

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 19 January 1983****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR EDWARD YOUDE, G.C.M.G., M.B.E.

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

THE HONOURABLE THE FINANCIAL SECRETARY  
MR. JOHN HENRY BREMRIDGE, O.B.E.

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

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

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

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

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.  
SECRETARY FOR LANDS AND WORKS

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

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

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

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.  
SECRETARY FOR EDUCATION

THE HONOURABLE ALEX WU SHU-CHIH, C.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.

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

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

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

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.  
SECRETARY FOR TRANSPORT

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

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

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

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

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

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

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

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C., J.P.  
LAW DRAFTSMAN

THE HONOURABLE HU FA-KUANG, J.P.

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

THE HONOURABLE WILLIAM DORWARD, O.B.E., J.P.  
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, O.B.E., J.P.  
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.  
SECRETARY FOR HOUSING

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

THE HONOURABLE SELWYN EUGENE ALLEYNE, J.P.  
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE COLVYN HUGH HAYE, J.P.  
DIRECTOR OF EDUCATION

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, O.B.E., J.P.  
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES ADMINISTRATION

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.  
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.  
SECRETARY FOR SECURITY

#### **ABSENT**

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

THE HONOURABLE GRAHAM BARNES, J.P.  
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW TERRITORIES  
ADMINISTRATION

#### **IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL  
MRS. JENNIE CHOK PANG YUEN-YEE

**Papers**

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

*Subject* *L.N. No.*

## Subsidiary Legislation:

Business Registration Ordinance. Business Registration (Amendment) Regulations 1983 .....	1
Port Control (Cargo Working Areas) Ordinance. Port Control (Cargo Working Areas) (Amendment) Regulations 1983.....	2
Port Control (Cargo Working Areas) (Amendment) Ordinance 1982. Port Control (Cargo Working Areas) (Amendment) Ordinance 1982 (Commencement) Notice 1983 .....	3
University of Hong Kong Ordinance. Statutes of the University of Hong Kong (Amendment) (No. 2) Statutes 1982.....	4
Port Control (Cargo Working Areas) (Amendment) Regulations 1982. Port Control (Cargo Working Areas) (Amendment) Regulations 1982 (Commencement) Notice 1983.....	6
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Banks, Deposit-taking Companies and Representative Offices of Foreign Banks) Order 1983 .....	7
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Storage, Communication, Financing, Insurance and Business Services) Order 1983 .....	8
Census and Statistics Ordinance. Census and Statistics (Annual Survey of Transport and Related Services) Order 1983 .....	9
Census and Statistics Ordinance. Census and Statistics (Quarterly Survey of Restaurant Receipts and Purchases) Order 1983 .....	10
Census and Statistics Ordinance. Census and Statistics (Survey of Imports and Exports of Services for 1982) Order 1983 .....	11
Dogs and Cats Ordinance. Dogs and Cats (Fees) (Amendment) Order 1983.....	12

<i>Subject</i>	<i>L.N. No.</i>
Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Departure Centre) (Amendment) Rules 1983.....	13
Interpretation and General Clauses Ordinance. Government Secretariat (Change of Titles of Public Officers) Notice 1983	14
Road Traffic (Construction and Use) Regulations. Specification of Colour Scheme (Consolidation) Notice.....	15
Sessional Papers 1982-83:	
No. 29—Annual Report of the Director of Accounting Services—Accounts of Hong Kong 1981-82.	
No. 30—Report and Certificate of the Director of Audit on the Accounts of the Hong Kong Government for the year ended 31 March 1982.	
No. 31—Public Accounts Committee Report No. 5—December 1982.	
No. 32—Jubilee Sports Centre, Hong Kong—Annual Report 1981-82.	
No. 33—Correctional Services Department Welfare Fund with Balance Sheet and Certificate of the Director of Audit for the year ended 31 March 1982.	
No. 34—Supplementary Provision for the quarter ended 30 September 1982.	

### **Oral answers to questions**

#### **Patent rights and copyrights**

1. MR. ALEX WU asked:—*Will Government say whether it has sufficient legal powers to protect against infringement of*

- (a) *the patent rights of manufacturers of computers; and*  
 (b) *the copyrights of computer programmes?*

THE ATTORNEY GENERAL:—Sir,

(a) So far as patent rights are concerned the Government has no powers because the Patents Ordinance which follows the English legislation gives the powers of enforcement by way of action in the courts to the owner of the patent and not to the Government. Computers fall into the same category as any other

invention in that regard. The patents which are protected in that way are those which are United Kingdom or European patents subsequently registered in the Registry in Hong Kong.

(b) So far as copyrights are concerned the position is different:

Computer software which includes programmes, so long as they are expressed in the form of a notation whether that notation be by hand, printing or any similar process can qualify, as one may be surprised to hear, as an 'original literary work' and hence copyright under the Copyright Act 1956 can be claimed.

The Copyright Ordinance then makes it a criminal offence for any person to have in his possession for the purpose of trade or business any infringing copy of such a work in which copyright subsists, and any person so found, is liable on conviction to a fine of up to \$1,000 in respect of each infringing copy and to imprisonment for up to one year. In respect of the possession of a machine or device to make infringing copies then the fine is larger, up to \$50,000 and the imprisonment is up to two years.

The Ordinance also gives authorized officers powers of search and seizure when investigating copyright infringement, and when any article has been seized a court order may be sought by the Attorney General or the Commissioner of Customs and Excise ordering either that the article be destroyed, that it be delivered up to the copyright owner, or disposed of in some other way. Obstruction of investigating officers also constitutes an offence.

The further protection against infringement is embodied in those provisions of the Copyright Act which make it an offence for instance to sell, hire, exhibit in public, or distribute for the purposes of trade, any article which a person knows to be an infringing copy of a work.

Parallel with the criminal liability there exists the possibility of the owner of the copyright instituting civil proceedings for damages, for an injunction, for an account and the usual remedies available in the courts, and it is a feature of copyright law that in assessing damages for an infringement the court may award additional damages having regard to the flagrancy of the infringement and any benefit shown to have been accrued to the infringing party.

So far as law enforcement is concerned, this is the responsibility of the Copyright Division of the Customs and Excise Department. In 1982 they acquired results that make me as Attorney General envious; they launched 54 prosecutions and were successful in 53 of them. The fines imposed ranged up to \$30,000 though that was in 1981, and in one case six months imprisonment.

I consider that there are therefore sufficient legal powers to protect, certainly against the infringement of copyrights in computer programmes.

MR. ALEX WU:—*Does the Government have sufficient expertise to determine the rights of intellectual property such as algorism?*

THE ATTORNEY GENERAL:—Certainly the Attorney General does not have sufficient expertise to understand the last word. (*laughter*) But if, as in this case, the Government does not have it I am sure it can gain access to sufficient expertise.

### **On-street cooked-food stalls**

2. MR. CHEUNG YAN-LUNG asked:—*Is Government aware of the hygiene problems created by on-street cooked-food stalls and, if so, say what action is being taken to safeguard public health?*

SECRETARY FOR HOME AFFAIRS:—The preparation and sale of cooked food on the street carries with it hygiene risks which are well understood. Many years ago it was thought that these were acceptable and licences were issued to some hawkers to provide cooked food under conditions intended to minimize the risks.

By 1956 opinion had swung against the licensing of cooked-food stalls and no new licences have been issued since. Existing operations were allowed to continue. To-day there are 818 licensed cooked-food hawkers.

The aim of policy is to move these hawkers into specially built premises. About two-thirds of them will be accommodated in the next five years.

Licensed cooked-food hawkers are inspected regularly and breaches of hygiene regulations may lead to prosecutions. There were 262 prosecutions for such offences in the first nine months of 1982.

There are also unlicensed hawkers selling cooked food and these are the main problem. The aim here is to deter these operations and over 2 500 prosecutions were undertaken in the first nine months of 1982.

### **Assimilation of recent arrivals from China**

3. MR. SO asked in Cantonese:—

最近由中國來港定居的人士，是否有跡象顯示他們在與本地社會同化時遇到困難，若然，政府現時如何協助他們適應本港生活？

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

*Is there any indication that people who have arrived recently from China to settle in Hong Kong are having difficulty in assimilating themselves into the local community, if so, what action is Government taking to assist them to adjust to Hong Kong life?*

SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION:—Sir, the major problems faced by new arrivals from China in Hong Kong are housing, employment and language.

Housing is a continuing problem for our community and many new arrivals have for one reason or another resorted to building squatter huts on the hillsides, and in so doing have, to some extent, alienated themselves from the rest of the community.

Employment has so far not been a major problem because of the number of jobs available in the manufacturing and construction industries during the period 1979 to mid-1982.

The language barrier is overcome by new arrivals through daily acquaintance with Cantonese.

Sir, Hong Kong has absorbed and accommodated vast numbers of immigrants in the past thirty years. We make no distinction between a new arrival and a long-term resident in the provision of education, welfare, and medical and health services; while, in addition, much has been and is being done to improve the squatter areas in which many new arrivals live.

The Social Welfare Department assists voluntary agencies which run courses to help new arrivals, and the District Offices through community building programmes have helped to establish Mutual Aid Committees and Fire Watch Teams in these areas. The Clean Hong Kong Campaign has been extended to squatter areas, and many residents have mobilized themselves to clean up their own surroundings. In addition, the Wong Tai Sin and Kwun Tong District Offices have, in conjunction with the Education Department, started adult education classes for new arrivals. Wong Tai Sin, Kwun Tong and other District Boards also contribute to the assimilation process through the provision of funds to organize community activities in which new arrivals are encouraged to participate.

Sir, I believe the measures I have outlined constitute the right approach to this question of assimilating immigrants into our midst, that is, to treat them as equal members of the Hong Kong community enjoying its benefits sharing its burdens. If Mr. So, or any other Member, thinks we are not doing enough in some particular respect, I shall be glad to discuss it with him.

### **The Prince of Wales Hospital**

4. DR. HO asked:—*What are the reasons for delay in the completion of the Prince of Wales Hospital and what are the financial and recruitment implications involved?*

SECRETARY FOR LANDS AND WORKS:—Sir, as an arbitration notice has already been served in respect of the general contract for the Hospital it would be improper for me to comment at this time on the reasons for delays or the direct and indirect financial implications.

As far as the recruitment of hospital staff is concerned I am assured by the Director of Medical and Health Services that there are no adverse implications as the recruitment programme for staff has been based on phasing over a period of time to ensure that the Hospital can operate satisfactorily when opened.

DR. HO:—*Will it be proper and possible for the Secretary for Lands and Works to make a guesstimate at this time as to when the Hospital will be completed and open for use?*

SECRETARY FOR LANDS AND WORKS:—Under the circumstances I would not risk giving a completion date and would simply say that it is likely to be completed towards the end of this year.

MISS DUNN:—*Sir, will the Government undertake to make a full statement to this Council on completion of the arbitration proceedings?*

SECRETARY FOR LANDS AND WORKS:—Yes, Sir.

### **Issue of New Territories taxi licences**

5. MR. LO asked:—*With regard to the monthly issue of 50 taxi licences to serve the N. T., will the Government please state*

- (a) what progress has been made and whether N.T. taxis are actually being increased by 50 per month; and*
- (b) what factors limit the rate of issue to 50 licences per month?*

SECRETARY FOR TRANSPORT:—Sir, since July 1981, when the Governor in Council ordered that N.T. taxi licences should be issued at the rate of 50 per month, 900 licences have been offered at six tenders held at quarterly intervals. Licences have therefore been issued at an average rate of 50 per month. Under the Road Traffic (Public Service Vehicles) Regulations, a successful tenderer has nine months within which to register his taxi. The actual increase in N.T. taxis on the road may be at a monthly rate of more or less than 50 per month, but over a period the fluctuations level out: for instance, all 450 taxis the licences of which were tendered between August 1981 and February 1982, are now registered. In respect of tenders since nine months have not yet elapsed, there is a substantial number of taxis not yet registered, specifically 72 from the May 1982 tender and 126 from the August 1982 tender. The most recent tender closed at the end of December 1982 and successful tenderers will be notified at the beginning of February.



The rate of issue was decided, Sir, having regard to the likely increase in demand for taxis in the N.T. Factors which are taken into account include the development of public transport, such as the extension of the M.T.R. to Tsuen Wan, the electrification of the K.C.R. and the development of maxicab routes.

MR. LO:—*Will the Secretary confirm what appears to be implied in the answer that there are no administrative difficulties limiting the issue to only 50 a month?*

SECRETARY FOR TRANSPORT:—There are no administrative difficulties, Sir, it is a question of priority. They can be issued more quickly if we put more staff on to the task, but as I said in the last part of the reply the other factors have to be taken into account, and if I may add we also take account of the views expressed by the District Boards. I had the position checked recently and I am informed that no District Board has represented for an increase in the rate of issue of taxis licences.

### **Discussion on transport policy with the Secretary of State for Transport**

6. MR. STEPHEN CHEONG asked:—Given the complexity of transport issues in Hong Kong, can the Secretary for Transport inform this Council of the views exchanged with the Secretary of State for Transport, who visited Hong Kong recently?

SECRETARY FOR TRANSPORT:—Sir, the Secretary of State was in transit through Hong Kong on 5 January, and kindly agreed to meet two of my senior staff and myself during his 1½-hour stopover at Kai Tak Airport. We therefore had the opportunity to brief him and his party broadly on transport policy; on major projects underway such as the electrification of the Kowloon-Canton Railway, and the M.T.R. Island Line; on the road development programme; on major future developments which are at an advanced stage of planning such as the Tuen Mun L.R.T. system and the second fixed harbour crossing; and on various development studies which are proceeding.

The Secretary of State was pleased to learn of the useful advice and assistance which we receive from his Department and he assured me that this would continue. He spoke of how impressed he was by the vigour with which Hong Kong tackles its transport problems, and particularly by the continuing high level of investment by the Government in transport infrastructure.

MR. STEPHEN CHEONG:—*Sir, is the Secretary for Transport in a position to elaborate on the areas where the advice and assistance received from the U.K. Department of Transport has been of use to us?*

SECRETARY FOR TRANSPORT:—Yes, Sir, we have quite considerable professional contact and obtain advice both in writing and personally. This generally is an analysis of common problems such as congestion and traffic control. We have had, over the years, staff on secondment from the U.K. Department of Transport; and lastly they do have a specialist division which functions as consultants, for example they have done a study for us on segregated road networks recently.

### **Overseas industrial promotion offices**

7. MR. TIEN asked:—*Will Government make a statement on the activities of the four Industrial Investment Promotion Offices which were established overseas in 1982?*

SECRETARY FOR TRADE AND INDUSTRY:—Sir, the Industry Department's first overseas industrial promotion office was formally opened in Tokyo in March last year. Further offices were opened in London in June, in Stuttgart in October, and in San Francisco at the end of November.

Industrial investment promotion is by nature a long-term effort, and once interest has been successfully stimulated, the process takes months, sometimes even years, before it comes to fruition. So it is a bit early to attempt to assess the activities of these offices. During the early months of their existence, the offices have necessarily been largely occupied in establishing themselves by developing contacts with government authorities and trade and industrial organizations in the region. But they have already been functioning in promotional terms with quite heartening results.

The Tokyo Office, though less than a year old, has so far been involved with ten incoming industrialist missions to Hong Kong, and has organized or participated in seven seminars in various parts of Japan to promote investment in Hong Kong industry. The London Office has participated in three seminars in the United Kingdom and one in Sweden. The Stuttgart Office has organized three seminars and participated in the 1982 Hanover Fair. San Francisco, as I have just mentioned has only been open for a matter of weeks.

All the offices have fed back numerous investment enquiries to the Industry Department, contributing to a total of 890 received in 1982 as compared with 650 enquiries received in 1981.

The heads of the four overseas industrial promotion offices will be coming to Hong Kong in March for a liaison meeting to review industrial investment promotion strategy and tactics in the light of experience so far gained. The opportunity will be taken to give briefing to local industry and trade organizations on the work of the offices and the opportunities they offer.

MR. TIEN:—*Sir, does the Secretary for Trade and Industry agree that new foreign investment nowadays is valuable not only in itself but also will boost more international confidence for the future of Hong Kong?*

SECRETARY FOR TRADE AND INDUSTRY:—Yes, Sir, I do agree. As I said in my answer I think that the number of live enquiries at the moment is heartening. It is the highest figure we have ever had on record and the Industry Department estimates a possibility of some 40 new investments resulting from them over the next two years, which I think is a heartening figure.

### **Temporary Housing Areas**

8. REVD. JOYCE M. BENNETT asked:—*Will Government make a statement on its policy regarding the use of urban Temporary Housing Areas with particular reference to the new T.H.A. nearing completion at Kowloon Bay?*

SECRETARY FOR HOUSING:—Sir, only relatively few Temporary Housing Areas will in future be built in the urban area. Most future T.H.A.s will be in the New Territories. Priority for the limited accommodation in urban T.H.A.s is given to persons displaced by planned development clearances who are not eligible for permanent public housing. If there is spare capacity over and above the requirements of development clearances, this accommodation may be allocated to longer-term residents from the emergency categories.

The new T.H.A. at Kowloon Bay will provide accommodation for approximately 7 000 persons. Some 2 700 people have already been allocated space there from clearances in Kowloon in the last three months. The remaining accommodation at this T.H.A. is committed for development clearances scheduled for the next few months. It is estimated that more than 12 000 people affected by planned clearances on Hong Kong Island and in Kowloon this year will require temporary housing in the urban area.

REVD. JOYCE M. BENNETT:—*Sir, is there any spare capacity in the urban Temporary Housing Areas for the fire victims presently living in the Kowloon Bay Transit Centre?*

SECRETARY FOR HOUSING:—Sir, I am afraid there is no uncommitted space in the urban Temporary Housing Areas. In the last two years some 34 000 persons have been made homeless by fires in squatter areas. Of these, about two-thirds have already been re-housed, the majority in Temporary Housing Areas in the New Territories. The outstanding re-housing commitment is approximately 11 000 including those at present living in Kowloon Bay Transit Centre. These are all persons with less than seven years' residence in Hong Kong and are, therefore, only eligible for temporary housing. The only temporary housing available for this large number of persons is at Shuen Wan in Tai Po, Yick Yuen in Yuen Long and Tuen Mun.

REVD. JOYCE M. BENNETT:—*Sir, I have heard that some of these Kowloon Bay residents ask for re-housing in Sha Tin and Tsuen Wan. Is there any reason why their request cannot be met?*

SECRETARY FOR HOUSING:—*Sir, all temporary housing units in these two districts are either occupied or already committed for local development clearances.*

### **Students' maintenance grants**

9. REVD. JOYCE M. BENNETT asked:—*Will the Government explain why students' maintenance grants do not reach their schools or colleges until mid-December each year?*

DIRECTOR OF EDUCATION:—*Sir, the short answer is that the time required to process and check applications for maintenance grants does not make it possible to effect payment before mid-December each year.*

There are two sets of grants—maintenance grants to matriculation students in Form/Middle Six classes in schools and grants under the Financial Assistance Scheme for Approved Post-Secondary Colleges and Colleges of Education. There is a similar time constraint on both types of grant. Processing of applications from Form/Middle Six students cannot begin until after the publication of the Hong Kong Certificate of Education results in mid-August, and for College students not until late-September, when they first register at the Colleges. Applications from old and new students have to be considered simultaneously because of the need to apply the same cut-off point in the Income Index, which is used to determine the financial need of each applicant and thus the level of grant. Then there is the question of loans to students in the Colleges which must be looked at in conjunction with their applications for grants—a further constraint on speed of processing.

Given the number of applications to be dealt with the tight time-table in which they fall, and the care with which they must be assessed to ensure the proper use of public funds, payments cannot be made before mid-December.

REVD. JOYCE M. BENNETT:—*Sir, what then do you suggest that students should do from August when they need to buy their books until mid-December when they hear whether or not they can receive a grant?*

DIRECTOR OF EDUCATION:—*I dare say they can use their ingenuity, Sir. (laughter) This is a real problem but so far we have not had it suggested to us that any students are in such dire straits that they cannot in fact buy their books or any other necessary equipment before they commence their studies.*

## Resettlement of Vietnamese refugees

10. MISS DUNN asked:—*What are the current arrangements with major Western countries for the resettlement of Vietnamese refugees in Hong Kong and how does the anticipated rate of settlement in 1983 compare with 1982 and neighbouring countries?*

SECRETARY FOR SECURITY:—Sir, I regret to have to answer that there now appear to be at most only four major Western countries willing to resettle Vietnamese refugees. They are the United States, Canada, Australia and France.

Of these only the Canadian Government has announced specific quotas for 1983. Canada will take 175 refugees from Hong Kong, 1 700 from Thailand, 900 from Singapore, Malaysia and Indonesia and 25 from the Philippines, with 200 places reserved for ship rescue and emergencies. In addition Canadian families and groups are expected to sponsor some 500 from Hong Kong and Macau giving a maximum of 675 from here for 1983 as against 2 070 in 1981 and 1 088 in 1982.

The other countries will take those who qualify under their national policies, in the case of the United States up to a maximum of 64 000 from the region as a whole. In the circumstances I am afraid I cannot predict with any accuracy the rate of resettlement to these countries for 1983.

But I can say that the outlook does not seem at all promising. The numbers resettled from Hong Kong are falling, from 34 468 in 1980, to 17 818 in 1981 and to 9 247 in 1982. Within 1982 there was an even more alarming trend with the numbers falling steadily from 1 838 in January to 185 in November. There was an increase to 400 in December largely as a result of 109 going on to Denmark. So far this month, only 54 have left.

Meanwhile, the refugees keep coming. It is true that in 1982 arrivals in Hong Kong were 1 312 less than departures. But because of the steeply falling trend in departures during the year, the refugee population in camps in Hong Kong fell to 9 844 in April the lowest figure for some years, and then proceeded to rise to 12 631 by the end of December.

Hong Kong now has the largest population of unresettled Vietnamese boat refugees of anywhere in the region.

It is thus, Sir, of vital importance to us that countries continue to resettle Vietnamese refugees from Hong Kong in appreciable numbers. I have much sympathy with their present pleas that they have severe unemployment and that at least some have already absorbed large numbers of refugees. But the fact is that we have our problems too—problems of severe overcrowding and of immigration. And another point is often overlooked. In recent years we have absorbed into our community around 14 000 people from Vietnam, for our size a remarkable achievement I suggest unparalleled anywhere else. I do *not* think we can reasonably be expected to absorb any more.

MISS DUNN:—*Sir, given the unwillingness of major Western countries to re-settle Vietnamese refugees, will the Government consider repatriating these people back to Vietnam?*

SECRETARY FOR SECURITY:—*Sir, this is a possibility we are now obliged to consider very seriously.*

MISS DUNN:—*Sir, is the Government aware of the community's concern at the relatively favourable treatment accorded Vietnamese refugees, inasmuch as they are permitted to land and to stay in Hong Kong until they are re-settled?*

SECRETARY FOR SECURITY:—*Yes, Sir, very much so.*

REVD. JOYCE M. BENNETT:—*Sir, with reference to paragraph 6 and the comment that Canada will take 1 700 Vietnamese refugees from Thailand, can we be given the number of Vietnamese boat refugees in some of the other countries, and is it possible for Canada and other countries in the Commonwealth, such as Australia, to increase their intake of refugees from Hong Kong?*

SECRETARY FOR SECURITY:—*Sir, I did not hear my honourable Friend's question very clearly, but if she was asking how many refugees Commonwealth countries have taken, I can certainly give you the figures...*

H.E. THE PRESIDENT:—*Would you like to repeat your question, Miss BENNETT; would you like to put it in two parts?*

REVD. JOYCE M. BENNETT:—*Yes. With reference to paragraph 6 and the comment that Canada will take 1 700 Vietnamese boat refugees from Thailand, can we be given the numbers of Vietnamese boat refugees in some of the other countries of the neighbourhood?*

SECRETARY FOR SECURITY:—*The population of Vietnamese refugees in places of first asylum as at the end of December:*

*Hong Kong, 12 631; Malaysia, 8 440; Indonesia, 7 274; Thailand, 8 374; Philippines, 3 861; Singapore, 480; Macau, 960. Total for the region, 42 062.*

REVD. JOYCE M. BENNETT:—*Then, is it possible for the Government, possibly with the cooperation of the United Kingdom Government, to encourage other countries in the Commonwealth such as Canada and Australia to increase their intake of refugees from Hong Kong?*

SECRETARY FOR SECURITY:—*Sir, I can assure my honourable Friend that although basically the job of re-settlement is a matter for the United Nations High Commission for Refugees, we spare no effort, we the Hong Kong Government, trying to persuade any countries we think might be helpful to*

take more refugees. In particular we make sure that we discuss the issue with important visitors from these countries and we make the lives of the Consuls General here a thorough bore on the subject, I can tell you.

MR. CHARLES YEUNG:—*Sir, would the Secretary for Security give the reason why Hong Kong has such a singularly large population of refugees in comparison with the other countries of first asylum in the region? Was it due to the operation of the principle of what they call 'First in, first out' by the reception countries, or resettlement countries and, if so, how does that principle work against the interests of Hong Kong?*

SECRETARY FOR SECURITY:—*Sir, it is a complex business as to why we have more refugees. One obviously is that Hong Kong in both humanitarian terms and in economic terms is attractive, no doubt about that, to people from Vietnam. Second, in certain times of the year it is relatively easy for the boat people to get here. Then, thirdly, other countries particularly Malaysia and, I think, Singapore as well, positively turn the refugees away. This is something, I think, for sound humanitarian reasons we do not do. There is also the fact that certain countries, Australia is a good example, tend to give ASEAN countries priority for long traditional reasons.*

### **Subsidence of a section of Hennessy Road**

11. MR. SO asked in Cantonese:—

政府可否告知本局，軒尼詩道一段路面因何會在元旦日發生地陷？現時已經採取甚麼安全措施去防止將來發生同類事件？

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

*Will Government inform this Council how the subsidence of a section of Hennessy Road on the New Year's Day occurred and what safety measures have been introduced to prevent similar accidents in future?*

SECRETARY FOR LANDS AND WORKS:—*Sir, prior to the subsidence a Mass Transit Railway Corporation contractor was carrying out tunnelling works under Hennessy Road in hard rock conditions. Although it was known that the works were approaching an area of soft ground the result of probes driver four metres into the rock face to confirm information on ground conditions obtained from earlier probes and boreholes indicated to the engineers and contractors that further blasting could be carried out and still maintain an adequate rock cover.*

On the afternoon of 31 December charges were set to remove about 1.3 metres of the rock. About five hours after the blasting a seepage of water occurred through a section of moderately decomposed granite in the tunnel

face. The flow of water and material increased as time passed and by midnight the fault had enlarged in area and a chimney or void had developed behind the rock face.

Attempts by the contractor to stem the flow of material from the chimney by the erection of bulkheads in the tunnel were unsuccessful and the flow continued. At approximately 4.15 a.m. the initial road collapse occurred followed at about 5 a.m. by a further large collapse and only gradual enlargement of the hole thereafter.

Sir, Government is still investigating the incident and will, if necessary, make recommendations to the Mass Transit Railway Corporation to modify its tunnelling procedures to increase safety and prevent similar accidents in the future. However, it should be noted that the Corporation already keeps its working procedures and precautions under constant review and alters them as considered necessary to suit particular circumstances.

### **Moral education in schools**

12. MR. WONG LAM asked in Cantonese:—

政府可否說明目前在各學校推行德育的進展？

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

*Will Government make a statement on the progress in promoting moral education in schools?*

DIRECTOR OF EDUCATION:—Sir, I am pleased to report that much progress has been made over the last two years in the promotion of moral education in our schools. This has covered all aspects of the subject—guidelines, curriculum, teaching materials, advisory services, teacher preparation, seminars, conferences and the monitoring of behaviour in schools.

General concern at an apparent erosion of traditional social values found a voice in calls from community and religious leaders for more moral education two years ago and this led to seminars for heads of primary and secondary schools attended by several hundreds of professional educators. There was an urgent request for Guidelines on Moral Education in Schools, and these were issued on the advice of the Curriculum Development Committee with the endorsement of the Board of Education. There followed various teaching materials including E.T.V. programmes produced by the Education Department, the Independent Commission Against Corruption and interested religious bodies. Other seminars and exhibitions were mounted, culminating in a 'Moral Education Week' last Easter which was attended by over 3 000 teachers and 20 000 students. Conferences continue, the most recent touching on the topic being attended by over 250 Heads of Secondary Schools one month ago.



We have been concerned with describing why moral education is necessary, with explaining what we think moral education is, with facing difficulties arising from a confusion of values and points of view and with translating general concepts into specific programmes of action. We have tried not to be dogmatic because we do not believe moral education can be taught as a classroom subject, but we have suggested positive action in the inculcation of social and moral values in children and in taking every direct and indirect opportunity offered by a diverse curriculum to point to the good, the virtuous, the worthy and the desirable in personal and community relationships. Extra-curricular activities have not been forgotten, for it is in clubs, societies, group and individual activities that abstractions of moral education find concrete expression. We have not undervalued the role of the parent and home, which of course play a major part in forming moral character; but we have tried to underline the role of teacher and school in supplementing and complementing this vital social process.

To sustain this effort and to provide more advisory services to schools, a Religious and Ethical Education Section was established in the Advisory Inspectorate in mid-1982, and the Department's Social Studies Teaching Centre makes a wide range of resource material of religious and moral education available to teachers for study and for use in schools.

The last two years have also seen greater emphasis placed on moral education in teacher training programmes and courses in the Colleges of Education, and a series of training courses for heads of primary schools which began in July 1982.

Then there has been the work of the inter-departmental Standing Committee on Unruly and Delinquent Behaviour in Schools set up in September 1981 under the chairmanship of my Deputy Director, whose main task is to monitor behaviour in schools and to nip delinquency in the bud.

This September there will be an additional teacher for each standard-sized secondary school in the public sector for the provision of guidance, counselling and the organization of extra-curricular activities which we believe to be essential.

Finally, let it not be forgotten that underlying these measures there are the standing programmes of the schools themselves. Religious education strongly reinforces moral education and has done since our first schools were founded well over a century ago. While traditional Chinese learning has always found a respected place for the ethical teaching of the sages.

There is a great reservoir of idealism and potential good in the young and we are doing much to tap and direct it towards healthier and happier living in and out of the classroom.

REVD. JOYCE M. BENNETT:—*Sir, I should like to thank the Director of Education for his very full answer to this question, particularly for his reference to the extra teachers in September for secondary schools in the public sector, but I would like*

*to ask whether he and his staff saw a recent public affairs programme on A.T.V. with the reference to crime, particularly in some private schools with bought places, and whether he is taking any positive action to help the teachers in these schools?*

DIRECTOR OF EDUCATION:—Yes, I and my staff did indeed see this programme and we were as disturbed by it as Miss BENNETT and other school heads. We think that our general programme does much to help the teachers of such schools but of course the Committee to which I referred is paying specific attention to this area. I think I might add there is a distinction between moral behaviour and criminal behaviour. The first is very much our concern, and I think the concern of the parents, but the second is I think rather the concern of the Police. There is, of course, very close liaison between my Department and the Police, and indeed all departments who are interested in promoting better behaviour in our children.

### **Imprisonment of civil debtors**

MR. PETER C. WONG asked:—

- (a) *How many civil debtors are at present held in prison and what correctional service rules apply to their detention?*
- (b) *Where are these debtors detained?*
- (c) *What is the full cost of holding a civil debtor in prison and is the Government subsidizing these arrangements?*

SECRETARY FOR SECURITY:—Sir,

- (a) There are at present 49 civil debtors in prison. Prison Rules 188 to 208 apply to their detention.
- (b) 46 are held in Tai Lam Correctional Institution; and three in Tai Lam Centre for Women.
- (c) The Commissioner of Correctional Services estimates the full cost of supporting and maintaining a civil debtor in prison at \$92 a day. In contrast, the present Rules of the Supreme Court require the Courts to fix whatever monthly allowance they think sufficient for supporting and maintaining a judgement debtor, up to a maximum of \$50 a day; and the person at whose instance the judgement is being executed then has to pay this amount to the Commissioner of Correctional Services. Thus at the present time the Government is subsidizing each debtor to the tune of at least \$42 a day. I might add that the Commissioner tells me he last applied as long ago as December 1981 for the Rules Committee constituted under the Supreme Court Ordinance to increase the maximum to \$100.

MR. PETER C. WONG:—*Sir, is Government aware of the recent complaints to U.M.E.L.C.O. from discharged civil debtors concerning the conditions under which they were detained?*

SECRETARY FOR SECURITY:—Yes, Sir.

MR. PETER C. WONG:—*Sir, does the Secretary agree that the Prison Rules which he referred to a moment ago are too severe in present day circumstances in respect of civil debtors?*

SECRETARY FOR SECURITY:—Sir, I think this could well be the case. I think I would like to suggest to my honourable Friend the Attorney General after this meeting that perhaps the working group which he has convened to look at the whole question of the law on debtors could perhaps also look at whether the Rules are in fact appropriate, if debtors must continue to be sent to prison.

MR. PETER C. WONG:—*I note from the Secretary's reply that at present the Government is subsidizing to the tune of at least \$42 a day. May I ask Government to take immediate steps to increase the fees?*

SECRETARY FOR SECURITY:—Unfortunately, it is not in our hands. Under the Supreme Court Ordinance there is a Rules Committee which makes the Supreme Court Rules. As I said, as long ago as December 1981 the Commissioner of Correctional Services asked for the maximum to be increased to avoid this subsidy. Nothing has so far happened.

MR. LO:—*Sir, I wonder whether this series of question and answer could make the Administration agree that these quaint, Dickensian rules relating to putting debtors in prison merit very early re-consideration?*

SECRETARY FOR SECURITY:—My own personal view is that to describe this law as Dickensian is making it far too modern. (*laughter*) The Attorney General does have a working party considering the present law and hopefully that working party will be reporting soon.

## Statements

### **The Jubilee Sports Centre, Hong Kong Annual Report 1981-82**

SECRETARY FOR HOME AFFAIRS:—Sir, among the papers tabled is the 1981-82 Annual Report of the Jubilee Sports Centre.

This records the transition of the Jubilee Sports Centre from drawing board designs into a modern sports complex with international facilities.

Nearly all the Centre's facilities have been completed and used since the beginning of July and on 31 October, the Centre was officially opened by His Royal Highness The Duke of Kent.

In early November, the Centre played host to the Far East and South Pacific Games for the disabled, the largest international event held in Hong Kong.

More than 800 athletes from 23 countries and territories took part in this highly successful one-week event. There were also thousands of spectators, both local and from abroad. The participants enjoyed themselves tremendously, and competitors were full of praise of the facilities available at the Jubilee Sports Centre.

Now that the Centre has been officially opened, it is time to expand the usage of the sports centres by local sports bodies and associations.

The Centre deliberately did not swamp its facilities from the first day it opened its doors. This allowed the Centre time to experiment with programmes before offering the facilities to their full capacity.

The Centre is not limited to usage by the governing bodies of sports organizing training sessions for their representative squads or top-level performers. Its facilities can be booked by any organization.

The onus is now on sportsmen and the sports associations in Hong Kong and on the Jubilee Sports Centre to prove that with the availability of first class training facilities and experienced coaches, Hong Kong can excel in sports and shine in the International Sports Arena. When it tries Hong Kong seems to do well at anything. The facilities are now here. I am sure excellence will now emerge.

As a member of the Jubilee Sports Centre Board, I should like to take this opportunity to say how much the Board appreciates the support of the Royal Hong Kong Jockey Club and the Hong Kong Government. These are our main sources of money but both the Government and the Club have done far more to help than simply write cheques. I should also like to thank donors in the private sector and the governing associations of sports for the encouragement and support they have given to the Centre.

## **CENSUS AND STATISTICS ORDINANCE**

### **Census and Statistics (Survey of Imports and Exports of Services for 1982) Order 1983**

### **Census and Statistics (Annual Survey of Banks, Deposit-Taking Companies and Representative Offices of Foreign Banks) Order 1983**

### **Census and Statistics (Annual Survey of Storage, Communication, Financing, Insurance and Business Services) Order 1983**

### **Census and Statistics (Annual Survey of Transport and Related Services) Order 1983**

### **Census and Statistics (Quarterly Survey of Restaurant Receipts and Purchases) Order 1983**

SECRETARY FOR ECONOMIC SERVICES:—

*Introduction*

Sir, an undertaking has been given to make a statement each year when Orders for statistical surveys are laid on the table of this Council.

On the advice of the Statistics Advisory Board, the Commissioner for Census and Statistics has sought for 1983 five Order under the Census and Statistics Ordinance. All the surveys covered by these Orders form part of the long term programme of economic surveys to provide information for making estimates of the Gross Domestic Product through various approaches, namely, the expenditure approach, the income approach and the production approach. The surveys also provide information on the structural characteristics of the main sectors of the economy and enable the Government to monitor their performance.

In implementing this programme, the Commissioner usually seeks specific Orders for each survey on an annual basis until he is satisfied that the survey has become sufficiently well-established so that no further changes to the coverage and content are required. He then seeks Orders to establish the survey on a permanent basis.

*Specific Survey Order*

This year, only one of the Orders sought is specifically for data in respect of 1982.

This is an Order for the fifth annual *survey of imports and exports of services*. The results will provide essential information for estimating the Gross Domestic Product. This time, the coverage and content of the survey will be extended to include firms dealing in the trading of financial assets, such as stocks and shares, commodities and gold bullion. Because it may still be necessary to introduce further changes to the survey in future, a specific rather than a permanent Order is required. About 2 000 establishments will be covered by the survey, and this should represent fully the relevant businesses.

*Permanent Survey Orders*

The remaining four Orders are to establish permanent surveys. Two of these surveys have so far been conducted under specific Orders, and two on a voluntary basis.

The *first*, is an Order covering the third *annual survey of banks, deposit-taking companies and representative offices of foreign banks*. This survey collects data that is used in estimating the Gross Domestic Product from both the production and the expenditure approaches. The Commissioner does not expect further changes in information requirements in future, hence his request for a permanent Order. All establishments will be enumerated. The number is currently about 600.

The *second* is an Order for an *annual survey of storage, communication, financing, insurance and business services* to obtain basic data required for estimating the Gross Domestic Product. A benchmark census was conducted for 1980 and a smaller scale follow-up survey was conducted on a voluntary basis for 1981. The Commissioner will continue implementing these annual follow-up surveys to collect data for the continuous assessment of trends and level of performance in these sectors. A simplified questionnaire will be sent to about 5 000 establishments, out of an estimated total of 10 000. Establishments engaging 20 or more persons will be fully enumerated.

The *third* is an Order covering an *annual survey of transport and related services*. The first benchmark census covered the reference year 1981. In accordance with the programme of economic surveys, the Commissioner will undertake annual follow-up surveys, starting with that for 1982. The survey will cover about 7 000 establishments out of an estimated total of 40 000. Establishments engaging 20 or more persons will be fully enumerated.

The *fourth* permanent Order is required for the *quarterly survey of restaurant receipts and purchases*. Since 1974, similar surveys have been conducted at half-yearly intervals, on a voluntary basis, to collect data on restaurant receipts and purchases. Because expenditure on restaurant services is an important economic and social indicator, the Commissioner intends to expand the sample and to increase the frequency of the survey to once every quarter. The quarterly surveys will also provide data for estimating the private expenditure component of the Gross Domestic Product. A sample of about 750 restaurants, out of an estimated total of 5 200, will be covered.

### **Public Accounts Committee Report No. 5—December 1982**

MR. S. L. CHEN:—Sir, in accordance with Standing Order 60A, the Report of the Director of Audit on the accounts of the Government for the year ended 31 March 1982 is laid on the table today, together with the fifth Report of the Public Accounts Committee.

As in previous years the Public Accounts Committee were selective as to the items in the Director's Report requiring their consideration. We have in fact commented on 27 cases brought to light by the Director, in 21 of those cases after receiving oral evidence—twelve Branch Secretaries and Heads of Department appeared before the Committee for this purpose—and in a further two cases after receiving written submissions. At the two meetings at which we heard evidence the Committee were assisted by the presence of the Deputy Financial Secretary, the Director of Accounting Services and the Director of Audit. To these officers, and to all those who appeared before us or helped in our deliberations, I would like to express the appreciation of my colleagues and myself. The candid and constructive atmosphere in which the Public Accounts

Committee manage to operate is, I think, proof of the Committee's ability to reach the heart of the matters being probed and also a gratification for the members of the Committee.

We trust that the Government Minute in response to our Report will be laid on the table within the stipulated period of three months from today. There are no major issues outstanding from our fourth Report and from the Government Minute, although we have asked to be kept informed of progress on Government computer installations and the revised system of budgetting and accounting for medical drugs in the Medical and Health Department.

I do not intend, Sir, to pick out any of the highlights of our Report: for it is a document which I think needs to be read thoroughly to be understood fully, and it does not support any glib accusations of negligence, mis-management or waste. Errors of judgement there have been, and oversights. The Committee recognize the problems in an organization as complex as the Government in ensuring that all matters receive their due attention, but that is one of the prime responsibilities of management.

In particular there is, I think, still a need to inculcate a greater sense of cost-benefit awareness in managers in the Government to promote a conscious desire to see that human, financial and material resources are used to the best possible effect. If the Public Accounts Committee are helping to achieve that objective, which I believe we are, then our work will be well justified. In financial affairs as in health matters, if I may use that analogy, preventive medicine is preferable on all counts to corrective surgery.

## **Government business**

### **Motions**

#### **INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

THE CHIEF SECRETARY moved the following motion:—That on 1 February 1983—

1. (1) The functions exercisable by the Secretary for Home Affairs and any Assistant to the Secretary for Home Affairs by virtue of section 6 of the Forests and Countryside Ordinance (Cap. 96) be transferred to the Secretary for District Administration.  
(2) Section 6 of the Forests and Countryside Ordinance be repealed and replaced by the following—
  - '6. The court of inquiry shall consist of the Secretary for District Administration and the Forestry Officer.'

2. (1) The functions exercisable by the Secretary for Home Affairs by virtue of section 5(3)(d)(iii) of the Inland Revenue Ordinance (Cap. 112) be transferred to the Secretary for District Administration.  
(2) Section 5(3)(d)(iii) of the Inland Revenue Ordinance be amended by deleting—
  - (a) ‘if situate in the New Territories’; and
  - (b) ‘, or if situate in the urban areas is certified by the Secretary for Home Affairs.’.
3. (1) The functions exercisable by the Secretary for Home Affairs by virtue of section 118(4) of the Public Health and Urban Services Ordinance (Cap. 132) be transferred to the Secretary for District Administration.  
(2) Section 118(4) of the Public Health and Urban Services Ordinance be amended by deleting the provisos thereto and substituting the following—

‘Provided that the consent of the Secretary for District Administration shall be obtained before such remains are, or such urn or other receptacle is, removed.’.
4. (1) The functions exercisable by the Secretary for Home Affairs by virtue of the Societies Ordinance (Cap. 151) be transferred to the Secretary for District Administration.  
(2) Item (11) of the Schedule to the Societies Ordinance be amended by deleting ‘the Secretary for Home Affairs or’.
5. (1) The functions exercisable by the Secretary for Home Affairs by virtue of section 6(2) of the Mining Ordinance (Cap. 285) be transferred to the Secretary for District Administration.  
(2) Section 6(2) of the Mining Ordinance be amended by deleting everything following the words ‘shall be referred’ and substituting the following—

‘to the Secretary for District Administration, whose decision shall be final.’.
6. (1) The functions exercisable by the Secretary for District Administration by virtue of regulation 59 of, as read with the Second Schedule to, the Dangerous Goods (General) Regulations (Cap. 295, sub. leg.) be transferred to the Secretary for Home Affairs.  
(2) The Dangerous Goods (General) Regulations be amended—
  - (a) in regulation 2(1), by deleting the definition of ‘Secretary for District Administration’;
  - (b) in regulation 184, by deleting ‘the Secretary for District Administration; and
  - (c) in the Second Schedule, by deleting so much as relates to regulation 59 and substituting the following—

‘Secretary for Home Affairs for the whole of Hong Kong with the exception of the waters thereof; Director of Marine for the waters of Hong Kong.’.



7. (1) The functions exercisable by the Secretary for Home Affairs by virtue of the Waste Disposal Ordinance (Cap. 354) and of the Water Pollution Control Ordinance (Cap. 358) be transferred to the Secretary for Health and Welfare.  
(2) The Waste Disposal Ordinance and the Water Pollution Control Ordinance be amended by deleting 'Secretary for Home Affairs' wherever occurring and substituting the following—  
    'Secretary for Health and Welfare'.
8. (1) The functions exercisable by the Director of Home Affairs by virtue of the Po Leung Kuk Ordinance (Cap. 1040) and of the Tung Wah Group of Hospitals Ordinance (Cap. 1051) be transferred to the Secretary for Health and Welfare.  
(2) The Po Leung Kuk Ordinance and the Tung Wah Group of Hospitals Ordinance be amended by deleting 'Director of Home Affairs' wherever occurring and substituting the following—  
    'Secretary for Health and Welfare'.
9. (1) The functions exercisable by the Secretary for District Administration by virtue of the Pok Oi Hospital Incorporation Ordinance (Cap. 1068) and the Yan Chai Hospital Incorporation Ordinance (Cap. 1106) be transferred to the Secretary for Health and Welfare.  
(2) The Pok Oi Hospital Incorporation Ordinance and the Yan Chai Hospital Incorporation Ordinance be amended by deleting 'Secretary for District Administration' wherever occurring and substituting the following—  
    'Secretary for Health and Welfare'.

He said:—Sir, I rise to move the motion standing in my name in the Order Paper. This motion arises from certain decisions which I announced in this Council on 11 November 1982 to achieve more appropriate groupings of policy programmes and a better balance of responsibilities between policy branches of the Government Secretariat.

Briefly, these decisions involved the transfer of responsibility for rehabilitation and labour matters from the Secretary for Social Services to the Secretary for Education; and the transfer of responsibility for environmental affairs, both in the sense of protection and hygiene, from the Secretary for Home Affairs to the Secretary for Social Services.

At the same time, I explained that several branch Secretaries were to be re-titled in order to describe their responsibilities more clearly. So the Secretary for Social Services was to be re-titled as Secretary for Health and Welfare; the Secretary for Education as the Secretary for Education and Manpower; and the Secretary for City and New Territories Administration as the Secretary for District Administration.

When I announced these decisions I said that they would become effective as soon as possible and that a working group had been set up to plan all the detailed arrangements for their implementation. This Working Group was chaired by the Director of the Councils and Administration Branch as it is one of his main responsibilities to ensure that the organization of the Government Secretariat and, indirectly, of Government departments, is kept up-to-date and in tune with the constantly developing circumstances of Hong Kong. This particular exercise, therefore, and likewise the others I referred to on 11 November last, should not be seen in isolation, but as part and parcel of a continuing process aimed at developing a more efficient and responsive central Government organization. During the coming months several other exercises will be mounted and the same procedure adopted: that is to say, decisions in principle taken, carefully but firmly and after due consideration, following which small working groups will be set up under the chairmanship of the Director of the Councils and Administration Branch to agree the details of implementation.

The working group charged with handling the recent exercise presented its report to me recently and made recommendations covering, *inter alia*, the revised schedules of business of the branches involved, the staffing implications, the accommodation requirements and the transfer of various statutory functions between the Secretaries concerned. The staffing implications have already been approved by the Finance Committee of this Council, but I should mention that the proviso that there was to be no net increase in staff as a result of the intended changes has been scrupulously observed. The changes in titles of the Secretaries concerned were formally promulgated in the *Government Gazette* last Friday, 14 January and it is proposed that all these new arrangements shall come into effect on 1 February next.

Before I turn to the actual details of the motion, I should just like to say a few words about another subject which is partly related to this particular re-organization exercise, namely, the postings of various senior Government officers which were announced at the end of last November and which have been misinterpreted, if not actually misunderstood, in some circles. As I said at the time, there is an optimum period for service in any senior administrative post, if the best use is to be made of available talent. There were, of course, other reasons for these postings such as the application of the open directorate concept, the imminent retirement of several officers, and the administrativization of the directorate staff of the former Trade, Industry and Customs Department, as well as the re-organization exercise in the Government Secretariat. Some commentators have questioned the wisdom of announcing a relatively large number of postings at the same time. The reason for doing so is quite simple. It is preferable to announce comprehensive and carefully planned postings of this sort in tranches—another tranche will be announced tomorrow—rather than singly as they occur, so as to try to avoid unhealthy speculation and to underscore the point that our constant endeavour is to

deploy staff to the best advantage so far as the public interest is concerned and considerations of career planning dictate. I stressed last November, and I repeat now, that these postings, and those shortly to be announced, will take place progressively over the next few months or so, having regard to various practical considerations. Several, of course, have already taken place.

Now, Sir, as regards the motion: this deals with the necessary transfer of statutory powers which arise from the re-organization of certain policy branches in the Government Secretariat; and the opportunity is also being taken to clear up some other outstanding organizational changes.

First, there are several ordinances under which both the Secretary for Home Affairs and the existing Secretary for City and New Territories Administration, who is to be re-titled the Secretary for District Administration, exercise statutory authority in respect of matters affecting the urban areas and the New Territories respectively. Now that both Secretaries have territory-wide responsibilities for subjects under their purview, the motion seeks to transfer the statutory authorities to the Secretaries concerned.

Secondly, consequent to the transfer of responsibilities for environmental affairs from the Secretary for Home Affairs to the new Secretary for Health and Welfare, some related statutory powers need to be transferred.

Finally, in order to bring together the existing responsibilities for several long-established organizations involved with the provision of medical and social welfare services under a single, appropriate policy branch, the motion seeks to transfer from the Secretary for City and New Territories Administration and the former Director of Home Affairs to the Secretary for Health and Welfare, certain statutory functions under the incorporation ordinance of the Po Leung Kuk, the Tung Wah Group of Hospitals, the Pok Oi Hospital and the Yan Chai Hospital.

Sir, I beg to move.

*Question put and agreed to.*

## **ROAD TRAFFIC ORDINANCE**

THE SECRETARY FOR TRANSPORT moved the following motion:—That the period for which there remains in force the limit on the number of motor vehicles which may be registered as New Territories taxis, specified in the Taxi (New Territories Taxis) (Limitation on Number) Notice 1981 published as Legal Notice No. 230 of 1981, be extended to 31 July 1983.

He said:—Sir, I rise to move the motion standing in my name on the Order Paper. It provides, under section 7E(3) of the Road Traffic Ordinance (Chapter 220), that the period for which there remains in force a limit on the number of

motor vehicles which may be registered as New Territories taxis, (specified as 3 000 in the notice published in the *Gazette* as Legal Notice No. 230 of 1981), be extended to 31 July 1983.

This extension will permit New Territories taxi licences to continue to be issued at the rate of 50 per month as ordered by the Governor in Council, up to the maximum prescribed.

Council will wish to know that the Governor in Council has directed that urban taxi licences shall continue to be issued at the current rate of 300 every three months. The present limit of 12 000, due to expire on 31 January, is not therefore renewed, and a notice under section 7E of the Road Traffic Ordinance of a new limit of 15 000 will be gazetted to come into force on 1 February 1983. In good time before this new limit is reached, it is intended that a full review of the future role of the taxi in Hong Kong's transport system in the context of policies for other modes of transport will have been completed for presentation to the Governor in Council.

*Question put and agreed to.*

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

#### **SUPPLEMENTARY PROVISION FOR THE QUARTER ENDED 30 SEPTEMBER 1982**

*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 proposals set out in Paper No. 34.

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

The schedule of supplementary provision for the second quarter of the financial year 1982-83 covers a total amount of \$1 billion. Major items include \$379 million to meet provision for the creation of four new Heads of Expenditure, that is Customs and Excise Department, Electrical and Mechanical Services Department, Industry Department and Trade Department; \$109 million for payment of home purchase allowance to civil servants; \$98 million to meet expenditure for the purchase of additional water from China; and \$91 million to meet payment of a grant to the Urban Council for various salary adjustments.

The supplementary provision covered by the schedule has resulted in a net increase of \$98 million in expenditure since 1 April 1982, the remainder being offset under other heads of expenditure and by the freezing of funds under the two Additional commitments votes.

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 bill**

#### **MERCHANT SHIPPING (RECRUITING OF SEAMEN) (AMENDMENT) BILL 1983**

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

### **Second reading of bills**

#### **MERCHANT SHIPPING (RECRUITING OF SEAMEN) (AMENDMENT) BILL 1983**

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to amend the Merchant Shipping (Recruiting of Seamen) Ordinance’.

He said:—Sir, I move that the Merchant Shipping (Recruiting of Seamen) (Amendment) Bill 1983 be read the second time.

The principal Ordinance regulates the recruitment of seamen for service on ocean-going ships, affording protection to seamen over the terms of their employment and against exploitation in relation to recruitment. Thus, Hong Kong seamen must be recruited through the Seamen’s Recruiting Office, or through a licensed crew department of a shipping company. Part IV of the Ordinance provides for the licensing and control of crew departments to ensure that direct recruitment of seamen through this channel is carried out properly.

Section 47(1) of the Ordinance specifies an annual fee of \$500 for a licence to maintain a crew department. The fee is regulatory, in the sense that it is set at a sufficiently high level to make sure that the applicants are serious in their intentions, but not so high as to encourage evasion. The fee has not been revised

since 1966 when the Ordinance was first enacted. It is now necessary to increase the fee having regard to general inflation since 1966, so as to ensure that applicants for licences continue to be serious in their intentions. Accordingly, clause 2 of the Bill increases the fee to \$5,000 per annum. The increase is large in percentage terms, but the proposed fee is not unreasonable in real terms. To qualify for a licence, a shipping company must employ at least 200 seamen (the largest company currently employs 2 350 seamen). At the proposed fee level, the average annual cost attributable to the licence for each seaman recruited would be not more than \$25, depending on the size of the department.

Sir, 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 ECONOMIC SERVICES.

*Question put and agreed to.*

## **PUBLIC FINANCE BILL 1982**

### **Resumption of debate on second reading (22 December 1982)**

*Question proposed.*

MR. BROWN:—Sir, the subject matter of this Bill is of particular interest to all Unofficial Members of this Council as all are Members of the Finance Committee. For this reason the Bill has been examined by an *Ad Hoc* Committee comprising a representative cross section of Unofficial Members, rather than by any of the Standing Committees normally used to consider legislation concerned with economic matters and/or monetary affairs.

Let me first say that this Bill is a sensible piece of legislation, and its enactment will be welcomed, for undoubtedly it will lead to more efficient administration of the public finances.

The Bill retains the fundamental principle that no expenditure can be charged on the general revenue without statutory authority. However, it permits a sensible degree of delegation under proper control and reportage, and it provides for those exceptional circumstances when failure to make urgent payments without prior authority would cause the public inconvenience or generally be against its interest.

Sir, the provisions of this Bill provide a statutory basis for the management of our public finances more suited to the present than the old Colonial Regulations it supersedes. Later my Unofficial Colleague Mr. Peter C. WONG will be speaking on the legal and technical aspects of this Bills, and he will be proposing one amendment.

Subject to the agreed amendment, Sir, I support the motion.

MR. PETER C. WONG:—Sir, I will be speaking briefly on the legal and drafting aspects of the Bill, with comments on some of the main clauses.

The Legislation Scrutiny Group of the Unofficial Members has examined the Bill in detail and has held discussions with the Deputy Financial Secretary, the Director of Audit and the Assistant Law Draftsman.

On the whole, the Bill is well drafted and should provide a satisfactory legal framework for the control and management of our public finances. The only serious reservation we had relates to clause 11. This clause enables the Financial Secretary to make regulations and to give directions and instructions for the purpose of carrying out the provisions of the Bill. However, sub-clause (2) of this clause states that it shall not be necessary to publish them in the *Gazette* or to lay them on the table of the Legislative Council. This is contrary to the statutory requirement set out in sections 20 and 34 of the Interpretation and General Clauses Ordinance.

The Administration explained that such regulations, directions and instructions were in fact meant for internal use and not intended to form part of our subsidiary legislation. It was therefore agreed to amend clause 11(1) to reflect the administrative nature of such regulations, directions and instructions and to delete clause 11(2) which would no longer be necessary.

Clause 8 of the Bill deals with changes to the approved estimates of expenditure and the powers of delegation. It provides not only for Finance Committee to have the statutory powers to approve changes to the estimates, but also for Finance Committee to delegate powers to the Financial Secretary. There is also provision for the Financial Secretary to further delegate his powers to any public officer where the delegation from Finance Committee provides for him to do so. No doubt, this arrangement will greatly facilitate the up-dating of delegated powers, which are necessary in view of the increasing complexity and pace of Government business in recent years.

The concept of controlling officers accountable for the public funds they control was introduced in 1979 and this has led to significant steps in the improvement of the management of public finances. However, there is at present no statutory provision in this regard. Clauses 12-14 lay down the main duties of controlling officers, and make them personally responsible and accountable for expenditure under their control. This is certainly a step in the right direction and it is encouraging that Government is taking a serious view of the concept of accountability.

Clause 15 has been the subject of some lively discussions. This clause stipulates that where an urgent need has arisen for expenditure to be incurred, the controlling officer may, on his personal responsibility, incur the expenditure in anticipation of a change to the approved estimates. Our discussions centred on the words 'urgent need' and 'personal responsibility'. Some Members felt that this clause conferred too much power on the controlling officer, while the majority were of the view that the responsibility imposed was too onerous and

might give rise to certain 'inhibitions'. On balance, it was accepted that this provision was necessary and that the safeguards provided should be adequate to prevent any abuse of power. The question of possible 'inhibitions' resulting in delays or inaction was considered to be remote. Controlling officers are normally heads of departments and as such they are expected to shoulder responsibilities commensurate with the positions they hold and make appropriate decisions when required, even in cases where an element of urgency is involved.

Clause 28(1) states that no public officer shall give a guarantee involving any financial liability upon the Government unless such guarantee complies with the provisions set out in the clause. Clause 28(2) stipulates that no guarantee given in contravention of subclause (1) shall be binding on the Government. Although it was not uncommon to provide such statutory safeguard, the Group felt that its implications should be clearly explained to persons obtaining guarantees from public officers under this Bill. The Administration has agreed to incorporate some guidance in this regard in the new directions or instructions now being drafted.

The Bill replaces the financial provisions in the Colonial Regulations. Needless to say, the Letters Patent and the Royal Instructions are not affected. In Hong Kong the supreme authority rests with this Council and the functions of Finance Committee remain unchanged.

Sir, subject to the agreed amendment, I support the motion.

THE FINANCIAL SECRETARY:—Sir, this is a technical and highly complicated Bill. I appreciate very much the expeditious and careful way in which a special committee of Unofficials have examined the proposed legislation. I am grateful for Mr. BROWN's and Mr. WONG's comments and I certainly confirm that the single amendment proposed is entirely acceptable.

*Question put and agreed to.*

Bill read the second time.

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

## **SUPPLEMENTARY APPROPRIATION (1981-82) BILL 1983**

### **Resumption of debate on second reading (5 January 1983)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.



**BUILDINGS (AMENDMENT) BILL 1983****Resumption of debate on second reading (5 January 1983)**

*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).*

**INSURANCE COMPANIES BILL 1982****Resumption of debate on second reading (19 May 1982)**

*Question proposed.*

MR. LO:—Sir, I am happy to report that the *Ad Hoc* Group of Unofficial Members set up to examine the Insurance Companies Bill after its introduction into this Council in May last year, has completed its mission. Allow me to say we were greatly assisted in this process by the Administration which provided detailed and carefully analysed answers to the points that we raised.

We are also grateful to the industry, whose views were given to us through the Insurance Industry Working Committee and by a number of leading firms and organizations concerned. Many of the amendments which my Unofficial colleagues and I will be moving at the next meeting are the results of these views.

We were encouraged from the outset by the fact that so far as the prime object of the Bill was concerned, there was no divergence of opinion. It was the aim of everyone that the legislation should provide a sufficient safeguard to members of the public buying insurance, and establish a comprehensive statutory framework to enhance the reputation of Hong Kong as an international insurance centre.

The need to protect the public by regulating the industry must be balanced by the need to avoid an over-kill of the industry by excessive and burdensome regulations. I think the amended Bill provides such a balance and the time spent in getting there well spent.

A major criticism levelled at the Bill was that the detailed information required to be submitted to the supervisory body, the Insurance Authority, may create an excessive burden to insurance firms, especially those foreign insurers who are already subject to the supervision of the jurisdictions of their countries

of domicile. However, the Third Schedule, which contains the details of accounting and other information required by the Authority, does not stipulate any currency or touch on accounting policies. Overseas insurance firms will not need to rewrite their accounts in terms of Hong Kong dollars or to revise them to suit local accounting conventions. Moreover, clause 17(2) which is a cornerstone of the framework, empowers the Insurance Authority to approve at the request of an insurer modifications to the Third Schedule. We have been told this will be done if any reporting requirement presents genuine difficulties to a particular insurer. The *Ad Hoc* Group urged, however, that any such modifications should not be kept secret. Consequently, an amendment will be made to clause 17 to require the Insurance Authority to publish in the *Gazette* the names of the insurers to whom modifications of Third Schedule requirements have been granted. Interested third parties could then obtain further details of the modification from the Authority. There is also a provision in clause 53 for the Governor in Council to grant exemptions to insurers, although of course I expect it will only be used sparingly.

A certain degree of anxiety and uncertainty had been expressed by insurers about the powers which the Insurance Authority could exercise over them. I am satisfied, however, that the extent of supervision to be imposed is necessary for the achievement of the stated objects. However, the extent of uncertainty should be reduced as far as possible. To this end we are proposing an amendment to clause 5 whereby the various information required to be entered into the register of insurers would be specified. I am satisfied that the information to be included will not require disclosure of any material which should remain confidential.

A small but important change to the Third Schedule of the Bill relates to Paragraph 26(p)(ii) which requires insurance companies to disclose the emoluments of the highest paid director. While we accept that this information is relevant to an assessment of the management of the company, the *Ad Hoc* Group also saw this provision as unnecessarily personal. Accordingly we will be proposing an amendment so that the requirement will be for the aggregate amount of emoluments for the three highest paid directors to be disclosed.

Another change which we will propose relates to the power of intervention to be given to the Insurance Authority. Clause 29 empowers the Insurance Authority to require insurance companies to maintain assets in Hong Kong to meet their domestic liabilities. No account was to be given to the reinsurance arrangements which may be made by the insurance companies concerned. We thought it fair and reasonable that the Insurance Authority be required to have regard to the insurer's arrangements for the reinsurance of risks with other properly managed reinsurance firms. Appropriate amendments will accordingly be made to clause 29.

There are a number of other amendments aimed at closing loopholes in the Bill and clarifying it. They are less controversial and are self explanatory.

Although the Bill is voluminous, it is however incomplete. It does not seek to regulate the conduct of insurance brokers. However, the Law Reform Commission has established a sub-committee to study this question and we eagerly await the result of its labours. We have recommended that until then the wholly inadequate provisions relating to 'Main Agents' should be deleted. The Administration agrees with this approach and accordingly amendments will be made to clauses 7, 8, 14, 36, 37, 52, 57, 61 and the Second Schedule.

Sir, I believe that subject to the amendments which will be made to the Bill, it does provide a sound framework for the prudent supervision of the insurance industry. It is high time we did this and I support the motion.

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

*Question put and agreed to.*

### **Committee stage of bills**

Council went into Committee.

### **PUBLIC FINANCE BILL 1982**

Clauses 1 to 10 were agreed to.

Clause 11

MR. PETER C. WONG:—I move that clause 11 be amended as set out in the paper circulated to Members.

*Proposed amendment*

#### **Clause 11**

That clause 11 be amended—

(a) in subclause (1), by deleting 'regulations and give such' and substituting the following—

'administrative regulations and give such administrative'; and

(b) by deleting subclause (2).

The amendment was agreed to.

Clause 11, as amended, was agreed to.

Clause 12 to 43 were agreed to.

The First and Second Schedules were agreed to.

**BUILDINGS (AMENDMENT) BILL 1983**

Clauses 1 to 3 were agreed to.

Council then resumed.

**Third reading of Bills**

THE ATTORNEY GENERAL reported that the

BUILDINGS (AMENDMENT) BILL

had passed through Committee without amendment, the

PUBLIC FINANCE BILL

had passed through Committee with amendment and the

SUPPLEMENTARY APPROPRIATION (1981-82) 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 three 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 p.m. on Wednesday, 2 February 1983.

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