

OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 27th July 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 HANDDON-CAVE, CMG, JP
THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR GARTH CECIL THORNTON, QC
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR LI FOOK-KOW, CMG, JP
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 WYILE MCDONALD, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE DAVID GREGORY JEAFFRESON, JP
SECRETARY FOR ECONOMIC SERVICES
THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP
DIRECTOR OF AGRICULTURE AND FISHERIES
THE HONOURABLE THOMAS LEE CHUN-YON, CBE, 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 PETER BARRY WILLIAMS, JP
COMMISSIONER FOR LABOUR
THE HONOURABLE JOSEPH CHARLES ANTHONY HAMMOND, JP
SECRETARY FOR THE CIVIL SERVICE (*Acting*)
THE HONOURABLE WILLIAM DORWARD, OBE, JP
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)
THE HONOURABLE COLVYN HUGH HAYE, JP
DIRECTOR OF EDUCATION (*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 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 LO TAK-SHING, OBE, JP
 THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP
 THE HONOURABLE CHEN SHOU-LUM, JP
 THE HONOURABLE LYDIA DUNN, JP
 DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP
 THE HONOURABLE LEUNG TAT-SHING, JP
 THE HONOURABLE PETER C. WONG, JP

ABSENT

THE HONOURABLE LEE QUO-WEI, CBE, JP
 THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP
 THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP
 THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP
 THE REV THE HONOURABLE JOYCE MARY BENNETT, JP
 THE REV THE HONOURABLE PATRICK TERENCE MCGOVERN, SJ, JP
 THE HONOURABLE WONG LAM, JP

IN ATTENDANCE

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

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:	
Reformatory Schools Ordinance.	
Industrial and Reformatory Schools (Forms) (Amendment) Regulations 1977	159
Public Health (Animals and Birds) Ordinance.	
Public Health (Animals and Birds) (Amendment) Regulations 1977	160
Road Traffic Ordinance.	
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Summary Offences Ordinance.	
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<i>Subject</i>	<i>LN No</i>
Reformatory Schools Ordinance.	
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Agricultural Pesticides Ordinance 1977.	
Agricultural Pesticides Ordinance 1977 (Commencement) Notice 1977	166
Consumer Council Ordinance 1977.	
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Public Health and Urban Services Ordinance.	
Hawker (Permitted Place) Declaration No 11/1977	169
Detention Centres Ordinance.	
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Drug Addiction Treatment Centres Ordinance.	
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Evidence Ordinance.	
Evidence (Authorized Persons) (No 5) Order 1977	172
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Evidence (Authorized Persons) (No 6) Order 1977	173
Customs and Excise Service Ordinance.	
Customs and Excise Service (Discipline) Rules 1977	174
Public Health and Urban Services Ordinance.	
Laundry (Amendment) (No 2) By-laws 1977	175
 Sessional Papers 1976-77:	
No 52—Supplementary Provisions for the Quarter ended 31.3.77 (published on 27.7.77)	
No 53—Income and Expenditure Account of the Chinese Recreation Ground and Public Square Yau Ma Tei Management Committee for the year ended 31st March 1977 (published on 27.7.77)	
No 54—J. E. Joseph Trust Fund Report for the period 1st April 1976 to 31st March 1977 (published on 27.7.77)	
No 55—Kardoorie Agricultural Aid Loan Fund Report for the year 1976-77 (published on 27.7.77)	

*Subject**LN No*

No 56—Annual Report of Sir Robert Black Trust Fund for the year from 1st April 1976 to 31st March 1977 (published on 27.7.77)

Oral answers to questions**Speed boats near gazetted beaches**

1. MR PETER C. WONG asked:—

Sir, will Government take immediate steps to protect swimmers from the hazards of speed-boats operating near gazetted beaches?

THE CHIEF SECRETARY:—Sir, legislation is being drafted, the effect of which will be to make it an offence for any vessel to travel at more than 5 knots, within 150 feet of the buoys which mark the boundaries of swimming areas at gazetted beaches.

MR PETER C. WONG:—In view of the public concern in this important matter, will Government assure this Council that legislation will be introduced as soon as possible?

THE CHIEF SECRETARY:—Yes, Sir.

Water skiers—life jacket

2. MR PETER C. WONG asked:—

Will Government make it mandatory for water skiers to wear life jackets?

THE CHIEF SECRETARY:—Sir, the Committee on Boats and Yachts (a committee which includes unofficials and advises the Director of Marine) has recently recommended in the interests of safety, that legislation should be introduced to make it mandatory for water-skiers to wear buoyancy aids. The Government is considering this recommendation.

MR PETER C. WONG:—For the same reason, Sir, will Government assure this Council that a decision will be reached as soon as possible?

THE CHIEF SECRETARY:—Yes, Sir.

Rape—names of victims

3. MR CHEUNG asked:—

Sir, will Government consider enacting legislation to prevent the disclosure of the names and past sexual behaviour of persons who have been raped?

THE ATTORNEY GENERAL:—Sir, I believe the question refers to the amendments to the law relating to rape made in the United Kingdom by the Sexual Offences (Amendment) Act 1976.

The answer is "yes". The Attorney General intends to submit draft legislation to Your Excellency in Council shortly and, if approved, it will be introduced to this Council early in the next session.

Study rooms

4. MR CHEONG-LEEN asked:—

Sir, will Government make available more study rooms in both Government and aided primary and secondary schools in public housing estates for evening studies by students and provide funds for a tutorial service for students using these rooms?

THE CHIEF SECRETARY:—Sir, there are about 12,000 permanent study room places available in the urban areas.

As an experiment, a further 2,600 places were provided in Government primary schools from March to July this year.

This experiment will be evaluated next month, in an effort to assess the demand for additional permanent places.

If a need for more is established, the Government will try to meet it.

As these rooms cater for a wide range of students, of varying standards and ages and from different schools, a tutorial service for them would not be practicable.

MR CHEONG-LEEN:—Sir, how many of these studyroom places are in Housing Estates and how many students use them?

Oral answers

THE CHIEF SECRETARY:—I am afraid I do not have a breakdown of the individual studyrooms, but I will obtain the information and circulate it to Members.

(The following written reply was provided subsequently)

There are at present 73 permanent study room facilities located within Housing Estates, providing a total of 7736 places. These study rooms are operated by Social Welfare Department, various voluntary agencies, Urban Services Department and Education Department. A breakdown is as follows:—

	<i>No. of study rooms</i>	<i>Capacity</i>
<i>SWD/VA</i>	<i>69</i>	<i>7358</i>
<i>USD</i>	<i>3</i>	<i>288</i>
<i>ED</i>	<i>1</i>	<i>90</i>
<i>Total</i>	<i>73</i>	<i>7736</i>

These study rooms are reportedly well utilised but no detailed information on level of usage is available.

MR CHEONG-LEEN:—Sir, while I do agree that it would be difficult from a practical point of view to have a general tutorial service, on the other hand, will consideration be given, when the experiment is reviewed next month, to setting up a more specialized form of tutorial assistance particularly for students in primary school and Forms I and II, to help them with their home work? This particular need has been pointed out through the City District Office system several years ago.

THE CHIEF SECRETARY:—No, Sir. Study places are for students to do their homeworks. Schools are where they attend tuition.

MR CHEONG-LEEN:—On the other hand, would my honourable Friend agree that additional use could be made of these studyrooms by providing the services which I have just suggested?

THE CHIEF SECRETARY:—No, Sir.

Passports—jumbo size

5. DR CHUNG asked:—

Sir, referring to the "Jumbo" and ordinary types of Hong Kong passports, costing \$240 and \$120 respectively, will

Government confirm that an essential condition for the issue of the former is for the applicant to satisfy the Director of Immigration that he has within the preceding two years used up all pages on his present passport and, if so, give the reason for this policy?

SECRETARY FOR SECURITY:—No, Sir, that is not the case. It is always possible that an individual applicant may have gained a misleading impression from an enquiry.

The current practice is that an applicant seeking a 94 page passport is required to satisfy the Director of Immigration that he, or she, needs to travel frequently and would fill the 30 pages of a standard passport sufficiently quickly to justify the issue of a jumbo passport. 1,025 such passports have been issued.

It is intended to include reference to the availability of jumbo passports when application forms are next reprinted and they will then normally be available on demand for those who travel frequently.

DR CHUNG:—Sir, will Government take note that this question is asked as a result of a complaint made to me personally from the person who recently applied for renewal of his passport and was refused a jumbo passport on the basis that he did not use up his present passport within two years?

SECRETARY FOR SECURITY:—I made enquiries before answering this question and I understand that the answer which I have given is the general practice. I am sorry if the honourable Member has a specific case which has caused concern. I, for my part, was told that the Immigration Department was not aware of any case which had been refused. To put this into perspective, there are 65,000 passports issued every year, sometimes in busy conditions. If an individual member of the public has been inconvenienced, I should be very glad to know of the incident and the case and I will take it up.

DR CHUNG:—Sir, will Government explain how the staff of the Immigration Department interpret the words as given by my honourable Friend "would fill the 30 pages of a standard passport sufficiently quickly to justify the issue of a jumbo passport" consistently to potential applicants?

SECRETARY FOR SECURITY:—Sir, as I have indicated, the intention is that when we reprint the form the jumbo passport will be available on application to those who travel frequently. I hope this will ensure

[SECRETARY FOR SECURITY] **Oral answers**

that those who require this large bulky document will receive it. That is certainly the intention.

MR PETER C. WONG:—The Secretary for Security quoted the number of 1025, could we be informed over what period were these 1025 issued?

SECRETARY FOR SECURITY:—This is the number currently outstanding, Sir. The jumbo passport has been introduced, I think, over the last three or four years.

Kai Tak Airport—wheelchairs

6. MR LOBO asked:—

Sir, (a) how many wheelchairs are available at Kai Tak Airport for use by disabled passengers? and

(b) is Government satisfied that the number is sufficient to meet demand?

THE CHIEF SECRETARY:—Sir, the answer to the first part of the question is "twelve", and to the second part is "yes".

Water supply—Sai Kung District

7. DR HU asked:—

Sir, will Government state what improvements have been made since the UMELCO visit on 25.10.76 and will be made to the water supply to Sai Kung District and, in particular, to Fei Ngo Shan, Tseng Lan Shue, Sai Kung Town, Tui Min Hoi, Tso Woh Hang and Tai Mong Tsai?

DIRECTOR OF PUBLIC WORKS:—Sir, an item for the provision of water supply between Fei Ngo Shan and Razor Hill was included in Category A of the Public Works Programme at the first PWSC Review of this year. The scheme, which includes the construction of a service reservoir, the installation of pumping plant and the laying of mains, will provide a supply to areas between Fei Ngo Shan and Razor Hill including Tseng Lan Shue. The system is expected to be fully commissioned by the latter half of 1979.

An interim scheme for improvements to the Sai Kung supply system has been recommended for inclusion in Category A. If approved, works will commence this year and the bulk of the works, which will consist of the major duplication of trunk mains and an extension of the system, will be completed next year. This system will enable the demands generated by various residential developments in Sai Kung up to Sha Kok Mei and the comprehensive planned developments in Tui Min Hoi to be accommodated.

Tso Wo Hang and Tai Mong Tsai are located some distance beyond the economic expansion limit of the interim improvements scheme for Sai Kung and cannot therefore be included in the project. Supplies to these two areas will however be provided under a longer term scheme which will necessitate the construction of a new treatment works in the Sai Kung Peninsula and will provide a more comprehensive distribution system to cater for future district demand. This scheme is planned for completion in 1981.

Collision between hydrofoil and ferry

8. DR CHUNG asked:—

Sir, is it true that there will be no public enquiry into the recent collision between a hydrofoil and a Yaumati ferry off Cheung Chau Island and, if so, will Government in the light of public interest publish its own report on the investigation?

THE ATTORNEY GENERAL:—Sir, legal advice originally tendered on the collision between the hydrofoil "Flying Albatross" and the ferry "Man Tak", which occurred on March 2nd this year, was that a Marine Court was not warranted because a comprehensive preliminary inquiry had already been conducted by the Marine Department.

However, following the tabling of Dr CHUNG's questions at the last sitting of Legislative Council, the Attorney General, Mr HOBLEY, has personally considered the papers, in consultation with the Director of Marine, and has advised that a Marine Court is likely to produce greater certainty as to some of the facts.

Your Excellency has been pleased to accept that advice and a Marine Court will shortly be convened to investigate the collision fully.

Oral answers**Pig-breeders in urban area**

9. MR CHEONG-LEEN asked:—

Sir, will Government formulate a long-term plan to relocate in the New Territories pig-breeders now operating in the urban areas?

DIRECTOR OF AGRICULTURE AND FISHERIES:—Sir, proposals to relocate pig-keepers in the urban area in alternative sites in the New Territories have been periodically discussed over a considerable period of years.

There are basically two obstacles to the formulation of any long term plan. Firstly, the problem of finding suitable sites in the New Territories, and, secondly, a marked reluctance on the part of the pig-keepers to remove from the urban area. It should be remembered that in the majority of cases pig-keeping is not the sole form of family income, and that such persons additionally have strong family and social ties which they do not wish to sever. In all cases, therefore, the preference has been to accept compensation, close down pig-keeping activities and remain in the vicinity.

My department offers, and will continue to offer, assistance should pig-keepers opt for relocation. Up to date no requests have been received.

Under the circumstances Government has no intention to formulate a long term plan to relocate urban pig-breeders in the New Territories.

MR CHEONG-LEEN:—Sir, has there been any administrative measures taken in the past few years to reduce the number of pig-breeders in the urban areas and how successful have they been?

DIRECTOR OF AGRICULTURE AND FISHERIES:—Yes, Sir, several departments have been involved in mounting joint operations through administrative procedures—not only by my own department but Urban Services Department, Secretary for Home Affairs, Crown Lands, Medical and Health and the Housing Department (formerly the Resettlement Department). Some ideas of the progress can be gauged from the fact that in 1962 there were 4,000 pig-keepers, rearing about 80,000 pigs and at the end of 1976, there are approximately 1,000 pig-keepers with about 20,000 pigs.

MR CHEONG-LEEN:— Sir, is any consideration being given to accelerate these administrative measures?

DIRECTOR OF AGRICULTURE AND FISHERIES:— Yes, Sir, one can anticipate that there will be mounted acceleration, particularly when our environmental pollution control laws come into effect.

Kwai Chung Road—accidents

10. MR CHEN asked:—

Sir, what measures does Government intend to take to prevent further accidents to pedestrians on the Kwai Chung Road near Modern Terminals Ltd.?

SECRETARY FOR THE ENVIRONMENT:— Sir, since the recent tragic accident on the Kwai Chung Road near the Container Terminal flyover, the Government has adopted several measures to minimize the risk of further accidents to pedestrians along this stretch of road. These measures comprise:—

First—intensified police action against jay-walkers.

Secondly—the erection of an anti-dazzle fence along the central divide of the road. This will be completed in about six weeks' time and, apart from acting as a barrier and thus a further deterrent to jay-walkers, will improve motoring safety by reducing headlight glare.

Thirdly—a railing at the eastern end of the flyover has been removed to enable the residents of Lai King Estate to gain access to the pedestrian footbridge on the flyover by means of a flight of steps.

Finally, a new footpath is being built to link the pedestrian footbridge on the flyover with another flight of steps from the Lai King Estate; and this will be completed in about four weeks' time.

The effect of the latter two measures will be to make it much easier for residents of the housing estate to cross this busy road by means of the footbridge.

MTR/KCR interchange at Kowloon Tong

11. DR CHUNG asked:—

Sir, is Government now in a position to make known the result of its investigation into the feasibility of a MTR/KCR interchange station at Kowloon Tong?

Oral answers

SECRETARY FOR THE ENVIRONMENT:—Sir, when Dr CHUNG asked a similar question in this Council just over a year ago, the Director of Public Works advised that the feasibility of a KCR/MTR interchange station at Kowloon Tong was dependent upon other investigations which were in hand, particularly concerning the modernization of the KCR.

The double-tracking of the KCR between Hung Hom and Sha Tin is now almost complete and further items have been added to the Public Works Programme to complete the double-tracking of the main line all the way to Lo Wu. Tenders for the construction of a new double-tracked tunnel through Beacon Hill have also recently been invited. In addition, a consultancy to study the modernization and possible extension of the railway has been commissioned and the consultants have been at work since January this year. They are expected to report in the autumn and their recommendations will include advice on whether, and by what means, the KCR should be electrified. Because of operational problems connected with the steepness of the gradient to the Beacon Hill tunnel, a station at Kowloon Tong and a consequent interchange facility with the MTR will only be feasible with electrified trains.

The Mass Transit Railway Corporation is proceeding with the construction of its station at Kowloon Tong and it has modified the design to include the possibility of a connection with a KCR station. The Government has also almost completed arrangements for a further consultancy to be commissioned on the design of the KCR station and of the interchange with the MTR together with the possibility of commercial development of the space over the station. If electrification of the railway is then proposed and accepted, it will be the intention to proceed with this project with a target date for completion of late 1980.

Sir, although we must await the consultants' reports on these possibilities and their evaluation, it is my belief that, given the expected growth in population in Sha Tin New Town and further up the line, the electrification of a double-tracked railway will prove to be well worth while. If so, the building of this interchange between the two railways will be a very important addition to our transport system, linking as it will the new town of Sha Tin with western Kowloon and Hong Kong Island in one direction and Kwun Tong in the other.

DR CHUNG:—Sir, will the Secretary for the Environment explain whether passengers need to go out into the streets in order to make

ADDENDUM
OFFICIAL REPORT OF THE LEGISLATIVE
COUNCIL SITTING HELD ON 27TH JULY 1977

Page 1135 Before "**Rehabilitation Services—White Paper**"—Question 13 asked by Dr FANG.

Add:—

(The following written reply was provided subsequently by Secretary for the Environment)

This has now been done. The Committee's view, which I endorse, is that maximum speed limits should not be imposed on PLBs as such, but that speed limits on all vehicles should be related to road conditions rather than to individual types of vehicle.

In reaching this decision, TAC took into account the following factors. Although driving at a speed unsuited to prevailing conditions is the largest single cause of all traffic accidents, accounting for over one-third of all accidents, this does not mean speeding *per se*. While it is true that overall speed limits reduce both the number and the severity of traffic accidents, speed limits varying between classes of vehicle could lead to very different results. A limit on PLBs, for instance, would create a difference between the speed of these vehicles and other traffic on roads otherwise unrestricted. This could encourage imprudent overtaking manoeuvres, weaving and similar bad driving and would tend to increase, not reduce, the risk of traffic accidents overall.

In this context it is perhaps pertinent that public omnibuses, which are already subject to a maximum speed limit of 40 m.p.h., have a higher reported incidence of traffic accidents than PLBs, although it is not known in either case how many accidents were due to excessive speed.

Prior to this matter being considered by the TAC, it was looked at by the Standing Conference on Road Use. This body also agreed that, in view of the lack of evidence

that speeding was a significant cause of accidents involving public light buses and of the considerable practical difficulties of enforcing a differential speed limit, a specific limit on PLBs was unlikely to help and should not be supported.

At the January 1978 TAC meeting the Commissioner for Transport informed the Committee that action is in hand to amend the Road Traffic Regulations to relate speed limits to road conditions for all vehicles rather than to specific classes of vehicle. The Committee, as I have said, endorsed this proposed course of action rather than the imposition of speed limits on PLBs and other particular classes of vehicle.

transfers from KCR to MTR or vice versa at KCR/MTR interchange now being planned at Kowloon Tong?

SECRETARY FOR THE ENVIRONMENT:—No, Sir, the interchange will be along a corridor which will connect the two stations. Passengers will not need to go out into the streets.

Public light bus—speed limit

12. MR CHEN asked:—

Sir, in the interest of public safety, will Government consider imposing a maximum speed limit on public light buses operating in areas where there is no speed limit for vehicles other than public omnibuses and goods vehicles in excess of 2 tons?

SECRETARY FOR THE ENVIRONMENT:—Sir, I agree that the Government should look into the question of whether there should be a maximum speed limit for public light buses and I have asked the Commissioner for Transport to examine this. When his advice is available and I have considered it, in consultation with the Transport Advisory Committee, I will inform Mr CHEN of the outcome.

Rehabilitation Services—White Paper

13. DR FANG asked:—

Sir, when will the White Paper on the Further Development of Rehabilitation Services in Hong Kong be presented to this Council for debate?

SECRETARY FOR THE SOCIAL SERVICES:—Sir, I much regret that it will not be possible to publish the white paper on rehabilitation services during the current session, but it should be ready before the beginning of the next session.

I can assure Dr FANG that this policy statement will be available for debate in the early part of the next session.

Lyemun Barracks

14. MR BREMRIDGE asked:—

Sir, what plans does Government have, both in the short term and in the long term, for the use of the area at Lyemun Barracks surrendered by the Army in 1974 for public recreation purposes?

Oral answers

SECRETARY FOR THE ENVIRONMENT:—Sir, one hundred and thirty acres of land from the Lyemun Barracks area were formally released to the Government on 6th January 1977 for development by the Urban Council.

The released area is mostly very steep hillside and is not easy to develop. The precise nature of the active and passive recreational facilities to be provided on the land is now being considered by the Urban Council but, in view of the size of the area, I am informed that it may be necessary to engage consultants to work out a comprehensive development scheme. Negotiations are also in progress with the Services for the release of additional flat land to improve access to this area and to permit the more rapid development of amenity areas.

In the short term it was originally intended that, as a first step, the development of the northernmost portion of the area, comprising about 25 acres, should be planned with barbecue pits and sitting out areas. But the implementation of these plans has since been held up pending the outcome of discussions on the provision of improved access to the area. The only access at present is a narrow caged footbridge from a remote corner of Ah Kung Ngam which would not be convenient for the public.

MR BREMRIDGE:—Sir, as it was known several years ago that this land would be released, would it not be sensible to commence plan then rather than now?

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir, I agree in principle. But this is a matter which has involved negotiations between 3 parties, namely:—the Government, the Services and the Urban Council. When I say the Services, I mean not just the Ministry of Defence, but also the Department of the Environment in the United Kingdom. I am afraid, Sir, that in a triangular confrontation of this sort, time can sometimes be rather lost.

Merit Trip Scheme

15. MR LEUNG asked:—

Sir, (a) how many local officers have benefited from the Government's Merit Trip Scheme in the last 5 years and

(b) are there any plans to enlarge the scheme, particularly to include more junior officers?

SECRETARY FOR THE CIVIL SERVICE:—Sir, 102 local officers have benefited from the Merit Trip Scheme during the past five years. The scheme was last enlarged in 1974 when the number of merit trips awarded each year was increased from 12 to 30. Most of the officers who have been selected for merit trips during the past five years have come from the middle and lower levels of the Civil Service. There are no present plans to enlarge the scheme any further.

MR CHEONG-LEEN:—Sir, will Government review the Merit Trip Scheme so as to make it more flexible by:—

- (1) allowing officers on merit trips to visit countries other than the UK;
- (2) allowing officers to go on shorter trips in terms of destination and duration and hence cheaper trips; and
- (3) making the training element optional rather than mandatory as it appears to be the case?

SECRETARY FOR THE CIVIL SERVICE:—Sir, the training element has been made optional this year for the first time, and we certainly will review the scheme to consider the other two points made by Mr CHEONG-LEEN.

Colleges of Education—graduates

16. MR LEUNG asked:—

Sir, will there be sufficient job opportunities for primary school teachers graduating from Colleges of Education during the next 5 years?

DIRECTOR OF EDUCATION:—Sir, I see that this question specifically refers to the job opportunities for primary school teachers graduating from Colleges of Education. I must say immediately that graduates from full-time courses at the Colleges are qualified to teach at both primary and secondary levels. With the decrease of opportunities for primary school teachers and the expansion of opportunities for secondary school teachers, it is clear that College graduates will have to look mainly to secondary schools rather than primary schools for their jobs in the future.

I think the prospects for College graduates over the next five years are good because we are rapidly expanding secondary education with a vigorous school building programme, and we are planning to meet

[DIRECTOR OF EDUCATION] Oral answers

ambitious rehabilitation targets for special education, which should provide further job opportunities for College graduates. Moreover, I am in a position to regulate the intake of the Colleges over the next few years, and I will be doing this to match supply with demand as far as possible.

Films

17. MR LOBO asked:—

Sir, will Government introduce amendments to the Merchandise Marks Ordinance to require film distributors and cinema proprietors to state in all advertisements for films whether they have been shortened since their arrival in Hong Kong and prior to their submission to the Panel of Film Censors?

SECRETARY FOR ECONOMIC SERVICES:—Sir, answering this question from the point of view of "consumer protection", I would say that in principle cinema proprietors ought to tell consumers the extent to which they have voluntarily shortened the films they are showing.

But I must confess we have not given this point much thought. There may well be practical difficulties; and a code of practice might be preferable to legislation. So I propose to refer the issue to the Consumer Council which is the appropriate body to talk with distributors and cinema proprietors on this issue in the first instance.

Written answer to question**Government office accommodation**

MR T. S. LO asked:—

Sir, what recommendations have been made by the Property Organization and Management Committee with regard to Government's long term policy on:

- (a) where individual departments might be located so as to achieve optimum efficiency; and
- (b) when to rent and when to build its own long term requirements for office space?

SECRETARY FOR THE CIVIL SERVICE:—The Property Organization and Management Committee was set up in June 1975 with the following terms of reference:—

- (a) to advise the Government through the Secretary for the Civil Service on the most effective methods of meeting Government's future quartering and office accommodation needs;
- (b) to study specific proposals submitted to it and to make recommendations on them to the Secretary for the Civil Service.

Since its inception the Committee has been particularly concerned with the re-location of departments whose existing premises are in need of replacement or are uneconomic to maintain; and with the difficulties facing departments which have become scattered as a result of their rapid growth and which need to be centralized on grounds of efficiency and economy.

The main recommendations made by the Committee so far about the location of individual departments are summarized below:—

- (a) The Trade, Industry and Customs Department, whose existing premises are no longer considered to be adequate, should be re-located in leased accommodation in Kowloon. The new premises are due to be occupied later this year.
- (b) The Marine Department, whose existing premises are considered to be nearing the end of their useful life, should be re-located in a new Government-owned office building which is to be constructed on a site near the Government piers at Rumsey Street. It is expected that this building will be completed in 1981.
- (c) The Inland Revenue Department, which is at present housed in nine separate buildings, should be centralized under one roof. It is expected that this will be achieved by 1979 in accommodation to be leased in a building now under construction in Causeway Bay.
- (d) The Independent Commission Against Corruption, which is at present housed in several widely scattered buildings, should be accommodated in two adjacent buildings, *i.e.* Hutchison House and the Murray Road Carpark Building. This will be achieved before the end of this year.

The Committee has also examined the utilization of Beaconsfield House in Central District and the Government Printing Department workshop at North Point in relation to the value of the sites on which

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they stand. In the case of Beaconsfield House the Committee did not support re-development of the site for office accommodation purposes because of planning limitations. In the case of the Printing Department workshop the Committee recommended that the item in the Public Works Programme (27GE) which provides for the construction of a new workshop should be up-graded, but that it should be built on another site in a non-residential area.

The Committee has also undertaken a study into the long-term questions of providing permanent office accommodation for departments at present housed in leased accommodation in the Central area and of coping with future expansion of the Government Secretariat. It has recommended that a further large block of Government Offices should be constructed as soon as a site can be made available. It is hoped that a suitable site will become available in the Victoria Barracks area. This project is referred to in the Public Works Programme as item 1GO.

Finally, the Committee has examined in depth the general question of whether it is more economic to build or to lease office accommodation to meet Government's long term requirements. It concluded that in the long term Government should build its own offices, but that in the shorter term, with the large amount of office accommodation at present available for renting at reasonable prices, it is cheaper to lease.

Statement

Medical Facilities for War Victims

THE CHIEF SECRETARY:—Sir, some public disquiet was expressed, a few weeks ago, about the plight of former prisoners of war, who fought in the defence of Hong Kong in 1941.

As a result of this, the Chairman of the Hong Kong War Memorial Fund Committee wrote to the press, inviting war veterans in need to apply to his Committee for assistance. So far, only three applications have been received in response to this invitation. One of these has been approved and the other two are being examined.

The Government, in view of public interest in the matter, thought it right to consider whether it should provide any assistance from public resources. It then became apparent that the provision of medical

treatment was causing more concern among former prisoners than any other factor.

The Director of Medical and Health Services has expressed the view that more than three years of captivity, in conditions in which the victim suffered malnutrition, acute discomfort and physical and mental maltreatment, are likely to have a deleterious effect on health, especially as the victim grows older.

Accordingly, the Government has decided that free medical treatment should be provided for them at Government hospitals and general medical clinics.

In accordance with the principles adopted in the War Memorial Fund Ordinance, any members of auxiliary civil units as well as members of military units who were imprisoned or interned by virtue of their membership of any of these units in December 1941, and any civilian resident who was imprisoned (other than for ordinary crimes) and tortured during the enemy occupation of Hong Kong will qualify for free medical treatment. The spouse of any eligible person will also qualify.

Full details of this scheme will be notified for general information in the next issue of the Government Gazette.

I believe that Members will welcome the provision of this assistance to those who suffered in the defence of Hong Kong or during its occupation. I hope that it will show that their courage and their sacrifices have not been completely forgotten.

Government business

Motions

MASS TRANSIT RAILWAY SYSTEM—EXTENSION TO TSUEN WAN

THE FINANCIAL SECRETARY moved the following motion:—

That this Council welcomes the decision to extend the Mass Transit Railway System to Tsuen Wan.

He said:—Sir, in September 1975 the Government decided to proceed with the construction of the Modified Initial System of the Mass Transit Railway from Kwun Tong to Central District. This decision

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was taken after an exhaustive study of the viability of the MIS and in the knowledge that any later extensions would need to be similarly evaluated. At the same time, it was recognized that such extensions would depend also on satisfactory progress being made on the construction of the MIS and on the Mass Transit Railway Corporation's ability to negotiate additional loan finance on favourable terms.

The need for an extension to Tsuen Wan has been firmly established by transport studies undertaken by the Government. The report on the Comprehensive Transport Study, which was published in 1976, concluded that an extension to Tsuen Wan would provide a significant improvement to public transport in the West Kowloon corridor as well as generate revenues significantly in excess of its relative share of the total cost of the system. The CTS report also showed that, notwithstanding the construction of the improved road network in the West Kowloon corridor, including the Tsuen Wan by-pass, the effective operation of buses and PLBs would be severely constrained by the lack of adequate kerbside space to pick up and set down passengers if the extension of the railway to Tsuen Wan was not built. This, in turn, would cause grave inconvenience to other road users. The implications of such a situation for lorries and articulated vehicles going to and from the Kwai Chung container port are obvious; and the Government could not allow congestion of this sort to develop on an artery of communication of such major importance for our trade and industry.

For its part, the Mass Transit Railway Corporation, having satisfied itself that the extension to Tsuen Wan would be possible from an engineering point of view, was naturally anxious to proceed with it for it would add more than any other possible extension to the viability of the MTR system. This extension would also enable an early return to be obtained from the investment of about \$400 million which the Corporation made in the Modified Initial System to enable the railway to be further extended without disruption to the MIS services.

But all I have said so far still leaves open the question as to why the Government and the Corporation have elected to proceed with this extension now. In the first place, by the end of 1982 the pressures on the West Kowloon or Tsuen Wan corridor deriving from limitations of kerbside space are likely to be much more apparent. So, if an underground railway, which would carry large numbers of passengers in this corridor, as well as reduce surface congestion, is to be built in time to relieve this congestion, work on its construction must start as

soon as possible. Secondly, the Corporation has decided that a multi-contract approach should be adopted for the extension as it was for the Modified Initial System. If the Corporation were to go out to international tender for the works in the near future it seems highly likely that very competitive bids will be received from contractors already employed on the construction of the MIS since the necessary heavy equipment is already here. Thirdly, the Corporation would be able to continue to utilize the knowledge and experience of the 700 or so technical and engineering staff which it has built up to supervise the construction of the MIS. To have to build up this cadre of expert staff again at a later stage would be unnecessarily expensive and time-consuming. Fourthly, to delay extending the MIS, when the Corporation has the overall capacity to do so, would only mean that inflation would swell the total cost of the railway. And as the physical difficulties of construction would be that much more severe in the increasingly congested road conditions of the 1980s costs would be higher for that reason also. The final, and very persuasive, reason for proceeding now is that the Corporation believes that the present time is favourable to negotiate loans to finance the cost of the extension.

The Corporation expects to let contracts for the works concerned in 1978 and to bring the whole of the extension into operation by the end of 1982. The extension will comprise nearly 7 miles of track, 11 new stations, a depot and rolling stock. The cost, excluding interest on the debt and finance charges and land premia but including an allowance for escalation of costs, (at the same rate of 7% as for the MIS) is put at \$4,100 million. This will be financed wholly by loans raised on the local and international markets, including export credits. The Government will not be making a further cash contribution to the Corporation's capital structure, but will accept equity for Crown land premia amounting to approximately \$170 million. It has also been tentatively agreed that, until the Corporation achieves a positive cash flow in about 1983, it may discharge its rates liabilities in the form of equity.

The Corporation predicts that, by 1986, the Modified Initial System and the Tsuen Wan extension will together carry some 1.8 million passengers a day and this estimate has been confirmed by an independent Government check. The fare structures assumed for the combined system will be higher than current public transport fares but the speed, regularity, comfort and convenience of the railway should amply compensate for the fare differential. The Corporation's cash flow studies indicate that all loans for the combined system could be repaid by 1992.

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As I have already said, Sir, the Government will make no cash contribution towards the cost of the extension, but will accept equity in the Corporation in lieu of Crown Land premia and in lieu of rates payments. However, the Government's additional contingent liabilities in respect of loan finance could be as high as \$4,900 million, although the Corporation expects that much of the finance required will be obtainable without a Government guarantee. Nevertheless, the management of the Government's finances over the next few years will have to bear in mind the level of the Corporation's outstanding debt liabilities.

The Government's main role now will be to facilitate the efforts of the Corporation in constructing the extension. To this end, for instance, quick Government action will need to be taken to acquire and clear works and storage sites for the Corporation; to acquire easements for the railway structures; and to protect the route of the railway. Traffic diversions will have to be planned, as well as the diversion of utilities belonging to the Government and the utility companies. Special care will have to be taken to ensure that the works will not impede the flow of traffic to and from the container terminal. Stations and their entrances will have to be located and designed in conjunction with surface public transport interchange facilities and both complementary and supplementary surface transport facilities will have to be planned. Some public works projects will have to be programmed to fit in with the Corporation's construction programme and existing legislation will have to be amended to make it apply to the extension. Additional staff, mainly in the Public Works Department, will be needed to accomplish all this on time.

The Corporation has already completed over 25% of the works for the Modified Initial System and the project remains within the original cost estimate. The Government has always had every confidence in the ability of the Corporation to complete the MIS according to plan and, with the experience of the past two years behind us, the Government is equally confident that the Corporation can successfully extend the railway to Tsuen Wan. As in the case of the MIS, the extension to Tsuen Wan has been planned in order to avoid unacceptable congestion on parts of the urban road network in the 1980s. It is expected that the first underground trains will be running between Choi Hung and Shek Kip Mei in September 1979 and that the entire Modified Initial System will be operating by April 1980. If an early start is made on the extension to Tsuen Wan in 1978 the combined system should be fully operational by the end of 1982.

Not only is it essential for the economy that goods vehicles should move speedily on our roads, but also it is becoming increasingly important that passengers and pedestrians should be enabled to move freely in uncongested and unpolluted conditions to and from their homes and places of work. If the quality of life in Hong Kong is to be improved a solution has to be found to the frustrating delays and inconvenience imposed by intolerable traffic conditions on certain roads. The removal of a considerable proportion of the travelling public from overcrowded surface transport modes to a fast, regular, comfortable and convenient means of transport below the surface should help greatly to alleviate surface conditions in many areas where congestion is normally severe. The extension to Tsuen Wan in particular should help to meet the growing transport needs of the large communities now taking shape in Tsuen Wan, Kwai Chung, Tsing Yi and Tuen Mun. The report on the Comprehensive Transport Study estimates that about 75% of public transport journeys originating in Tsuen Wan will have destinations in the areas served by the combined MIS/Tsuen Wan system, and so the operation of the railway to Tsuen Wan will undoubtedly ease the lot of a great number of people living in these areas as their usual travelling time from, for example, Tsuen Wan to Central will, in many instances, be cut by as much as 50%.

As soon as the extension to Tsuen Wan becomes operational surface public transport feeder services will be introduced to link the MTR stations as nearly as possible to passengers' origins and destinations. This will be achieved by using some of the buses and PLBs operating in MTR corridors now, that is to say the railway becomes operational and thus the full benefits of the underground railway will be secured for the travelling public. Traffic studies are in hand to work out how buses and PLBs may complement and supplement the MTR to make the best use of road and kerbside space.

Finally, Sir, one point must be frankly admitted: there can be no avoiding the harsh fact that there will be a good deal of disruption while the construction works proceed. But the sooner we get it over and done with the better. The disruption will affect the travelling public and pedestrians along the route of the extension where construction will be in progress. The disruption will also affect people living along the alignment that is eventually chosen as the demolition of some homes and resumption of some land will be unavoidable. The compensation arrangements worked out for the MIS will apply to those affected by the extension to Tsuen Wan. That is to say, the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance will be amended to apply to the extension and statutory claims for

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compensation in respect of land resumptions, loss of value of land, pecuniary loss caused by street closures or alterations and similar matters, stemming from the construction of the new line, may be submitted for settlement according to law. The present system of advance payments devised to mitigate any hardship caused by business losses arising from street closures will also apply: the qualifying occupants of business premises adversely affected by MTR construction works will be able to apply for advance payments of compensation pending the settlement of statutory claims. The maximum monthly advance payment made is \$7,500 to the operators of shops with a rateable value of \$100,000 to \$250,000 a year. The operators of smaller shops receive advance compensation on a monthly basis based on a percentage of the annual rateable value of their premises. In those cases where statutory claims for business losses sustained cannot be entertained because of legal technicalities, ex gratia compensation will be considered. In other words, Sir, honourable Members may be assured that the Corporation and the Government will do everything possible to minimise the inevitable inconvenience and annoyance that will be caused to the general public by the building of this extension.

MR JAMES WU:—Sir, I cannot really comment too much on the viability or otherwise of the MIS and the proposed extension to Tsuen Wan, since such matters, to use the Financial Secretary's words, "have been fully studied and researched by experts and financiers". I do however praise the MTR Corporation's decision to develop its real-estate at its stations and termini for commercial purposes, thus realizing the full benefits that the MIS brings. I would not even object to the suggestion that the income of the MIS from such development be used to subsidize the operation of the railway itself in order to render the latter viable. Such examples abound in many countries.

I understand that with the completion of the proposed extension of the MTR to Tsuen Wan, there will be a "reshaping" of other forms of public transport. It is not clear as to how this reshaping will affect the travelling public as far as time and cost are concerned.

For instance, today, one can still travel by public omnibus from Pedder Street to the proposed MTR Terminus in Kwun Tong in about 35 minutes for \$1.00. This time can only be improved by 1980 if the then completed and operational MIS is to serve its designed purpose to alleviate road congestion. The completion of the subway under Kai Tak Airport will also help in this direction. It is common knowledge that the cross harbour routes are the most profitable for the bus

companies and, for this reason, it is not anticipated that there would be any increase in the fare in the foreseeable future for this route, which is identical to the MIS route charging \$2.50 at 1975 prices. By my own understanding and calculation, the MTR fare would have risen to \$3.75 by 1980, at the assumed rate of inflation of 7% per annum.

In introducing this motion the Financial Secretary said that the fare structures assumed for the combined system will be higher than current public transport fares but the speed, regularity, comfort and convenience of the railway should amply compensate for the fare differential. This, of course, is a matter of judgment, but—I must say I agree very much with the implied principle of fair competition by the various public transport services that would then be available to the public.

However, what I cannot agree to would be any Government administrative decision whereby surface public transport fares routes and services are revised solely to make the MTR viable. Considering that a large portion of our working people and students use public transport, the inflationary effect of such measures would be unacceptable, and I suggest that the community's interest must override that of the MTR.

Sir, I shall decide whether or not I ought to support the motion when I have clarification on this vital aspect of the scheme.

MR CHEN:—I shall confine my comments to some of the important assumptions underlying the Mass Transit Railway Corporation's proposals.

First, I would like to comment on the assumption that the MIS/ Tsuen Wan extension will carry 1.8 million passengers a day by 1986. Based on an average 2% population growth rate (Hong Kong Monthly Digest of Statistics, January 1977), we shall by 1986 have a population of approximately 5.4 million. The Corporation's passenger prediction would mean that 1 in 3 of the total population would travel on the Mass Transit Railway everyday. Although I am not in a position to challenge "quantitatively" the Corporation's prediction, I must nevertheless express reservations on this figure based on the following observations.

According to the Hong Kong Monthly Digest of Statistics, in 1976 we had a total work force engaged in industry and commerce of the order of 1 million people. In addition, we also have approximately

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1.3 million students of all kinds, from kindergartens to university level, part time as well as full time. Using the same average growth rate as that for population, by 1986, we can anticipate the total of these two groups to be about 2.76 million. Needless to say, all of them will have to travel from their home to their place of work or study, but not all of them would necessarily require the service of the Mass Transit Railway, especially the majority of those who live and work on the Island of Hong Kong and the New Territories. Can we really expect the majority of the 1.8 million passengers from these two groups of 2.76 million, i.e. 2 out of 3, to travel on the MTR? Or 1 out of 3 on the assumption that one has to make the return journey thus using the MTR twice daily?

Generally speaking, no one would desire to travel, for the sake of travelling, a great distance everyday to work or to study. If one has to accept this inconvenience, he would only be prepared to accept it temporarily and sooner or later he would either find a job close to where he lives or find a home near where he works. Such a development is only natural and logical, and would certainly be accelerated if one has to face rapidly increasing transportation costs. As an illustration, I believe that in 1966 49% of the work force living in Kwun Tong worked elsewhere and by 1971, the percentage had dropped to 43%.

Of course, one must not forget the development of the new townships in the New Territories which will eventually absorb something like two million from our total population of 5.4 million that is a 1986 projection. As most of them would be expected to live and work there, the chance of having a significant percentage of them as regular daily passengers on the MTR would indeed be very slim.

From these observations, I cannot help feeling that the Corporation's passenger prediction is rather optimistic. However, I hope I shall be proved wrong.

Secondly, with regard to the assumption that the fare structure of the MIS/Tsuen Wan extension would range from \$1 to \$2.50 that is 1975 prices and be increased by an average of 7% a year, I must point out that the average fare for public bus services in 1975 in the urban area was approximately 30¢. Therefore, the ratio between the Mass Transit Railway fare and the public bus fare ranges from 3.3 to 8.3, and it will remain the same if the same rate of fare increase were allowed to apply to all forms of land transport services. On the other hand, based on the historical increase in bus and tram fares

which I shall be dealing with later, this ratio may even be higher by 1986. I cannot, therefore, share the optimism expressed by the Corporation that the differential is reasonable and justifiable because of savings in travel time and the reliability of MTR.

Since 1946, there have not been many changes in public transport fares. For example, public bus fares have been changed 3 or 4 times whereas Hong Kong Tramway fares have only been changed on two occasions. Between 1946 and 1975, the average rate of increase in public bus and tram fares was approximately 1.5 to 2% per annum, which is substantially below the 7% assumed by the Corporation. It must be appreciated, therefore, that if we accept the fare structure proposed by the Corporation, then are we in effect unnecessarily forcing the pace of increase in public transport fares? Moreover, if we were to accept this 7% increase in the MTR fare structure, are we not setting a precedent for other public utilities to follow in future? (On this very point, Sir, I must of course declare my interest).

Reverting to the fare ratio between the Mass Transit Railway and franchised buses, if this ratio were maintained, I am very doubtful whether the Mass Transit Railway would be competitive enough to attract 1.8 million passengers per day. It would be too much to expect that the public would be willing to pay 3 to 8 times or more every day just for the savings in travel time and for reliability. Fundamentally speaking, with a financial strategy which requires the passengers to pay for the bulk of the capital investment, there must necessarily be a "capital" element in the basic fare structure, which must have some reflection in the competitiveness of the service. To increase MTR's competitiveness, this ratio would have to be altered. It can only be done either by boosting the fares of other forms of transport or by creating a monopoly for the MTR. Whichever way, it is bound to create unnecessary inflation in our transport costs, which would in turn lead to general inflation of our cost of living.

Thirdly, like my honourable Friend Mr James WU, I am most concerned about the assumption made by the Corporation that some "reshaping of bus and PLB services" would be necessary to fit in with the extended MTR system. In this regard, the introduction of transport feeder services to link MTR stations has been suggested with an implication that buses and PLBs would be re-scheduled to provide this service. Furthermore, there is already anticipation, on the part of the Corporation, of a reduction in the number of buses and PLBs operating over MTR routes. All these point to the ultimate creation of a monopoly for the Mass Transit Railway. Unless I receive an

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assurance from Government that this is not the intention behind the assumption "reshaping of bus and PLB services", I shall oppose the motion before Council.

In conclusion, Sir, I do not disagree with the principle of the need for the proposed Tsuen Wan extension, but I am of the opinion that it should only be contemplated after the Corporation has proved the expected benefits of the Modified Initial System, whereby the various assumptions made in justifying its viability can be verified or otherwise.

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

Motion made. That the debate on this motion be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

**SCHEDULE OF WRITES-OFF FOR THE FINANCIAL
YEAR 1976-77**

THE FINANCIAL SECRETARY moved the following motion:—

That the writes-off for the financial year 1976-77, as set out in the Schedule, be approved.

SCHEDULE

Writes-off authorized by Finance Committee in the Financial year 1976-77

<i>Amount</i> \$	<i>Date of meeting</i>	<i>Category</i>	<i>Remarks</i>
444,200	9.6.76	Special subsistence allowance	Unauthorized payment of a training allowance to Police officers of the rank of Inspector or below who attended training courses at the Police Tactical Unit during the period from 1st March 1973 to 30th June 1974.
Unknown	8.12.76	Mileage allowance	Write-off of an unknown amount in respect of overpayment of mileage allowance to officers in various departments.

He said:—Sir, the purpose of this motion is to seek the covering approval of this council to two writes-off approved by the Finance Committee during the financial year 1976-77 and which are listed in the schedule.

Question put and agreed to.

CROWN LANDS RESUMPTION ORDINANCE

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—

That the rate of interest for the purposes of section 17(3) of the Crown Lands Resumption Ordinance shall be the lowest rate paid from time to time by members of the Exchange Banks Association on time deposits.

He said:—Sir, subsection (3A) of section 17 of the Crown Lands Resumption Ordinance sets the rate of interest on money determined as compensation by the Lands Tribunal at that rate paid from time to time by members of the Exchange Banks Association on deposits at 7 days' call or such other rate as may be determined by resolution of the Legislative Council.

On 13th January 1977 the Exchange Banks Association abolished deposits at 7 days' call, which means that another rate of interest on compensation moneys needs to be determined by resolution of this Council. I would, in this connection, draw attention to section 21 of the Country Parks Ordinance which provides that, in the case of that Ordinance, "the Lands Tribunal may direct that interest be paid on compensation ... at the lowest rate paid from time to time by members of the Exchange Banks Association on time deposits". This would appear to be a reasonable precedent to follow in the case of the Crown Lands Resumption Ordinance and the purpose of this motion is to adopt a similar formula in respect of that Ordinance.

If the motion is passed the effect, at the present time, will be to set the rate of interest on compensation moneys payable under that Ordinance at the lowest rate payable by the Exchange Banks Association on three months' deposits.

I should add, Sir, that, as it is not possible for this resolution to have retrospective effect, it is proposed that administrative arrangements should be made for interest at the new level to be paid on compensation determined by the Lands Tribunal under the Crown Lands Resumption Ordinance for the period between 13th January 1977 and the date on which the proposed resolution becomes effective.

Question put and agreed to.

**MASS TRANSIT RAILWAY (LAND RESUMPTION AND
RELATED PROVISIONS) ORDINANCE**

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—

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That the rate of interest payable on compensation shall be the lowest rate paid from time to time by members of the Exchange Banks Association on time deposits.

He said:—Sir, section 26 of the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance sets the rate of interest on money determined as compensation by the Lands Tribunal at the same level as that determined under the Crown Lands Resumption Ordinance, that is the rate paid from time to time by members of the Exchange Banks Association on deposits at 7 days' call or such other rate as may be determined by resolution of the Legislative Council.

The abolition by the Exchange Banks Association, on 13th January 1977, of deposits at 7 days' call likewise requires a resolution of this Council on the interest to be paid on compensation moneys determined under this ordinance. It is proposed to adopt the same formula that I have just moved under the Crown Lands Resumption Ordinance, namely the lowest rate paid from time to time by members of the Exchange Banks Association on time deposits; and it is the purpose of this motion so to move. I would likewise propose that administrative arrangements be made to pay interest at that rate on compensation moneys determined between 13th January 1977 and the date on which this resolution takes effect.

Question put and agreed to.

PHARMACY AND POISONS ORDINANCE

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES moved the following motion:—

That—

- (a) the Poisons List (Amendment) Regulations 1977, made by the Pharmacy and Poisons Board on the 3rd day of June 1977 be approved; and
- (b) the Pharmacy and Poisons (Amendment) Regulations 1977, made by the Pharmacy and Poisons Board on the 3rd day of June 1977 be approved.

He said:—Sir, these amendment regulations, which have been made by the Pharmacy and Poisons Board under section 29 of the Pharmacy and Poisons Ordinance, delete those agricultural pesticides which were included in these regulations but are now controlled under

the Agricultural Pesticides Ordinance 1977 which came into force on 15th July 1977.

Question put and agreed to.

PENSIONS (INCREASE) ORDINANCE

THE SECRETARY FOR THE CIVIL SERVICE moved the following motion:—

That the Second Schedule to the Pensions (Increase) Ordinance be amended with effect from 1st October 1977—

- (a) in Part I by adding the following—

"10. The adjusted pension under paragraph 9 may be further increased by 6 per cent.";
- (b) in Part II by adding the following—

"9. The adjusted pension under paragraph 8 may be further increased by 6 per cent.";
- (c) in Part III by adding the following—

"9. The adjusted pension under paragraph 8 may be further increased by 6 per cent.";
- (d) in Part IV by adding the following—

"8. The adjusted pension under paragraph 7 may be further increased by 6 per cent.";
- (e) in Part V by adding the following—

"7. The adjusted pension under paragraph 6 may be further increased by 6 per cent.";
- (f) in Part VI by adding the following—

"6. The adjusted pension under paragraph 5 may be further increased by 6 per cent.";
- (g) in Part VII by adding the following—

"5. The adjusted pension under paragraph 4 may be further increased by 6 per cent.";
- (h) in Part VIII by adding the following—

"4. The adjusted pension under paragraph 3 may be further increased by 6 per cent.";
- (i) in Part IX by adding the following—

"2. The adjusted pension under paragraph 1 may be further increased by 6 per cent."; and

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(j) by adding the following—

"PART X

Applicable to a basic pension based on a salary in
force from the 1st July 1976 to the 30th June
1977 inclusive

1. The basic pension may be increased by 6 per cent."

He said:—Sir, in December 1975 new rules were adopted by Government for reviewing Civil Service pensions, including Widows and Orphans pensions. The primary objective of these rules is to maintain the original purchasing power in Hong Kong of retired civil servants' pensions by regular reviews and by reference to movements in the cost of living during the review period.

In 1976 these rules were applied for the first time and, following a review covering the period 1.4.74 to 30.6.76, pensions in payment on 1st July 1976 were increased by 11% with effect from 1st October 1976, by resolutions amending the respective Schedules in the Pensions (Increase) Ordinance and the Widows and Orphans Pension (Increase) Ordinance.

Another review of pensions has been conducted recently covering the period 1st July 1976 to 30th June 1977, during which the Moving Annual Average of the Consumer Price Index (A) rose by six points, or, in percentage terms, by 5.51%. In the light of this movement, it is proposed that all pensions of eligible pensioners in payment on 1st July 1977 should be increased by 6% with effect from 1st October 1977.

The cost of the increase is estimated to be \$3.65 million for the remainder of the current financial year and \$7.3 million in a full year.

Question put and agreed to.

WIDOWS AND ORPHANS PENSION (INCREASE) ORDINANCE

THE SECRETARY FOR THE CIVIL SERVICE moved the following motion:—

That the Schedule to the Widows and Orphans Pension (Increase) Ordinance be amended by adding the following:—

- "22. The pension calculated on the total contributions up to 30th June 1976 inclusive plus the total increase in pension up to 30th September 1977 may be increased by 6 per cent with effect from 1st October 1977.
23. The pension calculated on the contributions from 1st July 1976 to 30th June 1977 inclusive may be increased by 6 per cent with effect from 1st October 1977."

He said:—Sir, my speech on the first motion standing in my name on the Order Paper covers also the subject of the second motion standing in my name. I therefore beg to move.

Question put and agreed to.

Motion (in Committee)

Supplementary provisions for the quarter ended 31st March 1977

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 31st March 1977 as set out in Paper No 52.

He said:—Sir, the schedule of supplementary provision for the fourth quarter of the financial year 1976-77, that is for the period 1st January to 31st March 1977, covers a total amount of \$292.4 million.

The supplementary provisions covered by the schedule have brought the total supplementary provision approved for the year to \$522.3 million. Of this sum, \$313.9 million has been offset by savings under other subheads of expenditure, or by the freezing of funds under Head 50 Miscellaneous Services Subhead 100 Additional Commitments. Thus the net increase in expenditure approved for the year 1976-77 is \$238.4 million. The Finance Committee of this Council has approved all the 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.

Motion (in Committee)

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).

Second reading of bill**DANGEROUS DRUGS (AMENDMENT) BILL 1977****Resumption of debate on second reading (4th May 1977)**

Question proposed.

MR CHEUNG:—Sir, this bill seeks quite extraordinary powers, for it is a very serious thing, in a small territory like Hong Kong, to suspend someone's right to travel outside it. Unofficial Members will support the proposal on certain conditions, because they view drug trafficking with abhorrence, and not because they are moved in any way by the appeal to the bribery legislation as a precedent.

The conditions under which the Unofficials agree to this bill are these:—

First, that a magistrate has the word of a very senior police officer on oath that an investigation is being *bona fide* conducted into one of the offences specified in the schedule.

Second, that should need arise, the person investigated should have an opportunity to apply to a magistrate for the release of his travel documents, and to be refused them only if it is vouched for that the investigation is continuing and has been conducted with all reasonable despatch.

Third, a receipt is to be given for a travel document taken by the police or the Preventive Service and details of the travel document entered in a special register placed in the custody of a high ranking officer, who will have sight of it every month. This third condition is to be set out in administrative regulations. I have spoken principally with reference to the police: the same conditions apply to the Preventive Service.

Fourth, the travel document may be retained initially for three months, and not six as originally proposed, but if application is

made, supported by sworn evidence that the investigation has been expeditiously carried out and is continuing, it may be extended for two further periods of three months at a time.

The Solicitor General has tabled amendments which we consider meet these conditions and we accordingly support the bill as amended.

THE ATTORNEY GENERAL:—Sir, I confirm that I intend, at the Committee Stage, to move amendments which will meet the points made by Mr CHEUNG on behalf of Unofficial Members. The Government shares with Unofficials their abhorrence of drug trafficking and I reaffirm that the justification for this bill is the importance of continuing the fight against the illicit dangerous drugs trade.

I shall propose the amendment of the bill in 4 respects.

First, to provide that every application to a magistrate must be substantiated on the oath of the applicant.

Secondly, to provide that a receipt identifying the travel document will be given.

Thirdly, to amend the maximum periods for which a travel document may be detained so that an initial order may be for 3 months, with the possibility of two further orders each of 3 months if the magistrate is satisfied that further orders are justified and necessary.

Finally, to include a new section which will establish a means of application for the return of a travel document detained under the law. There may be personal circumstances which make the return of a detained travel document equitable and this provision will enable those circumstances to be considered. If the Police or Preventive Service turn down such an application there will be a right of appeal to a magistrate whose decision will be final.

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.

DANGEROUS DRUGS (AMENDMENT) BILL 1977

Clause 1 was agreed to.

Clause 2

THE ATTORNEY GENERAL:—Sir, I move that clause 2 be amended as set out in the paper before honourable Members.

Proposed amendment

Clause

2 That clause 2 be amended—

(a) by deleting "new section" and substituting the following—

"new section";

(b) in the proposed new section 53A—

(i) by inserting after subsection (1) the following new subsection—

"(1A) The matter of an application under subsection (1) shall be substantiated by the oath of the applicant.";

(ii) by inserting after subsection (5) the following new subsection—

"(5A) Upon the surrender of a travel document under this section, the Commissioner of Police or the Commissioner of the Preventive Service, as the case may be, shall issue a receipt identifying the travel document."; and

(iii) in subsection (6), by deleting "6 months from the date on which it was surrendered and may be detained for a further" and substituting the following—

"3 months from the date on which it was surrendered and may be detained for not more than two further periods of"; and

(c) by adding after the proposed new section 53A the following new section—

"Application for return of travel document. **53B.** (1) A person who has surrendered his travel document in accordance with section 53A may at any time make written application to the Commissioner of Police or the Commissioner of

Preventive Service, as the case may be, for its return and every such application shall contain a statement of the grounds on which it is made.

(2) Before determining an application under subsection (1), the Commissioner of Police or the Commissioner of the Preventive Service may require that any matter of fact relied on in the application shall be substantiated by statutory declaration.

(3) Any person aggrieved by the refusal of an application under subsection (1) may, within 14 days of being informed of such refusal, appeal to a magistrate against that refusal and the magistrate may, upon considering the grounds of the application and any evidence which may be adduced in relation thereto by or on behalf of either party, order that the travel document be returned.

(4) The decision of a magistrate in relation to an appeal under this section shall be final."

The amendment was agreed to.

Clause 2, as amended, was agreed to.

SUMMARY OFFENCES (AMENDMENT) (NO 3) BILL 1977

Clause 1

THE ATTORNEY GENERAL:—Sir, I move that clause 1 be amended as set out in the paper circulated to honourable Members.

Proposed amendment
Clause

1 That clause 1 be amended by deleting "(No 3)" and substituting the following—

"(No 2)".

[THE ATTORNEY GENERAL] **Summary Offences (Amendment) (No 3) Bill — committee stage**

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clause 2 was agreed to.

Clause 3

THE ATTORNEY GENERAL:—Sir, I move that clause 3 be amended as set out in the paper circulated to honourable Members.

Proposed amendment

Clause

3 That clause 3 be amended—

(a) in the proposed new section 4B(1) by deleting "and the occupier of the building or part thereof from which the thing was dropped or allowed to fall";

(b) in the proposed new section 4B(3)—

(i) by deleting "against an occupier under subsection (1) nor"; and

(ii) by deleting "occupier or contractor, as the case may be, but an occupier or" and substituting the following—

"contractor, but a".

MR PETER C. WONG:—Sir, I rise to thank the Attorney General for moving amendments to clause 3 of the bill in response to Unofficial Members' request.

Only last Wednesday falling iron bars from an estate block in Yuen Long claimed the life of a 13-year old boy. Public outrage against this sort of offence is fully justified. The enactment of this bill, however, should remove concern from certain quarters that Government is not treating this problem seriously and should inject fresh confidence in the minds of the public.

I would reiterate that encouraging responsible social behaviour is the key to reducing or perhaps eliminating this type of offence.

The amendment was agreed to.

Clause 3, as amended, was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

Dangerous Drugs (Amendment) Bill 1977 and the

Summary Offences (Amendment) (No 2) Bill 1977

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 motion

RODENT CONTROL

MR T. S. LO moved the following motion:—

That this Council considers that Government ought to increase its efforts in rodent control.

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

When members of the public are dissatisfied with some aspect of Government's work and say so all too often, Government replies that the matter is essentially up to the members of the public. Accordingly, I am not particularly surprised that this is precisely what Government says when criticized about rats. It seems almost second nature to Government to say that its direct action against rats will always be inadequate and that it is up to the people to improve the structure of their buildings, keep food in rat-proof storage and keep garbage covered effectively.

Let's examine the Government's arguments a little more closely. As regards direct action, of course I agree that it has been inadequate. The point of argument is, has Government done its best? Has it been using the most up-to-date methods? Is it even using the best poison? I have reason to believe that Government is using a poison to which rats have acquired an immunity and which gets washed away by rain. I also have reason to believe that better poisons exist which are rain resistant and against which rats have not acquired an immunity.

[Mr T. S. Lo] **Unofficial Member's motion**

As regards the Government's exhortation that we are all responsible to keep the environment unsuitable for rats to live and breed, might I point out that the infamous Kwai Shing Wai area which became rat infested was formerly a Government control licensed area accommodating 1600 people. When the residents moved out Government failed to demolish the structures and failed to stop squatters from moving in. The squatter population ultimately grew to 4100. It is hardly surprising that rats found plenty of food and harbourage in the area. It must have been well-known to the Government as early as 1973 that the area would very soon become rat infested, but what did the Government do? Did the department responsible for rodent control send urgent plaintive messages to the department in charge of the Kwai Shing Wai area or to the department in control of squatters pointing out that, in the way that the area was being used, they anticipated an enormous problem from rats? If the department did send out those messages, what became of them? If they did not send out these messages, why not?

Sir, I trust I have made out a case in terms of the motion now before Council.

DR FANG:—Sir, I rise to support the motion before Council. It is interesting to note from the early archives of Hong Kong, even as early as 1894, that the Unofficial Members of the then Sanitary Board were asking similar questions related to the present motion before Council.

1894 was the year when plague first occurred in Hong Kong. The unsanitary conditions prevailing at that time were vividly described by Dr AYRES, the then Colonial Surgeon. He wrote of badly delapidated houses standing along the Sai Ying Pun Streets. The floors were reeking with filth, the drainage was very poor and in some of the dark damp houses, quantities of decomposing and putrid meat gave food for rats to proliferate. The stench from these places was unbearable. Such conditions cannot and should not be tolerated in the 20th century but I am sorry to have to say that they do exist in slum areas like Kwai Shing Wai, even if not on the same scale as in 1894. It is a very poor record of progress in this modern day and age.

According to the Pest Control Advisory Unit of the Urban Services Department there were 21 confirmed rat-bite cases in the twelve months ending 30.6.77. So long as we allow overcrowding and unsanitary conditions to exist, rats will proliferate and will pose a real health

hazard. Who is to guarantee that we will not have another plague epidemic? According to the annual reports of the Urban Services Department up to 1974-75 tests were done on sample rats for plague and other organisms. Are these still being carried out regularly?

On the proliferation of rats there seems to be wide differences of opinion, but according to reliable authorities in the fields of Zoology and Community Medicine, I was given the following figures—a male and a female rat under optimum conditions can produce an average of 7 to 8 litters of 10 to 16 baby rats a year. The baby rats take only 3 months to be sexually mature so that in one year at least three generations will be reproductive. By the end of the first year there will be at least 10,000 rats and by the end of the second year there will be over 1 million starting with just one pair of rats of opposite sexes. Even if they do not all survive and allowing for seasonal variations in breeding, these figures are staggering. The figures published by the Urban Services Department show only an average of about 300,000 rats being caught annually in recent years.

Records show that in the year 1900 the Government offered a reward of 2 cents for every rat that was brought in and that it increased this reward to 3 cents per head in 1901. If Government lacks manpower and facilities in rodent control, will it not consider the reintroduction of the monetary reward system to enlist the help of the public?

I contend that there is room for improving the efficacy of existing control measures adopted by the Urban Services Department by varying the poisons and dosages used since rats are known to develop resistance. The design of traps should also be improved. Furthermore, there should be an overall co-ordinated approach which takes account of the wider environmental aspect of rat control. These include building design, general cleansing, district hygiene and health education especially in the development of our new towns.

Since Government has a Pest Control Advisory Unit and, according to the recently published review of the Committee for Scientific Co-ordination and Policy for Science and Technology in Hong Kong, pest control is listed against the Urban Services Department as a field in which scientists and technologists are engaged, could some manpower and resources be devoted towards improving existing measures used in the field of rodent control? It may be asking the impossible to eradicate rats completely but our Government must be capable of a much better performance than it has shown hitherto. We have faced much more daunting challenges before. I am sure we can rise to the

[DR FANG] Unofficial Member's motion

task now if only we show determination not to accept the present situation as being the best we can achieve.

MISS DUNN:—Sir, experience throughout the world, in affluent industrialized countries as well as in poorer communities, amply demonstrates that the control of rats and other pests requires a continuing effort and complete eradication is very difficult to achieve. Then again, the speed with which rats and other rodent pests can multiply is such that any relaxation, let alone inadequacy, of control measures can have disastrous effects.

In these circumstances, I find it impossible to understand how any government can ever really be satisfied that its pest control measures are adequate, at any rate in the absence of quite positive evidence that this is so. Even in the United States, it is reported that some 45,000 people were attacked by rats last year. In Hong Kong our environmental conditions are clearly conducive to the survival and multiplication of the rat population without the most up-to-date, carefully designed, and vigorously pursued control measures.

It seems to me, therefore, and this, Sir, is the first of two points I wish to make, that the official attitude towards rodent control as stated by the Secretary for the Environment on 29th June suggests that the Hong Kong Government is somewhat indifferent to the effectiveness of those little heralded, but very vital, basic public services so important to the quality of life in a city like Hong Kong. This may be due to a pre-occupation with other larger subjects. Be that as it may, I really do believe that the Government under-estimates the damage to its image among ordinary people who suffer discomfort and, in some cases, even fear, as a result of the inefficient, and even inadequate, provision of basic services. The reputation of the Government is judged as much by the cleanliness of the streets, the state of repair of the roads, the security of life and limb and the absence of disease carrying pests as it is by the development of those more dramatic policies and programs which tend to excite the most interest.

As to my second point, Sir, the Financial Secretary has argued in recent years, and with justification, that the Estimates are a compendious record of the Government's activities and intentions. Yet in the case of the Urban Services Department which is, after all, a Government Department, the Estimates are quite uninformative, even about the New Territories Division, and so it is not possible to establish just what we are spending on rodent control. Accordingly, I think the

Government should provide us with a detailed statement of public funds and staff allocated for rodent control so that this Council is in a position to assess their adequacy.

Sir, I support the motion.

SECRETARY FOR THE ENVIRONMENT:—Sir, I, too, rise to support the motion; and I do so in full recollection of the fact that, when Mr T. S. LO asked a supplementary question in this Council on 29th June this year as to whether the Government was satisfied with its efforts in rodent control under some pressure I answered yes. (*laughter*) The fact is, Sir, that in many areas of life one can be generally satisfied with one's efforts and yet still strive to improve them. So I am grateful to Mr LO for introducing this motion this afternoon and to Miss DUNN and Dr FANG for speaking to it, for it gives me a further opportunity to explain what the Government is already doing in the field of rodent control and what needs to be done to improve matters further.

The first point made by Mr LO was to ask whether the methods employed in rodent control in Hong Kong are the most up-to-date. Here, I can confidently say that the answer is "yes". The Pest Control Unit of the Urban Services Department is in continuous contact with worldwide authorities in this field, and it adheres to the advice of the World Health Organization on the best methods of controlling vermin. While research is at present being conducted into a number of possible new methods of rodent control, it has not as yet reached the point where any of these methods have been proved in practice; and Hong Kong has consistently followed WHO advice in employing proven methods as they are developed.

Concerning the type of poison which is used, again this is the poison recommended as the best by the WHO, that is an anticoagulant poison which has been used effectively in Hong Kong for some 15 years. The effectiveness of this poison is under continual review, both by the Pest Control Unit of the Urban Services Department and by the World Health Organization and there has been no evidence so far of rats acquiring immunity to it. But, if Mr LO is aware of any such possibility, it would be helpful if he could provide the details.

Both Miss DUNN and Dr FANG have stressed the importance of an awareness of the problems posed by vermin, and of the need for a co-ordinated approach in dealing with these problems. Let me assure them that the Government and the Urban Council, in their respective areas of responsibility, are both very much alive to the importance of keeping down rodents and that efforts to this end are spread over a

[SECRETARY FOR THE ENVIRONMENT] **Unofficial Member's motion**

broad front. As examples, I might mention that advice is given to architects on the necessary design features in buildings which will deter the harbourage of various types of vermin; and that in such areas as general cleansing activities, district hygiene measures, health education and the requirements for restaurant licensing all of which were mentioned by Dr FANG, the need to control vermin is taken fully into account.

Dr FANG has pointed out that the Government to one time offered a reward for every rat killed or captured and brought in. This practice was, however, discontinued, both because it tended to encourage members of the public to employ somewhat unsafe methods (such as the use of toxic poisons, which could be harmful to children) and also because an incentive of this kind can encourage people to breed rats for reward. (*laughter*) Dr FANG has already graphically explained the astonishingly rapid breeding rate of rats, and this sort of development must not be encouraged.

Miss DUNN has also asked about the expenditure of the Urban Services Department on rodent control. As she is aware, this expenditure is partly funded by the Urban Council on operations within the urban areas and partly by the Government as regards the New Territories. But I have had prepared a breakdown of the department's total expenditure on this service and have tabled it to meet Miss DUNN's request.

In providing this information, however, I must emphasise that the provision of additional staff in the Pest Control Unit would do little to improve the position because we would rapidly run into a situation of diminishing returns. Again I must point out that the effective control of rodents is based first on the use of the most efficient methods of trapping and poisoning and second on the reduction of facilities for harbourage and feeding of the vermin. The first we believe we do with reasonable efficiency, indeed efficiently enough for a number of governments in the region to send people here to study our methods so that they can emulate them in their own countries.

The second, and here I must apologize to Mr LO for having so tediously to repeat this truth, is largely up to the public. I will not be so tedious as to go over the ground I covered in reply to Mr Alex WU's question on 29th June yet again, but I will admit that the Government has perhaps been at fault in not publicising with sufficient vigour the steps the public can take themselves to help eradicate rats and other vermin. So I will be discussing with my Friend the Secretary

for Home Affairs whether steps can be taken by the Government Information Services and Radio Television Hong Kong to mount a publicity campaign on this matter.

Dr FANG also touched on the possibility of plague. Here I can assure him, on the authority of my friend the Director of Medical and Health Services, that the flea count on rats in Hong Kong is low enough to eliminate all possibility of this occurrence.

Finally, Sir, there is the question of Kwai Shing Wai which, as far as I can see, started the whole business. Here I am trespassing in the domain of the Secretary for Housing but I have his permission to do so.

The best way to get rid of the rats at Kwai Shing Wai is to clear the area of squatter structures and to move the residents into new Temporary Housing Areas (that is the new name for Licensed, or Resite Areas) which are provided with proper electricity, water, drainage and other facilities. That is what the Housing Department is now doing. Mr SCOTT stated in this Council on 29th June that about half of the remaining residents in the area would be rehoused in July and the rest later this year. Since then the programme has improved and I am glad to report that, as a result of changes in clearance priorities, the Housing Department is now in a position to clear the whole rat-infested area by 11th August. All structures will then be torn down the rats will be eliminated and care will be taken to ensure that the area will not be illegally occupied again.

Sir, with these words I beg to support the motion.

Urban Services Department

Expenditure on Rodent Control

<i>Establishment</i> for Rodent Control (including junior and senior staff)	249
<i>Expenditure</i>	
(1) Personal Emoluments	\$4.7 M.
(2) Related Expenses (provision of traps, poison, etc.)	\$80,000
	\$4.8 M.
Expenditure based on the 1977 revised salary scales	\$5.1 M.

Unofficial Member's motion

MR T. S. LO:—Sir, I am grateful for the eloquent support given to my motion by Dr FANG, Miss DUNN and the Secretary for the Environment. Accustomed as I am to having the last word on any matter in this Council, I trust, I would be forgiven if my reply displays any further misunderstanding of the Government's position as expressed to-day.

First, I like to thank the Government, on behalf of all those in Hong Kong who are to-day menaced by rats, that it will try to improve its efforts. Secondly, I can supply the Government with a list of names of companies which claimed to have more effective poisons and I should be glad to do this after the meeting. Furthermore, there is another method which was used in the 19th Century, described by the Chairman of the Environmental Hygiene Select Committee of the Urban Council for clearing rats. This is what she said: "House cleansing operations were introduced in Hong Kong in the 19th Century as a means of preventing plague which was then prevalent in the Far East. During the operations, tenant had to clean out the premises thoroughly with kerosene emulsion solution provided by the then Sanitary Department. Tenants were also required to remove all furniture from walls so that rat holes and rat runs which might be present in the walls and floors could be detected. Sanitary inspectors used to inspect the premises around noon to ensure that cleansing had been effectively carried out. The operations were aimed specifically at sub-standard wooden tenement buildings where overcrowding, poor living standards and lack of sanitary facilities encouraged breeding of rats". Of course, the best description that one could give to the Kwai Shing Wai squatter area was that it consists of sub-standard wooden tenement buildings, overcrowding, poor living standards and lack of sanitary facilities which tend to encourage the breeding of rats. If the house cleansing operations of the 19th Century were instituted in the area, would not the area have become free of rats menace? Hence can it really be said that Government has done its best when it did not even manage to do what had been done successfully in the last century? Finally, on a perhaps more serious note, Sir, I note from the Government's reply its failure to answer the question directed at the lack of co-ordination between Government departments which led to the Kwai Shing Wai area problem, and I would like to take this opportunity to urge Government to look particularly into this aspect.

Question put and agreed to.

Unofficial Member's bill**Second reading of bill****ZETLAND HALL TRUSTEES INCORPORATION (AMENDMENT)
BILL 1977****Resumption of debate on second reading (13th July 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.

**ZETLAND HALL TRUSTEES INCORPORATION (AMENDMENT)
BILL 1977**

Clauses 1 to 9 were agreed to.

Council then resumed.

Third reading of bill

MR LOBO reported that the Zetland Hall Trustees Incorporation (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.

Adjournment

*Motion made, and question proposed. That this Council do now adjourn—*THE CHIEF SECRETARY.

4.10 p.m.

The Present Outlook of Hong Kong's Textile and Apparel Industries

MR TIEN:—Sir, I am sure honourable Members of this Council will forgive me for reminding them that exports of textiles and garments have traditionally been one of the mainstays of our economy.

Even to-day, such exports account for approximately 50% of our total exports and provide employment for about half of our manufacturing workforce.

That the importance of this industry has not grown over the years is due largely to the success of our local industrialists in diversifying into other fields—a process which makes a lot of economic sense in its own right—and to the fact that an increasing number and severity of restraints have been forced upon us in respect of our exports of textiles and garments ever since the early 1960's.

Due to our economic circumstances, particularly the scarcity of land and the absence of natural resources, fairly stringent limitations are thus imposed on both the scope and the rate of diversification of our manufacturing industry.

I have no doubt, however, that the textile and garment industry will continue to be most important for some considerable time yet and that its fortunes will have an important bearing on Hong Kong's economic development as a whole.

It is against this background that I feel constrained to draw the attention of this Council to the difficulties which the textile and garment industry is now facing.

According to provisional trade statistics released by the Census and Statistics Department, our exports of textiles and garments in the first five months of this year amounted to HK\$6,100 million in value terms, a decline of nearly 9% when compared with the figure of HK\$6,690 million for the first five months of 1976. However, between the same two periods, the value of Hong Kong's total domestic exports increased by just over 7% from about HK\$12,000 million to about HK\$13,000 million.

The decline in our textile and garment exports is even more marked when looked at in quantity terms. Quota utilization figures published by the Trade, Industry and Customs Department reveal that, in the first six months of 1977, we were able to ship, in overall terms, only 44% of our annual quota for the United States and 30% for the European Economic Community. In terms of individual Member States of the

EEC, our quota utilization rates were 30% for the German market and 32% for the UK. Apart from the figure for the USA, which was only marginally lower, all these percentages represent a decline of between 12 and 16 percentage points when compared with the corresponding figures for the first half of 1976. And, comparing the volume of shipment of restrained items in the first half of 1977 with that in the first half of 1976, there has been a marginal increase of 4.5% for the US market, but sharp declines of 31% for Germany, 25% for the UK and 25% for the EEC as a whole.

In view of the fact that the industry, particularly the garment sector, exports virtually the whole of its production, the decline in exports inevitably means that production has also decreased. The spinning sector has, for the past several months, been operating at less than 70% of installed capacity. The weaving sector has similarly been operating at about 50% of capacity. Although information on the garment sector is not readily available, the export figures are such that, in general, some of our garment manufacturers are also experiencing difficulties.

The prognosis for 1977, therefore, does not look too bright on the basis of these facts and figures. The future is by no means rosy when assessed in relation to certain recent developments.

As you all know, there has been recently, increasing evidence of a significant backward move towards protectionism in importing countries. Regrettably, some of our trading partners, in an attempt to protect their own domestic industries, have chosen to take unilateral measures which are inconsistent with both the letter and spirit of the Multi-Fibre Arrangement, an internationally agreed framework for the regulation of trade in textiles. Examples of such measures are the tariff quotas applied by Australia to a wide range of textile and garment imports and Canada's decision last November to impose global quotas on imports which included items already covered in bilateral agreements negotiated under the MFA with Hong Kong and their exporting countries; and the recent announcements first by France, and later by the EEC on certain, as yet, unclear measures which may affect Hong Kong's exports to the EEC.

These, one may say, are merely isolated instances but taken together, these impositions have certainly caused great anxiety in the textile and garment industry particularly when such developments have taken place at a time when the very future of the MFA itself, which expires at the end of this year, was being debated internationally.

[MR TIEN] **The Present Outlook of Hong Kong's Textile and Apparel Industries**

As far as the future of the MFA is concerned, Hong Kong, in common with the vast majority of other textile exporting countries, favours an extension of the existing Arrangement without modification. Some importing countries, including, in particular the European Economic Community, have sought to renegotiate a new MFA which would enable them to place even more stringent restrictions than before on imports from so-called "low cost suppliers". It seems to me that what the EEC really wants is to be able to restrict imports from so-called "low cost suppliers" as a group, regardless of whether each of them individually is causing or threatening market disruption or posing real risks of market disruption and to limit the growth of imports of so-called "high import penetration" categories to figures well below the internationally agreed minimum of 6% provided for in the MFA, and, indeed to cut back imports from so-called "dominant suppliers" of whom Hong Kong is one in respect of many such categories.

These are far-reaching proposals and if accepted, would have serious implications for our textile and garment industry and, indirectly on Hong Kong's economy and social development as a whole. The future growth of our textile and garment industry would, in such circumstances, be severely limited for the next 3 to 5 years and at its very worst, all opportunities for growth would be nipped in the bud. This is particularly so because from past experience, whatever guidelines are established in the MFA as the minima, very soon it will be regarded as the maxima by the developed importing countries.

As far as we are concerned, it is all the more unfortunate that the EEC should be the main proponent of a more restrictive MFA, bearing in mind the special constitutional relationship which exists between one of the Community's Member States and Hong Kong, and in this connection, I am aware, Sir, of the strenuous efforts which the Government, particularly the Director of Trade, Industry and Customs, has made to represent the interests of the industry to Her Majesty's Government.

The industry itself has, of course, also not been sitting idle. Towards the end of last month, a delegation led by myself and consisting of all the Chairmen of the 13 textile and garment manufacturers' associations, visited London and made representations to Ministers and senior officials of the Department of Trade, the Department of Industry and the Foreign and Commonwealth Office, to express our concern at the policies reportedly being pursued by the EEC (and by the United

Kingdom as one of its Member States) in respect of the future of the MFA.

I should like to report here that the delegation was courteously received and patiently heard at a high level in all the Departments named and we also had the opportunity of holding informal discussions with several Members of Parliament at the House of Commons.

I believe that all these efforts, both by the Government and by the industry, have resulted in a much better understanding within Her Majesty's Government of the situation and problems confronting our local textile and garment industry. Nevertheless, I cannot but feel a little disappointed that all these efforts have not yet succeeded in bringing about any significant change in the attitude of the EEC on its policy on textiles nor on the future of the MFA.

The failure on the part of the GATT Textile Committee to agree on the renewal of the MFA, which expires at the end of this year, has cast a shadow of doubt over the future of international trade in textiles. We all must hope that the Committee will meet again in the near future to reach a definitive solution on the future of the MFA.

Insofar as the future of Hong Kong's bilateral agreements are concerned, it remains to be seen whether, and to what extent, the EEC will seek to embody its highly restrictive proposals in its bilateral agreements with exporting countries. The current bilateral agreement between the EEC and Hong Kong expires at the end of this year and I have no doubt that the EEC will seek negotiations with us fairly soon with the object of concluding a new bilateral agreement to replace the existing one. I sincerely hope, however, that in the course of these negotiations, the EEC will not seek to intensify what are already very severe restrictions on our exports to its markets.

Meanwhile, we have negotiated a new bilateral agreement with the United States covering our textile exports to that market for the next 5 years. Arrangements have also been announced whereby, pending the entry into force of the new agreement on 1st January 1978, the current bilateral agreement has been extended to the end of this year. There is, therefore, a framework within which the industry can plan its production and sales in respect of our largest single market up to the end of 1982. This should have been helpful to the textile and garment industry amidst all the present uncertainties.

But the terms of the new agreement have so far not been disclosed to the industry, and only 2 days ago was the public informed

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that official signature of the agreement had been held up because of "minor technical problems of drafting". If all that remain to be resolved are minor points of drafting, can the Government not make known the basic terms of the new agreement which, presumably, there is no question of re-opening? As it happens, the industry is still being kept in the dark as to what to expect, and this is making it very difficult for the industry to make commercial decisions on whether or not to accept orders for goods to be shipped next year.

Sir, the industry does need to know, and I hope the Director of Trade, Industry and Customs will feel able to inform this Council of the pertinent details of the HK/US Textile Agreement.

MR CHEONG-LEEN:—Sir, the honourable Francis TIEN has spoken with detailed knowledge and insight on Hong Kong's textile problems, and the difficulties our negotiators are facing in seeking renewal without modification of the Multi-Fibre Agreement.

As a dependent territory, Hong Kong has to rely heavily on the staunch support which the British Government can and morally and constitutionally must give so as to ensure that our position on the extension of the Multi-Fibre Agreement is in no way eroded during the current negotiations.

Textiles represent half of Hong Kong's total export effort, and any cut-back in our textile exports will cause unemployment and affect the living standard of our workers. Furthermore, the low wage structure and improved productivity of other textile exporting countries in Asia are making deep inroads in our major traditional markets.

Even though the Multi-Fibre Agreement will probably be renewed by 1978, the severely protectionist attitude of a number of EEC countries is a serious threat and source of uncertainty for Hong Kong's textile trade. So much depends on the EEC refraining from imposing protectionist and short-sighted restrictions in new bilateral agreements.

The short and long-term outlook for Hong Kong textiles is therefore a continuing cause for concern, and there has to be unity of approach and effort by all concerned if we are to hold on to what has been achieved through sheer hard work and determination.

In the meantime, it is prudent for Government to accelerate its plans for industrial diversification.

First of all, the increased personnel required for the new Industry and Customs Department is a matter of top priority. We cannot expect miracles overnight but if the right calibre of persons are appointed as soon as possible, there will be steady progress in our industrial development and promotion efforts.

Secondly, the need to review whether Government should devise additional incentives to attract new industries other than what already exist is also a matter of urgency. Should Hong Kong for example utilize some of the incentives which the Singapore Economic Development Board has developed and refined throughout the years since its inception? It is obvious that Hong Kong's low tax structure and free port status no longer command the overwhelming attraction to potential overseas investors as in previous years.

Is there the need for the setting up right away of a top level and high-powered Working Party, preferably with the inclusion of an unofficial element, to examine whether and what additional incentives are required to attract new technology and industries into Hong Kong in view of the expanding industrial effort of other Asian countries? Such a Working Party, if set up, might also look into the proposal to form an Industrial Development Council so eloquently advocated by two of my Colleagues in this Council for the purpose of strengthening and co-ordinating on a broader front Hong Kong's industrial development efforts.

These are questions of vital importance to Hong Kong's industrial future to which Government must now vigorously address itself.

4.30 p.m.

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, I think this debate is timely. Frequent and fragmented press reports have recently built up a confused but worrying image of the prospects for our major industry and, while there is little to be sanguine about in what has been said here today, I believe it to be helpful to examine the situation in its totality. Perhaps we can clear away at least some of the misconceptions and allay some concern.

My honourable Friend Mr TIEN has given a concise picture of the current state of the domestic textile industry and there is little I can add. No one could describe the situation as satisfactory and there are two points I would like to make in relation to it.

First, and most important, at a time when protectionist voices are being loudly heard around the developed countries, it is salutary to

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remind all concerned that structural and employment problems are not peculiar to those countries; and that, furthermore, the social consequences of those problems are much more acutely felt by the relatively poor than by the relatively rich.

Secondly, I would note that while the Hong Kong industry has undoubtedly suffered as a result of protectionist actions, the main problems this year have been the consequences of slack demand in such major markets as the United States, the United Kingdom and West Germany. It is only in a very few items in strong demand that the quota limits have been of any significance at all and indications are that this will remain the case for the rest of this year.

The Hong Kong textile industry has learned to live with restraints. One might almost say it grew up with them, for they now have a history of nearly twenty years. Since 1960, the majority of trading nations have recognized formally that special problems attach to world trade in textiles which call for special solutions—solutions recognized as not being applicable to other areas of trade. That is, I suggest, a most important qualification and one we should not lose sight of.

It might very reasonably be asked, why, in the middle of 1977, there should be an apparently mounting tide of restrictions and a regression from the principles of progressive liberalization. Why, indeed, at a time when over 60 per cent of the textile exports of Hong Kong that is to say or about 30 per cent of our total domestic exports are subject to restraint should there be threats, and even actions, on the part of some of our major trading partners to curtail or actually cut back on the export opportunities of the industry on which so much of this community's livelihood depends?

We in Hong Kong never have and never will deny that adjustments in the textiles sector in our main markets can present social, economic and political problems. We have an excellent track record of co-operation in moderating the rate of our textile exports where they have been shown, in terms of the internationally agreed ground rules, to have been causing or threatening market disruption. We count it unreasonable, however, and will actively resist any suggestion that the positions we have established in certain major markets should be eroded on the dubious pretext that it is necessary to reduce or to

contain rigidly the growth prospects for Hong Kong and other major suppliers in order to make room for newcomers. That would mean, in effect, that the importing country concerned would be requiring us not merely to help solve its problems but to actually take some of them over.

A refinement on the suggestion to which Mr TIEN has referred that export opportunities for major suppliers be reduced has been the widely touted idea that quota ceilings should move from year to year in inverse ratio to the degree of import penetration. Apart from the obvious flaw in this reasoning, which is that import penetration by itself is no measure of damage to domestic producers, especially if they are substantial exporters, there is an even more serious error inherent in such a concept. Let us take, for example, the EEC, where the proponents of these ideas have recently been most vocal. Only two of the top five suppliers of textiles to the EEC market, Hong Kong and the Republic of Korea, are subject to restraints. The other three are the United States, Switzerland and Austria. I find it difficult to detect any logic in the concept that if total import penetration increased as a result of unrestricted growth in trade from these three countries, then the growth rate of restrained exports from Hong Kong and Korea should be reduced.

We anticipate that negotiations with the EEC to determine future arrangements to succeed our present agreement, which runs out at the end of this year, will commence in late September. It will be apparent from what I have just said that these may not be easy. Since so much seems to hang on the question of growth, however, let me make one point which may, or may not, depending on your point of view give some reassurance. Our major markets in the EEC, by far, are the United Kingdom and Germany. The EEC has already indicated that there are seven categories of textiles which are particularly sensitive and where they will be seeking growth rates much lower than the 6 per cent provided for in the present Multi-Fibre Arrangement. It is, however, a fact that under the present agreement between Hong Kong and the EEC, annual growth on UK quota limits for all of these items bar one is one half of one percent; and for the other item it is about three and a half per cent. For Germany, the figures for the only five categories of the seven where there is any significant trade range between 0.5 and 2.3 per cent. And for the Community as a whole the annual growth ranges from 2.5 per cent for five of the items to 7 per cent for the other two. I conclude, Sir, that there is little scope for reduction there, even if the conceptual case for it was stronger than it apparently is.

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The EEC negotiations lie in the future and there is, regrettably but unavoidably, uncertainty about their outcome. On a more positive note, however, Sir, I can confirm what Mr TIEN has said that we have reached a provisional agreement with the United States for a period of five years commencing January 1978. This agreement was concluded some weeks ago and I am acutely conscious of the frustration in business circles at the delay in announcing its terms. This is indeed due to minor technical difficulties faced by the United States Authorities which have so far delayed the formal signing. I now expect this to take place very soon however. At this stage all I can say is that the agreement, while more restrictive than the current one, contains some features which counterbalance the negative ones. Overall growth rates in the first year will be low but will increase substantially in later years. For some sensitive categories the specific growth rates will be low throughout; but almost without exception higher than those I have already mentioned as being in our current agreement with the EEC.

I am sorry I cannot be more specific at this stage. I was, however, able to announce at the start of this week a bridging arrangement to cover the period between the expiry of the present Hong Kong/US agreement on 30 September and the start of the new one on 1st January 1978. This has removed some of the immediate problems faced by the trade.

Now, Sir, I turn, as requested by Mr TIEN, to the umbrella under which all this activity does, or rather should, take place. I refer to the GATT Multi-Fibre Arrangement.

The MFA was negotiated in 1973 to run for a four year period ending on 31st December 1977. The fifty or so participating countries which form the GATT Textiles Committee have been meeting over the past few months to consider, as it is put in the MFA itself, whether the Arrangement should be extended, modified or discontinued.

There has subsequently been much activity but regrettably not yet a final solution. The EEC did drop its earlier stage of plans to seek modifications to the form and content of the agreement, but its spokesmen made it known on the public record that they would be seeking certain understandings from their trading partners regarding the manner in which an extended MFA might be implemented.

I will not, indeed because of the confidential nature of the Textiles Committee's discussions I cannot, recount here the many shifts and turns which the negotiations, both formal and informal, have recently taken in Geneva. Throughout them Hong Kong has stuck firmly to a policy of advocating a straight extension of the terms. In this we have been in concert with many other participants, developing and developed. But although a group of participants including Hong Kong, who between them represent about 85 per cent of world trade in textiles, reached a consensus last Sunday afternoon it was not possible for the Textiles Committee as a whole to agree. The partial consensus was on a complex form of words agreeing amongst other things a flexible approach to future negotiations within the framework and in accordance with the provisions of a renewed and unchanged MFA.

I shall be putting the terms as agreed between the negotiators before the Textiles Advisory Board so that, on the basis of their advice, I can make a recommendation as to whether the Hong Kong Government should stand ready to sign a protocol, incorporating these terms, which is expected to be opened later in the year to provide for the extension of the MFA.

In closing, Sir, may I refer to Mr CHEONG-LEEN's call for accelerated diversification of industry outside the field of textiles. It is, of course, well known that for many years the textile sector has represented about half of our export and the same share of industrial employment. This in itself is a remarkable achievement by that sector which has been set about by more restrictions than any other. Mr TIEN has drawn our attention, however, to the fact that in the first five months of 1977 when, as I noted at the beginning of my statement, there was a marked slackness of demand in major markets resulting in a 9 per cent decline in textile exports compared with the same period in 1976, the non-textile sector's performance was such that domestic exports registered an overall increase of over 7 per cent.

I do not put this forward as something on which to be complacent, Sir, but, while assuring this Council that the Government will continue to defend the interests of the vital textiles sector with all possible vigour, I suggest it is heartening to note that the Hong Kong industry continues to demonstrate its flexibility and is steadily spreading its base.

Question put and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT:—Accordingly I now adjourn the Council until 2.30 p.m. on Wednesday, the 10th of August.

Adjourned accordingly at fifteen minutes `to five o'clock.

