

1 HONG KONG LEGISLATIVE COUNCIL -- 5 July 1989

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 5 July 1989

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

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

THE CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

THE HONOURABLE DAVID ALAN CHALLONER NENDICK, J.P.

THE ATTORNEY GENERAL

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

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

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

SECRETARY FOR DISTRICT ADMINISTRATION

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

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

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

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

THE HONOURABLE CHAN YING-LUN, O.B.E., J.P.

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

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

THE HONOURABLE CHENG HON-KWAN, J.P.

THE HONOURABLE CHUNG PUI-LAM, J.P.

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

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

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

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

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

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

THE HONOURABLE POON CHI-FAI, J.P.

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

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

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

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

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

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

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

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

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

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

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

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

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

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

THE HONOURABLE RONALD CHOW MEI-TAK

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

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

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

THE HONOURABLE MRS. MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR. THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

THE HONOURABLE KINGSLEY SIT HO-YIN

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

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

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

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

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

THE HONOURABLE NIGEL CHRISTOPHER LESLIE SHIPMAN, J.P.  
SECRETARY FOR HEALTH AND WELFARE

ABSENT

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

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE PAUL CHENG MING-FUN

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

IN ATTENDANCE

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

Papers

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

Subject

Subsidiary Legislation

L.N. No.

Interpretation and General Clauses Ordinance Specification of Public Office.....	202/89
Ozone Layer Protection Ordinance 1989 Ozone Layer Protection (Fees) Regulations 1989.....	203/89
Ozone Layer Protection Ordinance 1989 Ozone Layer Protection Ordinance 1989 (Commencement) Notice 1989.....	204/89
Kowloon-Canton Railway Corporation Ordinance Kowloon-Canton Railway Corporation (Amendment) Regulations 1989.....	205/89
Road Traffic Ordinance Road Traffic (Public Service Vehicles) (Amendment) (No. 2) Regulations 1989.....	206/89
Road Traffic Ordinance Road Traffic (Public Service Vehicles) (Amendment) (No. 3) Regulations 1989.....	

207/89

Immigration Ordinance

Immigration (Places of Detention)

(Amendment) (No. 7) Order 1989.....

213/89

Kowloon-Canton Railway Corporation By-Laws

Kowloon-Canton Railway

(Restricted Area) Notice 1989.....

214/89

Road Traffic (Amendment) (No. 2) Ordinance 1988

Road Traffic (Amendment) (No. 2) Ordinance 1988

(Commencement) Notice 1989.....

215/89

Road Traffic (Parking on Private Roads)

Regulations 1989

Road Traffic (Parking on Private Roads)

Regulations 1989 (Commencement)

Notice

1989.....

216/89

Road Traffic (Parking on Private Roads)

(Amendment) Regulations 1989

Road Traffic (Parking on Private Roads)

(Amendment) Regulations 1989

(Commencement) Notice 1989.....

217/89

Road Traffic (Traffic Control)

(Amendment) (No. 3) Regulations 1989

Road Traffic (Traffic Control)

(Amendment) (No. 3) Regulations 1989

(Commencement) Notice 1989.....

218/89

Ferry Services Ordinance

Ferry Services (The "Star" Ferry Company, Limited)

(Determination of Fares) (Amendment)

Order

1989.....

219/89

Sessional Papers 1988-89

No. 77 -- Report of changes to the approved Estimates of Expenditure approved during the final quarter of 1988-89 Public Finance

Ordinance: Section 8

No. 78 -- Clothing Industry Training Authority

Annual Report for the Year 1988

No. 79 -- Construction Industry Training Authority

Annual Report 1988

Address by Member

Report of changes to the approved Estimates of Expenditure approved during the final quarter of 1988-89

Public Finance Ordinance: Section 8

FINANCIAL SECRETARY: Sir, in accordance with section 8(8)(b) of the Public Finance Ordinance, I now table for Members' information a summary of all changes made to the approved estimates of expenditure for the final quarter of the financial year 1988-89.

Supplementary provision of \$2,731.7 million was approved. It was fully offset either by savings under the same head or other heads of expenditure or by deletion of funds under the Additional Commitments subheads. This included supplementary provision of \$2,135.9 million for the 1988 Pay Adjustment and the revised salary

scales for disciplined services in respect of the Civil Service and government subvented organizations.

Approved non-recurrent commitments were increased by \$35.4 million during the period, and new non-recurrent commitments of \$513.7 million were also approved.

In the same period, a net increase of 1 189 posts was approved.

Items in the summary have been approved either by Finance Committee or under delegated authority. The latter have been reported to the Finance Committee in accordance with section 8(8)(a) of the Public Finance Ordinance.

Written answers to questions

Investigation of corrupt officers in the police force

1. MRS. TU asked: Given that continued public confidence in the integrity of the police force depends in part upon public acceptance that the corruption of earlier decades has now been effectively eradicated, will the Government inform this Council how members of the public can satisfy themselves that past cases which were not publicly dealt with in the courts were satisfactorily investigated and that identified corrupt police officers were removed from the force?

SECRETARY FOR SECURITY: Sir, the short answer is that there are established and well used channels to the police, Independent Commission Against Corruption (ICAC), OMELCO and Central Government for reporting information, making complaints or obtaining advice or clarification about specific matters.

But I should also like to make a number of points more fully by way of explanation and background information: first, only a court can determine whether a police officer accused of corruption is guilty of the offence. In this sense no police officer may be identified as corrupt without going through the due process of law. However, alleged corruption cases which have been investigated may not come to court for several reasons. Sometimes, after investigation, an allegation is found to be unsubstantiated, so no further action is taken. Occasionally, an investigation may lead to suspicion that corruption is involved, but there is insufficient evidence



to enable the Attorney General to authorize a prosecution. In these circumstances, action may, however, be taken under Colonial Regulation 59 to require persons to retire in the public interest on the grounds of strong suspicion of corruption. Since 1975 some 20 police officers have been compulsorily retired in this way.

In some cases, an investigation does not uncover evidence of corruption, but reveals evidence of other types of malpractice. These cases are referred by the ICAC Operations Review Committee to the Commissioner of Police for further investigation and consideration of disciplinary proceedings. Action taken by the commissioner in relation to such cases ranges from warnings and formal disciplinary proceedings, to dismissal and compulsory retirement. Some 330 cases were referred to the commissioner over the last five years, involving 630 officers, and disciplinary action was taken in respect of 476 officers.

Secondly, a very thorough system has been established to investigate allegations of corruption and to review cases where it is recommended that investigations should not proceed. This system is something from which the public can derive considerable assurance. The ICAC is obliged by law to investigate all reports it receives of alleged corruption provided that the reports contain enough basic information to enable an investigation to be started. Moreover, even in those cases in which a decision is made not to proceed further with the investigation, the commission still reports to its Operations Review Committee. This committee includes members from outside the Government, and it advises on what further action may be necessary.

Thirdly, the efforts of the ICAC, and of the police, have been effective in reducing the problem of corruption. The number of complaints to the ICAC directed against the police has declined from 1 443 in 1974, that is 45% of the total complaints received, to 702 in 1984, 30% of total complaints, and down to 441 complaints, or 20% of the total, in 1988.

This downward trend is continuing. Up to the end of May this year corruption complaints involving police officers were 11% lower than in the same period last year. In contrast to the reduction in the number of complaints is the increasing proportion of complainants who are prepared to identify themselves. This is of great help to the ICAC in carrying out investigations and is a sign of increased public confidence in the system. In short, the system which has been developed to deal with corruption is working well and public confidence in the system is high.

Finally, Sir, I should like to observe that no one is more aware of the need to deal with the threat of corruption to the police force than the commissioner and his staff. They have co-operated fully with the ICAC and have also worked hard on their own account over the years to help eradicate and prevent corruption in the force. The commissioner and his staff deserve the support and encouragement of the community for what they have done and, are doing, to ensure that the Royal Hong Kong Police remains an effective and highly professional force which can be trusted to serve the community well.

Remedial training for maladjusted children

2. DR. IP asked: Will Government consider providing additional staff to schools with a high percentage of maladjusted children so as to provide adequate remedial training and counselling to these children?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I assume Dr. IP is asking about children in ordinary schools who have emotional, behavioural and learning difficulties, rather than those with specific physical and mental disabilities for whom special education may be provided.

Cases of mild maladjustment are usually dealt with by the class teacher with support where necessary from the school-based student guidance officer in the case of primary schools, and from the school's guidance team in secondary schools. In 1982 the staffing ratio in primary schools was improved to allow remedial teaching, and a senior teacher post was provided with responsibilities for counselling and guidance. Since 1986, five additional teachers have been provided to every standard government and aided secondary school to strengthen pastoral services and to enable more remedial teaching. Where a problem cannot be dealt with within the school, it can be referred to professional social workers, educational counsellors or educational psychologists.

Severe maladjustment can impair learning, so that intensive remedial teaching is required in addition to counselling. Any government or aided school having at least eight children with learning difficulties is provided with additional staff to undertake intensive remedial teaching in small groups. Up to two additional teachers may be provided for this purpose in any primary school and up to three in

any secondary school. Government and aided schools having fewer than eight such children and private schools may refer these children to teaching centres operated by the Education Department.

Sir, it is clear that considerable resources have been provided to tackle maladjustment and learning difficulties among our students. Although we have no immediate plans for providing more resources in this area, the Education Commission is now studying behavioural and curricular problems, and I expect that recommendations relevant to this question will be made in the commission's next report.

Space for green plants in urban redevelopments

3. MRS. LAM asked: Will Government inform this Council whether consideration will be given to stipulating that when old buildings in urban areas are redeveloped the designs for the new buildings shall reserve on the sites concerned space for green plants?

SECRETARY FOR LANDS AND WORKS: Sir, I too strongly favour more plants and trees; and we will certainly look for opportunities to have more of these included in redevelopment schemes. This should be possible in larger schemes, such as the Comprehensive Development Schemes done by the Land Development Corporation and others. But trees and plants do not normally pay financial dividends, and it is seldom practicable to insist that people redeveloping single sites should reserve space for plants and trees, because there are frequently no planning or other powers.

Vietnamese boat people at Tai A Chau

4. MR. LAM asked: Will Government inform this Council whether it is aware that mariculture at Tai A Chau has been affected by the recent increase in water traffic in the area as a result of the Government's decision to accommodate Vietnamese boat people on the island, and whether consideration will be given to accommodating the Vietnamese boat people elsewhere in future to avoid affecting the livelihood of the local people?

SECRETARY FOR SECURITY: Sir, the Government is aware that mariculture at Tai A Chau has been affected by the recent increase in water traffic in the area. The Agriculture and Fisheries Department has been examining both the water quality and also the fish being cultured in the Tai A Chau fish culture zone. Preliminary results show the occasional presence of oil slicks on the surface and an increased turbidity of water caused by increased marine traffic in the vicinity of the zone. Fish reared in captivity were found to show signs of abnormal stress such as a high incidence of infection caused by external parasites.

Vietnamese boat people are held on Tai A Chau solely because of the serious accommodation crisis caused by the massive influx of boat people into Hong Kong this summer. The situation at Tai A Chau is far from ideal and alternatives are being considered. Although over 4 000 boat people have already been moved from the island, and there are plans to move another 2 000 - 3 000 in the near future, the continuing influx from Vietnam unfortunately makes it likely that the island will have to continue to be used in the foreseeable future.

Meanwhile, action will be taken as far as possible to minimize the effects on the livelihood of the local people. The Hong Kong Fishermen's Association have written to the Director of Agriculture and Fisheries on the loss of fish at the Tai A Chau fish culture zone and the department is investigating their complaints. On completion of these investigations, action will be taken to improve the situation and to resolve the difficulties faced by the fishermen.

Motions

COMPANIES ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

"That the Companies (Fees and Percentages) (Amendment) Order 1989, made by the Chief Justice on 6th June 1989, be approved."

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

The Companies (Fees and Percentages) (Amendment) Order 1989, which was made by the Chief Justice on 6 June 1989, increases various fees payable in relation to winding

up proceedings under the Companies Ordinance to take account of the increase in cost of the services provided since the fees were last revised.

The order also prescribes a new fee in respect of applications for release made by a liquidator to accord with a similar provision in the Bankruptcy (Fees and Percentages) Order.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

#### BANKRUPTCY ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:

"That the Bankruptcy (Fees and Percentages) (Amendment) Order 1989, made by the Chief Justice on 6th June 1989, be approved."

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

The Bankruptcy (Fees and Percentages) (Amendment) Order 1989, which was made by the Chief Justice on 6 June 1989, increases various fees payable in respect of proceedings in bankruptcy under the Bankruptcy Ordinance to take account of the increase in cost since the fees were last revised.

The order also prescribes a new fee payable for insertion in the gazette of a notice relating to bankruptcy to accord with a similar provision in the Companies (Fees and Percentages) Order.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

#### First Reading of Bills

#### COMPANIES (AMENDMENT) BILL 1989

HONG KONG INDUSTRIAL ESTATES CORPORATION (AMENDMENT) BILL 1989

PROTECTION OF INVESTORS (AMENDMENT) BILL 1989

SUPPLEMENTARY APPROPRIATION (1988-89) BILL 1989

CHARITABLE TRUST FUNDS (MISCELLANEOUS AMENDMENTS) BILL 1989

LI PO CHUN CHARITABLE TRUST FUND (AMENDMENT) BILL 1989

Bills read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bills

COMPANIES (AMENDMENT) BILL 1989

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Companies Ordinance."

He said: Sir, I move that the Companies (Amendment) Bill 1989 be read the Second time.

The main purpose of the Bill is to increase existing fees collected by the Companies Registry of the Registrar General's Department and to introduce new fees in order to recover the full cost incurred by the Companies Registry in carrying out statutory responsibilities under the Companies Ordinance.

The opportunity is also taken to streamline the arrangements for setting fees relating to company matters. One of the arrangements is to permit fee setting by a global costing approach. Fees will still be cost-related but on a broader basis. Instead of a separate costing exercise for each individual fee, which is neither practical nor economical, services charged by the Companies Registry will be grouped into one cost centre. The aggregate value of these fees will approximately cover the total cost of this cost centre.

Sir, I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

#### HONG KONG INDUSTRIAL ESTATES CORPORATION (AMENDMENT) BILL 1989

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Hong Kong Industrial Estates Corporation Ordinance."

He said: Sir, I move that the Hong Kong Industrial Estates Corporation (Amendment) Bill 1989 be read the Second time.

The Hong Kong Industrial Estates Corporation was established by statute in 1977. Section 7 of the Ordinance provides for the appointment of a chairman, a chief executive and seven members to the board of the corporation. Not more than four of the seven members should be public officers. At present, the seven members comprise three public officers and four others.

Since 1985, the Director of Industry has been the chief executive. As a result of a recent review of the management structure of the corporation, it has been decided that the general manager of the corporation should take up the role of chief executive, and that the Director of Industry should cease to be the chief executive from 1 July 1989. However, it is considered essential that the director should continue to serve on the board in order to provide input to the work of the corporation. It is also considered the board would benefit from the addition of a further member.

In order to allow the board to appoint the Director of Industry as a member and also to appoint another member from outside the Civil Service, it is proposed the number of members should be increased from seven to nine, excluding the chairman and the chief executive. In addition, the Bill also proposes some minor changes to the Ordinance in order to simplify the administrative procedures in carrying out selected functions of the corporation.

Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

#### PROTECTION OF INVESTORS (AMENDMENT) BILL 1989

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Protection of Investors Ordinance."

He said: Sir, I move that the Protection of Investors (Amendment) Bill 1989 be read the Second time.

The main purpose of this Bill is to amend the Protection of Investors Ordinance to streamline the procedures regarding advertisements in respect of certificates of deposit (CD) and commercial paper (CP) issues.

CD and CP issues fall within the definition of investment arrangements under the Protection of Investors Ordinance, the main purpose of which is to provide a measure of protection to ordinary investors in securities and other property by requiring the adequate disclosure of relevant information. As the law now stands, advertisements in respect of capital market issues must be authorized by the Securities and Futures Commission before such issues can be marketed in Hong Kong. In recent years, there has been a substantial increase in the number of advertisements requiring authorization. This has created considerable work for the commission and has led to some delays in authorization.

We consider that there is some scope for simplifying the present procedures without compromising the protection of ordinary investors. To this end, we propose that, in addition to the exceptions specified in section 4(2) of the Ordinance, advertisements relating to CD and CP issues should be exempted automatically from authorization, provided that certain minimum denomination and capitalization tests are met. It would be a requirement that all exempt issues are reported to the commission on a post facto basis. Advertisements in respect of issues that do not qualify for such exemption will continue to require authorization from the commission in the normal way.

Clause 3(1) of the Bill exempts advertisements in respect of three main classes of capital market instrument. First, CD issues by banks and deposit-taking companies licensed or registered under the Banking Ordinance will be exempted as they are already subject to prudential supervision by the Commissioner of Banking. Such CDs are generally in a standard form and readily recognized by investors. This exemption will not affect the present restrictions on the taking of deposits by licensed or registered deposit-taking companies under the relevant provisions of the Banking Ordinance.



Secondly, CD issues by overseas banks not licensed in Hong Kong and by specified multilateral agencies (for example, the World Bank and the Asian Development Bank) will be exempted subject to a minimum denomination of HK\$1 million or equivalent and, in the case of overseas banks, to their being adequately supervised, in the opinion of the Commissioner of Banking, in their place of incorporation or principal place of business.

Thirdly, CP issues by specified bodies (including major public listed companies, government and public sector bodies, authorized institutions under the Banking Ordinance and multilateral agencies) will also be exempted provided that there is a minimum denomination of HK\$1 million or equivalent and that, in the case of a corporation with a share capital, the issuer or parent company guaranteeing the issue has a minimum paid-up share capital of HK\$75 million or equivalent.

The proposed minimum denomination of HK\$1 million or equivalent is intended to keep these last two classes of instrument out of the hands of ordinary investors. These instruments are for the most part designed for, and traded in, the wholesale markets and this is, I believe, a necessary safeguard if we are to ensure adequate investor protection. Where in particular cases a smaller denomination is considered appropriate it will always be open to the issuer to approach the commission to seek express authorization of an advertisement to this effect.

Clause 4 of the Bill sets out the reporting requirements. All exempt issues will need to be reported to the commission within 10 working days of the date of issue. This is to enable the commission to monitor the development of the market. Failure to report an issue will be an offence.

The opportunity is also being taken to remove an anomaly in the Ordinance. Clause 3(4) of the Bill makes it clear that the exemption presently available to professional persons to market "securities" does not extend to any unit in unit trust or shares in mutual funds that have not been authorized by the commission under the Securities Ordinance.

Sir, I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

## SUPPLEMENTARY APPROPRIATION (1988-89) BILL 1989

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to approve a supplementary appropriation to the service of the financial year which ended on 31 March 1989."

He said: Sir, I move that the Supplementary Appropriation (1988-89) Bill 1989 be read the Second time.

Section 9 of the Public Finance Ordinance states that "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates".

The accounts for the financial year 1988-89 have been finalized by the Director of Accounting Services. Actual revenue amounted to \$65,781 million and total expenditure amounted to \$48,953 million. The final surplus is thus \$16,828 million as compared with an estimated surplus of \$16,630 million mentioned in the concluding speech in the Budget debate in May.

The expenditure charged to 46 heads is in excess of the sum appropriated for those heads by the Appropriation Ordinance 1988. This is because sufficient offsetting savings could not be found within the heads concerned. In accordance with section 9 of the Public Finance Ordinance, this excess has been included in the Supplementary Appropriation (1988-89) Bill 1989 now before Members. The Bill seeks to give final legislative authority for the amount of supplementary provision approved in respect of particular heads of expenditure by the Finance Committee or under powers delegated by it.

The total net supplementary appropriation required in respect of the 46 heads of expenditure is \$4,255.1 million. This excess is largely accounted for by the 1988 Pay Adjustment and the revised salary scales for the disciplined services in respect of the Civil Service in the amount of \$1,547.8 million and government subvented organizations in the amount of \$588.1 million. Other major contributing factors include the payment of the Hong Kong Government's cash contribution towards the cost

of the garrison in 1988-89 in the amount of \$1,407.0 million, the Value Added Tax and Salaries Tax on Allowances incurred under the 1981 Defence Costs Agreement in the amount of \$266.0 million and the expenses in implementing the new Student Travel Scheme in the amount of \$247.2 million.

The cost of the 1988 Pay Adjustment and the cash contribution under the Defence Costs Agreement had been anticipated and provision made in the 1988-89 estimates under the "Additional Commitments" subhead.

Savings were also made in other subheads through continued tight control over public expenditure, and I would like to thank the controlling officers and others who have contributed to restraint.

Because of these savings and the provision made for additional commitments, total expenditure for the year is within the sum appropriated in the Appropriation Ordinance 1988.

Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

#### CHARITABLE TRUST FUNDS (MISCELLANEOUS AMENDMENTS) BILL 1989

THE SECRETARY FOR DISTRICT ADMINISTRATION moved the Second Reading of: "A Bill to amend certain Ordinances creating charitable trust funds."

He said: Sir, I move that the Charitable Trust Funds (Miscellaneous Amendments) Bill 1989 be read the Second time.

The purpose of the Bill is to make minor amendments to the Sir Robert Black Trust Fund Ordinance, Li Po Chun Charitable Trust Fund Ordinance, Sir Murray MacLehose Trust Fund Ordinance and Sir Edward Youde Memorial Fund Ordinance in order to improve the investment operations of the respective funds.

The first three funds were established in 1961, 1963 and 1982 for educational and leadership development purposes, for the relief of distress and for the benefit of the people of Hong Kong as directed by the Governor respectively.

The Sir Edward Youde Memorial Fund was established in 1987 for the general purpose of providing for and encouraging the education or learning of, or research by, the people of Hong Kong.

Items 1 and 2 of the schedule to the Bill amend the Sir Robert Black Trust Fund Ordinance and the Li Po Chun Charitable Trust Fund Ordinance by removing the requirement for the Financial Secretary to approve investments which are not authorized by the Trustee Ordinance (Cap. 29). This amendment enables investment decisions to be made quickly in changing market conditions, when investments which are not trust investments are to be made.

Item 3 amends the Sir Murray MacLehose Trust Fund Ordinance by removing the limitation on investments in Hong Kong. This amendment gives the fund the flexibility to make investments overseas, if and when this becomes appropriate, in order to optimize the return on investments. The amendment also brings the Ordinance in line with other Ordinances governing the operation of trust funds.

Item 3 also amends the Sir Murray MacLehose Trust Fund Ordinance by specifying the trustee's power to appoint a professional person or financial institution to manage the investment of the moneys of the fund subject to the directions to the trustee, rather than a broad power for the person or institution to administer and manage the fund.

Item 4 amends the Sir Edward Youde Memorial Fund Ordinance by empowering the board of trustees to appoint a professional person or financial institution to manage the investments of the moneys of the fund subject to the directions of the board. This amendment provides more flexibility to the investment operations of the fund and is in its interest.

Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

LI PO CHUN CHARITABLE TRUST FUND (AMENDMENT) BILL 1989

THE SECRETARY FOR DISTRICT ADMINISTRATION moved the Second Reading of: "A Bill to

amend the Li Po Chun Charitable Trust Fund Ordinance."

He said: Sir, I move that the Li Po Chun Charitable Trust Fund (Amendment) Bill 1989 be read the Second time.

The Li Po Chun Charitable Trust Fund was established in 1963 with donations by the late Mr. LI Po-chun. The fund is administered by the Li Po Chun Charitable Trust Fund Committee established under the Ordinance, on which the LI family is represented. The committee has recently reviewed the operation of the fund and recommended that a number of amendments to the Ordinance would be desirable in order to enable the fund to operate more flexibly to better meet the needs of the Hong Kong community. The Administration supports the recommendations of the committee, which are incorporated into the Bill.

The existing Ordinance requires the income of the fund to be applied generally on a fifty-fifty basis between educational purposes and the relief of distress. The fund was established 25 years ago and social circumstances in Hong Kong have changed considerably since then. Operational experience has shown that the Ordinance is becoming unnecessarily rigid with regard to the application of the income of the fund. Clause 2 of the Bill therefore amends this provision by allowing the committee to apply the income of the fund flexibly between educational purposes and relief of distress. The committee will however be mindful of the need to give balanced consideration to both purposes.

Clause 2 also amends the Ordinance by enabling the committee to apply the capital of the fund for such educational purposes as it may decide, including the establishment of educational institutions in Hong Kong. Under the existing Ordinance there is no provision for applying the capital of the fund. Since its establishment in 1963 with a capital of about \$2 million, the fund has grown very substantially and now has a capital asset of over \$170 million. Its annual income has also exceeded the amount actually requested for educational purposes and the relief of distress. This amendment therefore expands the scope of operation of the fund.

The amendment in clause 3 is consequential upon the amendment in clause 2.

Clause 4 amends paragraphs 3 and 4 of the schedule to the Ordinance. This

amendment to paragraph 3 enables the committee to award scholarships to students of secondary schools, rather than Chinese middle schools only, as selected by the Director of Education. The amendment to paragraph 4 enables the committee to apply any unused balance of income after making provisions for the scholarships specified in the schedule to such other educational purposes, rather than for scholarships alone, as the committee may decide.

The fund will continue to be able to preserve its original objects and the benefits it offers to the people of Hong Kong after the amendments proposed in the Bill.

Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

#### CONSUMER COUNCIL (AMENDMENT) BILL 1989

Resumption of debate on Second Reading which was moved on 21 June 1989

Question on Second Reading proposed.

MR. MARTIN LEE: Sir, in recent years, the scope of the work of the Consumer Council has grown in both dimension and complexity. But I was not aware of this when I agreed to take over the chair from the Honourable Mrs. Selina CHOW. To cope with this continuous growth of activities, the council had to establish a total of 12 committees and working groups last year. This number has now been increased to 15 as of March this year. For this reason, and without it being necessary to increase the maximum number of members of the Consumer Council from 15 to 20, we have accordingly requested amendment to the Consumer Council Ordinance to this effect with a consequential amendment on the quorum.

I am most grateful to the Secretary for Trade and Industry, Mr. John CHAN, for his prompt support of our proposal and I support this Bill.

Question on the Second Reading of the Bill put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1989

Resumption of debate on Second Reading which was moved on 21 June 1989

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

IMMIGRATION (AMENDMENT) BILL 1989

Resumption of debate on Second Reading which was moved on 31 May 1989

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

Committee stage of Bills

Council went into committee.

CONSUMER COUNCIL (AMENDMENT) BILL 1989

Clauses 1 to 3 were agreed to.

DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1989

Clauses 1 to 11 were agreed to.

## IMMIGRATION (AMENDMENT) BILL 1989

### Clause 1

SECRETARY FOR SECURITY: Sir, I move that clause 1 be amended as set out in the paper circulated to Members.

This simple amendment is necessary because another Bill, the Immigration (Amendment) (No. 2) Bill 1989, which had been introduced into this Council on the same day as the present piece of legislation on 31 May, but completed all its stages in the one sitting and was passed by the Council on that day, became the Immigration (Amendment) Ordinance 1989. The numbering of this present piece of legislation, therefore, needs to be changed after enactment, so that it will be entitled Immigration (Amendment) (No. 2) Ordinance 1989.

### Proposed amendment

#### Clause 1

That Clause 1 be amended, by inserting "(No. 2)" after "(Amendment)".

Question on amendment proposed, put and agreed to.

Question on clause 1, as amended, proposed, put and agreed to.

Clauses 2 to 6 were agreed to.

Council then resumed.

### Third Reading of Bills

THE ATTORNEY GENERAL reported that the

CONSUMER COUNCIL (AMENDMENT) BILL 1989



DUTIABLE COMMODITIES (AMENDMENT) (NO. 2) BILL 1989

had passed through Committee without amendment, and

IMMIGRATION (AMENDMENT) BILL 1989

had passed through Committee with an amendment. He moved the Third Reading of the Bills.

Question on the Third Reading of the Bills proposed, put and agreed to.

Bills read the Third time and passed.

Member's motion

FOREIGN AFFAIRS COMMITTEE REPORT ON HONG KONG

MR. ALLEN LEE moved the following motion:

"That this Council takes note of the Foreign Affairs Committee Report on Hong Kong and urges strongly that the British Government should urgently take adequate and appropriate measures to ensure a safe and secure future for the people of Hong Kong, including the restoration of full British citizenship to British subjects in Hong Kong."

MR. ALLEN LEE: Sir, I rise to move the motion standing in my name on the Order Paper.

The non-government Members of this Council decided that we should hold a debate upon the release of the Foreign Affairs Committee (FAC) report. It was released on 30 June 1989. In view of the importance of the report, we are taking the first opportunity to address the issues raised in the report. The report has examined a number of key areas of concern to Hong Kong: the implementation of the Sino-British Joint Declaration; the Basic Law; the development of representative government; nationality and Vietnamese boat people. This afternoon, my colleagues will be expressing their views on all these areas, starting off with the nationality issue.

On nationality, I find the premise of the recommendations of the FAC report

unacceptable. Whilst the FAC recognized Britain's unique obligation to Hong Kong, it has failed to translate that obligation into responsible action in one very important area. That is the right of abode in Britain for British subjects in Hong Kong and the undeniable responsibilities of the sovereign state towards its subjects.

The FAC report has, in my view, put forward a number of arguments which are fallacious. I would like to take this opportunity to briefly address these points:

The report suggests that the insurance policy concept is a confused argument

I disagree. I think the FAC's argument itself is contradictory. While the committee rejects the idea of providing an insurance policy to the people of Hong Kong, it sees fit, on the other hand and in almost the same breath, to offer some insurance policy to certain groups as an incentive for them to stay. Such a position is wholly illogical and indefensible.

The FAC report argues that Britain will find it very difficult to absorb 3.28 million Hong Kong BDTs into her society

The scaremongering tactics adopted in rejecting the Hong Kong community's voice to restore the rights of the British subjects are appalling. We have already stressed time and again that the people of Hong Kong do not want to leave this territory. All we want is the provision of an escape route in case of need. I have in my last week's statement to this Council made it clear that this is our home and we want to stay. As far as the FAC is concerned, it seems to have either been totally ignored or fallen on deaf ears.

The report argues that granting full British citizenship to the British subjects in Hong Kong contradicts the Joint Declaration

I do not share this view. When the FAC visited Beijing, Chinese officials were reported to have mentioned to its members that the granting of British citizenship to the people of Hong Kong is entirely a matter for the British Government. In a related vein, we are interested to know why it is now possible for Portuguese passports to be given to Chinese residents in Macau. The FAC would find it difficult to suggest something similar to be done in Hong Kong? By the end of this century, Macau, like Hong Kong, will revert to Chinese sovereignty. And the different treatments afforded by the two sovereign states to their subjects will not be lost on the rest of the

world. Why cannot Britain, like Portugal, take the honourable course?

The FAC report recommends that some groups should merit special treatment

Whilst I would not deprive anyone in Hong Kong of the right to take up any offer which eventually might be made by the British Government, I must point out that the talk of making special arrangements for a small number of groups would not be in the interest of this community as a whole. Moreover, half-way proposals short of granting full citizenship would only encourage people to leave rather than stay.

If the confidence crisis continues and people in Hong Kong are looking around the world for a home of last resort, the British Government should recognize the risk that this would certainly threaten the objective of maintaining and preserving the prosperity and stability of Hong Kong. This would be a contravention of article 4 of the Sino-British Joint Declaration if Hong Kong cannot achieve prosperity and stability.

To conclude my comments on this very disappointing area of the FAC report, I would argue that the British Government open its eyes and ears, and listen to the voices in Hong Kong for what many consider is one of the most effective ways to restore confidence. You, Sir, have also conveyed a message with force and conviction, and we are grateful. It now remains to be seen whether the British Government will abide by her tradition of honour and do what is solely in her power to restore confidence in Hong Kong.

Now, I would like to touch briefly on some other areas of concern in the FAC report.

On the question of the Basic Law and the future political structure, I note that the committee appears to have come up with some constructive suggestions. However, my colleagues have not had the opportunity to discuss them in detail, but will be doing so in the coming weeks. I can only say that there is a swing in mood to a faster pace of democratization. I feel that the views of the people of Hong Kong are of paramount importance, and I urge the community to speak up.

I would like to comment on the question regarding the stationing of the People's Liberation Army in the future Special Administrative Region. I do share the view of the FAC that, given the tragic events in Beijing several weeks ago, the whole

question requires to be re-examined carefully. To allay the fears of the people of Hong Kong, I do think the Chinese Government should be bold enough to face up to the fact that it would not be boosting confidence if they insist on stationing the People's Liberation Army in Hong Kong after 1997.

Another important point I wish to make is that there is perception in our community that as far as the Basic Law is concerned, it has drifted from the spirit and the letter of the Joint Declaration in the last two years. The Chinese Government insists that the Basic Law is a matter for the Chinese Government and the people of Hong Kong, but the British Government has the right as a signatory of the Joint Declaration and the responsibility as the sovereign of Hong Kong. To get the Basic Law right, because all the provisions of the Joint Declaration must be totally enshrined in the Basic Law therefore the British Government must at the official level discuss with the Chinese Government on the Basic Law in the forum such as the Joint Liaison Group. Of course we all recognize the promulgation of the Basic Law is a matter for the Chinese Government.

On the question of human rights, I personally agree with the recommendation made by the committee. My colleagues have yet to discuss this aspect of the report, but we hope to be able to arrive at a more definite view in the near future.

Last but not the least, we are pleased to learn that the FAC supports our view that the Vietnamese boat people who are classified as non-refugees should be repatriated to Vietnam on a mandatory basis. With the influx of boat people at an alarming rate of 10 000 a month for the last two months, there is a great urgency in addressing this problem. We appreciate the British Government's apparent readiness in taking up the problem with the Vietnamese Government, and her contributions made towards the maintenance of the boat people in Hong Kong.

In conclusion, I have covered a range of subjects in the report. I spoke at length on nationality because I feel this is a crucial area. Where else at the present moment can we look to for a durable solution to our problem of an unprecedented scale? Our community is waiting to see what kind of action the British Government will take in the near future to boost the confidence of the Hong Kong people.

Sir, with the above remarks, I beg to move.

Question on the motion proposed.

MR. CHEONG: Sir, I would like to place it on record that most people in Hong Kong are extremely perplexed as well as disappointed with the whole Foreign Affairs Committee (FAC) exercise. First of all, we were given to understand that the purpose of the select committee members' visit to Hong Kong was to listen and to probe. Yet, witness after witness were lectured patronizingly on issues such as nationality, British responsibility, as well as the pace of development of direct elections. Should there not really be the presence of an open mind amongst the members?

Secondly, in relation to the probing exercise on the smooth implementation or otherwise of the Sino-British Joint Declaration, one would have thought it necessary, right and responsible for the committee to require further evidence from all witnesses after what had happened in China on 4 June. Yet, no such opportunity was offered. Instead, an attempt was made to hurriedly advance the date of publication of a report which the chairman of the committee gleefully remarked "should serve as a constructive background for the Foreign Secretary's visit to Hong Kong". Constructive to whom, we may all ask?

Thirdly, fourthly, fifthly, so on and so forth. Sir, I could go on and on citing more points, but being considerate I would not waste honourable Members' time. Our sentiment can best be summarized by quoting from the following passages of a statement endorsed by the whole of OMELCO on the nationality aspects of the Foreign Affairs Committee report --

"The FAC's suggestion that the international community be mobilized in an Armageddon scenario betrays any desire by the FAC to understand, let alone accept, that there is a confidence crisis in Hong Kong now which clearly calls for immediate action. It fails to recognize Britain's constitutional responsibility for its subjects, now or in the future.

They rejected the insurance policy argument on the one hand, and on the other they readily offer it to certain sectors of Hong Kong as an incentive for them to stay. Such a position is wholly illogical and contradictory.

The height of insensitivity is the so-called show of British confidence in Hong Kong by rescuing us from the People's Liberation Army and replacing it with the future British Consulate in HMS Tamar.

This FAC report has discredited the time-honoured British tradition of duty and honour."

Sir, like it or not, Britain does have a colony called Hong Kong. She still has responsibility over the well-being of the place and all those who reside in it for another seven years and 360 days. There is a major confidence crisis now. As legislators we have a duty to try to help mitigate the adverse effect of this circumstance. However, it must be emphasized that what we have to deal with is the human dimension which changed so significantly for the worse in such a short period of time.

Our calls to Britain -- the sovereign state -- for urgent and effective actions were designed to help all concerned, so as to allow Hong Kong a good chance to remain stable and prosperous. They were made justifiably. Surely, Hong Kong British subjects are entitled to as much protection and governance as those who live in Gibraltar and the Falklands. Hong Kong, as a British colony, had paid our dues in the hours of need of Britain in her two world wars and the war with Argentina over the Falklands. In the interest of British honour and British foreign policy, we had to forgo, one time or another, our trading interest with various trading partners in the world like South Rhodesia, South Africa and Argentina. Where is Britain now in our critical hour of need?

Sir, our assessment that not many people in Hong Kong, even if they were all given the British insurance, would settle in the United Kingdom was made in good faith and was proven correct through published results of surveys conducted professionally. Why is it that Members of the same Parliament who willingly and readily granted full rights to the Gibraltarians and Falklanders should behave so strangely towards Hong Kong?

Finally, Sir, I want to make it clear to the people of Hong Kong that what we did should not be misrepresented as signs of weakness or even begging. We are only asking from the sovereign state what it should have been their duty and responsibility to give, no more and no less.

Sir, I support the motion.

MRS. CHOW: Sir, in the press conference where Mr. David HOWELL introduced the FAC report last Friday, he explained that the advance timing of its publication was to provide a constructive background to Sir Geoffrey HOWE's visit here.

As it turned out, the great minds thought so much alike one could hardly find any single point where they did not agree. In fact one can get easily confused as to who is explaining whose case, and which position is being fortified by which.

It is not in the least surprising that Sir Geoffrey remained so unmoved by the loud and united voice of Hong Kong, led and supported by that of yours, Sir, and our two Senior Members of OMELCO. He came armed with arguments, logical or not, fully aired in the report.

The FAC's obsession with the merits of the Joint Declaration as Britain's fulfilment of her unique obligation to Hong Kong conveniently paved the way for the Foreign Secretary's repeated insistence that the agreement is the best way that Britain could fulfil her responsibility to Hong Kong.

The denial of the right of abode to Hong Kong's holders of British passport was not unexpected, though highly unacceptable on moral grounds. Neither the FAC nor Sir Geoffrey HOWE should be under any illusion, nor should they create or broadcast it, that their stand to desert Britain's people under her care and protection is any more acceptable now than it has been, despite their efforts to justify it. Where the FAC failed to match up to Sir Geoffrey was the honesty and straightforwardness with which the latter dealt with the subject. The committee's criticism of "the insurance policy" concept presented by OMELCO was itself confused and illogical. On the one hand it queried the appropriateness of the metaphor, but on the other advocated it for some sectors of the community. By recommending passports for civil servants and key personnel so as to encourage them to stay, the committee has in fact lent weight to the value of the passports as a form of insurance policy.

Another coincidence is the FAC's call for the British Government to solicit help from the international community in providing refuge to our people in the case of an Armageddon scenario. The committee would have to be quite uninformed to be recommending action which the government has already undertaken. In any case, all efforts should be directed towards the prevention of an Armageddon scenario, not the preparation for its aftermath. It is Britain's duty to see to it that there will be no Armageddon scenario. We do not fancy the prospect of becoming refugees. That

is why we need the confidence booster now so as to ensure this cataclysmic happening will not come about.

But what I regard the major let-down of the report, and I suppose I can likewise be critical of Sir Geoffrey's visit, is an unwavering determination to ignore the single most urgent problem that our people are facing. It is simply one of fear -- fear of a Tiananmen scenario in Hong Kong, fear of a regime which would go to any length to maintain its supremacy, fear of the loss of freedom to our children, fear of the breakdown of the value systems that we have taken for granted, and so the list goes on.

"The disease of the heart can only be cured by the medicine for the heart."

That medicine badly needed now for the Hong Kong heart is the feeling of being free to stay or go. Once that freedom is affirmed, many will stay.

Whoever understands and acts on this understanding is a true friend of Hong Kong. Let us untangle ourselves from the meaningless arguments surrounding the insurance policy concept. It really does not matter what one calls it -- life-boat, emergency exit, escape route -- we must feel it exists, it is there, it is real. Without it, Hong Kong will lose its will to fight on. With it, Hong Kong will go on from strength to strength to create more records and miracles.

We are all part of Hong Kong, and proud of it. For us, nothing is impossible. We are the experts on Hong Kong, and we are the experts on China. We know what inclusions Britain must secure in the Basic Law in order that the "one country, two systems" concept can be realized. We also know the pace of democracy best suited for Hong Kong. We have achieved consensus before and we will do so again. All these will give true meaning to the Joint Declaration but all these are only achievable if our people do not lose heart!

Britain can choose the easy way out by following the FAC line on nationality and run the risk of losing the respect of Hong Kong and the world.

Or Britain can choose the honourable way out, face the most immediate problem of confidence in Hong Kong squarely, and prove her mettle as the responsible sovereign and world power who is prepared to rescue Hong Kong from the pit of its own despair. History until now may offer itself as an attractive excuse for the British Government



to wash her hands off Hong Kong, but the irresponsibility of that action will go down in history as a great disservice not only to the people of Hong Kong but also to the people of Britain.

DR. IP: Sir, as Legislative Council Members in Hong Kong, we do not have the opportunity to voice our feelings on behalf of the people of Hong Kong in the United Kingdom Parliament which, ironically speaking, determines our fate. This I would like to do so much that, Sir, I hope you will excuse me if I were to direct the rest of my speech to the United Kingdom Government as if I were at Westminster. Any reference I will make to "you" is not, Sir, directed to you personally, but to them.

Hong Kong is an island ceded to the British Government. Here we were born and live under British rule on British land. You have, by a stroke of the pen in 1984, given our land away. It is therefore your responsibility and our right to ask that you should give us back a place of abode so that we can continue to live under British rule on British land if we so wish.

You have, by the Joint Declaration to which we were not a party, destined all of us to live in Hong Kong under communist rule on communist land after 1997. Because of our love of Hong Kong, the only place we know of as home, some had believed, and more wanted to believe, that the Joint Declaration may work. And for a while some were convinced, but most wanted more assurances before they would accept this as an alternative. But after the June massacre in China, even those who were convinced have clearly changed their minds. And I truly believe that I represent most of all those who live here to firmly request and demand you now to give us back that right to continue to live under British rule on a British land. And if Hong Kong is no longer to exist under British rule after 1997, you have to grant us the right to full British citizenship so that we can, if we so wish, live in the United Kingdom, our Motherland. If you still have any confidence in the Joint Declaration, you ought to have no fear that we will take up this right. In fact, your resistance to granting us full citizenship and the right of abode in the United Kingdom reflects your doubt about the Joint Declaration. Yet the more you lack confidence in it, the stronger is the reason why you should grant us full citizenship to protect us from communist rule. Your granting us full citizenship will in essence not only give us the right to live in the United Kingdom but will open up our access to the whole of the Common Market countries, all Commonwealth countries including Australia and Canada, and the United States. It will be a route to freedom and safety if life in Hong Kong is no

longer tolerable under the communist regime.

The Foreign Affairs Committee report recommends "that the British Government should take the lead at the earliest opportunity in establishing the definite guarantees which could be put into place in the years ahead." I say to you that the right of abode in the United Kingdom is the best and the only definitive guarantee. I say to you also that the "earliest opportunity" is now before everyone leaves Hong Kong to secure a home of last resort elsewhere. If you will take the first step, and you should as it is your moral obligation to do so, in establishing this guarantee, then no doubt your "EC partners and immigrant receiving countries such as Australia, Canada and United States" may share your responsibility. With your failure to give us such a guarantee, reluctant as I may, I must advise the people of Hong Kong, and urgently now, each to seek for themselves a home of last resort even if they have to leave to do so. I do so because, as a legislator, my duty is with the people first and the stability and prosperity of Hong Kong second, although the two are so interdependent on each other.

I know my people; they want freedom and democracy, even more so than the students in Beijing. Having experienced it under British rule, they would not be prepared to give this up. If such is rejected, the consequences of confrontation with the Beijing Government after 1997 would be unimaginable. From what has happened in China, she has certainly not kept to her promise to maintain stability and prosperity of Hong Kong running up to 1997. We therefore have to turn to you, and rightly so, as you are our sovereign and the other signatory to the Joint Declaration. If you do not grant full citizenship to the people of Hong Kong and all of us flock to the four corners of the world, not only are you not contributing to maintaining the prosperity and stability of Hong Kong, but you are literally destroying it. Who else then can we turn to?

I will end with this request and that is: grant us now the guarantee of a home of last resort and we will stay. This is the only way to restore confidence and to maintain the prosperity and stability of Hong Kong. This will give the only chance for the Joint Declaration to work for the benefit of all of us.

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

MR. CHAN (in Cantonese): Sir, following the June 4 incident at Tiananmen Square, Hong Kong people have been repeatedly warned by the Chinese authorities. Moreover, there

was also that "somebody" in Britain who also attempted to intimidate the Hong Kong community with threats. That is why after learning about the recommendations of the Foreign Affairs Committee, the people of Hong Kong have great reservations about the sense of justice and integrity of those Members of Parliament. On the other hand, they are afraid of the brutal regime in China which massacred its people. As a result, Hong Kong people are now standing at the crossroads.

In order to save themselves, the middle-class citizens who can afford to emigrate choose to leave the territory, joining the long queues of would-be applicants in front of foreign consulates. I think that as more and more people leave Hong Kong, those who are left behind will feel all the more frightened.

As for the majority who cannot afford to emigrate, they have conceived some very imaginative ideas to save themselves, such as appealing to the rich people to buy a piece of land outside Hong Kong as a place of resettlement for them, or urging the Government to scrap development projects such as the construction of a new airport and use the money thus saved for building a new Hong Kong elsewhere. Other suggest that we should lease Hong Kong from China and put it under the mandate of the United Nations, or that Britain should negotiate with China for an extension of her rule over Hong Kong.

I believe these people know very well that their suggestions are hardly practicable, but they put forward their views all the same, reflecting that the public are in a state of panic in regard to their future. It also brings home to us that the solution we are seeking should be a guarantee for all. I must stress that if we are given anything, it must be given to all; we cannot accept the recommendation of the FAC that the right of abode be given selectively to a certain number of Hong Kong people, as this solution will only divide the Hong Kong community.

Britain must restore the right of abode in the United Kingdom for Hong Kong British subjects in the first place, and then commits herself to seeking "escape routes" for the remaining non-British Hong Kong people. I firmly believe that only in this way can we achieve the ultimate aim of persuading all Hong Kong people to stay here to work and live. This is the only viable option, and it is within the ability of the British Government. It will be too late to seek international assistance after Hong Kong people have become refugees, as suggested by some British Members of Parliament. I therefore strongly support the motion moved by the Honourable Allen LEE.

Sir, with these remarks, I support the motion.

MR. CHUNG (in Cantonese): Sir, subsequent to the release of the Foreign Affairs Committee report on 30 June 1989, the Foreign Secretary, Sir Geoffrey HOWE, paid a special visit to Hong Kong on 2 July 1989. In this prevailing situation of anxiety, I feel that the British Government and Parliament have shown their extent of concern out of a sense of morality and responsibility. Needless to say, any sudden unfavourable changes in Hong Kong would affect the prestige and interests of the United Kingdom.

The Foreign Affairs Committee report concedes that United Kingdom's obligation to Hong Kong has particular importance. However, it considers that the British Government has fulfilled its obligation to meet the request of the people of Hong Kong by entering into the Joint Declaration with China. Therefore, the report devotes much of its attention to the implementation of the Joint Declaration. It is important to note that the report believes there is a need for China to give stronger guarantees and formulate the provisions of the Basic Law to reflect faithfully the Sino-British agreement so as to re-establish the confidence of Hong Kong and the rest of the world in the continued stability and prosperity of the territory. This observation of the report does strike home the root of the existing problem in Hong Kong. As I have pointed out in the Legislative Council debate on 31 May 1989, faced with political earthquakes in China, we should first of all take precautionary measures to strengthen the provisions regarding the safeguards for human rights and the high degree of autonomy for Hong Kong in the Basic Law.

The question is, on matters concerning the responsibility of the British Government, the report apparently plays down the demand of the Hong Kong people for the right of abode in the United Kingdom arising from the events in Beijing. In this regard, the report believes what the British Government can do is to provide two "systems of assurances". First, the report recommends that the British Government should consult at the earliest opportunity the European Economic Community and other countries such as the United States, Canada and Australia in establishing guarantees that the people of Hong Kong will be accommodated on a broad basis in these countries as refugees if it proves to be necessary in the years ahead. The second system of assurance is to exempt certain categories of Hong Kong people from British immigration controls. These people include "key people in the Hong Kong civil service, the police

or in any area of public life". They have the chance to settle in the United Kingdom.

Sir, the problem is pretty obvious now. On the question of the right of abode in the United Kingdom for British subjects in Hong Kong, since the British Government has accepted that she will take in certain categories of Hong Kong residents, it is only indicative that she has the obligation to offer this right to all the citizens in Hong Kong. And it will be unfair, unrighteous, dishonourable and undesirable for the British Government to arbitrarily accord discriminatory treatment among the people of Hong Kong.

If Britain can go so far as to deprive Hong Kong people of their constitutional entitlement to the right of abode in the United Kingdom, how can she bring herself to solicit international assistance for us? Although we hope that in times of difficulties we will be able to obtain support from friendly countries, we would not like to see this being used by the British Government as an excuse to evade the rightful claims of the Hong Kong people to the right of abode in Britain.

According to the report, should Hong Kong become an intolerable place to live in, the countries concerned will offer asylum to millions of "Hong Kong refugees" on the basis of the established guarantees. What it refers to is apparently the situation after 1997. However, judging from the situation of the Vietnamese refugees or boat people arriving in Hong Kong, where have all these "international guarantees" gone?

Having said this, it should be admitted that the United Kingdom has never before adopted such positive attitude in expressing their concern towards the future well-being of the Hong Kong people. The Foreign Secretary, Sir Geoffrey HOWE, stated that "the Sino-British Joint Declaration is the foundation for the future stability and prosperity of Hong Kong." But under the present circumstances, what sort of assurance has been provided to this "future"? Most probably, the Foreign Secretary himself would not even venture to "accept this insurance liability". Actually, the problem in question only reveals the fact that it is essential within the responsibilities of the British Government to understand and give further consideration to the background and the state of mind of the Hong Kong people in their demand for the right of abode in the United Kingdom.

It has been stated in the FAC report that with the enactment of the Commonwealth Immigrants Act in 1962, the right of settlement in the United Kingdom by Hong Kong

BDTCs was removed. In my view, this piece of legislation is fundamentally wrong because it had entirely deprived the British subjects in Hong Kong of their fundamental rights previously enjoyed, and is completely contradictory to the traditional spirit of the rule of law and the legal principles of Britain.

We must make it very clear that the legal and humanitarian obligation of the British Government to restore the right of abode to the people of Hong Kong and the faithful implementation of the Sino-British Joint Declaration together with the provision of absolute assurances are two separate issues which pertain to different kinds of obligation. It is imperative that both issues are crucial to the destiny of the whole community in Hong Kong, and the British Government should not shirk her responsibility on these issues.

Sir, as regards the Joint Declaration and its implementation, it has been stressed in the report that Britain must concentrate on the implementation of the provision of the Joint Declaration through the Basic Law which has been described as the "son" of the Joint Declaration and not a product of the People's Republic of China constitution. Thus, I must point out that this mother-and-son relationship between the Basic Law and the Joint Declaration has not been spelt out so far. In my opinion, it should be explicitly stipulated in the Basic Law that "the provisions of the Basic Law are based on the Sino-British Joint Declaration."

Sir, judging from the major proposals recommended in the FAC report regarding the Basic Law and the existing political reforms in Hong Kong, one can undoubtedly say that these recommendations have implied a lack of confidence by Britain towards the future of Hong Kong after 1997. By the same token, the substance of the FAC report has virtually explained the logic behind Hong Kong people's demand for the restoration of the right of abode in the United Kingdom. Meanwhile, as far as the major responsibility is concerned, we have to look forward to the endeavour of the British Government. It is hoped that the British Government will adopt prudent policies which are beneficial to Britain, China and the people of Hong Kong.

Sir, with these remarks, I support the motion.

MR. HUI (in Cantonese): Sir, the Foreign Affairs Committee of the United Kingdom House of Commons (FAC) has staged quite a show by conducting public hearings and consultations on a rather extensive scale on the implementation of the Sino-British Joint Declaration by the British Government. However, the FAC report published last

week not only gives us the impression of much said but little done, but also fully demonstrates that the British Government and some of the Members of Parliament are irresponsible, egocentric and hypocritic.

Concrete examples can easily be found in the report but I only wish to make three points which are more representative.

The first point is concerned with the right of abode for Hong Kong British passport holders. The FAC does recognize that granting Hong Kong people the right of abode is a way to safeguard their confidence, and that the British Government should take the lead to negotiate with her European Economic Community partners and other immigrant receiving countries in jointly establishing a system of assurances. However, the report recommends the British Government to grant the right of abode to only a small minority of Hong Kong people. I believe that as the British Government's position now is to apply "greater flexibility", it is not difficult for her to accept this recommendation. But in doing so Britain will no doubt demonstrate to the world her irresponsible and selfish attitude as well as her stupidity in believing that she is doing the right thing. It is because no one will believe that Britain, who is only prepared to confer the right of abode in the United Kingdom to a small number of Hong Kong people, will be able to give a lead in the international community by taking up the difficult task of lobbying for support. We need only look at the sort of leadership that she provided in resettling Vietnamese refugees stranded in Hong Kong; then we can see how hypocritic she is in being irresponsible on the one hand and trying to assume leadership on the other.

Secondly, regarding the speeding up of the democratization of our political system, the FAC proposes that to tie in with a fully directly elected Legislative Council in 1995, 50% of the seats should be returned by direct elections in 1991. Superficially, this recommendation is very encouraging to the local democrats, but its feasibility is in doubt. The report has ignored the stance and reaction of the Chinese Government in the past. It has also failed to urge the British Government to take up this proposal with the Chinese Government and try to get it implemented. I still remember how difficult it was for us to secure a commitment in the White Paper on the Development of Representative Government published in 1988 for the introduction of 10 directly elected seats to the Legislative Council in 1991. Based on what observations or arguments did the FAC make such a bold suggestion after a lapse of only one year?

I must emphasize that I am not unhappy to see this recommendation come to fruition, but I want to express my indignation over the way the Hong Kong and British Governments made a mockery of public opinion in the days when we were arguing about the pace of political development. Moreover, the FAC thinks that by speeding up the pace of political development, Hong Kong people will feel assured and thus the British Government may not have to take up the responsibility which she is unwilling to shoulder--to provide Hong Kong people with an "escape route". The FAC is irresponsible in making such a proposal which ignores the actual circumstances. Obviously, the political wisdom and courage of the British Government and Members of Parliament to shoulder responsibility have vanished in the face of party politics and political interests.

The third point is reflected by the refugee policy. The FAC believes that the British Government may eventually agree that Hong Kong should introduce the policy of mandatory repatriation of boat people. This is understandable because the Legislative Council has already indicated its unwillingness to undertake further financial commitments for the support of boat people who continue to pour into Hong Kong. Realizing that the burden will inevitably be shifted to herself, Britain is then willing to strip off the mask of humanitarianism procured at Hong Kong people's expense. Another example of generosity at other people's expense with total disregard of the actual situation is the proposal that the People's Liberation Army troops should not station in Hong Kong. But in reality, how can the British Government make a decision or make any concession in regard to this matter?

The FAC report is totally devoid of merits. The aim of the FAC is to cover up for Britain the ugly fact that she is irresponsible. Unfortunately, the FAC fails to advance arguments to justify the case, and the more it tries to cover up, the more the wrongdoings are exposed. But the FAC still assumes that its arguments are sound and valid, though they are in fact absurd and agitating.

The recent mood of helplessness, frustration and hopelessness among Hong Kong people is comprehensible, for the facts have made us realize that both the Chinese and the British Governments are unreliable. Such being the case, we should pull ourselves together and apply the courage and perseverance that have taken us through difficult times. We should stand together to build our community. It is time for Hong Kong people to strive hard to save Hong Kong. We should try to improve the economic structure, develop the political system and establish a new legal system so that the Chinese Government may not dare to interfere in our affairs at will after



1997.

Of course, we should not give up the fight for the restoration of full British citizenship, for through this campaign, we can teach and press the British Government to implement the provisions of the Sino-British Joint Declaration. The British Government has the responsibility to maintain the prosperity and stability of Hong Kong during the transition period.

Sir, with these remarks, I support the motion.

MR. MARTIN LEE: Sir, allow me please to start my speech with a quotation:

"It was the best of times;

it was the worst of times,

it was the age of wisdom,

it was the age of foolishness,

it was the epoch of belief,

it was the epoch of incredulity,

it was the season of Light,

it was the season of Darkness,

it was the spring of hope,

it was the winter of despair,

we had everything before us,

we had nothing before us,

we were all going direct to Heaven,

we were all going direct the other way."

Sir, this opening passage from A Tale of Two Cities by Charles Dickens sums up the feelings of many people in Hong Kong today. It is particularly suitable because the novel was written about the French Revolution, and today is just nine days away from the bicentennial of the Fall of the Bastille.

The cries of the French peasants for "liberte, equalite and fraternite" 200 years ago were picked up by the tens of thousands of university students in Beijing in their demands for democracy, human rights and a clean government. And the students built for themselves a replica of the Statue of Liberty in New York which was a gift from the French people to the people of the United States over 100 years ago. That symbol of democracy for China was crudely crushed by a tank during the Tiananmen Square massacre on 4 June. But many other similar statues have since sprung up in different parts of the world to show that the flame of democracy which was so gently ignited by the Beijing students has touched the hearts of millions of people in every corner of the earth regardless of national boundaries, race or creed.

And in the aftermath of the massacre which the people of Hong Kong watched with horror, shock, anger and now fear for their future after 1997, it is timely for us to have a debate on the Foreign Affairs Committee (FAC) report which has addressed many concerns of the people of Hong Kong.

And I shall deal with the report under separate headings.

Blind faith in the Joint Declaration

It is naive and unrealistic for the British Government still to have blind faith in the Joint Declaration. Sir Geoffrey Howe told us two days ago that he still believes that the Chinese Government will honour the Joint Declaration to the full because it was in its interest to do so.

This sounds like a good argument; but there is a fundamental flaw in it. For if the present confidence crisis were to continue unabated either because of the British Government's refusal to grant the right of abode to the 3.25 million British subjects and to provide a life-line for the other 2.5 million Hong Kong citizens, or for some other reason, and if Hong Kong should lose her prosperity or stability as a result which many will think is a distinct possibility, then the Chinese

Government might no longer think it would still be in its interest to adhere to the terms of the Joint Declaration.

It is therefore clear that the British Government can no longer expect this agreement alone in its present form to guarantee for us a secure future.

When the British Government agreed to hand Hong Kong back to the Chinese Government with all its people under this agreement in 1984, it was like a foster parent agreeing to return a child to the natural parent who is known to love and care for her own children. But a little later, and still before the transfer of custody, the natural parent becomes a completely changed person and kills one child and is cruel to another. Will the foster parent say: "Well, an agreement is an agreement. And besides, since the child in question is a talented young movie star, it will be in the natural parent's interest to be nice to the child."

If one really wants to do something for Hong Kong, one must not start from the premise that the Joint Declaration is as inviolable as the Bible.

Further, bearing in mind the duty cast upon the British Government by clause 4 of the Joint Declaration to hand Hong Kong back to China as a prosperous and stable international city, it is the British Government's duty to sit down with the Chinese Government at some stage and say: "I regret that there is a strong likelihood that we cannot hand Hong Kong back to you as a thriving international city on 1 July 1997, because of your own acts of atrocity. But if you still want Hong Kong to prosper and be stable, then we must work on it very seriously and try to give Hong Kong a much better deal than the one we gave them in 1984.

I do not suggest that the Joint Declaration be torn up before such re-negotiation should take place. The Joint Declaration will remain binding until it is superseded by some new agreement. And if the Chinese Government chooses to be un-compromising, then the Joint Declaration still stands.

The following are the principal areas of concern which must be addressed.

The stationing of troops

After seeing how the People's Liberation Army slaughtered its own people in its own capital, no one in Hong Kong would feel secure with these troops stationed in

Hong Kong.

The FAC accepts this but only recommends that "the British Government should make clear to the Chinese Government the strength of feeling in Hong Kong against any stationing of People's Liberation Army troops in Hong Kong."

This is not good enough.

I suggest that the British Government should seek to secure the agreement of the Chinese Government that troops will not be stationed in Hong Kong. This matter cannot be dealt with only through the Basic Law, but requires an amending of the Joint Declaration.

The Basic Law

I accept the view of the FAC that the relationship between the Basic Law and the People's Republic of China (PRC) constitution should be clarified. But I suggest that the correct approach is to stipulate in writing, whether in the Basic Law or in the constitution, those provisions of the constitution which are inapplicable to the HKSAR.

I suggest that it must be stated clearly that the four cardinal principles set out in the Preamble to the PRC constitution, including, for example, the insistence on the leadership of the Chinese Communist Party, would not be applicable to the HKSAR.

As to the power of interpretation of the Basic Law, it is obvious that the FAC is reluctant to leave the final right to interpret the Basic Law with the Standing Committee of the National People's Congress, and has therefore proposed the setting up of a Joint Constitutional Court.

This deserves serious attention.

But a simpler method may be to ask the Standing Committee of the National People's Congress to delegate irrevocably its interpretative powers of the Basic Law to the courts of the HKSAR in keeping with our common law system.

I would also suggest that the power to review the constitutionality of any law enacted by the legislature of the HKSAR should also be delegated irrevocably to the

Final Court of Appeal of the HKSAR.

State of emergency

I suggest that the Basic Law should provide that only the Chief Executive be empowered to declare a state of emergency in the HKSAR. For such a power must not be exercised from Beijing. Otherwise, a peaceful demonstration in the SAR, which is frowned upon by Beijing, may be declared as constituting a turmoil in the region, with the result that martial law may be declared as in Tiananmen Square, with the same dire consequences.

Human rights

I am in full agreement with the FAC's call for the immediate enactment of a Bill of Rights in Hong Kong. But this Bill of Rights must be consistent with, and offer no less protection than, both the International Covenant on Civil and Political Rights and the European Covenant on Human Rights.

I would suggest further that the provisions of this Bill of Rights must be entrenched in the Basic Law as paramount and not subject to all the other laws of the HKSAR.

I suggest also that the United Kingdom should immediately extend ratification of the European Covenant on Human Rights and its acceptance of the compulsory jurisdiction of the European Court of Human Rights to Hong Kong, as in the case of a number of other overseas dependent territories. This would permit aggrieved individuals in Hong Kong to take their claims directly to the court, from which rulings are binding on member states.

Further, I suggest that Her Majesty's Government should, on behalf of Hong Kong, ratify the Optional Protocol of the International Covenant on Civil and Political Rights so as to permit individuals to take their claims of violation of the covenant directly to the United Nations Human Rights Committee. And the competence of the Human Rights Committee to hear claims from individuals in Hong Kong must continue to be recognized by the Chinese Government after 1997.

In short, the protection of human rights must be secured both before and after 1997.

## Progress towards representative government

I agree with the FAC's belief that full democracy must be introduced in Hong Kong before 1997. I also agree with their recommended time-table of having 50% directly elected seats on the Legislative Council in 1991, and 100% in 1995. I also support the FAC's recommendation on the distribution of seats for the 1991 election.

But as to the method of election of the first Chief Executive, I regret that the FAC has fallen into error.

In proposing that the first Chief Executive be elected by an electoral college, it is clear that the FAC did not wish to "risk confrontation with the PRC." But the FAC also insisted that "this electoral college should itself be democratically constituted."

The most important question the FAC failed to answer is this: Should Beijing be allowed to influence, or even control, the election of the first Chief Executive?

If the answer is in the affirmative, then I can only say that after the Tiananmen Square massacre, no one in Hong Kong will accept a Chief Executive who acts purely according to instructions from Beijing, regardless of how unreasonable those instructions may be.

But if the answer to the question is in the negative, then the only acceptable method is by universal suffrage.

As to the risk of confronting China, and the fear that the first Chief Executive selected may not be acceptable to China, I suggest that these considerations equally apply to elections whether by universal suffrage or by a democratically constituted electoral college. For if Beijing wants to control or influence the election of the first Chief Executive, then China will also object to election by a democratically constituted electoral college for such a college may return someone unacceptable to Beijing. But if Beijing does not want to control or influence the election of the first Chief Executive, then China will not object to either model. But then the people of Hong Kong will feel much more comfortable if they know that they can elect their first Chief Executive on a one person one vote basis.

The other reason given by the FAC is the unanimous view of OMELCO that the Chief Executive would be elected by universal suffrage no later than the year 2003. The consensus was arrived at as a compromise, because the latest date on which Members of the OMELCO wanted to see the Chief Executive elected by universal suffrage was the year 2003. It is true that only a minority of OMELCO Members then wanted to see the first Chief Executive elected by universal suffrage, that is, before 1997. But that view was reached before the Tiananmen Square massacre. And there is little doubt that any view expressed before that fateful date has to be carefully re-assessed. Indeed this very point was taken by the FAC in arriving at its conclusion that the Legislative Council must be fully constituted by direct elections before 1997. And it referred in paragraph 3.9 to the "brutality and horror of the repression of that weekend" which makes it "even more imperative the early establishment of proper representative institutions in Hong Kong." With the greatest respect to the FAC, surely the election of the first Chief Executive must be part and parcel of the representative institution in Hong Kong.

I therefore submit that if we really want to implement the policy of "Hong Kong people ruling Hong Kong" "with a high degree of autonomy", we must insist that the first Chief Executive of the HKSAR be elected by universal suffrage.

As to the relationship between the executive and the legislature, I fully agree with the views expressed by the FAC on "accountability" (paragraph 3.21) and its recommendation that "where there is an irreconcilable conflict between the Legislative Council and the Chief Executive, the Chief Executive should resign." (paragraph 3.22).

Nationality/right of abode or life-line

During the recent democratic movement in China, the people of Hong Kong have joined in massive and orderly demonstrations protesting against the repressive actions taken by the present regime in China. And our people have marched in unison: liberals, conservatives, as well as people loyal to the Chinese Communist Party. But the democratic movement has now been branded as counter-revolutionary; and there can be little doubt that in the eyes of the Chinese leadership, our people are in rebellion. Our people have seen too how many activists in China are being hunted down, persecuted and then executed. And our people naturally fear the same crack-down in Hong Kong after 1997. And it would not be difficult to identify us, for apart from photographs and television news which might have captured our faces, many of our community leaders

and ordinary decent citizens have put their names down in newspaper advertisements condemning the actions of the present leadership in China.

Naturally, our people will not feel safe without a life-line. Our people do not want to leave Hong Kong unless it is necessary to flee for their lives. The 3.28 million British subjects are demanding to have their full British citizenship restored to them. What they are demanding was theirs by birth. But it was whittled down by successive Acts of Parliament. Yet there are another 2.5 million people in Hong Kong who are not British. Many have fled from the communist regime in China over the years for British protection in Hong Kong. They too should be given a life-line.

Now the British Government has refused to restore full British citizenship to all the 3.28 million British subjects, on the ground that if all of them were to settle in the United Kingdom, it would double the number of ethnic minorities in the United Kingdom.

But the British Government also said that if there were an Armageddon scenario or a catastrophe in Hong Kong, then it would have a firm obligation to take us as refugees.

But surely that is a defeatism line, and may even be self-fulfilling. Surely what the British Government must do is to take all reasonable steps to stop us from becoming refugees so that it does not have to take us. But though the British Government is primarily responsible for the people of Hong Kong, it does not have to take on the burden alone. It can quite legitimately ask the other nations of the free world to share in that burden, or asset, according to the recent Corry Report published in the South China Morning Post. But the British Government should take the lead, and must underwrite the balance. The FAC has got it right in recommending "that the British Government should take the lead at the earliest opportunity, particularly with our European Community partners and immigrant-receiving countries such as Australia, Canada and the United States, in establishing the definite guarantee which could be put into place in the years ahead. We believe that the accommodation of even several million people from Hong Kong would be quite possible if shared among the international community." (paragraph 4.15) But the British Government must act now.

The underlying objective here is not to encourage our people to leave, but to



stay, and yet armed with passports which would enable them to leave if absolutely necessary.

Armed with a life-line, and with all the safeguards together as a package, our people will stay, or at least adopt a wait-and-see attitude, knowing always that they have an option to leave, like the thousands of expatriates in Hong Kong holding foreign passports. They have no fear. And we likewise would have no fear.

Once the British Government has made such a commitment to Hong Kong, and it is a commitment by action and not by mere words, it will find it absolutely necessary to work with us in establishing a successful future for Hong Kong, so that we will never have to go and live in the United Kingdom.

And then the Chinese Government would also realize that it is not in its interest to ignore the wishes of our people or to suppress or frighten us with inconsiderate policies, for we all have an option to leave.

The insurance argument

The FAC as well as the British Government has rejected what has been called "the insurance argument," and I can understand why. For that argument went like this:

- a) there is a confidence crisis in Hong Kong;
- b) the people of Hong Kong do not want to leave;
- c) therefore give them passports, and they would feel safe and stay.

This argument is unconvincing because there is nothing to show why the crisis of confidence would abate once the people of Hong Kong have got their passports.

I therefore suggest that to run the insurance argument, we must not pretend that the giving of passports alone will solve the problem. An entire package of policies must be pursued together.

International involvement

In the aftermath of the Tiananmen Square massacre and subsequent crack-down, if Hong Kong is to remain a prosperous and stable international city in 1997, then Hong Kong must not be allowed to suffer the same fate as Tibet or Beijing in face of atrocities, that is, Hong Kong must not be exclusively an internal affair of the PRC.

There must be some involvement of the United Nations or some form of monitoring by the international community. The FAC makes a similar point in paragraph 2.5.

The objective is clear: if there is any massacre in Hong Kong after 1997 like those in Tibet or Tiananmen Square, China cannot be allowed to say to the protesting international community: "Mind your own business and do not interfere with our internal affairs."

There are a number of possible ways of achieving the objective. And further study is necessary.

Perhaps one option would be to establish a United Nations monitoring group to supervise the 50 years of a "high degree of autonomy." This would provide neutral monitoring of implementation of the Joint Declaration; adherence to the Basic Law; elections in the HKSAR; the movement of Chinese troops affecting the HKSAR, and the maintenance of human rights.

## Conclusion

Many of the above proposals are not easy to achieve. But given the will, there must be a way.

And it is entirely in China's interest to give Hong Kong a better deal if it still wants to take Hong Kong back from the British Government on 1 July 1997 as a prosperous and stable international city.

But if the British and Chinese Governments will not co-operate fully with each other and solve this most pressing confidence crisis, then there is a strong likelihood that both will be in breach of clause 4 of the Joint Declaration, which provides that "during the transitional period, ... the Government of the United Kingdom will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability; and that the Government of the PRC will give its co-operation in this connection."

MR. LI: Sir, the Foreign Affairs Committee (FAC) report is lamentable. There are a few constructive recommendations. But these are overshadowed by arrogance and ignorance. Certainly, this is not one of the Mother of Parliaments' finest hours.

The report attempts to divide our society. This we must ignore. We must unite. We must throw our full weight behind you, Sir, and our Government.

Events overtook the FAC. Their report is based largely on observations and comments made before 4 June. Today, there is a totally new situation in Hong Kong.

The FAC failed to recognize this -- despite pleas from you, Sir, from the Senior Members of OMELCO, from Members of this Council and the community, including myself, who went to the United Kingdom to press our case, and from the people of Hong Kong.

Without sympathy, perception, understanding, vision and even a sense of reality, the FAC's report is virtually meaningless.

We must not allow Britain to wash her hands of Hong Kong. Britain has a moral, if not legal, obligation to the people of her Crown colony. The world is watching to see that Britain holds to her duty and keeps her honour.

Britain must restore to the people of Hong Kong their birth-right as British subjects. The fight for the right of abode is not over; it has just begun.

We must use our talent and our resources to convey to the people of Britain the deep concerns and fears of the people of Hong Kong. We have the sympathy of the British public, but not that of their Government. We need the help of the British people to convince their Government.

We are not a liability to Britain. We are not a liability to the world. Just as Hong Kong has a vital economic role to play in China, so do we have a vital role to play in the world.

Here at home, we must accelerate the pace of democratization. We must protect civil liberties with a Bill of Rights. We must expand civic education so that the people of Hong Kong fully understand the rights and the responsibilities of citizenship -- because without this, democracy has no foundation.

Hong Kong is our home. We are united. We must remain united to protect our past, our present and our future.

We have seen Britain at her worst. But Britain has yet to see Hong Kong at our best.

Sir, with these remarks, I support the motion.

MR. NGAI (in Cantonese): Sir, in its report on Hong Kong, the Foreign Affairs Committee has highlighted that the British Government should try to restore the confidence of Hong Kong people as soon as possible. It has also reiterated that the British Government should firmly carry out her commitments in the Sino-British Joint Declaration to maintain stability and prosperity in Hong Kong. However, to our regrets, nowhere in the report can we find proposals of any concrete and specific actions to realize the British commitment to restore Hong Kong people's confidence. Further to our regrets, moral obligation and legal responsibility on the part of our sovereign state have been totally set aside in the face of political reality.

Sir, while refusing to accept that the people of Hong Kong should be granted the legitimate right of abode in the United Kingdom, the Foreign Affairs Committee proposes to call on the whole world to provide assistance to the people of Hong Kong should they have to seek asylum in the future. What irresponsible remarks! We have made it clear that Hong Kong is our home. We are only seeking an insurance policy for our long-term residence here. How can one imagine that several millions of people are rushing to the United Kingdom to live there, bearing in mind that they will lose their means of living?

Sir, 1.5 million people from various sectors of the community in Hong Kong took to the street last month. I would like to take this opportunity to tell Sir Geoffrey HOWE seriously that their participation in the march has adequately shown that the people of Hong Kong do have strong sentiments in matters of national self-esteem and we are proud of that. With our strong will and creative power, a small fishing village has been developed and transformed into a world famous financial, economic and trade centre. Obviously, we are reluctant to abandon our achievement. Since all these have been made possible through a century of British rule, we appreciate her effective administration as well as her political, economic and legal systems. We pin high hopes on these aspects of her rule. As long as our escape route is ensured, we shall

go on living on this piece of land generations after generations. There are people in Britain, some hold public office and some do not, who see us as a terrible, uncivilized and uncultured population like the subjects of her Asian-African colonies of the last century. They have also overlooked the fact that we have developed with time. Hong Kong has all the sophisticated features of an international city. Hong Kong is a thriving city and is prosperous. How regrettable that they should be so ignorant and unwise!

Sir, machine gun shots from the capital of China have shaken up our confidence for the future. How to ensure that the Sino-British Joint Declaration can be truly implemented so that Hong Kong may maintain her prosperity and stability, and how to realize the "one country, two systems" policy so that two different social systems, specifically the socialist economic system and the market economy of the capitalist system, can play their respective roles separately here and across the border will be the main targets to which we shall direct our efforts hereafter. Our confidence hinges upon these factors. Therefore, it is imperative that we should formulate a good Basic Law. However, the cornerstone on which the Basic Law is to be formulated must be compatible with our existing socio-economic conditions. Limited in its natural resources, Hong Kong has to rely, to a high degree, on economic activities for its survival. It is therefore important that the overall interest of Hong Kong people should be given priority before we can maintain the kind of prosperity and stability we are after. On our political system, the Foreign Affairs Committee proposed that 50% of the seats of the Legislative Council should be returned by direct election in 1991 and political democratization be fully completed before 1997. Sir, I must say I cannot agree to this proposal. I maintain that such proposal is not conducive to boosting local confidence. On the contrary, too big a stride may lead to unbalanced political and economic development. It disturbs the public and does harm to the stability and prosperity of Hong Kong.

Sir, I firmly believe that democracy covers various aspects and the success of a democratic political system hinges upon its compatibility with various specific social factors such as economy, employment, livelihood, education and social services. Any attempt to introduce hasty changes would only disrupt our social and economic conditions, and leave the general public susceptible to the manipulation and the rhetoric of the politicians. It would bring extremely unfavourable effects on the interests of our society as a whole. Sir, I do not fancy for any democracy which may be achieved at one stroke and I absolutely disagree with the committee which recommends a democratic development similar to "fast food" meals. I insist that the

pace of democratization should be accelerated in a progressive manner lest the legislature should make lopsided or radical development, for there are no precedents or past experiences which we can follow. As a matter of fact, the consensus reached by OMELCO Members on this subject is highly commendable, that is, a legislature entirely returned by direct election should be in place by 2003 and the Chief Executive be elected through general election. Further acceleration in political reforms does not necessarily guarantee the stability and prosperity of Hong Kong. I find the consensus reached by OMELCO Members on political development practicable and appropriate. The pace of democratization has been accelerated and it is not conservative at all.

My honourable colleagues, I believe that most of the Members present today and most of the general public in Hong Kong, especially our friends in the industrial and commercial sectors, share my views in that we all hope those factors which contribute to the prosperity of Hong Kong can be retained and further developed to bring about an even more flourishing economy and thereby to bring more benefits to the community. Only under such circumstances can we stay and live in this attractive place generations after generations.

Similarly, I wish to give my sincere advice to the Chinese authority who ought to take heed of the grief expressed by the Hong Kong people towards the recent events in the Mainland. People's confidence is now being hard hit. In the face of such regrettable situation, should the authority concerned not spend some time thinking over the cause of the crisis? Should they refuse to ponder upon the situation carefully, they will be unworthy of the high hopes that Hong Kong people have placed in their country.

Sir, with these remarks, I support the motion.

MR. POON CHI-FAI (in Cantonese): Sir, the outcome of the student movement in Beijing has not only brought bitterness, despair and deep grief to the people of Hong Kong, it has also shaken our confidence in the future. It is understandable and most reasonable that during this unprecedented moment at which our confidence has been shattered, the people of Hong Kong should strive for the restoration of their entitlement to the right of abode in Britain, so that they can feel secure and stay in Hong Kong for further development. However, judging from Britain's premeditated measures in tightening up its immigration legislation and in the light of the content

of the Foreign Affairs Committee report on Hong Kong recently published and the remarks made by the Foreign Secretary Sir Geoffrey HOWE during his recent visit to the territory, we can hardly pin any high hopes on our action to strive for the right of abode in the United Kingdom. We are disappointed, discontented and indignant at the British Government's insensitivity of heart in refusing to make concessions on the nationality issue.

Given such circumstances, it will be meaningless for us to carry on a hopeless fight and beg mercy from Britain for granting us the right of abode. As a matter of fact, time is running short in the run-up to 1997. The situation does not allow us to spend all our energy on lengthy argument with the British Government on the hopeless nationality issue. This will only bring continual bitterness and anxiety to the population here. Furthermore, if the fight fails in the end, it will only deepen our sense of frustration, despair and helplessness. It will drive Hong Kong into a disastrous situation beyond restoration.

Sir, we can no longer rely entirely on either Britain or China to solve the confidence crisis in Hong Kong on our behalf. We must be realistic and pragmatic enough to seek our own solution to the problems. To a large extent, the future of Hong Kong still lies in our hands. Hong Kong still possesses all the advantageous conditions for economic development. With a unity of will, we will continue to reach new heights in economic prosperity and create a better future for those who are rooted in Hong Kong. History tells us that neither assurance from the Chinese Government nor concern from the British Government can ensure stability and prosperity, high degree of autonomy or a self-governing Hong Kong. Only with our outstanding economic achievement can we hope to win China's respect and be able to maintain stability and prosperity, high degree of autonomy and self-governing in the real sense.

The people of Hong Kong do love Hong Kong. Most of us wish to make a living in this peaceful place where we have settled for years and where we speak the same language. We are prepared to devote our efforts to strive for the prosperity and stability of this island. We know that the road before us is rugged and thorny. But if we can sweep away the worries of seeking refuge by emigration and gather the courage to work for our ambition with the quick mind, resilience and solidarity that we used to have, we can definitely create a better future with prosperity and stability as well as a paradise on earth for the people of Hong Kong.

Sir, the way Britain is handling the Vietnamese boat people problem has brought

despair and resentment to the people of Hong Kong. Under the pressure of Britain, Hong Kong has been unable to withdraw its policy of port of first asylum, thus leading to an indefinite influx of illegal immigrants from Vietnam and incurring huge expenditure on the shoulders of the Hong Kong people. On the other hand, the Hong Kong Government has been applying an unfair and unreasonable double standard towards the Chinese illegal immigrants who are closely related to the local population. We are therefore much aggrieved, dissatisfied and resentful towards such measures. Although the Foreign Affairs Committee report is in favour of mandatory repatriation and assistance to boat people being repatriated, this will not completely solve the Vietnamese boat people problem in Hong Kong. As a matter of fact, without scrapping Hong Kong's status as the port of first asylum as a supporting measure to stem the incessant inflow of boat people from Vietnam, the provision of assistance to boat people being sent back will only encourage more arrivals deliberately planned by the Vietnamese authorities and its people in the hope of trying to get more assistance. If that is the case, it will not help solve the problem but aggravate it. Sir, during the past 12 years, Hong Kong has been singly bearing the greater part of the expenditure on Vietnamese boat people. We should no longer resort to taxpayers' money for the maintenance cost of the boat people or part of the assistance offered to those being repatriated. Instead we should make use of billions of dollars budgeted for the expenditures on Vietnamese boat people to strengthen our infrastructural development at this time when Hong Kong is suffering from confidence crisis.

Sir, in the light of recent changes in Hong Kong, it is beyond reproach that the development of a democratic system in Hong Kong should be speeded up at a reasonable pace. However, democratization cannot be achieved overnight, it must be developed gradually. The way to accelerate the pace of democratization requires careful deliberation and in no way should we be influenced by the student movement to believe blindly that long-lasting democracy can be immediately attained by having half of the seats in the legislature be returned by direct election in 1991. Undeniably, whether Hong Kong can maintain freedom and democracy again depends to a large extent on its economic development, apart from public awareness of civic duties, a sound electoral system and a Basic Law which is favourable to Hong Kong. Sir, in order to pacify the discontent of the Hong Kong people against the British Nationality Act, the British Government vigorously "pushes" political democratization in Hong Kong as a substitute for the right of abode in the United Kingdom. Such a move may not bring about true democracy, stability or prosperity to Hong Kong. Nor will it necessarily be in the interests of the territory. The pace of democratic development



in Hong Kong should be speeded up according to the practical circumstances within the territory rather than the decision imposed arbitrarily on us by the British Government aiming at diverting our attention.

Sir, with due respect, I have to say that the British Government has all along tried to shirk its responsibility on the issue of the Vietnamese boat people. In the meantime, it flatly refuses to restore to the Hong Kong people the right of abode in Britain as a form of insurance in future. What Britain has done is contrary to its duty as a sovereign state and gives rise to discontent and bitterness among the people of Hong Kong. In conclusion, I wish to point out that I find the Foreign Affairs Committee report utterly unsatisfactory and unacceptable. Before rounding up my speech, I would like to say that in the past month or so, the people of Hong Kong have, by various means, fully expressed to the world their dissatisfaction and disappointment towards the suppression of the student movement in China and the British Nationality Act. However, we cannot solve problems or re-establish confidence simply by taking to the streets and shouting slogans day and night. Hong Kong will have a better future and the majority of people who are determined to stay here will have a better place to live in only if Hong Kong is stable and its people make concerted efforts in enhancing economic development. Therefore, as people of Hong Kong, we have to keep calm and think thrice before taking any actions in future. We must not act on impulse and lose our power of reasoning, otherwise we are putting Hong Kong's future stability and prosperity at stake.

Sir, the visit of the Foreign Secretary, Sir Geoffrey HOWE, has been brief. The tight schedule allowed Legislative Councillors little time to meet the Secretary and express opinions on the issue. The Secretary had travelled far to come to Hong Kong. It is regrettable that he could not stay a day longer to attend today's sitting to have a clearer picture of our positions on the matter. It is only through you, Sir, that our views expressed in this Chamber can be relayed to the Prime Minister and the Foreign Secretary.

Sir, with these remarks, I support the motion.

4.32 pm

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

4.55 pm

HIS EXCELLENCY THE PRESIDENT: Council resumes.

MR. PETER WONG: Sir, I thank you and the honourable Members for allowing me to speak out of turn.

The events of 4 June made us smarter but regrettably little wiser as to what sort of future Hong Kong holds in store for us.

We have no weapons to match anyone other than hard work and free and fair trade. These weapons have stood us in good stead in the past and have got us to where we are now. So we should not forsake our winning formula unless we have good and overwhelming reasons to do so.

I wish to say nothing about nationality because I am a member of the New Hong Kong Alliance which wish to take Britain to court to substantiate Hong Kong's legal case. It is not something that can be achieved overnight but I verily believe that it complements OMELCO's moral case.

At this moment in time, I am convinced that nothing short of a tri-partite approach to uphold the Sino-British Joint Declaration can save Hong Kong from our predicament. China must live up to her promises to her own citizens if we are to have any trust in "one country, two systems". Britain must fulfill her role in the Joint Declaration by agreeing to speed up democratic reforms and guarantees of basic rights in the Hong Kong legislation. Hong Kong itself must work harder than ever to make sure that the "one country, two systems" will be in everybody's interest to preserve.

On 12 June, I wrote to the secretariat of the Basic Law Consultative Committee to say that I have decided to suspend my active participation in the work of the committee pending the receipt of clear signals from the Beijing regime that it will truly honour its obligations in the Joint Declaration in a manner very different from that of the basic rights of its own citizens. I suggest that this cautious approach to the Basic Law drafting should be adopted in view of the significant impact the legal document has on Hong Kong's future.

Prior to my notification sent to the Basic Law Consultative Committee, I had sent

out a questionnaire on the OMELCO consensus to all members of the Hong Kong Society of Accountants. As chance would have it, the questionnaire reached the members over the 4 June weekend so the replies can be said to be post-4 June.

Out of 306 replies, 251 agreed with the OMELCO consensus whilst 33 wanted to advance direct elections to 1997 or earlier. Only 1 wanted direct elections later than 2003. I can therefore say that the overwhelming majority of accountants concur with the OMELCO consensus.

These findings provide me with pointers for future discussions on the Basic Law.

However, it does not mean that I will cease work altogether on the Basic Law. I intend to be busier than ever to improve the text of the Basic Law taking into account the recent events. I am pleased to report that the business and professional group is in the process of instructing two leading constitutional lawyers of international repute and we hope to have the experts' opinions on the legal document towards the end of August. I think that the time is well overdue to get the real professionals to give their views.

I believe that we should ask Beijing for an extension of the consultation period, not only to make up for the time lost by the mainlanders not being able to get their act together as a result of the turmoil, but for us to examine in depth the implication recent events in China will have on our own rights and safety. I also believe that the promulgation of the Basic Law will now have to be delayed.

Further we have to get the right signals from Beijing about their bona fide intention and commitment.

I would urge Britain, our sovereign state, to convey our deep feelings over what has happened to the authorities in Beijing and our concern for Hong Kong's future. We want to continue the success story of Hong Kong.

Sir, with these words, I support the motion.

MR. SZETO (in Cantonese): Sir, I am the chairman of the Hong Kong Alliance in Support of the Patriotic Pro-democracy Movement in China, and I am also one of the promoters of the Hong Kong People Saving Hong Kong Campaign. Some people consider that the

patriotic pro-democracy movement and the Hong Kong People Saving Hong Kong Campaign are mutually exclusive in nature and to support both campaigns is self-contradicting. They therefore denounce such support. I would like to take this opportunity to defend the case.

Firstly, we should be strict with ourselves but lenient towards others. While I respect people who have the determination of a martyr to die nobly for righteousness, these people should also respect the right of other people to be free from fear, which is not only a human right but also a reflection of human nature.

Secondly, the confidence of Hong Kong people has completely shattered after the June 4 massacre in Beijing. There is a common and strong wish among the majority of the local population to find a home of last resort. How can we overlook or even hold such wish in contempt while we participate in social campaigns? We must face public opinion and the reality. Such wish in itself is a kind of public opinion and the reality.

Thirdly, there are three objectives in launching the Hong Kong People Saving Hong Kong Campaign, namely, to strive for the right of abode, to speed up democratization and to formulate a Bill of Rights. Striving for the right of abode is only one of the objectives. In fact, this campaign is now planning to launch another action known as "To take on the Mission beyond 2000" in its appeal to the community leaders to stay in Hong Kong and go through thick and thin with the citizens as we move hand in hand into the 21st century.

Fourthly, even if the right of abode is not granted, we still cannot stop the overwhelming tide of emigration. The great majority of the Hong Kong people, who have totally lost their confidence and are in great fear, will try every means to seek other refuge though they are not granted the right. With the right of abode, they will adopt a wait-and-see attitude and will not go away unless the situation is compelling. Otherwise, they will leave as soon as possible. This will aggravate the brain drain problem and will bring an instant adverse impact on the prosperity and stability of Hong Kong.

Fifthly, there is a key statement in the declaration of the Hong Kong People Saving Hong Kong Campaign and I quote, "We firmly believe that only when democracy, freedom, human rights and the rule of law are truly in place in China can the problems of confidence and of Hong Kong's future be solved at source." Therefore, all the

promoters of this campaign are devoted supporters of the Chinese patriotic pro-democracy movement.

Sixthly, all overseas Chinese and many friends from foreign countries, though they are not Chinese citizens, render their support to the Chinese patriotic pro-democracy movement. We are grateful to them for their support. Why is it in Hong Kong that the Chinese patriotic pro-democracy movement and the fight for the right of abode are considered to be mutually exclusive and contradictory issues? I believe that the people of Hong Kong, no matter where they go, will still support the Chinese patriotic pro-democracy movement. We always welcome and appreciate their support.

I will not change my stand of staying in Hong Kong. I was born in Hong Kong. However, even if the right of abode is offered to me, I will not take it. In my understanding, the right of abode is a basic right Hong Kong people are entitled to. I respect people's right to be free from fear. I cannot ignore the wish of the people. I firmly believe that wherever they go, they will still be proud of being a Chinese and will continue to contribute every effort and enthusiasm towards the realization of a truly democratic China under the rule of law with freedoms and human rights. These are the reasons I take part in the Hong Kong People Saving Hong Kong Campaign. I hope I can gain understanding from those who have misunderstood the issue.

Sir, with these remarks, I support the motion.

MR. TAI: Sir, may I take this opportunity to express my sincere appreciation for all the effort and thought you applied in supporting our case in the United Kingdom and before the Foreign Affairs Committee especially in regard to the right of abode issue. Also, at the Geneva Conference you spoke most effectively on the Vietnamese boat people issue for and on behalf of Hong Kong. Regarding the nationality issue and the deep-rooted distaste of the United Kingdom Parliament to grant the right of abode to British subjects in Hong Kong, your stand as Governor of Hong Kong by sticking your neck out for Hong Kong over what the United Kingdom Parliament finds to be a particularly unsavoury issue clearly demonstrated your personal commitment to the well-being of this territory.

Through the process of decolonization by the United Kingdom from the early 1960s, the United Kingdom has been faced with the problem of immigrants from her various dominions during her empire days, largely from Africa and the Indian subcontinent.

Immigration has been a nightmare for politicians in the United Kingdom. To them, moral and constitutional responsibility, as history can tell us, comes second in importance to the issue of immigration. From the 1960s onwards, Britain has begun to gradually dissociate herself from Hong Kong. Frightened by the large immigration flow from Africa and the Indian subcontinent and fearing a similar eventuality in respect of Hong Kong from 1960s onwards she gradually closed her door to Hong Kong. She did this by a series of immigration and nationality Acts which classified Hong Kong passport holders as second class citizens. This very intent is again demonstrated in the United Kingdom memorandum in the Sino-British Joint Declaration which expressly stated that BDTCS do not have the right of abode in the United Kingdom.

The efforts by the Administration and by our Senior Members to champion the cause of Hong Kong people's right of abode in order to alleviate the present confidence crisis arising out of the tragic event in Beijing, knowing the difficulties involved, have clearly demonstrated our conviction to maintain our stability during this transitional period.

Following the 4 June tragic event and the refusal to grant the right of abode to BDTC passport holders, there is a strong resentful mood in the community towards both the Chinese Government as well as the British Government. This would do more harm than good to our territory because I personally fail to see how the Joint Declaration can work for the present and future of Hong Kong if there is a lack of goodwill towards Hong Kong by either country. The crisis of confidence arises out of the Sino-British Joint Declaration. We look to the parties to this declaration to act in restoring confidence. Equally important, Hong Kong must also ask herself to adopt measures to help in restoring confidence.

Despite the fact that the FAC report is disappointing in a number of important respects, many of its views are worthy of further and careful study, such as the recommendation given on the various aspects of the draft Basic Law and interpretation of the Basic Law regarding our judicial system and our political structure leading up to 1997. Briefly, in dealing with the nationality issue, insufficient weight and support was being given to the strength and justness of our conviction that the right of abode should be restored to all BDTC passport holders. The moral case in support of our just claim has been inadequately presented, so has the related issue of the confidence crisis here in Hong Kong. The confidence issue has become more crucial and important since the 4 June tragic event.

Against the background of the recent visit by the Secretary of State for Foreign and Commonwealth Affairs and his intimation on the issue of right of abode and the related confidence crisis in Hong Kong, we, the people of Hong Kong must not be deflected from the equally and perhaps more important task for Hong Kong to form and establish as democratic a system and framework of government administration as possible to replace the existing British administration.

Parallel with this objective should be our determination to maintain our investment aims related to our long-term programmes in the fields of education, training, health, social affairs as well as our long-term investment and our aim to improve our overall infrastructures so that we can do all we can to shape the future prosperity for this territory and provide a promising future for those who are willing to stay behind irrespective of their race, colour and creed as well as creating investment opportunities for our local and overseas investors. This would then provide additional opportunities and thereby attract the professional talents who would have left Hong Kong to return here.

Sir, with these remarks, I support the motion.

MRS. TAM (in Cantonese ): Sir, I share the great disappointment felt by many Hong Kong citizens over the fact that the report on Hong Kong published by the Foreign Affairs Committee of the British Parliament has failed to offer any immediate and effective solution to the nationality issue which is of gravest concern to us.

While the FAC report has made some useful recommendations in certain areas, it has been evasive in the responsibility which Britain, as the sovereign state of Hong Kong, should undertake in regard to the nationality issue. Moreover, it has not put forward any positive recommendations on how to solve the pressing confidence crisis in Hong Kong.

The report repeatedly refers to the British Government's "unique obligation" towards Hong Kong. However, it contains no evidence at all of any substantial commitment to fulfil this unique obligation.

You, Sir, and colleagues of this Council as well as people from various sectors in Hong Kong have made a unanimous and clear-cut request to the British Government that at this critical hour of the Hong Kong people's confidence crisis over their

future Britain should provide an insurance policy by restoring to all British subjects in Hong Kong their right of abode in the United Kingdom. The British Government has the moral obligation to provide Hong Kong residents with a home of last resort. Our voice is clear and unanimous. We are asking for something that the British Government, as our sovereign state, has the need, the responsibility and the authority to provide for us.

The FAC's understanding of this "unique obligation" borne by the British Government is based on the provisions in the Sino-British Joint Declaration signed by the two governments to the effect that after 1997, a Hong Kong special administrative region government will be established under the principle of "one country, two systems", and that the present capitalistic system in Hong Kong will remain unchanged for 50 years. On the other hand, the formulation of the Basis Law and the democratization of our political system should ensure that the undertakings made in the Joint Declaration will be fulfilled after 1997. However, the FAC has failed to apprehend that the confidence of Hong Kong people in the implementation of the Joint Declaration has already been seriously shaken.

Of course, the Joint Declaration remains an important basis for the future development of Hong Kong. However, to fulfil the undertakings made in this agreement, we will require not only the efforts of the Chinese and British Governments, but also the confidence of the Hong Kong people which is of paramount importance to the effective implementation of the Joint Declaration.

History tells us that the British Government's "unique obligation" towards Hong Kong did not originate from the signing of the Joint Declaration but started over a century ago when Hong Kong came under British rule. As Hong Kong is a British dependent territory, its people are entitled to British citizenship by virtue of birth constitutionally; the British Government has a "unique obligation" to restore this birth-right.

Regrettably, the FAC report has neither attached importance to the confidence crisis in Hong Kong, nor acknowledged Britain's historical obligation. It has only made recommendations which suit Britain's own interests and enable her to shirk her responsibility. The report flatly refuses to restore the right of abode in the United Kingdom to Hong Kong British subjects, but proposes that in an Armageddon scenario after 1997 where it is impossible to implement the Joint Declaration, the United Kingdom Government has a "responsibility" to take the lead in mobilizing her European



Community partners and other immigrant receiving countries to take in Hong Kong people.

As our sovereign state, Britain is unable to introduce a contingency plan or take concrete actions on this matter, but tries instead to pass the responsibility onto other countries. Is she not trying to be generous at other people's expense? The whole argument is totally unconvincing and illogical. If this is how the British Government is going to fulfill its "unique obligation" as referred to in the report, I am afraid that the British Government can only be described as "dishonourable"

The FAC report also mentions that some forms of safeguard will be given to certain categories of Hong Kong people on a "selective basis". The "target group" will include people who have served the Hong Kong British Government and a very limited number of other Hong Kong residents and elites.

Sir, it is due to the co-operative efforts and devotion to duty of people from all walks of life and different social strata that Hong Kong is able to achieve the international status she enjoys today. What the FAC suggests will obviously bring injustice to our community and is detrimental to Hong Kong's development during the transitional period. These recommendations give us an impression that Britain is only safeguarding her own interests at the expense of ours. How can it be said that Britain is fulfilling her "unique obligation" to Hong Kong?

Sir, as we move towards 1997, the prosperity and stability of the territory will depend on the determination of the British Government to shoulder her responsibility, as well as the confidence of the Hong Kong people in the future. However, the FAC report has failed to properly address these two most important points. I find it very disappointing that the report has not been prepared with the interests of the Hong Kong people in mind and as such its recommendations have failed to fully reflect our wishes.

Hong Kong people do not have any direct say in the Sino-British talks. Before its honourable retreat from Hong Kong, the British Government must act with determination to secure the best interests for Hong Kong, but not to worry too much about China's responses or to look after her own interests only.

I want to stress that it would be wrong for Britain to think that she has fulfilled her duty by signing the Sino-British Joint Declaration which is supposed to have taken

the interests of our people into account and provided a guarantee for the future of Hong Kong. I think that at present the most pressing task is to restore the confidence of Hong Kong people in the implementation of the Joint Declaration. And the first step to take in looking after the interests of Hong Kong people is to resolve the confidence crisis as quickly as possible by providing them with an "emergency exit". Apart from this, to refine the Basic Law, accelerate democratization of the political system and thoroughly implement the provisions of the Sino-British Joint Declaration are equally important missions to be accomplished by the British Government during the run-up to 1997.

I hope that in considering the recommendations of the FAC, the British Government will think twice over their effects on Hong Kong and take into full account our interests in various respects. By doing so, Britain will add another glorious page to the history of over a century of her rule in Hong Kong.

Sir, with these remarks, I support the motion.

DR. TSE: Sir, many eloquent words have been said both inside and outside this Chamber in support of the OMELCO efforts on the right of abode issue. As a Member of this Council, I am proud of the dignified ways my colleagues have conducted themselves throughout this campaign. Just to set the record straight, I have always felt that the campaign has the unanimous support of the OMELCO Members, and not as reported by some newspapers last week. I for one, as a Member from the electoral college, signed up from the very beginning to join the special working group to give support to the two Senior Members during their London mission. Other Members, both from the electoral college and from the functional constituencies, have worked side by side with the appointed Members as a team, regardless whether they had signed up before. To me, this noble spirit of working together without ganging up ( ) is exactly the kind of spirit we must endeavour to foster, and is also the spirit our OMELCO colleagues have enjoyed most of the time. I sincerely hope that this image is properly reflected by the press.

Sir, in one of the briefing sessions in which I participated as a Member of the special working group, I was asked why OMELCO put so much effort in fighting a cause which seemed to have little chance of success. To that question, I gave my reply : there are things in life one would calculate the chance of success before deciding whether to pursue; but there are other things in life one would pursue regardless;

and I believe that the nationality issue belongs to the latter. As I see it, the issue is a matter of cardinal principle and justice. The British Government has, through a series of parliamentary acts, unilaterally and systematically taken away the rights of its citizens in Hong Kong who are entitled to them either by birth or through naturalization. It is only right that our OMELCO colleagues should try our best to claim them back for those who want them. Whatever the outcome, our commitment to do what is right for our people must remain; even a disappointing result should not crush our spirit to fight for the well-being of our community. Politicians may come and go, but Hong Kong must continue.

Sir, it has been suggested that since Britain is unlikely to give Hong Kong people the right of abode, Her Majesty's Government should now speed up the process of democratization in Hong Kong. To this suggestion, I would also like to give my own reply.

It is true that we need a democratic form of government in order to exercise the high degree of autonomy that has been promised to us, but it should be up to us as a community to gauge how quickly we can move in that process. We appreciate the goodwill, but we should not be pushed one way or the other.

Furthermore, it is my view that in a territory like Hong Kong which was not, is not, and will not be a totally independent state, and in particular, when the future sovereign country to which it returns does not practise democracy as we understand it, there is no guarantee that we can maintain and defend a democratic system here unless either the new sovereignty has a good record of keeping its words and promises, or we ourselves possess the guarantee of human rights and safety measures independent of the system, a guarantee which the United Kingdom right of abode can provide. In the light of what has happened, and is happening in China since 4 June, it is my firm view that just a promise of a speedier democratization by the British Government simply cannot be a trade-off for the right of abode for the people of Hong Kong.

Having said this, I still believe that the mood of Hong Kong has changed, and that we are now ready to explore the possibility of a quicker pace of democratization.

Sir, with these remarks, I support the motion.

MR. LAU WONG-FAT (in Cantonese): Sir, I feel the same way as the other Members of this Council and find the recommendations concerning the right of abode in the United

Kingdom for the people of Hong Kong put forth in the Foreign Affairs Committee report very disappointing and unsatisfactory. We have an extremely acute confidence crisis right before us. To our regrets, the committee ignores the gravity of the crisis and the undeniable constitutional and moral obligation of Britain towards the people of Hong Kong. Its recommendations cannot solve our problems and are not acceptable to us.

The people of Hong Kong are worried about their personal safety in the future because of the recent events. With confidence terribly shaken, the public seeks the right of abode overseas as a safeguard for their future. Thus the "right of abode" and the "restoration of the confidence of Hong Kong people" are inseparable issues.

In view of the emergency, it should be our prime concern to re-establish people's confidence as soon as possible so that people's hearts may be put at ease and that they may stay on and attend to their work at least for the time being; otherwise, there will be the problem of governability in the territory and the stability and prosperity we enjoy at present will also be threatened, not to mention our prospect after 1997. The OMELCO Members and the general public feel that the most effective measure to tackle this crisis is for Britain to honour her obligation as a sovereign state and grant the legitimate right of abode in the United Kingdom to the people of Hong Kong.

The report only proposes to grant certain categories of people the right of abode in the United Kingdom. Apart from bringing about the undesirable effect of dividing the community, the proposal is contradictory in itself. For instance, the report considers it specially important to maintain the morale of the Civil Service during the transitional period, and civil servants consequently should be granted the right of abode with greater flexibility. If the report confirms the need to boost the confidence of the people of Hong Kong and it is a problem that requires immediate solution, the proposal to grant the right of abode to certain groups of people (including a limited number of civil servants) will be pointless in solving the confidence crisis; instead it will lead to social disintegration. Even if civil servants remain high in morale, what can they do to help achieve effective administration when local confidence shatters and every one is looking for an "escape route"?

Besides, the report recommends that Britain should seek international assistance in providing refuge to the people of Hong Kong in the future. Such a proposal is

unrealistic. It is nothing more than a vain attempt to shirk responsibility and put on a show of generosity at the expense of others. To treat the people of Hong Kong like refugees is an insult to us and to our sovereign state Britain too.

According to international practice, people of the territory concerned have the right to choose on matters of nationality and place of abode upon the transition of sovereignty. On basis of legal principles or moral obligation, Britain should offer the people of Hong Kong the right of abode in the United Kingdom.

Sir, confidence of the public is a problem that needs to be addressed immediately. To grant them the right of abode is the most effective cure. Going through recent speeches made by Sir Geoffrey HOWE, we find Britain still avoids the point at issue and refuses to prescribe the right medicine. Ours is an urgent case, but the one who handles the case is slow in taking action. All in all, the report has only given consideration to the internal political factors of Britain. It has never taken into account the actual situation of Hong Kong. At such critical moments, we want no fanfare from Britain. We want practical and effective actions.

Sir, with these remarks, I support the motion.

MR. EDWARD HO: Sir, I find that the Foreign Affairs Committee report contained many useful and valid observations and recommendations such as those on the Joint Declaration and the Basic Law, the pace for the development of a representative government and the recommendation to introduce a Bill of Rights. All these recommendations are helpful to the effective administration of Hong Kong in the run up to 1997. My greatest objection to the report is in respect of their recommendation on the nationality issue.

The work of the Foreign Affairs Committee took place during the period from March to June 1989, in the midst of which the horrible events in Beijing took place. The bulk of the committee's work, especially in the taking of evidence, was conducted in April, at the time when no one anticipated that what happened in China could have happened. If their work were to have started in June, it would be logical to assume that the evidence put forward by the witnesses would have much more intensity and urgency and that the Foreign Affairs Committee would have drawn different conclusions and recommendations. After all, the Foreign Affairs Committee stated in the introduction to the report that "the action of the Central People's Government and

the People's Liberation Army have appalled and shocked the world."

But such would not have been the case. For although the Foreign Affairs Committee took into account the latest events in China, its mind has been closed and its recommendations on the question of British policy and actions with regard to nationality have been formulated even before they came to Hong Kong. This certainly answers the Honourable Stephen CHEONG's question why there was not more taking of evidence after the Tiananmen affair.

Despite the Foreign Affairs Committee's acknowledgment in many places in the report of the British obligation to the territory and Hong Kong's unique position as the United Kingdom's only colony or dependent territory whose people cannot exercise the fundamental rights of self-determination, and despite its acknowledgment that the British Government must also find ways to restore confidence in Hong Kong in the shorter term, it fails to address the fundamental concern of the Hong Kong people: to have the assurance of a safe abode in case the worst should happen.

The recommendations to mount an international rescue of the Hong Kong people in an Armageddon scenario after 1997 and to grant right of abode to identified key personnel do not fulfill the aim and objective which the committee professed to accomplish, that is, the restoration of confidence in Hong Kong in the short term. The former is neither practical nor re-assuring; the latter is divisive.

Representatives from nine professional bodies met with the Foreign Affairs Committee in Hong Kong on 19 April 1989. The Foreign Affairs Committee was told of the confidence crisis that has affected Hong Kong and led to a steady brain drain in the past few years. They were given statistics produced by the Hong Kong Government that showed convincingly the magnitude of the problem in relation to those who emigrated from the professional, administrative and management classes. I would not go over these statistics again. During that public hearing, committee members expressed to the professionals several times the political difficulty of admitting 3.5 million people to the United Kingdom. Thus, it can be seen that the committee's position in June after the events in Beijing has not changed from its position during its first public hearing in Hong Kong in April. The position has always been that political difficulty transcended any real consideration of British obligations. What is even more damaging in the Foreign Affairs Committee is that it failed to recognize the realities of the Hong Kong situation and the wishes of the Hong Kong people : which is that Hong Kong is their home; and it was plainly wrong, and grossly

misleading to the British Parliament and the British people, to assume that millions of people from Hong Kong would be emigrating to the United Kingdom if they were given the right of abode.

It also failed to appreciate the gravity of the confidence crisis in Hong Kong in the aftermath of the Tiananmen Square events. In so doing, it failed to propose any real measure that would provide the desired immediate effect of restoring the confidence of the Hong Kong people and stopping the tidal outflow of our most valuable assets : our people.

In conclusion, the Foreign Affairs Committee report can be summed up in the last sentence of paragraph 3.3 : "Despite the understandable concerns of the people of Hong Kong about the recent events in the People's Republic of China, we are in no doubt that their best future lies in Hong Kong and therefore that the best guarantees for the future are the continuing economic success of the territory and strong and stable democratic institutions." Fine words, but what the Foreign Affairs Committee really meant was : "We know there is a problem and ours is the sovereign country. But, look to yourselves. Don't look to us for any real help as there will be political difficulties; and however righteous the course, we cannot subject ourselves to political risks."

With these remarks, Sir, I support the motion.

MR. BARROW: Sir, in recent days we have focussed on the right of abode issue, which has been our number one priority. However I believe we should not let the right of abode so dominate the thinking and energy of the community that all other issues which may help rebuild confidence are excluded.

We should not be blind to the fact that the FAC report does indicate some measure of general support for Hong Kong. Whatever the outcome of the right of abode issue, we are going to need resolute United Kingdom support during the coming months and years, so it would be wise to take stock of the nature of this support and evaluate it cool-headedly.

The Basic Law

The proposals on the Basic Law in the FAC report echo almost everything which has been covered in our recent debate. The United Kingdom's vigorous support on these

points, as well as on the pace of democratization, once we reach a consensus, and on the Bill of Rights will be essential.

I hope that China will be willing to make concessions on these issues as soon as possible, as doing so would be a major factor in the partial restoration of the shattered confidence of this community. China must quickly come to recognize the extent of this loss of confidence, and the need for remedial action.

If confidence cannot be re-established then Hong Kong's future will be very different from that intended by the Joint Declaration. The model of an economically, financially and socially successful international centre built up over many decades under British administration, and able to demonstrate all the advantages of a free market economy, would become just another southern Chinese city.

There will be little need for a separate economic or social system unless people remain in Hong Kong who are self-confident and imbued with the staunch entrepreneurial spirit which -- together with a sound administration -- has been a major reason for Hong Kong's extraordinary achievements.

On the issue of nationality, we are all disappointed by the rejection of our request for the right of abode for all Hong Kong British subjects. Although the argument of the FAC is contradictory, the insurance or "safety net" position we have taken has not yet been accepted in the United Kingdom and we must now consider how best to re-marshal our case.

I remain convinced that almost everyone wants to stay. Most people are held here by the strength of their family and material commitments and are most unwilling to break their links with a strong and vibrant culture. They know that in leaving they face the prospect of moving to lower-status jobs with lower pay in lands whose cultures and business climates are unfamiliar to all but a few.

The sections of the FAC report dealing with nationality make disappointing reading in that they show the members to have totally underestimated the strength of Hong Kong feeling following the events of 4 June. To observe that the people's concerns have merely been "intensified" is to grossly understate the position.

However, despite our strong feelings, we must continue to act in a responsible and dignified fashion. We must remember that ideally our priority should be not so



much to seek the right of abode in the United Kingdom per se, but to create the conditions in which Hong Kong people positively want to stay here -- British passport or not.

I believe that closer reading of the minutes indicates that there is perhaps little more support for Hong Kong's position than may be inferred from the main body of the report. For example, the principle of "right of abode of last resort" is certainly a complex one but it is a concept that might not be impossible to work out, given the will and the intellect.

In the various amendments proposed to paragraph 4.16 the FAC was almost equally divided on this issue, with only a narrow rejection for the suggestion that the British Government should explore within the European Community the possibility of granting full British citizenship to the BDTG population of Hong Kong in the event of a fundamental breach or abrogation of the Joint Declaration by China after 1997. This of course falls short of our immediate restoration of the rights of the British subjects and is therefore not what we want, but nevertheless it indicates some sympathy in the United Kingdom on which we can build further support for our primary objective.

Finally, Sir, on the Vietnamese boat people.

I share the FAC's view that only reluctantly does one come to the conclusion that there is no alternative to arranging repatriation to Vietnam on an orderly basis. There has been progress on this in recent weeks and I hope the community will continue to show patience.

Nothing could be more damaging to Hong Kong's present interest than ill-considered actions such as anti-Vietnamese demonstrations or the abandonment of the policy of first asylum or the risking of lives of these pitiful people by turning their boats away. At this time, we need all the support we can get from around the world. From all that I hear such international support would be sharply reduced were we to initiate a change of policy; for obvious reasons we would be accused, however unfairly, of adopting double standards.

This sad and difficult problem has long been with us and I can well understand the frustrations that many Hong Kong people are feeling. But I hope this Council can continue to support a sensible and humane approach to those whose predicament

-- despite Hong Kong's current problems -- is still considerably worse than our own.

With these words, Sir, I support the motion.

MR. DAVID CHEUNG: Sir, the FAC report is full of illogicality and contradictions and, reading between lines, one can see through its proposition hiding behind a cluster of words that the British Government should shirk its responsibilities for Hong Kong.

The FAC, while recognizing and realizing the gravity of the situation in Hong Kong following the recent bloody events in China, fails to recommend the proper action the British Government should take. The gist of the report, in my view, is that the FAC craves to be seen to be helping Hong Kong, but is loath to recommend that Britain pay any price.

The report recognizes that:

- (a) confidence in Hong Kong has been shaken; Para 1.1
- (b) the situation has changed so completely that Para 1.2  
positions have to be fundamentally reassessed;
- (c) the concerns which were identified during the Para 1.5  
committee's visit had been intensified and required  
addressing even more urgently;
- (d) Hong Kong people cannot exercise the fundamental Para 1.6  
right of self-determination;
- (e) it is of redoubled importance that Britain acts as Para 1.9  
a strong champion of Hong Kong's interest;
- (f) the People's Republic has demonstrated again Para 1.10  
its historically persistent unpredictability;
- (g) Hong Kong can least afford to lose those who Para 4.18  
are emigrating because of uncertainty over the future.

With such recognitions, Sir, particularly the People's Republic's demonstration again of its historically persistent unpredictability, it strikes me as to how the FAC still can say that it "believes that the Joint Declaration met Britain's unique obligation to Hong Kong".

The report asserts that:

- (a) nothing should be done to cast any doubt on the Joint Declaration and the British memorandum; Para 4.18
- (b) no Hong Kong BDTCs granted British citizenship would be able to become the Chief Executive and so on; Para 4.8
- (c) the granting of right of abode, right of entry or right of readmission means the removal of immigration controls for Hong Kong BDTCs, this would be contrary to the fundamental principles of immigration controls; Para 4.9
- (d) the argument for an insurance policy is confusing; Para 4.12
- (e) Britain could be vulnerable to large influxes of people provoked by internal events in China rather than those in Hong Kong; Para 4.12
- (f) certain categories of people -- those that Canada, Australia and United States want, could be given the assurance (by the granting of British citizenship); Para 4.19
- (g) Britain will be ready to help us when we become refugees; Para 4.15  
and
- (h) Hong Kong has historically had a highly mobile population. Para 4.18

These assertions, Sir, only show too vividly that the FAC is trying to absolve Britain from its constitutional and moral responsibilities towards the people of Hong Kong.

Since the British memorandum is not part of the Joint Declaration, to grant British citizenship to Hong Kong BDTs would not constitute a breach of the treaty. It is within the powers of the British Government to do so if the will is there. As to the argument that no BDT granted British citizenship would be able to become the Chief Executive and so on, there is nothing to worry about. After all, Hong Kong can but have one Chief Executive and a handful of top government officials. Even the granting of the right of entry or the right of admission would defeat the purpose of our call for the restoration of Hong Kong people's right of abode in Britain. Hong Kong people want to stay in Hong Kong, not to leave Hong Kong. We can stay and will want to stay if, and only if, we are assured that there is nothing to be worried about and that, in the worst scenario, we have Her Majesty's Government to turn to for a home of last resort. The argument for an insurance policy is therefore not a confused argument. If Britain is so confident in the Joint Declaration, why should it be so worried about possible mass influxes of Hong Kong people? In the extreme case of an Armageddon scenario in Hong Kong, is Britain prepared to stand aside and keep Hong Kong people away? Categorization is divisive. It is demoralizing for those who do not get the insurance. Leaders in different sectors in the community may be instrumental to the stability and prosperity of Hong Kong, but so are the people. Hong Kong would not be what we are today without the people. It would be very ungentlemanly and dishonourable if Britain just waits and sees until we become refugees before helping us. In the post-war years, more people moved into Hong Kong than out of Hong Kong. After what has happened in China recently, the situation, Sir, as should be recognized, is totally different.

To end, may I call on Her Majesty's Government to act now to restore our rights and go down in history as moral, constitutional, responsible and honourable. If not, history might depict Britain as immoral, unconstitutional, irresponsible and dishonourable towards its subjects. The choice is HMG's; I trust it will be sensibly discreet.

With these words, Sir, I support the motion.

MRS. LAM (in Cantonese): Sir, the Foreign Affairs Committee of the House of Commons arrived in Hong Kong in April 1989 to listen to the views of the people of Hong Kong on the Sino-British Joint Declaration, the Basic Law, the Nationality Act and the Vietnamese boat people issue. On 28 June, the FAC released a report drawing

conclusions and making recommendations on these issues. Unfortunately, no concrete solutions have been suggested so far as the part on nationality is concerned, though that is the question the people of Hong Kong are most worried and concerned about. Being confronted by a confidence crisis, what the Hong Kong people need most is an insurance policy. However, the FAC's report has not made the least commitment in that respect, but only thinks of the benefits of Britain, disregarding public opinion here. The people of Hong Kong are very disappointed indeed.

Hong Kong has been under British rule since 1842. With the exception of the period of Japanese occupation lasting three years and eight months during the Pacific War, governors were appointed by Britain during the past 140-odd years to rule Hong Kong on behalf of the British sovereign. All official letters and documents of the Hong Kong Government bore the royal insignia. Her Majesty the Queen is also the Queen of the people of Hong Kong. People born in this territory have all along been recognized as British subjects, and were issued with British passports. Before changes were made to the Nationality Act, these passport holders were allowed to enter and leave Britain freely, to settle down, study and work there.

The people of Hong Kong were actually looked upon by Britain as British citizens. On 14 September 1951, legislation was introduced to stipulate that all Hong Kong British subjects, whether male or female, must join voluntary services, including disciplinary forces such as the auxiliary police and the Civil Aid Services. At that time, the people of Hong Kong raised no objections, as that was considered a civic duty and obligation. Although such practices have later been suspended, many people with such experience are still alive. When registering for Hong Kong identity cards and entering personal particulars on other occasions, Hong Kong British subjects always fill in "British" in the column of nationality. This is another proof that those born in Hong Kong are British. As obligations and rights should go hand in hand, the Hong Kong British people should enjoy the right of abode in Britain.

The nationality of an individual is an inherent right. Under the principles of the International Covenant on Civil and Political Rights and the Charter of the United Nations, regardless of a person's place of birth, be it anywhere on land, in air or at sea, he is born to become the citizen of that country or any country which has the control of such land, territorial sky, territorial waters or the mode of transport thereon. Unless he is naturalized to become a citizen of another country, his inherent nationality remains unchanged. The people of Hong Kong have no intention to change their nationality as this is their only begotten nationality and they intend

to retain it. They do not want to leave their homeland where they were born and brought up, unless there is a recurrence of the Tiananmen Square incident here. In the event of such mishap who can guarantee that the people of Hong Kong will take departure safely from here? Hence, they need to have their future insured and only Britain, their sovereign state is qualified and held responsible for acting as their insurer. In so doing, the confidence of the Hong Kong people can be restored, otherwise, their worries will be intensified as 1997 is drawing near.

Britain has been founded for several thousand years; she is a civilized, advanced and democratic country. She is recognized as a prestigious country by the international community. Britain has given us the impression of being a power standing fast to cherished principles, responsible, honourable, righteous and honouring her commitments. It is for sure that she will prudently reconsider the aspirations of the Hong Kong people for they are only demanding something that rightfully belonged to them in the past. Britain should not deprive them of their birth-right as these people are really British subjects born in a British dependent territory! Hong Kong is a British colony. We do not want to see Britain disgraced over the nationality issue in the remaining years of her rule in the territory. As Britain has been generous and benevolent to the people of other British colonies such as granting the inhabitants of the Falkland Islands and Gibraltar the right of abode in the United Kingdom, why are the people of Hong Kong singled out and treated differently? Why did Britain first tighten her control over the Hong Kong British people's right of abode in the United Kingdom, then deprive them of such right altogether? What we ask for is only fair treatment. I would like to raise a query: where have Britain's long-standing code of practice and righteousness gone?

Apart from the fact that those people who were born in Hong Kong are British subjects, there is another group of people who, out of admiration for Britain's constitutional system, have willingly given up their inherent nationality to become British subjects by way of naturalization. This group of people have taken an oath of allegiance to Britain and have been bestowed British nationality by Her Majesty the Queen. They are under the conviction that henceforth they can feel secured about their future and need not worry that they will have to lead a life under an authoritarian government. However, the present situation falls short of their expectation, because the passports held by the naturalized British subjects in Hong Kong can only serve as travelling documents in future. On the nationality issue, how can Britain be accountable to these naturalized British subjects in Hong Kong? Do not forget that many people have indicated that if they had been disposed to hold

on to their original nationality, they would not have applied for naturalization in the first place. People of Hong Kong are already accustomed to the free and democratic lifestyle here; they will not leave the territory, if this way of life is allowed to continue. The right of abode in Britain will be taken only as a safeguard against uncertainty. However, if the right of abode was granted only to some people as proposed in the FAC's report, it would divide the unity of the community and accelerate the rate of emigration of professionals, civil servants and wealthy people to other countries, thus turning Hong Kong into a city without talents. In that case, how can Hong Kong continue to enjoy prosperity and stability? Now many shopkeepers have complained to me about the decline of their business -- some boutiques only make three transactions in a week and those in the food trade also suffer set-backs in business. If the volume of business goes on like this, the shopkeepers cannot even afford to pay the rents. When such a situation comes about, how can British fulfil the Sino-British Joint Declaration's undertaking of handing over a stable and prosperous Hong Kong to the future SAR Government? Lastly, I sincerely hope the British Government will carefully consider the contents of the speeches made by my colleagues.

Sir, with these remarks, I support the motion.

6.00 pm

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

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

Question proposed, put and agreed to.

MRS. LAU: Sir, the Foreign Affairs Committee report fails miserably at addressing the single most imperative problem of Hong Kong -- the confidence crisis. When feelings of anger, fear, frustration and depression run high, the FAC's conclusions on the nationality issue serve only to add more bitterness.

The FAC seemed unable or unwilling to appreciate the fact that Hong Kong British subjects have a legitimate claim to the right of abode in Britain, in other words, full British citizenship. What we are asking is merely a restoration of a right which lawfully belonged to us but which Britain, by successive Acts of Parliament, wrongfully eroded. The FAC appears to find comfort in saying that the 1981 Act

removed no pre-existing rights of entry or settlement in the United Kingdom. It refused to acknowledge that we ever had any right. But the fact remains that prior to 1962, Hong Kong British subjects did have the absolute right to live and work in Britain and become British citizens. Our rights were only taken away by the Commonwealth Immigrants Act 1962. Further legislations in subsequent years rendered watertight the door which was already closed. The whole process of erosion of our nationality rights was conducted in total disregard of the interests of Hong Kong people by a United Kingdom Parliament in which Hong Kong has no representation, no influence, no vote and no say. The 1981 Act further relegated the position of Hong Kong British subjects to that of second class citizens. Is it not monstrously unjust to treat Hong Kong people this way when they have served Britain well? In a political emergency such as the present, is it too much to ask for restoration of a constitutional right which ought to belong to those born on British soil not to mention those who have forsaken their own nationality to swear allegiance to Her Majesty the Queen?

In 1986, Lord MACLEHOSE said in the House of Lords:

"It is difficult for us here to realize the feelings of someone who was born a British national with right of abode in the United Kingdom who through no fault of his own finds that that right has gone from him, in spite of the fact that all this time he has been called British and has been administered from Britain."

It is difficult for the British politicians to understand us from across the miles and that is why they have come to us. But if they come out here to us with their minds closed, the difficulty can never be overcome. It is apparent from the FAC report that our carefully prepared and soundly based submissions on the nationality issue have all been cavalierly dismissed. Instead what we have is a mere accentuation of the all too well known die-hard British Government line. I had hoped that at least there might be some sense of justice or honour and some respect for our basic constitutional rights from these gentlemen, but to my utter disappointment, none was forthcoming.

The FAC has repeatedly emphasized in its report that Britain has a special obligation to Hong Kong because Hong Kong people are not able to exercise the fundamental right of self-determination. Having acknowledged Hong Kong's sad predicament, the FAC goes no further to expound on this special obligation other than to say that it has been met by the Joint Declaration. The Joint Declaration purports



to assure Hong Kong people that Hong Kong will be a stable and prosperous place to live in before and after 1997. After the recent happenings in Beijing, Hong Kong people can no longer be so sure. All the more do we need assurance now from Britain that the Joint Declaration will work, assurance in the form of restoration of our full British citizenship rights. This must provide the best incentive to both the British Government and the Chinese Government to ensure that the Joint Declaration will work because they can ill afford the consequences, if it does not.

If this single most reasonable assurance cannot be given, how can the British Government profess to meet its special obligation to Hong Kong? How can the British Government continue to talk of confidence in the Joint Declaration? How can Britain persuade its European Community partners and other countries to join in providing the guarantee? Britain must assume the responsibility first by issuing the insurance policy and seek re-insurance from other countries. Indeed we were not unappreciative that the solution to our present problem would necessarily involve the international community. Whilst Britain's constitutional and moral obligation is to restore full British citizenship rights to Hong Kong British subjects, it remains Britain's overall obligation to ensure the safety and security of all the people. If Britain does not feel able to accommodate the needs of the entire population, assistance from other countries must be sought but Britain must take the lead and take it now.

The FAC report has expressed misgivings concerning the insurance policy which we are seeking. Apart from the fact that such misgivings clearly stem from self-protectionism and egoism, they also show how pathetically little the FAC members really know about Hong Kong and its people. Even if it were theoretically possible for the insurance policy to be cashed in, the unlikely exodus of Hong Kong people to Britain, bringing with them Hong Kong's talents, resourcefulness, industry and perhaps even wealth, will probably do Britain a lot of good. That is not to say that our people wish to go in the first place because I am sure that they would rather stay in Hong Kong if it is safe and secure to do so.

Sir, Hong Kong's current confidence crisis cannot wait. Either Britain finds a practical solution to it in the near future or else the people of Hong Kong will find ways of helping themselves. I trust that the British Government will be wise enough to realize the serious consequences if our people were forced into the latter situation.

Sir, with these remarks, I support the motion.

DR. LEONG: Sir, in these days of confidence crisis, deeds are the only thing that will save the day, while words alone would be counter-productive.

To say, and I quote from the Foreign Affairs Committee (FAC) report, "at the root of Britain's special obligation to Hong Kong is the unique position of Hong Kong as a British dependent territory whose people are not able to exercise the fundamental right of self-determination", and yet to deliver us without insurance to an unpredictable and unreliable communist regime; to say again "a valuable and confidence-building indication of Britain's commitment" is to vacate the HMS Tamar with a view of building on it the British Consulate after 1997 is, to my mind, Sir, making a mockery out of the honour that Hong Kong people and the world have always attached to Britain. It has made a clown out of Hong Kong people's trust and belief. It has insulted the logic and the intelligence of the Hong Kong people.

The Foreign Secretary stated that in 24 hours China has destroyed all the good will she has created in the past 10 years. I would say this to him: that with a stroke of the pen to deny Hong Kong's British subjects the restoration of their right at this point of time, the British Government would have wiped off the respect that Hong Kong people have for her in the last century.

These, Sir, are the feelings and emotions of the Hong Kong people towards the FAC report and the British Government today.

Let me turn to some of the actual contents of the FAC report on nationality and on this I will focus mainly on the suggestion of categorization. Allow me, Sir, to quote from my address to the Secretary of State a few days ago.

The FAC has talked of categorization and the British Government repeatedly of flexibility. I would have imagined that both are reflections of similar offerings by the British Government.

Perhaps it should be clear that it has never been the wish nor the stand of OMELCO, and I am sure the people of Hong Kong too, to consider, let alone take, categorization as our fall-back position on the issue of right of abode. We feel that such a move is unfair, divisive, irresponsible and even dangerous.

Of course we are not disputing that it is for Her Majesty's Government to give but not for us to choose. I can say, however, that OMELCO speaks with one voice in pushing for our goal which is an insurance policy to help all of us to stay and work for a prosperous and stable Hong Kong rather than abandoning our home for emigration.

Let me just bring out two points for argument, the first being based on straightforward reasoning and logic, and the second on danger and fear.

There is a lot of talk that with the categorization of the Hong Kong population for United Kingdom citizenship, senior civil servants will be included. The reason given is that there is a need to give assurance to these people so that they will stay to serve and run the Hong Kong Government. In other words, to give them an insurance policy. It does not stand to reason that Her Majesty's Government could feel the need for insurance by some and yet not by others in Hong Kong. Ironically, Sir, whilst Her Majesty's Government agreed that there is a need for insurance, the FAC members felt that the need for insurance is confusing.

Let me address the issue of danger. And by this I mean danger to Hong Kong; danger to the Hong Kong Government in facing an ungovernable situation in the future.

In a situation where there are the "haves" and the "have-nots" or when it is declared that "all men are born equal, but some are more equal than others", I fail to see how the "haves", in this case the government servants, could command the respect of and to govern the "have-nots" in the future.

The feeling of Hong Kong people towards the Administration in the last few months, very regrettably, Sir, has been that of scepticism and distrust as exemplified by the ever increasing industrial actions in the Civil Service.

To wit, there has been no industrial action between 1983 and 1986; there was only one in 1987 and one in 1988 respectively but there were more than a dozen in the first four months of this year alone!

These are not my sentiments alone, Sir, but those within and without this Chamber. Yet ironically, after all these, the Secretary of State in his parting words said that Her Majesty's Government is considering "selecting certain categories of Hong Kong residents to live in Britain and hopes that the Hong Kong community would be non-divisive by such selection". It baffled my mentality and intelligence that categorization can minimize division.

The right of abode has to be conceived as an inherent human right for all those born or naturalized British subjects in Hong Kong or any other city in Britain. As a signatory to the international human rights treaties, Britain has to restore these rights to the people of Hong Kong.

Hong Kong people cannot be convinced of Her Majesty's Government's ability to seek international assistance should the Joint Declaration be breached, as mentioned in the FAC report, as she has failed to take a lead in resettling the 20 000 plus Vietnamese refugees who have been stranded here for over 10 years. The same committee also failed to specify who and how to determine when the Joint Declaration is considered breached.

Sir, in the last two days Hong Kong people have demonstrated without reserve their emotions towards the British Government. Admittedly, some of the moves were out of proportion and this I do not condone. For, as Hong Kong people, we have our self-respect and dignity. Yet let me call upon those sitting in high chairs, sipping whiskey on the rocks in posh Mayfair clubs of London on the eve of Mondays, to pause for a moment before they criticize -- for we are the people sans hope, sans faith and sans everything!

With those remarks, Sir, I support the motion.

MR. TIEN: Sir, since the visit of the Foreign Affairs Committee in Hong Kong in April, the situation has drastically changed. The tragic events of 3 June to 4 June in Beijing have brought all of us into sharp contact with reality. Instead of an almost leisurely look at the future, we have come up against the real world. A real world that does not look very pleasant.

Instead of arguing about who will interpret the Basic Law, we now hear people asking whether the Basic Law is worth anything at all.

The Foreign Affairs Committee has to face not a legal, but rather a psychological question. This asks whether our sovereign state-to-be -- the People's Republic of China -- can be trusted to uphold what was promised in 1984. For if we begin with dreams we must surely end up with realities.

Sir, when Sir Geoffrey HOWE flew in last Sunday, he said "You have no stauncher friend than Britain." With due respect to Sir Geoffrey, Britain is not only our friend, but also our sovereign state. We are British nationals, born on British soil, we swear allegiance to the same Queen and her same heir as anyone born in Britain. Regretfully, this sense of responsibility was not seen in the FAC report.

I share the disappointment expressed earlier by the Honourable POON Chi-fai regarding the brief meeting Members of the two Councils had with Sir Geoffrey on Monday evening. He said he came to listen. I left that meeting feeling that his mind had all made up, feeling that he was not interested to hear anything we had to say. The fact that he left Hong Kong last night unwilling to hear 34 of our Members speak this afternoon on this issue further enhances that feeling.

Sir, democracy, so defined as direct elections, is no substitute for the right of abode in the United Kingdom. I reject the offer that our right to take up abode in Britain can be traded in by earlier direct election. It is a bargain which no trader would wish to accept. In short, it is no bargain. Although Hong Kong is full of traders, they would not buy this trade-in. Not at any price.

To give us earlier, premature direct elections will not keep out the People's Liberation Army. The tanks and guns could not be diverted with the vote. We should be aware of the limitations of this vote. The vote is after all, a means, not an end.

The British administration will depart from Hong Kong in a few short years. For them, it is far easier to offer us the shadow of democracy than to give us the substance of the right of abode. Hong Kong people need and want the substance, not the shadow.

If right of abode were granted, then Britain would be forced to make a success of Hong Kong. The fact of the matter is that the incentive to make Hong Kong a continuing success is obvious. The price of "failure" here simply would be the prospect of having something between 3 and 6 million Hong Kong emigrants. If, however, we are given the vote, rather than the right of abode, then Britain can enjoy the convenience of relaxing, while things go well or ill. We could be told: "Hong Kong, that is your problem. We are not responsible for the consequences. You have the quick and easy fix of early direct elections. You have made your bed, now lie on it."

The argument for gradual change in our political system still holds good. The

need for responsible Members representing functional constituencies is still very evident. What happens in China, or indeed, elsewhere is not always relevant to the pace of local political change here. China's problems are, of course, our problems. But the speed at which we move forward is not determined solely by external events.

The brain drain is hardly likely to be influenced by the early introduction of one-man-one-vote elections. At the present rate of emigration, we are likely to lose 500 000 people over the next eight years. One wonders how many of them will leave on account of the structure of our voting system.

Sir, in my darker moments, I wonder how many people, declaring their love for democracy and early direct elections, have actually taken steps to acquire a foreign passport. One wonders how many marchers for democracy are themselves not true democrats. Inconsistency is a very human vice.

I have supported the OMELCO position which sees earliest full direct elections in Hong Kong by the year 2003. Intermediate steps will take place in 1991, 1995 and 1999 -- a reasonable and short process of evolution. We can ease our way towards 1997 via the present sensible arrangements. The plan so carefully worked out should not be hastily abandoned.

Sir, once emotion has subsided over recent events in China, we must relate the revived Basic Law to the question of political change in Hong Kong. We must not simply rule out the concept of convergence. We must not throw out the baby with the bathwater. Once the dust has settled we will be obliged to take the Basic Law into account. The Basic Law remains a necessity; it remains inevitable.

Foreign passports can easily be obtained by those able to afford them. Business people, above all, can often acquire a foreign passport via careful and quite legal investment. So why have our Hong Kong business people not gone? Why are they still here? Logically, we should expect there to be no businessmen left here now at all. In spite of all the uncertainties, they are still working for Hong Kong. We must all work together to sustain and support our community and give it our best effort.

I deeply regret the select committee's apparent evasion of our problems. More responsibility was expected, and we feel that we have been let down. It is now left to the British Government not to take the recommendation of the FAC report and to meet our urgent need for the restoration of confidence in Hong Kong.

Sir, there is a Chinese saying , meaning to escape by water. I earnestly hope that Britain will not , meaning to escape her responsibilities to Hong Kong by means of one-man-one-vote.

Sir, with these remarks, I support the motion.

MRS. TU: Sir, the Foreign Affairs Committee in their report made some good points on the Basic Law, though I noticed that most of their suggestions appear to have originated with my colleague, Mr. Andrew WONG, and his Constitution Development Panel.

But the report does not address itself, except in a negative way, to the main issue. And the main issue is that, no matter how good the Joint Declaration and the constitution may be, no matter whether it is backed up by the United Nations and the Covenants on Human Rights and whatever, all such assurances mean nothing so long as the Administration of Hong Kong is at the mercy of a small bureaucracy across the border which takes leave of its senses and massacres innocent, peaceful demonstrators, and brutally disposes of its critics.

How can Britain put our Hong Kong people into the hands of those who resort to using tanks and guns on their own youth when they reportedly run short of water and teargas? Normal people would have tried talking to see what had caused the demonstrations in the first place, but obviously we are not dealing with normal people.

Both Sir Geoffrey HOWE and the Foreign Affairs Committee expressed shock at the recent atrocities in China. So how can they continue to utter platitudes about trusting an agreement, unless they also provide a way of escape to assure our people's safety in case that agreement is broken?

In 1984, I was very happy that Britain and China agreed on the Joint Declaration, and I knew at last that my country's colonial past in China was about to be buried. But in handing Hong Kong back to Chinese sovereignty, how can we shirk our responsibility to make sure that our Hong Kong fellow citizens have a way of escape if their treatment turns out to be worse than that of the colonials? Can we desert our fellow citizens of Hong Kong in their hour of need? In all conscience, we cannot.

If the British Government continues to refuse to provide a safety net against the possible future danger, and to enable us to remain in Hong Kong, the only alternative I can see is for Britain to postpone the implementation of the Joint Declaration and negotiate with China a 10- or 20-year lease on the territory. China needs time to consider the recent catastrophe. China needs time to recover economically as well as politically from the mess into which she has been mindlessly plunged. And Hong Kong needs time to recover from its trauma and the economic consequences of the past few months. Now is the time to make the decision on how to protect our Hong Kong citizens. Britain must not delay and must not make unacceptable excuses to avoid its responsibilities.

Sir, with these words, I support the motion.

MR. LAM (in Cantonese): Sir, the question of Hong Kong people's right of abode in the United Kingdom has, in recent weeks, captured the attention of every citizen in the territory. Public concern has been so intense that I should waste no time but go straight to my views on the matter.

Britain's commitment to Hong Kong stems from the fact that Hong Kong is a British dependent territory. The House of Commons Foreign Affairs Committee openly admitted this in its report on Hong Kong released several days ago. Sir, the restoration of citizenship to British subjects in Hong Kong is an obligation Her Majesty's Government should honour. In no way should a limited scheme be offered as an alternative to meet Hong Kong's demand for the right of abode. Confidence in our society hinges upon Britain's ability to honour the commitment. It is this confidence that gives our society the impetus to survive. It is this confidence that encourages our brains to stay by giving them the sense of belonging that Hong Kong is their home. And it is this confidence that attracts foreign capital to the territory. This confidence, once shaken, will inevitably induce a drain in brain and capital. The British Government's readiness to accept responsibility is now being put to the test. Hong Kong people, suffering from the confidence crisis, have been crying out loud in urging the British Government to give the right of abode. Sir, I would be grateful if I be allowed to reiterate the importance of confidence. Confidence in Hong Kong is built partly on the Sino-British Joint Declaration and partly on our right of abode in the United Kingdom. The Joint Declaration has given the guarantee that Hong Kong will remain a capitalist society with existing lifestyle unchanged under the



principle of "one country, two systems". Yet an escape route should be provided so that people can leave Hong Kong should the accord fail and the Basic Law lose its binding effect. What Hong Kong people are striving for is their right of abode in Britain -- a right, indeed a vested right, to which they are properly and fittingly entitled.

To go a step further, Sir, I would like to point out that to live in a place is completely different from to be given refuge. To live in a place is not all that simple. There are constraints to which a settler is subject, like job and living condition constraints. Just what the British Government need to do is to open the door and grant us the right of abode. The problem will be solved through this symbolic gesture. For this reason alone, I believe the British Government should take heed of our views. It is the responsibility of Britain to maintain Hong Kong's stability and prosperity during the period of transition. Now that our confidence has already shaken, the only remedy is for Britain to grant us our right of abode. The United Kingdom, our sovereign state, should bear the responsibility and honour its commitment.

With these remarks, Sir, I support the motion.

MR. ARCULLI: Sir, I should like to make a few observations on some aspects of the Foreign Affairs Committee report in relation to the visit of the Secretary of State for Foreign and Commonwealth Affairs, the Rt. Hon. Sir Geoffrey HOWE, QC, MP. In his press conference on 4 July 1989 before his departure, the Secretary of State gave Hong Kong seven points that he particularly had in mind. I shall not repeat those seven points here because they must be firmly embedded in the minds of all of us. Indeed when asked by a journalist what I thought of those points I instinctively said: "There were no surprises." Sir, why it came as no surprise was because each of those seven points is found in virtually identical terms in the FAC report. But in the mind of the Secretary of State the points he made were new as the FAC report contains only recommendations of that committee and not the position of the British Government. Enough of this for we must not detract from the business of today.

One general comment on the FAC report is this: There is a discernible vein that surfaces from time to time in the FAC report which is that almost every other country in the free world has to come in aid of Britain to help her fulfil her "unique obligation" to Hong Kong. This ranges from a stronger role for the United Nations to restore credibility in the Joint Declaration to establishing guarantees with Britain's European Economic Community partners and other countries to share several

million Hong Kong people should the need arise. The Secretary of State has altered his position in this respect as he previously said he did not think it was right to mobilize international support now. Maybe there is a chance for us to make some headway in other respects. After all, with the assurance of the Secretary of State that it would be dishonest to promise what no British Government can deliver, what else can the British Government do? But what a curious way for the Secretary of State to choose to do the honourable thing for Hong Kong by refusing to issue an insurance policy which, according to him, no British Government could honour. For myself I find it illogical for the Secretary of State to rely on inability of any future British Government to honour any such policy. Perhaps, he is telling us that even if the present British Government were to restore full British citizenship to Hong Kong British subjects, a future British Government may take it away as it was done before. I cannot believe that it could happen a second time.

But, Sir, life goes on. We must tackle the problems that lie ahead. However, for the record I must say I cannot pretend that I am happy with the nationality package recommended by the FAC. Turning now to the Joint Declaration and the assumption that it remains "the best foundation for Hong Kong's future" it is important to ask how the British Government hopes to persuade China to play its part. We at least know one effect the events of 3 to 4 June in Tiananmen have had: it shook up the British Government but has it woken up the Chinese Government? I do not wholly subscribe to the view expressed in paragraph 4.3 of the FAC report that China will not be able to close the door again to the outside world. Britain may have shut the door on Hong Kong before. Let her not forget that China could do the same in 1997. However, for the moment I still have a little faith in the ability of the British Government so that I am prepared to wait a little to see what guarantees it will be able to persuade China to give to Hong Kong. Sir, in this connection I would unreservedly commend to Britain and China that they re-evaluate paragraph 4 of the Joint Declaration.

I firmly believe that paragraph 4 is the key to any future discussions between Britain and China. It is most interesting and perhaps ironic that China can ask as much of Britain as Britain can ask of China under paragraph 4 provided of course the object of the exercise is the economic prosperity and the social stability of Hong Kong. In this context, one point that deserves some mention is paragraph 3.6 of the FAC report, where the recommendation is that Hong Kong should go ahead with the second airport as soon as possible. I am sure we have to re-evaluate the position and if the decision is to go ahead would it not be a tangible show of British confidence if Britain were to participate as a partner and/or provider of funds in this project?

I do not propose, Sir, to set out exhaustively today what I believe Hong Kong is entitled to expect of Britain but I do need to ask the FAC and the British Government this : how can the Joint Declaration be enforced and what is the remedy in the event of a breach? Or are we to assume, contrary to what history has taught us, that countries do not break international agreements. Suffice it to say that the FAC report on the Joint Declaration and the Basic Law is a "constructive background" for lively discussion. We are not so unreasonable to ask for an absolute guarantee. What we want and what we are entitled to, Sir, is a "bulletproof" guarantee.

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

MR. CHENG HON-KWAN: Sir, the report prepared by the Foreign Affairs Committee of the House of Commons has dealt with many aspects of the problems that exist in Hong Kong. During the course of the committee's inquiry which commenced in April this year, the whole situation was largely complicated by the tragic events in Peking and a fresh look at the problems was taken as a consequence of changes in the circumstances.

In my view, the report contains points which are disappointing or controversial as well as those which appear to be acceptable to the people of Hong Kong. As it is quite impossible for anyone to cover many issues in this debate within the time constraint and due to the fact that my honourable colleagues will share the effort in making other points, I would like to touch upon some of the committee's deliberations on the Joint Declaration and the Basic Law, which in my opinion, are specific and equally important.

Sir, I firmly believe the Sino-British Joint Declaration is still a good piece of agreement which has been accomplished through extremely hard work during the negotiation stage to ensure the future stability and prosperity for Hong Kong and its people. As the British and the Chinese Governments have committed themselves to this treaty, I would agree to the committee's view that reneging on the Joint Declaration and breaking off all negotiations with China for the foreseeable future is simply not an option. I would also endorse the committee's recommendation that the Joint Declaration should remain as the best treaty base for the future of Hong Kong and we must concentrate on the implementation of its provisions, particularly through the Basic Law.

In the light of experience gained from the events in Peking, I would share the

view that article 18 of the draft Basic Law needs to be re-examined carefully and critically in so far as the State Council may decree the application of the relevant national laws in the Hong Kong Special Administration Region in case of war, turmoil or emergency. The Peking experience has taught the Hong Kong people that martial law may be declared in any part of a city or region by the State Council in case of so-called counter-revolutionary violence or anything for that matter. It is therefore true to say the fear of the people in Hong Kong of the irrational interpretation of any situation without a legal basis is quite obvious. I would even go beyond what the committee has stated and suggest that in the revision, the state of war, turmoil or emergency be precisely defined and the conditions for declaration of martial law, if absolutely necessary, be clearly spelled out.

Sir, the committee's observation about the stationing in the Hong Kong SAR of military force sent by the Central People's Government tallies with the general perception of the people in Hong Kong who have a strong feeling against the appearance of People's Liberation Army in the urban area and indeed anywhere in the region. This is understandable as they have been deeply shaken by the scene at Tiananmen Square. It is important that such fear must be alleviated if at all possible.

Since the events in Peking, the people of Hong Kong have been well aware of the need for democratization to progress at a faster speed. The committee concluded with the specific proposal that full democracy in the form of universal suffrage be achieved before 1997. Without further careful study into the implications of the accelerated process, it remains to be decided whether the unanimously agreed model of the legislature by the OMELCO should be reviewed. Obviously there is a good reason for the number of directly elected seats in the Legislative Council to be appropriately increased in 1991. In any case, China must be urged to appreciate the need for early implementation of full democracy in Hong Kong to achieve the goal of one country two systems and government of Hong Kong by Hong Kong people.

The committee has looked into the issues concerning the selection of the Chief Executive and the relationship between the executive and the legislature in sufficient detail. The views expressed follow fairly closely the lines taken by many people in Hong Kong and should therefore warrant further consideration in reviewing the draft Basic Law.

Coupled with the other major issues of nationality and Bill of Rights, the Joint Declaration and indeed the Basic Law will hopefully secure our future and confidence

which has been greatly lost and needs to be restored. We have to face the reality and continue to make the best of our effort to maintain our stability and prosperity. We must keep Hong Kong going.

Sir, with these remarks, I support the motion.

PROF. POON (in Cantonese): Sir, from its beginning to the recent development, the student pro-democracy movement in China, in particular the June 4 incident and its aftermath, has undoubtedly dealt a very severe blow to Hong Kong people's confidence and hope in the future of Hong Kong, resulting in a confidence crisis, and even worse, a confidence breakdown which has reached a critical stage. In order to maintain Hong Kong's stability and prosperity so that the concept of "one country, two systems" may have a chance of success, the most important and urgent task now is to restore Hong Kong people's confidence in our future. After analysing the various options available, we find that the most effective solution is to ask our sovereign state the British Government to fulfil her legal and moral obligation to the residents of Hong Kong by granting us the right of abode in the United Kingdom. Here I do not wish to repeat the comments and arguments just made by my honourable colleagues in this Chamber; I only wish to put down on record my support of their stance. Great disappointment has been expressed about the Foreign Affairs Committee report in that Hong Kong residents' request for the right of abode in the United Kingdom has been dismissed. Obviously this report has sidestepped the important issues. It has harped on certain issues which are out of the control of the British and has called for Hong Kong people's own efforts to fight for them, such as the composition of the future legislature and the election of the Chief Executive of the Hong Kong Special Administrative Region in the Basic Law. I doubt very much the ability of the FAC members in getting an in-depth understanding of Hong Kong's actual situation during their short visit spanning only a few days in Hong Kong. For what reasons and on what basis of truth could they propose for us a programme concerning the controversial issues in the Basic Law which have long been the subject of disputes among certain sectors of the Hong Kong community, thinking that the proposed programme would be acceptable to the public and most suitable for the people of Hong Kong? Up till now, the people of Hong Kong have not reached any consensus on the formulation of the Basic Law. The FAC's proposed option at this juncture will only make the situation more complicated at a time when Hong Kong people are trying to seek a consensus.

Despite many people now being sceptical about the importance of the Basic Law, I still feel that a sound Basic Law which is acceptable to the majority of the residents in Hong Kong is better than to do without the Basic Law. The recent occurrence of

many events has prompted us to appreciate the importance of solidarity. Earlier on Members of the Executive and Legislative Councils have taken a positive move to solve some of the problems of the Basic Law and have reached a preliminary consensus. The Tiananmen Square incident on 4 June has possibly influenced our thinking and prompted us to take a new look at the Basic Law. However, if we can continue to uphold our united spirit through compromise and mutual understanding in the seeking of a consensus, I believe it will be possible for us to influence China to formulate a set of Basic Law more in line with Hong Kong people's aspiration.

Hong Kong is our home. Many Hong Kong people basically do not want to leave this territory where they were born and brought up. We will have to face many problems and new challenges. Although the FAC report has disappointed us, we must not feel discouraged because of it. We have to carry on with our cause in seeking for the right of abode in the United Kingdom from Britain. At the same time we also need to be realistic. It is evident that after all we have to work out solutions on our own to the many problems before us. Hong Kong's value to China hinges on Hong Kong's prosperity. After the incident in Tiananmen, China will rely on Hong Kong more in her economic development. Therefore we have to make strenuous efforts in maintaining and strengthening Hong Kong's prosperity and her status as an international metropolis. Only by doing so can Hong Kong's future be guaranteed; only through Hong Kong people's mutual unity and efforts can we have a bright future.

Sir, with these remarks, I support the motion.

MR. ANDREW WONG: Sir, I welcome the House of Commons Foreign Affairs Committee's report on Hong Kong released on 28 June 1989, not without misgivings.

The main body of the report is divided into four parts, not counting the introduction and the summary of conclusion, and recommendations. These four parts are: one, The Joint Declaration and the Basic Law which deals with the question of human rights in Hong Kong and of the relationship between the future Hong Kong Special Administrative Region and the central authorities; two, Actions within Hong Kong which deals with the development of representative government in Hong Kong in the run-up to 1997; three, British policy and actions which covers primarily the questions of British nationality and of British responsibility for the entire population of Hong Kong irrespective of nationality; and four, Vietnamese boat people which tackles the question of repatriation of Vietnamese in Hong Kong screened out as non-refugees.

After reading the report, one must say that the coverage is indeed impressive and comprehensive. But one must also be left with a distinct impression that conclusions and recommendations in the four areas are presented as a package deal -- a package deal in which faithful implementation of the Joint Declaration, better human rights safeguards, speedier political development and solution of the Vietnamese boat people problem are offered as trade-offs for the denial of Hong Kong British nationals' right of abode in the United Kingdom and for Britain to wash her hands of her moral obligations to the entire population of Hong Kong. What is the use of talking about faithful implementation of the Joint Declaration when the issue is: it is doubtful if the implementation will really be faithful. And to be faithful to the spirit, if not the letter, of the Joint Declaration as contained in the British memorandum attached to the Joint Declaration might mean the right of abode cannot be restored. What is the use of talking about converting HMS Tamar into the future British Consulate General when the Chinese memorandum attached to the Joint Declaration stipulates that all Chinese compatriots in Hong Kong including, of course, British subjects holding BDTC or BNO passports, which are termed in that memorandum as "travel documents", will not be entitled to British consular protection, certainly not in China, and not even in Hong Kong.

Sir, a package is not a package deal where you win some and lose some. A package can best be likened to the four columns in the four corners of a house. Even if only one column falls, the roof collapses. It is of no use simply to retain and bolster Hong Kong's economy hence maintaining our usefulness to China as the goose that lays golden eggs. The very fact that AESOP wrote this fable shows that there are indeed people in the world who would kill the goose that lays golden eggs. The recent 4 June massacre in Beijing and the ongoing witch-hunt in China amply demonstrates this point that such people are alive, perhaps not so well. Now this is perhaps in response to my honourable friend Mr. POON Chi-Fai. He was thinking that economy might be the only bulwark. It is also of no use to simply build extra "fortifications" (that is the term used by Sir Geoffrey HOWE) -- legal, social, cultural, military, political, in addition to economic ones -- so that Hong Kong can be shielded from interference from Beijing "by virtue of history and geography" (I am borrowing from Sir Geoffrey again). But no fortification is really strong enough. (This is to contradict him.) And when no fortification is really strong enough, what we need in Hong Kong is what Moscow had in the wake of Napoleon's Russian campaign, that is, a vast hinterland to retreat to, and hence the possibility of a burn-and-scorch strategy or a scorched earth policy. Napoleon was defeated by this very strategy and HITLER learnt the lesson

and stopped short of invading Moscow. Unlike Moscow, Hong Kong is now a captive city with a captive population, surrounded by fortifications which cannot keep the tanks out but which ironically will lock the people in, like prisoners in gaol, and, unwittingly or perhaps wittingly, Britain has become our gaolers.

Sir, I am in complete agreement with the Foreign Affairs Committee that the Joint Declaration should not be torn up but should be "retained as the foundation of the Hong Kong Special Administrative Region's government and administrative system." But I hasten to add that I quite sympathize with the sentiments of my honourable friend Mr. Martin LEE, for the simple reason that no agreement can ever be perfect, particularly when coupled with changed circumstances. Mr. LEE mentioned the stationing of the People's Liberation Army (PLA) troops in Hong Kong and was of the opinion that that particular provision in the Joint Declaration should be renegotiated. But my interpretation of the said provision in section XII of Annex I to the Joint Declaration is that China has the right to station the PLA in Hong Kong for defence purposes only but does not have to. That is to say, it does not have an obligation to station PLA troops in Hong Kong. Therefore I suggest that we work out an article in the Basic Law to the effect that the PLA will not be stationed in Hong Kong and may enter Hong Kong only in times of war. I do not claim any authority in my interpretation and am prepared to further discuss the issue with my honourable colleagues.

Sir, I am also largely in agreement with the various conclusions and recommendations of the Foreign Affairs Committee in the first major area of that of the Joint Declaration and the Basic Law. I had already spoken at length on that particular subject during our debate on the draft Basic Law on 31 May 1989. Here I only wish to say that my views have remained largely unchanged. And what Mr. Martin LEE said earlier in response to that part of the report of FAC largely reflects my views also. I am prepared to further refine them together with my honourable colleagues within the context of the OMELCO Constitutional Development Panel, for example, the best formulation to ensure that the four cardinal principles in the PRC's constitution will not apply to Hong Kong, and how best to safeguard human rights in Hong Kong. I personally am swayed by Mr. Martin LEE's arguments particularly on the question of human rights.

Sir, I now wish to speak briefly on the future political system. The Foreign Affairs Committee, in essence, recommends a speedier process of democratization prior to 1997 when Hong Kong is still Britain's responsibility. I had always believed that



Hong Kong could move and should move faster towards democracy and had advocated direct elections for 1985 and then 1988. Both times I failed. Whilst I personally welcome any speedier move in this direction, I am reminded that our slow progress in the past can partly be attributable to the Hong Kong community being divided or even split on this very question. I was very much heartened by the consensus honourable Members of the two Councils reached towards the end of May. There now appears to be cracks. Earlier, divergent views had been expressed by my honourable colleagues. We had, for example, Mr. HUI Yin-fat and Mr. Martin LEE arguing for full democratization prior to 1997, and Mr. NGAI Shiu-kit and Mr. POON Chi-fai against, and there were other Members too. I believe their views to be sincere and with the long-term interest of Hong Kong in mind. Here, Sir, I wish to appeal to all concerned, both within and outside this Council, to remain united in spirit in the pursuit of our common goal, that of "one country, two systems" and "Hong Kong people ruling Hong Kong". I wish also to urge honourable Members to re-examine the issue of executive/legislature relationship. We had previously settled for what might be termed a quasi-ministerial system. It is now time that more thought ought to be given to full ministerial system, practised and proven to be successful in so many different countries. I hope to reconvene the OMELCO Constitutional Development Panel soon and hope to arrive at certain decisions and recommendations.

Sir, I am not asking people not to rock the boat; I am asking us to build a new ship when this one we are in is destined to be blown up in 1997. Let us build the new ship together. Let us not quarrel and fight, lest our present ship of state would sink before the new one is even built.

With these words, Sir, I support the motion.

MR. CHOW (in Cantonese): Sir, the Foreign Affairs Committee of the House of Commons has published its report on Hong Kong. The release of the report has brought no encouragement to the people of Hong Kong who have totally lost their confidence, but rather has proved further the British Government's betrayal of the Hong Kong people. In retrospect, when the FAC promulgated its guidelines of work in January 1989, it was indicated that the aim of their hearing was to review the implementation of the Sino-British Joint Declaration. Yet, the FAC has tried to make haste to release its report some 20 days after the Beijing incident with one of the paragraphs pointing out, by way of supporting argument, that China would continue to implement the Sino-British Joint Declaration. Has the June 4 tragedy not indicated that the

Beijing authorities manage things in an illogical and unpredictable way? Does the FAC not feel that the Beijing authorities' ruling tactics and credibility need reassessment after the June 4 incident? Is it not necessary to critically re-examine their sincerity and ability to implement the Sino-British Joint Declaration? Should the British Government not adopt the necessary corresponding remedial measures after a careful reassessment of the situation? I do not consider that the Sino-British Joint Declaration should be totally rewritten. However, with the Standing Committee of the National People's Congress still in session, the direction of the Chinese uppermost echelon not being entirely clear and foreign bank loans to China being temporarily frozen, the FAC has jumped to a conclusion and made recommendations in respect of the implementation of the Sino-British Joint Declaration. Is it not done in too much haste? The FAC has not deferred the release of its report to reflect the changes in China. Have they forgotten the original aim to investigate, or do they have no intention at all to see if the Sino-British Joint Declaration can be thoroughly implemented?

Since the June 4 incident, the index of economic confidence in Hong Kong has plummeted 12 points in one month's time to a level of 85% of that in January 1985, while the index of political confidence stands at 82%, which is a record low. The FAC report basically has failed to face the problems squarely. It proposes a series of measures to restore the confidence of Hong Kong people, including the democratization of our political system, enactment of a human rights Bill, and so on. However, the insurance that is needed behind these measures is precisely the right of abode in the United Kingdom for the people of Hong Kong. All these measures are indispensable, and must come in a package. We are compelled by the British Government to walk on a tight rope without the protection of a safety net. What is more important is that Britain has a constitutional obligation to more than 3 million British subjects in Hong Kong, and a moral obligation to the remaining 2 million people or so. This is undeniable. Since Hong Kong people regard Hong Kong as their home, the right of abode in the United Kingdom is no more than a kind of insurance. Yet Britain is unwilling to offer precautionary measures, but would only brag about remedial work if necessary. The report further quotes Sir Geoffrey's words that in the case of an "Armageddon scenario", Britain will urge the international community to admit the Hong Kong people as refugees. This is tantamount to the case where a sex maniac on the prowl has been spotted and reported to the police, with a request for stepped up protection for women, and the police simply replying, "Take it easy. We have got ready for you sufficient aftercare contraceptive measures."

To strive for the right of abode in Britain is only one of the measures to be taken by the people of Hong Kong to save Hong Kong. In order to help Hong Kong people stay behind, and to ensure ruling of Hong Kong by Hong Kong people, similar efforts must be made in respect of the Basic Law, a Bill of Rights and a democratic government system. The steps of democratization of the legislature as proposed by the report deserves our support, but the proposal that the first Chief Executive will be selected by an electoral college falls behind the aspiration of the people of Hong Kong. Such a way of selecting the Chief Executive would undermine his authoritative and acceptability. In those four or five years of his term of office, the Chief Executive of the Special Administration Region could have become another LI Peng! By that time, we might well be crushed or shot to death by tanks or cannons before we can escape by the speediest sonic aircraft. May I reiterate that the Chief Executive should be returned by a general election in 1997. Formerly people said that sufficient provisions have been made in the Basic Law for the protection of human rights. But just consider how the pro-democracy movement supporters in Beijing are still subjected to the same torture of "jet planes" as used during the cultural revolution! To enact a Bill of Rights in Hong Kong is thus a matter that brooks no delay.

To conclude, though recommendations in the FAC's report are acceptable, they are proposed at the expense of third parties. Action that is within the ability of Britain -- fulfilling her constitutional and moral obligations of granting to all people of Hong Kong the right of abode -- has been declined. The report is but a magic mirror, revealing the hypocrisy of the British Government. Instead of restoring the confidence of Hong Kong people, it arouses an anti-British sentiment. Is this beneficial to the implementation of the Sino-British Joint Declaration? The FAC's report is divisive and tries to absorb the elite of Hong Kong through the granting of the right of abode. The consequence will be that of the British robbing Hong Kong of its talents and Hong Kong people ruling an empty Hong Kong.

Sir, with these remarks, I support the motion.

MRS. FONG: Sir, the time for shouting slogans is over. We must control our emotions, cast off our feelings of despair and see what we can do to help ourselves.

In the final analysis, the majority of the Hong Kong people are going to stay in Hong Kong. Those who wish to leave will leave. If they have not left this year, they will leave next year or the year after. Those who would remain are the majority

of us who either have no means to leave or who do not wish to leave. There will also be people who gain citizenships in other countries and decide to return.

The responsibility of this Government is to those who have Hong Kong as their home.

In this climate of shattered confidence, we must focus on the principal issues that will make or break our homeland's future.

It is Hong Kong's business acumen and the strength of its economy that underpin its value to China. Accordingly, the maintenance of all of the necessary infrastructure is vital. This includes the maintenance and construction of the things you can touch and see (like roads, tunnels, power, water, the airport, port facilities and so on). However, this is not all. It also involves the enhancement of all levels of our education system and facilities. This is vital to realistically facing up to the brain drain.

With respect to development of democracy and the speed with which direct elections are introduced, I am disappointed at the FAC report. If the FAC members had more understanding of the situation and looked into what the Joint Declaration professes, they would not have recommended what they did.

The Joint Declaration specifies that the current social and economic systems will remain unchanged and that the legislature shall be constituted by election by 1997. At the time the Joint Declaration was signed, all Members of the Legislative Council were appointed. The Governor made his selection of its membership by choosing individuals with different backgrounds so as to permit representative views to be given on any specific issues. This also permitted voices and interests from different sectors to be heard and added effectiveness to the decision making process.

The introduction of the functional constituency form of selection had the specific aim of achieving a broad base of representation in the Legislative Council. Remember, the Legislative Council will not have any directly elected seats until 1991. The suggestion that 50% of the Legislative Council Members should be elected by the first direct election in 1991 is, in my view, irresponsible.

In these circumstances, I must bring out again important evidence of past direct elections in municipal councils and district boards. Of all successfully directly

elected seats, 50 to 80% have come from three backgrounds: social workers, academics, and lawyers. This in no way can be said to be a representative cross section of the public interest of this dynamic industrial/financial economy. It is an aberration that derives from the use of the direct election process in a community whose stage of political maturity is still emerging.

In the past, Britain never took the responsibility of educating the Hong Kong people to be politically minded. It had never encouraged participation in political developments in Hong Kong. This was by design. Then, would it make sense to assume that, practically overnight, with inadequate preparation and in the fears of a major crisis, the Hong Kong people can vote the right people into the Legislative Council. I cannot believe that the FAC members could be so ill informed, or be so far off target in the judgements they made, as to come up with their recommendations. But if that was not the case, then there must be another explanation. Am I to assume that people are trying to wash their hands in the mantle of democracy that they know will not fit our case? Am I to assume that this will salve the consciences of the British politicians?

British people are honourable. But their elected representatives in Parliament are making them dishonourable by not telling them the truth about Britain's obligation to the people of Hong Kong. Its obligation cannot be deemed to cease because its lease on 92% of the land is expiring. It cannot govern a place for over 150 years and then sign an agreement to give it away, together with its people, and just seek guarantees for them in the agreement. Hong Kong people were not consulted on whether or not they concurred. Hong Kong people have no confidence in the guarantees given and in what Britain is doing today.

Britain should talk straight to Europe that it has to offer the right of abode to Hong Kong people. It should also stop creating confusion about the numbers by continually putting them in the context of the United Kingdom. Even if all who were given the right were to exercise it, the number would be much smaller when looked at in the context of the population of Europe and that is really what the issue is all about.

Sir, with these remarks, I support the motion.

MRS. FAN: Sir, the Foreign Affairs Committee's recommendations on Vietnamese boat people are welcomed in Hong Kong because it recognizes the inevitability of the

screening policy in the face of declining level of acceptance by resettlement countries coupled with the massive influx of boat people, and because it accepted that the logical consequence of a screening programme is the repatriation of those screened out as non-refugees. It went on to propose that assistance should be given to allow returning boat people to settle down in Vietnam and that the Vietnam authorities must deal with them in a humane way. The latter has always been the position of OMELCO, and the former proposal, which I take to mean financial assistance given to returnees by the British Government for reintegration purposes, is reasonable and responsible. The committee had the benefit of the evidence of Sir Geoffrey HOWE after the Geneva conference, and rightly pointed out that the conference may have solved the Vietnamese refugee problem, but not the Vietnamese boat people problem. We agree.

Indeed the problem of boat people had escalated since the committee took evidence in Hong Kong in April. During May and June, the monthly arrival exceeds 9 000. No reprieve is in sight for July and August, the popular season for boat people to come into Hong Kong waters. The Geneva conference's failure to deal with Vietnamese boat people realistically is a disappointment to us, although you, Sir, and other members of the British delegation led by Sir Geoffrey HOWE, had put in tremendous effort to draw attention to the Hong Kong predicament and seek to persuade the Americans and the Vietnamese. I would like to place on record our appreciation of the British delegation, and you, Sir, in particular. I shall not repeat what I have said in this Council on 17 May 1989 when we debated the problem of Vietnamese boat people, but I do wish to associate myself with the recommendation of the Foreign Affairs Committee with regard to the United States and People's Republic of China.

Every one in this Chamber is fully aware of the seriousness of the boat people problem, and the need to implement repatriation in large numbers urgently in order to reverse the flow. Some of my colleagues will speak on the community's frustration and demand for more drastic measures. I only wish to reiterate that the problem of Vietnamese boat people is a matter of foreign affairs, and as such, the problem rests squarely in the court of the British Government. Hong Kong has been upholding British honour over the past decade by abiding by the policy of first asylum faithfully even under the most adverse conditions. Hong Kong's taxpayers had spent over \$2.4 billion on this. Hong Kong had been the victim of irresponsible and ignorant criticisms. The daily life of many residents has been disrupted. With a population density of 5 200 per sq km, we are already accommodating over 48 000 Vietnamese refugees and boat people, with more yet to come. To put this in the context of the United Kingdom which has

230 per sq km, it means having to accommodate one million people. Against all odds, Hong Kong is still offering a safe haven for the Vietnamese boat people. Have any British dependent territories ever done so much for so long to uphold British honour and principle? What have Hong Kong got in return?

The British subjects in Hong Kong have their right of abode in the United Kingdom removed by successive acts of Parliament, in which we have no representative. When OMELCO requested the restoration of that right, the Vietnamese boat people problem was used to undermine Hong Kong's case. If I may, Sir, I would like to clarify the issue for those who genuinely misunderstood it, and refute those British politicians who used insinuation to mislead the unsuspecting British public for their own political ends.

Due to the limitation of time under our five minutes rule, I shall only make four points:

1. Britain is Hong Kong's sovereign state, and thereby has a direct constitutional moral responsibility to the people of Hong Kong. Hong Kong has no ties with Vietnam; nor any obligation towards Vietnamese boat people.
2. The British Government and various MPs from both sides of the House have so far rejected Hong Kong's legitimate request of restoration of a right which was taken away without consultation nor compensation for the injured party. Many arguments had been made based on claims of practical difficulties, which are more imaginary than real as shown by the Corry Report commissioned by the South China Morning Post and surveys conducted by independent organizations. In comparison, Hong Kong has accepted and continued to accommodate all boat people in the face of immense practical difficulties.
3. The vast majority of the Vietnamese boat people are treated as economic migrants by the resettlement countries, and has no chance of resettlement in the West. They do not want to stay in Hong Kong. They have no future except back in Vietnam. Hong Kong is left with the burden of looking after them until they can return to Vietnam under humane conditions. In contrast, the people of Hong Kong want to stay in Hong Kong. Those who have migrated stand to lose in income, in social status, in career development, and in breaking up family ties. Far from being economic migrants, they bring in capital, professional and entrepreneurial skills, and are welcomed by other countries. They are forced to leave because they need the insurance policy. If they

can have the insurance policy without leaving, who would want to leave? There is a world of difference between Vietnamese boat people and the people of Hong Kong. The stark contrast between Hanoi and Hong Kong shows that difference to some extent.

4. If Britain and the United States are sincere in their acclaimed wish to see democracy flourish in Hong Kong, then they must work together to provide practical incentive to enable Hong Kong people to remain here and build up their system. The talk of treating Hong Kong people as refugees only adds fuel to our brain drain problem. After all, we have all witnessed the double standards and compassion fatigue of these Western countries towards Vietnamese boat people. What guarantees are there that things will be different? No, Hong Kong people will not hang their hopes on empty promises.

Sir, Hong Kong people are doers, not dreamers. We have done what we can for the Vietnamese refugees and boat people, and we make no apologies for that. Speeches, no matter how flowery and soothing, are merely words. They are poor substitutes for action. We look for real and concrete action which tackle the problem at source, not intentions nor excuses.

Sir, I support the motion.

MR. MICHAEL CHENG (in Cantonese): Sir, recent events have filled Hong Kong people with anxiety about their future. There are two most perplexing issues at present. The first one is the granting or otherwise of the right of abode in the United Kingdom to the people of Hong Kong by the British Government. The second one is the incessant influx of Vietnamese boat people. I consulted the residents of Wong Tai Sin on these issues in mid June. They have very strong feelings about these issues. I would like to express my views on these two subjects now.

Striving for the right of abode in the United Kingdom

According to a recent market survey, the political confidence in Hong Kong has now plummeted to record low since the signing of the Sino-British Joint Declaration, resulting in a dramatic increase in the number of applicants for emigration overseas. A number of Members have already spoken on the right of abode issue. Owing to the time constraints, I do not intend to repeat their points of argument. I only want to reiterate my stance on this issue. In striving for the right of abode in the United



Kingdom, the people of Hong Kong just want to obtain an effective insurance policy which can make them feel safe to remain and carry on with their work in Hong Kong. Their objective is not to settle in Britain. Notwithstanding Sir Geoffrey HOWE's repeated stress on the point that Britain will not grant the right of abode to the 3 million strong BTDC passport holders in Hong Kong, Britain is still legally and morally obliged to take good care of the interest of the whole population of 6 million in Hong Kong and to provide them with the right of abode in the United Kingdom or in other countries.

#### Vietnamese boat people

Sir, at the time when this Council debated the issue of Vietnamese boat people, the number of Vietnamese boat people and refugees stranded in Hong Kong was 33 000 strong. After a lapse of one and a half months, their number has now drastically jumped to some 47 000, representing an increase rate of 42%. Almost 20 000 Vietnamese boat people arrived in Hong Kong in the months of May and June alone. If the boat people keep flooding in at the present rate, their number will have reached 80 000 by the end of September. Our disciplinary forces and other facilities will definitely not be able to cope with the situation. Take the newly assigned detention centre for Vietnamese boat people on Soko Islands for instance, law and order and environmental hygiene on the islands are appallingly poor. Apart from the lack of facilities, the boat people there have out-numbered the management staff by a very large margin. Inevitably, management of that centre has become extremely difficult.

Another thing that greatly worries me is that the Government has planned to establish another detention centre with a capacity of 7 000 inmates at the High Island Reservoir in Sai Kung to house future Vietnamese boat arrivals who are expected to crash our gate in great numbers. Sai Kung is one of the rare scenic spots in Hong Kong and should therefore never be used as a site for setting up a detention centre for the boat people. Besides, the proposed detention centre is very close to the High Island Reservoir. The disposal of wastes and sewage for 7 000 boat people is bound to create a serious problem and cause pollution to potable water supplied by the reservoir, thus posing a threat to the health of the local population. This is indeed a worrying problem.

In addressing the Vietnamese boat people issue, the Foreign Affairs Committee report agrees in principle that mandatory repatriation of boat people screened out as non-refugees is a solution to the problem. As similar views have earlier on been

put forth by Britain, this is no fresh point in the FAC recommendations as the people of Hong Kong have already learnt of it. The FAC report states that it should be made absolutely clear to the United States Government that while she remains unalterably opposed to the forced repatriation of Vietnamese stranded at all ports of first asylum, it must accept the responsibility either for their resettlement or for their accommodation pending voluntary repatriation. There is, however, no mention of any specific details concerning the ways and timing of implementing these proposals. They are nothing more than empty words. Hence, I feel very disappointed and I am doubtful about the sincerity of Britain in this respect.

In the international conference on refugees in Geneva in 1979, Britain reached an agreement with other attending countries to turn Hong Kong into one of the ports of first asylum for Vietnamese refugees. Over the past decade, Britain has failed to discharge her responsibility in the handling of the Vietnamese boat people problem. Britain has ignored the interest of the Hong Kong people and gone against their wishes. Her reluctance to play an active role in finding a solution to the boat people problem is indeed a totally irresponsible behaviour.

The FAC report also admits that a large majority of the Vietnamese boat people are no victims of political persecution. They flee their mother country just because of abject poverty. For the sake of solving the Vietnamese boat people problem, I would like to put forth the following suggestions once again:

1. The status of Hong Kong as a port of first asylum should be abolished;
2. Britain should assume full responsibility for solving the problem of Vietnamese boat people and refugees stranded in Hong Kong;
3. The Hong Kong Government should immediately cease to allocate funds for any boat people related expenses; all expenditures on Vietnamese boat people should be fully borne by the British Government or the United Nations High Commissioner for Refugees;
4. The British Government should urge the international community to exercise pressure on the Vietnamese Government. In particular, the British Government should seek the co-operation of the United States impressing upon the Vietnamese Government for immediate actions to stop exporting boat people and undertake to take back all boat people stranded in Hong Kong.

A speedy solution to these two major issues which are worrying to the people of Hong Kong would certainly help boost the confidence of Hong Kong people and strengthen their sense of belonging. This will enable the Pearl of Orient to recover its lustre and continue to flourish.

Sir, with these remarks, I support the motion.

MRS. SO (in Cantonese): Sir, the Foreign Affairs Committee has, in its report, dwelt on the issue of the Vietnamese boat people. Over the past decade Hong Kong has been afflicted with the Vietnamese boat people issue. The situation has grown from bad to worse since the turn of 1989. As at last month the total number of Vietnamese boat people and refugees stranded in Hong Kong was over 48 000. Over 20 000 Vietnamese boat people flooded into Hong Kong during the first half of this year alone, representing almost 50% of the total population of Vietnamese boat people in the territory. The existing holding centres can no longer cope with boat people's demands for dwelling places. Provisional detention centres have been set up on Soko Islands and Sek Kong to provide accommodation for the incessant influx of these boat people. It has been planned recently to set up another detention centre near High Island Reservoir in Sai Kung to meet future demands.

The Vietnamese boat people problem has put a heavy burden on Hong Kong in terms of expenditure and the allocation of management staff. The environmental nuisance posed by the detention centres also caused resentment among local residents. If the Vietnamese boat people problem cannot be satisfactorily resolved, further disaffection will be aroused among members of the public and even actions that disrupt social order may follow.

The Hong Kong Government and the British Government should try various ways to iron out the problem as soon as possible. As pointed out in the Foreign Affairs Committee report on Hong Kong, in face of the declining level of acceptances by resettlement countries and the massive influx of Vietnamese boat people, the Hong Kong Government has no other alternatives but to introduce the screening policy. I agree that in identifying the political refugees from the non-political ones by way of screening, the Government may treat the non-political refugees as illegal immigrants and repatriate them to their place of origin under the relevant immigration ordinance. At the end of his visit to Hong Kong, the British Foreign Secretary, Sir Geoffrey HOWE, disclosed that Britain and Vietnam have made some progress on the issue

of mandatory repatriation. This piece of news is encouraging, but I hope Britain will announce details of the progress as soon as possible.

As regards the United States of America which has all along been opposed to forced repatriation of the Vietnamese boat people, the FAC suggests that the British Government should make it clear to the United States Government that in adopting such an opposition stance, it should take up the responsibility of arranging for the resettlement of these boat people overseas. I support this proposal.

In dealing with the Vietnamese boat people stranded in Hong Kong, we should also make efforts in deterring the influx of new arrivals. Most of the Vietnamese boat people sail along the coastline of Guangxi Province of Mainland China and call at some coastal towns for supplies before coming to Hong Kong. Therefore, just as the FAC has proposed, the British Government should closely liaise with the Chinese Government in seeking their help in blocking the boat people from coast-hopping to Hong Kong.

On the other hand, the international community should actively offer assistance to the Vietnamese Government to help them in economic development and providing their people with a stable livelihood. An overwhelming majority of the Vietnamese boat people leave their homeland because of the bleak economic situation there and the difficulty in earning a living. They hope to find greener pasture overseas. It is believed that when the economic situation in Vietnam improves the number of Vietnamese fleeing their country will decrease considerably. This is a scenario the people of Hong Kong long for.

The Foreign Affairs Committee states in its report on Hong Kong that it would be impracticable to grant the right of abode in Britain to all British Dependent Territories Citizens (BDTCs) and recommends that the right of abode in Britain should be given only to those BDTCs holding key positions in the Civil Service and the private sector. The Foreign Secretary, Sir Geoffrey HOWE, also repeated this line of thought during his recent visit to Hong Kong that it was impossible to grant the right of abode in Britain to all Hong Kong BDTCs. The approaches to this problem as proposed by Britain are disappointing and lamentable. These recommendations are impractical and I think Britain is only trying to evade her constitutional responsibility to the people of Hong Kong.

One of the key factors for Hong Kong's steady development in the past is that

Hong Kong has a highly efficient government supported by a hard-working population. If the British Government acted on the recommendations made in the FAC report to offer the right of abode in Britain only to a certain category of people in Hong Kong, such action would undoubtedly divide the community and give rise to internal antagonism, thereby undermining the highly efficient operation of the government machinery and the enterprising spirit of the people of Hong Kong to the detriment of Hong Kong's stability and prosperity.

Despite the formidable task before us in our fight for the right of abode in the United Kingdom for the Hong Kong BDTCs, we should not give up or become depressed. We should keep up our good work and be self-reliant. We should also remain cool-headed in face of changes and be steadfast in striving for Hong Kong's continued stability and prosperity. Only by doing so can we continue to fight for the rights and the benefits due to us.

Sir, with these remarks, I support the motion.

MR. SIT (in Cantonese): Sir, the report on Hong Kong released by the House of Commons Foreign Affairs Committee on 28 June has provoked enormous response from the public. With the exception of a few constructive proposals, the majority of proposals in the report, including those relating to the Vietnamese refugee issue and the nationality issue, have aroused great disaffection.

First, I should like to tell this Council some of the views of the public on the Vietnamese boat people problem. In our present effort to secure a right of abode in the United Kingdom, the Vietnamese boat people problem is one further problem plaguing us everyday, the solution of which calls for our sustained attention. It is common knowledge that the port of first asylum policy has been forced on us by the British Government. Notwithstanding this, Hong Kong has been steadfastly performing its obligations as a port of first asylum and giving refuge to all Vietnamese boat people who arrive here. In view of Hong Kong's resource constraints, we had no alternative but to declare on 16 June 1988 the implementation of the screening policy. But that did not mean that we were attempting to evade responsibility.

The Geneva conference on Indochina refugees has been concluded. The Hong Kong public have been disappointed by the outcome of the conference. The international

community, in particular the United States Government, have demonstrated an attitude of utter irresponsibility.

From 18 May (the day following our last debate on the boat people problem) to 4 July, no fewer than 15 006 boat people arrived in the territory. The Government, in offering them accommodation, has not only spent vast sums of taxpayers' money but also brought upon itself censure from the public for attempting to arrange accommodation for the boat people in various districts of the territory. Since 1977, we have incurred direct expenditure to the tune of \$2.4 billion on the Vietnamese boat people while indirect expenditure has been beyond quantifying.

The FAC report admits that mandatory repatriation of those boat people screened out as non-refugees will be the only viable way to deal with the problem. The report points out, however, that the humanitarian approach should be adopted so that the repatriated will be adequately provided for to ensure a decent living. The report further recommends that assistance should be given to them to help them settle down in Vietnam. But, Sir, where will all the necessary money come from? Has the United Kingdom agreed to bear all the costs for the maintenance and repatriation of boat people screened out as non-refugees? The report is silent on this point. It has failed to put forward substantive and practicable proposals in this respect. It talks about other countries' responsibilities. What a hypocritical attitude this is! Sir, if the Vietnamese boat people problem is not solved soon enough, it will be a time bomb embedded in Hong Kong's body politic, waiting to go off in the next eight years with disastrous effects.

I should like to move on to the nationality issue. A moment ago I mentioned about the hypocrisy of the FAC report. I must now commend Foreign Secretary Sir Geoffrey HOWE for his honesty and frankness. During his visit to the territory, Sir Geoffrey's conduct of affairs faithfully reflected what he had in mind, that is, to give an absolute "no" to Hong Kong people's reasonable demand for the right of abode in the United Kingdom.

Britain has administered Hong Kong for over a century. Now is the time when Hong Kong people need protection most. But a Secretary of State of the United Kingdom Government straightly turned down our demand. Hong Kong people will remain unconvinced. As a matter of fact, Hong Kong people do not harbour the wild hope of settling in the United Kingdom. Their attempt to secure for themselves the right of abode in the United Kingdom is but a form of expression of their jittery confidence.

If there had been no Tiananmen incident, Hong Kong people would neither have fancied the right of abode nor ever broached it.

I believe the Chinese Government will need to do a tremendous amount of work in the next eight years to restore and maintain Hong Kong people's confidence. What we can do now is to give full play to the advantageous conditions Hong Kong people are finding themselves in, namely, our economic prosperity and affluence; to secure the further democratization of our political system in the future Basic Law; to express our worries through the Joint Liaison Group; and to prove that maintenance of Hong Kong's prosperity, stability and existing capitalist systems and lifestyles is not only consistent with Hong Kong people's wish but also consistent with the interests of China (irrespective of the composition of the Chinese leadership). Our interests and theirs are the same!

Sir, I recall to mind Don Quixote, in Don Quixote written by a Spanish writer, Miguel de Cervantes. Confronted with a multiplicity of difficulties and problems, yet armed with a strong conviction as to the truth, Don Quixote resolutely went ahead without ever turning back.

There would not be much of a chance of success in Hong Kong people's present endeavour to get a better deal over the nationality issue. However, the London visit by the two Senior Members has demonstrated to the world the solidarity and unity of purpose of the Hong Kong people. The strength which this solidarity generates will, in the years ahead, gather enormous momentum to lead us to a bright future. The road ahead, I believe, is tortuous but I am confident that it will lead to a bright future.

Sir, with these remarks, I support the motion.

MISS TAM: Sir, let me first thank you for allowing me to speak at such short notice. I had been travelling abroad and was therefore unable to attend the preparatory meetings that my colleagues had held for this debate and I thought the least I could do is to stay at the last stand of the queue so as to hear my colleagues first.

I had the opportunity to speak abroad about the situation in Hong Kong. When I first accepted the invitation, it was some time in April. Our Hang Seng Index was climbing from 3 200 points to 3 300 points. The Mid-level luxury flats were selling

at about \$2,400 per sq ft. But by the time I actually took the plane and flew to Britain, the Hang Seng Index had dropped a thousand points and there was a 50% llop-off from the price of property situated at the Mid-levels of Hong Kong. A survey had just been done showing that our confidence in our economic and political future was standing at the lowest point since the signing of the Sino-British Joint Declaration. I think the reason was obvious. We had been hoping for a China that will be continuing its opening-up and some day China will be strong and its people will be free. The disappointment, the anguish and the common aspiration to have freedom for the Chinese people has been well expressed by the people of Hong Kong who had marched in the streets in large numbers, sometimes numbering half a million and well over, to show that we are united in our stand.

Sir, I thought after all the tragedy that we have witnessed, the best positive result is that Hong Kong is now united, that we are now prepared to participate in political reform at a faster pace, that we are prepared to give up our own differences in our points of view, whether it be on the political system or initially on the passport issue, and stand on one line. I am glad to see, Sir, that you are leading that line and speaking to Britain.

My reception in London was successful but I must say it was due to the fact that Dame Lydia and Mr. Allen LEE had laid a very good foundation stating our case and we were getting through to the British people. I was therefore disappointed when I read the FAC report yesterday after my return. I must say that I agree basically with their observation in respect to the Joint Declaration. It is fundamentally a well written document, and now we must look for its full implementation overseen by Britain and, in particular, what China will do in respect of its realization. We therefore ask that Britain must oversee the drafting of the Basic Law in terms of or in the capacity as a signatory to the Joint Declaration. Those of us who may still have the opportunity to participate in it must put our weight behind the voice of Hong Kong people and make sure that China has to face the choice of listening to us or going their own way and accept the consequences if our confidence should be further affected adversely if it should happen to be an unwise decision.

I agree that we must have a Bill of Rights here in Hong Kong. I believe that the marches that we have seen in Hong Kong are basically aiming at freedom rather than one-man-one-vote, although that is a vital issue too.

In respect of the FAC's recommendation on democratic movement, I have some



reservations. The Joint Declaration envisaged a pretty right-wing kind of conservative economic policy in which the details, as we see it, guarantee that this place will have a free marketeering environment. And, of course, one very hotly debated issue is whether we should have low taxation and that, I think, is an essential element. I hope in structuring our democratic system we must try and create an environment that is conducive to the right-wing and free marketeering economy that has made Hong Kong such a success. The particular disappointment is, of course, on the passport issue. My colleagues have very eloquently expressed their views and I cannot do more but show and state my agreement. I think there is one point that need to be made to the British Parliament and Members of Parliament and that is: we are not talking merely about 1997 and what kind of responsibility China may have after 1997. We are talking about now: how do we stand where we are and be given a shield to fight the battle exactly in our own home ground. I do not think there is any doubt whatsoever even in the mind of the British Members of Parliament that we are suffering from a confidence crisis. But what is the cure? I am afraid that having examined all the alternatives and in spite of the fact that we had touched upon four subjects before, the most realistic remedy or guarantee that could be given to us is like in the years past when the Chinese had escaped from communism or socialism -- a chance to walk away. Not that we want to. Judging by the support we are getting from the local expatriate community and the "hongs", they are totally convinced that we do not want to leave, that people in Hong Kong enjoy their own lifestyles here and that unless something catastrophic happens there is no way we can be persuaded to leave. Then why not let us have the shield now so that we can carry on with all our economic activities, our lifestyles, be with our families without any disruption and without the unnecessary waste of resources and precious time in one's life. So I think it must be made clear to the British Parliament that unless we can make the maximum use and the most fruitful employment of our time in the next eight years, the chance of the Joint Declaration working will be greatly reduced, and unless in these eight years we stand exactly where we are so that business carries on as usual in Hong Kong. I imagine that with a British passport the people will even work harder for two reasons: nowhere else in the world is there likely to have such good returns for one's effort than in Hong Kong; and secondly, nobody is in a hurry to leave. So I hope that message will go through.

I am very pleased to see that OMELCO has actually issued a seven-point statement setting out our strategy for the near future. I think my colleagues have devoted much of their time on the course. I would like the British to know we are not giving up here, we are not giving up Hong Kong. Do they dare to give us up!

Sir, I support the motion.

CHIEF SECRETARY: The long awaited Foreign Affairs Committee report gives us substantial comfort on the Vietnamese boat people issue and on human rights. It has some stimulating suggestions on the development of democracy but is very disappointing, to say the least, on the nationality issue.

I will touch briefly on each of these issues.

It is no mean achievement to have secured the wholehearted support of the FAC for our policy on Vietnamese boat people. Until the members of the FAC came to Hong Kong it was difficult enough to persuade any backbench Member of Parliament in the United Kingdom that there was a problem over the Vietnamese boat people let alone get them to accept that Parliament should be doing anything about it. The statement in the conclusion of the report, I quote, "we believe that, in the absence of any significant levels of voluntary repatriation however regrettable it may be, there is no alternative to mandatory repatriation of those who are screened out" represents a major step forward in gaining understanding and acceptance of our policy. We are most grateful for their support but it is clear to me that it would not have come about had we not put our case to them clearly and strongly. Here at least we can record a success.

I turn now to the question of political reform. The FAC report makes quite radical proposals for the development of the political system in Hong Kong up to 1997. But in making these proposals the report stresses, and I quote, "we also believe even more strongly that Hong Kong people must be allowed to decide on their own system of government before 1997 as well as after 1997."

Sir, there is, I believe, general agreement in the community that the development of democracy should be speeded up in the run-up to 1997. We accept that view, and will now be re-examining the decisions contained in the 1988 White Paper concerning the composition of the Legislative Council in 1991. In so doing we will be considering not only the number of members to be directly elected at that time but also the position of officials, and the numbers of appointed members and those elected through functional constituencies.

It is most important that any proposals for a faster pace of democracy have the

full support of this community. I am sure that Members of this Council will take the lead in building on the consensus inside and outside this Chamber which will provide the Government with a clear view from the people of Hong Kong on which to base its decisions.

Recent events have highlighted concerns within the community over their rights and freedom. Understandably so. The FAC report recommends that the Hong Kong Government introduce a Bill of Rights as soon as the work on the review of the existing laws makes it practicable. That is our intention. We will be introducing a Bill of Rights in an appropriate form as soon as possible. As you, Sir, have indicated in your recent statement to this Council you will be saying more about this in your October speech.

I turn now to the question of nationality on which honourable Members have today expressed themselves with great clarity and force. The position of the Hong Kong Government is well known. We would like to see the British Government grant the right of abode to all Hong Kong British Dependent Territories Citizens. This would do much to reassure our people that they should remain here and continue to work for a prosperous and stable Hong Kong. As you indicated, Sir, in giving evidence to the FAC, such a move would be of immense benefit in reassuring the people of Hong Kong. I am not going to rehearse the arguments for our position. They are compelling enough and honourable Members know them well. But I would however like to spend a few moments examining the case put forward by the Foreign Affairs Committee for not granting the right of abode to Hong Kong citizens.

In a nutshell it is that the United Kingdom Parliament would not accept the risk of all 3.2 million Hong Kong people going to settle in the United Kingdom. Indeed, the FAC went further by suggesting that the number would be considerably in excess of the 3.2 million frequently mentioned.

Of course a decision of this nature is not an easy one for any politician to take. It is a matter of judgement and of balancing the obligation of the British Government towards the people of Hong Kong against the risk of not being able to carry through Parliament the necessary changes in legislation. I believe it is accepted by the British Government that the obligation is strong, but the contention is that the risk is overwhelmingly high because it is assumed to be a fact that under certain circumstances over 3 million Hong Kong people would exercise their rights to settle in the United Kingdom. We have argued forcefully that we cannot envisage a situation where anything like that number would ever wish to go to the United Kingdom. The

practical problems involved in such a massive number of people moving seven thousand miles to set up home elsewhere make it a totally unreal proposition. There is also the assessment, widely accepted in Hong Kong and supported by recent opinion polls, that only 6% of Hong Kong people who were given the right of abode would move to the United Kingdom. So the number of people ever likely to seek to settle in the United Kingdom must not only be less than 3.2 million, it must be a small fraction of that number.

It must surely be relevant to see how other sovereign powers in similar positions to the United Kingdom have regarded their obligations to their dependent territories citizens. Portugal, a small country with a population of some 10 million has, we are told, provided for citizenship not only for 100 000 of its citizens in Macau but also for over 3 million of its citizens in its former dependent territories. France has done the same with its overseas territories. Clearly these two nations took a view that their obligations outweighed the risk. The British Government has accepted its obligations to citizens elsewhere. Not only in the Falklands and Gibraltar where the numbers are small but also in the case of South Africa where there are estimated to be over 1 million people with the right to settle in the United Kingdom. It would be difficult to argue that South Africa is potentially less unstable than Hong Kong.

Sir, there is one further illogicality in the case which is being made against the granting of the right of abode. It is that in a situation in which it would be more likely that very large numbers of people would go to the United Kingdom, that is the so-called Armageddon scenario, then of course the British Government would make arrangements for people to go to either the United Kingdom or to some other countries. The inference one draws from that is that in order to achieve settlement elsewhere we have to be in a position to demonstrate that huge numbers of people wish to leave Hong Kong. The irony and contradiction contained in that proposition has not escaped us.

Sir, I believe the intellectual arguments against granting the right of abode to British nationals in Hong Kong are fundamentally flawed.

But the political arguments are more difficult to deal with. Britain is a democracy and in a democracy the views of the people as expressed through their elected representatives must prevail. If we fail to convince the people of the United Kingdom and British Parliament of the strength of our case we will make little progress. It is most important therefore that we should remember in all our campaigning that our

aim must be to gain the support and sympathy of British people and British Members of Parliament. However strongly we may feel on particular issues, our interest lies in keeping British support for Hong Kong in the difficult years that lie ahead. Nothing we do here should run counter to that main objective and certainly we must be careful to avoid damaging the well earned reputation of Hong Kong people as hardworking, peaceable and friendly members of any community.

Sir, since the publication of the FAC report ministers have indicated publicly that the British Government intends to introduce a scheme which will make some provision for people in the public and private sectors. Although the details are not clear, we assume that the scheme is aimed at those who might otherwise migrate to other countries. The decision to implement these arrangements is one for the British Government but we have put to them most strongly three points for their consideration in devising any scheme. First, if it is to be effective in stemming the flow of talented people from Hong Kong it must be generous in terms of numbers. Secondly, the divisiveness which is inherent in any limited scheme should be reduced to a minimum. Thirdly, and most importantly, any scheme should have as its objectives the need to retain people in Hong Kong.

Sir, I think it would be churlish to suggest that we should refuse to accept any arrangements which would reassure a substantial number of people here and might indeed help to stem the increased outflow of people which would otherwise be an inevitable consequence of recent events in Peking.

But, we have already made it very clear to the British Government that although a limited scheme may help in practical ways to deal with some of Hong Kong's immediate difficulties, it is no substitute for the granting of the right of abode to British nationals in Hong Kong. We will continue to press our case for as long as this remains the wish of Hong Kong people.

Sir, I support the motion.

Question on the motion put and agreed to.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: At this relatively late time and before concluding,

I congratulate Members of the Council on the fact that it is not even later. And owing to the succinctness of speeches, we have got through a long and important debate, in which many Members have spoken in one afternoon. In accordance with Standing Orders I now adjourn this Council until 2.30 pm on Wednesday, 12 July 1989.

Adjourned accordingly at five minutes to Eight o'clock.

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