

OFFICIAL REPORT OF PROCEEDINGS**Wednesday 15 February 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 GARTH CECIL THORNTON, QC
SOLICITOR GENERAL

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 LEE QUO-WEI, CBE, JP

THE HONOURABLE OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP

THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP

THE HONOURABLE JAMES WU MAN-HON, OBE, JP

THE HONOURABLE LI FOOK-WO, 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 SIR SZE-YUEN CHUNG, CBE, JP

THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

THE HONOURABLE JOHN HENRY BREMRIDGE, 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:	
Legal Aid Ordinance.	
Legal Aid (Assessment of Contributions) (Amendment) Regulations 1978 ..	21
Merchant Shipping (Recruiting of Seamen) Ordinance.	
Merchant Shipping (Recruiting of Seamen) (Service Record Books) (Amendment) Regulations 1978	22
Police Force Ordinance.	
Police (Discipline) (Amendment) Regulations 1978	23
Public Health and Urban Services Ordinance.	
Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1978	24
Public Health and Urban Services Ordinance.	
Public Swimming Pool (Designation) Order 1978.....	25
Small Claims Tribunal Ordinance.	
Small Claims Tribunal (Fees) (Amendment) Rules 1978	26
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Small Claims Tribunal (Forms) (Amendment) Rules 1978	27
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<i>Subject</i>	<i>LN No</i>
Evidence Ordinance.	
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Immigration Ordinance.	
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Prisons Ordinance.	
Prisons (Victoria Prison) Order 1978.....	32
Country Parks Ordinance.	
Sai Kung East and Sai Kung West Country Parks (Designation) Order 1978	33
Training Centres Ordinance.	
Training Centre (Consolidation) (Amendment) Declaration 1978.....	34
Public Health and Urban Services Ordinance.	
Conservancy (Amendment) By-laws 1977	35
Port Control (Cargo Working Areas) Ordinance.	
Port Control (Public Cargo Working Area) (No 2) Order 1978.....	36
 Sessional Papers 1977-78:	
No 33—Supplementary Provisions for the Quarter ended 30 September 1977 (published on 15.2.78)	
No 34—Annual Report of the Li Po Chun Charitable Trust Fund for the period 1 September 1976 to 31 August 1977 (published on 15.2.78)	
No 35—Supplementary Provisions approved by the Urban Council during the Third Quarter of the Fiscal Year 1977-78 (published on 15.2.78)	
No 36—Emergency Relief Fund—Annual Report by the Trustee for the year ended 31 March 1977 (published on 15.2.78)	
No 37—Sixteenth Annual Report by the Trustee of the Social Work Training Fund for the year ended 31 March 1977 (published on 15.2.78)	

No 38—Trustee's Report on the Administration of the Education Scholarships
Fund for the year ended 31 August 1977 (published on 15.2.78)

Oral answers to questions

Stock Exchanges—merging of

1 DR HU asked:—*Sir, what progress has been made in the proposed merging of the four stock exchanges?*

THE FINANCIAL SECRETARY:—*Sir, in May 1977 the four exchanges agreed to set up a Working Party on Unification chaired by the Commissioner for Securities. At its first meeting it agreed that its aim should be to decide what needed to be done to bring about the unification of the stock exchanges and precisely what timetable should be adopted. In November the Working Party agreed that there should be a single stock exchange on one floor by January 1980.*

In addition, the Working Party has agreed a Memorandum of Association for a unified exchange, and sub-committees are preparing the Articles of Association, and joint listing and trading rules.

At the same time, there have been discussions between the Kowloon Exchange and Far East Exchange on a proposal for the former to operate on part of the floor space at present used by the Far East Exchange. The Hong Kong and Kam Ngan Exchanges are examining similar proposals by which the Kam Ngan would share the floor space of the Hong Kong Exchange. If agreement were to be reached on both sets of proposals, the effect would be that, within this year, there would be four separate exchanges operating on two floors.

Thus there has been, Sir, considerable discussion and some agreement. As yet, nothing has actually happened on the ground. However, I do hope that shortly we shall see tangible evidence that the exchanges will be unified. Certainly, the Government attaches considerable importance to unification of the stock exchanges, introduced preferably by the exchanges themselves.

DR HU:—*Would it be possible that the four exchanges would be operating in the same building, although on different floors?*

THE FINANCIAL SECRETARY:—*As I said, Sir, it is possible within this year the four exchanges will be operating on two floors. Unification in the early 80's would, I imagine, involve one exchange operating on one floor. There are, I am more than prepared to admit, certain practical difficulties in reaching that position but the exchanges are well aware of these difficulties and I think will do their best to overcome them.*

Mini-Buses—Prosecutions

2 MR PETER C. WONG asked:—*Sir, how many prosecutions have been instituted since 1.8.77 against mini-buses which do not display their destinations and fares in both English and Chinese under the Road Traffic (Public Omnibus, Public Light Bus and Public Car) Regulations?*

THE ATTORNEY GENERAL:—Sir, no prosecutions have been instituted.

The position is this. The new Regulations requiring the display on public light buses of destinations and fares were published in November 1975. They provided for their commencement on a day to be appointed by the Governor. In July 1976 the Governor appointed 1 August 1977 for the commencement of the Regulations. Thus, Sir, adequate advance notice was given of the coming into operation of the new requirements.

However, by June 1977 it had become clear that the necessary structural alterations to public light buses were not generally being made, so that compliance after 1 August 1977 with the requirement of the law as to the display of destinations was unlikely. In these circumstances, Sir, the Police Force was faced with the prospect of large scale defiance of the law and it was considered that prosecution on the scale that might become necessary was not feasible.

As a result, an alternative approach had to be adopted. It was accordingly decided that public light buses would not be re-licensed thenceforth unless the necessary alterations to provide destination indicators had been made. This course has produced the desired result and public light buses have been altered before application is made for their annual re-licensing. By July this year all public light buses will have been altered as necessary or will no longer be licensed, and I take this opportunity to give due notice that the new law requiring the display of destinations and fares will be enforced thereafter.

MR PETER C. WONG:—*Sir, why was the difficulty of conversion not foreseen by Government before the regulation was appointed by the Governor for commencement on 1.8.1977?*

THE ATTORNEY GENERAL:—I think, Sir, that the difficulty was fully appreciated and I would remind Mr WONG of the interval between the time when these regulations were first enacted, November 1975, and the date eventually appointed for their commencement. It was believed that between July 1976 when that date was first announced and the actual date for commencement there was ample opportunity for the buses to be converted. It was disappointing that no effort was made to convert them.

Gambling—measures against effects on children

3 DR HUANG asked:—*Sir, would Government agree that young people should be discouraged from taking up the gambling habit and, if so, would it:*

- (a) *support—financially or otherwise—surveys such as those recently carried out by the socially conscious students of the universities, on the effects of off-course betting centres on the younger section of our population, and publicise the results?*
- (b) *consider, having regard to the extensive coverage by the radio and television of horse-racing, limiting the time allowed for such programmes, and require that they be announced as unsuitable for children?*
- (c) *consider introducing into the curriculum of schools material designed to bring home to the children the harmful effects of habitual gambling?*

SECRETARY FOR HOME AFFAIRS:—*Sir, Government agrees that young people should be discouraged from taking up the gambling habit. Consequently, I would welcome any independent and properly constituted surveys on the effects of off-course betting centres on the younger section of our community. However, I cannot commit Finance Committee that sufficient funds will be made available as we will have to consider each application on its own merits before seeking the necessary funds.*

Television and radio coverage on horse-racing is not as extensive as implied in Dr HUANG's question as the maximum time i.e. when there are two race days in a week, devoted to horse-racing by the television and radio channels amounts to about 28 hours per week which is just less than 2% of the total broadcasting time. In view of this, it does not appear necessary at the present time to ask the television and radio stations to limit the time for such programmes. As regards Dr HUANG's suggestion that these programmes be announced as unsuitable for children, I have reservations on the practicability, the effectiveness and the advantages likely to be gained from such a step, particularly when there is no evidence that young persons are being attracted to these programmes. Nevertheless, the Commissioner for Television and Entertainment Licensing will continue to keep a careful watch on the situation and take appropriate action, where necessary.

As regards the third part of Dr HUANG's question, I certainly agree that teachers as well as parents should emphasize regularly to young people that gambling is no substitute for hard work or other forms of recreation. I shall ask the Director of Education to consider how this message may best be reinforced in schools.

DR HUANG:—*Sir, if further survey continues to show that these off-course centres are propagating the gambling habit in the community, especially among the young, will Government consider closing all or some of them down?*

SECRETARY FOR HOME AFFAIRS:—No, Sir, because the reason for setting up off-course betting centres is to combat illegal gambling. If we closed them down I am sure illegal operators will flourish again.

DR HUANG:—*Following that principle, would Government consider setting up lounges or centres for opium smoking, in order to detract people from smoking the more dangerous heroin?*

SECRETARY FOR HOME AFFAIRS:—Sir, with due respect that is a different question.

MR JAMES WU:—*In view of the importance and effectiveness of teachers' influence on young people, what can the Education Department do to encourage the teachers to preach against gambling and to discourage them from participating in gambling?*

SECRETARY FOR HOME AFFAIRS:—The Director of Education will consider how best to get over the message and I am afraid I am not in a position to answer professionally as to what could be done.

MISS KO:—*Would Government consider providing professional research personnel to assist with the surveys by the Hong Kong University students and will assistance be provided by the Departments concerned in conducting the proposed survey?*

SECRETARY FOR HOME AFFAIRS:—I do not think Government has any spare capacity on its professional staff to assist such surveys, but all Government departments, and I am sure the Royal Hong Kong Jockey Club, as well, will assist any surveys that students or any other organizations would like to undertake. One thing that is certain is with the co-operation from the Departments and agencies involved, at least they will get their facts correct.

Hong Kong Products Trade Centre

4 MR TIEN asked:—*Sir, in view of the general support to a 'Buy Hong Kong' campaign, will Government take steps to set up a permanent Hong Kong Products Trade Centre where overseas buyers can see on display the whole range of local products and negotiate deals, and where the local population as well as tourists can purchase such products?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, Mr TIEN seems to envisage the establishment of a trade centre complex encompassing retail units, wholesale and export offices and permanent prestige displays such as are to be found, often on rather a grand scale, in certain other parts of the world.

As Honourable Members know commercial enterprises of a similar nature have in the past been considered and indeed launched in Hong Kong, though on a smaller scale, with varying degrees of success. I think that before the Government could consider the support it might be able to give to a venture of the type proposed, there would have to be some very clear indication from the private sector, principally through the main trade and industrial organizations, that a sufficient demand for such facilities exists to make the concept viable.

As you have recently said, Sir, the first essential for a successful 'Buy Hong Kong' campaign must be that more local manufacturers should be prepared to sell their products here. In recent years there have been excellent examples of this being done by several manufacturers and the range of Hong Kong products available on the retail market has increased considerably. I believe that only the wholesale and retail trades and manufacturing industry can now indicate with any degree of accuracy whether there exists an unfilled demand for a Trade Centre as a retail outlet for purely local products and, particularly in view of the geographical concentration of Hong Kong industry, adjacent permanent display and office accommodation in a comprehensive complex to service overseas buyers. The Hong Kong Trade Development Council already maintains a permanent product display centre, where the goods displayed are changed several times a year, and of course the Council also provides a service to overseas buyers seeking contact with local suppliers.

MR JAMES WU:—*Sir, in view of the second paragraph of the reply by the Director of Trade, Industry and Customs, can he tell this Council how many times has his Department been approached by the CMA for assistance to secure Government assistance in providing for a suitable permanent site to mount Hong Kong Products Exhibitions, instead of having to spend millions of dollars on annual exhibitions that finally prohibited the latter's continuation?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—I am afraid that I can't off-hand say, Sir, how many times the CMA has approached the Department for its support in this matter, but certainly quite a number of times over the years, but this was originally, of course, for a permanent site, but not I think for a permanent exhibition centre. The CMA would also like a site I believe for a permanent building and I am expecting to receive a call from the President of the Association quite soon.

MR JAMES WU:—*As regards the last part of the last paragraph, of my honourable Friend's reply, is it not true that because of so many local residents having seen the exhibitions by the Trade Development Council, have been asking questions, 'Where in Hong Kong can such goods be purchased?'*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—I have asked that myself, Sir, but the answer in many cases is they can't, and as I have just said in my reply and as you have said recently in your speech, Sir, the essential question is, will the manufacturers be prepared to sell in Hong Kong? Until they are prepared to, then setting up this sort of centre isn't going to supply the local consumer with these goods.

Refuse collection in NT

5 MR YEUNG asked:—*Sir, will Government state whether sufficient properly built refuse collection points are provided in or around villages in the New Territories?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, there are not yet enough properly built refuse collection points in or around villages in the New Territories. There is a building programme, and 255 have been built since 1973 mainly in villages with vehicular access. Some of the older refuse collection points are inadequate in size and method of construction. An improved design is now being developed and will be used in the construction of new refuse collection points.

MR YEUNG:—*Sir, by what date is Government going to conclude the building programme for refuse collection points for all the villages with motor access roads and for those without what can be done?*

SECRETARY FOR THE NEW TERRITORIES:—I can't give the exact date at this time, Sir. I would think it would be about another two years, until we have completed our programme. There is, of course, a continuing need to go on providing new points in the expanding new towns, so there is a regular programme for that as well.

Refuse collection in NT—frequency

6 MR YEUNG asked:—*Sir, will Government provide this Council with details of the frequency of refuse collection in villages in the New Territories?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, about ninety per cent of all villages in the New Territories are provided with a daily refuse collection service.

About 90 villages, some small, some deserted and located in areas difficult of access, are serviced at a reduced frequency, ranging from twice weekly to once a month, by Mobile Cleansing Gangs. The problem of refuse collection in these areas is further aggravated by the litter left behind by picnickers and campers. Both the Director of Urban Services and myself regard this situation

as far from satisfactory. Proposals are under consideration at present in the Government Secretariat for a very substantial reinforcement of Mobile Cleansing Gangs and vehicles for litter collection throughout the New Territories. The service can therefore be expected to improve significantly in all areas once the additional resources required are available and deployed on the ground.

MR YEUNG:—*It is noted that the use of people, involving them in the cleaning programme is very successful. I wonder is the Government having any plans and provision of funds to involve the people to carry out the cleaning of the New Territories as a whole?*

SECRETARY FOR THE NEW TERRITORIES:—The question does not quite follow from the original question, but the answer is 'yes', there are some funds provided every year to help with the 'Keep Hong Kong Clean' campaign in the New Territories.

REV JOYCE M. BENNETT:—*Sir, did my honourable Friend say 'ranging from twice monthly' or 'twice weekly'?*

SECRETARY FOR THE NEW TERRITORIES:—Ranging from twice weekly to once a month.

Hunger strike in Ma Po Ping Prison

7 MISS DUNN asked:—*Sir, what were the causes of the recent hunger strike by prisoners in Ma Po Ping Prison and what action is being taken to prevent similar occurrences in the future?*

SECRETARY FOR SECURITY:—Sir, on the direction of the Commissioner of Prisons a Senior Superintendent has conducted an enquiry into the causes of the recent hunger strike by a number of prisoners at Ma Po Ping. His findings have not provided any clear evidence of the reasons for the incident. The prisoners themselves did not disclose the reasons for their actions at the time nor have they done so since. It is believed the incident was partly due to a tightening in discipline in recent weeks and may have been influenced by the transfer of prisoners from other institutions. Changes in disciplinary procedures related to recreational activities and a few recidivists agitated against this. Ultimately prisoners in seven of the twelve dormitories refused their meals on the evening of 23 January.

The custodial facilities of this prison make the control of prisoners difficult in this type of situation. The present medium security prison was originally part of an open prison. It is built on a steep slope. It has a capacity of 600 inmates. The inmates are not accommodated in cells but in two storey dormitory blocks. Each dormitory holds 50 prisoners.

The prisoners themselves are in the main recidivists in Category C and D. Some have served as many as 20 previous sentences in prison.

As a result of the recent incident, 23 prisoners have been transferred to Stanley Prison. There has been and will be no relaxation in discipline at the institution.

A number of improvements to effect better control of prisoners have been carried out during the past two years, including the construction of security lobbies in the dormitories. Other work in hand include the division of the dormitories into two sections and the division of the Prison itself into two separate control zones by an internal security fence. These works will be completed as soon as possible.

MISS DUNN:—*Sir, was it not a failure in communication and discipline that allowed a situation to develop which ended in the hunger strike, irrespective of justification or cause?*

SECRETARY FOR SECURITY:—No, Sir, the arrangements for operating discipline within prisons obviously depend upon co-operation. Inevitably with large groups of persons who may be motivated by their own interests there is a possibility that they will give vent to their feelings without necessarily disclosing in advance that they are going to do so. In this particular case, the prison authorities were aware of the possibility of difficulties and took quite early steps to reduce the scale of the problem by separating people. It is perfectly true that for two days some meals were refused but on the whole I think it can be said that the prison administration in this particular institution emerges with some credit for their handling of the situation.

MR PETER C. WONG:—*Sir, are the securities being provided to the Ma Po Ping Prison intended to make the prison a maximum security prison?*

SECRETARY FOR SECURITY:—No, Sir.

Grievances of prisoners and prison staff

8 MISS DUNN asked:—*Sir, what safeguards are there to ensure that there is no abuse of power by officers in the Prisons Department and that there are adequate channels, for prisoners as well as prison staff, to lodge legitimate grievances?*

SECRETARY FOR SECURITY:—Sir, the safeguards are included in administrative instructions and statutory provisions.

Under the Prison Rules made under the Prisons Ordinance, Chapter 234, it is an offence against discipline for any prisons officer deliberately to act in a manner calculated to provoke a prisoner, or without necessity to use

force in dealing with prisoners, or where the use of force is necessary to use undue force. The provisions of these rules are brought to the attention of newly appointed officers in the Staff Training Institute and at regular intervals after their posting to institutions.

On admission to a prison, every prisoner undergoes a period of induction which lasts about seven days. During this time he is instructed by the staff on the routines of the institution and is told of his rights and privileges. As a part of this induction process, he is also informed of the avenues through which he may make requests or lodge complaints.

Prisoners can bring their grievances to the attention of senior officers of the institution concerned verbally or in writing at any time, to senior officers from headquarters on their frequent but irregular monitoring visits to the Commissioner of Prisons in person and to visiting Justices of the Peace during their fortnightly visits.

Notices are displayed throughout all institutions run by the Prisons Department informing inmates of their right to bring a request or complaint to the attention of the Commissioner or to a visiting Justice of the Peace. Under Prison Rules the duty is imposed on visiting Justices to hear and investigate any complaints made to them and to ensure that all abuses in connection with a prison which come to their notice are brought to the attention of the Commissioner immediately.

Prisons Service staff may lodge complaints or take up their grievances either orally or in writing at institutional or Prisons headquarters level. Staff Consultation Meetings are held at each institution at least once a quarter. These meetings are attended by representatives of all grades of staff within the institution. In addition, there are both Senior and Junior Departmental Consultative Councils, composed of elected representatives of the various grades of staff, and they meet in Prisons Headquarters under the chairmanship of senior headquarters officers at least once a quarter. Individual members of the staff may also at any time ask to see a superior officer and, if necessary, pursue a request to the Commissioner of Prisons himself.

MISS DUNN:—*Sir, has the Government investigated allegations that prison staff are required to handle menial duties for prison officers and their families?*

SECRETARY FOR SECURITY:—The recent articles in the Chinese press on this subject are under investigation.

MISS DUNN:—*Sir, do prison rules specifically prohibit senior staff from requiring junior staff to undertake personal services for them?*

SECRETARY FOR SECURITY:—I cannot say, Sir, and I will confirm the position with the Honourable Member. But I certainly hope that they do.

THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY

I now confirm that such safeguards (to prevent abuse of power by officers in the Prisons Department) exist in Prison Rule 239, which reads as follows:

‘Any officer of the Prisons Department or other person employed in the prisons commits a disciplinary offence who—

.....

(f) (i) solicits or receives any unauthorized fee, gratuity or other consideration in connection with his duties as an officer of the Prisons Department or other person employed in the prisons;

(ii)

(iii) improperly uses his position as an officer of the Prisons Department or other person employed in the prisons to his personal advantage;’.

MR JAMES WU:—*How often do prisoners make use of their rights to make requests or lodge complaints?*

SECRETARY FOR SECURITY:—I have figures for requests and complaints made to JPs. In 1976 it was 166 and in 1977 it was 220 but very many more complaints are of course made to the prison staff. I have no details of that but I will try to obtain them and I will let the Honourable Member have the information.

THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY

In addition to figures of requests and complaints to JPs which I gave verbally at the meeting, I have now ascertained from prison records that the following were recorded as having been made to Prison Officers:

1976: 15,265 requests and 516 complaints;

1977: 13,591 requests and 497 complaints.

Over and above those recorded, other requests and complaints of a minor nature are often dealt with on the spot by prison staff.

Water meters in Yuen Ling Village

9 MISS KO asked:—*Will Government inform the Council what progress has been made in completing the installation of water meters in Yuen Ling Village?*

DIRECTOR OF PUBLIC WORKS:—Sir, between August last year and 31 January 1978, 4,234 applications for individual metered supply were received. More than half of these applications have been processed and to date 385 meters have been installed.

Due to the nature of the terrain and the haphazard lay out of buildings in the village mainlaying and meter installation is difficult and progress has been slow. However, action is in hand to improve the rate of installation works by making greater use of contract labour.

It is anticipated that during the course of the next two to three months most if not all of the metered connections will be completed.

Compulsory, free primary education scheme

10 MR Q. W. LEE asked:—*Sir, in view of the decision to introduce universal junior secondary education commencing free in 1978-79 and compulsory in 1979-80, will Government inform this Council what its experience has been in implementing the scheme introduced in 1971 to provide primary education on a similar basis?*

DIRECTOR OF EDUCATION:—*Sir, universal free and compulsory primary schooling has proved generally successful. Only about 1% of the 6-11 year-olds are estimated not to be at school and most of these live afloat. There are some riders.*

- Some parents still prefer to send their children to schools outside the public sector.
- Not all children enter the primary course at age six, there are still some 6 and 7 year-olds in kindergarten.
- The proportion of pupils completing primary school has been increasing and is now estimated to be of the order of 95%.

MR Q. W. LEE:—*Sir, may I ask whether the same successful achievement is expected for the junior secondary schooling, having particular regard to the age difference between the primary and junior secondary students?*

DIRECTOR OF EDUCATION:—*It is going to be harder to achieve the same results in secondary, Sir. At least it will be very hard to achieve them immediately. The reasons for this are that when we went into universal free compulsory primary education, we already had 97% of the children in the age group at school. For the 12 to 14 age group we have only got 84% at school at present, so there is much further to go. As I have just mentioned, you have got 95% of children now finishing primary education. Well, you can't start secondary education until you've finished primary, by a logical process, so that achievement of full secondary is going to take some time and it wouldn't be, I think, altogether honest not to mention the fact that the opportunity cost of not working is higher at the higher age group. There is not very much that a child of 8 or 9 can do, but a child of 13 or 14 can do something, whether legally or illegally and that is bound to*

affect the situation when one is talking about the last 1 or 2 or 3% in a situation of this kind.

REV MCGOVERN:—*Do I gather from the previous questions and answers that a decision has already been reached to introduce free junior secondary education, in which case I would ask further why is it a suggestion in a green paper which has met some adverse comment. To simplify my question—has a decision been reached to introduce free junior secondary education?*

DIRECTOR OF EDUCATION:—When His Excellency opened the current session of this Council, he did make such an announcement and I spoke on this subject on the 9 November at some length and I would be glad to give Father MCGOVERN another copy of my speech on the subject.

REV JOYCE M. BENNETT:—*Sir, are there going to be Enforcement Officers to see how many children can be persuaded to go back to school?*

DIRECTOR OF EDUCATION:—It is at present proposed although not yet finally agreed; it does find a place in one of our green papers; that there should be student guidance officers, one of whose duties should be the encouragement of school attendance.

Assistance for the ‘Tsuen Wan old men’

11 MISS KO asked:—*Sir, what measures will Government take to assist the more than one hundred aged, sick and unemployed men who are to be evicted from their apartment in Tsuen Wan by their landlord?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, shortly before the Lunar New Year, the Town Manager secured an agreement from the landlord and the principal tenant, to defer repossession of the property until the end of February to give time for officers of the Social Welfare Department and the District Office to complete a survey of the occupants.

It is clear from the survey that after their eviction many of the 112 residents will be homeless. The Director of Housing has therefore agreed to accommodate those who will be homeless in temporary housing in Kwai Chung; funds will be separately provided for building the necessary partitions in this temporary housing. This will not be ready until April and the landlord has now agreed to another deferment of repossession until the end of next month. The Director of Social Welfare meanwhile is arranging for the old and the handicapped to receive treatment and institutional care.

MISS KO:—*Sir, will Government make the same arrangement for the elderly people living in similar conditions, such as the two hostels in Haw Pui Street and Yuen Lok Road in Tsuen Wan?*

SECRETARY FOR THE NEW TERRITORIES:—As I understand it, Sir, very few of the occupants of those hostels are in fact elderly people. The majority of them are workers and who go out to work every day but naturally institutions are provided for the elderly who need it.

REV MCGOVERN:—*In order to prevent the continuation of such inhuman living conditions, could Government state if any regulations exist by which overcrowding on such a scale could be prevented for human beings?*

SECRETARY FOR THE NEW TERRITORIES:—This goes beyond the scope of the original question. As I understand it, there are no regulations at the moment to prevent overcrowding of this kind, Sir.

Traffic to/from Sha Tin

12 MR ALEX WU asked:—*Sir, has Government any plans to cope with the expected increase of traffic to and from Sha Tin, particularly along Waterloo Road?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the main road from Sha Tin into Kowloon is being progressively improved along its entire length. The second Lion Rock Tunnel is now open and, when the renovation of the first tunnel is completed in the autumn of this year, both tubes will be in operation. By then, also, the construction of the second carriageway of the road to the north of the tunnel should be completed.

On the Kowloon side of the tunnel, work on the Cornwall Street/Waterloo Road/Junction Road grade-separated intersection is expected to start in April this year and to be completed in 1981. The Princess Margaret Road flyover will also be widened to four lanes, hopefully by 1981. This will leave only two traffic light junctions along Waterloo Road with right-turn traffic, namely at Lancashire Road and Durham Road. Traffic volumes at these junctions are being monitored and traffic management measures will be introduced when necessary. The possibility of building grade-separated facilities at these junctions is also being studied, although their cost would be high.

Sir, despite these improvements, the Government is aware that, once Sha Tin New Town builds up towards its planned population of a half a million and with additional population in Tai Po and further up the corridor, it will not be possible to cope with the expected travel demand by roads alone. So plans are now being developed for a very considerable increase in the capacity of the railway. Work on double tracking is progressing satisfactorily and a consultancy is being commissioned to prepare designs for electrification. This would involve electric multiple unit trains running approximately every three minutes at peak periods between Sha Tin and

Kowloon and with a 12½-minute journey time. Later on there would be a new interchange station with the Mass Transit Railway at Kowloon Tong which would distribute passengers to the West Kowloon corridor and Tsuen Wan and also to Kwun Tong. The object will be to get as many travellers as possible to use this new high capacity system in the eighties.

Contract conditions for flyover construction

13 MR T. S. LO asked:—*Will Government confirm that the period of time specified in tender documents for the construction of vehicular flyovers is reasonable and will Government state in respect of the Garden Road/Magazine Gap Road flyover—*

- (a) the dates specified in the contract for the commencement and completion of the work;*
- (b) the penalties and bonuses involved respectively for late and early completion of the contract; and*
- (c) the present projected completion date of the contract?*

DIRECTOR OF PUBLIC WORKS:—Sir, I can confirm that generally the contract periods specified for the construction of flyovers are reasonable. These periods are determined from past experience on performance on similar contracts and after considering such factors as the size and nature of the proposed structures and the physical and traffic conditions in the area.

In the case of the Garden Road/Magazine Gap Road Flyover the contract period was specified as fifteen months commencing on 1 September 1976 with completion on 30 November 1977.

Liquidated damages were stipulated in the contract documents at \$1,800 per day. No bonus clause was included.

The project is now expected to be completed in April i.e. about five months behind the original contract completion date although I should point out that the late completion is due in part to delays caused by unforeseen utility diversions.

MR T. S. LO:—*I have a number of points I'm afraid, Sir. Will Government confirm that it is costing tax payers about half a million dollars to employ the consultants engaged on the project and inform this Council whether they had any effect on the speed of the project?*

DIRECTOR OF PUBLIC WORKS:—I don't think the employment of consultants had any effect on the speed of the project. This is related to works after the consultants completed. We are in fact talking about contract completion times, not consultants work.

MR T. S. LO:—*Sir, I was rather afraid that the consultants had no effect on the speed of the contract. As regards liquidated damages of \$1,800 per day, what is the basis for deciding on this particular rate which in effect only increases the contract price by about 3% as damages for having delayed the completion of the project by about 50%?*

DIRECTOR OF PUBLIC WORKS:—*Sir, I think there may be some misconception about liquidated damages. Liquidated damages are not in fact penalties. They are, in fact, merely figures assessed to compensate the client for the loss of use or benefit due to late completion. The level of such charges is determined from a formula agreed between the department and its legal advisers. Basically this works on 10% of the estimated contract cost divided by the estimated period of the contract in days.*

MR T. S. LO:—*Finally, Sir, what were the utility diversions that caused the delay, why were they unforeseen, who was responsible for having foreseen them?*

DIRECTOR OF PUBLIC WORKS:—*The utilities diversions referred to were in fact the usual ones of gas, electricity and telephones. In many cases the utility companies have no record of all the utility services and this is just an instance of this.*

MR T. S. LO:—*And the consultants were unable to help in this regard?*

DIRECTOR OF PUBLIC WORKS:—*Yes, Sir.*

MISS DUNN:—*Would Director of Public Works clarify whether the Government has in fact invoked the penalty clause?*

DIRECTOR OF PUBLIC WORKS:—*As this is a running contract and there is some time to go on the contract it is rather too early to say whether liquidated damages will be charged. Obviously if the contractor goes beyond the time and there is no justification for extension, liquidated damages would be charged.*

REV JOYCE M. BENNETT:—*Is there any records kept now of utility installations for future use?*

DIRECTOR OF PUBLIC WORKS:—*All utilities laid over recent years, and I mean really since the war, are recorded accurately and these are expected and found in the right places, usually, (laughter) when excavations are done.*

Community halls in holidays—opening of

14 MR WONG LAM asked in the Cantonese dialect:—

政府是否有計劃於星期日及公眾假期，開放各社區會堂、福利大廈及社區服務中心，以供公共屋邨居民使用？

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

Has Government any plans to open community halls, estate welfare buildings and community centres on Sundays and public holidays for use by residents of public housing estates?

DIRECTOR OF SOCIAL WELFARE:—Yes, Sir, Government has indeed made plans for these community facilities with their libraries, study rooms, play-grounds and common rooms to be open on Saturdays and Sundays for use by local residents. A start to such services will be made in community centres on the First of March. The opening hours will be from 9 a.m. to 10 p.m. from Monday to Saturday and from 2.00 p.m. to 6.00 p.m. on Sunday.

In each of my Community Halls and Estate Community Buildings I have a rather small staff and extending our services in these centres would require additional workers. I hope that approval for the necessary posts could be obtained in April or May.

Public holidays normally fall on the occasion of seasonal celebrations which people generally celebrate with their families and friends; thus the Centres remain closed on those public holidays. However, if any need is identified and additional staff or volunteers are available, I shall consider opening Community Halls and Estate Welfare Buildings on public holidays too.

Nevertheless, I should like to ensure my honourable Friend that although at present community centres, community halls and estate welfare buildings are not officially open on Sundays and public holidays, the premises are made available to local organizations for their activities whenever advance booking is made with the management. In addition my staff from these centres organize outdoor activities which take place away from the premises. These take the form of picnics and outings to make the best use of Sundays and holidays when most people are not required to work or attend school.

MR WONG LAM:—(asked in the Cantonese dialect)

閣下，在四五月增加人手的時候，可否包括在公眾假期開放？

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

Sir, talking about additional staff in April or May, would that include Sundays and public holiadys?

DIRECTOR OF SOCIAL WELFARE:—Yes, Sir, if I can get the additional staff I asked for.

MISS KO:—*Sir, would Government consider giving more subventions to voluntary agencies centres, such as youth centres open on Sunday for the sake of having more staff members?*

DIRECTOR OF SOCIAL WELFARE:—Sir, with due respect, this is not in connection with the original question and I think that should be considered separately.

Public searches in Land Office—delay

15 MR T. S. LEUNG asked:—*Sir, what steps are being taken by Government to minimize delays encountered by the public who attend the Registration Section of the Land Office for public searches?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the average time taken for a member of the public to make a search in the Land Office, if the document he wants is available, is between 5 and 30 minutes depending upon the nature of the document and the time of the day in which the search is made. Members of the public tend to concentrate their searches between the peak hours of 10 a.m. until noon and between 2.30 p.m. and 4 p.m. and this can occasionally cause delays in making records available. Clearly, if a record is already being searched it cannot be passed over immediately to another member of the public. And likewise, if a register card has been removed to have an entry made on it, there can be a longer delay because the process of registration must of necessity take some time.

Some delays are also caused because the Land Office is split between three premises and the separation of records this entails sometimes means that a searcher has to make two journeys. This is clearly unsatisfactory and efforts are being made to relocate the whole of the Land Office and certain other parts of the Registrar General's Department in one building.

In the past there has also been a shortage of staff due to the rapid increase in recent years in the number of instruments lodged for registration, and this has caused delays both in registration and in searching. But I understand that the position here has now considerably improved and that more staff are in place.

Finally, Sir, the Registrar General is examining the introduction of a system of microfilming of records, which should result in more efficient searching arrangements, and he has discussed his ideas with representatives of the Law Society of Hong Kong. He hopes to submit a formal report on this matter to the Government in the near future.

MR T. S. LEUNG:—*Sir, in view of the reply just given, will Government ensure that the full establishment and strength of staff are posted to prevent further delays being caused?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, as I said there has been an increase in the establishment and I understand that it is now almost up to strength and the Registrar General will do his best to bring it fully up to strength.*

MR LEUNG:—*Thank you.*

MR CHEUNG:—*Sir, is Government aware that in the more enlightened parts of the world the technology of keeping land records has moved beyond microfilms into computers, with access from individual users?*

SECRETARY FOR THE ENVIRONMENT:—*Sir, I am personally not aware but I am now aware and I take note of it.*

MR CHEUNG:—*Would my honourable Friend convey it to the Registrar General?*

SECRETARY FOR THE ENVIRONMENT:—*Yes, Sir, I will.*

MR PETER C. WONG:—*Would microfilming significantly increase the cost of a search?*

SECRETARY FOR THE ENVIRONMENT:—*No, Sir.*

Subscriptions i.e. tong fai

16 REV JOYCE M. BENNETT asked:—*Sir, will Government state whether voluntary agencies running aided secondary schools will be allowed to continue this September to collect subscriptions, known in Chinese as tong fai, from their students?*

DIRECTOR OF EDUCATION:—*Sir, precise proposals on subscriptions, or tong fai are still being formulated but I hope will be put to Finance Committee within the next few weeks. What I can say this afternoon is that these proposals will reflect the Government's intention (which I described to this Council on 9 November, 1977) to meet in the junior secondary sector the cost of providing a reasonable level of education at present being paid for out of subscription or tong fai account.*

REV JOYCE M. BENNETT:—*Sir, can you define what a reasonable level of education includes?*

DIRECTOR OF EDUCATION:—Sir, I have just said that the precise proposals were still being formulated and it is the definition of what a reasonable level of education includes that is still being discussed.

REV JOYCE M. BENNETT:—*Since, Sir, it is now mid-February and we have been waiting a long time, can I have assurances that the voluntary agencies will have the necessary information by the first of April?*

DIRECTOR OF EDUCATION:—Sir, I certainly hope that we shall be able to provide the necessary information by the first of April to the voluntary agencies. I am bound to add that this is a subject which has turned out to be more complicated than we thought it was. I did despatch, a very fat paper on this subject just before the Chinese New Year to the Financial Secretary's officers, which I thought, Sir, completed description and analysis of the whole problem, but it now appears it is not quite as simple as we thought it was. I am sorry about this but life is complex sometimes.

REV JOYCE M. BENNETT:—*Since this may involve the dismissal of teachers and the stopping of projects that are half completed, may I have your assurances that we will be informed of this as soon as possible in April?*

DIRECTOR OF EDUCATION:—Sir, I can, at present, conceive of no circumstances where the new arrangements should lead to the dismissal of teachers or to the frustrating of other reasonable projects.

Advertising signs—control of

17 MR S. L. CHEN asked:—*Sir, as the vast majority of advertising signs occupy space which obviously does not belong to the owners of the signs, will Government consider introducing legislation to rectify the irregularity of this situation and, more importantly, to provide adequate control over their design and erection in terms of safety and maintenance requirements?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the law as it stands already provides some degree of control over all types of advertising signs. The consent of the owner or his representative, and of the occupier, must be obtained for hoardings, notice boards, or posters to be placed upon or against private property and used for the purpose of advertising. Where the property belongs to the Crown the permission of the appropriate authority must be obtained. Furthermore, the Building Authority or the Director of Fire Services, as the case may be, has the power to remove or render safe any hoarding, scaffolding or structure which they consider is dangerous or would constitute a fire hazard.

To exercise complete control over the design and erection of all advertising signs would require a considerable increase in technical manpower that

would be out of scale with the size of the problem. For instance, in the past five years, the Fire Prevention Bureau have removed only one sign because it constituted a fire hazard. The Building Authority over the last twelve months has statutorily removed only 25 signs over the whole of Hong Kong, Kowloon and the New Territories because they were in a dangerous condition or threatened to become so. I am, however, currently examining the ways in which the existing legislative controls over these signs might be improved within the means available for sensible enforcement action.

Mr CHEN has pointed out that the majority of advertising signs occupy Crown land illegally. I presume by this he means that they overhang public streets. But here I should point out that the property from which they project has been rated under the Rating Ordinance to take account of such structures. Whether or not they should be considered as illegally occupying Crown land, therefore, it would appear that the Crown, in one way or another, recognizes their existence by making a charge in respect of them.

MR S. L. CHEN:—*I am glad to hear that, Sir, that the law does provide some measures of remedial control of dangerous or unsatisfactory advertising signs. However, as I do believe, preventive work is more important than remedial measures, may I, therefore, have an assurance from my Friend, the Secretary for the Environment, that my point concerning maintenance requirement will be adequately dealt with when he considers any improvement to the existing legislative control?*

SECRETARY FOR THE ENVIRONMENT:—Sir, in conducting as I said an examination of the way the existing legislative control over the signs might be improved I will certainly take into account Mr CHEN's point.

MISS DUNN:—*Is the Government aware that a large number of advertising signs throughout Hong Kong and Kowloon are left unattended and in a poor state of maintenance because the owners have already moved and if so, would Government take steps to remedy the situation?*

SECRETARY FOR THE ENVIRONMENT:—No, Sir, but I will look into this.

Authority for overall public works in NT districts

18 MR YEUNG asked:—*Sir, I wish to enquire whether the Director of Public Works will appoint to each NT District a single authority to be responsible for overall planning and for co-ordinating the implementation of all public works within that District as a whole?*

DIRECTOR OF PUBLIC WORKS:—Sir, there is already a planning officer allocated for each New Territories district who is responsible for overall planning considerations and day-to-day liaison with District Officers and the planners of the New Territories Development Department.

In the New Towns the co-ordination of public works activity is handled by the Project Managers while in the market towns and rural townships control is, at present, exercised by the Government Engineer New Territories. Where an area is identified in which public works activity is of sufficient magnitude and urgency a recommendation will be made for the appointment of a single officer to co-ordinate development and in this connection a proposal has already been submitted for the creation of a post of Project Manager to be responsible for the development of Tai Po, Fanling, Sheung Shui and Shek Wu Hui.

MR YEUNG:—*Sir, it is indeed gratifying to note that for the new towns of Tsuen Wan, Sha Tin and Tuen Mun, there will be a Project Manager and also one is planning for Tai Po district. Is there any planning for Yuen Long which has a population of 150,000 people at the present moment and will have also an increase of a quarter of a million people in 7 years' time?*

DIRECTOR OF PUBLIC WORKS:—Sir, the level of activity at the moment does not justify the appointment at this time. However, as I said, when the volume of activity and the urgency merits it, a single officer will be recommended for appointment.

Traffic congestion on Cotton Tree Drive

19 MR T. S. LO asked:—*Is the Government aware of the intolerable traffic congestion on Cotton Tree Drive and what does it intend to do about it?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. The congestion is mainly caused by reduced capacity at the roundabout at the top of Garden Road due to the construction of the flyover there. When this is completed in April the traffic should flow more freely and the queue which now extends down Garden Road and Cotton Tree Drive should disappear.

In the longer term, there is a plan to widen Garden Road above its junction with Cotton Tree Drive to provide three uphill lanes. Work on this is expected to start in the financial year 1979-80 and to be completed in 1980-81.

MR T. S. LO:—*In the meantime, will Government consider opening Caine Road to all vehicular traffic?*

SECRETARY FOR THE ENVIRONMENT:—It is now half way through February and the flyover will be ready by April. I think the traffic is now flowing as

well as it can and as I said once it is opened, the problem hopefully will be overcome.

MR T. S. LO:—*In the long-term, although having three uphill lanes might ease the traffic to the Peak, may I ask how in Government's view, would that be useful for the traffic that will assuredly be blocked by the pile up along Robinson Road?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the question was about Cotton Tree Drive. *(Laughter)*

MR T. S. LO:—Your answer was about Garden Road. *(Laughter)*

SECRETARY FOR THE ENVIRONMENT:—Sir, Garden Road is a legitimate extension of Cotton Tree Drive.

MR T. S. LO:—That was what I thought. *(Laughter)*.

Ships with dangerous drugs—action against

20 REV MCGOVERN asked:—*Sir, what action does the Government intend to take against the owners of ocean going vessels such as the Tai Chung Shan on which dangerous drugs have repeatedly been seized?*

SECRETARY FOR SECURITY:—Sir, the Government is concerned that a number of vessels have been repeatedly detected in the smuggling of dangerous drugs. The Action Committee Against Narcotics also discussed the situation at its January meeting.

The Customs and Excise Service is at present engaged in a study of possible measures which might be taken against the owners of such vessels. Enquiries are also being made of Administrations abroad with a view to learning what legal sanctions, if any, exist to meet similar circumstances in their countries.

In the meantime random searches of vessels continue unabated. 893 searches occurred last year.

REV MCGOVERN:—*If administrations abroad have no adequate measures, could the Hong Kong Government consider taking such measures themselves as will be necessary to put some sort of sanctions on these owners?*

SECRETARY FOR SECURITY:—The Hong Kong administration, Sir, will consider all possible means by which this traffic can be prevented.

Government business**Motion (in Committee)****SUPPLEMENTARY PROVISIONS FOR THE QUARTER ENDED 30 SEPTEMBER 1977**

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the supplementary provisions for the quarter ended 30 September 1977 as set out in Paper No 33.

He said:—Sir, the schedule of supplementary provision for the second quarter of the financial year 1977-78, that is for the period 1 July to 30 September 1977, covers a total amount of \$452 million. Of this sum, Public Works Non-Recurrent accounts for \$88.5 million and is required as a result of more rapid progress on a number of existing projects and the upgrading of 15 projects to Category A of the Public Works Programme.

Offsetting savings of \$101 million have been found under other subheads of expenditure, or by the freezing of funds under Head 50 Miscellaneous Services Subhead 100 Additional commitments. Of the remaining \$351 million not offset by savings, \$335 million was for an equity contribution to the Mass Transit Railway Corporation and is matched by an equivalent payment into General Revenue as premium for the grant of land in Kowloon Bay for a depot.

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

Question put and agreed to.

Council then resumed.

First reading of bills**BUILDINGS (AMENDMENT) BILL 1978****INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL 1978****PROTECTION OF WOMEN AND JUVENILES (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

BUILDINGS (AMENDMENT) BILL 1978

THE DIRECTOR OF PUBLIC WORKS moved the second reading of:—‘A bill to amend the Buildings Ordinance.’

He said:—Sir, the object of this Bill is to amend the Buildings Ordinance to provide for new controls relating to oil storage installations and to give the Building Authority supervisory powers over the construction and maintenance of such installations so reducing the possibility of a major oil spill.

Clause 2 re-defines ‘building’ in the principal Ordinance to include oil storage installations and clearly sets down the meaning of such installations.

Clause 3(a) enables Regulations to be made by the Governor-in-Council to control the design, construction, maintenance and licensing of oil storage installations and also provides for the establishment of a Standing Committee to advise the Building Authority on matters relating to such installations.

Clause 3(b) amends section 38(4) of the principal Ordinance, permitting maximum penalties of a fine of \$100,000 and imprisonment for two years for contravention of these Regulations.

Motion made. That the debate on the second reading of the Bill be adjourned.—THE DIRECTOR OF PUBLIC WORKS.

Question put and agreed to.

INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL 1978

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to restrict and impose financial requirements upon the commencement of certain insurance business.’

He said:—Sir, insurance is an area in which the relationship of buyer to seller cannot be left wholly to the principle of caveat emptor. This is because of the time lag, and in the case of life insurance this time lag can be many decades, between the buyer purchasing a policy and the realization of its benefits. In such circumstances, buyers need to be satisfied as to the permanence and financial viability of the companies with which they are taking out insurance, something most potential policy holders are quite unable to achieve for themselves. So insurance is an area in which a responsible Government has some obligation to provide protection for consumers.

The situation in Hong Kong in this respect as far as Hong Kong is concerned is far from satisfactory. Only four classes of insurance are subject to

statutory regulation: fire, marine, life and motor vehicle insurance. None of the ordinances regulating these four classes of business requires that the companies concerned should have a minimum issued capital; although the Registrar General is required generally to satisfy himself on the financial stability of companies undertaking motor insurance and in this respect he insists they have a paid-up capital equivalent to £ 100,000.

To determine how to rectify this unsatisfactory situation and to decide on the most suitable form of legislation for Hong Kong, the Registrar General has set up, under his chairmanship, an informal Working Group comprising representatives of the industry and of interested Government departments. The Working Group has held several meetings, and a considerable amount of work has been achieved in the preparation of comprehensive legislation. The first draft of a bill is almost complete and, after being examined within the Government, will be put to the Working Group for its views. When these, together with the views of any other bodies with a legitimate interest, have been studied, the draft legislation will be put to the Executive Council, and if that Council so advises, will be introduced into this Council. But in view of the complicated and far reaching nature of the legislation which will provide for controls on a wider range of classes of insurance than at present, and the need for a thorough process of consultation, I do not expect that this legislation will be before Honourable Members for some time to come.

In June last year in answer to questions from my honourable Friends Mr WONG Lam and Mr Oswald CHEUNG, the acting Financial Secretary said that experience, both in Hong Kong and overseas, had shown that one of the most effective ways of protecting policy holders was to prevent inadequately financed companies from undertaking insurance business at all. Great Britain adopted minimum paid-up capital requirements in place of deposits in 1946. This approach, together with close supervision by the Government to ensure minimum standards of solvency, is now one of the main foundations of insurance company law in Great Britain—and, indeed, elsewhere in the Commonwealth. This is also the general approach which seems appropriate for Hong Kong; and it will form the basis of the comprehensive legislation to which I have just referred.

So the Government's intentions are now common knowledge. Perhaps for this reason, an increasing number of insurance companies has been established recently, possibly in the hope of gaining some advantage through being in business before the comprehensive legislation takes effect. In 1975, 19 new companies satisfied the requirements for authorization to carry on regulated classes of business; 17 did so in 1976; but in the calendar year 1977 the number was 43. At present there are, on the register, altogether 328 companies involved in the regulated classes of insurance.

Thus the purpose of the Insurance Companies (Capital Requirements) Bill 1978 is to place some limitation on new insurance companies forming themselves in an effort to forestall the comprehensive legislation. It is an interim

measure. It provides that companies wishing to start carrying on all or any of the regulated classes of insurance business after 1 February 1978 must satisfy the Registrar of Companies that they have an issued share capital of not less than HK\$5 million fully paid up in cash.

The sum of \$5 million, although considerably more than the £ 100,000 currently required in Great Britain, has been chosen for this interim measure for three reasons. First, £ 100,000 was introduced in Britain in 1967, and to that extent it is out of date as a point of reference for Hong Kong. Second, the insurance industry in Great Britain is subject to much closer supervision by the Department of Trade than is likely to be practicable or appropriate in Hong Kong in the foreseeable future. So companies authorized to carry on insurance business in Hong Kong need a stronger financial base to provide a comparable measure of protection for policy holders. Third, an insurance company needs a particularly strong base to enable it to survive in the highly competitive conditions of the Hong Kong and South East Asian markets. If a company cannot raise a capital of \$5 million, it cannot hope to survive on a long-term basis in the insurance industry of today. And so, to protect potential policy holders, it should not be allowed to start writing business.

The Bill does not affect insurance companies which were authorized to carry on business before 1 February 1978. The intention is that a minimum paid up capital for these companies will be included in the main legislation. Nor will it affect any companies which carry on only unregulated classes of insurance. I have received suggestions that the minimum capital requirement should be extended to companies carrying on unregulated insurance business now. I have some sympathy with this view and we have given considerable thought to it. But we have concluded that a capital requirement is only one element in the package and to include such companies in the present Bill would not be practicable on its own. These companies will be included in the scope of the comprehensive Bill.

Sir, I must stress that the Bill now before Honourable Members is no more than an interim measure designed to contain the problem presented by under-capitalized insurance companies. The capital requirement will continue to be backed by the supervisory machinery in the existing Ordinances, and while the Government recognizes that this is not fully satisfactory as it stands, the total effect of the existing legislation together with the minimum capital requirement does go some way towards ensuring a degree of control until the comprehensive legislation is enacted.

Finally, I should like to explain why the Bill includes provision for the legislation to be retrospective to 1 February 1978. The reason is that the Bill was published in the *Gazette* for 27 January and we wished to prevent the formation of companies, under-capitalized in terms of the requirements in the Bill, between the date of the gazetting and the enactment of the Bill which cannot now take place before 15 March.

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

Question put and agreed to.

PROTECTION OF WOMEN AND JUVENILES (AMENDMENT) BILL 1978

THE DIRECTOR OF SOCIAL WELFARE moved the second reading of:—‘A bill to amend the Protection of Women and Juveniles Ordinance.’

He said:—Sir, the main purpose of the Bill is to make further provisions regarding supervision orders which a juvenile court is empowered to make under section 34 of the existing ordinance in respect of juveniles in need of care and protection. These provisions include the definition of supervision orders, the supervision of a female by a female officer, the duration of the orders and the inclusion of requirements in such orders as to residence and medical treatment of the supervised person. New sections are also included to provide for the variation and discharge of supervision orders and to deal with cases where a supervised person fails to comply with the requirements of an order.

Amendments are made to the section governing the detention in a place of refuge to enable the court to detain a juvenile up to a maximum of 56 days if the court considers that the detention is necessary in order to ascertain whether the child or young person is in need of care and protection.

There are other minor amendments which are either of a technical nature or to bring the Ordinance up-to-date.

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

Question put and agreed to.

INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1978

Resumption of debate on second reading (25 January 1978)

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).

HOTEL ACCOMMODATION TAX (AMENDMENT) BILL 1978**Resumption of debate on second reading (25 January 1978)**

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).

SUPPLEMENTARY APPROPRIATION (1976-77) BILL 1978**Resumption of debate on second reading (25 January 1978)**

Question put and agreed to.

Bill read the second time.

RESERVED COMMODITIES BILL 1977**Resumption of debate on second reading (12 October 1977)**

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).

AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL 1978**Resumption of debate on second reading (25 January 1978)**

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).

MARINE FISH (MARKETING) (AMENDMENT) BILL 1978**Resumption of debate on second reading (25 January 1978)**

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).

ROAD TRAFFIC (AMENDMENT) BILL 1978**Resumption of debate on second reading (25 January 1978)**

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

INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

HOTEL ACCOMMODATION TAX (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

RESERVED COMMODITIES BILL 1977

Clause 1

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, I move that clause 1 of the Bill be amended as set forth in the paper before 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.

Clause 2

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, I move that clause 2 of the Bill be amended as set forth in the paper before Members.

This amendment redefines 'Director' to reflect the position resulting from the reorganization of the Department.

*Proposed amendment***Clause 2**

That clause 2 be amended in subclause (1) by deleting the definition of 'Director' and substituting the following—

'"Director" means the Director of Trade, Industry and Customs and any officer in the Trade, Industry and Customs Department not below the rank of assistant director or assistant commissioner;'

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 to 9 were agreed to.

Clause 10

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, I move that clause 10 of the Bill be amended as set forth in the paper before Members.

Both these amendments are proposed in order to include members of the Directorate among those who may authorize officers to enter and search domestic premises.

*Proposed amendment***Clause 10**

That clause 10 be amended—

- (a) in subclause (2) by inserting at the beginning of paragraph (b) immediately before ‘a member of’ the following—
 - ‘the Director or’; and
- (b) in subclause (4) by deleting ‘A member’ and substituting the following—
 - ‘The Director or a member’.

The amendment was agreed to.

Clause 10, as amended, was agreed to.

Clauses 11 to 14 were agreed to.

AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL 1978

Clauses 1 to 6 were agreed to.

MARINE FISH (MARKETING) (AMENDMENT) BILL 1978

Clauses 1 to 5 were agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1978

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

INDEPENDENT COMMISSION AGAINST CORRUPTION (AMENDMENT) BILL

HOTEL ACCOMMODATION TAX (AMENDMENT) BILL**AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL****MARINE FISH (MARKETING) (AMENDMENT) BILL and ROAD TRAFFIC (AMENDMENT) BILL**

had passed through Committee without amendment,

the **RESERVED COMMODITIES BILL 1977**

had passed through Committee with amendments and that the

SUPPLEMENTARY APPROPRIATION (1976-77) BILL

having been read the second time was not subject to committee stage proceedings in accordance with Standing Order 59, and moved the third reading of each of these seven Bills.

Question put on each Bill and agreed to.

Bills read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday, the 1 of March.

Adjourned accordingly at five minutes to four o'clock.