether we have a real sense of commitment to Hong Kong. I believe, Sir, that the executive branch, under the leadership of Your Excellency, and the Legislative Council, under the leadership of our Senior Member, will work closely together in the coming Session for Hong Kong's interest and for Hong Kong's interest alone.

Sir, with a view of looking beyond 1989, I would like to make some observations on the topics of the evolution of our system of government, our Civil Service, the problem of labour shortage, Vietnamese refugees and research and development (R&D).

First, the evolution of our system of government towards a representative model has been hailed by many as a positive step taken for our future. It certainly is a means towards meeting the stipulation of the Sino-British Joint Declaration that the legislature of the future Special Administrative Region will all be elected.

Yet, have we stopped to ask ourselves what corresponding changes we may need for the executive branch in order to keep in step with the objective of representative government -- namely, an open, responsive and responsible government.

There is no argument that we need an open, responsive and responsible government. It is not enough that the Government sees itself to be so. It is imperative that it is seen by those it governs to be so. And it is in this latter aspect that I have observed a gap between development of the legislature and the executive.

Sir, it would be wrong for me to say that there had been zero growth in this aspect

of the Government's conduct. Slowly, our executive-led administration is coming out of its cocoon to face the public, to be more openly accountable to them.

We have over the past few years seen more information being released, more explanation by the Government of its policies and more initiative to interact with the public by way of consultation.

The direction is right, but the pace of opening up, I must point out, is somewhat slow.

Information is provided, but this has not been forthcoming enough; explanations were given, but they had not been full enough; consultations were done, but these had not been thorough enough.

Defensiveness and impatience on the part of some officials still prevail. One area where this attitude manifests itself is some experience I have had with briefings by officials to legislators on issues where the officials might feel sensitive.

The need, Sir, for openness is all the more heightened by the introduction of elected Members of this legislature. Unlike their appointed counterparts, many of whom have graduated from the experience of working in the Government's advisory machinery, the elected Member's knowledge of Government's internal workings cannot be taken for granted. What used to be enough information, explanation and consultation may not be considered as enough due to lack of understanding or experience of the administrative system.

The guiding principle for the conduct of the Government in the way ahead, Sir, must be more open, more responsive and more responsible. Open so that the government policy making process and procedure are more easily scrutinizable; open so that government policies are properly explained with enough facts and figures to back up the rationale; open so that the community is fully apprised of the real difficulties and implications of the decisions. Responsible so that the interest of the community is given due consideration rather than mere lip service. Responsive so that whatever genuine and reasonable demands for allocation of resources are given objective and fair consideration.

In this respect, I am afraid much need to be thought about, reviewed and steps taken. The Government needs to come out of its old air-tight armour suit which might

serve well to fend off a few flaks but would also inhibit its fluid movement. It is now time to get rid of that stifling and clumsy outfit. This, perhaps, is one of the first issues for the "think tank" to do some good thinking- about.

A responsive and responsible government is a far-sighted government. It must not only be able to deal with the day-to-day short-term aspect of administration. It must also be able to sniff out problems well before they become too large to handle. The key, Sir, is to look long term.

Take the issue of labour shortage, 15 months ago, I have urged the Government to do an in-depth and long-term forecast of the labour force. What is the long-term impact on our economic growth prospects if we were to accept constraints on our human resources? What is the likely growth areas for our economy five years down the road? What can we see and what should be done in the next 10 years in order to maintain a viable economy in Hong Kong, so on and so forth. At the Industry Development Board, 12 months ago I said we need to analyse the manufacturing sector five to 10 years from now, its proper role in the economy, its role in contributing to the GDP and its role in providing employment opportunities.

Time has since quickly slipped by, and what had been done according to information provided amounted to no more than a few hours of discussions by Industry Development Board members -- dubbed as brain storming sessions. Further sessions were suggested and promised to be arranged yet to no avail. Bureaucratic inertia is evident here. If this is the case in other policy areas, there is certainly cause for concern.

In looking at the problem, we must not, however, lose sight of the human factor. While we are prodding the civil servants to do a better job, it would be unfair and unrealistic not to try to understand the problems they may have.

We must understand that they are just human beings and they are equally worried about their future. This may be particularly so with our top administrative officers, be they expatriates or locals. Many of these officers may be thinking seriously of taking out insurance policies in a few years' time or settling for good in wherever they fancy.

This frame of mind, plagued by uncertainty, hardly contributes to the long-term commitment necessary in dealing with the territory's long-term problems.

Would such negative frame of mind have influenced their judgement when they took views on policies that may have long-term effects on Hong Kong? Could there be a possibility that policy commitments which have longer-term effects get undue delay or even pushed aside? How to put the hearts of our civil servants at ease and hence stabilize the Civil Service is one of the burning questions to be addressed by all parties concerned, that is, China, Hong Kong and the United Kingdom.

I have gone to such length, Sir, to point out the possible predicament faced by our administrators because I recognize the fact that the Civil Service is the backbone of our future. Without a spirited and efficient Civil Service, whatever we do to the composition of the legislature will not automatically bring us stability and prosperity. We have spent far too much time debating just on the structure of this legislature. We should spend some time to think about what can be done to maintain the morale and the spirit of our civil servants. Sir, it is no good to kid ourselves to say that everything is fine. There are problems and we must face them and we must devise solutions. Both China and the United Kingdom must not for the reason of face or sovereignty protocol delay the need for collective wisdom on this particular issue.

Let me now turn to the problem of labour shortage, the Government has ruled out importing labour from outside Hong Kong. I urge that we should take a second look at the question.

Take the garment industry, my trade, for example: plants have been running at below 70 % capacity for the past couple of years; industrialists are pressed hard by protectionism; some even indicated that they may close down business because it has become no longer viable. If the situation is allowed to deteriorate, it could certainly jeopardize the viability of the biggest employer in this particular territory.

In ruling out labour import, the Government argued that this would intervene the normal adjustment process within the economy, that it would deny the workers of their share of benefit in good years, so on and so forth.

Such arguments, to a great extent, are true. But who is going to benefit from a dead industry in the long term? Diminishing job opportunities is certainly not good for our labour force.

The question to be, Sir, is one of striking a fine balance between the interests

of the industrialists and the workers while taking into consideration of other forces at play in the wider context of the economy.

How can we find a real solution without taking a serious look at the situation with the full backing of knowledge gained from in-depth studies? How can we find a long-term solution without getting all parties concerned to work it out rationally?

I am not saying that we should start importing 50 000 workers tomorrow. I am saying it would not be in the interest of the community as a whole if we simply brush aside the problem on the basis of some seemingly true yet superficial rationale and console ourselves that a problem brushed aside is a problem solved. Accordingly, Sir, I strongly urge the Government to set up immediately a working party comprising leaders from Government, business and labour sectors with a view to examining the problem in full and devising concrete proposals for further consideration that would be in the longer-term interest of the community's continued economic development.

Sir, on the issue of Vietnamese refugees, the unfortunate boat people problem is still very much with us. The change of policy a few months ago, much to the credit of the leadership of my honourable colleagues Mrs. Rita FAN and Mr. HUI Yin-fat, so far has provided assuring though temporary signs of relief. Yet, there still remains in Hong Kong under the closed camp policy more than 15 000 Vietnamese refugees. They have to be resettled and our sovereign stage, namely the United Kingdom, must not shirk her responsibility and commitment for the betterment of Hong Kong. It is high time that the United Kingdom did not just repeat these high sounding words but showed the world that she is compassionate enough to mean it. Over the years, the people of Hong Kong have been sympathetic to the United Kingdom's own predicaments over a whole host of other issues involving Hong Kong and I do not think I need to list them. We have been very understanding and have taken in a lot with hardly a murmur. Yet, on this issue of helping Hong Kong to resettle those unfortunate refugees, the United Kingdom's performance in the past five years has been dismal indeed. Factual records speak for themselves. From 1 January 1984 to 30 September 1988, the United States has taken 5 497 people; Canada has taken 5 958 people; Australia 2 548 whilst the United Kingdom a mere 88 in 1984, 44 in 1985, 474 in 1986, 156 in 1987 and 166 so far in 1988, that is, a grand total of 928 over four years and nine months. How can we blame the world for querying Hong Kong's sovereign state's sincerity in providing a meaningful help to find and implement solutions to this unfortunate problem? As the head of the Commonwealth, what answers can the United Kingdom provide to the world that she took a mere 18.7% of what Canada took and 36.5% of what Australia took over

a period of 57 months? What hope does Hong Kong have in trying to persuade other countries to help us more if our sovereign state continues to take such uncaring nonchalant attitude? Is it not high time that the United Kingdom started acting like a responsible sovereign state that cares for the well-being of the subjects under her rule? Sir, I am convinced His Excellency the Governor and the Administration have tried very hard on our behalf and we should all understand the difficulties faced by the Administration in Hong Kong. Yet may I respectfully request that our disappointment and sentiments be relayed to the United Kingdom Government. I personally do not think it unreasonable at all to ask a world power like the United Kingdom for a firm commitment to take in and resettle a minimum of 1 000 of these unfortunate people from Vietnam per annum for the next five years. This amounts only to 5 000 in five years and represents only one-third of the 15 000 refugees that have to be settled. If we can achieve this, it is then and only then that we have a faint hope of solving this problem in a meaningful way.

Finally, Sir, I would like to turn to the issue of research and development, the successful development of which would be crucial to our long-term well-being. In the past four decades, the Four Little Dragons in Asia, with hard work, ingenuity and a bit of luck, have achieved an economical miracle and become the envy of all developing nations. Now they are all facing the same challenge to transform from labour-intensive industries into technology-intensive ones in order to keep themselves in a competitive position despite their rising labour costs. Can they all make it?

This transformation depends on two critical factors: trained talents and research and development. Here I will examine the situation of research and development in the United States (one which everyone tries to emulate), China (known to be backward), and Taiwan (a competing dragon) compared with Hong Kong. It has two aspects, Sir, industrial research and development and university research. They are usually related and they all depend on the talents trained from undergraduate and graduate programmes in the universities.

Country	Population	College students	Total national R&D expenditure	per capita R&D US\$
USA	226 million	12 million	US\$ 100 billion	442

Taiwan	20 million	310 000	US\$ 1 billion	50
China	1.06 billion	2 million	US\$ 6 billion	6
Hong Kong	5.8 million	23 000	There is no reliable statistics but believed to be pitifully small in relation to national R & D expenditure.	

On per capita basis, Sir, Taiwan is one-eighth of the United States and China is one-eighth of Taiwan although its per capita income or GNP is very much much lower. Figures for Hong Kong are not known, it is likely because it is so small that few people pay any attention to it despite the fact that its per capita income and GNP is higher than Taiwan, and much much higher than China!

Sir, will Hong Kong be able to compete with Taiwan in the next decade in this challenge? Does Hong Kong have enough trained talents to do the research and enough research and development to provide new technology? How long can Hong Kong continue to stay ahead of China if the situation continues?

This situation is compounded by the fact that we are facing an era of information explosion. Technological advance nowadays is estimated to double every five to six years. The moment a person stops moving ahead, it becomes obsolete in a few years. The same is true with a nation or territory.

Research and development and university research are no doubt expensive, but they have proven to provide a future for a nation in the past. They provide a continuous flow of new products to compete with other nations. By not investing in research and development adequately, Hong Kong is closing out some important options for our future. What needs to be done and what can be done? Allow me to offer some food for thought.

1. Tertiary institutions must in themselves try to increase public awareness and, through interaction with the community, promote understanding of the relationship between research and development and university research and their future economic well-being.
2. The Government must try to understand that research and development is not a luxury; it is a livelihood for our future.
3. Let us start compiling official statistics on research and development and research in and out of Hong Kong so that we can gain better understanding of this project.
4. Research and development in university certainly cannot start without meaningful Government support. Government must consider drastically increasing the funding for research in the universities especially those institutions that have a slant towards technology and management.
5. To be cost-effective, the support must be on a highly selective basis. Absolute parity amongst various institutions could create mediocrity. Furthermore, selection should be judged on the relevance and potential to Hong Kong, track record of the researchers, and the role it plays in training talents for the next generation.
6. Finally, the goal to establish Hong Kong University of Science and Technology as a world class university providing impetus for our future is a laudable one. And here I must declare interest that I am a council member of that institution. It is a giant step in the right direction. But means must be provided to allow this quantum jump possible. One cannot expect a car to perform without the adequate supply of fuel. You cannot buy a race horse at the price of a work horse.

Hong Kong, Sir, is uniquely poor in natural resources while rich in human resources. Only through high quality research and development will Hong Kong be able to utilize its human talents to maintain its economic position in the modern world. Just imagine, if we have biotechnologists to apply transgenic techniques on new species of fish to utilize the vast ocean around Hong Kong to provide inexpensive, nutritious as well as delicious fish. Or means are found to utilize the millions of tons of ash produced by the coal-fired power plants to make better cement, solving two problems at the same time. Or to find new composite materials to construct stronger, lighter buildings faster, thus cheaper. Or advances in information technology through new hardware and software to facilitate Hong Kong to become the

finance and information centre of the entire Pacific Rim. The possibilities are unlimited, but bold calculated steps are needed. We have to invest in our future. We have to move forward.

I support the motion.

MR. CHEUNG YAN-LUNG (in Cantonese): Sir, first of all, I am pleased to note in your policy address that the Government has attached great importance to culture, recreation and sports which contribute to the quality of life of our community. I also agree that to raise the standards of our cultural, recreational and sports pursuits, we must first improve our facilities in these fields and maximize the opportunities for people to take part in these activities. All along the two municipal councils have been working very hard as well as making improvements in these areas. With growing public interest in culture, recreation and sports, many new bodies and voluntary organizations have been established for the purpose of promoting various cultural, recreational and sports activities which are beneficial to the development of our community. Obviously, it is very important and indeed essential that overall co-ordination and comprehensive planning at the central level should be initiated if the potentials in various sectors are to be developed further. Sir, you mentioned in your speech that an organizational change at top level will take place. A new policy branch responsible for sports, recreation and culture, entertainment and broadcasting will be set up to take over the functions of the present Municipal Services Branch in these fields. The main purpose of this organizational change is to ensure that the activities of various voluntary organizations in sports and culture are well co-ordinated. Being a member of the Regional Council, I feel that it is gratifying and encouraging to know that this new branch, under a Secretary for recreation and culture, at the central level is to be created to ensure that the public will have wider choice and better facilities in their leisure time pursuits. It is true that organizational change, re-allocation of responsibilities, re-grouping of functions and corresponding adjustments to cope with the change of times within the Administration are sometimes unavoidable. Nevertheless, looking back at the development of our central government in the past decade, it is noted that the number of policy branches in the Government Secretariat has been on the increase since 1973 when recommendations in the McKinsey Report were implemented. The intention of the McKinsey Report is to make possible the co-ordination of government policy on an inter-departmental basis by means of a small number of branch Secretaries. It serves the purpose of expediting decision-making procedures on one hand and bringing

government polices into line with resources available on the other. The policy branches have been increased from the original six to 16 at the moment. The size of the central policy making structure is inflating. I deem it necessary to remind the Government about this inflationary trend. The Government should review the overall impact on the operation and efficiency of our administration whenever additional policy branches have been created.

Sir, I have discussed the contents of your speech with my colleagues in the Regional Council with a view to drawing on collective wisdom for useful advice. I hope to reflect their views in this debate today. We are deeply concerned about the dissolution of the Municipal Services Branch and feel that the Government should clarify the following points:

1. In what way will the responsibilities on culture, recreation and sports be defined between this new policy branch and the two municipal councils?
2. What sort of arrangements will be made for the taking over of the responsibilities relating to food hygiene, control of imported food, slaughtering services, hawker policy and so on, which are presently undertaken by the Municipal Services Branch?
3. At present the Municipal Services Branch is responsible for the staff management of the Urban Services and Regional Services departments which includes appointment, promotion, deployment, training and matters relating to the structure of various relevant grades. In future which policy branch will take over these responsibilities?
4. On matters concerning the two municipal councils such as the review of the political system and financial arrangements, the Municipal Services Branch also plays a co-ordinating role. Which policy branch will take over this role?
5. Will the Government give the Regional Council full consultation via the Municipal Services Branch or the new policy branch on the relationship between the proposed council for sports and the Regional Council on matters such as the management of sports ground and the division of responsibilities?

The above queries stem from the fact that the Government has not disclosed the criteria and rationale behind the reorganization of the branch Secretaries. The worries expressed by my colleagues in the Regional Council are therefore

understandable.

As regards the administrative support for environmental protection, during the debate in this Council on 5 November 1986, I proposed that the Environmental Protection Department should be put under the charge of the Lands and Works Branch. The intention at that time was to enable a better co-ordination between the Environmental Protection Department and the other departments under the aforesaid branch. It was hoped that with advice by experts, environmental protection, town planning and other related projects could be co-ordinated and we could start at the infrastructural facilities to protect and improve our environment. Now the Government has taken a further step by establishing a new policy branch which will be specifically responsible for planning and environmental protection and has also re-grouped some of the functions presently carried out by the Lands and Works Branch. This is good news to those who are concerned with environmental protection. It can be seen that due attention has been given to environmental protection at the central policy level. We welcome the proposal by the Government to set up a new environmental branch and have high hopes on its effectiveness in protecting the environment of Hong Kong. However, I must again urge the Government to ensure that such a reorganization is made on the basis of a thorough review. Consideration should be given to proper distribution of responsibilities, better administrative efficiency and cost-effectiveness in the utilization of resources.

Sir, you have devoted a good deal of time in your policy address to explain the various measures to be taken by the Government to protect our environment against pollution. We are pleased to learn that the Administration has decided to spend about \$10 billion for the construction of sewage collection, treatment and disposal facilities in the next 10 years. We particularly welcome the establishment of a drainage services department which will improve water quality by developing a master plan for sewage disposal. It is always easy to pollute our environment but to improve it will need tremendous effort. We feel that the Government should do more in protecting our environment against pollution in order to avoid spending even more public money tackling an already polluted environment at a later stage.

The successful implementation of environmental protection programmes requires central co-ordination, implementation at district level, legislative measures by the Government and the co-operation of the community. Failing any of these factors, endeavours in environmental protection will certainly flag. We would also like to make some comments on the question of noise control. While the scope of control spelt

out in the Noise Control Ordinance has been expanded, the stringent standards of control have apparently been relaxed due to objections from the industrial and commercial sectors. Noise levels were originally set out in the Technical Memoranda. In 1986, the Government consulted the then Provisional Regional Council and we were satisfied with the stringent standards contained therein. However, the Technical Memoranda have recently been amended and approved by the Executive Council. The standards of noise control have been relaxed without further public consultation. May I remind the Administration that a reasonable standard of noise control can be worked out only after full consultation has been conducted. It should not be set too high or else the factory operators, especially the small operators will find it hard to comply with. Nor should it be set too low to serve any purpose. I wonder whether the Government will consider inviting and providing financial assistance to the Hong Kong Productivity Centre or relevant departments of the tertiary institutions to pursue studies on some low-cost measures which can reduce pollution. In doing so our industrial and commercial sectors can, within their means, play a part in the protection against pollution. It is hoped that in a spirit of co-operation and self-discipline, they can work together to reduce industrial pollution to an acceptable level.

As for waste disposal, the provision of huge landfill sites is indeed an effective measure which "kills two birds with one stone" and deserves our support. Nevertheless, the Government must be fully aware of the anxiety of the residents in the New Territories, especially those living near the landfill sites, about the possible environmental pollution caused by these landfill sites and the worries of the farmers over the possible blockage of their irrigation channels. The authorities concerned should give full consideration to the livelihood of the residents nearby and take adequate preventive measures against pollution such as the emission of foul smell, dust and noise nuisance caused by traffic.

The success of environmental protection depends largely on the Government's awareness of environmental protection. Much can be accomplished by a centralized environmental protection branch if the Government recognizes the importance of environmental protection and its priority in town planning.

For many years, we have made use of every opportunity to express our view about the slow pace of rural development in the New Territories. It was hoped that in carrying out ambitious development projects for our new towns, the Government should also upgrade facilities in the rural areas to a reasonable level. It is regrettable

that the Government has concentrated its efforts on the developments in the new towns and overlooked the provision of additional sewerage, drainage and flood control facilities in the rural areas. As a result, flooding in the low-lying regions in the rural areas has become more and more serious during rainy seasons. Consequently, not only the agricultural and fishery industries and the livestock farmers suffer losses, the daily lives of the residents are also affected. I urge the authorities concerned to pay particular attention to the problem of flooding in the New Territories and to improve the living conditions in the rural areas when they draw up overall plans for the rural areas.

Regarding the idea of setting up a think tank, I think that the creation of a Central Policy Unit is a good proposal. My colleagues in the Regional Council have no doubt about the effectiveness of such a body. But they think that the Government should clear up some points before proceeding with the proposal.

Firstly, the role of the think tank is to examine difficult policy issues from a wider perspective, review thoroughly the priorities and policy proposals and assess the various potential effects by adopting a "multi-discipline" approach, so as to complement the "narrow" outlook of the policy branches and play its part in monitoring public expenditure. To achieve the desired effect, the composition of the think tank is of fundamental importance. It may model itself on similar organization in the United Kingdom and comprises 15 to 20 members including professionals, professors, technological personnel and so on. They should have a wide range of knowledge and a deep understanding of how the Government works. With their wisdom in politics, their ability to analyse government policies in an objective and scientific manner and their ready knowledge of the relevant data, they will be most helpful in decision making.

Secondly, the think tank must be accepted and supported by government officials. It should not act high-handedly just because it is directly responsible to the highest echelon. The think tank is equivalent to a group of advisers to the Government. Its members must act rationally and make contributions by providing the Government with an abundant amount of data and information, instead of overstepping their authority by intruding into the responsibilities of other policy branches or even go so far as to become a "super-secretary". Otherwise, it will fail in its role and become a group of "good-for-nothing genius".

We are extremely concerned about possible conflicts of the future think tank with

the Executive Council and various branch Secretaries in areas of responsibilities and functions. We are particularly worried that if its duties are not well-defined, "clashes may arise" and it may even become a "nominal" body.

Finally, the Government should note that the think tank should not be used as a means to shirk responsibilities or an insulator against politics.

As for the think tank system in the United Kingdom, the original intention was good. However, due to the various problems mentioned above, it was eventually dissolved. Our Government should take the warning. If the Government learns from others' experience and handles the matter appropriately, our think tank will be able to help the Government to keep pace with Hong Kong's development on its way towards high technology. This is an initiative worthy of our support.

Sir, with these remarks, I support the motion.

MISS TAM (in Cantonese): Sir, during the year from your first policy address on 8 October 1987 to the second policy address this year, you made eight trips to Britain and China for talks on the future of Hong Kong. To foster Hong Kong's trade development, you visited the United States, Japan, the European countries and China on four missions to promote trade. During the trips to Beijing in late October this year, you managed to make good arrangements for the political development of Hong Kong before and after 1997 and for smooth transition in 1997. Within a short span of one year, much has been done through both diplomatic approaches and domestic measures. The buoyant economy and steady development in today's Hong Kong are the result of no easy efforts. I should like to pay tribute to you and your capable assistants.

You are fully aware of Hong Kong's favourable geographical position and continuous efforts have been made in developing our infrastructure projects and transport network so as to take full advantage of Hong Kong's role as the gateway to China and to strengthen ourselves to meet challenges of the future. In 1987-88 the Government spent \$1.6 billion on new roads. This year the amount has been increased to \$1.9 billion. Last year, I spoke mainly on how to sustain our large road network by opening up new sources of income and cutting down expenses and the need to ascertain the role of the Government and that of the private sector. This year I think I should stress on evaluating the exact cost-effectiveness of the present transport system and make a proper assessment in this respect.

The density of traffic in Hong Kong is rarely found in the rest of the world. At present the total number of registered vehicles in Hong Kong is approximately 320 000 while the total length of roads is only 1 400 km, including 388 km on Hong Kong Island, 364 km in Kowloon and 643 km in the New Territories. On Hong Kong Island, Route 7 cannot be built before the completion of reclamation works along the northern shore of Central District and Wan Chai. Similarly in Kowloon, Routes 2 and 3 cannot start until the completion of reclamation works in west Kowloon and Hung Hom. This means that in the coming years, the construction of trunk routes can only be carried out in the New Territories.

From 8 am to 9 am in the morning, the total number of vehicles heading for Central District on Hong Kong Island is 5 250 while during the same period, the number of vehicles heading for Kowloon adds up to 9 840. According to the estimate made by the MVA in early October this year, the financial loss directly incurred by traffic congestion at both ends of the Cross Harbour Tunnel amounts to \$400 million every year and the annual financial loss directly attributable to traffic congestion at the Lion Rock Tunnel also amounts to \$100 million.

All ways are jammed: who should be responsible for delays of road repairing works?

"Hong Kong itself is a big construction site". It is a common scene that road construction, road repairing works and maintenance works undertaken by public utilities companies are carried out concurrently, preventing the public from using the road surface. In addition, we often find many idle work sites enclosed by guard rails with not a single worker in sight. The roads are thus obstructed for an even longer period.

At present, the Highways Department has 50 projects in hand. This figure does not include the projects undertaken by the Territory Development Department. There are an average of 1 400 road-work projects and public utilities maintenance works in progress every day. No wonder our road surface is always turned up. The number of excavation works has increased from 24 164 in 1983-84 to 30 771 in 1987-88.

Under the Crown Land Ordinance (Cap. 28), any person who intends to make an excavation in unleased land for maintenance is required to obtain a permit before starting work and reinstate the road surface thereon afterwards.

These procedures have recently been discussed in the Council during question time.

It is stipulated in the contracts between the Hong Kong Government and the contractors employed for road maintenance or construction that the contractors should be obliged to pay liquidated damages according to pre-estimates for any delay in the completion of the works.

However, it is not provided by law that the contractors employed by public utilities companies should be fined or held liable for the damages if there is any delay in the completion of maintenance works which require excavation. At present, it seems that in case of such a delay, the contractor is only required to apply for a renewal of the permit at no extra cost. I think that the Government should consider requiring the public utilities companies to make compensation to the Government when such situation arises. The public utilities companies should then reclaim the same from their contractors instead of regarding the compensation as part of their operating cost or expenditure.

Good planning before the actual implementation of any excavation works will surely help avoid undue delays in the completion of works and reduce disruption to the traffic. Recently Kwun Tong District Board requested that the construction of the approach roads to the Eastern Harbour Crossing should be carried out in the night time. However the request was not accepted.

In 1987, the whole length of the road surface of the Golden Gate Bridge near San Francisco had to be repaved. The Golden Gate Bridge was the only bridge linking San Francisco proper with the northern part of the city. The daily number of people and vehicles using it were then about 150 000 and 120 000 respectively. After careful planning by the engineers, lanes for use were closed reducing by phases from 8 pm every night and all six lanes were reopened at 5.30 am every morning. The contractor would be fined at the rate of US\$100 per minute for any delay. Under this pressure, all 747 sections of road surface were repaved in 600 days. The traffic on the bridge was not disrupted throughout the work period. The contractor was awarded for his outstanding performance in civil engineering works because of his detailed planning in advance.

The Road Openings Co-ordinating Committee set up by the Government should request the public utilities companies to provide information on the schedules of their maintenance projects, how they are designed to alleviate traffic congestion and whether the works can be carried out at night as well as to make an estimate on the time required. When an excavation permit is issued, the Government should set down

provisions regarding the date of completion and specific rules governing fine for delay. With these provisions, the contractor will make an effort to comply with the terms of the contract. I hope that the Government would give serious consideration to this suggestion.

Public transport and private vehicles: which should be accorded higher priority?

There will be a thorough study on ways to transform the existing pattern of traffic flow and alleviate traffic congestion during the second Comprehensive Transport Study. This issue should be handled without delay.

According to statistics obtained at the end of 1987, the franchised buses carried 3 860 000 passengers a day, that is, each franchised bus carried about 995 passengers a day. The total number of 14-seat maxicabs and red minibuses in Hong Kong is 4 350, carrying approximately 1.5 million passengers a day (that is, each carrying a daily average of 344 passengers). There are about 17 038 urban and New Territories taxis, with about 1.2 million passengers using their services daily, that is, each carries 71 passengers a day (in terms of carrying capacity, 1 206 buses can take the place of 17 038 taxis).

By quoting these simple figures, I hope to establish that having regard to our traffic congestion problem and limited road surface, the priority of franchised buses in using the road surface should be confirmed. In addition, the number of taxis is already five times that of franchised buses and their rate of using road surfaces is seven times that of private cars. In view of these facts, the Executive Council passed an amendment to the legislation in mid-1988, revising the statutory number of taxi licences to be issued this year from the 200 to "not more than 200". I hope that when determining the number of licences to be issued, the Government will take into account the actual need and possible adverse long-term effects.

Problems left over by history: laissez-faire policy or control

The policy of issuing new taxi licences to tenderers who make the highest bid may lead to speculative activities, resulting in higher prices for taxi licences. This situation should be improved. Transport Advisory Committee has proposed to introduce legislation to prohibit the transfer of new taxi licences within the first six months. I am aware that this proposal cannot eliminate the adverse effects caused by speculative activities. The Government and Transport Advisory Committee will look

for better ways to regulate the situation.

Another problem left over by history is the red minibuses. This mode of transport first came into use during the riot in the 1960s and was formally legalized in 1969. The public light bus (PLB) operators are free to alter the fares. Many of the routes they operate are still along trunk roads in direct competition with franchised buses. Since the introduction of maxicab services in 1972, only 1 200 PLBs have opted to convert themselves into maxicabs, which means there are 3 150 red minibuses still in operation.

We must first make sure if a reduction in the number of red minibuses can alleviate traffic congestion. From the information and comments I received recently concerning the request for increasing the seating capacity of PLBs, I am certain that a reduction in the number of red minibuses can help improve traffic circulation. The Government's policy is to encourage the PLB operators to convert to scheduled services in the form of maxicabs.

I think that it is difficult to achieve this goal by encouragement alone. Any change in a long-standing policy relating to the traditional occupation of a small group of people should be handled with flexibility. A case in point is the reduction in the number of cooked-food stall licences issued by the Urban Council. Since we are dealing with 3 150 vehicles only, we should be able to help them convert to other transport services readily. For instance, the affected operators may be given certain but not absolute priority in the maxicab service tendering exercises, or reasonable arrangements may be made for red minibus operators to exchange their licences for taxi licences when licences for New Territories taxis are issued.

The problem left over by history may be solved sooner in this way.

Making use of the carrying capacity of public transport: to find new means or to regulate the commuters' demand

Between 8 am to 9 am in the morning, the frequency of Mass Transit Railway trains is increased by 23 trips. The total value of the Mass Transit Railway trains mobilized amounts to \$1 380 million and the operating cost increases by \$25 million a year. The number of Kowloon Motor Bus buses in operation during peak hours is 476, representing about 16% to 17% of the Kowloon Motor Bus bus fleet. This is equivalent to about \$500 million fixed investment on top of an annual additional operating cost

of \$25 million (the figures are provided by the MVA). If the demand for public transport is met by increased services only, it will take time and require a large amount of new investment. The public will eventually have to shoulder the cost and pay high fares (the investment in the route linking Mass Transit Railway with Junk Bay is estimated to be \$10 billion and the investment required by the route linking Yau Ma Tei with Hong Kong Island is estimated to be in the region of \$6 billion to \$7 billion).

(According to the estimation of the MVA, the KMB would be able to save \$233 million in fixed investment and \$116 million in operating cost only if the company could cut the number of its operating buses by 10% during peak hours, which would mean 233 buses in real terms.)

The introduction of a surcharge fare by the MTR with a view to discouraging demand of its service during peak hours has greatly antagonized the general public. To show its willingness in accepting good advice, MTR has afterwards taken the initiative to offer a concessionary fare for the morning period before rush hours, thus extending the length of its rush hour period as an alternative to reduce the demand of its service during peak hours. The implementation of this experimental scheme is a correct move in achieving better traffic management and maximizing the use of available carrying capacity -- a means to regulate the commuters' demand.

I hold the view that active promotion of the flexi-time or staggered hours system will help us make the maximum use of the carrying capacity of our transport services. I am greatly delighted to learn that the Government is contemplating a new arrangement to re-set the existing 9.30 am to 4.30 pm core hours to a new time frame between 10.00 am and 4.00 pm. This change will greatly boost the effect of this system.

(Practical experiences in America and Germany have confirmed that the flexi-time or staggered hours system is effective in lowering absence and leave rate. It is particularly convenient to working couples who have to see their children to schools in the morning. This system is widely adopted by government departments in Australia, America, Germany, France and Canada.)

The Government has undertaken to explore ways to encourage wider application of this flexi time or staggered hours system in the private sector. I am anxious to know the progress of this work.

On the other hand, MTR, KCR and the franchised bus companies have registered an average of 20% spare capacity in the vehicles travelling away from urban areas. The Government should therefore relocate as many of its offices as possible from town centre to outskirt districts like Tsuen Wan and the southern part of Hong Kong Island. Of course, these should be offices which need not have frequent contacts with members of the public. This reprovision exercise would enable some government offices to evacuate from expensive commercial spaces in the town centre like those along Harbour Road and in the northern part of Wan Chai to places where rents are relatively low. Besides, it will activate the development of outskirt areas and help us make full use of the existing space capacity of our transport services. I hope that the Metroplan, which is now being prepared, will not overlook the constraints of our transport capacity.

Expansion or contraction: competition between new and old modes of transport

Our need to increase carrying capacity, reduce environment pollution and obtain the best long-term economic benefits has made the fixed track our favourite option of the day in commuter service. The trunk route linking the north-western part of the New Territories with the urban area will require enormous investment. The two railway companies have already studied the three types of fixed tracks for option, namely the light rail system, the mass transit rail system and the Kowloon-Canton railway system.

As the light rail system has started its commercial operation for no more than three months, it is premature to draw any conclusion on its effectiveness at this stage. However, a few noticeable drawbacks are worthy of note. There are too many interfaces with other roads along the track. The distance between stations is too short and the provision of feeder and supporting services far from adequate. These are factors that have prevented the light rail system from giving full play to its function as a swift and convenient mode of transport. I do not hope to see any recurrence of these drawbacks on the existing trunk routes within north-western New Territories or on future trunk routes linking that part of the New Territories with other districts.

The residents in Tuen Mun and Yuen Long are aggrieved by the segregated scheme in the Light Rail Transit Service Area which has made travelling a really "painstaking" job at this stage when the light rail system has not yet fully developed its side routes.

In choosing the suitable type of fixed tracks for the proposed main railway line linking the north-western part of the New Territories with the urban area, I consider it necessary to take our long-term plans and strategies into consideration. In the face of the ever-increasing cargo traffic between China and Hong Kong, we cannot rule out the possible need for another Kowloon-Canton Railway route in addition to the existing railway line linking Lo Wu and Hung Hom. This additional route may start from the eastern part of the New Territories and cut diagonally across the heart of the New Territories to its western part before it joins the light rail system at an appropriate point and extends further to link Tsuen Wan with the Kwai Chung Terminal. Of course, serious and careful consideration will be required before we can determine the best alignment of the route, the most suitable joining point and whether it will be possible to develop the land along the route. The Kowloon-Canton Railway which provides effective passenger and cargo services can in no way be replaced by the franchised buses. The light rail system and mass transit rail system are, however, only capable of providing passenger services. Hence, they can be substituted by the franchised buses. Besides, the introduction of another new light railway transit and mass transit railway route would certainly give rise to fresh competition between the old and new modes of transport. I hope that our final choice for this additional route will take into account various factors including our long-term strategies on land and transport developments.

Transport system financed by public funds: which should be accorded higher priority, the interest of the share-holders or the interest of the public?

Being financed by public fund, the two railway companies in Hong Kong are obliged to operate on prudent commercial principles. Apart from their boards of directors, these companies are only required by legislation (Cap. 372 and Cap. 270) to respect requests or directives made by the Governor in Council, the Chief Secretary or the Financial Secretary.

The Kowloon-Canton Railway legislation provides that the railway company shall operate effective, economic and safe services having regard to the reasonable requirements of the public transport system of Hong Kong. The operation of the two railway companies does not come under the ambit of the Transport Advisory Committee. The OMELCO Standing Panel on Transport can, however, initiate any study or express any views on issues concerning the operation of these companies. Nevertheless, these companies are not obliged to give heed to the advice of the OMELCO standing panel.

As the power to issue executive directive by the Governor and the power of the Legislative Council to set up a special committee under the Legislative Council (Powers and Privileges) Ordinance are seldom exercised, we can say that the two companies are, in actual fact, only subject to the control of their boards of directors.

In the past year, both railway companies had their unhappy moments with the general public over fare issues. Fortunately, their boards of directors reacted positively to constructive views by improving their proposed fare structures. The management of the Light Railway Transit has been showing good responses to improvement proposals on safety facilities.

I believe that it is the duty of those officials who sit on the board of directors by appointment of the Governor to advise the board on matters relating to government policies. As for those appointed directors who are not government officials, there should be provisions in the statute law to give them the necessary power and responsibilities so as to put them in an appropriate position to look after the interest of the public.

At present, the sole proprietor of these two companies is the Hong Kong Government and not the private share-holders. It is against this background that I make the above proposal. It is not necessary for us to confine the statutory responsibilities of the directors to those provided for by the common law, which only requires them to act in the interest of the share-holders. Thus, the proposed provisions are needed and should not be removed until and unless these railway companies have become listed companies. With the status of a listed companies, they will then come under the ambit of the Transport Advisory Committee and be subject to the regulating effect of the Profit Control Scheme as in the case of the franchised bus companies.

Of course, I am conscious that all serving directors of these two companies are concerned about the interest of the public. Given them legislative support provided for by the statute law, they will be able to expand the scope of their consideration to cover views and proposals from outside the board. Furthermore, they will be able to make quicker and more appropriate responses. This will help ease off unnecessary confrontations and clear the accusation that these two railway companies are free from any form of control by the Government, the Transport Advisory Committee or the OMELCO Standing Panel on Transport.

Pier re-development: whose responsibility is it, the Government's or the inventors'?

In contrast to our world-renowned harbour, most of its 33 ferry piers are old, dilapidated and overcrowded. Despite the unceasing expansion of our ferry services in the past 10 years, no corresponding improvement has been made in the berthing facilities within the Victoria Harbour. Last year, I had expressed my concern about the worrying situation caused by the reclamation projects which would probably lead to a continuous exercise of re-developing and reprovisioning of our ferry piers on either side of the harbour until 1996.

I feel that the trans-district reclamation project in Central and Wan Chai will be of great help to the development of our community in many ways. It is apparent to us all that this project will provide the necessary road surface space for Route 7, alleviate traffic congestion, yield more commercial land for development and prompt the revitalization of certain major ferry piers. It is certainly the responsibility of the Government to expedite this reclamation project.

Promotion of ferry services will probably have a catalytic effect on the economic and property development activities in the outlying islands. It will also help the "sandwiched class" solve their housing problem. Land price in Hong Kong Island and Kowloon is too costly for the young professionals including those who have all along been working in Hong Kong and those who have emigrated to other countries but are thinking of returning. They can hardly find a quiet living place for an affordable price in Hong Kong Island or Kowloon. Consequently, more and more professionals of the new generation have moved their families to Ping Chau, Cheung Chau and Lantau Island. They make their daily trips between home and office by ferry and thus do not have to worry about traffic congestion. However, the greatest problem is that existing piers on both Hong Kong and Kowloon sides have hardly any berthing facilities to spare for further expansion of ferry services. While the Government has no responsibility to assist private investors in making profits, it certainly should take an active role in seeking sites for more ferry piers and encouraging private investors to re-develop old piers if this would boom development activities in the outlying islands. As our traffic congestion problem is becoming more and more serious, we have a well justified case for greater efforts in developing sea transport and establishing more efficient transport links between the urban areas and the outlying islands.

The Second Comprehensive Transport Study: balance between individual and overall interests.

The crux of the transport problem always lies in the conflict between individual and overall interests. Those who are responsible for the final decisions, including my colleagues in this Council, are entrusted with one common responsibility which is to find a workable way to strike a balance between individual and overall interests and try their best not to hand over any unsettled problems to our successors. It is my hope that all participants in the discussions on this Green Paper -- the Second Comprehensive Transport Study, be they Council Members, affected operators, critics or members of pressure groups, will be able to help us find out an answer to this problem.

Sir, with these remarks, I support the motion.

DR. IP: Sir, I welcome the new policies you have outlined at the opening of this Legislative Session, in particular the creation of a drainage services department and a central policy unit; the aim to phase out bisessional schools and lastly the building of a holiday centre for the elderly. Applying the same principle I would like to suggest that a similar centre for the severely handicapped may not be a bad idea!

I will confine my speech to three subjects, namely the Land Development Corporation, Chinese traditional medical practice and lastly the promotion of physical recreation to improve health and quality of life.

Land Development Corporation

In your speech you explained that Metroplan is examining how to improve the metropolitan area so as to make it a better place to live and work and the role that the Land Development Corporation will have in achieving this objective. The Land Development Corporation Board, of which I am a member, perceives the corporation as an organization formed with the ability to operate with greater flexibility and without the bureaucratic constraints imposed on Government.

Excellent progress has been made in initiating several redevelopment projects

in the last nine months since the corporation was established. The corporation has recently invited developer's participation in seven of its projects and some 40 submissions were received. At the same time letters of intent for all seven projects have now been signed. The corporation has commissioned comprehensive planning studies of the older parts of the Mong Kok, Yau Ma Tei, Wan Chai , Sheung Wan and Sai Ying Pun areas with a view to formulating district redevelopment strategies. These will show how, given a sufficiently bold approach and adequate support from both the community and the Administration, wide-scale benefits and environmental improvements can be achieved.

I am however concerned that this progress will not be maintained if there were to be unnecessary delays when dealing with the relevant government departments on the various planning and land aspects. The Secretary for Lands and Works has assured the corporation that Government is prepared to co-operate as much as possible and to give priority to considering and processing Land Development Corporation's proposals and requests. However, I hope the Administration will have the necessary staff resources to adequately cope with the additional work load.

Sir, I thank you for your expression of confidence in the Land Development Corporation. I hope that through you, recognition will be given to the fact that Land Development Corporation faces restrictions beyond that of a private development while aiming to cater both for the needs of the immediate neighbourhood as well as for the general good of the community at large.

For the corporation to achieve its objectives within an acceptable time, it is vitally important that all government departments, together with the Town Planning Board, give priority in their dealings with us.

## Chinese traditional medical practice

I turn now to Chinese traditional medical practice. Hong Kong is at a crossroad between the East and the West. It is here where eastern and western cultures blend into one. It is because of this that we benefit from the existence of both Chinese traditional medical practice and the western style medicine. Both types of practice cure diseases and alleviate discomfort. It is high time that they are given equal status in our community!

Is it equitable not to recognize the granting of sick leave certificates by Chinese traditional medical practitioners? Is it just if only western-trained doctors are legally required to purchase insurance for consumer protection? Is it fair that while Chinese can practise western style medicine, a westerner cannot practise traditional Chinese medicine in Hong Kong?

What standard do we expect if Chinese traditional medical practitioners need no medical qualification nor a minimum age limit to practise?

While allowing Chinese traditional medicine to be practised without qualifications, are we really allowing them special privileges or are we in fact undermining the professionalism of their art, and overshadowing the experts with the quacks. Over 100 years ago in 1884, legislation namely the Medical Registration Ordinance was enacted, giving "the right of any Chinese person to practise medicine or surgery according to the purely Chinese methods". But since 1884, Chinese medical and surgical methods have changed. What I would like to put Government to task is to define what exactly they mean by the phrase "the practice of medicine and surgery according to purely Chinese methods." Can Government give a breakdown on the various types of Chinese traditional medical practice, for example, herbalist, bonesetters, acupuncture acupressure, "qi gong" and so on. Furthermore, does the law in 1988 allow the practice of Chinese medicine as that practised back in 1884 or does it allow the practice of the modernized Chinese traditional medicine as it is practised today? If Government is not aware that Chinese medicine has modernized with the times, I will elaborate with a few examples. Since 1884, major advancement in acupuncture includes the application of injection, electrical stimulation as well as laser to acupuncture points.

Since 1884, major advancement in herbal medicine has been in the chemical analysis of herbs, quantification of extracts from them and distribution of them in ampoules. Codification and computerization of the content of herbs have begun. Research has now shown that many potent and common western medication originates from herbs. On the bonesetting front, western methods of X-rays to exclude bone fracture, has now been adopted where applicable.

Trust me to say that Chinese traditional medical practice has now advanced to that degree, when its practice has become dangerous in untrained hands. If Government insists on keeping its archaic legislation and restrict the practice of Chinese traditional medicine to that as practised in 1884, than let it be so. However,

the Hong Kong Government might be seen retarding the development of Chinese traditional medicine practice in Hong Kong.

To believe that Chinese traditional medicine has an effect on the human body, which I have no doubt, and thereby curing it of disease, one must also accept that when given by the wrong hands, it can also maim and kill. Sir, I am a clinician, in my practice I have seen life threatening haemolytic anaemia induced by herbs. I have seen jaundice in the newborn resulting in permanent mental retardation as a result of herbs. I have also seen exfoliative dermatitis, convulsions, and gastrointestinal haemorrhage causing shock. I have seen permanent bedridden physical handicap caused by infection introduced by acupuncture. I have seen deformed joints and limbs because of malunion after treatment by bonesetters. Sir, I can go on, save for the fact that I do not want to turn this speech into a medical lecture! Suffice it to say that when I was an examiner for the MBBS examination, I would have failed any medical student who supports that such complications do not exist!

Sir, my clinical colleagues and I see these complications. Unfortunately medical administrators do not! They only see figures and percentages translated to them by overworked clinicians who hardly have time to fill in forms. Just recently, one of our retired legislators was admitted to a government hospital in shock and convulsing after the injection of Chinese herbs. When the herbs were handed over to the government doctors as evidence for analysis, they promptly disposed of it because such facilities were not available in Government. Yet only a few miles away, the world renowned Chinese Medicinal Material Research Centre at the Chinese University of Hong Kong has such facilities. The moral of the story is that such complications do exist but the Medical and Health Department is turning a blind eye to it! Even if such complications are not widespread, if they can be prevented, we should and we must! Do not forget that we are dealing with life threatening situation or permanent damage, What is worse is that none of these patients get compensation from medical insurance.

Sir, for the last few years, I have tried in vain to convince the Administration through the OMELCO health panel that one ought to begin to look into the practice of Chinese traditional medicine. I have even approached the Law Reform Commission to convince them of the need to law reform. I have also discussed this subject at the policy debate last year. Sir, I am appealing to you once again, hoping to convince you of its importance and for you to include this as one subject for the newly

established Central Policy Unit to study. Failing that, a multi-disciplinary committee should be set up to look into:

1. The changes in the Chinese traditional medicine as practised today.
2. Whether legislative amendments are necessary with the changing faces of Chinese traditional medicine.
3. The complications of Chinese traditional medical practice and their incidence.
4. Whether qualifications, registration and licensing should be required prior to practice, their implications and their feasibility.
5. How the practice of Chinese traditional medicine is controlled in neighbouring countries as comparisons.
6. How consumers in Hong Kong can be adequately protected.
7. And lastly how best to allow equal status in the practice of Chinese and Western medicine, side by side running up to 1997.

The promotion of physical recreation to improve health and quality of life in Hong Kong.

I will close with a few words on physical recreation and health. Sir, Hong Kong is one of the most stressful cities in the world where we work too hard, sleep too little, eat too much and not exercise enough.

It is true that we have impressive low mortality rates and high longevity rates. What we do not know is our high morbidity rates. In lay terms it can be taken to mean ill health not serious enough to cause death but which certainly reduces the quality of life.

Too many people in Hong Kong suffer with tension headaches, gastrointestinal disturbance, insomnia, obesity, listlessness, backaches, neckaches and fatigue. I am sure all of us here do at times. If only they know, and genuinely believe that daily exercise will cure all that, many doctors will go out of business!

Sir, not many of us, certainly not in this Chamber, take to your excellent routine of frequent exercise. To the unconverted, the importance of physical recreation to health need to be advertised and preached, just like the annual million dollar anti-smoking campaign.

A report on physical recreation and health will soon be released by a subcommittee which I chair under the auspices of the Council for Recreation and Sports. I sincerely hope that Government would take serious consideration to this report which advocates health through the active promotion of physical recreation. Some of its recommendations lie in the establishment of a centre.

1. To standardize and perform physical fitness tests on members of the public.
2. To give advice on the suitability and availability of physical recreation.
3. To introduce a physical fitness award scheme.
4. To co-ordinate so as to maximize the use of facilities for physical recreation; and
5. Most important of all, to promote physical fitness and health through physical recreation for all. Facilities for physical recreation are all there. Let us go and make use of it and stay healthy!

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

MR. CHAN (in Cantonese): Sir, to prepare for this debate, I have earlier consulted members of the Eastern and Wan Chai District Boards and collected a great variety of opinions. To sum up, it is the hope of those district board members that, on the central level, the Government should give priority to addressing such issues as triad activities, environmental pollution, building management, traffic congestions, improving the quality of education, the Vietnamese refugees problem, construction of a new airport and a third cross-harbour tunnel, upgrading community services, speeding up the development of representative government and resolving the shortage of social workers. At the district level, priority should be accorded to the

provision of public housing and recreational facilities, as well as tackling the problems of sewerage blockage and street sleepers.

Some district board members also queried the need to retain the existing arrangement of subsidizing civil servants for sending their children to receive secondary education in the United Kingdom. They considered that such an arrangement might well be terminated. Two district boards members shared the view that assistance should be given to those tertiary institutions which had not yet been recognized by the Government so that they can upgrade their academic standards and status.

Sir, I concur with the views of the district board members that the issues mentioned above should be given top priority and warrant the Government's special attention. I would now give my opinion on the regulation of the financial sector, public housing and the Vietnamese refugees problem.

#### Regulation of the financial sector

The Government is at present drafting the necessary legislations to allow the new Securities and Futures Commission to become fully operational early next year. Here, I would not go into the legal aspect of the subject but would only express my views on the general principles.

First of all, we have to find out what regulatory standards and yardsticks will best suit the situation in Hong Kong. Our objective in introducing legislative control is to maintain as well as enhance the status of Hong Kong as an international financial centre. But do we need to follow indiscriminately the monitoring measures adopted by London or New York, and empower the commission to impose stringent control on our financial sector? This is a question which warrants our careful consideration. The financial markets in London and New York have taken decades to become mature and established. As for Hong Kong, we have a rather special environment and a relatively small market. It is feared that with over-regulation, the financial market of Hong Kong will become stagnant as it is in the case of Singapore. This situation is, I think, most undesirable.

Sir, when considering introducing the legislation of a foreign country, either wholly or partially, we should first of all ascertain the extent and the effectiveness of control that we want to achieve. In my opinion, the control should be kept at

the same level as that on other commercial activities.

The Securities and Futures Commission is a monitoring body set up outside the civil service structure. This will enable it to operate independently, without being affected by the bureaucratic system within the Government. It is hence a good arrangement. While I agree that the commission should enjoy greater flexibility, I think that it will only be proper to impose a reasonable degree of control on it. For instance, it was reported that the budget of the commission would not be submitted to this Council for approval, and that appeal cases would just be handled within the commission. I have grave reservations about these arrangement because if the commission is given so much power that even the Government or this Council cannot interfere with its affairs, it may turn out to be a domineering "great master". I therefore urge the Government to bear in mind these points when drafting the legislation and try to plug possible loopholes by stipulating that the budget of the commission should be subject to the approval of the Legislative Council. The Government should also consider appointing Members of this Council to sit on the commission so as to make it accountable to the public.

On the other hand, the setting up of an investigation unit under the commission is really superfluous; I am also deeply worried that the commission will become something like the "Gestapo" when its power becomes too great. I do not think that it is necessary for the commission to set up its own investigation unit, because within the existing government structure, we already have the ICAC and the Commercial Crimes Bureau which are responsible for handling investigation. Backed up by well-trained expertise, the two bodies are highly efficient. Besides, their power and investigation procedures are well known to the public. Thus, would it not be better if the commission leaves all investigation work to the above two organizations? In what way do financial offences differ from other commercial crimes which call for the creation of a separate investigating authority?

What the commission needs now are experienced professionals to lead the financial sector in its future development. Being an independent body, the commission can offer remuneration above the market price to attract the required talents. I must stress that the commission should select the right persons who are familiar with the local situation and have a keen insight into the unique circumstances of Hong Kong. If the new staff of the commission are unfamiliar with the local situation and go about their duties haphazardly, they will be rejected by the financial sector, and will find it difficult to get on with their work. The plunge of the Heng Seng Index

has taught us a bitter lesson. It has also left behind a burden yet to be relieved.

Finally, I would like to emphasize that the objective of setting up the Securities and Futures Commission is to strengthen our stock market so that it can operate on a fair basis, but not to hamper its operation with artificial obstruction. What Hong Kong has achieved today owes much to the Government's non-intervention policy.

#### Public housing

Sir, you mentioned in your policy address that as part of the long-term housing strategy, the Housing Authority had drawn up a programme to redevelop over 500 older public housing blocks between now and the end of the century. As for the 500 000 tenants of these blocks, they would be allocated flats in modern estates. It is certainly a good thing to redevelop the older housing blocks. As the redevelopment programme will be carried out in stages, the estates which are to be redeveloped in the later stages will need refurbishment in the interim for maintenance purpose. However, while tenants affected by redevelopment programme will be reprovisioned, those affected by refurbishment projects are not entitled to such benefits. As some of these refurbishment projects are often carried out on an extensive scale, they will cause great inconvenience to the daily lives of the residents. One example is the project at Block 15 of Chai Wan Estate which had met with strong opposition from the residents who even attempted to put a stop to the works. No one can say for sure that similar resistance from residents will not recur when other housing blocks undergo the refurbishment process in future.

I personally think that large-scale refurbishment projects are not practical. Such projects will take two years to complete, thus causing much disturbance to the residents concerned. Moreover, the blocks will have to be pulled down soon afterwards. Take the example of Block 15 of Chai Wan Estate, the cost for refurbishment is \$45 million and that for demolishing and redevelopment is \$70 million. It is therefore more cost-effective to pull down the blocks for redevelopment at an earlier date.

On the basis of the experience gained through the incident of Block 15 of Chai Wan Estate, I think we should avoid launching any large-scale refurbishment project in future. In the best interest of the residents, the Government should expedite the redevelopment programme, and provide additional sites in the urban area for the building of reception estates. This will no doubt gain the support of residents,

and is also in line with the Government's objective to improve the living condition in public housing estates. The determining factor here is the supply of land. Given the time constraint, if the Government fails to allocate suitable urban sites in good time, we shall have difficulties even in keeping the redevelopment programme or schedule not to mention expediting it.

Sir, you have also said in your policy address that a new generation of block designs with 10% more space, known as the harmony blocks, will be introduced in the early 1990s. This has given rise to speculations that the Housing Authority will, as a result, increase the median rent-income ratio from the present 15% to 20%. I think that it satisfies the needs of residents to provide large units, but I have grave reservations on raising the median rent-income ratio. In my opinion, the Housing Authority should not change its rent policy at will. We should take into consideration the actual income of the residents. For a family with a monthly income of \$4,000, 15% of the median household income is \$600, and 20% of it is \$800. The difference is therefore \$200. This will certainly add to the burden on the household concerned and may even exceed its means.

#### Vietnamese refugees

In May 1985, this Council held a debate on the report on Vietnamese refugees prepared by the Home Affairs Committee of the House of Commons, urging the British Government to increase its intake of the refugees stranded in the territory. In the face of the query raised by the British Government about our closed camp policy then in force, my colleagues deemed it necessary to defend that policy. Nevertheless, I paid a visit to the closed camp myself, and found the living conditions there unbearable. During the last Session, under the convenorship of the Honourable Mrs. Rita FAN, the Legislative Council Ad Hoc Group on Vietnamese Refugees has been actively engaged in seeking a change to the Vietnamese refugee policy and their efforts eventually paid off. On the other hand, the Government has decided to open the closed camp step by step.

Despite the high-quality management, good hygiene and meals inside the closed camps, I nevertheless have the feeling that those refugees are being locked up in jail -- young and old, male and female, all in the same boat.

Since 1975, Hong Kong has been treating the refugees in a humanitarian way and we take pride in what we have done. However, the investigation into the alleged case

of Vietnamese boat people being beaten by the correctional services staff seems to be lopsided, with attention being paid only to the account given by one of the parties. Consequently, the prestige gained by the department in the management of refugees over the past 13 years was ruined overnight. The people of Hong Kong also find the refugees problem increasingly hard to tolerate. Will the good reputation built up painstakingly by Hong Kong be damaged? I, of course, hope this would not be the case.

In fact, instead of focusing our mind on the Vietnamese refugees themselves, we should rather direct our attention to Vietnam, the nation that has created the problem, and those countries which have promised to accept refugees. I believe if we continue to treat the Vietnamese refugees in a humanitarian manner, we certainly can present our requests justifiably and forcefully to the countries concerned.

Sir, the British Parliament has been critical of our closed camp policy. Now, as we have decided to open these camps gradually, what else can people say? Since the British Parliament released the report in 1985, its concern over the refugees has been diminishing. I am therefore worried that with the implementation of a new policy Britain will take the chance and free itself of the whole problem, leaving Hong Kong to resolve it on its own. I want to point out here that such action can hardly be justified at any rate. The British Government should help Hong Kong resolve the refugee problem before 1997. I agree with the suggestion made by the Honourable Stephen CHEONG that Britain should commit to an annual quota of 1 000. I also urge the British Parliament to send another delegation to Hong Kong to see for themselves the condition of the refugees stranded here and never to adopt a "could not care less" attitude.

Sir, with these remarks, I support the motion.

4.15 pm

HIS EXCELLENCY THE PRESIDENT: A considerable number of Members have yet to speak this afternoon. Members might like to have a short break at this point.

4.39 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume.

MR. MARTIN LEE: Sir, I am indebted to you and my honourable colleagues for allowing me to address this Council out of turn because of personal engagement.

Sir, in your well-structured policy address of 186 paragraphs, you have dealt at length with the nuts and bolts of what the Government intends to do in Hong Kong. But, with respect, you have failed to provide any perspective; and your address is completely devoid of vision.

The promised land?

Four years have now elapsed since the initialing of the Joint Declaration on 26 September 1984, and a lot of turbulent water has flowed under the bridge of transition. But where are we going from here? Are you, Sir, as Governor, leading us to the promised land flowing with milk and honey in the form of prosperity and stability?

Sir, I regret to say that many people in Hong Kong do not like the way we are going and they do not believe that when they reach the promised land, they will find plenty of milk or honey. They choose, therefore, to leave Hong Kong for safer shores like Canada, Australia, and the United States.

Sir, I do not wish to see people leave Hong Kong any more than you do, for every time a family decides to go, Hong Kong suffers a little. But I can sympathize with them, for they feel that Hong Kong is like a sinking ship. And who can blame them for taking the leap?

Sir, it is right that we should take stock of the situation now and ask ourselves why so many people are leaving Hong Kong, when four years ago, they were so supportive of the draft Joint Declaration. Of course, the British and Chinese governments have achieved much on a number of important matters like the GATT, air service agreements, and future arrangement for the surrender of fugitive offenders and improvements to the terms of service of the Judiciary. And as a result of your last visit to Beijing, it appears that Members of this Council who are elected in 1995 can, in effect, remain in office until 1999 by adopting what has been described as "the Lowu solution". All these are good news and we should be thankful to the members on both sides of the Joint Liaison Group and the Land Commission.

Broken promises

But these achievements pale into insignificance when viewed in the light of even more important things which should have been done but not done. For in terms of democratization, our Government has failed miserably by reneging on its earlier promises of building up "a firmly-based, democratic administration in Hong Kong in the years between now and 1997" (Richard LUCE, Minister of State with special responsibility for Hong Kong, 5 December 1984 in the House of Commons).

In 1984, when the British Government was trying to sell the Joint Declaration to the people of Hong Kong, we were promised the establishment of a democratic and representative government in Hong Kong by 1997, and we were led into believing that direct elections would be introduced in 1988. But because of strong and public objections from Chinese leaders, direct elections are now postponed to 1991. The promises of the British Government are now history.

## Emigration

The people of Hong Kong saw what happened and did not like it. They saw the total impotence on the part of the Hong Kong Government to stand up to the interventions of the Chinese Government. They ask that if these things are happening under a British administration today, what chances do they have after 1997 when Hong Kong will be administered by Hong Kong people? They therefore decide to leave Hong Kong; and their numbers have drastically increased in the last two years. But during this time, in spite of many press reports about emigration both from local as well as overseas newspapers and periodicals, the Hong Kong Government as well as the British and Chinese governments made a concerted effort in denying that there was a problem with emigration. And it was only recently that you, Sir, acknowledged that the problem existed. But we have known this problem all this time for we all have relatives and friends leaving Hong Kong because of the uncertainty over the future. Why, then, has it taken two years before our Government became apprised of the problem? Why has our Government failed to feel the pulse of the community it governs?

Now that the emigration problem has been acknowledged, what can our Government do about it? The simple answer is: Nothing.

Sir, of course you devoted paragraphs 112 to 119 of your address to this problem. But with respect, I just cannot see how the proposed measures of building more international schools and trying to keep in close contact with Hong Kong settlers

overseas can actually improve the situation. For those who have settled abroad, they read newspapers from Hong Kong and they watch television news and other programmes about Hong Kong, or they have close friends who do so. Thus they know "the investment opportunities" in Hong Kong with or without contact from our overseas civil servants. Indeed, if our overseas civil servants are too keen to attract them back, that might frighten them off. As to more international schools, I doubt if it would be of much use, since even if our overseas settlers should return, it is unlikely that they would bring their children back with them.

Sir, faced with the undeniable fact of massive emigration, our Government tried its best to pretend that all is well in Hong Kong. Delegation after delegation led by our dignitaries both in and outside the Civil Service were dispatched to many countries in North America and Europe, spreading the message that all is well in Hong Kong, no doubt with the laudable object of luring foreign investors to Hong Kong. But is it likely to succeed when so many of our own people, including those in the business and industrial sectors, are leaving Hong Kong?

#### Interventions from China

Sir, in my maiden speech during the policy debate made to this Council on 27 November 1985, I said:

"Sir, everybody wishes to see the Joint Declaration implemented, and fully implemented. Nobody likes to see this Government becoming a lame-duck administration. Nobody likes to see China interfering in the administration of Hong Kong during this period of transition and thereafter. But Sir, it is useless for our top civil servants to proclaim from the house-tops everyday that theirs is not a lame-duck administration. Show us. It is equally useless for the leaders of China to shout from their house-tops across the border that they will not interfere. Show us."

Sir, three years later, I regret to say that the public perception is that our Government is a lame-duck administration, and that China does interfere in the administration of Hong Kong. And every time China intervenes, it hurts confidence and sends even more people to join the already long queues outside consular offices for immigrants' visas.

Of course, the top officials in both the British and Hong Kong governments complain about this. But their complaints are not that China has intervened at all,

but that she has done this so openly. The message is clear: "Please do not intervene so openly but please do so behind closed doors. Please give us face or we will lose credibility with our people."

Sir, but even if China would change its approach by intervening behind closed doors, it would still be in breach of clause IV of the Joint Declaration. Further, some of these interventions would still result in our Government being forced to make unpopular decisions as in the past. For the unwary would think that these unpopular decisions were made by our Government, whereas shrewd observers would believe them to have been made by China. In either case, it would still hurt the image of our Government.

### The failings of the Government

Sir, running a government is like rowing a boat against the current: "If you do not advance, you retreat." ( ). Sir, I regret to say that in the last four years, our Government appears to have retreated more than it has advanced.

First, our Government does not appear to be exercising the high degree of autonomy that it used to do before the initialing of the Joint Declaration. The general belief is that important decisions are no longer made in Hong Kong, but in Whitehall, and often after prior consultation with Beijing. This will have serious repercussions on the ability of the future government of the Hong Kong Special Administrative Region in exercising its high degree of autonomy after 1997.

Secondly, the rule of law is seen to have been whittled down recently. Immediately after the public release of "the Report of Justices of Peace on Complaints Concerning the Treatment of Vietnamese Boat People at Hei Ling Chau on 18 and 19 July 1988", a government spokesman said that the relevant government departments, including the Legal Department, would study the report closely; but he ruled out any criminal prosecutions. Sir, I cannot understand how the Government could legitimately have ruled out the possibility of bringing criminal charges against one or more of the officers of the Correctional Services Department concerned. Suppose one of the officers involved were willing to testify against his accomplices in crime upon an offer of immunity from the authorities, which happens frequently these days, would it not be plainly absurd for the Attorney General not to prosecute the culprits involved in the light of the clear and possible findings by the Justices of Peace

that some officers of the Correctional Services Department had used "unnecessary force", which means that they had committed the offence of criminal assault on some Vietnamese boat people? And does this not smack of the practice adopted in the People's Republic of China in dealing with members of their armed forces and law enforcement agencies?

Another example is the way in which the Government deals with the Chinese official or semi-official corporations trading in Hong Kong. It is common knowledge that some of the people in these corporations have engaged in corrupt and other illegal practices. Indeed this is also known by the leaders of China who have actually sent some inspectors to Hong Kong to investigate into these matters. But apparently our Government has not done anything about them. When I asked the relevant government departments concerned, I was given the answer that there is no evidence of any corrupt or other illegal practices. Indeed, the same answer had been given by our Government many years ago when my honourable colleague Mrs. Elsie TU, then Elsie ELLIOTT, complained of the widespread corruption within the police force.

Sir, we must be careful to ensure that there will not be two separate systems of justice in Hong Kong: one for communist cadres and their close family members, and another for the common citizens.

Further, it is unfortunate that the inspectors from China had not co-operated with the ICAC or the Commercial Crime Bureau of the police force by supplying information to them. For if the rule of law is to be maintained in Hong Kong after 1997 we must make sure now that if any communist party cadre commits an offence in Hong Kong, he must be dealt with in the usual way. Otherwise, we will be importing the drawbacks of the legal system of the Mainland into Hong Kong and will thus deal a fatal blow to the rule of law which is the foundation of our system in Hong Kong.

Sir, the importance of the rule of law in preserving human rights is now universally accepted in Hong Kong. And it is also generally accepted that we need an independent judiciary. But one thing is not that well-known, and that is, that we cannot hope to maintain the independence of the judiciary without ensuring the independence of the legal profession. For unless lawyers are fearless in defending the interests of their clients, particularly in politically sensitive cases, there is always a danger that a judge will not have all the most pertinent arguments canvassed before him and may thus be prevented from doing justice to the parties concerned. Every judge and lawyer therefore knows only too well that the

independence of the judiciary must go hand in hand with the independence of the legal profession in order to maintain the rule of law, as we know it. But unfortunately, this truism is not readily appreciated by lay people, including those who occupy the highest places in our Government as well as those in the Executive and Legislative Councils. Thus, they often equate any attempt to stimulate the growth of an independent local legal profession with the maintenance of a closed door policy in the interest of members of the legal profession.

The recent decision by the Executive Council to allow the United States law firms to set up practice here under their firm names by employing locally qualified solicitors has given rise to grave concern among the legal profession. I have always taken the view that the problems relating to the admission of foreign lawyers should not be dealt with piecemeal, but that the Government should have an overall policy on the admission of barristers and solicitors from overseas, including, in particular, those from the United Kingdom. And until that is done, the issue raised in the petition by the United States law firms should be deferred. But there is one thing I must comment upon even now as a matter of principle. Sir, to allow the United States firms to do what they want to do is to allow someone who is not legally qualified to practise Hong Kong law to do so by employing locally qualified solicitors to do the work for him: under his name and presumably under his supervision. If that logic is correct, there is no reason why an unqualified person should not be allowed to set up practice in Hong Kong in any other profession. Indeed, any well-known figure in our community can set up a firm to practise law, medicine, engineering and architecture under the firm name of, say, Allen Lee & Co., by employing qualified persons in these professions to work for him. But can that be right? I think all I need do is to state it, and the absurdity of the proposal will be readily apparent to all. I therefore hope that Members of both the Executive and Legislative Councils appreciate that we are looking at conflicting aspects of public policy: the advantage in maintaining Hong Kong as an international city, and the need to nurture the growth of an independent local legal profession, without which there can be no full independence of the judiciary. This is not simply a case of Hong Kong's industrialists sacrificing the interest of Hong Kong's lawyers in the name of free trade. For if we are not careful, we could be dealing a fatal blow to the independence of our legal profession, which will lead to a break-down of the independence of the Judiciary and the rule of law.

Thirdly, the Government has failed to groom leaders for the future, so that we will have good people to administer Hong Kong in 1997. For our Government does not

appear to be looking boldly towards the future, but looking cowardly back to the past. It is not grooming young leaders for the morrow, but relying on the retired dignitaries of yesterday. For why else are the heads of so many important institutions drawn from former Members of the Executive Council and retired senior civil servants? Is it because the sun-set colonial administration cannot trust the younger generation? Or could it be that there are no able people left because of the brain drain? Sir, the Government surely has a case to answer, and account to the millions of people who will stay here after 1997.

### Morale in the Civil Service

The above failings have adversely affected the morale in our Civil Service. Indeed, it has been jokingly observed that the new definition of a high-flyer in the Civil Service is somebody who flies 30 000 ft above the ground towards Canada. Surely, the Government must do something quick to restore the morale of the Civil Service.

### Hong Kong's image abroad

Further, these failings on the part of the Hong Kong Government have not gone unnoticed by the international community, with the result that Hong Kong's international image has suffered.

First, at the recent United Nations Human Rights Committee hearing in Geneva, the United Kingdom and Hong Kong governments came under strong criticisms from committee members for possible breaches of the United Nations convention on human rights in Hong Kong on a number of issues. Section 27 of the Public Order Ordinance relating to "false news" and recently enacted sections 10(2)(c) and 10(3)(d) of the Film Censorship Ordinance giving power to the censor to ban or excise portions of a film on the ground that its exhibition "would seriously damage good relations with other territories" were roundly criticized for being incompatible with the international covenants on human rights. The loitering law and the power of the police in controlling public meetings and processions were also found to be highly unsatisfactory by committee members.

But here the fault lies more with the British Government. For even today, the British Government still has not withdrawn many of its reservations made under the International Covenant on Civil and Political Rights affecting Hong Kong. Nor has

it become a signatory to the Optional Protocol, with the result that no individual from Hong Kong who claims to be a victim of any violation of any of the rights set forth in the said covenant may bring his complaint to the attention of the United Nations Human Rights Committee set up thereunder.

Secondly, our treatment of the Vietnamese boat people has attracted a lot of adverse criticisms from the international community. And in this regard, the people of Hong Kong hold different views. And as many of my colleagues have spoken and will speak on this topic, I shall confine myself to make some short observations. I suggest we should think a little less for ourselves, and a little more for those who are much less fortunate than we. Of course I appreciate that unequal treatment is being given to illegal immigrants from China. But there is a workable solution for them because of the co-operation of China; whereas there is no workable solution yet for those coming from Vietnam. If we think of the racial discrimination which our friends and our relatives have to put up with when they emigrate to other countries, we will perhaps be much more ready to be a little more charitable to these poor people from Vietnam. And if we should find it necessary in the future to leave Hong Kong for some unknown land, then we would see things differently and might regret that we had not shown more sympathy for these refugees or boat people today.

Thirdly, the recent introduction of a resolution in the House of Representatives in the United States Congress in support of democracy in Hong Kong demonstrates clearly that the slow progress in democratization in Hong Kong has caused great concern in the United States.

Finally, and perhaps more conspicuously, emigration tells its own tale of woe. For the governments as well as the people of Canada, Australia and the United States cannot but feel that there is something wrong in Hong Kong when they see so many of our people settling in their countries.

The future

Sir, to many, the future is bleak indeed. And yet they believe that Hong Kong's prosperity will not die of a sudden heart-attack, but that it would suffer the death of a thousand cuts. And that process has already begun.

Sir, please forgive me for being blunt. What we need is more than a face-lift to attract the unwary prospective overseas investors, but a major surgery from within. In the absence of leadership from the top, the people of Hong Kong have been

languishing in the past few years in uncertainty and fear for the future as well as self-pity and utter frustration. Sir, we must stop all that rot. But it would be unrealistic to expect the cure to come from the British Administration in Hong Kong. For surely we must realize by now that the one wish of the British Administration is to retreat from Hong Kong when the final curtain falls. Nor is it realistic to pin all our hopes on China. For quite apart from the many interventions in the past, and the prospect of these continuing, it must also be obvious to many who have had dealings with communist party cadres that too many of them simply do not know Hong Kong at all, and why it ticks. Indeed, many of them regard Hong Kong as the perfect place of recreation after many years of loyal service with the Central People's Government or other state organs, just as the sailors in the United States navy had once longed to come to Hong Kong during the Vietnam war to spend their well-earned furlough. They look for wine, women and song, as well as gifts in the form of money, television sets, radios, watches and other items not available in China. They look upon Hong Kong as a rich oasis next to their own desert which is devoid of any materialistic comfort or enjoyment. Indeed, the slogan "dancing and horse racing will continue" ( ) is very indicative of their perception of Hong Kong, and their rationale for wishing Hong Kong to exist under a different system. And little do they know that many people in Hong Kong are offended by that slogan.

#### Change for the better

Sir, we the people of Hong Kong must realize that the future is in our hands. And whether there is going to be a bright future for us after 1997, nay, even before 1997, does not depend so much on the British or Chinese Government, but on ourselves. We must realize that if we want the present life style to continue after 1997, then we must bring about drastic changes now. And I am not talking about an evolution, but a revolution. But it is not a revolution involving bloodshed, but a peaceful one within the ambit of the Joint Declaration. For what we need is a revolution in our minds; of basic values and of fundamental philosophy to life. In a word, we must change.

But, practically all the people of Hong Kong want to see "no change" in 1997. But why? Of course it is not difficult to understand what they fear -- in a word, communism. And they naturally, though not logically, fear that any change after 1997 can only be for the worse. And some even advocate that there should be no changes before 1997. But surely this attitude is wrong. For what we have in Hong Kong today

is far from perfect. And many things would have to be changed before 1997. The recent drastic changes brought to the stock and futures exchanges is a ready example; though in this connexion, I must caution against over-correction.

Likewise with our environments. Far too little has been done for far too long in this regard, and the result is here for all to see and smell! Of course the Government was principally to blame for having neglected to preserve our environments in many of its development projects. But this Council was also to blame, for many provisions in anti-pollution bills had been so pruned down by this Council that our four pieces of anti-pollution legislation are hardly effective to combat pollution. Perhaps this was excusable in the past, when many of our people were eking out a hand-to-mouth existence. But today, surely we should concentrate much more on improving the quality of our life. Sir, I am therefore happy that you have devoted so much of your address to environmental protection. While I await the outcome of the internal study on the organizational change affecting the proposed new policy branch specifically responsible for planning and environmental protection, I must venture suggestion that this new branch must be separate and distinct from the various works departments under the present Secretary for Lands and Works, for some of these works departments have been the worst polluters in the past. And we must ensure that under the new set-up, the Secretary responsible for environmental protection and strategic planning must find it hierarchically possible and indeed convenient to flex his eager muscles. Further, it is necessary to educate the public about the importance of environmental protection because, in the final analysis, the fight against pollution should be a self-initiated exercise. I therefore urge the Government to take a more positive role in providing such public education. And let us hope that soon we will be able to bring back the splendour to our fields, and glory to our harbour.

Change must also be brought to some of the draconian and outdated laws that exist today which inhibit the various freedoms and rights of our citizens. I urge this Government to pay urgent attention to the following:

(1) Although the Government has promised to review before the end of the year the notorious section 27 of the Public Order Ordinance which deals with the publication of "false news", there are quite a few other harsh and unnecessary provisions in this Ordinance which unduly inhibit the freedoms of expression, assembly, procession and organization. I therefore urge that the whole Ordinance should be overhauled.

(2) Section 160(1) of the Crimes Ordinance which creates the notorious offence of loitering should be repealed for it infringes the fundamental right of a subject to remain silent and is often abused by the police.

(3) Section 17C of the Immigration Ordinance requires all our citizens to carry with them at all times proof of identity and to produce the same for inspection on demand by the police.

But in carrying out their duties under this provision as well as that relating to the loitering offence mentioned above, the police invariably pick on young people who are students or who belong to the lower income brackets. I therefore find these provisions particularly objectionable because their implementation tends to be discriminatory against the "have-nots" of our community. I advocate their repeal.

(4) As I have mentioned earlier, the British and Hong Kong governments were criticized by the United Nations Human Rights Committee at Geneva last week over the right of the censor to ban or excise portions of a film for political reasons. I was told that at the hearing, the representative of the British Government had told the committee that section 10(3)(d) of the Film Censorship Ordinance which requires the censor "to take into account" article 19 of the International Covenant on Civil and Political Rights has the same effect in practice as requiring him "to comply with" the said article 19. If so, I call upon the Government to make the requisite amendment so as to remove any possible argument on the matter.

(5) Section 7 of the Rehabilitation of Offenders Ordinance repeals the former provision which gave a magistrate the power not to record a conviction in appropriate cases. I agree with the Hong Kong Magistrates Association, the Bar Association and the Law Society that such power should be reinstated.

(6) Under the Spent Conviction Scheme as presently administered, the police in fact gives particulars of convictions which are considered to be spent under section 2(1) of the Rehabilitation of Offenders Ordinance. This effectively defeats the purpose of the Spent Conviction Scheme and the relevant provisions of the law must be amended forthwith.

(7) The Joint Declaration requires the executive authorities of the Hong Kong Special Administrative Region to be accountable to the legislature. But the principle of

accountability will remain forever merely a pious aspiration unless the public have access to all relevant information, which is lacking at present. I therefore urge the Government to introduce "right-to-know" legislation soon, and in any event, before 1997.

(8) I advocate for an overall review and codification of the law relating to the powers of arrest, detention and interrogation by all disciplinary agencies of the Government, as these powers are at present scattered in about 70 provisions contained in some 50 different Ordinances.

### Planning for the future

Sir, I call on the Government to give a positive undertaking that it would bring about the above proposed changes. But in the meantime, we must all learn to hope and not despair, smile and not sigh, but most of all, stay and not go. We must realize that by abandoning the ship, we may all suffer, and that the most worthwhile thing for us to do is to unite together and help to prevent the ship from sinking.

And in keeping with this policy, we should be planning for the "stayers" and not the "goers". I have no sympathy at all for those who aspire to high offices in the future Special Administration Region and yet would hold onto their foreign passports like dear life.

Sir, our future leaders must be prepared to give their fullest commitment to the community. But when one looks at the leaders of the community today, what does one find? Most are steeped in self-interest, believing in taking from the community whenever they can. As to their political philosophy, they are quick to second-guess China, bending with the wind at every turn. They preach "no change", or "gradual change", because they want to hold on to their vested interest for as long as possible. They believe in compromises, but they never compromise their own interest but only that of the millions of Hong Kong people to whom they are not even accountable. Most of them already hold foreign passports; and although they proclaim in public that they will stay in Hong Kong, many of them have privately acknowledged that they would leave Hong Kong well before 1997. And so long as these people remain our leaders, we will never reach the promised land.

Sir, it is your duty as the head of the Hong Kong Government to provide opportunities for a totally different crop of leaders for the future: people with

principle, dedication, courage, conviction, commitment, and above all, people who are willing to give to the community and not take from it. And these are the leaders we want to lead us to the promised land.

Sir, we do have these people in Hong Kong. But because of the colonial system which is still in place, many of them have been kept out of this Council. What we must do now as a matter of great urgency is to establish in Hong Kong a truly democratic and representative government before 1997 so as to make room for these people to reach the top.

Sir, the British Government has the reputation of leaving behind a legacy of democracy before leaving any colony. But Hong Kong will be the only exception. The British Government's position is that because of the Joint Declaration and the drafting of the Basic Law, the extent and speed of democratization is now entirely a matter for the Chinese Government. But I believe the British and Hong Kong governments still have a very important role to play; and that is to persuade the Chinese Government to do what the British Government should do, namely, to give to the people of Hong Kong a truly democratic and representative government in 1997, so that we can exercise the high degree of autonomy promised to us in the Joint Declaration.

As for the Chinese Government, it ought to realize that the most single important thing now to do is to undo the harm that it has unwittingly done by shaking and destroying the confidence of the people of Hong Kong in the past few years. And it can only do so by giving to the people of Hong Kong a good Basic Law, which among other things, must provide for a truly democratic framework of government for the entire period of 50 years from 1997 to 2047.

With such a Basic Law, the British Administration can immediately implement it by establishing a democratic government even before 1997. And in this way, the right people with the requisite leadership qualities will be elected into this Council, so as to ensure that the Government will be accountable to this Council even before 1997 and in accordance with the provisions of the Joint Declaration.

Sir, let me appeal to all concerned that there is the greatest of urgency in all this, for unless this is done, and done right now, even more people will leave Hong Kong in the very near future.

Sir, time and tide wait for no man.

DR. TSE: Sir, like my honourable colleague who spoke before me, I also would like to thank Members of this Council for allowing me to speak ahead of my allotted time because of unavoidable circumstances. But unlike him, I do have a different view on our Government. I would like to congratulate you for your comprehensive and far-sighted policy address which marked the beginning of the current Session of this Legislative Council.

In my campaign manifesto for re-election to this Council three months ago, I stated that I would like to see a government which was firm on its policies, but I would support the firmness of the Government only if its policies were fair. In order to be fair, the policies have to be responsive to the changing needs of the time and are for the common good of the people. Sir, the determination you have shown in your address to develop a more open government with built-in mechanism for taking expert advice in the central policy making process has given me great encouragement, and I look forward to seeing that all government policies that are to be made or amended will take into full account the expert views and public interest of our community.

Sir, in the conclusion of your speech, you said you had tried to paint a picture of Hong Kong as it was, warts and all. I cannot agree more with your sense of realism in facing the future of our city. As it is, Hong Kong cannot afford to approach its problems with sensationalism or exaggeration. It is along this line of thinking that I would like to comment on the problem of the so-called "brain drain" and the solutions that have been proposed to solve the problem.

I am glad that in your speech you addressed the problem under the heading emigration, and that when you used the term "brain drain" in your concluding remarks, you qualified it with the word "so-called" and a quotation mark. Sir, it is right that we should face emigration as a problem, because a significant percentage of those who have left or will be leaving Hong Kong are professional people. But like you, Sir, I would be very careful not to blindly equate emigration with brain drain, because equating the two without proper understanding could create the wrong impression that only those who emigrate are the brains, and those who choose to stay are not. I do not doubt that Hong Kong has lost some brainy people through emigration, but I cannot say that everyone who has left is a brain, and I am not even sure that everyone who has left is necessarily a loss to Hong Kong. Therefore as much as we want to find

ways to retain people and to attract those who have left to come back, we must not do it in such a way as to make those who are committed to stay feel that they are inferior to those who have left, and that their commitment to Hong Kong is being slighted, taken for granted, or even being taken advantage of. We must realize that at the end of the day, it is those people who have the strong sense of commitment who will work hard for Hong Kong through thick and thin.

Having said that, I agree with you, Sir, that we should find ways to make those talented people who have left but still consider Hong Kong their home to feel welcome in our community. We should not treat them as renegades, but neither should we go overboard to treat them as a privileged or superior class.

In the final analysis, I am convinced that if a person is attracted to come back purely on material gains and special privileges, no amount of material incentives would be enough to keep the person here when "the wind blows the grass" ( ), and Hong Kong needs him most. Therefore while we may try to bring some talents back through short-term special arrangements, Sir, I agree with you that the long-term solution must be to do more to improve the quality of life so that Hong Kong will become a better place to live, to work, and to bring up the next generation for those who have decided to stay and for those who want to return.

We should also step up the liaison work among our young people who are studying overseas. Every year, we have twice as many students going overseas for higher education as we can admit into our local tertiary system. These are potential scholars and professionals, and many of them may not have made any definite plans for their future careers. These are undoubtedly "brains" that could be "drained back" when the time is right, but only if they are well informed of the possibilities that are in store for them here.

Last July, I had the opportunity of speaking to a group of Commonwealth scholars at the London House about the future of Hong Kong as I saw it. In spite of the end-of-July holiday season, it was a "standing room only" occasion, and several of those who were standing there were post-graduate students from Hong Kong. After the speech, they asked many questions and quite a few of them were related to employment opportunities in Hong Kong. It was obvious that these young people had very scanty and unbalanced information about their hometown.

After the meeting, I had a discussion with the Commissioner of Hong Kong

Government Office in London who was also present at the session. He strongly endorsed the idea that more and regular liaison work should be done among these young people, but the lack of financial support from our Government had made it impossible for the Hong Kong Office to do more than what had been done. Therefore, may I take this opportunity to urge the Government to step up the staff support in student liaison work, not just in London, but also in overseas countries and cities where Hong Kong students tend to aggregate, so that this large pool of "brains" might be drained back. But of course, we must make sure that the quality of life in Hong Kong is so improved that these people who have been exposed to the outside world would find it attractive to live, to work and to raise their families.

When we talk about quality of life, we Chinese would traditionally think of the four essential needs, namely: clothing, food, housing, and transportation. But to these I would add education. I think Hong Kong people have done well in food and in clothing. But to many professional people, housing is still a problem to be resolved. The rental or the purchase price for reasonable private housing has gone up so much faster than salary rise in recent years that many are finding it difficult to maintain a standard of living which is appropriate to their career status. Although in a free society, I recognize that we must not do anything to tinker with the market demand, yet we must be careful to avoid having government policies that would inadvertently encourage market speculation or manipulation.

The same is true in transportation. To many people, the cost of transportation has also gone up very fast, but the quality has not necessarily improved. I would urge that Government take a careful look at its transport policies to see whether there is need for change. In this regard, the taxi licence tender system is a good case in point.

About the fifth need, education, I fully endorse the saying that trained manpower is one of the major assets of Hong Kong. As such, education must not be seen as merely a large expenditure item by the Finance Branch, but a long-term investment in the development of our most valuable resource for the future. I think Hong Kong has done well in general education in quantitative terms, and the proposed expansion of higher education as outlined in your speech, Sir, must be greeted with enthusiasm. But qualitatively, our educational programmes still leave something to be desired. There are controversial issues which remain to be resolved, and sometimes we allow human inertia get into our way of necessary educational reform. I would urge Government to take a very close look at our educational policies, to see whether what

we are doing agrees with the objectives we have set, or indeed whether we have set our objectives properly to be in keeping with the trend of development of our society. In particular, I would like to see the nine-year free education re-examined thoroughly because it is the basic educational foundation upon which we build our society. Closely related to the quality of the nine-year free education is teachers training at the non-degree level. This task has been the direct responsibility of a government department for as long as one can remember. There may have been good reasons for such an arrangement in the past, but I think it is the right time for Government to re-examine whether the same reasoning still applies today. If normal educational experience is any guide, it should be much healthier to let teachers training (which should be a tertiary level education) develop more independently without direct government control.

Sir, in conclusion, I fully support your views in paragraph 119 of your address because I am convinced that the improvement of the quality of life of our community in the areas I have mentioned above would go a long way towards boosting the morale of those who have chosen Hong Kong as their home, as they deserve every improvement that this city can afford. It would also help those who are still hesitating to make up their mind to stay. And in the long run, it may even be able to attract back some of those brains who have left Hong Kong for various reasons.

With these remarks, Sir, I support the motion.

MRS. FAN: Sir, I rise to support the motion of thanks moved by the Honourable Allen LEE, and shall take this opportunity to offer my comments on Vietnamese boat people, education and civic education.

Sir, as you rightly pointed out, the way Hong Kong coped with Vietnamese boat people was a record to be proud of. In spite of all the difficulties, the Government is continuing to do what is possible and practicable to help these people. However, many people in Hong Kong are asking the question, "How much longer will Hong Kong be expected to cope with this problem which is beyond our control and not of our making?" This is a fair question and deserves a fair answer.

Hong Kong has always considered itself a member of the international community, and as such, is prepared to contribute its fair share towards the solution of any international problems. In the case of the Vietnamese boat people, we have done more

than our fair share. What is needed now is reasonable co-operation from resettlement countries on increased resettlement and from Vietnam on speedy repatriation.

The recent agreement reached with the Vietnamese Government on the voluntary repatriation cases should be welcomed as a step in the right direction. It is also encouraging that UNHCR undertakes to arrange for the return passage and re-integration assistance for these boat people, who out of their own free will, choose to return to their home land. If their re-integration is successful, this will hopefully alleviate fears harboured by other boat people and thereby encourage more to go back rather than wasting their time in Hong Kong. However the repatriation of all screened-out boat people must be pursued with determination and persistence.

For the Vietnamese refugees in Hong Kong, their future must be with the resettlement countries which they have set their heart on reaching. It must be remembered that they have come to Hong Kong with the expectation of using us as a stepping stone to start a new life beyond our shores in accordance with the understanding reached at the 1979 Geneva Conference organized by UNHCR. But for various reasons, the resettlement countries are no longer fulfilling their part of the understanding to the same extent as they did during the years 1979 to 1981. The result is that over 15 000 Vietnamese refugees are stranded in Hong Kong against their wishes. The resettlement countries explain to us their domestic problems, the pressure they face in coping with refugees other than those from Vietnam, and the difficulties of integrating Vietnamese refugees into their community; as if Hong Kong does not have these problems. Hong Kong does face these problems, and to an extent much more serious than those experienced by the major resettlement countries. Our population density is 22 times that of the United Kingdom and 236 times that of the United States. In the last 12 months, we have repatriated over 25 000 illegal travellers from China, many of whom are relatives of local residents. Our social services and facilities never seem to catch up with the need of our 6-million population. I therefore find it hard, Sir, to accept the reasons given by the United Kingdom for not increasing its intake of refugees from Hong Kong from 20 to 60 a month as recommended by the British Refugee Council. The British Refugee Council should be in a position to know from actual experience that 60 a month is the number they can cope with. Even if Britain accepts 60 a month, they are only taking 720 a year. Canada has been taking more than that every year for the past five years. To refer to the 20 000 refugees that Britain received over the past 10 years, as Mr. Timothy RENTON, Home Office Minister with responsibility for immigration, stated recently, was a skillful use of figures. But it does not reflect the real and more recent

situation of Vietnamese refugees in Hong Kong . In the past five years, Britain has taken less than 1 000 Vietnamese refugees from Hong Kong while in the same period, both Canada and the United States took five times that figure and Australia accepted more than 2 500. Surely Britain could have done better . How can British government officials hope to persuade other countries to accept Vietnamese refugees from Hong Kong when their own record is so dismal. Viewing in this light the suggestion of my colleague, the Honourable Stephen CHEONG, is certainly not unreasonable.

It is appreciated that an increase in the intake of Vietnamese refugees by the British Government may not be a popular move in the United Kingdom, but this must be balanced against the responsibility Britain has towards Hong Kong, and the way British attitude is interpreted by other resettlement countries. One option that I would suggest for the British Government's immediate consideration is to make a commitment of annual intake over a period of five years. If the number is set at 700 per annum then a total of 3 500 refugees can be gradually resettled in Britain between now and 1993. Such a commitment will give considerable hope to the Vietnamese refugees in Hong Kong, and this will motivate them to prepare themselves better in vocational skills and languages for integration in the United Kingdom. It will also give the international community a good example to follow. Britain will be taking the lead once again, and reaffirming its commitment to Hong Kong convincingly.

The Vietnamese boat people is an international problem which requires an international solution. The understanding reached at the 1979 Geneva Conference is simply not working any more. In September 1987, Members of the Legislative Council already saw the necessity of another international conference involving Vietnam, countries of first asylum and countries of resettlement to find a durable solution to the problem. So we urged Mr. HOCKE, United Nations High Commissioner for Refugees, to organize such a conference. Mr. HOCKE was not enthusiastic, and he explained that there need to be a clear prospect of consensus and support by the international community before a conference could be held. I am therefore heartened to hear that UNHCR is now working towards an international conference next April. I wish them every success in their endeavour. The sooner this conference can be held, the better for all parties in particular for the Vietnamese refugees and boat people. Sir, I do not know whether a consensus on a durable solution is now emerging. For what it is worth, I would like to suggest a four-point programme for anyone who cares to take it on board. First, the resettlement countries should increase the quota of their orderly departure programme directly from Vietnam. Second, Vietnamese Government should undertake not to hinder the smooth operation of the orderly departure programme.

Third, Vietnamese boat people should be repatriated back to Vietnam with the assistance of and monitoring by UNHCR so that they can apply to leave Vietnam through the orderly departure programme if they so wish. Finally, the refugees remaining in the countries of first asylum must not be neglected; they should be resettled over a reasonable period of time. While large-scale financial and technical assistance to Vietnam is probably not feasible before their withdrawal from Cambodia, the necessary re-integration assistance for repatriated boat people can, as already indicated, come from UNHCR, which can in turn launch international appeals should they experience a shortage of funds. If the Vietnamese Government illustrated their good faith by treating the returnees humanely, and by giving every co-operation to the orderly departure programme, then it can establish some creditability in the international community. This would in turn enhance their chances of getting aid from the Western countries to rebuild their economy and solve the problem of boat people at its root.

Turning now to education, the foundation of our public sector education system is the primary sector. The present state of primary education, in particular, primary four, five and six are causing some concern. Students, aged between nine and 12, spend half day at schools. For the other half day, those who find staying at home too boring, amuse themselves in the neighbourhood and often come into contact with undesirable characters and develop habits which lead to behavioural problems. Neither their parents nor their teachers know about this until it is too late. Great efforts have to be made to help them rectify these problems, and not always successful either. Bilingualism in schools is a factor contributing to this problem. I therefore welcome your commitment, Sir, to gradually phase out bilingual schools, and also I am pleased to know that the Government is considering how and by when this can be done. There are definitely difficulties to be encountered. The most conspicuous is the lack of sites for more primary schools to be built. However, other problems such as more contact hours by teachers in a unilingual school, higher recurrent expenditure, higher maintenance cost on per capita basis, all these point to the need for more resources. The Hong Kong Aided School Teachers Association conducted a couple of surveys in 1986 and 1987 on these issues, and the results provide useful references to the improvements that are required. One of their proposals is to improve the class to teacher ratio from the current 1:1.2 to 1:1.35 in unilingual schools. One class normally has 40 students. Not wishing to stray into details, suffice it to say that if I am given the choice to devote more resources to the various sectors of the education system, I will give the priority to the primary sector because in these formative years of a child, the foundation of how to learn and what values

to adopt is laid. If the foundation is lacking, much more resources will have to be devoted to strengthening and rectifying it later on. This will lead to resources in secondary schools being devoted to do what should have been done in primary schools rather than what they were intended for. An urgent task that needs to be tackled is how to offer unisessional schooling to primary four, five and six students, and if this is not possible immediately, how to offer meaningful activities to these students in the free half day so that they can receive the necessary guidance and support to develop a positive attitude towards learning and living in this society. In other words, give them a firm base to build their future on.

My second suggestion on education relates to the Codes of Aid. The Education Commission recommended in 1984 that "In the interest of allowing schools more freedom and flexibility, consideration should be given to the simplification of the Codes of Aid." Nothing much seemed to have happened since then. Four years later, school principals are still spending a considerable amount of time complying with the required procedures related to repairs, estate management, tendering, ordering of furniture and equipment and so on. Sometimes schools have to submit the same form several times in order that different sections such as the inspectorate, district education officers, accounts, and statistics, can be kept in the picture. This resulted in that much less time spend on academic and curriculum matters for which the principals are trained to do, and should indeed be doing. While accepting that the Codes of Aid must have been drawn up with great care, and there are probably reasons for certain provisions, it should be noted that schools do not operate like government departments. Moreover, schools are different from each other. To apply a rule rigidly to hundreds of schools is hardly conducive to the improvement of quality of education. I believe the Codes of Aid should be closely looked at with the view to provide more flexibility and discretion to the schools, reduce the paper work, cut out cumbersome procedures, but at the same time ensure that subsidy is effectively utilized and properly accounted for. The Government should consider the setting up of a cross-department task force to explore ways of cutting across red tape, promoting efficiency and helping schools.

Moving beyond the realm of schools, civic education for the public is as important as ever. The introduction of direct elections to this Council in 1991 will represent an important, historical step forward in the development of representative government in Hong Kong. It will be the first time ever in the history of Hong Kong that its highest law-making body is to have members directly returned by an open franchise consisting of about 1.6 million registered voters. Its success or otherwise, no

doubt, would have significant implication for the future development of a democratic form of government for Hong Kong in the run-up to 1997 and beyond. The Government has before it a great and urgent task of ensuring the widest possible participation of the voters in the elections. Of no less importance is the need to drive home the message that each vote counts and that voting is a sacrosanct civic right and duty which have to be exercised with a due sense of responsibility. There should be public educational programmes introducing the voting system and highlighting some essential factor which one needs to take into account independently when deciding to whom the vote should go. This, like other form of education, is easier said than done. But I am sure that the Government, with the advice of the Committee on the Promotion of Civic Education will be able to come up with innovative, practical suggestions as to how this should be done. The need to do so can hardly be disputed, and the sooner we start moving ahead on this front, the better.

Sir, I support the motion.

MR. PETER POON: Sir, your annual address made on 12 October 1988 is very comprehensive and demonstrates Government's continuous commitment to improve the quality of life of the people of Hong Kong. It makes no pretense of the problems that we face and Government's determination and the Hong Kong people's ability to overcome many of such problems. As the problems and objectives have been clearly identified, I am confident that Hong Kong will rise to meet any challenge.

Hong Kong has enjoyed high economic growth during the past three years. It is now probable that our economy will slow down with GDP growth expected to be 6% in real terms this year. This is still very creditable compared with the rest of the world. However, our economy has been operating at full capacity and we continue to have problems with a shortage of labour. Recently, we also face a spiral increase in both commercial and domestic rents. I am afraid that inflation may exceed the 7% estimated. Let us hope that the expected slowing down of economic growth all over the world would leave market forces to adjust any excesses in inflation. On the other hand, our exports may be affected. We must therefore increase the capacity and competitiveness of our manufacturing industry if we are to sustain our major economic driving force. We must have more automation and move up market. The transfer of labour-intensive manufacturing processes to Guangdong have alleviated our labour shortage considerably. The recent review of various investments in Hong Kong by China may partially slow down the overheated property sector. However, inflation in China,

if unchecked, would possibly mean higher import prices from China. Hong Kong has made a lot of efforts in promoting its trade overseas in recent years. We cannot however relax with the European Economic Community moving in full swing for a single market by 1992 and the probable accord expected to be reached by the United States and Canada on their proposed trade pact soon. We can only survive and prosper if our goods are welcomed by other countries because of their quality and reasonable prices and we must keep on fighting against protectionism.

As Hong Kong practises the concept of free economy, the Government's main role is to provide land and other infrastructure to industry. I am happy to see that plans are being made to build the third industrial estate to attract local and foreign investments. The Government should do more to encourage research and technological transfer because we are lagging behind our competitors in the region in high technology. The establishment of the Committee of Science and Technology under the able chairmanship of Professor POON Chung-kwong and the formation of the University of Science and Technology are very welcome steps to achieve this goal.

As to the regulation of the financial and commercial sectors, Government has reacted very quickly after the October stock market crisis in the world last year. It is now fully realized that we are part of a global market and must have more co-ordination and comparable standard of regulation as in other major financial markets. With the co-operation of the Stock Exchange and Futures Exchange, a good start has been made to implement many of the major recommendations of the Securities Review Committee. Few could have expected the severe collapse in 1987 but most importantly, lessons are being learnt all over the world. Hong Kong is clearly seen to be determined in improving its regulatory system. In the light of such experience, we must aim to have fair, efficient and orderly markets. On the other hand, there must be sufficient power and safeguards to protect investors especially in case of sudden crisis, and to ensure international confidence in the integrity of our markets. Nevertheless, we must avoid over-regulation which will stifle growth and efficiency of our free market economy. I am sure a proper balance can be struck. Sir, I am also pleased to note from your address that the law relating to insider dealing will be amended shortly. The attempts to combat insider dealing would, I am sure, strengthen Hong Kong's reputation as a major international business and financial centre.

I would now like to comment briefly on the management of public finances. Our Government has a fine tradition of being prudent in managing its finances. This is why we have survived time and again during various economic crises and avoided many

pitfalls faced by other countries. Checks and balances on public spending, the enhancement of productivity and efficiency, the continuous search for the most cost-effective way for providing our existing public services, the value for money studies and the new procedure for resources allocation to enable a clearer view of priorities, all deserve our praise. Government however must not be complacent and should continue to improve its management of public finances. I can envisage more privatization or hiving off of some services if it is more efficient and cost-effective to do so. I am confident that Government is looking closely at such possibilities. Where it affects the public at large, the Government will no doubt wish to retain a measure of control to ensure that such services are properly managed and not unreasonably priced.

Sir, I welcome the idea of establishing a small "think tank". The Central Policy Unit will have both full-time and part-time members, from within and outside the Government. They can react immediately when difficult problems arise and give advice direct to you, Sir, the Chief Secretary and the Financial Secretary. This concept has worked well in other countries. The non-government members in the unit should be highly talented people who understand Hong Kong well. They should play an important role and should not be affected by political pressure but must have the integrity and sincere commitment to further the interests of Hong Kong. The unit, however, should not be seen in anyway as eroding the functions of the Executive Council. Rather, it should be an additional avenue for gathering expert advice quickly to assist the Government and the Executive Council to act promptly, more efficiently and effectively.

Last, but not the least, may I recall my appreciation to you, Sir, of your firm commitment to improve our environment. Our lovely harbour and beaches have been seriously polluted. It is sad to see that even our renowned Repulse Bay beach is severely affected. The harm pollution does to our environment will be serious indeed if it remains unabated. It would be embarrassing to continue to call our city "the fragrant harbour". The proposed action should be implemented as soon as possible. I must urge the Hong Kong public and industry to co-operate fully in this very important exercise to reduce pollution.

Sir, with these remarks, I support the motion.

5.58 pm

HIS EXCELLENCY THE PRESIDENT: It is now coming up to six o'clock and at this point, under Standing Order 8(2), the Council should adjourn.

ATTORNEY GENERAL: Sir, with your consent, I move that Standing Order 8(2) be suspended so as to allow the Council's business this afternoon to be concluded.

Question proposed, put and agreed to.

PROF. POON: Sir, I should like to begin by thanking you and my honourable colleagues to allow me to speak ahead of my allotted time, so that I can attend an official function of the University of Hong Kong to celebrate the 75th anniversary of our Engineering Faculty. Sir, I would also like to join my colleagues to thank you for your policy address, which I found most pragmatic and encouraging. Today, I will confine my comments to the Government's intended moves towards better co-ordination of science and technology and improved environmental protection measures.

#### Committee on Science and Technology

At the outset, I feel I must reflect certain problem areas faced by the Committee on Science and Technology in its work not so much to air frustrations that some of the members have already felt, but to suggest to the Government how best, in your own words, Sir, "to give the committee the back-up facilities it needs to enable it to operate more effectively". I appreciate your sincerity and determination to move ahead in this much needed area of Hong Kong's development and will try to match it with honesty on my part, as you have said, Sir, warts and all.

Since its formation seven months ago, the committee has set out to explore the most recent and possible future developments of science and technology required by Hong Kong to enhance our economic efficiency and competitiveness. We have identified a number of important subjects for detailed study. Apart from information technology which you, Sir, mentioned in your address, we have also set up a sub-committee on biotechnology, as these two areas are of paramount importance and their future development has far-reaching implications for Hong Kong and, for that matter, the rest of the world. Equally important are subjects such as laser safety, as they create public concern on a day-to-day basis through widespread application.

Recently, the committee has also started detailed discussions on the possibility of organizing regular international technology exchange fairs in Hong Kong from 1990 onwards, as well as how best to advance and co-ordinate popular science education. I do feel that there is the need to promote public awareness of science and technology through publicity campaigns, for example. All our efforts to make science and technology work for Hong Kong would only be worthwhile if the message gets through to our factory workers, housewives and our young people. After all, this is what popular science education is all about. A number of organizations such as the Urban Council, the Space Museum and Radio Television Hong Kong are already organizing popular science programmes towards this end, but I feel that a greater degree of co-ordination could achieve better results.

Sir, exciting things are happening for science and technology, and happening fast. Yet in support of what my colleague Mr. Allen LEE has just said, I must express concern on the Administration's ability to catch up with the committee's work in terms of infrastructural or technical back-up. Unlike other government advisory committees which are supported by individual government departments, for example, the Environmental Pollution Advisory Committee is supported by the Environmental Protection Department and the Transport Advisory Committee by the Transport Department, our committee cannot identify one science and technology department. With no reflection on the efficient secretariat that we have, I must plead for better technical secretariat back-up. Even our official committee members are not provided with the necessary resources to prepare technical papers for the committee. Up to now we have been relying on the goodwill of individual members for this purpose, but this cannot go on indefinitely. As I have said just now, too much is happening and happening fast, the Administration must catch up with no further delay if we are to move in concert to make advancements for the community in science and technology. I believe it can be done. It is simply a question of adjusting and simplifying the existing bureaucracy and improving communication among the different parties concerned.

Then there is the question of finance. At present, the committee has no capital grant or independent vote. But, your aim, Sir, in setting up the committee is to seek out and develop new scientific ideas which might be of use to Hong Kong and advise the Government how these might best be applied. You also aim, Sir, at making good use of the committee's expertise, "by encouraging it to organize exhibitions, conferences and educational programmes, and to engage local and overseas experts to work in areas of particular value to Hong Kong". While there is no lack of enthusiasm

or ability on the committee's part to fulfil all these objectives, we cannot develop and implement new ideas and organize educational programmes by waving a magic wand. An annual budget for the committee must be provided, and be provided immediately. The budget must be realistically adequate to enable the committee to achieve its objectives. There is no point in giving the committee a small budget as a mere gesture. The enthusiasm of the committee members must be properly supported; otherwise it will be difficult to sustain, and flagging enthusiasm will ultimately hinder the work of the committee.

One of the most exciting projects you mentioned, Sir, is the possible establishment of Hong Kong's first technology centre. It is a laudable move on the Government's part, but the degree of its eventual success in encouraging innovation in industry depends on a number of factors. One of these factors, I suggest, is the adequate input of ideas concerning the application of new technologies in industry. One very effective way to produce these ideas would be to hold regular international technology exchange fairs in Hong Kong, a proposal which is currently under active consideration by the Committee on Science and Technology. Let me emphasize that what I have proposed all along in relation to the technology exchange fair is that it should not be an academic exercise. In the circumstances of Hong Kong, the event would be industry-oriented rather than academically-oriented. It would serve the purpose of match-making between innovative ideas and manufacturing through exhibitions and technology presentations. Through the organization of these fairs, Hong Kong would gradually achieve international recognition as a centre for technology exchange. In fact, Hong Kong is very well placed to become such a centre in the region.

Of course, the committee alone could not possibly embark on such an ambitious project. I am already in touch with various organizations whose help and advice would be vital, such as the Trade Development Council and others. I urge that all parties concerned give full support to the proposal.

The environment

Now let me turn briefly to the measures proposed to improve our environment. Sir, the steps that the Government intends to take on this front are no less than gargantuan; they are also much needed and long overdue.

But whilst far-sighted and ambitious plans are all very well, they may not necessarily provide a panacea to all evils. Sir, I would like to recapitulate some

of the major concerns I have often rehearsed and which I feel have not been properly addressed.

(i) Relying on legislative sanctions is not enough

What the Government has managed to do so far in fighting environmental pollution lies mainly in legislative sanctions. But the man in the street wants to see results. This can only be done through more effective implementation of these sanctions. By this, I mean the Government must realize the unique situation in Hong Kong. Its densely populated urban areas and a small overall land area are combined with a reliance on its ability to maintain its competitive industrial edge. Over 97% of our industry are small industries with a small factory space and employing less than 100 employees. Solutions to environmental problems overseas cannot be blindly applied in Hong Kong. Many factories simply do not have the space to accommodate extra pollution-preventive equipment available in shops. I urge the Government to consider establishing consultancy services or strengthening such services in some government-subsidized agencies, on a non-profit making basis, to help industrial and manufacturing enterprises, in particular, the small-time operators, to identify ways to reduce their pollutants. This would, of course, involve research into the best financially viable systems most suited to the local manufacturing situation. But in the end this will prove a far more cost-effective way to combat environmental pollution from industry.

(ii) Promoting environmental awareness

Much of the pollution in Hong Kong is the result of rapid population growth. Apart from involving our industrialists, planners, engineers and other professionals in the fight to tackle our pollution problems, I feel that Government should call on the entire community to wage war against sources of pollution. On a more positive note, every person ought to have a sense of social responsibility towards their environment. The Government should ensure that this message gets through.

(iii) General traffic noise control

I am disappointed that, in the overall scheme to combat environmental pollution, the prevalent problem of general traffic noise is completely left out. This is a pity. The effect of general traffic noise on the people particularly affected by it, for example, those living right next to flyovers, can be considerable. Once again,

I urge the Government to properly address this complex problem, especially in planning for better control in future.

(iv) Speeding up the livestock waste control scheme

Finally, to end with a question: after all the sound and the fury, what is the latest position regarding the much publicized livestock waste control scheme? I believe it is imperative that the demonstration projects promised by the Government should go ahead without any unnecessary delay. Otherwise, credibility would again be at stake.

With these remarks, Sir, I support the motion.

MR. CHENG HON-KWAN: Sir, you devoted more than a quarter of your policy address -- 23 pages out of 90, to be exact -- to the physical infrastructure of Hong Kong and to its physical environment. Since these have been the two major concerns of my working life, my reaction was enthusiastic. And I mean this seriously too. Sir, as you yourself emphasized, an effective and efficient infrastructure is vital to our continued prosperity, so it certainly merits a due share of our attention.

I turn now to the content, and, first of all, to those two key elements of the infrastructure: the port and the airport. You confirmed, Sir, that the joint development strategy is being worked out with determination and energy.

I welcome this whole-heartedly, especially since I was one of those who pressed for a co-ordinated investigation and also pressed for the earliest possible decisions. Speaking a year ago in this Chamber, I said: "These studies should be expedited on account of the lead time which will elapse before two such enormous projects can be completed."

It is good news that a final presentation of the best options will be ready by the middle of next year and not later, as was once envisaged, and that the siting of the new airport and the timing of its construction will be decided by the end of that year.

Next, the environment, I fully agree with your assessment that the fight against pollution must now be a major priority. You announced the creation of a new policy

branch in Government responsible for both planning and environmental protection -- which I welcome as a step forward. You also announced that a new drainage services department would be set up next year, and this I also welcome.

Sir, there is a third administrative step which I believe the Government should now consider. You pointed to the close correlation between planning and measures to protect the environment. To my mind, this link is so important that it is high time that the planners' role should be more clearly recognized and identified in the government structure. In other words, there is now a strong case for setting up a town planning department -- which, like the Environmental Protection Department and the new drainage services department, could come under the guidance of the new policy branch.

For a long time (for more than a decade, in fact), our town planners have felt that, because of organizational constraints and a diffused deployment of staff, they have been inhibited from making the fullest possible contribution to the development of the territory. This is a valid point. Let us, at long last, do something to ensure that all important processes of town planning are conducted in an integrated context rather than in a piecemeal fashion.

I am aware of appropriate steps being taken by the Government to review the 49-year old Town Planning Ordinance. This legislation obviously cannot cope with our present and future socio-economic and political conditions. This Ordinance should be environment-oriented and should provide for proper and efficient town planning taking into consideration overall as well as district implications; more public involvement in the planning processes; effective enforcement of planning proposals; and fairer planning system, commensurate with the territory's unique situation.

Sir, your address did not understate our difficulties. As you put it, you painted a full picture, "warts and all". Let me turn to two problem areas.

First, the labour shortage -- which, as you noted, has hit the construction industry hard. The solutions to this lie not simply in the provision of more workers, but more realistically in Hong Kong's need to take quantum leap towards improving productivity and efficiency. I am suggesting that we take a hard look at our existing system to see if we are not by modern day's standards inefficient and ineffective.

Secondly, inflation. I am particularly worried about the rate at which

commercial and residential rentals have been rising. Startling increase do nothing to foster our competitiveness, putting it mildly. If we are not able to increase our stock of office and residential accommodation and to improve our existing stock, we cannot hope to continue to attract international companies to base themselves here nor can we control the current rental spiral which, too, will deter new comers and cause companies already here to re-examine the cost-effectiveness of Hong Kong versus our Asian neighbours.

One way of increasing the stock of up-to-date buildings both as to their external appearance and internal spatial and environmental conditions is to carry out far-reaching refurbishment to existing buildings, changing it in every respect with a minimum input of time, manpower and construction resources.

But I also suggest that more quickly additional land can be made available by Government for commercial development, the sooner this disquieting inflationary trend can be curbed.

Sir, just as there is a close and clear link between the environment we plan for (or fail to plan for) and the environment we get, so also there is a close connection between those professionally engaged in our construction industry and the educational system which produces these professionals. As you stressed, the demand for well educated young people to fill professional and managerial positions is increasing particularly under the impact of the so-called "brain drain", and I welcome the "very high priority" which the Government will continue to give to the expansion of higher education.

You noted, Sir, that our tertiary institutions now provide first-degree courses for about 6.5% of young people in the relevant age group, and you added that this percentage would be raised to more than 14% by the year 2000. May I point out that 14% is a modest proportion by today's international standards. I hope we can set our sights somewhat higher and keep our planning as a continuing process.

Another area which I believe calls for higher targets and higher commitment is the field of research -- particularly technological and scientific research at the tertiary level. Last year, Sir, you announced that government funding of research at this level would amount to \$120 million spread over a three-year period. Again, international comparisons make clear that this sum is disappointingly small -- some would say, pitifully small. Surely we can give more effective support to studies which,

directly and indirectly, should yield substantial benefits to the community, economically as well as academically.

Sir, I have followed your example in that I have not hesitated to underline those problems which cause me greatest concern. Some of these dilemmas may well be regarded as suitable subjects for the new "think tank" -- the Central Policy Unit -- to put on its agenda; I certainly support the setting up of this unit, and I wish it well.

Yet, in conclusion, I must agree with you that some if not all of our current problems have resulted from the astonishing progress which Hong Kong has made over the last 30 years. It is good to reflect, occasionally, on the stamina and determination which have enabled our community to surmount crises on the road leading first to revival and recovery and later to our present measure of prosperity. The same qualities, I am convinced, will help us to defend, and extend, the remarkable progress already achieved.

With these remarks, Sir, I support the motion.

MR. CHUNG (in Cantonese): Sir, it has been emphasized in your policy address that the Government will strengthen various developments on basis of the existing policy with a view to drawing up a steady, constructive and forward-looking programme for Hong Kong. Your policy address has also reflected the increasing commitment of the Government during the transitional period and its effort to meet various demands resulting from continuous evolution and development of the territory. However, judging from some of the policies mentioned, it appears that the Government, though full of confidence, lacks flexibility. Therefore, from now on, the Government should pay more attention to public response in each step to be taken.

For the well-being of the community during this transition period in particular, I sincerely hope that Your Excellency, in your leadership as the Governor of Hong Kong, will treat it as essential to see that the various objectives of development set by the Government are carried out.

Construction of a new airport

It is indicated in the policy address that the major objective of the Government's policy is to build up in the territory a strong economic system as well as a financial

stronghold which will enhance prosperity and help Hong Kong stand against keen international competition. One of the most important development projects that the Government intends to carry out is the construction of a new international airport and its related facilities which will cost billions of dollars.

I believe our economy is sound and vigorous enough to support the construction of a new international airport. The financial arrangements and implications of such a gigantic investment will definitely produce the twin effects of accelerating the economic and social development of the territory and in particular strengthening the confidence of both the local residents and the investors towards the political future of Hong Kong after 1997.

I think a decision on this project should be made as soon as possible and it should be implemented at an early stage. In addition to our development in infrastructural projects on port facilities and road network, the construction of a new international airport with facilities better than those at Kai Tak will bring even greater benefit to the prosperity of the territory. Accessibility to international business passengers and long-term cost-effectiveness should be the criteria in selecting a site for the new airport. Hence consideration should be given to the compatibility between the airport project and the reclamation programme on the western part of Hong Kong. This will bring the new airport closer to the container port and will facilitate the development of the overall transport system including air, land and sea transport. Furthermore, it will bring the cost down and ensure a more integrated programme in development.

At the same time, I hope the Government can take early actions and provide adequate resources in extending the facilities at the Kai Tak Airport to enable it to cope with the increasing passenger and freight services before the replacement airport is ready for use. Otherwise the economy of Hong Kong will suffer a great loss.

#### Housing development and building management

Apart from expanding our airport, port and road facilities, we still have to build many houses to ensure the prosperity of Hong Kong and improve the quality of living of the local residents to enable each one of us to live happily for generations.

As everyone is aware, "housing" is an ever increasing demand in Hong Kong both in terms of quantity and quality. Under the present trend of development, Hong Kong

has established a housing pattern in which multi-storey buildings have become the most "deeply-rooted" form of accommodation throughout this densely-populated city. Population growth, increase in the number of families and the branching out of the business firms have directly activated building projects. Buildings are refurbished and redeveloped sooner than before. Furthermore, there are also housing programmes in other developing areas. Various kinds of buildings such as residential buildings, commercial blocks, factories and dual purpose buildings have their place in laying the foundation for a brighter prospect for Hong Kong.

Development in housing has also brought in the problem of building management. Generally speaking, the management of the buildings in the public sector is not too bad, but the problems in private buildings have become a cause of concern.

Your Excellency have attached great importance to housing and building management problems. It is understood that Government has made the following decisions:

1. The Government intends to spend \$10 million to continue the public housing programme in order to provide adequate accommodation for all by the turn of the century.
2. The Government has decided to provide a legal framework and amendments to existing legislation which will give owners of private buildings the opportunity to manage their buildings effectively.
3. The authority concerned will co-operate with private developers to rebuild the urban area according to the scheduled targets.

You have also announced the establishment of a new advisory committee on private building management which will advise the Government on what further measures are needed to improve the management of private buildings.

I believe, after the enactment or amendment to the relevant legislation, a brand new and full-scale private building management system will be established and commence its operation. Most important of all, we need the co-operation from individual owners of private buildings throughout the territory in making the "self-management of the multi-storey buildings" a success.

In my view, priority should be accorded to a series of problems listed below:

guidelines or amended provisions for mutual covenant of buildings; ways and means to remove or alleviate the contradiction arising from the mutual covenant between the landlord and the flat-owners; rules relating to owners' incorporations, mutual-aid associations, caretakers and watchmen; legislation governing guesthouses in buildings, "single-prostitute apartments" and indecent signboards; methods to establish liaison network in the buildings under the guidance of various district offices as well as the necessity and ways to set up a tribunal for building management affairs.

Since multi-storey buildings have become the component part in the overall structure of our community, special attention should be given to bring about a reasonable and effective management. If everyone can adequately manage their own buildings according to their individual needs, it would mean a good administration in our society at the grass-root level. Of course, the residents themselves will benefit from good management in the first place.

#### Environmental protection and prevention of pollution

You have pointed out that serious environmental pollution has been the by-product of our economic success and population growth. The Government has decided to set up a new policy branch responsible for planning and environmental protection in addition to its earlier decided \$10-billion scheme to deal with the problems of refuse, sewage, polluted air, noise and chemical waste in a full scale.

Pollution in our beautiful harbours and many beaches has been most serious. People have complained that "we got no place to swim even though Hong Kong is an island." Every day large volume of flotsam are collected from the harbours. Thus the most urgent task in environmental protection is to adopt effective measures in preventing the sewage and waste from polluting our rivers and sea waters as well as to clean up the beaches.

It has been our understanding that environmental protection and pollution prevention measures are our long-term commitments. In the past, some scheduled plans have been implemented too slowly. For example, the Lai Chi Kok incinerator has brought serious pollution problems to the environment as well as damage to the residents. I wonder why it has to take 10 years for the demolition to start and now we still have to wait till the early 1990s before the demolition can be completed. Furthermore, the volume of traffic noise at some districts has gone beyond the

tolerated level by international standard. Why has this aspect not been mentioned in the pollution prevention plan or in other related legislation?

The Administration should take a closer look at the seriousness of various kinds of pollution and consideration should be given to adopting major interim measures for improvement before a substantive policy on pollution problem can be formulated.

To strengthen the rule of law and to ensure public order

Sir, as prosperity builds on stability, the strain on our police force will grow when the transition period draws near. The British garrison may have to withdraw gradually five years later. It is known to all that our police force is expanding gradually, indicating that peace and order are well provided for when the Government makes its policies and decisions.

It is important that under the rule of law, peace and order are maintained under the concerted effort of the police and the general public, otherwise, we will not be able to fight against conspiracy that may disrupt order and peace, let alone the reinforcement of our strength in fighting crime. I would like to reiterate my previous proposal: the Government should try its best in subsidizing the setting up of an unarmed civilian security force comprised of units formed by multi-storey buildings under the leadership of the police and the guidance of the district offices. I believe that the established good relationship between the police and the public, the expanding neighbourhood watch scheme, the plan to place all multi-storey buildings under the management of the City and New Territories Administration on a district basis as appropriate, and funds to be available for expanding the police force on reduction of the expenditure for the British garrison, will all be factors which will render this suggestion, made in line with the rule of law to strengthen co-operation between the police and the public against crimes, a feasible one.

As regards the border defence, it seems that the number of illegal immigrants from Mainland China has not increased, but as Sino-Hong Kong relations and our links with Shenzhen become closer, in the long term, there is a potential threat that outlaws would take advantage of such particular circumstances in Hong Kong. In view of this, the Hong Kong and the Chinese authorities should negotiate for a specific defence agreement or mutual defence agreement to guard against offences such as robbery across the border, smuggling, drug-trafficking and illegal immigration. The agreements, if signed, should be promulgated in both regions to enhance publicity.

## Conclusion

Sir, "safety should come first"; as far as the security of Hong Kong is concerned, I share the views of the general public that our hope rests with the rule of law and the dedication of the police force in Hong Kong. You have mentioned the commitment made by both the Chinese and British governments in bringing the Basis Law in line with the assurance laid down in the Joint Declaration. You have also elaborated the attitude of the Chinese government in attaching great importance to the views of the people of Hong Kong on matters concerning the Basic Law. In doing so, the sense of security towards the future of Hong Kong is further enhanced. Under the present robust conditions, we should be optimistic towards the development plans which straddle beyond 1997. I welcome your policy address and hope that the Government is readily prepared to conduct reliable and flexible reviews on our long-term development strategies, and above all, attach greater importance to the views of the public.

Sir, with these remarks, I support the motion.

6.32 pm

HIS EXCELLENCY THE PRESIDENT: Nine Members have yet to speak this evening. Members of the Council might appreciate a short break at this point.

6.58 pm

HIS EXCELLENCY THE PRESIDENT: Council will now resume.

MR. HO SAI-CHU (in Cantonese): Sir, your policy address to this Council is pragmatic. It sets out a magnificent blueprint for our future development and lays a more solid foundation for our economy. This will ensure continued improvement on the quality of life of our people and will also make Hong Kong a more attractive and vigorous city.

As initial plans concerning our political development have already been worked out, it is natural that the Government will now concentrate its efforts on economic

and cultural development so as to promote the welfare of the community. I feel that the Government has the determination and ability to accomplish this objective. I also believe that this policy address will be supported by the general public.

All along I hold the view that a good Sino-British relationship is an important guarantee of Hong Kong's continued stability and prosperity during the transitional period. This idea is also explained in detail in your address. Consistent with the spirit of last year's policy address, economic relations with China have been placed in the foremost part of your address. The close connection between Hong Kong and China, the Pearl River Delta Region in particular, can be demonstrated in terms of labour force, investment and trade and it is hoped that this connection will be maintained and strengthened. As a matter of fact, the close link and mutual economic interests between China and Hong Kong have laid a substantial foundation for good relationship between the two places.

Your address mentioned that high level visits by both Chinese leaders and Hong Kong officials were more frequent. The development of contacts at all levels, be it official or private, is greatly helpful to promoting the relationship between China and Hong Kong. For various reasons, both sides made very few contacts in the past not to say official visits. This resulted in the failure to deal with problems in time and a lack of mutual understanding. In recent years, as China continues its open door policy and the Sino-British Joint Declaration has been signed, there are favourable conditions for high level officials and non-governmental organizations on both sides to visit each other, hence strengthening the communication and understanding between the two places. It will be conducive to the smooth transition if problems are solved through consultation. Recently, Your Excellency accepted China's invitation and paid a visit to Beijing to meet the senior officials of China. Both sides exchanged views and reached a consensus on certain important issues in relation to the transitional period. This visit is significant in helping the Government to facilitate the smooth convergence with the future Special Administrative Region Government when embarking on its various programmes.

Sir, as a representative of the industrial and commercial sectors, I am very much concerned about the problem of labour shortage in Hong Kong. In the policy debate last year, I talked about the issue and made some suggestions to solve the problem. Since then, the Government has taken some measures such as relaxing the over-time restrictions on female workers. However, other measures are still under consideration. Effective solutions are not forthcoming and consequently, there is not much

improvement on the problem of labour shortage.

The Government reiterates its policy that it does not plan to allow the import of substantial numbers of workers from outside Hong Kong. Instead, it will work for increased automation, greater productivity and improved wages and working conditions which will attract more people to seek employment. The aim is to allow the workforce to share the benefits in good years. I support this policy which is formulated in the interest of the entire community.

Your address mentioned that full efforts would be made to ease the tight labour supply situation within the existing policies. I therefore have to bring up again what I suggested in the policy debate last year. As Filipino maids are already allowed to work in Hong Kong, Chinese maids should also be permitted to come in the same manner. They will be more acceptable to the Chinese families and make it easier for housewives who are potential workers to go out to work. Some people may worry that the Chinese maids may easily hide away as illegal immigrants because most of them have relatives in Hong Kong and are able to speak Cantonese. However, according to statistics provided by the tourist industry, a total of 326 000 visitors came to Hong Kong during the period from November 1983 to October 1988 and only 12 of them are missing. This figure is indeed insignificant and will hardly produce any social impact. The comparison may be a bit indirect, but I believe the problem of maids staying behind illegally can be overcome by working out stringent restrictions such as setting up a centralized employment agency and a guarantor scheme as well as fixing a minimum age limit for the maids.

Furthermore, with the entry quota of 75 persons per day, the Hong Kong Government may negotiate with the Chinese authorities to see if priority for settlement in Hong Kong can be given to those who are potential workers. If possible, the entry quota may be advanced to 150 to allow more people to join the local labour market. This quota may be cut back when the situation is eased. I hope the Government will give further consideration to the above two proposals.

Labour shortage is said to be a long standing problem. I pointed out in my speech last year that the abolition of the touch-base policy, rigid restrictions on immigration, birth control, preference of our young people for further education as a result of a better economy all contributed to a decrease in labour supply. All these factors will continue to affect our labour market. The problem of labour shortage will be with our commerce and industry for a long time to come. It will be even worse

for the building and construction industry because, unlike factories, we cannot move construction sites to Mainland China, and without workers, construction work cannot proceed. In my view, the Government should pay attention to this situation and work out some contingency measures beforehand. In the event of an acute shortage which affects major infrastructural developments and our economic growth, a small number of construction workers may be brought in on short-term contract subject to close supervision. Stringent measures can be introduced to make sure that the construction workers will strictly observe the contract terms and return to their countries at the end of their contracts leaving no problem behind. In importing foreign workers, we must also ensure that the existing wages and benefits of local employees will not be affected. I believe that the above proposals are not only in line with the existing policy of restricting the importation of substantial numbers of foreign workers, but also beneficial to our economy.

Sir, in the face of labour shortage in Hong Kong, the safety and health of worker deserve more attention. You mentioned the newly established Occupational Safety and Health Council in your address, showing Government's concern towards this issue. I have the honour to be appointed chairman of this council which gives me the opportunity to work with other members of the council for the safety and health of our workers. You also mentioned in the address that the Government will continue to improve our labour legislation so that the conditions of employment will achieve a level broadly comparable to the best prevailing in the region. This is an encouraging commitment. We all know that manpower is the most vital element in productivity and our workforce is essential to the prosperity of our society. Hence, the Government and employers ought to attach greater importance to the safety and health of our workforce. I note from the relevant statistics about industrial accidents that there are a total of 18 265 cases of industrial accidents in the first half of 1988 and the death tolls amount to 62 between January and September. The figure represents a slight decline compared with 68 deaths in the corresponding period last year. But human lives are indeed most valuable. Though we can achieve tremendous success in our economic development, it is too costly if our success is made at the expense of the life and health of our workers. Recently, a driver was killed as a pile of containers toppled. Does it mean any loophole in our existing legislation or negligence in our monitoring process? In any case, study and improvement are necessary to avoid or to reduce as far as possible injuries or deaths resulting from industrial accidents.

Lastly, I would like to talk about the issue of Vietnamese refugees stranded in Hong Kong. With the introduction of the screening system in mid-June this year, all

those who are identified as non-refugees will be repatriated to Vietnam whereas those who are found to be genuine refugees will be resettled overseas. The point is: how can we persuade the resettlement countries to accept more refugees to bring an early relief to our burden? In my opinion, the United Kingdom should take the lead and set an example in increasing the resettlement quota. During the past five years, the number of refugees accepted by the United Kingdom was less than 1 000. Not only has the United Kingdom failed in taking the lead to solve the problem, she has also lagged far behind the United States, Canada and Australia in her intake of refugees. I cannot see any convincing argument in it. I therefore strongly support the Honourable Stephen CHEONG's request of pressing the British Government to take in and resettle each year a minimum of 1 000 Vietnamese refugees in Hong Kong.

Sir, when the policy address was made last year, I mentioned that the economic conditions of Hong Kong were basically sound though Hong Kong had been affected by the worldwide stock market crash. With its hardworking people, Hong Kong will continue to move ahead. A year has elapsed and I am pleased to find that Hong Kong continues to be prosperous and stable. The work of the Government spelt out in your policy address this year is of greater scale. Given serious and thorough implementation of these policies, I believe that our accomplishment will be even more remarkable and the future of Hong Kong will be brighter.

Sir, with these remarks. I support the motion.

MR. HUI: Sir, your "State of the Territory" address this year has received plaudits for its practical approach to Hong Kong's varied problems. While appreciating the need for pragmatism resonant throughout your policy speech, I somehow shared the disappointment that the address lacks the broad vision of a precursor.

Social services

Take the section on social welfare for instance. The announcement on the extension of the old age and the disability allowances, the proposed legislation of private old age homes and protection for employees coming under private provident funds were all social policies that should have been implemented some years ago. A quick look at our existing social welfare provision shows that we are still short of 702 infirmary places, 3 388 care and attention home places, 126 welfare workers for combined children and youth centres, 1 211 sheltered workshops and 1 573 day activity centre places. Furthermore, those extended service programmes I have just mentioned have

been planned without having regard to the improvement of quality of services. With welfare services manning ratio set at the minimum standard, such as one family caseworker to 90 cases, many of our family problems are being left undetected, harbouring family tragedies that periodically shook the conscience of our community. Indeed, there has been no breakthrough in the improvement of service quality which is directly affecting the quality of life of our service recipients.

Sir, in your policy speech last year, you acknowledged the need to provide more qualified social work personnel to deal with our increasingly sophisticated social needs and problems. Since then, our social work manpower situation has not improved, with an envisaged shortfall of 676 social work degree holders and 519 diploma holders by 1991. The effects of our haphazard social work manpower planning, coupled with unfavourable working conditions, the lack of fringe benefits and dim promotional prospects have aggravated the problem, highlighting social work manpower wastage. It is disturbing to note an estimated wastage on strength for social work degree holders at 10.5 % while that for diploma holders at 11 %. Here, I would reiterate my call made at last year's policy debate for the establishment of a central planning body designed to match demand and supply of social workers and to enhance the efficient and effective deployment of trained social work manpower. Nothing short of long-term manpower planning could resolve our manpower problem which is umbilical with social welfare development.

In the face of competing demands on public funds, it is understandable that Government has all along maintained a reserved attitude on social welfare development. However, such an anachronistic attitude must change in a place like Hong Kong where the basic ingredient is people. Hong Kong, plagued by a complexity of human problems aggravated by our unprecedented population growth must look upon social welfare as a social investment -- an investment in people. Social welfare improves the social functioning of the deprived, the deviant, the poor and the unemployed in our midst. Sir, your determination that Hong Kong cannot stand still won my whole-hearted support. Indeed, a responsible, progressive government not only deals with immediate social needs, but also maps out long-term social policies geared to forestalling the recurrence of social problems. The early implementation of agreed manning ratios endorsed by the Social Welfare Advisory Committee and the formulation of a long-term social work manpower policy are therefore two urgent tasks in hand.

Another observation, Sir, I wish to make, is that your policy speech has failed to mention many issues and problems raised in this Chamber during the past Sessions.

It begs the question whether Government is really serious about citizen participation in policy-making?

Members may recall that beginning with the city district offices, channels for public consultation were opened up to solicit public opinions on government policies. Highlighting these consultative machineries are some 400 odd statutory and non-statutory advisory committees of which the OMELCO standing panels form a significant part. Unfortunately, due to the limitations imposed on their functions, composition and procedures, these committees have not successfully played their role as a surrogate for democracy.

### Passive role

The efficient operation of advisory committees depends largely on their terms of reference which in most cases are broadly framed and seldom reviewed. In likening the committees to a puppet show, we have committee members acting according to the script prepared by the Administration. With meeting agenda often set by official members, the 2 106 unofficials of the 393 advisory committees are only able to discuss general issues and respond passively to matters referred by the government departments. Members may agree that to raise questions and to clarify issues are the best one can expect under such circumstances. With the exception of those committees set up to tap expert advice, programme monitoring is almost non-existent.

### Membership composition

Although Government claims that membership of its advisory committees is drawn from different sectors of the community, in practice, Government tends to do the casting of the show. It appoints its unofficial advisers mainly from those deeply involved in finance, industry, real estates and related professions. Members who have a strong business interest in a committee's deliberations may be able to influence the committee's decisions; and when social and financial interests are in conflict, there is no guarantee of impartiality to ensure that a fair balance is struck. Furthermore, with some 85% of appointments made on ad personam basis, it is doubtful whether the views of various interested groups are adequately represented by the minority who are conversant with their needs and problems.

Regrettably, many Members acting like puppets on a string, tend to always toe the government line. Members' servility is partly attributed to Government's frequent rejections of constructive, well-intentioned proposals made by people who are vocal

in criticizing government policies. The exclusion of Legislative Council's elected representative of the Educational Functional Constituency -- Mr. SZETO Wah -- from the Board of Education and the Education Commission puts to waste Mr. SZETO's invaluable experience, expert knowledge and long years of service in the field of education, thus making a mockery of Government's consultative system. Moreover, Government's paternalism is made possible by having a substantial number of important committees chaired by official members, an official majority, and overlapping chairmanship and committee membership with repeated tenure of office. Of the 14 non-official Members of this Council who served as chairman of public bodies last year, 12 were appointed Members. The appointment of the chairman of the Advisory Committee on Social Work Training, a psychiatry professional in her own right, who has no experience and background in social work training, offers a glaring example of the inconceivable criteria by which Government appoints its advisory committee members. Consequently, with the lone rangers always outnumbered in voting sessions, important policy advisory committees are in fact not operating independently.

#### Official bias

Before the curtain rises for the puppet show, the stage managers, that is, government officials prepare all the props and sets. Apart from the congenital handicaps of vague responsibilities and appointed memberships, advisory committees are further crippled by committee procedures. With public policies traditionally made from the top, consultation is just to sell Government's proposals. Consultation with advisory committees often becomes a stage for pushing through policies that Government wants to implement, rather than tuning in to public opinions. One ready example is the Report of the Committee on Housing Subsidy for Tenants of Public Housing issued in October 1986 which offered no other choice to "well-off" tenants than paying double rent to avoid eviction. Another example is the consultative paper on the Central Provident Fund Scheme of May 1987 which completely ignored the calls from labour and social services functional constituencies to set up the essential social security scheme.

#### Power constraint

Thus, many important policy decisions are taken without the advice of the various advisory committees, making us skeptical about the functions and value of such advisory bodies. Examples of the Government bypassing its advisory committees include the decision to introduce means-test for old age allowance recipients without

consulting the Social Welfare Advisory Committee, and the re-organization of the Housing Authority without consulting the OMELCO Housing Panel. Consultation exercises conducted on the Green Paper on Representative Government, the Survey Office Report and the White Paper on Constitutional Reforms, served to illustrate what is fittingly described as window-dressing for democracy. It is only when public feeling is unanimous and public reaction adverse that we get immediate, reactive response from Government, as in the case of doing away with the means-test for existing old age allowance recipients.

### Suggestions/recommendations

From a political and social point of view, there is considerable advantage in the direct involvement of public-spirited people in the policy-making process. Unfortunately, our advisory committees, which are often not representative in composition and lacking in statutory authority, are being used to rubber-stamp government decisions. Sir, the crux of the matter is that our consultative system has not lived up to public expectations! As the curtain rises before an increasingly sophisticated political audience, the time for change has come.

To begin with, the Administration should examine the need to give the advisory committees "real powers" and a say in policy-making to be built into their terms of reference. To facilitate the smooth operation of the consultative system, the relationship between the recently set up independent authorities -- Housing Authority, Provisional Hospital Authority and Broadcasting Authority and the respective OMELCO panels ought to be clearly defined. I believe consultative committee members, if they are really determined, can monitor to some extent government performance and resources allocation with substantial impact on official action and thinking. We need conscientious, open-minded people nominated by representative organizations who can set aside personal considerations and speak out in the best interest of the community. In this respect, the call from various medical, nursing and health care groups for representation in the Provisional Hospital Authority ought to be given sympathetic consideration by Government. Furthermore, improvements should be made to information papers which should be based on social objectives; while consideration could also be given to holding open meetings to ensure that Members remain accountable to the public. It is also important to look into consultation exercises and decide on when to collect public opinions, how to collect them and who to interpret them. I whole-heartedly endorse the call made by our former Senior Member Ms. Lydia DUNN who urged the Government not only to consult its advisory committees before decisions

are taken, but also to explain effectively these decisions to the public at large and to justify the rejection or modification of an advisory committee's views. The recommendations made by the McKinsey consultants in 1973 for the efficiency and beneficial use of committees still hold today. Unless something is done, the outward embellishment of our advisory bodies will soon give way to unfolding defects of our consultative system in the face of growing demand for representative government. If this should happen, then the enthralling proposal to set up a think tank (the Central Policy Unit) will become just one more illusionary decor of our bureaucratic system.

#### Vietnamese refugees

Sir, before closing, I must take this opportunity to voice my strong feelings about the heavy burden of Vietnamese refugees imposed on Hong Kong when Britain should ultimately be held responsible for it. It is basically due to United Kingdom's generosity in offering Hong Kong as the country of first asylum for Vietnamese refugees that we find ourselves in deep plight today. Looking back, in the last four years and nine months, the United Kingdom has absorbed less than 1 000 of the Vietnamese refugees stranded in Hong Kong, while Canada, United States and Australia have taken in five times more. However, these countries have all proclaimed that unless United Kingdom accepts more of the refugees, their intake will be further reduced. It must be pointed out that before our present screening system was implemented, the influx of boat people from Vietnam had been a bottomless pit. Now with the situation and the numbers well under control, the United Kingdom, being our sovereign, is both morally obliged and duty-bound to alleviate Hong Kong's plight by accepting more Vietnamese refugees. If immediate action is not taken, Hong Kong will have no alternative but to expound to the whole world United Kingdom's grossly unfair treatment towards Hong Kong over the Vietnamese refugees issue, which can only jeopardize United Kingdom's efforts in preserving its humanitarian image.

Sir, with these remarks, I support the motion.

MR. LI: Sir, the Government's continued firm commitment both to Hong Kong's future economic growth and to the further improvement of the quality of life for all in the territory, is worthy of praise. In particular, I endorse the Government's endeavours to upgrade Hong Kong's physical infrastructure over the coming decade. This will be vital to maintaining Hong Kong's competitiveness -- indeed, its viability -- as an international business centre.

That said, of course, we come face to face with the question of resources. The issue is not money. It is manpower. Before this Government can play Father Christmas, it must be sure not only that it can deliver on its development promises, but also that it can do so without de-stabilizing the economy.

At the moment our economy is running nearly at full-tilt. While many project a slackening of demand next year -- just as they predicted a slowdown this year -- it would be naive to plan only on such assumptions. The Government must look before it leaps. Even if there is a slowdown, will it be enough to reverse our accelerating inflation rate?

Personally, I fear the Government does not take the danger of inflation seriously enough. It must know how destructive inflation can become. Otherwise, why would it tolerate raising once again the issue of a highly inflationary sales tax? Inflation for Hong Kong is public enemy number one. Government officials would do well to study the Hong Kong Bank's recent well-argued economic report on the sales tax.

Obviously, Sir, the Government must be firm in setting priorities for infrastructure projects. It should ensure that shortages in key skills do not delay essential projects. This may require relaxing immigration regulations, and allowing selected skills to work in Hong Kong for limited periods. We should not, however, import unskilled labour. Rather, the Government should actively encourage contractors to look abroad -- especially to Japan and North America -- for labour-saving prefabrication and construction techniques. Technology-linked tax incentives might be worth considering. Ultimately, better technology is the single best solution to our labour shortage.

In this regard, the recommendation that Hong Kong establish a technology centre is especially welcome. Hong Kong's exports have done remarkably well, despite the protectionist threat abroad and the increasingly acute labour shortage at home. We should not be deluded into thinking that all is well in our manufacturing sector.

Just as we must upgrade Hong Kong's physical infrastructure, we need to improve dramatically our technological capability. Right now we lag further and further behind South Korea and Taiwan in the application of new technology to industry. Semiconductors are a good example.

Hong Kong must become more technology-conscious. We must significantly strengthen the technological and technical components in our educational system, which are now grossly inadequate. We should help producers to move upmarket. If we do not, we risk the collapse of our industrial sector.

Such a collapse, Sir, is a fate which almost befell the securities industry just last year. Since then the Government has acted decisively to eliminate weaknesses in the securities industry and, to re-establish Hong Kong's credibility as a financial centre.

However, there is a fine line between past under-regulation, which encouraged abuses, and over-regulation, that stifles financial creativity. Legislation for the securities industry now being discussed would give regulators sweeping powers, in some instances in direct contravention to the principle of natural justice on which Hong Kong's economic system depends so greatly for its survival. This would be a step in the wrong direction.

Having set up a new structure for the securities industry, it is also important to ensure that there are adequate checks and balances. We do not want a new generation of abuses to arise. Establishing an impartial, independent appeals procedure implies no lack of confidence in the integrity of either the new structure or of those who will run it.

The same principle applies, Sir, to the banking industry. I am pleased that the Government is reviewing a proposal to amend the Banking Ordinance 1986 to establish such an independent appeals procedure. This reform was originally promised at the time the legislation was adopted in haste. It is urgently needed now.

Currently Hong Kong is setting capital adequacy ratios for its banks and deposit-taking companies. Many feel that these are being set above international levels -- again partly in response to lax regulation and subsequent crises in earlier years. The fear is that this will create a "lump" in the "level playing field", thereby putting banks in Hong Kong at a disadvantage. We need to ensure that when differences of opinion occur between the Banking Commissioner and a bank, the bank has an avenue of appeal that is impartial and independent, both in fact and appearance. If we fail in this, it could deter banks from committing their resources to this market and lead to a decline in Hong Kong's role as an international financial centre.

The Government must also address the need to shift control over the Clearing House to the Exchange Fund. The present system involves serious conflicts of interests, which could undermine Hong Kong's development and credibility as an international financial centre. As with the securities markets, the "closed club" approach is no longer appropriate.

Hong Kong's competitiveness as a financial and business centre is already beginning to be at risk because of the "brain drain". Most of us in this Chamber, Sir, know people who have left. Some of us are aware of multinationals that are considering moving their regional offices out of Hong Kong.

It is encouraging that the Government now acknowledges the scale of the threat Hong Kong faces. It is reassuring, too, that you, Sir, are aware that the problem is long-term -- that there are no quick solutions.

Much of the Government's focus seems to be on luring emigrants back. Up to a point, this might work. However, we should be wary of offering too many privileges. Not only could that generate hostility between those with foreign passports and those without, it would send the wrong signal to anyone who is undecided about staying or leaving. This leads to the real issue. How will this Government encourage people to remain in Hong Kong? Above all, we need to reward those who have made a commitment to build a better Hong Kong.

We need to focus on Hong Kong's competitiveness as a place to live in. Discussions about the brain drain always seem to blame politics. But the quality of life is also important. If we are going to encourage people to stay in Hong Kong -- or to return -- we must be competitive in the lifestyle we offer.

Again money is not the issue. Pay levels in Hong Kong are comparatively good and purchasing power is still excellent. What matters is the quality of life money can buy. Right now -- especially for the vital middle class -- Hong Kong is not as competitive as it should be.

Many of the "perks" of middle class life elsewhere are hard to come by here. In North America and Australia homes are spacious and families often have more than one car. While we cannot relax measures to control the number of motor cars, we could consider the deductibility of mortgage interest for residents' own homes. This would enable people who stay in Hong Kong to improve their living conditions.

The environment is also part of the problem. I am delighted to see that the Government is finally taking the issue of pollution seriously. The people of Hong Kong have helped build the economy. We continue to work hard for a better tomorrow. We deserve a clean and pleasant place to live in and work.

In its new-found zeal to tackle pollution, however, I hope the Government does not act heedlessly. Hong Kong needs practical action now, not grandiose schemes which can only further tax our limited manpower resources. The Government also needs to address the criticism that it is undermining pollution-control by passing responsibility to the department that created the past abuse.

Apart from the environment, more attention needs to be given to Hong Kong's inadequate, over-burdened public services -- such as mass transit, medical care and education. All suffer from a chronic lack of foresight.

Undoubtedly, the brain drain will change the way Hong Kong does business and the way Hong Kong is administered. Just as the private sector recognizes it must get by with fewer, more productive people, so the Government -- with a civil service wastage rate of over 4% last year -- must develop a new generation of better-trained, cost-effective public servants. Administrative procedures will have to change. We cannot afford any more red tape.

All these will make education more important to Hong Kong's survival. Hong Kong has only one resource: its people. We must never stop trying to upgrade their knowledge and skills. We must never shrink from making the necessary investment, nor must we plunge into outmoded elitism. If we do, Hong Kong will no longer be able to meet the challenge posed by its competitors in the world markets.

The Government's commitment to expand opportunities for university education is sound. We need more trained people. Although the number of new university graduates exceeds the outflow of seasoned professionals and managers, it is important that the Government recognizes the totally specious reasoning that the one could replace the other: a raw graduate simply cannot fill the shoes of an experienced professional or manager.

That means Hong Kong must invest much more heavily in continuing education programmes to upgrade the skills of those already in the workforce and help fresh graduates acquire additional skills. Here the decision to move forward with the Open

Learning Institute is timely.

Sir, this is a difficult period in Hong Kong's development. Sustaining Hong Kong's economic competitiveness and social stability is not simply a matter of maintaining the physical infrastructure nor making grand promises. It hinges on the Government's willingness and ability to enhance the participation of all sectors of the community in the governmental process, and to co-opt the best available expertise and talent, whether or not the Government finds their views congenial, so that we can make the wisest choice for Hong Kong.

In the 1986 policy debate, I urged that a single financial industry think tank be set up to advise the Government on how best to keep abreast of events in the rapidly changing financial arena and to co-ordinate the activities of the numerous existing advisory bodies.

Therefore, I welcome your proposal, Sir, for a central policy unit. Such a unit should enable the Government to tackle complex issues more effectively, by calling on experts from various disciplines. The value of such a unit, however, rests first on the Government's willingness to recruit independently minded talent: Hong Kong needs no more sinecures. Further, such a unit should have the clear mandate to anticipate where Hong Kong must go; and the time to examine the options. Under no circumstances should this unit be just another advisory board to rubber-stamp decisions from however exalted the source. We already have 263 advisory boards, we do not need 264.

Co-operation was an important theme in the opening portion of your speech, Sir. It is vitally important that the Members of this Council and the Government work together constructively over the next three years. Legislative Councillors must seek to understand the problems faced by administrators and government officials must not arrive from Lower Albert Road like demigods descending from on high.

The Government, itself, should recognize the value in making itself more accountable to the Council. Likewise, the Legislative Council should take responsibility for making hard choices with the Government -- rather than merely debating and acquiescing to what has been decided elsewhere.

Sir, the Government should be making far better use of the expertise and community involvement that are now represented in this Chamber. I would suggest that a system of select committees be set up to work with each policy Secretary. Such committees

would be able to express the needs of the community and to produce policies that will command general acceptance.

Hong Kong faces many challenges that demand careful and rational thinking. Almost 60 % of Hong Kong's population was born here. With the right leadership, they will want to stay and build their future here. But if we want to strengthen the people's sense of belonging and commitment, we must also increase popular involvement in public affairs. This will require a much greater commitment from Government to being open, responsive and accountable.

Sir, the programmes outlined in your address offer the promise of a better future for all of us who are determined to stay and work for that future.

It will, however, require wise and determined leadership from you, Sir, imaginative policies from the Civil Service, constructive advice from those of us in this Chamber and the wholehearted support of the entire community if we are indeed to cross over into the promised land and not to be engulfed in a sea of indecision, incompetence and frustration.

With these remarks, Sir, I support the motion.

MR. NGAI (in Cantonese): Sir, in your policy address, due weight has been given to the review and prospects of the economic development of our industrial and commercial sector. You stated in the conclusion that "we have to make sure that our economy remains dynamic and prosperous. Without this we cannot achieve our other objectives, whether social or economic." The importance of economy in promoting the overall development of our community is highlighted and the Government's determination in keeping a prosperous economy is once again reassured. Being a member of the commercial and industrial sector, I am heartened by this news.

Importation of foreign workers

However, on the question of importation of foreign workers, as a member of the said sector, I am greatly disappointed by the statement in the policy address that the Administration does "not at present.... plan to change existing policy and allow the import of substantial numbers of workers from outside Hong Kong."

It is a fact that certain industries have been suffering from labour shortage in recent years. The textile industry, for instance, has 30 000 vacancies according to the findings of a survey conducted by the Vocational Training Council in September, 1987. The number of vacancies is twice as much as that in 1985. It is expected that the labour shortage problem will continue this year. On the other hand, the large-scale public works projects to be carried out by the Government will further aggravate the problem. If the situation is not promptly improved, progress of our infrastructure projects will surely slacken off. It will not be to the advantage of our society.

Sir, although our industry is on its move towards high technology, it is estimated that we will not be able to stand better chances in competing with other Asian countries for the time being. In the interim, we still have to rely on the ample supply of human resources to attract foreign investors to set up factories in Hong Kong in order to facilitate the overall economic development and maintain prosperity in our economic growth.

For these reasons, I urge the Government to note that it is essential to reconsider the importation of workers for those industries whose labour supply situation is extremely tight. A limited number of foreign workers can be allowed entry for employment on short-term contract basis to work under stipulated conditions. I understand that the existing policy does not forbid foreign employees totally, but those who have been granted permission are mostly personnel of the middle-managerial level, professionals and technical staff. They do not provide the basic labour force that is urgently required. Thus the present policy does not help much in easing the situation of labour shortage.

Sir, I note that some people are concerned that the importation of foreign workers may lower the wages of local workers and trigger off a series of social problems such as law and order, housing and allocation of resources. But I think such worries are unnecessary.

As mentioned above, we do not ask for a complete opening of our labour market to foreign workers who can then come freely to Hong Kong to compete with our local workers. What the industrialists and businessmen request is only to allow those industries with actual labour shortage to employ foreign workers under certain conditions and control so as to ease the situation. So long as specific regulations are laid down for those industries that employ foreign workers, for example, fixed

wages and the requirement of compulsory return to the country of origin after the contract expires and other regulatory measures, the wages and job opportunities of local workers shall not be affected. It should be noted that as the education level in Hong Kong has risen, people have higher aspirations and greater expectations of the jobs they are engaged in. The fact that many industries fail to attract local workers, especially young people, is due mainly to the nature of the jobs and the kind of work involved and not because of the wage level. The importation of foreign workers is, beyond doubt, a viable solution.

Will the importation of foreign workers adversely affect on our society? I think it will not. Foreign workers have had their place in Hong Kong for a long time. Filipino domestic helpers, expatriates in the public and private sectors are all foreign nationals employed to work in Hong Kong on contract basis. They have never posed any threat to our law and order as well as social stability. Nor have they reduced the chances of the local population in the allocation of resources. From this we can see that to allow another batch of foreign workers, in limited numbers, to work in Hong Kong on a short-term basis will not necessarily give rise to difficult social problems. To sum up, I hope the Government will face up to the problem of labour shortage and formulate a more flexible policy to remove the difficulties encountered by certain trades.

#### Technology centre

Sir, I am in full support of the proposal to set up a technology centre which I hope will render service to the commercial and industrial sector as soon as possible.

I believe the setting up of the technology centre will expedite the progress of our industries towards the era of high technology. It will also inspire local industries to have innovative ideas in product designs and manufacturing process which will help to improve the quality of the Hong Kong products and enhance their competitiveness. Small enterprises will surely benefit from the setting up of the technology centre.

In fact, many years ago, industrialists and businessmen (including myself) requested the Government time and again to set up a technology centre. Regrettably, the Government did not formulate any long-term and specific policy for Hong Kong's industry. As a result, technological research has not been properly supported and development in this field is very much limited. It explains why, for so many years,

the general standard of the local industries has remained stagnant and the technology-intensive products have failed to have major breakthrough. With the establishment of a technology centre, foreign technology can be introduced to Hong Kong in a systematic and effective manner. Research on special items which will cater for the needs of the local industries can be conducted and many technical staff will be trained up to serve our industrial sector. The technology centre will definitely have far reaching effects on the development of Hong Kong's industry.

Other issues relating to commerce, industry and economy

On other issues relating to commerce, industry and economy, I welcome all the new proposals that are specifically highlighted in your policy address to ensure the steady development of Hong Kong's economy. These proposals include: the building of a third industrial estate; the expansion of the Government's award scheme for industry in order to encourage manufacturers to upgrade their products and the setting up of a securities and futures commission so as to further strengthen Hong Kong's economic system. These new measures will make positive contributions to our overall economy and are conducive to steady development during the transition period.

Think tank

It is announced in your policy address that a small "think tank", to be known as the Central Policy Unit, will be set up early next year to help solve some difficult and complex policy problems. However, further details have not been provided in your policy address on key issues about this "think tank", such as the scope of its study, selection criteria of its members, their term of appointment and specific functions and whether the terms of reference of this "think tank" will overlap with those of the existing government departments and the various advisory bodies. In fact, what sort of problems are considered "difficult" and "complex"? At present, what are the "difficult" and "complex" problems that are in urgent need of solution? But above all, what are the criteria to determine who are qualified to be members of the Central Policy Unit?

Sir, it being an innovative idea, I believe many people will be interested to know more about the "think tank". I earnestly hope the unit will be able to get elite from various sectors to render their service to the Government, pool together their wisdom and their efforts in planning and providing solutions to difficult problems.

To encourage the talented emigrants to return

Sir, although you stressed in your policy address that population mobility has long been a feature of Hong Kong, it is indisputable that the emigration trend has brought about brain drain in Hong Kong. You also mentioned that the Government is considering whether more international schools should be built and contact with those who intend to work in Hong Kong again should be improved in a bid to encourage the emigrated families and talents to return and to render their service to Hong Kong. I am of the view that this is a reasonable idea. However, it is at most only a stop-gap measure and fails to get at the root of the problem. The reasons for our outstanding achievements on all fronts are dedication of the Hong Kong people and their concerted efforts. To a large extent, the long-term development of Hong Kong still hinges upon the endeavours of our people. They and they alone can shape a bright future for Hong Kong. Indeed, to bridge the gaps with our returned talents is only an expedient measure. The future development of Hong Kong should not and cannot depend upon those who do not really belong to Hong Kong. In the long run, we should make use of the expertise of the returned talents to train our own people, improve the training of the younger generation and speed up the localization programme. In this way, a group of competent successors will be brought up to shoulder the important tasks of our society, thereby solving the problem of brain drain right at its root.

While encouraging the emigrated to return to Hong Kong, the Government should, at the same time, ensure that there are sufficient promotion prospects for the capable local people with high potential. There should not be any unhealthy competition between local and returned talents for "rice bowls" (job opportunities) or else there will be social unrest.

On the other hand, I think the Government should not over-emphasize its policy in encouraging the emigrated talents to return as this will deal a strong blow to the confidence and morale of those who want to stay behind. People may think that the Government only thinks highly of those who are qualified to emigrate. The Government may inadvertently encourage the Hong Kong people to emigrate first and then come back as "returned talents" for further development. People will think that when they get their second passport, other than getting an insurance, they are also more respected. Should this happen the emigration problem will surely reach another climax. It will be detrimental to the smooth running of our society during the transition period.

The provision of a new generation of airport and port facilities

Sir, Hong Kong's future prosperity and stability will depend upon an adequate supply of qualified personnel and manpower. But infrastructural development will also have a very important role to play in contributing to the prosperity.

The building of a new airport will play a significant role in Hong Kong's development in the next century. However, up to now this large development project is still under consideration. It is uncertain when the airport can be built. As a matter of fact, the demand for a new airport has been made for a number of years. Yet there have been repeated delays in responding to this request, and it is not until the present day that the Government finally gives the matter serious consideration. One just cannot help wondering whether the Government lacks comprehensive planning for Hong Kong's long-term infrastructural development.

In addition to the building of a new airport, further expansion of our container port is another major capital works project that needs to be completed as early as possible. As one of the busiest cargo handling centre in the world, the throughput of the Kwai Chung container port has already reached saturation point. If no early plans are made for the provision of container terminals at other locations to relieve the current pressure on cargo handling facilities Hong Kong's import, export and entrepot trade will certainly be adversely affected. The overall economic development of Hong Kong will also slow down. It has been stated in your policy address that decisions on the building of terminals 8 and 9 will be taken at the end of this year. However, even though cargo handling capacity will be doubled with the additional provision of these terminals, it will only be able to meet the demand projected for the next decade. The Government should start considering the building of new terminals as soon as possible to make overall preparations for the development of containerized cargo traffic in the next century and the building of supporting road networks.

With China's open door policy, Hong Kong plays an increasingly important role as a pivot point for entrepot trade with China. Hong Kong traders have also been active in investing in China. These factors contribute to the rapid growth of the Sino-Hong Kong relationship. In the first half of the year, the volume of entrepot trade between Hong Kong and the Mainland increased by 50% compared with that of the same period last year. Hong Kong has also taken the place of Japan as China's largest

trading partner, accounting for 20% of the total trade value. The pressure on Hong Kong's infrastructure has increased because of China's economic growth. Last year, 50% of container traffic handled in Hong Kong came from the Mainland. Therefore, while examining the need to speed up Hong Kong's physical development, we should make thorough planning and fresh estimates of the increasingly close economic relationship between Hong Kong and the Mainland so that our infrastructure will continue to play a positive role in the economic development of both Hong Kong and China.

Sir, the development plans you put forward in your policy address make us more certain of our future prosperity and stability. I am in full support of the plans. However, the Government must monitor carefully the pace of development to avoid over-heated domestic consumption and acceleration in the rate of inflation when economic growth slackens. Only when there is a comprehensive and flexible overall development plan can we ensure balanced and healthy growth for our economy.

Sir, on the whole, I am heartened to learn from your policy address this year that our Government is full of confidence and hope. None the less, I regret that the labour shortage problem that is with us has not been faced up to in good time.

Finally, I must say something on the Vietnamese refugees in Hong Kong. The problem has lasted too long that it has become a heavy burden on us. Just now, my honourable colleagues Mr. Stephen CHEONG and Mrs. Rita FAN have expressed their views on the matter. Apart from giving full support to them, I now declare that I join hands with them to urge the British Government to increase its intake of refugees. As the sovereign state of Hong Kong, Britain should take the lead and set a good example for others to follow. This is the way to show its responsibility to the people of Hong Kong.

Sir, with these remarks, I support the motion.

MR. PANG (in Cantonese): Sir, you have set out in the policy address detailed plans on the development of infrastructure such as the transport network as well as programmes on environmental protection, education, and so on. All these will contribute significantly to the future development of Hong Kong.

Being a representative of the labour sector, I would first of all respond to the part on labour in your policy address.

The labour sector welcomes the Government's decision not to allow the import of substantial numbers of workers from outside Hong Kong. This can be attributed to the unity of the labour sector in voicing their objection and fighting for their own interests. However, the existing policy on the import of workers still leaves much to be desired. While a few employers are arguing that Hong Kong is suffering from a labour shortage, many workers are however unemployed or under employed.

In the case of the Tate's Cairn Tunnel, jobs which should have been offered to local workers were taken up by foreign labour, and out-spoken workers were dismissed by their employer for no valid reason. I propose that before granting permission for the import of a certain category of skilled workers, the Administration should consult the trade unions concerned. Trade unions should also be allowed to monitor those factories and companies on their employment of foreign workers. In the long term, I agree that the solution to the problem lies in increased automation, greater productivity as well as improved wages and working conditions for workers.

Our workforce had made sacrifices at times of recessions. It is only fair that they should share the benefits of the boom we now enjoy. However, much to their disappointment, wages, in terms of real value, fail to keep pace with the higher productivity and economic growth. To make things worse, the employees will have to rely on their own resources if they get injured in accidents or when they retire at an old age. Assistance given by their employers or social welfare schemes are of very little use. Besides, social assistance is only offered to those least capable of fending for themselves.

It is stated in the policy address that the Government "will continue to improve our labour legislation. The aim is to achieve a level ..... broadly comparable to the best prevailing in the region." The above statement does not reflect the real situation. Job security and benefits enjoyed by our workers are lagging far behind those enjoyed by their counterparts in neighbouring countries, not to mention those of Japan. Besides, our workers have to work longer hours. The existing labour legislations are too conservative. The labour sector has all along been fighting for improved benefits and workers' security. However, collective bargaining has not been included as an item in the agenda. Sometimes, recommendations were shelved by the Government on the ground that the Labour Advisory Board failed to come up with a consensus. The Government's rejection of the proposal to set up a central provident fund last year is most frustrating. Up till now, the status of trade unions and their right to bargain collectively have not yet been established. This is the area where

Hong Kong differs greatly from other countries.

It seems that a large number of labour legislations were passed by this Council in the last Session. But we all know that we were in fact only clearing backlogs accumulated in the last few years. Besides, many of the amendments are not satisfactory, and the legislations enacted are full of loopholes. This will give rise to even more unnecessary disputes. In the coming years I would anticipate a downturn in the institution of labour legislation. Take the example of the proposed protection of wages on insolvency fund, the suggested severance pay of \$4,000 is only half of the \$8,000 preferential payment provided for in the Companies Ordinance.

As to retirement benefits, Government thinks that by expanding the Long Service Payment Scheme, imposing regulatory control on private provident funds and increasing public assistance and old age allowances, the problem will be resolved. But these measures are no substitute for a contributory retirement scheme. In particular, the rules governing the application for long service payment are too stringent, and the result is that only a very small minority of employees can benefit from it.

I propose that the Administration should conduct a comprehensive and detailed review of the existing labour legislations. The first legislation to be examined should be the Employment Ordinance, and then a review should be made of the overall labour policy with a view to ensuring that benefits enjoyed by our workers are comparable to those offered to their counterparts in neighbouring countries.

I am also concerned about the staff consultative machinery in the Civil Service. The existing system should be restructured to allow a broader representation from the staff side so as to enhance communication with the management.

On the other hand, I also have some worries about the various "privatization" schemes which have been developing far too quickly. The setting up of the Hospital Authority has given rise to concerns among the public that, just like the Housing Authority, public hospitals and clinics will have to look after their own finances. Moreover, as the institutions providing and operating these services will no longer be monitored by this Council, it seems that they need not be accountable to the public too. The Mass Transit Railway has increased its fares, the Light Rail Transit has been involved in many accidents. Both companies take no heed of public opinions and just do as they wish. The laissez-faire attitude and the trend of fare increases have lately spread to the public bus and taxi trades. The victims, of course, are the citizens at large. I propose that the Government should strengthen the

management and operation of these "quasi-official" organizations. We should not allow the reins to be held in the hands of a small minority because very often these people will tend to set their eyes on profits rather than service.

Environmental pollution has reached intolerable and dangerous proportions. This does not only pose a threat to the health of the public but also jeopardizes the development of the community as a whole. The Government has now formulated more specific plans to improve our environment and will set up a new department to deal with relevant work. These are what Hong Kong people have long been hoping the Government would do in regard to environmental protection.

To protect the environment is indeed the responsibility of each and every citizen. However, as the main source of pollution comes from industrial developments, the Government should spare no efforts in enforcing pollution control on industries. Finally, I would like to reiterate the strong objection of the labour sector against the importation of foreign labour. It is true that quite a number of my colleagues do consider that labour can be imported but such importation must be subject to restrictions and conditions so that it would have no adverse effects on our workforce. Nevertheless, Macau is an example of how importation of labour, even on a small scale, can adversely affect the well-being of the local workforce. This should be a warning to us.

Sir, with these remarks, I support the motion.

MR. SZETO (in Cantonese): I would like to confine my speech to three issues, namely, environmental protection, emigration and Education Commission Report No. 3.

Environmental protection

Sir, I appreciate and support your giving major priority to environmental protection in the policy speech. It is high time Hong Kong strengthened environmental protection. We would live to regret it should the territory not hasten to catch up.

Environmental pollution is one of the negative effects of material civilization. It will be a reflection of both material and spiritual progress in civilization if we love Nature and protect our environment. But material civilization, however

advanced, will be destined to founder if it ravages the natural environment and let its people wallow in living hell now and for generations to come. A community heedless of environmental protection is one heedless of the future and is therefore doomed to oblivion.

Sir, your policy address has omitted to mention one kind of universal education, namely "universal green education". Apart from introducing various kinds of measures, we should also strengthen "universal green education" which will help cultivate a love for Nature and the environment. Nothing short of a universal "green" awareness and a concerted effort on the part of all of us will suffice to ensure full and complete success of environmental protection. The deepened "green" education will sublimate into love towards Nature, the whole of mankind and the future. How meaningful this kind of education is!

## Emigration

To face a problem squarely is the first step to solve the problem. Now, nobody can deny that Hong Kong is not reeling from the impact of an increasing number of people emigrating.

Sir, you said in your policy speech: "The more we do to make Hong Kong a better place to live in, by maintaining our buoyant economy, by improving education, housing, the environment and the quality of life, the less likely people are to want to cut themselves off their roots and leave this remarkable territory ....." In recent years, Hong Kong's economy has become more buoyant than ever. Besides, education, housing and the quality of life are gradually improving too. But still why cannot we stop the ever rising trend of emigration? Why are there still many people who harden their hearts to leave for foreign shores at the cost of cutting themselves off their own roots? There must be something important that Hong Kong does not have which makes Hong Kong less attractive.

Can we simply solve the problem by cultivating more university graduates to fill the vacancies caused by the loss of professionals? But if these university graduates do not have a sense of belonging to Hong Kong and fail to commit themselves to Hong Kong's future, would it not be easy for them, with their better academic qualifications, to emigrate to other countries?

In addition to the establishment of more international schools, I believe that many more alternatives can be found to attract those emigrated to come back. But is this a positive approach to the problem? Does it mean that some people should be encouraged to emigrate first and then to be lured back? We do welcome the return of professionals. However, should we solely depend on these people as "pillars", the future of Hong Kong would then be like a building without concrete reinforcement and jerry-built on sand. It could not stand the blowing wind and would collapse.

What is the important thing that Hong Kong still lacks which makes it a less ideal place to live in? I believe it is this: a democratic political structure which can promote a sense of belonging among all citizens, make people willing to commit themselves to the future, protect liberty, and uphold the rule of law and human rights.

### Education Commission Report No.3

In the debate of 26 October, the Honourable Ronald BRIDGE, Secretary for Education and Manpower, repeatedly stressed that the Government had not decided on the recommendations in Education Commission Report No.3 and all the opinions put forth would be given full consideration. These words apart, his entire speech just made me feel the opposite. It was an address packed with foregone conclusions leaving no room for opposing views. Is there any opposite view to the recommendations of Education Commission Report No. 3 which has been accepted? Is his speech not a stark disclosure of the Government's preference for the "5+2+3" structure and the Direct Subsidy Scheme? The debate on that day was not short, but to take full account of all the points raised, I am afraid, would have needed more time.

Sir, you said in your policy speech, "In deciding how to implement these recommendations, the Government will take account of what is said during the current public consultation exercise." Is it not that the Government has already decided to implement the recommendations? So, what the Government cares is only the methodology and technicality of implementing those recommendations!

How I wish my perception was wrong! But so far, nothing has convinced me that it is wrong.

Sir, with these remarks, I support the motion.

MR. TAI: Sir, I shall first speak on the topic of manufacturing industry.

I fully agree that the manufacturing industry is a key element in Hong Kong prosperity. In the light of the fact that we are facing stiff competition from our neighbouring countries with lower production costs and cheaper labour and from established countries with higher productivity, better quality and innovation, we should move towards high valued and technology based productions. In order to achieve that, we should reduce our dependence on the labour-intensive sector. However, the backbone of our industrial and manufacturing sector are those establishments with less than 50 employees. They are flexible with a greater propensity towards adaptation to changes in external economic environments and needs. These small industries account for more than 80% of our industrial establishments in Hong Kong. They complement and to a larger extent, supplement our larger industries.

Against the background of higher wages and ever increasing costs of imported raw materials due to the weakness of our currency, these industrialists are beginning to find it difficult to operate in Hong Kong. Moreover, with the price of industrial floor space ranging from \$700 to \$1,000 per sq ft, many industrialists are now moving to our neighbouring countries like China, Thailand and the Philippines. The escalating land price is one of the key reasons that attract these industries moving out of Hong Kong. The inability of our Government to formulate a long-term land policy to assist the development of these small industries is partly to blame.

Sir, you did mention in your speech of our two industrial estates in Yuen Long and Tai Po, two of our new towns. Suffice it to say that they do contribute significantly to high technological products and offer suitable industrial land to big manufacturers. However, the employment opportunities being offered to the residents in these two new towns are rather limited. Still more than 50% of the residents and blue collar workers in our new towns have to travel to work in the urban area. Many of them are employed by small industries.

Taking this opportunity, Sir, I would urge the Government to formulate a better land policy so that agricultural land can be used for industrial purpose because over 50% of land in the New Territories is uncultivated agricultural land. Some of them are off-handedly classified as Agricultural Priority Area by the town planners. The use of agricultural land for industrial purpose would create employment regionally for more balanced development and lessen the ever increasing transportation and family problems in the new towns.

Moreover, the use of agricultural land for its own original purposes has been frustrated by the lack of water supply, coupled with stringent control in livestock rearings. Much uncultivated agricultural land with good access are being used for storage, car repairing and other supporting industrial needs. There are strong demands for land for these particular purposes, in particular, with the limited capacity of our container terminals and the increasing trading activities with export and re-export with China.

Town planners and land administrators should take an urgent realistic look at the overall situation and recommend meaningful solution to these problems.

Suitable measures can be taken, such as to streamline the processing of applications and the criteria imposed by the Administration for the modification of land use, which now takes months and even years to finalize.

The next issue I would like to focus on are the environmental problems facing Hong Kong.

I appreciate the determination and efforts of the Administration to combat the problem of pollution with the commitment of \$10 billion for this particular purpose.

However, during a brief by the Administration on a new trunk sewer to be constructed in the north-west New Territories which is a very huge project, I was surprised by the reply from the Administration to my question in the district boards that the Government has no immediate plan to improve foul water sewage systems in the territory. Such a plan, in my opinion, is essential for the collection of foul water from residential industrial and rural areas. Not surprisingly, a lot of foul water sewers from our residential and industrial areas are being connected to storm water sewers in both old urban areas and in many parts of our new towns. In the rural areas waste water is being channelled to the nullahs. Urgent attention should be paid to address this problem. I cannot see any significant improvement to our water quality despite the huge financial commitment because there seems to be no due regard to the problem of collection system.

As regards industrial pollution, a balance must be struck between production costs and environmental effects. The overall problems of pollution caused by the industrial sector could have been greatly mitigated with more technical assistance and advice from the Environmental Protection Department.

The next topic I would speak upon, Sir, is town planning and the development of the New Territories.

Generally, the Government's development layout plan is an action plan enabling land to be assembled, formed and then released for public and private use. Thus, a regional layout plan is of great significance; the success or failure of which has a far-reaching effect on the well-being of the residents in the community. It is my considered opinion that the district offices and the district boards should be well consulted before the preparation of a draft plan so that the needs of the community can be catered for. The present situation is that drafted town plans are prepared for consultation thus leaving very little room for amendment.

The general situation in the New Territories is that some development plans have already been adopted for almost 20 years. These plans have never been implemented or have been partially implemented, because of lack of co-ordination of the various government departments in the implementation and lack of funds from the central Government.

The result of these are that usage of land has been seriously hampered and frustrated. Planned facilities for the purpose of education, recreations, and so on, cannot be materialized and the welfare of the local residents has been greatly affected.

With the segregation of power of the district office and the district lands office since 1982, the administration of land and implementation of town plans have been unsatisfactory. Inefficiency in the land administration has been the subject of constant complaints. Despite the fact that we have a bigger establishment to cope with the development and the complexity of the problems arising therefrom, land administration is now being conducted by a bureaucratic machinery which lacks a true perspective of the local needs. The district officer's role as a central co-ordinator and adviser on various matters relating to land administration is becoming more and more insignificant. With hind-sight, I would say throughout the past decade, urban fringe and rural planning development and improvement has been a failure. Some new administrative arrangements between the district officer, the district lands officer, and town planners could be made to address this problem with particular emphasis on the question of implementing of town planning and development plans.

The other area I would address is the crime rate among our young people. The rate is on the upward trend. This problem is more significant in the new towns. The usual crime committed by our youth ranges from shoplifting, triad associated offences to drug offences. This is largely due to overcrowded living conditions, lack of recreational facilities and the lack of due parental care. To cope with this problem, out-reaching social services have been provided in many of the new towns. The results have not been very encouraging because of the inadequacy of suitable manpower and recruitment difficulties. The feed-back from various sources seems to suggest that the police supervision scheme that we used to have in dealing with juvenile delinquency seems to have been more effective. To this end I would suggest that the Government strengthen the police force and establish a division to work closely with out-reaching social workers by providing speedy and effective assistance whenever it is necessary.

Sir, paragraph 48 of the White Paper relating to the development of representative government states that the Government shall consult the district board about all district matters. It is most disappointing that Government had not consulted the district board prior to deciding to adopt the open camp policy relating to Vietnamese refugees which largely affects the Tuen Mun District.

The adoption of open camp policy has caused extensive alarm and worries in the Tuen Mun communities. The most essential element that the Government should take into account in implementing such policy is flexibility. One should consider how residents of the community and Vietnamese refugees concerned can adapt and adjust to each other. I suggest that further extension of the policy should be cautiously guarded and the policy should be reviewed from time to time. Moreover, the Administration should provide clear and detailed information as to the arrangements for implementing this policy.

Lastly, Sir, I shall speak on the safety of the Light Rail Transit (LRT) system .

Since the commencement of its operation, there has been a significant number of traffic accidents involving the LRT. The whole system installed in the north-west New Territories, judging from various feed back, is hazardous to road safety. The design of the system may be safe but the inadequacy in infrastructure supporting its operation is at fault.

The series of accident does reveal that complicated road interface, narrow

platforms, shortage of road crossings facilities and so on are contributing factors to the accidents. In north-west New Territories, we have a tremendous increase in population and traffic volume, with a corresponding decrease in road surfaces for vehicular traffic because some road space has been exclusively reserved for LRT tracks. Some urgent public engineering work are evidently needed to address the abovementioned deficiency, which may necessarily entail land resumption. If this engineering work follows the normal procedure, it would take three to four years to materialise. Taking this opportunity, Sir, I would urge the Government to give priority and pay urgent attention to such work if approved. For human life is at stake.

With these observations, I support the motion.

MRS. TAM (in Cantonese): Sir, your policy address, on which this Council is holding a debate today, is a balanced and pragmatic outline of policies adopted by the Government. Apart from giving an account of the work undertaken by the Government in attending to various domestic affairs over the past year, the address also briefly mentions the efforts and commitments that the Government will make or undertake in future. In short, the address shows that Hong Kong is still being ruled by a dynamic and responsible government.

However, I am somewhat disappointed by an imperfection -- it seems that the issue of youth development has been left out, and the subject has not been positively dealt with throughout the policy address. It is true that education is a part of youth development, but youth development covers a lot more aspects than education. Unfortunately, these aspects have not been mentioned in your address. In today's debate, several Members have mentioned that Hong Kong will need more leaders in the future, in particular youthful ones with a stronger sense of belonging. Sir, in fact there have been increasing concerns over youth development expressed by all those who care about our youths and the future of Hong Kong. More importantly, youth development work has made an important step forward last year. The Central Committee on Youth set up by the Government published a report in mid-1988 on whether there should be a youth policy on the development of our young people. A public consultation exercise lasting for five months was subsequently conducted to collect public opinions on the report. The findings of the consultation are rather inspirational to the question of youth development at issue.

It is because according to the findings, the public was almost unanimous in

support of the formulation of a youth policy. In the motion debate held by this Council in May 1988 on youth policy, all 14 Members who spoke on the subject unanimously agreed that Hong Kong should draw up a youth policy. Likewise, in the debate held by the Urban Council in July 1988, all 10 members who spoke in the debate were in support of the formulation of a youth policy. In regard to district boards, 18 district boards throughout the territory discussed the youth policy problem and a great majority of members indicated that they supported the idea. Opinions from the mass media were very much the same, expressing a general support in formulating a youth policy. As regards representations received by the committee, almost all the youth organizations and individuals who submitted representations were in favour of drawing up a policy for the development of our young people.

Sir, from the above, it can be seen that the public is affirmative about the importance of youth development and is strongly in support of the formulation of a youth policy. Thus, we should no longer question, "Is youth development necessary?" or "Whether a youth policy should be drawn up?" Instead, we should ask, "How to design a youth policy so as to improve and strengthen youth development work?" In particular, we should be fully aware that as a result of great changes in the social environment, our community is having new expectations from the young people. On the other hand, young people themselves also have new needs. Among the essential ones are political education and training as well as legal education.

As we know, changes have already been introduced to our political system which will continue to develop gradually. "Democratization" of the political system has become an irreversible trend. During this process, we need the active participation and involvement of the younger generation in order to shape the future political structure of Hong Kong.

However, we have to ask ourselves one question : Are the young people of today well prepared for the arrival of the era of open government? On the other hand, as members of the Hong Kong community, we all hope that Hong Kong can maintain her economic prosperity and continue to win international confidence and recognition, and the rule of law is an important factor behind our economic success. If Hong Kong is to maintain prosperity, it must continue to be a society ruled by law and its citizens must continue to be law-abiding, with great importance being attached to the rule of law. In this regard, I must raise a question : Are the young people of today well prepared to support a society ruled by law? Sir, let us take a look at the findings of certain surveys conducted on youth in recent years.

First of all, the results of a survey entitled "Youth knowledge on law"<sup>1</sup> conducted in 1985 indicated that the young people of today are generally in lack of legal knowledge, and there is a need to strengthen and promote legal education. The survey revealed that many youngsters had misunderstandings about laws and an average of 42.2% of our youths were ignorant of the legislations put before them, indicating that they might breach the law because of insufficient legal knowledge and might even be ignorant of their wrongdoings. The problem of shop-lifting by adolescents, which has become a matter of grave concern in recent years, is a good example. In promoting legal education, the authorities have highlighted the serious legal consequences of shop-lifting reflecting that the Government also realizes that the rampancy of shop theft is, to a great extent, due to the lack of knowledge on the part of young people of the serious legal consequences that may be brought about by committing the offence. Thus, strengthening legal education for young people is an integral and important part of our youth development work.

Another survey which is worthy of reference is the survey of the views of young people on political affairs. After the publication of the White Paper on the Development of Representative Government in February 1988, a survey of the views of young people on the White Paper<sup>2</sup> was conducted and the findings revealed that of the 409 youngsters interviewed, the majority was not satisfied with the political power and ability they possessed. 65.2% of the respondents indicated that there was not much or very little political power an individual could possess; 64.8% of the interviewees expressed that their political consciousness was rather low or very low. One noteworthy point is that the survey was conducted in 31 youth centres and the interviewees were those youngsters who were participating in the activities of the centres. Through the activities organized by these centres, such young people already have more opportunities to get to know or actually participate in community affairs. However, even these young people feel inadequate or unsure of their political ability nor are they satisfied with the political rights they now possess, let alone the other silent young people who have less contacts with community affairs. Political education and training is therefore another important part of youth development which can hardly be ignored.

Sir, the idea of strengthening political education and training for our young people is not only advocated and supported by the adults. As a matter of fact, young people themselves also hope to participate more in the political affairs of Hong Kong. The findings of a recent survey of the views of young people on the Draft Basic Law<sup>3</sup>

revealed that 73.2% of the 976 respondents preferred to directly participate in electing legislative members of the future Special Administrative Region whereas 69% viewed that the future Chief Executive should be elected on a "one man one vote" basis. Thus, it can be seen that young people themselves also attach much importance to realizing their political rights and hope they can have more opportunities to exercise the right to vote in political elections. It is indeed the wish of the youngsters to step up their political education and training.

Of course, Sir, apart from the above-mentioned legal education and political training, we should also cater for the needs of our young people in other areas such as helping them to build up a spiritual life and a strong physique, and giving them guidance on human relations. With changes in the social environment, it is beyond dispute that promotion of legal education and political training should be regarded as a matter of urgency. Furthermore, as these two areas have long been neglected, we should pay particular attention to them.

Sir, having said all these, I would like to make the following recommendations which also represent my expectations :

Firstly, the Government should assure the public its recognition of the importance of youth development, and should make firm commitments as well as specific plans to carry out work in this regard. Obviously, the Governor has not touched upon the issue of youth development in his policy address this year. I sincerely look forward to hearing from the Governor in his next policy address that the Government has actually put in effort and made progress in the area of youth development.

Secondly, the Government should take positive steps to promote political education among young people. I always believe that political training should not only be confined to imparting knowledge, but should also include actual practices. May I, therefore, reiterate my appeal to the Government to appoint more young people to participate in district administration so that they may have more chances to put what they have learnt into practice. On the other hand, the Government should further consider the lowering of the voting age to 18 at an appropriate time so that more young people can participate in political elections.

Thirdly, the Government should make every effort to strengthen legal education for youngsters. With regard to formal education, consideration can be given to including fundamentals of law in the secondary school syllabus. In this way,

students will learn to respect the rule of law and grow up to be law-abiding and civic-minded citizens. Apart from schools, the Government should encourage community centres, youth centres and voluntary agencies to organize courses on law and promote legal knowledge and legal advice services to the general public through the mass media. All these will contribute towards the target of making legal knowledge available to the general public at an early date.

I trust that there is a lot of work to be done during the transitional period. Apart from social and economic constructions and the development of the political system, manpower training is another extremely important task. I hope the Government will make clear its stance and commitment to the question of youth development as early as possible.

In fact, apart from the provision of youth services, there is a need to conduct a comprehensive review of all social welfare services. In the late 1970s the Government had issued a White Paper entitled "Social Welfare into the 1980s", which outlined the direction and programme of various social welfare services. I believe it is time to examine and devise the social welfare development programme for the 1990s, especially as we know that there have been a lot of changes in recent years in the social environment such as changes in the population structure and the rapid development of new towns. Moreover, as Hong Kong will face a fundamental change in her political status, the next decade will be highly important to the history of Hong Kong. All these factors will bring about new impacts and needs to our social welfare services. I hereby earnestly request that the Government should study and plan the development direction and programme for social welfare services of the 1990s and issue another White Paper as soon as possible.

Sir, with these remarks, I support the motion.

MR. ANDREW WONG: Sir, I support the motion to thank you, Sir, for the address you delivered in this Council on 12 October 1988 moved for the first time, if I am not mistaken, by a non-government member, the Honourable Allen LEE. My support for the motion is not just in form, that is, as a matter of courtesy, but also in substance. Your address is indeed an eye-opener in the art and science of managing public affairs in Hong Kong, or popularly known as politics, public administration, or government; and I do sincerely thank you for it.

It has always been my conviction that management is a problem-solving activity, and public affairs is a problem-solving activity in the public realm, solving public problems. This focuses the mind very sharply. We do not have to engage ourselves in eternal squabbles over whether any particular public policy proposal furthers total or sectional interests, or furthers public or private interests, and over what motives do the proponents and opposers harbour. This is all because however selfish the interests and however sinister the motives, public policy proposals can only be justified as solutions to public problems. One will have to convince others that the problem is truly a public problem and that the solution really solves the public problem.

What is so striking about your address, Sir, is not your determination "to think long term and give an energetic lead to the efforts of the people of Hong Kong to improve the life of this community", nor your assessment that we in Hong Kong do have the "ability to confront the problems which face us". That would be painting a very rosy picture indeed. No, Sir, what you have done is, in your words, "to paint the picture as it is, warts and all", telling us that "we have problems which we must tackle", and reminding us, and rightly so, that "no society is without them." What a refreshing approach to a gubernatorial policy address!

Sir, the problems you have identified are many. They include the seven problems you have listed in your conclusion. These are: one, insufficient educational opportunities; two, increasing traffic congestion; three, environmental pollution; four, the problem of our nervousness or diffidence about the future; five, shortage of labour -- skilled and unskilled; six, the "brain drain" problem; and seven, the problem of Vietnamese refugees. But in the address proper, you have identified many more, and I am particularly heartened by the inclusion of such problems as the plight of the elderly, the disabled and the vulnerable, the problem of urban slums, and the lack of basic amenities and the inaccessibility of rural villages in the New Territories. I submit, Sir, that in determining policy priorities, a simple rule should be followed: minimization of suffering ought to take precedence over maximization of happiness.

Sir, please do not read me wrong. I am not a subscriber to the "free lunch" philosophy. What I am against is the unfair, not unequal, distribution of resources. What I advocate is a rule which makes Government morally defensible in the eyes of those who believe that government is a necessary evil. What I advocate is a rule which requires the Government to do the morally compelling first things first. Sir, I am

hopeful that you will be so convinced and will begin to re-examine Government's policy priorities. This is the moral responsibility of a moral government. And in this priority category I would also include the plight of the Vietnamese refugees in Hong Kong and the boat people in detention centres in Hong Kong, and those people of Hong Kong who have the fortune or misfortune to live in closed border areas.

Sir, in discussing the emigration or the so-called "brain drain" problem, you have in a sense hinted at a three-step process in public policy making. First, to have a better idea of the problem (in this particular case, you have mentioned the numbers involved); second, to analyse the problem carefully and accurately; and third, to decide what we can and should do about it. Now, although it is only the second step which requires, as a must, policy evaluation and analysis and although the first and the last steps involve primarily politics and judgment (and I hope politics always plays second fiddle), I submit, Sir, evaluation and analysis ought to pervade all three steps, or else the decisions made and the policies pursued would merely be white elephants or compromises half solving public problems or not solving them at all.

Sir, I am sure your decision to create a small "think tank", to be called the Central Policy Unit, is made precisely and simply to enhance the policy analysis ability of the Government and the resultant enhanced quality of policy analysis and thus policy making. However public reaction to your decision, though on the whole rather favourable, is rife with all kinds of speculation. Some say: it will usurp the authority of the Executive Council. Some say: it is or will develop into a political party, the Government party. Some say: it is meant to further reduce the role played by this Council. Some even say: it is meant to boost the power of the Chief Secretary vis-a-vis your good self and your successor in the future Special Administrative Region Government. Oh, what a bumper harvest for columnists and even academics! (Myself probably included!) This bumper harvest is perhaps caused by your choice of the term "think tank", which term is so loose as is capable of describing all breeds of animals including even the fabled chimera. One has all kinds of advisers, doing all kinds of advisory work, in all kinds of government and governments of all forms, at all levels of government, even outside the Government. Or perhaps it is caused by your choice of the very name "Central Policy Unit" the abbreviation of which, CPU, in computer operations, I have been given to understand, stands for the central processing unit which controls all operations.

I have no wish to second-guess you, Sir, nor should anyone. You may have any, or some, or all of those plans in mind. But from your address itself I certainly do

not see so. I see instead that you have given us a fine example of how public policies ought to be made, the three-step process of problem identification, analysis and decision which I have referred to earlier.

Paraphrasing your words very liberally, Sir, your decision to create the Central Policy Unit is based on the need to have a team of staff who are not involved in the day-to-day operations of the functional branches or departments thus capable of concentrating on complex problems and capable of looking at such problems from broader and more innovative perspectives. Members of the unit are the staff of the Government employed either full-time or part-time, either deployed from within the Civil Service or employed from outside. This flexibility will enhance its ability "to produce imaginative solutions to difficult problems", in your words.

Although you have not said it in your address, I have come to learn from the Deputy Chief Secretary who met Members of this Council on the OMELCO Standing Panel on Constitutional Development recently, that the unit will be a part of the Secretariat, that the nucleus of the unit will comprise mostly civil servants, and that non-civil servants appointed are also subject to the Official Secrets Act.

From the above, the reasonable conclusion must be: the decision to create a Central Policy Unit is an exercise in administrative re-organization aimed at enhancing the analysis ability and enhancing the quality of policy analysis of the Administration. CPU is not a political re-organization, and has nothing to do with political reforms. However, like the now defunct Central Policy Review Staff (CPRS) in Britain, which existed between 1970 and 1983, our Central Policy Unit might face similar problems and might suffer the same demise. Let us monitor the future development of our Central Policy Unit but always bearing in mind its non-political *raison d'etre*. I, for one, will watch its development with immense interest.

Sir, three years ago, in my maiden or bachelor speech in this Council, (at that time I was the last to speak on the second day, today I am the last to speak on the first day!) I spoke of the Goddess Themis, who still reigns over this Council building if not also this Council. This evening, I would like to bring the attention of this Council to another feature of this building -- the pillars. If I am not mistaken, all pillars in this old Supreme Court now Legislative Council building, including the eight pillars we see round us in this Chamber, are pillars of the Ionic order of architecture, (unfortunately Mr. Edward HO is not here and I think he should know better) which originated in ancient Greece, presumably from the Ionians. The most

distinctive feature of the Ionic pillar is in the capital which is the top part, which distinguishes it from the other two ancient Greek forms -- the Doric and the Corinthian. Now even if we look not so carefully we can see that there are four spiral scrolls or volutes on each capital. I suggest these volutes stand for ears, and I hope you will agree because they do look, at least symbolically, like ears. I further suggest that all of us in the business of public affairs ought to be "all ears", to listen, and not to turn a deaf ear to persons however humble, with views however ignorant, particularly when we are vested with the responsibility of making the decision and thus holding the reins of power. I had previously said in this Council that "one has to admit the possibility that one could be wrong."

Sir, I submit that the Legislative Council exists because you and the Administration could be wrong, you and the Executive Council could be wrong. Likewise, a broadly-based Central Policy Unit exists because functional branches and departments could be wrong. You will, Sir, appreciate that I am not trying to say that this Council or the Central Policy Unit will always be right. Sir, let me suggest that we ought to let the CPU and the branches interact in order to give the Executive Council the best advice and the best recommendations. Let this Council and the Government interact so that decisions finally taken do truly solve public problems and serve the public interest.

With these remarks, Sir, I support the motion.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT: Members of the Council have shown great durability but there is now some relief. In accordance with Standing Orders I suspend the Council until 2.30 pm Thursday 10 November 1988.

Suspended accordingly at two minutes to Nine o'clock.

1 Survey on "Youth knowledge on law" conducted in the 1985 International Youth Year by the Hong Kong Federation of Youth Groups.

2 Opinion poll on the 1988 "White Paper : The Development of Representative Government : the Way Forward" conducted by the Hong Kong Federation of Youth Groups.

3 Report of the 1988 Youth Opinion Survey on Draft Basic Law (for solicitation of opinion) conducted by the Hong Kong Federation of Youth Groups.