

OFFICIAL REPORT OF PROCEEDINGS**Thursday, 25 October 1984****The Council met at half past two o'clock****PRESENT**

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

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

THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

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

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

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

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

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

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

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

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

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

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

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

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

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

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

THE HONOURABLE ANDREW SO KWOK-WING, O.B.E., J.P.

THE HONOURABLE HU FA-KUANG, J.P.

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

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

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

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

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

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

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

DR. THE HONOURABLE HENRIETTA IP MAN-HING

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

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

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

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

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

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

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

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

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

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE KEITH LAM HON-KEUNG, J.P.

THE HONOURABLE CARL TONG KA-WING

ABSENT

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

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

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

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

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

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

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LI WING

Government business

Motion of thanks

Resumption of debate on motion (24 October 1984)

MR. CHEUNG YAN-LUNG:— Sir, the development of new towns has taken on an unprecedented pace in the past decade. Within a short period of about ten years, quiet villages and small fishing communities in the New Territories were turned into bustling towns. By the early 1990s, they will house more than one third of our total population. This in fact represents an internal migration of people from the old urban core to the New Territories.

Sir, this rapid development of new town is indeed exciting. However, the building of new towns does not only involve moving a large group of people to live there alone. The new migrants should be provided with a comfortable living environment with community services and social facilities adequately provided. This is essential particularly for those new towns which is at a long physical distance from the urban area. They should be made as self-contained as possible so that the residents do not have to travel over a long distance outside the new town to work or to attend schools. Not only is the provision of sufficient facilities important, a point which I think the Administration is well aware of, but it is the ‘timely’ provision of such facilities which is of even greater significance. We certainly would not like to see situations whereby the necessary community facilities are planned and constructed only after the first batch of settlers have moved in. The case would be even worse if this happens in new towns situated far away from the urban core. Those who are willing to pioneer into places so far away from their old homes are usually young people with a small family and some young children and who trust that adequate facilities would be available at their new homes. However, many are disappointed to find that some of the most essential facilities are lacking. Amongst these, the most serious being the deficiency in primary school places. The provision of educational facilities is essential especially at the primary school level because it is against established government policy for small children to travel over a long distance to school. However, there are at present indications in many new towns that there have not been a ‘timely’ provision of education facilities. The situation is even more acute in places like Tuen Mun and Sha Tin.

Take Tuen Mun, for example, the deficiency in primary schools places had been so acute in the past two years that more than 60 additional classrooms had to be converted from playgrounds and special rooms in a number of primary schools to meet the shortfall. Taking the average size of 40 pupils in one class, this means that more than 2 000 pupils have to attend classes in converted classrooms. During the same period, more than 30 classrooms were also converted by the same method in Sha Tin. This arrangement is far from satisfactory. I hope that the Administration can take remedial action as soon as

possible such as to arrange for reprovisioning of playgrounds for the converted schools. In the long run, the Administration should make a better assessment of the age-profile of new town population taking into account the fact that a vast majority of these new town settlers are young families so that a 'timely' provision of educational facilities could be effected for their children.

While I am on this issue, I would also like to mention that a lot of new town residents living in public housing estates find that they do not have adequate time to arrange for school places for their children at their new home due to late notification given by the Housing Authority about their public housing allocation. It is hoped that the Housing Authority could give some consideration to this point so as to avoid inconvenience to both parents and pupils.

With the increase in population in new towns and with the majority of them living in densely populated public housing estates, it is not surprising to find that law and order becomes a problem in these areas. Crime rates in the New Territories have more than doubled since 1979 with the growth of new towns. I would like to take this opportunity to appeal to the concerned authorities to deploy more police officers to maintain law and order in the new towns particularly so in the new public housing estates. While I am on this point, I would also like to say something about the security problems in K.C.R. trains. With the electrification of K.C.R., the number of commuters have increased steadily. Crowded platform and train cabins are ideal places for crimes like pocket-picking. So are deserted cabins with one or two passengers in the late evenings. The Royal Hong Kong Police provides constant patrolling for M.T.R. stations. I hope that the same service could be extended to K.C.R. trains.

I have spoken a lot on new town development. Now I turn to the rural parts of the New Territories. Sir, I remember I had mentioned to this Council about the problem of high electricity charges for Cheung Chau residents. I am glad that this problem had been duly solved this year with China Light and Power Co. Ltd. supplying electricity to the island. However, another problem which I had mentioned to this Council some time ago has still not yet come to a satisfactory conclusion. I am referring to the problem of water supply to Ma Wan Island. The Secretary for Lands and Works informed this Council on 30 May 1984 that a feasibility study was being undertaken for the laying of a submarine pipeline to convey fresh water from the mainland to Ma Wan. I am delighted to know that approval had been given by the Public Works Sub-Committee on 11 July 1984 for the scope of the relevant Public Works Programme item to be expanded to include the laying of a supply main from Yau Kam Tau Village to the island.

However, the project is understood to be a complex one and a lot of surveying and planning work still need to be done. I am given to understand that, if everything goes smoothly, the earliest date for the completion of the project will be in mid-1987. This means that it will take at least three years before there is a

mains water supply to Ma Wan. Can something be done to solve the water supply problem in Ma Wan in the interim? The residents of Ma Wan have long relied on well-water as their only source of water. The supply from wells is unreliable and has frequently led to droughts during the dry season. Waterrationing has thus become very common on the island. This well-water is also exposed to contamination and I understand that N.T.S.D. has to conduct regular checks to ensure that the water there reaches the minimum safety standards. The Government's attention was drawn to the plight of the local people in Ma Wan way back in 1967 and it has taken the Government 17 years to decide on a permanent solution to this problem. While I am delighted by the decision to lay a submarine pipeline to supply water to the island, I wish the Administration could give some consideration to providing some interim arrangements now so as to relieve the Ma Wan residents of their present predicament. Sir, water is undeniably one of the most essential needs in our daily lives. It is unbelievable that in such an affluent and modern society like Hong Kong, there can still be people who should be threatened by the lack of a fresh water supply.

Sir, the development of the rural parts of the New Territories is as important as that of the new towns and I am glad to see that efforts have been made by the Administration to improve the living environment of the rural New Territories inhabitants. I am aware that there has been a proposal put forward recently by the Administration for the establishment of 'village centres' in rural communities to provide the local villagers with facilities like the collection and distribution of agricultural products and other social services facilities. The first trial scheme of this kind will be at Ta Kwu Ling. I fully support this proposal which, I think, will greatly improve the livelihood of those villagers living in the remote parts of the New Territories. I hope funds could be allocated as soon as possible to this innovative and meaningful proposal. Apart from this, I understand that there are also plans to embark on a 'Residential Upgrading Pilot Scheme' to improve the living environment of New Territories villages like, e.g. Sun Hing Tsuen in Tuen Mun. This is another worthwhile proposal and I hope it could be extended to other villages which require such environmental improvements as well.

Hong Kong is used to be regarded as a 'lifeboat', and the population described as those living on a 'borrowed place with borrowed time', who have a continued sense of uncertainty about the future. It follows that the apathy of the people of Hong Kong and their passive acceptance of the decision of the Administration is attributed to the belief that they are incapable of influencing the Administration and so make no attempt to try. In other words, they don't want to rock the boat! Moreover, some observers consider that the political apathy of the Chinese population in Hong Kong was due to the continuing strength of the tradition of submission to the authority. These views may have some value in the past, yet they can no longer explain accurately the attitude of the local people in the light of the rapid changing political setting in Hong

Kong. The significant changes came about two years ago when the district administration with elected representatives was first introduced. This was followed by the publication of the Green Paper on the Further Development of Representative Government in Hong Kong which aims at developing progressively a system of government the authority of which is firmly rooted in Hong Kong, which is able to represent authoritatively the views of Hong Kong and which is more directly accountable to the people of Hong Kong. It proposes, *inter alia*, election, though indirect, of Unofficial Members of the Legislative Council to represent geographical constituencies and functional constituencies should be introduced in 1985 and 1988 respectively. This implies that following the implementation of the district administration which by way of the interaction at district level between representatives of the people and Government has created opportunities for responsive government, the proposals in the Green Paper would further enable the people of Hong Kong to elect their representatives in the legislature and to ensure their accountability in the arena of the enactment of legislation, including legislation for the appropriation of public funds.

With these constitutional changes, and, more importantly, with the Joint Declaration of the draft Sino-British agreement on the future of Hong Kong, presented by you, Sir, to this Council on 26 September 1984, which advocates the concept 'Hong Kong people administering Hong Kong' in the years to come, the people of Hong Kong can no longer afford to be apolitical. As succinctly described by my honourable colleague Alex Wu in his speech made on 2 August 1984 in this Council: the attitude of 'you'll be the housekeeper, I'll care about earning my own living' is forever gone. 'Now the times have changed and Hong Kong has entered into a new era. Accordingly, our attitude must change. From now on, every one should spare some time to help "keep the house"', Therefore, it is of paramount importance that the people of Hong Kong should be prepared for and urged to take part in the approaching 1985 District Board elections and the forthcoming events associated with our constitutional changes in the years to come. In this relation, Sir, I welcome your statement that the suggestion to advance the review of the proposals for elections of Unofficial Members of Legislative Council to 1987 would be carefully considered.

According to the Registration and Electoral Office, more than 1.4 million people have registered as voters for the 1985 District Board election. This, together with the much discussion of the proposals in the Green Paper on Further Development of Representative Government in the media and the public at large indicate the keen interest of the people of Hong Kong in the development of a more representative system of government. I am encouraged by these indications of public participation, though, I admit, there is no room for complacency. I would like to take this opportunity to urge the Government to continue its efforts in encouraging the public to take an active role in the process of political development in Hong Kong, and to appeal to the public to pay more attention to the current affairs of Hong Kong, to be more

forthcoming in voicing their opinion and to fulfil their rights and obligations of citizenship e.g. to elect some suitable representatives for them to run Hong Kong. The question now is how to encourage good citizenship through active participation, and in what way can the Government promote civic awareness among the public, especially so among our second generation. It goes without saying the very importance of the need that our young people should understand the society in which they live, make sensible judgements on issues of current interest and importance, and contribute to its well-being and development.

I understand that the Education Department has been co-ordinating actions and formulating plans for strengthening civic education both in terms of curriculum and extra-curricula activities, and that a comprehensive set of guidelines will soon be compiled to assist teachers and school authorities to implement these plans. Sir, in view of the changes ahead, I hope the guidelines as well as the programme to further strengthen civic education be compiled and implemented at full stream and if resources are required, these be provided as appropriate so as not to slow down the process. If education is considered costly, the only alternative is ignorance. Sir, may I echo your words 'our systems must grow from our own society and take account of our circumstances. They will not survive without firm roots set in the society from which they spring'.

As one of the three Unofficial Members of the Legislative Council on the K.C.R.C. Board and in response to the remarks made by my honourable colleague, Mr. Stephen CHEONG yesterday, I wish to clear up some of the misunderstanding regarding the L.R.T. project. The K.C.R.C. Board members have examined the feasibility studies and arrived at the conclusion that the project is commercially viable and is good for the long-term public transportation and prosperity of the north-western part of the New Territories. Of course, one cannot expect such project to yield as quick a return of capital as manufacturing but the Sino-British draft agreement has cleared up uncertainties on the future of Hong Kong and reinforce our confidence in the L.R.T. project.

Sir, with these remarks, I support the motion.

MISS TAM:—Sir, in your opening address to this Council on the 4 October 1984 you again reassured the people of Hong Kong that the Government would continue to discharge its duty of governing Hong Kong in the interests of the community, and meet the community's essential needs so that everyone in Hong Kong will be encouraged to have faith in the future, because they can see that the Government itself has that faith'. Indeed, whilst in the past it was an undeclared policy for the Government of the People's Republic of China to keep Hong Kong out of the turmoils of political struggles within China, it is now her declared policy that in the years up to 1997, '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, and that the Government of the People's Republic of China will give its co-operation in this connection' and that Hong Kong will keep its economic and social system thereafter for 50 years. The Government and the people of Hong Kong have good reasons to 'have faith' in the future, now that an undeclared policy has been replaced by an internationally binding agreement to keep Hong Kong a vibrant international city.

One of the very important elements of maintaining social stability is to have effective enforcement of law and order. The People's Republic of China has just become a member of 'Interpol' and she should be more receptive or more responsive now to any calls for joint efforts to stem out criminal activities between China and Hong Kong. Also, this is a good opportunity to show China's co-operation to maintain social stability in Hong Kong.

Let me first say there is no lack of exchange of information on criminal activities across the border. In fact, the Border Liaison Group of the Royal Hong Kong Police Force works closely with the Chinese authorities in the arrest of persons suspected of having committed an offence(s) in Hong Kong. The main problem lies in the Chinese relaxed attitude towards, say, the manufacturing of synthetic drugs and its possession in China; the use and possession of genuine or replica firearms and ammunition, and illegal immigration.

Many tourists from Hong Kong have enjoyed the experience of shooting practices in the border holiday resorts such as Shek Ngam Wu, Sai Lik Reservoir and Ngan Wu, etc. The relaxed control over the possession of ammunition is not unknown. In respect of illegal immigration, the penalty imposed by different countries on an illegal immigrant returned to China by the Hong Kong Government varies from a fine of 40 R.M.B., to a fine of 100 R.M.B. plus three months' reform by labour. These penalties are not enough to deter to illegal immigration. In this month the Royal Hong Kong Police is arresting on average 35 illegal immigrants per day on average. There is also the problem of syndicated armed robberies executed by 'hit men' from China who would immediately return to China and wait for their share of ill-gotten gain to be sent to them by their fellow conspirators. On 23 October 1984 a gang of seven such robbers were sentenced to 15-18 years' imprisonment in Hong Kong, having committed eight goldsmith robberies. The Firearms and Ammunition (Amendment) Ordinance 1984 introduced through the efforts of the Fight Crime Committee is a timely piece of legislation.

To fight against these criminal activities, it calls for even closer co-operation between the law enforcement bodies of China and Hong Kong. The customs controls on the Chinese side may have a priority of checking on antiques and gold coins. It would be helpful if they would also check on little white pills that look like medicinal pills, but some of them are in fact synthetic drugs. Now that China has joined Interpol, she should be more alive to the drug trafficking and other problems which affect her neighbouring areas and step up her control or punishment on possession of firearms and ammunition and illegal immigration.

The Hong Kong Government should make a fresh approach to China, as fellow Interpol members, to deal with these problems at source, and should at least perhaps work out a list of customs control priorities agreed between the two Governments.

Also, the power that Your Excellency has under section 19(1)(a), and the power given to Your Excellency in Council under section 20(2) of the Immigration Ordinance (Chapter 115) should be actively exercised to remove or deport such criminals who have committed a serious or indictable offence in Hong Kong back to China. These criminals must first serve their sentences here before repatriation. This is the time, when the Sino-British relationship is more than cordial to come to an arrangement with the Chinese authorities, for us to return the criminals to China. Just by reaching such an agreement, or repatriating a few of them, the deterrent effect on criminal activities will be very significant.

In the long term, one should look for a proper extradition arrangement, one that can be preserved under the Basic Law, to be made between Hong Kong and China, when each has a better understanding in the other's legal system.

Sir, I welcome the introduction of the Community Service Order to Hong Kong. As one of the members on the sub-committee in charge of the feasibility study of this proposal I can say that the opportunity to rehabilitate young offenders or offenders of lesser crimes by ordering them to work for the community has been met with genuine support from the community. My personal main concern will be the demand on the financial resources required in the training of probation officers to supervise the offenders, and subsequent manpower commitment in such supervision, and the subsidies that might be required by any subvented agencies which provide placements for the offenders. However, I am pleased to see all these can be tested out in the proposed pilot scheme and I wish it all the success.

This brings me to a less expensive but equally important measure in the rehabilitation of offenders, i.e. the 'spent conviction scheme.' On the 23 November 1983 I raised a question in this Council enquiring about the progress of this scheme. The Attorney General replied that a short report and a draft bill on the scheme will be published this year for public discussion. The idea behind the scheme is that where a person who has committed an offence has for a number of years been law abiding, his previous conviction will be considered 'spent', i.e. that he is permitted to say nothing about it in his business and social dealings, application for jobs or insurance etc. As a UMELCO Duty Roster Member, I have come across cases where university graduates are unable to obtain jobs because of their previous conviction, in their school days, of minor offences.

The manpower commitment on a 'spent conviction scheme' is probably minimal, the rehabilitative effect to a genuine repentant is enormous. I hope the Government will introduce the scheme as soon as possible.

A few words on the official languages in Hong Kong. Sir, since the publication of the 'Joint Declaration' there has been much speculation on whether there will be a growing importance in the usage and status of the Chinese language; my answer to that is yes, I think; and whether this will affect the job opportunities of the non-Chinese working here and deter expatriates from coming to pursue their careers in Hong Kong.

In paragraph 75 of Your Excellency's speech you have mentioned that the Education Commission, under the able chairmanship of the Honourable Q. W. LEE, has completed the initial task of making a report on the major findings of the Llewellyn Report, and the language to be used in education is one of the issues which will be tackled. It is remarkable, on reading item X of Annexe I of the Joint Declaration how well the negotiators of the Sino-British agreement have preserved the essence of academic freedom in Hong Kong, even in our own choice of the language of instruction. Under item I of Annexe I it is stated that 'in addition to Chinese, English may also be used in organs of government and in the courts in the H.K.S.A.R.' The explanatory notes say that 'both Chinese and English languages may be used in government and the courts.'

I think it is vital that in Hong Kong we must continue to use both Chinese and English as our official languages, in the medium of instruction in schools, communication between government departments and members of the public, and in the law courts where a defendant has a right to elect the language in which he wishes to give his evidence, and the legal authorities, until we have enough resources to translate them, are cited in English. As long as both languages remain the official languages in Hong Kong we shall continue to enjoy a mix of culture and to maintain a pool of expatriate talents in both the private and public sector, and keep this place a cosmopolitan city.

The English language is a tool with which we can use to communicate not only with the British, but also the Australian, Japanese, or American businessmen in Hong Kong, and indeed many foreigners who trade with China are impressed by the increasingly frequent use of English in China. On the other hand, the Hong Kong people's grasp of Chinese must improve with the increasing contacts between different sectors of China and Hong Kong.

Hence I believe that in Hong Kong our students should have a choice of receiving their education in a school from either the Chinese or English stream. This will foster the talents to sustain our strength to function and maintain our status as an international centre of finance, commerce and industry.

The Honourable Alex Wu and the Honourable Dr. Ho Kam-fai had mentioned the need to positively promote the standard and usage of the Chinese language and I fully share their concerns and their views. Let's hope that there will be measures to facilitate a levelling up exercise in the command of language of our schools in the Commission's Report and by the time if we see any proposal, I hope all of my colleagues in the Finance Committee will give their

support. Sir, you have mentioned many important developments to come this year. Such as the White Paper on the Further Development of Representative Government in Hong Kong, the Report of the Education Commission, the Legislative Council (Power and Privileges) Bill, etc., all of which are to be considered and discussed or debated by this Council, UMELCO and the people of Hong Kong. The far reaching effects of the proposals in these documents will prove that this is another year for laying milestones in the history of Hong Kong and I believe your efforts will be fruitful.

Sir, with these words I support the motion.

DR. IP:—Sir, I am going to turn over a new leaf (新頁), and surprise everyone by not talking about hospitals, the mentally handicapped or children. I want to do my share in evening out the distribution of work among the Official Members of this Council, some of whom needs arrest. Sorry, there was a slip of tongue. I meant a rest. Rather I am going to pause for one year and watch closely the result of the consultative report on our Medical and Health Department, the number of mentally handicapped children not in school and how the integration of the medical services for children progress.

So, instead, I am going to talk about sex ... discrimination! This is just to keep you all awake for what is to follow!

My topic for the day dwells on two words (正平) which happens also to be the name of my late father. He adopted this name during the ten years he was in the civil service. (正) can be used as a verb, meaning (改去錯誤), correct the mistakes; and (平) is an adjective which denotes (不相上下), equality. I will give my version of how this can be achieved.

Even in this modern day and age, there is still discrimination against women. 'Ting' houses are granted only to sons and transferred through the male line. Married women cannot have separate taxation. Lady members in some clubs are classified as second class citizens and women pilots are not allowed in the Royal Auxiliary Air Force! Racial discrimination flourishes in some clubs, inspite of the Government's attempts to rectify this matter with recreational leases. I hope that this does not happen in schools. The point is we have no existing laws to prevent sex and racial discrimination. I think it is about time such legislations are enacted.

Another point of unfairness ... It always intrigues me why civil servants in the middle income group do not get any fraction of the fringe benefits that the higher income group gets with housing, paid passages for vacation leaves up to six adult fares every two years, admission to second class hospital wards. Furthermore, even if their children are entitled, if at all, to school passages to the United Kingdom say, of five return passages for every 30 months, will their salary allow them to take advantage of it? The answer is no. Neither are they

getting any benefits that the lower income group gets through subsidised housing. It is the same old story of the sandwiched class. I consider that fringe benefits should be distributed more evenly.

Likewise, what is the rationale behind different funding ratios between government and government subvented agencies (such as schools and sheltered workshops). A remarkable difference is the aspect of housing allowances that senior employees within the Government subvented agencies rarely get.

The same double standards occur with qualifying examinations that doctors have to take. One, which is the university examinations, includes all subjects set far tougher, last longer than the other one, which is the licentiateship examination—a multiple choice examination without a clinical element. A greater degree of unfairness lies in the internship which follows in that Hong Kong University graduates have to work usually one night in every three nights; they have also to work during the day as well; and this adds to working a 100-hour week whereas externship for non-Hong Kong graduates is a 9-to-5, five- and-a-half-day-week job add up to only a 44-hour week. With students graduating from the Chinese University of Hong Kong soon, it is time for us to consider setting one standard examination for all graduates be they from the Hong Kong University, Chinese University of Hong Kong or anywhere outside Hong Kong, then to be followed by a standard internship which is the same for all. Standards within Government also differ in how they combat breaking of Ordinances relating to their departments. I can understand the variations in the methods that different departments adopt in handling such breaches. Some monitor such breach and allow another more appropriate department to enforce it. Some departments monitor as well as enforce such regulations. But what I cannot understand is why some departments neither monitor nor enforce regulations pertaining to their departments. I quote an example of the Undesirable Medical Advertisement Ordinance (Chapter 31). The Medical and Health Department only handles such complaints but never seeks them out actively. Passive monitoring is complacency and it encourages acceptance and tolerance and also make a mockery of the laws which we enact. It is very encouraging now that the Lands Department is beginning to take an active step to seek out illegal structures, for the sake of safety, in the protection of the public who may have done it through ignorance of the law. Worse still is the example of the Consumer Council. In spite of the fact that they are doing an excellent job in actively monitoring products in use in Hong Kong they have no legislation whatsoever to allow enforcement. Perhaps while legislation is being prepared, if considered appropriate, and I hope it is, I have always wondered why we cannot have a 'Consumer Council label' like that of the Hong Kong Tourist Association. It can denote that a product has been tested; shown to be safe and functioned satisfactorily according to the makers' promises. The cost of the testing of course must be borne by the manufacturers. This, in my belief, is a positive encouragement for makers to seek out such tests and label and soon

the public will learn to respect the 'Consumer Council label', like they now already do with a Consumer Council report.

Do we have equality of, say, within the civil service? In most circumstances we have, but I will give an example in which I feel we don't. Nurses and teachers undergo similar duration of training and receive similar pay scales but have we considered that the nurses work shift duties and work on weekends and public holidays whereas teachers work a five-day week and are not required to teach on all public and school holidays. Every moment of a nurse's work deals with life and death. They shoulder responsibilities in that their wrong decision make the best of doctors unable to exert his skills. Nurses are a very valuable asset in this multidisciplinary team in the care and cure of patients.

I am very interested to know whether any of those decision-makers on salary scales have ever worked shift duties or worked in the cold of night. I recommend that they should take more into consideration the unpleasantness of working eight hours' shift duties when they decide on salary scales for nurses. I challenge them to again try this trick which spells 'APAPAOP'. 'A' stands for a morning shift, 'P' stands for an afternoon shift and 'O' stands for a day off, very simple. Just repeat quickly APAPAOP. What it means is that on the first day, you get up at 6 a.m. and work from 7 a.m. to 3 p.m., then on the second day, you will work an afternoon shift from 3 p.m. to 11 p.m., but you must dash home to have a nap because on the third day you have to get up again at six o'clock in the morning to work a morning shift from 7 a.m. to 3 p.m. and so on. Now if you think that this is not difficult enough, try this second trick which spells 'NNNNNOA' which means that you work from 11 p.m. to 7 a.m. for five consecutive nights running, have breakfast at 5 p.m. in the afternoon, have lunch at 10 p.m. at night. By the time your day off comes on the sixth day or night ... by then you will be too confused to know whether it is a day or night, you will hardly feel up to anything. Since you have to work a morning shift on the seventh day, even if you're not tired, you will have to sleep for 24 hours on the sixth day, because for one, everybody else in your family is asleep and, if you don't sleep how on earth can you manage to get up at 7 a.m. on the seventh morning! Now if that is not difficult enough, try this very very last trick and I'm sure this will be the last I will ever see of you. This trick spells 'PANOPAN' which means that you work from 3 p.m. to 11 p.m. on the first night, sleep eight hours, then work 7 a.m. to 3 p.m., then sleep for eight hours, then work another eight hours, but this would be from 11 p.m. to 7 a.m. the next morning. When you have the day off on the fourth day you are unlikely to have any energy to do anything. Before you realise it, the whole cycle repeats itself. What a life! No wonder nurses after training are reluctant to continue working. Now if you have survived all that, then in my opinion, you should by now sympathise with those who have to work shift duties and take this into consideration when you review (very soon, I hope) the pay scale of nurses. Please also be aware that with such discrepancy between the salary scale and the demand of their work, it is not popular to train as a nurse nor to continue working as one after training.

The establishment are not filled, and as a result, nurses are forced to do more than their fair share of work. This vicious circle then goes on and on.

Turning to a completely different point, I agree with my colleague Maria TAM in her request for deportation of legal immigrants who commit serious crime within their first seven years in Hong Kong, because I see it unfair why hardworking Hong Kong belongers have to share Hong Kong, and the space is scarce, with those legal immigrants, wherever they come from, who commit serious crime, doing our community damage, damage and more damage. In this respect, I feel Hong Kong should endeavour to seek the assurance of the country of origin of all legal immigrants to undertake to have such persons back when, having committed crime, they are deported. I believe Hong Kong has got such powers.

To turn to the recent announcement by the Housing Society of its plans for urban renewal. I wish them all the success as some parts of Hong Kong need a face lift. On this line, I have always thought it unjust that, because of a few obstinate owners of old multiple ownership block of flats, redevelopment is stalled. Valuable land are seriously underutilised and slum areas exist in the town centre interspaced with modern well-utilised buildings. I consider that we should review whether the Multi-storey Building Ordinance, where majority rules, should also extend its control to redevelopment schemes. As long as Government ensures fair compensation for owners in case of disputes, I see no harm but lots of good.

Turning to the civil servants, I have always found it ‘不平’ that two members of staff, one works very hard and the other works exceedingly slowly, both get equal annual increment. I have stated my point before and I will continue to do so. I think it creates low morale for those average and above average workers when they see their colleagues obviously avoiding work get the same increments. I think senior staff should be bold enough in such cases to stand up and to recommend a suspension of salary increment with no fear that it will happen to themselves although it may mean a lot of trouble and work to hand in report and justifications. In the long run, you will gradually weed away the inefficient and encourage everyone to work harder. In contrast, I hope one day some civil servants can be given double increments for job well done. We must be realistic that working hard with the hope of jumping a rank often takes longer than one would like. Good managers must realise that goals must not be set too far to reach or it fails to become a motivation. The creation of double increments can give seniors a more flexible approach. Double increments need not increase expenditure as long as it is compensated by an equal or higher number of suspended increments and of decrements ... which in passing I feel we should also create. A human touch to management is the key word to success.

I know full well that civil servants are very cost conscious with Government's expenditure. I hope that they are equally cost conscious for the public whom

they serve. Time is money. Delay in government procedures costs the public a lot of money. I was very impressed with the new procedures in the granting of restaurant licences in which procedures are speeded up tremendously. While waiting for approval of the licences, for the decorations etc. etc., the monthly overheads are very high. Nowadays budget must be tight. Whether government procedures take one week, one month, or three months, to the restaurant owner, it could mean a 'make' or 'break'. In this respect, I also feel time can be saved if company registrations are computerised, and property listing by name as well as by site address with cross references, are also created and computerised. We are a buzzing commercial centre, speed and efficiency is so important. I am impressed with the speed and efficiency with which the privatised 'public utility companies', for example, the Hong Kong Telephone Company, gas and electricity, work. I think Government should follow such good examples.

Now (正平) can also be pronounced (正平) 'chang pang', which means 'value for money'. Here I would like to propose some methods to do just that ... (又正又平).

Fringe benefits for civil servants are inflexible, and unequally distributed. Some people do not want to have their children take education in the United Kingdom therefore they cannot take advantage of the return passages. Some people with large families cannot afford frequent holidays outside Hong Kong, therefore they cannot take advantage of the leave passages. Most pragmatic people in Hong Kong like to acquire their own home rather than to live in government accommodation, no matter how grand. This is for the purpose of future retirement when you will have your own home. It is worthwhile that Government should have a rethink on civil service fringe benefits. It costs a lot but not many benefit from it and certainly not the way they would choose to if given the choice. If that is the case, why don't we offer direct benefits to them in money terms, in which they have an option to choose how they would like best to spend their money. A civil servant who is single and of high income group may be entitled to a large three-bedroomed flat, but he might choose to live in a small one and utilise the money that Government would have spent on him, for other better purposes. Without any increase in monetary terms, money spent on fringe benefits can be distributed in such a way that all income groups can have their fair share. If this proposal might make some worry that such monetary benefits fail to keep civil servants from leaving with their money and benefits after a short stint in the service, I would react by saying that the best way to keep civil servants is to make the job interesting, and to give them job satisfaction, not by cornering them to stay because of retirement or other benefits which they can only get if they had stayed. In fact a constant interflow in and out of the civil service is a good thing; civil servants will learn how the other side lives and the public also realises the difficulties civil servants have to face in their work. In this line, I feel the Government should to a limited extent,

second their staff to the private sector and vice versa in a sort of exchange programme. This is a learning process we can all do with more.

Turning to medical fees, since those who cannot afford it can claim public assistance and since sick leave is given with pay, medical fees at government clinics should gradually be raised to a more realistic level towards a breakeven point such that out-patients are not heavily subsidised. In so doing, Government ought to take into such calculation the cost of employing doctors and nurses. At breakeven point, the cost is probably going to be no more than one third of that in the private sector.

Turning now to teachers. In a better utilisation of resources, during the two months in which students are on holiday during the summer, teachers, after they have taken their two weeks' summer vacation, should be involved more in remedial teaching of their own students, organise educational courses for adults, perhaps parents of school-children, or relatives or nearby adult residents, in the overall objective to improve the educational standards of the people of Hong Kong. No cost is going to be incurred as the teachers are paid throughout the summer vacation, which in passing are meant for the students not the teachers.

Turning now to privatisation, the pilot project Urban Services have for the management of parks and waste disposal should be encouraged and extended to reduce the civil service force, introduce competitiveness in government projects. All these again will lead to and have been shown to give rise to cost savings.

If computerisation of property listing and company registration were to materialise, housing department can more easily check on existing public housing tenants. Capital assets and gross income can be cross-checked and serve as a deterrent for inaccurate information. I hope it will also serve as a gentle persuasion for well-off tenants to vacate premises for those more needy.

Sir, I could go on and on and on, but suffice for the moment ... and conclude, Sir, to say, that I make so many requests because I have confidence that the civil service can offer such improvements in the system. I am also confident as you are, Sir, that the civil service will play a full part in maintaining a stable and prosperous Hong Kong. In fact, I consider that they play 'a leading role'.

With these comments, Sir, I support the motion before Council.

MR. CHAN YING-LUN delivered his speech in Cantonese:—

督憲閣下：在今年及去年的施政報告中，閣下都有提及政府對寮屋和地方行政計劃的政策。過去一年來，政府在這兩方面的政策都經過徹底檢討，而檢討結果獲得各區議會一致支持。我現在想提出的是政府在施行這些新政策時需要考慮的事項。

政府已決定推行一項計劃以應付寮屋問題，預算到了九十年代初期，市區木屋區的大部份居民都可獲得安置。我對此深表歡迎。雖然所有寮屋居民都會完全同意閣下所說：「這樣預測很有問題」，但我們都希望政府能維持在這方面的投資，同時繼續管制入境人數，使其停留在低水平。我們必須下定決心，將這個最嚴重的社會問題徹底解決。

在市區加強清拆工作會增加人們對市區安置單位的需求，因此必須加速在市區興建公屋單位，特別是在港島區。雖然不少人喜歡新市鎮環境寬敞，但那些在港島居住已二十年甚至三十年的居民，會希望留在他們工作和上學的地區。政府應該盡量照顧他們的需要。

安置市區木屋居民需要時間，因此必須維持現行雙管齊下的方法，就是說，雖然已經訂立了確實的清拆計劃，仍要繼續推行木屋區改善計劃，不應因為有了清拆計劃而停止改善工作。這些改善計劃雖然只是臨時措施，但為那些清拆無期的木屋區提供了必需設施，例如防火、供水和衛生設備等。

我現在要談到地方行政。這個問題在上年度經過廣泛的檢討，而當我們按照有關香港前途的中英協議所訂的「高度自治」的途徑發展時，這個問題更日益重要。

首先，我要對閣下在施政報告演辭中提及的檢討結果，表示熱烈支持，特別是有關增加民選區議員數目，由非官守區議員擔任區議會主席，政府官員不再出任區議員等。我認為這是「還政於民」的一大進步，如果能夠適當執行，可以令我們有一個更好和更順應民意的政府，亦為我們的未來行政架構奠定更穩固的基礎。為了達到這個目標，政府和非官守區議員雙方都應該繼續努力。

在政府方面，一定要令負責地方行政工作的人員明白，他們應繼續對非官守議員的建議和意見，作出迅速和積極的反應。根據我們的經驗，地方官員出席會議，回答問題，聽取意見，是輕而易舉的事。但要他們對意見作出反應便較為困難，而要他們依意見行事則更困難了。從我接觸非官守議員所知，他們確實擔憂一旦政府官員不再出任區議員，官方成員會退居被動地位，再沒有目前他們明顯表現的熱心、主動和積極參與。對於這些議員的關注，我亦有同感。我希望政府重視這個可能發生的問題，設法保證政府官員繼續有效地執行任務。政府要特別考慮到區議會與地區管理委員會的工作關係。目前，政務專員身兼區議會主席及地區管理委員會主席，可以為兩者提供聯繫。非官守區議員由一九八五年三月起擔任區議會主席後，這個聯繫便不再存在。為了有效推行各區的政務，在這兩個組織之間維持一種聯繫是非常重要的，可以使到區議員和地方官員清楚明白到他們各自的任務。這樣一來，他們才可以在融洽的氣氛下衷誠合作，共同為屬區謀福利。

督憲閣下，我很高興知道政府正逐漸轉為較開放。政府帳目委員會公開舉行會議，是一個重要的步驟，可以讓香港市民知道公帑運用的監管程序。這個開放的原則亦應適用於區議會。一直以來，政府的傳統是以協商和認同為原則，但自區議會成立以後，加上市民對公眾事務的興趣日漸濃厚，人們對於政府擬訂政策，特別是影響各區居民福利的政策時，進行多方面協商的要求，便相應增加。顯著的例子包括檢討的士政策和東區走廊的巴士票價，以及增加公共屋邨的租金等。這些施政問題曾經一度引市民強烈的反應；由於政府目前所面對的，是較願意發表意見的市民，故應該讓區議會有更多機會公開討論影響廣大市民施政建議。至於應在什麼時候，和有那些問題應該諮詢區議會，目前似乎還沒有任何準則。不過，我希望政府官員能運用敏銳的政治觸覺，當估計市民會對某一項施政問題作出強烈反應時，便應諮詢區議會的意見。最近對乙類公共屋邨及早期政府廉租屋邨增加租金，以及就屯門輕便鐵路系統進行諮詢，都是很好的例子，我很高興有關當局能在事前主動諮詢區議會。照我估計，下一個可能引起市民興趣的問題，是電子道路收費計劃。我相信有關當局會在適當時候作出安排，就這項建議計劃，諮詢區議會的意見。

除了政府作出努力之外，一般市民須如何協助使香港進入高度自治階段？選民登記冊的選民人數有一百四十萬，但其中有多少人會在下次區議會選舉中投票呢？明年的選舉將會是萬眾矚目的。選民的反應至為重要—它顯示市民願意參與的程度，同時，在策劃本港未來政制發展的下一步時，選民的反應亦將是應慎重考慮的因素。因此，政府、區議會和社區組織應該鼓勵已登記為選民的人士在下次選舉時投票。

除了選民的參與外，亦須要有質素優良的人才參加區議會競選。在下次選舉中，民選區議員的人數將會由目前的一百三十二名，增至二百三十六名，增幅約為百分之八十。但除非有關方面鼓勵和協助來自不同階層和社會背景的適當人選參加競選，否則民選議員人數的增加並不表示區議會獲得更有價值的意見。我希望政府，特別是政務總署，專業及工商組織及各團體在未來五個月內能加倍努力，鼓勵有潛質的人參選。若有更多有份量的候選人積極參選，才能吸引更多人投票，和確保區議會更有代表性。這樣，當他們最後當選為立法局議員時，便能成為立法機構更強而有力的基柱。

在強調候選人質素的同時，我們亦須提防會有可能產生一批日漸遠離民眾的精英議員。最佳的保證莫如讓市民與我們的政制一同成長。隨着政制急速發展，部份人士會覺得難以追上改變的步伐。雖然區議會已成立三年多，但我恐怕仍有很多人不明瞭區議會是什麼。當我們逐漸發展代議政制時不應將廣大市民置於腦後，他們必須與我們一起成長，特別是本港的年青人，因為我們的將來全賴年青的一代。很多人曾經強調，應增強學生的公民教育，而我們亦須顧及那些渴望參與服務社會且正在工作的年青人。由於缺乏經驗和正當的指導，他們大都感到迷失和灰心。我認為政府應該在這方面更積極工作，特別是在各項社區建設活動上。我希望特別強調一點，就是區議會在舉辦這些活動時，除了提供康樂和娛樂項目外，更應該儘量向市民，特別是年青的一代，灌輸有關的知識，使他們更有公民責任感和對政府、選舉及推行民主政制的程序，有更深的認識。換言之，這些活動必須包含更多正式公民教育成份在內。

閣下，你說「締造一個美好的將來不能全靠政府。整個社會都必須參與。」以上各點都是響應閣下的號召，目的為將來的政制、改善地方行政和整個社會的共同目標奠下穩固的基礎。

督憲閣下，本人謹此陳辭，支持動議。

(The following is the interpretation of what Mr. CHAN Ying-lun said.)

Sir, in both this and last year's annual address, you have included government policies in relation to squatters and the District Administration Scheme. During the past year government policy in these two areas had been thoroughly reviewed and the results received unanimous support from the District Boards. What I would like to cover now are areas that need to be taken into consideration when Government implements these new policies.

I welcome government's determination to tackle the squatter problem by embarking on a programme to provide homes for the majority of the urban squatters by the early 1990s. Although all squatters would agree completely with you the 'perils inherent in such predictions', we are all hopeful that Government will maintain its investment in this direction and at the same time keep immigration to a low level. We must be determined to break the back of this number one social problem once and for all.

As intensified clearance in the urban areas will generate more demand for urban rehousing, public housing production must be stepped up particularly on Hong Kong Island. Although many people would like the spacious environment in the new towns, squatters who have been living on the island for 20 or 30 years would prefer to stay where they work and attend school. Government must meet their needs as far as possible.

As rehousing of urban squatters takes time to complete, the present twopronged approach must be maintained, that is to say, although there is a more definite clearance programme, the Squatter Area Improvement programme must be allowed to continue and should not be held back because of the former. Though such improvement projects are only interim measures yet they provide essential facilities such as fire prevention, water supply and sanitation to those squatters which are not considered priority areas for clearance.

I would now like to come to the second subject, which has been extensively reviewed in the past year and is of growing importance to our community as we move towards a government with a 'high degree of autonomy' intended in the Sino-British agreement on our future.

Firstly, may I give my strong support for the result of the review mentioned in your speech, in particular, for the increase in the number of unofficial District Board members, with the Board chairmanship being taken up by an elected member and with government officials ceasing to be full board members. I think this represents a major step forward in 'returning power to the people' and, if properly administered, will ensure a better and more responsive government and will provide a firmer basis for our future administrative framework. To achieve this objective, a lot more need to be done, by both the Government and the unofficials.

On the part of the Government, it must impress on its staff working at the district level to continue to respond promptly and positively to suggestions and ideas from Unofficial Members. Experience tells us that it is often too easy for district officials attending District Board meetings to answer questions and to take advice, but it is often more difficult for them to respond to the advice and even more difficult to act upon the advice. From my contact with unofficial District Board members, there is a genuine worry on their part that as soon as government officials cease to be District Board members they will simply play a passive role without displaying the same degree of initiative, enthusiasm and participation hitherto so conspicuous among the district 'official team'. I must say that I share their concern and I would like to draw the attention of the Administration to this possible problem to ensure that government officials will continue to play their executive role effectively. In particular, the Administration should give due consideration to the working relationship between District Boards and District Management Committees. At present, the District Officer is chairman of both the District Board and the District Management Committee and thus act as a link between the two. With unofficial members taking up the chairmanship of the District Boards in March 1985, this link does not appear to exist any more. I think it is vital for the efficient running of the districts that a link of some sort between the two can be maintained so that both District Board members and district government officials have a clear understanding of their relative roles. Only then can they work for the welfare of their districts in a harmonious and co-operative atmosphere.

Sir, I am delighted to learn that we are now moving towards the direction of a more open government. The opening up of the hearings of the Public Accounts Committee to the public is a major step in allowing the citizens of Hong Kong to know how the use of public money is scrutinised. At the District Board level, the same principle of open government should also apply. We have a long tradition of government by consultation and consensus, but with the advent of District Boards and people's growing interest in public affairs, there has been a corresponding demand for more consultation on government policies, particularly on matters affecting the welfare of residents at the district level. Notable examples include the taxi review, Island Eastern Corridor bus fares, and rent increase of public housing estates. These policy issues have aroused strong public reaction and as the Government is now dealing with a more vocal population, it should allow the interested public to have more opportunities to discuss openly those policy proposals that affect the general public. At present, there do not appear to be any guidelines on when and on what issues District Boards should be consulted. However, I hope that government officials could exercise their good political sense and consult the views of District Board when strong public reaction is anticipated for a particular policy issue. The recent rent review of group B public housing estates and former government low cost housing estates and the Tuen Mun Light Rail Transit System are good examples of this and I am glad that the concerned authorities have taken the initiative to consult District Boards well beforehand. The next policy issue which is likely to arouse similar interest from the public will be, I think, the E.R.P. scheme. I believe full consultation with District Boards will be arranged for this proposed scheme at an appropriate time.

Apart from the efforts made by the Government, how should the general public help in preparing Hong Kong on its way towards a highly autonomous government? We have 1.4 million voters in the electoral roll, how many of them will participate by casting their votes in the next District Board election? All eyes will be set on the election next year. The response of the voters is vital: it will tell us to what extent the public is willing to participate, and it will be a major consideration in planning the next step in the future development of our political system. It is therefore pertinent for the Government, District Boards and community organisations to encourage registered voters to vote in the coming election.

Besides the participation of voters, it is also essential to have candidates of good quality to stand for District Board elections. There will be an increase in the number of elected District Board members from 132 to 236 in the coming election, an increase of some 80 per cent in quantity. But this will not necessarily mean an improvement in the quality of advice to be given unless candidates of the right calibre from all walks of life and social background are encouraged and prepared to stand for election. I hope that the Government, in particular the C.N.T.A., and various professional and trade associations and institutions will step up their efforts in the coming three months to encourage prospective

candidates to stand for election. Only a keenly competed election between more interested candidates can help to attract a greater turnout of voters and ensure a greater degree of representativeness in District Boards. Consequently, when they are eventually elected to the Legislative Council, provides a stronger power base for our legislature.

While stressing the quality of candidates, we must also guard against the tendency of creating a class of elite unofficials who may become more and more aloof from the people. The best assurance is for the people to grow with our political system. With the rapid pace of our political development, some people may find it hard to catch up with the pace of change. Even though the District Board scheme is over three years old, many people I am afraid still do not know what District Boards actually are. The mass community must not be left behind in our growth towards a representative government. They must grow with us. This is particular so for the young people of Hong Kong because our future lies in our younger generation. Many people have stressed the importance of improving civic education amongst school children. However, we must also think about those working youths who have just left college and who are aspiring to play a part in serving the community. Through lack of experience and proper guidance, many of them felt lost and frustrated. I think the Government should play a more active role in this aspect, particularly through its various community-building activities. Here, I particularly want to emphasise the point that District Boards in organising their activities should, apart from the recreation and entertainment elements, aim at instilling among local population, in particular, the younger generation, a greater degree of civic responsibility, a better understanding of the Government and the election and democratisation process. In other words, there should be a greater element of proper civic education in these programmes.

Sir, I wholeheartedly agree with you that 'building a future is not a task for the Government alone. The whole community must become involved'. In response to your call, I have made the above suggestions which would involve the whole community and would lay a sound basis for our future political system, better local administration and sense of purpose for the whole community.

Sir, I support the motion.

MRS. FAN delivered her speech in Cantonese:—

督憲閣下：中英政府於一九八四年九月二十六日所作出的聯合聲明已經為香港的前途勾劃了一個輪廓，這份協議草案，大致上都能夠為香港人所接受，因為正如閣下所指出：「市民所清楚表明，認為是最重要的因素，都在協議內列明，可以繼續保持。」另外一方面，國際之間對於協議亦普遍地表示歡迎。我們香港市民的將來有了一個好的開始，而督憲閣下及各位與中英會談有關的人士所付出的努力，我深信香港市民是不會忘懷的。

未來的日子是會充滿挑戰的，市民將會面臨前所未有的考驗。因此，市民要作好心理上的準備，更需要在政治識見方面擴展視野，了解到不同政綱對於整個社會和經濟的影響，才能在適當的時刻作出明智的選擇。在未來的十二年零八個月，即過渡時期中，我們必須謹慎地求進步，維持社會及政治上的穩定，致力於經濟上的繁榮，及培養下一代接班人。

本人覺得，能夠使到香港繁榮和安定，最基本的條件，就是有穩定和符合香港社會的政制，及有良好的法紀和治安。因為有穩定和符合香港的政制，才能令投資者有信心，放膽地將資源輸入香港；有良好的法紀和治安，市民的生活才有保障，大家才能專心做自己份內的事。故此，政治的穩定和良好的法紀是相輔相成的。歷年來，香港政府在這兩方面的努力與成就是有目共睹的。而閣下在施政報告中第三章及第七章所提出的方針中肯且正確，本人完全支持。

對本港未來政治穩定有極大影響的代議制白皮書將於下月發表，閣下已經指出，白皮書內的各項確實計劃，「僅代表代議制在本港發展的另一階段，並不排除將來再有發展。」閣下亦認為「香港有一天可能會進行直接選舉。」我也覺得透過直接選舉產生立法機構將是發展代議政制的自然趨勢。

中英協議附件一第一節明確提出立法機關由香港人組成，行政機關必須對立法機關負責。換而言之，立法局在整個政府架構裡面的地位將日漸重要。在直接選舉的制度下，立法局的質素將決定於投票人選擇的能力及競選者本身的水準。在本港來說，這兩方面都應盡量去提高。因為，未來的香港政府要做到「能人所不能」，才有機會實踐「一國兩制」的構思。我認為政府應該以實事求是的精神極力推行公民教育，增進市民對於挑選議員的智識。我所講的並非單單學校裡的公民教育，而是每個市民都需要的公民教育。市民對現行的主要制度的運作必須有大致上的了解，才能明辨競選人所提出的政綱是否可行，是否對整個香港有利。我們以往無須為政治費心，大家只是為更好、更有意義的生活而努力。所以在投票選舉區議員或市政局議員時，大部份人所考慮到的是「他們為我做什麼」。這種做法並沒有錯。不過，將來運用在投票選舉立法局議員時，可能不大足夠，因為我們還須考慮到「如果照他們所說的方法去做，除了對我個人有利外，還對整個香港的繁榮安定會有些什麼影響？」每個市民都需要理解到，如果香港繁榮安定受到妨礙的時候，則他們現有的一切可能化為烏有。所以市民實不值得為了一些短線的好處而忽略了長遠的整體利益。這點我覺得非常重要，應該把它列為公民教育的主題。認真地去推行公民教育，乃是當務之急，因為成果可能要等幾年後才能見到。政府為推行公民教育已經做了一些工夫，例如，鼓勵市民登記做選民，實行「青年實踐計劃」，推動「公益少年團」等等。教育署也日益重視「公民教育」，並且籌備更有效的方法。這些都是好的開始。一方面，應該按時檢討這些工作的成果；另一方面，政府必須更具決心地多撥一些資源以便更加廣泛更切實地推行「公民教育」。我更希望政務處、教育署、社會福利署等部門在公民教育方面通力合作，彼此加強聯繫，務求令到香港市民的公民意識、政治理解力盡快提高，以便他日有把握選出一個代表市民而又有辦事效率的政府。

香港人才濟濟，照理競選者的質素應該不低；但參加立法局直接選舉所需要的時間和人力、物力，實在不少。當選後更需要將全部時間為市民服務。在生活繁忙、競爭劇烈的香港社會，參選對很多人來說，在時間及金錢方面，都會有相當困難。如果我們只是作口頭上的鼓勵，卻不改變現時的方式，我相信是不足夠的。我覺得政府應該考慮用較實質的方式去吸引有質素的人士參選，譬如，立法局議員全職化，由政府支薪，向市民負責。又譬如，當某區議員當選為立法局議員後，可以考慮將他在區內原來的職務另選出議員補上，使他能夠集中精神於立法局的工作為全港利益服務。以上這些建議如果得到實行，當然，必須好好地斟酌。舉例來說，議員的薪酬，會成敏感的問題：定得過低，未必能吸引到適合的人士，訂得太高，又會有浪費公帑之嫌。但不論如何，當直接選舉成為參加立法局的途徑之一時，政府應該使用各種方法令有識見的人士覺得參加競選是值得的。

本港人口稠密，一般居住環境狹窄，而各種物質的引誘較其他地方為大，青少年在這個環境中長大，耳濡目染，很容易受到影響。有些更由於好奇心的驅使，或者為了好勝，不自覺地染上惡習。因此，我很高興聽到閣下提到青少年吸毒的問題已受到控制。不過，另外一個對青少年心理方面可能大有毒害的問題，看來有增加的趨勢。我所指的是充滿暴力及黃色的刊物和錄影帶。這些來自外地或源自香港的刊物和錄影帶在市面流通，青少年和成年人一樣，都可以買到或看到。在一九八二年，警方及海關一共沒收了一萬七百多本刊物及錄影帶，在一九八三年這數字增加到三萬一千多本，即是說增加三倍。這當然有賴警方、海關及民政科的努力不懈，但也可反映出這個問題的嚴重性。大家知道，在現行的法律下，政府可以起訴一本刊物，如果勝訴，該刊物即充公，而出版人或零售商會被判罰款或入獄。一般情況下，罰款平均大約兩千元。情況特別嚴重者，可判入獄，但這種情形甚為少見。在罰款之後有些出版或零售商仍繼續出版及銷售其他不良的刊物。祇要我們到報攤上看看，就明白到現行「不良刊物法例」的阻嚇作用之不足。而且有些雖然說不上為不良的刊物，但對於十幾歲的少年人，亦是不適宜的。我了解到民政科已經取得本地一些出版商的同意，在他們出版的雜誌上印上「兒童不宜」等字樣。這固然是一個好的發展。但我更希望見到有法律作後盾，而非祇靠民政科用情商的方式去做。我同時也建議政府考慮加強對付「不良刊物」的法例，讓法庭有停刊權、來處理屢犯不改的人士。民政司曾於七月在本局提及政府正初步考慮設立「不良刊物仲裁處」的可能性，我建議政府盡快設立該「仲裁處」。因為現在起訴不良刊物所需的時間實在太長，當法庭在數月後作出判決時，對於該刊物的銷路，已完全起不了具體作用。再加上這些刊物多數是中文的，而律政司署的人員及法官大多是由外地聘請來港，所以，首先要將該刊物譯為英文，這又耗費了不少人力及時間。如果成立了「不良刊物仲裁處」，這種時間上的延遲及人力的消耗可以有效地除去，而且，負責仲裁的人員一定經過精心挑選，必然能夠更加了解我們社會道德的尺度，作出適當的判斷。

閣下在施政報告中指出「公務人員會在維持香港繁榮安定方面，發揮積極作用」，本人完全同意。但我覺得政府有責任對盡忠職守的公務人員作出最大的支持，這種支持對維持法紀的紀律部隊、特別是警察，尤其重要。我所謂的支支持可分為兩種：一種是資源方面的，政府在可能範圍內應盡量給與警察適當的人力、裝備及設施，令警隊能有效力地維護市民、對付罪案；另外一種支持是通過立法的程序，加強對暴力罪行的刑罰及防止措施。對於深受暴力罪行威脅的市民而言，加重對這些罪犯的刑罰是理所當然的；對冒着生命危險維持治安的警察而言，這無疑是一個強心針。撲滅罪行委員會建議增加對持有及使用槍械的刑罰，獲得社會人士的贊許，正好反映出香港市民對這方面的意願。正如王澤長議員昨天所說，即使在英國這個廢除死刑的國家，由於恐怖分子在布拉頓的爆炸，也令很多英國人覺得祇有恢復死刑才能產生阻嚇作用。我們在香港實不應墨守成規，而應該按照社會情況、市民的需要，對令人反感的罪行作出迎頭痛擊！政府必須採取適當而有效的方法，去支持負責治安的人員，才能確保社會的安定。

督憲閣下，本人支持動議。

(The following is the interpretation of what Mrs. FAN said.)

Sir, the Joint Declaration by the British and Chinese Governments on 26 September 1984 has laid down the broad outline for the future of Hong Kong. The draft agreement in general can be acceptable to the Hong Kong people because, as you, Sir, rightly pointed out, 'it does provide for the continuation of those elements which the community have made clear that they regard as essential'. On the other hand, many countries have also indicated their welcome

for the agreement. We, the citizens of Hong Kong, now have a good start for our future. I am sure that the efforts made by you, Sir, and others involved in the Sino-British talks will be well-remembered by the Hong Kong people.

The days ahead are full of challenges. We must be psychologically prepared to face with trials unknown to us before. To enable us to make the right decision at the appropriate time, we should broaden our horizon on the political front, and learn to understand the social and economic impact of different political platforms. In the forthcoming interim period of 12 years and eight months, we must, in a cautious manner, seek to maintain our social and political stability, work towards our economic prosperity, and develop and train our next generation as our successors.

For Hong Kong to have prosperity and stability, I feel the basic prerequisites must include a stable governmental system well suited to the Hong Kong society, and good law and order in this territory. With a stable governmental system well suited to the Hong Kong society, investors have the confidence to channel their resources into Hong Kong. With good law and order, the people feel secure, they can then concentrate on performing their own duties. For these reasons, political stability and good law and order are complementary to each other. In past years, all of us have witnessed Hong Kong Government's dedicated efforts and outstanding achievements in these two aspects. Sir, the plans you have outlined in chapters three and seven of your policy address are accurate and appropriate measures and I am in full support.

The White Paper on representative government in Hong Kong which will have a great impact on our future political stability will be published next month. You have pointed out, Sir, that 'these plans will represent only one further stage in the development of representative government in Hong Kong. They do not preclude subsequent development'. You have also said, 'the time for direct elections may come'. I also feel the natural trend for the development of representative government is a directly elected legislature.

In section I, Annex I of the Joint Declaration, it is clearly stated that the legislature shall be composed of local inhabitants and the executive authorities shall be accountable to the legislature. In other words, the Legislative Council will play an increasingly important role in the government infrastructure. Under the direct election system, the quality of the Legislative Council will depend on the voters' ability to choose and the calibre of the candidates. In Hong Kong, both of these two qualities should be improved because the future government of Hong Kong has to achieve what others cannot do in order to implement the 'one country two systems' concept. I think that the Government should adopt a realistic and pragmatic approach to promote civic education actively to enhance the public's knowledge in selecting their councillors. I am referring not only to civic education in schools, but also civic education for every individual citizen. Our people must have a fair understanding of the operations of the major existing systems before they can identify whether the promises made by the

candidates can be achieved and are of beneficial interest to Hong Kong community as a whole. In the past, we need not concern ourselves with politics, but work hard for a better standard and more meaningful life. It is for these reasons that in any District Board and Urban Council elections, most people only consider what the candidates can do for them. This line of thinking is in the right direction. However, if this approach is applied in future voting for Legislative Councillors, this may not be adequate. We have to further consider that—'If we carry out the candidate's proposals, though we may be benefited as individuals, but what will be the likely effects on the prosperity and stability of Hong Kong as a whole?' Members of the public must understand that if the prosperity and stability of this territory suffers any setback, all they have in possession now may be lost. It is, therefore, not worthwhile for the people of Hong Kong to neglect long-term community interests simply because of short-term benefits. I consider this is an important point and should be included as a major theme in our civic education. To promote civic education is an urgent task, even though we may not be able to see any substantial results until several years later. The Government has already carried out some promotion on civic education. For example, to encourage the public to register as voters, to implement the 'Opportunities for Youth Scheme' and to give impetus to the 'Community Youth Club' etc. The Education Department is also directing increasing attention to civic education and devising more effective measures for its implementation. All of these measures are indicative of a good start. The Government should review the progress of these efforts on one hand and be determined to allocate more resources to promote civic education more widely and thoroughly on the other. I fervently hope that District Offices, the Education Department and the Social Welfare Department will fully co-operate with one another and strengthen their links in the promotion of civic education so as to enhance, as soon as possible, the public's civic consciousness and their understanding of politics. This move will ensure that the people can in future elect a representative and efficient government.

There is a galaxy of talents in Hong Kong and it is only logical that the quality of candidates should not be low. Yet the time, manpower as well as material resources required for direct election of Legislative Councillors are definitely enormous. Successful candidates have to spend all their time to serve the public. In Hong Kong where life is busy and competition is keen, time and money may be obstacles for candidates to take part in the election. If we only give people verbal encouragement and do not change existing methods, I believe this is far from adequate. I consider it necessary for Government to consider using more substantial means to attract people of good calibre to take part in the election. Legislative Councillors should, for example, be paid by the Government to work on a full-time basis and be responsible to the public. Another example is that if a District Board member is elected to be a Member of the Legislative Council, his original duties with the District Board should be relinquished and he replaced by another member. This will enable him to

concentrate on his work with the Legislative Council in serving the whole community. If the above proposals are to be implemented, it is obvious that we need to give the implemented procedure some careful consideration. For example, the salaries of Councillors may become a sensitive question. If the salary scale is fixed at too low a level, it may not attract suitable calibre candidates. Assuming that the scales is fixed at too high a level, there will be a waste of public fund. Nevertheless, when direct election becomes one of the ways by which people may serve in the Legislative Council, the Government should use all kinds of methods to convince and impress knowledgeable persons to take part in the election.

Hong Kong is densely populated, crowded in our living environment, and material temptations are numerous and stronger here than elsewhere. Youths who have grown up in such an environment are imperceptibly and easily influenced. Some of them may, out of curiosity or the urge to do others down, unconsciously fall into evil ways. Sir, I am very pleased to learn that the drug addiction problem of youths has been put under control. However, I am concerned about another problem which tends to be increasingly serious and may be greatly detrimental to the youths' psychological state of mind. I am referring to the production and circulation of publications and video-tapes that are full of violence and vice. These publications and video-tapes, whether originated from abroad or in Hong Kong, are widely circulated. Everybody, youngsters and adults alike, can buy and read them. In 1982, the police and the Customs and Excise Department confiscated a total of over 10 700 such publications and video-tapes; whereas in 1983, this figure had increased to over 31 000 which is about three times that of 1982. This, of course, may be due to the conscientious effort of the police, the Customs and Excise Department as well as the Home Affairs Branch; nonetheless, this also reflects the seriousness of the problem. As you know, under the existing legislation, Government can prosecute a publication and if successful, the publication will be confiscated. The publisher or the retailer will be penalised or be imprisoned. Under normal circumstance, the average penalty will be in the region of \$2,000. If the offence is very serious a prison sentence may be passed. But this seldom occurs. Some publishers or retailers, after paying the penalty, continue to publish and sell other objectionable publications. If we visit the newsstands, we can realise the insignificant deterrent effect of the existing Objectionable Publications Ordinance. Some publications, though may not be exactly objectionable, are still not suitable for teenagers. I understand that some local publishers have agreed to print the words 'Not Suitable for Children' on their magazines, as a result of the efforts made by the Home Affairs Branch. This undoubtedly is a good beginning. But I would prefer to see that there is full backing for such measures through appropriate legislation instead of relying merely on the Home Affairs Branch's power of persuasion. I also propose that government consider strengthening its legislation instead of relying on 'objectionable publications' so that the courts can have the power to stop publication when dealing with

persistent offenders. The Secretary for Home Affairs has, in July, mentioned to this Council that Government was considering, at an initial stage, about the possibility of setting up an 'Objectionable Publications Tribunal'. I propose that Government set up this Tribunal as soon as possible, because the time needed now for filing a case against an objectionable publication is too long. When the court finally passes judgement a few months later, there is hardly any significant effect on the circulation of that publication. Furthermore, these are mostly Chinese publications which have to be translated into English first, as officers of the Legal Department as well as the Magistrates are mostly expatriates. This is again time and energy consuming. Upon the setting up of the Objectionable Publications Tribunal, such delay in time and consumption of manpower can be effectively removed. Besides, members of the Tribunal, who are meticulously selected, must invariably have a deeper appreciation of the standard of our social morals, and are able to pass appropriate judgement.

Sir, you mentioned in the policy address that the civil service will play a full part in maintaining a stable and prosperous Hong Kong. I fully agree with you, and I think it is incumbent upon Government to give its fullest support to dedicated civil servants. Such support is especially important for the law enforcement agencies, the police in particular. The support I refer to is twosided. One is on resources. Government should wherever possible, provide the police with adequate manpower, equipment and facilities so as to enable the Force to effectively protect the public and fight against crime. The other means of support is to impose heavier punishment on violent crime offenders and to strengthen preventive measures, through legislation. For the general public who is constantly exposed to the threat of violent crime, imposing heavier sentences on these offenders is certainly the right thing to do. For the police who risk their lives in maintaining law and order, this is undoubtedly a *cardinala ampoule*. The proposal by the Fight Crime Committee to inflict heavier punishment on armed robbers has won the approval of the community. This rightly reflects the views and wishes of the Hong Kong people. As the Honourable Peter C. WONG said yesterday, even for Britain which has abolished capital punishment, the bomb blasting in Brighton by terrorists has caused many British to realise that only the resumption of capital punishment can produce a deterrent effect. We in Hong Kong must not stick rigidly to old practices, we must act in accordance with the social situation and the needs of the people, and deal head-on blows to those repugnant crimes. Government must take appropriate and effective measures to support those officers who are responsible for maintaining law and order so as to ensure social stability.

Sir, I support the motion.

MRS. NG delivered her speech in Cantonese:—

督憲閣下：本年度的施政報告，發表於中英草簽聯合聲明之後的第八天。一九九七年，香港的主權將重歸中國，而成爲一個高度自治的特別行政區。由現在到一九九七年期間，是

重要的過度期，本人相信閣下的施政，必定會配合中國於草簽協議內詳列關於香港九七年後各種安排而作出，使香港這個彈丸之地，順利地發展，保持繁榮和安定的生活。

施政報告中詳細地談到憲制發展，把代議政制綠皮書所提出的各種建議，加上諮詢民意所得的結果，提出了若干代議政制白皮書中可能涉及的改變，例如代議政制或者會提前於一九八七年進行檢討，這點是值得支持的。正當香港憲制日趨開放的同時，地方行政的改革定當擔任重要的角色，所謂萬丈高樓從地起，如果要一座建築物能夠屹立在暴風雨之中，它的根基就一定要好穩固，正如代議政制一定要植根在每一個香港人身上，本人謹希望政府在發展憲制的同時從速加強對地方行政作出進一步的改革，加強地方組織的地位。現時，地方行政中最基層的組織是互助委員會、業主立案法團和分區委員會，其成員均是來自區內的熱心坊眾，他們抽出私人的寶貴時間服務於社區，精神可嘉，是值得政府大力支持和鼓勵。可惜目前一般的互助委員會士氣並不高，原因是居民的參與並不活躍，加上政府在人力物力上的支持仍屬有限，使活動的安排受到制肘。另外，分區委員會對區內事務提出了寶貴意見，上承區議會下啓互助委員會及業主立案法團，其重要性不容忽視。政府應該增強分區委員會的地位，考慮給予會址，抽調聯絡主任去每一個分區為單位在各會址內工作，使分區內的市民更明白分區委員會的任務，從而加強彼此間的聯繫及接觸。未來，我們的領袖均來自區內，增加參與的機會；加強參與渠道的功能及政府的人力物力支持和鼓勵是未來香港憲制發展成功的主要因素之一。

本人想補充一點，香港的代議政制逐步開展，市民參與程度日漸加強，將來，立法機關由選舉產生，還政於民的時代已經開展了。長久以來，香港公僕以極高的水準服務香港市民，鞠躬盡瘁，不過，以往的決策程序中市民參與機會甚少，因此也相對也做成了由官意決定政策的局面。目前香港政制在轉變中，不少首長都能勤政親民，善於採納民意，然而有一部份則未能適應時代節拍，他們視而不見，聽而不聞，對市民交待不足，造成官民之間的一道無形的圍牆。本人希望將來市民不會再碰到這些冷硬的圍牆，而是和諧攜手的官民互相交通，然後經過決策程序制訂各項政策。

現在，本人想略談社會計劃方面。首先，在房屋政策上面，本人歡迎政府於九十年代初期將市區主要寮屋區居民安置，閣下去年的施政報告亦已提出了安置這一點。本人希望這項計劃能如期完成，不再拖延計劃的進展和完成的日期。由現在至整個計劃完成的時間計算，尚有十年八載，而本港的寮屋環境，實際上有立刻改善的必要。本人歡迎政府在某些寮屋區進行環境改善工程，例如安裝街燈，提供入屋水喉等設施，希望這項解決燃眉之急的環境改善計劃能盡快推展至在短期內不會清拆的寮屋區上面。

在教育政策方面，本人歡迎大學及理工教育資助委員會的建議，在香港成立一個專上學位頒授評審委員會來批准開辦學位課程，而不必再依靠英國的評審委員會審核。但本人必須強調，政府需首先解決如何能促使本地委員會評審批准開辦的學位課程能獲得國際承認，使香港的專上教育水準維持在水平之上。本人覺得，若以較低廉的支出來換取國際認可水平下降的後果，則非在維持香港繁榮的原則下所願見的。此外，香港未來政制，要市民有成熟的社會知識和知覺，主動參與，群策群力來實踐港人治港的目標。但是環顧現今中小學同學對社會知識貧乏，對政治參與所知不多，加上與西方文化的交通，個人主義風氣成為年青一代思想潮流，亦不難見到同學們吸收了自由社會中不良的風氣，在心理上和道德上產生了堪慮的危機，本人希望政府能加以重視，希望政府加強在中小學講授社會公民科的地位，不單對社會現況政制知識深入探討，而且將德育一項列為課程範圍之內。政府亦應成立一個來自不同階層的人士組成的公民教育及德育諮詢委員會，研究分析目前中小學生的實況，針對問題精結所在而提供建議給教育統籌委員會作為參考用。

最後，在社會服務方面，本人希望政府在處理露宿者政策上更加積極，提供部門之間的協調方法，為這個問題的徹底解決而作出努力，減少露宿者的數目，特別是精神有問題的

流浪漢。政府應立例強迫患者入住特別宿舍，接受治療；減少他們對途人的威脅。本人明白到此等流浪漢受到人權保障，但爲了患者的健康及市民的安全着想，適當的安排和立例實在必需。

未來的十三年，本港需要以九七年後中英協議中列出香港的各種安排而作出政策的配合，使時代滑行不會脫節，還希望政府繼續以往遠大的目光，把大型建設、投資、計劃不斷推出和實行，不但對香港長遠將來的繁榮安定而着想，更體現了政府對前景的信心，以身作則，推動實踐。

督憲閣下，本人謹此陳辭，支持動議。

(The following is the interpretation of what Mrs. NG said.)

Sir, your annual policy address was delivered exactly eight days after initialling of the Sino-British Joint Declaration. In 1997, Hong Kong's sovereignty will be reverted to China and Hong Kong will become a highly autonomous Special Administrative Region. From now until 1997, there is an important period of transition and I believe the policies of the present administration will be geared to the various arrangements for Hong Kong after 1997 as contained in the draft agreement, so that this tiny little place could develop smoothly while maintaining a prosperous and stable way of life.

Your address dwelt in detail on the constitutional development, and after taking into account the various recommendations in the Green Paper on representative government as well as the results of public opinion so gauged, you proposed certain changes which might eventually come out in the White Paper on representative government. One of the reviews worth supporting was that the representative system of government might be brought forward as early as 1987. At a time when Hong Kong's constitutional system is heading towards a more open form of government, the changes to district administration will certainly play an important role. Rome is not built in a day; as we want our system to be able to weather the elements we must have very firm roots, just as the root of the representative government system which must be firmly rooted in the people of Hong Kong. Since the tallest building rises from the very foundation, I sincerely hope that the Government will, in the course of developing the constitutional system, at the same time speed up the further development of district administration and enhance the status of district organisations. At present, the basic organisations in the district administration set up are the Mutual Aid Committees, Owners Corporations and Area Committees, with their members composed of public spirited citizens from within the district who devote their own valuable time to serve the community. Their spirit of public service is commendable and they deserve the support and encouragement of the Government. At the moment, the general state of most Mutual Aid Committees is stagnant and of low morale, the reason being that participation by the residents is not active and the financial subsidy from the

Government is still very limited. This in turn restrains the programme of activities. In addition, the importance of Area Committees, which often make valuable suggestions on district affairs to District Boards and reflect views from Mutual Aid Committees and Owners Corporations, should not be overlooked. The Government should raise the status of Area Committees, consider allocating premises to them and deploying Liaison Officers to work in those premises on an area basis. Residents in each area would hence know better the role of Area Committees, and there will be increased contact between residents and members of Area Committees. Our leaders of the future will all come from within the districts. Therefore, to increase the rate of participation, to strengthen the channels of participation, coupled with the support and encouragement of the Government in the provision of resources, are the essential factors contributing to the success of the future development of Hong Kong's constitutional system.

I wish to add one more point. As the representative government of Hong Kong is steadily developing, the extent of local residents' participation will gradually increase. When the legislature is elected in the future, the age of administration by the people and for the people will begin. For a long time, local civil servants have rendered a very high standard of service to the public with utmost devotion. However, policies were in the past formulated solely at the discretion of the officials because there were very limited channels for the residents to participate in the formulation of policies. In the wake of political changes, there are many government leaders who are industrious in their duties, amiable in their contacts with the people and ready to accept public opinions. But, there are still some who have not been able to be in tune with the times. They turn a blind eye and a deaf ear to the public and make inadequate reference for their cases, thus creating an invisible wall between the Government and the people. I hope that in future, instead of this cold and indifferent wall, mutual communication could be established between the Government and the people who would then join hands with each other harmoniously in formulating policies through the policy-making process.

Now I would like to touch on the area of social programmes. First on the housing policies. I welcome the plan of having all squatters in urban areas rehoused by the early 1990s. The issue of rehousing was already mentioned by you, Sir, in last year's annual address. I hope this project will be implemented as scheduled without any delay to its progress or completion. While there are still eight to ten years before the whole project could be completed, there is an urgent need to improve the environment of squatter areas. I am therefore in support of the Government's environmental improvement plans in some of the squatter areas for instance the provision of street lighting and water supply etc., and I hope that these plans, which could relieve the pressing needs, will be extended to squatters sites not due for clearance in the nearest future.

On education policies, I support the recommendation of the University and Polytechnic Grants Committee that Hong Kong should have a body of its own for the validation of degree courses rather than relying on the U.K. Council for National Academic Awards. But I must stress the need on the part of the Government to solve, first and foremost, the problem of securing international recognition of the degree courses validated by the local body, so as to maintain internationally accepted standards for the higher education in Hong Kong. In my opinion, cutting down on expenditures at the expense of lowering standards is hardly compatible with the principle of maintaining the prosperity of Hong Kong. Furthermore, for the fulfilment of the objective of 'Hong Kong people ruling Hong Kong', the future political system will require the people of Hong Kong to possess sound social knowledge and consciousness, play an active role and make concerted efforts in the running of the territory. A majority of our primary and secondary students know very little about our society and they do not know much about political participation by the people either. This phenomenon, coupled with their exposure to the western culture, results in individualism being the main trend of thought among our younger generation. It is not surprising to find that some students have accepted the undesirable style of the free society which has a deplorable impact on them both morally and psychologically. I hope that the Government will take heed of this trend and make arrangements for more civics and social studies lessons in our primary and secondary schools. This will enable our students to learn more about our society and to enhance their understanding on politics. In addition, moral education should be included in the school curriculum at the same time. Furthermore, a civic and moral education advisory committee comprising members from different social strata should be formed by the Government to study and analyse the present conditions of our primary and secondary school students and identify areas where the problems are. Proposals could then be made to the Education Commission for consideration.

Finally let me come to the field of social service. In the management of street sleepers, I hope that the Government would take more positive measures and play a coordinative role among departments for the final settlement of the problem. In order to reduce the number of street sleepers particularly that of vagabonds with mental problems, legislations under which they are required to stay in special institutions for medical treatment on a compulsory basis should be passed. This will lift the threats posed by them to the pedestrians. I fully understand that these vagabonds are also protected by human rights, but, for the sake of their health and the safety of the public, appropriate arrangements and legislations are needed.

In the 13 years to come, Hong Kong needs to adjust its policies to bring them into line with the basic arrangements set out for Hong Kong after 1997 as described in the Sino-British agreement so as to keep abreast with the era smoothly. Also, it is hoped that the Government would continue to carry out major projects, make investments and implement plans in a far-sighted way. In

doing so, the Government sets a good example to show that it does care for the long-term prosperity and stability of Hong Kong, and also has confidence in our future.

Sir, with these remarks, I support the motion.

4.10 p.m.

YOUR EXCELLENCY THE PRESIDENT:—The Council may like a short break.

4.25 p.m.

YOUR EXCELLENCY THE PRESIDENT:—Council will resume.

MR. POON:—Sir, your annual address this year is particularly meaningful as it is your first annual address after the Sino-British Joint Declaration. You have again demonstrated your firm intentions to govern Hong Kong effectively taking into consideration the concerns, aspirations and needs of the people of Hong Kong.

Government has shown its commitments well into the 1990s and you, Sir, call upon the people of Hong Kong to have faith in their future. This is crucial, for no matter how effective or efficient the Government is, it needs the support and confidence of the people. This is the very basis of our success without which the stability and prosperity of Hong Kong cannot be ensured.

The most important development for Hong Kong will be its constitutional changes. It is gratifying to see the keen interest expressed by all sectors of the community on the Green Paper on the Further Development of Representative Government in Hong Kong and the creditable increase in the number of registered voters. I am pleased to hear that the Executive Council will consider the views and submissions on the Green Paper shortly as we do not have much time before the District Board elections in March, 1985 and the proposed elections, albeit indirect, to the Legislative Council in the same year.

Hong Kong has been extremely fortunate in the past few years. Despite the recession, Hong Kong's unemployment rate is remarkably low. With the recovery of the world economy, we have seen our exports increasing at an admirable pace. Now that the political uncertainty is gone, Hong Kong is best placed to take full advantage of the continued recovery of the world economy. Due to swift action by the Government, our Hong Kong dollar has remained stable since the linked exchange rate system was introduced. In my view, it would be unwise to change the system before full confidence in the Hong Kong dollar is restored.

Several major problems still face our economy. Though our exports are buoyant, re-investment is lagging behind. Re-investment in our industries is

absolutely essential if our manufacturing sector is to survive in the years to come. Hong Kong manufacturers especially in both our textile and electronic industries must expand and modernise their equipment and keep up with modern technology and research. Our competitors are aggressive and are advancing at such a high speed that unless we follow suit, we will be left way behind. Hopefully, with renewed confidence in Hong Kong, re-investment will pick up in the not-too-distant future. Our strong Hong Kong dollar, though advantageous in keeping our inflation rate low and profits from exports high in the short term, will affect our competitiveness in the world market in the medium or long term. This is beginning to show in the growth rates of our exports to Europe and the United Kingdom. Therefore we must improve the quality of our products and efficiency of our industries. We must also keep up our fine record of trade promotion to maintain our market share.

Our financial success depends a lot on our exports, which is vulnerable in face of growing trend of protectionism and slowing down of economic growth in our major markets. The recent rules on country of origin for import of garments and textiles into the United States have struck a heavy blow to us. Meanwhile, we are lucky that the proposed new criteria for the U.S. Generalised Scheme of Preferences which will classify Hong Kong as a medium G.D.P. territory and result in reduction of preferential treatment was not approved and the Scheme expiring in January 1985 was renewed for a period of about eight years. Though we can have a temporary sigh of relief, this shows how external factors can cause great damage to our competitiveness. In this regard, the efforts of both Government and the representatives of our industries who fought so hard to protect our rights under G.A.T.T. and M.F.A. are highly appreciated.

Hong Kong has no natural resources. Its main assets are its people who are hardworking, adaptable and resilient. But numbers alone will not be enough to make Hong Kong a success. The people must be well-educated or trained. The efforts of Government in promoting higher education have been successful. The opening of the City Polytechnic with 480 full-time and 680 part-time students after less than three years' planning and even before its campus is built is truly remarkable. As degree courses are expected to be offered from 1986-87 by the City Polytechnic, Hong Kong will by then have five degree granting institutions of higher education, namely, the University of Hong Kong, the Chinese University of Hong Kong, Hong Kong Polytechnic, Hong Kong Baptist College and Hong Kong City Polytechnic. The proposal that Hong Kong should have its own body to validate degree courses and to maintain internationally acceptable standard is both necessary and timely. Such body will understand Hong Kong better and will be more relevant to our needs. Provided that we have eminent local and overseas members in that body, the standard of degrees awarded in Hong Kong can be properly gauged and we need no longer rely on the U.K. Council for National Academic Awards. Establishing a university takes a long time. It is therefore opportune to start thinking about a possible third university since there will be increasing demand for higher

education and most of our students cannot afford the high cost of overseas university education. Technical training has not been neglected and new technical institutes are established to cater for our needs. Our commerce and industry need a large supply of human resources at technician level.

One aspect of education, i.e. open university or distance learning type of courses, has been controversial. In view of the reasonably successful attempt by the University of East Asia in Macau, I await with interest the views of the Education Commission after their further consideration of the relevant proposal. Personally, I think there has been too much delay in developing such kind of education which can be readily available to a large number of people and therefore suitable to our needs. I am not unmindful of the costs involved but feel that they may be justified.

The growth of the civil service has been well restrained and public sector expenditure on civil service has been kept at a lower percentage of our gross domestic product. This is no easy task and is therefore highly commendable. However, we have had a deficit for three consecutive years and our finances are tight. There is a limit to further increases in direct and indirect taxation. Therefore, we must look for further economy in our public expenditure. In bad time, other countries drastically cut their public expenditure including a blanket cut in numbers of the civil service. While such austere measures are not warranted in our present circumstances, I propose the following steps be taken:

- (a) a general review of the civil service establishment to see, *inter alia*, whether there is idle capacity. Though under the conditions of service, Government may not be able to lay off staff, it can adopt more intensively the policy of not filling any vacancies no longer required and of re-deploying redundant staff to other government departments;
- (b) a consideration of further privatisation of some government services. In the past, the privatisation of Kowloon-Canton Railway and some government car-parks have been successful. It will take away the burden of increasing salaries and pension costs from Government's budgets in these areas; and
- (c) a realistic review of fringe benefits to officers. I admit that the terms of employment in the private sector many years ago might be better than what Government could offer. The situation is no longer the same except perhaps for the super-scale grade. In addition to security of tenure, the fringe benefits of many grades of officers are usually not available to their counterparts in the private sector, even in the boom years. In this regard I would like to make three comments. Firstly, the relevant comparison of such benefits with the private sector by Government is presumably with the big 'hongs'. Also middle management in the private sector gets far less benefits than in Government. Secondly, it does not take into consideration annual increment and promotions. Though it can be argued that there are also annual increment and promotions in

the private sector, we all know promotions are more competitive and increments are not so automatic in the private sector. Also the employee may be sacked if he fails to justify his existence, not simply transferred. Thirdly, fringe benefits are not actual cash to the civil servants. Nevertheless, these involve actual expenditure to government.

Two complaints by the public have often been aired in respect of these benefits, namely, heavily subsidised accommodation and children's overseas education allowance for civil servants. They doubt the necessity of the size and prestigious location of the accommodation provided to some professional or executive grades of officers. They also question the expensive U.K. public school fees of the children of some relatively junior local officers, say, a government teacher earning less than HK\$10,000 a month, partially borne by the Government, up to over £ 2,000 p.a. per child plus air passages when there are sufficient secondary school places in Hong Kong. As only the very well-off in the U.K. can afford to send their children to public schools, can we afford to be over-generous where there seems to be no need to send such children overseas for secondary education? Certainly no such equivalent benefits are generally available in the private sector.

Having said that, I must stress that I am fully convinced that we have a very efficient civil service. Notwithstanding this, the important point is not only to ensure the right size of civil service establishment but also the justification for the level of conditions of service.

Government continues to lay great emphasis on the regulation of the financial sector. This is essential to maintain the efficiency and creditability of Hong Kong as the third largest financial centre in the world. No efforts or expenses should be spared to uphold our image in this regard. The Companies (Amendment) Ordinance 1984, which became effective on 31 August 1984, brings our company legislation more up to date and plugs the loophole of irresponsible lendings to directors by public companies which has led to several major company failures. The Standing Committee on Company Law Reform will no doubt contribute to the further improvement of company law in Hong Kong. The re-organisation of the Hong Kong Commodity Exchange into the Hong Kong Futures Exchange will further enhance our status as a financial centre. I am pleased to see that at long last, the unification of the stock exchange is in view and new listing rules for quoted companies and new legislation are being introduced to require disclosure of material facts and shareholdings. Hong Kong's financial laws and system are not perfect but it can be seen that we learn quickly from experience and constant reviews. The announcement of an Insider Dealing Tribunal last week to look into share transactions of International City Holdings Ltd. shows Government's continued determination in this respect.

Sir, with these remarks, I support the motion.

MR. YEUNG PO-KWAN delivered his speech in Cantonese:—

督憲閣下：在任何考試中要求考生在一個短暫時間內對一條未能深知內容的推理問題作出詳細而完整的答案是過份和不切實際的。閣下於一九八四年九月廿六日出席於北京舉行的香港前途協議草案草簽儀式，不到九天（即十月四日）便要在香港發表來年的施政報告。無可諱言，這份報告不能擺脫「中英協議」草簽的影響而又需顧及協議的限制。在這種情形下，施政報告未能列出一些較具體和全面方案以配合中英協議是可以理解的。事實上，它是一份平穩、踏實、謹慎、有說服力及令人興奮的報告，同時亦符合香港的政治及經濟環境。

這份施政報告特別重視「中英協議」的草簽意義及其影響。閣下勸勉港人必須接受挑戰，勇於製造和把握機會，更提供了一個個人的實例，就是勇敢地接受挑戰，面對現實——一方面不否認香港施政計劃是受到「中英協議」的制約，另一方面又表明在今後十三年英國繼續管治香港的不變情勢。報告亦提出前景明朗後，未來發展令人樂觀及更有信心。政府將繼續建設，以表明有效管治的決心。市民必須明白協議剛剛草簽，若急急作出種種長遠承擔，是一種冒險的行為，反而會令人感到有欠實際。今次的施政報告以踏實審慎去處理內部問題，可稱為十分恰當。

這份看似保守的報告其實正顯示出本港將進入一個穩步發展的階段。它整體提及政策改革，反映了中英協議，也反映了綠皮書的決議。它充份顯出政府以落實精神與務實行動表明對香港前途的信心。這正反映出閣下實事求是的做法，也是適應新情勢的做法。我們可以想一想，若未來十三年不能有效地維持一個穩定鞏固的政府，又何來一九九七年後「五十年一切不變」？如果要穩定十三年就必須避免政制受到破壞，政府之組織及行政力量受到削弱，施政計劃受到影響及經濟出現危機。所以，政府今後首要任務就是要求取僅餘的十三年香港穩定局面不受干擾，否則便談不到經濟繁榮及順利平安過渡至一九九七年。

政制改革必須執行，否則很難適應過渡到一九九七年的新情勢。在這期間，政府必須引導市民管理政治及訓練培養市民對於管理政治之興趣及才能。最理想的方法就是初期透過「間接選舉」擴大立法局及加強立法局議員之權能。不論間接選舉或直接選舉，都牽涉到選民的問題。目前連同新登記的選民總額約有一百四十二萬（約佔有資格登記為選民的人數的一半）。但選民登記是一回事，親自出席投票也是另一回事。回憶在一九八二年間舉行的區議會選舉，新界區約有百分之五十一有資格參加選舉的選民前往投票，而市區則有百分之三十五左右。本人懇切希望選民能徹底響應閣下呼召，勇於把握投票的機會，並深信一九八五年的選舉是會受到熱烈的回應。此外，未來提出的立法局（權力及特權）法案亦能確定議員在辯論中發表聲明的權力及確保議員能夠憑良心履行任務，而且有權力可以就公眾關心的事項聆聽證供。這個構思絕對正確，而這種對議員的信任及開明措施不單對議員本身加強執行任務的責任精神，更能令市民對政府信服。同樣地，立法局的帳目委員會將舉行公開聆聽證供的會議，使全港的納稅人知道他們的稅款用在甚麼地方及用得是否恰當，公開審核港府的開支，既有助於糾正缺失，也顯得大公無私。我肯定這種措施必受市民歡迎。

雖然今年經濟表現較佳（估計生產總值增加百分之八，實質出口增長百分之十八），但明白到香港正處於經濟復甦之時期，便不難了解政府為何要抱着謹慎態度處理香港的經濟問題。因此報告指出了經濟復甦樂觀的一面（如出口貿易增加，外資投入增加）亦不忘衰退的一面（如本地投資不前，國際保護主義對香港出口貿易之打擊）。為了應付上述之困難，政府決定不再增加公務員，降低財政開支水平，採取「量入為出」的穩健理財方法，集中財力用於必要之計劃都不失為明智之決定。雖然這些措施可能使香港經濟發展放緩，但對市民來說，總比較作「冒險性」的擴展安全得多。祇要本港經濟繼續好轉，出口強勁

，失業率維持低水平，政府收支情況轉佳，本人相信一切基本設施的發展及社會計劃包括房屋、教育、醫療服務、社會福利、勞工及環境等都會按照已訂下的政策進行改善。

明顯地，香港正繼續走向健康的發展。各項社會建設及公共服務令市民能看到美好的社會前景。這包括各類龐大發展計劃，例如徹底實行居者有其屋的理想，興建第二條海底隧道，擴建多間醫院，設立永久展覽中心，考慮第三間大學及擴大大道網等等。除了這些龐大的建設計劃外，政府擬施行的一些政策亦值得推許。例如考慮發展本港自己的學位般審組織及編印中小學中文教科書等。這種邁向獨立評審學位發展方向是正確的，而編印中文教科書，亦是切合未來社會的需要。

總括來說，今次的「施政報告」是腳踏實地，實事求是的設計，目的是要有助於香港的安定繁榮，且又能銜接九七年後「港人治港」的新形勢。雖然政府決意大力和貫徹始終地推行各項計劃，但仍會繼續遇到很多困擾的社會問題。要解決這些問題，政府必須拿出加倍勇氣，接受挑戰，與市民攜手向前邁進，共創繁榮。

督憲閣下，本人謹此陳辭，支持動議。

(The following is the interpretation of what Mr. YEUNG Po-kwan said.)

Sir, it would be too demanding and unrealistic in any examination to require a candidate to give within a short time details and comprehensive answer to a question which involves the process of inference and the contents of which are not fully explicable to him. Sir, you attended the initialling ceremony of the draft agreement on the future of Hong Kong in Peking on 26 September 1984, and then after less than nine days (i.e. on 4 October 1984), you had to deliver your annual address to this Council in Hong Kong. Admittedly, it is inevitable that this address would come under the influence of the Sino-British draft agreement. Moreover, it has to take into consideration the provisions as stipulated in that agreement. Under such circumstances, it is understandable that the address has not set out any relatively substantial and comprehensive plans to go with the agreement. Your address, in fact, is well-balanced, practical, prudent, convincing and encouraging, and is also commensurate to the political and economic situation in Hong Kong.

Your address has attached much importance to the significance and implications of the Sino-British draft agreement. You have also encouraged the people of Hong Kong to accept challenges as well as to have the courage to create and make use of opportunities. Besides, you have also set a personal example for us in these respects, accepting challenges and facing the reality with courage—whilst on the one hand admitting that the policy plans in Hong Kong are subject to the provisions of the Sino-British agreement, and on the other hand declaring the unchanging fact that the United Kingdom will continue to be responsible for the administration of Hong Kong for the next thirteen years. It has also been mentioned in the address that after the uncertainties have been cleared, people would be more optimistic and confident about future developments. The Government would continue the programmes on infrastructural development in order to demonstrate its determination to administer Hong Kong effectively. The community should understand that as the

agreement has just been initialled, it would be a risky act to make any long term commitment hastily. Such an act, on the contrary, would only be regarded as unrealistic. It is appropriate that you have dealt with our internal affairs pragmatically and prudently in your policy address.

This seemingly conservative address actually spells out the fact that Hong Kong is entering a stage of steady development. As a whole, it mentions policy changes which echo the message of the Sino-British draft agreement and the proposals contained in the Green Paper on the Further Development of Representative Government in Hong Kong. It also brings out the fact that the Government wants to make known to the people its confidence towards the future of Hong Kong through its determined tone and pragmatic actions as can be seen in the address. Sir, this also reflects your practical and realistic style of administration, which is also your way of adapting to the new situation. We can simply ask ourselves this question: if we cannot effectively maintain a firm and stable government in the next 13 years, how can the Hong Kong system remain unchanged for fifty years after 1997? To maintain stability for 13 years, we must avoid our political system from being wrecked; government institutions and administrative power from being undermined; policy plans from being adversely affected in their implementation; and last but not the least, we must check any outbreak of economic crisis. Thus, the primary task of the Government from now on is to ensure that nothing will disturb and upset the stability of Hong Kong in the remaining 13 years, without which one would not be able to talk about economic prosperity and the smooth transition to 1997.

We must introduce changes in the political system, otherwise it would be very difficult for us to adjust ourselves to the new situation and effect a smooth transition in 1997. Meanwhile, the Government should guide the people to take up administrative and political responsibilities as well as to cultivate their interest and train up their abilities in these areas. The best way to do so is to enlarge the membership of the Legislative Council initially through 'indirect elections' and to increase the powers of its Councillors. The question of electors would come into focus in any election, irrespective of direct or indirect elections. At present, the size of the elector roll including those newly registered is in the region of 1.42 million (representing roughly half of all those who are eligible to register as electors). However, to register as an elector is one thing, to actually present oneself at the polling station and vote is another. At the District Board elections held in 1982, the turn-out rate for eligible New Territories electors was about 51 per cent whereas that for the urban areas was only about 35 per cent. I earnestly hope that all electors will make an all-out effort to respond to your appeal, and seize the opportunity to vote. I am confident that the coming elections in 1985 will be well supported. Moreover, the Legislative Council (Powers and Privileges) Bill to be introduced in this session will confirm the privilege of Members' statement in debate, provide assurances that Members can perform their duties according to their conscience and introduce power to hear evidence on matters of public interest. This is a well-conceived idea. Such a

measure which underlines Government's confidence in and open-mindedness towards Legislative Councillors will not only encourage a stronger sense of responsibility in the Members themselves when they are playing their roles but will also make the public trust and respect the Government. Similarly, the Public Accounts Committee of the Legislative Council will hold its hearings of evidence in public so that the taxpayers can know how their money has been spent and whether it has been properly used. To conduct open examinations of Government's expenditures will, on the one hand, help remedy shortfalls, and on the other, demonstrate justice and impartiality. I am sure this will be a welcome move.

In the light that our economy is still in a stage of recovery, we can easily understand why the Government takes a prudent stance in handling the economic situation despite that we shall have a better performance this year. (Our gross domestic product and our domestic exports are estimated to grow by 8 per cent and 18 per cent respectively.) In your address, Sir, you have shown us the brighter side of our economic recovery (as demonstrated by increases in our export trade and foreign investments in Hong Kong). But you have not omitted the darker side of the picture (that is stagnant domestic investments and the blow on our export trade by international protectionism). In order to cope with these difficulties, the Government has decided to take certain measures which include freezing the number of civil servants, lowering the level of expenditure, adopting the sound financial policy of 'making both ends meet' and concentrating our resources on those essential projects. All these can be regarded as wise and sensible decisions. It is true that these measures might slow down our economic development; but to the people of Hong Kong, they provided a safer course in comparison with 'risky' expansions. As long as our economy keeps its upward trend, our exports continue to have a strong growth, the unemployment rate remains at a low level and the Government secures a more favourable balance of revenue and expenditure, I believe that the Government will follow its set policies on the development of our infrastructure and carry on with the implementation of various social programmes, including improvements on housing, education, medical services, social welfare, labour and the environment.

Obviously, Hong Kong is heading towards a healthy development. The various plans for the development of our infrastructure and the public service programmes give us glimpses of a bright outlook. These mammoth development plans include the full implementation of the Home Ownership Scheme, construction of a second cross-harbour tunnel, expansion projects of a number of hospitals, establishment of a permanent exhibition centre, planning for a third university and extension of the road network etc. Apart from these, some other propositions in your address are also praiseworthy. These include the establishment of our own council for the validation of degree course and the production of primary and secondary school textbooks written in Chinese. The

former idea reflects the fact that we are developing in a right direction, whereas the latter will fulfil the future needs of our community.

To sum up, Sir, what you have told us in your policy address are down-to-earth and pragmatic designs meant for the continuation of prosperity and stability in Hong Kong and so much as preparing us for the 'Hong Kong people running Hong Kong' situation after 1997. I am convinced that the Government is determined to carry out the plans extensively and consistently. As there will be hurdles to overcome, the Government should show greater courage to accept challenges, and join hands with the people to strive for a prosperous future.

Sir, with these observations, I support the motion.

MR. KIM CHAM:—Sir, it is reassuring to note your pointed reference to the economy's recovery, a process which has been more vigorous and far-reaching than expected. The indicators are conspicuous in the growing Gross Domestic Product and receding levels of unemployment and underemployment. Amidst these encouraging signs of economic performance, it is gratifying to note that our expected inflation rate will be kept under rein, at the single-digit level. The recovery, of course, has not been felt evenly throughout the economy. Instead, its dynamics and impact are largely concentrated in the export sector—complemented by an impressive expansion of China trade. I have just learnt from the Financial Secretary that in the third quarter China now moves up to become our second largest trading partner. This euphoric note is a signal that we should, under the present official policy of free trade, forge ahead even closer economic ties and linkage with China, given its immense market potential.

Hong Kong's continued growth as a financial centre has been impressive and yielded substantial benefits. In 1982, financing services contributed 10.66 per cent of the estimated Gross Domestic Product (G.D.P.) value, although employment in this sector absorbed only 3.8 per cent of the labour force. Taken together, these statistics suggest that the finance sector features a relatively high return for the input of labour, as compared to the manufacturing sector which engaged 35 per cent of the labour force but accounted for 22 per cent of our G.D.P. last year. In fact, the contribution of the finance industry is also recognised elsewhere. Overseas, for instance, Taiwan has granted permission to offshore banking and Japan is about to liberalise its financial markets in the near future—let alone Singapore which has long recognised the contribution of this sector and actively sponsored its expansion.

In order to meet the challenge of intensifying competition from abroad, we must sustain and accentuate our efforts to expand and upgrade this sector. In this connection, Hong Kong must aim at developing itself into a regional financial base. In particular, it should serve to support China which may lack the institutional arrangements to accommodate such full-scale capitalist activities as finance. Given this prospect, it is imperative for us to ensure that our finance sector is a well-regulated one which can secure a strong vote of

international confidence. Although I am fully aware that an excessive amount of official intervention does impede private initiatives, I am inclined to call for a more supportive role by the Government to improve the lubrication of our financial market so that its efficiency and functioning can be made better than it is now.

What I have in mind is that Government should examine the feasibility of combining the supervisory functions of the three offices of the Commissioner for Commodities Trading, the Commissioner for Banking and the Commissioner for Securities into one supervisory body. Such an exercise might be able to demonstrate more convincingly that the financial sector could probably operate more smoothly under an integrated authority of supervision over all these three aspects. My expectation is founded on the present trend towards the integration of financial business, with banks trading in securities and financial futures. Interlocking relationships and joint ownership often mean that the failure of one subsidiary dealing in one arm of the finance market can affect critically the fate of the entire company. Increasingly, we have witnessed interwoven issues involving different types of financial institutions which required integrated investigations in the three areas. It was fortunate that in the past two years, Government was able to act swiftly and decisively in these events or the domino effect might have been serious. Such vulnerabilities may hence make it desirable to consolidate supervisory authority over the various types of financial institutions and to entrust the task to a unitary government agency.

Representing less than 1 per cent of the G.D.P., the budgeted deficit of \$2.1 billion does not compare unfavourably with 5 per cent for the U.S.A. and 3.5 per cent in the U.K. Even taking into account the small size of our public sector by international norms, this red figure could not be considered excessive if it does not become habitual. With our rare experience of budget deficits, we may face mounting pressure to balance the budget. I do not disagree with the concept of balanced budgets, but we must exercise due care in choosing the means. In particular, I would like to comment on the applicability of one commonly canvassed means to achieve a balanced budget, that is, through increase of direct taxation. As a matter of principle, we must ensure that Hong Kong remains attractive for investment and competitive in production. Undoubtedly, our low taxation structure and our well developed infrastructure will continue to attract investors while sustained re-investment is needed to ensure high quality production to form the basis of a viable cost structure. Above all, we must bear in mind that since we are now in a critical period of confidence rebuilding, any moves that erode our attractiveness and competitiveness may have repercussions on the long term development of our economy. While we must continue to monitor our deficit, any increase in direct taxation should be avoided as this may curb our competitive power in making the restoration of confidence and the stimulation of investments more difficult. With the export-led recovery now under way, it may be prudent to exert an austere control over our expenditure and cradle patiently the recovery process

so that it may extend evenly to other sectors. In the present economic recovery continues, it is possible that before long we shall be able to witness a natural increase in government revenue as a lagged but built-in effect of economic adjustment.

Sir, I support the motion.

MR. KEITH LAM delivered his speech in Cantonese:—

督憲閣下：今年九月二十六日，中英雙方簽署的「協議草案」為香港前途奠定了一個良好的基礎。在這基礎上，閣下的施政報告審慎平穩而且表現出積極進取的精神；所列出的施政方針和措施，簡單而充實，並且兼顧各方，確實以市民的意願為依據，着實令人鼓舞。

為適應目前形勢，香港政制必須作出適當改革。政府亦肯定了這一點。在今年七月發表了代議政制《綠皮書》，並在本局通過由民選非官守議員出任區議會主席的決定；在這會期內又將提出「立法局（權力及特權）法案」，及公佈代議政制《白皮書》等。所有這些措施都在實質上推動着政制發展的進程。

至於公民教育的重要性，在本人之先發言的各議員已作了充份論述，毋庸重覆。本人謹建議政府設立一個「公民教育諮詢委員會」，由市民及政府人員組成，向政府提出有關公民教育的基本政策、具體內容、執行方法及監察政府實施此項政策。由於現時一般市民的政治公民意識還是偏低，因此，公民教育的對象不單只是學生。正如剛才多位議員所說，還應包括廣大市民。

政府在檢討地方行政及「社區建設」時，希望能更多關注和照顧「社區設施」。就本人所知，有些地區目前仍然缺乏「社區中心」的供應。正如中國一句古語所說：「工欲善其事，必先利其器」，「中心」是社區活動絕對需要的，缺乏「中心」，勢必對社區建設活動有所制約。最可惜的是，社區或鄰社中心的缺乏，有時並非由於沒有適當的地方或技術上存在困難所造成，亦非在財政上或管理上存在什麼問題，而是因為當局遲遲未能擬定「社區中心設施標準」而導致延誤，故此希望政府儘快提交有關建議予行政局考慮接納和通過。

教育是社會進步的必需投資，而且在資源許可的情況下是每個社會成員的權利。本人認為，目前實施的免費學位應儘快推展至中五，使所有適齡青少年凡願意求學的，皆有機會完成免費中學課程。中三以後的學位可分為兩組，一是普通「文法教育」學位，一是「工業訓練」或「專修」學位，以適合不同興趣或需要的學生。又鑑於部份青年急於尋求經濟收入需要工作，所以如能提供「半工半讀」學位則更能切合他們的要求。這樣，一方面可為社會多造就一些技術人材，另一方面可使這些青年擁有一技之長，增加就業機會和經濟收入，有助於社會的安定與繁榮。同時，為了配合新的情勢，學校中國語文科宜開始推行普通話教學，而其他學科的教學語言則由各校視其自身的特點自由選擇。

施政報告根據本港的財政能力和社會的實際需要，對繼續改善社會福利制定了比較充分的措施，向着「老而不孤」、「殘而不廢」的社會理想又邁進一步。本人認為社會福利不單是政府或志願機構的事，市民亦應負起責任，所以希望社區領袖在這方面予以配合及支持，引領一般市民對不幸人士多認識多了解，不要歧視他們，並且在各方面給予更多的同情、幫助和照顧。

施政報告提及政府將訂定一些重要的勞工法例和修訂僱傭條例，以保障僱員福利，實為一項德政。本人認為應補充一點，就是香港工業正由「勞動密集型」向「資本技術密集型」過渡。政府應增加工業訓練夜校學位，給予日間需要工作以照顧家庭的勞動者亦有機會通

過學習科學技術知識，轉入高科技行業，以配合社會經濟發展需要。本人亦想趁此機會，籲請勞工界保持清醒的頭腦，不要被「免費午餐」的宣傳所蒙騙而提出不切實際的要求，這對社會、對個人都是不利的因為只有整個社會富裕起來，個人及家庭的生活水平才能得到相應的提高。

正如閣下所說，「締造一個美好的將來，不能全靠政府，整個社會都必需參與。」雖然我們所處的社會沒有良好的天然資源，但只要工商界繼續保持和增強競爭力，金融界繼續力保其行業聲譽，教育界盡力訓練人才，專業人士盡量提供他們的專長，勞工界繼續辛勤工作，香港是一定會繼續向前發展的。本人希望全港市民都能以整體利益作為出發點，緊守崗位，努力工作，創造一個光明的、美好的和每一個人都會感到自豪的將來。

督憲閣下，本人謹此陳詞，支持動議。

(The following is the interpretation of what Mr. Keith LAM said.)

Sir, the draft agreement initialled by both the Chinese and U.K. Governments on 26 September this year has laid a good foundation for Hong Kong's future. Based on that foundation, your annual address is cautiously steady and balanced, and shows a spirit of positive enterprise. The various policy decisions and measures are concise and comprehensive, having due regard to all areas and it is really encouraging that they are formulated on the wishes and aspirations of the people.

To cope with the present circumstances, the political system in Hong Kong must undergo some suitable changes. The Government has already confirmed this point and in July this year, the Green Paper on the Further Development of Representative Government in Hong Kong was published. Also, a bill was passed in this Council paving the way for elected unofficials to become chairmen of District Boards. During the current session, the Legislative Council (Power and Privileges) bill will be introduced and the White Paper on the Further Development of Representative Government in Hong Kong will be published in due course. All these measures are, in effect, propelling the political system to develop in that direction.

As regards the importance of civic education, my colleagues in this Council who spoke before me have already discussed the subject in great detail and there is no need for me to repeat it here. My only suggestion to the Government is that a 'Civic Education Advisory Committee' composed of members of the public and government officials should be set up to make recommendations to Government with regard to the basic policy of civic education, contents and ways of implementation, and the monitoring of the implementation of this policy by Government. In view of the relatively low level of political and civic consciousness of the general public, the targets for the civic education programme should not be confined to school children alone but, like my colleagues said earlier, should include the public at large as well.

In reviewing district administration and community building, it is hoped that the Government should pay more attention to community centre facilities. As

far as I am aware, certain districts are still bereft of community centres. Just like an old Chinese saying: 'When you want to do a job well, you must first sharpen your tools', community centres are a must to community activities, and without these centres community building activities will be somewhat restrained. Unfortunately, the lack of community centres is sometimes neither due to the lack of suitable venues or technical problems, nor due to financial and management problems but purely because the authorities concerned have not been able to agree on a final recommendation on the standards for community centre facilities and the entire process has been delayed. In this regard, I hope the Government will speed up the formulation of a final recommendation and submit it to Executive Council for approval as soon as possible.

Education is an essential investment for social progress and where resources permit, it is a right to which each and every member of society is entitled. I consider that the existing system of nine year's free education should be extended to Form V so that young people of suitable age who wish to pursue their education beyond junior secondary level may have the opportunity to complete their secondary school education entirely free. After Form III, the school places can be divided into two groups, one being the school places in the ordinary grammar school, and the other being school places in industrial training or vocational training institutes, in order to cater for students with different interests or needs. As some of the students are keen on finding a source of income and therefore have to work, the provision of free part-time school places will suit their requirements better. In this way, we can help to produce some skilled workers on the one hand, and enable the young people to acquire some skills on the other hand, thereby enhancing their employment opportunities and financial income, which are conducive to a stable and prosperous society. Meanwhile, to cope with the new situation, the schools should start to introduce Putonghua as the medium of instruction for the Chinese language subject. As for other subjects, the teaching medium could be determined by the schools themselves depending on their own special needs.

Sir, in an effort to improve social welfare services, you have formulated satisfactory measures based on the territory's financial capabilities and actual social needs. These means will help realise the social ideal of 'elderly but not lonely' and 'crippled but not useless', I consider that social welfare is not the concern of Government or the voluntary agencies alone, but the public should also bear part of the responsibilities. It is therefore hoped that community leaders will give their due support and co-ordination in this respect, and guide the public to a closer understanding of the unfortunate people in our midst, treat them without discrimination and give the sympathy, assistance and care.

In your address, Sir, you mentioned that some important pieces of labour legislation would be introduced and amendments would be made to the Employment Ordinance, all designed to protect the welfare of employees. This is indeed a laudable virtue of the present administration. The only point I wish

to add is that Hong Kong's industries are in a transition from 'labour intensive' ones to the 'capital and technology intensive' ones and it is the Government's responsibility to increase the number of evening school places in industrial training in order to provide opportunities for those labourers who have to work during the daytime to support their families to acquire through learning certain scientific knowledge or skill. They will then be able to transfer to high technology industries and be in step with the requirements of social and economic developments. I would like to take this opportunity to appeal to the labour sector to keep their heads cool and alert and do not be hoaxed by the 'free lunch' propaganda into making unrealistic demands, which are detrimental to both the individual and society. It is only when the society as a whole becomes affluent that the standard of living for individuals and families will be correspondingly raised.

Sir, as you have rightly pointed out: 'Building a future is not a task for the government alone. The whole community must become involved.' Although the society in which we live does not have good natural resources, yet Hong Kong will most certainly forge ahead if our people in the financial sector continue to uphold its reputation, the education circles try their best to train our talents, the professionals continue to offer their expertise, the labouring class continues to work hard, and our industrialists and businessmen continue to maintain and increase their competitiveness. I sincerely hope that Hong Kong people will have the interests of the whole of Hong Kong at heart, work steadfastly to build a bright and promising future of which each and everyone of us will feel proud.

Sir, with these remarks, I support the motion.

MR. TONG:—Sir, in my speech to this Council of 16 October, I spoke on the importance of maintaining investor's confidence. Also, I made comparison between Hong Kong and a business—'Hong Kong Incorporated'. I would like to continue in this theme to-day.

I fully agree with you, Sir, that the year ahead will be a challenging one for us all, and, I believe that the rest of the world will be monitoring our performance closely. There are those, for example our main trading partners, who will like to see us continue to prosper. Whereas no doubt there are others who will be equally interested to see us do less well because they may benefit from it, let us make sure that we disappoint them. Not so long ago, before the release of the Sino-British Joint Declaration, the managing director of a large foreign company visiting Hong Kong said this to me: 'I shall be watching Hong Kong's development, and if the conditions are right after the release of the draft agreement, I shall return with my cheque book'. I look forward to his return and hope that he brings with him signed cheques!

As I have said before, investor's confidence in a business and in 'Hong Kong Incorporated' depends on five key factors, two of which are the business' management and its labour force. If investors lose their confidence in 'Hong

Kong' Incorporated's management, the result will be detrimental to our 'prosperity and stability'.

With this in perspective, I believe that as in business, where management training is of paramount importance, we must put much emphasis in providing training for our future leaders. In this connection, Sir, I fully support your comments on the fine record of achievement made by the District Boards in their first three years. It follows that they should be given an increasingly important role in Government administration. The District Board has indeed proved itself to be an excellent training ground for our future leaders. I sincerely hope that more of us will take up the challenge and take part in running for the next District Board election in March 1985. Statistics on the 1982 election show that over 50 per cent of elected members are in business, and I understand that most of them are either self-employed or in partnership. To provide a balance to this phenomenon, I believe that the Government should provide more positive incentive to employers who allow employees to serve on the District Boards. For example, the Government may consider giving some form of special tax allowance to those employers who support an employee serving on District Boards. Similarly, such allowance may be considered for employees serving in the Urban Council, the Legislative Council and the Executive Council.

As it is important for 'Hong Kong Incorporated' to provide good training to its labour force, we should also ensure that our citizens are properly educated about the functioning of our Government. There are many examples in the past which have shown us that discontentment with government policies are often caused by misunderstandings of the rationale behind the policies. Hindsight tells us that these misunderstandings could have been avoided had the government policies been better explained to those affected. An open government will not only improve communication and report between the Government and the governed, but also it will be an effective educational aid to any programme of civic education. With this in mind, Sir, I am delighted to hear that the Public Accounts Committee hearings will soon be in public. This is a step in the right direction towards a more open government. I hope to see other key committees, such as the Transport Advisory Committee, open their proceedings to the public in the not too distant future.

I have said before, the world is watching us, and like my friend the foreign company's managing director referred to earlier, there may be many other such rich investors waiting to come here with signed cheque books to make healthy investments in Hong Kong. In the meantime, we must not do anything to dampen the enthusiasm of these potential investors. Moreover, we must not do anything that may worry existing investors and give them second thoughts about keeping their investments in Hong Kong. I believe that one of the 'do nots' is not to tamper with our tax system unnecessarily. For example, there are several provisions in the Inland Revenue (Amendment) Ordinance 1984 which I understand are causing widespread concern amongst the business and investing

community. Firstly, there is a concern that the rate of taxation on profits and salaries will be gradually on the increase and, that the 2 per cent increase imposed last year on both these taxes was only a beginning. Secondly, the provisions which imposed restrictions on the treatment of interest payments, and that of including offshore interest income derived by non-financial institutions in our tax net, have both alarmed businessmen and investors. These concerns can do more harm than good to confidence. The Financial Secretary said in his 13 June Speech to this Council that the Administration will remain open to further representations—I am sure that he will be receiving them and hope that they are given due consideration.

Sir, with these remarks, I support the motion.

MR. LOBO:—Sir, in your usual calm, concise and pragmatic manner, Hong Kong has been reassured of Government's continued commitment to uphold an effective administration in the years ahead.

The initialling of the draft Sino-British agreement has also removed much of the uncertainty about our future and Hong Kong can now continue on the same road to success which has been greatly admired and, indeed, often envied by other less successful.

More than ever before in the history of Hong Kong, it is vital that we should identify and display to others the qualities which have made this community a successful society worth preserving—the Hong Kong system, whatever its secret, has always generated selfless dedication to the public service as well as commercial success.

Ours is a system which defies absolute definition—but we know its elements:—

freedom tempered by economic and social justice;
respect for the individual;
reward for the enterprise and success;
and concern for those in need.

These factors, combined with the enterprising qualities of our people, have brought about a society which has out-performed its competitors not merely in industrial output but in the provision of health services, housing, education, and in all those aspects which together produce a satisfying style-of-life and a contented community.

It is clear, the key lies in the blending of a responsive Administration with the rights and aspirations of the individual.

Hong Kong has been made by the people who live here. Indeed, Hong Kong's success is widely recognised as due to the fact that Government interferes as little as possible with those who choose to work and live here. As a result, Hong Kong has become what Hong Kong people wanted it to be.

It is true, too, that apart from periodical financial constraints, our Government has never done anything less than work towards improving the quality of life of our people.

Sir, you have reminded us in your address that this will be the last session in which this Council will meet in this Chamber; and soon we will be moving to the old Supreme Court Building.

This will also be the last session in which all the Unofficials are nominated.

Now that the draft agreement has been initialled, uppermost in the minds of many is the forthcoming White Paper on the Further Development of Representative Government in Hong Kong. This is seen by many as part and parcel of the other White Paper which we have just debated. Indeed, as we look to the session ahead, it is unfortunate that the White Paper on Representative Government has not already been published.

There is apprehension arising from the possibility that free elections may turn this thriving society into a parasitic welfare state.

Hong Kong's success depends on the preservation of free enterprise and incentives. While we must always aim to narrow the gap between the rich and the poor, it is equally important to refrain from undue interference in our free enterprise system and from any diminution of the profit incentive.

Sir, as a number of my colleagues have pointed out, we must preserve a properly regulated system in which the needy are cared for and enterprise is rewarded.

Hong Kong needs men and women of dedication, vision and drive who will inspire and lead. They must, of course, come from all walks of life and I urge all our people to participate to the full in the impending elections and in the administration of this territory.

I am confident that we will meet the challenges which lie ahead—because this is Hong Kong's way of doing things—and we will see a continuation of the essential elements in the systems which we're now enjoying.

We should continue to expand our plans of open government. During the last session, we held our Draft Estimates meeting in public for the first time. During this current session, the public may also attend meetings of the Public Accounts Committee and, as far as possible, I hope, other meetings too will be open to the public.

But, since Thursday 4 October, the opening of this current session, we have had seven meetings in 21 days—or one meeting every three days. I am not quite sure if this breaks any record, but it is perhaps an indication of the heavy work load ahead of us during the oncoming month.

I can only assure you, Sir, and through you, the Administration, that the Unofficials are ready for it—and we have formed our study and scrutiny groups and have already begun working on some bills. Not of less importance is the forthcoming introduction of the Legislative Council (Powers and Privileges) Bill which is mentioned in your address.

My Unofficial Colleagues, who have spoken before me during these two days of debate, have covered a very wide range of subjects and have put forward a number of valuable suggestions.

Sir, in expressing our appreciation to you and for what your administration is planning for us, I would like, in thanking you, to assure you of the Unofficials' continuing support.

If I may, I would also like to pay tribute to our civil service—all too often the forgotten factor in Hong Kong's success story—without whose dedication and efficiency Hong Kong would not be the place it is today.

Hong Kong has much to be proud of, and not least is the quality of our Administration.

Sir, I support the motion.

Motion made. That the debate on this motion be adjourned—THE CHIEF SECRETARY.

Question put and agreed to.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on 7 November 1984.

Adjourned accordingly at twenty minutes past five o'clock.