

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 10 January 1979****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, GBE, KCMG, KCVO

THE HONOURABLE THE CHIEF SECRETARY
SIR JACK CATER, KBE, JP

THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP

THE HONOURABLE THE ATTORNEY GENERAL
MR JOHN WILLIAM DIXON HOBLEY, CMG, QC, JP

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR LI FOOK-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 SECRETARY

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 GARTH CECIL THORNTON, OBE, QC
SOLICITOR GENERAL

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, CMG, JP
SECRETARY FOR THE ENVIRONMENT

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

THE HONOURABLE ERIC PETER HO, JP
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE JOHN CHARLES CREASEY WALDEN, JP
DIRECTOR OF HOME AFFAIRS

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

THE HONOURABLE JAMES NEIL HENDERSON, JP
COMMISSIONER FOR LABOUR

THE HONOURABLE ROGERIO HYNDMAN LOBO, CBE, 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 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, OBE, JP

THE HONOURABLE CHEN SHOU-LUM, OBE, JP

THE HONOURABLE LYDIA DUNN, OBE, JP

THE HONOURABLE LEUNG TAT-SHING, JP

THE REV. THE HONOURABLE PATRICK TERENCE MCGOVERN, OBE, SJ, JP

THE HONOURABLE PETER C. WONG, JP

THE HONOURABLE WONG LAM. OBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

DR THE HONOURABLE HO KAM-FAI

THE HONOURABLE DAVID KENNEDY NEWBIGGING, JP

THE HONOURABLE ANDREW SO KWOK-WING

ABSENT

THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE LI FOOK-WO, CBE, JP

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

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, JP

THE HONOURABLE ALLEN LEE PENG-FEI

IN ATTENDANCE

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

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:	
Wild Animals Protection Ordinance.	
Wild Animals Protection (Amendment of Second Schedule) Order 1978 ..	302/78
Auxiliary Forces Pay and Allowances Ordinance.	
Replacement of Schedule Notice (No 3) 1978	303/78
Road Traffic Ordinance.	
Road Traffic (Lighting and Guarding of Road Works) (Amendment) Regulations 1978.....	304/78
Hong Kong and Yaumati Ferry Company (Services) Ordinance.	
Resolution of the Legislative Council (Commencement) Notice 1978	305/78
Public Health and Urban Services Ordinance.	
Cremation and Gardens of Remembrance (New Territories) (Amendment) Regulations 1978 (Commencement) Notice 1978	306/78
Public Health and Urban Services Ordinance.	
Cremation and Gardens of Remembrance (Amendment) Bylaws 1978	307/78
Public Revenue Protection Ordinance.	
Public Revenue Protection (Interest Tax) Order 1979	1/79
Inland Revenue Ordinance.	
Inland Revenue (Interest Tax) (Exemption) (Amendment) Notice 1979	2/79

<i>Subject</i>	<i>LN No</i>
Fixed Penalty (Traffic Contraventions) Ordinance.	
Fixed Penalty (Traffic Contraventions) (Amendment) Regulations 1978....	3/79
Public Omnibus Services Ordinance.	
Schedule of Routes (China Motor Bus Company) Order 1979	4/79
Public Omnibus Services Ordinance.	
Schedule of Routes (Kowloon Motor Bus Company) Order 1979	5/79
Immigration Ordinance.	
Immigration (Places of Detention) (Amendment) (No 5) Order 1978	6/79
Revised Edition of the Laws Ordinance 1965.	
Revised Edition of the Laws (Correction of Error) Order 1979	7/79
Lands Tribunal Ordinance.	
Lands Tribunal (Amendment) Rules 1979	8/79
 Sessional Papers 1978-79:	
No 28—Statement of Accounts of the Grantham Scholarship Fund for the year ended 31 August 1978 (published on 10.1.79).	
No 29—Report of the Brewin Trust Fund Committee for the year ended 30 June 1978 (published on 10.1.79).	
No 30—Annual Report of the Director of Accounting Services with the Accounts of Hong Kong ended 31 March 1978 (published on 10.1.79).	
No 31—Report and Certificate of the Director of Audit on the Accounts of the Hong Kong Government for the year ended 31 March 1978 (published on 10.1.79).	
No 32—Public Accounts Committee Report, December 1978 (published on 10.1.79).	

Oral answers to questions

Factory smoke pollution

1 REV. JOYCE M. BENNETT asked:—*Sir, how many prosecutions were instituted in 1978 against factories causing smoke pollution?*

COMMISSIONER FOR LABOUR:—*Sir, during last year a total of fifty prosecutions were taken under the Clean Air Ordinance and its subsidiary legislation. Fourteen of these prosecutions were against factories for exceeding permitted limits for emitting smoke and related offences. There were also seventeen prosecutions taken out against factories for unauthorized installation or alterations of furnaces, ovens, or chimneys. The remaining nineteen similar offences were committed mainly by hotels and restaurants.*

REV. JOYCE M. BENNETT:—*Sir, how many staff does the Government have to check on this problem?*

COMMISSIONER FOR LABOUR:—*Twelve, Sir.*

REV. JOYCE M. BENNETT:—*Sir, what time in the morning do they start work?*

COMMISSIONER FOR LABOUR:—*Early, but if it is necessary to observe a complaint, they will start before 9 o'clock.*

REV. JOYCE M. BENNETT:—*Sir, is it not true that most of this smoke pollution occurs early in the morning when the factories are starting work?*

COMMISSIONER FOR LABOUR:—*I appreciate the problem to which my honourable Friend Miss BENNETT refers. But it is a good defence under the Clean Air Ordinance, emitting smoke more than the limits normally permitted when you are starting up a furnace or boiler from cold.*

Gold and silver market—control over

2 MR PETER C. WONG asked:—*Does Government exercise any control over the Hong Kong gold and silver market and its dealers and if not, why not?*

THE FINANCIAL SECRETARY:—*Sir, the Chinese Gold and Silver Exchange Society, Sir, has a long history of well conducted operations and the Government has not so far considered it necessary to exercise control over it.*

I am, however, a little uneasy about the effect which gold transactions may have on the exchange value of the Hong Kong dollar from time to time and have this aspect currently under consideration.

MR PETER C. WONG:—*Sir, is the Financial Secretary also worried over the effect the uncontrolled gold and silver market might have on the controlled stock market?*

THE FINANCIAL SECRETARY:—To the extent that I understand the question, Sir, no.

MR PETER C. WONG:—*Sir, does Government agree that most of the activities of the gold and silver market are highly speculative in nature?*

THE FINANCIAL SECRETARY:—Yes, Sir, of course, they are speculative in nature.

MR PETER C. WONG:—*Sir, is there a compensation fund regarding trading in gold and silver?*

THE FINANCIAL SECRETARY:—No, Sir.

MR PETER C. WONG:—*Is Government considering encouraging the dealers or the association to set up one?*

THE FINANCIAL SECRETARY:—I am satisfied, Sir, with the way in which the Gold and Silver Exchange Society manages its affairs.

Reading material for children

3 MR SO asked in Cantonese dialect:—

爲使四歲至十二歲的兒童有更多益智讀物，政府可否考慮設立基金，鼓勵及資助出版此類刊物的團體和機構？

(The following is the interpretation of what Mr SO asked).

To provide children between 4 and 12 years of age with more wholesome reading material, will Government consider setting up a special fund to encourage and subsidize organizations which publish such reading material?

SECRETARY FOR HOME AFFAIRS:—Sir, although a fair amount of wholesome reading material for children in the 4 to 12 year age group already exists, I agree with Mr SO that more such material would always be welcome.

About ten voluntary organizations are already receiving subventions from the Social Welfare Department to buy books for their children libraries and the Director of Social Welfare would be prepared to consider applications from these or other voluntary organizations for grants to assist them in a worthwhile scheme leading to the publication of more wholesome reading material for children; in addition, funds could be made available from one or two trust funds administered by Government. I also understand that the Urban Council is considering special projects aimed to encourage local authors and teachers to write children's books. For all these reasons, there is no need to establish a special fund at the present time for the same purpose.

MR SO asked in Cantonese dialect:—

督憲閣下，請問政府有沒有專人負責審訂市面報攤出售的兒童讀物？

(The following is the interpretation of what Mr So asked).

Is there a professional worker responsible for censoring the children's reading material on sale?

SECRETARY FOR HOME AFFAIRS:—No, Sir.

Transport services in Lantau Island

4 MR YEUNG asked:—*Is Government satisfied that adequate public transport services are provided for villagers in particular, and picnickers in general, on Lantau Island during weekends and public holidays and if not, what steps will Government take to improve the situation?*

SECRETARY FOR THE NEW TERRITORIES:—No, Sir, public transport on Lantau during weekends and public holidays is neither adequate for villagers nor for picnickers. This is because some 15,000 picnickers go to Lantau by ferry on a normal Sunday and create a demand for transport that cannot be met by a weekday bus fleet which serves a resident population of approximately 15,000. The existing South Lantau Road, the only transport corridor on the Island, can only carry a limited number of vehicles and this, too, restricts bus services.

To alleviate this situation, Government in 1976 started a phased road improvement scheme at the cost of \$35 million spread over five years to provide a two-lane highway from Mui Wo to Tai O. The improved road will make possible the operation of more buses and the introduction of double-deckers. In addition, a new ferry pier and bus concourse are currently under construction, at a cost of approximately \$12.5 million: these will be in operation at the end of this year. The Bus Company hopes to operate its first double-deckers next year and I hope that the standard of public transport service on the Island will be significantly improved thereafter.

MR YEUNG:—*Sir, is the primary object of the Government to provide regular public transport for the residents in the Lantau Island? If so, are there any buses or transport operating for the villagers as in other parts of the New Territories in the Lantau Island?*

SECRETARY FOR THE NEW TERRITORIES:—*Sir, the bus services on Lantau are provided for the public at large although the villagers do have certain privileges in respect of reduced fares on the buses. There are also, I believe, a number of lorries which have special passenger carrying permits. It is also the intention of Government to introduce a small number of taxis on to the Island which will also help the situation.*

MR YEUNG:—*Sir, I understand that there are few bus licences belonging to the now defunct or dormant Lantau Island Company which has been de-registered. Can those buses be re-registered again?*

SECRETARY FOR THE NEW TERRITORIES:—*We would not wish to have a proliferation of bus services on Lantau Island, Sir, but we will certainly give consideration to these few buses which were run by the old company being absorbed into the new company.*

MR CHEONG-LEEN:—*Sir, when the double deckers are introduced next year, will the standard of public transport service include also the standard of safety?*

SECRETARY FOR THE NEW TERRITORIES:—*Of course so, Sir.*

Transport services in Chai Wan

5 MR CHEONG-LEEN asked:—*Will Government inform this Council whether adequate public transport services are provided for Chai Wan and, if not, what steps are being taken to improve the situation?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, the Government is not satisfied with the public transport services provided for Chai Wan and it would appear that the China Motor Bus Company is not always providing a sufficient number of buses to meet the official schedules which have been agreed with the Transport Department. The result is that passengers wait longer at bus stops and travel in more crowded conditions. Although the average time passengers have to wait for a bus in Chai Wan in peak periods is about 12 minutes, this figure can be subject to wide variations and some passengers on some routes have to wait much longer.*

These circumstances have been brought to the attention of the China Motor Bus Company and the Company has since made some improvements.

Fundamentally, however, more frequent services can be provided only by adding to the total fleet of buses. As I told Mr CHEONG-LEEN on 20 December last the Company have recently decided to order an additional 140 buses on top of the 127 which they already have on order. As these new high capacity vehicles are introduced into service there should be a gradual improvement in bus services generally on Hong Kong Island, including services to Chai Wan.

Eye care for students

6 MR SO asked in Cantonese dialect:—

政府可否說明本港學童患近視及其他眼疾的情況，是否嚴重，以及有沒有計劃對保護眼睛的宣傳和教育加以推廣？

(The following is the interpretation of what Mr SO asked).

Will Government state whether students suffering from myopia and other eye defects present a serious problem and whether there are any plans to promote publicity and education on eye care?

DIRECTOR OF EDUCATION:—Sir, since September 1973, the Special Education Section of the Education Department has been conducting vision screening in Government primary schools. It is found that about 10% of the children have visual problems such as myopia, hypermetropia, astigmatism and squinting. Based on the results of these screening tests of the last 4 years, the number of students suffering from myopia and other eye defects does not present a serious problem. The Special Education Section is planning to expand the vision screening programme this academic year to cover 60,000 primary 1 children in Government and aided schools. It is hoped that more representative statistics will be available.

As regards eye care, the Education Department has included in both the primary health education syllabus and the junior secondary social studies curriculum essential topics on eye care and prevention of injuries to eyes. Every year in October, a circular is sent to all schools advising Heads of schools to make every effort to ensure that the pupils are not subjected to any undue eye strain. Advice is given on lighting at home and at school, on personal hygiene and on the prevention of eye accidents. The department also issues guidelines, in consultation with the Government Printer, to specify the size of print and the type of paper to be used for textbooks.

Last August, the Medical and Health Department and the Jaycees jointly organized the 'Protect Your Eye Sight Campaign' which was well supported. A pamphlet on eye care is now being jointly produced by the Medical and Health Department and the Jaycees and when ready will be issued to all schools.

REV. JOYCE M. BENNETT:—*Sir, when will all children in aided schools be screened for their vision?*

DIRECTOR OF EDUCATION:—I hope in the next year or so, Sir.

Development of sites in NT

7 MR YEUNG asked:—*What are the existing procedures for the designation and allocation of sites and the determination of minor layouts for development in the New Territories?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, broad planning strategy in the New Territories is generally laid down in the Outline Development Plans or planning guides. Using these as guides, areas are determined by professional officers in consultation with the District Officer as suitable for minor layouts for residential or other uses and then detailed layout plans are prepared by the Town Planning Office showing individual sites, road systems and other features.

These plans are circulated to Government departments for comments, and discussed between the District Officers and the Rural Committees and District Advisory Boards before coming to me for approval.

MR YEUNG:—*Sir, can Honourable Secretary for the New Territories be more specific as to who are these professional officers?*

SECRETARY FOR THE NEW TERRITORIES:—Professional officers in the Town Planning Office, Sir.

MR YEUNG:—*Can this Council be informed as to who determines or initiates the allocation? Can it be done by yourself as the Secretary for the New Territories?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, it would be possible to initiate the planning process; either I could initiate it or a member of the public could initiate it by making a sensible suggestion that a plan should be prepared and if the suggestion were sensible enough we would carry on with it.

MR YEUNG:—*When the determination was done by the professional officers, is there any review possible as to the correctness of the determination?*

SECRETARY FOR THE NEW TERRITORIES:—Certainly, Sir, during the consultation with the Rural Committees and the District Advisory Boards. That is just the sort of comment we would encourage.

Traffic lights near temporary housing areas

8 DR HO asked:—*Will Government consider installing traffic lights or pedestrian crossings at appropriate locations near temporary housing areas so as to minimize the incidence of traffic accidents near such areas?*

DIRECTOR OF PUBLIC WORKS:—Sir, at the planning stage of temporary housing areas consideration is given to the servicing and transportation needs of the future residents. An assessment is made of the pedestrian routes residents are likely to adopt in order to reach public transport, markets and other facilities and, dependent on the circumstances of each case, footpaths, zebra or signal-controlled crossings or temporary footbridges may be planned for installation to phase in with the completion and occupation of the temporary housing areas.

In accordance with this practice temporary footbridges were provided at the Cornwall Street and Ma Chai Hang temporary housing areas and a signal-controlled crossing was installed at Kowloon Bay.

DR. HO:—*Sir, as far as I am aware there are no pedestrian crossings or traffic lights near the Junction Road and Pillar Island temporary housing areas which makes road crossing difficult and dangerous for the residents there; will Government take immediate measures to improve the situation?*

DIRECTOR OF PUBLIC WORKS:—As far as the Pillar Point temporary housing area is concerned, a footbridge is being constructed and will be completed within two months.

Cigarette smoking

9 MR CHEONG-LEEN asked:—*Will Government state what is being done to discourage students and young people from acquiring the habit of cigarette smoking?*

SECRETARY FOR SOCIAL SERVICES:—Sir, a number of measures have been taken to discourage students and young people from taking up the smoking habit.

Firstly, the subject of 'smoking and health' has been included in the Health, Social Studies and Biology curriculum for primary 6 students and in secondary schools. An Educational TV film now forms part of the Form I Social Studies course.

Secondly, two television films on the subject have been obtained from Britain and have recently been shown to senior pupils in a number of schools. I understand that these films are very good.

Thirdly, the Education Department, in collaboration with the Information Services Department has organized a competition amongst secondary schools for the best anti-smoking teaching kit prepared by teachers and students. This competition attracted a number of well designed entries and was useful in educating young people about the dangers of smoking.

Possibly an even more encouraging development has been the organization of an excellent exhibition on the dangers of smoking and drinking, at the City Hall last September, by students themselves: the Medical Society of the University of Hong Kong, with the support of the Medical and Health Department.

In addition to these measures the tobacco industry, at the request of the Government, recently introduced a voluntary code of advertising practice. This code which is based on the Television Authority's Codes of Practice provides that advertisements should not be designed so as to appeal specifically to young people under 21. Cigarette advertisements should not be shown during television programmes intended for children or young people, or between 4.30 and 6.30pm. In the meantime the Television Authority has given notice to the tobacco industry that it intends to adopt a more restrictive interpretation of its Codes of Practice, and that a number of currently running commercials will be reviewed as to their continuing suitability in the light of the more restrictive approach to be adopted.

MR CHEONG-LEEN:—*Sir, have the two television films which have recently been obtained from Britain been shown by any of the two television stations yet?*

SECRETARY FOR SOCIAL SERVICES:—Sir, as I indicated, they have been shown to schools.

MR LO:—*Is there any evidence that the educational films referred to in the answer will not indeed work in the opposite direction instead and attract students to try smoking?*

SECRETARY FOR SOCIAL SERVICES:—Sir, there is no evidence that it is working in the opposite direction.

MR LO:—*Is Government right, Sir, to attempt something which is unproved and possibly harmful in this way?*

SECRETARY FOR SOCIAL SERVICES:—Yes, Sir.

MR CHEONG-LEEN:—*Sir, isn't it better to try than not to try?*

SECRETARY FOR SOCIAL SERVICES:—Could I have that question again? *(laughter)*

Water pollution—control over

10 MR WONG LAM asked in Cantonese dialect:—

政府是否認為本港海水及溪水染污問題的管制已經足夠？否則，將如何設法加強管制？

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

Is Government satisfied that there is adequate control over pollution of inshore waters as well as streams and if not, what measures will Government take to step up such control?

SECRETARY FOR THE ENVIRONMENT:—Sir, control over the pollution of inshore waters and streams are not entirely satisfactory at present, although the flushing effect of the strong currents in the harbour and the fact that local industry is not of a heavily polluting nature, have so far managed to keep us within the limits of safety as far as public health is concerned.

At the moment work is now well in hand, however, to tighten controls in this area and to improve their effectiveness. First, a new Water Pollution Control Bill, which seeks to limit and control the discharge of liquid effluents, is already at an advanced stage of drafting and I hope to be able to bring it before this Council within the next few months. Secondly, a Waste Disposal Bill is also being drafted. This Bill will deal, among other things, with the disposal of agricultural wastes which are one of the main causes of stream pollution.

Thirdly, funds are being sought to obtain the additional professional staff and equipment needed to implement this and other new legislation on environmental protection, as well as for the planning, research and monitoring work essential for the development of a water pollution control strategy. With all this I would expect to see a considerable improvement in the situation in the not too distant future.

MR WONG LAM asked in Cantonese dialect:—

閣下，海水的染污是否單靠海浪沖走便算呢，還有甚麼辦法可以加強管制呢？

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

Sir, talking about water pollution, would it just rely on the strong water sea current or are there other measures to help?

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, there are other measures. The Water Pollution Control Bill will deal with the discharge of liquid effluents which flow either into streams or into the coastal waters around Hong Kong, and limits will be set upon those effluents if they are of an obnoxious character, or they will require to be treated in order to make them acceptable.

MR WONG LAM asked in Cantonese dialect:—

閣下，不知政府方面有沒有人來監視拋棄廢物於海中的人的責任？是否有專人負責這種監視來防止將廢物拋入海中？

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

Sir, are there any people in the Government to monitor people dumping rubbish into the sea? Are there any professional people to do such monitoring work?

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. My honourable Friend, the Director of Agriculture and Fisheries, has people who look out for this. I cannot say that we can have people standing all around the coast looking for waste being dumped into the sea, but I do not think that, as far as pollution is concerned, this is the major problem. The major problem is the discharge, as I said, of obnoxious effluents, mainly from certain industrial processes and these are much easier to detect and control.

Housing for civil servants

11 DR FANG asked:—*Will Government state what progress has been made in the review of the existing policies for the housing of civil servants?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, at the sitting of this Council on 16 November last year, I said that while the review of existing policies for the housing of civil servants was substantially complete, it was proving more difficult than expected to work out improved schemes of assistance, not least because of the upward trend in property costs and interest rates. I warned that the way ahead might be neither quick nor easy. Those remarks are still largely applicable today.

However, during the past 8 weeks, the Government has pressed ahead with studying various options, with the aim of producing proposals which would not only prove acceptable to staff, but also be financially acceptable over a long period. I am glad to report that progress is being made, better indeed than I had expected, and that barring unforeseen circumstances, it should be possible to put proposals to the Governor in Council for broad agreement in principle within the next few months, and thereafter to consult Staff Associations. But I should warn that the initial financial implications of any scheme could be costly, and that therefore the timing of implementation of any scheme which may be agreed in principle will need to have regard to the economic and budgetary situation at the time.

May I, Sir, assure this Council that everything possible is being done to bring about an early conclusion to this important but complex issue.

DR FANG:—*Sir, would the review include, besides locally employed staff, also staff recruited from overseas who choose to retire in Hong Kong?*

SECRETARY FOR THE CIVIL SERVICE:—*Sir, we are certainly considering that question.*

Statement

Public Accounts Committee Report, December 1978

MISS DUNN:—*Sir, laid on the table today is the Report of the Director of Audit on the Government's accounts for the financial year 1977-78, together with the first Report of the recently constituted Public Accounts Committee of this Council. In the absence abroad of the Committee's Chairman, Mr F. W. LI, I have been nominated to speak to it.*

The Committee's main aim was to establish the circumstances surrounding the matters reported on by the Director of Audit and to consider what remedial action has been, or should be taken. We did not consider it necessary to investigate in detail every observation contained in the Director of Audit's report and, therefore, concentrated our efforts on 28 of those observations which, in our view, referred to more serious irregularities or shortcomings. In fact, what we were primarily concerned with were principles and systems for the Committee's obligation to this Council is to ensure that they are such that funds provided through the annual Appropriation Ordinance are spent economically and in the way intended.

The Committee held seven meetings in all, at three of which we heard evidence from a total of seventeen Heads of Departments and Branch Secretaries. We would like to place on record our appreciation for the co-operation of all those who appeared before us as well as the most efficient assistance afforded us by the Director of Audit, the Deputy Financial Secretary and the Clerk of Councils who was the official Secretary of the Committee.

Much of the value of the Committee's report will depend on the extent to which its recommendations are followed up and implemented where appropriate. We hope that the Government Minute to be prepared by the Finance Branch, after considering the recommendations contained in our report, will indicate—and in specific terms—what action the Government proposes to take to rectify the irregularities brought to notice by the Director of Audit and the Public Accounts Committee and, if appropriate, explain why it is *not* intended to take action on any particular matter.

Having said that, Sir, I think it relevant to point out that, while the Director of Audit's report comments on certain shortcomings in various departments and branches of the Government Secretariat, these should be viewed in a proper perspective. In other words, they should be viewed against

the background of the total volume of Government transactions, the bulk of which do not attract adverse comments. Furthermore, the Government's financial transactions are not only subject to a value-for-money audit by the Director of Audit and his staff, whose independence is secured by statute, but they are now also subject to a further scrutiny by a Committee of this Council to ensure, as I mentioned earlier, that the funds provided through the Appropriation Ordinance have been spent in the way intended.

So I think we can be well satisfied, Sir, with the system we have evolved whereby the Civil Service is made accountable to tax-payers for their actions and I should conclude by saying that, at no time, did my Colleagues or I detect any reluctance on the part of those members of the Civil Service who appeared before us or assisted us in our deliberations to be held accountable.

Government business

Motions

CROSS-HARBOUR TUNNEL ORDINANCE

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—That the Cross-Harbour Tunnel (Amendment) By-laws 1979, made by the Cross-Harbour Tunnel Company Limited on the 4 January 1979, be approved.

He said:—Sir, I rise to move that the Cross Harbour Tunnel (Amendment) By-laws 1979, made by the Cross Harbour Tunnel Company Limited on 4 January 1979, be approved by this Council.

The purpose of these by-laws is to prohibit the passage of certain categories of dangerous goods through the Cross Harbour Tunnel as a precaution in view of recent tragic incidents overseas involving such substances and particularly one in Spring last year. The amendments, therefore, provide for all vehicles carrying compressed gases to be prohibited from using the tunnel as from the 15 January 1979 and it is also intended to prohibit vehicles carrying petroleum and other substances giving off an inflammable vapour from using the tunnel at a later stage. This action has had to be deferred in order to give the oil companies, the Hongkong & Yaumati Ferry Company and the Government sufficient time to make alternative arrangements for the transport of these products across the harbour. The by-laws therefore provide for this latter prohibition to be brought into force on 1 July 1979.

Certain obvious exemptions from the prohibitions have also been provided for as described in the explanatory note.

Sir, I beg to move.

Question put and agreed to.

First reading of bills**MERCHANT SHIPPING (AMENDMENT) BILL 1979****SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1979****IMMIGRATION (AMENDMENT) BILL 1979****INLAND REVENUE (AMENDMENT) BILL 1979**

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

Second reading of bills**MERCHANT SHIPPING (AMENDMENT) BILL 1979**

THE CHIEF SECRETARY moved the second reading of:—‘A bill to amend the Merchant Shipping Ordinance’.

He said:—Sir, the circumstances which have led to the introduction of this Bill are the same as those for the next two bills on the Order Paper.

The purpose of this Bill is to discourage ships participating in the unlawful carrying of passengers to Hong Kong and to take additional legal powers to act against owners, masters and ships involved should this happen. But before I outline the measures in detail, I should like to give some of the background which has led Government to introduce this legislation.

On 23 December last year, the MV ‘*Huey Fong*’ anchored off Hong Kong. The vessel is a Taiwanese owned freighter of 4,200 tons and was then registered in Panama. It is said to have on board some 2,700 refugees from Vietnam, of whom 2,400 are ethnic Chinese, but these figures may be understated. The Government has refused the refugees permission to land.

The ‘*Huey Fong*’ is the latest of several merchant vessels which have appeared over the past few months off ports in South East Asia with large numbers of people from Vietnam who claim to have been picked up at sea. Other vessels include the ‘*Southern Cross*’ which was beached on an Indonesian island, the ‘*Hai Hong*’ still off the Malaysian coast and the ‘*Tung An*’ now in Manila Bay.

According to the log of the ‘*Huey Fong*’, the vessel left Bangkok for Kaoshiung on 8 December and was stationary for 51 hours between 9 and 11 December. Its Taiwanese Master claims that he rescued the people now on board from the sea on the 16 December. On the 17 December, when much closer to other ports such as Singapore and Manila, he nevertheless sought

permission to bring them to Hong Kong later stating that he was short of supplies. He was told that he would not be allowed to enter Hong Kong but ignored this warning and arrived off Hong Kong some six days later.

Since 1976 Government has consistently followed the principle that shipwrecked survivors rescued by ocean-going vessels should be landed at the first scheduled port of call. The *'Huey Fong'* was en route to Taiwan when it stopped to pick up its passengers and clearly Hong Kong was not its first port of call. It was for this reason that the vessel was refused permission to enter Hong Kong waters.

The first port of call principle has been applied to many refugees arriving in Hong Kong in ocean-going ships and in small boats or rescued by local fishing vessels. In 1978, 5,172 of these 'boat refugees' and genuine shipwrecked refugees were allowed to land; 4,354 from small boats and 818 from ocean-going ships. We land these people with a guarantee from the UNHCR that they will undertake to look after the refugees while they are here and arrange to resettle them permanently elsewhere. Unfortunately the resettlement process is slow. Last year a total of only 1,720 were moved on to countries prepared to accept them.

We believe that the problem of 'boat refugees' from Indo-China should be dealt with in a humane and orderly fashion; we believe that strict adherence to the next scheduled port of call principle is most likely to ensure that no one port is overwhelmed by an intolerable number of genuine survivors of shipwrecks.

There is reason to believe that there are other boats, like the *'Huey Fong'* now on the highseas. It has been argued, on humanitarian grounds, that Hong Kong should permit all these vessels with the unfortunate individuals on board to land here so that arrangements can be made for them to be resettled in other places.

In case there is any doubt anywhere about the humane stance which the Government and people of Hong Kong have always adopted towards refugees and immigrants, let me say that our record is second to none in the World.

Ever since World War II, there has been a flow of immigrants into Hong Kong, sometimes at a tolerable level, sometimes at a level which would have been totally unacceptable to a less humane or resilient population.

One small personal statistic to emphasize this point: when I first came here in 1945 we estimated the population to be some 460,000; it is now approaching 5 million.

We are therefore justifiably proud of our record in dealing with all refugees, not least those from Vietnam. Our efforts are in marked contrast to the lack of interest taken in the problem of refugees by some other countries; other countries far better able to absorb people than this crowded little territory of ours.

I have already mentioned some of those who have arrived by boat; but there was also the Claera Maersk with nearly 4,000 on board which arrived in 1975. It took three years to disperse these refugees. There is also another group of people from Vietnam namely those for whom Hong Kong has already provided a permanent home. These include 4,800 dependants of Hong Kong residents brought here by air from Vietnam and another 8,700 people of Indo-Chinese origin who have been allowed to remain here because they are unable or unwilling to return to their own countries. The vast majority of these are from Vietnam.

More recently we have had the problem of refugees originally from Vietnam who have come here after short, or sometimes relatively long, periods of stay in China. We are still discussing some of these cases with the Chinese authorities.

In summary, at the end of last year, Hong Kong had settled 13,516 people from Vietnam in Hong Kong; another 3,954 were under the care of the United Nations and a further 1,568 were either still being processed or were being held in detention pending a decision on whether they could be returned to China.

We have no reason to believe that the flow will stop—quite the contrary. It is clear that large numbers of people are still trying to leave Vietnam.

As Members know this influx from Vietnam has occurred at a time when we are already under pressure from other directions. The number of legal immigrants from China in 1978 was 71,520, compared with 26,000 in 1977. It is difficult to assess the figure for illegal immigration but we have reason to believe it may have been in the region of 33,000: *ie* a total of over 100,000 for the year.

These are the stark facts of the position as it is, and I must not disguise the seriousness of the situation which is developing particularly given recent developments in the Indo-China peninsula.

Hong Kong cannot be the long-term home for refugees from Indo-China. We do not have the land to provide for their accommodation; industry to provide them with jobs; social resources to provide for their well-being, without seriously impairing the economic and social health of our own community. We are grateful to those countries which have taken significant numbers of 'boat refugees', but the number of such countries is still lamentably few and the places recently offered patently fall short of what is possible on the one hand, and are necessary on the other.

In the past, Hong Kong has taken pride in her role as a safe and well-ordered sanctuary for those who have turned to us for help. We are not so insensitive as to refuse sanctuary now to those who have a claim to be here; we only ask that effective international action is taken immediately to alleviate the suffering and hardship of those who now knock at our door

and those to whom we have given temporary shelter. Our conscience is clear but can that be true of the international community at large?

Provided host nations play their part in giving permanent asylum, we can continue to play ours of offering temporary and transient refuge. But we cannot allow our geographical position or our tradition of humanity to be abused by those who traffic in human misery, and distort for their gain, the tradition of the sea that victims of shipwrecks shall be succoured. It is to protect us from this sad sick, sordid racket that this Bill is introduced.

Clause 2 of the Merchant Shipping (Amendment) Bill seeks to increase the sanction of imprisonment attached to a breach of section 34 of the Ordinance from 6 months to 4 years. Section 34 makes it an offence for a vessel to have on board passengers in excess of the number permitted by the passenger certificate or excess passengers on an uncertificated ship. As a deterrent a significant increase of imprisonment is proposed.

In order to facilitate prosecution of offences under section 34, clause 2 of the Bill also introduces two rebuttable presumptions. Persons on board a vessel, other than crew members and infants under the age of 1, would be presumed to be passengers and a ship with more than 12 passengers on board would be presumed to be a passenger-ship. Thus, if a non-certificated ship brings passengers into Hong Kong waters and the master and/or owner are prosecuted, the presumptions will apply unless rebutted by evidence satisfying the court. This would mean, for example, that if a master who is prosecuted claims that his passengers are survivors of a shipwreck, the burden of proving that will be on him.

Clause 3 seeks to add three new sections to the Ordinance providing for the forfeiture of ships where the master or owner is guilty of an offence under section 34 and sets out in detail the procedures to be followed. Before the Director of Marine initiates the forfeiture procedure in any particular case, the approval of the Attorney General must be obtained.

It is proposed that the forfeiture provisions in the Bill shall expire at the end of this year unless extended by this Council. This will enable Members of Council to re-examine the need for this legislation in the light of circumstances prevailing later in the year.

Sir, I beg to move.

MR LOBO:—Sir, I rise to support the measures proposed in the Bill before Council and to endorse the introductory remarks of the Chief Secretary.

My Unofficial Colleagues and I are satisfied that these strict measures are necessary to strengthen Government's position in meeting the threat posed by those who seek to use Hong Kong as a staging post for this traffic in human misery.

With those words I support the motion.

MR CHEONG-LEEN:—Sir, I rise to endorse the remarks of my Unofficial Colleague. In doing so, may I say that I have great sympathy for the very large number of Vietnamese refugee families who have spent their savings and risked their lives to leave Vietnam.

Many of these families, a lot of them with small children, came to Hong Kong in small boats across the high seas 600 miles away. Some of them never made it. Others took 2 weeks, 3 weeks or longer to arrive here. In some cases they had no food or fresh water for several days. Some families were fortunate to have been picked up by ocean-going vessels that were passing by.

However, a racket now appears to have started to use ocean-going vessels to pick up large numbers of refugees at a designated point and transport them to ports such as Hong Kong. The profits are immense, as it is reported that each refugee whether man, woman or child, has to pay the equivalent of US\$2,000 to get out of Vietnam.

A principal purpose of the amended Bill is to enable Government to step up its efforts to put a stop to this trafficking in refugees on a large scale. Hong Kong, which has the densest population level in the world in its urban areas, simply does not have the land or other resources to absorb such large numbers of Vietnamese refugees. Already in Hong Kong, we are finding it difficult to cope with the number of immigrants from China, who are arriving here daily at the rate of well over 100,000 a year.

Obviously, the Vietnamese refugee problem is now an international problem. In regard to the 2,700 or more refugees on the 'Huey Fong', it is regretted that they have so far not been granted permission to proceed to Kaoshiung. Their chief hope perhaps lies in the vessel being allowed to proceed to some nearby US possession, such as Guam, which would become a temporary staging ground pending final resettlement in the United States and other countries.

Sir, I support 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).

SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1979

THE CHIEF SECRETARY moved the second reading of:—'A bill to amend the Shipping and Port Control Ordinance 1978.'

He said:—Sir, this is the second Bill in the packet of deterrents to which I referred when moving the second reading of the Merchant Shipping (Amendment) Bill.

This Bill would add a new penal provision to the Ordinance under which any person who without reasonable excuse, disables, abandons, scuttles or beaches any vessel within Hong Kong waters commits an offence for which he may be fined up to \$200,000 and sent to prison for up to 4 years.

The Bill also increases the penalties to a similar level for the offence, in section 72, of endangering the safety of persons carried on a vessel.

Sir, I beg to move.

MR LOBO:—Sir, here again, I rise to express the support of the Unofficial Members of this Council for the measures proposed in the Bill which further strengthen Government's position in dealing with this tragic international problem.

With these few words I support 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).

IMMIGRATION (AMENDMENT) BILL 1979

THE CHIEF SECRETARY moved the second reading of:—‘A bill to amend the Immigration Ordinance.’

He said:—Sir, this Bill is the third in the package measures put forward by the Government to combat recent developments in relation to persons coming to Hong Kong from Vietnam.

Under section 18(2) of the Ordinance, a person who is refused permission to land in Hong Kong may not be removed from Hong Kong by an immigration officer after the expiry of two months beginning with the date on which he was refused such permission. This period is considered to be too short in respect of persons from Vietnam, and it is necessary to lift the restriction for the time being in relation to such persons. Clause 2 of the Bill will remove the 2 months limit so that persons previously resident in Vietnam can be removed after a longer period of time and detained under section 32(1) in the meantime. Of course, each case will be considered on its merits.

As this is a departure from the existing immigration practice, it is proposed that this measure should cease to have effect on 31 December 1979, unless Council extends the life of the provision by resolution.

Sir, I beg to move.

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).

INLAND REVENUE (AMENDMENT) BILL 1979

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Inland Revenue Ordinance.’

He said:—Sir, the Third Inland Revenue Ordinance Review Committee was asked to consider, *inter alia*, the notional basis of our property tax charge whereby assessments are based on estimated rental values rather than actual rent passing. The Review Committee made two recommendations. *First*, in line with its recommendation that composite return forms should be brought into use covering all four sources of income, and that assessments on aggregate income should be mandatory, the Review Committee recommended that the exploitation of ownership of property should be treated as the carrying on of a business and that tax should be charged on the actual net rent receivable. *Secondly*, the Review Committee recommended that, should it be decided to continue with the existing concept of property tax, clubs or similar institutions not deemed to be carrying on a business should be treated on a similar basis as owners of private residences, and should be exempt from property tax in respect of premises not exploited commercially.

As regards the *first recommendation*, the Government agrees that the abolition of the separate property tax charge must be viewed in conjunction with the recommendation for a composite return of total chargeable income and mandatory assessment of the aggregate income thus ascertained. In the absence of such a composite return, the levying of a separate tax on property based on actual net rental income would be a formidable operation and would pose unacceptable administrative problems. At the same time, the introduction of a system of mandatory assessment of aggregate income would involve considerable changes to the structure of the Inland Revenue Ordinance and, as I explained in this year’s budget speech, further detailed examination of this proposal is required. The Government considers that it would be most unwise to embark on a fundamental change in the basis of

charge for property tax in advance of such a detailed examination and, accordingly, we take the view that the existing concept of property tax should be retained, for the time being at least.

It is in this context that the Review Committee's *second recommendation* has been considered and this Bill proposes that *clubs and similar institutions* should be exempt from property tax if they are deemed not to be carrying on a business, and provided the property owned by them is not exploited commercially. Clubs and similar institutions which are chargeable to profits tax do, of course, already obtain full relief from the property tax liability on the premises which they own and, accordingly, no change in the law in respect of these organizations is required.

By analogy with clubs and similar institutions, it is also proposed that exemption from property tax should be extended to *trade or professional associations*, and *clans, families or t'ongs*. The vast majority of trade or professional associations in Hong Kong are chargeable to profits tax and, like those clubs which are so chargeable, these associations effectively escape liability to property tax. Exceptionally, however, a few such associations, which do not meet the criteria which deem a business to be carried on, remain fully liable to property tax. The same principle underlying the Review Committee's recommendation on clubs should be applied in all logic to trade or professional associations, namely, that they should be granted exemption except where the premises owned are exploited commercially.

A similar position exists in the case of properties, not used for commercial purposes, owned by clans, families or t'ongs. Examples of such properties include ancestral halls and study libraries. These were mostly built a long time ago for the communal use of members of the clan, family or t'ong. An ancestral hall serves as a place for the descendants of a particular clan or family to commemorate and pay respects to their ancestors, and a study library serves as a meeting place as well as study place for the members. There are also properties set aside by the clan, family or t'ong as places of residence for members from whom no rental income is derived, and this is particularly common in the case of an ancestral hall established for the purposes of providing for the welfare and relief of its members. At present, notwithstanding that no rent accrues to the property owners, such properties are liable to property tax. By analogy with clubs and with trade or professional associations, and in view of the particular purposes served by such properties, there is a case for exemption from the payment of property tax provided the property is not exploited commercially. But to qualify for exemption, these properties will need to be certified, by the Secretary for Home Affairs or by the Secretary for the New Territories as appropriate, to be the ancestral property of the clan or family or the property of the t'ong.

The Bill seeks to bring the proposed exemptions into effect from the 1 April 1979 for the year of assessment 1979-80, that is to say, the current

year 1978-79 will be the last year for which clubs or similar institutions will be liable to property tax, unless their premises are exploited commercially. The annual loss of revenue involved from 1979-80 onwards will be of the order of \$2 million.

The Bill itself is self-explanatory, but I should mention that *clause 4* makes a quite separate and minor amendment to section 70 of the principal Ordinance designed to clarify the application of section 70 to the relatively new concept of net assessable values for property tax purposes.

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

Question put and agreed to.

DUTIABLE COMMODITIES (AMENDMENT) BILL 1979

Resumption of debate on second reading (20 December 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).

ROAD TRAFFIC (AMENDMENT) (NO 4) BILL 1978

Resumption of debate on second reading (20 December 1978)

Question proposed.

MISS DUNN:—Sir, the Road Traffic (Amendment) (No 4) Bill 1978 is one measure in a reform package of three measures unveiled by the Secretary for the Environment three weeks ago. The other two measures are concerned with fares and the issue of licences. The package has occasioned lively debate between various interested groups of taxi users and drivers and operators. I shall begin by dealing with their respective viewpoints and then go on to define the objectives of the package as I understand them to be and the likelihood of the objectives being achieved.

Users generally welcome the stiffer sanctions and penalties proposed by this Bill and have expressed the hope that they will help to put an end to

malpractices by taxi drivers. Some users feel that the proposed fare increases are too high and have questioned their justification in the light of the high prices still being fetched under the present tender system for taxi licences. Some also feel that an increase in taxi fares is unfair given the unsatisfactory state of other forms of public transport.

While it is understandably difficult to reconcile high tender prices with the proposed fare increases, it is not altogether logical to take the level of tender prices as an indication of profitability. The price paid for a licence is, in fact, a one-off payment for a life long investment in a trade. Viewed from this standpoint, it cannot perhaps be considered unrealistic. It is true that the tender system is by no means without its shortcomings and I am not altogether convinced by the Secretary for the Environment's contention that 'any feasible alternative would probably have even greater drawbacks'. But, to the extent that high tender prices are due partly to speculators cashing in on the imbalance between the demand for, and supply of taxi licences, the tender system at least ensures that substantial sums of money accrue to general revenue to help finance the public services. Ultimately the speculators will only be driven out when sufficient licences have been issued to satisfy demand at a given level of fares for, whatever the short term influence of speculators, tender prices largely reflect market prices. I welcome, therefore, the Government's announced intention to call for tenders for 300 urban taxi licences every three months.

It is a valid observation that public transport generally is in an unsatisfactory state although, in all fairness, let us not forget that our buses, minibuses, trams, ferries and the KCR carry over 6 million passengers a day. But I hope those members of the public who have been drawn to using taxis over the years due to their relatively cheap fares and the inadequacy and discomfort of other forms of public transport, will remember, as the Secretary for the Environment reminded us, that we stand on 'the threshold of massive improvements in the public transport system (as a whole).' In particular, I would mention that the Mass Transit Railway will begin operating between Shek Kip Mei and Kwun Tong in nine months' time and will be fully operational over routes covering 27 kilometers by the end of 1982. The MTR will add a whole new dimension to our public transport system. Furthermore, in the last twenty years, while other public transport charges have increased frequently and substantially taxi fares have only been increased once in 1974, despite considerable increases in the cost of fuel and other operating costs. And to those who argue that the proposed increase in taxi fares heralds another increase in public transport fares generally, I would say that, so far as I am aware, this is not so, but I would ask the Secretary for the Environment for confirmation of this.

Now, of course, providers of a service have the right to express their point of view as much as users of that service. And so a working group of Unofficial Members saw representatives of the Motor Transport Workers

Union. The representatives made three main points which they suggested should be considered and resolved before this Bill becomes law: *first*, they argued it is unfair to introduce these stiffer penalties in order to curb the malpractices resorted to by a small minority of taxi drivers, and that these penalties would impose a psychological burden on the majority of taxi drivers who were law abiding in plying their trade; *secondly*, they suggested that taxi drivers should be allowed to refuse to go to any destination which is more than 5 miles away from the place where a shift change takes place; and, *thirdly*, they claimed that the present taxi rental system whereby drivers rent taxis from owners and owner/operators not only imposes a financial burden on taxi drivers, but also drivers who rent taxis are not subject to any form of management control. The rental system, they suggested, should be replaced by a system under which taxi drivers were remunerated according to a reasonable pay scale.

These points were put to us in a reasoned manner and, as the Convener of the Group, I feel I should deal with them in some detail. I shall begin with the representatives' *last point*: at present, just under 90% of all taxis operating in Hong Kong, or over 6,000, are owned by individuals who rent out their taxis for one or both shifts at rentals privately agreed between the owners and the drivers. These are strictly business transactions and it is difficult to see how the Government could subject these transactions to any form of regulation or insist on their replacement by a system of employment of drivers for wages.

I do, however, agree with the Union representatives that the rental system is unsatisfactory in that drivers are not subject to any form of management control and those who indulge in malpractices cannot be dealt with in the way they would be if they were working for properly constituted companies. Furthermore, while the new fare structure is likely to make taxis more readily available, at least temporarily, by dampening demand, it is questionable whether it will 'enable taxi operators and drivers to earn a reasonable living without indulging in malpractices' as claimed by the Secretary for the Environment. For the benefits of the fare increase will probably accrue mainly to owners and owner/operators. Drivers are unlikely to be more than marginally better off and only marginally less tempted—or less forced—to indulge in malpractices. As I see it, this is the main drawback of the rental system, but the Secretary for the Environment has assured us that this aspect of the trade will be kept under serious review. The very real difficulties notwithstanding, it ought to be possible to devise, if not an alternative to the rental system, *some* means of policing and regulating behaviour under it, preferably by the trade itself, in the interests of the more conscientious drivers.

Turning now to the Union representatives' *second point*, namely, that drivers be allowed to refuse fares whose destinations are not on the way to the place of their shift change. It has been suggested to us that provided

a driver firmly affixes a card showing the time and place of his shift change, his refusal to accept passengers for destinations not on the route of his depot might not constitute the offence of 'wilfully' refusing a fare. But the dangers of this reasoning are obvious. Such an arrangement could not be given legal status and the Transport Department does not intend to be involved in the certification of the place and time of the shift change. The majority of Unofficials, Sir, feel strongly that this right of refusal should *not* be allowed for it is likely to lead to abuse, bearing in mind that shift changing was the origin of the now rampant practice of drivers picking and choosing passengers. While I have some sympathy with drivers' desire to maximize their income by plying for trade up to the time of the actual shift change, I would have thought that the new fare structure would off-set any loss in income during the half-hour shift change. Perhaps, also, any small loss in income that is involved would encourage them to speed up the shift change to the benefit of users.

Finally, as regards the Union representatives' *first point*, namely, the psychological burden on drivers of the proposed stiffer sanctions and penalties, I am sure the taxi trade will agree that law-abiding drivers have nothing to fear and those who continue to flout the law and thereby put at risk the opportunity now offered of restoring the trade's image, will get only what they deserve. Furthermore, public dissatisfaction is now such that any delay in bringing in stiffer sanctions and penalties for malpractices will simply not be accepted; and I am afraid the Motor Transport Workers Union must accept that reality.

So much, Sir, for the respective viewpoints of users and drivers and operators. After many months of discussion in the Transport Advisory Committee, within Government and in Executive Council, we in this Council now have to take a view of the reform package as a whole for there is little point in passing this Bill, which provides for stiffer sanctions and penalties, unless we accept the case for a revised fare structure and through the continuing issue of licences, the Transport Department really does bring the supply of, and demand for, licences into a closer balance.

I think we should support the package not because it is beyond criticism or certain to be effective—and I shall return to this latter point in a moment— but because I agree with the Secretary for the Environment that the present state of the taxi trade is 'chaotic'. In this connection, I feel the Government must accept some blame for allowing the situation to deteriorate to the extent that it has. Unless positive remedial steps are taken, and taken urgently, Hong Kong's standing as a modern, international city will be tarnished. It must surely seem as ridiculous to visitors as it does to local users, that Hong Kong, with its first class network of hotels and its diverse range of financial and commercial facilities and its excellent systems of external communications, should tolerate the present situation in the taxi trade. The provision of an efficient taxi service should be a relatively simple task and

our failure to date to ensure that we have one does not reflect well on any of us.

In the final analysis, what we must be really clear about are the *objectives* of the package: it seems to me that these are *first* to make taxis more readily available to users generally but, at the same time, to counteract the present tendency for taxis to be used regularly as a substitute for public transport; *secondly* to discourage the use of private cars when taxis are a convenient substitute; and *thirdly* to enable taxi operators to earn a reasonable living without indulging in malpractices. So the real question to be answered is not the fairness or unfairness of the sanctions and penalties proposed in this Bill, or the adequacy or otherwise of the new fare structure, or the arguments for and against the tender system as a means of issuing licences, but whether the package as a whole will achieve these three objectives.

Much will depend, of course, on the vigilance of the police, the co-operation of the public in reporting malpractices and the attitude of the taxi operators themselves, and here I would like to suggest that the Transport Department should critically examine the present arrangements for keeping in touch with the trade with a view to ensuring that there is a really effective two-way dialogue. But, as I hinted earlier the eventual success of the package in achieving the objectives cannot be assured in advance. It is in this light that the proposed review of the effects of the package in nine months' time assumes great significance. The review must be well-founded factually and, to achieve this, the necessary machinery to collect the information required should be established simultaneously when this Bill becomes effective; and I do not accept that the oft-quoted difficulties involved in collecting such information are insuperable.

Subject to the Secretary for the Environment giving an undertaking that this will be done and despite my doubts about some aspects of the package, I support the Bill.

MR JAMES WU:—Sir, I have been tempted to speak on this subject particularly on Government's proposed package including a fare increase to improve on Hong Kong's Taxi Service in a stick and carrot manner. I am doing so with some 30 years of experience in this business up to 1967, but now have no interest whatsoever to declare. I have not even travelled in a taxi the last six months.

The taxi service in Hong Kong has indeed deteriorated greatly for more than a decade. This is no surprise to myself and those who knew the business, for during 1965-66 as Chairman of the Hong Kong Taxi Owners' Association, I had made representation to the then Transport Advisory Board on behalf of the trade, that to issue taxi licences by tender at a rapid rate without due regard to control and a corresponding issue of taxi-driving licences, would eventually destroy discipline and organized and orderly operation of the taxi service, then operated quite efficiently by 8 to

10 large companies which controlled 70 to 80% of the taxis. There was good co-operation with the police and any complaint of inadequate or bad service and malpractice would receive the operators' prompt attention, with remedies effected.

It was regretted that the advice, given in good faith and with public concern, along with the proposal for luxury bus service at a higher fare that later emerged in the form of mini-buses or PLBs, was not accepted, and the chaotic situation as we see it today ensued. As a result less than 2½% of the taxis today remain in the effective control of larger fleet owners.

Like in any business, the taxi trade depends on the fare of rate as well as volume of business. It has been said that since 1945, there had only been one fare adjustment in 1974 and because of substantial increases in other prices and incomes, a substantial increase would be justified if a decent service is to be expected. Whilst I would advocate an appropriate increase, I would say off-hand that too high an increase could be counter-productive, as it ties in with what the traffic can bear and the expected volume of business. There is also one aspect of the operation cost (*ie* fuel oil cost per mile) that has actually not increased compared to pre-1954 days, due to the introduction of Diesel-powered taxis.

Let us now take a look at the following figures that might represent the average monthly income and expenditure of a taxi under present day circumstances:—

<i>Income</i>	2 shifts× 29 days× \$135	<u>\$7,830.00</u>
<i>Expenditure</i>	Drivers' wages and bonus 2 × \$1,800	\$3,600.00
	Car depreciation, maintenance and parts	1,600.00
	Fuel and oil costs	1,800.00
	Adm., lic., fees, insurance, sundries <i>etc</i>	<u>750.00</u>
		<u><u>\$7,750.00</u></u>

The above figures barely balances with little if any profit or incentive to both the drivers and the owner, considering the effort and investment put in, and it certainly is no good business to pay quarter of a million dollars for a licence, plus over \$40,000 for a vehicle, at today's interest rate of 10-12% per annum minimum.

It would appear therefore that on the basis of not losing any present clientele, an increase of 50-60% in the fare scale would be fair and appropriate. The proposed fare should then be:—

\$3.00 for the flag-pull and 1.5 km

\$0.20 for every subsequent 1/5 of 1 km

The waiting time could then be 20 cents for every minute and I think it is entirely fair, as the present \$4.80 rate for each waiting hour is not even

enough to pay for the driver's wage, and the heavy congestion in our roads aggravate the situation and injustice.

The advantages of the proposed scale of fare are multiple:—

- (1) It is a gradual and reasonable increase.
- (2) It gives us a golden opportunity to introduce the metric system in distance measurement and I am surprised that my Friend the Secretary for the Environment has not thought of it.
- (3) It will encourage drivers to pick up passengers for both short journeys and long ones because of \$3 flag-pull and the more than 60% increase for subsequent distance after the first 1.5 km or almost 1st mile. Otherwise he will only get a 25-30% increase on a trip from Star Ferry to Magazine Gap Road, Conduit Road, *etc*, that are highly congested, under the proposed increase by the TAC.
- (4) It is perfectly easy to adjust the meter for the new fare and I can offer my free professional advice.
- (5) It will not unduly discourage people to use taxis to go to greater distance in a hurry, *eg*

<i>Star Ferry to</i>	<i>My proposal</i>	<i>TAC proposal</i>
Repulse Bay	\$11.50	\$15.00
Stanley	\$15.80	\$22.50
Wah Fu Estate	\$9.40	\$12.50
Mei Fu Sun Chuen	\$11.00	\$15.00
Kwun Tong	\$11.00	\$14.00

- (6) By virtue of (3) and (5), taxis will not aggravate the congestion in the busy centres of the city, as the roads to the far out places allow for speedier travel and more income in a given time.

From what I have heard from the radio discussions and forums in both the Chinese and English channels, I understand that whilst the public objects most strongly to the steep increase proposed by Government, the owners and drivers of taxis also feel that the increases are high and would undoubtedly affect adversely the turn-over or volume of business. I believe the proposal I now make is a reasonable compromise, and I put it forward for what it is worth.

I would also draw Government's attention to the effect of its proposed steep increase on our present highly inflationary trend which might not have been considered by my Friend, the Secretary for the Environment. The chain effect on PLB fares, bus fares and then wages *etc* in general would be great indeed, and I call attention to the assurance given me by the Financial Secretary that Government would not deliberately cause other fares to go up so as to make the MTR more competitive and viable.

Sir, I wish also to point out that my proposed increase could be raised further if found inadequate in 9 months' time, whereas Government's proposed steeper increase would be irreversible.

Sir, there is an appeal from owners and drivers to allow for time to change shift in the latter part of the afternoon between say, 3.30 to 5.30 and I believe this is genuine and necessary, even for safety reasons. Each taxi should therefore be given say 30 minutes to do so including cleaning, checking and refueling. Regulations could be made to require drivers and owners to pre-declare the time and venue of the change so that this could not be used as a pretext to discriminate against fares. Above all, I believe that an equitable fare structure will go a long way to improve the situation.

Sir, with the above comments, I support the Bill before Council.

MR CHEONG-LEEN:—Sir, in moving the Second Reading of the Bill to provide for stiffer sanctions against taxi drivers committing malpractices, the Secretary for the Environment spoke at length on a wider package of measures.

As the Secretary probably knows, there are many experienced and responsible taxi drivers who do not engage in malpractices. Understandably, they feel they will be 'psychologically' penalized by these stiffer sentences, and deserve our sympathy.

Regrettably, in the past two years there have been increasing complaints from the public about malpractices on the part of unscrupulous taxi drivers. The sanctions proposed in this Bill will be overwhelmingly supported by the public who would like to see the taxi trade maintain a higher standard of service.

Responsible taxi drivers will undoubtedly continue being careful not to commit malpractices. In fact, this is what they have already been doing. The stiffer penalties are not aimed at them, but only at those who have been giving the taxi trade a bad name by committing malpractices, some of which were mentioned by the Secretary in his speech, to the discomfort and frustration of the travelling public.

In the package, the Secretary has proposed increases in both urban and New Territories taxi fares. I shall comment only on increases in urban taxi fares.

I accept that it is reasonable to increase the fare from \$2.00 to \$2.50 for the first mile.

I also accept that waiting time should be increased from 20 cents to 50 cents for every 2½ minutes. This is an incentive to take a fare anywhere during peak traffic hours or through areas where traffic is dense and slow-moving.

What I do not accept—because I think it is unreasonable and too much of a daily financial burden to the travelling public—is the increase from 20 cents to 50 cents for each subsequent 1/5 mile after the first mile. This means a 100% increase in taxi fares on the average.

I believe it would be more reasonable if the increase for each subsequent 1/5 mile after the first mile were to be raised by 50%, that is from 20 cents to 30 cents. In other words, the average increase in taxi fares for journeys which are longer than one mile would then be about 50%.

This more moderate increase would also be agreeable to taxi drivers, who are very worried that the proposed increase of 100% on the average fare will drastically reduce their income for many months to come.

I am at a loss to understand the Transport Department's philosophy that taxis should be considered a luxury and be put out of reach of middle income families by the doubling up of fares. The Department has lost touch with reality by showing such little sympathy for middle-income families who have to use taxis because there is such a serious shortage of buses or there are no mini-buses going to their required destinations.

And if the 100% average increase goes through, will the mini-bus trade not be tempted to double their fares or to raise even more the current level of fares. In that event, how effectively can the Transport Department dampen down the pressure to raise mini-bus fares, and thus keep down living costs for the public?

May I now turn to the Secretary's proposal to change the tender system by requiring each tenderer to bid for a minimum of 10 new taxis and pay a deposit of \$25,000 as reported in the press, instead of the current practice of accepting tenders for even one taxi against a deposit of \$2,500.

The Transport Department hopes that this change in tender procedure will act as a deterrent to those who are induced to gamble with a small sum in the hope of obtaining a license on one taxi and reselling it for a higher price. Yes, it will do just that, but in the process it will permit only individuals or syndicates with more cash resources to take over and do exactly the same thing but on a larger and more organized scale.

Currently, there are 7,000 urban taxis, of which about 6,000 are owned by individuals. Of this latter figure, 3,000 taxis are owner-driven for at least one shift. The balance of 3,000 taxis are rented out on both shifts, and are not driven by the owners.

Would it not be a healthier trend for the taxi trade if the Transport Department were to encourage more new taxis to be owner-driven, even if it meant a reduction in the tender prices?

Has the Department considered the possibility of continuing to allow individuals to tender but restricting participation by those who have been holders of a taxi driving licence for a minimum period of 2 or 3 years? The deposit could also be raised from \$2,500 to \$5,000 for each tender application for a new taxi licence by an individual.

I know that there are many persons holding licenses to drive taxis who are not professional taxi drivers but drive a taxi on week-ends or part-time

to increase their family income. At the very least, however, allowing holders of a taxi driving licence to tender for a taxi licence will encourage some of those who earn their living full-time by driving a taxi to save up money to eventually purchase their own taxi on the instalment plan.

May I say that I do not object to the Transport Department at the same time going ahead with the experiment to accept from individuals or groups without any restrictions whatever tender bids for a minimum number of 10 taxi licences, and with a minimum deposit of \$25,000 or even \$50,000. This might encourage the formation of medium or small-sized taxi groups which would invest in facilities such as radio-call service and employ a permanent core of professional taxi drivers.

Sir, I am not opposing the stiffer sanctions contained in this Bill. However, I am not entirely satisfied with the Transport Department's proposed new fare structure for urban taxis and the revised tender system for urban taxis.

I shall therefore abstain from voting on the Bill.

MR CHEN:—Sir, I rise to speak in support of the motion before Council. Although the heavier penalties proposed in the Bill against malpractices by taxi drivers appear 'harsh', they are aimed only at those drivers who deliberately abuse the law but should hold no fear for those law abiding drivers.

When the proposed legislation was introduced by the Secretary for the Environment on the 20 December last year, a revision of the existing taxi fare structure was also proposed as part of a package designed to improve the taxi service. But whether this package would achieve real improvement to the present very unsatisfactory situation, I have some doubts. I would like to deal with this problem a little deeper.

The proposed amendments to the Road Traffic Ordinance would not have been necessary but for the fact that some taxi drivers resort to malpractices. But why should they resort to malpractices? One possible answer is that they cannot make ends meet. Another could be just plain human greed. If the latter is in fact the case, then the proposed legislation would appear to provide an effective deterrent to malpractices by all except the most daring. But if the former answer is correct, then the problem does not appear to be one which could be resolved effectively by the proposed package in the long term.

According to reports in the press, there are about four to five hundred taxis lying idle because of shortage of drivers. With the present rental system and fare structure, many qualified taxi drivers do not wish to enter or remain in the trade, simply because they know they cannot make a decent living or that they can make a better living doing something else. On the one hand, the rental system renders the non-owner drivers open to exploitation by unscrupulous taxi owners. On the other hand, the congested traffic conditions

make it extremely difficult if not impossible for the drivers to obtain sufficient business to cover the high overhead expenses and still leaves enough for a decent living. Being squeezed at both ends, some of the drivers are forced either to resort to malpractices or, for those who are not prepared to do so, to get out of the trade altogether. I am sure these are the reasons which account, at least partly, for the shortage of taxi drivers.

The taxi fare revision, as proposed by the Secretary for the Environment, may give taxi drivers more legitimate income. But this may only be temporary because the benefit provided by a more realistic fare structure could soon be wiped out by proportional rent increases demanded by the licence and vehicle owners, and the situation will revert to what it is now. If, on the other hand, the cause of malpractices is human greed, a hike in fare would not necessarily provide a solution as the hike may not match the extra income from malpractices. Clearly, fare revision does not provide an effective answer to the present problem and what is more, it may even lead to a general fare rise in other sectors of public transport, *eg* public light bus fares which are not at present under statutory control. Furthermore, it may encourage more 'pak-pais' on the road.

All the above arguments seem to indicate one thing. that the existing taxi licence tendering system is faulty and may have been the root cause of both the malpractices on the part of the taxi drivers, and speculation on the part of the licence holders and vehicle owners. I am told that there is no feasible alternative to the present system. This I find it hard to accept. An obvious alternative which would offer a greater hope of correcting the existing undesirable situation would be to issue taxi licences to driver-owners only. It would curb speculation, and only then would a taxi driver have some measure of control over his business overheads and, with a reasonable fare structure, a better chance of making a decent living. Such a licencing system would also help to eradicate the long-standing problems of 'pak-pais' which in some respects also provide a useful service to the public.

In order to encourage those taxi drivers who do not have the necessary financial means to become licence holders, but have a genuine interest in the trade, some form of assistance could be considered to enable them to own taxi licences. Such assistance could take the form of a pay-by instalments scheme. Unless taxi drivers can make a legitimate and honest livelihood, neither the introduction of stiffer penalties nor hiking of fares is likely to result in long-term improvement to our taxi service.

I am pleased to note that in the concluding remarks of his speech on the 20 December last year, the Secretary for the Environment said that the situation will be closely monitored after the changes are introduced and that a further review will take place this year. I hope that when the review is undertaken, the comments which I have just made will be given due consideration.

Sir, with these observations, I support the motion.

MR PETER C. WONG:—Sir, paragraph 1(b) of the Explanatory Memorandum to the Road Traffic (Amendment) (No 4) Bill reads as follows:—

‘To enable a court or magistrate to disqualify a driver from holding or obtaining a driving licence where he has committed certain offences under the Road Traffic (Taxis, Public Omnibuses, Public Light Buses and Public Cars) Regulations’.

Under section 23(1) of the Road Traffic Ordinance, a court or magistrate may disqualify a driver from holding or obtaining a driving licence altogether. However, it is felt that in relation to the new offences created under clause 4 of this Bill, the disqualification should be limited to the holding or obtaining of a taxi driving licence only.

I am pleased, Sir, to say that the Secretary for the Environment will move the necessary amendments to this effect at the committee stage.

Sir, I support the motion.

MR WONG LAM delivered his speech in Cantonese dialect:—

督憲閣下，有關的士的問題，尤其是拒載、濫收車費等現象，近兩年來相當令人關注，很多市民及與論對於的士司機的做法，表示不滿。本人認為產生這些現象最主要的原因是的士司機收入少，所以提高收費以增加司機的收入，實在是適當的做法。不過提高收費未必一定增加司機的收入，從種種跡象看來，現行的的士牌照投標辦法與的士司機的收入有很大的關係，標價越高的車主必然將車租提高，從而影響司機（租車者）的收入，所以政府批准提高的士收費，可能給予車主提高車租的藉口，從而大大減少司機的得益。本人並非提議政府應該干預車主與司機間的生意上的安排，而是認為加價未必能夠達到預期的效果，所以本人雖然同意加價，但卻認為政府對現行的投標制度必須作出刻不容緩和詳細的檢討，以尋求更適當的安排，使真正從事的士服務的人士獲益，也間接使市民獲益。

不過，大致上而言，這次加價肯定會為司機帶來某種程度的益處，所以任何司機假如仍然拒載或濫收車資，必然得不到市民的諒解。事實上，正如部份報章所述，拒載或濫收車資的司機，只是少數害群之馬，所以修改現行法例，以嚴厲對付這些使整個的士行業蒙污的不良份子，實在是極為恰當。

至於此次政府建議加價的幅度是否適當，實在是見仁見智，假如把香港的士收費與其他地方比較，即使與東南亞其他地區比較，則仍可算合理，當然以長途計算，加幅頗大，但短途計算，則實際所加不多，本人同意有關收費方面在適當的時候，應該予以檢討。

最後要一提吊銷駕駛執照的問題，政府建議將觸犯嚴重規則的司機駕駛執照吊銷，此點本人並不反對。但假如司機所犯的並非駕駛上的錯誤，則不應將最基本的私家車牌照或其他駕駛執照一併吊銷；換言之，假如司機所犯的只是與載客有關的法例，則所吊銷的應該只是的士駕駛執照，而非將所有駕駛執照同時吊銷。

督憲閣下，本人支持此項動議。

(The following is the interpretation of what Mr Wong Lam said).

Your Excellency, during the past two years, considerable concern has been expressed over the taxi problem, particularly in respect of the malpractices of refusing fares and overcharging. The press and the public have expressed dissatisfaction with such malpractices which in my opinion are mainly attributable to the low income of taxi drivers. Against this background, it is appropriate to raise taxi fares so as to increase the income of taxi drivers.

However, an increase in fares will not necessarily result in an increase in the income of taxi drivers. There are indications that the present tender system for taxi licences has a great bearing on the income of taxi drivers, because the higher the tender prices, the higher will be the taxi rental charged by taxi owners. As a result, the income of the taxi driver (who rents the taxi) will be affected. It is therefore possible that an increase in taxi fares may give taxi owners an excuse to raise the taxi rental, thereby reducing considerably the earnings of taxi drivers. I am not suggesting that Government should interfere with the business arrangements between taxi owners and drivers, but I do think that an increase in fares may not necessarily produce the desired results. Thus, while endorsing the fare increase, I feel that Government should conduct a comprehensive and careful review of the current tender system without delay, so that more suitable arrangements may be worked out for the benefit of bona fide members in the taxi trade, thereby indirectly benefiting the public as well. On the whole, an increase in fares will definitely benefit the drivers to a certain extent and the public will not be sympathetic towards any driver who still refuses to accept fares or overcharges. In fact, as reported in the press, those who refuse fares or overcharge are but a small minority in the service. It is appropriate to amend the present legislation to provide for stiffer sanctions against these bad elements who have brought the entire taxi trade into disrepute.

Whether the extent of the fare increase proposed by Government is proper or not is a matter of opinion. Taxi fares in Hong Kong, when compared with other places, even with other countries in South East Asia, may still be regarded as reasonable. Although for long journeys the extent of fare increases will be considerable, for short trips the increase will be relatively small. I agree that fares should be reviewed at appropriate times.

Finally, I would like to say a word or two on the question of disqualifying a taxi driver from holding a driving licence. I have no objection to the Government's proposal for disqualifying a taxi driver who has committed serious offences from holding a licence. But if the offence committed is not connected with driving, then neither his private car driving licence nor his other driving licences should be cancelled. In other words, if it is only an offence in connection with the carrying of passengers, only the taxi driving licence and not his other licences should be cancelled.

Sir, I support the motion.

MR C. YEUNG:—My honourable Colleagues have spoken at length on the various aspects of the Road Traffic (Amendment) (No 4) Bill 1978 which is presented as part of a package to solve the deeprooted and inextricably complicated problems afflicting the taxi trade. The work of the Transport Advisory Board has been most thorough and their expression has been most fair which deserves a place of recognition. It is, however, also an acknowledged fact that there are still some areas which require further

exploration and the result is that the package is to be reviewed in nine months' time.

I wish at this stage to deal with only one issue, namely the issuance of taxi licences. I firmly believe that in order to facilitate travelling convenience, taxi licences should be issued to meet the needs of the people but not as a means of revenue production.

There is therefore no reason why the issue of new licences at nil premium for the New Territories Taxis has to be withheld especially when the system has proved itself a success.

There is also a good opportunity for Government to take the initiative to encourage good discipline in taxi operations by providing an incentive to any ambitious taxi driver of say, ten years' standing with a good driving record, to obtain a taxi licence free of premium, provided that the taxi shall be driven by him alone. This will undoubtedly put more taxis on the register but it does not necessarily mean that the road will be flooded with taxis. I believe that, by limiting the driving of these taxis to their owners, the owner/drivers will choose their time to take their taxis out on the road when the demand is the highest; for example, at the usual peak hours, on rainy days and race days and also at the time when other taxi drivers refuse to take passengers during shift hours.

I also see the possibility and desirability of Government providing more self-employment opportunities to people say, over fifty, and also to the slightly physically handicapped people who are holding valid driving licences by issuing taxi licences to them, provided the taxis are to be driven only by themselves. This will not only give such people financial independence but also an opportunity to contribute to society as useful and serving members. I venture to suggest that they will ultimately become one of the most welcomed groups of taxi drivers as they will take it as a life-long occupation which they will certainly discharge with dignity and integrity.

With these comments, I beg to support the motion.

SECRETARY FOR THE ENVIRONMENT:—Sir, I am grateful to all my Colleagues who have spoken so thoughtfully and fully in this debate. I will try to confine my remarks to as few words as possible while doing justice to the various points they have raised.

I think they all agree that the package of measures which we have been debating this afternoon has been discussed at great length, both within the Government and with our Unofficial Colleagues. Although I for one am pretty certain that we are moving in the right direction, I also agree that the exact results of the package cannot be predicted and there may well be unforeseen side effects. So I agree with Miss DUNN and Mr S. L. CHEN in the importance they attach to the Government monitoring all aspects of the package after it has been introduced in order to ensure that an adequate

review of its effects can be conducted later in the year and that, if necessary, further adjustments can be made. I can assure them that the Standing Conference on Road Use, under the chairmanship of the Commissioner for Transport, has already set up the necessary machinery to do this and that a survey of all matters to be covered by the package has been conducted to establish a 'before' basis for comparison. The Transport Department has also now established more formal machinery to keep itself in touch with all sections of the taxi trade. There is now a Working Party on Taxi Operations which enables the staff of the Department to meet with representatives of all the taxi owners' and drivers' associations, including those in the New Territories. Meetings are held at least once a quarter and the last one, on 5 January, in fact lasted all day from 9.30am until 5.30pm with a break for lunch.

Virtually all the speakers this afternoon have expressed concern that the benefits of the fare increase to drivers might be swallowed up by higher rents charged by owners. And some of them felt that this was a natural consequence of the present tendering system. They drew the conclusion that, if this were to happen, some drivers might be forced to continue with malpractices despite the introduction of the package. At the same time Mr CHEONG-LEEN as well as Mr James WU has forcibly expressed the view that the fare increases proposed for longer journeys are far too high and he, Miss DUNN and Mr CHEN are worried that the fare increases may also lead to higher charges on other public transport, particularly PLBS.

As I have said, I do not wish to be dogmatic about these matters and it could be that some of my honourable Friends' worries may be realized. But I do think that most of them are probably somewhat exaggerated and that some are, indeed, mutually, contradictory. For instance, if the fare increases really are as stringent as Mr WU, Mr CHEONG-LEEN believe, then there ought to be plenty of taxis available for those who wish to hire them at these fares. In such circumstances, competition should ensure that those drivers who try to commit malpractices will very soon find that they have no passengers. Indeed, if this were to be the case the opposite could well happen and drivers could possibly offer lower fares in some circumstances such as in off-peak periods. Here I would point out that the metered fares are the maximum that can legally be charged. There is no law against drivers accepting journeys for lower than the metered fares if they are willing to do so. (*laughter*)

Despite what my honourable Friends have said, I also believe that the natural forces of the market will moderate the bargaining process between owners and drivers over rentals and that a level will be established which will provide the drivers with sufficient income to induce sufficient of them to engage in the trade.

As regards the tender system, the problem is that, no matter how carefully we try to devise a system of restricted tendering confined to taxi drivers

only, as suggested by Mr CHEONG-LEEN, Mr CHEN and Mr WONG Lam— or even issuing licences free to long service drivers as suggested by Mr Charles YEUNG—we cannot escape the fact that there is a market for taxi licences, quite apart from the tender system, and that licences would still be changing hands in that market at high prices. There would therefore be a tendency, by one means or another, for any licences issued at a cheap price or completely free to find their way into the general market to the benefit of some individuals. So I doubt whether what is proposed will turn out to be practicable. But I promise that this aspect also will be examined carefully during the coming months and will be considered again in the review.

I doubt also whether the raising of taxi fares will have very much effect on other transport fares, except to the extent that demand is shifted. For instance, given that PLB fares fluctuate with supply and demand, if the demand for their services were to increase there could be some increase in their charges through market forces. But, if this were to happen, it would be a mistake to regard it as an emulation of an increase in taxi fares which have not risen since 1974.

I cannot agree moreover with my honourable Friends' implied views that rises in particular prices, fuel inflation, in the chain effect by causing or leading other prices to rise. Inflation is caused by excessive monetary expansion in relation to the real supply of goods and services and this in consequence leads to increases in the general price level. Particular prices cannot be increased unless the demand for the product is there to sustain the increase and some of our businessmen in Hong Kong found this out to their cost as recently as 1975-76.

Here I would point out that Mr CHEONG-LEEN is wrong in saying that the tender system now requires each tenderer to bid for a minimum of 10 new taxis. It is true that a deposit of \$25,000 is now required, but tenders are still accepted for single taxis or for any number up to the maximum of 300.

Finally, Sir, I can confirm to Mr Peter WONG and Mr WONG Lam that I will be moving an amendment during the committee stage of the Bill to make it clear that the sanction of the removal of driving licences for taxi malpractices will be confined to the culprits' *taxi* driving licences and will not affect their licences to drive private cars or other vehicles.

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).

PARTITION (AMENDMENT) BILL 1978**Resumption of debate on second reading (29 November 1978)***Question proposed*

MR PETER C. WONG:—Sir, the main purpose of the Partition (Amendment) Bill 1978 is to dispense with the consent of a mortgagee required under section 3(2) of the principal Ordinance. This I fully agree. The reasons for the change were explained by the Acting Solicitor General when he moved the Second Reading of this Bill.

However, I am not happy with the proposed amendment to section 3(1) of the principal Ordinance. This section defines the parties who may institute proceedings under the Ordinance. In my opinion, section 3(1) is quite adequate for the purpose for which it is intended.

I will not trouble Honourable Members with legal technicalities, but will only inform this Council that after consultation with the Solicitor General, Government has now agreed not to amend section 3(1) of the principal Ordinance.

Sir, I support the motion.

THE SOLICITOR GENERAL:—Sir, having had the benefit of consultation with Mr Peter C. WONG, I propose to move an amendment to give effect to his suggestion. Section 3(1) will therefore remain as it now is in the statute book, that is an application for partition may be made by any ‘person interested’ in the property. If there should be a dispute it will be for the courts to determine who is a ‘person interested’ for the purposes of the section.

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.

MERCHANT SHIPPING (AMENDMENT) BILL 1979

Clauses 1 to 3 were agreed to.

SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1979

Clauses 1 to 3 were agreed to.

IMMIGRATION (AMENDMENT) BILL 1979

Clauses 1 and 2 were agreed to.

DUTIABLE COMMODITIES (AMENDMENT) BILL 1979

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (AMENDMENT) (NO 4) BILL 1978

Clause 1

SECRETARY FOR THE ENVIRONMENT:—I move that clause 1 be amended as set out in the paper circulated to Honourable Members. It merely changes the date of 1978 to 1979.

Proposed amendment

Clause 1

That clause 1 be amended by deleting ‘(No 4) Ordinance 1978’ and substituting the following—

‘Ordinance 1979’.

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clauses 2 and 3 were agreed to.

Clause 4

SECRETARY FOR THE ENVIRONMENT:—Sir, I move that clause 4 be amended as set out in the paper circulated to Honourable Members. I had explained the purpose of this amendment earlier this afternoon.

Proposed amendment

Clause 4

That clause 4 be deleted and the following substituted—

- ‘Amendment of section 23.*
- 4.** Section 23 of the principal Ordinance is amended by inserting after subsection (1) the following new subsection—
- ‘(1A) Without prejudice to any other penalty, any court or magistrate before whom a person is convicted of any offence under any regulations made under this Ordinance of—
- (i) wilfully refusing or neglecting to accept a hire from a hirer whether the intention of such hirer is indicated expressly or by implication;
 - (ii) refusing or neglecting to drive the taxi from a taxi stand to any place indicated by the hirer;
 - (iii) refusing or neglecting to drive the taxi to any place indicated by a hirer having responded to a hail from the hirer;
 - (iv) refusing or neglecting to drive the taxi to any place indicated by a hirer when requested otherwise than at a taxi stand or after responding to a hail;
 - (v) charging for the hiring of a taxi a fare exceeding the appropriate scale of fares prescribed by this Ordinance,
- may order him to be disqualified from holding or obtaining a driving licence to drive a taxi for such period as the court or magistrate thinks fit.’.

The amendment was agreed to.

Clause 4, as amended, was agreed to.

PARTITION (AMENEMENT) BILL 1978

Clause 1

THE SOLICITOR GENERAL:—I move that clause 1 be amended as set out in the paper circulated to Honourable Members.

Proposed amendment

Clause 1

That clause 1 be amended by deleting ‘1978’ and substituting the following—
‘1979’.

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clause 2

THE SOLICITOR GENERAL:—I move that clause 2 be amended as set out in the paper circulated to Honourable Members.

Proposed amendment

Clause 2

That clause 2 be amended by deleting paragraph (a).

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clause 3 was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

MERCHANT SHIPPING (AMENDMENT) BILL

SHIPPING AND PORT CONTROL (AMENDMENT) BILL

IMMIGRATION (AMENDMENT) BILL

DUTIABLE COMMODITIES (AMENDMENT) BILL

had passed through Committee without amendment and that the

ROAD TRAFFIC (AMENDMENT) (NO 4) BILL 1978 and

PARTITION (AMENDMENT) BILL 1978

had passed through Committee with amendment and moved the third reading of each of the bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment

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

4.34pm

The United Nations' Year of the Child and the need to improve services to children in Hong Kong

REV. JOYCE M. BENNETT:—Your Excellency, in speaking to support the Chief Secretary's motion, I wish to draw the attention of this Council to the United Nations' Year of the Child which stimulates us to examine our services to the children of Hong Kong and to suggest improvement. Clearly in a debate of this nature we cannot examine in detail all the services, but the hospital facilities for children, the facilities for physically and mentally handicapped children and the facilities for the pre-school child deserve our attention this afternoon.

First let us consider how we look after the sick and injured child in our Government and aided hospitals. Many of us have had to care for a sick child at home and we know the problems involved in nursing children, especially babies and young infants. We would certainly agree that nursing those under 12 requires more expertise and more time than those over 12. However the Government expects one nurse to care during the day time for every 7 patients whether or not they are children or adults. At night one nurse is expected to look after 15 patients or more. Just imagine the pandemonium that ensues when those babies are uncomfortable, hungry or in pain. How does the nurse cope with those children, all bawling their heads off at the same time, especially when she is already attending to some hourly treatment ordered by the doctor.

After visiting the children's wards at Queen Mary Hospital, I checked the Child Care Centres Ordinance and find that it is laid down that one worker should be allowed for six children. While I realize this Ordinance does not apply to hospitals, I consider it is reasonable that sick children should be cared for by more nurses than healthy children. In England there is a minimum of one nurse to two children in these wards. Why do we have so few here?

Moreover we have to remember that the cots in Hong Kong are frequently placed so close together that the nurse has to push one aside to reach the infant in the next cot. I am not surprised that nurses complain regarding their conditions.

Naturally we hope that all our nurses will turn into veritable Florence Nightingales, but their hearts must be broken when they see young children becoming worse not better after hospitalization, thus failing to fulfil the first requirement of a hospital. Florence Nightingale laid down this as 'a hospital should not do the patients any harm'. The result of this overcrowding and understaffing in the children's wards of our hospitals means that cross-infection can easily occur. I have learnt of a recovery rate in Hong Kong for a certain disease of 30% whereas in the United Kingdom this disease has a recovery rate of 60%. Our low rate of recovery is attributed to cross-infection. A sick baby or young child can so easily catch diarrhoea from

other sick children. There are grossly inadequate facilities for isolating these infectious cases in the Queen Mary and other hospitals.

I wonder whether Members of this Council have visited the children's wards at the Queen Mary recently? Modern pediatricians consider that children in hospital will benefit from having their mother or relative to stay with them. This is clearly impossible in Hong Kong because there would be no room for them to sit beside the bed of their child. Doctors and psychologists have studied the effect on children of 6 months to 3 years of this separation from their mother at such a tender age. The resulting psychological trauma causes irreparable damage to the child. Remember, too, if the mother can remain with her child for its stay in hospital the nursing burdens on the nurses are eased. However I can guess that this request for the mother to be allowed longer in the wards will be rejected on the grounds of lack of space.

Yes, the wards lack space, so that the children who are getting better cannot be allowed to get out of bed more than necessary, because there is no room and nothing for them to do apart from the daily schooling provided by the Red Cross for long-term patients. I speak next however of one aspect of these wards that could be changed and changed immediately at very little cost. I refer to the need for these wards to be decorated in bright colours with pictures and provided with toys. This requires a little imagination and caring thought. If the maintenance departments of the PWD do not understand this, I suggest we ask the help of the design students at the Polytechnic or even some of our secondary technical schools; they could help decorate these children's wards.

Much has recently been written in the press about the need for a children's hospital. Of course this would be good and proper. All modern, developed countries expect such for the research work into children's diseases. Hong Kong's children would definitely benefit from a children's hospital. Are Members aware that essential investigations required by the surgeons at the Queen Mary Hospital from the pathology laboratories cannot be carried out, because the laboratory they use is geared for adults and is not well-equipped for carrying out the special techniques required for the biochemical investigations on small children? If we do not build a children's hospital, these special facilities must be provided in all regional and general hospitals. Can we also reduce the number of beds in the children's wards? In the newer United Christian Hospital, the floor space was less cluttered up; the children had room to get out of bed. They could play with toys.

Perhaps my Colleagues consider I am going into too much detail, but we should remember these are meant to be places of healing, not prisons, which they resemble in part at the moment. I could elaborate similarly on our inadequate facilities for the handicapped child. But I have already urged Government in other debates to improve more rapidly the facilities for the mentally retarded and handicapped child.

I therefore turn to the grossly inadequate number of educational psychologists for the proper assessment of children's abilities. At the moment the Education Department has two only and recently they have taken on six unqualified educational psychologists to work under the two properly trained and qualified ones. I urge that the course to train these six, and others interested in this important work for children, should be started as soon as possible in the autumn of this year. I understand the training lasts one year. Until we have more trained personnel we shall continue, as this year, to place children in the wrong type of special classes or schools or indeed place them in special classes when they do not need to be taken out of the ordinary class or school.

Hong Kong is fortunate today that the undernourished child is rarely found. Hong Kong parents are devoted to their children and seek the best for them. How sad it is that when they try to give their pre-school child a good start in life, they find cram shops not true kindergartens or play centres. We have forgotten in Hong Kong that a kindergarten should be a garden for children to discover the wider environment outside their homes. That report on the pre-school child promised us many months ago by the Director of Social Welfare has still not been born. I hope that it will be positive in its approach to services for the pre-school child. In this connection I wish to reiterate again the need to engage adequately educated young women to work in child care centres.

Never forget that the infant of four today is the young citizen of Hong Kong at the turn of the century. We need to show our faith in the future of Hong Kong by providing adequate services for our present youngsters, who will be the citizens of tomorrow. We do not have time today to examine each principle in the United Nations' Declaration of the Rights of the Child. These were tabled in this Council on the 1 November 1978 by Mr Hilton CHEONG-LEEN. They provide high ideals for us to strive to reach. My Colleagues will further elaborate the way Hong Kong can apply these principles to the services we seek to render to our children.

MR. LEUNG:—Sir, in supporting the motion, I wish to stress on one point, which is the provision of more child care centres and connected services to the lower-income group of Hong Kong. The need for these services to young children of pre-school age is particularly felt in and around the new industrial towns in the New Territories.

For obvious financial reasons many young couples are obliged to work and it has generally been accepted that there is a need to provide a specialized service to look after their young children of pre-school age while they are at work. This specialized service should also be designed to prepare young children for school.

Encouraged by the Social Welfare Department, many voluntary agencies are prepared to co-operate in this field by establishing child care centres on

a non-profit making basis and with a limited capital outlay of furnishing expenses. However, they are often deterred by the provisions of the Child Care Centres Regulations, Cap. 243, concerning staff, health, sanitation floor space, equipment, installations and fire safety. Although designed originally to protect children under care, these provisions are often much too rigid and difficult to comply with without extraneous costs and time-consuming efforts. I refer especially to the Fire Services requirements where the time it takes to comply with them properly is particularly a matter of great concern. Any delay in obtaining the necessary Certificate of Registration of a child care centre under the Child Care Centres Ordinance is usually caused by difficulties in obtaining a Fire Services Certificate issued by the Director of Fire Services and a certificate issued by the Director of Housing in the case of those centres situated in housing estates anywhere.

I speak with experience after having planned, organized and am still running two Child Care Centres, each providing 100 day places for young children. I appeal to the authorities concerned to review their requirements and conditions to make them more flexible and less time-consuming for compliance in the granting of certificates. If this were done, I am sure that more voluntary bodies will then come forward gladly to further Government's aim to provide this service for our children.

DR HO:—Sir, in promoting the welfare of the child in this International Year of the Child, I consider the family unit to be of the utmost importance.

As a primary environment, the family moulds the development of its members, particularly during their formative years. It is in the family where the child receives emotional security, learns the norms of human relations, and gradually forms his own personality. However, the ability of the family unit to perform these traditional functions of care, nurture and socialization is being eroded by the demands of urbanization and modernization. The community comes to its aid by providing a variety of support systems, such as home help, personal social services, and income maintenance.

In current policy-making, community support systems are planned on the basis of age-groups or special needs; for instance, the child, the youth, the elderly, the disabled, or the emotionally unbalanced. Little emphasis is placed on planning for the family as a unit, so that the complementary effect of the family system upon the well-being of its individual members, and dependent children in particular, is often ignored.

Let me illustrate my point with the issue of child abuse, which has aroused much public concern of late. Prosecution against the parents and removal of the child for temporary placement are the common measures taken. At best these measures afford temporary protection for the child, but they are very likely to provoke strong feelings of resentment in the convicted parents or in other members of the family against the young victim. Child abuse is, in fact, symptomatic of a multitude of family problems, such as marital discord,

prolonged economic hardship, environmental frustration, or unstable personality. Any effective remedy to reduce child battering and ill-treatment must include an assessment of the needs of the family as a whole rather than those of the victimized child alone. It is, therefore, logical to preserve and strengthen the family unit, in order to further the welfare of the child.

Foster Care

There is also the problem of children who have been deprived of their families, either temporarily or permanently, for reasons of abandonment, separation, divorce, illness or imprisonment of both parents, and other emergencies. The traditional remedy is to place such children in an orphanage or children's centre. But experiences in child welfare work has shown that institutional living is not conducive to the wholesome development of the child. The intimacy, affection and security of family life, so essential to a child's growing-up process, are absent from an institutional setting. Substitute homes like adoptive homes and foster homes are, therefore, a more appropriate form of child care. Foster care is suitable for those children who are not free or suitable for adoption and who need only temporary care. At present, there are only two subvented voluntary organizations rendering such services but their total number of places does not exceed 50 at any one time and falls far short of current demand. Expansion of the foster home programme is a matter of urgency, but this cannot be achieved without greater Government involvement by way of greater subventions, upgrading the priority of foster care, and giving foster care more publicity.

Pre-Primary Care and Education

Nearly 200,000 children under the age of six are placed in day nurseries or kindergartens. In principle, there are essential differences between these two kinds of institutions. However, practical considerations have prompted operators of day nurseries to include academic learning in the daily programme of games and play. At the same time, some kindergartens are extending their daily hours of operation and admitting younger children, even at the age of two and a half years. Thus, the functional differences between a day nursery and a kindergarten are fast disappearing, and they compete in serving the same age-group.

As regards curriculum standard and content, there are wide variations among different kindergartens. Opportunities for children to learn through play and first-hand experience have given way to formal teaching of the 3 R's. Complex arithmetic and English are now normal parts of the syllabus and homework is assigned to please parents. A more alarming development is the elevation of the standard of teaching in some kindergartens, without regard to each individual child's pace of learning, presumably to meet the requirements of the highly competitive Primary I entrance examinations of certain primary schools. Kindergarten education of this kind, if allowed to continue, will, no doubt, be extremely detrimental to the intellectual, social and emotional development of our children.

I understand that the Government has set up a Working Party to study day nurseries and kindergartens. I am eager to read its report, in particular on the areas as set out in the Annexure (below) which I now table before this Council.

With these remarks, Sir, I support the motion.

Annexure:—

- (a) The functional roles to be played by creches, day nurseries and kindergartens in the provision of care and education for pre-primary children;
- (b) The uniformity of curriculum among kindergartens to assure an even standard of kindergarten education;
- (c) The alleviation of pressure arising from Primary I entrance examinations; and
- (d) The formal, pre-service training and academic qualifications of child care workers and kindergarten teachers, and the appropriateness of such training and academic qualifications for the provision of quality services in the long-term interest of our future citizens.

SECRETARY FOR SOCIAL SERVICES:—Sir, I am most grateful to Miss BENNETT for drawing the attention of this Council to the United Nations' Year of the Child, and the opportunity this gives to all of us to reflect on the ways in which we can improve the lot of our children. Miss BENNETT, Mr LEUNG and Dr HO have drawn attention to some of the areas in which our provisions fall short of the ideal, and I would not wish to dispute that in our present stage of development there are shortcomings; but Hong Kong certainly need not be ashamed of what has been achieved so far, or of what it plans to do in the years ahead. I think I can safely state without fear of contradiction that the growth achieved in all our services for our children and youth in recent years—in the medical and health, labour, social welfare, education as well as recreation and sports fields—has been phenomenal. Our plans for the coming decade are even more ambitious.

The time available to me for this reply does not permit a detailed recital of these achievements and future plans. But I must answer some of Miss BENNETT's points which take our medical and health services to task.

Clinical paediatric services are only one aspect of the total child care facilities in Hong Kong and the paediatric wards in Queen Mary Hospital are but one of the units of the overall paediatric services.

Queen Mary Hospital was completed in 1937 and the Department of Paediatrics only established in the University of Hong Kong in 1962. Since then there has been continuous growth in the paediatric services despite the restricted accommodation available. A feasibility study is now under way to examine the possible re-location of certain facilities and the building

of new accommodation for that hospital which will incorporate up-to-date paediatric wards. The details of the proposals will be put very shortly to the Medical Development Advisory Committee for consideration, and if endorsed, this item will be processed for inclusion in the Public Works Programme.

In this context I must stress that the desirability of allowing mothers to live in with their young children wherever possible, or at least giving them unrestricted visiting rights, is agreed, provided in the opinion of the attending physician there are no professional reasons for a decision to the contrary in any individual case. Of course, suitable overnight facilities for mothers are being incorporated in the paediatric units being planned for Sha Tin Hospital and other new developments.

The pros and cons of specialized children's hospitals have been discussed recently and thoroughly in public and in this Council. Our policy aim is to provide specialist units in general hospitals on a regional basis, as is the trend in the more advanced countries like England. In this way resources, both staffing and equipment, are better utilized and also brought to the public rather than have the public suffer the inconvenience of attending one centre far from their homes.

With regard to the pathology facilities at the Queen Mary Hospital, these are housed in two of the newest buildings and come under the Pathology Department of the University of Hong Kong which is fully qualified to carry out all forms of investigations including those concerning children. If improvements in services are considered necessary, proposals from the University will be sympathetically considered by the Government.

On the question of nurse to patient ratio, I would suggest it can be misleading to draw comparisons with selected paediatric services in the United Kingdom and with child care services in Hong Kong. It is necessary to consider all relevant factors, the actual duties of nurses, the functions of other supporting staff available in our hospitals (but possibly not in the United Kingdom) and the differing attention requirements of healthy and sick children. Nevertheless with an ever-increasing patient load and turn-over, it is agreed that nursing establishments and nursing scales should be reviewed from time to time, and such an exercise has recently been completed in the Medical and Health Department with a view to formulating proposals for advice by the Medical Development Advisory Committee as soon as possible.

MISS BENNETT also refers to a mysterious disease with a recovery rate of 30% in Hong Kong against 60% in the United Kingdom. As doctors will be better able to deal with a disease after it has been diagnosed, so I shall be in a better position to answer Miss BENNETT's point if she will name this affliction.

In case some of Miss BENNETT's remarks may be misinterpreted by the public to mean that sick children are admitted to our hospitals to get worse, I must assure them that our health indices point conclusively in the other direction. Were it not so our mortality rates pertaining to infant and child would be frightening, but fortunately they are not. For example, it is particularly encouraging that our infant mortality rate has fallen from 92 per 1,000 live births in 1951 to 13.9 in 1977. As Miss BENNETT has made numerous comparisons with the United Kingdom, I am pleased to inform her that this infant mortality rate compares very favourably with the latest United Kingdom figure available to us.

Miss BENNETT has also reminded us of the need to rapidly improve facilities for disabled children. Our plans provide for this.

During 1979 the number of special school places will increase by 3,700 to a total of 23,500. Of these new places 1,420 will be for mentally handicapped children and this will represent a very significant increase over the current provision of 2,000 places for this group. Of even greater significance will be a proposal to be put to the Finance Committee of this Council to expand the scope of the Code of Aid for Special Education to enable a multi-disciplinary range of services to be made available within these schools. This means that the services of nurses, social workers, physiotherapists, occupational therapists and speech therapists will be made available in the schools which need them.

The number of places in ordinary child care centres reserved for disabled children will be doubled from 60 to 120 in 1979, while places in special centres for those who cannot be integrated with ordinary children will be increased by 50% to 260 with particular emphasis on the more severely mentally handicapped.

The number of hospital beds, and residential and day care places for the severely mentally handicapped increased from 367 at the end of 1977 to 995 at the end of 1978. There will be a further increase of over 200 places during 1979.

Turning to the care and education services for children in the pre-primary age group, it is estimated that over 80% of 4-year-olds and over 95% of 5-year-olds are attending kindergartens or child care centres.

While over 10,000 out of the total of 12,000 child care centre places are subvented through the Social Welfare Department, the Education Department has so far provided only limited assistance for the development of kindergartens, because its priority has been to expand other sectors of education, such as primary and, more recently, secondary education. However the need to give greater attention to the pre-school child has been recognized for some time and I am now able to report that the inter-departmental working party appointed by me to review our policy in this area has made good progress and expects to complete its report shortly. After seeking the advice

of the Board of Education and of the Social Welfare Advisory Committee, the Government will take a view on how its future policy for care and education of children under 6 might be modified. These proposals and the measures to implement them, together with suggestions for the development of primary education, will be published in a Green Paper in 1979 for public comment and debate before a final decision is taken.

It is an important feature of this review that it is looking at the work of day care centres and kindergartens together. Although the two serve different purposes, there are many similarities in their functions and, as Dr HO has observed, they serve the needs of a common age-group. It is desirable therefore that the Government's measures for the development of each service should be compatible with its policy towards the other.

A final point I must mention is that during this session the Government will be introducing legislation to extend the age of compulsory schooling to 14 from September 1979 and to 15 from September 1980. At the same time we shall extend the current age limitations on industrial employment to all employment from this September, with a further extension in the age limit for all employment to 15 or the completion of Form III a year later.

Sir, while our programmes of services to the children and young people of Hong Kong are but part of our overall social and community development plans, I can confidently predict that when we take stock after 1979 we shall find that our progress in this whole field has been a fitting recognition of the United Nations' Year of the Child.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30pm on Wednesday, 24 January.

Adjourned accordingly at five minutes past five o'clock.