

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 27 October 1983****The Council met at half past two o'clock****PRESENT**

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

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE. K.B.E., C.M.G., J.P.

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

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

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

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

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION

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

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

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

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

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

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

THE HONOURABLE ALAN JAMES SCOTT. C.B.E., J.P.
SECRETARY FOR TRANSPORT

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

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

THE HONOURABLE ERIC PETER HO. C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

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

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

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

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

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

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

THE HONOURABLE HU FA-KUANG. J.P.

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

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

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN. O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN. J.P.

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

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

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

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE. J.P.

THE HONOURABLE MARIA TAM WAI-CHU. J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS. O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

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

THE HONOURABLE HENRY CHING. C.B.E., J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE CHAN NAI-KEONG. J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE. J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

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

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

ABSENT

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

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

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

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

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. JENNIE CHOK PANG YUEN-YEE

Government business

Motion

MOTION OF THANKS

Resumption of debate on motion (26 October 1983)

DR. FANG:—Sir, the past year has been dominated by concern over the future of Hong Kong and our quest for a satisfactory settlement. Whilst I share Your Excellency's view that the business of administering this complex territory of ours has gone on, our efforts to maintain and improve our economic and social environment have perhaps been somewhat overshadowed by this larger issue, in so far as the general public is concerned. I hope that in the coming year, and with improving world economy, it will be possible to give these efforts a higher profile.

In the past year we have had visits from international experts and more than one of our rehabilitation related institutions have been appointed by W.H.O. and U.N.I.C.E.F. as training centres in the Asian and Pacific region.

In the past two weeks I have attended the General Assembly of Rehabilitation International held in Washington, D.C. 39 countries and international organizations attended. Hong Kong was not only represented but was in the chair. On Tuesday this week, on behalf of the Hong Kong Sports Association for the Physically-Handicapped, I officiated at the Starting Ceremony of the Beijing-Hong Kong Charity Run for the disabled. I am pleased to report to you, Sir, that the Services and sporting activities for our disabled have received world-wide recognition.

On the medical side, we have encouraging health indices and have been able to make steady progress in our various medical development projects. But we cannot be complacent. If we look back on the developments of our medical and health services over the past ten years, it is soon apparent that our achievements are modest compared with other social service programmes.

Take housing and education as examples. The number of public housing units has increased from 348 000 in 1973 to 506 000 this year excluding the provisions of 25 000 units in the Home Ownership Scheme, and the number of subsidized school places has also increased from 685 000 to 850 000. In housing, several old estates have been redeveloped, new ones are better designed and better situated to meet the rising aspirations of our people. In education, we have full and free provision for all up to Form III level and a steadily increasing provision at the senior secondary and tertiary levels. Other improvements in the quality of education are envisaged.

In contrast, over the same period, the number of hospital beds in the public sector have only increased from 15 000 to 20 000 and the number of Government clinics from 53 to 57. The share of Government expenditure in this programme area does not compare with those for housing and for education.

Our medical and health services suffers from long standing operational problems: too many camp beds in regional hospitals, long queues at Government clinics and unrelenting pressure on our accident and emergency units. Some of these problems may be traced back to the basic philosophy governing the provision and funding of medical and health services in Hong Kong and the roles envisaged for Government and the private sector. Is the Government attempting to do too much itself? Are there adequate incentives to encourage a viable private sector? Are we coping with the demands of the community, particularly those of a rising middle class? These questions need answering. Too often we fall back on the defence that the demand is insatiable without really getting to the roots of the problem. We must attempt to establish genuine demand and to work towards satisfying this demand. The 'sandwich' class, so aptly coined by my Senior Member Mr. LOBO, in particular, feels left out. They are too rich to be satisfied with the standard of services available in our Government hospitals and not rich enough to afford private hospitalization.

Sir, I believe that the arguments for a thorough review of our system of medical and health services are at least as strong as those pertaining to the recent review of our educational system. The quality and quantity of our medical and health services are important to our community as witnessed by the recent public agitation for the early construction of the Eastern Hospital and the increasing number of civil actions against alleged negligence of hospital staff. Public concern must be reflected in this Council and I would urge that a panel of overseas and local experts be appointed to take a wide ranging look at our medical and health system. Like education, its purpose will be, and to quote Your Excellency's words: 'to take a fresh look at the system as a whole to ensure that it will continue to meet the aspirations of the community, and that it remains geared to the future needs of Hong Kong.'

The Medical Development Advisory Committee, which I have the honour of chairing, is not well placed to undertake such a review, whatever its terms of reference. This Committee is invaluable in many ways and has received excellent support from the Director of Medical and Health Services and his staff. But nearly a decade has passed since the publication of the 1974 White Paper which set down the blue print for the development of medical and health services in Hong Kong. The plan has been rolled forward each year by M.D.A.C. but the time has come for a fresh mandate and impetus. Hence my suggestion for an overall review by a separate body.

With these remarks, Sir, I support the motion.

MR. BROWN:—Sir, listening to your opening address I was interested most—in common I am sure with the community at large—in hearing what you had to say concerning the future of this territory. This is the single most important subject of the hour, and it was welcomed and indeed expected that you should have referred to it at the beginning of your speech.

We understand the position of the confidential talks, and realize why in the circumstances you cannot be more specific. However, the Administration's attitude towards the future, which you clearly spell out as being one of determination to pursue the talks to a successful conclusion, can be tested against the balance of your address which details Government's plans for the future in both the short and longer terms.

The continued development of infrastructure, particularly in the area of Long Term Development Strategy, together with the planned expansion in our social programmes, endorses that determination of which you speak and indicates considerable confidence that the future will indeed mirror our aspirations. This positive and optimistic attitude is comforting; it illustrates that intelligent anticipation referred to by my colleague, Miss DUNN, yesterday and I feel certain Government will match promises with performance as requested by the Senior Member, Mr. LOBO.

Time, however, is not on our side as the recent problems in our financial markets—clearly due to the confidence factor—illustrate so forcefully. In this context, Government is to be congratulated on the recent measures taken in regard to the stabilization of the value of the Hong Kong dollar. Although criticism as to the time it took to introduce these measures has been voiced in some quarters, the radical change they represent justifies the care taken in their deliberation and method of implementation. The measures have been successful and as members will be aware the Hong Kong Association of Banks was able this morning to reduce interest rates—a further sign that matters are turning out as anticipated. Provided all concerned work together with a common purpose, I am confident the new arrangements will continue to be successful.

With the stability of the exchange rate restored our main objectives now must be to reduce the level of inflation and achieve an increase in the real level of wages of the labour force. It has been said before, but it is worth repeating—because it is important—it has been said before that although we have emerged from the recent recession with a level of inflation that is too high for comfort we can claim a relatively low level of unemployment. Throughout the world recession, unlike so many other countries, Hong Kong has been able to contain unemployment. This achievement reflects well on the labour force itself which has once again demonstrated pragmatic common sense in the acceptance of little or no increase, and in some cases an actual reduction in its real level of income. As our export led recovery gathers momentum the two objectives I have just mentioned must be given priority.

Sir, you made reference to the proposed Nuclear Power Station in Daya Bay, and I comment on this project as it is one that my colleague Miss DUNN omitted from that sorry catalogue of projects which have floundered or have suffered long delays in navigating the bureaucratic channels of Lower Albert Road. The proposed Nuclear Power Station in Daya Bay has not been under discussion for so long as the other projects to which she referred, but here is an opportunity for Government to make a prompt decision. I am pleased to note that preliminary

assessments of consultants' reports indicate it ought to be possible to negotiate an off-take agreement which will be of benefit to both China and Hong Kong. This is a decision that must be made quickly, for we must not under-estimate the significance of this project which offers Hong Kong a unique opportunity to demonstrate our desire to co-operate with China towards the fulfilment of their Four Modernizations Programme. Our elder and respected Statesman, the Lord KADOORIE is surely correct in his belief that this Nuclear Power Station, designed, manufactured and operated within the International Atomic Energy Agency regulations, offers a unique opportunity to illustrate that the oft quoted mutuality of interests between Peking, London and Hong Kong does indeed exist.

Voices have been raised here in Hong Kong expressing concern over the environmental and possible dangers to health which a Nuclear Power Station on our doorstep would entail. Those voicing these views have the right for them to be given careful consideration, but in reaching a decision on whether or not to use electricity generated from a nuclear power plant in Guangdong Province we must not confuse ideals and practical realities.

The realities of the situation are that the station will be built, and be built within international safety standards. On the basis that the Hong Kong consumer will not have to pay more for his electricity than from other sources, and this is the basis on which we have been given to understand the commercial viability of the project is based, then we should grasp the opportunity offered and we should grasp it now.

Sir, I turn to the comments you made in regard to our system of Government. In the circumstances in which we find ourselves today it is clearly desirable that we should maintain a close examination of our system and procedures, and the changes we are witnessing in the composition of this Chamber are to be welcomed. It is proper that our proceedings should be conducted with dignity, but a little more lively debate and a little less dignity—which has been so aptly described as being only a device of the body for concealing infirmities of the mind—would do us no harm, and indeed a lot of good. Moreover, we would be wise to conduct our proceedings in a manner to avoid giving an impression that we are 'yesterday's men' with a function irrelevant to the circumstances of today. We must avoid it because it is simply not true. This should be self-evident, but I have a feeling that with your encouragement this Session will prove it beyond doubt who knows our proceedings could even become interesting enough to attract members of the public into the public gallery!

Sir, I support the motion.

MR. CHAN KAM-CHUEN:—Your Excellency, I shall refrain from speaking on the popular subject of 1997 as this is now expertly handled in a series of shuttle diplomacy between London and Beijing by the British delegation of which you, Sir, is a member and between London and Hong Kong by our colleagues in the

Executive Council. I shall simply look into the recent turbulent time experienced by the man in the street.

Without raising undue public alarm, I had in the past few years whispered into the right ears the importance of maintaining a stable dollar and the need to contain inflation. There are of course side-effects for such action but it is a choice between two evils. However, one must admit that 'economic medicine' may not be a panacea for fears of the political uncertainties of the future.

On 24 September 1983 the Hong Kong dollar hit the historical low of H.K.\$9.70 to U.S.\$1. Fortunately, it was a Saturday with only half a day's trading but it was sufficient to make the public panic. People rushed to the supermarkets and emptied the shelves of food and other daily necessities. This is understandable as the Hong Kong's population is largely made up of post-war refugees from China. The elderly ones would never forget the swift devaluation in 1948 in Nationalist China of the three types of paper money which were issued in rapid succession. The people hoarded food, gold, silver coins and U.S. dollars even though the penalty was death. The younger H.K.-born generation is also very sensitive to fluctuations in prices as they are all well educated by the speculative gold, property and shares markets. What they have overlooked is the vital fact that our dollar is not just backed by a printing machine, but is solidly backed by a basket of foreign currencies.

Whilst waiting for an announcement of Government measures, smaller manufacturers because they cannot protect themselves by buying foreign currency futures, refused to accept orders with Hong Kong dollar payments. Meanwhile, dealers in raw materials also did likewise. Some parents who were just able to afford to send their children overseas for education had to make the heart-breaking decision to recall their children. As usual prices go up quickly and steeply but come down very slowly, the working class is thus feeling the pinch of belt-tightening.

Despite the swift and effective measures taken by the Government on 17 October 1983 to peg the Hong Kong dollar at \$7.80 to the U.S. dollar, and the public confidence thus somewhat restored, it must be borne in mind that in view of the statement that the H.K. dollar was worth \$6.50 to the U.S. dollar, this still means a 20% devaluation of our dollar. The sigh of relief from the public is only due to the improvement of jumping from the fire (\$9.70) back into the frying pan (\$7.80). Provided that the public does not stampede again and our exports continue to increase, I am confident that the Government will gradually be able to make our dollar stronger and head for the \$6.50 goal. The ability in maintaining internal stability not only shows the preparedness and effectiveness of our Government but also helps to concentrate our attention on the diplomatic front.

Let us forget all the savings taken out of Hong Kong by emigrants and take a look at our external trade figures for 1982.

H.K.\$ billion

Imports	142.893
Re-exports	44.353
Domestic exports	83.032

Normally, there is a good mix of foreign and local currencies retained or spent, but if everyone panics, then all these three items, totalling H.K.\$270.278 billion, including wages and overheads could be directly or indirectly all converted into foreign currencies. It is a situation similar to everyone in a boat running to one side, and it constitutes a run on the H.K. dollar. Due to supply and demand, therefore, the Hong Kong public have played themselves into the hands of speculators.

Except for those with a lot of foreign currency holdings everyone is hurt by this rush to sell our H.K. dollars at a discounted rate. Whilst the local people suffer a 20% devaluation of their savings and earnings, China is also hurt by this drastic drop in value of the H.K. dollar, as the following external trade figures with China for 1982 can show—

	<i>H.K.\$billion</i>	<i>U.S.\$ billion</i>
Imports from China	32.935	5.071
Re-exports to China	3.806	.586
Domestic exports to China	7.992	1.230

The exchange rate at 31 December 82 was U.S.\$1 to H.K.\$6.495.

It was recently stated by Chinese economists that China gets U.S.\$4 billion in foreign exchange via Hong Kong during 1982. This does not tally with the import figure of U.S.\$5.071 billion I just quoted. I can only deduce that the figure of U.S.\$4 billion does not include re-exports of U.S.\$0.586 billion and H.K. exports to China of U.S.\$1.23 billion. This still leaves U.S.\$0.745 billion which I can only assume to be due to family remittances, tourism and other sundry items. These figures are significant if we consider that—

- (a) the annual foreign trade surplus announced by China was only U.S.\$1.1 billion; and
- (b) foreign investments in China from 105 joint ventures since 1979 was only U.S.\$200 million.

It can be seen that a stable Hong Kong dollar would benefit not only Hong Kong, but also all her trading partners, in particular China in her modernization programme.

Being good neighbours, we wish China every success in her modernization programme which we are helping with our foreign exchange, expertise and other facilities. Such *constructive* nation-wide movements and opportunities do not occur very often. For example, the reforms made during the Meiji Restoration (明治維新) raised Japan into a world power, and despite defeat in World War II,

she is still an economic giant. A similar reform movement, however, followed by Ching Dynasty of China failed lamentably at the turn of the century. Now almost a century has elapsed before China has another opportunity. There is a lot of wisdom in the Chinese saying(小不忍則亂大謀)lack of a little tolerance would throw a grand plan into disarray.

I have heard much criticism about Government spending public expenditure on grand plans in the past few years, but I would like to offer a view from another angle: at a time when the world was going through a long period of recession, Hong Kong would have been in deep trouble with unemployment rising steeply if we had spent less in the construction of the M.T.R. and other major building and construction works. In this way, Hong Kong by passed an economic slump and headed straight for recovery. Now, recovery has come at long last, but we are hit by a confidence crisis: the bill for all these imported inflation is also now due for settlement.

My advice is that Government should adopt a conservative budget and assist wherever possible all the evergreen foreign exchange earners, such as export and tourism. We should also pay attention to internal stability, the continuance of our housing programme, creation of employment and contain inflation. As regards criminals who are not H.K. belongers, we should review our deportation policy. This could be an effective deterrent, now that we all know that China is adopting stiff penalties towards criminals. This done, the police would be in a better position to handle unforeseen emergencies.

With these observations, Sir, I support the motion.

MR. SWAINE:—Sir, one year ago when I spoke in the debate on Your Excellency's speech, I said that the future stability and prosperity of Hong Kong could only be achieved by the continuation of British administration, and as a necessary concomitant by the continuation of the present system of the administration of justice. I remain firmly of the same view today, but I will focus on the latter question in this speech.

It is a truism that Hong Kong owes much of its success to the system by which the laws of this territory are administered. No less an authority than the Lord High Chancellor of Great Britain, Lord Hailsham, paid tribute to our success and identified this key element when he laid the foundation stone of the new Supreme Court Building just one month ago during the course of the Commonwealth Law Conference held in Hong Kong. He said:

'The system which has developed in Hong Kong over the past thirty years is one which can claim success unequalled by any other economic or political model. But, at the heart of any human community there must exist a legal system. A human society cannot exist at peace with its neighbours or amongst its members without a framework of laws suited to its economic and social requirements. Hong Kong, as it exists today is built on a framework of law which recognizes freedom, but at the same time enforces moral values.'

The choice of Hong Kong for the triennial Commonwealth Law Conference was made some four years ago and its timing was fortuitous, but the Conference could not have occurred at a more critical time in our history. It was a signal reminder of our own place in the sun, as a thriving and valued member of the Commonwealth system of law, enjoying a common tradition of legal institutions and principles. How very sad for Hong Kong if we should lose our place in this gathering!

The Rule of Law is the single best description of the system under which we operate. It means in essence that our society is governed by law.

We in this Council pass the laws of this territory after due consultation and debate but these laws are underpinned by traditions of respect for the rights of the individual and rights of property. These traditions go back some seven centuries and have their origin in Magna Carta in England in the 13th century.

I deem it essential for the well-being of this territory that there shall be enshrined in any future arrangements for Hong Kong provisions safeguarding the rights of individuals and rights of property.

The Rule of Law also means that the same law applies as between citizen and citizen, and as between members of the Government and members of the public. It is the negation of a different system for the State, but it subjects the State to the same Courts as for the individuals. For the resolution of disputes between the State and the citizen, the same law applies and the same Courts adjudicate as for disputes between citizen and citizen.

There is a recognized procedure for suing the Government and that procedure is enshrined in the Crown Proceedings Ordinance, Chapter 300 of our Laws. It is modelled after the English Act of Parliament of the same name. Under this statute, the Attorney General is sued as representing the Government of Hong Kong, and he is subject to the same procedural rules as any other litigant.

I deem it essential for the continued well-being of this territory that a similar provision be inserted in any future arrangements for Hong Kong, which would subject the Government of this territory to the jurisdiction of the ordinary courts.

The Rule of Law further means that the actions of Government in so far as they impinge upon the rights of the individual or his rights of property are subject to review by the Courts. These rights of review are enshrined in the prerogative writs and are the outgrowth of tradition going back some seven centuries in England. The best known of them is the writ of habeas corpus which was formalized in England as early as the 17th century by an Act of Parliament of that name. We have expressly adopted that Act in Chapter 88 of our Laws. By the writ of habeas corpus the subject is able to apply to the ordinary courts to call before them the executive arm of Government to justify the detention of the subject. It is a most potent check on abuse, and history tells us that it is among the first casualties when authoritarian rule takes over.

The remaining prerogative writs enable the citizen to call the executive arm before the Courts to question the legality of its actions in so far as they impinge upon his rights of property, and require the executive to justify those actions according to law. So well entrenched are these remedies in our law that their procedure is regulated by detailed Rules for judicial review made under the Supreme Court Ordinance.

I deem it essential for the continued well-being of this territory that similar provisions be incorporated in any future arrangements for Hong Kong to enable the citizen to question the executive acts of the Government before the ordinary courts in so far as these affect his person or his property.

Sir, it must be apparent that the Rule of Law requires for its implementation an independent Judiciary; for no matter how sound a principle, it is of academic value if there is lacking machinery for its implementation. The individual must be confident that if he takes the Government to Court, whether for redress of a private wrong, or in order to question the legality of a Government act which affects his person or his property, he will have his complaint heard and determined by a tribunal that is completely impartial.

The independence of our Judiciary is bedded upon a tradition that goes back many centuries, and is supported by Article XVIA of the Hong Kong Letters Patent which gives our Judges security of tenure. The recognition of that independence is as much a state of mind and training as it is of edict, and the young lawyer is imbued with its spirit as soon as he opens his first law book or steps into his first Court. That independence must never be diminished.

The Rule of Law also requires for its implementation an independent legal profession. Members of both branches are trained in the basic requirements of respect for the individual and for rights of property, and practise in an environment in which an independent Judiciary is the breath of life. The advocates are expected to be fearless in defence of their clients, and by tradition and training act as a check upon infringements of those rights. Their commitment so to act is enshrined in the written Code which governs their conduct and in the written Constitution which governs their professional association

Within the judicial hierarchy, the final appeal from Hong Kong is to the Judicial Committee of the Privy Council in London. When the Judicial Committee sits on appeal from Hong Kong, it does so constitutionally as the highest court of this territory, with the result that members of the legal profession in Hong Kong have right of audience. The members of the Judicial Committee are eminent judges and they are drawn from the Law Lords of the House of Lords who of course comprise the highest court of appeal in England.

It cannot but enhance our legal system that our final judicial arbiter is so illustrious a body. But I think that our system can withstand the shock of losing this final recourse to the Judicial Committee, although I think it would be a great pity. What I do not think we could withstand is the shock of having the

decisions of the Courts of Hong Kong subject to appeal in Peking. Quite apart from thus engrafting onto our system a brain that does not understand our law, there would now beat within it a heart that is alien to our traditions.

I deem it therefore essential to the future prosperity and stability of this territory and to its well-being that there should be incorporated into any future arrangements for Hong Kong the clearest provisions for safeguarding the independence of our Judiciary and of our legal profession, and for ensuring that the decisions of that Judiciary are not subject to appeal in Peking.

Sir, it is a fact of history that Hong Kong was a barren rock in 1842. By reason of 140 years of careful nurturing there has sprung from this barren rock the thriving metropolis of today, like no other, owing its unique character both to the soil and to the cultivation of that soil. Unlike the flower in Gray's *Elegy*, it does not waste its sweetness on the desert air, but benefits both those who provide and those who work the soil. It needs so little change in this delicate balance to cause that flower to wither and die. Surely it cannot be in the interest of anyone to let that happen.

I have the honour and pleasure, Sir, to support the motion of thanks for Your Excellency's address.

MR. STEPHEN CHEONG:—Sir, in a recent after-dinner conversation, a friend (who happens to be a civil servant) drew a parallel between the Hong Kong manufacturer and the American farmer. Following a record harvest the American farmer blames the federal government for not protecting him from falling prices; following a poor harvest the farmer blames the federal government for not regulating the weather. (*Poor federal government!*)

This comparison, of course, is singularly inept. The majority of our manufacturers are sufficiently dedicated and hardened to the principles and realities of our free enterprise system to accept that there is little that they or their Government can do about protectionism, weak external demand and high interest rates. Of course they grumble. But they have also taken the rough with the smooth.

Nevertheless, certain types of Government activity continue to be a major cause of concern to manufacturers. They are—first, the prospect of more labour legislation particularly those legislation which may have the effect of increasing production costs incrementally. Second, the seemingly complacent relationship Government had with power companies resulting in the never-ending upward revision of energy basic tariffs. Third, the yet to materialize promise of an Exhibition Centre.

Labour legislation

No responsible manufacturer would complain about the effect on production costs of industrial safety legislation. But the growing body of labour legislation, involving as it does a variety of cash payments and non-cash benefits, has the

effect of reducing flow and supply of labour and the *cumulative* effect of the legislation leads only one way towards increasing production costs. Given that the growth of our economy is so dependent on exports of manufactures, and given that there is a limit to which entrepreneurs can pass on the increased costs of production to the final buyer, in a period of uncertain and as yet unsustained recovery of our economy it is very questionable whether we should be pressing ahead with such notions as expanding the scope and increasing the rates of severance pay. I say this because any increases in labour overheads required by law would result not only in profit margins being squeezed, but more importantly in manufacturers having to take a much more austere view about employing more workers and about granting increases in real wages. Ultimately, it is the workers who might lose out.

While there can be no doubt that labour legislation is designed to achieve some desirable social objectives, it is not readily apparent to me that in trying to achieve them the Administration has adequately weighed up the benefits against the costs involved to the economy. I hope that before the Administration introduces into this Council its proposals for expanding the scope and increasing the rate of severance pay, very careful consideration will have been given, first, to the cumulative effect on production costs of labour legislation already in force and the extent to which this particular measure adds to such costs; *second*, to the timing of the introduction of this measure in relation to the foreseeable growth path of our economy; and, *third*, to whether this measure would not ultimately redound to the disadvantage of employees.

Moreover, as a result of the recent debates—both within and without this Council—on the Employment (Amendment) Bill 1983. I hope that the Administration will undertake very full consultations not only regards the principles involved in the proposed legislation but also in respect of its detailed provisions. Indeed, on a measure as important as this, I would suggest that the Bill be given the same treatment as the Companies (Amendment) Bill, that is to say it could, with advantage, be exposed for some time for public absorption and comment, *before* advice is finally sought from Executive Council.

The power companies

In contrast to labour legislation, the Government's monitoring of the activities of the two power companies is *prima facie* light-weight. Some of us may claim that electricity tariffs are low relative to tariffs charged in other countries in this part of the world but such claim has not been backed adequately and conclusively by any detailed analysis published so far. We accept that the companies have never failed to deliver power. We would not dispute that the power companies have been wise when they switched from oil to coal. But it is true, nevertheless, that these companies, being monopolies, are protected from competition, that they have no incentive to economize on the use of resources, that the Government is the only agent that ensures that consumers get a fair deal, and that the schemes of control may fetter the Government in its freedom of action. Given the deep dissatisfaction that has been expressed over tariff

increases despite power companies' record profits year after year, and the even deeper resentment with the notion that consumers should pay well in advance for additional generating capacity, public opinion appears to be highly critical of the apparent complacent relationship between the Government and the power companies, while discounting the fact that they may be efficient enterprises. In the circumstances, I hope that the Government would treat its consultancy on the monitoring of the power companies as something much more important than a purely public relations exercise. Even if fundamental changes to the Schemes of Control may not be feasible, it is not unreasonable to assume that the general public expect to see a critical and constructive appraisal of the appropriateness of the Government's attitude towards the power companies, and the effectiveness or otherwise of the existing monitoring arrangements. The community would not be content with general observations. They will not be content, for example, with the argument that the price of fuel is beyond the control of the power companies, as the Secretary for Economic Services said at a recent meeting of this Council in answer to a question. Rather, they will expect to be told whether the Government exercises any leverage over the way in which the power companies buy their fuel, and whether the methods they use result in good value for money being obtained.

The Exhibition Centre

The eloquent exposition on this subject by such formidable colleagues as Miss DUNN, Mr. LEE and Mr. WONG, renders it redundant for me to add very much more on this subject. Whilst one can understand that there exist naturally, in any bureaucracy, a defensive instinct against criticisms levied, student who might do a case study on the files on the Exhibition Centre project could in all probability sadly but easily expose the shortcomings of Government's process of transforming useful concepts into reality. I only plead that our hopes this time would not again be frustrated by red tapes.

The future

Sir, in your remarks about our future, you said that given the complexity of the issues involved it would be unrealistic to expect quick result. You were mindful of the need for preserving the essentials of the free society that we are, and you concluded by urging us to remain patient, calm and resolute. As Members of this Council, we accept fully we may not be able to share much of the burden currently on the shoulders of our Executive Council colleagues, but it would be fitting for us to record and to re-emphasize our full and sincere appreciation of all the efforts and hard work that you, Sir, and all our Executive Council colleagues have put in for the betterment of our beloved community. We should have no doubt that a settlement will be reached which will safeguard Hong Kong's stability and prosperity.

Given the sensitivity of the subject, it would be irresponsible of me to expound at any length on either the specifics or the technical aspects of this issue. Hence, with your permission, Sir, it would perhaps be of interest if I could venture to make a couple of general observations.

First, we must be mindful that the path towards a successful outcome of the talks clearly cannot be expected to be a smooth one. We must recognize the talks are basically about political and economic attitudes and are therefore very difficult to manage. It is an undeniable fact that our citizens enjoy all the rights and freedoms, confirmed by the rule of law, that exist in any truly democratic society in the world, and that we have-by any standard-an efficient, effective, progressive and, above all, responsive administration. Nevertheless, given that Hong Kong and China to-day have very different socio-economic systems and very different sense of values, the factors behind our success understandably defy easy understanding and ready acceptance. The process of understanding us must be allowed to run its natural course and the understanding be given adequate time to mature. It is only after both sides have well and truly mastered and accepted the essential elements of Hong Kong's viability that the negotiators could begin to devise a framework which would safeguard our stability and prosperity.

Second, we must respect and accept the need for confidentiality on the talks. We must realize that no international negotiation is ever brought to a successful conclusion through complete open diplomacy. Therefore, however anxious we all are about the outcome of the talks we must refrain from being rattled or goaded into making incorrect assessments by pronouncements we read in the media. We must always be mindful of a simple truth and that is, whilst the negotiation is going on, either side can hardly be expected to publicly compromise their respective negotiating positions. Thus, if and when officials from either side, no matter how high ranking they may be, were quizzed on issues which have a direct bearing on their respective negotiating positions, their answers, in the form of pronouncements in the media, would necessarily reflect only a reiteration of whatever stance that has been made public. It would therefore be dangerous to try to read too much into anything other than official announcements. It would certainly be counter productive for us to jump, either pessimistically or optimistically, into premature conclusions. It behoves us, therefore, to restrain our impatience, to remain calm and resolute, and above all, to continue to reach out, with our usual zest, for those goals and values which in aggregate reflect the successful community that we are. I urge strongly that we, as members of this community, must not lose heart, for if we, as a free and hard working community, lose confidence, the basic proposition of preserving our stability and fostering our prosperity will fall away.

Sir, a fortnight ago, the Chief Secretary said to a group of visiting Japanese and Foreign Buyers that he believed that Hong Kong as we know it will continue to last and he said so in these words:—

‘... it is quite inconceivable that this incomparable, if somewhat idiosyncractic place, this major manufacturing centre, this financial and commercial complex, this crossroad of high speed communications, this modern city with a truly international dimension, it is quite inconceivable that it will not survive, distinctively, into the future.’

As it can be well imagined, Sir Phillip spoke in his usual matter of fact tone but, more importantly, I firmly believe he spoke from the heart and he spoke for all of us. We have survived the misfortunes of war in the 40's and early 50's, the upheaval of civil disturbances in the 60's, the oil crisis of the 70's and the world recessions of the early 80's. Each time we have not only recovered but have also improved ourselves. There is no reason as yet to believe why we would not be able to weather our present anxieties.

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

MRS. CHOW:—Sir, one cause and consequence of Hong Kong's success in the last three decades has been the youth and energy of its population. The rapid expansion of our city has offered numerous opportunities for hard-working and bright young persons to realize their aspirations in whatever fields they may be. They have been able to map their own paths and reap their own rewards while contributing to the prosperity of our community. We have only to compare our achievement in the various fields and professions with their counterparts in our neighbouring countries to see that our people have come further within a shorter time. What they lack in experience they more than make up for with hard work, dedication and a steadfast sense of purpose.

In recent years, there has been a growing concern that problems are surfacing among our young population. Certain trends are developing which require immediate tackling. Others go a little deeper, but nevertheless call for equal attention.

Your Excellency has already drawn our attention to the high incidence of crimes, many of them violent and key crimes, being committed by males aged between 14 and 20 years. Statistics indicate that those youths who are most likely to become involved in crime are labourers or other manual workers (52%); those working in the service industries (12%); clerical and sales workers (11%) and the unemployed (10%). As their respective occupations indicate, they come from the less affluent and less educated sector of the community.

Another group of youths at risk are the young drug addicts. There has been an alarming increase of 55% in newly-reported addicts in the first half of this year, whose average age when they first used drugs was sixteen and a half. Undoubtedly a proportion of these new converts will be forced to traffick drugs and identify new targets amongst their peers for their drug peddling activities.

On the other hand I.C.A.C. is releasing its figures for the first three quarters of this year which indicate that 36% of those prosecuted by the Commission are between the ages of sixteen and thirty.

The above statistics should give us a good idea of the recent trend.

No doubt the respective departments, agencies and organizations will have defined their target groups and formulated their strategies accordingly.

We have here three different problem areas of law and other affecting the same target group—the youths at risk. Young criminals, new addicts and corrupt youths are all manifestations of social problems affecting our young people, and the line is fine between those who have been arrested and prosecuted and many more who have managed to either stay within the law or skilfully avoid it, not to mention the vast number of youths who are constantly exposed to temptations of wealth and pleasure. What is reflected in the criminal behaviour of the young is, in my view, only the tip of the iceberg. It is more than coincidence that these major security areas detect the same trend developing within the same age group. They have to be viewed in the context of disturbances in Central two Christmases ago, triad activities in schools, school girls in vice dens and other such activities involving the young.

Apart from specific criminal or anti-social behaviour, young people are adopting a philosophy towards work and life which warrants concern. There is growing listlessness and a lack of commitment, and a growing dissatisfaction with what society can offer them.

With the introduction of nine years' compulsory education and the J.S.E.A., a large number of 15 year-olds (27 000 in 1982 and 24 000 in 1983) are being cut off from Government subsidized places. Some of them are forced to enter substandard private schools, while others have to look for jobs with little prospect. Both groups are thus becoming vulnerable, at the critical age of 15, to influences exerted by their environment. At their age, they are also likely to be more susceptible to forces and people outside of their own homes.

The time, in my view, has come to formulate a co-ordinated strategy for the development of our young people. Government should take this on board by pulling together not only Government departments concerned but also agencies and people who are familiar with the problem areas and therefore have much to contribute. The objective should be to reinforce in our young people, a balanced value system, sound moral judgment, a sense of purpose, consideration for others, and a sense of responsibility towards themselves and the community. These should form a sound base for the self-discipline which has proven to be a necessary balance to the many freedoms that we enjoy today as a result of the non-intervention policy of our Government. So that social equilibrium can be successfully maintained. These must therefore be strongly guarded, particularly in our young people.

A co-ordinated strategy is needed to ensure efforts are complementary and not wasted through unnecessary duplication.

For instance, in order that different messages reach the masses, publicity campaigns are being planned and implemented regularly and frequently. One of the more popular methods employed to accompany publicity campaigns is the use of the variety show since it is a format likely, with the help of stars, to draw a high degree of public attention. Thus variety shows of all shapes and sizes have been presented in support of one campaign or another in the districts, on a

regional level and as territory-wide events. It might be a revealing exercise for us to find out how many such events have taken place in the past two years, who attended them, and whether they are cost-effective in reaching their target groups.

We need more ideas which can capture the imagination of the young. We need to offer them more opportunity for participation and organization which will not only involve them more but will hopefully provide them with the satisfaction of knowing that they have done something meaningful.

Campaigns through the mass media or in public places are necessary and effective to a certain extent in reaching the mass audience. But often I find there is too much concentration on the publicity aspect and not enough on the personal approach which can be particularly effective with youths.

Apart from their own families, three groups of people should have the most influence on the young; namely: teachers, social workers and youth leaders.

The Llewellyn Report has focused attention on the need to increase both the number and the quality of teachers. It also advocated the need for a professional body to be formed to upgrade the technical and ethical practice of teachers. The shortage of social workers in schools is unsatisfactory, but teachers can to a certain extent make up the shortfall by taking up the responsibility of overseeing the moral as well as academic development of their students.

It has recently been reported that out of 46 graduates in social work 44 have opted for some other line of employment. If true, then it is indeed a sad state of affairs, for this in itself reflects the lack of a sense of commitment on the part of these young people who have had special training. Their decision to abandon the field for which they have studied can set back the development of social work, of which youth work forms an important part particularly in out-reach programmes for youths at risk which call for the more flexible and sensitive approach of the true professional.

Youth leaders have proved to be very effective in constructive youth work such as Junior Police Call, scouts, police cadets, road safety patrol and other volunteer services. This is not surprising as youths can identify more easily with heroes of their own age-group and background than older people, and are therefore more easily influenced by them. The scouting and training of youth leaders in various fields of work and recreation is certainly a worthwhile policy that deserves support.

Finally, Sir, in the light of the present political uncertainty of Hong Kong's future, it is natural for our young generation's outlook in life to be adversely affected by their fear that all values we have held so dear will have been lost when they eventually come to hold the reins. It is, therefore, most important for them to see that we are doing our utmost to protect the much-valued characteristics of our community: our prosperity, our stability, our many freedoms, and our respect for the rights of the individual. Should we, the people

of Hong Kong, lose the many freedoms that we enjoy now, or the legal protection of our rights as individuals against injustice or repression, we would be unable to preserve our present life-style, even if the prosperity of Hong Kong is maintained.

In my view, and in the view of many who understand the complexities of Hong Kong, the only way we can be confident that this will not happen is that a continuation of our present system of administration, law, and judicial independence can be guaranteed beyond the year 1997.

Sir, with these remarks, I support the motion.

MISS TAM:—Sir, to many travellers to London, taking a Sunday morning stroll to Hyde Park Corner and standing there listening to the speeches of the soap box orators delivering impromptu speeches attacking the United Kingdom Government, the Labour Party, the Anglican Church, or any institution under the sun that represents the establishment, is an experience mixed with amusement and amazement at the good humour with which the audience, the ice cream and soft drink vendor, and the ‘uniformed Bobbies’ on duty, react to the speakers’ sound and fury.

To an observer who is familiar with the study of constitutional law the Hyde Park Corner phenomenon signifies the supremacy of the rule of law, that the individual may cherish and enjoy his personal liberty, freedom of speech and public meeting without hindrance or fear of reproach.

Here in Hong Kong, on Sundays in Victoria Park we have open forums discussing issues of public interest or rallies called against price increases and inflation. And I believe even those who participated in these protests must also appreciate such freedom under the law.

Lest freedom and the rule of law be taken for granted may I briefly explain that they are not ideas drawn out of a hat. It is a tradition which has run for seven centuries in the common law system, and Mr. John SWAINE has explained its historical link between England and Hong Kong. There are also internationally, recognized human rights enshrined in a Universal Declaration of Human Rights adopted by the General Assembly of the United Nations in 1948. This was followed by the European Convention for the protection of Human Rights and Fundamental Freedom drawn up in Rome in 1950. The European Convention came into force in 1953 and the United Kingdom, which was one of the countries that signed the convention also extended its obligations under the said Convention to her dependencies in the same year.

The meaning of the rule of law was further defined under the 1959 Declaration of Delhi, that is—

- (i) in relation to the legislature there is a right to a representative and a responsible government; the freedom of religious belief, assembly and association, and the absence of retroactive penal laws;

- (ii) in relation in the executive—legislation should be subject to judicial control and a citizen who is wronged should have remedy against the government;
- (iii) in relation to the judiciary and the legal profession: it requires the independence of the judiciary, proper grounds and procedure for removal of judges and a responsible and autonomous legal profession; and
- (iv) in relation to the criminal process, there should be a fair trial which involves a certainty of the criminal law, the presumption of innocence, the right to legal advice, public trial and right of appeal.

As far as the United Kingdom is concerned the European Convention is binding on her morally and in international law, and she accepts the compulsory jurisdiction of the European Court and has recognized the right of individuals to bring petitions against her before the European Commission. (In September 1971 the Commission heard a complaint against the admission of Kenya Asians into Britain, and helped to secure a friendly settlement of the case.)*

In Hong Kong in the case of NG Yuen Shiu V. The Attorney General (C.A. 188/1980), it was held that an illegal immigrant who had been assured by an announcement by the Government that illegal immigrants would not be arrested pending an interview and that their cases were to be considered on their merits, had a right to be heard and could not be removed out of Hong Kong without being given such opportunity. Mr. NG was finally allowed to stay in Hong Kong after winning a Cross Appeal at the Privy Council.

Thus the confidence in the rule of law is sustained by the test of fair trial and judgement, and the knowledge that the state is not above the law.

However, having the rule of law in our legal system is one thing, making its protection available to the man in the street is another. Litigation in Hong Kong is a costly affair. Here a great majority of the more serious criminal cases heard in the District Court and Supreme Court are defended through the Legal Aid Scheme. And indeed, there are situations where legal aid has to be granted to a defendant who runs out of funds in the middle of a criminal trial, in order to complete his defence.

Both in criminal and civil litigation Legal Aid has made justice available to the less well off, by making available the service of a lawyer to a litigant whose disposable income does not exceed \$1,500 per month and with a disposable capital of under \$15,000.

At present the Legal Aid Scheme in civil cases is estimated to cover two-thirds of the population of Hong Kong, leaving over 1.4 million (out of 5.2 million) unprotected. A study was made between April 1980 to March 1981 of successful applications for Legal Aid and out of 13 754 applicants 5 756 were successful

* Reported in Hood Philips on Constitutional Law.

(42%), leaving 7 998 cases unaided; and out of these 7 998 cases 1 705 were refused as a result of the applicants failing the means test although many of these cases had merit. And then we return to the 1982 figure; in the period January to September 1982, 2 454 cases fell into the same category. Then in the first nine months of this year 1 484 cases belonged to the same category. For these applicants who failed to get legal aid, although their cases had merits, to raise the money for the lawyers' fees they must either use up their savings and then raise loans, or mortgage their moderate property and risk losing it in the end, or give up their chance to recover damages for, say, breach of contract or personal injury.

In the United States of America a client can get a lawyer's service on a 'contingency fee' basis i.e. the attorney will take a percentage of the money recover in the case instead of accepting a fee. The advantage is that even a poor client can have the attorney's service and recovers his damage or property. The danger is that the lawyer may be tempted to exaggerate the client's claim or employ unethical means to increase the chance of success.

In Hong Kong, we follow the English practice and a lawyer is paid his agreed fees whether the case is successful or not; hence keeping the relationship between himself and his client a purely professional one at arm's length.

In order to help those who have a reasonable chance to succeed but who cannot financially afford the costs of litigation there should be a fund made available for them to pursue their claims in court represented by lawyers. After the case is heard the aided client will repay to this fund a sum out of the damages he recovers so that the fund would be self-sufficient in financing other litigants.

The advantages of setting up this fund, which could be started by having a loan from central government, are, that (a) litigants can recover some damages (minus a percentage of repayment to the fund) instead of recovering nothing at all; (b) suitors of this category can assist each other in overcoming a difficult situation, (c) cases with merit will be given a just and fair trial; and (d) these litigants would not have to exhaust their savings in the first place by engaging a lawyer's service on a private brief and then revert to Legal Aid when his savings have run out.

Usually for a personal injury case one can easily estimate the damages recoverable by the Plaintiff; and cases once started can be quickly settled. Where there is a breach of contract or negligence case it can take up to two years to complete. Hence the repayment of the initial loan can be made within a matter of say three years and the fund would become self-financing.

There would still be some kind of means test for this funding scheme the level of which could be more flexible than the existing Legal Aid Scheme. Assistance would have to be given strictly on merit basis so as to ensure that public funds were not wasted on fruitless litigation. I believe this could go a long way towards helping the man in the street who spends his Sundays strolling in

Victoria Park with his family and could make justice available to him where the need arises.

Sir, in your speech you have assured us of the Government's determination to give the younger generation better education and the people of Hong Kong better representation. I had the pleasure of debating Father MCGOVERN's motion on the Llewellyn Report in July 1983 and look forward to discussing any proposals on the system of district administration. I welcome the law reform that you had mentioned in further securing the confidence of investors, overseas or local, in Hong Kong as a finance and banking centre; and believe that under Your Government the knowledge and confidence of our community in the rule of law will grow as we move into the future.

And finally, may I share the Honourable Lydia DUNN's words in the last paragraph of her speech, 'that your devotion to the interests of this thriving community is beyond doubt'. I do so not as an advocate but as a witness.

Sir, I support the motion.

DR. IP:—Sir, I have confidence in Hong Kong where my parents grew up and contributed to make it what it is today. A place where I was born, grew up and where I will work to make it what it will be tomorrow. What we are going through now is no more than a typhoon which always settles and 1997 to me is no more than a point in time. We must constantly strive to improve Hong Kong. That is why, Sir, I will waste no time to pause on what we have already achieved although I do appreciate it.

Management Review of the Medical and Health Department

I would like to begin with the organization and management of the Medical and Health Department *within the existing financial confines*.

I know that there are patients who have complained about the unsatisfactory care they received at hospitals by discharging themselves against medical advice in *quiet protest*. The number of patients involved and the reasons for such 'discharges' are not sought, giving the impression of a '*take it or leave it and go elsewhere*' attitude. If we assume that patients *do not know* what constitutes good medical treatment then perhaps the doctors and the nurses may know!

Government doctors have complained about the *lack of job satisfaction*. They have tried to complain as a group, such as through the *Government Doctors' Association*, the *Concerned Medics*, *The Hong Kong Observers* or the press, *but they have to stay anonymous* for fear of victimization. Finally, many of them found that their continued criticism had led to no improvement, they too *leave for private practice in quiet protest*. The reasons for such resignations are not made known either, unpleasant statistics into why doctors leave are not compiled. Sadly they are assumed and criticized to be resigning for want of *more money!*

Government nurses have complained about the bad working environment, but because there is less of an opening for them in the private sector and because *striking in protest is not ethical*, most who can ‘grin and bear it’ do so. Some learn to protect themselves from more work and a few take it out on the patients they serve.

Sadly however, doctors and nurses are also ignored!

Let us assume that even the *doctors and the nurses* are biased and what they have to say do not truly reflect the situation objectively, that there may be self interest involved and therefore *their complaints and requests should be ignored!*

Let us then get the comments from the management experts who had looked into the organization and management of the Medical and Health Department, to see how these aspects can be *improved with little or no additional financial implications*.

I was so overjoyed to discover that a *management review team* consisting of three officers from the *management services division of the Government Secretariat* and a senior officer of the Medical and Health Department had been established in *July 1979* with the following terms of reference:—‘To *review the organization* of the Medical and Health Department with particular reference to the *problems experienced* in the present organization and in *implementing the regionalization* of the Department and to make *proposals for improving the effectiveness of the Department*.’ The review exercise lasted over 15 months, took over 10 000 man-hours at my estimated cost of over a million dollars, included visits to 26 Government establishments, involved 232 personal interviews and 115 group interviews, and finally produced reports in nine volumes, with 136 appendices and covered a wide range of topics such as, a preliminary survey, attitude survey of nurses, detailed proposals for reorganization, staff problems related to doctors, nurses and clerical support to doctors and nurses, and lastly manning scales for clinic-dispensaries. I note that the distribution list of the reports *did not include the Chairman of the Medical Development Advisory Committee*, but did include a copy to the Archivist, Public Records Office.

This management review has *clearly identified the problems which exist within the Medical and Health Department* and *had recommended improvements through changes in the Organization and Management*. Many of the very sound advice have still not been implemented some four years later. Why then do we bother to have a management review?

Some of the comments and changes recommended are as follows:—

1. *One Deputy Director*

In October 1979 report, the review considered that ‘Organizationally, the department is in a transitional stage between Centralization and Decentralization, the least satisfactory structure of all. A decision needs to be taken urgently on the future organizational development of the department, that is whether to revert to a centralized organizational structure or to complete the regionalization

of the department. The continuation of the status quo would be completely unsatisfactory ... At present too many of the senior and middle managers of the department have time horizons which stretch barely beyond the working day ... In a department as large and complex as the Medical and Health Department, it is considered that a regionalized structure is most appropriate and is in keeping with the policy set out in the White Paper: The further development of Medical and Health Services in Hong Kong 1974 ... To do this, *a single deputy is proposed,*' instead of the existing three deputies.

The reasons for recommending a *single deputy Director* are firstly, that it is in line with the *Ross formula*; secondly, that the department will have a *clear chain of command*; thirdly, that one deputy director being effectively the *Director of Operations* will be in a stronger position to shield the Director from involvement in the day to day matters; and lastly that two *professional deputies* are likely to perpetuate the present *division between Medical and Health*.

At its meeting on 19 October 1979, the Steering Group which included the Director of Medical and Health Services and the three deputy Directors accepted the recommendations of the review team as set out in its first report. It was then (in 1979) agreed that '*although a single deputy structure was preferred, a multiple deputy structure would be more realistic at present and that this should be implemented with a view to moving towards an organization with a single deputy in two to three years time*'.

It was noted that '*the system based on multiple deputies could be viable only if it is not based on the present divisionalization of the Medical and Health Services since this is contrary to the spirit of the stated policy that the Medical and Health divisions will be more closely integrated according to the White Paper. There is considerable merit in a unified approach for there is seldom a purely health solution or a purely medical solution to the problems which the department has to face. Further it is strongly felt that such a unified approach best met the needs of the community.*'

Based on the most updated organization chart, the Medical and Health Department has still *not* moved to a *single deputy Director structure after four years from the submission and endorsement of that report*. There are three deputy directors, one for administration, one for medical and one separately for health, as if we can divide medical and health services into three separate entities!

2. *Nurses Aid/Ward Assistants*

As regards the control of minor staff in hospitals, the management review noted that '*recommendation of a departmental survey in 1977 in Princess Margaret Hospital to restructure the duties of minor staff, to improve control over them, have not been implemented*' and this review further '*recommends that day to day operational supervision of minor staff should be divided into two groups, one called Ward Assistants/Nurses Aid would comprise minor staff engaged exclusively on services related to patient care in the hospital wards and directly*

supervised by the nursing officers and a second group called Domestic Assistants engaged exclusively on work not directly connected with patient service supervised by domestic supervisors’.

Such *recommended division still does not exist*. Frustrated ward sisters have no *overall control* over the minor staff allocated to their ward.

It seems to be a habit of the Medical and Health Department to have surveys (such as the one in 1977) and reviews (such as the one in question in 1979) but never to implement recommendations from them.

3. *Ward clerks*

The management review ‘appreciated that it is impractical to provide clerical support to the extent of completely taking-over the clerical duties of doctors and nurses. The level of clerical support propose to aim at relieving them of the bulk of such duties, so as to release doctors and nurses *from paper work thus improving care for patients*. These duties includes maintenance of patients’ records, the booking of appointments for a particular date and time in clinics, relieve the clerical duties of hospital nurses on patients’ admission, discharge and regular routine task like acquisition of consumable items, transcription of data, preparation of diet orders and collection of statistics’.

The method used to do this review was ‘based on discussions held with representatives from both the medical and nursing officers, direct observation of work being done, examination of the forms and records used, questionnaires sent to hospitals which were subjected to verification and analysis by visits to the wards and last by seeing the system of ward clerks in operation at the Our Lady of Maryknoll Hospital’.

A proposed *manning scale of ward clerks* based on fixed and variable task, their qualifications, salary scales, hardship allowance, induction training and job description were worked out. The Management Review Committee proposed ‘to have the *ward clerk system put on trial* to assess the effectiveness of the system.’

This scheme had only been given an inadequate trial with fresh graduates from schools who did not get proper induction training and supervision. The whole scheme was discarded as unworkable and therefore not implemented. This is most unfortunate and unfair. Hospitals in developed countries can succeed, why can’t we?

Since at present, there is a *shortage of* Government doctors and nurses, ward clerks are that much more vital in reducing the clerical work load of those doctors and nurses working in under-manned wards.

Even if there is to be no expansion of the civil service this year, surely there are justifications in allowing the *temporary employment of ward clerks* to fill the vacant posts in other professional grades in the department, on request of the under-manned wards in hospitals, so as to *bridge the gap*.

4. *Nurses*

The management review team ‘agrees entirely with the concern of the Medical Development Advisory Committee of March 1980 when it noted with concern the very large projected shortfalls of nurses, and agrees that the nurses’ working environment and conditions of service should be closely examined and improved wherever possible. Unfortunately a classic chicken and egg situation exists for until it is possible to recruit sufficient qualified nurses, those presently in service will continue to work in *undermanned institutions and units with all the pressure and frustration that this will entail*’.

‘There is no simple solution to the manpower problems in the nursing field but it is recommended among other things that the *possibility of using part-time nurses to be seriously examined in the hope that trained nurses who have left the service can be attracted back.*’

‘A revised recommendation on provisions of nurses for hospitals was made (1) based on *a system of approved nurse: bed ratio* and modifying them where necessary by drawing on the experience of nursing personnel, both local and overseas, coupled with the impressions gained by the review team during its visits; (2) based on another important factor by considering camp beds which are frequently used—a frequency distribution tables were built up to reveal the *true occupancy pattern, and lastly (3) based on an assured adequate clerical support in the wards.*’

As far as I am aware, part-time Government nurses is a non-entity and nurse: patient ratio still do not take into consideration the true occupancy rate, let alone the non-existent clerical support.

5. *Possibility of a career path for clinical nurses*

The review also quoted the 1979 report of the Royal Commission on the National Health Service which stated, ‘a system which requires experienced ward sisters to abandon clinical nursing and enter the administrative field in order to obtain promotion aggravates the serious nursing shortage ... *a career structure which offers high levels of promotion in clinical nursing should be introduced.*’

I am voicing the discontent of hospital doctors working in specialist wards, where patient care is so *reliant on experienced clinical nurses*, the transfer of whom affects the *quality of patient care*. I am also voicing the discontent of the clinical nurses themselves, on the *lack of recognition for their expertise* and their forced transferred to *administrative posts* for the sake of promotion.

There must be a career structure for clinical nurses beyond the nursing officer rank.

6. *Appointment system*

Regarding specialist clinics, the management review stated ‘under the existing system, appointments are booked by date only. Patients booked for a particular

date would *all turn up more or less at the same time, usually one to two hours before the sessions*. Thus, they spend most of their time waiting to be seen. To reduce this waiting time and to avoid over-crowdiness in the waiting areas, it is *recommended* that the present appointment booking system should be modified to include the time in addition to the date. Even if an exact time cannot be arranged, an approximate time, such as grouping a number of appointments to every hour, helps to even out the arrivals of the patients. This system also helps to reduce the incidence of turn-away patients.’

At present, patients cannot book ahead for general out patient clinic appointment. This is the reason why there are long queues at the beginning of each clinic session, since if they cannot get a chair there is no guarantee that they will be seen after a long wait. Also for this reason, many late-comers leave, giving rise to a situation whereby nearing the middle of the clinic session there is no patient left after the first batch is seen.

There is no financial implications to implement the recommended appointment system for all clinics whether it is day or evening, general or specialty. It would be more humane for the patients, more organized for the clinics, and much more cost-effective as consultations’ time could be better utilized.

These are just *some of the many sound advice offered* by the Management Review team.

The Medical and Health Department *may refuse to listen to the complaints of patients, or the advice of doctors and nurses* but ought at least listen and consider the advice from the *management consultants of the Government Secretariat*. It is of interest to know where the top of the *decision tree lies in whether such a management proposal is adopted or not*.

To the above list, I have also the following suggestions to make:—

(i) *Hospital Clothes*

It is humane to allow patients in 3rd class wards to wear *their own night clothes* like their counterparts do in the 1st and 2nd class wards. Hospital clothes are often of the wrong size, with buttons missing, give a feeling of institutionalization, and *adds to the running cost* of the hospital laundry.

Hospital clothes must of course still be available to those patients who are not equipped with their own, or if the nurses are not satisfied with the cleanliness of the clothes brought in. In general people in Hong Kong has a high regard for self-cleanliness although they may be *lap sap chung!*

I trust that the Financial Secretary would approve of such money saving measures!

(ii) *Fee charging at the Accident and Emergency Department*

Services rendered at the Accident and Emergency Department should be free only for accident victims and emergency cases which warrant hospitalization. Patients of other categories must pay a fee which should be higher than that at

the general out-patient clinic and approaching that of the specialist clinics, since *it is a special service*. This would prevent abuse of life-saving services at the Accident and Emergency Department and divert such patients to the outpatient clinics where they should have gone in the first place.

If such proposal is adopted, not only will the Medical and Health Department be able to offer *better quality service* at the Accident and Emergency Department without incurring greater cost to employ more doctors and nurses there, but also there will actually be a *revenue increase*. This proposal will work hand in hand with my next proposal.

(iii) *Evening Clinics*

The utilization of individual evening clinics must be constantly monitored as an on-going exercise, to reflect which clinics are underutilized and which are over subscribed and have 'turnaways'. With such exercise, we can maximize the function of the evening clinics by strategically *distributing them to where they are most needed*. The quoted 60% to 70% utilization in some evening clinics coupled with the known but unrecorded "turnaways" in others is a situation I feel warrants improvement in management.

I hope this can be seen as my small contribution to improving the services of the Medical and Health Department without necessarily incurring greater cost.

The Further Development of the Medical and Health Services in Hong Kong In 1973, when the *ten-year* 'period covered by the 1964 White Paper on Medical and Health Services came to an end,' the Government appointed the *Medical Development Advisory Committee* (M.D.A.C.) in March of that year, with the following terms of reference:—

1. 'To advise on what programmes of improvement and expansion would be appropriate over the next *ten years*.'
2. 'set out proposals for the further development of Medical and Health Services' ... 'for which funds are likely to be available over the *next ten years*.'
3. 'Recommend the general standards to be achieved *by 1983*.'

The *10th year from 1973 has arrived! It is now 1983!* It is time to review our Medical and Health Programme for the *next ten years up to 1993*. As you said yourself, Sir, that during the year, we shall need to formulate a development strategy to meet the long term needs of Hong Kong into the 1990s and the next century.

We have had an overall review of education. We expect to have a review of broadcasting. Let us have a review of the medical and health programme for without good health we do not live and we cannot learn.

The *Chairman of the Medical Development Advisory Committee* Dr. Harry FANG stated at the policy debate in 1981, that 'I believe that the development of our medical services has reached a cross road and we should reexamine the

direction in which we are going.’ He also stated in 1982, that ‘I am increasingly aware that the process of updating (annually by M.D.A.C.) is *not the most effective way of charting our future course*. I believe that the time has now come for us to look afresh at our health services and to plan for the *next ten years*.’ Again, he has just reiterated today that ‘nearly a decade has passed since the publication of the 1974 White Paper which set down the blue print for the development of medical and health services in Hong Kong. The plan has been rolled forward each year by M.D.A.C. but the time has come for a fresh mandate and impetus.’ I would like to give his calls for an overall review of our Medical and Health Services my whole-hearted support.

Planning the development of our medical services for the next ten years is a monumental task and no one should expect the M.D.A.C., which spends collectively in the region of 200 man-hours a year only, to achieve this, given also the fact that appointed members of this committee have their own full-time employment.

Let us be realistic that, in the last ten years while trying to provide every type of medical service for too many, the Government has ended up by not providing enough and satisfactorily for anyone. This is indicated by the number of camp beds in hospital wards, the long wait at out-patient clinics and casualty, the inadequate number of nurses and doctors in Government employment, the ‘discharges against medical advice’, the tragic deaths in hospitals which may be prevented with adequate manpower, the long delay for certain clinical investigations and specialty appointments, the number of patients who are discharged prematurely because of inadequate number of beds, the cross infection which occurs in hospital due to inadequate isolation facilities, the brevity of consultations and examinations that patients receive in Government clinics, etc.

Furthermore, in trying to provide every type of medical services for too many, Government has committed itself to a situation which I’ll term ‘Dollar Unlimited’.

In planning for the next ten years, the following questions must be answered:—

1. Can we afford to plan for a complete *medical and health programme to meet the needs* of the entire population of Hong Kong up to the *modern international standards*?
2. Realistically, if we can’t do that do we want:—
 - a. to plan for a complete medical and health programme to meet the needs of the entire population of Hong Kong *below modern international standards*?
 - or
 - b. to plan for an *incomplete medical and health programme to meet the needs* of the entire population of Hong Kong up to modern standards by *excluding certain aspects of care*? If so, which aspect? or

- c. to plan for a complete medical and health programme to meet the needs of *part of the population of Hong Kong by excluding some sector of the community*. If so, which sector?

If the choice is (b) or (c) above, how does Government ensure that the excluded aspects of service or the excluded sector of community are adequately provided for, and by whom?

The Medical and Health Services is so taxed with their huge task that there isn't even enough time for anyone to pause and think ... for example, why are we not charging those patients who have already *subscribed to medical insurance the full cost of the Government medical service offered?* (A recent publication quotes that up to 60% of companies in Hong Kong buy medical insurance for their staff.) Does it mean that Government is *subventing the insurance companies by charging a mere \$5 or \$10 for services which the insurance companies would be prepared to rebate 20 times or more?* Under the present situation medical insurance for employees bought under a company's name is tax free. Do the companies have the obligation to apply to their medical insurers for the reimbursement of the full cost of Government medical services rendered to their employees? If Government can also positively encourage individuals and their families *to buy medical insurance by making the premium tax free*, would this and could this be made to reduce Government's expenditure and commitment to this sector of the community? Would Government, by offering profit or nonprofit making *private hospitals with free land*, and at the same time *encouraging medical insurance* which happens to be the only way in which the majority of our population can afford such private services. be better off financially in the long run and reduce its commitment to that sector of the community which does not need subsidized medical care? Would *contracting medical services out to the private sector*, by paying say a sum of money per person per year, such as with the School Medical Service but to insurance companies rather than to private practitioners, *reduce its need to plan for the whole of the community?*

I am asking all these questions only because I feel that they are important. Nobody can answer them unless they are all considered firstly in depth. But they must be answered before we can effectively plan our Medical and Health Services.

Sir, we spent around \$3,000 million each year, roughly 9% of the total revenue, on medical and health services. This figure rises every year. Before we commit ourselves any further, I believe *it is time* for us to have a complete analysis of the medical and health programme which we are going to offer to the people of Hong Kong, for the next ten years.

Paediatric Medical Centre

Among the medical projects to be completed next year is the 150-bed MacLehose Medical Rehabilitation Centre which will specialize in rehabilitation of those who are physically handicapped transiently or permanently

through accidents or illnesses. We in Hong Kong should be grateful for this rapid development in the field of rehabilitation—as mentioned by Dr. Harry FANG—catering for a special sector of our community, namely 450 000 handicapped people.

'Patience, calm and resolution are the qualities that will be required of us.' I'll need all these in my plight for a Paediatric Medical Centre-cum-Hospital, for I believe it will truly benefit another special sector of our community, namely, some one million children in Hong Kong.

We should not condemn something *good, just because we may not afford it*. We ought not close our doors to the concept of a Paediatric Hospital by *quoting out of context* the protective phrase 'it is no longer the trend in United Kingdom to develop specialist hospitals', as we must acknowledge that such is the case only in a country where specialist hospitals are already adequate. In fact, the first Paediatric Hospital in England was built as early as in the 1930s and there are now over ten Paediatric Hospitals in Great Britain with a child population of ten million, namely one Paediatric Hospital for every million children. We are 50 years behind in this respect. It is more accurate to say 'it is no longer the trend to develop specialist hospitals when there are enough of them'. Unfortunately in Hong Kong, we haven't got enough, in fact we haven't even got one. We must not stop before we have even started. Avoid the Chinese saying 'Don't run before you can walk' or else you will fall.

Furthermore I would like to quote from the same Management Review of the Medical and Health Department in 1979, a review which I highly respect, 'some highly specialized facilities may be concentrated in a particular hospital as a colony-wide service.' I believe a Paediatric Hospital comes under this category.

We have nurseries, kindergarten, primary and secondary schools and Universities in our system of education. Using the same argument, why can we not have a different hospital for children and a different one for adults. Would anyone suggest that we should have one type of school to cater for children and adults of all ages?

The advantages of a Paediatric Medical Centre are unlimited, if only one have had the experience as a patient, as a parent of a patient or as a staff working in one. For those non-believers, I urge them to have an open mind. Go to see one first before they condemn it. Ill children adjust quickly to it on admission as they develop a sense of belonging. Children will no longer experience the admission to such a hospital as *a fear* but as a *reassurance* that they will get better. Frightened novice parents become confident when they realize that no matter day or night, no matter what is wrong with their children's health, they will have the Paediatric Hospital to turn to. With a pooling of resources ranging from equipments to medical and paramedical personnels, there will be more efficient utilization. The Paediatric Hospital will act as a centre of excellence in the quality of Paediatric care, for other establishments to follow suit. It will pave the way for the improvement of service such as better nurse: child ratio,

adequate isolation rooms, mother and child rooms, unrestricted visiting hours, adolescent wards, extended clinic hours, paediatric nursing, intensive care units for children, day beds, paediatric clinics within a hospital setting using the same hospital records, the establishment of Paediatric subspecialties within one hospital setting such that doctors go to the child and not the child to the doctor. I have listed the many advantages.

Setting aside financial reasons which I shall turn to next, I would challenge anyone to quote me the disadvantages *One Paediatric Hospital for Hong Kong will have on the children of our community.*

On the financial aspect, let me point out that there are basically two reasons why a Paediatric Hospital may *appear to be more expensive to run*, compared to a general hospital. *Because we are simply not comparing like to like.*

Firstly, a Paediatric Hospital provides *quality improvement* on the existing service which is below standard; the increased expenditure *has nothing to do with a Paediatric Hospital* per se but with bringing the quality of a sub-standard service up to a more reasonable level.

Secondly, the *nature of Paediatric Medical care itself makes it more costly* because children need to be fed, nappies changed and they need to be accompanied at all times. They need to be cared for, played with, talked to and restrained during procedures, more so than adults. So yet again the increased expenditure has nothing to do with a Paediatric Hospital per se but with the *nature of Paediatric medical care.*

However, there are two reasons why a specialist hospital can be more costly to run. They are firstly, over-ambitious development of unjustified subspecialty sections, leading to *underutilization and heavy overhead*, and secondly, the inability to determine *the optimum bed number to minimize the overhead cost.* In my view, these can be prevented with good planning and management.

Assuming that I have by now convinced everyone of the need for a Paediatric Hospital. I will admit that our Government can not live beyond its means. Government has its priorities and there are shortfalls in many aspects whether medical or otherwise. However, in this day and age, children's health are highly treasured, like children themselves are. As a consequence, services for children becomes a luxury parents want to and can afford even at the expense of their own commitments. If one is not convinced, ask any parent!

With the economical climate as it is at the moment, I only urge that Government should consider assisting the development of a Paediatric Medical Centre in money or in kind, if and when a nonprofit making charitable organization such as the Po Leung Kuk offers a *viable plan.* This ought not be *at the expense of other more needy projects* but should be in line with the development of proposed projects or schemes (such as the School Medical Scheme, maternity and child health clinics, general out-patient clinics, child assessment centres, child dental clinics). And to be even *more far sighted, I hope*

the Government could, when opportunity arises, convert and consolidate existing Paediatric medical projects so as to give birth to the CONCEPT OF A PAEDIATRIC MEDICAL CENTRE. With determination and joint effort from voluntary organizations like the Po Leung Kuk, the centre may take the initial form, as day ward and specialist clinics. This can be followed in stages by a general Paediatric Hospital and finally the subspecialty sections, when justified, can be added.

We are developing *so many services*, medical, paramedical, welfare, education, *for children*, why not with co-ordinated effort and planning, *put them ALL UNDER ONE ROOF for the sake of our children and their parents.*

I look forward to seeing what a 'progressive Government' which we have, can do for our children!

Open University

I am glad that my speech is not the last in a series of two long afternoon since I have promised Reverend Joyce BENNETT before she left the Legislative Council and Hong Kong that I would do my best to carry on her work in the concern for education. May the spirit of her unceasing fight to improve education in Hong Kong lives forever in this Chamber. So here I am with the same *persistency and length* as Reverend BENNETT's speeches, I add this part about Education. If Members can persevere, I believe coffee will be served after this speech! (*laughter*)

Sir, we do have 'a gifted and resilient population' with 'a will to succeed', and whose appetite for learning seemed insatiable. It is reassuring that you, Sir, 'share the view that our education system, its quality and directions, are matters of highest importance for the future prosperity of Hong Kong', and that the possibility of external degree programme, extension of educational television and last but not least, the 'Open University' are being investigated.

The proposal which I am going to make is based on my limited five years experience as a full-time lecturer of the University of Hong Kong, and part-time lecturer at its extramural department; the good fortune of having benefited in the recent years from *continuing education* as an external student of the University of Hong Kong, as an evening student at its extramural department and the Hong Kong Polytechnic, and a *part-time day release student* of the extramural department of the Chinese University; and lastly the opportunity to compare all these with the experience of education overseas.

Sir, we must have an Open University in Hong Kong to co-ordinate all the *continuing education* which already exist, to *standardize and accredit* existing part time postsecondary education *programmes*, to extend and *develope higher education through television*, and to *confer recognition to higher studies within a highly flexible framework* for the following reasons.

In Hong Kong, to adapt to the insatiable appetite for continuing education many organizations, whether subvented or not, have developed different

programmes of studies. The list is so exhaustive that I can only quote a few. The Chinese University of Hong Kong has five part-time degree programmes, and the extramural department offers a diploma course in management. The Hong Kong University offers certificate, advanced certificate, diploma, extramural certificates courses and courses in the preparation of open examinations such as that offered by the A.C.C.A., H.K.S.A., I.C.M.A., I.C.S.A., I.O.B., H.K.E.A., G.C.E., and external LL.B. of the London University. The Hong Kong Polytechnic offers full-time, sandwich, part-time day release, part-time evening, short full-time, extension and mixed mode programmes in its award of certificates, higher certificates, endorsement, diploma, higher diploma, professional diploma, advanced higher diploma, associateship, and degree, not to mention courses run by Caritas, Y.W.C.A., Y.M.C.A., Baptist College, and the H.D.M.A. etc.

From that, Sir, there can be no denial that the demand for continuing education is very high. It can also be seen to be very complex: programmes are duplicated, of different standards, often taught by the same professional people under the umbrella of different establishments, not counter-recognized, not coordinated and without a unified approach, and without a long term structured objective.

Among all these courses of studies I quoted, I am most impressed by the *credit-unit based* mixed mode programme of the Hong Kong Polytechnic and how it recognizes its own diploma programmes when students go through the different stages to achieve professional status. Sir, this is exactly *the theme* I want to introduce to an Open University. It should be able to *standardize, then accredit courses of studies* run by *different organizations* in a collective approach, such that with *adequate number of credits accumulated* in various subjects from whichever organizations, a person can be conferred a *diploma or degree in general studies* or specific subjects after admission to the open university. This system not only satisfies our students' desire to learn but would also reward those who struggle to learn with a real determination to better their work potentials and thereby their earnings which they rightly deserve. It would also accommodate those students who had only partially completed their higher education, those whose higher education outside Hong Kong are not fully recognized, and those who because they have to work for a living can only pursue higher studies under extended time. This would also bring into existence a nucleus of mature graduates of general studies who can be further trained for specialized jobs to meet the changing needs of our community. As it now stands when such need arises, there is often a delay of five to seven years to organize the course, admit the students, and wait for them to graduate. The system which I recommended will allow for flexibility and can serve as an infrastructure to an *accreditation system of the existing resources* on a co-operative basis. The added cost of *central* administration cannot be compared to the *great profit this system can reap* for our community. The students or their employers had been and will be prepared to pay for such programmes, so I feel that Government ought to provide for the core of this system—'The Open University'.

督憲閣下，以上是本人對地方行政計劃及寮屋區改善計劃的意見。政府為改善地方行政及寮屋區居住環境所作出的努力，實在清楚說明了政府決意「使本港成爲一個更美好的地方，家家安居樂業，兒童快樂成長」。

督憲閣下，本人謹此陳辭，支持當前動議。

(The following is the interpretation of what Mr. CHAN Ying-lun said.)

Sir, as a new comer to this Council and as one who is deeply involved in the District Board system, I would like to confine my speech to two particular subjects in your opening address. These are the District Administration Scheme and squatter area improvement. I would attempt to assess the extent District Boards have affected people's living in the districts, and to suggest how the existing arrangements could be further improved. I hope to throw in a few timely words now that you, Sir, have asked the Administration to examine these existing arrangements for local administration and to consider whether they might be improved.

District Administration Scheme

Firstly, I am glad that Government will continue to ensure that 'the advice of the Boards is considered and, where appropriate, acted upon promptly and with imagination.' I consider this to be vital; otherwise District Boards would be more window-dressing. There is, indeed, a feeling among some D.B. members that their suggestions, at least at times, are not receiving the amount of attention they deserve; and, in responding, departmental representatives appear to have been unduly bound by existing or outdated policies which may not necessarily suit the particular circumstances of individual districts. Let me quote a well know example. While it is true that the medical facilities at Queen Mary Hospital and Tang Shiu Kin Hospital are considered to be adequate for the whole of Hong Kong Island, it is also a fact that these facilities are not conveniently and quickly accessible to the 600 000 people living in Chai Wan, Shau Kei Wan and other parts of Eastern District. After due consultation, the Government has now agreed to establish a hospital in Eastern District.

Regarding Government's representation on District Boards, I think the present arrangement is quite adequate in the sense that all major Government departments with executive responsibilities at district level are represented. What needs to be improved, however, is that the departmental representatives should be given full authority to speak for their departments and at the same time, be encouraged to THINK DISTRICT and ACT DISTRICT within the perimeter of their departmental policies. This is not an easy task, particularly for departments with complex organizations. Very often a representative can hardly represent the different sections of his department at the District Board level. If that should be the case, I suggest that the department concerned should be reorganized so that it can respond promptly and positively to advice offered by the District Boards.

Secondly, I believe that advice of District Boards should be sought on issues of territory-wide interest and significance. Although the terms of reference

stipulate that District Boards should mainly concern themselves with issues affecting the welfare of people working or living in a particular district, many issues discussed at the Boards are of direct relevance to residents of all districts, that is, the whole territory. The District Boards, by virtue of their high percentage of elected membership, are the main forum for sounding out and conveying opinions of the widest cross-section of the community. And I believe an unusually good start has been made of District Boards as a mechanism for public consultation in the recent discussion of the Llewellyn Report on education throughout the eighteen District Boards. Sir, this sort of consultation is most welcomed and appreciated by District Board members. This, to my mind, also represents a major step in the right direction and I do hope that future issues of territory-wide importance would continue to be debated at the District Boards.

Thirdly, in the promotion of recreational and cultural activities within the District, I consider that District Boards should be encouraged to participate in the management of local community and recreational facilities. At present, with funds provided by Government, all District Boards are organizing various cultural and recreational programmes. However, District Boards have so far little involvement in managing local facilities such as community halls, indoor games halls and playgrounds. Perhaps, this has led to such facilities not being fully utilized by the local communities for whom they are intended—a very regrettable state of affairs. I understand that in some districts, certain District Board members have already been appointed to serve on management committees of town halls or community halls, and I suggest that this practice should be extended across the board in order to achieve maximum utilization of local community facilities.

Fourthly, District Boards should be more fully consulted on departmental programmes or activities in the district. In suggesting this, I am not saying, for a moment, that they were not consulted in the past. Experience tells me that more could be done. This applies also to recreational and cultural programmes put up by the Urban Council and Government departments, and where consultation is particularly relevant before the programme are finalized. It would be a big mistake, for example, to assume that a pop music and variety show must be staged in each and every district when it is quite obvious that some districts may well prefer, say, a Cantonese opera. This is an area where District Boards' advice must be sought and taken.

Fifthly, at the last meeting of the Legislative Council on 12 October, 1983, the Secretary for District Administration spoke of the existing links between the Boards and other consultative bodies in Hong Kong. I suggest that the Government should reappraise carefully the inter-face between District Boards and the multiplicity of advisory committees and boards so as to maximize their value as a means of gauging public opinion and as a tool for public consultation. In the longer-term, I sincerely hope that more formal links can be established between the District Boards, the Urban Council and, indeed with

the Legislative Council within the framework of our constitutional arrangements so that District Boards can become even more effective in meeting the rising expectations of the population.

Improvements to squatter areas

I now turn to my other subject which deals with improvement to squatter areas. I believe that District Boards could assume a more significant role in this field.

Sir, you mentioned in your address a programme over the next five years to improve safety, sanitation and environmental conditions in squatter areas which would benefit some of the existing 100 000 families that could not yet be rehoused within the period. Further, the Housing Authority, in its recent annual report, indicated that a total of \$300 million would be spent in the next five years on squatter improvements, based on the highly successful pilot schemes introduced two years ago.

While I agree that the programme would bring improvements to our squatter areas, I suggest that it should be accelerated. All of us, I am sure, naturally turn our attention to the safety of the squatters whenever there is a fire, a rainstorm or a typhoon. Any effort on Government's part to lessen their hardships will, I can assure you, be most readily appreciated and heartily felt by the half a million people living in squatter settlements. However, Government efforts in this area have been conspicuously inadequate for years.

I therefore urge that the programme to improve squatter areas be speeded up. If it is not physically practicable to introduce all the improvement at the same time, I suggest that priority be given to providing fire breaks and fire hydrants, to slope stabilization and repair works, and to improving drainage systems. Such improvements should be carried out in as many areas as possible, to be followed by the provision of metered water supply and improved sanitation facilities.

In areas not yet included in the Squatter Area Improvement Programme, District Boards and their Environmental Improvement Committee have a significant role to play. Utilizing District Board funds, they can actively bring about local improvements in squatter areas, such as repairing footpaths and drainage, installation of street lights and other minor work. Moreover, in coordinating the work of the Government departments concerned, in particular, the Geotechnical Control Office, and other lands and works departments, the Urban Services Department and the Fire Services Department, the District Boards could be instrumental in bringing improved services to squatters, according to their needs and priorities.

District Offices can also help in the process by encouraging residents to organize themselves into mutual aid groups to bring about improvements through their own efforts. I understand that residents of a hillside area did bring about physical improvements in a large squatter area in this manner. There, mutual aid committees, kaifong associations and other voluntary organizations

took the lead in organizing the squatters in mail delivery and maintenance of street lights at a nominal fee. Most villages, too, have their own fire-watch teams which play a vital role in preventing outbreaks of fire. The result is a closely-knit community with a low crime rate and a generally acceptable living environment, all happening now in a squatter area. We all realize that it takes time to encourage the residents to organize themselves, but the example clearly shows that such efforts by the District Office are useful and constructive.

One often heard objection against improvements to squatter areas is that improved environment, in the end, would attract more squatting. On this, I must say that we should not let such worries of people jumping on the bandwagon unduly undermine our determination to improve the safety and living environment of people who are genuinely in need and deserve our full support. Vigilant and intensive patrol by the staff of the Housing Department is the only effective means to stop squatting.

Sir, these are my views on two areas of your address which clearly demonstrates Government's determination and commitment to making 'Hong Kong a better place in which the people of Hong Kong can live, work and bring up their children'.

With these remarks, Sir, I support the motion.

MRS. FAN:—Sir, I am greatly encouraged by your remarks 'that our education system, its quality and direction, are matters of the highest importance for the future prosperity of Hong Kong', and I support without reservation your comment that 'it is now necessary to take a fresh look at the education system as a whole to ensure that it will continue to meet the aspirations of the community, and that it remains geared to the future needs of Hong Kong'.

The aspirations of the community on education are naturally numerous and varied. Just to name a few: parents would like to see an increase in opportunities of education for their children (in many cases, this is motivated by the belief that higher educational qualifications improve job prospects); students would welcome a reduction in examination pressure and with this a more interesting and lively approach to their studies; teachers would like to have more time to spend with their students, they also look forward to better opportunities for stimulating refresher and in-service training courses for themselves; those who have left the formal schooling system would want a second chance to continue their education; and employers would like the education system to produce the right type of person who could help to improve their competitiveness and efficiency.

These aspirations stem from social or economic needs, and sometimes both. Indeed, in Hong Kong, the social and economic demands for education are often inter-related to a much greater extent than other countries. *Our education system must therefore be sufficiently flexible and responsive to take account of all*

these aspirations which change over time, and at the same time, be adequately pragmatic to strike a realistic balance between social demands and economic needs.

The Llewellyn Report has already drawn our attention to a number of areas where improvements can be made in our education system. It is also clear that the resources required to implement such improvements are considerable. The Government's concern is to determine which area(s) should be given priority, at what time and to what extent the suggested improvements should be implemented, and how to tap the necessary resources. This is a tall order. One can easily be so involved in one area and lose sight of other needs. To avoid this, it is helpful to remind ourselves of what we are trying to achieve through the education system, so that we can always refer to it to ensure that the ways and means we developed are achieving the aim, rather than becoming 'ends' in themselves. A simple version of the aim of our education system is *to develop useful, contributing members of the community.*

In order that an individual can be a useful contributing member of the community, there are a number of pre-requisites. Firstly, the person has to have *a sense of belonging to the community*, in other words, there should exist a mutual bond of care and concern between that person and the people around him. The places for nurturing this attitude during the formative years of a child are the home, the pre-primary and primary schools. Reinforcement and further development of this attitude should be diligently pursued in secondary and tertiary institutions. Only with this attitude of care for other people can a person develop a sense of responsibility towards the community. Secondly, in order for the person to contribute to the improvement and progress of society, he must have *the ability to adapt to change* (which is sometimes outside his own control), *to make the best of situations as they arise, and to use his analytical power and organizing skills to arrive at innovative ideas which can be realistically implemented.* In short, the person needs *to have a positive and pragmatic attitude towards life.* This is perhaps even more important when we take account of the future needs of Hong Kong. Thirdly, the person has *to acquire knowledge and skills* so that he can be useful. We should rightly be proud of the diligence of our students who study so hard to acquire knowledge and who seek to achieve good grades in examinations. But even the best examinations tend to place too great an emphasis on simple recall of knowledge rather than on powers of reasoning and analysis, and it is generally agreed that our young people have too many public examination hurdles to leap during their school years. Therefore, I have no doubt that efforts should be devoted to reduce examination pressure and to facilitate the assimilation of knowledge and skills by students so that they are able to make use of them in their working role.

The first two pre-requisites are concerned with attitudes and values. To develop these desirable traits in our young people, we cannot merely depend on our present formal methods of instruction. We have to depend on interaction among our teachers, parents and students. When the time comes for us to

embark on the task of increasing the number and upgrading the quality of teachers, I would plead for *emphasis to be placed on stimulating teachers to reconsider their professional role in influencing student's behaviour and values, and to clarify their own attitudes*. I sincerely believe that all of us involved in education need to, in one way or another, take some time to reflect on our own behaviour and assess honestly how such behaviour may affect those under our charge. *Values and attitudes are caught rather than taught!*

Take the example of *moral education*, while I do not object to devoting a period or two in the school time-table for this specific purpose, I strongly believe that the subject *should best be permeated throughout the whole curriculum and linked to extra-curricular activities*. A teacher who respects his students and expects the best possible work from them is making a valuable contribution to the personal growth of the students, irrespective of the subject he is teaching. It therefore follows that all teachers are concerned with moral education. In view of the importance of this subject, I suggest that some *research be undertaken to evaluate the result of what is currently being done in schools*. The data will be useful towards *identifying areas of need*, and can lead to *review of methods used as well as changes in the system*.

I would like to suggest the introduction of a 'General Studies' course at Form VI level to provide students with insight into disciplines which are not their main course of study, for example, scientific methods for Arts students and humanities for Science students. *The aim of this course would be to widen their horizon, to stimulate their social awareness, and to encourage them in rational analysis of current affairs*. Teaching methods could be open-ended, providing an opportunity for students to suggest solutions. As an integral part of the course, students in groups would have to plan and execute a project in community service. The Education Department has been encouraging student's involvement in community service. This proposal will therefore carry the idea further in requiring students to take the initiative in planning as well as in participation. The progress made by individual student could be determined through continuous assessment by teachers rather than by examination. While I appreciate that there may be technical difficulties in implementing the proposal, however, if we accept that our education system is to develop useful and contributing members of the community, then should we not give our sixth form students some preparation for this, an actual experience of serving the community? Further, if institutions of higher education could see fit to take into account students' achievement in 'General Studies' for admission purposes, then it is highly probable that the in-take into higher education would include those with both outstanding academic ability and leadership potential.

Naturally, the leadership potential of the students in higher education need to be further developed in a systematic and effective manner, so that graduates from higher education can be leaders of our community in future. They would need *a reasonable amount of common sense and self-confidence, coupled with a readiness to shoulder responsibility, take initiative and make decisions*. They also

need to master communication skills in both languages, and this can only be achieved through constant practice, thinking in the language used, organizing ideas logically, and presenting them in a persuasive and confident manner. These attributes, in my view, are no less important than academic excellence, and it will be worthwhile for policy makers and teachers in higher education to enhance such attributes in their students as far as possible.

As regards to the third pre-requisite, I feel our young people should be given *more opportunities to acquire technological skill*. A small number of prevocational schools are already doing a commendable job in this respect. The Education Department has embarked on a two-year pilot scheme in computer studies in 30 schools. All these are moves in the right direction. If we are to keep pace with modern technology, our students must be in contact with the basic skills at an early age so that they can develop confidence and literacy in new technologies. I therefore favour more to be done in this direction.

Turning now to those who are in need of *continuing education* for better qualifications and professional training (Dr. Ho and Dr. Ip have already shared their wisdom with us), I personally feel that they should best be *catered for in a manner suited to their individual requirements and yet cost-effective to the general public*. The latter, of course, applies to all modes of study subsidized by public money.

I suggest encouragement should be given to *the development of student-centred self-learning programmes*. It is not that I fail to recognize and give credit to the contribution made by teacher-centred classroom methods to continuing education, but rather I am convinced that in the long run, student-centred self-learning programmes can cater for the need much more efficiently. The latter method allows the student to *study and progress at his own pace*. After a full-day's work, it can be very taxing both physically and mentally to travel to and from a study centre and to assimilate two to three hours of instruction. This is probably why the ideas of Open University and education by radio and television seem so attractive. While the need and development of these ideas are being investigated, I propose that consideration be also given to *the possibility of Government subsidizing suitably qualified students on 'approved' training courses*. These courses offer training for professional qualifications, updating of professional knowledge and modern technology, which are required to assist Hong Kong to improve both productivity and efficiency in industry and commerce. The contents and standards of these courses must be endorsed by the Government before the 'approved' status could be given. The subsidy should go to individual student rather than organizations in the form of reimbursement of a certain portion of the fees after a student has successfully completed an 'approved' course. This method of subsidy may prove to be less costly than other alternatives in the short term, and *Government has the flexibility of gearing its support to specific areas of need for economic purposes*.

I share your view, Sir, that the people of Hong Kong attach great importance to education, and are prepared to pay for improvements. No doubt the

administration will be, or is already, looking at various ways and means of raising funds for this purpose. If I may, I would like to *suggest the formation of an Education Development Fund through private donations* as a possible source. There has been numerous examples of individuals and organizations in Hong Kong contributing substantial sums towards specific educational projects undertaken by Government and voluntary bodies, therefore, the interest is definitely there. However, to ensure that the Education Development Fund has a good start, consideration should be given to offer better incentives, such as, a more generous tax exemption scheme, and appropriate recognition for donors. During the financial year 1982-83, H.K.\$191M was recorded as donations for tax exemption purposes. Even assuming that half of this was for education, it was about 2% of total expenditure in education during that year. In order that the Education Development Fund may generate some of the resources needed, it is highly necessary to work out a more attractive system for donations. Moreover, the Fund should (in the first instance) be used for areas where urgent improvements are needed. When the people of Hong Kong witness the improvements made and our children enjoy the real benefits, this will in turn encourage further contributions to the Fund. Education is our investment in future, and a sound all-round education is one of the most meaningful and substantial inheritance that is within our capability to give to our next generation.

Sir, with these suggestions and comments, I support the motion.

MRS. NG delivered her speech in Cantonese:—

督憲閣下：欣聞閣下於施政報告中第六段所提及明年的工作——「將會特別着重制定長遠發展策略和發展教育兩方面」。

本人試就教育制度方面，略抒管見：政府於一九七一年實施全民小學教育，又於一九七八年推行普及初中教育，以及於一九八一年成功地達到既定之高中教育目標，現在應是加速步伐，為全部有志於升讀中四、中五之學童提供資助學位的時候。

一九七九年至一九八三年本港中學之就讀統計數字顯示，政府亦已向這方面邁進；八一年度資助之中四學位佔百分之四十一，八二年度躍升為百分之六十四，八三年度則升為百分之七十。從另一個角度來看，儘管政府未能資助全部有志升讀高中的學童，部份家長亦設法讓其子弟於私立學校完成中五課程；從上述資料中得悉，一九八一年度有百分之八十四學童於完成中三課程後，仍繼續接受政府資助或自費完成中五課程；八二年度則升為百分之八十八，而八三年度更升為百分之九十一。此趨勢有逐漸上升之傾向，足見本港絕大部份之家長均盼望其子弟能完成中學五年之連貫課程，好作踏足社會之準備。而且時下青少年之求知慾甚強，初中課程未能滿足他們的需求，絕大部份學童均以五年中學階段作為人生學習歷程的一站，他們不願意在完成初中階段後，即離開正常的學校生活。正如閣下於施政報告第五十三段之教育全面檢討中所提及「我們的教育制度必須能夠符合社會不斷轉變的需求和期望。」故政府實應滿足市民之期望，為全部有志升讀高中之學童提供資助學位，使他們能於「愉快之學校生活環境」中完成五年之連貫課程。

閣下於施政報告第六十八段中所提及「居者有其屋計劃在一九七八年創辦，迄今售出住宅單位約有二萬七千個。要不是當局推行這個計劃，居屋住戶便根本無力自置居所。每次推出居屋發售時，均求過於供，可見這個計劃大受市民歡迎。」

本人極之同意閣下的說法，因本港市民面對「衣、食、住、行」四大需求，以「住」最難解決，尤以「夾心階層」為甚；政府有見及此，年前推出專為中等入息家庭而設之居者有其屋計劃，於屯門美樂花園建成二千二百四十個單位，面積最少的是五十五平方米，最大的是八十平方米，各單位設計美奐，且區內環境優美，可謂用心良苦；無奈市民反應冷淡，至目前為止，仍有六百多個單位未能售出，而政府即作出決定，認為中等入息人士，並無需要，一助之居屋，故「夾心階層人士」之居屋計劃，亦予以取消。本人認為此舉未能方略有詳細考慮與該等人士居住問題有關之各項因素，例如職業、交通、服務等。就在職業方面來說，此計劃的「目標顧客」，大抵多數在現職環境附近一段頗長的時期，其職位亦應相當滿意，實難於放棄舊職而於新居住環境同時，另覓新職，而美樂花園之地點交通極為不便，未能提供美好居住環境之人士，給予入住人士適當之安排，便利他們上班。改善居住環境與保持現有人士之職業比較，大多數人都會選擇後者，故此計劃之失敗，乃意料中事。本人認為對居屋之需求甚為殷切。本人相信，如果美樂花園不是建在屯門沙田、大埔、荃灣、葵涌或一些較近市區的地方，其受歡迎程度，一定大提高。因之本人深盼政府能於日後檢討中等入息家庭之需要，重新推出專為他們而設之居屋計劃。

閣下於施政報告第一〇二段中提及「分佈於港九新界之十八個區議會，共有一百八十九人，是本港最龐大之民意諮詢組織。」本人極表贊同，但民委有區議員四百八十人，是希望在這裡有所補充：本港於一九七二年在約五萬個區屬下更設有分區，這些分區如人口達到推行政府宣傳運動，如撲滅罪、清潔香港等。

地區行政計劃推行以來，分區委員會所扮演的角色漸轉重要。委員人數由十五人至二十五人不等，有來自互助委員會、業主立案法團、區內就職之社會工作者、教師、商人及工友等。因此分區委員會之會員包括該區各階層之人士，極能反映該區人士之意願，實為區議會之縮影。近年來，政務總署為使分區委員會之工作與區議會之工作互相配合，已將其職權範圍擴大至就影響分區內居民福利、公共設施、環境、社區計劃、文娛活動等方面，提供意見。

分區委員會之重要性，由其職權範圍可見一斑；故分區委員會應與所屬之區議會有緊密之聯繫，充分發揮地方行政的效能。

根據統計資料，目前二百六十七位非官守區議員當中，祇有一百三十三位同時兼任分區委員會委員或主席，二十二位擔任分區委員會顧問。故有關方面應作檢討，加強區議員與分區委員會之聯繫，務使地方行政之運作更臻完美。

在諮詢架構方面，目前本港共有一百個分區委員會，委員人數達一千八百零九人之多，包括社會各階層人士，應可充份反映民意，故應在正統之架構上清楚列出分區委員會與區議會及其他地方團體之關係，給予認可之諮詢地位。

督憲閣下，本人謹此陳辭，支持動議。

(The following is the interpretation of what Mrs. NG said.)

Sir, I was happy to note in paragraph 6 of your Address when you commented on the work of the coming year: 'We shall pay particular attention to the formulation of our long-term development strategy and to education'.

I wish to speak on the education system. The Government implemented free primary education for all children in 1971, extended it to junior secondary in 1978, and successfully attained the planned objective of senior secondary education in 1981. Now should be the time to quicken the pace by providing subsidized places to all school children who aspire to study in Forms IV and V.

Statistics of our secondary schools enrolment from 1979 to 1983 revealed that the Government has also been advancing along these lines: there were 41% subsidized Form IV places in 1981, which jumped to 64% in 1982 and 70% in 1983. Looking at this subject through another angle, some parents also tried to help their children to complete Form V in private schools, even the Government could not provide subsidy to all school children who wish to attend senior secondary schools. From the same statistics as above, it was also learned that in 1981 84% of the school children who had completed Form III went on to complete their studies in Form V either on Government subsidy or at their own expense. The percentage rose to 88% in 1982 and even 91% in 1983. With this rising trend, it could be seen that the vast majority of Hong Kong parents wished their children to complete the entire five-year secondary course, so as to prepare them for the future. Also the present young generation shows a strong desire to acquire knowledge. The junior secondary course obviously cannot satisfy them. The majority of school children regard the five-year secondary stage as the first station of learning in their lives. They are unwilling to leave normal school life after completing only Form III. Just as you mentioned in paragraph 54 of your Address in respect of education: 'Our education system must keep pace with the changing needs and aspirations of our community' the Government should satisfy the aspirations of the people and provide subsidized places for all school children who wish to receive senior secondary education, so that they can complete the continued five-year secondary course 'in pleasant school environments'.

You also mentioned in paragraph 68 of your Address that 'Since the Home Ownership Scheme started in 1978, some 27 000 flats have been sold to families who would otherwise have been unable to buy their own homes. The popularity of the scheme is shown by the fact that every sale has been heavily oversubscribed.'

I cannot agree more with your comments, because amongst the four essentials in life the people of Hong Kong are facing: 'clothing, food, housing and transport', 'housing' is the most difficult to solve, particularly for the 'sandwiched class'. Taking this into consideration, the Government introduced a Home Ownership Scheme for the middle income class at Melody Gardens in Tuen Mun, providing 2 244 flats ranging from the smallest 55 square meters to the largest 80 square meters each. The flats are all well designed and the surroundings are also quiet and pretty. This scheme was indeed constructed with all good intentions. However reactions of the people have been cool. Up to now there are still 612 unsold flats. The Government therefore came to the conclusion that the middle income class did not really need subsidized H.O.S.

housing and thus cancelled future housing schemes for the 'sandwiched class'. I think this move is somewhat arbitrary. The reason why this happened is that the Government, when planning the Melody Gardens, might have concentrated its attention on the design of the premises, without considering carefully the various factors arising from taking up residence there by the people, such as employment, schools, transport etc. Take employment as an illustration, the 'target clientele' of this scheme have mostly worked in their present organizations for quite some time, and must have acquired satisfactory positions. It is therefore difficult for them to give up their old jobs and find new employment nearby when taking up the new homes. The location of Melody Gardens presents extreme difficulties in transport. While providing them with such beautiful housing, the Government has failed to make adequate transport arrangements for them to commute to their work. If a choice is to be made between improving the living environments and retaining one's present satisfactory job, most people would opt for the latter. The failure of this scheme therefore came as no surprise. I think all parties concerned should make an overall review instead of applying the chop on the meaningful scheme, because the 'sandwiched class' have an urgent need for housing. I believe that had the Melody Gardens not been built in Tuen Mun but Sha Tin, Tai Po, Tsuen Wan, Kwai Chung or some locations nearer to the urban areas, they would have been much more popular. I earnestly hope that the Government will review the needs of the middle income class, and provide them again with H.O.S. housing specially designed for them.

In paragraph 102 of your Address, you said, 'Together, the 489 members of the eighteen District Boards constitute the largest advisory body of opinion in Hong Kong.' I would most readily agree with this remark. Yet I would like to add here the following: In 1972 the urban areas were divided into ten city districts, each was sub-divided into sub-districts. If a sub-district had a population of about 50 000 an area committee would be set up. The terms of reference of the area committees then were no more than to carry out publicity campaigns of the Government such as the Fight Crime and Clean Hong Kong campaigns.

Since implementation of the district administration scheme, the role played by area committees has been steadily gaining importance. Membership of area committees ranges from 15 to 25. Members come from mutual aid committees, incorporated owners associations, social workers, teachers, businessmen and factory workers within the sub-district. Area committees therefore consist of members drawn from a wide social spectrum, and is suited to reflect the views and wishes of the people of the sub-district. It is in fact a district board in miniature. In recent years the City and New Territories Administration, in an attempt to synchronize the functions of the area committee and the district board, has vested the former with wider powers to advise on welfare, public amenities, environment, community services and recreational matters of the sub-district.

The importance of the area committee is all too apparent from its terms of reference. The area committees should therefore maintain close ties with their respective district boards, in order to get the maximum effects of the district administration scheme.

According to statistics, only 133 of the 267 district board unofficial members concurrently serve as area committee members or chairman, and 22 serve as area committee advisers. The Administration should undertake a review to ensure that the ties between the district boards and the area committees are strengthened to achieve greater perfection in the operation of the district administration scheme.

In the context of the consultative framework, there are currently 100 area committees in the territory with a total membership of 1 809, which includes people drawn from all social strata. The committees should be competent to adequately reflect public opinion. In the formal advisory framework, the relationship of the area committee vis-a-vis the district board and other district organization should be clearly defined so that the area committee can be accorded a recognized advisory status.

Sir, with these remarks, I support the motion.

MR. POON:—Sir, as I am the last speaker for today and many subjects have been so well covered by my able colleagues, I wish to speak briefly on two topics, regulation of the financial sector and higher education.

Regulation of financial sector

During the past few months, there was much turbulence in the financial sector. The weakness of the Hong Kong Dollar, the liquidity problems of some banks and the Carrian affair would have had serious consequences if it had not been for the swift and decisive action by Government to maintain confidence in Hong Kong as a major financial centre. It is reassuring to note your emphasis of Government's commitment to maintain and improve the legal and institutional framework of the financial sector.

It has only been a little over ten years that Hong Kong has emerged as one of the leading international financial centres in the world, attracting many large foreign banks and corporations to establish business in Hong Kong. The growth in the financial sector, especially the scale and sophistication of such businesses, has been phenomenal. Consequently, constant attention and supervision by proper authorities are required. I am pleased to hear that the long-awaited Companies (Amendment) Bill is expected to become law within this session. This is very much needed to bring our company legislation up to date and should result in a corresponding improvement of financial reporting in Hong Kong. The early establishment of the Standing Committee on Company Law Reform will provide a proper body to review and suggest amendments to modernize our Company Law from time to time.

The recent problems of some banks and deposit-taking companies have caused much public concern. Though the present prudential supervision system is basically sound, there are areas which need frequent review. The proposed amendments to the Banking and Deposit-taking Companies Ordinances go quite a long way to provide better protection to depositors. In the light of past experience, the amendments relating to restrictions of loans to directors and director-controlled companies are urgently required.

You, Sir, mentioned that recent events involving certain listed companies have demonstrated the need for some form of requirement for the disclosure of shareholdings and dealings. I entirely agree. This has been quite a controversial matter. Many Chinese businessmen by tradition and overseas investors by circumstances desire to keep a low business profile and they are reluctant to disclose their financial affairs. However, if our stock market is to be properly regulated and have credibility here and overseas, such relevant information should be available to the public. When a company chooses to go public, its directors and officers, at least, should be obliged to comply with proper disclosure requirements for the protection of the investing public. The manner and extent of disclosure, however, should be determined by what is suitable and necessary in Hong Kong and need not be unduly stringent as in some part of the world. It is hoped that consensus of views can be reached so that the proposed legislation can be introduced as soon as practicable.

I appreciate that when times are good, Government is blamed for too much interference. When times are bad, Government is blamed for intervening too little and too late. What Government must do, I urge, is to be firm and introduce measures and legislation speedily where the public interest clearly overrides any sectional interest. Otherwise, the reputation of Hong Kong as a financial centre will be tarnished.

Higher Education

It was encouraging to hear your plans for the further development of higher education in Hong Kong which I feel are very essential. Investment in education is always good investment. Human resources are valuable assets to society. Through the record of Government's efforts in the educational field is impressive and standards are high, Hong Kong still lacks sufficient opportunities for its young people to receive higher education. Many parents, some at great sacrifice, have to send their children abroad for further studies. The frequent increases in school fees and the strong foreign currencies impose a great burden on many of them. Cases are known that parents who can no longer afford the high fees reluctantly have to terminate their children's education overseas and ask them to return to Hong Kong. The setting up of the joint funding arrangement by the Hong Kong and British Governments to help local students studying in Britain no doubt helps many students from Hong Kong but it is not the answer to our problems.

The amount of money we use to provide overseas education for our students is very substantial as about six thousand students go abroad for further studies each year. There is also the likelihood that many of them may eventually choose not to return to Hong Kong if circumstances permit. It is therefore gratifying to note that the City Polytechnic may become a reality in the not-too-distant future. The third university, the introduction of external degrees and the open university type of further education will also be welcome but much will necessarily depend on our financial resources. However, you are right, Sir, in believing that the people of Hong Kong attach great importance to education and are prepared to pay for them. I think it will be right to assume that students who can have a chance to receive higher education locally will have a greater sense of belonging. With the political uncertainty at present and the recovery of the world economy, we may face another brain drain soon. It is imperative that we have and do implement our own plans to provide for higher education.

During the world recession in the past two years, Hong Kong has survived with less hardship and impact than many other countries of the world. I am convinced, Sir, that under your guidance and taking heed of your sound advice to be patient, calm and resolute, the people of Hong Kong will once again overcome the many difficulties facing them and will continue to prosper in the years to come.

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

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

Question put and agreed to.

Adjournment and next sitting

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

Adjourned accordingly at twenty-five minutes to six o'clock.