

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 25 January 1978****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, GBE, KCMG, KCVO

THE HONOURABLE THE CHIEF SECRETARY
SIR DENYS TUDOR EMIL ROBERTS, KBE, QC, JP

THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP

THE HONOURABLE THE ATTORNEY GENERAL
MR JOHN WILLIAM DIXON HOBLEY, CMG, QC, JP

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR LI FOOK-KOW, CMG, JP

THE HONOURABLE DAVID HAROLD JORDAN, CMG, MBE, JP
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS

THE HONOURABLE DAVID AKERS-JONES, CMG, JP
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE, JP
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, CMG, JP
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, CMG, JP
DIRECTOR OF EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, JP
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, JP
SECRETARY FOR HOUSING

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 RONALD GEORGE BLACKER BRIDGE, JP
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JOHN CHARLES CREASEY WALDEN, JP
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE DAVID RAYMOND BOY, JP
SOLICITOR GENERAL (*Acting*)

THE HONOURABLE SIR SZE-YUEN CHUNG, CBE, JP

THE HONOURABLE LEE QUO-WEI, CBE, JP

THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP

THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP

THE HONOURABLE JAMES WU MAN-HON, OBE, JP

THE HONOURABLE LI FOOK-WO, OBE, JP

THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP

THE HONOURABLE MRS KWAN KO SIU-WAH, OBE, JP

THE HONOURABLE LO TAK-SHING, OBE, JP

THE HONOURABLE FRANCIS YUAN-HAO TIEN, OBE, JP

THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

THE REV THE HONOURABLE JOYCE MARY BENNETT, JP

THE HONOURABLE CHEN SHOU-LUM, JP

THE HONOURABLE LYDIA DUNN, OBE, JP

DR THE HONOURABLE HENRY HU HUNG-LICK, OBE, JP

THE HONOURABLE LEUNG TAT-SHING, JP

THE REV THE HONOURABLE PATRICK TERENCE MCGOVERN, SJ, JP

THE HONOURABLE PETER C. WONG, JP

THE HONOURABLE WONG LAM, OBE, JP

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

ABSENT

THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR STEPHEN TAM SHU-PUI

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:	
Lion Rock Tunnel Ordinance.	
Lion Rock Tunnel (Amendment) Regulations 1978	9
District Court Ordinance.	
District Court Civil Procedure (Forms) (Amendment) Rules 1977	11
District Court Ordinance.	
District Court Civil Procedure (General) (Amendment) Rules 1977	12
Interpretation and General Clauses Ordinance.	
Specification of Public Office	13
Road Traffic (Parking and Waiting) Regulations.	
Temporary closure of parking spaces	14
Apprenticeship Ordinance.	
Apprenticeship (Designation of Trades) Order 1978	15
Road Traffic Ordinance.	
Road Traffic (Driving Licences) (Amendment) Regulations 1978	16
Magistrates Ordinance.	
Magistrates Ordinance (Amendment of Fourth Schedule) Order 1978	17
Public Health and Urban Services Ordinance.	
Public Health and Urban Services (Designation of Libraries) Order 1978 ..	18

<i>Subject</i>	<i>LN No</i>
University of Hong Kong Ordinance. Statutes of the University of Hong Kong (Amendment) Statutes 1978.....	19
Banking Ordinance. Specification of Specified Liquid Assets	20

Sessional Paper 1977-78:

No 32—Hong Kong Polytechnic Annual Report with Balance Sheet and Income and Expenditure Account for the year ended 31 July 1977 (published on 25.1.78.)

Oral answers to questions

EEC/HK textiles agreement—protest to HMG

1 MR TIEN asked:—*Sir, will Government inform this Council of the outcome of the representations which the Financial Secretary undertook in this Council on 21.12.77 to lodge with Her Majesty's Government concerning the EEC/Hong Kong Textiles Agreement?*

THE FINANCIAL SECRETARY:—As promised, Sir, the concern of Honourable Members was conveyed to Her Majesty's Government last month and I have now been asked to assure them that the British Government's concern for the welfare of the people of Hong Kong remains as strong as ever.

MR TIEN:—*Sir, what was the actual text of the message sent by the Government?*

THE FINANCIAL SECRETARY:—A copy of the verbatim Hansard Record of the proceedings of this Council on that day was telegraphed to London that night.

Jurors—method of payment for

2 REV JOYCE M. BENNETT asked:—*Will Government arrange for the allowance payable to jurors to be paid to them at the courts at the conclusion of their service on a case rather than later at the Supreme Court Accounts Office?*

THE ATTORNEY GENERAL:—Sir, the arrangements for the payment of jurors' allowances are that jurors may collect them a few days after that trial or that payment is made by post if a juror so asks. There is therefore an alternative method of payment to that mentioned by Miss BENNETT in her question.

The allowances cannot be paid at the conclusion of a trial because of the check on payments which is made by the Director of Accounting Services.

The Registrar of the Supreme Court believes that these arrangements do not in practice cause any inconvenience to members of the public who have served as jurors. It is also not considered that there is a case for abandoning the controls now exercised by the Director of Accounting Service—which would be necessary if payment were to be made at the conclusion of a trial.

REV JOYCE M. BENNETT:—*Sir, is it then possible for each juror to be informed that payment may be made by post?*

THE ATTORNEY GENERAL:—Yes, Sir.

Public Accounts Committee

3 MR F. W. LI asked:—*Will Government state the present position in regard to the setting up of a Public Accounts Committee?*

THE FINANCIAL SECRETARY:—Sir, detailed procedures for a Public Accounts Committee are being worked out. Once this has been done a motion will be introduced to provide that a Public Accounts Committee should be established as a Select Committee of this Council. It is intended that the Committee should have jurisdiction to consider and comment as it may think fit on such matters as are contained in any report of the Director of Audit on any accounts of the Government, or on such matters as may be required to be laid before Honourable Members.

As I said in this Council on 20 April 1977, it is proposed to set up the Public Accounts Committee in time to consider the Director of Audit's report on the Government's accounts for the year ended 31 March 1978.

MR F. W. LI:—*As it is the intention of the Financial Secretary to set up this Committee to consider the accounts ending 31 March 1978, does that mean that this Public Accounts Committee will not be established until some time in December 1978?*

THE FINANCIAL SECRETARY:—Well in the Autumn of this year, Sir, with effect from the beginning of the new session. That was always our intention.

SIR S. Y. CHUNG:—*Will Government let the Unofficial Members of this Council have an opportunity to comment on the exact terms of reference of this Committee?*

THE FINANCIAL SECRETARY:—The resolution, Sir, amending Standing Orders will of course have to be debated and that will provide ample opportunity for Honourable Members' views to be put forward and, of course, taken into account.

Boards and Committee—membership of

4 MISS DUNN asked:—*Given the role of Advisory Boards and Committees in the conduct of Hong Kong's affairs, how does Government ensure that suitable members of the community are brought into the network of such Boards and Committees?*

SECRETARY FOR HOME AFFAIRS:—Apart from those statutory committees which stipulate membership of some professional or specialized body, it is Government's policy that representation on committees should generally be drawn from a wide range of persons from different sectors of the community.

Recommendations for appointment to committees are the responsibility of the Secretary or Head of Department who is most concerned with the principal area of responsibility of the committee, and who consults officers of his Branch or Department. He might also consult those Unofficials who are already associated with the work of that committee.

He also seeks advice from the SHA, particularly on the appointment of non-professional persons to his committees since the latter, and members of his group of departments maintain a close contact with many organizations, groups and local individuals.

MISS DUNN:—*Sir, does the Government have a proper system whereby suitable and potentially suitable people are recorded and their details kept up-to-date?*

SECRETARY FOR HOME AFFAIRS:—Yes, Sir, many civil servants in many departments as well as the Secretariat keep a close touch with people who are specialized in their own work and we do, by so doing, have a record or a good idea what the abilities of individuals.

MISS DUNN:—*Is the Government satisfied that the emerging educated middle class stand a fair chance of being selected?*

SECRETARY FOR HOME AFFAIRS:—Yes, Sir.

Rates on buildings with illegal modifications

5 MR LOBO asked:—*In view of Government's inability to exercise effective control over unauthorized extensions and modifications to buildings, what measures are taken to ensure that the rates payable by the occupiers of these premises adequately reflect such work?*

THE FINANCIAL SECRETARY:—Sir, unauthorized extensions and modifications of a reasonably permanent nature built by a landlord or tenant *are* taken into account in assessing the rateable value of premises. When premises are assessed to rates for the first time, inspectors of the Rating and Valuation Department record all material extensions and modifications which might affect the assessment. Any later extensions or modifications are noted by inspectorate staff during the course of day to day work and, if warranted, an additional assessment is made. And, of course, a thorough check on the physical state of premises is made during revaluations which are normally carried out every three or four years, and the new assessments which flow therefrom reflect the value of the premises in their modified or extended form.

MR LOBO:—*Sir, arising from the answer and because it is a general rule, modifications and extensions are made after the first assessment, am I to understand that some premises are really never re-assessed because it is physically impossible for inspectors to check all premises?*

THE FINANCIAL SECRETARY:—There may be a time lag, Sir, but all premises are caught up in any revaluation exercise.

MR S. L. CHEN:—*May I ask, Sir, does the payment of additional rates imply that such unauthorized extension becomes authorized?*

THE FINANCIAL SECRETARY:—Certainly not, Sir, the illegality of the structure is not relevant to their liability to rating. Rates are a tax payable on account of the benefits of occupation. And we do not seek to establish the legality of salaries or profits before imposing direct taxation on income.

New Territories—public libraries

6 MR ALEX WU asked:—*Will Government state what progress has been made in implementing the programme for establishing libraries and study rooms in the New Territories as outlined by the Secretary for the New Territories in reply to a question in this Council on 24.11.76?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, in my reply on 24 November 1976, I gave an account of what the Government hoped to do about providing

libraries in the New Territories. It is very pleasing today, not much more than a year later, to report that so much has already been done.

The Tai Po library opened in September last year and is now lending some 22,000 books a month. A library at Sha Tin in the Lek Yuen Estate opened in November last, and in December issued over 13,000 books—twice the number of books in stock. The Sheung Shui library will open in a week's time and the Tuen Mun library in July.

At Kwai Chung, consideration is being given to leasing 12,000 square feet of office space for a period of three years pending the construction of permanent premises.

In Yuen Long, the Nixon library in the Town Hall will be shortly transferred to the Urban Services Department and become a public library.

A book box service to Cheung Chau started last September, and the introduction of a library service to Sai Kung is now being examined.

In the new towns we plan to provide, for each population group of 200,000, a library occupying about 12,000 square feet of floor space together with a study room for 200 students. In other places the need for study rooms is being tackled by the Education Department, and a total of 8 classrooms will be made available in aided primary schools in the New Territories for this purpose. Clearly, however, because of the overwhelming use being made of our libraries in the New Territories, we will have to reexamine the timing and adequacy of our future plans for libraries and to keep the provision and need for study rooms under review.

MR ALEX WU:—*Sir, has Government any plans to expand the existing book boxes and mobile library services to the more remote areas?*

SECRETARY FOR THE NEW TERRITORIES:—Yes, Sir, we are considering extending a mobile service to Sai Kung.

MTR—worth to the UK

7 MR T. S. LO asked:—*Will the Government find out from the MTRC what is the worth to the United Kingdom, in both visible and invisible earnings, of Hong Kong's construction of the Modified Initial System and extension?*

THE FINANCIAL SECRETARY:—Yes, Sir. We have found out and the answer is that the Mass Transit Railway Corporation, on the basis of contracts so far let, estimates that the Modified Initial System of the Mass Transit Railway, the value of these contracts, is worth about HK\$1,300 million to the United Kingdom.

This figure is made up of HK\$1,043 million in visible earnings and HK\$257 million in invisible earnings. By 'visible earnings', I mean the UK element in contract prices for construction works and equipment. By 'Invisible earnings' I mean the UK element in interest and finance costs and such items as insurance and consultancy fees.

The extension to Tsuen Wan may add to these earnings, of course. But no contracts have yet been let so it is impossible to say.

Access for the disabled—overhead pedestrian bridge in Central

8 DR FANG asked:—*What plans does Government have to make the overhead pedestrian bridges in Central District fully accessible to disabled persons?*

DIRECTOR OF PUBLIC WORKS:—Sir, the Highways Office is well aware of the problems of the disabled and has adopted the design standards laid down in the Code of Practice relating to access for the disabled to buildings for all new pedestrian bridge projects. This means, in effect, the provision of easier-going stairways, shorter stair-flights, longer intermediate landings and flatter ramp gradients. Escalators will also be provided in some cases.

It will not, however, be possible to incorporate all of the recommended standards in every new structure due mainly to the limited ground area available for landings.

Although there are no proposals at present to reconstruct existing facilities to bring them into line with the standards they are being examined to determine whether improvements might be made to them in the future.

DR FANG:—*Sir, regarding the last part of the answer, having conducted an examination, will Government indicate how early such improvements on existing facilities can be made?*

DIRECTOR OF PUBLIC WORKS:—Sir, this will depend on the degree of improvements which are recommended. I cannot give a programme of works until this assessment is done.

Access for the disabled at pedestrian crossings

9 DR FANG asked:—*How many dropped kerbs has Government provided for the use of disabled people at pedestrian crossings and what plans are there to expand this facility?*

DIRECTOR OF PUBLIC WORKS:—Sir, dropped kerbs have already been installed at twenty crossing points in Hennessy Road between Fenwick Street

and Yee Wo Street. In the Kwun Tong area they are being constructed at twenty-eight crossings.

The new kerb details are being installed in the two urban areas mentioned on an experimental basis. Later this year an assessment will be made of the benefits of the system and of the possible detrimental effects such as the ponding of rainwater in the formed areas.

If the study indicates that there are no serious disadvantages in the system a programme of works will be introduced to provide dropped kerbs at other pedestrian crossings.

Aptitude tests for primary schools

10 MR YEUNG asked:—

- (a) *Is Government aware that some primary schools are currently providing tuition and prescribing exercises on academic aptitude tests?*
- (b) *if so, what positive action will Government take to ensure that the purpose of aptitude tests is not defeated by such practice?*

DIRECTOR OF EDUCATION:—Sir, some primary schools are coaching their pupils for the academic aptitude test. This was to be expected.

I do not intend trying forcibly to stop schools from coaching; in any case this would be an impossible task.

Some preparation for the test is desirable, but excessive coaching is ineffective. Many schools have already appreciated the true role and nature of the test which is used solely to scale the internal assessments of schools and which is designed in such a way as not to exert undue pressure on children.

Postal services in NT

11 MR YEUNG asked:—*Is Government satisfied that adequate postal services, in particular postal collection and delivery services, are provided in the New Territories especially in villages and in densely populated areas outside the towns?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, in the New Territories, as in other parts of Hong Kong, door-to-door mail delivery services are provided in places where roads and streets have officially recognized names and the buildings are properly numbered. There are thus delivery services in all the towns in the New Territories. But, in the case of the large majority of villages, these criteria cannot be satisfied and postmen deliver mail either to communal letter boxes or to accommodation addresses.

The Post Office provides communal letter boxes in villages to which there is access by metal road. Postmen deliver mail to the boxes and the village representative or another person nominated by him hands the letters to individual addressees. The Post Office delivers mail for other villages by arrangement to a convenient location, such as a local rice shop, from where villagers collect their letters.

The Postmaster General is not satisfied with these arrangements for use of accommodation addresses. In 1977 he carried out a survey to see how the services might be improved. As a result he has decided to provide communal letter boxes in all villages to which there is all weather access by bicycle or by foot. He will shortly be installing a further 247 boxes and hopes to complete this project by June this year. The greater part of the New Territories will then be served either by door-to-door delivery or by communal letter boxes.

As regards postal collection services, there are 128 posting boxes throughout the New Territories. The Postmaster General also conducted a review of postal collection services in the New Territories in 1977. He is satisfied that, having regard to the amount of mail being posted, the number and location of posting boxes as well as the arrangements for collecting mail from them are satisfactory.

MR YEUNG:—*Is Government aware that by setting up such criteria as this Council was informed, door-to-door mail services will not be available to about half of the New Territories population, and, in terms of heads, about half a million people and in terms of percentage in Hong Kong, ten per cent of the population of Hong Kong?*

SECRETARY FOR ECONOMIC SERVICES:—No, Sir, I personally was not aware of these figures, but the fact of the matter is that, unless roads are named and houses numbered it is impossible to provide a door-to-door delivery service.

MR YEUNG:—*In that case, will Government speedily consider ways and means to identify houses in established villages to ensure that door-to-door mail services may be provided?*

SECRETARY FOR ECONOMIC SERVICES:—Certainly, Sir, we will consider this possibility.

Code of aid for subvented child care centres

12 REV JOYCE M. BENNETT asked:—*Will the Government provide a specific code of aid for subvented child care centres, so that child care workers will be fully aware of their promotion prospects to the rank of Assistant Supervisor and Supervisor?*

DIRECTOR OF SOCIAL WELFARE:—Sir, Government does not provide a code of aid for subvented child care centres because our subventions to them are, at present, given in the form of discretionary grants or on a per capita basis as is already the case in day nurseries. The Social Welfare Department is working towards a per capita subvention system for all child care centres and for other services but even then any need for a code of aid is unlikely as this is only appropriate when an organization, such as a school, is aided by a deficiency grant.

At present the number of child care workers is calculated according to the staff: children ratio specified in the Regulations. There is no assistant supervisor grade; there is only one supervisor in each centre.

REV JOYCE M. BENNETT:—*Sir, I note the words 'at present' in the first sentence of this answer. When can these child care centres be aided by a deficiency grant so that voluntary agencies can plan for future development?*

DIRECTOR OF SOCIAL WELFARE:—Last year the voluntary agencies through the Council of Social Service, had a study group looking into the present subvention system. The recommendation was that the majority were not in favour of a deficiency grant system, but rather they would prefer a per capita subvention system which the Department is now working in consultation with the Social Welfare Advisory Committee towards putting up a proposal on this basis.

REV JOYCE M. BENNETT:—*Sir, is there then any optimum size for a child care centre so that one supervisor is not overwhelmed by the number of children and the child care workers under her?*

DIRECTOR OF SOCIAL WELFARE:—The average size of a subvented centre is about 100, which means there will be one supervisor supervising 6 or 7 child care workers.

REV JOYCE M. BENNETT:—*Is it true that in the child care centres with 200 children, the supervisor has a very big job?*

DIRECTOR OF SOCIAL WELFARE:—This is possible and if a particular centre, which has a capacity of say, 200, or over 200, consideration will be given on the merit of each case, whether there is a need for an assistant to the supervisor.

Shortage of female labour

13 MR JAMES WU asked:—

(a) *Does Government agree that there is a chronic shortage of female labour?*

(b) *if so, will Government take steps to encourage and expedite the setting up of more nurseries so that mothers of young children can be made available for work in industry?*

SECRETARY FOR SOCIAL SERVICES:—Sir, I have some difficulty in interpreting what is meant by a chronic shortage of female labour. In a free economy like Hong Kong which does not have any artificial limitations on wage bargaining or on labour mobility, a chronic, or long-lasting, shortage of labour cannot occur. Any temporary shortage of female labour can be expected to result in an increase in the wage rate being offered which may increase the supply of such labour to meet demand. This process will continue until the shortage is eliminated. I must therefore reply to the first part of this question in the negative.

As regards the second part of the question, the Government would welcome enlightened self-interest among our industrialists in the provision of nurseries for children of their workforce close to their place of work, if they consider this would open up a fresh supply of female labour for industrial employment, and as an additional benefit for working mothers already at work. Any necessary guidance and advice in the setting up of these nurseries would be readily forthcoming from the Social Welfare Department.

MR JAMES WU:—*Does my honourable Friend agree that in the case of a limited number of available female labour, as is the case in Hong Kong, the only way to increase this supply is to have arrangements to better deploy the use of this labour, and not by increasing wages which cannot breed the supply overnight of female labour, as it could be done in the case of products in a factory?*

SECRETARY FOR SOCIAL SERVICES:—Sir, I would have thought that the operation of the free market ensures that the most efficient users of labour will be able to increase their labour force, and accordingly the only way in which a factory can increase its own supply of a particular type of labour is to increase the wage rate.

MR JAMES WU:—*Has my honourable Friend ever visited the factory areas and noticed the numerous 'Help Wanted' notices outside factories, assuming that Hong Kong has been very good in utilizing the natural market forces of supply and demand?*

SECRETARY FOR SOCIAL SERVICES:—As regards the question, the answer is yes, Sir; the rest is not for me to comment on.

MR JAMES WU:—*Is my honourable Friend aware that next only to Japan, Hong Kong already has the highest wages for female labour in the Far East?*

SECRETARY FOR SOCIAL SERVICES:—Yes, Sir.

REV MCGOVERN:—*Arising from the first question, in order to save taxpayers' money in building nurseries, and in order to prevent the exploitation of women as cheap labour in industry, and in order to prevent a further deterioration of family life in the employment of an undesirably high number of working mothers, especially in industry, has Government any plans to introduce legislation on equal pay for equal work by women in the private sector?*

SECRETARY FOR SOCIAL SERVICES:—The short answer is 'no', Sir. The reason for this is that whilst Government accepts the principle of equal pay for equal work, the definition of jobs and the extent to which pay is offered by reference to the quality of the work done are more difficult to determine in practice. It is therefore felt best for the market to determine all wage levels.

MISS KO:—*Sir, besides necessary guidance and advice given by the Social Welfare Department, will Government consider providing assistance as well to the factories in setting up nurseries?*

SECRETARY FOR SOCIAL SERVICES:—Sir, I don't think it would be appropriate for public funds to be spent on the provision of private nurseries for factories and I am sure our industrialists would not expect to be subsidized by Government in this manner.

MR JAMES WU:—*Considering the very high rental and the many small factories, does my honourable Friend still consider it practical that except for a very few large factories it would not be practical to provide 'in house' nurseries?*

SECRETARY FOR SOCIAL SERVICES:—Sir, I am aware that the Director of Social Welfare has been having discussions with voluntary agencies on the provision of more non-profit making nursery places, and also towards a scheme whereby factory managements can obtain places for their workers' children in these nurseries.

Youth Employment Advisory Service—publicity on

14 MR WONG LAM asked in the Cantonese dialect:—

政府是否有計劃去擴大勞工處的青年就業指導組，及給予較大宣傳？

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

Has Government any plans to expand and give greater publicity to the Youth Employment Advisory Service of the Labour Department?

COMMISSIONER FOR LABOUR:—Sir, in reply to this question, I should first like to state very briefly what the Youth Employment Advisory Service has done during the past year. It has an establishment of one Labour Officer and eight Assistant Labour Officers operating from two offices—in Wan Chai and Kowloon City. During 1977, officers of the Unit gave 350 school talks to 33,000 Form V students, they organized seven careers seminars for 6,000 school-leavers and took part in 17 other careers activities. Eight careers exhibitions were staged on a specially designed truck which called at housing estates, parks and schools. The highlight of the year's work was the Careers Exhibition held at the Kowloon-Canton Railway Terminus in November which attracted more than 113,000 visitors in ten days.

During the coming year, we expect to increase the Unit's staff by three more officers. This will enable the Service to extend its preparation of careers material. An officer was sent to the United Kingdom last year to receive special training at the London College of Printing.

Over the next five years, the Labour Department plans to triple the Unit's staff and to regionalize the service by setting up offices in school areas, including the new towns. Careers guidance will then be extended to cover all Form V students. During this period, we shall build up a careers reference library in each office and strengthen the careers information service.

With regard to publicity, a Careers Newsletter is prepared by the Service and published every two months. It is especially designed for young people in schools and at youth centres and is distributed to all secondary schools and youth centres. Press releases on careers seminars and exhibitions are issued regularly and last year, Radio Television Hong Kong did two special programmes to highlight the Careers Exhibition. Plans are underway to collaborate with Radio Television Hong Kong in producing a series of TV programmes on careers for transmission on the commercial stations in the coming year.

MR JAMES WU:—*Has my honourable Friend ever tried to enlist the help of Rotary Clubs which have special emphasis for vocational and youth services?*

COMMISSIONER FOR LABOUR:—Yes, Sir, the Department does in fact make use of such clubs and organizations very regularly. Not only I, as Commissioner for Labour, appear before such clubs and give various talks, but the officers in the Department do so on a regular basis. And various clubs give us considerable help in distributing information on our services and indeed the van that I mentioned that goes around estates was a gift by a Rotary Club. I think this is a good example of the practical help we get.

Smoking in public

15 MR T. S. LEUNG asked:—

- (a) *Is the Government's campaign to discourage smoking in public places effective?*
(b) *if not, will Government consider taking steps to ban, by legislation, smoking in all public places including public vehicles, ferries, restaurants, hotels, lifts and cinemas?*

SECRETARY FOR SOCIAL SERVICES:—Sir, I think, it is too early to assess the effects of the Government's campaign to discourage smoking in public places and on public transport. I believe the wide distribution of posters and stickers, together with the display of slides and short films on cinema and television screens, have had some effect in encouraging smokers to be more considerate towards others.

As regards the second part of Mr LEUNG's question, the suggestion of legislation for a total ban on smoking in all public places and public transport would be contrary to current policy and thinking. Our aim is to achieve the desired result by persuasion and education.

MR T. S. LEUNG:—*Sir, will Government indicate the approximate date when such an assessment can be made and pending the outcome of such an ultimate assessment, will Government make an interim assessment on this effect of the campaign and inform the Council of the result?*

SECRETARY FOR SOCIAL SERVICES:—I think an interim assessment would be too early, Sir, before about one year from the start of the campaign in October 1977 and I note that Members wish to be kept informed of our assessments.

MR T. S. LO:—*Sir, in the interests of objectivity will Government ensure that in future these important matters of burning urgency (laughter) will only be considered by those members of the Government who are not either smokers or non-smokers? (laughter)*

SIR S. Y. CHUNG:—*Sir, first, may I declare myself as a non-smoker. As a compromise, will Government consider to legislate instead of for a total ban, for a partial ban on smoking in public places and public transport as in many other territories. Sir, when I say partial ban, I mean that certain areas in public places and public transport facilities be set aside as non-smoking areas?*

SECRETARY FOR SOCIAL SERVICES:—Sir, in the examination of our findings I can assure Sir S. Y. CHUNG that these matters will be given due consideration.

MR T. S. LO:—*May I ask, Sir, whether Government will, as a compromise, consider a different kind of interim measure and ban people from smoking two cigars at any one time. (laughter)*

Junior secondary education for children of fisherman

16 MISS KO asked:—*In view of Government's recent proposal to extend free and compulsory education to junior secondary level, will Government make any arrangements to meet the special needs of the children of the fishermen in the field of education by reason of their way of life and special background in economic, cultural and historical terms?*

DIRECTOR OF EDUCATION:—Sir, there are conceptual and numerical problems to be tackled before practical solutions can be arrived at. Some 60,000 people still live afloat, more than half fisherfolk. Not all the floating population are poorly placed for schooling, only those living in remote places or those with the whole family living on a working fishing boat. It is not necessarily fishing or living afloat which creates problems of school attendance but rather remoteness and the itinerant home. The factor of remoteness particularly can apply to non-fisherfolk.

Remoteness can be met by bringing the schools to the children and this has been done with primary schools. It is not such a practical solution with secondary schools which should be of a minimum size to offer some choice of subjects. It can also be met by bringing children to the schools but with very remote places this is not easy.

The itinerant home can be managed by providing a home ashore. But here a recent survey has shown a preference by fishermen for purpose-built fishermen's villages rather than public housing.

These solutions will not be easy to apply. On the other hand, these problems have to a substantial extent been solving themselves indirectly through the general economic and social development of Hong Kong. Our transport network has become wider and more complete and fishermen have increasingly come ashore to live, many in public housing and sometimes turning to other trades.

We must now consider to what degree these problems will find their own solutions and how far we should go in meeting them head on. Here we must consider how far solutions compelling in principle will prove practical in application and how far diversion of effort from our main programmes is justified.

I need further to collate the known facts, to gather some fresh ones and to consult with other Government departments before I can see clearly the exact lines on which we should proceed.

MISS KO:—*Sir, can the Director of Education foresee when a concrete plan to solve the problems just mentioned will be made?*

DIRECTOR OF EDUCATION:—I hope, Sir, that in the course of this year that I shall, at any rate, be tripping over a solution, though I may not, by that time,

have persuaded all my colleagues in the Government that I have got it exactly right.

REV JOYCE M. BENNETT:—*Am I to understand that the Government is then considering the establishment of week day hostels for secondary school children living in remote areas?*

DIRECTOR OF EDUCATION:—At present, I am considering a large number of things and hostels are one of them. (*laughter*)

REV JOYCE M. BENNETT:—*Is it possible for the Director of Education to share his other possibilities with us?*

DIRECTOR OF EDUCATION:—Yes, certainly, Sir. If you look at the thing logically, by that I mean trying to exhaust all the possibilities you could have boarding schools in principle, you could have hostels in principle, you could have tutoring on board vessels or you could set up informal classes where there is flexibility of attendance. In fact, I don't think any of those things are very good though I have not totally written them off. Probably, I think that there has to be a combination of bringing the school children to the school and the school to the children. If, for instance, you take the eastern part of the New Territories there could be, after some investigation, some possibility of having, say, secondary classes on Kat O but, of course, you would have to ferry the children from surrounding fishing ports. It would be too far to take all the children from the fishing ports and take them into Sha Tau Kok. Some element of compromise is necessary and it has got to be the right compromise which economizes time and effort and is likely to lead to the children actually attending the schools, rather than the Government spending a lot of money and effort and nothing much happening as a result.

'Bus only lanes' scheme

17 MR PETER C. WONG asked:—*Does Government consider that the 'bus only lanes' scheme has been successful?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. These schemes have generally improved the journey times and increased the carrying capacity of the buses using them. And the better service thus provided has persuaded more people to travel on the buses. For instance, recent surveys in the mid-levels of Hong Kong Island show that the proportion of trips made on franchised buses during the morning peak period has risen from 21% before the bus priority scheme was introduced to as much as 40% now.

MR PETER C. WONG:—*Sir, I am glad to note from the answer that the bus only lanes scheme has been successful as far as buses are concerned. However,*

may I know whether the scheme has any adverse effects on other forms of transport or on the travelling public generally?

SECRETARY FOR THE ENVIRONMENT:—Sir, it is almost certain to say that it has had an adverse effect on people travelling in private cars and taxis but they have the alternative of going on buses if they want to. Certainly the buses are travelling very much faster.

MR T. S. LO:—*Sir, whilst the carrying capacity of buses has been increased by the scheme, will the Government say whether the carrying capacity of the roads has been increased by the scheme?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I would say the carrying capacity of the roads has not really altered.

DR HUANG:—*Sir, would Government in the light of experience gained so far on bus lanes, give consideration to (a) reviewing the hours of operation on these lanes and (b) extending the use of these lanes to other means of public transport such as taxis?*

SECRETARY FOR THE ENVIRONMENT:—There was a review of the hours some time ago and it was agreed that other forms of transport could use the bus only lanes from 9 p.m. onwards instead of 11 p.m. onwards. Other forms of public transport are allowed to use the lanes—school buses for instance, and private light buses, I think, can use them. The problem with taxis is that a taxi by its very function, stops to pick up and put down passengers and if it is travelling on the bus only lane and does this, then it would hold up buses and other forms of public transport.

‘Bus only lanes’—relaxation

18 MR PETER C. WONG asked:—*Will Government consider relaxing the ban on the use of ‘bus only lanes’, particularly in the mid-levels area of Hong Kong Island, by motorists, especially on Sundays and public holidays?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the object of the bus only lanes is to give priority to high capacity public transport in circumstances where road capacity does not permit the unrestricted use of private cars. So before any relaxation is introduced it will have to be clearly shown that public transport will not suffer. In the particular case of the mid-levels the situation is affected by the major road works now being undertaken in that area and it is not yet known what the effect will be of the lifting of the building restrictions in the area.

I have, however, asked the departments concerned to look again at the position on Sundays and public holidays to see if any changes can be made at these times which would not adversely affect bus operations.

MR PETER C. WONG:—*Sir, since from the last answer, the Secretary for the Environment said that during peak hours the trips had risen from 21% to 40%, would the Secretary agree to consider the lanes being used by taxis as well?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, I think I did answer a supplementary on the last question on this matter and I would repeat that the point is taxis can stop to pick up and set down passengers and this would disrupt the operation of the bus only lanes. In addition taxis are really more a form of private transport than they are public transport.*

MR PETER C. WONG:—*I did not consider the answer very satisfactory and that was why I asked the supplementary. I noted that only during peak hours the proportion of trips was increased by 19% and therefore during non-peak hours possibly the increase was less. May I again repeat, would Government consider allowing taxis which I believe are some kind of public transport, to use the bus only lanes?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, as I said, this has been looked into but I will ask the departments concerned to look into the matter again, although I cannot hold out much hope because their previous answer was to advise against this.*

THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY

Following further consideration by the departments concerned, these issues i.e.:—

- (a) whether the ban on the use of bus only lanes by private cars might be relaxed on Sundays and public holidays, without detriment to bus operations; and
- (b) whether taxis might be allowed to use the bus only lanes during peak hours.

were discussed at a meeting of the Standing Conference on Road Use held on 1 March when the following points were made:—

- (a) Where restrictions are required, as in the Mid-Levels, these should be kept as simple as possible in order to facilitate traffic control and enforcement and so as not to confuse either drivers or the general public.
- (b) 75 or more buses an hour use these bus only lanes, or one every 48 seconds. Other public transport (private buses, franchised minibuses and private light buses) and emergency vehicles are already permitted.

There is not much leeway therefore, for allowing in other classes of vehicles.

- (c) Although peak traffic periods occur at different times on Sundays and public holidays, the overall transport flow is not appreciably less than on weekdays. Bus only lanes could therefore be used by private cars at these times only to the detriment of bus operations.
- (d) Use by taxis, especially as they would be likely to stop frequently to pick up or put down passengers, would also obstruct the smooth passage of buses.
- (e) The raising of the moratorium on building in the Mid-Levels is likely to produce an additional demand for buses.
- (f) Extensive traffic management/road works schemes are currently in hand or planned in the Mid-Levels. Bus only lanes are even more essential while these various projects are being undertaken.

It is accordingly the view of the Standing Conference on Road Use, which I have endorsed, that relaxing any of the existing restrictions in the Mid-Levels bus only lanes would adversely affect bus operations and would not be in the general public interest.

Criminal Victimization Survey

19 MISS KO asked:—*Would Government make a statement on the recent results of the Criminal Victimization Survey carried out by the Wan Chai Fight Violent Crime Committee?*

SECRETARY FOR SECURITY:—The Wan Chai District FVCC arranged the survey in 1977. The terms of reference of district FVCCs include provision to collect and collate and assess the views of the local community on the crime situation and to make reports and recommendations to improve the position.

The purpose of the Criminal Victimization Survey was to promote community involvement in fighting crime and to assess public attitudes towards the crime situation in the Wan Chai/Tai Hang District. Planning of the survey was based on some preliminary research carried out by the Shue Yan College, a post-secondary institution. Their proposals were considered by the Committee, some amendments were made and the survey took place in August. It was carried out by 100 students under the Head of the Sociology Department of the College, who was Project Director. The draft of the final report was submitted in December. The survey cost about \$1,200, covering printing questionnaires and other incidental expenses.

The period covered by the survey was the previous twelve months. The study followed multi-stage random sampling procedures. 1,770 households were visited and about 6,600 persons aged 12 and over were interviewed. 216 incidents of alleged crime in two broad categories of 'crime against

persons' and 'crime against households' were considered in detail by the survey team.

Petty theft and pickpocketing accounted for 55% of the alleged crimes, robberies for 16% and purse snatching for 13%. 46% of the incidents occurred between 6 a.m. and 6 p.m. and 32% between 6 p.m. and midnight. The losses suffered were usually cash and in 60% of the incidents the loss was less than \$200.

It was claimed by the respondents that about 85% of these alleged crimes were not reported. The reasons for not reporting them were:

Inconvenience—33%

Not serious enough to warrant a report—26%

No proof of the incident—12%

Loss too insignificant—10%

A preliminary examination of the survey by the Director of Criminal Investigation of the Police shows that the research design is similar to that employed in the US under the National Crime Survey programme, except for two deviations. These involve the sampling method employed and the acceptance of only selected incidents of crime for the study. These deviations have reduced the value of the survey. It is also probable that a proportion of the incidents reported were not crimes at all.

The survey was conducted with enthusiasm and sincerity and is being examined further. Planning is well advanced for a much broader based survey by the RHKP on the extent of unreported crime which it is hoped will be started later in the year.

In the meantime I am arranging for a copy of the Wan Chai survey to be available in the UMELCO Office.

MISS KO:—*Sir, will the findings of the forthcoming survey on unreported crime be published?*

SECRETARY FOR SECURITY:—This would certainly be the intention once it is mounted. But I cannot say with exactitude as to when it will be started or how long it will take to produce material for publication.

SIR S. Y. CHUNG:—*The Secretary for Security said in this reply to the original question that two deviations have reduced the value of the survey. Will he be able to indicate in more definite, quantitative terms the reduction in the value of the survey, such as 10% or 90%.*

SECRETARY FOR SECURITY:—No, Sir, I am advised that the deviation in the sampling survey might have had some significant effect. I cannot say whether

it was plus or minus. And in respect of the second deviation, it has not been possible for the statisticians to say as to what the effect of the error or bias was.

REV JOYCE M. BENNETT:—*Sir, it seems that from this answer we have received, that the Secretary for Security was pleased with this survey to a certain extent. Are we going to commend the Wanchai Fight Violent Crime Committee and the CDO for doing this kind of work?*

SECRETARY FOR SECURITY:—*Sir, this was a first attempt in what I am told is a difficult area. It was obviously an ambitious effort. There is a good deal of flexibility permitted to District Fight Violent Crimes Committees in the way in which they set about their work. I would hesitate to say at this stage that we should offer congratulations or any other comment. It was a sincere effort as I have indicated. The facts which were produced have in certain respects proved helpful. Further than that I do not think I wish to go at this stage.*

Statement

Hong Kong Polytechnic Annual Report for 1976-77

SIR S. Y. CHUNG:—Your Excellency, among the various papers laid on the table of this Council today is the fifth Annual Report of the Hong Kong Polytechnic. It covers the last academic and financial year of the Polytechnic which ended on 31 July 1977.

This was yet another year of expansion of an institution whose continuing growth rate since its foundation in 1972 has been quite remarkable by any standard. The full-time student population rose by a further 20% to a total of 4,800, and although there was a slight decline in the number of students on part-time-day-release and evening courses, the number of students, mainly 'mature' students, on special short-courses tailored to the specific and urgent needs of the industrial and commercial sectors, almost doubled to a total of 6,221. The total student enrolment in the Polytechnic last year amounted to 25,167 and the Polytechnic has now become the largest tertiary educational institution in Hong Kong.

I am again happy to report, Sir, that the year's output of students was well received by local employers, 77.5% of over 1,400 graduates having secured suitable and rewarding jobs in industry, commerce and the Public Service. 16.5% went on to further studies, mostly within the Polytechnic, and only 6% were still unemployed by October of last year.

The Polytechnic's building development programme also made further progress and a new complex to provide excellent sports, social and other student-facilities, as well as workshop spaces for the new Institute of Textiles

and Clothing, will be ready for use in the very near future. I should perhaps mention at this point, Sir, that although the Polytechnic's new buildings are vast and impressive, so is the less immediately-visible expansion in student-numbers and present indications are that the latter will soon over-tax the former. The adjacent land which has been set aside for longer-term expansion will have to be developed more quickly than was previously thought necessary.

In one particular aspect, the academic year 1976-77 was significant for in that year, despite continued expansion at a near-frenetic pace, the Polytechnic found the time to examine its past and to identify the plan for its objectives in the longer term. This was done especially in the context of a visitation of the Universities and Polytechnic Grants Committee in March 1977 when, for the first time, the Polytechnic submitted a comprehensive academic and administrative development plan for the triennium 1978-81, in phase with similar triennial plans of the two Universities.

I should like to take this opportunity, Sir, to pay tribute to Dr Keith LEGG, the Director of the Polytechnic, and his staff who devoted so much effort to the preparation of this plan, and also to the UPGC, whose members, under the able Chairmanship of my honourable Friend, Mr John BREMRIDGE, gave the Polytechnic the benefit not only of their wisdom and pre-eminence in academic affairs, but also their sympathetic understanding of the problems and complexities of running a large, diversified and expanding institution of tertiary education.

In short, Sir, the Polytechnic in the year under review not only maintained its vigorous growth-rate, but analysed on a comprehensive scale where it is and where it is going. As Chairman of its governing body, I am confident that it now plays a prominent part in Hong Kong's fast-multiplying array of social services, and that it will continue to develop in tune with Hong Kong's ever-changing and increasing needs.

Thank you, Sir.

Government business

First reading of bills

INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1978

HOTEL ACCOMMODATION TAX (AMENDMENT) BILL 1978

SUPPLEMENTARY APPROPRIATION (1976-77) BILL 1978

AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL 1978**MARINE FISH (MARKETING) (AMENDMENT) BILL 1978****ROAD TRAFFIC (AMENDMENT) BILL 1978**

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

Second reading of bills**INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1978**

THE CHIEF SECRETARY moved the second reading of:—‘A bill to amend the Independent Commission Against Corruption Ordinance.’

He said:—Sir, I am sure that it is unnecessary to remind Members of the events of late October and early November last year, during the course of which widespread and deep-seated disquiet among members of the Royal Hong Kong Police Force became evident.

Members will remember that the Governor felt impelled, in the light of the events which had taken place and in accordance with his assessment of the dangers involved, to give a direction on the subject of future investigations by the Independent Commission Against Corruption.

Under the pressure of events at the time, the Governor was obliged to act on the basis of his general authority under the Independent Commission Against Corruption Ordinance to give orders and directions to the Commissioner Against Corruption.

The Governor has exercised his authority to give such orders and directions to the Commission from time to time on other matters. In this instance, however, since they have an important and permanent effect on the activities of the Commission, it is considered right that they should be given statutory form by their inclusion in the Ordinance.

Accordingly, the object of this Bill is to embody the substance of that direction in the Law of Hong Kong.

There is something I should like to add. In 1974 your Government committed itself to fight corruption and to eliminate this slur on the life and reputation of Hong Kong. Very great progress has been made in both the public and the private sectors. This has been one of the major achievements of Hong Kong in recent years, and has brought both relief and pride to all of us.

But all societies have their criminal elements and Hong Kong is no exception. Some of these may hope that this partial amnesty for past offences signals a relaxation of Government effort against corruption in the future. They should be warned that it does not.

The Government's commitment stands and the ability and determination of the Independent Commission to detect any resurgence of corruption are very great. We insist on keeping Hong Kong as free from corruption as we can make it and we have the will and the means to do so.

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

Question put and agreed to.

HOTEL ACCOMMODATION TAX (AMENDMENT) BILL 1978

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Hotel Accommodation Tax Ordinance.’

He said:—The object of the Bill is to extend, Sir, the period within which prosecutions may be instituted in respect of offences under section 5 of the Hotel Accommodation Tax Ordinance.

Section 5 of the Ordinance provides that a hotel *proprietor* who fails to pay tax on hotel accommodation charges within a specified period commits an offence and he becomes liable on summary conviction to a fine of \$2,000. A hotel *manager* who fails to make a return of accommodation charges, or furnishes a false or incorrect returns, also commits an offence and is likewise liable. However, there is no provision in the Ordinance limiting the period within which prosecutions may be instituted in respect of such offences. Accordingly, the period of six months fixed by section 26 of the Magistrates Ordinance applies. This period is far too short to enable the Collector of Stamp Revenue to act.

So clause 2 of the Bill adds a new section 10 to the principal Ordinance to the effect that the period for prosecution shall be two years after discovery by the Collector of the offence, or six years after its commission, whichever is the shorter. This amendment is consistent with the corresponding provision in section 49(1) of the Stamp Ordinance.

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

Question put and agreed to.

SUPPLEMENTARY APPROPRIATION (1976-77) BILL 1978

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to approve a supplementary appropriation to the service of the financial year which ended on 31 March 1977.’

He said:—Sir, this Bill seeks to give final legislative authority to the supplementary expenditure authorized by Resolutions of this Council, and is the last stage in disposing of expenditure incurred during the financial year 1976-77. It also seeks an appropriation to meet expenditure incurred by departments where receipts appropriated-in-aid fell short of the sums originally estimated.

The original estimates were given legislative form in the Appropriation Ordinance 1976, which authorized a specific sum under each Head of Expenditure. It is necessary now to legislate further in respect of those heads of expenditure where the net effect of supplementary provisions, shortfalls in receipts appropriated-in-aid and underspending has resulted in an excess over the net sum appropriated in the Appropriation Ordinance 1976. The total supplementary appropriation required is \$199 million under 36 heads; it is more than offset by savings of \$756 million under other heads.

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

Question put and agreed to.

AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL 1978

THE DIRECTOR OF AGRICULTURE AND FISHERIES moved the second reading of:—‘A bill to amend the Agricultural Products (Marketing) Ordinance.’

He said:—Sir, as indicated in the long title of the principal Ordinance, a major purpose of that legislation is to provide for the improvement of agriculture as well as to ensure the orderly marketing of agricultural products. To date improvements have been effected by providing research and development inputs into the industry and by the provision of low interest loans. On the advice of the Marketing Advisory Board and with the support of the Director of Education, as the Director of Marketing, I now consider it timely to initiate action for the ongoing improvement of agriculture by providing better opportunities for the further education of the local farming community. Modern farming calls for the use of increasingly sophisticated techniques which can only be obtained by specialized training in the post-secondary stages of education. The main purpose of the Bill, therefore, is to provide for the establishment and operation of a scholarship fund to be used towards

such education and training of persons employed or seeking employment in the agricultural and agricultural marketing industries.

At the same time opportunity is taken to make certain other minor amendments to the principal Ordinance. Clause 4 amends section 9 of the principal Ordinance so as to provide that the last date for the laying of the audited accounts before this Council be extended to the 31 October each year. This is to enable these accounts to be tabled with the annual report of the Director of Marketing. Clause 6 amends and clarifies section 10 of the main Ordinance.

Motion made. That the debate on the second reading of the Bill be adjourned—THE DIRECTOR OF AGRICULTURE AND FISHERIES.

Question put and agreed to.

MARINE FISH (MARKETING) (AMENDMENT) BILL 1978

THE DIRECTOR OF AGRICULTURE AND FISHERIES moved the second reading of:—‘A bill to amend the Marine Fish (Marketing) Ordinance’.

He said:—Sir, whilst the primary purpose of the principal Ordinance is, as its title implies, to provide for the orderly marketing of marine fish, there is provision therein for the promotion of ancillary services to the benefit of the industry and those concerned therewith. In the past the Fish Marketing Organization has concerned itself chiefly with the reprovisioning and expansion of its marketing facilities and with assisting in financing the mechanization and modernization of fishing vessels. It will continue to emphasize its activities in these fields.

To a lesser degree, the Organization has been concerned with assisting in the provision of educational facilities for fishermen’s children, who because of the parents’ vocation face peculiar problems in obtaining regular schooling. Here again the Organization will continue its activities in this sphere. However, it is now considered that the Organization should extend its financial support into the more advanced field of tertiary education and training in order to assist in meeting the increasingly sophisticated demand, and scientific and technical needs of a modernizing fishing fleet. Gone are the days of sail insofar as an economic fishery is concerned and the simpler forms of mechanization have now been with us for several years. The future of our fleet now lies in the adoption of an increasing number of highly scientific and technical aids. These include electronic devices such as Sonar and Simrad for fish finding, navigational aids, such as Loran which precisely define the position of a vessel and thus its fishing ground, and more complex deck gears and propulsion machinery, and the use of hydraulics for increased productivity and safety.

On the advice of the Fish Marketing Advisory Board, and with the support of the Director of Education, it is now considered timely to initiate action for such on-going improvement of our fisheries by providing better education opportunities both for the younger generation within the fishing fleet and for those who would wish to enter a modern and challenging industry. The main purpose of this Bill, therefore, is to provide for the establishment and operation of a scholarship fund to be used towards post-secondary education and training for those persons indicated above.

At the same time opportunity is taken to make certain other minor amendments to the principal Ordinance. Clause 3 amends section 7 of the Ordinance so as to enable public officers to be authorized to exercise powers already vested in Market Managers. Clause 4 amends section 14 of the principal Ordinance in line with that of the Agricultural Products Ordinance so that the accounts and the report can be tabled prior to the 31 October each year.

*Motion made. That the debate on the second reading of the Bill be adjourned—*THE DIRECTOR OF AGRICULTURE AND FISHERIES.

Question put and agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1978

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—‘A bill to amend the Road Traffic Ordinance.’

He said:—Sir, as Honourable Members will be aware, motor vehicle registration numbers which have a lucky connotation are auctioned at periodic intervals and the proceeds paid into the Government Lotteries Fund. Since this measure was introduced in 1973, over \$5 million has been raised for charity in this way.

The special registration numbers which the Commissioner for Transport is empowered to allocate by auction are listed in the Sixth Schedule to the Road Traffic (Registration and Licensing of Vehicles) Regulations. New numbers which are not contained in this schedule are allocated in strict order of applications for registration. The Commissioner for Transport, however, receives frequent requests from members of the public for particular, unscheduled, numbers which for one reason or another they personally wish to have. Consideration has been given to extending the scope of the Sixth Schedule to cover these numbers but, because of the large number of individual connotations and preferences involved, it is impossible to know in advance which ones will be requested.

However, it is considered that a practical method can be found to auction such sought after unscheduled numbers and that this would both

meet the public's wishes and contribute revenue to the Lotteries Fund. It would also remove the opportunities which exist at present for private profit to be made from the transfer of these numbers and would protect the staff of the Transport Department from any allegations of unfair dealing.

The object of this Bill, therefore, is to make legislative provision for the auctioning of unscheduled registration numbers. The Bill also provides for a number, which attracts no bids at an auction, to be allocated at a special fee not exceeding \$1,000 to the person who asked for it to be auctioned. In practice, this sum would be paid in advance as a deposit by the requestor and it is intended to make regulations to lay down the exact procedure which the Commissioner for Transport will be required to follow in these matters.

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

Question put and agreed to.

THE HONGKONG AND SHANGHAI BANKING CORPORATION (AMENDMENT) BILL 1978

Resumption of debate on second reading (11 January 1978)

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).

MERCANTILE BANK NOTE ISSUE (REPEAL) BILL 1978

Resumption of debate on second reading (11 January 1978)

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).

SECURITIES (AMENDMENT) BILL 1977**Resumption of debate on second reading (12 October 1977)**

Question proposed.

SIR S. Y. CHUNG:—Your Excellency, this amending Bill on ‘insider dealing’ is without doubt highly controversial. Some people say that we have not gone far enough and that we should have legislated to make insider dealing a criminal offence whilst others consider that we are in fact pioneering an area where even angels would fear to tread. I am told that there is nowhere in this world where legislation to curb insider dealing has been implemented successfully.

Despite the difficulty in controlling insider dealing by legislation, the Unofficial Members of this Council are generally in agreement that the Government’s present view of how the problem should be dealt with initially in Hong Kong should be accepted in principle. The Unofficial Members also believe that only time will tell whether the proposed legislation will prove to be an effective means of tackling the problem of insider dealing and therefore welcome Government’s intention to assess the position in 1980.

Members of the Ad Hoc Group formed to consider the Bill adopted a cautious approach to the problem of insider dealing not only because of the difficulties experienced elsewhere in tackling the problem but also because of the contrary views expressed locally that the proposed legislation either went too far or did not go far enough. The Ad Hoc Group held a series of meetings with the Attorney General and other senior Government Officials and, as a result, several amendments were agreed between the Group and the Government which have already been tabled and which will be moved by the Financial Secretary when the Bill goes to Committee later this afternoon.

Firstly, the Group considered that culpability should be determined by the Insider Dealing Tribunal specially set up by the Bill in the light of circumstances. Accordingly, the words ‘is culpable’ are to be changed to ‘may be culpable’ in subsection (1) of the new section 141B.

Secondly, the Group recognized that short of criminal sanctions, the only alternative way to effectively deter and discourage insider dealing is to publish in full the findings of the Insider Dealing Tribunal including the names of the persons involved. However, the Group believes that it is essential to protect any innocent party from adverse publicity. For this reason, it has been agreed that the new section 141I should be amended to provide that a person investigated by the Tribunal and found to be not culpable would not be mentioned by name in the published report if he objects to the publication of his name.

Thirdly, it was the view of the Ad Hoc Group that the Commissioner for Securities should not, in order to avoid impeding normal business transactions of the parties under investigation, be empowered to take possession of books and documents but instead should only be authorized to make copies of and take extracts from them. During the discussion on this particular provision, it was pointed out by the Government Officials that in some of the smaller companies there might not be any facilities for making copies of books and documents. The Group therefore agreed that the Commissioner should be allowed to take possession of and hold books and documents for a limited period of time not exceeding 48 hours.

During the discussions with the senior Government Officials concerned, Members of the Ad Hoc Group expressed concern about unreported curbside deals although the rules of the stock exchanges require such deals to be reported. The Commissioner for Securities agreed to take steps to ensure that the rules of the stock exchanges are strictly complied with and to inform the Unofficials of the outcome of his efforts to eradicate this malpractice at a later date.

Members also pointed out that, despite the introduction of this amending Bill, insider dealings in securities could still be arranged either through the use of nominees outside Hong Kong, or through dealings in those Hong Kong shares listed or traded on the London stock exchange. Unless these two loopholes are effectively plugged, the Bill is unlikely to be effective in curbing insider dealing as it will only be able at best to catch the small and not the big fish. The Commissioner for Securities assured the Unofficials that he was aware of these loopholes and stated that he had already initiated discussions on the matter with the London stock exchange. In view of his undertaking to inform the Unofficials of this Council of the eventual outcome of these discussions, I hope that he is now in a position to give us at least a progress report on this matter.

Sir, with these remarks, the Unofficial Members support the motion before Council.

THE FINANCIAL SECRETARY:—Sir, I am grateful for the thorough study which has been made by the *ad hoc* group of Unofficial Members to which Sir S. Y. CHUNG has referred. As he indicated, I shall be moving a number of amendments to the Bill at the Committee Stage which take account of the points made by the group.

Sir S. Y. CHUNG mentioned three methods by which insiders might be able to conceal their transaction and of course I share his concern. Incidentally, these three possible methods of concealment would equally exist even if we were to make insider dealing a criminal offence. As regards non-reported deals by stockbrokers in contravention of their own exchange rules: the Commissioner for Securities has already taken steps to ensure compliance with the rules of the various exchanges regarding the reporting of these so-called

curbside deals. As regards, dealings in Hong Kong shares listed and/or traded on the London Stock Exchange: as the jobbers and brokers involved in these transactions are not subject either to the rules of a Hong Kong exchange or of the obligations imposed on dealers by the Securities Ordinance, there is a real possibility of would-be insiders using this route. Accordingly, the Commissioner for Securities has been in touch with the executive authorities of the London Stock Exchange and the Government will let Unofficials know the outcome of the Commissioner's discussions in due course. Finally, as regards the use of offshore nominees to handle transactions: I should prefer, Sir, to see what evidence there is that this presents a problem before considering what action, if any, is necessary and possible and I am in touch with the Commissioner for Securities about this.

Next, Sir, I would like to recognize the concern that has been expressed by those who legitimately wish to deal in good faith in shares of their own companies, but who are apprehensive lest their dealings lead them to be branded as 'insider dealers'. The regular dissemination of price-sensitive information by companies would go to a long way to reduce this risk. I recognize that, sooner or later, there will be persons who wish to deal but are in possession of price-sensitive information which is not generally available. So I commend the moves being taken by the Stock Exchanges, in conjunction with the Commissioner for Securities, to draw up guidelines for directors and employees wishing to deal in their own company's securities.

Finally, Sir, I should like to allay fears that the market itself, and even confidence generally, could be seriously affected by the reference of an excessive number of cases to the Tribunal. The normal procedure will be that a potential case will initially be inquired into by the Commissioner for Securities. If he is satisfied that a *prima facie* case exists he will report his views to the Securities Commission. If the Commission decides that the Commissioner *has* established a *prima facie* case, it will so inform the Financial Secretary. If he, in turn, is satisfied that insider dealing may have taken place, then he will refer the case to the Tribunal. In other words, only when there is clear evidence of insider dealing will a case actually reach the Tribunal.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee.

THE HONGKONG AND SHANGHAI BANKING CORPORATION (AMENDMENT) BILL 1978

Clause 1 and 2 were agreed to.

MERCANTILE BANK NOTE ISSUE (REPEAL) BILL 1978

Clauses 1 to 3 were agreed to.

SECURITIES (AMENDMENT) BILL 1977

Clause 1

THE FINANCIAL SECRETARY:—Sir, I move that clause 1 of the Bill be amended as set forth in the paper before Honourable Members.

This amendment substitutes 1978 for 1977 in the short title of the Bill.

*Proposed amendment***Clause 1**

That clause 1 be amended by deleting '1977' and substituting the following—
'1978'.

The amendment was agreed to.

Clause 1, as amended, was agreed to.

Clauses 2 to 7 were agreed to.

Clause 8

THE FINANCIAL SECRETARY:—Sir, I move that clause 8 of the Bill be amended as set forth in the paper before Members.

Amendment (a) is a grammatical revision which reflects the possibility that insider dealing may not be culpable.

Amendment (b) amends and improves the definition of relevant information in the new section 141D(1).

Amendment (c) brings within the definition of persons connected with a corporation (i.e. potential insider dealers) professional advisers to a substantial shareholder in the corporation or a related corporation since, by virtue

of their connection with their client, they are in a position analogous to that of the corporation's own advisers.

Amendment (d) limits the objects of the Insider Dealing Tribunal's enquiry by removing the duty on the Tribunal to make specific findings in respect of persons deemed not culpable.

Amendment (e) amends the new section 141I in three ways: first, deleting the duty on the Tribunal to conduct an enquiry 'without delay'. Such a provision is meaningless and unenforceable. Secondly, it limits the prohibition on the publication of material received by the Tribunal. Thirdly, it provides persons found not culpable the opportunity, before publication, of having the references to their identity deleted from the Tribunal's Report.

Amendment (f) amends the power of the Tribunal to dispose of any document or article which comes into its possession or the possession of the Commissioner for Securities.

Amendment (g) limits the power of the Commissioner for Securities to take possession of books and documents in connection with an enquiry by the Tribunal.

Proposed amendment

Clause 8

That clause 8 be amended—

- (a) in the proposed new section 141B(1) by deleting 'subject to section 141C, is' and substituting the following—

'pursuant to section 141C, may be';

- (b) in the proposed new section 141D(1), in the definition of 'relevant information', by deleting 'materially to affect' and substituting the following—

'to bring about a material change in';

- (c) in the proposed new section 141E(1)(c)(i) by deleting 'or a related corporation' and substituting the following—

', a related corporation or a substantial shareholder in either of such corporations';

- (d) in the proposed new section 141H(3) by deleting paragraphs (a), (b) and (c) and substituting the following—

'(a) whether culpable insider dealing in relation to the securities of a corporation has taken place; and

(b) the identity of the persons involved therein and the extent of their culpability.';

- (e) in the proposed new section 141I—
- (i) in subsection (1) by deleting ‘without delay’;
 - (ii) in subsection (2) by inserting after ‘an inquiry’ the following— ‘and which comes to his knowledge by virtue of being so received’;
 - (iii) by deleting subsections (4) and (5) and substituting the following—

‘(4) The Tribunal shall issue its report in the following manner—

 - (a) by first furnishing a copy to the Financial Secretary; and
 - (b) thereafter, subject to subsection (5), by—
 - (i) causing the report to be published in such manner that copies thereof are available to the public; and
 - (ii) furnishing a copy, so far as is reasonably practicable, to any person whose conduct was directly in question in the inquiry.

(5) Where the Tribunal intends to cause a report to be published which contains a finding that a person is not culpable in respect of a dealing which has been the subject of an inquiry, the following provisions shall apply—

 - (a) if that person has supplied to the Tribunal an address for service for the purposes of this subsection, the Tribunal shall cause a copy of the proposed report, so far as it relates to the dealing in question, to be delivered to or left for him at that address;
 - (b) if within 7 days after such delivery the Tribunal has received notice in writing that the person objects to being named in relation to the dealing in question, the Tribunal shall not name the person in the report in respect of that dealing;
 - (c) if the Tribunal has not, within the said 7 days, received notice in accordance with paragraph (b), or if the person has not supplied an address for service under paragraph (a), the Tribunal shall name the person in the report in respect of the said dealing.’; and
 - (iv) in subsection (6) by inserting after ‘the Tribunal’ the following—

‘which has been published under subsection (4)(b)’;
- (f) in the proposed new section 141J(2) by deleting ‘as it thinks fit’ and substituting the following—

‘as the justice of the case requires’; and

(g) in the proposed section 141K(2)(b) by deleting ‘as he considers necessary for the purposes of his investigation’ and substituting the following—

‘(not exceeding 2 days) as is necessary for the purpose of doing so’.

The amendment was agreed to.

Clause 8, as amended, was agreed to.

Clause 9

THE FINANCIAL SECRETARY:—Sir, I move that clause 9 of the Bill be amended as set forth in the paper before Members.

The amendment simply corrects a drafting error in clause 9 of the Bill.

Proposed amendment

Clause 9

That clause 9 be amended in paragraph 3 of the proposed new Third Schedule by inserting after ‘member’ the following—

‘may’.

The amendment was agreed to.

Clause 9, as amended, was agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

THE HONGKONG AND SHANGHAI BANKING CORPORATION (AMENDMENT) BILL and the
MERCANTILE BANK NOTE ISSUE (REPEAL) BILL

had passed through Committee without amendment and that the

SECURITIES (AMENDMENT) 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.

Bill read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday the 15 of February.

Adjourned accordingly at five minutes past four o'clock.