

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 18 February 1987****The Council met at half-past Two o'clock****PRESENT**HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)

SIR DAVID AKERS-JONES, K.B.E., C.M.G., J.P.

THE HONOURABLE THE CHIEF SECRETARY

MR. DAVID ROBERT FORD, L.V.O., O.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. PIERS JACOBS, O.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL

MR. MICHAEL DAVID THOMAS, C.M.G., Q.C.

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

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

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

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

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

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

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

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

SECRETARY FOR DISTRICT ADMINISTRATION

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

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

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

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

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

THE HONOURABLE CHAN YING-LUN, J.P.

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

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.

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

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

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

THE HONOURABLE JOHN WALTER CHAMBERS, O.B.E., J.P.

SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE JACKIE CHAN CHAI-KEUNG

THE HONOURABLE CHENG HON-KWAN

THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.

DR. THE HONOURABLE CHIU HIN-KWONG

THE HONOURABLE CHUNG PUI-LAM

THE HONOURABLE THOMAS CLYDESDALE
THE HONOURABLE HO SAI-CHU, M.B.E., J.P.
THE HONOURABLE HUI YIN-FAT
THE HONOURABLE RICHARD LAI SUNG-LUNG
DR. THE HONOURABLE CONRAD LAM KUI-SHING
THE HONOURABLE LEE YU-TAI
THE HONOURABLE DAVID LI KWOK-PO, J.P.
THE HONOURABLE LIU LIT-FOR, J.P.
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.
THE HONOURABLE PANG CHUN-HOI, M.B.E.
THE HONOURABLE POON CHI-FAI
PROF THE HONOURABLE POON CHUNG-KWONG
THE HONOURABLE HELMUT SOHMEN
THE HONOURABLE TAI CHIN-WAH
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING
THE HONOURABLE ANDREW WONG WANG-FAT
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.
THE HONOURABLE GRAHAM BARNES, J.P.
SECRETARY FOR LANDS AND WORKS
THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER
THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY
THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT

ABSENT

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY
THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.
THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.
THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.
THE HONOURABLE SZETO WAH
THE HONOURABLE TAM YIU-CHUNG
DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LAW KAM-SANG

Papers

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

<i>Subject</i>	<i>L.N.No.</i>
Subsidiary Legislation:	
Public Health and Municipal Services Ordinance Designation of Libraries (Urban Council Area) Order 1987	20/87
Banking Ordinance 1986 Banking Ordinance 1986 (Amendment of Fifth Schedule) Notice 1987	21/87
Interpretation and General Clauses Ordinance Specification of Public Offices (Amendment) Notice 1987	22/87
Road Traffic Ordinance Road Traffic (Parking) (Amendment) Regulations 1987	23/87
Telecommunication (Exemption from Licensing) Order Telecommunication (Hong Kong Telephone Company) (Exemp- tion from Licensing) (Fees) (Amendment) Order 1987	24/87
The Chinese University of Hong Kong Ordinance Statutes of the Chinese University of Hong Kong (Amendment) Statutes 1986	25/87
Child Care Centres (Amendment) Ordinance 1983 Child Care Centres (Amendment) Ordinance 1983 (Commence- ment) Notice 1987	26/87
Public Health and Municipal Services Ordinance Public Market (Regional Council) (Amendment) By-Laws 1987	27/87
Immigration Ordinance Immigration (Places of Detention) (Amendment) Order 1987	29/87
Registration of Persons Ordinance Registration of Persons (Invalidation of Old Identity Cards) Order 1987	30/87
Places of Public Entertainment Ordinance Places of Public Entertainment (Licences) (Specification of Fees) (Regional Council Area) Notice 1987	31/87
University of Hong Kong Ordinance Statutes of the University of Hong Kong (Amendment) Statutes 1987	32/87

<i>Subject</i>	<i>L.N.No.</i>
Public Health and Municipal Services Ordinance Food Business (Regional Council) (Amendment) By-Laws 1987	33/87
Public Health and Municipal Services Ordinance Frozen Confections (Regional Council) (Amendment) By-Laws 1987	34/87
Public Health and Municipal Services Ordinance Milk (Regional Council) (Amendment) By-Laws 1987	35/87
Public Health and Municipal Services Ordinance Offensive Trades (Regional Council) (Amendment) By-Laws 1987	36/87
Public Health and Municipal Services Ordinance Places of Amusement (Regional Council) (Amendment) By-Laws 1987	37/87
Public Health and Municipal Services Ordinance Swimming Pools (Regional Council) (Amendment) By-Laws 1987	38/87
Public Health and Municipal Services Ordinance Undertakers of Burials (Regional Council) (Amendment) By-Laws 1987	39/87

Sessional Papers 1986-87:

- No. 36—Supplementary provisions approved by the Urban Council during the third quarter of the financial year 1986/87
- No. 37—Correctional Services Department Welfare Fund—Income and expenditure account with balance sheet and certificate of the Director of Audit for the year ended 31 March 1986
- No. 38—Trustee's Report on the Administration of the Education Scholarships Fund for the year ended 31 August 1986
- No. 39—Consumer Council Annual Report 1985/86
- No. 40—Li Po Chun Charitable Trust Fund Annual Report for the period 1 September 1985 to 31 August 1986
- No. 41—Public Accounts Committee Report No.9—January 1987

Address by Member on subsidiary legislation laid on 7 January 1987**Air Pollution Control (Air Control Zone) (Declaration) Order 1986**

PROF. POON: Sir, air pollution has been a serious problem in Hong Kong and it is acutely so in certain industrial areas, such as Kwun Tong, where pollution has reached an almost intolerable level. Many pollutants in the atmosphere impose health risks. For example, sulphur dioxide, respirable suspended particulates and nitrogen dioxide cause respiratory illness. Carbon monoxide impairs one's co-ordination while photochemical oxidants, such as ozone, irritates the eyes and reduces athletic performance. Lead affects cell and body processes, such as, neuropsychological effects on children and increases the incidence of heart attacks, strokes and hypertension.

The Government's concern over the matter has been demonstrated by the establishment of the Environmental Protection Agency and its recent upgrading and expansion as the Environmental Protection Department, and the Pollution Control Ordinance which was enacted in 1983. Since the enactment of this Ordinance, however, no significant improvement has been made to improve the air quality in most industrial areas. There has been comment from the public that the Government does not appear to have yet come to grips firmly with the problem although a great deal of public money has been spent in the attempt to put it under control. The Air Pollution Control (Air Control Zone) (Declaration) Order 1986 now introduced, which relates to the declaration of the harbour Air Control Zone and the Tsuen Wan-Kwai Chung Air Control Zone, together with the establishment of the Air Quality Objectives, should be most welcome as the first realistic step to combat air pollution caused by the expansion and diversification of industry. In this respect, of course, it is better late than never.

Before the Air Quality Objectives were defined, there has been extensive consultation with the industrial sector and the district boards concerned. A total of 33 industrial organisations and 11 district boards were invited to comment on the proposals. On the whole, there were no adverse comments. I also personally find the proposals very reasonable.

To achieve these Air Quality Objectives, control measures are necessary, and I understand that they are being considered. In formulating these control measures, the Government should seriously consider the technical and financial implications for the industrial sector. It may mean to the industries, a change in method or routine of operations, the use of more expensive fuel and even additional investment in pollution control equipment. If necessary, the industrial sector should be provided with reasonable and timely assistance. The attention of new factories to be established must be drawn to the necessity of strict air pollution control as a kind of prevention. Rigid controls on motor vehicle emissions have to be imposed and oil companies be required to further

reduce the level of lead in petroleum. At present, the concentration of lead in petroleum is still relatively higher than that in most western countries. Reducing the lead level further may mean slightly more expensive oil for consumers, but that is the price we have to pay for a cleaner environment.

The Environmental Protection Department has revealed that the quality of air at Kwun Tong was rather unsatisfactory, with the levels of sulphur dioxide and particulate matter, and to a lesser extent nitrogen dioxide, exceeding the objectives for these pollutants.

I do urge the Government, following the enactment of this piece of subsidiary legislation, to consider it its top priority to devise a feasible and effective solution to rectify the uncommendable state of affairs at Kwun Tong and to stop any further deterioration of air quality in other districts.

With these remarks, Sir, I welcome and support the Air Pollution Control (Air Control Zone) (Declaration) Order 1986.

Address by Members presenting papers

Consumer Council Annual Report 1985-86

MRS. CHOW: Sir, public awareness on consumer protection has probably never been greater than it is now following the closure of three travel agents almost on the eve of the Chinese New Year disrupting the travel plans of thousands of outbound holiday makers. It is therefore a most opportune time to table in this Chamber today the annual report of the Consumer Council for the year 1985-86 and, to present an account of how the council fulfilled its duty in protecting consumers in the year under report.

1985-86 saw the council exercising one of its strongest sanctions against unscrupulous traders—by bringing public censure to bear on a total of 11 shops whose trading practices are a far cry from what can be considered fair and honest. Invariably the naming of these delinquent shops resulted in widespread publicity in the media. We have every confidence this will continue, now that the Defamation Ordinance was amended in May 1986 to enable the news media to publish fair and accurate reports of such traders.

The year also saw the resolution of one of the long standing issues affecting flat buyers—the need for a standard method of floor measurement, or saleable area, in newly built flats. This joint effort, co-ordinated by the Consumer Council, arrived at a formula acceptable to nine other parties consisting of professional bodies comprising architects, surveyors and lawyers as well as related government agencies. The trade association of real estate developers has agreed to recommend to its members the use of this standard method and to include information pertaining to the saleable area in the price lists of their

sales brochures. Hopefully this and other measures will render the infamous 'shrunk flat' episode discussed in this Council not too long ago a thing of the past.

This legislature has reflected the public mood and taken an increasing interest in consumer protection, not the least in enacting a number of vital consumer protection legislation. These include amendments in the Defamation Ordinance, the Small Claims Tribunal Ordinance, the Food and Drugs (Composition and Labelling) (Amendment) Regulations and the enactment of the Money Changers (Disclosure of Rates, Charges and Commission) Ordinance, and the Travel Agents Ordinance which has come under considerable criticism after being put into practice for just one year.

If I may say so, the Consumer Council has played an important role in urging for the introduction of both the Money Changers Ordinance and the Travel Agents Ordinance and subsequently following their implementation, identified the needs for the review of both pieces of legislation, particularly the Travel Agents Ordinance. As far back as February last year, the Consumer Council has called on the Government to improve the existing Travel Agents Ordinance for more effective protection of consumers in the wake of the collapse of the Peninsula Tours which then resulted in claims from consumers totalling some \$15 million.

The Consumer Council called for a review of the Ordinance, particularly regarding the way in which the Reserve Fund is being collected, in order to strengthen prudential supervision and to cater for massive abscondence or in the event of failure of a large travel agent. This concern has unfortunately been proven correct by the recent closure of the Choicest Holiday and the Austravel Company Ltd.

I could not let this occasion pass without reiterating the stand of the Consumer Council with regard to the rights of consumers who were affected by the collapse of the three travel agents. We strongly maintain that consumers are entitled to full compensation to the tour money they have paid well in advance of receipt of goods or service. We are, of course, fully aware of the inadequacy of the present Reserve Fund created under the Ordinance and the strong sentiments of the travel industry at the prospect of their having to dig into their pockets for additional contributions to the fund.

But let it not be forgotten that when the present Travel Agents Ordinance was being formulated and the concept of a reserve fund was raised, it was recognised that such a fund would derive its income from an across-the-board levy imposed on the trade, and which should be capable of being used to meet all legitimate claims. Furthermore, it was then proposed that the fund would be financed by a levy to be determined by the Executive Council annually according to need and towards compensating victims of abscondences and/or failures. That, as I understand it, was the Administration's explanation of the spirit of this law and

the Reserve Fund created under the law, and was accepted by the trade as a preferable solution over other options such as compulsory insurance or deposit of bonds.

It is, therefore, the view of the Consumer Council that victims of the recent closure of travel agents must be accorded redress in accordance with the spirit of the Travel Agents Ordinance. This spirit of the law is completely consistent with the spirit enshrined in the Protection of Wages on Insolvency Ordinance and the Traffic Accident Victims (Assistance Fund) Ordinance. The former Ordinance imposes levy through business registration to meet the claims of workers for wages owed by an employer who had absconded or whose business was being wound up. The latter Ordinance imposes levy through driver's licence and motor vehicle licence which in actual fact means that each and every driver of motor vehicles, be he safe or reckless, contributes towards the cost of compensating victims of traffic accidents for which he may not be individually responsible.

In the long term, we must urgently find a solution to effectively protect our outbound travelling public. Consideration has been given to the special characteristics of the travel industry in that the main bulk of this business is concentrated in the last quarter of the year. And this would obviously make it difficult for any bond system to adequately cover claims arising out of that particular period of the year. It has consequently been suggested that advance payments made by consumers should be paid into a trust account so as to limit the travel agents' advanced access to tour money, thereby minimising the likelihood of abscondence or misappropriation of fund.

Obviously, the Government should explore all workable alternatives to find the best package. But there is no time left. I hope, on this occasion next year, we will have tackled the problem successfully.

Public Accounts Committee Report No.9—January 1987

MR. ALLEN LEE: Sir, laid on the table today is the Report of the Public Accounts Committee on the Director of Audit's Report for the year ended 31 March 1986.

Sir, this is the ninth such report by the committee. I am pleased to say that it provides many examples to show that the solid foundations laid in the previous eight years have borne fruit. This reflects great credit on the Administration and on the Director of Audit.

If the report also deals with cases where things might have been handled differently, the PAC hopes the right lessons have been deduced. Given the constructive approach to the committee's suggestions in earlier years, we are confident that successful remedies will now be applied.

Sir, the successful evolution of the audit process is, I believe the outcome of the close co-operation between the executive on the one hand and the legislature and its watch dog, the Director of Audit, on the other. The success of this arrangement is founded on our system of checks and balances whereby one sort of power, the power to spend money, is vested by this Council in the executive, and another sort of power, that of calling the executive to account is vested in this Council. This distribution of power is a delicate balance, but I believe that present experience suggests we have just got it about right.

If we are to go forward, it is vital that all components of the system continue to exercise their power responsibly and we, in this Council, do not seek to arrogate so much power to ourselves that it becomes impossible for the executive to function effectively.

In the case of the PAC, this challenge requires the committee to be critical when criticism is due, but also to be fair, to be objective and to be constructive. It is in this spirit that my colleagues and I have tackled our work this year and it is in this spirit that we will continue to do so in the future.

Oral answers to questions

Staffing situation in Environmental Protection Department

1. MR. CHEUNG YAN-LUNG asked (in Cantonese): *In view of the increasing workload experienced by the Environmental Protection Department as a result of the need to rectify some long standing environmental problems and to introduce new legislation relating to environmental protection, will Government inform this Council whether it is necessary to review the existing staffing establishment of the department?*

SECRETARY FOR HEALTH AND WELFARE: Sir, in recognition of the increased workload on the Environmental Protection Department following the reorganisation of the Government's pollution control activities in April last year, and to enable new pollution control initiatives to commence during the coming year, it is proposed that the establishment of the department should, subject to the voting of funds by this Council, be increased by 224 posts (that is from 283 to 507 posts) on 1 April 1987. This represents an 80 per cent increase in the departmental establishment.

Of these posts, 91 are required to implement the proposed Agricultural Waste Control Scheme; 53 for management of sewerage and drainage projects; 33 for new air pollution control measures; 13 for the implementation of regulations in the Tolo Harbour and Channel Water Control Zone; 12 for the control of vehicle smoke emissions; and four for environmental reviews of government projects.

As quite a long lead-time is required to recruit professional and technical officers, the department has already made a start, without commitment, on the necessary recruitment procedures. Even so, I fear it will be some months before the new staff can take up their posts and become fully operational.

MR. CHEUNG (in Cantonese): *Sir, could the Government inform this Council which types of professionals are most lacking in the Environmental Protection Department and does the Government have any plans to appoint consultancy firms to look into the pollution problems in Hong Kong so as to assist the department in improving the environment?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the Environmental Protection Department contains staff who are qualified in all of the major areas for which the department has responsibilities but it is the practice to commission consultants to work on some projects and we would expect that this need would continue, in particular in cases where it is necessary to meet a work-load peak where it would not be practicable or efficient to recruit additional staff to do this; or to deal with a matter requiring expertise in a narrow specialty where it is not possible or appropriate to develop that specialty in-house on a permanent basis; and also in certain cases to draw on consultants' experience of schemes carried out in other parts of the world. We do envisage that the EPD will continue to engage consultants as and when this is necessary.

MR. CHEONG-LEEN: *Sir, as a related factor, is serious consideration being given to upgrading the activities of the Environmental Protection Department under the umbrella of a branch?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the Environmental Protection Department comes under the responsibility of my branch at the moment although there have been suggestions that a separate Environment Branch might be appropriate and this is being considered.

PROF. POON: *Sir, will the Government consider giving preference to local graduates to fill the proposed vacancies?*

SECRETARY FOR HEALTH AND WELFARE: Sir, it is the practice, as I am sure Members of this Council know, with all appointments to the Civil Service, for preference to be given, where possible, to local candidates and the normal procedures will be followed in this case.

MR. LEE YU-TAI: *Sir, as there will be an increase of 80 per cent in the staff establishment for the Environmental Protection Department, does Government envisage difficulty in the recruitment of qualified people and, if so, are there any plans to overcome the difficulty?*

SECRETARY FOR HEALTH AND WELFARE: Sir, as I said in the main answer, it will take time to recruit such a large number of qualified people. If necessary, and if we can't get sufficient suitably qualified people in Hong Kong, we may well have to go overseas for some of the posts.

Assessment of public opinion on review of representative government

2. DR. LAM asked (in Cantonese): *In view of the fact that the Green Paper on the 1987 review of representative government is to be published shortly, will Government inform this Council whether it has any plan to set up an office to assess public opinion on the Green Paper, and if so, whether it would be independent from Government?*

CHIEF SECRETARY: Sir, the Government is considering how public opinion, in response to the Green Paper on the 1987 review of representative government, should be collected and presented. I am not therefore yet in a position to reply to Dr. LAM's specific question. I expect that an announcement will be made in about a month's time.

DR. LAM (in Cantonese): *Sir, in the process of studying how public opinion is to be collected, would the Government also consider firstly, how to ensure that the opinions collected would yield a fair result as far as quality and quantity is concerned so that it will be agreed to by most people in Hong Kong, as well as the Chinese Government, in order to avoid divergence from the basic law? And secondly, would we look into how public opinion could be unnecessarily influenced or interfered with, say, for instance, recently there have been Chinese officials speaking out on direct elections in 1988?*

CHIEF SECRETARY: Sir, while not directly addressing the points put by Dr. Conrad LAM, I think I could give Members some factors which are being considered at the moment. Firstly, we must look at the tasks which are involved in the collection and assessment of public opinion. The first is to collect opinions centrally expressed by the public through the multiplicity of channels that already exist or may be created and to collate such opinions. The second is to assess all this material, with a view to discerning whether the balance of opinion lies on the various issues involved. These two tasks may be undertaken by the same people or by different people; it may be undertaken by the Administration itself or by an independent body or partly by one and partly by the other.

MR. HUI: *Sir, can Government inform this Council whether any arrangement will be made to assess the views of the silent majority who will not be making their opinions known publicly?*

CHIEF SECRETARY: Sir, this is very much a matter under consideration at the moment. I think it would be premature for me to say anything more at the moment.

Arson

3. DR. HO asked: *Will Government inform this Council whether there has been any increase in the number of arson cases in 1986 as compared with the previous two years and, if so, what measures will be taken to combat this crime?*

SECRETARY FOR SECURITY: Sir, in 1986, 490 fires were suspected by the Fire Services Department to have been started deliberately, compared with 463 in 1985 and 394 in 1984. The police investigated all these incidents and classified as arson 358 in 1986, compared with 220 in 1984 and 283 in 1985.

Sir, to design measures to prevent arson is extremely difficult. Arson is a deliberate criminal act. Only rarely does negligence on the part of the victim contribute to the offence. Many incidents are believed to be the result of vandalism or domestic disputes.

The most effective weapon is the successful detection and prosecution of offenders. Fire services officers are trained to detect evidence of arson. In 1983 the department engaged a specialist in investigating arson to conduct courses for selected Fire Services Department officers. By the middle of 1987 all operational fire officers will have undergone this specialist training, which is also now part of the three-year training programme for probationary station officers. In addition, 12 officers have completed attachment to the Fire and Detection Unit of the Los Angeles City Fire Department.

The Fire Services Department has organised special investigation teams to look into the causes of fires if the causes are not clear to those actually fighting the fires. When the department suspects arson, or as a matter of course for fires of third alarm or above in industrial premises, the department passes the case to the police for investigation. Staff of the Government Laboratory are also available to help. All concerned prepare a full report.

Between 1984 and 1986 the police prosecuted 160 persons for arson, of whom 37 were under 16. In addition, 19 juveniles who admitted they had committed arson were warned and discharged under the Superintendents' Discretion Scheme. Although I do not have available up-to-date statistics on the number of prosecutions that were successful, past records show that well over half result in convictions. 29 convicted arsonists were sent to correctional institutions and the highest sentence imposed by the courts was imprisonment for four to five years.

MR. PETER C. WONG: *Sir, it is not clear from the Secretary's answer, first, whether there is any expertise in the police force for investigating arson cases and second, whether the police investigate the cases by itself or in conjunction with or with the assistance of the Fire Services Department.*

SECRETARY FOR SECURITY: Yes, basically the expertise when it comes to looking for the causes of fire lies with the Fire Services Department. The expertise when it comes to investigating who has actually caused the fire and why, takes one more into the area of normal criminal investigation. The expertise then, on the fire services side, rests with the Fire Services Department; on the investigation looking for the individual who has caused it, the expertise basically lies with the police but, of course, there is very good co-operation between the two.

MR. PETER C. WONG: *Sir, my second part of the question was whether the police investigated by itself or in conjunction with or was assisted by the Fire Services Department?*

SECRETARY FOR SECURITY: Sir, the police are responsible for the investigation once the Fire Services Department suspect arson and have handed the case over to the police. The police then seek the help of the Fire Services Department, if they think they need it.

MR. CHEONG-LEEN: *Sir, can the central Fight Crime Committee review to what extent it could be more actively involved in getting the co-operation of the public in combating arson, which seems to have been on the same level during the past two years?*

SECRETARY FOR SECURITY: It is very difficult, as I said in my original answer actually to take preventive measures against arson. As I say, it is a deliberate criminal act. A person sets out to do it. He chooses the time when he is going to do it and often, of course, a lot of the evidence goes up in smoke with the fire. This is what makes it difficult to investigate. But of course there are locally organised anti-crime groups throughout Hong Kong and this arrangement, which the police are organising, is being developed and this will help. In other words, if people do see others behaving suspiciously in a manner which might lead to arson, then they will report it to the police.

DR. HO: *Sir, what is the proportion of confirmed arson cases connected with triad activities and is the Government satisfied that a four to five year imprisonment imposed on the convicted arsonist, as mentioned in your written reply but not in the oral reply, is adequate deterrence for such a serious criminal offence?*

SECRETARY FOR SECURITY: Sir, of the 48 000 odd fires that the Fire Services Department attended from 1984 to 1986, just under 3 per cent they concluded had started in suspicious circumstances, and the cases were handed over to the police. To take some examples of successful prosecution, of the 861 that they handed over to the police from 1984 to 1986, the police managed to detect offenders in 159 cases, that is a detection rate of about 18 per cent. Are we satisfied with the penalties? Well, is one ever satisfied with the penalties, particularly for a very serious offence like arson which can result, of course, in death, damage to people and, of course, considerable damage to property.

DR. HO: *Sir, the Secretary for Security seems to have missed the first part of my question which is, what is the proportion of confirmed arson cases that are connected with triad activities; I emphasise triad activities.*

SECRETARY FOR SECURITY: Yes, I apologise for missing that point in my hon. Friend's question. I do not have the figures with me. If they are available, I will let him have them in writing. (See Annex I.)

Contractual Claims

4. MR. CHENG asked: *In view of the considerable public expenditure resulting from claims by contractors together with the awards and costs incurred through arbitration and legal proceedings, will Government inform this Council what is the amount of claims awarded and costs paid out by Government in each of the last three years in respect of public housing, public building and civil engineering projects; what are the reasons for the claims being awarded; and what preventive measures will be taken by Government to minimise similar claims in the future?*

SECRETARY FOR LANDS AND WORKS: Sir, to answer the question, I would briefly like to outline what claims in the construction industry are about. Construction sites vary considerably, and unforeseeable situations, such as ground conditions which require changes in design, or delays and disruptions caused by weather or utility diversions, often occur during construction. It is impossible to foresee and define all such events and circumstances. So, conditions of contract provide for the contractor to be reimbursed for such events, should they occur, by claiming additional payment. Thus, claims are a normal part of construction contract life, and the vast majority of these are assessed by the engineer or architect, and resolved to the satisfaction of both parties as part of the normal administration of the contract. It is only when the amount claimed or the contractor's entitlement for extra payment is in dispute that claims go to arbitration or litigation in court.

For most contracts, the contingency sums included in the contracts are sufficient to cover claims paid as well as other matters. I don't have figures for these. The figures for disputed claims resolved in the last three years are as follows:

Public housing:	in 1984, \$4 million were paid out for two claims of \$68 million; in 1985, there were no disputed claims; and in 1986, one claim of \$6 million was resolved, but no award was made.
Public building:	in 1984, no award was made for one claim of \$5 million; in 1985, \$1 million was paid for three claims of \$4 million; and in 1986, \$2 million were paid for three claims of \$191 million.

Civil engineering: in 1984, \$19 million were paid for two claims of \$50 million; in 1985, \$4 million were paid for two claims of \$19 million; and in 1986, \$34 million were paid for two claims of \$138 million.

To sum up, for the three-year period there were 16 disputed claims. The claims totalled \$481 million. The amounts paid in settlement or pursuant to awards totalled \$64 million.

As for legal costs incurred by Government in arbitration cases, the vast majority were dealt with in house and cannot be readily costed. In recent years only in two exceptionally complex cases involving altogether claims in excess of \$320 million were private counsel and solicitors engaged. These two arbitration cases were subsequently settled on terms that each party was to pay its own legal costs; Government's were \$11 million in one case and \$18 million in the other. The arbitrations resulted in payments for a tenth of the amount claimed, which result I think speaks for itself. Moreover Government's firm action in these cases has undoubtedly discouraged other excessive claims.

The reason for claims is basically that the contractor considers the reimbursement he has received under the contract to be less than his entitlement. The dispute arises from disagreement either as to what risks and responsibilities are the contractor's under the terms of contract, or as to what items of cost are reimbursable under the contract, or a combination of both.

To appreciate the scale of disputed claims, which is small, it is worth comparing those with the total number and value of contracts awarded. In 1985-86, 780 contracts were awarded by Government and the Housing Authority, with a total value of \$9,100 million. Disputed claims occur on average in less than 1 per cent of all contracts, with awards averaging only about 0.25 per cent of total contract values. I think these figures are fairly low, and generally acceptable.

Even so we must try to avoid these claims and disputes which waste a great deal of professional time, which could be much more constructively employed elsewhere. Tender documents, as well as being checked internally within design divisions, are regularly checked by specialist contract advisers. All Lands and Works Departments documents and selected ones for Housing Authority contracts estimated to cost over \$100 million are checked by Legal Department before tenders are invited.

In addition, the terms of government contracts are constantly under review by an interdepartmental committee, with members from all the professions involved in the construction industry. In 1985, Government introduced revised Conditions of Contract for building and civil engineering construction, and the effectiveness of these revised conditions is being monitored. There is regular

liaison with the Building Contractors Association and professional bodies on any major revisions. The last two years have seen a substantial reduction in the number of disputed claims as compared with the years 1982, 1983, and 1984. In these two years, only six claims have been taken to arbitration.

MR. CHENG: *Sir, I understand a mediation scheme was introduced by Government over a year ago. May I ask the Secretary for Lands and Works what progress has since been made in this respect and would it be widely employed for other public works contracts in the future?*

SECRETARY FOR LANDS AND WORKS: Sir, as far as I am aware, the mediation scheme has been used in two cases, one of which I believe is still under mediation. It seems promising and I expect its further use in the future.

MR. HU: *Sir, what action will Government take concerning those contractors who frequently make unjustified or excessive claims?*

SECRETARY FOR LANDS AND WORKS: Sir, it can be a matter for suspension of the contractor from the Contractors' List and I certainly would propose to look at such cases very seriously, but there are not many.

DR. IP: *Sir, when unforeseeable situations occur and additional work is required of the contractor, would agreement over the cost of the additional work prior to the execution of such work reduce subsequent claims?*

SECRETARY FOR LANDS AND WORKS: Sir, that is a method which is sometimes used and it is sometimes appropriate.

Immigration from China

5. MR. HUI asked: *In view of the fact that many Hong Kong families are still awaiting reunification with their family members in China and this has caused problems for the families concerned, in particular problems associated with family separation and adjustment of children on reunion with their parents, will Government inform this Council whether it will undertake to negotiate with the Chinese Government with a view to speeding up reunification in Hong Kong of the separated families?*

SECRETARY FOR SECURITY: Sir, some 27 000 persons are arriving from China to Hong Kong each year for settlement through the one way permit system agreed with the Chinese authorities. In 1986 over 98 per cent of these people came to Hong Kong to be reunited with their immediate families including a few who came to join relatives. Nearly half (13 340 persons) were children joining a parent already in Hong Kong.

As long as local residents continue to go back to China to get married there are bound to continue to be families being separated temporarily until exit permits can be issued for them to join their spouses or parents in Hong Kong.

As I said in this Council on 21 January, the number of legal immigrants arriving each year is included in our population projections which provide the framework for the planning of our public services. The level of immigration has to be very carefully set so as not to upset unduly the social and economic structure of our community. An annual increase of 27 000 persons is equivalent to half a percentage point of the population. This rate of increase by means of immigration is high, particularly in the context of Hong Kong's size and its existing population. There is no plan to increase it.

MR. HUI: *Sir, will the Government inform this Council whether it has undertaken or will undertake to negotiate with the Chinese Government with a view to checking the influx of illegal immigration of children from China and with what results?*

SECRETARY FOR SECURITY: Yes, Sir, we, the Hong Kong Government, are in constant contact with the Chinese authorities on the whole question of illegal movements from China towards Hong Kong. And it is as a result of these frequent contacts that first, the numbers trying to get over the border over the last years have been radically reduced, and second, all those that do go over and are detected, are returned to China.

As regards the specific point of illegal children, we have raised that specifically with the appropriate Chinese authorities, and we look forward to increased help from them.

MR. LEE YU-TAI: *Sir, may I refer to the second paragraph of the answer and ask for the average waiting time from the marriage of a couple in China to the issue of a one-way permit for reunion?*

SECRETARY FOR SECURITY: Yes, Sir, from the information which the Director of Immigration has obtained from about 14 000 people who entered Hong Kong on one-way permits, in the last six months of 1986, about 62 per cent had had to wait for less than five years; 48 per cent less than four years; 35 per cent less than three years; 21 per cent less than two years; and 9 per cent less than one year.

Police Cadet School

6. MR. YEUNG asked: *Will Government inform this Council of the extent to which the objectives of the Hong Kong Police Cadet School have been achieved since its establishment in September 1973, and whether Government has any plans for the future development of the school?*

SECRETARY FOR SECURITY: Sir, the aims of the Police Cadet School are twofold: first, to prepare young men, academically and physically, for recruitment into the disciplined services; second, to educate young men to meet their responsibilities as adults in the community.

The Police Cadet School offers a style of education unique in Hong Kong. Academic studies are at Form IV and Form V level but the school also lays emphasis on character building, particularly through developing leadership and through physical training.

I am pleased to be able to report that the school has consistently met its objectives. Since 1973 it has trained 3 241 cadets of whom all but 90 or so have gone on to join the disciplined services. 2 984, that's about 92 per cent, chose to join the police force. In 1985-86, 313 graduates of the cadet school joined the force, and that represented 31 per cent of the total number of police constables recruited that year.

As regards the future development of the school, because the present old former military premises are so dilapidated, there is a project in category B of the Public Works Programme to re-provision the Police Cadet School, partly on its present site in Fanling and partly on an adjacent site. The current programme for getting on with this project would provide for completion of the School by 1992-93. But I'm afraid the latest estimates show that the new building will be quite expensive, about \$80 million. In these circumstances, we are having a further look at the project to see if it really will give value for money having regard to the steady development of secondary education generally over the past years and in particular the increasing availability of subsidised Form IV and Form V places in the future.

MR. YEUNG: *Sir, in view of the fact that nearly one third of all police constables recruited are from the cadet school, will Government make a statement on the standard and quality of these recruits being trained in Police Training School, as compared with those not recruited from the cadet school?*

SECRETARY FOR SECURITY: At the constable level, Sir, the recruits from the Police Cadet School are unquestionably of a high standard but on the other hand we also get extremely good recruits from schools other than the Police Cadet School. The others tend to be of a higher educational standard and tend to go further through the force. In other words, their promotion tends to be a little more speedy than the promotion of recruits from the Police Cadet School.

MR. YEUNG: *Sir, will the abolition of the Junior Secondary Education Assessment Scheme in the near future have any effect upon the annual recruitment exercise launched by the Police Cadet School which admits students on satisfactory completion of Form III or Middle III schooling, and if so, does the Government have any intention of raising the admission standard to Form V level?*

SECRETARY FOR SECURITY: Sir, I understand this is one of the aspects at present being considered in the context of deciding whether or not to go ahead with the project for rebuilding the Police Cadet School.

MR. CHEONG-LEEN: *Sir, while in principle I do fully support the project should it go ahead, may I ask whether, should it go ahead, there will be sufficient emphasis on the provision of Form V education with less emphasis on Form IV, as seems to be implied in the reply?*

SECRETARY FOR SECURITY: Sir, at present the academic studies are at Form IV and Form V level and there is no intention at the moment to take them to any higher level than that but certainly, the Form IV and Form V level would be maintained.

MR. CHEONG-LEEN: *Sir, I'm sorry but my question has not been properly understood in the way that I have put it, so may I just rephrase it. And it is a corollary to the question raised by Mr. YEUNG Po-kwan which is that in view of the increasingly high standard of the police force and the expectations that the standard of the police force should continue to be high, will greater emphasis be placed on future recruitment so that at least a Form V standard will be recognised during the recruitment process?*

SECRETARY FOR SECURITY: Sir, it is a possibility which we will have to give some thought to. If my Friend would care to ask the question again in a few months time, I can perhaps give him a better answer. (See Annex II.)

Sewerage systems

7. MR. JACKIE CHAN asked (in Cantonese): *As a result of the ever-increasing population in the urban area on both sides of the harbour, the sewerage systems are no longer sufficient to cope with the actual demand. In this regard, will Government inform this Council:*

- (a) *whether there is any long-term plan to rebuild those sewerage systems, so as to resolve the sanitary problem arising from the insufficiency of sewerage facilities;*
- (b) *whether the existing problem of sewer blockage is serious and how many complaint cases of sewer blockage have been received during the past year; and*
- (c) *regarding the blockage of sewers in private streets, whether there are provisions to require the owners concerned to dredge those sewers, so as to ensure environmental hygiene in the vicinity?*

SECRETARY FOR LANDS AND WORKS: Sir, nowadays foul water sewerage systems are designed and built to accommodate the peak rate of waste water discharge from the planned maximum population and the expected level of industrial or other non-residential activities in the catchment areas. When new developments are planned which will bring the population or the level of industrial or other non-residential activities above the original planned level, the capacity of the sewerage systems needs to be enlarged to meet the new requirements. The need for such works is kept under regular review. Over the past five years some 30 km of new trunk and branch sewers have been laid in Hong Kong and Kowloon by the Civil Engineering Services Department and a further 22 km of trunk sewers are now under planning or construction.

In the long term, it is the intention to review the sewerage systems in various catchment areas of the urban area comprehensively. We have just started planning a comprehensive sewerage system in the Pokfulam area and the Environmental Protection Department has also recently embarked on a study on the development of a sewerage master plan for the whole of East Kowloon. The study includes comprehensive survey of the existing sewers and treatment works and investigations of the capacity of the sewerage network needed to accept flows from future population increases. Dependent on the findings of the study, works will be put in hand to rebuild, renovate and expand the sewerage network in East Kowloon. Gradually, similar studies to review and improve the existing system will be carried out for other sewerage catchment areas in the urban area.

Blockage of sewers is a recurring problem in the urbanised areas in the Territory. The Civil Engineering Services Department maintains a labour force to clear such blockages throughout the year. The department also mans a telephone complaint hotline through which the general public can report cases of drain blockage. In 1986, about 47 000 complaint cases were received. The major cause of such blockages is the accumulation of grease and food remains discharged from food establishments and of solid wastes from street hawkers, construction sites and industrial activities. The problem is contained as far as possible by regular inspections to ensure that grease traps in food establishments are properly maintained and the number of blockages has thus remained steady over the past years.

Blockages in sewers in private streets are dealt with under the Buildings Ordinance. An order to clear the blockage may be served on the owner and if the owner fails to comply the works can be carried out by Government and the cost recovered from the owners later on. In previous years blockages in private streets were quite a major problem, especially in the sewers in the backlanes of Central District and Wan Chai, but I understand that statutory action is necessary much less frequently nowadays.

MR. JACKIE CHAN (in Cantonese): *Sir, just now the Secretary for Lands and Works told us that for 1986 there were 47 000 cases of blockage. According to my*

understanding, there have been cases of blockage in the urban areas which have lasted for one month and they're still not being cleared. So will the Secretary inform us whether there is a shortage of manpower in the departments concerned? Otherwise, why is it that the situation has not improved for so long.

SECRETARY FOR LANDS AND WORKS: Sir, such cases of prolonged blockage means that something has gone wrong with the system and that certainly isn't the normal response to a complaint about blockage. As far as I can see though, and for what I am informed, the labour force and the equipment they have should be adequate. So if there are such cases as sewers, then they are a matter for concern and they should be brought to the notice of the Civil Engineering Services Department because I am sure that they are not aware of that length of blockage.

DR. CHIU: *Sir, regarding the blockage of sewers in private streets, is there a guideline as to how long the Government has to wait before taking action to clear the nuisance on behalf of irresponsible owners so as to ensure environmental hygiene?*

SECRETARY FOR LANDS AND WORKS: Sir, I understand there is but I don't know what the length of time is.

MR. CHENG: *Sir, does the Government have a time scale for the studies on the existing system in the urban areas?*

SECRETARY FOR LANDS AND WORKS: Sir, nothing specific has been laid down at present. The studies of the urban area are undertaken in the priority which is judged from their age and from their problems. I know that at present the Environmental Protection Department is working out a sewerage strategy, and I would expect that that would include such a time scale.

DR. CHIU: *Sir, can the Secretary undertake to provide me with a written answer to my question.*

SECRETARY FOR LANDS AND WORKS: To your question regarding the amount of time? Certainly, Sir. (See Annex III.)

Certificate of No Criminal Conviction

8. MRS. FAN asked: *Will Government inform this Council whether there is a limit on the number of applications for Certificates of No Criminal Conviction to be handled each day and, if so, what are the reasons for imposing such a limit and what measures have been or will be taken to expand the present capacity in the processing of such applications?*

SECRETARY FOR SECURITY: Sir, as a matter of policy, there is no limit on the number of applications for Certificates of No Criminal Conviction (CNCC) to be handled each day.

But the number of applications does tend to fluctuate. The average daily number of applications handled in 1986 was 140, well within the capacity of resources available. But for short periods of time quotas of 200 a day had to be introduced, not because of lack of administrative resources (staff within the police force can always be redeployed for the purpose) but because of the limited size of the present CNCC office. To enable the present redevelopment of Police Headquarters in Arsenal Street to proceed, the office in which these applications for Certificates of No Criminal Conviction are processed has been moved from there to a temporary location inside a commercial building.

As the peak periods were short and infrequent, it would not be worthwhile trying to rent larger premises. But when the Certificates of No Criminal Conviction office moves back to the new Police Headquarters building upon its completion in two to three years' time, much greater flexibility in the use of accommodation will be possible and temporary quotas for these certificates should no longer be necessary.

MRS. FAN: *Sir, can the Secretary for Security confirm that during peak periods applicants have been turned away and told to come back the next day with no assurance that their applications will be handled on the next day? And if so, will the Secretary undertake to improve the present procedure whereby an applicant whose application cannot be handled on one day can be assured that it will be handled the next day or be given a date on which his application can be handled?*

SECRETARY FOR SECURITY: Yes, Sir, my hon. Friend is absolutely correct. Some applicants were turned away on the days when there were more than 200. I like her idea of some system whereby they are given priority the following day and I will ask the police to look into that possibility.

MRS. CHOW: *Sir, will Government explore a more flexible way other than a quota system to cope with the fluctuating demand of a service which by now must have some predictable pattern?*

SECRETARY FOR SECURITY: Yes, Sir, the police have thought about various other ways of dealing with these applications. Unfortunately, the crucial point is that the applicants have to turn up themselves because their fingerprints have to be compared with the fingerprints on the records, so I'm afraid there is no question of using, say the postal system, as a substitute. The police are constantly looking at other possibilities but as yet, they have not managed to find something that wouldn't in fact result in dealing with fewer applications each day.

DR. LAM (in Cantonese): *Sir, the way that government departments handle affairs should be based on the purpose of serving the public. In this case the police has regard only for its convenience and has set a daily quota of applications to be handled. So will the Government review this present policy to make sure that serving the public should be put as the first priority?*

HIS EXCELLENCY THE PRESIDENT: The Secretary for Security has already answered that question, Dr. LAM.

MR. CHAN KAM-CHUEN: *May I ask the Secretary if accommodation is the problem, why can't the police rent bigger accommodation and charge a slightly higher fee to cover rental?*

SECRETARY FOR SECURITY: Sir, the occasions on which more than 200 applicants a day turn up are pretty few and far between. I honestly think if we started renting larger accommodation, we would be wasting public funds.

Written answer to question

Clearance of Kowloon Walled City

9. DR. LAM asked: *Will Government inform this Council to what extent the clearance plan of the Kowloon Walled City affects the Public Housing General Waiting List; whether it will affect the existing plans for squatter clearances and what are the preliminary estimates of the financial commitment for the whole project?*

SECRETARY FOR DISTRICT ADMINISTRATION: Sir, it is not possible at this stage to give a full answer to this question. The rehousing commitment arising from the clearance of the Kowloon Walled City will not be known until the detailed screening has been completed. This process has commenced but will take several months to complete.

The preliminary survey indicates that about 10 000 families will be cleared from the walled city and they will need to be rehoused by 1990. The Housing Department is now examining its detailed planning for the period up to 1990 to rehouse people from the waiting list, redevelopment, clearances and so on and to see how best to accommodate the commitment which now arises from the clearance of the walled city. The clearance will inevitably increase the demand for urban housing and the Housing Department is making every effort to identify new supplementary sites to increase the supply of urban public housing.

Over the next three years (1987-1990), a total of 140 000 flats will be produced under the Public Housing Programme. This will provide, over this period, a total of 20 000 flats in excess of the normal annual production target of

40 000 flats. The clearance of Kowloon Walled City is therefore unlikely to have any significant adverse effect on the authority's on-going rehousing programme in overall quantitative terms.

It is too early to estimate the financial commitment for the whole project, which includes staff costs, compensation payable on clearance and the construction of a park on the site after the clearance. An estimate can be established when all the information required will have been obtained in about a year's time.

Statement

Designation of Hong Kong Airlines

FINANCIAL SECRETARY: Sir, in recent weeks, questions have been raised about the Government's policy on the designation of Hong Kong airlines to operate scheduled services. Those questions have been the subject of a letter written to the Administration, and, I believe, to all Members of this Council. The whole subject has received media attention and there have even been reports that have gone so far as to say that I have, and I quote, 'ruled out a two-airline system for Hong Kong', and that the Government would stand by its decision, and again I quote, 'to maintain a one-airline system'. To deal with these questions and to correct the misconceptions that have arisen, it is necessary for me to explain in greater detail what steps must be taken before a Hong Kong airline can be designated to fly any particular route, and why the Government has adopted its present policy on designation. I shall not repeat the statement made in this Council by my predecessor on 20 November 1985, but I invite Members' attention to it. It represented and still represents the Government's policy in this difficult area. What I should say this afternoon will, I hope, assist in explaining how the policy is applied. And it is a lengthy statement. In case of turbulence, I recommend that Members should fasten their safety belts.

Let me make it clear that there is not, and never has been, any intention on the part of the Government to restrict the number of Hong Kong's airlines, as media reports have suggested. We have no statutory powers so to do. Provided an airline first obtains an air operator's certificate, which, in effect, is its mark of technical competence, and provided it has the necessary qualified personnel, it may then seek to start commercial operations. There are, at present, two Hong Kong airlines with air operator's certificates, and two other airlines have within the last 12 months applied for such certificates.

If a Hong Kong airline with an air operator's certificate wishes to operate scheduled services on any given route, it must first apply to the Air Transport Licensing Authority (ATLA) for a licence. The authority's terms of reference for determining an application are laid down in some detail in the Air Transport (Licensing of Air Services) Regulations. In broad terms, the authority, ATLA,

must have regard to the co-ordination and development of air services with the object of ensuring the most effective service to the public while avoiding uneconomical overlapping of services. The chairman of ATLA is a judge of the Supreme Court. Furthermore, the other members of ATLA are from the private sector.

In a written decision dated 23 January 1986, ATLA made it clear that if it considered that a case had been made out for a licence for a particular route, it would grant the licence irrespective of whether rights to exercise it were available or not, and irrespective of whatever view the Hong Kong Government might take in respect of designating Hong Kong airlines for the route in question. ATLA is an independent body making its own decisions on licence applications.

The mere fact that a licence has been granted by ATLA does not, however, mean that an airline can immediately and automatically start flying on the route covered by that licence. In so far as scheduled services are concerned, the next question to consider is designation, which is a matter for the Government. Designation is the nomination of an airline to operate scheduled services on a specific route. Such services are governed by bilateral, inter-governmental air services arrangements. In the case of Hong Kong, it is, at present, United Kingdom/second country air services arrangements which cover Hong Kong routes. International air transport operates under a highly regulated system and the bilateral air services arrangements form an integral part of that system. An 'open skies' policy is generally applied in domestic, not international, air transport and even then complete deregulation is by no means a universal norm.

When a Hong Kong airline has been licensed by ATLA for a particular route and seeks designation through the Government, what happens next depends upon the circumstances. If the rights to operate on the route are available without the need for any further inter-government negotiations, the Hong Kong Government will request the United Kingdom Government to designate the licensed Hong Kong airline to operate the route. Assuming that the designation is accepted by the other government involved and other requisite formalities, such as the grant of the necessary operating permission to the designated Hong Kong airline by the aeronautical authorities of the other country concerned, are completed, then, and only then, may the Hong Kong airline commence services on the route.

If rights to operate scheduled services on the route for which the Hong Kong airline has been licensed by ATLA do not exist, then the situation is far more complex and is likely to take considerably longer to resolve. Where rights do not exist, this will be due to either the complete lack of air services arrangements between the United Kingdom Government and the government of the other country concerned, or the fact that the existing air services arrangements do not provide for the route for which the Hong Kong airline has been licensed. Also, there may be no provision to designate a second Hong Kong airline for the route under existing air services arrangements.

If there are no existing air services arrangements at all, then, the Hong Kong Government would, in the normal course of events, request the United Kingdom Government to open negotiations with the government of the other country concerned with a view to concluding new arrangements.

In circumstances where there are existing air services arrangements not specifically covering the route for which the licence has been granted, or where existing arrangements only provide for the designation of one airline from each side, the Government will consider requesting the United Kingdom Government to seek rights by negotiating amendments to the existing air services arrangements with the government of the other country concerned.

In all the cases I have described, negotiations will not necessarily take place at an early date. The timing depends upon the willingness of the government concerned to hold talks. Furthermore, there may be other commitments in air services negotiations on the part of both the Hong Kong and United Kingdom Governments, and this could cause, of course, delay. More than one round of talks may well be required. If it is a route involving more than one country, obviously more than one set of negotiations has to be undertaken, and this takes even more time.

If we seek changes to existing air services arrangements, whether to provide for the designation of a second airline for the same route or to provide for a new route, a number of factors have to be borne in mind. First, if the government concerned is willing to consider changes, it will normally, and quite understandably, seek additional rights, for which it may designate its own airline. It may seek those rights at a price. For example, if existing air services arrangements provide for only one airline to be designated for a route, our efforts to obtain the right to designate a second Hong Kong airline could well result in the first Hong Kong airline having to reduce the level of its services on that route, or indeed, on another route which it operates under the same air services arrangements. Or, alternatively, the foreign airline operating on the route, through its government, could seek additional services for itself on another route.

In other words, there would be a price to be paid for the introduction of a second Hong Kong airline onto the route, on the not unreasonable grounds that there should be equality of opportunity to operate services for the airlines of both sides. That price could be at the expense of the incumbent Hong Kong airline, which had invested heavily in aircraft, personnel, support services, promotion, and so on, in order to develop the route.

I think Members will agree that it would be unreasonable and, indeed, unfair to require that airline to reduce the level of its services simply to accommodate the second airline. In practice, if the second airline does not match the incumbent's already established standards, the outcome could be a loss of Hong Kong's share of the passenger and cargo traffic on that route.

Another factor to be borne in mind is that any possibility of a reduction of an incumbent airline's rights on a route is not going to give it the necessary incentive and confidence to invest properly in developing that route to the benefit of Hong Kong and the travelling public, and in competing fully and properly with the other airlines already operating on it. When referring to 'other airlines', I have in mind not only the airline designated by the other party to the particular bilateral air services arrangements, but also third-party airlines who are permitted to operate on the whole or part of that route. There are, for example, currently eight airlines offering scheduled services between Hong Kong and Bangkok in addition to Cathay Pacific Airways and Thai Airways International. A very high degree of competition, therefore, does exist and Hong Kong businessmen and travellers do have a range of choices on those routes that have the heaviest traffic.

All these factors would have to be very carefully weighted by the Government. In the final analysis, the Government has to take a view on whether preserving the status quo in respect of a given route rather than seeking the right to designate a second Hong Kong airline for a route is of greater value to Hong Kong's overall interests in such matters as tourism and carriage of goods. The balance of advantage is not the same in all cases.

Sir, the Government concluded in 1985—and remains of the same view today—that the realities and practicalities of the international air transport world clearly dictate that, for Hong Kong, the general rule on designation has to be one airline per route. That is the general, but not the invariable, rule and this policy applies equally to all Hong Kong airlines. If the Government judged that more competition was needed in the public interest and the traffic was sufficient to sustain a substantial operation by more than one Hong Kong airline in addition to all the other foreign airlines having rights, on a particular route, then the question of the designation of a second licensed Hong Kong airline would be very carefully considered, and that was made clear in the 1985 statement.

Government Business

First Reading of Bills

ADOPTION (AMENDMENT) BILL 1987

HONG KONG EXAMINATIONS AUTHORITY (AMENDMENT) BILL 1987

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

Second Reading of Bills

ADOPTION (AMENDMENT) BILL 1987

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of 'A Bill to amend the Adoption Ordinance'.

He said: Sir, I move that the Adoption (Amendment) Bill 1987 be read the Second time.

The objects of this Bill are twofold: first, to provide that all adoption applications should be heard in the district court, and to define the circumstances in which such applications may be transferred to the High Court; and secondly, to improve and streamline the existing procedures for adoption.

At present section 4A of the Ordinance provides that the hearing of all applications for adoption shall commence in the district court, but that if the child's parent or guardian fails to give consent to the making of an adoption order or if any interested person objects to an order being made, then the district court must transfer the application to the High Court. However, there is also a provision in section 6 empowering 'the Court' to dispense with the required consent under certain circumstances. District courts have interpreted this provision as enabling them to continue hearings after dispensing with the consent under section 6, but there is some doubt whether this is legally correct. Clause 2 of the Bill removes any possible ambiguity on this point by setting out clearly the circumstances in which a hearing may be transferred from the district court to the High Court.

As the Ordinance stands at present, there are two requirements which tend to make the statutory adoption procedure more protracted than is desirable or necessary. First, under section 5(7)(a), an infant must have been in the continuous care and possession of the prospective adoptive parents for at least six consecutive months before an adoption order may be made. This requirement is considered too stringent where one of the adoptive parents is the child's natural parent. Clause 3 of the Bill reduces the required period from six months to 13 weeks of continuous actual custody, where one of the adoptive parents is a natural parent, and also makes it clear that this period is not regarded as broken when a child goes into hospital or to a boarding school.

Secondly, under section 5(5)(a) of the Ordinance, an infant under the guardianship of the Director of Social Welfare is not free for adoption until the consent of anyone who is a parent or guardian has been obtained. However, this consent can be revoked within a period of three months or with the leave of the court after that period, if the parent gives a written notice of revocation to the Director of Social Welfare. In circumstances where an infant has been abandoned, neglected or persistently ill-treated, or where the parent cannot be found, the court may dispense with the consent required and the Social Welfare Department can then proceed to place the infant with the prospective adoptive

parents. However, adoptive parents are often reluctant to accept a child when the issue of parental consent is still unresolved, and there have been cases where infants were left in the institutional care of the Social Welfare Department indefinitely because of vacillation on the part of the parent or guardian. In other cases, adoption proceedings have had to be terminated at a very late stage of the six-month pre-adoption period, resulting in emotional disturbance to all concerned. Clause 4 of the Bill therefore enables the Director of Social Welfare to apply to the court for an order to free an infant who is already a ward of the director, for adoption when the consent of the parent or guardian cannot be obtained, so as to enable the child to be placed in the adoptive parents' home. This clause also requires the parents or guardians, if they can be found, to be notified before the order is made, and to be given an opportunity to be heard.

Clause 5 enables rules to be made under which the Director of Social Welfare may conceal the whereabouts of a child who is the subject of an application of the type I have just described. This is intended to protect the infant from possible physical or psychological interference and will also maintain the confidentiality of the applicant, when the child is already living with him.

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

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

HONG KONG EXAMINATIONS AUTHORITY (AMENDMENT) BILL 1987

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of 'A Bill to amend the Hong Kong Examinations Authority Ordinance'.

He said: Sir, I move that the Hong Kong Examinations Authority (Amendment) Bill 1987 be read a Second time.

The Hong Kong Examinations Authority Ordinance was enacted in 1977 and provided for the authority to be set up. The present Bill has been drawn up following a review of the provisions of the Ordinance in the light of subsequent experience.

The main purposes of the Bill are to delete various transitional provisions which are no longer required, to amend the composition of the authority and to make a number of changes to the powers of the authority in the interests of more efficient operation.

The membership of the authority comprises two groups: ex-officio members and members appointed by the Governor. The former group includes, in

addition to the Director of Education and the secretary of the authority, the heads of the two universities and of the Hong Kong Polytechnic. The Bill will extend ex-officio membership to the heads of all tertiary institutions funded through the UPGC, including in due course the third university.

Changes are also proposed to the appointed membership to provide for better and more balanced representation of relevant interests. The number of public officers will be reduced from three to two while the number of school principals will be increased from three to five. There is also provision for appointment of a representative of the professions, as well as of commerce and industry.

Proposed changes to the powers of the authority will streamline its operating procedures and remove unnecessarily detailed powers of control by the Government. In particular, the authority will no longer be required to seek approval for each and every new examination, other than the major public examinations, which it proposes to conduct but may apply instead for approval of broad categories of examination, for example, those conducted on behalf of professional bodies. Nor will the authority need to seek prior approval of the fees which it proposes to charge for such examinations or which it proposes to pay to schools and other institutions for the use of their accommodation and facilities.

The Bill also empowers the authority to delegate to its principal subcommittees appointments to the 68 subject and more than 200 moderation committees responsible for individual subjects and question papers. Finally, the Bill provides for the prudent investment of surplus funds held by the authority.

Sir, the changes proposed in this Bill are, I think, both sensible and straightforward. They have been carefully considered within the Administration and have the full support of the authority.

I move that the debate on this motion be adjourned.

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

CONTROL OF OBSCENE AND INDECENT ARTICLES BILL 1986

Resumption of debate on Second Reading (14 January 1987)

MR. CHAN KAM-CHUEN: Sir, there was a loud, spontaneous and indignant outcry by parents who do not wish their children to be 'poisoned' by pornography and the notorious display of obscene and indecent publications in our thoroughfares have also offended the sense of decency of the public.

The Government should be commended for rising to the occasion and made extensive and effective consultation exercises and came out with an impartial attitude in handling all the conflicting views and hammered out this Bill.

Moral standard is a very controversial subject, especially in Hong Kong, where the east meets the west, and conservatism versus free and swinging views. I am pleased that at long last the 98 per cent Chinese views have earned more respect on this issue.

My learned colleagues will touch upon various facets of this Bill, such as selection of adjudicators, promotion of proper sex education, public and district board access to the tribunal, successful rate of public submissions, surveys on community moral standards, the importance of opaque wrapping for indecent publications and publicity to the public and newspaper vendors on their responsibilities and so on.

No doubt, interested groups were using their old tactic of 'freedom of expression' and 'art' (藝術) to pull wool over the eyes of the public and thus hold on to their multi-billion dollar business. There is art in nude painting, sculptures and so on, in museums, art galleries but the dividing line between art and obscenity is very flimsy. Pornography is false art (偽術) and comes under mental adultery (意淫) in sexual behaviour. There is an appropriate Chinese saying 淫人妻女笑呵呵, 妻女淫人意若何, that is if one commits adultery with others' wives and daughters and found it enjoyable, how would one feel if his wife and daughters commit adultery with another man? Well, how would pornography publishers feel if their wives and daughters run naked in the streets? This is the acid test. If indecent exposure is punishable by law, then why should indecent publications exposing sexual organs not be wrapped in such a way so that it is out of sight and out of mind?

The public should be alert when using their votes in performing the sacred duty of electing politicians, otherwise pornography publishers will turn 'respectable' and will be able to influence opinion in our community. Anyway, politicians or political organisations with any sense of decency should boycott such people as 'only birds of the same feathers flock together'.

Among the piles of opinions and background information papers I gathered as convenor of this ad hoc group, the most perturbing one was on the social effects of pornography which mentioned that surveys in the United States show that there is a reliable correlation between high sex magazine circulation and high crime rate, especially rape and other sex offences. It is important that Government should look into this correlation and other matters which came too late for consideration thoroughly in an annual review on experience gained and results of implementation after this Bill becomes law.

In conclusion, may I borrow some wisdom from the Lord's Prayer and say 'lead our younger generation not into temptation by pornography and deliver them from the evils of sexual crimes, venereal diseases, unwanted babies and wrong idea of our fairer sex, Amen!'

With these observations, Sir, I support the motion.

MRS. CHOW: Sir, producers of sound and audiovisual recording industry in Hong Kong have voiced concern and reservation on the Bill before Council.

Their principal concern relates to the system of voluntary classification proposed in the Bill. Their estimation is that in spite of the voluntary nature of the procedure, recording companies would be obliged to submit all material for classification in order to guarantee their manufacture, distribution and sale in Hong Kong. The industry regards this as a potential impediment to its normal functioning. It looks upon the system as a duplication of the criminal law, and places the industry in double jeopardy.

The industry also sees a practical problem. As Hong Kong releases some 1 000 sound recordings each month, voluntary submission of all these may become a tremendous administrative burden, involve resources which would eventually have to be borne by the industry, and worse of all, create delay in classification as well as release and publication of this material. It is argued that such delay may create a black market for unauthorised material.

While recognising and supporting the objective of the proposed Bill, that is, to control obscene or indecent articles from flooding the open market, I am sympathetic to the recording industry's concern, particularly when their material, particularly phonographic material, has not contributed much to the problem the Bill aims to address. I hope the Administration will watch the situation closely, and I am sure we will hear from the industry if any of their predictions become reality.

Sir, I support the motion.

MR. YEUNG (in Cantonese): Sir, the flooding of obscene and indecent publications and their easy accessibility to youths have aroused much public concern. Such publications cast bad influence on the young people and indeed pose a threat to our social stability. The popularity of pornographic materials is an evidence of the failure of our overall social education, the alienation of human relationship and the lack of correct knowledge and ideas of sex.

Obviously Hong Kong is in a peculiar situation which on the one hand, she is influenced by western ideas while on the other, restrained by traditional Chinese concepts. As a result, there are different standards in the definition of concepts like pornography and obscenity. The proposed Control of Obscene and Indecent Articles Bill will meet Hong Kong's present need. The establishment of an Obscene Articles Tribunal can pool the wisdom of the many and gather different opinions to formulate a feasible classification policy which suits our present society.

The Government is sagacious in following public opinion to appoint bilingual presiding magistrates to hear cases of pornographic charges. In theory, the 80 adjudicators who come from all walks of life should represent the general sense

of value. I support the principle that there should be a fair distribution of adjudicators in terms of sex, age, social and economic background, and education standard. But in appointing adjudicators, consideration must also be given to those who have a good understanding of the youth or whose work is closely connected with the growing process of the young people. Furthermore, in order to ensure that the tribunal can scrutinise pornographic material from the women's point of view and consider whether the female image has been distorted, there should be a fair number of female adjudicators.

Moreover, different people hold different views and this may give rise to different adjudicating standards to be used, thus resulting in unfairness. In this respect, we must note that whether or not the adjudicator system can fulfil its objective adjudicating function hinges very much on the formulation of a set of standards for classification of obscene and violent publications for the adjudicators to rely upon, so as to reflect truly the exact prevailing moral standard. It is, therefore, necessary to work out a set of 'adjudicating criteria' which should be regularly reviewed and altered in accordance with the changing moral standard. The 'adjudicating criteria' can be made known to the public for their compliance.

As a matter of fact, all sorts of controls are passive measures. A more positive way, apart from control enforcement, is to promote sex education and to launch a new youth culture in collaboration with people from all quarters so as to counteract the invasion of pornography. After the smooth introduction of sex education in schools as the first step, the same should be extended to families, so as to make the young people understand as early as possible their own role and responsibility. Proper sex education will reduce their curiosity so that they will not be tempted to read pornographic publications and rectify the misconceptions which might be brought about by such publications. The Government and voluntary agencies, should, therefore, promote sex education in a more systematic and comprehensive manner. The school authorities and the parents should also take the initiative to learn about the youths' knowledge and awareness with regard to sex and understand the undesirable effects which pornographic publications will produce, and positively and actively work out preventive measures, foster the proper growth of the young, so as to create a fresh and healthy community.

Sir, with these remarks I support the motion.

MR. CHEONG-LEEN: Sir, I support the Bill both in spirit and in general details.

First of all, the setting up of a tribunal system would bring about greater involvement of the public in the judicial process, whereby two lay adjudicators would sit together with a magistrate on a tribunal. The selection of the panel of up to 80 adjudicators will no doubt be made with great care, and it would be interesting to find out whether the selection would end up with about half the panel members being of the female sex to reflect the composition of our total population.

Secondly, during public consultation on the Bill in the past few months, it was clear that public concern focussed not only on having class III, that is 'obscene' articles prohibited altogether, but also on ensuring that class II articles, which are those that are indecent, are not sold to juveniles.

Although the Bill already stipulated that class II articles should be sealed by opaque materials when being put on public display, and that a clear and conspicuous warning message should be printed on such articles or the wrapper enclosing such articles, I think the Administration should endeavour to enforce stringently such restrictive measures so as to ensure that the spirit of the Bill is in practice fulfilled.

Thirdly, since material that is obscene or indecent includes material that is violent, depraved or repulsive, I would like to express the hope that the element of violence, whether or not it is linked with a sexual component, should at all times be borne in mind by the tribunal, in order to discourage further proneness towards violence in our society.

Sir, I support the Bill which reflects the community's concern to protect to a reasonable extent the moral well-being of juveniles and also reflects the community's desire to uphold the Confucian concept of a well-ordered society.

MR. HUI (in Cantonese): Sir, I am gratified to note that in response to the public concern over the proliferation of obscene publications which will have harmful effects on the mental health of our youths, the Government has drawn up the 'Control of Obscene and Indecent Articles Bill 1986', reflecting that she is willing to take advice and act according to public opinion.

Although the above Bill is prompted by public opinion, it is regrettable that the Government fails to introduce legislation to allow the general public to directly submit articles suspected to be obscene or indecent to the tribunal for classification. The Government only cares about the work and administrative difficulties of the tribunal, but has not given careful consideration to the fact that the lack of direct access will stifle public participation and dampen the enthusiasm for lodging complaints, and as a result, the effects of extensive monitoring through public surveillance will also be reduced.

However, in view of the need of our community, I do not want to defer the enactment of the Bill just because of the above drawback. I therefore would like to put forward the following proposals to the Government:

- (1) As the Government only allows the public to lodge complaints about obscene or indecent articles through the Television and Entertainment Licensing Authority or the various district offices, I suggest that after the new legislation has been implemented for one year, the Government should conduct a review of the complaint cases lodged by the public with TELA to find out how many such cases have not been substantiated so as to ascertain whether the right of lodging complaints has been abused.

- (2) In regard to those complaint cases which have been rejected, I hope TELA will explain to the complainants why their cases cannot be entertained so that the general public will have some ideas about the functions of TELA.

Sir, with these remarks, I support the motion.

MR. LEE YU-TAI (in Cantonese): Sir, I agree to replace the existing Objectionable Publications Ordinance with the Control of Obscene and Indecent Articles Bill 1986, which clearly specifies the areas of control and provides for the method of adjudication, so as to tackle pornographic and violent articles. It also helps to alleviate worries among the public that the definition of 'objectionable' in the existing Ordinance might give rise to subjective judgments, for example, whether political comments are considered as objectionable, and would thus jeopardise the freedom of speech. The Bill is in line with current requirements in Hong Kong and before being introduced to this Council, had been published in draft form for public consultation. I wish that the Government will, from now on, adopt the same approach in all matters which are of public interest and take account of public opinion as far as possible.

The adjudication procedures and categorisation of publications proposed by the Bill are practicable on the whole. But no specific standards have been set on the three ways of classifying publications. It is believed that the criteria could only be established after the adjudication system has been implemented and when more precedents could be used as reference. The Government should set up an information centre once this legislation comes into effect, so that the various kinds of publications categorised by the tribunal and other related information could be exhibited for the reference of parties concerned and the general public. On the one hand, this would enable members of the public to gain a better understanding of the criteria of adjudication. And on the other, this would allow different sectors of the community to reflect their opinion, so that adjudicating standards could be reviewed regularly to meet the requirements of our society.

This Bill also stipulates that only appointed public officers or persons connected with the production and sale of publications may submit publications to the tribunal for classification. This system could be regularly reviewed after implementation and consideration should be given to whether this could be extended to include different kinds of councillors and district board members. On the other hand, 'indecent' publications, subject to certain restrictions, are still allowed to be sold at newspaper stalls. Existing legislation already requires them to be placed inside 'non-transparent' covers, but it is hoped that in future, consideration will be given to requiring them to be sold by specified shops, so as to reinforce control on their sale. At the same time, inspections must be carried out by the Government to ensure that the sellers would abide by the law and sell these 'indecent' publications to adults alone.

Even if pornographic publications are prohibited from sale or circulation, they could still be kept privately or circulated among relatives and friends. That is something which cannot be regulated by legislation. The only way to deal with it is to enhance sex education and public awareness, so that the public would develop a proper conception of sex and thus reject pornographic publications. Not long ago, the Association for the Advancement of Feminism published an open letter, raising objections to reinforcing the subordinate role of women in the relationship between the two sexes. The association also objected to the contents of certain magazines which render women into objects rather than human beings. I agree with their view points, which must be taken into account in future sex education. What should also be conveyed in such education is that both men and women enjoy equal rights in sex.

Although the Obscene and Indecent Articles Bill is not applicable to film censorship, discussions on the grading and classification of films have been going on for a long time. The Government should therefore consider the introduction of legislation to cover this aspect as soon as possible.

Sir, with these remarks, I support the Bill.

MRS. TAM (in Cantonese): Sir, today we are discussing the Control of Obscene and Indecent Articles Bill 1986. Since its announcement in August last year, it has been the subject of widespread public consultation and during that period, the Government has listened to the views of the public and amended those parts of the Bill which have given rise to public concern so that the Bill can better take care of the interest of the community. I am most appreciative of the effort and the open-minded attitude of the departments concerned in the drafting of this Bill. On the whole, I am very pleased with the content of this Bill. However, I hope that if the authority concerned will pay attention to the following points, then the Bill, when implemented, will achieve greater effectiveness:

- (1) On the question of the public display of indecent articles, the basic principle of the Bill is that access to such materials will be denied to those under 18. It required therefore that such publications be wrapped up by opaque materials and that such materials should not be sold to those under 18. However, the Bill does not specify that such indecent publications should be wrapped up by opaque materials so that those under 18 will not be able to read them in public premises. Although the authority concerned has explained to this Council that clause 23 of this Bill has already specified on the question of public display of such materials; that 'no public display' in the clause means that the public should not be allowed to view the cover and the content of the indecent publications; and that clause 23 has already taken care of that question, namely, that such indecent publications will have to be wrapped up by opaque materials, I am worried that when the Bill is implemented and enforced, publishers, newspaper vendors and law enforcement officials

may not be very clear about the implication of the law. Therefore, I recommend that when we enforce the law, the authority concerned should explain to the public and the law enforcement officers very clearly the implication of the law so that they will not violate the law, namely, that all such materials should be wrapped up by opaque materials and be tightly sealed.

- (2) One of the main important principles of the Bill is that the prevailing moral standard of society should be used to decide whether something is indecent or obscene. Therefore, it is important that we understand how moral standard changes with time on this question. I feel that we need to set up a tribunal to effectively reflect society's moral standard and also we should constantly review how society's moral standard changes in this regard, and submit the results of such findings to the tribunal on the condition, of course, that the independent decision of the tribunal will not be affected.
- (3) In order that the public will see that the tribunal does make fair judgement, I hope that in future when any party is not pleased with the interim ruling and that a proper hearing is responsible on the adjudication of the tribunal, then those people who sat during the interim hearing will not be allowed to sit in the formal hearing.

Finally, to enable the draft Bill to achieve the expected effectiveness, the authority concerned should really do more work in the area of publicity and enforcement.

With these words, Sir, I support the motion.

CHIEF SECRETARY: Sir, I am grateful for the comments made this afternoon by a number of hon. Members on the Bill before us, and I would like to respond to some of the points that have been made.

Mrs. Selina CHOW has referred to the concern of the recording industry. I would like to emphasise, however, that as far as the industry is concerned, whether they choose to submit their materials or not, it is a question for them. It is a voluntary provision. But I will make sure that the situation which she is worried about is carefully monitored.

Mr. YEUNG Po-kwan proposes that the guidelines for classifying articles should be made public. In my earlier speech on this Bill I explained at some length the difficulty of codifying what constitutes obscenity and indecency. I emphasise the fact that efforts made in other places to do this have proved unsuccessful. I shall not therefore go into further detail again, but I would like to assure Mr. YEUNG that I am satisfied that there are adequate safeguards in the censorial process to assure that consistent and acceptable standards of classification are achieved. These include access to full hearings, enlistment of

additional adjudicators at hearings, access to a repository of articles classified and the ability of the Crown to seek a review of the tribunal's decision in response to public reaction.

Since the Bill does not provide for the public to submit articles directly to the tribunal for classification, Mr. HUI Yin-fat has asked whether this 'omission' might be reviewed in a year's time and whether public complaints received might be assessed to establish whether they are generally frivolous. He also asks whether complainants may be advised of the reasons for not submitting the subjects of a complaint to the tribunal. In answer to Mr. HUI, I should emphasise that the public can complain to the Television and Entertainment Licensing Authority about articles which they consider to be obscene and I will undertake, as he requested, to monitor the number of complaints that are received in the early introduction of the Bill. The procedure will then be for the Television and Entertainment Licensing Authority to consider these complaints and to take action where appropriate. I can assure Mr. HUI that the licensing authority will then advise complainants of the grounds for the action they have then taken.

Mrs. Rosanna TAM has recommended that publishers and vendors should be advised that class II articles should be sealed in opaque wrappers. In response, may I advise her that the tribunal does have powers to set any conditions it deems appropriate including the requirement to seal in opaque wrapper articles classified as indecent. I am certainly happy to take up the suggestion made by Mrs. TAM that this clause is given full publicity. Mrs. TAM also seeks assurance that periodic surveys will be carried out to ascertain community standards and that the findings will be submitted for reference to adjudicators. Such surveys will indeed be carried out periodically but I have been given legal advice that it would not be appropriate to circulate their findings to adjudicators on the grounds that such findings could influence them in their decisions which are intended to be made on a case by case basis. Such findings may be admissible, however, as evidence in the course of a full hearing. Mrs. TAM has also recommended that adjudicators at interim hearings be debarred from sitting on full hearings involving the same article. Sir, the composition of a panel is the prerogative of the registrar, and as the Bill now stands, the same adjudicators may sit on both hearings. I shall however pass on her suggestion to the Registrar of the Supreme Court for his consideration.

Sir, I would like to conclude my remarks by thanking the Council's ad hoc group set up specifically to study this Bill under the chairmanship of Mr. CHAN Kam-chuen and to the Members who have spoken today for their constructive advice and comments.

Question put and agreed to.

Bill read the Second time.

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

COMPANIES (AMENDMENT) BILL 1986**Resumption of debate on Second Reading (7 January 1987)**

MR. PETER POON: Sir, the Companies (Amendment) Bill 1986 contains a number of amendments to our Companies Ordinance. Some of them are technical ones. A Legislative Council ad hoc group was formed to study the Bill and four representations have been received, two from accounting associations and two from accounting firms. The representations were mainly concerned with clause 4 which amends section 122 by requiring all companies to present annual accounts at annual general meetings, made up to a date not more than six months before the date of these meetings. The present time limit is nine months. The representations stressed that whilst the new time limit is proper for public companies, it is too restrictive for private companies and companies limited by guarantee and would create practical difficulties, especially in view of the shortage of qualified accountants and accounting staff at present and the need to comply with the many new company law requirements and accounting standards introduced during the last few years. The group has carefully considered all the points raised and feel that though in the longer term, the proposed time limit of six months may be desirable, it is not practical at the present time to impose it on private companies (other than a private company which is a member of a group, one of which is a public company) and companies limited by guarantee. This has received the agreement of the Administration and I shall propose the relevant amendment later.

The group also considered whether clause 6 which inserts a new section 145B empowering an inspector to obtain documents and information without the necessity of obtaining a court order would create any abuse of power or increase inspection costs. The Administration confirmed that there are plans to set up a central investigation unit within the Monetary Affairs Branch, appropriate terms of reference, effective guidelines as well as proper monitoring of progress which should meet the concerns expressed in this respect. On such assurances, it was conceded that it would not be necessary to restrict the exercise of such powers of inspectors by legislation or other constraints.

The group also considered clauses 7 and 8 amending sections 146 and 147. Such amendments authorise an inspector investigating the affairs of a company or other body corporate to inform the Financial Secretary of matters tending to show that any civil proceedings ought, in the public interest, to be brought by any body corporate. We are satisfied with the clarification by the Administration that the Financial Secretary will only use the information himself to bring civil proceedings if necessary, in the name of and on behalf of a company.

With these remarks, Sir, I support the motion.

MR. LI: Sir, in accordance with Standing Order 65(1), I declare my interests as director and chief executive of The Bank of East Asia Ltd. and as a director of other quoted companies in Hong Kong and as a fellow of the Hong Kong Society of Accountants.

With reference to the Bill before this Council, I would like to comment in particular on the proposed amendment to section 122, and on what I consider to be a serious omission in this Bill.

We are fortunate in Hong Kong to have a close and co-operative relationship between the Government and the professions. Indeed I can think of few places where there is such a continuous dialogue between the two. The Standing Committee on Company Law Reform is a good example of lawyers in various sectors working with the Government at an advisory level. Furthermore, the views of interested parties throughout Hong Kong are regularly solicited.

The new six month time limit for the submission of accounts, in that it would have applied to private companies as originally proposed, would have been unduly onerous and served little practical purpose. I am pleased, therefore, that after further consultation, the Government now agrees that the six month time limit should not apply to private companies and that the advice of the professionals has been heeded in this instance.

I only hope that similar treatment is afforded to the advice of the banking industry in respect of what I consider to be the serious omission of any amendment to section 161(b) of the Companies Ordinance.

This particular section has been strongly criticised by the Hong Kong Association of Banks and the financial community. It imposes upon financial institutions, in respect of their directors' loans, more onerous reporting requirements than does any other international financial centre. Moreover, the section clearly discriminates against and places at a disadvantage, all locally incorporated banks and financial institutions.

Sir, the Government is aware of the strong arguments against this section which have already been presented. Indeed as far back as March 1986, the Standing Committee on Company Law Reform recommended amendment to the section. If we are to retain the credibility of our system of reference to external professional bodies and an active standing committee, then it is imperative that Government is not only seen to consult its advisers but also in the absence of compelling reasons to the contrary to heed their advice.

Sir, with these remarks, I support the motion.

FINANCIAL SECRETARY: Sir, I am grateful to Mr. POON and Members of the ad hoc group for their support, and for the consideration they have given to this Bill.

I recognise the practical difficulties that the accounting profession might encounter if all companies were obliged to move at this stage to a six-month time-limit for their annual accounts, and I have therefore agreed to exclude private companies, which are not part of groups including public companies and companies limited by guarantee from this limit for the time being. Private companies that are within groups containing public companies will be bound by the new six-month time-limit. If they were allowed to keep to the present time-scale of nine months this could lead to serious delays in finalising group consolidated accounts; and I am mindful of the fact that the longer time-limit, if it were applied in relation to private companies in a public group, might be open to abuse in that some activities could be transferred out of the public companies in the group in order to delay their discovery by the companies' auditors. I must make it clear that at the moment it remains our long-term objective to apply the new time-limit to all companies if and when it is practicable and desirable to do so, and I am glad that Mr. POON recognises this.

I acknowledge the ad hoc group's concern about the proposed new powers of inspectors under section 145B. Nevertheless, it is the Administration's view that it is the integrity and probity of the inspectors, who will be persons of considerable standing, both within their profession and within the community, that will provide the best safeguard against any abuse of power. The proposed central unit, to which Mr. POON refers, will be charged with drawing up clear terms of reference for investigations and with monitoring the progress and direction of inspectors. This will, I believe, help in keeping things on the right lines and also ensure that costs do not get out of control.

I note Mr. David LI's remarks about the need to amend section 161B of the principal Ordinance. It was the decision of Executive Council that this particular amendment should not be introduced, at least for the time being. The matter was most carefully considered and the views of the Hong Kong Association of Banks were taken into account. I can assure Mr. LI that we shall continue to keep the Ordinance under review and introduce amendments as and when experience shows that these are necessary or desirable.

Sir, I propose to move at the Committee stage one minor amendment. This amendment seeks to change the references to 'a recognised stock exchange' in the Ninth Schedule to the principal Ordinance to 'the Unified Stock Exchange'. The other amendments to be moved by Mr. POON are supported by the Administration.

Question put and agreed to.

Bill read the Second time.

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

RATING (AMENDMENT) BILL 1987**Resumption of debate on Second Reading (21 January 1987)**

MR. CHAN KAM-CHUEN: Sir, as convenor of the Legislative Council ad hoc group studying this Bill, I have to say that it was not all smooth sailing. The original view of the Members overwhelmingly supported suspension instead of abolition of the Rates Relief Scheme (RRS) which limits rates increase to 20 per cent in a year.

This is not surprising as property tax is now charged at the standard rate of actual rent and expenditure for allocation under rates is most likely to increase each year. Property tax and rates charged to property owners will be directly or indirectly shifted onto occupiers as rent and rates and finally the men-in-the-street will have to foot the bill as prices for the goods and services they require. Retired workers with small means who have spent their life long savings to buy a flat for retirement would feel this annual pressure. Furthermore, people do not know the exact amount of their rates until they receive their demand notes in April.

Until confidential facts, average increase figures and full explanation were supplied by the Government to enable the ad hoc group to understand more of the problems involved, Members' opinion in the ad hoc group then changed and ended in an even vote. As this issue affects the whole community, this voting is uncomfortably close even with a casting vote from the convenor. The case was reported back to the full Legislative Council in-house meeting with all the pros and cons listed out. The result was a majority vote for abolition of RRS and support for this Bill. However, I wish to request the Financial Secretary to make a public commitment to monitor the need for re-introduction of the RRS and to consult with OMELCO.

With these remarks, Sir, I support the motion.

MR. CHENG: Sir, the current rate relief scheme was introduced in 1984 to absorb the impact of the increase in rates payable in respect of properties as a result of the general revaluation which took effect in that year. The rateable values of properties increased by an average of 3.6 times over the seven years between 1984 and the previous general revaluation in 1977. I support the principle that general revaluations, if required, should be conducted at regular intervals, so that the rates payable reflect accurately the rental value of properties and that rate-payers will not be shocked by dramatic albeit infrequent increases.

The present scheme, which has now largely fulfilled its purpose, is not the only rate relief measure in the history of the territory. A similar scheme was introduced in 1977 for a similar purpose, that is, to phase in the increases in rates payable as a result of the general revaluation of that year. The scheme expired after two years except in respect of pre-war rent-controlled premises.

Hence we have a record showing that some form of rate relief was brought in when the rateable values had substantially gone up, and removed when its effect was spent. The method and extent of relief were, however, not the same for different occasions. In 1977 the limit of increase in rates payable in one year was set at 33.33 per cent; in 1984 the limit was 20 per cent, but the rates percentage charge was at the same time lowered from 13.5 per cent to 5.5 per cent, which was subsequently re-adjusted to 6 per cent.

I was initially attracted to the suggestion that the Bill before us should be amended to provide for suspension, rather than abolition, of the rate relief scheme of 1984. Suspension would, at first sight, appear to have the advantage that from the legislative point of view it would be relatively simple to reintroduce by resolution of this Council.

On reflection, however, I am persuaded that the apparent advantage of the suspension method is in fact illusory. Reintroduction of the scheme at a future date would in any event require careful consideration of the circumstances then prevailing. It would very likely involve the need for amendments to the principal Ordinance to ensure that the reintroduced scheme was fair and equitable.

Accordingly, the suspension method would complicate rather than simplify the legislative process of reintroducing the scheme. It is therefore, in my view, preferable to repeal section 19 now, with a view to introducing fresh provisions tailored to meet actual requirements, should the need arise in the future.

I urge that the Government should, in removing the existing rate relief scheme, undertake to monitor closely the result of the next general revaluation in 1988, and reintroduce suitable relief measures when circumstances require, as Government did in 1977 and 1984.

Sir, I support the Bill.

FINANCIAL SECRETARY: Sir, I would like to thank Mr. CHAN and Mr. CHENG for their valuable comments on the proposal to abolish the rates relief scheme and for their support for this Bill. I am grateful to Mr. CHAN for informing this Council of the very careful consideration to which the Bill was subjected by the ad hoc group.

Mr. CHENG's remarks on previous rates relief schemes have helped to get the present proposal into a historical perspective. Rates relief schemes have, by their nature, a temporary existence. Their purpose is to phase in, where necessary, the changes in the rates burden brought about by a general revaluation. They are not some form of continuous financial social welfare for people who are unable to pay their rates and, in this respect, I would stress that those rate-payers currently receiving rates relief are being subsidised by those who are not.

I can assure both Mr. CHAN and Mr. CHENG, and Members of this Council that the Government will be conducting future revaluations at regular intervals

and, as a result, it is unlikely that any future increases in rateable values will be so dramatic as to warrant the reintroduction of the rates relief scheme. If, however, a future revaluation makes this necessary, the Government will ensure that the appropriate legislation is submitted in good time for consideration by both the Executive and Legislative Councils.

Question put and agreed to.

Bill read the Second time.

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

Committee stage of Bills

Council went into Committee

CONTROL OF OBSCENE AND INDECENT ARTICLES BILL 1986

Clauses 1 to 12, 14 to 48 were agreed to.

Clause 13

CHIEF SECRETARY: Sir, I move that clause 13 of the Bill be amended as set out in the paper circulated to Members.

As it stands at present, sub-clause (2) of clause 13 provides for any public officer to submit a publication to an Obscene Articles Tribunal for classification. I accept that if the definition of 'public officer' is too widely cast, it might be subject to abuse. A substitute sub-clause (2) is therefore introduced which will restrict submissions to the Attorney General and public officers specifically authorised by the Chief Secretary.

In practice, this authority in respect of public officers will be limited to the Commissioner for Television and Entertainment Licensing and officers of the rank of superintendent or above in the police force and the customs and excise service.

Proposed amendment

Clause 13

That clause 13 be amended, in subclause (2), by deleting 'Any public officer' and substituting the following—

‘The Attorney General and any public officer authorised in that regard by the Chief Secretary’.

The amendment was agreed to.

Clause 13, as amended, was agreed to.

COMPANIES (AMENDMENT) BILL 1986

Clauses 1 to 3, 5 to 11 were agreed to.

Clause 4

MR. PETER POON: Sir, I move that clause 4 be amended as set out in the paper circulated to Members for the reasons referred to in my paper.

Proposed amendment

Clause 4

That clause 4 be amended by deleting paragraph (a) and substituting the following—

‘(a) by deleting subsection (1) and substituting the following—

“(1) Subject to subsection (1B), the directors of every company shall lay before the company at its annual general meeting a profit and loss account or, in the case of a company not trading for profit, an income and expenditure account for the period, in the case of the first account, since the incorporation of the company, and, in any other case, since the preceding account.

(1A) The accounts referred to in subsection (1) shall be made up to a date falling not more than 6 months, or, in the case of a private company (other than a private company which at any time during the period to which the said accounts relate was a member of a group of companies of which a company other than a private company was a member) and a company limited by guarantee not more than 9 months, before the date of the meeting.

(1B) The court, if for any reason it thinks fit so to do, may in the case of any company and with respect to any year—

(a) substitute for the requirement in subsection (1) to lay a profit and loss account or (as the case may be) an income and expenditure account before the company at its annual general meeting a requirement to lay such account before the company at such other general meeting of the company as the court may specify; and

- (b) extend the periods of 6 and 9 months referred to in subsection (1A).”; and’

The amendment was agreed to.

Clause 4, as amended, was agreed to.

Schedule

FINANCIAL SECRETARY: Sir, I move that the Schedule be amended as set out in the paper circulated to Members.

Proposed amendment

Schedule

That Schedule be amended by inserting after the item relating to section 345(2)(c) the following—

‘Ninth Schedule, Part 1, paragraphs 1 and 2	“a recognized stock exchange”	“the Unified Exchange” ’
---	----------------------------------	--------------------------

The amendment was agreed to.

Schedule, as amended, was agreed to.

RATING (AMENDMENT) BILL 1987

Clauses 1 to 12 were agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

RATING (AMENDMENT) BILL 1987

had passed through Committee without amendment and the

CONTROL OF OBSCENE AND INDECENT ARTICLES BILL 1986 and the

COMPANIES (AMENDMENT) BILL 1986

had passed through Committee with amendments, and moved the Third Reading of the Bills.

Questions put on the Bills and agreed to.

Bills read the Third time and passed.

4.45 pm

HIS EXCELLENCY THE PRESIDENT: I think at this stage, Members might like a short break.

5.10 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume.

Adjournment

5.10 pm

Motion made. That this Council do now adjourn—THE ATTORNEY GENERAL.

HIS EXCELLENCY THE PRESIDENT: As nine Members have given notice of their intention to speak, I propose to exercise my discretion under Standing Orders 9(7) and 9(8) to allow Members such time as is necessary to complete their speeches, and such time as is then necessary for the Official Member to reply to those speeches, before putting the question on the adjournment.

Education Commission Report No. 2(2)

MR. CHEN: Sir, today, we continue our debate on the Education Commission Report No. 2. We shall concentrate our attention on the most important subject covered in the report, that is, the development of sixth form education. The commission has rightly pointed out that this subject 'has been one of the major educational controversies of the last decade.' It is therefore not surprising that the commission has devoted more time to this subject than to any other issues in this report.

The Legislative Council ad hoc group too has also devoted more time to the subject of sixth form education than to any other subjects in this report. Members have discussed the various recommendations made by the commission, in particular, the proposal for creating a new Intermediate-Level Examination. We have approached this issue in the context of the overall education system of Hong Kong and have examined the role that should be played by sixth form education under this system. In doing so, we inevitably have to consider also the duration of local degree courses. I am sure that all of us here are aware that the Senate of the University of Hong Kong has recently announced its intention to extend its three-year undergraduate curriculum to four years. This proposal has created considerable uncertainties on the future development of the sixth form education. The university has yet to submit its proposal formally to the UPGC for further consideration. With these uncer-

tainties before us, the ad hoc group decided that instead of focussing its attention on the appropriate form of sixth form education and its effect on the duration of degree level courses, it should give a much broader consideration to our entire education system.

This it has done and the views of the majority of Members are:

firstly, the proposed I-Level Examination should not be implemented at the present stage in view of the uncertainties mentioned above and other reasons which I'm sure, Members would elaborate in their own speeches;

secondly, there should be a common entry point for local degree level courses;

thirdly, rather than considering sixth form education in isolation, the Administration should take this opportunity to conduct a systematic review of the overall education system of Hong Kong; and

fourthly, the present policy-making machinery for education matters should be reviewed. For example, the relationship between the Education Commission and the autonomous authorities such as the UPGC, the VTC, the Board of Education and the Hong Kong Examination Authority, should be more clearly defined. It appears what is needed is that a central body vested with more decision-making power should be established to co-ordinate and oversee the works of the various autonomous bodies.

Sir, following my speech, other Members of the ad hoc group will elaborate on the above points in their speeches and give their views as to how the objectives could be achieved.

Sir, I now say a few words as an individual Member of the ad hoc group on the proposal for a common entry point for degree courses run by local tertiary institutions.

I recall that almost nine years ago I had spoken on this very same subject in this Council during the debate on the Green Paper on Senior Secondary and Tertiary Education. I said that one of the criticisms most frequently levelled at the Hong Kong education system was that it was too 'examination-ridden'. The majority of our secondary school students were required to take three or even four public examinations before progressing to tertiary education. This criticism, I believe, still stands today, and moreover is one of the problems to which the Education Commission is seeking a solution. In order to tackle this problem, I proposed then that there should be a common entry point for the local tertiary institutions. I would like to quote what I said at that debate almost nine years ago:

'There is a need to reduce the number of mind-boggling examinations, thus allowing intellectually developed students to be produced rather than examination robots. In this connection, I would like now to turn my attention to the proposal for a combined entrance examination for the two universities. I am sure we all agree that not all students can go on to university education

and therefore accept that the completion of Form V marks the terminal point of secondary education. This being the case, I propose that the Hong Kong Certificate of Education Examination can and should be adopted as the examination for selecting suitable students for entrance to the universities. Only a pre-determined number of students, depending mainly on the intake capacity of the universities, will be selected. Those selected for entrance to the University of Hong Kong will be given a further two years of education, whilst those for Chinese University will be given one more year, to prepare them for joining the first year of the university courses without requiring them to sit for the Matriculation Examination as is required under the present system. This arrangement would undoubtedly enable the number of examinations to be reduced to a minimum, thus allowing those earmarked for the universities and their teachers to devote their time to the development of intellectual faculties and capabilities.'

I then went on to say at that debate:

'The basic argument for this proposal is that for a combined university entrance examination, a common terminal point in our secondary education process has to be chosen. Since neither Lower Form VI nor Upper Form VI meet the present requirements of the two universities, and since Form V is the commonly accepted terminal point of secondary education, it is therefore both natural and logical that would be university students should be selected from Form V leavers based on the results of the Hong Kong Certificate of Education Examination. I believe this proposal would achieve savings by reducing the number of Lower and Upper Form VI places which are at present over-provided and also reduce the number of frustrated young people who, having successfully matriculated, only find that there are no places for them in the universities.'

Sir, I believe that my comments made nine years ago are as relevant today as they were then. As a matter of fact, the provisional admission scheme practised by the Chinese University of Hong Kong and a similar scheme under consideration by the University of Hong Kong, is not dissimilar to my proposal of nine years ago. My proposal, if adopted, would enable the present three-year and four-year degree systems to co-exist thereby avoiding unnecessary and damaging changes in our existing education systems. Moreover, it would assist in achieving the objective of the Education Commission of improving the education value of Form VI and Form VII courses.

I should now like to turn briefly to another issue related to the duration of university degree courses. Although the Education Commission in its Report No. 2 did not address the question of duration of university courses, I nevertheless would like to take this opportunity to dispel a common misconception that four-year degree courses are necessarily more costly than the three-year ones, which is often used as an argument against a four-year system. It is true that when viewed superficially a four-year university course by itself would

be more costly to the university than a three-year one, but what one must not overlook is the total cost to the public purse when making the comparison.

I would like to illustrate my point with some figures. According to published information, there were in the year 1984-85, 13 268 Upper Form VI or what is known as Form VII students. Of these, 1 691 were admitted to the University of Hong Kong and about 400 went on to other local tertiary institutions for three-year degree courses. Of the remainder, some might have gone overseas, or pursued sub-degree level courses or entered employment. In other words, out of 13 268 Form VII students, only about 2 100 or approximately one in six went on to a three-year degree education in Hong Kong. From a financial view point, for every one student joining a three-year degree course, the public purse has to bear the cost of subsidising six Form VII places. If, however, Form VII education were to be abolished to go with a four-year degree system, the cost for six Form VII places would be saved, against which there would be an additional cost for one extra year of university education. For the year 1984-85 I understand the subsidy element in the unit costs for university and Form VII education were respectively about \$58,000 and \$12,000 per student per year. Therefore, the net saving would have been about \$14,000 per degree student per year.

Sir, clearly the commonly held view that a four-year degree system is necessarily more expensive than a three-year one does not stand up to close scrutiny. However, as I am yet to be convinced of the argument of whether one system is superior to the other, I have no wish to become embroiled in the debate over this matter, but to say that if my proposals made nine years ago were adopted, both systems could co-exist happily to suit the aims and objectives of our tertiary education.

MR. CHAN YING-LUN: Sir, I would like to quote a few remarks from Report No. 2: 'We recommend that more subjects of a less academic nature should be introduced at both A and I-levels...so as to cater for the wider range of ability and aptitude in an expanding public sector sixth form.'

I agree with the commission's recommendation that the sixth form curriculum should be expanded. What I am against is the misconception of the Education Commission in thinking that students of lesser abilities should follow a lower level curriculum. More important still, when the commission thinks along this line, it has overlooked a key factor which concerns the success or failure of sixth form education reform.

The key factor I mentioned concerns the new curriculum of a less academic nature proposed by the Education Commission, particularly the I-level curriculum: whether it would have the recognition, especially of the local tertiary institutions.

Although the Education Commission believes that the I-level curriculum has 'considerable status' and recommends that the Government should give it

appropriate recognition for civil service entry, it has overlooked one fact: that is to have the recognition of the tertiary institutions. Despite the slim chances, admission to a university or a polytechnic is the general expectation of sixth form students and parents nowadays. If they think that they have a lesser chance of entering university by studying practical subjects, such as engineering science or technical drawing, rather than subjects like physics and mathematics, who would be willing to take up practical subjects in their sixth form? And if the support of parents and students cannot be secured, how can the aim of expanding sixth form curriculum be achieved? Before we can solve the above problem, I do not think that we should implement the proposed I-level curriculum in a hurry.

In fact, students of prevocational schools who are willing to receive industrial and commercial education are often beaten by Form VI and Form VII students of grammar schools in competing for places in the polytechnic or other technical institutes. The main reason is that these tertiary institutions still carry the misconception that students of grammar schools are better than students who take up practical courses, for example a grade A in physics would be considered as better than a grade A in engineering science.

The year before last, I asked the Government what measures had been taken to recognise the academic standard of prevocational school students so that they would be able to receive tertiary technical education. But after one and a half years, the Government still has not answered my question. I would like to make use of this opportunity to propose that the Government should establish a system so that practical subjects and general subjects can be awarded equivalent status. In addition, where application for admission to the polytechnics and universities is concerned, these subjects would be attached with the same degree of importance and accepted as entry qualifications.

Hong Kong's secondary education cannot remain in the model mainly based on grammar schools. It is correct for Report No. 2 to recommend the expansion of the sixth form curriculum, though the proposal is not thorough enough. In line with the active development of commerce and industry, technical education should be the direction where our education is heading for. Only then can we train up the manpower required.

Hong Kong should develop as soon as possible, an integrated secondary curriculum which comprises both common academic subjects and practical subjects. The technical education of prevocational schools already provides a foundation for us; it is most appropriate to extend this model to technical secondary schools and grammar schools. In the end, all secondary schools will adopt this integrated curriculum comprising technical and academic education. Eventually, there will be no more distinction between grammar, technical and prevocational schools. Now that the University of Science and Technology is being established and the Education Commission is going to touch upon the nine-year free and compulsory education in its next review, I think serious consideration should be given to the development of an integrated curriculum.

With regard to the enhancement of technical education, I propose that technical education centres should be set up in various districts. Advanced equipment should be purchased and professional teachers should be employed to give lectures on technical courses. I believe the teaching effects will be much better than operating technical courses in individual secondary schools.

I hope that all the curricula designed for various segments of the education system in Hong Kong will be worthwhile courses.

MRS. FAN: Sir, the proposals of the Education Commission should be assessed in the light of the constraints they face. Firstly, there is the limit on resources. Secondly, there is already an education system in place. Changes can be made and continuous improvement is a necessity, but these should be harmonious with the basic structure in order that the system functions smoothly. The majority of the proposals contained in Report No. 2 are steps in the right direction. They may not have gone as far as some would like to see due to the constraints mentioned above, nonetheless, I feel the commission should be congratulated for their many valuable recommendations.

The proposal to introduce I-level into sixth form was not well received. The Education Commission, in my view, attempted to come up with a compromise that will not disturb the current position of the two universities, give a wider choice to the students so that they can be better prepared for work, and allow academically less able students a chance to obtain a respectable and recognised qualification—the 'I-level'. I wonder whether the commission had hoped that this compromise which showed full respect for the academic autonomy of tertiary institutions will gain an approving nod from the institutions. This was not to be. The two universities were clearly against it. The other institutions were doubtful about the contents of the I-level syllabus, and the usefulness and meaningfulness of I-level which is supposed to be a subset of A-level. But perhaps more important is the fact that I-level, coupled with the commission's proposal of a central admission system for degree courses at I-level, means that virtually all students in Form VI will sit for the I-level examination, so examination pressure for sixth form students will definitely increase. This is my major reservation towards the introduction of I-level.

Sir, our students do not need more examination pressure. They need more time to understand, assimilate, and master the subjects they are studying in an intelligent manner rather than memorising the contents to pass examinations. Two years of uninterrupted study at sixth form will provide the opportunity for them to study the subjects in reasonable depth and breadth. Moreover, there will be more opportunities for developing life-coping skills, leadership qualities and positive attitudes towards life and work, when students are not constantly hard pressed by public examinations. Sir, this is why I advocated a comprehensive and integrated two year course for the sixth form with one examination at the end of the course in this Council during the 1985 policy debate, and I still hold the same view.

Our sixth form students are highly motivated and extremely hardworking. They are capable of achieving high academic standards. There have been criticisms of their language ability and their lack of general knowledge. This may well be so. However, the root of this deficiency lies more in the examination syllabuses and the admission policies of the tertiary institutions offering degree courses, rather than in the students' ability to learn, and the schools' ability to teach. Instead of complaining about secondary schools and their output, we might do well to look at the academic standard of certain A-Level Examinations and the current admission policies of tertiary institutions. Academic autonomy of tertiary institutions provides the institutions with the right to select or reject students for admission, but does not exempt them from public interest and criticism, nor does it mean that their policies should not be reviewed by others. Education institutions exist to serve the community. Their policies which affect the community should therefore be subject to the scrutiny of the community.

Sir, I believe the need of the community and the usefulness of the education to the students in the sixth form should take precedence over the existing admission policies adopted by individual tertiary institutions. The need of the community at present is that more young people should be trained at degree level. If the choice is between more degree places and a longer degree course, given limited resources, I would favour more degree places. This is not a sacrifice of quality for quantity, because the quality of a degree course is dependent on a number of factors including teaching methodology, curriculum planning, staff-student contact hours and so on of which the length of the course is but one of the many factors.

Up to now, the admission policies of individual tertiary institutions exert substantial influence on the secondary schools and their students. There is no common point of entry for degree courses offered by different institutions, and the institutions can make changes to their admission policies with minimal reference to other affected parties. Notwithstanding the official reasons given for such changes, it does provide the opportunity for tertiary institutions to compete for the creme of secondary school leavers by changing admission policies without consultation with each other. Experience has shown that this can cause confusion for the students, wastage of resources and problems for the schools. With the significant number of degree places to be offered by the new university, the polytechnics and the Baptist College over the next 10 years, the time has come for Government to rationalise the relationship between tertiary and secondary education, by taking a decision on common entry point for all degree courses as a first step. Tertiary institutions whose admission level are at variance with the common entry point should be given time to make the necessary adjustments. Institutions can still require different subjects and examination grades for different courses. However, the students can choose from a wider range of courses at the same time through a centralised admission system, and the schools can educate their Form VI students in a well planned manner without having to cope with suddenly deflated classes and students

sitting for different examinations at different times of the year. The decision on the level of the common entry point will not be an easy one. If we are to tackle this issue with some success, we must be firm, decisive and bold, and above all, we must put community interest and student benefit first. Sectional interests should be considered with due respect but should not be allowed to cloud our judgement.

I believe the 5+2 system for secondary education with the broadening of curriculum at sixth form as proposed by the commission, but with only one examination at the end of sixth form is appropriate to our needs. Without drastic change of existing policy, the 5+2 system enables more of our able students to benefit from two years of sixth form education which should prepare them for life and work in addition to academic studies. While divergent views have been expressed on the various possible school systems such as 3+3, 4+2 and 5+1, there appears to be a lack of convincing reasons as to why we should abandon the five years secondary system. I do support 'change for the better', but I cannot go along with 'change for the sake of changing' or 'change in order to conform with another system'. Until substantial evidence can be gathered to illustrate the inappropriateness of the five years secondary system for Hong Kong, or another system can be shown to be eminently more suitable, I would advocate the retention of the present system. Following from this, it will hardly surprise anyone that I suggest the common entry point for all degree courses be pitched at A-level.

Sir, I welcome the commission's proposal on open education at the post-secondary level and lend it my full support. Distance learning has been successfully implemented in United Kingdom, USA, and Canada, and it is appropriate for Hong Kong which has tremendous social and economic demands for education at post-secondary level, to adopt this mode of study. There is however a major difference between the home environment of prospective Hong Kong students and those students in the western countries. Many Hong Kong students will have difficulty in concentrating on self-study programmes in their congested and noisy homes. There is a need for a number of properly equipped study centres conveniently located in the various regions of the territory that open for students to study in after office hours and during weekend and holidays. Wastage is one of the major problems encountered by open education. The availability of suitable and easily accessible study centres can help to reduce drop-out rates. I suggest that every effort be made to identify existing facilities and explore new facilities for use as study centres for students on open education programmes.

MRS. NG: Sir, sixth form education in Hong Kong secondary schools suffers from inherent defects, and in particular the one year sixth form education. As matters stand at present, student wishing to get into the Chinese University are obliged to take the Higher Level Examination at the end of the one year sixth form. This has a number of disadvantages. Firstly, the students must take the

Higher Level Examination only nine months after completing the Hong Kong School Certificate Examination. This places too much examination stress upon them. Secondly, there is no time whatsoever for them, to partake of the less academic aspects of sixth form education, the objectives of which had been set out by the Education Commission in the Report No. 2 and emphasise the preparation of students for adult life and widening of students' experience through extra-curricular activities. Thirdly, taking the Higher Level Examination for the Chinese University is of no assistance whatsoever to those wishing to enter HKU, the polytechnic, or certain types of job.

I therefore propose all sixth form education should be for two years. At the end of the two years, all students should only need to take one examination, which will qualify them to enter any sort of tertiary education. The precise form that this examination should take obviously requires further consideration, but the principle of interchangeability should be accepted.

In the first debate of the report last month, I have made a passing remark on the need for a simple and consistent system of education because what we are having now is something much too complex and changes too frequently. The proposal of an I-Level Examination yet again, is one towards greater sophistication. Many of my hon. Colleagues have pointed out in today and last month's debate, the inter-relation of different stages of education. What is required is a careful study of an overall approach to the structure of education, instead of piecemeal changes. Certainly, this takes times and advertence. I sincerely hope our masterminds to be able to take a broader perspective of Hong Kong's education system as a whole before embarking on yet another ingenious proposal for change.

MR. CHENG: Sir, sixth form education tends everywhere to be a complex, and therefore controversial, subject because there are two aspects of it. For some students the sixth form is the last tap of their academic pursuit; for others it is a stepping-stone to university or tertiary education.

In Hong Kong we have the added complication of two-stream education, from which anomalies have arisen. An obvious one is that whereas many sixth formers in the Chinese stream have a four-year tertiary course in prospect, others in the English-language stream are preparing for a three-year tertiary course—and devote an extra year to these preparations.

It would be natural, therefore, to hope that any review of sixth form education in Hong Kong would seek to simplify and unify our system by eliminating such anomalies. One might also hope for recommendations which would align our system more closely with secondary and tertiary programmes elsewhere in the world—most of which are based on six years of secondary and four years of tertiary studies.

But to formulate any such reforms, an overall re-appraisal is necessary as a first step. A survey of sixth form structures conducted in isolation, and

therefore biased towards preserving debatable features of our existing system, cannot be adequate. This is my firm conviction after reading the second report of the Education Commission, including the chapter on sixth form education which we are considering today.

In no sense, Sir, am I disparaging the painstaking efforts that the members of the commission put into their formidable task. Many of their thoughts and conclusions are valuable. But I regret that they did not set out with the advantage of a wider brief on the subject.

The commission withholds all opinion on the appropriate length of tertiary courses, which it says is a 'separate issue'. To my mind, this issue is so closely connected with our sixth form education that the commission should have tackled it directly and urgently. I really don't see how we can get sixth form education into true focus until the question of the duration of tertiary courses and a unified level of entry is resolved.

I therefore stress that one of the first important tasks for the Education Commission is to consider and work to the basic requirement for a unified level of entry to tertiary education in Hong Kong.

And then there is the commission's recommendation that an Intermediate Examination should somehow be carved out of A-levels to replace the Higher Examination. Sir, I have doubts about this proposed carving operation. Who would wield the knife, and just where and how would he slice without impairing the quality of the curriculum? Nor can I see this change as easing the examination pressure on students. It seems to me that some students would find themselves sitting three examinations—the Certificate of Education, the I-levels and the A-levels—within a short period of two years.

As I said, the report contains valuable suggestions, and I turn now to points in this chapter that I welcome. First, I agree that a centralised system of admissions to tertiary education is a desirable objective, so long as it is based on a genuinely unified level of entry.

Secondly, I think that all of us who want Hong Kong to become a bilingual society will welcome any proposals for reinforcing language teaching in our secondary schools, with particular regard to the need for improvement in the language studies curriculum of the sixth form. Hong Kong's future as an international centre of business and industry will depend in no small measure on the efforts that we now make to this end.

Thirdly, although I have a strong personal interest in tertiary and professional education, I fully agree that sixth form schooling should be shaped so as to benefit all students—whether they go on to tertiary courses or not. In doing so, hopefully, the commission's objectives of encouraging the development of balanced, well-informed individuals and preparing students for adult life will be achieved.

Yet I have to add that, in my opinion, it will be far easier to achieve these worthy objectives within a properly co-ordinated and integrated system which cannot be constructed by half measures and adjustments. In short, I believe that we now have a chance to take the bold and positive course, which is to put the combined area of secondary and tertiary education under one single comprehensive appraisal. Sir, we should not allow this chance to slip.

MR. LEE YUI-TAI (in Cantonese): Sir, perhaps the impression which the tertiary education system gives to members of the public at present is somewhat inconsistent and dubious. The Education Commission has consulted the universities and post-secondary colleges on the structure of sixth form education. Unfortunately, these consultations were informal and did not carry any binding force. The visiting panel criticised Hong Kong's education sector for their lack of co-operation and enterprising spirit, as well as their absence of mutual communication. So far, this situation has seen no improvement. Since the recommendations on sixth form education have not gone through any effective consultation, and the change of the Hong Kong University's undergraduate curriculum to a four-year system as resolved by the senate is something unforeseen, I think all the recommendations on the development of sixth form education contained in chapter VI of Report No. 2 should be shelved. A review of the overall education system should be conducted to include such items as universal education as well as the linking up of senior secondary education and tertiary education. This then would provide an appropriate solution. Whilst I am not worried about the convergence in connection with the Basic Law, I am indeed worried about the convergence in the various levels of education.

From the education point of view, a four-year undergraduate system will be more in line with Hong Kong's requirements than a three-year one. The additional year could be used to cultivate more fully the students' personality, social responsibility and cultural breeding, so as to make up for the shortfall in the existing education system which is biased towards the transmission of knowledge and skills. Nevertheless, I do not think that universities should consider the problem of the duration of degree courses by itself; they should consider, at the same time, the possibility of adopting the credit unit system. For instance, is it possible to make use of the summer vacation to pick up some extra credit units, so that students can graduate at an earlier date? Or is it possible to allow working adults to make use of their spare time to undertake university studies and allow them to obtain a degree after securing sufficient credit units over a longer period of time? Many advanced countries adopt the credit unit system, so that school premises and facilities could be better utilised. At the same time, the credit unit system can be regulated to meet the varying needs of students and working adults of different background. The latter can also adjust their progress according to their own conditions and would thus attain utmost benefit from the system.

Talking about the matriculation system, I must criticise the existing Hong Kong Advanced Level Examination, especially the curriculum of its mathematics and science subjects, which is narrow and difficult, and is totally divorced from reality. Moreover, since English must be used to complete the examination papers, it will also handicap candidates from expressing themselves freely. I hope the authorities concerned, including the Hong Kong Examinations Authority and the universities, will seriously review this problem and effect improvements as soon as possible. The tertiary institutions are now discussing about a centralised admission system and I fully support this development. The universities and post-secondary institutions should preferably adopt a centralised admission system based on the results of public examinations. Places should then be allocated according to the examination scores and preference of students. Those with higher scores should be given higher priority in choosing their preferred institution and course of study while those with lower scores will enjoy a lower priority, till all the places have been allocated. A centralised admission system only serves to merge administrative procedures. But entry requirements and standards will be decided entirely by the tertiary institutions themselves. Thus their autonomy will not be affected.

If a four-year curriculum is jointly adopted by our universities, it must be matched with our secondary education system. Among the options, that is, a 5+1, 4+2 or 3+3 system, I think the 3+3 system is the most feasible one. The reason is that there is no change to the three years of junior secondary education, which remains universal. It only introduces an additional year in the senior secondary curriculum. But Report No. 2 states that 'this would result in a high drop-out rate and mean that more students would leave school without any formal qualifications' (para. VI 6.4). I think this observation is erroneous and groundless. In recent years, of the 170 000 candidates who sit for the HKCEE annually, around 60 000 (nearly 40 per cent) are repeaters making a second attempt. This shows that most students, on completion of Form V, still wish to carry on with their studies or to obtain better results. I believe that a vast number of students are willing to take up an additional year of senior secondary studies.

After the wave of increase in school fees by overseas universities has subsided, the number of students going abroad for further studies has been on the rise once more. Every year, thousands of overseas graduates return to Hong Kong. They are valuable manpower resources to our community. In line with the existing localisation policy, I hope preference will be given to recruiting local people. The definition of local people should include Hong Kong students who have graduated from overseas institutions, in particular those recognised by the Hong Kong Government, rather than being restricted to graduates of local institutions. Students who have completed their studies overseas should be given equal treatment in competing with local graduates.

Sir, I have stated my views and proposals as above. I now await response from the Administration.

MR. LI: Sir, in the first adjournment debate on the Education Commission Report No. 2, I have already declared my interest in education in Hong Kong. Therefore, I do not repeat it this time before commenting on the recommendations of the Education Commission with regard to sixth form education.

May I begin by pointing out the basic defects of our existing sixth form education as I see them. The difference in the entrance levels of the two universities causes major problems. After the Certificate of Education Examination, only a very small number of our fifth form students, perhaps one in three, find a subsidised place in the sixth form. Form VI students then face a critical choice: to try the present Provisional Acceptance Scheme of the Chinese University or, to take a chance and, by completing Form VII and sitting the Advanced Level Examination, to wait for a possible offer from the University of Hong Kong. This critical choice is an unnecessary additional hazard brought about by anomalies in our tertiary education which the Education Commission has weakly declined to handle.

Apart from their uncertain future, our unfortunate students also face a tremendous amount of pressure in competing for a place in tertiary education. The pressure comes not only from tough competition among students, but also from the merciless schedule of examinations. How much can we expect a Form VI student to learn? Besides taking the Higher Level Examination, he or she may well be studying for yet another examination, the Advanced Level Examination, in the following year. It is evident our Form VI students are geared to sitting for examinations which leave little room or opportunity for personality development.

Under the present educational system, we lack a unified sixth form syllabus. Since the duration of studies at the two universities is different, the absence of a unified sixth form syllabus is natural, though most undesirable. Now that the University of Hong Kong proposes to adopt a four-year undergraduate studies programme, there is a genuine need to seriously reconsider the importance of a unified syllabus. It should be noted that the University of Hong Kong had a four-year degree course after the Second World War but gave it up in favour of a three-year course as it was found that the general teaching in the first year could be taught more effectively in Form VII.

In attempting to rectify the shortcomings of the existing framework of sixth form education, I find the Education Commission has again failed to propose useful and constructive recommendations. The commission's proposals would not reduce the examination pressure nor the uncertain future our poor students have to face. These are crucial issues which have not been resolved.

I consider the proposal to set up the Intermediate Level Examination impractical and potentially disastrous. I am not alone in this assessment. There is widespread scepticism within the teaching profession as to the educational viability of the Intermediate Level Examination in the context of a continuing system of classes leading to the A-Level Examination. Furthermore, the

Intermediate Level Examination would increase examination pressure, as under the proposed 'common point of decision' system, the achievements of the sixth form students in this examination would become the basis to determine their chances for tertiary education. The increase in number of students that would take the examination and the significance of the examination would impose even greater pressure on our students. What could we expect our Form VI students to gain from the intermediate level course, particularly if a large portion of time would be devoted to preparing for the school year end examination? It seems to me that the only merit of the Intermediate Level Examination is that it would allow the emergence of a 'common point of decision' system. However, this would not provide any solution for our sixth form students. After taking the Intermediate Level Examination, students would still have to take the Advanced Level Examination to enter the University of Hong Kong, the two polytechnics, and the Baptist College or to other institutions abroad. What, therefore, is the advantage of the Intermediate Level Examination? Is the Government prepared to compel all the tertiary institutions to accept the I-Level Examination as the qualifying examination for entry? If not, then the proposal must be dismissed out of hand.

If the University of Hong Kong proceeds with its 'four-year' proposal, the whole concept of having both the Intermediate Level Examination and the Advanced Level Examination will be rendered obsolete. The Education Commission was evidently unprepared for the recent decision of the Senate of the University of Hong Kong, perhaps due to a lack of communication between the commission and the two universities or a lack of resolve on the part of the commission to tackle the problems relating to the two universities.

The present sixth form curriculum is basically designed to equip students for university studies. However, the irony is that only a very few eventually enter the universities. We must recognise the fact that probably only 20 per cent of our thousands of sixth form students will eventually enter tertiary institutions here or abroad. I am disappointed that the commission has few suggestions for the welfare of those unfortunate students who do not secure a place at university. How can the majority of sixth form students really benefit in a meaningful way from their studies? I think this is another crucial issue which should have been dealt with much more thoroughly by the Education Commission.

Rather than a system which only caters for the needs of a minority of students, we should have instead an educational system which provides overall training for all students. Far too little attention is being paid to the all-round development of our students. We have reduced education in Hong Kong to the level of rote learning, and our students to nothing more than parrots in cages. Probably the most serious defect of the commission report is its failure to propose structural changes in our educational system that can reverse the present deplorable situation.

With regard to the technical aspect of the commission report, I think that the commission should not only present the consensus views, but should also include the disagreements. As an alternative, I believe a tabulation of the majority's opinions versus the minority's opinions would be most beneficial, as this would provide fruitful information for policy consideration. Therefore, I suggest that the commission should consider how to refine its presentation methods in future.

Without meeting the challenges posed by problems arising from our tertiary institutions, the commission's proposals regarding sixth form education are inadequate to correct the flaws inherent in our existing educational system. To build a sound educational framework, I strongly urge that more courageous steps such as a common entry point for all institutions at the tertiary level should be considered. This is essential in order to reduce the examination pressure and the uncertainties faced by our Form VI students.

In the final analysis, this report, and its dramatic consequences for education in Hong Kong, are a matter of conscience. Through their recommendations, members of the commission have made sweeping decisions that will affect our young people for the rest of their lives. For the commission members, and for all of us here, school is, mercifully, over. But ask yourselves honestly and answer yourselves as honestly: would you willingly be a student who has to live with the consequences of this report?

In arriving at their consensus view, I challenge whether the commission has at all times and in good conscience placed the well-being of all Hong Kong students above making hard decision. Needless to say, I do not expect to hear their answer.

The credibility of this report reflects on the credibility of the commission. I strongly believe that the Government's next step has to be to enhance the latter through a critical re-evaluation of the strengths and weaknesses of the present membership of the commission. The views of all sectors of the educational field should be adequately represented and conflicts of interest must be avoided. Without the improvement to the core of decision makers, any further reports produced by the commission would still be putting new wine in old bottles.

With these remarks, Sir, I support the motion with the strongest reservation on the commission's recommendations particularly with regard to our sixth form education.

PROF. POON: Sir, before I deliver my speech, I would like to declare my interest as a professor and dean in the University of Hong Kong. We are all too familiar, I think, with the education structure of Hong Kong, and the disparity that exists between the various sectors within it. It is a structure that has grown haphazardly over the years with ad hoc additions and modifications here and there, resulting in a patch-work mechanism that lacks overall coherence and integration. We have different kinds of secondary schools, offering curricula of

varying lengths and taught in different languages; we have a mismatch of admission levels to the tertiary institutions, based on performance in a variety of public examinations, taken at different stages.

At present, students go through their school lives overwhelmed by the burden of examinations. Their work is geared almost entirely to passing examinations, and the pressure that this forces on them not only drains their energies, but also distracts from the learning experience that is the whole purpose of school attendance. Those who seek to further their studies at tertiary level face a number of public examinations, while the present disunity of admission levels to tertiary institutions tempts many students to enhance their chances of success by undertaking simultaneously two curricula leading to two entirely separate examinations.

Clearly we must reappraise the structure as a whole. It seems to me quite obvious that in order to rationalise the secondary school curriculum and to achieve an atmosphere beneficial to a thorough and broad learning experience by reducing the pressure imposed by a succession of examinations, the fundamental step is to unify the level of admission to tertiary education by means of one qualifying examination that suits the purpose of all the higher education establishments.

Sir, I am not here the advocate of one particular kind of degree structure, whether it be three or four years' duration. That is another question altogether. I am merely calling, Sir, for the recognition that the present disparity of tertiary admission levels is producing harmful repercussions which are affecting our school students from their earliest forms.

The widespread debate provoked by the University of Hong Kong's decision to extend its degree curriculum has seen the emergence of tremendous public support of the notion of unification in entry levels, to the two universities in particulars. This remains the major issue and a step which is now essential if we are to effect a satisfactory rationalisation of what has become a most unwieldy, and counterproductive, education structure. Serious consideration needs to be given to the re-examination and re-appraisal of the system as a whole and in particular to the crucial juncture in the education process, namely the interface between secondary and tertiary levels.

Sir, while we are still on the second report, may I have your kind permission to add a short footnote to my speech of 21 January when I proposed the use of Putonghua in the classroom. This proposition has since generated a certain amount of comments and I believe it will contribute to the public discussion if I spell out my ideas more clearly. In essence what I wish to suggest is to make Putonghua a compulsory subject at the primary school level, not the medium of instruction in the first instance. This means that it is perhaps necessary to provide extra Putonghua teachers in the school. The development must however be matched with appropriate training opportunities for teachers at all levels to enable them to conduct classes in Putonghua in the long term. If a pupil has a

constant exposure to Putonghua over his six years of primary education, I believe it will be possible for him to learn in Putonghua by the time he starts secondary school. As in all cases of changes of this nature, I do not expect this to take place overnight as has been suggested by some critics, but I think given a carefully phased programme the use of Putonghua in the classroom is by no means a remote possibility.

MRS. TAM (in Cantonese): Sir, the education process is made up of different stages. Even though each stage has its own characteristics and content, there must be a link and continuity among them so that education would not defeat its original purpose. A sound education system must link all the segments together so that every segment or stage would develop in the same direction and be compatible with one another.

Over the last decade, it is true that the Hong Kong education system has seen a lot of improvements. However, overall speaking, we still lack an overall co-ordination and policy-making machinery. Right now for different segments of the Hong Kong education system we have different committees and organisations, for example, for tertiary education we have the UPGC; for secondary and primary school education we have the Board of Education; for vocational training we have the Vocational Training Council. On the other hand, there is no systematic link among the abovenamed organisations and they do their own business separately. It is true that the concerned authorities have considered the recommendation of the visiting panel of 1982 and established the Education Commission in 1984. It is true that in name this commission should forward an overall education policy for the Governor's consideration. However, in structure the Education Commission is not over and above all the other committees and organisations and its jurisdiction is only limited to liaison and it does not lead other committees. So its status and powers are not as what is recommended by the visiting panel and it cannot exercise its role of co-ordination in actuality.

Take the Education Commission Report No. 2 as example. During its formulation its commission has taken a lot of time for public consultation and the report's release was one year later than scheduled. The major recommendation on sixth form education carried in the report was, I believe, based on the assumption that the two universities would have different curricula. Therefore, in November last year, when the Hong Kong University announced that its curriculum would be extended to four years in three months' time, the appropriateness of the sixth form recommendation of the report was much reduced. Now I am not pin-pointing on anybody, rather I fully sympathise with the difficulties faced under such a structure without proper co-ordination. I would like to point out that this particular difficulty is actually a very serious hindrance to the improvement of Hong Kong's education system. Many colleagues have emphasised today that we have to have an overall review of Hong Kong's education system. I am in full support of this. However, I would say that if presently, we cannot improve on the co-ordination and policy-

making machinery of the Hong Kong education system, it would adversely affect the success of any comprehensive review of our curricula.

Actually, in the report of the visiting panel in 1982, it has precisely pointed out that the crux of the problem of Hong Kong's education is that there is an excess of administration and a lack of planning. I therefore proposed that above all the committees, there should be an Education Commission for the overall co-ordination.

In formulating education policy, it should collate the opinions of the Education Board, the Vocational Training Council and the UPGC. After studying these opinions it should forward the consolidated opinions to the Governor-in-Council. I think that the above recommendation made by the visiting panel is one way or one feasible way to take care of the present problem of lack of co-ordination. I remember that our Council has already recommended to the Government that this should form the basis of future government improvements when the report of the visiting panel was debated in July 1983. The only thing is that the concerned authorities have not implemented the proposal properly and I suggest that they should reconsider this recommendation to improve the present segregated structure.

Sir, I support the motion.

6.14 pm

SECRETARY FOR EDUCATION AND MANPOWER: Sir, of all the issues covered in the Education Commission's Report No. 2, none has aroused more public interest and concern than sixth form education. It is for this reason that a separate adjournment debate has been devoted to this subject, following the debate on 21 January 1987 which covered the other chapters in the report. As I said during the earlier debate, we are now embarking on a careful analysis of all the comments which have been received on the report both from organisations and from individuals. The views which Members have expressed today will, of course, be carefully considered while we are looking at the commission's sixth form proposals. Having taken full account of all views expressed, we will make final recommendations to the Executive Council later this year.

Although some of the commission's sixth form recommendations have proved controversial, the majority have in fact found support among the public at large. I believe that this reflects the commission's extensive and careful consultation of all major concerned parties, in particular, the tertiary institutions and secondary school groups, at every stage before publication of the report. In the light of the rather severe remarks of Mr. David LI, I must add that this consultation was carried out on the basis of a comprehensive range of options, which in turn were based on an open-minded appreciation of the problems affecting our education system as a whole. The fact that the report's final recommendations are of a practical nature should not be taken to mean

that the commission did not concern itself with fundamental issues. I am also slightly surprised that some Members, presumably because of their dissatisfaction with the commission's general approach, have 'thrown the baby out with the bath water' and failed to comment, favourably or otherwise, on the commission's specific recommendations. These recommendations are, after all, what matters as far as our young people are concerned, however we may debate the philosophy behind them.

It is for this reason that I would like to refer briefly to those recommendations which have been favourably received by the public, before going on to comment on some of the criticisms which have been made by Members of the proposed new Intermediate Level Examination as well as of the scope and methodology of the commission's proposals.

First, the commission has recommended that the number of public sector Form VI places should be fixed at one for every three Form IV places two years earlier and has suggested that the Education Department should reinforce its efforts to ensure that sixth form places are filled. These common sense proposals, which arise naturally out of the 1978 White Paper 'The Development of Senior Secondary and Tertiary Education', have not attracted significant criticism.

Second is the proposal to abolish the Hong Kong Higher Level Examination (or H-level). This examination, which was originally designed to serve as an admission test for the Chinese University of Hong Kong, is now of little practical value. The H-level curriculum is not related to that of either the HKCEE or A-level. As Mrs. Pauline NG has noted, this both increases the scholastic pressure on sixth form students (who have to cope with two curricula) and has contributed to the qualification receiving little recognition, in Hong Kong or overseas. The proposal for its abolition has, therefore, been widely welcomed.

Third, the report recommends that new and less academic subjects should be introduced into the sixth form curriculum to broaden the learning experience of that very large number of sixth form students who do not go on to any form of higher education. This proposal too has received public support. We will have to look carefully at the various suggestions which have been made as to how the desired curriculum expansion can best be effected. The remarks of Mr. CHAN Ying-lun concerning the status of new non-academic subjects are relevant here, although I can assure him that it was not the commission's intention that such subjects should be regarded as in any way 'second class'.

A fourth proposal relating to sixth form education which has received support, for example, from Mr. CHENG Hon-kwan and, at the last debate, from Mr. SZETO Wah is for the introduction of a centralised admission system, under which places would be offered to students by all UPGC-funded institutions of higher education at the same time. It is to be hoped that this will relieve students of the pressure and confusion now caused by the need to deal with five

independent matriculation procedures, to which Prof. POON, amongst others, has referred. I am pleased to be able to inform Members that encouraging progress has already been made in achieving this ideal of a centralised system. Agreement has recently been reached by the two polytechnics on a joint admission mechanism and all five UPGC-funded institutions are in future to produce a comprehensive joint prospectus.

Fifth, the moves towards bilingualism recommended in the report, together with the proposed improvement of English standards in Chinese middle schools, have been understandably welcomed and again I am grateful for the words of support from Mr. SZETO Wah and Mr. CHENG Hon-kwan on this subject. I think that one of the most helpful of these recommendations is that all examinations taken in the sixth form should be available in both English and Chinese. And finally, I believe that the extension of sixth form education to prevocational schools and of Form VII to Chinese middle schools has generally been seen as a progressive move. It is worth emphasising that the successful implementation of all these recommendations will depend on the maintenance of the existing secondary school structure and the acceptance of the commission's belief in the value of a two year integrated sixth form, to which Mrs. Pauline NG and Mrs. Rita FAN have both referred.

I must now say a few words about the commission's proposal to introduce a new Intermediate or I-level examination, which has been less enthusiastically received by Members and by at least some of those making written comments. It has, for example, been said that the I-level will increase the examination pressure on students at a time when the international trend is in the opposite direction. It has also been suggested that an I-level curriculum, which is to represent one-half of the equivalent A-level, will be difficult to devise and that the teaching time available during a one-year period of study will be inadequate. There have been doubts expressed too over the need for and viability of the proposed I-level language qualifications, that is, the proposed 'Chinese Language and Culture' course and the 'English Studies' course. Against this, some have seen the I-level as a welcome means to broaden the sixth form curriculum and to provide a meaningful exit qualification for Form VI leavers.

Because the Administration is now in the process of collating and analysing public comment and, for that reason, has not yet formulated a final view, it would be inappropriate for me to respond individually to each of the criticisms which Members have directed at I-levels. They will, however, be fully taken into account, together with all relevant public comment, in preparing our eventual recommendations to the Executive Council on the commission's sixth form proposals. One vital caveat must be made. Any alternative put forward to I-levels, as they are now envisaged in the commission's report, must be able to achieve the objectives for which I-levels are designed without itself suffering from unacceptable disadvantages.

With the exception of the I-level issue, most of Members' criticisms have related to the scope, rather than the content of the commission's sixth form chapter. Members have criticised the commission for allegedly not recognising the important link between the tertiary and secondary education sectors. Public attention has also focused on this link, following the announcement by the University of Hong Kong of its proposal to change to a four-year first degree programme. Amongst others, Mr. S. L. CHEN, speaking on behalf of the Legislative Council ad hoc group, has called for another overall review of our education system to remedy what they see as a defect in the commission's approach.

There has been some misunderstanding of the commission's position on this issue. The commission has always fully recognised that all educational sectors are interlinked in important ways. Certainly, the senior secondary and tertiary sectors are related, in the sense that it is while they are in the sixth form that students apply for tertiary places. It is for this reason that the commission's Report No. 2 emphasises the importance of introducing the centralised admission scheme, to which I referred earlier. But the commission believes, I think rightly, that it is not only possible but essential to treat the educational functions of the sixth form and of the tertiary sector separately. Only about 4 per cent of our young people in the appropriate age group go to one of the five UPGC-funded institutions. The student population of our sixth form is very different from that of our institutions of higher learning. The nature of the subjects taught in the sixth form, even at A-level, is also not the same. As Mr. CHENG Hon-kwan has said and as even Mr. David LI has admitted, the education provided in the sixth form must provide a balanced preparation for life for the majority and not serve simply as a means of entry into our tertiary institutions. The requirements of the tertiary sector are one factor in the determination of the structure of our sixth form and of our secondary school system as a whole. But both sectors must be looked at in their own right.

I do not therefore believe it would be helpful to have another review embracing both the secondary and tertiary sectors. The argument that the commission should look at education as a whole, rather than as a series of fragments, sounds attractive; but it is difficult to envisage how such a review would in practice be conducted. Even if a hypothetical report could cover every single aspect of Hong Kong's education system, it would still need to be broken down into individual chapters on primary, secondary and tertiary education and so on. And it would still be necessary for the commission to recommend for the sixth form what was right for the sixth form; as Mrs. Rita FAN has eloquently pointed out, it would be wrong for its conclusions to be determined solely by the requirements of the tertiary institutions.

A final point on the proposal for a new 'overall review' must be added. It is only five and a half years ago that the Llewelyn Report was published. It reviewed our educational system in its entirety and many of its proposals are still awaiting detailed examination. Two years later, the Education Commission

published its Report No. 1, which took up and elaborated on the more immediate proposals in the Llewelyn Report. Implementation of Report No. 1's 37 recommendations is a major task which is still in its early stages. The reforms arising from the Llewelyn Report and from Report No. 1 are inevitably being achieved at the price of a period of disruption and adjustment. And now we have the longer and more complex Report No. 2 which examines, in some cases from first principles, the major educational issues not covered in Report No. 1. After this prolonged period of reports and discussion, to begin yet another 'overall review' could only be achieved at the price of serious and continued disruption to our education system. Even now, until decisions have been taken on the commission's sixth form proposals, much of the work of the Hong Kong Examinations Authority and of related sections of the Education Department will be paralysed.

None of this is to say that the commission should not or will not examine the problems of the tertiary sector in a future phase of its work. Indeed, chapter VI of Report No. 2 clearly leaves the way open for the commission to do so. In view of the public interest in this area aroused by the University of Hong Kong's proposal, there may be a case for requesting the commission in consultation with the UPGC, to consider the need for a study of the structure of tertiary education sooner rather than later. Needless to say, it would be premature to anticipate the results of such a study. No doubt the views expressed this afternoon by Mr. S. L. CHEN, Mr. LEE Yu-tai, Mrs. Rita FAN and others would be taken into account. I do, however, share the hope expressed by Mrs. FAN that whatever the results of the study, 'change for the sake of change' or 'change in order to conform with another system' would be studiously avoided.

In relation to the comments made by Mr. S. L. CHEN, Mr. LEE Yu-tai, Mrs. Rosanna TAM and Mr. David LI, it is, I hope, unnecessary to add that the detailed proposal by the University of Hong Kong to change to four-year degree courses, when it is received, will be considered on its own merits, in the light of whatever policy and other constraints there may be at that time.

Finally, I must respond to the suggestions made by Mr. S. L. CHEN and Mrs. Rosanna TAM that the powers of the commission are inadequate for it to be able to function effectively. I confess that I do not see the evidence for this. The commission has successfully produced two reports, while maintaining good relations with the UPGC, the Vocational Training Council, the Board of Education and other important advisory bodies and concerned parties. It is therefore hard to see what additional powers would achieve. The fact that some of the 150 recommendations which the commission has made so far have not been universally accepted is surely inevitable for any body which tackles head on the controversial problems of our education system. Moreover, there is a risk that any increase in its powers would damage the commission's standing as an impartial advisory body and infringe on the authority of the Executive Council.

Sir, sixth form education is a most complex subject. I would like to summarise what I see as our way forward. First, a submission to Executive Council will be prepared dealing with the commission's recommendations. In preparing the submission, all public comments will be taken into account, as well as the views of Members expressed in today's debate. In particular, the I-level proposal will be carefully examined and, if necessary, modifications will be referred back to the Education Commission for its consideration before final proposals are put to Executive Council. As a separate issue, the commission may be asked to consider the need for an examination of the structure of tertiary education in the next phase of its work.

Question put on the adjournment and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on 25 February 1987.

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

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

WRITTEN ANSWERS

Annex I

Written answer by the Secretary for Security to Dr. HO's supplementary question to Question 3

The tables set out the position over the past three years.

Table 1 shows that triad involvement in arson is notably low, although it is impossible to estimate how many unsolved cases of arson may have had a triad motive.

Table 2 illustrates principally that triad-related cases of arson usually involve several culprits whereas other cases are normally attributable to a single offender.

Table 1:

Triad-related cases of arson, 1984—1986

	1984	1985	1986
Cases classified as arson by the police	220	283	358
Cases of arson detected by the police	38	57	64
Triad-related cases detected	4 (10.5%)	5 (8.8%)	1 (1.6%)

Table 2:

Arson offenders who were triad members, 1984-1986

	1984	1985	1986
Arson offenders	42	59	78
Arson offenders who were triad members	7 (16.7%)	8 (13.6%)	1 (1.3%)

WRITTEN ANSWERS—Continued**Annex II****Written answer by the Secretary for Security to Mr. CHEONG-LEEN's supplementary question to Question 6**

The Police Cadet School provides training for two years. The point I was trying to make is that, in the first year, all cadets receive an education equivalent to Form IV and then, in the second year, all progress to the equivalent of Form V. In the second year, cadets are divided into the academic and general streams, with greater emphasis on vocational studies for the latter. Most cadets in the academic stream go on to take at least six subjects in the HKCEE whilst those in the general stream take perhaps two or three. Cadets who then join the police force are considered, quite properly, as having completed Form V education. This puts them on a par with the majority of direct entrant police constables.

I doubt very much that we will raise the academic requirement for entry to the Police Cadet School from the present Form III level. Young men who had completed, say, Form V education would be strong contenders for direct entry into the disciplined services and would see no advantage in passing through the cadet school.

The Police Cadet School is not simply a training ground for the disciplined services. It provides two years' education for boys who, for a variety of reasons, prefer not to continue their studies in 'ordinary' secondary schools.

Annex III**Written answer by the Secretary for Lands and Works to Dr. CHIU's supplementary question to Question 7**

The situation is that when an owner is required under the Buildings Ordinance to clear a blockage, Government will specify a date by which the work should be carried out. The time period allowed varies according to individual circumstances and is dependent on how serious the health hazard is. If the owner fails to carry out the work by the specified date, the work can be carried out by Government.

Government may also decide that in the interest of the public it should carry out the work notwithstanding that the owner may be willing to carry out such work and will give notice to the owner concerned. The owner may object to the carrying out of such work by Government within a period of 14 days from the giving of the notice. Work will be carried out after the expiration of the 14 days or, after all the objections received within such period have been considered and replied to, whichever is the later.

WRITTEN ANSWERS—*Continued*

Nevertheless, in case of a very serious health hazard, Government can carry out the work as a matter of emergency without giving any prior notice to the owner concerned.

In all cases the cost may be recovered from the owner concerned.