

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 16 January 1980****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)  
THE HONOURABLE THE CHIEF SECRETARY  
SIR JACK CATER, K.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY  
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE ATTORNEY GENERAL  
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR. LI FOOK-KOW, C.M.G., J.P.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.  
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.  
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE DAVID GREGORY JEAFFRESON, J.P.  
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, J.P.  
SECRETARY FOR HOUSING

THE HONOURABLE EDWARD HEWITT NICHOLS, O.B.E., J.P.  
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE THOMAS LEE CHUN-YON, C.B.E., J.P.  
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE DEREK JOHN CLAREMONT JONES, C.M.G., J.P.  
SECRETARY FOR THE ENVIRONMENT

DR. THE HONOURABLE THONG KAH-LEONG, J.P.  
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, J.P.  
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE JOHN CHARLES CREASEY WALDEN, J.P.  
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE JOHN MARTIN ROWLANDS, J.P.  
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.  
COMMISSIONER FOR LABOUR

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E.  
LAW DRAFTSMAN

THE HONOURABLE LAWRENCE WILLIAM ROBERT MILLS, J.P.  
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

THE HONOURABLE JOHN HENRY BREMRIDGE, O.B.E., J.P.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, O.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE HONOURABLE LEUNG TAT-SHING, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, J.P.

DR. THE HONOURABLE HO KAM-FAI

THE HONOURABLE ALLEN LEE PENG-FEI

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

THE HONOURABLE ANDREW SO KWOK-WING

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E.

#### **ABSENT**

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.  
DIRECTOR OF EDUCATION

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

#### **IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL  
MRS. LORNA LEUNG TSUI LAI-MAN

**Papers**

The following papers were laid pursuant to Standing Order No. 14(2):—

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Country Parks Ordinance. Pat Sin Range, Pak Tai To Yan, Lantau Peak and Sunset Peak (Special Areas) Order 1979 .....	3
Land Registration Ordinance. Land Registration Fees (Amendment) Regulations 1980 .....	4
Land Registration Ordinance. Land Registration (New Territories) Fees (Amendment) Regulations 1980 .....	5
Census and Statistics Ordinance. Census and Statistics (Survey of Imports and Exports of Services for 1979) Order 1980.....	6
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Industrial Production) Order 1980 .....	7
Census and Statistics Ordinance. Census and Statistics (Quarterly Survey of Industrial Production) Order 1980.....	8
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Wholesale and Retail Trades, Restaurants and Hotels) Order 1980 .....	9
Census and Statistics Ordinance. Census and Statistics (1980 Pilot Land Population Census) Order 1980.....	10
Census and Statistics Ordinance. Census and Statistics (1980 Pilot Marine Population Census) Order 1980....	11
Census and Statistics Ordinance. Census and Statistics (Monthly Survey of Retail Sales) Order 1980 .....	12
Census and Statistics Ordinance. Census and Statistics (Survey of Building, Construction and Real Estate Sectors for 1979) Order 1980 .....	13
Evidence Ordinance. Evidence (Authorized Persons) Order 1980 .....	14

Sessional Papers 1979-80:

No. 27—Supplementary Provisions for the quarter ended 30 June 1979 (published on 16.1.80).

No. 28—Aberdeen Trade School Executive Committee Fund Income and Expenditure Account with Balance Sheet and Certificate of the Director of Audit for the year ended 31 March 1979 (published on 16.1.80).

No. 29—Annual Report of the Director of Accounting Services with the Accounts of Hong Kong 1978-79 (published on 16.1.80).

No. 30—Report and Certificate on the Accounts of the Hong Kong Government for the year ended 31 March 1979 by the Director of Audit (published on 16.1.80).

No. 31—Public Accounts Committee Report No. 2—January 1980 (published on 16.1.80).

**Oral answers to questions**

**Control of gold and silver market**

1. MR. PETER C. WONG asked:—*In answer to my question in this Council on 10.1.79, the Financial Secretary stated that Government did not consider it necessary to control the Hong Kong gold and silver market; in the light of recent events, does not Government now think that the time has come to introduce some form of control?*

THE FINANCIAL SECRETARY:—Sir, I see no reason, at present, to alter the view regarding the Chinese Gold and Silver Exchange Society Limited I expressed in this Council a year ago. As I said then and I say it now, the Exchange Society has a long history of well conducted operations and the Government has not so far considered it necessary to exercise control over it.

But we are, as a separate issue, having a look at proposals to regulate undesirable practices related to gold transactions outside the Exchange, and I shall be consulting the Executive Council shortly.

**Refuse collecting vehicles in the New Territories**

2. MR. YEUNG asked:—*Will Government make a statement on the number, type, capacity and age of refuse collecting vehicles in use in the New Territories and say whether it is intended to extend the use of refuse compacting vehicles?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, there are 83 refuse collection vehicles in use in the New Territories, of which 67 (or 81%) are of the refuse compacting type. These include two compaction vehicles and eleven tipper lorries hired from private sector.

With the exception of one refuse collection vehicle which has a carrying capacity of 2 tons, the carrying capacity of the fleet varies between 3 to 8 tons.

Of the 83 vehicles, 31 vehicles are over 5 years old, 34 are between 2 to 5 years and 18 are under 2 years old.

It is the intention of the Government to extend the use of compaction type refuse collection vehicles. 7 new vehicles will be delivered in the next financial year. In addition, the purchase of 17 vehicles has been included in the 1980-81 draft Estimates.

### **Use of fire-arms by policemen off duty**

3. DR. HO asked:—*Is Government satisfied with present controls governing the possession and use of fire-arms by off duty Police officers?*

SECRETARY FOR SECURITY:—Yes, Sir.

DR. HO:—*Sir, well then, can Government state the number of cases reported of fire-arms being used by off duty officers in the past twelve months, and for what purpose?*

SECRETARY FOR SECURITY:—Sir, the number of occasions on which fire-arms have been officially used by Police officers off duty are six. Each of these cases in 1979 was, in accordance with usual practice for the use of fire-arms, investigated, and five of the occasions were considered to be justified. In the sixth case it was not considered that the use of fire-arms was justified and criminal proceedings were initiated against the officer concerned.

REVD. JOYCE M. BENNETT:—*Sir, does this unjustified case refer to the use of fire-arms unofficially? You said some were officially used, what about the unofficial uses?*

SECRETARY FOR SECURITY:—There may have been occasions which have not come to public notice when persons who have fire-arms in their care officially may have used them. Obviously I am not in a position to say what circumstances such cases would fall into.

### **Control of welding works in public places**

4. MR. LEUNG asked:—*Will Government consider controlling electric and oxyacetylene welding in public places and thorough-fares, particularly in overhead situations, to prevent possible injuries to passers-by?*

DIRECTOR OF PUBLIC WORKS:—Sir, legislative control already exists under the Summary Offences Ordinance.

Under section 4(28) any person who carries out such works in a manner whereby injury or obstruction may accrue to a public place is liable to a fine of \$500 or to three months imprisonment.

In cases where anything, including welding debris, is dropped or falls from a building to the danger or injury of any person in or near a public place the person responsible for the offence is liable, under section 4B(1), to a fine of \$10,000 and imprisonment for six months. And, under section 4B(2) where the offence relates to material which is dropped or falls from a building in the course of construction, repair or decoration the contractor carrying out the work is liable to a fine of \$50,000 and imprisonment for one year.

Sir, members of the public may, by informing the Police, initiate prosecutions against offenders. They may also have recourse to legal action for damages in respect of injuries suffered.

MR. LEUNG:—*May I presume that the policeman on beat patrol will also be the competent officer to initiate such action against such offences which are quite prevalent these days?*

DIRECTOR OF PUBLIC WORKS:—Yes, Sir.

### **Obstruction by abandoned, broken down and illegally parked vehicles**

5. REVD. JOYCE M. BENNETT asked:—

- (a) *How many vehicles do the Police have currently in use for the removal of broken-down vehicles and vehicles causing obstruction?*
- (b) *Is it possible to deploy vehicles on either side of the harbour for the removal of broken-down cars which remain for long periods parked on the roadside, so preventing the even flow of car parking?*
- (c) *Will the Government take similar action against cars double-parked?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, may I have your permission to answer this question and question No. 6 by Mr. Wu together?*

6. MR. WU asked:—*What is Government's policy in dealing with the problem of abandoned vehicles which occupy designated parking spaces or otherwise cause obstruction and, in particular, what steps does Government take against the last registered owners of such vehicles?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the Police now have 14 landrovers to tow away vehicles that have been abandoned, are involved in an accident or are parked illegally on the streets. Five of these vehicles are deployed on Hong Kong Island, six in Kowloon, two in the mainland New Territories and one on Lantau. Six of them are fitted with crane jibs for suspended tows.

These landrovers are, however, only capable of moving small or medium sized saloon cars and any larger vehicles have to be removed by commercial operators hired for the purpose. Where there is a serious accident, or very heavy vehicles are involved, heavy duty tow trucks belonging to the Army, the Fire Services, or the Electrical and Mechanical Office of the P.W.D. are asked to assist.

During this year five of the Police landrovers will be replaced by larger towing vehicles capable of lifting up to 4 tons in weight and funds are also being sought for the purchase of three more tow trucks capable of lifting up to eight tons in weight.

The usual action taken against illegally parked vehicles is to issue them with a fixed penalty ticket but, where they cause a serious obstruction to traffic or pose a safety hazard, they are towed away to the Police pound. To recover their vehicles owners are required to pay a towing fee of \$80, plus \$20 a day, after the second day. In November and December 1979 a total of 1,115 enforcement tows were carried out by the Police.

Vehicles which are double parked are also issued with a fixed penalty ticket but, again, they are towed away if they cause a serious obstruction.

As regards abandoned vehicles, the law provides that, when a vehicle appears to have been abandoned for more than 72 hours, the Police must give the registered owner seven days' notice to remove it from the streets. If it is not removed in this period it is then taken to the Police pound, where the owner is allowed one month to reclaim it. Thereafter, the Commissioner of Police can dispose of the vehicle by auction or as he thinks fit. It is not the practice to take action against the last registered owners of abandoned vehicles because the sale of such vehicles by auction or for scrap usually more than covers the cost of removal.

I should add here, Sir, that difficulties have been experienced since February 1979 in handling abandoned cars because the company which held the Government car crushing contract had to give up its site for MTR construction work. A new site has, however, been found in Kwai Chung and it is expected that crushing operations will begin again by the end of this month.

In the longer term, consideration is being given a system of refundable deposits by vehicle owners. Such a system would encourage owners of old cars to arrange for them to be scrapped on their own initiative because they would then be able to reclaim their deposits from the Government.

REVD. JOYCE M. BENNETT:—*Sir, since from your figures less than twenty vehicles in November and December were towed away per day, are these vehicles being fully utilized?*

SECRETARY FOR THE ENVIRONMENT:—I think the figure I gave was 1,115 tows which is far more than twenty vehicles a month.

REVD. JOYCE M. BENNETT:—Per day, per day.

SECRETARY FOR THE ENVIRONMENT:—I would say they are because these vehicles are not all in the same place, they have to be moved around. Therefore all the vehicles are needed. It is quite a large area each set of vehicles has to cover.

REVD. JOYCE M. BENNETT:—*Sir, am I correct in saying that that is one vehicle, one tow away vehicle removing one car per day. Fourteen vehicles you tell us, fourteen landrovers towing away twenty vehicles, less than twenty vehicles actually?*

SECRETARY FOR THE ENVIRONMENT:—Well it seems Miss BENNETT's arithmetic is correct. I'm afraid my mental arithmetic is not quite fast enough to catch up with this (*laughter*), but as I pointed out we have had difficulties because of the car crushing plant which had to be removed because of the MTR construction. It has taken a great deal of trouble, and great deal of effort to find a site large enough in the very crowded area where it is, Kwai Chung/Tsuen Wan, to find an alternative site; but as I have said a site has now been found, a new tender has been let for the crushing plant, and it should be in operation by the end of this month. Thereafter I am certain that the number of vehicles, certainly abandoned vehicles towed away will increase very considerably.

REVD. JOYCE M. BENNETT:—*Sir, would the Secretary for the Environment consider calling for tenders from private firms for removing broken down and abandoned vehicles on our roads similar to the tenders called for in the last Government Gazette for the demolishing and salvaging of small craft in Hong Kong waters? I understand that private firms provide this service in Australia.*

SECRETARY FOR THE ENVIRONMENT:—Sir, I will certainly look into that. The crushing plant actually pays the Government the scrap value of these vehicles when they are delivered to us, so presumably the private tenders would also have to dispose of the vehicles by taking them to the crushing plant. Sir, I will look into the proposal of accepting tenders.

THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY

As I indicated in my original reply, there are strict regulations covering the towing away of vehicles believed to be abandoned, to give the owner a full opportunity to claim his property. These are the Road Traffic (Construction and Use) Regulations, under which the Police cannot seize a vehicle suspected of being abandoned until it has been seen to be "abandoned" on the streets for more than seventy-two hours. The registered owner is then given a further seven days' notice to remove the vehicle from where it has been left. Assuming this fails and the Police then remove the vehicle, they are next required to hold it for one month before disposing of it by auction.



The Construction and Use Regulations, as presently enacted, thus appear unduly to favour a motorist who indiscriminately abandons a vehicle on the streets. In the major revision of the Road Traffic legislation, which I anticipate will come before the Legislative Council later this year, it will be proposed that the length of time the Police have to wait before removing and disposing of abandoned vehicles should be reduced.

Whilst the law could be further amended to allow a private contractor to tow away abandoned vehicles to his own pound, it would not be commercially profitable for a contractor to have to store vehicles for even a reduced period of two or three weeks pending a possible claim by their owners. Nor should such a course of action now be necessary, as a contract for the removal and crushing of abandoned vehicles was signed with a firm of scrap metal merchants on 17 January 1980 and the clearance of abandoned vehicles has now started up again, and the backlog soon, hopefully, will be reduced. This is a 3-year contract in the first instance and incidentally, it is to remove *all* abandoned vehicles, thus an offer to another contractor would constitute breach of contract.

In addition, the Police capacity to tow away offending vehicles is being improved and, for the longer term, consideration is being given to systems which would encourage the owners of old cars to arrange for them to be scrapped on their own initiative.

MR. WU:—*Before any decision can be made on the system of refundable deposits by vehicle owners would Government consider applying section 4A of the Summary Offences Ordinance (Chapter 228) to discourage deliberate abandonment of vehicles, and also to discourage the use of the service that Government provides to auction the cars for the last owners of the vehicles?*

SECRETARY FOR THE ENVIRONMENT:—I will answer that question when I can be enlightened as to what section 4A of the Ordinance is (*laughter*).

HIS EXCELLENCY THE PRESIDENT:—Perhaps Mr. WU you could enlighten us.

MR. WU:—Any person who without lawful authority or excuse sets out or leaves or causes to be set out or left any matter or thing which obstructs, inconveniences or endangers or may obstruct, inconvenience or endanger any person or vehicle in a public place shall be liable to a fine of \$5,000 or to imprisonment for three months.

SECRETARY FOR THE ENVIRONMENT:—Sir, I am sure the Commissioner of Police is well aware of the existence of this provision but I will certainly draw it to his attention asking for his opinion.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY)

The advice from the Attorney General's Chambers is that, except in the most unusual circumstances, section 4A of the Summary Offences Ordinance is

inappropriate for use in connection with abandoned vehicles. His detailed comments on this matter are as follows:—

‘Section 4A is clearly aimed at the situation where the setting out or leaving of the matter or thing at the time when it is set out or left does or may obstruct, inconvenience or endanger any person or vehicle in a public place. Thus with regard to vehicles it does not differentiate between the one that has been abandoned or any other vehicle that may be in a particular place at a particular time.

The legislature has passed legislation dealing with motor vehicles in view of the position that they have in the running of our society, and this legislation contains particular provisions dealing specifically with matters of obstruction, inconvenience or endangering persons. In connection with this, one may note the substantial difference in penalties provided for such matters with regard to motor vehicles and the level set in section 4A’.

Although difficulties were experienced for a period in the past over the disposal of abandoned vehicles, the position has now been improved with the signing of a new contract with a firm of scrap metal merchants for the clearance of abandoned vehicles. In addition, the Police capacity to tow away offending vehicles is being improved and, for the longer term, consideration is being given to introducing systems which would encourage the owners of old cars to arrange for them to be scrapped on their own initiative.

### **Supplementary Medical Professions Bill**

7. DR. FANG asked:—*Will Government state what is the present position of the draft Supplementary Medical Professions Bill which has been in the legislative programme for more than four years?*

SECRETARY FOR SOCIAL SERVICES:—Sir, subsequent to my reply to Dr. FANG’s query on this subject in the debate on the Motion of Thanks in November 1977 the Medical Sub-Committee of the University and Polytechnic Grants Committee expressed an interest in our proposals for legislation. While this may have slowed progress a little, the meticulous care with which the U.P.G.C. Medical Sub-Committee examined our approach from the point of view of the courses of para-medical training on which they have to advise the Government has resulted in some improvements to our draft provisions. And I should like to record my thanks to the Members concerned.

As a matter of courtesy, our proposals in what I hope is their final form have now been referred back to the U.P.G.C., and others, for any further views they may have, and I hope the Supplementary Medical Professions Bill will be introduced into this Council shortly.

### **Uniform Chinese titles for Government departments**

8. MR. WONG LAM asked in Cantonese:—  
請問政府對於各部門之中文名稱將如何予以劃一？

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

*What measures will the Government take to adopt uniform Chinese titles for Government departments?*

DIRECTOR OF HOME AFFAIRS:—Sir, it is true that the Chinese titles for Government departments are not completely uniform particularly in regard to the character used to translate ‘department’ (署 and 處).

I will look into the question of whether it would be helpful to the general public for the Government to consistently use one of these characters only for the word ‘department’ rather than two.

If it appears that such a change would be helpful to the public we will examine the implications of introducing it.

### **Fringe benefits for married women officers**

9. DR. FANG asked:—*Will Government state why married female officers do not receive the same fringe benefits as their male counterparts?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, married women officers do not, as a general rule, receive the same fringe benefits as their male counterparts because it has been the Government’s policy to adhere to the generally accepted community view in these matters, namely that the husband should be the provider.

However, this is an area where community attitudes are changing and a substantial proportion of private companies do now provide medical benefits for the children of married women employees. The Government is therefore now studying the implications of extending medical care to the estimated 28,000 children of its 14,000 married women officers.

I can assure Members that we are keeping this matter under close study, prodded, I may say, by a very determined group of ladies. I might add that the fringe benefits offered by the Government to its married women officers are still thought to compare favourably with the private sector.

DR. FANG:—*Sir, would my friend also include in his consideration housing benefits as well?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, yes, housing benefits are included in the definition of fringe benefits and we are keeping that under review.

REVD. JOYCE M. BENNETT:—*Sir, will that include consideration being given to the position of divorced women with children who remarry and who at present lose their previous benefits when they remarry?*

SECRETARY FOR THE CIVIL SERVICE:—We have got as far as granting eligibility for fringe benefits to women officers who have been divorced but I confess we have not yet got as far as reconsidering the position when they get remarried, but we will now do so.

### **Safety of passenger cradles, hoists and lifts in construction sites**

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

- (1) what steps are taken to check the safety of cradles and lifts used on construction sites;*
- (2) how frequently are safety checks carried out, and*
- (3) whether Government intend to introduce new safety measures and checking procedures in the light of reports in the media of the disturbingly large number of fatalities and serious injuries that have occurred on construction sites?*

COMMISSIONER FOR LABOUR:—Sir, passenger hoists and cradles used on construction sites are subject to control under the Construction Sites (Safety) Regulations. Before passenger hoists are put into use, they are required to be tested and thoroughly examined by a competent examiner and thereafter to be thoroughly examined every six months. If a competent examiner is satisfied with the equipment he has tested, he will issue a certificate to signify that the equipment is in safe working condition. If a hoist is removed to a new location or after extensive alteration or repair, it must be tested and thoroughly examined again before being put into use. Suspension platforms, including cradles, must be similarly examined before use and thereafter within every 14 months. The regulations also contain provisions governing the examination and safe use of other lifting appliances on construction sites. Factory inspectors, during their inspections of construction sites, check the certificates issued by competent examiners to ensure that the regulations have been properly observed.

I and the Factory Inspectorate are deeply concerned about this type of accident which has led to these fatalities. Investigations so far however into recent serious accidents have not shown that the regulations are necessarily defective. However, the investigations have not yet all been completed. If they do reveal any defects in the legislation I will certainly consider amending the regulations. In some cases the regulations may not have been properly observed and if our investigations show this to be the case, legal action will be taken against the offenders. In addition I am ordering a special study by the Factory Inspectorate of all the recent accidents in this category, not simply those that have proved fatal, if as a result of this more extensive analysis a need is shown to amend the regulations I shall propose amendments accordingly and give appropriate warnings or advice to the construction industry.

MR. PETER C. WONG:—*Sir, would the Commissioner for Labour be prepared to let the Members of this Council have the conclusions of the special study referred to in the final paragraph of his reply?*

COMMISSIONER FOR LABOUR:—Yes, Sir.

### **Exhibition centre**

11. MR. ALLEN LEE asked:—*Will Government state when it expects the consultant's study on the need for an exhibition centre in Hong Kong to be ready?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, the consultant's report was received in the Trade, Industry and Customs Department on 2 January this year.

The report is a very substantial document and contains a number of recommendations which require detailed consideration both in my department and by other departments of Government. These are now being consulted.

When this process has been completed, I shall be forwarding the report with our joint views and recommendations to the Government; and provided that the consultant's report is found to be adequate, the intention is to seek the advice of Executive Council as to the next steps to be taken.

I hope that our inter-departmental work can be completed within the next three months.

### **Civil service disputes**

12. MR. SO asked in Cantonese:—

政府可否就目前公務員勞資糾紛問題發表聲明，並請說明政府對市民的服務所受影響的程度，以及是否可望能早日和平解決問題？

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

*Will the Government make a statement on the current civil service disputes and indicate the extent to which services to the public have been disrupted and whether early peaceful settlements are in sight?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, I should like to preface my reply by affirming in clear terms that the civil service does recognize its overriding duty to do everything in its power to maintain at all times, and efficiently, the various administrative and community services which are so necessary for the stability and well being of Hong Kong.

At the same time the management of the civil service recognizes its special obligation to provide the staff of the civil service with fair remuneration and conditions of service, satisfactory working conditions and efficient management.

Most disputes within the civil service have their origins in problems of management, and resolute action is being taken to strengthen management throughout the civil service. Most disputes spill over into questions of pay, and when this happens the advice of the Standing Commission on Civil Service Salaries and Conditions of Service is sought.

In recent months there have been five instances of disputes affecting services to the public.

- (1) In November 1979 nursing staff in the Medical and Health Department took disruptive action. This caused some inconvenience to the public for a short period. All nursing services are now back to normal and a meaningful dialogue is being carried on between the various staff associations and the management of the Department.
- (2) In December last, 26 Dispensers refused to perform certain duties in support of a pay claim. As a result 7 evening clinics were closed. The Dispensers in question were suspended without pay. On 7 January they all returned to normal duty, and on 10 January the evening clinics were reopened.
- (3) In December last also, Health Inspectors of the Urban Services Department took disruptive action in support of a pay claim. This led quickly to a reduction in fresh meat supplies. Supplies returned to normal within a week following a decision by the staff association concerned to pursue its claim further with the Standing Commission.
- (4) Earlier this month a group of Postal Officers declined to work voluntary overtime in order to draw attention to their claims for better working conditions and pay. Coming in the wake of the Christmas and New Year peak, this caused immediate operational problems for the Post Office and it was necessary to suspend certain services as a temporary measure. Redeployment of staff and the recruitment of temporary staff has enabled the Postmaster General to make substantial inroads into the backlog of mail and to resume some of the suspended services. The position is improving steadily and I hope that all services will have been resumed and all backlogs cleared by next week.
- (5) Last week a group of Labourers in the Urban Services Department engaged on hawker control work decided not to carry out some of their duties, which in their view are inappropriate to the rank of Labourer. This has had a minor effect on conditions in hawker areas in some parts of Hong Kong and Kowloon. It does seem to me that there is a need to re-examine the duties of these staff, and this is now being done. I hope to persuade the staff concerned to resume normal duties pending resolution of the problem.

In dealing with staff disputes, the Government has always tried to maintain an open mind and a sympathetic attitude towards all reasonable staff requests, but the prime consideration must be to ensure that services to the public are not disrupted and that the overall public interest is not impaired.

Finally, Sir, I invite attention to the fact that the vast bulk of the civil service is going about its daily business quietly and conscientiously.

MR. SO asked in Cantonese:—

閣下，在加強及改善管理工作之中，會不會包括重新評估及釐定公務員職系間及職級間的互相關係？

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

*In strengthening your management capacity would you also reappraise the inter-relationship between the management and the labour particularly in staff relations matters?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, yes, the latest concept in staff management is essentially that it should embrace staff relations and we propose to apply that throughout the civil service.

MR. WU:—*May this Council have the benefit of the Secretary's proposal of how to strengthen the management?*

SECRETARY FOR THE CIVIL SERVICE:—Yes, Sir, I propose to make a statement or issue a paper for the information of Members shortly.

## Statements

### Census and Statistics Ordinance

**Census and Statistics (Survey of Imports and Exports of Services for 1979) Order 1980**

**Census and Statistics (Annual Survey of Industrial Production) Order 1980**

**Census and Statistics (Quarterly Survey of Industrial Production) Order 1980**

**Census and Statistics (Annual Survey of Wholesale and Retail Trades, Restaurants and Hotels) Order 1980**

**Census and Statistics (Monthly Survey of Retail Sales) Order 1980**

**Census and Statistics (Survey of Building, Construction and Real Estate Sectors for 1979) Order 1980**

**Census and Statistics (1980 Pilot Land Population Census) Order 1980****Census and Statistics (1980 Pilot Marine Population Census) Order 1980**

SECRETARY FOR ECONOMIC SERVICES:—Sir, when I moved the second reading of the Census and Statistics Bill in 1978, I said that while the power to order a statistical survey would continue to lie with the Governor-in-Council, the Secretary for Economic Services would make a statement on the surveys when the orders for them were laid on the table of this Council.

The eight orders now before honourable Members are the orders the Commissioner for Census and Statistics is likely to need for his work during 1980. They can be divided into two categories. The first category consists of six orders authorizing surveys for collecting information relating to economic activity. The second category consists of two orders authorizing pilot censuses which in fact are ‘dress rehearsals’ for the Population Census (Land and Marine) to be conducted in 1981.

*Economic Surveys*

One of the major areas of statistical development the Commissioner for Census and Statistics is undertaking is a long-term programme of economic surveys. It is designed to provide *both* information leading to a basic description of the structure of major economic sectors, *and* a continuing assessment of the contributions made by each sector to the economy’s output.

The programme involves a recurring cycle of statistical activity on each of the major sectors of the economy. A cycle starts with a large scale and comprehensive benchmark survey for a particular year. Either immediately or after the lapse of one year to allow time for digesting the results of the benchmark survey, it is followed by smaller scale and simpler surveys each year. Then after five years the cycle starts again with another benchmark survey. But the cycle can be shortened if the structural characteristics of a particular sector are subject to frequent change. To ensure a reasonably smooth flow of work load for the Census and Statistics Department, the Commissioner staggers the cycles of activity for different sectors so as to avoid, as far as he can, having to conduct more than one benchmark survey in the same year. Furthermore, to provide more up-to-date indicators on the current performance of selected sectors of the economy in terms of output, the cycle of statistical activity for some sectors is supplemented by very simple quarterly or monthly surveys.

So, in a particular year, the Commissioner aims to conduct a combination of economic surveys: there is usually one benchmark survey, a number of annual follow-up surveys, and quarterly and monthly surveys of those sectors of the economy for which information is required more frequently than annually.



The *benchmark survey* to be conducted in 1980 is to collect data in respect of 1979 relating to the building, construction (including civil engineering) and the real estate sector. By providing a better understanding of the structural characteristics and the mode of operation of this sector, the survey will enable the Government and the private sector better to assess the load on the building and construction industry in relation to its capacity. It will also provide information for improving the present estimates of gross domestic fixed capital formation on building and construction. All establishments will be covered in this benchmark survey. The number of these is currently in excess of 8,000.

There will also be three *annual follow-up surveys* in 1980. *First* is the survey of industrial production for 1979. This will be the first annual follow-up survey in the second five-year cycle of economic surveys on the sectors engaged in mining and quarrying, manufacturing and in the supply of electricity, gas and water. The survey will cover a sample of 10,000 establishments.

*Second* is the survey of wholesale and retail trades, and restaurants and hotels. The cycle of economic surveys for this sector started with a recently completed benchmark survey for 1979. The survey for 1979 will be the first of the smaller scale and simpler annual follow-up surveys. A sample of about 7,000 establishments will be covered.

*Third* is the survey of imports and exports of services. As I said on 20 December 1978 when the survey orders for 1979 were laid on the table of this Council, the survey of imports and exports of services is an interim measure to collect information on invisible trade in selected sectors, pending the launching of the cycle of economic surveys for the service industries scheduled to commence in 1981 with a benchmark survey in respect of data relating to 1980. The 1979 survey to be carried out in 1980 is a continuation of this interim survey into the second year. The survey will cover about 4,000 establishments which in effect will represent full coverage in the relevant businesses.

The *more frequent than annual surveys* to be conducted in 1980 and which require census and statistics orders, include two series of surveys. *First* is a series of quarterly surveys of industrial production. At present, the Commissioner for Census and Statistics surveys textiles production (i.e. spinning and weaving) quarterly. He now proposes to extend the scope of these quarterly surveys, in 1980 to cover the clothing industry and later and subsequently all manufacturing industries. A sample of about 1,500 textiles and clothing establishments will be covered in the quarterly surveys to be conducted in 1980.

*Second* is a series of monthly surveys of retail sales aimed at providing an up-to-date assessment of trends in consumer demand. Data on monthly retail sales are obtained and published in such developed countries as the

United States, the United Kingdom, the Federal Republic of Germany, Canada and Japan and are widely used there as an important indicator of developments in the economy. Such data are also useful to commercial concerns in assessing seasonal patterns of consumer spending. Initially in 1980 a sample of about 1,000 establishments will be covered. The adequacy of this sample will be reviewed over time. When a reasonably long series has been established, a monthly index of retail sales will be compiled, composed of individual indexes for such categories as food, non-durable consumer goods and consumer durables. Individual indexes of retail sales for department stores, supermarkets and other retail outlets will be included.

#### *Pilot Population Censuses*

Turning now to the second category to which I referred earlier, on 13 February 1979, the Governor-in-Council ordered that a population census should be conducted in 1981. Pilot censuses are one important component of the overall census plan. The pilot censuses (one for the land population and the other for the marine population) will in effect be 'dress rehearsals' for the main operation. All aspects of the 1981 census will be tested, the main ones being the census content, field organization and data processing. The pilot land population census will be conducted in March 1980 and will cover about 20,000 households. The pilot marine population census will be conducted in February 1980, just before Chinese New Year when virtually all vessels return to port. About 1,000 vessels and households on board will be covered.

#### *Consultation*

Sir, the Statistics Advisory Board has endorsed the overall plans for the various economic surveys I have mentioned and the overall population census plan which includes the two pilot population censuses.

### **Public Accounts Committee Report No. 2—Januray 1980**

MR. F. W. LI:—Sir, as required by Standing Order 60A, the report of the Director of Audit on the accounts of Government for the year ended 31 March 1979 is laid on the table today, together with the second report of the Public Accounts Committee of this Council.

Honourable Members are aware that the principal task of the Committee is to establish the circumstances surrounding the matters reported on by the Director of Audit, and to consider what remedial action should be taken by Government. Last year, members of this Committee did not consider it necessary to investigate in detail all the points raised by the Director in his report. This year, we have again confined our attention to 21 items, which in our opinion are irregularities or short-comings of a more serious nature.

The Committee held altogether six meetings. Three of the meetings were attended by a total of sixteen Branch Secretaries and Heads of Departments, who gave evidence on the items relevant to their responsibilities. In these meetings we were assisted as usual by the Director of Audit, the Deputy Financial Secretary and the Director of Accounting Services. I would like to take this opportunity, on behalf of the Committee members, to express our appreciation to the Government officials who appeared before us and to those who assisted and advised the Committee in its proceedings. Their willing co-operation has made our task much easier.

The Government response to our report will be in the form of a Government Minute, which should be laid on the table of this Council within the agreed period of three months from today.

By and large, the Government Minute in response to our previous report commented adequately on the conclusions drawn and recommendations made by the Committee, and indicated what action, if any, would be taken by Government to rectify the irregularities brought to notice by the Committee and the Director of Audit. We hope that on this occasion the response will be equally satisfactory.

Sir, the Director of Audit in his more recent reports has referred to certain shortcomings in a number of public bodies and voluntary agencies. These organizations, and many others in this community, are heavily subsidized from the public purse. As in the case of Government departments they are accountable to the taxpayers for the expenditure of their funds. I trust this is fully appreciated by their officials.

## **Government Business**

### **Motions**

#### **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 30 the following—

- ‘30. Export credits to finance a contract placed in U.K. 37 million Hong Kong Dollars and such amounts as may become payable in respect of interest and other charges including deferred interest, provided that the liability of the Government under the Guarantee in respect of deferred interest shall be limited to 7.5 million Hong Kong Dollars.’

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

Section 12 of the Mass Transit Railway Corporation Ordinance requires the authority of the Legislative Council for the Financial Secretary, on behalf of the Government, to grant guarantees 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 export credits to finance a contract for the extension of the railway to Tsuen Wan.

The contract in question has been placed in the United Kingdom and it covers the trackwork for this extension.

The whole of the contract has been awarded in Hong Kong Dollars to avoid any exchange risk to the Corporation and to the Government in respect of any guarantee which might be granted to cover it.

The amount of the loan, for which a guarantee is requested, is HK\$37 million and this includes an allowance for variations. The guarantee, if given, would also cover deferred interest of up to HK\$7.5 million.

The terms of finance include a fixed interest rate of 7.75% per annum.

If honourable Members make this resolution, the Government's total guarantee commitment in respect of the Mass Transit Railway Corporation will amount to HK\$8,942 million. This contingent liability on the public finances of the Colony is well provided for within our fiscal reserves.

Sir, I beg to move.

*Question put and agreed to.*

## **STUDENT LOAN FUND**

The Financial Secretary moved the following motion:—

- (a) That there will, with effect from 1 February 1980, be established a fund styled the Student Loan Fund;
- (b) that the Fund shall be administered by the Financial Secretary;
- (c) that the Financial Secretary may expend moneys from the Fund for the purpose of granting loans to students engaged in full-time study at—
  - (i) the University of Hong Kong;
  - (ii) the Chinese University of Hong Kong;
  - (iii) the Hong Kong Polytechnic;
  - (iv) a College registered under the Post Secondary Colleges Ordinance (Cap. 320);and

- (v) any other educational institution approved by the Finance Committee of this Council,  
in accordance with such terms and conditions as are approved by the Finance Committee;
- (d) that there shall be credited to the Fund—
  - (i) such appropriations from the general revenue of Hong Kong as may be approved by this Council; and
  - (ii) all sums received by way of repayment of loans to students granted from the Fund;
- (e) that there shall accrue to the general revenue of Hong Kong all sums received by way of interest or dividends earned in respect of such unexpended balances as may be held in the Fund at any time.

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

In May 1969, Members of the Finance Committee of this Council approved the terms of a scheme to make available grants and loans to students of the two universities. The basic principles of the scheme are *first*, that no student who is offered a place should be unable to accept for lack of means; *secondly*, that assistance from public funds should be on the basis of need, not academic merit; and, *thirdly*, that the level of assistance should, in all cases, be adequate to meet all reasonable expenses incurred by the student having regard to his means.

A similar scheme was extended to students at the then, newly-opened, Polytechnic in 1976 and, with effect from September 1979, a comprehensive system of financial assistance has been made available to students at colleges of education and at the Baptist, Lingnan and Shue Yan post-secondary colleges.

Loans to students are intended to assist those of insufficient private means to meet their living and personal expenses during the period they are under-taking full-time study. The loans are interest-free and recoverable over a number of years after the student leaves the particular institution in which he has been studying.

With the exception, at present, of loans to students at the three colleges of education, all student loans have been a charge to the Development Loan Fund. An initial allocation of \$15 million was approved in 1969 to set up the scheme at the universities. It was envisaged that, apart from some topping up in the early years, it would be possible, in due course, to meet expenditure on loans almost entirely from repayments. The revolving fund concept was designed to ensure that the commitment on the Development Loan Fund and, thus, in the long-term on public funds, would be kept to a minimum.

However, so far allocations totalling nearly \$182 million have been from the Fund for loans. Further allocations, bringing this total to more than \$218

million, will be sought in the context of the Draft Estimates for the financial year 1980-81. The main reason why the fund is not revolving lies in the significant increases in the numbers of students eligible to apply for loans—1,599 in 1969 compared with 11,881 in 1979. Furthermore, the need to ensure that loans keep pace with increases in the cost of living has made it necessary, from time to time, to increase the maximum loan available. Thus the maximum loan for students at the two universities has risen from \$4,000 per annum in 1969 to \$5,400 per annum in 1979.

Sir, the continuing depletion of the resources of the Development Loan Fund in respect of student loans has been causing me concern for some time as you will see from the appropriate Memorandum Note in this year's Estimates. I can't give the page number, but I shall if asked for it. It is my view that a commitment of this order should more appropriately be funded separately as a clearly identifiable element within our total financial commitment to education at the tertiary level. I propose, therefore, Sir, that this Council should resolve that there be created a separate Student Loan Fund. In anticipation of such a resolution, the Finance Committee of this Council has already approved the necessary financial arrangements including the reimbursement of the total of payments made so far from the Development Loan Fund in respect of these loans.

Accordingly, Sir, I move the resolution set out in the Order Paper, the terms of which are self-explanatory.

*Question put and agreed to.*

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

### **SUPPLEMENTARY PROVISIONS FOR THE QUARTER ENDED 30 JUNE 1979**

*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 1979 as set out in Paper No. 27.

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

The schedule of supplementary provision for the first quarter of the financial year 1979-80, that is for the period 1 April to 30 June 1979, covers a total amount of 180 million dollars. Of this sum, public works nonrecurrent items account for 136 million dollars as a result of more rapid progress on a number of approved projects and the upgrading of ten projects

to Category A of the Public Works Programme. Another 16 million dollars is required to meet the revised operating costs of the dental school and dental teaching hospital at the University of Hong Kong and for the Polytechnic's main building programme.

Offsetting savings of 160 million dollars have been found under various other subheads of expenditure, or by freezing funds under Head 52 Miscellaneous Service Subhead 100 Additional commitments. The remaining 20 million dollars not offset by savings was required to meet expenses relating to refugees and illegal immigrants.

The Finance Committee has approved all the items in the schedule. 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 bills**

#### **REGISTRATION OF PERSONS (AMENDMENT) BILL 1980**

#### **LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1980**

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

### **Second reading of bills**

#### **REGISTRATION OF PERSONS (AMENDMENT) BILL 1980**

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

He said:—Sir, I move that the Registration of Persons (Amendment) Bill 1980 be read a second time.

The amendments proposed in this Bill will enable regulations to be made excluding certain persons from any entitlement to register and be provided with identity cards under the Registration of Persons Ordinance.

If the Bill is enacted, it is the intention to make regulations excluding Vietnamese refugees, who have been allowed to stay here temporarily pending resettlement overseas, from any entitlement to register and be issued with identity cards. At present there are about 55,000 such persons here.

The Director of Immigration maintains comprehensive records of all such refugees in Hong Kong, and in addition, they are issued with identity papers by the managers of the various refugee camps. There is therefore no practical reason for them to be registered under the Ordinance.

I move that the debate on this motion be adjourned.

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

*Question put and agreed to.*

## **LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1980**

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

He said:—Sir, I move the second reading of the Landlord and Tenant (Consolidation) (Amendment) Bill 1980.

With your permission, Sir, I would like to outline the background to this Bill, in particular Government’s analysis of and reactions to the developing situation of the past twelve months, partly in order to set straight misunderstandings being used as arguments against the proposals in the Bill.

Events in Hong Kong, Sir, have a habit of moving very fast; nevertheless, before Government proposes important and far-reaching measures such as these now before Council, there should be sufficient evidence to set the problems in perspective and to enable the possible effects of proposed remedies to be assessed.

Early in 1979, complaints began to appear of excessive increases in domestic tenancies. The usual analysis of media reports and information gathering processes were supplemented by a special survey by the Home Affairs Department in mid-April, of just over 1,000 households in small post-1973 flats, of up to 100 m<sup>2</sup> (1076 sq. ft.) in size. This survey showed that one-third of those households had had rent increases averaging between 21% and 25% on recent renewal of leases. The average lease was about two years duration.



There was evident apprehension among the remaining respondents that rent levels were rising unusually quickly, and other information supported this. Evidence from other sources in respect of large and medium flats was patchy, but indicated rather higher levels of increase.

After considering this information, the Governor-in-Council directed that a bill be introduced into this Council proposing what became known as the 'breathing space', namely that the period of notice of termination of tenancies coming under Part V of the Ordinance should be extended from six months to twelve months. The Bill was given its first reading on the 9 May, and was approved at the third reading on the 6 June 1979.

That legislation gave six months additional security of tenure to tenants and held their rents at the levels obtaining in current leases, in respect of about half of the 43,000 then uncontrolled tenancies. It did not apply to leases entered into by governments and companies, leases for periods of three years or more, or leases exempted from the legislation by agreement of the landlord and tenant and so ratified by the Commissioner of Rating and Valuation.

Government continued to keep the situation under close observation, and in October, a working group looked carefully into the data and arguments for further extending rent control in one way or another. In this Council on November 14, I set out in detail the problems which face any government considering rent control measures, particularly when, as in Hong Kong, the vast majority of rented premises are already under control. I informed this Council in that speech that because of the serious view which Government took of the situation, the Governor-in-Council would again be considering the issues.

In respect of the remaining uncontrolled tenancies to which I have just referred, evidence of unreasonable levels of increase being required by landlords was increasing.

Evidence, however, that the situation was not entirely one of gloom and greedy landlords came from a further survey done by the Home Affairs Department in the second week of November. This survey covered just over 1,000 post-1973 premises in the same size range as, but not including any covered in the April survey. It showed that the range of increase reported on renewal of leases was 13.7% to 32.8%, that is, rather higher than usual at the upper end. Again, the period of leases involved was about two years. There was, however, a significant increased level of apprehension of what the future might hold by way of increases.

Other information pointed to rising rates of increase on renewals of leases for all sizes of flats, with the highest rates of increase in the classes of medium and large flats. Taking into account all the evidence, the Governor-in-Council approved on the 18 December that legislation should be drafted,

and this was publicly announced; and on the 8 January approved the Bill now before this Council.

I should like, Sir, at this point to refer to the statement made by my predecessor in this Council on the 16 July 1975 that buildings granted occupation permits from 14 December 1973 up to 31 December 1978 would be exempt from rent controls for five years from the relative occupation permit. It has been argued that in making the proposals now before this Council, Government has gone back on its word. This obviously cannot be denied, and it is certainly not a decision taken lightly; but all governments must retain the right to change policy if overriding public interest so demands. The public will in the final analysis be the judge whether in this case Government has correctly assessed the wider interests of the community.

Now, Sir, for the salient features of the Bill. The main provision is to extend the ambit of Part II controls to domestic tenancies not at present covered, i.e. tenancies:

- in buildings certified for occupation after 14 December 1973;
- for a term of 3 years or more entered into, after 31 December 1975; and
- where the tenant is a public body, corporation, foreign or Commonwealth government, partnership or firm.

Rents for first lettings of newly-built premises, and fresh lettings of existing premises, would continue to be freely determined between landlord and tenant. Subsequent rent increases would be either freely agreed by the landlord and his tenant, or would be determined according to the formula laid down in the existing legislation, subject to the existing maximum of 21% every 2 years. Also subject to this restriction would be premises having a rateable value over \$30,000 in 1973.

In respect of rising rent agreements which were in being on 18 December 1979, the Bill proposes that there should be no restriction on increases in rent already provided for in such agreements; but after the final increase stipulated in such agreements has come into force, the tenants would continue to have security of tenure and their subsequent rent increases would be subject to the 21% maximum every two years.

At present, a landlord who has after the 14 December 1973 acquired premises already subject to a controlled tenancy, or has let premises on a controlled tenancy since that date, is debarred from seeking an order for possession from the court on the grounds that he requires the premises for his own or his family's use. Clause 5(a) of the Bill would allow any landlord, no matter when he became a landlord or whether he acquired the premises tenanted or with vacant possession, to recover possession by a court order, by proving that he requires the premises for his own or his immediate family's occupation, provided that he can show that greater hardship would be caused by refusing the order than by granting it. This amendment is considered necessary and reasonable in order to allow landlords who purchased

property with a view to themselves occupying it at some future date, to have the opportunity to do so. Severe penalties are proposed for landlords who obtain an order of possession from the court for either their own or family use or for rebuilding, and who abuse the provision by subsequently letting or assigning the premises without the consent of the court, within two years from the date of the order.

Clause 5(c) of the Bill would permit a landlord to seek an order from a court for possession where he can show that the premises have been used for an immoral or illegal purpose.

Transitional arrangements to make the legislation retrospective to 18 December 1979 are included in the Bill. It is proposed to nullify any notice of termination which had not expired, or any agreement affecting a tenant in possession which has not commenced, before 18 December 1979.

Where a landlord had entered into an agreement with a new tenant on the assumption that the existing tenant would be vacating on expiry of the lease or of the notice of termination after 18 December 1979, such an agreement will not be enforceable if the existing tenant remains in occupation because of the statutory protection given to him under the Bill.

The Bill proposes that the date of expiry of Part II controls, at present the 14 December 1982, should become the 18 December 1981. When Government in the past has introduced rent controls it has always been hoped that they would be short-term measures, and Government cannot view with equanimity the inequities and anomalies which are caused by legislation as between landlords and landlords, landlords and tenants, and tenants and tenants. These have to be accepted in the short-term, but the fact is that the present controls are already up to 10 years old. The Bill now before Council has been drafted only with the intention of bringing under the existing controls those premises at present excluded. Given the blanket nature of the controls and the fact that no one can with confidence predict how long they will be needed in their present form, or even in modified form, it is intended to review overall the provisions of the legislation, to study the distortions caused by rent controls which increase with the passage of time; the merits of unlimited security of tenure; the arguments for repossession by landlords for their own use; provision for repairs; the need for variation in the 21% ceiling on increases; rents for sub-tenancies; redevelopment without material net gain in accommodation; harassment; compensation for possession; and the rationalization of judicial functions provided for under the legislation.

To be equitable and successful, rent control should protect tenants while curbing profiteering, should not fetter unduly the landlord's rights nor remove the incentive to invest in property, and should encourage private enterprise to maintain its part in the level of development Hong Kong needs. Above all, it should be flexible enough to respond to political and economic shifts which tend to be over-interpreted by the property market. The overall

review will therefore be no easy task. I hope that critics and supporters alike of rent control will continue to put forward their views and ideas, to help in the task of review. I should like, Sir, to emphasize that setting a two-year life for Part II controls does not imply that Government thinks the problems will expire with the legislation at the end of 1981; but it is to ensure that the review group should do their job thoroughly and produce proposals which can be fully considered in good time for implementation, subject to the approval of this Council, with reasonable notice by the end of 1981. I hope that the task of review can be completed well within the time allowed, but there is need for wide consultation and although some of the several interests involved are represented by groups or associations, some are not.

To return, Sir, to the present Bill. In seeking to protect one sector of the community in these matters, Government must face the possibility of limiting the rights of another sector. There will be cases where proposed legislation will appear inadequate or harsh as it applies to individual cases, depending on the point of view.

Representations have been made by landlords and property developers against:  
*first*, being deprived by statute of the right to recover the use of their property;  
*second*, rent increases being limited to a maximum of 21% every 2 years;  
*third*, businessmen in company-leased accommodation being given the benefit of controlled domestic accommodation, when the prices of their products are not subject to controls and their operations are not interfered with by Government.

The first point attacks the most important benefit conferred by the Ordinance on sitting tenants—that of security of tenure; it is the core of the legislation and central to this debate. Rent control limits, landlords would say violates the right of property owners under the law to dispose or deal with their property as they see fit. For this reason among others Government has imposed rent control with great reluctance and only when the situation very clearly required it. I believe, however, that at this time, pending the overall review to which I earlier referred, it would be preferable to go no further than clause 5(a) of the Bill proposes.

On the second point, many landlords argue forcefully that against the background of high interest rates and inflation, the ceiling of 21% should be lifted; or alternatively, there should be different formulae for rent increases for properties brought under control at different times. The mind of Government—if I may trespass briefly in the metaphysical—is open on this; but this issue also should be considered not in isolation, I submit, but together with the many related matters which the overall review will examine.

On the third point, the Chinese language press has in particular put forward the argument that company leases should not be protected, on the

grounds that this would give one business an advantage against another. On the other hand, Members are aware that the upsurge of rents has been most marked for large flats and houses on company leases. These high rents have in turn encouraged some landlords to push up rents of medium flats on non-company lease, and have caused some tenants of large flats to move down market thus increasing the pressure on medium flats. Further, to leave company leases excluded would mean that landlords will increasingly insist on leasing only to companies—a practice already going on—to the disadvantage of individuals.

In addition, Sir, to representations from organized groups and interests, I have received many letters from individuals. Some deserve sympathy, none perhaps more so than cases of young people engaged to be married who have prudently bought flats, and have let them on three-year exempted tenancies with the intention of occupying these flats as their first matrimonial homes. Their hopes of recovery of the premises at present depend on the court's decision whether they or their tenants suffer the greater hardship. I accordingly invite the views of this Council whether the 'hardship' provision should be modified in respect of tenancies to be brought under control by this Bill, so that a landlord would have to show only that he has a reasonable case for requiring possession of the premises. Such a modification, if it is proposed and agreed, should not, I think, be available to landlords of premises already controlled before 18 December 1979 or of premises acquired after that date which are subject to a controlled tenancy.

We all know full well, Sir, that rent controls will not solve the housing problem in Hong Kong, and that a substantial increase in the stock of flats both in the public and the private sector is of high priority. I will not, at this point, repeat or expand upon what I said last November in this Council about Government's policies and activities in the housing field, but I am ready to do so, as are my Official Colleagues responsible for land matters, if it is necessary, in reply to the debate. I will now simply summarize by saying that Government believes the measures in this Bill to be necessary at this time; that they are unlikely to have a significant deterrent effect on the supply of new accommodation; and that they have already had, while still only at the proposal stage, a calming effect on the domestic property market.

This is, Sir, an appropriate moment to inform Members that another aspect of the domestic property market, namely excessive speculation, continues to be the subject of close study by Government, including the possibility of legislation. I can, however, at this stage say that Government does not have in mind restrictions on the first pre-completion sale of such property.

I have spoken, Sir, at some length; but matters as important as this, touching so closely on the homes and lives of our community, deserve the patience of this Council as well as its customary courtesy, and the fullest

opportunity for calm and balanced discussion; and I look forward keenly to hearing the views of Unofficial Members in the course of the debate.

Sir, I beg to move.

MR. BREMRIDGE:—Sir, I have a clear interest as Chairman of a large property company, and I have other interests as landlord and tenant. Nevertheless I support the Bill, which I believe to be in the immediate best interests of Hong Kong. It is, however, only a temporary palliative which must give way as soon as possible to more satisfactory long-term measures.

There are in fact two major and intertwined issues confronting Government First; protection for existing domestic tenants. Second—and more important—the provision of more flats for renting. They encompass entirely separate and conflicting problems, which have boiled up because the advance of Hong Kong is so rapid that shifts taking up to 20 years in other countries are here concentrated into 5 years or less. While a free economy has served us well—and will continue to do so—the Government, which has never been merely *laissez faire* in its overall approach, must be ready to correct sudden wild distortions. Freedom cannot mean licence.

As for the first issue, there are at present 43,000 uncontrolled flats, so I suppose that something like 200,000 people are involved in rental increase problems. A number of the tenants are rich, or employed by companies who pay for their flats, or obtain assistance of some sort or another. A substantial percentage however represents the embattled middle class. I believe myself that Government can be faulted for not taking stronger action some six months ago when all the warning signs were apparent. However this may be, and despite earlier assurances about freedom from controls, no responsible Government now could tolerate the problems being inflicted by some greedy landlords on some tenants living in uncontrolled flats. The interests even of a minority cannot be totally over-looked. Citizens of any country can fairly expect the maintenance of law and order, a roof over their heads, water and other utilities, medical care, and education. Little can be worse in present Hong Kong for a family man of modest salary renting an uncontrolled flat either to be told on lease expiry that his rent has gone up in some few cases twice or even three times, or that his lease will not be renewed at all. Moreover the simple fear of this happening in the future must be intolerable. Where else can he go without a drastic drop in living standards? The accelerating trend towards unconscionable rent increases was indeed beginning seriously to affect not only the whole property market, but also—if allowed to continue—the stability of the community; and I believe that Government were faced with only two practicable alternatives—bar doing nothing. The first was to control increases of rent, and the second was to extend the 12 months stand-still order to 24 months, thus in effect freezing all rents for 24 months. I believe that Government have chosen the least bad course. The measures they propose are of necessity blunt, and blunt measures must bring with them some degree of inequity. I would prefer

myself a two-tiered system with previously uncontrolled rents being pegged to a 14% per year increase, in other words, 30% in two years. I can see however the immediate complications that this latter proposal would cause and I agree that the legislation put forward will provide a cooling off period during which Government must consider other and more equitable long-term measures. I hope that these will include provision for a rather higher percentage increase for rents and new thinking on related issues such as plot and density ratios. But a major issue to be resolved is the right to repossession. It seems to me possible to consider special reversionary leases of say four or five years duration, which would be registerable. They would be at a flat rent, and the landlord would know in advance that he was not committed to a lifetime tenant. There are many variations possible on this theme.

All of us must have some sympathy for some small landlords who will now secure lower rental increases than they expected, and may find difficulties in repossessing their own flats to live in. I must however emphasize 'lower increases', for all are still entitled to increases, and new leases can be set at market rates. Nor does my heart bleed for some others, for greed has brought its own deserts.

I must confess that I have less concern for the rental problems of expatriates, large firms, consulates, and similar tenants. There is indeed some validity in the accusation that they will be as it were subsidized by their landlords. But some landlords have for some time now been insisting that they will sign leases only with companies and not with individuals, and have even provided arrangements for individuals to turn themselves into private limited companies. With this background unless crisp alternative measures can be devised it was inevitable that all flats should for the time being be brought under control, and not only those just up to a certain valuation, or leased to certain sections of the community. Otherwise the loophole to excessive increases must remain open. There have been several emotional propositions made, but I cannot myself understand how any criteria can be drafted between overseas and local companies, between large and small companies, or indeed between companies and their employees.

I come now to the second part of the problem. We should all know from experience elsewhere in the world that control of rents, rent freezing, security of tenure, and similar measures, cannot provide additional flats for renting—in fact the result will probably be quite the opposite. And that Hong Kong needs more private sector flats for rental is equally obvious. It may interest Members to know that a new 600 sq. ft. flat now costing of the order of HK\$500,000 would in recent months rent including management charges for about HK\$2,400 per month. The same flat on a 15 year mortgage at current rates including all ancillary charges would require the outlay of HK\$6,000 a month after a 20% down payment. It is perfectly obvious that in the foreseeable future many in the middle class cannot afford purchase, that Government low cost housing is no alternative, and that the imaginative

home ownership schemes cannot meet demand—even though Government intend to extend them. It is equally obvious that the current return on capital to a landlord from a rented flat is low, and that he must therefore expect reasonable increases over a period of time or he will simply not make the initial investment. I am sure that the rental market will be sharply reduced for the time being until the future becomes more clear. In other words earlier speculation paradoxically led to relatively cheap rents i.e. cheap on capital values. Or, some would say, to ridiculous property prices—the other side of the same coin.

Many able people in Government have long been considering how to provide more land, which can be the only long-term solution. I do not in general myself likely accept arguments in favour of Government selling land at below market price, because I believe that final rents and sale prices of residential properties will reflect going market values. If the land is fed in cheaply, the developers will merely take larger profits. There is however still considerable scope for innovative schemes of controlled land prices plus controlled rentals or sale prices; and I am sure that Government will consider them. But in the main the only solution can come from the release of more land, or from allowing major reclamations. Moreover I suggest that new land should be fed onto the market in bulk, and not dribbled on in small lots. There is evidence that despite restrictions imposed by Government in land sales, land is being hoarded now in the prospect of speculative gain. There thus seems to be a case for the sale of larger lots, possibly with the release of stages being tied to performance by the developer. The possibilities that this would provide for a better planned environment are not to be ignored. Nor to be ignored are the reduced opportunities thus afforded to the prevalent property rings. And I see no reason why infrastructure should not be provided by the developers rather than by the inevitably deliberate Government process.

I am fully conscious of the endeavours and good intentions of Government in this respect. May I say however, Sir, with respect that despite the efforts of many devoted civil servants I am totally dissatisfied with the outcome. It is long past time for major action, and I suggest that Government will have to take this matter of increased land supply even more seriously than they have done so far. One point for further consideration must be whether the problems of land should not be taken out from the over burdened Secretariat Branch of the Environment, the N.T.A., and the P.W.D., and handled on their own because of the importance of land supply to Hong Kong. Surely a separate Department of Lands is long overdue?

We now have some indications this afternoon that Government's approach towards property speculation, which in this particular context I interpret to mean frequent quasi-sales transactions between the time that flats are first put on the market by developers up to two years or more before they are completed, and the actual issuance of the occupation permit. Pre-sales



actually keep down prices. Speculation certainly increases them. It is a very difficult area where ill considered action could have serious ramifications. It may be that Government will decide that the effects of the rent increase control measures should be studied before they initiate further measure against speculators. Nevertheless, I myself am in favour of moderating measures myself provided however that we do not risk overkill. Confidence in the ownership of property is a tender flower, and Hong Kong desperately needs all the domestic accommodation that it can get—obviously of course without being ransomed by modern pirates.

Government will also wish to consider suggestions that rental control measures could be applied to commercial and industrial property. I for one would be opposed to this—certainly at any rate at this juncture. There is in general plenty of industrial property available for rent in the N.T., while rental criteria for commercial properties require different philosophical considerations than for rented domestic accommodation. A family with a roof over their head cannot be unfairly ejected if society is to remain stable. I do not feel at all the same way about commercial tenants. If they cannot pay the rent asked and others can, why should not the latter be given a chance? There is certainly no evidence of the warehousing of empty commercial premises.

There is another important consideration. I believe that the property market has been frighteningly ballooned in the last 12 months—far beyond what might have been expected from the inevitable collision of exuberant demand and short supply. We saw what happened with the stock markets in 1972-73 when Government might wish now with hindsight, which is of course very exact sight, that it had intervened early and very firmly. What it has now done to curb rental increases in some 43,000 flats may only affect a small segment of Hong Kong's population; but it has had, I believe, a salutary effect on the whole property market. Though for some time the Financial Secretary has been seeking to moderate the money supply, still too much has been going into land speculation as opposed to sound development. Not only should these relatively modest and temporary rental control measures ameliorate this situation, but I hope also that some investors' attention will again be turned to the fact that Hong Kong lives on its exports. There must come a time also when even the most avaricious developer should realize that irresponsible land speculation resulting in ever inflating costs for the domestic resident, factory owner, businessman, or shopkeeper can have only one end. Even in a free economy Government must at some stage intervene. Moderation in all things is no bad motto for Hong Kong—even if rarely followed.

MR. NEWBIGGING:—Sir, I must declare an interest in this Bill in respect of my position in several companies engaged in property development and investment, and also in companies which rent a substantial amount of domestic accommodation on behalf of their staff—both expatriate and local.

I hope this puts me in a position to take a reasonably balanced view. In any event, I feel compelled to speak today on this issue, which I believe to be vital to the future stability of and confidence in Hong Kong, since I cannot be here for the second reading of the Bill.

I should start by emphasizing that I agree that spiralling residential rents had created a situation which required some immediate action to cool it down; a situation—I might add—for which I believe Government must bear a large share of the responsibility for not having supplied sufficient land for residential development.

With this legislation, Government is proposing to use a fairly blunt instrument. There will inevitably be sections of the community who will feel hard done by if it is passed

- responsible landlords who have not exploited the market to the ultimate extent,
- corporations and some individuals who may be unable to obtain possession of residential premises for their own use,
- genuine investors who may find themselves limited to a growth in rents substantially less than the level of inflation,

and

- other genuine investors who accepted, and acted upon, an undertaking—albeit, we are told, not a *legally* binding one—given in this Chamber some 4½ years ago by the then Secretary for Housing, only to find this undertaking now being broken. The prospect of this may have created a credibility gap for Government, particularly as to whether this Bill will indeed prove to be only a temporary measure.

However, my fundamental concern, Sir, is that we should cure the disease itself rather than merely treating its symptoms. The basic problem is that demand for residential accommodation has greatly outstripped supply for the very simple reason that insufficient land has been made available. I do not propose to try to carry out a post mortem on the reasons; instead we should concentrate on ensuring that, after the cooling-off period which this Bill is designed to bring, there is not a repetition of our present problem as a result of failure on the part of Government to provide sufficient land.

I believe that this is the root of the problem. It will not be solved—indeed in the medium-term it would probably be exacerbated—by this proposed legislation alone. This Bill must be linked to a definitive and detailed statement from Government on its future plans to provide the necessary raw material (i.e. land) for both public and private sector residential accommodation.

In regard to the proposed legislation, I suggest Government should consider:

- Some flexibility on the 21% increase in rents permitted over a two-year period if the inflation rate continues at its present level, or accelerates.

A simple indexed formula might be appropriate; on both the upside and the downside.

- Whether there is likely to be a consequent slowing down of the number of residential units becoming available for rental.
- Whether, by not exempting units at the very top end of the market, international companies more concerned with the actual availability of rented accommodation than the level of rents, may be inhibited from establishing branches or representative offices in Hong Kong.

At this stage, I should perhaps repeat that I agree positive and rapid action is required, in view of the serious impact that spiralling residential rents have been having on a section of the community otherwise unable to protect itself. However, this Bill by itself will provide, at best, only a cooling-off period rather than a solution and for this reason I could have some difficulty in supporting it in isolation. I believe that Government must announce concurrently a firm policy commitment to increasing the supply of land over and above what is already planned and must outline how and when it proposes to implement this policy. I believe also that Government must make land available in bulk; not in dribs and drabs.

I feel strongly, Sir, that this should be linked to the legislation now proposed since:

- I do not accept the often-voiced contention that the capacity of the construction industry is the limiting factor on producing increased residential accommodation. The principal limiting factor is insufficient land being made available.
- I am disturbed that Government sold nearly 20% less land overall in 1979 than in 1978 and that, within the total figure, the decline of the residential component was even greater. This does not augur well for the future.
- I believe there may also be scope for increasing the supply of domestic accommodation by increasing the permitted plot ratio in some areas.
- I am concerned at statements attributed to senior Government officers that only limited additional land is available, for example in the New Territories. I do not accept this and, if Government finds difficulty in providing either raw or formed land with the accompanying infrastructure and services, then it should turn the job over to the private sector even if it is in the form of seabed or old reservoirs, with a requirement at least to contribute towards some of the infrastructure such as roads.

In short, Sir, this proposed legislation will solve nothing unless it is accompanied by a definitive, realistic and positive statement from Government over its policy on future land supply and development. Although this Bill will not please or satisfy all sections of the community, I think that most responsible individuals and corporations would accept it if they are convinced that it is temporary—and I am glad to see it is proposed for a two-year period only which should create a cooling-off period and give Government adequate time

to implement realistic plans to tackle the root cause of the problem rather than its symptoms. The basis must be more land being made available. By doing this Government will underscore its basic policy of non-intervention and will also restore any confidence which may have been lost at the time these plans were announced—a state of affairs which would be welcomed by all of us who think long-term and believe in Hong Kong's long-term future.

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

*Question put and agreed to.*

### **SUPPLEMENTARY APPROPRIATION (1978-79) BILL 1980**

#### **Resumption of debate on second reading (2 January 1980)**

*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).*

### **MARINE FISH CULTURE BILL 1980**

#### **Resumption of debate on second reading (2 January 1980)**

*Question proposed.*

MR. PETER C. WONG:—Sir, the Marine Fish Culture Bill 1980 deserves more publicity than it has so far attracted, not only because it is a fine piece of well-conceived legislation tailored for the needs of Hong Kong, but, more significantly, because it provides for the kind of pioneering project that Hong Kong needs in its efforts to diversify industry.

In moving the second reading of this Bill, the Director of Agriculture and Fisheries eloquently stated the reasons for introducing this Bill. I shall not attempt to cover the same ground again, but may I say that I fully support his views on the many benefits the Bill will confer on the relatively new mariculture industry.

The Legislation Scrutiny Group of the Unofficial Members of this Council met with the Director of Agriculture and Fisheries, a representative from the

Economic Services Branch and the Assistant Law Draftsman on 8 January to discuss the Bill. There were frank and useful exchanges of views and I am pleased to report that we were able to agree to the following amendments to the Bill:

1. That fish culture zones should be demarcated in the prescribed manner.
2. That an authorized officer when exercising a power or performing a duty or function under this Bill should produce written authorization to any person who questions his authority.
3. That every person arrested under this Bill should be given into the custody of a Police officer within 24 hours of his arrest.
4. That a new clause should be included to prohibit fish culture outside specified zones, and that this clause should come into operation on a day to be appointed by the Governor.

These amendments, primarily to safeguard the rights of the individual, have been generally endorsed by the Unofficial Members. The necessary amendments will be introduced at the committee stage.

Sir, with these observations, I support the motion.

MR. WONG LAM delivered his speech in Cantonese:—

督憲閣下：本人非常樂意支持一九八〇年海洋魚類養殖法案。

如所週知，香港天然資源貧乏，耕地亦少，所以在食品供應方面，對外來供應，倚賴極重。唯獨在魚類方面，自給率甚高；可惜近來因為種種因素的關係，捕魚區域減少，而且魚獲量也較過往為低，如不設法補救，對將來的魚類供應，一定有相當大的影響。

政府此項法案，對鼓勵海洋魚類的養殖，作用極大，使更多人士對此行業的發展，有更大的信心，從而促進投資及改良技術，提高產量。此舉不獨對本港食物供應方面幫助極大，而且在提供就業機會方面，有積極的作用，尤其是對婦女及老弱人士而言，此一行業更為適合。從另一角度而言，此一行業的興旺表示更多海鮮的供應，對於慕香港海鮮盛名而有意來港旅遊之人士，相信必具更大的吸引力，及增加其消費，對旅遊業而言，相信有良好的影響。

有關牌照收費方面，在法案開始初期，無疑應該較低。本人認為政府應當在適當時間，例如兩年後，檢討推行此項法例的開支及衡量海洋魚類養殖者的收益而作適當的調整。

養殖海洋魚類事業，目前正處於新興的階段，而政府能及早立例，協助及鼓勵其正常發展，並且防止漫無系統發展下所可能引致的流弊，實在是值得稱賀的。

督憲閣下，本人支持此項動議。

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

Your EXCELLENCY, I have pleasure in supporting the Marine Fish Culture Bill 1980.

As everyone knows, Hong Kong lacks natural resources and arable land. It has to rely heavily on the supply of food from abroad. Fish is the only exception in that we are to a great extent self-sufficient. Nevertheless, fishing zones have decreased in recent years because of various factors, with the result that the catch of fish is now lower than before. If no remedial measures are taken, our future supply of fish will be greatly affected.

This Bill will have a significant effect on promoting marine fish culture. More people will have confidence in the future development of the trade and,

consequently, investments will be increased, skills improved, and production enhanced. Apart from augmenting local food supply substantially, this will have the positive effect of providing employment opportunities, particularly for women, the old and the weak who will find this trade suitable. From another point of view, the thriving of the trade will mean a larger supply of fresh sea-food. This will not only offer greater attraction for prospective tourists who would like to visit Hong Kong for its famous sea-food, but will also make them spend more money here. Eventually, this will have a positive influence on the tourist trade.

As regards licence fees, they should not be too high when the Bill is first enacted. I feel that after an appropriate period, say two years, the Government should examine the expenditure incurred in implementing the Bill and the turnover achieved by fish farmers with a view to a reasonable adjustment.

Marine fish culture is at a developing stage. The Government's prompt action in enacting this Bill to help and encourage its proper growth, thereby preventing malpractices arising from unsystematic development of the trade, is indeed praiseworthy.

Sir, I support the motion.

DIRECTOR OF AGRICULTURE AND FISHERIES:—Sir, I rise only to confirm agreement with my honourable Friend, Mr. Peter WONG, regarding the amendments to be proposed in committee later this afternoon.

I would like to take this opportunity, however, of thanking both Mr. WONG Lam and Mr. Peter WONG for their encouragement and advice in supporting this legislation.

Sir, with those observations, I support the motion.

*Question put and agreed to.*

Bill read the second time.

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

### **Committee stage of bills**

Council went into Committee.

## **MARINE FISH CULTURE BILL 1930**

Clause 1

MR. PETER C. WONG:—Sir, I move that clause 1 be amended as set out in the paper circulated to Members.

*Proposed amendment*

**Clause 1**

That clause 1 be amended by deleting subclause (2) and substituting the following—

‘(2) Sections 6 and 6A shall come into operation on a day to be appointed by the Governor by notice in the *Gazette*, and different dates may be appointed for those sections.’

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clause 2 was agreed to.

Clause 3

MR. PETER C. WONG:—Sir, I move that clause 3 be amended as set out in the paper circulated to Members.

*Proposed amendment*

**Clause 3**

That clause 3 be amended—

- (a) by renumbering it as clause 3(1);
- (b) by inserting the following subclauses—

‘(2) A document purporting to be an authorization under subsection (1) and to be signed by the Director shall, without further proof and until the contrary is proved, be evidence of the matters contained therein in any proceedings or otherwise.

(3) An authorized officer when exercising a power or performing a duty or function under this Ordinance shall produce his authorization under subsection (1) for inspection by any person who questions his authority to exercise the power or to perform the duty or function.

(4) A public officer who ceases to be an authorized officer shall forthwith deliver up his authorization to a person authorized by the Director to receive it.’

The amendment was agreed to.

Clause 3, as amended, was agreed to.

Clause 4 was agreed to.

Clause 5

MR. PETER C. WONG:—Sir, I move that clause 5 be amended as set out in the paper circulated to Members.

*Proposed amendment*

**Clause 5**

That clause 5 be amended, in paragraph (a), by deleting ‘engaged in; and’ and substituting the following—

‘engaged in, and he shall demarcate the boundaries of the fish culture zone in the prescribed manner; and’.

The amendment was agreed to.

Clause 5, as amended, was agreed to.

Clauses 6 to 17 were agreed to.

Clause 18

MR. PETER C. WONG:—Sir, I move that clause 18 be amended as set out in the paper circulated to Members.

*Proposed amendment*

**Clause 18**

That clause 18(3) be amended by inserting after ‘circumstances permit’ the following

—  
‘and in any event within 24 hours of his arrest’.

The amendment was agreed to.

Clause 18, as amended, was agreed to.

Clause 19 was agreed to.

Clause 20

MR. PETER C. WONG:—Sir, I move that clause 20 be amended as set out in the paper circulated to Members.



*Proposed amendment***Clause 20**

That clause 20(3) be amended by inserting after ‘section’ the following— ‘6A.’.

The amendment was agreed to.

Clause 20, as amended, was agreed to.

Clauses 21 and 22 were agreed to.

New clause 6A. ‘Prohibition of fish culture outside fish culture zones.’

Clause read the first time and ordered to be set down for second reading pursuant to Standing Order 46(6).

MR. PETER C. WONG:—Sir, in accordance with Standing Order 46(6) I move that new clause 6A as set out in the paper circulated to Members be read a second time.

*Question put and agreed to.*

Clause read the second time.

MR. PETER C. WONG:—Sir, I move that new clause 6A be added to the Bill.

*Proposed addition***New clause**

That a new clause be added after clause 6 as follows—

- |  |  |
|--|--|
| ‘Prohibition of fish culture outside fish culture zones. | <p><b>6A.</b> (1) Subject to subsection (2), no person shall engage in fish culture within the waters of Hong Kong outside a fish culture zone.</p> <p>(2) This section shall not apply to—</p> <p>(a) fish culture for the purposes of scientific research; and</p> <p>(b) the maintenance of fish in captivity for purposes other than the propagation or promotion of growth of such fish.</p> <p>(3) Any person who contravenes this section commits an offence.’.</p> |
|--|--|

The addition of the new clause 6A was agreed to.

Council then resumed.

### **Third reading of bills**

THE ATTORNEY GENERAL reported that the

MARINE FISH CULTURE BILL

had passed through Committee with amendment and that the

SUPPLEMENTARY APPROPRIATION (1978-79) BILL

having been read the second time was not subject to Committee Stage proceedings in accordance with Standing Order 59. 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.

### **Adjournment and next sitting**

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 on Wednesday, 30 January.

*Adjourned accordingly at seventeen minutes past four o'clock.*