

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 21 January 1981****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 GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

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

THE HONOURABLE DEREK JOHN CLAREMONT JONES, C.M.G., J.P.
SECRETARY FOR THE ENVIRONMENT

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 SELWYN EUGENE ALLEYNE, J.P.
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE JOHN GEORGE STEAN, O.B.E., J.P.
DIRECTOR OF PUBLIC WORKS (*Acting*)

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

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

THE HONOURABLE LI FOOK-WO, 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 REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., 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, O.B.E., 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.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN

ABSENT

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
CHAIRMAN, COMMITTEE TO REVIEW POST-SECONDARY AND TECHNICAL EDUCATION

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

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

IN ATTENDANCE

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

Papers

The following papers were laid pursuant to Standing Order No. 14(2):—

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Summary Offences Ordinance.	
Summary Offences Ordinance (Exemption from Section 13) Order 1981	7
The Hong Kong Association of Banks Ordinance 1980.	
The Hong Kong Association of Banks Ordinance 1980 (Commencement) Notice 1981	9
Employees' Compensation Ordinance.	
Employees Compensation (Amendment) Regulations 1980.....	11

Sessional Papers 1980-81:

No. 30—Supplementary Provision for the quarter ended 30 September 1980.

No. 31—Urban Council—Estimates of Revenue and Expenditure for the year ending
31 March 1982.

White Paper:

District Administration in Hong Kong.

Oral answers to questions**Due dates for payment of salaries tax**

1. MR. SO asked in Cantonese:—

政府可否說明為甚麼薪俸稅第一期稅款通常規定在農曆新年左右繳納？

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

Will Government state why the first instalment of salaries tax is usually due at or around Chinese New Year?

THE FINANCIAL SECRETARY:—Sir, it is not correct to say that the first instalment of salaries tax due in respect of a given year of assessment is usually due at or around Chinese New Year. The schedule of due dates for first instalments spans a nine-week period, beginning this year on 5 January and ending on 6 March. The first instalment is made up *first* of the balance owing in respect of final assessment on earnings in the *preceding* year; and it is made up *secondly* of 75% only of the current year's provisional tax, which is effectively a payment in arrears in respect of income earned in the first nine months of the current fiscal year, that is to say, April to December 1980 (and, I might add, it takes no account of additional earnings received during the year). And, of course, special arrangements exist in the form of Tax Reserve Certificates for those individuals willing and anxious to save for eventual payment of tax.

MR. SO asked in Cantonese:—

閣下，政府有沒有考慮在香港實施僱主在發薪之前，先扣除僱員應繳稅項這個辦法？

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

Sir, has Government considered introducing a scheme whereby the employers deduct tax from the salaries due to their employees?

THE FINANCIAL SECRETARY:—I have explained to this Council before, Sir, that there are serious objections to the system of P.A.Y.E. and those objections remain valid.

Petrol supply and car park facilities in Sha Tin

2. MR. WU asked:—*In view of the rapid increase in population in Sha Tin, is Government satisfied that petrol supply and car park facilities are sufficient to cope with the development in that area?*

SECRETARY FOR THE NEW TERRITORIES:—Yes, Sir. At present Sha Tin has two petrol filling stations; sites for two more have recently been sold and one more will be sold in the very near future. In 1983 there will be eight or nine filling stations open for business, and 11 in 1985. Filling stations are planned at suitable places throughout the new town including one in each major industrial area. I believe this to be both acceptable and sufficient

All land, both residential and industrial, being sold in the district includes provision for parking spaces. Private car-parking is also provided in all Sha Tin public housing estates.

As for public car-parking there are already 250 spaces in Wo Che and Lek Yuen Estates; by 1983-84 a further 1,700 public car-parking spaces will be provided in the town centre, together with several hundred more public

car-parking spaces in various public and private housing estate developments. After 1983-84 three Government multi-storey car parks will, in addition, be provided at each of the three major transport interchanges, at the three railway stations of Tai Wai, Sha Tin Central and Ma Liu Shui.

MR. WU:—*Sir, would the Secretary regard the situation at Sui Wo Court as satisfactory where the residents have to draw lots for car park spaces and visitors car park is far short of the demand? And what does Government propose to do to provide residents with sufficient facilities?*

SECRETARY FOR THE NEW TERRITORIES:—The spaces provided at Sui Wo Court and other housing estates in Sha Tin are in accordance with the standard provision throughout Hong Kong private and public residential development. And if we wish to change those ratios then we will have to change them for the whole of Hong Kong, and that is really a matter of overall transport policy.

Chinese emigrants in transit through Hong Kong

3. MR. F. K. HU asked:—*Will Government state:*

- (a) *the number of Chinese passport holders who have entered Hong Kong in transit during the last 12 months and say what percentage have so far departed*
 - (i) *before and*
 - (ii) *since 23 October 1980;*
 - and*
- (b) *policy governing the grant of extensions of stay to such transients?*

SECRETARY FOR SECURITY:—*Sir, (a) 17,390 holders of People's Republic of China Passports entered Hong Kong in transit to third countries in 1980. The Immigration Department records do not readily show the number who have departed at any particular date, but of the arrivals in 1980 12,403 entered from 1 January to 22 October 1980 and of these about 8,000 or 70% have since departed; 4,987 entered from 23 October to 31 December 1980 and about 4,500 or 90% have departed.*

(b) *Prior to October 1980 Chinese passport holders were usually landed initially for three months and were given further three-month extensions on application. However, it then came to notice that some transitees had overstayed after being given a number of extensions of stay and had no intention of continuing their journey to their country of destination. Indeed, some had posed as illegal immigrants who had 'reached base' and obtained Hong Kong identity cards. A change in the practice of granting extensions therefore became necessary and urgent. Since 10 October 1980 Chinese passport holders who satisfy the Director of Immigration as to their genuine*

intention to continue their onward journey are permitted to transit for 48 hours initially and are required to give an undertaking to the effect that they will move on at the expiry of stay. Upon request and where it can be shown that, despite their intention to proceed overseas, urgent family or personal circumstances have prevented their immediate departure, extensions of stay for seven days at a time are granted.

MR. F. K. HU:—*Sir, will the Secretary for Security state what action will the Government take towards those transitees whose visas for entering third countries have already expired?*

SECRETARY FOR SECURITY:—*Sir, the Administration has already made its position clear on this and has issued a statement to the effect that as in all immigration matters, each case will be dealt with on its own merits and this is a procedure which is now being followed.*

Personal allowance for salaries tax

4. MR. CHAN KAM-CHUEN asked:—*Will Government consider adjusting the personal allowance for salaries tax to keep pace with civil service pay increases at the lower end of the Master Pay Scale?*

THE FINANCIAL SECRETARY:—*No, Sir, I'm afraid not, for that would be an illogical, not to say narrow-minded, approach to any revision of the thresholds for personal taxation and effective rates of tax.*

MR. CHAN KAM-CHUEN:—*Sir, as civil servants' salary was used only as a yardstick as Government is the largest employer, is it correct that in the fiscal year 73-74 when personal allowance for \$10,000 per annum and low pay workers on the equivalent of point 9 of the Master Scale were then dragged into the tax net, and this point 9 of the Master Scale is equivalent to \$21,000 per annum now, and at present Government servants drawing the equivalent of point 3 of the Master Scale are already in the tax net?*

THE FINANCIAL SECRETARY:—*Mr. CHAN's arithmetic may or may not be correct, Sir, but I do not accept that it has any relevance to the question of the so called burden of personal taxation on the lower income group.*

Mr. So asked in Cantonese:—

由於本局部分議員對於經濟不甚熟識，財政司可否說明這方法為何不合邏輯？

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

Will the Financial Secretary tell us, as some of the Unofficials are not conversant with economics, why such an approach is illogical?

THE FINANCIAL SECRETARY:—Sir, should Government have any fiscal proposal for 1981-82 in favour of the taxpayer, or in favour of the revenue, honourable Members will hear about them some time after 2.30 p.m. on Wednesday, 25 February, and I hope not later than 7.45 p.m. on that same day (*laughter*) which, I am told by no less authority than Mr. CHEUNG, is the time the first race in Happy Valley is due to start (*laughter*).

Promotion of tree planting

5. REVD. JOYCE M. BENNETT asked:—*Will the Government actively promote the planting of trees, especially encouraging schools to dig up some of the concrete in their playgrounds and plant one or more trees?*

SECRETARY FOR THE ENVIRONMENT:—Sir, it has always been the Government's policy to actively encourage the planting of trees by all sections of the community, including school children. In particular, the Agriculture and Fisheries Department responds with enthusiasm to all requests from schools and youth organizations for assistance in tree planting for which the department provides, wherever possible, young trees free of charge (*laughter*).

Although schools would not normally be encouraged to dig up their concrete playgrounds to plant trees where these areas are required for school assemblies and games, the Government is only too willing to help them to plant trees in any suitable area on their premises. Since April 1980, for instance, the Agriculture and Fisheries Department has responded to six requests from schools which have resulted in the planting of 665 trees in their grounds. The Urban Services Department has also expressed its willingness to undertake a survey of Government schools to find out the scope for tree planting if this is required.

More generally, the Agriculture and Fisheries Department is undertaking a widespread programme of tree planting in suitable areas within country parks. And the New Territories Development Department is also carrying out extensive tree planting within the new towns and on their fringes. In 1980 twenty thousand trees were planted in Tuen Mun alone and it is envisaged that in 1981 as many as 300,000 trees will be planted as part of the landscaping programmes for the new towns. Within the urban areas as well, the Urban Services Department plans from 1981 onwards to adopt May of each year as 'Tree Planting Month'. This year it hopes to plant at least 16,000 trees and in future years it plans to encourage schools, property companies, welfare and other organizations to join with it in supporting the programme.

Other activities aimed at encouraging tree planting include the School Forestry Work Camps which have been organized by the Education Department since 1966. Forty-eight such camps were held in July and August

1980, each consisting of 18-20 students. In addition a six-day residential Training Camp for student leaders of School Conservancy Clubs has been organized in each of the past four years and this is expected to continue in future years.

REVD. JOYCE M. BENNETT:—*Sir, will the trees which are free of charge grow into large shady trees or are they of the flowering shrubs variety (laughter)?*

SECRETARY FOR THE ENVIRONMENT:—I am afraid I cannot answer that one. I have to ask my friend the Director of Agriculture and Fisheries afterwards and then write to Miss BENNETT.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY.)

All shrubs and young trees supplied by the Agriculture and Fisheries Department for planting at schools and elsewhere are selected to suit the site concerned following a site inspection. In so far as it is possible, a mixture of species is supplied both for amenity purposes and as educational aids. Fast growing species such as acacia are always included to provide shade when mature.

Follow-up visits are made on request and schools will normally seek the advice of the Agriculture and Fisheries Department if trees or shrubs supplied do not grow well or survive. I understand that normally the survival rate is high.

REVD. JOYCE M. BENNETT:—*Thank you, Sir, And also does the Agriculture and Fisheries Department survey the trees that they planted after a few years to make sure that they are still surviving (laughter)?*

SECRETARY FOR THE ENVIRONMENT:—I am sure they do, Sir.

MR. LOBO:—*May we know if this massive scheme of planting trees is merely to improve the landscape or to replace some of the trees which have been burned up through negligence of picnickers and others who have no care for our countryside?*

SECRETARY FOR THE ENVIRONMENT:—No, Sir, the tree planting programme in the new towns and on the fringes is to improve the landscape.

School Medical Service Scheme

6. MR. WONG LAM asked in Cantonese:—

政府可否就「學生保健計劃」之進展發表聲明？

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

Will Government make a statement on the progress of the School Medical Service Scheme?

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, the aim of the School Medical Service Board, which is an independent statutory body, is to operate a scheme to provide economical medical treatment for pupils from Primary I to Form III in participating schools.

The scheme is basically school-based, voluntary and contributory. Under this scheme, the pupil is required to contribute only \$5 per year while Government's contribution is \$30 per pupil per year. I am given to understand that the Government contribution will be increased to \$50 from 1 April 1981.

The arrangements under this scheme are for a registered medical practitioner to participate in the scheme on application to the Board. He is required in his office during normal consultation hour to attend to pupils allotted to him from one or more schools. Depending on circumstances of the particular case, he may issue prescriptions for certain drugs which are dispensed at a pharmacy, the cost of which is to be borne by the patient.

Participation in the scheme for the last five years as at 31 March of each year are as follows:—

<i>Year</i>	<i>No. of Pupils</i>
1976	94,377
1977	106,193
1978	111,494
1979	132,022
1980	170,574

It can be seen therefore that there has been a steady increase in the number of pupils participating in the last five years and in the last year there was an increase of nearly 40,000 pupils or 30% over the previous year. The present number of participating pupils is 200,000.

On the whole, the scheme is serving its aims in that it is providing an economical medical service to those who opt for it.

REVD. JOYCE M. BENNETT:—*Sir, what is the proportion of Primary I to Form III students in the scheme if the present number participating is only 200,000 pupils?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, I have not got those figures with me, but I shall write to Miss BENNETT about these.

(THE FOLLOWING WRITTEN REPLY WAS PROVIDED SUBSEQUENTLY.)

The number of pupils participating from Primary I to Form III by years and the total number of pupils during the nine years as at 31.1.81:

Primary	I	92,534
	II	90,842

Primary	III	91,964
	IV	90,327
	V	88,111
	VI	86,482
Form	I	96,899
	II	94,669
	III	<u>95,218</u>
Total:		<u><u>827,046</u></u>

As at 31.1.81 enrolment was 202,000; thus, the percentage of children participating in the scheme in proportion to the number of children in the nine classes is 24.4%.

REVD. JOYCE M. BENNETT:—*Sir, will the Government consider extending this scheme so that students are no longer required to pay a \$5 fee which will be so small in relation to the \$50 per student paid to the doctor from 1 April this year?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—*Sir, as I have said before, this is a voluntary, contributory scheme in which the pupils need only pay \$5 a year, with the Government bearing the bulk of the contribution. This is in fact a nominal contribution mainly to serve as a registration fee and an indication of interest on the part of pupils, therefore it should not be prohibitive to the participants and certainly should not discourage participation. I am also given to understand that in fact the question to whether this contributory scheme should be changed to a free one has been raised in Finance Committee and I should not like to say any more to prejudice the consideration of the matter.*

Unemployment

7. DR. HO asked:—*Will Government comment on the reasons behind the recent increase in unemployment and say what measures it is taking to ease the situation of the unemployed?*

THE FINANCIAL SECRETARY:—*Sir, during the twelve months ending September 1980, the growth rate of the labour force (which includes the unemployed as well as the employed) was very rapid at 8.3%. This is three to four times the trend growth rate of the labour force during the previous eight years. So, although there was a strong growth rate of demand for labour, it was not rapid enough to absorb completely this additional supply. Thus, although the growth rate of the *employed* labour force was as high as 7.2% during the twelve months ending September 1980, the unemployment rate increased from 3.4% in September 1979 to 4.3% in September 1980 (from 2.8% to 3.8% on a seasonally adjusted basis).*

The major factor accounting for the very rapid growth rate of the supply of labour was, of course, immigration. Immigrants add *directly* to the supply of labour. And they did to the supply of labour *indirectly* too. Through competing for job opportunities and slowing down the rate of increase in wages, even in a tight labour market, they indirectly force relatively more people, such as housewives, into the labour force: so the labour force participation rate in September 1980 was 63.8% which is significantly higher than that in September 1979 at 62.4%.

Against this background, any positive attempt “to ease the situation of the unemployed” must be directed at further reducing the flow of immigrants but, should the economy’s growth rate decline in the months ahead (and a decline in the growth rate of domestic exports is already under way), the unemployment rate may rise further temporarily until the cost/price structure adjusts downwards and our competitiveness is restored to the extent necessary to restore a state of full employment, which state I would define as one where the unemployment rate is around 4% or less.

Now as regards the unemployed people themselves, there are two points to be made: *first*, the Local Employment Service of the Labour Department provides a free employment placement service to persons wishing to seek employment locally. The facsimile system installed in August 1978 has helped to speed up dissemination of information on job vacancies and has improved the effectiveness of the operation of the L.E.S.

Secondly, any person under 17 or over 59 years of age who has been resident in Hong Kong for one year is eligible for public assistance if the total income of his *family* (i.e. the family which sits round the meal table) falls below the P.A. level, (which was increased by 22% in September 1980). In the case of an able-bodied unemployed person between 15 and 59 years of age there is a residence requirement of two years before he becomes eligible as an unemployed person for P.A. and it is necessary for him to have been registered with the L.E.S. for a month and not yet in gainful employment.

DR. HO:—*Sir, as eligibility for public assistance is based on the household income, the current public assistance scheme is of little assistance to the unemployed persons who are living in their family. Will Government consider, therefore, a social insurance scheme which will provide cash payment under certain prescribed conditions, and which will be financed by contributions from parties concerned?*

THE FINANCIAL SECRETARY:—That is a wide ranging supplementary question, Sir, which I don’t think really follows from the question on the Order Paper. All I can say is that the honourable Member’s question has been noted and will be considered. But the objectives of the public assistance scheme are well known. It is an income support scheme and I would personally find it difficult to imagine that we should depart from it.

Development of local fishing industry

8. MR. S. L. CHEN asked:—*Will Government consider assisting the further development of our fishing industry, particularly deep-sea fishing, in view of the recent reduction of in-shore fishing grounds accessible to our fishing fleet?*

DIRECTOR OF AGRICULTURE AND FISHERIES:—Yes, Sir. The development of the local fishing industry, particularly deep-sea fishing which provides some 70% of total fish landings, has always been a matter of prime concern for Government and the assistance already being given is, in view of the present situation, being stepped up.

This assistance includes low-interest loans from departmentally administered loan funds to build new boats; to convert existing boats to other methods of fishing especially deep-sea fishing; to purchase suitable new gear and equipment and to provide working capital for essential expenses. Loan procedures are being simplified to expedite the issue of funds and, where necessary, repayment terms for existing loans have been eased.

Courses are conducted by departmental staff to train fishermen in navigation, engineering and the use of electronic equipment, to enable them to fish further afield in deeper water where coastal landmarks cannot be used and to improve their fish finding ability. Courses are also conducted in business management. Fishermen are being actively encouraged to attend these courses which will be expanded to meet increased demand.

The Department Fisheries Development Service provide fishermen with improved designs for vessels and gear to help them to diversify and to increase their productivity.

Research effort is being concentrated on the identification of new resources, particularly bottom living fish stocks which can be fished by methods presently practised in previously unexploited areas further from the coast and mid-water or surface fish stocks which must be exploited by new fishing methods. To this end a programme of activities is being planned for Government's newly acquired modern fisheries research vessel which is fitted with the latest equipment for this type of work.

Sir, every effort will be made to assist in-shore fishermen who wish to convert to off-shore or deep-sea fishing.

MR. S. L. CHEN:—*Sir, how many fishermen are taking advantage of the educational courses offered by the Government, and are these courses conducted on a regular basis?*

DIRECTOR OF AGRICULTURE AND FISHERIES:—Sir, during 1980, 11 courses attended by 135 fishermen were conducted by Government. The courses are conducted on a regular basis. The navigation courses are of six months

duration, the engineering and coxswain's courses of three months duration and the business type courses are slightly shorter.

Public transport priority scheme on King's Road

9. MISS DUNN asked:—*Would the Government state why, given all the planning that apparently went into the scheme, the public transport priority scheme on King's Road has initially proved a failure and what modifications to the scheme are now proposed?*

SECRETARY FOR THE ENVIRONMENT:—Sir, with respect, I think it is an exaggeration to label the whole of the King's Road public transport priority scheme a failure (*laughter*). The scheme involves a number of measures and, while some of these may not have worked as well as could have been wished in the initial stages, others have been relatively successful.

Among the successes has been a significant increase in the speed of trams over virtually the full length of the segregated track from Tai Koo Shing to Causeway Bay. This has enabled the trams to carry 40-50,000 more passengers per day more speedily than before the scheme was introduced. There has also been an improvement in bus speeds eastbound along virtually the whole length of King's Road and also westbound from North Point to Central. The problems, on the other hand, have mainly centred on westbound traffic in the morning peak in the section from Shau Kei Wan to the Quarry Bay area beyond Tai Koo Shing.

Here I must emphasize that what is involved is a complex traffic management scheme. There are over 100 road junctions along the whole length of the system. Each one has different characteristics and involves a considerable number of variables in terms of traffic behaviour. It was impossible fully to account for all these variables in advance and so it was not unexpected that modifications would need to be made to the scheme in the light of actual experience with its working.

I would also emphasize that the objective of the scheme, as its name implies, has been to provide adequate priority to the large public transport carriers, trams and buses, to help them move faster and thus carry more people along this congested corridor. It was appreciated from the outset that this would inevitably reduce the space available for other road users and thus make their journeys more difficult in the peak hours when the scheme is in operation. The object was, and is, to move the maximum number of people along the corridor in peak hours rather than the maximum number of vehicles.

The severe congestion in the morning peak through Shau Kei Wan and Quarry Bay is partly due to the road through Shau Kei Wan being too narrow to accommodate an effective bus lane. This bottleneck affects all

traffic and, among other things, it has prevented buses from gaining access to the bus-only lanes at the beginning of King's Road because of the blockage of other traffic. The problem has, however, been made much worse by congestion in the Quarry Bay area due to two other factors.

The first is the very considerable volume of traffic leaving Tai Koo Shing and turning right, the movement of which has again prevented buses from entering the bus-only lane at that junction. The second, and more important, has resulted from the bus-only lanes being cut back before junctions to allow for left turning traffic. Despite clear markings on the road to indicate that the inside lane at these points should be used by left turning traffic only, drivers of vehicles not turning left have also been cutting into these sections to try to jump the queue. Their subsequent attempts to force their way back into the through lanes after the junctions have then inevitably led to the traffic stream becoming more severely blocked. And this again, in its turn, has resulted in long tail backs of traffic through previous junctions, thus bringing all traffic, including buses, to an almost complete halt. This snarl up of traffic was stretching all the way back from just east of the King's Road/Java Road junction to Shau Kei Wan and it was the main reason for the Police decision to suspend the bus-only lanes from Finnie Street eastwards.

I should add here that this particular feature of setting back the bus lanes at junctions in order to facilitate left turning traffic has been proved to work well with similar schemes in Europe, where driver discipline is generally high. But it has not proved to be successful in Hong Kong. For this reason it is now planned to extend the bus lanes much closer to the junctions to prevent abuse of the scheme.

Apart from this modification, other changes to the scheme now being worked out mainly involve detailed adjustments in, for example, traffic signal timings and the extension of bus-only lanes further up Chai Wan Hill. The main problem which remains is the very restricted width of carriageway available in Shau Kei Wan Road. This is compounded by the presence of bottlenecks where, for instance, some old buildings jut out and narrow down the road space still further. The possibility of resuming certain private lots in order to remove some of these bottlenecks is now being investigated. In addition, the whole of the difficult section through Shau Kei Wan and Quarry Bay is being examined in detail to seek acceptable solutions; and the bus-only lanes in this section will only be restored when such solutions have been found and are thoroughly tested.

MISS DUNN:—*Sir, while the object of bus-only lanes, which is to give priority to the majority of commuters, is obviously right, is it really a practical solution on King's Road, given that there are no alternative routes for any of the transport modes using King's Road?*

SECRETARY FOR THE ENVIRONMENT:—Sir, the object of the scheme, as Miss DUNN said, is to improve the movement of commuters by giving priority to buses and trams. As I said, inevitably other traffic is going to be more inconvenienced by this than they were before the scheme was introduced. Providing that the buses and the trams can move more freely than they did previously, then I think we would have to count the scheme as a success. If they cannot, and the object is to move the commuters through the corridor, if they cannot, then I am afraid that more drastic solutions will have to be considered.

MISS DUNN:—*Sir, is every possible effort made to ensure that the theory behind any traffic management scheme will be borne out in practice, so as to minimize inconvenience to the public?*

SECRETARY FOR THE ENVIRONMENT:—Yes, Sir. I have tried to explain what went wrong with this scheme in the sections in Shau Kei Wan and Quarry Bay, and a large part of the cause was the setting back of the bus-only lanes before the junctions. This was a compromise between the departments involved. As sometimes happens, it turns out that the compromise was not a very successful one. Now I am afraid the slightly more extremist views will have to prevail.

REVD. JOYCE M. BENNETT:—*Sir, do we have, does the Government have, enough staff in this department to do this? Do we have people counting the traffic at each of these 100 road junctions and surveying the direction of the vehicles on a regular basis over an adequate period of time before introducing the scheme? Or is it that we do not have enough staff to do these basic counting procedures before we do this?*

SECRETARY FOR THE ENVIRONMENT:—Sir, surveys were undertaken, I cannot say on a regular basis because I must agree with Miss BENNETT that you would have to have an army of staff to do this continuously. But surveys have been conducted on the movement of traffic and of course the Traffic Police keep surveillance on the movement of traffic especially in the peak hours every day.

MR. LOBO:—*Sir, with the bus-only lane, may we know if the buses are carrying more people or if the trams have taken the passengers from the bus? Of course I am not asking how many people have decided to walk* (laughter).

SECRETARY FOR THE ENVIRONMENT:—Sir, there has undoubtedly been some movement of passengers to trams, partly because the trams are now on the whole moving faster, at least in the eastern part of the scheme. But also there has been a movement of passengers from buses to trams on the pure basis of the price mechanism seeing that the fare on the trams is 30 cents and the fare on the buses is generally 50 cents.

MR. CHAN KAM-CHUEN:—*Sir, I remember some years ago when we had to study the harbour currents, there was a sort of model whereby you studied them before undertaking more reclamation. Is such a type of model either by electronic methods or by computer available to Transport Department to study the flow of traffic before they put a major operation, or major change, into operation?*

SECRETARY FOR THE ENVIRONMENT:—No, Sir. I understand there is some sort of model at the Polytechnic, and they have promised to show it to us (*laughter*). But the Transport Department certainly does not possess a model of this sort.

MR. YEUNG:—*Sir, I have heard the common people say that only because high civil servants are not living down in the Quarry Bay area that is why the bus-only lane is instituted. Is there any justification in this I don't know. What is the comment to be made by the Secretary for the Environment?*

SECRETARY FOR THE ENVIRONMENT:—Sir, I am sure there is no necessary connection between those two facts (*laughter*).

High costs of domestic accommodation

10. DR. HENRY HU asked:—*Is Government aware that the present cost of domestic accommodation is already beyond the reach of most salary-earners and will Government consider taking steps to ensure that privately built domestic properties are not hoarded for speculative purposes?*

SECRETARY FOR HOUSING:—Sir, the Government is aware that the cost of both purchasing and renting private accommodation has increased substantially over the past two years.

Prospective home buyers have been directly affected by high purchase prices, combined with unprecedented high interest rates, which have led to a considerable increase in monthly mortgage loan repayments. This must have had the effect of putting the cost of home purchase beyond the resources of many people on fixed incomes.

Those people not in protected tenancies who are seeking rented accommodation will also have found it more expensive to obtain accommodation appropriate to their needs.

According to the 1980 Property Review domestic vacancies at the end of 1979 in respect of new premises completed during that year totalled 11,200 units, or just over 40% of the number built.

A mid-year review in June 1980 showed that of the 27,565 units completed in the preceding twelve months 11,405 or 41.3% were vacant, showing a

marginal increase. Enquiries indicated that a large proportion of these had been vacant for a longer period and that the majority of these units were in the hands of individual owners.

The reasons for premises being kept vacant are various, and the possibility cannot be ruled out that some are being hoarded for speculative reasons. In other cases owners may be reluctant to let out their property at this time because of the effect that rent control legislation would have on such lettings in the future.

The findings of the surveys do not, however, indicate any significant rise in the number of domestic flats being kept vacant. The rate of vacancies fluctuates from quarter to quarter and is also affected by the rate of completion. The level of vacancies at the end of 1979 at 3.2% of the total is about the same in percentage term as in 1973 and slightly lower than 1974, and certainly a far cry from the mid-sixties when over 19,000 flats or nearly 9% of the then total stock remained vacant for a considerable period. The situation is being kept under review through the Commissioner of Rating and Valuation's property surveys at regular intervals.

Members will be aware that since 1974 full rates have been levied on all domestic premises, whether occupied or not, three months after the issue of an occupation permit. This is intended to discourage owners from keeping premises vacant.

DR. HENRY HU:—*Sir, are there any measures contemplated by the Government besides the steps already taken by the Government mentioned in the answer?*

SECRETARY FOR HOUSING:—*Sir, the possibility of imposing additional rates as a penalty has been considered in the past, but the immensity of the task of regularly checking occupancy position of a very large number of flats scattered all over the territory makes such a scheme impractical. The experience in the United Kingdom in imposing surcharges on unoccupied commercial premises in the early 70s, suggests that the imposition of penalties for vacant domestic premises would not achieve the desired object, would be difficult and costly to administer, and would be likely to be open to avoidance on technical grounds.*

Water supplies to squatter areas

11. MR. STEPHEN CHEONG asked:—*Will Government inform this Council of:—*

(a) *the present policy regarding the provision of standpipe water supplies in surveyed and unsurveyed squatter areas; and*

(b) *whether the standard of one standpipe for every 500 persons will be reviewed in order to improve water supplies to these areas?*

DIRECTOR OF PUBLIC WORKS:—Sir, the present approved policy is that standpipes should be installed to provide free water supplies to all squatter areas on recommendations currently made by City District Officers and District Officers of the New Territories Administration.

The provision of standpipes is on the basis of one standpipe for every 500 persons without metered supply, the main conditions being:—

- (a) the number of people required for a standpipe to be installed may be varied downwards
 - (i) where the area served exceeds a radius of 500 feet or a difference in elevation of 200 feet, or
 - (ii) where the Health Authority certifies that there were over-riding health considerations due to inadequacy or gross pollution of existing supplies;
- (b) the installation of standpipes to be subject to the Director of Water Supplies' advice on the feasibility of the proposal in question.

The supply of water to squatter areas is being actively examined by the Water Supplies Department in conjunction with other interested Government departments. Improvements in the provision or location of standpipes may prove technically feasible in the majority of areas. However, many of the problems of providing an adequate supply arise from the location of squatter areas, which may be remote from the nearest available supply or which may be at an elevation above that capable of being supplied from the water distribution system by gravity, such as the higher slopes of the Ma Shan area. The possibility of extending supplies to these areas is included in the current examination, which may indicate that the improvement of supplies generally lies in the provision of more individually metered services. Such services have already been provided in a few areas where proper access, a reasonable configuration of the layout of the dwellings to permit mainlaying, and postal identification of the dwellings for billing purposes are available.

MR. STEPHEN CHEONG:—*Sir, is it possible for time constraint to be imposed on the current examination process as mentioned by the D.P.W. so that concrete recommendations can be made and policies implemented at a quicker pace than has been experienced so far?*

DIRECTOR OF PUBLIC WORKS:—Sir, I would not like to place a time constraint on this exercise at the moment. It is rather a complicated one. But I hope I can assure my honourable Friend that we will pursue this as quickly as possible.

Government business

Motions

WHITE PAPER ON DISTRICT ADMINISTRATION IN HONG KONG

THE CHIEF SECRETARY moved the following motion:—That this Council welcomes the proposals set out in the Government White Paper ‘District Administration in Hong Kong’ for providing a better focus for administration, consultation and participation by the community at the district level.

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

As Members are aware, the White Paper ‘District Administration in Hong Kong’ was published last Wednesday, the 14th of January. It sets out the Government’s proposals for providing a better focus for consultation and participation for involvement—by the community in administration at the district, the grass roots, level.

The White Paper was developed from the Green Paper ‘A Pattern of District Administration in Hong Kong’ which was published as a consultative document for public comment in June of last year. In addition, in drawing up the proposals in the White Paper, the Government has taken full account of the written comments received from the public and interested parties, the views in the media, and the points and observations made in this Council in the debate on the 22nd and 23rd of October last year. I should like to take this opportunity, Sir, to thank all those who have taken an interest in and contributed views and comments on the issues discussed in the Green Paper.

The White Paper, Sir, is entirely about administration at the district level. The central organs of Government, the Executive and Legislative Councils, have evolved and will continue to evolve as circumstances require and the special circumstances of Hong Kong dictate. The Government’s aim to improve district administration, as explained in the White Paper, does not involve changes to existing arrangements for the Urban Council, except in electoral matters. The Paper proposes the establishment of District Management Committees and District Boards throughout Hong Kong, and the holding of elections on a constituency basis to introduce an elected element to the District Boards. This has been widely reported in the media in the past week and I do not propose repeating the details here this afternoon for they are fully set out in the document in Members’ hands and are summarized in Chapter 9 of that document.

I would, however, like to touch upon certain aspects of the White Paper which have been the subject of comment in the media and within the community.

I assure this Council that the Government has given the most careful consideration to all the views and comments on these issues which were

made known to it. Naturally not all the views were compatible and not all of them could be accommodated. For example the Green Paper proposed the introduction of electoral constituencies both for the District Boards and for the Urban Council. There was both support for and argument against this proposal. But the entire thrust of the Green Paper, confirmed in the White Paper, is on the improvement of administration at the district level. This being so it makes obvious sense to have elections for the Urban Council based on constituencies linked to the districts themselves. The public response on this point overwhelmingly supports this view. The Government agrees and will proceed with constituency based elections rather than with territory-wide elections or a two-tier system involving both methods.

I now turn to the role of the District Boards. They may be mainly advisory in nature, but we intend and firmly expect that they will have substantial power of influence over district affairs. This is because District Boards will be monitoring the performance of Government and the District Management Committees at the district level, and because they are able, and will be encouraged, to discuss a very wide range of matters which affect the wellbeing of residents and people working in the districts.

District Boards will also advise how funds allocated for district projects are to be used and, where funds are made available for the purpose, the Boards will be able to use them for minor environmental improvements and for the promotion of recreational and cultural activities in the districts. Subject to the examination by this Council of the Draft Estimates for the coming financial year, and in order to meet the requirements of Boards as they come on stream during next financial year, it has been proposed that Government make available \$3.5 million in the Urban Area: for Boards in the New Territories (where District Boards have been in being for some years) an amount of \$12.2 million is proposed. These sums are substantial compared with the present allocation of \$0.5 million in the Urban Area (this is for Kwun Tong alone) and \$6 million in the New Territories.

There will be an unofficial majority on the District Boards. The Boards will have a membership of some 25-30 of which approximately one quarter will be officials with the remainder divided more or less equally between elected and nominated or appointed members. They will in due course have a Chairman elected by the Board members. Given the emphasis on district administration and the fact that District Boards may bring matters to the attention of the Director of Home Affairs, the Secretary for Home Affairs, the Secretary for the New Territories, and Heads of Departments, all of whom will no doubt report matters of significance to you and to me, Sir, I have confidence that in the provision of public services and the implementation of Government programmes at the district level great weight will be given to the advice from the District Boards. There is no question that District Board advice will be ignored or not accepted without very good reason indeed. If this were not the case, if we—as a Government—were not seen

to be most genuine and keen to involve the public in district affairs: if we were seen to be less than sincere in our desire, our determination, to be a consulting and a responsive Government, then Board members—and others—would lose heart and become dispirited and frustrated and our grand design to improve district administration, to involve the community more, much more, in their day to day affairs will have failed. But the Government, Sir, is determined that there will be no failure: that the District Boards will be successful: that we shall play our part to the full.

In conclusion, I repeat that the proposals in the White Paper are for improving district administration; it is not an exercise in constitutional change. Our aim for the people of Hong Kong is a satisfying life in a satisfying, contented community. And in saying that, Sir, I fully appreciate that in so many areas we are sadly a long way from achieving that aim. But this aim, surely, can only be met by the creation of a partnership between responsive Government and responsible citizenship. Such a partnership would be difficult, perhaps impossible to cultivate unless the people use, with energy and responsibility, the opportunities available to involve themselves directly in the administration and leadership of the districts in which they live. This White Paper now sets out Government's intentions to provide such opportunities. It is a challenge to us all, to the community as a whole, including—perhaps in particular—members of this Government. For my part, I am confident that the people of Hong Kong will, as they have done so often in the past, use such opportunities well and to their advantage.

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

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

Question put and agreed to.

ROAD TRAFFIC ORDINANCE

THE SECRETARY FOR THE ENVIRONMENT moved the following motion:—That the period for which there remains in force the limit on the number of motor vehicles which may be registered as Hong Kong and Kowloon Taxis, specified in the notice published as Government Notice No. 213 on 18 January 1980, be extended to 31 July 1981.

He said:—Sir, I rise to move the motion standing in my name on the Order Paper. It provides, under section 7E(3) of the Road Traffic Ordinance (Chapter 220), that the period for which there remains in force a limit on the number of motor vehicles which may be registered as Hong Kong and Kowloon taxi, as specified in the notice published in the *Gazette* as Government Notice No. 213 on 18 January 1980, should be extended to 31 July 1981.

On 8 January 1980, under the powers conferred by section 7E(1) of the Road Traffic Ordinance, the Governor in Council ordered that the total number of vehicles that could be registered and licensed as urban taxis should be set at 10,000, to be reached as hitherto by issuing by tender 300 taxi licences every three months. Under section 7E(2) of the Ordinance, the limit thus set remained in force until 18 July 1980. On 9 July 1980, this Council resolved under section 7E(3) of the Ordinance that the limit should be extended to 31 January 1981.

The number of urban taxi licences issued at the present time is 9,369. This will be increased by 300 in the current tendering exercise and the extension of the limit by another six months will allow another tendering exercise to take place in March and April of this year.

I should add, Sir, that the Government is continuing to keep the operations of the taxi trade under careful review, including arrangements for the future issue of licences after the present limit has been reached. The considerations involved are now being examined and it is hoped that proposals will be submitted to Your Excellency in Council in the near future.

Sir, I beg to move.

Question put and agreed to.

Motion (in Committee)

SUPPLEMENTARY PROVISION FOR THE QUARTER ENDED 30 SEPTEMBER 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 proposals set out in Paper No. 30.

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

The schedule of supplementary provision for the second quarter of the financial year 1980-81 covers a total amount of \$574 million. Of this sum, \$221 million was required to augment personal emoluments subheads on account of the 1980 salaries revision and \$256 million was required for expenditure on public works projects, including provision for 27 projects upgraded to or included for the first time in Category A of the Public Works Programme.

The supplementary provision covered by the schedule resulted in a net increase of \$230 million in the expenditure approved for the year, the

remainder being offset by savings under other heads of expenditure or by the freezing of funds under Head 54 Miscellaneous Services Subheads 100 and 260 Additional commitments.

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

URBAN COUNCIL (AMENDMENT) BILL 1981

INLAND REVENUE (AMENDMENT) BILL 1981

SUMMARY OFFENCES (AMENDMENT) BILL 1981

Second reading of bills

URBAN COUNCIL (AMENDMENT) BILL 1981

THE CHIEF SECRETARY moved the second reading of:—‘A bill to amend the Urban Council Ordinance’.

He said:—Sir, I rise to move the second reading of the Urban Council (Amendment) Bill 1981.

The White Paper ‘District Administration in Hong Kong’ laid on the table of this Council this afternoon proposes that the number of elected members of the Urban Council should in April 1983 be increased from 12 to 15, and that in March 1983 a new system of Urban Council elections based on a broader franchise, and on electoral constituencies should be introduced. Implementation of these proposals will be contingent upon the adoption by this Council of the earlier motion in my name in respect of the White Paper on District Administration, but it is necessary now to set in train the appropriate legislative amendments to the Urban Council Ordinance to make implementation possible.

Under the existing law, there is a statutory requirement to hold ordinary elections under the present electoral system in March this year to elect six members to serve for a term of four years on the Urban Council. If the new proposals are to be implemented it will be necessary to make transitional arrangements to ensure that these six Urban Council members should complete their term of office in March 1983 when the term of the other six elected Urban Council members (that is, those elected in March 1979) is also due to expire. Accordingly, the Urban Council (Amendment) Bill 1981 enables these transitional arrangements to be made by providing for the Urban Council members to be elected in March this year to serve for a period of two years up to March 1983, instead of the normal period of four years.

A Returning Officer for the Urban Council elections due in March 1981 has been appointed and he will announce, within the ten-day period starting from today, a day in March for the forthcoming elections, and will receive nominations of candidates thereafter. The Urban Council (Amendment) Bill 1981 is therefore introduced into this Council today so as to ensure that people who may wish to run for election then, and the public, know clearly that the election is for a term of office of two years.

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 CHIEF SECRETARY.

Question put and agreed to.

INLAND REVENUE (AMENDMENT) BILL 1981

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

He said:—Sir, I move the second reading of the Inland Revenue (Amendment) Bill 1981.

Section 28 of the Inland Revenue Ordinance provides for exemption from tax of interest payable by the Government, by licensed banks and by certain specified public utilities, provided that the rates of interest do not exceed the percentage rate specified by the Financial Secretary, from time to time, by notice in the *Gazette*; the Financial Secretary’s authority to specify the rate of exemption is in turn subject to a ceiling set in section 28(1) of the Ordinance.

The rate of exemption has, for many years, been varied to accord with the rate paid by banks on savings accounts, which is also the rate paid on its surety deposits by one of the power companies. If this interest were not

exempted, large numbers of small depositors and consumers of power would become liable to tax, which the banks and the utility companies would be obliged to deduct and account for; there would, subsequently, be a large number of claims for refunds under the provisions for personal assessment in the Inland Revenue Ordinance.

In the course of the last four months of last year the Exchange Banks' Association progressively raised the ceiling on various deposit rates, and the note-issuing banks raised their best lending rates, in response at different times to the internal pressure of an excessively fast growth rate of bank lending, and to the external pressure caused by rising interest rates in other countries on the exchange value of the Hong Kong dollar. These increases followed a period in which the level of domestic rates had been progressively reduced from their March 1980 high point.

On 9 December last the latest increase in the Exchange Banks' Association's rate of interest on savings accounts brought that rate to 11%, which was higher than its previous peak of 10½% reached in March 1980.

The Bill before honourable Members today accordingly seeks to raise from 10½% to 11% the ceiling on the Financial Secretary's authority to specify the rate of exemption. This Bill was of course brought into force on 9 December by means of a Revenue Protection Order, and on the same day I signed a notice specifying 11% as the rate of exemption for the time being.

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.

SUMMARY OFFENCES (AMENDMENT) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—‘A bill to amend the Summary Offences Ordinance’.

He said:—Sir, I move that the Summary Offences (Amendment) Bill 1981 be read a second time.

Organizers of lion and similar dances are required by law to obtain advance permission from the Police for performances. In the absence of control there is a danger that unruly or unlawful behaviour may occur, or that the free movement of pedestrian and vehicular traffic may be obstructed.

Hitherto the means of control has been to issue a licence under the provisions of the Public Order Ordinance. However with the recent review and amendment of that Ordinance activities such as lion dances have been

excluded from the amended legislation on the grounds that a more appropriate context should be found for continuing control. Hence the Summary Offences (Amendment) Bill 1981.

A feature of the Bill is that it makes provision for the Commissioner of Police to issue general permits. It is intended that reputable organizations who organize dances regularly, for example for official functions, should be able to apply for a general permission which will relieve them of the necessity of obtaining approval on individual occasions. It is hoped thereby to avoid inconvenience to those whose activities pose no problems for law and order.

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 SECURITY.

Question put and agreed to.

EMPLOYMENT (AMENDMENT) BILL 1981

Resumption of debate on second reading (7 January 1981)

Question proposed.

MR. CHAN KAM-CHUEN:—Sir, the Employment Ordinance is one of the principal legislation giving protection to industrial and non-industrial employees generally in Hong Kong. It covers various conditions of work such as duration and termination of contract, wages, hours of work, maternity leave, sick leave, rest days and holidays with pay.

Its provisions benefit all manual employees, whatever their wages, but only non-manual employees such as the white collar class up to a certain wage ceiling are covered. Above this ceiling, such employees have to seek protection from common law.

When the principal Ordinance was enacted in September 1968, the ceiling was \$1,500 per month. It was subsequently increased to \$2,000 per month in March 1974 and \$3,500 in April 1979. Since the oil crisis in the early 1970s the Government has reacted fairly promptly in response to changed conditions due to inflation. The present amendment Bill is a timely one in view of the economic conditions of Hong Kong and the proposed ceiling at \$6,000 per month appropriately reflects the range for the sub-managerial or supervisory level. An annual review of this ceiling is necessary, especially in these days of double-digit inflation.

As far as severance pay is concerned, for those who may still have some doubts about this figure, I would like to point out that the severance pay

is only approximately half of the final monthly pay for each year of service and many good employers in Hong Kong have now provided better benefits for early retirement due to ill health or abolition of post.

As our laws are generally based on those of the United Kingdom and since British labour legislation began in the late 18th century due to the working conditions of textile factories there, it was only natural that the protection of manual workers was given primary consideration.

In economics, a person who sells his time to render any valuable service in the production of wealth but without assuming any risk in the provision of capital, is considered an employee. With the increased affluence of our society built on diversified business activities, the pay disparity between blue and white collar classes is fast disappearing as they both contribute equally to our present prosperity. With improved education and technology, the ratio of using one's brain or hands in one's work is rapidly changing and the demarcation between manual and non-manual employees is becoming blurred.

When the time is ripe, it is therefore desirable to have the wage ceiling for non-manual employees removed, not so much for administrative convenience, but for equity in the application of the law to all employees.

With these remarks, Sir, I support the motion.

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).

INDUSTRIAL TRAINING (CONSTRUCTION INDUSTRY) (AMENDMENT) BILL 1981

Resumption of debate on second reading (7 January 1981)

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).

FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981**Resumption of debate on second reading (7 January 1981)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage of bills**EMPLOYMENT (AMENDMENT) BILL 1981**

Clauses 1 to 4 were agreed to.

INDUSTRIAL TRAINING (CONSTRUCTION INDUSTRY) (AMENDMENT) BILL 1981

Clauses 1 to 9 were agreed to.

FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981

Clauses 1 to 3 were agreed to.

Council then resumed.

Third reading of bills

The ATTORNEY GENERAL reported that the

EMPLOYMENT (AMENDMENT) BILL

INDUSTRIAL TRAINING (CONSTRUCTION INDUSTRY) (AMENDMENT) BILL and the

FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL

had passed through Committee without 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:—Before I adjourn the Council may I wish all Members a very happy, healthy and prosperous Year of the Cock. In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday, 11 February.