

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 24 June 1981****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
THE HONOURABLE THE CHIEF SECRETARY
SIR JACK CATER, K.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
CHAIRMAN, COMMITTEE TO REVIEW POST-SECONDARY AND TECHNICAL
EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C.
LAW DRAFTSMAN

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE ROBERT STRONG SUN YUAN-CHUANG
SECRETARY FOR INFORMATION (*Acting*)

THE HONOURABLE MRS. ANSON CHAN, J.P.
DIRECTOR OF SOCIAL WELFARE (*Acting*)

THE HONOURABLE JOHN RAWLING TODD, C.V.O., J.P.
SECRETARY FOR THE ENVIRONMENT (*Acting*)

DR. THE HONOURABLE WONG CHEN-TA, J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES (*Acting*)

THE HONOURABLE LAWRENCE WILLIAM ROBERT MILLS, J.P.
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

DR. THE HONOURABLE HO KAM-FAI, J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

ABSENT

THE HONOURABLE GRAHAM BARNES, J.P.
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE LO TAK-SHING, O.B.E. J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, J.P.

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. LORNA LEUNG TSUI LAI-MAN

Papers

The following papers were laid pursuant to Standing Order No. 14(2):—

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation	
Telecommunication Ordinance. Telecommunication (Cable and Wireless Limited) (Exemption from Licensing) Order 1981	176
Employment Ordinance. Employment Ordinance (Amendment of Second Schedule) Order 1981	177
Protected Places (Safety) Ordinance. Protected Places Declaration (Amendment) Order 1981	178
Public Health and Urban Services Ordinance. Public Swimming Pool (Designation) Order 1981	179
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1981	180
Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Designation) Order 1981	181
Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Open Centre) Rules 1981	182
Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Departure Centre) Rules 1981	183
Post Office Ordinance. Post Office (Amendment) Regulations 1981	184
Rating Ordinance. Rating (Miscellaneous Exemptions) Order 1981	185
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) (No.3) Order 1981	186

<i>Subject</i>	<i>L.N. No.</i>
Public Health and Urban Services Ordinance. Declaration of Markets in Urban Areas.....	187
Interpretation and General Clauses Ordinance. Specification of Public Office	188
Immigration (Vietnamese Refugee Centres) (Designation) Order 1981. Corrigendum	189

Sessional Paper 1980-81:

No. 56—Prisons Department Welfare Fund—Income and Expenditure Account with balance sheet and certificate of the Director of Audit for the year ended 31st March 1980

Oral answers to Questions

Vietnamese refugees

1. MISS DUNN asked:—What is the Government's policy in regard to the increasing number of Vietnamese boat people who have been arriving in Hong Kong so far this year?

SECRETARY FOR SECURITY:—Sir, Government's policy in this regard has not changed from that adopted in 1979. It is to allow these people temporary asylum in Hong Kong against a guarantee given by the United Nations High Commission for Refugees that they will use their best endeavours to secure their resettlement overseas to countries of permanent asylum.

In the case of those rescued at sea by properly registered ocean-going vessels in which Hong Kong is their next designated port of call and where the vessel does not call at any other ports first, we grant temporary asylum against a guarantee from the country of the flag carrier that it will resettle them within three months. During this period such persons are detained and are not permitted to work.

MISS DUNN:—Sir, what has been the rate of resettlement as a percentage of arrivals so far this year?

SECRETARY FOR SECURITY:—I can give the actual figure of resettlements from 1st January, Sir. It is 10,789, against arrivals of 7,100. The average monthly figure is therefore of the order of 2,000 a month being resettled this year compared with 3,200 a month in 1980.

MISS DUNN:—*Sir, would the Government agree that, at the present rate of influx of arrivals, the burden of the boat people is likely to be with us for a long time?*

SECRETARY FOR SECURITY:—Yes, Sir, that is the case.

MISS DUNN:—*Sir, other than urging Western countries to accept more Vietnamese boat people for resettlement, what other measures are being pursued to resolve this problem?*

SECRETARY FOR SECURITY:—Sir, in 1979 an international conference evolved a three-fold attack, one might say, on this problem. At that time it was agreed generally that countries in South East Asia should provide first asylum, that the international community should offer resettlement places and that the Vietnamese authorities agreed to a moratorium on the expulsion from Vietnam. All those conditions are currently being met, though as Miss DUNN says, the rate of out-flow from Hong Kong is now lower than it has been. However if any of these three conditions, to which I have just referred, do change, and there is some indication that this is so, in so far that 11,000 came into the region in April and 14,000 in May, it will clearly require an international effort and an international consideration of this problem.

MISS DUNN:—*Sir, are there any plans to arouse international interest in this problem—this interest having been waned recently?*

SECRETARY FOR SECURITY:—I can't really stimulate international interest other than to set the facts of Hong Kong's position before the Foreign Office—which has been done, before newspaper correspondents—who call regularly and whom I invariably see, and to the Americans who are very well aware of the position. Indeed the Secretary of State himself has intervened in regard to the need for the American quota to be maintained at a very meaningful level. If the situation does deteriorate, then the reports to the Foreign Office will urge that the predicament in which Hong Kong is placed is recognized and that action is taken by the Foreign and Commonwealth Office to bring our predicament to the attention of the potential resettlement countries.

REVD. JOYCE M. BENNETT:—*Sir, does this policy of the Government towards refugees militate against the better use of certain premises such as the old Ma Tau Wai Girls Home?*

SECRETARY FOR SECURITY:—The areas which have been allocated to the use of refugees were originally chosen on the grounds that they had the minimum interference with Government's own plans and programmes, and recently we were glad to release Sham Shui Po camp for use by the community. The camp to which Miss BENNETT refers, Ma Tau Wai, is one which I had hoped could be released, but which, in the current circumstances, I am no longer able to offer back for general use in Hong Kong.

MR. CHARLES YEUNG:—Sir, what is the situation of Hong Kong in refugees compared with the other South East Asian countries, such as Singapore, Malaysia, Thailand, Philippines, during the last year of resettlement?

SECRETARY FOR SECURITY:—I shall have to give the honourable Member a detailed reply to that question.

(The following written reply was provided subsequently.)

Vietnamese Refugees 'Boat People'—Arrival and Resettlement
Situation in South East Asian Countries
1980 & 1981 (Jan-June)

Country	Refugee			Refugee				
	Population at 31 Dec 1980	(As % of Regional Total)	Resettlement Jan-Dec 1980	(As % of Regional Total)	Population at 30 June 1981	(As % of Regional Total)	Resettlement Jan-June 1981	(As % of Regional Total)
Hong Kong*	21,600	42.35	37,400	24.48	15,000	25.25	11,600	26.98
Malaysia	12,100	23.72	41,300	27.03	15,600	26.26	12,500	29.07
Indonesia	4,400	8.63	35,200	23.04	5,500	9.26	3,900	9.07
Thailand	5,800	11.37	21,000	13.74	13,300	22.39	8,600	20.00
(Boat cases)								
Philippines	3,100	6.08	5,900	3.86	5,200	8.76	2,700	6.28
Singapore	1,100	2.16	9,000	5.89	3,200	5.39	2,000	4.65
Macau	2,900	5.69	3,000	1.96	1,600	2.69	1,700	3.95
TOTAL	51,000	100	152,800	100	59,400	100	43,000	100

*Excluding Vietnamese refugees formerly settled in China.

Security Branch
Government Secretariat

Date: 21 July 1981

MR. F. K. HU:—Can the Secretary for Security clarify the policy towards those Vietnamese boat people who went first to China before they came to Hong Kong?

SECRETARY FOR SECURITY:—The policy, without clarification, is that those who come here having exhausted their rights of temporary asylum in Hong Kong, and therefore having been settled in China, are repatriated there as quickly as we can arrange for this to be done with the Chinese authorities.

Family, school and social life education

2. MR. So asked in Cantonese:—

請問政府在促進家庭、學校及群體生活教育等方面，做了些甚麼工作？

(The following is the interpretation of what Mr. So asked.)

What efforts has the Government made to promote family, school and social life education?

SECRETARY FOR SOCIAL SERVICES:—Sir, the Family Life Education Programme conducted by the Social Welfare Department aims to improve the quality of family life by enhancing understanding of others and of relationships within the

family. It is complementary to the personal services provided for individuals through school social work and counselling by Family Services.

Our schools play their part in educating our young for life in society through the curriculum that is followed, and in the programmes of extra curricular activities organized outside the classroom. There is material included in the syllabuses which specifically aims at promoting positive qualities and attitudes towards family, school and society; and such subjects as Social Studies, Health Education, Economic and Public Affairs and Home Economics aim to develop in children the attitudes, knowledge and skills to enable them to become useful and concerned members of the community, aware of their family and social responsibilities. They are also intended to educate pupils about their community and its place in the world. In support of these aims are a wide range of extra curricular activities such as Community Youth Clubs, Junior Police Call, Junior Red Cross, Scouts, Guides, Road Safety Patrols and the Duke of Edinburgh Award Scheme, among others.

The great influence of television on children and young persons is also recognized by the standards for children's programmes laid down in the Television Code of Practice. Amongst other things the Code aims to ensure that children's programmes during the Family Viewing Hours from 4 p.m. to 8.30 p.m. daily are as wholesome as possible, and show no disrespect for law and order, and traditional moral values.

Cohesion within the community is further promoted by the establishment and work of Mutual Aid Committees, which foster self-help, community spirit and civic responsibility: they are a significant part of our efforts towards combatting crime and keeping our city clean. The development of social responsibility is also promoted by the Social Welfare Department and voluntary agencies by means of a network of community and youth centres and offices operating at different levels throughout Hong Kong.

The future work of District Boards, about which much has already been spoken, will inevitably play a key role in enhancing civic consciousness and community involvement in matters of public importance.

In addition to its efforts in these areas the Government supports a range of important functions through specialized agencies. For instance, the Independent Commission Against Corruption sustains a long-term effort towards raising business and public morality in a corruption-free society, while the Action Committee Against Narcotics spearheads our attack against drug abuse. There is also continuing publicity on the need to report crime.

Sir, Mr. So's question can embrace every aspect of Government activity, as well as the example set by all in public life. While I have attempted to demonstrate in general terms, the Government's wide ranging and continuing efforts in these areas I would be doing an injustice if I were to suggest that the responsibility for all matters of family, school and social life education rest on Government shoulders alone. This cannot and should never be the case. It is the duty of every parent and every citizen to play his part.

REVD. JOYCE M. BENNETT:—*Sir, is it not true that there has been considerable concern shown in the Chinese press, and among Chinese school teachers, at the recent Cantonese T.V. films shown at the peak hours of 7 to 8 p.m., which they consider do show disrespect for law and order and traditional moral values?*

SECRETARY FOR SOCIAL SERVICES:—I am aware of this, Sir, and I am sure this is being looked at by the Television Authority.

Industrial safety

3. MR. WONG PO-YAN asked:—*Will Government make a statement on the progress regarding the matter of industrial safety during the last three years?*

COMMISSIONER FOR LABOUR:—Sir, in recent years the Labour Department has been progressively increasing its efforts to improve industrial safety. These efforts are centred on four main areas, that is, expansion of the Factory Inspectorate, improvement of safety legislation, intensification of industrial safety training and promotion and educational work. In the last three years the number of factory inspectors increased by about 80% from 81 to 145, and the field offices increased from 15 to 28, of which five field offices are specifically concerned with construction safety. This expansion has so far enabled us to increase our number of inspections from about 36,000 in 1977 to about 53,000 in 1980. The five-year expansion programme for the Factory Inspectorate has therefore been progressing satisfactorily and in 1984, the number of Factory Inspectors is expected to reach 250, though for all of them to become fully trained may take longer.

In the legislative field some significant improvements have been made to the safety regulations concerning lifting appliances and for construction site safety, and I hope to introduce shortly improvements in the factory fire safety regulations (including increasing penalties) and to make new electricity safety regulations. However the main thrust of our recent legislative amendments has been to increase penalties, and to improve substantially employees' compensation. The penalties have been increased up to \$50,000 in the five most important sets of regulations and I hope the remainder can be completed this Session. These, together with higher employee compensation rates, and the increasing civil liability awards by the Courts, should cause reluctant employers to take much greater interest in, and concern for, a safe working environment in their enterprises.

The Industrial Safety Training Centre has been expanding its activities in conducting industrial safety training courses, and about 6,000 participants a year have benefitted from these courses. The Training Officers of the Centre also visit and give talks on industrial safety to technical institutes, vocational training centres, schools, factories and trade associations, and have been heard by about 7,000 people a year. A one-year evening course for safety officers was started in

1979 in conjunction with the Hong Kong Polytechnic. In two years it has produced about 100 properly trained safety officers. The Construction Industry Training Authority is playing its part by incorporating safety instruction in its courses, and the establishment of a second Construction Training Centre, probably next year, will greatly increase the number of skilled construction workers who have acquired the knowledge of work safety in the course of their training.

The programmes for the promotion of industrial safety in the last few years have become more sophisticated and extensive. They cover a wide range of educational and publicity activities such as exhibitions, seminars, conferences, T.V. programmes, press coverage, posters, advertisements, mobile theatre shows and various types of competitions. A number of these projects have been undertaken jointly with trade associations, trade unions and employers organizations whose support has been most welcome. In the last three financial years the expenditure for industrial safety publicity averaged about half a million dollars a year. In the current financial year the budget amounts to one million dollars. The department has also recently obtained the services of a Senior Information Officer solely responsible for giving professional support to the Factory Inspectorate in the publicity aspects of promoting industrial safety.

The tripartite Committee on Industrial Safety and Accident Prevention which was formed in 1978 under the auspices of the Labour Advisory Board, and the Committee now has a sub-committee on construction safety, one for the textile industry will be established very soon and eventually there should be one for each major industry. It is hoped that such sub-committees will encourage and involve both employers and workers in the promotion of industrial safety, and give practical advice for the improvement of legislation and working procedures to contribute to developing a safer working environment.

MR. WONG PO-YAN:—*Sir, can the Commissioner for Labour tell what is the number of industrial accidents in total, and fatal ones in particular, in the first few months of 1981, in comparison with that in the same period of 1980?*

COMMISSIONER FOR LABOUR:—I am not sure, Sir, that I am able to do it in that form today. The number of accidents overall in the first quarter was 7,336, of which there were 33 fatalities. The total number of accidents last year was about 48,000, so this is certainly less than a quarter of last year, but I will forward the quarterly comparative figures to Mr. WONG.

(The following written reply was provided subsequently.)

The number of industrial accidents for the first quarter of 1980 totalled 8,000 of which 19 were fatal. The first quarter figure is normally smaller than the quarterly average because of the seasonal factor. The final figure for the quarter may also be higher than the one I quoted as there is a certain amount of late reporting.

School guidance and counselling services

4. DR. HO asked:—*In view of the recent spate of suicides and attempted suicides among school children, will the Government consider increasing the provision of guidance and counselling services for primary and secondary school children?*

DIRECTOR OF EDUCATION:—Sir, this question presumes a connection which the facts do not necessarily support. Three of the recent tragedies concerned children who had access to guidance and counselling services in their schools and in a fourth case (as in the others) teachers were completely at a loss to understand the motivation of the child concerned.

In every other case reported to me the schools concerned have been served by School Social Workers or Student Guidance Officers.

This is not to say that student guidance and counselling services do not play a role in averting tragedies, only to emphasize that it is too easy to assume that they are the only answer to such tragedy.

Having said this, let me add that guidance and counselling services for primary and secondary school children *are* being expanded, and that teachers in training and in schools are often reminded of their vital role as first-line guides and counsellors.

The White Paper ‘Social Welfare into the ’80s’ published in April 1979 sets out Government’s broad aims in the development of social security and social welfare services in Hong Kong. In the latter area, that is direct social welfare services, personal social work among young people constitutes an important service, the overall objective of which is to prevent or reduce anti-social and delinquent behaviour in young people from about six to 20 years of age. To this end, the White Paper proposed the development of services to reach young people at school (through School Social Work), in their homes (through Family Life Education) and in society at large (through Out-reaching Social Work).

School Social Work is ‘designed to help pupils whose academic, social and emotional development is in jeopardy for whatever reason, to assist pupils to make maximum use of their educational opportunities, to develop their potential to the full and to prepare them for responsible adult living’. Ideally, school social work should be provided by professional social workers with one such worker available throughout the week at each and every school, but this is not possible because of the shortage of professional social workers in Hong Kong. Provision, therefore, in primary schools is through Student Guidance Officers, supported by Psychologists and Counsellors in the Education Department, and by professional Social Workers in the Social Welfare Department if necessary. Secondary schools are served by professional Social Workers provided by voluntary agencies and the Social Welfare Department. Student Guidance Officers or S.G.O.s as we call them, are supplied in a ratio of one S.G.O. to about three schools in the urban area and one S.G.O. to

approximately four schools in the rural areas. School Social Workers in secondary schools are supplied in a ratio of one professional Social Worker to about four schools, and these ratios for primary and for secondary schools are based on the assumption that 2% of our students in the age group 6-16 and another 1% of students in the age group 17-20, may experience pronounced personal problems which require the services of Student Guidance Officers or Social Workers.

There are now 132 S.G.Os. covering 665 primary school sessions (that is 67% of the primary school population) and it is intended to increase the total number of S.G.Os. to cover all primary schools by March 1982.

There are 91 School Social Workers from voluntary agencies and the Social Welfare Department working on a part-time basis covering 297 secondary schools (that is 75% of the secondary school population) and I am told that this number will increase in September 1981. There are difficulties in providing fulltime coverage secondary schools because of a shortage of professional Social Workers, but this issue is now under review, and indeed, the entire programme for personal social work among young people will be examined in depth later this year.

I cannot emphasize too strongly the important role classroom teachers play in the provision of guidance and counselling services for school children. A class teacher, next to the parent, is in closest contact with children and is usually quick to notice emotional and behavioural problems. Ideally the classroom, next to the home, is where the first guidance and counselling takes place, and if the problem is too difficult, reference is made to the Student Guidance Officer or the School Social Worker. In practice, of course, class teachers are very busy people, and classes are large. As thoughtful observers and practising teachers have recently commented, more teachers are needed in schools to lighten the load and to provide greater opportunities for teachers to get to know their pupils' problems. An improvement of the primary school teacher to class ratio will therefore be an important feature of the forthcoming White Paper on Primary Education and Pre-primary Services, and the teacher to class ratio for secondary schools is also being reviewed. I very much hope that in the near future more teachers will be able to give individual attention to their pupils and their problems will be nipped in the bud.

What I have said so far does not cover the valuable work of Careers Masters and Mistresses in secondary schools. Guidance and counselling in the context of careers is supplied by the Hong Kong Association of Careers Masters and Mistresses, which now numbers some 300 dedicated men and women who advise secondary school leavers in addition to their many teaching duties. More teachers in secondary schools will assist this valuable element of guidance and counselling, and a re-allocation of responsibilities in the context of recent improvements of the salary and conditions of senior graduate teachers should also help.

Let me complete this somewhat lengthy reply by assuring Dr. Ho Kam-fai that, while the increase in the provision of guidance and counselling services for primary and secondary school children is very much in the context of planned development, the Government is very concerned with the stresses and strains which seem to beset some of our young people at home and in school. This concern has been underlined recently in seminars for heads of primary and secondary schools, and in discussion in the Board of Education. We are worried about the pressures of our society, about the erosion of familiar social values, about growing indiscipline and juvenile delinquency. But this is an on-going and complex problem for which there is no simple snap solution; but we are grappling with it at all levels and we think that the expansion of guidance and counselling services with more teachers in our schools will go some way towards easing the pressure on our young children.

DR. HO:—*Sir, what role does the Educational Psychologist in the Education Department play in relieving the stresses and strains of our school children?*

DIRECTOR OF EDUCATION:—*Sir, all Student Guidance Officers and School Social Workers have the elements of education psychology, but the fully trained psychologists are better deployed for special referral work and direction of others from the Headquarter of the Education Department. We have five such Educational Psychologists and ten assistants, who are called Counsellors, directing the back-up work of this important work in the schools. We now have an establishment of 24 to fill and with greater opportunities for local training, we hope to fill these posts in the next few years.*

REVD. JOYCE M. BENNETT:—*Sir, can the Director of Education clarify his words 'in the near future' to which he refers when speaking of more teachers in primary schools and the review of the teacher to class ratio for secondary schools?*

DIRECTOR OF EDUCATION:—*Sir, with the publication of the White Paper on Primary and Pre-primary Services the improvement to the teacher to class ratio will be known, and with the completion of the review which is currently being conducted of the improvement of the ratio, the teacher to class ratio in secondary schools, that too will be known for phasing and implementation over the next few years. I trust that by September 1982 we will see a dramatic improvement in the teacher supply situation to the schools that Miss BENNETT so devoutly wishes for.*

REVD. JOYCE M. BENNETT:—*Sir, may I then ask when will this White Paper on Primary Education and Pre-primary Services be in our hands for the reading?*

DIRECTOR OF EDUCATION:—*Sir, I am told that publication is set for the end of July.*

Safety control in demolition works

5. DR. Ho asked:—*Is Government satisfied that existing regulations and monitoring controls are sufficient to ensure safety of demolition works?*

DIRECTOR OF PUBLIC WORKS:—Sir, only the contractor on the site is in a position to assess the stability of a building under demolition which may change rapidly during the course of the work and, if necessary, take immediate measures to avert danger. The Building (Demolition Works) Regulations therefore make the contractor responsible for the demolition works including appointing an experienced supervisor.

Although the condition of a building being demolished is constantly changing, occasional spot checks of buildings under demolition are made by the Buildings Ordinance Office. If any dangerous practices are discovered action is taken to stop the work immediately and to institute additional precautionary measures.

In the past deficiencies in the Regulations have been found and amendments were made in 1979 to increase substantially the penalties for offences, and further amendments came into operation in April this year covering amongst other matters the use of mechanical equipment.

Sir, the Government is satisfied that if the provisions of the Regulations are followed there is adequate protection for the public and the workmen on the site.

DR. Ho:—*Sir, with reference to paragraph two of the answer, may I know how often, and under what conditions, a building under demolition is spot-checked?*

DIRECTOR OF PUBLIC WORKS:—Sir, normally a building would be inspected by the Buildings Ordinance Office before work commences, and one or two times during the course of construction depending of course on the size, complexity and duration of the works.

Traffic congestion in Cross Harbour Tunnel

6. MR. PETER C. WONG asked:—*Has Government any positive plan to relieve the serious traffic congestion in the Cross-Harbour Tunnel?*

SECRETARY FOR THE ENVIRONMENT:—No, Sir, but positive steps have been taken to allow such plans to be made.

Last year, Government commissioned consultants to examine the long-term feasibility of additional harbour-crossings and also the short-term means by

which the capacity of the existing cross-harbour facilities could be better utilized. The consultants have already reported on the short-term means and will be submitting a draft report on the long-term measures within the next few weeks.

On short-term measures, the consultants have suggested an improvement to the vehicular ferry service and a number of minor works to improve the traffic flow in the Cross-Harbour Tunnel approach areas. These are being investigated by the departments concerned. The consultants have not recommended the adoption of the Cross-Harbour Company's proposal to provide a mezzanine deck in the existing tunnel. The reasons are principally, disruption to traffic during construction, enhanced risk due to restricted access for fire fighting and difficulties with additional connecting approach roads. Nevertheless, a reappraisal of the proposal is being undertaken to see if these problems can be overcome.

In the medium and long-term, congestion in the existing Cross-Harbour Tunnel could be significantly reduced if the recommendations expected in the consultants report on long-term improvement measures were implemented. These could take the form of either a bridge at Lei Yue Mun, if the problem of the Kai Tak Airport approach guidance system can be resolved, or a third tube alongside the existing tunnel. In addition, a western harbour-crossing linking Hong Kong Island with Kowloon via Stonecutters Island may be required in the long-term.

MR. PETER C. WONG—*Sir, to what extent would the short-term measures relieve the congestion?*

SECRETARY FOR THE ENVIRONMENT:—I think, Sir, they could make a considerable difference to the position. The average daily traffic at the moment is 102,000 vehicles per day—an increase over 95,000 vehicles per day at the same time last year. The problem at the moment is not increased congestion in the sense of longer queues of traffic, but an increased period of congestion which is occurring each day.

MR. PETER C. WONG:—*Sir, when will Government be in a position to adopt the short-term measures?*

SECRETARY FOR THE ENVIRONMENT:—The details which I have given, Sir, are really a brief progress report for Members' information. I am sure Members will realize that there is a considerable amount of work to be done on the proposals before firm decisions can be taken, and then extensive detailed work before they can be implemented. It is therefore very difficult to give reliable timings at this stage. May I therefore be allowed to say only that it is our intention that there should be no undue delay.

MR. PETER C. WONG:—*Sir, may I then ask—will the Secretary inject a sense of urgency into the considerations of short, medium and long-term measures?*

SECRETARY FOR THE ENVIRONMENT:—I will, Sir, yes.

MISS DUNN:—*Sir, what is the Government's preliminary thinking on the consultants' recommendations expected on the long-term improvements to which Mr. TODD referred?*

SECRETARY FOR THE ENVIRONMENT:—The preliminary views, Sir, are that the Lei Yue Mun bridge is the most attractive medium-term option. If, and I say if, construction could start in 1982, one could hope for completion by 1986, which would tie in with the completion to Chai Wan of the Eastern Island Corridor. It is also the most attractive proposition in financial terms. However, the basic problem is not whether or not we could build such a bridge, but whether, if constructed, whilst the airport continues to operate at Kai Tak, this would be acceptable in terms of air safety, either directly or through its effect on the airport approach guidance system. This problem still has to be resolved. The third tube, Sir, to the existing Cross-Harbour Tunnel will I think be put forward as fall-back to the construction of the bridge. It could be built, if we were to take an early decision, by 1987, but has the transport disadvantage that it would concentrate traffic in the areas which are already congested and would also involve heavy expenditure on highway construction, not only at the tunnel portals, but on the approach roads.

Statistics on homicide and death sentence

7. MR. CHAN KAM-CHUEN asked:—*In view of the recent public interest on the issue of capital punishment, will Government state:*

- (a) the number of reported homicide cases on an annual basis since 1945;*
- (b) when the last convicted murderer was executed in Hong Kong; and*
- (c) subsequent to (b), how many persons whose death sentence had been commuted to imprisonment have since been released?*

SECRETARY FOR SECURITY:—Sir,

- (a)* Attached to the written version of this answer is a table of statistics on homicide cases reported in the last 35 years (Appendix), expressed in terms both of absolute numbers and of rates per hundred thousand population.
- (b)* The last convicted murderer was executed in Hong Kong on 16 November 1966.
- (c)* Subsequent to *(b)* 15 of the 124 persons whose death sentences have been commuted to terms of imprisonment, have been released to date.

APPENDIX*No. of Homicides Reported*

(Figures in brackets are rate per 100,000 population)

<i>Financial Year</i>	<i>No. of Cases</i>	<i>Calendar Year</i>	<i>No. of Cases</i>	<i>Calendar Year</i>	<i>No. of Cases</i>
1946/47	26(1.5)	1953	28(1.2)	1971	98(2.4)
1947/48	22(1.2)	1954	38(1.6)	1972	115(2.8)
1948/49	27(1.5)	1955	28(1.1)	1973	110(2.6)
1949/50	19(1.0)	1956	39(1.5)	1974	102(2.4)
1950/51	35(1.6)	1957	17(0.6)	1975	105(2.4)
1951/52	32(1.6)	1958	30(1.1)	1976	82(1.9)
1952/53	32(1.5)	1959	24(0.8)	1977	57(1.3)
		1960	30(1.0)	1978	63(1.4)
		1961	25(0.8)	1979	68(1.4)
		1962	20(0.6)	1980	86(1.7)
		1963	25(0.7)		
		1964	42(1.2)		
		1965	33(0.9)		
		1966	40(1.1)		
		1967	73(2.0)		
		1968	50(1.3)		
		1969	55(1.4)		
		1970	71(1.8)		

* 1981: The figure up to 19.6.1981 is 49

Government business**Motions****‘STAR’ FERRY COMPANY (SERVICES) ORDINANCE**

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—With the Schedule to the Ordinance be amended by deleting Appendix I and substituting the following—

‘APPENDIX I

FARES AND CHARGES

(a) First class passenger:

Adult	<i>Per trip</i>
	60 cents
Child under 16 years (other than a child under 3 years accompanied)	40 cents

	<i>Per trip</i>
Child (accompanied) under 3 years	Free
(b) Second class passenger:	
Adult or child (other than a child under 3 years accompanied)	40 cents
Child (accompanied) under 3 years	Free
(c) Monthly tickets (valid for current calendar month only):	
	<i>Per ticket</i>
Adult	\$27.00
Child under 16 years	\$15.00'.

He said:—Sir, I rise to move the first motion standing in my name on the Order Paper. It provides, under section 5 of the 'Star' Ferry Company (Services) Ordinance (Chapter 274), for increase in passenger fares on the main 'Star' Ferry Service from Edinburgh Place to Tsim Sha Tsui by amending Appendix I of the Schedule to the Ordinance. The changes proposed have the consent of the Company.

The proposed increases would, with effect from 1 July 1981, raise first class fares from 50 cents to 60 cents for adults and from 30 cents to 40 cents for children, and second class fares for both adults and children would be raised from 30 cents to 40 cents. The charge for monthly tickets would also rise from \$22.50 to \$27.00 for adults, and from \$11.30 to \$15.00 for children.

The main reason for the proposed increases is to offset rising costs, particularly wages and fuel costs, and so ensure a reasonable level of profitability on ferry operations in 1981 and 1982. In preparing projections of operating results, assumptions have been made about the likely level of future increases in costs and the likely number of passengers in the next two years. If these assumptions prove correct, post-tax profits in 1981 and 1982 would be about \$3.6 million and \$5.1 million, this compares with an average over the previous three years of about \$4.0 million. These results are reasonable in all the circumstances.

The effect of the operating of the Tsuen Wan Extension of the M.T.R. on patronage of 'Star' Ferry services will need to be closely monitored in 1982, as will other factors contributing to the projected results, but it is hoped that no further increase in fares will be necessary until 1983 or even early 1984.

Sir, I beg to move.

Question put and agreed to.

THE HONG KONG AND YAUMATI FERRY COMPANY (SERVICES) ORDINANCE

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—With the consent of the Company, that with effect from 1 July 1981 the Schedule to

the Ordinance be amended by deleting Appendix II and substituting the following—

‘APPENDIX II

FARES AND CHARGES

1. ACROSS THE HARBOUR SERVICES

A. SERVICES OTHER THAN BETWEEN JUBILEE STREET
FERRY PIER AND KWUN TONG FERRY PIER

	<i>Per trip</i>
(a) Hoverferry passenger—	
Adult or child.....	\$4.00
(b) <i>De Luxe</i> class passenger—	
Adult or child.....	\$2.00
(c) Ordinary class passenger—	
Adult.....	80 cents
Child under 16 years.....	40 cents
Child (accompanied) under 3 years	Free
(d) Freight, including general cargo, baggage, poultry, pigs in crates, fish in tubs and other freight	\$3.20 per picul or 4 cubic feet
(e) Private car, public car or taxi.....	\$4.00 (inclusive of passengers)
(f) Motor cycle (with or without side car)	\$1.00 (inclusive of passengers)
(g) Light bus.....	\$7.00 (inclusive of passengers)
(h) Omnibus	\$7.00 (inclusive of passengers)
(i) Goods vehicle not exceeding 40 cwt., weight unladen	\$7.00 (inclusive of passengers and freight)
(j) Goods vehicle exceeding 40 cwt., weight unladen but not exceeding 100 cwt., weight unladen.....	\$11.00 (inclusive of passengers and freight)
(k) Goods vehicle exceeding 100 cwt., weight unladen which does not exceed a length of 36 feet (rigid and articulated).....	\$16.00 (inclusive of passengers and freight)

(l) Vehicle which exceeds 36 feet in length (rigid and articulated) -----	\$75.00 (inclusive of passengers and freight)
(m) Additional charges—	
(i) overhanging loads	\$12.00 for each 4 feet overhanging
(ii) vehicle towing another vehicle	Each vehicle will pay the prescribed fare for its particular category
(iii) vehicle (other than a rigid and articulated vehicle) towing a trailer	The towing vehicle will pay the fare prescribed for its particular category and the trailer will pay \$12.00
(n) Monthly tickets (valid for ordinary class and for current calendar month only)	
(i) Adult	\$32.00
(ii) Child under 16 years	\$16.00

B. BETWEEN JUBILEE STREET FERRY PIER AND KWUN TONG FERRY PIER

Hoverferry passenger—	<i>Per trip</i>
Adult or child	\$4.00
<i>De Luxe</i> class passenger—	
Adult or child	\$1.80
Ordinary class passenger—	
Adult	\$1.30
Child under 16 years	60 cents

2. OTHER SERVICES

A. SERVICES BETWEEN HONG KONG ISLAND AND OUTLYING DISTRICTS

	<i>Hoverferry Service</i>		<i>Ordinary Class</i>		<i>Child under 16 years</i>	<i>Adult</i>	<i>Child under 16 years</i>	<i>Freight (per cwt)</i>
			(i)	(ii)				
			<i>Sundays & public holidays</i>	<i>Weekdays</i>				
(a) HONG KONG								
—PENG CHAU ISLAND	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30	
—SILVERMINE BAY	\$6.00	\$6.00	\$4.00	\$2.00	\$2.50	\$1.30	\$1.50	
(Direct & Indirect Service)								
—CHEUNG CHAU ISLAND (Direct & Indirect Service)	\$6.00	\$6.00	\$4.00	\$2.00	\$2.50	\$1.30	\$1.80	
Adult's monthly tickets \$100.00	(weekdays and holidays) (Valid for ordinary class and current calendar month only).							

	Hoverferry Service	Deluxe class	Ordinary Class				Freight (per cwt)
			(i) Sundays & public holidays		(ii) Weekdays		
			Adult	Child under 16 years	Adult	Child under 16 years	
(b) PENG CHAU							
—SILVERMINE BAY	\$6.00	\$6.00	\$1.30	\$0.70	\$1.30	\$0.70	\$0.50
—CHEUNG CHAU	\$6.00	\$6.00	\$1.30	\$0.70	\$1.30	\$0.70	\$1.00
(c) SILVERMINE BAY							
—CHEUNG CHAU	\$6.00	\$6.00	\$1.30	\$0.70	\$1.30	\$0.70	\$0.80
—PENG CHAU	\$6.00	\$6.00	\$1.30	\$0.70	\$1.30	\$0.70	\$0.50
(d) HONG KONG							
—SOK KWU WAN (Direct & Indirect Service)	\$6.00	\$6.00	\$2.50	\$1.30	\$2.00	\$1.00	\$1.00
(e) HONG KONG							
—YUNG SHU WAN (Direct & Indirect Service)	\$6.00	\$6.00	\$2.50	\$1.30	\$2.00	\$1.00	\$1.00
(f) YUNG SHU WAN							
—SOK KWU WAN	\$6.00	\$6.00	\$1.30	\$0.70	\$1.30	\$0.70	\$0.80
(g) HONG KONG							
—MA WAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
—TUEN MUN	\$6.00	\$6.00	\$3.60	\$1.80	\$2.50	\$1.30	\$1.30
—TUNG CHUNG	\$6.00	\$6.00	\$3.60	\$1.80	\$2.50	\$1.30	\$2.50
—TAI O	\$6.00	\$6.00	\$3.60	\$1.80	\$2.50	\$1.30	\$2.50
—TAI O (excursion)	\$7.50	\$7.50	\$6.50	\$6.50*	—	—	—
(*Students and children shall be charged full fares).							
(h) MA WAN							
—TUEN MUN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
—TUNG CHUNG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
—TAI O	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
(i) TUEN MUN							
—TUNG CHUNG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
—TAI O	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
(j) TUNG CHUNG							
—MA WAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30
—TAI O	\$6.00	\$6.00	\$2.50	\$1.30	\$1.50	\$0.80	\$1.30

B. TOLO HARBOUR SERVICE

(k) TAI PO KAU							
—SHAP SZ HEUNG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—SHAM CHUNG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—LAI CHI CHONG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAI TAN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—CHEK KENG	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—KAU LAU WAN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—TAP MUN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
(l) SHAP SZ HEUNG							
—SHAM CHUNG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—LAI CHI CHONG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAI TAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—CHEK KENG	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—KAU LAU WAN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—TAP MUN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
(m) SHAM CHUNG							
—LAI CHI CHONG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAI TAN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—CHEK KENG	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—KAU LAU WAN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
—TAP MUN	\$6.00	\$6.00	\$5.00	\$2.50	\$2.50	\$1.30	\$2.50
(n) LAI CHI CHONG							
—TAI TAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—CHEK KENG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—KAU LAU WAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAP MUN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
(o) KAU LAU WAN							
—CHEK KENG	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAI TAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAP MUN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
(p) CHEK KENG							
—TAI TAN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
—TAP MUN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
(q) TAI TAN							
—TAP MUN	\$6.00	\$6.00	\$2.50	\$1.30	\$1.30	\$0.70	\$1.30
(r) MA LIU SHUI							
—WU KAI SHA	\$6.00	\$6.00	\$2.00	\$2.00	\$2.00	\$2.00	—

(No freight shall be carried on this route and children under 16 years of age shall be charged full fares).

He said:—Sir, I rise to move the second motion standing in my name on the Order Paper. It provides under section 5 of the Hong Kong and Yaumati Ferry Company (Services) Ordinance (Chapter 266) for increases in passenger fares and freight charges on scheduled Cross Harbour, Outlying Districts and Tolo Harbour services, and in fares for selected categories of vehicles on scheduled vehicular ferry services. If approved, these increases will come into effect on 1 July 1981, through amendments to Appendix II of the Schedule to the Ordinance. They have the consent of the Company.

The detailed fare increases proposed are clearly set out in the text of the motion. For Cross Harbour services, the increases proposed are from 60 cents to 80 cents for adults, and from 30 cents to 40 cents for children. For other services, the increases are generally in the order of 20% to 33%. Thus a \$1.00 fare would become \$1.30, a \$1.50 fare would become \$2.00, a \$2.00 fare would become \$2.50, and a \$4.00 fare would become \$5.00. Increases in freight charges would be of the same order, that is, at the lower end of the scale a charge of 40 cents would become 50 cents, at the upper end a charge of \$2.50 would become \$3.20. Increases in charges on vehicular ferry services would affect private cars and taxis, the increase being from \$3.00 to \$4.00; and goods vehicles where the increase will be from \$10.00 and \$15.00 to \$11.00 and \$16.00 according to weight of the vehicle. Increases are also proposed for additional charges for overhanging loads and trailers.

Sir, on 25 June 1980, when increases in passenger fares on certain Cross Harbour routes and in fares for selected categories of vehicles on scheduled vehicular ferry services were approved by this Council, the rate of return on average net fixed assets then predicted for the Company's ferry operations in 1980 was between 5% and 6%. In the event, primarily, because of increasing maintenance costs, the return was slightly in excess of 3%. If the assumptions now made in preparing forecasts of the Company's results prove correct, the effect of the proposed increases will simply be to enable the Company to maintain a return of 3% in 1981. A further increase may well be necessary in 1982. Nevertheless, it is worth noting that the Company plans to introduce five new services in the course of 1981, and continues to adopt a policy of expanding its fleet to meet new demands.

Sir, I beg to move.

(Mr. Alex WU declared an interest and abstained from voting on this motion.)

Question put and agreed to.

First reading of bills

DISTRICT BOARDS BILL 1981

ELECTORAL PROVISIONS BILL 1981**URBAN COUNCIL (AMENDMENT) (NO.2) BILL 1981****PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) BILL 1981****SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1981****SECURITIES (AMENDMENT) BILL 1981****CRIMINAL PROCEDURE (AMENDMENT) BILL 1981****MAGISTRATES (AMENDMENT) (NO.3) BILL 1981****LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1981****ROAD TUNNELS (GOVERNMENT) BILL 1981****MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1981**

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

Second reading of bills**DISTRICT BOARDS BILL 1981**

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to provide for the establishment of District Boards, their constitution, functions and matters incidental thereto’.

He said:—I rise to move the second reading of the District Boards Bill 1981.

This is one of three Bills giving effect to the decisions announced in the White Paper on District Administration. It is the most important because it sets up the Boards themselves.

The Boards cover Districts and because we wanted to get them working quickly the boundaries have been drawn up without formal consultation. These boundaries are in fact by now almost traditional but no doubt there will have to be adjustments in the future. When this happens it is proposed to establish a Boundaries Advisory Committee.

The question of Chairmen of the Boards was left indeterminate in the White Paper. In order that everyone will know where they stand the Bill provides that the Chairmen of the first Boards—up to March 1985—will be officials but that after that date, when Board members will know each other better, the Chairmen will be elected by the Board members from among their number.

These details and many others have been worked out in drafting the three Bills but perhaps honourable Members will bear with me if I say again in simple terms what the Government is trying to achieve in these reforms of District Administration.

Hong Kong is getting big. Over recent years a number of departments have found it more effective to organize their work on a regional rather than a functional basis. Instead of having senior departmental officers in charge of apart of the departments' work in all Hong Kong they are now in charge of all departmental work in a part of Hong Kong. This improves local co-ordination but is only practical when the department's work has grown big enough to make the re-arrangement possible.

The first element in District Administration is to establish District Management Committees where senior departmental officers can meet and make sure they are working together and not at cross purposes. This is bound to improve the impact of services locally even without any change of policy or perhaps even of change of resources. Where District Management Committees exist the effect can already be seen.

The second element in District Administration is to associate the District Management Committees with representatives of local residents on District Boards. Here officials can meet unofficials and explain what they are doing. Their work will be subject to scrutiny and suggestions will be made for changes. The unofficial members of the Boards will be able to tell everyone in the District what they are doing and they will be accessible to people living in the area who want changes made.

Now we know all this will work. The Bill in many respects does no more than formalize what is happening already. We know that Hong Kong is now so big that better co-ordination follows from regionalization of the civil service. We know that in all Districts there are men and women of good sense who are willing to accept invitations to serve on district committees.

What is quite new is that formal direct elections will be held for at least half the unofficial members of District Boards. In so far as such elected members include the Chairmen of Rural Committees again we have a considerable history but elections for other members will be quite new.

There will be 122 constituencies—76 in the Urban Areas and 46 in the New Territories. Everyone in Hong Kong will live in one of these constituencies. Practically all adults will have the opportunity to vote in the elections.

I have seen some speculation on the success of this scheme. This is reasonable. It is also reasonable that honourable Members would expect me to say what the Government's expectations of success are. Before doing so I must say what we are trying to do for unless I explain this there is no yardstick by which to judge success or failure.

First we aim for better co-ordination of services. We have had enough experience here to know that District Management Committees alone will do this.

Second we aim for substantial unofficial participation. Again we have had sufficient experience to know that men and women can be found to accept appointment to District Boards who will act as vigorous advocates of local aspirations.

Third we aim to conduct elections. We have not tackled this before, not quite like this. The plans are being carefully drawn up by able administrators and we have much experience at giving publicity to opportunities that the public can take advantage of. We shall succeed if arrangements for the registration of voters and the casting of votes are simple, if publicity is sufficient for everyone to know of the opportunity to register and to vote. We shall fail if we fail to conduct the elections competently, honestly and simply.

Now, Sir, you will note that I do not include a high turnout on election day as a measure of success. I do not do so because this is not meant for the Government. The Government's function is to create the opportunity—to conduct the elections. The people must decide whether to use the opportunity or not. This is a matter of choice for the electorate. Nobody will be forced to register. Nobody will be forced to vote. Whether people vote or not they will continue to enjoy public services—and continue to pay taxes.

I should be less than frank if I said I thought I knew how the public will react to this new opportunity. I do not think we run things so badly that everyone is longing to elect representatives to tell us how wrong we are. Equally I do not think public services are incapable of adjustment to meet public needs better. I shall register and vote and no doubt honourable Members will do the same but we are breaking new ground.

In western political thought we tend to believe that authority rests with the masses and that legitimate authority can only be transferred to individuals by popular election or at any rate support. Participation in elections has become routine. On the other hand Chinese political philosophy has for centuries looked at things the other way round. Authority rested in heaven. Appointments were made from above, the Emperor holding this mandate from heaven and in turn appointing lesser officials. Ordinary people shunned contact with the government, hence the saying, 生不入官門，死不入地獄 (*laughter*).

I realize there has not been an Emperor on the throne in China since 1911 and that the Peoples Republic was established on quite different lines in 1949. But our own arrangements here have tended more towards the traditional Chinese model than the French Revolution. Your Excellency does not hold his mandate from heaven but from some cubby hole in Whitehall (*laughter*). Perhaps the two have greater similarities than might appear at first sight (*laughter*).

We cannot forecast the response of the public to the opportunity being offered to elect local representatives. It is meaningless to talk about success or failure in terms of the turnout. The turnout will simply show what people want to do. It will show whether or not people wish to use this new way to participate in the way things are run in addition to the various channels open to them now.

I hope people will use this new opportunity—or we shall have wasted a good deal of effort—but the choice is theirs: not the Government's.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE SECRETARY FOR HOME AFFAIRS.

Question put and agreed to.

ELECTORAL PROVISIONS BILL 1981

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to provide for the elections of persons to act as members of the Urban Council and of District Boards and for matters connected therewith’.

He said:—Sir, I rise to move the second reading of the Electoral Provisions Bill 1981.

This is pretty technical stuff about elections to the District Boards and, in future, to the Urban Council.

All most people need to know about the Bill is

- * that practically everyone over 21 who has been here seven years is eligible to vote;
- * that to become entitled to vote you have to register; and
- * that on election day you go to a polling station to vote.

The whole thing will be made very simple. Registration means no more than putting your name, address and Identity Card number on a form which, if you do not get sent to you, you can pick up at dozens of places.

Voting means going to a polling station near home, open from before dawn till late at night, and marking on a ballot paper with a cross.

If you live in the New Territories you should register in September or the first ten days of October this year, quite soon. You can then vote in March next year.

If you live in town you do not need to register till April or early May next year to be able to vote in September. In March 1983 you will be able to elect your Urban Councillor.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE SECRETARY FOR HOME AFFAIRS

Question put and agreed to.

URBAN COUNCIL (AMENDMENT) (NO. 2) BILL 1981

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—‘A bill to amend the Urban Council Ordinance’.

He said:—I rise to move the second reading of the Urban Council (Amendment) (No. 2) Bill 1981.

This Bill changes the Urban Council Ordinance by taking out the provisions relating to elections—now to be found in the Electoral Provisions Bill 1981 which deals with elections both to the Council and the District Boards—and it changes the composition of the Council itself.

In 1983 the Council will be increased in size by the addition of three appointed and three elected members. Also in that year there will be elections for all fifteen elected members. These elections will be on a constituency basis. Five of the constituencies will cover the area of a District Board while the remaining ten constituencies will each cover half the area of five larger Districts.

The electorate from 1983 on will be the same as for District Boards in the urban areas—that is it will be practically everyone over 21 who has been here over seven years.

Certain other minor amendments to the Ordinance are set out in the Explanatory Note.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE SECRETARY FOR HOME AFFAIRS.

Question put and agreed to.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) BILL 1981

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—'A bill to amend the Public Health and Urban Services Ordinance'.

He said:—Sir, I rise, I hope for the last time today, to move the second reading of the Public Health and Urban Services (Amendment) Bill 1981.

This Bill seeks to provide the Director of Urban Services and the Urban Council with additional powers to let and manage commercial facilities in civic centres and stadia. These include the letting of concessions for restaurants, trading and advertising.

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

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR HOME AFFAIRS.

Question put and agreed to.

SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—'A bill to amend the Shipping and Port Control Ordinance'.

He said:—Sir, I move that the Shipping and Port Control (Amendment) Bill 1981 be read a second time.

The main purpose of this Bill is to provide for the more effective control of vessels which are required under Part IV of the Shipping and Port Control Ordinance to be licensed, and in particular to enable effective action to be taken to restrict the use of unlicensed motorized pleasure craft, including those which are easily removed from the water and transported or stored on land.

At present the Marine Department has particulars of some 6,000 pleasure vessels and their owners on their files. Many of these are out of date. However there are believed to be another 3,000 pleasure vessels which have never been licensed. This situation has arisen mostly due to ignorance and forgetfulness but also due to the inadequacy of the sanctions for failing to comply with the licensing provisions in the Merchant Shipping (Pleasure Vessels) Regulations made under the Shipping and Port Control Ordinance.

In our situation this is unsatisfactory and unacceptable especially as some pleasure vessels, especially speedboats, have been and are being used to bring illegal immigrants from China and Macau. The Security Forces have had some notable successes in arresting vessels involved in this trade. Since the activity

started, 79 speedboats have been detained in Security Force operations, 24 cases have been brought before the courts and 250 persons have been arrested. However on occasions, these vessels have evaded arrest or have been abandoned after detection. In subsequent investigations, it has been difficult to identify the owners because the vessels have not been licensed.

As part of our continuing operations to prevent illegal immigration, we are determined to take all possible reasonable steps to put an end to this traffic, not least because the Security Force operations to arrest these vessels, which often involve high-speed manoeuvres by night in confined waters, carry a high degree of risk for those taking part.

Security considerations apart, it is very much in the public interest that all pleasure craft should be licensed, since a pre-condition for the issue of licences is that vessel owners should hold third party insurance.

The proposals are also designed to assist in the enforcement of speed limits recently introduced in certain waters in Hong Kong. In some flagrant violations of these limits, the offending pleasure boats have not been identified because they have not been licensed.

Clause 8 of this Bill will enable regulations to be made for the seizure and impounding of any unlicensed vessel. Since many of the unlicensed vessels are speedboats which are regularly lifted from the water when they are not in use, the powers will be extended to vessels in *and out* of the waters of Hong Kong from the time that they are first launched. Clause 7 seeks to increase the maximum penalty which may be imposed upon the master and owner of an unlicensed vessel to a fine of \$20,000 and imprisonment for one year. Provided that the Bill is passed into law, these powers will be included in amendments to the Merchant Shipping (Pleasure Vessels) Regulations which will be made and published and come into effect later this year.

In order to assist in the finding and removal of unlicensed pleasure vessels out of the water, the Bill includes in clause 10 new powers to enter premises, but sets limits on the exercises of these powers. It is proposed that domestic premises should only be entered by day and with a warrant, and that non-domestic premises should be entered by day without a warrant and by night with a warrant.

New sections 60B and 60C in clause 10 will enable the Director of Marine to serve on the owner of a vessel involved in an incident resulting in damage, loss or damage or in a suspected offence under the Ordinance or Regulations, a notice requiring the owner to disclose the master or person in control of the vessel at the time of the incident or suspected offence. It is proposed that failure to comply with such a notice should constitute an offence, unless the owner could not have known or reasonably ascertained who was the person in control at that time.

At the same time the opportunity of these amendments is being taken to propose that the Director of Marine be authorized by clause 9 to delegate some of the powers conferred by the Ordinance or Regulations set out in the Schedule to the Ordinance. Further amendments proposed in clauses 3(a), 12 and 13 reflect the recent retitling of Marine Assistants as Marine Inspectors.

I realize that some of these changes proposed in these amendments will be regarded by some as burdensome and a bit inconvenient but I believe that they represent the minimum required to counter the arrival of the high-speed motor boat into the illegal immigration trade. I hope therefore that the boating and sailing community will respond to these new requirements responsibly and in this way contribute towards the security of Hong Kong.

I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR SECURITY.

Question put and agreed to.

SECURITIES (AMENDMENT) BILL 1981

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to amend the Securities Ordinance'.

He said:—Sir, I move that the Securities (Amendment) Bill 1981 be read the second time.

The Securities Commission is a statutory body established by the Securities Ordinance. Its principal functions, included in section 13 of that Ordinance, are to advise the Financial Secretary on all matters relating to securities, to be responsible for ensuring that the provisions of the Ordinance are complied with and to take all reasonable steps to safeguard the interests of persons who invest or propose to invest in securities.

Under section 10 of the Securities Ordinance, membership of the Commission is limited to the Commissioner for Securities, the Registrar of Companies and five members appointed by the Governor. There does not appear to be any specific reason why the membership of the Commission was set at seven. The Securities (Amendment) Bill 1981 now before honourable Members seeks to amend section 10 of the principal Ordinance to remove the restriction, thus permitting a larger membership.

The reasoning behind this amendment is that the work of the Commission has developed to the point that a wider representation on it is now advisable. The Commission has functioned admirably in circumstances that are far from easy.

Since it was formed in 1974 it has laid firm foundations for protecting the interests of investors. And I would like to place on record the Government's profound appreciation of the work of the chairman and members in this difficult task. The Commission has now been able to move on to such more sophisticated issue as the unification of the stock exchanges, disclosure of shareholdings and takeover requirements. To consider these more controversial matters, a wider membership would help.

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

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR ECONOMIC SERVICES.

Question put and agreed to.

CRIMINAL PROCEDURE (AMENDMENT) BILL 1981

THE LAW DRAFTSMAN moved the second reading of:—‘A bill to amend the Criminal Procedure Ordinance’.

He said:—Sir, I move that the Criminal Procedure (Amendment) Bill 1981 be read the second time.

This Bill seeks to amend the Criminal Procedure Ordinance in three respects.

First, to enable fines to be imposed where that may be appropriate notwithstanding that only imprisonment is specified as the penalty in the penal provision concerned. There are offences in our laws with regard to which only imprisonment is mentioned as a penalty. Section 97 of the Magistrates Ordinance provides that notwithstanding this, a Magistrate may impose a fine of up to \$2,000 instead of imprisonment, if he thinks this would better meet the justice of the case. But the District Court and the High Court have not been given similar power. They should have such power, just as the superior courts in England do. Clause 4 of the Bill provides for this, while incorporating appropriate safe-guards and a measure of flexibility in regard to payment by instalments, time for payment and imprisonment in default of payment.

To proceed to the second amendment provided for by this Bill, where an accused person gives evidence in his own defence, he may not be cross-examined as to his character except in certain circumstances which are specified in section 54 of the Criminal Procedure Ordinance. One of these exceptions is where the accused has given evidence against any other person charged with the same offence. This exception has proved to be unduly narrow in its application as it does not allow cross-examination where one defendant testifies against another in the same proceedings if they are not both charged with the same offence. Clause 2 of the Bill accordingly extends the exception to defendants who have given evidence in the same proceedings, and in so doing follows the English Criminal Procedure Act 1979.

Finally, Sir, the third amendment concerns the circumstances in which the Court of Appeal may allow an appeal. These circumstances are set out in section 83 of the Criminal Procedure Ordinance. They do not include cases where a conviction is recorded upon a plea of guilty, even if this has been done entirely in error. Clearly the Court of Appeal should be able to allow an appeal in such a case, and clause 3 provides for this.

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

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

MAGISTRATES (AMENDMENT) (NO. 3) BILL 1981

THE LAW DRAFTSMAN moved the second reading of:—‘A bill to amend the Magistrates Ordinance’.

He said:—Sir, I move that the Magistrates (Amendment) (No. 3) Bill 1981 be read the second time.

This Bill seeks to raise a number of outdated monetary limits specified in the Magistrates Ordinance. In the main these limits concern the maximum amount of fine Magistrates may impose in particular circumstances. For example, under subsection (1) (a) of section 18E the limit of fines that may be imposed in respect of pleas of guilty sent in by letter is \$500. Clause 2 seeks to increase this to \$2,000. While on the subject of limits on the amount of fines, another I might mention is that I referred to a few minutes ago in moving the last motion; I refer, Sir, to the limit of \$2,000 which applies to the amount of fine Magistrates may impose under section 97 of the Magistrates Ordinance where only imprisonment is specified as a penalty. Clause 8 seeks to increase this to \$10,000.

Other limits relate to the amount in which an accused person can be bound to be of good behaviour, and the amount he can be ordered to pay towards the cost of the proceedings under section 36 of the Magistrates Ordinance. Clause 4 increases the limit on these amounts from \$500 to \$2,000.

Yet another limit is that contained in paragraph (a) of section 100 of the Magistrates Ordinance. This, Sir, concerns the amount of compensation that a Magistrate may award to an accused person against whom a charge or complaint was, in the finding of the Magistrate, maliciously preferred without reasonable or probable cause. The amount of compensation is limited to \$250. This limit was set 32 years ago and clearly needs to be substantially increased. That, Sir, is the general position with respect to all the monetary limits sought to be increased by this Bill. Most were set in 1949, a few in the sixties and one in 1976. All now need to be brought up to date and the Bill provides for this.

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

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1981

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Landlord and Tenant (Consolidation) Ordinance’.

He said:—Sir, I move the second reading of the Landlord and Tenant (Consolidation) (Amendment) Bill 1981, which contains proposals in respect of rent controls for post-war domestic premises.

As Members are aware, in February of this year the Committee of Review, Landlord and Tenant (Consolidation) Ordinance, submitted its recommendations for the future of rent increase control legislation. Foremost among these recommendations was that as soon as circumstances permit, and subject to economic and social conditions, rent control should be phased out. As has been publicly stated before, while the Government accepts this recommendation in principle it does not think that present circumstances are right for a major step in this direction.

However, as Part II of the present Ordinance is due to expire on 18 December this year, it is necessary now to submit proposals for the immediate future.

The establishment of the Committee of Review was announced on 16 January 1980 when my predecessor introduced the Landlord and Tenant (Consolidation) (Amendment) Bill 1980 to this Council. While the 1980 Bill was enacted with the principal object of stabilizing the volatile rental situation that developed in 1979, it was also decided that a comprehensive study should be undertaken on the entire question regarding the rent control legislation and the underlying policies.

The areas covered by this review were manifold, including such important aspects as security of tenure; the system for controlling rent increases; the protection of sub-tenancies; exemptions from control; the effect of controls on repairs and redevelopment; and the rationalization of judicial functions. Despite the breadth of the review, the Committee took into account the widest possible spectrum of public interest and opinion in its search for a balanced approach to the questions under study. The Committee carefully examined the economic and the social arguments in favour of and those against rent control.

I do not propose to burden Members with an exhaustive list of the recommendations made by the Committee, but would draw attention to the basic philosophy espoused that, in view of the distortions they cause rent controls should be phased out eventually, notwithstanding the short-term need for such measures on social grounds.

Rent control clearly does not provide an answer to the problem of ensuring an adequate supply of rented housing at affordable prices. Nevertheless, it has a stabilizing role in a situation of rapidly rising rents such as occurred in 1979, but if maintained too rigidly for too long, any system of rent controls is likely to create long-term difficulties which outweigh the original intent. Experience elsewhere has shown that such controls can become a long-term or even permanent feature, and in this connection it will be noted that our own current system of control of post-war premises dates back to 1973.

Although it has been accepted that, as soon as circumstances permit, efforts should be made to phase out rent controls, it would clearly be wrong to take a decision to remove them so rapidly that chaos would result. Government, after careful study of all the factors has concluded that the existing rent control system, with minor modifications, should be retained for the time being. However, the situation will be kept under constant review, and the future direction of Government policy will be decided in the light of the effect of the measures now proposed. It is against this background that the Bill now before Council has been drafted.

The main provision of the Bill is to extend Part II of the Ordinance for two further years beyond the present expiry date of 18 December 1981. In extending the life of the legislation, a number of amendments along the lines of the Committee's recommendations are also introduced. These include:

- (a) the raising of the biennial percentage ceiling on rent increases from 21% to 30%;
- (b) the exclusion from the provisions of Part II of
 - (i) tenancies of premises in respect of which an occupation permit is first issued on or after Friday, 19 June 1981, and
 - (ii) after 18 December 1981, tenancies of premises having a current rateable value (based on 1976 rental levels) of \$80,000 or more; and
 - (iii) after 18 December 1982, tenancies of premises having a current rateable value of \$60,000 or more.

The Committee of Review noted that in early 1980 the controlled rent for the average tenancy stood at about 40% of the fair market rent. However, the latest analysis of rent increases reported to the Rating and Valuation Department under the Ordinance shows that the average has fallen further, to about 35% of market rents. This level of controlled rent relative to the fair market rent is expected to continue to decline if the present rent increase ceiling is maintained at 21% every two years. By raising the ceiling to 30%, it is hoped that the rate at which the controlled rents have been falling behind market rents will be slowed down.

Here, however, I should like to emphasize that the proposed limit of 30 per cent, as against the existing limit of 21%, is the *maximum* by which a landlord will be permitted to increase the rent of a controlled premises —there is, of course, no bar on landlord and tenant agreeing on a smaller percentage increase.

And in cases where the existing rent stands at more than 62½ per cent of market rent the tenant will continue to benefit from the factor system which has the effect of reducing the size of increase permitted by law in such cases to less than 30%.

Most of the new tenancies which have been agreed since controls were last extended in December 1979, will benefit from the factor system, which limits the increase to half the difference between current rent and market rents, since these tenancies will have been entered into at the market rents then prevailing. The maximum increase of 30 per cent will apply mainly to tenancies entered into before that time and which will have enjoyed rents well below market rents for a considerable period—perhaps since 1973 when the present controls were introduced.

The ultimate solution to the problem lies in measures to increase production of flats for the rental market, and this in turn depends on greater supply of land. The proposed exclusion from control of new buildings and luxury premises is intended to achieve this, by encouraging developers to build more flats for the rental market, and to induce owners to rent out their flats instead of holding them vacant for speculative or other reasons. By thus helping to stimulate the supply of rented flats these measures are expected to have a positive stabilizing effect on the movement of rent.

The Bill also deals with block tenancies of two or more dwellings with an aggregate rateable value of \$80,000 (from December 1982, \$60,000) or more, the level which would otherwise qualify them for exclusion as luxury premises. The intention is that exclusion should apply by reference to the rateable value of each individual dwelling and not to the total of the rateable values of all the dwellings. Therefore, it is now proposed that individual dwellings with rateable values below the specified cut-off points will continue to enjoy the protection afforded by Part II of the Ordinance whether they are subject of individual tenancies or form part of a tenancy comprising several dwellings. It has to be pointed out that this proposal involves a change from the concept of the control of tenancies to the concept of the control of dwellings. It is evidently impracticable to predict at this stage all the possible ramifications of this adjustment but Members are assured that its application will be closely monitored to determine whether any further amendment is necessary.

The Bill has three provisions which aim at providing greater protection to existing tenants. These are:

- (a) an extension of the maximum period of stay of execution of a possession order from three to six months;
- (b) the prohibition of persons who acquire tenanted premises under Part II controls from obtaining an order for possession to take effect earlier than 12 months from the date of acquisition; and
- (c) the imposition of a requirement to give a minimum six-month's notice of termination in redevelopment cases affecting premises excluded from Part II controls.

- Finally, the Bill also proposes the following amendments to the main Ordinance,
- (a) the exclusion of tenancies held from the Hong Kong Settlers Housing Corporation Ltd. from the further application of controls under Part II;
 - (b) the relaxation of time limit imposed in cases of landlords seeking rent increases by agreement; and
 - (c) the imposition of a uniform requirement of giving a minimum six-month notice as the sole channel for terminating most tenancies excluded from Part II controls.

Apart from the provisions included in the Bill, Members may wish to note that detailed study on the other recommendations made by the Committee of Review is also under way. Priority will be given to the examination of the recommendation relating to the future role of the Lands Tribunal in the mediation between landlords and sitting tenants of premises to be excluded from the Part II controls. The purpose of such a measure would be to ensure a reasonable degree of security for a sitting tenant who wishes to extend his tenancy and is prepared to pay a fair market rent, and it is the intention that proposals in this regard shall be presented to this Council by the end of this year.

Sir, I hope my explanation on the Bill will set clear the direction of Government's policy regarding the future of rent control, a complex subject on which it is unlikely that there will ever be a consensus among the different sectors of the community involved. The aim must be to strike a reasonable balance between the interests of the parties concerned, and Members may be assured that full consideration will be given to representations received since the announcement of Government's intentions in early May and the publication of this Bill last Friday.

Sir, I move that the debate be now adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR HOUSING.

Question put and agreed to.

ROAD TUNNELS (GOVERNMENT) BILL 1981

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—‘A bill to provide for the control and regulation of vehicular and pedestrian traffic in road tunnels managed by the Government’.

He said:—Sir, I move the second reading of the Road Tunnels (Government) Bill 1981.

At present the Government operates only one road tunnel, through the Lion Rock, provision for which is made under the Lion Rock Tunnel Ordinance. By early 1982, two new road tunnels, the Aberdeen Tunnel and the Kai Tak Airport Tunnel, will have been opened. Rather than legislate separately for the new tunnels, it is proposed to make legislative provision for all three tunnels, and indeed any future ones which the Government may decide to construct, under a single Ordinance. That is the purpose of this Bill.

The principal objectives of the Bill are to provide for the safety of those who use Government road tunnels, to facilitate the operation and management of the tunnels, and to empower the Government to take action against those who commit offences in the tunnels.

For the most part the Bill follows the provisions of the Lion Rock Tunnel Ordinance, which is intended to be repealed and the only new provisions contained in the Bill are as follows:

First, the powers of authorized Tunnel Officers have been increased to allow them to detain until the arrival of the Police drivers and vehicles suspected of having been involved in committing an offence within the tunnel area.

Secondly, in the interests of safety, the Bill consolidates the Commissioner for Transport's powers to remove vehicles which are either causing an obstruction or have been abandoned within the tunnel area and in the case of abandoned vehicles to dispose of them.

Sir, I believe that the Road Tunnels (Government) Bill 1981 provides a framework within which Government road tunnels may be safely operated and managed.

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

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR THE ENVIRONMENT.

Question put and agreed to.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1981

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—‘A bill to amend the Motor Vehicles Insurance (Third Party Risks) Ordinance’.

He said:—Sir, I rise to move the second reading of the Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill 1981.

The provisions of this Bill stem from those of the Road Tunnels (Government) Bill 1981 on which I have just spoken. Its purpose is primarily to absolve authorized Tunnel Officers from the requirement to take out third party insurance for a vehicle which they may be required to drive in the course of their duties under that Ordinance.

The opportunity has also been taken to include a similar exemption for employees of the Housing Authority and the Mass Transit Railway Corporation who in the course of their duty have to remove vehicles from areas managed by the Housing Authority or the Mass Transit Railway Corporation.

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

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE SECRETARY FOR THE ENVIRONMENT.

Question put and agreed to.

PUBLIC HOLIDAY (PRINCE OF WALES' WEDDING) BILL 1981

Resumption of debate on second reading (10 June 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

LABOUR TRIBUNAL (AMENDMENT) BILL 1981

Resumption of debate on second reading (10 June 1981)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

MAGISTRATES (AMENDMENT) (NO. 2) BILL 1981**Resumption of debate on second reading (10 June 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council then went into Committee.

PUBLIC HOLIDAY (PRINCE OF WALES' WEDDING) BILL 1981

Clauses 1 and 2 were agreed to.

LABOUR TRIBUNAL (AMENDMENT) BILL 1981

Clauses 1 and 2 were agreed to.

MAGISTRATES (AMENDMENT) (NO. 2) BILL 1981

Clauses 1 and 2 were agreed to.

Council then resumed.

THIRD READING OF BILLS

THE ATTORNEY GENERAL reported that the

PUBLIC HOLIDAY (PRINCE OF WALES' WEDDING) BILL

LABOUR TRIBUNAL (AMENDMENT) BILL and the

MAGISTRATES (AMENDMENT) (NO. 2) BILL

had passed through Committee without amendment and moved the third reading of each of the Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment

Motion made, and question proposed. That this Council do now adjourn—THE ATTORNEY GENERAL.

(3.57 p.m.)

Government's Social Welfare Subventions Policy

DR. FANG:—Sir, I rise to speak on the social welfare subventions policy which has been very much in the news in recent weeks.

From the various criticisms and comments, it is abundantly clear that both voluntary agencies and Government are not happy with the present system. The main defects of the existing system are that there are no clear-cut guidelines to follow; the assessment of individual agencies' costs is subjective; and voluntary agencies cannot be certain from year to year as to how much they will get from Government until very late and this makes planning of their budgets difficult. Certainty is of paramount importance.

An added controversy is whether general donations received from the public, undesignated Community Chest allocations and funds raised by voluntary agencies themselves should be considered as income leading to a corresponding reduction in Government subvention—the so-called 'see-saw effect'.

The Government Working Party Report (on Provision of Social Welfare Services and Subvention Administration), published in June 1980, clearly states Government's intention to improve the present system. I wish to draw Government's attention to the following points:

First, the proposed classification of social welfare services into three categories—namely, 'essential', 'necessary', and 'desirable' services—would in practice create difficulties and would be subject to value judgments.

Secondly, it is advisable to keep the classification simple and confine it to two neutral categories: say priorities (1) and (2). Both categories should be eligible for subventions. The first category should be subvented fully, calculated on actual basic cost, preferably with agreed sets of Codes of Aid for different services, in order to enable individual agencies, even without additional income, to run a basic approved service. All donations received etc. should not be taken into account and can be used to provide a service better than the basic standard. This can be compared to the deficiency

grants enjoyed by subvented medical organizations. For the second category, Government having examined and approved the individual agencies' budgets should give a discretionary grant of 75 to 80% of the total cost in a lump sum and allow the agencies to get on with their work with autonomy and flexibility. Similarly, income raised by agencies from other sources should be discounted. By so doing, voluntary agencies would know where they stand and plan accordingly.

Thirdly, the Social Welfare Advisory Committee with an unofficial chairman, as recommended by the Working Party Report, should be an effective forum where the classification of categories and the standard of each type of services (that is the basic cost involved) may be examined and reviewed from year to year.

Fourthly, it is hoped that the recommendations of the Working Party Report can be implemented as soon as possible so that future financing of social welfare services provided by the voluntary sector can be put on a sound and permanent basis.

Last but not least, in the interim period, Government should make a serious and concerted effort to minimize the present 'see-saw effect' and to assist voluntary agencies which are in financial difficulties.

Sir, let us not forget that in the field of social welfare services the voluntary sector in Hong Kong operates a great variety of services for the benefit of the under privileged, the handicapped and the needy in our community. Their efforts are highly commendable and we should do everything possible to sustain and promote this spirit of service.

The current subvention system may have served its purpose but has become outdated and should be replaced as soon as possible by a more efficient system which will ensure that the services required by the community are provided and adequately funded.

Finally, Sir, in the process of setting standards, such as the qualification and experience necessary for a particular job, it is hoped that Government would take into consideration and place more emphasis on experience, performance and motivation than on mere paper qualifications.

REVD. JOYCE M. BENNETT:—Your Excellency, it gives me great pleasure to support Dr. Harry FANG and my Colleagues in this adjournment debate on the social welfare subventions policy.

I have watched the Government provide more and more aid to the needy of our community and to those least able to care for themselves. We are heartened by the gradual change of emphasis shown by the Government in this field. It is encouraging to note that the Government has recognized the importance of improving the quality of life of the poorer members of our community. Whereas some fifteen years ago plans were scarcely formulated to train more social

workers, now it is clearly recognized that more and more social workers are required to meet the demands of the different fields of service.

Over the last three decades we have watched the Government financing more and more programmes as the voluntary agencies expanded their services. There has been a tradition in Hong Kong that after the voluntary agencies have established the desirability and the need for a particular service, the Government would promote it. The voluntary agencies have run their child-care centres, their family service centres and their old people's programmes. They have initiated programmes among unattached young people and in community development. However, time after time their work has been hampered and held back by financial uncertainty. I am glad that during these last weeks their financial headaches have been brought into the open. I consider it is wasteful of manpower for the Government to perpetuate these financial problems. Let the voluntary agencies get on with their programmes and put their full energy into improving them. This 'see-saw effect' of cutting back Government subventions by the amount of their resources from other sources is debilitating and discouraging. Has the Government ever costed the amount of time given by the voluntary agencies' paid employees in fund-raising campaigns? That time should be spent on providing the services for which those posts are subvented.

I urge the Government to subvent a properly qualified accounts clerk in each institution, so that the accounts of each voluntary body can be properly kept by someone trained for this job. In this way there can be proper day-to-day supervision and control to give satisfactory accountability within the institution. The Government would then be confident that its subventions were being efficiently managed. I believe the management committees of the voluntary bodies would welcome this more professional management of their moneys. I am sure too that the social workers would welcome with relief such trained accounting personnel. Within the Social Services Branch, the Education Department already provides considerable flexibility in its administration subsidy to schools. Is it not possible for the Social Welfare Department to do the same in its subventions to social welfare agencies?

Let the Government improve its methods of subventing these agencies. Discount the undesignated donations received from the Community Chest and other sources when fixing the amount of Government subventions. I understand a working party report on the subvention system was completed a year ago recommending improvements that are generally considered acceptable. Why is the Social Services Branch so slow in following this up? I am told it has not yet been discussed by the Social Welfare Advisory Committee known as S.W.A.C. Is this true? If so, we need an explanation since many times in Finance Committee the officials have answered my questions concerning social welfare subventions by saying they are decided by S.W.A.C. If it is true that these new proposals have not yet been to S.W.A.C., I find it very strange. The people of Hong Kong work hard to improve their standard of living. They do not take kindly to the delays produced by the departments within the Social Services

Branch. The community at large is willing to give money to provide new programmes which they consider desirable. Let the Government finance the essential and necessary services in their entirety and let the Government together with the public provide sufficient funds for other imaginative and new programmes run by our voluntary agencies.

Sir, I am pleased to support the motion.

I. *An Outdated Subvention System*

DR. HO:—Sir, the recent criticisms against the Government's social welfare subventions policy pointed to the fact that the policy has outlived the circumstances under which it was formulated. In the 1950s and early 60s, the voluntary organizations, both religious and philanthropic, were the principal providers of social welfare services for the destitute and for the under-privileged. They obtained most of their financial support from overseas sources, with the Government making only a token contribution to their budgets. However, as overseas funding began to decline in the mid-60s, voluntary agencies were compelled to raise their own operating expenses from local sources through a multiplicity of campaigns. The need was obvious for a central fund-raising body and this gave birth to the Community Chest in 1968.

Almost at the same time, the Government gradually became aware that it should assume a greater role in the development and provision of social welfare services for the community. In its first White Paper on *Aims and Policy for Social Welfare in Hong Kong*, published in 1965, the Government made explicit its position and announced its acceptance of 'certain basic responsibilities in social welfare' (paragraph 10 on page 8), while giving due recognition to the continuous necessity for private voluntarism. The 1973 White Paper on *Social Welfare in Hong Kong: The Way Ahead* broadened the Government's role in social welfare including social security, and declared that 'the Government has the ultimate responsibility for ensuring that Hong Kong has satisfactory social welfare services available to everyone irrespective of race or creed.' (paragraph 2.3 on page 3). The last White Paper in 1979 on *Social Welfare Into the 1980s* reaffirmed the Government's 'ultimate responsibility for ensuring a satisfactory standard and range of social welfare services' (paragraph 5.1 in page 22). This policy document also stated that in performing its functions, the Government has, among other things, 'to ensure that funds are available for the social welfare services which the community needs' (paragraph 5.1 on page 22). In assisting voluntary agencies to provide social welfare services, the Government's annual subventions have been steadily increasing over the years. But, the present subventions policy, characterized by discretionary grants, falls short of fulfilling the Government's declared commitment and responsibility for social welfare in that it still operates on the outdated notion of requiring the voluntary sector to rely on private financial resources, including personal donations, Community Chest allocations, and charitable trust funds before consideration of subsidies from the public coffers. In the light of an expanding programme of social welfare services to meet the diverse needs of the community, this archaic subvention

method is inappropriate and a revision is overdue. The basic proposals made by the Government Working Party, set up in 1978 to examine the subvention and related issues, obviously offer a much preferred alternative and they warrant prompt implementation.

II. *Working Party on Subvention Administration*

The Basic Cost Subvention System proposed by the Working Party represents a great stride forward because it commits the Government to meet the full costs of providing social welfare services in the 'essential' and 'necessary' categories at predetermined standards. Income from other sources raised by the voluntary organizations can be utilized freely for whatever purposes they see fit. However, in considering financial assistance for certain types of services outside these two categories, I suggest that the Government make a discretionary lump-sum grant without regard to the sponsoring agency's sources of private funding, including Community Chest allocations. My arguments are that some of the 'desirable' services, though low in the Government's overall priorities, are very socially deserving and are judiciously alleviating the hardship and distress of certain groups of the population. Voluntary organizations may, in addition, run experimental projects to meet social needs of selected minority social groups or to test the effectiveness of certain methods of intervention.

Standard setting for a particular service has implications on the costs, manpower and facility requirements. Full consultations should therefore be sought from the providers of services in the interest of a harmonious cooperation. This is especially relevant in those areas where the voluntary sector has been the sole or dominant sponsors, because their experience in the field is of immense value in setting realistic standards.

III. *The Interim Model System*

In view of the complexity of social welfare services, the proposed Basic Cost Subvention System would probably take some years to be fully implemented. The Model System, adopted since 1979 as an interim measure to process subvention applications, has posed some problems for the voluntary agencies. Subvention under the Model System comprises two parts: personal emoluments and other charges. Previously, the personal emoluments element, computed on the basis of the previous year's staff salary plus incremental creep and salary adjustment, was credited to the recipient agency which was free to dispose of any savings arising during the course of operation. However, under the Model System, personal emoluments are determined by actual expenditure on the posts filled, and the possibilities for savings in this respect are reduced to nil. Prima facie, the Model System appears to conform to the principles of economy and good business management. Yet, it operates at the expense of flexibility, administrative simplicity, and mutual trust; these elements are vital for a cooperative endeavour, including the purchase of services from the voluntary agencies.

Other charges cover the cost of programme expenses, utilities and other administrative expenses. The formula for calculating this portion of the subvention is an increase of 12% over the previous year's amount. This increase falls far short of meeting the actual inflationary costs incurred to the agencies. The electricity bill alone went up by 40% last year. Consequently, many voluntary organizations, particularly those providing residential care and services with fuel and power taking up a substantial part of their operating expenses, are suffering from budgetary deficits.

IV.A Vigorous Voluntary Sector

Finally, as a result of operating under the discretionary subvention system and the Model System over the years, a number of voluntary agencies have developed financial difficulties of varying degrees. As the Government has recognized the benefit of 'a Vigorous, progressive and responsible voluntary sector' to the community, it should look at these agencies' financial problem with particular sympathy and consider ways and means to remedy it. Prior to the full-scale implementation of the Basic Cost Subvention System, a simple solution is for the Government to disregard a certain percentage of the agencies' other incomes in the assessment of subventions. The rate of discount for each agency can be determined in accordance with its financial status.

With these remarks, Sir, I support the motion.

(4.17 p.m.)

Motion made. That Standing Order 9(7) and (8) be suspended with the President's consent under Standing Order 68—THE ATTORNEY GENERAL.

Question put and agreed to.

MR. F. K. HU:—Sir, the recent controversy over the existing social welfare subventions policy reveals some fundamental issues which in my view should be resolved before deciding on a new policy.

The first is a 'chicken and egg' issue. Which should come first, voluntary agencies or the Social Welfare Department; private donations or Government subventions? Historically, in Hong Kong before there was the Social Welfare Department, voluntary agencies used to rely heavily on donations, both overseas and local. Government subventions came in much later when voluntary agencies required assistance to meet deficits. Over the years, as overseas donations diminished, the picture of the 'see-saw' was reversed. Government has been assuming greater responsibility for the financing of voluntary agencies. Hence, voluntary agencies have come to regard subventions as the main source of financial support and any other donations as extra income. This will have to be accepted at the present stage of our social development.

The second issue is that when Government accepts full responsibility for the provision of social welfare services including those provided by voluntary agencies which fall within the approved plans and policy, what role is left to be played by charitable donations? If charitable donations are not directed towards the main activities of the voluntary agencies, would voluntary agencies lose their characteristic of being 'voluntary' or 'private'? Hong Kong is famous for the philanthropy of its citizens. If we look at the enthusiasm displayed by the large number of participants in such campaigns as 'Walk for a Million', and the response of television viewers to appeals for funds by certain traditional charitable organizations or after a major natural disaster, as well as the very large amounts raised through various programmes, no one will argue that it would be a great pity to see such enthusiasm and active participation disappear once it has become policy for the Government to pick up the entire bill of financing voluntary agencies, implying that it is no longer necessary for the community to raise funds.

I am particularly concerned with the damage which the recent controversy might do to the fund raising efforts and the enthusiasm of the community to help the under-privileged. I hope that whatever new policy is to be formulated, it should not have the side effect of discouraging voluntary agencies from raising funds nor should it discourage the community from giving to charity. Even if Government has committed itself to financing 100% of the basic welfare services, ways and means must be found to maintain the incentive for the voluntary agencies to raise funds and the community to continue giving to charity. This, I think, is a far more important issue to be resolved.

The Government and the voluntary sector must remain partners in the provision of social welfare services. It is through the spirit of partnership and sincere co-operation and with the keen support and involvement of the community that we can hope to achieve the best results. If the right spirit is lacking, there will always be problems and arguments whatever subvention system is to be adopted. For example, in the proposed system, there are bound to be arguments around whether a service is to be classified 'necessary' or just 'desirable', what standards are to be considered 'basic', what will be the acceptable standard and number of staff allowed for a particular service, and so on. So before we argue again, let's all give a little extra to social welfare, a little more effort, a little more understanding and a little more patience, all for the sake of the ones that we are to serve.

Sir, I support the motion.

SECRETARY FOR SOCIAL SERVICES:—Sir, I am grateful to Dr. FANG for raising this issue in an adjournment debate as the recent public outbursts have contained a few irresponsible and exaggerated statements: creating much heat and sound, but shedding little light. Accordingly, I wish to take this opportunity to give a categorical assurance that social welfare programmes are not being affected by any alleged financial difficulties faced by voluntary agencies, and the

Government will not allow our social welfare programmes to be undermined in this manner. A few agencies have submitted requests to the Director of Social Welfare for supplementary grants and these will be put to the Social Welfare Advisory Committee (S.W.A.C.) for their advice. This avenue of appeal is well known to agencies and I have no doubt they will use it if they feel the need.

Before I proceed to outline the Government's current thinking on the subject under debate, I think a historical perspective would not be amiss. Traditionally, voluntary agencies have raised funds on their own to support their services and have looked to the Government to make up the balance in agreed social welfare areas. Over the years particularly when it was evident that donations both from overseas sources were unlikely to keep pace with our growth of social welfare services, and the increase in the number of agencies operating in the field, it became apparent that fund raising arrangements needed rationalization. The Community Chest then came into being to replace the repetitive and uneconomic individual fund raising efforts of the separate voluntary agencies. When Sir Y. K. KAN introduced the Community Chest of Hong Kong Bill in this Council on 23 October 1968, he stated that the Chest was simply a federation of voluntary agencies and donors, and was intended to streamline local fund raising efforts following a pattern which had been successful elsewhere. May I add here that our Community Chest has surpassed comparable efforts in other places and, to echo Mr. HU'S sentiments, our people have responded to their efforts with enthusiasm, so much so that the Community Chest and the people of Hong Kong have together created new records for the Guinness Book of Records to the benefit of those in need of a helping hand.

In parallel with these developments, as our social welfare services expanded on a broad front, the Government too increased significantly its level of support: at an average annual rate of over 30 per cent in the past ten years. The Government has thus become the major funding body for social welfare services provided by voluntary agencies. But the quality of the Community Chest allocations in the hands of the voluntary agencies today, is not different from the funds they raised on their own or donations they received direct, before October 1968. How, then, are we to treat such allocations differently from other donations?

Although in theory all income should be taken into account when assessing the need of agencies for subventions, in practice this rule has been applied flexibly. Over the years the Social Welfare Department has come to accept, in the main, agencies' own declaration of what income is available to support approved social welfare services and has entirely discounted grants designated by donors for specific purposes. Since 1978 there is also an agreement with the Community Chest to take into account only the previous year's allocations so that agencies can keep increases in such grants to spend as they see fit. These arrangements have allowed agencies scope to pioneer and to finance new services, many of which have subsequently been deemed worthy of Government support. Undoubtedly, funding from all sources, whether from the Government,

the Community Chest, the Royal Hong Kong Jockey Club or from private donors have together enabled the voluntary agencies to grow and expand at a much quicker pace than would have been possible had they been entirely dependent on Government subventions. This collective effort appears to have been totally over-looked, or possibly deliberately denigrated, in the recent outcry. Against this background, I believe it will be difficult for a fair-minded observer to see any real 'see-saw' effect, or to accept the criticism that Government has taken unfair advantage of charitable donations.

I agree with Dr. FANG and Dr. HO that the present social welfare subvention system has served its purpose. The Government has long recognized the need to introduce changes which would provide a more secure basis for the combined efforts between the Government and the voluntary sector in the social welfare field. Hence I appointed a working party to look specifically into this and other related issues as far back as 1978. This Working Party reported last summer and it is clear that Members have studied their report and that they generally support the broad principles outlined therein.

Miss BENNETT has taken me to task for not implementing the recommendations of the Working Party sooner. I fully accept that our best efforts can always be considered by bystanders to be capable of improvement: but the process of consultation inevitably takes time. The Rehabilitation Development Coordinating Committee (R.D.C.C.) and S.W.A.C.'s preliminary views were sought in August last year, following the publication of the report. It was then necessary to consult voluntary agencies before putting the matter back to the two Committees for a final view. The last of the voluntary agencies comments were not received until late March 1981. Since then the Administration has given further thought to this complex matter in the light of the comments received. I can now say that it is proposed to revise the subvention system as follows:—

- (1) A ranking order should be introduced for funding purposes. Services in Priority I will be subvented in full in accordance with standard costs to be determined on the advice of the relevant advisory committee. Priority II will attract less than 100 per cent support, such support to vary with different programmes. However, agencies providing such services will be notified in advance of the precise level of Government support. The advice of S.W.A.C. or R.D.C.C. will be sought on the ranking order.
- (2) All income raised by voluntary agencies through fund raising activities, whether undertaken on their own, or on their behalf by the Community Chest, or from unsolicited donations, will be disregarded for the purpose of calculating Government support.
- (3) Standard costs will be assessed on the basis of the numbers and levels of staff required to provide a particular service and on other necessary items of expenditure such as fuel, light, minor staff cost or programme expenses. These costs will be reviewed regularly. Having determined the standard costs and provided the funds, the agencies will have maximum freedom in deploying the resources to their best advantage within broad guidelines to

be advised by the Director of Social Welfare. The Government will not seek to control rigidly the inputs but will obviously be concerned to ensure that the funds allocated are effectively spent for the purposes intended.

- (4) Agencies will be expected to provide the services required within the sums allocated. There will be no 'topping up' or 'clawing back' of savings. However, any savings that might accrue for whatever reason must be kept in a separate account and such funds may not be used without the specific approval of the Director of Social Welfare.

The changes proposed seek on the one hand to provide maximum flexibility and freedom of action for the voluntary sector, and on the other hand to ensure that social welfare services are provided in accordance with approved standards and targets and that there is a degree of accountability on the part of the voluntary agencies which would be commensurate with the increased level of Government support. It will be appreciated that the new system is a rough and ready measure not susceptible to fine-tuning without the introduction of further controls. The Government does not believe that such controls are in the interest of the community or the voluntary agencies providing the services. I must, however, stress that very close monitoring of the services so funded and provided by the voluntary agencies will be required and the Social Welfare Department will need to be strengthened to achieve this aim.

As Dr. HO has rightly pointed out, it will take some time to establish the standard costs for all services but the Government does not intend to defer implementation. Subject to a final decision to proceed and to the provision of the necessary funds, it is proposed that in the 1982-83 subvention exercise this Autumn, no account will be taken of any donations or Chest allocations received by voluntary agencies. The present subvented standards, suitably adjusted to take account of price increases, will be used until such time as standard costs have been determined in accordance with the new system.

The improvements I have just described represent a significant step forward. They go further than my Unofficial colleagues' proposals this afternoon and will, I hope, find support in the Finance Committee of this Council, as well as in S.W.A.C. and R.D.C.C., both of which will now be consulted for their final views.

I agree entirely that we must continue to encourage a vigorous, progressive and responsible voluntary sector. But I am bound to observe that with the rapid expansion of social welfare services and the greater reliance on Government support, the question to which we must now address ourselves is whether more services, particularly in the more difficult areas, should not be run by the Government direct.

Sir, I support the motion.

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, 8 July 1981.

Adjourned accordingly at thirty-six minutes past four o'clock.