

# OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 4th May 1977

The Council met at half past two o'clock

## PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR CRAWFORD MURRAY MACLEHOSE, GBE, KCMG, KCVO  
THE HONOURABLE THE CHIEF SECRETARY  
SIR DENYS TUDOR EMIL ROBERTS, KBE, QC, JP  
THE HONOURABLE THE FINANCIAL SECRETARY  
MR CHARLES PHILIP HADDON-CAVE, CMG, JP  
THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)  
MR GARTH CECIL THORNTON, QC  
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR DENIS CAMPBELL BRAY, CMG, CVO, JP  
THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP  
DIRECTOR OF COMMERCE AND INDUSTRY  
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  
DR THE HONOURABLE THONG KAH-LEONG, JP  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE ERIC PETER HO, JP  
SECRETARY FOR SOCIAL SERVICES  
THE HONOURABLE DAVID RAYMOND BOY, JP  
SOLICITOR GENERAL (*Acting*)  
THE HONOURABLE DONALD LIAO POON-HUAI, OBE, JP  
SECRETARY FOR HOUSING (*Acting*)  
DR THE HONOURABLE CHUNG SZE-YUEN, CBE, 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 JAMES WU MAN-HON, OBE, JP  
 THE HONOURABLE HILTON CHEONG-LEEN, 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 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  
 THE HONOURABLE WONG LAM, JP

#### ABSENT

THE HONOURABLE LEE QUO-WEI, CBE, JP  
 THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

#### IN ATTENDANCE

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

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#### Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Money-Lenders Ordinance.	
Money-Lenders (Registration) (Amendment) Regulations 1977.....	85
Coroners Ordinance.	
Places for Post-Mortem Examination (Amendment) Order 1977.....	86
Limited Partnerships Ordinance.	
Limited Partnerships (Amendment) Rules 1977.....	87
Public Health and Urban Services Ordinance.	
Hawker (Permitted Place) Declaration No 7/1977 .....	88

<i>Subject</i>	<i>LN No</i>
Commodities Trading Ordinance 1976. Commodities Trading Ordinance 1976 (Commencement) (No 2) Notice 1977 .....	89
Public Health and Urban Services Ordinance. Diamond Hill Urn Cemetery, Kowloon (Removal and Disposal of Human Remains) Order 1977 .....	90
Public Health and Urban Services Ordinance. Food Adulteration (Metallic Contamination) (Amendment) Regulations 1977 .....	91
Public Health and Urban Services Ordinance. Public Health and Urban Services Ordinance (Amendment of Third Schedule) Order 1977 .....	92
Summary Offences Ordinance. Summary Offences Ordinance (Exemption from Section 13) (No 2) Order 1977 .....	93
Limited Partnerships (Amendment) Ordinance 1977. Limited Partnerships (Amendment) Ordinance 1977 (Commencement) Notice 1977 .....	94
Money-Lenders (Amendment) Ordinance 1977. Money-Lenders (Amendment) Ordinance 1977 (Commencement) Notice 1977 .....	95
Public Health and Urban Services Ordinance. Cremation and Gardens of Remembrance (Amendment By-laws 1977 .....	96
The Hongkong and Shanghai Banking Corporation Ordinance. Special Resolution .....	97
Sessional Paper 1976-77: —	
No 46—Report of the Finance Committee on the Draft Estimate of Expenditure 1977- 78 (published on 4.5.77)	

### **Oral answers to questions**

#### **Fixed Penalties (1)**

1. MR PETER C. WONG asked: —

Sir, does Government regard the new system of fixed penalties for certain traffic offences as generally successful so far?

### Oral answers

THE ATTORNEY GENERAL: —Sir, the Fixed Penalty (Criminal Proceedings) Ordinance has now been in force since 1st November last year, in other words, a little over 6 months.

The short answer to Mr WONG's question is "Yes". The new system does appear to have got off to a good start.

### Fixed Penalties (2)

2. MR PETER C. WONG asked: —

Sir, how many fixed penalties tickets have been issued since the inception of the system and under what broad categories of offence were they issued?

THE ATTORNEY GENERAL: —Sir, as I have just said in answer to the previous question, the new system of fixed penalties came into operation on 1st November, 1976. Figures are available up to the end of March, that is, for the initial period of 5 months.

During that period, 18,924 tickets were issued. The Schedule to the Ordinance lists 74 offences which fall within the scheme. I shall give the figures for the top four.

Speeding, that is, exceeding the speed limit by more than 10 miles per hour—  
5,010

Speeding, that is, exceeding the speed limit by 10 miles per hour or less—1,010

Disobeying traffic signs—2,997

Picking up and setting down passengers in restricted areas—2,176.

Fewer than 1,000 tickets were issued in respect of any of the other offences in the Schedule.

These figures undoubtedly have been influenced by the administrative steps taken by the Royal Hong Kong Police to implement the new scheme in a phased manner. For the first 3 months only Traffic Police officers of the rank of Sergeant or above were permitted to issue tickets; for the next 3 months all Traffic Police officers were permitted to do this, and the third stage under which all uniform branch police officers may become involved with the scheme has just recently begun. The Police are continuing to monitor the operation of the scheme with care.

MR CHEUNG: —Sir, does the Attorney General know whether any fixed penalty tickets have been issued against cars belonging to the Consular Corps waiting in places where waiting is prohibited?

ATTORNEY GENERAL: —No, Sir, I don't know.

### **Typhoon Shelters**

3. DR HU asked: —

Sir, in view of the scale of reclamation going on at present, does Government consider that there are still enough typhoon shelters and other anchorages for the use of small boats and vessels? If not, are there any plans to provide more such facilities?

DIRECTOR OF PUBLIC WORKS: —Sir, in 1974 the Director of Marine reviewed the requirement for typhoon shelters in Hong Kong waters taking into account planned reclamations and predicted that there would be a shortfall of about 64 hectares in the latter half of the 1970s. To meet this shortfall new shelters have been planned for Cheung Chau and Tuen Mun.

The Cheung Chau shelter is in Category A of the Public Works Programme but is delayed while objections to the layout of the shelter are being resolved. However, it is anticipated that the project will be completed in 1979.

The Tuen Mun shelter forms part of the new town development and is planned for completion in 1980.

These projects will provide a total area of about 72 hectares of sheltered anchorage.

In addition to these two, it is planned to reclaim the existing Yau Ma Tei Typhoon Shelter and to provide two new shelters nearby and if this scheme is approved, the total sheltered area to be provided can be adjusted to meet future requirements. To assess these requirements the Director of Marine is carrying out another review taking into account the trend towards containerization which is having an effect on the type and number of craft using typhoon shelters.

### **Private schools—frequency of inspection**

4. REV JOYCE M. BENNETT: —

Sir, how often are private schools inspected by the Education Department?

**Oral answers**

DIRECTOR OF EDUCATION: —Sir, on average private secondary schools are inspected by the Education Department about five times a year for one reason or another. The figure for private independent schools is something like three visits a year.

The actual number of visits paid to any particular school depends partly on the problems which arise during the year and partly on the extent to which the school welcomes assistance in attempting to improve its standards.

REV JOYCE M. BENNETT: —Sir, why are there only three visits for private independent schools each year?

DIRECTOR OF EDUCATION: —I am talking, of course, of the average number of visits in each case. The actual number varies from school to school. The majority of the visits are by the advisory inspectorate, and the inspectorate has to use its time in the most intelligent way, that is to put its effort where it is going to have to do the most good, and therefore quite a lot of the effort nowadays is put into private assisted and private non-profit-making schools where curriculum developments, for instance, are taking place.

REV JOYCE M. BENNETT: —Thank you.

**Private schools—inspection**

5. REV JOYCE M. BENNETT asked: —

Sir, what aspects are generally covered by the Education Department's inspections to private schools?

DIRECTOR OF EDUCATION: —Sir, the inspections of private secondary schools can be divided into two categories—visit to check on the efficient administration of the schools and visits to assist the schools in professional matters relating to the curriculum. Well over half the visits are made for the latter purpose. This category of visit includes advising individual teachers, assisting with new curriculum projects, and finding ways of assisting schools to make the most effective use of existing resources.

REV JOYCE M. BENNETT: —Sir, what action is taken when the next visit reveals that the inspector's advice has not been taken?

DIRECTOR OF EDUCATION: —I think I should consider that question under two heads. Firstly, let's take administrative matters. Generally speaking, in an administrative matter, it is either something serious connected with the safety of the children (fire regulations or something of that kind) in which case the school will normally do what it ought to do because they know that this is something that cannot be argued about in any way. But, if for instance, it was a question of certain teachers being very poor or something of that nature, we wouldn't immediately start to throw the book in the school in the most stringent way. For one thing, suppose that one of my inspectors thought that the teacher was not particularly good but that he has just seen him once. It is up to the school to make a decision having carefully looked at our advice and they might in due course, not renew the contract of such a teacher. I hope that this goes to some distance to answer Miss BENNETT's question.

REV JOYCE M. BENNETT: —Is the Government satisfied that the education standards in private schools are adequate?

DIRECTOR OF EDUCATION: —That, Sir, is a very general question and if it is the intention of Miss BENNETT to ask it, I can't see why she didn't ask it in the first place. However, I will say that, I think, it is very clear that no one is going to deny that some schools are better than others (*laughter*) and if it is so that some schools must be worse than others (*laughter*). Even if it is not possible to assign position by some accurate calculus, there must be a worst school somewhere or other (*laughter*). This is true and the worst school is clearly not very good (*laughter*), at least not so good as the other schools (*laughter*). Having said this, it is true that the Education Department has never closed down schools under the Education Ordinance on inspection grounds and the reason for this is that generally speaking as the parents are not foolish and where the school is bad, it goes out of business, so to speak, as a result of a natural process. And this is happening all the time.

### **Postage rates for printed papers**

6. MR T. S. LO asked: —

Sir, (a) is Hong Kong's percentage concession in postage rates for printed papers relatively less than the majority of the other members of the Universal Postal Union?

(b) if so, would Government consider an appropriate adjustment to the concessionary rate?

### Oral answers

SECRETARY FOR ECONOMIC SERVICES: —Sir, for the international service, Hong Kong's postage rates for printed matter are calculated in accordance with the percentages of the full letter rate laid down by the Universal Postal Union. From an examination of the postage rate structure of the 153 countries on which we have information, I can confirm that Hong Kong's postage concession in percentage terms for printed papers is in line with the majority of member countries.

The Universal Postal Union does not regulate internal postage rates. Hong Kong and some other countries have a single printed paper rate. Others have complicated rate structures which provide for different classes of printed papers. Yet others have no separate printed paper rate, the United Kingdom for example. A valid comparison between Hong Kong and other countries is thus difficult to make but, as far as we know, the majority of other members of the Universal Postal Union do not have printed paper rates which are relatively less than Hong Kong's.

In absolute terms, our internal rates (and for that matter our overseas surface rates as well) for printed papers are very low and taken on their own these printed paper services operate at a loss.

MR T. S. LO: —Sir, is it not true that the so-called printed paper rate in Hong Kong is simply a rate for a cheaper and poorer postal service and not a concessionary rate for a first class service as would be the case in the majority of member countries?

SECRETARY FOR ECONOMIC SERVICES: —Sir, it is true that printed matter posted under the concessionary rate is not given the priority that is given to mail paying the full rate. Nevertheless, every effort is made to deliver these papers, these printed matters as quickly as possible and it normally means, I am told, within 24 hours.

### Claims of typists, stenographers and demarcators

7. MR LEUNG asked: —

Sir, will Government make a statement on the latest position of the claims of typists, stenographers and demarcators for improved conditions of employment?

SECRETARY FOR THE CIVIL SERVICE: —Sir, the position, Sir, in respect of the typists and stenographers is that discussions take place, as and when necessary, between their representative committees and the Civil



Service Branch, about matters arising from the new structure approved for these groups by the Finance Committee of this Council in December 1976.

As regards the demarcators, Sir, now called Land Inspectors, I understand them to be content with their new structure introduced after approval by the Finance Committee in August 1976.

DR CHUNG: —Sir, will the Secretary for the Civil Service explain or clarify the situation with regard to the recent dispute between Government as an employer and Typists or Shorthand/Audio Typists leading to the latter putting up grumbling posters all over the walls of Government buildings?

SECRETARY FOR THE CIVIL SERVICE: —Sir, a dispute is a matter not easy to define. Some of the press define it as a dispute. After meetings which I have had recently with the two groups concerned, I think I can safely say that what we are engaged in is clarifying the bringing in of the structure that I have just mentioned.

### **Water supply**

8. DR CHUNG asked: —

Sir, will Government give an account of the present state of water storage in all the reservoirs, and provide a comparison with that of last year and that under normal conditions?

DIRECTOR OF PUBLIC WORKS: —Sir, reservoir storage at 1st May was 34,000 million gallons or approximately 50% of capacity. At the same time last year the storage figure was 45,200 million gallons or about 67% of capacity.

On 1st October 1976 the reservoirs were 96% full and had there been average yield since then the storage figure would now have been around 43,300 million gallons or 64% of capacity.

I would add, Sir, that for this time of the year, the present storage level is considered to be marginally satisfactory. If however there is no significant rainfall during this month it would be necessary to introduce restrictions in supply.

**Oral answers****Economy in water consumption**

9. DR CHUNG asked: —

Sir, in the light of the answer given by the Director of Public Works to Question 8 and signs of drought this year, will Government consider mounting a publicity campaign to urge the general public as well as trade and industry to economise on water consumption?

DIRECTOR OF PUBLIC WORKS: —Sir, in view of the importance of reducing consumption as a safeguard against possible shortage a publicity campaign is being mounted.

**Optical Shops**

10. MR ALEX WU asked: —

Sir, pending the introduction of comprehensive legislation on the practice of optometry, what existing controls does Government have over the operations of optical shops and opticians in Hong Kong and does Government consider such control adequate?

DIRECTOR OF MEDICAL AND HEALTH SERVICES: —Sir, at present there is no legislation regulating the practice of optometry. However, prior to considering the introduction of such legislation it is essential that reliable and basic information on the subject be collected such as the numbers of firms and persons involved, their qualifications and experience.

To this end a survey is now being conducted among those who are engaged in the practice of optometry. Hopefully with the co-operation of all concerned sufficient data should be available by the end of the year so that a meaningful assessment may be made.

MR ALEX WU: —Sir, does it mean that there is no control whatsoever over the practice of optometry at the present moment?

DIRECTOR OF MEDICAL AND HEALTH SERVICES: —Sir, without the appropriate legislation there cannot be effective control.

MR ALEX WU: —Sir, would my honourable Friend please clarify the meaning of a "meaningful assessment" and what does it lead to?

DIRECTOR OF MEDICAL AND HEALTH SERVICES: —By "meaningful assessment", I mean that at the end of the year it is hoped that enough data will be collected so that we may come to some conclusion as to what form of legislation is necessary.

### **Wireless reception in Lion Rock Tunnel and Aberdeen Tunnel**

11. MR CHEUNG asked: —

Sir, would Government consider installing some device such as induction loops inside the Lion Rock Tunnel and in the Aberdeen Tunnel to enable passengers travelling in vehicles to listen to broadcasting inside the tunnels?

SECRETARY FOR ECONOMIC SERVICES: —Sir, if it can be established that such facilities have been successfully installed elsewhere in the world at reasonable cost, we would be willing to consider the possibilities for these two tunnels. But, as far as I know, they haven't yet and I have no doubt that my knowledge is going to be vastly improved in the next two minutes. *(laughter)*

MR CHEUNG: —Will Government take note that technology has marched on *(laughter)* and that in the Mount Ena and Amikake Tunnel there is such a loop which enables motorists to receive broadcast on all wave bands and even TV signals?

SECRETARY FOR ECONOMIC SERVICES: —Yes, Sir. *(laughter)*

MR CHEUNG: —Will Government further take note that these loops are extremely economical if limited to a.m. broadcasting?

SECRETARY FOR ECONOMIC SERVICE: —Yes, Sir. *(laughter)*

DR CHUNG: —Will Government also take note that my Friend by economical means in the order of HK\$100,000 to HK\$200,000?

SECRETARY FOR ECONOMIC SERVICES: —Yes, Sir. *(laughter)*

### **Industrial buildings**

12. MR CHEONG-LEEN: —

Sir, will Government provide details of the space available for sale or rent in the industrial buildings which will be completed by both Government and the private sector over the next five years?

**Oral answers**

SECRETARY FOR THE ENVIRONMENT: —Sir, the Housing Authority will have about 100,000 square feet of space available in 1977 in its Shek Kip Mei factories. Following the recent approval of further sites for the Housing Authority to build flatted factories, the Authority hopes to produce an additional 100 to 150 thousand square feet of flatted factory space per annum from 1979 onwards.

Private sector production is considerably harder to estimate. The best guess that can now be made of the approximate amount of light industrial accommodation which is likely to be available over the next five years is as follows: —

1977	9 million sq. ft.
1978	12 million sq. ft.
1979	15 million sq. ft.
1980	11 million sq. ft.
1981	12 million sq. ft.

The above figures are based on estimates of existing vacant light industrial accommodation, together with further space likely to be made available in buildings already under construction and in buildings which could be built on industrial land already sold, or which is likely to be sold, in time for building to be completed within the next five years. They are also based on the assumption that there will be a steady rate of building over this period and that developers will build to the maximum. Whether this will actually happen will largely depend on the demand for factory space.

By way of comparison, I might point out that the previous highest rate of availability of factory space was 10.8 million square feet in 1972, but that was an exceptional year.

I should add that Stages I and II of the Tai Po Industrial Estate will provide about 4.8 million square feet of land (not accommodation) over the next few years for sale to industries that are unable to operate in high rise buildings. And further areas of land may be made available for special industries, depending on whether worthwhile proposals are made for operations that could significantly upgrade the technology of Hong Kong industry.

MR CHEONG-LEEN: —Sir, in the light of the information currently available to Government, will such space be sufficient for projected or anticipated expansion of industry over the next five years?

SECRETARY FOR THE ENVIRONMENT: —Yes, Sir. On the basis of past information on the demand for industrial buildings over the last ten years and the quantity which is being made available, I would say that the figures which I have just read out are considerably above the average of what has been made available in the past and it is expected this will be somewhat in excess of the demand to be expected.

### **Ex Naval Dockyard site**

13. MR CHEONG-LEEN asked: —

Sir, will Government make a statement on the up-to-date plans for the use of the ex Naval Dockyard site, i.e. the land lying between Cotton Tree Drive and Arsenal Street and between Harcourt Road and Queensway?

DIRECTOR OF PUBLIC WORKS: —Sir, apart from local open space at the east of the site the area is zoned Commercial/Residential on the approved Central District Outline Zoning Plan which has been referred back to the Town Planning Board for amendment and replacement by a new plan. No change in use zoning will be proposed for this part of the replacement plan.

A site of approximately 5,700 square metres has been allocated to the Mass Transit Railway Corporation to allow development directly over Admiralty Station. Preliminary planning layouts indicate four other large commercial/residential sites which are intended to be sold for private development. The complex of buildings will centre onto a pedestrian podium which will be extended to the west across Cotton Tree Drive to Central and to the south across Queensway to the Victoria Barracks area.

A large part of the site is currently being used as a Mass Transit Railway works site and will not become available for development until 1980.

MR CHEONG-LEEN: —Sir, when will the replacement plan be ready and approximately how soon will the first of the four commercial/residential sites mentioned in my honourable Friend's reply be available for sale for private development?

DIRECTOR OF PUBLIC WORKS: —The new plan is in fact ready now but some investigations are in hand to look at possible transport interchange facilities related to the Admiralty Station. This may make a slight revision to the layout so it should be ready in the very near

**[DIRECTOR OF PUBLIC WORKS] Oral answers**

future. As far as having the sites ready for development, I have already said it would be 1980, but they could be sold at an earlier date with deferred possession.

REV JOYCE M. BENNETT: —Sir, could you please clarify the meaning of the words "apart from local open space". I don't quite understand "local open space" at the east of the site?

DIRECTOR OF PUBLIC WORKS: —So this is a planning definition. We define "open space" into general open space, local open space and district open space. This is one serving a particular local area. (*laughter*)

**Public Assistance Scheme**

14. MISS DUNN asked: —

Sir, is the Public Assistance Scheme a scheme designed to provide a guaranteed level of income to needy families and individuals whose resources fall below a prescribed level?

DIRECTOR OF SOCIAL WELFARE: —Sir, the answer is "Yes".

**Public Assistance Scheme—means test**

15. MISS DUNN asked: —

Sir, will the Government state whether the British Expert seconded here to review all our social security schemes is to examine the possibility of making the public assistance scheme non means-tested?

DIRECTOR OF SOCIAL WELFARE: —Sir, while the scope of his review would enable the Adviser to examine the basis on which the Public Assistance Scheme is at present operated, I understand from him that he does not envisage recommending that the Public Assistance Scheme should be made non means-tested.

MISS DUNN: —Sir, having regard to the answer given to question 14, shouldn't the question of the Public Assistance Scheme being non means-tested be specifically excluded from Mr HEPPELL's terms of reference?

DIRECTOR OF SOCIAL WELFARE: —Sir, this is not specifically included in Mr HEPPELL's terms of reference.

### **Hovercraft service between Kwun Tong and Central**

16. REV JOYCE M. BENNETT asked: —

Sir, will Government give reasons for the introduction of a hovercraft service, without any alternative of a ferry service, between Kwun Tong and Central during the period from 9 a.m. to 5 p.m., at a rise in fare from 50 cents to \$2?

SECRETARY FOR THE ENVIRONMENT: —Sir, passenger demand for the Kwun Tong—Central ferry service is at a peak before 9.30 a.m. and after 5 p.m. and to clarify that I would say that at a peak from Kwun Tong to Central before 9.30 a.m. and on the return journey after 5 p.m. In the off-peak periods fewer than 200 passengers were being carried each hour and this represented a very uneconomic use of large ferry vessels.

The Commissioner for Transport therefore acceded to the Company's request to introduce a hoverferry service during the off peak hours on this route, that is from 9.30 a.m. to 5 p.m., for a trial period of three months from 18th April 1977. Should it be shown that public reaction to this change is unfavourable it will not be made permanent.

I should add that the hoverferry offers a much improved service, in that the journey time is reduced from 36 minutes to 15 minutes. It is true that the fare is higher; but it should be borne in mind that the Kwun Tong—North Point ferry continues to run as before and that, together with connecting public transport, it offers an alternative route to Central and to other parts of Hong Kong Island which I might add is very adequate in the off-peak hours.

REV JOYCE M. BENNETT: —Sir, are there no small ferry vessels available for use once an hour to meet the needs of poor people who need to reach Central in 36 minutes?

SECRETARY FOR THE ENVIRONMENT: —Sir, I would say it is probably possible in the off-peak hours to go from Kwun Tong to North Point and to catch a bus to Central and to reach Central within 36 minutes.

MR CHEUNG: —Are the hover ferries air-conditioned?

**Oral answers**

SECRETARY FOR THE ENVIRONMENT: —I would say so, yes.

MR CHEUNG: —Are there bar services provided? (*laughter*)

SECRETARY FOR THE ENVIRONMENT: —No, Sir. The journey only takes about 15 minutes and people who want a drink should be able to wait for this short period of time.

**Statement****Report of the Finance Committee on the Draft Estimates  
of Expenditure 1977-78**

THE CHIEF SECRETARY: —Sir, on the 2nd of March 1977, the draft Estimates of Expenditure for 1977-78 were referred to the Finance Committee for examination under Standing Order 60(8). The Committee has completed its examination and its Report has been laid on the table today.

I should like to express my appreciation of the valuable contribution of Members of Finance Committee, who devote so much of their time and energy to the scrutiny of public expenditure.

I refer not only to their careful examination of the Annual Estimates, but also to the regular meetings of Finance Committee, which are held throughout the year, at which requests for supplementary provision are considered; and I can assure them that this important public service is greatly appreciated by the Government.

**Government business****Motions****LOANS (ASIAN DEVELOPMENT BANK) ORDINANCE**

THE FINANCIAL SECRETARY moved the following motion: —

That—

- (a) the First Schedule to the Loans (Asian Development Bank) Ordinance be amended by inserting after Item Two the following new Item—



*"Item Three*

An amount in various currencies equivalent to twenty million five hundred thousand United States dollars (US\$20,500,000) for the purposes of a project involving the construction of two housing estates for some 61,000 persons and associated facilities, four primary and four secondary schools in the two estates, a general health clinic, a divisional fire station and a commercial complex for one of the housing estates at Sha Tin New Town.";

- (b) the Second Schedule to the Loans (Asian Development Bank) Ordinance be amended by inserting after the second paragraph the following new paragraph—

"The maximum amount which may be advanced pending reimbursement under section 5(2) in any financial year in connexion with the project described in Item Three of the First Schedule is ninety-seven million Hong Kong dollars (HK\$97,000,000)."

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

The Loans (Asian Development Bank) Ordinance enables the Government to raise loans from the Asian Development Bank for specific projects listed in the First Schedule. Initially the Government was authorized to borrow an amount equivalent to US\$21,500,000 towards the cost of the construction of the sea water desalting works at Lok On Pai. On 22nd October 1975, by Resolution, the Government was authorized to raise a further loan equivalent to US\$20,000,000 towards the cost of the construction of Stage I of the Sha Tin Sewage Treatment Plant.

Honourable Members are aware that a third loan from the Asian Development Bank has now been successfully negotiated. This loan is to be made available in various currencies equivalent in total to US\$20.5 million and it will be used to finance a substantial proportion of the foreign exchange cost of the Sha Tin Urban Development (Housing) Project. The loan is repayable over 10 years from 1st July 1980 at a rate of interest of 8.7% per annum chargeable on the amount of the loan withdrawn and outstanding from time to time. There will also be a commitment charge of 0.45%.

Sir, I regard the terms of the loan as satisfactory and, therefore, seek in this motion to amend the First and Second Schedules to the

[THE FINANCIAL SECRETARY] **Motions**

Loans (Asian Development Bank) Ordinance to enable the Government to raise this loan.

The actual Loan Agreement, when signed, will of course be laid on the table for the information of honourable Members.

Sir, I beg to move.

*Question put and agreed to.*

### **FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE**

THE COMMISSIONER FOR LABOUR moved the following motion: —

That the Factories and Industrial Undertakings (Amendment) Regulations 1977, made by the Commissioner for Labour on the 2nd April 1977, be approved.

He said: —Sir, I move the motion standing in my name in the Order Paper for the approval of the Factories and Industrial Undertakings (Amendment) Regulations 1977, which I made on 2nd April 1977.

This amendment raises the maximum fine for breaches of Regulation 4 of the principal regulations from \$5,000, which was fixed as long ago as 1955, to \$10,000. Regulation 4 states "no person shall employ any child in any industrial undertaking or dangerous trade".

Although illegal employment of children does not take place on a large scale, it still exists despite rigorous enforcement by the Labour Department. It arouses considerable criticism abroad, and renders much more difficult the work of our trade negotiators, because it is used as a basis for the fallacious argument that Hong Kong uses cheap child labour to achieve competitive prices. Such charges will be particularly damaging to Hong Kong's reputation and trading interests in the year ahead when several major international trade agreements are due to be re-negotiated.

I have made these regulations to make clear that the Government regards the illegal employment of children as socially unacceptable, is determined to eradicate it, and regards such offences as being particularly serious. Moreover, it is hoped that the doubling of the maximum fine will lead to the Courts taking a more serious view of offences against Regulation 4 and imposing fines at a higher level than has been the general practice in the past.

Sir, I beg to move.

DR CHUNG: —Your Excellency, I believe that there are two basic reasons for prohibiting the employment in any industrial undertaking of children, who are defined as persons under the age of fourteen years. The first is because of health and safety. The second and the more important reason is social undesirability. This is more so in modern day Hong Kong where we are providing or soon to provide on the one hand six years of free primary education and three years of subsidized secondary education for all in the relevant age groups and on the other hand reasonable public assistance so that no family should depend on the working income of its children for survival.

In rising to support the amendment of raising the maximum fine for employment of children in factories, Sir, I would like to take this opportunity to ask honourable Members of this Council to ponder over this issue on the employment of children not only in industrial under-takings but more widely including service industries and other trades.

As the law now stands, there are many anomalies. For example, a shoe-maker or a tailor who uses no power machinery and employs less than twenty persons, can legally employ children despite the appalling working conditions. As honourable Members are aware, children are also employed quite widely in many service trades such as shops, provision stores, cafes, restaurants, foodstalls, etc.

Sir, allow me to address ourselves this question. Are we, as legislators, looking at the issue of employment of children only from the viewpoint of external trading interests and international trade agreements, albeit these are important considerations? If it is socially unacceptable, as in the words of the Commissioner for Labour, for children to be employed in factories, should it not be equally socially unacceptable for children to be employed in other trades whose working conditions are not better or even worse than those in factories. In making these comments, Sir, I am aware that there are possibly some cases in which children could be gainfully employed, particularly on part-time basis, without social objection.

One possible way to remove such anomalies is, I believe, to incorporate in the Employment Ordinance a clause prohibiting the employment of any child with the exception of those who have express permission from the authorities concerned. It is recognized that the problem of employment of children might not be so easily resolved. Nevertheless, it is an important social issue and I urge that Government seriously consider it with some priority.

With these comments, Sir, I support the motion before Council.

## Motions

COMMISSIONER FOR LABOUR: —Sir, I welcome the support given by the Senior Unofficial Member to this amendment. His proposal that there should be a section in the Employment Ordinance prohibiting the employment of children is under consideration within the Labour Department. However, at this stage I can only repeat what I said in this Council on 13th November 1974: —

\*"In the context of child labour ... I see the proposals of ... the Director of Education [in the White Paper on Secondary Education] as being ultimately of great assistance in leading to the progressive control of the employment of all children under 14 and to its eventual eradication from all sectors of our economy."

*Question put and agreed to.*

## First reading of bills

### **DANGEROUS DRUGS (AMENDMENT) BILL 1977**

### **LEGAL PRACTITIONERS (AMENDMENT) BILL 1977**

### **INDUSTRIAL AND REFORMATORY SCHOOLS (AMENDMENT) BILL 1977**

## Second reading of bills

### **DANGEROUS DRUGS (AMENDMENT) BILL 1977**

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

He said: —Sir, the investigation of suspected serious drug offences is frequently a difficult and time-consuming exercise. It is also one of great social importance and concern. The gravity of dangerous drugs offences such as manufacturing of or trafficking in dangerous drugs can hardly be exaggerated and Members of this Council showed their grave concern several years ago when increasing certain of the penalties under the ordinance.

It is because of the importance which the Government attaches to the continuing fight against the illicit dangerous drugs trade and because of the time which can necessarily be spent in investigation that the present bill is introduced.

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\* Hansard 1974-75 pages 141-142.

Clause 2 introduces a new section 53A to the Dangerous Drugs Ordinance in terms which are similar to those at present found in section 17A of the Prevention of Bribery Ordinance.

The new section would enable the Commissioner of Police or the Commissioner of the Preventive Service to apply to a magistrate for an order requiring a person who is the subject of an investigation in respect of a serious offence under the Dangerous Drugs Ordinance alleged or suspected to have been committed by him to surrender his travel document. Under the new subsection (6), a travel document so surrendered may be detained for up to 6 months and if the magistrate is satisfied that the investigation could not reasonably have been completed within that period he may authorize detention of the document for a further 3 months.

I would like to make it clear that the scope of the proposed section is precisely and narrowly delineated. An application to a magistrate may only be made when an investigation is being made of a specified offence and that term is defined in subsection (8) as "any offence punishable under any section of this Ordinance, on conviction on indictment with imprisonment for a term of 15 years or any greater punishment, and aiding, abetting, counselling or procuring the commission by another of any such offence". Thus the proposal extends only to offences which are patently very serious.

There are two built-in safeguards against any possible abuse of this provision. In the first place, a suspect will only be required to surrender his travel document if a magistrate so requires and this is a matter for the exercise of the magistrate's discretion. Secondly, it is provided that an application to a magistrate can only be made by very senior Police or Preventive Service officers. An officer making such an application must be of a rank not below Assistant Commissioner.

At present there is no effective control over the movements of a person suspected of serious dangerous drug offences. The suspected trafficker or manufacturer is, generally speaking, free to come and go from Hong Kong as he pleases. The Government feels that there should be a means of preventing such persons from leaving Hong Kong before investigations can be completed and this bill is intended to provide the Police and the Preventive Service with that means.

*Motion made. That the debate on the second reading of the bill be adjourned—*THE ATTORNEY GENERAL.

*Question put and agreed to.*

**LEGAL PRACTITIONERS (AMENDMENT) BILL 1977**

THE SOLICITOR GENERAL moved the second reading of: —"A bill to amend the Legal Practitioners Ordinance."

He said: —Sir, this bill seeks to add a new section to the Legal Practitioners Ordinance which will enable solicitors to administer oaths and receive affidavits and affirmations, a power which solicitors in England have had since 1974.

At present, members of the public who wish to make an oath, affidavit or affirmation may only do so before a justice, notary, commissioner or other duly authorized person. Recourse is generally had to Court officials and various Government officers in departments such as the New Territories Administration and the Immigration Department who have the necessary authority. If this bill is passed recourse may still be had to these officials and officers. But frequently this is inconvenient to all parties concerned. The proposed amendment, by providing a generally more convenient alternative, will ensure a better service for the public.

The Chief Justice proposes to make rules providing that a fee not exceeding \$20 may be charged by a solicitor for this service. As this is the fee payable in the Supreme Court and District Court registries for the same service, there should be no additional cost to the public.

The proposed amendment will not, however, permit a solicitor to administer oaths to or take affidavits or affirmations from his own clients. This is prohibited by the Rules of the Supreme Court.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE SOLICITOR GENERAL.

*Question put and agreed to.*

**INDUSTRIAL AND REFORMATORY SCHOOLS****(AMENDMENT) BILL 1977**

THE DIRECTOR OF SOCIAL WELFARE moved the second reading of: — "A bill to amend the Industrial and Reformatory Schools Ordinance."

He said: —Sir, the Social Welfare Department administers two correctional institutions for young offenders under the provision of the Industrial and Reformatory Schools Ordinance. This ordinance was first enacted in 1932 and consequently some of the provisions have

grown out of date whilst some are found inadequate to cope with present circumstances. A number of amendments are therefore proposed.

First, all references to industrial schools are to be deleted since these schools have ceased to exist since the 1930s.

Secondly, the present provision in section 28 of the ordinance provides that a court may order an incorrigible youthful offender to be transferred to a training centre of the Prisons Department or order that the offender be imprisoned for the unexpired period of his detention. The proposed amendment empowers the court to transfer incorrigible youthful offenders also to detention centres which came into existence only five years ago.

Thirdly, at present the law requires a reformatory school detainee who has been found guilty of a further offence resulting in imprisonment, to return to the reformatory school, after that sentence is served, for the balance of the period stipulated by the original court order. Experience indicates, however, that a further term in a reformatory school is of little benefit to the detainee, and that the detainee often proves to be an undesirable influence for the more impressionable inmates. The proposed amendment therefore provides that once a reformatory school detainee has served a sentence in a prison, a detention centre or a training centre for an offence committed either during or prior to his detention, any reformatory school order will automatically lapse and cease to have effect.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE DIRECTOR OF SOCIAL WELFARE.

*Question put and agreed to.*

## **PROFESSIONAL ACCOUNTANTS (AMENDMENT) BILL 1977**

### **Resumption of debate on second reading (20th April 1977)**

*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).*

**HONG KONG EXAMINATIONS AUTHORITY BILL 1977****Resumption of debate on second reading (20th April 1977)***Question proposed.*

MR ALEX WU: —Your Excellency, public examinations, in the circumstances of Hong Kong, are used as much for the measurement of academic standards as for the purposes of obtaining employment. For this reason, the present arrangements, under which these examinations are administered by the Education Department and the two Universities, are no longer adequate. It is therefore a welcome move to set up an independent Examinations Authority to take into account individual student requirements and the broader implications of social and educational policy. This should not preclude the Universities and other educational institutions from establishing their own separate entrance requirements on the basis of performance in the examinations conducted by the Authority.

The bill has been favourably received by my Unofficial Colleagues, but the Ad Hoc Group set up by the Unofficial Members has asked me to comment on some aspects of it.

Firstly, the Schedule to the bill contains only three "specified examinations"—the Hong Kong Certificate of Education Examination, the Chinese University of Hong Kong Matriculation Examination, and the Advanced Level Examination of the University of Hong Kong. It does not refer to various external examinations run by the Education Department at present: for example, the General Certificate of Education (GCE) Examinations. We hope that the planning for the new Examinations Authority will include suitable arrangements to avoid any interruption in the administration of these equally important examinations.

Secondly, the staff of the Universities and many other institutions, as well as some individuals, have for many years been rendering most valuable assistance in conducting various public examinations. We trust that such assistance would continue after the responsibility for running these examinations has been transferred to the independent Authority.

Thirdly, it will be necessary to seek overseas recognition of examinations administered by the Examinations Authority. It is important therefore that there should be no delay in obtaining such recognition.



Fourthly, no one wishes to see the Examinations Authority turn into a bureaucratic "top-heavy" machine employing too many senior staff and duplicating services provided by the Education Department. In this respect, the monitoring functions of the Government cannot be over-emphasized.

Finally, I should like to make two further observations.

I am sure the public will be pleased to see that among the members of the Examinations Authority there will be representatives from the commercial and industrial sectors as well as non-Government educationalists, all of whom will participate directly in the administration of public examinations. The proposed amendment of clause 3, sub-clause (2)(b)(i) which widens the choice of public officers to serve on the Authority deserves our endorsement.

The Authority is to be a policy-making body by virtue of clause 7, sub-clause 1(b) and (d). The latter empowers the Authority to approve syllabuses. The presence of outside representatives will, I hope, encourage the Authority to bear in mind the need for a flexible approach. We must keep on trying to eliminate the anxieties and frustrations which affect all students and parents when they are presented at an early stage with making an irrevocable choice between Arts and Science.

With these remarks, Sir, I support the motion.

REV JOYCE M. BENNETT: —Sir, it gives me great pleasure to speak in support of the Hong Kong Examinations Authority Bill. This bill is long overdue, such an independent examination authority being first mooted in the Marsh-Sampson Report back in 1963 and recommended in the 1965 White Paper on Education. The secondary schools will welcome this further step towards a more co-ordinated educational system. In the past few years the Education Department has done good service in amalgamating the syllabuses and examinations in the secondary schools (Anglo-Chinese and Chinese schools now provide similar courses). With this independent Examinations Authority there will be a first-class opportunity to rationalize further our examination system. It will have the power to "determine the educational requirements necessary for candidates to be eligible to sit specified examinations"; and "approve syllabuses for specified examinations" (see clause 7(1)b and d).

Some members of the public may question the need to burden this Council with problems concerning the examination system of our schools. I believe it is essential, we recognize, that our education policy is a matter of public concern, not only for academic establishments but

[REV JOYCE M. BENNETT] **Hong Kong Examinations Authority Bill—resumption of debate on second reading (20.4.77)**

also for industrial and commercial undertakings. I therefore welcome the inclusion in the Authority of three persons in commerce or industry as well as representatives of the Universities, Polytechnic, post-secondary colleges and schools.

In the next months, we must provide an educational policy that will meet the needs of students completing the third year of their Secondary School course and of those academically able to benefit from the Matriculation courses after their Hong Kong Certificate of Education Examination in their fifth year. We must ensure that the best students are given this opportunity and thus enter the Universities. I note again that the Authority by this bill will "determine the educational requirements necessary for candidates to be eligible to sit the specified examinations". I look forward to seeing a more efficient and economical Sixth Form examination system develop in the coming years, so that students do not, as now, have to cover different syllabuses for two different examining bodies. I welcome the three year period during which the Authority will gradually take over the conduct of the present three examinations mentioned in the Schedule to the bill.

It is essential that schools should have adequate notice of any changes in the system. Clearly there has been good co-operation and liaison between the Universities and the Education Department for the setting up of this Authority, and I believe that each of these bodies will assist in making the change-over smooth and satisfactory. Schools, I know, look for the ironing out of certain anomalies between the present two University Examinations concerning the subjects examined and the length of their syllabuses, especially in relation to the courses in Forms 4 and 5 leading to the Hong Kong Certificate of Education Examination. The Authority will be able to study these problems in depth and I note that "The Governor may give the Authority directions of a general character as to the discharge by the Authority of its functions in relation to matters appearing to the Governor to affect the public interest". (clause 13(1)).

Sir, I am delighted that this bill is before us today and I urge the Authority once constituted to work together with the schools, colleges and Universities to improve our educational system in "the public interest".

Sir, I beg to support this Motion.

DIRECTOR OF EDUCATION: —Sir, I will respond briefly to Mr Alex WU's comments on behalf of the Ad Hoc groups of this Council. As to external examinations there will be no difficulty in continuing arrangements for these.

Regarding overseas recognition for our own Hong Kong examinations this is a matter of which my Colleagues and I have been very conscious from the beginning of planning the establishment of this Authority and appropriate steps will be taken directly the time comes to maintain this recognition.

The proposed machinery of the Authority is on strictly functional lines and the conditions of service of staff are severely practical not to say exactly. Membership of the Authority will include industrial and commercial interests and the budget is subject to Government scrutiny. Appropriate precautions therefore against a bureaucratic top-heavy machine have been built in.

Finally the approval of syllabuses by the Authority will be an enabling step to bring greater co-ordination into our education system in due course.

Sir, I shall shortly move that clause 3 of the bill be amended to enable any public officer, whether from the Education Department or not, to be appointed under clause 3(2)(b)(i), without increasing the total number of official members. This is now considered desirable to give greater flexibility in the membership of the Authority, bearing in mind the decisions which must be made regarding the financial policy of the Authority and also the proposed fee-remission arrangements. It may thus be appropriate for an officer of the Government Secretariat to be appointed to the Authority.

*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).*

**HONG KONG AND YAUMATI FERRY COMPANY  
(SERVICES) (AMENDMENT) BILL 1977**

**Resumption of debate on second reading (20th April 1977)**

*Question proposed.*

**Hong Kong and Yaumati Ferry Company (Services) (Amendment) Bill—  
resumption of debate on second reading (20.4.77)**

*(At this point Mr Alex WU stated that he wished to declare an interest as a Director of the Hong Kong and Yaumati Ferry Company and would therefore abstain from voting on this 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).*

**"STAR" FERRY COMPANY (SERVICES) (AMENDMENT)  
BILL 1977**

**Resumption of debate on second reading (20th April 1977)**

*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).*

**FERRIES (AMENDMENT) BILL 1977**

**Resumption of debate on second reading (20th April 1977)**

*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.

**PROFESSIONAL ACCOUNTANTS (AMENDMENT) BILL 1977**

Clauses 1 to 14 were agreed to.

**HONG KONG EXAMINATIONS AUTHORITY BILL 1977**

Clauses 1 and 2 were agreed to.

Clause 3

DIRECTOR OF EDUCATION: —Sir, I move that clause 3 be amended as set out in the paper before honourable Members.

*Proposed amendment*

*Clause*

3 That clause 3 be amended in subclause (2)(b)(i) by deleting "from the Education Department".

The amendment was agreed to.

Clause 3, as amended, was agreed to.

Clauses 4 to 17 were agreed to.

The Schedule was agreed to.

**HONG KONG AND YAUMATI FERRY COMPANY (SERVICES)  
(AMENDMENT) BILL 1977**

Clauses 1 to 6 were agreed to.

**"STAR" FERRY COMPANY (SERVICES) (AMENDMENT)  
BILL 1977**

Clauses 1 to 6 were agreed to.

**FERRIES (AMENDMENT) BILL 1977**

Clauses 1 to 3 were agreed to.

**APPROPRIATION BILL 1977**

HIS EXCELLENCY THE PRESIDENT: —We shall consider the Schedule first in accordance with Standing Order 55, taking the Heads in groups. The question is that the sums of money for the following Heads stand part of the Schedule.

Heads 21 to 25 were agreed to.

Head 26

MR CHEONG-LEEN: —Sir, I accept the statement by the Director of Commerce and Industry made on 20th April that his Department is concerned to encourage and assist the diversification of products and markets, with the co-operation of the Trade Development Council.

As exponents of the free enterprise system, Hong Kong industrialists and businessmen have never been overawed or afraid of competition. Yet it would be a matter of simple prudence if we avoid any sense of complacency, and instead strive even more than ever to accelerate Hong Kong's industrial and economic growth. Government should be prepared to make available whatever resources and funds that are necessary to stabilize the price of land for industrial expansion, survey the potential of new industries, assist smaller factories in their design capability and to improve the quality of their products, strengthen our trade promotion efforts worldwide, and generally to keep our productivity ahead of rising costs.

At the same time, I am disturbed by my honourable Friend the Financial Secretary's rather blithe statement that the consistently higher growth rates of South Korea and Taiwan in the export of manufactured goods are (to use his own phrase) "not necessarily a cause for concern".

Take Hong Kong's major market, the United States, as an example. Last year, our exports to the United States increased by 56% over that of the previous year. In the case of South Korea and Taiwan, the increases were 83.5% and 69.5% respectively.

For the 1971-76 period, Hong Kong's average annual growth rate of exports to the United States was 19.7%. For South Korea and Taiwan, the figures were 41.3% and 37.5% respectively.

In 1971, Hong Kong ranked second among Asian countries in total exports to the United States; in 1976, Hong Kong's rank dropped to fifth place, following Japan, Taiwan, Indonesia and South Korea.

Without a doubt, however, Hong Kong had performed well in 1976 and on no account should we belittle our own achievement. Nevertheless we should still be asking ourselves seriously in the next few years whether our competitive edge would be blunted by the gathering momentum of the Korean and Taiwan export-oriented economies.

MR JAMES WU: —Sir, I too feel that considering the fast changing world economic situation, the growth of protectionism in trade, and the need to accelerate and co-ordinate our efforts in trade and industrial promotion, not enough resources have been allocated to the Department of Commerce and Industry in its vital tasks of protecting our access to traditional export markets and to promote investment, diversification, and sophistication in our industries. I notice that for instance under sub-head 351, we have only provided less than \$500,000 for industrial investment promotion, whereas we have on hand hundreds of millions of dollars worth of industrial estate for sale to prospective investors.

I suggest that more funds could be allowed to expand the strength of the Commercial Relations Divisions and the Industrial Development and Promotion Branches, considering that, through Appropriations-in-Aid, the net expenditure for the Department is estimated to be only \$31,648,000 for 1977-78 compared with that of the Revised Estimate of \$50,058,000 for 1976-77. I would like to elaborate further on the need for this expansion.

Firstly I share the concern expressed by my Colleague Mr CHEONG-LEEN on the apparent complacency of Government over our export growth and industrial development. Mr CHEONG-LEEN is speaking with personal knowledge and experience of promoting the export of Hong Kong products overseas. He also travels to the world's market-places and visits sources of supply in the region. As an Unofficial Member of this Council he is, like the rest of us, allowed to trespass in the corridors of power and therefore has some vague idea of the current thinking of Government. He is therefore privileged to see things from all angles, and his advice and wisdom are not to be neglected.

In yesterday's newspapers, we saw a prominent report entitled "Japan's textiles facing ruin", with close to 1,000 factories closing down, and with more to come in June and September, because of competition in their home market and in particular in their export markets from the low cost producers in the region. To imagine this eventually occurring in Hong Kong makes one shiver, considering that our textiles and

[MR JAMES WU] **Appropriation Bill—committee stage**

garments total over 50% of our domestic exports. Yet the fear is not unwarranted although it does not seem to some to be imminent.

Last week, Unofficial Members of Legislative Council met a delegation representing the whole textile and garment trade. They came to tell us of their difficulties and fears in the face of increased competition and growing protectionism. Already two of the thirty-two spinning mills in Hong Kong have closed down with ten others curtailing local production and setting up mills elsewhere in the region. Of the 19 finishing plants for synthetics, 3 have closed down; 6 have stopped work; 5 are reducing production and selling equipment and plant; and only 5 are in full operation. One venerable garment maker told us that Hong Kong's good performance in garment exports in the last 2 years was due mainly to the vogue in denim and cotton wear in the US market and that Hong Kong has the largest quota for same amongst the competitors because of past performance. The enthusiasm for cotton could of course subside; and the other textile trades have been less fortunate. Besides, it is common knowledge that the high cost of quotas also inflates our export cost figures.

Sir, as to industrial promotion, if, as we were told, the scattered and piece-meal efforts in industrial promotion are getting results, what vast improvements there could be by organized and co-ordinated efforts.

I remain convinced, therefore, that an Industrial Development Council is necessary for the common good, and that we should make provision under Head 26 for the Director of Commerce and Industry to prepare for its early formation.

Head 26 was agreed to.

Heads 27 to 31 were agreed to.

Head 32

MR CHEONG-LEEN: —There are still several thousand children of primary school age, particularly among children from fishing families, who are not attending school.

I understand the Education Department will in the near future take measures to redress the situation. With the resources available to the Department, it is not too much to expect that the results will be quite productive and not too much of a "window-dressing" exercise.



At this time last year, the Director of Education stated that figures for drop-outs or for premature leavers were hard to collect and interpret, but that he hoped to make the Department's statistical work more sophisticated.

Perhaps the Director of Education can now indicate what is the number of drop-outs or premature leavers in primary schools, and whether there has been a significant improvement in the measures adopted to reduce such number.

Apart from handicapped children, will it be too much to expect that there will be a 99.9% primary school attendance within the next couple of years?

DIRECTOR OF EDUCATION: —1976 census data indicate that 98% of children aged 6-11 are in school. This is already a high figure. Improvements beyond this level are very hard to achieve and rewards to effort are likely to be low.

A campaign is to be launched later this month to draw the attention of all parents specifically those in the fishing and water-borne communities to the full availability of free primary places and to the fact that parents may be prosecuted if they do not send their primary age children to school or if they prevent them from attending classes at any stage of the six-year primary course. Planning for this campaign began last December.

As I have indicated it is hard to find the last few, particularly those who may never have been to school. A house-to-house or boat-to-boat search is not the answer.

I have been in touch with those Government departments which are in day-to-day contact with individuals in those parts of the community whose children for some reason may not be at school with a view to making use of their resources to remind parents of their obligations to send their children to school.

As regards primary age children discontinuing their schooling, I have previously stated in this Council that we have a system by which headmasters inform us of cases where they believe that a child has discontinued schooling. Social Welfare Department officers follow up these cases. Some children are found to have left Hong Kong, others turn out to be over-aged or prove untraceable. The parents of the rest are persuaded to send their children back to school.

Head 32 was agreed to.

**Appropriation Bill—committee stage**

Heads 33 to 76 were agreed to.

Head 77

MR CHEONG-LEEN: —Sir, I understand that since 1973 up to this month, 277 persons have been given discretionary grants for dentures under the Public Assistance Scheme.

During the same four-year period, 121 public assistance clients have received similar grants for the cost of spectacles.

Bearing in mind that we have about 49,000 public assistance clients at present, it would appear that the discretionary grant has been either highly discretionary or that not too many people know about its existence, especially in regard to dental care and spectacles.

Certainly the extent to which this discretionary grant has been availed of cannot be indicative of the state of dental or optical health of that portion of our population eligible for public assistance.

Perhaps the time has come to improve upon these two particular items under the grant by making them more readily available through wider publicity and by adapting them to the needs of school children whose families are public assistance clients. The dental care element, in particular, should not be limited to dentures only but should also be extended to extractions and fillings.

Head 77 was agreed to.

Heads 78 to 85 were agreed to.

Question put that the Schedule stand part of the bill and agreed to.

Clauses 1 and 2 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL reported that the

Professional Accountants (Amendment) Bill the

Hong Kong and Yaumati Ferry Company (Services) (Amendment) Bill the

"Star" Ferry Company (Services) (Amendment) Bill the  
Ferries (Amendment) Bill and the  
Appropriation Bill

had passed through Committee without amendment and that the Hong Kong Examinations  
Authority Bill

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**

#### **THE SCOUT ASSOCIATION (AMENDMENT) BILL 1977**

#### **Resumption of debate on second reading (20th April 1977)**

*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.

#### **THE SCOUT ASSOCIATION (AMENDMENT) BILL 1977**

Clauses 1 to 16 were agreed to.

Council then resumed.

#### **Third reading of bill**

MR LOBO reported that the

Scout Association (Amendment) Bill 1977

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.

### **TRIBUTE TO MR D. C. BRAY**

HIS EXCELLENCY THE PRESIDENT: —This will be the last meeting Mr BRAY will attend before leaving us to become the Hong Kong Commissioner in London. His tour as Commissioner will only be for a few years so his absence from Hong Kong and perhaps even from this Council is only temporary, so this is not a valedictory. Nevertheless I would like to thank him for his contribution to the Council both as Commissioner for the New Territories and as Secretary for Home Affairs. These are fast-moving areas where energy, originality and a certain personal touch are necessary and these qualities he has displayed in full.

He will certainly have ample opportunity to use them in the United Kingdom where it will be his task to sustain the great fund of goodwill that undoubtedly exists for Hong Kong there. I am sure that Hong Kong can benefit from a skilful and frank presentation of the facts in the right way to the right people at the right time. Hong Kong has a strong case, and it will be Mr BRAY's task to present it, and I am sure that he and his wife carry with them the best wishes of the entire Council.

DR CHUNG: —May I on behalf of my Unofficial Colleagues and myself extend our best wishes for every success to Mr BRAY in his new assignment and to assure him that he will have every support from all the Unofficial Members.

### **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 18th of May.

*Adjourned accordingly at ten minutes to four o'clock.*

