

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 8 October 1980****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, G.B.E., K.C.M.G., K.C.V.O.

THE HONOURABLE THE CHIEF SECRETARY
SIR JACK CATER, K.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE ATTORNEY GENERAL
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE ALAN JAMES SCOTT, J.P.
SECRETARY FOR INFORMATION

THE HONOURABLE THOMAS LEE CHUN-YON, C.B.E., J.P.
DIRECTOR OF SOCIAL WELFARE

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, J.P.
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E.
LAW DRAFTSMAN

THE HONOURABLE WILLIAM DORWARD, O.B.E., J.P.
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS

THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE GRAHAM BARNES, J.P.
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE JOHN RAWLING TODD, C.V.O., J.P.
SECRETARY FOR THE ENVIRONMENT (*Acting*)

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

THE HONOURABLE JOHN HENRY BREMRIDGE, O.B.E., J.P.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, O.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, J.P.

DR. THE HONOURABLE HO KAM-FAI, J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, J.P.

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

ABSENT

THE HONOURABLE OSWALD VICTOR CHEUNG, O.B.E., Q.C., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. LORNA LEUNG TSUI LAI-MAN

OATH

MR. W. C. L. BROWN took the Oath of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT:—I should like to welcome Mr. BROWN to this Council.

Papers

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Sessional Papers 1980-81:

- No. 1—Supplementary Provisions for the Quarter ended 31 March 1980.
- No. 2—Clothing Industry Training Authority—Annual Report for the year 1979.
- No. 3—Construction Industry Training Authority—Annual Report 1979.
- No. 4—Hong Kong Tourist Association—Annual Report 1979-80.
- No. 5—Urban Council—Annual Report 1980.
- No. 6—Urban Council, Hong Kong—Accounts for the year ended 31 March 1980 with Report and Certificate of the Director of Audit.
- No. 7—Supplementary Provisions approved by the Urban Council during the first quarter for the fiscal year 1980-81.
- No. 8—Report of the Committee to Review the Application of the Parity of Subsidy Principle to the English-speaking Schools.

Oral answers to questions**Royal Commonwealth Society Essay Competition**

1. REVD. JOYCE M. BENNETT asked:—*Why did no one in a Government school enter for the Royal Commonwealth Society Essay Competition 1979-80?*

DIRECTOR OF EDUCATION:—Sir, six students from Government schools *did* in fact enter the Royal Commonwealth Society Essay Competition in 1979-80.

REVD. JOYCE M. BENNETT:—*Sir, could the Director of Education then explain why the report from the Royal Commonwealth Society does not mention this fact?*

DIRECTOR OF EDUCATION:—Sir, I am told by a learned professor under whom I once studied, that it is impossible to have a theory of error (*laughter*). I do not know whether he is right or not but I have always followed his precepts. What I imagine has happened, Sir, is that there is a distinction

between those schools which entered and those schools whose essays were sent on to London as having sufficient merit to warrant sending on in that fashion.

Retirement age of civil servants

2. MR. SO asked in cantonese:—

政府可否考慮將公務員的退休年齡，由五十五歲提高至六十歲？

(The following is the interpretation of what Mr. So asked.)

Will Government consider increasing the retirement age of civil servants from 55 to 60?

SECRETARY FOR THE CIVIL SERVICE:—Sir, this question was considered at great length after being raised in the Finance Committee of this Council in 1965. Following extended discussions in the Senior Civil Service Council the Staff Side finally proposed in 1974 a package whereby the normal retirement age would be extended from 55 to 60, but that officers wishing to retire prematurely would be allowed to do so freely from the age of 45 onwards, instead of from 50.

This package was not acceptable to the Government for two main reasons. First, it would almost certainly have led to an unacceptable loss of experienced officers through premature retirement. Second, it would have led to the retention in the service of older officers who were no longer pulling their weight.

However, it was concluded that it would be in the public interest to liberalize Civil Service Regulations so as to permit, more freely than in the past, extensions of service for efficient officers beyond the age of 55. The revised regulations were promulgated in 1975.

The number of officers taking advantage of the new rules has grown steadily and about half of all those reaching 55 are currently being granted extensions of service, in many cases until about the age of 60.

I think, Sir, that the public interest would best be served by keeping 55 as the normal retiring age, but continuing to grant extensions beyond that age to officers who wish to remain in the service, who are efficient and who are needed. The present arrangements are generally working well but I am in discussion with the Staff Side of the Senior Civil Service Council on possible improvements.

REVD. JOYCE M. BENNETT:—*Sir, are there any possibilities for asking those older officers who are no longer pulling their weight to retire even at the earlier age?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, officers who are no longer pulling their weight do not of course receive extensions of service. As far as possible we do take steps, in the case of officers below 55 who are not pulling their weight, either to get them to do so or to consider retiring them prematurely.

MR. PETER C. WONG:—*Sir, in his concluding remarks the Secretary said the system, that is the system of extending service after 55 is generally working well. May I ask the Secretary whether it is working well as far as the Government is concerned or it is also generally working well for the civil servants?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, I think that it's working fairly well from both sides, that is from the staff side and from the point of view of the public interest.

MR. PETER C. WONG:—*Could the Secretary indicate what he had in mind when he said, 'I am in discussion with the Staff Side of the Senior Civil Service Council on possible improvements'?*

SECRETARY FOR THE CIVIL SERVICE:—Sir, one of the possible improvements which is under discussion concerns the present practice whereby an officer whose service is extended beyond 55 does not draw the pension which he has earned prior to the age of 55. If we could come to an arrangement whereby officers after the age of 55 could both serve and draw the pension they have earned this would help us to retain the services of a number of particularly valuable officers, particularly in the professions.

Anti-rabies campaign

3. DR. HENRY HU asked:—*Sir, with your permission under Standing Order 17(4), I would like to ask the following question: Will Government say how many stray dogs have been caught and eliminated since this Council was advised in August that a special campaign was being mounted for this purpose and in what form the campaign has taken and the further measures being taken to contain and eliminate the threat of rabies?*

DIRECTOR OF AGRICULTURE AND FISHERIES:—Sir, since August 450 stray dogs have been caught and eliminated as a result of the special campaign. This is in addition to 1,300 stray dogs caught during the Department's normal dog control and inoculation activities.

During August and September the special campaign was concentrated mainly in the Closed Area of the Border and the areas closely adjacent; the Lau Fau Shan area and the fish markets where junks are concentrated. The campaign was accompanied by localized publicity and Dog Control Units inoculated any uninoculated dogs against rabies as well as eliminating strays. As a result of this campaign 541 dogs, including 172 on junks, were inoculated

in these areas by mobile teams. During the same period 2,100 dogs were inoculated at other centres. At the same time plans were made to deal with any outbreak of rabies.

Since the confirmation of the case of human rabies in the New Territories at mid-day on 4 October further measures were taken and seven dog control teams were immediately deployed on the afternoon of 4 October in the area where the case occurred to examine every dog and destroy all those not inoculated against rabies and to ensure that all dogs were under proper control. This action is continuing and up to yesterday 400 dogs have been destroyed. Additionally an area of roughly 20 square kilometres of surrounding country together with the whole Closed Area of the Border was declared an area where no dog, other than Police and Army dogs, could be moved into or out except with a permit from the Director of Agriculture and Fisheries. All Government kennels were opened on Sunday, 5 October, for dog inoculation and to-date a further 1,864 dogs have been inoculated. All private veterinary practitioners were informed and are co-operating.

Twenty additional Dog Control Units have now been formed and a further thirty will shortly become operational. These units will be deployed territory wide but will concentrate in the first instance on areas close to the affected area and other areas of high priority including areas such as fish markets where junks concentrate.

These units will catch and eliminate all stray dogs and will also be equipped to provide additional inoculation services to dog owners outside the affected area who have not as yet had their dogs inoculated. To encourage dog owners to bring forward their dogs for inoculation the Governor in Council yesterday abolished dog licence fees.

Wide publicity campaigns are being mounted and maximum coverage has been given in the news media to alert the general public, and dog owners in particular, to the presence of rabies; to advise that all dogs must be inoculated against rabies; to report all cases of dog bites, and to keep their dogs confined or under strict control.

Rabies is a very dangerous disease for humans and the best method of preventing its spread is for every dog owner to have their dogs inoculated against this disease. As a case of rabies has now been confirmed in Hong Kong, there is no alternative but to eliminate all uninoculated dogs found straying.

DR. HENRY HU:—*Sir, could the Director of Medical and Health Services inform the Council whether the present stock of anti-rabies vaccine for human use is adequate?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, with your permission the answer is yes, Sir, it is.*

DR. HENRY HU:—*May I ask the Director of Agriculture and Fisheries did he anticipate that rabies might happen in Hong Kong when he answered my question on 6 August this year?*

DIRECTOR OF AGRICULTURE AND FISHERIES:—Yes, Sir, and to this end precautionary measures were planned. When the disease did appear in Hong Kong these precautionary measures were instituted immediately and hence we were able to make an extremely fast reaction to the situation.

Traffic Accident Victims Assistance Scheme

4. MR. SO asked in Cantonese:—

政府可否考慮將「交通意外傷亡者援助計劃」的範圍擴大，令到在九廣鐵路、地下鐵路或山頂纜車遭受意外的人士，亦得以受惠？

(The following is the interpretation of what Mr. So asked.)

Will the Government consider extending the scope of the existing Traffic Accident Victims Assistance Scheme to include the victims of accidents which occur on either the Kowloon-Canton Railway, Mass Transit Railway or Peak Tram?

SECRETARY FOR THE ENVIRONMENT:—Sir, Government is considering the provision of benefits to the victims of accidents which occur on the Kowloon-Canton Railway, the Mass Transit Railway and the Peak Tram.

However, it would seem inappropriate for the existing scheme to fund such compensation and there are difficulties in extending a scheme based on road transport conditions to rail operations where the considerations are in many ways dissimilar.

These problems are being studied by the departments and branches concerned so that firm proposals can be put forward.

MR. SO asked in Cantonese:—

閣下，請問環境司所講的研究，預算何時才有結果公佈呢？

(The following is the interpretation of what Mr. So asked.)

Sir, could I ask the Secretary for the Environment when the studies would be made public?

SECRETARY FOR THE ENVIRONMENT:—Sir, the preliminary work has been completed and firm proposals can now be prepared. I hope that it will be possible to obtain agreement in the next few weeks. The time taken to bring any new proposals into force will depend upon the nature of the proposals

and the legislation required to bring them into being. I fully understand the honourable Member's concern, Sir, and can assure him that there will be no undue delay.

Statements

The Fourth Annual Report of the Clothing Industry Training Authority and the Fourth Annual Report of the Construction Industry Training Authority

MR. TIEN:—Sir, laid before this Council are the fourth annual reports of the Clothing Industry Training Authority and the Construction Industry Training Authority. These reports cover the calendar year 1979.

The clothing industry remains the largest manufacturing industry in Hong Kong, in terms of export value and labour force. In 1979 the total value of clothing exports grew by 28%, reaching a record HK\$20,131 million, an increase of 22% in unit value and 5% in volume over the previous year.

I am pleased to report that during 1979 the Clothing Industry Training Centre was able to expand its activities in support of developments in the industry. New courses in pattern making for technician trainees and courses in knitwear processing and quality control inspection for serving personnel were started during the year. A total of 3,799 persons completed their training in various courses and are now working in the industry. These young trainees from the Centre will help to underpin future success of the clothing industry.

The construction industry had another buoyant year in 1979 and the number of construction workers grew from 74,000 to 82,000, an increase of 11% over the previous year.

Since its establishment in 1977, some 1,200 young men and women have completed basic training at the Construction Industry Training Centre and entered the construction industry where they acquire more on-the-job experience before becoming fully qualified craftsmen.

The trainees from both the Clothing Industry Training Centre and the Construction Industry Training Centre are highly regarded by their industries and offers of employment far exceed the number of trainees available. To meet the demand of their industry, the Construction Industry Training Authority is planning to build a second training centre soon.

Hong Kong Tourist Association Annual Report 1979-80

MR. NEWBIGGING:—Sir, the 22nd Annual Report of the Hong Kong Tourist Association for the year ended 31 March 1980 is laid on the table of this Council today.

The year was a record for the travel industry in Hong Kong. The total gross expenditure of our visitors was \$6.4 billion, a 25% increase over the year 1978-79 although, as we forecast last year, the rate of increase in the number of visitors slowed down. By the last quarter of the financial year, we were beginning to feel the effects of a slow-down in the world economy and of political changes in other parts of the world which are beyond our control. Nevertheless, hotel occupancies have remained high and the industry remains healthy.

Last year, I welcomed the Government's decision to introduce studies that would put the contribution of tourism in perspective alongside the earnings of the manufacturing and export industries. I was pleased to see, therefore, that in the spring of this year the Census and Statistics Department published figures which reinforced the travel industry's conclusions about the value of tourism. The tourism surplus alone (on this occasion, \$2.57 billion) helped to offset 27% of the visible trade deficit, after taking account of the expenditure of Hong Kong residents travelling abroad. Furthermore, the Census and Statistics Department revised downwards the figure of expenditure for Hong Kong residents going abroad by as much as 50%, as a result of the more sophisticated research undertaken by them. This information provides more evidence of the importance of the travel industry to our economy.

Meanwhile, a recent study by the Productivity Centre of the comparative added value performance of the tourist industry (being of the order of 45%) and other key Hong Kong industries indicates that the contribution of inward tourism to the economy as a whole is even more important than was previously thought.

Substantial new capital investment in the industry continues and the first of our new hotels is just opening at a time when these additional rooms are most needed. It is significant that the standard of this hotel is in line with the Tourist Association's policy of continuing to develop the highest spending sectors of our markets, in co-operation with the private sector. The increase in the conference business alone shows what can be done to expand a specialized business which is not only lucrative in itself, but which has great potential for the development of new types of business for Hong Kong outside the tourism industry.

I mentioned last year the necessity to monitor very carefully the reactions of our visitors to the product we offer in Hong Kong and, particularly, to the prices in our shops which still form the backbone of the industry, measured by the percentage of our visitors' expenditure. I should again re-emphasize the necessity to remain competitive and the fundamental requirement to offer the highest standards of courtesy and service.

In this context I regret to say that there is increasing evidence of a decline in standards of service, especially in the treatment given to visitors from this

Region who make up something like 65% of our total arrivals. However, we are delighted to see the progress that has been made by the Hotels, Catering and Tourism Training Board set up by the Government, whose deliberations are leading to important conclusions for the future staffing of hotels and restaurants in Hong Kong.

By now it is apparent that the Tourist Association's two-year forecasts for the industry, made last year, were reasonably accurate although, at the present time, we are running about level with the number of visitors to Hong Kong, and only a few percentage points behind on total expenditure.

However, the Tourist Association are not complacent about the hard work that will be necessary to improve Hong Kong's position in the coming years and, of course, we shall be greatly assisted by the new hotel rooms coming on stream in the next twelve months. Some significant changes in our major markets and in the arrangements for airlines serving Hong Kong will also be helpful. Furthermore, additional facilities in Hong Kong together with the developments in the countryside and in the islands, all provide us with an opportunity to broaden the scope of our promotions and to diversify our product.

Meanwhile we will maintain our policy of 'trading up' in terms of concentrating *on per capita* expenditure rather than on sheer numbers of visitors, since we are convinced this is correct for the future of Hong Kong's travel industry.

Government business

Motion

MEDICAL CLINICS ORDINANCE

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES moved the following motion:—That the powers conferred on the Registrar of Clinics by section 8 of the Medical Clinics Ordinance shall cease to be exercisable on 31 December 1983.

He said:—Sir, Members will recall that on 10 August 1977 in pursuant to section 8(9) of the Medical Clinics Ordinance, a resolution was passed to enable the Director of Medical and Health Services as the Registrar of Clinics to exempt certain clinics from the requirement to be under the charge of a registered medical practitioner. This power of exemption will lapse on 31 December 1980 unless further extended.

The position of these clinics has been reviewed and is not found to have changed substantially. There are at present still 304 exempted clinics employing 261 unregistered medical practitioners as compared to 321 exempted

clinics employing 289 unregistered medical practitioners in 1977. These clinics are providing a useful service to many at reasonably low cost and their closure will not be in the public interest.

It is therefore proposed that the power of exemption under section 8 of the Ordinance be extended for a further period of three years from 1 January 1981.

Sir, I move the resolution standing in my name on the Order Paper.

Question put and agreed to.

Motion (in Committee)

SUPPLEMENTARY PROVISIONS FOR THE QUARTER ENDED 31 MARCH 1980

Council went into Committee, pursuant to Standing Order 58(2), to consider the motion standing in the name of the Financial Secretary.

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the supplementary provisions for the quarter ended 31 March 1980 as set out in Paper No. 1.

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

The schedule of supplementary provision for the fourth and last quarter of the financial year 1979-80 covers a total amount of \$1,322 million. Of this sum, \$326 million was required to augment personal emoluments subheads on account of the 1979 salaries revision; \$281 million was required for expenditure on public works projects including provision for 11 projects upgraded to or included for the first time in Category A of the Public Works Programme, \$171 million was required to restore to the Development Loan Fund the total loans issued to students consequent upon the setting up of the Student Loan Fund and \$95 million was required for payment of the fourth quarter's cash contribution under the present Defence Costs Agreement.

The supplementary provision covered by the schedule resulted in a net increase of \$994 million in the expenditure approved for the year, the remainder being offset by savings under other heads of expenditure and by the freezing of funds under Head 52 Miscellaneous Services Subhead 100 Additional commitments.

The Finance Committee has approved all the items in the schedule. The purpose of this motion is simply to ask for the covering approval of this Council.

Sir, I beg to move.

Question put and agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the motion had been agreed to in Committee without amendment.

Question agreed by the whole Council pursuant to Standing Order 58(4).

First reading of bills

INLAND REVENUE (AMENDMENT) (NO. 4) BILL 1980

MERCHANT SHIPPING (AMENDMENT) BILL 1980

EVIDENCE (AMENDMENT) BILL 1980

PREVENTION OF BRIBERY (AMENDMENT AND VALIDATION) BILL 1980

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

Second reading of bills

INLAND REVENUE (AMENDMENT) (NO. 4) BILL 1980

THE FINANCIAL SECRETARY moved the second reading of:—‘A bill to amend the Inland Revenue Ordinance’.

He said:—Sir, I move that the Inland Revenue (Amendment) (No. 4) Bill 1980 be read the second time.

Sir, in paragraph 171 of this year’s Budget Speech, I drew attention to the comment made by the Third Inland Revenue Ordinance Review Committee that the need to keep track of individual items of plant and equipment for the sake of making a balancing allowance or charge in the event of a disposal resulted in relatively high administrative costs. Although the Committee did not make a firm recommendation, I proposed that a so-called ‘pooling’ system should be introduced in order to reduce administrative costs.

So the purpose of this Bill is to implement this proposal with effect from 1 April 1980 by effectively substituting for the current system for granting

allowances and imposing charges, the provisions contained in the new sections 39B, 39C and 39D set out in clause 3 to grant allowances and impose charges on ‘pools’ of assets, defined in the Bill as ‘classes of machinery or plant’.

By the new section 36A(2) in clause 2 provision is made for the existing system to continue to apply in any case where the Commissioner of Inland Revenue is satisfied that the application of the pooling system is impracticable or inequitable. The Commissioner might so direct where, for example, there is a high degree of usage of assets for purposes other than the production of chargeable profits, such as in relation to non-Hong Kong income sources, or private usage. Short of a direction from the Commissioner, however, the application of the pooling system will be mandatory. In any event, businesses will not suffer either way because the *total* of the allowances, I repeat, the total of the allowances granted in respect of the assets concerned will be the same under the new system as under the present.

In the course of considering comments on the Bill received from the Hong Kong Society of Accountants, it became apparent that the limitations intended to be applied to restrict sales and other disposal proceeds to the original cost of the assets disposed of, for the purposes of the calculation of balancing charges and the determination of the reducing value of a ‘pool’, were not adequately provided for in the new sub-section 39D(6) in clause 3. As presently drafted, the sub-section would only cover the position where there has been a disposal of a whole class of assets at one time for a single price. It would not cover a loss on disposal of one asset incurred during the same basis period as a profit arose on another; nor a situation in which a balancing charge may arise in respect of a ‘pool’ following the disposal of one or more assets out of the ‘pool’ while others are retained in use.

I shall move an amendment to the Bill at the committee stage so that these two situations, which I have just so succinctly described (*laughter*), will be covered.

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

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

Question put and agreed to.

MERCHANT SHIPPING (AMENDMENT) BILL 1980

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to amend the Merchant Shipping Ordinance’.

He said:—Sir, I move that the Merchant Shipping (Amendment) Bill 1980 be read the second time.

Part VIII of the Merchant Shipping Ordinance deals with shipping accidents which have occurred in the waters of Hong Kong and which involve British ships. It includes provision for the Governor to appoint a marine court to make investigations in respect of casualties affecting ships and to inquire into charges of incompetency or misconduct. If the court finds the masters, mates or engineers of the ships concerned incompetent or guilty of misconduct, their certificates of competency may be cancelled or suspended.

Because under the Merchant Shipping Ordinance the definition of ship specifically excludes junks, marine courts cannot be appointed under Part VIII of the Ordinance when junks are involved in a shipping casualty. Hence, the certificate of competency of masters of any of the vessels involved cannot be cancelled by a court.

To rectify this deficiency, the Merchant Shipping (Amendment) Bill 1980 provides for the purposes of Part VIII of the principal Ordinance a new definition of ‘ship’ to include every type of vessel used in navigation.

The Bill also extends the definition of ‘certificate of competency’ to include those issued for local vessels under the Shipping and Port Control Ordinance. As it stands at the moment, Part VIII of the Merchant Shipping Ordinance empowers a marine court only to cancel or suspend certificates of competency issued under the Merchant Shipping Ordinance to masters, mates and engineers of ocean going vessels.

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

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

Question put and agreed to.

EVIDENCE (AMENDMENT) BILL 1980

THE LAW DRAFTSMAN moved the second reading of:—‘A bill to amend the Evidence Ordinance’.

He said:—Sir, I move that the Evidence (Amendment) Bill 1980 be read the second time.

The purpose of this Bill is to enable rules relating to the admissibility of hearsay and expert evidence in civil proceedings to be incorporated in the Rules of the Supreme Court. At the moment the Evidence Ordinance provides for these matters to be regulated by rules made under that Ordinance,

and the admissibility of hearsay evidence is actually dealt with in the Evidence (Hearsay) Rules made under section 69 of that Ordinance.

The practice in England is that rules relating to hearsay and expert evidence appear in the English Rules of the Supreme Court. The Chief Justice has proposed that a similar practice be adopted here. It is considered appropriate that the Hong Kong rules on hearsay evidence, which are based on their English counterparts, should appear in the Rules of the Supreme Court made under section 54 of our Supreme Court Ordinance. This will assist practitioners and others concerned with the law, who will be able to refer to the Rules of the Supreme Court for virtually all matters relating to civil proceedings.

This Bill accordingly repeals or amends the existing rule making powers in the Evidence Ordinance, so that the admissibility of hearsay and expert evidence can be provided for in the Rules of the Supreme Court. If the Bill is passed, the existing Evidence (Hearsay) Rules will be revoked and appropriate provision will be incorporated in the Rules of the Supreme Court.

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

Motion made. That the debate on the second reading of the Bill be adjourned—The Law Draftsman.

Question put and agreed to.

PREVENTION OF BRIBERY (AMENDMENT AND VALIDATION) BILL 1980

THE LAW DRAFTSMAN moved the second reading of:—‘A bill to amend the Prevention of Bribery Ordinance and to validate certain orders made thereunder’.

He said:—Sir, I move that the Prevention of Bribery (Amendment and Validation) Bill 1980 be now read the second time.

Section 10(1)(b) of the Prevention of Bribery Ordinance makes it an offence for a Crown servant to be in control of unexplained assets disproportionate to his official emoluments. This was an original provision of the Prevention of Bribery Ordinance which was enacted in 1970 and brought into operation in 1971.

In February 1974 the Ordinance was amended by adding a new subsection (3) to section 12. This subsection provided that in addition to the fine and imprisonment already specified for the offence under section 10(1)(b) of having unexplained assets, the court could order the person convicted to pay

to the Crown a sum not exceeding the value of the unexplained assets. Until this year it had been accepted by all, including the courts, that this power to order payment to the Crown, applied no less to pre-1974 offences, than to post-1974 offences. Indeed some 14 orders have since 1974 been made by the courts in respect of pre-1974 offences, requiring the payment to the Crown of approximately \$30 million.

However, in March this year, the Court of Appeal held that section 12(3) does not apply to offences committed prior to enactment of that provision. This decision will not only preclude further orders for repayment of unexplained assets where the offence was committed prior to 1974, but it has implications for the 14 orders that have already been made. Clearly it is therefore necessary to provide unequivocally that Crown servants and former Crown servants can be ordered to disgorge ill-gotten gains in respect of offences committed before 1974 and it is necessary also to validate existing orders. It is this, Sir, and only this that the Bill seeks to do. Clause 2 makes it clear that an order for payment under section 12(3) may be made in respect of an offence under section 10(1)(b) where the facts that gave rise to that offence arose before 15 February 1974, and clause 3 validates such orders that have already been made.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bill

Council went into Committee.

PREVENTION OF BRIBERY (AMENDMENT AND VALIDATION) BILL 1980

Clauses 1 to 3 were agreed to.

Council then resumed.

Third reading of bill

THE ATTORNEY GENERAL reported that the

PREVENTION OF BRIBERY (AMENDMENT AND VALIDATION) BILL

had passed through Committee without amendment and moved the third reading of the Bill.

Question put on the Bill and agreed to.

Bill read the third time and passed.

UNOFFICIAL MEMBER'S BILL**First reading of bill****THE CHINESE UNIVERSITY OF HONG KONG (VALIDATION) BILL 1980**

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

Second reading of bill**THE CHINESE UNIVERSITY OF HONG KONG (VALIDATION) BILL 1980**

MR. R. H. LOBO moved the second reading of:—‘A bill to validate the purported conferral of the degree of Doctor of Laws *honoris causa* on certain persons by The Chinese University of Hong Kong’.

He said:—I move that the Chinese University of Hong Kong (Validation) Bill 1980 be read a second time.

Since 1964 the Chinese University has from time to time conferred the degree of Doctor of Laws *honoris causa on persons whom it has wished to honour. The purpose of this Bill is simply to validate the conferral of this degree (laughter).*

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

Motion made. That the debate on the second reading of the Bill be adjourned—MR. R. H. LOBO.

Question put and agreed to.

Valedictory

HIS EXCELLENCY THE PRESIDENT:—Honourable Members, this is the last time Mr. Thomas LEE will attend this Council as a Member. He will be retiring after four years membership of this Council and 28 years of highly distinguished service with the Social Welfare Department, the last six of which as Director.

He has been personally and intimately associated with many of the extremely significant developments in social security and social welfare services, notably in the establishment of family service centres, the introduction of Public Assistance Scheme, Special Needs Allowance Scheme, and the Community and Youth Officer Scheme. In 1973, the Institute of Social Work Training was established under the aegis of the Social Welfare Department. And this marked a milestone in the evolution of social work training in Hong Kong, and this too owed much to the personal dedication and imaginative approach to problems by Mr. LEE. As a planner, he will be particularly remembered for the regionalization of the social welfare services. In short, Mr. LEE has to a very large extent been the architect of the modern social welfare system of Hong Kong.

I am sure all Members will join me in thanking Mr. LEE. for all his valuable service to Hong Kong, and to wish him and his wife a very happy retirement.

MR. LOBO:—Sir, Unofficial Members would wish whole-heartedly to be associated with the tribute which you, Sir, have just paid to Mr. LEE.

I myself knew Mr. LEE. long before he joined this Council as a member of the Social Welfare Advisory Committee and have had the pleasure of working closely with him. In my capacity as the convener of the U.M.E.L.C.O. Panel on Social Welfare and Youth, too, I have always found Mr. LEE. to be most helpful and forthright when dealing with U.M.E.L.C.O. Members.

I should like, on behalf of my Unofficial Colleagues, to wish Mr. and Mrs. LEE. every good fortune in the future and hope that their retirement will be long, happy and active.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. Wednesday, 22 October 1980.

Adjourned accordingly at thirteen minutes past three o'clock.