

OFFICIAL REPORT OF PROCEEDINGS**Thursday, 27 October 1977****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, GBE, KCMG, KCVO

THE HONOURABLE THE CHIEF SECRETARY
SIR DENYS TUDOR EMIL 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, CMG, QC, JP

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR LI FOOK-KOW, CMG, JP

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, CMG, JP
DIRECTOR OF EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, JP
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, JP
SECRETARY FOR HOUSING

THE HONOURABLE GARTH CECIL THORNTON, QC
SOLICITOR GENERAL

THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE THOMAS LEE CHUN-YON, CBE, JP
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE DEREK JOHN CLAREMONT JONES, JP
SECRETARY FOR THE ENVIRONMENT

DR THE HONOURABLE THONG KAH-LEONG, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, JP
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE PETER BARRY WILLIAMS, JP
COMMISSIONER FOR LABOUR

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, JP
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JOHN CHARLES CREASEY WALDEN, JP
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE WILLIAM DORWARD, OBE, JP
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)

DR THE HONOURABLE CHUNG SZE-YUEN, CBE, JP

THE HONOURABLE LEE QUO-WEI, CBE, JP

THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP

THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

THE HONOURABLE LI FOOK-WO, OBE, JP

THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP

THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP

THE HONOURABLE LO TAK-SHING, OBE, JP

THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

THE REV THE HONOURABLE JOYCE MARY BENNETT, JP

THE HONOURABLE CHEN SHOU-LUM, JP

THE HONOURABLE LYDIA DUNN, JP

DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP

THE HONOURABLE LEUNG TAT-SHING, JP

THE REV THE HONOURABLE PATRICK TERENCE McGOVERN, SJ, JP

THE HONOURABLE PETER C. WONG, JP

THE HONOURABLE WONG LAM, JP

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

ABSENT

THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP

THE HONOURABLE JAMES WU MAN-HON, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR STEPHEN TAM SHU-PUI

Government business**Motions****Address of thanks to His Excellency the Governor****Resumption of debate on motion (26 October 1977)**

REV JOYCE M. BENNETT:—Your Excellency, Your Address at the opening of this session has given hope and encouragement to thousands. I am glad to support the motion before us today to thank you for your policy proposals. I wish to examine the implications of them in relation to Education and Social Welfare.

Pre-Primary Schooling

I was delighted to hear that a working party has been appointed to examine the services for children below primary school age. I note that there is also to be a working party to consider the quality of primary education. These two facets of education are closely related and for too long kindergartens and pre-primary nursery schools and playcentres have been outside the orbit of close inspection by the Education Department. Yes, I know that the Kindergarten Section of the Education Department has currently 6 advisory inspectors and 56 other inspectors concerned with kindergarten administration. But what are they able to carry out among 806 kindergartens and 172,410 kindergarten students?

It is easy enough for teachers in secondary schools to blame their students' wrong learning methods on their inferior primary schools. But undoubtedly attitudes to school and learning are developed in the kindergartens and pre-school centres of our housing estates and tenement buildings. Emphasis has in recent years been placed on the Activity Approach in Primary Schools. Visit some of those using these methods and your hearts will be warmed as you see the children actively participating in the learning process. Go from there to the traditional kindergartens and your hearts will sink as you can barely pass between the serried rows of children and you find playground space is also severely limited. Our parents are willing to pay high fees to have their children study in these schools—many parents asking for remission of fees for their secondary school-age children are paying \$40 to \$75.60 per month for a younger child to have half-day schooling in a

kindergarten. And what training have teachers in these kindergartens had? The majority lack full-time training, though some have had In-service Training in courses run by the Education Department, but not more than 50 per year undergo these courses. Before 1972 the trainees were far fewer and the courses were held irregularly. There are at the moment 4,395 kindergarten teachers and 3,635 of them are without any form of training. Of course, I know that the better kindergartens encourage their senior teachers to pass on their knowledge and experience to younger teachers. Over 20 years ago an attempt by a voluntary agency to set up kindergarten teacher training in Hong Kong was rebuffed by the then Director of Education. As a result, thousands of kindergarten children have been poorly taught by unqualified teachers. I hope that present suggestions by voluntary bodies to start regular courses for training of kindergarten teachers will be given early and sympathetic consideration. With the vast and costly schemes for secondary education, there is a real danger that if we wait for the Government to undertake this necessary kindergarten teacher training it will remain in the distant future.

I believe there is a considerable turnover of the younger kindergarten staff at present as they move on to better-paid employment. The pace of this trend will quicken as the subventions by the Social Welfare Department to better-run nursery centres enable them to give adequate remuneration to their staff. Thus I welcome this examination of the pre-primary facilities and am encouraged to note that the Secretary for Social Services is chairing the Steering Committee. As I urged in this Chamber in the last session, it is important to co-ordinate what is being done by the Education Department and the Social Welfare Department in these fields.

Secondary Education

Sir, I see your proposals regarding Junior Secondary Education as most encouraging and exciting. To suggest that this can within the next three years become universal, compulsory and free is, I might almost say, beyond our wildest dreams. I see in these proposals Your Excellency's very real concern for the educational welfare of the poorer members of our community. It is good also to note the Government's intention to ensure that the places in Forms I—III will be of a proper standard.

While I applaud the announcement to abolish fees in the public sector in Forms I to III, I urge that the ratio of teachers per class be increased to 1.4 teachers per class in secondary schools and 1.2 per class in the primary schools. This would only be a return to the ratio of earlier days, but I would insert a proviso that schools should only be allowed to have these extra teachers if they were already providing some extra-curricular activities and promised to continue and expand them. It is essential that there is no lowering of standards when free education is introduced. Adequate schooling will nurture a proper pride in Hong Kong. We must ensure that the standards of our schools do not drop by making them free.

I give my whole-hearted support for the programme of ensuring that all children should have nine years' compulsory education. I am encouraged that there has been some attempt recently to insist that all primary-age children should be in school. But as yet there has been very little legal action against parents for not sending their children to school. I see the need for a positive drive to enforce this and would suggest that the Secretary for Social Services consider how the deployment of some of the social workers from the Family Services Division of the Social Welfare Department could help the Education Department officials in the enforcement of compulsory education.

It has grieved me each year since 1968 that I have been School Principal in Kwun Tong to find that some children are unable to take up their secondary school places because of the financial problems of the parents. This year too, in September, we failed to keep one Form I girl in school, because her father was not working and he wanted to send the daughter out to earn. Earlier in August other girls did not take up their Form I places for the same reason. I am thankful to learn of the proposals regarding School Social Work. Our teachers in secondary schools have large classes of 40 students so they cannot devote enough time to counselling parents, a most necessary job if we are to keep their children in school. Even so, free secondary education may well not solve the problem for low-income families, who are desperately waiting for the \$300 to \$400 extra per month earned by that secondary school-age student. It will be important for the Social Workers in the Family Division of the Social Welfare Department to liaise closely with the School Social Workers.

I am glad in this respect to note that a certain flexibility will be granted to enable part-time and summer job employment. Part-work and part-study should not be despised as an interim measure to cope with the present social and economic system of Hong Kong. In fact many students from poorer homes are taking up summer employment. This year in 1977 over 50% of my students in Forms II, III and IV took summer jobs, mostly earning \$600-\$1,000 during the two holiday months. This money helps with their fees, books and lunches.

That school fees in the public sector of our junior secondary schools will be abolished came as a great surprise to all sectors of the community. Undoubtedly, many will welcome this, but also many wise heads have questioned the wisdom of this move. Local parents do not want to see here in Hong Kong what has been observed in the West—the eroding of the respect for elders in family and school. We do not want the spread of contempt for authority that can so easily accompany free education. Beware of the students turning against the school that has to provide so much education for nothing. How can we prevent such a situation developing? To my mind the answer lies in the continual responsibility by the parents for the education of their children. If past experience is any guide, nearly all parents demand Forms IV and V places for their children even if the children

are not high academic achievers. Indeed, Your Excellency has hinted that there is a need to provide more aided places in Forms IV and V than the presently proposed 40%. I suggest that an Education Insurance Scheme be established for the purpose of providing funds for the completion of the senior secondary education. The parents' contribution, equivalent to providing 3 years' junior secondary education for their children had it not been free, should be paid by 10 monthly instalments each year into the scheme. In this way, parents will be seen to continue to provide education for their children even under the new 9-year free compulsory education system. The scheme will help ease the financial burden of parents who insist on further education for their children. As I see it, private schools will continue to be with us for some time. Naturally, they will have to charge high fees; indeed, fees in the senior secondary classes of Government and aided schools may well have to be raised too. This insurance scheme should be independent of the Government, but Government should see to it that the necessary safeguards are there. Parents should be allowed to take out the money with the accrued interest at the appropriate time, whether or not the child did in fact continue in school. I welcome therefore the proposed review of the provision in Forms IV and V for only 40% of the school population.

Tertiary Education

I look forward too to hearing more of the plans for tertiary education. I am more and more concerned about the number of our Sixth Form graduates who are unable to find places at the Universities or Polytechnic. Students of an academic calibre and qualification able to benefit from a university education are today denied it because of the inadequate number of places. In earlier years such students would have been easily admitted to the Hong Kong University. The standard of the Matriculation Examination of that University has now been raised extremely high in order to reduce the number of applicants. I hope very much that the Hong Kong Examination Authority will this year investigate carefully the syllabuses of the Advanced Level Examinations and compare them with the syllabuses of the university courses. We cannot afford to pressurize our Sixth Form students any longer to study material unsuitable and irrelevant to them. Just as we have seen recently an improvement in the curriculum of the Junior Secondary classes, so we must improve the syllabuses studied by our senior secondary students. I know our Vice Chancellor has been concerned with the inability of our university students to converse and to express themselves in either Chinese or English, I think this can partly be attributed to the terrible pressure these students have been under in their Sixth Form course to cover the vast and detailed syllabuses required for the Advanced Level courses. It is sad that the University of Hong Kong is losing able students whose London GCE results are of high calibre. This year a comparison of the GCE 'A' Level Science and Mathematics results with those obtained in HKU 'A' Levels showed

that many students had GCE grades 3 or even 5 or 6 grades higher. I can instance one girl with one 'A' and two 'B's in London GCE 'A' Levels but gaining only 'B', 'D', and 'O' in Physics, Chemistry and Mathematics respectively in HKU 'A' Levels. She could have gained entry into any university in the UK. But the students with whom I am dealing cannot afford to go overseas on their GCE results when they fail to be admitted to HKU.

Need for Increased Consultation

Your Excellency referred to the need for greater consultation with the people of the New Territories. I think that other Government departments also need to examine more closely ways of improving their consultative machinery. Undoubtedly the last years have seen improvements in Government Public Relations. Much has been done, but as more is done, so the public will continue to demand more. I mention one department only as I am most familiar with it. The Education Department has not yet succeeded in gaining the full confidence of school administrators and teaching staff. I give one example, for many years Special Schools have been urging the Education Department to update the Code of Aid relating to these schools. At last it is out, but immediately there are problems that could have been avoided by fuller consultation with those running the schools. I refer in particular to the staff establishment and grading of the Special Secondary Schools. These schools will always rely heavily on graduates of the Colleges of Education, since they have so many practical or technical subjects. Yet the grading for the nine classroom school (see Appendix 3 of the Code of Aid) shows an establishment very similar to a normal school in the proportion of graduates to non-graduate teachers. I urge the Government to re-examine this with a view to saving money and creating better promotion prospects for the certificated teachers, who are particularly needed in special schools.

Services for the Handicapped and Social Welfare

Your Excellency, it is a joy to know that there are to be wide-ranging improvements in the lot of the handicapped. I welcome the White Paper to which you referred and which is now in our hands. There is much work to be done in this field and I believe that there is a growing number of young people who wish to serve the handicapped. Let us not thwart them by being slow to implement our proposals and by not having sufficient places for training them. It is heart-rending to be in touch with these keen graduates, who are turned away at present from the Polytechnic's Social Work Diploma Course, because the demand for places is so overwhelming—this year only 65 could be taken out of the 2,371 who applied.

One other aspect of working with the handicapped needs further development—the counselling of handicapped students on their future careers. I can well see more school social workers helping here, especially among the handicapped studying in ordinary schools.

I applaud the supplement for those on Public Assistance for a period of 18 months and over. This will encourage widows and infirm parents to see that their children have the fullest education their ability merits. We must not have able students leaving at Form IV or Form V because of financial problems. Nor must Fifth and Sixth form students have to worry each year in the autumn as to whether or not they will in fact receive the financial assistance to which they are entitled. Government maintenance grants are notified in October, which is satisfactory, but scholarship grants last year were not announced until May just as the courses were finishing!

I note that the Director of Social Welfare will be restructuring his Department. When he does this, I ask him also seriously to consider the restructuring of aid to Voluntary Bodies who assist his Department with their many projects. The proposals outlined by Your Excellency will rely heavily on the Voluntary Agencies. At the moment these spend far too much of their Management Committee's time and energy looking into ways and means of raising money to meet the spiralling costs of salaries and services. It is clear the Government cannot carry out all the many social services in the field of health and social welfare without the voluntary societies. They have been hampered by not knowing each year whether or not their estimated income from Government sources will in fact be available. The voluntary schools have done well in recent years, their code of aid has clearly laid down their obligations and the amounts they will receive in aid. Something of a similar nature is needed in the social welfare field for organizations working amongst the socially and mentally handicapped, the elderly and the young in need of care and protection.

In conclusion, I would echo Your Excellency's words 'safety does not depend on immobility'. Hong Kong has proved to be for many of us (both Westerners and Chinese) an exciting and satisfying place to put down our roots. Part of this has stemmed from the rapidity of the changing scene. Let us never fear to face changes that stem from a real concern to improve the conditions of the people.

I have much pleasure in supporting the motion.

MR CHEN:—Sir, in Your Excellency's Address to this Council on the 5th October, you drew our attention to two major problems affecting our future economic and financial position. These are excessive domestic consumption and the need for diversification of our industries. The former spells out clearly a warning on our spending and the latter concerns our future ability to earn. I shall confine myself mainly to the question of diversification and some of its related problems.

Diversification or the need for it is not new in Hong Kong. For example, the development of industry after years of entrepot economy was itself diversification. Much of the success of Hong Kong's industries has been the result of their ability to adopt and adapt existing ideas and know-how,

improve products and processes and reduce production costs. The time has however come when many of our neighbours, who have industrial environments superior to ours in terms of availability of raw material, land and other resources, are able to adopt the same principle in developing their industries. It will therefore be increasingly difficult for us to compete with them unless we venture into more advanced products and progress ourselves to a stage where more of the origination of idea, design, development and even research is done in Hong Kong.

In order to sustain Hong Kong's economic growth in the face of increasing overseas restrictions on textiles resulting from the protectionist attitude adopted by some countries, it is essential to encourage industrial diversification in two directions:

- 1 the further development of certain existing industries to provide greater variety and higher levels of sophistication (e.g. the electronics industry)
- 2 the generation of new and higher technology industries which have high value-added content.

In other words, diversification must be both vertical as well as horizontal. It must also be a continuous broadening of our industrial base which aims at long-term stability rather than short-term success. It may involve longer term planning than that which Hong Kong has hitherto been used to, and must be geared to generate a higher added value per worker, per square foot of factory space and per dollar invested through technological improvements and innovations, which is the essence of productivity.

In our attempt to diversity, we must not fail to recognize the factors which could hinder the process. Such factors include—

- 1 the lack of central economic planning machinery;
- 2 the lack of inducement for the establishment of new industries, especially those of a capital intensive nature;
- 3 the non-availability of suitable technical manpower and technological know-how;
- 4 the lack of technological infra-structure to support sophisticated industry, for example, a comprehensive technical information service;
- 5 the need to rely almost exclusively on export outlets but without having the means of influencing them or preventing their erosion for reasons other than competition;
- 6 the lack of secure and protected domestic market; and
- 7 the dependence on distant sources of supply of raw materials.

However, with the limits imposed by Hong Kong's natural environment, there are still measures which can be taken to accelerate industrial diversification provided that suitable answers to some of the above points can be found. The setting up of a high-level committee to advise on the diversification of industry is therefore most welcome and timely.

As mentioned earlier, the extent to which Hong Kong can successfully diversify her industries is highly dependent, among other factors, on the availability of trained technical manpower at all levels and the rate of transfer of technology into existing and new industries. At the last Budget Debate, I said that our future economic and social development will depend on our ability to meet the demand in increasingly sophisticated technical manpower. With the need for industrial diversification, the demand for more and better trained technical manpower will be even greater. Moreover, it would be quite pointless to attempt to attract overseas investments in high technology industries if we were unable to provide the necessary manpower support.

In the development of manpower, I appreciate the efforts made by Government in the provision of technical education. But technical education alone will not produce manpower of the quality we need. It must be supplemented by adequate industrial training.

As I have said in the past, there is a great imbalance between technical education and industrial training. Whereas technical education is conducted in a formal manner, with prescribed course curriculum and under efficient supervision, industrial training in Hong Kong is in the main carried out purely on a voluntary basis.

One of the functions of the Hong Kong Training Council, through its various training boards, is to draw up standards and training programmes for industries. This is being successfully carried out at all levels from technologist to craftsman but whether or not these programmes are being followed is left entirely to individual employers. The Training Council being an advisory body is not in a position to exercise effective control and supervision as far as achieving the training objectives is concerned. The position of industrial training for technologist and professional grades is particularly serious and few facilities exist except in a handful of large and progressive organizations which train a limited number of people only to meet their own demand.

This is broadly the state of industrial training in Hong Kong today. Unless we correct this imbalance between technical education and industrial training, we shall not be able to produce the technical manpower of the quality we need. This situation is particularly true for qualified technologists in the engineering fields, the demand for whom will increase with industrial diversification. As a matter of fact, despite increasing output of engineering graduates from the Universities and the Hong Kong Polytechnic the supply of qualified engineers, I repeat the word qualified, continues to lag behind demand and this situation will become increasingly serious unless suitable practical training facilities are made available to graduates to turn them into professionals. In view of the shortage of qualified engineers, many employers try to circumvent this problem by importing this level of manpower from abroad. This practice can only be a short-term solution to the

problem because in the end it will force our costs up and inhibit our ability to achieve self-reliance in meeting our own manpower requirement.

To remedy the situation, I am of the opinion that a permanent industrial training body should be established and provided with the necessary means to ensure a balanced industrial training/technical education system. Only then can we be assured that our industries will have a sufficient supply of adequately trained technical manpower, which will not only enable them to diversify and up-grade production with confidence but will also help in stabilizing labour and consequently production costs. The Training Council should be given the statutory status and power to become such a body. As my Friend Mr TIEN said, industrial training is vital to the success of diversification. The Training Council will therefore have an increasingly important role to play.

Before I close, I would like to refer briefly to technology transfer. Technology is the backbone of any industrial development. Whether or not we will succeed in our efforts to diversify will depend on how much and how best we utilize modern technologies and our ability to transfer them from management to shop floor. One of the most cost effective means to encourage the use of new and higher technology is the provision of an efficient technical information service to industry. Dissemination of technical information is at present undertaken in a limited way by a number of organizations, but unfortunately because of their different backgrounds, they all tend to proceed in an ad hoc fashion. The remedy for this situation is the creation of a central technical information service by pooling the resources of existing organizations. This would help avoid unnecessary duplication and overlapping of efforts but, more importantly, would also provide a single focal point for those seeking technical information. I believe that in order to support our efforts to diversify, the urgent establishment of such a comprehensive central technical information service is essential.

Sir, with planned industrial diversification, we may see Hong Kong entering into yet another phase of economic evolution, just as we did in the early 1950's when Hong Kong was transformed from an entrepot into an export-oriented industrial community.

With these words, Sir, I support the motion.

MISS DUNN:—Sir, thanks to Your Excellency's Governorship and Administration, the future of this community is better secured now than in the past. But I cannot agree with Your Excellency when you said, at the end of your speech, that 'Hong Kong is well placed to take advantage of whatever growth there is (in world trade in 1978)'. I think Hong Kong could be well placed, but only if the Government recognizes the implications of its own analysis of our current economic situation and sees fit to take certain policy initiatives and decisions with regard to the textile industry, domestic inflation and the maintenance of confidence.

The Textile Industry

Irrespective of the state of the textile industry, there is a case for broadening our industrial base to reduce our vulnerability to changing conditions in our overseas markets. I am pleased, therefore, that Your Excellency has decided to set up an Advisory Committee on Diversification. But it is our current anxieties about ever increasing restrictions on our textile exports which have focussed so much attention at this time on the question of diversification of the manufacturing sector of our economy and, indeed, of the economy as a whole. Apart from engaging in its own researches and activities, with particular reference to the ways and means that Government can effectively and legitimately facilitate the process of diversification, I hope the Committee will assume a co-ordinating role in respect of the activities of all other organizations concerned with the promotion of new industries. I say this because there is a need for a centralized pool of information on possible investment and market opportunities and expert advice as to how best they might be exploited.

However, it is doubtful whether we can achieve the same growth rate in the future as in the past if there is to be an emphasis on diversification, rather than specialization, of production. The fact is there is bound to be a loss of profitability as we move away from those areas where we have the maximum comparative cost advantage.

So, amidst all this topical discussion about diversification we must be realistic: no matter how successfully we may pursue a policy of diversification, there is no possibility of the dominant role of the textile industry being more than marginally replaced in the short term. In my view, therefore, the Government and the Advisory Committee on Diversification should think in terms of assisting our textile industry to survive in the face of protectionism, by offering this industry—this industry which we know so well—special land terms and assistance in marketing. We are, after all, apparently prepared to assist new industries in these ways, industries in which we have no experience and which are of untested profitability.

Let us not forget, too, the textile industry's remarkable record of survival and expansion over the past 15 years through a process of internal diversification. This process has been partly in response to growing restrictions: fifteen years ago less than 10% of our export of textiles were under restraint; today no less than 60% is covered by restraint agreements. Yet the relative importance of textiles in our greatly enlarged economy has not diminished over the years. This is a matter of pride, not regret. While a general slide into even more protectionism is a real threat, let us not write off the textile industry with its record of success and its accumulated experience.

So I suggest that whilst there should be no unnecessary hindrances in the way of the establishment of new industries, the Government should help to maintain the competitiveness of those industries in which we presently specialize, and particularly the textile industry.

Domestic Inflation

It is in this connection that the question of domestic inflation becomes important. Both Your Excellency and the Financial Secretary have expressed concern about the level of domestic sector activity in relation to the export sector and have admitted that prices and costs are not adjusting to the weakness of external demand. However, whilst admitting that the growth of our economy depends on the growth of exports, neither Your Excellency nor the Financial Secretary have indicated how the Government proposes to relieve the pressure on costs so as to restore price flexibility.

It seems that the Government is simply content to sit back and hope that a decline in private sector demand will lead to an easing of the pressure on domestic costs and prices arising from construction activity. But surely this should at least be accompanied by a trimming back of public sector demand.

And, furthermore, the recurrent financial implications of the various proposals in Your Excellency's speech seem to me to be very considerable. Together with the growing cost of our existing services, the prospect is for a sharp increase in recurrent expenditure next year. I hope, therefore, that the Government is mindful of the need to manage the economy and our public finances in such a way as to secure our prosperity for it is important that we do not suffer a permanent loss of our flexibility.

Maintenance of Confidence

So far I have argued that our economic prospects depend, first, on our approaching the question of diversification sensibly and that includes not ignoring the textile industry's claim to assistance; and secondly, on our preserving our flexibility by avoiding internal inflation. But our prospects also depend, thirdly, on the maintenance of confidence in our future. It follows that those who are constitutionally responsible for Hong Kong should ensure that there is no ambiguity in their actions which could be interpreted, rightly or wrongly, as showing a lack of interest in our welfare.

Many of us, as Your Excellency suggested, do 'take confidence' in the excellent state of Anglo-Chinese relations as further evidenced by the Chinese Authorities' gesture over water supplies. Many of us, equally, have been disturbed by the British Government's acquiescence in the EEC's discriminatory trade policy. It is the political aspect of this acquiescence which concerns most people as well as, or indeed, rather than the economic aspect. What has really upset people is the fact of discrimination by the British Government against Hong Kong, a community for which the British Government has a special responsibility, in favour of other suppliers for whom the British Government has no special responsibility.

It is not as if we in Hong Kong ask the British Government to discharge this responsibility in a way which is costly to the British taxpayer, for we have always stood on our own feet; or in a way which is damaging to British

industry, for we have long since accepted the principle of restraint where market disruption can be established. All we ask is that the British Government is mindful not only of its constitutional right to exercise influence over our policies and programmes but also of its ultimate responsibility for the welfare of Hong Kong and this includes resisting the application of trade policies which are so indefensible in terms of internationally accepted rules.

Sir, I have pleasure in supporting the motion.

DR HU:—Sir, in the last decade or so it has become fashionable to give a name or a theme to the year in which it desired to promote a certain programme. In view of the far-reaching proposals for changes in social services announced by Your Excellency in your address to this Council three weeks ago, may I suggest that we in Hong Kong call this the ‘Year of Social Progress’. Your Address, Sir, outlined progress in education, health and social welfare: together, the various proposals will lead to a better quality of life for the more needy sections of our population. I am confident that all men with Hong Kong’s interests at heart will warmly welcome these proposals and will support the efforts of Government and the various voluntary bodies in implementing them. I only wish that more details of the various plans could have been made available earlier so that the proposals could have been examined more closely and critically in the light of the plans.

White Paper on Rehabilitation

The publication of the White Paper on Rehabilitation and the appointment of a Co-ordinating Committee under the chairmanship of my honourable Friend, Dr Harry FANG, is an excellent curtain raiser to the ‘Year of Social Progress’. That this is to be an acceleration in the development of rehabilitation services which many of us pressed for so hard following publication of the Green Paper is particularly laudible. While I certainly wish every success to Dr FANG and his Committee, I still feel that the magnitude and complexity of the task before them require the appointment of a Commissioner of Rehabilitation. A person of such rank and status would certainly add strength to the Committee and would serve as a focus for the general public and others concerned about the needs of the disabled. It is far easier to relate to a man than to a Committee or a Unit in the Social Services Branch.

Need for Trained Staff

As you mentioned, Sir, one of the biggest stumbling blocks in getting this massive rehabilitation programme started is the lack of trained staff. Local training for hundreds of people in many different disciplines is required: what steps has the Government taken to work out a plan to achieve that goal? I would like to be reassured that the matter is receiving high priority and that plans are in hand to solve the problem as quickly as possible.

Public Assistance Index

Now I turn to the changes proposed in the Public Assistance and Infirmity and Disability Allowances schemes. I am pleased to note that there is a movement to increase the level of Public Assistance especially as the last revision took place three years ago in 1974. In my view, it is also time to review the method of compiling the Public Assistance index. Since the allowance was first introduced in 1972, much has changed in our society. We have developed both economically and socially, expectations have increased and the values reassessed. Should we continue to view Public Assistance merely as a subsistence allowance designed to keep the body together? What about the soul? What more is needed in order to improve the dignity of man and give him a sense of worth in society? It is time to look at the way the index is compiled as well as the actual level of payments.

All the other extensions and changes to these allowances are highly commendable. The lowering of the qualifying age for Infirmity Allowance and its payment to residents in institutions are two goals long sought by the voluntary sector concerned with social welfare. I am also pleased to note that the Infirmity Allowance is to be far more appropriately renamed 'Old Age Allowance'.

Programme Plans for Services to the Elderly and Youth

Together with the Government, the voluntary sector has played an active and strategic role in the drafting of the programme plans for services to the elderly and youth. While the voluntary sector would naturally wish to know more about the various proposals in detail, it welcomes publication of Green Papers on these two important areas of social welfare in the near future. The voluntary sector is concerned however about the narrow scope of the Personal Services for Youth Programme Plan. Like you, Sir, it recognizes that there is a small minority of young people who are vulnerable to delinquent influences and who need special services. Nevertheless, it would like to see Government go much further and wider in its approach to youth. I consider that there is a need to develop a comprehensive programme which cuts across all of the various departments and agencies serving youth. May I propose therefore that consideration be given to the production of such a comprehensive plan for youth similar to the approach taken for the disabled and elderly.

Restructuring of SWD

I am sure you will agree, Sir, that any re-structuring of the Social Welfare Department will have immediate and far-reaching effects upon the voluntary sector. Therefore changes must only be undertaken after thorough discussion and consultation with the voluntary sector. There was a close and gainful relationship between Social Welfare Department and the private sector in the production of the Five Year Plan for Social Welfare Development and

the various Programme Plans and I trust that the same consultative process will be followed in the study to be conducted on the re-structuring of the Department. Social progress can only become a reality if, so to speak, we have the machinery in both Government departments and the voluntary agencies to deliver the goods. In addition, voluntary agencies also need an improved subvention system so that they can plan ahead with confidence and carry out the projects in the various programmes without the crippling anxiety created by the uncertainty of funding. I trust that the proposals already put to the Social Welfare Advisory Committee by the Hong Kong Council of Social Service will help to solve this long standing problem.

Labour Department

Before I resume my seat, Sir, may I say few words about the Labour Department. As we all know it is an important Department which has achieved a great deal in the past few years in bringing forward various items of labour legislation to better the lot of our workers. Because of the significant role the Labour Department has to play in labour matters, may I venture to suggest, Sir, that favourable consideration be given as soon as possible to upgrading it to secretarial level.

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

MR LEUNG:—Your Excellency, the working population in Hong Kong has generally hailed Your Excellency's speech at the opening session of this Council. It brought good tidings in matters of immediate concern; namely, labour legislation which will afford greater social security and more adequate protection in working environment; better provision for leisure and more opportunities for leisure, youth and recreation; bold measures for junior secondary education, industrial training, services to the elderly and to the youth; and also the promise of new homes as well as new sickness and death insurance scheme. Amidst the perplexities of our lives in this complex society we find, to our delight, that Hong Kong is becoming a far better place for workers to work and to live in. I, for one, cherish the inspirations of an enlightened Government.

The Commissioner for Labour, in his role as protector and friend of the workforce, has very important tasks to perform. We look to him to intensify his efforts on the many functions of his consolidated and very resourceful Department. We pledge our whole-hearted support for all that has been done and will be done to further the social benefits and working conditions of the working population who are normally less fortunate than others. We therefore urge that the Department be appropriately expanded and strengthened, to enable it to cope with the very rapid developments and achievements which rely so much on the dedicated efforts of the staff.

Next year we will be enjoying more leisure in terms of the number of holidays. Much concern has been expressed on how to spend this leisure

time to the best value. It is very commendable that Government look on the provision of suitable facilities for leisurely relaxation as a new and indispensable concept for such activities. In fact the need for additional provision in this field will soon become pressing, and we look forward to more vigorous and more intensified action in the provision of additional recreational and sports camps, country-parks and other out-door facilities. Indeed, successful efforts in these directions will also be of great help in providing solutions to a variety of youth problems.

It is the earnest desire of the workers in our community to be able to benefit from and to qualify for the Home Ownership Scheme, since housing for workers and their families still remains a major social problem. The high cost of living and rent for living accommodation remain a heavy burden on wage-earners. Such demands on the limited means of employees can be aggravating, particularly in the case of young married couples who need, but are not qualified for, low cost housing.

The move to reduce the qualifying age for Old Age Allowance and to improve the Disability Allowance is welcome. Although these are certainly steps forward towards providing better services for the elderly they still fall short of the comprehensive aim to ameliorate the hardships of the aged, the poor and the helpless, since the presence of harsh living conditions forms an adverse reflection on the name of the community within an ordered society. From the workers' point of view there is a desire to raise the normal retiring age of employees, particularly in the lower grades of the Government Service, from the present 55 years to 60 or even 65 years. Pending a favourable ruling on this by Government, workers nearing their 55th birthday will find it more encouraging, reassuring and satisfying because of the improvements in recent years to the quality of life.

The reaction of the workers towards the proposed contributory Sickness and Death Insurance Scheme is generally favourable, in the absence of a more comprehensive and beneficial social security scheme, particularly in the case of middle-aged workers and those with heavy family responsibilities. The loss of a bread-winner in any family is now tantamount to a disaster and makes the family a burden to the whole community. The proposed scheme will help to rehabilitate grief-stricken families and tide them over these periods of misfortune. I can envisage that this proposal will therefore receive enthusiastic support from workers generally, and hope that it will become effective sooner than 1980.

My learned Senior Colleague, Dr S. Y. CHUNG spoke eloquently on the need for establishing a central provident fund scheme to provide long-term benefits for wage-earners. To the best of my memory, Dr CHUNG has been voicing this issue long before the 1974 annual policy debate, at venues other than this Council. The workers and trade unionists of Hong Kong then gave credit to his welcome suggestion and were inspired by his far-sightedness and his sympathetic involvement in local labour problems. I am in full

agreement with his recommendation that the time is ripe now for Government to seriously consider to incorporate the advantages of such a scheme into the proposed Sickness and Death Insurance Scheme, which should be administered by Government on a territory-wide basis.

Sir, with these few remarks I support the motion.

REV P. T. MCGOVERN:—From the very wide range of important subjects covered in Your Excellency's speech I wish to offer a few thoughts on the one subject which seems to me to be of the greatest importance at the present time, namely Public Housing, and particularly rents in Public Housing.

Naturally I heartily welcome the assurances on the high annual rate of flat completions from next year onwards. Equally welcome is the improved quality of flats in the newer estates. The Home Ownership Scheme is a worthwhile experiment provided that effective safeguards can be taken to prevent the new owners joining the ranks of the profiterring property owners. Its chief merit, to my mind, is the hope that it will indirectly help lower income families by making more space available in the cheaper rental areas. The success of the scheme should be judged mainly by its effects on the lower income groups rather than on the better off prospective owners.

Most welcome too is the new and realistic financial deal for the Housing Authority. This arrangement opens the way for the Authority to clarify its policy and to simplify its implementation of that policy. To my mind this clarification and simplification touches the nub of the housing problem. It is most important politically, socially and economically in that even now it involves some two million people. Even a small error or misunderstanding involving so many people automatically becomes a big issue.

It is clear that under the past arrangements there has been some criticism and dissatisfaction. In dealing with so many people of varying temperaments some human errors and criticism are inevitable. No one envies the staff of the Housing Authority their task. Apart from the human element much criticism is caused by two factors. One is the lack of a clearly stated and easily understood policy. The second is the lack of clear knowledge on the part of tenants as to how exactly their rent packages are made up, especially when comparisons are made with other rent packages.

As regards policy Your Excellency's assurance should go a long way towards the needed clarification. You stated (Para. 91) that '...the Housing Authority accepts its obligation to provide decent housing for low income groups at rents they can afford'. Nothing could be clearer. At the risk of obscuring that clarity let me spell it out a little. There are three elements involved. The quality must be decent, meaning I presume of a size and standard and environment fit for human habitation. Public housing is for low income groups, and at a rent they can afford. This logically involves a

relationship between the income of the tenant and what he must pay. Even I can understand that. I hope I am right in thinking that the ability to pay, which prescind from costs, includes the concept of subsidy so that the very poor, whose needs are greatest, are not excluded from decent housing. The clear policy becomes somewhat less clear when one asks how much cross-subsidy is involved between the various groups of rents; in other words, to what extent are some low income groups paying for subsidies to other low income groups, thus relieving the rich of part of what should be their burden?

There are other things I do not understand in this more complicated question of the composition of the rent package. I have read the Housing Authority's Annual Report with its prize-worthy explanations and clearly laid out financial appendices, not excluding Appendix F showing the surplus for Group A Estates. I have also listened to the fears and hopes and criticisms of those who live in Public Housing and to those self-sacrificing Community Developers who work with them. I admit I am confused. Your Excellency stated (Para. 91) that in the area of flexibility of rents especially in the new estates most criticism is misguided. I have admitted to being confused, and now must perhaps add misguided also (*Laughter*)—not, I hope, by the available official explanations and statistics.

In this we are talking partly about the past and the pre-1973 and post-1973 systems. I would prefer to look to a more optimistic future. In the recently tabled Housing Authority Annual Report (1976-77 Pg. 42) I was happy also to read that '...the new financial arrangements leave the Authority free to take a fresh view of the matter...' This is most welcome news. For the public to see Government taking a fresh view of anything is always refreshing, perhaps some cynics would say, owing to the rarity of such an event.

Be that as it may could I make a few suggestions about the new view. Though some figures and accounts are necessary I would hope that the new view will not become a statistical razzle-dazzle. I would also suggest that credibility would be greatly enhanced if no irrelevant comparisons are made with rents in the rapacious private sector. It would also help if the view suppresses any sub-conscious paternalistic attitude of looking on the tenants in Public Housing as people enjoying some sort of a privilege rather than a right, just because there is an element of subsidy involved in providing land for building. Government's policy of providing public housing for the poor exists only because it is right for Government to provide it, and it would be wrong for Government not to do so.

What is needed to remove confusion and misunderstanding is a clear account or description of what ingredients itemized in detail make up the total rent that Mr X must pay in Y Estate for a room of Z square feet. It would be good also to show how and why this compares with what Mr A pays in B Estate for a room of C square feet. Mention might also be made

of whether or not there is any relationship, visible or invisible, between such actual rents and the funding of future more expensive estates in which neither Mr X nor Mr A is ever likely to live.

If this can be done in such a way that even I, or any equally uneducated tenant in a public housing flat can understand, then justice will be seen to be done and misguided criticism, if any, will be defused.

With these observations I support the motion.

3.45 p.m.

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

4 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

MR PETER C. WONG:—Your Excellency, I would like to associate myself with my other Unofficial Colleagues in congratulating you for an in-depth exposition of Government policies. Last year at the opening session of this Council, I advocated extending legal aid to the Magistrates' Courts and introducing a legal advice scheme. I am more than pleased, for the poorer section of the community, that Government is actively taking steps to implement both proposals. Today, I would like to speak on another topic which is of no less concern to the public—certain aspects of our legislation and policy relating to land and buildings and their related problems. I shall approach the subject with special emphasis on compensation, which, if I may say so, is what makes a wound less painful.

Sir, Hong Kong is now experiencing an unprecedented era of development—the construction of the MTR and the massive public housing programme, to name but two examples. Whilst the ultimate aim of such development is to benefit the whole of Hong Kong, the process itself, as you, Sir, mentioned in your speech, is not without sacrifices—homes are upset, people displaced, financial losses incurred and general inconvenience caused. I am sure that Government will be the first to agree that only minimum hardship should be caused to those affected and where damage is inevitable adequate compensation in cash or in kind should be provided. I think this principle has so far been generally well adhered to, but there is always room—considerable room—for improvement.

I shall speak on Land Resumption, Dangerous Buildings and Closure Orders, Street Alterations, Crown Tenants and Town Planning.

Land Resumption

In recent years the compulsory acquisition of private property has become a common phenomenon. Under the Crown Lands Resumption Ordinance (Chapter 124), any person affected may claim compensation. Generally speaking, compensation to an owner is based on the open market value of the land in question, subject, however, to the condition that no compensation is payable in respect of any use of the land which is not in accordance with the Crown Lease conditions. In the New Territories, there are cases where houses are built on agricultural land, and such land is bought and sold for a market value including the value of the houses on it. Government seldom makes any attempt to enforce the lease conditions, and may even have accepted rates and property tax assessed on such houses. Nevertheless, upon resumption only the land will be compensated as agricultural land and the value of the houses on it wholly ignored. In one case the value of the house was almost 10 times that of the land!

While the general principle of calculating compensation with reference to the open market value is acceptable, the above and other similar variations on the open market value may often create hardship and Government should find a way to minimize it. A solution is ex-gratia payment depending on the degree of hardship. The principle of ex-gratia payment is not new. On the clearance of squatter areas, the existing policy is to provide, in addition to ex-gratia removal allowance, accommodation in public housing estates or temporary housing areas for domestic squatters and ex-gratia compensation for operators of squatter shops and industrial undertakings. Furthermore, under the well-established 'T.T. principles' developed over the last 30 years by successive Presidents of Tenancy Tribunals, on an application for an exclusion order under the Landlord and Tenant (Consolidation) Ordinance (Chapter 7), tenants occupying a pre-war domestic flat but using it for commercial or industrial purposes are invariably awarded compensation at the commercial rate which is double that of the domestic rate. In this respect it must be borne in mind that protected tenants are not strictly entitled to compensation at law and no statutory scale of compensation or the principles to be observed in awarding it are mentioned in the Ordinance.

The two examples I cited above are both fair and realistic, and are designed to alleviate hardship to a reasonable extent. I hope I have made up a sufficiently strong case for Government either to amend the law relating to Land Resumption or to issue administrative instructions to allow flexibility on the question of open market value. This is only just and equitable in a thriving modern community such as ours. It will not strain the public purse as the overall financial implications are not likely to be significant. On the other hand, the benefits thus conferred will be significant so far as the persons affected are concerned.

Dangerous Buildings and Closure Orders

During the financial year 1975-76 a total of 112 closure orders were made and as a result about 1,500 persons were dispossessed. Nearly half of the orders were for emergency closures, and in the majority of these cases the occupiers were given less than 24 hours' notice. One glaring example is the closure order issued recently to buildings at Hollywood Road with only 4½ hours' notice to the 330-plus occupiers concerned. In cases like this the hardship is only too obvious. This raises the dual question of how such unfortunate people should be assisted and how best preventive measures could be taken.

As to the first question, Government approach cannot be faulted. Temporary lodgings and emergency relief, including cash assistance in appropriate cases, are offered to the occupiers affected. But here is an area where Government can and should make further efforts to deal with the problem through well-planned departmental co-ordination and clearly-defined policies formulated in the light of experience.

The second question relates to preventive measures. Here, Government must increase its efforts to reduce the number of closure orders through more frequent and thorough inspections of all aging and potentially dangerous buildings throughout Hong Kong. Any defects so discovered may then be brought to the attention of the owners for the necessary repairs. In districts which are considered potentially vulnerable, it would be a wise policy to make resources available and to draw up concrete plans to deal with any contingencies that may arise. This may mean the recruitment of additional qualified staff but the hazards of the situation clearly justify the expenditure involved.

As far as compensation is concerned, tenants of pre-war buildings which are permanently closed are entitled to compensation as if the buildings were demolished for redevelopment purposes. If, however, post-war buildings are involved, the tenants receive no compensation at all. What form of assistance then should Government give to these post-war tenants? After all, post-war buildings can now be nearly 30 years old and signs of wear and tear and dilapidation are only too apparent in many districts.

It is of course unsound to maintain that Government should always assume responsibility whenever a building becomes dangerous. However, there may be cases where an occupation permit should not have been issued by the Building Authority in the first place as some of the provisions of the Ordinance might not have been complied with. Government servants may also have failed to exercise due care in the inspection or supervision of building works and defects in the buildings may only come to light long after the occupiers have moved in. In cases like these it is only fair for Government to accept responsibility and give relief by way of compensation and other assistance to people thus dispossessed.

Street Alterations

The provisions of the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance, enacted in 1974, represent a vast improvement over other ordinances involving compensation, notably the Streets (Alteration) Ordinance. I would like, therefore, to call upon Government to consider incorporating some of the improvements of a procedural nature contained in the former ordinance in the Streets (Alteration) Ordinance, and possibly in such other ordinances as the Crown Lands Resumption Ordinance, Foreshores and Sea Bed Ordinance, Public Reclamations and Works Ordinance, and the Town Planning Ordinance.

SUGGESTED IMPROVEMENTS:

Longer Period Allowed for Claim

Under the Streets (Alteration) Ordinance passed in 1970, a claim for compensation for any pecuniary loss or damage to the property must be made not later than two months after the notice of permanent or indefinite closure or alteration has been published in the *Gazette*. If the closure or alteration is of a temporary nature, the time allowed is one month after the cessation of such closure or alteration.

It is patently obvious that the time allowed for compensation to be lodged is unreasonably short. In a similar provision under the MTR (Land Resumption and Related Provisions) Ordinance the owner or occupier is entitled to 1 year after the expiration of the closure or completion of substantial alteration of the streets in question before the claim is barred. Similarly, a person may claim compensation under the Crown Lands Resumption Ordinance within a period of 1 year from the date of the reversion of ownership to the Crown. I would therefore suggest that the time limits of 2 months and 1 month for submission of claims under the Streets (Alteration) Ordinance be extended to 1 year.

A related problem that needs attention is that there are no provisions whereby the public are notified of the cessation or completion of work. A direct result is hardship on claimants, particularly in a case of temporary closure or substantial alteration of streets, where claims for compensation must be submitted within one month after the completion of the under-taking. May I ask, Sir, how could a claimant be expected to put in his claim when the date of completion is not officially made known to him?

Speaking at the second reading of the Streets (Alteration) Bill in April 1970, the then Director of Public Works gave an undertaking that his Department would give 'some indication of the length of the time for which the street will be closed'. Sir, I do not consider this undertaking adequate for the purpose I mentioned. Anything short of making known officially the exact

date of completion to enable claimants to lodge their claims is simply not good enough.

System of Advance Payment of Compensation

Hardships often arise from delayed payments of compensation because of red-tapes and other procedural requirements. A system for advance payment of compensation should therefore be established administratively, if not statutorily. There is now ample machinery to implement this system.

Time Limit for Payment of Compensation and Interest

In line with the MTR (Land Resumption and Related Provisions) Ordinance there should be a time limit for payment by Government of any compensation agreed between the parties or determined by the Lands Tribunal, preferably 3 months from the date of agreement or award. Provision should also be made to include payment of interest on compensation.

Crown Tenants

The status of tenants of pre-war buildings whose lease or tenancy is held directly from the Crown deserves attention. They are in a relatively weak position as compared with their counterparts in the private sector as the legislation relating to security of tenure does not apply to them. This may lead to injustice in some cases as ordinary tenants may become Crown tenants through no fault of their own. Government may take over the ownership of a building by purchasing it, or may re-enter in consequence of a breach of the lease conditions or default in the payment of Crown rent.

On becoming owner, Government will ultimately have to deal with the property and the tenants will have to be evicted. Under the existing law they will not be entitled to compensation. Their right to compensation was irrevocably lost the moment the Crown became owner. This state of affairs is obviously unsatisfactory. Their hardship is just the same as any other tenant.

I would advocate that on the acquisition or re-entry of pre-war buildings private property within the meaning of Part I of the Landlord and Tenant (Consolidation) Ordinance, Government should not exempt itself from the duties and obligations of the private owner.

Town Planning

On the rather complex subject of Town Planning, a number of spheres in this field are worthy of scrutiny. It will be outside the scope of this speech to go into every detail of Town Planning. I shall merely attempt to mention

3 aspects in the hope that Government will give this whole subject the consideration it rightly deserves.

The Ambit of the Legislation

As its name implies, the Town Planning Board is not given unfettered jurisdiction over the whole of Hong Kong. Draft plans can only be prepared for the 'existing and potential urban areas' and this means the exclusion of the New Territories except New Kowloon. Since the Ordinance was passed in 1939 when Government played only a comparatively minor role in controlling development, it can be appreciated why the Board was restricted in its operation. Today things have changed. The countryside has assumed considerable importance and this trend will continue. Indeed, the year 1976 witnessed the coming into effect of the Country Parks Ordinance which authorizes the Director of Agriculture and Fisheries to prepare draft plans for the designation, control and management of the most important areas of the countryside as country parks. However, the purpose of this Ordinance and the Town Planning Ordinance is not identical. Outside the new towns, it is not competent for the Town Planning Board to prepare plans for the rural areas of Hong Kong. In the New Territories, land use control is relatively weak because of political factors, unique forms of land tenure, ancestral claims, and other causes. This has led to a deterioration in the quality of the environment and the proliferation of small temporary structures in some parts of the countryside. May I suggest, Sir, that whatever zoning plans are needed for the New Territories, they should be given a legal backing as is the case in the urban areas. If this proposal is accepted, and I strongly recommend that it should, the existing legislation—The Town Planning Ordinance (Chapter 131)—should be clearly worded to include the rural areas and the title itself accordingly changed.

A further point which needs consideration is the absence of facilities for an interested party to obtain information regarding draft or approved plans. As soon as a draft plan is published, it is made available for inspection at the City District Offices and the Town Planning Office. However, given the scale of the plan, it is not always possible to decide with certainty whether or not a particular building or piece of land would be affected. For precise information the services of an architect or a chartered surveyor have to be retained and informal inquiries made at the Town Planning Office. A further complication is that applications for development in certain cases are now considered by the Board and a prospective purchaser of a piece of land may encounter difficulty in ascertaining whether such applications have been refused in the past. It may therefore be advisable to set up a system of making inquiries and searches at the Town Planning Office so that when proper forms are filled and accompanied by the appropriate fee, the Board shall give formal answers to the questions raised. I urge Government to provide such facilities at the earliest possible moment.

Public Participation

In the United Kingdom under the Town and Country Planning Act 1968, the local authority is required to make public its decision to prepare a plan for a certain area. The public in Hong Kong, however, are not informed when Your Excellency gives a direction to the Town Planning Board to prepare a plan under section 3 of the Town Planning Ordinance. This naturally is not conducive to constructive public response. As town plans are basically designed for the benefit of the people, it is essential that the public be encouraged to participate in the various stages of their preparation. Informing the public of Government's intention to prepare a plan and eventually of the existence of a completed draft plan should be more positive than is at present provided under section 5 of the Ordinance. Not all people read the newspaper and less still read the Government Gazette. Notification by way of a circular to the owners and tenants directly affected is one good suggestion. Where justice demands it, administrative difficulties cannot be an excuse.

Compensation

Very often a plan may, merely by being published as a draft plan, drain away development value from land. If for example a plan shows a new road adversely affecting a particular piece of land, its owner may find it difficult if not impossible to sell his property or get permission to develop it himself. The situation is further aggravated in cases where the road may not be due for construction for some years. In all such cases where there is a potential element of compulsory purchase, the owner affected should be able to serve a notice requiring the acquisition by Government of his interest in the blighted land.

Under the United Kingdom Town and Country Planning Act, a person who considers that the effect of a plan would reduce the value of his interest in a piece of land, could submit a claim for compensation. In Hong Kong, however, section 4 subsection 3 of the Town Planning Ordinance specifically denies the right of any honourable owner to compensation. In other words, where no resumption is to take place no compensation will be payable even though the owner may be adversely affected by zoning in a draft outline zoning plan.

It is the general policy of Government to sell leases to the highest bidder. The price thus obtained from a particular lot more often than not reflects its full development potential for the entire term of the lease. However, the Board is always at liberty to introduce any restrictions it thinks fit. For instance, the Board may redesignate at any time an unspecified zone as a residential zone and in so doing commercial development will be ruled out. The owner is thus deprived of his right to re-develop within the existing terms of the lease, and to make matters worse, he is not eligible for any

form of compensation. Such derogation of private rights is socially undesirable and should not be effected without adequate compensation.

The case for compensation is enhanced when one considers that premiums are payable whenever a landowner applies for a modification of the Crown lease conditions. Furthermore, under the Country Parks Ordinance compensation is payable to a landowner whose land is detrimentally affected. The distinction in respect of compensation drawn between the two Ordinances—the Country Parks Ordinance and the Town Planning Ordinance—does not seem to be necessary. I would like to think that it is an oversight rather than a matter of policy, and would urge Government to re-examine the problem as a matter of urgency.

Conclusion

Sir, in my opening remarks I said that compensation is what makes a wound less painful. If it is Government's avowed policy to improve the quality of life for the people of Hong Kong to cover the entire spectrum of our existence, then surely the only policy Government can adopt regarding compensation must be based on equitable grounds, and not shackled by narrow legislation.

Sir, I support the motion.

王霖議員：——督憲閣下：對閣下所發表的施政報告，本人認為印象最深刻的是演辭中所流露的積極進取的精神。相信本港大部份市民都知道，目前本港在出口貿易上遭遇到不少的困難，而且也感到憂慮和有點不知所措。閣下的報告中，承認了本港目前所面臨的困難，但卻給予市民莫大的鼓舞和信心，使我們瞭解到政府不獨盡其所能，應付眼前的困難，而且對較遠的將來，充滿信心，訂下不少的週詳大計。這些並非溢美之辭，而是本人深深體會到，在香港這環境下，只有在充滿信心和努力不懈的情形下，才能解決問題，創造美好的生活和將來。

有關本港對外貿易所遭遇的困難，本人雖然並非工業界人士，但亦想提供多少意見，以供參考。目前本港很多工業投資，都是比較短線的。換言之，投資者都希望在最短的時間賺回資本，至於其後的發展，則較少注意，例如假髮業，便是最好的例子，這種短線投資性的工業，所需要的技術，一般而言是較低的，基於這個原因，就很容易為其他東南亞地方所追上，在劇烈的競爭下，本港方面因為工人工資較高，往往便吃了大虧。所以目前應該是考慮改變的時候，香港的工業應有較長遠性的計劃及投資，着眼於高技術的產品及擴大工業基礎。閣下所提議成立的工業多元化委員會，實在具有極大的意義；而政府發展大嶼山及提供土地建立新工業的做法，亦是符合極急切的需要的。不過，除了在這兩方面的努力外，政府是否可以考慮從稅制方面鼓勵新工業的投資，例如在五年之內不徵收利得稅等，從而令工業多元化的理想較容易實現。本港鄰近地區，在這方面的嘗試，頗見成效，或可作為香港的借鏡。

閣下在教育計劃方面透露政府將實施九年強迫教育，從工業觀點而言，實在是極有意義的。就以亞洲方面工業極先進的日本為例，其環境與香港有很多相同的地方，但有一點很明顯的不同便是日本工人平均教育水準較高，所以在高技術工業的發展上，日本是佔優勢的。如果香港大部份工人至少都具有九年教育的基礎，就對香港將來高技術的工業發展，定必幫助極大。從這個角度來看，實施九年強迫教育比推行五年資助中學教育，更為切合社會實際的需要。

關於閣下提及設立半自願性供款計劃，以提供傷病、人壽，甚至小額退休金一事，原則上值得我們全力支持。不過有數點是值得詳細考慮的。

首先，中國人對人壽保險的觀念與西方人士頗有不同。雖然我們相信很多人在開始時都願意供款，但過了一段時期，難保不會改變看法，覺得每月平白失去一筆供款，並不值得；所以這種供款計劃，最好能夠以儲蓄方式來推行，即供至若干年後，供款者可以得回部份供款，這樣對一般工人相信會較具吸引力。

其次是供款與工人收入百份比問題，目前很多有公積金制度機構的僱員，所供之款項約為百份之四、五之間，所以閣下所提及的僱員供款百份之二，實在並不多。不過，如果能夠較有彈性，使僱員能夠隨其個人願意及家庭的負擔，自訂一個不超過百份之五或不少過百份之二的供款數目，相信會較受歡迎。

至於僱主供款的問題，必需要瞭解的是對部份僱主而言，這種保險是一種額外支出，並不一定受歡迎；但沒有僱主的支持，這項保險計劃很難收到成效，因為工人本身所供的款項，一般而言，數目有限；所以政府在推行這項計劃時，必須要求僱主一定參與其事。但從另一角度而言，亦必須給予僱主較長的時間作好準備和適應工作。從閣下施政報告中所見，這項計劃的各項準備工作要到一九八〇年左右才能完成，對僱主而言，可算仍有充份的準備和適應時間的。對政府而言，目前最要緊的工作便是盡早向僱主透露計劃的大綱及向他們解釋這項計劃對僱主方面的好處。

另外，政府的計劃中應該特別注意的是僱主不能因為新工人有意參與此項計劃而不予錄用；而工人方面亦不應因為轉換工作而在保險利益上遭受損失。

這項計劃，當然有許多細節上的問題（甚至原則上的問題）要解決，本人希望政府能盡早公佈進一步的資料，以便各界人士有機會作更詳細的討論和提供意見。

督憲閣下，本人對政府的積極進取的精神，對前景的信心，及各項大發展計劃的擬訂，感到極度欣慰。希望在政府和市民通力合作下，能夠克服各種困難為本港帶來更美好的將來。

本人謹支持此項動議。

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

MR WONG LAM:—Sir, the most impressive thing about Your Excellency's annual policy address is its active and very enterprising spirit. I believe that most of us are aware that our export trade is experiencing a number of difficulties. We are worried about the situation and are at a loss as to what should be done about it. Your Excellency's Address, while acknowledging the difficulties that are confronting us, still gives us a lot of encouragement and confidence, making us realize that Government is not only doing its utmost to solve our present problems but, in laying down a considerable number of comprehensive plans, is also showing great confidence in the more distant future. This is not excessive praise. I firmly believe that Hong Kong has to rely confidently on its own efforts and perseverance to solve these problems and to determine its own future.

I am no industrialist, but I would like, for Government's consideration, to touch on the difficulties experienced by our export trade. Many of the existing industrial investments are on a short-term basis. In other words, investors are keen to have a quick return of capital and are indifferent to the long-term situation. One example is the wig industry. This is typical, short-term investment requiring relatively low technology. For this reason,

and the fact that Hong Kong wages are relatively high which often weakens our competitiveness, it did not take long before neighbouring countries caught up with our wig industry. It is therefore time for us to consider introducing some changes to ensure that local industry will give greater weight to longer-term planning and investment, place more emphasis on the manufacture of more sophisticated products, and take steps to broaden our industrial base. Your Excellency's proposal that an Advisory Committee on Diversification of Industry be set up is indeed of great significance. Government's plans to develop Lantau Island and to provide more land for new industries should also meet urgent needs. Apart from these measures, will Government also consider encouraging investments in new industries by way of say, 5 years' tax holiday, in order that industrial diversification may be achieved as early as possible. Experiments in this field have been carried out quite successfully in neighbouring countries. We could perhaps take a leaf from their book.

As regards education, Your Excellency has announced the intended introduction of 9 years' compulsory education. This is significant from industry's point of view. Take, for example, Japan which is so industrially advanced. Japan and Hong Kong have many similarities, but one obvious difference is that generally speaking Japanese workers have a higher standard of education, which puts Japan in a most advantageous position in the development of her more sophisticated industries. Hong Kong will also have better chances of developing similar industries if most of its workers have at least 9 years' education. Seen from this angle, it is more beneficial to the community to implement 9 years of compulsory education than to promote 5 years of subsidized secondary education.

Your Excellency has also mentioned the proposed semi-voluntary contributory scheme that aims to provide insurance cover against sickness, injury and death, and perhaps also a small retirement gratuity. I support the principle of the scheme, but there are several points which deserve careful consideration.

Firstly, Chinese do not view life insurance in the same way as Westerners. Initially our workers may be willing to contribute to such a scheme, but some of them after a while are likely to change their minds, becoming reluctant to part with a sum of money every month. To make it more attractive to the workers, the scheme you have suggested, Sir, should be introduced with a 'savings' feature. In other words, the contributor will be able to get back part of his contributions after a number of years. In this manner, the scheme will become more attractive to workers.

Secondly, there is the problem of the size of the worker's contribution in relation to his income. At present a large number of employees participating in provident fund schemes sponsored by their employers contribute from 4% to 5% of their income. The 2% contribution suggested by Your Excellency is not really too high. However, I would propose a flexible

approach whereby an employee may, having due regard to his other financial commitments and personal preferences, opt to contribute not less than 2% nor more than 5%. I believe this modification would be welcomed by the workforce.

On the question of employers' contributions, we must realize that the scheme represents additional expenditure on the part of employers, who may not therefore receive it with open arms. Without the positive support of employers, however, the scheme would be difficult to implement since the employees' contributions will generally be limited in size. Government should therefore ensure that employers will participate in this scheme. However, it is only fair that sufficient notice should be given to them to make all necessary preparations. In Your Excellency's Address it was mentioned that the scheme will not be implemented until 1980. This should give employers ample time to prepare themselves. The more immediate task on the part of Government is to give employers as soon as possible a general outline of the scheme, and to explain to them the benefits to management of such a scheme.

In implementation, Government will have to ensure that an employer will not refuse employment to a workman who wishes to join the scheme, and that an employee will not suffer any loss on insurance benefits when he changes his employment.

Of course, there are bound to be many minor problems (perhaps even) matters relating to the principles of the scheme) waiting to be solved. I hope it will be possible for Government to provide more information on the scheme as soon as possible, so that all those concerned with the proposal may be able to discuss it and make their suggestions.

Sir, I am extremely pleased with the confidence in our future, and the very active and enterprising spirit shown by the Government, and impressed by the various development programmes it has drawn up. It is to be hoped that Government and the community will join together to make a united effort to overcome all difficulties, thus paving the way to an even better quality of life for all of us.

Sir, with these remarks, I support the motion.

DR HUANG:—Sir, before I commence my first speech to this distinguished Body of which I am proud to become a Member I would like to express my sincere thanks to you for the kind welcome you extended me in this Chamber three weeks ago. My feeling of excitement today is enhanced by the challenge of responding to an Address monumental in its intention over large areas of our social, economic and educational affairs. Aspirations which have been with us for years have now been boldly identified, translated into programmes and provided with direction. From this pivotal beginning the years ahead will bring about changes which will improve and steadily transform for the better the condition of many in Hong Kong.

We have reached this point through our determined and continued efforts, even of the very humblest amongst us, and our success is due in no small measure to the wise and imaginative leadership provided through Your Governance. It is thus important that we should follow you in the direction you have indicated and it is important that you should be assured of our support in your intention.

A healthy society must, to the extent that it is able, keep a watchful eye on its internal condition, and in particular pay attention to the situation of its disadvantaged and underprivileged. For all its material prosperity Hong Kong has a large section of its population which falls well within this category, and despite happier days which have visited us from time to time, the prosperity they bring tends to diminish almost exponentially when filtered down to the less fortunate in our community. I am therefore particularly heartened by the concern which shines through Your Address for this particular section of the community.

The improvement of social services for the handicapped, the elderly and the young and the provision of universal free education up to Form III level are a clear indication of the confidence in which we carry ourselves. These measures should be received with applause by all who are concerned with the future well-being of Hong Kong.

Young people are the future of any community, particularly in ours where half of our population is, as you have pointed out, Sir, under the age of 25, and it is of paramount importance that they should grow up in surroundings which inculcate confidence in themselves and a true sense of belonging to Hong Kong. I note therefore with gratification the action proposed to be taken by Government to expand the services for young people in Hong Kong, in recreational and cultural activities as well as in education and counselling.

Within the context of services for the young, I would like to address myself particularly to the educational area. As you indicated, Sir, universal free education will be a milestone in social progress for Hong Kong, with each young person being assured of his basic education regardless of the situation in which he is placed or the pressures which surround him. If my support for the proposals seems qualified, it is only out of a concern to see that the benefits brought about should be as effective as possible.

As Honourable Members are aware, doubts have already been expressed outside this Chamber and inside it about the wisdom of making junior secondary education compulsory. Economic pressures which may result for families have been mentioned and the difficulties of enforcing such legislation have been stressed. In implementing this educational requirement we should ensure that such pressures are done away with so that young people and their families are not faced with agonizing choices and desperate sacrifices. Compulsory education must be upheld with social legislation, not with the strong arm of the law.

I would be amongst the first to admit that the move from intention to implementation will not be easy, and I cannot help entertaining a number of questions which readily come to mind. For instance, available evidence indicates that, unlike the situation in countries such as Britain, there is a great discrepancy in age among our school-children completing Primary Six, ranging from under 11 to over 14. The majority of them indeed are 13 or above even before they complete Primary Six while only about 10% are below the age of 12. If the present age distribution were maintained beyond 1978, would not compulsory education defined in relation to age (i.e. up to 15) in fact guarantee completion of Form III for not more than 10% only of each Primary Six cohort? If this is not the intention, as it surely cannot be, may I suggest, Sir, that the working party recently appointed to review primary education should be encouraged to look into the urgent need to achieve the necessary correlation so that this crippling discrepancy in age might be minimized.

Another question on the proposed compulsory education relates to its quality. Providing lower secondary places for all Primary Six leavers from 1978, irrespective of age, requires that a large number of places be bought in private secondary schools. Some of these schools, as they are now, are thought by Government to be not worth retaining after sufficient public sector schools have been built. These schools, of course, receive for each place 'bought', a sum which is only a small fraction of the cost spent on a place in a Government school or indeed of the subsidy given to an aided school, and one can well expect that the quality of the education offered cannot be up to standard. What benefit can there be then in compelling children to attend these schools whose own future is in jeopardy and where quality is in Government's own view unsatisfactory? I feel strongly that the education received by all children should be of a proper level no matter which schools they attend. If it is a matter of finance that some schools do not find it possible to employ well-qualified teachers, reduce the size of classes, or bring their facilities up to standard, it would be better to keep to the present practice of charging fees, at least for those who can afford it, and use the funds thus collected to improve the quality of education in these schools.

I am also concerned that the type of education to which our young people are to be exposed should be carefully designed for their needs. At present we are very much influenced by the traditional attitude of a child 'making good' through the various stages of his primary and secondary education up to the university level, and to stop short of this final stage is considered an 'interruption' of the education process (失學) with the implication of failure. It is well known that the main weakness of our educational system has been its undue concentration on this one single goal.

There is need for formulating a core syllabus for a junior secondary curriculum which would stress basic and necessary skills (including, of

course, the use of languages), concepts, judgments and attitudes, with the rest of the curriculum to be designed by the school itself to fit the needs of the children it teaches and the specific benefits it has to offer. The score syllabus would aim at giving each child the capability for further, independent learning, while the rest of the curriculum would be designed to prepare him for adjustment to work and life. This latter part of the school work would be particularly relevant to those pupils who will not go beyond Form III and who, it must be remembered, constitute 60% of the total. In short, lower secondary education should have not one goal only but several goals and must be adaptable to the different needs of those under-going it. But old practices die hard. I believe a principle was accepted by the Curriculum Development Committee of the Education Department that studies at the lower secondary level should provide a broad spectrum of subjects that all children should follow. However, I understand that the recommended syllabuses issued contain no less than 90% of what would be required for children proceeding to Forms IV and V. Thus it would appear that the 60% of children who are not expected to go into Form IV are not specifically provided for.

Perhaps the greatest danger into which the Government may fall is that it might, in its enthusiasm, attempt to direct too rigidly the way in which universal education is to be implemented. Hong Kong has a society which has a rich tradition of its own, albeit a society which can be adaptive and one which will modify its practices to meet contingencies. In this situation there is scope for permitting various types of secondary education to emerge—always provided that the door to further education should not be closed. For some children, it may be desirable that some part-time work could be carried on alongside school attendance. The financial circumstances of some families may dictate this; the aptitudes of certain children may indeed make this desirable for them. This system of part-time study may be a novel idea at the secondary level, but is already common occurrence in technical institutes and in the Polytechnic, and even the Universities have been giving serious thought to the introduction of this more flexible type of arrangement to meet the special needs of certain people in the community. I think we should not lose sight of the advantages of allowing people to devise personal ways to meet their individual needs, neither should we confuse uniformity of treatment with equality of opportunity.

Concern has also been expressed about the clear distinction being drawn by Government between education up to Form III and education in higher forms, and about the fact that there appears to be no plan for the 60% of pupils who do not proceed to Form IV. I have no doubt that in years to come Government will be moving further forward, to provide for these pupils beyond Form III level. When that is done, I hope a diversified kind of education, technical and vocational as well as academic, part-time as well as full-time, will be provided to meet the varying needs of our pupils.

The education process, from primary to university, has often been seen as a pyramid to reach the top of which has been the aspiration of most of our young. This pyramidal system, however, should have links and cross-links within its different levels, for in the world of to-day the development of any individual should not be irrevocably determined under a rigid educational progressive system. Education in my view is the means to social mobility and our educational system should be designed to the achievement of this goal. I would not wish to encroach on the province of the experts who are planning the secondary school curricula, but it seems clear to me that the secondary school system must aim at providing the key to the opportunities for mobility at other levels of the system. If social mobility is to be achieved through educational mobility, then each stage of academic development should have a carefully delineated purpose forming as complete a process by itself as possible so that at the end of each stage a pupil may have a clear idea of his educational achievement and be equipped to take his place in the community with confidence and a degree of pride. He should know of the career opportunities open to him at each level, while being aware that possibilities still exist for a second or even a third opportunity or a change of direction.

In this context, I think it important that sympathetic consideration should be given to the position of the post-secondary colleges which, while registered as such with Government, seem to be treated as outside the education system. Government should be prepared to offer more than a token recognition of the end product of these colleges although it may wisely choose to do so only in those disciplines for which it recognizes that there is too little alternative provision at this level and where it is satisfied with the academic standard achieved. Many Hong Kong citizens, of course, see these colleges as a vital element in the second opportunity concept at tertiary level, and one of their functions could be to assist those who are academically inclined along the path to a university and eventually to a degree. In short, I would advocate links being kept open at each level: between craft work and studies in technical institutes, between technical institutes and the Polytechnic, between the post-secondary colleges and the universities, and between the Polytechnic and the universities. The transferability between the Polytechnic and the universities, I was happy to note, was supported by my honourable Friend DR S. Y. CHUNG in his speech yesterday. There has, in fact, already been a small beginning in such transfer in the engineering field. This could well be increased and also applied to other disciplines as well. I would argue that flexibility should be a hall-mark of our educational system and that not only should the net be cast as wide as possible but there should also be the opportunity at each level of the system for re-casting the net. This is clearly the right thing to do if our intention is to provide our younger generation the educational opportunities they deserve.

I sincerely hope that the forthcoming Green Paper on the future development of senior secondary and tertiary education will address itself to these complex issues and to many others which govern our educational perspectives.

I am concerned that with the programmes before us, and the expectations they have raised, there will necessarily be a critically short period between the Green Paper and the White Paper which will now have to follow hard on its heels. It need hardly be added that a simple change of colour will not suffice: there must be full and adequate consultation with those interested and experienced in the field of education before policies are formulated. The Education Department is faced with a task both formidable and challenging, but I am sure it will rise to the occasion and fulfil our expectations. Sir, the dreams of the inarticulate are now the declared intention of Government and it is our responsibility not to disappoint them.

With these remarks, Sir, I support the motion with much pleasure.

MR YEUNG:—Your Excellency, all my honourable Friends who spoke before me have during these two days eloquently and painstakingly explored nearly all the main areas within the perimeter of Your Excellency's Address.

I note that the subject of the New Territories has barely been touched upon. I propose, therefore, to speak on it. However, at this juncture, I would like to make myself absolutely clear that to be on this Council I deem it an opportunity to extend my services to the entire community, the interests of which obviously will, to my mind, take precedence over those of a particular district or a particular group of people. On the other hand, it is my strong desire, Sir, that the fundamental social, political, civil and economic rights of the individuals are maintained and good traditions and customs respected and defended.

Undoubtedly, the urbanization of the New Territories has brought and will continue to bring many benefits to the original inhabitants there. New wealth and increased opportunities are two such examples. However, urbanization is not without evil. Many people have lost their homes, their land and their occupations and have been deprived of their many customary rights.

This uncompromising fact has not only exhibited itself fully in the last two decades of development but will also continue to do so with unprecedented speed and ferocity in the new towns of Tsuen Wan, Sha Tin and Tuen Mun in the New Territories. It is true that after the implementation of the urbanization programme, all people including the original New Territories inhabitants will be benefitted one way or the other, but during the process of development the majority of the original inhabitants are very much adversely affected although this may not be appreciated to the same extent by the urban dwellers. For example, the environmental pollution in its various forms, particularly of dust and noise, caused by the construction

or reclamation sites and the incessant running of lorries and machines can only be fully understood and felt by the people living and working in Sha Tin. Therefore, the subjective feelings of the inhabitants so affected by the general development programme both in the New Territories and also in the urban districts should be considered with utmost care and gravity. Every possible way should be explored to see how their losses and suffering may be averted and, in unavoidable circumstances, be minimized and their standards of life adequately maintained as a matter of principle and not as a matter of concession or sympathy.

As an illustration of my point, in the case of Sha Tin, I cannot see why the whole existing market town cannot, as requested by the people, be resited to a place outside the centre of the new town so that they may pursue their former trades which they have so industriously and patiently built up in the past. I cannot also see why the rules designed by the Housing Authority for general application should be allowed to apply rigidly to the Sha Tin villagers with hardly any concession to reflect the many sacrifices they have made to make development there a reality. For example, evictees coming from families with less than 4 people are not even offered accommodation in public housing estates built in their own district. Neither are dispossessed shop owners long dependant on their business for a living guaranteed a shop space in the new housing estates to carry on the trade. Even if they are lucky enough to obtain a space, the financial involvement in effecting the removal is not adequately compensated for. I call upon the Government to pay more attention to the plight of all those people who are uprooted in the process of development and who are otherwise so easily forgotten by the rest of the community that is only too eager to share the fruits of development.

It is gratifying to note that the Government has done much and will continue even more vigorously to raise the quality of life of the people of Hong Kong as a whole. I am particularly pleased to hear from Your Excellency that the former under-provisions of amenities in the urbanized areas in the New Territories, particularly with regard to schools, medical facilities, recreational and cultural opportunities must end by vigorous rectifying action, and that the claims of the smaller towns will not be neglected. Such services and amenities should however be extended to villages and other areas where there is a fair concentration of population outside the towns. I am eager to see the publication of a comprehensive plan on this issue.

In this connection, may I point out that there are many villages, both original and new, and housing and farming areas which are not serviced by motorable roads, making it difficult, if not impossible, for Government to provide other services to the inhabitants. In some cases, it would also be

difficult for the parents to send their children to schools, as required by law. It is high time the Government considered a full programme of resuming land for the construction of motorable access roads to serve such places.

On the matter of advisory boards, Sir, in all New Territories districts, I understand that Your Address, Sir, has kindled much interest among the people. This is, indeed, a healthy sign as it demonstrates the growing concern of the people about their own society. It is important, however, that all of us should view this matter rationally rather than emotionally or factionally. The main questions we should ask ourselves are that (1) Will the scheme in the original or modified form serve the best interest of the general inhabitants in a particular district having due regard to the traditional rights and customs of the indigenous inhabitants? and (2) If so, in what way the advisory boards and the rural committees may be made compatible with and complementary to each other?

The soundness of the principle of the scheme cannot be challenged as it is in the best interest of the people of the district to promote local participation in the advancement of arts and culture, sports and recreation, minor environmental improvements and district beautification, minor public works and public facilities, amenities and social services with the aid of special district funds to be provided by the Government for these purposes. Indirectly, this scheme will help provide a source for the development or promotion of a much needed leadership at the local grass-roots level.

It is, therefore, expedient for the Government to make the report on the Tsuen Wan pilot scheme available to the public so that they may have a better understanding of the aim and scope of the scheme. As the work of the district advisory boards and that of the Heung Yee Kuk and the rural committees should be complementary and not duplicating or competing with each other, I would respectfully submit, Sir, that well-defined and carefully worded terms of reference of the advisory boards should be formulated and announced as soon as possible. Since each district and each town in the New Territories is unique in the terms of history, culture, custom, wealth distribution and financial resources, as well as different proportions of old and new inhabitants, the plan for the operation of this scheme and the composition of the advisory boards for each district should be considered carefully and individually with full consultation with the rural committees and the local people of the district concerned.

I take great pleasure, Sir, to support the motion.

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

Question put and agreed to.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday, the 9 of November.

Adjourned accordingly at fifteen minutes past five o'clock.