

1 HONG KONG LEGISLATIVE COUNCIL -- 1 November 1989

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 1 November 1989

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

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

THE CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

THE HONOURABLE SIR PIERS JACOBS, K.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

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

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

SECRETARY FOR HOME AFFAIRS

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

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

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

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

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

.
THE HONOURABLE CHENG HON-KWAN, J.P.

THE HONOURABLE CHUNG PUI-LAM, J.P.

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

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

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

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

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

THE HONOURABLE POON CHI-FAI, J.P.

PROF. THE HONOURABLE POON CHUNG-KWONG, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING, J.P.

THE HONOURABLE TAM YIU-CHUNG

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

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

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

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

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

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

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

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, J.P.

THE HONOURABLE YEUNG KAI-YIN, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE MRS. ANSON CHAN, J.P.
SECRETARY FOR ECONOMIC SERVICES

ABSENT

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

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

Subsidiary Legislation	L.N. No.
Ferry Services Ordinance Services (Hongkong and Yaumati Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1989.....	Ferry 348/89
Securities and Futures Commission Ordinance 1989 Securities and Futures Commission (Levy) (Futures Contracts) Order 1989.....	 350/89
Registration of Persons Ordinance Registration of Persons (Invalidation of Old Identity Cards) (No. 3) Order 1989.....	 351/89
Shipping and Port Control (Hong Kong -- China and Macau Ferry Terminals) Regulations Sham Shui Po -- Macau Ferry Terminal Boundaries (Repeal) Order 1989.....	 352/89
Shipping and Port Control (Hong Kong -- China and Ferry Terminals) Regulations Sham Shui Po -- Macau Ferry Terminal Restricted Area Boundaries (Repeal) Notice 1989.....	Macau 353/89
Legal Practitioners Ordinance Practising Certificate (Solicitors) (Amendment) Rules 1989.....	 354/89

Noise Control Ordinance	Noise
Control Ordinance (Commencement)	
(No. 2) Notice 1989.....	
355/89	

Civil Aviation (Aircraft Noise) Ordinance	
Civil Aviation (Aircraft Noise)	
(Limitation on Landing or Taking Off of Aircraft)	
Notice 1989.....	
356/89	

Other

Third Periodic Report by Hong Kong under Article 40 of the International Covenant on Civil and Political Rights.

Member's Motion

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.

During these two days, my colleagues in this Council will express their opinions on your address which has covered a great variety of subjects. Your address this year is forward looking and concentrates on building a future for Hong Kong. In my view, it is timely and constructive as this community is facing the future with a greater degree of uncertainty since the events in China in June.

During the past 12 months, a lot has happened to Hong Kong. We have always said that we are vulnerable to events which happen around us, particularly that of China. This was proven when our community reacted to the June events in China. To this date, even though our community is resilient, no one can deny that the confidence in the future of Hong Kong is at its worst since the signing of the Sino-British Joint Declaration.

The question that this Council has to face is how to rebuild that confidence. This is why I believe that your address, Sir, to this Council this year is particularly welcome.

Sir, you have announced plans for a new airport and port development along with infrastructure support in the order of \$127 billion at current prices. This is the largest financial commitment in our history. You have also mentioned that resources will be allocated to tertiary education so that by 1995 one out of four of the relevant age group will attend universities or polytechnics in Hong Kong. In fact what is even more important is that the first-year first-degree places will be increased to 18% of the relevant age group. This is a major commitment on the part of the Government. I have often spoken in this Council on higher education and the importance of education in our community. I am delighted to see that this is finally happening. To use the computer language, the Government is committing to the future by investing heavily both in the hardware and the software. In the era well past 1997, we should see a Hong Kong with a highly educated community and, being an international city, Hong Kong should stand out as the financial, shipping and trading centre in Southeast Asia. In fact, Hong Kong should be further strengthened as a gateway to and from China. However, the key still lies on the confidence of our people. It is towards the subjects of building confidence that I wish to speak on today.

Nationality

Sir, in June, Dame Lydia DUNN and I went to London. We met the Prime Minister on the subject of nationality. We had put forward OMELCO's unanimous view that Britain has a direct responsibility towards the people of Hong Kong. We put our message across that there is a confidence crisis in Hong Kong and it is Britain's responsibility to provide our people with an insurance policy so that they will be willing to stay and to continue to build Hong Kong.

The Prime Minister told us that an announcement would soon be made by the British Government. Now it is the beginning of November and all we hear is that it is politically impractical to grant British nationality to 3.25 million people and that it is difficult to come up with a nationality package for the Hong Kong people. For those people who are born in Hong Kong, there is no doubt that they are British subjects born on British soil. No country in the world would deny citizenship and the right of abode for their subjects.

I hope that the British Government, instead of fidgeting over figures and numbers, would fulfil their responsibility towards the people of Hong Kong. It is a form of guarantee that the Hong Kong people are looking for.

Vietnamese boat people

Sir, during the past 12 months, the influx of Vietnamese boat people has become the number one concern of our community. Our people have reacted by opposing the construction of camps in their districts. The policy of screening has proven ineffective without repatriation. It is well understood by this community that we cannot have another year like this year when we have had a huge influx of Vietnamese boat people.

Members of this Council have agreed that we will debate this issue on the 29th of this month. Of course there will be different opinions with regard to the policy of Vietnamese boat people but I believe that the majority of Members of this Council would like to see early repatriation program carried out of those screened out as non-refugees back to Vietnam. The conferences in Geneva, in my view, have not been effective in tackling the problems as no agreement has yet been reached on repatriation.

I believe that we must act in the interest of our community. Repatriation must start and start soon. I will speak more on this subject when I move the motion on the 29th of this month. I would like to mention that the Security Panel of OMELCO has been preoccupied throughout last year on this subject. It is indeed a problem created by factors outside of our own control. We are spending our human and financial resources on the Vietnamese boat people and the situation is frustrating to our community. Many people have questioned the ability of the Administration in handling this problem. I believe that we all agree that this is a problem which must be resolved soon.

Constitutional reforms

Sir, the Constitutional Development Panel of OMELCO has spent the past two years scrutinizing the draft proposals of the Basic Law. Its report is supported by a great majority of OMELCO Members. This report has been released to all drafters and members of the consultative committee. It is also available to the general public.

In the report, there are many aspects of the Basic Law on which Members have expressed their opinions. This afternoon, I would like to concentrate on the part concerning constitutional reforms with particular emphasis on 1991.

Sir, there is a clear consensus among OMELCO Members that the proposal we have put forward suggests a pace of democratization in Hong Kong most suitable for realizing "Hong Kong people ruling Hong Kong with a high degree of autonomy" promised by the Chinese leaders. The OMELCO Members also believe in a step-by-step approach. We have proposed by 1995, 50% of the legislature should be directly elected and 50% of the legislature should be elected by functional constituencies. By 2003, the whole of the legislature should be returned by "one man one vote". The question is what we are proposing for 1991. During our meeting in July, we unanimously agreed that we want to see the legislature comprise of one third of members returned through direct elections, one third of the members returned by functional constituencies and one third to be appointed by you, Sir. This proposal is certainly in line with the step by step approach.

I have since had many opportunities to discuss OMELCO's proposal with district board members and at a number of district board meetings. I can say that there is a clear support from members of district boards on the OMELCO proposal for 1991.

It is now up to the Government to implement this proposal in 1991. The basis for confidence in this Government is whether it will act according to the wishes of the people. I tend to believe that this Government is a credible government, and it is a responsible and responsive government.

Having said the above, I also believe it is time to review the role of the district boards.

Today, two-thirds of district board members are elected by universal suffrage. There is no doubt that these members are the people's choice. The role of district boards, since its inception, has been part of the consultative machinery of our government. I believe a review is necessary now that the district boards are well established and their influence has changed throughout the years. Its members should be given the responsibility of assuming the leadership in their respective districts. This is the purpose of being elected and being accountable to the people.

Relationship with China

Finally, Sir, I would like to say a few words with regard to our relationship with China. It is visible that since June, our relationship with China has been tainted.

The mutual respect and trust which was built since the signing of the Sino-British Joint Declaration has been missing in recent months. Hong Kong is in a unique and peculiar situation in its relationship with China. No other place or country is more concerned about China than Hong Kong. China's future is our future. If China sneezes, we catch cold. This is the type of relationship that we are in. Therefore, I urge Members of this Council not only to recognize this relationship but to find ways and means to build a relationship of mutual trust and respect. At times, we fail to understand the complications and implications of Chinese politics. At times, of course, Members of this Council were not confident of developments in China and at other times, we wonder whether the Chinese leaders understand Hong Kong or what makes Hong Kong tick. We, as a community, enjoy complete freedom of expression and speech and the cornerstone of our success is "rule of law". These may not be understood by the powers of China. We must uphold these principles regardless of the cost. We must make the Chinese leadership understand what Hong Kong is all about. On the other hand, we must not act in such a way as to give the impression that Hong Kong is being used as a base of subversion against China when there is no such intention at all. Therefore, a great deal of work needs to be done on both sides to restore that trust and respect, for without this, there will be no confidence to speak of.

Members of this Council, as leaders of our community, must assume the responsibility, no matter how difficult it is, to establish an understanding and dialogue with the current Chinese regime. We must look towards the future. Whether we like it or not, the British Administration will be gone from Hong Kong on 1 July 1997. In order to establish "one country, two systems" and "Hong Kong people ruling Hong Kong with a high degree of autonomy", the people of Hong Kong must respond to the changes and challenges ahead. For those who will stay and for those who call Hong Kong their home, we must do everything we can to assure them of a bright future.

Before closing, I want to say that the years ahead will be challenging years. Strong leadership is crucial for times such as this. I have spoken on the importance of assuming leadership by Members of this Council last year. There is no doubt in my mind that it is the responsibility of Members of this Council to provide a concrete

basis for a stable future. The performance of Members of this Council will be witnessed by our ever energetic members of the press. We are publicly accountable and we must tackle problems in unity and together. I truly believe that this is what our people expect of Members of this Council. We have faced difficult years before but with dedication, determination and unity, I am confident that we can overcome the difficulties of the future.

Sir, I beg to move.

Question on the motion proposed.

MR. PETER POON: Sir, I am greatly impressed by your address on 11 October 1989 which is frank, pragmatic and positive in proposing solutions to our difficulties in the coming years. As you have mentioned, Hong Kong has been through many traumatic times in our history. I can think of those difficult moments -- war, strike, famine and civil disturbances -- but Hong Kong has always emerged stronger after each crisis. I am not attempting to minimize the difficulties we are facing in these trying times. To ensure that Hong Kong thrives as a Special Administrative Region of the People's Republic of China and the "one country, two systems" concept works, however, we must all work together to restore the confidence of the Hong Kong people, and our local and foreign investors.

Hong Kong economy

Apart from some slow-down in certain sectors, such as the tourist industry, business is going on as usual in Hong Kong. After all, it may not be a bad thing for our overheated economy to cool off a little in the short term. Our newly reorganized financial institutions have weathered the recent crisis well and the linked exchange rate system has again proved its worth.

Hong Kong's role as a regional and an international trading and financial centre is crucial to our very existence. You have, Sir, highlighted our vulnerability to external factors and our economic strengths and resilience in a succinct manner; you have also pointed out our difficulties as well as identified the ample business opportunities that still exist here. We have to try our best to diffuse misconceptions of our trading partners and investors about Hong Kong which arose from recent events, and should promote our strength overseas.

The brain drain

I am sure very few people here would like to leave Hong Kong, which is our home. But as you have said, Sir, although we would not like to lose these people, the Government will not prevent them from leaving Hong Kong. We simply hope that they will return to serve the community.

It is sad that more and more people who are the backbone of our society and who are able to create wealth and contribute to the success of Hong Kong are thinking of leaving. Most of these people are professionals or belong to the management ranks, which are the locomotives of our economy. I am not, for a moment, belittling the contributions of other Hong Kong people to the success of the territory. No doubt, we will still have some six million people, but the people who step into the positions of the emigrants may not be able to function immediately as well as they could. We stand to lose many years of experience and expertise which are hard to replace and which make it increasingly difficult for investors to continue to operate in Hong Kong.

It seems that I am preaching to the convert, but the problem is rather serious. Hence, we must continue to press the United Kingdom to restore full British citizenship to the people of Hong Kong, to explain our predicament to other nations, and to take a lead in efforts at restoring the confidence of the people in Hong Kong. None the less, I would like to make a note of caution. If the final package to be offered by the United Kingdom includes conditions that the people concerned could only make use of the safety-line after 1997, it would only defeat the purpose of the whole exercise and would only drive people to leave earlier.

Arguments on the "Armageddon Scenario" are also self-defeating and would not be able to provide assurance to the people to stay on. Offers without condition attached, such as those offered by the Singapore Government, would be insurance policies which can make the talents stay. Life in other countries is not a "bed of roses" to many educated and senior professionals. Their choice to stay for whatever period would only be in Hong Kong's interests. If the transition to 1997 progresses smoothly, they will not see the need to leave at all. In fact, people who have gone will probably return. That is exactly what we are aiming at as this would work in the interests of Hong Kong, China as well as international investors.

Education

Sir, your ambitious plans to expand tertiary places to 67 000 in 1995, that is, for 25% of the relevant age group is very encouraging indeed. This requires tremendous commitment by the various tertiary institutions concerned. The establishment of the new University of Science and Technology and the Open Learning Institute and the offer of more degree courses by the tertiary institutions funded by the University and Polytechnic Grants Committee will also help improve the standard of tertiary education in Hong Kong. This will be a target that all Hong Kong people should take pride in. Some may have reservations concerning the pace of the expansion. I agree entirely with you that we should not sacrifice "quality" for "quantity". Luckily, we have two points in our favour. Firstly, our people are bright and eager to improve their knowledge. Given the chance, they will put every effort to enhance their success. Secondly, we can enlist the experience of other countries, like the United Kingdom, Australia, New Zealand, and the United States which have many years of experience in planning for expansion of tertiary education and distance learning. Many well-structured learning packages of high standard are also readily available from overseas educational institutions. With new teaching techniques, video and other visual teaching aids, tutorials and cable television, I am sure that such ambitious plans could be implemented. My only concern is that there will be problems in recruiting suitable lecturers and staff. But, with determination, I am sure we can achieve our target.

Vision of the future

With the announcement of the building of the new airport, the new harbour facilities and investments in various infrastructural projects, totalling \$127 billion, we can see a vibrant and prosperous Hong Kong towards the end of this century. This is not a dream; we can make it a reality.

Nevertheless, with such mammoth expenditure, we must guard against inflation and must ensure that the vast investments are properly monitored and budgets of the major projects do not run out of proportion. The achievements that we have attained are all visible to the world, and I am sure there would be further improvements in the future. Sir, as you so rightly pointed out, we must have confidence in ourselves before others can have confidence in us. Let us all work towards such goal and ensure that we continue to be "the Pearl of the Orient" through 1997 and beyond.

Last but not the least, may I take this opportunity to pay a tribute to all those,

including yourself, Sir, who have worked so diligently over the past few months in restoring confidence locally, in fighting for our case with the United Kingdom Government and in promoting our image overseas.

With these remarks, Sir, I support the motion.

MR. CHEUNG YAN-LUNG (in Cantonese): Sir, when you addressed this Council three weeks ago you began by making reference to recent events in China, the way these events have affected Hong Kong, and in the light of these events how the Government proposes to build for the future. In keeping with this overall theme I would like to offer my views this afternoon on a number of issues covered in your address with particular emphasis on their impact on public confidence and hence the future stability and prosperity of Hong Kong.

Brain drain

Mass emigration, better known today by many people as "brain drain", is not a totally new phenomenon in the history of Hong Kong. There has always been a steady flow of people into and out of the territory. This freedom of movement is in fact one of the many features which we would need to preserve in our society, both up to and beyond 1997. Uncertainties about the future have, however, changed the complexity of the situation drastically. We are now losing capital and human resources at a much quicker pace than they can be replenished. Our competitiveness has been hampered as a result. Recent events in China did little to help reverse this trend. Significant increase in applications for emigration after the events in June bears out amply the fact that public confidence has been shattered severely. Emotional calls made by various parties for right of abode in the United Kingdom is also evidence of the frustration and disillusion felt by Hong Kong people.

Sentiment is running high in the community for the United Kingdom to honour its moral obligations, which go hand-in-hand with sovereignty, towards Hong Kong people. Unless a satisfactory scheme is forthcoming in the very immediate future, frustration could build up to a point which would eventually affect the governability of the territory. I therefore urge the British Government to make an early announcement on the right of abode issue so that people may rest their hearts on the future.

Although Britain has all along argued that it is impracticable to restore the

right of abode in the United Kingdom to all the British subjects in Hong Kong, the scheme it is devising should be as generous as possible. Britain should recognize that the United Kingdom has never been a favoured destination country for Hong Kong emigrants. Statistics show that most Hong Kong emigrants go to the United States, Canada and Australia. More important still is that what Hong Kong people are seeking is only an insurance policy but not actually moving overseas right now. Only a generous scheme will boost the confidence of a sufficiently large number of people to stay and continue supporting the future of Hong Kong. Such a scheme should not be conditional upon any future eventualities either, lest it defeat its purposes.

Sir, I do urge the British Government to announce its scheme as early as possible. The standards of our industrial and services sector, as well as Government, are being hampered. The high rate of staff turnover and the serious lack of experienced staff, especially at the middle management level, has already hit hard on all organizations. Not only a solution, but also a quick one, is already of absolute necessity. Should Britain feel it unable for her alone to offer a comprehensive solution for all the people in Hong Kong, it should ask other countries, particularly the Commonwealth, to offer whatever assistance they can to assure Hong Kong people of a safe future.

On the part of Hong Kong, I do endorse, Sir, your view that action should be taken in the long term to train up a pool of talents to replace those who are likely to leave between now and 1997, as well as to attract those who have emigrated to return and continue to serve Hong Kong.

Relationship with China

I cannot agree more with the point made by you, Sir, on the need to insulate Hong Kong from domestic politics in China. All of us should concentrate our efforts at this crucial time to keep our economy going, to preserve its prosperity and international image, so that Hong Kong can continue to be relied upon by China as its gateway to the western world. There is a lot which Hong Kong can offer to help China in its modernization programme, and it is only by so doing that the "one country, two systems" concept will work.

I also urge all parties concerned to put aside their differences and put all their efforts together with a view to maintaining Hong Kong's stability and prosperity both before and beyond 1997. Any unnecessary bickering would only serve to raise further grave concern and uncertainty about whether there is indeed any chance of a full and

faithful implementation of the promises of the Joint Declaration, which is the cornerstone of our future.

When we took the lead in introducing a screening mechanism to ascertain the status of new arrivals, many countries accused us of being inhumane or even racist. I do not understand how one could reconcile this with the fact that many boat people in our detention centres have stayed here for more than seven years, some even ten years. Is it humane to ask these people to waste their lives in an alien land which they only regard as a stepping stone to western countries? Now that our concept of screening has been adopted by all other places of first asylum in the region, the logical development must be to explore ways of repatriating those who do not qualify as refugees. I agree that as a community we should refrain from taking drastic action in the meantime but would like to urge the Government to pursue this matter with top priority. I also urge the international community, before it tries to point fingers at Hong Kong, learn more about the actual situation in Hong Kong, and offer better alternatives if they can think of any.

Environmental pollution

Concern for our environment has grown gradually in recent years as Hong Kong consolidates itself into an international city whose inhabitants enjoy a high standard of living. Emphasis has in the past been placed primarily upon ways of improving our competitiveness in the international scene. The tide is now turning and the Government should be praised for responding quickly to this change.

Sir, you have rightly emphasized the importance of environmental education for our youths. Prevention is always better than cure. Instead of spending millions of dollars to find ways to save our environment, it will have been much better if we can refrain from polluting our environment in the first place. I fully agree that this should be our long-term objective.

In the short run, it is obvious that Government will need to contain the problem we have already got in our hands. However, in implementing its ambitious plan to reduce pollution and improve our environment, the Government should be careful not to be over-hasty as to eradicate the achievements that our industrialists have obtained over the years. Due care should also be given to the many traditional trades in Hong Kong which might need more time to adjust to new standards.

I believe the Government has not the slightest intention to drive these trades out of existence in our community. However, very often overseas pollution control standards are imported directly into our domestic legislation with little modifications. Some of these standards may not be realistic in the context of Hong Kong. More importantly, Government has provided insufficient assistance to those affected. I therefore request the Government to critically examine our overall approach towards pollution control before embarking on any massive new plans to improve our environment.

Recreation and sports

With your permission, Sir, I wish to raise one topic which is not covered in your address but none the less deserves our urgent attention. As we all know, recreation and sports activities in Hong Kong rely heavily on government subvention or commercial sponsorship as their source of finance. Recently plans are mooted to ban tobacco sponsorship from sports events. Pending a final decision on this matter let me express my grave concern on such an idea. There is as yet little evidence to prove that tobacco sponsorship of sports events would lead to greater tendency for our young people to smoke. In any event, rather than to adopt a defensive approach the Government should concentrate on counter-publicity on the harmful effects of smoking. Our young persons cannot be kept away from cigarettes by banning tobacco advertisements on the electronic media or sports events; they can only be persuaded to do so willingly when they appreciate the harmful effects smoking could bring to their health.

Another point which I would like to touch upon in the field of recreation and sports concerns the rather inadequate funding provided in the last financial year to these activities. Looking through your address we are all impressed by the massive infrastructure projects which the Government would undertake to prepare Hong Kong for development into the next century. The question here is whether, by committing to such an ambitious plan, the Government would eventually be forced to cut back expenditure on other areas to obtain the necessary funding to complete these projects. In a bustling city like Hong Kong cultural activities provide an important entertainment for our people and we do not wish to see that as a result of these projects our planned expansion of the scope of these activities will be affected. Indeed, we are already witnessing an increasing demand for the frequency and variety of recreational activities by our population. This, I submit, Sir, is a natural demand by our increasingly affluent society, and we should not absolve ourselves from providing such services at a reasonable standard.

Youth Commission

Sir, I do welcome the Government's initiative in setting up a Commission on Youth. The future of Hong Kong lies in the hands of our next generation. A commission to advise Government on a balanced development of our valuable and growing assets will help different government departments and non-government organizations put together their efforts to devise co-ordinated policies to nurture the talents and potentials of the youngsters. In particular, I do welcome that the Government has highlighted the importance of physical fitness and a broadened, international outlook, apart from academic achievement.

I also congratulate the Government's decision to set up the Sports Development Board and has indeed started pushing ahead with the plan; and I look forward to the board's recommendations on working out a territory-wide strategy for sport. These are right steps to take in order to achieve maximum efficiency in the utilization of the sports facilities and resources in Hong Kong. I do hope that all sports-related bodies in Hong Kong will be able to contribute to this objective.

With these remarks, Sir, I support the motion.

MRS. CHOW: Sir, when you delivered your address in this Chamber three weeks ago, I was so very excited and impressed by its breadth of vision that I thought it would enjoy universal acclaim and acceptance.

What I found particularly worthy of praise were the massive capital programme and the comprehensive package on education and training.

There are of course some major points of principle which I felt deserved more mention and emphasis. For instance, the huge commitment to the improvement of our capital infrastructure should be qualified with graceful exit points should the economy slacken below a level where it could be foolhardy for us to proceed all the way, or should financing prove more a problem than we have originally envisaged. Yet another important principle is that the private participation in the undertaking should be determined in the fairest possible way, and should in the process strike a balance between local and international interests.

Over the years I have spoken in many debates on the various shortcomings of our education system, and although I cannot be certain that the all-embracing reforms on the various levels of education can fully answer all our needs, it certainly goes a long way to address them.

No doubt the dramatic increase in tertiary places will be music to many ears given that we are a community which places great value on the opportunity to learn. It is however absolutely crucial for us to protect quality while boosting quantity. This is especially difficult when we are working under the pressure of time. Let us not be caught by the same traps that ensnared us when compulsory education up to Form III was introduced in the late seventies.

A specific aspect of our education which has not enjoyed the success it aims to achieve, in spite of efforts and experiments directed to it over the years, is the standard of our two official languages. I hope renewed efforts of the Education Department will not suffer the same fate. It is one of the most practical investment we must make towards our future, and there must be no further delay. The language issue is not, and must not, be turned into an emotive nationalistic issue. Our English is a convenient historical advantage we enjoy over many of our neighbours. We must not lose it.

One of the problems with our education system is a basic conceptual one, whereby many of our teachers fail to couch their passing of knowledge in the broader context of nurturing in their students a desire to learn. The pressures of public examination have often been cited as the reason for rote learning. Somehow I suspect it is more a matter of approach and attitude than one of time. Our system must acknowledge the value of qualities other than academic excellence. Talents in all areas must be recognized and encouraged from an early age, and teachers must be aware of their particular power and responsibility in the early development of the young.

Alas, we have to accept that the pre-primary education will not be fully subsidized. However, there is great urgency in improving standards of teaching, and this is only possible if considerable reform is introduced to the fee assistance scheme. I urge therefore that the fee remission scheme should be adopted no later than next year, with assurances that it will not fail the way that the existing scheme has.

Sir, all in all, yours was indeed a most inspiring speech, but it is true to say

that it has met with as much criticism as acclaim. For ours is a jittery community, weathering some of the many storms since Sino-British negotiation began more than seven years ago, and our people are confused and fearful of our future. And because confidence is thin and shaky, the usual ambition and positive thinking that characterize our people are giving way to doubts and reservations. But it is at times like these that we need to look beyond the present hiccups, and remind ourselves what kind of a place we would like to leave to our next generation, if not the advanced international city peopled by a well-educated population projected by your address. The decision to invest must be made now.

Yet the fears remain and they must be recognized, and dealt with. At the risk of repeating what I said in some detail in the debate on the Foreign Affairs Committee report, I remain committed to the cause of fighting for restoration of the right of abode for Hong Kong British subjects in the United Kingdom. What is worrying is that recent political developments there lead us no closer to an early solution. Recent cabinet reshuffle may mean that our efforts to impress our case on the then Foreign Secretary, John MAJOR, have to be repeated now that Douglas HURD has taken over the rein at the Foreign Office. It is the most urgent task of our Government to reaffirm Her Majesty's Government's commitment to come up with a public statement of action no later than January in order that Britain is seen internationally as taking the lead to arrest our brain drain by providing as many keys as possible to the imaginary prison of the future. Hong Kong is waiting, the world is watching, Britain must act now.

When my honourable colleague, Dr. Henrietta IP, urged our people to seek a home of last resort elsewhere during that same June debate I mentioned earlier, she was considered to be alarmist. But surely she was stating the only too obvious which was occupying most minds here. For those of us who have the means, the qualifications and the connections, the mental turmoil of whether to leave the job in hand in search for hard-earned insurance policies elsewhere must have plagued our peace of mind. In the end whether the decision is to stay put or to go, we feel we are taking a risk. For the stayers, the risk is further down the road, and affects not only ourselves but possibly our children, when we may have little choice but to accept a lower standard of living and less freedom. For the goers, the risk is more immediate for which emigrant does not have to give up a good job, a good home and treasured cultural social and personal ties for the unknown territory, where our mother tongue is not even a second language? Yet thousands continue to leave. And Hong Kong suffers for it. Those remaining in Hong Kong suffer for it. Should we not, for the sake of Hong

Kong, do everything possible to persuade people not to go? And should we not help and support anyone who can secure an insurance policy to do so, so that they would have peace of mind to stay? Should we not persuade those ready to come back to indeed come back, regardless of the fact that they do hold a foreign passport? Should we not beware of envy and jealousy that prompt discrimination against those who we may consider slightly luckier than ourselves?

Sir, our people are our asset. There must now be a more co-ordinated effort on the part of Government to assist those determined to obtain a second passport. There must also be a more concerted action to attract a steady repatriation of those who have obtained their foreign passports. A package of measures ranging from the provision of English speaking schools to assistance for job placements should be drawn up, based on well-researched and professionally-surveyed information by Government with input from the private sector which is much needed to tackle the problem thoroughly.

May I now move on to the hot subject of democratic reform.

So much confusion and argument surround the debate on how our future legislature and the Chief Executive should be chosen that we tend to lose sight of the prime objective of the exercise.

It must never be forgotten that the system is the means to the end of achieving a high degree of autonomy for the Hong Kong Special Administrative Region Government so as to guarantee that as far as possible our present freedoms and civil liberties will continue. This was clearly promised in the Sino-British Joint Declaration, and on no account should either Britain or China or both be allowed to go back on it.

It is for this very reason that I support the OMELCO consensus, for it clearly and unequivocally spells out the realization of the commitment to a definite timetable, and is the only formula that resolves the most important element in the whole issue, that is, the relationship between the legislature and the executive, by linking selection of both by universal suffrage at a target date acceptable to most. Of all the proposals so far put forward by various groups, this one is undoubtedly the most democratic, and is identified as the most desirable by the majority of our people.

The OMELCO consensus was arrived at after the most lengthy discussion by our colleagues and came together before and after 4 June. It reflected the spirit of

caution, unity and compromise of our membership. Some of us had preferred a more liberal or conservative approach, but in the end we all voted for it. What change in circumstance had caused the about turn of a few of our colleagues. Could the change of heart be due to statements by some Chinese officials that the OMELCO consensus would not be considered because it was a pro-British manoeuvre? Could it be that they are afraid supporters of free election could be taken to be subversive elements in the eyes of the Chinese leadership? Or could it simply be that they have lost faith in the judgment of the Hong Kong people to choose their own representatives? They owe Hong Kong an explanation.

I would like to think that China has a completely open mind, and will see the OMELCO proposal as the sensible one to take, simply because it is the best among all the options, and has the widest support of our people. I would like to think that even if China does not adopt the OMELCO proposal in full, it is not because it bears the OMELCO label. China has got to understand that we in Hong Kong have progressed past the point of living and thinking by labels. The freedom of thought and expression that we have established for ourselves has sharpened our own judgment to consider any idea on its own merit as well as within the context of its origin. Such free environment is conducive to discussion, debates, disagreements or occasionally even confrontation. But viewed in the wider context and the longer term, the abuses and extremes which do occur from time to time are harmless and shortlived and a small price to pay for the overall freedoms that prompt new heights in our creativity and performance. If overzealous liberals are critical or overcritical of other people's views which are different from their own, be they political opponents in Hong Kong or leaders in China, the sense of restraint and balance prevailing over our community will govern the degree of support for these proponents. For certain unspoken ground rules have been identified by our people against the background of the inseparable destinies of China and Hong Kong. We all understand the sensitivity of the Chinese mentality and the over-reaction through words and deeds that can result from a loss of face. We also understand that "one country, two systems" can only be given its true meaning if both China and Hong Kong co-operate to uphold it together, and any overt move on our part to undermine the Chinese Government would force her hand and give her no choice but to interfere in our affairs. But neither is appeasement of China at all costs the answer, for even if it buys short-term peace, it can only mean an erosion of the degree of freedom we currently enjoy. The answer lies in tactful presentation and affirmation of principles through convincing reasoning, which call for calm thinking, cool courage and immense political skill, qualities which are not always evident in our more vocal political leaders.

Since the signing of the Joint Declaration, events have demonstrated that China tends to treat Hong Kong as a precocious child rather than a mature sensible adult. As a result, frustration snowballs on both sides. It is meaningless to mouth platitudes on blind confidence which, if unfounded, will only be regarded as propaganda. For it is not that Hong Kong do not have confidence in ourselves. The problem is that we have more confidence in ourselves than all the other parties other than ourselves who have control over the circumstances and freedom within which we can exercise our ability and talent in the future.

In asking our people to have confidence in the future, China and Britain must demonstrate that they have confidence in our people to be entrusted with the responsibility for that future. It is the best confidence booster for this moment. The opening up of the system is a matter of urgency. Democratic reform along the lines of the OMELCO consensus must be set in motion right away. The British Government must hold back no more, and the Chinese Government must obstruct no further. Both must act according to the wishes and the interests of the overwhelming majority of our people.

But at the end of the day, the preservation of the true economic values of Hong Kong to China will determine the degree to which China is prepared to leave us alone, not harsh words, mass rallies and street demonstrations. To achieve this, the single most effective route is to place above all else our hard work and dedication in the productive efforts we have put in all these years to strengthen our own foundation. A Hong Kong that continues to prosper and maintains its standing in the world as an international centre of trade, industry and finance is the best legacy we can leave to our children and it is the strongest assurance for autonomy in the future.

Sir, I support the motion.

MISS TAM (in Cantonese): Sir, I believe the speech I heard a moment ago is the best I have heard recently.

Your policy address strongly indicates a positive enterprising attitude taken by the Hong Kong Government towards Hong Kong's future and the determination not to allow the June 4 incident in China to take the edge out of our spirit. Just as you mentioned, the Government "will continue to face resolutely the challenges that lie

ahead". In your policy address you have put forward constructive policy initiatives on issues such as education, finance and economy, technology development, freedoms and human rights and so on. All of these subjects call for detailed and in-depth response. But for the limit of time, I have to focus on the territory's infrastructure as my topic of discussion.

The \$127 billion investment on infrastructure signifies Hong Kong Government's commitments to the well-being of Hong Kong people beyond 1997. Whoever doubts whether the Hong Kong Government will make strenuous efforts in maintaining the stability and prosperity of Hong Kong should try to understand that the development project of a new airport at Chek Lap Kok and new port facilities as put forward by the Government represents the practical commitment of the Civil Service and those involved in the government machinery to help in maintaining Hong Kong's status as an international city.

However, whether the commitment can be fulfilled depends on the support of all sectors of the community including the commercial and industrial sectors and the working class as well as the participation of overseas investors. If they adopt a wait-and-see attitude, the implementation of the entire project will be adversely affected.

I do not doubt that we should go ahead immediately with the development projects of the new airport and the port facilities. As we have to compete with Singapore and Taiwan for being the commercial and transport centre of Southeast Asia, we have no other choices but to proceed with our development plans. Regarding this project I wish to raise four points for discussions:

(1) The financing of the project and the reduction of political risks: the two inter-related factors

I recently learnt from the newspaper that the Chinese Government is not prepared to make use of the Land Fund of the Hong Kong Special Administrative Region (about \$14.8 billion) for the construction of Chek Lap Kok Airport. But I am glad that the Hong Kong Government has indicated that it is confident that the financing of the project can be successful. I have that confidence too. I believe that on the international front, countries such as Japan, Australia, a small number of European countries and the United States all take a keen interest in the development of the Asia-Pacific region. Especially for Japan, if it is to secure a leading role in the

development of the Asia Pacific region, its investment in Hong Kong will be of "strategic significance". Japan will not necessarily be deterred by the change of sovereignty in Hong Kong in recognizing the importance of this place. Therefore in the financing process, the Hong Kong Government should make efforts to strive for the financial support of the Asian Development Bank, Japanese investors and Japanese banks. As regards the other European countries, Australia, the United States and so on, they may not necessarily consider that Hong Kong is of "strategic importance". Other factors like the low return rate of investment in the infrastructure, the long years involved and political risks will come into consideration. I am not worried about whether a draw on the Loan Fund would affect the investment. Nor do I believe that money supply is tight in the present international money market. Yet attention should be drawn to the fact that less than harmonious relations among China, Britain and Hong Kong would play up the factor of political risks which certain overseas investors and banks would consider on making long-term investment, hence resulting in an unduly lengthy wait-and-see period. I take the view that when the debates on political system and the Basic Law are over, the three parties -- China, Britain and Hong Kong -- should try to take appropriate steps to re-establish the good relationship prevailing before June 4, which in long term will bring benefits to the three parties.

Of the \$127 billion required in the project, some \$7 billion can be returned through the sale of reclaimed land, whereas the balance has to be financed by private investments and loans. The Hong Kong Government should start canvassing banks all over the world and the Asian Development Bank for their recognition of the importance of Hong Kong in the Asia Pacific region. (As regards the importance of Hong Kong a detailed analysis has been given in the report Building for Prosperity.) In fact the Government has begun giving systematic explanation to China, including people outside the Guangdong Province that Hong Kong has no other options but to proceed with these major projects in order to maintain Hong Kong's status as a transport and financial centre in Asia Pacific region and the world. This is essential and Hong Kong has no other choice.

(2) Inflation and importation of labour: the pros and cons

Will the investment of \$127 billion in the airport and port development project and in the building of transport links plus the investments in other sectors such as education and environmental protection lead to an overheated economy and inflation?

It appears that inflation is likely to occur, but the problems will lie mainly in the cost of construction and capital works and the increasing demands for construction workers. For example, in 1993 the development of the airport and the port facilities will take up 18% of the manpower and resources of the building trade, whereas the implementation of the construction projects of private and public housing and road works will inevitably lead to spiralling cost of construction. As more people are attracted to the building trade, there will be less manpower in other service sectors, resulting in labour shortage, higher cost and inflation.

Therefore, it is of vital importance to co-ordinate the dates of commencement and completion of each capital works and to programme the time schedules of different projects systematically to bring about a balanced allocation of manpower and resources. The Government should strictly monitor the planning and implementation of the entire infrastructural development project.

The latest October issue of economic report prepared by the Hang Seng Bank indicates that the number of emigrants over the past two years has increased, 24% of the emigrants are professionals and that emigrants in the coming years will also be on the increase. At present we have not yet arrived at an estimated demand for labour and professional staff to be engaged in the new airport and port development project, but the importation of labour seems to be a necessity.

It has always been my view that importation of labour should not curtail the opportunities of local workers in sharing the fruits of our economic success. I am still convinced of this view. However, the airport and port development project permits no failure. The importation of considerable number of workers, say even thousands of workers and other professionals, would ensure a sustained supply of manpower to finish the capital works without causing such problems as slippage in the dates of completion and rising cost of construction. All these are important measures to which I will give my support in the future.

On the other hand, if we mean to induce the Guangdong Province of China to support this infrastructural project, to import workers from China will be an arrangement beneficial to both parties. The authorities should give consideration to this issue.

(3) The development of South China region and Hong Kong: a move which should be given a warm welcome, though with some caution

Sir, four new airports will emerge at the Pearl River delta area within the next 10 years, namely the new airports at Chek Lap Kok, Hong Kong; the Eastern Port, Macau; Huangtian at Shenzhen and the one proposed to be converted at Guangzhou. Of them, there will be international airports as well as regional ones. However, will there be sufficient demands to support the economic viabilities of so many airports? What are the after-effects of such decisions arrived at on the initiatives of each territory to build their own airports? Of course, Hong Kong has favourable conditions such as proven aircraft maintenance and repairs skills, land, sea and air transport networks and other specialized services to attract potential users. The Hong Kong Government is also striving to analyse, plan and promote related services that will allow the Chek Lap Kok Airport to take a leading role in the area.

The estimated cost of building the No. 8 and No. 9 container terminals in Hong Kong is in the region of \$5.2 billion to \$9.5 billion. One best arrangement is to determine the design of the terminals, single-pier or twin-pier, only on commencement of construction works. Undeniably, in the context of transport links with China, Hong Kong is the best port in this region for its imports and exports. Since in the proposed project it is difficult for the Government to make a long-term and accurate forecast of supply and demand, the provision of port facilities will be subject to incremental implementation of the project. I think that the port at Yantian which is under construction near Meisha in China may be operational in 1991-92. The relevant information indicates that the port at Yantian will have a capacity which is comparable to that of the Kwai Chung container terminal and that a railway will be built to link it with Guangzhou. If the port at Yantian could really be completed as scheduled, what would be its impact on the throughput or the importance of Hong Kong's container terminals and other marine transport facilities? Recently a delegation was sent by the Hong Kong Government to visit the delta areas of the Pearl River to promote Hong Kong's airport and port development project. However, the itinerary did not include the port at Yantian. I therefore hope that the Secretary for Planning, Environment and Lands can give a detailed explanation on the complementary nature of the developments in South China region and Hong Kong in his reply to be delivered next week. May I urge the Secretary not to quote or repeat the words of the Guangdong officials that "Hong Kong would not be affected" in the development project. The Government should perhaps make known its own appraisal.

(4) Provision for a contingency plan: to allow room for manoeuvre

The port development programme can be carried out stage by stage but the development of the airport requires a comprehensive plan of development. Seven and a half years is not a long time for the completion of such an enormous project. However, in view of the risks involved, the period is considerably long. I think a cautious approach is to provide for a contingency plan -- of course I am not saying that the construction of the airport will be left half undone -- to allow other infrastructural projects to be deferred and their resources diverted to the development of the new airport in case conflict in the use of funds arises. The Government should look into such a plan which has not been discussed in depth up to this moment of the debate.

Transport policy

I am optimistic about Hong Kong's future. While the Chinese Government is still adhering to its open door policy, the relationship between Hong Kong and the Pearl River delta areas is increasingly important. The recent promulgation of the development programme of our port and airport has shifted the momentum of the recommendations in the Green Paper on Transport Policy. Firstly, the Green Paper mentions the pattern of demographic movement of more than 1 million residents from the urban area to the New Territories. This will increase the number of long-journey commuters between the southern and the northern part of the territory. The new infrastructural project as stated in the Green Paper indicates an emphasis on the development of northward and southward-bound routes with Nathan Road as the hub of traffic. But with the port and airport development programme, another focal point appears in Tsuen Wan and west Kowloon, indicating a shift of transport and demographic movement to the west. Secondly, the traffic along eastward and westward-bound Mass Transit Railway routes and trunk roads in Kowloon will both increase. This is a point that calls for attention in the Metroplan. Thirdly, as there will be new roads and rail links between the New Territories, Kowloon, Hong Kong Island and Lantau Island, the franchised areas of public transport (including railway, bus and taxi) will have to be carefully reassessed.

(1) Co-ordination between the Green Paper on Transport Policy (referred to as the Green Paper") and the Airport and Port Development Programme (referred to as "the new programme")

The implementation of the Airport and Port Development Programme confirms the importance of Route 3 and Route 7. As the freight transport on land between Hong

Kong the Mainland is increasingly busy, some suggest linking up Yuen Long and Tsuen Wan or Kwai Chung by rail, and building a railway between the airport and the urban area in Kowloon to provide "through or non-through" passenger services reaching Kowloon or Hong Kong Island. These two papers outline six rail routes at a total cost of \$21.3 billion.

The demarcation of rights and obligations between the two railway corporations is a problem worthy of careful consideration. At present, there is only one intersection at Kowloon Tong for MTR and KCR routes. There will be more intersections in future. For the passengers, it is inconvenient for them to change trains at various rail links or buy tickets several times on a single journey from the New Territories to Lantau Island. From their own standpoints, the two railway corporations may both wish to secure profitable routes and routes with land of development potentials. Would the less profitable routes become unappealing? In the long term, should the running of all the regular routes services be under the management of one single organization (such as a railway authority), as suggested by the Honourable LAU Wah-sum, to save the trouble of separate assessment by the two corporations on individual routes, to be followed by the Government's review on their assessments. On the other hand, the two corporations can both benefit from property development. The problem of uneven distribution of profitable development sites along the routes can be avoided.

I understand that the Government will set up a working group to study the issue of building a network of railway routes. The Kowloon-Canton Railway has expressed its interest in building the routes from Yuen Long to the container terminal, west Kowloon to Hong Kong Island and Yuen Long to Tai Wo. The Mass Transit Railway has indicated that it will consider the proposal of extending the MTR line to Yuen Long. However, it has been suggested that the building of a harbour crossing railway to relieve the traffic at peak hours is not cost-effective. The two corporations, I think, have not yet made an assessment of the railway routes extending to the airport. I think that the working group should let the two corporations fully consider the respective commitments they can make in operating these six routes. The Government should also take the opportunity to make an assessment report from its study on this occasion on the two management systems, namely free competition between the two corporations or systematic planning under the co-ordination of a railway authority, to see which system is preferable in terms of deployment of resources (including revenue from property development). I personally think that the most important factor in determining which rail project is most needed is a matter of time. For

this reason, I believe that the rail link to the new airport is most urgent among the six railway projects proposed. The next one on the priority list is the Mass Transit Railway extension to Tseung Kwan O as it would help speed up the development of the new town.

As there will be either a bridge or a tunnel linking up Lantau Island and Kowloon (and also Hong Kong Island after 2001), it will give rise to the problem of the demarcations of routes to be served by urban taxis, the New Territories taxis and Lantau Island taxis, as well as the three franchised bus companies namely Kowloon Motor Bus, China Motor Bus and New Lantau Bus.

The New Territories (including Lantau Island) is now a permitted area of operation for urban taxis. If there is to be a bridge linking Lantau and west Kowloon, will Lantau Island taxis be permitted to drive into Tseun Wan? If urban taxis can operate freely on Lantau Island, the value of their licence will certainly soar which would aggravate the current speculative activities. The New Lantau Bus has an exclusive right to run nine bus routes in Lantau Island. As the company is running a relatively small-scale business, there is no need to supervise its operation with a Profit Control Scheme. Its franchise will expire on 1 March 1995. If there are no buses running from Chek Lap Kok Airport to urban Kowloon, the question of road links will arise. If so, which company is to provide the service? Will the New Lantau Bus be allowed to provide bus services for other areas of Lantau or Tsuen Wan? Or should we permit the operation of another franchised bus company so as to give impetus to the competition among the franchised bus companies? I admit that I may not have enough time to find out the answers, but I know I will have ample time to work out the solutions to all problems.

(2) Compatibility of the Green Paper and the Metroplan

The Green Paper envisages that the population will be moving north to the New Territories in future. The Metroplan suggests that the Kai Tak Airport site and the newly reclaimed land will be fully used for improving the environment of the urban zone (particularly the old developed areas) and relieving the traffic and land use problems. I concur with such ideas. However, once the new airport is completed, the existing height restriction on buildings in Kowloon area will be lifted. As a result, many buildings will be redeveloped into high-rise ones transforming that area into another densely populated zone. Therefore, it is more advisable to lift the height restriction stage by stage, or area by area.

The Metroplan points out that factories buildings in the old urban area constitute the sources of environmental pollution. In fact, for some time in the past there has been no systematic development in such old districts as Kwun Tong, Wong Tai Sin, Hung Hom, San Po Kong, Tsuen Wan and Kwai Tsing. It is really not easy to improve the environment by minimizing the industrial activities therein. Then, can we take steps to gradually relocate factories in those old districts, especially the polluting industries, to the New Territories?

Sir, the report Building for Prosperity has indicated that the development of the local industry has to be geared to high technology and high quality. However, many local manufacturers have set up small-to-medium-size factories in the Pearl River delta area to make use of cheap labour there in manufacturing their products. In view of the scale of their business and experience, they do not meet the necessary requirements to become multinational companies (for example, relocating their business to Thailand and the Philippines). Despite the June 4 bloodbath, local manufacturers have not substantially relocated their investment elsewhere. However, they will certainly not take the risk of increasing their investment in the Mainland. It seems that the local industry still relies on cheap labour and their mode of operation is still along the lines of establishing factories in the Mainland and carrying out the job of quality control here.

This mode of operation results in large quantities of goods and raw materials being transported from the border to every part of the urban area. Most of the goods are carried by large container vehicles from China and then unloaded onto small-to-medium-size goods vehicles (about 5.2 tonnage) plying between the urban area and the northern part of the New Territories to take deliveries of these goods to factories in the urban area for quality control process. Raw materials required in China and Hong Kong are also transported in this way. The growth rate of goods vehicles has over-taken that of the economy (a peculiar phenomenon unique in Hong Kong), as the number of goods vehicles account for one-third of the total number of vehicles! The Green Paper states that the acceleration of traffic flow on the main routes will bring more vehicles, especially goods vehicles into the urban area, thus creating traffic jam in streets. Therefore, we should find ways for these goods to be directly transported to the port or airport from the New Territories without entering the urban area.

One of the objectives of the Metroplan is to find a way of ensuring the

proportionate growth in population and job opportunities to cope with new investment programmes in different areas and facilitate development. According to the figures shown in the Green Paper, there will be 850 000 people moving to live in the New Territories in the coming 15 years. Let us look at the figures from 1991 to 1996, there will be 378 000 people moving into the New Territories. At the same time, 111 000 job opportunities need to be created in the corresponding period to tie in with the move. Obviously, we should encourage the relocation of a portion of our industries to the northern or north-western part of the New Territories.

It is believed that quite a number of people moving to the New Territories will come from the blue-collar sector. To my knowledge, except for industrial estates and the grant of land for polluting industry, the Government has not formulated any special land policy for industrial activities. I think that the Government should actively consider mapping out industrial land that does not fall within the category of "Industrial Estate" land in the New Territories, in particular in the vicinity of new towns near the border, so that small-to-medium-size factory owners can relocate their factories in the old urban area to the New Territories for production or quality control process on products manufactured by factories in the Mainland. This provision of industrial land will on the one hand create job opportunities for the New Territories region, minimizing the workers' need to go out to the urban area for work; and on the other hand permit the packaging of goods at their New Territories-based factories for direct delivery to China or container terminals, thus saving the trouble of using the roads all over Hong Kong by small-size goods vehicles and alleviating the problems of environmental pollution and traffic jam arising from loading and unloading of goods in the old urban area.

Sir, despite my comments and queries on the co-ordination of developments of infrastructure and transport, I absolutely concur with the heartening decisions that you have made and fully identify with the view that it is important and necessary for Hong Kong to make unfailing investment for its future. I earnestly hope that the vision that you have drawn up for the next 10 years will all come true in the nearest future.

Sir, with these remarks I support the motion.

DR. IP: Sir, in the recent years, Hong Kong has been enjoying great progress in the medical field. For example, over the tragedy of poisoning by Kwai Chau Lung Dam Cho,

Government has finally set up a working party to look into the practice of Chinese traditional medicine. A study into the general clinical services provided by Government will advise on the future relationship between it and the Hospital Authority. Loss of hearing at workplaces will soon be recognized and compensated for as an Occupational Disease and Safety Council is now in place to prevent industrial accidents. Last but not least the long awaited Hospital Authority will be in operation next year.

In the training of doctors to serve the Hospital Authority, a high standard of postgraduate continuing medical education, research, and the establishment of a specialist register are needed. It is ridiculous that genuine specialists may not identify themselves as such, because there is at present no system to differentiate them from the generalist.

It is therefore with great joy to learn that the Hong Kong Academy of Medicine Preparatory Committee will undertake the planning for the Academy and to determine its composition. Everyone accepts that the Academy of Medicine would consist of bigger colleges and smaller faculties of specialist. However, it is with great regret to learn that the working party on postgraduate medical education and training in their recommendation of which specialty should be awarded college status failed to meet their own rational guidelines. Certain specialties were awarded college status although they failed to have a well established training programme, and a minimum of 50 fully qualified doctors of specialist status. Whereas, Paediatrics, Orthopaedics and General Practice were excluded, although they fulfilled all criteria. If the guidelines are not followed, it seems more of a hit or miss, which specialty deserves college status! It was more dependent on which specialist sat on the working party and their personal preferences.

It is with greater regret to learn that in spite of strong views received on the exclusion of Paediatrics, Orthopaedics and General Practice, during the consultative exercise, the working party refused to change their recommendations. So much for consultation.

With the comments of the Medical Development Advisory Committee ignored, and with the Executive Council steering clear from this hot issue, the only chance now left is with the hopefully unbiased preparatory committee. I sincerely hope that you, Sir, would ensure that the members appointed to this committee would be balanced in constitution and must be unbiased in establishing guidelines in the formation of

colleges to which it must conform. In such times of confidence crisis, it would be pragmatic to opt for a more lenient approach, than to be hit by controversy and antagonism in the first instance! After all, the recurrent costs of the Academy is expected to be met by the doctors themselves.

Health

I turn now to the subject of health and methods which we should adopt to keep us all healthy. Sir, how I wish more of us would enjoy healthy lifestyles like yourself. I am aware that you jog in fact uphill; Sir S.Y., Allen LEE and CHAN Ying-lun swim to keep fit; and CHENG Hon-kwan plays golf; Stephen CHEONG, tennis; and of course we have all seen Andrew WONG at football! Physical recreation increase endurance, weight control, prevent bone degeneration and improve productivity. Furthermore it can control emotional disturbance, offer stress relief and protection from heart disease. To keep fit, we should aim to expend 2 000 kcals of energy per week which is equivalent to three hours of jogging, four hours of walking, five hours of swimming or a combination of the three. Yet less than 20% of our population do so. Understandably, like father, like son, our children have poor upper body strength and cardiorespiratory endurance.

Sir, the Physical Recreation and Health Report published by the Council for Recreation and Sport addresses the need for a central co-ordinating body to launch physical assessment test, to prescribe physical recreation for all and to offer physical fitness awards as an ongoing exercise. Just like the Antismoking and Aids Campaign, it must be conducted to give an impact! The public must be educated that physical recreation is beneficial to health. They must be encouraged to undergo physical fitness tests so that appropriate exercises can be recommended to rectify their deficient areas. Sir, I firmly believe that the newly created Sports Development Board should take up this very important and necessary role in promoting health into the 1990s.

It is disappointing to learn that due to financial constraints the budget for the much expected full-time sports teachers for developing extracurricular sports and the activities itself in primary schools has been slashed. It is also unlikely that sports coaches in secondary schools would be employed as recommended in the Sports in Education Report published also by the Council for Recreation and Sports. So I think the Education Commission must address this issue, of sports in education, lest we end up with achieving but unhealthy children.

Hong Kong is a very competitive society; it is therefore not only important to keep up intellectually but also to have the physical stamina to carry out our everyday task.

Land Development Corporation

I have had the opportunity to work under the able chairmanship of Mr. F. K. HU in the Land Development Corporation (LDC). Hong Kong is indeed fortunate to have him lead LDC towards the urban renewal of slum areas. In meeting this valued task of environmental improvement, certain issues have come to light.

Firstly, with the prospect of taking over sites within densely packed districts, it seems such a good idea to revert part or whole of these sites for public open space, that is, if land exchange is feasible. Please note that this will be the very last opportunity to secure public open space in these densely populated area. With this specific objective in mind, perhaps Government should reconsider adopting this as part of its land policy or make such land exchange for LDC an exception to the rule.

Secondly, the public response to LDC's urban renewal programme has been very encouraging, in fact district boards and government departments were so enthusiastic that the LDC had been overwhelmed by requests for Government Institutional and Community facilities. It is important to note that to operate under commercial principles, some space must be left for commercial and residential developments so that developers continue to show their interest and commit themselves to LDC projects. Decisions should therefore first be made on how much space should be allocated for GIC facilities within a designated scheme. Then, an effective system within Government should be set up whereby departmental requests are vetted to decide what goes into a particular scheme within the space allocated.

Finally, when dealing with developers who have committed themselves financially to LDC, time is the essence and time is money. To keep developers interested in financing urban renewals so as to alleviate taxpayers from this responsibility, we must ensure that LDC projects must be expedited quickly and efficiently. Likewise, we must not keep the public waiting too long to see promised results!

Legislation however dictates that the submission of the Corporation's plan to Town Planning Board under section 14 rests not with the LDC but with the Secretary

for Planning, Environment, and Lands. The approval of schemes under section 13 and the decision when to recommend resumption under section 15 rest rightly so with Government. However there is no time limit when such decisions are to be made, in this very critical path. All these make it impossible for LDC to control how long it takes to complete a project. To contain time, one suggestion is for LDC to be delegated the power to submit projects to Town Planning Board direct, and for an in-house rule such that decisions must be made by Government within an agreed time-frame. Once a decision is made, LDC can then take up this onerous task of urban renewal while Government is freed from all incumbrances as regards staff, time, money and the cost of rehousing.

Sir, we need good health and a good environment to face the challenges of the 1990s. Make time for physical recreation and give priority to the projects of the Land Development Corporation.

With these words, I support the motion.

MR. CHAN (in Cantonese): Sir, during the last Session of the Legislative Council, particularly after experiencing the impact of the Beijing incident, the people of Hong Kong were all the more anxious that they could stand together in the face of difficulties. Members of the Executive and Legislative Councils have reached a consensus on the future development of our political system, putting an end to the lengthy heated debates and establishing the first consensus model. The Eastern and Wan Chai District Boards which I represent, and which are widely representative, also support the OMELCO proposal on the composition of the Legislative Council for 1991. Although some district board members may hold different views or have reservations on the OMELCO proposal, they all look at the issue with the interests of the whole community at heart instead of taking a radical approach. This is something which Hong Kong people are delighted to see. I trust that it would be wise for the Government to adopt the OMELCO consensus when reviewing the pace of political reforms for 1991. We should in fact have a final say on our political development.

Sir, in the face of the challenges in the coming eight years, you remain fully confident. In implementing the proposed projects, you will have the full support of the Eastern and Wan Chai District Boards, which I represent. However, our district board members still have a lot of worries which the Government must strive to allay. For instance the brain drain resulting from the confidence crisis is becoming

increasingly serious. The Government must therefore continue to fight for the restoration of our right of abode in the United Kingdom, otherwise, even if there are facilities and ample resources, there will not be enough professionals such as doctors, nurses, social workers and university professors to serve the Hong Kong people. As for infrastructural development, in case expenditure exceeds the budget, will it not bring about an even greater pressure on Hong Kong? Regarding the Bill of Rights, we certainly welcome its early enactment to safeguard our rights in future. However, in view of the series of events which occurred recently, we are worried that in future we may be forced under political pressure to surrender gradually the protection afforded by our human rights legislation.

Moreover, we have to face up to many problems which are yet to be resolved, such as the inadequate services for the aged and the influx of Vietnamese boat people. Nevertheless, the district boards will look up to you, Sir, and unrelentingly carry on their community building work. As stated by an analyst of a foreign consulate, if there are signs of great instability in Hong Kong, how can we expect foreign investors to continue investing in Hong Kong with an easy mind?

Sir, it is heartening to learn that on completion of the various infrastructural projects you have announced, Hong Kong will have undergone a substantial face-lifting. But I am more concerned about the investment which the Administration will make in the people of Hong Kong rather than the magnificent development programme. As exemplified by education, investments in people do not yield results as readily seen as those of infrastructural projects.

The Government's two-pronged approach of greatly increasing the number of tertiary places and enhancing the quality of education to produce more talents for our future community is certainly commendable. However, the increase of tertiary places will obviously incur a huge expenditure, taking away for the time being the priorities for improvement work in other areas. During the Budget debate in March this year, I pointed out that as the Government was prone to use financial constraints as an excuse for rejecting requests for funds, our education development had been devoid of ideals and no clear objectives had been set as to what kind of students we intended to produce. Less than half a year since I made those remarks, the Government has indicated that no matter how great the need is, other areas of education development will not be accorded priority. I find this very disappointing.

In fact, we are all well aware of the pressing need for enhancing the quality

of education. I do not intend to harp on the same string and repeat the criticisms which I made of the Government a few months ago. But I am deeply worried that should the Government continue to delay taking actions, the problem will deteriorate and become very hard to rectify.

Sir, I appreciate that it is no easy task to decide on the appropriate allocation of funds. But I would like to request the Government to set down clear objectives and timetables. The Social Welfare Advisory Committee has laid down a five-year plan for social welfare development. In a like manner, the Government should incorporate the recommendations of the Education Commission in a five-year plan for improving the quality of education. Since resources are never adequate, if we fail even to draw up a definite plan, we may as well let the Finance Branch make all the decisions on education for us.

Sir, I shall now discuss a problem which, I think, is a very serious one. I am referring to the threat posed to the community by the mentally ill who are inclined to violence. We never know when serious incidents will occur. I hope that the matter will be dealt with in a low-key approach so as not to provoke mental patients or arouse undue panic. A few years ago, on the day before the occurrence of the Un Chau Street tragedy, an honourable colleague just happened to raise a question in this Council concerning the issue. I do wish that such unfortunate coincidence would never happen again.

However, since the problem is there, we must strive to tackle it. While adopting a low-key approach we should not shy away from the problem. I have participated in a very small part of the voluntary work of the Society for the Rehabilitation of Offenders. Through that experience, I learn that because of limited resources, the society is unable to provide sufficient hostels to accommodate all the mentally ill ex-prisoners. The society is finding it very hard to take care of all mental patients discharged from Siu Lam Prison upon the completion of their sentences, let alone providing half-way houses for the rehabilitation of patients from Castle Peak Hospital and other mental hospitals. As a result, some patients who are ready for discharge have to wait for an unduly long period before they can leave the hospital and return to normal life.

As a matter of fact, a simple solution to this problem is to provide the Society for the Rehabilitation of Offenders with one or more half-way houses. However, this does not tackle the crux of the problem. Nor do I need to exert pressure here in this Council because we have already approached the Social Welfare Department direct

for a solution.

The biggest problem is the lack of a comprehensive policy on the part of the Government to deal with the unpredictable relapses of ex-mental patients with a disposition to violence. This problem is posing a tremendous threat to our public order. Those who have had personal contacts with the mentally deranged, like some of the Eastern and Wan Chai District Board members, who have undergone such experience and felt greatly threatened, are living in fear.

Since we cannot lock up the mentally ill forever, nor cure them completely, they constitute a potential threat to other people. This problem falls within the ambit of the Secretary for Security. I wonder if the Secretary is willing to take this issue up as he is already very much perturbed by the Vietnamese boat people issue.

I think this is a special problem which has to be jointly tackled by several government departments. Otherwise, it will be like a land mine. Under the present financial climate will Government spend a little more money to thoroughly study the problem and seek a solution, or will it simply build more half-way houses to accommodate the mentally ill and shrug off the problem? I hope the Administration will give me a definite reply.

The two issues I have just raised are only part of the many long-standing problems. Finding solutions to them will be a real test for the Government in the eight years ahead.

Finally, on behalf of residents of the Shau Ki Wan squatter area, I would like to take this opportunity to commend the Government on its public housing programme. As a result of a clearance programme, 20 000 squatters moved joyously into comfortable new homes in modern public housing blocks. Some of them had remarked jokingly that had it not been the clearance programme, they would have to hit the jackpot of the Mark Six Lottery in order to get a new home. It was because of the squatter problem that I joined the district board in 1982. After seven years, the problem is how completely resolved. May I take this opportunity to express my heart-felt gratitude to the Housing Department. I would like to thank in particular Sir David FORD, Mr. Donald LIAO and Mr. PANG Yuk-ling for making the decision in the first instance to implement the programme. It is my hope that they will continue to devote their efforts to achieving the targets of the Long Term Housing Strategy.

Sir, with these remarks, I support the motion.

MRS. FAN: Sir, may I associate myself with the theme of your address "Building for the Future"? For those who consider Hong Kong our home, this is the only approach. We must rely on ourselves to build on the foundations accumulated over the past decades, and make our home even more attractive. We cannot rely on either our present or future landlord to improve our home. Of course, their help will be welcomed, but more important is that our landlord should have confidence in our ability to keep our home in good shape and refrain from pushing their architectural designs on us. I strongly believe that with our initiative, dedicated commitment and our hardworking spirit, we can succeed. Hong Kong people's capability has been proven by past records. We simply need to gear up to the task. We should now carry out what is best for our society in the typical Hong Kong style -- pragmatic, resolute and efficient.

We have a confidence crisis. There is a regime in China which tends to flex its muscles too frequently to show that it is still in the driving seat. There are frustration and fear in our community aroused by the actions and words of the Chinese leaders in recent months. But in spite of all these, indeed because of all the negative feeling around us, it is all the more necessary for us to recognize that the real strength to build Hong Kong is in Hong Kong itself. Not in China. Not in Britain. Certainly not in the western world. We have to help ourselves, and we should map out our future plans now. To bow to China and follow their every wish is unnecessary. To challenge China in an openly confrontational posture is equally unnecessary. To win favour with China, or to gain a courageous public image, if I may say so, may not benefit our community. For all those who love Hong Kong, the preservation of our stability and the continuation of our prosperity must be our prime objective. We should take the necessary decision resolutely, implement our plans effectively, handle disputes pragmatically, and exercise self-restraint and discretion.

To build for the future, I support fully the implementation of the projects outlined in your address, because these developments are necessary if Hong Kong wishes to remain as the international trade and financial centre of Southeast Asia. The success of these projects lies in careful planning and co-ordination and the active participation of the private sector. The announcement of the Commonwealth Heads of Governments at Kuala Lumpur is encouraging. They agreed that those in a position to do so should assist in any way possible in promoting the continued prosperity of Hong Kong. Hopefully, we will see more substantial investment in our economy, including

participation in our infrastructure projects from these countries. For our part, we will continue to provide the environment of free enterprise and rule of law.

Another essential foundation for Hong Kong's role of international trading and financial centre is the adequate supply of skilled manpower, at both the managerial and operative level. Sir, in your speech, you have pointed to the need to expand tertiary education, to improve language skills, to offer better quality education throughout the school sector and pre-school level, and to provide training for those already at work. These are certainly areas requiring more attention, and I welcome the Government's commitment in these areas. The expansion in degree places satisfies social needs as well as economic demands. Many Hong Kong parents can now plan to use their resources to better their living standards rather than to save for the expensive overseas student fees in foreign universities. Students in secondary schools aspiring to a degree place can now be more confident of their chances, and this may in turn relieve them to some extent from the dogged pursuit of high marks to the exclusion of all other interests.

There are, however, problems associated with the expansion, such as the quality of the graduates. By doubling the intake, the tertiary institutions which are used to teaching the "creme of the cream" will now have to adjust to a mixed diet of cream and milk. They will have to improve their teaching methods if the graduates are to achieve the same high standard. Students need to be stimulated, guided in their analytical and assimilation processes, and reinforced when they are learning how to learn, by lectures, more vigorously than before. The development of better teaching and learning methods can be a challenge for our tertiary sector which has enjoyed the privilege of teaching only the best students in the past. However, this challenge has been faced by academics in other developed countries for many years already, and their pool of experience is easily available for our benefit. I believe the University and Polytechnic Grants Committee should consider placing strong emphasis on the improvement of teaching and learning methods, so that academics are reminded of the importance of their teaching role. In a time when emphasis on research work is being constantly reiterated and the career advancement of academics is seen to depend on research papers, the risk of neglecting teaching for research is a real one. I am not discouraging research. I believe research can enrich teaching and benefit students, as long as the lecturer is fundamentally motivated towards education and the care of his students.

Sir, in announcing the expansion in degree places, you are giving a vote of

confidence to our tertiary institutions and at the same time offering them a challenge. I believe they will rise up to the challenge and make good use of this opportunity to plan and to offer degree courses which are innovative and appropriate to the environment and needs of Hong Kong rather than simply expanding the traditional areas of liberal arts and science. The latter is more easily done, but the former will bring the community more long-term benefits.

I agree with you, Sir, that we should aim to improve the quality of education in our schools. When we are building another storey on the top, it is all the more important to ensure that the foundation is sound, and if strengthening is needed, then no effort should be spared for want of building materials.

The objective of education at this level has always been "preparing young people for adult life". In other words, to provide students with the basic knowledge and skills, to develop their potential to learn and to think, and to enable them to play a contributing role in society. These aims remain valid even though the prevailing views and circumstances of our society may change. Our education system has achieved these aims in many respects and in varying degrees, and I have no doubt that its overall framework is suitable for our community. However, no system is perfect, and the method employed can always be improved. An example is the raising of standard of private schools in the Bought Place Scheme and the introduction of Direct Subsidy Scheme. The effort to map out an effective strategy for developing the language skills of our students in both English and Chinese is another example. The grouping of students with a wide range of learning abilities in one classroom is another area that deserves review. This measure is not conducive to the development of individual student's potential to learn. For students to benefit from education, they have to be taught in a way that is compatible with their capability. We have to recognize that every child has the right to be educated in a way that he can actually benefit from. We must not be deluded by false images of equality, nor should we be fearful of unjust criticism of elitism. We should resolutely pursue the best quality of education for our students, and offer them curricula and teaching methods that they can benefit from.

The quality of education offered cannot exceed the quality of our teachers. We need to have motivated and devoted teachers who possess a sense of pride in their profession, teachers who care for their students as persons rather than just their examination grades. I have come across such teachers in Hong Kong, but are there enough of them? A detailed study into the future of the teaching profession with

a view to attracting, training and retaining good teachers should be a matter of priority.

In two months' time, we shall be welcoming 1990. The Lewellyn Report published in 1982 has served as a useful basis for the Education Commission in formulating recommendations in the 1980s. New impetus is needed for the 1990s and beyond. Hong Kong is a very special place. Our population is subjected to demands which are quite different from those living in other countries. I feel therefore we should put to our advisory committees and those bodies experienced in education an agenda reflecting our basic priorities in term of both quantity and quality of education. The engagement of consultants from overseas, in a manner similar to the panel of visitors in 1982, is not necessarily a step. I believe we do have the expertise and commitment within our own education system to enable us to move confidently into the next century.

Sir, as we look ahead, there are issues which need to be resolved but the decision does not lie in Hong Kong. The Vietnamese boat people problem is a typical example. Hong Kong people is suffering the consequences of international inertia and buck passing. However, I do not propose to comment on this during this debate as we shall have the opportunity to air this issue in this Council towards the end of this month.

I would, however, say a few words on the pace of democratic development in Hong Kong. There is widespread consensus in Hong Kong for the number of members returned by universal franchise to be increased from 10 to one-third of the legislature in 1991 as proposed by OMELCO. The former Foreign Secretary, Sir Geoffrey HOWE, when he was still in post, publicly undertook to follow the wishes of Hong Kong people on this matter. The wishes of the majority of Hong Kong people reflected by a number of opinion surveys is to double the number of directly elected seats to 20 for 1991. It is now up to the Government to act resolutely in this direction and proceed to work out the details efficiently. I do not underestimate the possibility of waves of criticisms, even a propaganda war, but if these do materialize, we just have to withstand it in a firm and determined manner. Sir, I believe Hong Kong people know what is best for us. I hope influential leaders in other countries can also appreciate this.

Sir, I support the motion.

MR. CHENG HON-KWAN: Sir, at a time when the confidence of Hong Kong people has been badly shaken after the tragic events in China, your speech has emerged as a forceful stabilizer. I must congratulate you, Sir, for your most encouraging speech which has demonstrated not only the Government's determination to restore the much-shaken confidence of Hong Kong people but has also set a new direction for building a more prosperous Hong Kong.

Sir, you have rightly pointed out in your speech that there are ample signs that Hong Kong is showing its usual resilience. Indeed, Hong Kong people are known for their flexibility and resilience. Yet, as we enter into a new decade next year, we have to admit that we have no time to waste and that we cannot afford to go through crisis after crisis if we are to restore the confidence of Hong Kong people. The people of Hong Kong have become increasingly sensitive, especially under the present uncertain political climate. It is therefore all the more important that the Hong Kong Government and the Chinese Government should steer towards the same direction if they are to maintain the stability and prosperity of the territory now and after 1997. And I am now pleased to see the responsible ways in which the Government is planning for Hong Kong in the run-up to 1997.

I believe that most people, if not all, would agree that the Government's decision on the building of the new airport as well as the expansion of port facilities and transport network is one which deserves wide praise. As one of those who had pressed for a co-ordinated investigation into the port and airport development and for the earliest possible decisions, I am most delighted to see the Government's prompt decision on the adopted Port and Airport Development Strategy. This massive and bold project has clearly shown the Government's unreserved commitment to Hong Kong's future -- a move which will definitely help strengthen the confidence of Hong Kong people.

The planned construction of a new Hong Kong International Airport at Chek Lap Kok and the associated expansion of the port and transport facilities -- the most audacious and ambitious public works programme ever proposed in the history of Hong Kong -- offers an exciting opportunity for co-operation between the Government and the private sector. Sir, you said in your speech: "There will be many local and international developers who will be keen to co-operate with us in these enormous and exciting projects that are so important to Hong Kong's future." I cannot agree with you more. Hong Kong has had ample experience in inviting the private sector to work on public projects in the past and I am confident that both local and overseas

developers will be interested in participating in these forthcoming large-scale and challenging projects.

Sir, this \$127 billion construction programme indeed requires enormous financial commitment. As this is a project which will continue beyond 1997, I would suggest that the Special Administrative Region Land Fund, which has accumulated more than \$14 billion, should be used to partially fund the construction of our infrastructure. Besides, the closure of the Kai Tak Airport after the first runway of the new airport comes into operation in early 1997 will mean the availability of the whole area for redevelopment. This will bring extra proceeds to the future Special Administrative Region Government, not to mention the possible revenue as a result of the future lifting of height restrictions in parts of Kowloon. As all these are going to benefit the future Special Administrative Region Government, I think it appropriate for the Special Administrative Region Government to shoulder part of the financial responsibility of building the new airport and its associated facilities at this time.

This mammoth project will also make huge demands on the skills and expertise of our construction workforce. It is important that any strain on our resources would not unduly interrupt other public works projects and private developments. To guarantee an adequate supply of human resources, the Government should further relax policy governing the import of manpower. This is of vital importance to ensure that the building of the new airport and port facilities is completed on time and "without causing unacceptable inflationary pressures."

As regards land resources, you mentioned in your speech, Sir, that more badly needed land will be provided by the Central and Wanchai reclamation, where sites will start to be available during 1993. I fully support the reclamation as this will provide us with more land for commercial development and other uses. I have pointed out earlier this year in the Budget debate that "there is an urgent need for the Government to make available additional land for commercial development if we are to maintain our competitiveness with neighbouring countries in Southeast Asia." It is gratifying to know that this will be the case in the not too distant future. I hope that the availability of these sites in such a prime location will relieve the mounting pressure imposed by the skyrocketing rentals and in turn, attract firms which are here to remain while encouraging newcomers to set up offices here. This will surely help assure Hong Kong of its growing economic success.

Another area which is also of paramount importance in keeping Hong Kong

competitive and prosperous is the provision of more higher education places for our leaders of tomorrow. This is more so in view of the aggravating "brain drain" problem. The high demand for the provision of more degree places was fully reflected in the overwhelming turnout rate for enrolment in the courses recently offered by the Open Learning Institute. In this respect, it is most encouraging to see that the Government has proposed to substantially raise the targets from what we set a year ago. In your policy speech last year, Sir, you said that we were to provide first-degree courses for about 14% of young people in the relevant age group by the year 2000. My reaction then was "14% is a modest proportion by today's international standards." And I called for the Government to "set our sights somewhat higher."

The Government's move to double the planned provision of first-year, first-degree places from 7 000 next year to about 15 000 in 1995, or over 18% of the relevant age group, indeed reflects its dedication to the training of our young people. And the Government's plan to increase the present tertiary education provision of 14% in the relevant age group to as many as 25%, or 67 000 places, in 1995 means that we shall have more well-educated young people to meet the pressing needs of our growing economy. This expansion would also allow more young people to pursue their studies locally instead of going abroad. I earnestly hope that our young people, especially those who are trained in Hong Kong, will contribute in consolidating the strength of Hong Kong to face future challenges.

These high targets in increasing the output of local graduates, Sir, have been the aspirations of all those who have been committed to the promotion of higher education throughout these years. And I, being the chairman of the City Polytechnic's Council, welcome in particular the breakthrough in lifting the existing 40% limit on degree places offered at the two Polytechnics. But we must not be complacent. For we still have a lot of hard work ahead of us. We must carefully plan the necessary steps that will lead us to achieving the targets which we have so ambitiously set. Our biggest challenge now is how to recruit and retain qualified academic staff to train our future leaders. I have, in my previous speeches, urged that the issue of parity of treatment be dealt with immediately to help non-university institutions to appoint and retain staff of the right calibre. Today, I echo that call and hope that the Government would do its best to offer more attractive salaries and other incentives and to better the conditions of service of staff in these institutions.

In relation to the proposed establishment of a new Hong Kong Technology Centre,

I am in favour of locating the Centre close to the City Polytechnic as well as to the new Hong Kong Productivity Council Building. This will, I believe, facilitate the contribution of our growing academic community to our progress in modern technology and will help towards our increasingly sophisticated economic and industrial developments.

All in all, your policy speech, Sir, reflects the Government's grand vision of building a better Hong Kong. Nothing has ever been planned on such a vast magnitude as the construction of the new airport and associated facilities. This vision will certainly enhance our confidence in the future of the territory. We in Hong Kong will do our part to boost confidence in the future of this territory. But political stability is indispensable in maintaining economic prosperity. The success of these colossal projects depend, to a great extent, on China's co-operation. I think no one would disagree that China has a role to play in creating a favourable atmosphere which will encourage both local and international participation in this unusual phase of the territory's history. It is vital that the Hong Kong Government and the Chinese Government are on good terms if we are to maintain the stability and prosperity of Hong Kong.

With these remarks, Sir, I support the motion.

4.39 pm

HIS EXCELLENCY THE PRESIDENT: Members might like to take a short break at this point.

5.08 pm

HIS EXCELLENCY THE PRESIDENT: Council will now resume.

MR. CHUNG (in Cantonese): Sir, just like many of our fellow citizens, I sincerely welcome the mammoth infrastructural projects announced as scheduled in your policy address for 1989. Under the present trend of developments, I believe these ambitious projects with an estimated public spending of \$127 billion will receive every support and co-operation from various sectors leading to its eventual success.

As a matter of fact, the smooth implementation of such mammoth and far-reaching

infrastructural projects will only be possible in the presence of a favourable investment environment built upon social stability and economic prosperity. During the run-up to 1997 in which Hong Kong will experience political changes and be influenced by various external factors, the requirement of a "stable and prosperous" environment is of particular importance to long-term infrastructural investments of such magnitude.

It is undeniable that the June 4 incident in Beijing has truly dealt a heavy blow to our confidence on the future in 1997 and beyond. It is quite apparent that your announcement of these multi-billion dollar projects at this juncture has been well received particularly by the general public as well as the industrial and commercial sectors. These proposed developments will at least be helpful to the investors in making a more reliable assessment on our political future. Preliminary responses have indicated that potential investors from the local Chinese community, the United Kingdom, China and Japan as well as other international consortia are all interested in participating in these infrastructural projects.

Under the present circumstances, how should we implement these massive projects involving more than a hundred billion dollars? In my view, there are three crucial considerations that warrant our attention: Firstly, should our political developments be compatible to the infrastructural projects? Secondly, what role will China play in these vast development projects? Thirdly, can we attract foreign investments to these projects?

Concerning the first consideration, I think if the future developments of our political system are compatible to the infrastructural projects, or arrangements could be made to ensure a reasonable representation of the interest of the industrial and commercial sectors, professional bodies and the traditional elements in the community, the positive effects of these multi-billion dollar projects will be enhanced in the securing of human resources and investments. It is not a deal but a fact that after all Hong Kong is a free port relying heavily on business. Apart from the promise of high degree of autonomy which will become a reality soon, the existing capitalistic system will however remain unchanged for 50 years. Nevertheless our political system and autonomy in future will have to be built on the foundation of a sound economy and industrial development. Everyone demands for democracy. It is a general trend. Therefore, it is quite meaningless to label a certain group of people as "democrats". What we have among us are democratic pragmatists and democratic radicals. In principle, I agree to the OMELCO consensus

that there should be a slight increase in the number of directly elected seats when they are first introduced to our legislature. However I personally hope that at least before 1995, there will be a balanced development between the number of directly elected seats and the representation of the industrial and commercial sectors and professional bodies in the legislature. Such a balance will be more in line with the basic philosophy and major direction of our social and economic developments. However, no politician or capitalist can easily put forward an accurate forecast on what will happen in the next decade. As it appears that arrangements for our political system and economy up to and beyond 1997 will have to be made at this stage, attention should therefore be drawn to maintaining the flexibility that is allowed in the original proposal or consensus to prevent the occurrence of any unexpected crisis arising from early decisions and regular reviews should be conducted if necessary.

The second consideration is whether the infrastructural projects will be beneficial to the development of relationship between China and Hong Kong. We have reasons to believe that as our relation with China has reached a new historical stage like that of the Sino-British relation, the multi-billion dollar projects proposed by the Hong Kong Government should be able to enhance and promote the friendly interchanges and co-operation for mutual benefits on both sides of the border. As the projects will go beyond 1997, it is expected that Beijing will have an active role to play in supporting the implementation of the projects as long as it continues with its open policy. In this respect, we hope the Government will have more talks with China in a bid to establishing mutual trust and sincere co-operation.

Sir, you have indicated in your address that "we already have expansible and close economic links with the mainland by which we can strengthen the basis of our special future political status". What a significant remark you have made! The problem is: apart from attaining mutual benefits from economic developments, how should China and Hong Kong build up mutual trust on political matters? In this regard, we should pay special attention to the context of the Basic Law draft .

In my view, there should be four cardinal principles in the Basic Law: that we should uphold the Sino-British Joint Declaration; uphold China's "one country, two system" concept; uphold human rights and true public opinion for Hong Kong people; and without exception, uphold the independence of the judiciary in the special administrative region. If all these principles are recognized and confirmed without causing any damage to China's sovereignty, there will be satisfactory solutions or

even better developments to all existing problems concerning our economy and political system in relation to that of China, including the temporary problem of confidence.

Now, the third consideration is what ways should we take in attracting more international investments in our infrastructural projects. The Government has estimated that about half of the investment in these projects would come from the private sector and also indicated that it would be a financial commitment that we could afford. I consider that the acceptance of international investments is not just for the smooth implementation of the building programme. It has a more significant meaning. It is important because it will directly boost the confidence of the Hong Kong people and the investors over the future of the territory. Furthermore, Hong Kong's international status has already been well-established in the cultural and economic arena of the world. Sections XI to XIII in Annex 1 of the Sino-British Joint Declaration have also clearly acknowledged the international status of Hong Kong and the direction of her future development. Therefore, we should take appropriate actions to call for tenders from major consortia in the territory as well as those in China and the international community. If necessary, the Government should set up a Public Works and Tender Co-ordinating Committee to be responsible for all the project items, investments, operation and public tenders for these infrastructural developments.

Sir, you have pointed out in your policy address that there is an emigration problem in Hong Kong and that our inhabitants tend to seek insurance policies overseas. You have also predicted that most likely the problem will aggravate in the next few years. The general situation, however, will depend on events here and in China.

I think that if the emigration problem deteriorates and our human and financial resources really "flow westward in a river of no return", it would indeed be dealing a deadly blow to Hong Kong. It is fortunate that our brain drain problem is not dramatically aggravating now and the Government has shown great prudence in its measures to develop our human resources in the multi-billion dollar projects.

Sir, you have put forward a new five-year programme for further expansion of our tertiary education which will allow a tremendous increase in the number of first-year, first-degree places for 18% of our young people within the first five years of the nineties. At the same time, the Government has also proposed to give priority to the establishment of a training fund encouraging employers to allow their managers

to take part in various practical and technical courses.

I welcome such a policy of expanding our number of places for tertiary education. It is a correct step to take in replenishing our lost talents and is a long-term investment in human resources. However, from a more practical point of view, I would say that such a development programme for tertiary education is not comprehensive enough. We should try to find other channels to provide more short-term and in-service training opportunities for our workforce in the middle-ranking level. Surveys should be carried out on the major trades such as construction, textile, tourism, finance and service sector to look into the manpower shortage problem in the middle management level of these trades so as to work out interim training measures for potential successors as soon as possible. To put in more concrete terms, we may, as far as possible, co-operate with relevant organizations and non-profit making bodies such as the Hong Kong Management Association to organize more short-term training courses for middle management staff.

Meanwhile, the Government may also consider tax exemption for donations to the training fund with a view to reinforcing financial resources for education. There may be a brain drain problem in Hong Kong under certain circumstances, but the return of these talents to the territory is not impossible as long as the general situation is favourable and the Government is willing to invest in training our people. It is unlikely that there will be a serious shortage of talents even if we open up more opportunities for new business and employment.

Based particularly on the judgement that the development of Hong Kong is beneficial to both China and the United Kingdom, and that Hong Kong is in good relations with the international community, I strongly believe that the multi-billion dollar infrastructural projects proposed in your address will have all the favourable elements for success.

Sir, with these remarks on the three crucial considerations which require immediate attention, I support the motion and hope that the infrastructural projects will be smoothly carried out.

MR. HO SAI-CHU: (in Cantonese): Sir, your policy address has set out a plan on how to maintain prosperity and carry out the development of Hong Kong under the present circumstances. Economically, it lays before the people of Hong Kong a construction

blueprint more magnificent than any ever proposed. As pointed out in the last part of your speech, it is heartening to envisage that a decade later, the territory will emerge with an image that contrasts sharply with the one a decade ago. The determination and stamina of the Government to overcome all difficulties and go ahead in building for the future should win the general applause of the public.

In the 10 years ahead, it is estimated that a financial commitment of HK\$127 billion will be required for the Chek Lap Kok replacement airport project and the new port facilities, plus all the associated new town developments and transport links. These major projects are undoubtedly essential to the maintenance of Hong Kong as an international trading centre. They will also stimulate our construction industry and real estate development, finance and trade, tourist industry, traffic and transportation, as well as other trades. I believe all sectors of the community will voice their full support for these projects. In implementing such major infrastructural projects, however, we should pay attention to ensure that there is careful and detailed planning beforehand. Apart from making good use of our manpower resources, we should guard against an over-heated economy which may lead to high inflation rate. We should also encourage private investment from local and international developers. Should we be successful in attracting investment from the private sector, the show of interest in Hong Kong by local and international investors will have a very positive effect on creating a stronger sense of belonging and strengthening confidence among the people of Hong Kong.

Economic development projects should go hand in hand with accelerated programmes of manpower training, especially those which are geared to producing post-secondary graduates to meet the needs arising from emigration and our economic development. It is mentioned in your speech that provision of first-year, first-degree place will be gradually increased to 67 000 in 1995 so that nearly 25% of young people in the relevant age group may receive higher education. Compared with the present figure which represents less than 14% of the age group, it should be a piece of good news to the public, especially the young people. In this connection, let us not forget that we should pay particular attention to the qualifications and training of our teachers, other teaching resources and the inculcation of civic awareness and moral training, so much so that the quantity and quality of students can be guaranteed. On top of this, we should allow opportunities for those who have returned to Hong Kong for employment after their studies overseas so that they may develop their expertise and contribute to our society.

Some are concerned that an increase in tax will be required to make up for funds in financing these infrastructural building and education programmes. I believe that it will not be necessary to impose any increase in tax, be it direct tax or indirect tax, if there are careful financial plannings; or else, trade developments in Hong Kong will be affected and the general public will lose their interest in the entire building programme when they realize that they have to share a heavier burden.

Sir, like so many others, I notice something special about the policy address this year. The part on relationship between China and Hong Kong which took up considerable length in policy speeches of the last two years has been omitted. Although it is mentioned that Hong Kong is still the gate way to China and it will continue to play an important role in the international trade and investment in China, I believe we all see the difficulties of going into any detail in that context after the June 4 Beijing incident when the relation between China and Hong Kong goes tense. I do not intend to comment on specific aspects but I really appreciate some of the following principles mentioned in the speech about the handling of the relationship between China and Hong Kong: "Equally, we should use them (our own laws and freedoms) with a sense of responsibility and self restraint" and "not becoming directly involved in China's often complicated domestic politics". Of course, it is sometimes difficult to put these principles into practice properly. We find both China and Hong Kong speaking plausibly to defend their actions in the recent series of unhappy events. Friendly co-operation and the spirit of mutual trust and reconciliation are regrettably losing their previous vigor. Such bickering will not only undermine the friendly relation between China and Hong Kong but also the confidence of people of Hong Kong. Should this go on, naturally it will be Hong Kong which will suffer most. As for China, it is not something nice altogether.

I have said repeatedly that adherence to the principle of "one country, two systems" is the fundamental guarantee for the future prosperity and stability of Hong Kong. The spirit of "one country, two systems" lies in the non-interference of two systems with each other when they are practised simultaneously within one country. Some people often get confused about the definitions of "interference" and "freedom". However, it should be quite easy for those who have some common sense and are fair and are not biased in their stance just to tell the distinction between them. I think that it should be easy to come to an understanding if the problem is simply a matter of confusion in apprehension. But the problem for Hong Kong is that it is set against a complicated political and social background. Every single remark or action may be complicated by people with different motives with the intention of trying to seek

personal gains or benefits for a certain group. It is only natural that things often turn out to be contrary to the expectations of some other groups. The opinions and wishes of some people certainly cannot be taken as views that represent the wishes of the entire community. Recently on some public occasions, I have called on the Chinese and British Governments to be more prudent in their words and actions and not to do anything that will bring stress on the other. Both Governments should maintain the friendly relationship they formerly enjoyed for the sake of the overall interest of Hong Kong. For the majority of Hong Kong people who are determined to stay in Hong Kong, they should pay even more attention to this.

With regard to the Basic Law, it is pointed out in your speech that the Basic Law (Draft) published in February this year is generally seen as a considerable improvement on the Draft Basic Law for Solicitation of Opinions. Now that the final consultation on the Basic Law is over, the revised draft will be submitted to the National People's Congress for consideration and promulgation next year. Thereafter it will be the law for the governing of Hong Kong by the SAR Government after 1997. In the interim period up to 1997, the Hong Kong Government will carry out political reforms at an accelerated pace. However, I am always of the opinion that any political reform in the interim period should take into account its convergence with the Basic Law. This is the only way to ensure smooth transition; otherwise, it would bring about adverse effects on the community.

Lastly, I would like to comment on the problem of Vietnamese boat people which has become a heavy burden on Hong Kong. Our community always attaches great importance to humanitarian principles. Large amounts of public funds have been spent and a lot of accommodation and land have been provided for the endless stream of arrivals from Vietnam. This is not something that Hong Kong people are proud of. We have done so only because we have no alternative but to wait with our greatest patience in the hope that the international community may arrive at a satisfactory solution. However, to my regret, the UNHCR Steering Committee Meeting on the problem of Indo-Chinese refugees held recently failed to arrive at any conclusion on mandatory repatriation and the discussion of the problem will be deferred to another meeting in December. The Hong Kong Government is apparently caught in a dilemma. While it has to uphold Hong Kong's image in the international community, it has to face internal pressure at home. Nevertheless, to avoid being bogged down further in the problem, I hope that the Government will come up with a decisive solution by the end of this year.

All in all, the policy speech this year is a good one. It will give a great impetus to the promotion of the economic development of Hong Kong. The only drawback is that little has been mentioned about improvement on the well-being of the labour sector and matters of social welfare which are of immediate concern to the majority of Hong Kong people. In addition, if the Chinese, British and Hong Kong Governments can maintain good relations to strengthen Hong Kong people's confidence, Hong Kong will have a brighter future.

Sir, with these remarks, I support the motion.

MR. HUI: Sir, your address at the opening of the new Session of this Council has gone down well in many quarters of the local community. It has, more importantly, demonstrated to the watchful overseas countries the determination and foresight with which our Government is guiding Hong Kong through the transitional period and, indeed, is ensuring that it remains prosperous in the 21st century.

The ambitious, colossal Port and Airport Development Strategy is no doubt a confidence booster for Hong Kong people and is a manifestation of the Government's effort in reinforcing Hong Kong's economic viability despite its vulnerability to events it can neither predict nor dictate. But I am particularly gratified to see from your policy speech that our Government is not only forward-looking but also caring: caring because it has at heart the welfare of its people at large.

White Paper

Exactly two years ago in this forum, I spoke of the need for a comprehensive social welfare policy for the 1990s as the blueprint drawn up in 1979 -- Social Welfare into the Eighties -- had become outdated. The need has become increasingly pressing because confidence in Hong Kong's future, which is essential to our stability during the run-up to 1997, is built not only upon economic growth but also social harmony and secure livelihood for every member of our community.

I am therefore very glad to hear that you, Sir, have asked the Secretary for Health and Welfare to launch a review of our social welfare services with a view to publishing a White Paper in the second half of next year setting out proposals on the way ahead. I am even more glad that such a review will be carried out in conjunction with the subvented sector. I can assure you of the subvented sector's efforts in making

positive and constructive contribution to this exercise. Indeed, the resultant White Paper should provide a well thought-out framework for the development of Hong Kong's social welfare services beyond 1997.

Meanwhile, Sir, let me say briefly what we expect from the White Paper. In the first place, I do not propose a complete change in the social welfare policy which we have developed over the years. Our social welfare services in the 1980s are characterized by:

- a) an extension in scope to cover services for people with special needs;
- b) standardization in terms of establishment, planning, costing and quantity; and
- c) the development of new services in areas of need.

We should continue to build on the existing system so that our policy in the 1990s will achieve the long-term goal of universal services, that is, the Government will ensure adequate services for everyone in need. Also, the quantity of service and the quality of service should take into account people's basic rights, development and dignity.

Looking into the 1990s

In "taking stock of the progress we have made" in the past decade, we should not merely try to "make sure that our policies and standards continue to meet the needs of Hong Kong into the 1990s and beyond." We should devote a great deal of our attention to identifying the needs of our society and drawing up practical proposals, including those for new services, to meet these needs in the next 10 years. Indeed, we should be concerned with the overall social welfare direction.

Sir, in your policy speech you tried to look back 10 years to see how much had been done in Hong Kong. All this has a great bearing on the provision of social welfare services. For instance, the impact of our political development on our society, the redistribution of population as a result of the fast-developing new towns, the aging of the population (and here I wish to point out that 850 000 of our residents will be aged 60 and over in five years' time, compared with 720 000 at present), and the effect of changes in family structure and concept.

For these reasons, the 1990 White Paper should provide a new, realistic base for

setting planning standards and standard costs for each type of social service. The components of this base should be reviewed regularly, at least once every five years, to take account of changing circumstances while the standards for each service area should be adjusted more frequently, perhaps once every two years, to meet changing needs. There should also be some form of income protection and retirement benefits for our rapidly growing aged.

Government's commitment

Sir, you have said that the ambitious programme of works described in your policy address will cost some \$127 billion and that is indeed an enormous financial commitment. So indeed it is. I only hope that this will not be at the expense of our social welfare services. Quite on the contrary, the Government should take upon itself with equal courage and financial commitment for the implementation of all recommendations to be made in the 1990 White Paper.

We hold that the Government has a duty to look after the needs for social welfare services in various sectors of the community. While it would be prudent of the Government to set a policy of different levels of subsidies for different sectors of our society, it should ensure that no one should be deprived of the services he needs because of financial constraints alone.

In working out its financial commitment to the provision of social welfare services, the Government should do so on a five-year basis. That is, of course, by no means a new idea as the Government is already preparing a Five-Year Forecast on its expenditures on an annual basis. But I do call on the Government to prepare its Five-Year Forecast on social welfare services spending with greater care, accuracy and vision. After all, we are not talking about a huge financial commitment. In percentage terms, government spending on welfare services, excluding various social security measures, takes up no more than 2.5% of its allocation for social welfare services. The 1990 White Paper should take a hard look at this and, perhaps, will recommend an upward adjustment of this percentage.

Manpower

Sir, however courageous and forward looking the recommendations to be made in the White Paper may be, they are only as beneficial to our community as we have the manpower to put them through: money alone does not suffice. There is no dispute that

we are suffering from an acute shortage of trained social workers at all levels. I must therefore congratulate the Government on having approved funds to substantially increase the intake of social work students into our tertiary institutions.

But in doing so, we have only gone halfway to meeting the problem. It is equally, if not more, important to devise measures to retain existing resources. I understand the Standing Commission on Civil Service Salaries and Conditions of Service is considering priority treatments to improve the benefits for five professional grades that top the brain drain list, on which social worker is one. But this is hardly enough, being at best a stop-gap measure.

Sir, you have said a good many professional staff have emigrated, to which I may add: "A good many others, and most of them with a lot of experience, have crossed to greener pastures." As a matter of fact, the problem of manpower shortage is more acute in the subvented sector, which provides two-thirds of our social welfare services, than in the Civil Service. It is therefore only fair for the Government to focus both on the loss of Social Welfare Department staff as well as that of the voluntary sector.

The reasons for the grave manpower problem in the subvented sector are obvious and, indeed, long-standing: difficult job nature, heavy workload, immense pressure, slim promotion prospects and meagre fringe benefits, all these compared poorly with those in the Civil Service. I will only cite one example to illustrate the anomaly: an agency head has a smaller salary than a secondary school principal but has to look after a staff and annual expenditure several times larger!

I am aware of the Government's various efforts in tackling the manpower problem. Some of them, at best, will take time to produce effect while others fail to address the crux of the problem. To deal with the issue at source, I suggest consideration be given to improving the conditions of service of social workers, especially to bringing the promotion prospects and fringe benefits of the subvented sector in line with those for their counterparts in the Civil Service.

Once again, I wish to reiterate that we need quality staff not only for our existing services but also for the new, expanded programmes to be recommended in the 1990 White Paper.

Conclusion

To conclude, Sir, I agree with you that it is now time to take stock of the progress we have made and to set out our proposals on the way ahead. The 1990 White Paper will have great significance on Hong Kong's future as it will take us through 1997 and, indeed, guide us into the 21st century. To the community at large, it will be a shot in the arm as it will demonstrate the Government's commitment to maintaining Hong Kong's stability and prosperity and its determination to improve their lot. To those who have viewed the provision of social welfare services with scepticism, it will set their hearts at ease by showing them a direction in which our services should develop. To us who are professional social workers, it will provide a strategy with which to achieve our mission.

Sir, with these remarks, I support the motion.

MR. MARTIN LEE: Sir, freedom and democracy constitute the cornerstone of the Joint Declaration.

But after the Peking massacre on June 4, it seems most unlikely that the Chinese Government would give democracy to the Hong Kong Special Administrative Region in spite of earlier promises. For given the choice between taking Hong Kong back as a thriving international city but at the price of giving the future HKSAR Government a really high degree of autonomy and democracy, and taking Hong Kong back without the creme de la creme of our people but being able to control those remaining here, it seems clear that China will opt for the latter.

It is not surprising then that an old argument has been raised again recently, namely, that what we need in Hong Kong is a strong economy and not democracy, and that democracy will lead to instability and loss of prosperity. And it is regrettable that some people in Hong Kong are still prepared to repeat this argument, and try to deny democracy to the people of Hong Kong.

Indeed, some are quite prepared to sacrifice some of our freedoms in order to please the Chinese Government. Hence the recent suggestion from some of our opinion leaders that the Hong Kong Alliance in Support of Patriotic Democratic Movement of China be wound up, thinking naively that if that were to happen, China would give us everything else. This is like a husband saying to his very rich wife: "Darling, please put all your assets in my name today, so that tomorrow you will have everything, for all I own will then be yours."

Sir, it would be very sad indeed if the Hong Kong Alliance were to be wound up simply because China wished it -- for China also wishes to control the press and, indeed, all the people of Hong Kong. For it must be abundantly clear to all that China wants to control Hong Kong, in spite of the promises of a high degree of autonomy contained in the Joint Declaration. But the fact is: the tighter the control, the greater the fear.

What we must do therefore is to stand united and make sure that no one in Hong Kong will lose any of our freedoms, in the firm belief that if today we do nothing when one freedom is denied to any of our brethren, then tomorrow it will be denied to all of us.

Sir, some people have recently propounded the absurd theory that Hong Kong can and will keep its prosperity without freedom and democracy. Let me explode that fallacy once and for all.

The major factors contributing to the success of Hong Kong are its free market economy, the rule of law and equal opportunities for all. Everyone in Hong Kong can, by his own diligence, climb up the social ladder and improve his own position in life and fulfil "the Great Hong Kong Dream". And every businessman is completely free to invest his money in any business he likes with a view to profit provided what he does is within the law.

But if the future HKSAR Government is not democratically constituted but is under the influence or control of China, not only will these basic virtues of our free economy be lost as a result of over-concentration of power which often leads to tyrannical control and encroachment upon the different aspects of our economy, but it is certain that privileges, monopoly and corruption will inevitably emerge, thus hampering the fundamental operation of our capitalistic society. In such an eventuality, it will almost be impossible for Hong Kong to maintain its prosperity and stability.

Further, the freedom of thought and expression plays a vital role in our successful economy. For success in business depends on new ideas. But there can be no new ideas without a completely free environment where the freedom of thought can flourish.

But if we were to be deprived of our freedom of expression like our many

compatriots in Mainland China, we would soon learn to restrain our thoughts so as to keep out of trouble. And we would soon begin to think like slaves, and learn to take orders from party cadres and only do what we are told to do. Now, if we cannot think freely, our society cannot advance. If our thoughts and actions are controlled as in China, then our economy will also be like China's. It is axiomatic that a free market economy can only thrive where there is freedom of expression.

Sir, freedom is that single quality which distinguishes a man from a slave. And the continued success of the Hong Kong miracle depends on whether our people will be allowed to think freely, and express themselves freely.

Sir, since the June 4 massacre and the subsequent crack-down which is continuing unabated in China, confidence in Hong Kong is at its lowest. And according to the results of a recent public opinion poll commissioned by the South China Morning Post, 69% of our people do not believe that "the Basic Law will make sure that the 'one country, two systems' promise will be kept". And that is one of the main reasons why people from all walks of life are thinking of emigration.

The restoration of confidence must therefore be the immediate objective of the British, Chinese and Hong Kong Governments.

Sir, there seems to have been an encouraging change of policy in Great Britain recently, for it seems that the British Government would no longer allow the Chinese Government to lead it by the nose over Hong Kong. And it has shown a readiness to make decisions in the interest of the people of Hong Kong, sometimes even at the risk of offending the Chinese Government. But much still remains to be done by the British Government and it must realize that time and tide waits for no man, and that includes the emigration tide.

As for the Hong Kong Government, it has decided to launch Hong Kong forward into the 21st century in a very bold and ambitious programme disclosed in your policy speech. Sir, it is a programme which, if successfully implemented, would enable Hong Kong to rise like a phoenix from the ashes. But the community must be under no illusion as to the resources, both human and financial, which will be required. I trust that the Administration has the will and the determination to implement all the projects effectively and to ensure that sufficient resources are devoted for this purpose. But these ambitious projects would not succeed without the fullest co-operation of China. And it is pertinent to refer to clause 4 of the Joint Declaration which casts

on the British Government the responsibility of administering Hong Kong until 30 June 1997 "with the objective of maintaining and preserving its economic prosperity and social stability; and the Government of the People's Republic of China will give its co-operation in this connection."

But what has the Chinese Government done?

It appears that it has given up all efforts to win back the confidence of the people of Hong Kong and has resorted instead to intimidation. But intimidation begets fear, not confidence. And that is exactly what has happened in Hong Kong. Our people are terrified of the Chinese Government which had ordered the People's Liberation Army to shoot and kill its own people in its own capital city. And our people are horrified too by the extent and manner of the subsequent massive crack-down in China, fearing that they, too, might be victims of another crack-down after 1997.

Sir, it is perhaps ironical that the Chinese leaders seem to be more afraid of us than we are of them. For how else can one explain some of the things they did or said recently?

First, the Chinese Government has been exerting great pressure on the Hong Kong Government to dissolve the Hong Kong Alliance, thereby seeking positively to interfere in the internal affairs of Hong Kong, and in clear breach of clause 4 of the Joint Declaration.

And in this connexion, the Chinese Government has accused the Hong Kong Alliance and its leaders of having adopted an "antagonistic stand against the Chinese Government." But what the Hong Kong Alliance has done so far was to exercise the freedom of expression. And it is pertinent to refer to Article 41 of the Constitution of the People's Republic of China which provides:

"Citizens of the People's Republic of China have the right to criticize and make suggestions to any state organ or functionary. Citizens have the right to make to relevant state organs complaints and charges against, or exposures of, any state organ or functionary for violation of the law or dereliction of duty; but fabrication or distortion of facts for the purpose of libel or frame-up is prohibited.

The state organ concerned must deal with complaints, charges or exposures made by citizens in a responsible manner after ascertaining the facts. No one may suppress such complaints, charges and exposures, or retaliate against the citizens making

them.

Citizens who have suffered losses through infringement of their civic rights by any state organ or functionary have the right to compensation in accordance with the law."

Sir, it is contrary to the Chinese Constitution for anyone to retaliate against any Chinese citizen for having criticized any state organ or functionary. And it is within the constitutional right of a Chinese citizen to criticize those responsible for having ordered the People's Liberation Army to shoot and kill Chinese students and citizens who were merely seeking to exercise their constitutional right of freedom of expression under Article 35 of the Constitution of the People's Republic of China which provides:

"Citizens of the People's Republic of China enjoy freedom of speech, of the press, of assembly, of association, of procession and of demonstration."

Secondly, in the Yang Yang affair, the Chinese Government had unilaterally interpreted the 1982 understanding in relation to Chinese visitors coming to Hong Kong on a two-way permit and accused the Hong Kong Government of being in breach of it. And after holding the Hong Kong Government responsible for all consequences, it then decided not to honour an earlier arrangement and refused to take back illegal Chinese immigrants captured in Hong Kong.

What the people of Hong Kong fear is that after 1997, the Chinese Government may unilaterally interpret a provision in the Basic Law and accuse the HKSAR Government of having contravened it, and use that as justification for its own breaches of the Basic Law. One lesson we have learnt is that China will make, keep or break an agreement as she pleases.

Sir, as the people of Hong Kong looked northwards for some positive steps to allay their fears, they heard instead a remark from a senior ranking official in the Hong Kong Macau Office that the confidence problem in Hong Kong was generated by the people of Hong Kong themselves, and that only they could solve it. Such a totally unhelpful remark could only be explained by the fact that nobody in China would now dare say or do anything for Hong Kong, for fear of getting himself into trouble.

In these circumstances, the representatives of the British and Hong Kong

Governments will have to sit down with their Chinese counterparts to discuss our future. These discussions will have to take place behind closed doors, and there must be a certain measure of "give and take" in these negotiations. But the people of Hong Kong must be assured that there will be no sell-out and that their interests will be fully protected, particularly in relation to human rights. The British and Hong Kong Governments must also make sure that they will not allow the Chinese Government to interfere in Hong Kong's internal affairs, thereby establishing undesirable precedents for the future.

As for the Basic Law, the second and final consultation period ended yesterday. And in spite of the massive publicity given to it in the mass media, it was a pathetic failure. But the people of Hong Kong cannot be blamed for not having shown more enthusiasm over for what the Chinese Government has said and done since the June 4 massacre.

Sir, a number of important issues pertaining to the Basic Law have still to be addressed.

The people of Hong Kong would not like the People's Liberation Army to be stationed in the HKSAR after seeing on television what those troops had done to their own people. And they would like their Chief Executive to be given the exclusive power of deciding whether to declare the HKSAR to be in a state of emergency; and they would also like to see the power of interpreting the Basic Law to be delegated to and be exclusively exercised by the courts of the HKSAR, so that these very important powers would not be exercised in Peking. And they would also like to have a democratic system of government in 1997, as they find it difficult to believe that the Chinese Government would allow our political structure to develop more democratically after 1997 if it is not already substantially democratic in 1997.

It is therefore singularly unfortunate that the Chinese Government should have seen fit to push a so-called bicameral system of legislature towards the very end of the consultation period. But it is not a bicameral system at all, for there will not be two separate houses as in the British Parliament or the United States Congress. All the members will sit in one council; and it is only when a vote is taken that its members will cast their votes in two separate groups, that is, those who have been elected by universal suffrage will vote as one "chamber", whilst those who are elected by functional constituencies will vote as the other.

Although there are a number of proposals put forward for resolving conflicts between the two "chambers", the underlying objective is clear, and that is to make sure that those who are democratically elected by universal suffrage will always be out-voted.

Sir, there are very few precedents for this; but there is a similar system in South Africa which has a tri-cameral system. But that system is adopted there in order to ensure that the white minority will be able to control the black majority. But how can such an unnecessarily complicated and discriminatory system be ever justified in Hong Kong unless the object is to enable the executive to control the legislature and for Peking to control the HKSAR Government?

Sir, if such a system were to find its way into the Basic Law, it would make nonsense of a very important provision in the Joint Declaration which requires the executive authorities to be accountable to a fully elected legislature. For how can there be any meaningful accountability if the true representatives of the people are rendered irrelevant? I therefore say that the adoption of such a bicameral system would be in breach of the spirit of the Joint Declaration.

But all the present indications are that the Chinese Government will not make any substantial amendments to the present draft Basic Law except for the likely adoption of the very unpopular so-called bicameral system, which would result in there being no effective system in the HKSAR to enable its government to exercise the high degree of autonomy promised in the Joint Declaration.

If so, the cornerstone of freedom and democracy will vanish, and the Joint Declaration will become a litany of broken promises. And the once beautiful dream of many people in Hong Kong of "one country, two systems" and "Hong Kong people ruling Hong Kong" with "a high degree of autonomy" will soon become a nightmare of "one country, no system" (); "Hong Kong puppets ruling Hong Kong" () with "a high degree of control." ()

With these remarks, Sir, I support the motion.

MR. LI: Sir, you have offered Hong Kong a vision with which it can identify -- a vision which is both thoughtful and courageous. It offers focus. It offers hope.

The financial community welcomes your sense of vision. Certainly, there will be obstacles to overcome. But what worthy vision is without them?

There is the danger of inflation. But this can be guarded against by phasing in the projects you have proposed over time and by close financial control.

Obviously, there is concern about the overall cost of the programme. Here, private sector participation is vital.

The private sector must be encouraged to get more involved both in existing public sector activities as well as in the new projects. Privatizing the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation -- an issue I have raised in this Council before -- deserves serious consideration.

The entire international community must be invited to participate in these projects. Bidding must be open to all. This will reinforce Hong Kong's roles as a free market and an international business centre. It will ensure that the projects are handled by the best contractors, developers and operators.

Technology transfer should be a major consideration when evaluating project bids. Hong Kong should, and indeed must, use this development programme to acquire the skills and techniques it needs to succeed in the 1990s and beyond.

Physical structure is an investment in our future. Well managed, it will be a significant advantage. Mismanaged, it will be useless. However, Hong Kong's greatest asset has always been its people. Ultimately, we -- the people -- determine how successful Hong Kong will be.

6:00 pm

HIS EXCELLENCY THE PRESIDENT: Mr. LI, I am sorry I must interrupt you because it is now six o'clock and under Standing Order 8(2), the Council should now adjourn.

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

Question proposed, put and agreed to.

HIS EXCELLENCY THE PRESIDENT: Mr. LI, please continue.

MR. LI: Thank you, Sir. Emigration is draining away valuable human resources. But also significant is the territory's other "brain drain" -- the loss of talent caused by an outdated, underfinanced education system.

It is refreshing to see that the Administration is finally taking steps to address the problem. But simply ramming more bodies through the system is not the answer. The problem is with the system itself. We need a system which teaches students to think from Primary One onwards -- a system which creates individuals, not robots.

But creating a productive workforce goes beyond the classroom. Where motivation is concerned, quality of life becomes the issue. Hong Kong is one of the most attractive places in the world to live and work in. We must unite to keep it that way. We must make Hong Kong one of the great cities of the 21st century.

Housing, health care, pollution, human rights and social welfare all feature prominently in your plan. Let us hope they command as much attention as the infrastructure projects.

Where over-legislation and over-regulation threaten our freedoms, the voice of moderation must win the day. Let us not forget, Sir, that our past success has been based on positive non-interventionism.

The development programme is a credit to your Central Policy Unit. The programme's complexity and scale will pose a challenge to the Hong Kong economy. Therefore, it might be beneficial to establish specialist central policy sub-units to advise on key issues -- in particular, capital project co-ordination, fiscal and financial policy, and education.

This approach should draw on both local and international talent. It would give government policy-makers greater, more immediate access to the expertise and experience of the private sector. It would promote better public-private co-operation.

Sir, you have sounded a call to action. You have declared your commitment to Hong Kong and you have asked us to do the same.

We are ready to work with you. But positive words must be followed by positive deeds. You have offered us a vision. Now, we await the blueprints.

The future is ours for the making. We share the vision of a stronger, more prosperous Hong Kong. Together, let us make that vision a reality.

With these remarks, Sir, I support the motion.

MR. NGAI (in Cantonese): Sir, your policy speech has delineated a bold and optimistic working plan for the future development strategy of Hong Kong. It reiterates the determination of the Government to consolidate the economic prosperity of the territory. The practical commitments and firm beliefs upheld by the Government have brought about very important and encouraging effects on shoring up public confidence. I would like to take this opportunity to express my appreciation of your success in pointing out to us a direction to which we should contribute our efforts in meeting our new challenges.

Confidence and prosperity

The future of Hong Kong is very much dependent on the maintenance of its economic position so much so that people of Hong Kong may take root here and lead a decent life. A stable economic and political environment will help putting the minds of the Hong Kong people at ease and enhance investors' confidence.

In your policy speech, while you try to maintain the capitalistic features of our political and economic systems, something which are key to our success, you have in fact set out before us an ambitious programme of our future development and a far-sighted strategy to make Hong Kong prosperous. Our role in international and Chinese economic development has always been your concern. It was pointed out in paragraph 166 of your policy speech in 1987 that "what we are seeking is the development of Hong Kong as a society which combines a strong, expanding and competitive economy with concern for the quality of life of all its inhabitants". In your policy address this year, you further point out that we should strengthen our close economic links with Mainland China. It is stated in paragraph 33 of your speech that "for many years to come, China will continue to be an important market for foreign exporters and investors. And Hong Kong will continue to be the best means of access to it. By playing an intermediary role, we can also continue to be of

benefit to China. We can provide investment, foreign exchange and expertise to help the Chinese economy continue to expand and develop."

Sir, I am glad that you have attached importance to the close economic links we have with China. The relation between China and Hong Kong is one of mutual care and concern. It will be of benefit to our economy should China enjoy sound economic development. As economic prosperity is our common goal, it is a far-sighted and positive message of your speech to point out a correct way for our economic links with China.

Sir, in my opinion, the confidence issue does exist. However, it is an issue that changes in relation to the subjective views of the people and the developments of circumstances in our society. I believe, therefore, the issue will not be there permanently. It will submerge or resurface at any time. As it is said, the situation will tell. The confidence issue will develop in line with our assessment of the future stability and prosperity of Hong Kong.

Sir, confidence has to be built up through a long period of time and the basis of this building up process is determined by whether we can maintain the factors of our success. Sir, I agree to your point as highlighted in the policy address that "we have our own laws and freedoms which we cherish. They must not be eroded." Obviously, maintaining the factors of our success is the best guarantee for greater confidence.

Physical infrastructure

Sir, the building programme contained in your speech has pointed a brighter future for the stability and prosperity of Hong Kong. As a member of the industrial and commercial sectors, I am greatly heartened. The building programme covers a number of major infrastructural facilities. Such as the construction of a replacement airport and the associated network for road traffic and so on. The proposed new port facilities will increase the existing container throughput by five times. Terminal 8 to be built on the reclaimed land of Stonecutters Island will be in operation by mid-1993. It is far-sighted of you to move the hub of our port facilities westward so that our limited land resources may be better utilized.

Sir, the whole package of your infrastructural building programme goes beyond 1997. Not only will it keep Hong Kong in pace with the development of our economy

in the next century, but will also maintain the superb strategic position we enjoy in international economy, finance and trade. The focus of international economic development is expected to fall on the Asia-Pacific region in the next century, and Hong Kong will play a more promising role because of its excellent geographical position and infrastructural environment.

Hong Kong's status in the world

Sir, Hong Kong should further improve its international image. In view of the size of our external trade and monetary markets, we should be able to play an important role in world economy. As we lack natural resources, we have no choice but to expand our economic activities and strengthen our present economic conditions in order to survive and have further development. Strengthening our international position does not mean that the sovereignty to be returned to China or the autonomy Hong Kong enjoys would be turned over to the international community, placing Hong Kong under international management. Instead, what we mean is to strengthen our external relations, accelerate the planning for the future, build up a more desirable climate for more diversified investments and create better conditions for promoting prosperity. Apparently, we have to make an effort to attract more manpower and financial investments if Hong Kong is to remain an international financial centre, civil aviation centre, communication centre, trading and tourist centre. Sir, you have pointed out in paragraph 28 of your speech that Hong Kong is one of the areas in the Asia-Pacific region that are the fastest growing economies in the world. You have also clearly pointed out that "60% of our total trade is now with Asia and Australasia. And we play an important role in building up trade within the region". We have "a well-educated and efficient workforce; and all the conveniences of a modern city". We play our role as "a gateway to China" for imports and exports. We must maintain our role as a major trading economy and maintain our strong influence and key position in world economic and trading matters. We should not stay away from international activities, but should take an active part in them. We may safely say that every place or country in the world welcomes the recognition of the important role it plays in international economic matters and never will a place or country decide to belittle the positive effects of foreign investments and technology on its economic prosperity. I do not see why these efforts should arouse concern that sovereignty could be violated and autonomy affected.

It has already been settled that the sovereignty over Hong Kong will be returned to China in 1997. Both parties will act in accordance with the Sino-British Joint

Declaration and the principle of "one country, two systems" and a Basic Law will be enacted for the governing of Hong Kong. While upholding the above principles, I think that in the course of consolidating and promoting Hong Kong's existing prosperity, it is necessary as well as imperative to strengthen Hong Kong's status in the world, rebuild Hong Kong's international image and promote Hong Kong's interests with the help of material, financial and manpower resources from overseas. I do not see how these may cause any adverse effect on Hong Kong. As long as we do not take one-sided view and jump to conclusions, there is no cause for concern over the good intention of internationalization.

Industrial development and use of technology

Sir, the industry of Hong Kong is undergoing a transitional period. We are progressing swiftly into a capital and technology intensive era. Our industry is now confronted with the demand and problems of high value and high quality products.

You have pointed out in paragraph 98 of the policy speech that as far as the manufacturing industry is concerned, they "are exploring what they need to do to remain technologically competitive in world markets" and "as part of our overall strategy to upgrade the economy, we plan to establish a new Hong Kong Technology Centre". In brief, "this will provide facilities for new and small high technology companies to share certain common services until they are ready to set up on their own." While I welcome this move, I regret that you have not given a clear and definite account on the formulation of a long-term strategy for the future development of our industry and on the use of technology.

In recent years, a great deal of our labour intensive industries have relocated northwards into the mainland, thus affecting the nature and way of development of the local manufacturing sector. Being backbones of our industry medium and small size factories have fulfilled their historical role in the prosperity and development of Hong Kong. Except offering financial assistance, the Government should provide them with guidance, particularly in their ways of long-term development, for example, application of technology in the production process, upgrading or change of product range, and international trend surveys and so on. The Government should give them support in all these aspects. It does not imply that particular sectors will enjoy privileges or come under government interference. Instead, it should be regarded as government assistance to turn vulnerable developments into self-supporting ones. There is no shirking of responsibilities on the part of the Government. For this

very reason, the establishment of Hong Kong Technology Centre, Hong Kong Industrial Development Board and Committee on Science and Technology is widely welcomed by the industrial sector. But in what ways shall we introduce industries that enable new technological input into Hong Kong? What kind of new technology shall we introduce into our industries? How can the best use be made of such industries? What efforts should we make to upgrade our industry? What do we mean by new technology? What kind of technology is suitable for our local manufacturing industry? As far as application of technology is concerned, there will be essential difference between large and small factories; this is certainly related to the technological capability and the financial resources of the operators. Besides there is also the problem of how to achieve compatibility between the application of new technology and deployment of manpower resources. Thus, there is an urgent need for us to study the above problems closely and formulate a proper overall strategy in this aspect, so that manufacturers will be provided with relevant guidance to cope with this new stage of industrial development in the modern era.

Brain drain and education

The Secretary for Education and Manpower has proposed to allocate funds for the setting up of a third international school to cope with the educational demand of families returning from overseas. It is one of the ways that the Government has explored to attract talents back and serve Hong Kong. A reasonable conception it may be, yet it comes short of a permanent remedy. It is merely a stop-gap measure that does not cure. After all, the brain drain is a clear indication of the lack of confidence. We should bear in mind that the long-term development of the future of Hong Kong still hinges upon the endeavour of the local community. Hence, it is not at all cost-effective if we offer favourable terms to attract a group of people who do not regard Hong Kong as their home to build for Hong Kong's future. The Government should shape a beaming future for the majority of Hong Kong people who decide to stay behind. Effort should be put in to provide training for the new generation, speed up localization, and bring up a pool of young successors who can assume the vital responsibilities of society. Only by doing so can the problem of brain drain be solved fundamentally. Sir, your pledge in the policy address to build the future for those who stay behind is most heartening indeed.

The implementation of education programmes has always been an expensive and long-term investment in manpower training, and we can never expect such behind-the-scene efforts to reap fruits overnight. Thus, as you revealed in your policy

address about the ambitious plan of increasing the tertiary places in Hong Kong, I was deeply moved. When we assess the state of affairs in our present education system in practical terms, we cannot deny that there is much room for improvement, for instance, in language learning and the standard of education in secondary and primary schools and in the kindergartens.

Sir, being a member of industrial sector, I would like to give the following comments on the trend of educational development from the view of market competition. To absorb private secondary schools and tertiary institutions into the Government subsidy scheme by means of financial measures may produce the opposite effect of monopolization. While embarking on an educational programme on technology, the Government should also pay close attention to meet social demands and avoid any wastage of educational resources. Besides, healthy and fair competition should be encouraged from the private secondary schools and tertiary institutions, thereby bringing forth favourable effect on our educational system.

Vietnamese boat people

Sir, you have given a fair account in your policy speech about the problem of Vietnamese boat people in Hong Kong. We have really got to strike an appropriate balance between the practice of humanitarian principles and the cost of social stress. To our regret, the voluntary repatriation policy fails to gain any headway and some people keep on criticizing the situation from a biased and selfish viewpoint. They serve no constructive purposes but have strained the tolerance of the public. Since the international community cannot make any progress in their talk for a solution to the Vietnamese boat people issue, I think the Government has the responsibility to reconsider the feasibility of Hong Kong to be a port of first asylum indefinitely in the interest of hundreds of thousands of local residents.

Conclusion

There is an ancient Chinese folklore that a dragon painted on canvas can never leave the canvas and fly to the sky if you leave its eyes undotted. Your policy speech has outlined an attractive future for Hong Kong. It would require our joint efforts to realize your plannings. The dragon can only leave the canvas and fly to the sky if we stand up to our responsibilities and exercise prudence in what we do. We have to act with confidence and persistence, bearing in mind what is right and what is in the interest of the entire community.

Sir, with these remarks, I support the motion.

PROF. POON: Sir, I should like to begin by thanking you for your policy address which clearly demonstrates the Government's commitment to the future of Hong Kong.

As we move into the 1990s, it is apparent that the future of Hong Kong lies partly in the strengthening of its economic link with China and the assistance it can offer toward China's modernization programmes. It is equally important that Hong Kong should remain a competitive link in the Asia-Pacific region which contains the fastest growing economies in the world. Akin to the role of a broker and facilitator, Hong Kong is in a strategical position to provide tertiary services to China and countries in Southeast Asia. Tertiary services include financing, communications, marketing, management, project evaluation, and professional training. All these tertiary services involve science and technology to different degrees of sophistication. So we need to have technology. We need the infrastructure in technology as well as experienced managers of technology before we could offer such services.

This afternoon, I will concentrate on two areas of prime importance to Hong Kong: first, manpower training; second, science and technology.

Manpower training

I welcome the Government's decision to substantially increase the provision of university places to our young people. They are the pillars of our future. The planned increase of first-year, first-degree places to over 18% of the relevant age group by 1995 involves a very heavy financial commitment. I believe that in increasing the number of university graduates, the Government must have also recognized the importance of maintaining and upgrading the quality of these graduates. What Hong Kong needs most are not more graduates who have passed examinations, but young people who can apply their knowledge and adapt themselves to changing environments. We need people with ideas, vision and drive to spearhead our economic and industrial development.

To produce high quality graduates, we need high quality academic staff as well as up-to-date equipment and facilities. Only when our students are proud of their own institution will they feel the need and obligation to work hard to maintain the

reputation of their institution of which they are themselves an integral part. Students will never be proud of their institution if they can only find mediocre teaching staff and obsolete equipment.

We also need to create an attractive academic environment to recruit and retain internationally first-rate scholars to work in our tertiary institutions. This is all the more important in the present political climate as we move towards 1997. Research facilities are crucial to academic life. To most scholars, research, in particular pure research, represents a real challenge to their knowledge and intelligence. If adequate resources are not provided for to enable them to continue with their own research work, they will not come. The disillusioned will simply leave after their first contract.

While the Government is planning to substantially increase the number of university places in the next few years, it must be prepared to invest more in research. So, what would be considered adequate? The present level of provision is definitely far from adequate. The Government has allocated \$120 million to the five subvented tertiary institutions for research in the 1988-91 triennium. This represents only \$8 million per institution per annum. It is a very meagre amount by any standards and is even less than the research grant for one established professor in the United States. It is ironical that academic staff are recruited on the basis of their proven research records and potential, and yet they are not provided with adequate resources to enable them to continue with their research work. Hence, their expertise for which they were employed cannot be fully utilized. This is a clear waste of the invaluable "brain power" resources which may have taken years and many thousands of dollars to produce. There is indication that our tertiary institutions are already facing some recruitment problems. We may not be able to recruit enough scholars from overseas to meet the increasing demand of academic staff in our expanding institutions. We need to train up our own talents in good times to partially meet this demand.

I urge, therefore, that as an immediate task, the Government must be seen to apply extra resources to support research so as to keep our well-qualified people interested enough to stay.

Science and technology

Let me now turn to the area of science and technology. If we are ever to succeed in competing with our neighbours in the various industries, we must go high-tech very

quickly. While encouraging private sector industry to take initiatives in science and technology, the Government must provide matching infrastructural support. But going high-tech is easier said than done. Let me quote from the House of Lords Select Committee's Report on Science and Government:

"Provision of scientific advice to government is mostly provision of advice to senior civil servants. The provision of advice to government needs to be matched by willing and informed reception of that advice. With some important exception this is not the case at present... Unconstructive attitudes to science and technology extend far beyond civil servants and politicians and it would be wrong to confine criticism to the Civil Service itself, naturally a reflection of British society as a whole".

These remarks are certainly applicable to Hong Kong. Science and technology involve sophisticated concepts. There is the danger of taking for granted things which may not be obvious at all to those who have no background in science and technology. We need dialogue so that scientific and technological issues can be adequately examined through discussions with the policy-makers and the users. We need to be much more imaginative in communicating the case for science and technology to policy-makers, and it is important that policy-makers will in return be receptive to our case without any preconceived bias.

Science and technology represent a long-range endeavour. The benefits may not be immediately apparent. Our Government must take a far-sighted approach in promoting and investing in science and technology. Otherwise we will lose out in the long run and be overtaken by the other newly industrialized economies in the Asian region. There is a need for the Government to keep a constant watch of the market situation, study possible directions for development, and anticipate the requirements of industry, so that an infrastructure in equipment, manpower, expertise, and know-how can be in place when the time is ripe for industry to move forward. If the necessary infrastructural support is not in place in good times, the alternatives and options would not be feasible and would be of no use to the industrialists, because the necessary conditions cannot be set up in a short period of time. Therefore the Government must take a pro-active stance towards promoting science and technology in industrial development.

The Committee on Science and Technology has recognized the need to adopt a long-term vision of the development of science and technology in Hong Kong. It has

identified possible technology directions of immediate relevance or potential long-term benefit to Hong Kong. For example, the Committee has identified biotechnology as a very fruitful direction for the diversification of our industrial development. It is a relatively new field worldwide. However, there is a widely held view that a biotechnology revolution is on its way, the effects of which will be as profound as those of the information revolution. The important point is that biotechnology is knowledge-intensive rather than labour-intensive. The Committee is now considering issues relating to the identification of areas within the broad field of biotechnology for which Hong Kong may have a comparative advantage. We are investigating into the requisite manpower and capital facilities, as well as the future market for products. I hope that the Government will seriously consider the Committee's recommendations when available and act upon them, wherever appropriate, without undue delay.

The Government's decision to establish a new Hong Kong Technology Centre is commendable. I suggest that the Government, the academics, and the industry should jointly set up a task force to investigate the ways and means of pulling their resources together to make this Centre work. It is hoped that the Centre could function as an incubator for new technology-based firms, a facility for small technology-based businesses, a contract design and development facility and a technology transfer service. I urge the Government to give the Centre in its infancy all the necessary support it needs to grow; such as to make available, on a fee-paying basis, the sort of equipment which are vital to certain industries but are beyond the reach of small and medium businesses.

Hong Kong needs a new and effective infrastructure to promote and utilize science and technology as we move into the next decade. The Committee on Science and Technology is only an advisory committee. It does not have sufficient resources or authority to formulate policy. The demand for a centralized co-ordinating and autonomous body in these fields has become apparent. The Government should seriously consider replacing the Committee on Science and Technology by a Science and Technology Council. The Council's terms of reference would be to formulate overall science and technology policy, to administer programmes and to oversee the allocation of certain research grants. At the same time, it should avoid, as far as possible, encroaching on the fields already covered by the Industry Development Board and the University and Polytechnic Grants Committee.

Sir, before closing, I would like to urge, once again, that Government invest

more in Hong Kong's scientific and technological development. Hong Kong is spending much less than 0.1% of her GDP vis-a-vis an average of 1% to 2% of GNP by Taiwan, Singapore, Korea, Japan, and other western countries for the purpose. Having chaired the Committee on Science and Technology for over a year, I am more concerned than ever that much more needs to be done, and done quickly, to evolve a long-term policy in this important field. Unfortunately, the energy and resources devoted by the Government to developing a long-term strategy on science and technology fall far short of the attention given in other areas. And in face of the ambitious capital works programme, there is danger of this important aspect of our development being neglected. It is my firm belief that priorities must be re-assessed, and action taken quickly. I am not advocating that we should randomly repeat the other countries' successful research and development work. Rather, we should adopt a two-prong approach: technology transfer from abroad, plus the adaptation and development of those science and technology most needed by our society. Promoting science and technology is no longer a mere luxury which Hong Kong can do without. I strongly feel that it is our lifeline for the future.

With these remarks, Sir, I support the motion.

MR. SZETO (in Cantonese): Sir, "Building for the Future" is the theme of your policy address on 11 October, and central to this theme is the development plan for the port and new airport. This plan is indeed like a beautiful rainbow that brings us hope after the rain. But a Chinese saying has it that "the peony, though good, yet needs green leaves to support it". So today let me say something about the "green leaves".

Education is one of the key areas of endeavour in the programme of building for the future.

With the Government's determination to develop tertiary education, it is planned that by 1995 over 18% of the relevant age group will have the opportunity to study in first-year, first-degree courses; together with the increase of sub-degree places, close to 25% of the relevant age group will then be able to pursue further studies.

The development of tertiary education has been the wish of the Hong Kong people for years. So we are glad to see the Government upgrading the original targets and accelerating the pace of development in tertiary education. It is obvious that the original plan has been revised in order to solve the deteriorating problem of brain drain. But can it solve the problem completely?

We cannot help being worried by the findings of a survey conducted recently by a university which revealed that 42% of the undergraduates had the intention of emigrating after graduation. With the change in circumstances and the passage of time, this trend will become more and more widespread. Since those with higher education stand a better chance of emigration, if this trend continues, will we not be training people for the target countries of emigration?

Not only should our education system produce more professionals, more importantly, it should also produce more people who can take up missions and challenges, and are willing to go through thick and thin with the people of Hong Kong in the years ahead.

As with tertiary education, the Government should equally step up efforts in promoting civic education. At present, the development plans of the port and new airport, the Bill of Rights, the Basic Law and so on are all good material for civic education. I hope that something more practical can be done in this area by the Education Commission, the Board of Education, the Committee on the Promotion of Civic Education, the Secretary for Education and Manpower, the Education Department, and the principals and teachers in all primary and secondary schools in order to provide a greater driving force to get civic education off to a good start.

In the fast-paced development of tertiary education, we must not lose sight of the quality of education. But how can we ensure quality in the course of development? One of the ways is to improve the quality of pre-primary, primary and secondary education. In the hierarchy of education institutions, tertiary institutions are at the apex while kindergartens, primary and secondary schools form the base. Without a sound foundation, the higher the apex the greater the risk of collapse.

At present, the greatest problem facing pre-primary, primary and secondary education is the wastage of teachers.

The salary of kindergarten teachers is among the lowest in our society but they still have to put up with this "shameful remuneration" which has been criticized for decades. Not only is pre-service training totally lacking and in-service training miserably inadequate, but there is besides no improvement in pay and conditions of work after receiving in-service training. No wonder very few people joined the profession and many left. Serious difficulty in recruitment has led to "indiscriminate" recruiting. Why does the Government remain indifferent to these

problems?

According to the policy address, "pre-primary education must be seen as a desirable rather than an essential part of our education system." Not only is this contrary to the conclusions of the report on education in Hong Kong made by a visiting panel years ago, it is also in total disregard of reality. In fact, all school children have undergone pre-primary education before entering primary schools, and by the very act of sending their children to kindergartens, the parents have virtually voted for the indispensability of kindergartens. The reason for the Government arbitrarily using the word "desirable" to describe something "essential" is that it wants to evade responsibilities and is unwilling to deploy resources in this area. How much, in percentage terms, out of the total budget for education has been allocated for the kindergarten sector? Is the percentage too small to be given meaningful mention?

The "fee remission scheme" mentioned in the policy address is anything but helpful to improve the pay and conditions of work for kindergarten teachers. To disregard improvements for kindergarten teachers is to disregard the next generation completely. I urgently call upon the government that something must be done in this respect. We must remember that current or prospective kindergarten pupils are the ones who will use or operate the new airport when completed.

In his recent reply to Members' question, the Secretary for Education and Manpower has, by quoting the vacancy rate of teaching posts in primary and secondary schools, denied that wastage of teachers is serious. In fact, schools were left with no alternative but to employ sub-standard teachers to fill the pressing vacancies, and this explains why the vacancy rate is not high. But if this situation continues, it will definitely affect the quality of primary and secondary education which in turn will affect the quality of the rapidly-developing tertiary education.

This year, the faculties of education in the two universities suffered from insufficient enrolment and the four government-run colleges of education also saw a significant decline in applicants both in terms of number and qualifications. This reflects that the teaching profession is becoming less attractive to those of high calibre. The Government has to face this problem squarely.

By 1995 nearly 25% of the relevant age group will be able to receive tertiary education. If now we disregard the wastage of teachers in kindergartens, primary

and secondary schools thereby affecting the soundness of the foundation for education, will there be many young people of the relevant age group who will be well prepared and eligible for tertiary education even with a substantial increase in tertiary places by 1995?

While building a higher pinnacle, we must always bear in mind the soundness of the foundation on which the pinnacle rests.

Now I will very briefly talk about two other issues: "The Development of Representative Government" and "The Basic Law" under the heading of "Building for the Future."

I believe that the OMELCO consensus has reflected the opinions of the great majority of the Hong Kong people and accords with the interests of Hong Kong's future. Concerning the Basic Law to be announced in March next year, I entertain no illusions whatever. All I can say is: we should keep up our efforts and not cower before difficulties. Sir, you have given no more than a fleeting reference to these two issues in your policy address. I hope you will, in the interest of the Hong Kong people, display sufficient political wisdom in this regard.

Sir, with these remarks, I support the motion.

6.45 pm

HIS EXCELLENCY THE PRESIDENT: Members might appreciate another short break at this point to take advantage of Mr. Allen LEE's hospitality.

7.16 pm

HIS EXCELLENCY THE PRESIDENT: Council now resumes.

MR. TAI: Sir, in your annual address to this Council you outlined what Hong Kong has achieved over the past 10 years in the fields of education, transport, finance, political development, and in raising our living standards. Furthermore, you provided us with a forecast on the progress that will be made within the next 10 years. I sincerely hope that it is not only a vision of our years ahead, but will truly form

a solid foundation built by your Administration for the continued progress and improvement of Hong Kong in the years to come.

The most striking policy introduced by you, Sir, is the rapid expansion of our tertiary education to meet our future demand. Its graduates will be our community assets for a progressing Hong Kong. This policy will provide us with the extra manpower and expertise to enable us to compete successfully with our acknowledged technologically-advanced neighbours.

A number of emotional issues have been raised during the past few months, such as the stationing of People's Liberation Army troops in Hong Kong, and the immediate introduction of more democracy in Mainland China. To my mind we should avoid such emotional and diverting issues at the present time, and concentrate on more important issues such as getting the Basic Law right, or being close to what we feel would be most beneficial to our longer-term interests and well-being.

Due to Hong Kong's unique geographic, economic and political situation, adopting a confrontational stand towards Beijing, I feel convinced, is counter-productive and not in our best or long-term interest. The Hong Kong Administration and community leaders should be channelling their thoughts and efforts towards more constructive dialogues with Beijing.

We should also recognize that we have a significant part to play in ensuring the success of the "one country, two systems" blueprint. We need to convey confidence that we can make it succeed. If we fail to do this, but adopt a negative stand by repeatedly expressing doom and gloom and a lack of confidence to achieve this objective, how can we expect the world at large to show any confidence towards us, or the future success and viability of Hong Kong?

To say and think exclusively that the job of solving the confidence issues rests solely on what others can be offering to do for us, that is, the United Kingdom and the international community offering further resettlement guarantees in an Armageddon scenario, and at the same time losing confidence in our future, could well do us much harm in the eyes of the world. Pessimism, and a lack of confidence in our own ability to shape our own future, could in itself be a self-fulfilling prophesy.

Bearing in mind, Sir, these special needs and circumstances that exist in Hong Kong, it is important for us to concentrate our thoughts and efforts on building a

realistic, practical, and democratic administrative structure that will help the Hong Kong people to govern themselves after 1997.

Sir, no doubt cost-effectiveness and efficiency are very much in the mind of the Provisional Hospital Authority during its deliberations. To provide good medical service is a very expensive commitment. May I say, staff morale is very low because of a lack of career prospects and a poor salary scale. It is important for us to have a dedicated medical workforce if we are able to achieve a high quality of service and health-care development.

The provision of medical services has taken a very big slice of our budgetary allocation. I feel that if we want to make a significant improvement to the quality of our medical services, we cannot afford to have an open-for-all health care provision, even with a subsidized medical service. The policy branch should examine the pros and cons of a national health insurance scheme. We cannot always rely upon donations and fund-raising activities to contribute to a service which we really do need and which needs much improvement.

Regarding the provision of welfare services, presently burdened by the shortage of manpower and low morale, the question of the present salary scale and promotion prospects should be reviewed without delay. Due to the changing of our family structure, the welfare programme should pay more attention to other ways in which it can strengthen family functions, such as providing more day-care programmes for children, as well as trying other services aimed at helping families with problems, such as family courts and family drop-in centres.

Juvenile delinquency, especially in the new towns, is an increasingly serious problem. There is a rising trend in triad society activities and an increasing use of soft drugs by our youth in the new towns. There is an urgent need to strengthen our counselling services, instead of our recreational services.

Lastly, Sir, I fully endorse the views expressed by the Honourable Maria TAM in respect of the complementary role of land use in the New Territories for small and medium industrialists and the transport issues relating thereto. Moreover, with the best of town plans, matters such as co-ordination and implementation of projects, there could be problems with the insignificant role of the City and New Territories Administration (CNTA) in district development and management. I hope this is one point that relevant government departments and CNTA can work together to resolve.

Sir, with these observations, I support the motion.

MRS. TAM: Sir, I think that no one listening to your policy address to this Council on 11 October could fail to be encouraged by its positive mood and its commitment to the future welfare and prosperity of Hong Kong.

I say "welfare and prosperity" advisedly: the two do not always go hand in hand. But you have announced dynamic measures to develop and further enhance Hong Kong's role on the world stage, and you have also paid attention to the equally important need for practical yet imaginative action to strengthen the social and domestic fabric of the community itself.

I welcome the comprehensive scope of your outline of a planned future for Hong Kong. It is a far-sighted plan containing much to which I can give my wholehearted support.

Human resources

Yet there is a saying with which I am sure you, Sir, will be familiar, "The best laid plans o' mice an' men gang oft agley" ("No matter who we are, great or small, our most careful plans often go wrong"). The plan you outline for the future will need the wholehearted support and effort of people from all walks of life. Human resources are of the utmost importance to the achievement of the ambitious infrastructure you envisage. Can we count upon those human resources in the months and years ahead?

Unfortunately, we cannot hide from the fact that the unique situation in which Hong Kong finds itself as we move towards 1997 gives rise to considerable disquiet on this very question. The Government has to face this problem and act positively to restore confidence which has been so shaken since the summer of this year. How can we keep people here in Hong Kong where they have so much to contribute? How can they be assured that to gain the benefits of all the developments you have described, they will not risk losing their peace of mind and freedom of action?

Emigration

Too many of our citizens are seeking stability and security elsewhere for they fear that Hong Kong, in spite of all its assets and attractions, all its material prosperity, in spite of the fact that it is their home and the place they love, is going into an unknown, untested future.

It is estimated that some 42 000 citizens are emigrating from Hong Kong in the current year, and that between 50 000 and 55 000 will seek to do so in 1990. These figures for emigration are high -- too high for our well-being -- and the "brain drain" they conceal is even more disturbing. In the population as a whole, administrative and professional people account for some 5.5% of the total, yet over the last three years almost 25% of those who left Hong Kong were from the administrative and professional fields. Unless something is done about it, that trend is likely to continue.

The right of abode

These are unwelcome figures which we have to face in our efforts to construct Hong Kong's future. That future depends on whether our people will stay to play their part in it. And that is why we must provide them not only with incentives but also with the confidence to stay. One way this can be achieved is by the restoration of full British citizenship to Hong Kong British subjects, so that they can remain resident in Hong Kong without fearing for their welfare after 1997 -- for that welfare would be safeguarded by the right of refuge in a free and democratic society, if the need arose. In the vast majority of cases, only the direct need would force our people to have recourse to the right of abode in the United Kingdom.

We all hope that such a need will never arise, but we have to acknowledge that Hong Kong's future hinges on an as yet untried system and a regime of which we can have no advance experience.

It is widely acknowledged that Britain has a moral obligation to provide the safeguard we are seeking; just as it is becoming more apparent, and more widely acknowledged that Hong Kong's future is of concern not only to ourselves but also to the trading nations of the world. We must not slacken our determination to fight for the right of abode in the United Kingdom. We must continue to call upon the British Government to take the lead in rebuilding the confidence of Hong Kong people. I emphasize Britain's responsibility because Hong Kong has not been given the opportunity for self-determination. We cannot participate in the Sino-British

discussions which are drawing up the blueprints for our political future. We have to rely on Britain's honour that it will insist on the best possible outcome for the people of Hong Kong.

It is stated in the Joint Declaration that during the current period of transition "the Government of the United Kingdom will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability". Stemming the outflow of human resources from the territory by the bestowal of full British citizenship is, I believe, the most practicable and satisfactory way of achieving that object. Anything less -- and the Government of the United Kingdom is falling down on the job.

You referred in your speech, Sir, to a scheme which the British Government proposes to implement whereby certain people in Hong Kong will be granted the right of abode in the United Kingdom, and you made three important points in this regard. With two of these I can agree, that under any such scheme, the grant of the right of abode must not require those acquiring it to leave Hong Kong; and that any divisive effect among people here must be minimized. But I must go much further than you on the third important point, when you said that such a scheme would need to be as generous as possible. Any selection at all of categories of people or individuals would be divisive. The most generous possible scheme is one which gives the right of abode to all Hong Kong British subjects.

Preparing the young for the future

Sir, it will come as no surprise, I am sure, that there is another topic in your policy speech which touches me closely. It again concerns human resources, and it is again a cause to which I am firmly committed.

Last year, I had to note one important omission in your address to this Council, so I am particularly pleased that, on this occasion, a new initiative for the youth of Hong Kong features predominantly among this year's recommendations.

The Government is to be congratulated on its announcement that a Commission on Youth is shortly to be set up. Only an initiative of this kind will facilitate an overall review of the many aspects involved in establishing and implementing a coherent policy for the children and young people in our society. This proposal clearly affirms the Government's commitment to youth development. We already take

a keen interest in the welfare of the youth of Hong Kong but it is of the utmost importance that we should have a comprehensive framework within which to prepare them for the era beyond 1997. They will be responsible for steering Hong Kong on its new course and we must spare no effort in ensuring that they are well able to take up the challenges of their inheritance.

The Commission on Youth must establish the long-term objectives of youth policy. It must be a body that is sensitive to changes in our society, and be able to monitor these changes so that the Government and the other youth service agencies can respond appropriately to them. The needs of our youth are volatile: the institutions which cater to these needs must follow a consistent course without being rigid.

Much attention has been given to education in your speech, and you have promised very substantial resources for the purpose of providing more young people with the opportunity for higher education. This is an excellent initiative and it comes not a moment too soon. Planning for the coming years has to be done without delay.

An aspect which must receive special attention is civic and political education. The future of Hong Kong will be in the hands of the people of Hong Kong, and we have to prepare our younger generations for the responsibilities which will be theirs. Much needs to be done to enhance the social and political awareness and increase the quantity and quality of political participation among the population; and it is to the youth of today that we shall increasingly turn to supply the calibre of leadership and political understanding that will be required. We have a long way to go in this direction.

If Hong Kong's greatest resource is its people, we must ensure that everything possible is done to encourage a sense of belonging to a soundly-based and worthwhile society. Awareness of how our society is constituted and understanding of the roles of individuals and institutions are the prerequisites to achieving the sense of belonging. It is the sense of belonging which will lead the best of our young people towards a commitment to serve the community, and to say with conviction that "Hong Kong is our home".

A survey which the Hong Kong Federation of Youth Groups conducted on reactions to the second draft Basic Law shows a dramatic change in the attitude of Hong Kong's young people towards politics, and their desire for democratic procedures. Over 90% of more than a thousand respondents wanted the Chief Executive and the Legislature

of the future SAR to be elected eventually on the basis of "one man one vote". Some 75% of those taking part in the survey wanted such a system in place by 1997. For these aspirations to have any chance of fulfilment, they must be accompanied by new political maturity and experience.

My many contacts with our youth make me aware of the talents we can call upon and the potential yet to be realized. Our policy must be to provide opportunities for the development of that potential. And we must ensure that those who achieve political awareness and understanding, and take a lively interest in the social and political development of Hong Kong are encouraged to participate in its affairs.

I wish to take this opportunity of making clear my views on the measures we should take to involve the youth of Hong Kong in what is probably their most important responsibility -- participation in the social structure of their homeland and directing the course of their own future.

To this end, I believe that the legal voting age should be lowered and the franchise extended to all those who have reached the age of 18.

I would like to see more young people holding office in district administration, which is one of the most useful and practical ways in which they can gain the experience of taking up responsibilities.

I would also like to see more opportunities being given to the youth of Hong Kong to broaden their outlook through exposure to international experience. Our policy for youth must seek out and evolve ways to make such exposure possible.

At a very practical and domestic level, I see the need for the new Commission on Youth to apply itself to the immediate task of establishing liaison and co-operation with the numerous public and private agencies providing youth services. They do extremely valuable work but a more unified approach which still permits flexibility of application would be of benefit to them all and to their clients. Unless an overall strategy is evolved, there is the risk of wastage of resources. And, as a further step to prevent waste of resources, our youth services will need to be considered in a wider context.

Review of social welfare services

The time has come for implementing not only the new policy for youth, but also for reviewing our social welfare services in their entirety. I welcome the Government's declared intention to launch such a review and to set about long-term planning in this whole area. The formulation of a "social welfare strategy for the 1990s" is urgently needed.

I trust the review will be all-embracing -- that it will take a macroview of the subject. This is a particularly appropriate moment to embark on such an initiative. A thorough study and rationalization of the way in which resources are allocated can only be beneficial. I am sure that we can enhance the cost-effectiveness of our social welfare operations. It is right that we should do this at a time when the Government is contemplating a massive programme of investment to develop the physical infrastructure of the territory. All long-term expenditure commitments need to be considered together.

In common with so many other enterprises in Hong Kong -- and for reasons I have already discussed -- the social welfare agencies, both public and private -- are chronically short of manpower. The exact nature of the problem must be identified and dealt with, by skilful utilization of staff, by providing incentives to those who have the vocation to make a career in this work, and by education and training to promote professionalism in the field.

We need a detailed analysis of the trends in social development to ascertain whether our present services are relevant to today's conditions, and we may need to redesign services and constantly re-evaluate them so as to accommodate future social changes in this context. The review must take into account demographic changes, predicted alterations in the age distribution in the population, patterns of marriage and new concepts of the functions of the family and inter-personal relationships. It must study the changing political and economic conditions, the standards of living and the aspirations of the people it is designed to serve.

Among those who are experienced in the practical operation of the social welfare programmes will be found a wealth of information and materials with which to set about this review. In my opinion, they should be the starting point. In consulting their opinions, we shall begin to see the way forward.

Sir, with these remarks, I support the motion.

MR. TAM (in Cantonese): Sir, a wide range of long-term projects have been laid down in your policy address this year and they will have far-reaching effects for Hong Kong even in the next century. Of these projects the construction of a new airport and the port development project will require enormous financial commitment from the Government and the private sector, totaling as much as \$127 billion. On the other hand, the Government is prepared to expand the first-degree places extensively at the tertiary education level for producing more graduates. I believe that these attempts to spend substantial resources on the long-term development of Hong Kong and to map out a blueprint for the future before the eyes of the public, have signified the Government's commitment to the well-being of the local citizens and its audacity to venture into the future.

I would like to take this opportunity to point out a few issues which are worthy of note when the Government is trying to carry out long-term planning and make use of public funds.

Putting resources to good use

I trust that we will have the common sense to realize that there is a need to set our targets and their priorities in long-term planning if the resources available are limited. When the Government considers it necessary to give effect to certain plans and to achieve certain objectives, this also means that the realization of other objectives will be pre-empted and postponed. Therefore, in the formulation of policies, while bearing in mind the social benefits of the proposed projects, the Government should also take heed of the price it has to pay for not carrying out other objectives immediately. In the final analysis, the Government should weigh the pros and cons of different policies and their relative merits in the interest of the public. For example, while the Government devotes its resources fully to the development of the infrastructure and tertiary education, will such a move result in postponement of implementation of other social policies? To be more specific, in developing our economy should the Government overlook other objectives relating to social welfare and labour security? If the Government's proposed infrastructure projects really have impacts on other sectors, who should bear the cost of such social implications?

The Government should look into what implications its policies for future development of infrastructure will have on its policy initiatives of other matters, and should as far as possible provide members of the public with sufficient

information, justification and analysis so that the public can have a better understanding and more options open to them.

If decisions on large-scale infrastructural projects are made, the Government should pay attention to the next step that it will take to implement these projects. I think that as the Government makes every endeavour to enable the early completion of the new airport and port facilities, it should also make suitable and timely arrangements for other sectors of our economy to tie in with such developments. At the time of releasing the Green Paper on Transport Policy in Hong Kong in June this year to seek public opinion, the Government has not yet come to a final decision on the development of the new airport and the future port project, nor has the Green Paper given full consideration to the necessary arrangements and the strategy that should be made in the event of the relocation of the airport, the redevelopment of the old airport site and the development of port facilities. The Green Paper has not made recommendations thereon for public consultation. In practical terms, the compatibility of the future infrastructural projects with our road network and transport projects has not been fully discussed. We should bear in mind that even full-fledged infrastructure has to rely on effective transport links for its smooth operation. I think that the Government needs to announce the arrangements that will be made to ensure compatibility of the future transport network with the infrastructure before the White Paper on Transport Policy in Hong Kong is ready for release at the end of the year. If necessary, there should be another round of public consultation.

How should we ensure value for money in the implementation of large-scale construction projects and guarantee that resources are put to effective use? This is a subject of paramount importance when the Government is prepared to implement these projects. In step with the direction of reforms in the administrative framework and policy initiative in recent years, the Government is geared to relying on organizations outside the existing government structure to implement its policies. This tendency can be seen in this year's policy address which at one go recommends the setting up of authorities for management purposes. Besides the Hospital Authority which has been planned for quite some time, there are also the Sports Development Board which is about to start work and the Airport Authority and the Port Development Board which are to be set up to be charged with the important responsibilities of building for the future. It has always been the thinking of the Government that the setting up of management boards and authorities can sidestep the constraints of bureaucratic machinery, thereby improving efficiency. However, the

Government seems to have somewhat overlooked the tripartite relationship between these authorities, the Government and the public. So far as the relationship between these authorities and the Government is concerned, how should the financial arrangement be properly made and, in what ways should government officers exercise controls over the operation of these authorities to ensure proper implementation of government policies? Judging by the experience gained in the management of the two railway corporations, the Government is still short of a well-devised framework for its management structure. Will the creation of additional authorities bring about confusions in administration and misunderstanding by the public? These problems need to be studied and reviewed in order to arrive at a solution.

It is even more worrying that consideration has been given to intervention in the local labour market even before the details of the projects are finalized. Your policy address points out that "it may well be necessary to consider exceptional arrangements to ensure that we have an adequate supply of labour so that they are completed on time and without causing unacceptable inflationary pressures."

(paragraph 90) The fact is we are still unable to estimate the economic situation and the level of supply and demand of labour by that time; therefore it seems that we are still unable to know whether specific measures will be required. Judging by the experiences of foreign countries, the construction of mammoth public works relies largely on the use of machinery and only a small number of high technology workers is required. It appears to be premature for the Government to consider taking specific measures at this stage. It is also not advisable for the Government to make a decision too soon.

How should Hong Kong come to grips with its future development?

I trust that Hong Kong citizens will agree that economic development is the foundation of our future development and that it is the Government's obligation to promote the growth of our economy. That is why the Government will embark on large-scale public works to give an impetus to economic development. However, the Government should not pay attention to infrastructure alone, but should also focus its attention on formulating the strategy of local industrial development, enhancing the competitiveness of our exports and upgrading the quality of the labour force.

Although in this year's policy address the Government has put forward a series of measures in support of industrial development such as the establishment of a new Hong Kong Technology Centre and a fund for training management personnel, it still

has not assumed a positive role to take initiatives in co-ordinating and promoting industrial development. I take the view that faced with the uncertainties of economic situation on the international front and the challenge of transformation of Hong Kong's economic structure, the Government should actively give assistance to local industrial development.

If infrastructure is likened to the "hardware" of our community, then education is its "software". To a community or a computer, its "software" and "hardware" are equally important. It is a pity that the attention the Government paid to education in the past was insufficient. Even if a great push is given to it now, the Government will, I believe, still encounter a number of difficulties. Looking ahead, the needs of Hong Kong in respect of education will be directed towards intensification and specialization. Given these new dimensions in our educational needs, they will surely draw on more resources. For instance, to raise students' linguistic standard means to upgrade the ratio between teacher and student. Furthermore, if the Government intends to greatly increase degree places at the tertiary level, it must address the problem of shortage of teaching staff at tertiary level and to take early action to avoid the imbalance between demand and supply which may affect the effectiveness of the policy. Whether the Government can afford the tremendous expenditure on education on its own is another cause for concern. As the Government is confident of attracting social resources for its public works programme, would it consider an effective way on how to use social resources to help develop our education?

Like the launching of a large project, we have to see that educational developments should tie in with future economic development. In your policy address you propose to provide tertiary places for 25% of the relevant age group in 1995, so as to have more people trained. It is possible to increase the first-degree places in large scale under the existing education system by upgrading some post-secondary colleges into degree-awarding institutions. While training of large numbers of degree graduates will have a significant effect on maintaining and promoting our economic development, the Government should not neglect the importance of vocational training and technical education, because Hong Kong will need more mid-level ranking technicians which are the backbone of our economy to support and cope with an economic structure that lays emphasis on high technology and intensive division of labour. If the Government only attaches importance to the training of first-degree graduates, it may give rise to a "top-heavy" labour structure which will hinder our economic development. I take the view that the Government should formulate a balanced

education policy which can fully meet the demand for division of labour and the specific needs of our labour market in its future plans on education development. In particular, the Government should make a study of and give positive support for the development on technical training and education as soon as possible. Given the "hardware" and "software" in our economy, we are concerned about the way in which the various factors of production may co-ordinate and work effectively to enable the smooth operation of our economy. Viewing this year's policy address in perspective, I find it disappointing. The Government has not only failed in reviewing the current labour policy, but has also taken no attempts to give us a vision of any long-term labour policy or labour legislation. The Government has not mentioned anything at all on this matter. I hereby reiterate what I said in this Council last year: to demand the Government to formulate a well-planned and co-ordinative labour policy, which is also the demand of the 400-odd local trade unions and workers' associations. I would like to appeal to the Government not to overlook the opinions of the working class while carrying out large projects and developing tertiary level education.

Problems and recommendations

It is encouraging for the Government to have planned for the future, but it should provide solutions to problems for which Hong Kong people have grave concern. In your policy address you have devoted quite a number of paragraphs in reviewing the progress of the Vietnamese boat people problem, but have not put forward any practical solution to tackle the crux of the problem. Apart from reiterating its current policy, the Government only calls on all of us to remain patient. I hereby request the Government to meet our demand by implementing mandatory repatriation and abandoning the first asylum policy as quickly as possible.

On the recent Sino-Hong Kong relation that likewise arrests the attention of the public, it rests with the Government to take a positive reaction. Hong Kong will be returned to China after 1997 and become a Special Administrative Region. Many of the large projects as mentioned in the policy address will have to be completed after 1997. What role will China play in these large projects? In what ways do the Chinese and Hong Kong Governments plan for their share of jobs and the role they play under the principle of mutual co-operation and mutual benefit? I hope they can arrive at an understanding on these problems and make a concerted effort to maintain Hong Kong's stability and prosperity.

Before concluding my speech, I want to take opportunity to make some

recommendations. The conclusion in your policy address states that Hong Kong Government needs leadership from within the community to face the challenges that lie ahead. "In 1997, Hong Kong will be run by Hong Kong people. They must have confidence in themselves, and in the leaders they choose." (paragraph 106) For Hong Kong people to have confidence in their leaders, we must play an active part in fostering new leadership. Apart from their mien and charisma, leaders should possess a good analytical ability and be knowledgeable. The Government should therefore encourage people from different strata of society to participate in community affairs and provide them with leadership training.

Leaders of the working class are playing a role in maintaining good labour relations and giving guidance to workers. I submit that the Government should set up a "Leadership Training Fund for Working Class" to give financial aid to organizations for providing leadership training for workers. The sources of the fund can come from public funds as well as contributions by the public.

Sir, we really need courage, confidence and co-operation in this transition period to overcome challenges that exist and lie ahead. With the aim of maintaining Hong Kong's stability, prosperity and development in mind, I believe all of us will join our efforts to tide over all difficulties and build a better Hong Kong!

Sir, with these remarks I support the motion.

DR. TSE: Sir, I would like to confine my remarks today to the topic of education, but I must put on record my full support to your far-reaching and comprehensive infrastructure development plan for Hong Kong to meet the challenge of the 21st century. To me, the millions of Hong Kong people who have put in so much to build their livelihood here, and who will continue to call Hong Kong their home after 1997, deserve every effort that can be made to bolster the prospect of their future. I was therefore very pleased that you chose "Building For The Future" as the integrating theme for your annual address to this Council last month.

From a college administrator's point of view, I must say that the bold plan of tertiary education expansion as announced in your speech is no less spectacular than the plan of the port and airport development because it represented a dramatic change of Government's previous view towards tertiary education. I still remember the time when the standard growth rate of degree education was 3%, and the reason given for that kind of "non-event" growth was that too much degree education would breed social

unrest. It is therefore very refreshing to see that the aspiration of the community for higher education is now given due respect, and the need for more degree education in the development of the economy is given proper recognition. These, plus the reality of brain drain brought about by emigration, have finally broken the myth that degree education must be elitist, a myth that has long been discarded by our competitive neighbours in the Asian Pacific region.

Sir, the plan you have outlined in your address calls for a more than doubling of first-year, first-degree places from 7 000 in 1990 to 15 000 in 1995. This means that the tertiary institutions would have to recruit some 2 700 scholars for teaching and research in the next five years, plus a comparable number of administrative, professional and service staff. The task is indeed a challenging one, particularly coming at a time when Hong Kong is facing a politically uncertain future. It would require ingenuity and innovation on the part of our tertiary institutions and close co-operation with overseas universities. I understand that heads of our tertiary institutions are already discussing among themselves ways to tackle the problem. As one who is personally involved, I believe I can say on behalf of the other heads of institutions that we welcome the challenge, and are confident that we can see the job competently done, provided adequate resources are forth coming.

In working out our plans to meet the challenge, the future source of tertiary education students is also an area of concern. As things stand, all institutions offering degree courses will, in due course, admit student after they have completed the two-year sixth form. In 1986, after very careful and widely held consultation, the Education Commission concluded in its No. 2 Report that the sixth form must be considered, and I quote: "both as a matriculation stream for higher education, and as something which will have real value for the majority of students who do not proceed to higher education".

At the time the Education Commission drew its conclusion, only 3.6% of the relevant age group were able to gain entry to degree education. There was indeed a strong argument that broadening the curriculum and introducing vocational subjects into the sixth form would benefit the great majority who had no chance of proceeding to higher education even if they were qualified in terms of the A-Level results. But according to the new expansion plan, by 1994-95, 18 out of 23 qualified A-Level students would get a degree place in one of our tertiary institutions. In other words, in a few years' time, the A-Level students who proceed to higher education would become the majority, a reversed situation from the time of the No. 2 Report. In the light

of this dramatic development, would it not be prudent to re-examine the objective and the mode of delivery of sixth form education to make sure that the majority of the students are properly prepared to take full advantage of tertiary education, while the others would still get the benefit of preparation for life and work?

I know this is not an opportune time for me to raise the question because so much effort has been put into the reform exercise since 1986. But I am bound to say that the circumstances have changed. There is now at least a prima facie case for modifying the content and the mode of delivery of sixth form education in order to maximize the benefit of Government's new policy.

While the proposed expansion in tertiary education has given rise to the awkward question about the sixth form, I remain optimistic that in the long run, it will bring enormous benefit to our secondary education system. In fact, I am very excited about the possible liberalization of our secondary education as a result.

Sir, in the old days when degree education was confined to one or two universities with very small enrolment, the competition for a university place was so fierce that the school curriculum had become subservient to the matriculation examination syllabuses. Some people even claimed that the drive and the drilling started at the kindergarten, thus affecting the whole process of learning, right through the school system. Whether or not this claim is true is no longer important, because we are facing a new day! The unreasonable pressure will be gone, schools are free to claim their rightful place as educational institutions where the mind and the character of the young are developed through proper learning processes. I would therefore like to appeal to the school administrators and teachers to take a fresh look at the new horizon in Hong Kong's tertiary education, so that they can make necessary adjustments for the health of the schools and the well-being of the students. In this regard, I do hope that the Direct Subsidy Scheme which will be introduced will allow some innovative schools to really experiment and experience the joy of providing high quality and liberalizing education to our young people.

Finally I would like to comment briefly on pre-primary education. I accept Government's decision not to include kindergartens into the public sector because of resource implications. But in discussing the issue with the professionals in the field, I came to realize that almost without exception every child in Hong Kong goes through kindergarten education. As a result, all primary schools are depending on the kindergartens to teach the children certain basic knowledge before they enter

Primary One. While we deplore the totally unreasonable demands some primary schools place on the kindergartens, we cannot ignore the fact that in reality, kindergarten education in Hong Kong has become very crucial to the success of the young child in primary school. Currently there are over 150 000 children enrolled in kindergartens, involving 8 000 teachers. These teachers are laying the foundation for our entire education system. Yet oddly enough, most of them lack formal training, and are paid less than the wage of a domestic helper. I do want to urge Government to put aside the findings of the western world about pre-primary education, and deal with the Hong Kong situation as a reality. I was told that if 1% of our education budget could be spent in this sector, it would go a long way towards restoring health and vitality to this service which is being so universally used by the community. Meanwhile I urge the Education Department to take measures to prevent the primary schools from placing unreasonable demands on students entering Primary One. These pleas might seem trivial to some people, but as an educator I attach great importance to them. I am convinced that the small price we pay to improve kindergarten education will bring significant long-term benefits to the whole community and to the whole education system.

Sir, I support the motion.

MR. ANDREW WONG (in Cantonese): Sir, in a nutshell, the whole point of the policy address you delivered in this Council on 11 October 1989 is: "Hold the present and build for the future". I would like to give my most sincere support to the Motion of Thanks here.

In your forward looking address, the comprehensive programme of "Building for the Future" had three aspects to it, namely "political development", "social development" and "infrastructure". However, I am disappointed to see that you have completely neglected or overlooked the development of agriculture and fisheries. It is understandable that Hong Kong has limited land and agricultural development is therefore constrained by the scarcity of land. Nevertheless, it is necessary to use our limited land effectively. Should we leave land which has not yet been earmarked for commercial, industrial and residential uses to lie idle? As regards the fisheries industry, fish ponds and marine culture zones are limited in number as Hong Kong has less than abundant land and coastal waters. But the fisheries industry does not only include pond fish culture and mariculture, but also deep sea capture which in principle requires little land. In fact, mariculture can be relocated to deeper

waters for development with the introduction of high technology. Sir, I am very honoured to be appointed a member of the Advisory Committee on Agriculture and Fisheries. Should I fail to point out what I believe to be an omission, I might be considered as remiss in my duties.

I find it necessary to reiterate here that agriculture and fisheries are essential ingredients of Hong Kong's economy. When imported agricultural and fishery products fall short of demand, the local supply can relieve the demand and therefore the import price will not be pushed up to an exorbitant level. I must therefore urge the Government to give due recognition to agriculture and fisheries.

Sir, apart from drawing attention to the matter of agriculture and fisheries, I do not intend to discuss in detail your grand designs for the future. I would only give a few comments on "political development".

Sir, in your address, "political development" was categorized into four topics, namely "the Development of Representative Government", "the Basic Law", "Bill of Rights" and "the Sino-British Joint Liaison Group". I believe all are aware that these four topics are related either directly or indirectly to the Basic Law to some degree. As we all know, Comments on the Basic Law (Draft) prepared by the OMELCO Members was published yesterday. The paper has also been submitted to the members of the Basic Law Drafting and Consultative Committees of the People's Republic of China. I would like to urge Your Excellency and the Hong Kong Government to peruse, consider and accept the OMELCO consensus which is the result of two years' detailed study. I would also like to appeal to the Chinese Government, the Basic Law Drafting and Consultative Committees to give serious thought to the comments given in the paper and then adopt the views which we firmly believe to be most acceptable to and welcomed by the majority of Hong Kong people. Hong Kong citizens should also come to the OMELCO to take a copy of Comments on the Basic Law (Draft) so that they may have a deeper understanding of the opinions of the majority of OMELCO Members. Ten thousand copies are now available, and if necessary, more will be printed. The second round, that is, the last round of the Basic Law consultation exercise concluded yesterday. But I believe that members of the drafting committee will still be glad to collect more opinions from the citizens with the aim of perfecting the Basic Law.

Sir, I see no reason why there has been a rumour that the OMELCO consensus is the result of the June 4 incident in Beijing. But I must clarify that the consensus concerning the political structure of the SAR Government after 1997 was reached by

the end of May 1989. Sir, I am sure you still remember we had a motion debate on the Basic Law (Draft) which was moved by Mr. Allen LEE in this Council on 31 May 1989. In his speech, Mr. LEE fully explained the consensus and this was recorded in the Official Report of Proceedings of the Legislative Council. In fact, the consensus on both the political structure and other critical issues stated in the Basic Law (Draft) was also reached by the end of May. In the debate of 31 May, I enumerated the conclusions on six major issues reached by the OMELCO Standing Panel on Constitutional Development. These conclusions are similar to those conclusions and proposals presented in Comments on the Basic Law (Draft) . Sir, do pardon me for not repeating them here. I do hope that those who have fallen for the rumour will peruse the comments and also the Official Report of Proceedings of 31 May 1989. They will then know the truth.

Sir, the consensus on 1991 political reform was indeed reached after the June 4 incident. But I must clarify that the incident is not a cause for the consensus. In the OMELCO in-house meeting of 26 July 1989, Members discussed the development of representative government before 1997 and agreed the Legislative Council should have a membership of 60 in 1991: 20 directly elected members, 20 members returned by functional constituencies, and 20 appointed and official members. In fact, the consensus is meant to fit the originally proposed timetable for the development of the SAR's political structure from 1997 with the aim of introducing political development in a gradual and orderly manner from now. In doing so, abrupt and major changes can be avoided. As it is stipulated in the Joint Declaration that the legislature will be constituted by election, seats for official and appointed members should be phased out from 1991 onwards. The OMELCO May consensus posits that in 1995 (or in 1997 as we have accepted the "through train" proposal) directly elected members and members returned by functional constituencies will be equal in number, that is, 30 each. This model should be employed for the initial political development in 1991 so that neither one nor the other can dominate the Council. As the present total number of 57 seats are not to be substantially reduced in 1991, a membership of 60 -- 20 directly elected members, 20 members returned by functional constituencies and 20 appointed members -- will be the most felicitous composition.

Sir, now is the time to make decisions on the 1991 political development. Should the Government waver, problems like what the appropriate number of constituencies is and what new functional constituencies to be established could not be solved in time. Thus, I must urge the Government to act decisively and accept the opinions given by the OMELCO Members, the majority of district board members and district

boards so as to initiate political reform.

Sir, I have pleasure in supporting the motion.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT: The debate on the motion will continue tomorrow and now according to Standing Orders I suspend the Council until 2:30 pm tomorrow afternoon.

Suspended accordingly at ten minutes past Eight o'clock.

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