

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 26 April 1978****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
SIR DENYS TUDOR EMIL ROBERTS, KBE, QC, JP

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR HENRY CHING, JP

THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR GARTH CECIL THORNTON, QC

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR LI FOKK-KOW, CMG, JP

THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS

THE HONOURABLE DAVID AKERS-JONES, CMG, JP
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, CMG, JP
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, CMG, JP
DIRECTOR OF EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, JP
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, JP
SECRETARY FOR HOUSING

THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE THOMAS LEE CHUN-YON, CBE, JP
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE DEREK JOHN CLAREMONT JONES, JP
SECRETARY FOR THE ENVIRONMENT

DR THE HONOURABLE THONG KAH-LEONG, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE JOHN MARTIN ROWLANDS, JP
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, JP
COMMISSIONER FOR LABOUR

THE HONOURABLE DAVID RAYMOND BOY, JP
SOLICITOR GENERAL (*Acting*)

THE HONOURABLE AUGUSTINE CHUI KAM, JP
DIRECTOR OF HOME AFFAIRS (*Acting*)

THE HONOURABLE SIR SZE-YUEN CHUNG, CBE, JP

THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE ROGERIO HYNDMAN LOBO, 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 JOHN HENRY BREMRIDGE, OBE, JP

DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP

THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP

THE HONOURABLE LO TAK-SHING, OBE, JP

THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

THE REV THE HONOURABLE JOYCE MARY BENNETT, JP

THE HONOURABLE CHEN SHOU-LUM, JP

THE HONOURABLE LYDIA DUNN, OBE, JP

DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP

THE REV THE HONOURABLE PATRICK TERENCE McGOVERN, SJ, JP

THE HONOURABLE PETER C. WONG, JP

THE HONOURABLE WONG LAM, OBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

ABSENT

THE HONOURABLE ERIC PETER HO, JP
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE LEE QUO-WEI, CBE, JP

THE HONOURABLE LI FOOK-WO, OBE, JP

THE HONOURABLE LEUNG TAT-SHING, JP

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR STEPHEN TAM SHU-PUI

Oath

MR CHING and MR CHUI took the Oath of Allegiance and assumed their seats as Members of the Council.

HIS EXCELLENCY THE PRESIDENT:—May I welcome Mr CHING and Mr CHUI to this Council.

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:	
Road Traffic Ordinance.	
Road Traffic (Driving Licences) (Amendment) (No 2) Regulations 1978	79
Registrar General (Establishment) Ordinance.	
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Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Royal Hong Kong Auxiliary Police Force) Assignment Notice 1978	81
Auxiliary Forces Pay and Allowances Ordinance.	
Replacement of Schedule Notice 1978.....	82
Auxiliary Forces Pay and Allowances Ordinance.	
Auxiliary Forces Pay and Allowances (Amendment) Regulations 1978	83
Reserved Commodities Ordinance 1978.	
Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations 1978.....	84

<i>Subject</i>	<i>LN No</i>
Reserved Commodities Ordinance 1978.	
Reserved Commodities (Control of Sales by Wholesale) Regulations 1978....	85
Interpretation and General Clauses Ordinance.	
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Oral answers to questions

Airfreight exchange rate

1 MR JAMES WU asked:—*Sir, is Government aware of the prolonged dispute the local shippers and forwarders have with the International Air Transportation Association (IATA) and other air carriers over the latters' imposition of a highly unreasonable and discriminatory exchange rate of the U.S. Dollar whereby Hong Kong shippers have been made to suffer a 21% higher airfreight in comparison with other exporting countries?*

SECRETARY FOR ECONOMIC SERVICES: — Sir, the difficulties experienced by the International Air Transport Association in fixing tariffs arise from the complexity of international civil aviation. Airlines must provide a worldwide service and must be able to quote a price to their customers at any given time for any shipment to any destination, possibly involving transhipments between a number of different airlines. In order to do this airlines need to use certain basic and stable currencies from which rates in other currencies can be derived. Up to now, the two currencies used are the US dollar and the British pound. While there were fixed exchange rates, this system worked satisfactorily. But changes in exchange rates after 1971 introduced obvious complications and the general adoption of floating exchange rates has made matters worse.

The exchange rate fixed by IATA for the Hong Kong dollar is HK\$5.58161 to US\$1.00. This rate was fixed during 1972, when the market rate stood at around HK\$5.70. It is 21% higher than the current market rate and my honourable Friend describes it as 'highly unreasonable and discriminatory'. The Hong Kong Government has for some time been seeking a more realistic alignment. To this end we have first asked Her Majesty's Government, which has a responsibility for Hong Kong in air services matters, to press for an adjustment. *Secondly*, during the renegotiation of the air services agreement between the United States and the United Kingdom last year, the Hong Kong Government was instrumental in securing the acceptance by the United States Government of the need to have realistic exchange rates applied to tariffs between Hong Kong and the USA. And *thirdly*, last year we formalised

our relationship with the United Kingdom Civil Aviation Authority which has the power to approve or to disallow all tariffs fixed by IATA, as they affect the United Kingdom and Hong Kong. This formalization has strengthened our ability to resist all proposals for increases in air cargo rates until the issue of a more realistic exchange rate has been settled.

There has thus, for example, been no increase in trans-Pacific air cargo rates since 1973, although airlines have repeatedly filed higher tariff rates for approval by governments. The increases in fuel prices and other costs since that time would argue for increased tariffs. So I suspect that if the IATA exchange rate for the HK and US dollars were more realistically aligned, then the Government would have to concede probable corresponding increases in tariff rates. It is in the public interest that our very import air communications remain viable. My guess would be that the actual cost of air freight to shippers would remain more or less as it is at present when both adjustments to the exchange rates and adjustments to the cargo rates have worked through the system.

MR JAMES WU:—*Sir, is it not true that there has also been no air cargo rate increases since 1973 for all our neighbouring competitive countries who are able to pay for US\$ air freight at market exchange rates?*

SECRETARY FOR ECONOMIC SERVICES:—I am sorry, Sir, I am not 100% sure of the answer to that question but I believe that it is so.

MR JAMES WU:—*Sir, is it not true that if my information was true that Hong Kong is being discriminated against as the only country or region that has to pay for the US air freight at a very unrealistic exchange rate for the US dollar?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, that is not altogether correct. Those countries in the region whose currency has appreciated against the US dollar to a greater extent than has the HK dollar are in fact discriminated against even more than Hong Kong is, Japan is an example.

MR JAMES WU:—*Sir, for instance, is my friend aware that there has been no depreciation of the new Taiwan dollar against the US dollar in the last 4 or 5 years and therefore Taiwan has a market advantage over Hong Kong as far as Trans-Pacific air freight is concerned?*

SECRETARY FOR ECONOMIC SERVICES:—It is correct, Sir, that the last time the Taiwan dollar appreciated against the US dollar was in 1972, which is in fact five years ago, by 5%.

MR JAMES WU:—*Sir, is my friend aware that, because of this unrealistic exchange rate, Hong Kong is now suffering to the tune of more than \$100M a year by way of air freight which we should not have been paying?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, I am not aware of the exact figure that Hong Kong may or may not have been suffering as a result of this 21% difference between the IATA exchange rate and the current market rate. It would be difficult to calculate.

Airfreight exchange rate in Singapore and Malaysia

2 MR JAMES WU asked:—*In view of the Singapore and Malaysian Governments' requiring the airlines to accept local currencies at market exchange rates for the settlement of US Dollar tariffs, what steps can Government take to assist local shippers and airfreight forwarders?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, I am afraid we are not in possession of the full information concerning the moves of the Singapore and Malaysian Governments. We have now asked for further information and we shall consider the issue in the light of the results.

MR JAMES WU:—*Sir, can my honourable Friend undertake to advise this Council as to his findings in this particular aspect?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, I am sure that if an Honourable Member cares to ask a question in this Council, at, say, the next meeting or the meeting thereafter I will be able to provide an answer.

Water supply application—procedure for

3 MR P. G. WILLIAMS asked:—*What are the procedure for applying for water supply in housing estate units in particular the use of Form F (change of name of consumer) and Form I (request for installation of a meter) and is Government satisfied that these are correct and clearly understood by Estate Offices and advised to and understood by incoming tenants?*

DIRECTOR OF PUBLIC WORKS:—Sir, in applying for water supply the incoming tenants sign Form F, which is an undertaking to pay water charges and to pay a deposit to cover the cost of subsequent water consumption, which is billed in arrears. In new estates, meters are installed in advance of occupation with the Housing Authority being the initial consumer. When housing units have been allocated the estates management office undertakes the administrative work of completing the Form F on behalf of the individual tenants who are then required to sign them. The completed forms are forwarded to the Water Supplies Department for processing and supply is made available on the dates agreed with the housing estate office.

In cases where the meter has been removed due to non-payment of water charges, a Form I (which is a request for a metered connection) is also

required and is forwarded by the housing estate office simultaneously with the Form F. However, consideration is currently being given to dispensing with Form I applications for public housing estates.

Although there have been a few isolated cases in the past where there was a lack of understanding of the procedures, Government is now satisfied that the procedures are understood by Estate Offices and that they are explained to and understood by incoming tenants.

Water meters in Public Housing

4 MR P. G. WILLIAMS asked:—*Is it Government policy that where a tenant of a public housing estate occupies more than one housing unit that water service and meter will only be supplied to one of the units*

- (a) *where the units are combined and adjacent; and*
- (b) *where the units are separate?*

DIRECTOR OF PUBLIC WORKS:—Sir, where allocated housing units are combined and adjacent, one water meter is provided. The tenant therefore receives one basic free allowance in respect of the water consumed.

Where the units are separate, the need for water supply in each separate unit is recognized and a water meter is provided to each. In such cases, the consumer gets the free allowance one each meter.

Nocturnal motor-cycle racing

5 MR LOBO asked:—*Sir, what steps will Government take to prevent the streets of Hong Kong from being turned into nocturnal racing tracks by motor-cyclists in summer?*

SECRETARY FOR THE ENVIRONMENT:—Sir, although racing by motor-cycles and private cars in the late night and early morning hours during the summer months is dangerous and a source of much public complaint the number of people involved is quite small and they switch their activities at random from location to location. Furthermore, they usually send out ‘scouts’ to make sure that Police vehicles or road blocks are not present along the routes they choose.

The Police do try to counter these tactics by setting up a number of road blocks and radar speed traps simultaneously, moving them frequently throughout the night. This action has a strong deterrent effect but it uses a lot of manpower and its deployment must depend on other Police commitments at any particular time.

MR LOBO:—Sir, may I know does the answer mean that nothing more than what is being done at present is contemplated despite the danger and much complaints, or further measures will be considered?

SECRETARY FOR THE ENVIRONMENT:—Sir, I'll convey to the Commissioner of Police Mr LOBO's wish that more police manpower should be deployed on this, but as I said the Police have other commitments and the Commissioner has to decide his priorities.

Government Primary Schools—popularity of

6 MR WONG LAM asked in the Cantonese dialect:—

政府是否同意：

- (甲) 免費小學教育推行已達七年之久，但很多家長仍然對官立小學不感興趣，而希望將子女送往補助學校就讀；
- (乙) 如是，未知政府會否研究此種現象的成因及有何計劃予以改善？

(The following is the interpretation of what Mr WONG Lam asked:)

Does Government agree that—

- (a) *the majority of parents still show little interest in most Government primary schools and prefer to send their children to aided primary schools. despite the fact that free primary education has been introduced since 1971 and*
- (b) *if so, has Government looked into the reasons for this, and what are its plans, if any, to rectify this situation?*

DIRECTOR OF EDUCATION:—Sir, I agree with Mr WONG that parents generally prefer aided primary schools. Parents are free to choose primary schools they prefer for their children and they take into consideration factors like locality, religious affiliation and the academic reputation of schools before making a choice. Better off parents can afford to concentrate on religious background and academic reputation ignoring distance but less well-off parents naturally select schools near to where they live in order to reduce daily transportation costs and problems. As most Government primary schools, unlike aided schools, are located in the older residential areas, their clientele has decreased gradually because of population movement to the new towns and estates. This explains in general terms why most Government primary schools as well as some aided primary in such areas are under-utilized.

It does not explain why better off parents prefer aided schools. A small number of these are fee charging and this no doubt adds a certain glamour but this could explain only a small portion of the problem. There does appear to be a general preference for schools with religious affiliations, perhaps

because it is believed that these provide a stiffer moral education. But it is also true that less well-off parents, if an aided and a government school are equidistant, generally prefer the aided school.

It is true of course that government primary schools are required to accept any eligible pupil whereas aided schools can be more choosy. In this way aided schools can select the abler pupils. They also in some cases ask pupils to leave who are not making very good progress. In this way they have been able to be more successful in many cases in building an academic reputation and this influences parents.

A number of under-enrolled government primary schools have been phased out over the last five years thus acknowledging the preference I have described.

Apart from acknowledging this preference I believe that we should attempt to make government primary schools more attractive to parents and I am discussing with the staff concerned suitable ways of doing this. Certainly some demonstration by government primary school headmasters and teachers of a renewed dedication to their task of serving pupils and their parents must be part of this effort.

MR WONG LAM asked in the Cantonese dialect:—

閣下，本人有一項補助問題。政府可否說明現在官立小學的學生和學位之比例？

(The following is the interpretation of what Mr WONG Lam asked:)

Sir, could I ask one supplementary question? Would the Government state the ratio between Government primary school students and aided primary school students?

DIRECTOR OF EDUCATION:—Yes, Sir, there are 463,000 pupils in aided primary schools and about 30,000 pupils in Government primary schools.

MR WONG LAM asked in the Cantonese dialect:—

閣下，政府認為補助小學有什麼特別優點？

(The following is the interpretation of what Mr WONG Lam asked:)

What does Government think are the main advantages of attending an aided primary school?

DIRECTOR OF EDUCATION:—This, in a sense, Sir, is not a question for me to answer. It's a question of the parents' preference and I have in a sense to rephrase the question to say what in my opinion do parents look for in an aided primary school which they don't think they will find in a Government primary school. Now it is not easy for me to be at all certain about this. I have not made a survey on parents' opinions and even if I had there are

some technical difficulties about that because of the range of opinions that people might give and the difficulty of collating them. I have mentioned, I think, one or two of them such as, I believe, that parents do attach some importance to religious affiliation and I also believe that parents always try to get children into a good school; now a good school means one that has a good academic reputation and a school with a good academic reputation is a school which in the first place has been able to choose its pupils because in this way you can choose the abler ones or the ones with cleaner clothes, and success in this way, I believe, breeds success.

MR WONG LAM asked in the Cantonese dialect:—

本人多謝教育司之答覆，但本人仍有一點要補充。政府會否將剛才所說的補助學校之優點加諸於官立小學之上？

(The following is the interpretation of what Mr WONG Lam asked:)

May I thank the Director of Education for his excellent answer. But there is another question which I would like to ask, would the Government consider helping the Government schools with the advantages so described by the Director of Education?

DIRECTOR OF EDUCATION:—I don't think that I can turn Government schools into religious bodies and I certainly cannot require Government officers to become priests at least as Establishment Regulations stand at present. Neither do I think it would be proper for me to make Government schools as choosy as aided schools very often are. After all the poorer children have got to go somewhere and to have them chasing all round Hong Kong for the last available place, I think, would be improper. I am, of course, considering together with my own staff the situation which we find ourselves in and I believe that there are things that we can do by encouraging extra-curricular activities rather more and by encouraging closer contact between the teachers and the parents, and, of course, trying to get more of the teachers on refresher courses and getting them more up-to-date than some of them may be at the moment. I think that these sorts of arrangements have a better chance of improving the popularity of Government primary schools than perhaps the ones that Mr WONG has mentioned which are, in my opinion, at any rate, not really feasible.

REV JOYCE M. BENNETT:—*Sir, may I refer to paragraph 3 of your answer and I would ask you, please, do you have the statistics of how many aided primary schools ask pupils to leave and how many pupils were involved in this, say, during the last 5 years?*

DIRECTOR OF EDUCATION:—No, I have no statistics of this, Miss BENNETT, but do I take it that you said that it doesn't happen?

REV JOYCE M. BENNETT:—I would like to have them please.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

According to the information supplied by each of 636 aided primary schools, 47 schools have requested 426 pupils to leave since 1 September 1973, on academic grounds.

MR CHEONG-LEEN:—*Sir, if we have heard correctly from the Director of Education that there was an enrolment of 30,000 students in the Government primary schools, what is the number of vacancies in Government primary schools at the moment?*

DIRECTOR OF EDUCATION:—I am sorry I can't give that figure at present. The average class size in a Government primary school is, I believe, 33 point something; you could have a maximum class size of 45 and therefore you could say that there was a proportion which the 33 to the 45 represented which you calculated in relation to the 30,000. I don't propose to do this piece of arithmetic in my head now, but I can give a more accurate figure of this later. The thing is what we are doing is that as the schools have less and less pupils we have been closing them down so that we don't have teachers facing empty class-rooms.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The latest available exact figures at September 1977, and are:

Total provision in operating classes — 39,557 places;

Total enrolment — 29,690 places;

Total vacancies in operating classes — 9,867 places.

MR CHEONG-LEEN:—*Sir, in asking that steps be taken to review what can be done to make Government primary schools more attractive, could serious thought be given to converting them to a full-day session?*

DIRECTOR OF EDUCATION:—A number have been already converted to whole-day session.

MR CHEONG-LEEN:—*And is that process being developed and expanded?*

DIRECTOR OF EDUCATION:—The present position if I remember rightly is that we had I think 102 schools a few years ago. This is now down to 62 and it should be down to 42 by 1980-81 either as a result of closing a whole school, both a.m. and p.m. session or only half the school, either the a.m. or the p.m. session, meaning that it becomes a whole-day school.

MR CHEONG-LEEN:—*Which means, Sir, to understand the Director of Education fully and correctly, then the trend is to convert more schools to a full-day session. Could that be confirmed?*

DIRECTOR OF EDUCATION:—The position is that the schools which have been closed in the last few years, 40 of them, we have put about 20 onto whole-day session, but the 20 which we shall be closing according to our schedule up to 1981, these in fact will be schools which are on to whole-day session, which will be closing altogether and generally speaking, converted into secondary schools.

Cable and Wireless charges

7 MR T. S. LO asked:—*Will Government state fully the method by which it ensures that like other monopolistic utilities the Cable and Wireless does not overcharge?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, Cable and Wireless operates its services under a Licence granted to the Company under sections 7 and 34 of the Telecommunication Ordinance. Article 11 of the Licence lays down that the Company may not charge more than the appropriate charge in a scale of charges approved by the Telecommunications Authority.

The Governor has appointed the present Postmaster General as the Telecommunications Authority under section 5 of the Ordinance. Hitherto, in considering proposals from Cable and Wireless for new or revised telecommunication charges, the Telecommunications Authority has had regard to the charges applying in other territories in South East Asia for similar services. The Authority is satisfied that the charges in force in Hong Kong at the moment generally compare favourably with those elsewhere in the region. For example, the cost of a telex call from Singapore to the United Kingdom is 50% higher than a call from Hong Kong to the United Kingdom. The equivalent telephone charges are 23% higher. As an example of the results in absolute terms, Cable and Wireless have *not* increased international telex charges from Hong Kong since 1959 when the service started; they have in fact reduced them twice.

But, particularly because of the point that my honourable Friend will be raising in his next question, the Postmaster General concluded some time ago that it was *not* sufficient just to consider charges in Hong Kong against those in other territories of the region. He would like to be able to examine the structure of Hong Kong's international telecommunications charges in detail. To this end he has for some months been in discussion with Cable and Wireless.

Telecommunication charges in HK and the UK

8 MR T. S. LO asked:—*Will Government state fully why it has permitted the Cable and Wireless Company to levy such charges on telegrammes, telexes and telephones that it costs HK people more to communicate with the United Kingdom than vice versa?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, in determining the charges to be levied in a particular territory for international telecommunications services, the organizations concerned take into account the cost of the international circuits, costs to the receiving agencies, and their own local service costs. These last will inevitably vary from country to country having regard to such factors as the volume of traffic, the installed cost of equipment, Government subsidies and taxes, the cost of staff, land and other overheads. Such variations can be accentuated by movements in exchange rates. And this has happened particularly in recent years when floating exchange rates have become general.

Consequently, while it is true that the rates from Hong Kong to the UK are higher than in the reverse direction, those to countries whose currencies have appreciated more than the Hong Kong dollar are lower. For example, the rates for telex calls from Hong Kong to Germany and Japan are roughly half the rates for calls in the opposite directions.

But, as I said in answer to the previous question, the Telecommunications Authority would like to look more closely at the structure of Hong Kong's international telecommunications charges and in the process would look for justification for any differences between the charges from Hong Kong to other territories and from those territories to Hong Kong.

MR T. S. LO:—*Sir, does the Government agree that the current differences in charges for communication between Hong Kong and the United Kingdom cannot really be explained away in currency fluctuation terms, because to do so meant that the rate of exchange that will have to be used, for telephone charges would be \$12.16 to the pound; that for telex charges \$15.55 to the pound and that for telegrams would be \$9.06 to the pound, whereas, of course, the current rate is approximately \$8.50 to the pound?*

SECRETARY FOR ECONOMIC SERVICES:—It is correct that the present differences cannot be justified purely in terms of fluctuations in exchange rates. I did point out that variations are also attributable to varying local costs.

Traffic accident blackspots

9 MR LOBO asked:—*Instead of identifying traffic accident blackspots for all classes of vehicles, will Government take early steps to identify accident blackspots in respect of each class of vehicles?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the data collected on traffic accidents and stored in the computer does not at present include this aspect. The Government is, however, seeking the services of an expert from the UK Department of Transport to advise on the best possible use of the Computerized Traffic Accidents Statistics System which is now in use. The main objects of the study will be:

- (a) to identify high accident locations and their contributory causes;
- (b) to develop a system for forecasting the likely reductions in accidents and accident severity which could result from various road improvement projects and road safety programmes; and
- (c) to develop an analysis of the cost effectiveness of various proposed improvement schemes.

To assist in meeting these objectives the adviser will be asked to examine the present system of collection of traffic accident data and I will ensure that the point raised by Mr LOBO is put to him for consideration.

Shek Kip Mei Housing Estate incident

10 MISS DUNN asked:—*Would the Secretary for Housing explain why the roof of Block 15 of the Shek Kip Mei Housing Estate was in such a poor state of repair resulting in great discomfort to residents and damage to their property on the night of 8 April?*

SECRETARY FOR HOUSING:—Sir, I am happy to assure Miss DUNN that it was not ‘a poor state of repair’ which caused the leakage referred to. The existing asphalt layer of the roof was in the course of replacement by a new layer, and the sheeting used as a temporary cover by the maintenance contractor was lifted by a very high wind that night. Heavy rainfall then caused water to penetrate through the roof slab. With more foresight on the part of the contractor, the incident could undoubtedly have been avoided.

The inconvenience caused by the leakage to tenants of the top floor was indeed unfortunate; but the Housing Department acted very quickly. Within 12 hours, adequate heavy tarpaulin sheeting was set up, and the tenants were assisted in clearing up. Arrangements were then made to advance their planned date of rehousing to Upper Pak Tin Estate; and 57 out of the 62 families involved have agreed to move. In addition they will not be asked to pay rent for the month of April.

MISS DUNN:—*Has the Secretary for Housing taken steps to ensure that the contractor exercises some foresight in the future?*

SECRETARY FOR HOUSING:—I don’t suppose one can ensure that he will always exercise foresight in future. But a letter in suitable terms has been sent to the contractor. As for what has been said about him I think I should not offend the ears of this House by repeating it.

REV JOYCE M. BENNETT:—*Is it that asphalt layers on roofs are not very suitable for this climate?*

SECRETARY FOR HOUSING:—Professional advice is that bituminous asphalt, which I think is the correct term, is reasonably suitable provided that it is replaced regularly. In this case, it was being replaced.

REV JOYCE M. BENNETT:—*Sir, how frequently has it got to be replaced?*

SECRETARY FOR HOUSING:—I am sorry, Sir, that I don't know offhand. But I think about 10 to 15 years or more is the estimated life. I may add that we have, at the moment, samples from an American company, of a different process which we are looking at, which may prove even more efficient.

Housing Authority's maintenance policy

11 MISS DUNN asked:—*What is the Housing Authority's policy and practice as regards:*

- (a) *the repair and redecoration of the external structure and the common parts of the estate buildings; and*
- (b) *preventive maintenance?*

SECRETARY FOR HOUSING:—The policy, Sir, is simple: to maintain estate buildings both internally and externally in good order, bearing in mind particularly safety requirements and of course subject to reasonable financial considerations.

The Authority has a regular redecoration and maintenance programme for all parts of estate buildings. Repairs are made as necessary, as discovered either by housing staff in the course of their daily visits or by way of complaints from tenants.

The maintenance programme includes 'preventive' maintenance, for example all mechanical systems such as lifts, water pumps, lighting and power systems are serviced regularly by contractors, and the standard of whose work is supervised by professional staff of the Housing Department.

The Authority tries to improve standards of maintenance continually as reflected for example in the increase of costs from \$79.5 m. in the 1977-78, to an estimated level of \$108.6 m. in 1978-79.

Mini-bus accidents

12 MR PETER C. WONG asked:—*Will Government state:*

- (a) *the causes of all traffic accidents resulting in personal injuries involving minibuses since 1.1.78;*

- (b) the speeds at which these minibuses were travelling at the time of such accidents;
- (c) the casualty figures for such accidents; and
- (d) the number of such accidents occurring in the New Territories?

SECRETARY FOR THE ENVIRONMENT:—Sir, the information required to answer the first and second parts of the question can only be obtained by manually checking every file dealing with investigations into all traffic accidents involving PLBs. As there were almost 400 such accidents in the period indicated this will take some time, but I will write to Mr WONG when the information is available.

As regards the third and fourth parts of the question, the total number of accidents in Hong Kong for all classes of vehicle from 1 January to 21 April this year was 4,309, of which 390, or some 9%, involved PLBs. The casualty figures for these 390 PLB accidents were 16 fatal casualties, 164 seriously injured and 404 slightly injured, making a total of 584 in all. This was some 10.5% of the 5,521 casualties for all accidents over the same period. Of the total of 390 accidents involving PLBs 94, or about 24%, occurred in the New Territories.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The analysis has now been done for the 234 accidents involving public light buses which occurred during the first quarter of this year and I think that it provides a wide enough coverage to reach reasonably meaningful conclusions. According to the assessments of the police officers investigating the various accidents the main causes can be grouped as follows:

Driving too fast having regard to road conditions	76
Pedestrian negligence	66
Careless lane changing	12
Following too closely the vehicle in front	8
Improper overtaking	5
Opening door negligently	3
Speeding	2
Disobeying ‘Stop’ sign	2
Disobeying ‘Give Way’ sign	2
Making improper or illegal turn	1
Failing to stop at zebra crossing	1
Other improper or illegal action	<u>56</u>
Total	<u>234</u>

What is of most significance in evaluating this breakdown is how closely it compares to causes for all types of traffic accident. Thus, the main cause of accidents involving PLBs is 'driving too fast having regard to the road conditions at the time'. This was the reason for 32.4% of minibus accidents during the period in question, but it was also the reason for 34.8% of all traffic accidents in 1977.

Similarly, the second most common cause of PLB accidents was 'pedestrian negligence', which accounted for 28.2% of the total. In 1977, however, it accounted for 29.0% of all road traffic accidents.

So it would appear that the pattern of accidents involving PLBs is little different from that of other vehicles. And when this is added to the fact that the number of accidents in which they are involved are not greater, in terms of miles travelled, than those of other passenger carriers the conclusion must be that, contrary to general belief, PLBs are not, in overall terms, more dangerous.

Casualty wards—night service

13 MR ALEX WU asked:—*Arising from the open verdict returned by the Coroner's Inquest into the death of Mr Chan Hung-fai in 18.12.77, what steps are being taken by Government to ensure that adequate medical attention is available without undue delay to patients admitted at night to the casualty wards of hospitals in the public sector?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, all Casualty Departments in the public sector are staffed and equipped to deal with cases presenting at these departments on a twenty-four hour basis.

The medical superintendents and medical officers in-charge of such departments monitor, on a regular basis, the staffing and other facilities so that these are consistent with adequate standards of medical attention and which are available without undue delay.

I should like to assure Mr Wu that such arrangements also apply in the case mentioned by him. These arrangements are kept under review and suitable adjustments are made as necessary.

MR ALEX WU:—*Sir, is it true that at some of these subvented hospitals, a doctor, on night-duty, has to deal with 90 to a 100 patients in an 9-hour night-shift, and does my honourable Friend consider that adequate?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—No, Sir. The figures quoted by my honourable Friend are not quite correct. According to records of the Casualty Department about 40 to 70 cases are usually seen by a doctor in that period and this is considered adequate for its functions.

Missing persons

14 MR CHEONG-LEEN asked:—*What steps are being taken to trace the 463 teenagers and adult women who were reported as still missing as at December, 31 1977 out of a total of 2,704 females reported missing to the authorities during 1977?*

SECRETARY FOR SECURITY:—Sir, the following steps are taken:

- (a) The personal particulars of each missing person are circulated to Divisional Headquarters for follow up action.
- (b) All units are notified if the missing person is under 16 or over 70 years of age or there are suspicious circumstances.
- (c) If a person is under 12 the Family Services Division of the Social Welfare Department is informed after 24 hours and their assistance requested.
- (d) If a person is between 12-16 years the same Division of the Social Welfare Department is informed after 48 hours.
- (e) If there are suspicious circumstances the position is investigated immediately by the CID.
- (f) In other cases enquiries are conducted by the Uniform Branch who regularly check bars, music parlours and the like: also outdoor duties and officers on case enquiries keep a look out.
- (g) With the consent of the next of kin, the Police arrange for details of the missing person to be publicised through the news media.
- (h) Outstanding cases remain on record and are checked whenever young persons come to the attention of Police in suspicious circumstances.

By the 22 April the number of females still missing was 154.

MR CHEONG-LEEN:—*Sir, of the total of 2,704 females, how many of these who are under the age of 16 were found working in bars, music parlours and the like?*

SECRETARY FOR SECURITY:—Sir, I am afraid I cannot provide the Honourable Member with that information. I will endeavour to do so by checking the figures. Obviously, however, not all persons under 16 were found in bars.

MR CHEONG-LEEN:—*That's why I am asking the question, Sir. Could I also be advised in writing that of the 154 who were missing as at 22 of April this year, how many of these were under 16?*

SECRETARY FOR SECURITY:—62, Sir, were around 15 and under. My statistics unfortunately, do not show the number who are actually 16.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The Criminal Investigation Department of the Police Force does not maintain centralised records on this subject of how many of the 2,704 females reported missing in 1977, who were under the age of 16, were found working in bars, music parlours and the like. However, divisional vice-squads have checked their files for 1977 and, have advised that 2 missing girls under 16 years of age were found working in bars, 15 in music parlours and 6 in vice establishments.

You also asked how many of the girls reported missing in 1977, and who were still missing on 22 April 1978, were under 16 years of age. The Secretary for Security said at the time that 62 girls were aged 15 and under and this is in fact the answer to your question. I believe at the time the Secretary for Security must have thought you were enquiring about girls who were 16 years of age and under.

Parking meters

15 MR PETER C. WONG asked:—

- (a) *Will Government state how many parking meters at present accept only the old 50¢ coins and not the new 50¢ coins; and*
- (b) *When it will be in a position to adapt all such meters to accept the new 50¢ coins?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the answer to the first part of the question is 2,000 out of a total of 11,000 parking meters. Most of these old meters, however, also accept 10¢ coins and their instruction plates are now being changed to make it clear that only 10¢ coins should be used.

On the second part of the question I must point out that charges for the new meters are higher than for the old ones and that they do not accept 10¢ coins. There is a parking meter programme which will eventually provide for all meters to operate on the new 50¢ coins. But, as the old meters are generally in the more peripheral urban districts, new meters are only introduced in these areas when the demand for metered parking spaces justifies the higher charges.

MR PETER C. WONG:—*Sir, will the Secretary for the Environment please clarify his statement in the second paragraph of his reply that, and I quote, ‘charges for the new meters are higher than the old ones and they do not accept 10¢ coins?’*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. I have a scale of charges. For the new meters you can have a two hour meter where you pay 50¢ for every 30 minutes or 50¢ for one hour depending on the location or you can

stay for half an hour in a higher-priced location for one dollar. The old meters run from half hour meters with 10¢ for 6 minutes and 50¢ for the whole half hour, one hour with 10¢ for 12 minutes and 50¢ for the whole hour; 2 hours with 10¢ for 24 minutes and 50¢ for two hours and a 4-hour meter where you pay 50¢ for two hours or two 50¢ for 4 hours.

Flushing water from Jordan Valley reservoir

16 REV JOYCE M. BENNETT asked:—*Can the Government make a statement on the condition of the water supplied for flushing purposes from the salt water reservoir at Jordan Valley in relation to public hygiene and health?*

DIRECTOR OF PUBLIC WORKS:—Sir, the purpose of the reservoir at Jordan Valley is to store rain water falling in the catchment area above it, in order to augment the sea water supply pumped from Kwun Tong. This reservoir was commissioned in the early 1960's when the water quality was satisfactory and the water was utilized to save pumping costs associated with the extraction of sea water. As a result of development in the catchment area, extensive silting has occurred and the effluent discharged from the development has caused the water quality to deteriorate. Over the last two years, the quality has deteriorated to such an extent that water from this source cannot be used other than after very heavy rainfall when dilution has improved the water quality to an acceptable standard. Consideration is being given to using this valley as a controlled tip for refuse and, if this proceeds, the reservoir will be relinquished and a new salt water reservoir constructed to replace it.

REV JOYCE M. BENNETT:—*Sir, how is acceptable standard defined?*

DIRECTOR OF PUBLIC WORKS:—Sir, this is largely done on a visual inspection of the water. After heavy rainfall tests are taken to see if the water is clear of impurities.

Filtering system at Kwun Tong

17 REV JOYCE M. BENNETT asked:—*Can the Government make a statement on the condition of the filtering system at the Kwun Tong salt water intake?*

DIRECTOR OF PUBLIC WORKS:—Sir, the only filtering system used at salt water intakes is a coarse screening to prevent large solids and debris from entering the system when water is being extracted from the sea. This system is subject to regular examination, maintenance and cleaning so that it fulfils its designed purpose.

As I have already advised Miss BENNETT in a written reply to a supplementary question she raised on 15 March, the quality of the sea water at the Kwun Tong intake has deteriorated since its construction nearly 20 years ago, due to developments in the area. Means of improving the quality of water taken into supply, by aeration and the installation of micro-strainers, are being investigated and if found to be feasible will be adopted. However, if no practical solution can be found, the pumping station and intake will be resited to a location where the sea water is of acceptable quality.

REV JOYCE M. BENNETT:—*Sir, I like to thank the Director for his written reply which reached me yesterday but I would also like to ask him how frequently this regular examination takes place?*

DIRECTOR OF PUBLIC WORKS:—The examination is done generally on a weekly basis although conditions may dictate a more frequent examination.

REV JOYCE M. BENNETT:—*Sir, since there have been problems for the last 10 years with this water, can you say when these investigations into improved methods started? When will the investigation be completed?*

DIRECTOR OF PUBLIC WORKS:—I am certainly not aware of the conditions being that bad over the last 10 years. The developments which have caused the deterioration in the quality of water were largely the Kai Tak Runway extension in 1973, the Kwun Tong Ferry Pier construction in 1974 and the typhoon shelter breakwater also in 1974 and it was the latter of these three which really was the major cause towards the problem. I might add that there have in fact been very few complaints received by the Water Supplies Department over the years and it is only recently that this has started to increase.

Airport taxis—over-charging fares

18 MR CHEONG-LEEN asked:—*What effective steps are being taken by Government to stamp out the long time practice of over-charging of fares by taxis operating from Kai Tak Airport?*

SECRETARY FOR THE ENVIRONMENT:—Sir, for a taxi to overcharge or not to take a passenger to his stated destination is a prosecutable offence. The problem is to get members of the public not just to complain but to give evidence in court; and this is particularly the case with tourists who are mostly only in Hong Kong for a few days. Because of these difficulties in obtaining evidence from members of the public the Police have been using plain clothes personnel as passengers in an attempt to catch offenders. However, the relatively few taxi drivers who regularly overcharge tend to be quick to spot an undercover Police officer (*laughter*) and this process can be a rather frustrating and ‘hit and miss’ affair.

The Police also usually maintain a presence at the airport taxi stand to prevent drivers soliciting fares or refusing to accept the hire of a taxi, and a 'hot line' is maintained for dealing with public complaints about taxi drivers' behaviour.

In the future, when new legislation already approved by this Council is brought into force, taxi drivers and owners who are convicted of such offences as refusing or neglecting to drive a taxi to the place indicated by the hirer, soliciting fares in advance, or otherwise demanding fares higher than those shown on the meter, will risk having their vehicles impounded for periods of 3 or 6 months by order of a Transport Tribunal.

Finally, Sir, methods to combat overcharging by taxis must include the provision of other competitive transport services from the airport. KMB luxury coach services run from the airport to the Star Ferry and to Central District every 15 minutes from 7 a.m. to 11 p.m. daily. And I am pleased to say that a new airport hire car service, with an approved and reasonable schedule of charges, will soon be authorised to start operations.

MR CHEONG-LEEN:—*Sir, would my honourable Friend take up with and encourage the Commissioner of Police to see that Police Officers use their ingenuity in the exercise of their duty so that they do not become so easily identifiable?*

SECRETARY FOR THE ENVIRONMENT:—Sir, as I said, the Police officers are in plain clothes. I think there must be something about their demeanour.

MR CHEONG-LEEN:—*Sir, I am not asking that they change their demeanour but there must be some other way.*

SECRETARY FOR THE ENVIRONMENT:—Sir, I will ask the Commissioner of Police if he can find some Police officers who do not actually look like Police officers (*laughter*).

Replacement airport

19 **SIR S. Y. CHUNG** asked:—*Is Government planning to build an airport at Lantau Island or elsewhere to replace the present one at Kai Tak?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, the easiest way for me to answer is to give a summary of what has happened so far.

In 1965, air traffic forecasts indicated that, at some stage in the next 15 to 20 years, Kai Tak Airport would be unable to meet the demands expected to be placed upon it. As subsequent reviews confirmed this prediction, in 1973 the Government appointed consultants to undertake a long-term study on the future of Hong Kong's air transport system.

The consultants submitted their report in January 1975. Their conclusions were that Kai Tak could not sustain the future demand for air services; that the economic and political consequences of traffic being diverted elsewhere would be serious; that a potentially suitable site for a replacement airport was available; and that planning should be continued to develop a specific course of action to provide a replacement airport for Hong Kong.

The consultants reached their conclusions before the effects of the oil crisis and the subsequent recession became apparent. In order to assess the consequential effects of the slowing-down in the growth of air traffic, the Civil Aviation Department reviewed during 1975 and 1976 the forecast of demand. The review established the most probable growth rates over two consecutive five year periods ending 1980 and 1985. This review was updated early in 1977 and confirmed that the maximum practical capacity of Kai Tak would probably be reached in 1985.

So, because of the long lead time (up to 10 years) for the planning and construction of a new airport, the advice of Executive Council has been sought on whether, having regard to the latest projections, the Government should proceed to the next stage in the planning process.

Executive Council has accordingly advised that investigations should be carried out to examine whether it would be practicable in engineering and meteorological terms to construct a replacement airport at Chek Lap Kok—an island off the north-west coast of Lantau—which is the site recommended as being the most suitable by the consultants in their 1975 report. Executive Council also advised that consultants be appointed to develop a possible airport layout plan, including the configuration of the runways, the approach zones and boundaries.

I must emphasize that the decision, subject to the provision of the necessary funds by the Finance Committee of this Council, to go forward to this next stage of the planning process does *not* mean that the Government has finally decided to build a new airport to replace Kai Tak. Once this next stage of the planning process has been completed in about 18 months' time, the advice of Executive Council will again be sought on whether or not, in the light of the traffic forecasts then available, the Government should go forward to the following stage. A final decision *must* depend on the results of all these investigations plus up-dated air traffic forecasts. Because of the long lead time and the complexity of the project, we have adopted this stage by stage approach.

SIR S. Y. CHUNG:—*Sir, have the consultants considered the two-airport concept and if so what are the reasons for not pursuing it?*

SECRETARY FOR ECONOMIC SERVICES:—Yes, Sir, it was in the consultants' brief to consider the possibility of continuing with the present Kai Tak Airport, and build an additional second airport. The main reason why the consultants came to the conclusion that this was not a feasible proposition

and why the Aviation Advisory Board subsequently endorsed this decision was that it would mean a very much greater use of Kai Tak than at present. In other words, a very much more unpleasant life for the people in Kowloon living below the flight path. In fact I think it would be something like 100 flights...I am sorry I can't remember the figures exactly. The second reason was that if you had two separate airports it is extremely difficult and impracticable for passengers to change from one airline to another if one airline was landing, let's say in Chek Lap Kok, and the other in Kai Tak. The third reason was that the road system between Hong Kong Island, Tsim Sha Tsui area of Kowloon and Western Kowloon to Kai Tak would be extremely congested if Kai Tak were used to its maximum capacity.

SIR S. Y. CHUNG:—*Sir, have the consultants also considered the possibility and desirability of adding a parallel runway at Kai Tak to increase its capacity so that we have longer lead time to decide on the replacement airport?*

SECRETARY FOR ECONOMIC SERVICES:—Yes, Sir, this possibility was also in the consultants' brief and undoubtedly if it proves impracticable to build a replacement airport and have it ready by the second half of the 1980s, then we shall have to consider very seriously whether or not to build a parallel runway at Kai Tak, but I am afraid that if we do have to do so, that one can only feel extremely sorry for those living underneath the flight path.

SIR S. Y. CHUNG:—*Sir, finally, what is the order of cost at 1978 prices for building such a new airport on Lantau Island?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, when the consultants presented their report in 1975, they quoted a price in 1974 dollars of \$3,614 million for a replacement airport at Chek Lap Kok including part of the cost of the road access from the mainland to Lantau. I am afraid my mathematics simply is not good enough to translate this into 1978 prices.

Maids from Philippines

20 MR TIEN asked:—*Will Government state what its policy is in respect of allowing maids from the Philippines to enter Hong Kong for employment?*

SECRETARY FOR SECURITY:—Sir, experienced domestic workers from the Philippines and elsewhere who are sponsored by a prospective employer in Hong Kong are allowed by the Immigration Department to enter Hong Kong to take up employment with the family in question subject to their holding a valid travel document and strict contractual arrangements.

The arrangements between the employee and the employer for the provision of this personal service require that the employer houses the employee and are designed to ensure that she does not become a burden on the community.

In deciding whether to admit a new class of workers the Director of Immigration consults the Commissioner for Labour to ascertain whether in his view there is a shortage of experienced workers with such skills available and seeking employment.

MR TIEN:—*Does the fact that the Government allow the recruitment of such maids from the Philippines mean that there is a local shortage of domestic help?*

SECRETARY FOR SECURITY:—This was the view taken, Sir, when the present policy to allow domestic servants from the Philippines to enter Hong Kong was taken. A review was made in 1975 and in the light of current events, I think we are probably due for a review now.

MR TIEN:—*Can Government confirm that in view of the shortage of local domestic help, there has been a relaxation of its Immigration policy to allow for the entry of maids from the Philippines to alleviate the shortage?*

SECRETARY FOR SECURITY:—Sir, the entry policy is laid down by Your Excellency in Council and on application, by persons who wish to employ labour from overseas, the case is dealt with on its merits. As a result of this, there are not only Philipino maids but skilled workers from some other areas working in Hong Kong for relatively short periods on contract. In the case of Philipino maids there has been a steady increase in the numbers employed starting obviously from a very few to about 2,850 now. During this it must be presumed that an equivalent number of workers who would otherwise have been employed domestically have been employed in industry. We shall keep the position under review and try to ascertain whether a shortage is increasing or decreasing.

MR TIEN:—*In view of the reply given, can Government confirm that it will also relax its Immigration policy in respect of present categories of workers should a shortage of such workers exist in Hong Kong?*

SECRETARY FOR SECURITY:—I imagined we would get to that point, Sir. As I have said there is a policy for the importation or to allow the entry of labour. Persons who wish to secure entry facilities for labour may do so and can apply to the Director of Immigration. If the application falls within the existing policy, it will be for the Director of Immigration to decide as to whether workers may enter. If it does not fall within the policy, it would then be a question of deciding as to whether an application should be made to the Governor in Council for the policy to be extended. I should perhaps add that there is, a clear distinction between individuals brought in by families for personal service and the rather wider application of a policy of immigration of large numbers of labour for industry.

MR TIEN:—*May I ask my honourable Friend how many maids have been recruited from the Philippines?*

SECRETARY FOR SECURITY:—2,862, Sir.

MR TIEN:—*Have any of these maids from the Philippines been granted permanent residence in Hong Kong?*

SECRETARY FOR SECURITY:—No, Sir.

MR TIEN:—*Are there any difficulties in sending these maids back to the Philippines at the expiration of their work contract?*

SECRETARY FOR SECURITY:—Not generally, Sir. Though it is of course a matter between the employer and the employee. The Labour Department and the Immigration Department try to ensure that the contractual arrangements entered into between the employer and the employee do result in those persons who come here as domestic helpers returning to the Philippines at the end of their contract.

MR CHEONG-LEEN:—*Can my honourable Friend confirm that they are all experienced maids and what is the criteria of an experienced maid?*

SECRETARY FOR SECURITY:—Before a person seeks to bring a worker to Hong Kong, details of the worker have to be provided to the Labour Department and the Immigration Department. These two departments do check if the contract is valid and that, as far as we know, the worker has the required experience. Bearing in mind the many culinary skills practised in Hong Kong, I cannot really say as to what an experienced domestic helper is.

Government business

Motions

MASS TRANSIT RAILWAY CORPORATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—

Under section 12 of the Mass Transit Railway Corporation Ordinance that the Schedule to the Resolution of the Legislative Council published as Legal Notice No 242 of 1975 in the *Gazette* on the 21 October 1975 as amended from time to time be further amended by deleting item 9 and substituting the following:—

'9. Hong Kong dollar loan facility arranged by Wardley Limited

300 million Hong Kong dollars and such amounts as may become payable in respect of interest, premium and other charges pursuant to the loan agreement.'

This resolution shall come into operation on a day to be appointed by the Governor by notice in the *Gazette*.

He said:—Sir, on 23 October 1975, this Council authorized the grant of a guarantee by the Financial Secretary, on behalf of the Government, in respect of a HK\$500 million loan facility arranged by Wardley Limited for the Mass Transit Railway Corporation. This motion seeks to amend the details of that guarantee.

The Corporation has recently negotiated a HK\$300 million loan facility through Wardley Limited to replace the existing HK\$500 million loan, the difference of HK\$200 million having been cancelled by the Corporation. The new facility offers better terms than the one replaced. It bears an interest rate of $1\frac{5}{8}$ percent over the best lending rate, and is repayable in one amount at the end of 10 years. The facility which is replaced carried an interest rate of $2\frac{1}{2}$ percent over the best lending rate, and would have been repayable over 7 years with a grace period of 4 years.

As the new facility is a replacement, it is necessary to delete item 9 in the Schedule to the Resolution made on 23 October 1975, and to substitute a new item to reflect the lower amount.

Question put and agreed to.

MASS TRANSIT RAILWAY CORPORATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—

Under section 12 of the Mass Transit Railway Corporation Ordinance that the Financial Secretary on behalf of the Government may grant a guarantee in respect of the redemption or repayment of the principal amount of bonds or notes or loan stock issued by the Mass Transit Railway Corporation in Hong Kong up to an aggregate principal amount not exceeding 250 million Hong Kong dollars.

This resolution shall come into operation on a day to be appointed by the Governor by notice in the *Gazette*.

He said:—Sir, section 12 of the Mass Transit Railway Corporation Ordinance requires the authority of this Council, expressed and made by resolution, for 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.

The purpose of this motion is to authorize the Government to guarantee the redemption or repayment of up to HK\$250 million in Five Year Notes to be issued by the Mass Transit Railway Corporation. The proceeds of the Notes will be used to finance expenditure relating to the construction of the railway.

Details of these Notes are expected to be announced in May. The Corporation hopes to be able to sell them on very competitive terms, and if this expectation is realized, the Corporation will be able to delay drawing on more expensive facilities already arranged, and to reduce the amount of funds that would otherwise have to be raised in other forms. The reason for the Notes issue is simply to afford the Corporation greater scope for arranging finance on more favourable terms.

SIR S. Y. CHUNG:—Sir, we are given to understand that the reason for the Notes issue is simply to afford the Mass Transit Railway Corporation more favourable loan facilities. Nonetheless, will the Financial Secretary explain in some detail as in the first motion how favourable this Notes issue would be or would expect to be as compared to the existing loan facilities such as the \$300 million loan facility recently negotiated through Wardley Limited?

THE FINANCIAL SECRETARY:—Sir, I am afraid I am unable to tell the Council at what price and at what rate of interest the loans will be offered, as a final decision on these matters has not yet been made by the Corporation Board, and indeed cannot be made until the formal announcement of the issue. But as these 5-year loans will qualify as liquid assets under the Banking Ordinance, the Corporation expects to sell them on very competitive terms and the purpose of the motion is to provide the Corporation with the facility for doing so.

Question put and agreed to.

CRIMINAL PROCEDURE ORDINANCE

THE ATTORNEY GENERAL moved the following motion:—

Pursuant to section 81C(3) of the Criminal Procedure Ordinance, that the duration of sections 81A, 81B and 81C of that Ordinance be extended until the 31 July 1978.

He said:—Sir, the provisions of the Criminal Procedure Ordinance which this resolution seeks to extend are those which enable the Attorney General to seek a review of the sentence imposed by a court on a convicted person.

These provisions have been in operation for 6 years now and I believe that their usefulness has been established. The Government takes the view, and the Chief Justice agrees, that these provisions should be made permanent

and I shall introduce a bill to this end when Council next meets. Meantime, in order to give sufficient time for the Bill to be considered by Council, this resolution would extend the provisions for 3 months.

Question put and agreed to.

First reading of bills

CENSUS AND STATISTICS BILL 1978

HOUSING (AMENDMENT) (NO 2) BILL 1978

CROWN LEASES (AMENDMENT) BILL 1978

LAND REGISTRATION (AMENDMENT) BILL 1978

DISCIPLINED SERVICES (WELFARE FUNDS) BILL 1978

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1978

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

Second reading of bills

CENSUS AND STATISTICS BILL 1978

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to provide for the taking of a census of population and the collection, compilation and publication of statistical information concerning Hong Kong and for matters connected therewith; and to repeal the Census Ordinance.’

He said:—Sir, the present basic statistical legislation in Hong Kong is the Census Ordinance. It was enacted in 1960 to provide a general statutory backing for such censuses as the Governor in Council might order, although it was specifically tailored to the 1961 Population Census.

While the principles upon which the present Ordinance are based are right and applicable to any area of compulsory statistical enquiry, its detailed provisions are not adequately geared to the expanding work programme the Census and Statistics Department is undertaking. This programme goes well beyond censuses of population. It now also includes, as examples, surveys of various sectors of the economy designed to lead to a basic description of

each sector and its contribution to the economy's output; and surveys designed to obtain labour statistics, for example on employment, unemployment and under-employment, wages and earnings.

The Bill before Honourable Members is designed to provide an appropriate framework for the ordering of all such statistical surveys where it is desired to make them statutory and compulsory. And I should add that for many of the Department's surveys it simply isn't necessary to go to such lengths.

It is based on the present Ordinance. It differs from the present Ordinance largely in small points of detail designed to make the law clearer, and to allow more readily for surveys other than population censuses. But there are some innovations, to which I shall now draw Honourable Members' attention.

Clause 4 includes a definition of the functions of the Commissioner of Census and Statistics, thereby defining the scope of the statistical surveys that may be ordered under the Bill.

There is provision in *clauses 9 and 11* for 'sampling', that is deriving information relating to a *whole* field of inquiry from the information obtained from a part of it.

In *clause 11*, as at present, the power to order a statistical survey lies with the Governor in Council. The orders have to specify the purpose for which the survey is required, the information being sought and the persons required to provide it. Administratively, the procedure the Government will aim to follow in the preparation of these orders is as follows. To keep the number of submissions to the Governor in Council to a minimum, the Commissioner for Census and Statistics will draw up as one submission all the draft orders necessary for the surveys for the current year. Following his normal practice, he will seek the advice of the Statistics Advisory Board on them before they are submitted to Executive Council. Once made, they have to be laid on the table of this Council in accordance with Section 34 of the Interpretation and General Clauses Ordinance. When this is done, an Official Member, usually the Secretary for Economic Services, will make a statement on the surveys.

Clause 13 contains the basic requirements for completing and returning the schedules used for a particular statistical survey. The innovations here are sub-clause (4) which provides for delivery and completion of schedules when the person specified is resident or incorporated outside Hong Kong or is for some other specified reason unable to complete the schedules; and sub-clause (5) empowers census officers to enter premises for certain specified purposes.

Clause 22 basically maintains the prohibition in the present Ordinance on publication of information derived from surveys in a form which enables individual persons or establishments to be identified. But we have now added

an exception to allow for the publication of names, addresses, type of business and number of employees. Our object here is specifically to allow for the publication of directories, and an example is the useful Directory of Hong Kong Industries the Productivity Centre published, with the permission of those concerned, using information derived from the 1973 Industrial Production Census.

In *clause 22*, also, there is provision expressly relieving the Commissioner of Census and Statistics from having to disclose information deriving from surveys, for the use of other authorities in investigating crime or levying taxes.

Maintaining confidentiality of information on individual firms and persons is vital to public confidence in censuses and surveys. The Commissioner pays much attention to it and does everything possible to ensure that the spirit of the law is maintained. This said, it is worthwhile preserving census and survey returns until we are sure that all the information of use to us has been wrung from them. But some time limit is necessary and *clauses 9 and 11* lay down that orders for censuses and surveys will stipulate the date by which the returns should be destroyed. The intention of the Commissioner for Census and Statistics is that the periods should be one year for population censuses and five years for statistical surveys. As a further precaution against breach of confidentiality, the Commissioner is exploring the possibilities of substituting numbers for names after a certain stage in processing, with a view to reducing even further the scope for unauthorized disclosure of details.

Finally, Sir, Honourable Members will, I am sure, be interested to know that you have directed that two Unofficial Members of the Executive or Legislative Councils be appointed to the Statistical Advisory Board.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR ECONOMIC SERVICES.

Question put and agreed to.

HOUSING (AMENDMENT) (NO 2) BILL 1978

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Housing Ordinance.’

He said:—Sir, the main purpose of the Bill is to afford the Housing Authority powers in order to be able to discharge effectively the responsibilities which it has accepted under the Government’s Home Ownership Scheme to build, sell and manage flats. The existing Ordinance, under which the present Authority was set up in 1973, deals with the provision of flats for tenancies, not flats for sale.

In drafting this Bill, the intention was that, wherever possible, the Authority should be placed in the same position as private developers who rely on conveyancing documents, in particular, Deeds of Assignment and Deeds of Mutual Covenant, for the sale and management of their property. However, some statutory powers are necessary because two main factors distinguish the Home Ownership Scheme from private sector sales of flats: first, the social purpose of the Scheme; and second, the capital advantage to be obtained by successful applicants for Home Ownership flats.

Under clause 4 of the Bill, the Housing Authority is given the power to sell flats subject to the conditions under which the property is held from the Crown. The purchase price of the flats and the terms and conditions of payment will be determined by the Authority with the prior approval of the Governor.

Because Home Ownership flats will be sold at cost, and not at market level prices, it was decided that a 5-year restriction on resale is necessary, in order to discourage speculation on the part of purchaser. This restriction is included in the conveyancing documents. Clause 4 of the Bill also makes void all assignments or agreements which are contrary to the terms and conditions of the Agreement of Sale and Purchase and the Deed of Assignment, and thus prevents any person from obtaining a valid title in such a manner.

The purpose of clause 8 is to deter ineligible persons or families who try to obtain, or who do obtain, a Home Ownership flat by false pretences. The maximum penalty is related to the financial advantage which could be gained by such a person or family. I am sure that the general public will expect both Government and the Housing Authority to take a serious view of such offences or attempted offence.

Under section 18 of the Housing Ordinance, all public rented housing estates are exempt from the Buildings Ordinance. Because of the Authority's high standard of control and supervision, it has been agreed that the Buildings Ordinance should not apply to buildings built by the Authority, during the construction period. It is, however, necessary that the Buildings Ordinance should apply to buildings any part of which is sold after such buildings have been completed. Thus, on completion of a Home Ownership estate or a phase of an estate, the Housing Authority will notify the Building Authority and will issue a non-statutory certificate similar in nature to the Occupation Permit. If any owner (including the Housing Authority) wishes to carry out alterations after the completion of the building, he will have to comply with the provisions of the Buildings Ordinance. Clause 5 of the Bill enables the other provisions of the Buildings Ordinance to apply to such buildings.

Section 23 of the existing Ordinance confers powers on the Housing Authority to declare and close dangerous buildings on public housing estates. Clause 6 of the Bill amends this section so that it will apply only to public rented estates, and not to Home Ownership estates.

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

Question put and agreed to.

CROWN LEASES (AMENDMENT) BILL 1978

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—‘A bill to amend the Crown Leases Ordinance.’

He said:—Sir, the principal Ordinance, which was enacted in December 1973, provides for the automatic renewal of certain renewable Crown leases at an annual Crown rent of 3% of the rateable value of each of the properties concerned as at the date on which the first term of such leases expired. The Ordinance provides, additionally, for the new Crown rent to increase to 3% of the *new* rateable value or interim valuation, following any alteration or redevelopment of an affected property.

Since that time all new Crown rents of affected properties have been fixed in accordance with these two principles I have just stated. However, section 9 of the Ordinance, which was drafted at the committee stage at short notice and which is extremely technical, has been found to be capable of a different interpretation in two respects.

First, it could be interpreted to provide for the new Crown rent to increase upon redevelopment of a property to 3% of the new rateable value *plus* 3% of the old rateable value, whereas the clear intention was and is that it should be 3% of the new rateable value only. Secondly, this section could also be interpreted to allow a reduction in the Crown rent on alteration or redevelopment, whereas the intention has always been that the new Crown rent should never fall below 3% of the rateable value of the premises at the date on which the first term of the renewable lease expired.

Clause 2 of the Bill therefore seeks to amend section 9 of the principal Ordinance so as to clarify the position and remove the scope for these interpretations.

The opportunity has also been taken, in clause 3 of the Bill, to amend section 13 of the principal Ordinance to prevent an agent or occupier, from whom the new Crown rent may be demanded in the first instance, recovering such rent from any person other than the owner of the tenement in respect of which the new Crown rent was paid.

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

Question put and agreed to.

LAND REGISTRATION (AMENDMENT) BILL 1978

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—‘A bill to amend the Land Registration Ordinance.’

He said:—Sir, this Bill seeks to introduce certain amendments to the principal Ordinance in respect of priority in the registration of documents.

First, clause 3 provides for a uniform period of one month from the time of execution of a document for the registration of that document under the relevant provisions of the Ordinance, whether such document is executed in Hong Kong or elsewhere. At the present time documents executed outside Hong Kong are given a period of 12 months in which they should be registered if they are to secure statutory priority. This provision dates apparently from the days of sailing ships and the continuance of the differential is clearly unnecessary in the age of the jet aircraft.

Secondly, clause 4 of the Bill provides for the priority of pending actions and charging orders to commence from the day following the date of their actual registration rather than the date of the document itself. At present, if a person relies upon a clear title shown on the register and purchases a property on the strength of that clear title, he can still be defeated if a writ is issued or a charging order obtained which, although not registered at the time of the completion of the purchase, is still registered within the statutory period of one month. The proposed amendment, by according priority from the date following actual registration, ensures that, as far as these two classes of documents are concerned, a purchaser of property will be able to rely upon a clear title shown on the register.

I should add that the Law Society has been consulted on the Bill and that it supports its provisions.

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

Question put and agreed to.

DISCIPLINED SERVICES (WELFARE FUNDS) BILL 1978

THE SECRETARY FOR THE CIVIL SERVICE moved the second reading of:—‘A bill to amend certain Ordinances relating to the disciplined services to enable certain grants to be made from welfare funds established under those Ordinances, and to make certain other amendments relating to grants from such funds.’

He said:—Sir, some considerable time ago, following the accidental death of two immigration officers, the staff side of the Immigration Department Staff Consultative Council recommended that the Immigration Service Ordinance and the Immigration Service (Welfare Fund) Regulations be amended in two respects: first, to enable outright grants to be paid to the dependants of deceased members of the Immigration Service; and second, to raise the upper limit on loans to serving members.

It was felt that these improvements should be extended to all the disciplined services; and it was therefore decided to propose amendments to the legislation governing the welfare funds of the Fire Services, the Royal Hong Kong Police Force, the Prisons Service, the Hawker Control Force, the Immigration Service, and the Customs and Excise Service.

The Bill now before Council amends the Ordinances of all the disciplined services so as to permit grants to be made from their welfare funds to the dependents of deceased serving or former members. In the case of the Ordinances governing four of the disciplined services, the Bill also deletes existing provisions which stipulate the maximum amount of grant or loan that may be paid from welfare funds. Instead it is proposed that the Head of each disciplined service should, in future, have discretion to determine the amounts of grants or loans in the light of changing circumstances, individual needs, and the funds available.

Sir, I believe that the provisions of this Bill will be welcomed by the members of all the disciplined services.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR THE CIVIL SERVICE.

Question put and agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1978

THE COMMISSIONER FOR LABOUR moved the second reading of:—‘A bill to amend the Factories and Industrial Undertakings Ordinance.’

He said:—Sir, under section 7 of the Factories and Industrial Undertakings Ordinance I am empowered as the Commissioner for Labour to make regulations in respect of industrial undertakings to provide for the safety of employees and other matters. In all, 19 sets of such regulations have been made.

Doubt has been cast by a recent court decision on whether regulations made under section 7 can extend to sites and premises where only a type of industrial activity, such as construction work, is referred to in the definition

of ‘industrial undertaking’. To resolve the doubt by testing the matter further in the courts would cause uncertainty for some considerable time. The Bill therefore seeks to remove any doubt on the matter by extending the definition of ‘industrial undertaking’ to make it clear that the definition not only embraces the various industrial activities it specifies but also the premises in and the plant with which they are carried out.

I intend, when the Bill is enacted, to re-enact those parts of the existing regulations that may be affected by the doubt. An examination of the existing regulations suggests that only about 5 of these, and some only in very minor respects, will have to be amended or re-enacted.

As the proposed amendment merely seeks to clarify the legal effect of existing regulations and no new obligations or requirements are being prescribed, I have not considered it necessary to consult the Labour Advisory Board or other organizations. The Department will give suitable publicity to this matter to prevent any misconceptions from arising.

Motion made. That the debate on the second reading of the Bill be adjourned—THE COMMISSIONER FOR LABOUR.

Question put and agreed to.

BANK-NOTES ISSUE (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

Question proposed.

(At this point, Mr BREMRIDGE and Mr WILLIAMS declared an interest and would therefore abstain from voting on this Bill).

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).

STAMP (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

STAMP (AMENDMENT) (NO 2) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

STAMP (AMENDMENT) (NO 3) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

CRIMES (AMENDMENT) (NO 2) BILL 1978

Resumption of debate on second reading (12 April 1978)

Question proposed.

MISS KO:—Sir, I have been very much concerned in the past two years that in order to encourage more rape victims to come forward to report rape cases, they should be afforded protection under the law to prevent the

disclosure of their names and their past sexual behaviour. Indeed, I asked a question in this Council in July last year and I am glad to see that Government has responded to it and I would like to congratulate Government on taking such prompt action in enacting this Bill.

I am sure that when this Bill becomes law, more rape victims would feel free to report rape cases so that more rape offenders can be brought to justice. I also hope that the fact that rape cases are more likely to be reported would act as some sort of deterrent to potential rape offenders in future.

Finally, I would also like to see that there will soon be enough women police to deal with such rape reports.

Sir, with these remarks, I support the Bill.

REV JOYCE M. BENNETT:—Your Excellency, I am glad to speak in support of this motion, Crimes (Amendment) (No 2) Bill 1978. Legislation must be clear and provide no loopholes. It must give the law enforcement officers every assistance in preventing crime and in bringing the guilty to court to receive the due punishment for their crime. The police should not be hampered in their work by an inability to secure the evidence of the witnesses to the crime.

Sir, this Bill meets these requirements: clauses 2 and 3 provide much clearer definitions of rape, which should be of value in future prosecutions.

Clause 4 will make it much easier to persuade the victims of rape to give evidence in court. The previous sexual history of the complainant with others than the defendant is not ordinarily to be admitted in court. In addition, under a new section 156 the complainants shall be anonymous in written publications and broadcasts.

Sir, there has been much publicity in recent months concerning the failure of rape victims to report to the police and the consequent failure of the police to catch those who are allegedly committing this crime. I hope that with the passing of this Bill, the public will receive sufficient guidance and education on the help it gives to the unfortunate women and girls who are troubled in this way. The Bill guards the anonymity of the victims, I hope social workers and teachers will not hesitate to make this Bill known to those with whom they work. They need to help parents to understand that silence in these matters will not help their daughters. From my experience I think they will find that the new young generation are more willing to report sexual offences to the police than their parents. Let us educate the parents.

Sir, with these remarks, I have much pleasure in supporting the motion.

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).

YAN CHAI HOSPITAL (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

PUBLIC ORDER (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

Question proposed.

(At this point, Mr BREMRIDGE declared an interest and would therefore abstain from voting on this Bill).

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).

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

EVIDENCE (AMENDMENT) BILL 1978

Resumption of debate on second reading (12 April 1978)

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).

Committee stage of bills

Council went into Committee.

BANK-NOTES ISSUE (AMENDMENT) BILL 1978

Clauses 1 to 3 were agreed to.

STAMP (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

STAMP (AMENDMENT) (NO 2) BILL 1978

Clauses 1 to 3 were agreed to.

STAMP (AMENDMENT) (NO 3) BILL 1978

Clauses 1 to 20 were agreed to.

CRIMES (AMENDMENT) (NO 2) BILL 1978

Clauses 1 to 6 were agreed to.

YAN CHAI HOSPITAL (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

PUBLIC ORDER (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1978

Clauses 1 and 2 were agreed to.

EVIDENCE (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

BANK-NOTES ISSUE (AMENDMENT) BILL**STAMP (AMENDMENT) BILL****STAMP (AMENDMENT) (NO 2) BILL****STAMP (AMENDMENT) (NO 3) BILL****CRIMES (AMENDMENT) (NO 2) BILL****YAN CHAI HOSPITAL (AMENDMENT) BILL****PUBLIC ORDER (AMENDMENT) BILL****MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL****CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL** and**EVIDENCE (AMENDMENT) BILL**

had passed through Committee without 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.

4.15 p.m.

HIS EXCELLENCY THE PRESIDENT:—I think at this point Honourable Members might welcome a short break. Council will resume in 15 minutes.

4.35 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

Unofficial Member's motion**GREEN PAPER—A PROGRAMME OF SOCIAL SECURITY DEVELOPMENT**

REV P. T. McGOVERN:—Sir, I move the motion standing in my name on the Order Paper. A considerable volume of constructive and informed comment on this Green Paper has already reached the Secretary for Social Services either directly or through the UMELCO Office. As these comments come from organizations and people who have first hand experience of the real life situation of those least able to help themselves, I am confident that the Secretary will give due weight to their proposals. In this speech, therefore, I will not attempt to repeat or summarize all that has been said by the various organizations. It will take quite long enough if I confine myself to highlighting the main ideas which came to the surface in the discussions held by the ad hoc group of Unofficial Members who studied the Green Paper in four lengthy sessions. These views, queries and comments were summarized and endorsed in UMELCO Paper No 519 which is available to Members. Also I hope I will not be considered too carping if, for brevity sake, I omit favourable comment and treat only of those areas where there appears to be room for improvement.

While appreciating Government's anxiety to give help to those in need as quickly as possible, Members questioned the wisdom of the pre-emptive statement in paragraph 1.4 of the Green Paper. The purpose of a Green Paper is to seek public comment on Government proposals. The statement that '...accordingly, arrangements are being made to implement those improvements proposed for April 1978 on the assumption that they will command sufficient public support' could be a dangerous precedent. However, not to make a mountain out of a mole-hill it so happens that the proposals already implemented on 1 April did in fact meet with the approval of the ad hoc group and also included amendments suggested by the public. So all is well that ends well.

It should be noted, however, that the decision to pay the long-term allowance in a lump sum rather than on a monthly basis does in fact considerably reduce the amount payable. These sums should be looked at again quite soon and be revised upwards if found to be insufficient for real needs.

I do not want to waste Members' time by getting too involved in a war about words, but there are two or three instances in the Green Paper where wording could be improved. The first is in paragraph 3.1 where the term 'Social Wage' is used as a name for indirect financial aid. While I am told that 'Social Wage' is a technical term which is understood by Social Scientists and Social Workers, to me it is an example of the sort of jargon that is

making those professional people increasingly unintelligible to the public. A wage in ordinary language is the amount paid for work or service. As this Paper is written for those who speak ordinary language it is suggested that the term 'Social Wage' be omitted, especially as the term 'indirect financial aid' is perfectly intelligible in itself.

Another instance of confusing language is the term 'Welfare Allowance' used throughout Chapter 5. In a Green Paper on Social Security bringing in the term 'welfare' as part of Social Security confuses the issue, especially as Chapter 1 goes to considerable pains to define social security for the purposes of this Paper. Both the ad hoc group of Members and the Hong Kong Council for Social Service, quite independently, suggested that the term be changed. A clearer terminology would be 'Special Needs Allowance' (or in Cantonese '特別津貼'). Under these special needs will come the Old Age Allowance and the Chronic Sickness Allowance. If in the future years the scheme should be extended to other needs as they arise, there will be no need to change the general title of special needs.

It is also suggested that in the White Paper and future Green and White Papers a glossary of terms could be usefully added as was excellently done in the Working Party Report on Social Security of 1968.

One last word about words and the need for clarification. Our ad hoc group, after some discussion which nearly made us prematurely grey or greyer-haired, decided to leave it to those discussing the Green Paper on the Elderly to solve the problem of when exactly one is old. A civil servant retires at 55, presumably because he is old. For the Old Age Supplement to Public Assistance in this Paper, one is old at 60. For the Old Age Allowance one is now old at 75, and it is proposed that as one gets progressively younger he will be old at 70. Would someone please sort out this confusion for those of us who are as young as we feel. (Incidentally, on the retirement age of civil servants at 55 I see nothing but sheer coincidence in the fact that there is a Colonial Regulation which happens to use the same number in the same context of retirement, C.R. 55). (*laughter*)

To get away from words and deal as briefly as possible with a selection of the main facts, skipping those changes which have already been agreed on, I will take them for ease of reference in the order in which they appear, except for Chapter 8.

Rent (4.23)

As there is a shortage of Public Housing a private person should not be penalized for having to live in private rented premises. It is therefore suggested that instead of basing the maximum rent allowance for Public Assistance on the maximum current rent in Public Housing, it would be more realistic to base it on, say, 150% of the most expensive Public Housing for those who must live in private housing through no fault of their own.

Chronic Sickness Allowance (5.8)

The Paper proposes that a Chronic Sickness Allowance should not be paid to those receiving an Old Age or Disability Allowance. This needs to be looked at again. Old age is one particular state which requires help. Chronic sickness is a completely different need. It too requires help. It seems reasonable that if the same individual suffers from both needs he should get both forms of help.

Clarification is also sought on the question of how this Chronic Sickness Allowance, and also the Disability Allowance fits in with compensation under the Workmen's Compensation Ordinance. We hope they are not mutually exclusive.

On The Profoundly Deaf (5.10)

On the subject of Disability Allowance and the exclusion of the profoundly deaf, Members carefully examined the arguments on both sides of the question and I will not go into them beyond stating the results of our deliberations. Members were not convinced by the arguments put forward in Chapter 5 and were unanimous in strongly recommending that the profoundly deaf be included in the Disability Allowance Scheme. Another more qualified speaker will expand further on this subject.

Occupational Benefits

Concern was expressed over the possible meaning of the last sentence in paragraph 7.5 which says in part '...the Government does not expect occupational benefits to play an enlarged role in the formal structure of social security nor that employers will be required, by law, to provide any further type of benefit'. We take it that this sentence is strictly in the context of future Social Security laws and would like an assurance that it will in no way interfere with benefits which may arise from future labour law.

Protecting the Value of Benefits (9.7)

The index weightings presently adopted for determining the level of Public Assistance are agreed to be unsatisfactory. I am happy to hear that a new index with new weightings is being prepared. It is to be hoped that the new index will reflect realistically the improved living standards of the community at large and I am looking forward to seeing the details of how the present and proposed weightings are arrived at.

Chapter 10 and 11, I leave to other speakers and the comments already made by the public. There is just one point in Chapter 12 on which the ad hoc group expressed a unanimous view. While it is realised that there is a real difficulty in making manpower available rapidly, it was felt that Government should provide enough financial resources to meet known requirements, rather than to adjust requirements to meet the allocation of resources. Bearing

this in mind we suggest the following revision of the timetable for implementation.

- (a) The proposed Chronic Sickness Allowance should receive a higher priority as it meets a very real and immediate family or individual hardship. We suggest it should be implemented in 1978 rather than in October 1979.
- (b) We feel that the Old Age Allowance for those aged 70 to 72 and 73 to 74 could be introduced simultaneously in October 1978. We see no insurmountable administrative difficulty in introducing the allowance in one step rather than two small steps.
- (c) The 2-year experimental sickness, injury and death benefit scheme should commence by the end of 1980 as suggested in the Green Paper, followed by a decision at the end of 1982 as to whether or not it should be made compulsory.

And that gets me to the most difficult subject which I have kept to the end, the Sickness, Injury and Benefit Scheme discussed in Chapter 8. Members supported the Scheme in principle but do not accept the condition stated in the Green Paper (8.5) that Government would further investigate the Scheme only if there is a substantial favourable response. As a contributory scheme is a new idea it was felt that it was only by introducing the scheme, at least on an experimental basis, that the public could experience for themselves the benefits involved and thus reach a decision.

As regards present public reactions, without doing a scientific survey, Members found that in general, young workers were not particularly interested. For them a dollar in the hand is worth two in the future. It will need considerable publicity to convince them that by contributing to the scheme they could get more than double their money. Older workers with families showed some interest. Employers, especially small employers, were not enthusiastic. Education is needed and, as suggested, an experimental period might be the best form of education.

Other individual suggestions were:—

- The 2% + 2% was too small an amount to make a worthwhile fund. Some interested workers said they would be willing to go to 5%.
- The scheme certainly needs to be made more attractive. Some means suggested towards this were that both employer and employee be given adequate tax incentives, that borrowings from the fund might be extended to needs other than home ownership, and that the employer should pay a higher contribution than the employee. It was also agreed that benefits paid under the scheme should be discounted if the need arose to assess for Public Assistance. Otherwise the thrifty would be penalised. There is also here a need to clarify the practice of this scheme in its relationship with workmen's compensation.

There is one serious miscalculation in the Green Paper. Paragraph 8.14 should be reworked. It says '... the benefit would be paid in respect of the

second, third and fourth months away from work (the first month being regarded as covered by sickness allowance payable under the Employment Ordinance)’... ‘The amount of benefit might be about half normal pay.’ Two points seem to have been overlooked. First the amount. Sickness pay is two-thirds of normal wages (cf. 3.19) so this scheme of half pay is less beneficial. Secondly the time element of the first month being covered by sick pay overlooks the fact that sick pay is only 12 days per year. The maximum of 36 days is cumulative and presupposes a three year period of employment. It is therefore suggested that the benefit should be provided as from the day when the employee concerned ceases to be eligible for paid sick leave under the Employment Ordinance, subject to a maximum period of three months from that date.

There are other points on this scheme which are worthy of mention but can be found in comments from the Hong Kong Council of Social Service and from the Young Workers Centre at Sau Mau Ping. They deserve careful study. I reiterate that the scheme should be tried experimentally for a two-year period.

I end with my own entirely personal opinion. I cannot see any way in which legislation could be enforced which would prevent discrimination against a worker who is in the scheme under one employer and wants to change his job to work under another employer who does not approve of the scheme. I predict that it will be found necessary to make it compulsory. If this becomes so I would further predict that it might, in 1982, be easier to introduce a full Central Provident Fund. It would be profitable to use the time between now and 1982 to begin looking at Provident Fund schemes and make a preliminary decision on which type might best suit Hong Kong.

With these observations, lengthy because of the importance of the subject, I beg to move.

MR JAMES WU:—Sir, it is my pleasure to speak in support of the proposed Programme for Social Security Development as outlined in the Green Paper entitled ‘Help for Those Least Able to Help Themselves’ as published in November 1977.

With growing prosperity and stability as we advance in industrialization, and with immigration under control, Hong Kong has been able to plan and implement some measures of social security for its people. Indeed, since the beginning of this decade, significant and sensible steps have been taken so that the deserved-poor and vulnerable have been given assistance, in line with social conditions as exist in Hong Kong, avoiding the pitfalls in many developed countries whereby social security measures actually kill the incentive to work and produce.

It is also to be noted that since the early 1970s, occupational benefits have grown significantly under statutory stimulus, and with employers alone bearing the burden. As it is only reasonable that employers and employees

should share to some extent the prosperity and security that are the fruits of endeavours and labour by all concerned, I believe that there should be little complaint particularly if and when employers are in a position to afford the cost.

Yet we exist today in a fiercely competitive world as far as our exports are concerned, and it would be unrealistic to think that employers, particularly industrialists, could provide more benefits funded by them alone by way of further statutory requirements. Clearly the burden would have to be loaded on to export prices which in turn would tend to dull our competitive edge resulting in loss of employment opportunities at home. Such would be counter-productive, and are in effect being demonstrated so in some industrial developed countries.

I therefore particularly appreciate the concepts advanced by the Green Paper, in respect of Sickness, Injury and Death Benefit, in that:—

- (1) The contributory feature would provide a reliable test of whether employees in Hong Kong were prepared to contribute to improved social security benefits for themselves.
- (2) Those benefited would have a stake in their future and that of Hong Kong, if we encourage their saving now when they are earning very good wages.
- (3) The Scheme is low in contribution (of the order of 2% employees, 2% employers), non-compulsory, and flexible to the extent of permitting for ‘contracting out’, and
- (4) Government will be providing for all administrative expenses for the scheme.

As to be expected, industrial and employers’ associations have been studying the proposals with interest. It could be said that in principle, these associations agree with the type of benefits proposed in the Green Paper, although the following reservations have been expressed as to the implementation. Having participated in some of the deliberations, I feel it may be worthwhile to bring some of these points for Honourable Members’ attention:—

- (1) The proposed scheme does not provide a return equivalent to contributions. It is common knowledge that private insurance firms normally payout upon maturity of policies at least the equivalent contributed plus accrued interest. Under the scheme, a contributing employee who had not qualified for sickness, injury or death benefits will receive, as ‘retirement’ benefit, a lump sum less than his total contributions. Would this be attractive? This retirement benefit, limited to six months’ salary, is a misnomer. It is obvious that one cannot retire on such a sum, not to mention the value of money years later.
- (2) Some query whether a voluntary scheme is actuarially viable. It is apparently a recognized insurance principle that membership of this type of scheme must be on an ‘all-in-or-none-at-all’ basis. As the

scheme stands, there will be a definite tendency for those most prone to take advantage, that is, the older age group, and those who will in effect be subsidizing the scheme, that is the young, to stay out.

- (3) There is also some uncertainty as to whether a Government administered scheme of this nature would be able to achieve a better investment return on money accumulated than by private institutions.
- (4) Like the retirement benefit, they find the death benefit to be of little significance. Simply, the amount contributed will result in a lesser return upon maturity unless, of course, one dies earlier. This can hardly be an attractive investment.
- (5) The proposed sickness benefit appears to be the only 'new' item. It is claimed that there is already provision for sickness, injury and death compensation in one form or another under occupational benefits. Sickness benefit under the proposed scheme would only be provided if a worker is sick over 36 days for which compensation is already available. Beyond this, the scheme proposes to provide a maximum benefit of one and a half months' pay if he is sick for the full period of three months. From experience, it would seem that the number of persons who are likely to be sick for long periods over 36 days would be few and far between. For individuals who go sick for protracted periods of time and then fully recover, payment by social welfare at the minimum level of subsistence is the only solution.
- (6) Under the circumstances, the very small amount of actual benefits to be derived from this proposed scheme raises doubts as to whether it would be commensurate with possibly large administrative costs expended by Government.
- (7) By way of comparison, it is interesting to note that the private insurance institutions are capable of providing such benefits at a much more substantial rate. To cite one example: one percent of salary for a maximum of 40 months' death benefit; 1 percent of salary for 3 months' sickness at full rate and 3 months' sickness at half rate; four and a half percent of salary for half a months' salary for each year of service.

The author of the Green Paper mentioned that Government would like to have much consultation with the private sector. It would seem therefore that an official response to these comments would contribute to winning further support from both employees and employers, and I look forward to bearing some with great interest.

MR CHEONG-LEEN:—Your Excellency, I view this Green Paper which is entitled 'Help for those least able to help themselves—a Programme of Social Security Development' covering the years 1978-1982 as a five-year rolling forward programme to be reviewed annually.

The Green Paper puts forward the Government's concept of social security which suits Hong Kong best. There is no intention to introduce at this time a compulsory social insurance scheme covering the whole population.

Instead, Government declares its intention to concentrate on helping those who are least able to help themselves, meaning primarily the vulnerable groups, such as the elderly, the disabled and the poor.

The programme will concentrate on three main areas:—

Firstly, the streamlining and refining of the Public Assistance Scheme; Secondly, the extension of various benefits to the elderly and to those incapable of work; and

Thirdly, the introduction of a voluntary contributory Sickness, Injury and Death Benefit Scheme.

In the development of a social security system that suits the needs of Hong Kong people, there are a number of important factors which cannot be disregarded and in fact must be emphasized.

Firstly, the native capacity of Hong Kong people for hard work and individual initiative has to be fostered;

Secondly, the Chinese tradition of family life, respect and care for the elderly should be preserved;

Thirdly, Hong Kong's evolving social security system has to be equitable but simple, economical and flexible in the light of the population trend and the immigration inflow into Hong Kong, and

Fourthly, the system has to be related to our economic activities and to all economic growth.

In arriving at a definition of social security for the purposes of this Green Paper, I would go along with the interpretation used by the International Labour Office and the International Social Security Association, which is:

‘...the provision of financial aid by Government or through organizations approved by Government in defined circumstances, for example old age, death, disablement, sickness, maternity, work injury, unemployment, large families . . .’

In accepting this interpretation, I would however stress that within the Hong Kong community, the ‘bread-line’ type of poverty should become a thing of the past. Our society ought to comprise a broad band of various levels of middle income families. This is a common characteristic of all or most industrially advanced countries in the Western world.

I welcome the renaming of the Infirmitiy Allowance to Old Age Allowance (高齡津貼). It is very much in keeping with the Chinese cultural attitude and respect for old age. At the same time, as Hong Kong is now a modern commercial and industrial society, it is realistic to review separately the general question of retirement age and the range of benefits available to people as they grow old.

For example, if there is going to be a shortage of young people joining the work force in the early 80’s, should the retirement age for men in Government service and the private sector be raised to 60 or 65? According to the 1976 By-Census, 73% of men aged 55-64 were working.

At present, Government has a reasonably good retirement scheme for its 126,000 civil servants, who represent 6.5% of the total work force in Hong Kong; to what extent and at what pace will Government encourage or legislate for narrowing the gap in the provision of retirement benefits as between Government and the private sector, without detriment to continued economic growth in Hong Kong?

Sickness, Injury and Death Benefit Scheme

I also welcome the proposal for a Sickness, Injury and Death Benefit Scheme to be set up as early as possible, preferably to commence on 1 January 1980. Incidentally, I suggest it would be more appropriate to change (in the English language text only) the words 'Death Benefit' into 'Survivors' Benefit'.

This Scheme ought to be set up on a voluntary basis to encompass all employees for the first two years, to be improved and expanded afterwards in the light of experience.

In paragraph 8.15 of the Green Paper, it is proposed that provision be made for a small retirement benefit of about 6 months pay on reaching the age of 60. This can well be the starting point for the expansion of the Scheme at a later date into a monthly pension plan for those reaching the age of say 65.

Paragraph 8.13 accepts the possibility of employees making additional voluntary contributions to the scheme above 2% to ensure a higher rate of benefit, without any liability on the employer matching the employee's extra contribution. If employers wish to match such extra contribution, they should not be discouraged from doing so, say up to a maximum of 5% each by employers and employees. In fact, Government could give positive encouragement by offering tax incentives to both employers and employees.

The Scheme, according to the Green Paper, would be semi-voluntary in that it will be up to each employee to decide whether he wishes to join. If he did join the scheme, his employer would have to pay contributions too unless the employee is contracted out of the scheme by the employer providing benefits equivalent to those conferred under the Scheme.

But for the long-term benefit of the employee, the question may be asked whether such contracting out should be allowed, unless the range of benefits provided under the employer's own scheme were clearly better than what would be provided under the Government administered scheme?

As our younger people become better educated and more sophisticated in their social outlook, they will be inclined to regard the Public Assistance Scheme of our social security system not so much as a form of welfare but more as a protection as of right of the well-being of the individual in society.

In the case of the Sickness, Injury and Death (or Survivors') Benefit Scheme, the contributory element on the part of the employee will enable him to flexibly plan his own level of protection over and above the basic minimum.

There will have to be appointed a statutory authority to administer the Scheme, with wide representation, and with Government meeting all administrative costs. Whatever initial loans are made by Government for the first two or three years should be interest-free in order to get the Scheme established on a sound footing. This measure would be no different from Government making interest-free loans available to aided or non-profit making schools to build their own school premises.

Government could also contribute to the Fund of the Scheme as and when required to protect the value of the benefits against inflation.

Government will also have to consider what Regulations will have to be enacted to govern the operation of the Social Security System which covers the Public Assistance, the Welfare Allowance and the Sickness, Injury and Death (or Survivors') Benefit Scheme to ensure their proper implementation.

DR FANG:—Sir, I join my Colleagues in welcoming the Green Paper on Social Security Development. This is yet another major advance in the social progress of Hong Kong. As I said previously in this Council, the true yardstick of maturity and stature of a country or state is its attitude towards and provisions for its less fortunate citizens who are least able to help themselves. I therefore congratulate Government on this move.

I wish to confine my remarks to Disability Allowance and Sickness, Injury and Death Benefit Scheme contained in Chapters 5 and 8 of the Green Paper respectively. The present Disability Allowance only applies to people suffering from a 100% disability or its equivalent due to a total loss of function of the whole or part of the body, physical or mental. This includes people who are paralysed from the waist down who are to be chair-ridden for the rest of their lives, and people who are totally blind etc. But deafness has never been included or considered as a serious disablement. This concept is quite wrong because a profoundly deaf person is a person who is stone deaf, who cannot hear a single spoken word, even with the help of the best kind of hearing aid. His loss and disability is surely as grave as a person who has lost his sight or the use of his legs. And perhaps more so in people who are born deaf because they cannot even speak. There are many pertinent and technical reasons which have been expressed by the professional bodies and I shall not reiterate here. I must, however, urge that the profoundly deaf be included as soon as possible as a disability qualifying for Disability Allowance.

Related to this question of Disability Allowance is the provision of an independent Appeal Board. I note that such is being provided for in the Green

Paper which proposes to establish a Social Security Appeal Board to consider appeals against decisions under the Public Assistance Scheme or the Welfare Allowance Scheme, but it is not clear whether the Board would be authorised to deal with applicants dissatisfied with their medical assessment under the Disability Allowance Scheme. At present, appeals from these dissatisfied applicants often lead to a review of their case by the same board or medical officer who made the initial unfavourable decision. This is against the principles of natural justice and is clearly not acceptable. If it is indeed within the Board's jurisdiction to hear such appeals, I would ask that the panel of members servicing the Board should include an appropriate number of representatives from the medical profession with such qualifications as to be able to deal with all kinds of disabilities likely to be involved.

My third point is on the proposed Sickness, Injury and Death Benefit Scheme. I welcome its introduction whole-heartedly. My comment on the proposed scheme is that payment is only made for the second, third and fourth month of sick leave on the presumption that the first month is covered by sickness allowance payable under the present Employment Ordinance. It overlooks the fact that not all workers are qualified for the one month's sickness allowance under the Ordinance, either because their length of service with their present employer is less than 3 years or because they might have already used up earlier their accumulated leave. If the Scheme is to be adopted as it is, some workers may have to wait for a month or a substantial part of it before they are qualified for the allowance. Hardship will inevitably arise in cases where the worker is the sole bread-winner of a big family. I am sure this apparent discrepancy is but an oversight. May I suggest that provisions be made to enable an injured or indisposed worker to benefit from the Scheme once he ceases to enjoy the benefit under the Employment Ordinance.

Another point on the Sickness, Injury and Death Benefit Scheme is that payment is based on one-half of a month's wages of the worker concerned. I do not understand the rationale of this figure of half of a month's wages for it is provided elsewhere under the Employment Ordinance and the Workmen's Compensation Ordinance that the person who is on sick leave is entitled to two-thirds of his normal wage. This is considered to be the minimum amount required for him to look after his family during the period that he is unable to work. I therefore suggest that the rate of payment of the Sickness, Injury and Death Benefit Scheme should be brought in line with that of the Employment and the Workmen's Compensation Ordinance.

With these remarks, Sir, I support the motion.

MISS KO:—

Introduction

I sincerely welcome the publication of the Green Paper on social security development as a clear expression of our desire to ensure the well-being of the largest. For 1978-79, about 2/3, or \$343 million, of the total social welfare measure and, in terms of the amount of public expenditure allocated, the largest. For 1978-79, about 2/3, or \$343 million, of the total social welfare budget were committed for social security and by 1982-83, the allocation required will probably exceed \$500 million. While insisting on adequate financial provision for social security, I am of course not asking for a diversion of resources from other important areas. In this connection, it is noted that although the guidelines regarding the contingent liabilities and fiscal reserves should be maintained, somehow 16.5% of the estimated expenditure for 1978-79 has been set aside for fiscal reserves, which is 1.5% more than the 15% set down in the Guidelines as mentioned in the budget speech by the Financial Secretary (who subsequently had apparently misunderstood me on this very issue.) Bearing the above points in mind, I hope Government will make an allocation sufficient to cope with the expansion of social security programme in the future.

At a time when the social security provisions are growing fast, it is appropriate that we review our policies in this area and set out the principles for the development, including the pace of expansion in the coming years.

The approach to social security in Hong Kong

The recommendations of the Green Paper are on the whole welcome. I applaud the idea of devising a system that is appropriate to our situations. We are not obliged to duplicate the systems developed in other countries. I also agree that we should now concentrate our efforts on helping those whose needs are greatest, those in vulnerable positions like the elderly, the disabled and the destitute. However, we should never lose sight of the possibilities of introducing an even more comprehensive social security programme covering the whole population. Furthermore, I suggest that the Government should not regard the financing of social security as its own responsibility alone. This would limit the pace of development. We should seek in every possible way to enlist the co-operation of employers and employees. In other words, the approach to social security in these aspects should shift gradually in its emphasis, from the Government helping those unable to help themselves to Government helping people to help themselves. This shift in emphasis may take years to achieve but it is important for us to adopt a right approach *ab initio*.

Public assistance

Improvement of the existing Public Assistance Scheme is the most immediate concern of the Green Paper. I welcome the introduction of supplements to

assist those in need of extra help but because of either old age or long-term dependence on public assistance. However, I am afraid that the granting of supplements may create injustice among different public assistance recipients as it considers only particular, demonstrated needs and not their overall requirements. Earlier in this Council, I have suggested a method of assessing the different cash needs of various public assistance recipients and of devising appropriate scale rates for them. I propose that this should be considered as an alternative if the granting of supplements proves unsatisfactory.

I am particularly concerned about the widows with dependent children who rely on public assistance. The present incremental scale of assistance is discriminatory against them as the amount of assistance given to each family member decreases with the size of the family. The introduction of a long-term supplement and the suggestion of disregarding a portion of the incomes earned by people not employed in the open market would greatly alleviate the plight of these families. However, I have pointed out earlier that the waiting period of 18 months is too long. People usually will not apply for public assistance until they have exhausted their resources and I have suggested reducing it to 12 months. I appreciate that the Government has taken this point and is presently giving long-term supplements to all public assistance recipients who have been receiving public assistance for 12 months.

The present weighting system of the public assistance index by which the amount of allowances is adjusted is another matter of grave concern. The existing system is unsatisfactory despite the granting of long-term supplements to eligible families as it allocates as much as 79 per cent of the weightings to food, leaving little for other items to enable a recipient to lead a dignified social life. It is therefore time to consider a restructuring of the weighting system of the public assistance index and see how far it may follow the Consumer Price Index. Furthermore, in view of the continued steady rise we experience in both the cost of living and standard of living nowadays, I propose that the whole system should be reviewed regularly to ensure that public assistance in Hong Kong is truly a scheme that helps people to maintain at least subsistence living.

Welfare allowances

I welcome the proposals to lower the age of eligibility for Old Age Allowance to 70 for the time being and to extend welfare allowances to people in institutions. Furthermore, the introduction of a chronic sickness allowance would greatly help those suffering from long-term illnesses or disabilities and incapable of work. Again, I think 12 months and not 18 months of chronic illness should entitle a person to the allowance. Furthermore, I hope that the welfare and training services will be further developed and provided for disabled persons, and particularly that the profoundly deaf and the medium grade mentally retarded will be given a disability allowance.

Sickness, Injury and Death Benefit Scheme

I agree with the Green Paper that it is time to consider the income security needs of those in regular employment who may be hit by contingencies such as sickness, injury and death. The proposal to introduce an insurance scheme to cover these risks is not only appropriate but also desirable, as it would enable the employees to protect themselves against the economic effects of these contingencies. I agree that the idea of insurance has first to be accepted before the scheme can be implemented on an extensive scale and the decision of whether or not to join is left to the employee. However, we should ensure that employees are really given the opportunity to decide for themselves and not excluded against their will. But if the Government finds it difficult to ensure this, then I suggest that we should make membership compulsory. It is often those with the greatest risks who are most likely to be excluded in a voluntary scheme. Also I hesitate to support contracting out as this may lead to the withdrawal of the better-off and hence the limitation of the proposed scheme to the low income group. This may also result in inadequate benefits for those who join.

I am afraid that benefits provided under the proposed contributory insurance scheme would be grossly inadequate. First, the scope of the proposed scheme would cover only sickness, injury and death and although arrangements might be made for a small lump sum to be given to members reaching the age of 60, it is still far from being a provision for old age. Secondly, benefits for both sickness and injury would only begin from the second month and last for a maximum of three months, payment being fixed at half of the monthly earnings of the members concerned. In the case of an employee earning \$1,000 a month, what he will be receiving when injured or sick would only be \$500, which would hardly be sufficient for a family. My suggestion is that benefits must be weighted in favour of those who are earning relatively less so that the scheme would truly be a help to them.

I understand that the inadequate benefit rates are directly linked with the low contribution rate required of those joining the scheme, which is two per cent of the employee's income up to \$2,000 plus another 2% from his employer. In order that the scheme might become more attractive, I suggest that we should raise both the income ceiling from \$2,000 to \$4,000 and the contribution rate from two to four or even five per cent. The scheme could then be offered more benefits to the insured and for as long as they are suffering from illness and injuries. A more adequate coverage for old age, in the form of pension or a lump sum payment, or even for unemployment could then be contemplated. Social insurance is definitely the way in which we shall develop social security in future and I urge the Government to devise a scheme that would be of real benefit to the people of Hong Kong.

Pilot Project

Prior to the implementation of the scheme pilot project should be carried out among employees of selected trades so as to obtain information and

experience. A working party should be set up to look into the details of the scheme and to consult various concerned parties regarding its implementation.

Administration of social security

As social security is getting more and more complex in Hong Kong, an overall examination of the structure responsible for its administration is necessary. I welcome the proposal for setting up an Independent Social Security Appeal Board to hear complaints against decisions of the Social Welfare Department on social security matters, and the chairman should be an Unofficial. In addition, I suggest that the establishment of an advisory committee, either separate or as a sub-committee of the Social Welfare Advisory Committee, to advise the Government on the development and operation of social security. In view of the shortage of trained and experienced social workers to run our various social welfare development programmes, I further suggest that we should consider separating the administrative structures responsible for administering social security from other social welfare services. This separation will bring about greater efficiency and a more rational deployment of staff and therefore a better service to the public.

There are other administrative matters that the Government should look into while introducing the contributory insurance scheme. *However, the most immediate problem is to ensure that applications for public assistance or welfare allowances are efficiently processed and that full regard is given to the dignity of the applicants.*

Conclusion

I have stated my support for most of the recommendations of the Green Paper on developing the social security system in Hong Kong. Their implementation would provide substantial help to those in our society who are not able to help themselves. I have made suggestions as to how some of the proposals might be improved. I hope they will be incorporated into the White Paper to be published later this year. Social Security is a measure that helps create a stable society and improvements on the system will make Hong Kong a better place to live in.

Sir, with these remarks, I support the motion.

REV JOYCE M. BENNETT:—Sir, the Green Paper on ‘Help for those least able to help themselves’ is an encouragement to all those of us who have over the years tried to help those in need. We have come a long way since the days of only dry rations for welfare relief. The Public Assistance Scheme since 1971 has developed well to help the poorer members of our community and many of those administering the Scheme have shown compassion in doing so.

There are two angles from which we can look at these unfortunate people one is from the Government Social Welfare Department offices and the other is from the home of the family struggling to feed, clothe, house and educate their members. How sad when officialdom is cautious and does not give assistance too easily to those who knock on the door. With its slow-moving machinery, it appears to claim that there are many rogues among those applying for assistance. Where does the truth lie? Do the poorer members of our community in fact try to get too much from our social security system? I think not. My experience has been that many of the poor do not know what benefits they are entitled to receive. Even when these are explained to them, many would prefer to struggle on without demeaning themselves by filling in forms, providing the necessary documents for verification of their low income and by spending time pleading their case with officialdom.

I am therefore in favour of the improvements to our social security system suggested in this Green Paper. My plea is for certain allowances to be extended more rapidly. I urge that the age of eligibility for the Old Age Allowance be reduced to 70 as soon as possible. There is no valid argument to postpone this any longer. We have the money in the Government purse and we should be providing it for the elderly at 70. No doubt this will be debated at greater length when we discuss the Green Paper on the elderly.

Here it is important to question whether or not the method of protecting the value of the benefits is adequate. Chapter Nine of the Green Paper attempts to convince us that the Government has a good method for monitoring the price fluctuations and adjusting the amount of public assistance accordingly. We are reminded that the basic Public Assistance allowance has been recently increased from HK\$180 p.m. to HK\$200 p.m. However if we read paragraph 9.7 we learn that a 12 month centred moving average is used to indicate changes in the index. The claim is made that this arrangement is "generally satisfactory". I would urge a re-examination of this from my experience in the past two years of contact with families struggling to survive at their low level of subsistence. Remember Government's lowly paid workers had as from 1 April 1977 a salary revision which incorporated the previous Cost of Living Allowance. However the present Cost of Living Allowance for such workers is now HK\$15.00 per month. Here is an indication of the Government's recognition that costs have risen; this type of salary revision is a regular feature of the Government pay scale for the lowest-paid Government workers. I realise that we cannot equate the Public Assistance with the Government pay scale, but I am suggesting that it might be good to make cross-reference to it from time to time.

I should like next to urge that more thought be given to the amount of earnings a widow or an elderly person be allowed to keep. I think it would be better for all the earnings under HK\$200 a month to be kept by that person. In the past the UMELOCO Office has had to plead on behalf

of those who through no fault of their own have been deprived of what they had already received from the public assistance. I do not believe these people were trying to cheat the Government and gain more than their due.

The reason for this niggardly attitude has perhaps stemmed from the divorce of the office of the Public Assistance Scheme from that of the Family Services Division. I believe that these families and singletons receiving public assistance would benefit from more counselling and advice from personnel trained in social welfare work. Only in that way can they be helped to help themselves.

The last section of Chapter Four deals with discretionary powers. I urge that the lower echelons of the civil service in the Social Welfare Department receive more training and guidance on how to exercise discretionary powers. These should not have to be exercised by the Director himself before justice is done. Too frequently our experience is that even the indigent poor give up their applications because of the cold demeanour and black face of the junior officials who, unsure of themselves, are only too happy to exercise their authority by using delaying tactics and deferring a decision. Can we encourage our officials to spread the idea that the HK Social Welfare Department has a heart!

Before I leave the matter of public assistance, I should like the Department to consider carefully the use of public funds for supporting children in school. I have been amazed to learn of high fees being paid for children to go to the Upper Forms of private independent schools. Does the Social Welfare Department liaise at all with the Education Department in these matters? I suspect they do not and would suggest that a proper working party be formed to look into this whole question of school expenses. Once it has been decided to support a child at a certain school, the SWD must provide adequately for the expenses and not arbitrarily decide that only such an amount of money is to be allowed for textbooks and stationery. I strongly oppose the suggestion implicit in paragraph 4.21 that the child may not at first get enough money for these necessary expenses. I quote, 'If the standard amount is inadequate, and the recipient can demonstrate this, an additional amount will be paid. But this will be the exception rather than the rule'. My experience with girls from such poor homes is that they need every possible support in their secondary career, particularly at the senior secondary level where books and other expenses are heavy. Too often I have known girls eat no lunch as they have spent their lunch money on their educational needs.

One final point I should like to make on this question of social security for those least able to help themselves. I believe more and more workers are willing to pay into schemes which will provide sickness, injury and old-age benefits. We must encourage them to do this, since it will create a more stable society of people with a stake in the future of Hong Kong.

With these remarks, Sir, I support the motion.

DIRECTOR OF SOCIAL WELFARE:—Sir, I am grateful to Fr McGOVERN for moving the motion and for his and other Honourable Members' comments on the various proposals contained in the Green Paper on Social Security Development.

The views expressed today constitute a most useful addition to the numerous comments which have been made both in writing to the Secretary for Social Services and verbally at the meetings that have taken place between Government officers and representatives of various bodies of employers, employees, social workers and other concerned parties. The public's views on the proposed Sickness, Injury & Death Benefit Scheme were also obtained through consultations conducted by the Home Affairs Department.

Some of the proposals in the Green Paper were intended for implementation on 1 April 1978 and comments on these proposals invited to reach us before the end of December 1977 as mentioned in the Foreword of the Green Paper were generally favourable. Therefore, after consultation with the Social Welfare Advisory Committee, the proposals for the payment of Disability and Infirmity Allowances to people in institutions, the setting up of an Appeal Board, a supplement for long-term public assistance recipients and an old age supplement for those over 60 who are on public assistance were adopted, as pointed out by Fr McGOVERN.

Other proposals are being actively considered; so the comments that have been made will all be given due weight in reaching policy decisions or in subsequent reviews of existing policy.

While it will not be necessary for me to enumerate all the points made by my Unofficial Colleagues this afternoon, and I can assure them that every one of these points will be most carefully considered. However, I should like to make some preliminary remarks on how some of these comments are already being reacted to in our deliberations.

The call for a non-means tested allowance for the deaf and the possible administrative complications of the chronic sickness allowance have caused me to set up a small working group of the Social Welfare Advisory Committee to recommend modifications to the Green Paper's proposals and I am inviting Dr FANG and a representative of the Director of Medical and Health Services to take part in these discussions.

Indeed, many comments and suggestions have been made on the proposed Sickness, Injury and Death Benefit Scheme. It is realized that we must move cautiously as we are breaking new ground here and any scheme which is to be introduced in the field of social insurance must be suited to Hong Kong's particular needs and must not distort the established Public Assistance Scheme which has already become the cornerstone of our social security policy and practice.

I am not claiming that the Public Assistance Scheme is perfect or that there has not been any instance of complaint against bureaucratic red-tape but I hope Members will understand that the disbursement of more than \$300 million annually cannot be carried out consistently and prudently without requiring our front line staff to act within the confines of certain procedures. I also hope that the hard work put in by my staff can be appreciated. They deal with 130,000 cases receiving aid; the majority of them are undoubtedly satisfied with services rendered. For various reasons some have complained and will continue to do so, but in future their complaints will be heard by the Appeal Board. However, the proposed regionalization of my Department will bring more closely together those officers dealing with our clients' personal welfare problems and those who administer cash assistance. This, I am sure, will improve our approach to families who require more than one service from the Department.

Finally, I would like to react favourably to Mr Hilton CHEONG-LEEN's proposal to substitute 'Survivor' for 'Death'. It certainly sounds much more auspicious and appropriate as the ultimate benefit is intended for those who survive us. I also welcome Fr McGOVERN's suggestion to call our welfare allowance 'Special Needs Allowance'. Both suggestions will receive most careful consideration.

Sir, I support the motion.

REV P. T. McGOVERN:—It gives me pleasure to close the debate on this motion by thanking the Director of Social Welfare for his assurance that public comments on this Paper will be given due weight in reaching policy decisions.

Question put and agreed to.

Adjournment and next sitting

HIS EXCELLENCE THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday the 10 of May.

Adjourned accordingly at fifteen minutes to six o'clock.