

OFFICIAL REPORT OF PROCEEDINGS**Thursday, 6 November 1986****The Council met at half-past Two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, G.C.M.G., G.C.V.O., M.B.E.
THE HONOURABLE THE CHIEF SECRETARY
SIR DAVID AKERS-JONES, K.B.E., C.M.G., J.P.
THE HONOURABLE THE FINANCIAL SECRETARY
MR. PIERS JACOBS, O.B.E., J.P.
THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, C.M.G., Q.C.
THE HONOURABLE LYDIA DUNN, C.B.E., J.P.
THE HONOURABLE CHEN SHOU-LUM, C.B.E., J.P.
THE HONOURABLE PETER C. WONG, C.B.E., J.P.
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 HU FA-KUANG, O.B.E., J.P.
THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION
THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.
THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.
THE HONOURABLE CHEUNG YAN-LUNG, O.B.E., J.P.
THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.
DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.
THE HONOURABLE CHAN YING-LUN, J.P.
THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.
THE HONOURABLE YEUNG PO-KWAN, C.P.M., J.P.
THE HONOURABLE JOHN WALTER CHAMBERS, J.P.
SECRETARY FOR HEALTH AND WELFARE
THE HONOURABLE JACKIE CHAN CHAI-KEUNG
THE HONOURABLE CHENG HON-KWAN
THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.
DR. THE HONOURABLE CHIU HIN-KWONG
THE HONOURABLE CHUNG PUI-LUM
THE HONOURABLE HUI YIN-FAT
THE HONOURABLE RICHARD LAI SUNG-LUNG
DR. THE HONOURABLE CONRAD LAM KUI-SHING
THE HONOURABLE LEE YU-TAI

THE HONOURABLE LIU LIT-FOR, J.P.
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.
THE HONOURABLE POON CHI-FAI
PROF. THE HONOURABLE POON CHUNG-KWONG
THE HONOURABLE HELMUT SOHMEN
THE HONOURABLE TAI CHIN-WAH
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING
DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.
THE HONOURABLE ANDREW WONG WANG-FAT
THE HONOURABLE HARNAM SINGH GREWAL, E.D., J.P.
SECRETARY FOR TRANSPORT
THE HONOURABLE GRAHAM BARNES, J.P.
SECRETARY FOR LANDS AND WORKS
THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER
THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY
THE HONOURABLE STEUART ALFRED WEBB-JOHNSON, J.P.
SECRETARY FOR TRADE AND INDUSTRY (*Acting*)

ABSENT

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.
THE HONOURABLE WONG PO-YAN, O.B.E., J.P.
THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.
THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.
THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, J.P.
THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.
THE HONOURABLE KIM CHAM YAU-SUM, J.P.
THE HONOURABLE THOMAS CLYDESDALE
THE HONOURABLE HO SAI-CHU, M.B.E., J.P.
THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.
THE HONOURABLE DAVID LI KWOK-PO, J.P.
THE HONOURABLE PANG CHUN-HOI, M.B.E.
THE HONOURABLE SZETO WAH
THE HONOURABLE TAM YIU-CHUNG
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.

IN ATTENDANCE

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

Government Business

Motion

MOTION OF THANKS

Resumption of debate on motion (5 November 1986)

MR. CHAN KAM-CHUEN:

Royal Visit

Your Excellency, the most important event of the year was the visit of Her Majesty, the Queen, to China which signified that Great Britain and China had entered into a new era of cordial diplomatic and trading relationship.

The warm and well arranged welcome which followed in Hong Kong was complimented by the good weather which is unusual after a typhoon.

The excellent communication and simultaneous interpretation systems as well as the hardworking media brought the Royal Visit into the homes and hearts of the people of Hong Kong. In Sha Tin, I had personally witnessed spontaneous and warm cheers from the crowds.

The royal message 'our thoughts will be with you' went across the language barrier and will linger in the minds of the people of Hong Kong for many years to come.

Education

Turning to education, Sir, I fully support your view that technical education and industrial training are of equal importance to education at the higher level. The Vocational Training Council should continue to expand its technical education and industrial training programme to meet the changing needs of the economy. The seven technical institutes and also the new institute at Chai Wan which will open next year, should continue to be developed so that they are operating at their full capacities by 1990. The Government and the Vocational Training Council should continue to promote apprentice training under the Apprenticeship Ordinance. Based on a series of manpower surveys, the Banking Training Board of the council has concluded that for Hong Kong to maintain its position as a major financial centre, the banking sector has to enhance the proficiency and productivity of its workforce. The sector has to be assured of a regular supply of trained manpower that is capable of taking full advantage of the ever-increasing pace of technological changes affecting banking facilities. To meet these needs, the Vocational Training Council should be permitted to establish a Banking Training Centre as a matter of urgency.

Discipline

The ideal of education is to produce the whole man, well balanced, physically sound and intellectually alert with the right knowledge, attitude and skills.

Hong Kong has only human resources and it is good education which enable the people to meet the challenges of the future. The Government and the public have done much to this end with constant consultation and improvements on all fronts.

If charity starts at home, more so is education. Parents should set good examples to their children to be polite, considerate and learn to obey discipline before school age. Good discipline and courtesy make a society much better to live in. Opinion on the use of the cane to discipline school children is divided. But most Chinese parents believe in ‘棒頭出好兒’ that is, ‘The rod makes dutiful child’. If it is not executed by parents or headmasters, then in time the punishment will have to come from the court.

Nuclear power plant

Another very important event of the year was the Daya Bay issue. Public reaction was even greater than the 1997 issue, and there were more than 1 million signatures against the project. An ‘intellectual’ even committed political suicide by telling these signatories to jump into the sea. If he runs for a political campaign in future, he would be short of a million voters. Genocide is Nazi thinking.

The fact is that if someone starts a fire outside the only exit of one’s flat, one would protest and cry for help. It is so simple and natural a reaction when one’s life is being threatened. The allegation from some quarters that anti-nuclear is anti-China is total rubbish.

Another false argument is that motorcars and aeroplanes also kill people in accidents and shall we not have motor cars or aeroplanes. Well, it is a matter of scale and affordability. The casualties in such accidents are limited when compared to the estimate of 1 million people who would get cancer in Europe and half of them fatal.

The difference between an atomic bomb and a nuclear power plant from the radiation point of view is that the Russians admitted that the fallout from the Chernobyl disaster is some 30 times higher than the atomic bomb drop in Hiroshima some 40 years ago. At the last annual ceremony in Hiroshima, over 6 000 names of those who died from cancer from the radiation for that year was added. Hiroshima, not to be mixed up with the prefecture, has about 1/10th the population of Hong Kong.

The report of the Legislative Council delegations on nuclear power generation did not make me wiser on how well the three safety barriers can withstand explosives, such as a couple of exocets fired in tandem or why meat, milk and fish are contaminated in United Kingdom which is over 2 200 km away from Chernobyl and Daya Bay is less than 100 km and Hong Kong cannot be evacuated.

There is a Chinese Buddhist saying ‘本來無一物,何處惹塵埃’ that is, ‘if the thing does not exist, where can it gather dust’, If nuclear power is so safe why were there so many international conferences and all these recommendations of additional safety measures?

The common denominator is not Daya Bay, Chernobyl or Gravelines (please don't pronounce this French word in English otherwise it would mean lines of graves) nor pressurised water reactor or graphite type reactor. but that radiation falls out.

Soon after our debate, scientists in the United States achieved the temperature of 200 million degrees centigrade required for fusion which is relatively ‘cleaner’ and uses hydrogen which is a much cheaper fuel than expensive and dangerous radioactive material used in the fission process in the Daya Bay nuclear power plant. The scientists estimated that it would only take a few more years to build the fusion nuclear power plant. It is a great pity that China is so short of electricity that she cannot wait for a new and safer plant.

‘Scaramouche’

In my speech on 16 July 1986 on this issue, I said the word ‘nuclear’ is very controversial and it splits nations. It is no surprise that fiery words were exchanged inside and outside this Chamber.

What unfolded later in the local press is something which I could not believe my own eyes. It brought back vivid memories of an old film ‘Scaramouche’ in which the marquis who used his superior skill of the sword to render commoners who joined the national assembly ‘permanently unfit’ as councillors by challenging them to duels. Finally, he found more than his match in Scaramouche who fortunately could not thrust the sword into his heart. Later he was informed that the marquis was his brother born of different mothers.

In settling disputes, care must be taken to choose the venue of meeting. If Iceland is neutral ground, then go to Iceland. If one goes into the other's territory, then it gives the impression that one party holds the cap in hand and the other had the upper hand.

It is fortunate that not all appointed Members vote alike on this issue. otherwise the credibility of the appointed system would be hard to defend. Why send a division to do the job of a regiment. Is it wise to win a battle and lose the war?

Rightly or wrongly, the public will have their own views and the political repercussions will be seen in the future.

Let us stop at lively debates and do not escalate into trading insults which may lead to action in the streets. It takes many years to build a prosperous city but once the first drop of blood is shed, then even the fastest computers could not figure out the multiple vendettas which followed. Those people who cannot even walk across a street without the risk of being sniped at, never foresaw their city in ruins, which stems from some political or religious arguments.

Confidence

The four categories of 'believe', 'believe not', 'have' and 'have not' have by now been condensed into two categories, that is, those with a foreign passport by now have a lot of confidence and return to make as much money as possible with the residual value of their plant/machinery or job until the last moment, which was 1997 but now brought forward to 1992 to the date of commissioning of the Daya Bay power plant.

This lack of confidence makes a lot of things loop-sided.

Property market

For the same reason, only the small flats (under 70 sq m) are active in the market, as those who wish to leave but are not qualified for various reasons, would consider buying a small flat as the prices are reasonable and bank interest low and leave the rest to fate. It is this latter category that we have to care for.

New medium and large sized flats have to compete with old ones advertised for sale before emigration.

However, as people wish to withdraw their capital from property, rents are high which can be deducted as expenditure for business tax. Foreign investors, especially those with strong currencies, come for bargains as they have no personal confidence problem.

There are still vacant shops and offices in downtown Central and it is high time for those who bragged that 'Hong Kong is a small sparrow and a few grains will fill it up' to buy or rent these vacant premises to boost confidence.

Banking

Banking is the main supporting force behind all businesses but due to the sluggish property market, the wholesale business on land mortgages and retail business on flat mortgages are at low ebb. The trouble in the local banking sector with seven banks requiring government help to bail them out cause the polarisation of deposits into large foreign banks or for the men of smaller means into the Chinese banks.

White collar crime

This is not helped by white collar crimes. In the past white collar crimes usually mean the junior clerical staff who were in difficulties due to gambling and so on, and embezzled a small sum of money. Now it is promoted into the top men in the board rooms. The public will ask whether commercial crime would pay, as each month of imprisonment works out to over \$10 million.

The Hong Kong dollar

In my past speeches, I supported the link of the Hong Kong dollar to the US dollar, as a large portion of our exports goes to the United States. If our price is constant, we may not lose our orders. If the currencies in the neighbouring

countries are high, jacking up their prices, we may get their orders. If the EEC currencies are high against the US dollar, our goods would be cheaper, Hence the competitive edge of our export is maintained and enhanced by our improved quality, design and prompt delivery. It is not only our exports which benefit from it, but also the tourist and service industries. The profit margin or income may be slimmer but increased volume may more than compensate. What is more important is the assurance of full employment, which generates stability and the internal consumer market would also flourish.

However, of all the issues negotiated during the Sino-British agreement and subsequent liaison groups, I did not notice the future status of the Hong Kong dollar, or the SAR dollar. What would its value be? SAR\$1 to US\$78 or US\$0.78? This is not only important for long-term investment in large projects but also for the employees whose pensions and retirement benefits are uncertain.

Foreign currency deposits

Although the percentage of emigrants is small but the life long savings which they took out are huge as announced from time to time by recipient countries.

What is left in Hong Kong is deposited mostly in foreign currencies. The following figures may be considered as a confidence index:—

1980	11.6 per cent of M2
1981	17.1 per cent
1982	41.5 per cent
1983	46.1 per cent
1984	45.1 per cent
1985	50.1 per cent
1986 (September)	54.2 per cent

There is one school of thought that other western countries have a much higher percentage of foreign exchange deposits which need not be alarming. I believe depositors should make more effort in increasing our foreign exchange percentage so as to exceed those financial centres in the US and United Kingdom.

However, there is a word of caution about our export. I think we have to brace ourselves against protectionism in the near future.

With these observations, Sir, I support the motion.

MRS. CHOW: Sir, as a consistent advocate for the abolition of the JSEA, I naturally greet the news of recent developments on this with great enthusiasm. What we see now is the successful solution to the problem by a responsive government which is prepared to accept that the best ideas need not always come from the Administration. The amazing consensus of 79 secondary school heads in arriving at a method sensible and practicable enough to bridge the gap left open by the immediate suspension of the JSEA and the adequate supply of

public places beyond Form III in 1991 deserve not only our support but our applause. That it was probably prompted by reaction to the Education Department's proposal to suspend the JSEA partially signifies how the best brains and expertise inside and outside Government can combine forces to arrive at common objectives via means which could only emerge with the most open interflow of ideas and discussions.

I hope this is the start of an invaluable partnership, where the initiative need not always rest with Government. An area that in my view can benefit greatly from such co-operation is curriculum development. This has been left to the inspectorate within the department, and has not been accorded the importance and attention that it deserves. Unofficial input as well as adequate resources are badly needed, and the proposal for a curriculum development authority should be closely studied urgently. There is a lot of catching up to do.

From one social service to another.

I believe the great debate on whether housing is social service or social welfare is a non-starter. It is generally accepted in our community that based on the principle of helping those least able to help themselves, our welfare was heavily subsidised and for the most part free to the recipient. Whereas public housing may have risen from the ashes of welfare three decades ago, the quality of facility and life style has improved to such an extent that it has come to embrace a much wider scope of people than those for whom the first resettlement blocks were built.

Today our public housing estates and new towns are show pieces of our society, symbolising the success story of Hong Kong.

Sir, I welcome the news that Government is reviewing its production programmes and will formulate long-term housing strategies for the 1990s and beyond. I hope in the review, Government will acknowledge that a waiting list of 170 000 is unacceptably heavy, and that to build at a rate to meet all outstanding demand for rental housing by the mid-1990s' is far too slow. In 1984-85 only 45 per cent of rental housing was allocated to applicants on the waiting list. It appears that both the ratio and amount of flats set aside for waiting list applicants should be restructured into a fairer deal for those who have patiently waited in the queue. In order not to put unnecessary strain on the construction industry, and escalating step by step increase starting from 10 per cent the first year could be adopted with a gradual climb of another 10 to 15 per cent, while always keeping a close watch on the industry and the market before increasing the output.

The Home Ownership Scheme requires close scrutiny in the review. This is an area where the line needs to be carefully drawn to ensure that Government is complementing and not competing with the private sector. The right formula of partnership between the Government and the private sector could mean quicker relief to the pressure on the housing problem as a whole.

To further alleviate the long waiting list, home ownership flats should be used for the specific purpose of offering a higher quality of accommodation to those public tenants who are looking for such upgrading. Here PSPS should be encouraged as much as possible. Looking further ahead, there may be merit in terminating the tenancy of all those tenants who have the means of buying homes.

Taking a broader view, Government should encourage home ownership not only for public housing tenants but for everyone who wishes to make Hong Kong his home. The stabilising effect of home ownership is beyond doubt.

I hope the Financial Secretary is sympathetic to my proposal for tax incentives for first time home purchasers below a certain income. This kills three birds with one stone. It encourages private sector output. It releases the current HOS flats taken up by white form applicants to green form applicants. It assists the sandwich society to overcome their problem of having hitherto fallen between two stools.

Sir, at this point I would like to turn briefly to the subject of constitutional development.

I share all that my hon. colleague Mr. Helmut SOHMEN said yesterday on the subject. Personally I cannot see how the innate qualities that propelled Hong Kong into a position envied by the world will not be adversely affected by the introduction of direct elections, especially in the absence of the democratic history or machinery of the western world which took decades, no, centuries, to evolve. To transplant systems which evolved in societies and cultures totally different from our own is certainly not without its risks, and risks are a luxury we can ill afford.

Whatever our political persuasions regarding the form of election, we owe it to the people of Hong Kong to present our views honestly and fearlessly, so that our people can be in a better position to choose the option they prefer rationally, intelligently and wisely.

Yesterday some of my colleagues argued, none more eloquently than Mr. Martin LEE, that the continuous outflow of emigrants is a cause for concern, and should be prevented for the sake of a brighter future. I entirely agree. But whereas the identification of the symptoms of the ebbing of confidence was right, the diagnosis was, with the greatest respect, wrong. Many professionals who have left or are planning to leave do so because recent developments on the political scene have an unsettling effect on them. Whereas they are not totally confident that freedom and lifestyle will be preserved come 1997, many of them are more worried that internal instability will set in before then, perhaps as early as the next few years, when confrontation in local politics will become the order of the day. Unlike Mr. LEE, they do not see direct election as the panacea. To the contrary they see this as a threat to the values that underline the unique Hong Kong system, which may be undemocratic, but certainly possesses the

rare combination of freedom and efficiency. Hong Kong has always prided itself as the most pragmatic of societies, coming to decision quickly and quietly, while carrying with it for the most part the wishes of the people. We have risen above the sound and fury which tend to characterise foreign parliaments and at the same time manage to get the job done.

The reformists may find this hard to swallow. They may find it difficult to accept that only their assurance that everything will be alright once universal suffrage is in place is not enough. These *creme de la creme* who choose to emigrate have tasted western democracy elsewhere, and are fully qualified to draw comparisons. They are questioning why we are dismantling the pillars and beams of our systems in exchange for untried ones.

Everyday the seed of doubt and suspicion is cast on the Government, on China, and all those who happen to disagree with the push to change. The prevailing distrust consumes much of the energy and positive thinking which had previously been channelled into enterprise and productivity. We are being led to erode our own *raison d'être*. Is this the leadership that is likely to retain the top of our crop from seeking greener pastures?

The most dangerous belief that is being preached is that democracy protects us against communism. 'In 1997, when we sever our ties with Great Britain and return to motherland, can we be sure that our freedoms will be safeguarded by the National People's Congress in China, which has a communist system, and where the Chinese Communist Party is in practice above the law?' This question may be echoed in the minds of many, but surely the question that need to follow are 'If not, can confrontation with China be the safeguard? Can direct election guarantee the necessary protection?' Advocates for democracy against communism knowingly pitch Hong Kong against China, and assume confrontation as a necessary tactic. I do not believe it is a path favoured by the people of Hong Kong. As Mr. Andrew WONG so rightly said yesterday, we are a gentle people. We rely on our leaders to solve our problems skilfully and smoothly, not to lead us into constant deadlocks through emotional outburst and adversarial bullying. For the success of the implementation of the Joint Declaration depends on a fostering of trust and respect between ourselves and China. The autonomy promised could be in jeopardy if Hong Kong shows that we are not worthy of it by placing at risk the internal and external peace and stability by our own doing.

Sir, I very seldom stop to think whether I am rich or not rich. But what was said in this Chamber yesterday made me think very hard. First of all I came to the conclusion that it Mr. Martin LEE could refer to the rich as they, then I am without a shadow of doubt, very poor. Then it occurred to me that one of the treasures of our system is the enormous social mobility that we enjoy, where hope springs eternal for the imaginative and hardworking nobody. Indeed this is the key reason we fought so hard to preserve our capitalist system. It is this shameless pursuit of wealth that spearheaded the economic prosperity of Hong Kong, and each and everyone of us as a member of this community benefits

from it. To drive a wedge through the have and have nots at this time when we most need our cohesiveness and unity to face a tough future is to strike at the very heart of Hong Kong. I have come across the very wealthy who support direct election. Equally men of very humble means have spoken up against it. Among a group of 30 some 18-year-old top students I interviewed recently, all but one were against direct election. In any case, to assume that the state of one's wealth determines one's opposition to direct election and is therefore enemy of our people is to be presumptuous and simplistic to the point of being insulting to the complexities and intelligence of our people. Such political rhetoric is to say the least irresponsible, unfair, illogical and divisive and runs the risk of inciting class war. Hong Kong has never needed it, and does not need it now.

Before we are guided any further by emotional political talk, shouldn't we be asking ourselves—where are we heading? What do we want to achieve at the end of it all?

Perhaps instead of tackling the arguments on a philosophical and ideological plane, we ought to probe the many specific and critical questions that may lead us deeper into this far from simple or superficial issue:

Do we have the political consciousness as a community to adopt and participate in direct election?

Do we have the political infrastructure to ensure a certain quality of candidates who would not only be entrusted with voicing our discontent, but relied upon to make ours a more prosperous and more stable society?

Do we have the political infrastructure to enforce a discipline on successful candidates? Or are we to fall prey to political opportunists? And will they still be here in 1997 if the experiment fails?

How do we ensure sectoral interest gives way to the wider public interest?

How do we sacrifice as little as possible the existing administrative efficiency in the politicising process?

Will direct election breed confrontational politics?

Does Hong Kong want confrontational politics?

How far can Hong Kong withstand such instability without a fatal loss of confidence?

Is direct election the best and only guarantee to the preservation of existing lifestyle and freedoms?

Can the same be achieved in any other?

Our duty is to generate as much debate as possible into the pros and cons of the issue, and then to listen to the voice of the people. In drawing our conclusions, we must listen hard, and where listening is not enough, to read the signs, or else we will miss out on the silent majority.

At the end of the day, I, for one, would like to be represented by men of integrity and ability. That is the ultimate objective. I care not whether I do the choosing myself or whether I delegate that to those who I believe are wise enough to choose on my behalf. But if either quality has to be compromised or sacrificed for the sake of direct elections, then I cannot in all conscience support it.

DR. CHIU:

Direct election

Sir, ever since the publication of the White Paper on The Further Development of Representative Government in Hong Kong in 1984, we have come a long way towards the building of a representative government. As a result, today, here in this Chamber, we have representatives from district boards and functional constituencies to work closely together with the appointed Members in matters concerning legislation. Next year will mark the milestone in the political development and the future of Hong Kong. As chapter 7 of the 1984 White Paper stated, 'A review to assess progress made in the development of representative government will be carried out in 1987. Further consideration will be given to direct elections in the context of the review.' We are most delighted to have the re-affirmation from Sir Geoffrey HOWE, the British Foreign Secretary that the 1987 political review would be genuine and free from pre-conceived ideas or pre-determination of the outcome. We sincerely hope that his words will not ring hollow.

Complying with the aforesaid passage in the White Paper on representative government, the Sino-British Joint Declaration stipulated, 'The chief executive will be appointed by the central people's government on the basis of the results of elections or consultations to be held locally.'

Today, there are two most vocal, active and influential parties putting themselves on the course of a collision over the territory's upcoming political reform. Although it is hard for us to draw a firm conclusion at this moment as to the number of seats of the future legislature to be filled by directly elected members in 1988, I personally believe it most justified to have a certain degree of experiment as far as direct election is concerned. The development of our future political system should be reviewed from time to time in the light of actual experience.

We understand that any political reform take place in this territory will most probably be carried over to 1997 and after. If we do not grasp this opportunity which is the forthcoming review offers, to introduce a reasonable political reform in a reasonable scale for a trial, history will soon prove that a retrograde step in this crucial transitional period has been wrongly taken by us. We have to bear in mind that before we formulate what kind of political reforms we are going to have, we must take into account of the best interests and the viewpoints of the people of Hong Kong.

There are 11 years away from 1997 when the sovereignty of Hong Kong will be reverted to the People's Republic of China. But before the convergence, we still hold the Hong Kong Government responsible for the stability and prosperity of this territory to the last minute.

Academy of Medicine

Sir, we have a wealth of highly qualified doctors to take care of our medical services, both in the public and the private sectors. In 1985, 13 per cent of the doctors of the Medical and Health Department were sent overseas for postbasic higher qualification examinations and advanced training in various sub-specialties. Other doctors in the Government as well as those in subvented hospitals or private practice make individual efforts to acquire higher and specific training in advanced countries on their own without much financial assistance from public funds. Furthermore we have doctors returning to Hong Kong with extensive experience in various disciplines in the medical field. I am glad to inform you that the pass rate of our doctors who sit for examinations overseas for higher qualification compares very favourably with that of medical practitioners from advanced countries. The Hong Kong College of General Practitioners has successfully designed and conducted a system of recognition of continuing postgraduate training programme for its members. Various medical societies of Hong Kong also organise regular programmes of continuing medical education in specific areas for their members. Government doctors and their counterparts in other sectors also receive in-service training in their working environment especially in the form of bed-side teaching and clinical rounds which are supplemented by lectures, seminars, workshops, journal clubs and inter-disciplinary discussion groups. Thanks to these strenuous efforts, the quality of medical service in Hong Kong is maintained at a very high standard and our doctors can keep abreast with the recent advances in medical science.

But what will the quality of the local medical service be like in 1997 and beyond is our utmost concern. Medical care is a matter of life and death and I am sure that all of us would like to put ourselves under the best hands when we are taken ill. It is therefore evident that we want doctors of good quality and this depends to a large extent on the continuing education and training of our medical personnel.

Today, we rely on the General Medical Council of the United Kingdom to supervise and oversee the standard of our undergraduate medical education and the Royal Colleges for the accreditation of postgraduate status. The existing linkage with the British system might be weakened in the run-up to 1997, and certainly after 1997. It is therefore imperative that we should establish a local authority to take over this very important role of the Royal Colleges. With regard to the basic qualifications, I believe that the setting of standards and licensing will continue to be dealt with by the universities and the Medical Council.

We appreciate the value of life and we attach great importance to the health of the individuals and the community. In this regard, we have to ensure that our medical practitioners are competent to exercise full independent clinical judgment and to provide medical service on an acceptable level on and after full registration. With advances in medical knowledge and technology and the pressing need for specialisation in the medical field, a doctor is unlikely to acquire a reasonable level of competence if he fails to pursue further vocational training and continuing education.

Thus, post-graduate medical education and training have become a prerequisite for ensuring an acceptable level of medical care to the community.

As the chairman of the Medical Development Advisory Committee (MDAC), I am very much aware of the need to improve our medical services, both in quantity and quality, and on a continuing basis. In the 1985-86 Review on Hospital Beds, the committee endorsed a medical development programme to increase the supply of hospital beds from the present 25 050 to 38 010 in 1995, an increase of almost 13 000 beds. The attendances at the specialist clinics in the government and government-assisted institutions in 1985 were in the region of 10 100 000. Further, there will be improvements on a broad front with an increasing level of sophistication. All these will need doctors of the highest calibre, and our objective must therefore be to ensure an adequate supply of these doctors through a well-designed and well-structured programme of postgraduate medical education.

Thus we shall need an authority like an Academy of Medicine to oversee postgraduate professional education and training programmes in Hong Kong, while at the same time, the authority is expected to formulate plans for the accreditation of the standard of specialist service and training, and to ensure that the qualifications of our doctors in various disciplines including private practice will measure up to international standards. Failing to achieve these goals will mean that our lives are at risk whenever we fall sick.

We are pleased to note that the working party on Postgraduate Medical Education and Training has commenced work since October this year under the chairmanship of Dr.Keith E. HALNAN. The working plans and schedules of the working party have also been developed. It is expected that a full report with recommendations will be ready by the end of 1988. We look forward to the formation of the Academy of Medicine which should be in any case an independent and statutory organisation with its own autonomous power to set the standards, to formulate programmes on postgraduate training, to conduct examinations and to accredit awards.

As the Academy of Medicine will serve the public interest well, the Government should provide adequate funding and support for its establishment and operation. However the acceptance of public funds should in no way compromise its status of autonomy, and it should be accorded with an appropriate degree of professional freedom. Here, I strongly insist on the following three

points: First, the academy should be an autonomous and statutory body, completely free from government interference. Second, the standards set by the academy must be acceptable to the local medical profession and international authorities. Third, international links with overseas medical centres and medical educational institutes must be promoted for the exchange of medical knowledge and reciprocal recognition. Only in this way can we ensure that the needs of the Hong Kong people in medical aspects will be met in the years to come.

Law enforcement

Many a time in this Chamber, Sir, I drew your attention to illegal medical practices and the numerous medical advertisements in various Chinese newspapers and magazines which appear to have contravened the Medical Registration Ordinance and the Undesirable Medical Advertisement Ordinance, I am happy to learn that the Attorney General's Chamber and the Health and Welfare Branch are now working on proposals to amend the existing laws to close the loopholes and to make them more effective. I wish to reiterate, however, that enforcement and prosecution actions are equally important.

At present, a number of bodies within the medical profession, namely, Medical Council, Dental Council, Pharmacy and Poisons Board, Nursing Board, Midwife Board, Radiation Board, and Supplementary Medical Professions Council, separately exercise their individual statutory powers to handle the cases within their jurisdiction. I consider it necessary to establish a central statutory body to co-ordinate the boards and councils mentioned above and to streamline the enforcement of the various Ordinances against illegal practices. In addition, more active measures should be taken to prosecute the offenders. A central complaint section should be set up under the structure of this statutory body for the public to lodge complaints against illegal medical practices, undesirable medical advertisements and related matters. Proper and timely actions should also be undertaken accordingly. I strongly believe that amendment of the present Ordinances would not be meaningful without effective enforcement of the law.

Primary care

The consultation period of the Report on the Delivery of Medical Services in Hospitals has ended and the Health and Welfare Branch is now collating and analysing the valuable views and comments from the various concerned parties. I would like to take this opportunity to remind the Secretary for Health and Welfare that primary care, as I repeatedly said on different occasions, is inseparable from hospital service. As a good primary care system may help keep patients out of hospitals, I hereby urge the relevant government departments to consider integrating primary care into the main stream of hospital services when they make recommendations on the future development of our medical service.

With these remarks, Sir, I support the motion.

MR. HUI: Sir, this year's state of the territories address, carrying the familiar, confidence instilling message of stability and prosperity, served a definite purpose of mitigating growing political tension in and outside of this Chamber. It is, however, a highly diplomatic gesture that tends to paint a rosy picture of Hong Kong's economic performance without taking into grips the many political and social issues raised by Members during the last session. Among those problems that have been swept under the carpet, my major concern is, obviously, social welfare. To our many requests for expansion and improvement of social services, the official reply given was the stereo-typed account of the quantity of services provided. True to the essence of the policy speech, the quality of our social welfare services has been left unmentioned.

Quality of service

Coming from the helping profession, today I wish to talk about the quality of social services that directly affects the quality of life of our people. For many years, social service clients and frontline social workers have to bear with the unsatisfactory condition of having only basic, minimum standards laid down by Government for all types of social welfare services. Staffing standards established long ago are becoming inadequate in relation to the changing nature of service and new responsibilities identified for social workers in urban districts and new towns following the regionalisation of the Social Welfare Department. This explains the constant conflict between the Social Welfare Department and voluntary agencies whose call for more financial support to improve existing service standards has always met with rebuff. It is not decipherable why there are fixed teacher/student ratio when a proper social worker/client ratio could not be implemented for dealing with complex, and rapidly growing social problems.

The low staffing standard in social welfare services is exemplified by the recently announced code of practice for private old age homes. According to the Social Welfare Department, only 60 per cent of the private homes measure up to the standards laid down by the code, which voluntary agencies consider to be the basic minimum. The need for one additional welfare worker in each of the 49 elderly homes and hostels to do overnight shifts has not been met. Although it has been recognised that the existing service standard in rehabilitation agencies is far from satisfactory, services for mental patients have been greatly handicapped by the shortage of psychiatric social workers. While the 1973 White Paper on Social Welfare Development stressed that emphasis would be placed on quality of family and child care services, we still have a long way to go before the realistic ratio of one family case-worker to 50 cases could be reached. Similarly, recommendation by voluntary agencies to improve services of children and youth centres by having an additional 170 welfare workers has time and again been delayed. In almost all kinds of social welfare services, the lack of adequate central administrative and support staff hampers the efficient delivery of services.

Crux of matter

The modern philosophy of social welfare advocates that service standards should be adequate for the clients to maintain a decent level of living in a community. What then is the rationale behind Hong Kong's social welfare standard setting? The Government declares that social welfare has to be tailored according to available resources. With the introduction of the standard cost subvention system, service standards must be set at such a low level that they would not jeopardise the amount of subvention allocated under the one-line-vote for social welfare. This accounts for the frequent appeals for money made by voluntary agencies who must juggle with limited funds to meet service needs, both in terms of quantity and quality of service. The reluctance for Social Welfare Department to enforce the code of practice derives from a tacit agreement between the department and the private old age homes whose predicted withdrawal of service due to increased operational costs would mean additional financial burden for the Government.

Sir, your policy speech this year reported a surplus for 1985-86—the first time since 1981-82. Furthermore, we have been given to understand that 'it is possible to allocate more resources in 87-88 towards improving services and developing new ones'. Indeed, Hong Kong can now afford to award higher priority to social development and to show more magnanimity towards social welfare, the improvement of which has been frozen during the past few years.

Proper social functioning

Hong Kong cannot claim to be a stable and prosperous society when our social services are only show-window displays, our public assistance is still set at an unrealistically low level and there are still many households living below the poverty line. Last year, divorce cases in Hong Kong totalled 5 047 cases, almost ten times the figures in 1974. We had 1 000 child abuse cases and more than 800 battered spouse cases last year. The suicidal rate of the elderly is on the increase—suicidal rate for the 65-69 age group being 22.28 per 100 000 in 1981 rose to 30.03 in 1985, while that for the 70-74 age group was 45.51, and the over 75 age group was 49.1. These statistics help put into proper perspective the quality of life in Hong Kong.

In view of the growing complexity of the nature of our social problems, services must be of a sufficiently high quality in order to achieve the objectives of crisis intervention, problem solving and total rehabilitation for the client. Indeed, due to the lack of resources for social welfare, many social service clients are being neglected and many problems left undetected. The size and magnitude of our social problems require our Government to accord exigent priority to quality of services, and to provide measures to forestall the occurrence of new social problems. I sincerely believe that sufficient resources will be found to implement improvements in social welfare services, if only Government could appreciate that the well functioning of all sectors of the community contributes to our social stability.

Sir, critics who oppose to giving 'free lunch' to the poor increasingly insist on the accountability of social welfare programmes. Accountability is a shared responsibility between Government and voluntary agencies who must fulfill this responsibility by providing service clients with services of decent standards. Here, I wish to draw Members' attention to a new social welfare personnel registration scheme which has its inception backdated to the late 1970s. This scheme, which is the first step towards licensing for social work practitioners, carries the basic objective of protecting the interests of welfare clients who can be assured of getting professional service from registered social workers. Since the proposed board of registration has the authority to remove from membership in the course of a proven charge of professional misconduct, the accreditation system is aimed at regulating social work practice to ensure better client protection as well as raising the quality of service. When the formal registry is completed, individual qualified social worker should be entitled to vote in the election of a representative of our functional constituency.

Direct election needed

Sir, I shall now turn to two other topics of public concern. In my opinion, direct election to our legislature is the springboard for establishing a democratic form of government accountable to the people of Hong Kong. Only when we have representatives elected by the people to sit in the future Special Administrative Region government can we practise 'Hong Kong people ruling Hong Kong'. An SAR government returned by direct election guarantees a high degree of autonomy without the fear of external pressures and influence which underlines the many controversial proposals on Hong Kong's future political structure. Indeed, the uncertainty over Hong Kong's political future is casting a shadow in the hearts of local people, undermining Hong Kong's stability and prosperity. Thus, the most pressing task facing Hong Kong is not the seeking of a common ground amidst differences on a future government machinery, but rather the mapping out of changes in the existing political system to allow direct participation of our people in Hong Kong's decision-making process. Direct election not only promises political reform in its true sense, it is also the cornerstone of professional social work belief that a equal, caring society is built on active citizen participation. Once agreed on this important principle, what we need is to take a bold step forward in introducing direct election to our legislature as soon as possible, even at a low percentage of 20 initially. Sir, while acknowledging the present political climate and inherent limitations, none-the-less a start has to be made, and the time is 1988.

Central provident fund

The other subject is the setting up of a central provident fund to which I pledge my full support. In most developed countries, industrialisation has been accompanied by a corresponding progress in recognising the need for income maintenance and financial protection for the old age retirement. However, in Hong Kong most employees have little security for livelihood in old age, having

to face the risks of sickness, invalidity and death. It is estimated that by 2 001, expenditures on public assistance for the elderly and old age allowance will reach HK\$8 billion, which will become a financial burden for all tax-payers. We strongly believe that a contributory central provident fund scheme with an initial contribution of 5 per cent of an employee's salary made by employers and employees can protect the latter in times of retirement, invalidity and death. The merit of the proposed scheme, allowing transfer of membership from private schemes to the central scheme, lies in universal coverage without stigmatising certain sections of the population such as the elderly or the disabled. The undue worry over the operation, investment and administration of the scheme can be solved by appointing a financial institution or setting up a central provident fund administration corporation through legislation, and with government endorsement. Sir, according to surveys conducted in the past few years on employers' and employees' attitude towards a central provident fund scheme, the majority's attitude towards the scheme are they are supporters. Taking into consideration the social and economic implications, it would be a wise, progressive decision for Government to take a courageous step forward in launching the central provident fund designed to improve the quality of life for Hong Kong people and their future generations.

Sir, with these remarks, I support the motion.

MR. LIU (in Cantonese); Sir, I give my heartfelt support to the basic spirit of your annual address in that Hong Kong's social stability and prosperity must be maintained, its steady political system must be preserved, and concerted efforts should be made to further improve the well-being of and services for the community.

Hong Kong is now in a crucial period in which any policy formulation will have a significant impact on our future stability and prosperity. Therefore, we must adopt a balanced, realistic and sensible approach. Even the slightest error will severely disturb social harmony and bring about irrecoverable losses. In this respect, Sir, you rightly pointed out that 'the dramatic progress which Hong Kong has made over the last two decades was not built on conflict and turbulence. It was built on a constant search for consensus'.

Through participation in the work of the Legislative Council and constant discussion with representatives of different social strata in my constituency, I deeply feel that much achievements have been made over the past year. With the introduction of an elected element into the Legislative Council, it is not only natural but also healthy and normal for Members to have different views and heated debates on issues of public concern. This fully reflects that this Council is reaching maturity and is striding towards a more liberal and open-minded path. I believe that all Members have a common goal, that is to improve the wellbeing of the people and to enhance the stability and prosperity of Hong Kong.

On this major premise, I would like to focus attention on social welfare and education.

Referring to social services, I am very concerned with the welfare of the elderly. As we all know, with the improvement of medical and health facilities, the ratio of elderly people in our population has increased from 2.8 per cent in 1961 to 11 per cent in 1986. In recent years, Hong Kong has witnessed rapid social changes such as new town developments and population movements, increase in the number of small families, and the competitive, rush and busy life brought about by a highly industrialised and commercialised society. All these have resulted in the elderly family members receiving less care and attention in their own homes. This problem is aggravating and must be resolved with priority.

Firstly, in regard to the accommodation for the aged, although a number of elderly homes have been set up and some public housing units have been allocated to accommodate elderly people, the demand for such services still far exceeds the supply. I suggest that the Government should provide more assistance in this area through the provision of welfare services and accommodation. Moreover, other resources such as public donations, charitable lotteries fund and support from voluntary bodies should also be mobilised to provide more residential services for the elderly people so that they will be put in good care.

I welcome the Code of Practice for Private Homes for the Elderly recently published by the Social Welfare Department. The purpose of the code is to ensure that private homes for the elderly will maintain a minimum service standard in various aspects including the living environment, equipments, staffing, food and medical services. To ensure that the objective of maintaining a satisfactory level of management and supervision can be achieved, the social welfare authorities should consult relevant agencies to determine ways of implementing the code in practice.

Furthermore, the Government should give further consideration to the promotion of other elderly services such as the community care programme, the self-care hostels for the aged, the provision of additional hospital beds and health education for the elderly, the establishment of sheltered workshops, and family education publicity programmes aimed at cultivating a sense of respect for the elderly. All these measures are worthy of consideration by both the authorities concerned and voluntary agencies. Apart from these, we should follow the practice in some advanced countries where, under a preferential scheme, elderly citizens are entitled to use the transport, cultural and recreational facilities free of charge or at a special rate of charge.

Turning to the subject of education, I recall that in the policy debate last year, I welcomed the news of the Government's intention to proceed with the planning of a third university and called upon the Government to provide additional places at the existing two universities and polytechnics to satisfy the

demand of local students for tertiary education. I am glad to learn that the planning for the third university is now in progress and that a schedule for the admittance of students has tentatively been fixed. I am also happy to know that additional places will be provided as a result of expansion at the existing five tertiary institutions. This is certainly a good news which is encouraging to the young people who wish to further their studies.

Although the above increase in school places represents a tremendous growth, there is still a wide gap between supply and demand. Besides, it will take quite a long time for the expansion plan to materialise. Consequently, thousands of students have to go abroad each year for secondary and tertiary education. Not all of these students come from rich families. They are driven to study abroad by the desire for more knowledge and are prepared to strive for better prospects. Their efforts deserve commendation. Most of the students return to Hong Kong after completing their courses and make significant contributions to our economic, cultural and social development. I do hope that the existing counselling and guidance services for overseas students can be further strengthened. Assistance of a more concrete nature should also be provided to help them complete their studies successfully.

Sir, you mentioned that the third university will place special emphasis on science, technology, management and business studies. As a businessman, I welcome this development. To ensure a continued prosperity for Hong Kong's industry, the strengthening of technical training is urgently required. I suggest that additional courses on industrial technology, for example, packaging design, should be offered at the two polytechnics and technical institutes, so that our products can be more competitive in the export markets.

Sir, with these remarks, I support the motion.

PROF. POON: Sir, the prominence of Hong Kong as a prosperous international city rests, among other things, on the pillar of its economic growth and development, particularly in the last three decades or so. This status can be maintained only if its foundation of trade can be further consolidated by the continuity of its industrial and economic development.

Having been appointed recently to serve on the Industry Development Board, I have begun to realise the extent of work the board has already done and is continuing to do to promote industrial development in Hong Kong. It has recognised the importance of techno-economic and market research studies for the major manufacturing industries. It has also taken the initiative to invite, assess, and fund research proposals of direct relevance to industrial development. Indeed I wish to take this opportunity to congratulate the board for the good work it has done within its terms of reference. But, now, with the new chairman, our hon. Financial Secretary, I hope that the board can do even better. Its work will be more important now than ever, in the face of acute industrial competition among our neighbouring countries.

Although I appreciate the spirit behind the Government's long-standing non-intervention policy, I do feel that the Government could still play a more positive role, such as, by investing in facilities which actively aid industry. During the last debate on the Appropriate Bill 1986, I urged the Government to consider setting up a sterilisation plant. The availability of such a plant would definitely stimulate industrial investment in the manufacture of sterilised medical plastics for local consumption and for export. I am confident that Government would be able to recover its initial capital investment within a few years as is evidenced by the overwhelming benefits now enjoyed from the Government's initiative of setting up a 'heat treatment unit' in the Hong Kong Productivity Council. I sincerely hope that the Industry Development Board would take a bold and bigger step forward to constructively participate in industrial development aimed at helping local manufacturers to combat the surging tide of international protectionism and the increasing competitiveness of neighbouring countries. Government should help local industry to go hi-tech and to increase value-added content into their products.

Sir, I am pleased to learn from your address that the Government has recognised the importance of technology as a catalyst for further industrial development and is working to stimulate research and to introduce new technologies to industry. I am also pleased to learn from you, Sir, that the Government is supporting industrial growth through investment in education and training, with particular reference to the establishment of the third university which will have a strong bias towards science and technology and professional subjects. I would like now, to take up the issues relating to the third university and research, in the remainder of my speech.

No doubt, the planning committee for the third university would draw on the experience of the two local universities and of overseas institutions as appropriate—their good points and shortcomings. In this connection, I would like to offer, if I may, Sir, a few points for consideration. The two local universities are built on a faculty system with conventional teaching and non-teaching departments. With an increasing tendency towards specialisation and consequent re-amalgamation of basic disciplines, in other words, with the emergence of various inter-disciplinary subjects, such as bio-technology, information technology and artificial intelligence, it may seem worthwhile to consider a different kind of structure for the third university; for example, the grouping of core units under the aegis of a school system, in order to increase the flexibility of inter-disciplinary co-operation. Of course, the choice of any structure must take into account the academic requirements of international professional bodies for the recognition of the degrees.

It is vital that the third university should strive for an international status. To achieve a high international academic standard, the third university must attempt to recruit the best academics to its teaching staff, irrespective of race and their place of origin. Since English is the universal language for science and technology, it should be considered as the major language of instruction.

Chinese may be used as the alternative language when circumstances warrant it. The university should aim at producing graduates who could communicate with people and express their knowledge in both English and Chinese to meet the present and future demands of the community. Bilingualism is an asset of our graduates which should be preserved.

Since the third university is expected to have a strong bias towards science and technology and professional subjects, it should have an edge in research and higher degree studies over the conventional universities, though not necessarily to the extent it is found in certain institutions in other countries, like the Massachusetts Institute of Technology or Imperial College. Along the same line of thought, it may also be worth considering the establishment of specialised institutes, such as micro-electronic institute, in the third university with relatively greater emphasis on research and development. The establishment of such research institutes has become a symbol of pride for many well-known universities around the world, such as, Stanford Research Institute of Stanford University and Jet Propulsion Laboratory of Clifornia Institute of Technology. Of course, the establishment of these institutes within the structure of the third university should be considered in the light of long-term manpower planning in Hong Kong. Members of staff in the university should be encouraged, within specified limits, to engage in consultancy work to help local industries. Sandwich courses for senior students should be seriously considered to enable them to taste the real scientific and industrial experiences. Consideration should also be given to the important factor of a balanced university education so that a science and technology student also has some knowledge in the related fields in social sciences.

There should be a new approach to considering the provision of other support units or facilities, such as, library, at the planning stage. Automation and international links should be given priority.

The development of the third university should be given all necessary support. I must emphasise, however, Sir, that the promotion and development of the third university should not be at the expense of ongoing activities or further developments in existing universities.

A common deficiency in the existing five government-supported institutions is the lack of sufficient research funds. It is ironical that our tertiary institutions are paying rather attractive salaries, together with various fringe benefits, to get well-qualified academics, who have sound research records and potential, and yet our institutions cannot afford to support the staff to continue with their research work and hence cannot make the best use of the staff's expertise for which they were employed. This is a clear waste of invaluable resources and 'brain power' which may have taken years and thousands of dollars to harness. Now, with the planning of the third university, it is timely that the Government should seriously review this matter. To build a first class university in science and technology, the Government must be prepared to spend money to support

research. Equally important, the Government must increase its support to the existing institutions which have already established international standing in some disciplines. I do not think this is the right time for me to provide an exhaustive list of proposals relating to the possible role of the third university in education and training for industrial growth in Hong Kong.

Sir, I would like to repeat my plea made in my last debate on the Motion of Thanks a year ago for the establishment of a science and technology research council to identify our research strengths and potential, to stimulate research and developments to identify research areas, ranging from pure through strategic to applied, which have significant implications either for scholarship or for commerce and industry, and to allocate funds to support some of the research proposals. Hong Kong is a small place with a limited number of well-qualified academics and research personnel in any one particular field. Without a co-ordinating body such as a research council, duplication of work, over-emphasis of one aspect of industrial development and neglect of another, and similar other deficiencies may nullify all efforts to promote a healthy research and development environment. The establishment of a council would facilitate the optimisation of resources available.

With these remarks, Sir, I support the motion.

MRS. TAM (in Cantonese): Sir, in last year's policy debate, I had pointed out that there was a need to introduce the concept of 'social investment' into the basis of the existing youth services and that Government should attach importance to the long-term plan of nurturing our younger generation. Today, I would like to further analyse the needs of our young people, and the areas in our youth services where improvements are urgently required.

In the late '60s, the local youth services entered a new stage, as such services began to receive more attention and were more systematically planned. The 1966 riots aroused the concern of our community for the youth problem. Henceforth, Government has been trying hard to provide a lot of cultural, recreational and sports activities for young people to help them spend their leisure time and vent their energy. Even today, Government still spares no efforts in promoting such activities every year. Several government departments, notably the Urban Services Department, Regional Services Department, City and New Territories Administration and the Municipal Services Branch and so on are jointly responsible for providing these activities which cost Government quite a colossal sum of money each year. Just take 1985—86 as an example, according to the information released in the annual report, the estimated expenditure to be incurred by various government departments for promoting cultural, recreational and sports activities was \$580 million; and it is believed that a large part of the money would be spent on youth-oriented activities. Undoubtedly, over the past decade, Government has achieved spectacular results in promoting cultural, recreational and sports activities. They are certainly beneficial to the physical and psychological development of our youth.

However, at the same time we cannot deny that our young people have in fact too many choices of such activities, whereas their other needs have not been adequately taken care of. It should be noted that our society has undergone rapid changes, and our youth are now living in a community which is very much different from what it was 10 years ago. Inevitably, they have different problems and needs, which cannot be satisfied just by having a lot of cultural, recreational and sports activities.

Firstly, when society moves towards modernisation and high technological development, direct and close human contact are often replaced by sophisticated communication services, resulting in the alienation of human relations and the lack of real communication among people. Moreover, following the rapid social and economic development, working parents in nuclear families are rather common. They do not have the time to look after their children. As a result, many young people are crying out that they lack friends, neighbours, intimate partners and caring elderlies to guide and supervise them. Many of them are unable to cope with problems in life and tend to be self-indulging or self-victimising when faced with problems in school, family, career or love affair. Sir, they are in need of care, understanding and assistance from mature adults.

Furthermore, after a period of rapid economic growth which turns Hong Kong into a flourishing, free international city, the territory now enters the stage of adjustment with slower economic growth towards a post industrial society. As the young people of today are brought up in an age when our society was flourishing, it can be anticipated that they should face many problems in their future. There are already indications that the average age of young offenders is lowering and the problem of young people involved in soft drugs and drug trafficking are becoming more and more serious. According to recent statistics from Government, in 1985 the number of dangerous drug offences committed by young people under 21 has increased by 17.5 per cent as compared with the 1984 figure. The number of minor drug offences committed by the same age group in the same period has also increased by 5.4 per cent. Thus, our society should address itself seriously to the problem of juvenile delinquency and to provide proper guidance for them.

To sum up, consequent to the rapid developments in our society, the needs of the young people have become more diversified. Admittedly, cultural, recreational and sports activities can help young people towards physical and psychological maturation, and opportunities for participation and training can help young people to develop independent thinking and the sense of social service. But from these, young people also need a sense of individuality and self-righteousness to tackle their own complex problems in life. Hence, youth services should focus more on the 'in-depth' to provide more personal social services for the young people. In the past, personal social service was criticised as manpower intensive, the approach being unsatisfactory, and difficult to

achieve the desired effects. In a nutshell, the service is criticised as too expensive. I think these criticisms are too shortsighted and generalised. Although personal social service is costly, it is an effective way of meeting the needs of our young people and provides constructive assistance to them. We should not nip in the bud its development because of its cost. I hereby request Government to consider carefully the following proposals:

- (1) to review the demand of services for young people and to see whether there is excessive supply of cultural, recreational and sports activities for them. It is hoped that more resources can be allocated to Social Welfare Department in particular for it to practically develop personal social work among young people through the voluntary agencies. Indeed in the 'Programme Plan of Personal Social Work Among Young People' released in 1979, Social Welfare Department had already recognised the importance of such personal social work among the young. However, due to the lack of sufficient resources, the recommendations have not been fully implemented. For instance, in 1985—86 Government only granted \$52 millions to voluntary agencies on the provision of personal social work for young people. This is far less than the funds allocated to other government departments in promoting cultural, recreational and sports activities. The great disparity in subsidies have time and again caused much debates when voluntary agencies demand Social Welfare Department to improve personal social work. It is understandable that Social Welfare Department only has limited resources. On the other hand, however, there is such urgent need to improve such services. Government should therefore consider carefully to allocate more resources to Social Welfare Department towards developing personal social work among young people through voluntary agencies.
- (2) In providing such personal social service, Government should attach importance to the overall planning and co-ordination. With regard to schools, personal guidance and counselling services are presently separately provided by Education Department and Social Welfare Department. Before a comprehensive plan is formulated, efforts should be made to reduce the ratio of school social workers to students, to co-ordinate the work between Social Welfare Department and Education Department, and to strengthen co-operation between school social workers and guidance teachers. The 'Guidance work in Secondary Schools' recently released by Education Department is commendable work. It is however, necessary to closely monitor its actual suggestions in order to ensure its successful enforcement. In the long term, Government should have careful planning for a full scale provision of guidance and counselling work in schools in an efficient and effective way, including the training of personnel and its actual provision.

Other than in schools, outreaching social work is an important area of personal social work among young people. Although Government had committed itself in outreaching service and promised to set up two outreaching teams per year, the number of outreaching teams remains at 18 since 1979. This means many new towns are deprived of outreaching service to help those youths who may be in danger of delinquency in their districts. Government should fulfil its promise to fully develop outreaching service as early as possible. From my experience of more than 10 years in youth services, I deeply appreciate the work of the outreaching social workers who are the frontline staff; but their work are hardly noticeable and appreciated by people. Their work deserve our respect. Apart from outreaching social work, Government may also consider setting up special counselling centres for young people at the district to directly providing counselling service to those youths who have the need.

- (3) With regard to the problem of juvenile delinquency, Government should conduct a study on the causes of juvenile delinquency as quickly as possible in order to formulate an effective strategy to deal with the problem. Eleven years ago, Hong Kong had made a similar study. I am afraid that study may not be able to account for juvenile delinquency in the '80s. It is now the right time for another one.

In conclusion, our youth today are in a different era. They have diversified needs which cannot be satisfied only with cultural, recreational and sports activities. Strengthening the provision of personal social work among young people is our urgent task that cannot afford any more delay. Government should provide adequate resources for it so that our youth can obtain clearer, in-depth and individual guidance and assistance through such personal social work.

Sir, with these remarks, I support the motion.

DR. TSE: Sir, in my maiden speech last year, I welcomed your announcement to proceed with the planning of the third university. I am glad that the planning committee has now been set up to tackle this important task. As a Member of this Council who is engaged in higher education by profession I feel obliged to tender some views on the proposed university which I consider pertinent to our local requirements.

As it has been well said, every academic institution has a unique mission, this is particularly true when we talk about a new university. So the question is, what is the mission of the third university that will make it unique in Hong Kong among the five public tertiary institutions that are already in existence. Certainly it would be unrealistic to limit the third university to providing only courses that are not being offered elsewhere in Hong Kong because there are simply not enough academic areas left that the new university can build on. To do so would only create an exotic institution doing things that are either not very useful or irrelevant.

From the terms of reference of the planning committee we learn that the third university would be a grouping of professional schools emphasising science, technology, management and business studies. Personally I agree with this emphasis, but I must point out that just emphasising those areas of studies is not sufficient to make the third university unique, because rightly or wrongly, these are also the emphasis of all of the existing institutions.

How then can the third university be unique within the assigned fields of study? Before answering this question, I must first state that I do not believe in uniqueness for its own sake. Uniqueness of a tertiary institution must be claimed on the special contribution it can make to meet an identified need. Following this view, I would submit that the greatest need in Hong Kong tertiary education in the years to come is to build strong, research based, postgraduate programmes, and the third university would be uniquely meeting this well defined need if its major emphasis is on postgraduate rather than undergraduate education in the areas of science, technology and business management.

Aside from being unique, the emphasis on postgraduate research by the third university does have another significance. Presently, very little research and development have been done in Hong Kong by the private sector. So far, Hong Kong has taken full advantage of the R & D results of other developed countries in its industrial and commercial development. But as Hong Kong moves up market in its products and services, it will soon lose its competitiveness if it cannot come up with original and innovative ideas of its own. In the advanced countries, the private sector not only invest heavily in their own areas of product research, but also provide strong financial support to the academic institutions to carry out basic and strategic research activities. But Hong Kong is lagging far behind in this respect, in spite of its fairly advanced state of economy. This unhealthy situation must change, and Government can help change it by taking the initiative to provide high level infrastructure and adequate funding for scientific and technological research in academic institutions. To this extent, Government's commitment to build the third university into a predominantly postgraduate research institution would go a long way towards helping Hong Kong's development as a world class industrial and financial centre.

Of course this is not to suggest that in the future, all significant research and postgraduate work in science, technology and management will be shifted to the third university. As I said in last year's speech, research is an inseparable part of any major tertiary institution that is worth its salt. It would indeed be a sad day for Hong Kong if the third university is seen to be built at the expense of the existing institutions either in teaching or in research.

Some people may have reservation about the full scale postgraduate establishment in Hong Kong. They still hold onto the concept that the first degree is the all important, or even all sufficient academic qualification that one should

possess. May I submit that this concept is long outdated by the fact that the knowledge base in virtually every field has expanded so rapidly in the last few decades that what one can learn in the degree course simply isn't sufficient to equip him for original and independent research work. Therefore, if we are to promote original research and development which are the ultimate solutions to Hong Kong's continued prosperity, now is the time to expand and strengthen postgraduate education in Hong Kong. To this end, I would propose that half of the planned provision of places of the third university be devoted to postgraduate programme, with special emphasis on research based higher degrees. In fact, I would go one step further by proposing that the third university should have a postgraduate programme *ab initio*, and, if necessary, start a postgraduate programme first and work its way down to the undergraduate level. This reversed sequence of development may seem unusual, but it does have some distinct advantages:

- (a) First, it would allow the third university to recruit research scientists with the promise that they can begin their research activities and recruit graduate students to join them almost from day one. This provision is extremely important because people who are actively engaged in research would find it less attractive to move to another institution if they have to interrupt their on-going research work, and generally they are used to conducting research with the participation of postgraduate students.
- (b) Second, the reversed order of development would also make up for the deficiencies in postgraduate places in Hong Kong, thus giving the outstanding graduates (which will be increasing in number by the mid-1990s) adequate opportunities to pursue postgraduate degrees by research. It would also enable graduates to take higher degree and other courses to re-equip them for their changing career needs as the economy and the technology change.

While I propose that the third university should devote half of its planned capacity to postgraduate work, I am also mindful of Government's intention to increase its provision of first year degree places to 8 300 by 1994—1995. I want to congratulate Government for the positive steps it has taken to improve the opportunity for first degree education for our deserving young people, and I would be the last to wish to see a cut of that number because of the postgraduate degree proposal. In my own estimation, there should be no difficulties whatsoever for the existing institutions to absorb the shortfall, and I hope that Government will continue its commendable policy of higher education expansion well into the next century.

Lastly, let me make just one statement about the undergraduate programme of the proposed third university. I am personally against narrow specialisation at the undergraduate. So far as I am concerned, a broadly based first degree education with emphasis on intellectual stimulation and problem solving

skills will do well in preparing students for high level postgraduate work of specialisation. With these remarks, Sir, I have the pleasure to support the motion.

MR. HU: Sir, I fully support your remark in the opening address that first and foremost is the objective of ensuring that Hong Kong remains prosperous and stable. Favourable environment will be established to achieve reasonable return from investment in various industries. There will be creation of wealth to the mutual benefit of employers and employees. The standard and quality of living will be increased and the Government will afford to offer even more benefit and assistance to those who cannot care for themselves. This is the wish of a great majority of the Hong Kong people.

Housing

Public housing has always been my favourite topic ever since I joined this Council in 1979. My policy debate speech in 1979 already suggested a high ratio of home ownership in the public sector to be increased gradually year by year from 15 per cent at that time to 50 per cent or even 70 per cent in future. I am pleased to note that the Government is reviewing its production programmes and formulating long-term housing strategies for the 1990s and beyond. Public resources will be used to complement the private sector which will be encouraged to increase the output to meet the overall demand for housing collectively.

There will be three categories of housing, that is public rental housing, HOS/PSPS flats and private sector accommodation which ideally will cater for people from low income, low/medium income, and medium/high income groups respectively. Public rental housing is heavily subsidised and HOS/PSPS flats are slightly subsidised while the private sector accommodation receives no subsidy at all. This arrangement fits our philosophy of helping only those in need. The real income of the average Hong Kong people has been increasing steadily over the years and the need for highly subsidised rental housing which was valid in the 1960s and 1970s is diminishing. We are entering an era of fairly equal proportion of different income groups which require accommodation in the three categories more or less equally and therefore our long-term planning should be adjusted accordingly.

The Housing Authority has been steadily improving upon the quality and finish of rental housing and HOS/PSPS flats. Bearing in mind the subsidy involved, we must ensure that there is a limit to the improvement which should aim at durability and reduced maintenance.

Past experience has already shown that the private sector can produce PSPS flats to the same standard as HOS flats cheaper and faster while Government can receive considerable premium on PSPS besides reduction in administrative cost. Therefore, it is only logical that gradually PSPS should replace HOS.

Industry

Manufacturing industry is still the backbone of our economy. Sir, you pointed out that it still accounts for a quarter of Hong Kong's gross domestic product and provides employment for 35 per cent of the labour force. It is imperative that we keep our manufacturing industry active and progressive in line with the trend of the world market in order to ensure a fair market share.

The current strong industries make products which are 'light', 'thin', 'short' and 'small' with emphasis on 'saving', 'easy' and 'quick'. The essential features of industries in future will be 'beauty', 'identity', 'enjoyment' and 'creation'. High technology will be the dominating factor, and yet this is an area where Hong Kong is extremely weak in comparison with Japan, South Korea, Taiwan and Singapore. We have not been doing enough research and development in order to establish a strong base. It is gratifying to note from your speech that Government is working through various bodies to stimulate research and to introduce new technology to our industries.

While we are moving in the right direction, we must do what we can to make up for the lost time. One way is to intensify our effort in persuading overseas investors with top high-technology know-how to set up manufacturing facilities in Hong Kong either independently or jointly with Hong Kong investors. Comparing with our neighbouring countries/territories, Hong Kong has many advantageous features including efficient financial system, excellent telecommunication and transport facilities, hard working skilful labour forces, management personnel and so on. It would be even more attractive if the Chinese parties could be brought into the joint ventures as they could provide an easy access to the huge potential market in China. The advantage to the Chinese parties is the availability of technical transfer and training in management technology which are essential to China's modernisation plan.

Central provident fund

On two previous occasions, when I spoke in this Council, I asked Government to consider the feasibility of setting up a central provident fund. In October 1984, I said that one major underlying problem in connection with this proposal had been the uncertainty of the future of Hong Kong beyond 1997. Now that the Sino-British Joint Declaration made it abundantly clear that the future is guaranteed, the present climate is right for Government to review its previous decision on the proposal and perhaps also to review our present social security schemes to see whether they need modification in the light of the possible introduction of a central provident fund.

When people think of a central provident fund, they often remind themselves of the somewhat unpleasant experience of the Singapore scheme and the disastrous effect it has brought to its economy. However, I would suggest that we should approach this issue in a more positive manner. First, a central provident fund could provide employees with basic financial security upon

retirement and for their old age, thus reducing to a certain extent, Government's long-term responsibility under various social security measures. Secondly, depending on how it is designed, the fund could also make funds available to employees to purchase their own homes and to meet other social or medical needs. Furthermore, through the fund, substantial savings could be created over the years, which if successfully managed would contribute significantly to capital formation and creative investment by the Government. A central provident fund would also make it compulsory for employers who have been reluctant to set up their own provident fund schemes to join the central scheme.

There is, of course, no shortage of arguments against the setting up of a CPF, the most important one being that it would increase the employers' financial burden and would reduce Hong Kong's competitiveness. The employers could also be under pressure to increase the employees' salaries in order to maintain the latter's take-home pay. The main criterion for the success or otherwise of the scheme does not lie in the scheme itself, but in the contribution rate. In the light of the Singapore experience which Hong Kong should avoid, caution must be exercised or even provision should be written into the law that the contribution quantum should never exceed a certain limit. For example, initially the rate should be limited to 5 per cent each from employer and employee.

Finally, the administrative cost should be borne by the contributing parties. It could either be managed by a body statutorily set up for this purpose or it could be administered by a reputable professional body as an agent for the best benefit of its contributing members. A central provident fund, if properly set up and administered, will contribute to the social stability and prosperity of Hong Kong.

Sports and recreation

Sir, your speech touched upon opportunities for people to enrich their lives through social, recreational, cultural and sporting pursuits in a healthier and cleaner environment. Enrichment of lives through such means is a positive way to combat influence from bad elements and will contribute indirectly to prosperity and stability. Through involvement in sports and recreation, the participants will be physically fitter and healthier, thereby reducing our burden for medical and health services.

The Government, through the Council for Recreation and Sport, the Urban Council, the Jubilee Sports Centre and the recently formed Regional Council, has already done a lot in the promotion of sports and recreation and provision of facilities. But there is a lack of co-ordination among these four bodies. Without a unified overall plan, each body tends to adopt a piecemeal approach separately and cause considerable confusion in the demarcation of responsibilities of these four bodies.

Many governing bodies are still operated and managed in the same way as in the '50s and '60s. They adopt closed-door policies and have made only limited attempt to popularise and improve the standard of the sports concerned. They must change their attitude to allow new blood to be involved in the administration and preparation of long-term development plans.

Many athletes do not have adequate dedication which could be due to financial reasons or little career prospect in sports and recreation or lack of emphasis on sports and recreation in our education system. The Council for Recreation and Sport has set up a working party to study the question of sports within our education system and a committee on the establishment of sports aid foundation to resolve some of the financial problems. Career prospect needs the support and understanding of the commercial community whose involvement should be encouraged and will be most beneficial in the promotion of sports and recreation.

There must be close co-ordination among the Council for Recreation and Sport, the Urban Council, the Regional Council and the Jubilee Sports Centre so that an overall unified policy with clearly defined responsibility for each body can be established. The aim will be mass participation, pursuit of excellence and better facilities. Together with properly organised and dedicated governing bodies, an overall development plan, both in terms of quality and quantity for each sport, can be drawn up. Out of each long-term plan, short-term and medium-term targets with corresponding financial support required can be finalised. This is a long-term investment which must receive the full support and backing of the Government.

Sir, with these remarks, I support the motion.

4.19 p.m.

HIS EXCELLENCY THE PRESIDENT: At this point, Council might take a short break.

4.39 p.m.

HIS EXCELLENCY THE PRESIDENT: Council will resume.

DR. IP: Sir, how true your statement that, 'neither the development of our economy, nor the growing aspirations of our community can, in a city like Hong Kong, be satisfied without a modern infrastructure' and that 'We have been less successful in redeveloping some of the older areas whose dilapidated condition is no credit to this city.'

You have rightly stressed the importance of Government's commitments in the Public Works, Housing and many other programmes but lightly touched on the contribution by the private sector through the development of new towns, and the redevelopment of the old Hong Kong through the future lands development corporation.

Sir, I feel, that the private sector could have and should have much more to offer to the development and/or maintenance of our modern infrastructure, given more encouragement, facilitation and a firm push towards the right direction!

In this respect, I shall confine my speech to three areas of potential improvement, namely:

- (a) lease modification and redevelopment;
- (b) a swift and efficient processing of new building plan submissions; and
- (c) unauthorised building works.

Lease modifications and redevelopment

Lease modifications not involving additional land area are not accountable for the purpose of the 50 hectares limit as stated in annex III of the Sino-British Joint Declaration. The amount of land which have the potential for redevelopment on modification of lease conditions throughout the territory as a whole would be considerable; and in terms of lots, they will run into hundreds. In the days of scarce land, there is no doubt about the latent potential of the majority of land whose lease were granted at the fringe of the city between 1940 to 1960 usually with restrictions on development. However with urbanisation, such sites are now well within the boundaries of the city centre. Many of them are old and dilapidated and in need of redevelopment. Yet the implications are less complex to warrant the large scale action of the proposed land development corporation, as many are under single or dual ownership. Through the evolution of changing circumstances, examples of such archaic restrictions are: ... a piece of farm land in the middle of a city, ... a single dwelling house on a 50 000 sq. ft. site, ... and restriction to the development to large flats over 2 000 sq. ft., and so on and so forth.

It is stated in the Joint Declaration that modifications of the conditions specified in leases granted by British Hong Kong Government may continue to be granted before 1 July 1997 at a premium equivalent to the difference between the value of the land under the previous conditions and its value under the modified conditions. The question is how to put this theoretical calculation into practice and yet arrive at a fair and balanced premium so as to excite the redevelopment of such potential sites. Very often, the experience is that the demand for excessive premium rarely justifies the landlord's financial outlay to demolish existing buildings, compensate tenants and pay the premium as well as bear the risk of rising bank interest and uncertain market. Such sites are therefore abandoned by the large property development corporations.

Let us bear in mind that Hong Kong is one of the few places in the world, if not the only, where even air space are sold under lease and I would like to impress upon those who decide on premium assessment for modifying leases, to consider whether Government can feasibly sell imaginary storeys of air space above a piece of land to anyone else but to the landlord! If not, then failure to

tap this potential premium due to unreasonable terms and to develop such landspace or rather 'air space', is a loss not only to the landlord, but also to Government, the potential flat owners, the neighbours to these dilapidated buildings and also to the taxpayers.

In the past such premium assessments, whether fair or not, had been outside the public eye and confined to the landlord and the Government. I put it to our Government to increase the appellate jurisdiction of the Lands Tribunal to cover the fair assessment of premium for lease modification because it is in the public interest to do so. I understand that similar requests have been put forth to the Administration a few years ago, perhaps in light of changing circumstances, this request can be reviewed again.

Sir, having heard Mr. HO Sai-chu and Miss Maria TAM's comments on the local construction companies, I would like also to add a few words of support. I declare interest as the director of a local construction company of 32 years standing, which was involved primarily with government contracts.

Local construction companies are indeed running into difficulties because of the cut-throat competition between both local companies themselves, and between local and foreign companies. This competition is shown by the falling tender price which has remained low in spite of an increase in the standard of living and tough labour legislation. This is made worse by a fall in the forecasted growth rate of private sector expenditure on building and construction from a budget forecast of 6 per cent growth and a decline of 7 per cent in public sector expenditure on building and construction compared to a budget forecast of a growth of 3 per cent. This competition has forced some companies into liquidation, some into serious drop in annual profits, some into tendering at a loss to offset further losses in overheads while laying idle. Many adopt a wait and see attitude while attempting to diversify into estate management and property development themselves. Although some larger construction companies are slightly better off and swimming in this storm, many others are dropping out in this fight for survival. I agree that open competition is a good thing but not when we are involved with unfair competition whereby foreign companies need not establish local track record before being granted licence to practise here, and that they have the financial support in terms of tax concession from their relevant countries. It is true that Government is temporarily reaping the benefit of this artificially depressed tender price, but for how long and at whose expense! Furthermore, what I am concerned about is that when the time comes whereby only a handful of companies are left in the arena, tender prices will rise and it may rise exponentially.

Being unable to offer a definitive solution to this phenomenon, perhaps Government may consider ensuring that all construction companies, whether local or otherwise, fight a fair battle and that those who drop out in this fight should be encouraged to go into small scale private property redevelopment of aging buildings with an offer of attractive premium payable for lease modi-

fication where necessary, so that their expertise can continue to contribute to Hong Kong. And when the time comes when we experience another construction boom these companies would be around to buffer that blow!

A swift and efficient processing of new building plan submissions

Secondly, I will go to a swift and efficient processing of new building plan submissions. The statutory period for processing new building plan submissions was increased from 28 days to 60 days on the 1 July 1973 when the Building (Administration)(Amendment) Regulations 1973 came into operation. At the moment, whether or not it is a plan for a large hotel-commercial-cum residential complex or a simple conversion of a toilet in a restaurant, both take 60 days. The plans travel from one department to another, and even at times between different sections of the same government department for processing. Based on the existing method of management and processing of such plan submissions, I cannot envisage how it can be done more swiftly. Yet, it can not be stressed more than in the private sector that time means money. Can one afford to pay hefty rent for a four-storey commercial building to be unused for two months because it is awaiting plan approval for minor alterations for restaurant use? I am sure that commercial firms are eager to pay more for more efficient processing of plan submissions. Such eagerness for speed which stemmed from a genuine need had in the past turned into corruption. Now the reverse is true and I believe that staff from the various departments allow straightforward plans to idle in the office until nearing the 60 days for fear of ICAC.

Sir, it is appropriate now to set up a review committee: (1) to look into ways for a multi-disciplinary conjoint approach in the approval of buildings plans; (2) to consider reducing the statutory period of 60 days and certainly, adopting a different period between simple and complex plans; (3) to consider giving differential charges for simple and complex plans, and for urgent request and ordinary submissions; and lastly (4) to introduce statutory time limit to the processing of premium assessment for lease modifications.

The additional income thus derived from the charges can enable an increase in manpower and thereby contribute to an even more efficient department. Hong Kong continues to marvel the world in its speed of development. Government must continue to and improve itself on in its facilitation for such rapid progress.

Unauthorised building works

I would now turn to the subject of unauthorised building works. Sir, I am impressed by Government's attempts to deal with unauthorised building works. It was unfortunate that the proposals by the Secretary for Lands and Works in his genuine attempts to resolve this issue have not met with public support. It was not for the want of trying but the scheme did penalise the majority of non offenders in requiring them also to certify the none existence of unauthorised building works.

The setting up of an interdepartmental advisory committee to deal with this problem is a good step and I look forward to the promised legislation which would give the department the necessary power and support to carry out their duties.

My personal view on this matter, Sir, is that for as long as unscrupulous contractors and the guilty tenants are not also penalised for such unauthorised building works, this matter will never be adequately resolved. It is not unlike the problem that Fire Services Department has encountered in clearing dangerous obstructions to factory staircases under the fire prevention legislation. Similar legislation to that of the recently legislated Fire Services (Amendment)(No. 3) Bill 1986, should be enacted to fine all parties concerned in unauthorised building works.

I am impressed with the committee's proposal of dividing unauthorised building works into those of high and low priority based on a set of criteria. However, on studying their proposals, the number of work that will be on the high priority list is not insignificant and with the recognised resource limitations, I suspect that a long waiting list will accrue when Government attempt to step in with demolition.

I have proposed this before but would like here again to ask Government, in their deliberations to propose new legislation, to consider applying the Magistrates (Amendment) Ordinance to the control in unauthorised building works. A fine should be imposed on all unauthorised building works while at the same time taking action on those which cause danger to life and limb. Such fine should be instituted at the first instance, to be paid or have it contested in court wherein additional legislation can put the onus of the proof that the structures in question are in fact authorised to the owner and/or tenant. Such fine should be served on all parties concerned, be it the landlord, the tenant or the contractor who built it if known, and be increased stepwise annually up to \$20,000 (in line with the Magistrates (Amendment) Ordinance) until such unauthorised building are voluntarily removed and certainly not at the expense of Government. I have reasons to believe that such proposal will eventually make it no longer cost effective for those who want to side step the law. There is no doubt that this will serve as a deterrent for those who contemplate building any unauthorised structures. The success in the introduction of the wearing of safety belt while driving is the best example I can quote, whereas a fine serves as a gentle reminder to all of us to act in the public good.

Sir, all these proposals collectively put the responsibility of building a modern infrastructure for Hong Kong also on the private sector. I would like to repeat that the private sector could have and should have much more to offer in the development and/or maintenance of our modern infrastructure, given more encouragement with better terms in lease modifications, facilitation with swift and efficient processing of building plan submissions and premium assessments for lease modifications and a *firm push towards the right direction* in deterring unauthorised building works through legislation and penalty.

I am glad to hear from this debate, the support of my colleagues for my persistent requests these last few years on the close monitoring of contravention against many medical and related Ordinances; secondly, the integration of primary health and hospital services; and thirdly, the monitoring of the standard of services in homes for the elderly. I look forward to Government's actions in these areas as well.

Sir, with these words, I support the motion.

MR. CHAN YING-LUN (in Cantonese): Sir, in the past few decades, Hong Kong's economic success was very obvious. I don't have to be repetitious here. In the good times, we still have to think of those in need of help from the community and how to encourage future economic development. In fact, the Government has done its best in improving people's living, and I believe that the Hong Kong people should be proud of the success. However, for a long period of time, people enthusiastic about social developments have been worrying about the problem of scarcity of resources. How should the limited resources be allocated on the numerous public items so as to maximise the benefits for the people of Hong Kong?

Solving the housing problem for its population has always been the priority of the Government. With tremendous growth of construction programme, it is foreseen that public housing can meet the needs in another 10 years' time. It is good news to the people of Hong Kong. As the housing problem is being gradually solved, public resources can be directed to medical care, social welfare, education and economic security. This is reasonable and we should fight for it.

Therefore, the Housing Authority wants to use its own funds as far as possible to develop public housing, allowing the Government to allocate more of its resources to other welfare and social programmes. This deserves the support of the community including the public housing tenants.

Each year the Housing Authority constructs more than 30 000 public housing units. The government loans sought this year will decrease to an estimated \$1.2 billion, compared with \$1.9 billion in the year 1982-83. If the support from the Government can be further reduced until no more government loan is required, these resources can be directed to some other uses. As a whole, it will be more beneficial to the people of Hong Kong.

But then, does it mean that if the Housing Authority bears the construction cost of public housing, the Government will no longer finance the public housing programme? Or, more important than this, will the burden on the current and future public housing tenants be increased in order to maintain the number of public housing units constructed?

Sir, as I understand it, even if the Housing Authority has to bear the construction cost, the burden of the public housing tenants will not thereby be increased. This follows from the domestic rent policy under which the rent is decided mainly on the affordability of the tenants and is far below the market value. Since the rent is not directly related to cost, no matter how much funds the Housing Authority spends on the construction of new estates, the public tenants need not worry that the expenditure would be met by rent increase. Actually, in order to eliminate the worry of the public housing tenants, I urge that the Housing Authority should guarantee that the construction cost of public housing will not be passed on to public housing tenants.

In fact, in the Report of the Domestic Rent Policy Review Committee released in September this year, assurance has already been given in one of the suggestions that future public tenants' rent will be maintained at a low level. The suggestion is: the rent of new public housing tenants should not exceed a median rent-income ratio of 15 per cent.

Besides, new public housing tenants are also assured that even if the Housing Authority has to shoulder greater responsibility for public housing without any loan from Government, the rent they will have to pay will definitely not exceed 15 per cent of the median income. Therefore, current tenants and prospective tenants on the waiting list should feel assured that under the Housing Authority's financial self-sufficient policy, the interest of the public tenants will not be sacrificed. Conversely, it will be beneficial to Hong Kong as a whole.

Without any doubts, rental income is part of the revenue of the Housing Authority. However, I wish to stress that the Housing Authority has never required the public tenants to share the financing of new public estate development. It is contrary to what some people have put it, as, 'the poor supporting the poor'. In fact, the rent is within the ability of the tenants. And we also have to remember that the Government has already been heavily supporting the public housing programme. Up to April this year, Government support includes \$11.16 billion of loans and \$23 billion worth of land. In future, the Government will continue to supply free land for new public housing.

Therefore, it is reasonable and fair for the Housing Authority to collect rents affordable by the public housing tenants. If the Government continues to subsidise heavily the better-off tenants, and in turn affecting the public housing programme and slowing down other social service and public facilities, it is very unfair to those paying high rents in the private housing sector, those living in squatter huts, tax-payers and people in other sectors.

Sir, in your policy address, you mentioned the need to review the housing production programme and to formulate long term housing strategies. Emphasis should be shifted from meeting the need for rental flats to satisfying the people's wish to have their own flats. Even though some developers worry

that keen competition may arise between HOS and private sector units, the former is designed for people in the lower income brackets and public housing tenants, and at the lower price range, so they will not create too much competition with private housing flats.

Half of HOS applicants are public housing tenants. This shows that public housing tenants have a strong desire to improve their living standard. Since it is very difficult for the Housing Authority to increase the number of units completed in a year, and yet the need for public housing is ever so great, the authorities should seriously consider switching more resources from building public housing units to building HOS flats. On the one hand, it can meet the needs of the public housing tenants; on the other hand, the vacated rented units can be allocated to the families on the waiting list. This move can solve two problems simultaneously.

On the redevelopment side, it is a pleasure to learn that the redevelopment programme for marks I and II public housing estates is being expedited and expected to be completed by 1990. As to marks III and IV estates which cannot be redeveloped in the near future, the living environment should be improved.

Sir, the success of Hong Kong's public housing programme is outstanding. At present 45 per cent of our population live in public housing. In the foreseeable future, even more people will benefit from new developments. I earnestly wish that the review of housing production programme and formulation of long-term housing strategies can be completed at an early date so that in the pursuit of new targets Hong Kong may enter into a new era of housing development.

With these remarks, I support the motion.

MR. CHENG: Sir, global economic problems are such that few countries can today say that their house is in good order, that steady growth is being achieved, and that ambitious plans for the future are being implemented.

We are indeed fortunate, and as you have so wisely cautioned, Sir, we must exercise care to ensure that we continue to be prosperous and stable. Our present situation has been achieved through prudence, skill and versatility, through our internationally acclaimed capacity for hard work, and through our faith in the future.

The essence is faith, and in this respect it is good to see the lead which the Government gives through heavy investment in capital works. For it is this continuous investment which develops the infrastructure that is vital to our progress.

This financial year, provision has been made for public works projects amounting to nearly \$5.4 billion. But perhaps more important to note is the fact that \$4.8 billion is committed to new works, starting this year. This is new growth, not the completion of earlier projects, and expenditure on it is expected

to gather momentum over the next six months. Even better news is that the level of commitment for new works to start in 1987—88 will be \$6 billion—the highest amount ever.

In the short term, we can see around us the evidence of an impressive advance in capital works. The Government is also exercising commendable foresight in its long-term planning, even up to the year 2001, as it continues to review its territorial development strategy, aimed at sustaining long-term urban growth. Two more new towns, at Junk Bay and Tin Shui Wai, will be built and occupied over the next decade, the work starts later this year on the Junk Bay tunnel, to provide access to the town.

Work also began two months ago on another tunnel, the Eastern Harbour Crossing, which combines a road and underground rail crossing, but this one is being financed, built and operated, by the private sector. It is one of the largest projects of its kind in the world and you, Sir, have described it as ‘an impressive demonstration of confidence in Hong Kong’s future’.

It certainly is, and there is no doubt that the private sector, whether local or from overseas, is only too willing to demonstrate its belief in Hong Kong. But I am sorry to say that, in all this private and government development, the local construction industry which exists on its faith in this territory is not getting a fair deal.

It is no exaggeration to say that our construction industry has been invaded and swamped by overseas contractors operating with so many advantages unfair to our local contractors who are being pushed out of business. Ironically, some of these advantages are of our own making, in that we do not apply the same stringent tendering conditions and restrictions to overseas contractors as we impose on the local contractors. Those in the local industry have to start at the bottom of the list and work their hard way up; they must serve a period of probation and demonstrate their competence in various ways. And if their performance is found to be unsatisfactory, they are sanctioned. None of this applies to the overseas contractors.

They also have advantages arising from a variety of factors overseas. Sometimes overseas financial backing is given in order that foreign currency can be earned for the home country. Sometimes loss-leader contracts are taken here to enable foreign firms to get bigger and better contracts at home. And sometimes we are used simply as a dumping ground for overseas services when business is bad back home. Whatever the reason, it usually enables foreign contractors to tender below local costs, knowing that their losses here are being offset by other benefits.

Overseas contractors were originally welcomed to handle specific projects which called for new technology, but things have since got out of hand. They have long had a substantial share of our civil engineering, and now through

being able to undercut local tenders, they are taking on more and more in all kinds of projects, large and small. In the first three months of this year, more than 50 per cent of Housing Authority contracts went to overseas firms.

Earlier in the year, we had instances of poor workmanship and management demonstrated by overseas contractors in our housing and civil engineering projects resulting in water leakage, labour wages dispute and other deficiencies which may well cause additional Government expenditure in remedial measures and delay.

While appreciating the necessity to accept the lowest suitable tender, I feel we cannot afford to let our local construction industry run down in this way. Especially as we are providing vocational training for our young people to enter the industry. We may not be able to do anything about the overseas factors contributing to this situation, but we must surely do something about the inequalities in our registration and contracting.

Sir, Hong Kong was founded on free enterprise and we are against protectionism. All that the local contractors are asking for is that they shall be treated fairly and on equal terms with the overseas contractors and that the same conditions and restrictions shall apply to all. I would also suggest that we should encourage joint ventures, so that new technology is shared and passed on as was intended when the foreign contractors first arrived. Unless action is taken, I fear that we may find ourselves with little or no construction industry left if and when the overseas contractors find it more profitable to return home or to work elsewhere.

Turning to the provision of public housing, I am delighted to note the Housing Authority's target with another 43 000 flats being completed this year. It will be an impressive achievement. I also welcome the Government's overall housing mix study, especially the consideration of how private sector output can be encouraged, and how public resources can best be used to complement the private sector to meet the overall demand for housing.

I believe these two aspirations might best be achieved by eliminating anything which tends to create a situation of competition between the public and private sectors. For example, everyone accepts that home ownership flats must be as reasonably priced as possible. And the private sector makes no complaint about the Housing Authority's advantage in not having to take the cost of the land into account. But do home ownership flats have to be built on prime sites, where the private developer would have welcomed the opportunity of doing his job and catering to the more affluent members of society. Care should be taken not to rule out the incentive for investment in property development; rather than create a competitive situation, we should encourage private investment as a means of alleviating the Government's burden in meeting the enormous need for housing.

Finally, Sir, I would like to touch briefly on the Kwai Chung container terminal, where a sixth terminal should be completed by the end of this decade, followed by even further development in the 1990s.

I am concerned, however, with a more mundane but nevertheless important aspect of the facilities there. And this is the provision of parking for the container tractors. I have recently received a submission that deliveries and collections of containers are being delayed because limited space results in long queues of container vehicles, and that there is an acute shortage of land for parking the container tractors overnight. It is claimed that the land allocated for parking is sufficient for only a quarter of the 4 000 container vehicles in operation, leaving the other 3 000 to find parking space as best they can. Several suggestions have been put forward, but in my opinion the best solution would be to allocate land as close as possible to the terminal and to build multi-storey parking facilities for these vehicles.

Kwai Chung is the third busiest container terminal in the world, next to Rotterdam and New York. A large proportion of our economy is dependent on the smooth running of the terminal and it is inconceivable that we should allow traffic congestion and the lack of parking facilities to cause any disruption.

Sir, I made clear at the outset that I applaud the account you have given of progress in many areas. As regards public works, I have expressed concern about what I and many others in the construction industry regard as weaknesses that tend to diminish confidence and impede progress. In a positive spirit, I have also made suggestions for improvements. I hope they will be received in a similar spirit as measures that can help make our construction programme, impressive as it already is, more effective in practice and thus of greater benefit to the community.

Sir, with these remarks, I support the motion.

MR. LAI: Sir, we are at a cross road today, economically and politically. We must equip ourselves to face the challenges of a new era of tremendous changes both in the global economic structure and the local political arena. In my remarks today I shall try to examine a few issues in these two areas that need to be addressed urgently.

I believe there is no dissent among Members that the 'well-trying path' as I quote you, Sir, in your 8 October 1986 speech to this Council, has brought us to where we are today. But that, however, is no guarantee it will be our best armour with which to arm ourselves in facing the challenges of the coming years. Our past success should never be a cause for self-congratulations and complacency; it can only serve as a constant reminder that the road to prosperity and stability is indeed hard and trying, and that only with resolve, commitment, and a prudent strategy with foresight and careful planning that our interest will be safeguarded.

I concur with the assessment that it is trade and industry that has elevated us to a position few developing nations can match. Our efforts must therefore be channelled to that endeavour to provide the impetus for further developments, not only in the economy, on which our success has been based, but also in the social and political sectors as well.

The economy

We are all very pleased to witness the growth in domestic exports which has been the blood-line of our economy. However the encouraging economic indicators outlined in your address do not warrant our optimism in the recovery of our economy or the strength of the manufacturing industry if we cannot adequately address the underlying worries that plague our confidence. They are:

- (1) the rate of local investment in manufacturing industry has not grown, which points to the fact that the eroded confidence has not been fully restored, and which may diminish our competitive edge over other developing countries in the region, especially South Korea and Taiwan;
- (2) the technological base of local industry has not improved to any significant extent;
- (3) there has been a constant migration of assembly based factories and industrial investment to China and other low cost countries.

We cannot afford just to maintain the status quo. New technologies and increased automation are changing the traditional patterns of comparative advantage between industrialised and developing nations. Increased automation of electronic assembly lines, computerisation of various production machines all reduce the needs for labour, skilled or unskilled. Hong Kong is no longer able to capitalise on low-wage labour and trendy products. We must awake to the new economic reality and remode our new comparative advantage in the use of advanced technologies, technological development and highly trained manpower.

In this period of structural change, the Government has an increasing role in facilitating the adjustment process. The Government with its vast resources has to assume the responsibility to promote technology transfer and development. Experience from other countries indicates that with the Government playing the lead, private enterprises are better able to adapt to the new economic environment. One of the Government's functions is to encourage technological development and to promote the establishment of technology-intense enterprises as wealth generators to compensate for the long-term decline in employment and value added performance in some of our traditional, mature but technologically stagnant industries.

To encourage the growth of technology-intense enterprises, the Government must provide the technological infrastructure and an environment conducive to the exploitation of technology.

I advocate a co-ordinated and comprehensive programme of:

- (1) applied research and development,
- (2) increased funding to industry support organisations such as the Hong Kong Productivity Council to promote the application of key technologies,
- (3) training and education in new technology, and
- (4) the improvement of our marketing capability aimed at increasing the value of our export.

Goes hand in hand with the importance of improving our technological base in securing a hospitable environment for the economy is the need to have a sound energy policy that will ensure that our economy will not be stifled by the uncertainties of price or supply.

Because Hong Kong is totally dependent upon foreign import for her energy sources, it is all the more apparent that reliable supply and stable price of power is vital to the health of the economy and the daily lives of her citizens. Moreover, a long-term policy must be put in place to ensure the best utilisation of our resources.

The most important source of energy in Hong Kong is electricity. And in this area there may well be a case for constructive change via reconsideration of government policy. Historically, the Government has given the two utility companies incentives to maintain a, perhaps, more than adequate level of installed capacity and has obliged them to develop the distribution systems so that all potential users are provided with reliable supplies. This policy was certainly in Hong Kong long-term interests as it built up an adequate generating and distribution capability. However, some changes in policy may now be appropriate.

Probably much of the infrastructure needed for the long term is now in place and from now on energy consumption is forecast to grow much slower than during the last two decades. It may be advisable to divert our attention to more efficient use of capital resources and also more economical application of energy.

Hong Kong's electricity consumption pattern is dominated by air-conditioning demand. This leads to summer consumption approaching twice the winter levels, and also to day time peaks approximately twice that of night time's. Clearly under these circumstances a redistribution of loads thus reducing peaks would make better use of the capital plant and will allow for more growth over future years of total consumption before we need additional facilities.

The tariff structure may be used to encourage load levelling. So that when demand is high, consumers pay much higher rates than when demand is low. This will stimulate individual consumers into various actions to take economic advantage of the tariff.

Employment of thermal storage systems can also effect load shifting and peak load clipping. Other systems such as cogeneration, that is, using stand-by generators to generate part of the daytime peak may also be used.

The present Schemes of Control in respect of the two electricity utility companies do not provide an incentive for them to adopt more efficient use of generating capacity since profits are pegged to fixed capital employment. Clearly these Schemes of Control may be modified to encourage steadily increasing efficient use of the infrastructure.

These measures aiming at more efficient use of the present installed facilities may be more effectively carried out if the Government sets up an energy council, whose responsibility will be to oversee the various aspects of energy utilisation and energy needs of Hong Kong. This council should consider, among other things, the Schemes of Control that will be instrumental to future energy goals, development of energy economy system, and various plans, including amending appropriate Ordinances such as the Buildings Ordinance, to stimulate users' interest in energy economy. Moreover, it may serve as a central monitoring body whereby the present need of overseeing the retail oil prices which fall upon the shoulder of the Consumer Council, as well as the future requirement to supervise the working of the Daya Bay nuclear plant will be met.

Political review

With the impending review next year, I would now like to turn to the subject of political reform. The imperfections of the present political system were brought to the spotlight in the Daya Bay issue. With my profoundest respect to you, Sir, and to my esteemed colleagues, I am of the opinion that this Council has not lived up to the democratic ideal where the interests and concerns of the public are fully taken into consideration. One of the ways by which the problems of the present system can be eradicated is opening up this Council to directly elected representatives.

It is disheartening to have heard prominent people voicing their reservations about opening up the Council. We have attained in our political maturity process the wisdom of knowing what we want, the judiciousness of discerning what is good for us, and the will to accomplish our aspirations. The epoch of parentalistic directives has long gone. Who is to tell us what is good for us except ourselves? To say that only a handful of people know best is not only arrogant; it is reactionary. It is despicable to retrack one's support for open government just because it ensues dissenting views from one's own. Some people always assert that no matter how wide the difference of opinion is on a specific topic, the ultimate aim and priority will always be the benefit of the whole community. If the majority of the people maintains that direct election is to its benefit, then I see it is only logical for those people to comply with the wish of the majority and not otherwise.

Of course the efficiency of the Administration has been one of the main reasons that we enjoy the high standard of living today. That effectiveness should be preserved if possible, but not at all costs, and certainly not at the expense of democracy, not at the expense of the confidence that our Government is fair and just, and of all citizens and not only of a small establishment.

The spirit of developing a representative government is not just a light house which radiates momentary gleams of inviting light far out into the surrounding gloom, and then relapses into complete darkness. It is a spark that ignites a flame for reform from which there is no turning back. We should stride on, and we should not bow to the force of traditional political elites.

In achieving the ideal of representative government there may well be numerous options. I am of the opinion that a gradual process of replacing appointed legislative councillors by directly elected representatives must be put in motion as soon as the next election. I believe a fully established well run, highly representative government must be settled in by 1994. The sooner we install a mechanism of truly representative government, the better are our chances of preventing any rapid abrupt changes in the transitional period of 1997. As much as I favour a fully elected council, I still consider that the elected element must be slowly eased into the Council to effect a smooth transition. In the first phase I hold that a certain number, perhaps a quarter, of the council seats be allocated to the directly elected numbers, while the other members returned by the electoral college, functional constituencies, and by appointments make up equally the other three quarters.

The number of directly elected members should increase later on to reflect the political maturity of the population. Thus when it is sufficiently cultivated, we should reconsider the seat allocation among members returned by various methods.

I wish to add that direct election, though not explicitly stated in the Sino-British Joint Declaration on the future of Hong Kong, is not ruled out neither. While some people express the doubts and fears of direct election because of the people's insufficient understanding of the political process, I believe that promotion of civic education to the public is a more positive way of ensuring that the representatives returned by direct election will be of high integrity and ability, and are willing to devote themselves for the betterment of Hong Kong as a whole, and not just small sectors of people with vested interests. The likelihood of selecting quality candidates may be further enhanced by paying careful attention to the method by which candidates standing for election are nominated.

It is encouraging that the Government will publish a Green Paper to consult the public on this issue. I hope the results of this exercise will be faithfully adhered to in formulation of the subsequent White Paper. My office is currently gathering the views of my constituents on the political structure; this survey may

be expanded to cover the whole territory as a more active measure of collecting public opinion than an assessment office, which will only passively reflect representations conveyed to it.

We have always maintained a system of democratic majority ruling in this Council; now we have a situation where, I believe, the majority of Hong Kong people support the call for direct election. The Government must respond to it. It has long been criticised as being 'a lame duck' in the past, let there be no allegation that the 'duck' has turned deaf as well, which indeed would be the symptom of the second stage of a very serious illness. Then, one can easily visualise what will be third stage period.

Another issue closely related to the spirit of liberalising government is the freedom of press. I understand that the Administration is currently reviewing the Control of Publications (Consolidation) Ordinance. When I first saw it, I was shocked by the threats to the freedom of press embedded in the Ordinance. The contributions of our press to the functioning of the political process hinges on the freedom enjoyed by it. If we preserve the Ordinance which may curtail the freedom of the press to report what it sees fit and subject it to the threats of closure, the press can never be an effective linkage between the Government and the public. This will in turn hamper the flowering of our political culture. My views on this subject has been expounded on many other occasions, and I would only like to put on record today that I once again positively ask for the repealing of the Ordinance.

Sir, in concluding my observations today, I wish to say that I agree totally that the economy has been the cornerstone on which we build our success; we must therefore do everything possible to ensure continuous prosperity in Hong Kong. This will impose a heavy demand on the Government to provide adequate supports in transforming our industrial base to survive the technological age. As well, the Government must take a more active role in monitoring the energy utilisation structure of Hong Kong to foster a stable economic environment in which our low tax, free trade system and the hardworking community can perform to their optimal potentials.

A great deal of initiatives and efforts are needed to materialise the promise of representative government. Of course having directly elected elements in the Council is only one means to achieving our goal and preparing us for the future. It is not an end in itself, but only the beginning of democracy. Other actions such as repealing the Control of Publications (Consolidation) Ordinance are also called for to fulfil the goal of an open representative government, a goal that we can count on the support of the people to accomplish. We must remember and understand very clearly that it is not the number of people that matters, it is the number of hearts that we can win that counts.

Sir, with these observations, I support the motion.

MR. POON CHI-FAI (in Cantonese): Sir, in the introduction of your recent 20 000 word-long policy address, you mentioned about 'ensuring that Hong Kong remains prosperous and stable, ... maintaining law and good order, ... maintaining political stability and to foster an economic environment in which enterprise can flourish ...'. I fully support these objectives and principles, and look forward to their realisation. I believe that they are also the common objectives of all the people in Hong Kong. I would like to express the following views on your policy address:

(a) *Review of the system of government*

Since the publication of the White Paper on Representative Government in 1984, the people of Hong Kong have shown considerable concern over the further development of representative government. As the people gain a better knowledge of the system of government and as their political awareness matures, their degree of participation will also be on the rise. But in developing our system of government, we must be pragmatic and proceed in gradual steps, without being radical or hasty. At this sensitive moment, political reforms in Hong Kong do not allow any serious mistake; otherwise it might place Hong Kong in an irredeemable situation. The 1987 Review will have far-reaching effects. We must think carefully and must not overlook the importance of being pragmatic while going too far in pursuing our ideals. Moreover, the interests of various sectors in Hong Kong must be looked after, with the aim of creating favourable conditions for the future development of Hong Kong and bring about permanent stability and prosperity for our society.

(b) *Transport*

Before dwelling upon the subject of public transport, I must first declare that I am employed by the Kowloon Motor Bus Company. But I would like to express some of my personal views on this subject as a professional worker in the field of transport and according to my professional knowledge.

Owing to the shortage of land in Hong Kong, the high population density and the low rate of vehicle ownership, public transport has always been the most important means of transport for the people of Hong Kong, especially at the grassroot level. Public transport, therefore, occupies a very important position in the overall transport system of Hong Kong. This was why the 1979 White Paper on Internal Transport Policy had indicated that the Government was determined to encourage members of the public to make maximum use of public transport and to discourage the use of private vehicles. To achieve the above aim, public transport service must be constantly improved so that greater convenience and comfort as well as cheaper fares could be provided. The former Financial Secretary, in answering questions raised in this Council, had also emphasised that the Government would ensure that public transport commuters could obtain reliable and cheaper services.

But during the past year, the Transport Department had rejected, on several occasions, requests for improvement on the public transport services put up by the traffic and transport sub-committees of district boards, refusing to introduce a semi-express bus services linking the coastal road from the New Territories to the urban areas. This is contrary to the objective of encouraging the public to make more use of public transport and enhancing the service provided by public transport. At the same time, the highways built by Government at tremendous costs could not be fully utilised. As a result, the distance between the urban areas and the New Territories could not be shortened. This is really unfortunate and puzzling. In fact, there are some past examples which deserve to be reviewed. For instance, when the Island Eastern Corridor was first open to traffic, the authorities concerned originally considered to ban public transport vehicles with a higher passenger capacity from using it. Although the authorities finally acceded to public request to allow such vehicles to use the corridor, the transport companies concerned were asked to raise the fare charges originally put up by them and which were acceptable to the general public. Such a move had really disregarded the interests of the public and was equally puzzling.

In the recently published paper on 'Co-ordination of Public Transport', the Government argued that in order to safeguard the returns and interests of the railway transport system, other means of public transport had been prohibited from direct competition with the Mass Transit Railway, the Kowloon-Canton Railway and the Light Rail Transit system. The district boards are unhappy to this. This seems contradictory to the spirit and principle of maintaining a balanced public transport system to provide multiple forms of public transport for the choice of the public. There is nothing to be criticised if Government wants to give due assistance to and care for the developments of the three railway systems. But if such care is overdone by imposing too many restrictions on other means of public transport, it would not only contravene the principle of a free economy, but would also hamper fair and healthy competition, which is required for maintaining or improving the quality of public transport services. Now that Hong Kong is developing rapidly, and the demand for public transport services is ever increasing, such a suppressive policy will result in other public transport companies losing confidence and interest in re-investments. This is certainly not to the benefit of the society as whole and would also deprive public transport commuters of the right to choose a more direct, more convenient and cheaper form of public transport.

Sir, I do not deny the value of the two railway systems in Hong Kong's transport system. In fact, there is a need to consider improving and expanding part of their services. But I do not agree that the Government should rely too much on them while merely looking upon the other means of public transport as their supplements. In view of the importance of public transport to the people of Hong Kong, I sincerely urge the Government to formulate some guidelines to monitor and ensure that the people of Hong Kong can enjoy adequately

provided and inexpensive public transport services. Finally, while we are improving services we should pay special attention to transport safety to protect the life and property of the general public.

(c) *Localisation of the Civil Service and wider use of Chinese*

As 1997 approaches, the incidence of using Chinese will gradually increase. I welcome bilingualism and the wider use of Chinese in official business. Nevertheless, the authorities should reinforce the training of civil servants to improve their standard of written Chinese. Moreover, civil servants with a high command of Chinese should be deployed to attend meetings of district boards or other committees whenever possible, so as to minimise the trouble of arranging for the service of two or three interpreters for just one expatriate officer attending a meeting. As for localisation of the Civil Service, I agree that the process should not be too hasty. However in reality, although some senior posts in the Government are being filled by local officers, the ratio of local and expatriate officers at the senior level is still very unbalanced. Therefore, the Government should actively select capable local officers to fill senior posts, so as to rectify this unbalanced situation and to boost their morale. At the same time, the existing system of equal pay and equal fringe benefits for equal work being adopted for local and expatriate directorate officers should also be extended to non-directorate civil servants in order to be fair.

Sir, with these remarks, I support the motion.

MR. TAI: Sir, I shall first speak on the development of new towns and its associated problems.

Over the past decade, Hong Kong has experienced a massive shift of population from our urban area to our newly developed new towns. Though the concept of new towns has been experimented in a number of industrial societies, the experience we have gone through is new and invaluable to us. Several observations have thus emerged. Firstly, the original idea of the balanced and self-contained community has not been realised. As experienced by other countries, new towns have not been very successful in attracting new industries and providing sufficient employment opportunities to the residents in the areas. In Hong Kong, the earlier emphasis on relatively technology-intensive and capital-intensive mode of production that fits the physical endowment of the new towns which are situated in more spacious areas of the New Territories, but does not come within the occupational characteristics of the residents who are largely semi-skilled or white-collar workers.

While Hong Kong is making every effort to diversify its industries, it remains true that the majority of industries in Hong Kong are labour-intensive and comparatively small in size. The situation that exists is that a large proportion of the work force residing in our new towns have to seek employment in the urban area. Hence, communication and transportation systems are essential to

a new town's development. The success in the development of Sha Tin serves us with an example. In this respect, the construction of a light rail transit system in the northwest New Territories is particularly worth mentioning. The northwest New Territories is one of the few regions that has not yet linked with the major mass transit rail systems and yet it is also one of the regions which have witnessed a large increase of population over the last decade, such an influx of population is expected to continue in the coming years.

Transportation problem has been a constant cause of frustration to the residents in that part of the region who have to travel between the metropolitan area everyday. The construction of the LRT is a big step towards improving the transportation network of that region, though I must stress that it is of vital importance that the present committed project of the LRT which only serves internal transportation within the northwest region should in future be extended to link up with the rest of the territory to facilitate movement of people and to enhance investment potentials of that region. I appreciate that both of the KCRC and the MRTC are carrying out feasibility studies on possible extensions of their systems and I hope that plans to solve the long-term transportation problem of the region will be ready before long.

Another unique feature of the new towns is its relatively homogeneous social characteristics. The majority of the households there are young couples in the lower-middle income bracket whose offsprings are beginning to enter school. The shortage of school places in a number of new towns is a result of the previous failure to estimate accurately the unique social composition of new towns residents and this should serve as a lesson for future planning. On the other hand, the relatively isolated geographical location of the new towns plus the relatively young population have created a higher demand for community and recreational services than the average population and have also generated problems specific to the areas. Particularly alarming is that over the past few years, we have witnessed an upsurge of petty crimes in the new towns largely committed by young people and an increase in triad-related activities. Solutions are badly needed to cope with this mounting problem.

Better ways should also be found to improve the co-ordination of the overall planning and its implementation among various government departments. At present, town planners are responsible for the overall zoning and planning of the new towns while implementation of the plans are subject to the financial approval of the Finance Branch and other factors. The time lag between the two has led to a phenomenon where some of the proposed sites for community centres in the housing estates have to remain empty for as long as several years waiting for the necessary funds, While I can well understand the financial constraints of the Government, I believe however that comprehensive community projects could be carried out in a way that keeps pace with the various aspects of development and should not only be tied with economic ups and downs.

Pollution control

In your address, Sir, you mentioned the Government's determination to improve our environment by introducing a Noise Control Bill and new regulations to the Water Pollution Control Ordinance to control the dumping of animal waste into the streams and water courses. Measures to control water pollution entails a complete ban on livestock keeping in the urban areas and strict controls of the livestock industry in the rural districts. Whilst I agree with you, Sir, that the seriousness of the problem warrants urgent attention, I also believe that any policy made should give due weight to the social impact that it may result. The proposed strict controls may jeopardise the livelihood of approximately a quarter of a million people living in the rural areas and compensation to the farmers may not be the end of our problem. Having alleviated the problem of water pollution, we are inviting another social problem—a large number of unemployed livestock farmers who may not possess the necessary skills to change trades. Constructive suggestions have been made on the possibility of setting up livestock farming zones in parts of the New Territories for better utilisation of waste land and to cope with the pollution problem caused. I suggest that due consideration be given on this proposal.

Laws in Chinese

Also, Sir, in your address, you did mention about the possibility of having the first Bill drafted in both English and Chinese to be introduced to this Council in this session. I see it as one of the most challenging tasks for this Council and for the legal profession in the coming years. As I have mentioned in my speech during the adjournment debate on the consultative document on Laws in Chinese, the drafting of laws in Chinese will fulfill its intended purpose only when we have legal expertise who are able to practise laws in Chinese. This is not simply a matter of translating existing laws from English into Chinese or to draft future legislation in both languages. Training of bilingual legal practitioners should get a start as soon as possible. In this connection, I am most anxious to see the newly approved law department of the City Polytechnic to give a high priority to bilingualism to be in tune with the growing demand for expertise in this field.

With these remarks, Sir, I support the motion.

6.00 p.m.

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

Question put and agreed to.

MR. S. L. CHEN: Sir, not being a qualified politician as some of my colleagues who might think they are, I shall refrain from commenting at this debate on such fashionable and sexy subject as direct election, about which a lot has already been said by many of my colleagues. Instead, I shall confine my observations to an equally, if not more important topic of your address.

In the part of your speech which dealt with law, order and security, you pointed out, Sir, that there was a strong demand in the community for firmer and more effective action to be taken against triad activities. I fully share your view. In fact, many people agree that the maintenance of internal law and order plays an important part in upholding the stability and prosperity of Hong Kong. Based on this general premise, it has been argued that the existing penal system is not providing an adequate deterrent effect on criminals in our society.

Sir, the greatest deterrent for a criminal is the prospect of being caught and sentenced to a punishment commensurate with his offence. In determining a suitable level of sanction, therefore, the Judiciary should take into account the community's sentiments and other relevant social factors, as well as the need to generate a deterrent effect to show the determination of both the Government and the public at large to weed out criminal elements from our community. Whilst we recognise and respect the independence of the Judiciary in Hong Kong, we should also realise that our fight against crime will not bear fruit without support from all sectors of the community and co-ordinated effort from all government departments.

It is widely acknowledged that the prevalence of violent crimes is a direct threat to the internal stability of our society. Unfortunately, over the years the courts have become more and more concerned with the rehabilitation of offenders and thus showed a growing reluctance to impose high-level sanctions. As a result, the maximum penalties against different acts of crime as stipulated in the law were seldom, if at all, exercised. To illustrate this point, I would like to mention some of the available statistics on the sentences imposed upon three representative offences in 1985—

- (1) Theft—the maximum penalty for theft is 10 years imprisonment. In 1985, there were a total number of 9 282 convictions, but only 1 691 were with imprisonment penalty. The rated average duration of imprisonment imposed was 0.66 year.
- (2) Robbery—the maximum penalty is life imprisonment. There were 1 321 cases of convictions in 1985, but only 594 cases were having imprisonment imposed and the rated average duration of imprisonment imposed was 4.3 years.
- (3) Rape—the maximum penalty for rape is life imprisonment. There were 28 cases in 1985 and the rated average duration of imprisonment imposed was nine years.

Sir, it can be seen clearly from the figures just quoted that the sentences passed by the courts were, on average, substantially lower than the maximum penalty. Although I appreciate that each case might have its unique circumstances and should therefore be judged according to its own merits, it nevertheless seems obvious to me that by and large the deterrent effect of the law, which I believe was very largely determined on the basis of maximum penalty, has not been achieved. This is particularly the case with young offenders as it would create a false impression that, with little or no previous criminal record, they could get away with their wrongdoings by serving a relatively light sentence.

Sir, there is nothing more frustrating to the police than to see all their efforts leading to the arrest and prosecution of atrocious criminals gone astray as a result of lenient sentences handed down by the courts. The Discussion Document on Options for Changes in the Law and in the Administration of the Law to Counter the Triad Problem cited this as a 'significant problem' in respect of the control of triads and the enforcement of the Societies Ordinance (Cap. 151). This point was echoed by some of my hon. colleagues, in particular Dr. HO Kam-fai and Mrs. Rita FAN among them, who urged the Judiciary to impose heavier penalties on convicted triads when the aforesaid document was debated in this Council on 9 July 1986.

Sir, I must emphasise that we all have no doubt on the fairness of our legal system and also the professionalism of our Judiciary. However, in the light of the arguments which I've just cited above, I think it is now an opportune time for consideration to be given to stipulating a 'minimum' penalty for certain offences so as to strengthen the deterrent effect of the law. I realise, of course, that there might be practical difficulties involved in the implementation of this proposal. For example, 'theft' might cover too broad a range of offences which render it difficult to determine an appropriate level of minimum penalty. However, problems like these are only technicalities. Once the general principle of minimum penalty is accepted, they can be resolved. I therefore suggest that, as a first step, a few common offences such as those I mentioned earlier which affect our normal daily lives could be chosen as a pilot scheme for a legislative amendment exercise. After a period of trial, say for a few years, if the crime rate is reduced as a result, then a full legislative amendment exercise covering more extensive areas could be mounted.

Sir, with these remarks, I support the motion.

MR. PETER C. WONG: Sir, man cannot live by bread alone. Likewise, Hong Kong cannot thrive merely on political reform, important and exciting though it may be.

Law, order and security is the key to our stability, on which Hong Kong's prosperity depends.

To ensure the continuance of our very success, it is important that we do not neglect the many vital issues in the field of law, order and security.

Sir, this is a structured debate, I shall be speaking on only three topics in this area.

Vietnamese refugees

Some of my colleagues have already touched on the subject of Vietnamese refugees. To emphasise the importance of this issue, I would wish to add a few remarks of my own.

You stated in your address, Sir, that despite an increase in the rate of resettlement of Vietnamese refugees during the past year, the outlook for the future is less bright. This is indeed disturbing news. Hong Kong's difficulties are enormous. We must steer a narrow course between treating humanely the refugees who are already in Hong Kong and deterring new refugees from coming. We have never turned away any Vietnamese refugee, and I do not believe that the humanitarian principles that govern our society would ever allow us to do so. Yet the boat people who are categorised by international opinion as refugees when they arrive in Hong Kong are increasingly regarded as economic migrants by prospective countries of resettlement, and for this reason are not so easily resettled. These divergent views are beyond our control, and, to put it mildly, compounding our problems.

Sir, there is no lasting solution within Hong Kong itself. It has never been intended that Hong Kong should provide anything more than a place of first asylum for the very simple reason that Hong Kong is already too densely populated to accommodate unlimited numbers of refugees. A sharp drop in the rate of resettlement of refugees led to the introduction of the closed-camp policy in 1982 designed to deter new refugees from coming to Hong Kong. To some extent, this policy has been successful, but it has been unable to stop completely the number of new arrivals, which has increased considerably this year.

We are fully aware of the problems associated with the closed-camp policy and would welcome constructive and realistic suggestions on the management of our closed camps, but any attempt to alter this policy would be interpreted by would-be refugees as an invitation to come to Hong Kong. Sir, this cannot be and should not be.

Realistically, there are perhaps only two durable solutions to the refugee problem: resettlement in third countries, and repatriation to Vietnam. Although the first of these solutions is becoming increasingly difficult, Government must continue to exert pressure on resettlement countries, including the United Kingdom, to be more generous in their quotas for refugees in Hong Kong. The second solution, mooted by OMELCO's Security Panel and, I believe, also by the Administration, was publicly suggested by the Minister of State for the Home Office, Mr. David WADDINGTON, during his recent visit to Hong Kong.

At this stage, it is only a possibility, as emphasised by the Minister, and will require delicate and complicated diplomatic efforts. Repatriation may solve the problem of the increasing residue of refugees in Hong Kong who, for whatever reason cannot be resettled in third countries. In the long run, it might also prove a far greater deterrent to new refugees than any measures we can take within Hong Kong. It is an option which must be seriously explored and pursued. The essence, Sir, lies in ensuring that those who are repatriated will be humanely treated.

Legal aid

My second topic deals with the important principle of whether it would be appropriate for a government department to administer legal aid. In your address to this Council last year, you indicated that a working party was examining all matters relating to legal aid. You said, Sir, that when the review was completed in early 1986 there would be full consultation with the legal profession and other parties. I understand that this consultation is still in progress. Without wishing to pre-empt the results of this consultation, I would like to reiterate what both Mr. SWAINE and myself said on this subject in last year's policy debate.

Sir, it is essential in a free society that the administration of justice is kept as separate as possible from the executive arm of Government. It is not appropriate for the Government through one of its departments to decide who should receive financial assistance from public funds in legal aid cases, or to provide one of its lawyers to represent the defendant. This is a glaring example of justice not being seen to be done. For as long as this arrangement continues there will always be the question of whether the Government, which already handles the prosecution of the defendant through the Legal Department, is perceived by the public to be administering the scheme impartially. As we develop our system of government and re-examine the principles on which it is founded, this question becomes increasingly important.

There may have been valid reasons in 1966 for putting the legal aid scheme in the hands of a government department, but I do not believe it was ever the intention that it should remain in such hands. During the debate on the Second Reading of Legal Aid Bill on 23 November 1966, Mr. P. C. WOO noted that in the United Kingdom, as well as in other countries in the Commonwealth, legal aid had always been administered by the Law Society and not by Government. Recognising that the Law Society was at that time not large enough to undertake such administration, Mr. WOO nevertheless advised that 'if and when the society has the personnel to do so Government may consider entrusting the administration to the Law Society, thus following the precedents of the other countries in the Commonwealth.' Sir, the legal profession is now a large and well-disciplined profession and has proved itself capable and efficient in administering the Duty Lawyer Scheme and the Legal Advice Scheme.

It is now 20 years since legal aid in its present form was introduced. Sir, many feel that the time is now ripe for putting legal aid on an independent footing. Informed opinion is opposed to turning the Legal Aid Department into an independent commission and for the right reasons: the commission would still be under the direction of Your Excellency, who is the head of the executive arm of Government.

Reform of penal system

Sir, may I now turn to my third and last topic—reform of our penal system. Hong Kong is in the process of adjusting its penal system to ensure that there is full provision for rehabilitation of prisoners. A number of exciting and worthy schemes are in the pipe line. In a compassionate society, it is important that every assistance is given to a convicted person both before and after he has served his sentence.

Sir, this morning I took part in a presentation of certificates ceremony at Pik Uk Correctional Institution. The certificates presented are issued by the London Chamber of Commerce and Industry and the Pitman Examinations Institute. Of the 49 successful candidates, 25 passed with distinction. One successful candidate was awarded a bronze medal by the London Chamber of Commerce and Industry for having achieved the second highest mark in the world in the Intermediate Mathematics Examination.

Sir, the results are certainly very impressive. This is but one example of corrective training in Hong Kong, the aim of which is to turn offenders into responsible, contributive and law-abiding citizens. The training embraces a wide range of programme, which is updated and improved from time to time.

During the last session the Rehabilitation of Offenders Ordinance was enacted, bringing into existence a spent conviction scheme for those convicted of minor offences. A pilot project for the community service order scheme, which would enable judges to sentence persons convicted of certain minor offences to a period of community service instead of prison, is expected to be launched in 1987. Recently, the Government and the OMELCO Security Panel have been examining proposals for the release of certain types of prisoners under supervision before the full sentence has been served. Related proposals for pre-release employment schemes have also been discussed. In many cases such schemes would help a prisoner integrate into society far more quickly, thus reducing the likelihood of recidivism or relapse, and the burden on the community. These schemes are designed to assist non-violent persons convicted of less serious offences and any early release would pose no threat to society. Proponents of these schemes, Sir, would certainly hope that when the proposals finally come to this Council, they will receive broad public support.

Conclusion

Sir, you indicated in your address that, overall, crime in 1986 is likely to show a slight decline. Credit must be given to the Royal Hong Kong Police Force, the

various law enforcement agencies, the Fight Crime Committee and the cooperation of the public at large in adopting various measures to prevent crime. However, this does not mean that we can sit back and relax. On the contrary, greater efforts should be directed towards the promotion of stability. On our part, Sir, the security panel will continue to monitor the implementation of approved policies and explore fresh avenues for the attainment of our objectives.

In carrying out our tasks, we will be fully conscious of the following words of Confucius: 'He who advances with precipitation also retreats with speed'.

Sir, I have pleasure in supporting the motion.

DR. HO: Sir, in this policy debate, I wish to address myself to two topics of interest.

Triad presence in schools

In the 1985 Annual Fight Crime Conference and in the deliberations over the Discussion Document on Triads, the district board and the district fight crime committee members identified triad presence in our schools as one of the problems, in respect of which the Government must take immediate action. One of the findings in the public opinion survey undertaken by a private company on the aforesaid discussion document indicated that a significant number of respondents quoted the school as the most vulnerable place penetrated by triads, followed by billiard saloons and resettlement estates.

As a matter of fact, this issue of triads in schools has received much attention. A number of government departments and advisory bodies, notably the police, the Education Department, the Social Welfare Department, the Correctional Services Department, the City & New Territories Administration and the Fight Crime Committee, had conducted many studies on the incidence of triads. In addition, voluntary organisations also carried out investigations into this social problem. Unfortunately, however, there is no convergence of views about the extent and gravity of triad presence in our schools in these surveys. Most government departments tended to take a legalistic approach in their assessment and drew conclusions strictly on the strength of material evidence. But nevertheless, they fully acknowledged the fact that a great majority of triad members did not undergo a full Hung Mun initiation ritual and that they were prone to exploit this triad status in their illicit dealings. On the other hand, the voluntary organisations were more behavioural and interpretative in their analysis, thus arriving at more unsavoury observations and conclusions. As a result of these disparities in perception, the Government firmly rejected the allegation of triad infiltration into schools and retorted that the incidence of triads in schools was exaggerated by the media.

Sir, whether there is adequate evidence to testify triad involvement or membership in students is less central to the issue, what matters most to the parents, to the teachers and to the general public is that there are considerable

indiscipline, delinquency, criminality and triad affiliation among our students inside and outside school premises. Let me extract some facts from the investigations and surveys mentioned earlier in this speech to illustrate my observation and concern.

There was an upward trend in suspected involvement in triad-related activities among our students, aged between 13 and 17, rising from 250 to 340 per 100 000 students. This represented a 36 per cent increase. Rather disturbingly, the second and third formers were most susceptible to triad affiliation, especially those students studying in commercially operated schools. Many of these teenagers freely admitted that they were attracted to the chivalrous and glamorous life styles of the triad members and that they wished to join a triad society. Most youths joined unlawful societies quite voluntarily and in full knowledge of their anti-social aims. Instances had been reported of students who have followed a triad 'protector' to commit serious assaults, petty extortion, criminal intimidation and blackmail, habitual bullying and inducing classmates to become triad members. Some 50 schools in Kowloon were identified as having been penetrated by triad members from at least one triad society: in one school, six separate triad gangs were reported to be active. In an in-depth enquiry undertaken by the regional crime prevention unit of the police into the murder of a student in Kowloon, some shocking facts were unveiled. Out of an interview with some 70 students from the two schools involved, it was found that some 40 students or 60 per cent admitted that they had affiliation with triad societies.

Sir, while it may be spurious to conclude definitively from the findings of the current research works that triads have infiltrated into our schools, it is perhaps not incorrect to say that our students, especially those at the junior secondary level, have been insidiously exposed to the influence of unscrupulous and criminal elements. I urge the Government to take prompt action to deal with all types of gangs, namely, youth gangs, street gangs, triad gangs and criminal gangs. It is now common knowledge that these different types or levels of gangs have common membership and that members of lower level gangs have a tendency of graduating to the 'major leagues'. Often it is just a matter of time. We, therefore, cannot afford the luxury of pretending that youth and street gangs are rather harmless and let them be until they develop into something worse. The fact that some behaviours are termed as anti-social and not criminal in the legal sense must not mean that they do not warrant our attention, because such behaviours are likely to get worse if not checked at an early stage. To free our students from criminal and triad contamination, Sir, the Government must adopt a less legalistic, but a more common-sense approach in its fight against crime among students. All relevant government departments should join forces with community organisations to form a working group charged to formulate a comprehensive strategy to combat crime and triads and to guide our students

away from criminal influences. Sir, I venture to further propose that the master plan designed by the working group be experimented in a selected district, say Kwun Tong and after testing its effectiveness, adapt it to other districts later.

Vietnamese refugees

Sir, I would like to refer to your remarks about Vietnamese refugees in Hong Kong.

In May 1985, my colleagues and I spoke in an adjournment debate on the Vietnamese refugee problem in Hong Kong. We urged Her Majesty's Government to demonstrate its commitment to, and responsibility for, Hong Kong by accepting a significant number of refugees for resettlement. In September 1985 the British Government announced its intention in a White Paper to relax its family reunion criteria in respect of refugees in Hong Kong with relatives in the United Kingdom.

This decision enabled Hong Kong Government officials, the United Nations High Commissioner for Refugees and Her Majesty's Government to press other countries to help. The result, as you pointed out, Sir, was encouraging and some 4 200 refugees were resettled overseas.

But the British offtake stopped in September this year after 500 refugees had left Hong Kong for the United Kingdom. In the absence of a continued offtake by Her Majesty's Government, other resettlement countries have been reluctant to continue to help Hong Kong, and cut down their resettlement quotas by almost half. Sir, Britain's negative decision is dampening the resettlement prospects of Hong Kong's Vietnamese refugees. Yet time and again we have been reassured of Britain's determination to continue to help Hong Kong in the period up to 1997. What more tangible expression of help could there be than a decision to continue to accept for resettlement a specified number for this year?

Sir, Hong Kong's generous commitment to the provision of first asylum for those refugees leaving Vietnam in small boats cannot be taken for granted. We are happy to continue only as long as the international community agrees to resettle those boat people who arrive here. The international community has made it clear that it looks to Britain to show the way. We in Hong Kong also look to Her Majesty's Government to demonstrate clearly that it will continue to help us. Its most valued and needed assistance is an offtake of a further 500 Vietnamese refugees from Hong Kong. This will enable us to persuade other countries which have been so generous in the past. Failure to demonstrate this willingness to help will both seriously undermine Britain's credibility in Hong Kong and compell us to reconsider our generous policy of first asylum.

With these remarks and observations, Sir, I support the motion.

MR. YEUNG PO-KWAN (in Cantonese): Sir, you emphasised in this year's policy address that the first and foremost objective of the Government is to ensure the continuous prosperity and stability of Hong Kong. This is a correct objective

because political stability will activate economic prosperity which, in turn, will provide the means to improve the quality of the society. Hong Kong is able to attain outstanding achievements in her social economy because it is a stable society. Progress and stability must be complementary to each other. It is the Government's responsibility to maintain stability during the 11-year transitional period. Apart from playing an active role in policy making, the main tasks of the Hong Kong Government are to reinforce the police force, to maintain the healthy organisation of the force and, to prevent deterioration of law and order which would affect social stability. Therefore, the foremost task should be to enhance the confidence of policemen as well as to safeguard their living and safety. At the same time, while implementing the policy of localisation, steps must be taken to avoid damaging the efficiency and high morale of the police force.

Sir, the triad problem is a vicious disease in society. It is like the invisible hands of a demon which if not checked, will continue to expand and spread, seriously affecting social mores and eroding the overall stability of the society. In his statement against triad, the Chief Secretary has clearly stated Government's determination and intention to combat triad. These measures to wipe out the influence and activities of triad will certainly have some deterrent effects. The resolute attitude of the Government not only strengthens public resentment against crime, but also has a very high appeasing effect on public confidence. Moreover, the Chief Secretary's statement affirms that most citizens support the Government in using strong and effective measures against triad elements. To combat triad, the most fundamental and effective way is, of course, to increase penalties. But at the same time, something more effective should be done and that is to educate our next generation as so to eliminate totally their misplaced admiration for chivalry. This is because young people often mistake triad members for heroes and unconsciously cherish a sense of admiration for them. As a result, triad societies are able to absorb new members incessantly. Although the police emphasise that the infiltration of triad into secondary schools is not that serious, the police must continue to maintain close contact with schools and organise more seminars in schools, so as to wipe out the students' misplaced admiration for triad. On the other hand, the Government should also make available more resources to the police, so that more students could become members of the Junior Police Call and more proper or meaningful activities would be provided for them.

In fact, the triad problem is closely related with the drug problem. during the first half of this year, 518 adolescents were charged in connection with drugs. Most youngsters who got involved in drug trafficking mainly have fallen prey to the temptation of material gains or the bad influence of friends. Family background also plays an important role. Drug traffickers would make use of various channels to import drugs into Hong Kong. They might offer money or free overseas travel to seduce ignorant young people to help them smuggle drugs into or out of Hong Kong. Therefore, educational workers must remind

students to be double careful while travelling overseas, so as to avoid being exploited. Naturally, to prevent young people from participating in drug trafficking depends mainly on how much young people know about the disastrous effects of drugs and on their initiative to stand against the temptation offered by drug traffickers. In this respect, the Government should continue to strengthen her narcotics campaigns, so that young people would gain a better knowledge of the evils of drugs and the serious consequences resulting from participation in drug trafficking activities. The mass media should also help to expose the evil facts of drugs, so that young people would not mistake drug addiction and participation in triad activities as heroic acts.

Sir, the effective operation of the Government relies on the good quality and high efficiency of the public service. Manpower training requires the provision of high-quality and modern equipment in order to achieve better operational results. The staff training computer system of the Urban Services Department can store the training records of 8 000 staff of various ranks and can easily relocate these records. This system can reduce the time required for searching training records when new training courses are planned. At the same time, it can provide statistical data to the training school and management staff at any time. Since the Immigration Department has to handle an ever-growing number of arrivals and departures, travel documents, birth certificates, marriage certificates, death certificates and ID cards, and so on, it must become computerised as soon as possible. The existing number of staff of the Immigration Department has risen to 4 819. In order to cope effectively with the ever-increasing workload, the Government should give due consideration to the construction of a proper training school, so as to fit in with the comprehensive staff training programme and the application of advanced equipment.

As a matter of fact, a comprehensive computer education policy is an appropriate measure to keep in line with the society's diversified development, as well as a right step to cultivate the expertise required. Therefore, the importance attached to the development of computer education by the Government deserves public support and encouragement. In order that our younger generation can be trained with comprehensive and high-quality computer education which will enable them to promote in progressive steps our future social development, I hope the Government will extend computer education to all secondary schools and eventually, the primary schools and kindergartens. I also hope that the Government will consider setting up on Hong Kong Island and the New Territories at appropriate time a computer education centre similar to the one to be completed shortly in Kowloon so as to meet the increasing demands of teachers in this respect.

Sir, with these remarks, I support the motion.

MR. CHUNG (in Cantonese): Sir, I am glad to see that in this Chamber, not only Your Excellency and I are remaining behind. (*laughter*) More happy is, I can see that a member of the public has just arrived and he is listening to our debate.

Sir, you have just delivered your first policy address after elected Members were admitted to this Council for the first time. In your address, you praised this Council for its impressive performance on a demanding schedule of work and expounded the various measures and objectives which were adopted since we entered the 'transition period' a year ago. For this, Sir, I would like to take this opportunity to express my gratitude to you.

Foreward

Your address states that 'First and foremost is the objective of ensuring that Hong Kong remains prosperous and stable.' In fact, this is also the wish of the entire community and a common duty of Members of this Council, particularly in regard to the implementation of the Sino-British Joint Declaration and other associated arrangements. Under the present circumstances, I am most concerned about the issue of stability and prosperity, which you raised in your address. I would therefore give my views on aspects of 'law, order and security' as well as the 'economic and financial situation'.

Law and order

In order to ensure social stability in the transition period, we must step up crime prevention and weed out all triad and gang activities which pose a threat on public order. I am pleased to note that the crime rate has dropped over the past year and that the number of offences committed by youths has decreased. Certainly, this is the result of concerted efforts by the police and the public. Nonetheless, we still have to take precautions by stepping up appropriate controls under the law and taking concrete actions against criminal activities.

I fully support the Chief Secretary Sir AKERS-JONES' statement on ways to counter the triad problem made in this Council on 29 October. I hope the Government will provide an adequate supply of manpower and resources to the police and accord this matter with priority.

In order to enhance law and order and improve district management, I would like to suggest the following points for consideration by the Government:—

- (A)
 - 1. An equitable statute on Deeds of Mutual Covenant should be established to provide a set of provisions dealing with the principles of building management.
 - 2. The Multi-Storey Buildings (Owners Incorporation) Ordinance should be amended to accord owners incorporations with appropriate rights and responsibilities.
 - 3. The Watchmen Ordinance should be revised to define clearly the meaning of 'watchmen' and to lay down stringent rules providing for their qualifications, responsibilities and relevant penalties.
- (B) To promote assistance to and guidance on multi-storey building management by district offices.

- (C) The Neighbourhood Watch Scheme which has proved initially to be successful should be further promoted. Moreover, I feel that more effort should be made to assist in the liaison between individual multi-storey buildings within each district with a view to form a grassroot organisation which can participate in crime prevention under police guidance.

I am sure that by providing comprehensive regulations and adopting appropriate measures to strengthen the management of multi-storey buildings on a district rather than an individual basis will provide a fundamental force to the police and the Fight Crime Committee in their long-term battle to maintain law and order and to eradicate triad activities.

Economy

Now, I would like to refer to our economy. Everyone is aware that economic prosperity and social stability is closely related. The present trend of development of our trade and real estate market is really encouraging. Employment rate is stable, budget deficit has been replaced by a ten figured-surplus. Both public facilities and their standard of service are improving. This certainly proves that our Government is responsible and efficient and that it is making a steady progress towards the its policy objectives. Most important of all, it proves that our present economic and financial developments have not been adversely affected by political changes introduced during the transition period.

As regards the part of your address on future development, it should be borne in mind from the outset that more emphasis is placed on economic rather than political development in Hong Kong. Yet it cannot be denied that Hong Kong's economic performance is still influenced by external forces. I therefore believe that the Government should not stick to the same old principle of positive non-intervention on our commerce and industry sector. Rather, it should introduce new measures as and when necessary in the same way as when we encountered problems in the financial sector so as to provide the most favourable environment for investments by the international community.

Sir, you also indicated that our industrial base should be strengthened and diversified. It seems to me that under the basic structure of our industry, investment and re-investment should be directly encouraged in real terms. Hence, I suggest the Government to discuss with the banking sector on the possibility of setting up an industrial development fund, which operates in a similar manner as an insurance fund, to cater exclusively for medium and small-sized factories by providing low interest, long-term loans.

Conclusion

Sir, we should not rush with the introduction of political reforms. A special characteristic of your address on 8 October is that it presents us with facts to prove that the principle of progressive development of representative govern-

ment is correct. Not only can it brave various changes in the transition period but it can also lay a foundation of public opinion for achieving the objectives set out in the plans towards the implementation of the Sino-British Joint Declaration.

Sir, I am the last Member to speak, and I would like to thank Members for your forbearance. I hope that we can soon have the meeting end. (*laughter*)

Sir, with these remarks, 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 Wednesday, 12 November 1986.

Adjourned accordingly at ten minutes to Seven o'clock.