

OFFICIAL REPORT OF PROCEEDINGS

Thursday, 28 November 1985

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOODE, G.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY
SIR DAVID AKERS-JONES, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, C.M.G., Q.C.

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

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

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

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

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

THE HONOURABLE HU FA-KUANG, O.B.E., J.P.

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

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

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

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

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

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

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE CHAN NAI-KEONG, C.B.E., J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

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

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE JOHN WALTER CHAMBERS, J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, O.B.E., J.P.

SECRETARY FOR TRANSPORT

THE HONOURABLE JACKIE CHAN CHAI-KEUNG
THE HONOURABLE CHENG HON-KWAN
THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.
DR. THE HONOURABLE CHIU HIN-KWONG
THE HONOURABLE CHUNG PUI-LAM
THE HONOURABLE THOMAS CLYDESDALE
THE HONOURABLE HO SAI-CHU, M.B.E., J.P.
THE HONOURABLE HUI YIN-FAT
THE HONOURABLE RICHARD LAI SUNG-LUNG
DR. THE HONOURABLE CONRAD LAM KUI-SHING
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.
THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.
THE HONOURABLE LEE YU-TAI
THE HONOURABLE DAVID LI KWOK-PO, J.P.
THE HONOURABLE LIU LIT-FOR, J.P.
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.
THE HONOURABLE PANG CHUN-HOI, M.B.E.
THE HONOURABLE POON CHI-FAI
PROF. THE HONOURABLE POON CHUNG-KWONG
THE HONOURABLE HELMUT SOHMEN
THE HONOURABLE SZETO WAH
THE HONOURABLE TAI CHIN-WAH
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING
THE HONOURABLE TAM YIU-CHUNG
DR. THE HONOURABLE DANIEL TSE CHI-WAI, J.P.
THE HONOURABLE ANDREW WONG WANG-FAT
THE HONOURABLE PANG YUK-LING, I.S.O., J.P.
SECRETARY FOR HOUSING (*Acting*)

ABSENT

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY
THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LI WING

Government Business**Motion**

Motion of Thanks

Resumption of debate on motion (27 November 1985)

MR. PETER C. WONG:—Sir, this is the first policy debate in this grand Legislative Council Building, which for more than 70 years was the symbol and the seat of justice. To me, Sir, speaking here this afternoon is particularly significant. It was in this very Chamber, Sir, that I was admitted to practice as a lawyer. Hong Kong is fortunate to have an excellent legal and judicial system, by which our rights and freedoms are guaranteed. In the further development of our constitutional reform, we must ensure that this system is fully preserved and not in any way jeopardised or eroded.

Sir, my main theme this afternoon will be education. I will also comment briefly on legal assistance, legal advice and legal aid.

Education

Sir, in August 1983 I said in this Council—'Education is a subject close to the hearts of all parents and affects every one of school age and adults who aspire to widen the horizon of their knowledge. It is thus a topic of universal importance, touching as it does the life of every citizen in the territory.'

I therefore welcome Your Excellency's reaffirmation of the Government's commitment to continued improvements in educational opportunities and in the quality of education. Education is a social service to which our community has always, quite rightly, attached the greatest importance. It is also the best investment any community can make in its future.

As many of my colleagues have spoken and many more will be speaking this afternoon on various aspects of this important subject, I shall confine my remarks to general observations.

There has already been much public debate on the J.S.E.A. and language in education, and I do not propose to comment on them further except to urge the Government to proceed with all possible speed with the approved programmes in these areas.

I would point out, however, that there are other no less important educational issues which we must address seriously and quickly. For example, while we have made good progress in improving education in our primary and secondary schools, we have, in my view, so far neglected the problems which our children face both before and after they receive their primary and secondary education.

By this, Sir, I mean we have not yet made a serious effort to improve the lot of our children studying in kindergartens. Neither have we rationalised the confusing public examination system confronting our students completing Form VI.

Since nearly all of our children go to kindergartens, it is important for the Government to do much more than it is doing now in improving the quality of kindergarten education generally, thereby ensuring that all our children will have a good start in education.

As for the question of sixth-form examinations, I fully appreciate that this is not a simple matter given the different course structures in our tertiary institutions. However, it is imperative that a solution must be found and found quickly to resolve this matter.

Sir, on 24 March 1982 and on many subsequent occasions, I urged the Government to seriously consider the establishment of a third university. May I quote some passages from my speech:

'Obviously, there is a strong case for a third university, I believe the time is ripe to set in motion the planning of such an institution. Since it will take not less than 10 years to establish an institution of higher learning, may I suggest that a preliminary planning committee be set up as a matter of urgency to study the proposal. The expenditure involved will be minimal in the context of our Budget.'

I agree with the Financial Secretary that we should not let our hearts rule our heads. Fortunately, in the case of higher education, both sentiment and logic will argue for early expansion. Surely, the key to our future success rests heavily on the adequate supply of able and suitably qualified graduates. It would be in the public interest, and indeed in Government's own interest, to give this matter the highest priority.'

I am therefore particularly pleased to hear, Sir, that the Government intends to proceed with the planning of a third university and thereby increase the provision of first-year, first-degree places to over 7 500. I am sure this is what Hong Kong needs and wants as it enters the 1990s. With a third university coming into being, it is all the more important that the problem of poor interface between secondary and tertiary education be resolved quickly and satisfactorily, otherwise the situation may become even more difficult for our schools and students.

My last comment on education, Sir, is to stress that it is only through education that we, as a community, can keep up with the rest of the world in this age of rapid technological advance. In this connection, I am pleased to hear the latest developments in computer education which you, Sir, have referred to in your address. I must admit, however, that I am somewhat disappointed that apart from the introduction of computer studies as an optional subject in Forms IV-V, the Government does not appear to have any

concrete plans to introduce computer awareness courses for all children during the compulsory education period. In my view, this must be remedied as soon as possible if we are to prepare our next generation successfully for the society of tomorrow.

Similarly, I would urge the Government to proceed as quickly as possible with the expansion of open education as it is the most effective means of enabling people to update and upgrade their knowledge and skills, thereby benefitting themselves as well as the community generally.

Legal assistance, legal advice and legal aid

Sir, in my maiden speech in this Council in October 1976, I advocated the extension of legal aid to the magistracy and the establishment of free legal advice. Government responded with surprising speed and in 1978 the independent Law Society Legal Advice and Duty Lawyer Schemes were initiated.

During the past seven years, I have watched and encouraged the development of the schemes which have, with minimal expenditure, broken new ground in the provision of much needed free legal services for the less fortunate sector of our community. The highly innovative Telephone-Law deserves special mention. 60 000 people each year are now able to obtain, in Cantonese and English, authoritative legal information on 52 legal topics ranging from the law on gambling, to divorce, wills and contracts.

Sir, on the subject of legal aid, I believe there is a growing body of informed opinion which favours the legal profession administering the legal aid scheme. With the cooperation of the Bar Association and given the necessary subvention the Law Society with its excellent track record is now well poised to expand its services to cover the whole range of legal aid at a cost which is expected to be significantly lower than the current expenditure on such service but without affecting its quality.

I am not alone in believing that the direct provision of legal aid by Government is not really desirable. It is of cardinal importance that legal aid is seen to be independently administered. However mistaken they may be, the public will continue to entertain doubts about direct Government provision of legal aid in criminal cases where both the prosecution and the defence are responsible to the same employer. It is vital for our citizens to be reassured of the independence of those defending their interests in the face of state prosecution.

Legal aid is a very large subject of considerable public concern and interest. Time would not permit me to go into detailed arguments. But I hope the reasons I have advanced are convincing enough to persuade Government to conclude that there is merit in the proposal that as a matter of principle legal aid should be independently administered by the legal profession. In my view, Sir, the time is now ripe for such a move.

Sir, I have great pleasure in supporting the motion.

MR. CHAN YING-LUN delivered his speech in Cantonese:—

(The following is the translation of his speech.)

He said:—

Education—prevocational schools

Sir, I would like to begin by commenting on a problem confronting graduates of prevocational schools.

I declare an interest in this matter as my employers donate 200 scholarships each year to outstanding and needy students in these schools.

The problem is that theoretically, these graduates should be able to continue on a post-secondary technical education in the polytechnics and technical institutes. The truth, however, is that their chances of obtaining admission to our post-secondary technical institutions are slim—very slim.

This problem will affect more and more graduates each year with Government's plan to expand prevocational education. Members may recall that in last week's Finance Committee meeting, we were advised that out of the 35 new secondary schools that would be built from now on, four would be prevocational schools. At present, there are just over 13 500 places in prevocational schools. By 1991, this number will be doubled to 28 000 places in 28 prevocational schools. This will represent 7 per cent of expected total enrolment in all secondary schools at that time. Compared with the total enrolment in Forms IV and V of all schools, the percentage of prevocational students will increase from 1.4 per cent in 1985 to 6.7 per cent in 1991.

The criteria for entry to the polytechnics and technical institutes do allow for admission by prevocational school graduates. The reality, however, is that there is very keen competition from Form VI and Form VII students of grammar schools for places in these post-secondary institutes so that the chance of prevocational school graduates to get in is indeed very slim.

I think this is extremely unfair to graduates of prevocational schools. Although on the average they have favourable results in the H.K.C.E.E., and many of them are highly motivated in pursuing a tertiary technical education, they just simply cannot compete with grammar school students who have two more years of sixth form education.

Prevocational school students have only taken part in the H.K.C.E.E. in 1983, 1984 and 1985. Despite the short history, these students have obtained favourable results particularly in technical and practical subjects. As an example, in the subject of engineering metalwork, the passing rate in 1985 was 92 per cent, with 18 per cent achieving B and above. The results of other subjects are listed in the Appendix.

In terms of aptitude, prevocational school students are geared to a career in the technical field right from the start. Pupils who apply for admission to prevocational schools at Form I do so because they prefer prevocational education to a grammar education. In fact competition for places has been so keen that this year for every Form I vacancy there are at least three applicants.

After five years in prevocational schools, these students have accepted technical education and have been properly orientated by their teachers. These graduates are, so to speak, inclined towards a career in the technical field or are eager to pursue further studies in this field. On the other hand, grammar school students could be less highly motivated than prevocational school graduates towards technical education. The aim of most grammar school graduates is to get into our two universities. Technical education in the polytechnics or technical institutes could well be their second choice. Therefore, their inclination to accept tertiary technical education is less strong than prevocational school graduates.

We are not saying that we should bar grammar school students who finish Form VI or Form VII from entering the technical institutes or the polytechnics. But I think it is not unreasonable to give preference to prevocational school graduates who have satisfied the admission criteria. After all, the polytechnics and the technical institutes are the only avenues of post-Form V education available to them in Hong Kong. It is to society's benefit to invest on further education for prevocational school graduates so that they can contribute to industrial production which is so vital to our economy.

In the long term, to meet the need of prevocational school students for further studies, we would like to see greater and more effective co-ordination of the prevocational and post-secondary technical institutions. At present, prevocational schools come under the Education Department, technical institutes under the Vocational Training Council and the polytechnics under the University and Polytechnic Grants Committee. I would like to know what Government has done in co-ordinating the three bodies concerning recognition of the academic level of achievement and qualification of prevocational schools for post-secondary education with a view to establishing a link in technical education from secondary to tertiary level.

I am not the first one to raise this question. In fact my honourable colleague Dr. Ho Kam-fai, when he moved the Adjournment debate on the Education Commission Report No. 1, urged the Government to improve the linkage between technical institutes and the two polytechnics. He said 'Graduates of technical institutes should have better access to tertiary education.'

In reply, the Secretary for Education and Manpower assured Dr. Ho that his 'sensible suggestion would be given due regard by the Education Commission which is ideally placed to examine whether better interfacing is necessary or can be achieved'.

I call on the Government to also look at the tertiary educational opportunities for prevocational school graduates when the review is undertaken.

Housing—Squatter area

Sir, I now turn to the urban squatters.

Government's determination to solve the problem of urban squatters is well received by the squatter residents. Many people have benefitted from the Squatter Area Improvement Programme which has made life in squatter areas so much safer, better and convenient for them. Credit must be given to the Housing Department team for carrying out such a difficult task among crowded squatter huts and for their efforts and tolerance in doing what they can to meet the needs of residents.

The long-term solution is non-development clearance. It is significant to note in your policy address that the restructured squatter clearance programme has started. The earlier we can make a start, the sooner will the problem of urban squatters be eliminated. I recall Mr. David FORD, the former Secretary for Housing, in a dinner given by the Housing Authority prior to his leaving the post, told us that his wish before retirement is to see the Holy Cross Path Squatter Village in Shaukiwan becoming the Holy Cross Path Estate. I share his sentiments.

Before sufficient new public housing estates are made available, many of the larger squatter areas in Eastern and Kwun Tong Districts will stay for a number of years. As about half of these areas are not covered by the Squatter Area Improvement Scheme, problems are still affecting the livelihood of the residents. I would like to raise three urgent ones which require Government action.

My honourable colleague Dr. Conrad LAM had raised the problem of illegal tapping of water and electricity in this Chamber four weeks ago. Water supply, in particular, is the most pressing problem for many squatters. Although standpipe supply is provided in accordance with a set of standards, they fail to meet the needs of residents. On the higher level areas supply from the standpipe is so weak that people actually cannot get any water in the day time particularly during the warmer months.

This is not a new problem. Water Supplies Department has examined it and concluded that where those standpipes are located on higher levels satisfactory supply cannot be guaranteed. Metered supply should be the most desirable solution. However, in view of the cost and time needed for improvements, residents are only asking for expedient measures to improve supply at the standpipes. I think their request is very justified.

Another widespread concern is about the increasing number of huts that are left vacant as more occupants move into public housing that are left vacant as more occupants move into public housing through the waiting list. These empty huts are a constant threat to the residents due to the possibility of attracting

imposters and bad elements and the subsequent danger of crime and fire. This is a subject of frequent complaints and I would like the Lands Department to strengthen its manpower in clearing these huts as soon as the occupants have moved out.

The third problem is the uncertainty as to when the clearance will take place. It could happen next month, or next year, or five years later. Uncertainty creates anxiety about the possible disruption to their work or schooling. Moreover, squatters feel reluctant to put money into repairing their huts because of the uncertainty of tenure. If a squatter is not going to repair his hut, this will render the hut highly unsafe in case of heavy rain or typhoons. To alleviate their uncertainty and anxiety. I urge the Housing Department to keep residents in the picture and to let them know well in advance when clearances will take place. I am aware of the problem of imposters. But this should be much less a problem now as both squatter huts and their occupants are already registered by the Housing Department.

With these remarks, Sir, I support the motion.

APPENDIX

The passing rate of prevocational school students:

82 per cent in electronics and electricity
92 per cent in engineering metalwork
79 per cent in technical drawing
83 per cent in principles of accountancy
74 per cent in commerce
81 per cent in art and design
97 per cent in typing
62 per cent in shorthand

They also obtained the following pass mark in the following general subjects:—economics—95 per cent; mathematics—81 per cent; and engineering science—65 per cent.

MRS. RITA FAN:—Sir, many in Hong Kong are convinced that the future of this territory is directly linked to its success as an international financial and commercial centre. I share this view. Therefore, I believe the maintenance and strengthening of Hong Kong's status as an international centre must always be an objective of the higher priority for the Government, now and in future. The realisation of this objective is also the most practical and sensible way to preserve our freedom and life-style, and to improve the living standard of all our citizens.

To achieve this objective, there is naturally a list of necessary conditions and contributing factors. I shall confine myself to two areas, namely our taxation system, and sixth form education.

Sir, I welcome your clear and firm statement in paragraph 23 of your address which said 'Both the Government and the business community remain in full agreement on the need for a simple and equitable taxation system'. It is only with these basic features in our taxation system that Hong Kong may strengthen its position as an international financial centre.

Over the years, our territory enjoys a high reputation for our simple tax system and has always been regarded by investors as a place where they can conduct business free from tax considerations. The fact that we only levy tax on profits 'arising in or derived from' Hong Kong is particularly welcome and has been recognised by business organisations that our taxation system is equitable. It is beyond doubt that taxing profits at source has contributed to the success of Hong Kong as a major financial centre. I therefore urge that this 'territorial source concept' in our tax system must be preserved, and I have no doubt that the Administration also recognises its importance.

In some of the recent amendments to the tax legislation, many professional bodies and business organisations feel that the 'territorial source concept' has been breached. During the Budget debate of 1984 and the passing of the Inland Revenue (Amendment) Ordinance 1984 through this Council in June of the same year, I expressed strong reservation about the said Ordinance which can represent a departure from the 'territorial source concept' and create complexities in the tax system. I regret to note that the 1985 draft Bill creates further complications to the system. This has led to many representations to UMELOCO. The Administration should give due consideration to these representations which are of very high standard. Furthermore, the Administration should also consider carefully the need to amend the Inland Revenue (Amendment) Ordinance 1984 regarding the taxing of off-shore interest earned by business enterprises other than financial institutions.

I appreciate that Hong Kong may need an increase in revenue, and probably due to this reason, fragmented amendments have been made to our tax law. However, I urge the Government not to overlook the long term implications when trying to increase revenue in the short term. The Government must weigh carefully the value of our international reputation against any short term increase in revenue.

Turning now to paragraph 49 of your speech, Sir, I cannot agree more with the sentiment therein, and in particular, the commitment towards the improvement of the quality of education. Our sixth form education is an area where improvement can be made.

Thirty per cent of our population in the appropriate age group are enrolled in sixth form courses in the public sector. They are our more capable students who are expected to take up supervisory or even more responsible positions in future. The majority of sixth form leavers go to work when they fail to gain admission to tertiary institutions. It is therefore logical to broaden the sixth form curriculum so that students can be better prepared for work. It is also necessary to upgrade their language ability in both English and Chinese, so that they can work in both languages at an acceptable standard.

The economic need of the community and the usefulness of the education offered to the students should, in the final analysis, take precedence over the existing admission system adopted by individual tertiary institutions. On balance, I favour a comprehensive and integrated two-year course for the sixth form with one examination to be taken in either Chinese or English at the end of the course. I also advocate the inclusion of practical orientated subjects as options in the curriculum. In addition, the level of 'use of English' should be upgraded, 'use of Chinese' should be introduced, and both subjects should be compulsory for all sixth form students whose mother tongue is Chinese. Hopefully, these improvements in sixth form education will encourage employers to give more recognition to sixth form leavers, since they will be better equipped to contribute in their working role. In another dimension, a broader and practical curriculum will also make it easier for sixth form leavers to take up part-time vocational orientated courses which can help their career development.

The rationalisation of sixth form education with a more pragmatic curriculum will affect tertiary institutions, and I trust the Government will consult these institutions fully. Related to this, though probably on a longer term basis, the possibility of introducing a more systematic admission system for all tertiary institutions under U.P.G.C. deserves serious consideration. While the transplantation of the U.C.A.A. system of U.K. in Hong Kong is not necessarily appropriate, there is merit in having one central body through which students can apply for different institutions.

The qualifications awarded by some of our tertiary institutions are validated by the U.K. Council for National Academic Awards. In 1984, U.P.G.C. recommended that Hong Kong should have a body of its own to maintain internationally accepted standards. This is still being considered by Government. I believe this recommendation is an important step forward and hope the Government will find it possible to give support to this recommendation at an early date.

Last but certainly not least, I wish to emphasise the importance of mastering the English language, especially at post-secondary level. English is still undisputedly the language of international business and communications. The ability of many people here to converse fluently in English is one of our main advantages over neighbouring countries. Therefore, while putting effort into the

upgrading of the standard of Chinese in Hong Kong, the Government should also ensure that the standard of English is improved so that Hong Kong's position as an international centre can be further strengthened.

Sir, I support the motion.

Mrs. NG delivered his speech in Cantonese:—

(*The following is the translation of her speech.*)

She said:—Sir, I would like to speak briefly on the following subjects.

Education

For every civilised and progressive society, a sacred task is 'to foster people of outstanding ability'. Sir, as pointed out in paragraph 49 of your policy speech, 'our community has always placed great value on education'. Being a member of the teaching profession, I am glad to learn that 17 per cent of the total public expenditure is devoted to education this year, which is higher than the percentages devoted to any other services.

In order to upgrade the standard and quality of education in Hong Kong, it is absolutely necessary to have sufficient economic resources. But economic resources alone cannot guarantee an improvement in the standard and quality of education. What is more important is that we have a set of proper education policies and guiding principles. In this way, we can have the effect of getting twice the result with half the effort. I would like to briefly comment on certain parts of our education policy.

(1) Secondary school places allocation system

Ever since the current secondary school places allocation system came into practice in 1978, all parties concerned have paid close attention to its effects on primary education. Generally, people in the education circle are of the opinion that achievements of primary students in various fundamental subjects including Chinese, English and mathematics tend to be on the decline. The reason is perhaps that the curricula of some primary schools are orientated solely to equip students with various techniques to cope with the aptitude test, and have neglected the transmission of basic knowledge. Particularly, decline in the standard of the English subject is most severe. Some members of the teaching profession maintain that the English standard of part of the Form I students lagged far behind that of primary school graduates in general.

I share the same feelings with them regarding their comments and therefore propose to modify the present aptitude test to that of a test in three subjects viz. Chinese, English and mathematics. With regard to other subjects, I propose to keep the marking system presently adopted by teachers to assess the achievements of students. As the nine-year free education policy has guaranteed that every one of the Primary 6 students can be admitted to Form I, I firmly

believe such proposal will not bring forth any unnecessary pressure on Primary 6 students.

(2) *Admission of Primary 1 pupils*

Since September 1983, the Government has introduced a measure to control the admission of Primary 1 pupils. The allocation of Primary 1 places is based on the localities where the pupils reside and a points system adopted by the schools. I would like to make two points on this measure and hope the Education Department will consider them in their review of the measure.

- (A) False information on residential address—there are indications that many parents give false information on their residential addresses when filling in applications, particularly in areas where numerous 'popular schools' are located. As a result, the number of application forms returned to some schools in certain areas exceeds the population estimates for those particular areas. It will be unfair to honest parents and pupils if the Education Department does not take appropriate measures to plug this loophole. It is therefore hoped that Government will devise appropriate countermeasures as soon as possible.
- (B) The existing system is grossly unfair to the eldest son/daughter of a family—according to the points system presently adopted by schools for admission of pupils, applicants with an elder brother/sister studying in the school to which the applications are filed will be awarded extra points. Under such circumstances, the eldest son/daughter of a family will be deprived of the chance of fair competition. Therefore, I suggest that the eldest son/daughter of a family should be given extra points in order to check the imbalance mentioned above.

(3) *Full-time basic craft courses*

An education consultant has recommended that the present one-year full-time basic craft courses should be extended to 18 or 24 months so that students could proceed by means of bridging units to technician courses and enjoy exemption from more than one year of an apprenticeship. I think this is a constructive recommendation and is in line with Government's senior secondary education policy. It is clearly stated in the White Paper on Senior Secondary and Tertiary Education that some post-Form III students should be given vocational training so that those who are not academically-oriented but gifted in other areas may have the opportunity of completing senior secondary education. I think that the education consultant's recommendation will make the full-time basic craft courses more popular for Form III students and attract more youths who take an interest in technical and industrial training. Such a move will not only fall in line with the wishes of parents and students but also help in training up personnel for our industries. I fully understand that the implementation of this recommendation requires considerable financial resources but it is worth-while to invest in manpower by providing more and better education and employment opportunities for our next generation.

Chinese language policy

Next, I wish to speak on the Chinese language policy.

I agree with you absolutely when you pointed out in paragraph 14 of your policy address that, 'It is right that laws should be available in the language of the majority of the population'. Undoubtedly, to have legislation written in Chinese is important and should be treated with priority. But I hope that the Government will not overlook other documents such as the Civil Service Regulations and court verdicts etc., which should also have Chinese versions. I hope the Government will draft a comprehensive plan before 1997 regarding the use of both Chinese and English in all Government operations. In implementing this plan, the number of Chinese Language Officers should certainly be increased. Moreover, attention should also be paid to the Chinese and English language abilities of new recruits of all other grades in the civil service.

Law and order

The police should be commended for promoting the Neighbourhood Watch Scheme recently with a view to strengthening its links with the public and stamping out crimes. However, it is deeply regretted that the Neighbourhood Police Unit Scheme which has been well supported by members of the public has been overlooked. It must be understood that the Neighbourhood Watch Scheme and the Neighbourhood Police Unit Scheme are complementary to each other and not mutually exclusive. It is therefore hoped that the police will conduct a review in this respect.

Lastly, I wish to express my views on the Government structure and district administration:

It is pointed out in paragraph 10 of your policy address that the Urban Council, Regional Council and district boards which form the three levels of Government are closely linked together. This is really heartening and gratifying. But it remains for the Government to strengthen the grassroot organisations under our District Boards, viz. 100-odd area committees 5 000-odd mutual aid committees and owners' corporations. As the common saying goes, 'Lofty towers are all built up from the ground.' In order to develop a political system which is firmly rooted in Hong Kong, the Government must provide manpower and material resources to support these grassroot organisations so that they may give full play to their functions in district administration.

Sir, with these remarks, I support the motion.

MR. LIU LIT-FOR delivered his speech in Cantonese:—

(*The following is the translation of his speech.*)

Sir, I fully support Your Excellency's placing emphasis on the provision of more educational opportunities. Undoubtedly, education lays the formulation

of continuous prosperity and progress for our community. I trust that any investment on education would certainly be worth its while and the advantages thus gained would, in the long run, be far greater than the amount of investment.

Therefore, I give my heartfelt consent to the provision of more educational opportunities for those students who wish to further their studies after completing Form III. On the other hand, I also believe that the quality of education is equally important and that there should be appropriate and balanced development in both general education and vocational education.

As regards the quality of education, my concern is that all the aided school places should be of a good standard. Since some of the school places are bought from private schools, can Government ensure that there will be further improvement in their standard so as to meet the standard required for government/aided secondary schools? The quality of vocational education should, likewise, be improved so as to attract young people of the right calibre. In this connection, would the authorities consider the feasibility of extending the one-year full-time craftsman course to a two-year course while laying slightly more emphasis on the academic standard of the students, especially on language.

As we are aware, proficiency in both the English and Chinese languages is an indispensable tool for the furtherance of our studies and work. I hereby urge the authorities to provide a better chance for those students who are receiving vocational education after completing their Form III course to learn the above two languages so as to prepare themselves for further development. I doubt whether there is adequate provision of language training within the one-year full-time course and, therefore, urge the authorities to duly consider the possibility of extending the duration of this course so as to expand and enrich the contents of language training.

According to Report No. 1 of the Education Commission, Government will provide by 1991 about 85.6 per cent of the aided Form IV places and 9.6 per cent of one-year full-time basic craftsman places, i.e. a total of 95.2 per cent of post-Form III full-time aided school places. Although giving full support to the authorities' decision of combining these school places based on the existing projected demand for school places, I would also like to propose that the authorities should keep close watch on the development of combined school places so that suitable adjustments could be made in the coming years to meet the ever-changing needs of the time.

In this fast-changing world, human aspirations are growing and constantly changing; and there might also be changes in the demand of the industrial circles. Thus, we must be more flexible in the provision of further education opportunities. Meanwhile, we must also be prepared to adjust the mode of education in accordance with ever-changing demands, so as to satisfy the pressing needs of the society.

May I further touch on the topic of matriculation education from the angle of an employer. Some years ago, the matriculation course seemed to be intended solely for students who wished to pursue university studies after completing their secondary school education; the curriculum was thus rather academic at that time. Nowadays, the matriculation course has become an important link in the education system of Hong Kong. Although the course is still being regarded by quite a number of students as the avenue leading to university, not many of them would be able to enter any of the universities or post-secondary colleges and the majority of the matriculants have to take up a job in society. In fact, many major organisations have, during recent years, raised the entry qualification required of their staff from Form V to matriculation, showing the importance attached to matriculation by employers. Unfortunately, many problems still exist in the matter of matriculation education, such as the diversification of academic structures, the narrow and obscure nature of curricula, the undue pressure of examinations, etc., and much has been said about these. Now is the time to think about reforming the matriculation course so that more practical subjects could be introduced and more alternatives could be offered to students. Such being the case, they would be able to sit for the university entrance examination on the one hand and stand a better chance of finding the right job on the other, thus achieving the best use of human resources while satisfying the need of society.

Now I would like to talk about the opportunities of receiving education at the tertiary level. I welcome the news of the Government's intention to proceed with the planning of a third university and hope that there would be an early announcement on the actual details and schedule of this project. I understand that the annual growth rate of degree places in the two universities cannot satisfy the practical demand of local students for tertiary education at the moment and in the future. Due to the lack of opportunities for further education, some 7 000 to 8 000 local students go abroad each year to further their studies. Among these students, quite a number might not return to Hong Kong to make contribution to our community and this is indeed a loss to Hong Kong.

Meanwhile, Government should also conduct a similar review on the expansion of the two universities and two polytechnics, as well as on their ability to make use of their resources. It is only by so doing can public need for tertiary places be met. In conducting such a review, attention must also be paid to the appropriate and effective utilisation of the existing resources of the post-secondary colleges. The constant expansion of these post-secondary colleges has brought about a very complicated structure and an exorbitant expenditure. I wonder whether the University and Polytechnic Grants Committee is prepared to carry out a more in-depth study on the allocation and expenditure of funds, albeit the independent status of these colleges in the aspect of management.

Finally, more opportunities for further studies should be provided for those people who, for various reasons, have not been able to enter the university or the polytechnic. To these young people or adults, the availability of open education is important because it offers a chance for further studies. At present, despite the diversified efforts made by Government and voluntary agencies, adult or continuing education still falls short of requirement owing to the shortage of funds. I earnestly hope that open education could be expanded to supplement and further develop existing curriculum by offering various courses through radio and television stations, as well as other mass communication media. I understand that the Education Commission is studying this matter at length and it is hoped that it will come up with concrete proposals in the near future.

Sir, Hong Kong is essentially a Chinese society; not only does it attach importance to educating the young but it also shows concern for the care of the elderly.

You mentioned last year that more accommodation would be provided for the growing number of elderly people. Therefore I am very glad to learn that the Housing Authority has agreed to provide hostels for about 2 000 elderly people over the next six years. This is of course a commendable rate of growth, but there is still a considerable number of elderly people who need to be rehoused urgently. In order to take care of the elderly in our society, I urge Government to do its best to provide more such hostels.

There is quite a lot of homes or hostels for the aged run by the private sector in Hong Kong. But most of them are profit-making—their charges are not standardised and there is lack of proper care. Since these homes for the aged are not governed by specific legislation, their standard of service cannot be ensured. Recently, an old man even dropped dead from one of these privately run homes for the aged. It has been pointed out by the Coroner's Court that there is a need to stipulate the qualifications required of personnel working in such homes so as to ensure the safety of the old people being looked after. I wonder if the Social Welfare Department has conducted any survey on these private institutions and whether some measures could be taken to raise the standard of such homes to an appropriate level. At the same time, Government should allocate more funds to increase the number of housing units provided by subvented agencies.

In this respect, I would like to know what plans have been made by the Social Welfare Department to cope with the shortage of shared flats for elderly people and what progress has been made. Personally, I think priority should be given by Government to voluntary agencies to provide housing units for the elderly on an effective and economic basis, instead of relying on direct administration by the Social Welfare Department. Our present objective is to ensure an adequate supply and proper management. Generally speaking, we should let

voluntary agencies look after the matter of supply while maintaining control through the Social Welfare Department.

To round off, I would like to ask Government to consider building more activity centres for the elderly. Accommodation is, of course, a more urgent problem. But old people also require suitable places to move around in order to maintain their mental and physical stability. Since old people have made valuable contributions to society, they should not be forgotten by the society.

Sir, with these remarks, I support the motion.

PROF. POON:—Sir, since the signing of the Sino-British Joint Declaration, views have been expressed from time to time on the danger that the declaration may not be implemented in a satisfactory manner. I firmly believe that we, the people of Hong Kong, can influence its proper implementation to a very large extent, by the way we behave. If we want China to treat us well we should make ourselves worthy of it first.

There are many ways of doing this, the most important way being the need to create conditions now, which will ensure the continued prosperity and stability of Hong Kong and our ability to meet the challenges in 1997 and beyond.

I wish to draw attention to two factors in particular which I feel are necessary to create such conditions: manpower; and science and technology.

The tertiary educational institutions in Hong Kong very successfully provide personnel of high quality with basic training for employment in vocational, technical and in various other fields of occupation. Our university graduates have the unique feature of being able to demonstrate their expertise in both English and Chinese—a uniqueness admired and appreciated by the Chinese Government. Furthermore, the universities in Hong Kong have built up a reputation for high academic standards, and enjoy an international status in certain fields. We must ensure the maintenance of the international character of our universities and preserve their uniqueness among the many institutions of higher learning in China.

One aspect which requires attention is the standard of English of our students. I agree entirely with the point made by my colleague Mr. John SWAINE, that the standard of English of our students is falling. Views have been expressed that primary and secondary education should be through the medium of the mother tongue. If this is accepted and implemented in Hong Kong, it would be absolutely necessary to strengthen teaching of the English language at the same time in schools because a remedial English course when students reach the university is really too late to be effective, particularly for those admitted to courses in science-related disciplines. There will be no time spare at that stage on learning languages. Science and technologies are advancing very rapidly, and to keep abreast with the latest developments, it is necessary to have fluency in

English which is the language in which a majority of the publications is available. In fact, all international conferences in science-related fields are conducted through the medium of English whether they are held in North America, Eastern Europe or China.

Another aspect which requires special attention is the student intake in universities and polytechnics. Until 1983, only 2.5 per cent of the relevant age group could enjoy the privilege of a university education in Hong Kong while comparable figures for other countries were, 5 per cent (Singapore), 10.34 per cent (Britain), 33.80 per cent (Japan) and 41.90 per cent (United States).

The first-year first-degree places have expanded somewhat since then and, Sir, your target of 7 500 in 1994 appears to be conservative. I recognise that the target figure has been arrived at after careful consideration, but may I please request a reconsideration?

I was of course very glad, Sir, to know from your recent policy address that it is the Government's intention to proceed with the planning of a third university in Hong Kong. I recognise that, the two universities in Hong Kong cannot grow beyond a certain size and by the time they have reached their optimum size, the inauguration of a third university will be very timely indeed.

Some scepticism concerning the expansion of tertiary education may relate to a possible shortage of employment opportunities for those graduating. I honestly believe that when we reach that stage, we should be in a position to re-deploy our manpower resources in a manner that would be conducive to much higher productivity than at present. We should, no doubt, also find spare capacity for important assignments elsewhere in China. Our graduates will constitute an important part of our assets, and will, I am confident, be highly valued by China.

I will now turn to the second factor, that of science and technology.

While the education system makes provision to meet manpower requirements of commerce and industry, research and development will be a pre-condition for economic self-reliance and the continued prosperity of Hong Kong.

If Hong Kong has to improve the quality of its products, diversify its economy and venture into new fields such as high-technology, and continue to be competitive, it will have to act now to strengthen its research base. Research in certain fields requires a period of gestation. Therefore, I must emphasise that we have to act now.

Individuals in the universities and polytechnics in Hong Kong do engage in worthwhile research projects. Recently, Lord FLOWERS has advised the Government, through the University and Polytechnic Grants Committee, that there is a strong case for promoting a more structured system, with considerably enhanced funding for research and development activity, to be of any value in Hong Kong. Lord FLOWERS goes on to say in his report that with

a strengthening of the research base, Hong Kong should be able to develop its own capability to tackle many of the consultancy projects for which it now turns overseas to find the necessary expertise. Local expertise can be developed in various fields by focussing attention on basic research. Basic research is at the frontiers of knowledge. There is of course a close relationship between basic and applied research but the latter is dependent on the success of the former.

What is required is an identification of research strengths in universities and polytechnics so as to build on them further. It would be a waste of scarce resources to spread funds thinly on a wide range of areas. Research expenditures in universities in Hong Kong is, on a percentage basis, only a fraction of the expenditure in United Kingdom and even worse when compared to the United States. Although there are differences between the way things are done in Hong Kong and these developed countries, there is a glaring and serious deficiency in the funds earmarked for research in Hong Kong. In this connection, it is heartening to learn that as a start, the Government is implementing some of the recommendations in the Flowers' report on a limited scale. I hope it will be possible for the Government to implement the recommendations on an extended scale in the near future.

A possible criticism is that research and development should not be allowed at the expense of other, equally, or perhaps some might think, more important, areas of activity. The question here is of priorities and of balancing between short and long term plans. Research and development will initially be very expensive but we must remember that we have to catch-up with lost time and also that once we start reaping the results of our investment, the rewards will be generous and of lasting consequence.

Sir, may I suggest that the Government should consider establishing a coordinating body, such as a Science and Technology Research Council, to identify our research strengths and potential, to stimulate research and development, to identify research areas which have implications for commerce and industries, and to allocate funds as necessary. The coordinating body should not be a wing of the University and Polytechnic Grants Committee. It should be an independent body with a much wider scope of activity than envisaged by that committee.

The Government is perhaps considering the matter further and therefore I do not wish to make any more comments on it now.

I should like to stress however that, in the meantime, there is a clear need for a central body to deal with the matter. As a start, perhaps an ad hoc committee of this Council can consider the matter and report on it to the Government. I believe there used to be a Government Scientist in the past. When the last scientist retired some time ago, no replacement was recruited. I understand from the Chief Secretary that this is a complicated matter. Perhaps the ad hoc committee could look into this as well. I conclude by saying that an ad hoc committee may therefore be timely.

Research and development not only have very wide implications for Hong Kong's industries but also for finance and services, and consequently on the continued prosperity of Hong Kong, which in turn, is of great importance in making Hong Kong valuable to China. Achievements in this area should provide a sense of pride and identity to the people of Hong Kong.

Sir, some of our children will hopefully be the leaders of tomorrow. For them Hong Kong is home. We owe it to them, to strengthen their capacity to meet the challenges of tomorrow in a progressive and pragmatic manner.

With these remarks, Sir, I support the motion.

MR. SZETO delivered his speech in Cantonese:—

(*The following is the translation of his speech.*)

Sir, this is the first annual address as Hong Kong enters the transition period. The basic tone of the address is cautious and optimistic, pragmatic and yet ambitious, which is in line with the social development since the initialling of the Sino-British Joint Declaration. Of course, many people expected that the contents would be more programmatic, instructive and far-sighted in nature.

Education is not only a social service, but in a wider sense it is a strategic means to develop productivity, promote spiritual civilisation and facilitate movements between different social strata. I wish to request the authorities concerned not only to continue to pay attention to, but attach more importance to this.

The Legislative Council has passed the motion that educational reforms in future should be based on the report—"A Perspective on Education in Hong Kong". This report was prepared and published before the initialling of the Sino-British Joint Declaration. Would it be necessary now for the Education Commission to consider and plan future reforms and developments in our education from a more far-sighted viewpoint, taking into account new factors apart from the Llewellyn Report?

To-day, I wish to concentrate discussion on two issues relating to education—the medium of instruction and civic education.

Although the address has not specifically stated that 'both Chinese and English are of equal importance', no doubt the spirit is there. I support this policy on the language of teaching. But in putting forward such a policy, we cannot turn a blind eye to the existing widespread social phenomenon of attaching far more importance to English than to Chinese. If we do not make an effort to change this, and raise the social status of the Chinese language, then the hope for more Chinese to be used as the teaching language in secondary schools is only idle talk, tantamount to deceiving ourselves as well as others. The publication of a set of statutory law in Chinese which has a legal standing and the production of the first Bill in both Chinese and English in this current

session are highly commendable. Apart from this, full implementation of the 'policy of attaching equal weight to both languages' in the Government administration, the Judiciary, the civil service, opportunities for higher education and the protection of consumer rights will give real encouragement to the use of Chinese as the medium of instruction. The compilation and publication of secondary school Chinese textbooks are to be welcomed, but these are by no means influential measures. Hong Kong is an international city. English is an international language. It is essential to learn good English. But in teaching, we have to make clear that to learn in the English language and to learn English are two different things. We also have to make clear how many, and who should learn English, how much they should learn and what standard they should reach. If we want students to learn English well, we should first improve on the teaching of English especially during the nine years of free education. It is pointed out in the Llewellyn Report that for the majority, Hong Kong is a society in which only one language is used, and yet a second language is being used as a means to provide compulsory education. Such an anomaly, if unresolved, will no doubt be a hindrance to the promotion of the quality of the nine-year free education and result in wastage of investment in education. I would therefore stress the wider use of the mother tongue as the medium of instruction during the nine years of free education.

It is surprising that there is no mention of civic education in the annual address. In order to (i) develop a representative government; (ii) prepare for the restoration of sovereignty over Hong Kong to China; (iii) prepare for 'Hong Kong people administering Hong Kong' and (iv) have a smooth transition to become a highly autonomous special administrative region, the strengthening of civic education should be treated as a matter of great urgency. When compared with computer education, it appears that the promotion of civic education has not been positive and active enough. It is relatively easy to draft documents, but implementation is more important. After the publication of the 'Guidelines on Civic Education in Schools', the Government should ensure that these guidelines are translated into concrete measures for implementation. These guidelines have some serious shortcomings. They are lacking in the spirit of the age and sense of participation. Not enough emphasis is laid in these guidelines on national consciousness, the spirit of democracy and the rule of law, an understanding of rights and obligations, positive participation, willingness to take on commitments and so on. The students cannot possibly associate what they learn with the changing social background in which they live. In particular, the lack of cultivation of national consciousness, whether overlooked intentionally or unintentionally, is not compatible with our future. I regret that the suggestion to introduce civics as a compulsory subject in secondary schools has not been accepted and that no concrete encouragement and assistance have been given to those schools which voluntarily introduce such a subject in their curriculum. The authorities concerned are also refusing to revise certain

provisions in the Education Ordinance and Education Regulations which hinder the promotion of civic education.

Finally, owing to the limitation of time, I am not able to speak here on other major education issues such as the need to review and improve the quality of the nine-year free education system, the diversification of secondary education, expediting the abolition of the Junior Secondary Education Assessment, the subsidisation of pre-school education, the promotion of the quality of pre-school education, the re-formulation of the policy on private schools, the provision of positive assistance for private schools, the setting up of a curriculum authority to strengthen curricula development, the development of tertiary education and open education, assistance of recognised post-secondary colleges, and the establishment of a Hong Kong Council for Academic Awards and so on. I shall speak on these issues in this Council when opportunities arise in future.

Punctuality is a virtue and a manifestation of one's respect for others. It is a habit which could even be associated with the spirit of democracy and the rule of law. That is why I am doing my best to confine my speech to the time limit of 10 minutes as agreed by all of us.

Sir, with these remarks, I support the motion.

DR. TSE delivered his speech in Cantonese:—

(The following is the translation of his speech.)

Sir, I wish to make three points on higher education on the basis of my own observations. But before I do, I want to confirm that I had no prior knowledge of my honourable colleague Mr. WONG Po-yan's decision to make a statement as he did in yesterday's sitting regarding the establishment of the third university. Therefore the fact that my first point on higher education is also about the third university is purely a coincidence.

I welcome Government's decision to plan for the setting up of a third university. Regarding what kind of a university this should be, some people are of the opinion that emphasis should be placed on science and technology, while others think that its major subjects should either be humanities or social sciences. There is no doubt that each point of view has its own merits. Considering the present circumstances in Hong Kong, however, I would rather have a comprehensive university which is purposely designed to be closely tied to the total development of the Hong Kong society in terms of the scope of its studies, curricula planning, methods of teaching and research as well as its campus facilities and the choice of its location. I make this recommendation because I think that apart from providing degree course education and meeting the community's ascertained demand for manpower resources, Hong Kong is currently in urgent need of an institute of higher education which is specially designed to take up the important task of solving new problems and coming up

with solutions through academic researches, so as to contribute to the overall progress of the community. The problems and challenges which modern Hong Kong is facing are diversified and intricate. Reform of the political system, economy planning, law enforcement, financial management, commercial and industrial developments, social changes, cultural impacts and even the application of science and technology are interrelated and interactive. Hence, we must make it a point to train up leaders for our community who are intellectually capable of integration in the sphere of knowledge, psychologically alert to the state of affairs in the community, emotionally committed to the demands of the society with a sense of belonging.

Secondly, it is also an urgent task for Government to set up a research grants committee to deal specially with allocation of funds to existing institutions of higher education in support of academic and professional researches, so as to upgrade their quality and standard. This is because the mission of institutions of higher education is, apart from teaching, to widen the scope of knowledge and technology. To carry out this mission, scholars must have appropriate resources, including time, facilities, fund and technological support, etc. in order to conduct in-depth research. Since Government has already spent a substantial sum to finance the five existing institutes of higher education, it will be a waste not to let them actively develop their potentials in academic researches simply for the sake of economising. It is just like building a grand house and leaving half of its rooms unoccupied. When funds are allocated for researches, they should not be solely used for researches in science and technology. Innovative researches in social sciences and humanities and the arts should also be encouraged.

Thirdly, I think Government should establish as soon as possible a local body to assess academic qualifications. But I wish to emphasise that the setting up of such a local assessment system is not 'making a cart behind closed doors', measuring ourselves with our own standards, but rather establishing, on the basis of international academic standards, a set of procedures to assess academic qualifications which suits the local cultural background, so that equal standards of academic achievements are accorded with equal and reasonable recognition. I maintain, therefore, that overseas scholars should still participate in our future assessment work. Moreover, the candidates to be assessed should not be confined to those from public institutes, nor should the assessment be confined to degree courses only. Post-secondary education in Hong Kong, with respect to the system of non-degree courses and the recognition of its academic qualifications, still remains in a chaotic and confusing state up to the present moment. Without an objective assessment, the qualifications awarded to some people who have received five years of post-secondary education are downgraded to a level which is lower than those awarded to some two-year or three-year courses. The situation has also created obstacles indirectly for institutions in academic cooperation. I hope that with the establishment of a local body to assess academic qualifications, the above discrepancies which have confused

the public, frustrated the youthful students and disappointed the educational workers can be removed quickly.

Apart from higher education, I would also like to reflect the views of the Kowloon City District Board members on the functioning of district boards. As pointed out in your policy address, during the past year district boards have shown their effectiveness in improving the environment of their districts, and in reflecting the views of local residents on various issues. I think you must be aware that such good work is not the result of sheer luck but members' industrious efforts. Some elected members, in particular, are closely identified with the voters. They spend considerable time and energy on leading and participating in the services and activities of district organisations. They are glad to do so because they believe that district boards have played a definite role in the development of a democratic system in Hong Kong. However, in order to upgrade the efficiency and influence of members in executing their duties, Government should consider accepting their request for setting up offices in their districts, and providing reasonable financial assistance to those members who are in need of it in the form of a rent reduction, a subsidy for clerical service and a cost of living allowance. I hope Government will investigate into and make assessment of both the quality and quantity of district board members' work in various districts, and then consider the above proposal on a factual basis.

With the maturation of the development and functioning of district boards, there should naturally be an increase in the power and responsibility of the boards which are at the grass-root level of the Government structure. I therefore suggest that in future, apart from continuing to reflect public opinions, the boards should, on the major premise that central policies are not violated, take up more supervisory and decision-making responsibilities with respect to the handling of district affairs by Government departments, so that the various day to-day measures adopted in the districts can satisfy the needs and wishes of the public in a better way.

Sir, with these remarks, I support the motion.

MR. PANG CHUN-HOI delivered his speech in Cantonese:—

(*The following is the translation of his speech.*)

Sir, there are over 2.5 million employees in Hong Kong working in various sectors (about 900 000 of whom are working in the manufacturing sector), covering more than 40 per cent of the local population. Their importance to Hong Kong's community and economy could thus be seen.

Although Your Excellency's annual address made no mention of labour policies in the past year or in the future, I firmly believe that the Government would not and should not overlook labour problems in Hong Kong.

We have always been proud of Hong Kong's skilled labour, their industry and our 'good' labour relations. This is the result of consideration and self-restraint on the part of the labour sector. Hong Kong's outstanding economic achievements today certainly owe much to their contributions.

In your previous annual addresses, Your Excellency often mentioned the growing seriousness of the problem of elderly people. These elderly people have continually contributed their wisdom and labour towards the building up of Hong Kong. But except for a small number of companies and enterprises, most companies provide no security for these elderly people after retirement and they are consequently left in distress. Hence, before Hong Kong has a comprehensive social security system. I think it is now time to consider setting up a central provident fund scheme. This is the earnest desire of the labour sector and those who are concerned about the welfare of the masses in our society. Moreover, enhancing labour welfare measures not only helps to maintain social stability, but would also reduce excuses by trade protectionists overseas for attacking Hong Kong as engaging in 'unfair competition' or even describing Hong Kong as a labour-exploiting 'sweat shop'.

Over the past few years, workers in Hong Kong have often been subject to threats of losses caused by the sudden closures of badly managed or improperly operated companies. Despite the establishment of the 'Protection of Wages on Insolvency Fund', there is still no safeguard that workers will get their termination and severance pay because of the limited scope of protection covered by the fund.

As a member of the labour functional constituency, it is my responsibility and undertaking to see that labour rights and interests in Hong Kong are being firmly safeguarded now and in future. I know there are not too many demands from the local labour sector, but they do earnestly hope that suitable arrangements will be made for labour issues (which might otherwise become social problems) so that they can continue to make contributions to the community in a stable and prosperous environment.

In view of the above reasons, I would like to make the following recommendations:

- (a) The Government should consider setting up an ad hoc group or committee during the current session of the Legislative Council to examine the feasibility and related technical issues regarding the establishment of a central provident fund scheme.
- (b) The Government should review the provisions of the Protection of Wages on Insolvency Ordinance, with a view to extending its scope of protection to include termination and severance pay.
- (c) The Government should also review and amend any labour legislation in which loopholes have been identified.

MR. TAM YIU-CHUNG delivered his speech in Cantonese:—

(The following is the translation of his speech.)

Sir, you delivered the policy address to this Council at its first sitting on 30 October 1985. In your address, you cautiously and yet positively stated the policy objectives and aims of the Government as Hong Kong enters the transitional period. You have indicated your determination to maintain Hong Kong's prosperity and stability, to continue improving the quality of life of our people, and to formulate and execute such policies in accordance with the public will. You also assured that the Government would continue to administer Hong Kong in an effective manner. I am pleased to learn about these policies and I give them my full support.

Today, I wish to speak on the themes of industry, labour and housing because they are issues intimately related to the livelihood of the people, and are also topics of public concern. However, they have been overlooked in this year's policy address.

First, in the area of industry, there has been a decrease in the export of Hong Kong products this year when compared with last year's during the same period. As a result, our economic growth is slower than expected. While the difficulties experienced by the local manufacturing sector are related to worldwide recession, international protectionism and competition from South-East Asian countries, it is undeniable that the weaknesses which exist in our local industry itself have also directly contributed to these difficulties. In order to improve the current situation of the local industry, the best way is to improve the level of our technology and the quality of our products, so as to enhance our competitive power with other overseas countries. Active Government support in this field is certainly required. It is surprising, however, that the policy address has made no mention of any related proposals. We must realise that the success or failure of our industry and trade not only concerns the growth of our economy, but also directly affects the overall employment situation and the livelihood of the community at large. Therefore, the Government must show greater concern towards this areas.

Second, on the issue of labour, it is regretted that labour problems, which had always found a place in previous policy addresses, were not mentioned this year. Hong Kong lays emphasis on the market adjustment function of a free economy, but it has no comprehensive social security system. Hence, whenever our economy experiences structural changes or readjustments, the general labour force would inevitably have to bear most of the cost for economic readjustment. We know that the security provided for workers of the manufacturing, service and construction sectors is very inadequate. But these workers constitute the majority of Hong Kong's labour force. In recent years, the local manufacturing sector has experienced a downturn. This has led to

insufficient work for workers and the closing down of some factories. a situation which has caused many workers, particularly the older ones, to worry about their jobs. The elderly workers have made life-long contributions toward the prosperity of the society. But in the end, they are unable to receive any reasonable form of retirement security. I think there is a need for the Government to establish a central provident fund scheme in order to help the elderly workers to solve their retirement problems. During the past few years, the Government has made more active efforts to provide protection for our labour force. For example, the Government has certainly played a part in the amendment of labour legislation, the promotion of labour relations and industrial safety, etc. This has reflected the concern and importance attached to our two million workers by the Government. As Hong Kong has entered into the transitional period, and our economic structure is undergoing change, I hope that the Government would pay more attention to the plight of our workers and the labour protection they require so as to facilitate the maintenance of the stability of our society.

Finally, in the field of housing, the policy address has revealed that the Government does not have sufficient determination to solve the immediate housing problem facing the masses. It makes one feel uneasy to find that the Government has not yet expressed its views on the much debated Green Paper on Housing Subsidy to Tenants of Public Housing. In a special geographical environment like Hong Kong, housing is closely related to the livelihood of the people. Recently, Hong Kong's economy has slowed down. As a result, the real wages of workers are continually dropping and the quality of life of the lower economic classes has been adversely affected. Therefore, in considering the reduction of housing subsidies, the Government must keep in mind the living conditions of the workers at large, so as to avoid any adverse effects on their livelihood which would in turn become causes of unrest. Owing to the uneven distribution of resources in Hong Kong, our lower economic classes need appropriate financial assistance in order to maintain a reasonable standard of living. Hence, I suggest that the Government should formulate a more reasonable and comprehensive policy on public housing.

Sir, the three areas mentioned above not only have direct effects on the livelihood of the people, but also constitute some essential elements in maintaining the future prosperity and stability of Hong Kong. I sincerely hope that the Government will act in accordance with the spirit of 'maintaining and preserving Hong Kong's economic prosperity and social stability' as stated in the Sino-British Joint Declaration, and adopt appropriate measures to fulfil the wishes of the people.

Sir, with these remarks, I support the motion.

MR. F. K. HU said:—Sir, your opening address outlined Government's imaginative and ambitious policies and programmes which will ensure progress

and stability going hand in hand, and at the same time, aim at continuous improvement of the quality of life of Hong Kong. Today, I speak on three topics: public housing, transport and recreation.

Public housing

Hong Kong started its public housing programme in 1954 with the construction of simple, rapidly-built flats to house the victims of the Shek Kip Mei fire in 1953. Since then, Hong Kong has established a world renowned reputation for providing reasonable accommodation in relatively well designed environment for 45 per cent of its population at heavily subsidised rent and within the means of the tenants. The tenants can plan their future for themselves and their children under fairly stable living conditions, and many of them have prospered over the years.

During the consultation exercise on the Review of Public Housing Allocation Policies in 1984, it was apparent that public opinion was generally in favour of introducing measures to reduce public housing subsidies to the better off tenants, to accord priority for public rental housing to those in need of it, and to achieve better allocation of limited resources. This raised an important policy issue whether our heavily subsidised public rental housing scheme should be provided to tenants as an element of social welfare by right, or only to those in need. A sub-committee on this issue was formed in September 1984 to study the problem. On the basis of its recommendations, the Housing Authority issued in September this year a Green Paper on Housing Subsidy to tenants of Public Housing, and sought the views of the public on suggestions in the Green Paper before a final decision is made. The recommendations eventually made by the Housing Authority must take into consideration the overall long term objective of maintaining the prosperity and stability of Hong Kong.

Hong Kong has only limited financial resources which must be made available to all kinds of services fairly and evenly. We must also ensure that our ambitious and commendable housing programme, with increased production if feasible, will continue to cater for those in need irrespective of Government budgetary surplus or deficit. The recommendations in the green paper in reducing rent subsidy for those who can afford higher rent and whose monetary contributions can assist in achieving such objective is a logical solution. The public consultation has attracted a lot of comments and criticisms directed at many different angles, and many of them with justifications. However, it is evident that a great majority supports the spirit of the green paper. Many organisations are in favour of providing the tenants the opportunity to purchase Home Ownership Scheme flats under more favourable terms. The Housing Authority should seriously review all the comments and then submit its final recommendations with necessary modifications or amendments to make them more acceptable to the general public at large. Housing subsidy is only part of the housing policy, and the Housing Authority should review step by step other policies in the same manner to cope with changing situations.

Electronic road pricing

It is accepted that it would be necessary to restrain the ownership and use of private cars and taxis in order to avoid unacceptable levels of traffic congestion in our limited road network. It can be achieved through fiscal measures in increasing annual licence fee and first registration tax. Alternatively, congestion can be reduced more directly by reducing car usage in congested areas and at peak periods through a system of electronic road pricing (E.R.P.). The E.R.P. pilot scheme carried out in 1983 has proved to be technically feasible and can operate reliably in Hong Kong conditions. Public consultation on E.R.P. has met with numerous oppositions, including the fact that present level of congestion is tolerable. Government must now decide whether to drop E.R.P. completely and continue with restraints on car ownership, or to postpone a decision on E.R.P. and to reconsider the position in future.

I consider E.R.P. to be the best long term solution in controlling congestion. If E.R.P. is to be deferred now and introduced in future, the delay would certainly increase the cost of implementation and unavoidably result in road congestion for a considerable period before full implementation of the scheme. In view of the mixed reaction to the E.R.P. scheme, I believe the best solution is to introduce the E.R.P. Scheme at the earliest opportunity and as a compromise, offer the motorist a choice of either the E.R.P. or a high level of first registration tax and annual licence fee. The latter may be further increased if congestion gets worse. This proposal offers flexibility and would greatly facilitate transition to a full E.R.P. system. E.R.P. in automatic tunnel tolls collection to improve traffic flow will be a bonus achievement.

Sports promotion

Sports of all kinds have been promoted most energetically in the last decade, and the most popular sport, either from active participation or from the spectator point of view, is still football. The recent success of the Hong Kong team in the world cup qualifying competition has re-generated tremendous interest in the sports in Hong Kong. Spectator attendance in many football matches have since increased. It is about time to review again the construction of the Ho Man Tin Football Stadium with simple, space framed covered stands for 15 000 to 20 000 spectators, capable of further expansion in future if necessary. Provision of this football stadium will certainly stimulate the promotion of football in Hong Kong, and will also greatly relieve the pressure on Mong Kok Stadium which many schools have difficulty in booking for their annual sports day.

Our concerted effort in sports development programmes have produced batches of high quality junior athletes who have achieved reasonable success in regional competitions. However, we keep on losing our talented junior athletes for various reasons, including some of them leaving Hong Kong in pursuit of further education overseas. Such decision could be affected by our present

educational system or made for financial reasons or other personal considerations. We should study thoroughly all relevant factors in order to resolve this problem if we wish to promote sports further in Hong Kong. On the financial side, we can consider establishing a Sports Aid Foundation with contributions from both public and private sectors for the purpose of resolving problems related to finance faced by our promising junior athletes.

Sir, with these remarks. I support the motion.

MR. LAI delivered his speech in Cantonese:—

(The following is the translation of his speech.)

Sir, I wish to express my views on the problems of public housing and social welfare mentioned in the policy address.

All along, a gap seems to exist psychologically between the proletariat and the capitalists. Opposing interests on both sides of the gap grasp benefits for themselves showing no concern for others. However, I am of the opinion that Hong Kong is at the turning point of an epoch, and the capitalists and the proletariat should show understanding and cooperation for each other through thick and thin, and share whatever burden is laid on our shoulders. Therefore, this time I propose from a neutral standpoint to attempt to examine the policies of public housing and social welfare with a view to drawing the attention of the capitalists and the proletariat and to make them become aware that they are in the same boat, and to know that they are able to cooperate only if they try harder.

I will start with public housing. No doubt, it is an example of the Government's benevolent rule, with beneficiaries of over two million people. It also creates social stability. Nevertheless, the Green Paper on Housing Subsidy to Tenants of Public Housing has given rise to much controversy in recent months between the Government and the public at large. The Housing Authority claims that more than half of the people support the spirit of the green paper. Let us examine critically whether the authority's statement is correct.

In fact, there are many different versions of the so-called spirit of the green paper: it varies from month to month. Many people refer to the three criteria mentioned in chapter I of the green paper as the spirit. But when officials of the Housing Department answered a question from a civic body, their interpretation was found to be: 'while members of the Housing Authority were against eviction, they were generally in favour of limiting the provision of public subsidised housing to those most in need of it'.

To our surprise, there is no unity of views about the so-called spirit. Before October the Housing Authority has never mentioned any spirit of the green paper, and ever since the term 'spirit' was referred to, the Housing Authority

has never officially pointed out specifically what the spirit of the green paper is. Under the circumstances of unclear understanding of the term spirit, it is unbelievable for the Housing Authority to declare that more than half of the people support the spirit of the green paper.

Furthermore, with regard to the binary system of spirit and criteria adopted by the Housing Authority as displayed in the green paper in order to stress that more than half of the people support the spirit, I am not at all for it. Firstly, we have not solved the problem of what the spirit is. Secondly, without solid and practicable contents to substantiate the so-called spirit will be out of the context of reality, which is comparable to the question of democracy; even if everyone approves it, the problem is how it can be put into practice. Hence, if the contents of the green paper are not reasonable, notwithstanding that the whole population might support the spirit, the green paper is nothing but a scrap of waste paper. As to the contents and details of the green paper. I would hold my views over till the Adjournment debate.

Looking back on the current situation. I have come to the following conclusions:

- i. Judging from the green paper's proposal to reduce subsidies for public housing tenants and the Government's reduction of financial assistance for the construction of public housing. I see that the Government is regressing in its policy on subsidising public housing. This is highly contrary to the 10-year housing plan proposed in 1973. I therefore urge the Housing Authority to make public its real intention as soon as possible.
- ii. It is inaccurate for the Housing Authority to say that public housing tenants are enjoying heavy Government subsidies. At present, the Government only provides land and part of the construction costs, with interest charged. Moreover, a surplus of some \$900 million has been made from Group A estates over the past 10 years. Therefore, the above statement is inaccurate. On the other hand, since the Housing Authority has to shoulder all by itself the various expenses arising from public housing, it has to keep on increasing rents and attack at the 'well off' tenants. If we admit that public housing is part of our community benefit as a whole and that everybody, theoretically, has a share in it, then I think it is against the fair principle of distribution and redistribution of resources in a capitalist society to shift the financial responsibility in this respect onto public housing or the 'well off' tenants.
- iii. Judging from the arguments between the Government and the public over the past few months, we find that there is a serious lack of communication and trust between the Government and the people over the policy on public housing. The Government should take early steps to allow more public housing tenants to take part in the policy making of the Housing Authority. The Housing Authority should also make public

its administrative records, for example its allocation of financial resources and its method of accounting, so that the public can find out whether there are any unreasonable elements.

In view of the fact that there are many loopholes and controversial points in the green paper, where all things are mixed up and the arguments and the logic is contradictory. I propose that it should be temporarily shelved by the Government. Long term policy on public housing should first be reviewed by the Government, and then its rental and subsidy policies be drawn up at a later stage.

In addition. I appeal to all those who are involved in the discussions about the green paper to review seriously whether there is any emotional content or prejudice in their arguments. If the answer is yes, I urge them to open up themselves to strive for greater cooperation between the Government and the public. On the other hand, the latest issue of redevelopment of 26 blocks of public housing due to structural problems is a matter which concerns the public works authorities. Rumours have it that the Housing Authority desires to evict some public housing tenants so as to leave their flats vacant and ready for occupation by tenants now living in the structurally unsafe blocks. Great pains indeed the Housing Authority has taken. The incident has done much harm and adversely affects the community. I propose the Government should appoint as soon as possible an independent body to find out what has been covered up, to investigate and apportion responsibility and to explain the whole thing to the public. Otherwise the public's confidence in the Government will be further diminished. In addition, I hope that in laying down any policies, the Government should do its best to consult and consider the views of the public so as to avoid causing any social discontent.

I will touch upon the subject of social welfare in the following part of my speech, although I am no expert.

In the Governor's policy address covering social programme areas, there is a relatively large part on the topic of education whereas little mention is made on other aspects of community livelihood like social welfare. I shall base my discussions on one major premise, namely, the economy of Hong Kong cannot for several years in the near future expect to have a great upturn. It means that Government resources to be set aside for social welfare will not be increased, and the Government would not change its basic standpoint towards social welfare. Having this premise in mind, I shall examine the possibility of enhancing the effects brought about by the current social welfare facilities.

The measure adopted by the Government in the past to enhance the effects of social welfare facilities was to monitor mainly the spending of public funds. It would also take account of the statistical figures in respect of the services provided as a guiding index for quantifying the resultant effects whilst the quality of service was often neglected. Actually we can deal with the matter by two other approaches:

Firstly, the general public usually holds a misconception about social welfare facilities which they think are meant only for serving the aged, physically handicapped or mentally retarded. They thus consider it a deep shame to receive social welfare benefits. This psychological obstacle has deterred many people who are really in need of such services and also reduces the role of social welfare facilities in serving the public. In fact, social welfare itself is derived from the moral principle of social care but it is at the same time a citizen's right. Furthermore, social problems are very often not an innate thing but a social ill from which no-one is immune. Therefore those receiving social welfare services are not really inferior parties. I therefore propose that the Government should imbue the public with the correct concept of 'social welfare', which should include four aspects: (1) making the public fully realise what 'social welfare' really is; (2) understanding the fact that those receiving social welfare benefits are not inferior parties; (3) that 'social welfare' in itself is a form of care among fellow people; and (4) receiving social welfare service is a citizen's right. Thus, needy people will know better how to make use of the services and facilities currently provided.

The advocacy of this form of re-education can at least be carried out in the following two ways:

- (i) Making use of the mass media. In this aspect the Hong Kong Council of Social Services has already made great progress. It is hoped that the Government will follow.
- (ii) Making use of civic education so that the younger generation will understand what rights they should have. In the 'Guidelines on Civic Education in Schools' implemented by the Government, it is a pity there is only a one-sided stress on civic responsibility whilst education on the rights they are entitled to is lacking. It is hoped that the Government will consider this point.

Secondly, looking at the various social welfare consultative bodies and voluntary institutes, we can hardly find at the decision making level people who are receiving welfare benefits. I consider that if the service is really meant to cater for the requirements of the needy, people receiving welfare benefits must be involved in decision making. I therefore appeal to the Government to open the social welfare consultative machinery to take in people who are receiving welfare benefits. Voluntary agencies should also consider this arrangements.

I hope that what I have said here can enhance the understanding and cooperation between the capitalists and the public at large and make a positive contribution.

Sir, with these remarks, I support the motion.

DR. LAM delivered his speech in Cantonese:—

(The following is the translation of his speech.)

Sir, in your policy address, you stressed that it would be incumbent on Members of this Council never to lose sight of the common responsibility to the community as a whole. It is the wish of all members of the public as well as the common objective of Members of this Council to maintain stability and prosperity in Hong Kong. To achieve this objective, one of the factors is to make it possible for the public to live and work contentedly.

Let me now start with accommodation. Ever since 1954 when Government began to build public housing estates, a total of over \$22 billion dollars has been spent in this respect, enabling the Housing Authority to provide accommodation for more than 2.4 million residents in Hong Kong as well as taking up the responsibilities for estate management, redevelopment, environmental improvement, formulation of the public housing allocation policy, squatter control and squatter area improvement etc, thus making a great contribution to the stability and prosperity of Hong Kong. Last year, more than 36 000 public housing units were completed, providing accommodation for more than 52 000 people on the waiting list. Over 48 000 public housing units will be completed this year and efforts will continue to be made to improve the quality of existing and new public housing estates. For example, an estimated sum of \$1,500 million will be used for redevelopment of estates in the central part of Kowloon. Last year, expenses on public housing construction amounted to over \$3,100 million, representing roughly one third of the total expenses on the Government's building projects. For applicants on the waiting list, these figures are encouraging. Let us now refer to some statistics and look into future circumstances. There were still some 170 000 families on the general waiting list as at September this year (last year, over 13 000 waiting list families were allocated public housing units) and the people living in temporary housing, cottage and squatter areas stood at 132 000, 15 000 odd and 470 000 odd respectively. Moreover, there will be more than 17 000 families for which rehousing arrangements have to be made as a result of structural defects in some public housing estates. Even if the number of waiting list applicants does not go up any more from now on, it will still take many years for the Government to accommodate all of them. Therefore, I wonder if it is necessary for the Government to set an ultimate target on the development of public housing in the first instance so as to determine the total number of persons to be allocated public housing, say three million, four million or each and every one of those who have submitted an application. After setting a fixed target, we may make plans to utilise the resources (including financial and land resources) which we have on hand. Both the formulation and revision of the public housing policy should be based on this ultimate target and the resources. The Government must widely publicise the policy so that members of the public (particularly public housing residents) can understand clearly the correlation between the policy, its objective as well as the resources. In this way the chances of the Government being misunderstood by the public will be reduced. According to the trend of the past two years, it appears that Government is speeding up the construction of Home Ownership

Scheme (H.O.S.) flats. The extent to which the public welcomes this scheme amply proves that there is a need for the construction of these flats. But the Government must carefully consider problems of resources and priority. From an economic point of view, those who are in the greatest demand for housing will be most unlikely to be able to afford H.O.S. flats. Hence, the planning and development of H.O.S. flats should be based on the principle that the progress of public housing construction will not be affected.

In formulating or revising a policy, the Government department concerned normally states very clearly the reasons and merits of such a move but sometimes avoids touching on or simply mentions casually the inconvenience caused to the public. Such practice will not benefit the Government. Instead, it will achieve a negative result as it will give the public an impression that the Government is covering up the facts intentionally or even cheating them. The Government should be commended for conducting public consultation in the form of green papers. In consulting public opinions, the Housing Department has a good record. Out of the 19 district boards whose members have spoken on the Green Paper on Housing Subsidy to Tenants of Public Housing, eight put up an overall objection while the other 11 confirm the spirit of the green paper in principle with proposals for amending part of the contents.

The main point underlying the spirit of the green paper is, 'In order to achieve a better allocation of limited resources, the provision of public subsidised housing should be confined to those most in need of it.' This argument is not only applicable to public housing policy but may also be applied to other social programmes. But what is 'a better allocation' and who is 'the most in need'? Some people are in urgent need of public housing while others crave for higher education. Still others demand mostly for medical services, smooth traffic or welfare. Sir, please do not be misled that we will argue over these points in order to fight for scarce resources. I simply wish to point out that, as Members of this Council who are now sitting in this Chamber come from all walks of life and have different backgrounds and represent different functional constituencies, they may have diversified opinions on the demands for and allocation of resources.

As revealed from past examples, the construction of certain infrastructure such as hospitals, schools and transport systems has been unable to keep pace with that of public housing sometimes. I wonder if this implies that Government departments also have different views on the allocation of and demand for resources during the policy-making process which cannot be compromised. Thus it can be seen that to realise the spirit of the Green Paper on Housing Subsidy to Tenants of Public Housing is easier said than done. With the addition of the various problems associated with the structural safety of some public housing estates as disclosed recently, I believe that the loss may outweigh the gain if the Government implements this plan.

Being a small and congested place without any natural resources. Hong Kong owes its present prosperity not only to its favourable geographical position and other factors, but also the hard work and adaptability of its people. In other words, the people are our assets. Judging from this angle, spending funds on maintaining and improving the physical and psychological health of the public is beneficial to Hong Kong's stability and prosperity directly and indirectly. The Medical and Health Department has made considerable achievements in this area and overseas visiting professionals always give us much credit for our medical services. In spite of this, there is always room for improvement even for good systems. I am glad to learn from your policy address that consultants appointed by the Government will submit a report and make recommendations on how to improve the services provided by Government and subvented hospitals. Some people in the community are now worrying whether the spirit of the green paper, i.e., 'subsidy should only be given to those most in need of it', would be applied to the medical service, thereby bringing about greater financial pressure on the public. In the past year, the Government appropriated hundreds of millions of dollars to expand subvented hospitals. This was a piece of good news to those in need of inexpensive medical services. However, people hope that the Government will take a step further so that patients in the subvented hospitals will not be discriminated against as far as medical services are concerned. For example, while emergency dental services are available to in-patients in government hospitals and even inmates of the Correctional Services Department, similar services are denied to in-patients in some subvented hospitals. You said in your policy address in 1984, 'we must ensure that our hospital service is organised to give patients ready access to the best possible standard of care.' I hope you will make clear that 'our hospital service' is not a synonym of Government hospitals, but inclusive of subvented hospitals. In fact, I wish to point out that untimely and unreasonable policies should be amended. As the common saying goes, 'it is better late than never'.

I would like to mention two more points on medical services. They are: (1) the Government should assist in expediting the setting up of an academy of medicine to coordinate post-graduate medical education and training and to confer internationally recognised degrees to specialists who have attained international standards. (2) The Government should conduct in-depth studies on the medical insurance system, which, if proved to be beneficial to the public, should be encouraged.

Sir, you said in last year's policy address, Hong Kong people's 'concern and their aspirations would govern our thinking and actions'. In this year's policy address, you also said, 'this consultative process has been a cardinal element in Hong Kong's success'. I therefore hope that the Government will, on the basis of this principle, make decision on the following three problems which the public are most concerned about:

- (1) public housing subsidies;
- (2) privatisation of hospitals; and
- (3) implementation of direct election and its timing.

Sir, with these remarks, I support the motion.

4.35 p.m.

HIS EXCELLENCY THE PRESIDENT:—At this point, Council might like a short break.

4.56 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council resumes.

MR. POON CHI-FAI delivered his speech in Cantonese:—

(The following is the translation of his speech.)

Sir, in the first chapter of your policy address, you considered that the district boards have done very well in the fields of the promotion of district administration, improvement in the environment of the districts and in reflecting the opinions of local residents on various issues. You also emphasised that there must be close liaison between the Legislative Council, the Urban Council/Regional Council and the district boards. I fully support these views, but if we can extend the existing relation between the Legislative Council and the district boards to that between the Urban Council and the district boards, then the link between the latter will be strengthened further.

As far as education is concerned, I fully support Government's intention to carry on its policy to enhance the opportunities for receiving education and to improve the quality of education. However, with the rising standard of living in Hong Kong, kindergarten education has already been considered a necessity for the children nowadays. In some countries, education in kindergartens, primary and secondary schools are considered to be part of the basic education for the people. I therefore recommend that Government should lose no time in formulating a policy for kindergarten education so that kindergarten education could become part of the basic education with primary and secondary education. Furthermore, Government should offer positive assistance to the development of kindergarten education and the training of teachers for kindergartens.

On housing policy, I am pleased to learn the remarkable achievement we have made in public housing construction and I welcome Government's decision to launch its squatter clearance programme with a view to resettling all urban squatter residents by the early 1990s. Nonetheless, I hope that Government will from time to time review the progress of the squatter clearance in order to

achieve its target as early as possible. Furthermore, as squatter clearance takes time to complete. Government should continue to implement its squatter area improvement projects and to identify effective ways to solve problems arising from illegal use of electricity and water and undesirable environments. Apart from problems of squatters, I also concern myself with the recent rapid rise in property values. The fact that people regain confidence and a drastic drop of prices in the past can only form part of the reasons for the up-surge of prices for properties, speculation is the obvious cause for such phenomenon. If speculation persists and prices of properties continue to rise rapidly, people earning an income that falls within the middle bracket group will suffer heavy blows when they purchase their own properties. The ill effect of rapid rise in property prices is interlocked: rent will rise; cost of production in trade and industry will rise; and the cost of living also rises. Certainly, this is not good for the community, nor it is something that people want. I therefore earnestly request Government to pay attention to this matter.

It is undeniable that there has been rapid expansion and improvement in the road network in Hong Kong which we all witnessed. The decision to build the Eastern Harbour Crossing is a wise one in that it would not only ease congestion occurring in the existing cross-harbour tunnel and the Nathan Road section of the mass transit railway, but also improve the transport system of the Eastern District on Hong Kong Island and East Kowloon, thereby enhancing the development potentials of the two districts. The construction of Route 5 linking Tsuen Wan with Sha Tin would also facilitate the development of the two new towns of Sha Tin and Tsuen Wan. However, the construction of major trunk roads may bring about a number of problems such as air pollution, heavier traffic, traffic jams and noise pollution. As the aforesaid two roads are close to high-density residential areas, the design of the two road systems must therefore be carefully devised in conformity with the development of the neighbouring areas.

Traffic congestion is a common sight in bustling cities, and there is no easy way to solve the problem. I consider that apart from restricting the growth in the number of vehicles, a comprehensive and overall strategy should be adopted, which would include well-coordinated town planning and development, expansion of and improved designs for roads, coordination between road projects, traffic management, a system of school and office staggering hours, expansion of the school/factory coach scheme, implementation of appropriate car-parking policies and provision of adequate public transport services.

On the subject of public transport, the annual address only touches on the development of the mass transit railway; no mention is made of Government's views and policies concerning other public transports. As a matter of fact, buses, trams, public light buses, ferries as well as taxis all play an important part in providing public transport services. A comprehensive policy on public transport should be one which covers every aspect and which contains diversified considerations, so as to ensure compatibility between different modes

of public transport and maximum utilisation. No single service should be specially favoured.

Sir, in concluding, I would say that your annual address is to the point, brief and not high sounding and that it would help a great deal in fostering the stability, prosperity and betterment of Hong Kong. Sir, I would therefore be most glad to support the motion.

MR. HUI YIN-FAT:—Sir, your policy address, echoing a resounding message of progress, stability and prosperity, cast a vote of confidence in the future of Hong Kong. Your calm, reassuring remarks, made at a time when the Legislative Council enters a new era of representative government, won plaudits from various sectors of the community. While the policy statement drew an optimistic picture on Hong Kong's economic and political development, it gave cause for concern over the limited coverage on social services, in particular, social welfare programmes. The omission of rehabilitation services, a departure from previous addresses, begs the question: is Government satisfied with the performance in this area so that no comprehensive, long term planning is necessary? On behalf of the social services functional constituency, I wish to express a different view on the lopsided Government plans which place emphasis on economic growth at the expense of social development.

For my first speech, I choose to speak on my 'pet subject', because I take it upon myself to clarify misunderstanding and doubts about social welfare that may prevail in this Chamber.

Social cost

Sir, financial stringency caused by economic and political uncertainty accounts for Government's reserved attitude towards social programmes, resulting in a slow-down in development of social welfare services. Social welfare has been regarded as being the trade-off between considerations of equity and productive investment. Just how cogent is the argument that social welfare cripples economic growth? Is economic efficiency the most important yardstick to gauge our social welfare work?

European countries such as Holland, Sweden, West Germany boast of advanced social developments which have no adverse effects on their economic performance. Conversely, their people live happily, maintain better relationships and suffer less tension—all these are conducive to economic prosperity.

Hong Kong owes its economic growth to the 2.5 million workers who must live a stable life. Social welfare improves the social functioning of the deprived, the deviant, the poor and the unemployed in our midst. It also increases the efficiency, skills and productivity of our total work force which forms the backbone of Hong Kong's robust economy. To give workers and their families the necessary financial protection and a sense of belonging which is essential to the stability of Hong Kong becomes the rationale behind the central provident

fund advocated by major labour and social organisations. Central provident fund, like other social welfare measures, is a long term social investment—an investment in people.

A look at the social welfare expenditures of our foreign and neighbouring countries would confirm the importance of social investment. In western countries, some 25 per cent of their national gross product is invested in social services programmes. In Asia, some 15 per cent of Japan's G.N.P. is spent in social services, compared with less than 8 per cent in Hong Kong. Hong Kong's expenditure on social welfare for 85-86 stands at \$2.22 billion, representing a meagre 5.79 per cent of the total expenditure. Social welfare subvention amount to \$421.2 million was only 1.1 per cent of this year's Budget. Surely, Hong Kong can show more magnanimity in its social welfare spending.

Voluntary agencies

Sir, the need for social policies and programmes cannot be over-emphasised in societies where the essential ingredient is people. Like other highly industrialised societies. Hong Kong is plagued with a complexity of human problems, aggravated by unprecedented population increase. Against this background, the voluntary agencies came to the assistance of those people who could not fend for themselves, long before Government assumed its social responsibility. It was the voluntary agencies which launched a whole range of essential welfare services—introducing good child rearing practices, socialising deviant individuals and groups, rehabilitating the disabled, resolving conflicts and maintaining social order, as well as pioneered many preventive services designed to meet special needs of the Hong Kong community.

With their knowledge, skills and wisdom, voluntary agencies provide a cost-effective alternative to direct Government services, fulfilling a unique, historical role. Furthermore, voluntary agencies serve as the Government's conscience, offering constructive criticisms based on experience and a shared concern.

Inadequate provisions

Sir, although voluntary agencies are working hard to shoulder two thirds of the social welfare services in Hong Kong, provisions are far from adequate in meeting our social needs. That our public assistance scheme only maintains recipients at subsistence level makes a mockery of the 'free lunch' theory. Of the 13 much-needed children and youth centres carried forward from last year for implementation in this financial year, only seven centres have to-date got off the ground. The severe shortage of some 1 500 infirmary beds means elderly people requiring intensive nursing care are being accommodated in hospitals beds and care and attention homes which are still short of some 1 300 places. Consequently, those in need of these places remain in the community, placing a burden on their families and harbouring unfortunate family tragedies.

The quality of our social welfare services also leaves room for improvement. The existing practice of Social Welfare Department for one case worker to carry more than 120 cases has forced case workers to provide less frequent counselling sessions for needy clients whose family problems inevitably deteriorate. Assistance given to young people with study or personal problems has also been hampered by the existing ratio of one school social worker to 4 000 students.

Subvention system

Sir, inadequate social welfare provisions bring us to the pivotal question of subvention for voluntary agencies. Shortage of funds gives rise to the undesirable categorisation of welfare services by which only essential services receive full Government support. Insufficient allocation for social welfare also compels Government to set minimum standards in calculating the unit costs which have not been worked out to the satisfaction of both Government and voluntary agencies. The tight control exercised by Social Welfare Department over voluntary agencies' use of subvention is best illustrated by Mr. Martin REIN, a social policy expert, who said: 'The 1960s is the period of the social workers, the 70s the age of the economists and the 80s the epoch of the auditors.' There exists an uneasy Government/voluntary agencies partnership, which is more of a house-keeper/revenue-spender relationship than a service purchaser/provider relationship. Due to constraints such as the claw-back of interest on non-used subvention, voluntary agencies which are running deficits in providing basic services have to sacrifice service improvements and provision of many desirable services.

Suggestions for voluntary agencies to seek other funding sources instead of relying solely on Government support carry with them practical difficulties that negate the advantages put forward. The discretionary subsidies given by Community Chest to its members and the sporadic way in which community resources are being tapped called for an immediate review of the existing subvention system.

Here, Sir, I venture to present a proposal made by the Hong Kong Council of Social Service back in 1980. The council recommended a contract system similar to the block grant scheme of the University and Polytechnic Grants Committee, under which Government purchases units of services from voluntary agencies for a fixed amount of fees. Voluntary agencies have a free hand, therefore, in managing their own budgets and securing income from other sources in delivering the purchased services. Surplus accrued is returned to Government which has no obligation to pledge further financial support to cover deficits apart from the lump sum granted on a three-year basis. The merit of this system lies in ensuring voluntary agencies' accountability and Government's financial commitment so much needed for long-term planning, as well as achieving the true spirit of partnership.

In connection with subvention system reforms, the appointment of members to the Social Welfare Advisory Committee has long been a bone of contention. While the committee has no authority over resource allocation, the appointment of Social Welfare Advisory Committee members on personal basis does not fall in line with the principle of democratic government. It is believed that nominated members from the voluntary sector representing expertise of various types of services could better reflect service needs and facilitate consultation between Government and voluntary agencies on vital issues such as those mentioned above.

Social justice

Sir, Hong Kong has come a long way from the days when social welfare was synonymous with charity and emergency relief. The past decades have witnessed major steps taken by Government to give Hong Kong people higher living standards and better access to human rights. However, Hong Kong can afford to do more for its people particularly at this time when the veil of uncertainty hanging over our future has been lifted. As Hong Kong steers steadily into the transitional period before 1997, it is time for us to chart more balanced economic and social development plans. A responsible, democratic government has the duty to promote concern for social development and to map out long term social policies geared towards the worthy goal of establishing a more stable living environment for its people. Sir, may I remind honourable Members that the task of building Hong Kong into a prosperous and progressive city of equity, justice and peace is in our hands.

Sir, with these remarks, I beg to support your policy statement.

Mrs. ROSANNA TAM delivered her speech in Cantonese:—

(*The following is the translation of her speech.*)

Sir, since the Sino-British Joint Declaration came into effect at the end of May this year, the future of Hong Kong has become clear and Hong Kong has also stepped into the 12-year transitional period. The major task laid before us is to establish steadily a form of government which can fit in with the 'Ruling Hong Kong by Hong Kong people' model. At the same time, we have to make efforts to maintain Hong Kong's social stability and prosperity, so as to ensure that our social conditions and our population's quality of living could be maintained beyond 1997 for another 50 years. It could be said that the underlying principle of your annual address this year is social stability, and furthermore, to attain progress in the course of stability. By and large, the annual address is comprehensive, steady and enterprising.

But the annual address is, in fact, short of concrete proposals on long term social welfare policies. Did it deliberately leave room for the public to express their views and take part in formulating the future development of our welfare? In this respect, I think the Government is in need of a long term, comprehensive

and far-sighted welfare policy which can tackle Hong Kong's developmental needs, maintain the society's prosperity and stability, and which can help to promote social justice and democracy. A long-term welfare policy is a key factor in upholding the confidence of the people of Hong Kong.

Hong Kong is short of natural resources. Its development and surprising economic achievements over the past century are really attributable to the sense of belonging, perseverance and enterprising spirit of its people. Hong Kong is now facing a historic change. Whether the political system developed over the next 12 years could maintain Hong Kong's stability and prosperity after 1997 also depends on whether Hong Kong can build up a healthy, free and democratic environment for young people to grow up, and whether it can nurture sufficient young people who identify themselves with Hong Kong, actively involve in community affairs and undertake civic responsibilities.

According to the statistics of the Census and Statistics Department, about 19 per cent of the local population are young people between 15 and 24, i.e. approximately 1.04 million, equivalent to one fifth of the labour force. They are not only an important asset to Hong Kong, but also a strong social force. If the Government could formulate a long term policy for the development of young people and provide a good environment for them to grow up, I believe they will make valuable contributions to Hong Kong's politics, society and economy.

We are glad to see that many of our young people are dutiful and helpful in promoting our economic prosperity, while they are also actively participating in various social services. For instance, the success of the Clean Hong Kong Campaign and the Fight Crime Campaign really relied on the support of young people. In the area of district administration and the development of a representative government, the involvement of young people is equally encouraging. For example, in the district board elections held in March this year, 139 young candidates aged 35 and below were elected as district board members, accounting for 28 per cent of the total number of elected district board members. In addition, numerous young persons assisted various district offices and community organisations in their registration of electors, as well as in the election campaign of candidates. It is beyond doubt that young people have an active role to play in society.

However, at the same time, we should also be aware that young people are being confronted with various problems and pressures. Not properly handled and guided, they are a potential destructive force in society, threatening the stability and prosperity of Hong Kong.

The Christmas Eve riot in 1982, the disturbances in Mong Kok and Yau Ma Tei in January 1984 and disturbances arising from football matches in recent years have all revealed the destructive side of young people.

Moreover, crime statistics disclosed by the police over the recent few quarters has revealed that 27-30 per cent of the prosecuted criminals are young people

aged below 21. In other words, of every three prosecuted criminals, almost one is a young person aged below 21. Furthermore, there is a considerable number of young people who are drug addicts and are involved in triad activities. Take drug trafficking and possession of drugs for example, 1 080 young persons under 21 were prosecuted by the police last year. These few points serve to highlight the hidden crisis caused by youth problems.

Thus, if Hong Kong is to make progress amidst stability, we must try to minimise the destructiveness of young people while promoting their constructive and enterprising nature. The first and foremost task therefore is to reassess the objectives of various youth-oriented services; and from there, to formulate a long term plan which will meet the needs of society.

All along, the concepts of 'remedy' and 'prevention' have been guiding principles of local youth services. They have been tasked to organise leisure activities through which young people can exhaust their excessive energy and give vent to their dissatisfied feelings, hence reducing their chances of participating in destructive activities. Youth services is also expected to be a panacea for solving the problem of juvenile delinquency. Through counselling, young people can solve their problems and follow the normal course of development.

Nevertheless, such 'remedial' and 'preventive' youth services cannot adequately meet the future needs of Hong Kong. It is time for us to introduce the concept of 'social investment' on the basis of existing youth services. The emphasis of youth services should no longer be placed on merely helping young people to exhaust their excessive energy and on preventing juvenile delinquency. Instead, we should focus ourselves on nurturing our younger generation to become supporting pillars of society in future.

Apart from the need to reassess our concepts and objectives, the lack of long term and comprehensive plans for existing youth-related services also constitute a problem. I propose that the Government and voluntary agencies should strengthen their coordination under the common goal that youth services is an important investment. Joint efforts should be made to study and analyse more thoroughly the needs and aspirations of youths. Furthermore, long term and comprehensive plans should be formulated for young people in areas like education, recreation, culture, sports, vocational training, employment, welfare, community involvement, civic education, medical service, rehabilitation, correctional service and social security and so on.

I believe that Government departments concerned should assign suitable staff to look after youth-related affairs, so as to strengthen the planning and implementation of youth work.

In addition, the Government should set up a central coordinating body for youth affairs, with representatives from Government departments and voluntary agencies concerned. The work of this body should include: (1) the

moderation of youth affairs handled by Government departments and voluntary agencies concerned; (2) data collection and analysis for the purpose of enhancing the knowledge of the needs and aspirations of young people and finding out how young people could be involved in developing our society; and (3) submission of proposals to the Government on long term targets and strategies in connection with the formulation of a comprehensive youth policy.

Sir, I think the above proposals are practicable and indispensable. In 1973, the Government set up an Inter-departmental Committee on Services for Youth, the members of which included senior Government officials at the secretary and directorate level. This committee had given advice on education, employment, sports, recreation, and community involvement aspects of youth work. The Government should reconsider establishing a similar coordinating body to meet societal requirements. The effort we put in on our youths today will be rewarded by their positive contributions in the future.

Sir, with these remarks, I support the motion.

DR. IP:—Sir, health services has always been a keen interest of mine. However health insurance has now become an obsession, because the trend of development in Hong Kong in the last few years has made me feel that it is the only means whereby the majority of the people in Hong Kong (particularly the middle class) can afford private medical services.

In a low tax community such as ours, and I hope this continues in Hong Kong, I see Government's responsibility in the provision of medical services to be:

1. a heavily subvented medical services for the very poor, the very young, the very old, the deprived, the abandoned and the handicapped;
2. a low cost preventive health, port health, accident and emergency service, and last but not least;
3. the provision of a comprehensive medical infrastructure and an adequate control of the medical standards of practice such that the rest of the population can obtain a high standard of medical service.

In other words, Sir, other than Government, the responsibility to provide health services to the majority of the self-sufficient abled-bodied persons in our community is none other than the individual himself and partly his employers.

Sir, whereas 90 per cent of people requiring medical clinic service go to their private doctors, over 90 per cent of people requiring hospital service turn to Government. The reason? Hospital service is too expensive for the average man on the street. The result: overcrowding in Government hospitals, uneven distribution of doctor to patient ratio, undersubscription of private hospitals. The answer, Sir, is medical insurance.

The question is: how can we get people to purchase medical insurance out of their own free will? In this respect, I feel that Government can go a long way in encouraging medical insurance through offering tax concessions, not only to companies who purchase it for their staff, an unfair situation as it is now, but also to anyone who purchase it for himself and his family, as it was prior to 1973 when medical insurance, if linked to that of life, was tax exempt.

I am not suggesting that all medical insurance should be offered tax concession, but only that of a basic standard one recognised by Government, like that of the provident fund scheme. I therefore suggest that a committee should be set up with representatives from the public, the insurance companies, the providers of medical service and the Government to work out the criteria for a basic standard medical insurance scheme, the premium for which would become tax exempt if recognised by the Government.

I would like to propose that such a basic standard medical insurance scheme should meet the following objectives:

1. a premium which is realistic to the sandwiched class for it is this large majority of people, who aspire to have, and with a bit of help can afford to have, a higher standard of medical service.
2. a recommended standard scale of rebate of charges which is acceptable to the providers of medical services, whether Government or private.
3. comprehensive as regards type of hospital coverage, type of services, and type of doctors.
4. a simple claims procedure which minimises time and inconvenience for patients and doctors and which will also prevent abuse (perhaps even make it a crime for such an abuse).

I agree that for the sake of flexibility and freedom of choice, there should be other insurance schemes over and above the basic one to complement it. But to ensure that medical insurance benefits the well off and the less well off equally, there should be a ceiling to the level of tax concession appropriately set to benefit the sandwiched class. Extra premium paid for sophisticated schemes need no tax concession.

I stress that every move we make towards the encouragement of medical insurance must be voluntary. This is vitally important in a free society such as ours. If people don't take advantage of it, they bear the consequences when they fall ill. But it is about time that people in Hong Kong, when in good health, plan ahead for when they are not!

Likewise, doctors must be allowed to set their own scale of charges. It is their own choice to conform or not to that amount rebatable to the insured. All it means is that if the doctor does not conform, the insured who goes to him have to pay extra. He can, of course, choose in future to go to someone else.

If a recommended scale of charges for rebate to doctors and hospitals is set at a reasonable level, this may well initiate them to voluntarily standardise their own scale of charges within a narrow variation. This would be welcomed even by patients who do not subscribe to medical insurance.

Turning back to my previous statement regarding the difference in the percentage of people going for private medical clinic service and that for private hospital service, it is clear that the need to purchase insurance for hospital services far exceeds that for clinic's. Hospital insurance should therefore be more successful, because it satisfies the philosophy of insurance, namely, that:

1. the possibility of the risk, e.g. hospitalisation, is relatively low;
2. however, when it does occur, the financial implication, i.e. hospital charges, are very high;
3. everyone needs it;
4. many would therefore purchase it;
5. the risks are therefore evened out; and
6. the premium becomes lower and lower and the cycle goes on.

Government benefits from private hospital insurance because like private establishments, it can also charge the insurance companies through the insured. Hospital insurance benefits Government because it is in this area that Government spends most of its money.

For the economist, this is food for thought. The 'Real Funds Excess Demand' (or funding gap) worked out from the differential growth rates between the real growth rate of medical expenditure and the real growth rate of health expenditure as a per cent of Government's total expenditure, is projected to be \$1.4 billion in 1995.

I honestly believe that, for the small amount of tax concession Government grants, Government gains a lot more financially by literally having a large sector of our community looking towards meeting their medical needs through private means.

I will be convinced of positive Government action if, as a start, and prior to deliberation of a basic standard medical scheme which will take time, Government will consider in its coming Budget proposal allowing on receipt a tax concession of up to \$500 per person per annum in the purchase of private hospital insurance.

\$500 is arrived at after detailed market survey as it is the cheapest premium for hospital insurance which, a large sector of our community can and will afford; and also, it pays out an equivalent sum of over \$10,000 benefits, which is more than enough for private hospitalisation.

The theory of macro-economics assures me that this is a very realistic way to mobilise the mass to think 'my health is my concern'.

To conclude on medical issues, I support Dr. Conrad LAM's plea for the subvention of hospitals to be brought in line with that of Government's. And as regards a point Dr. CHIU Hin-kwong is going to touch on, I would like to put on record that there had been no improvements in the policing and prosecution against undesirable medical advertisements, in the past three years in spite of a persistent fight against it inside and outside this Chamber. I therefore fully support his plea for action.

I'll like now to turn to two legal issues.

Sir, this Council Chamber had been for the last 73 years the library situated in the heart of the Supreme Court of Hong Kong. Within these walls the courts had dispensed justice to our people. I believe it is therefore appropriate for me to put a case forward for those who have been deprived of a just remedy although they are on the right side of the law.

Since January 1984, the jurisdiction in the district court for civil claims was raised to \$60,000. As a result many cases which used to be heard in the high courts are now dealt with at the district court level. However, it gives no joy to a successful litigant at the end of the trial because the taxed cost (usually on 'party to party' basis and hardly ever on 'solicitors to clients basis' are so low as it has not been revised since 1979. At present, the taxed costs usually only represent 30 per cent to 60 per cent of the true cost. The 40 to 70 per cent balance would have to be paid out by the successful litigant to his own solicitors and counsel as a price to pay for justice.

The jurisdiction of the small claims tribunal now stands only at \$5,000. This means that anyone who wishes to pursue a claim of say \$10,000 to \$30,000 would have to go to the district court, and would probably give up this right to sue because the additional lawyers fees payable after taxed costs makes it just barely worth the while. What worries me more is that as a result of this so many people are getting away with debts within this range.

I believe that it is time the district court costs be revised upwards to a more realistic scale to reflect closely the true cost. This is to ensure that:

1. the party who is on the right side of the law gets a better compensation for his costs;
2. a successful litigant under legal aid or legal assistance scheme can recover a more realistic cost to repay Government or the legal aid fund;
3. anyone who has a *bona fide* claim but who can only marginally afford litigation gets ready support of lawyers who are assured of recovering a reasonable amount of taxed costs;
4. and lastly, this is generally reducing frivolous litigation because the stakes are higher. This in return, will result in saving court time.

While on the subject of saving court time, I believe that there is a strong argument for more fines for minor offences to be made into fixed penalties

similar to those under the Fixed Penalty (Criminal Proceedings) Ordinance (Chapter 240), in relation to road traffic offences and for an extension of the application of section 7D of the Magistrates Ordinance (Chapter 227).

This would have the following combined effects:

1. allowing offenders to plead guilty by post where appropriate and fines collected with little ado;
2. thereby making administration simple and cost-effective;
3. saving court time for more serious work;
4. saving Crown prosecutors' time;
5. saving police officers' time spent in court as witnesses;
6. saving magistrates' time and frustration to decide on small levels of fines for minor offences;
7. yet never depriving the offenders of the chance to defend himself should he so wish;
8. and also maintaining the assurance that no one can be imprisoned without a trial;
9. furthermore it will facilitate the Crown to police minor offences; and also
10. to make it such that the persistent minor offenders refrain from breaking the law when it becomes too costly for them to do so.

I quote an answer from the Attorney General to a question on the 27 June 1984, when he said, in relation to section 7D of the Magistrates Ordinance, 'the system could be used for any offence for which the maximum penalty prescribed by law is not more than \$10,000 and imprisonment for six months. This procedure will be reviewed after about three months. If it is found to be working satisfactorily, it will be widely implemented thereafter and extended to offences prosecuted by other bodies responsible for minor prosecutions'.

Following on to that, I quote an answer from the Secretary for Transport to another question on the 7 August 1985, 14 months afterwards, 'the fixed penalty system for parking and moving offences is working satisfactorily, public money is being saved, an indication of the efficiency and effectiveness of the system', (I will summarise instead), and \$200 million of fixed penalties have been collected in 1984 for parking and moving offences without the need to issue summons nor to go to court.

I take it that the Attorney General is convinced of the effectiveness of the procedure under section 7D of the Magistrates Ordinance and I look forward to his suggestion that wide implementation would follow.

In that connection may I suggest some of the more relevant ordinances which merit consideration:

1. The Undesirable Medical Advertisement Ordinance which Dr. CHIU will elaborate on;

2. The Buildings Ordinance particularly when relating to illegal structures, a recognised problem in Hong Kong (I'll like the Secretary for Lands and Works to take particular note);
3. Summary Offences Ordinance;
4. Infringement of licensing condition under the Urban Council;
5. Miscellaneous Licence Ordinance;
6. Business Registration Ordinance;
7. Minor offences under the Companies Ordinance; and
8. the Inland Revenue Ordinance.

The starting penalty should not be high so that people are more prepared to plead guilty when appropriate. Thereafter, the deterrent effect would be much stronger if the fines payable under section 7D will be increased on a fixed scale on repeated convictions so that the offender will refrain from breaking the law when it becomes too costly for him to do so.

With these words, Sir, I support the motion before Council.

DR. CHIU:—Sir, it is indeed a great pleasure to hear that the Government has decided to undertake the responsibility for expanding three subvented hospitals in the years to come. This action is to be applauded, yet such development alone does not indicate how well a health system is, nor does mere provision of more hospital beds result in better medical services if they are not complemented by a sound medical policy. In our existing health system there are still many areas which we should seriously look into.

You have indicated in your address that a review exercise on The management organisation of hospital services in Hong Kong is now being undertaken by a group of Australian consultants, and the report is expected to be out next month. It is envisaged that the report will bring forth some worthwhile changes of medical system which will be beneficial to the community. Any change concerning the so called 'privatisation of public hospitals' will certainly evoke tremendous public reactions and comments especially when 88 per cent of hospital care in Hong Kong is provided by public funds. When the provision of our social security system is far from adequate, it is the Government's responsibility to provide medical care to the needy. Before new changes in the medical system take place, the following three areas should be carefully and thoroughly studied:

1. Will the Government be able to shoulder the financial implications caused by relevant changes?
2. Will the medical profession, especially those personnel of public hospitals, accept the new changes?
3. Will the public be willing to pay more for better medical services?

It is deemed necessary to publicise the report in order to invite public opinions and suggestions. I regret to note that the proportion of medical expenditure to

our total budget has been declining in the last three decades. The average percentage of medical expenditure is around 10.2 per cent in the '60s. 9.3 per cent in the '70s regardless of global economic recession and around 7.3 per cent in the past four years. As the demand for medical care continues to rise, vigorous programmes have to be implemented to meet such needs. The goal can only be achieved through the allocation of more funds from Government income and the development of extra resources. Therefore, our basic principle which must be always maintained is that under no circumstances should the allocation for medical services be reduced.

Subvented hospital

Today our Government hospitals and subvented hospitals are operating at different levels of fundings. Government hospitals have better resources. People tend to get treatment in them, causing an average occupancy rate to reach 95 per cent compared with only some 80 per cent for subvented hospitals. To maximise the use of hospital beds, no more than one standard should be adopted either in Government hospitals or subvented hospitals. Here, the Government's attention is drawn to the heavy workload and poor working environments of medical personnel in the public sector which are well known to all. With these undesirable conditions, who other than those very devoted staff would continue to work for the Government? If this situation goes on, even the most devoted staff will be disheartened and leave, so our medical field will suffer from serious manpower shortage in the foreseeable future. I look forward to the consultants' report on the management organisation of hospital service to provide solution to this important issue.

Medical care for the sandwiched class

Most of us may be aware that our hospital services go to extremes. A minority group of well-to-do people go to expensive private hospitals while a great majority enjoy almost free hospital services provided by public funds. There is no specific provision of hospital services for the middle income group. Today it costs the Government on average some HK\$700 per bed per day in Government hospitals but patients only pay HK\$18 with the rest paid by taxpayers.

When the middle income group cannot afford the high charges of the private wards, it leaves them no choice but to go to Government hospitals taking advantage of the heavily subsidised services. As the sandwiched class not only constitutes a significant proportion of taxpayers but also the backbone of our society, do they not deserve appropriate attention in medical service commensurate with their contribution? Medium-priced hospital service, once introduced, will mean that more income will be generated for the Government. With the increasing demand of quality service and the escalating costs of medical care, it is about time to review our health policy so as to provide appropriate and comprehensive medical services for various sectors of the community. For those who can afford and are willing to pay more for better

service, there is no reason for the taxpayer to subsidise them to the present extent. Therefore it is necessary for the Government to take this long-felt need into consideration in future planning of hospital services. Medium-priced medical service when supplemented with a medical insurance scheme will lead to better results. In this connection, I heartily support my honourable colleague, Dr. Henrietta Ip's proposal for a standard medical insurance scheme. The Government, as the biggest employer, should take the lead to introduce the scheme to benefit civil servants so as to set an example for private organisations.

Estate doctors

With the current situation, a significant proportion of the population living in public housing estates depends on estate doctors for primary medical care. These doctors contribute considerably in providing service at a moderate rate of HK\$30-60 per consultation with medicine to low-income estate residents. As I understand it, the recent substantial rental increase of the Housing Authority has created hardship to the estate doctors whose charges are limited by the spending ability of local residents.

The art of healing is not a commodity and medical service should not be regarded as typical commercial behaviour. The long term relationship between doctors and patients developed from mutual trust should under no circumstances be jeopardised. I am glad to learn that the Housing Authority has set up a Commercial Tenancy Section and I hope that they will review this situation and take the above-mentioned points into consideration.

Academy of Medicine

Under the present system, our postgraduate qualifications are accredited by the royal colleges of the United Kingdom. For these years we have relied on this connection to identify ourselves and to win international recognition. But in 12 years' time, Hong Kong has to be returned to China and we envisage the weakening of this linkage. We therefore must set up an independent statutory body to develop our own standards, to formulate postgraduate medical educational programmes, to conduct examinations and to award diplomas. As it is an urgent necessity to maintain our standards, the Government should expedite the formation of a working party on postgraduate medical education and training leading to the establishment of a academy of medicine. The medical profession is watching with anxiety, and I earnestly hope the academy will be formed in two to three years time.

Undesirable medical advertisements

Sir, I also like to draw your attention to the numerous medical advertisements in various Chinese newspapers and magazines which appear to have contravened the Medical Registration Ordinance and the Undesirable Medical Advertisement Ordinance.

This issue had been brought up by the Hong Kong Medical Association since 1973; however, no significant actions had ever been taken until March 1985 when a standard warning letter was issued to two newspapers and a global warning to the press. I cannot help wondering why it has taken 12 years for the relevant authority to issue a standard warning letter.

During this period tremendous efforts have been made by the Hong Kong Medical Association to pursue this matter. Some 1 700 newspaper advertisements appearing to have contravened the Ordinances had been collected and delivered to the Attorney General and the Commissioner of Police. Moreover, various Government departments and the UMELOCO Office had been approached. For years, we had received no definite reply and none of us had the faintest idea of any action being taken on this issue until recently when we were informed that the Medical and Health Department is basically not a law enforcement agency as it has no expertise in carrying out investigations on illegal activities or in passing judgement on their legality, nor is it geared to bring cases to court for prosecution. And we understand that the department has done its utmost in assisting and advising the police on the professional aspect of such investigations. We are told later that the Secretary for Administrative Services and Information has sent a standard warning letter to two Chinese newspapers which carried such advertisements. We understand that 'the Secretary for Administrative Services and Information normally responds by warning the editor, publisher and advertiser upon request by the Attorney General'. The police is not to be blamed entirely as it only takes the advice of the Attorney General who is to decide whether there is contravention of the relevant legislation and to advise whether the evidence is strong enough to put the case to court. As to be expected, after receiving the standard warning letter, some newspapers still carry these advertisements appearing to be violating the Ordinances and their contents are basically the same. This reflects the ineffectiveness of warning letters.

I cannot see any reason why the Attorney General and the police are so lenient to those undesirable medical advertisements while they are so meticulous in the prosecution of comparatively minor offenses such as illegal parking of vehicles, both of which are of a 'non-criminal' nature. Law is not law unless it is properly enforced. If prosecutions are ultimately instituted, they will serve to remind all concerned of the law. I wish to point out that the schedule of the Undesirable Medical Advertisement Ordinance is incomplete and outdated. It is hoped that a more comprehensive schedule can be worked out so as to plug the loopholes of the existing Ordinance. I want to stress once more that appropriate and prompt action should be taken because the public are easily and frequently being misled by these advertisements and consequently many patients, to the detriment of their health, do not receive proper treatment. These advertisements do constitute a danger to the public. Must we wait until lives are lost before effective actions are taken?

Conclusion

Before conclusion, I would like to reiterate some basic principles in connection with medical services in Hong Kong. Firstly, sufficient financial support should be given by the Government. Any decrease in Government allocation for medical services is unacceptable. Secondly, public consultations must be sought before the implementation of major changes in the medical services system. Needless to say, medical and health service is the fundamental essence of stability and prosperity for our community. Appropriate actions concerning the well-being of the general public must be taken before it is too late.

Sir, with these remarks, I support the motion.

6.00 p.m.

THE CHIEF SECRETARY:—Sir, in accordance with Standing Order 68, I move the suspension of Standing Order 8(2), so that today's business may be concluded.

Question put and agreed to.

MISS MARIA TAM:—Sir, in the MACLEHOSE era (from 1973 to 1982) the Hong Kong Government launched into an ambitious public housing and new town development programme. Mainly as a result of this there was an over expansion in public expenditure. In the two years that followed there was a drop in our land sales during the negotiation of the Sino-British agreement, and Hong Kong was 'faced with a substantial overhang of expenditures and a long list of future projects for the 1980s as the surplus ran dry'. I am pleased to see that one year hence, in 1985, we are now looking forward to a balanced budget in the next financial year, there is an adequate supply of land; and you, Sir, foresee 'a sustained growth in urban development and in the new towns,' and indeed the Government has made strategic plans to provide the infrastructure of the territory well into the early 1990s. I wish also to quote the Financial Secretary who spoke to the Hong Kong Management Association on 23 September 1985 and he said: 'In addition to being the largest sources of Hong Kong's re-exports, China has become the largest market for re-exports through Hong Kong. Its market share rose substantially from 22 per cent in 1983 to 34 per cent in 1984 and further to 47 per cent in the first half of 1985. This increased share of our re-exports represents a growth of 140 per cent in money terms. We are seeing the re-emergence of Hong Kong's role as the entrepot for China.' In this respect, Sir, I am particularly glad to hear of your plans to expand the Kwai Chung Container Terminal and the Kowloon-Canton Railway facilities to improve cross border links in your policy speech.

Sir, I will speak briefly on two aspects of infrastructure. The first one is the economic costs of internal migration. It is planned that at least three million people in Hong Kong will be housed in new towns. And if the progress of the internal migration of three million people to the New Territories is not well

planned, the economic cost to the community and the hardship that follows must be enormous.

(i) *New town development*

I understand that the Honourable LAU Wong-fat will speak on the need to co-ordinate the growth of the population in new towns and the provision of jobs and facilities. As I see it the 'self sufficiency' concept of the new towns has not really materialised for the following reasons:

- (a) there is plenty of office space in East Tsim Sha Tsui, Wan Chai and Central, while city planners dream of decentralisation of office work in Hong Kong it may never be achieved. The white collar workers will continue to travel into the urban area and if protectionism remains unabated, more and more people are likely to be employed in the service industry in the urban area.
- (b) Factory workers must also continue to travel to the factories in the urban area unless and until a new generation of light industry can be developed in the new towns, ironically, young housewives who are looking after their children at home are short of part-time employment within the new towns. All in all, there is a great wastage of manpower created by internal migration, and this is contrary to the philosophy of Hong Kong people who believe in being productive.

In fact, judging from the experience and in the successful development of Sha Tin, efficient transportation facilities linking Sha Tin to Kowloon must be the major reason of its rapid transformation from a fog locked valley in spring into a thriving community of over 320 000 in population. I believe that transportation infrastructure is not only essential for economic growth, but also vital in making a success of internal migrations to the New Territories. Comparing the experience between the development of Tuen Mun and Sha Tin. I have come to the conclusion that since we are free marketeers and as a matter of policy do not subsidise either commercial or industrial development in new town, we must therefore, as a matter of policy develop our new town in two stages: first we provide an efficient transportation structure for easy movement of its residents to the urban areas. In the mean time, we let favourable market factors foster local business and industrial activities, so that it can reach the second stage, i.e. develop into a truly self contained community.

Sir, you spoke of the exciting plans for Junk Bay and Tin Shui Wai. May I say that the success of the first project depends more on the completion of the East Kowloon Tunnel than the speed we produce empty housing units at Junk Bay. In respect of the Tin Shui Wai project, the Tuen Mun light rail is not connected to Tsuen Wan and it will not be completed in time for the first phase residents to ride on it and travel to Tuen Mun. I urge the Government to make clear what transport infrastructures will be provided for Tin Shui Wai and how Government proposed to co-ordinate the construction of roads and rails with the growth of the population in this new town.

(ii) *Urban renewal projects*

I turn to urban renewal projects because they are related. The Honourable CHAN Chai-keung will speak on the strong sense of belonging of city dwellers to their own local district although the buildings in which they live are beyond economic repair and subjected to urban redevelopment. There is bound to be strong resistance if they are asked to move into the New Territories and away from their jobs. I believe the aim of urban development must be to reduce incidents of internal migration. The housing development on Kellett Bay and Yau Ma Tei reclamation must cater for the housing needs of the residents of Wan Chai, Western, Kennedy Town and Yau Ma Tei who are affected by urban redevelopment, as a matter of priority over governmental, commercial and even perhaps recreational purposes. The reclamation of the water front in Wan Chai and Central and Western brought no prospect of redevelopment of urban residential areas. We must now be committed to remedy the situation now.

Town planning strategy

Sir, I will speak briefly also on town planning strategy. The Government has made substantial progress in new town development and has shown an imaginative use of land as country parks. There is a territorial development plan with an ultimate capacity for nine million people, but there has been little control over land use or in setting development objectives over land which is not required for urban development, or not suitable for country parks. As a result, there is no control over the disposal of animal waste, the appearance of workshops, factories and squatter huts, and a lack of roads, sewage and supply of water to the rural area. And the Honourable Andrew WONG complained about it yesterday in English and if it's not done in time, he will probably complain in Greek. (laughter) Indeed, there is no comprehensive development plan for these areas.

One of the suggestions made to improve the control over land use is to amend section 3 of the Town Planning Ordinance (Cap. 131) (This Ordinance was enacted in 1939 and has not since been amended in any significant way) I wish to see it applying to the rural areas in this territory.

The reasons are many fold:

1. Section 3 of the Ordinance applies now to 'urban and potential urban areas' but the meaning of the term 'potential urban areas' is ambiguous. Definitely it cannot cover rural areas and town planners have experienced difficulties in planning for Sai Kung, as an example. At present, areas outside of the new towns in the New Territories are covered only by development plans prepared by the Town Planning Division of the Lands Department. These are non-statutory plans without the law behind their enforcement. Hence whether they can be executed depends on the co-operation of land owners.

2. There will be an increasing demand for public consultation for development in the different districts in this territory. The provisions in sections 5,6,7 of the Town Planning Ordinance in fact enable any person affected by a draft statutory plan to raise objections and ask for its amendment; and section 17 provides a channel for review by the Town Planning Board (T.P.B.) and appeal to the Governor in Council. Thus public interest is well protected against any decision of the T.P.B.
3. In the light of the changing socio-economic conditions in Hong Kong, there should be a more cohesive planning for land use over the whole territory. The areas outside of Hong Kong Island, Kowloon, New Kowloon and the new towns also should be covered by statutory plans with proper area zoning. It will give the Government a more effective control over land use. After all land is the most valuable asset to Hong Kong.

However, in advocating for changes, one must recognise existing tenure problems and legitimate interests, e.g. holders of block crown leases are now entitled to use agricultural land under old scheduled lots for open storage as long as it creates no environmental pollution without the need of Town Planning Board's permission.

One must also ensure that the Heung Yee Kuk and the Regional Council are well represented in the T.P.B.

In trying to solve the problem, it is suggested by some town planners that such rights can be safeguarded by entering a note in the statutory plan to the effect that old scheduled lots can be used for open air storage which creates no environmental pollution. Whether this answers fully the criticism of agricultural land owners is, I believe, under discussion.

My main concern is that with the rapid urbanisation of the New Territories, the Administration should no longer adopt a negative attitude towards planning for the development of the whole of the New Territories, including the rural areas, and should try and achieve an effective control of land use in the whole territory. Indeed, there is a recent call which was repeated yesterday by the Honourable CHEUNG Yan-lung from the Heung Yee Kuk on the Government to set a comprehensive policy to encourage the development of agricultural and fisheries, which is consistent with principle of proper land use. Government must give due consideration to the planners' suggestions and find a solution and I hope with my fingers crossed that the Honourable CHENG Hon-kwan will support me on this issue.

Apart from this there are some more worthwhile suggestions:

1. That the T.P.B. should levy a fee for processing town planning applications under section 16 so as to deter frivolous applications;
2. That the T.P.B. should give reasons for its refusal of permission under section 16 so as to be fair to the applicant;

3. That the T.P.B.'s approval of a section 16 application should automatically expire after a specified period of time to avoid land speculation by developers after obtaining the permission for development;
4. That there should be a six-month period within which an aggrieved person must appeal under section 17(1); and
5. The district boards should be consulted before a statutory draft plan is prepared.

I believe that planning for the development of the infrastructure of Hong Kong must be cohesive, effective and make the best use of our assets and resources. I urge the Government to try its best to adopt a unified town planning practice for the whole territory.

Law, order and security

My final subject, Sir, is on law, order and security. Rehabilitation of offenders has been a consistent theme in Government policy and your proposal to establish new parole systems to rehabilitate ex-prisoners is yet another example of the Government's commitment to this cause.

In this respect, I wish to mention the two schemes proposed in the last two years for the rehabilitation of offenders, i.e. the community service order and the spent conviction scheme.

On 10 October 1984 the Attorney General introduced the Community Service Order Bill 1984, which was passed into law on 21 November 1984. Thus giving our magistrates the alternative of sentencing a person convicted of minor offences to a C.S.O. instead of imprisonment. The rationale of the sentence and the needs of setting up a pilot scheme was explained at that time by the Attorney General.

On page 51 of the Hansard October 1984, he said: 'However, it is simply not possible to introduce them overnight. And it is in any event desirable to proceed cautiously with a pilot scheme limited to certain magistrates courts, which will run for two years. It will be monitored by a standing committee to be set up for that purpose'

Sir, one year has gone and we have not really been informed of the progress of the Community Service Order. I'm glad to know at least there are probation officers being sent to United Kingdom for overseas training and I look forward to the Attorney General's reply to inform us of the timing of launching the scheme, which already has the support of this Council.

And finally, I wish to mention another, and a far more economical measure on rehabilitation of offenders: The spent convention scheme on which the Attorney General spoke on the 8 November 1984, in response to my queries on its progress. And indeed, the Attorney General has since published a consultation paper in December 1984 on this scheme for public comments by March this year. I believe it must be time now to disclose Government's

decisions on this scheme before we embark on the new schemes for the rehabilitation of ex-prisoners.

Sir, this Council is now reinforced by the presence of the representative elected by the voluntary social welfare agencies and the Director of the Hong Kong Federation of Youth Groups who I believe will lend insight and support a C.S.O. pilot scheme and the spent conviction scheme. I would urge the Attorney General to give us some concrete proposals on their implementations in his reply.

With these words, Sir, I support the motions.

MR. JACKIE CHAN delivered his speech in Cantonese:—

(*The following is the translation of his speech.*)

Sir, I wish to begin my speech by expressing support for your policy address 1985-86. Doubtlessly, the policies and schemes mentioned in the address will bring about active effects on the stability and development of Hong Kong and will at the same time strengthen our confidence in Hong Kong's future. On the aspects of urban expansion and redevelopment as well as fire services in the territory, I wish to submit my views as follows:

1. *Acquisition of land by reclamation*

It is commonplace to say that clothing, food, dwelling and transport are the four essentials in our livelihood. Fortunately, Hong Kong can be described as a community abundant in clothing and food. However, the aspects of dwelling and transport still leave much room for improvement particularly in the former aspect. The main reason for this is the deficiency in the supply of land. In order to solve this problem, Government has in the past years committed resources in the reclamation of land which has resulted in many areas in the territory having been acquired from reclamation. However, as the population growth rate greatly exceeds that of land supply, the latter's expansion has so far not been able to meet the demand. It is now pointed out in the policy address that there would be an on-going urban expansion programme as one of the major development schemes in Hong Kong. Included in the programme is a most encouraging reclamation plan in the future which, if implemented, will secure Hong Kong's stability and prosperity even more. Unfortunately, it is mentioned in the plan that there would only be reclamation work in Kellett Bay on the west coast of the Island and Hung Hom Bay in Kowloon. As for the districts of Mong Kok, Yau Ma Tei and Wan Chai where new land supply is greatly needed to solve the various problems in the vicinity, they have not been included in the scheduled plan. It is well known to all citizens in Hong Kong that the two districts have a dense population, adverse environment, congested traffic and inadequate provision of cultural, recreational facilities and

sitting-out areas. and so on. I therefore hope that Government would, if it is financially feasible, consider including these two districts in the urban expansion programme at an early stage.

(2) *Urban redevelopment*

I am most pleased to learn that Government has placed much concern on the redevelopment old districts in the urban area. I also consider it very appropriate that the redevelopment scheme should start in the districts of Western, Wan Chai, Yau Ma Tei and Mong Kok since there are still many pre-war and post-war buildings in these districts which are very old and dilapidated. Should these buildings be still allowed to continue to exist in their present form, they would not only cause a bad image on the city's outlook but also form a great contrast between the old and the new. What is more worrying is that after continuous exposure to the mercies of the elements, these buildings may pose a constant threat to the safety of residents whose security is not ensured. Living conditions in premises in these old districts are very undesirable and congested and problems do exist therein. There are no community recreational facilities and fire service and public health installations are inadequate. The existence of these buildings not only is a waste of land resources but also creates numerous difficulties in their management. For the purposes of solving these problems and securing the best use of land supply as well as an improvement in public livelihood and the city's outlook, we cannot afford any further delay in redeveloping these old districts. I would urge Government to take into consideration in its redevelopment projects the improvement of the drainage system in the areas involved, the proper arrangement of transport facilities as well as the provision of adequate parking spaces. Programmes to make the districts green should also be included in the redevelopment project.

It is mentioned in the policy address that a 'land development corporation' will be established to undertake the task of redeveloping those old districts. I would draw Government's attention to the fact that the inertia of the majority of the residents is very obstinate. Those residents in the old districts have been there for a long time and they would quite naturally have more consideration for their own interests if they should be required to vacate their premises for redevelopment. Government's offer of reasonable compensation and satisfactory rehousing for the affected landlords and tenants is therefore a key factor to the success of the redevelopment project. If disagreements in the offer of compensation and rehousing should occur, parties involved should be allowed to lodge their reasonable appeals.

There may also be instances where individual owners cannot participate in the negotiation with the land development corporation regarding redevelopment because they are absent from Hong Kong or because of other reasons. In the general interest of the public, Government should proceed with the

amendments of certain legislation in order to suit the actual situation and to solve these problems. The land development corporation should at the same time prepare planned programmes in dealing with the redevelopment work.

It is stated in the policy address that the first project to redevelop the old districts will get under way in the next twelve months. As far as I know, before that programme is scheduled, the Housing Society has set aside \$300 million for the redevelopment of six streets in Yau Ma Tei. According to the data obtained, after these six streets have been redeveloped, there will be five blocks of 30 storey commercial/residential buildings, and within the area, there will be a centre for the aged, a nursery, a children's playground, clinics and a plaza with a fountain inside. I discussed this project with some members of the Yau Ma Tei District Board and they all hoped that Government would implement this project as soon as possible and at the same time would accord the landlords and tenants with reasonable compensation and rehousing. Besides, they also hoped that Government would launch wider publicity to call on and encourage the landlords and tenants of the old districts to positively participate and support the redevelopment project.

Redevelopment of the old districts will indeed be a difficult task. May I also ask Government to whom would the land development corporation be responsible? How would it raise the funds required for the redevelopment project and in what way would it repay such loans? How would the interest of small landlords be assessed? Would development programmes and layout plans be tabled for discussion by district boards? Should this Council set up and ad hoc group to monitor the operation of the corporation?

Finally, I would like to touch briefly on fire services. The policy address points out that '... fire-fighting is frequently hampered by goods and other obstacles stacked in common areas of buildings.'

According to statistics, the number of complaints of the above-mentioned nature received by the Fire Services Department in 1984 was 15 049, as compared with 7 221 for the period January to September 1985. When Fire Services personnel pay site visits upon receiving complaints, the current practice is only to serve the owners of obstruction articles with notice of advice. They cannot issue summons to charge them on the spot and thus the deterrent effect is not great and it simply wastes the time of those public officers. Moreover, the general public know that it is an offence in law for stacking up articles to cause obstruction and there is currently legislation under which Government can directly prosecute the owners of those articles causing obstruction in passages outside their premises. Therefore, for the sake of public safety, Government should expedite the amendments to the existing legislation in order to deal with offences of causing obstruction in public places.

Finally, I also urge the Fire Services Department to continue laying stress on their publicity on fire prevention and civic education so that citizens would

become civic-minded. In respect of large scale factories and housing estates, the Fire Services Department should encourage and assist them to train their own security personnel to know the application of fire-fighting equipment. I believe that it will be conducive to reducing the occurrence of fire and minimising the loss of human lives and properties in fires.

Sir, with these remarks, I support the motion.

MR. CHENG:—Sir, when I stood for election to this Council, I laid great stress on the contribution to Hong Kong's prosperity made over many years by all those professionally engaged in the construction industry and in land development. I am proud to repeat this point here today—it is indeed a high honour to stand here as their elected representative. And I make no apology for the fact that in this speech to the Council I shall confine myself to those points in your address, Sir, which deal with construction and land use.

Let me first turn to urban renewal—and the intention that the older parts of our city shall be redeveloped comprehensively and with the same vigour that is applied to *new* building projects. I wholeheartedly welcome the positive emphasis that you place, Sir, on the co-operative efforts that will be needed from private developers, property owners and the land development corporation i.e. the new public corporation which is to be constituted to act as a central agency in handling all aspects of urban renewal.

As a member of the steering group for the corporation, I feel that we should seize with both hands the chance to achieve great public benefits through joint ventures and other collaborative efforts. The L.D.C. will have overall responsibility for these special projects, but the necessary life-blood will have to come from the private developers. We shall need all the talent and the craftsmanship of the whole building industry if we are to make our inner-urban areas not only good places to live in but also integral and vital parts of our city—which, quite rightly, attracts millions of visitors each year.

The public corporation will participate in the selection of the special redevelopment area, and there is no doubt in my mind that its schemes must have the vision and the scope to inspire everyone—not least the construction industry—to help in creating new neighbourhoods of character and quality, to the advantage of us all.

The L.D.C. will initially be funded by Government loans, but it is intended that it will later be self-financing. It will acquire land or property in the redevelopment areas; it will set up subsidiary companies to facilitate joint ventures; and it will provide or arrange for the rehousing of local residents.

And here we should remind ourselves that these schemes are about people. At this moment there may be people in Wan Chai, Western, Yau Ma Tei and Mong Kok who have mixed feelings about these plans. On the one hand, they have hopes of better living conditions in a brighter, healthier environment. And on

the other hand, there are fears of having to move away from the old, familiar neighbourhood.

These feelings are very natural and understandable—they must not be ignored and we must make it a priority to look after the interests of the people who live in these areas. Provision will be made to rehouse them—in the same neighbourhood if possible—and a number of compensation options based on market values are being drawn up for owners of property and businesses.

Up to now, Hong Kong's efforts at urban renewal have—of necessity—been rather piecemeal affairs, and there have been varying degrees of success. I am fully aware that urban renewal in various parts of the world has not always had happy results—and it seems to me that there are many common problems which have led to common mistakes.

But we are by temperament a people who learn quickly from our mistakes—and from other people's—and I am confident that we are now on the right track. The time has come to replace decay with new life, to build neighbourhoods worthy of our people, and which we shall be proud to feature as part of our shop-window to the rest of the world. And I am sure we can rely on the cooperation of the whole construction industry in this enterprise.

To turn to another point in your address, Sir, it is most encouraging to know of your concern about traffic congestion in the urban areas—a subject with which I am very familiar, along with several million other people in Hong Kong.

With due respect, Sir, may I venture to suggest that few people can be motoring for pleasure, or for convenience, in our urban areas nowadays. In the case of owner drivers and commercial drivers, the daily battle must surely be waged out of necessity. And presumably this necessity will still exist, no matter whether some form of E.R.P. is introduced or whether taxation is increased, and so we shall still have acute traffic congestion in our urban areas.

As so many drivers know to their cost, a great deal of their time on the urban roads is spent in looking for a car park or a parking space. Much of the congestion is in fact caused through people driving round and round trying to find somewhere to park. This is despite the fact that it is now four years since we moved away from a policy of attempting to restrain the use of vehicles by restricting the provision of parking—in buildings generally and in purpose-built car park.

More parking space has been provided over the past four years—but still it is not enough to cope with the cars and lorries which jam our urban roads. Above all, there is a crying need for more parking facilities close to public transport points—particularly the M.T.R. and the K.C.R.—so that people can sensibly combine private and public travel. I most strongly urge the acceleration and the extension of the programme which began some years ago to provide such facilities.

Only when people can conveniently transfer from car to public transport will they stop bringing their cars into or through the inner urban areas. And only when there is sufficient parking within our urban areas shall we clear the roads of the endless, searching procession of those cars and lorries which do have to be there.

Finally, Sir, I would like to congratulate the Housing Authority on the record number of more than 48 000 flats which it is completing this year. It is indeed a satisfactory achievement.

It is also encouraging to note the further improvement in building standards which the authority has introduced, including a new concrete and formwork specification and the establishment of its own materials testing laboratory.

However, the importance of stringent quality control and proper supervision throughout our construction industry can never be over-emphasised, and we must guard the standards carefully and always keep them under review. In the long run, high standards not only reduce remedial work and cut maintenance costs but also increase the durability of our buildings.

This Chamber, Sir, is surely proof that we in Hong Kong can build solidly and build well. I am convinced that our construction industry can make an equally solid contribution today. Let us encourage it to do so. Let us build new, build well and build with confidence.

Sir, with these remarks, I support the motion.

MR. LAU delivered his speech in Cantonese:—

(*The following is the translation of his speech.*)

Sir, in your annual policy address for the year 1985-86 you said that Hong Kong was successful economically and socially because it was a stable society and that progress and stability must go hand in hand. I believe the people of Hong Kong all feel the same. On the questions of new town development and land, I would like to put forth the following five points.

Firstly, the work on new town development has been going on for over ten years and some of the projects have already been completed. In particular, the speedy completion of the public housing projects provides comfortable living environment for the citizens. In comparing with other countries, Hong Kong can be proud of its achievements. However, a serious problem has emerged as the public facilities in the new towns do not cope with the rapid growth of population. At present, the new towns are facing a serious problem on education, apart from deficiency in medical facilities. This is because Government's present school places allocation policy, applied generally to Hong Kong and Kowloon and undoubtedly feasible in urban areas where transport is readily available, is obviously impractical when applied to the New Territories, where public transport is generally inadequate. For example, students in Tuen

Mun New Town have to travel a long way to other districts for schooling, because of shortage of secondary school places locally. This in turn generates chain transport problems. Therefore, there is a need for the Government to adapt the present school places allocation policy to meet the actual needs arising from the development of new towns. At the same time, in the allocation of other resources, the Government should ensure that the various local facilities in new towns fulfil the needs arising from growth in population. to enable the new towns to integrate fully into Hong Kong, Kowloon and the New Territories as a whole.

Secondly, resumption and removal problems encountered in the course of new town development. The Government has been developing new towns extensively aiming at resettling large number of people in order to solve the population problem in urban areas. However, such development inevitably requires massive land resumption and necessitates the removal of some local residents. It is the responsibility of the Government to give them reasonable resumption compensation and appropriate settlement. It should not concentrate solely on new town development yet disregard the rights of those who had to sacrifice as a result of development. In fact, over the years there had been frequent frictions between the Government and affected residents over the resumption and removal problems arising from new town development. Some of the affected residents had continuously put up petitions and protests, and even 'released ducks and chickens' outside the Government House as a silent protest. The recent demolitions at Tin Shui Wai, Sha Tin and Lok Ma Chau were illustrations of the above. In the past, smooth execution of large scale demolitions by the Government were only achieved through the efforts and mediation of N.T. organisations like the Heung Yee Kuk or rural committees. It cannot be denied that the N.T. Heung Yee Kuk and rural organisations had made quite a lot of valuable contributions in the course of development of the New Territories. Putting aside the historical ones, a recent achievement was their agreement with the Government on currency equivalence of 'Letter B' which helped the Government to clear some of its debts over land entitlements and which had proved effective. Their functions have been admitted by the Government over the years. Regrettably not only did the authorities fail to give due recognition to the contributions made by these bodies and fail to include them as one of the functional constituencies in Legislative Council election, but also no mention whatsoever was made of them in the present policy address. This 'throwing away the plank after crossing the river' (ingratitude) attitude will definitely affect the development of good relationship between Government and the people. As a matter of fact, the removal and resumption problems arising from new town development were caused by defective policy which the Heung Yee Kuk had repeatedly urged the Government to review. However, the authorities seemed to lack sincerity in this aspect. There is a saying, 'pull one hair and move the whole body' (touch one small part and affect the whole). If the authorities paid no heed to such problems social peace and order would be

intensely affected. Therefore, the Government should set up a committee, comprising Government officials and unofficial members, to regularly review the policy on removal and resumption. This will not only look after those residents who are affected by resumption, enabling them to maintain a stable life, but will also enable the smooth execution of relevant works.

Thirdly, apart from new town development, the improvement of various facilities at the agricultural villages near the new towns should also be attended to. In fact, the present facilities in the farming villages are felt to be inadequate, and consequently most of the villages have remained in an underdeveloped state for a long time. The Government should step up local public works in the villages with a view to improving the quality of life of the villagers and matching with development of new towns. On the other hand, the Government has always been supplying water for industrial development but the attention paid to water sources for agriculture has so far been lacking. On this, the Administration should establish a coordinating department, with unofficial members participating, to work out improvement plans.

Fourthly, the development of new towns has also brought along the problem of noise pollution. New town residents as well as the entire population in the territory are concerned about this problem. In the past, owing to imperfect legislation on the part of the Government and insufficient coordination on the part of enforcing departments, control of noise pollution has not been effective enough. Therefore, the Government should take early steps to enact legislation for comprehensive control of noise pollution and set up a special executive department so that the relevant legislation can be effectively enforced.

Fifthly, the use of land. At present in the New Territories, apart from Crown lands, there are still 15 000 hectares of private land, an area equivalent to twice the size of Hong Kong Island. These could be used for various developments. However, these enormous lands have been deserted either because of the existence of Government-built water-ways leading into reservoirs or because their water sources have been disconnected by the Government when building up new towns. In line with the principle that Government should aim at balanced and mutually complementary development, these enormous land resources should be used for various purposes. The present restriction by the Government on the use of agricultural lands in the New Territories is too stringent and needs to be reviewed. Before this large area of land is used for any planned development, it can be used for subsidiary trade and industries in order to assist in the development of trade and industry. At the same time, certain lands with beautiful landscape and long standing historical background can be used for promoting tourism, thus providing more recreational areas for the local population and attracting more spending by tourists. On the other hand, high technology agricultural and fisheries development should also be encouraged to enhance local agricultural production. This will be of great benefit.

to the local market and Hong Kong's economy as a whole. It is also in line with the policy of achieving progress in a mutually complementary manner.

Finally, I am glad to support the motion.

MR. TAI:—Sir, on this occasion I intend to confine my speech to the following subjects which I consider are important and of particular concern to me, and, I feel sure, to many of the Council Members present here today. It is my hope that the forthcoming sessions will be able to find time to consider and discuss these matters. Future development of the rural areas of the New Territories.

Firstly, on the future development of the rural areas of the New Territories, more attention and, if possible, increased funding should be directed to the New Territories in order to develop and expand their economic potential, both in the industrial and in the agricultural sectors, so as to improve the livelihood of the residents there. There should also be a more realistic policy of making better use of the available land, which sometimes in the past has been unnecessarily restricted and that the compensation scheme in respect of resumption of private land needs to be re-examined.

Sir, the section of road between Mai Po and Fanling is presently under construction. The Lok Ma Chau Road to the border is expected to be completed by 1988 by which time it will be urgently needed to cope with the increased traffic anticipated between China and Hong Kong. Early consideration should therefore be given to constructing a road linking Mai Po to Au Tau so that the ever increasing flow of traffic to and from the border will not be impeded. This proposed improved road network, giving better access to the China border entry points, would help greatly to meet the present urgent need to up-grade and improve existing road communications in the north-west area of the New Territories. These proposals will do much to ease the growing traffic congestion in this area caused by goods vehicles travelling to and from the border.

Regarding the proposed development of Tin Shui Wai, the whole area available here for development totals approximately 488 hectares. However, the present plan only intends to develop about 200 hectares with a view to accommodating 146 000 people. This still leaves approximately 290 hectares of land remaining which has not been earmarked for development. I understand, however, that the infrastructure of Tin Shui Wai was originally designed and intended to accommodate a population of 340 000. I urge that consideration should now be given to developing the whole area of approximately 488 hectares with a view to accommodating about 340 000 people.

Health service

The next area I would venture on is health service. Sir, I acknowledge that work on the Tuen Mun Hospital project has at long last started, but nevertheless I

must take this opportunity to stress the acute need for this hospital in this area. Hospital facilities in the area are virtually non-existent so work on this project should be regularly monitored to ensure there are no unwarranted delays.

Subvented hospitals in the New Territories are also below the normal standards of other hospitals in the territory and are unable to meet the ever increasing medical needs of the rural community. In your address, Sir, you referred to funds which are being allocated to certain New Territories hospitals. I believe these funds to be insufficient to meet the rapidly increasing demands with which these hospitals are now being faced. Most of the urgent medical cases occurring in the New Territories have to be sent to either the Princess Margaret or the Queen Elizabeth Hospitals. This is obviously unsatisfactory and needs to be remedied.

Education

Lastly on education which has a high priority for Hong Kong residents. We need to widen the scope of education so that there are more opportunities for Hong Kong residents to acquire a good education. In this context the urgent need for a third university must receive high priority. The establishment of a third university would also serve to demonstrate the confidence of the present administration in the long term future of Hong Kong.

I should also mention here that the need to widen the scope of civic education in schools at the present time cannot be over-emphasised. Our aim should be to achieve within our community a greater measure of understanding of civic responsibilities and the nature of representative government.

Sir, these are my views which in essence fully support the main themes of your address which clearly demonstrates the Government's resolve and commitment to making Hong Kong a better place in which the residents of Hong Kong can live, work and bring up their children.

Sir, I support the motion.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 4 December 1985.

Adjourned accordingly at nine minutes to Seven o'clock.