

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 15th March 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 (*Acting*)
MR GARTH CECIL THORNTON, QC

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 ALAN JAMES SCOTT, JP
SECRETARY FOR HOUSING

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 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 TZI-KI WONG, JP
SECRETARY FOR ECONOMIC SERVICES (*Acting*)

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 OSWALD VICTOR CHEUNG, CBE, QC, JP

THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP

THE HONOURABLE PETER GORDON WILLIAMS, OBE, JP

THE HONOURABLE JAMES WU MAN-HON, OBE, JP

THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP

THE HONOURABLE LI FOOK-WO, OBE, JP

THE HONOURABLE JOHN HENRY BREMRIDGE, OBE, JP

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

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

THE HONOURABLE LO TAK-SHING, OBE, JP

THE HONOURABLE FRANCIS YUAN-HAO TIEN, 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 WONG LAM, OBE, JP

THE HONOURABLE CHARLES YEUNG SIU-CHO, JP

ABSENT

THE HONOURABLE EDWARD HEWITT NICHOLS, OBE, JP
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE ALEX WU SHU-CHIH, OBE, JP

THE HONOURABLE PETER C. WONG, JP

DR THE HONOURABLE RAYSON LISUNG HUANG, CBE, 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:—	
Public Revenue Protection Ordinance. Public Revenue Protection (Stamp) Order 1978	46
Public Revenue Protection Ordinance. Public Revenue Protection (Stamp) (No 2) Order 1978.....	47
Public Revenue Protection Ordinance. Public Revenue Protection (Stamp) (No 3) Order 1978.....	48
Public Revenue Protection Ordinance. Public Revenue Protection (Motor Vehicles) (First Registration Tax) Order 1978	49
Public Revenue Protection Ordinance. Public Revenue Protection (Dutiable Commodities) Order 1978	50
Mass Transit Railway Corporation Ordinance. Resolution of the Legislative Council (Commencement) Notice 1978	51
Factories and Industrial Undertakings Ordinance. Factories and Industrial Undertakings (Cartridge-operated Fixing Tools) (Amendment of Schedule) Notice 1978.....	52
Library By-laws. Listening Library Fees Notice 1978.....	53
Public Health and Urban Services Ordinance. Hawker (Permitted Area) (Amendment) Declaration 1978.....	54

<i>Subject</i>	<i>LN No</i>
Merchant Shipping Ordinance.	
Merchant Shipping (Pleasure Vessels) (Amendment) Regulations 1978.....	55
Evidence Ordinance.	
Evidence (Authorized Persons) (No 3) Order 1978	56

Report:—

 Report on Commonwealth Parliamentary Association (published on 15.3.78.)

Oral answers to questions

Urban Council—franchise and membership

1 DR HU asked:—*Will Government make a statement on whether the franchise of the Urban Council will be enlarged and the number of elected members in the Council increased?*

THE CHIEF SECRETARY:—Sir, the Government has no plans to enlarge either the franchise of the Urban Council or the number of elected members on the Council.

Recreation leases

2 MR T. S. LO asked:—*Has proper use been made by Government of the right reserved to it in the Special Conditions of Recreational Leases to require the lessees to allow its sporting facilities to be used by schools, youth clubs or welfare organizations?*

SECRETARY FOR HOME AFFAIRS:—Sir, the Special Conditions mentioned in Mr LO's question are not entirely satisfactory for two reasons. Firstly, a club is only required to make available its grounds for outside use but not any building or structure erected on the lot; consequently, a club is not obliged to make its changing and toilet facilities available. Secondly, the competent authority for the Special Conditions must be satisfied that usage by schools and others will not interfere with the proper care and maintenance of the lot or the club's own use.

Despite these difficulties the Recreation and Sport Service organized in 1977 a total of 300 coaching sessions, physical education lessons and inter-schools competitions using the facilities of private recreational leases. No

statistics were kept before 1977 nor have any statistics been kept in respect of direct approaches to the lessees by schools, youth clubs or welfare organizations.

As the majority of the private leases fall due for renewal in 1981 and 1982, Government is conducting a survey to determine, amongst other things, the extent to which the facilities of private recreational clubs have been used by outside organizations and the frequency of refusal by the lessees because of maintenance problems or because the applications interfere with the clubs' own use. It is already clear that in many cases the facilities are quite widely used by outside organizations, including professional bodies and sports associations and not restricted to schools or youth clubs or welfare organizations. When the results of this survey have been analysed, Government intends to seek the advice of the Council for Recreation and Sport to determine how the Special Conditions of Grant can be modified on renewal so as to allow for more controlled use of the sporting facilities.

MR T. S. LO:—*Does Government admit firstly that one of the two main Government authorities responsible to operate the clause was, until I raised the matter, ignorant of its very existence and secondly whether Government admits that this partial ignorance of its powers accounts for in part at least why the clause has not been properly used hitherto?*

SECRETARY FOR HOME AFFAIRS:—Sir, I am not aware that one of the Authorities was not aware of the fact that he is an Authority under the special conditions and I do not believe it is because of this ignorance that proper use has not been used.

MR T. S. LO:—*Would the Government care to have a letter addressed to the UMELCO office from the Director of Urban Services, one of the Authorities named, dated 2 March 1978, stating that it was not aware of the existence of these provisions until they had received a letter from UMELCO?*

SECRETARY FOR HOME AFFAIRS:—Sir, I will get hold of the copy of this letter and look at it.

MR T. S. LO:—Thank you.

MR CHEONG-LEEN:—*Will the Recreation and Sports Services make even greater use of the facilities of these lessees during 1978 along the lines which have been mentioned for 1977?*

SECRETARY FOR HOME AFFAIRS:—Certainly, Sir, we will try our best but there are limitations, as I have mentioned, and at the same time the location of the private clubs sometimes is not very convenient for the schools and

other youth clubs and also the facilities they provide might not be the ones that are in great demand by the schools or by the youth clubs.

Holiday Camps in NT

3 MR CHEONG-LEEN asked:—*With reference to the Secretary for the New Territories' reply to a supplementary question asked in this Council on 15.6.77, will Government report on the progress of the working party formed to look at where holiday camps may be established throughout the New Territories including the islands?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, the Working Group I referred to in this Council on 15 June 1977 has, I regret, so far not made much effective progress in locating sites for holiday camps because effort in this general direction in the New Territories Administration has necessarily, during the last few months, been concentrated on giving the Country Parks Authority support and assistance in establishing and in giving a legal status to Country Parks. The boundaries of almost all the Country Parks have now been established and I hope to be able to report real progress in locating sites for holiday camps within the next few months.

REV JOYCE M. BENNETT:—Sir, with your permission, I would like to ask Question 10 now and Question 4 later.

Traffic policemen at road junctions

10 REV JOYCE M. BENNETT asked:—*At road junctions and road crossings, where a decision has been made to install traffic lights, will the authorities station a traffic policeman or traffic warden on point duty at these places until such time as the traffic lights are functioning?*

SECRETARY FOR THE ENVIRONMENT:—Sir, most major road traffic intersections in Hong Kong are now controlled by traffic lights and decisions to install them at new locations are usually taken before traffic builds up to levels where lights are really needed.

As far as possible traffic police or traffic wardens are stationed at any junction or crossing where the conditions warrant this and this includes junctions and crossings where it has been decided to install traffic lights. Every situation, however, has to be considered on its merits and in the light of other demands there may be for traffic control personnel.

REV JOYCE M. BENNETT:—*Sir, can we then learn why this was not so at the junction of Mut Wah Street and Hong Ning Road?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I am not quite sure whether the question refers to the stationing of a policeman or the installation of traffic lights?

REV JOYCE M. BENNETT:—*Q. 10 refers to traffic lights "Will the authorities station a traffic policeman or traffic warden on point duty at these places until such time as the traffic lights are functioning?"*

SECRETARY FOR THE ENVIRONMENT:—Sir, as I have said, every situation of this kind has to be looked at on its merits in the light of the personnel available. I presume that the Chief Staff Officer (Traffic) in the Police Force or the Traffic Commander in the area concerned required his personnel to be somewhere else where there was a more urgent situation to deal with.

REV JOYCE M. BENNETT:—*Sir, would it not be easier for the installation of the traffic lights to be efficiently programmed if the police have been controlling the crossing prior to the installation of the lights?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I think this gets rather on to details of police problems which I shall have to ask the Commissioner of Police about. I will ask him to explain why it is that a policeman has not been stationed at this particular place.

REV JOYCE M. BENNETT:—*I shall be grateful and may I ask that new areas be particularly considered in this instance in this matter?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir.

Traffic lights—delay

5 REV JOYCE M. BENNETT asked:—*Will Government state the reason for the delay in bringing into operation the traffic lights at the junction of Mut Wah Street and Hong Ning Road in Kwun Tong which were installed in the summer of 1977 but only brought into use last week?*

DIRECTOR OF PUBLIC WORKS:—Sir, the light signals in question formed only a part of a general traffic improvement scheme in this area of Kwun Tong. The other works included the provision of new, and the alteration of existing, traffic bollards and signs required for re-routing.

Although the comparatively simple task of erecting signal posts at the Hong Ning Road/Mut Wah Street junction was executed several months ago as part of the civil works, the electrical cabling works for the whole system and the installation and testing of the light controller had still to be carried out. It was in this phase that a delay occurred, due mainly to the inability

of the operation and maintenance division of the Electrical and Mechanical Office to keep up with its very heavy programme of works.

I might add that a submission to allow for staff increases and reorganization of this part of the Electrical and Mechanical Office has already been made which hopefully will be approved by Finance Committee in the very near future.

REV JOYCE M. BENNETT:—*Sir, how much liaison was there then between the Public Works Department and the Police in connection with the traffic control at that point?*

DIRECTOR OF PUBLIC WORKS:—We keep in regular contact with the Police for these changes of traffic routing. I might point out that there was no real need for a traffic policeman to be involved at this junction, since this was a re-routing exercise and therefore until the complete re-routing was introduced, the traffic policeman was not required.

REV JOYCE M. BENNETT:—*Could the Director of Public Works explain what he means then by "re-routing."*?

DIRECTOR OF PUBLIC WORKS:—Yes, Sir, in this area there were in fact several streets involved and several junctions involved, Hong Ning Road, Mut Wah Street, Ngau Tau Kok Road, Tung Ming Street, Yu On Street and Ming Chee Street and this involved re-routing and re-circulation of traffic, changing the direction of one way streets, etc.

REV JOYCE M. BENNETT:—*Is the Director aware that Hong Ning Road is a road going in both directions, it is not a one way street, nor is Mut Wah Street, and there has been no re-routing at that corner?*

DIRECTOR OF PUBLIC WORKS:—They are affected though by the other streets going into Hong Ning Road which were re-routed.

HIS EXCELLENCY THE PRESIDENT:—Miss BENNETT, do you have another question to ask?

REV JOYCE M. BENNETT:—Fortunately on a different subject!

Rape victims—names and photographs

4 REV JOYCE M. BENNETT asked:—*Can steps be taken to ensure that the news media do not disclose the names and photographs of victims of rape and indecent assault?*

THE ATTORNEY GENERAL:—Sir, in answer to a question asked last year by Miss Ko Siu-wah, I said that a bill was being drafted to amend the law so as to prohibit disclosure of the name of complainants in rape cases. The drafting of this Bill, which is modelled on the Sexual Offences (Amendment) Act enacted in England in 1976, has now been completed and the Bill is to be considered by YE in Council later this month.

If the Bill is enacted then the publication of matter likely to lead members of the public to identify a woman as the complainant in a rape case would constitute an offence, unless a judge has specifically authorized publication.

Miss BENNETT's question also refers to victims of indecent assault. The Report of the Advisory Group on the law of Rape, which preceded the English legislation, indicates that the group did consider anonymity in relation to other offences than rape but it made no recommendation. The group felt that there were problems peculiarly and specifically applicable to the crime of rape which justified treating rape differently from other offences. It accepted that the very fact of having been involved in a rape case is liable to have embarrassing or even damaging consequences for a woman. Indecent assault is, of course, a less serious offence than rape and it is one which can vary a great deal in its seriousness. Men, women or children may be victims.

A free press and courts open to the public are cornerstones of our Hong Kong way of life and it takes an exceptional case to justify interference with these. It is felt that rape cases do provide such a justification but the case for indecent assault is much less strong.

Finally I should add that the Police are always careful in releasing information to the media never to reveal the identity of complainants in rape or indecent assault cases. I am informed that responsible sections of the media do not as a matter of practice publish the names or photographs of complainants in such circumstances.

MR T. S. LO:—*Would it be fair to say that the Police tend to be more careful in the past with the photographing of alleged criminals than they are of alleged victims?*

THE ATTORNEY GENERAL:—That question does not arise.

MR CHEONG-LEEN:—*While it is true that responsible sections of the media do not, as a matter of practice, publish the names of complainants, would it be possible to draw to their attention that they could even go one step further by not even publishing the surnames of such victims? There are occasions when it is possible to publish a surname without giving a full name.*

THE ATTORNEY GENERAL:—My information was that the responsible media do not publish names of persons involved. Are you suggesting that they do publish surnames?

MR CHEONG-LEEN:—*Does that imply then, Sir, that irresponsible members of the press do publish any names?*

THE ATTORNEY GENERAL:—I think you might ask Miss BENNETT who asked the question.

REV JOYCE M. BENNETT:—*Sir, is the Government aware that Chinese newspapers print the surname of the victim?*

THE ATTORNEY GENERAL:—I would like to consult the Director of Information Services on that question.

SECRETARY FOR HOME AFFAIRS:—The answer is that some of them do.

Imports to Norway—restriction

6 MR TIEN asked:—

- (a) *Will Government state the latest position in regard to the unilateral action taken by Norway to restrict imports of textile products from Hong Kong;*
- (b) *what representations have been made to the Norwegian Government on this matter; and*
- (c) *in view of the assurances from Her Majesty's Government conveyed to this Council by the Financial Secretary on 25 January this year, has Her Majesty's Government been asked to intervene on the matter on behalf of Hong Kong?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, the Norwegian authorities introduced with effect from the 1 January unilateral import restrictions on imports of certain textile products from Hong Kong at unspecified levels. This discriminatory action against Hong Kong has disrupted the normal trade in these products between Hong Kong and Norway.

The British Embassy in Oslo has at our request and on instructions from Her Majesty's Government, delivered to the Norwegian authorities a formal note asking that the restrictions, which we believe to be not in accordance with the General Agreement on Tariffs and Trade nor the Multi-Fibre Arrangement, should be removed, or failing this, that the Norwegian Government should enter into consultations with Hong Kong, under the General Agreement on Tariffs and Trade, as soon as possible.

Her Majesty's Government also expressed its concern on behalf of Hong Kong to the Norwegian Government and has pressed the Norwegian Government to reopen negotiations as a matter of urgency.

I am glad to say that this morning I received confirmation from the Norwegian Consul-General that:

‘The Norwegian authorities will not oppose resumption of the textile consultations which were opened in December last year. Because of other bilateral negotiations and also internal preparation for the April meeting of the Textiles Committee within the GATT it will not be possible to enter into new consultations until after the said Textiles Committee meeting. It is suggested that the resumed consultations take place in Oslo after that meeting.’

MR TIEN:—*Sir, although the Hong Kong/Norway textile trade is insignificant, does the Government agree that it is the principle which is involved that is important?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—I wouldn't say that the trade was insignificant, for those who are involved in carrying it on, but I certainly agree that it is the principle that is important.

MR CHEONG-LEEN:—*Will the Director of Trade, Industry and Customs confirm that steps will be taken to make arrangements for the resumed consultations to take place immediately after the textiles committee has met?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, I cannot unilaterally determine when the consultations will take place. The Norwegian Government has agreed that they should be held soon after the Textiles Committee meeting in April. We shall certainly press them to agree a date as early as possible.

MR CHEONG-LEEN:—On a point of order, Sir, no suggestion was made that we should take unilateral action. It is a matter for discussion both ways.

Corridor lighting in public housing

7 MR CHEONG-LEEN asked:—*When will the programme for the installation of better corridor lighting in all public housing estates be completed?*

SECRETARY FOR HOUSING:—Sir, the Housing Authority's programme to improve lighting in internal corridors in all Group B estates was completed in March 1977. A total of 265 blocks were thus improved at a cost of \$4.9 million.

The standard of corridor lighting in Group A estates is, generally speaking, satisfactory. However, in keeping with rising standards, the Housing Authority has decided to improve the lighting of a few older estates in the

course of the normal maintenance programme, at an estimated cost of \$4.5 million.

MR CHEONG-LEEN:—*Sir, in regard to the Group A programme, it does seem to be quite a programme in view of the cost amounting to 4.5 million dollars. Could the Secretary for Housing give us an idea about when will this programme be completed?*

SECRETARY FOR HOUSING:—*Sir, the maintenance programme for any given estate is a cycle of about four years so this programme will be completed within four years.*

MR CHEONG-LEEN:—*From now?*

SECRETARY FOR HOUSING:—*Yes, Sir.*

Radio reception in Tai Po

8 MISS KO asked:—*Will Government take measures to improve radio reception in respect of the Chinese channels in Tai Po District?*

SECRETARY FOR HOME AFFAIRS:—*Sir, there are four Chinese language radio channels in Hong Kong, three in the medium frequency band (AM) and one in the very high frequency band (FM). RTHK operates the FM service and one of the AM services and the other two AM services are operated by Commercial Radio Ltd.*

AM reception in the northern New Territories is, I am afraid, not always satisfactory as it suffers from interference from distant transmitters using frequencies similar to those allocated to Hong Kong. Reception deteriorates at night when interference can be experienced from transmitters at a distance of up to 5,000 miles. In an effort to improve reception of this type, the 1975 Geneva Conference of the International Telecommunications Union decided on world-wide changes in long-wave and medium-wave broadcasting frequency allocations with effect from the end of November this year. Hong Kong's medium-wave broadcasting frequencies will be altered on that date, and it is hoped that this change may improve reception of AM services throughout Hong Kong.

As regards RTHK's FM Chinese language service, most listeners in the Tai Po district should be able to obtain a satisfactory reception at all times with the aid of an external aerial, although hilly terrain in certain areas does preclude reception of an adequate FM signal. However, the Government is aware of this problem, and is considering how improvements in reception quality can be obtained.

MISS KO:—*Sir, when will Government be ready to inform this Council the result of the study on how improvement in FM reception quality can be obtained?*

SECRETARY FOR HOME AFFAIRS:—The Postmaster General is working on a new FM plan and this should be ready in about two or three months' time. Thereafter, we have to apply for clearance with the International Telecommunications Union which might take us to the Autumn of this year. Afterwards, we have to complete our technical planning and then preparation of sites, delivery of equipment, *etc.*, and installation of equipment and in all, with any luck, we should be on air in early 1980 with the improved facilities.

Ambulance sirens

9 MR LEUNG asked:—*To reduce noise nuisance and disturbance after 11 p.m., will it be feasible for ambulances to go about their errands without using their sirens?*

SECRETARY FOR SOCIAL SERVICES:—Sir, while this is feasible I fear it would be inadvisable. The reason is that traffic hazards are possibly greater during the hours of darkness when, for example, motorists may be inclined to take liberties because of the absence of traffic. However, I am assured by the Director of Fire Services that ambulance sirens are only used when responding to emergency calls and when it is apparent that time is a critical factor in getting a patient to hospital for treatment.

Trade unions—management assistance for

11 MR LEUNG asked:—*Are there any plans to provide some trade unions in Hong Kong with such assistance as is necessary in their organization and management, particularly financial management?*

COMMISSIONER FOR LABOUR:—Yes, Sir, the Labour Department is able to provide trade unions with this kind of assistance.

For example, we respond to requests from unions and other organizations to send speakers to courses run by them and there is a wide range of guides and pamphlets on labour matters which are freely available on request. These include booklets on simple trade union accounting and administration.

The Labour Department is also able to assist any union in finding the appropriate training for its officials and with specific advice on management and organization problems.

MR LEUNG:—*Sir, will Government also advise the Registrar of Trade Unions to also provide such similar advices as are required by the trade unions?*

COMMISSIONER FOR LABOUR:—Yes, I can pass that on to him.

MR LEUNG:—Thank you.

Civil servants—consultative procedures for

12 MR WONG LAM asked in the Cantonese dialect:—

鑒於最近有多類不同職級的公務員因服務條件及升級機會等問題而引致不滿，作為彼等僱主，政府可否說明與公務員之間的磋商是否足夠及有何改善計劃？

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

In view of the dissatisfaction recently expressed by some civil servants of various classes and ranks with their conditions of service and promotion prospects, will Government, as their employer, state whether its consultative procedures with civil servants are adequate and what improvements are being planned?

SECRETARY FOR THE CIVIL SERVICE:—Sir, consultation in the Civil Service takes place at two levels, depending on whether or not an issue is of service-wide or departmental interest.

Service-wide issues, such as the overall level of salaries and leave earning rates, are discussed with the three main staff associations in the Senior Civil Service Council. The 1968 Agreement with these Associations provides for consultation with them before major changes are made and, in some circumstances, for disputes to be referred to an independent committee of inquiry.

Departmental issues are discussed first by Heads of Departments with staff representatives either directly or in Departmental Consultative Councils. If they concern pay or any other question that has implications for other departments, the Civil Service Branch also has to be involved.

The existing arrangements for dealing with service-wide issues seem to be well suited to our present needs; but recent experience appears to show a need for more formalised arrangements for consulting staff on departmental issues, and this is something we are now looking into. We hope to be able to open discussions on this with the Staff Associations by the early summer.

MR WONG LAM asked in the Cantonese dialect:—

閣下，請問這三個公務員協會用甚麼方法和他們不同部門的會員來磋商？

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

Sir, how is it possible for the three associations to communicate a sort of arrangement to various departmental consultative councils?

SECRETARY FOR THE CIVIL SERVICE:—The three main staff associations have members in all departments but the arrangements they make for keeping in touch with their staff in departments is up to them and is not something I would wish to interfere with.

MR WONG LAM asked in the Cantonese dialect:—

閣下，政府會否從新成立一個薪俸調查委員會研究公務員之工作條件及薪金問題？

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

Will Government consider appointing another Salaries Commission to investigate the terms of service and salary structure of civil servants?

SECRETARY FOR THE CIVIL SERVICE:—Sir, our thinking on this subject is still at a very tentative stage but at this stage we are thinking in terms of a possible extension of our existing committee of enquiry system rather than another Salaries Commission.

Fresh water for flushing

13 MISS KO asked:—*What is the extent of fresh water being used for flushing and what can Government do to minimise this in order to reduce the consumption of fresh water?*

DIRECTOR OF PUBLIC WORKS:—Sir, the current quantity of fresh water supplied from mains for flushing purposes is about 23,000 cubic metres or 5 million gallons per day.

Reduction in this consumption is being achieved by extending existing and constructing new salt water systems. At present there are 18 items relating to salt water supplies in Category A of the Public Works Programme at various stages of completion, with a further 11 items in Category B and 4 in Category C.

A prime consideration in the construction of new salt water systems is the location of the sea water intake in order to obtain an acceptable quality of water for distribution. In a number of cases suitable sites are not available

until reclamations have taken place and so the advancement of items in the Programme is geared to the timing of the reclamation works. However, for areas where substantial localized demands are arising or are likely to arise before the permanent intake and associated works can be completed, a study is in hand to determine whether interim measures can be introduced to minimize the consumption of fresh water.

In certain high level situations or areas of small localized demand, however, it would be uneconomic to provide separate salt water flushing systems and there might, therefore, always be a section of the community using fresh water for flushing. The quantity of water used in these situations at present is estimated to be about 4,500 cubic metres or 1 million gallons per day.

MISS KO:—*Sir, would this Council be informed the fresh water supply situation in Shau Kei Wan and whether salt water system will be extended in this area?*

DIRECTOR OF PUBLIC WORKS:—*Sir, there is at present an item for a salt water flushing system for Shau Kei Wan but this is currently in Category C of the programme.*

MISS KO:—*Sir, does Government realize that half of the building are using fresh water for flushing in Shau Kei Wan?*

DIRECTOR OF PUBLIC WORKS:—*It may be, Sir, that the buildings referred to were constructed before 1965 and there is no compunction on the people who have these premises to change their internal flushing system. We are therefore committed to continue to supply fresh water.*

REV JOYCE M. BENNETT:—*Sir, in view of paragraph 3 of this answer, is it possible for there to be any guarantee that the location of the sea water intake is satisfactory before the intake is in use?*

DIRECTOR OF PUBLIC WORKS:—*That is the intention.*

REV JOYCE M. BENNETT:—*Sir, then why was the Kwun Tong salt water intake sited at its present position?*

DIRECTOR OF PUBLIC WORKS:—*I'd have to look into this one, Sir, and I will give Miss Bennett an answer in due course.*

THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY

The siting of the salt water intake at Kwun Tong was selected in 1959 when the quality of sea water at this location was considered to be suitable.

Subsequently, other developments, such as the extension of the runway at Kai Tak Airport (1973), the vehicular ferry pier (1974) and the typhoon shelter breakwater (1974), have taken place resulting in a reduction in the flushing effect of tidal movements in the vicinity of the intake with a consequential increase in silt loading in the intake water.

The Water Supplies Department is currently monitoring the situation and examining practical means of improving the quality of the water. Should improvement measures fail to reduce the pollution loading, the pumping station and sea water intake will be re-located.

MR CHEONG-LEEN:—*Would the Director of Public Works clarify what is meant by an acceptable quality of water for distribution? Does he mean that it should not be too salt, or too putrid, or too smelly?*

DIRECTOR OF PUBLIC WORKS:—What I really meant was that it shouldn't be taken from an area where there is dead water, where there is no proper flushing, tidal flushing of the area, and you can have pollution of the water. Also where you may have a very high sand content in the water.

Compassionate housing scheme

14 DR FANG asked:—*Will Government give a statement of the size of annual quotas and their allocation for cases under the compassionate housing scheme for the last 5 years?*

SECRETARY FOR HOUSING:—Sir, the Housing Authority allocates annually a quota of public housing to persons or families eligible for rehousing on compassionate grounds. These cases are the subject of professional assessment by the Social Welfare Department and by the Medical and Health Department.

In 1973-74, the quota was 3,500 persons; allocations made during that year were 2,941. In 1974-75, the quota was 3,000 persons; and in fact, 1,919 persons were allocated housing. In 1975-76, the quota was fixed not in terms of persons but in terms of flats: and of the 1,000 flats provided in the quota, 981 were allocated. In 1976-77, because of other competing demands for public housing, the quota was reduced to 750 flats but in the event only 367 flats were taken up. For the current year, the quota is 500 and up to the end of February, 429 flats have been allocated.

DR FANG:—*Sir, will my Friend explain why the quotas were again cut from last year from 750 to 500?*

SECRETARY FOR HOUSING:—As a matter of practicality, Sir. The Authority has, as I have said, many other competing demands and there is no sense

in having a quota left hanging over, as it were, towards the end of the year. Therefore, one takes a practical view and reduces the quota to something like the probable demand. I think that is justified by the performance this year.

Compassionate housing scheme—allocation

15 DR FANG asked:—*In view of the considerable number of needy families waiting for housing under the compassionate housing scheme, will Government explain why the annual quotas for this scheme for 1976-77 and 1977-78 were not fully allocated?*

DIRECTOR OF SOCIAL WELFARE:—Sir, in 1976-77 only half the compassionate housing quota of 750 flats was taken up. There were several reasons for this. First, the allocation was shared between the Social Welfare Department and the Medical and Health Department depending on the nature of the cases. It is not easy to estimate and justify to the Housing Authority an annual quota with any degree of accuracy. Secondly, although 367 flats were allocated, there were 500 cases assisted because some of the flats are occupied by two or even three unrelated people; another 91 cases which were recommended were unsuccessful for various reasons such as the applicants remaining in hospital or some other institution or because they were already registered tenants of public housing estates. Thirdly, there are sometimes delays caused by applicants preferring to decline first offers and wait for subsequent offers because of size and location reasons and a number of applicants prefer to take up accommodation in temporary housing areas. Finally, we increased rental allowances in the public assistance scheme substantially in 1976, and many families who could be considered for compassionate rehousing preferred to continue living in private housing because of location or family reasons.

The Secretary for Housing in reply to the previous question gave the number of flats so far allocated this year. The 429 flats referred to provided accommodation for 1,691 people. A number of cases already referred by the Social Welfare Department to the Housing Department are being processed; and it is likely that the total allocation will be taken up.

Dr FANG in his question referred to the considerable number of ready families waiting for housing under the compassionate housing scheme, first, let me assure Dr FANG that this is, fortunately, not the case. I can also assure him that any person whose financial and social or medical position is professionally assessed as requiring improved accommodation will be recommended for housing under the compassionate allocation.

DR FANG:—*Sir, may I ask my Friend to give us some idea how many applications are outstanding to be processed?*

DIRECTOR OF SOCIAL WELFARE:—I think there are about 60 cases which have been referred to the Housing Department and these are being processed.

DR FANG:—*Do I understand that these are from the Social Welfare Department and there are additional cases from the Medical Department?*

DIRECTOR OF SOCIAL WELFARE:—I am not aware how many outstanding cases are being referred by the Medical Department. I don't think there will be too many.

MISS DUNN:—*What is the eligibility criteria for compassionate rehousing?*

DIRECTOR OF SOCIAL WELFARE:—The compassionate rehousing scheme, Sir, is intended to assist individuals and families with income at about public assistance level and who suffer from social or medical problems and for whom, in the professional view of social or medical workers, improved accommodation is necessary to help them to remove or ameliorate their problems or disability.

MISS DUNN:—*Sir, would the Director of Social Welfare, then, agree that people sleeping on pavements and in stairways in Wan Chai, Yau Ma Tei and Mong Kok are eligible for compassionate housing and, if so, has the Department taken initiative to inform these people about the availability of the compassionate housing?*

DIRECTOR OF SOCIAL WELFARE:—Yes, Sir, in the past social workers in the Department have approached these individuals described by Miss DUNN. Some cases have succeeded in obtaining public housing, but in many cases the people themselves would not wish to be recommended.

Street lighting in NT

16 MR YEUNG asked:—*Will Government inform this Council the present progress on the village street lighting programme in the New Territories?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, during the course of this present financial year, the Local Public Works Scheme in the New Territories was expanded to include the provision of lighting to villages which for reasons of location would not otherwise be included in the Street Lighting Programme.

Contracts for seven lighting schemes covering 16 villages have been let at a cost of \$450,000, and the first schemes will be completed before the end of this month. On the present expenditure forecasts for the coming

financial year, a further 20-25 schemes will be undertaken at an estimated cost of \$1 million.

Progress in this essentially experimental stage has been satisfactory. I now intend to examine the staff and funds required to establish a formal Village Lighting Programme.

MR YEUNG:—*Sir, on the 2nd paragraph about the further 20 to 25 schemes, may I know how many villages are affected?*

SECRETARY FOR THE NEW TERRITORIES:—*Sir, it would be something of the order of 50 to 70 villages.*

MR YEUNG:—*Sir, by the present level of work, I take it that it will take about 25 years to cover the whole of the New Territories. Is Government aware of this?*

SECRETARY FOR THE NEW TERRITORIES:—*Sir, in my answer to the next question, I have given the reply to this question. Perhaps I could go on to give the reply to the next question.*

Street lighting in NT—plan for

17 MR YEUNG asked:—*Will Government inform this Council whether it is Government's intention to provide all New Territories villages with street lighting, if so, when this will be achieved?*

SECRETARY FOR THE NEW TERRITORIES:—*Sir, it is not the Government's intention to provide all New Territories villages with street lighting—clearly small and remote villages and areas of scattered habitation must rate a very low priority.*

As I mentioned in reply to the previous question, with the approaching completion of the experimental stage of the village lighting scheme, I intend to re-examine the position with a view to establishing a Village Lighting Programme. I am not yet, then, in a position to say when street lighting will be installed in those villages where expenditure of public funds on providing lighting could be justified, but it is my intention to make substantial progress on the overall requirement within the next four to five years, provided staff and funds are available.

MR YEUNG:—*I do appreciate my friend to answer my next question also. When I mentioned the 25 years' programme required for all the villages, I do not mean scattered habitation or the remote villages but I mean villages with established population and also have sent in applications for the lighting.*

HIS EXCELLENCY THE PRESIDENT:—Sorry, what is your question?

MR YEUNG:—*The question is that, is Government aware that at the present moment that enough applications from established villages for lighting which require 25 years to complete?*

SECRETARY FOR THE NEW TERRITORIES:—Yes, Sir, I realize that if progress continues at the present rate, it will take 20 to 25 years but it is my aim to cut that programme short to 4 or 5 years. *(laughter)*

MR YEUNG:—*In this respect, Sir, I do not note from the current budget there is any provision to this respect. Would the Government improve this situation for the funding purpose?*

SECRETARY FOR THE NEW TERRITORIES:—Sir, in the draft estimates tucked away in the Local Public Works Vote of the New Territories, there is in my mind an allocation of \$1 million *(laughter)* for village lighting that will be enough to see us through this year, Sir, and then by that time I hope I will have staff and funds available for the really great efforts in this direction.

Fire prevention in factory buildings

18 MR CHEN asked:—*Will Government take more positive steps to prevent occupiers of multi-storey factory buildings from ignoring fire services regulations and allowing materials to be stored in corridors and staircases?*

SECRETARY FOR SECURITY:—Yes, Sir, the Fire Services Department and the Labour Department will continue to give priority to this matter. The steps which are taken are mainly by inspections by the staffs of the two Departments.

A new development is the recently concluded agreement with the plastics industry on the introduction of a Code of Practice which should help to improve fire safety precautions in this industry.

MR CHEN:—*Sir, may I know how frequent these inspections are being made?*

SECRETARY FOR SECURITY:—Sir, the inspections vary in frequency. The Labour Department undertook 32,000 to 36,000 inspections last year of factory building. The Fire Services Department undertook 342 inspections in six main areas involving 27,000 separate industrial undertakings. In addition, they undertook a further 142,000 inspections last year of staircases and corridors of buildings as a whole. I cannot say how frequently each and every building might be inspected within this total.

MR CHEN:—*Sir, would the Code of Practice introduced by the plastics industry be applied to other industries?*

SECRETARY FOR SECURITY:—I would like to be able to give an unhesitating assurance that this was so, Sir, but there are two aspects which make me a little cautious. The first is that under the law any Fire Services officer can enter a building or a factory and if he sees a fire hazard, he can require the owner/occupier to abate it. If that fire hazard was caused by the substances which are in the Code of Practice and it was in an industrial undertaking which was not a plastics one, then obviously he could abate that nuisance. On the other hand, the Code of Practice which has just been negotiated was only agreed in January this year. We are only therefore in the process now of implementing it. It is a novel feature and we must see how it goes before we apply it throughout industry as a whole. But I will discuss with the Director of Fire Services and with the Dangerous Goods Standing Committee to see what progress we make in the next few months and the possibility of an extension of such a scheme.

Community centres—need and subventions

19 MISS KO asked:—

- (a) *Is Government satisfied that the existing facilities for leisure time activities provided by Government community centres are adequate to meet the needs of the public and,*
- (b) *if not, will Government consider increasing subventions and providing other assistance to voluntary agencies so as to encourage them to open their community centres and children and youth centres on Sundays and public holidays?*

DIRECTOR OF SOCIAL WELFARE:—Sir, the short answer to the first part of Miss KO's question is yes and therefore the second part of the question does not call for a reply. However, Miss KO mentioned specifically facilities on Sundays and public holidays. Honourable Members will recall that in reply to Mr WONG Lam's question on 15th February I outlined Government's plan to make community centre facilities available during weekends. If and when in addition to facilities provided by Government centres, the need for a voluntary agency centre in a particular location to be open on Sundays and public holidays can be demonstrated and established, consideration will be given to enable this to be done. We should, however, bear in mind that staff of voluntary agency centres, like those in Government centres, already organize outdoor activities for their members during weekends and these activities should not be curtailed and that strengthening the family as a social unit should not be overlooked. It is already known that many families prefer to spend their weekends together. This should continue to be encouraged.

MISS KO:—*Sir, has Government made a detailed survey on the needs of and facilities for leisure time activities in various districts especially on Sundays and holidays of all age groups?*

DIRECTOR OF SOCIAL WELFARE:—No, Sir, there has not been this sort of overall survey on the need but the needs would vary, I figure, from area to area, from location to location.

MISS KO:—*Sir, if this is the case then I would like to ask whether the answer on the first part of my question is correct?*

DIRECTOR OF SOCIAL WELFARE:—Sir, I think the position is generally very satisfactory as far as general provision is concerned. There are, at present, about 260 such centres provided by the Social Welfare Department and voluntary agencies in the social welfare field. There are other leisure time activities provided by the Urban Council and other Departments, such as the Sports and Recreation Service, and there are plenty of activities to occupy young people during weekends.

MISS KO:—*Sir, would Government make a survey as to the needs of and facilities for leisure time activities in various districts especially on Sundays and holidays of all age groups?*

DIRECTOR OF SOCIAL WELFARE:—This certainly can be considered but personally I feel that it would be up to the community centres in the location which feel that there is need for additional facilities to be provided by the voluntary agencies, and as I said in my answer, each case would have to be justified and considered on its merit.

MISS KO:—*Sir, would Government enquire the voluntary agencies in various districts and also the Departments concerned to consider whether there is a need to make such a survey?*

DIRECTOR OF SOCIAL WELFARE:—Yes, Sir.

Statement

Regulation of Deposit-Taking Companies and the Licensing of Banks

THE FINANCIAL SECRETARY:—Sir, I wish to make a statement of policy on the Regulation of Deposit-Taking Companies and the Licensing of Banks.

It is now over three years since I last spoke on this subject. At that time, in January 1975, I described a series of proposals which included a form of limited licensing of so-called “wholesale” banks and the registration of other deposit-taking institutions. However, following consultations with the Banking Advisory Committee and with non-bank financial institutions,

and in the light of strains then apparent in the international monetary system, the Government conceded that the time was not appropriate to proceed with all its proposals. Accordingly, only the proposals relating to the registration of deposit-taking companies and the setting of a minimum size of deposit which they could accept were proceeded with. But I made it clear at the time that the proposals for granting limited licences to foreign banks had been put in abeyance rather than abandoned. I said that “when more settled conditions return we shall resurrect them”.

The Deposit-Taking Companies Ordinance was, therefore, enacted and it came into force on 1 April 1976. There are now over 200 companies on the register ranging from small locally owned finance companies to large international banks. But one implication of not proceeding with the whole package was that, whereas foreign banks without the word “bank” in their title were able to register under the Ordinance and do business through branches in Hong Kong, other banks had to continue to operate through subsidiaries without the word “bank” in their title. Six foreign banks have now registered and opened (or intend to open) branches in Hong Kong and others are planning to do so. This has led to a situation in which some other foreign banks with the word “bank” in their title have felt that they are being discriminated against on the basis of historical accident. It has also been argued that the more settled conditions to which I referred in my earlier statement in January 1975 have now returned and that it would, therefore, be appropriate to review the whole question again.

It is against this background that the Government, over the past 12 months or so, has been reconsidering its policy options in consultation, of course, with the Banking Advisory Committee and the Deposit-Taking Companies Advisory Committee. We concluded that the limited licence proposal was no longer attractive since most of the potential beneficiaries can conduct nearly all the business they wish to within the confines of the Deposit-Taking Companies Ordinance. It seemed unlikely, therefore, that major international banks would, after all, feel it was worth meeting the additional obligations that a limited banking licence would impose, although several foreign banks indicated that they were still interested in acquiring a full banking licence.

Meanwhile, many existing licensed banks expressed the view that proposals designed to allow foreign banks to set up branches here under the Deposit-Taking Companies Ordinance would increase the competitive advantages which they allege deposit-taking companies already have over licensed banks. Their argument was that deposit-taking companies are not compelled to observe liquidity requirements and they are not subject to prudential supervision.

I decided, therefore, that before proceeding further we should reconsider the whole relationship between licensed banks and deposit-taking companies. This has now been done.

In respect of the financial sector of our economy, defined to include all banks and related financial institutions, I believe the Government has three responsibilities: the first is to attempt to protect members of the public against eventualities against which they cannot be expected to protect themselves. To date, the Government has largely met this responsibility by concerning itself with the protection of small depositors. To this end, the existing licensed banks have been given the sole right to conduct banking business as defined in the Banking Ordinance and thus the sole right to accept funds from small depositors and small savers. As a corollary, the Government's position has been that those institutions which are not allowed to accept small deposits should not be subject to the same system of prudential supervision as that imposed on licensed banks. The Government's second responsibility is to attempt to ensure that the financial sector adequately services the requirements of a growing and developing economy. This means that every effort must be made to ensure that the financial sector offers a competitive yet safe service to borrowers and lenders. The Government's third responsibility is to ensure that the development of Hong Kong as a financial centre is not unnecessarily constrained (and this includes, of course, the protection of Hong Kong's reputation internationally).

In order that the Government may continue to meet these three responsibilities, certain policy decisions have now been taken. To begin with our responsibility for the protection of depositors. As the available evidence indicates that deposit-taking companies are dependent to a substantial degree on licensed banks as a source of funds, the Government has decided that the system of prudential supervision should be extended to deposit-taking companies. That is to say, it is proposed that companies should be required to furnish monthly reports to the Commissioner of Banking and be subject to periodic inspection. And so a Bill amending the Deposit-Taking Companies Ordinance will shortly be introduced into this Council.

As regards the Government's responsibility to ensure that the financial sector is in a suitably competitive state in the general public interest and in the interest of our economy, the Government has come to the view that the existing moratorium on full banking licences should be eased. I am well aware of the argument that Hong Kong is over-banked. But so long as there are institutions that wish to do the full range of banking business as defined in the Banking Ordinance there is *prima facie* case that the twelve year moratorium on the granting of banking licences does, in fact, restrain competition. The Government has so far been prepared to preserve the moratorium on the grounds that the stability of the banking system and, therefore, the ultimate interests of depositors, requires that there should be some limit on the number of institutions. This argument is less strong than it was, partly because the safety of Hong Kong's banking system is now assured, thanks to the system of prudential supervision which has been in force since 1964; and partly because with growth has come strength. And growth there certainly has been: in the ten years ending 31 December 1975 the total assets of the

licensed banks increased from \$12,000 million to \$65,000 million and they increased further to just over \$100,000 million by the end of 1977.

This brings me to the question of whether competition within the financial sector itself, particularly between licensed banks and those foreign banks registered as deposit-taking companies, is equitable. Some have argued that deposit-taking companies effectively have an unfair competitive advantage in that they are not required to maintain liquidity requirements. The licensed banks accept that there are areas in which the companies cannot compete, because of the definition of banking business in the Banking Ordinance and because of the \$50,000 minimum deposit requirement, but they contend that retail banking is no longer of itself very profitable.

When judged against the public interest, the Government has come to the conclusion that some form of liquidity requirement is necessary for deposit-taking companies, although it is not yet clear precisely what that requirement should be. This is because it is not yet known what impact the imposition of a minimum liquidity requirement would have in practice and, indeed, this cannot be known until reporting requirements are extended to deposit-taking companies. Clearly, imprudently run and over extended businesses could be sharply affected, but others, we know, could comply with requirements similar to those prescribed under the Banking Ordinance with very little change in their asset structure. Again, there are certain types of business (hire purchase companies are one example) where even the most prudent might suffer some loss of earnings in that, whilst the maturity structure of their liabilities and assets may well be well matched, they would have to replace high yielding assets with lower yielding assets.

The solution proposed is that Deposit-Taking Companies Ordinance should be amended to provide for liquidity requirements similar to those in the Banking Ordinance. But percentage ratios will not be actually specified by the Financial Secretary until the Commissioner of Banking has had an opportunity to review the returns made to him and advise the Financial Secretary what ratios might be appropriately imposed on deposit-taking companies. It is also our intention that an additional grace period would be offered after specification of the ratios, if necessary.

In passing, Sir, I would note that the Commissioner of Banking intends to review the present day suitability of liquidity requirements in the Banking Ordinance concurrently with our consideration of the appropriate liquidity requirement for deposit-taking companies.

But no matter how adequately the Government meets its responsibilities to depositors and to the economy as a whole, there still remains the Government's responsibility to ensure that the development of Hong Kong as a financial centre is not unreasonably constrained. This responsibility will not be fully met so long as the present anomalous situation persists as regards the ability of some foreign banks to register under the Deposit-Taking

Companies Ordinance and open branches here while others cannot. It would also be inherently safer for Hong Kong, as a financial centre, if foreign banks were able to operate here under their own name and were not limited by the capital of a subsidiary. Moreover, the monetary authorities of the major industrial countries have made it known that they will be responsible for the overseas branches of banks whose head offices are within their jurisdiction, but their obligation in respect of subsidiaries is much less clear.

Accordingly, the Government has decided that favourable consideration will now be given to applications for banking licences under the Banking Ordinance from foreign banks which meet three criteria: first, that the applicant banks are incorporated in countries whose monetary authorities exercise effective supervision and have, where necessary, approved the establishment of a branch in Hong Kong. Secondly, that the applicant banks are of a substantial size, that is to say, for this purpose, total assets, net of contra items, should exceed the equivalent of US\$3,000 million. Thirdly that some form of reciprocity is available in the applicant's country of incorporation to Hong Kong banks.

These criteria, Sir, are arbitrary and simplistic and Your Excellency in Council as licensing authority reserves the right not to grant a licence when to do so would be against Hong Kong's interest, notwithstanding that an applicant meets the three criteria.

All licences granted under this Statement of Policy will be subject to the condition that successful applicants may only conduct business from one office in Hong Kong.

This Statement of Policy is only concerned with the licensing of well established foreign banks. The criteria exclude, by definition, any domestic institution aspiring to conduct banking business. The criteria by which any application for a banking licence from local interests should be judged would have to be very different. And I do not propose to deal with that question at this stage although, in the longer term, I believe it ought to be possible for a well established and reputable institution to progress to the status of a licensed bank.

Government business

Motions

RATING ORDINANCE

THE FINANCIAL SECRETARY moved the following motion:—In exercise of the powers conferred by section 18(1) of the Rating Ordinance, that—

- (1) the resolution made and passed by the Legislative Council on the 31 March 1977 and published in the *Gazette* of 1 April 1977 as Legal Notice

- No 68 of 1977, which determined the percentages of the rateable values of tenements for the purpose of computing general rates and Urban Council rates, be revoked;
- (2) for every tenement in a specified area set out in the first column of the Schedule, the general and Urban Council rates shall be computed on the basis of the percentage of the rateable value of such tenement set out opposite such area in the second and third columns of the Schedule.

SCHEDULE

<i>Specified Area</i>	<i>General Rates</i>	<i>Urban Council Rates</i>
A	7½%	4%
BC	7½%	4%
D	11%	Nil
E	11%	Nil
F1, F2, F3, F4, F5, F6 and F7	8%	Nil
G1, G2, G3, G4 and G5	8%	Nil
H1, H2, H3, H4 and H5	8%	Nil
J1, J2 and J3	8%	Nil
K1 and K2	8%	Nil
L1, L2, L4 and L5	8%	Nil
M1, M2, M3, M4 and M5	8%	Nil
N1, N2 and N3	7%	Nil

He said:—Sir, under section 18(1) of the Rating Ordinance, the Legislative Council may, by Resolution, determine from time to time the percentage of the rateable value of tenements to be charged as General and Urban Council Rates. The purpose of this motion is to give legislative effect to the rate percentages for 1978-79.

In accordance with the policy for the extension of rating to the developed and developing areas of the New Territories, the General Rate for newly assessed areas, from area F onwards, is being phased in on a gradual basis; that is to say, in the first year 50% of whatever the General Rate for the New Territories might be, in the second year 60%, in the third year 70% and so on up to 100% in the sixth year.

The General Rate for the New Territories is 11%. For 1978-79, the percentage to be applied to areas F to M (for their third year of assessment) is, therefore, 70% of 11%, or 8%. For area N (for its second year of assessment) it is 60% of 11%, or 7%.

The Schedule in the motion also includes twelve new areas to be brought into assessment with effect from 1 April 1978 under the fifth phase of the extension of rating in the New Territories. But as twelve areas are extensions to areas F to N, the corresponding percentages will apply.

Here I must stress, Sir, that the sole object of the Resolution is to give effect to the existing policy on the phasing in of the rate charges for newly rated

areas in the New Territories. No change in either the General Rate or the Urban Council Rate is proposed for 1978-79.

Question put and agreed to.

VOTE ON ACCOUNT

THE FINANCIAL SECRETARY moved the following motion:—That—

- (a) a sum not exceeding \$3,616,823,000 may be expended in the manner expressed in the Schedule from the general revenue and funds of Hong Kong on account for or towards defraying the service of the financial year commencing on 1 April 1978 and ending on 31 March 1979;
- (b) where on or after 1 April 1978 the Financial Secretary directs that any revenue, whether received by way of fee, penalty or proceeds of sale or by way of an extra or unusual receipt, shall be applied as an appropriation-in-aid of any Head of Expenditure referred to in the Schedule, such revenue shall, without being paid into the general revenue, be applied, audited and dealt with accordingly, and so far as it is not so applied shall be paid into the general revenue.

SCHEDULE

<i>Head of Expenditure</i>	<i>Amount upon which Provision on Account is based \$</i>	<i>Amount of vote on Account \$</i>
21 His Excellency the Governor's Establishment	2,289,000	578,000
22 Agriculture and Fisheries Department	71,860,000	30,376,000
23 Audit Department	7,181,000	1,437,000
24 Census and Statistics Department	14,618,000	2,924,000
25 Civil Aviation Department	45,621,000	14,230,000
26 Defence: Auxiliary Medical Service	2,900,000	580,000
27 Defence: Civil Aid Services	6,072,000	1,553,000
28 Defence: Miscellaneous Measures	445,500,000	167,048,000
29 Defence: Royal Hong Kong Auxiliary Air Force	5,964,000	1,368,000
30 Defence: Royal Hong Kong Regiment (The Volunteers)	8,816,000	1,795,000
31 Education Department	280,402,000	59,127,000
32 Education Subventions	1,151,056,000	238,821,000
33 Fire Services Department	139,347,000	41,175,000
34 Government Laboratory	7,391,000	1,574,000
35 Government Secretariat	69,561,000	13,853,000
36 Government Supplies Department	30,249,000	6,235,000
37 Home Affairs Department	27,620,000	5,449,000
38 Housing Department	73,152,000	16,993,000
39 Immigration Department	50,409,000	10,204,000
40 Independent Commission Against Corruption	53,339,000	11,800,000
41 Information Services Department	17,253,000	3,370,000
42 Inland Revenue Department	59,057,000	11,831,000
43 Judiciary	36,902,000	7,422,000

<i>Head of Expenditure</i>	<i>Amount upon which Provision on Account is based</i> \$	<i>Amount of vote on Account</i> \$
44 Kowloon-Canton Railway	39,301,000	9,908,000
45 Labour Department	37,544,000	7,465,000
46 Legal Department	17,088,000	3,238,000
47 Legal Aid Department	14,290,000	3,266,000
48 London Office	8,027,000	2,250,000
49 Marine Department	71,088,000	16,989,000
50 Medical and Health Department	560,482,000	116,263,000
51 Medical Subventions	295,664,000	84,374,000
52 Miscellaneous Services	1,363,150,000	300,069,000
53 New Territories Administration	72,691,000	16,741,000
54 Office of Unofficial Members of Executive and Legislative Councils	3,397,000	680,000
55 Pensions	256,580,000	51,316,000
56 Police: Royal Hong Kong Police Force	635,727,000	129,226,000
57 Police: Royal Hong Kong Auxiliary Police Force	35,028,000	7,006,000
58 Post Office	189,258,000	51,296,000
59 Printing Department	27,932,000	6,969,000
60 Prisons Department	124,885,000	28,046,000
61 Public Debt	42,110,000	5,722,000
62 Public Services Commission	589,000	153,000
63 Public Works Department: Headquarters	15,101,000	3,338,000
64 Public Works Department: Building Development	173,343,000	34,706,000
65 Public Works Department: Engineering Development	385,619,000	82,131,000
66 Public Works Department: Lands and Survey	50,065,000	10,176,000
67 Public Works Department: New Territories Development	13,043,000	2,599,000
68 Public Works Department: Water Supplies	311,826,000	62,792,000
69 Public Works Non-Recurrent: Headquarters	99,851,000	99,851,000
70 Public Works Non-Recurrent: Buildings	178,891,000	177,804,000
71 Public Works Non-Recurrent: Engineering	440,757,000	439,060,000
72 Public Works Non-Recurrent: New Towns and Public Housing (other than Housing Authority)	750,235,000	747,785,000
73 Public Works Non-Recurrent: Waterworks	138,265,000	138,265,000
74 Radio Television Hong Kong	29,107,000	6,752,000
75 Rating and Valuation Department	18,927,000	3,858,000
76 Registrar General's Department	19,634,000	3,919,000
77 Registry of Trade Unions	781,000	157,000
78 Royal Observatory	14,304,000	3,119,000
79 Social Welfare Department	415,021,000	83,279,000
80 Social Welfare Subventions	100,000,000	25,000,000
81 Subventions: Miscellaneous	91,482,000	22,771,000
82 Trade, Industry and Customs Department	82,397,000	16,410,000
83 Transport Department	22,703,000	5,135,000
84 Treasury	20,112,000	5,429,000
85 Universities and Polytechnic	404,759,000	130,584,000
86 Urban Services Department	88,329,000	21,183,000
	<u>10,265,942,000</u>	<u>3,616,823,000</u>

He said:—Sir, this year, as in recent years, the debate on the Second Reading of the Appropriation Bill is to be extended into April to allow Honourable

Members more time to examine the Draft Estimates for 1978-79. This motion, therefore, seeks funds on account to enable the Government to carry on existing services between the start of the financial year on 1 April 1978 and the issue of the General Warrant following the enactment of the Appropriation Ordinance. The funds on account sought under each head have been determined in accordance with rules which have been agreed by the Finance Committee of this Council.

Expenditure will be regulated in accordance with the heads and subheads shown in the Draft Estimates for 1978-79. A Vote on Account Warrant will be issued to the Director of Accounting Services authorising him to make payments up to the amount specified in this motion, and will limit the expenditure in accordance with the agreed rules. The provision under the Vote on Account will be subsumed upon the enactment of the Appropriation Ordinance, and the General Warrant issued after the enactment of the Appropriation Ordinance will replace the Vote on Account Warrant and be effective from 1 April.

Under the Appropriation-in-Aid system certain receipts, consisting of fees and charges, will be appropriated-in-aid and used to offset expenditure instead of being credited to General Revenue. This motion also seeks the authority of this Council to enable me to direct that such receipts should be applied in this way during the period covered by the vote on account.

Question put and agreed to.

CRIMINAL PROCEDURE ORDINANCE

THE ATTORNEY GENERAL moved the following motion:—That the Legal Aid in Criminal Cases (Amendment) Rules 1978, made by the Chief Justice on the 4 March 1978, be approved.

He said:—Sir, under existing rules Legal Aid is available subject to means tested limits of a monthly disposable income of \$1,500 and a disposable capital of \$10,000 to defendants in the following categories of criminal cases:

- (a) all criminal trials in the Supreme Court;
- (b) all criminal appeals to the Court of Appeal from the Supreme and District Courts;
- (c) all criminal appeals to the Supreme Court from Magistrates Courts and
- (d) cases in the District Court involving an offence carrying a maximum sentence of 14 years or more.

Following consideration of the Report of the Working Party on Legal Aid, approval in principle was given by the Executive Council in August 1974 to the extension of Legal Aid to cover all Criminal Cases in the District

Court. However the limited funds available for new services, and other calls on the Government's resources in 1975 and 1976, precluded the immediate introduction of the extension.

In consequence of Government's improved financial position, Your Excellency in Council has now confirmed approval of the extension with effect from the 1 of April this year. The Chief Justice has now made the necessary rules under the powers conferred on him by section 9A of the Criminal Procedure Ordinance and subject to the approval of this Council the rules will come into effect on 1 April.

It is impossible to estimate accurately the increase in the number of cases which will attract Legal Aid as a result of this extension. Based on experience of the present scheme, however, the Director of Legal Aid believes that the number of applications for aid for District Court cases granted in 1978-79 might be about 1,080, compared with over 900 in 1977-78 and 666 in 1976-77. Expenditure at \$2.912 million is likely to be about \$0.8 million higher than it would have been under the present scheme. It is considered that the resources of both the Government and the legal profession are sufficient for the increased workload to be handled satisfactorily.

Question put and agreed to.

First reading of bills

HOUSING (AMENDMENT) BILL 1978

LAW AMENDMENT AND REFORM (CONSOLIDATION) (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

HOUSING (AMENDMENT) BILL 1978

THE SECRETARY FOR HOUSING moved the second reading of:—"A bill to amend the Housing Ordinance."

He said:—Sir, indiscriminate parking of vehicles, especially at night, on the roads of older public housing estates is a long-standing problem. The Housing Authority has been able to do little about it, because most of these roads are through roads, outside its jurisdiction. This Bill proposes that the Authority be empowered to designate, with the approval of the Commissioner for

Transport and Director of Public Works, certain roads in housing estates as restricted roads, entry to which would be controlled. The Authority would also be enabled to provide car parks in estates, and parking places on restricted roads, and to charge fees where desirable. Vehicles illegally parked within estates could be removed and detained by the Authority. Suitable measures of control would be set out in by-laws to be made by the Authority, with the approval of this Council.

May I emphasize, Sir, that the provisions of the Bill relating to the control of vehicles on estate roads enable the Housing Authority to control access to and parking on restricted roads only. The Road Traffic Ordinance will continue to apply in all other respects to all estate roads, including restricted roads and car parks in housing estates. Dealing with traffic accidents and other traffic offences will remain the responsibility of the Commissioner of Police.

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

Question put and agreed to.

LAW AMENDMENT AND REFORM (CONSOLIDATION) (AMENDMENT) BILL 1978

THE SOLICITOR GENERAL moved the second reading of:—"A bill to amend the Law Amendment and Reform (Consolidation) Ordinance."

He said:—Sir, this Bill clarifies the law relating to the rights of an unborn child under the ordinary civil law. It will, if enacted, add to the Law Amendment and Reform (Consolidation) Ordinance, a new Part based on the Congenital Disabilities (Civil Liability) Act 1976, of England, which implemented the recommendations of the English Law Commission in their Report on Injuries to Unborn Children.

At common law a person suffering from a pre-natal injury caused by another's fault would, in appropriate circumstances, have a right of action. But the extent of that right is uncertain.

This Bill will ensure that a child born disabled as a result of an occurrence affecting either of his parents in his or her ability to have a normal, healthy child, or affecting the mother during pregnancy or birth, will have a right of action against the person responsible for that occurrence, if that person is liable in tort for the wrong or injury to the parent affected or would have been so liable if sued in time.

A person responsible for an occurrence which took place before the child was conceived will not be liable to the child for any resulting disability if,

before conception, the parents knew of and accepted the particular risk. Nor will a professional man be under any liability for treatment or advice given according to prevailing professional standards of care.

This Bill will not apply to persons born before its coming into operation.

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

Question put and agreed to.

BUILDINGS (AMENDMENT) BILL 1978

Resumption of debate on second reading (15th February 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).

PROTECTION OF WOMEN AND JUVENILES (AMENDMENT) BILL 1978

Resumption of debate on second reading (15th February 1978)

Question proposed.

MISS KO:—Your Excellency, I welcome the Protection of Women and Juveniles (Amendment) Bill which makes provisions for strengthening the supervision of young people who come to the notice of the Courts.

The amendments will update the present law, increase the efficiency with which young persons will be placed under supervision, and make this supervision more effective. I welcome the inclusion of the requirement that a copy of the Court order will be sent to the young person and to his parent or guardian. This will surely increase the awareness of the parties concerned of their situation and responsibilities and give them a better opportunity than before to understand the order and consider its implications.

I also welcome the provision that the supervisor of a female supervised person shall be a woman.

I am in favour of increasing the age limit for supervision by a legal guardian from 16 to 21 for males, as it is already for females, and of making the age limit 18 for both males and females where they have been placed under the care of parents, probation officers, other persons or institutions.

The amendment to section 34A which includes requirements as to residence or medical treatment of the supervised person is appropriate and necessary.

Recommendation

Section 35 and section 31 complement section 34 regarding the protection of young girls of the age between 16 to 21. In order to strengthen the protection of girls of this age group I suggest that the proposed section 34(e) should be widened so that the Police is empowered to take girls between the age of 16-18 who are in need of care and protection to a place of refuge. I would also like to suggest that section 35 of the principal Ordinance should also be widened so as to empower the authority to deal with young girls between the age of 16-18 who are likely to be exposed to any moral or physical danger.

The effective enforcement of the Ordinance relies on the co-operation and hard work of the Social Welfare Department, the Police and the various homes and institutions which provide refuge for young girls in need of care and protection. In this respect, I would like to stress that the effective supervision of these girls depends to a considerable extent on the quality and quantity of these homes and institutions run either by the Social Welfare Department or voluntary agencies. Finally, Sir, I hope that in the case where a supervised person is still under the age of 16 when the supervisory period ordered by the Court is over, consideration will be given to referring the young person to one of the voluntary agencies, who have volunteer schemes which provide after-care services for persons who have been under supervision.

The young person will then feel that he still has someone who cares and understands his problem and to whom he can talk and turn to, after the expiry of the formal supervision period. In this way he can continue to develop his potential, and set out in the right direction to make his way in the community.

With the above comments and recommendations, Sir, I urge the motion before the Council be adjourned.

REV JOYCE M. BENNETT:—Your Excellency, I am glad to have the opportunity to support these amendments to the Protection of Women and Juveniles Ordinance. I urge all women police to take particular note of the new powers given to “any police officer of the rank of station sergeant or above” to “take to a place of refuge any child or young person” who appears to be in need of care and protection under section 34 of the Ordinance and in relation to items 3, 4 and 5 in the Schedule. However, on closer study of the amendments proposed, I find they do not go far enough. The Bill before us today makes

amendments to section 2, 30, 31 and 34; however there is no amendment suggested for section 35, which refers to the powers of the Director of Social Welfare to protect females, young persons and children from moral or physical danger. For a number of years I have been concerned at the plight of girls between the ages of 16 and 18 abandoned by their parents. How were we to help the 17-year old girl hanging around outside the Police Station at 11.00 p.m. because her parents had refused to take her home and she did not know where to go? In 1973 I consulted the then Director of Social Welfare about the reason why the police had no power to put such girls of 16 or 17 in a place of refuge so that the parents were helped to control their girls. The reply then was that the Social Welfare Department was aware of the loophole in the law and that a committee was and I quote "at present reviewing this Ordinance." When I saw this Bill I hoped that this loophole would be plugged so that the Director of Social Welfare would be given under section 35(1) of this Ordinance not only power to help a child or young person (defined in law as those under 16) but also those under 18, likely to be exposed to any moral or physical danger.

I urge therefore that the debate on this Bill be adjourned for consideration to be given to providing these additional powers to the police to protect girls of 16 or 17 who are no longer children or young persons as defined in law. Our women police are doing a fine job to help protect young females and children. Do not let us tie their hands by allowing the law to be unclear and providing loopholes for them not to take any action.

Extra provision is about to be made available at the new Ma Tau Wei Girls' Home, which will be completed this summer and will be able to house 144 girls instead of the present 60 in a building constructed for about 40. I was glad to see at last year's exhibition of the work of the Correctional Institutions in the Ocean Terminal that improvements had taken place at the Home. May I urge the Social Welfare Department to complete its staffing plans at an early date for this expansion of the Home. The amendments to this law will be meaningless without the efficient and sympathetic execution of it by the Police, the Juvenile Courts and the places of refuge.

Motion made. That the debate on the second reading of the Bill be further adjourned—REV JOYCE M. BENNETT.

Question put and agreed to.

INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL 1978

Resumption of debate on the second reading (15th February 1978)

Question proposed.

(At this point Mr BREMRIDGE declared an interest and would therefore abstain from voting on this Bill).

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills

Council went into Committee.

BUILDINGS (AMENDMENT) BILL 1978

Clauses 1 to 3 were agreed to.

INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL 1978

Clause 1 was agreed to.

Clause 2

SECRETARY FOR ECONOMIC SERVICES:—Sir, I move that clause 2 be amended as set forth in the paper before Members.

The amendment corrects a typographical error in the Bill.

Proposed amendment

Clause 2.

That clause 2(2)(b)(ii) be amended by deleting “other” where it appears the second time and substituting the following—

“motor”.

The amendment was agreed to.

Clause 2, as amended, was agreed to.

Clauses 3 to 5 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

BUILDINGS (AMENDMENT) BILL

had passed through Committee without amendment, and that the

INSURANCE COMPANIES (CAPITAL REQUIREMENTS) BILL

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

Question put on each bill and agreed to.

Bills read the third time and passed.

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 29 of March.

Adjourned accordingly at seven minutes past four o'clock.