

1 HONG KONG LEGISLATIVE COUNCIL -- 27 February 1991

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 27 February 1991

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

SIR DAVID CLIVE WILSON, G.C.M.G.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE SIR PIERS JACOBS, K.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

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

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

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

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

DR THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.

THE HONOURABLE CHAN YING-LUN, O.B.E., J.P.

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, O.B.E., J.P.

THE HONOURABLE CHENG HON-KWAN, O.B.E., J.P.

THE HONOURABLE CHUNG PUI-LAM, J.P.

THE HONOURABLE HO SAI-CHU, O.B.E., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE POON CHI-FAI, J.P.

PROF. THE HONOURABLE POON CHUNG-KWONG, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE MRS ROSANNA TAM WONG YICK-MING, O.B.E., J.P.

THE HONOURABLE TAM YIU-CHUNG

DR THE HONOURABLE DANIEL TSE, C.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE GRAHAM BARNES, C.B.E., J.P.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E.

THE HONOURABLE PAUL CHENG MING-FUN

THE HONOURABLE MICHAEL CHENG TAK-KIN, J.P.

THE HONOURABLE DAVID CHEUNG CHI-KONG, J.P.

THE HONOURABLE RONALD CHOW MEI-TAK

THE HONOURABLE MRS NELLIE FONG WONG KUT-MAN, J.P.

THE HONOURABLE MRS PEGGY LAM, M.B.E., J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

THE HONOURABLE JAMES DAVID McGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE KINGSLEY SIT HO-YIN

THE HONOURABLE MRS SO CHAU YIM-PING, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

THE HONOURABLE MRS ANSON CHAN, J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE PETER TSAO KWANG-YUNG, C.B.E., C.P.M., J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, I.S.O., J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE CHRISTINE CHOW KWAN-TAI, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

ABSENT

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

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

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR LAW KAM-SANG

Affirmation

Miss Christine CHOW Kwan-tai made the Affirmation of Allegiance.

Papers

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

Subject

Subsidiary Legislation

L.N. No.

Import and Export (Strategic Commodities) Regulations

Import and Export (Strategic Commodities)

Regulations (Amendment of Schedule)

Order 1991.....

28/91

The Hong Kong Association of Banks Ordinance

The Hong Kong

Association of Banks

(Amendment of Schedule) Order 1991..... 29/91

Immigration Ordinance

Immigration (Vietnamese Boat People)

(Detention Centres) (Designation)

(Amendment) Order 1991..... 34/91

Immigration Ordinance

Immigration (Vietnamese Boat People)

(Tai A Chau Detention Centre) Rules 1991..... 35/91

Public Order Ordinance

Public Order Curfew (Variation) Order

1991..... 36/91

Public Health and Municipal Services Ordinance

Public Swimming Pools (Regional Council)

(Amendment) Bylaws 1991..... 37/91

Kowloon-Canton Railway Corporation By-Laws Railway (Restricted Area) Notice 1991.....	Kowloon-Canton
38/91	
Landlord and Tenant (Consolidation) Ordinance Tenant (Consolidation) Ordinance (Amendment of Fourth Schedule) Notice 1991.....	Landlord and
39/91	
Dangerous Goods Ordinance Regulations 1991.....	Dangerous Goods (General) (Amendment)
40/91	
Import and Export Ordinance Cassette Recorders) (Amendment) Regulations 1991.....	Export (Television Sets and Video
	41/91
Mining Ordinance 1991.....	Mines (Safety) (Amendment) Regulations
42/91	
Public Health and Municipal Services Ordinance Municipal Services (Public Markets) (Cancellation of Designation) Order 1991.....	Public Health and
43/91	
Public Health and Municipal Services Ordinance Markets in the Regional Council Area (Amendment) Declaration 1991.....	Declaration of
	44/91
Registration of Persons Ordinance (Application for New Identity Cards) (No. 3) Order 1991.....	Registration of Persons
	45/91
Revised Edition of the Laws Ordinance 1965	Revised Edition of

the Laws (Correction of Errors) (No. 2) Order 1991.....	
46/91	
Merchant Shipping (Prevention and Control of Pollution) Ordinance 1990 Merchant Shipping (Prevention of Oil Pollution) Regulations Merchant Shipping (Prevention of Oil Pollution) Regulations (Exemption) Notice 1991.....	
47/91	
Companies Ordinance 1991... 48/91	Companies (Specification of Names) Order
Public Health and Municipal Services Ordinance Museums (Hong Kong Science Museum) Order 1991.....	Designation of 49/91
Public Health and Municipal Services Ordinance Libraries (Urban Council Area) Order 1991.....	Designation of 50/91
Public Health and Municipal Services Ordinance Municipal Services (Civic Centres) (Amendment of Thirteenth Schedule) Order 1991.....	Public Health and 51/91
Immigration Ordinance (Designation) Order 1991.....	Immigration (Vietnamese Refugee Centres) 52/91
Immigration Ordinance (Open Centre) (Amendment) Rules 1991.....	Immigration (Vietnamese Refugee Centres) 53/91
Public Health and Municipal Services Ordinance (Regional Council) (Amendment) Bylaws 1991.....	Food Business 54/91

Public Health and Municipal Services Ordinance Confections (Regional Council) (Amendment) By-laws 1991.....	Frozen 55/91
Public Health and Municipal Services Ordinance Council) (Amendment) Bylaws 1991.....	Milk (Regional 56/91
Public Health and Municipal Services Ordinance (Regional Council) (Amendment) By-laws 1991.....	Offensive Trades 57/91
Public Health and Municipal Services Ordinance Amusement (Regional Council) (Amendment) Bylaws 1991.....	Places of 58/91
Public Health and Municipal Services Ordinance (Urban Council) (Amendment) Bylaws 1991.....	Pleasure Grounds 59/91
Public Health and Municipal Services Ordinance (Urban Council) (Amendment) (No. 2) Bylaws 1991.....	Pleasure Grounds 60/91
Public Health and Municipal Services Ordinance Pools (Urban Council) (Amendment) By-laws 1991.....	Public Swimming 61/91
Public Health and Municipal Services Ordinance Burials (Regional Council) (Amendment) By-laws 1991.....	Undertakers of 62/91
Banking Ordinance Schedule) Notice 1991.....	Banking Ordinance (Amendment of Third 63/91
Places of Public Entertainment Ordinance Entertainment (Licences)	Places of Public

(Specification of Fees) (Regional Council
Area) Notice 1991..... 64/91

Air Pollution Control (Amendment) Ordinance 1991
Air Pollution Control (Amendment) Ordinance
1991 (Commencement) Notice 1991..... 65/91

Companies (Amendment) (No. 5) Ordinance 1990
(Amendment) (No. 5) Ordinance 1990
(Commencement of Sections 2, 3, 4, 5, 6, 7,
8, 9, 10 and 12) Notice 1991..... 66/91

Companies

Sessional Papers 1990-91

No. 48 -- Hong Kong Polytechnic Annual Report 1989-90 with Balance Sheet at 30 June 1990 and Income and Expenditure Account for the year ended on that date

No. 49 -- City Polytechnic of Hong Kong Annual Report 1989-1990 and Financial Report 1989-1990

No. 50 -- Hong Kong Baptist College Annual Report 1989-1990 and Accounts for the year ended 30 June 1990

No. 51 -- Regional Council Annual Report 1989-90

No. 52 -- Regional Council Hong Kong
Accounts for the year ended 31 March 1990 with
Report and Certificate of the Director of Audit

No. 53 -- Trustee's Report on the Administration of the Education Scholarships Fund for the year ended 31 August 1990

No. 54 -- Li Po Chun Charitable Trust Fund
Annual Report for the period 1 September 1989 to 31 August 1990
Addresses by Members

Hong Kong Polytechnic Annual Report 1989-90 with Balance Sheet at 30 June 1990 and

Income and Expenditure Account for the year ended on that date

MR CHEONG: Sir, fellow Members of the Legislative Council, it is with great pleasure that, as chairman of the Hong Kong Polytechnic Council, I formally present to you the 18th Annual Report of the Hong Kong Polytechnic, covering the period 1 July 1989 to 30 June 1990.

Although the Polytechnic has now reached its planned capacity of 135 000 full time equivalent students, this by no means indicates that it has become complacent and resistant to change. Indeed the pace and range of development over the year in question has been almost breathtaking, and I must express my grateful thanks to my fellow Council members and to all staff of the Polytechnic from the Director downwards, for all their efforts in maintaining the momentum of progress designed to ensure that the Polytechnic continues to develop in line with the needs of Hong Kong.

In this brief address, I cannot do more than highlight some of the more major events and developments during the year. For a more comprehensive picture, may I invite Members to refer to the published report which, again, we have tried our best to present in a readable as well as an attractive format.

Much of the attention of the Polytechnic during the year has been focussed on its response to the invitation from the University and Polytechnic Grants Committee (UPGC) to submit academic plans for the period 1991-95, incorporating a bid for a share of the new first year first degree places which you, Sir, announced in your speech to this Council on 11 October 1989. As an outcome to this particular announcement the UPGC has approved an ambitious, but, we believe, realistic set of plans which will have the effect of increasing the proportion of the Polytechnic's degree and post-graduate level work from the present figure of approximately 30% to about 65% by the end of the four-year period in question. The Polytechnic now looks forward to the progressive implementation of these plans.

It is anticipated that the greatest challenge the Polytechnic will face in implementing these plans will be the availability of staff of an appropriate calibre. Figures quoted in the report indicate that, in the context of brain drain and increasing competitiveness for good quality staff, both vacancy and turnover rates have increased from the previous year. We expect this trend to continue. However, considerable attention has been given, during the year, to the development of

strategies for the attraction and retention of high calibre academic staff. This is a matter which needs to be addressed imaginatively and vigorously. And I have no doubt we will have some success.

Another matter I wish to highlight concerns accommodation. Although, Sir, considerable progress was made during the year on phases III B and IV A of the Polytechnic's campus development plan, and these buildings will add valuable teaching, research, office and communal space, the campus will continue to be crowded, the more so as the development plans referred to earlier unfold. One option being explored is the addition of a sub-campus adjacent to the main Hung Hom campus. We look to Government and community support in helping us to resolve this important problem.

The Polytechnic continued during the year vigorously to pursue its policy of building mutually beneficial links with industry, commerce and the community. Particular highlights in this respect are the opening of the Business and Technology Centre, which will be a focus for such links as well as stimulating interdisciplinary developments in the areas of modular training programmes, collaborative research, short courses and other forms of continuing education and professional updating. It will also incorporate an Integrated Graduate Development Scheme leading to the M Sc degree of the United Kingdom University of Warwick; the opening of the Centre for Business and Professional English, and the introduction of the first "Teaching Company" Schemes, which provide high quality graduate support to industry for research and development projects carried out under the joint supervision of the Polytechnic as well as the staff from the companies concerned.

Sixteen new courses were introduced during the year, including the Polytechnic's first taught Masters degree, in Information Systems, five Postgraduate Diploma courses, and new first degree courses in Clothing Studies, Translation and Chinese, as well as Electronic Engineering.

I am also very pleased to be able to report that two further Honorary Doctorate degrees were conferred at a special ceremony in June, on two most worthy recipients, the first being my predecessor as Chairman of the Polytechnic Council, and now also a Senior Member of this Legislative Council, and he is absent today, the Honourable Allen LEE and the second being prominent local industrialist, Mr CHIANG Chen. At the Polytechnic's main Annual Graduation Ceremony, in November 1989, held in the Hong Kong Coliseum, academic awards were conferred on a total of 8 021 graduates including 517 first degree graduates.

Links with educational bodies and institutions in China were further strengthened as a result of a visit by a senior Polytechnic delegation, led by the Director. Some 10 leading academic and research institutions were visited, and fruitful discussions held with senior officials from the State Education Commission and the Hong Kong and Macau Affairs Office.

Before I close, Sir, although it falls slightly outside the boundaries of the year under review, I would like to take this opportunity to record the Polytechnic Council's appreciation of Professor John CLARK's service to the Polytechnic. In his terms of office he did much to consolidate what the Polytechnic had done, and laid the necessary foundation for the future growth.

Secondly, I would also like to take this opportunity to offer congratulations to my colleague, the Honourable Professor POON Chung-kwong on his appointment as Director of the Polytechnic with effect from 1 January 1991. Hopefully, under Professor POON's leadership, and with the continued support of the Government, industry, as well as the community, I am confident that the Polytechnic will continue to serve Hong Kong well in the years to come. Thank you.

City Polytechnic of Hong Kong Annual Report 1989-1990 and Financial Report 1989-1990

MR CHENG HON-KWAN: Sir, on behalf of the Council of the City Polytechnic of Hong Kong it gives me great pleasure to present to this Council the Annual Report of the City Polytechnic for the period July 1989 to June 1990.

The year chronicled in this report has witnessed continuing dynamic growth and sustained achievement. The City Polytechnic's 14 departments offered 47 courses to 9 045 students on full-time, sandwich or part-time courses, which represented an increase of some 30% over the student population in the previous year.

The year under review marked the opening of a new era in the City Polytechnic's development. During the year staff and students experienced the most significant physical change since the Polytechnic's establishment when the occupation of its new permanent campus at Tat Chee Avenue was completed.

The year also saw the most significant personnel change in the Polytechnic's relatively short history with the appointment from 1 August 1989 of a new Director, Professor CHENG Yiu-chung.

Under Professor CHENG's stewardship the year under review has been a balanced and considered mix of change and consolidation. The academic structure of the institution was reviewed with a decision taken to introduce a Faculty structure from October 1990 in recognition of the rapid growth of the Polytechnic and the consequent need for an intervening organizational level between the academic departments and the Academic Board. Also, it was decided that a separate academic division, to be called the College of Higher Vocational Studies, should be created for the provision of sub-degree programmes. This new organizational division will continue to fully integrate sub-degree programmes within the academic and management structure of the Polytechnic, whilst enabling the Polytechnic to focus more closely on the particular resources and academic requirements of such programmes.

The impetus for the development of the College of Higher Vocational Studies arose as a part of the City Polytechnic's formulation of its academic development proposals for the 1991-94 period in response to the Government's planned expansion of tertiary education. As an institution concentrating on education leading to professional practice, the City Polytechnic is well placed to make a major contribution to this planned expansion.

In November 1989, the City Polytechnic published its academic development plan for the period 1991-94. This exercise enabled the Polytechnic to review its particular role, to formulate a mission statement and to set out its objectives for the triennium. The cornerstones of the City Polytechnic's mission are the pursuit of excellence in all its activities and the provision of higher education which anticipates and responds to community needs.

One of the objectives which the City Polytechnic has set for itself is to increase its output of high quality research. This report indicates that the growth of research, measured by the number of academic staff involved and the number of projects being funded, is one of the City Polytechnic's major achievements. It is gratifying to observe that these achievements have been recognized by the UPGC, which approved the establishment of doctoral studies in the Polytechnic from 1990-91.

Sir, I am proud of my close association with the City Polytechnic. This report, together with its revised format, is indicative of a vigorous and dynamic institution

with a clear and distinctive mission, that has sensible and realistic strategies, is vigorous in its pursuit of excellence, and benefits from staff of high quality who now share excellent facilities.

It must be recognized that the year under review has not been without its problems. The recruitment of staff continued to be difficult, particularly at senior levels, and the Polytechnic's competitiveness for both staff, students and research funding from external sources continued to be hampered by its lack of parity with the universities.

Nevertheless, the City Polytechnic recognizes and appreciates the major investment which the Hong Kong Government is making in it. The City Polytechnic is determined that Hong Kong will receive an excellent return on its investment, a return that would be even further augmented if the Polytechnic were to enjoy the parity of funding and status with the universities which it undoubtedly warrants.

I have pleasure, Sir, in submitting the City Polytechnic's Annual Report for consideration.

Hong Kong Baptist College Annual Report 1989-1990 and Accounts for the year ended 30 June 1990

MR LAU WAH-SUM: Sir, the Annual Report of the Hong Kong Baptist College for the year ended 30 June 1990, together with the Auditors' Report for the same period, are tabled before this Council today. As Chairman of the College Council, I am pleased to have the honour of presenting the reports to you and to highlight a number of the significant achievements of this institution in the year under review.

The Annual Report for the year 1989-90 appears in a brand new style which signifies the spirit of a new era, of yet another milestone reached in the development of this institution. It is a milestone year in which all qualified students admitted to the College were enrolled without exception in first degree and higher degree courses. The good work done in the past few years on the development of new courses has culminated in the replacement of all honours diploma courses by undergraduate courses and the introduction of a postgraduate degree programme by research (which started in 1988-89). This is no small achievement considering that the first degree courses of the College accredited by the United Kingdom Council for National Academic Awards

(CNAAs) were mounted in September 1986.

The eight undergraduate courses on offer in this year, which provided altogether 26 academic majors/options, were in Arts and Social Sciences, Music, Business Administration, Combined Sciences, Computing Studies, China Studies, Communication, and Social Work. The full-time student population increased by 10% over the previous year, to a total of 3 011. Additionally, the School of Continuing Education, which operates primarily on a self-financing basis, also catered to some 40 000 part-time students and offered a wide range of courses, including some courses in collaboration with overseas institutions and leading to their Bachelor or Master degrees. During the year, the School established its Institute of Hotel Management with the support of the Federation of Hong Kong Hotel Owners, to provide both in-service and pre-service training for the hotel industry.

On another front, the College continued to dedicate much of its efforts in enhancing the quantity, and more importantly the quality, of staff research work which is considered an essential complement to teaching in the delivery of quality education. Grants for direct allocation to research projects amounted to about 2% of the whole year's recurrent expenditure. An equal amount was also spent on strengthening the infrastructure for research, such as library journals and computing facilities. The number of staff research projects undertaken in the year increased to a total of 272. The library collection also expanded by 16% to reach a total of some 300 000 volumes, which is a respectable collection for the 3 000 students of the College.

The year saw the setting up of three new research centres, in addition to the on-going Business Research Centre. These newcomers are the Centre for Surface Analysis and Research, the Centre for Waste Recycling and Environmental Biotechnology, and the Centre for East West Studies.

Five new buildings, which formed part of the campus redevelopment programme, were completed and occupied, and existing buildings were refurbished, bringing very significant improvements in quantity as well as quality of the provisions for teaching, research, academic support services, administrative services, student services, and student amenities.

Building upon the above achievements, the College has embarked on a vigorous and realistic blueprint for further development, in response to the Government's plans

for the accelerated expansion of tertiary education during the 1991-95 period. Following discussions with the UPGC, it has now been agreed that this institution will expand by an annual growth of 7-8% between the years 1991-95, to reach a total full-time student number of just over 4 000 in the year 1994-95. A further increase to 5 000 students, which has been approved in principle by the Government, is also targetted for the latter years of the 1990s. The Government has also agreed to provide land at the neighbouring Renfrew Road site, hitherto used by the College as a temporary campus, for development into a second campus to accommodate the additional students.

In order to achieve this expansion plan, the College has to be able to attract and retain good calibre staff. In this context, one of the key factors is the university title and status for the College. Reference was made in my presentation to this Council last year about the proposal to formally establish the College as a university as soon as possible, given that all 100% our courses are at first degree and higher degree levels with internationally-recognized standards. Here I restate this request and urge the Government to respond positively to the proposal of the College for university status, and to work closely with the College to resolve this all-important issue promptly, so as to ensure the continued healthy development of this institution to meet the need of the community for quality higher education.

Sir, with these remarks I submit to you and Members of this Council the 1989-90 Hong Kong Baptist College Annual Report. I hope you will find that there is much more contained in this report which clearly demonstrates the commitment of this institution to the building of a better and brighter tomorrow for Hong Kong.

Oral answers to questions

Obligation to assist the police

1. MR CHEUNG YAN-LUNG asked (in Cantonese): Will the Government inform this Council:

(a) whether general guidance can be given to citizens as to when it is obligatory for them to follow a Police Officer's instructions,

(b) what action will be taken against a citizen who refuses to co-operate with a Police

Officer, and

(c) in what way will a citizen be compensated for personal loss or damage suffered as a result of compliance with a Police Officer's instructions?

SECRETARY FOR SECURITY: Sir, under section 63 of the Police Force Ordinance, a member of the public must assist a police officer in the execution of his duty when called upon to do so. Thus, it is incumbent on a member of the public to follow a police officer's instructions when he is carrying out his official duties, provided that he is acting in good faith and that the instructions are reasonable.

A person is liable to prosecution if he refuses, without good reason, to assist a police officer when called upon to do so. In practice, prosecutions for this offence have been very rare.

If the Government is liable for personal loss or damage resulting from compliance with a police officer's instructions, compensation will be paid.

MR CHEUNG YAN-LUNG (in Cantonese): Sir, what is meant by "reasonable instructions"? How can the public know whether the instructions are reasonable or not? While there is protection for police power, is there any safeguard for the public's rights?

SECRETARY FOR SECURITY: Sir, there are so many possible circumstances in which a police officer might ask a member of the public to give him assistance that I do not really think it is possible to give other than very general guidance. A member of the public must use his common sense in deciding whether an instruction is reasonable or not.

MRS FAN: Sir, the Secretary in his answer said that if the Government is liable for personal loss or damage resulting from compliance with a police officer's instructions, compensation will be paid. Can the Secretary clarify whether this requires that the member of the public will have to pursue the matter through a court of law, or whether there is another procedure by which compensation would be made available to that member of the public without going through a court of law?

SECRETARY FOR SECURITY: Sir, I do not think it would be necessary for a member of the public to take the matter to a court. If he had a good claim, and if the Government, on the advice of the Attorney General, felt that that claim imposed a liability on the Government, then I am sure that compensation would be paid.

MR MARTIN LEE: Sir, does the Government realize that if a police officer should give unreasonable instructions to a member of the public to assist him, that member of the public is placed in an impossible position because here in Hong Kong we do not have lawyers readily available in the middle of the street to advise him what to do?

SECRETARY FOR SECURITY: Sir, I think that question is rather hypothetical. In practice, I am sure that the police do not give totally unreasonable instructions to people.

MRS TU: Sir, would the Secretary consider it reasonable in a case -- and it is not a hypothetical one because it came to me yesterday -- where a member of the public is told by the police that he must give information on drugs because he is a drug addict, and if not he will be in trouble?

SECRETARY FOR SECURITY: Sir, I do not think I would wish to comment on the circumstances of that case without knowing much more of the details of it.

MR CHEUNG YAN-LUNG (in Cantonese): Sir, can the Government inform this Council whether officers belonging to the disciplined services other than the police, such as the armed forces, the Fire Services Department, the Immigration Department and the Customs and Excise Department, have the same statutory power in respect of giving instruction to the public?

SECRETARY FOR SECURITY: Sir, I think I would have to check that and give a written reply. (Annex I) I do not believe that there are any similar provisions for the other

disciplined services as there are for the police force, but I am not sure of that.

MR MCGREGOR: Sir, would an aggrieved person acting against the police be entitled to legal aid and on what basis would compensation be worked out?

SECRETARY FOR SECURITY: Sir, I am afraid I do not believe I can comment on the availability of legal aid; it is rather outside my field.

MR MARTIN LEE: Sir, as a general practice, will police officers who have given unreasonable instructions to members of the public to assist them in the execution of their duties be disciplined?

SECRETARY FOR SECURITY: Sir, that clearly would be a possibility. If the police received a complaint then they would investigate it and following that investigation the normal complaints-against-the-police procedure would apply. One of the possible outcomes of that would be disciplinary action.

HIS EXCELLENCY THE PRESIDENT: I have the names of three more Members who wish to ask supplementary questions. I shall draw a line at that point.

MR TAM (in Cantonese): Sir, has the Government issued any guidelines as to the circumstances under which police officers may give instructions to the public and also as to what instructions to give?

SECRETARY FOR SECURITY: Sir, yes, there are very detailed guidelines in Police General Orders as to the circumstances in which the police might require to ask the public for assistance.

MR BARROW: Sir, I am not sure the Secretary has fully answered the first part of Mr CHEUNG's question. Does he not feel that the general guidance needs to be publicized

through posters at appropriate locations or through other means?

SECRETARY FOR SECURITY: Sir, as I said in answer to Mr CHEUNG's first supplementary question, the circumstances in which a police officer might request or direct a member of the public to offer assistance or to follow his instructions are so many and so varied that I do not believe that it is possible to give other than the very general guidance which I have given in the main answer, namely, that the public should consider whether the instructions are reasonable and whether the police officer is acting in good faith in the execution of his official duties.

MR MCGREGOR: Sir, I do not believe the Secretary answered the second part of my first question which was the question on compensation. How does the Government assess the compensation due to a person who has made a complaint against the police which is justified?

SECRETARY FOR SECURITY: Sir, subject to correction by the Attorney General, I believe that the Government would follow the normal rules of legal liability in assessing compensation.

MR ANDREW WONG: Sir, may I ask one more supplementary?

HIS EXCELLENCY THE PRESIDENT: I did draw the line, I am afraid.

MR ANDREW WONG: Sir, I think it is important because I do not think the Secretary has answered Mr CHEUNG's question.

HIS EXCELLENCY THE PRESIDENT: Mr WONG, I have ruled on that point and I am afraid the rule must stand.

Telecommunications policy

2. MRS CHOW asked: Will Government inform this Council what its telecommunications

policy is, whether it will be changed, and whether any consultancy has been conducted to assist Government in its formulation or review of this policy?

SECRETARY FOR ECONOMIC SERVICES: Sir, the question is a very wide one but, in a nutshell, our policy is to foster an environment in which a wide range of telecommunications services can thrive, to the benefit of both residential and business consumers. The present mix of franchised and non-franchised services has evolved over time. In deciding in the past to grant exclusive rights to particular private companies to provide certain services, the Government's objective has been to ensure that basic telecommunications services, such as local and international voice telephony, are available to all who want them, and at reasonable cost. At the same time, the Government has been alert to the benefits of encouraging the competitive provision of services such as public radio paging, mobile radiotelephone and various value-added services so that the consumer can benefit from the latest technological innovations and the wide range of products now on the market.

The success of our policies can be measured by the fact that we now have a telephone penetration rate of about 6 per 10 people in Hong Kong, a rate which is comparable to the major developed countries in the world. 207 countries and territories are now accessible through International Direct Dialing (IDD). With one radio paging subscriber per eight persons, we have the highest per capita subscription rate for radio paging services in the world. We also have the highest proportion of hand held portable radiotelephones in any sizeable cellular radiotelephone market in the world. However, despite these impressive indicators, I believe it is vital that government policies should continue to be forward looking. Rapid technological advances make the telecommunications field exceptionally dynamic. If Hong Kong is to maintain its role as an important telecommunications hub, we must ensure that consumers continue to benefit from the availability of the widest possible range of services and at the lowest possible cost.

Accordingly, the Government has commissioned a team of overseas consultants to update us on the latest international trends in the development and regulation of telecommunications services and to suggest to us how these trends might be relevant to the future development of services in Hong Kong. I am confident that the consultants' advice will make a valuable contribution to the Government's thinking in this area.

MRS CHOW: Sir, is it Government's intention to follow the world trend to deregulate as far as possible our telecommunications services?

SECRETARY FOR ECONOMIC SERVICES: Sir, it remains our general policy to encourage the widest possible competition in non-franchised services. In the case where exclusive rights have been granted to private companies, obviously the room for the Government to manoeuvre in encouraging competition is limited. Nevertheless, having regard to recent technological advances and to our general policy of encouraging competition, we are currently reviewing the franchise of the local telephone service in the light of recent developments.

MR MCGREGOR: Sir, will the Government confirm to this Council that Hong Kong's existing telephone system, both for domestic and international services, is among the least expensive, most advanced and most efficient in the world and, therefore, would Government state whether it is contemplating or has in mind the possible termination of the Hong Kong telecommunications franchises prior to their contractual termination date?

SECRETARY FOR ECONOMIC SERVICES: Sir, I so confirm. In the case of the future of the local telephone service, there is no intention to terminate that franchise prior to its expiry date in 1995.

MISS LEUNG: Sir, will Government inform this Council whether, in the event of a second network being introduced, local charges will have to be artificially increased in order to give the new competitor a chance of survival?

SECRETARY FOR ECONOMIC SERVICES: Sir, in the context of our general policy to encourage competition in non-franchised telecommunications services, the decision that we took in 1989 to have a second telecommunications network and to have network competition is an important element in that policy. As regards the impact of any decision to remove the franchise when it expires in 1995, that specific question is being addressed in the context of the consultancy to which I referred in my principal reply.

MR MARTIN LEE: Sir, does the Government accept that even without the advice of a consultant open competition in a free economy such as ours can only lead to even better services to members of the public?

SECRETARY FOR ECONOMIC SERVICES: Sir, we have commissioned this consultancy study because we believe that we have to have regard to recent trends and experience elsewhere; in particular, we need to assess the impact that any competition in local voice telephone service might have, particularly on consumer interests in the case of domestic residential telephones. And this is an area that we have the consultant specifically to address.

MR EDWARD HO: Sir, I believe that the Secretary has already referred to a second telecommunications network. Would she confirm that the Government still intends to call for the building of a second telecommunications network and when would that take place?

SECRETARY FOR ECONOMIC SERVICES: Sir, as I have indicated in my answer to an earlier supplementary question, the decision on a second network was taken in 1989. As the Secretary for Home Affairs indicated in this Council in December last year, the question of how to take forward that decision on the second telecommunications network, together with a decision on the cable television project, is an area that we are currently reviewing.

MR PETER WONG: Sir, the Secretary in her reply mentioned that minimum cost is a major criteria. Would she tell this Council what the current situation is and whether the Government is satisfied with existing costs?

SECRETARY FOR ECONOMIC SERVICES: Sir, the telephone charges levied by the Hong Kong Telephone Company are, of course, subject to the approval of the Executive Council and Members of this Council. In the case of charges levied for international telecommunications services, these rates are subject to the approval of the Telecommunications Authority and I can assure Members that no charges will be approved

unless the Telecommunications Authority is fully satisfied that the costs are reasonable.

MRS CHOW: Sir, prior to the decision taken on a second network in 1989, I believe the Government was advised by a team of consultants and now, once again, the Government is being advised by another team of consultants -- I do not know whether it is the same team. How can we avoid the same mistakes recurring again?

SECRETARY FOR ECONOMIC SERVICES: Sir, taking the last part of that question first, the implication seems to be that there were certain mistakes involved in the original decision. I refute this. As regards the need for another consultancy study, I should point out that the last consultancy study was conducted about four years ago. Given the rapid technological advances, the emergence of new services, together with different user requirements, we believe that it is opportune to commission a further study in order to give us updated information as a basis for making the best possible decision in the interest of consumers.

MR MCGREGOR: Sir, I referred to two franchises in my earlier question. The Secretary has answered one. Would she please answer the second, that is, whether there is any possibility that the Government will retract or change its contractual liability to a company which has a franchise until the year 2006?

SECRETARY FOR ECONOMIC SERVICES: Sir, the franchise imposes certain obligations and responsibilities on both parties, that is to say on the part of the Government and on the part of the organization. There would have to be very compelling and overriding factors in favour of the consumers that would cause the Government to contemplate breaking its obligations under the franchise. No such factors are currently apparent.

MR TIEN: Sir, in view of the tense competition for manpower between the two existing television companies, the new cable television service will probably make it worse. Will Government inform this Council whether there are any plans to provide professional or manpower training in these areas?

SECRETARY FOR ECONOMIC SERVICES: Sir, if I understand the question correctly, it refers to cable television. Can I defer to the Secretary for Home Affairs, please?

SECRETARY FOR HOME AFFAIRS: Sir, I am not aware of any plans for Government to institute any training facilities. When the Hong Kong Cable Communications Limited was awarded the franchise to run cable television the training would have fallen to that company, but, of course, the whole project has fallen through.

MR CHEONG: Sir, could I ask whether the consultancy will look at the relationship between cable television and the second telecommunications network and clearly spell out its findings?

SECRETARY FOR ECONOMIC SERVICES: Sir, if I understand the question correctly, Mr CHEONG is referring to cable television vis-a-vis a second telecommunications network. The consultancy to which I referred in my principal reply is basically concerned with telecommunication issues. Broadcasting issues will not be addressed unless they impinge on telecommunication issues. But the question of the second telecommunications network will obviously be addressed in the consultancy study.

Begging

3. DR IP asked: Will the Government:

(a) confirm that under the present welfare system, no one needs to live by begging; and

(b) advise whether something can be done to discourage people from begging on the streets?

SECRETARY FOR HEALTH AND WELFARE: Sir, I confirm that under the existing welfare system, no one should need to beg on the streets for a living.

Our social security system forms a safety net for those members of our society who cannot provide for themselves the basic necessities of daily life. The Public Assistance Scheme provides cash assistance to individuals and families to bring their income and resources to a level sufficient to meet the cost of essential items. Other allowances are offered to meet special needs. A separate rent allowance is payable to meet the cost of accommodation. All these payments are revised regularly to ensure that their real purchasing power is not eroded by inflation.

These benefits and the full array of welfare services are provided by Social Security Field Units and Family Service Centres of the Social Welfare Department and are widely publicized. No person, whatever the problem confronting him, should need to feel that the only solution is to beg on the streets.

To turn to the second part of the question, sections 26A and 26B of the Summary Offences Ordinance make it unlawful for a person to beg in any public place or to ask for money in a threatening manner. Outreaching social workers will also approach beggars when spotted or reported by concerned citizens and will introduce them to the welfare services available. On the rare occasions that children are found begging or accompanying persons begging, swift action to ensure and secure their well-being will be taken.

DR IP: Sir, does begging include the following:

(1) for a person to play a musical instrument in a public place and invite contribution of money, and

(2) for a person to lie on the floor of a public place and invite contribution of money?

SECRETARY FOR HEALTH AND WELFARE: I am not an expert on the style of begging. (Laughter) With respect to the first mode, I think music could be a part of entertainment. What one would contribute depends on the value of the entertainment offered. I, myself, although no expert, have done a personal research and my observation is that there are at least three distinct styles of begging. First of all, there is the passive and what I would call "sitting bull" style -- very much like our passive smoker --

where the beggar accepts charity rather passively in a "laissez-faire" fashion. And then, of course, there is the "entrepreneurial" style where the beggar has a skill to offer and actively seeks out clients or does various errands. There is a third style, which could be described as "art and craft" style -- very post-Dickensian -- where the beggar perhaps also uses much of the artful dodgers' style to extract sympathy if not money.

MR BARROW: Sir, while recognizing the sensitive nature of this issue, the presence of beggars in Central is commented on negatively by visitors and compares unfavourably with elsewhere in the region. Can the Secretary advise if she will do anything about the problem?

SECRETARY FOR HEALTH AND WELFARE: As I indicated in the main reply, with our extensive safety net no one should need to beg in Hong Kong and under the Summary Offences Ordinance no law-abiding citizens should beg as there are powers to apprehend and also sanctions against persons begging alms.

Now, in respect of the type of begging in Central, it would indeed be interesting to note that during the last year 15 persons regularly found begging in Central were approached and offered assistance by outreaching social workers of the Social Welfare Department; despite repeated efforts, most of them declined welfare services, while some showed no response to caseworkers' offers of assistance. Out of these 15 persons, 13 are still active beggars and, of course, we will continue to try and persuade them to accept other forms of assistance. However, for want of a better word, these "professional" beggars could be earning a fairly lucrative income or additional income through begging in attractive areas or other prime tourist spots. I, myself, feel that legal sanction may be the only answer.

MRS TU: Sir, since most or some of the beggars are homeless people, would the Secretary tell us whether or not a person of no fixed abode is still entitled to public assistance which in the past was not the case?

SECRETARY FOR HEALTH AND WELFARE: Indeed, we will be not only providing public assistance, but will also be trying to help with abode.

MR PETER WONG: Sir, the Secretary in her main reply and subsequent answers professes that some of our beggars are highly professional. I would like to ask how well paid they are and further whether they are on the books of our Inland Revenue Department?

SECRETARY FOR HEALTH AND WELFARE: I would like to go back to the question of beggars in our society. I think the question of beggars in the street is not a simple one and is certainly not one springing from dire poverty. Even in the most wealthy, affluent and free society people have different material and emotional wants and needs and, indeed, in some societies like Hong Kong we have pockets of people who do not fit into neat and pat moulds. So, there is always a conflict between the need to relieve ordinary law-abiding citizens from the nuisance of beggars and the desire to leave people alone. It is revealing that in some cases known to the Social Welfare Department, despite repeated offers of assistance some beggars contacted show absolutely no inclination to cease their begging activities. I would hate to hazard a guess as to the whys and wherefores and, indeed, I cannot guess as to their earning powers. I do feel, however, that persistent begging activities strongly suggest that begging in Hong Kong could be a means of supplementing income and not relieving poverty for people falling through the safety net. This, perhaps, says something for the uniquely generous and charitable nature of Hong Kong people who tend to give money to beggars.

MR TAM asked (in Cantonese): Sir, most of those who beg in the streets nowadays are either handicapped or elderly people. Does this imply that the social security available to them is inadequate? Will the Government consider increasing the amount of assistance payable to these two categories of people or establishing a better social security system?

SECRETARY FOR HEALTH AND WELFARE: Sir, considerable care and attention is taken to ensure that the various levels of social security payments are sufficient to meet the basic and also special needs of people, including the elderly. For example, the basic rate of public assistance is set at a level sufficient to meet expenses on daily necessities. Additional supplements and special allowances are payable to meet special needs arising from old age, disability and other special personal circumstances including, for example, school fees, child care fees and special diets.

A long-term supplement is granted annually for replacement of household wares and durable goods and all of these rates are looked at periodically at least once a year in order to make sure that they do reflect the cost of living increases in Hong Kong.

DR IP: Sir, has Government prosecuted under sections 26A and 26B of the Summary Offences Ordinance in the last ten years? If not, is there the possibility that the Judiciary would declare it void?

HIS EXCELLENCY THE PRESIDENT: I can only allow the first part of that question. The second part would be a legal question.

SECRETARY FOR HEALTH AND WELFARE: The Secretary for Health and Welfare is, in fact, a service provider, not a law enforcement agency. Sir, whilst I cannot answer for the Secretary for Security, I believe that the presence of beggars cannot be resolved by enforcement action alone. According to the figures available to me, in 1989, six persons were prosecuted; two of them were convicted and given prison sentences and last year four persons were prosecuted and convicted. One of them was sentenced to prison while the other three were fined.

MR MCGREGOR: Sir, would the Secretary indicate with all of these allowances that are open to the beggar, how much this safety net actually is worth in terms of, say, a monthly allowance, because it seems to me, Sir, that it is quite possible that the amount might not be conducive to the beggar giving up his begging?

SECRETARY FOR HEALTH AND WELFARE: I think I said earlier that the question of beggars in the street is not simply one of dire poverty. There could be a lot of other factors. I think it is worth noting that of all the cases that we have, only 1.4% of these public assistance recipients rely solely on the basic rate which is at the present moment \$685 per month. A lot of the rest, some 98.6% of public assistance recipients, receive a lot of supplements in one form or another. I can only give examples: on the basis of last year's rates, single elderly people, who constitute some two-thirds of the total number of recipients, receive not only a basic rate but also, through other allowances, receive total assistance of up to \$2,100 per month. And,

additionally, we help with rental allowance and various other allowances which individuals may be eligible for.

Written answer to question

Juvenile illegal immigrants detained in Hong Kong

4. MRS LAU asked: Can the Administration inform this Council:

(a) the number of alleged illegal immigrants aged 14 or under presently being detained in the Victoria Detention Centre pending the making of removal orders or their appeals against removal orders;

(b) the average detention period of such juvenile detainees; and

(c) whether they may be released on recognizance pending the decision to remove them or pending hearing of their appeals and if so, the considerations for so doing?

SECRETARY FOR SECURITY: Sir, on 24 February this year, 51 illegal immigrant children aged 14 or under were detained at the Victoria Immigration Centre pending the making of removal orders or their appeals against removal orders. All were in the care of adult detainees, in most cases their mothers. The average detention period is about 13 days.

Illegal immigrant children may be released on recognizance, and this is usually done where the father or a close relative is willing to look after the child, and where the mother has given her consent. Only where these conditions cannot be met, where there are strong reasons to believe the child will be assisted to abscond, or where an illegal immigrant child is likely to be removed from Hong Kong within a few days will a child be detained. Forty-six illegal immigrant children are at present released on recognizance.

Motions

BIRTHS AND DEATHS REGISTRATION ORDINANCE

THE SECRETARY FOR SECURITY moved the following motion:

"That the Births and Deaths Registration Ordinance be amended --

(a) in section 9(2) by repealing "\$12" and substituting "\$20";

(b) in section 9(3) by repealing "\$70" and substituting "\$120";

(c) in section 13(2) by repealing "\$12" and substituting "\$20";

(d) in section 13(3) by repealing "\$45" and substituting "\$75";

(e) in section 22(1) by repealing "\$12" and substituting "\$20";

(f) in the proviso to section 22(1) by repealing "\$25" and substituting "\$40";

(g) in section 22(2) by repealing "\$12" and substituting "\$20";

(h) in section 22(3) by repealing "\$70" and substituting "\$120";

(i) in section 23 by repealing "\$5" and substituting "\$10"; and

(j) in section 27(c) by repealing "\$45" and substituting "\$75"."

He said: Sir, I move the first motion standing in my name on the Order Paper. This proposes increases in the fees specified in the Births and Deaths Registration Ordinance for the registration of births and deaths and related matters.

A recent review of fees and charges collected by the Immigration Department shows that there is an overall under-recovery of about 25% of the cost of services provided. In three areas in particular, the Department is well short of recovering costs: these are the registration of persons, registration of births, deaths and marriages, and issue of travel documents. In respect of the registration of births, deaths and marriages, only 20% of costs are being recovered.

It is government policy to provide services to the public on a cost-recovery basis

unless there are very good social reasons for doing otherwise. We are, therefore, taking action to revise the fees which I have mentioned in all cases where costs are not being recovered. The proposed increases range from 20% to 100%, and will increase the overall percentage of costs recovered to 85%. We aim progressively to increase the fees over the next few years to recover costs in full.

The fees to be revised under this motion include those for the registration of births and deaths, and related matters such as the issue of certified copies of entries in registers, search of records, correction of errors and alteration of entries in registers. All the fees, except that for a shortened form of birth certificate, were last revised in 1986. It is proposed that they be increased by between 60% and 70% except in the case of the fee for the shortened form of birth certificate, last revised in 1984, which it is proposed to increase from \$5 to \$10. If approved, the new fees will be introduced on 1 March 1991 when they are gazetted.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

FOREIGN MARRIAGE ORDINANCE

THE SECRETARY FOR SECURITY moved the following motion:

"That the Foreign Marriage Ordinance be amended --

(a) in section 5 by repealing "\$5" and substituting "\$10"; and

(b) in section 6 by repealing "\$70" and substituting "\$120"."

He said: Sir, I move the second motion standing in my name on the Order Paper. It seeks to increase the fees specified in the Foreign Marriage Ordinance.

The Foreign Marriage Ordinance provides a means whereby Commonwealth citizens can give notice of marriage in Hong Kong, though the marriage takes place at a British embassy abroad. Fees are payable for the issue of a certificate by the Registrar of Marriages, and the grant of a Governor's licence of foreign marriage. The fees were last revised in 1984 and 1986 respectively. It is proposed to increase the fees

from \$5 to \$10 and from \$70 to \$120.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

LEGITIMACY ORDINANCE

THE SECRETARY FOR SECURITY moved the following motion:

"That the Schedule to the Legitimacy Ordinance be amended --

(a) in paragraph 5 by repealing "\$35" and substituting "\$65"; and

(b) in paragraph 6(1) by repealing "\$12" and substituting "\$20"."

He said: Sir, I move the third motion in my name on the Order Paper. It seeks to increase the fees specified in the Schedule to the Legitimacy Ordinance.

The Legitimacy Ordinance provides for re-registration of births of legitimated persons. Fees collected relate to re-registration of births and issue of certified copies of entries of the birth of legitimated persons. The fees were last revised in 1986. It is proposed to revise the fees from \$35 to \$65 for re-registration of births and from \$12 to \$20 for a certified copy of an entry of the birth. This will bring the fees into line with the fees for similar services under the Births and Deaths Registration Ordinance.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

First Reading of Bills

INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1991

RATING (AMENDMENT) (NO. 2) BILL 1991

HEUNG YEE KUK (AMENDMENT) BILL 1991

JUBILEE SPORTS CENTRE (AMENDMENT) BILL 1991

IMPORT AND EXPORT (AMENDMENT) BILL 1991

Bills read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bills

INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1991

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Inland Revenue Ordinance."

He said: Sir, I move that the Inland Revenue (Amendment) (No. 2) Bill 1991 be read the Second time. This Bill seeks to provide further tax relief for authorized unit trusts and similar tax relief for authorized mutual fund corporations.

As the law now stands, profits on the disposal of securities and interest received by trustees of authorized unit trusts are excluded from the charge to profits tax. Representations have been received calling for the extension of the relief to authorized mutual fund corporations, and also the widening of the definition of "securities". After consultation with the industry, the Administration accepted both proposals, and I indicated in my 1990-91 Budget Speech that I would introduce suitable legislation into this Council to effect these changes.

Mutual fund corporations and unit trusts, although differing in form, are identical in substance. They operate and are managed in substantially the same manner, and both are subject to the same scrutiny by the Securities and Futures Commission. With the increasing use of mutual fund corporations as investment vehicles, the Administration considers that they should be accorded the same treatment as unit trusts.

As to "securities", it is proposed to extend the definition to include bills of

exchange, foreign exchange contracts and futures contracts. Profits arising from redemption or disposal of these instruments will not be taxable.

The Securities and Futures Commission and the Joint Liaison Committee on Taxation have been consulted and have endorsed the proposed amendments. The full-year cost to the revenue of granting the proposed exemption has been estimated to be \$25 million.

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

Question on the adjournment proposed, put and agreed to.

RATING (AMENDMENT) (NO. 2) BILL 1991

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Rating Ordinance."

He said: Sir, I move that the Rating (Amendment) (No. 2) Bill 1991 be read the Second time.

This Bill seeks to ensure that the Commissioner of Rating and Valuation can continue with two existing practices: first, to include in rating assessments the value of plant such as cables and ducts, railway and tram lines and oil tanks; and secondly, to value a system such as the generation and distribution network of a utility company as a single rateable unit.

Following a recent appeal by a utility company against its rating assessment, doubts were raised concerning the Commissioner's existing valuation practice with regard to the rateability of plant such as cables and ducts. Accordingly, a new section 8A is proposed to remove these doubts. Section 8A(1) and (2) seek to provide that when any land, building or structure is occupied by plant such as cables, ducts, pipelines or railway lines, both the land, building or structure and the plant shall be valued together for rating purposes.

The second proposal concerns the current valuation practice relating to the generation and distribution networks of utility companies. At present, the Commissioner values these networks, which comprise many separate components, as single rateable units. The legal authority for doing so is not absolutely clear.

Clause 3 of the Bill seeks to amend section 10 of the Ordinance to clarify the authority of the Commissioner to value separate rateable units as one provided they are used in connection with each other and affect the value of each other.

Sir, the amendments proposed in the Bill are technical in nature. However, they are necessary not only to clarify the intention of the Rating Ordinance, but also to protect rates revenue which might be at risk if the existing law is not amended. The effect on the general public should be negligible.

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

Question on the adjournment proposed, put and agreed to.

HEUNG YEE KUK (AMENDMENT) BILL 1991

THE SECRETARY FOR HOME AFFAIRS moved the Second Reading of: "A Bill to amend the Heung Yee Kuk Ordinance."

He said: Sir, I move that the Heung Yee Kuk (Amendment) Bill 1991 be read the Second time.

The purpose of the Bill is to change the term of office of the Heung Yee Kuk in order to fit into the new electoral cycle of the Legislative Council for the 1991-95 Session.

Section 5(2) of the Heung Yee Kuk Ordinance defines the term of office of Heung Yee Kuk Councillors as three years commencing from the first day of June. Given the constitutional changes in the Legislative Council in 1991 and the designation of the membership of the Full Council of the Kuk as the electorate of the Rural functional constituency, the Heung Yee Kuk (Amendment) Bill 1991 would amend the tenure of the Kuk Councillors from three years to four years.

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

Question on the adjournment proposed, put and agreed to.

JUBILEE SPORTS CENTRE (AMENDMENT) BILL 1991

THE SECRETARY FOR HOME AFFAIRS moved the Second Reading of: "A Bill to amend the Jubilee Sports Centre Ordinance."

He said: Sir, I move that the Jubilee Sports Centre (Amendment) Bill 1991 be read a Second time.

The Jubilee Sports Centre (Amendment) Bill 1991 seeks to re-name the Jubilee Sports Centre to the Hong Kong Sports Institute in order to reflect more accurately the role of the institute in the development of sports in Hong Kong. It is intended the change in name should take effect from 1 April 1991.

The Jubilee Sports Centre was established in 1977 under the Jubilee Sports Centre Ordinance (Chapter 309), which provides for the establishment of a Jubilee Sports Centre Board to manage and control the centre.

On 25 April 1989, the Executive Council advised that the Hong Kong Sports Development Board should be established to implement a restructured sports and recreation policy and devote more attention and resources to competitive sport and the development of first-class international sportsmen in Hong Kong. It was envisaged that, in support of such objectives, the Jubilee Sports Centre should be developed into a Hong Kong Sports Institute.

Over the years, and in recognition of the need for a more comprehensive package in sports training and support services, the Jubilee Sports Centre has been gradually assuming an important role in the co-ordination of athletic training programmes and the provision of a range of services in sports science, sports medicine, coach education, training of technical officials and administrators, and applied research related to performance enhancement. These training programmes and services are an integral part of a sound infrastructure geared to upgrading Hong Kong's performance in competitive sports. With these developments, the name "Sports Centre" is no longer appropriate. On the other hand, "Sports Institute" would more appropriately reflect the Jubilee Sports Centre's role in providing a range of comprehensive sport services aimed to assist high performance athletes, coaches and technical officials in their pursuit for excellence.

The amendment Bill provides mainly for the change of the name "Jubilee Sports

Centre" to "Hong Kong Sports Institute"; re-defining more clearly the objectives and up-dating the functions and powers of the Board; providing for the appointment of a Vice-Chairman; and changing its financial year to 1 April to 31 March to coincide with government practice.

The proposed amendments would not affect the day-to-day administration of the Institute which would continue to be run as an independent statutory body. There will not be any financial commitment for Government.

If the necessary legislation could be enacted, it is our earlier intention to make the changes on 1 April 1991. Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

IMPORT AND EXPORT (AMENDMENT) BILL 1991

THE SECRETARY FOR SECURITY moved the Second Reading of: "A Bill to amend the Import and Export Ordinance."

He said: Sir, I move that the Import and Export (Amendment) Bill 1991 be read a Second time.

Background

The purpose of this Bill is to provide further controls on the smuggling of goods. As Members are aware, the smuggling of goods into China, particularly by speedboat, has become a serious problem. The measures proposed in this Bill are designed to make easier the prosecution of those involved in such smuggling -- both at sea and on land.

As I said in this Council three weeks ago, the measures which we have so far taken to curb smuggling by high-powered speedboat have had only limited success. We have succeeded in stopping the smuggling of cigarettes, but the smuggling of cars and electrical goods remains a major problem. Restrictions imposed on the operation and licensing of speedboats have largely eliminated the basing in Hong Kong of high-powered speedboats used for smuggling, but many such boats are still being constructed,

maintained and repaired in Hong Kong.

The law enforcement agencies face three particular difficulties in taking prosecution action against those involved in smuggling under the law as it stands:

(a) While it is an offence to export certain commonly smuggled electrical goods such as television and video recorders in vessels under 250 tons, it is in many cases not possible to prove the intention to export. The claim is often made that the goods are destined for an outlying island such as Tap Mun, although the volume of goods for which the declared destination is the outlying islands is much greater than demand could possibly justify.

(b) We believe that one effective means of disrupting and preventing smuggling is intelligence-based operations to arrest on land those who are assisting smuggling activities. But it is at present often not possible to charge such persons with any offence.

(c) Under existing legislation, the law enforcement agencies are not able to take action to prevent the construction, maintenance and repair of the type of high-powered speedboat commonly used for smuggling, even though such vessels are not licenseable in Hong Kong.

The Bill

It is these shortcomings in the law which the present Bill seeks to remedy.

(A) Carriage of goods by vessel

I mentioned earlier in my speech that smugglers would often produce manifests indicating that the goods were destined for one of the outlying islands. To plug this loophole we propose new controls on the carriage of certain specified goods in Hong Kong waters. Clause 10 of the Bill will enable the Governor in Council to make regulations concerning the carriage of goods by vessel. The regulations which have been approved in principle by the Governor in Council will make it an offence to carry on vessels within the waters of Hong Kong without lawful excuse television sets, video cassette records and players, air conditioners, refrigerators, vehicles and vehicle parts. The Director General of Trade will be empowered to amend this list of restricted goods.

Lawful excuse will be defined so that legitimate trade, and the carriage of personal belongings, will be virtually unaffected. The carriage of the specified goods on small vessels under 250 tons, on launches or ferries (except as personal belongings) will not be permitted unless with a carriage permit issued by the Commissioner of Customs and Excise who will not issue such a licence unless he is satisfied that the courier is involved in legitimate trade. The maximum penalty of a fine of \$500,000 and imprisonment for two years is proposed for a contravention of these controls.

These regulations, and any subsequent amendments to them, will be tabled in the Legislative Council in the normal way following the enactment of this Bill.

(B) Assisting in smuggling activities

I have also referred earlier to the problem of taking action against those who assist smuggling activities on land. To overcome this problem we propose in clauses 7 and 11 of the Bill to create new offences of knowingly assisting in the export or carriage of unmanifested cargo and of restricted articles or prohibited articles. There will be a presumption of knowledge when there are suspicious circumstances surrounding the acquisition, handling or dealing with such articles or cargo. A defence would be available to a person against whom such a charge is made if he could give a reasonable explanation for the circumstances. A maximum penalty of a fine of \$500,000 or imprisonment for two years is also proposed for these new offences.

(C) Construction, maintenance and repair of speedboats

As regards the construction, maintenance and repair of speedboats used for smuggling, there is an existing offence of altering the fittings, fabric or structure of any vessel for the purpose of smuggling any article into or out of Hong Kong. We propose, in clause 4 of the Bill, to extend this offence to cover the use of a vessel with such alterations, and to increase the penalty to imprisonment for two years and a fine of \$500,000.

Clause 5 of the Bill will make it an offence with the same maximum penalty to construct, maintain, repair or be on board a vessel of less than 250 tons built or used for smuggling purposes. Under this new section a vessel constructed or used for smuggling activities is defined as one which is reasonably suspected to be so

used, or intended to be so used, and has some features characteristic of the high-powered speedboats used for smuggling. These features include the presence of secret hiding places, the facility to mount more than two outboard engines with a combined power in excess of 448 kilowatts (600 hp), fuel tanks suitable for use with outboard engines and with a capacity in excess of 817 litres and metal plating suitable for ramming or acting as armoured protection. Boats with these features are quite different from the sort of speedboats used by the legitimate boating community. The purpose of this new provision is to prevent the boatyards in Hong Kong from building and maintaining speedboats designed for smuggling.

Finally, clause 8 of the Bill provides that vessels seized as a result of involvement in smuggling activities under the new offences are liable to forfeiture.

Conclusion

I believe the measures I have outlined today will greatly assist the law enforcement agencies in their fight against smuggling.

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

Question on the adjournment proposed, put and agreed to.

DANGEROUS DRUGS (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 30 January 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

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

SOCIETIES (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 30 January 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

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

Committee stage of Bills

Council went into Committee.

DANGEROUS DRUGS (AMENDMENT) BILL 1991

Clauses 1 and 2 were agreed to.

SOCIETIES (AMENDMENT) BILL 1991

Clauses 1 to 11 were agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

DANGEROUS DRUGS (AMENDMENT) BILL 1991 and

SOCIETIES (AMENDMENT) BILL 1991

had passed through Committee without amendment and moved the Third Reading of the Bills.

Question on the Third Reading of the Bills proposed, put and agreed to.

Bills read the Third time and passed.

Member's Motion

BEDSPACE APARTMENTS

MISS TAM moved the following motion:

"That, recognizing the appalling living conditions of tenants of bedspace apartments as a pressing social problem, this Council urges the Government to take steps to remedy the situation as expeditiously as possible."

MISS TAM (in Cantonese): Sir, I move the motion standing in my name on the Order Paper. The success of Hong Kong is reckoned by many people as the combined result of the performance of local investors, the hard work of some brilliant civil servants or public officers and Hong Kong's favourable geographical position as the "gateway to Mainland China." This is, however, part of the story. Hong Kong also owes its achievements to a labour force of hundreds and thousands of workers. Many of them arrived in Hong Kong from Mainland China empty-handed with nothing to offer but their vigorous drive. It is from this industrious labour force that Hong Kong finds its impetus for continuous advancement. In the course of their struggle, some of these workers have become millionaires while many more are now well over their "retirement age" and still remain single. Worse still, some are so hard pressed by life that they need to leave their bedspace apartments early in the morning to look for some means of supporting themselves even after they have lost their ability for work. No one seems to recognize that they too have a part to play in Hong Kong's story of success.

These elderly workers who remain single are usually found sharing a flat in a Chinese tenement house in groups of 40 to 50 persons. Each of the occupants takes up a small space of a bunk bed measuring 2 ft 8 in wide, 6 ft long and 4 ft high. Many of these bedspaces are fenced up with metal mesh sheets to safeguard the only property of the occupants. As the bunk beds therein are separated from one another by a mere distance of 2 ft, it would be extremely difficult for the cage lodgers to escape in case of a fire because the whole premises are generally stacked with beds, clothing and household appliances. There is not even enough space for standing. Sir, in your policy address last year, you did mention about the need to provide Hong Kong with a comprehensive safety net which would be able to ensure that no one in our community need fall below basic living standards. It is most unfortunate that this safety net as promised obviously fails to cover the basic needs of almost 4 000 "cage lodgers". The fire tragedy in Sham Shui Po on 23 December last year reminded

us once again of the uncomfortable and hazardous conditions in the bedspace apartments. This is a problem which calls for specific and prompt remedial actions from the Government.

On 9 January this year, in his response to a Legislative Council question on "cage" accommodation put forth by the Honourable CHAN Ying-lun and the supplementary questions raised by other Members, the Secretary for Home Affairs, Mr Peter TSAO, told this Council that the Government would propose to introduce legislation purposely aimed at improving fire-prevention facilities and structural safety of the bedspace apartments within this Legislative Council Session and that actions might be taken to regulate such apartments through licensing as in the case of hotels. He also expressed his hope to reduce the occupancy level in these hostels by 50%. In answering a question raised by the Honourable Mrs Rosanna TAM, he said, "At least, we are now beginning to tackle the problem. While I hope that within a year or two we shall see the last of the present bedspace apartments, I am making no promises." In his reply to a supplementary question put up by the Honourable CHUNG Pui-lam, the Secretary for Home Affairs disclosed, "The Bill for regulating bedspace apartments has gone into the second draft and it is my intention to introduce it into this Council during the current Session." The reply the Secretary gave at that time paved the way for today's debate.

Sir, the decision taken by the ad hoc group to move today's motion is primarily based on a common wish to solve this problem as expeditiously as possible. The ad hoc group believes that the following points are worthy of deliberation. Firstly, some of my honourable colleagues are aware that if legislative control over bedspace apartments is to be introduced as mentioned above, there will be a need to find sufficient accommodation to rehouse half of the 3 900-odd cage lodgers being affected before we can hope to reduce the occupancy level of the bedspace apartments by half. Otherwise, the enactment of the new legislation may only result in the unlawful operation of many existing bedspace apartments as they will continue to exist against the law. Secondly, the targeted 50% reduction of occupancy level in bedspace apartments following the enactment of the relevant legislation is likely to trigger off a 100% rise in the rent of bedspaces. Will those cage lodgers who need to stay in their bedspace apartments be able to afford the revised rent? Thirdly, the majority of the "cage lodgers" are tied to the urban districts by their jobs. Will it be possible to rehouse all of them in situ if they are to be evacuated from their timeworn apartments? Fourthly, some cage lodgers are entitled to public housing but they refuse to take up the offer of public housing flats in the New Territories. Will

they be eventually driven to join the force of other street sleepers in the urban area? Fifthly, some "cage lodgers" are qualified for compassionate assistance of the Social Welfare Department. Will there be any special arrangement to resettle this particular group? Sixthly, how can voluntary agencies be encouraged to play a greater role in redressing this situation? Seventhly, in what way can the Land Development Corporation help in solving this problem? After further discussion, the ad hoc group resolved that the Government should be urged to take swift action to remedy the situation.

The appalling conditions in bedspace apartments pose a social problem which calls for immediate solution. No one will want to see losses of lives and property in another fire tragedy. Yet the scene of more than 40 cage lodgers taking turns to cook in a small kitchen where there are some 10 kerosene stoves on the cooking range can hardly convince people that such apartments are free of fire risks. The conditions in an apartment of this kind where only one small bathroom is provided for the common use of over 40 tenants may get even worse during summer months. Sleeping with one's own baggage on a bunk bed with nothing more than a blanket to keep warm is certainly no pleasant experience to an old and sick man. Yet, it is exactly what we saw during yesterday's visit to one of these apartments. A bedspace apartment of the above mentioned kind in Ivy Street in Mong Kok became a government property and came under the management of the Financial Secretary Incorporated in June 1985 after its owner had been found missing for quite some time. Since then, the tenants there have been paying their rents directly to the Treasury every month. We may not be able to interfere with the management of a private-run bedspace apartment. However, the fact that a bedspace apartment under the direct management of the Government is found in a state just as shabby, filthy and crowded as other private-run bedspace apartments in the same vicinity can hardly convince us that the Government has done enough to solve this social problem by taking necessary steps or remedial actions.

Following the publication of the motion for today's debate, the Society for Community Organizations and the Federation of Catholic Students submitted their written representations on the "cage accommodation" control scheme to the Honourable Allen LEE, the Honourable Henrietta IP and the Honourable Martin LEE. They noted that the "cage accommodation" remained as much a problem as they had been more than 30 years before, notwithstanding economic development in Hong Kong. They were also concerned about the practicability of the plan to reduce the occupancy level of the "cage accommodation" by half without first making available alternate housing for

the affected. Their representations also touched upon almost all of the seven points discussed by the ad hoc group. As the Secretary for Home Affairs has mentioned that a Bill will be introduced to this Council within this Legislative Council Session, we would like to share our information and views on this issue with the government departments concerned before the relevant Bill and policy papers are submitted to the Executive Council.

Among my honourable colleagues in this Council, some have had rich working experience in the Social Welfare Panel and Housing Panel. I will not attempt to take their place to advise the Government because I am sure they will have valuable views to offer. As for myself, I shall speak on how the Land Development Corporation can help in providing bedspace apartments, a point Mr Peter TSAO raised in his reply on 9 January.

The Land Development Corporation is a statutory body which can effectively acquire old buildings in urban area for redevelopment. As the majority "cage lodgers" can only find jobs in the urban area, it is important that future accommodation for them should be located within the urban area. The elderly singletons will find it hard to earn their living if they are required to live away from town. This is where the Land Development Corporation can help. The Corporation is well placed to render assistance in identifying suitable premises for conversion into hostels for these lodgers.

Certain commercial units at podium level should be most suitable for conversion into hostels which, after alteration, can be put under the management of some voluntary agencies. This concept has the advantage of separating the hostels from the residential units. Besides, there are separate entrances to these apartments, thus making it possible to avoid people of two different life-styles from sharing a common access.

Though it is relatively easy to find suitable commercial units at podium level for this purpose, the conversion of a commercial unit into a residential one poses a problem because the setting up of hostels in a building is normally prohibited by the Crown Lease and the Deeds of Mutual Covenant. The Land Development Corporation has already advised the City and New Territories Administration of its willingness to set aside \$20 million for providing hostels to accommodate the "cage lodgers" and is now actively looking for premises which can put to the use of implementing this scheme without violating the terms and conditions in their Crown Leases or Deeds of

Mutual Covenant.

I would therefore like to make a few suggestions on this scheme. If suitable private premises where conversion is not prohibited by Crown Leases or Deeds of Mutual Covenant cannot be identified, we may turn to the several pieces of Crown land in Tai Kok Tsui district which are still available for use at locations suitable for the purpose of solving this problem. Unlike private premises, their use is not subject to the restrictions commonly found in the Deeds of Mutual Covenant. I hope the Government will consider the feasibility of putting these land lots to such use. In taking such a step, we will surely encounter other difficulties which will need to be addressed in the future. Without government support, it will be difficult to provide sufficient legally approved hostels in the urban area.

Sir, in addition to this motion, there is going to be an amendment motion today. But first of all, I would like to make it clear that today's motion is not the product of my personal decision. It has been discussed by the ad hoc group whose members are of the view that a motion which allows Members to express themselves freely on the subject will serve more to achieve our aim. The wording of the motion is therefore the decision of the ad hoc group. Two days ago, I received the Honourable LEUNG Wai-tung's amendment motion and also papers which made reference to the meeting of the OMELCO Housing Panel on 7 February with the Secretary for Home Affairs and representatives of government departments concerned. In preparing for today's debate, the said meeting discussed the possible ways to tackle and remedy the problem and examined the findings of the government survey on bedspace apartments. Yesterday I received the minutes of that meeting. On reading it, I discovered that the meeting seemed to have left out the time factor in addressing this problem; nor did it mention the introduction of a Bill on legislative controls during this Legislative Council Session and the target of solving the problem in two years' time. After consideration, I decided to retain this motion which urges the Government to take steps to remedy the appalling situation of bedspace apartments as expeditiously as possible. I also hope that today's debate will provide sufficient information to the Executive Council to facilitate consideration of the Bill when it reaches the Council.

Sir, I visited two bedspace apartments in Mong Kok together with the Honourable Peter WONG and the Honourable CHUNG Pui-lam yesterday. One of these is operated under the management of the Financial Secretary Incorporated. Its occupants consist of elderly who are in need of medical care and poor lodgers who need to live from hand to mouth or are in arrears with their payment of rents. The tenants of the other

bedspace apartments are facing the problem arising from the demolition and redevelopment of the building in the near future. Being bedspace lodgers, they would only be granted a meagre sum of money in compensation. With regard to policies, the Hong Kong Government has been doing a remarkable job in managing and providing public housing. It is hoped that your next policy address will be able to assure the cage lodgers of their being covered by your "safety net".

With these remarks, I beg to move.

HIS EXCELLENCY THE PRESIDENT: I have received notice from Miss LEUNG Wai-tung of her wish to move amendments to the motion. Those amendments have been printed in the Order Paper and circulated to Members. I will call on her to move the amendments when it comes to her turn to speak.

I now propose the question to you and that is: That, recognizing the appalling living conditions of the tenants of bedspace apartments as a pressing social problem, this Council urges the Government to take steps to remedy the situation as expeditiously as possible.

MR CHAN (in Cantonese): Sir, according to a survey on bedspace apartments conducted by the City and New Territories Administration, the number of lodgers at the time of the survey was 3 929. Even though the figure might be 5 000, so long as there is a limit, I am confident that the problem can be eventually solved. I therefore appreciate very much the determination of the Secretary for Home Affairs to consolidate the efforts of different sectors in a massive operation to solve the problem of bedspace apartments once and for all.

I hope that the Government can deal with the matter more thoroughly because the housing problem of some other people will still come up after the problem of this batch of bedspace lodgers has been solved. Those people would include the 1 000 or so street-sleepers and those who might be evicted from their dwellings because of unexpected changes in the environment. Hong Kong is a capitalist society and rents are always high. Hence the housing problem will always exist.

According to the annual survey on street-sleepers conducted by the Health and Welfare Branch, there were 1 009 street-sleepers last year. The survey covered detailed information including the distribution of street-sleepers by district,

where they slept, their age, whether they had any close relatives, their marital status, and so on. In the item concerning their health, out of the total of 1 009 street-sleepers, only 322 were physically sound. Among the rest, 10 were blind, 20 disabled; 7 mentally handicapped; 177 suspected to have mental problems; 10 suffering from Parkinson's disease; and 113 were of poor health. Apart from these, some of the street-sleepers had individual problems. Their average monthly income ranged from \$655 to \$1,807. Although the problems of these people are rather complicated, on the matter of housing at least, something must be done for them first.

There is another group of people who are not taken care of. They are not allocated public housing units because they are single and under 60 years of age. When they approach the Social Welfare Department for assistance, they will be rejected since they are not disabled and their savings have exceeded the limit of over \$17,000. However, earning a monthly income of only \$1,000 to \$2,000, they have no one to turn to once evicted by their landlords or their families. Several people living in Shau Kei Wan turned to me for help under such circumstances. The Housing Department could only offer them temporary housing in the New Territories. The bedspace apartments were all full. The homes for street-sleepers only provided sleeping space but not lodging, and the Social Welfare Department would not handle their cases on compassionate ground. They were almost facing an impasse. One of them asked to stay temporarily in my district board member's office. Handling these cases is something beyond my capability and this is what frustrates me most.

What these two groups of people need most is low-cost housing in urban areas, where they can conveniently find jobs and earn their own living. Some of them are unwilling to leave the community in which they have been living for many years, for fear that they cannot adapt to the life in a new town where they have no social link at all. The problem is that there are no public housing units available in urban areas; even if there are, chance of being allocated with such units is slim.

Having heard about the predicament of street-sleepers and people evicted from their dwellings, do my honourable colleagues still think that the problem of bedspace apartments presents a full picture of the housing problem in Hong Kong? The answer is indeed to the contrary.

My request is simple. I urge that the extensive action to be taken as a solution to the problem of bedspace apartments should also be directed towards street-sleepers. Moreover, the allocation of resources for this purpose should continue to be increased

each year, so that people evicted from their dwellings or those who have the need to live in urban areas can be taken care of. In the meantime, a department should be charged with special responsibility to co-ordinate the accommodation supply of the Housing Department, voluntary agencies, and private bedspace hostels in order to spare anxious applicants the trouble of going from one place to another.

Sir, I support the amended motion moved by the Honourable LEUNG Wai-tung because it accords more with the facts and provides a clear direction.

MR CHUNG (in Cantonese): Sir, the existence of bedspace apartments which are commonly known as caged houses in private premises has already given rise to serious social problems. The lodgers in these apartments live in crowded and appalling conditions which are hazardous to their safety. Although they are anxious to improve their living conditions or to move to a new home, they cannot afford the expenses involved due to their limited financial resources. To a great extent, I share the public concern on this issue and hope that the Administration would take remedial measures and render assistance to these lodgers expeditiously.

In my view, to improve the living environment of bedspace apartments and the lodgers there, we must as a matter of principle seek to resolve the problem as a whole. Suitable accommodation should be made available for resettling all affected lodgers. The Administration should of course take interim remedial measures in individual urgent cases. Nonetheless, in order to resolve the problem as a whole, we must not just rely on stopgap measures. The Administration should devise a comprehensive plan to provide proper ways to cater for various needs. In this regard, I would like to put forward two fundamental proposals:

Firstly, steps should be taken as soon as possible to introduce legislative control over the safety of caged houses or bedspace apartments and to stipulate that the owners or the responsible persons of these caged houses are under the obligation to ensure that their flats "have fully met the standards for occupation". The legislation should also provide for the penalty for failure to comply with those standards and specify the circumstances under which the Administration may impose a closure order on the premises concerned. The objective of the proposed legislation is to introduce control over the conversion of private flats into caged houses and to remedy the appalling conditions of the bedspace apartments such as the overcrowding, the grave inadequacy of basic facilities, the lack of repair and maintenance and even the

existence of illegal structures. The ultimate goal is to ensure home safety for these tenants.

Meanwhile, in order to implement the proposed legislation in an efficacious manner, the Administration should consider formulating appropriate administrative measures to tie in with the proposed actions. One of the measures that the Administration should consider is the need to offer a low interest loan for renovation purposes if necessary, and I stress "if necessary", so that the living conditions of the bedspace apartments may comply with the statutory requirements and the possibility of negative response from those concerned may be dispelled. By negative response, I mean many bedspace apartment operators would rather stop operation than attempt to improve the conditions of the apartments which, in effect, may render some lodgers homeless once the legislation is implemented. The loan I mentioned may help in this case but the method of repayment should of course be spelt out in the legislation as well.

Secondly, the Administration should initiate a "Ching She Scheme" (Nice Hostel Scheme) under which priority may be accorded to the provision of additional accommodation for singletons and two-member-families or to the conversion of premises into flats for similar purposes in the multi-storey buildings to meet practical needs. In identifying sites for such hostels, places in the vicinity of the "areas of activities" of most of these lodgers should be considered. I strongly believe that this scheme will be a long-term solution to root out the caged house problem. The Administration should also take special measures to classify the hostels for single persons and the residential flats for small families by their selling prices or rental values so that relevant organizations and welfare agencies may run different types of hostels for caged house dwellers in their own manner in co-operation with the Government under the proposed scheme.

I would like to call upon the Hong Kong Housing Authority, the Hong Kong Housing Society, the Land Development Corporation and various voluntary agencies to render strong support to this scheme for the benefit of thousands of bedspace lodgers who are badly in need of single-person-flats.

Furthermore, there should be a reasonable transition period pending the establishment of these hostels under the scheme after the implementation of the new legislative control on caged houses. During this period, a temporary rental allowance should be granted to those affected. Lodgers who are willing to vacate their caged accommodation but have not been resettled should be made eligible for

this allowance. They may receive a certain sum of rental allowance until they are offered new accommodation by the Administration. Those who prefer to stay but are affected by the new rent should also be granted an allowance tantamount to the increased amount until they can earn enough to pay the rent. However, such rental allowance should only be regarded as a transitional measure after the implementation of the proposed new legislation. I have no intention to make the caged house problem one of our welfare commitments.

The more prosperous and advanced a community is, the greater the public awareness and public concern for the caged house problem will be. Apartment premises are now under full development in Hong Kong, but if we allow some of the old buildings to dilapidate, the caged house problem may swell and aggravate. This is an undesirable phenomenon which no one would like to witness. The authorities concerned should take a positive attitude towards this problem and seek co-operation from the welfare agencies. The Administration has been able to provide public housing for half of the population in the territory and has been able to resettle the affected residents expeditiously in the demolition of the Kowloon walled city as well as to provide shelter for tens of thousands of Vietnamese boat people in a short time. As a matter of fact, statistics by the Administration have shown that there are only some 4 000 caged lodgers in Hong Kong, representing 0.07% of the total population, we should therefore be able to resolve the caged house problem in an expeditious and satisfactory way.

Sir, with these remarks, I support the motion.

MR HUI (in Cantonese): Sir, the long-standing issue of "caged" accommodation not only makes a great mockery of Hong Kong's status as a prosperous and advanced city, but also presents itself as a much-neglected social problem with relevant government departments shifting responsibility onto one another. Had it not been for the tragic blaze which swept a bedspace apartment in Nam Cheong Street, Sham Shui Po towards the end of last year and ended with six people killed and 50 others injured, it is doubtful whether this issue, which involves the human rights of no more than 4 000 people particularly in respect of housing and other welfare benefits, would have hastened Government's handling of the problem and drawn the attention of my honourable colleagues in this Council. I hope the authorities will learn a lesson from this tragedy and thoroughly solve the housing problem of "caged" accommodation tenants who are still living precariously under the threat of death.

The findings of surveys conducted by the City and New Territories Administration in May last year and between last November and January this year have shown that 35% of "caged" accommodation tenants depend on public assistance or disability allowances for a living because they are either jobless or retired. Those having a job only earn a monthly income of around \$2,400 on average and thus cannot afford to pay the rent for a self-contained flat in the private sector. Therefore, 47% of those interviewed cited "cheap rents" as the reason for staying in "caged" accommodation; 30% gave "no other alternative accommodation" as the reason; and the remainder cited "proximity to place of work" and "personal reason" for their choice.

Judging from the foregoing, I think the problem of "caged" accommodation should be reviewed in the perspectives of welfare and housing before a thorough solution can be found, with legislative control serving only as a transitional backup measure. All in all, I would like to give roughly a four-point suggestion as follows:

(1) Following the latest surveys, it is estimated that about one-quarter of "caged" accommodation tenants are welfare cases. The Social Welfare Department should therefore consider recommending them to the Housing Department for compassionate rehousing. Since such tenants are mostly retired or jobless single persons, the arrangement to offer them public housing units in the new towns or sheltered housing for the elderly should not pose too much of an adjustment problem to them. Through such arrangement, they can continue to care for one another and to enjoy various welfare services provided by the community as in the past.

(2) For a further quarter of tenants who wish to be self-reliant, I think the Government should try to seek the allocation of funds from the Land Development Corporation so as not to exert undue pressure on the Housing Department. This, coupled with other trust funds and funds from the Government, should pool together a sizable amount to purchase suitable flats in the private sector for letting to those with limited incomes at relatively low rents. This arrangement should of course be co-ordinated and overseen by the Government.

(3) For the remainder, since the hazards and environmental problems caused by over-congestion in bedspace apartments can in theory be improved by reducing by half the number of bedspaces in each apartment, such a target can be achieved through legislative control. Take an experimental flat in Mong Kok district as an example. After modifications, bedspaces can be rented at some \$360 each, only \$60 to \$70 above

the average rent in that district. It is believed that this will not force the tenants to become street-sleepers.

(4) In order to prevent other people from getting preferential treatment by securing the status of temporary "caged" accommodation tenants, and to avert delay to seeking a solution, the Government should freeze the population of such tenants by conducting an one-off full-scale registration campaign so as to facilitate detailed processing in future.

To sum up, as the issue of "caged" accommodation cannot be resolved overnight, the Government's efforts must be directed at meeting the particular needs of "caged" accommodation tenants in various fields of welfare services, housing, environmental health and transport and so on before formulating a final plan. In this connection, may I suggest that the Government should set up an interdepartmental steering committee which is to be entrusted with the task of implementing and monitoring the improvement plan on the one hand, and as a means to demonstrate Government's determination and good faith on the other. Meanwhile, the Government should not overlook its duty towards street-sleepers who are in fact in a more miserable plight than "caged" accommodation tenants. Thorough examination with a view to solving the problem of street-sleepers should start immediately after the "cage men" problem has been solved.

With these remarks, Sir, I support the motion.

MR MARTIN LEE (in Cantonese): Sir, to prepare myself for today's motion debate, I made special arrangements yesterday afternoon with two colleagues of the United Democrats of Hong Kong to visit three bedspace apartments in Mong Kok and Tai Kok Tsui, so as to find out more about the problems of the tenants of such apartments and about their views on the Government's proposed policy. After I returned home and sat down to prepare the draft of my speech, those pale, chapped faces crowding the stacked-up steel-cage bedspaces reappeared in my mind's eye. Is it fair, I wondered, that those old people with none to depend on should live permanently in such a wretched environment? I thought long and hard and came to the opinion that really they should not be suffering like this, having done no wrong and committed no crime. Perhaps their only fault is their old age. They have toiled away the greater part of their lives for the community. Now they are old and lack the physical strength for participating in modern-day production. Therefore, they are displaced

and forgotten by the community.

Out of respect for the tenants, we did not want any reporter present at the scene. We did not even inform our friends of the media. The bedspace apartment tenants did not want to be interviewed by reporters, the reason being none other than their pride, the same pride that makes one say, "I will eat the salted fish; I will endure the thirst." To maintain their personal dignity, they did not want to make their situation public, to beg for pity or favours. Since the tragic fire at Nam Cheong Street in Sham Shui Po towards the end of last year, the general public in Hong Kong, like me, has been very anxious to see improvements to the living conditions of bedspace apartments. What is more important, however, is that after yesterday's contacts, I have come to the belief that what one holds dear is to live in dignity.

Before deciding on improvements to bedspace apartments, we must ask: Does our community acknowledge that it has the duty to provide a suitable environment for old people who are without support to enable them to live in dignity? If our answer is in the affirmative, then our social welfare policy and housing policy should head towards such a goal. Though this has nothing to do with the subject of today's debate, I nevertheless hope that the Government will, based on this consideration, make a full study of the feasibility of instituting a compulsory provident fund.

On the question of bedspace apartments, I urge the Government, before formulating and fully implementing policy proposals, to take an earnest look at where the problem lies, and having regard to the ever increasing demand for bedspace apartments, to find out the needs of the lone low-income people. The Government should, with the resolve of finding a fundamental solution for the problem, formulate a set of policies to improve the situation, which are practicable, efficacious and consistent with the principles of social justice.

The Government's failure to identify in its study a rise in the demand for bedspace apartments is a great disappointment to me. I have learnt about such a situation only from the studies conducted by private concerned groups. The situation will be aggravated because many old buildings will have to be demolished as part of the urban renewal plan. One landlord, who has been operating bedspace apartments in Mong Kok for eight years, has confirmed the situation to me. Around July 1989, he expanded his business and started operating a new bedspace apartment. In less than a month, all the bedspaces were let. From this, we can see the true demand for bedspace apartments.

In fact, for those who have no income at all or very little income, becoming a bedspace apartment tenant is the only solution for the problem of "a place to sleep", there being no other housing to choose from. The demand for public housing units now exceeds the supply. The Government, for instance, has indicated that if an application is submitted for a single-occupant unit in 1985, allocation will not be forthcoming until 1995 at the earliest. In the private housing sector, the rents are too high and really unaffordable to the average single person with low income.

At the 9 January Legislative Council meeting, in answer to a question from the Honourable CHAN Ying-lun, the Secretary for Home Affairs, Mr Peter TSAO, announced the outline of the Government's proposed policy. According to a government study, there are a total of 4 000 bedspace apartment tenants in Hong Kong. To reduce the bedspace apartment occupancy by 50%, the Government recommends resettling 1 000 of the tenants on a compassionate quota basis and resettling another 1 000 into single-person hostels in the urban areas to be operated by voluntary agencies. The remaining 2 000 are to remain in their present bedspace apartments, which are to be improved. In theory, this plan will enable all the existing bedspace apartment tenants to be resettled, so that none will be made "homeless" or street-sleepers. However, it is assumed that all the other tenants who are not resettled will have the means or will be willing to pay the higher rents resulting from control. Will things happen the way the Government anticipates? I have grave doubts.

Most of the tenants I contacted were of the opinion that, if the rents were doubled from the present average of \$300 to between \$600 and \$700, they would not be able to afford it at all, their housing allowance being only \$480. In addition, they were worried that resettlement by the Government would require them to move to areas far away from their original homes. They were afraid to have to adjust to their new surroundings and new neighbours. What worried them the most was that, should the Government introduce control through licensing, their landlords might, when the control became too tight or the operating costs too high, simply close their business. Then they would have no place to live. A landlord by the name of CHAN, who operates bedspace apartments, told me that, should the above happen, he would consider closing his business.

The worries of landlords and tenants would add to the public's worry that the Government's recommendations, when implemented, might not succeed in preventing large numbers of displaced bedspace apartment tenants from becoming street-sleepers.

Therefore, I think that until proper arrangements and well-considered plans are made for the resettlement of bedspace apartment tenants, and until a solution is found for those tenants who will be reduced to street-sleepers by the unaffordable rents driven up by control through licensing, the Hong Kong Government will be ill-advised to rush to impose control through licensing. Without proper co-ordination from all quarters, not only will the situation of the bedspace apartment tenants remain unimproved, but more serious social problems, such as emergence of large numbers of street-sleepers, will arise.

I must emphasize that I do not disapprove of licensing of bedspace apartments or of the improvement to the sanitary conditions therein but that I do think that the Government must make proper arrangements for the bedspace apartment tenants before such measures are implemented. For instance, what steps will the Government take to help those who cannot afford the rents should the rents go up? If well-considered arrangements are to be made, more financial resources will have to be made available and perhaps a review of the Government's social welfare or housing policy will have to be conducted. The Government has the inescapable duty to make a commitment. This is because measures which "cure the symptoms but not the disease" will only make the problem worse.

Finally, Sir, I would like to say upfront that I agree with the Honourable LEUNG Wai-tung's motion for amendment. I believe that if the Honourable Maria TAM had visited some bedspace apartments before she put forth the original motion, her motion would probably have been the same as the motion for amendment that the Honourable LEUNG Wai-tung is putting forward.

PROF. POON: Sir, the mere fact that, in a society of affluence like Hong Kong, we still find unfortunate single persons living in appalling conditions in "bed cages" of 2.2 sq m with no kitchen/toilet facilities, and with no community/family support whatsoever should really prompt us to ask a few soul-searching questions:

- (1) Why did these unfortunate people end up where they are?
- (2) What have we done so far to help them?
- (3) What really is our problem?

It is around these three questions that I wish to speak.

In order to provide some clues to answering the first question, City and New Territories Administration (CNTA) has just completed a territory-wide survey on the distribution of the bedspace apartments and their lodgers. A voluntary organization (Society for Community Organizations) also has completed a similar survey on a smaller scale last August and their findings were also presented to OMELCO earlier. From these studies, we now have a clearer picture of the general situations of the bedspace apartments. We know that the lodgers are of an average age of 55, earn a monthly income of approximately HK\$2,400, and pay around HK\$200 per month for a bedspace. More than half of them are single with no family support. Very few have alternative lodgings, and surprisingly only 7% of them are on public housing waiting list. We also understand that bedspace apartments are largely clustered around inner city areas like Sham Shui Po, Mong Kok and Kowloon City. It was also found that the two major reasons for people to live in bedspace apartments were that they find it cheap and there is no other alternate ways to find accommodation.

All this is important information. Nonetheless what is more important and I find it missing here is that we still do not know exactly why all these people end up where they are now. Are they in bedspace apartments due largely to some personal misfortunes or is it a failure in our social planning? Is it a temporary and transient problem or is it something which is going to last? Is it just a small housing problem of a particular sector of the population or is it a much wider social issue in housing policy for single persons? Until these indepth data are gathered I cannot see how the Administration can achieve effective planning to resolve the problem on a more long-term basis. In the recommendation of the CNTA survey, it was suggested that welfare cases should be referred to the Social Welfare Department for possible follow-ups on compassionate rehousing. In my opinion, frontline professional social workers in the Social Welfare Department would be able to amass extremely valuable information on the very nature of their problems. Perhaps in conjunction with interest researchers from local higher educational institutions, they would be able to come up with much more indepth understandings of the problem and hence a longer-term solution.

To provide an answer to my second question, the Secretary for Home Affairs, in answering the Honourable CHAN Ying-lun's question during a Legislative Council session on 9 January 1991, concerning how the Administration intended to tackle the

problem, indicated that a two-stage method had been adopted by the Government: namely, first to introduce fire regulations on existing bedspace apartments and second, to provide more temporary single person hostels through the joint effort of the voluntary agencies and the Administration.

While recognizing that these are some of the measures to alleviate the problem, my concern is the speed, sufficiency and the quality of these measures. Of the four singleton hostels mentioned by the Secretary for Home Affairs, only one of them (the Salvation Army Lok On Hostel in Yau Ma Tei) is in operation, while the others are still in their planning stage. We do not know exactly if these hostels, when built, would readily be able to meet the current needs. As far as I can understand, those few outstandingly fortunate lodgers of the voluntary agency hostel must reach the age of 55 and be able to pass a medical test certifying that they are healthy and fit for self care. Although singleton hostels have proved to be popular amongst lodgers, many of them know jolly well that it is something not readily accessible to most of them now. In the longer run, however, I should also like to see how the Administration would propose to maintain the quality of their living environments when more of these hostels are built.

Back to the two-stage method, while I agree that tougher fire regulations should be introduced for bedspace apartments, I would like to point out, Sir, that if there are not enough singleton hostels/transient accommodations to go around, we would end up in a very awkward policy situation. As such, I wish to recapitulate what the Secretary for Home Affairs said in an earlier Legislative Council session: "if we do not provide accommodations for bedspace apartment lodgers they will become street-sleepers and create yet another set of problems for us."

Sir, in order to consider my third question on what our problem really is, I must address the Council from a much more fundamental direction. Hong Kong is not at all alone in her problem with housing the singleton marginal group in urban society. In most of the contemporary western societies, especially United Kingdom and North America, one of their most pressing social problems is the upsurge in urban homelessness, particularly so for young people. Hong Kong is already most fortunate in a sense because homelessness is much less acute and visible here. In my opinion, the bedspace apartment problem we now face is only a variation of the general problem of urban homelessness, carrying a uniquely local flavour.

Hong Kong now has the world's second largest and most successful public housing

programme with half of the population living in public housing, basically through subsidized rental tenures, but increasingly through home ownership. Nevertheless, we must not be complacent with what we have so far achieved. Our housing policy thus far has been largely focused on providing adequate and decent housing for families in the traditional sense.

Single person housing has never been the priority in housing development. Owing to the shortage of singleton housing units, the Housing Department has stopped processing applications from able-bodied singletons and only intends to review such policy again in 1994-95.

So, like it or not, we must be ready to face up to new challenges in housing policies for the 1990s. We already have a very good housing policy but can we improve it? We must now take a more aggressive social approach and take serious steps to focus on the welfare of the urban marginal single persons. In my opinion, I think it is high time that we have an overall review of our existing policy for single person housing.

Sir, with these remarks, I support the motion.

4.35 pm

HIS EXCELLENCY THE PRESIDENT: There are still a number of Members who wish to speak on this motion. Members might appreciate a short break at this point.

5.12 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume.

MRS TAM (in Cantonese): Sir, efforts to solve the problem of bedspace apartments or the so-called "caged" accommodation involves not only the provision of housing. It is also a social issue closely linked to welfare services.

Cheap rents, no alternative accommodation, proximity to place of work are some of the main reasons why many single persons had no choice but to take shelter in such appalling and congested living conditions. What is more noteworthy is that according to the findings of surveys conducted by the City and New Territories Administration,

35% of bedspace apartment dwellers are elderly persons aged over 60, with a similar proportion being recipients of public assistance or disability allowance, and a further 40% being retired or jobless persons. Survey findings also show that nearly 15% of the lodgers have spent more than 20 years in such apartments and that only 7% are on the waiting list for public housing allocation. It can thus be seen that the problem of "caged" dwellers cannot be solved by the provision of housing alone. How to safeguard the welfare of these "caged men" is also a matter of concern.

Where welfare is concerned, elderly persons living alone in bedspace apartments not only have to bear with appalling living conditions where hygiene facilities and security are sadly inadequate; some of them also have to spend their remaining years in loneliness with no support from their families, and to subsist on their limited job skills and financial means.

I understand that the Government is considering introducing a licensing system for bedspace apartments similar to that for guesthouses as part of a plan to relieve overcrowding and to improve fire safety and hygiene conditions in such premises. The Land Development Corporation and the Chinese Temples Committee have also pledged to set aside funds to help solve the problem through erecting hostels and encouraging voluntary agencies to provide the necessary services, and so on. Meanwhile, in order to meet the "caged" lodgers' needs, the Housing Authority has planned to make available redeveloped public housing units in the urban area to single persons.

I welcome all these measures and believe the Government has taken whatever steps necessary to remedy the situation. I would like to urge the Government to implement its plan as soon as possible. Before enacting the necessary legislation, the Government must consider carefully the ill effects which may be brought about by legislative control. For example, control measures may indirectly cause apartment owners to increase rents which may be so high that some of the "caged" lodgers will be forced to become street sleepers. Besides, while arrangements are being made to move qualified "caged" accommodation tenants into public housing units, the Government should do all it can to forestall a possible upsurge in the number of such tenants and guard against any possible profit-seeking practices by unscrupulous owners.

May I suggest that the Government should give priority consideration to the conducting of a systematic registration exercise for those elderly lodgers who are suffering from ill health, without the support of relatives or friends, or who are even unable to look after themselves. This will ensure that those who are badly in

need of assistance or services will be properly looked after.

Sir, in view of the fact that the Government's action may to some extent affect existing dwellers in "caged" houses, I think the motion moved by the Honourable Maria TAM Wai-chu, though it already points out the crux of the problem, still falls short of the objective of giving protection to these tenants.

I understand that the Honourable LEUNG Wai-tung would later move an amendment to the motion. The amended motion not only reflects my views more appropriately, but also ensures that Hong Kong will not have another batch of street sleepers rendered homeless as a result of Government's efforts to find a solution to the problem of bedspace apartments. Therefore, with these remarks, Sir, I will later on support the Honourable LEUNG Wai-tung's motion.

MR TAM (in Cantonese): Sir, I believe that the issue concerning the living conditions of the bedspace lodgers has been too familiar to all of us. It is unnecessary for me to elaborate here. A look at the average living space of each bedspace lodger, which is 2.2 sq m and represents only 40% of the living space standard laid down by the Hong Kong Housing Authority, will suffice to make us feel bitterly ashamed. The existence of bedspace apartments gives fair warning to us that never should we be self-complacent about public housing development in Hong Kong, and reminds us that the basic housing needs of many people in the lowest stratum of our society are still far from being met.

As regards the solution to the problems of bedspace apartments, the Government has given the policy guideline of reducing the occupancy level of the bedspace apartments by about 50%. However, in my opinion, the problem cannot be solved by such a policy guideline alone. As a matter of fact, I strongly believe that without other follow-up measures, the situation of the bedspace lodgers would even be aggravated.

According to the survey conducted by the City and New Territories Administration in respect of the bedspace lodgers, the average monthly rent of each bedspace is \$279 whereas the average monthly income of these lodgers is \$2,440. In other words, the housing expenditure makes up 11.44% of their income. Should the Government make any legislative provision to the effect that the occupancy level of the bedspace apartments be reduced by 50%, the owners, in order to make up for the loss in rental

return, will at least double the rent. Hence, the monthly rent of bedspace would be raised to \$558. As the expenditure on the alteration made of such apartments would mean an increase in the expenses of the owners, such expenses would naturally be transferred to the lodgers. It is roughly estimated that an additional charge of about \$100 would be levied on each lodger per month. As such, though the living conditions of these lodgers would be improved, the cost for housing would also rise drastically. The housing expenditure would surge to account for 26.97% of their monthly income. According to the household expenditure survey conducted in the year 1984-85, in the Consumer Price Index A, housing accounted for 15.31% of the expenditure. It can be seen that there will be greater strain on other aspects of their expenses for the bedspace lodgers when the expenditure on bedspace lodging is to be doubled and the financial burden in respect of housing expenses will naturally be heavier. This will gravely affect their quality of life in other aspects. The Administration has made clear its intention to lower the occupancy level of the bedspace apartments by 50%. This implies that half of the bedspace apartment population will have to find alternative accommodation. Apart from a minority of them who would be qualified as welfare cases and would be rehoused, what will happen to the rest? Can they afford the exorbitant rent of private housing? Certainly not. Calculating in general terms on the basis of the 1990 Property Review findings and using the living space standard of 5.5 sq m per person, one can easily find out that each of the seven persons sharing a 38.5 sq m unit in the Kowloon district will have to pay about \$700 as rent, which will account for 29.06% of his income. In fact, according to the report of survey conducted by the City and New Territories Administration, 47% of the bedspace lodgers live in these apartments for the low rent while 30% simply have no other choice. Thus it can be seen that once measures are taken to reduce the occupancy level of these apartments, the existing and future bedspace lodgers alike will have to face the same problem of increases in housing expenses. It will even be more evident that as most of the lodgers cannot afford the high rent, they may be driven onto the street and become street sleepers.

The purpose of devoting so much time on calculating the possible increased expenditure for bedspace lodgers in the event of a reduced occupancy level is to make clear the following points:

- (1) The housing problem of the bedspace lodgers should not simply be defined as an issue of the occupancy level of the bedspace apartments. It should be noted that bedspace lodgers are low income earners. They live in these apartments because of their low income.

(2) The problem of bedspace apartment cannot be solely solved by setting a policy guideline of lowering the occupancy level by 50%. It is necessary for the Administration to draw up a co-ordinated plan to solve the problem taking into account the consequences of any action that may be taken.

I must reiterate that I support the measure to lower the living density of bedspace apartments, but I am of the view that before enforcing any legislative control, the lodgers to be affected should be reasonably and properly rehoused. Otherwise, the problem of bedspace lodgers will escalate and transform to that of street sleepers.

With regard to reasonable and satisfactory rehousing, three solutions have been proposed by the Administration: to enlist the help of the Land Development Corporation in the setting up of a singleton hostel to be run by a voluntary agency; to provide more urban hostels for elderly and disabled lodgers; and to arrange public housing for those who are eligible for compassionate rehousing. These are undoubtedly some of the solutions. Yet how many of the bedspace lodgers can be rehoused through these measures? I believe that the number will not be great. What will be the rental payment for living in these hostels? How soon can rehousing be completed? No specific plan has been worked out. I do not think we have done enough by merely making proposals. Detailed rehousing programme must be drawn up to see if the lodgers can afford it. Certainly, adequate resources must be injected if the problem is to be tackled effectively.

Finally, I would like to point out that in order to prevent the problem of bedspace apartments from deteriorating, we should not focus our attention only on the existing 4 000 bedspace lodgers. We must be aware that there will be newcomers. In other words, many people will have to rely more and more on low-cost bedspace. According to the estimate of the Society for Community Organization and the Federation of Catholic Students, there are at present over 50 000 poverty-stricken middle-aged and elderly singletons residing in private buildings with appalling living conditions. They are faced with such plights as diminishing income, redevelopment of their buildings by the owners and resumption of their buildings at any time and they will have to turn to bedspace apartments for accommodation.

I believe that the most effective and long-term solution is to review the housing policy for 1-2 person families and to build more units for them, so that the total stock will exceed the current level, that is, 7% of the total production.

Sir, with these remarks, I support the motion.

HIS EXCELLENCY THE PRESIDENT: Miss LEUNG Wai-tung, you may now speak to the motion and also move your amendments now.

MISS LEUNG (in Cantonese): Sir, I rise to move an amendment to the wording of the Honourable Maria TAM's motion on bedspace apartments. The amendment is in such terms as set out in the paper circulated to Members. The amended motion reads: "That, recognizing the appalling living conditions in bedspace apartments as a pressing social problem, this Council urges the Government to expedite their plans for solving the problem and to reassure this Council that none of the tenants will be rendered homeless in the course of their actions."

There are three changes that I propose. The first change is the deletion of the words "of tenants of" in the original motion and the insertion of the word "in". This is just a change in language. The second change is the rewording of the second half of the original motion, and it is the first important point of my proposed amendment. I will devote some time to explaining this in detail. In addition, I have added a request to the original motion. This is also an important point of my proposed amendment, and I will again devote some time to explaining why.

To enable Members to have a quick understanding of the reasons for and the background of my proposed amendment, I wrote a simple explanation and transmitted it to Members by fax for information two days ago, when I decided to put forth a motion for amendment. I hope Members have found it useful.

Sir, I think that the wording of the second half of the Honourable Maria TAM's motion, namely, "this Council urges the Government to take steps to remedy the situation as expeditiously as possible" is quite inappropriate. Very plainly, the message conveyed by such wording will only give people an impression that is a long way from the truth -- the impression that the Government has not made, or even refuses to make, a positive response regarding the solution of the problem of the appalling living conditions in bedspace apartments. That is why the original motion emphasizes "urges the Government to take steps to remedy as expeditiously as possible."

The authorities concerned have indeed, as we all know, made a positive response and done substantive work. Let us not talk about the past for the moment. Since the 21 March 1990 meeting of this Council, when the Secretary for Health and Welfare answered questions from me and other Members concerning the bedspace apartments, the Government has definitely taken substantive steps and it will actively continue to do so. The substance of the steps being taken was officially disclosed by the Secretary for Home Affairs when he answered questions from the Honourable CHAN Ying-lun and other Members concerning the bedspace apartments at the 9 January 1991 meeting of this Council. The Secretary for Home Affairs next briefed the OMELCO Housing Panel, of which I was the convenor, at its 7 February 1991 meeting. He reported on the substantive work that the authorities had done since late March 1990 for solving the problem of bedspace apartments. He also presented a survey report concerning the bedspace apartment and their tenants. He then discussed with the Panel some of the measures that the Government intended to take to solve the problems concerned.

Sir, since the Honourable Maria TAM a moment ago referred to the 7 February meeting, I think I should say something about the nature of that meeting. The 7 February meeting between the Housing Panel and the Secretary for Home Affairs was not held for the purpose of the debate today, as the Honourable Maria TAM has alleged. That meeting was part of the Panel's supervision process of the Government's work in the housing area. In fact, in March last year, the Panel held a discussion with the Social Welfare Department concerning the question of cage flats. The Panel also informed the City and New Territories Administration (CNTA) during the current legislative year that it expected a meeting with the CNTA to discuss the problem of cage flats.

On 7 February, the day of the meeting, those present included not only members of the Housing Panel but also members of the ad hoc group set up for the purpose of the debate today. The only point of note was that only four members of the Housing Panel, including myself, were present and that two of them were also members of the ad hoc group. In other words, only two members of the ad hoc group were present at the meeting that day, and they were also members of the Housing Panel.

Because I was the convenor of the OMELCO Housing Panel, I briefed Members basically in the name of the Panel. The Honourable Maria TAM also said just now that she had looked at the minutes of our meeting. In fact, to this day, not even the CNTA has read the minutes of the meeting to see if amendments are needed. In fact,

the OMELCO has agreed this year that, in a departure from past practice, the minutes of meetings of OMELCO panels and Legislative Council ad hoc groups are no longer to carry members' discussions in full but only the summaries thereof. As the convenor, I have read the minutes of that meeting. I feel that they contain proper summaries of the meeting that day. I knew about the debate today. I knew that the Secretary for Home Affairs definitely would give us a detailed report on how the Government is trying to solve the problem of cage flats. Therefore, the minutes of that day's meeting did not contain the detailed views that we presented to the Secretary and Assistant Secretary for Home Affairs. In fact, after the meeting, when I briefed the media, I did not make a detailed announcement of the plan for solving the problem of cage flats that was disclosed to us by the Secretary for Home Affairs. That was because I thought that it would be more appropriate to let the Secretary for Home Affairs make the announcement himself. After all, this is basically the work of his department and the authorities concerned and it is unnecessary for Members to make the announcement for them.

The Honourable Maria TAM has mentioned again and again the 7
February meeting of the Housing Panel. It may be as well that I, too, should tell you something about it. After discussion, all the four panel and ad hoc group members present unanimously opined that today is not the time for debating the question of cage flats. That is basically because the Government has already begun actions relating to that problem. We made such an opinion known to the Secretary for Home Affairs that day.

Sir, since the authorities concerned have already begun substantive actions to improve the appalling living conditions in bedspace apartments, I have no choice but to interpret the original motion as a departure from the truth. I think that, as the convenor of the OMELCO Housing Panel, I have the duty to propose an amendment to the original wording of the motion. In view of the fact that many Members of this Council, concerned groups and individuals think that the Government is making too slow progress in its work of solving the problem and of the fact that I, too, feel that it is feasible to speed it up, I therefore propose to amend the wording of the second half of the motion to read "this Council urges the Government to expedite their plans for solving the problem." I would ask my honourable colleagues to note in particular that I have chosen the words "expedite" to replace the original words "take steps as expeditiously as possible." We should know what the difference is between the messages conveyed by the two kinds of wording.

Sir, from the detailed explanations just made it should be clear that if I were to support the original motion, it would mean that I chose to ignore all that the authorities concerned have done even though I have long been aware that the Government has taken substantive steps since at least 21 March 1990 to solve the problem of appalling living conditions in the bedspace apartments and will actively continue to do so. This would not be fair. On the other hand, if I were to oppose the original motion on such a ground, I definitely would be entrapped by the superficial logic of the wording and make people think, by mistake, that I am opposed to urging the Government to take steps as expeditiously as possible for solving the problem of the appalling living conditions in bedspace apartments. Moreover, as a researcher in housing studies who has long been paying attention to the problem of bedspace apartments and the problem of lodgings for one-member families, as the convenor of the OMELCO Housing Panel, as a member of the Housing Authority, and also as the first Legislative Council Member to have asked questions of this nature at a meeting of this Council since the Honourable HO Kam-fai last raised questions about the bedspace apartments at the 25 January 1984 meeting of this Council, I would under no circumstances give up commenting on the original motion. This is why I have decided to propose the amendment that I have just put forward to make my views and attitude known to Members.

As I understand it, unless the original motion is amended, each of the Members present today, depending on whether he/she is for or against it, is bound to hurt either the authorities concerned or himself/herself. This would be very improper. I am convinced that many Members are perplexed by this dilemma. They would, however, be relieved of this perplexity by the amendment that I have just mentioned, which would make it easier for them to take a position.

Sir, the third item on my amendment list is to add a request to the original motion, urging the Government to reassure this Council that tenants of bedspace apartments will not be rendered homeless because of the actions that the authorities concerned intend to take.

In fact, the Secretary for Home Affairs stated, in response to the Honourable Elsie TU's question at the 9 January 1991 meeting of this Council, and again on 7 February at a meeting of the OMELCO Housing Panel, that when moving tenants out of any bedspace apartment, the authorities concerned would ensure that suitable accommodation arrangements have been made for them. In briefing the media after the 7 February meeting of the Housing Panel, I said that the Panel had been concerned

that steps likely to be taken by the Government might render some of the tenants homeless, but that the Secretary for Home Affairs had assured the Panel again and again that they would not. This received extensive coverage in the media. Even so, many concerned groups and sections of the media have remained concerned that tenants may be rendered homeless because rents will be too high for them. I believe that many Members of this Council are similarly concerned. This is why in my motion for amendment I stress the words "urge the Government to reassure this Council that none of the tenants will be rendered homeless in the course of their action."

Sir, it is my understanding that after I urged the authorities concerned at the 21 March 1990 meeting of this Council to solve the problem of the appalling living conditions in bedspace apartments as expeditiously as possible, the Government immediately put the Secretary for Home Affairs in personal charge of overall planning for getting the work started. Accordingly, the departments concerned undertook systematic studies of the problem and looked for solutions. Soon afterwards, the authorities carried out a pilot programme for improvements, thus starting substantive work. I am of course deeply gratified by how quickly the Government has responded and how smoothly the programme has proceeded. I sincerely hope that this disgraceful social problem of many years' standing will soon find a satisfactory solution.

Sir, now I would like to make some comments on improving the appalling living conditions in bedspace apartments. I have already used up a lot of time on explaining why I want to have the original motion amended. Although existing Standing Orders do not restrict Members' speaking time, still I do not want to talk too long and encroach on the time for other Members. In fact, I have already made my comments in this area on other occasions. The media have already reported on them, and they have already been conveyed to the authorities. So I will not be long-winded in making comments in this area today.

Sir, in theory, all bedspace apartments, including the so-called bedspace apartments or hostels operated by private organizations or by the Government, are unfit fixed shelters. They are absolutely unfit as permanent dwelling places for any family including a one-member family. Such dwelling places can only be temporary or short-term shelters. However, theory is theory. To be frank, given the practical reality of Hong Kong's existing living conditions, the existence of bedspace apartments where people can have relatively long-time shelter is still of great value.

Sir, we are convinced that the most pressing question of the moment is how to make sure that the living conditions in these so-called bedspace apartments or hostels

of various description can provide a suitable environment for the safe habitation of their occupants. In practical terms, I think that the first and foremost question of the moment is how to legislate suitable control over the bedspace apartments, such as introducing a licensing system and setting minimum standards for fire prevention, sanitation, density and amenities. The Government must make regulations which provide that such basic standards must be met before any bedspace apartment may be given a business licence. Where possible, attention should also be paid to profitability, in the hope that the operators can only make a reasonable profit. The problem of appalling living conditions that has been with the bedspace apartments all along can be eliminated only when such regulations are made.

I am very glad to learn, and I am sure the Secretary for Home Affairs will soon tell us, that the conception of the Government concerning the solution of the problem of bedspace apartments is not too far from the licensing system to which I have just proposed. I hope that each tenant of a bedspace apartment will have at least one private locker, so that he will no longer have to protect his personal belongings by running steel wires around his bedspace, thus turning his space into a dangerous steel cage.

Many people who care, including me, are concerned that to exercise licensing control over the bedspace apartments may cause the bedspace rents to go up sharply. Many Members, too, have mentioned this point just now. We are concerned that many tenants who will consequently be unable to afford the new rents will be forced to sleep out in the streets and become homeless. Therefore, before such a system of control is introduced, the authorities concerned must accurately figure out what levels of rent are fair and reasonable and within the means of the average tenant. On 7 February 1991, the Secretary for Home Affairs told the OMELCO Housing Panel that a pilot improvement programme has been carried out successfully in a bedspace apartment in Mong Kok, with the result that the living conditions there have been improved to an acceptable level. The good news is that the bedspace rent has in the process gone up from about \$275 to only between \$350 and \$360. Both the size of the increase and the actual level of rent are clearly acceptable. However, the Government paid part of the improvement expenses in the programme. Imagine if all the expenses are to be paid by the operators, will the tenants be able to afford the rents?

Sir, as I understand it, the authorities plan to reduce the existing occupancy density by half, so as to meet the new standard of tolerance. So the improvement

plan basically requires that half of the tenants be moved out. According to a survey conducted by the CNTA, there are now about 4 000 tenants of bedspace apartments. Roughly between 800 and 1 000 of them are eligible for treatment as welfare and compassionate cases. The Social Welfare Department and the Housing Department will work together to resettle them in rental public housing. Of the remaining 3 000-plus tenants, about 1 000 will have to be moved out. As far as I know, the CNTA has begun planning with a view to finding in the neighbourhoods of the bedspace apartments concerned private housing units that can be converted into hostels for the resettlement of the 1 000 tenants to be moved out. I believe that the Secretary for Home Affairs will mention this later on; so I would not want to go into details here.

Obviously, a lot of money is needed to implement this improvement scheme. Some Members have already noted just now that the Land Development Corporation has agreed to allocate \$20 million for the purchase of housing, and the Secretary for Home Affairs hopes that \$40 million can be obtained from the Chinese Charitable Fund as funding for the entire programme. If that is not enough, I hope that land developers or charitable organizations will make some contribution. The Government should also consider using public funds, in the form of allocated funds or loans, to help carry out the programme.

Though our infinite sympathy lies with the tenants of the bedspace apartments in which the living conditions are appalling, we must note that social resources are very limited. We should give preferential consideration to those tenants who have the least means to meet their accommodation needs on their own. Therefore, when the Government sets up hostels of the above-mentioned kind for resettlement and when the demand for the bedspaces therein exceeds supply, the authorities concerned should give consideration to those tenants who are financially the worst-off and let them have the precedence in moving into those hostels. The Government should consider providing financial assistance where a tenant of little means cannot afford on his own to move into an improved bedspace apartment.

Lastly, Sir, because the responsibility for solving the housing problem of those who are without means falls within the province of the Housing Authority, I hereby urge that Authority to review as expeditiously as possible its policy for the resettlement of single persons and enable those low-income individuals so identified and registered on the waiting list to be assigned public housing soon.

Sir, I beg to move.

Question on Miss LEUNG's amendments proposed.

HIS EXCELLENCY THE PRESIDENT: We will now then be discussing and debating those amendments. May I remind Members of the ground rules. Members who have already spoken on the original form of words may speak again on the amendments but they should restrict themselves to the points put forward in the amendments. However, Members who have not spoken to the original motion and who now speak to Miss LEUNG's amendments are considered to be speaking to both the original motion and to the amendments. Now, could I ask which Members now wish to speak on either category. Would Members keep their hands raised for a moment while the Clerk gets down the aisle? Thank you very much.

MISS TAM: Sir, I am very pleased to see firework and not on the second day of Lunar New Year because it is definitely very attractive, very exciting and I hope that at the end of the day we will all get joy out of the debate.

Let me first repeat that the wording of the motion is not entirely my own. I benefitted from the opinion of two other Members who turned up at the ad hoc group's meeting and actually helped to make suggestions as to its actual wording which I accepted with great appreciation. The motive behind the wording, broad as it is, is to ensure that every single Member who has not joined the ad hoc group or who has not followed the issue as closely as some of our experts have can make his/her speech and be able to participate in this discussion. So as far as the wording of the motion is concerned, I have not that kind of personal attachment although I am totally convinced it is a perfectly proper and the best choice because at least we know it will be possible for Members to put in amendments which they think appropriate. After receiving Miss LEUNG Wai-tung's amendments, I have thought of putting in a counter amendment. Then I thought the problem had been with us for 30 years and there are people waiting to be rehoused, people are looking for action, people are looking for relief. Why are we debating on two versions which at the end of the day will end in one thing, I hope, and that is to goad the Administration into making concrete plans telling us what their schedules are, what kind of plan they have got for this year, what kind of plan they have got for the next two years so as to resolve this problem. So I did not propose a counter amendment and I did not write to any of the Members to lobby them for support of the motion that I put forward. I think the purpose

of the debate of the ad hoc group would have been achieved even up to this stage by listening to the speeches that have been made. Nobody is saying that there is an easy way out, nobody is saying that we have a problem we can just look away from and ignore and nobody is saying that we would like to leave it to the Government to take action. For that reason, I will purely say that whichever the voting will be at the end of the day in terms of supporting the motion that I have put forward or the amendments that Miss LEUNG has put forward, I hope this is not going to be turned into a debate between one political group and another or between one ad hoc group chairman and another because at the end of the day we are not sleeping in a bedspace apartment, we are not looking for alternative accommodation, we have not waited for 30 years to solve this problem, we have not lived there for seven years breathing in the foul air, and we have not been living with all sorts of household goods around us. Why do we not just get on with the debate, vote on it and let us see the Government give us some action?

MR POON CHI-FAI (in Cantonese): Sir, I rise to speak extempore on the proposed amendments.

(1) It is the established policy of the Government to find shelter for the homeless. I believe that in alleviating or finding a solution to the present problem, the Government absolutely does not need to go against this established policy; it will not deliberately create a problem of homelessness. In other words, if there should be too much restrictive wording, the improvement work undertaken by the authorities concerned and also its progress might be unduly affected.

(2) It is an undeniable fact that during the past year, the City and New Territories Administration (CNTA) has set up a special team to study the bedspace apartment problem with a view to finding a permanent solution to it. The effort of the CNTA in this respect is not a hastily-put-together endeavour stemming from the recent Nam Cheong Street bedspace apartment incident. As a matter of fact, an effort of this nature and proportions need to be carefully planned beforehand so that no unexpected problems will arise in the course of implementation. I therefore agree with the Honourable LEUNG Wai-tung's remarks in this regard. In fact, the CNTA has been working hard on this problem.

I was one of the four members of the ad hoc group. I, for one, have doubted whether it is necessary to hold a debate on the subject. Indeed, I have had reservations

about it. Be that as it may, I have found that every Member who has spoken on the motion today is very much concerned about this attention-riveting social problem, and is making a plea to the Government to alleviate the problem. The directions and objectives of Members of this Council with regard to this problem are one and the same.

I personally feel that in bringing up this problem for debate today we are responding to the effort currently being undertaken by the CNTA and the working group concerned; we are recognizing the importance of such work and expediting its progress. Furthermore, the CNTA, in implementing the policy concerned or in asking for help or support from other government departments, will go about it with greater sureness of purpose and dedication. Therefore I consider today's debate to be valuable.

Sir, for the abovementioned reasons, I support Miss TAM's motion.

MR TAI: Sir, a couple of months ago I heard the Secretary for Health and Welfare say before this Council that the appalling conditions in which some of our senior citizens are living are an indictment on our society. I cannot agree with her more. I am glad that Miss Maria TAM has brought up this problem for debate before this Council.

Having heard both speeches, including the speech made by the spokeswoman for the Housing Department, I think her speech is long on words and short on merits. I think Members of this Council do want to see improvement to the appalling conditions in which some of our senior citizens are living. Let us hope this debate will not end up being a political dogfight. Let us hope that the Government can really take some action to achieve some results in improving the living conditions of bedspace apartments. And I have no intention of joining the political fracas.

MR TAM (in Cantonese): Sir, I believe that basically the motions by Miss LEUNG and Miss TAM have the same objective. Indeed both urge the Government to take effective measures to solve the problem of bedspace lodgers. There is no contradiction between the two motions. But the terms in which Miss LEUNG's motion is couched are more in line with the analysis that I made. So I welcome her amendments. Thank you, Sir.

MR EDWARD HO: I also do not feel that this debate should turn into a debate over wording for the motion because I think we are here to debate on whether there is a problem

and if there is a problem how to solve the problem. On the other hand, I do support Miss LEUNG Wai-tung's reasoning which is that something has been done although probably not as quickly as we hope and that, for instance, the Housing Authority, in the long-term housing strategy, has over the years provided housing to about half of the population and we should not ignore that kind of achievement. Nevertheless as long as there are people in our society who are living in such poor conditions as "cages" rather than housing, we should do something about them in our society. In this regard, I consider there is no reason why nothing further could not be done. Nevertheless Hong Kong, like any other society, has limitation in terms of finance and in terms of supply of land and infrastructure. In order to expedite solution to these problems in terms of housing, we have to make choices and priorities should have to be examined -- like who are more in need, who are destitute and should be provided with housing first and who can afford alternative housing and should thus be encouraged to give up their units in public housing? Again we must also recognize that one and two-person units are more expensive to be built in terms of the unit cost and also these are more land-intensive. So again we have to make a choice and we have to ensure that if we build public housing we should satisfy those who are more in need. Now some Members have indicated that one-person or two-person families are more destitute. I do not know whether this is true or not. I think sometimes the largest-size family are probably even poorer and so I think we should be careful in categorizing in such a general manner. As has been mentioned by some of my colleagues, "cage housing" is not just a matter of housing problem; it is a social problem and we must recognize that it is a problem, that it is there, that we should be doing something about it and that there is no reason why we cannot be doing it faster.

Sir, with those words, I support the motion as amended by Miss LEUNG Wai-tung.

6.00 pm

HIS EXCELLENCY THE PRESIDENT: It is now six o'clock and under Standing Order 8(2) the Council should adjourn.

CHIEF SECRETARY: Sir, with your consent, I move that Standing Order 8(2) should be suspended so as to allow the Council's business this afternoon to be completed.

Question proposed, put and agreed to.

MRS LAM (in Cantonese): Sir, the long-standing problem of bedspace apartments has all along been a cause of concern to the general public. The Wan Chai District Board has repeatedly discussed the issue in the hope that the authorities concerned will devise some comprehensive measures to regulate and solve the problem of these lodging places with their poor environment and deficient facilities. But the solution must not turn the bedspace apartment occupants into homeless street-sleepers, and we are also unwilling to see more people becoming loiterers in the streets. As we all know, bedspace apartments are often located in dilapidated buildings. Usually, a small flat accommodates dozens of weak or handicapped old people of meagre income. Their area of activity is normally confined to their beds measuring 3 ft x 5.5 ft which are also their living space. Some people describe the relationship between these bedspace lodgers and their beds as "they get dressed there, eat there, and sleep there". These lodgers do not choose to live in such environment which is not suitable for living at all. They have no alternative because they cannot afford the expensive rent of other flats. For them living in too remote areas will make it less convenient to move about. Moreover, as the kitchens of these apartments are very small, many of the lodgers have to make use of the very little space beside their beds to cook and fire accidents may occur at any time. The situation will be dreadful to think of once a fire breaks out. The incident which happened in Sham Shui Po last year is a good example.

Since this is a long-standing hazard, although the Secretary for Home Affairs has clearly told us that a licensing system will be set up to exercise control over these bedspace apartments and solve the existing problems, I urge here again that the Government should expedite this process.

It is something of a contradiction, come to think of it, that although on the one hand, we hope that the Government would expedite control over these bedspace apartments, on the other hand, the public at large is very worried that once the bedspace apartments are under control, the 4 200-odd occupants will have to move out because of a change in environment or an increase in rent, and they may even become street sleepers. This will further aggravate the problem of street sleepers which is another social problem unresolved by the Government. At present, there are already more than 1 000 street sleepers in Hong Kong. We do not want to see a substantial increase in this number. Therefore, I would like to urge that before

a licensing system for bedspace apartments is implemented, the Government should look squarely at the housing problem of the occupants who would be affected by the licensing system, especially those who are over 60 and receiving public assistance. The Government must do its best to rehouse them in temporary housing areas or public housing estates, so as to fulfil what the Housing Department has promised the public. According to government policy, no one in Hong Kong would be roofless.

Sir, with these remarks, I support the amended motion moved by the Honourable LEUNG Wai-tung.

MR MCGREGOR: Sir, I promise to be very, very brief. I support Miss LEUNG Wai-tung's amended motion. Incidentally, I do not believe Miss LEUNG is a spokeswoman for the Housing Department; I think she speaks as a Legislative Councillor.

Miss LEUNG's amended motion is more comprehensive than the original motion, I believe. It tries to ensure that protective and sympathetic action by the Government to alleviate the main problem will not create another potentially worse problem. In other words, people who at least have warmth, some basic facilities and human company should not be forced out onto the street, where they are perhaps on the lowest rung of the poverty ladder.

Miss LEUNG has a good heart and much experience. She recognizes the extent of the problem and she seeks a change in the motion to help all those poorer people.

May I make a point in passing, Sir, that a decent old age pension would go a long way towards resolving this problem. We shy away from this basic element in social security for some reason that is not clear to me. But sooner or later we must face it squarely.

Thank you.

MR SIT (in Cantonese): I should like to thank you, Sir, for letting me make this extempore speech. The districts of Yau Ma Tei, Tsim Sha Tsui and Mong Kok, which I represent, are old districts. They have the most numerous "cage flats" and singleton bedspace tenants. Of course, there are other districts like Sham Shui Po and Wan Chai. I have a funny feeling, and that is: people used to talk about Hong

Kong as a place where life was worth nothing. After listening to the discussions today, one seems to feel that life is worth something, after all. Why is it so?

The singleton accommodation problem has been around for, I am sure, over 20 or 30 years. Why is it that in the past we have not seen Honourable Members go to these cage flats for inspection? Mr Martin LEE said he paid a visit last night to the cage flats. But what have we learnt from this? Why are people suddenly interested in cage flats now? I feel there are two reasons for this. The first is that the sudden care taken of single people in cage flats may bring about "fringe benefits" in the forthcoming direct elections -- of course, I assume they would have to be registered as electors before they could enjoy this welfare benefit. The second reason is that last December six residents of a cage flat died in a fire and this has heightened public concern over these flats.

Some people from my constituency called me on the telephone today. They wanted me to convey their gratitude to the Honourable Members sitting in this Chamber for their concern. However, there are others who say that what they need is not the mere expression of concern either generally or at Legislative Council meetings. About those lone, old people who are on Hong Kong's lowermost social stratum, we must do something. We must not merely argue, since argument alone is unlikely to do much good. A debate will result in a show of support either for the Honourable Maria TAM's motion or for the Honourable LEUNG Wai-tung's amended motion; whereas the poor, lone, old people with no one to depend on need substantive assistance. What can we do then?

Let us not forget that about a month ago, over the question of monetary donation towards the allied war effort in the Gulf, we very resolutely, efficiently and without ado, in less than two days after receipt of the relevant committee papers, passed by a show of hands the allocation of \$230 million as donation to the allied forces in the Gulf war. Of course, I am not expecting here today that the Government will allocate funds in the same way as it did in the case of the Gulf war. Still, I think that in the social welfare area of the Budget for the upcoming financial year, the Government should consider giving substantive support to the old and the infirm who have nobody to turn to. A particular point to note is that Hong Kong is finding itself in a situation where the population is ageing and some young people are hastily emigrating. "Political animals" though people are, they would not mind continuing to wait and see a while longer, for they have already waited for several decades.

Now, I, too, would like to express my views concerning the two motions. As a

matter of fact, it is rather difficult to choose between them. We are to weigh two evils and choose the lesser of them. Suppose that we do reach a conclusion but that the Government would not take practical steps to implement it or pay attention to the proper use of resources. Then, what we are doing today would be no more than indulging in idle talk while waiting for the President to declare the meeting over. As for my personal choice, I would rather favour the Honourable Maria TAM's motion, by reason of its broader scope. The Honourable LEUNG Wai-tung's motion, on the other hand, directly and publicly affirms the Government's part performance. But, as Legislative Council Members, we must do more than affirm the Government's performance; we must also understand that what the Government wants from us is not praise for its performance records. Rather, the Government needs constructive views from the Legislative Council Members and from the public. In other words, we are to whip and urge the Government to action when there are shortfalls in its performance, and not to embellish further what is already a beautiful adornment.

The Government has an inescapable social, as opposed to moral, responsibility to make housing available to every citizen who needs a dwelling place. What the Honourable LEUNG Wai-tung's motion suffers from is the wording: "reassure that none of the tenants will be rendered homeless in the course of action". It gives the Government a lot of room for manoeuvre. We must realize that the problem of cage flats and singleton bedspaces is not a simple housing problem but a composite housing and social problem. It will never be solved if it is looked at from the housing angle but no attempt is made to solve it in a social context. To put it plainly, if the Government does not do away with the cage flats but relocates these old, lone people who have no one to depend on to Sha Tau Kok and Tuen Mun, then I believe the majority of them who are thus suddenly required to move to new communities, would rather sleep out in the streets. This is not the way to solve the root of the problem. We should look at the problem more from the social welfare angle. A stopgap solution for the problem would be, for instance, to raise the Old Age Allowance. If an old person is receiving only several hundred dollars a month in Old Age Allowance, and be required to live in public housing, will he be able to afford the rent? So I feel that the Honourable Maria TAM's motion is more balanced. It neither makes a negative comment on the actions that the Government has already taken, nor holds the Government up for praise, for the Government's performance records are there for all to see. Our duty is only to goad the Government, to give it our views on the matter, to see whether it has been negligent and to see whether it has erred in the allocation of resources and if yes, where it has so erred. Therefore, in this connection, I am fully in support of the Honourable Maria TAM's motion.

Sir, before concluding, I would like to add that the Mong Kok District Board recently prepared a report on a 1991 survey about lone, old people in that district. The findings of the report provide serious food for thought. One of them is: "With the gradual ageing of the population, and following the emigration of the younger elements in the population, the Government, during its overall review of social welfare services in the 1990s, will really have to pay special attention to the problems faced by old people. Further, it will have to understand that there exist in the community colonies of old people who differ in their backgrounds and in the nature of their problems, and it should, in allocating funds and training personnel for social welfare, lay rather more emphasis on old people as potential service recipients. Failing this, the social impact produced by the unattended old people may be unwelcome to the Government".

Sir, I hope that the death of the six old people and the injuries to the several dozen single persons in last December's fire have sounded the alarm (I dare not say that it amounted to an indictment) concerning Hong Kong's social problems. I hope that the Government will take serious and practical steps to do what is necessary and will not let another six or more single people fall victim to another disaster. That will be a blessing to the community of Hong Kong.

Sir, with these remarks, I support the Honourable Maria TAM's motion.

CHIEF SECRETARY: Sir, may I ask you to consider a point of order under Standing Order 31(5) which states that a Member shall not impute improper motives to another Member. It seems that Mr SIT, in his speech, is suggesting that people visited the "caged men" on the basis that they were electioneering and were not interested in the problem as such, but were simply hoping to gain votes. That seems to me to be imputing an improper motive to another Member of this Council.

HIS EXCELLENCY THE PRESIDENT: I will certainly consider the matter. I would like to reflect on it. My initial reaction is that to suggest that somebody is interested in election and doing something for that motive cannot be considered to be improper under the terms of Standing Orders. But I should like to reflect on it further.

MRS SO (in Cantonese): Sir, the appalling living conditions in bedspace apartments, commonly known as "caged houses", have aroused public concern after the issue was widely reported by the media several years ago. Nevertheless, the problem has never been properly addressed. Last year, a fourth alarm fire occurred in a "caged house" in Sham Shui Po and resulted in casualties. The incident revealed once again that the problem must be resolved as a matter of great urgency. It is hoped that the Administration would take practical measures to solve the problem after the motion debate today.

The public housing policy of Hong Kong has achieved remarkable success, but the "caged house" problem reflects the insufficient care shown for the singletons. The Administration has indicated its intention to draft legislation to put bedspace apartments under control through a licensing system. While such measure may ensure that the licensed bedspace apartments will comply with the fire safety standard and the average living space of the lodgers may thus be improved, it may also increase the burden of the apartment owners and create difficulties in their operation, resulting in a reduction of supply of bedspaces or a drastic increase in rent, which in the long run may render the existing lodgers homeless, and turn them into street sleepers.

There are many problems in our society which call for immediate attention. When solving these problems, the Government will inevitably face the hard task of setting priorities. If established priorities are to be strictly observed, some problems may not be resolved within the foreseeable future. The "boat bride" issue some years ago is one illustration. I think that in tackling the "caged house" problem, the Government may follow the precedent of the "boat bride" issue, treat it as a special case and exercise flexibility. Apart from bringing bedspace apartments under control through licensing, the key to the problem hinges on a review of the public housing policy for singletons. According to the current policy, the processing of public housing application of able-bodied singletons will not resume until 1994-95. Moreover, new applicants, regardless of their age, will no longer enjoy the right to opt for accommodation in the urban area. The survey conducted by the City and New Territories Administration shows that the total number of bedspace lodgers is more or less 4 000. With regard to these bedspace lodgers, I am of the view that the Government may relax the public housing policy and allow those who have special reasons and difficulties to live in the urban area. Furthermore, voluntary agencies should be encouraged to operate singleton hostels in private buildings, and assistance should be offered for such efforts. In short, "caged house" problem

cannot be resolved by licensing alone. The problem should be dealt with in conjunction with the housing problem of the singletons in the first instance.

Sir, with these remarks, I support the amended motion moved by the Honourable LEUNG Wai-tung.

MRS TU: Sir, many welfare and religious organizations have for more than a decade been calling for better housing for the caged men who are described euphemistically in this motion as "tenants of bedspace apartments". It appears to have taken a deadly fire to move the Government into acknowledging the problem and taking action. In this year of the elections, 1991, it is gratifying to see the new political parties taking up this issue, which has all too long been with us.

Details of the scheme have been mentioned by our colleague, the Honourable LEUNG Wai-tung. The scheme will improve living conditions for half of the tenants, who will be allowed to remain in situ; it will also take care of the remainder who will be displaced. Some of us were concerned that legislation to improve conditions by reducing the occupancy rate would render many people homeless, or that their rents would be unacceptably high. We have been assured on both these points. We must now make sure that all the promises made will be faithfully carried out.

If this scheme is to achieve the goals we seek, I shall be well satisfied, but I would add that I shall be watching carefully for any new social problems that may follow, because improvements in one aspect often bring problems in another. I am sure that any who suffer as a result of the scheme will find their way to our ward offices, or to OMELCO, and we shall then know whether or not we are moving in the right direction for all concerned. I am sure that the Secretary for Home Affairs will realize that if a wrong move is made in implementing this scheme, we shall soon be on his tracks again.

I am grateful that the Secretary for Home Affairs has acted speedily since the recent outcry following the appalling fire last year in which lives were lost. I am sure that many besides myself will feel relieved that this haunting social problem will soon be behind us.

Of course, our problems will not cease there, and I am sure that next on the list will be the need for care-and-attention homes for the infirm. The Financial Secretary

assured us earlier this month that Hong Kong can well afford to give away \$230 million; so from that I gather that there would be no financial problem in providing for our own elderly, for those who are living in appalling conditions in some of the private homes and others who are left uncared for in their own homes.

I would like to take the opportunity of expressing my gratitude to those social workers who have unceasingly worked for the improvements promised today. I would also like to commend the media for their diligence in exposing the shortcomings of the Government in allowing these dangerous conditions to continue for so long, especially the living conditions of the old and infirm.

Sir, I consider the real aim of the motion is more important than the wording. Nevertheless I support the amended motion because it represents the present situation more accurately in the light of the information given to us at the ad hoc group meeting on 7 February. I support the amended motion.

MR PETER WONG: Sir, the social welfare White Paper released last year proclaims that Hong Kong has the responsibility to help those disadvantaged to attain "an acceptable standard of living". In your policy address last year, Sir, you spoke of a comprehensive safety net to prevent any member of our community from falling below basic living standards.

From such assurances the only reasonable interpretation is that the Administration is committed to preventing any member of our community from suffering an unacceptable standard of living. Yet curiously, unacceptable standards of living do exist, especially amongst the poor and elderly. These unacceptable standards have been existing for some years now, but are we doing enough about it?

The fire tragedy in Sham Shui Po last December which claimed five lives and injured 50 others speaks of the neglect -- neglect that can only be laid at our door. The standards that I saw last night were not ones that I am proud of as a Legislative Council Member. I am ashamed.

According to the Government's own findings, 38 lodgers, or caged men, were cramped into each of the three 700 sq ft or 66 sq m apartments. This works out to each lodger having a living area of about 1.7 sq m, a size not much larger than a single bed and about half the living space area of 3.25 sq m -- the limit below which the Government's

own housing policy officially recognizes as overcrowding. 1.7 sq m clearly is an unacceptable standard for anyone to live in this society.

Furthermore, the conditions in such apartments are just as miserable. Many of these bedspace apartments are located between the fourth and sixth floors of old buildings without lift. This forces the lodgers, most of whom are aged 60 or over, to use the stairs. In emergencies, like a fire, it spells dire danger. Facilities in such apartments are also below an acceptable basic level. A survey carried out in Mong Kok, for instance, reveals that caged men there have to share one bathroom with 24 other lodgers; one toilet with 40 others, not to mention poor hygiene and inadequate fire prevention facilities.

Yet, the Government finds itself responsible for such a hostel, at Ivy Street Mong Kok, that is no better than others. Sir, just where is that safety net in our society?

Sir, over 3 000 poor people have to resort to living in such degrading conditions because they cannot afford any better. Those who cannot even afford this have to become street sleepers. According to a recent government survey, the income of 56% of the caged men are less than \$2,440 per month; another 34% rely on public assistance which amounts to \$620 per month, or Old Age Allowance which pays a maximum of \$355 per month. Such amounts, if at all, afford a single person with a subsistence level of existence.

It is not surprising that living under such substandard, crowded living conditions, inmates of the dilapidated bedspace apartments come into constant conflicts. Worse still, many of the elderly lodgers are living in isolation, the iron cage protecting them from without, giving themselves a semblance of sanity and security, but unwilling to seek help from outside. Indeed, existing housing provisions for elderly singletons totally deny their psychological and social needs.

Hong Kong, blessed with the Chinese principles of benevolence and mutual concern -- what I would like to call genuine charity, has always tried to look after its needy and underprivileged. We generally think that the Government has done a good job with its housing programme but the caged people's economic and social condition has somehow slipped through that safety net. Something must be done urgently to cater for their unique housing needs.

It is high time that the Government reviewed its housing policy for singletons formulated in 1985 which tends to discourage single people from applying for public housing. A better mix of housing units for one and two persons ought to be provided for the low-income, able-bodied elderly. The aging profile of our population will demand this provision sooner or later. Adequate provisions of sheltered housing, hostels, homes for the aged and care and attention homes have to be backed up by support services. We need a comprehensive system of demographically related accommodation where elderly persons can progress smoothly from one category of housing to another within the community, avoiding social dislocation.

To help solve the financial problems of bedspace apartment lodgers, the level of rental subsidy for public assistance recipients has to be substantially raised. A \$488 a month subsidy will go nowhere near the average private sector room rent of \$1,118 per month. At the same time, the Government should closely monitor accommodations in the private sector -- environment, rentals, and living conditions of their occupants.

Here, I would also urge the Administration to release the progress made in implementing the recommendations of the Working Group on Housing for the Elderly put forth in June 1989, with special regard to actions for meeting the needs of the aged.

It is an urgent task to raise the operational standard of hostels and bedspace apartments to an acceptable level. In view of the very high rentals in the private sector, consideration should be given to renting out these accommodations to the voluntary agencies to run non-profit hostels for single persons.

Finally, to meet the social needs of the caged men, expansion of counselling services for residents in both public and private housing can no longer be delayed. The pilot scheme, jointly launched by the Housing Department and the Social Welfare Department in Choi Hung and So Uk Estates where elderly people are regularly visited by voluntary agency workers, has not been well publicized. However, it is a step in the right direction, and much more ought to be made of this service.

When considering today's motion I urge this Council to recall Sir Murray MacLEHOSE's words in 1973. "Present housing inadequacies are a constant source of friction between the Government and the people offending Hong Kong's humanity, civic pride and political good sense." Eighteen years have passed since he said that and much public housing has been built. But so long as the plight of those caged men

exists, our community's humanity, civic pride and political good sense will continue to be offended.

Sir, in spirit I have no problem in supporting both motions. And as the Honourable Kingsley SIT said, "Action counts more than word." Sir, let us have lots of actions. At least let us be more generous with our money.

MR CHAN (in Cantonese): Sir, could I speak on the amendment?

HIS EXCELLENCY THE PRESIDENT: Yes, you can speak on the amendment, but stick to the amendment and the reasons for the amendment, if you would.

MR CHAN (in Cantonese): Thank you, Sir. In fact, I had a part in formulating the motion moved by Miss Maria TAM. But why did I give it up and support Miss LEUNG's motion instead? It was because Miss LEUNG had more time in preparing her motion which is therefore better phrased. So I give it my support. This should serve to prove that the matter has nothing to do with political parties. I do not think that we need to hush up about political parties or give them a wide berth. If we do so, how can we expect citizens to participate actively in voting? In fact, political parties have emerged and we should not pretend that they do not exist. Thank you.

SECRETARY FOR HEALTH AND WELFARE: Sir, I support the call that urgent action is required to remove the black spot of Hong Kong's version of a modern-day bidonville in our glittering city. The commonality of views, which have emerged in the debate, highlights a social awareness, a crying need for reform, and an understanding that there are always individuals who cannot be expected to be able to cope on their own without a network of support through outside intervention.

The question of living condition or the shelter issue is not simply one of poverty. Urbanization and socio-economic policies all have an impact on living conditions. Urbanization can be an engine for growth and an incubator for innovation in urban development management.

Whilst pledging my own support, I would like to share with this Council measures

taken by my Branch, for instance. I shall defer to the Secretary for Home Affairs to elaborate on the broader issue of housing, licence and control and findings of a recently completed territory-wide survey on bedspace apartments and their lodgers.

An interdepartmental group chaired by my Branch, which first studied the problems, indeed some months ago, reached a number of important conclusions. The first of these was that:

(a) there was an obvious and continuing need for low-cost private rental accommodation in the urban areas (and, I might add, at rents residents can afford, avoiding social dislocation where possible and preferably in localities of their choice and at standards more compatible with modern Hong Kong); and

(b) there was a clear duty on Government's part to eradicate unsafe and dangerous conditions in such apartments and, as appropriate, to improve hygiene and living standards.

However, attempts to introduce such changes in a number of pilot schemes revealed there would be major difficulties in achieving these objects under existing legislative and enforcement arrangements. The most appropriate solution would appear to include the introduction of a specific licensing scheme covering all bedspace apartments.

Social workers from the Social Welfare Department have and will continue to visit all known bedspace apartments at six-monthly intervals. Voluntary agencies are also doing valiant work, actively involved in helping the residents of such apartments. Welfare services are offered to all residents in need, particularly the elderly and disabled people. At present, there are 947 lodgers in bedspace apartments receiving public assistance and 392 receiving special needs allowances. Last year, 155 residents were also given grants from charitable funds to help them with specific financial problems. Another 325 were referred for employment assistance. All this action, though meaningful, is of course not enough.

Rehousing of elderly and disabled residents and others with special needs should remain a high priority. During 1990, 119 residents were referred to elderly homes and another 82 were recommended for compassionate rehousing. These figures are lower than we would wish, and point to a particular problem wherein many residents of bedspace apartments are extremely, though understandably, reluctant to move from the

locality in which some of them have lived for over a quarter of a century, even though better accommodation is available elsewhere. Many will never consider a move until faced with the prospect of losing their present home altogether. This prospect, however, becomes increasingly likely as the older urban areas are being redeveloped.

Ensuring safe conditions in bedspace apartments will inevitably require that more residents be displaced. However, it is our firm commitment that no person should be made homeless as a result of this. Residents whose medical or social circumstances give rise to particular housing needs may be rehoused through the existing compassionate rehousing arrangements. In addition, building upon the experience gained through the urban hostel pilot scheme for street sleepers, we will also establish further urban hostels to provide a temporary home for displaced people with special needs including those who may wish but are unable immediately to find their own accommodation or whose application for compassionate rehousing with the Housing Authority is still being processed. A number of sites for such hostels are now being identified with the help of the Land Development Corporation and the Government Property Administrator.

Sir, taking into account all the valuable expressions of help and in practical collaboration with individuals, relevant organizations and the community at large, my colleagues and I will continue to perform our part in full with dedication and determination.

SECRETARY FOR HOME AFFAIRS: Sir, perhaps for the record I would like to say that the survey to which many Members referred was completed at the end of January this year. The fire in Sham Shui Po occurred on 23 December 1990. The fact that the survey took three months speaks for itself. We were not goaded by the tragic fire into action. We were goaded by the appalling conditions which we saw when the Secretary for Health and Welfare and I visited the premises earlier last year.

Some Members also referred to the fact that the Financial Secretary seemed to be the owner of one such apartment. I am not in the habit of defending the Financial Secretary but, on this occasion, I think I should speak up. The apartment fell into the Financial Secretary's hands by a legal situation which developed. The Financial Secretary certainly did not acquire it. We certainly could have moved in and removed that particular apartment from the collection of these apartments. That we did not do so was because we did not have at that time a package of measures that would provide

an answer to the question -- because the only solution at that point in time was to close down the premises. We did not want to close down the premises, driving people into streets, but rather wait until the package of measures which I am about to outline becomes available.

I am grateful to Honourable Members for their views and comments. This is a complex subject and is one that does not lend itself to easy or ready made solutions. Nor are we aiming at perfect solutions.

It might be useful, Sir, first to set out an outline plan. I will later in my speech explain how the plan is to be implemented.

The action plan, as devised within the Administration, takes account of a number of principal considerations:

(a) that the population in bedspace apartments should be frozen at current levels, through legislation and a system of licensing. Successive surveys show indeed that this is a practical measure because the population is in fact a diminishing one not an expanding one, and the freezing is necessary to ensure that we are not dealing with a problem which will move away with time;

(b) that the population in these apartments must be reduced so as to enable safety measures to be installed and to ensure that the living conditions are vastly improved;

(c) that people displaced in this thinning out exercise do not become homeless. This will involve the creation of sufficient hostels to accommodate occupants who are not qualified for rehousing in public housing on compassionate grounds;

(d) that such hostels should be properly managed so that they themselves do not become bedspace apartments of the sorts which we are dealing with, thereby allowing history to repeat itself;

(e) that the poor should be assisted as a matter of charity; and

(f) finally, sufficient funds must be secured to enable all these considerations to be put into practice.

Sir, many speakers referred to the survey conducted by the City and New

Territories Administration (CNTA). In that exercise, every bedspace apartment known to the Administration was visited and every attempt was made to interview the lodgers. We now have on record 180 bedspace apartments with a total of 5 650 bedspaces. The actual population is correctly stated by Members to be around 4 000 and 67% of them have been individually interviewed.

As regards the social profiles of the lodgers, Members will be interested to know that their average age is 55, just under half have family ties but all of them live in these apartments as single men; 35% are receiving public assistance. 62% of them are in employment, earning an average income of about \$2,440 a month.

14% of the lodgers interviewed have been living in bedspace apartments for more than 20 years while 52% of them have been lodgers for less than six years. Almost half of them say that they stay in bedspace apartments because of the cheap rent, which averages \$279 a month. Another 30% of them give the reason that they cannot find alternative accommodation.

The survey results have formed the basis on which the Administration is assessing the magnitude of the problem and formulating appropriate measures to tackle it.

The two essential components for a successful bedspace apartment would appear to be an urban location and low rentals. In practice, these factors combine to provide overcrowded apartments in old dilapidated tenement blocks where structural, fire safety and living standards are invariably poor. As safety is the primary concern, a major objective must be the eradication of unsafe or dangerous conditions notwithstanding that this may result in the closure of some bedspace apartments.

The most effective way to regulate the safety standards in bedspace apartments is to introduce a licensing scheme. The basic requirement under such a scheme would be that all bedspace apartments would be obliged to operate under a licence. The issue and holding of a licence would be conditional upon meeting appropriate safety standards required by the Fire Services Ordinance and the Buildings Ordinance and that would include a ceiling on the number of occupants in any particular apartment. Licences would be subject to periodic renewal following an inspection of the premises.

For a licensing scheme to be effective, proper policing and enforcement of the licensing conditions is essential. As there are some similarities in the basic approaches being proposed for guesthouses and bedspace apartments, the Administration proposes that the licensing of bedspace apartments should form one

of the tasks of the proposed Hotel Accommodation Authority being set up under the CNTA. Such an arrangement would appear to provide the most effective and economic means of implementing a licensing scheme for bedspace apartments.

The licensing scheme will be designed to reduce the occupancy level in bedspace apartments, and then frozen at that level. As I said in this Council on 9 January 1991, the policy objective was to reduce the occupancy level in existing bedspace apartments by roughly 50%. This will result in the displacement of about 2 000 lodgers.

We are conscious of the fact that enforcement action which results in people being forced onto the street would just not make sense. I would like to reassure Members that no lodgers already registered with us will be made homeless without offer of suitable alternative accommodation. To this end, the Government will adopt a three-pronged approach.

First, elderly people aged above 60 and/or are receiving public assistance or other forms of welfare assistance will, as far as possible, be dealt with under existing social welfare rehousing policy. The arrangements being contemplated for them have already been set out by the Secretary for Health and Welfare. For planning purpose, we are assuming that 25% of the existing lodger population (that is 1 000 lodgers) will be so rehoused.

The second category of lodgers are those who are able-bodied and employed, but who cannot afford high rent or find suitable accommodation other than bedspace apartments. For such people, we will promote a project through voluntary agencies to provide hostel accommodation for those displaced from existing bedspace apartments. Such hostels will, as far as possible, be set up in the neighbourhood familiar to the displaced lodgers. This project will take care of another 1 000 or so lodgers, and I shall come back to it in detail later.

The rest of the existing lodgers, about 2 000, will remain in situ in bedspace apartments in improved living conditions after the introduction of the licensing scheme.

Coming back to the arrangements being proposed for the second category of lodgers, at present, for those lodgers of bedspace apartments who are displaced and claim to be homeless would normally be offered accommodation in a transit centre in the New

Territories. If subsequently found to be genuinely homeless, they would be offered temporary housing in the New Territories. Problems will arise, however, in those cases where residents have strong social or job ties in the neighbourhood and refuse to move to other districts, particularly to the New Territories.

To assist in meeting the rehousing needs of these 1 000 lodgers in the second category, the Tung Wah Group of Hospitals has generously agreed to make available properties for conversion into hostels. One such building is in Wan Chai and work has already started to turn it into a hostel for 50 single men. Another building in Mong Kok will provide accommodation for 200 and the necessary alterations and fitting out works will commence towards the end of this year.

That will leave about 750 lodgers to be taken care of. In order to secure sufficient alternative accommodation for them, it is estimated that about \$56 million will be required to purchase properties and furniture. The Land Development Corporation has already agreed in principle to donate \$20 million as a social project. As regards the balance of the financial requirement, I am happy to say that the Chinese Temples Committee, at its meeting yesterday, approved a donation of \$40 million from the General Chinese Charities Fund.

So that the net assets of the General Chinese Charities Fund will not be unduly depleted, any property purchased with money from the Fund will be owned by the Chinese Temples Committee, and leased out to voluntary organizations which are interested in running and managing hostels. The Agency for Volunteer Service and the Housing Society have already agreed, in principle, to operate such hostels and we are now discussing detailed arrangements with them.

Some Members have expressed concern over the rental levels of the bedspace apartments upon enforcement of licensing controls. Rents in improved bedspace apartments will rise. But guided by the experiment we conducted in Mong Kok last year, we do not believe that the new rent will be such as to force occupants out onto the street. However Members' warnings and concerns have been carefully noted. We will pay particular attention to this aspect of the exercise. On the other hand, the hostels managed by voluntary organizations will charge rents at affordable levels and will accommodate, first of all, those lodgers who cannot pay the higher rents of the commercially run bedspace apartments. We may have to introduce a means test to differentiate between those who can and those who cannot afford to pay the free market rent.

New legislation for the licensing scheme will be required. However, the Government does not intend to subject bedspace apartments to licensing controls until there are sufficient alternative accommodation available for the displaced lodgers. In the meantime, as and when hostels are set up, actions will be carefully synchronized by the departments concerned to enforce the Fire Services Ordinance and the Buildings Ordinance against bedspace apartments in the neighbourhood.

Sir, I have set out an approach to problems associated with bedspace apartments. Sufficient funds are now available for the thinning out exercise to begin. All the comments made by Members will certainly be carefully taken into account in formulating further plans. Our planned action is not expected to produce perfect answers. What we are attempting are practical measures which will result in substantial improvements in the living condition of the 4 000 people, often, perhaps slightly uncharitably, described as caged men but nonetheless an accurate description.

Sir, I support the motion.

HIS EXCELLENCY THE PRESIDENT: Before I put the question on Miss LEUNG's amendments, it might be helpful if I read out what the amended motion would read like if those amendments were approved. It would then read as follows:

"That recognizing the appalling living conditions in bedspace apartments as a pressing social problem, this Council urges the Government to expedite their plans for solving the problem and to reassure this Council that none of the tenants will be rendered homeless in the course of their action."

Question on Miss LEUNG's amendments put and agreed to .

HIS EXCELLENCY THE PRESIDENT: As Miss LEUNG's amendments have been agreed, we then continue to debate the motion as amended, that is to say, Miss TAM's motion as amended by Miss LEUNG's amendments, the wording being as I have just read out. Does any Member who has spoken neither to Miss TAM's original motion nor to Miss LEUNG's amendments now wish to speak? Miss TAM, you have the right of reply as the proposer of the original motion, if you wish to use it.

MISS TAM: Sir, I should like to thank you for the opportunity to reply that you give me.

I have actually no difficulty whatsoever in speaking by way of reply to a motion which is very close to the original motion proposed. I would much rather speak on common features rather than differences because, frankly, I do not believe that there is a difference in the common purpose. I think both motions make it very clear that this Council recognizes the appalling living conditions of tenants of bedspace apartments as a pressing social problem. In respect of the second point as to whether the Government should be expediting their plans to alleviate the problems, in principle, I think very few people can object to it. And in fact the major reason for the original motion omitting to mention a plan has been explained by Mrs TU very eloquently who said that events taking place on 7 February have enabled the Administration to present their plans to the group. And I am as glad to hear of it today although I was not able to read about it in the minute yesterday. It seems to me it makes no difference whatsoever as long as work is being done.

Finally, the amended motion says that none of the tenants will be rendered homeless in the course of this action. Sir, there is plenty of common ground here as I have pointed out in my speech and it was one of the seven points raised by the ad hoc group when we first tried to draft the original motion. The point that it is highlighted of course does no harm whatsoever. I, for one, have already taken the Secretary's word for granted when he replied to, I think, Mrs TU on 9 January that it was his intention to secure alternative accommodation before action would be taken to move anybody so that nobody would be left in the streets.

Sir, I am very pleased that this debate has less political rhetoric than it could have generated. I think that shows maturity. I hope after this debate all different political group members can have a drink together. And unless we can do that it will be very difficult to claim that we appreciate democracy and appreciate debates in this Council.

Question on Miss TAM's motion as amended by Miss LEUNG's amendments put and agreed to.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 6 March 1991.

Adjourned accordingly at five minutes to Seven o'clock.

Note: The short titles of the Bills/motions listed in the Hansard have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

The President's Ruling

His Excellency the President wrote to the Honourable Kingsley SIT on 6 March 1991 as follows:

6 March 1991

Dear Kingsley,

During your speech in Legco on 27 February in the debate on bedspace apartments, I was asked to consider whether your reference to some Members' recent visit to such apartments had contravened Standing Order 31(5).

Having given an initial response, I have now reflected further on the issue. My conclusion and ruling is that what you said during the debate did not contravene Standing Order 31(5).

Yours sincerely,

David Wilson
President