OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 24th November 1976

The Council met at half past two o'clock

PRESENT

HIS EXCELLENCY THE ACTING GOVERNOR (PRESIDENT) SIR DENYS TUDOR EMIL ROBERTS, KBE, QC, JP THE HONOURABLE THE FINANCIAL SECRETARY MR CHARLES PHILIP HADDON-CAVE, CMG, JP THE HONOURABLE THE ATTORNEY GENERAL MR JOHN WILLIAM DIXON HOBLEY, CMG, QC, JP THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS MR DENIS CAMPBELL BRAY, CVO, JP DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP DIRECTOR OF MEDICAL AND HEALTH SERVICES THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP SECRETARY FOR HOUSING THE HONOURABLE LI FOOK-KOW, CMG, JP SECRETARY FOR SOCIAL SERVICES THE HONOURABLE DAVID AKERS-JONES, JP SECRETARY FOR THE NEW TERRITORIES THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP SECRETARY FOR SECURITY THE HONOURABLE DAVID WYLIE McDONALD, JP DIRECTOR OF PUBLIC WORKS THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, CMG, JP DIRECTOR OF EDUCATION THE HONOURABLE IAN ROBERT PRICE, CBE, TD, JP COMMISSIONER FOR LABOUR THE HONOURABLE DAVID GREGORY JEAFFRESON, JP SECRETARY FOR ECONOMIC SERVICES THE HONOURABLE ALAN JAMES SCOTT, JP SECRETARY FOR THE CIVIL SERVICE THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP DIRECTOR OF AGRICULTURE AND FISHERIES THE HONOURABLE THOMAS LEE CHUN-YON, JP DIRECTOR OF SOCIAL WELFARE THE HONOURABLE DEREK JOHN CLAREMONT JONES, JP SECRETARY FOR THE ENVIRONMENT THE HONOURABLE DAVID RAYMOND BOY, JP SOLICITOR GENERAL (Acting) DR THE HONOURABLE CHUNG SZE-YUEN, CBE, JP THE HONOURABLE LEE QUO-WEI, OBE, JP THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP

THE HONOURABLE LI FOOK-WO, OBE, JP
THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP
DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP
THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP
THE HONOURABLE LO TAK-SHING, OBE, JP
THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP
THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP
THE REV THE HONOURABLE JOYCE MARY BENNETT, JP
THE HONOURABLE CHEN SHOU-LUM, JP
THE HONOURABLE MISS LYDIA DUNN, JP
DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP
THE HONOURABLE LEUNG TAT-SHING, JP
THE REV THE HONOURABLE PATRICK TERENCE McGOVERN, SJ, JP
THE HONOURABLE PETER C. WONG, JP

ABSENT

THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP DIRECTOR OF COMMERCE AND INDUSTRY, THE HONOURABLE JAMES WU MAN-HON, OBE, JP THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL MRS LOLLY TSE CHIU YUEN-CHU

THE HONOURABLE WONG LAM, JP

Oath

MR Boy took the Oath of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT: —I have much pleasure in welcoming Mr Boy to this Council.

Papers

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Session

No 15—Supplementary provisions for the quarter ended 30th June 1976 published on 24.11.76

Oral answers to questions

Assistance to prospective purchasers of homes

Mr Bremridge asked:— 1.

Sir, what steps are Government prepared to take in order to reduce the cost of borrowing money for prospective purchasers of homes built by private enterprise?

Oral answers

The Financial Secretary:—Sir, I presume my honourable Friend is referring to the passage in the Governor's speech last month which dealt with the setting up of a Working Party on Home Ownership to examine whether mortgage arrangements could be devised to assist households in a certain income range to purchase their own flats. I do not yet know for certain whether such arrangements can be devised, let alone what they will look like. But if they can be devised then we can envisage a home ownership scheme within the public housing sector and, subsequently, I would hope these arrangements could be applied to eligible households (somehow defined) wishing to purchase flats built by the private sector.

MR Bremridge:—Sir, has Government considered, inter alia, seeking advice on the establishment of UK style housing societies in Hong Kong?

THE FINANCIAL SECRETARY: — The possible role of building societies has been examined. We have not any rate at this stage, sought expert advice from the United Kingdom.

District Court Ordinance

2. MR Lo asked:—

Sir, when will Government introduce legislation to amend the District Court Ordinance so as to provide the District Courts with jurisdiction to award costs to a person acquitted of a criminal offence?

THE ATTORNEY GENERAL:—During this Session, Sir.

Off-course betting offices in Public Housing Estates

3. MR WONG LAM asked:—

Sir, how effective is the setting up of off-course betting offices at public housing estates in combating illegal gambling syndicates?

SECRETARY FOR HOME AFFAIRS:—Sir, it is too early to assess the effect of setting up off-course betting offices at public housing estates has on illegal gambling within the estates. By themselves they are only one half of the attack on the problem. The other half is the attack on illegal gambling that the Government will be able to mount when it has the powers and penalties of the new Gambling Bill at its disposal.

Of the 115 off-course betting offices operated by the Royal Hong Kong Jockey Club, only 3 are located inside public housing estates. These are in Wah Fu, Wong Chuk Hang and Oi Man Estates. In view of the small number of estates involved and the fact that they have only been in operation for a very short period, it is difficult to assess whether these offices have had any significant effect in combating illegal gambling in estates. Some inroads seem to have been made into the illegal gambling rackets as would be expected. With the Jockey Club off-course betting facilities readily and conveniently available within these public housing estates, it is inevitable that some punters will be attracted from patronizing illegal book-makers.

My honourable Friend's question is reasonable but a bit early. We are dealing with some very long established and deeply entrenched rackets. The twin arms of policy—controlled betting centres and stronger powers should yield results. I should like to review the matter again next summer after new powers have been used in earnest.

Off course betting offices—reaction of Housing Estate residents

4. MR Wong Lam asked:—

Sir, what is the general reaction of residents in public housing estates to the setting up of off-course betting offices?

Secretary for Home Affairs:—Sir, as I have just said only three betting offices have been set up in housing estates. These have been well patronized and have not caused complaint. One was proposed for Ko Chiu Road estate and was resisted.

It is difficult to generalize reaction of housing estate residents across the board. They comprise nearly half the population. Their reactions are probably much the same as anyone else—a pretty good mixture.

Oral answers

New Territories—public libraries

5. MR ALEX WU asked:—

Sir, when will Government make funds available for the establishment of more public libraries, with study rooms attached, in the New Territories?

SECRETARY FOR THE NEW TERRITORIES:—Sir, the lack of library services in the New Territories has been of great concern to me and I very much appreciate my honourable Friend's interest in this subject.

I am happy to say that we are now on the move. On 6th July the Executive Council approved a policy for the provision of library services, and on 10th November the Finance Committee of this Council accepted a financial commitment of \$6 million for fitting out, furniture and books, and expenditure of \$4.4 million on various running expenses.

This financial year we are making a start with two libraries in the eastern New Territories, at Tai Po and Sheung Shui. Tsuen Wan already has a library, but it is not nearly big enough, and here and in the other new towns, some expansion will take place in the interim before the planned libraries of 12,000—16,000 sq. ft. are completed in 1980/81.

With the exception of smaller branch libraries, all permanent facilities will include study rooms as a composite feature. Every opportunity is being taken to earmark more accommodation for study rooms—for example in housing estates and community centres. In addition, I understand that the Social Services Branch is currently engaged in a more precise examination of the need for study rooms.

The ordering and assembling of books, and the training of staff, takes time. I think, however, that my honourable Friend will agree that the programme I have outlined demonstrates a real effort to correct the situation.

Mahjong schools—number in operation

6. MR LOBO asked:—

Sir, how many mahjong schools are now in operation under the Gambling Ordinance?

SECRETARY FOR HOME AFFAIRS:—92, Sir.

Mahjong schools—role of

7. Mr Lobo asked:—

Sir, is Government satisfied that these mahjong schools still fulfil the role for which they were originally established?

Secretary for Home Affairs:—Sir, mahjong schools were originally established outside the law and they served as a gathering place for bad characters. They no longer fulfil this role. (*laughter*)

My honourable Friend no doubt has a long memory but it may help other honourable Members if I re-state the role intended for these schools when they were licensed, as I suspect it is only the licensed schools my honourable Friend is asking about.

In 1950 a police survey revealed that there were 39 mahjong houses in operation. They were not subject to any form of control, nor were they required to take out any form of licences. They were used as meeting places by triads and other sorts of criminals but as I said there was no way in which the police could exercise any measure of control over them unless they had actually broken the law. The Government proposed initially to prohibit these establishments altogether but later decided to license them because, as the Colonial Secretary of 1956 said, "prohibition of these establishments would put a large number of persons out of work and it should be possible to prevent abuses which had arisen in these establishments by a system of control through licensing". Mahjong was, and still is, a common and popular game played by many and prohibiting such establishments would only have driven them underground and into the hands of unlawful elements.

The licensing of mahjong schools has brought them under better control and the object of licensing has I think been achieved.

Mahjong schools—future of

8. MR LOBO asked:—

Sir, what is Government's policy in regard to the future of Mahjong Schools?

SECRETARY FOR HOME AFFAIRS: — Sir, my honourable Friend's two previous questions referred to the present and the past. As to the future our policy must depend on the way things go after the new Gambling Bill becomes law.

[Secretary for Home Affairs] Oral answers

This bill will make it no longer an offence to play mahjong publicly in licensed restaurants and in the premises of lawful clubs and societies. When this bill has been in operation for some time, we shall be in a better position to see whether there should be any change in policy.

Airport—immigration clearance

9. MR F. W. LI asked:—

Sir, in order to expedite immigration clearance of incoming air passengers who have unqualified right of entry to Hong Kong, will Government consider establishing separate immigration counters at the airport for such persons, that is, holders of Hong Kong British passports and other passports holders who are classified as Hong Kong belongers?

SECRETARY FOR SECURITY:—Yes, Sir, though an experiment conducted in May showed up a number of practical problems associated with the physical layout of the arrivals hall, staff deployment and coordination with the airlines. Ways to overcome these problems are now being studied and I hope it may be possible to introduce special facilities for returning Hong Kong residents during 1977.

Self-recording rain gauges

10. REV JOYCE BENNETT asked:—

Sir, when will self-recording rain gauges be installed in all areas which are particularly susceptible to rainstorm damage?

MR McDonald:—Sir, the Royal Observatory already has a network of thirty-two self-recording rain gauges in operation through-out the territory. A further five gauges will be installed early next year in selected areas specifically to provide information for investigations into the stability of slopes.

The information obtained from these rain gauges and from other instruments to be installed in the ground will enable us to better understand ground-water behaviour in Hong Kong soils and to refine existing stability-analysis techniques to suit local conditions.

The investigations to which I have referred will not in themselves provide early warning of possible slope failure. Other instruments, of which there are already more than two hundred installed at some twenty-six locations, provide, by regular monitoring, early warnings of possible failure by measuring ground water pressures and slope movements.

Police Training School—swimming pool

11. MR Q. W. LEE asked:—

Sir, will Government state when a swimming pool is likely to be provided for the Police Training School to facilitate practical training?

SECRETARY FOR SECURITY:—Sir, I am not in a position to say when this swimming pool will be constructed.

There are 24 police projects in the Public Works Programme and which have been awarded priority categories. As yet the pool has not been included in the Programme though its need was accepted in principle by the administration in 1975. Its inclusion is dependent on the acceptance of a recommendation by the Commissioner of Police when he has assessed its priority against other police projects and when an assessment has been made against the priorities of all projects in the Programme. The Commissioner is at present considering the relative importance of this project and will be making a recommendation in due course.

Lok On Pai Desalting Plant

12. DR CHUNG asked:—

Sir, will Government make a report on the test running of the Lok On Pai Desalting Plant since it commenced operation?

MR McDonald:—Sir, a full technical report on the test running of the Lok On Pai Desalting Plant has been completed and can be provided to any honourable Member who wishes to study the data.

Briefly, the specification for the plant called for acceptance tests of six months' duration for each of the six evaporator and boiler units. However, in view of the very favourable water storage position at the beginning of 1975 when the tests were due to commence and

[MR McDonald] Oral answers

in order to conserve fuel, an agreement was reached with the contractor to carry out the full tests on one unit only and curtailed tests, with built-in safeguards, on the other five units.

The results of the acceptance tests show that all six units fully comply with the stipulated requirements both in terms of output and thermal efficiency.

Curtailment of the tests produced a saving on fuel amounting to approximately \$60,000,000 and a reduction of about \$430,000 on the contract price by the elimination of part of the Contractor's test supervision.

DR CHUNG:—Sir, I am looking forward to receiving a copy of the technical report on the test running of the desalting plant, but in the meantime, may I ask my honourable Friend a supplementary question? Are the operations and efficiency of the desalting plant adversely and materially affected by the large amount of silty water coming down from the Pearl River?

MR McDonald:—No, Sir, there are no serious effects detected from the silting from the Pearl River.

DR CHUNG:—Sir, to what extent is the desalting plant faced with the problem of corrosion and erosion?

MR McDonald:—Sir, various corrosion detecting devices had been installed in the plant at some 40 different points in the plant system. The full details of the operation of these devices are contained in the technical report.

Pleasure vessels—licensing of

13. MR WILLIAMS asked:—

Sir, will Government amend Regulation 6 of the Merchant Shipping (Pleasure Vessels) Regulations to provide that, on transfer of the vessel, the new owner may take over the existing licence until its expiry as is the practice in the sale of a motor-vehicle?

Secretary for the Economic Services: — Sir, the Government has already completed a review of the Merchant Shipping (Pleasure Vessels) Regulations and will shortly be seeking the advice of Executive Council on a number of amendments to them. One of the proposed amendments is on the lines described by my honourable Friend.

Employment of disabled persons

14. Dr Fang asked:—

Sir, will Government consider extending its present policy on the recruitment of disabled persons to include their employment as toll collector?

Secretary for the Civil Service:—Sir, Government's policy is to employ disabled persons in the Civil Service wherever possible. Disabled persons applying for Government posts are considered on equal terms with other applicants, and provided they can undertake the prospective duties efficiently, their disability is no bar to employment. This policy is set out in Civil Service Regulations, and heads of departments provide me annually with details of disabled persons employed in their departments.

The Tunnel Control Officers at the Lion Rock Tunnel, to whom I think my honourable Friend refers, do not only collect tolls. Their duties include traffic control, traffic patrols and law enforcement in the Tunnel, and the operation of emergency service vehicles in the event of breakdowns, fire, accidents or injuries in the tunnel, and on the approach roads. They must therefore have some practical experience of mechanical engineering, good physique, hearing and eyesight, and a valid driver's licence for private cars. They must also have a driving licence for vehicles over 2 tons unladen weight, or obtain such a licence within three months of appointment. I think therefore, with regret, that it is unlikely that disabled persons could manage this work.

However, there are also the staff who collect car park fees, whose duties are limited to collecting fees. No disabled persons are thus employed at present, but the Commissioner for Transport has agreed to investigate whether this may be possible.

MR CHEUNG:—Sir, why is it necessary to employ such highly qualified staff to collect tolls at the Lion Rock Tunnel?

Oral answers

SECRETARY FOR THE CIVIL SERVICE:—Because, Sir, as I said in my reply, they do perform other duties as well.

MR CHEUNG:—Why don't you employ people separately to perform those other duties and people to collect tolls?

SECRETARY FOR THE CIVIL SERVICE:—Because, Sir, we should need rather more staff than we have at present.

MTR construction—noise problem

15. MR PETER C. Wong asked:—

Sir, has the MTR construction created any noise problems for local comunities near construction sites, in particular for schools and other similar institutions?

Secretary for the Environment:—Sir, the short answer is "yes" and a slightly longer one is "in some cases". It would be surprising if a massive civil engineering operation of this nature, involving digging up, or boring under, large parts of the urban area did not give rise to noise problems at some point or another. The question is how adequately the problems are being tackled.

First, the possible effects of construction noise, particularly from percussive piling, on local communities were carefully studied during the planning of the Mass Transit Railway. The contract documents required that contractors should take all reasonable measures to reduce the noise of their plant and equipment, and stringent limitations were placed on the noise from construction activities between the hours of 11 p.m. and 6 a.m. Certain locations were also identified as being particularly sensitive to noise; and the contract specifications restricted the use of percussive piling in these places to those times of the day when they would least affect the surrounding environment. For instance, the use of percussive piling is not permitted close to schools during school hours.

Since the works started, particular problems have arisen in certain areas and these have had to be dealt with on the spot as they emerged. As an example, a particularly high level of noise was produced on the site of Shek Kip Mei Station by the use of heavy

rock breaking plant and this upset schooling at Ming Ying College and Holy Trinity College nearby. Various means of cutting down the noise were considered, such as the use of alternative equipment, the erection of acoustic screens and the provision of double glazing and air-conditioning for the classrooms affected. Following discussions with the school authorities, the Mass Transit Railway Corporation has provided, at its own expense, certain equipment in the two schools, including air-conditioning, ventilation fans and voice amplifying equipment and this is considerably easing the problem.

Another example is the Kwun Tong area, where construction work is just starting and where, because of the conditions of the area, it was anticipated that noise problems would arise. Because of this, the Mass Transit Railway Corporation and the Public Works Department have jointly agreed various measures by which it is hoped to reduce the noise from piling operations in particular. So far the measures adopted seem to be having a significant effect in containing noise. The position will, however, continue to be monitored and further steps will be taken if they are found to be necessary.

Handicapped people—transport facilities

- 16. MR Peter C. Wong asked:—
 - Sir, (a) will Government reconsider providing lifts for handicapped people at the main MTR stations?
 - (b) if not, what alternative transport facilities does Government plan to provide for the handicapped?

Secretary for the Environment:—Sir, the question of whether lifts should be provided at MTR stations for the use of handicapped persons has already been studied most exhaustively by the Government and the Mass Transit Railway Corporation and the matter has also been discussed with UMELCO. As a result the Government has concluded that it would be neither practicable, nor in the interests of the handicapped themselves, to provide such facilities.

There are a number of reasons for this, which the Government considers to be compelling. The main one is that the MTR will be a very heavily used system, with dense crowds in the station concourses, on the platforms and inside the trains, where there will be seats for only 20% of the passengers. Trains will also stop for only 20 to 30 seconds at stations, when there will be large numbers of

[SECRETARY FOR THE ENVIRONMENT] Oral answers

people getting on and off. This degree of congestion and movement would be more than those handicapped people who are compelled to use lifts would be capable of coping with, and it would not be fair to lead them to believe that this would not be the case.

A second reason is that, due to the fact that most stations have a central platform, it would not be possible to provide lifts direct from ground level to the platforms. This would very considerably reduce any benefits which lifts would provide to the handicapped.

Given the very dubious benefits which, for the two reasons I have just mentioned, are likely to result from the installation of lifts, the third reason, the cost, becomes relevant. The Corporation has estimated that to install lifts at stations on the Modified Initial System alone could cost well over \$30 million. This additional cost, which would probably have to be met from public funds, would be out of all proportion to the benefit conferred.

My honourable Friend will be happy to learn, however, that the MTR system as at present designed should be able to cope with those handicapped people who are reasonably mobile and able to negotiate stairs and escalators and that, to this end, the stations have been specifically designed to comply with the requirements laid down in the Report of the Committee on Design Requirements for Handicapped People.

As regards the second part of the question, Sir, a Working Party which was appointed by the Government to examine means of improving transport facilities for the disabled has now reported. Among other things, the Working Party recommends that there should be reserved seats and other provisions for the disabled on buses, trams, surface trains and ferries, as well as the provision of additional facilities at pedestrian crossings, bus terminals and ferry piers. The Government is now considering how best to implement as many of the recommendations as possible and, to this end, it is working closely with the Committee on Access of the Hong Kong Council of Social Services.

DR FANG:—Sir, will there not be lifts provided in some stations for emergency rescue purposes in the Mass Transit System?

Secretary for the Environment:—Sir, I think I will need notice of that question. It is not quite connected with the question itself and I will be in touch with my honourable Friend about it.

Housing allowance—local officers

17. MR CHEUNG asked:—

Sir, will Government consider the introduction of a graduated housing allowance for local officers who are *below* the salary point at which housing allowance is at present payable?

Secretary for the Civil Service:—Sir, possible methods of helping officers who qualify neither for the allocation of public housing (that is, on salaries up to \$2,200 a month) nor for private tenancy allowance (that is, on salaries over \$5,620 a month) are under active consideration. A housing allowance of some kind is one method by which assistance might be provided, and it will be considered accordingly.

Social Welfare Subvention

18. DR HU asked:—

Sir, when will Government pay to subvented welfare agencies the supplementary grants to enable them to revise their staff salaries for the current year?

MR THOMAS LEE:—Sir, I assume that my honourable Friend Dr Henry Hu is referring to the supplementary subvention which was approved by Government to assist voluntary welfare agencies in adjusting their salaries from 1st April 1976 as a result of the recent salary increase awarded to the Civil Service. I am pleased to inform him that the Social Welfare Advisory Committee at its meeting on the 5th of this month advised how this additional subvention should be allocated. The welfare organizations were informed last week how much they would get as supplementary subvention towards the subvented portion of their salary bills. Payments are now being made to these welfare organizations.

DR Hu:—Sir, may I ask you a supplementary question? Could my honourable Friend the Director of Social Welfare inform the Council whether the increase in salary awarded to the subvented welfare organization the same as that awarded to the Civil Service?

MR THOMAS LEE:—Sir, Social Welfare Subvention is paid on a discretionary basis. We have no control over how the agencies paid their staff. The percentage increase awarded to the civil service as we all know is 13%. The supplementary subvention to the agencies would be 13% of the subvented portion of their salary bills.

Oral answers

Married female officers—benefits

19. MR LEUNG asked:—

Sir, will Government consider extending to married female officers the same benefits enjoyed by their male counterparts as well as by single female officers?

SECRETARY FOR THE CIVIL SERVICE:—Sir, single female officers, or married female officers who are widowed, divorced, or demonstrably separated from their husbands, receive the same benefits as their male counterparts.

The only conditions of service which married female officers do not receive are those for which in this community responsibility appears generally to rest with the male spouse as head of household. These are: housing benefits, education allowances for children, family medical benefits and, in the case of overseas officers, family passage allowances. It is not at present considered, bearing in mind the apparent general view of the community, and practice in the private sector, that it would be appropriate to extend these conditions to married female officers who are not, as I said before, divorced or widowed or demonstrably separated.

MR T. S. Lo:—Sir, in the spirit of equality between the sexes, will Government consider granting to married male officers paternity leave? (*laughter*)

Secretary for the Civil Service:—Sir, I am aware that in some countries it is granted under certain very complicated arrangements. I think the short answer is, when there is sufficient evidence from the private sector and of the views of the community as a whole, we will consider it.

Lion Rock Tunnel

20. DR FANG asked:—

- Sir, (a) does Government consider the present arrangements for toll collection at the Lion Rock Tunnel unsatisfactory?
 - (b) if so, what plans do Government have to improve the situation?

Secretary for the Environment:—Sir, the Government is satisfied with the basic physical and accounting arrangements for the collection of tolls at the Lion Rock Tunnel. They have worked efficiently since the tunnel was opened in 1967 and should continue to do so. On the other hand, with the steady increase in traffic using the tunnel, there are clearly not sufficient toll booths in operation to cope with the flow during peak periods. To operate more booths, however, requires extra staff and the Commissioner for Transport has already made a request for this. I can promise my honourable Friend that every effort will be made to expedite this request and that, hopefully, more toll booths will be in operation early next year.

MR CHEUNG:—Sir, are records kept of the hours that individual members of staff keep in collecting tolls, in being engaged on the other duties mentioned by my Friend the Secretary for the Civil Service, and in just ordinary standby duty in the building outside the tunnel?

SECRETARY FOR THE ENVIRONMENT:—Sir, I am sure that the staff have to account for the use of their time when they are on duty. But I can say to my honourable Friend that at present moment, three toll booths are always in operation.

DR CHUNG:—Will Government consider employing disabled persons for these toll collections, Sir?

Secretary for the Environment:—Sir, I think that question has already been answered by my honourable Friend, the Secretary for the Civil Service, earlier this afternoon.

HIS EXCELLENCY THE PRESIDENT:—Yes, it was, Dr Chung. It was answered by Mr Scott as a reply to a supplementary.

DR CHUNG:—Yes, Sir. But I thought this one is purely for collection of tolls without other kind of duties.

Secretary for the Environment:—Sir, I think that question was also answered by my honourable Friend, the Secretary for the Civil Service in reply to another supplementary.

Government business

Motion

MASS TRANSIT RAILWAY CORPORATION ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—

Under section 12(1) of the Mass Transit Railway Corporation Ordinance that the Schedule to the Resolution of the Legislative Council published as Legal Notice No. 242 of 1975 in the *Gazette* on the 31st October 1975 as amended from time to time be further amended by adding the following new items—

- "17. Supplier's credit facility arranged by Waggonfabrik Uerdingen AG ("Duwag") to finance part of an electrical and mechanical contract placed in Germany.
- 18. Hong Kong dollar loan facility arranged by Bank of America to finance an electrical and mechanical contract placed in the United States.
- 19. Export credits to finance contracts placed in Japan.
- 20. Hong Kong dollar facility arranged by Citibank NA to finance international and local contracts.

10 million Deutsche marks and such amounts as may become payable in consequence of the operation of any price variation clause and such amounts as may become payable in respect of interest and other charges.

15 million Hong Kong dollars

15 million Hong Kong dollars and such amounts as may become payable in respect of interest.

67 million Hong Kong dollars and such amounts as may become payable in respect of interest and other charges. 60 million Hong Kong dollars and such amounts as may become payable in respect of interest."

He said:—Sir, this is the fourth occasion on which I have had to ask the Council to approve an amendment to the Schedule to the resolution made on 23rd October 1975, dealing with loan arrangements guaranteed by the Hong Kong Government on behalf of the Mass Transit Railway Corporation.

The amendment I am now proposing involves four additions to the Schedule.

The first relates to one of the eight electrical and mechanical contracts the Corporation let in early July to a British firm for the supply of electric multiple unit trains. By the terms of this contract

a German firm is to supply the Bogies for the trains and the Corporation has to pay this firm direct in Deutsche marks. The firm has arranged a supplier's credit facility to cover this part of the contract and the 10 million Deutsche marks involved will be granted upon condition that the Government guarantees repayment. I should like to point out that this supplier's credit facility is quite separate and distinct from the export credit facility totalling 69.6 million Deutsche marks which has already been guaranteed for use in respect of various other contracts.

The second addition to the Schedule concerns a guarantee of HK\$67 million in the form of export credits to finance a contract placed with a Japanese consortium in early November for installing the environmental control system for the railway.

The third and fourth additions to the Schedule are to provide for two medium term Hong Kong dollar facilities which have been negotiated. One, for HK\$15 million, is specifically to finance the local portion of a contract placed with an American firm in July to supply the automatic fare collection system for the railway. The other, for HK\$60 million, is to be used to finance parts of both international and local contracts.

Sir, on 21st July last when I moved the third motion to amend the original resolution, I said that the overall estimated cost of the project remained within the original estimate of HK\$5,800 million on the basis of which, after detailed cash flow studies, the project was judged to be viable. The letting of a further electrical and mechanical contract early this month virtually completed the contract letting process for the project. The total value of these contracts let is within estimate and includes 36% in value let on a fixed price basis. The escalation during the first year of construction on contracts with price variation clauses is also within estimate, reflecting the moderate inflation rates prevailing generally during this initial period. Accordingly there are grounds for continuing confidence that the project as a whole will be completed within the original estimate of \$5,800 million, excluding interest charges incurred during construction.

Now, Sir, in view of recent press and television comment on the project which has tended to confuse costs and financing charges I should like to take this opportunity of clarifying the position: when the establishment of the Mass Transit Railway Corporation was announced by myself and the Corporation's Chairman in September last year, the Chairman explained that capitalized interest charges on loan finance drawn down before the railway begins to generate a cash

[THE FINANCIAL SECRETARY] Motion

flow was likely to be about HK\$900 million. This figure was never included in the estimated cost of the project at \$5,800 million, that is to say, pre-contract expenses and the value of all contracts including an allowance for escalation of costs though it was allowed for, of course, in the various cash flow studies done over the years for the purpose of assessing the project's viability. Subsequently, when the Corporation's HK\$400 million bond issue was made in June this year the prospectus for the bond issue contained an estimate of the capitalized interest charges on borrowings for the project as a whole during the construction period. This was a figure of HK\$939 million. The Chairman in a recent speech mentioned HK\$1,000 million. But this was a broad brush estimate and in fact there has been no upward adjustment in the estimate for these charges which, by their very nature, in any case are difficult to quantify several years in advance (though they can be of course variously allowed for in cash flow studies). But let me stress that it has always been recognized that the capitalization of interest charges incurred during the construction period would accrue over and above the estimated cost of the project and I would like to assure the Council that these interest charges do not represent unforeseen additional expenditure.

Sir, I beg to move.

MR T. S. Lo:—I would certainly not like to stand in the way of the Mass Transit Railway Corporation in its efforts to arrange finance on more favourable terms. On reflection, I do not think I would like to stand in its way at all. However, I would like to seek clarification on a fundamental point.

My honourable Friend the Financial Secretary will doubtless recall that he has laid down a high watermark for Government public sector borrowing in foreign currency. If my memory serves me right he has said that such borrowings should not exceed an amount the debt servicing charges whereof exceeds our foreign currency earnings. The foreign currency liabilities of the Mass Transit Railway Corporation are entirely guaranteed by the Government which thus has ultimate liability to repay them. If these foreign currency liabilities are treated as public sector borrowings we have certainly exceeded by a long way the limits laid down by my honourable Friend. I can only guess at the reasons why he has permitted this to take place and my guess is that he looks upon the project as a self-liquidating one which makes it different from what he would call public sector borrowings. I would

nonetheless like to seek clarification on this issue because the income of the Corporation from which it is intended to liquidate these outstandings is entirely local income. The Mass Transit Railway Corporation expects no foreign currency earnings. In short, how is the Government to be protected on the exchange risks involved?

I shall vote in favour of the motion, Sir, because I assume now it is too late to turn back the clock. However, I think it is in the public interest to know my honourable Friend's thinking on this issue. Indeed, it will prove, extremely helpful to my honourable Colleagues when other matters come to be discussed before this Council involving further commitment of our limited resources.

THE FINANCIAL SECRETARY:—The various guidelines which I have devised over the years and within which, I believe, the public finances should be managed, have been attacked from time to time as being unnecessarily restrictive. I do not myself believe they are if the public finances are to be properly managed and the best long term interests of this community are to be secured. In any case, none of these guidelines is to be taken too literally. I really do welcome, therefore, my honourable Friend's criticism that I am blatantly ignoring one of these guidelines, the guideline which relates to debt, including servicing charges. But his criticism is misplaced for I devised that guideline both in respect of debt generally and external debt in particular, in the context of the public sector, the public sector being defined to include on activities financed from public funds and handled by the Civil Service. The Mass Transit Railway project is managed by an independent corporation on a commercial basis. The Government has an equity stake in it—as it has in other undertakings in the private sector—but the project is regarded by the Government as a "self-liquidating project" to use my honourable Friend's language; and it does not fall within the public sector as I have defined. If it was, then the guideline he refers to would have been framed rather differently.

As regards the foreign exchange risk involved in the servicing of the Corporation's foreign exchange liabilities this is a question which the Board of the Corporation has taken into consideration and will continue to do so as its financing strategy is developed. I should add the Corporation's debt liabilities are not entirely denominated in foreign currencies by any means, as a matter of deliberate board policy.

Sir, in thanking my honourable Friend for his support of this motion I think I would like to repeat once again what I have said

[THE FINANCIAL SECRETARY] Motion

in the past and that is, if the Corporation will continue to try to arrange longer term finance in Hong Kong dollars and foreign currencies in place of existing shorter term facilities. Sir, whenever in the future I have to ask this Council to amend the schedule to the original resolution the reason will simply be to afford the Corporation greater scope for arranging finance on more favourable terms.

Question put and agreed to.

Motion (in Committee)

Supplementary provisions for the quarter ended 30th June 1976

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

THE FINANCIAL SECRETARY moved the following motion:—

That this Council approves the supplementary provisions for the quarter ended 30th June 1976 as set out in Paper No 15.

He said:—Sir, I rise to move the motion standing in my name on the Order Paper. The schedule of supplementary provision for the first quarter of the financial year 1976-77, that is for the period 1st April to 30th June 1976, covers a total amount of \$54.8 million. Of this sum, \$47 million is required as a result of more rapid and unexpected progress on a number of existing public works projects and for four projects recently upgraded to Category A of the Public Works Programme. Other items worth mentioning include \$2.3 million towards the cost of purchasing television receivers and videocassette recorders for bought places in private schools and for aided and government schools, and \$4.3 million for purchasing colour television equipment.

The supplementary provision covered by the schedule will not result in a net increase of expenditure for the year as offsetting savings have been found under other subheads of expenditure, or by the freezing of funds under Head 50 Miscellaneous Services Subhead 100 Additional Commitments.

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

Question put and agreed to.

Council then resumed.

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

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

First reading of bills

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1976

BUILDINGS (AMENDMENT) BILL 1976

STAMP (AMENDMENT) (NO 3) BILL 1976

ARMY LEGAL SERVICES (AMENDMENT) BILL 1976

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

Second reading of bills

CRIMINAL PROCEDURE (AMENDMENT) (NO 2) BILL 1976

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend the Criminal Procedure Ordinance."

He said:—Sir, it will make permanent the provisions of the Criminal Procedure Ordinance enabling the courts to suspend a sentence of imprisonment. Those provisions have been in force for almost 6 years and experience during that time shows that the power to suspend a sentence provides the courts with a valuable alternative way of dealing with some offenders. The Chief Justice considers that the power should continue to be available. I hope that honourable Members will agree that there has now been an adequate trial period and that the provisions should become part of the permanent law.

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

Motion made. That the debate on the second reading of the bill be adjourned—The Attorney General.

Question put and agreed to.

BUILDINGS (AMENDMENT) BILL 1976

MR McDonald moved the second reading of:—"A bill to amend the Buildings Ordinance."

He said:—Sir, Clause 2 of this bill provides for the removal of a person's name from the Authorized Persons Register or the Registered Structural Engineers Register if the person is deceased, or is no longer practising the profession in respect of which his or her name was included in the Register or has failed for a period exceeding six months to pay the prescribed annual fee.

Provision is also made for the restoration of a person's name to the appropriate register if such person makes application within two years of the date of removal and pays the appropriate fee.

Motion made. That the debate on the second reading of the bill be adjourned—MR McDonald.

Question put and agreed to.

STAMP (AMENDMENT) (NO 3) BILL 1976

MR McDonald moved the second reading of:—"A bill to amend the Stamp Ordinance."

He said:—Sir, Clause 2 of the bill makes it no longer necessary for an architect to have a certificate to practise stamped under head 15 of the Schedule to the Stamp Ordinance.

Arrangements are in hand to amend the Buildings (Administration) Regulations to provide for the payment of an annual registration fee for the retention of a person's name in the Registers of Authorized Persons or Registered Structural Engineers kept by the Building Authority under the Buildings Ordinance. This fee will be in lieu of the stamp duty payable at present under the Stamp Ordinance.

Motion made. That the debate on the second reading of the bill be adjourned—MR McDonald.

Question put and agreed to.

ARMY LEGAL SERVICES (AMENDMENT) BILL 1976

MR BOY moved the second reading of:—"A bill to amend the Army Legal Services Ordinance."

He said: — Sir, under section 2 of the Army Legal Services Ordinance a commissioned officer of the Army Legal Services is empowered to act as solicitor for a member of Her Majesty's Forces against whom criminal proceedings are brought.

In consequences of a re-arrangement in connexion with the provision of legal services for British Forces in Hong Kong a commissioned officer of the Royal Air Force Legal Services has recently been posted to Hong Kong. In order to enable him fully to discharge his functions, it is necessary that he, and any other commissioned officer in the same Legal Services who may be posted here in the future, should have the same right to act as solicitor as his counterpart in the Army Legal Services, and the bill provides for this.

This bill also seeks to extend the category of persons for whom a commissioned officer of the Army or Royal Air Force Legal Services may legally act to persons for whom, on occasions, officers of the Army Legal Services have, in fact, been permitted to act. At present, such an officer can, strictly speaking, act only for a member of Armed Forces. This bill, if passed, will enable him to act also for a member of a civilian component of any of those Forces, or a dependant of a member of the Forces or a member of a civilian component of any of those Forces.

Motion made. That the debate on the second reading of the bill be adjourned—MR Boy.

Question put and agreed to.

MEDICAL REGISTRATION (AMENDMENT) BILL 1976

Resumption of debate on second reading (10th November 1976)

Question put and agreed to.

DR FANG:—Sir, this bill provides the legal framework necessary to implement the recommendations of the Working Party on Unregistrable Doctors so ably chaired by Sir Ronald Holmes. The purpose of the legislation is twofold. Firstly, it gives persons with medical

[DR FANG] Medical Registration (Amendment) Bill — resumption ofdebate on second reading (10.11.76)

training who are not at present eligible to be registered as medical practitioners the opportunity to take examinations and serve a period of assessment which will lead to the grant of a licence by the Medical Council to practise in Hong Kong. Secondly, it is to help ease the present shortage of doctors in Hong Kong, particularly in the public sector. For these reasons, therefore, the bill is to be warmly welcomed.

Recognizing the importance of the bill the Unofficial Members of this Council formed an *adhoc* group to examine its provisions in detail. As Convener of the group I am pleased to say that there is only one point of principle arising from it on which I would like to comment. Clause 6 adds to the principal ordinance a new section 10A which provides inter alia, for a person wishing to be eligible to become a Licentiate to serve in an approved hospital or institution a period of assessment to be determined by the Medical Council. This period of assessment may be likened to the period of internship which medical graduates of the Hong Kong University are required to serve except that the latter is clearly prescribed by regulation. My Unofficial colleagues and I consider it only fair that the period of assessment for prospective Licentiates should likewise be prescribed. Without such provision a candidate will have absolutely no idea as to the normal period of assessment which he will be required to serve. I understand that the Official side is receptive to this proposal and has agreed to move appropriate amendments when the bill comes to committee.

Related to the period of assessment is the position of the large number of unregistrable medical practitioners who have been, and still are, permitted to practise medicine in various medical institutions. Many of these practitioners have in fact been so employed for many years and I hope therefore that the Licentiate Committee will look favourably upon applications from them for a reduction of the period of assessment where appropriate. It remains merely for me to seek an assurance from Government that there will be no undue delay in finalizing the arrangements for the first series of examinations for unregistrable doctors once this bill becomes law.

Sir, with these remarks and subject to the enactment of the amendments to be moved by my honourable Friend, Dr Choa, at the committee stage later this afternoon, I support the bill.

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).

EMPLOYMENT (AMENDMENT) (NO 2) BILL 1976

Resumption of debate on second reading (10th November 1976)

Question proposed.

MR ALEX WU:—Sir, when this bill was published it was generally welcomed as a measure which would provide our labour force with more leisure and further opportunities for recreation. And in his speech the Commissioner for Labour stated that the change from four rest days per month to one rest day a week would have very little effect on production and that it might increase productivity and reduce absenteeism. I agree with him, and I am sure that everybody will applaud the introduction of this new benefit for the workers in our community, and that all progressive employers will support it.

There is, however, one aspect of this change in working conditions to which I would like to draw particular attention. For those who may want to make the maximum use of their increased leisure hours, recreational programmes must be carefully planned, prepared and executed. Their potential value to the labour force—particularly the younger element which forms such a very large part of it—must be realistically assessed.

No one can claim that adequate facilities now exist to meet the needs of the community. The crowded beaches to which the Commissioner referred may be evidence enough, but it must be borne in mind that not everyone wants to swim or, at worst, to play mahjong all the year round.

Government has only to study the quantum and the imbalance of existing facilities to realize that the present recreational programme has not yet been geared to cope with the social advancement planned. I maintain that the provision of adequate and balanced recreational facilities, particularly in the New Territories, is as much a part of social progress as is the provision of time to enjoy them. This is a very real problem. The legislation we are now considering will quite

[MR ALEX WU] Employment (Amendment) (No 2) Bill—resumption of debate on second reading (10.11.76)

clearly have its greatest effect on people living in the growing industrial towns in the New Territories. One needs only to examine the sporting facilities available in huge towns like Tsuen Wan and Kwai Chung to see the imbalance of the situation. The same can be said of the provision for other leisure pursuits. Until now library facilities in the New Territories have been grossly inadequate. I am glad to hear to-day that the situation is being corrected. And I hope that the establishment of still more libraries will follow as quickly as possible.

Many of the people who will have the right to greater free time will wish to employ that time in expanding their horizons through reading, through further education and cultural activities of every kind. Government must ensure that the facilities and amenities provided will contribute to the emergence of a new type of individual, more conscious of his civic duties. All this is part of the vision, as expressed by His Excellency the Governor, of a society in which the individual will be able to develop his or her personality to the full.

I would reiterate that the aim of this legislation is to give a large number of people additional free time to use as they please. It is not for us to say how they should use that time. Some may choose amusement and entertainment, pure and simple. Others will certainly wish to make more serious use of their new freedom. It is our duty to ensure that their appetite for constructive recreation and the enhancement of their personality does not go unsatisfied. Otherwise this gesture will be an empty one—for them and for us all.

The point I wish to make therefore is that, before further labour legislation is introduced, Government should review and reassess the priorities in providing facilities for leisure time activities to ensure that our workers and their families will in future be able to enjoy their free time to the full and at reasonable cost.

All this aside, Government should not overlook the requirement to improve the home environment of our workers, since many in the upper age bracket may well prefer to spend their leisure time at home.

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

MR Leung: — Your Excellency, I wish to support fully the Employment (Amendment) (No 2) Bill 1976 as presented to this Council. The four extra days of rest in a year coincide with the

internationally accepted practice of providing one rest day in each seven days' period, exclusive of any statutory holiday. Such practice and such provision are of long-standing and it is only appropriate for us to fall in line with modern trends of up-holding human rights and promoting workers' benefits. The Hong Kong employers are beginning to be more and more enlightened on the mutual benefits which flow from better industrial relations, a gesture most welcomed by the multitude of workers.

To our Government and to my honourable Friend the Commissioner for Labour, credit is due for their initiative in bringing to this Council legislation to promote the well-being of workers. I look forward with anticipation to the other bills which will be placed before Council in the coming months, which will further improve the working environment and conditions of employment for many employees.

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).

PUBLIC OMNIBUS SERVICES (AMENDMENT) BILL 1976

Resumption of debate on second reading (10th November 1976)

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).

Committee stage of bills

Council went into Committee.

MEDICAL REGISTRATION (AMENDMENT) BILL 1976

Clauses 1 to 5 were agreed to.

Clause 6

DR CHOA:—Sir, I move that clause 6 be amended as set out in the paper before honourable Members.

[DR CHOA] Medical Registration (Amendment) Bill—committee stage

Proposed amendment

Clause

- 6 That clause 6 be amended in the proposed new section 10A—
 - (a) in subsection (1), by inserting after "determine" the following—
 ", not exceeding the prescribed period,";
 - (b) by deleting subsection (2) and substituting the following—

 "(2) The Council may reduce the period of assessment determined in the case of any person, or may extend the period so determined and any such extension of that period may require a period of assessment exceeding the prescribed period.".

The amendment was agreed to.

Clause 6, as amended, was agreed to.

Clauses 7 to 10 were agreed to.

Clause 11

DR CHOA:—Sir, I move that clause 11 be amended as set out in the paper before honourable Members.

Proposed amendment.

Clause

- 11 That clause 11 be deleted and there be substituted the following new clause—
- "Amendment of section 33(1) of the principal Ordinance is amended by of section 33. inserting after paragraph (f) the following new paragraphs—
 - "(fa) the procedure to be followed in relation to—
 - (i) appeals to the Council under section 20F(2);
 - (ii) reviews and appeals under section 20G;
 - (fb) the period of assessment for the purposes of section 10A;".".

The amendment was agreed to.

Clause 11, as amended, was agreed to.

EMPLOYMENT (AMENDMENT) (NO 2) BILL 1976

Clauses 1 to 6 were agreed to.

PUBLIC OMNIBUS SERVICES (AMENDMENT) BILL 1976

Clauses 1 and 2 were agreed to.

Third reading of bills

THE ATTORNEY GENERAL reported that the

Employment (Amendment) (No 2) Bill 1976

Public Omnibus Services (Amendment) Bill 1976

had passed through Committee without amendment and that the Medical Registration (Amendment) Bill 1976

had passed through Committee with amendment and moved the third reading of each of the bills.

Question put on each bill and agreed to.

Bills read the third time and passed.

Unofficial Member's Bill

Second reading of bill

BRITISH RED CROSS SOCIETY (HONG KONG BRANCH) BILL 1976

Resumption of debate on second reading (10th November 1976)

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).

Committee stage of bill

Council went into Committee.

BRITISH RED CROSS SOCIETY (HONG KONG BRANCH) BILL 1976

Clauses 1 to 13 were agreed to.

The schedule was agreed to.

Council then resumed.

Third reading of bill

MR Lo reported that the British Red Cross Society (Hong Kong Branch) Bill 1976 had passed through Committee without amendment and moved the third reading of the bill.

Question put and agreed to.

Bill 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 the 8th of December.

Adjourned accordingly at twenty five minutes to four o'clock.

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