

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 30th October 1974****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, MBE
THE HONOURABLE THE COLONIAL SECRETARY
MR DENYS TUDOR EMIL ROBERTS, CBE, QC, JP
THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP
THE HONOURABLE THE ATTORNEY GENERAL
MR JOHN WILLIAM DIXON HOBLEY, QC, JP
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR DENIS CAMPBELL BRAY, JP
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP
SECRETARY FOR THE ENVIRONMENT
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP
SECRETARY FOR HOUSING
THE HONOURABLE DAVID HAROLD JORDAN, MBE, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE LI FOOK-KOW, JP
SECRETARY FOR SOCIAL SERVICES
THE HONOURABLE DAVID AKERS-JONES, JP
SECRETARY FOR THE NEW TERRITORIES
THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP
SECRETARY FOR SECURITY
THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, JP
DIRECTOR OF EDUCATION
THE HONOURABLE IAN ROBERT PRICE, TD, JP
COMMISSIONER FOR LABOUR
THE HONOURABLE WILLIAM COLLINS BELL, JP
DIRECTOR OF PUBLIC WORKS (*Acting*)
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP
THE HONOURABLE WILSON WANG TZE-SAM, OBE, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, JP
THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP
THE HONOURABLE MRS CATHERINE JOYCE SYMONS, OBE, JP
THE HONOURABLE PETER GORDON WILLIAMS, JP
THE HONOURABLE JAMES WU MAN-HON, OBE, JP
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP
THE HONOURABLE LI FOOK-WO, OBE, JP
THE HONOURABLE JOHN HENRY BREMRIDGE, JP
DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP
THE HONOURABLE MRS KWAN KO SIU-WAH, MBE, JP

THE HONOURABLE LO TAK-SHING, JP

THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL

MR KENNETH HARRY WHEELER

Papers

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

<i>Subject</i>	<i>LN No</i>
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Subsidiary Legislation:

Factories and Industrial Undertakings Ordinance.

Factories and Industrial Undertakings (Lifting Appliances
and Lifting Gear) Regulations 1974 (Commencement)

Notice 1974 211

Clean Air Ordinance.

Declaration of Smoke Control Area (Remainder of

Hong Kong) Notification 1974212

Sessional Papers 1974-75:

No 9—Statement of Assets and Liabilities and Statement of Revenue and Expenditure of the Urban Council for the year ended 31st March 1974 (published on 15.10.74).

No 10—Annual Report of the Urban Council for the year 1973-74 (published on 24.9.74).

No 11—Statement of Accounts of the Chinese Temples Fund for the year ended 31st March 1974 (published on 30.10.74).

No 12—Statement of Accounts of the General Chinese Charities Fund for the year ended 31st March 1974 (published on 30.10.74).

Government business

Motion

Address of thanks to His Excellency the Governor

THE COLONIAL SECRETARY moved the following motion: —

That this Council thanks the Governor for his address.

DR CHUNG: —Your Excellency, I think this is the first time that deliberations are carried out in this Council when the typhoon signal No 8 is up. I do hope that this signal is really meant for the tropical storm "Elaine", and not for a forecast of a possible storm of controversy created by the speeches of the Unofficial Members.

Sir, it is an honour and privilege for me to be the first Member of this Council to rise to respond to the motion proposed by my honourable Friend, the Colonial Secretary, in thanking you, Sir, for your most enlightening and encouraging address delivered in this Council on 16th October.

Since your arrival three years ago to take up the highest office in Hong Kong, there have been many changes—changes that reflect the march of time, changes that meet the aspirations of our people, and changes that are for the overall good of Hong Kong. The 10-year public housing development programme which will provide accommodation for an additional 1.8 million people, the rapid improvement of welfare facilities, the formation of the Independent Commission Against Corruption, the fast expansion of technical education, the establishment of the Commission for Narcotics, and the 10-year development programme for medical services are a few notable examples of your resolute efforts to improve the general well-being of this community.

On the constitutional front there have been some major and indeed historical changes in the three main Councils of Hong Kong. In the Urban Council, we now have an unofficial chairman and vice-chairman as well as all unofficial members. The responsible attitude of the unofficials in determining the policies and managing the affairs of the Urban Council was a surprise to those die-hards who had previously raised doubts and put forward objections to the re-organization of the Urban Council. I take this opportunity to wish the members of the Urban Council continued success.

In the Legislative Council, many honourable Members will recall the historic moment on 18th October 1972 when you, Sir, proclaimed

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the equal status and use of the Chinese and English languages in this Council. I had the honour to be the first Member to address you, Sir, in Chinese. The introduction of simultaneous interpretation in both the Legislative and Urban Councils has not only aroused greater interest in the public concerning the work of the two Councils but, more important, has opened the way for competent and public-spirited yet non-English speaking persons to serve on these Councils.

In the highest Council of Hong Kong, the Executive Council, you, Sir, have recently changed the basic composition of your unofficial advisers and this change rightly reflects the march of time.

Whilst the Government is advancing towards the goal of a more democratic, responsive and socially conscious administration, the Unofficial Members of this Council are becoming more active and vocal in carrying out their public duties. Throughout the last six years there has been evolution, though I would not say revolution, in the work of the Unofficial Members. In this respect, I must pay tribute to my two immediate predecessors, Sir Yuet-keung KAN and Mr P. C. WOO, who had brought these winds of change.

In order to demonstrate the increased activities of the Unofficial Members, I wish to cite two statistics. During the last annual session 1973-74, the Unofficials asked more questions than in all the 22 post-war years prior to 1968. In the early 1960's the official Hansard report for each session contained about 300 to 400 pages; last session, it had increased to 1,200 pages. Not only has the amount of the Unofficials' contributions increased, but I think it is fair to say that their quality has also improved considerably. The Unofficials have scrutinized the bills in greater depth and have proposed changes more frequently. A good case in point is the Securities Bill 1973, in which over 120 amendments were made as a result of representations by the Unofficials.

Apart from the work directly related to this Council, the Unofficials are also actively involved in many areas of public service outside this Council such as education, medical, social welfare, trade and industry, auxiliary services, *etc.* Chapter 4 of the Fourth Annual Report of the UMELCO Office readily shows the heavy burden of public services shouldered by the Unofficials. Many of my Unofficial colleagues devote more than half of their time in performing their public duties, but even then we do not feel we are doing enough. In recent discussions amongst the Unofficials it was realized that we need more support from the UMELCO Office. This will mean more staff to help the

Unofficials to obtain information, make investigations and carry out research.

Hong Kong is small, both in population and land area, but the Government and the community have achieved a high degree of sophistication and complexity, even by world standards. Recognizing this development, the Government has employed management consultants over the past few years to restructure the Government machinery with a view to improving its efficiency and effectiveness. I think it is also appropriate for the Unofficials to review their role and part in this Council. Despite increasing activities and more time given by the Unofficials to their Council work in recent years, there are still adverse comments from many quarters of the public that the Unofficials are not doing enough to prod Government and control public expenditure.

As honourable Members are aware, the Unofficials are, generally speaking, very busy people and have their own normal business interests which are already time-consuming. There is a limit to the amount of time and effort that each Unofficial can devote to carrying out the Council work. Therefore, with the increasing volume, sophistication and complexity of the work of this Council, the Unofficial Members feel that there is justification for further expanding the number of the Unofficials of this Council to, say, twenty.

Sir, the Unofficial Members also consider that there is a need to appoint to this Council persons from a broader segment of society so as to widen the range of expert knowledge of the Unofficials and to ensure also a fuller expression of the views of the whole of the people of Hong Kong.

There also may be some person whose appointment to this Council is at present out of the question for lack of any financial allowance to carry out the duties of Legislative Councillors. The Unofficial Members suggest that the time has come, Sir, when provision should be made for appointment of persons whose experience befits them for membership of this Council but who could not afford to give up their time or their jobs unless they receive adequate financial allowance for supporting themselves and their families. The introduction of a payment would make it possible to choose as Members of this Council persons who work among the wide base in the organizational structure of factories and shops in Hong Kong.

From time to time we heard criticism that the present Unofficial membership of this Council is heavily weighed towards the interests of the management of commercial and industrial undertakings. From my

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own experience I know that my Unofficial colleagues do in fact maintain an objective and impartial attitude towards legislation which seeks to improve conditions of work and provide protection for labour. But for so long as the Unofficial composition of this Council is seen to be comprised of managers alone, be they professional or owner managers, there is bound to be criticism and suspicion by the general public here and by our critics overseas. It would therefore be a move forward in the right direction if appointment can be made to this Council of persons who can themselves speak for the workers of Hong Kong who number more than a million in our 4 million population.

Whilst on the subject of labour, I could not agree more with you, Sir, when you said: "Hong Kong's prosperity depends fundamentally on its principal resource, its diligent and adaptable work force". In the absence of wide-spread effective trade unionism, Government has the special responsibility to ensure that labour would get a fair share of our success and to seek continual improvement in working conditions and terms of employment in line with the advancement in our industrial development.

You, Sir, have already given in your address to this Council a *resume* of our recent achievements in labour legislation and indicated what the Government would propose for the coming years. However, there is one particular area of labour welfare to which the Unofficial Members would like to draw the attention of Government.

The lack of long-term benefits for industrial workers has attracted adverse comments from many people who have interest in our labour conditions. Practically all remunerations in industry are based on the short-term approach. For the mass of manual workers in Hong Kong, retirement benefits in the form of pension schemes or provident fund are, with a few exceptions, almost unheard of.

As some honourable Members are aware, until very recent times the Chinese family unit was the greater family, composed of wide lateral and vertical relationship. The family accepted social responsibility for all members within the unit—the young, the old, the disabled, the unemployed and the rest. However, with the development of an industrial society, there is a gradual break-up of the old family system on the one hand and progressive build-up of the new spirit of independence of the young on the other. There is a growing unwillingness of the young people today to carry family burdens to the same degree as their forbears.

Sir, the Unofficial Members believe the time has come when the Government should seriously look into the feasibility of establishing a central provident fund for manual workers. In principle, the employers contribute, say, about 5% of their employees' wages to the fund which is managed by a statutory body. If desirable, some kind of unemployment benefits could be incorporated into the fund. This fund will not only help provide the long-term benefits for the lower income workers but will also create the involvement of a great mass of people. These people will have a stake in Hong Kong and a sense of belonging.

Whilst talking about the involvement of people, there has been a suggestion put forward to Government that tenants of public housing should be permitted to purchase by instalments the flats which they occupy. This idea appears to be an excellent one as it will not only help create a sense of belonging for these people but will also help improve the cash flow for the Housing Authority. Many people like myself would like to see an early realization of such a proposed public housing ownership scheme.

Turning to another completely different issue, Sir, the Unofficial Members share your concern about the trend of recurrent expenditure which in recent years has been rising at a rate of about 20% per year. My Unofficial colleagues and I also share your doubt, Sir, whether it need be as high as this if the Government administration were as productivity-conscious as the management in industry. Productivity basically refers to an improvement in the ratio of output index to input index. One powerful tool in raising productivity is to establish performance objectives. Unfortunately, in government administration as in many service industries, it is not easy to set proper performance objectives, without which the work output naturally tends to drift lower.

During the recent past some governments in the Western World have spent much effort for enhancing productivity in public administration. For example, the US Federal Government has established the National Commission on Productivity and Work Quality which has done much in this area. However, comparing with industry, the application of productivity in Government is still way behind. This is because problems in defining productivity in governmental work are difficult. For example, what is a suitable output measure in fire or police work? Another problem is the great inter-relationship and overlap of departmental activities in government.

On the other hand, there are some governmental departments whose performance standards and operating results can be easily measured and assessed. The Waterworks and the Kowloon-Canton Railway are good

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cases in point. These two departments are basically public utilities. They could and should be run along commercial lines. Other examples are Kai Tak Airport, the Printing Department and the General Post Office. The Unofficial Members suggest that these departments should have independent systems of accounting so that their operations are properly costed, their profit and loss accounts correctly drawn up and their balance sheets accurately prepared. By this way, their productivity and profitability can be assessed and, Unofficial Members are sure, enhanced. Some of my Unofficial colleagues later in this debate will touch upon this issue of productivity in public service in greater detail.

Sir, like many people, the Unofficial Members welcome the publication of the much awaited White Paper on Secondary Education in Hong Kong over the Next Decade. I would like to say at the outset that on the whole this White Paper has the general support of all the Unofficial Members. However, individual Unofficial Members do have reservation on some particular points. Later on a few of my honourable colleagues, particularly the two learned educationists, will be speaking more comprehensively on this White Paper; I nevertheless shall look at it in relation to our industrial development.

As honourable Members are aware, more than half of Hong Kong's working population are directly employed in industry and it is unlikely that this pattern of employment will be changed significantly in the next decade. If we accept the fact that we have to depend on industry to provide employment opportunities for the majority of our working population, it is essential that technical and vocational education should be given due emphasis in our secondary education.

One major criticism of the White Paper is the policy not to expand the pre-vocational schools in which a three-year course of equal emphasis to both practical and general subjects is provided for after a basic six-year primary course. In the late 1950's and the early 1960's, I was one of the advocates of this type of pre-vocational school. At that time and even today, there are many children who have completed the primary education but did not do well in their secondary school entrance examination. On the other hand, they are too young and have not yet reached the industrially employable age of 14 years. Even if they have, few industries are willing to employ them until they are 16 years of age due to different regulations controlling their employment. These few years form the famous "gap" which has been frequently referred to in Hong Kong. These pre-vocational schools therefore serve the useful

purpose of filling this “gap”. They have done and are still doing a good job for the community. But the education policy of the White Paper is for the decade of the 1980's. The conditions in Hong Kong by then will be quite different from those of the 1960's and the 1970's and the role of our present pre-vocational schools should be reviewed.

As honourable Members are aware, we are living in an industrial world of increasing sophistication and rapid technological changes. Since our survival depends so much on the export of our manufactured products, we have to ensure that our industries remain competitive not only in price but also in quality and technical advancement in the world markets. It is therefore essential that the future labour force in our industries should be adequately educated with a minimum of nine years' general education so that they will be able to accept more sophisticated industrial training and, in the case of future changing conditions, respond to subsequent re-training at higher or of different technological skills.

On the other hand, as we continue to succeed in our economic development and as our society will, become increasingly affluent, we can afford economically to provide all our children gradually with more years of general education than we can at present before they take up employment or enrol for vocational education and training. I therefore fully support the proposal in the White Paper that all our children should receive a minimum of nine years of subsidized general education. I hope some of the present pre-vocational schools will consider raising the level of their course to suit the new secondary education system and to cater for the junior secondary rather than the primary school leavers. Ideally, this type of school should provide one or two year prevocational or vocational courses at post-junior-secondary level.

It is essential that a 25% to 30% practical and technical content be included in the curriculum of the junior secondary schools so as to give our children opportunities to discover and demonstrate in which area their natural ability and talent will lie. This will greatly help them to decide on the right course and occupation which they should take in the future. However, it is not a good policy to leave the provision of practical and technical subjects in the curriculum to the discretion of individual schools. Uniform standard for all schools is a key in my view to the success of regionalization of schools.

At present there is insufficient provision for technical or vocational education at the secondary level. The senior secondary technical school

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with its present curriculum is a misnomer. I therefore welcome the proposal in the White Paper to revise their curriculum with a view to increasing the scope and improving the standard of the technical subjects.

The vocational courses of various durations at craft and lower technician level, as offered by the Morrison Hill Technical Institutes, are in great demand. In implementing the new secondary education system it is necessary to provide more vocational courses in these technical institutes for the junior secondary school leavers. I can see a great and increasing need for further development of these technical institutes in the 1980's and it is hoped that Government will not shed its responsibility to establish more technical institutes, as and when required.

Another criticism of the White Paper is the introduction of a new public examination for the Junior Certificate of Education. It is recognized that an examination to be conducted in a few hours or even a few days cannot really show the true standard achieved by a student. However, unless and until we can develop a really better method than an examination, I do not think we have other acceptable alternatives. I therefore believe a public examination at the end of the nine year general education is absolutely necessary in order to provide pupils with some evidence of their educational achievement and to perform the grading exercise for subsequent education and training.

So much has been said about the White Paper on Education. Before I resume my seat, Sir, I would like to say a few words on behalf of the Unofficial Members on the issue of balancing revenue and expenditure which has been talked about by the interested public in the recent past. My Unofficial colleagues and I are indeed mindful of the substantial disparity in the growth rates between the total public expenditure and the gross domestic product in Hong Kong. We have initially discussed revenue-raising considerations and expenditure economies, and will be continuing with our study and deliberation in detail.

With these remarks, Sir, I have pleasure in supporting the motion before Council.

MR WANG: —

(Address delivered in the Cantonese dialect. The following is the interpretation of what Mr WANG said.)

The Combating of Crime

Sir, “the fear of crime and criminals continues to be one of the most disturbing factors in the life of our community, and particularly in the lives of its poorer members. This Government has the clear duty to restore their peace of mind.” This is what Your Excellency said in your address. It is indeed an incisive statement showing deep insight on a social malady facing our society today.

Corruption, racketeering, triad societies and drugs are the four crimes most pervasive in our society, especially in the lower strata and cause the gravest impact on the low-income-earning citizens. The first three conspire together and affect the poorer citizen in every way. Drug traffickers, exploiting the existing situation, find these victims easily led into drug addiction or trafficking and to become scapegoats for big drug traffickers, and here again it is always the poor people who suffer most. I am very glad to learn that Government has taken specific and realistic steps to combat crime by (1) increasing the number of policemen on the beat, (2) raising the quality and efficiency of our police, (3) encouraging and advising the establishment of mutual aid committees. For item (3) more stress should be placed on protecting the freedom of the “small men” in their desire to make a living. For item (3), the aim is to develop a spirit of mutual assistance to foster further co-operation between the Government and its people. I hope such development will not be restricted to the high-class residential areas. Rather it should be spread to all other areas in Hong Kong. Residents in these other areas work longer hours, have a lower standard of knowledge and it is understandably more difficult to organize them. But if the Government is able to render assistance, I am sure we can still fulfil this task.

Soon after Your Excellency's arrival, you ordered the establishment of the Independent Commission Against Corruption. This move has received wide acclaim reflecting very clearly all citizens' deep feeling against corruption. The Commission, under the leadership of Mr Jack CATER, is already showing remarkable performance. Our citizens placed high hopes and great confidence in the Commission's ability to uproot the evils of corruption. Besides the Operations Branch, the Commission is forming a Prevention of Corruption Branch and a Community Relations Branch which will surely expedite the

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removal of corruption from our society. However I hope that more efforts will also be directed to protecting our "small men" from extortion and blackmail. By doing so the Commission will receive greater support from all sectors of the community and its contribution will also be of greater value to society as a whole. To elucidate the degree of the public's concern on this matter, one only needs to examine the reason behind the wide-spread interest shown in the Godber case.

Punishment of Crimes

With increasing the efficiency of the police force and strengthened anti-corruption work, a bigger number of detected crimes will follow and so will the number of convictions. The types of punishment and their physical capacities should also be raised correspondingly. For instance, the lack of prison cells can sometimes deter our judges from giving the appropriate sentences to offenders. The detention centres, which have now been in operation for two years, have proved effective with our young offenders. More such institutions should be set up. Many other measures have been adopted to punish offenders in Hong Kong. Besides the two listed above, there are borstals, probation and corporal punishment. Capital punishment aside we should re-examine and evaluate all methods of punishment to see whether they serve a penal purpose. The assessments we received in the past are based mainly on the percentage of recidivists. The accuracy and reliability of such statistics is very doubtful because we know nothing of the percentage of those who continue to break the law without being detected. If such statistics on rehabilitation and placement can be included, the information will be more valuable. After-care work of released prisoners should include a stipulation that they report to the authorities after a certain period of time stating their occupation and their current living conditions. Such a measure will allow a more accurate assessment of the effects of our penal system. It may also encourage ex-offenders to lead a new life.

Sentencing offenders to hard labour in the form of services to the community has been suggested by some people. It would be especially appropriate for some offenders because it would give them a chance of doing penance for the damage they have caused to society and help them to develop a sense of civic-responsibility. The most serious offenders could be sent to outlying areas to help develop the land and less serious ones could be sent to clean up public places. I think that such a method of punishment would be especially good to those

physically strong but morally weak and irresponsible young offenders. The introduction of this method of punishment is most appropriate with the present shortage of accommodation in our existing prisons. I hope the authorities will consider this suggestion seriously and bring it into effect.

Sports and Recreational Facilities

Your Excellency has said that it is very important that we have more facilities in this over-crowded city. “We need to maximize the facilities that are already in existence and to provide new ones. There is a parallel need to develop the countryside, its mountains and the beaches to provide recreation and fresh air when people have time to get to them.”

Although the Council for Recreation and Sport is newly established, it has already drafted detailed plans to develop recreational and sports activities in our various districts. The aim is that all existing facilities should be used to the maximum so that recreation and sport can be popularized. This is a very meaningful task and I hope Government will give its full support.

Now I would like to make a special plea to Government for the speedy construction of the Hung Horn Stadium, the call for building an indoor stadium in Hong Kong having started as early as twenty years ago. Fifteen years ago in the Urban Council I urged that the matter be attended to as soon as possible. I was later appointed to chair the construction planning committee. Much information and advice was obtained from various sports associations, including mention of the possibility of its usage for industrial exhibitions from the Commerce and Industry Department, and for international conferences by the Tourist Association. After years of discussion a detailed report was presented to Government for consideration. In 1968 this stadium became part of the public works programme, and I thought that it would not be long before we had an indoor stadium. Later Government again announced that because this programme should be developed together with the new Hung Horn Railway Terminus we would have to wait until 1974 before we could start construction. Now when everything but money is ready, there comes another worry as the Financial Secretary, because of the present economic situation, is trying to cut drastically public works expenditure. When would the building of this stadium start? I appeal to my honourable Friend, the Financial Secretary, to spare this project from the guillotine.

[MR WANG] **Motion**

New Territories Administration

The New Territories have developed very rapidly to a population of over one million. New towns are continuing to take shape. The administrative set up of the New Territories should be improved to cope with changing times. Two other Unofficial colleagues will air their views on this matter today. What I want to raise are points concerning new towns where development is remarkably fast and population is increasing especially rapidly. For instance, in Tsuen Wan where it has become so heavily urbanized, the establishment of a District or Town Council of the same style as the Urban Council would greatly improve the efficiency of administration of local affairs, better sanitary and general environment and all matters related to the daily life of local inhabitants. If such a council is composed of local members, it would act with more sense of responsibility and be more concerned about and more knowledgeable of their local affairs. It would promote better co-operation between the Government and the residents. And its service will be more effective.

Ever since its re-organization and financial autonomy, the Urban Council has achieved high efficiency. As a member of the community, I feel that I have benefited. The fact that at the end of this financial year they are able to have a large surplus is very admirable. Your Excellency has also praised the Council for its drive and imagination. I would like to associate myself with your comments. As a previous member of the Council, I feel I can be justly proud.

White Paper on Secondary Education

The Education White Paper has received much attention in the past two weeks in the press, on television and radio and among the citizens. This is as expected because education is one of the main concerns of the community as a whole. Whether he is a parent, a teacher, an employer, or one who is concerned with social welfare, present or future, he will admit that the Education White Paper has much to concern him. I have taken into consideration the various comments and criticisms and would like to raise a few points here.

(1) The Education White Paper proposes that in 1979 the goal of providing 100% of the primary school leavers with three years subsidized junior secondary places will be reached. This rate of progress shortens the period of time proposed by the Green Paper by half and is much praised by the public and the mass media. To achieve

this goal we have to increase the number of Government, subsidized, and brought places from 137,000 to 280,000, that is almost double in five years. It is very ambitious indeed by any standard. Here we should pay tribute to the Board of Education, the Government authorities and all organizations and individuals who have contributed so much towards this proposal. We are most satisfied as Government's acceptance of this proposal reflects that the Government is democratic and takes public opinion into consideration.

(2) The abolition at both the secondary school entrance examination and the system of allocation into 3 types of school place according to examination performance, reflects a triumph for public opinion, as undeniably, for a child of twelve to have his future career determined through a single examination is very unfair. After we have abolished the secondary school entrance examination, we have to devise a new system of allocating secondary school places for primary school leavers. Society at large is very concerned with this problem and it is doubtful whether the authorities can get the full co-operation of all secondary school headmasters for a fair and just means of allocating secondary school places. Some schools might have the privilege of enrolling the "cream" of the primary school leavers while other schools will get what is left. The burden of education will vary greatly among the various schools. Of course this new method of allocating secondary school places comes into effect only after the secondary school entrance examination has been abolished. But in one or two years' time when we shall have 70% to 80% secondary school places for primary school leavers, there will be various symptoms to which the Government should pay attention.

(3) The proposal of the junior certificate of education has received most criticism from the press. These criticisms are for various reasons. First it is because the secondary school entrance examination has already cast a shadow of fear deep-rooted into the mind of many people. They have become allergic to the word "examination". The second reason is that some are not satisfied with the fact that universal education would end at Form III level. However, the main point of such criticism is not on the merit of junior certificate of education examination but rather whether we should extend universal education up to Form V level. But this is beyond the scope of the White Paper. However Government should try its best to recruit experienced personnel, accept professional views, and evolve teaching methods, subjects and syllabuses catering more to the actual need of our society. The result of the proposed junior certificate of education should clearly reflect the aptitude of students and their suitability for further education.

[MR WANG] **Motion**

The certificates they receive will show their genuine abilities so that the employers know who to employ when they look for employees.

(4) The quality of education has also attracted much criticism. Actually the White Paper shows in section 2, paragraph 23, its attention to the problem and the steps it will take. Unfortunately the White Paper states that educational television for secondary schools is only under consideration. As for the fourth teachers training college, the White Paper states that should the need arise in the future, we will start planning for one. Such statements draw a lot of criticisms as both these items are very urgent and they will help greatly in improving the quality of education in Hong Kong.

The principle and main recommendations of the White Paper may not have gone all the way to meeting the wishes of every individual but they have been well received by the general public. What is left is for the Director of Education and all the relevant authorities to cooperate fully and to put forward this plan. If the aims proposed by the White Paper can be achieved it will be a big stride forward in the field of education in Hong Kong.

The future work of the Education Department is difficult and very challenging. The head of this department should not be limited to having teaching experience and intellect, but he should have administrative ability, be aware of the evolution of our society, its economic development, and its cultural background. The new Director of Education, Mr TOPLEY, has worked in various Government departments for a long time. He has been Commissioner of Census and Statistics and Director of Social Welfare and he has the experience and knowledge to shoulder the responsibility. He is the best choice for a Director of Education and I congratulate Your Excellency for this wise choice.

Primary Education

With the prospect of having a 9-year universal education plan for all children within sight and as we now have a surplus at primary school places, it is time for us to make some improvement in the field of primary education. I suggest that the primary school admission age should be lowered step by step until the age limit of five is reached. The limit we have now is six. That is, if the child is not six on the 1st September, he will have to wait until the next year. Hence the average age of entry is 6½. After nine years he will be 15½, that is, one and a

half years older than the minimum age for industrial employment. Now for the poorer family this will mean a longer period at taking care of the little children at home and a prolonged period of their dependency on the family. From the education point of view, kindergartens are considered most suitable for children about 4 years old. When they are above 5 it is internationally acknowledged that they are suitable for primary education. In all advanced countries in the world they now all set age 5 as the age for entering primary school and this is the practice for English schools in Hong Kong. When our students go abroad for further education they often find themselves over-aged compared with their counterparts there. The subsequent delay in leaving school causes a loss of productivity for our society in no small measure.

As for compulsory primary education, I believe under the present situation in Hong Kong that we should push forward harder towards this goal. The number of primary school places was already enough three years ago for all school age children with a place and now we have a surplus of over 100,000. Two years ago this Council passed a bill to empower the Education Department to ensure that parents sent their children to school unless they had a really justifiable reason. It seems that it has not been fully enforced. I hope the authorities will pay more attention to this so that children will not be deprived of at least a primary education which is their proper right.

MR LEE: —Sir, stocktaking, by its very nature, is apt to be a sober and unexciting business. But it is essential, for Government and commercial undertakings alike, that it should be done regularly, in the interests of the public and the shareholders they respectively serve. As you say, Sir, it is important to take stock so that we may know where we stand and where we are able to go and how fast. Some may have found our present stocktaking somewhat less glamorous than the 10-year programme outlined in your address two years ago, but most will nevertheless have been impressed by the thorough way in which Government has gone about the planning of detail and the formation of policy, as announced in your speech, in respect of Government expenditure in a slackened economy. The community must be pleased that Government has decided to proceed with all the carefully conceived plans for housing, education, medical and health services, social welfare and transport. We Unofficial Members regard this as being the correct approach, not only for reasons mentioned by you, but also for other reasons upon which I should like to elaborate.

[MR LEE] **Motion**

First, it is a vote of confidence in our future: confidence which is indispensable to our continuing development. The people of Hong Kong need to have this confidence, this faith, if we are to continue striving for a better future, whilst those overseas need to have confidence in us if they are to continue investing in Hong Kong; a fine example of this sort of development being that which you mentioned, Sir, to house 30,000 people in Now Sha Tin.

Secondly, in most other countries, Government expenditure is sometimes used as a way in which to use the economy, to reflate or deflate it as the need arises. Hong Kong has never had to resort to such a measure and should not do so if it can possibly be avoided. Even if it has to be done, it should only be done restrictedly and for short term only. In our present state of slackened economy, however, the decision to go ahead with established plans will serve to provide employment in certain sectors of industry and this is to be commended.

Thirdly, we are conscious of the fact that we are running at a deficit in the current fiscal year. But we are also aware we have a low national debt; reserve in taxability both in magnitude and altitude; and some reserves. Sir, these are budgetary matters which should best be left for debate in the honourable Financial Secretary's budget proposals next February. But I just mention that some or all of these can be resorted to in case of need.

Economy

I now wish to comment on the economy—the outlook for which we all know is so much dependent on external factors; much more so these last two years than ever before.

Due to many factors unique to Hong Kong we were able, for many many years since the war, to participate invariably to the fullest extent in the benefits of external prosperity and yet insulate ourselves to an admirable degree from the defects of external depression. This situation pertained until a year or two ago when we could no longer hold on to this privileged position at least as far as insulation was concerned, partly due to the extent of our growth and increasing reliance on external trade and partly due to keen external competition. I need only quote one instance to bring out the point. The Hong Kong banking system was able to maintain for many years its prime lending rate at between 6 - 8 *per cent* per annum irrespective of much higher interests rates in the Euro-Dollar market and the UK bank rates. But since July

last year we were no longer able to do so and had to increase it progressively to the rate of 12 *per cent* per annum which incidentally is reduced to 11½% as from today. The increase has been necessary to protect our deposit base on which the financing of our industry depends.

That we are no longer in a position to be insulated from the adverse effects of external depression presents new challenges. It is vitally important that we should do everything possible to maintain our competitiveness. I am sure that we can rely on our businessmen, industrialists and workers, who are so adaptable to changes, to play their part as they have done in the past. I am also sure that we can rely on Government departments concerned, particularly the Commerce and Industry Department in trade negotiations, and on the Trade Development Council: under the able chairmanship of the honourable Sir Yuet-keung KAN the TDC will certainly leave no stone unturned in its efforts to assist in the promotion of external trade.

While it is hard for any one to predict the world economy, it is comforting to see during the last two weeks the beginning of a downturn in interest rates in most of the international money markets, reflecting easier money supply. Once measures to control inflation taken by the major countries have their desired effects and with the not unreasonable hope of a smooth recycling of oil proceeds there may well be some recovery of general world economy next year when we shall again be able, I am sure, to have our usual full share of its benefit.

Industrial Estates and their financing

For some long time, the provision of land for industry has been a major weakness in our competition with neighbouring countries for overseas investments. In particular this has been the case in respect of land-intensive industries.

The decision by Government to provide more land in the form of new industrial estates is a most welcome step in the right direction. My industrial colleagues will no doubt have a lot to say on this in their speeches, and today I will confine myself to the financing aspect of these projects.

I understand that a working party is currently considering the desirability of establishing an agency to develop the land. A point of great importance is whether Government or the private sector or both should provide the necessary money. It seems to me that if it is to come from the private sector or both, consideration may be given to

[MR LEE] Motion

having two separate bodies, one charged with the physical development, eventual sale, letting and management of the estates, and other to raise the necessary money for financing. Bearing in mind the substantial amount of finance that will be required, I believe studies should now be made whether it is desirable to set up an Industrial Development Bank with joint Government and commercial participation and expertise. It should be operated commercially and designed to raise money locally as well as internationally in particular and deal only with substantial and worthwhile projects related to industry; it should not dissipate its efforts on small items.

Government Productivity and Cost Control

Our senior Unofficial Member, Dr S. Y. CHUNG, earlier expressed the view of all the Unofficial Members on productivity in Government administration, and this matter was Your Excellency's concern as mentioned in your speech. Dr CHUNG referred to productivity as the improvement in the ratio of output index to input index. In simple words, productivity is related to cost, and higher expenditure should bring about at least relatively higher productivity. But as Dr CHUNG has pointed out, it is not easy to measure productivity in most Government business. The basic approach, therefore, is to be cost-conscious. We are all concerned with what seems to be the inevitable and ever-increasing expenditure, and so it is important that we should consider how to economise or to avoid wastage. I have no doubt that the answer lies in stricter cost-investigation and control.

The post office box rental was recently increased quite substantially. I appreciate that this increase was the first since 1959 but I can see there are two other possible reasons for it. One is the rise in capital and operating costs, and the other is the excess of demand over supply. In respect of the first reason, I should point out that the present rental for a bank safe-deposit box, which is similar in size to that of the post office box, is about one-third cheaper; and yet this is a profitable business operation for the banks on a commercial basis. The second point—excess of demand over supply—is a separate issue. But I understand it is not Government's policy to make profit on a service which it has a duty to provide.

Lest I give the impression of being over-critical of the Post Office, I must say that I mention this question of post office box rental only as an example of the importance of cost-control. In fact, I have considerable respect for my friend the Postmaster General who, I understand,

is in process of recruiting a controller for accounts and finance to set up a new section responsible, amongst other things, for the costing of Post Office services. I wish him every success in finding someone of the right calibre and experience for this important job.

Cost control in Government expenditure is the overall responsibility of the Cost Investigation Division of the Finance Branch. I understand that quite a few of the approved posts of accountants for the Cost Control Unit have been vacant for some long time now due to recruitment problems. Under strength at this level must, to an important and unsatisfactory extent, inhibit the many cost control exercises that need to be done. Here I express the view of all Unofficial Members when I say that the Government should intensify its efforts on cost control and take immediate steps to fill the vacancies in that unit. Indeed, even if the vacancies were filled, I very much doubt whether a unit of the present size would be adequate to perform properly the duties of cost control in the huge Government machinery. I understand some re-organization is now going on in the Finance Branch. I hope the honourable Financial Secretary will inform this Council what is being planned to improve the cost investigation and control in Government expenditure. It would be useful for major departments to take steps to set up separate sections to cost their services in the same way as it is proposed to do in the Post Office.

Sir, Hong Kong has the traditional faithful and efficient public service with which our people is always pleased. Now that the question of productivity and cost control is brought up, I am sure when given the required attention the public service will certainly be cost-conscious as well as productivity-conscious, thereby bringing higher productivity with lower cost.

White Paper on Secondary Education

Dr CHUNG has already stated that the White Paper on Secondary Education has the general support of all Unofficial Members. But, as you know, Sir, the White Paper has not met with unanimous acclaim by all: a number of controversial points have been raised by various members of the public. My colleagues will deal with these points separately. I now confine myself to just one point, that is "Language of Instruction". There was originally proposed in the Green Paper that the "Language of Instruction" in junior secondary forms should be in Chinese, but this proposal has been modified in the White Paper. It is now the intention that individual school authorities should themselves decide whether the medium of instruction should be English or

[MR LEE] **Motion**

Chinese for any particular subject in junior secondary forms. Government has reasoned that, in order to maintain progress, Hong Kong will continue to need people at all levels in commerce, industry and professions who are at home in English as well as in Chinese.

I now speak on behalf of all Unofficial colleagues in saying that this is the correct approach and that it has our full support. Admittedly, students between the age of 12 and 14 may be able to learn more readily if instruction is in their mother tongue. But I submit that the choice of language as a teaching medium, particularly during the first three years of secondary education, has such far-reaching effects that a decision in respect of it must be taken in the overall interests of the students concerned, irrespective of whether they go further in their studies or not. Consideration must be given to the value which would be gained from the use of such medium both at the time and after completion of their initial secondary education years.

According to the White Paper, by 1979 places in senior forms will be available to the extent of 40 *per cent* of the students in the public sector: 55 *per cent* if the private sector is included. For those who leave school after completing Form 3 (this would account for about half of all the students) their having been taught in Chinese would certainly have given them some advantage during their studies: but such advantage could be outweighed in most instances by the handicap they may have in their future careers because for most of the jobs they do and in the circumstances of Hong Kong, the inability to speak reasonably to write or to read English could also be a disadvantage. For the other students or for the other half of the students who proceed to the senior forms and further aim for one of the universities or the Polytechnic, they would have the extra burden of catching up with their English as required in the post-junior-secondary as well as with their post-senior-secondary studies. We must also face the reality of life that, given two candidates of approximately similar academic qualification and ability, the one with the better knowledge of English will certainly have a definite advantage over the other. Such is the position now: it could become more pronounced when the standards demanded of employees become higher in future. The arguments for and against in this controversial matter are likely to wax loud and long but on balance I believe it is advisable to leave the choice of language to the schools concerned.

It may seem to some that Government has made a decision not to make a decision—but as we are all aware it is not as simple and

easy as that. In a world in which individual freedom is becoming more and more restricted, I think it is important that we here in this assembly should test even more carefully than in the past all measures that come before us to ensure that individual freedom is not being eroded unnecessarily. This is a case in point: the Government's proposal means that the schools, the parents and the students will be able to exercise freedom of choice in the language of instruction they prefer. I think that this is right, and I therefore support the Government proposal. But in doing so I would also add that we must always be flexible in such matters: if, in the light of experience, some modification of this proposal is found necessary, then we must be pragmatic and be prepared to make the necessary change. This is provided for in the White Paper.

New Towns

Sir, the subject of new towns in the New Territories and their costs were mentioned in your speech and I fully support their development as our resources allow. In the present situation, the provision of further land for new towns depends so much on the development of the New Territories in which we already have several established towns. I understand plans have already been approved for the further development of these well-established towns and I wonder if due consideration has been given to reactivate or to accelerate these plans. Certainly it would be speedier and less costly to have a "Greater Yuen Long" or "Greater Tai Po" because the infrastructure is already in existence, particularly those where the new industrial estates are proposed to be established nearby.

Sir, I support the motion.

MR CHEUNG: —Sir, you have reminded us that it has become necessary to cost each of our long term programmes and that this process has been going on for some months in the Secretariat.

Recurrent expenses must, of course, as a matter of policy, be met out of recurrent revenue. The increase of recurrent expenditure recently at the rate of 20% annually is a matter of concern to us. It has been fortunate that in the past five years it has been matched by the rise in revenue at approximately the same rate, but it would be sanguine to think that that rate of increase of 20% per annum would continue. The long term trend of the rate of increase in revenue, since 1952, I have worked out to be just short of 14% compound annually,

[MR CHEUNG] Motion

that is to say revenue on a long term basis doubles itself in just over five years. Sometimes the growth over shorter periods has fallen to 10%, but the slower growth has been counter-balanced at times by a much higher rate of growth. So whether recurrent expenditure takes the form of salaries or of consumables, its growth, in my opinion, should not exceed 14% annually on a long term basis.

Accounting on a cash basis is perfectly satisfactory for the purpose of deciding on increases in recurrent expenditure. However, I am not persuaded that it is a satisfactory basis for determining what should be the proper rate of growth in certain forms of capital expenditure. I refer to capital expenditure which is in the nature of capital investment: roads, railways, desalting plants, the airport, industrial estates, and the infrastructure of new towns all fall within this category, among others. Some of them produce recurrent revenue directly, for example, railway fares, water charges, aircraft landing charges, and rates charged on new premises constructed in new towns. But over and above such direct contributions to revenue, such capital investment indirectly generates other revenue: for example, premia from land sales, profits tax, salaries tax, property tax, and tax on the fuel which is used in motor vehicles which, perforce, have to get from one place to another.

So far as I am aware, no attempt has been made to assess the growth in these heads of revenue which have been generated by our modest capital investments in developing Tsuen Wan and Kwun Tong, and in making services like a water supply available to industry in these two towns; equally, I am not aware that such matters have been taken into account in recent months in the Secretariat when subjecting capital expenditure to scrutiny and in deciding on priorities. That such an approach is not easy I appreciate, yet it is the approach which is adopted by those who are engaged in business and industry; an industrialist who is considering whether or not to invest \$10 million on the new plant of necessity works out what such plant will produce by way of revenue when it starts to work and during its life. The industrialist's first consideration will be: is it worthwhile? His next consideration will be: where is the capital coming from? If it is worthwhile and if he is credit worthy, he borrows money from his bank or raises money in the market, if he has not saved sufficient out of revenue for such investment. And of these two considerations, the first, whether it is worthwhile, is much more important than the second, where the money is coming from. The technique of determining whether it is worthwhile, in dollars and cents, I am told is a form of cost accounting, a technique much more sophisticated than cash accounting,

but well known to professional accountants and utilized by them as a tool of their profession every day as a matter of course.

Like you, Sir, I do not find daunting the shortfall of \$1,960 million which my honourable Friend the Financial Secretary estimates to be what capital works will cost and what is available to meet expenditure from revenue. I am fairly confident that if he too adopts cost accounting other than cash accounting he will not find it daunting either.

I make those observations, Sir, because I do not want the Secretariat, in determining priorities and in deciding policy, to be hide bound within the narrow confines of cash accounting. There is, in my humble view, no necessity to determine what money should be expended on capital works of an investment nature by reference to what cash is available today; that decision should depend on what the total cash revenue that that capital investment will bring during the life of capital works constructed. And if there is an immediate shortage of cash, it should be met by borrowing. A start, as honourable Members know, has been made by borrowing from the Asian Development Bank to finance the desalting plant, and more is being negotiated for other works. But I do not think any attempt has been made (apart from a small loan immediately after the war) to tap the capital resources represented by the savings of our people. It is a field which I would urge is worthwhile considering, as a matter of policy. I am not, of course, advocating that we run up a national debt that we will never be able to pay off, equally I think we have gone to the other extreme of attempting to meet capital expenditure entirely out of revenue. Very few businesses are fortunate enough to do that; most would have passed into oblivion had they attempted it.

In absolute terms we are spending on public works a sum equivalent to about 5% of our Gross Domestic Product; I think, provided the rate of growth is not too steep, we will have no cause to worry till it gets to 10% or even 12%. In the long term, I firmly believe that such capital investment in the next few years will be worthwhile taking fully into account long term gains for the revenue; and when you consider also, Sir, the benefits that will accrue to our economy as a by-product for the purposes of this exercise, of such investment the question of whether to spend or not to spend answers itself, with a firm "aye", loud and clear. It need not result in higher taxes, and in my judgment it will not. It has been in the belief that new expenditure on new roads, new flyovers, new towns and on the New Territories is worthwhile, taking a long view, that I have consistently advocated investments

[MR CHEUNG] **Motion**

in roads and on the infrastructure of new towns and even of old urban areas.

It is, Sir, of the utmost importance to our revenue and to our economy that such expenditure on capital investment projects be not throttled by a policy based on simplistic accounting methods. The question that all policy makers must answer is not, do we do without or do we raise taxes? The question is, is it worthwhile? And the second question is: where do we find the money? We have, in my submission, for too long looked for investment capital out of current revenue: it is a custom that has grown stale, and will be better honoured in its breach than its observance.

With those remarks, Sir, I support the motion before Council.

MR LOBO: —Your Excellency, I would like, before anything else, to associate myself with my colleagues who have spoken before me and others who will follow in extending to you, Sir, my deep appreciation of the manner in which you have managed the affairs of Hong Kong and I would like to wish you continued success and good health in the future.

Sir, I shall limit myself to only a few points, leaving the other matters to my colleagues to mention and to be taken up by us in the course of this session.

Government and the People

My first point concerns "Government and the People". My honourable Friend the Secretary for Home Affairs, Denis BRAY, spoke at length very recently on this topic and I have chosen his title to elaborate.

Despite criticisms from those who think it fashionable to air only disapproval but never see fit to acknowledge all the benefits they enjoy, I would like to say that there are few places in the world, and in particular in South East Asia, where people have the same opportunity of voicing their opinions freely through the media of radio, television and the press. However, what I find rather disturbing is the fact that some people seem to gain more publicity by trooping to the police station to obtain their permits to hold meetings and rallies than they do from the programme and speeches they produce for the occasion itself. For this reason, I would like to suggest that the time

has come to have designated areas in Hong Kong and Kowloon where those so inclined could use the speaker's corner at any time when these places are open to voice their opinions without the need of obtaining prior approval from the police. Their freedom to speak would be subject to the condition that they do not create public disorder or go into a procession to disrupt the life of the city and cause nuisance to others.

Sir, you more than anyone else have set in motion ways and means to narrow the gap between Government and the people. The forms of consultation and of obtaining public opinion through the Green and White Papers have gained success. I applaud Government's efforts through the honourable Secretary for Home Affairs and his large network of operation in reaching the masses—indeed, they have done well. However, there are still many gaps which could be looked into.

For instance, a small part of Kai Tak Airport is giving Hong Kong a bad name. Unlike other airports, passengers arriving at Kai Tak find themselves facing some women in white who seem to be most displeased at having to look at their health papers. After going through other formalities, during which the passengers are given no feeling of being welcome, they are often fleeced on exist—and they have yet to face other problems: the apparently unsolvable transport situation at Kai Tak.

Likewise, Government clients, that is to say all those who have dealings with Government in one way or another such as those who have to pay water charges, rates and other demand notes. These people often find themselves in the unenviable position of feeling unwelcome and are treated as if they have committed an offence. One may argue that everyone has an option and payments could be made by cheques thus eliminating this problem. I must point out that many prefer to pay personally and others do not hold bank accounts. Notwithstanding that making payment is already a burden, this could at least be made less painful and in fact a means of giving Government services an improved image.

Other more pertinent points are questions in the minds of many such as, for example: What are the real facts about the mass transit?

Are there other higher priorities than the MTR?

Can we afford it?

How inconvenient is it going to be to the population?

What are the benefits?

[MR LOBO] Motion

The sooner Government is in a position to give some straight answers, whether favourable or otherwise, the better for all. One important advantage in giving some straight answers is that it would put a stop to rumours. We must continue to keep the public well informed through the system of "open government", even in the event of having to put across some unpleasant news. Past experience has shown that the people of Hong Kong respond to a challenge. I have yet to witness the news media and the public of Hong Kong not turning up in force if help is needed to press on with the job. Furthermore, there's no doubt in the minds of our population that Hong Kong will soon see a new boom era.

Housing

No one can deny that there has been a step forward in our housing programme but it is true too to say that many are disappointed with the progress made. The target date for a roof over every head in a reasonable environment was ten years. We have been facing delays forced on us by circumstances but I am sure that everyone will share my pleasure in your reassurance of progressive improvement and determination to press ahead steadily towards achieving the goal. We continue to need closer and better co-ordination so that Government departments could dove-tail their contributions thus streamlining the building progress and providing all the necessary community facilities.

There have been some delays in housing single people who have to share rooms in the B estates. This room-sharing is in any event a difficult and thankless task. It is almost impossible to put two strangers in a small space and expect them to live peacefully and amicably together. I would therefore like to recommend that the new estates should include dormitories for a reasonable number of single persons living together, but managed by some agency or organization which will do the supervising and thus lessen the difficulties all round. In addition, we should provide one or two buildings with special features to undertake welfare work since these new estates will be for large numbers of people but away from normal facilities.

Incorporated in these plans we could improve facilities for study-rooms to overcome the ever-increasing difficulties which students face in carrying out their studies in close proximity to other family activities. I can appreciate that the main difficulty here lies in the supervision which is absolutely essential. Perhaps again some agencies would be

willing to undertake such supervision. This would eliminate overcrowding of existing libraries and the use of places such as the airport to pursue their education. These facilities will become more necessary with the provision of free schooling to all children in Hong Kong.

Social Welfare

Although we cannot forecast how we will fare as a result of international difficulties, I would like to point out that it would be a mistake for current or future Government financial restrictions to be applied to the use of public funds for social welfare purposes. The Five-Year Plan must be implemented with proper financial support from Government. Any recession in industry will throw an increased burden on social welfare which Government should support with increased, rather than decreased, finance.

Income from the Lotteries Fund has been static in recent years, whereas costs have been rising. In fact most lotteries and indeed even the Royal Hong Kong Jockey Club's cash sweep tickets have become less popular. The Commissioner of Inland Revenue in his report for 1973-74 said, and I quote: "Cash sweep tickets are not sold in respect of the night races and appear to have become less popular for the day races, sales for the year dropping 17.2% below last year's figure for the same number of race days." However, I have also noted in his report that other types of betting have increased in popularity.

This means that unless the honourable Financial Secretary will agree to pump in additional funds, fewer social welfare projects can be assisted. It is therefore important that new ways be explored to increase revenue for welfare.

It is my personal opinion that one way to increase the fund could be by means of sale of special stamps on our local mail (say: 5¢ or 10¢) with the specific understanding that the money derived from sales of this additional new stamp would be solely used towards welfare and not channelled to the general revenue to meet other obligations. I am sure the public will not object to this additional increase if they are assured that it will go towards a separate fund for welfare.

Sir, I support the motion.

MRS SYMONS: —Sir, in supporting the motion of thanks before Council I am bound to say that the quiet and realistic confidence you have shown in your careful stock-taking has encouraged many in this

[MRS SYMONS] **Motion**

city to take fresh heart at a difficult time both here and abroad. Who better than someone who believes in the people of Hong Kong to take stock? The key-note of your address in this Council could be studied by leaders of other countries, and studied enviably, since in our people we have an asset which many other countries lack. I refer to the ability and indeed capacity of our people to accept willingly the discipline of hard work even on a stormy afternoon. Accept is perhaps the wrong word. There are many societies especially in industrialized western countries where men, women and even children have lost the will to work, and where politicians hungry for votes simply dare not say so.

No, our people have not merely accepted the philosophy of hard work; they have evolved it, hammered it out in the tradition of their natural heritage and have adhered to it. This asset is very precious and not only in economic terms, since it is essentially the hall-mark of a free man; and as such I submit it is one of the primary duties of our Government to nurture it and protect it.

If I appear to labour this point, it is to reiterate it in connection with what I shall have to say about education; but one final comment is to urge Government to continue on all fronts the improvement of physical conditions whereby the quality of life may be sustained, despite any necessary cut-back in our economy.

Throughout this debate I am sure my colleagues will make sound suggestions to Government, at a time when the only spectacular aspect of life here and elsewhere is despondent inflation. If as a result of our communal thinking any progress can be effected then we will have done our duty.

Certainly in the session just begun, even more legislation will be enacted for the protection and benefit of the working man. There are some who would say that any provision for the working man here is still minimal and even non-existent, when a comparison is made with socialized countries, and the point is taken, but Hong Kong is different for many reasons. This unique city of ours need not ever be ashamed of its achievements in human, social and economic terms.

Some months ago I had the privilege of attending a Commonwealth Parliamentary Association Conference in London, with my honourable Friend Mr CHEONG-LEEN. What I had suspected to be true was indeed so proven: this strange phenomenon of Hong Kong being a "democratic

non-democracy" enjoys more freedom of speech and action than many of the countries represented. The political irony to our Commonwealth colleagues present was that they have all the trappings of democracy often without any real freedom for the individual; while though appearing to be shackled to an archaic system of appointed legislators, our people really enjoy much personal and political freedom.

Another eye-opener to the delegates was an educational visit, and the pun is intended, to a comprehensive school in London. This time I knew what to expect: my colleagues were visibly shaken and one man said on our way back to the bus "And they dare to send us educational experts and advisers!" Two other comments are interesting. The headmistress of a grammar school recently amalgamated into the huge comprehensive school (this happens outside of business circles, too) explained many details to me of the frustration she and her staff felt, concluding with the remark "I retire this summer, and were I able to start all over again, I would never be a teacher in this country today!" Sad. About a minute before school was out, the headmistress warned us to stand well back literally to the wall as she said apologetically "It would be safer!" She was right. A horde (there is no other word) of young people of all shapes, sizes and colours stampeded past us.

What of the teaching? We saw none, or rather nothing recognizable as such. There were classrooms full of children and teachers; but almost without exception the teacher was occupied—pursuing his own interest and in one case sitting in the corner facing the wall, desperately in search of seclusion. The children were all talking, fighting, yelling, and generally waiting in a peculiarly agitated manner for that liberator of liberators—the bell; but not the last bell of the day, not the stampeding bell. In answer to a question I was informed the only children who wanted to study were the Chinese boys and girls in the school, and even they soon became less zealous in time. It was a compliment I suppose to let us see the school at work under natural normal conditions. While I do not suggest that this school was typical of all others the effect on the layman was quite startling.

In the field of education in Hong Kong we need not hang our heads in shame. Since the White Paper of 1965 we have enjoyed free and universal primary education, we have progressed from the 15% to 20% of subsidized secondary education for those completing the primary bourse; to 50% provision in Forms I, II and III; the latter improvement was approved by this Council in 1972 to be effective by 1976. Let it be remembered that one of starting points of the new Board of Education was to examine the position after 1976.

[MRS SYMONS] **Motion**

The use of the plural "we" is deliberate. Let me explain. We are all concerned with education. Those who work in the field as professors, lecturers and teachers, and those who study as graduates, undergraduates, students or pupils. Those who are laymen, but who are equally important as educators—parents, the original educators, everyone else in or out of Government. The type of education we eventually evolve together, together, please note can be and should be, something very special to Hong Kong.

Remember, education is like jam. Just as one cannot enter any of the ubiquitous super-markets to buy a bottle of jam, without specifying the variety, so one cannot plan a system of education without, thinking of the ingredients and the desired final product. In the war years some of us made carrot jam and even tomato jam (both horrible) but the final product was realized. Note however grape-fruit jam that ends up tasting like marmalade is obviously bad jam, whereas our carrot jam was good jam. Enough of these culinary references—work out the rest of the allegory yourselves.

After many years of work as a teacher, I am convinced that there is in our system here a quite extraordinary margin of leeway left to the individual professor, lecturer, principal or teacher. Here I must confine myself to primary and secondary education, and leave those teaching at the tertiary level alone. For a start, all syllabuses emanating from the Education Department are suggested syllabuses; and one can with justification deviate from them. Public examination syllabuses naturally call for closer attention, but even here one can on educational grounds divert the students, often to be reminded as a headmaster friend of mine was "But, sir, it's not on the syllabus!"

This freedom of choice for the school appears to me to be retained in the White Paper by implication; and it is a freedom that should be recognized and acclaimed enthusiastically. A similar freedom of choice is open to parents, the rare exercise of it is more understandable in Hong Kong where a seat in a "good" school is not to be jeopardized through parental awkwardness; or so parents believe.

Recently a Conservative Member of Parliament wrote "This issue of the right of parents and local authorities to choose the type of secondary school they want for their children is critical to freedom in education and in the whole of society. If the Labour Party is able to destroy all variety and choice then we will be well on the road to serfdom! "

The same writer claimed that under moral blackmail from fear of losing their grants many dissident authorities had resubmitted schemes of re-organization when they had originally refused to go comprehensive. In working out a new approach we have the advantage of using the hindsight of failures and weaknesses elsewhere.

There are not many educational systems at a local education authority or national level that provide as much freedom as is inherent in Hong Kong; and yet, to my amazement people have attacked this freedom of choice as wishy-washy. I realize that two important issues are involved—the language issue and the pre-vocational concept. Those who want to teach or study using Chinese as the medium of instruction are at perfect liberty to do so; and in time when there are more text-books in Chinese of the calibre of the best text-books in English, this would be a wonderful development. Those who are convinced that pre-vocational schools are the answer are again at liberty to continue to operate them as such. Similarly, in the provision of a common general curriculum to provide a general education suited to the age, aptitude and ability of each student in Forms I, II and III there must be a very sound and healthy diversity built in for the school authorities and teachers. I do agree with the criticism of the White Paper that urges a definite philosophy, and with another that urges more exact details (as yet missing) of the curriculum and proposed Junior Certificate of Education.

Naturally at all levels, in professional circles outside Government and within the Education Department itself there must be a fresh start. It is arguable whether the many syllabuses being designed (with the help of non-Government teachers) in the Curriculum Development Section of the Education Department are necessarily the ones we want. They may well be; but they have to be more widely publicized to be assessed. From what starting point did the designers work? With what basic principles in mind? With what children in mind?

In this policy debate I would urge the Education Department to take stock. The open ended policy of the White Paper is a most exciting challenge; and as for once we have time, until 1979 for the first examination in 1982, let us proceed on a broad front as a community. At the junior secondary level there is no need for specialization so that any member of the public can be relied upon to be involved with a modicum of responsibility and genuine interest. Let us choose together, for on our choice will evolve education of the right type for those we hold so dear.

[MRS SYMONS] **Motion**

Sir, this is my personal interpretation of the challenge of the Whit Paper. I hope my honourable Friend the Director of Education will correct me if I am mistaken. If he does, I shall have more to say.

I turn now to one firm recommendation of the White Paper which appears to be equally misunderstood—the proposed Junior Certificate of Education.

To those who decry "another examination" I would say that most boys and girls in Form III take an examination every summer at this level and some of these are very bad examinations; this would be no new imposition. Why an examination at all? It seems to me that here in Hong Kong there is a golden opportunity to design a worthwhile examination. It might be unfair to say that many teachers are happier working for examinations, and that is not the point; that many parents prefer examinations (how else can you explain the thousands who take pianoforte examinations rather than merely enjoying the ability to play), or that many thousands (often ten thousand) take the London General Certificate of Education examinations often against the advice of their teachers; again not the point. No, the point is this, we still have in Hong Kong boys and girls who will work for examinations, often far too strenuously and unwisely, I admit, so that this natural aptitude can be channelled into using an examination as a means to an end—to educate properly through a good examination.

Once this can be established we will have a fair test of attainment and a fair test of competitive ability to choose boys and girls after Form III (aged about 16 and not 14) to continue in the public system for the certificate course, and perhaps the matriculation course. There is so much involved in this selection that I cannot believe we can justifiably expect principals and teachers to use a cumulative record system alone to decide on whom to recommend for Form IV. In any case, a principal cannot compare his students with those in other schools. Where impersonal assessment is required to determine academic performance there is still room in the modern world for examinations. Such assessment and evaluation of a student as a member of the living society of a school, over a long period made by teachers known to, and by the student, should be a valuable complement to the Junior Certificate, but it cannot be a substitute for it.

We have put up with the Secondary School Entrance Examination and its predecessor the Joint Primary Six Examination for so long that we should give it a decent burial in 1978; I suspect that in later years

some will actually mourn its passing; but unless we are careful, the abhorrence latent so long will be transferred to the Junior Certificate. At the next stage the present Certificate of Education now taken equally in Chinese and English in many subjects is firmly anchored to recognition by overseas examination authorities, to entry to Government posts, tertiary courses outside schools and to employment in the city. It took some of us years to fight for this recognition. Again, two years later the Advanced Level Examination of the University of Hong Kong is internationally recognized.

To tamper with either of these well-designed examinations for fiscal or other reasons would not be in the best interests of the students or of society.

The new Junior Certificate will complete the trilogy; and need not in itself stifle the education offered at this level. Its counterpart can be found in countries like Japan and Taiwan in our area, further south in Australia and New Zealand, in several European countries though in some systems, it is combined with other methods of evaluation.

There is one point, Sir, I must clarify in conclusion. Speaking for myself, I have long advocated three years of general education leading to a Junior Certificate. I expressed these views in the Financial Times of February 5th 1973, I expressed them in the Board of Education, and I expressed them in the UMELCO group. There is nothing contradictory about my stand in all this; and I for one would urge that though the White Paper is not a detailed blue-print it does offer an opportunity for detailed planning. The storm raised by the Green Paper may continue now; if it does, I think it has begun, will the critics stand up and be counted, and be ready to see that together Hong Kong accepts the challenge of working on the key to the happiness and well-being of our younger citizens?

MR WILLIAMS: —Sir, may I first say how much I welcomed your clear statement that we should not be deterred from our long term aims by the present economic uncertainties. We go into 1975 with a momentum gained from a year of solid achievement and we must keep it up and continue to go forward as best we can.

The Economy

Of course, so much depends on our economy holding up and we can be badly affected by external events as my Friend Mr Q. W. LEE

[MR WILLIAMS] **Motion**

has pointed out this afternoon. It would be rash indeed to make a positive forecast of economic conditions over the coming year. But we can remind ourselves of some positive conditions that are in our favour.

Our currency is strong and our banking system sound.

The attitudes of our people—workers—businessmen, Government officials, are healthy and realistic. We are prepared for difficulties and willing to accept them. At the same time we are ready to seize every opportunity and changing times bring opportunities.

I understand that our capital imports in the second quarter of this year were higher than any quarter for the past two years. Clearly our factories are in tip top condition; plenty of buyers are still coming to Hong Kong and by no means do we have empty order books.

It is apparent that other economies are suffering to a much greater extent than we are. It will take a most serious and worldwide recession to sink us and I am sure we shall be one of the last to go down.

My colleague Mr Q. W. LEE has said that we should study the formation of an industrial development bank run on commercial lines with funds subscribed locally by Government and the private section together with capital from overseas. I consider this an important suggestion which I immediately support. He has raised it in the context of land for industry, but it could have many applications of great value to our economy and future growth.

English Schools

I wish to raise the matter of English schools in Hong Kong. I do so not to plead special consideration for a small section of the community, although they have equal entitlement to a suitable education for their children. What I have to say is that the present overcrowding and appalling future prospects of English schools could place in jeopardy some of the most important Government plans which you have referred to in your address.

Planning appears to have been inadequate and is based on actual enrolment since 1954. It has not taken into account that the need has grown at a faster rate than the English-speaking population as a whole. More overseas children remain in Hong Kong for their education nowadays; more non-English children seek admission than used to be

the case; and no allowance at all has been made for the additional influx from overseas to implement new Government projects, a figure of 400 families each in the case of the mass transit scheme and the Polytechnic has been mentioned.

Indeed I question the responsibility of recruitment advertising that indicates schooling is available when unless urgent and immediate action is taken this certainly will not be true. Can we recruit and retain essential overseas staff under these circumstances?

And there is no sense of urgency in implementing what plans have been made. A year ago I was given an assurance in this Council that the Junior School for the Stubbs Road site, which is meant to replace Kennedy Road and provide twelve additional classes, would be raised to Category A in April and building commenced in August. Nothing has been done and now completion in 1975 is impossible. Original discussions envisaged completion in 1973.

Today the Tin Kwong Road Police School again houses an overspill from Kowloon Junior as it did in the sixties. Quarry Bay has extra classes in North Point Government School; Kennedy Road runs classes in two adjacent buildings neither designed as a school; admission to King George V and Island School is becoming increasingly difficult. And the situation is deteriorating monthly.

If the position is to be remedied fast emergency action is required. It is clear that a building programme cannot be completed in time to prevent a real crisis. A similar situation existed in 1966 and was solved within a year by making a building available to the English Schools Foundation to open Island School in temporary quarters. A breathing space could be created now if Government were able to make suitable buildings available again. Temporary premises in Kowloon could take in the first classes of both a new junior school and a new secondary school which could separate and move to their own premises when completed. Temporary premises in Hong Kong could take in the additional classes we have now, which could later either be absorbed into the Stubbs Road School or become the nucleus of the new school in the south of the Island. The Government must move quickly.

Education White Paper

I would like to make one general point on the Education White Paper. It is a tragedy when a parent is unable to secure the education he wants for his children. And nowhere is this more true than Hong Kong where educational ambitions run so high. But I think it can be

[MR WILLIAMS] **Motion**

an even greater tragedy when a young person is given skills and he has no opportunity to employ them. Our educational plans must be constantly tailored to give our young people skills and knowledge which can be absorbed and used in the community and not go to waste.

Sports

I was happy to hear your remarks regarding increased facilities for sports and the setting up of the Council for Recreation and Sport is a big step forward here. I would like to repeat what I have said previously in this Council. If we are to generate enthusiasm for sports in Hong Kong it is not simply a matter of providing facilities. To encourage young people to take part and to enthuse them, we must have our stars who are up to international standards. Our showing in the recent Asian Games was pathetic. The reason is that we have few top class coaches.

It can be done. Some twenty years ago I was interested in fencing. Assisted by two very fine fencers who happened to be here we taught a crop of young Chinese boys to fence and we were rather successful. One young man went to England and immediately won the British Public Schools Championship. For the Commonwealth Games in 1959 our best man was ill but we sent his younger brother who was the youngest finalist in all the sports at the Games and in that period we beat Japan three times.

I do hope the Council of Recreation and Sport will be given the means to bring first class coaches to Hong Kong in a wide variety of sports.

I have much pleasure, Sir, in supporting the motion.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT: —In accordance with Standing Orders I now suspend the Council until 2.30 p.m. tomorrow.

Suspended accordingly at twenty-five minutes to five o'clock.