

OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 11th February 1976

The Council met at half past two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, KCVO, MBE
THE HONOURABLE THE COLONIAL SECRETARY (*Acting*)
MR DENIS CAMPBELL BRAY, CVO, JP
THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP
THE HONOURABLE THE ATTORNEY GENERAL
MR JOHN WILLIAM DIXON HOBLEY, QC, JP
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP
SECRETARY FOR THE ENVIRONMENT
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP
SECRETARY FOR HOUSING
THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE LI FOOK-KOW, CMG, JP
SECRETARY FOR SOCIAL SERVICES
THE HONOURABLE DAVID AKERS-JONES, JP
SECRETARY FOR THE NEW TERRITORIES
THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP
SECRETARY FOR SECURITY
THE HONOURABLE DAVID WYLIE McDONALD, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, CMG, JP
DIRECTOR OF EDUCATION
THE HONOURABLE IAN ROBERT PRICE, TD, JP
COMMISSIONER FOR LABOUR
DR THE HONOURABLE CHUNG SZE-YUEN, CBE, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP
THE HONOURABLE MRS CATHERINE JOYCE SYMONS, OBE, JP
THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP
THE HONOURABLE JAMES WU MAN-HON, OBE, JP
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP
THE HONOURABLE LI FOOK-WO, OBE, JP
DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP
THE HONOURABLE MRS KWAN KO SIU-WAH, MBE, JP
THE HONOURABLE LO TAK-SHING, OBE, JP
THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP
THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

ABSENT

THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, JP
 THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
 MR KENNETH HARRY WHEELER

Papers

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

	<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:		
Import and Export Ordinance.		
	Import and Export (Registration) (Amendment) Regulations 1976	23
Road Traffic Ordinance.		
	Road Traffic (Construction and Use) (Amendment) Regulations 1976	24
Interpretation and General Clauses Ordinance.		
	Rectification of Errors Order 1976	27
Proclamation.		
	No 1 of 1976.....	28
Bills of Sale Ordinance.		
	Bills of Sale (Fees) Regulations 1976.....	29
Legal Practitioners Ordinance.		
	Admission and Registration (Amendment) Rules 1976.....	30
Probate and Administration Ordinance.		
	Non-contentious Probate (Amendment) Rules 1976	31
Legal Practitioners Ordinance.		
	Students (Amendment) Rules 1976	32
Inland Revenue (Amendment) (No 6) Ordinance 1975.		
	Inland Revenue (Amendment) (No 6) Ordinance 1975 (Commencement) Notice 1976	34

Sessional Papers 1975-76:

- No 32—Supplementary Provisions for the quarter ended 30th September 1975 (published on 11.2.76).
- No 33—Income and Expenditure Account of the Samaritan Fund for the year ended 31st March 1974 (published on 11.2.76).
- No 34—Income and Expenditure Account of the Samaritan Fund for the year ended 31st March 1975 (published on 11.2.76).
- No 35—Supplementary Provisions approved by the Urban Council during the third quarter of 1975/76 (published on 11.2.76).
- No 36—Hong Kong Polytechnic Annual Report and Balance Sheet and Income and Expenditure Account for the year ended 31st July 1975 (published on 11.2.76).

Oral answers to questions

Revenue earning departments

1. MR ALEX WU asked:—

Sir, what are Government's present views on the desirability of establishing as separate corporations revenue-earning establishments such as the Kowloon-Canton Railway, Kai Tak Airport and the Waterworks Office?

THE COLONIAL SECRETARY:—Sir, the Government's views remain unchanged from those summarized by my honourable Friend, the Financial Secretary, in concluding the budget debate in 1973.*

Basically, the small size of Hong Kong and its concentration of people do not dictate decentralization. On the contrary, central control allows for the maximum flexibility in the use of limited financial and other resources, quite apart from keeping the overheads of the organizations concerned low. To split off such Government activities as the railway, airport services and water supply and to place them under statutory bodies with their own sources of revenue would only reduce this flexibility and increase their overheads.

* 1973-74 Hansard, pages 637-8.

[THE COLONIAL SECRETARY] **Oral answers**

There are other advantages of maintaining a centralized system: first, it enables the development of Hong Kong to be planned as a whole; second, overall priorities can be properly determined; and third, it ensures the uniform application of standards.

Commodity exchange

2. DR CHUNG asked:—

Sir, with reference to the first condition under which the Unofficial Members of this Council agreed to the amended motion to approve in principle the establishment of a commodity exchange, will Government confirm that adequate time will be allowed, prior to the opening of the exchange, for Unofficial Members to examine the draft legislation, including the rules and regulations for the establishment, organization and operation of the exchange itself?

THE FINANCIAL SECRETARY:—Yes, Sir.

DR CHUNG:—Sir, I thank my honourable Friend for such an efficient reply and for his assurance. Will my honourable Friend bear in mind the very busy period during the next two months, March and April, due to the budget debate?

THE FINANCIAL SECRETARY:—Yes, Sir.

Fixed penalty fines—payment of

3. MR CHEONG-LEEN:—

(Asked in the Cantonese dialect. The following is the interpretation of what Mr CHEONG-LEEN asked)

Sir, when will legislation be introduced to streamline and improve the present payment procedures governing fixed penalty fines?

THE ATTORNEY GENERAL:—Sir, the answer is that I do not know. New legislation is indeed under consideration but the matter is not an easy one.

MR CHEONG-LEEN:—Sir, as a relevant point, may I quote from page 2 of the last Director of Audit's report in which it is stated that large arrears of penalties imposed under the provisions of section 15 of the Fixed Penalty (Traffic Contraventions) Ordinance, and of the associated court costs, continue to accumulate? Is this fact recognized by the Government?

THE ATTORNEY GENERAL:—It is acknowledged that there are substantial arrears.

MR CHEONG-LEEN:—And in this report, it is also stated that as at 30th June 1975, penalties and costs outstanding totalled over \$6 million. Has most of this amount being collected up-to-date?

THE ATTORNEY GENERAL:—No, Sir.

MR CHEONG-LEEN:—Are steps being actively taken to collect most of the arrears outstanding?

THE ATTORNEY GENERAL:—I don't think that question arises out of the question before Council, Sir.

MR CHEONG-LEEN:—Sir, with your permission, could an answer be given to me at a later date?

THE ATTORNEY GENERAL:—Yes, Sir.

Macao Ferry Terminal

4. MR LOBO asked:—

Sir, with your permission may I ask question No 4 on behalf of my honourable Friend Mr Oswald CHEUNG who is unable to attend this afternoon's sitting?

Has any agreement in principle been reached for the construction of a new Hong Kong/Macao Ferry Terminal by a private developer?

Oral answers

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, Government is in broad agreement with the developer regarding the construction of a new Macao Ferry Terminal, in exchange for the right to construct a commercial building above it. It is, however, a complicated project which has to be designed so as to ensure that the flow of a large number of people through the terminal, their rapid clearance through immigration and customs formalities, and the berthing of the vessels, can continue with minimum interference during the construction period.

The basic plan of the terminal is therefore taking some time to produce and only when it has been accepted as being operationally viable will it be possible for a formal agreement to be negotiated with the company. The latest plans produced by the company's architects are very promising, and it is hoped that within three months it should be possible to reach agreement on the arrangements for the reconstruction of the terminal, complete with the associated commercial building.

Consular staff—traffic offences

5. MR WILLIAMS asked:—

Sir, (a) have there been instances in the past year where members of Consulates or Missions in Hong Kong have claimed diplomatic privilege and not paid traffic fines; and

(b) if so, could Government provide the names of the Consulates or Missions concerned with the number of cases and amount of fines for each one?

THE ATTORNEY GENERAL:—Sir, may I first reiterate what I said in answer to a question in this Council in May 1973 about diplomatic immunity from the laws of Hong Kong, including the traffic laws.* The position is that members of the Consular Corps are obliged to observe our laws in the same way as any other person. However, as I then pointed out, it is customary here, as in most other countries, not to take action against consular officers for minor breaches of the traffic laws as a matter of courtesy.

The answer, Sir, to the first part of the question is that there were a number of cases during 1975 in which pursuant to the customary practice proceedings were not instituted against consular officers or

* 1972-73 Hansard, page 801.

officers of commissions in respect of infringements of the traffic laws. Criminal proceedings were not instituted in eight cases where traffic offences were alleged to have been committed. Civil proceedings under the Fixed Penalty (Traffic Contraventions) Ordinance were not pursued in respect of 443 alleged parking contraventions.

The list of Consulates and Commissions involved is quite lengthy and I have accordingly provided detailed information in answer to the second part of the question in a paper which honourable Members have.*

In those cases where criminal proceedings were not instituted, I cannot of course say what fines might have been imposed. In other cases, the fixed penalty of \$30 would have been payable had proceedings been instituted.

*1. TRAFFIC OFFENCES

<i>Consulate/Commission</i>	<i>No. of offences</i>
Japan	1
Korea	1
Pakistan	1
Philippines	1
Switzerland	1
Thailand	1
Uruguay	2

2. TRAFFIC CONTRAVENTIONS UNDER THE FIXED PENALTY (TRAFFIC CONTRAVENTIONS) ORDINANCE

<i>Commissions</i>	<i>No. of offences</i>
Australia	24
Canada	12
India	19
Malaysia	16
New Zealand	1
Nigeria	134
Singapore	9

Consulates

Argentina	1
Austria	9
Brazil	9
Burma	3
Cuba	10
Egypt, Arab Republic of	19
France	16
Iran	1

[THE ATTORNEY GENERAL] **Oral answers**

<i>Consulates</i>	<i>No. of offences</i>
Israel	12
Italy	9
Japan	1
Korea	33
Norway	6
Pakistan	3
Panama	13
Philippines	6
South Africa	10
Spain	13
Sweden	2
Thailand	33
Uruguay	18
Vietnam	1

Industrial estates

6. DR CHUNG asked:—

Sir, (a) will priority be given in the new industrial estates to those industries which are considered of most importance to Hong Kong; and

(b) if so, what will the criteria be for determining such priorities?

THE FINANCIAL SECRETARY:—Sir, sites in industrial estates are mainly intended for industries which cannot operate in multi-storey buildings, and which have therefore found it either very difficult or impossible to establish themselves in Hong Kong in the past. We expect that such industries will in most cases be new to Hong Kong, be more capital intensive, and be technologically more advanced than at least some of our existing industries. Firms wishing to take up sites in industrial areas will have to conform with the usual requirements with regard to such matters as the Building Ordinance, fire safety and pollution and plot ratios for the estates will be restricted in size.

It is not the Government's intention, Sir, to go any further than this and lay down a list of specified priority industries which, on the basis of some sort of value judgment, are considered to be, to quote my honourable Friend, "of most importance to Hong Kong". Of course, certain types of industry may be excluded because they are dangerous or obnoxious and, if the estates are over-subscribed, some

method of allocation of sites will need to be worked out. In that case, I certainly do not imagine that the Government would exclude the use of some form of restricted user tendering procedure.

Bills—publication of amendments to

7. MR LO asked:—

Sir, will Government consider revising the legislative process to provide for the publication of any substantial amendments proposed to a bill, thus allowing an opportunity for public comment on those amendments before the amended bill is passed by this Council?

THE ATTORNEY GENERAL:—Sir, it is considered that procedures in the Council for dealing with amendments to bills ought not to be changed.

It is however recognized that proposed committee stage amendments have not been as readily available to the public as they ought to be. Changes will therefore be put into immediate effect in that respect. The Clerk to the Council will make available to the Government Information Services copies of all notices of committee stage amendments and these will be distributed to the news media. Copies are also available, and always have been available, at his office for any interested member of the public.

Notice of proposed committee stage amendments is generally given five or six days before the meeting of the Council at which they are to be considered, but I must add that shorter notice has sometimes to be given.

MR LO:—Sir, where such shorter notice applies to substantial amendments of controversial bills, does Government agree that it may very well be inadequate for the purpose of getting the public's views thereon?

THE ATTORNEY GENERAL:—Yes, Sir, I think that now that this question has been raised, I think it will be incumbent on us to consider carefully in each case how much notice ought to be given and whether, in any given case, it would be desirable to postpone the committee stage in order that reasonable notice may be given.

MR LO:—I am extremely grateful for that assurance, Sir.

Oral answers**Queen Mary Hospital**

8. DR FANG asked:—

Sir, why is Government reducing the number of beds in the intensive care unit at the Queen Mary Hospital?

DR CHOA:—Sir, the Intensive Care Unit of the Queen Mary Hospital was opened in November 1970. At that time approval was given for 16 beds to be commissioned with an approved establishment of 32 nurses. Experience showed that this number of nurses was insufficient for the number of beds and so in fact only eight beds were staffed. In 1971, a general request was made for increasing the establishment of the nursing staff for not only the Intensive Care Unit but also other units in the hospital. This request has received detailed consideration and it is anticipated that approval will be sought for an increase in the nursing establishment of the hospital shortly.

As an interim measure, when the establishment of the nursing staff for the Princess Margaret Hospital was approved in 1973, additional nurses were posted in batches to the Queen Mary Hospital for training. Some of them were posted to the Intensive Care Unit and gradually the number of beds in use went up to the target number of sixteen. However, with the opening of the Princess Margaret Hospital, some of these supernumerary nurses were transferred to that hospital where they were urgently required, so that presently the number of beds in the Intensive Care Unit in the Queen Mary Hospital is twelve. The need to open all the beds in the Intensive Care Unit will be fully borne in mind and will be considered against deserving claims from other areas of the department when additional staff become available either by recruitment or by redeployment within the department. However, it is hoped that the number of beds in the unit will be brought up to sixteen again as soon as possible.

MR LO:—Might I ask whether it is Government's view that the Intensive Care Unit requirement for beds is not urgent, as is implicit in the answer?

DR CHOA:—Sir, perhaps I should give this as an example. We have now twelve beds, and if we have four more we can actually admit four more patients; otherwise, these patients will be taken care of in a general ward where they will be given the same care.

Aldrich Bay fire—(1)

9. Miss Ko asked:—

Sir, will Government make a statement on what has been done to provide urgent help for the Aldrich Bay fire victims?

SECRETARY FOR SOCIAL SERVICES:—Sir, about 3,200 persons from 580 families were registered with the Social Welfare Department in connection with the fire at Aldrich Bay on the afternoon of 1st February. Staff of the Social Welfare, Home Affairs and Housing Departments were at the scene shortly after the incident to assist with emergency feeding and accommodation. Blankets, quilts, warm clothing, cooking and eating utensils and toilet articles were distributed to the victims immediately, hot meals provided and temporary accommodation arranged at the Salesian School with the kind permission of the headmaster. Cash assistance of \$20 per person was made to the victims from the Sing Tao Fat Choi Fund. The Community Youth Officer mobilized volunteers to organize recreational activities for the young victims during their brief stay at the school. The premises were vacated on Friday, 6th February, in time for classes to resume on the following Monday. My honourable colleague, the Secretary for Housing, will be informing this Council of the rehousing plans for the victims. The Social Welfare Department will continue to provide meals to those who are awaiting completion of the Hing Wah Estate and who are being accommodated temporarily at the Chatham Road Camp, the Chaiwan Transit Centre, and the premises of the Shaukiwan Kaifong Association.

All sectors of the community have responded spontaneously to the plight of the victims and have donated most generously. As at close of work yesterday a total of about \$4 million has been raised. Donations so far received by the Emergency Relief Fund for the Aldrich Bay fire victims amount to about \$ $\frac{1}{2}$ million. On 5th February each victim was given \$100 out of the donations then received. In addition about \$170,000 has been allocated to the Housing Department for grants to certain victims to cover re-accommodation and other incidental expenses under the scale of the Emergency Relief Fund.

I should also mention that some sponsors and donors prefer to make payments direct to the fire victims, instead of through the Emergency Relief Fund and \$300 per person was so distributed yesterday. Further cash distribution will be made as soon as practicable. Meanwhile the Social Welfare, Home Affairs and Housing

[SECRETARY FOR SOCIAL SERVICES] **Oral answers**

Departments will continue to keep a close watch over the needs of the victims and to render help until they are resettled permanently.

Aldrich Bay fire—(2)

10. MISS KO asked:—

Sir, what measures will be taken to ensure that those families who were made homeless by the Aldrich Bay fire will be resettled during the coming weeks?

SECRETARY FOR HOUSING:—Sir, all the action that can be taken is being taken to rehouse the Aldrich Bay fire victims with the least possible delay. The great majority (almost 400 families) have expressed a preference for the new Hing Wah Estate, which is still under construction, and the Public Works Department has selected two blocks of flats for early completion, with work proceeding on an overtime basis. If all goes well, and no unforeseen difficulties emerge—and let us remember that the Housing Department too is cutting many corners in this emergency situation—pre-letting interviews with applicants will start on the 23rd February and all should be completed within two weeks. No doubt, in accordance with the usual practice in new estates, most of the tenants will wish to have their flats decorated to their individual taste, so the actual moving in date is likely to be later in most cases.

Almost forty families have already accepted public housing flats in Kowloon and Kwai Chung, and 70-odd families have been allocated space at the new Chai Wan Licensed Area, where part-built structures are provided.

Enquiries are still proceeding into about twenty cases, while 30-odd families which were registered initially have since failed to appear.

Grantham Hospital

11. DR FANG asked:—

Sir, (a) is it proposed to change the present arrangements for financing the Grantham Hospital?

(b) if so, when will revised arrangements be introduced?

DR CHOA:—Sir, as a result of the steady decline in the incidence of tuberculosis in Hong Kong in recent years it has become apparent that we do not require so many beds for the treatment of this disease any more.

Last year I invited two experts from the United Kingdom to visit Hong Kong to prepare a report with the following terms of reference:

"As an exercise within the scope of the White Paper on the Development of Medical and Health Services in Hong Kong:

- (a) to make an assessment of the present position of tuberculosis as a health problem in Hong Kong, and
- (b) to advise on the planning and methods of control and treatment of tuberculosis within the period covered by the White Paper."

The report was completed in June and in September I appointed a working party to study the recommendations. This working party has not yet completed its deliberations, but it would seem inevitable that some tuberculosis beds will be used for some other purposes. Government has been acquiring beds in the Grantham Hospital on a subvention basis of paying the cost per bed per day so as to give free treatment to tuberculous patients. It thus follows that some other subvention method will have to be applied if the beds are to be used for other purposes. However, it is premature to predict whether the present arrangements will be changed or not and when the revised arrangements will be introduced.

Neighbourhood patrol units

12. MR CHEONG-LEEN:—

(Asked in the Cantonese dialect. The following is the interpretation of what Mr CHEONG-LEEN asked)

Sir, what is Government's policy towards encouraging the formation of and supervising the proper development of neighbourhood patrol units in order to deter the incidence of violent crime?

SECRETARY FOR SECURITY:—Sir, the Government recognizes the positive and useful role played by neighbourhood security patrols operated by mutual aid committees in the fight against crime. To

[SECRETARY FOR SECURITY] Oral answers

play their part these patrols require to be well disciplined and soundly organized. To this end the patrols are registered with City District Offices and maintain records on lines advised by the police. The police and their community relations officers and City District Officers maintain contact with the patrols and offer advice, training and supervision. The Home Affairs Department runs courses aimed at instructing MAC and patrol members in the prevention of crime and the administration and enforcement of the law.

There are 155 such patrols which confine themselves mainly to patrolling in multi-storey buildings, generally in the internal corridors and staircases. They provide a deterrent, particularly during their main hours of operations at night, and they also help to make arrests and apprehend suspects.

The policy is to encourage MAC's to develop patrols at their own pace whilst at the same time providing supervision and training.

Contact lenses

13. MR ALEX WU asked:—

Sir, will Government introduce legislation to specify the quality of contact lenses and the professional standards of persons fitting such lenses?

DR CHOA:—Sir, in my reply to a question on "What progress has been made by the working party established some two years ago to consider legislation governing the professions supplementary to medicine", raised in this Council on 7th January 1976, I informed the Council that regulations were being prepared to deal with seven professions which I named. I further said: "It is hoped that this set of regulations, when in complete form, will provide a pattern on which the regulations for the other professions can be based."

It is the intention to prepare separate regulations to deal with the practice of optometry as a whole.

MR ALEX WU:—Sir, can my honourable Friend give an indication when these regulations may be available?

DR CHOA:—Sir, a sub-committee was formed only last week to deal with this matter.

Statement

Hong Kong Polytechnic Annual Report 1974/75

DR CHUNG:—Your Excellency, amongst the various papers laid on the table of this Council today is the Third Annual Report of the Hong Kong Polytechnic covering the academic year from 1st August 1974 to 31st July 1975.

During the year under review, the Polytechnic continued to make good progress. The most obvious development is, of course, the construction of Phase I of its building expansion programme which is beginning to dominate the Hungghom skyline. The large circular towers will probably become a new landmark in Kowloon. Honourable Members may be interested to know that progress in the construction work has been most satisfactory and that the Polytechnic expects to be able to occupy the new buildings by late summer 1976.

Meanwhile, the rapid rate of growth in student population has continued. As at 31st December 1975, the full-time student enrolment stood at 3,982 which is a 25% increase over the enrolment on 31st December 1974 and a spectacular increase of 150% over the enrolment three years ago on 31st December 1972 when the Polytechnic was in its first year. The increase in student enrolment in December 1975 as compared to that in December 1974 results mainly from the establishment of a new Department of Computing Science and from larger intakes to the Departments of Accountancy, Business and Management Studies, Civil and Structural Engineering as well as Mechanical and Marine Engineering. At the end of 1975, the Polytechnic also increased its enrolment of part-time day-release students by some 7% to a total of 1,666 and of evening students by about 13% to a new record of 14,299.

The academic year 1974/75 was a significant one in the history of the Polytechnic in that the Polytechnic awarded its first Associate-ships to 21 graduates who passed the Council of Engineering Institutions Part II examinations during the year under review. These are the first Polytechnic graduates with degree equivalent awards.

In view of the rapid increase in student population, I think honourable Members of this Council would like to hear a brief report on the employment situation of the Polytechnic graduates in 1975. According to a survey carried out in November, of the 804 students who have completed their studies at the Polytechnic in the summer of 1975, some 33% had obtained employment in industry, a further 26% were employed in commerce and in the professions whilst about 8% were

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employed by Government and non-profit-making organizations, some 22% continued their studies either locally or overseas and about 10% were unemployed at that time. The remaining 1% could not be traced. Considering the economic recession in 1975, the employment situation of graduates could be regarded as satisfactory.

Finally, Sir, I am pleased to report that Dr Keith LEGG, formerly Director of Lanchester Polytechnic, took up the appointment as Director in May 1975. Dr LEGG has had very extensive experience and enjoys an international reputation both as a technologist and an educationist and will no doubt be invaluable to the development of the Hong Kong Polytechnic.

Thank you, Sir.

Government business**Motions****MASS TRANSIT RAILWAY CORPORATION
ORDINANCE 1975**

THE FINANCIAL SECRETARY moved the following motion:—

Under section 12(1) of the Mass Transit Railway Corporation Ordinance 1975 that the Schedule to the resolution of the Legislative Council published as Legal Notice No 242 of 1975 in the *Gazette* on the 31st October 1975 be amended in item 10 by deleting "420 million" and substituting the following—

"470 million".

He said:—Sir, section 12 of the Mass Transit Railway Corporation Ordinance 1975 requires the authority of this Council, expressed by resolution, to authorize the granting of guarantees by the Financial Secretary, on behalf of the Government, in respect of the repayment of loans and other indebtedness incurred by the Mass Transit Railway Corporation.

On the 23rd October last year the Council authorized me, by resolution, to grant certain such guarantees and since then the Mass Transit Railway Corporation has let eleven out of a total of 25 civil engineering contracts for the construction of the modified initial system.

On 22nd October I explained to honourable Members that the total sum I was seeking to guarantee was considerably greater than the sum of the individual contract prices which would eventually be accepted by the corporation after completion of tender procedures. This was because it was not yet known which firms from which countries would actually be awarded contracts.

Among the guarantees authorized at that time was one for a loan of HK\$420 million to finance local contracts. Local contracts to approximately that sum have now been let and, in order to finance two further local contracts for the construction of Kowloon Bay Station and line section and a utilities jetty at Tsim Sha Tsui, a further guarantee will be needed for an additional loan of HK\$50 million. This motion, Sir, seeks, therefore, to increase this particular guarantee ceiling of HK\$420 million to HK\$470 million.

I must emphasize that the increased guarantee requested does not in any way represent an increase in the estimated cost, either of this one contract or of the mass transit project as a whole. It simply means that the Mass Transit Railway Corporation is continuing its policy of financing local contracts, whenever possible, by local borrowing in Hong Kong dollars.

Sir, I should perhaps at this stage forewarn honourable Members that, on 1st March, the corporation intends to let a further seven international civil engineering contracts; and present indications are that at that stage it will almost certainly be necessary further to amend the Schedule to the Council's resolution of 23rd October last in respect of increased guarantee requirements for supplier credit arrangements. No increases will be required, of course, for the lines of buyer credit included in the Schedule. I would propose, therefore, Sir, to introduce a further motion into this Council on 10th March to effect the necessary amendments to the Schedule arising from the letting of these contracts. Once again, however, I must make it clear that any such changes will not involve any increase in the total estimated cost of the modified initial system. Indeed, quite the contrary, as I am informed by the corporation that the total cost of the contracts so far let remains, to use the Chairman's own terms, nicely within the estimates assumed when the decision was made in September last by this Government to proceed with the letting of contracts for the construction of the modified initial system.

DR CHUNG:—Your Excellency, in rising to support the motion I wish to say that it is most encouraging to hear from my honourable

[DR CHUNG] Motions

Friend the Financial Secretary that the total cost of contracts so far let remains nicely within the estimates made in September last year when the Government decided to go ahead with the award of certain civil engineering contracts. However, I wonder whether my honourable Friend is in a position to say at this stage and with some degree of certainty that the total cost of constructing the modified initial system of the mass transit railway, including of course price escalation, work variation and compensation payments made under the ordinance, will remain unchanged within the figure of not more than \$5,800 million? In the event that my honourable Friend is not able today to supply this information which I have asked for, will he indicate when he will be in a position to do so?

THE FINANCIAL SECRETARY:—Sir, I shan't be in any better position tomorrow or the next day than I am today, so I think I should say, Sir, or remind honourable Members, that the maximum figure of HK\$5,800 million is made up of the initial contract price plus the estimated cost of any variations, price escalation and compensation payments. The total cost of contracts so far let is within estimate and from the tenders which have been received by the Corporation it would appear that when all the contracts have been let the total contract price will also be within estimate. For any additional costs that may arise in the future the Corporation has specifically provided a contingency sum and it is hoped that this contingency sum will cover such variations. Similarly allowances have been made for price variation in arriving at the figure of \$5,800 million. Whether or not this particular allowance proves to be adequate will depend of course upon world inflation. But to me, at any rate, it is reassuring that actual inflation to date has proved to be at a lower rate as reflected in the contract prices than that assumed by the Corporation and indeed by the Government. Similarly, compensation payments cannot yet be ascertained with any accuracy, but the Government believes that the allowances made by the corporation are adequate. The most important, the largest part of the figure of \$5,800 million for the project, is the HK\$3,500 million for the initial contract prices for the range of 35 contracts and, as I have said, there is every likelihood that the total of all contracts will be placed within this estimated figure. With such a good start, Sir, although the modified initial system will not be completed until 1980, it seems to me that there is every prospect of the sum of \$5,800 million not being exceeded. I can't say any more.

DR CHUNG:—On a point of clarification, will my honourable Friend confirm that the 10% contingency sum as he has just mentioned was included in the total estimate of \$5,800 million?

THE FINANCIAL SECRETARY:—Yes, Sir.

Question put and agreed to.

BANKRUPTCY ORDINANCE

THE ATTORNEY GENERAL moved the following motion:—

That the Meetings of Creditors (Amendment) Rules 1976, made by the Chief Justice on the 21st January 1976, be approved.

He said:—Sir, I move the first motion standing in my name on the order paper.

There is nothing that I can usefully add to what is set out in the explanatory note.

Question put and agreed to.

BANKRUPTCY ORDINANCE

THE ATTORNEY GENERAL moved the following motion:—

That the Bankruptcy (Amendment) Rules 1976, made by the Chief Justice on the 22nd January 1976, be approved.

He said:—Sir, I move the second motion standing in my name on the order paper.

Again, there is nothing that I can usefully add to what is set out in the explanatory note.

Question put and agreed to.

**HONG KONG AND YAUMATI FERRY COMPANY
(SERVICES) ORDINANCE**

SECRETARY FOR THE ENVIRONMENT moved the following motion:—

With the consent of the company, that the Schedule to the ordinance be amended in Appendix II under the heading "2. OTHER SERVICES" in the column headed "**Ordinary Class**"—

- (a) in item (a) by—
 - (i) deleting "50" and substituting the following—
"60";
 - (ii) deleting "60 cents" and substituting the following—
"\$1.00"; and
 - (iii) deleting "80 cents" and substituting the following—
"\$1.20";
- (b) in item (c) by deleting "30" and substituting the following—
"40";
- (c) in item (d) by deleting "30" in the second place where it occurs and substituting the following—
"40";
- (d) in item (h) by deleting "60 cents" and substituting the following—
"\$1.00"; and
- (e) in item (i) by deleting "60 cents" and substituting the following—
"\$1.00".

He said:—Sir, I wish I could be as brief as my honourable Friend the Attorney General but I don't feel I can, Sir.

I move the resolution standing in my name on the order paper in respect of the proposed amendment to the Schedule to the Hong Kong and Yaumati Ferry Company (Services) Ordinance (Chapter 266).

The Hong Kong and Yaumati Ferry Company's passenger ferry services to various islands in the New Territories provide the major

form of transport for local residents. In early 1975, the company was asked to include Hei Ling Chau in its inter-island ferry service to serve the Prisons Department's Drug Addiction Treatment Centre there. In agreeing to this, the company proposed a re-organization of its outlying district services and the resolution seeks to introduce the revised fare structure arising from the re-organization of the following existing services:—

- (a) *The Hong Kong/Cheung Chau Service* on which there will be one more direct sailing, each way, on Sundays and public holidays, to cater for the increase in recreational traffic to Cheung Chau. The fare for the 5.45 a.m. indirect service from Cheung Chau to Hong Kong via Silver Mine Bay and Peng Chau will be increased from 80¢ to \$1.20 to bring it into line with the direct service. Paragraph (a)(iii) of the resolution covers this revisions.
- (b) *The Inter-Island Ferry Service* on which one ordinary "Yarrow" class vessel is used on the present daily inter-island ferry service which links Peng Chau, Silver Mine Bay, Chi Ma Wan and Cheung Chau. Under the re-organization, Peng Chau will be excluded and the service will be revised to call at Hei Ling Chau, Silver Mine Bay, Chi Ma Wan and Cheung Chau using a faster water bus with greater carrying capacity than the present vessel. There will be five more sailings per day.
- (c) *The Hong Kong/Silver Mine Bay and Hong Kong/Peng Chau Services*

The existing Hong Kong/Silver Mine Bay and Hong Kong/Peng Chau direct services will be combined into an indirect service between Hong Kong and Silver Mine Bay via Peng Chau. as fast triple-deck vessels will be introduced on this service, the overall journey time, when compared with the existing Hong Kong/Silver Mine Bay direct service, will not be increased.

In order to maintain the present \$1 fare on the Hong Kong/Silver Mine Bay direct service, the fares for the Hong Kong/Peng Chau and Peng Chau/Silver Mine Bay Services (the component parts of the new indirect service between Hong Kong and Silver Mine Bay via Peng Chau) will be increased by 10 cents to 60 cents and 40 cents respectively. Paragraphs (a)(i) and (a)(ii); (b); and (c) of the resolution reflect these changes.

[SECRETARY FOR THE ENVIRONMENT] **Motions***(d) The Hong Kong/Yung Shue Wan and Hong Kong/Sok Kwu Wan Services*

The existing six daily sailings, each way, of the Hong Kong/Yung Shue Wan and Hong Kong/Sok Kwu Wan services will be increased to ten sailings, each way, on every day of the year. To make the expanded service viable, the existing fare of 60 cents for adults and 30 cents for children will be increased to \$1 for adults and 50 cents for children. Paragraphs *(d)* and *(e)* of the resolution reflect these increases.

The Transport Advisory Committee has endorsed the proposals. In order to put the re-organization into force, honourable Members are asked to approve the amended Appendix II of the Schedule to the Hong Kong and Yaumati Ferry Company (Services) Ordinance (Chapter 266) as indicated in the resolution.

Question put and agreed to.

RADIATION ORDINANCE

DR CHOA moved the following motion:—

That the following regulations, made by the Radiation Board on the 22nd January 1976, be approved—

- (a)* Radiation (Control of Radioactive Substances) (Amendment) Regulations 1976; and
- (b)* Radiation (Control of Irradiating Apparatus) (Amendment) Regulations 1976.

He said:—Sir, I move the resolutions standing in my name on the order paper in respect of the Radiation (Control of Radioactive Substances) (Amendment) Regulations 1976 and the Radiation (Control of Irradiating Apparatus) (Amendment) Regulations 1976.

The purpose of both sets of regulations is to increase licence fees to a more appropriate level. The fees have remained unchanged since 1970 and the Radiation Board has agreed that they should now be reviewed.

Question put and agreed to.

**FACTORIES AND INDUSTRIAL UNDERTAKINGS
ORDINANCE**

MR PRICE moved the following motion:—

That the Factories and Industrial Undertakings (Amendment) (No 2) Regulations 1976, made by the Commissioner for Labour on the 26th January 1976, be approved.

He said:—Sir, I move the motion standing in my name on the order paper for the approval of the Factories and Industrial Undertakings (Amendment) (No 2) Regulations 1976 which were made by me on 27th January 1976.

These short regulations give effect to the amendment proposed by my honourable Friend Dr CHUNG in this Council on 21st January 1976 to regulation 33(1)(c) of the principal regulations. For procedural reasons, this amendment was not effected at that meeting.

Question put and agreed to.

Motion (in Committee)**Supplementary provisions for the quarter ended
30th September 1975**

Council went into Committee, pursuant to Standing Order 58(2), to consider the motion standing in the name of the FINANCIAL SECRETARY.

THE FINANCIAL SECRETARY moved the following motion:—

That this Council approves the proposals set out in Paper No 32.

He said:—Sir, the schedule of supplementary provision for the second quarter of the financial year 1975-76 covers a total amount of \$89.2 million, a very low figure compared with previous years and reflects our determination this year to keep a tight grip on public expenditure. Of this sum, Public Works Non-Recurrent accounts for \$18.8 million which was required as a result of more rapid progress on a number of existing projects and projects recently upgraded or included for the first time in Category A of the Public Works Programme.

[THE FINANCIAL SECRETARY] **Motion (in Committee)**

Other supplementary provision worth mentioning includes \$26 million to meet additional unforeseen expenditure expected to arise during the year, \$20 million for payment of dues to China for imbalance of surface mail exchanged between Hong Kong and China, \$4.9 million for payment of rates for Group B estates, \$3.5 million for traffic diversion to enable construction of the mass transit railway to proceed, \$1.5 million for additional remedial works for damage caused by rainstorms, and \$1.5 million for expenses associated with the detention of refugees from Vietnam.

The supplementary provision covered by the schedule results in a net increase of \$26 million in approved expenditure for the year, the remainder being offset by savings from other subheads of expenditure.

The Finance Committee has approved all items in the schedule and the purpose of this motion is simply to seek the covering authority of this Council.

Question put and agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the motion had been agreed to in committee without amendment.

Question agreed by the whole Council pursuant to Standing Order 58(4).

First reading of bills

**INDEPENDENT COMMISSION AGAINST CORRUPTION
(AMENDMENT) BILL 1976**

PREVENTION OF BRIBERY (AMENDMENT) BILL 1976

**PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT)
BILL 1976**

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

Second reading of bills**INDEPENDENT COMMISSION AGAINST CORRUPTION
(AMENDMENT) BILL 1976**

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend the Independent Commission Against Corruption Ordinance."

He said:—Sir, the Independent Commission Against Corruption has been in operation for about two years and we now have some experience of its practical requirements. The amendments embodied in this bill are simply the results of that experience. They are essentially of a routine and practical nature. There is nothing exceptional or unprecedented about them.

The commission's charter requires it to investigate cases of corruption. This is its only target. It has not initiated, and it will not in future initiate, an investigation unless at the outset there is reasonable ground to suspect corruption. This may strike honourable Members as a somewhat obvious point to make. I make it only because there has recently in the context of this bill been some loose talk about a "second" or "rival" police force. The Government refutes utterly any such suggestion and I hope that no more will be heard of it.

Nonetheless, Sir, corruption is often inextricably intermingled with other forms of criminal activity. The practical implications of this for the commission's work are obvious. The successful investigation and prosecution of a corruption offence often therefore involves inquiring into other offences which provided the opportunities for corruption. The commission will, however, never pursue its inquiry into related offences to any greater extent than is necessary to enable the Crown at the end of the day to put before the courts the full picture of the corruption involved in any particular case. It has quite enough to do and is not minded to waste its resources.

I now turn, Sir, to the proposals in the bill. The Government's intention at this point in time is to do no more than make such limited provision as seems necessary to ensure the continued effective, independent operation of the commission. A good example is the proposal that officers of the commission should be able themselves to release an arrested person on bail where further inquiries are necessary, instead of taking him, as they now must, to a police station so that he may be placed on police bail. The present position is so obviously unsatisfactory that I do not need to dwell on the matter.

[THE ATTORNEY GENERAL] **Independent Commission Against Corruption
(Amendment) Bill— second reading**

Another example is the proposed power to take photographs and the fingerprints of people arrested by officers of the commission.

Clause 4, Sir, seeks to introduce three new offences which experience has shown to be necessary. The first one makes it an offence to obstruct or resist a commission officer in the execution of his duty, and it speaks for itself. The second offence deals with the giving of false information and the making of false reports to the commission. It follows a comparable provision in the Police Force Ordinance. It is an important provision. A false accusation of corruption is easily made and there have already been instances in which members of the public, faced with action by the Police Force, for example, have made accusations of bribery in order to impede the police in the execution of their duty. This cannot be tolerated for a moment.

The third offence is concerned with impersonation of officers of the commission and with falsely pretending to have the powers of a commission officer. It is already an offence under the Summary Offences Ordinance to impersonate any public servant, and that includes an officer of the commission, but it is considered that special provision in relation to commission officers is necessary so that a higher maximum penalty may be prescribed. There have been over 20 reported cases of impersonation of commission officers since May 1974. They do not wear uniform and their only outward badge of authority is their warrant card. It is essential to preserve the integrity of that card and of the assertion by officers of the commission that they are such, but particularly in view of some of the powers with which they are invested it is incumbent on the Government to do all that it can to ensure that no one takes advantage of this for his own ends.

Now, Sir, I want to speak about the powers of arrest of officers of the commission. Sir, they may be virtue of the Independent Commission Against Corruption Ordinance as it now stands make an arrest in respect of any offence under the Prevention of Bribery Ordinance or the Corrupt and Illegal Practices Ordinance. They also have that power of arrest which is common to everyone in Hong Kong—the citizen's power of arrest under section 101 of the Criminal Procedure Ordinance in respect of any offence which is punishable with imprisonment for more than 12 months. The latter is an extensive power of arrest, but it is not really intended for officers of law enforcement agencies and is unsuitable for general use by officers of the commission

because an arrested person must be taken immediately to a police station.

It is necessary that their powers of arrest should be extended. Why is that so?

I have already explained why commission officers investigating allegations of corruption have to investigate other offences in the course of the primary investigation. Whilst the commission will always sever an inquiry into other offences from its investigation of corruption wherever this is practicable, and hand the matter over to the appropriate authority, the fact is that it is sometimes simply not practicable to sever the investigation. This may be because of the intermingling of corruption offences and other offences about which I have already spoken or because the commission's investigation may have reached a point at which it would not be a sensible use of resources to sever the inquiry into other offences even if it were otherwise practicable to do so.

In addition, Sir, an investigation of alleged corruption sometimes establishes that a different offence has in fact been committed. Related offences which can at first sight have some of the attributes of corruption are blackmail or extortion and obtaining property by deception. The commission may therefore quite properly have begun an investigation on the basis of suspected corruption. If it emerges at an early stage that there is no corruption, the commission can disengage itself from the inquiry and hand the matter over. However, the true nature of the offence may not emerge until a late stage or at a point where again it would be wasteful of resources to hand the investigation to others.

Then, there are cases in which at the conclusion of an investigation by the commission I or my officers may feel that the reality of the matter calls for a prosecution for an offence other than a corruption offence notwithstanding that the underlying matter is corruption. For example, it might be considered that a charge of conspiracy to pervert the administration of justice is appropriate. In like circumstances, a decision may be taken during an investigation, though at a stage when it would be foolish to hand the matter over, to switch from a corruption offence and pursue the investigation on the basis of conspiracy including the corruption involved.

I hope, Sir, that I have said sufficient about the course which a *bona fide* investigation of suspected corruption may take to demonstrate

[THE ATTORNEY GENERAL] **Independent Commission Against Corruption
(Amendment) Bill— second reading**

that it is quite unrealistic to think that an organization like the Independent Commission Against Corruption charged by the legislature with the investigation of corruption can avoid being drawn into the investigation of other connected offences. To limit the scope of its inquiries to bribery offences alone would stultify its effectiveness.

Then, it follows unquestionably that officers of the commission must have power to arrest for those other offences. That is what the bill proposes and no more. It is also proposed that commission officers should have power to arrest for any of the new offences to be introduced by the bill itself.

Sir, I think it appropriate, before speaking further about the provisions of the bill, to say that there are guidelines as to the procedure which applies as between the commission and the Police Force where the commission's inquiries have to extend to offences other than corruption offences. These will be kept under review in the light of developments. Co-operation between the commission and the Police Force is satisfactory.

Another proposal, Sir, which is necessary in part because of the commission's involvement with other offences is that in the new section 10B. Honourable Members are aware that the commission's investigatory powers under the Prevention of Bribery Ordinance, including the commissioner's power to issue search warrants, are confined to suspected corruption offences. It is obviously important that the commission should also be able to search premises for evidence of connected offences in circumstances where the Prevention of Bribery Ordinance powers cannot be used. A standard provision is to be included authorizing the issue by a magistrate of a search warrant. This is because it would clearly not be appropriate to extend to other offences any of the powers specially conferred by this Council for the investigation of corruption offences. Perhaps I should add, Sir, out of deference to the lawyer members of this Council, that pursuant to a magistrate's warrant under this new section commission officers could enter and search the offices or chambers of solicitors and barristers, just as police officers may enter those premises if authorized by a warrant under section 50(7) of the Police Force Ordinance. Entry to such premises may not, however, be authorized under the Prevention of Bribery Ordinance unless the solicitor or counsel is himself a suspect. I must also add that the bill seeks to introduce a general provision specifically

preserving the privilege which a lawyer's client has at common law in relation to communications made by him to his legal adviser.

Finally, Sir, there are some routine provisions empowering commission officers to enter premises in order to effect an arrest, to search premises in which a person is arrested (in case the arresting officer is not authorized by warrant to search the premises) and to seize material which is reasonably believed to be evidence of an offence which the commission is investigating.

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

PREVENTION OF BRIBERY (AMENDMENT) BILL 1976

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend the Prevention of Bribery Ordinance."

He said:—Sir, notices under section 14A of the Prevention of Bribery Ordinance restraining a suspect from dealing with property, and orders of the District Court under section 14C of the ordinance restraining other persons from dealing with property owing to or held for a suspect, must, as the law stands, be served personally on the suspect. For various reasons, personal service has not always been practicable and yet in practice it has often appeared that service in some other way would unquestionably have brought the notice or order to the attention of the suspect. The need for personal service has therefore unnecessarily frustrated the operation of those provisions.

It is thought that the right course will be to provide that the District Court may on application by the commissioner direct that service be effected in some other way. Clauses 2 and 3 provide accordingly. The matter will be entirely in the hands of the court which will of course require the commissioner to satisfy it that the alternative method of service proposed in any particular case will be as effective in practice as personal service.

The other substantive provision of the bill will provide that proceedings relating to the surrender of travel documents under section 17A of the Prevention of Bribery Ordinance must be held in Chambers and not in open court.

Prevention of Bribery (Amendment) Bill—second reading

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

**PUBLIC HEALTH AND URBAN SERVICES
(AMENDMENT) BILL 1976**

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

He said:—Sir, the object of this bill is twofold—to streamline certain administrative arrangements and to amend certain provisions under the principal ordinance with a view to increasing their effectiveness.

Clauses 5, 7, 8, 10, 13 and 15 seek to amend the relevant sections of the principal ordinance so that the powers to set aside places or premises and designate them for use as public swimming pools, slaughterhouses, markets, stadia, museums, libraries, civic centres, pleasure gardens and crematoria are transferred from the Governor to the authority. The intention is to vest these powers personally in the appropriate Secretaries in the Colonial Secretariat.

Clause 11 adds a new section 119A to the principal ordinance so that the authority, instead of the Governor in Council, will have the power to order the removal and disposal of human remains that have been buried in public cemeteries for not less than six years. Under existing policy, coffin burials in public cemeteries are subject to exhumation after six years. This leads to economies in land use and extends considerably the life of the public cemeteries. Such exhumations have become an annual exercise and the power to authorize annual exhumation may more appropriately be exercised by the authority. The general power to direct exhumation under other circumstances will remain with the Governor in Council.

Clause 15 amends the Third Schedule of the principal ordinance and specifies the authority for the exercise of the powers transferred from the Governor by the bill and for the purpose of the proposed new section 119A.

Clause 3 is aimed at correcting the anomaly under section 27 of the principal ordinance where contractors of building sites belonging to Government or the Housing Authority cannot be prosecuted for mosquito-breeding offences because the ordinance is not applicable to such sites.

Clause 4 amends section 40(2) of the principal ordinance so that regulations made under section 40 subsection (1) may require the licensing of commercial establishments which are used for washing and cleaning linen used in hotels, apartment houses, restaurants and similar establishments. It is felt that, in the interests of public health, this kind of laundry business should be brought under proper control.

Clause 6 amends section 57 of the principal ordinance to empower the authority to control the selling of live reptiles for human consumption in addition to live poultry and live fish. In view of the large quantity of snakes sold for human consumption it is clearly in the public's interest to control the business. (*laughter*)

Clause 14 amends section 125 of the principal ordinance to empower the Urban Council to waive the payment of any fees for the issue of licences or permits for which the Urban Council is the licensing authority. This is consequential on the Urban Council's financial autonomy.

The other amendments in the bill are relatively minor and I cannot usefully add to the explanatory memorandum.

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

Question put and agreed to.

PLANT (IMPORTATION AND PEST CONTROL) BILL 1976

Resumption of debate on second reading (21st January 1976)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

**FACTORIES AND INDUSTRIAL UNDERTAKINGS
(AMENDMENT) BILL 1976**

Resumption of debate on second reading (21st January 1976)

Question proposed.

MR JAMES WU:—Sir, the Unofficial Members of this Council have studied the Factories and Industrial Undertakings (Amendment) Bill 1976 and the introductory speech made by my honourable Friend the Secretary for the Environment on 21st January 1976, and I am pleased to report on their behalf that we have agreed to support the bill which will prohibit the setting up of any industrial undertaking other than specific service trades in new non-industrial buildings in respect of which an occupation permit is issued on or after 1st March 1976. We also concur with Government's plan, under the first stage of the proposed programme of action against industrial undertakings in existing non-industrial buildings, to remove all dangerous and obnoxious undertakings from such buildings provided that a grace period of six months is allowed, except where the risk to public health or safety is intolerable, to enable undertakings so removed to find suitable alternative premises.

However, as regards industrial undertakings in existing non-industrial buildings which are neither dangerous nor obnoxious, we consider that no action should be taken in this direction until the overall problem has been fully identified and we have had an opportunity to discuss the matter with the various Government officials concerned. In our study of the bill the *ad hoc* group of which I am the convener experienced difficulty in understanding the many and far from precise definitions and terms used both in the legislation and by my honourable Friend the Secretary for the Environment in his introductory speech on the bill. We would therefore urge the Government to produce a simple glossary of these definitions and terms which will be readily understandable by the public at large.

Sir, one of the paradoxes of modern life has to do with economic development and the environment. All too often, environmental damage would come from the production or the consumption of goods. Power plants, steel and paper mills, petro-chemical plants, automobiles and disposable containers are cases in point. The most recent example under contention is whether commercial aviation should be limited to sub-sonic flights to minimize air and noise pollution in the atmosphere. Indeed, as much as economic development is vital to the well-being of

society, increasing attention and consideration are being given to any adverse effects on the environment, on air, on water, the tranquillity of urban life, and even the natural beauty of the countryside. The oil crisis reminded people of the alarming effects of a shortage of certain basic supplies (in this case oil, and may include such items as fertilizer and paper). But for this reminder such vital supplies could have been curtailed due to over-zealous opposition from the environmentalists, who could have won straight battles, with growing and general suspicion that all industrial development is a source of pollution.

To the extent that, as with most other things in life, protection of the environment incurs a cost, there is little wisdom to go for extremes or absolutism at costs that we can ill-afford. The logical and expedient solution would therefore have to weigh the gains of protection against the cost, bearing in mind the overall public interest and the need to win public understanding if not auspices. Sir, Government is to be congratulated on following this approach, as related by my honourable Friend the Secretary for the Environment in his speech in this Council a fortnight ago.

It has to be remembered however that, considering its fantastic industrial development, Hong Kong has been spared the more serious environmental pollution problems as the activities here are mainly light industries. On the other hand, the risks and effects of fire and any pollution are very much magnified due to congestion and proximity of factories to residential premises.

To give some idea of the magnitude of the problem, I would like to make reference to the following introductory passage in a Government paper on the problem in February 1974. I quote:

"Hong Kong has been living for many years with the problem of accommodating very small-scale industrial undertakings. For a variety of reasons, many small factories have located in domestic buildings. At present, it is estimated that there are about 22,000 such undertakings employing a labour force of over 100,000 people. The majority of them are under-capitalized and occupy less than 1,000 square feet each in floor area. Some do not operate for themselves, but rather as support operations for larger industrial undertakings."

Sir, I can speak from personal knowledge and experience that factories of the type I have just mentioned are not uncommon in an industrialized country as advanced as Japan, but through effective quality control techniques, products from such factories have been able to find their

[MR JAMES WU] **Factories and Industrial Undertakings (Amendment) Bill—
resumption of debate on second reading (21.1.76)**

way as components of integral apparatus or appliances bearing well-known brand names. Moreover, such cottage type industries abound in many developing countries. I feel sure, however, that given imagination, enterprise and close co-operation between Government and the private sector, an acceptable solution to the problem in Hong Kong will be forthcoming.

MR CHEONG-LEEN:—Sir, in rising to support this bill, I am conscious of Government's deep concern to improve progressively the environmental conditions in residential and non-industrial buildings. Although Hong Kong is regarded by many as a modern international city, it is still one of the most densely populated in the world. It stands to reason that the Government should do everything possible to phase out from domestic and non-industrial buildings the various forms of industrial undertakings which create excessive noise and vibration, or are fire hazards, or cause serious nuisances by way of dust, smell or heat. The public should therefore support the Government's plan under the bill to prevent new industrial undertakings, except specified service trades, starting up in new non-industrial buildings.

The public should also support Government's intention to remove the estimated 200 to 350 dangerous and obnoxious industrial undertakings from existing non-industrial buildings. This is essential in the interests of public health and safety. However, apart from giving these dangerous and obnoxious industrial undertakings reasonable notice to move, I hope that the Government agencies concerned will not forget that the rice bowls of workers are at stake and that every assistance should be given to effect a smooth relocation of these workplaces.

I understand from the honourable Secretary for the Environment's speech on January 21st that it is proposed to take action wherever possible during the first stage of the programme to clear industrial undertakings from purely residential buildings. It would be of public interest to know whether Government has quantified the problem in terms of the number involved, and the potential hazard to public health and safety, as well as the potential hardship that could be caused to the operators and the workers who would be affected.

As to what can and will happen after the first stage of the programme of action is completed, I feel sure that the public will be most

anxious to know more about Government's aims and intentions in this respect. If it is a fact that there are approximately 20,000 industrial undertakings with 100,000 jobs involved in existing non-industrial buildings, Government will have to move cautiously before taking action against these undertakings.

No premature or precipitate action should be taken by any Government department until the problem has been carefully analyzed and a practical approach has been worked out to progressively reduce the number of such industrial undertakings in existing non-industrial buildings without causing disruption to the economy of Hong Kong.

One step that Government can consider now is the making available of flatted factory space in the New Territories and in the urban areas for the different types of industrial undertaking now operating in existing non-industrial buildings. Such accommodation could be built either by private enterprise or, if necessary, by Government.

A list of rules has been drawn up by the Government to guide departments in the implementation of the programme of action. If these rules will assist in clarifying Government's environmental strategy and enforcement plans, and do not consist of a premature or ill-conceived approach to the problem, then I am sure there will be no difficulty as to implementation. I sincerely hope that these rules will gradually reduce the number of illegal factories in non-industrial buildings without creating too much confusion in the minds of the public as to Government's policy, or too much disruption to the economic life of the community.

With these words, Sir, I support the motion.

SECRETARY FOR THE ENVIRONMENT:—Sir, I am most grateful for the support my two honourable Friends have given this bill. May I, in return, express complete agreement with their sentiments with regard to the manner in which the Government should endeavour to achieve its environmental aims? I have often stated publicly that Hong Kong must set environmental aims it can afford and I share the fears of my honourable Friends of attempts to impose environmental standards in various spheres which could damage our economy and the livelihood of our people. This is why our programme of action against industrial undertakings in non-industrial buildings will move in very careful stages.

As regards the clearance of industrial undertakings from purely residential buildings, to which my honourable Friend, Mr CHEONG-LEEN, has drawn attention, this is a consolidation of an existing practice in a

[SECRETARY FOR THE ENVIRONMENT] **Factories and Industrial Undertakings (Amendment) Bill—resumption of debate on second reading (21.1.76)**

new comprehensive policy. As far as possible, lease enforcement action has always been taken against those who use purely residential buildings for non-residential purposes, for example, as offices or factories. It is rare for industrial undertakings to be conducted in purely residential buildings, though there have been cases of car-parking spaces being used for industrial undertakings, such as storage, or commercial purposes. Action in such cases is normally taken by enforcing the car-parking leasing conditions. Although, therefore, detailed statistics are not available, the number of industrial undertakings found in purely residential buildings is likely to continue to be very small and, since what is involved here is a continuation of existing policy, it should cause no alarm.

As I indicated when introducing the bill on 21st January 1976 future action against industrial undertakings in existing non-industrial buildings will depend on whether reasonable means can be found by which the individual undertakings can continue to operate. I readily give the assurance that no premature or precipitate action will be taken by any Government department until the problem has been carefully analysed and a practicable approach has been worked out. There are a number of lines of approach to be considered, including possible measures to bring about the provision of suitable accommodation into which displaced industrial undertakings can move, as mentioned by my honourable Friend, Mr Hilton CHEONG-LEEN, and to encourage their removal into such accommodation as already exists.

The need to publicize the rules and definitions to which Government departments will be working during stage one of the programme of action against industrial undertakings in non-industrial buildings, is well recognized. My honourable Friend, Mr James WU, will be pleased to hear that a pamphlet, containing all this information and written in as simple a way as possible, has already been produced. Advance copies of this pamphlet are now available for reference in City District Offices in the urban area and District Offices in the New Territories, and copies are today being issued to the newspapers and other news media. I have also arranged for copies to be distributed to honourable Members this afternoon. Further quantities of the Chinese version of the pamphlet are in the course of production and should be available on request in District Offices within a very short time.

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.

PLANT (IMPORTATION AND PEST CONTROL) BILL 1976

Clauses 1 to 27 and the First, Second and Third Schedules were agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1976

Clauses 1 to 5 were agreed to.

APPRENTICESHIP BILL 1975

Clause 1

MR PRICE:—Sir, I move that clause 1 be amended as set out in the paper before honourable Members.

Proposed amendment

Clause

1 That clause 1 be amended by deleting "1975" and substituting the following—

"1976".

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clause 2

Apprenticeship Bill—committee stage

MR TIEN:—Sir, I move that clause 2 be amended as set out in the paper before honourable Members.

*Proposed amendment**Clause*

- 2 That clause 2 be amended in the definition of "young person" by deleting "17" and substituting the following—
"19".

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 to 26 were agreed to.

Clause 27

MR PRICE:—Sir, I move that clause 27 be amended as set out in the paper before honourable Members.

*Proposed amendment**Clause*

- 27 That clause 27 be amended in subclause (1) by deleting "takes in" and substituting the following—
"takes place in".

The amendment was agreed to.

Clause 27, as amended, was agreed to.

Clauses 28 to 43 were agreed to.

Clause 44

MR PRICE:—Sir, I move that clause 44 be amended as set out in the paper before honourable Members.

*Proposed amendment**Clause*

44 That clause 44 be amended in subclause (1) by deleting "16" and substituting the following—

"18"

The amendment was agreed to.

Clause 44, as amended, was agreed to.

Clauses 45 to 48 were agreed to.

Clause 49

MR PRICE:—Sir, I move that clause 49 be amended as set out in the paper before honourable Members.

*Proposed amendment**Clause*

49 That clause 49 be amended by deleting "1975" wherever it occurs and substituting the following—

"1976".

The amendment was agreed to.

Clause 49, as amended, was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the Plant (Importation and Pest Control) Bill and the Factories and Industrial Undertakings (Amendment) Bill had passed through Committee without amendment and that the Apprenticeship Bill had passed through Committee with amendment and moved the third reading of each of the bills.

Question put on each bill and agreed to.

Bills read the third time and passed.

Unofficial Member's motion

**INDUSTRIAL TRAINING (CLOTHING INDUSTRY)
ORDINANCE 1975**

MR TIEN moved the following motion:—

That—

- (a) the rate of levy under the Industrial Training (Clothing Industry) Ordinance 1975 be 30 cents for every \$1,000, or part thereof, of the FOB value of the clothing items exported; and
- (b) the resolution of this Council of 3rd December 1975 prescribing the rate of levy be cancelled with effect from the date on which this resolution comes into effect.

He said:—Sir, on 3rd December 1975 Council by a resolution under section 22 of the Industrial Training (Clothing Industry) Ordinance prescribed the rate of the Clothing Industry Training levy as 0.03% of the FOB value of the clothing items exported. This was the rate recommended by the Clothing Industry Training Authority.

Unfortunately, it was not made sufficiently clear to the Authority by the department responsible for collecting the levy that this rate of 0.03% was likely to cause administrative problems. Honourable Members will recall that the *ad valorem* charges imposed under the Import and Export (Registration) Regulations are calculated at the rate of so much per \$1,000 or part thereof and it would be much more convenient if the Clothing Industry Training levy, which is in fact collected at the same time as the *ad valorem* charges on clothing exports, was expressed in a similar manner—that is to say at 30 cents for every \$1,000 or part thereof, instead of at 0.03%, of the FOB value.

Fees can of course be levied and collected at whatever rate Council may prescribe but it is much simpler, and therefore quicker, for the shroffs to make the calculation at 30 cents per \$1,000 and also, I think, less confusing to the public which is accustomed to this form of calculation. And because calculation of the levy is simplified, the administrative costs of its collection, which are debited to the Authority,

are minimized, thereby ensuring that as great a part as possible of the proceeds of the levy can be used for the purpose of industrial training for which they are intended. Furthermore, and equally as important, the public will spend less time queuing at the collection counters which are likely to become increasingly busy as trade improves.

The proposed new resolution expresses the levy as 30 cents per \$1,000 or part thereof of the FOB value and cancels the previous resolution. It cannot come into effect until 30 days after it has been published in the *Gazette* and, since collection difficulties are already being experienced, there is some urgency to make it. I am sure that all members of the Clothing Industry Training Authority are as anxious as I am that the collection of this new levy should proceed as smoothly and cheaply as possible and that the public should be inconvenienced as little as possible.

Sir, I beg to move.

Question put and agreed to.

Adjournment

*Motion made, and question proposed. That this Council do now adjourn—*THE COLONIAL SECRETARY.

3.50 p.m.

Licensed areas

DR CHUNG:—Your Excellency, on 28th January a group of representatives of the Hong Ning Road licensed area, Kwun Tong came to the UMELCO Office to see myself and my honourable colleague Mr TIEN as the duty roster Members of UMELCO. As is now generally known, the Unofficial Members are always glad, in this capacity, to interview any members of the public or representatives of groups or organizations who have a complaint to make against the Government or who wish to make representations. The representatives complained about the living conditions in the licensed area and about the lack of any firm news regarding their date of rehousing.

On the day after the interview the Chief Complaints Officer of the UMELCO Office visited the area to see the position on the ground and to talk to the residents. He also went to the Housing Department to obtain basic information about the licensed area. Here I must thank the officials of the Housing Department for supplying at short notice the information needed by UMELCO.

[DR CHUNG] **Licensed areas**

The following day, that is the day before Chinese New Year, I went to this licensed area to see conditions for myself. I feel it to be my duty, Sir, consequent upon that visit, to raise for discussion in this Council the general question of the future of the many old type Mark I licensed areas, of which this is one.

But may I deal first with the question of rehousing of the residents of the Hong Ning Road licensed area? Let me make it clear at the outset that I am not pressing for them to be rehoused out of turn. However, it does seem unsatisfactory that they should not know with any certainty what the future holds in store for them. I understand that the normal turnover period is approximately three years for the residents of a licensed area to be rehoused. In this case, they have been there since May 1972. I have seen a letter signed on behalf of the Secretary for Housing dated 16th January 1976 in which they were told that they have "excellent prospects" of being offered public housing in the next 12 months. But the same letter said it was not possible to state with any certainty when they might move; it also cast some doubt on the future use of this particular licensed area.

I am told that the tenure of this piece of land by the Housing Department already expired in October 1975. But I am also told that nobody in Government can say whether, and if so when, the land will be needed for another purpose. Obviously, therefore, my honourable Friend the Secretary for Housing is in difficulty in preparing his own plans. But the general public cannot understand the reason for this. To them arrangements for land tenure and rehousing are a matter of procedure to be settled within Government: they do not know, nor indeed do they wish to know, all the complications and details of inter-Governmental department co-ordination. I hope, therefore, that in the course of this debate a firm announcement can be made about the future of this licensed area. I urge too that a definite indication be given to the residents of the area of the date when they can expect to move into housing estates.

I now turn to the question of living conditions in the area. The letter dated 16th January 1976 from the Secretary for Housing refers to the congested layout and the dilapidated condition of the structures there, to the need for re-surfacing of the whole area, and to the lack of authorized electricity and reticulated water supply systems. The letter acknowledges that the absence of an electricity supply is one of the factors which justifies the early rehousing of the occupants of this licensed area.

Apart from the defects enumerated in the letter, it came to my attention during my site visit that the provision of latrine and washing facilities is minimal. There are few fire hydrants and the residents are concerned about the fire risk. The lack of street lighting is a further defect, particularly in these days of widespread crime.

Sir, the main point which I wish to raise in this debate concerns the squalid living conditions and lack of basic facilities in all of the old type Mark I licensed areas of which I am told there are ten housing some 9,000 residents. These people have lived in these unsatisfactory conditions for varying periods, some for as long as eight years since 1968. I have been to some of the other Mark I licensed areas such as Ma Tsai Hang ex-rifle range, and Kowloon Bay East and I can say from my own knowledge, Sir, that the conditions in these areas are as bad as those in the Hong Ning Road area.

It seems deplorable in this day and age that camps managed by Government to accommodate residents of Hong Kong should be so primitive. They are an affront to human dignity and they fall far short of even the minimum standards which could properly be expected.

I have discussed this situation with my Unofficial colleagues and we urge that urgent steps should be taken to bring all the older type licensed areas and particularly the Mark I type up to the same standards as those more recently established, for example Ping Shek, where the basic essentials of human habitation are properly provided.

MISS KO:—Your Excellency, to many of us, conditions in the old type licensed areas have been a matter of deep concern. In my most recent visit to some of these licensed areas, the need for urgent attention to these conditions seemed to me to have become even more pressing. I wish to join my senior Unofficial colleague, Dr CHUNG in urging the Government to bring all the old type licensed areas and particularly the Mark I type up to the same standards as those more recently established, where the facilities and provisions for basic human needs are properly provided.

During my recent visit to the Hong Ning Road Licensed Area I found there are 322 households composed of 1,433 people and there are only 16 latrine apartments and the same number of bathing apartments. The ratio between the number of occupants there and the number of latrine and bath room facilities is unreasonably low. This proves to be very uncomfortable and inconvenient to the people especially during the "rush hours" of using both facilities. Conflicts

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and quarrels occur when people try to get drinking water from the two water heads unless they have unlawful household water supply. The crowdedness and living conditions of this area are likely to produce strain, tension and conflicts in families and among people. The piles of rubbish and dirty water running through the area make the environment of the area very unhygienic and a breeding ground for possible diseases. The situation is prone to outbreaks of respiratory infections, infectious diseases of the skin, and certain infectious diseases of child-hood. I understand this is only one of the ten old type Mark I Licensed Areas. It is obvious that the above situations need urgent attention and proper measures should be taken to improve the conditions.

In the same licensed area, there are only three fire hydrants in the entire area. According to the occupants there, there is an average of thirty small fires each month, mainly due to the illegal wiring for electricity and high load of voltage. It is hoped that the fire prevention measures will soon be improved.

It is a well known fact that the illegal supply of electricity and the illegal installation of water taps are controlled by triad elements. I was told that in licensed areas, many "business transactions" are controlled by triad-type societies and it would be difficult for the residents to avoid associating with them, for instance, if they get some other workmen to do the job, these workmen would be beaten up by members of the triad societies. This does not only provide opportunities for exploiting the licensees by the triad societies through charging unreasonably high prices for their illegal services, but also encourages triad activities and development in our community. I have also been informed that fights do happen frequently in these areas. It is desirable that the police pay more attention to these matters.

I should like to add that for the many inhabitants of these licensed areas, young and old, there is also a serious lack of recreational opportunities and facilities. I would suggest that it need not be an expensive matter to arrange for recreational opportunities in these areas at suitable intervals. Besides the more organized types of programmes and activities, evening variety shows in the open air, a band concert, or a fun fair on a Sunday afternoon for the youngsters would also be very helpful. In this connection, perhaps the Urban Council or Urban Services Department could also be asked how the needs of some of these licensed areas for entertainment could best be met.

The provision of more scheduled transport services to some of these areas, which are far from the present public transport facilities, is worth consideration by the Government and the public transport companies.

Community work, for instance, adult education, women's work and working with youth, and so on, is also very desirable in this kind of environment.

I would also like to urge voluntary agencies to render more services to these areas especially the old type areas according to their needs and I also hope that the Government will give the agencies more support in the future.

I urge that urgent measures be taken to improve the existing conditions in these areas and that firm plans be made that the people there will soon be properly rehoused.

4.10 p.m.

SECRETARY FOR HOUSING:—Sir, there is widespread agreement that conditions in the old licensed areas are no longer tolerable, and over the past two years the Housing Authority has spent about \$20 million in improving the older areas and building new areas to much higher standards. I am glad to hear that these standards, exemplified by the Ping Shek licensed area, have won my honourable Friends' approval and I can assure them that our purpose is gradually to convert all licensed areas to these standards. Of the 25 old-style licensed areas, fifteen have already been given a proper electricity supply, leaving ten old Areas which have not been given a supply hitherto because we hope that sufficient public housing will be available to rehouse the occupants in the coming year. We will then modernize these areas, to Ping Shek standards. In short, these Mark I Areas should disappear over the next fifteen months or so. I should add that the Housing Department is constantly considering what further improvements might reasonably be provided in licensed areas and is, for example, considering the feasibility of providing mains water flushing in the toilet blocks in these areas. Meantime I gladly note this support for improved licensed areas and I am sure that this will be reflected in the provision of funds in next year's Estimates for the continuation of the Housing Department's efforts in this direction.

Sir, as to the particular case of the Hong Ning Road Licensed Area, this is one of the ten Mark I areas which as I have already said we plan to clear into public housing during the coming year. However,

[SECRETARY FOR HOUSING] Licensed areas

the exact timetable must depend on the availability of new public housing and the Housing Authority's other commitments, including clearances for public works which must have a high priority. At the same time, we have to remember that these plans can be upset by sudden emergencies which might leave large numbers of families in need of housing at short notice. Subject to these reservations, the Housing Authority will shortly be asked to agree the clearance of these Mark I licensed areas next year. Once the timetable has been finalized later this year, each licensed area would be given three months' notice of clearance. It is not good practice, Sir, to suggest clearance dates too far in advance, since all sorts of factors can intervene to upset these calculations and we may be sure that any such forecast, no matter how hedged around with reservations, would be regarded by those concerned (and naturally so) as a firm promise to be discharged regardless of the authority's other obligations.

I should add that there can be no guarantee that residents of the new style licensed areas, with their much improved standards, can necessarily expect to be allocated public housing after any particular number of years' residence. But the Housing Authority does make an allocation each year for turning over the population of these areas, and so releasing space for new admissions. Families in licensed areas are now required to register on the general waiting list and can eventually qualify in this way for admission to public housing in any case in their own right.

Question put and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders, I now adjourn the Council until 2.30 p.m. on Wednesday, the 25th of February.

Adjourned accordingly at fifteen minutes past four o'clock.

Price: \$18.00

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