

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 16 May 1984****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)  
THE HONOURABLE THE CHIEF SECRETARY  
SIR CHARLES PHILIP HADDON-CAVE. K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY  
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL  
MR. MICHAEL DAVID THOMAS, Q.C.

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

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

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

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

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

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

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

THE HONOURABLE ANDREW SO KWOK-WING, O.B.E., J.P.

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

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

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 COLVYN HUGH HAYE. C.B.E., J.P.  
DIRECTOR OF EDUCATION

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

THE HONOURABLE HENRY CHING, C.B.E., J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE CHAN NAI-KEONG, J.P.  
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, J.P.  
COMMISSIONER FOR LABOUR

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE JUSTIN YUE KWOK-HUNG, M.B.E., J.P.  
SECRETARY FOR TRANSPORT (*Acting*)

THE HONOURABLE JOHN FRANCIS YAXLEY, J.P.  
SECRETARY FOR TRADE AND INDUSTRY (*Acting*)

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, O.B.E., J.P.  
SECRETARY FOR DISTRICT ADMINISTRATION (*Acting*)

**ABSENT**

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

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

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

THE HONOURABLE HU FA-KUANG, J.P.

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

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 MARIA TAM WAI-CHU, J.P.

THE HONOURABLE CHAN YING-LUN

**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:

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| Public Health and Urban Services Ordinance.   |     |
| Preservatives in Food (Amendment) Regulations 1984 .....                                    | 114 |
| Drug Addiction Treatment Centres Ordinance.   |     |
| Drug Addiction Treatment Centre (Hei Ling Chau) Order 1984 .....                            | 118 |
| Prisons Ordinance.  |     |
| Prisons (Lai Sun Correctional Institution) Order 1984 .....                                 | 119 |
| Coroners Ordinance.   |     |
| Places for Post-Mortem Examination (Amendment) Order 1984 .....                             | 120 |
| Deposit-Taking Companies Ordinance.   |     |
| Amendment of Notice of Exemption from Section 6.....  | 121 |
| Inland Revenue Ordinance.   |     |
| Inland Revenue (Interest Tax) (Exemption) (Amendment) (No. 7) Notice<br>1984 .....          | 122 |
| Road Traffic Ordinance.   |     |
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| Pensions Ordinance.   |     |
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| Antiquities and Monuments Ordinance.  |     |
| Antiquities and Monuments (Declaration of Monument) (No. 2) Notice<br>1984 .....            | 125 |

## Sessional Papers 1983-84:

No. 53—Supplementary provisions approved by the Urban Council during the fourth quarter of the financial year 1983-84.

No.54—Kowloon-Canton Railway Corporation—Annual Report 1983.

No.55—Mass Transit Railway Corporation—Annual Report 1983.

## Oral answers to questions

### Prudential supervision of deposit-taking companies

1. MISS DUNN asked:—*In the light of the recent remarks of a High Court Judge, would the Government state whether it is satisfied with our present system of prudential supervision on deposit-taking Companies?*

THE FINANCIAL SECRETARY:—Sir, Members will be aware from my last budget speech that the Government is not satisfied with the present position. How can we be in the light of recent events—not least the need to take over the Hang Lung Bank? Thus I said that, the Banking Ordinance having been introduced in 1964, it seemed sensible to take a look at where we stand. A team from the Bank of England was invited here to conduct a review. Their comprehensive recommendations are now before the Administration. A full examination is under way. There is a complete awareness of the need to improve supervisory arrangements as experience indicates. I shall be surprised if further administrative and legislative changes are not in due course considered appropriate. But considerable prior consultation will be necessary.

MISS DUNN:—*Sir, will the Bank of England's report be made public?*

THE FINANCIAL SECRETARY:—Sir, of necessity the Bank of England had to be made privy to a number of very confidential matters. Such being the case, their recommendations are quite inappropriate for publication.

MISS DUNN:—*Sir, in that case can the Government say in what areas reforms are indicated?*

THE FINANCIAL SECRETARY:—As I haven't studied the report yet I am afraid I cannot.

MISS DUNN:—*Sir, can the Government give an indication when it will be in a position to do so?*

THE FINANCIAL SECRETARY:—In a period of time, Sir.

MISS DUNN:—*Sir, is the Government saying that on the one hand it is not satisfied with present arrangements, and on the other hand legal and other administrative reforms won't be taking place for a considerable time?*

THE FINANCIAL SECRETARY:—Sir, this is an area of considerable difficulty in which a considerable number of different opinions can be held. We shall proceed with great deliberation.

## Visiting lawyers and consultants

2. MRS. NG asked in Cantonese:—

政府是否知道，越來越多律師和顧問從海外來港，為本港居民提供移民和投資外國的諮詢服務？政府可否說明，打算對提供這類諮詢服務的廣告採取什麼行動？

(The following is the interpretation of what Mrs. NG asked.)

*Is Government aware that an increasing number of visiting lawyers and other consultants are coming to Hong Kong to offer advice to local people on emigration matters and investment procedures in various overseas countries, and will Government inform this Council what action, if any, it proposes to take in respect of the advertising of such activities?*

THE ATTORNEY GENERAL:—Sir, the administration is well aware of the activities of these birds of passage. Their plumage has many shades and their nesting habits are variable. Reports about them have been studied in my Chambers, by the Law Society of Hong Kong, by the Immigration Department, and the Secretary for Economic Services and some consular authorities have been consulted.

In a free society people have the right to consult whom they choose about their private affairs. It would therefore be wrong in principle to attempt to control the supply of advice or the advertising of the services of advisers. In the case of short term visiting lawyers, there is one cause of friction because lawyers from such countries as the U.S., Canada and Australia, who have established a permanent office in Hong Kong have voluntarily undertaken to the Law Society not to advertise their services. Despite this, my inclination is not to propose specific controls solely applicable to visiting legal eagles because it is not really feasible to distinguish between them and the rest of the flock of consultants giving advice on emigration and foreign investment.

Sir, may I point out however that many of the visiting consultants have acquired good reputations. I suspect they advertise less and rely on recommendations. No doubt there are others whose advertisements are eye-catching and who charge large sums for indifferent services. But it does seem that complaints from dissatisfied customers are rare.

Those who seek advice on these matters would do well to examine the credentials of all visiting consultants and satisfy themselves before proceeding that the scale of charges is reasonable. They should also consider using the services of those foreign lawyers who have permanent offices in Hong Kong.

MRS. NG asked in Cantonese:—

如果市民對以上諮詢服務不滿意的時候，他們可以向政府那一個部門投訴？

(The following is the interpretation of what Mrs. NG asked.)

*Sir, if members of the public are not satisfied with such service, to which department of the Government can they take their complaints?*

THE ATTORNEY GENERAL:—The Government is not necessarily the right place to which to take complaints. If any complaint arises in respect of services in any part of the economy, then the individual has his own recourse to law. If some criminal offence has been committed, then he should report the matter to the police. And if it's a civil complaint that the services have not come up to the right standard, then he has his own remedies in a Court of Law.

### **Safety standards at the Ocean Park**

3. MR. WONG LAM asked in Cantonese:—

政府可否就海洋公園水上樂園的康樂設施和其他設備的安全準則發表聲明？

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

*Will Government make a statement regarding the current safety standards of the amenities and equipment at the Water World of the Ocean Park?*

SECRETARY FOR HOME AFFAIRS:—Sir, the Water World of the Ocean Park is basically a set of swimming pools to which the public have access. It is operated under a swimming pool licence issued by the Urban Council in accordance with the Swimming Pools By-laws made under the Public Health and Urban Services Ordinance, Cap. 132. By-law 6 of the Swimming Pools By-laws made by the Urban Council prescribes the conditions for the issue of a licence which in the main are concerned with the hygiene standards of the pool although there are provisions regulating slippery floors, employment of life-guards, safety of electrical equipment etc. I am advised that monthly inspections are made by U.S.D. staff to ensure the licensing conditions are complied with. As regards the structural safety aspects of the facilities, the Government is fully satisfied that the relevant provisions of the Buildings Ordinance are met.

The Water World facilities are new to most people in Hong Kong. Specific measures have been taken by the Management both to educate the visitors in using the facilities and to reduce the opportunities for accidents by for instance the posting of lifeguards at the top of the Water Slides to regulate the frequency of use; by cordoning off the shallow end of the Wave Pool to prevent visitors from jumping or diving—which is a pretty silly thing to do anyway; and by the posting of notices to advise how facilities should be used.

There is a limit to what the Management can do. As a Government director on the Board of Ocean Park I can say that we wanted to create a place where people could have fun in safety. It is an exciting place but users do need to pay attention to the simple instructions of management.

I got quite a thrill from riding down the water chute—so did my children and my wife—and from the wave pool and can highly commend them to all honourable Members of all ages and both sexes. (*laughter*)

MR. WONG LAM asked in Cantonese:—

閣下，政府怎樣來監察這些安全準則，現在有甚麼有效措施可以確保海洋公園會遵守這些安全規則？

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

*Sir, how does Government monitor the safety standards and what effective measures are there to ensure that the Ocean Park will adhere to these safety regulations?*

SECRETARY FOR HOME AFFAIRS:—Sir, the safety measures are monitored by the monthly visits by the Urban Services Department staff. This is to see that they comply with the licences. Within the Water World itself the management has a very full staff of lifeguards who look after the swimming, and security guards that look after things like the queueing and so forth.

### **Neonatal screening for congenital hypothyroidism**

4. DR. IP asked:—*Regarding neonatal screening for congenital hypothyroidism (to facilitate early diagnosis and medical treatment of infants who may otherwise suffer mental retardation), will Government inform this Council whether such screening, as projected by the Director of Medical and Health Services on the 24 of November 1982, to come into operation by the end of 1983, is now available territory wide?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, the neonatal screening programme for congenital hypothyroidism commenced early this year. Initially, it is designed to cover all newborns in Government hospitals and maternity homes. This phase is expected to be complete by July this year.

The next phase of the programme will start shortly afterwards. It is intended then to invite subvented and private hospitals and maternity homes also to participate in the programme. Hopefully, with their willingness and cooperation, the programme should then be available to cover the newborn population territory-wide.

DR. IP:—*Sir, what will be the new projected date at which such neonatal screening becomes available in all Government and Government subvented hospitals?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, as I have said just now, the next phase of the programme will start shortly after July. As to the exact date as to when all hospitals will participate, it will depend on their willingness to come forward and participate.

DR. IP:—*Sir, will this screening in the second phase then be provided free to all babies born in Government and Government subvented hospitals?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, it will certainly be free for the Government hospital. As for the subvented hospitals, I would envisage that the cost will be borne in the normal mechanism of subvention.*

### **Government and Public Affairs**

5. MR. YEUNG PO-KWAN asked:—*Will Government inform this Council—*

- (a) when will the Certificate of Education subject of Economic and Public Affairs be replaced by the new subject of Government and Public Affairs which is now under serious consideration by the Curriculum Development Committee and the Hong Kong Examinations Authority; and*
- (b) prior to the introduction of this new subject into Form IV and Form V curriculum, is the Government satisfied that the existing teachers teaching Economic and Public Affairs at the Certificate of Education level will be fully prepared, in one way or another, for fulfilling their responsibilities as Government and Public Affairs teachers?*

DIRECTOR OF EDUCATION:—*Sir, Government and Public Affairs (GPA) may replace Economic and Public Affairs (EPA) in Forms IV and V from September 1987. If the new subject is introduced it will be a two-year course with the first Certificate examination in 1989. I say 'If' because a number of steps have yet to be taken before any proposed teaching and examination syllabus, incorporating the very important views of schools and teachers, receives the formal blessing of the Department, the Curriculum Development Committee and the Hong Kong Examinations Authority. Even then, it is possible that EPA and GPA will be offered as alternatives or in parallel, just as Economics and EPA are now. The introduction of a new subject does not necessarily replace a kindred study and pupils and teachers should welcome an additional and manageable option.*

As to the second part of the question: I said a fortnight ago, in response to a similar supplementary in the context of the introduction of GPA to Sixth Forms, that I have every confidence in the ability of our teachers to handle the new subject. The timing I have described will permit the development and publication of textbooks and other teaching materials for the course, and inservice training and seminars to help teachers to adjust to the new syllabus. The transition will be helped by the similarities of the Public Affairs sections of EPA and GPA so that current EPA teachers should have little difficulty in switching to GPA with the support of fresh material. Finally, my friend Mr. YEUNG Pokwan, and other school principals and teachers can take comfort from the fact that they will be playing a significant part in shaping the teaching and examination syllabuses for GPA. They will have had plenty of notice and adequate preparation for the new subject.

**Motor insurance**

6. DR. HO asked:—*What action is Government taking to ensure fair and adequate compensation for victims of traffic accidents involving vehicles the insurance policies for which have been invalidated due to the insurance companies concerned being liquidated?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, at present, victims of all traffic accidents are entitled under the Traffic Accident Victims Assistance Scheme approved by this Council to claim compensation to the prescribed extent whether or not an insolvent insurance company is involved. If an insurance company is liable, then the assets of that insurance company will be available to meet claims in the event of the company's liquidation. Unhappily, victims are unlikely to recover the full amount of compensation due if the insurance company is insolvent.

For this reason, we are examining the possibility of requesting the Motor Insurers' Bureau to extend its Agreement with the Government so as to cover insolvent insurance companies. We shall be discussing this matter further with the Insurance Advisory Committee.

I understand, Sir, that the Bureau is not unsympathetic to the idea but has pointed out that sufficient resources would be required to augment existing reserves before it could assume additional liabilities. Moreover, the Bureau has in the past pointed out that it would need to be assured of the Government's ability to control the insurance industry effectively before it could agree to extending the Agreement in the manner requested. The enactment and enforcement of the Insurance Companies Ordinance, which came into effect in June last year, should meet this latter point.

DR. HO:—*Sir, does the Secretary for Economic Services have any idea about how much financial resource should be required before the Motor Insurers' Bureau could assume additional liabilities?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, I cannot give an accurate figure today. This is something that I shall investigate with the Bureau.

**Government's policy on gambling**

7. MR. SO asked in Cantonese:—

政府可否告知本局關於賭博的政策，以及這政策最初訂定及上次修改的日期？

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

*Will Government inform this Council of its policy on gambling, when the policy was established and when was it last revised?*

SECRETARY FOR HOME AFFAIRS:—Sir, the Government's policy on gambling has always been to restrict opportunities for gambling but to allow controlled outlets for such gambling activities as exist. In practical terms, this means strict laws and firm enforcement action against illegal gambling activities, supported by the provision of controlled alternatives where a cogent need for such alternatives has been established. This policy has been in force for many years, was last reviewed and reaffirmed in 1979.

MR. SO asked in Cantonese:—

非法賭博有沒有因政府的賭博政策而受到控制，及現在全港有幾多間由馬會開設的場外投注中心？

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

*Sir, has illegal gambling as a result of Governments' policy on gambling become well under control, and how many Royal Hong Kong Jockey Club off-course betting centres are there in Hong Kong?*

SECRETARY FOR HOME AFFAIRS:—Sir, there is certainly very much less illegal gambling on horses now than there was when the last major reform was introduced. This was the introduction of off-course betting centres. I can't say that there is none, this would be ridiculous. But it is certainly not as widespread and as readily accessible to ordinary people as it used to be. The number of off-course betting centres reached a peak shortly after they were introduced when a large number of small centres were opened. I can't give you the exact number now. The number has dropped with more larger centres and it has not reached that maximum again.

### **Prevention of Hepatitis B**

8. DR. IP asked:—*Regarding the use of vaccine in the prevention of Hepatitis B in Hong Kong, will Government inform this Council:*

- (a) how much does it cost Government per year, for the last three years, to purchase Hepatitis B vaccine?*
- (b) what is the average cost per course of treatment? (c) how many persons has Government successfully immunized against Hepatitis B?*
- (d) to whom has Government offered immunization; and lastly, (e) what is Government's short and long term strategy in the control of Hepatitis B in Hong Kong?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, I shall answer the five questions in order and the last two questions together as they are closely related:

Thus, in answer to:

- (a) for the year 1981-82—no vaccines were purchased;  
for the year 1982-83—\$573,000;  
for the year 1983-84—\$573,000.
- (b) The cost of a course of vaccination for an adult is \$515. The cost of a course of vaccination for a newborn, including Hepatitis B immune globulin is \$536.
- (c) If by successful immunization it is meant all those who have completed their course of vaccinations, the answer to this question is 1 312.
- (d) & (e) It is recognized that Hepatitis B infection is one of the major public health problems not only in Hong Kong but in this Region because of the high incidence of chronic liver disease and primary hepatocellular carcinoma among persistent carriers of the virus. It is now recognized by the World Health Organization (W.H.O.) that aside from general hygiene and environmental measures, public health education and screening of donors and donated blood, that the use of Hepatitis B vaccine offers the greatest prospect for effective control of Hepatitis B infection in a community. In the consideration of an appropriate strategy for vaccination, the following major factors have to be considered:
  - (a) The safety, protective efficacy, effectiveness, cost and availability of the vaccine itself;
  - (b) Manpower resources and technology;
  - (c) Local epidemiological pattern;
  - (d) Acceptance by the target population.

Hepatitis B infection is endemic in countries of this Region, including Hong Kong. Unfortunately, the vaccines currently available commercially are extremely expensive. A universal vaccination programme therefore for the whole population would involve astronomical sums which would render the whole concept impracticable. Thus, the preferred and realistic strategy for vaccination as advocated by W.H.O. is to ensure selective immunization for high risk groups.

A special Advisory Committee on this subject, consisting of experts from the Government and the University of Hong Kong was therefore set up early last year, *inter alia*, to advise on an overall strategy to provide immunization to certain high risk groups in our population.

The Committee identified two high risk priority groups to be included in a pilot vaccination programme:

- (1) The first group consists of babies born to mothers who are carriers of the disease. These babies are at high risk of being chronic carriers. Such carriers are the prime source of infection to the rest of the population later on in childhood and in adult life:
- (2) the second group are health care workers who are in frequent contacts with blood and blood products and tissue fluids in the course of their work.

In order to accumulate local experience in the use of vaccine as well as to devise a cost-effective schedule, the pilot project which commenced in April 1983 was designed:

- (a) to screen about 10 000 pregnant women in the Kowloon Health Region and to vaccinate babies born to carrier mothers among this group;
- (b) to offer vaccination to all health care workers in the Government hospitals and clinics who are at risk.

The results of this programme are expected to be ready for evaluation by the end of this year.

It is envisaged that in the longer term, the vaccination programme will be extended to all newborns of carrier mothers in all Government institutions and also to similar high risk groups in the subvented hospitals.

As stated by the Director of the Western Pacific Regional Office of the World Health Organization (W.H.O.): 'a lot of work remains to be done in the field of Hepatitis research'. Thus, any further modification and extension of the programme will have to take into account the knowledge gained in the programme so far, the cost of the vaccine and available resources, new knowledge and advances in the development of vaccine and their schedules as well as up-to-date knowledge of the epidemiology of the disease itself. I am sure the Advisory Committee in the course of their deliberations while monitoring the vaccination programme will bear the above factors in mind.

DR. IP:—*Sir, I would like to thank the Director of Medical and Health Services for giving a very detailed reply, and also in fact to congratulate him for being able successfully to bargain for such a cheap cost of vaccination per person which is about five times cheaper than in the private sector. Based on that, Sir, is Government aware that Tsan Yuk, a Government hospital, has successfully prevented Hepatitis B infection to new born babies born to carrier mothers using a cheap, safe, efficient and non-commercialized vaccine with a protective efficacy rate of up to 96%, while a joint venture between a hospital and a Holland Red Cross and sub-co-operation benefitted at least 200 babies at no cost to Government?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, I have just been given the paper on the subject mentioned and I am about to study it. (laughter)*

DR. IP:—*Sir, I will ask this supplementary question very slowly with the hope that every part of it will be answered in as much detail as the original question. In view of the high cost of using the existing commercialized vaccine as mentioned by the Director of Medical and Health Services, (a) has Government considered, and if so how positively, using cheaper but safe effective non-commercialized vaccine; and (b) if Government has not considered this before, will Government now look into such feasibility outlining for this Council the steps it will take to do so and alternatives for choice, in particular, joint ventures with non-profit making organizations like the Holland Red Cross?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, I shall answer as simply as I can. As I have said just now, we have set up an Advisory Committee to evaluate the programme. I would envisage that the points just brought up by Dr. IP may be submitted to this Committee for its evaluation, and I stand to be advised by the Committee.*

DR. IP:—*Sir, and lastly a very short question. Sir, what is the target date on which Government aims to achieve screening of all pregnant women cared for in all Government and all Government subvented hospitals for the Hepatitis B carrier state with the view of immunizing their babies against Hepatitis B at birth?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, I am afraid I cannot give an exact date except to say again that this date would be one of the matters which I would be advised on after the Committee has evaluated the programme.*

### **Speed limits on roads**

9. MR. PETER C. WONG asked:—*Is Government considering imposing speed limits on all roads, and if so—*

- (a) what is the reason for so doing; and*
- (b) what would be the maximum permissible speed on safe highways?*

SECRETARY FOR TRANSPORT:—*Sir, most roads already have speed limits. The Road Traffic Ordinance enacted by this Council in December 1982 provides for the imposition of speed limits on all roads, and this will be implemented in August this year. There will be a general speed limit of 50 km/h except where this is specifically varied by the Commissioner for Transport and appropriately sign-posted. In practice this means roads with existing speed limits of 30 mph will convert to the equivalent of 50 km/h and those with 40 mph will convert to 70 km/h. The main point is that the new system will be clearer and more convenient for motorists than the present one which in some instances relies on the distance between lighting columns on the roads to indicate speed limits.*

Generally the speed limit on a road is related to the design speed of the road, the alignment and the accident record. For most roads in the urban area the speed limit is 30 mph, or 50 km/h in future. The higher standard multi-lane roads prohibited to pedestrians and cyclists will initially have a speed limit of 70 km/h. The latter is slightly higher than the existing 40 mph limit, but any further change will have to be carefully considered in the light of experience.

MR. PETER C. WONG:—*Sir, would the Secretary agree that to impose a speed limit of 70 km/h or slightly more than 40 mph on safe, modern highways where pedestrians and cyclists are prohibited, is too stringent, especially in view of the fact that many countries allow a much higher speed on such highways?*

SECRETARY FOR TRANSPORT:—*Sir, I do not rule out a speed limit of above 70 km/h on such roads, but any increase in the speed limits would need to be considered in the light of experience. In the case of the so-called safe highways that Mr. Peter C. WONG has mentioned, while they may at first glance resemble a motorway, they have not been designed as such; and in particular, in the case of the Island Eastern Corridor which will be opened shortly, the closely spaced exit and entry roads will give rise to a lot of weaving movement and, therefore, a cautious approach is called for.*

## **Statements**

### **Kowloon-Canton Railway Corporation—Annual Report 1983**

THE FINANCIAL SECRETARY:—*Sir, in accordance with section 14(5) of the Kowloon-Canton Railway Corporation Ordinance (Cap. 372), the first annual report of the Kowloon-Canton Railway Corporation for the year ended 31 December 1983 and its accounts are tabled today.*

In 1983 the Kowloon-Canton Railway Corporation experienced its first 11 months of operation in its new guise. The programme for electrification and modernization is now largely complete. Trains leave Kowloon Station for various destinations every three minutes during peak hours and journey times to Sha Tin, Tai Po and Lo Wu are 13, 24 and 36 minutes respectively. Daily patronage grew from 40 000 to 100 000 after electrification to Tai Po; to 140 000 after full electrification; and remarkably stood at 190 000 at the end of the year, which is 30% higher than forecast. The mid-1980s target of 250 000 is within reach. In these circumstances a loss of \$154 million can be regarded as but a first step towards a profitable railway. This is what the community requires.

The transfer of 1 460 ex-KCR departmental staff to the Corporation took place smoothly on 1 May 1983 after a three-month secondment period. The Corporation has built up a new management structure fully capable of

operating the modern railway. In November 1983 Government invited the Corporation to become the owner-operator of the Tuen Mun L.R.T. System, subject to the Corporation's own assessment of the project's viability. Their decision is awaited with interest.

I am sure that Members will join me in thanking board, management and staff for an outstandingly successful beginning.

### **Mass Transit Railway Corporation—Annual Report 1983**

THE FINANCIAL SECRETARY:—Sir, in accordance with section 16(4) of the Mass Transit Railway Corporation Ordinance (Cap. 270), the annual report and accounts of the Mass Transit Railway Corporation for the year ended 31 December 1983 are tabled today.

During 1983 the Mass Transit Railway Corporation carried 412 million passengers on its two lines, an increase of 17% over 1982. Total fare and other recurring revenues earned by the Corporation rose by 26% to \$1,035 million. Operating profits (that is to say before interest charges) increased to \$253 million, a 41% improvement on 1982. But the need to service the Corporation's debts of \$14 billion resulted in an overall loss of \$535 million. High interest rates are not helpful to large creditors.

During the year the Corporation negotiated a series of term loans and lines of credit with individual lenders for a total sum of \$4 billion, and a syndicated term loan for \$2 billion, with options for a further \$2 billion subsequently. Two commercial paper lines totalling \$500 million were also launched during the year. These facilities were secured at favourable rates of interest, and will be sufficient to meet the Corporation's forecast cash requirement up to October 1985.

The construction of the Island Line continued efficiently during 1983. The new line will be completed on schedule and within the budgetted figure of just under \$11 billion. When it opens in July 1985, the Island Line will provide much needed relief to the corridor along the north shore of Hong Kong Island.

Hong Kong traffic without the M.T.R. is unimaginable: I am sure that Members will join me in thanking board, management and staff for their competence and hard work.

### **Government's plans for the further development of local administration**

SECRETARY FOR HOME AFFAIRS:—Sir, in his Statement in this Council on 15 February last, the Chief Secretary outlined four proposals for the further development of local administration in Hong Kong. They were—

- first, that the representative status of the District Boards should be strengthened by increasing the size of the elected element;
- second, that in some large and complex districts, such as Tsuen Wan, it might be desirable to create more District Boards to serve smaller geographical areas;
- third, that consideration should be given to developing the urban management role of the District Boards; and
- fourth, that a new Regional Council should be established to supervise those services in the areas of Hong Kong not under the aegis of the Urban Council, that the opportunity should possibly be taken to re-align the regional boundaries, if this was appropriate, and that the provision of some of services presently provided by the Recreation and Culture Department should be brought within the purview of the two Councils.

Generally speaking, these proposals have been welcomed by the Hong Kong community. There has been much discussion and many points of detail have been made. The only area of controversy has been the proposal to establish a second regional council. I shall, therefore, deal with the fourth proposal first.

There has been no quarrel with the proposition that services which are provided in the New Territories should come under the supervision of a council. The proposal in the Chief Secretary's statement was that there should be a second council, parallel to the Urban Council. The Urban Council advanced a perfectly tenable alternative proposal that a single council should take over supervision of these services throughout the whole of Hong Kong.

The Urban Council argued that it would be more economical and would avoid a confusion of conflicting policies; that it could also avoid undesirable rivalry for resources; and that it would be more consistent with the policy of reducing regional differences. The Urban Council also contended that the argument that a single council was too big and unwieldy was unconvincing in that most of their business was delegated to smaller committees.

The Heung Yee Kuk and the District Boards in the New Territories were strongly opposed to the concept of a single council. The Kuk itself has been accustomed to handling the interests of the very scattered indigenous rural population which it represents. The District Boards felt the interests of residents in their districts would be better served by a council specializing in the problems of the new towns and rural areas and able to devote more attention to these than would a council supervising these services for the whole of Hong Kong.

Unofficial members of six of the ten urban District Boards have either shown their support for a separate council or said that a decision should be based on the views of the residents in the areas concerned. One Board gave no view and other views expressed were mixed and divided.

The financial and administrative arguments were finely balanced; but faced with the overwhelming desire for a new council by the people of the areas which such a council would serve the Government has decided in favour of a new Regional Council.

Much of what was said by the Urban Council in presenting its views on these proposals is valuable. Some means must be found to allow both Councils to support activities in each other's area of jurisdiction so that, for instance, the Urban Council would be able to sponsor sports training at the Jubilee Sports Centre as well as the Queen Elizabeth Stadium and the new Regional Council would not be barred from sponsoring events in the Coliseum. I am sure the experience of the Urban Council will be of great help in drawing up detailed plans.

The Government's intentions are that the new Regional Council will be composed of four types of members—

- 12 directly elected, constituency-based members;
- nine representatives elected from the New Territories District Boards from among themselves, only eight now, I shall explain when I come forward in a minute;
- three *ex-officio* members from the Heung Yee Kuk, who will be the Chairman and the two Vice-Chairmen; and
- 12 appointed members, three of whom will, at least at the beginning, be members of the Heung Yee Kuk, especially chosen to represent the three constituencies of the Kuk;

and that makes a total of 36 members.

In order to allow some working experience to be gained before the full Council comes into being in April 1986, the Government intends to establish a provisional Regional Council of appointed members early in 1985, although the precise date is not settled.

Elections for the 12 directly elected members will be conducted at the same time as those for the Urban Council in March 1986 and they would hold office from 1 April 1986 when the new Council will be formally established.

The proposal to re-draw the boundaries of the Urban Council's jurisdiction looks attractive on the map. All the islands to the south and west of Hong Kong have easier and more direct communications with Hong Kong Island than with the northern New Territories. Also the development started at Junk Bay will tend to make it more of an adjunct to Kwun Tong than the Clear Water Bay peninsula and Sai Kung. Here again the views of the District Boards were unequivocal. There should be no change. Nor did the Urban Council press for this adjustment. So the present boundaries will be retained.

The proposal that some of the services of the Recreation and Culture Department should be brought under the two regional councils has been

welcomed. The district services can readily be transferred. Central services such as liaison with the Amateur Sports Associations will be kept separate. The Council for Recreation and Sport and the Council for Performing Arts will remain in being to advise on matters within their terms of reference for the whole of Hong Kong.

To provide the necessary executive support for the Urban Council and the new Regional Council the present Urban Services Department and Recreation and Culture Department will be formed into two new departments each headed by a Chief Executive—one servicing the Urban Council and one the Regional Council. There will also be a new Secretary—probably to be known as the Secretary for Municipal Services—who will have policy responsibility for environmental hygiene matters, and cultural and recreational services, and who will exercise a coordinating function to encourage cooperation, consistency and the best use of resources between the two departments and the two Councils. He will act as a bridge between the Central Government and the two regional councils. There will also be some consequential adjustments to the schedules of responsibilities of some other Secretaries. The detailed financial and staffing implications are being worked out and will be put to Finance Committee as soon as possible.

Legislation will be required to establish, first, the Provisional Council and then the Regional Council and will be introduced by the Government for debate in this Council in the usual way.

Let me now turn to the three less controversial proposals.

The proposal to increase the number of elected members on District Boards has been welcomed, but there has been no demand for a reduction in numbers or elimination of the appointed members. Quite the reverse. It is recognized that the appointed members have considerable experience and make valuable contributions to the work of the Boards. These views are shared by elected members, by the public and indeed by the Government alike.

Our aim is that, after the March 1985 elections, the balance between elected and appointed members will be 2:1. This ratio will be applied with flexibility to take account of the special circumstances of some of the districts. The following guidelines will be used in determining the number of elected members on District Boards:—

in the urban districts, there will be one elected seat for a population of about 25 000 to 30 000 people;

in the New Territories districts, because of the uneven distribution and continuing growth of their population, the formula of one elected seat for 25 000 to 30 000 people will be applied with flexibility, taking into consideration differing geographical, social and political characteristics;

where the doubling of elected members would result in a District Board becoming too large and unwieldy the size of the board will be trimmed by reducing slightly the overall number of members while retaining the 2:1 ratio.

The application of these guidelines will mean that in March 1985 there will be 235 District Board seats up for election compared to the present 132. There will be a very slight reduction in the number of appointed members from 135 to 132. There will then be a total of 367 unofficial members.

The second of the February proposal was to consider whether some of the larger districts should be split up.

In the old urban areas five of the districts—Kwun Tong, Wong Tai Sin, Kowloon City, Sham Shui Po and Eastern each have about twice the population of the other five districts—Mong Kok, Yau Ma Tei, Central and Western, Wan Chai and Southern. The case for a split of the larger districts on population grounds seems good. But these districts have been in existence since the City District Officer Scheme was established in 1968 and now have a coherence of their own. None of the District Boards wants to split. Similar opposition to change was encountered in 1980 when the Urban District Boards were first established. It was suggested then that the smaller districts should be combined—Mong Kok with Yau Ma Tei and Wan Chai with Central and Western. In view of the opposition, no change is proposed to the existing ten urban Districts.

The case of Tsuen Wan is different. This district has now overtaken Kwun Tong in population and is the largest of all. It includes not only old Tsuen Wan but Kwai Chung, from which it is separated by a range of hills, and Tsing Yi Island. It makes administrative sense to keep it as one district under a District Commissioner. But the District Board has agreed that there should in future be two Boards—one for Tsuen Wan town and one covering Kwai Chung and Tsing Yi. No other change is proposed in the New Territories Districts.

The third proposal was that there should be increased District Board involvement in the management of local administration. This obviously makes sense in the case of new towns separated from each other by miles, but there are local variations in the old urban areas too. This idea has been welcomed and suggestions have been made as to how to go about it. No sweeping changes are proposed—rather detailed consideration of practical methods of fitting in the services of Board members in various fields. This will be taken further in the coming months in consultation with all concerned.

Sir, now that we can see the way through to completing these reforms at the regional and district levels we are in a position to carry further the work of introducing a more representative system of central government.

This stage had to be dealt with first. The District Boards have proved to be an excellent forum for debate on local affairs and on important matters facing us all. The elected members have shown the value of this system, which is new to Hong Kong: their influence is to be increased. The lacuna of a council at regional level for the New Territories had to be filled.

In answering a Question at the last meeting of Council the Chief Secretary said work on formulating proposals for the next stage was already in hand. When this has been completed a Green Paper will be published putting forward specific proposals for public comment.

## Government Business

### Motion

#### RATING ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—

- (a) that the percentage prescribed for the purposes of section 18(1) of the Rating Ordinance for the period 1 April 1984 to 31 March 1985 shall, in respect of every tenement in a specified area listed in the first column of the Schedule, be the percentage of the rateable value of such tenement respectively set out opposite that area in the second and third columns of the Schedule;
- (b) that, with effect from 1 April 1984, the percentage prescribed for the purposes of section 18(2) of the Rating Ordinance shall be—
  - (i) 7.5% in respect of any tenement for which an unfiltered supply of fresh water is available from a Government water-main; and
  - (ii) 15% in respect of any tenement for which no supply of fresh water is available from a Government water-main; and
- (c) that, with effect from 1 April 1984—
  - (i) the percentage prescribed for the purposes of section 19(1) of the Rating Ordinance shall be 20%; and
  - (ii) the amount prescribed for the purposes of section 36(1)(I) of the Rating Ordinance shall be \$1,000.

#### SCHEDULE

| <i>Specified Area</i> | <i>General Rates</i> | <i>Urban Council Rates</i> |
|-----------------------|----------------------|----------------------------|
| A                     | 3%                   | 2.5%                       |
| BC                    | 3%                   | 2.5%                       |
| DandD2                | 5.5%                 | Nil                        |

| <i>Specified Area</i>         | <i>General Rates</i> | <i>Urban Council Rates</i> |
|-------------------------------|----------------------|----------------------------|
| E                             | 5.5%                 | Nil                        |
| F1, F2, F3, F4, F5, F6 and F7 | 5.5%                 | Nil                        |
| G1, G2, G3, G4 and G5         | 5.5%                 | Nil                        |
| H1, H2, H3, H4 and H5         | 5.5%                 | Nil                        |
| J1, J2, J3 and J4             | 5.5%                 | Nil                        |
| K1 and K2                     | 5.5%                 | Nil                        |
| L1, L2, L4 and L5             | 5.5%                 | Nil                        |
| M1, M2, M3, M4 and M5         | 5.5%                 | Nil                        |
| N1, N2, N3, N4 and N5         | 5.5%                 | Nil                        |
| P                             | 5%                   | Nil                        |
| Q                             | 5%                   | Nil                        |
| R                             | 5%                   | Nil                        |
| S                             | 5%                   | Nil                        |

He said:—Sir, the proposed resolution provides for the relief measures designed to soften the impact of the increased rateable values in 1984-85. As described in paragraph 97 of the Budget Speech, these relief measures comprise reductions in the General Rate and Urban Council Rate percentages, a 20% limit on the increase in rate payment over that payable in the previous year, an increase in the minimum rateable value to \$1,000 and a 7.5% or 15% reduction in the rates payable in respect of tenements without filtered water supply or without fresh water supply respectively.

The relief measures came into effect on 29 February 1984 as a result of a Public Revenue Protection Order signed by His Excellency the Governor; demand notes notifying ratepayers of their new rateable values and the amount of rates payable for the second quarter of 1984 were issued that day to meet the requirement under section 17 of the Rating Ordinance.

The General Rates yield for 1984-85, with the relief provisions, is estimated at \$1.35 billion. This represents an increase of \$175 million over what might have been collected in 1984-85 without the general revaluation of rateable values.

Sir, I beg to move.

*Question put and agreed to.*

### **First reading of bills**

#### **LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1984**

#### **LANDS TRIBUNAL (AMENDMENT) BILL 1984**

#### **JUDICIAL SERVICE COMMISSION (AMENDMENT) BILL 1984**

**STAMP DUTY (AMENDMENT) BILL 1984****STAMP DUTY (AMENDMENT) (NO. 2) BILL 1984****MERCHANT SHIPPING (AMENDMENT) BILL 1984****IMMIGRATION (AMENDMENT) (NO. 2) BILL 1984****BUILDINGS (AMENDMENT) BILL 1984****EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1984**

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

**Second reading of bills****LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1984**

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 1984. In doing so, I should mention that I shall also be moving three other related Bills standing in my name.

The proposed changes embodied in the Bill were recently described by one esteemed newspaper as ‘another small step’ in ‘the Government’s painfully slow dismantling of rent controls’.

No step towards decontrol is too small for a tenant of controlled premises, whereas most, if not all, landlords of such premises would like to see the abolition of the legislation altogether—sooner, rather than later! I am afraid that the conflict of views as between landlord and tenant will remain ever present. In the present situation, however, I believe that the proposals are about right having regard to the interest of both landlords and tenants.

In order to put these proposals and the programme of de-control of the past few years into perspective, it may be useful to review what has occurred since 1977. The property market and rental situation at that time was such as to bring into question the need for any further extension of the rent control measures which had already been in existence since 1970. By May 1979, however, the rising domestic rent levels and the imbalance in supply and demand of housing were causing problems and apprehension to the public. The Government decided, therefore, that further measures were required to protect tenants and

curb profiteering, while not unduly fettering landlords' rights nor removing the incentive to invest in domestic property. This gave rise to the blanket rent control measures which were applied from 18 December 1979.

At the same time, the Government announced that it would institute a review of the overall provisions of rent control legislation and their effects on the supply and demand of housing. Thus, the Committee of Review, Landlord and Tenant (Consolidation) Ordinance, was set up. The principal conclusion of the Committee, which was announced and accepted by the Government in early 1981, was that rent control should gradually be phased out as circumstances permitted. This Bill, therefore, is yet another step in that direction.

The general softening of the rental market, particularly in 1983, and the improved supply/demand situation for housing, both signal that rent control is now less needed. It would be opportune therefore to continue the process of gradual decontrol and put right the anomaly of extremely low controlled rents in one sector, while maintaining the existing degree of protection to the majority of tenants. At the same time, it is hoped that the improving economy will stimulate property development and produce more housing for the future.

I shall now deal with the main proposals in the Bill.

#### *Pre-war business premises*

By an enactment in 1979, pre-war business premises, of which there remain about 1 700, are to be excluded from Part I controls from 1 July 1984 and will become subject to Part V which requires, generally, six months notice to terminate a tenancy. Landlords and tenants will then be free to negotiate rents according to prevailing market conditions. Clause 2 of the Bill proposes to extend this exclusion to business sub-tenancies in all pre-war domestic premises. Landlords and tenants of these premises would then be in the same position as their counterparts in post-war business premises. It should be said that only a very small number of sub-tenancies would be affected by this proposal.

#### *Permitted rents of pre-war domestic premises*

In keeping with the policy, established in 1978, of allowing annual increases to the permitted rent of prewar domestic premises, clause 4(a) proposes that the factor to be applied to the standard rent—that is the rent as at 25 December 1941—to arrive at the permitted rent, should be raised from 16 to 21.

For an average upper floor tenement, the proposed change will result in an increase of about 31% or \$200 per month on its current rent and will bring up its level to about 45% of the prevailing market rent. This type of premises, which numbered about 5 400 in 1978, has been decreasing steadily and now only about half are effectively under control.

#### *Luxury premises*

As Members will recall, luxury premises have been excluded from controls in phases by reference to rateable values. The exclusion point was \$80,000 in 1981,

\$60,000 in 1982, and \$50,000 in 1983. Now it is proposed that, from 19 December this year, premises with a rateable value of \$35,000 or above (that is the old rateable value as at 10 June 1983, before the recent revaluation) should be removed by clause 14(b) from Part II of the Ordinance which provides security of tenure and rent control, to Part IV which provides security of tenure at the prevailing market rent. It is intended to continue to use the old rateable value for this purpose because the new rateable values which took effect from 1 April 1984 have yet to be established.

About 2 000 tenancies will be affected, of which about 73 per cent are held in the name of corporations. Rents for this sector have been declining and the average level of controlled rent is already 77% of the prevailing market level. As no upsurge of rent seems likely in the coming year and there is a good supply of large flats forecast for the next two years, this sector is not expected to suffer any undue hardship.

#### *Transition of tenancies from Part II to Part IV*

As a further measure in keeping with the principle of gradually phasing out rent control, it is proposed, in clauses 17 and 31(a), to facilitate the transition of tenancies from Part II and Part IV. Tenancies could be transferred from Part II to Part IV upon the joint application of a landlord and a tenant. Such transfer could also be effected upon the application of a landlord or a tenant if the rent has reached 77% of the prevailing market rent, at which level, a 30% increase would in any case bring it up to the prevailing market level. Under Part IV, a tenant is given security of tenure and need not pay more than the prevailing market rent. This proposal should be welcomed by those tenants currently paying rents above the prevailing market level, where for example, a tenancy agreement was settled before market rents declined. Landlords too may prefer fixed term leases under Part IV rather than monthly tenancies statutorily continued under Part II.

#### *Compensation guidelines*

Clauses 20 and 32 of the Bill seek changes to the basis for calculating compensation payable to tenants dispossessed by reason of rebuilding. The compensation would comprise the sum of (a) a fixed amount equal to twice the rateable value as at 10 June 1983; and, (b) an amount to cover relocation costs, including any loss on the tenant's fittings, to be determined by the Lands Tribunal in the event of dispute. This is designed as a clear guideline which, it is hoped, will facilitate and encourage early settlement of compensation terms between landlords and tenants.

#### *Revision of the rent increase mechanism*

As another measured step in the decontrol process, it is proposed that the mechanism for regulating rent increases under Part II should be revised from 19 December this year. At present, the permitted amount of rent increase is the

lesser of either (a) the difference, divided by the factor '2', between the prevailing market rent and the current (controlled) rent, or (b) 30% of the current rent. However, if the controlled rent is exceptionally low, the existing provision allows the permitted increase to be an amount necessary to bring the current rent to at least 30% of the prevailing market rent.

The first of the two proposals, in clause 23(a)(i), is to simplify the mechanism by removing the factor which has the effect of forever repressing controlled rents below market levels, thus hindering the restoration of a free domestic rental market. As the process of de-control is already well advanced, with the average of controlled rents being 64% of prevailing market rent, it is clearly opportune to abolish this obstacle which impedes the process. I should point out however that none of those affected by this proposal will have their rents increased by more than 30% of the current rent.

The second proposal, in clause 23(a)(ii), is to permit rent increases, for tenancies with very low controlled rents, to reach at least 45% of prevailing market rent instead of the present 30%. This proposal would affect about 22 000 tenancies, but their increases, being based on very low rents, at below 35% of prevailing market rents, would be excessive compared with the general level of permitted increases. I might add that those affected would still be paying less than half the amount payable by new tenants for comparable premises.

#### *Exclusion from control of furnished tenancies*

A new provision is proposed in clause 31(b) whereby fresh lettings of fully furnished premises for a short term would be excluded from tenancy and rent controls. Such tenancies would be for, at the most, one year at a time and, in order to avoid abuse, would require the endorsement of the Commissioner of Rating and Valuation who would need to be satisfied that the tenant understands the effect of exclusion, the flat is fully furnished, and the landlord accepts responsibility for maintaining and repairing the premises, furnishings and fittings. This provision is designed to enable landlords, without being ensnared in the tenancy controls of Part IV, to meet demands of organizations bringing in overseas staff for short-term contracts.

#### *Technical amendments*

The Bill also proposes some technical amendments to facilitate the administration of the Ordinance. These include: simplified requirements and extended time limits for submission of documents to the Commissioner; the imposition of a fine for false statements and an administration fee for endorsement of late notices; and strengthening the Commissioner's powers of entry to inspect premises for the purpose of discharging his functions under the Ordinance.

Sir, may I once again emphasize that the proposals in the Bill are intended simply to carry through the dismantling of rent control, at a regulated pace within a reasonable span of time, but with the least possible adverse social

consequences. I should also reiterate that the majority of protected tenants will continue to enjoy the dual safeguards of security of tenure, and control on rent increases limited to a maximum of 30% of current rent over two years.

Sir, I move that the debate on this motion be now adjourned.

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

*Question put and agreed to.*

### **LANDS TRIBUNAL (AMENDMENT) BILL 1984**

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Lands Tribunal Ordinance’.

He said:—Sir, I move the second reading of the Lands Tribunal (Amendment) Bill 1984. The Lands Tribunal has the power to review its own decisions and alter them. However, as the Lands Tribunal Ordinance stands, it has no power to receive or hear fresh evidence on review. The District Court, which has a similar power of review, has this additional power to receive evidence. This Bill will make the powers of the Lands Tribunal in this regard consistent with those of the District Court and will enable it to receive and hear evidence on review.

Sir, I move that the debate on this motion be now adjourned.

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

*Question put and agreed to.*

### **JUDICIAL SERVICE COMMISSION (AMENDMENT) BILL 1984**

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Judicial Service Commission Ordinance’.

He said:—Sir, I further move the second reading of the Judicial Service Commission (Amendment) Bill 1984. The main purpose of this Bill is to remove from the purview of the Commission part-time members of the Lands Tribunal. These members are not lawyers and serve only when their expertise is required. There is no need to involve the Commission in their appointment or conditions of service.

The opportunity is taken to correct two anomalies in the Schedule; that is—

- (a) to correct an omission of the office of Justice of Appeal from the list of judicial office holders; and

(b) to delete the office of President of the Tenancy Tribunal which no longer exists.

Sir, I move that the debate on this motion be now adjourned.

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

*Question put and agreed to.*

### **STAMP DUTY (AMENDMENT) BILL 1984**

THE SECRETARY FOR HOUSING moved the second reading of:—‘A bill to amend the Stamp Duty Ordinance’.

He said:—Sir, I move the second reading of the Stamp Duty (Amendment) Bill 1984. Appeals under section 14 of the Stamp Duty Ordinance sometimes involve technical problems regarding the value of land. Some members of the Lands Tribunal have the expertise which would assist in resolving those problems. This Bill enables the District Court to call upon that expertise in deciding in those appeals.

Sir, I move that the debate on this motion be now adjourned.

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

*Question put and agreed to.*

### **STAMP DUTY (AMENDMENT) (NO. 2) BILL 1984**

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

He said:—Sir, I move that the Stamp Duty (Amendment) (No. 2) Bill 1984 be read a second time.

The object is to amend the Stamp Duty Ordinance consequent upon the enactment of the Companies (Amendment) Ordinance 1984. The latter, which will take effect shortly, requires companies to keep a register of debenture holders in Hong Kong. This requirement is designed for their protection. However, because of this new requirement, the transfer of bonds and notes issued by a Hong Kong company will become, quite fortuitously, liable to stamp duty. Representations have been made to the Government that the stamp

duty implications would create a serious market setback for this type of international financing which, following efforts by the banking industry encouraged by the Government, has been growing recently in Hong Kong. Accordingly the proposed Stamp Duty (Amendment) (No. 2) Bill 1984 seeks to amend the definition of 'stock' in the Ordinance, to remove the inhibitive effect of the unintended stamp duty charge on foreign currency and bond issues.

The relief proposed will have no adverse financial implications because no duty is presently generated from the transfers of bonds and notes.

Sir, I move that the debate on this motion be now adjourned.

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

*Question put and agreed to.*

#### **MERCHANT SHIPPING (AMENDMENT) BILL 1984**

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to amend the Merchant Shipping Ordinance'.

He said:—Sir, I move that the Merchant Shipping (Amendment) Bill 1984 be read the second time.

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, which came into force internationally on 28 April this year, prescribes recognized standards for the training and certification of seafarers—including officers and ratings—who are involved in watchkeeping duties.

Hong Kong has always followed international standards on the safety of life and property at sea, and it is consistent with Hong Kong's past practice that we comply with this Convention. If the proposed Bill is passed by this Council, the Convention will be extended to Hong Kong three months after the necessary regulations have been made. Failure to maintain and enhance our standards might well expose Hong Kong to the risk of sanctions being taken against our ships internationally.

Accordingly, the present Bill enables the Governor in Council to make regulations in respect of the minimum qualifications of officers and ratings, the manning of ships, the training and certification requirements as laid down in the Convention.

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*—SECRETARY FOR ECONOMIC SERVICES.

*Question put and agreed to.*

### **IMMIGRATION (AMENDMENT) (NO. 2) BILL 1984**

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

He said:—Sir, I move that the Immigration (Amendment) (No. 2) Bill 1984 be read a second time.

The main object of this Bill is to amend the Immigration Ordinance to enable the Immigration Department to operate in a more cost effective manner.

The Immigration (Amendment) Ordinance 1980 empowered immigration assistants to perform certain duties previously undertaken only by the immigration officers. Since then immigration assistants have been deployed to their new duties in a gradual and controlled manner with the result that there has been no diminution either in standards of service to the public or in enforcement of the Ordinance. These new arrangements are now fully introduced with the result that at 1984 salary levels annual savings of about seven million dollars are being made in the recurrent expenditure of the Immigration Department.

Further substantial savings could be made by reallocating certain investigatory duties now performed by immigration officers to immigration assistants. To achieve this end it is necessary, as proposed in clause 12 of the Bill, for the statutory powers held by immigration officers—

- (a) to detain documents produced in the course of immigration examination;
- (b) to arrest and to detain a person who is suspected of having committed an immigration offence; and
- (c) to search a ship, aircraft, vehicle, train, premises or place where there is reason to suspect that it contains a person who may be arrested or anything which may be seized under the Ordinance.

to be extended to immigration assistants.

Sir, further but smaller savings could be made in the costs of enforcing the Ordinance by adopting the proposals set out in clause 10 which provides for the recovery as a civil debt of expenses incurred by the Government for the maintenance and removal of persons in respect of whom removal or deportation orders are in force. The existing power, which is to seize money only, would thus be supplemented by the power to apply to a court for an order to repay the costs of maintenance and removal. Failure to comply with a court order could result in the enforced sale of the debtor's property to reimburse the Government.

Also, there could be some savings if customs officers were allowed to carry out certain limited immigration functions in the same way as police officers are empowered to do. An appropriate amendment is proposed in clause 13.

Sir, I move that this debate be now adjourned.

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

*Question put and agreed to.*

### **BUILDINGS (AMENDMENT) BILL 1984**

THE SECRETARY FOR HEALTH AND WELFARE moved the second reading of:—‘A bill to amend the Buildings Ordinance’.

He said:—Sir, I move the second reading of the Buildings (Amendment) Bill 1984, the purpose of which is to enable the Governor in Council to make regulations to require the provision of refuse storage chambers in buildings and to set out design criteria for such chambers.

It is intended that the regulations will make it mandatory for all new building development exceeding a certain size, with the exception of churches, schools, car parks and industrial buildings, to have properly constructed refuse storage chambers. These chambers will be for the temporary storage of refuse before removable to the Urban Services Department’s refuse collection points. For very large building developments, the provision of vehicular access will also be required, so that refuse collection vehicles may gain access and provide a direct collection service.

There is at present no requirement for the provision of refuse storage chambers in buildings, and baskets of refuse are often left in odd corners and passages before being moved to refuse collection points. This practice is environmentally offensive, unhygienic, and could be detrimental to public health.

It is envisaged that the regulations will be made and published in June 1984 and that they will come into operation on 1 January 1985.

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*—SECRETARY FOR HEALTH AND WELFARE.

*Question put and agreed to.*

**EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1984**

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

He said:—Sir, I moved the second reading of the Employment (Amendment) (No. 2) Bill 1984.

The Holidays Ordinance was amended last year to enable the Monday following the Queen’s Birthday to be observed as a public holiday. The purpose of the present Bill is to make amendments to the relevant sections of the Employment Ordinance so as to bring them into line with the Holidays Ordinance.

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—*  
COMMISSIONER FOR LABOUR.

*Question put and agreed to.*

**DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1984****Resumption of debate on second reading (2 May 1984)**

*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).*

**MONEY LENDERS (AMENDMENT) BILL 1984****Resumption of debate on second reading (2 May 1984)**

*Question proposed.*

MR. SO delivered his speech in Cantonese:—

督憲閣下：放債人條例的用意是管制放債人和放債業務，打擊「大耳窿」、「吸血鬼」、「高利貸」或「貴利王」的勾當。因為條例第二十四款規定，任何人士在放債時若收取超過實際年息六分，便是違法。自從條例生效以來，已有七十多名放債人受檢控。同時，有些放債人對拖欠債款者採取恐嚇手段，使用暴力及其他刑事行動以收回放出的款項。調查此類犯罪行徑，然後加以檢控，有時頗費時間，而原有條例規定觸犯條款的人士倘在犯事後六個月內未有因該罪而遭受檢控，便可逍遙法外，本法案目的在延長這個時限至兩年。相信在「魔高六月，道高兩年」的情況下，本港可進一步杜絕「大耳窿」。

督憲閣下，本人支持此法案。

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

Sir, the Money Lenders Ordinance aims at the control of money lenders and money-lending transactions, as well as to deal a blow to the illicit activities of 'loan sharks', 'blood-suckers' and 'usurers', because section 24 provides that 'any person who lends or offers to lend money at an effective rate of interest which exceeds 60% per annum commits an offence'. Since the implementation of this Ordinance, seventy-odd money lenders have been prosecuted. In order to recover the loans from debtors who fail to make repayment, means of intimidation, violence and other criminal actions have been resorted to by money lenders. While it often takes time to investigate such illegal activities and to bring subsequent prosecution under the existing Ordinance a person who contravenes the provisions, if not prosecuted within six months after the contravention, shall get away with it. The purpose of this Bill is to extend the limit to two years. 'When evil catches up, the law moves ahead': we shall certainly be able to do away with more 'loan sharks'!

Sir, I support the Bill.

SECRETARY FOR ECONOMIC SERVICES:—I am grateful to the honourable Member for his support.

*Question put and agreed to.*

Bill read the second time.

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

## **IMMIGRATION (AMENDMENT) BILL 1984**

### **Resumption of debate on second reading (2 May 1984)**

*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).*

## **MEDICAL REGISTRATION (AMENDMENT) BILL 1984**

### **Resumption of debate on second reading (25 January 1984)**

*Question proposed.*

DR. FANG:—Sir, the Bill has been studied by the Social Services Group of Unofficial Members. We support the purpose of the Bill, which is to make it easier for persons holding overseas medical qualifications to be registered as medical practitioners in Hong Kong. We feel strongly, however, that the standard of local medical profession should not be lowered as a result.

Clause 7 of the Bill, as presently worded, will give the Medical Council the power to grant full exemption from all parts of the Licentiate Examination to candidates it thinks fit. While we trust that the Medical Council will act in a responsible manner and be extremely careful in granting exemptions, we feel it necessary to provide some perimeters for decisions on exemption case, as practised in other professional bodies. This view was shared by the Hong Kong Medical Association and the Hong Kong Branch of the British Medical Association when they presented their views on the Bill to us. They pointed out that the spirit of paragraph 5 of the Secretary for Health and Welfare's speech, when he introduced the Bill into this Council on 25 January 1984, should be reflected in the Bill. For this purpose, I shall be moving an amendment to clause 7 during committee stage to make it clear that no exemption from any examination in respect of medical knowledge should be granted unless the candidate can satisfy the Medical Council that he has substantial experience in medical practice.

Another area which Unofficial Members have sought clarification is in respect of appeal procedures relating to exemption matters. While clause 9 provides that any person aggrieved by the decision of the sub-committee dealing with exemption matters may appeal to the Licentiate Committee and may take the matter further, with existing provisions in the principal Ordinance to the Medical Council, existing law provides that decisions of other sub-committees would be heard by a Review Sub-committee, and further appeals could only be made to the Licentiate Committee, whose decision would be final. This has caused some confusion. In order to make it clear that appeals on exemption matters can go up to the Medical Council, I shall be moving another amendment to clause 9.

Sir, subject to the approval of the committee stage amendment, I support the motion.

DR. HO:—Sir, the fact that there is a shortage of medical practitioners of all grades in government and government-assisted institutions is generally recognized, with an overall projected shortfall of 920 by 1993 in the public sector. Unless plans are made to overcome this shortfall soon, planned medical services and projects, like new clinics, polyclinics, hospitals and child assessment centres will either be delayed or cancelled altogether, resulting in a critical shortage of provision of medical and health services for the public.

How to alleviate this shortfall has been a constant concern for the Medical Development Advisory Committee, of which I am a member. The Committee has discussed a number of remedial measures. Unfortunately most of them are not wholly satisfactory, because either the measures examined take a long lead time or involve an enormous expenditure.

The proposed amendments in this Bill aim to facilitate the registration of medical practitioners holding overseas qualifications in Hong Kong by removing certain rigidities in the licentiate scheme; namely the residential requirement for licentiate examinations will be removed and the Medical Council will be empowered to grant exemptions to the test of English language proficiency and externship. These will effectively speed up the licentiate process, possibly to about one third of the time required under the present arrangements. It is hoped that these amendments will bring about an increased supply of doctors in the public sector with minimum acceptable standards of professional competence. In this regard, the proposals in the Bill are, no doubt, to the immediate interest of Hong Kong. They have my support.

Unofficial Members have carefully examined the provisions in this Bill and the representations received. Three amendments to the Bill will be proposed by my colleagues during committee stage.

Finally in order to further satisfy the medical service needs of the community, I would like to urge the Medical Council through Government, in exercising its new powers in granting exemptions, to give special consideration to those candidates who have expressed willingness to work in unpopular streams and unpopular postings such as ENT, pathology, anaesthesia, the family visiting medical service, prisons medical service or in clinics or hospitals in remote areas, but without sacrificing standards.

With these remarks and subject to the amendments proposed by my colleagues, Sir, I support the motion.

DR. IP:—Sir, the need for Medical Registration Bills all over the world serves three main purposes:—

Firstly, to maintain a certain medical standard of qualification and experience before a doctor can practice freely in a community.

Secondly, the set standard must be fair to all doctors being assessed.

Thirdly, that considering the local demand for doctors, local immigration policies must necessarily be affected so that any doctors with the necessary qualifications can benefit the community.

This Medical Registration (Amendment) Bill 1984, must likewise serve these purposes and I would like to stress again the three key points, namely, *a certain standard*, *a fair standard*, and *the local changing demand*.

Such purposes appear simple and the Bill straightforward, but the task of the Medical Council to execute such is by far more difficult than it may first appear.

The task is made more difficult when, for the sake of completeness and high flexibility, the Bill encompasses exemption clauses without adequately spelling out concrete guidelines under which such exemptions are to be granted. This opens the Bill to varying interpretations and subsequently to controversy.

To qualify under the Licentiateship examination, one must pass an English test, a multiple choice test on medical knowledge, an oral test on application of such knowledge and lastly an externship to ensure the acquisition of clinical experience based on applied knowledge. Exemption to the English test can be based on concrete examples, such as English being the mother tongue, or that medical qualification was obtained in an establishment where English was used as a medium of instruction and examination. Exemption to the Externship can be based on equivalent clinical experience ... such as if the doctor were to work in a local hospital setting under direct supervision of qualified medical practitioners. However, it would be extremely difficult to base exemption to the multiple choice and oral examination on an equivalent medical degree which Hong Kong is not familiar with, particularly since there are so many medical schools in the world. Instead of wasting time looking into the standards of medical schools all over the world, a task I believe even the Department has decided to be impossible, it is simpler to have all foreign medical graduates take these two parts without exemption. Any doctors with enough confidence in their own medical knowledge should not feel threatened by these two parts of the examination as long as the timing of such examinations is not an obstacle. If they do feel threatened, there is even more the need in fact for them to take it. We must of course ensure that the timing of the examination does not form an obstacle, a fact which has been reflected to me to be so.

I have been assured by the Department the essence of this Bill is that in most circumstances the exemption would be primarily for the English test and the externship, and that it would be extremely rare for full exemption to be granted even to the multiple choice and oral examination except in exceptional

circumstances. This would be when a doctor can satisfy the Council that 'he has substantial experience of the practice of medicine and surgery, or medicine, surgery and midwifery'. I have no reservation at all on the ability of the Medical Council with the calibre of its members, in assessing the medical knowledge and its application without necessarily using a carefully worked out examination. However, I would like to alert the council of the consequences after such exceptional power of full exemption is used for the first time. The issue will no longer be a medical, but a political one. With the new appeal system which will come into operation as stressed by my senior colleagues, I can foresee scores of appeal cases coming up.

I therefore have my reservations about this Bill but I will vote for this Bill only because of the following reasons:—

1. That the Medical and Health Department has assured us that full exemption would be granted only on rare occasions.
2. That internal guidelines for exemptions will be worked out by the Medical Council.
3. That I have confidence in the expertise of the members of the Medical Council in not lightly executing such full exemptions.
4. That the 'no residential qualification' amendment must be reviewed in the light of the local changing demand of doctors, particularly on the anticipated graduation of the Chinese University Medical School which will take place in a few years time.
5. And lastly, that a minor technical error of the Bill, the amendment of which I will be moving, to ensure that a combination of surgical and medical qualifications must necessarily coexist to make a graduate fully qualified, is rectified.

Under these conditions, Sir, I support the Bill.

SECRETARY FOR HEALTH AND WELFARE:—Sir, I thank Dr. FANG, Dr. HO and Dr. IP for their support.

In moving the second reading of this Bill, I said that it would not normally be the intention to grant exemptions from those parts of the licentiate examinations concerned with basic medical knowledge or clinical acumen, as it is important that medical standards are maintained. I therefore welcome the amendment to clause 7 which Dr. FANG will be moving at the committee stage, as this will put it beyond doubt that such exemptions will only be granted if the applicant satisfies the Medical Council that he has substantial practical experience.

Under existing law the Medical Council has powers to determine the requirements for becoming a licentiate, and has certain functions to perform in assessing the suitability of an individual applicant seeking to obtain a licence. These powers and functions may be delegated by the Council to the Licentiate Committee, which may in turn delegate them to sub-committees.

It is envisaged that the new powers of the Medical Council to grant exemptions from the requirements for becoming a licentiate will similarly be delegated to the Licentiate Committee. It will be for that Committee to decide whether or not to further delegate to a sub-committee, but if it does, the membership of that sub-committee will clearly need to be carefully considered in order to ensure the necessary professional input. In the event that such a subcommittee is appointed for this purpose, appeals against its decisions should properly be heard by the Licentiate Committee itself rather than by the review sub-committee which may not have the necessary medical expertise, and the decisions of the Licentiate Committee should not be final but should be subject to appeal to the Medical Council. The amendment to clause 9 which Dr. FANG has indicated he will be moving at the committee stage will make this clear, and it has my support.

Dr. IP is correct, I think, in one of her observations—namely, that some of the individual qualifications listed in the Schedule should not themselves give entitlement to registration. The amendment to clause 2 which she will move at the committee stage is therefore entirely appropriate.

*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).*

#### **SMOKING (PUBLIC HEALTH) (AMENDMENT) BILL 1984**

##### **Resumption of debate on second reading (2 May 1984)**

*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).*

#### **APPRENTICESHIP (AMENDMENT) BILL 1984**

##### **Resumption of debate on second reading (2 May 1984)**

*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).*

## **CROSS-HARBOUR TUNNEL (PASSAGE TAX) BILL 1984**

### **Resumption of debate on second reading (25 April 1984)**

*Question proposed.*

DR. FANG:—Sir, in speaking on this Bill I wish to highlight once again the needs of the disabled members of our community for whom the benefits of our society are not always as readily accessible as they are to the able-bodied.

I am grateful that the Government has continued to pursue an enlightened policy in trying to ensure that those people are able to have their fair share of life's opportunities.

It is therefore with a good deal of satisfaction that I will be proposing an amendment in the committee stage to exempt disabled drivers from payment of the Cross Harbour Tunnel Passage Tax.

Unofficial Members have received representations from concerned individuals and organizations on what they see as unfair discrimination against the disabled, who, unlike the rest of us, are unable to take the option of public transport. They are dependent on their own cars or on the service of the Rehabus and to have forced them to pay an increased rate in such circumstances would have been inequitable. The Administration has agreed with us and in addition to agreeing to the amendment for disabled drivers has also provided an assurance that the Rehabus service will be safeguarded from increased costs of operation through additional subventions. This is most welcome as it will ensure that those without the opportunity of owning their own cars will not have to pay increased fares on the Rehabus to travel to work or to hospitals and clinics for medical treatment.

The specific amendment to the Bill will allow a disabled driver to apply to the Commissioner for Transport for exemption from payment of the Passage Tax, in a similar way to the arrangements made for the Consular Corps.

Sir, subject to the approval of the committee stage amendment, I support the Bill.

MR. S. L. CHEN:—Sir, the Cross Harbour Tunnel Passage Tax proposal was first introduced to the public during the Financial Secretary's Budget Speech, the Bill itself was introduced only on 25 April 1984. However the long time interval has provided ample opportunity for those who wished to make representations and they have indeed done so.

The most powerful lobby came from those who considered that handicapped drivers who do not have the opportunity to choose to take public transport, should be exempted from the tax. This point has been accepted with great willingness by the Administration, resulting in the amendment to the Bill which Dr. FANG as indicated in his speech will be moving at the committee stage.

Sir, while accepting that this Passage Tax, by increasing the charge on the less economic and non-essential users of tunnel space, aims to discourage such users from congesting the tunnel, I believe that it would be more successful if the tax were only applied during peak hours. A flexible scheme such as this would spread the load on the tunnel, encouraging people to travel outside peak hours, rather than pricing them out of the tunnel completely. This would generally help to even out the peaks and troughs of road usage which are a constant feature of our traffic pattern, and also obviate the need for any compensation to the Tunnel Company for any loss of business.

During the Secretary for Transport's speech, our attention was called twice to the inadequacies of the Tunnel Company's computer system, once to explain why public and private light buses must be treated the same and again to explain why the peak hour scheme is not feasible at the moment. In a place like Hong Kong where the most sophisticated technological systems are available, such inadequacy seems singularly out of place.

I welcome the assurance given first by the Financial Secretary and reiterated by the Secretary for Transport that the \$140 million which are expected to be collected in tunnel taxes will be considered especially available for transport purposes. I hope that this will mean a commitment to the provision of a second fixed harbour crossing as soon as possible. To know that the proceeds of this tax will be going towards the construction of a second crossing rather than being lost in the amorphous body known as General Revenue may sweeten the pill somewhat for those of us who are going to pay.

Sir, I support any move to keep Hong Kong moving, knowing that the spectre of jammed highways and ultimate gridlock is particularly frightening in Hong Kong where the well-being of our commerce and industry depend so much on our ability to keep our traffic circulating.

Sir, I support the Bill.

REVD. P. T. MCGOVERN:—Sir, for decades the Government has acted on the self-made rule that vehicle and other transport-related taxes should go into General Revenue, and not be earmarked for roads or other transport-related

expenditure. Now we see the sign of advice from the Transport Branch—a policy U turn.

This generation of motorists has already paid for the existing Cross-Harbour Tunnel. It continues to pay generously into the pockets of the Cross-Harbour Tunnel Company's shareholders, who have long since got back their original investment, with a handsome profit. What this Bill proposes is that this same generation of motorists should now start paying for the next Harbour Crossing. They will thus be paying for both at the same time, one of which has already been paid for, and the other of which does not yet exist, and indeed may never exist if the present confidence crisis continues. That is one of the many crazy implications of this Bill.

The implications of this Bill are almost as crazy as the other proposal—not in this Bill—that the profits of the Company should be somehow, more or less, index linked. There are other ways of raising money than by again discriminating against the private motorist.

By the way, I question the assumption by Government that any considerable number of private motorists make unnecessary journeys across the harbour at ten dollars per two-way trip. Off hand, the only ones I can think of are those who drive to the Sha Tin Racecourse (*laughter*)—hardly a trip of national necessity.

One of the worst aspects of this Bill is the rather unconvincing attempt to introduce it under the umbrella of traffic management. So let me, while we are under the umbrella of traffic management make a suggestion on the subject of reducing congestion. Take away the stop-go toll gates and return this stretch of road to the public, and maintain it out of Public Revenue like any other stretch of road.

There are other unsatisfactory elements involved in this Cross-Harbour tax proposal. As I presume I am speaking to an unsympathetic, even hostile, audience, I will not bore you with the full list. Some of them have been pointed out in a thoughtful letter to the South China Morning Post of 8 May 1984, which I table as an annex to this speech (*annex not included in Hansard*), including one obvious misprint. The letter ends: 'In the coming debate on the Bill, I urge our Unofficials to think very hard on the principles involved before making their stand.'

Other unsatisfactory elements involved in the Bill have been temperately and logically dealt with in the petition addressed to Members by the Executive Director of the Automobile Association, whose views on this subject I heartily endorse. In brief, I express my concern and disagreement by opposing the motion, that is, that the Bill will be read a second time. As the amendments are an improvement and the third reading is part of a list, for simplicity sake I will prescind from the rest of the proceedings and confine myself to one 'no' to-day.

MR. WONG LAM delivered his speech in Cantonese:—

督憲閣下：海底隧道及其出入口的擠塞，正確的解決方法在於興建另一連接港九通道。可惜政府在這問題的處理上，非常緩慢。擠塞的現象雖然存在多年，但直至現在政府仍然未能在長遠的解決方案上作出決定，而祇是在治標方面採用寓禁於徵的手法來減輕擠塞。這點無疑是令人失望的。

但政府寓禁於徵的手法能否奏效，能否在新的連接港九通道落成前暫時解決海底隧道擠塞的問題，仍大有疑問。雖然部份駕駛人士可能會轉乘公共交通工具渡海，但當大家較為習慣這項稅收後，舊的習慣不難恢復，從而繼續使用隧道及令其擠塞如故。另一可能是將擠塞的現象由海底隧道遷移至汽車渡海輪碼頭附近。無論如何，本人恐怕這項稅收在解決擠塞問題上為時短暫及成效不大，甚至淪為為徵稅而徵稅。

另一方面，這項徵稅也違反稅收應該公平的精神。既然徵稅主要目的是針對引致隧道擠塞的駕車人士，則非繁忙時間使用隧道者既然沒有製造擠塞，便沒有負擔這項稅收的責任。此點本人在八四至八五年度財政預算案的辯論中也有提及。運輸司的解釋是海底隧道公司的電腦無能力處理這一問題，無法分開繁忙與非繁忙時間，所以二十四小時劃一徵收新稅。這種將先後次序倒置的邏輯值得商榷。既然海底隧道公司的電腦未有能力處理這一問題，政府理當先與該公司安排把電腦的問題解決，然後才開始徵稅。先徵稅而後希望隧道公司在毫無利益情況下改裝電腦，以求對駕車人士公平，實在是不切實際的想法。

另外，對於乘載傷殘人士的車輛，新法案原先沒有加以特別考慮。目前一般公共交通工具都不大適宜傷殘人士乘搭，所以本人同意方心讓議員的意見，新法案應將傷殘人士駕駛的車輛及復康巴士都一概豁免徵稅的做法。

閣下，本人對此法案，放棄投票。

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

Sir, the solution to the traffic congestion problem inside the Cross-Harbour Tunnel and at its access and exit roads is the construction of another link between Hong Kong Island and Kowloon. Unfortunately, Government's action on this problem is very slow. Although congestion has existed for many years, till now, Government has not yet decided on any long-term solution plan. Instead, it just takes the temporary measure of imposing tax to alleviate congestion. This is no doubt disappointing.

However, it is still doubtful whether Government's measure of imposing tax to alleviate congestion would be effective and whether it would temporarily solve the traffic congestion problem in the Cross-Harbour Tunnel before a new link between Hong Kong Island and Kowloon is completed. Although some motorists may turn to use public transport to cross the harbour, when all become more accustomed to this tax, it would not be difficult for the old habit to revive. People would then continue to use the tunnel, making traffic there as congested as before. Another possibility is the shift of congestion from the tunnel to the vicinity of vehicular ferry piers. In any case, I am afraid that the effect of this tax on the solution of the congestion problem would be short-lived and would not be great. It might even be reduced to the status of a tax imposed just for the sake of imposing tax.

Moreover, the way in imposing this tax is contrary to the spirit of fair taxation. As the main objective of this tax is against motorists who cause the tunnel congestion, then people using the tunnel in non-peak hours and thus causing no congestion should bear no responsibility of paying this tax. As regards this point, I also made a mention of it at the Budget Debate of 1984-85. The Secretary for Transport's explanation was that the computer of the Cross-Harbour Tunnel Company was not capable of distinguishing peak hours from non-peak hours, and thus the new tax had to be charged 24 hours a day. This logic of putting the cart before the horse is questionable. Since the computer of the Tunnel Company is not capable of handling such a problem, Government should therefore first make arrangements with the Tunnel Company to settle the computer problem before starting to impose the tax. The idea of imposing the tax first and then hoping that the tunnel company will re-fix its computer for the purpose of doing justice to the motorists without gaining any benefit for itself is indeed unrealistic.

Furthermore this new Bill originally did not give any special consideration to vehicles used for carrying disabled persons. In the light of the fact that at present public transport is generally not suitable for disabled persons, I therefore agree with the views as put forward by Dr. the Honourable Harry FANG that the new Bill should specify that all vehicles driven by disabled persons—whether they be private cars or Rehabuses—should be exempted from paying the tax.

Sir, I abstain from voting on this Bill.

SECRETARY FOR TRANSPORT:—Sir, I thank my Unofficial Colleagues for their considered comments on this Bill.

More specifically I wish to endorse what Dr. FANG, Mr. CHEN and Mr. WONG have said about assisting the disabled to play their full part in the work and social life of the community. The Administration accepts unreservedly the amendment which Dr. FANG will be moving at the committee stage to exempt disabled drivers from payment of the passage tax.

The absence of any specific provision in the Bill for rehabuses does not mean they have been overlooked. There is no question of the Government asking the Hong Kong Society for Rehabilitation to pass on the cost of the tax to the users of the rebus service. I am pleased to confirm the assurance referred to by Dr. FANG that the passage tax is regarded as a recognized cost for which additional subventions will be made.

I note Mr. CHEN'S and Mr. WONG Lam's concern about the Cross Harbour Tunnel Company's computer system and its inability to handle different tax rates for different periods of the day, or different tax rates for public and private light buses. However, the system was designed to cater for the Company's toll collection system for which it remains adequate. It would not have been

appropriate to require the Cross Harbour Tunnel Company to amend the system solely for the Government's purpose. Nonetheless if the computer system is to be replaced or updated for other reasons, I would discuss with the Tunnel Company how the revised system could take account of the Government's needs.

As regards the point made by Mr. WONG Lam of the need for a second fixed harbour crossing, I have explained in my speech of 25 April that the Steering Group will be submitting a final report to the Executive Council by September.

Father MCGOVERN disagrees with the Bill and has called for the abolition of the tolls and toll booths. I do not see what that would achieve except to induce an even greater number of vehicles, including those now using the vehicular ferries, to be diverted to using the tunnel. More congestion will be the inevitable result.

Sir, I beg to move.

*Question put and agreed to.*

Bill read the second time.

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

### **Committee stage of bills**

Council went into Committee

### **DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL 1984**

Clauses 1 to 6 were agreed to.

### **MONEY LENDERS (AMENDMENT) BILL 1984**

Clauses 1 and 2 were agreed to.

### **IMMIGRATION (AMENDMENT) BILL 1984**

Clauses 1 to 4 were agreed to.

### **MEDICAL REGISTRATION (AMENDMENT) BILL 1984**

Clauses 3, 4, 6, 8, 10 and 11 were agreed to.

Clauses 1 and 5

SECRETARY FOR HEALTH AND WELFARE:—I move that clauses 1 and 5 be amended as set out in the paper circulated to Members.

The amendment to clause 1 is to enable the date for the coming into operation of the new provision to be appointed by the Governor in order to give time for the Medical Council to devise suitable procedures. The amendment to clause 5 is merely to correct a drafting omission.

*Proposed amendments*

**Clause 1**

That clause 1 be amended by—

(a) being renumbered as subclause (1) thereof; and

(b) inserting the following subclause—

‘(2) Sections 7 and 9 shall come into operation on a day to be appointed by the Governor by notice in the *Gazette*.’.

**Clause 5**

That clause 5 be amended by deleting paragraph (a) and substituting the following—

‘(a) deleting “7(a) or (b);” in sub-paragraph (i) and substituting the following—  
“7(1)(a) or (b); and “;’.

The amendments were agreed to.

Clause 2

DR. IP:—I move that clause 2 be amended as set out in the paper circulated to Members. This is to rectify a minor technical error of the Bill to ensure that a combination of surgical and medical qualifications must necessarily co-exist to make a graduate fully qualified.

*Proposed amendment*

**Clause 2**

That clause 2(d) be amended in the definition of ‘United Kingdom or Irish diploma’ by deleting ‘and’ and substituting the following—

‘or any combination of those qualifications.’.

The amendment was agreed to.

Clauses 7 and 9

DR. FANG:—I move that clauses 7 and 9 be amended as set out in the paper circulated to Members, the reasons for which have been included in my speech.

*Proposed amendments*

**Clause 7**

That clause 7 be amended, in subsection (4), by—

(a) deleting the full stop and substituting a colon; and

(b) inserting the following proviso—

‘Provided that a person shall not be exempted from any examination in respect of medical knowledge unless he satisfies the Council that he has substantial experience of the practice of medicine and surgery, or medicine, surgery and midwifery.’.

**Clause 9**

That clause 9 be amended by—

(a) deleting ‘by inserting, after subsection (1), the following’ and substituting the following—

‘(a) by inserting, after subsection (1), the following—’;

(b) deleting the full stop at the end and substituting the following—

‘;and’; and

(c) inserting, after paragraph (a), the following—

‘(b) in subsection (2) by deleting “other than a decision of the Committee” and substituting the following—

“including a decision under subsection (1B) but not a decision”.’.

The amendments were agreed to.

**SMOKING (PUBLIC HEALTH) (AMENDMENT) BILL 1984**

Clauses 1 to 3 were agreed to.

**APPRENTICESHIP (AMENDMENT) BILL 1984**

Clauses 1 and 2 were agreed to.

**CROSS-HARBOUR TUNNEL (PASSAGE TAX) BILL 1984**

Clauses 1, 2, 3, 5, 7 to 12 were agreed to.

Clauses 4 and 6

DR. FANG:—I move that clauses 4 and 6 be amended as set out in the paper circulated to Members, the reasons for which I have included in my speech.

*Proposed amendments***Clause 4**

That clause 4 be amended—

(a) by inserting after subsection (3) the following subsection—

‘(4) A person who—

(a) holds a valid driving licence issued to him as a disabled person in accordance with the Road Traffic (Driving Licences) Regulations; and

(b) satisfies the Commissioner that he requires, as the driver of a private car, to make use of the tunnel,

shall when driving that car be exempted from tax in accordance with such arrangements as may be agreed between the Company and the Commissioner or, in the event of a failure to agree, as the Commissioner may, by direction in writing to the Company, require.’;

(b) by renumbering subsection (4) to be subsection (5);

(c) in subsection (5) by deleting ‘subsection (3)’ and substituting the following—  
‘subsections (3) and (4)’.

**Clause 6**

That clause 6(1)(b) be amended by deleting ‘section 4(3)’ and substituting the following—

‘section 4(3) and (4)’.

The amendments were agreed to.

First and Second Schedules were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL reported that the

DEPOSIT-TAKING COMPANIES (AMENDMENT) BILL

MONEY LENDERS (AMENDMENT) BILL

IMMIGRATION (AMENDMENT) BILL

SMOKING (PUBLIC HEALTH) (AMENDMENT) BILL and the

APPRENTICESHIP (AMENDMENT) BILL

had passed through Committee without amendment and the

MEDICAL REGISTRATION (AMENDMENT) BILL and the

CROSS-HARBOUR TUNNEL (PASSAGE TAX) BILL

had passed through Committee with amendments and moved the third reading of the Bills.

*Question put on the Bills 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, 30 May 1984.

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