

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 9 May 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 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 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

THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

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

THE HONOURABLE LO TAK-SHING, OBE, JP

THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

THE REV. THE HONOURABLE JOYCE MARY BENNETT, OBE, JP

THE HONOURABLE CHEN SHOU-LUM, 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 DAVID KENNEDY NEWBIGGING, JP

THE HONOURABLE ANDREW SO KWOK-WING

ABSENT

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

THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

THE HONOURABLE LYDIA DUNN, OBE, JP

IN ATTENDANCE

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

Papers

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

Subject *LN No*

Subsidiary Legislation:

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Sessional Paper 1978-79:

No 52—Supplementary Provisions approved by the Urban Council during the fourth quarter of the fiscal year 1978/79 (published on 9.5.1979)

No 53—The Government Minute in response to the Report of the Public Accounts Committee dated December 1978 (published on 9.5.1979)

White Paper—White Paper on Internal Transport Policy—Keeping Hong Kong Moving (published on 9.5.1979)

Oral answers to questions

Public Order Ordinance

1 MR PETER C. WONG asked:—*Sir, having regard to the decision of the High Court in the Yaumatei boat dwellers case and various expressions of public concern, has the Government any plans to amend the Public Order Ordinance with respect to control of meetings and public gatherings?*

THE ATTORNEY GENERAL:—Sir, the Government has always been mindful of the considerable authority vested in it by the Public Order Ordinance. It came into being in rather different times, though contrary to popular belief it was not conceived in the context of any particular situation of disorder. Ours is a community which has always been intolerant of disorder. It has therefore been a community which has been prepared to tolerate some constraints on freedom of association.

I hope, Sir, that it is obvious enough, but it is perhaps worth saying that it has never been an object of Government policy to impose constraints on freedom of association as such. Nor is the issue here freedom of speech, but the way in which that freedom is exercised. The Government's aim was to ensure that it could keep a proper balance between the right of people to meet together in public and the interest of the community as a whole.

Thus the object has been to ensure that people do not gather at a time or in a place or in numbers which may cause inconvenience or annoyance to the wider community and especially at a time or in a place or in numbers which may create problems in relation to the maintenance of peace and good order. In Hong Kong's crowded conditions large groups can gather in a matter of moments. This is easily seen in the crowds which gather at incidents which in themselves pose no threat to orderliness. Legislation to ensure that that balance can be maintained will always be necessary.

The Government is of course aware of the views now being expressed about the need for change in the law, and particularly of the concern which is felt by some about its application on a day to day basis to groups of people coming together to discuss topics of interest or concern to them. In

short, it is said that the law is uncertain and that the confusion is compounded because the law has not been fully applied in practice. It is true, Sir, that the law is broad in scope and that it has never been applied in its full rigour. This is especially so in the case of meetings which, though 'public meetings' under the law, do not involve the use of public streets or other public places. So there are those who comply with the law, apply for the required licence and go through the enquiries necessarily associated with consideration of the application. There are also those who do not comply with the law and yet are not actively sought out by the authorities with a view to possible prosecution—unless, as I have said, streets and other public places are used. And even in those cases the authorities have often taken a very tolerant line.

It is also true that the recent High Court decision has heightened concern. I would say only this. Without questioning the decision itself in any way, I do not acquiesce in some of the Court's general observations as to what the position is in other circumstances which did not arise for determination in the case.

Sir, the law has not been applied in a repressive way. It has been applied in a way which is aimed at avoiding inconvenience to the general public and ensuring that the Police Force is at all times able to maintain public order. Licences for meetings and processions are rarely refused, and the grounds for refusal specified in the Ordinance are themselves limited. In particular, provided that the public in general will not be inconvenienced, the right of people to petition the Government is always respected.

Nevertheless, the Government recognizes the need for a review of the provisions of the Public Order Ordinance relating to public meetings and processions in the light of today's circumstances. This is in hand. I think that there are possibilities for change which will remove much of the concern now being voiced. We shall press on as quickly as possible but, Sir, we do not intend to be rushed because we are dealing with a part of the law and order field which needs careful consideration.

MR PETER C. WONG:—*Sir, will the Attorney General give an assurance that there are or will be administrative guidelines so that the law as it exists will not be abused?*

THE ATTORNEY GENERAL:—Sir, I have said that the law has not been applied in a repressive way and I stand very firmly by that. Mr WONG has asked about guidance to avoid abuse. I do not think that there has been abuse. I think that the Police Force is careful in the way in which the law is administered and I have tried to explain the tolerance with which it has, in fact, in practice been enforced. Nonetheless, the Government will keep in mind what Mr WONG has asked.

Gas leakages in Tsuen Wan

2 MR SO asked in Cantonese dialect:—

政府可否就荃灣區三所學校的學生因吸入不明氣體而引致不適一事的調查結果，發表聲明？

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

Sir, will Government make a statement on the outcome of its investigation into the unknown gas leakages which affected the students of 3 schools in Tsuen Wan?

SECRETARY FOR THE ENVIRONMENT:—Sir, a full investigation has been made into the leakage of gas which affected the three schools in question. The first incident was caused when some drums containing residual amounts of a chemical, ethyl acrylate, (and I hope I pronounced it properly) were crushed during processing at a scrap metal yard near to one of the schools. The Government Chemist established that no more than about 14 litres of the liquid were released, some of which then evaporated into the atmosphere and was eventually dispersed; but not before it had given rise to the ill effects at the school. Following identification of the problem the drums were cleaned thoroughly with detergent and sand before being disposed of by burying.

A subsequent incident, which was investigated by the Fire Services Department, reached the conclusion that the school in question was probably affected by an unknown toxic gas. This incident was, however, so similar to the previous one that it also may have been due to ethyl acrylate, which is quite widely used in the plastics industry. The third incident was, in fact, a second complaint from the first school affected and nothing further was found after a full investigation.

In order to avoid incidents of this or a more serious nature in future, it will be necessary to tighten-up on the provisions for the disposal of chemicals like ethyl acrylate and toxic wastes of all kind. And it is with this need in mind that I am preparing a new Bill, the Waste Disposal Bill, which I hope to introduce to this Council before very long.

This new Bill will provide, among other things, for regulations to be made concerning the notification and safe disposal of toxic and difficult wastes, and it will bring Hong Kong's safety measures in this area into line with those in advanced industrialised countries.

MR CHEONG-LEEN:—*Sir, can the Secretary for the Environment clarify what he means by the phrase 'in this area'; does he mean this particular district or does he mean all industrial areas in Hong Kong?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I am trying to find the phrase 'in this area'...the last paragraph...I see, '...it will bring Hong Kong's

safety measures in this area...'; that means the disposal of toxic waste. (*laughter*).

Flooding and hillside squatters

3 MR WONG LAM asked in Cantonese dialect:—

鑒於雨季即將來臨，請問政府將會採取何種措施以避免市區低窪地帶受到水浸和確保山邊木屋居民的安全？

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

In view of the coming rainy season, what measures will Government take to prevent flooding in low-lying urban areas and ensure the safety of hillside squatters?

DIRECTOR OF PUBLIC WORKS:—Sir, just prior to the onset of the rainy season each year an inspection and clearance operation is carried out on all drainage installations and a stepped-up clearance programme is maintained throughout the season.

However even with these precautions local flooding can still occur under heavy rain conditions if blockages are created by rubbish deposited in roadways between clearances. Specialist gangs operating on a 24-hour standby will deal promptly with all reports of flooding.

I turn now to the second part of the question regarding hillside squatters. At the start of the wet season the Government Information Services release to the media a statement emphasising the dangers brought by heavy rains and giving information on the availability of refuge centres.

When a period of exceptionally heavy or prolonged rainfall is forecast GIS will issue the forecast information to the public warning of the increased risk of landslides and announcing the opening of the refuge centres.

During routine visits to squatter areas City District Office and Housing Department staff will ensure that residents of the areas are fully informed and familiar with the arrangements and the location of refuge centres.

MR WONG LAM asked in Cantonese dialect:—

閣下，在雨季期間，可否設立熱線電話，來報告低窪地帶的水浸，以便迅速清理？

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

Sir, during the rainy season, can we set up hot lines to report floodings in low-lying areas, so that blockages can be cleared quickly?

DIRECTOR OF PUBLIC WORKS:—Sir, there is, in fact, no need for a hot-line system; the road gang system already deals fairly rapidly with all flooding.

Special Secondary School for the Disabled

4 DR FANG asked:—*Sir, will Government say when the first special secondary school for the severely disabled at Sandy Bay will be ready to take in students?*

DIRECTOR OF EDUCATION:—*Sir, the John F. Kennedy Centre at Sandy Bay, which is at present running preparatory, primary and junior secondary classes for severely physically handicapped children, has submitted plans to the Department to build an extension to run senior secondary classes. The proposal will be submitted to the Finance Committee for consideration shortly. If funds are approved for the project to commence this financial year, it is estimated the extension will be completed in early 1981 and the school will be able to take in senior secondary students.*

Air pollution in Kwai Chung

5 MR CHEONG-LEEN asked:—*Sir, how serious is the air pollution caused by industrial expansion in Kwai Chung and what measures are in hand to control and reduce the problem?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, I can only answer this question definitively when the staff and other resources I have asked for the Environmental Protection Unit have been provided. Hopefully, this will not now take too long.*

The number of factories with fuel burning installations in Kwai Chung registered with the Air Pollution Control Division of the Labour Department is steadily increasing. But the number of complaints of air pollution in this area decreased in 1978 compared with 1977. From what measurements we have, it would appear that air pollution in Kwai Chung is no worse than in any other industrialized area in Hong Kong.

I should add that surveillance under the existing Clean Air Ordinance is being stepped up and the Air Pollution Control Division of the Labour Department is being strengthened. In 1978 there were 559 inspections of fuel burning installations in Kwai Chung alone and 33 applications for new chimney designs were processed. Nevertheless, this Ordinance only deals with smoke, dust and grit emissions resulting from the combustion of fuel and it provides no safeguard against the emission of other toxic gases to the atmosphere which, because they are often invisible, do not give rise to public complaint.

When the Environmental Protection Unit is properly operating it will provide a fully instrumented air quality monitoring network. The new Air Pollution Control Bill is also being drafted and I hope to be in a position

to present this in the next session of this Council. We will then be in a position to answer this sort of question with authority and to take action against really harmful pollution, although I do not believe that this has, as yet, reached anything like really serious proportions in Hong Kong.

Vessels Collisions

6 DR HO asked:—*Sir, will Government state*

- (a) *the number of collisions between HK registered fishing vessels and ocean-going vessels in the past 12 months;*
- (b) *the number of casualties; and*
- (c) *the measures taken to help and rehabilitate those fishermen whose vessels were damaged or sunk in these accidents?*

SECRETARY FOR ECONOMIC SERVICES:—*Sir, our records show that, over the past twelve months, there were four collisions between Hong Kong licensed fishing vessels and ocean-going vessels.*

The total number of casualties were 5 missing and 5 injuries, all as a result of the two collisions which occurred outside Hong Kong waters.

The first collision occurred in May 1978 inside Hong Kong waters. The Marine Department assisted the fishermen to identify the ocean-going vessel involved and the shipping company concerned. The shipping company reports that it has already reached a satisfactory settlement with the fishermen.

The second collision occurred in December 1978, again inside Hong Kong waters, with the fishing vessel suffering only minor damages to the hull. The Marine Department also assisted the fishermen to identify the oceangoing vessel and the shipping company concerned. But in this case the shipping company reports that the fishermen have not approached the company for compensation.

The third collision occurred on 7 March this year outside Hong Kong waters. The fishermen failed to identify the ocean-going vessel. They approached the Marine Department for help in this respect. And the Department, also, has been unable to identify the vessel. Since 16 March the fishermen have been receiving public assistance. They have been offered, but refused, compassionate temporary housing.

The fourth collision occurred early last month, also outside Hong Kong waters. Again both the fishermen and the Marine Department have failed to identify the ocean going vessel involved. The fishermen have been considered for public assistance and for compassionate housing and have been found ineligible.

DR HO:—*Sir, how many of the fishermen in these 4 cases continue to remain in their fishing occupations after the accidents?*

SECRETARY FOR ECONOMIC SERVICES:—Sorry, Sir, I am afraid I don't know the answer to that question but I will inform my honourable Friend in writing.

(The following written reply was provided subsequently)

According to the Director of Agriculture and Fisheries and the Director of Marine, these fishermen affected by the two accidents which occurred in May and December last year have had their vessels replaced or repaired and have resumed fishing.

As regards the fishermen affected by the collisions which occurred in early March and April this year, I understand that they are considering buying replacement vessels and that they have not yet resumed fishing operations. Some of them have in the meantime taken up temporary jobs on shore. Staff of the Liaison Section of the Agriculture and Fisheries Department are in touch with the fishermen concerned and will assist them to apply for loans from the Fish Marketing Loan Fund or other appropriate Funds to finance replacement vessels should they wish to make such applications.

MR LO:—*Sir, with regard to the collision referred to in paragraph 3, that is, the one in May 1978, has the Government managed to get confirmation from the fishermen that the settlement reached from the shipping company was satisfactory from their point of view?*

SECRETARY FOR ECONOMIC SERVICES:—My understanding from my honourable Friend, the Director of Agriculture and Fisheries is 'Yes, the fishermen are satisfied'.

Speed limits on roads

7 REV. JOYCE M. BENNETT asked:—*Sir, can the Government state its rationale for designating 30 mph, 40 mph and unrestricted speed limits, with special reference to Pok Fu Lam Road between the bus terminus at Pokfield Road and Queen Mary Hospital, and the main road from the Lion Rock Tunnel to the Jockey Club at Sha Tin?*

SECRETARY FOR THE ENVIRONMENT:—Sir, speed limits on roads are set in order to reduce the number and severity of traffic accidents, and traffic surveys are carried out in order to set these limits. The law automatically restricts the speed limit to 30 mph on any section of road which has street lighting unless the Commissioner for Transport stipulates other speed limits.

The section of Pok Fu Lam Road from Queen Mary Hospital to the bus terminus near Pokfield Road has only recently been realigned and widened

to four lanes. This section of road is unrestricted but the behaviour of traffic on it is being monitored to see whether a speed limit is required.

The speed limit on the main road from the Lion Rock Tunnel to the Racecourse at Sha Tin is at present 30 mph. But this is also being reviewed in the light of traffic conditions to see whether it can be raised.

REV. JOYCE M. BENNETT:—*Sir, is it ever wise to allow a 40 mph speed limit to operate for such a short distance as in my example on the Pok Fu Lam Road?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, we have very experienced traffic engineers who look into these things. As I said they are examining the situation now to see whether a different speed limit should be established. When they reach their conclusions I will certainly pass the information on to Miss BENNETT.*

MR CHEUNG:—*Sir, when will the review on the speed limit on the road in Sha Tin be completed?*

SECRETARY FOR THE ENVIRONMENT:—*I think, Sir, it will be in one or two months. The report will then need to be processed and considered and so I will say in about two months' time.*

Potability of tap water

8 DR FANG asked—*Sir, will Government state whether tap water is potable and, if not, what can be done to make it safe for direct consumption?*

DIRECTOR OF PUBLIC WORKS:—*Sir, the public water supply as delivered from the Waterworks mains conforms to stringent international standards of quality recommended by the World Health Organization and is, therefore, safe for direct consumption without further treatment.*

It should be noted, however, that in multi-storey buildings, the water to upper floors is generally supplied through roof tanks and consumers are responsible for ensuring that their private storage tanks, service pipes and fittings are maintained in a satisfactory condition so as to prevent any local deterioration in quality of water drawn from taps and provided these installations are so maintained water from taps should remain safe for direct consumption.

During periods of water restrictions the purity of the treated water delivered from mains may also be affected and it is therefore advisable to take the precaution of boiling drinking water during these periods.

Bus services on recreational routes

9. MR CHEONG-LEEN asked:—*Sir, will Government consider asking the bus companies to deploy more buses during peak periods in summer on routes leading to beaches and country parks?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, the franchised bus companies already deploy extra buses on fine weather Sundays and public holidays in order to meet the demand for transport to popular beaches and country parks. Extra frequencies are operated on four KMB routes, five CMB routes and on all Lantau services. KMB operates ten recreational routes on Sundays and public holidays, and CMB has five such routes.*

These arrangements are monitored by the Transport Department and the Department consults with the companies on appropriate improvements to services where these are needed.

Nevertheless, despite the bus companies' efforts, it is difficult to meet the high level of demand on Sundays, which is often greater than in peak hours during weekdays. The demand is also changeable, depending on the weather, and it is often difficult to find enough drivers prepared to work at weekends and on public holidays.

I expect things to be significantly better once the Modified Initial System of the Mass Transit Railway is in full operation early next year. This should take pressure off the buses in some of the major urban corridors, and thus enable the companies to further improve services to beaches and country parks.

MR CHEONG-LEEN:—*Although it appears, Sir, that the situation will still be far from ideal this Summer, could something even more be done for the very popular beaches, such as Repulse Bay?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, this is the sort of situation where one has to rob Peter to pay Paul because there is a limited number of buses. We have got about 70 or 80 additional buses put on to these recreational routes on Sunday and they have to be taken off other routes. So, all I can say is that the Transport Department and the bus companies will do their very best to allocate their fleets so as to increase services to these recreational areas on Sundays and public holidays.*

Treated water in Sai Kung

10 MR YEUNG asked:—*Sir, is Government satisfied with the existing treated water supply to the Sai Kung District and, if not, will it inform this Council of the areas in the District where supply is deficient, the reasons for such deficiency and its plans to improve the situation?*

DIRECTOR OF PUBLIC WORKS:—Sir, the water supply system to Sai Kung was originally designed to meet the requirements of Sai Kung Town and 15 villages and other users in its immediate environs, together with 21 villages and other developments on the route of the supply main along Hiram's Highway and part of Clear Water Bay Road. The system has already reached full capacity and is unable to cope with any additional demand placed on it by new development. Improvements to the system in the form of duplication of critical sections of mains are in hand and will be completed in three months time. New tenders for the remaining works under this item for further main duplication and the erection of a storage tank at Tui Min Hoi are about to be called and these works are expected to take about 15 months to complete. After completion of the works the system will then have reached the limit of economic expansion but will only cater for the increasing demand in the existing supply areas up to 1981.

The problem of meeting demand beyond 1981 can best be solved by drawing water from the High Island Scheme and processing it at a new treatment works located in the Sai Kung Town area. Initial planning for this longer term solution has been completed and a paper requesting inclusion in Cat. B of the Public Works Programme will be submitted to the Public Works Sub-Committee at the First Review of 1979. If agreed the intention is to upgrade the item to Cat. A at the Second Review and subject to the availability of funds, to aim for completion of the works by late 1981 or early 1982.

MR YEUNG:—*Sir, will the implementation of the planning for the longer term solution referred to by the Director of Public Works enable water to be supplied to all Sai Kung district except remote areas, and if not, why not?*

DIRECTOR OF PUBLIC WORKS:—Sir, in fact the scheme, the longer term scheme, will cater not only for the Sai Kung district but for areas beyond the Sai Kung area.

Oysters at Deep Bay

11 MR CHEONG-LEEN asked:—*Sir, does the level of cadmium and other toxic substances found in oysters at Deep Bay render them dangerous for human consumption and, if so, what measures are being taken to protect public health?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the answer basically is no. Cadmium can build up in the human body over a period of time and, in severe cases, this can result in damage to the kidneys and nervous system. There have, however, been no cases of this sort reported in Hong Kong that can be related to the consumption of oysters, even though the cadmium level

of some oysters sold in the Deep Bay area have been somewhat higher than normal.

Many foods contain small quantities of cadmium and further small amounts can enter the body from drinking water, the air we breathe and by, for instance, cigarette smoking. What is important is the total intake, and oyster consumption would need to be very heavy to effect this significantly. (*laughter*)

The results so far of a Working Party I set up last year to investigate, among other things, the total amount of cadmium in various types of diet common in Hong Kong have given no cause for alarm.

As regards other possible toxic substances, we have not identified any significant hazards in oysters at Deep Bay other than bacteria, and these are made harmless by thorough cooking.

MR CHEONG-LEEN:—*Sir, from a public health point of view is it safe to continue eating oysters found in Hong Kong waters in Deep Bay and in other places, presuming that they are properly cooked?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, the judgment I would say so far is 'Yes', no significant harm would be done if people eat these oysters. Of course, if they cram them in and eat two dozens a day for 20 years then may be it will have an ill effect on them.*

Statement

White Paper on Internal Transport Policy

SECRETARY FOR THE ENVIRONMENT:—*Sir, I have laid on the table today the White Paper on Internal Transport Policy. Its subsidiary title is 'Keeping Hong Kong Moving' because the Government's central objective in its transport policy is to maintain and, where possible, improve the mobility of people and goods. The White Paper sets out three basic ways of keeping both people and goods moving in our transport system. They are—*

First, the expansion and improvement of the road network;

Secondly, the provision of more and better quality public transport; and

Thirdly, measures to ensure the more economic use of the roads.

I cannot in this statement repeat all the measures described in the White Paper to achieve these objectives. And not only because to do so would unduly tax Honourable Members' patience, but also because I hope that the document will be read, particularly Chapter 2 which tries to provide a brief summary of the Government's transport policy. However, as regards the road programme, a number of very large projects are under way, such as the

Aberdeen Tunnel and its access roads, the East and West Kowloon Corridors, the Tuen Mun motorway and so on. Over the next five years up to \$7 000 million could be spent on road projects already under way, or will be committed to projects likely to start, during that period. By the end of the 80s we should have a greatly expanded and improved network of roads, tunnels and flyovers, plus a much more effective traffic management system. Also better facilities will be provided for pedestrians and further steps will be taken to improve safety on the roads.

Of equal, if not greater, importance than the improvement of the road system, however, will be the second leg of the tripod, that is the upgrading and expansion of public transport. This will be the key to all our efforts if we are to continue to provide for the growing number of journeys that people will wish to make. Over the next few years we expect to see a quantum jump in both the quantity and quality of our public transport, and I can illustrate this in five ways.

First, the Mass Transit Railway, which will open its first section from Kwun Tong to Shek Kip Mei in October this year, will, when the Tsuen Wan extension opens in 1982, be carrying almost 2 million passengers a day.

Secondly, the KCR should be double-tracked and electrified to the border by the end of 1982 and the interchange station with the MTR at Kowloon Tong will effectively integrate the two railways into one system.

Thirdly, it is possible that a light rail transit facility will be built on the north shore of Hong Kong Island, linked underground to the MTR in Central at Admiralty and Chater/Pedder stations, thus effectively turning this facility into a further extension of the MTR.

Fourthly, steps will be taken to modernise the bus fleets and to improve services. The expanded and upgraded road system will provide opportunities for express bus services to operate on many routes, both in the urban areas and the New Territories and these will help to improve journey times.

Fifthly, very good facilities will be provided at a number of stations for passengers to interchange with buses. The more important example will be Admiralty Station in Hong Kong, the MTR terminal at Tsuen Wan, and Hung Hom Station and the three new Sha Tin stations as regards the KCR. These will add further to the speed and convenience of journey times for public transport passengers.

An additional consequence of electrifying the KCR main line will be a large increase in the freight carrying capacity of the railway and this should, in turn, help to take pressure off the roads.

Sir, I have no doubt that the third leg of the tripod I have mentioned, namely the more efficient use of the road system, will be less popular with at least some sections of the community. Nevertheless, it also is essential if we are to keep traffic moving and avoid unacceptable congestion and jams over

key portions of the road system for longer and longer periods during the day. Given the small size of Hong Kong and our crowded traffic conditions, there is bound to be a limit to the numbers of private cars, taxis and hire cars that can be accommodated, no matter how many more new roads we actually build. We now have about 145 000 private cars, plus taxis whose usage is equivalent to at least another 100 000 private cars. The White Paper points out that, if no constraints were applied, the number of private cars could grow to over 400 000 by 1991. Even if the constraints assumed in the Comprehensive Transport Study were actually put into effect, there could still be some 280 000 private cars on our roads, or double the number we have now. This would produce traffic congestion at least as bad as we have now even with the much improved road system. But 400 000 or more cars would lead to unacceptable congestion on considerable stretches of our road system. So I have no doubt that, as time goes on, some degree of constraint will need to be applied to private travel and the White Paper puts down a market on this. The situation will continue to be monitored and appropriate action taken as necessary.

A somewhat similar situation arises in the case of light goods vehicles, whose numbers have been increasing very rapidly in the past few years, and of Public Light Buses in the more heavily utilized urban corridors. In saying this I must emphasize that, in the years to come, there will inevitably be more private cars, more taxis and hire cars and more light goods vehicles on the roads and that, with more and better roads, a reasonable expansion of numbers can be accommodated. But, given our situation, the numbers and usage of these vehicles cannot expand indefinitely.

Before concluding, Sir, I must point out that the thinking behind the White Paper is distilled from the results of a whole series of studies of our transport system, starting in the mid-1960s and culminating in the Comprehensive Transport Study which was published at the end of 1976. Work is still continuing to improve and expand on these studies. So the White Paper does not set out a fixed plan which will be rigidly adhered to at all costs. Rather it provides a flexible framework of policy which can be altered in detail in the light of changing circumstances. But I feel fairly certain that the major proposals in the White Paper are unlikely to be changed in any substantial way over the next decade.

Nevertheless, we have continued to move forward in our thinking, even since the work of drafting the White Paper was completed. Thus, work is continuing on improving the operation of the public transport system after the MTR opens and the KCR is modernised and electrified. A major study is now being undertaken on the detailed feasibility of a light rail transit line on Hong Kong Island. Future improvements in public transport interchanges at Hung Hom Station are also being studied. And, among other things, two further aspects which were not covered in detail in the White Paper, namely parking policy and future policy on the deployment of public light buses and maxicabs, are also under examination.

In other words, this White Paper is a framework document which provides a general guide to future policy. It will continue to be updated in the future in the light of changing circumstances and detailed aspects of implementation will continue to be studied.

The Government believes that its transport policies are on the right lines and are appropriate to the circumstances of Hong Kong. In the next few years we are confident that there will be substantial improvements in the road network and in public transport. But, with an expanding economy and growing population, this is a game in which one has to run hard to stay in the same place. So we will need to keep a close watch on the growth of traffic on the roads, to improve the situation where possible by more sophisticated traffic management measures but, in the last resort, to place the appropriate constraints on the less efficient users of road space. To maintain the ease of movement of people and goods in Hong Kong will involve a continuing battle, but it is a battle that must be won to help sustain the strength of our economy and our quality of life.

Government business

Motions

BUSINESS REGISTRATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—That the Schedule to the Business Registration Ordinance be amended by deleting item 1 and substituting the following—

- ‘1. Fee payable on registration of business, or issue of further business registration certificate, where application for registration is made or certificate expires—
- | | | |
|--|-------|-----|
| (a) before 1 April 1974..... | \$25 | 7 |
| (b) on or after 1 April 1974 and before 1 April 1975 | \$50 | 7 |
| (c) on or after 1 April 1975 and before 1 April 1979 | \$150 | 7 |
| (d) on or after 1 April 1979 | \$175 | 7’. |

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

In paragraph 213-214 of my budget speech, I proposed to increase the annual fee payable by a business registrable under the Business Registration Ordinance from \$150 to \$175.

The fee was last revised from \$50 to its present level of \$150 in 1975 to restore, partially, a charge introduced in 1952 at \$200 a year and to introduce a tax-loading element. The introduction of the tax-loading element was designed to obtain a contribution to the public revenue from the proprietors

of businesses who do not pay profits tax because their chargeable profits are covered by allowances available under personal assessment. To restore the tax-loading would require an increase in the fee of about 20% or a fee of \$175.

As a result of an Order made by you, Sir, under the Public Revenue Protection Ordinance, this proposal came into effect on 1 April 1979, and the additional yield is estimated at \$6.5 million in 1979-80.

The business registration fee is prescribed in the Schedule to the Business Registration Ordinance and, under section 18 of the Ordinance, this Council may by resolution amend the Schedule.

Sir, I beg to move.

Question put and agreed to.

INLAND REVENUE ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—That the Inland Revenue (Amendment) Rules 1979, made by the Board of Inland Revenue on 19 April 1979, be approved.

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

At present, for the purpose of ascertaining the annual allowance to be made under the Inland Revenue Ordinance, the rates of depreciation, as prescribed in the third column of the First Part of the Table to Rule 2 of the Inland Revenue Rules, range between 5% and 30%. The table was last revised in 1974.

In paragraph 172 of my budget speech, I informed Honourable Members that I proposed to invite the Board of Inland Revenue to make a new First Part of the Table to Rule 2 of the Inland Revenue Rules so that the existing 20% rate of depreciation allowance, which applies to 11 heads, would be increased to 25%. The number of heads attracting the 25% rate would thus become 15 out of a total of 33 heads. The principal beneficiaries of this proposal—would be in the manufacturing sector. Examples of plant and machinery attracting the new 25% rate include electronic data processing equipment, electronics manufacturing machinery and plant, plastic manufacturing machinery and plant including moulds, silk, textile and clothing manufacturing machinery and plant, and weaving, spinning, knitting and sewing machinery.

On 19 April 1979, the Board of Inland Revenue made a revised table introducing the amended rates, to be applicable to both final 1978-79 assessments and provisional 1979-80 assessments. After allowing for the two instalment system, the cost to the revenue in 1979-80 will be \$22.5 million.

In accordance with section 85(4) of the Inland Revenue Ordinance, the revised table requires the approval of this Council.

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 amended from time to time be further amended by adding as items 27 and 28 the following—

- | | |
|--|--|
| ‘27. Supplier’s credit facilities to finance contracts placed in West Germany. | 8 million United States Dollars and such amounts as may become payable in respect of interest. |
| 28. Supplier’s credit facilities to finance contracts placed in Japan. | 138 million Hong Kong Dollars and such amounts as may become payable in respect of interest.’ |

He said:—Sir, I rise to move the third motion standing in my name in 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 Government guarantees for suppliers’ credit facilities, in respect of five contracts for the extension of the railway to Tsuen Wan, all of which are on a fixed price basis.

Three of the suppliers’ credit facilities are in respect of contracts placed in Germany for the supply of telephone equipment, closed circuit television and public address systems. The finance to be covered by the guarantees amounts to US\$8 million.

The remaining suppliers’ credit facilities cover two contracts placed in Japan for the supply of an environmental control system and of station and tunnel auxiliary equipment. These contracts were awarded in Hong Kong dollars to exclude any exchange risk and are worth HK\$138 million.

The interest rates involved will be competitive and amounts due in respect of interest will be covered by the guarantees.

If Honourable Members make this resolution, the Government's total guarantee commitment in respect of the Mass Transit Railway Corporation will stand at \$8,760 million.

Sir, I beg to move.

Question put and agreed to.

First reading of bills

AUDIT (AMENDMENT) BILL 1979

INLAND REVENUE (AMENDMENT) (NO 5) BILL 1979

OIL (CONSERVATION AND CONTROL) BILL 1979

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1979

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

Second reading of bills

AUDIT (AMENDMENT) BILL 1979

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

He said:—Sir, this Bill seeks to strengthen the independence of the post of Director of Audit by providing that his salary shall be specified by order and charged upon the general revenue of the Colony.

The enactment of the Audit Ordinance in 1971 provided for the statutory appointment of the Director and vested the post with enhanced powers and responsibilities. In 1978 an amendment to the Ordinance provided that the Director would no longer carry out his duties on behalf of the Governor, but would report directly to this Council. At the same time, the Standing Orders of this Council were amended to establish a Public Accounts Committee which considers the Director's Reports.

The Director of Audit has now acquired a sufficient degree of independence from the Government to warrant his remuneration being provided for statutorily. As the power of appointment rests with the Governor, under section 3(1) of the Ordinance, it is proposed that the level of remuneration shall also be determined from time to time by the Governor.

Thus the post of Director of Audit will be, in future, if this Bill is passed, excluded from the Civil Service establishment and his salary will be provided for in the Estimates in a manner similar to that of the Chairman, Public Services Commission and the Commissioner Against Corruption. These changes will reflect the fact that the Director, in the performance of his duties and in the exercise of his powers, is not subject to the direction or control of any other person or authority.

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

Question put and agreed to.

INLAND REVENUE (AMENDMENT) (NO 5) BILL 1979

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

He said:—Sir, section 28 of the Inland Revenue Ordinance provides for exemption from tax of interest payable by the Government, by licensed banks and by certain specified public utilities, provided that the rates of interest do not exceed the percentage rate specified by the Financial Secretary, from time to time, by notice in the *Gazette*.

This percentage rate has, for many years, been varied to accord with the rate paid by banks on savings accounts which is also the rate paid on its surety deposits by one of the power companies. If this interest were not exempted, large numbers of small depositors and consumers of power would become liable to tax, which the banks and the utility companies would be obliged to deduct and account for, and there would subsequently be a large number of claims for refunds under the provisions for personal assessment.

In January this year the ceiling of 5% on the Financial Secretary’s authority was raised to 7½%: it was then thought that there would be ample room within that ceiling to accommodate future increases in savings account rates. Last month, however, when the Hong Kong dollar came under quite unjustified pressure in the exchange markets, members of the Exchange Bank’s Association raised their rates by 1½% across the board, thereby setting the rate on savings accounts at 7¾%.

The Bill before Honourable Members today accordingly seeks to raise from 7½% to 7¾% the ceiling on the Financial Secretary's authority to specify the rate of exemption. Honourable Members will be aware that this Bill was brought into force on 20 April by means of a Revenue Protection Order, and that on the same day I signed a notice specifying 7¾% as the rate of exemption for the time being.

The Bill deliberately does not provide for a fresh ceiling sufficiently high to accommodate any further increases in the rate payable on savings accounts above that which came into force on 20 April. To do so would almost certainly in this late stage be misinterpreted, and I do not wish to be thought to be taking any view about the future course of interest rates at this time. This Bill, therefore, seeks no more than an increase in the ceiling sufficiently large to accommodate the current rate of interest on savings accounts of 7¾%.

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

Question put and agreed to.

OIL (CONSERVATION AND CONTROL) BILL 1979

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to provide for the control of the supply and use of oil, the conservation of oil supplies and for purposes connected therewith.’

He said:—Sir, my honourable Friends may recall that during the Budget Debate last month I touched briefly on the question of the present world oil shortage. The assessment I gave then still appears to stand as broadly valid today. Although Iran has resumed exports of oil, the oil companies say these are at a lower level than before. They expect that the shortage of oil will continue throughout 1979 and so we could be faced with having to economise for the remaining months of this year.

As I indicated in April, the International Energy Agency has calculated that there would be an overall shortage of supply of about 5% and has invited its members to achieve cuts of at least this magnitude in oil consumption in 1979. We consider it is in Hong Kong's interests that Hong Kong should be seen to be playing its part in the general worldwide effort to achieve this objective.

The oil companies have warned the Government that the product in shortest supply is likely to be fuel oil and it is fuel oil that the power companies use in Hong Kong, exclusively at present, to generate electricity. Fuel oil is also used by industry for a variety of purposes.

Strict economy in the use of fuel oil is therefore a responsibility we must shoulder and, as I mentioned last month, the Government has been considering a number of measures to reduce the growth in fuel oil consumption on the basis that industry should not have to curtail production through lack of electricity or of fuel oil. The Governor in Council has ordered the introduction of a package of measures to achieve the greatest savings with the least possible disruption to basic daily living. The measures include a ban on the use of electric light for advertising, display and floodlighting except between 8.00pm and 11.30pm; water-pumping by the Government at off-peak hours; the adoption of daylight saving (GMT + 9) for a limited period; reducing the spinning reserves of the power companies; specific exhortation to the public to set air-conditioning thermostats at no lower than 26° and general exhortation to *all* electricity users to save electricity. These measures are similar to those being taken by some of our neighbours, such as Singapore and Japan. They are thus, as far as we can tell, consistent with the way other countries are reacting to the International Energy Agency's advice to which I referred earlier.

I must emphasize that this package has been drawn up as the first step towards achieving our goal of a saving of 5% on our normal consumption of oil. If our target figure is not reached we shall have to contemplate further measures to reduce consumption, and any further measures are certain to be much more inconvenient than the ones we are about to implement.

Turning now to the Oil (Conservation and Control) Bill 1979, introduced into the Council today, this Bill is, in effect, a Bill with enabling powers basically to be used only if the oil supply situation becomes tight. It would, if enacted, confer upon the Governor in Council powers to regulate the storage, supply, acquisition, disposal and consumption of oil and the supply and consumption of electricity and gas. It would also empower the Governor in Council to regulate the use of vehicles on the roads and the use of aircraft, vessels, trains and trams. And of these powers were, in 1973, conferred on the Director of Oil Supplies under the Emergency (Control of Oil) Regulations 1973. It is intended, in this instance, that if the Bill now before the Council is enacted, it should remain on the statute books, so that swift remedial action can be taken whenever oil supply difficulties arise in the future.

The Bill would also empower the Governor to appoint a Director of Oil Supplies who would be authorized to requisition oil, to give directions to suppliers and dealers as to the storage, supply, use and disposal of oil, and to give similar directions to electricity and gas supply companies. The Director and the authorized officers appointed by him are required to act in accordance with the directions of the Governor. I may add, Sir, that it is our intention to ask Your Excellency to appoint the Director of

Trade, Industry and Customs as Director of Oil Supplies in addition, of course, to his present duties.

Though it will be apparent that many of the powers provided for in the Bill are far reaching, I can assure this Council that we intend that only such powers as are necessary to deal with the circumstances of a particular moment will be used.

Returning now to the package of economy measures for our specific difficulties this year, in order to ban the use of electricity for advertising, display and floodlighting during the hours I have already mentioned, an Order would have to be made under section 5 of the Ordinance and it is envisaged that such an Order would be made directly the Bill had been enacted. The Order would be revoked as soon as it was no longer essential to economise on fuel oil. A good deal of thought has gone into the way in which the present measures should be applied. A good example is the proposed ban on electric light for display purposes. We recognize that its enforcement would be impracticable in arcades, where even during daylight hours the lighting is mostly provided by the display lights in the shop- windows. So in the Order, arcades have been excluded from the ban. Similarly exceptions would be made in other cases where the Director of Oil Supplies considered that the enforcement of the ban would not be in the public interest.

The pumping of water during off-peak hours is a matter for the Government to arrange, and the Director of Water Supplies is considering with the power companies how this might be done.

The third measure in the overall package is the adoption of daylight saving (GMT + 9) for a limited period. It is absolutely essential to resort to this step towards effecting the required savings in fuel oil consumption, but we propose in the necessary resolution, which the Council will be invited to make this afternoon, that the measure be introduced only for five months. It is the firm intention of the Government, that a further resolution be introduced into this Council *before* the five month period is up to change Hong Kong Time back to GMT + 8, should the fuel oil supply position warrant this step. On the other hand, if the supply situation continues to be uncertain after October, it may be necessary to introduce a resolution seeking to prolong daylight saving if to do so would continue to result in an appreciable saving of fuel oil. If Honourable Members make the resolution this afternoon, daylight saving would be introduced with effect from 3.30am on Sunday 13 May 1979, and the Order banning the use of electricity for advertising, display and floodlighting purposes would come into operation on the same day as part of the same package.

The fourth measure is the proposed reduction in the spinning reserve of the power companies should not necessarily affect the public directly—and I may add that the power companies have already taken steps to reduce these reserves.

The fifth measure in the package is designed to effect savings by air-conditioners being turned up, in most cases, to a temperature no lower than 26°. The power companies have assured the Government that, with the cooperation of all users of air-conditioners, a very considerable amount of electricity and hence of fuel oil could be saved in this way. But it will be obvious that enforcement of any *mandatory* measure of this sort would be extremely difficult and costly so the Government is appealing to the civic-mindedness of the population and is relying on exhorting the public generally to comply with this recommended measure.

Lastly, as part of the package, the Government is exhorting all electricity users to save as much electricity as they can. It has itself already issued instructions to all Government departments on the steps to be taken to cut down on their consumption.

I may add that the Government has considered various other measures to save oil and has rejected them at this stage, largely because the amount of oil saved was out of proportion to the inconvenience that would be involved for the public. Our success in saving will depend very largely on the cooperation of the general public of Hong Kong but I feel I must reiterate that failure to cut down our potential 1979 consumption to the required levels can only lead to more Draconian measures which would affect basic daily living and possibly industry and commerce. As the greatest source of savings under the present package is likely to result from the public voluntarily reducing their consumption of electricity, the greater the saving actually achieved by the public, the more sure we can be that further measures will not be necessary unless, of course, the supply situation deteriorates further.

A further assurance I should like to give the Council is that the Government is doing everything in its power to monitor the supply of oil to Hong Kong. As soon as the supply situation begins to improve the Government intends to take steps to do away with these economy measures.

Sir, I beg to move.

MR JAMES WU:—Sir, I have pleasure to support the motion by my honourable Friend, the Secretary for Economic Services.

I believe it is good sense for us to heed the advice of the International Energy Agency on the expected shortage of 5% in the world's oil supply, and to cooperate accordingly to cope with this worldwide shortage. The warning by the oil companies on the possible shortage of fuel oil in Hong Kong is even more immediate and should not be ignored at all.

I agree further that the measures now proposed to conserve oil will achieve its designed effects, and with civic-minded support from the Hong Kong public, the net result would be a pleasant surprise, with at worst some very minor inconvenience caused. There would also be a spin-off in

that the conservation measures would help check internal demand, conserve our foreign exchange, and help strengthen the Hong Kong dollar.

I particularly appreciate the assurance given this Council by the Secretary for Economic Services that Government would use such powers given under the Bill only when circumstances necessitate, I would like however to remind that it is important that should it ever become necessary to allocate resources the manufacturing industry be given priority so as not to jeopardise production activities which are so essential for economic stability in Hong Kong. The same priority should be afforded to industry in the use of vehicles, for the transport of materials and products, such as the use of trucks, aircraft, ships, etc. Since the proposed Ordinance gives the Director of Oil Supplies full power and discretion in exercising control over the matter, it appears to me that much benefit could be gained by the setting up of an advisory machinery to give advice and suggestions to the Director in his duties to conserve oil consumption, and that representatives from industry might be included in such a body.

REV. MCGOVERN:—Sir, the Secretary for Economic Services has already clearly explained the need for and purpose of the Oil (Conservation and Control) Bill and its accompanying package of energy saving measures.

When Unofficial Members first discussed this Bill, while whole-heartedly supporting it, there was some confusion as to the exact reason for introducing it. It was not clear whether we were talking about an actual physical shortage of the amount of oil reaching Hong Kong, or whether we were talking about saving money by cutting down the amount we would have to spend in order to keep up our full supply by buying oil at very expensive spot prices. For me, from the point of view of our balance of trade and its effect on inflation, it would not matter much which was the real reason. Either would be good enough to justify this legislation. But from what I have since learned, it is disconcerting to know that we are in fact talking about an actual physical shortage of oil this year. This makes the Bill and the need to cut down consumption much more real, urgent and immediate.

Another worry expressed by some Members raises a very important point. By the Bill (section 6(1)) the Director of Oil Supplies has power to give to any supplier of, or dealer in, oil such directions as to the storage, supply, use or disposal of any oil as he may think fit. Also by section 6(2)(a) he may require any oil to be supplied as may be specified by the directions. I stress the use of the word supply, and I express the worry of some Members in the form of a question. If the public does its part and voluntarily cuts consumption by 5%, has Government any guarantee from the oil suppliers that they will be willing and able to supply us with the remaining 95% of our needs?

As far as the public can see, the only thing that can be guaranteed about the oil suppliers is a prompt and positive announcement of a rise in prices,

timed in perfect unison, and in the case of petrol, by the exact same amount of money. This is strange indeed on the part of multi-national companies who worldwide resent Government interference in their affairs on the grounds of free trade. When are we going to see some of that competition which is reputedly the life of trade?

However I do not intend to get involved in the current controversy as to whether OPEC is the villain because it raises the price of crude oil, or whether 'the seven sisters' and their relatives are greater villains because they are allegedly profiteering at every step of the process from the barrel of crude to the petrol pump. I am happy to see that the Director has power to examine their books. I wish him luck (*laughter*) and hope that he will demand convincing reasons for every cent of any future rise in prices.

And that gets me to another worry—the question of storage and reserves. In time of uncertainty like the present I hope the power companies will not be tempted to dig into our strategic reserves. The possibility was mentioned by the Secretary for Economic Services in his budget speech of 12 April. It would seem to me to be good housekeeping practice to keep our reserves at the maximum as a cushion against the day when the situation may get worse. In fact I go further and take the opportunity of reminding Government of the advice it got some four years ago to increase the capacity of our oil reserves. It did not take that advice. I would suggest that what they did not do then with foresight, they should do with hindsight the moment the supply situation improves, if ever it does.

Be that as it may, to me the most important thing is not the powers and penalties legislated for in today's Bill. The Secretary for Economic Services has rightly pointed out that the greatest source of savings is likely to result from the public voluntarily reducing the consumption of electricity. This is only common sense and good housekeeping in an area we can all understand. The price of oil is already high. Whether it be from the machinations of OPEC, or the Oil Companies, or the reality of the political uncertainties of the Middle East, it is probable that oil prices will go up again. The law of gravity dictates that what goes up must come down. Unfortunately the exception to the law is consumer prices. I cannot remember in my lifetime any example of a price going up which came down again when circumstances changed.

So personal economy and thrift are essential. In recent months there is increasing evidence that the real incomes of many households are losing the battle against inflation. One way of helping to turn the tide is to cut down on the unnecessary use of electricity. I stress unnecessary. We are all human. It is part of human nature to be careless and thoughtless. We all learned that during the various water shortages. As to electricity, how often we have seen such a simple thing as a room with two lights in it, a central ceiling light and a reading lamp of the same wattage. If both are turned on for an hour the cost is so much per hour, a measurable

figure. If in fact no one is actually reading at the reading lamp, and that lamp is turned off for an hour, then the saving of electricity for that household bill is not just the 5% we are aiming at, but 50% for that particular hour. Even if there were no oil shortage, I believe the ordinary household in these hard times would be wise, for its own sake, to cultivate such simple sensible habits.

You might argue that the amount saved is not much. Well, every little helps in any one family. From the point of view of the national economy it should be remembered that we have some million or so households, and a million times any little amount is quite a lot. For example one dollar nowadays is not very much, but who among us would not like to have a million of them or perhaps in the case of some of my more honourable Friends—I should say another million (*laughter*).

In order that Members especially those who have two more meetings after this, may hope to get home in the daylight and thus save electricity, I draw to a close. By the way, to my way of thinking, you cannot save daylight. You use daylight and save electricity. So, let us be accurate about GMT + 9: Fuel Saving Time or Oil Saving Time or something.

Also as Government, for once, has already put into practice what it is preaching and turned down the airconditioning in this Council Chamber—or it feels to me turned off all ventilation, a welcome side effect of which is a much more colourful assembly, untied, and released from strait jackets. For my part, I will cease to add any more hot air to an atmosphere already naturally prone to the production of that form of energy. I, even if some-what hot under the collar, support the motion.

SECRETARY FOR ECONOMIC SERVICES:—Sir, my honourable Friend, Father MCGOVERN is right in stating as our reasons for introducing the present package of economy measures, both actual physical shortages of oil reaching Hong Kong and the possibility of saving money by cutting down the amount we would have to spend in order to keep up our full supply by bringing oil at very expensive spot prices. The fact of the matter is that there are both immediate grounds for economies because of physical shortage of supply and a need to avoid going unnecessarily onto the spot market thus helping to discourage the oil supplying countries from yet further raising prices generally.

In answer to my honourable Friend's second point: no, we have no guarantee that the oil companies will supply us with the remaining 95% of our needs if the public does its part and voluntarily cuts consumption by 5%. But what we do have or what we will have is a strong position from which we can insist that, Hong Kong having done its bit consistent with the worldwide reaction to the advice of the International Energy Agency, the oil companies must provide for the remainder of our requirements.

As his third worry, my honourable Friend cautions against the power companies using our reserves of fuel oil. I can assure him that, in the present circumstances, the oil companies are to do so only as short-term supply difficulties dictate, and the reserves are to be topped up again as soon as possible thereafter. On my honourable Friend's longer term question regarding thereafter. On my honourable Friend's longer term question regarding the size of reserves should be, this is a point the Oil Policy Committee is considering. The solution is not easy. Keeping reserves of fuel oil is an expensive business.

As my honourable Friend said as his fourth point, the most important thing at the moment is the savings likely to result from the public voluntarily reducing the consumption of electricity. And he is right also to stress, in this time of increased oil prices, the favourable consequences of so doing both for the individual families electricity bills and for our balance of payments situation.

Finally, Sir, I fully take the appeal of my honourable Friend, Mr James WU, that in general, if oil is in short supply, then manufacturing industry should be given priority. As an indication of this intention, as I said when moving this Bill, in our present difficulties one of our prime considerations has been that industry should not have to curtail production through lack of electricity or of fuel oil.

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).

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1979

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Landlord and Tenant (Consolidation) (Amendment) Ordinance.’

He said:—Sir, I move the second reading of the Landlord and Tenant (Consolidation) (Amendment) Bill 1979, which proposes certain changes in rent control measures affecting private sector tenancies. These proposals relate to: first, domestic and non-domestic tenancies in prewar buildings; second, domestic tenancies in postwar buildings occupied before 14 December 1973; and third, the termination of domestic tenancies in postwar buildings occupied after 14 December 1973.

Prewar Premises

The Bill contains Government's longer term proposals in respect of rent controls, on prewar premises, based on the findings of a comprehensive survey of all prewar buildings conducted between July and December 1977. There are now less than 5 000 prewar buildings in the rated areas, altogether containing less than 14 500 units of accommodation. These were originally subject to restrictive controls, mitigated to some extent by provisions under the Ordinance for redevelopment, exclusion and recovery for owner-occupation. As a result, 8 820 units only are now effectively controlled; 60% are used for domestic purposes and 40% for business purposes. The large majority of the units effectively under control consist of tenement floors characterised by fragmented ownership, subtenancies, mixed uses, and poor maintenance and environment. The average rent passing for domestic upper floors is just over one-quarter of fair market rent, and for business ground floors it is less than one-half the fair market rent.

Clause 3(c) of the Bill now before Honourable Members provides for the exclusion of business premises from Part I of the Ordinance from 1 July 1984. Once premises can be shown to have been used as business premises at any time after the Bill was published in the *Gazette* on May 4 last, a subsequent change of user will not affect the decontrol of those premises in 1984. Clause 4 of the Bill enables a landlord or tenant to apply for a certificate of user which will be admissible as *prima facie* evidence in civil proceedings.

In the case of business premises where human habitation is already established and is not relinquished, it is proposed under clause 23 that a tenant should after 1 July 1984 have the right to apply to the Lands Tribunal for an extension of his tenancy, not exceeding one year at any one time. The rent for such a tenancy would be fixed by the Lands Tribunal at fair market rent or one-third more than the rent then prevailing, whichever is the less.

Clause 6 allows permitted rents in prewar buildings to be increased from the current level of three times and six times the 1941 standard rent in domestic and non-domestic premises to four times and eight times the standard rent respectively, subject to the safeguard provided in clause 5 that a tenant should not be required to pay more than the fair market rent. Clause 8 provides that a tenant, on receipt of a notice of increase of rent, may seek from the Commissioner of Rating and Valuation, a certificate of fair market rent.

It is also proposed, Sir, that the procedure for determining the level of future rent increases should be simplified, *ie* if the policy of allowing rents in prewar business premises to progress gradually towards fair market levels by 1984 is accepted. It is suggested that future increases be approved by resolution of this Council rather than by way of a Bill as at present.

Under section 28 of the Ordinance, a landlord and a tenant may contract out of Part I if prior approval is obtained from a Tenancy Tribunal. Clause 12 of the Bill repeals and replaces section 28 by a simpler and quicker procedure for voluntary contracting out which requires reference to the Commissioner of Rating and Valuation only.

May I emphasize, Sir, that the security of tenure of tenants in prewar domestic premises is not affected by these proposals.

Postwar Domestic Premises

I turn now, Sir, to postwar domestic premises. Generally speaking, rent controls on these premises have worked satisfactorily in maintaining a reasonable balance between the inevitably polarized interests of landlords and tenants. About 150 000 tenancies in postwar premises (that is, about 80% of postwar housing stock available for letting) are still subject to these controls. At present, rents of the majority of controlled premises stand around 70-75% of fair market rents. Clause 18 of the Bill recommends that Part II of the Ordinance, which will expire on 14 December this year, be extended for a further 3 years. Tenants of controlled premises will therefore continue to have security of tenure until 14 December 1982.

Under clause 15, the factor regulating rent increases for these premises by a given proportion of the difference between the actual rent and the estimated market rent would be reduced from '3' to '2'. This would continue the process of gradually reducing the differential between regulated and market level rents. It is important to note that the 21% ceiling for rent increases over a period of two years will continue to be applied, except for a relatively few very large flats, as is the case at present.

Uncontrolled Premises

The background to these proposals, Sir, was a careful investigation of the supply of and demand for private sector housing, the trend towards increasing home ownership, the accelerating public housing programme and the level of rents on renewal of leases. There have clearly been some cases of substantial increases in rent for large flats and for houses, due mainly to the growing number of overseas companies and businesses expanding or setting up offices in Hong Kong. But the review showed that the general—and I emphasize general—level of increases for small flats—the great majority of uncontrolled premises built after 1973—is not significantly above the level permitted under rent control legislation, as currently now in force for other premises, nor is it significantly out of line with other price increases.

There are about 37 300 tenancies in postwar private premises which are not subject to control as regards tenure or rent: made up of 27 800 tenancies in premises occupied after 14 December 1973, and 9 500 tenancies on leases of three years or more beginning after 31 December 1975 or held in the name of a public body, a Government, corporation, firm or business.

It is recognized, however, that tenants in postwar domestic premises whose tenancies are about to expire may need a longer period to discuss terms of renewal with their landlords or to make other arrangements. Under Part V of the Ordinance, landlords are required to give six months' notice of termination to tenants. Clause 21 now proposes that any notice served after 4 May 1979 (the date of the publication of the Bill in the *Gazette*) should not take effect until twelve months after the date of such service.

The review highlighted the very substantial production of both private and public sector housing of 65 000 units a year for the next two years, that is, an increase of nearly 8% per annum to the total housing stock in Hong Kong. In addition, my official colleagues are actively pursuing ways of increasing the quantity of land to be made available for building flats, in particular medium and large flats, and of redeveloping more intensively Government's existing residential sites.

At present, Sir, I do not consider that further extension of rent control is necessary, beyond the measures I have outlined, but I shall continue to keep a very close watch on housing production and rent levels and if necessary, further measures will be proposed to this Council.

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

Question put and agreed to.

ESTATE DUTY (AMENDMENT) BILL 1979

Resumption of debate on second reading (25 April 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).

INLAND REVENUE (AMENDMENT) (NO 4) BILL 1979

Resumption of debate on second reading (25 April 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).

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1979

Resumption of debate on second reading (25 April 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).

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) REGULATIONS (AMENDMENT) BILL 1979

Resumption of debate on second reading (25 April 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).

CRIMES (AMENDMENT) BILL 1979

Resumption of debate on second reading (11 April 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).

DETERMINATION OF AGE (MISCELLANEOUS AMENDMENT) BILL 1979**Resumption of debate on second reading (25 April 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).

EDUCATION (AMENDMENT) BILL 1979**Resumption of debate on second reading (25 April 1979)**

Question proposed.

MR CHEONG-LEEN:—Sir, I rise to support the Education (Amendment) Bill 1979 because it is a step in the right direction.

In doing so I would express disappointment at the slow rate in which the children of fisher folk—that is the hard core of somewhere under 2 000—are not yet being placed in school.

Agreed, the requisite school places are available; agreed, some fisher folk and their children are moving from one typhoon shelter to another at various times of the year.

Why does Government not provide hostel accommodation for these children living in boats, as a practical encouragement for their parents to send their children to school?

Where family circumstances make school attendance especially difficult, it should be the role of the Education Department and other interested Government departments to come up with a realistic solution.

These low-income fisher folks may have a reasonable excuse for not sending their children to school, but does Government have a reasonable excuse for not coming up with a realistic solution more quickly?

What specifically is the ‘concerted approach’ referred to by my honourable Friend, the Director of Education, at the last meeting of this Council?

REV. JOYCE M. BENNETT:—Your Excellency, I think many in the community have welcomed the news that this Education (Amendment) Bill 1979 will

bring in compulsory education for nine years by extending to Secondary Form III regulations that have been in force since 1971 for Primary children.

However many of us began to have doubts about the effectiveness of this law when we examined the Education Ordinance more closely and questioned Senior Government Officials. You will note that the Director of Education has considerable discretion 'to order attendance.' He may take into consideration 'any reasonable excuse' which a parent makes for withholding a child from school. Clearly the Director had to be given some such power as we have still not got enough schools for the mentally handicapped, nor have we enough facilities to get all the children living in rural areas or on boats to school. These are hindrances to the effective carrying out of any scheme for compulsory education in Hong Kong. They are hindrances that must be overcome as soon as possible. Of course we want our children to have the advantages of literacy and an ability to compete in the competitive world of commerce and industry. Too many of our senior citizens have known the deprivations of illiteracy. Our community cannot afford to have an uneducated population in ten years or twenty years time.

The effectiveness of this Bill will be seen when the Director of Education makes his annual report and informs the public how many secondary school students have dropped out and been encouraged to return to school. Make no mistake, there are plenty of parents who will have no hesitation in keeping their children away from school to earn and contribute to the family budget. Furthermore there are Form I students who do not understand why they must study. Ask the social workers counselling our present Form I to Form III students and you will learn of girls wanting to work in factories. One of my own Form I students last autumn started working in a factory, but was persuaded by the School Social Worker to return to school; and I quote the School Social Worker's comment. She is now 'more interested in the school though she often doubted why she had to study...She needs continuous encouragement.'

I could give you many such illustrations from my own school in Kwun Tong of the problems that will be involved in the enforcement of this law. Parents more willingly insist on primary children remaining at school, but at the secondary level the inducements to have the child earn are much greater. I realize the age of employment will be raised and the restrictions on employing children extended beyond factories. But I hope that the staffing of the Labour Department and the Education Department will be increased sufficiently to deal effectively with parents who do not cause their children to attend school regularly.

There is one further headache for the Department to consider: the problems involved in forcing the parents to buy textbooks and stationery. In the Primary Schools there is a grant for the poor to enable these to be purchased. My enquiries from the Education Department reveal that no such provision is planned for Secondary School students. What are the School

Principals to do for those children promoted to Form I and who are unwilling to buy textbooks and stationery, not to mention uniform? Of course if the family is receiving Public Assistance, they can get refunds for these purchases. But what about the families who are just outside that net which is designed to catch only those in real need.

I have known a parent so opposed to his daughter being educated that he has torn in pieces the book the daughter had just bought. Are we prepared for the hours of work to help such children gain the education we are now by law compelling them to receive? What can one School Social Worker do for 4 000 students as at present planned? What can 1.3 teacher do for one class of 40 students? Secondary Schools are already feeling the effect of the abolition of the Secondary Schools Entrance Examination. Students are coming into Form I lacking discipline and the traditional Chinese incentive to study hard. Previously teachers, parents and social workers when counselling the 10-15 year old child could use the lack of places and the necessity to work hard to gain a seat in a government or aided schools as an incentive. This Bill enforcing compulsory education will place an intolerable strain on our already overpressed school principals and school teachers. The reduction in the teacher-class ratio imposed as a temporary measure in 1965 has lasted too long. To ensure the effectiveness of compulsory education in Junior Secondary Schools, I call for an increase in the teacher-class ratio. We must understand the problems involved in enforcing compulsory education when the schools are inadequately staffed and the standards of the schools uneven. This Bill is one stage on Hong Kong's way to better educational facilities. I support it in the belief that the improvements for which I call in staffing must come. I do not accept the Financial Secretary's comment that I have expensive ideas on education. I am asking only for necessary improvements in our educational system so that our schools will be worth compelling parents to send their children to.

DIRECTOR OF EDUCATION:—Sir, I am glad, Sir, that this legislation is welcome. I fully appreciate the sentiments of Mr CHEONG-LEEN and Miss BENNETT and their desire to see that *all* children of the appropriate age are in school.

Mr CHEONG-LEEN has referred specifically to the problems presented by the children of boat people, and questions the phrase 'concerted approach' which I used to describe Government's strategy towards this problem and all the related problems of people living afloat.

The complex of problems presented by the boat dwellers is being considered by the Housing Department, Home Affairs Department, Marine Department, New Territories Administration, Agriculture & Fisheries Department and Education Department, in conjunction with the relevant Secretariat Branches.

Within this framework, the needs of boat dwellers' children are being considered in the context of the general problem of implementing compulsory junior secondary education for children in isolated areas.

Attention has been drawn to the fact that the powers of the Director to order attendance at school are subject to the exercise of discretion where there may be reasonable excuse for non-attendance. Legislation of this kind must contain such a provision. I don't know of any country where school attendance is enforced totally irrespective of special circumstances. In any case, let me assure Members, if such assurance be needed, that the proposed legislation before us simply means what it says.

The legislation is drawn in the way that it is, giving the Director of Education powers to issue an attendance order rather than designating non-attendance as a crime, because we realized the difficulties of the enterprise and the need not to be too rigid but rather to take account of circumstances.

The expense of textbooks and uniform can be a problem for poor families. As Miss BENNETT has pointed out, if a family is receiving public assistance, such expenses are refundable. Cases of hardship outside the scope of public assistance can be brought to the attention of the Family Services Division of the Social Welfare Department. This can be done on the initiative of the parents or of the school. Such cases can then be considered for assistance from certain trust funds such as the Li Po Chun Charitable Trust Fund and the Tang Shiu Kin/Ho Tim Charitable Trust Fund.

Effective social work in secondary schools is of vital importance if all children are to benefit fully from attendance. Hence the importance of the announcement contained in the White Paper, SOCIAL WELFARE INTO THE 1980's, that social work in secondary schools will be carried out by professional social workers and is expected to cover all secondary schools by the end of 1981.

I cannot accept the proposition that this extension of compulsory powers is in some way of doubtful value because of resentment or distrust on the part of a very small number of parents, or that the educational system is incapable of providing an adequate education to those children who are being brought within it.

I do not wish any Member to be under any illusion that every last child will be in school next September. Even with the greatest imaginable resources this would be impossible. I also assure Members that we will do our level best with the resources we can reasonably command.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee.

OIL (CONSERVATION AND CONTROL) BILL 1979

Clauses 1 to 17 were agreed to.

ESTATE DUTY (AMENDMENT) BILL 1979

Clauses 1 and 2 were agreed to.

INLAND REVENUE (AMENDMENT) (NO 4) BILL 1979

Clauses 1 to 3 were agreed to.

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL 1979

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) REGULATIONS (AMENDMENT) BILL 1979

Clauses 1 and 2 were agreed to.

CRIMES (AMENDMENT) BILL 1979

Clauses 1 to 4 were agreed to.

DETERMINATION OF AGE (MISCELLANEOUS AMENDMENTS) BILL 1979

Clauses 1 and 2 were agreed to.

EDUCATION (AMENDMENT) BILL 1979

Clauses 1 to 6 were agreed to.

Third reading of bills

THE ATTORNEY GENERAL reported that the

OIL (CONSERVATION AND CONTROL) BILL

ESTATE DUTY (AMENDMENT) BILL

INLAND REVENUE (AMENDMENT) (NO 4) BILL

MOTOR VEHICLES (FIRST REGISTRATION TAX) (AMENDMENT) BILL

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES)
REGULATIONS (AMENDMENT) BILL

CRIMES (AMENDMENT) BILL

DETERMINATION OF AGE (MISCELLANEOUS AMENDMENTS) BILL and the

EDUCATION (AMENDMENT) BILL

had passed through Committee without amendment and moved the third reading of each of the Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Motion**INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

THE SECRETARY FOR ECONOMIC SERVICES moved the following motion:—

That—

- (a) with effect from 3.30am on 13 May 1979 and until 3.30am on 21 October 1979 Hong Kong Time shall be 9 hours in advance of Greenwich Mean time; and
- (b) with effect from 3.30am on 21 October 1979 Hong Kong Time shall be 8 hours in advance of Greenwich Mean Time.

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

It involves the introduction of GMT + 9 with effect from 3.30am on 13 May 1979 as part of the package to which I referred when moving the second reading of the Oil (Conservation and Control) Bill 1979.

The motion introduces GMT + 9 until 3.30am on 21 October 1979.

Sir, I beg to move.

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, 23 May 1979.

Adjourned accordingly at fifteen minutes past four o'clock.