

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 14 February 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 SECURITY

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

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

THE HONOURABLE DAVID GREGORY JEAFFRESON, JP  
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, JP  
SECRETARY FOR HOUSING

THE HONOURABLE 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 OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE ROGERIO HYNDMAN LOBO, CBE, JP

THE HONOURABLE JAMES WU MAN-HON, OBE, JP

THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

THE HONOURABLE LI FOOK-WO, CBE, 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

DR THE HONOURABLE HENRY HU HUNG-LICK, 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

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

DR THE HONOURABLE HO KAM-FAI

THE HONOURABLE ALLEN LEE PENG-FEI

THE HONOURABLE ANDREW SO KWOK-WING

**ABSENT**

THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

THE HONOURABLE DAVID KENNEDY NEWBIGGING, JP

**IN ATTENDANCE**

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

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**Papers**

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

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No 34—Hong Kong Polytechnic—Annual Report with Balance Sheet and Income and Expenditure for the year ended 31 July 1978 (published on 14.2.1979)	
No 35—Emergency Relief Fund—Annual Report by the Trustee for the year ended 31 March 1978 (published on 14.2.1979)	
No 36—Consumer Council Annual Report 1977-78 (published on 14.2.1979)	
No 37—Trustee's Report on the Administration of the Education Scholarships Fund for the year ended 31 August 1978 (published on 14.2.1979)	

## Oral answers to questions

### Off-course betting centres

1 MR CHEONG-LEEN asked:—*Sir, how does Government just seek and assess the views of residents in the locality before approving the opening of a new off-course betting centre?*

SECRETARY FOR HOME AFFAIRS:—*Sir, before approval is given to the Royal Hong Kong Jockey Club to open an off-course betting centre, the City District Officer concerned, or the District Officer in the case of the New Territories, seeks informally the views of local residents and organizations such as mutual aid committees, kaifong associations and residents associations. He uses his own judgment in assessing the views he has collected and advises me whether or not the establishment of an off-course betting centre in a proposed locality is likely to meet with opposition by the residents in that neighbourhood.*

MR CHEONG-LEEN:—*Sir, are the views of schools located not far away from the proposed off-course betting centre sought and taken into consideration and can an assurance be given that such will be done in every case in the future?*

SECRETARY FOR HOME AFFAIRS:—*The City District Offices' contact already includes school headmasters. In so far as assurance is concerned, it is already the case that one of the guidance principles is to locate the off-course betting centres away from schools; indeed, several applications, including one this year, have been turned down because the proposed premises are in the proximity of a school.*

### Exhibition Hall

2 MR ALLEN LEE asked:—*Sir, will Government state what progress has been made in building an exhibition hall for local and international exhibitions?*

SECRETARY FOR ECONOMIC SERVICES:—*Sir, in a speech in this Council on 10 November 1977 I said that the Commissioner of Industry and Customs was gathering material to support his view that an exhibition centre was needed in Hong Kong. The Commissioner has since concluded that he was unable with his own resources to gather sufficient material to form a judgment on this technical and complex matter. So, on his advice, the Government has decided to appoint consultants to define the demand for and viability of an exhibition centre in Hong Kong. The Commissioner has written to all consultants in this field known to him seeking information on*

their experience in the planning and management of exhibition facilities. On the basis of the information he has received within the last week, the Central Consultants Selection Board will draw up a short list of consultants, and these consultants will then be asked to present specific bids to the Government.

As regards a site, in my speech in 1977, I said that the one which had been reserved for an exhibition centre in the 1960s was still available. It has now been found to be unsuitable. But the Government has formally earmarked another site in Tsim Sha Tsui East for the purpose.

Finally, while I do not want to prejudge the outcome of the consultancy to which I have referred, I must stress again what I said in 1977. That is an exhibition centre would be expensive, in terms both of finance and of land. So before going ahead with the project the Government *must* be satisfied that the demand for a centre is there and that the centre would be viable.

MR JAMES WU:—*Sir, can the Secretary for Economic Services give the name of any city in the world that is of any importance in international trade that has not got adequate facilities for use as an exhibition hall?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, he cannot; largely through ignorance.

### **Cleanliness in NT**

3 MR YEUNG asked:—*Is the standard of cleanliness in the towns, villages, populated areas, roads and country lanes in the New Territories regarded as satisfactory; and if not, what are the reasons for this and what steps are being taken to improve the situation?*

SECRETARY FOR THE NEW TERRITORIES:—No, Sir, villages and country areas are under very heavy pressure from urban overspill of various kinds. They were not planned for this and servicing them is often extremely difficult, but some improvements have been made in recent years. Along the roads and in the urban areas our problem is one of matching men and machines to cope with the rapid changes brought about by development: our plans here are to some extent being frustrated by difficulties in recruiting labourers, and in quickly obtaining the vehicles we require. At present, we have 533 vacant posts out of a total of 3,323, and we are awaiting delivery of 40 vehicles out of a total of 213.

These are the practical problems. In addition we are examining how to use our present staff and equipment to best effect, and how many more in the long run we will need. Our proposals are for about 1,200 more staff and 335 more vehicles in the next five years.

There is no doubt the New Territories would be much cleaner and tidier if some residents and visitors showed a greater sense of responsibility. I hope the District Advisory Boards will take a greater interest in the problems of keeping the New Territories clean in the coming year.

MR YEUNG:—*Sir, is the Government thinking of enforcement under the law so that people can keep the city clean?*

SECRETARY FOR THE NEW TERRITORIES:—*Sir, the usual enforcement practices obtain as much in the New Territories as in the town.*

### **Dangerous buildings**

4 MR LOBO asked:—*Will Government make a statement on the circumstances leading to the recent closure of an unsafe industrial building in Kwai Chung and say what action is being taken to identify other buildings where life and property may be at risk because of structural defects and to prevent the construction of further dangerous buildings?*

DIRECTOR OF PUBLIC WORKS:—*Sir, after the closure and subsequent demolition of the China Engineers Industrial Building in 1977 the Buildings Ordinance Office made visual inspections of all buildings known to have been under the control of the same Authorized Person or constructed by the same Registered Contractor. This programme of inspections was in addition to the routine inspections of buildings on which reports of defects had been received by the Buildings Ordinance Office.*

Of the more than eighty buildings examined in this exercise most were found to be structurally sound but more intensive investigations were ordered for six buildings which showed signs of stress.

The Tak Tai Industrial Building which was completed in 1970 was one of the six. In this structure some shear cracking of beams was found and a notice was served on the owner to initiate a detailed investigation of the building. This investigation showed the structure to be seriously sub-standard and a notice of intention to close the building was issued.

Of the remaining five buildings on which detailed checks were ordered, two are still under examination and three are likely to have notices of intention to close issued within the next two weeks.

Criminal proceedings have been instituted in relation to the Tak Tai Industrial Building. That and the possibility of other legal action make it improper for me to comment in greater detail.

In answer to the last part of the question relating to the prevention of construction of further dangerous buildings I should point out that although

in the past inspections of works in progress were limited to intermittent visual checks the Buildings Ordinance Office has since September 1971 been carrying out comprehensive inspections including tests of reinforced concrete structures by instruments which give readings of the approximate concrete strength. Additional professional staff was employed to cope with the extra workload and more technical staff have been requested to further intensify activity in this field.

### **Consumer Council Report, November 1977**

5 MR CHEUNG asked:—*Is Government in a position to make a statement on the implementation of the recommendations contained in the report produced by the Consumer Council in November 1977 on the subject of improved protection for flat purchasers?*

SECRETARY FOR THE ENVIRONMENT:—Sir, following the production of the Consumer Council Report the Government has been having widespread consultations with professional and commercial bodies concerned with this subject. The aim has been to decide whether or not particular changes in professional and commercial practices and procedures would provide more effective protection than would new legislation and, if legislation is needed, what form it should take.

These consultations have been somewhat protracted, but it is hoped that they will be completed before long, following which a decision will need to be made on whether or not legislation will in fact be required. In making this decision the Government will bear fully in mind the importance of ensuring that adequate ways and means are provided to protect the interests of purchasers of uncompleted flats.

MR CHEUNG:—*Sir, is Government aware that a large number of purchasers of flats are disgruntled and that some acceleration in the process of consultation and deliberation is necessary and very desirable?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, the Government is aware of this. I would perhaps add that some professional bodies in this matter do not appear to work as fast as Government department and that certain commercial associations are even more lax in this respect.

### **Marriage dissolutions**

6 DR HU asked:—*Does the Government maintain a register for dissolutions of marriage by mutual consent under Part V of the Marriage Reform Ordinance and if so, what are the numbers so registered?*

DIRECTOR OF HOME AFFAIRS:—Yes, Sir. The Secretary for Home Affairs does maintain a register of dissolutions of marriage by mutual consent in accordance with section 21(1) of the Marriage Reform Ordinance.

The register contains 71 cases at present.

DR HU:—*Sir, may I ask, roughly speaking, how many cases per year?*

DIRECTOR OF HOME AFFAIRS:—Well, if you average it out, I suppose it would be about six.

### **Play-Leadership Schemes**

7 DR HU asked:—*Is Government satisfied with the development of play-leadership schemes in Hong Kong?*

DIRECTOR OF SOCIAL WELFARE:—Sir, the Government is generally satisfied with the programme of development of play-leadership schemes as proposed in the Green Paper on Personal Social Work Among Young People. At present, there are 34 playgrounds where play-leadership projects are in operation. The new programme plan has identified 16 districts where play-leadership service on playgrounds should be provided as a matter of priority. By concentrating efforts in these areas, Government hopes to help as many of the young people at risk as possible.

DR HU:—*Sir, may I ask how many playgrounds do we have altogether in Hong Kong, Kowloon and the New Territories?*

DIRECTOR OF SOCIAL WELFARE:—Sir, I do not have the figures with me. My guess is about several hundred, but I will let Dr Hu have a reply in writing.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The figures are as follows:

<i>Region</i>	<i>No. of playgrounds</i>
Hong Kong	119
Kowloon	306
New Territories	105
	<hr/>
Total	530
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You may like to know that these figures are based on the latest statistics supplied by the Urban Services Department and the Housing Department.

DR HU:—*Sir, may I ask another supplementary? Is there any other means to help young people play in our playgrounds other than the play-leadership schemes?*

DIRECTOR OF SOCIAL WELFARE:—*Sir, under the new programme plan, it is proposed that each of these priority areas will have a team of social workers doing out-reaching social work, employing all the means of attracting youngsters together under organized activities, and play-leadership scheme is only one of the methods to be used by these teams of social workers.*

MR LO:—*Sir, is the Government aware that over 10 years ago the Children's Playgrounds Association applied to the Urban Council to run play-leadership schemes at their playground and was rejected?*

DIRECTOR OF SOCIAL WELFARE:—*No, Sir, I am not aware of it.*

### **Government Officers' Housing Co-operative Societies**

8 MR LEUNG asked:—*Sir, before I ask my question, I wish to tender my apologies for having been late in attending this Council this afternoon. Now I will ask my question. Will Government consider allowing Government Officers' Housing Co-operative Societies which have fully repaid their Government loans to sell or re-develop their properties?*

SECRETARY FOR THE CIVIL SERVICE:—*Sir, so far as I can ascertain, it is a dozen years or more since the Government gave any formal consideration to this question.*

Until now the issue has been largely an academic one, since out of a total of 236 Government Co-operative Housing Societies only six have fully repaid their Government loans.

I recognise however that from now on this will become an increasingly live issue, and I propose to embark on a review of the whole question during the coming year.

MR LEUNG:—*Sir, will this Council be informed in due course of the result of this review?*

SECRETARY FOR THE CIVIL SERVICE:—*Sir, I imagine the outcome of this review will go to the Finance Committee of this Council.*

MR LEUNG:—*Thank you, Sir.*

**Guns stolen from Police officers**

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

- (a) *the number of guns snatched or stolen from Police officers over the last three years;*
- (b) *the number subsequently recovered and the circumstances, in broad terms, under which they were recovered;*
- (c) *the number used in the commission of offences such as robberies;*
- (d) *the number of relevant prosecutions and convictions; and*
- (e) *the measures that have been taken to minimise such incidents?*

SECRETARY FOR SECURITY:—Sir,

- (a) 17 in the period 1976 to 1978.
- (b) 15: of these 2 were seized by the Police at the scene of the incident, 2 were found by members of the public and handed over to the Police and 11 were recovered by the Police as a result of their investigations.
- (c) I am not able to say with certainty how many of these guns were so used. A positive identification of a weapon can only be made once a shot fired from it is recovered and then compared with a round fired from the same gun once it is returned to the Police. Bearing in mind this limitation, in the last 3 years 5 Police revolvers of those stolen have been positively identified as having been used in the commission of robberies.
- (d) For offences connected with the stealing of Police guns:
  - In 1976, 18 persons were arrested, 22 charges were laid and there were 9 convictions.
  - There were no arrests in 1978 or so far this year.
- (e) All Police officers receive training in basic self defence. Uniformed officers have their revolvers secured to their person by means of a lanyard. In addition, the introduction of the beat radio system within the urban area has improved considerably the speed with which Police respond to crime, including incidents where an officer is attacked. The beat radio set is equipped with an emergency switch by means of which an officer may indicate when he is in need of urgent assistance.

MR PETER C. WONG:—*Sir, in his reply, the Secretary for Security stated that there were no arrests in 1978, or so far this year; could the Secretary throw a little bit more light on this statement such as how many guns were stolen or snatched during this period and any particular explanation why there has been no arrest so far?*

SECRETARY FOR SECURITY:—Sir, only two guns were snatched in 1978 and only two so far in 1979. A record of 15 guns recovered from 19 snatches is a good one and that accounts for the reason why so few arrests have been made recently.

REV. JOYCE M. BENNETT:—*Sir, may I ask what happened in 1977 in relation to the answer to (d)?*

SECRETARY FOR SECURITY:—A good question. I can't answer, but I will reply to the Honourable Member in writing.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

I now write to tell Miss BENNETT that 13 persons were arrested in 1977, 12 charges were laid and there were six convictions.

### **Illegal structure outside 5 Tung Fong Street**

10 MR CHEONG-LEEN asked:—*What further developments have taken place in regard to the illegal structure on the pavement outside No 5 Tung Fong Street, Yau Ma Tei, since Government's interim reply to the UMELCO Office of 16 January?*

SECRETARY FOR HOUSING:—Sir, in his interim reply of 16 January to the UMELCO Office, the City District Officer (Yau Ma Tei) outlined the unhappy history of Mr CHEUNG and his wife, the clearance and reappearance of their structure on several occasions, and the offers of assistance made to them by several Government departments and outside agencies over the years. He also related how this elderly couple has so far refused all efforts to assist them except for payments under the public assistance scheme.

No significant development has occurred since the 16 January; Mr CHEUNG and his wife continue to occupy the structure outside No 5 Tung Fong Street. The offer of Temporary Housing Accommodation, first made to them in February 1978 remains open. Further efforts have been made since then to persuade them to accept the offer but they continue to refuse, and to repeat a claim for compensation of \$200,000 which has no basis at all.

Until now, Sir, we have relied on persuasion in our offers of assistance to Mr CHEUNG and his wife. It may soon become necessary to demolish the structure, and to reaccommodate them against their wishes. Naturally, no one wants to do this to an elderly and on occasion confused couple, and I hope that our efforts at persuasion will soon be successful.

### **Shop-lifting by students**

11 DR HO asked:—*Is Government aware of the high incidence of shop-lifting committed by students and, if so, what measures are being taken to reduce this type of juvenile offence?*

SECRETARY FOR SECURITY:—Sir, of the 1189 convictions for thefts from shops recorded in 1978, 366 or about 30% of those arrested described themselves as students. This figure should be compared with the total of about 1.2 million students in Hong Kong.

There is no evidence that ship-lifting is on the increase but the Police Crime Prevention Bureau is available to advise shopowners on how to improve their security so as to minimise the risk of pilfering. However, modern selling methods, in which goods are arranged in tempting displays and are immediately accessible to the potential customer pose problems in achieving a deterrent. Some shops combat this by fitting surveillance cameras and a few employ store detectives.

Parental control and the inculcation of standards of honesty and good behaviour in schools and in organizations like the Junior Police Call are the best methods of dealing with this situation.

DR HO:—*Sir, is Government satisfied, on the basis of statistical or other evidence, that the current methods of deterrent are effective in dealing with these young offenders?*

SECRETARY FOR SECURITY:—I can't pretend, Sir, that in the matters which I have been dealing with in the last six weeks this has assumed very substantial proportions. I cannot really add to what I have said. It is, of course, the responsibility of shop owners to look after their own stock and not that of the Government. As regards Government policy, there is an opportunity for shop owners to seek professional advice and the juveniles concerned in this, are largely those, of course, who are subject to parental control and in schools. I have already said, the inculcation of standards of honesty and good behaviour are largely going to achieve an improvement in the situation.

### **Lorries passengers**

12 REV. JOYCE M. BENNETT asked:—*Will the Government introduce legislation to prevent lorries carrying passengers other than in the cab?*

SECRETARY FOR THE ENVIRONMENT:—Sir, although it would not be practicable to ban passengers altogether from travelling in lorries outside the cab, as it is often necessary for these vehicles to carry the workers needed to load and to unload, there are controls over the number of passengers that can be carried. Under regulation 96 of the Road Traffic (Construction and Use) Regulations, a lorry weighing less than two tons can carry only one person on the rear platform and a lorry exceeding two tons may carry up to six passengers.

In certain limited circumstances, also, the Commissioner for Transport is empowered to issue excess passenger permits in cases where more people

need to be carried. This is mainly done for goods vehicles carrying farmers and their produce to market in the New Territories and for public utility vehicles taking workmen to emergency repair jobs.

The Commissioner for Transport considers that these arrangements, which were last reviewed in 1976, are generally working satisfactorily.

REV. JOYCE M. BENNETT:—*Sir, is it possible to know how many prosecutions have taken place in contravention of Regulation No 96, say, in 1977, 1978?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, I do not have that information to hand but I promise to pass it on to Miss BENNETT as soon as possible. I can easily obtain it.*

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The relevant figures are as follows:

	<i>Fixed Penalty</i>	<i>Summons</i>	<i>Arrest</i>	<i>Total</i>
1977	3,245	1,505	1	4,751
1978	4,113	182	—	4,295

Carrying excess passengers became a fixed penalty offence in November 1976 so, since then, the police have had the discretion either to issue a fixed penalty ticket or to take summons action when these offences occur. The growing preference, of course, is to use the fixed penalty system in all straight forward cases.

### **Baggage trolleys in Airport**

13 MR ALEX WU asked:—*How many baggage trolleys are available for the use of passengers in the Airport and what supervisory arrangements are made for their return to the baggage claim hall to ensure that adequate numbers are available for arrivals?*

SECRETARY FOR ECONOMIC SERVICES:—*Sir, there are 380 baggage trolleys available for use by passengers at Kai Tak Airport.*

The collection and return of trolleys to the hall where arriving passengers reclaim their baggage, is carried out by the staff the Hong Kong Air Terminal Services Ltd (HATS) engage specifically for the purpose. At full strength, the staff consists of a total of 13, who work on shifts so organized that most of them are available during the peak periods. Three of them are supervisors whose job it is to make sure that the others do their work properly.

For its part, the Airport management carries out frequent checks and reports any inadequacies to the HATS management.

MR ALEX WU:—*Sir, will Government take steps to ensure that regular recycling is maintained at all times so that arriving passengers will not have to wait for a half hour, or longer, for the trolleys and that there will be general improvement in the baggage handling service to visitors?*

SECRETARY FOR ECONOMIC SERVICES:—*Sir, I will bring this point specifically to the attention of the Director for Civil Aviation and ask him to request his airport management to pay particular attention to it. But perhaps I might add that I have been advised that HATS are now considering ordering mechanical equipment which should facilitate the recovery of the baggage trolleys.*

MR PETER C. WONG:—*Sir, has any report of any inadequacies been made in recent months?*

SECRETARY FOR ECONOMIC SERVICES:—*Not to me, Sir. No.*

### **Acupuncture Electro-Stimulation Experimental Centre**

14 MR LO asked:—*Will Government give a detailed report on the Acupuncture Electro-Stimulation Experimental Centre including the reasons for and results of its closure?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Yes, Sir. As Mr LO has requested for a detailed report I fear that to do full justice to his question an inordinate amount of the Council's time will be taken up with this matter alone.*

Accordingly, I have tabled a detailed report (see *Appendix*) for Honourable Members' information, but I should like now to emphasize the salient points of this report.

For the purpose of the project, 300 patients were recruited on a voluntary basis to undergo a treatment period lasting 14 days. The subject were divided into four groups of 75 each. Of the four groups, only one group received Acupuncture Electro-Stimulation (AES) treatment by itself while the other three groups were given AES together with methadone at varying dosages and for varying periods up to 14 days.

A report on the first year's experiment was submitted by the Principal Investigator to the Action Committee Against Narcotics (ACAN) in late August 1978 and a copy was also sent to the US National Institute of Drug Abuse (NIDA) in early September 1978.

The Standing Committee on Treatment & Rehabilitation of Drug Addicts of ACAN carried out a preliminary assessment of the report and the following acts were reported to and noted by ACAN:

- (1) Out of the 300 patients, 77 (or 26.5% of the total) completed the 14-day treatment period.
- (2) 223 patients (or 74.4% of the total) dropped out of the experiment at various stages.
- (3) 47 (or 16% of the total) who completed the 14-day treatment period showed presence of opiates in their urine tests.
- (4) 30 (or 10% of the total) showed negative results in their urine tests on the 14th day.
- (5) Out of the 30 cases which showed negative results in their urine tests on the 14th day, 22 cases had received *both* AES and methadone, the latter for varying periods from 3 to 14 days, while 8 had been treated by AES *alone*, *ie*, 2.6%. In addition, the lowest dropout rate was found amongst subjects who had received both AES and methadone for the 14-day period.
- (6) It was also apparent from the report that a considerable number of patients who were attending the AES programme were also undergoing methadone treatment in the Government's programme concurrently.
- (7) Throughout the experimental period, social supportive service was confined to interviewing addicts on first admission and individual counselling. No information regarding follow-up measures of patients after the 14-day treatment period was available in the report.
- (8) AES treatment alone had the effect of reducing to a varying degree withdrawal symptoms for some hours, and less than 12 hours. However AES treatment when used together with methadone simultaneously produced better results.
- (9) In general, AES treatment seemed to be more effective among addicts of an older age group whose drug abuse behaviour was comparatively less apparent.

Having regard to the above findings arising from the preliminary assessment by the Standing Committee, it appears to ACAN that the experiment may not be regarded as an unqualified success and the exact role and place and the future of AES as a method of treatment modalities in Hong Kong have still to be evaluated and determined.

In view of the above reservations and taking into consideration that this is in any case an experimental project from the beginning which gives no guarantee of permanence and that the report has also been sent to NIDA which commissioned and financed the experiment in the first instance and which is now in the process of assessing the report, it is the unanimous opinion of ACAN that the experimental project should cease with effect from 31 December 1978, as originally envisaged pending NIDA's assessment and comments on the report and a more thorough review of the whole position of AES as a treatment modality in the context of Hong Kong.

As a result of the closure of the project, two matters immediately arose which have been carefully considered by ACAN, namely, the future interest and welfare of the patients as well as the staff employed on the programme.

At the time of the termination of the project there was a daily attendance of around 14 cases which included on an average one new case per day. The numbers involved therefore were small. Also, by far the majority of the patients were already being treated by methadone. There should, therefore, be no difficulties for the Government methadone programme or other programmes such as that operated by the Society for the Aid & Rehabilitation of Drug Abusers (SARDA) to cater for the needs of these patients in such a way that there is no adverse effect on their treatment and welfare. Measures to this end have been effected since the closure of the clinic at the end of last year and to date, as far as I am aware, there have been no complaints from patients involved.

In regard to the interest of the staff employed on the programme, it should be noted that they were employed on a month-to-month basis by the Tung Wah Group of Hospitals initially only for a 12-month period and which was later extended for six months. The terms and conditions of their service were clearly stated on the contracts offered by the Tung Wah Hospital authorities and accepted by the staff. Among the provisions of the contract was the fact that their temporary month-to-month service might be terminated provided that one month's notice or salary in lieu was given and that earned leave would be credited. I am informed by the Tung Wah authorities that the terms and conditions of service as laid down in the contracts had been honoured strictly and satisfactorily.

Thus, the welfare and interest of both patients and staff have been catered for appropriately and there should be no undue ill effects resulting from the closure of the project.

Sir, I must reiterate that the termination of the AES project by itself does not imply that at this stage AES as a method of treatment is absolutely ruled out in Hong Kong. The whole position and future development of AES will be reviewed by ACAN pending NIDA's assessment and comments on the experiment.

## **APPENDIX**

### *Report on the Acupuncture Electro-Stimulation Experimental Centre and its Closure*

The Acupuncture Electro-Stimulation (AES) Programme was started under the sponsorship of the US National Institute of Drug Abuse (NIDA) on an experimental basis in July 1977. The pilot project was envisaged to last for 12 months and was financed by NIDA with a sum of US\$99,500

(approximately HK\$447,750). The project was placed under the auspices of the Action Committee Against Narcotics (ACAN) and its Standing Committee on Treatment & Rehabilitation of Drug Addicts. The Hong Kong Government undertook to accept contingent liability and expenditure up to HK\$600,000 and the Board of Directors of the Tung Wah Group of Hospitals donated HK\$15,000 to enable the project to proceed.

The protocol for the project was drawn up by the Principal Investigator, a doctor who was also responsible for its day-to-day operation. The full-time staff of 15 for the project consists of 3 nurses, 5 social workers, 1 clerical assistant, 2 laboratory technicians, 2 messengers and 1 amah, including the Principal Investigator. Five medical officers were also employed on a part-time basis. The centre itself was located in the Tung Wah Hospital.

The AES technique basically involved the insertion of an acupuncture needle into the outer ear of the patient and the supply of a very low voltage electric current through the needles. Each treatment lasts for 30 minutes. Usually, a patient will require two treatments daily if the technique was used by itself or it could be supplemented by methadone in order to keep the patient free from withdrawal symptoms or craving for narcotics for one day.

For the purpose of the project, 300 patients were recruited on a voluntary basis to undergo a treatment period lasting 14 days. The subjects were divided into four groups of 75 each. Of the four groups, only one group received AES treatment by itself while the other three groups were given AES together with methadone at varying dosages and for varying periods up to 14 days.

Briefly, the main objectives of the study as laid down by the Principal Investigator are to determine:

- (1) whether AES was suitable to be used in Hong Kong for treating a large number of heroin and opium addicts on an out-patient and voluntary basis;
- (2) whether AES compared favourably with other forms of treatment programmes in Hong Kong, particularly as to cost-effectiveness;
- (3) whether the method with the necessary supportive service could contribute to social rehabilitation of narcotics dependents;
- (4) whether AES could block the craving for opiate drugs and prevent relapse; and
- (5) whether AES could relieve withdrawal symptoms and physical dependence on narcotics.

The experiment was scheduled originally to end on 30 June 1978, *ie*, at the end of one year. However, at that stage, it was found necessary to extend the original period for another 6 months. This was done in order to allow the Principal Investigator more time to complete a report and also because no information was available in respect of follow-ups for patients after they

had completed the 14-day period of treatment. To facilitate work on follow-ups, two more social workers were employed in addition to the original three.

A report on the first year's experiment was submitted by the Principal Investigator to ACAN in late August 1978 and a copy was also sent to NIDA in early September 1978.

The Standing Committee on Treatment & Rehabilitation of Drug Addicts carried out a preliminary assessment of the report and the following facts were reported to and noted by ACAN:

- (1) Out of the 300 patients, 77 (or 25.6% of the total) completed the 14-day treatment period.
- (2) 223 patients (or 74.4% of the total) dropped out of the experiment at various stages.
- (3) 47 (or 16% of the total) who completed the 14-day treatment period showed presence of opiates in their urine tests.
- (4) 30 (or 10% of the total) showed negative results in their urine tests on the 14th day.
- (5) Out of the 30 cases which showed negative results in their urine tests on the 14th day, 22 cases had received *both* AES and methadone, the latter for varying periods from 3 days to 14 days, while 8 had been treated by AES alone, *ie*, 2.6%. In addition, the lowest dropout rate was found amongst subjects who had received both AES and methadone for the 14-day period.
- (6) It was also apparent from the report that a considerable number of patients who were attending the AES programme were also undergoing methadone treatment in the Government's programme concurrently.
- (7) Throughout the experimental period, social supportive service was confined to interviewing addicts on first admission and individual counselling. No information regarding follow-up measures of patients after the 14-day treatment period was available in the report.
- (8) AES treatment alone had the effect of reducing to a varying degree withdrawal symptoms for some hours, and less than 12 hours. However, AES treatment when used together with methadone simultaneously produced better results.
- (9) In general, AES treatment seemed to be more effective among addicts of an older age group whose drug abuse behaviour was comparatively less apparent.

In view of the above findings arising from the preliminary assessment by the Standing Committee, it appears to ACAN that the experiment may not be regarded as an unqualified success and the exact role and place and the future development of AES as a method of treatment modalities in Hong Kong have still to be evaluated and determined.

In view of the above reservations and taking into consideration that this is in any case an experimental project from the beginning which gives no

guarantee of permanence and that the report has also been sent to NIDA which commissioned and financed the experiment in the first instance and which is now in the process of assessing the report, it is the unanimous opinion of ACAN that the experimental project should cease with effect from 31 December, 1978, as originally envisaged pending NIDA's assessment and comments on the report and a more thorough review of the whole position of AES as a treatment modality in the context of Hong Kong.

As a result of the closure of the project, two matters immediately arose which have been carefully considered by ACAN, namely, the future interest and welfare of the patients as well as the staff employed on the programme.

At the time of the termination of the project there was a daily attendance of around 14 cases which included on an average one new case per day. The numbers involved therefore were small. Also by far the majority of the patients were already being treated by methadone. There should, therefore, be no difficulties for the Government methadone programme or other programmes such as that operated by the Society for the Aid and Rehabilitation of Drug Abusers (SARDA) to cater for the needs of these patients in such a way that there is no adverse effect on their treatment and welfare. Measures to this end have been effected since the closure of the clinic at the end of last year and to date, as far as I am aware, there have been no complaints from patients involved.

In regard to the interest of the staff employed on the programme, it should be noted that they were employed on a month-to-month basis by the Tung Wah Group of Hospitals initially only for a 12-month period and which was later extended for six months. The terms and conditions of their service were clearly stated on the contracts offered by the Tung Wah Hospital authorities and accepted by the staff. Among the provisions of the contract was the fact that their temporary month-to-month service might be terminated provided that one month's notice or salary in lieu was given and that earned leave would be credited. The Tung Wah Hospital authorities have reported that the terms and conditions of service as laid down in the contracts had been honoured strictly and satisfactorily.

Thus, the welfare and the interest of both patients and staff have been catered for appropriately and there should be no undue ill effects resulting from the closure of the project.

Finally, it must be reiterated that the termination of the AES project by itself does not imply that at this stage AES as a method of treatment is absolutely ruled out in Hong Kong. The whole position and future development of AES will be reviewed by ACAN pending NIDA's assessment and comments on the experiment.

MR LO:—*Sir, I am grateful for Dr Thong's frank and very full report, and have only one supplementary question, and that is, will Government*

*please consider running a further experiment on this interesting subject, whilst ensuring that this time the experiment will be properly controlled?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—As stated just now, Sir, the whole position of AES will be reviewed by ACAN and I shall be pleased to put Mr LO's suggestion to ACAN for consideration, and if ACAN so advises, Government will certainly give Mr LO's suggestion serious consideration.

### **Television for the deaf**

15. MR CHEONG-LEEN asked:—*Will steps be taken to enable the deaf to understand and enjoy television news and other programmes by introducing sign language captions or by any other practical means?*

SECRETARY FOR SOCIAL SERVICES:—Sir, this matter was raised in the Rehabilitation Development Co-ordinating Committee in January, and I have since been in contact with the Commissioner for Television and Entertainment Licensing.

Steps have already been taken by the Television Authority to obtain advice from the Independent Broadcasting Authority in the United Kingdom regarding the technical problems relating to such specialized services for the deaf and the matter has also been discussed with the television stations in Hong Kong. Both stations have expressed sympathy for the problem but neither of them is at present in a position to provide such specialized services.

The Television Authority is keeping this matter under review, and is maintaining contact with the stations and the Independent Broadcasting Authority regarding possible future technical developments in this field.

### **Regulations of travel agencies**

16 MR WONG LAM asked in Cantonese dialect:—

閣下，自從本人於一九七六年十二月二十二日提出有關管制旅行社的詢問後，請問政府在這方面 有何進展？

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

*What progress, if any, has Government made in regulating the operations of travel agents since my question in this Council on 22 December 1976?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, the question which my honourable Friend asked in 1976 was whether the Government planned 'to introduce

measures to regulate the operations of travel agencies to afford greater protection to the travelling public, in view of the recent complaints voiced against certain agencies?'. In reply, the Chief Secretary said that the Government did *not* plan to do so.

The Chief Secretary drew attention to the fact that the Consumer Council was investigating a number of complaints about the way in which some travel agents had operated package tours originating from Hong Kong. The Consumer Council completed its 'Report on Travel Agents in Hong Kong' in June 1978 and basically recommended licensing and regulation of all travel agents through legislation and the establishment by the Government of a central compensation fund.

The Government's general policy on consumer protection is based on the view that the best protection for consumers is for consumers themselves to take care over their purchases. The Government should intervene only to protect consumers when they cannot, because of the nature of the goods or services being provided, be expected to protect themselves. My own initial reaction to the Consumer Council's Report was that it had not demonstrated convincingly why consumers could not be expected to protect themselves in the purchase of package holidays. But in order to ensure that the Report was given serious and unbiased consideration, I asked my staff to examine it independently of my own views; this, I'm afraid, has taken some time, but I understand that we are nearly ready to give the Council a formal answer.

MR WONG LAM asked in Cantonese dialect:—

閣下，最近有很多宗投訴，認為旅行社欺騙與及所提供的服務不對，政府將採取什麼辦法來保障這些消費者？

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

*Sir, recently a number of complaints have been received accusing travel agents of defraud. What steps would Government take to protect the consumers?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, before answering that question I would prefer to wait until I have had a considered view on the Consumer Council's report which is of course concerned with this sort of state of affairs.

MR WONG LAM asked in Cantonese dialect:—

閣下，有關提及這個獨立的報告研究報告書，要何時方可完成？將來會否在本局作出一個聲明？

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

*Sir, regarding the independent report, when will the report be completed and will it be tabled in this Council?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, the Consumer Council has of course already completed the report and submitted it to the Government. Our examination of it should be ready literally any day now. It certainly was never the intention that the report should be tabled in this Council, and I don't believe that that is a requirement.

MR WONG LAM asked in Cantonese dialect:—

閣下，所謂任何時間，我希望有一個確定的時間，何時才能答覆消費者委員會呢？

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

*Sir, at any day now could I have a reply as to the definite date?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, I cannot be specific, I am afraid, on when the examination of the report will be completed.

MR WONG LAM asked in Cantonese dialect:—

閣下，請問可否在數月之內，答一個大約的時間呢？

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

*Sir, could you give me an approximate date, as to within how many months?*

SECRETARY FOR ECONOMIC SERVICES:—Let me stick my neck out, Sir, and say at the beginning of next month.

### **MV 'Sky Luck' from Vietnam**

17 MISS DUNN asked:—*Will Government explain how the Panamanian registered vessel 'Sky Luck' carrying a reported further 3,000 passengers from Vietnam managed to arrive in the western anchorage unchallenged and what steps will be taken to prevent similar vessels carrying excess passengers entering Hong Kong without prior warning?*

SECRETARY FOR SECURITY:—Sir, the MV *Sky Luck* approached Hong Kong undetected on the night of 6 February. All ships had been advised at 4 hourly intervals by the Marine Department of the need to provide details of their ships before entering Hong Kong waters. The *Sky Luck* did not do so, nor did it transmit any other message to the Marine Department.

The vessel approached from international waters at about the same time as two other overseas vessels. On being asked to identify herself by Waglan Signal Station she did not respond, although there was nothing unusual about this. She proceeded north westwards along the East Lamma Channel.

Waglan Island Signal Station alerted Green Island Signal Station of the incident and the MV *Sky Luck* was challenged by the Green Island Station. In response she gave her name and said she was bound for the Western Quarantine Anchorage. Shortly afterwards she anchored in that anchorage.

During the period immediately preceding her arrival aerial reconnaissance had been undertaken. At the time of her arrival anti-illegal immigrant patrols by ships of the Royal Navy and Marine Police were being undertaken.

We have stepped up our measures to identify vessels before entering Hong Kong with a view to preventing any carrying excess passengers from entering Hong Kong waters without authority. The Royal Navy, the Royal Hong Kong Auxiliary Air Force and the Marine Police are actively engaged on this task.

MISS DUNN:—*Sir, does the Government agree that, in the final analysis, the only effective deterrent to those engaged in this trade is for the Government to adopt a firm and hard line and not to reverse its position under any circumstance?*

SECRETARY FOR SECURITY:—Each case, Sir, will have to be dealt with on its merits, as it has already been. We have consistently, however, said that this is not a problem which Hong Kong can solve on its own. In the meantime we are taking such steps as are appropriate to try to identify vessels in this trade, and to undertake a reconnaissance of the approaches, in an endeavour to stop vessels before they enter Hong Kong.

### **Vietnamese refugees**

18 MISS DUNN asked:—*In view of the many international expressions of sympathy with the plight of the Vietnamese refugees, would the Government state what firm offers of resettlement have so far been received and how many refugees have actually departed, and their destinations, since 1 January this year?*

SECRETARY FOR SECURITY:—Sir, resettlement offers from countries usually take the form of a quota, sometimes for the region and sometimes for Hong Kong alone, and for a specified period. In the case of the US Government, there is an ongoing programme for resettlement of Vietnamese refugees from the region, including Hong Kong. Firm offers of resettlement are only made to individuals once processing, sponsorship *etc* has been arranged.

Bearing these points in mind, there are 2,340 quota places on offer to be filled this year or in the case of the UK on offer up to 31 March 1980. In addition, about 6,000 refugees should be resettled under the US Government programme, this year.

Since 1 January, and up to 12 February, 462 Vietnamese refugees have departed—  
357 to the USA;  
60 to Germany;  
25 to Canada;  
18 to Norway; and  
2 to the United Kingdom.

In addition 30 have been granted permission to remain in Hong Kong.

MISS DUNN:—*Sir, is Government aware that it has been reported that 2,300 refugees on the 'Tung An', anchored off Manila Bay for over six weeks, have been offered resettlement by four countries. If so, does this not indicate that international assistance will only be forthcoming if Hong Kong adopts a less benevolent attitude as the Philippines Government?*

SECRETARY FOR SECURITY:—*Sir, I am aware that these offers have been made in respect of the Tung An. We in Hong Kong are doing our utmost to try to secure resettlement places for the large number of refugees who are now here. We have, for example, seen in Hong Kong representatives of some 20 countries to impress upon them the need to speed up resettlement. We have also had requests made for resettlement in capitals by HM Ambassadors. It certainly does appear that a strong line towards vessels does, at least in the short term, produce results.*

## **Statement**

### **Hong Kong Polytechnic—Annual Report with Balance Sheet and Income and Expenditure for the year ended 31 July 1978**

MR JAMES WU:—*Sir, as the Deputy Chairman of the newly constituted Council of the Polytechnic, I have pleasure to present the Polytechnic's Annual Report for the year 1977/78 to Honourable Members. It will be remembered that the Honourable Sir S. Y. CHUNG, whilst a Member and later the Senior Member of this Council, had risen to perform this task in previous years, and I am pleased to remind that he is still leading the Polytechnic's Council as its Chairman. Looking back, it has been gratifying for me to have served with him since 1969 in the Polytechnic Planning Committee, and to witness the birth and growth of the Polytechnic to its present scale, at a speed that is said by academic administrators of world renown, to be unparalleled in any other similar institutions.*

All these, of course, could not have been possible without the patronage and support of Your Excellency, successive Chairmen and members of the UPGC and Members of this Council, particularly during the crucial

recess on years of 1974 and 1975, when despite cut-backs elsewhere, the Polytechnic was allowed to expand at top speed without interruption.

The Report now tabled, Sir, tells yet again of further dramatic growth and increases in all areas, with almost 6,000 full-time and 17,500 part-time students, for the year 1977/78, a 25% increase over the previous year. As at 31 July 1978, there were 1457 persons in post, comprising 568 teaching, 144 senior administrative, and 745 technical, clerical and others. There is however, one area where there has been a further welcome decrease, and this is in the percentage of full-time Polytechnic students who graduated at the end of the year under review and were still unable, for one reason or another, to take up suitable employment by 31 October 1978. This figure has dropped to an all-time low of 3.6% and it is particularly encouraging, Sir, that despite earlier fears to the contrary in certain quarters, a greatly increased output of students from tertiary technical education is *not* resulting in more graduates competing for fewer jobs. Indeed it would appear that at present, jobs are being created at a faster rate than the Polytechnic can produce more graduates to fill them, and that there are far too few places for eligible applicants, in some cases, as few as 1 for 100, indeed the Polytechnic has come none too soon.

The major events and developments at the Polytechnic during the year under review were more in the areas of social services and facilities than in the expansion of industrial or commercial training and education, which has characterised the Polytechnic's development in the past.

The new School of Social Works completed its first year of operation under the Polytechnic's roof, and a new Institute of Medical & Health Care was staffed and equipped to come into operation in September of 1978. These two units are of course a vital complement to Government's plans to expand and improve the range of social service available to the people of Hong Kong.

The social amenities of the Polytechnic were also improved immeasurably by the completion of the Community Centre, which was officially opened by my honourable Friend the Financial Secretary last May. This complex includes, among other things, restaurants and function-rooms, a student clinic, and a comprehensive range of sports facilities together with a swimming pool named after the late Michael Clinton, a former Deputy Colonial Secretary whom most, if not indeed all Members of this Council will remember with respect and affection. The Polytechnic was most grateful to the former Chief Secretary, Sir Denys ROBERTS for officiating at the commemoration ceremony when this pool was completed last April. In passing, Sir, perhaps I might also record a vote of thanks to the Director of Water Supplies who despite a general water-shortage problem at the time, nevertheless managed to direct enough water our way to fill the pool in time for its opening!

One further change I shall mention in conclusion, Sir, is the reconstitution of the government of the Polytechnic for which the necessary amendments to its Ordinance were passed by this Council earlier last year. The enlarged Polytechnic Council has brought a wider spectrum of expertise and experience into the management of the Polytechnic's affairs which will stand us in good stead in the years of consolidation which lie ahead.

The formalization of Your Excellency's role as President of the Polytechnic is seen as further measure of consolidation, firmly establishing it as a major institution of tertiary education in Hong Kong.

## **Government Business**

### **Motions**

#### **WATER CHARGES**

##### **Resumption of debate on motion (24 January 1979)**

MR JAMES WU:—Sir, since the Honourable Financial Secretary spoke in this Council to introduce this motion for a revision of water charges, there have been representations made by the Federation of Hong Kong Industries and the Chinese Manufacturers Association requesting for a reconsideration in respect of the proposed charges for industrial use of water. The salient points raised in these representations are prominently publicized in the English and Chinese newspapers, and opinion expressed may be summarized as follows:—

- (1) Whilst Government recognizes the fact that for certain trade consumers there would be substantial increases in their costs as a result of the increases in water charges, there are only about 200 trade consumers with consumption in excess of 6,000 units out of a total of 85,000 trade consumers as the Financial Secretary mentioned.

It would seem therefore that over 99% of trade consumers have not been given the same consideration and that the proposed concession is discriminatory, causing hardships to probably thousands of smaller factories between the 99% and beyond the 88% mentioned by the FS.

- (2) Most of the 99% consists of smaller to medium size firms with some of them engaged in a vital but not so profitable industry of dyeing and finishing which is a very important link in our textile and garment business. Already, it has been pointed out that the cost of dyeing and finishing in Hong Kong is 30 to 40% higher than our neighbouring competitors, with a meagre 2.72% in gross profit. An increase of 37.5% in water costs would cut gross profit down to below 2%, which is hardly an incentive for the development of this vital arm of our predominant textile and garment industry. Instead there has been a noticeable decrease

from 322 to 303 firms in this sector, whilst what we would like to see is new investment to establish even higher quality dyeing and finishing facilities to reduce our purchase of finer fabrics from such countries, as Japan and Italy.

Also, recent surveys show that water charges already cost some firms several hundred thousands to several million dollars for water every year.

One other important user of water for processing is the electroplating industry which again is vital support for our electronics and watches industries which require expensive-metal plating. In all, these 3 industries should account for some 65% of our total domestic exports on which we rely so much.

- (3) The FS advocated a no-subsidy principle, but it has been pointed out that if his proposed rates are to be adopted, trade and industry, using only about 30% of total water consumption would be required to pay 73% of the total cost for water supply in Hong Kong as a whole. If this point is not disproved, it is clear that trade and industry would be subsidizing domestic use.
- (4) The 3 reasons that the FS advanced to support his no-subsidy argument are less than convincing for the simple fact that the very high water rates in Hong Kong have already made it imperative for industrialists to make economic use of water in their processes. Unlike those in other countries, they cannot locate free sources of supply as from rivers, lakes and/or wells. Nor can there be extravagant and excessive use because of the high cost. As mentioned earlier, even if there is subsidy, this is only allowing such industries as dyeing and finishing to survive with meagre return to serve our life-blood, the textile and garment industry. Also, with improving relationship with China in the foreseeable future, it is not likely that there will be the kind of heavy expenditures as in the past to secure additional supply.
- (5) It is noticed that the water-works accounts would be balanced with no increase in water rates if we were only to figure the operating expenses, and not involve such items as the debateable charges for interest for capital outlay and maintenance and depreciation for the desalter. In this regard, I would agree that the desalter was a wrong decision, but only in hind-sight, and I would much rather see our present ability to dispense with its use that is made possible by a much cheaper supply from China, due to an excellent relationship that has since developed. Under the circumstances, it is actually a blessing in disguise and I believe no one would complain, if we were to write off the investment for the desalter in one go.

Sir, I am sure that like myself, Honourable Members of this Council would like to hear answers to these points and that the FS would be able to enlighten us with his usual wisdom and eloquence.

MR TIEN:—Sir, in rising to speak on the motion before Council, I must confess that I had received with mix feelings the Financial Secretary's

proposal to increase water charges particularly that aspect which relates to trade supplies.

At the very onset, I wish to make it clear that I am in agreement with the no-subsidy principle on which we based our public utility type undertakings although it could conceivably be argued that a subsidy should be given when there are special circumstances which justifies such a course of action *eg* when water is a significant cost factor in production and any increase in water charges will seriously erode the profit margin to such an extent as to render a particular industry becoming no longer viable.

It is not with this aspect that I wish to call attention but rather with the proposed introduction, as a temporary measure for a period of three years, of a concessionary tariff at the current charge of \$4 per unit for consumption in excess of 6,000 units per four-month billing period, to give to those who qualify for it time within which to introduce, if they so wish, measures to help them to economize in their use of water.

It seems to me, with respect, that this proposal is discriminatory and would only benefit, if at all, those larger factories which are generally, for financial reasons etc., more viable than those which come within the small or medium size categories. If such larger factories are given special treatment, I would like to be enlightened on the rationale for the exclusion of the small and medium size factories which will be the hardest hit by the proposed increase from \$4 per unit to \$5.50 per unit, an increase of 37.5 per cent.

In my view, it would be more equitable to extend the concessionary tariff for bulk users of industrial water to cover all those factories which are heavily dependent on water, the cost of which is a significant factor in its production. I therefore urge Government to reduce the number of units consumed within a four-month billing period to a lower, more realistic and equitable figure, in order to give some measure of relief to the smaller size factories and to review this matter after the grace period of 3 years rather than withdrawing the concessionary tariff after that period. This review is necessary because it may well transpire that conservation and recycling of water is not economically viable due to insufficient space for the installation of such facilities as a result of the high cost of land in Hong Kong.

One observation which I would like to make is in respect of the desalter and its ancillary facilities at Lok On Pai. To maintain and operate this costs approximately \$150 million per annum at current prices. It has occurred to me that in view of our amicable relations with China and from whom we should be able to obtain an adequate supply of water at a reasonable price, a large proportion of the Government annual deficit on water charges could be made to disappear if a decision is taken to phase down and eventually to dispose of the desalter altogether. If such a decision is taken, it may well be unnecessary to have to revise the water charges, nor at the very most, by only a small upward adjustment so as to preserve the principle of no subsidy.

This brings me to my final point and I make no apologies for bringing this matter up once again. As we all know, the dyeing and finishing sector of the textile industry by its very nature, is the largest bulk users of industrial water which takes up a high percentage of their operating costs. A way should therefore be found for these mills to use untreated water in order to cut down costs. This could be done by designating a special zone where these dyeing and finishing mills could be grouped together, perhaps in some part of the New Territories where not only pollution could be effectively and collectively controlled but also for the purpose of using untreated water from the East River to be piped in for the bulk users at a lower cost.

As Coleridge said in *The Ancient Mariner* 'water water everywhere, ne'er a drop to drink', I end my remarks by saying 'increases increases everywhere, when will it stop'.

With these remarks, Sir, I support the motion before Council.

MR CHEN:—Sir, having advocated in the last Budget Debate a water tariff structure for the 'domestic' sector where charges rise steeply with consumption, which would not hurt the careful but tax heavily the extravagant and wasteful users, I welcome the proposed 5-tier tariff structure which should achieve the purpose.

The break-even point, that is a consumer pays no more on the new tariff than on the existing tariff, is about 10 units per 4-month billing period, representing a consumption of approximately 75 litres or equivalent (16.5 gallons) per person per day for a family of five. The new tariff will in fact reduce the cost if the consumption is below 10 units per 4-month billing period. On the other hand, for an excessive user of say 30 units, he will have to pay 1.66 times more; and for an extravagant consumer of say 100 units the bill will be about 2 times higher.

I endorse the principle of no-subsidy if by this is meant that the total cost of water production, including such cost elements as operations and maintenance, capital investment and general overheads, is to be met by income. This makes good business sense but I wish to point out that in accepting this principle we must be assured that the supply authority is operating efficiently and economically. Otherwise the consumer will be unfairly charged for the cost arising from inefficiency.

In his concluding remarks in the last Budget Debate, my Friend the Financial Secretary said that he looks forward to my support when the new pricing system for domestic supply has been devised. Sir, my view has not changed since that Debate and I warmly support the motion before Council.

MR CHEUNG:—Sir, I had not intended to interfere on this motion, but I am obliged to take issue with my Friends Mr James WU and Mr TIEN on their slighting observations on the decision some years ago, to which a number of us still here were parties, to build a desalter. The decision was taken at a

time when I do not think most of us, not even Mr WU or Mr TIEN, could have foreseen that the price of oil would quadruple, or that the supply from China would be augmented in a way that it has been. I may say that even now we must be prepared to rely upon ourselves for some proportion of the supply of water that we use. When there is not enough to drink, even industrialists may be thankful for the water from the desalter whatever the price.

THE FINANCIAL SECRETARY:—Sir, in addition to the comments made by Honourable Members in this Council, including Senior Unofficial Member's, I have received representations from three trade organizations, those from two of them have just been hopefully summarized by Mr James WU and I have also taken careful note of the comments in the press on the proposed new price structure for water charges. Although these comments and representations appear to me to be right ranging, I think they do boil down essentially into five main themes.

(1) *Efficiency of the Water Undertaking*

To begin with and I am grateful to Mr S. L. CHEN for supporting the motion. To begin with he has asked the Government, however, for an assurance that the Water Undertaking 'is operating efficiently and economically'.

This assurance can be given by broad reference to the total operation of the waterworks. First, in the provision of resources to meet future demand within stipulated supply criteria, proposals are formulated by the Director of Water Supplies having regard to known factors and various assumptions about the future. The social, economic and financial implications of such proposals are also considered by the Water Resources Development Committee, and, subject to their advice and endorsement, these proposals are then submitted to the Governor in Council for decision. This ensures that proposals for new facilities receive adequate consideration at the appropriate level within the administrator.

Secondly, the integrity of plant, equipment and civil engineering structures used in the development of all new resources is assured by the application of internationally accepted standards. Alternatives are evaluated and the opportunity is also taken to optimize the capacity of the system, to ensure that the most economic solution, consistent with reliability, is achieved.

Thirdly, the manner in which the waterworks resources are operated provides for taking water from the cheapest source, where alternatives exist. The source water is regularly monitored to check its quality and to enable remedial action to be taken where this is indicated. Furthermore all operating plant and equipment is subject to scheduled inspection and maintenance to ensure that operation is not impaired and that plant is kept in an efficient operating mode so as to maintain a high quality and output level of the product water.

Fourthly, as a measure of the efficiency of the Water Undertaking, a view is required as to unrecorded consumption. Unrecorded consumption is represented by the difference between the total input of water from treatment works into distribution in a given period and consumption by individual consumers aggregated over the same period. Unrecorded consumption is estimated at 26% of total water consumption at present, the principal components being leakage in the distribution system (1) illegal draw-off (2), the measurement errors of meters (3), consumption for fire-fighting, losses through burst mains and irrecoverable wash water from treatment works. The contribution of each of these components to unrecorded consumption is difficult if not impossible to quantify. However, consumption for fire-fighting and losses through burst mains do not appear to contribute significantly to unrecorded consumption.

A figure of 26% for unrecorded consumption may well appear large and indeed is large, but when the remedial measures being taken by the Director of Water Supplies are fully implemented this figure will probably be reduced to about 20%, which is certainly not unreasonable in comparison with cities and water authorities elsewhere. For example, Tokyo has a figure of 20% while two water authorities in the United Kingdom estimate leakage and other losses at 24% and 33% respectively. It must be recognized, however, that such information is not readily revealed and that the basis of assessment authority by authority may vary, but I think these figures are indicative of the order of losses which occur in well-run organizations. However, I can assure Honourable Members that the Director of Water Supplies is not complacent about this matter and is exploring ways and means of improving our lost factor.

Finally there is the question of the undertakings accounting system. Modernization of the water accounting system is in hand by computerizing the billing function and computerized trade accounts are already being issued. When all the accounts are computerized, it will be possible to provide an even more efficient and rapid service to consumers, as well as providing management information which cannot be provided at present or provided only by laborious manual methods. Full computerization will in turn enable the waterworks to pursue bad debts more effectively and to ensure rapid action is taken for the collection of outstanding accounts. In this connection, Honourable Members are well aware of the Director of Audit's comments on the inadequacy of water deposits in relation to the amount of outstanding accounts presented for write-off. The Director of Water Supplies has made proposals for overcoming this deficiency and these are now under consideration.

To sum up, I believe, the waterworks undertaking is being operated efficiently and economically and the Director of Water Supplies would be more than happy to arrange for those Honourable Members who are interested a tour of the waterworks installations or of any feature of the waterworks' activities, which is a particular concern or interest to them.

(2) *The waterworks accounts*

Secondly, Mr Francis TIEN suggested that the Government should 'phase down and eventually dispose of' the Lok On Pai desalter, so as to eliminate 'a large proportion of the Government's (projected) annual deficits on (the waterworks accounts)'. He is not entirely alone in expressing this view, for I have received myself representations to the effect that the cost of the desalter should be left out of the waterworks accounts and its costs charged off to General Revenue. I have also been told that the rate at which we depreciate fixed assets has been 'inflated', thus contributing 'needlessly' to the projected deficit in the waterworks accounts, and that a surplus would emerge in the forecast period, even at current levels of charges, if what is euphemistically described as a more reasonable view were to be taken on depreciation.

I am afraid the short answer to Mr TIEN's suggestion is that we cannot dispose of the desalter because it constitutes a guaranteed source of supply which we have tapped in times of drought. For example, in the last 5?? months of 1977-78, when the desalter was in full operation, its daily output represented more than 18% of daily consumption during those months. Notwithstanding the relatively high cost of operating the desalter, I am confident that this community in general, and trade consumers in particular (as they enjoy a 24-hour supply even during restrictions), I am confident that we would much prefer to pay more than suffer the further restrictions that would otherwise have had to be imposed had the desalter not been brought fully into operation (4).

Nor can I agree that the cost of the desalter be left out of the waterworks accounts and charged to General Revenue under a separate account. This does not make accounting sense because the desalter is a part of the total fixed assets of the Water Undertaking and I was gratified to hear Mr S. L. CHEN say that 'the total cost of water production, including such cost elements as operations, maintenance, capital investment and general overheads, (should be) met by income (and that) this makes good business sense ...'. And 'if we were to write off the investment for the desalter in one go', as Mr James WU suggested, and I was quoting directly from him, this would necessitate a substantially higher level of charges than is now proposed, even if we were to recover the cost over, say, the next four years 1979-80 to 1982-83.

Finally, as regards depreciation policy: the rates at which we depreciate the Water Undertaking's fixed assets depends on a view being taken over the life expectancy of individual assets, which *exclude* the value of vast tracts of land required for storage and catchment areas, and I can give Honourable Members a firm assurance that a reasonable view has been taken (5). Overall, the annual depreciation charges in the undertakings account amount to less than 2% of the total cost of fixed assets, and Honourable Members will wish to note that we depreciate on the basis of historical rather than current costs. So there is *no* question of depreciation charges in the forecast period having been inflated, and I can also say without fear of contradiction that, even if

the depreciation charge for the desalter were taken out of the waterworks accounts, the Water Undertaking would still be left with a very large deficit at the end of the forecast period if water charges were not revised.

(3) *Pricing policy*

Thirdly, Sir, I turn to my third theme that I wish to turn to is that of pricing policy.

The representations I have received suggest that the new price structure will result in trade consumers subsidizing domestic consumers because trade consumers will pay more than the estimated cost of production. This belief is shared by Mr James WU when he said that 'trade and industry, using only about 30% of total water consumption, would be required to pay 73% of the total cost for water supply in Hong Kong as a whole'.

This is not so and I am afraid I do not understand how Mr WU arrived at his figures. As I have said when moving the motion, the proposed charge of \$5.50 per unit for trade supplies represents the difference between the estimated weighted average cost and the estimated weighted average contribution from Rates over the four years 1979-80 to 1982-83. Thus the proposed charge for trade supplies is *less* than the estimated cost of production. Moreover, the production cost for domestic supplies is fully recovered by the contribution from Rates, the contribution from General Revenue in respect of the free allowances and the proposed charges to be raised from domestic consumers. In other words there is *no* question of one class of consumer subsidizing another under the new price structure.

(4) *The effect of the new price structure on manufacturing industries*

I turn now, Sir, to my fourth theme. A great deal has been said by Honourable Members today, in the press and in representations made to me by trade associations, about the impact on manufacturing costs of the increase in water charges for trade supplies and I must admit that, on the face of it, an increase of 37.5% does seem large. However, it is misleading to concentrate on the increase in charges without considering the relative importance of water charges in overall costs. As I pointed out three weeks ago, water charges represent only a very small part of overall manufacturing costs (6). Thus, the increases in charges will be, in most cases, small both in absolute terms and in their impact on total costs.

There are, however, some trade consumers who use large quantities of water and for whom water costs form a considerably more important part of total cost than for manufacturing industry as a whole. However, even among these users, neither we in the administration nor the Federation of Hong Kong Industries (7), have found any trade consumer for whom water charges constitute more than 8% of his total production costs. However, representations have been made to me by the Chinese Manufacturers' Association that there may be firms for which water charges constitute as much as 50% of total processing costs. In view of the rather dramatic conflict between this

figure and the statistical evidence available to me, I shall arrange a meeting between ourselves and the trade associations with a view to establishing how this conflict arises.

To make partial allowance for the differences in water usage between different trades and different processes and, thus, in the impact on total production costs of the increase in charges, I proposed a temporary, concessionary tariff for those trade consumers who use a large quantity of water and who satisfy certain other criteria.

Mr TIEN, however, has suggested that 'it would be more equitable to extend the concessionary tariff for bulk users of industrial water to cover all those factories which are heavily dependent on water.', and that the concessionary tariff should be reviewed, rather than withdrawn, after three years. Before we accept these representations would involve an important breach of the no-subsidy principle which both Mr CHEN and indeed Mr TIEN support; but a breach of a kind that would be quite difficult to defend. Indeed, I am only prepared to accept the breach represented by the proposed concessionary tariff because I am persuaded that the transition, from the present situation where all trade consumers are being subsidized to one where there is no subsidy. I am persuaded that such a move without a transition period would otherwise be too abrupt. And it is for this reason that the concession is to be a transitional one lasting only three years.

In line with my view that the impact on manufacturing costs of the increased charges will be small, I do not expect that they will have much impact on export prices or on exporters' profits. Such industries as textile finishing and dyeing and electro-plating, on whose behalf it is argued that the impact of the increased charges on their costs will be considerable, are not major direct exporters and are only part of a longer production chain. To that extent, even if they hand on their increased water charges in full, the increase in cost of the exported product which is attributable to higher water charges will be small, smaller than the increases in other costs that the manufacturers of these products have absorbed in recent years. For example, the Federation of Hong Kong Industries has claimed that the cost of textile dyeing in Hong Kong is already around 30% to 40% higher than that of our neighbouring competitors. Even in the most extreme case identified by the Federation, the increase in total costs represented by the increase in water charges would be only 2.7% (8) (or 2.5% during the period of the concessionary tariff). Even if this increase in costs is handed on in full, the firm's relative competitiveness does not seem likely to be seriously impaired.

Mr TIEN's suggestion, that the factories making up the dyeing and finishing sector of the textile industry be grouped together and arrangements made to supply them with untreated water, is initially attractive but on closer examination seems likely to run into serious practical difficulties which I must regret. As the Secretary for the Environment said in this Council last November when responding to an earlier suggestion along these lines by Mr TIEN, there

is an 'extreme shortage of areas where useful but polluting industries (such as the dyeing and finishing industry) can operate viably and in which any significant degree of pollution can be permitted'. I understand we have been looking into the possibility of finding such an area and the searches continuing but so far we have been unsuccessful. Indeed, our latest thinking is that the pollution problems caused by such industries are such that it may be undesirable on environmental grounds to group pollution factories together and, even if it were not, the cost advantage involved in laying on a separate untreated supply would be quite marginal.

(5) *Effect of new price structure on domestic consumers*

Finally, a common theme in press comments and criticisms is that the new price structure will impose a heavy burden on domestic consumers. If this theme reflects the general concern in the community about the threat of inflation, I can only say that I share this view and intend to speak to it succinctly if none too briefly in a fortnight's time (*laughter*). But if this theme is simply a disguised form of criticism of the new price structure itself and an attempt to argue that higher water charges will have a significant influence on prices generally, I simply do not accept it. As I have said before in this Council, the increase in the free allowance on potable water supplies, when taken together with the proposals for flushing supplies, will mean that as many as 55% of all domestic consumers will continue to pay nothing or to pay less than at present. But within this theme, two newspapers have argued that households sharing a common meter will face drastic increases on their water bills and that the free allowance for potable water supplies should be worked out on a per head basis (9).

In the case of domestic dwellings sharing a communal meter the bill is adjusted so as to give each separate dwelling the full free allowance, and this method of charging for consumption will continue under the new price structure.

I must admit, however, that in the case of a single domestic dwelling with a *large* number of occupants and sharing a communal meter, the new price structure may result in larger water bills. For families who are eligible for public assistance, existing arrangements already provide payments to assist towards water charges (10) and the Government intends to review the existing levels of these payments. This undertaking, however, will not satisfy those who have argued that the free allowance in respect of potable water supplies should be calculated on a per head basis. I can assure Honourable Members that this suggestion has been given very careful consideration but we have been unable to find a practical way by which the free allowance could be applied strictly on a per head basis (11). Given the limitations of the present billing system, and the opportunities open for abuse (12), we have concluded that it is just not feasible to devise a system of free allowances which has some regard to dwellings with a large number of occupants. And let us not

forget that dwellings with an above average number of occupants are likely in a way to have several breadwinners at least.

Sir, I beg to move.

- (1) The maintenance of the distribution system, consisting as it does of a considerable amount of underground mains, imposes a difficult problem in that the great majority of leakages are concealed below ground. In order to monitor the efficiency of this system it is necessary to establish manageable areas and to check them for leakage. This is carried out by a special waste detection section of the waterworks and at present some 300 waste detection areas are subject to systematic testing and repair where necessary. The nature of such leakages is such that new ones occur continuously, so that there is a limit to which they may be reduced. The present operations are considered by the Director of Water Supplies as being effective in reducing leakages to an acceptable level as evidenced by the results of checking individual waste detection areas. However, it is not possible to put an overall figure to this leakage as it is within the total quantity of unrecorded consumption.
- (2) There has been a tendency for illegal connections to proliferate over recent years and these could have a significant influence on the present figures. To curb such practices a special Prosecution Unit has been set up in the Water Supplies Department to detect and prosecute offenders. This Unit has operated with a good measure of success and the expansion of its activities is being actively pursued. In addition, it is proposed to reduce the scale of illegal connections by providing improved supplies and individual metered connections over the next two years, and this is expected to reduce the unrecorded consumption by a significant amount.
- (3) In determining the measurement errors of *bulk* meters, one difficulty lies in calibrating large flow meters owing to the large volumes of water needed for testing. The Director of Water Supplies hopes that test facilities can be introduced in conjunction with proposed works and that a permanent test site can be found for this purpose. The problem associated with *individual* meters is one of the sheer number of meters involved. There are nearly 900,000 meters in service and their regular removal for inspection, repair and calibration at, say, 5 years intervals would present an enormous maintenance task, for which there are no resources currently available. Maintenance is carried out on the identification of malfunctioning by meter readers or other staff of the water-works engaged on inspection works. As meters tend to under-read with age, this will reflect in an increase in unrecorded consumption and lower individual consumer bills, although this is offset in the longer term by periodical adjustment of the water rates. Up to date values of under-reading are not available, although results from a previous sample survey indicate that this could be as much as 5% depending on the age of the meter.

- (4) Between 13 September 1977 and 31 March 1978, the desalter's average daily output was 39.9 million gallons and average daily consumption on a 10-hour supply was 216.9 million gallons. The Director of Water Supplies estimates that if the desalter had not been in full operation during those months the supply to domestic consumers would have had to be reduced to 4 hours a day.
- (5) For example, apart from motor vehicles no item of fixed assets has been depreciated at more than 5% per annum. The range is 1% to 5%.
- (6) The 1973 Census of Industrial Production showed that water costs were only 0.2% of total manufacturing costs. Given the increase in the prices of other manufacturing imports since 1973 it is likely that water costs form an even smaller proportion of total costs today.
- (7) 'A Study of the Effect of an Increase in Water Charges on the Manufacturing Industry' by the Federation of Hong Kong Industries, June 1978.
- (8) Federation of Hong Kong Industries' Survey of Water Costs.

One firm had water costs equal to 7.21% of its total production costs, the highest figure among all the firms surveyed. (The next highest firm had a figure of 5.33%). Its reported water costs were \$78,000 for a year, representing a consumption of 19,500 units at \$4/unit.

At \$5.50/unit, its water charges would be \$107,250, representing an increase of 37.5%. Under the concessionary tariff, it would pay \$5.50 for the first 18,000 units and \$4/unit for the last 1,500 units. Its water charges would be \$105,000, representing an increase of 34.6%.

The increase in total production costs represented by these two increases in water charges are 2.7% and 2.5% respectively.

- (9) Feature articles in the Wen Wei Pao of 1 February and in Sing Tao Jih Pao of 25 January.
- (10) For eligible families paying rent which does *not* include an element for water charges, public assistance provides for the following payments to be made—
  - (a) Premises occupied by one family:
 

Where the family size is 6 persons or less	50¢ per person per month
Where the family size is 7 persons or more	\$1 per person per month
  - (b) Premises occupied by more than one family and sharing one water meter:
 

Where the family size is 6 persons or less	50¢ per person per month
Where the family size is 7 persons or more	\$1.25 per person per month
- (11) A statistical exercise based on data from the 1976 By-census suggests that domestic dwellings having up to ten persons account for 97% of the total. In other words, domestic dwellings with more than 10 persons account for a very small proportion of the community.

- (12) As the Water Supplies Department has no record of the occupancy of dwellings, the introduction of any concession that has regard to occupancy would mean that applications for that concession would have to be checked and verified. This work would add substantially to the cost of the Water Supplies Department. If applications are not to be verified, the opportunity for abuse would be unlimited.

*Question put and agreed to.*

## RATING ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—In exercise of the powers conferred by section 18(1) of the Rating Ordinance, that with effect from 1 April 1979.

- (1) the resolution made and passed by the Legislative Council on the 15 March 1978 and published in the *Gazette* of 17 March 1978 as Legal Notice No 58 of 1978, which determined the percentages of the rateable values of tenements for the purpose of computing general rates and Urban Council rates, be revoked;
- (2) for every tenement in a specified area set out in the first column of the Schedule, the general and Urban Council rates shall be computed on the basis of the respective percentage of the rateable value of such tenement set out opposite that area in the second and third columns of the Schedule.

### SCHEDULE

<i>Specified Area</i>	<i>General Rates</i>	<i>Urban Council Rates</i>
A	7½%	4%
BC	7½%	4%
D	11%	Nil
E	11%	Nil
F1, F2, F3, F4, F5, F6 and F7	9%	Nil
G1, G2, G3, G4 and G5	9%	Nil
H1, H2, H3, H4 and H5	9%	Nil
J1, J2 and J3	9%	Nil
K1 and K2	9%	Nil
L1, L2, L4 and L5	9%	Nil
M1, M2, M3, M4 and M5	9%	Nil
N1, N2 and N3	8%	Nil

He said:—Sir, I move the first motion standing in my name in the Order Paper.

In accordance with approved policy for the extension of rating to the developing areas of the New Territories, the General Rate for newly assessed areas, from area F onwards, is being phased in, that is to say, in the first year the rate applied is equal to 50% of whatever the General Rate for the New Territories might be, in the second year 60%, in the third year 70% and so on up to 100% in the sixth year.

The present General Rate for the New Territories is 11%. For 1979-80, on the basis of that rate, the percentage to be applied to areas F to M (for their *fourth* year of assessment) is, therefore, 80% of 11%, or 9%, and for area N (for its *third* year of assessment) it is 70% of 11%, or 8%, both percentages being rounded up to the nearest half percentage point.

The sole object, Sir, of this motion is to make a resolution under section 18(1) of the Rating Ordinance to give effect to existing policy on the phasing in of the General Rate in the newly rated areas in the New Territories.

Sir, I beg to move.

*Question put and agreed to.*

## MASS TRANSIT RAILWAY CORPORATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—Under section 12(1) of the Mass Transit Railway Corporation Ordinance that the Schedule to the Resolution of the Legislative Council published as Legal Notice No 242 of 1975 in the Gazette on the 31 October 1975 as amended from time to time be further amended by adding as item 23 the following—

‘23. A loan arranged by Lazard Brothers and Co. Ltd and provided by Schrodgers & Chartered Ltd as Agent to finance contracts placed in the U.K.	56 million Hong Kong Dollars and such amounts as may become payable in respect of interest.’
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He said:—Sir, I rise to move the second motion standing in my name on the Order Paper.

Section 12 of the Mass Transit Railway Corporation Ordinance requires the authority of this Council for the granting of guarantees by the Financial Secretary, on behalf of the Government in respect of the repayment of loans and other indebtedness incurred by the Mass Transit Railway Corporation.

The motion I am introducing today seeks authority for a Government guarantee for a loan from a British bank for signalling equipment for the Tsuen Wan extension of the Mass Transit Railway Project.

This guarantee, if approved by Honourable Members, will bring the Government's total guarantee commitment in respect of the Mass Transit Railway Corporation to HK\$7,890 million, although not all the facilities comprising this figure will necessarily be drawn down.

Sir, I beg to move.

*Question put and agreed to.*

### **Motion (in Committee)**

### **SUPPLEMENTARY PROVISIONS FOR THE QUARTER ENDED 30 JUNE 1978**

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

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the supplementary provisions for the quarter ended 30 June 1978 as set out in Paper No 33.

He said:—Sir, I rise to move the motion standing in my name in the Order Paper.

The schedule of supplementary provisions for the first quarter of the financial year 1978-79, that is for the period 1 April to 30 June 1978, covers a total amount of \$192 million. Of this sum, Public Works Non-Recurrent accounts for almost \$185 million and this is required mainly as a result of more rapid progress on a number of existing projects and the upgrading of 17 projects to Category A of the Public Works Programme.

The supplementary provision covered by the schedule will not result in a net increase of expenditure for the year, as offsetting savings have been found under other subheads of expenditure, or by the freezing of funds under Head 52 Miscellaneous Services Subhead 100 Additional commitments.

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

Sir, I beg to move.

*Question put and agreed to.*

Council then resumed.

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

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

### **First reading of bill**

#### **EMPLOYMENT (AMENDMENT) BILL 1979**

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

### **Second reading of bills**

#### **EMPLOYMENT (AMENDMENT) BILL 1979**

THE COMMISSIONER FOR LABOUR moved the second reading of:—‘A bill to amend the Employment Ordinance.’

He said:—Sir, my predecessor introduced into this Council some twenty months ago a bill to amend the Employment Ordinance whereby all persons covered by the Ordinance became entitled to seven days of paid leave a year on completion of twelve months of service during the preceding period. These provisions came into effect on 1 January 1978.

Overall, the paid annual leave scheme has worked well; employees in general have welcomed its introduction and most employers have readily complied with the spirit of the law. However, some employers have attempted to avoid their obligations. A number of disputes have arisen, usually out of misunderstanding or on matters of interpretation, and the Labour Relations Service of the Labour Department has had to conciliate and explain to the parties concerned what the law intended and how it should be complied with.

The operation of the paid annual leave scheme has been reviewed recently and based on the experience of the Labour Relations Service, a number of minor amendments are now proposed. I must stress that these amendments introduce no changes of policy, or additional provisions, but merely seek to clarify the existing wording of the law, to help ensure that employees get their leave as intended.

Clause 2(a) of the Bill sets out the manner in which the leave is to be granted by the employer and to be taken by the employee.

Clause 2(b) makes it clear that if a rest day or holiday falls within any period of annual leave granted, it shall be counted as annual leave and

another rest day or statutory holiday shall be substituted in accordance with existing provisions governing such substitutions. This section is now so worded that some devious employers may no longer claim that both the rest day or holiday, as the case may be, has been granted and the 'period of not less than seven consecutive days of absence from work' simultaneously observed and taken, as being in full compliance with the paid annual leave provisions.

Clause 2(c) adds a new subsection to section 41A for the avoidance of doubt.

Clause 3 makes clear that each and every one of the seven days of the annual leave shall be a paid day in order to comply with the spirit of seven days of paid annual leave.

Clause 4(a) seeks to remove an apparent anomaly in the present law in that persons whose employment has been terminated for cause are declared to be entitled to paid annual leave, while no mention is made of those whose employment is terminated under other circumstances.

Clause 4(b) merely clarifies the original intention, namely, that a person completing 3 months of service will be entitled, pro rata, to paid annual leave.

The Labour Advisory Board has been consulted of these proposals and they have supported them.

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

*Question put and agreed to.*

## **INLAND REVENUE (AMENDMENT) (NO 2) BILL 1979**

### **Resumption of debate on second reading (24 January 1979)**

*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).*

**SUPPLEMENTARY APPROPRIATION (1977-78) BILL 1979****Resumption of debate on second reading (24 January 1979)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.

**Committee stage of bill**

Council went into Committee.

**INLAND REVENUE (AMENDMENT) (NO 2) BILL 1979**

Clauses 1 and 2 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL reported that the

**INLAND REVENUE (AMENDMENT) (NO 2) BILL**

had passed through Committee without amendment and that the Supplementary Appropriation (1977-78) Bill having been read the second time was not subject to Committee Stage proceedings in accordance with Standing Order 59 and he then moved the third reading of each of the Bills.

*Question put on each Bill and agreed to.*

Bills read the third time and passed.

**UNOFFICIAL MEMBER'S MOTION****INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

MR HILTON CHEONG-LEEN moved the following motion:—That the Third Schedule to the Road Traffic (Taxis, Public Omnibuses, Public Light Buses and Public Cars) (Amendment) Regulations, published in the *Gazette* as LN

16 of 1979 and laid on the Table of this Council on 24 January 1979, be amended as follows:

(a) by deleting paragraph (1) which reads as follows:—

‘1. Hong Kong and Kowloon Taxis ... \$2.50 for the first mile and 50 cents for every  $\frac{1}{5}$  mile thereafter.’;

and substituting as follows:—

‘1. Hong Kong and Kowloon Taxis ... \$3.00 for the first mile and 30 cents for every  $\frac{1}{5}$  mile thereafter.’;

(b) by deleting paragraph (3) which reads as follows:—

‘3. Waiting Time

For every period of 2½ minutes or part thereof during which the taxi is hired but not in motion—

(i) Hong Kong and Kowloon Taxis..... 50 cents

(ii) New Territories Taxicab ..... 30 cents’;

and substituting as follows:—

‘3. Waiting Time

(i) Hong Kong and Kowloon Taxis..... 30 cents  
for every period of 1½ minutes or part thereof during which the taxi is hired but not in motion

(ii) New Territories Taxicab ..... 30 cents  
for every period of 2½ minutes or part thereof during which the taxi is hired but not in motion.’.

He said:—Sir, I rise to move the resolution proposing that taxi fares in the urban areas be reduced.

In doing so, I could be speaking against my own personal interests. As a taxi user ever so often I find it easy these days to hail a taxi as there are so many of them cruising around empty on the look-out for fares.

All Members of Legislative Council are expected to put the public interest above their own personal interest according to the dictates of their conscience. It is for this reason I am persuaded to move this Resolution.

The resolution proposes a revised fare structure of \$3.00 (instead of \$2.50) for the first mile and 30 cents (instead of 50 cents) for every 1/5th mile thereafter. I believe this is more reasonable and acceptable to the broad spectrum of taxi users than the current high fares.

By ‘reasonable and acceptable’ I mean it is what most people taking taxis can afford to pay over medium and long distances.

The proposed change in the resolution of waiting time from 50 cents for 2½ minutes to 30 cents for 1½ minutes is a technical matter, since both ways come up to \$12.00 per hour. It is not an important issue.

The fare structure which came into force last month is pitched so high for distances of over 3 miles that most taxi users feel they simply cannot

afford to take a taxi even when they are pressed for time. Appendix I shows how expensive it is to take a taxi nowadays if the distance is 3 miles and over. This 'unforeseen side effect' referred to by the Secretary for the Environment in his speech in this Council on 10 January 1979 is the result of moving in the right direction but at the wrong pace or too fast a pace.

The revised fare structure proposed in the resolution is an increase of 50% on the old 1978 fares. There has been no public criticism of the increase in New Territories taxi fares, which happens to be a 50% increase. On the other hand, the Chinese press right across the board have expressed the view that the taxi fare increases introduced before Chinese New Year for the urban areas were too drastic.

The revised figure of \$3.00 instead of \$2.50 for the first mile as proposed in the resolution is reasonable and in practice would not discourage drivers from wanting to take taxis to distances longer than a mile.

If the 50 cents per 1/5 mile after flag-fall were designed to encourage taxi drivers to be eager and willing to pick up passengers travelling longer distances of 4 miles or more, the scheme has succeeded beyond expectations. The difficulty is that the majority of passengers who have to travel medium and longer distances by taxi feel that a 100% to 120% increase is more than they can afford at this time. And so they stay away from taking taxis altogether. If they are forced by circumstances to take a taxi, it cuts deeply into their pocket-books.

It has been suggested that drivers could possibly offer lower fares than the maximum that can be legally charged. This is more theoretical than practical for the reason that nearly 80% of the taxis driven on both shifts are not owner driven and therefore the drivers have to account for the full amount of the legally permitted increase.

What is distressing to urban taxi drivers is that most passengers are omitting to tip them any more, which of course reduces their total income in a sizable way.

Following up on the higher taxi fares the PLBs have increased fares by 50 cents to as much as \$2.00 on certain routes at peak hours or whenever they think they can get away with it. The Transport Department is helpless or is unwilling to do anything about it. This again cuts deeply into the pocket-books of the lower-income groups.

It has been promised in this Council that there will be a substantial number of new buses which will be arriving within the next year or two to improve the bus service. I have my reservations about this promise. Even with the best efforts on the part of the franchised bus companies, (and I have no reason to doubt that they will do their best within their resource capability), this will probably not happen. The current wave of strikes in the United Kingdom portends delays in delivery of the buses on order.

Furthermore, in 3 year's time Hong Kong's population will have swollen by 350,000 to 400,000 people to over 5 million.

I am not persuaded by the official argument that PLBs should be permitted to charge what the market can bear without any control, while taxi fares have been officially pitched so artificially high for long distances that most taxi users presently find such fares beyond what they can afford to pay. Why should there be *laissez faire* for the PLBs and stiff control for the taxis? In this respect, Government's answer is found wanting!

My honourable Friend, the Secretary for the Environment, stated on 20 December 1978 in this Council: 'What I can promise is that the situation will be closely monitored after the changes are introduced and that a further review will take place next year.'

I would urge my honourable Friend to initiate such review as soon as possible and even before the end of the first quarter of 1979 rather than wait until the end of 1979.

To wait until the end of the year for a review of taxi fares to take place is to put it mildly somewhat beguiling and just a way of saying to the public: 'You will all have to get used to such fares by that time.'

Rightly or wrongly, there is a widespread feeling on the part of the public that the severe increase in taxi fares has acted as a stimulant towards more inflation and higher living costs, particularly for the middle and lower income groups.

Let us not forget that in the Hong Kong environment, taxis are not only for the well-to-do, but also for the man-in-the-street when he goes home late or when he has to go somewhere in a hurry.

The current taxi fare structure needs to be adjusted as soon as possible to a lower and more realistic level, which can always be readjusted slightly upwards next year if after monitoring such is found necessary.

Our community's most serious concern today is inflation. A realistic lowering of taxi fares as soon as possible would be Government's manifest assurance that it intends to keep inflation in harness rather than spurring it onwards.

Sir, I beg to move.

*Appendix**Table illustrating proposed amendment to**New Taxi Fare Structure for Urban Taxis*

<i>Distance</i>	<i>1978 Fare</i>	<i>Current New Fare</i>	<i>% increase</i>	<i>Proposed amended fare by Resolution</i>	<i>% increase</i>
	<i>\$</i>	<i>\$</i>		<i>\$</i>	
Up to					
1 mile	2.00	2.50	25%	3.00	} 50%
2 miles	3.00	5.00	66%	4.50	
3 miles	4.00	7.50	87.5%	6.00	
4 miles	5.00	10.00	100%	7.50	
5 miles	6.00	12.50	108%	9.00	
6 miles	7.00	15.00	114%	10.50	
7 miles	8.00	17.50	118%	12.00	

REV. JOYCE M. BENNETT:—Sir, I am glad of this opportunity to comment on the recent steep rise in taxi fares and to support a request for this excessive increase to be reduced. This issue can be examined from three angles: that such a steep rise is contrary to accepted Government policy regarding price increases; that this increase in fares may not be reaching the drivers; and that the effect of the rise deters the public from travelling in taxis, so that the roads are cluttered up with taxis cruising around for passengers, thus wasting fuel, a precious commodity.

Many of us had been lulled into complacency on this package deal for taxis on hearing Government's assurance that these changes would ensure that taxis would be more readily available. I was prepared to accept this reasoning until I heard several of my Colleagues speak in this Council on 10 January. At the end of that debate I therefore abstained from voting. That seemed to be the only possibility as the increase in taxi fares was not included in that day's motion. I followed up the debate in two ways: as soon as possible I obtained a copy of the card that Hong Kong and Kowloon taxi drivers should now show to their passengers for the conversion of the meter fare. I have also received the comments from those who previously rode in taxis. For a short ride the rise in fare is not too great from \$2.00 to \$2.50. That is a reasonable increase. But as soon as the traveller goes further the percentage increase gets steeper, so that the old \$5.00 fare now becomes \$10.00, a 100% rise. The longer journeys bring an even higher percentage rise: A \$7.00 fare becomes \$15.00, a rise of 114%; \$8.00 becomes \$17.50, a rise of 118%. This is a very dangerous precedent for the Government to sponsor. I am not surprised to hear the public fears other prices will rise in similar proportions. The spectre of a higher rate of inflation stalks the roads of Hong Kong in the wake of these increases.

The Government claims that these higher fares were long overdue and would encourage the drivers to be civil to their passengers, not cheat them by overcharging and be willing to go longer distances. However, I was convinced by the speeches in the debate on 10 January that drivers of taxis are not easily controlled by any regular companies—gone are the days when Hong Kong's taxis belonged only to eight to ten companies. There seems little control can be exercised over rogue drivers who oblige their friends by taking over a shift and using all the tricks of the trade to make a fast buck at the expense of the unfortunate customer. The benefits of this increased income are accruing not to the drivers to encourage them to stop their malpractices, but to the owners and owner/operators. I hope that the Transport Department can provide a progress report on the taxi trade after four months. Do not wait for nine months before monitoring the situation.

Clearly to date far fewer people are riding in taxis. It will be interesting to learn whether or not the income from the taxi-trade has been increased and whether or not many are taking long distance journeys. Taxi ranks have recently been so full of taxis waiting for customers that other vehicles have been hindered. Taxis are cruising slowly along to attract passengers to the detriment of the smooth flow of traffic. It will be interesting to find out how many more miles taxis are now travelling without passengers. I understand that the Government's policy is to increase the passenger-carrying capacity of all the vehicles on the roads. This steep rise in the taxi fare seems to be defeating this object. Or is the intention for taxis to wait around to fill up before setting out to distant destinations? This works satisfactorily in Malaysia for long distance country journeys, but seems scarcely reasonable in our modern metropolis. In conclusion I mention one final disastrous result of this fare increase: the great incentive for more people to buy their own cars and increase the number of vehicles on the roads.

Sir, I support a lower rate for the taxi fares than that laid on the Table of this Council on 24 January and register my support for the motion before us today.

SECRETARY FOR THE ENVIRONMENT:—Sir, I should like, first of all, to thank Mr. CHEONG-LEEN for the moderate and reasoned way in which he has introduced this motion. I hope that I can be equally moderate in my reply. Miss BENNETT has been perhaps a little more apocalyptic, but she also has made some telling points in the very clear and eloquent manner which we have come to admire in this Council.

I would first remind both of my Friends of the situation with taxis before the fare increase came into effect. Despite the fact that taxis were ubiquitous throughout the central urban areas they were very difficult to hire. Demand was very high at the prevailing low level of fares. Drivers were reluctant to take long distance journeys because it did not pay them at the metered fares. Malpractices were also rife. To telephone for and get a taxi was impossible.

Tourists and visitors who rely on taxis in a strange city went away with a poor image of Hong Kong.

The Government's action in raising fares was taken only after long deliberation and much debate. It was combined in a package of measures designed to improve the trade, including the introduction of stiffer sanctions against malpractices. What has been the result? Given the fact that we have only recently passed through the Chinese New Year holidays there has been very little time to find out the effects in normal conditions. But there is no doubt, as I think my honourable Friends agree, that taxis are now available and that drivers are willing to travel longer distances. There is no doubt also, from the reports so far available to me, that there has been a dramatic fall in malpractices and an improvement in the manners of taxi drivers. It is also possible again to telephone for a taxi and to obtain one. Or, in other words, in the little time that has elapsed, there appears to have been a significant improvement in the quality of taxi services.

All this has been a gain, but I am not claiming that the right balance has necessarily been struck and that perfection has been achieved. After a period in-which the situation had been steadily deteriorating and was getting very close to a free for all, firm action was necessary to restore sanity. But it may be that, in the light of experience, some elements in the package, including the fare level, will need adjustment. This is quite natural and it means that the situation will need to be monitored and reviewed after a reasonable period. This the Government intends to do and full surveys of the taxi trade will be conducted next month, in March, and also in May of this year. When this happens and the situation is reviewed Mr CHEONG-LEEN's ideas may, or may not, commend themselves. I can say, however, that any action taken after the review would not preclude further changes in fares, that is to say it would not preclude proposals to raise, to lower or to readjust the balance of the fares or, for that matter, to leave them as they are.

I must also, before I conclude, strongly refute any suggestion or rather the suggestion made by both Mr CHEONG-LEEN and Miss BENNETT that the Government's action in raising taxi fares will encourage inflation. I would remind them that, apart from one adjustment in the flag-fall charge from \$1.50 to \$2 in 1974, taxi fares on Hong Kong Island had remained unchanged since 1946, that is for 33 years. There are no other prices that are anywhere near this position. In real terms the new fares are still, on average, lower than they were, say, 10 years ago and much lower than in earlier years and I cannot see how, in itself, this can be considered inflationary. So I hope that these sort of accusations are not meant to be taken seriously (*laughter*).

I conclude, Sir, by repeating that, in the Government's view, the package which has been introduced for taxis, including the fare increase, must be given time to work before a proper assessment can be made of its effects. This will be done in the light of the full reviews I have referred to and, if

necessary, further adjustments in fares will then be proposed. In the meantime it is felt that this motion is premature and it must therefore be opposed.

MR CHEONG-LEEN:—Sir, I am grateful to my honourable Friend for his reply which, I readily grant is moderate enough, though perhaps not consistently well reasoned throughout. I am glad that the Secretary for the Environment has been sufficiently open-minded to say that he cannot claim that the right balance has necessarily been struck. It is therefore gratifying to hear that Government intends to conduct a full survey of the taxi trade next month. My honourable Friend has denied that Government's action in raising taxi fares to such a high level in one fell swoop has not encouraged inflation. I can but remind him that soon after the increases were announced, the PLB's took full advantage of the fact that there is no control on their fares and raised fares by between 50¢ to \$2. To the very large number of people, industrial workers and white-collar workers alike, who take PLB's daily, this is a strong encouragement to inflation. I do urge my honourable Friend to review seriously what can be done to discourage and prevent the PLB's from taking advantage to this situation and charging to the hilt what the market can bear. I would remind him that since this affects such a large number of people in Hong Kong, it is a matter which they do take into consideration most seriously.

*Question put and disagreed to.*

### **Adjournment**

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

### **AIR-CONDITIONING OF THIRD-CLASS WARDS IN GOVERNMENT HOSPITALS**

MR PETER C. WONG:—Sir, I rise to plead for the poor and sick. On 2 August 1978 I asked Government in this Council whether it would consider air-conditioning third-class wards in Government hospitals. The answer was encouraging. The Secretary for Social Services stated that Government would consider the matter. However, although more than six months have elapsed, it appears that Government has not yet come to any decision. This debate, I hope, will spur Government to take speedy action in a matter which has been the subject of much public concern.

Before describing the present position and stating the reasons for my proposal, I must stress that air-conditioning of hospital wards is not a luxury but a necessity—one which is now long overdue.

*Present Position*

With the exception of special wards and first class wards, all existing Government hospital wards are provided with winter heating only, without provision of air-conditioning for summer cooling.

*Reasons for air-conditioning of third-class wards in Government hospitals:**A Medical Considerations*

- (i) High temperature and humidity in summer and poor ventilation and congestion usually result in great discomfort to patients. This may adversely affect a patient's condition and may even undermine the high standard of medical and nursing care provided. Temperature and relative humidity in the wards are also likely to disturb a patient's metabolism and this would be a special problem for expectant mothers, patients heavily bandaged or with limbs or trunk in plaster.
- (ii) A vital factor in a patient's response to treatment is his psychological attitude. Without air-conditioning symptoms such as restlessness, sleeplessness and depression may develop, and these are likely to have important implications in a patient's treatment. If this results in a longer average stay for patients, the costs to both the patient and the Government would be considerable.
- (iii) Controlled room temperature is essential for certain medical conditions, such as hyperpyrexia, skin and neurosurgical diseases and burns. (In this connection, it should be noted that certain third-class wards in the major hospitals are already air-conditioned for the reasons just mentioned.)
- (iv) Air-conditioning will also to a certain extent solve the problem of dust and lack of ventilation caused by insect screening in certain wards. It will also help maintain the wards in a hygienic condition.
- (v) It may be contended that environmental conditions in non-air-conditioned third-class wards are in most cases no worse than those in the patient's home. This may well be so but we must not forget that at home the patient is well and strong, not sick and bed-ridden.

*B Overcrowding*

Overcrowding in certain hospitals has reached almost serious proportions. In Castle Peak Hospital, for example, the original planned capacity was 1,242, whereas the existing capacity is 1,921, an increase of almost 55%. Fortunately, according to the latest information provided by the Medical and Health Department, overcrowding is only about 20% on the average. Be that as it may, overcrowding is a problem, and air-conditioning would certainly help to alleviate some of its adverse effects.

*C Staffing Considerations*

The duties performed by nurses are of extreme importance to the patients and the standard of their service depends to a certain extent on their working

environment. A favourable working environment is essential for the efficient performance of their duties. This is an important consideration for air-conditioning third-class wards. Perhaps consideration should also be given to air-conditioning the nursing stations in Government hospitals as well.

*D Comments by the Asian Development Bank*

The Asian Development Bank, which provides the loan for the Sha Tin Hospital/Polyclinic project, is of the opinion that:

‘In view of the level of sophistication being sought and achieved in medical practice in Hong Kong, the highly technical and expensive diagnostic and therapeutic equipment being provided, and the provision of more modern medical facilities being achieved, it appears appropriate that consideration be given to total air-conditioning of the Hospital. The advantages of environmental control for patient areas should be considered. This would be consistent with the general upgrading of the levels of medical care being provided and could particularly apply to areas having special ventilation/ environmental problems, such as Sha Tin Valley.’

*Conclusion*

- (i) In the light of the above, there is a strong case for third-class wards in Government hospitals to be air-conditioned. All new hospital projects under planning should have total air-conditioning facilities. For practical and economic reasons, this should be implemented as soon as possible. For example, in the case of the proposed new Sha Tin and Tuen Mun Hospitals, a decision has to be taken quickly, otherwise extra work and costs would be incurred unnecessarily.
- (ii) As regards existing hospitals, it is appreciated that the provision of air-conditioning in third-class wards would require a considerable degree of complex design and involve architectural and structural modifications. To minimize any disturbance to the normal hospital operations as well as the patients, the provision of air-conditioning in these hospitals should be suitably phased.
- (iii) I am not in a position to assess the financial implications involved, but it would be safe to assume that Government could well afford to embark on the proposed project without any strain on the public purse. From preliminary enquiries it would appear that the cost of total air-conditioning of a hospital with a floor area of about 12,000 sq.m. would be in the region of 3 million dollars. Everything of course has a price, and I am sure Honourable Members will agree that the air-conditioning of third-class wards is a price well worth paying for. In the context of our overall public expenditure, expenditure on such air-conditioning would be a drop in the bucket. These wards accommodate a daily total average of about ten thousand patients. Think of the benefit that it will bring to these less fortunate members of our community!

DR HUANG:—Sir, in supporting Mr Peter C. WONG's speech, I can add but little to his cogent and persuasive arguments. There are several points, however, which I would like to emphasize.

For anyone to work efficiently, congenial working conditions are essential. Considering the onerous duties of nurses attending to the sick who at the best of times cannot be the most cheerful of people, it does not make sense that we should allow the debilitating heat of summer to detract from the energy and patience of our nurses when in our present financial position we could well afford to have all hospital wards air-conditioned. By improving the environment in which our nurses work, their efficiency would be enhanced and their relationship with patients improved.

With the best of intentions, the windows in some third-class hospital wards are covered with wire gauze to keep out mosquitoes and other insects. This unhappily also makes the wards even hotter and more stuffy in summer. Some third-class wards, I understand, are located at the top of buildings which do not have well insulated roofs. Air-conditioning would take care of these problems. There are also hospitals built near industrial areas which are constantly subject to atmospheric and noise pollutions both of which are not conducive to the patients' recovery. Air-conditioning would be the easiest way of reducing the harmful effects of these nuisances.

The less affluent suffer from illness as much as, if not more than, the rich. Why is it that the relatively spacious first-and second-class wards are air-conditioned while the often over-crowded third-class wards are not? At a time when even certain animals in Hong Kong are privileged to enjoy the luxury of air-conditioning, can we deny the same comfort to human beings who are ill enough to require treatment in hospital?

With the remarks, Sir, I support Mr WONG's proposals.

THE SECRETARY FOR SOCIAL SERVICES:—Sir, when Mr WONG first raised the issue of the air-conditioning of third-class wards in Government hospitals in this Council last August, I undertook that Government would consider this question and that I would report back to the Council on its findings.

Since that time we have given a great deal of thought to this issue. Although not all first and second-class rooms are air-conditioned and although not everyone would agree that air-conditioning is a completely unmixed blessing, I do not think that anyone would seriously challenge Mr WONG and Dr HUANG's conclusion that it is desirable on medical grounds that general wards, at least in the acute and psychiatric hospitals, should be air-conditioned. I would also agree that the working conditions of the staff add to those arguments. However, this is but one of many desirable improvements that we would like to see in our public services, and it is not possible for the Government to make the assumption implicit in Mr WONG's concluding remarks that expenditure on such air-conditioning would only be a drop in the bucket.

Accordingly, it is necessary for us to consider the financial implications in every individual case and to consider the priority to be accorded to it in the light of the many competing claims on our limited resources.

In the specific case of the new Sha Tin Hospital, I, too, hope that the ultimate conclusion would be that its complete air-conditioning was not only desirable but also efficacious in medical as well as financial terms.

Sir, I support the motion.

*Question put and agreed to.*

### **Adjournment and next sitting**

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30pm on Wednesday 28 February.

*Adjourned accordingly at ten minutes to five o'clock.*