

OFFICIAL REPORT OF PROCEEDINGS

Thursday, 23rd October 1975

The Council met at half past two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, KCVO, MBE
THE HONOURABLE THE COLONIAL SECRETARY
SIR DENYS ROBERTS, KBE, 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, CVO, JP
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP
SECRETARY FOR THE ENVIRONMENT
THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP
SECRETARY FOR HOUSING
THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE LI FOOK-KOW, CMG, 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 DAVID WYLIE MCDONALD, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, JP
DIRECTOR OF EDUCATION
THE HONOURABLE IAN ROBERT PRICE, TD, JP
COMMISSIONER FOR LABOUR
DR THE HONOURABLE THONG KAH-LEONG, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES (*Acting*)
DR THE HONOURABLE CHUNG SZE-YUEN, CBE, 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 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
THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

ABSENT

THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP
THE HONOURABLE JAMES WU MAN-HON, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR KENNETH HARRY WHEELER

Government business**Motions****Address of Thanks****Resumption of debate on motion (22nd October 1975)**

MR F. W. LI:—Your Excellency, having taken stock a year ago, it would seem appropriate now to assess and consolidate our position. I share your grave concern, Sir, that many of our highly desirable services and projects will have to be postponed or rephased. However, it is gratifying to note that despite financial setbacks, Government is still proceeding with plans for the expansion of its social services although at a much slower pace.

Our present limited resources have put us in a situation where we can no longer commit ourselves as freely as before. We have indeed learned our lesson.

The Recession and the Economy

The whole world has suffered a most severe recession and Hong Kong is no exception. Inflationary pressures seem to have subsided, but the future still remains uncertain.

For Hong Kong, the only rational choice is continuation of the policy of free trade. Our export-orientated economy has suffered a great deal, as witnessed by the slump in our major markets. In addition, we are confronted with trade barriers from our trading partners.

We are therefore faced with a higher rate of unemployment and under-employment and, worst of all, a negative rate of growth in our

per capita real income. Our trade has enjoyed impressive achievements in the past, but our comparable advantage is fast disappearing. This is evidenced by the fact that we are constantly apprehensive of our status in our trade negotiations in recent years.

We no longer have a competitive edge on our wage structure over our neighbours. Without making a virtue out of necessity, I feel that this is the best time for us to have an overall review of the present situation, and lay down the ground for future development. We would then be ready to take advantage of any upturn in our economy.

In this connection, Sir, I applaud Government's plan for the development of new towns, provision of industrial estates, the improvement of our infrastructure and, in general, the creation of more favourable conditions to attract foreign investments in our industries.

The recession has naturally affected Government's ability to press forward with our social commitments, and brought with it the consequences of more crime, social tension and personal misfortune. As our policy for an accelerated and decisive advance in the main fields of social deficiency has been made, we are now in a better position to evaluate our programmes and their actual implications than ever before. We should take a realistic look at such programmes, consolidate our efforts in what has already been committed, and re-align our long and short-term priorities where necessary.

These are, of course, conflicting views as to how much longer the present situation will last. Although there may be signs that some of the adverse factors are levelling off or that the bottom has been reached, it would, in my opinion, be wrong to pre-suppose, at this juncture, that the conditions are rapidly and definitely changing for the better.

Whilst we must hope and plan for better times to come, we should also be prepared for the worst. We cannot take anything for granted anymore. We cannot afford to be caught again by unexpected difficulties. I would agree with you, Sir, that we see light at the end of the tunnel, but I wonder how long it will be before we actually reach there.

Government Machinery

I turn now to the implementation of the McKinsey recommendations for strengthening the machinery of Government.

Sir, at the opening session of this Council in 1973 when referring to our long-term plans, you said that "the elaboration of these plans

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across so wide a field, and more or less simultaneously, has placed a considerable strain on the machinery of Government."

Your aim was to develop and implement a workable and reliable Government management system based on the consultants' recommendations. To this end, Government has accepted the recommendations, in particular, those concerning the regrouping of Secretariat branch responsibilities. Whilst appreciating that much of Government activities are essentially long-term, I am indeed concerned as to how the implementation of these recommendations is progressing. I note that the only progress report has been a very brief one dated nearly eighteen months ago.

This therefore leads me to seek clarification on a few issues. Does the new machinery function well? Is any modification required? Have the Secretaries been able to perform their duties as recommended by McKinsey? Has there been any duplication or overlapping encountered in the work of the Secretaries and heads of departments? Is Government business being transacted more rapidly and more efficiently as a result of the reorganization? What is Government's intention in regard to the introduction of Annual Operating Plans? And finally, perhaps the most important of all, are we obtaining value for money from the McKinsey Report?

In my view, a full assessment is necessary. As we have had to redefine our priorities as part of our present economy drive, I should very much like to know whether this "formidable task" of strengthening the machinery of Government as recommended by our consultants has in any way been affected. It is absolutely essential that all affairs of Government must be managed as efficiently as possible, and it would be a great pity if this is not done.

Having gone this far in the exercise, any postponement or curtailment would lead to a waste of valuable past efforts. But if, on the other hand, the assessment reveals that implementation along the lines recommended by McKinsey is not practical, then some alternative should be considered.

Population Policy

Government is to be congratulated on the successful completion of its programmes for integrating of family planning services and opening new clinics.

Lady MACLEHOSE, in her recent speech at the Silver Jubilee Ceremony of the Family Planning Association of Hong Kong, stated that the success of these measures was timely, because in the next ten years it is expected that the number of women in the most fertile age group will nearly double. She added quite rightly that the implications and dangers ahead of us are obvious. This, Sir, is unquestionable and indicates a need for immediate action if the obvious is not to become a reality.

You, Sir, have used the words "special urgency". It therefore impels me, at the risk of sounding repetitious, to speak once more of the urgent need for Government to take a firm stand on the population issue and to adopt a clear-cut policy. The expansion of family planning services alone will not be adequate to prevent the projected population explosion.

Many of our Asian neighbours have extensive population policies successfully implemented by central planning committees. I strongly feel that a definite goal such as a target annual population growth rate is a basic and essential requirement for Hong Kong. Government cannot afford to delay any longer in forming a positive population policy to be properly implemented, evaluated and co-ordinated by a central population commission.

In doing so, the long-term programmes for housing, education, medical, social welfare and recreational facilities should be easier to assess. In addition, unemployment, crime, corruption, with their attendant evils, all of which are of great concern to us, are naturally inter-related.

Among its many duties, this Commission would be responsible for formulating a broad and intensive programme for community education through the mass media to create an awareness of population problems by every citizen. Population education, already recommended by the Curriculum Development Council of the Education Department, should be included in the curriculum of all secondary schools, colleges and universities, thereby reaching our youth. After all, it is primarily for them that we seek to improve the quality of life in our community.

In conclusion, Sir, I should like to refer to your comment a year ago, regarding proposals for fiscal and other discrimination against large families. You said, Sir, and I quote, "I am sure that honourable Members would agree that such a course should only be considered after the results can be seen of other action to secure our ends by educational and voluntary means." In view of the present circumstances

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that we face, I suggest that it is not premature to give consideration to disincentives of some kind for large families.

Sir, I support the motion.

MR BREMRIDGE:—Your Excellency, with, I believe, the majority of the community I respect the tenor of your address calling for continued steadiness of purpose and policy in the aftermath of what is after all the most severe recession to affect the free world for 40 years. There is however evidence that full recovery is not imminent, and that even non-inflationary, efficient, and flexible Hong Kong should look to a rather slower climb from the abyss than is generally expected. Much of the Western world may perhaps be confronted by an "L" rather than a "U"-shaped curve. This is consequently no time for major chops and changes of policy. If therefore I speak on some minor points which have not been touched upon in your speech, I hope that it will be evident that I believe in general terms that Hong Kong is set on the right course.

McKinsey Reforms

In common with my honourable colleague, Mr LI Fook-wo, I am disappointed that reference could not be made to Government's undoubted plans to press forward steadily with those reforms recommended by McKinsey. In particular good administration is widely now accepted to be more of a science than an art. Equally widely accepted is the broad principle of management by objective, coupled with delegation of authority in so far as is wise. I am not so foolish as to believe that all criteria can be quantified in money terms—either in Government or in commerce. But many can, and a manager works best with before him a clear job definition. There must be coupled with this a knowledge of what is expected from him for the future in quantified terms. In most Government management jobs the man in authority still has little idea of his responsibilities in so far as the raising of revenue or the control of costs is concerned. There is a reason for this. Revenue and costs are usually not known to him, nor can he easily discover the true position. This leads to inevitable mistakes like failure properly and correctly to increase rents in the old resettlement, now Group B Estates. Though I do not under-estimate the opposition or indeed its Olympic source, I must make a plea as a first step for the more rapid development and deployment of annual operating plans—and for as many as possible. These should take

their place in sound annual budgets and long-term plans, and I regard it as sad that in so far as I know just one single major annual operating plan has been prepared for a major cost centre—that for Queen Elizabeth Hospital.

I do not ignore the appreciable new expenditure that will be necessary in order to make progress in this field, but I believe that the eventual returns will fully justify it. In fact one failing in the present system is the difficulty of seeing the return that comes from development expenditure, or the options that open up. Hong Kong and its administrative problems are not unique. We must surely learn from the experience and from the science that are now available. I do not call for a rapid change of course, but rather for more steady progress in this new direction.

Taxation

Taxation policy for the future is much on all our minds; and indeed Shibboleths have been mouthed over wilting Rotarians. I believe (not only from dignified self interest) that funds for essential social purposes come more copiously from moderate taxation on increasing wealth than from high taxation on frozen wealth; and that consequently wise governments must concentrate on the promotion of true wealth and in Hong Kong this must come from our export trade. Moreover I dislike deficit financing, except for self-liquidating projects, believe in balanced budgets, abhor expenditure that exceeds income, and consider that our great neighbour China has much to teach the Western democracies about financial self-reliance. This is certainly the position in Hong Kong. I equally believe however that here more must be done, and be seen to be done, for the vast majority of our people, many of whom are now experiencing conditions of life that are a reproach to those few of us who are more fortunately placed. Much of the needed money will I hope come from taxation on increasing wealth, but I believe myself that base rates of taxation may themselves have to be moderately increased unless indeed economic recovery is unexpectedly rapid. I personally do not shrink from this if indeed it is necessary, provided however firstly that it is made plain that changes will be made infrequently—in other words that subject to *force majeure* a significant increase is declared as being the last for say four years, so that individuals and businesses will know clearly where they stand and can plan appropriately for the future. And secondly above all that the changes are simple to understand and easy to put into effect. In the pursuit of logic and equality we should beware the import of all the monstrosities of the tax evasion industry, which indeed in some countries

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at present seems to be about the only successful industry. Bad simplicity may well be preferable to good complicated philosophy.

All of us have ideas on ideal taxes, many without comprehension of the underlying problems. In saying this, I do appreciate, yet again, that I lay myself open to attack by my honourable Friend the Financial Secretary. Most of us would accept, however, that conspicuous consumption although one of the smaller is one of the more unattractive vices. Could I therefore just suggest that yet further thought be given to possible new sumptuary taxes? I appreciate and accept the generalization that taxation should be a source of revenue and not an act of cultural or social policy, but if additional revenue—if additional revenue—must be raised some sources are, I believe, more culturally attractive than others.

Company Law

I have spoken earlier in this Chamber about the good work of the Securities Commission. They have been active in the face of unbridled speculation, poor audit reports, leaked information, insider dealings, private profit from public loss, too many stock exchanges, and thievery at the top, with particular reference to directors' emoluments. There has been an enormous improvement since 1973 and those concerned, admirably guided by Government, are to be congratulated. The new Takeover Code is but one example of their work. But goodness knows that much remains to be done. Again more money must be spent on the necessary staff, particularly in the Commercial Crimes Office, at a time when money is in short supply. But I do hope that it can be made available, for so much still takes place that is very wrong—and a reproach to the vast majority.

The Countryside

I welcome, Sir, your reference to making the countryside and the beaches more open to the masses. While Your Excellency's personal interest in recreation is much respected, and indeed is undertaken at evident risk, if not to life then certainly to limb, I hope that Government will move rather more readily towards making some if not all of the reservoirs available to the community for boating and canoeing purposes. They are in truth part of the countryside, and not merely a private possession of minor authority.

Shipping

I come now to shipping problems. Liner shipping is the backbone of Hong Kong, and Government must therefore be concerned. The United Kingdom has not yet signed the UNCTAD Code of Practice for liner conferences. In fact this Code seems unlikely to come into wide effect until it is further modified—though such modification seems likely. The United Kingdom itself is certainly a warm supporter of Shippers' Councils, and I thus welcome Government's financial support for the Hong Kong Shippers' Council. But with this financial support should come I believe a greater degree of concern, if true involvement as such is still premature. It is, I much regret to say, my personal view that just as in civil aviation as a result of the Chicago Convention all international commerce by air is inevitably subject to inter-Government treaty negotiation, leading to bilateral air agreements, so too will the present relative freedom of the sea gradually give way to bilateral treaties of navigation. I am not seeking here to argue all the many pros and cons, nor to touch on all the difficult areas concerned (including possible Hong Kong flag protection), but to state my belief that Government in Hong Kong in this field will soon have to abandon their *laissez faire* policy in return for more direct involvement. The less the better; but some I believe must be inevitable. Preliminary groundwork can no longer be deferred, and it is time for Government to develop the necessary expertise.

It will also in my opinion soon be necessary for Hong Kong, in common I trust with other governments in the Western world, to take some form of regulatory action against current Russian liner shipping policy. This is clearly now motivated by strategic rather than economic aims, and amongst other unpleasant features is based on the exploitation of crews who are paid wages well below those currently enjoyed by others—including flags of convenience. While merchants, particularly in hard times, must welcome the lowest possible freight rates, which are normally made available by an essential element of competition, it would be folly to allow matters so to drift that Russian influence in, or share of, any important trade becomes in any way dominant. The reasons are patently obvious.

With these words, Sir, I welcome the motion.

DR FANG:—Your Excellency, I join my Unofficial colleagues in thanking you for the state address you made on 8th October concerning the setbacks and achievements of the past year, plans for 1976-77 and, more generally, the future of Hong Kong. Much has been covered by

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my honourable colleagues in commenting on the various fields for improvement which can be made possible even in these times of recession and hardship. There is no doubt in our minds that the people of Hong Kong are tough enough to put up with a great deal of hardship and even more of it if necessary when they are convinced the Government and the people are in this together, and that the Government is trying its very best to steer us safely out of the rough and stormy waters.

The following facts speak for themselves. Since the economic recession started in 1973 there has not been any increase in the number of beggars, or in the incidence of starvation or malnutrition of children and elderly people. Yes, that rate of unemployment and half-employment has gone up, but thanks to the paternalistic attitudes of most of our employers, workers are kept on the pay-roll even when operation is on a half-or part-time basis. This helps to ease the financial strain on our working class. At the same time the public assistance scheme having been extended to assist an additional 1,000 persons a month helps to ease the strain a little more. The people of Hong Kong have accepted hardship mostly on their own, pooling together all the reserves and resources of the immediate and extended family. Although crimes have increased sharply in recent years, they are nonetheless violent crimes of lust and greed and bear no relation to the people whose basic needs are not being met.

I shall however wish to speak on a few difficulties which, if eliminated, would alleviate the sufferings of the people and contribute to an improvement in the quality of their lives even in these difficult times.

First of all, I am happy to know that the Princess Margaret Hospital is at long last going to be opened this month. It will be a great asset, providing essential and specialized medical services to the densely populated industrial and residential areas of north Kowloon. And with the opening of the Tung Wan Centenary Hospital next year we will have increased our hospital bed capacity by a total of 1,800. This will certainly ease the congestion and overcrowding that is presently the case at the Queen Mary and Queen Elizabeth Hospitals. As a point of interest the Queen Elizabeth Hospital, which now has a bed capacity of some 1,800, was at one time housing over 2,000 patients, and in Queen Mary Hospital the orthopaedic ward of 24 beds is often supplied with an equal number of camp beds.

I welcome the Government's acceptance of the Working Party's Report on Unregistrable Doctors. This is well timed and economically advantageous to Hong Kong in that with financial stringency we have to delay by two years the programming for the establishment of a second medical school. The non-Commonwealth doctors who would be allowed to practise under the recommendations of the Holmes' Report will make good the shortage for Hong Kong during that period, and since their training would cost the Government only one-fifth that of training a medical student over five years, leaving all other reasons aside, it is still a sound and logical solution, and I urge that the recommendations of the Holmes' Report be implemented without further delay.

I have to congratulate the Government on its wisdom and foresight in deciding to go ahead with the planning of a second medical school for Hong Kong, but hasten to add that nothing has yet been mentioned of the much more needed dental school in respect of which particular emphasis was laid in the Medical White Paper. The vast majority of our four and a half million population rely on Government hospitals and clinics to provide them with dental care, which at the present moment is minimal and strictly confined to emergency treatment. The dental health of the people of Hong Kong is considered by experts to be in a very critical and precarious condition. The shortage of dental surgeons in Hong Kong can never be made good by overseas recruitment alone. The establishment of our own dental school must in no circumstances be further delayed, especially when facilities already exist for initial training of dental students in the University of Hong Kong.

I now come to the topic of the severely and multiple handicapped children and young adults who are kept alive by the grace of God and the advancement of medicine. This group is not as small in number as people would like to believe, nor can their problems be ignored. They require institutional and nursing care which is at present neither provided for by the Social Welfare Five Year Plan nor the Medical White Paper. As this group does not come under one single umbrella they have fallen between two stools. Although there have been some beds reserved for them at the Siu Lam Hospital these have long since been filled, and there is a long waiting list. It is useless to think that a disability allowance of \$180 would take care of all their needs in their own families. The parents do not know how they should be cared for, nor is it economical to divert all the energy and time of the parents to one single child at the expense of the other children and

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their work. I hope the much awaited comprehensive programme on rehabilitation will give top priority to this very real problem.

Turning to social legislation, I wish to place on record that after years of detailed work by the Public Works Department in consultation with voluntary agencies, a special building code has been compiled. This Code strives to provide access to buildings for the disabled, and eliminates architectural barriers from inaccessible places. It is a much improved version based on the existing building codes of the United Kingdom, Australia and the United States. The publication of this code will put Hong Kong in the fore on the world scene, for the United Nations just this year has issued a special memorandum urging all countries to appreciate the importance of eliminating such architectural barriers.

Understandably, it is difficult to have such a code of practice instantly enacted into law, but Government should take the lead in adopting this code wherever applicable in the planning of future public buildings such as housing estates, schools, air terminals, and, if I may harp on it again, the mass transit railway. If we cannot afford lifts we can at least make the stairs shallower, provide handrails along the corridors, make toilet doors wider, and ensure platforms are on a level with the floor of the coaches. It may be alarming to be told that no one, no matter how strong and healthy, can go through life without suffering from one handicap or another, but this is quite true.

Your Excellency was most modest in your reference to the drug addiction treatment programme of the Prisons Department. The achievement of a 58% cure rate in three years follow-up is an outstanding success; it is the best result achieved in the world. It is little wonder that this programme has been looked upon by a great number of neighbouring countries as a model to be adopted.

On community recreation and sport, I support your view, Sir, that so much can be achieved at relatively so little expense that further financial support should be given to this programme. I congratulate the organizers on their wholesome plans in promoting recreation and sport on a community-wide scale not restricted only to the young. The organization of morning walks and family camping during long weekends and holidays, with recreational and sporting activities designed to suit the taste of the whole family, is an excellent concept. I understand this has gained tremendous support. I wish to join the organizers in thanking the public-minded administrators of institutions

which possess large open grounds and gymnasias for the offer of their facilities, and wish to suggest on behalf of the organizers that more institutions should act likewise. I understand that you, Sir, have given a shining example, for you have offered your tennis courts for the holding of some events.

Finally, I wish to have your indulgence on the subject of public housing. A review of Hansard over the last 10 years shows we have indeed come a long way. The establishment of the Housing Department and the Secretaryship for Housing by Your Excellency in early 1973 has really put the housing programme on sound professional and scientific management. However, it is disturbing to know from your address that our planned progress has been delayed due to the lack of funds and there seems to be some doubt as to whether our public housing will ever catch up with the increase in population who will require public housing in the foreseeable future. Indeed, a survey of the squatter situation in 1964 showed that at that time the squatter population was about 470,000 in the urban areas and over 300,000 in the New Territories. Today, the figures in the New Territories are virtually the same. However, in the urban areas the number of people living in tolerated structures included in the 1964 survey has gone down to about 280,000.

But, it is estimated that the number of people living in squatter structures not included in the 1964 survey, in other words illegal squatters, has swollen to some 250,000. These figures indicate at a glance that though we have since 1964 provided housing for some 1.2 million people, the squatter situation has virtually remained unchanged; that is, we still have a total of some 800,000 squatters waiting to be housed. This is indeed a very serious problem. It certainly deserves some rethinking of our overall plans for, as it is, we have since 1955 rehoused 1.8 million people, which is 42% of the total population, and we are aiming to build for another 1.6 million in the next seven years. The question of whether we can or cannot afford to do so or whether we should or should not persist with building more estates is not the issue in point. My concern is: if our present policy is not rationally changed, even if we have the funds available and given ideal situations we would still be unable to build fast enough for our needs unless we can clearly define where our needs are.

The Government's stated aim is to provide decent housing for all who need it. This is admirable, but with our limited resources we can only hope to achieve success in providing utility flats with self-contained kitchen and toilet facilities and a living space ensuring 35 sq. ft. per

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person. There is no real need to provide for common TV antennae, iron grille gates, L.P. gas piping *etc.* although I would agree whole-heartedly with the provision of open space for leisure and recreational purposes, and premises for social welfare agencies, kindergartens and food stores, I see no justification in providing elaborate air-conditioned supermarkets, numerous car parks and indeed jewellery and curio shops. By confining ourselves to basic requirements we would be able to build more and build faster to achieve our goal. For people who wanted more they should be encouraged to buy their own flat with Government's encouragement and help. I refer to the scheme of home-ownership which has been proposed by a number of my Unofficial colleagues in this Council over the past five years. Apart from a cursory explanation by my honourable friend the Secretary for Housing that the time was not ripe for its introduction, the pros and cons of the home ownership scheme has not been aired in this Council at all. I therefore hope my honourable Friend will give us his considered views on this subject in the latter part of this debate.

The concept behind this scheme is indeed most desirable. The participants will feel they themselves have a real stake in Hong Kong: this will create a true sense of belonging and of responsibility. The population of Hong Kong is a relatively young one with over 60% below the age of 30, and by far the majority belong to our working class. These are the people that we should help find homes for. They are the young home-makers of the future and understandably would not be satisfied with a cubicle or hut, nor with the long wait for public housing. On the other hand, they could not afford housing in the private sector at market price, which would swallow all their savings and 30% to 50% of their monthly take home pay. If there were reasonably priced homes that they could buy, and thus solve their housing problem, it would create a sense of stability all round. There would not be constant fears of inflation, no excessive demands for increase in wages, and our trade and industry would benefit accordingly.

The home ownership scheme would be feasible if Government is willing to provide private developers with land at the value they are being granted to the Housing Authority or the Housing Society and is willing to allow payment by long term instalments. The land should then be auctioned with specific clauses written into the lease: the buildings constructed are to cater for people with small means, with the stipulation that the flats so built cannot be resold before 10 or 15 years. The home-makers could pay by instalments over 15 to 20 years

through arrangements with merchant banks or the Hong Kong Building and Loan Society, with or without a down payment. Private developers would be allowed an equitable profit. Government may also need to give a guarantee of payment to the merchant banks to ensure repayment beyond the normal span of 10-15 years which is the usual practice of banks and the Hong Kong Building and Loan Society. When such prerequisites are met it would benefit the parties all-round. The Government does not stand to lose as the land would otherwise have been used by the Housing Authority. There would be no expenditure from the general revenue. The management of the buildings would be the responsibility of the owners. The Government may stipulate in the lease its right to intervene should the need arise, with the owners bearing the cost of such intervention.

To improve on the above suggestion, Government itself may choose to finance this scheme by funds separately raised through the issue of designated housing bonds, maturing at five-yearly intervals, over 20 years, at an annual interest of 7% or $7\frac{1}{2}\%$, and allowing the home makers of such schemes the benefits of long term borrowing at a lower interest rate than the market rate, with an allowance for administrative and incidental expenses. Private developers will hardly be affected by this alternative scheme as it would have specific restrictions in sales and ownership and the flats built would be confined to small units of 300 to 600 sq. ft.

Should this scheme come into force, more flats would be made available within the stipulated time. It would give a boost to the building industry in times of recession and in turn providing more jobs.

Who then are eligible for these flats and how would they be assessed? I suggest that as a start it should be offered to all tenants in public housing estates belonging to both the Housing Authority and that the vacant flats in the public housing estate can be assigned to other the Housing Society. There is a good percentage of tenants who moved into public housing estates and have made good over the years. When they are persuaded to buy their own homes there is an added advantage needy families. The home ownership scheme will in this way complement the provision of public housing, resulting in a steady flow of new occupants to both. This has definite advantages over the present state of affairs: that is, in the "B" estates overcrowded families are at present entitled to additional units, thus creating an uneasy feeling that once a tenant moves into a "B" estate flat he will be there for generations at the expense of the public purse. Even in a recent press item a senior official of the Housing Department had this to say, and

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I quote, "I have never understood why the grown-up children of public housing tenants should expect to have an automatic right to continue public housing, when they marry, over the heads of those still waiting in the queue."

The home ownership scheme should also be open to people residing in squatter huts and licensed areas, tenants accommodated in old tenement houses as well as applicants on the Housing Authority and Housing Society waiting lists. The success of this scheme lies in the availability of urban land at a reasonable price, an extended period of instalment payment, and availability of funds at cheaper interest rates.

To answer the query of my honourable Friend, the Secretary for Housing, who once mentioned in this Council that he has doubts the people I have just mentioned could afford to buy their own homes, I wish to refer to the recent pilot project carried out by the Housing Society. Under this project, a block of flats in Des Voeux Road West was offered for sale under the urban improvement scheme to the existing tenants of estates managed by the Society. The response was very encouraging with many tenants even asking to pay more than the stipulated down payment. They were only slightly worried by the relatively high monthly instalment. Perhaps my honourable Friend Mr LIGHTBODY would prefer to do another survey.

The home ownership scheme has worked out extremely well in Singapore and I am sure it would also succeed in Hong Kong.

I now come to the question of the communication gap which exists between the man-in-the-street and the Housing Department. My research shows that 80% of Urban Council Ward cases, 70% of CDO cases and 30% of UMELCO cases refer to housing or allied matters. Admittedly, the subject is of paramount concern to large portion of our population but these statistics do tend to imply to me, at least, that there is a lack of communication between the Housing Department and the community at large. I shall leave a number of finer points to be raised at another sitting, but would like to end with an observation on the Housing Authority's latest annual report. The report states that a request for the establishment of off-course betting facilities in the housing estates has been approved. This indeed comes as a shock. I am against the provision of off-course betting shops in public housing estates which are, after all, occupied mainly by the less affluent members of the community. There is already some public derision of this proposal, which will only lend credence to the criticism that the Government

is going out of its way to encourage Hong Kong to gamble. It is true that people from all walks of life in Hong Kong are inclined to have a mild flutter now and then, but I fear that the establishment of off-course betting shops in public housing estates will add to the burden of the 812 branches of the voluntary agencies which are already toiling to provide welfare services in the estates. I urge the Housing Authority to consider all the implications thoroughly before proceeding with this proposal. Before ending Sir, I wish to echo with strong convictions what my Senior Member Dr the honourable S. Y. CHUNG emphasized at length: that Hong Kong must be allowed to carry out the death penalty. With these words, Sir, I support the motion before the Council.

MISS KO:—Your Excellency, in supporting the motion of thanks before Council I should like to express my appreciation of your realistic address on 8th October which gave us not only an account of what we achieved last year, but also the possibilities for the future.

"Human settlements" has been fixed by the United Nations as the focal topic for discussion and study in the coming year. The reason for this decision is because human settlements has already been recognized by the whole world as a serious problem affecting the human race. In a narrow sense, human settlements seems mainly to relate to migrants, both international migrants, and migrants from rural to urban areas. But in fact, this topic has much wider connotations. The consideration to be given to human settlements in any country or community includes every aspect of human needs and desires of the people in the community—needs and desires which involve housing, education, employment, health care, transportation, and, also, possible solutions to environmental, economic and social problems.

Though we are facing financial difficulties, I believe, Sir, that under your continued guidance and the combined efforts of the Government and the people, we will be able not only to overcome many of these difficulties, but, at the same time, to continue to develop our social services so as to enhance the quality of life of the people here in Hong Kong.

Social Welfare

Sir, it was with deep regret that I learned that funds were not at present available to implement the Child Care Centres Ordinance enacted by this Council in February; but I hope the Government will

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give this a high priority. Still in the field of social welfare services, there are a number of other points I would like to emphasize at this time.

First of all, I would mention the setting of guidelines for evaluation. Last year, I stressed the importance of the evaluation and assessment of existing social welfare programmes. In evaluating the programmes, we must bear in mind not only the needs of the community, but also the limited resources of manpower and finance. However, with these limitations, we must ensure the effective operation of the services provided for the people. Therefore, an examination of the existing management and administration of the various organizations is also needed, in order to simplify the machinery, to avoid overlapping and so ensure the provision of more efficient programmes. On this important aspect I suggest that in the near future an evaluation workshop should be organized by the Social Welfare Advisory Committee comprising professional people from the social welfare field, management executives, and members of the community, including some service consumers. I would hope that this workshop would make constructive recommendations and furthermore that its findings will be studied by the Social Welfare Advisory Committee, so that sound guidelines for evaluation can be developed. Research work is very important in the area of planning and evaluation, and I hope that this will not be overlooked.

Secondly, I would like to stress the importance of setting the necessary priorities during this crisis period and the need for flexibility. When we review the Social Welfare Five Year Plan, it is important to consider all its elements comprehensively so that priorities are updated as effectively as possible. Flexibility should be one of the principles in the planning and implementation in the field of social welfare services, especially during this difficult time. The aim should be to raise the quality and efficiency of social welfare programmes and to make full use of the limited resources available.

My third point concerns the need for an increasing involvement and participation of people in the field of social welfare. The need to train personnel involved in social welfare in Hong Kong was recognized in the sixties. Trained personnel continue to be needed—even more so than before; but the concepts and scope of social work have broadened and changed to include a recognition of the value of the participation of the whole community. We recognize that different tasks require different degrees of competence, and therefore different types of training.

It is in line with this thinking that we now realize that people from many different walks of life, not just the social worker, can contribute their skills and energies in many ways to improve the coverage of community needs, thus making this coverage broader and more comprehensive. In fact, the involvement of more volunteers in the field of social welfare, not only increases the *quantity* of social welfare services which can be provided, but can also improve the *quality* of social welfare services.

In order to involve many more people in the community's welfare, there is a need to strengthen the co-ordination machinery between the Government and the voluntary sector; between the Government and the people at large; and between the voluntary agencies and those they serve. This improvement in co-ordination is particularly needed at the district level.

Law and Order

Sir, I agree with you that crime and the fear of violent crime are two of the issues which greatly concern the population at this time. I would also like to support my honourable colleague Dr CHUNG in his plea for heavier penalties for violent crime. After reading the Report on the Social Causes of Violent Crime among Young Offenders in Hong Kong, I agree that triad and quasi-triad involvement is one of the immediate contributory factors of crime and more active steps should be taken by all concerned to control these undesirable gangs. But I would stress that control alone is not the answer, and I should like to emphasize the need for the expansion of the following positive approaches to work with young people in the fight against crime.

Firstly, expand the out-reach programme, particularly for the 12-14 age group and school drop-outs. The increasing number of young people involved in violent crime has become a matter of great concern to the community. Out-reach programmes can reach and meet children and young people where they are—on street corners, in parks and playgrounds, and offer them services including counselling and guidance, community support, opportunities for voluntary community service, recreational activities and so on. At the present time, four youth organizations, in different districts, are engaged in a Pilot Youth Guidance Project initiated and supported by the Social Welfare Department. According to their interim report, their work seems very encouraging. I hope that this type of out-reaching programme for young people will be expanded in the near future.

Secondly, expand school social work. As we are all aware school social work provides help for school children who are unable to fully

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use their learning capacity or whose problems require a special type of service. Youngsters often go astray because of the lack of timely and proper guidance; therefore school social work also has a positive role to play in fighting crime. According to information available, in March this year there were 1,078 primary schools and 347 secondary schools in Hong Kong. It is quite impossible to provide adequate social workers immediately for all these schools. I would like to urge the Education Department, the Social Welfare Department, the voluntary agencies and schools to co-operate more closely in their endeavours to provide this service for school children. I hope too that many more voluntary agencies will make a special effort to engage in this worth-while programme. I also hope more in-service training to meet this need will be provided in the future for teachers as well as social workers. They will then be better able to play a more effective role in the field of youth guidance.

Thirdly, develop youth leaders. Closer co-operation on extra-curricular activities between youth agencies and schools will help balance work and play for school children, and will broaden their learning as well as develop their potential. If we are to meet all the demands placed upon us by our young people, we need leaders more than anything else. I hope the Government will do as much as it can to create opportunities for leadership training on the broadest scale possible.

Fourthly, provide more school places for the 12-14 age group. It was well said by my honourable Friend the Secretary for Home Affairs in April 1974 that there is no real alternative to schooling for children from 12-14. I also fully agree with my colleague Mrs SYMONS that we should educate these children because it is our bounden duty to do so and their right to expect and receive it. At the same time I also admit that the lack of schooling for these children is one of the causes of juvenile delinquency. Although we are still facing an economic recession, it seems to me that it is important to continue to pursue the purchase of places in the private sector. But attention should also be paid to maintaining acceptable standards and to ensure the number of bought places in relation to the number of trained teachers in each school is not excessive. The expansion of the flotation/extended day system as recommended in the White Paper should also be considered as one of the priorities even in this difficult period.

In working with youth I am aware that two years ago the Government established an Inter-departmental Committee on Services for

Youth. I think this is a wise approach, especially as the departments of Education, Social Welfare, Labour, Urban Services and Home Affairs are all working in the same area but with different approaches. I hope that all departments concerned will increase their joint activities with the voluntary sector.

Sexual Offences and the Protection of Women and Juveniles

Sexual offences and the protection of women and juveniles are also areas which need greater attention from the authorities concerned. According to reliable information, 899 sexual offences were detected between September 1974 and August 1975. I have reason to believe that a number of similar offences were not reported because they were committed against young girls who were afraid to report the crime themselves or whose parents did not want them reported for fear of further humiliation and damaged reputation.

I also understand that during the period January to December 1974, 1,801 girls were reported missing, with 937 of them being under the age of 16. 1,389 of these girls were located and returned home, leaving the remaining 412 girls still missing. For the period of January to August this year, 1,262 girls were reported missing with 631 being under the age of 16. 924 were located and returned home, leaving 338 girls still missing.

We are all aware that many of these missing girls become hostesses in music parlours, bars and other establishments of ill-repute. Furthermore, we are also aware that many of these girls are physically detained by criminals and forced to work in such places.

It is now time for us to re-examine some of the legislation concerning sexual offences and the protection of women and juveniles. In particular the provisions concerning the defilment of girls under the age of 13, and those between the ages of 13 and 16, as well as unlawful detention of females, and restrictions on employment of young persons on licensed premises should, in my opinion, be re-examined. At present, the penalties for some of these offences do not serve as effective deterrents.

For example, the maximum penalty for any person who carnally knows or attempts to have carnal knowledge of any girl of or above the age of 13 years, and under the age of 16 years, is imprisonment for two years. This is also the maximum penalty for any person who attempts to have carnal knowledge of any girl under the age of 13. The maximum penalty for any person who detains any female against her will

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is again imprisonment for two years. For offences against the law relating to the employment of young persons on licensed premises, the maximum penalty is a fine of five thousand dollars and imprisonment for six months.

I suggest that the maximum penalties for all the above offences must be increased if they are to be stronger deterrents. I also call upon the police and the other authorities concerned to enforce the law in this field more frequently and energetically.

I am glad that my honourable Friend the Attorney General, has indicated that a new bill will be introduced concerning penalties for sexual offences. I hope that the points I have raised today will be taken into consideration during the drafting of the new bill.

Television and Film Censorship

I turn now to television and film censorship. As far as film censorship is concerned we have in Hong Kong at the present time a Panel of Censors and a Board of Review headed by the Secretary for Home Affairs. I have been informed that during the period 1st January to 31st August this year, 417 films were submitted by distributors for censorship. Of this figure, 30 were banned and 182 were classified as unsuitable for viewing by children. This means in effect that 47% of the films passed by the censors during the first eight months of this year was in the latter category. Since April this year, a new classification has been brought into use. This new classification is termed "suitable for family entertainment" and only 12 films have been so classified between April and August. This information is interesting, but at the same time, I view it with apprehension. I would ask the Government whether it has any plans to introduce legislation to make it an offence for cinema operators to admit children when films, which were classified as unsuitable for children, are being screened.

Also, according to the Report on the Social Causes of Violent Crime among Young Offenders in Hong Kong, movie attendance is still a major interest of young people. Many of the young offenders prefer and enjoy "kung fu" films and films with destructive themes. The effects of such movies on young audiences have been widely proclaimed. I would like to suggest that consideration be given to the setting up of an advisory committee with wide representation, especially from the public, to work with the Commissioner for Television and Films in order to assist the Government in tackling this problem.

Regarding television, besides the two larger established television stations providing four channels of viewing, a fifth channel was started last month. No one would deny that television viewing has become the principal leisure activity for the great majority of people in Hong Kong, and the influence and impact of television programmes on the community, especially on children and young people, is obvious and tremendous. I understand the Television Advisory Board has been in existence for eight years, and this board, I believe, has fulfilled its appointed role in the past with diligence and determination. But as television programmes have been expanding enormously in recent years and TV viewing has become more and more important in people's lives in Hong Kong, it is timely to review its composition and function, including consideration of whether the Chairman of the Television Advisory Board should also be the Television Authority. Serious consideration should also be given as to how its membership should be broadened particularly by having a wider representation from the general public who view television. Such an expanded TV Board would better be able to cope with the growing demands made by the rapidly expanding television programmes.

Sir, I was glad to learn from your address that you consider the worst of our difficulties are behind us. I believe that if the Government and the people work hard together, and I stress the word "together", we should be able to continue to pursue our goals to improve the quality of life for the people of Hong Kong.

MR LO:—Your Excellency, recently in England, the land of leniency and the Albion of abolitionists, a man was sent to prison for life for rape. He did not commit the crime for any ulterior motive such as to get the girls into prostitution. He did it on account of what kindly people might call uncontrollable urges, but despite that he was sent down for life. Contrast this if you will with the local situation. Members of gangs who kidnap and rape young girls in order to force them into a life of prostitution get only a few years' imprisonment. Indeed, after the board of review has done its kindly work I should be surprised if even the worst case would have to spend longer than three years in jail.

Law in Hong Kong is derived from England. So is our sentencing policy. Why then should there be such a discrepancy in punishment between the rape of English girls and Hong Kong girls? Surely racialism is not the cause? Surely that we are a colony is not the reason? Is not the simple answer that there is a basic weakness in our sentencing

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policy? A weakness that is inducing many people to think that crime does pay. A weakness that may ultimately disintegrate our society.

Sir, you mentioned how the administration intends to fight crime in the coming year. I strongly support all that you have said and I consider that every dollar that we spend in maintaining order, in suppressing violent or organized crime, will pay handsome dividends. Indeed, if we were freed from the fear of this evil, tourism would doubtless benefit, different kinds of businesses would remain open until late at night, foreign capital would find investments here more attractive. What's more, Hong Kong would then provide civilized and peaceful existence for its people.

Certainly, to increase the chance of detection by the three lines of attack mentioned by Your Excellency is one part of the battle but we must not neglect that it is equally important to ensure that when caught a criminal will suffer to an extent that by his example it will deter others. We must ensure that our professional criminals do not discount their punishment as a petty professional tax, a minor overhead expenditure.

Young men recruited by professional gangs today realize too well that because of their youth their punishment, even if they are caught, will be so light that apart from the fact that they get a police record, it would hardly be any punishment at all. A young man who commits a violent crime for a large sum of money might consider it well worth-while to spend a few short years in jail for he would certainly have many years thereafter to enjoy his ill-gotten gains. Moreover, the few years that he does spend in prison would not be particularly intolerable—the unit cost of prison diet, for example, is more expensive than the unit cost of our hospital diet for in-patients; and prisoners unlike their victims living in crowded estates, are never subjected to threats of typhoons, landslides, robberies or even perhaps the thousand natural shocks that flesh is heir to.

There is a small body of kindly but vociferous people in Hong Kong and elsewhere which looks upon any person voicing dissatisfaction with the lightness of punishment for heinous crimes as a person who is cold blooded, blood thirsty and devoid of Christian charity. To them the answer to crime lies not in punishment but in education and in reasonable living and working standards. This is perfectly true in the long term. We are, however, urgently concerned with the short term. As it is often said in Chinese, when one is enveloped by fire.

distant waters will not help. At present, our society, particularly that part of it in crowded estates, is living in a constant state of fear of physical violence. Some of the violence may be exaggerated or imagined but the fear is real.

Sir, we ask for public support to fight violent crime. The lightness of punishment for the violent is not the way to get this support. It is not unreasonable for members of the public to feel that it is not worth-while to risk life and limb for themselves and for their families to help catch a violent criminal when they know full well that even if caught, he will be dealt with leniently and in a matter of years he will be freed and free to seek vengeance from them. This brings one to the question of the death penalty.

I do not say that a person who is determined to kill another will be deterred by the threat of the ultimate punishment. However, I would point out to those who argue for its abolition that many deaths occur in the course of the commission of violent crimes. I personally believe that a number of robberies and other violent crimes would not have taken place if the criminals had believed that if they had accidentally killed a victim and were caught, they would have been hanged. They would certainly have thought twice before carrying any lethal weapons.

As I understand it, the position today of the death penalty is that because of United Kingdom interference it will never be carried out and so Your Excellency will no longer in practice exercise Her Majesty's prerogative otherwise than by commutation.

I fully accept that there has to be give and take where the interests of the United Kingdom and local interests conflict. The imposition, however, of the death penalty in Hong Kong does not in any way conflict with United Kingdom interests. If it conflicts with anything at all, it is the political positions of individual members of the United Kingdom Parliament.

Certainly it is my belief that the reason why Tsoi was reprieved by the Queen against the decision of Your Excellency in Council was that at that time the United Kingdom was about to abolish the death penalty in Ireland and those in favour of the abolition did not wish to muddy the political waters by apparently upholding different standards for the Queen's subjects in different parts of the world. It was not because the United Kingdom would have been harmed if he had been executed.

I do not know whether a sadistic murderer today whom Your Excellency considered ought to be executed would automatically get

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reprieved by Her Majesty on the advice of her Cabinet. If he would, then it would in my view certainly be an unwarranted interference with Your Excellency's administration in Hong Kong and would not result in the increase of respect for human life or the advancement of civilization but in furtherance of public disorder.

The classical abolitionist's view presupposes the existence of a peaceful society. There would be a lot to be said in favour of such a view if we had a peaceful society. But we do not. Violence is rife. To be an abolitionist in this environment may charitably be called doctrinaire and less charitably considered callous. As a compromise I would suggest that we try to work out an arrangement with the United Kingdom Government whereby we followed the example of their 1957 Homicide Act. We might then get agreement for the law in Hong Kong to be changed so that subject to the special circumstances of each case, for certain categories of murders at least we would be permitted genuinely to retain the deterrent of the death penalty.

Sir, it is my belief that we must urgently find and use a level or scale of punishment which constitutes a real deterrent, for today many people in Hong Kong do believe that violence and crime do pay.

My specific suggestions are as follows:—

1. Revise our laws urgently on offences against the person with a view to increasing drastically the maximum penalties relating thereto. I believe that the Judiciary itself has commented from time to time on the inadequacy of the penalties for, say, abduction referred to by my honourable Friend Miss Ko.
2. Pursue with the United Kingdom Government the concept of our following their own legislative history by aiming at the eventual and ultimate abolition of the death penalty when we have a more peaceful society but for the moment by means of the introduction of legislation similar to their 1957 Homicide Act.
3. Reconsider the whole concept and practice relating to the reduction of sentences for good conduct, particularly in regard to commuted life sentences.

And finally, Your Excellency should exercise Her Majesty's prerogative in accordance with the circumstances of each case without regard to the possible reversal of such decision by Her Majesty.

Linked with the problem and prevention of crime is the provision of facilities for recreation. May I echo some of my colleagues and say how glad I am that Your Excellency and the administration has now reassessed its importance. I hope the climate is now ripe for me to make one point. I consider that far too little has been done to enable our people to enjoy the sea. The Urban Council has done a lot for our gazetted beaches but there is no specific Government organization that deals with recreation at sea. For example, I remember years ago mentioning the idea of making floating swimming pools which would only cost a fraction of one on land and the comment, amidst laughter I might add, invariably was that it was beyond the terms of reference of the particular meeting. I am not suggesting that a floating swimming pool is manna from heaven although it is a fact that I, for an experiment, had one made for about \$1,000 which certainly sufficed to keep away the odd shark and the bulk of the debris. What I am suggesting is that some part at least of Your Excellency's administration ought to be given the job of thinking out ways and means to make more of the sea available for mass recreation.

Finally a plea: a plea for funds for research on Chinese traditional cures. We are all aware that Chinese traditional cures have been prescribed for thousands of years, and that for effecting remarkable results some of its practitioners have obtained an honourable mention in the histories of the country. In Hong Kong, as I mentioned in my speech in this Council last October, there is no legislative control over Chinese traditional medicines or its practitioners. I said it had not been possible to establish any standard to differentiate between herbalists of varying degrees of competence. I suggested that Government should look into the position and consider what can fruitfully be done, such as the establishment of a Government unit to collate information and of research fellowships in our universities. In his reply my honourable Friend the Secretary for Social Services stated that he would examine the suggestion, but that it was difficult to see how a high priority could be given to such expenditure as might be involved.

Sir, since making my speech my attention was drawn to a joint team of the two universities which has been conducting research into Chinese traditional cures for some time. Work has mainly been confined to three experimental systems—herbs affecting reproductive functions, hypotensive drugs, and the relation of herbs to jaundice. As Members of this Council are aware, the prescriptions for such cures are based on herbs and natural products. These cures naturally contain both clinically active as well as non-active components in their ingredients.

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Sometimes one or more components may be toxic in nature, and such cures are widely used by people in Hong Kong today.

The joint team has gathered together the necessary basic equipment, and has completed some systematic and painstaking work. The team is a multi-disciplined one, its 13 members having been trained in the academic fields of physiology, chemistry, biochemistry, biology and sociology. They are supported by a librarian with research experience on Chinese herbs, and three research assistants respectively trained as a phytochemist, zoologist, and animal technician. In addition, a number of graduate students and university technical staff assist the team in research tasks from time to time. As only three research assistants are working full-time on the project, progress has been slow. Nonetheless, several members of the team have published papers on their work.

For the first time it is possible in Hong Kong for a trained team of researchers to embark on their experiments with a scientific perspective, if the necessary funds were made available. Some months ago a three-year research project was submitted through the University and Polytechnic Grants Committee to Government, to enable the team to undertake the separation, purification and testing of active components from a wide range of Chinese medicinal material of known curative values. It was hoped through that project to determine the chemical structure of selected active components and to develop promising compounds as new drugs. It was also intended to publish significant findings, including the toxicity and physiological effects of some Chinese herbs.

For this relatively modest research project by the two universities, a sum of \$300,000 was requested for the first year and the same amount for each of the ensuing two years. Naturally, no reply has been received from Government.

There is a sociological aspect to the matter which could so easily have escaped the attention of the layman. An objective of such a project is to analyse the social and psychological factors which may affect the use and misuse of herbal drugs. This is done by social investigation, principally through collecting and analysing the case records of individuals involved in the use of the herbal drugs, interviewing herbalists and their patients to ascertain their opinion of the drugs

studied, and planning for an efficient distribution of a suitable form of the drug when its therapeutic effect is well documented in modern scientific terms.

I appreciate that the UPGC is not empowered to include funds for research in its grants to the two universities, and that the sums requested must separately, if at all, be allocated by Government. The calls on the public purse are numerous, and in the present economic climate there must be many conflicting claims on priority. I would, however, recommend that a project of such social relevance be given sympathetic treatment particularly as the bulk of the work will be done by the team members without pay so that the cost benefits of the scheme are considerably enhanced.

With these words, Sir, I have pleasure in supporting the motion.
4.10 p.m.

HIS EXCELLENCY THE PRESIDENT:—Perhaps at this point honourable Members would like a break. Council will resume in fifteen minutes.
4.25 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

MR TIEN:—Your Excellency, I should like to speak on two subjects: first of all, about Hong Kong's trade relations and the role of the Commerce and Industry Department, and secondly, about industrial training.

I was very pleased to hear, Sir, your remarks that Hong Kong today has complete autonomy to decide how best to proceed internationally and bilaterally in its own best trading interests. This clears up a point about which doubts have been expressed from time to time. I think we should congratulate my honourable Friends the Financial Secretary and the Director of Commerce and Industry, and their predecessors, who have helped to bring about this very satisfactory situation.

The right to determine what is best for ourselves has a number of implications. One of them is that we will be expected increasingly to look after ourselves in matters of international trade. Another is that certain external obligations, previously assumed by the United Kingdom on our behalf, will increasingly be put on our own shoulders. It means

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that, having acquired autonomy, we must take steps to ensure that our trade policies and the means to give effect to them are geared to meet the challenges of today's complex world of trade.

I should like to review briefly some of the challenges which face our trade and industry. Textiles remains our largest industry and export earner. I cannot see any marked change in this position for many years to come. It is an industry surrounded by restraints, many of which have had highly disruptive effects. There seems little chance of any of the existing restraints being dismantled. On the contrary, we can expect, in the not too distant future, discussion to begin on the continuation and possible modification of the Multifibre Textile Arrangement. This will inevitably be followed by yet another round of bilateral negotiations with our major trading partners, including the USA and the EEC.

The pace of the Multilateral Trade Negotiations will certainly increase over the next 18 months, and I recall the statement by my honourable Friend, the Director of Commerce and Industry, nearly two years ago, that Hong Kong will participate in them. The outcome of these negotiations could have far-reaching effects on our trade—beneficial or adverse depending on the attitudes of others and our ability to influence those attitudes.

We shall need to continue and redouble our efforts to remove the discrimination against Hong Kong in many of the developed countries' Generalized Preferences Schemes. And we shall have to press hard to secure admission to the Schemes of those countries which still exclude our products altogether.

We must continue to persuade those countries which maintain illegal import restrictions against us to honour their international obligations and to treat our products on an equal footing with those of other suppliers.

These are just some of the areas where Hong Kong must discharge its international obligations and exercise its rights to the best of its ability, and where even closer co-operation between Government and Industry will be necessary.

Sir, I would be the last one to advocate any drastic change in our basic economic philosophy. But the increasing involvement of overseas governments in trade matters suggests that, inevitably, a greater

involvement by our Government will be necessary if we are to keep abreast of international developments in trade and be in a position to deal with them promptly when they are likely to affect us.

Given the increased complexities and the major hurdles which lie ahead of us in our trade relations, I think the time has come for some recognition of the increased responsibilities of the Commerce and Industry Department, which these complexities and difficulties give rise to, and for an examination of the structure of the department.

Is there not now a very good case for policy relating to Hong Kong's trade and industry to be separately dealt with at Secretary level, and for some re-organization of the Commerce and Industry Department?

I would suggest that the time has come for the post of Director of Commerce and Industry to be re-graded to one of Secretary for Trade and Industry and for certain changes in the structure of the Commerce and Industry Department to be made.

I understand that work within the Commerce and Industry Department is divided broadly between two divisions, one having responsibility for industry and one for external commercial relations. It seems to me that Hong Kong's trade relations are really a part of our industrial policy in that they are designed to keep open the channels of trade for our manufacturers. Ideally, therefore, there should be no distinction between the two. But I can well appreciate that the volume of work requires the present division of responsibilities within the department. And there is nothing to suggest that the present organization has not been successful up to now.

However, I wonder whether the growing volume and complexity of work plus the foreseeable commitments might not prove too heavy a burden for the department as it now stands with the danger that it might become unwieldy and lose its flexibility.

I see advantage in splitting the Commerce and Industry Department into two new departments co-ordinated by my proposed Secretary for Trade and Industry. As our exports break down 50% textiles and 50% other manufactures, I feel one department should be solely concerned with textiles. It would have responsibility for all matters affecting the textile trade and industry covering international and domestic problems, the negotiation of textile agreements, their implementation and policing. The other department would be responsible for industrial and trade policy for all other industries. This kind of

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re-organization would achieve the desirable objective of having industrial and trade policies dealt with together. And, if it is accepted that there is too much work for one department, it seems reasonable to spread its responsibilities over two in the way I have proposed.

Changes of the sort I have in mind inevitably cost money. But I would submit that the necessary funds could be secured in a number of ways, such as an increase in the fees for textile licences, or a small charge for the allocation of textile quotas, or a combination of these and other similar fiscal measures. I have calculated that if one cent was charged for each equivalent square yard of textile quota issued, something like twenty million dollars revenue could be raised each year.

Sir, Hong Kong exists of trade, by trade and for trade. I think we all recognize that as well as the overriding need to preserve and increase it.

Mine are not revolutionary proposals and, indeed, similar ones have been raised in the past in this Chamber. I think, however, they are worthy of further examination.

I should now like to turn to my second subject, the important question of industrial training.

Sir, I think we all accept the desirability of diversifying our industrial production but that there are limitations on what we can actually do. These stem from many factors, such as our geographical location, the absence of a sizable domestic market, the fact that our space is limited and so on.

Given these limitations, our manufacturers have had to trade up in order to keep ahead of our competitors. But this is easier said than done, and, if we are to continue to do so, I feel some re-thinking of several fundamental points will be necessary.

We have traditionally relied on the natural skills and dexterity of our workers. Increasingly, however, we shall need to ensure that the productive potentials of our work force is used to the full.

To do this, workers must be given appropriate training which should include both organized practical training on the shopfloor and, when necessary, some form of formal technical education.

For skilled workers such training can best be given in the context of a properly organized apprenticeship and this apprenticeship must be geared not only to the present but also the future needs of Hong Kong's increasingly sophisticated industries.

Considerable progress has been made by the Labour Department in persuading employers to adopt the concept and practice of modern apprentice training. However, a study of the statistics relating to the intake of apprentices into industry and the number of part-time day-release students in technical institutions since 1971 indicates that the limit to which proper apprentice training can be promoted on a voluntary basis has been reached.

This is certainly the view of the Training Council which, as one of its first tasks, appointed a committee of experts, representing major industrial employers' associations, workers' interests, and relevant Government departments, to re-examine, among other things, the whole question of apprenticeship legislation, and to advise the Training Council on this matter. The conclusions of the committee are that legislation should be introduced to further the development of proper apprentice training if the skilled manpower needs of our industries were to be adequately met.

I fully endorse these conclusions. Legislation would seem, in the circumstances, not only to be desirable but essential. It would provide a much needed framework for a properly co-ordinated and directed apprentice training system.

Sir, the Industrial Training (Construction Industry) Bill and the Industrial Training (Clothing Industry) Bill were conceived by the Industrial Training Advisory Committee, and have received the blessing of its successor the Training Council. The Government has accepted them as necessary instruments to help solve the manpower problems of these two industries. I feel that it is equally important that Government should accept and enact, at the earliest possible date, the Training Council's proposed Apprenticeship Bill as a further step to help our manufacturers to trade up and to enhance the productive potentials of our workers.

Sir, I support the motion.

MR ALEX WU:—Your Excellency, although many of my honourable colleagues have already spoken on law and order, I make no apology for referring to the subject once again. I know that I would

[MR ALEX WU] Motions

make myself very unpopular if I were to indulge in statistics on crime and repeat what has been so well expounded.

But I cannot help admitting that I share the general feeling that peace of mind is on the wane and the odds against anyone of us being the victim of a crime are getting shorter. And I must say that people who are constantly exposed to the threat of violence become suspicious and distrustful of the authorities. Such an attitude can only be de-trimental to our society because people stop thinking of the common good and are concerned only with protecting their individual interests. If such an attitude becomes widespread, the fabric of society must deteriorate as a result. At all costs, we must endeavour to prevent this from happening in Hong Kong.

It is most gratifying to learn from your Excellency's address in this Council earlier in the month that the widespread measures Government has taken to fight crime have had an encouraging response from the public and that the rate of crime has levelled off from the beginning of this year.

While I am sure the objective of reducing crime drastically will eventually be achieved, I have some observations to make.

Firstly, the reorganization of the Police Force and the new roles the force is expected to perform will naturally take some considerable time to implement. But citizens who are not yet aware of the fact that the crime rate has levelled off are naturally becoming impatient when more and more of their friends and relatives become victims of violent crime. The city is clamouring for higher penalties for criminals. I wonder whether it would be possible to consider employing the Auxiliary Police to an even greater extent to assist the regular force, until the reorganization has been completed?

Your Excellency also made reference to the successful recruitment of recent years, but I expect there are many vacancies in the Police Force to be filled in the next year or two. With the rundown in the Garrison, there will undoubtedly be a considerable number of locally enlisted men as well as Gurkha soldiers who would become redundant. Would it be possible for some of these redundant servicemen to be recruited into the Police Force to serve in such units as the Police Tactical Unit, thus releasing experienced policemen for beat duty in the city? From any point of view, the increased frequency of patrols

could make a great difference to those who might otherwise be attacked and injured.

Secondly, the work of the Fight Violent Crime Committee so far has been most effective and commendable. I have no doubt that every righteous citizen will respond to your Excellency's call to achieve the objective of reducing crime drastically. I do not wish, Sir, to appear as if I am denigrating the value of the Fight Violent Crime Committee if I suggested that it could, in addition to crime suppression activities, look into the fundamentals of fighting crime. No doubt we need to organize people in the neighbourhoods to fight crime in buildings and the streets. But should the Committee not fight crime through another avenue?

Our problem stems from a society which has been so intent on economic survival. We are dealing with a considerable number of individuals who, due to unfavourable environment in their childhood, have had to yield to a "sub-culture" that their parents had neither time nor ability to correct. It seems to me that this aspect of the problem is just as important as, if not more than, crime suppression.

Brought about by industrial development, our age is one of unprecedented opportunity for personal advancement. Material standards were never more attractive. Employment for the young was never so forthcoming. The income of those who were willing to work hard was never higher. This is one side of the coin. On the other, with the growing affluence of the youth, discontent due to distorted desires has arisen. An unsatisfying, aimless and materialistic outlook on life is widespread. The traditional value of thrift has lost its obvious attractions.

As a result, we find most of our youths today suffer from the following:

- (a) a lack of appreciation of personal values, and the governing principles of life,
- (b) the absence of self-control and self-denial in face of materialistic temptations, and
- (c) a feeling of such insecurity that they frequently resort to impulsive action without regard to the consequences.

These are some of the underlying reasons for acts of violent crime, and it is notable that many of them are committed for reasons other than poverty.

[MR ALEX WU] Motions

How can we bring about a change in the situation? We need the emergence of a new type of individual with a developed sense of personal values; with a change of attitude towards learning, truth and rectitude; with an understanding of the respect due to other people; and with an appreciation of their own responsibilities towards life in general.

We must inculcate the essential qualities of character and the four principal virtues—wisdom, justice, courage and moderation.

We should examine immediately how we can discipline personal behaviour. It is incumbent on us to establish a clear definition of right and wrong, to substitute academic and business proficiency as the sole purpose of life with a keen sense of social responsibility.

We should introduce the precepts of culture, and by culture I mean the act of self-development by education, discipline, social experience: the training or refining of the moral and intellectual faculties through an interest in the finer things in life such as the arts. In other words, the quality of a person or society that arises from an interest in and acquaintance with what is general regarded as excellence in arts, letters, manners and scholarly pursuits.

And where should we begin? With universal primary education now a reality in Hong Kong, I think we should make a start in the classrooms of our primary schools. From an early age, children should be given the opportunity to know the best that has been done in an art or craft. They must be told that the arts can express an excitement far beyond anything that could be released by impassioned oratory. They must be given the experience to appreciate all the finer points of life. Through the fellowship created in such an atmosphere, they will be less inclined to resort to violence at a later stage no matter what kind of stress they are subjected to.

Here in Hong Kong, we have a fine school system with a balanced curriculum. The problem is for those engaged in the field of education to place more emphasis on subjects which can so easily be neglected. Outside of the schools we have facilities offered by many organizations. And we have enthusiastic people who, within a decade or so, have transformed a place which was regarded as a cultural desert into a centre of the arts. But the question is, are the parents and the educators making full use of the facilities available?

I suggest that it is time for us to re-appraise the way in which these facilities—treasures may not be too strong a word—can be used to

educate our children so that they will grow up with a more coherent view of life.

I am afraid that not everyone in our community will be prepared to accept even the possibility that good behaviour and positive attitudes to society can be taught in school. Many people, indeed, have simply given up the hope of doing so, and concentrate their efforts and their research on the economic environment. I do not discount the importance of environment on the behaviour of people, but I do believe that Chinese culture and traditions have a power that can be and should be used. I believe that a strong and constructive emphasis on cultural affairs at all stages and levels of education can play an effective part in halting a relentless drift towards disrespect for and disregard of other people and their property.

And what about those who have already left school? I suggest that we call on all employers to promote the precepts of culture. I believe that when a man is interested in finer things and is happy, and has something to look forward to besides his daily work, he produces more. It is boredom and hopelessness that make a worker restless and discontented, and that can lead to indifference, wastefulness and resentment.

I would now like to touch on another aspect of culture. In the last thirty years Hong Kong has "urbanized" millions of people. The question is whether the process has also been one with an adequate cultural content. No doubt in these days of economic difficulties Hong Kong people spend more time than they would like in making both ends meet. But I do not think we are by nature any more mercenary than anyone else. However, we must consider the quality of the progress we are making. And, if we do not pay attention to what is called culture, we shall, for all our material successes, continue to produce a warped society, in which crime flourishes. It is easy to measure things such as trade statistics, revenue and expenditure, housing units, school places, and hospital beds. But it is far more difficult to take stock of our progress in the cultural field and put it in the right perspective as a matter of real and practical public concern.

My rough calculation of Government expenditure on cultural affairs amounts to \$77 million which is more than one percent of the total budgetted expenditure for 1975-76. If any of my honourable Friends think I am now going to complain that this is not enough, they can relax. I only wish to suggest that we should apply, to the encouragement of culture, the same common sense and economic acumen which we employ so successfully in our commercial affairs.

[MR ALEX WU] Motions

With concerted effort, we can and must remove any artificial barriers and red tape which make it difficult for many talented people to create for themselves and others a natural and valuable culture of our own.

Those in the educational field must be reminded that culture is not just a luxury which must take a poor second place to material progress and vocational education. It is important that cultural development should be approached in the same sensible and pragmatic manner which has served us so well in our other policies.

A major factor in our commercial success was the wise realization, long ago, that the commercial genius of our people would best express itself if Government action were confined to the removal of all possible discouragements with a minimum of interference.

But it is equally true that there is a real capacity for cultural expression in Hong Kong. But someone must give a lead. I don't think the Government has failed in this sense to show its interest in culture. But I fear that the direct stimulus of interest in cultural matters must always be lacking while the key people, the teachers in our schools, see their role as the preparation of young people for earning a living and nothing else.

That lays the problem right at the feet of the Director of Education. Can my honourable Friend inject into the school curriculum an interest in culture for its own sake, rather than as an occasional subject to be touched upon when the business of passing an examination permits?

I do believe that if there were available to our young people more outlets for their creative and constructive talents they would be less easily attracted to pointless, anti-social activities and be more readily equipped to make Hong Kong a better place to live in.

With these words, Sir, I support the motion.

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

Question put and agreed to.

MASS TRANSIT RAILWAY CORPORATION ORDINANCE 1975**Resumption of debate on motion (22nd October 1975)**

MR LO:—Your Excellency, I wished I shared the Government's optimism that the construction of the mass transit railway will not be a charge on the public revenue save as regards the \$800 million already voted for it for this would mean that it would cost the Government nothing to execute the Guarantees now sought.

At a recent briefing given to Unofficial Members of Council by officials representing the Mass Transit Railway Corporation I was told that fluctuations of interest or exchange rates did not affect the viability of the project and that the project would remain viable even if revenue dropped by as much as 30% or if construction costs increased by 10% over and above the inflation rate of 7% *per annum*.

I was told it was practically impossible for revenue to be less than estimates by more than 30% or for construction costs to go up by more than 10% above permitted inflation. My views on these points are fairly well-known and I shall not repeat them here. I was finally told that it was contrary to basic economic theory and therefore quite impossible for both revenue and construction costs together to turn out worse than as estimated. According to the officials any unexpected event which might push up construction costs would automatically boost revenue at the same time. But is this wonderful economic assumption really true? Surely, it would only be true if it is somehow ordained that an increase in construction costs could only come about as a result of inflation and for no other cause? For example, how could an unexpected engineering problem automatically boost income? Can costs increase for reasons other than inflation? Indeed, I should have thought the Government has had sufficient experience in cost escalation of big engineering projects to answer this question affirmatively without difficulty. I might refresh the memories of my honourable Friends.

The estimate, for example, for the airport tunnel road has been increased by over 17%, that for the primary distributor road linking Ching Cheung Road to Kwai Chung Road by over 22%, that for the Clear Water Bay/Kwun Tong Road grade separation scheme by over 22%, that for the High Island Water Scheme by almost 40%, and the most glaring example of all, the estimate for the raising of Plover Cove dams has so far been increased by over 90%. Surely, no one would claim that these increases all came about because of inflation alone?

[MR LO] **Mass Transit Railway Corporation Ordinance—resumption of debate on motion (22.10.75)**

To put faith in the accuracy of estimates for a project as new and as large as the mass transit railway without a thorough downside risk study is, as I have said before, a tremendous gamble and one that I cannot in all conscience agree to the Government taking. However, there is no law which requires each gamble to be a losing gamble and all that I, on my own, can usefully do today is to wish the Mass Transit Railway Corporation very sincerely all good fortune because I do not support the motion.

MR CHEONG-LEEN:—Sir, I would like to make a couple of observations on the motion to authorize the granting of guarantees in respect of the repayment of loans which may be incurred by the Mass Transit Railway Corporation.

I would urge that the strictest possible monitoring and control be made in regard to the building costs of this project over the coming years.

On no account should this Council be faced with a *fait accompli* in the next few years whereby costs will have escalated two or three times, as has happened in many other cities where mass transit systems have been constructed.

Furthermore, in the eventuality of costs going beyond the 7% escalation *per annum* figure allowed for, it is imperative that Government do not allow the Corporation to get too deeply involved in the real estate market to make up for potential deficit amounts, to the overall economic detriment of the community.

In other words, the going ahead with this mass transit scheme should be a sign of our faith in the economic and political future of Hong Kong. It should not be a factor leading up to concern over the fiscal strength or even fiscal stability of Hong Kong due to runaway costs at a later date.

With these few but firm words of caution, I have pleasure in supporting this motion.

THE FINANCIAL SECRETARY:—Sir, I shall pass on my honourable Friend Mr T. S. Lo's good wishes to the board of the Mass Transit Railway Corporation and I shall also certainly draw their attention to

the points just made by my honourable Friend Mr Hilton CHEONG-LEEN, There is, of course, some downside risk in any project, and if we insist on all risks being eliminated nothing would ever be done. But because of its sheer size the mass transit railway is the most meticulously researched project that has yet been undertaken in Hong Kong, and the engineering risks and the commercial and financial aspects have been, I firmly believe, thoroughly evaluated. So I would say to my honourable Friend that to describe this project as a gamble is mis-leading. As with all good business projects it certainly entails some risks, but these have been carefully calculated and contingencies made for them.

Question put and agreed to.

First reading of bills

RAILWAYS (AMENDMENT) BILL 1975

COMPANIES (AMENDMENT) (NO 3) BILL 1975

SMALL CLAIMS TRIBUNAL BILL 1975

SUPREME COURT BILL 1975

Bills read the first time and ordered to be set down for second reading pursuant to Standing Order 41(3).

Second reading of bills

RAILWAYS (AMENDMENT) BILL 1975

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Railways Ordinance."

He said:—Sir, most countries throughout the world which provide a railway passenger service, serve liquor as refreshment on trains, and Hong Kong is no exception. However, while the General Manager of the Kowloon-Canton Railway is empowered under section 29(1) of the Railways Ordinance to grant licences to vendors to sell fruit, goods or other wares on trains, this section does not empower him to grant licences to vendors to sell liquor. This important bill, therefore, seeks to regularize this position and permit the General Manager to grant licences to vendors to sell liquor on trains for a charge and under such conditions as are considered necessary for adequate control.

[THE FINANCIAL SECRETARY] **Railways (Amendment) Bill—second reading**

A vendor who has been granted such a licence will be exempt under the Dutiable Commodities (Sale of Liquor in Trains) (Exemption) Regulations 1975, when made, from obtaining a licence under the Dutiable Commodities Ordinance.

On the assumption that that is all very clear, Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the bill be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

COMPANIES (AMENDMENT) (NO 3) BILL 1975

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend the Companies Ordinance."

He said:—Sir, there is nothing that I can usefully add to the statement in the explanatory memorandum save that the proposed provision follows exactly the provisions in section 50 of the United Kingdom Companies Act 1967.

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

SMALL CLAIMS TRIBUNAL BILL 1975

THE ATTORNEY GENERAL moved the second reading of:—"A bill to establish a tribunal to be known as the Small Claims Tribunal having limited civil jurisdiction, and to make provision for the jurisdiction, procedure and practice thereof, and for matters connected therewith."

He said:—Sir, this bill seeks to establish a tribunal which will provide an informal forum, with a simple procedure, for the determination of limited monetary claims founded on contract or in tort. The proposed tribunal, which will be known as the Small Claims Tribunal, follows the concept pioneered by the Labour tribunal.

That concept, Sir, embraces three main aspects. The first is that proceedings in the tribunal should be on an inquisitorial rather than an

adversarial basis, which means among other things that the tribunal must take a more positive role in the proceedings than is customary in the case of ordinary courts. Secondly, the procedure and practice is simple, and technical rules, especially the technical rules of evidence, are not to prevail. And the third aspect is that representation by lawyers is not permitted. Although I speak as a lawyer, I think it is fair to say that the arguments on this third aspect are fairly finely balanced, but the balance is nonetheless in favour of excluding the lawyers where the proceedings are of an inquisitorial and informal nature, and the tribunal has a mediating role.

The upper limit, Sir, of the new tribunal's jurisdiction will be \$3,000—a figure which has been adopted after most careful consideration of the various factors, including the fact that lawyers are to be excluded. Within that limit, the tribunal will have exclusive jurisdiction. Every claim for \$3,000 or less will have to be instituted in the tribunal, unless there is included with the claim a claim for some other relief, such as an injunction. I do not believe, Sir, that any other course is possible though I do know that other views are held on this matter. The principle must be that everybody is equal before the law. If the jurisdiction of the tribunal were to be concurrent with that of the District Court, a litigant, whether plaintiff or defendant, might choose the District Court for any one of a number of reasons, some at least of which might give him an unreasonable or socially unjust advantage over his opponent. The aim of policy in this context is to make simple justice available to everyone equally. And this will apply, Sir, to the Crown as a litigant as it will to others. However, the tribunal will have power to transfer a case to the District Court or the Supreme Court and I am confident that this power will be used whenever a case presents particular difficulties, either of fact or law, which are such that it can best be dealt with in the traditional way by the ordinary courts.

As you said, Sir, in your address to this Council recently, there is a clear demand in the community for such a tribunal as this to determine small claims. I am sure that it will be well used for the recovery of charges and costs arising out of the maintenance of the common services in multi-storey buildings. Its jurisdiction will also extend, for example, to claims arising out of the sale of goods, and to small claims for damages for negligence arising out of traffic accidents or in other ways.

As in the case of the Labour Tribunal, there will be an appeal to the Full Court on a point of law where leave is given. Careful consideration

[THE ATTORNEY GENERAL] **Small Claims Tribunal Bill—second reading**

sideration has been given to the powers which the Full Court should have on an appeal. In particular, it is considered that it should not be entitled to hear further evidence or to vary facts found by the tribunal. Unless these normal powers of an appellate court are excluded, there will be difficulties on account of the different rules of procedure and evidence applying in the tribunal on the one hand and the Full Court on the other.

If this bill is enacted I believe that, with the Labour Tribunal already in operation, we shall have moved as far as practicable to provide for the judicial determination of cases without the participation of lawyers and without those technical procedures and practices of the ordinary courts which are unquestionably necessary for the proper determination of more difficult or substantial claims. At the same time, Sir, it must be accepted that the services of lawyers are not yet available evenly throughout the community to the extent which is desirable if the demands of social justice are to be met.

*Motion made. That the debate on the second reading of the bill be adjourned—*THE ATTORNEY GENERAL.

Question put and agreed to.

SUPREME COURT BILL 1975

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend and consolidate the law relating to the constitution, jurisdiction, practice and powers of the Supreme Court and the administration of justice therein and for matters ancillary thereto and connected therewith."

He said:—Sir, the Full Court, which is comprised on each occasion that it sits of such of the Supreme Court judges as the Chief Justice directs, has for a long time been the supreme appellate court. This arrangement, if I may so describe the situation, has served well. Nevertheless, it was decided in 1974 that the time has come for the establishment of a separate court of appeal, having its own judges, and the decision was announced in September of that year. The main purpose of this bill is to give effect to that decision, which, I believe, has been widely welcomed.

What the bill proposes is that the Supreme Court should be reconstituted in two divisions. There will be a High Court of Justice whose jurisdiction will be mainly at first instance—though it will for the time being anyway continue to exercise the appellate jurisdiction now vested in a single judge of the Supreme Court in relation to the decisions of magistrates' courts. And then, Sir, there will be the proposed Court of Appeal.

It is intended that the Chief Justice will be a judge of both the High Court and the Court of Appeal. The style proposed for the other judges of the Court of Appeal is that of Justice of Appeal. And it is convenient at this point to say that a Justice of Appeal will be able to sit in the High Court if the necessities of administration in the Judiciary should so require.

The decision to establish a separate Court of Appeal called for numerous changes in the law. I therefore decided, notwithstanding the respectable antiquity of the Supreme Court Ordinance, that it was opportune to modernize it. This we have done, though I suspect that not a few of its readers may wonder. The other changes of substance are few. One relates to the hearing of prerogative order proceedings and applications for *habeas corpus*, the ultimate effect of which, contrary to the present position, will be to provide an appeal within Hong Kong in those cases.

The other change of substance is the introduction of a provision concerning vexatious litigants. The opportunity has also been taken to enlarge the representation of the legal profession on the Supreme Court Rules Committee and to provide that the Committee shall not be duly constituted unless both a barrister and a solicitor who are in private practice are present.

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

FIRE AND MARINE INSURANCE COMPANIES DEPOSIT (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

LIFE INSURANCE COMPANIES (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

Bill Committed to a committee of the whole Council pursuant to Standing Order 43(1).

JUDICIAL SERVICE COMMISSION BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

COPYRIGHT (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

**INTERPRETATION AND GENERAL CLAUSES (AMENDMENT)
(NO 2) BILL 1975**

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

PUBLIC SERVICES COMMISSION (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

ROAD TRAFFIC (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

MEDICAL REGISTRATION (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

**THE CHINESE UNIVERSITY OF HONG KONG (AMENDMENT)
BILL 1975**

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee.

**FIRE AND MARINE INSURANCE COMPANIES DEPOSIT
(AMENDMENT) BILL 1975**

Clauses 1 and 2 were agreed to.

LIFE INSURANCE COMPANIES (AMENDMENT) BILL 1975

Clauses 1 and 2 were agreed to.

JUDICIAL SERVICE COMMISSION BILL 1975

Clauses 1 and 2 were agreed to.

Clause 3

THE ATTORNEY GENERAL:—:Sir, I move that clause 3 be amended as set out in the paper before honourable Members. Sir, the amendment provides that not more than one of the appointed members of the commission should be a Supreme Court judge. Whilst no decisions have yet been taken by you, Sir, with respect to appointed members it would not, I believe, have been the intention to appoint more than one judge. However, Unofficial Members feel that the law should specifically limit the number of judges who may be appointed. I respectfully share their view.

Proposed amendment

Clause

- 3 That clause 3 be amended in subclause (1)(d) by inserting after "Governor" the following—
", one of whom may be a judge of the Supreme Court".

The amendment was agreed to.

Clause 3, as amended, was agreed to.

Clauses 4 to 16 were agreed to.

First Schedule

THE ATTORNEY GENERAL:—:Sir, I move that the First Schedule be amended as set out in the paper before honourable Members.

Proposed amendment

- First Schedule. That the First Schedule be amended by inserting after "President, Lands Tribunal" the following—

"Member of the Lands Tribunal".

The amendment was agreed to.

First Schedule, as amended, was agreed to.

Second Schedule was agreed to.

COPYRIGHT (AMENDMENT) BILL 1975

Clauses 1 and 2 were agreed to.

**INTERPRETATION AND GENERAL CLAUSES (AMENDMENT)
(NO 2) BILL 1975**

Clauses 1 to 5 were agreed to.

PUBLIC SERVICES COMMISSION (AMENDMENT) BILL 1975

Clauses 1 to 4 were agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1975

Clauses 1 to 6 were agreed to.

MEDICAL REGISTRATION (AMENDMENT) BILL 1975

Clauses 1 to 10 were agreed to.

**THE CHINESE UNIVERSITY OF HONG KONG (AMENDMENT)
BILL 1975**

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the
Fire and Marine Insurance Companies Deposit (Amendment) Bill 1975 the
Life Insurance Companies (Amendment) Bill 1975 the
Copyright (Amendment) Bill 1975 the
Interpretation and General Clauses (Amendment) (No 2) Bill 1975 the
Public Services Commission (Amendment) Bill 1975 the
Road Traffic (Amendment) Bill 1975 the
Medical Registration (Amendment) Bill 1975 and
The Chinese University of Hong Kong (Amendment) Bill 1975

has passed through Committee without amendment and that the Judicial Service Commission Bill 1975

had passed through Committee with amendment and moved the third reading of each of the bills.

Question put on each bill and agreed to.

Bills read the third time and passed.

Unofficial Member's bill

Second reading of bill

CHATER MASONIC SCHOLARSHIP FUND (AMENDMENT) BILL 1975

Resumption of debate on second reading (1st October 1975)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bill

Council went into Committee

CHATER MASONIC SCHOLARSHIP FUND (AMENDMENT) BILL 1975

Clause 1 was agreed to.

Clause 2

MR LEE:—Sir, I move that clause 2 be amended as set out in the paper before honourable Members.

[MR LEE] Chater Masonic Scholarship Fund (Amendment) Bill—Committee stage*Proposed amendment**Clause*

2 That clause 2 be amended in the proposed new section 1A(1) by deleting paragraph (b) and substituting the following—

"(b) deceased freemasons who were members of any of such masonic bodies as aforesaid."

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 and 4 were agreed to.

Council then resumed.

Third reading of bill

MR LEE reported that the Chater Masonic Scholarship Fund (Amendment) Bill 1975 had passed through Committee with amendment and moved the third reading of the bill.

Question put and agreed to.

Bill read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday the 5th of November.

Adjourned accordingly at twenty-five minutes past five o'clock.

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