

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 6 May 1987****The Council met at half-past Two o'clock****PRESENT**HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR DAVID CLIVE WILSON, K.C.M.G.

THE HONOURABLE THE CHIEF SECRETARY

MR. DAVID ROBERT FORD, L.V.O., O.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)

MR. JOHN FRANCIS YAXLEY, J.P.

THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)

MR. JEREMY FELL MATHEWS, J.P.

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

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

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

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.

THE HONOURABLE HU FA-KUANG, O.B.E., J.P.

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

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.

SECRETARY FOR DISTRICT ADMINISTRATION

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

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

THE HONOURABLE CHEUNG YAN-LUNG, O.B.E., J.P.

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, J.P.

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE YEUNG PO-KWAN, C.P.M., J.P.

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE JOHN WALTER CHAMBERS, O.B.E., J.P.

SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE JACKIE CHAN CHAI-KEUNG

THE HONOURABLE CHENG HON-KWAN

THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.

DR. THE HONOURABLE CHIU HIN-KWONG

THE HONOURABLE CHUNG PUI-LAM

THE HONOURABLE THOMAS CLYDESDALE  
THE HONOURABLE HO SAI-CHU, M.B.E., J.P.  
THE HONOURABLE HUI YIN-FAT  
THE HONOURABLE RICHARD LAI SUNG-LUNG  
DR. THE HONOURABLE CONRAD LAM KUI-SHING  
THE HONOURABLE LEE YU-TAI  
THE HONOURABLE DAVID LI KWOK-PO, J.P.  
THE HONOURABLE LIU LIT-FOR, J.P.  
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.  
THE HONOURABLE PANG CHUN-HOI, M.B.E.  
THE HONOURABLE POON CHI-FAI  
PROF. THE HONOURABLE POON CHUNG-KWONG  
THE HONOURABLE SZETO WAH  
THE HONOURABLE TAI CHIN-WAH  
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING  
THE HONOURABLE TAM YIU-CHUNG  
DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.  
THE HONOURABLE ANDREW WONG WANG-FAT  
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.  
THE HONOURABLE GRAHAM BARNES, J.P.  
SECRETARY FOR LANDS AND WORKS  
THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER  
THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.  
SECRETARY FOR SECURITY  
THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.  
SECRETARY FOR TRANSPORT  
THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, J.P.  
SECRETARY FOR TRADE AND INDUSTRY

**ABSENT**

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.  
THE HONOURABLE CHAN YING-LUN, J.P.  
THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.  
THE HONOURABLE HELMUT SOHMEN

**IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR. LAW KAM-SANG

**Address by the President**

HIS EXCELLENCY THE PRESIDENT: This is the first occasion on which I have had the privilege and the pleasure of presiding at a meeting of this Council. I am very aware of the enormous amount of work which Members devote to the activities not only of this Council, but also of its committees and of OMELCO. All these activities make a vital contribution to the process of government in Hong Kong. I should like to take this opportunity to thank Members for all they do in the service of the community and to say how much I look forward to working with you and presiding over your debates.

MISS DUNN: May I, Sir, on behalf of Members of this Council, thank you for your words of greeting and extend to you a very warm welcome to Hong Kong and to this Council.

You will find some of our proceedings lively and interesting. They reflect a wide range of views from different sectors of the community. And it will be clear to you, Sir, that we, all of us, share a common objective: that of the well-being and good government of this Territory.

We look forward to your guidance and pledge our full and whole-hearted support to you as Governor and as President of this Council.

We wish you and Lady WILSON, whom I see sitting among us today, a long, happy and successful stay in Hong Kong.

HIS EXCELLENCY THE PRESIDENT: Thank you very much.

**Papers**

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

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Civil Aviation (Aircraft Noise) Ordinance 1986 Civil Aviation (Aircraft Noise) (Certification) Regulations 1987 .....	103/87
Public Health and Municipal Services Ordinance Public Health and Municipal Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1987 .....	109/87
Civil Aviation (Aircraft Noise) Ordinance 1986 Civil Aviation (Aircraft Noise) (Aircraft Classes) Notice 1987 .....	110/87

<i>Subject</i>	<i>L.N.No.</i>
Subsidiary Legislation:	
Interpretation and General Clauses Ordinance Specification of Public Office .....	111/87
Civil Aviation (Aircraft Noise) Ordinance 1986 Civil Aviation (Aircraft Noise) Ordinance 1986 (Commencement) Notice 1987.....	112/87
Public Health and Municipal Services Ordinance Designation of Libraries (Urban Council Area) (No. 2) Order 1987 .....	113/87
Public Health and Municipal Services Ordinance Milk (Regional Council) (Amendment) (No. 2) By-Laws 1987 .....	114/87
Merchant Shipping Act 1979 Merchant Shipping (Carriers' Liability Under Athens Conven- tion) (Hong Kong Dollar Equivalents) Order 1987 .....	115/87
Merchant Shipping Act 1979 Merchant Shipping Act 1979 (Commencement) Order 1987.....	116/87
Immigration Ordinance Immigration (Amendment) (No. 2) Regulations 1987 .....	117/87
Merchant Shipping (Prevention and Control of Pollution) Order 1987 Merchant Shipping (Prevention and Control of Pollution) (Hong Kong) Order 1987 Merchant Shipping (Control of Pollution by Noxious Liquid Substances in Bulk) Regulations 1987 .....	118/87
Merchant Shipping (Prevention and Control of Pollution) Order 1987 Merchant Shipping (Prevention and Control of Pollution) (Hong Kong) Order 1987 Merchant Shipping (Reporting of Pollution Incidents) Regula- tions 1987 .....	119/87
Merchant Shipping (Prevention and Control of Pollution) Order 1987 Merchant Shipping (Prevention and Control of Pollution) (Hong Kong) Order 1987 Merchant Shipping (BCH Code) Regulations 1987 .....	120/87
Merchant Shipping (Prevention and Control of Pollution) Order 1987 Merchant Shipping (Prevention and Control of Pollution) (Hong Kong) Order 1987 Merchant Shipping (IBC Code) Regulations 1987.....	121/87

*Subject* *L.N. No.*

Subsidiary Legislation:

Merchant Shipping (Safety) Ordinance Merchant Shipping (Safety) Ordinance (Amendment of Schedule) Order 1987 .....	122/87
Merchant Shipping Act 1979 (Hong Kong) Order 1980 Merchant Shipping (Liability of Shipowners and Others) (Rate of Interest) (Hong Kong) (No. 2) Order 1987.....	123/87
Public Health (Animals and Birds) Ordinance Regulation of Movement of Dogs (Cancellation) Order 1987 .....	124/87
Banking Ordinance Banking Ordinance (Deposit-taking Exemption) (No. 2) Notice 1987 .....	125/87
Drug Addiction Treatment Centres Ordinance Drug Addiction Treatment Centre (Tai Tam Gap Correctional Institution) Order 1987 .....	126/87

Sessional Papers 1986-87:

- No. 55—Report on the Administration of the Travel Agents' Reserve Fund for the period 13 December 1985 to 31 March 1986
- No. 56—Mass Transit Railway Corporation Annual Report 1986
- No. 57—Kowloon-Canton Railway Corporation Annual Report 1986

**Address by Member presenting paper**

**Mass Transit Railway Corporation Annual Report 1986**

FINANCIAL SECRETARY: Sir, in accordance with section 16(4) of the Mass Transit Railway Corporation Ordinance (Chapter 270), the annual report and accounts of the Mass Transit Railway Corporation for the year ended 31 December 1986 are tabled today.

On 23 May 1986, the final section of the Mass Transit Railway Corporation's Island Line was opened to the public. Like all previous phases of railway construction completed by the corporation, the final section of the Island Line entered service early and its cost was below budget.

The MTR system now serves all major urban areas of Hong Kong Island and Kowloon. In 1986, 532 million passengers were carried, an increase of 15 per cent over the 463 million carried in 1985. The corporation's total revenue, derived principally from fares, rose by more than 21 per cent from HK\$1.4 billion to HK\$1.86 billion. Its profit before interest and finance charges increased by 27 per cent from HK\$372 million to HK\$472 million. These figures demonstrate that costs were controlled effectively.

The principal source of finance for the corporation's investment of HK\$24.6 billion in its three railway lines has been loans which totalled HK\$19.2 billion at 31 December 1986. With completion of construction, interest on these loans become fully chargeable to the corporation's Profit and Loss Account in 1986. These charges amounted to HK\$1.4 billion, compared with HK\$1.1 billion in 1985, and caused the corporation to suffer a loss after interest and finance charges of HK\$936 million in comparison with a loss of HK\$788 million a year earlier. That loss was offset to a material extent by a profit of HK\$482 million realised during the year on property development, so that the final loss for the year was HK\$470 million, a considerable improvement on the loss of HK\$788 million suffered in 1985.

I am confident that the corporation will continue to demonstrate its inherent profitability in future years, but, for some years to come, its heavy burden of debt and the interest charges on that debt will mean that losses after interest will continue, although they will be reduced to a useful degree by profits on property developments which are expected to be realised as developments on the Island are completed.

The corporation's capital structure, and the Share Capital and Debt components of that structure, was exhaustively analysed by the corporation and by the Government with the aid of independent merchant bankers two years ago. As a consequence of that analysis and after review by this Council, it was decided to increase the corporation's Authorised Share Capital, to issue shares with a nominal value of HK\$5 billion to the Financial Secretary Incorporated in partly paid form and to pay up HK\$2.5 billion on those partly paid shares in two tranches. The first tranche of HK\$1.5 billion was paid in cash to the corporation on 31 December 1985 and, in terms of the commitment approved by the Finance Committee, the second tranche of HK\$1 billion will be paid to the corporation in cash by April 1988.

Sir, on the basis of current forecasts and estimates, the board of the corporation and I hope that it will not prove necessary to request this Council's Finance Committee to approve payment of the remaining sum of HK\$2.5 billion. But all forecasts are frail. Those to which I have referred assume reasonable stability in the world's capital markets, and hence in interest rates, for three to five years and they assume also that the Mass Transit Railway Corporation will not build extensions to its system, apart from the Eastern Harbour Crossing which is being financed by an innovative means analogous to a long-term lease.

With the above reservation, I am satisfied that the corporation's capital structure is appropriate to its very large, very long-term characteristics and I believe that its forecast of repayment of its debts by about the end of the century is realistic in the light of the assumptions upon which the forecast rests. The corporation's finances and its debt are well managed. It has established a good standing with the Hong Kong and international financial community.

I take this opportunity to thank the board, management and staff of the Mass Transit Railway Corporation for the very efficient and responsible manner in which they have managed the corporation.

### **Kowloon-Canton Railway Corporation Annual Report 1986**

FINANCIAL SECRETARY: Sir, in accordance with section 14(5) of the Kowloon-Canton Railway Corporation Ordinance (Chapter 372), the annual report and accounts of the corporation for the year ended 31 December 1986 are tabled today.

During 1986, the corporation was able to consolidate its profitable position achieved in the preceding year. It achieved significant growth in all areas of activity. The net profit for the year, after depreciation and interest charges, was \$117 million, which was 113 per cent greater than in 1985. Total revenue amounted to \$734 million, 22 per cent higher than in 1985. The corporation's current and non-current liabilities at year end were \$535.8 million and \$155.2 million respectively. The \$1 billion debt due to the Government at the establishment of the corporation was completely repaid following the repayment of the remaining \$500 million in 1986.

The Kowloon-Canton Railway Corporation achieved significant growth in passenger and freight traffic during 1986. Total domestic passenger traffic grew by 12.2 per cent to 114.2 million passenger trips. Cross-border travel through Lo Wu reached 19 million passenger movements, which represented 82 per cent of all cross-border travel for the year. Freight carried to and from China continued to grow by 51 per cent and 31 per cent respectively.

To meet the growing demands and changing needs of the travelling public, the corporation has ordered 25 sets of new electric multiple units, with the first set expected to be ready for service in August this year. These extra units, together with the modification of the current fleet of 60 sets, will increase the passenger-carrying capacity of the railway by about 75 per cent.

The corporation has made sound progress in the construction of the Light Rail Transport system in the western New Territories. The system is now taking shape in Tuen Mun and preparatory work is well advanced in Yuen Long. Phase one is scheduled to be commissioned in August 1988. The corporation has also completed studies to appraise future routes to complete the system in the region. The possibility of extending the LRT to the urban areas and other parts of the New Territories is now under consideration by the Government.

Feeder bus services to the LRT will be provided by the corporation and 25 double deckers have been ordered. They will commence operations in the latter part of this year.

The expansion of the railway freight terminal on the Hung Hom Bay Reclamation is being studied by the corporation. This development is important if the projected increase in rail freight anticipated following completion of double-tracking from Beijing through to Shenzhen in 1988 is to be met.

The Kowloon-Canton Railway Corporation has clearly established itself as an efficient operator of one of Hong Kong's major public transport systems, and has run the fully electrified KCR both efficiently and profitably. I am sure that Members of this Council would wish to join me in congratulating the board, management and staff on their excellent results.

### **Oral answers to questions**

#### **Noise abatement measures for flyovers and elevated roads**

1. MR. CHEUNG asked (in Cantonese): *In reply to a question on noise abatement measures for flyovers and elevated roads on 13 March 1985, the then Secretary for Lands and Works said that a professional person would be sent to Japan to study what had been done there. Will Government inform this Council:*

- (a) *of the findings of the study; and*
- (b) *whether consideration will be given to adopting some of the noise abatement measures, such as the setting up of noise barriers, which have already been used in Japan for a number of years to reduce the noise level in residential buildings near flyovers and highways?*

SECRETARY FOR LANDS AND WORKS: Sir, a study of noise abatement measures used in Japan was indeed carried out in July 1985 by a member of the Highways Office. His main finding was that noise barriers were widely used, and fairly well suited to Japan, where residential development is mostly low rise; but that most such barriers can only effectively reduce noise up to roughly five or six floors above road level. In Hong Kong where our development is mostly high rise, there are rather few locations where simple noise barriers would be effective and the best noise protection is distance.

Nevertheless, noise barriers will be used where they would be effective and practicable. For example on the Route 5, Tsuen Wan to Sha Tin section, there is provision for noise barriers adjacent to Mei Lam Estate in Sha Tin. Also on the Kam Tin by-pass, noise barriers will be installed on top of earth mounds should they be found to be effective and necessary.

MR. CHEUNG (in Cantonese): *Sir, has the Government tried to assess the noise levels in roads which are near to residential buildings?*

SECRETARY FOR LANDS AND WORKS: Sir, the Environmental Protection Department is our watchdog as regards the noise levels in various different areas and is perpetually monitoring noise in all different parts of the urban area. They are also the advisers to the Highways and other works departments on noise prevention measures and I am certain that if their advice is given that noise levels reached totally unacceptable levels, solutions will be sought for them.

MRS. NG (in Cantonese): *Sir, I am very glad to know that the Government has already established noise barriers in Sha Tin. However, in Hong Kong, there are many elevated roads which are very near to residential buildings and sometimes the distance between them is less than 1 m. So could the Government consider giving priority to reducing the noise level of these highways so that the residents can actually open their windows and look at the outside world again?*

SECRETARY FOR LANDS AND WORKS: Sir, the roads which I mentioned in my reply are new roads and not existing roads or flyovers. There are clearly considerable problems from a structural point of view of putting noise barriers on roads or flyovers which have already been constructed. This was touched on in an answer I gave last November and the Government is certainly looking at noise prevention measures on these older roads and flyovers, the conditions around which are certainly very undesirably noisy. The only real answer to that problem is going to be almost certainly redevelopment of the area around the roads or flyovers or perhaps installations of noise barriers when the turn comes of the flyover or road to be replaced.

MR. CHAM: *Sir, aside from structural problems, will district boards be consulted so as to identify the areas and spots which will cause the most nuisance to local residents and which may merit remedial measures?*

SECRETARY FOR LANDS AND WORKS: Sir, no systematic enquiry with district boards has ever been made but it has been found that a great deal of spontaneous advice and criticism comes from district boards and I have no doubt it will continue to do so.

DR. HO: *Sir, the installation of noise barriers may pose security problems to the residents living very near to these barriers. Will Government give due consideration to this problem while installing the barriers?*

SECRETARY FOR LANDS AND WORKS: Sir, I hope that in the future, except where we are doing flyovers through the urban areas to save a difficult traffic situation, the new roads in which most of the noise barriers are being erected will not be so near to buildings as to cause any security problems. For instance, in the case of the Route 5 section and Kam Tin by-pass, that situation does not arise.

**'One-airline-per-route' policy**

2. MR. LAI asked (in Cantonese): *What steps has Government taken to ascertain whether its 'one-airline-per-route' policy commands the support of the Hong Kong public, bearing in mind that the effect of the policy may be to create a route monopoly for an incumbent airline, which is contrary to Hong Kong's spirit of free trade competition?*

FINANCIAL SECRETARY: Sir, before I comment on the main thrust of this question, I must correct the apparent misconception that the Government follows an inflexible and non-variable 'one airline per route' policy thus conferring a monopoly on an incumbent airline. In this respect I would refer Members to the two statements on Government's air transport policy made by Financial Secretaries in this Council on 20 November 1985 and again on 18 February this year. These two statements outlined the complexities and constraints imposed on us by international air transport arrangements, the very real degree of competition that already exists in international air travel and the limitation on options open to the Government in bilateral air services agreements.

Turning to the issue of public support, the present policy was formulated on the advice of the Aviation Advisory Board at meetings held on 8 July and again on 19 August 1985. It was subsequently considered by the Executive Council later that year, prior to the statement made in this Council in November 1985.

MR. LAI (in Cantonese): *Sir, some routes are operated by more than one airline. Could the Government inform this Council under what circumstances and under what conditions would the other policy be implemented? Is the Government presently monitoring the benefits brought to incumbent airlines because of the 'one-airline-per-route' policy especially when the profits of a particular company have been accrued because of this particular protective policy? Not everybody will agree with what I have said but does the Government have any safeguards to ensure that such profits will be used for the future development in Hong Kong?*

FINANCIAL SECRETARY: Sir, in civil aviation matters, as in all other economic activities, the Government welcomes competition and we do all that we can to facilitate such competition when it is considered to be in Hong Kong's best interests. The plain fact of the matter is, however, that international civil aviation is a highly regulated business and it constrains us in very much the same way as our garment manufacturers are constrained by the terms of bilateral trade agreements. There is, therefore, an element of protectionism in international civil aviation matters. In particular, our hands are tied by the principle of reciprocity which is a major feature of the bilateral agreements. These agreements require that there shall be fair and equal opportunity to operate services and that fair and equal opportunity should be given to the designated airlines of both contracted parties to these agreements. This means

therefore that when the British Government negotiates these agreements on our behalf, it does not have the ability to seek unlimited rights for an undefined number of airlines and the great number of our partners intend that only one of their airlines should operate internationally. In a relatively few cases, there are bilateral agreements which permit us to operate more than one airline. To my knowledge, there are three or four of these. The Government would in these cases seek to designate a second licensed Hong Kong airline on a particular route, though I have to say this with the major proviso that it would have to be in Hong Kong's best and overall interests. These interests are twofold. Firstly, such action would have to serve the interests of the travelling public in terms of safety, efficiency, regularity, price, and choice of the product offered. Secondly, we would have to ensure that Hong Kong's limited rights under bilateral arrangements were used to the fullest extent to the benefit of our economy as a whole. Or, to put it another way, the Government would need to consider how the most efficient use could be made of the available entitlements through effective competition with other airlines on the route. If the situation did arise that we were looking at two airlines, we would, Sir, have to take into account the position of the incumbent airline and, as I have suggested and has already been stated in this Council, we would have to take into account the interests of the travelling public in terms of safety, efficiency, regularity, and so on.

MR. LEE YU-TAI: *Sir, may I refer to the final sentence of the answer about interests of the travelling public and ask if Government accepts that operation of the same route by two or more airlines would lead to more choice and possibly cheaper fare packages for the travelling public?*

FINANCIAL SECRETARY: Sir, I have pointed out that there is a major constraint operating here. Our air services agreements seldom permit us to negotiate for there to be two airlines operating from Hong Kong to the other place concerned. To reiterate what I have already said, there are a few instances, perhaps three or four out of 25, when this might be permitted, subject to negotiation. This is a theoretical case. The situation has not yet arisen. But supposing that it did arise, we would have to consider quite carefully whether by allowing two airlines on the same route, the public was going to get a better deal. Now certainly one would have thought that competition would provide a better deal but it could be, for example, that we have a single airline travelling to another country; it has, perhaps, a fair proportion of the business on that line. The introduction of a second Hong Kong airline might not necessarily improve our overall position in terms of the Hong Kong economy in operating that airline.

MR. SZETO (in Cantonese): *Sir, in the past and at present, could I ask whether airlines licensed to operate certain routes have failed to operate on those routes and if there are such airlines why is the situation so? Does that have anything to do with the 'one-airline-per-route' policy so that the airline is only interested in routes which are more profitable?*

FINANCIAL SECRETARY: Sir, I do not have the figures and statistics readily available to me. It may well have been in the past that an airline has been given rights which it has not used to date.

MR. SZETO (in Cantonese): *Could I ask whether this policy of 'one-airline-per-route' has a legal backing and whether a legal backing is necessary?*

FINANCIAL SECRETARY: Sir, I think perhaps I should reiterate that the policy is not so much 'one-airline-per-route'; it is what is imposed on us by international obligations. As I have said, in our agreements, nearly all of them only provide for one airline to fly from Hong Kong to this other point. The arrangements are that an airline can apply for an operating licence to the Department of Civil Aviation. It can be given that licence. It then must apply to the Air Transport Licensing Authority which is a statutory authority. It must seek a licence from that authority and thereafter it must seek designation on the assumption that it receives the licence from the statutory authority.

MR. LAI (in Cantonese): *Sir, the Financial Secretary has not answered the second part of my question, and that is, whether the Government has ascertained whether this particular 'one-airline-per-route' policy is bringing in profits for the airline company. The airlines are protected by this particular policy although this might not be agreed to by the Administration. But could I ask whether the Government has any policy to ensure that the profits so obtained will be used for the future development in Hong Kong?*

FINANCIAL SECRETARY: Sir, this is a theoretical question because the situation has not yet arisen where we are confronted with two airlines seeking the same route in the context of a designation. I think if and when that time was to come, we should consider very carefully what the implications were for the incumbent airline, not only in respect of its own profits but in respect of the impact on the travelling public.

### **Access to government information**

3. DR. LAM asked (in Cantonese): *With the development of representative government, will Government inform this Council whether it has plans to introduce laws concerning people's right to information with a view to achieving a more open government and better communication between Government and its people?*

CHIEF SECRETARY: Sir, over the years, Hong Kong has developed a system which involves a strong element of public consultation and participation in the business of government. An essential element in this process is to ensure that information is made available to the public through a wide variety of outlets, press releases, fact sheets, consultative documents, reports, interviews and briefings by government officers.

In addition, the Government responds to a constant stream of requests from the public for information and the media. In 1986-87, district offices handled no less than 5.5 million enquiries from the public and the Information Services responded to a further 500 000 enquiries from the media.

In addition, Sir, the three-tier system of government, the district boards, the Municipal Councils and this Council and the widespread network of advisory boards and committees provide further channels of information between Government and the public. Many of their meetings are now held in public and committees and boards which still meet in camera usually make their deliberations known immediately after the meeting through press conferences. In Hong Kong, the circulation of information is assisted by one of the largest numbers of newspapers per head of population in the world and an avid readership of them. So there can be little doubt that the people of Hong Kong are well served in terms of their access to government information.

Sir, we are not however complacent and I certainly believe there is room for further moves towards open government. Some more boards and committees could consider opening their meetings to the public, some government officers could more readily respond to requests from the media than they do at present and I believe the grading of government documents could be more regularly reviewed to ensure that they are not being over-classified. This should result in government information being made more freely available.

But I have yet to be convinced that to legislate to provide a right to information is necessarily the right way to proceed.

Experience in Australia and United States, for example, has shown that freedom of information legislation is difficult to operate in practice and costly to implement. In these countries, it has been found that the right of access to information cannot be absolute; there must be specified exemptions for the protection of essential public and commercial interests and to ensure the proper conduct of business by the government. Applications for access to information have to be vetted and the authority's decisions are subject to judicial reviews. The procedures involved in all these are long and complex and it has been estimated, Sir, that, in Australia, the direct costs in responding to a single request for information was about \$4,000 HK dollars per request.

I am recently informed that the introduction of Freedom of Information Act in Canada has led civil servants to be reluctant to put their views upon paper at all and whereas that may save the Government a great deal of paper, I do not believe it is conducive to the business of good government.

I therefore believe, Sir, that Hong Kong will be better served by building on its own system of communication between the Government and the public and by developing a more accountable government. On both fronts, much progress has been made over the years, but I am confident we are moving and will continue to move in the right direction.

DR. LAM (in Cantonese): *Sir, could the Government inform this Council how is a paper classified as confidential and what criteria are used? We do not want members of the public to fear that the Government might use its powers to prevent them from getting information on matters which have to do with their direct safety, for instance, under what circumstances would slopes be declared dangerous and would be liable to slips in rainstorms.*

CHIEF SECRETARY: Sir, the responsibility for the grading of papers within the Government is a matter for the originating officer and is checked very regularly by the secretaries concerned in branches. We do issue from time to time circulars to ensure that papers are not overgraded but as I indicated in my answer, I believe there is room for a review of this system to ensure that the subjective view which is taken, and inevitably it must be a subjective view, is subject to regular review within the Government.

MR. LEE YU-TAI: *Sir, may I refer to the third paragraph of the main answer about the three-tier system of government and ask if the Administration is aware of the general dissatisfaction among district board members about inadequate access to government information and the lack of consultation on major policies and, if so, has the situation been reviewed?*

CHIEF SECRETARY: Sir, that is quite a wide question and may be outside the context of the original one. Nevertheless I will attempt to answer it. As Mr. LEE will be aware, we have recently undertaken a review of district board procedures and the workings of district board and the Secretary for the District Administration has come forward with a set of proposals which he will shortly be discussing with the chairmen of district boards. I hope that the proposals which will be made will meet some of the points of criticism made by Mr. LEE. They have certainly been addressed in the context of that review.

### **Employment of the blind**

4. MRS. NG (in Cantonese): *Will Government inform this Council how the employment rate of the blind compares with the overall employment rate in Hong Kong and what Government has done to encourage employers to employ the blind and, in particular, to provide for aids and equipment which will enable the blind to become employable in a wider range of jobs?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the Census and Statistics Department conducts regular surveys of employment generally in Hong Kong, but they are not specifically designed to collect employment statistics on the blind.

I am afraid I cannot therefore give a precise figure for how the employment rate of the blind compares with the overall employment rate. However, the Hong Kong Council of Social Service has recently done a survey on the employment of the disabled on behalf of the Rehabilitation Development Co-ordinating Committee. This survey was conducted between August and October 1986 and the preliminary findings suggest that 94, or 27 per cent, out of a sample of 349 blind people in the 15-60 age bracket might be unemployed.

In 1980, a special division was set up in the Labour Department to help and encourage the employment of disabled people, including the blind. The division tries to promote public awareness of the working abilities of the disabled through the mass media; to maintain close contact with industry; to conduct studies to identify suitable types of jobs for disabled people; to solicit job vacancies for the disabled people by visiting and writing to prospective employers; to choose the right disabled candidate for any possible suitable job; and to encourage employers by making awards to those who employ the most, and publicising their efforts as an example to others. Since the division was established in July 1980 it has managed to place about 4 500 disabled people, of whom 400 were blind. This number may seem disappointingly small, but seeing how difficult it can be for those with severe disabilities to find jobs, that so many blind people have managed to do so, to my mind reflects well both on their own efforts and on those of the various agencies, both private and government, which try to help them. I know that every such placement requires a great deal of dedication and hard work on the part of all concerned.

In 1982, a Technical Aid and Resource Centre was set up in the Technical Education and Industrial Training Department. Its purpose is to design and manufacture equipment or to adapt machines to enable disabled people to be trained for, and work in, a wider range of jobs. The Hong Kong Society for Rehabilitation runs a fund which provides grants to disabled workers and their employers for the adaptation of machinery or premises and the manufacture or direct purchase of equipment that would enable a disabled person to make fuller use of his working ability.

The Government and the Rehabilitation Development Co-ordinating Committee are now looking into what more can be done to improve the employment prospects of the disabled, including the blind, taking into account the findings of the survey by the Hong Kong Council of Social Service which I have already mentioned.

MRS. NG (in Cantonese): *Sir, I am very happy to learn that the Vocational Training Council is now adapting machinery for the disabled so that they can work properly, but could I ask whether these alterations include the adaptation of telephone terminals so that more blind people can operate as telephone operators, and will Government not take the lead to employ more blind persons as telephone operators?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I would certainly expect that the kind of aids I have referred to would include adaptation of telephone sets. It would seem to be a fairly obvious point but I would have to confirm that and I will reply in writing on that (See Annex I). On the question of employment of telephone operators, this is a very difficult one. Technological advances have in fact in some ways made it more difficult to employ blind people in this way, but certainly the civil service policy is to try to employ as many disabled people and as many blind people as it can.

MR. HUI: *Sir, a substantial number of blind workers who used to work in electronic factories before are out of work since these factories have been moved to China. Could Government inform this Council whether vocational re-training can be provided for these workers so as to enable them to find employment in the highly competitive job market?*

SECRETARY FOR EDUCATION AND MANPOWER: Sir, there are training facilities available for blind people. They are not specifically directed at any particular group such as the group that Mr. HUI mentioned. But the Society for the Blind runs a vocational training centre for the blind at Pokfulam. If they are suitably qualified, blind people can also attend the normal government technical institutes and the policy of the Technical Education and Industrial Training Department is to give them priority provided they meet the minimum qualification. In addition, the Hong Kong Association for the Blind runs short term part-time courses for blind people.

MRS. FAN: *Can the Secretary inform us whether the percentage of 25 per cent compares favourably with that in developed countries and also whether the unemployment of these people is mainly due to lack of suitable skill or to their personal circumstances.*

SECRETARY FOR EDUCATION AND MANPOWER: On the question of comparisons with overseas, I think this is a very tricky question because definitions of employment vary from place to place. Indeed the comparison I have given you should be treated with great caution because whereas the overall employment rate uses a definition, an ILO definition, this particular survey was not directed at this particular question. It has given us, maybe a rough indication, but the definitions used are not the same as in our general employment figure, so I do not think it is possible to give reliable comparisons between countries. On the reasons for the difficulties, this is to some extent guesswork. My own impression is that we started from, as it were, a low base because traditionally there has been tremendous prejudice on the part of employers against employing disabled people and one of our main aims has been to try and change this by publicity. It is very encouraging that some employers are now making a lot of effort to employ disabled people and we hope that gradually the prejudices will be overcome and employers will get to realise that disabled people have ability to do jobs like normal people provided the jobs are selected suitably.

**Protection against asbestos fibres**

5. PROF. POON asked: *In view of the fact that asbestos related products have been used in many existing buildings in Hong Kong, will Government inform this Council what measures will be taken to safeguard the health of the public by ensuring that asbestos fibres will not be freely released into the air when renovation or demolition works are carried out in such buildings?*

SECRETARY FOR HEALTH AND WELFARE: Sir, all construction works, including renovation and demolition, which involves the disturbance or removal of asbestos is subject to control under the Factories and Industrial Undertakings (Asbestos) Special Regulations 1986. Under these regulations, contractors are required to notify the Commissioner for Labour 28 days before commencing work so that enquiries can be made into the scope of such works. The regulations also require contractors either to use equipment to prevent the entry of asbestos dust into the air, or to provide protective equipment and clothing for each person employed in connection with the asbestos process or in any place into which asbestos dust is liable to escape. The regulations also require loose asbestos to be kept in a closed receptacle which prevents the escape of asbestos dust, and provide for adequate cleaning of plant and premises. The use of the more dangerous blue and brown asbestos is prohibited, and the spraying of materials containing asbestos is not permitted. The regulations should therefore ensure that all staff working with asbestos, and other employees nearby who may be affected, are adequately protected, and also provide a measure of protection for members of the public.

At present, the Environmental Protection Department is developing a brief for consultants to examine the extent of the asbestos problem in private buildings in Hong Kong and to make recommendations on possible analysis and inspection services to be provided by the Government. Consideration will also be given to the need for further regulatory controls, including the licensing of contractors for asbestos removal.

In addition, a comprehensive survey of all government owned or leased buildings is being undertaken by the Architectural Services Department to determine whether any potentially dangerous asbestos materials need to be removed. Where removal is considered necessary, this will be done as soon as possible. Where removal is not considered necessary, regular monitoring will be carried out.

PROF. POON: *Sir, will the Secretary inform this Council if the Government has any comprehensive plan to handle the existing or potential asbestos related problems in schools?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I understand that the 333 secondary, prevocational and special schools in the government-aided sector have all been inspected to ascertain whether sprayed acoustic plaster has been used in the assembly hall and adjacent communal areas. This sprayed acoustic plaster is a friable material which, if damaged, can result in asbestos fibres being released into the atmosphere. This material was found in 78 schools but in 61 of these, the plaster was found to be in good condition and these schools will be inspected twice a year in future to watch for any signs of deterioration. The other 17 schools have damaged plaster or plaster showing signs of deterioration and action is either in hand or being planned to deal with the problem in these schools.

MR. YEUNG: *Sir, will the Secretary state how long will it take to complete the comprehensive survey and how many contractors are at present qualified for the removal of the dangerous or potentially dangerous asbestos materials?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I take it the survey referred to is that being done by the Environmental Protection Department. We expect that the results of this will be available in about a year's time. I do not have any figures of contractors who are qualified to deal with this asbestos problem but I will try and find this out and let Mr. YEUNG know. (See Annex II).

MR. TAM (in Cantonese): *Sir, my question follows on Mr. YEUNG's question. As far as I understand, qualified and experienced contractors who can deal with asbestos are very small in number. Can I ask how this problem will be solved?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the problem of asbestos is obviously giving rise to concern in Hong Kong increasingly in recent months and I have no doubt that if major problems are found, that this will encourage the development of contractors; the business will be worthwhile and I am confident that contractors will acquire the necessary expertise to deal with the problems.

MR. CHEUNG (in Cantonese): *Sir, certain bus shelters are provided with asbestos tops. Would that be detrimental to the public health?*

SECRETARY FOR HEALTH AND WELFARE: Sir, unless the asbestos in these shelters is damaged, I think that this would not cause any problems but I will arrange for this to be checked.

PROF. POON: *Sir, asbestos containing materials have been rather commonly used in thermal lagging in industrial boilers. Would the Secretary inform this Council if the Government has any plans to put under control any work such as repairing, servicing or examinations of these boilers which may involve the disturbance of the thermal lagging?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the regulations to which I have referred refer to any work which affects asbestos so I take it that the tasks referred to by Prof. POON will be covered.

MRS. NG (in Cantonese): *Sir, to follow up on the question raised by Mr. CHEUNG, these bus shelters are exposed to the elements and they are easily damaged. Does the Government have any plans to protect the safety of the passengers waiting for buses there?*

SECRETARY FOR HEALTH AND WELFARE: Sir, I have already said we will arrange for this particular point to be checked.

### **Marksmanship of the police and the use of firearms**

6. DR. HO asked: *Will Government inform this Council what measures are taken to ensure that high standards of marksmanship are maintained in the police force and what instructions are given to police constables on the circumstances under which the use of firearms would be justified?*

SECRETARY FOR SECURITY: Sir, all police officers are taught to handle firearms as part of their basic training. Officers at the Police Training School (PTS) receive a minimum of 60 hours of instruction on weapons and fire at least 480 rounds of revolver ammunition. Training progresses from shooting at stationary targets to shooting under stress at targets in low light. An officer at PTS must pass written and practical examinations on weapons handling and a firing qualification test.

After leaving PTS, they must attend three firing sessions each year, taking their annual qualification test on the third session of each year. Officers who need it are given extra instruction before they take the test. Under no circumstances is an officer allowed to carry a firearm unless he has passed the test. In 1987, approximately 23 000 police officers will each fire 138 rounds of ammunition under the supervision of qualified firearms instructors. Officers posted to the Police Tactical Unit or to other specialist units will receive additional training.

As for the future, at present the police have only three firing ranges outside PTS and Police Tactical Unit. Three more are planned to be ready within the next three to four years. In addition, the commissioner will introduce a computer-aided laser simulator and will be using more video and slide photography to make firearms training more realistic.

Sir, to turn to the second part of my hon. Friend's question, clear instructions to police officers on the circumstances which justify the use of firearms and the use of force generally, are set out in Police General Orders. A police officer must never use more than the minimum force necessary to achieve his objective.

When circumstances permit, he must give a warning, and the opportunity to have that warning obeyed before using force. A police officer may fire to protect himself or any other person from death or serious physical injury or in order to arrest anyone he suspects of having committed a serious or violent crime, provided that no lesser degree of force can achieve these objectives. Under no circumstances should a police officer fire in a confined or crowded area, where it is likely that an innocent person will be injured.

Police General Orders also warn police officers that, if they do use unjustifiable force, they are liable to criminal or civil action.

DR. HO: *Sir, is Government aware of the availability of some types of firearms which can improve shooting accuracy and, if so, will consideration be given to equipping police officers with that type of firearms?*

SECRETARY FOR SECURITY: Yes, Sir, the police do keep themselves fully up-to-date with developments as regards firearms and, of course, they are particularly concerned to use firearms of the greatest possible accuracy. The problem is that you cannot really effectively have the force equipped with, say, pistols of different makes. That makes basically for inefficient firing. So, to change the revolvers means changing 27 000 to 30 000 revolvers and that is an expensive business. Nevertheless, as I say, the police do keep themselves fully up-to-date with developments and have this point very much in the front of their minds.

MR. LEE YU-TAI: *Sir, are police officers who have failed the annual qualification test not allowed to carry firearms until they pass the supplementary test?*

SECRETARY FOR SECURITY: Yes, Sir, that is correct.

MISS TAM: *Sir, how do the training courses in Hong Kong compare with those in other busy cities such as London, Tokyo or New York as far as ensuring a high standard of marksmanship of police officers is concerned?*

SECRETARY FOR SECURITY: Sir, well, of course, in London, police do not carry revolvers but as far as comparison with other cities, where the police do have revolvers, I can assure hon. Members that our training facilities and our training targets are well up to standard.

MRS. CHOW: *Sir, with reference to the second part of the reply, can Government inform this Council of the number of cases when police officers have been found to open fire unjustifiably or in crowded places where innocent people may have been injured in the last three years and whether the trend is a growing or a declining one?*

SECRETARY FOR SECURITY: Whether or not an area is a crowded place in the context of my hon. Friend's question, is a subjective one but I have been assured by the police that in the last three years there have been no such occasions. I must stress that the police do attach great importance to this part of their work and they do train their policemen extremely thoroughly in the dos and don'ts of the use of firearms.

MR. LAI: *Sir, can the Secretary inform this Council what type of pistol do police officers at present carry and how modern is this type of pistol as compared with those used in other cities? May I also ask whether more senior ranking officers carry a superior type of pistol than the ordinary officers?*

SECRETARY FOR SECURITY: Sir, the pistol currently used by the police is a .38 pistol. How that compares in detail with the pistols used by other policemen in other cities of the world, I am afraid, Sir, I am not equipped to say, but the most important thing is, as I say, this is a good pistol, the police are satisfied with it as regards its accuracy and its reliability and they do keep themselves up-to-date in the development of these types of firearms.

MR. CHEONG-LEEN: *Sir, can the Secretary look into the feasibility of expediting the provision of one or two more firing ranges instead of waiting for three to four years as indicated in his reply?*

SECRETARY FOR SECURITY: Yes, Sir.

MR. LAI: *I am afraid the Secretary has not answered the second part of my question, that is, whether a higher ranking officer carries a different type of pistol than the ordinary officer.*

SECRETARY FOR SECURITY: Sir, I apologise to my hon. Friend for not answering the last part of his question but the answer is, all police officers carry the same revolver.

### **Private streets resumption programme**

7. DR. CHIU asked: *Will Government inform this Council of the progress of its private streets resumption programme and the criteria used to devise this programme?*

SECRETARY FOR TRANSPORT: Sir, Government first embarked on a pilot scheme on private streets resumption in 1983. Seven private streets, four in Kowloon and three in Hong Kong, were resumed under the Roads (Works, Use and Compensation) Ordinance. Following resumption, all illegal structures were cleared and road surfaces reconstructed. All works were satisfactorily completed by 1986.

The pilot scheme proved to be a success and was generally well received by residents. In the light of this experience, nine more private streets were selected in early 1986 for resumption. Five of these have been successfully resumed and clearance and reconstruction work will commence shortly. Preparatory work for the resumption of the remainder is in hand.

To better co-ordinate the continued resumption of private streets identified to have management problems and to monitor progress, a Private Street Resumption Committee was established last August under the chairmanship of the Regional Secretary for Hong Kong and Kowloon. Annual resumption programmes have now been drawn up. For the current financial year, 11 private streets will be resumed. From 1988-89 onwards, the resumption target will be increased to 25 streets each year, subject to resources being made available.

The Private Street Resumption Committee has drawn up a set of selection criteria for the purpose of determining priorities. These are: safety factors, traffic considerations and environmental improvements. Resumption will be used mainly in the case of private streets under multiple-ownership as other solutions tend to be more readily available in the case of private streets under single ownership, where it is easier to persuade owners to carry out the environmental improvement works themselves or to negotiate a voluntary surrender.

Sir, we are confident that, through the sustained and co-ordinated efforts under this programme and public support, the problem of poorly managed private streets will gradually be resolved.

DR. CHIU: *Will the Secretary inform this Council how many private streets have been identified to have management problems and how long it will take to resume them all at the present rate of resumption?*

SECRETARY FOR TRANSPORT: Sir, there are at present about 250 private streets which may require resumption. Present indications are it might take about 10 years to clear them all at the present rate but this rate is subject to annual review.

DR. CHIU: *Sir, will compensation be given to owners under the existing resumption policy? If yes, how is this compensation calculated?*

SECRETARY FOR TRANSPORT: Yes, Sir, the owners are entitled to compensation under the Ordinance. They can apply for compensation within one year of the Gazette notice and the compensation is calculated according to rates laid down by the Compensation Review Committee under the Buildings and Lands Department.

**Applications for registration as British Citizens from ex-servicemen**

8. MR. SWAINE asked: *On 30 April 1986, this Council was informed that Her Majesty's Government had made two concessions in favour of ex-servicemen who had served in the defence of Hong Kong, namely: (1) BDTCs or other British nationals who had served with the Volunteers or other Hong Kong Government units; (2) Non-BDTCs or non-British or those whose service was not with the Hong Kong Government but with the regular forces. HMG undertook to consider sympathetically applications from those in the first category for registration as British citizens under section 4(5) of the British Nationality Act, and to accept and grant applications from those in the second category together with their dependants for settlement in the United Kingdom. Would the Government inform this Council how many applications have been made from each of these two categories, and how many have been approved?*

SECRETARY FOR SECURITY: Sir, since 30 April 1986, the Immigration Department has received 26 applications for registration as British citizens under section 4(5) of the British Nationality Act 1981 from ex-servicemen in the first category. HMG have approved 17 and nine are still being processed. As regards ex-servicemen in the second category, the Immigration Department has not received any applications so far.

MR. SWAINE: *Sir, my supplementary question is in two parts; (1) Has the Government any estimate of the number of ex-servicemen who are eligible in each of the two categories, namely, for registration and for settlement respectively; and (2) What is the role, if any, of the Hong Kong Government in the processing of applications?*

SECRETARY FOR SECURITY: Sir, the answer to the first part of my hon. Friend's question is that from the statistics available to us, we believe there are about 60 that fall in the first category and 210 that fall in the second category. To answer my hon. Friend's second question, the role of the Hong Kong Government, that is, in this context, the Immigration Department, is to receive the applications, collect the necessary evidence, and then forward the applications and the evidence to London.

MR. PETER POON: *Sir, will the Secretary for Security inform this Council whether the wives and minor children of ex-servicemen granted UK citizenship under the first category have also been granted UK citizenship?*

SECRETARY FOR SECURITY: No, Sir, the wives and children of these ex-servicemen who are granted British citizenship, are not granted British citizenship at the same time, but of course the ex-serviceman who has British citizenship will get the right of abode in Great Britain; he can move there to live whenever he likes and his wife and children will be allowed to go with him.

MR. YEUNG: *Sir, what percentages are represented by the number of successful applications in each of the two categories?*

SECRETARY FOR SECURITY: Sir, none of the applications so far has been turned down.

### **Written answers to questions**

#### **Construction of a second airport**

9. DR. LAM asked: *Regarding a recent proposal by some private companies to construct a second airport, will Government inform this Council what has been done to study its feasibility and desirability for Hong Kong, and what are the findings, with particular reference to the proposal's manpower implications on the various sectors of the economy such as the construction industry?*

FINANCIAL SECRETARY: A steering committee, chaired by the Chief Secretary, was established in January this year to examine, inter alia, the Western Harbour-Lantau Strategic Development Proposal ('the Proposal') prepared by the Hopewell Holdings Consortium ('the Consortium'). The membership of the steering committee included the Financial Secretary, the Secretary for Lands and Works, the Secretary for Economic Services, the Secretary for Transport, the Deputy Financial Secretary and the Political Adviser.

The steering committee has held two useful meetings with representatives of the Consortium. In the view of the Government, the Proposal concerns medium-term development plans and as such, must be looked at against the background of Government's overall strategy for the development of the airport, the ports and road developments. The Government agrees that in the longer term, Hong Kong will require a new airport but the question of timing is crucial. Present indications are that the runway capacity at Kai Tak will not come under strain until 1995, reaching saturation point probably around 2005. It is therefore unlikely that a decision on a replacement airport needs to be taken before 1990-91. But it may be necessary to bring forward this timetable if freight and passenger traffic at Kai Tak increases faster than current trends indicate.

In the meantime, the Government considers that it is essential to examine the ultimate capacity of Kai Tak International Airport and to consider whether any work could be done to extend its useful life. Obviously it is in the interest of the community to make the best use of the major investment which has already been made in Kai Tak. In parallel with this study, various options in relation to a replacement airport are under consideration. The previous study on Chek Lap Kok is of relevance because that site remains an option.

A team under the auspices of the Lands and Works Branch has been established to work with the Consortium's planners to determine how the various components of the proposal could fit into the Government's overall development strategy. This co-operative effort should result in the identification of preferred options for Government's intended long-term developments. The team met the Consortium's planners on 30 April 1987.

Manpower implications arising from a project of this size are of obvious concern to the Government. Accordingly, the government planners will pay careful attention to such factors in their deliberations, and will bear in mind the preference for a phased approach.

### **Measures to prevent flooding**

10. MR. POON CHI-FAI asked: *Regarding the recent incidents of flooding in some parts of Hong Kong and Kowloon as a result of heavy rain, will the Government inform this Council:*

- (a) *what measures the Government has in hand to prevent flooding resulting from blockage of drains by debris from adjacent construction sites;*
- (b) *what precautionary measures and long-term solutions the Government has in dealing with flooding in low-lying areas; and whether the Government will conduct investigations and make improvements to areas affected by the recent flooding such as Cha Kwo Ling and Lei Yue Mun in Kwun Tong?*

SECRETARY FOR LANDS AND WORKS: Sir, the ways in which Government seeks to prevent flooding are as follows. Firstly, it requires its own contractors to take precautions to prevent excavation material or building debris from entering the storm-water drainage system on a half-finished construction site. This requires a considerable effort of supervision on the part of the contractor and also a considerable number of regular site inspections to ensure compliance. Secondly, for private construction sites, appointed authorised persons are bound to ensure that contractors take similar precautions in respect of their work sites. If a contractor fails to do this, he can be prosecuted under the Summary Offences Ordinance, and if convicted, is liable to a fine or imprisonment. Obviously how effectively everybody - and it is a very large number of people involved all over the Territory - succeeds in doing his part varies and depends at least in part on warning of bad weather. But the situation would be very bad indeed if the system was not working pretty well.

The next line of defence is desilting all the major storm-water nullahs and culverts. This is normally done once a year, with nullahs subject to heavy silting being cleared as many as four times a year. During typhoons and rainstorms, the Highways, Urban Services and Regional Services Departments must all ensure that all drains and surface channels are kept clear.

Sir, the capacity to drain away very high concentrations of rainfall is a basic necessity for the engineering of all urban development, which is why almost every new town is blessed with at least one of our famous nullahs running through its middle. These are not fool-proof, however; if they get blocked, water does pile up until the block is cleared. Clearance may take time. But there is a considerable margin of capacity even for very heavy rainfall and generally speaking our drainage systems, when completed, are excellent.

With all this, some areas will always be susceptible. In Cha Kwo Ling and Lei Yue Mun which Mr. POON mentioned specifically, I understand that recent floods were local, particularly in the squatter areas, where there are scattered man-made depressions particularly prone to flooding, and control over illegal dumping of refuse and debris is less efficient.

So, I think that this system is sufficiently comprehensive and I see only one major improvement which needs making. Because responsibilities are diffuse, it is sometimes difficult to be sure that there are no gaps in the system. I have accordingly appointed the Director of Civil Engineering Services to be responsible overall for co-ordination of all measures to be taken with regard to flooding of all kinds. To fulfil his responsibilities, he will have to review all the present arrangements for monitoring, remedial work, emergency measures and for information in very much the same way as he must for landslips. If we are doing reasonably well now, he must ensure that we do better.

## **Government Business**

### **Motions**

#### **DUTIABLE COMMODITIES ORDINANCE**

THE FINANCIAL SECRETARY moved the following motion: That under section 4 of the Dutiable Commodities Ordinance that, with effect from 2.30 pm on 25 February 1987, the Schedule to the Ordinance be amended as follows—

- (a) in Part I—
  - (i) in paragraph 1—
    - (A) by deleting ‘60.00’ and substituting the following—  
‘67.00’;
    - (B) by deleting ‘43.00’ and substituting the following—  
‘48.00’;
    - (C) by deleting ‘27.00’ and substituting the following—  
‘30.00’;
    - (D) by deleting ‘18.00’ and substituting the following—  
‘20.00’;
    - (E) by deleting ‘15.00’ and substituting the following—  
‘17.00’; and
    - (F) by deleting ‘1.20’ and substituting the following—  
‘1.30’;

- (ii) in paragraph 2 by deleting '124.00' and substituting the following—  
'128.00';
  - (iii) in paragraph 3—
    - (A) by deleting '120.00'; and substituting the following—  
'128.00'; and
    - (B) by deleting '4.00' and substituting the following—  
'4.30';
  - (iv) in paragraph 4—
    - (A) by deleting '780.00' and substituting the following—  
'830.00';
    - (B) by deleting '400.00' and substituting the following—  
'430.00'; and
    - (C) by deleting '13.30' and substituting the following—  
'14.30';
  - (v) in paragraph 5—
    - (A) by deleting '400.00' and substituting the following—  
'430.00'; and
    - (B) by deleting '13.30' and substituting the following—  
'14.30';
- (b) in Part II—
- (i) in paragraph 1(a) by deleting '190.00' and substituting the following—  
'200.00';
  - (ii) in paragraph 1(b)—
    - (A) by deleting '210.00' in both places where it occurs and substituting the following—  
'220.00';
    - (B) by deleting '40.00' and substituting the following—  
'43.00'; and
    - (C) by deleting '190.00' and substituting the following—  
'200.00';
- (c) in Part III—
- (i) in paragraph 1(a) by deleting '2.30' and substituting the following—  
'2.40'; and
  - (ii) in paragraph 1(b) by deleting '1.15' and substituting the following—  
'1.20'; and
- (d) in Part IV in paragraph 1—
- (i) by deleting '\$400.00' and substituting the following—  
'430.00'; and
  - (ii) by deleting '13.30' and substituting the following—  
'14.30'.

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

The proposed resolution provides for increases in existing duties as explained in the Budget speech delivered in this Council at the end of February. The main principle underlying these increases is to maintain the duty rates in real terms.

The increased duties came into effect on 25 February 1987 pursuant to the Public Revenue Protection Order signed by His Excellency the Acting Governor. The proposals are expected to produce additional revenue of \$165 million in 1987-88: \$60 million from hydrocarbon oil, \$50 million from intoxicating liquor and imported alcohol, and \$55 million from tobacco.

Sir, I beg to move.

*Question put and agreed to.*

## **PHARMACY AND POISONS ORDINANCE**

THE SECRETARY FOR HEALTH AND WELFARE moved the following motion: That the following regulations, made by the Pharmacy and Poisons Board on 1 April 1987, be approved—

- (a) the Pharmacy and Poisons (Amendment) (No. 2) Regulations 1987; and
- (b) the Poisons List (Amendment) Regulations 1987.

He said: Sir, I rise to move the motion standing in my name on the Order Paper in respect of the Pharmacy and Poisons (Amendment) (No. 2) Regulations 1987 and the Poisons List (Amendment) Regulations 1987.

Section 29 of the Pharmacy and Poisons Ordinance empowers the Pharmacy and Poisons Board subject to the approval of this Council, to make regulations providing for the control of pharmaceutical products and poisons.

The list of poisons under control and the various schedules of pharmaceutical products under the Pharmacy and Poisons Regulations are updated by the Pharmacy and Poisons Board from time to time when new products requiring control appear on the market. The proposed amendments to the two sets of regulations reflect the latest up-dating of the list and schedules by the board.

In addition, the proposed amendments also extend the existing poison classification of quinine and its salts to derivatives of quinine and their salts, since these substances have the same pharmacological properties as the parent compound.

Sir, I beg to move.

*Question put and agreed to.*

**First Reading of Bills****BUSINESS REGISTRATION (AMENDMENT) BILL 1987****ROAD TRAFFIC (DRIVING LICENCES REGULATIONS AND REGISTRATION AND LICENSING OF VEHICLES REGULATIONS) (AMENDMENT) BILL 1987****IMMIGRATION REGULATIONS (AMENDMENT) BILL 1987****INLAND REVENUE (AMENDMENT) BILL 1987****ESTATE DUTY (AMENDMENT) BILL 1987****OCEAN PARK CORPORATION BILL 1987****AIR POLLUTION CONTROL (AMENDMENT) BILL 1987****LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1987****NEW TERRITORIES LEASES (EXTENSION) BILL 1987****DANGEROUS DRUGS (AMENDMENT) BILL 1987**

*Bills read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).*

**Second Reading of Bills****BUSINESS REGISTRATION (AMENDMENT) BILL 1987**

THE FINANCIAL SECRETARY moved the Second Reading of: 'A Bill to amend the Business Registration Ordinance'.

He said: Sir, I move that the Business Registration (Amendment) Bill 1987 be read the Second time.

The Bill provides for the increase in the annual business registration fee as described in paragraph 118 of the Budget speech of 1987. The revised fee is set out in clause 2 of the Bill which amends the Schedule to the Business Registration Ordinance. It came into effect on 1 April 1987 as a result of an Order signed by the Acting Governor under the Public Revenue Protection Ordinance. The additional revenue yield from the increased fee for 1987-88 is estimated to be \$20 million.

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.*

*Question put and agreed to.*

**ROAD TRAFFIC (DRIVING LICENCES REGULATIONS AND REGISTRATION AND LICENSING OF VEHICLES REGULATIONS) (AMENDMENT) BILL 1987**

THE FINANCIAL SECRETARY moved the Second Reading of: 'A Bill to amend the Road Traffic (Driving Licences) Regulations and the Road Traffic (Registration and Licensing of Vehicles) Regulations'.

He said: Sir, I move that the Road Traffic (Driving Licences Regulations and Registration and Licensing of Vehicles Regulations) (Amendment) Bill 1987 be read the Second time.

The Bill provides for increases in the fees for the annual registration of motor vehicles, provisional and full driving licences and driving tests, as described in paragraph 119 of the Budget speech of 1987. The revised fees are set out in clauses 2 and 3 of the Bill which amends the Second Schedule to the Road Traffic (Driving Licences) Regulations and the Second Schedule to the Road Traffic (Registration and Licensing of Vehicles) Regulations respectively. They came into effect on 25 February 1987 as a result of an Order signed by the Acting Governor under the Public Revenue Protection Ordinance. The additional revenue yield from the increased fees for 1987-88 is estimated to be \$45 million.

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.*

*Question put and agreed to.*

**IMMIGRATION REGULATIONS (AMENDMENT) BILL 1987**

THE FINANCIAL SECRETARY moved the Second Reading of: 'A Bill to amend the Immigration Regulations'.

He said: Sir, I move that the Immigration Regulations (Amendment) Bill 1987 be read the Second time.

The Bill provides for the increases in visa and travel document fees as described in paragraph 120 of the Budget speech of 1987. The revised fees are set out in clause 2 of the Bill which amends the Second Schedule to the Immigration Regulations. They came into effect on 25 February 1987 as a result of an Order signed by the Acting Governor under the Public Revenue Protection Ordinance. The additional revenue yield from the increased fees for 1987-88 is estimated to be \$20 million.

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.*

*Question put and agreed to.*

**INLAND REVENUE (AMENDMENT) BILL 1987**

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) Bill 1987 be read the Second time.

The purpose of the Inland Revenue (Amendment) Bill 1987 is to give legislative effect to four concessions in the area of personal taxation, two concessions in the area of profits tax, one concession in the area of property tax and interest tax, and one reform measure as proposed in this year's Budget speech.

As regards personal taxation, clause 8 of the Bill reduces the standard rate of tax from 17 per cent to 16.5 per cent. Clauses 5 and 10 combine the existing basic and additional personal allowances to form a new basic allowance, and set the additional personal allowance at \$5,000 for single persons and \$10,000 for married persons. The new additional allowances will be progressively reduced where an individual's income exceeds, in the case of a single person, \$34,000 and \$70,000 in the case of a married person. The amount of the reduction will be 10 per cent of the difference between the income and \$34,000, or \$70,000 as the case may be. Clause 5 increases the allowance for a first child from \$9,000 to \$11,000, and for a second child from \$6,000 to \$8,000, whilst clause 9 widens the band to which the 15 per cent marginal rate of personal tax applies from \$10,000 to \$20,000.

The amendments take effect from the year of assessment commencing on 1 April 1987, and the estimated cost to the revenue is about \$470 million in 1987—88, and \$650 million per annum thereafter.

As regards profits tax, clauses 2 and 7 of the Bill reduce the rate of tax on the profits of corporations from 18.5 per cent to 18 per cent. Clause 8 reduces the rate of tax on the profits of unincorporated businesses from 17 per cent to 16.5 per cent. The amendments take effect from the year of assessment commencing on 1 April 1987 and the estimated cost to the revenue is about \$149 million in 1987—88, and \$347 million per annum thereafter.

As regards property tax and interest tax, clause 8 of the Bill reduces the standard rate of tax from 17 per cent to 16.5 per cent. The amendment takes effect from the year of assessment commencing on 1 April 1987, and the estimated cost to the revenue is about \$21 million in 1987—88, and \$38 million per annum thereafter.

As regards the reform measure, clauses 3 and 4 of the Bill make it clear that, where a right to receive income from property is transferred by a person to another person without transferring the ownership of the property and consideration has been received or is receivable in respect of the transfer, the amount of consideration is deemed to be a receipt chargeable to profits tax. The

proposed amendments will apply to arrangements entered into after the Government's announcement on 25 February 1987. While the amendments will protect the revenue from future arrangements of this kind, past arrangements will not be affected by the Bill.

Clause 11 of the Bill is a transitional provision to ensure that provisional salaries tax for the year of assessment commencing 1 April 1987 is based upon the new allowances.

Members will recall that, in this year's Budget speech, the Financial Secretary proposed to amend the law to provide for the automatic granting of time apportionment where, in a year of assessment, an employee renders services outside Hong Kong for a period of more than 60 days in total. However, following a recent judgment of the High Court, further consideration is being given by the Administration to this proposal and appropriate amending legislation will be introduced, as necessary, into this Council for Members' consideration in due course.

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.*

*Question put and agreed to.*

### **ESTATE DUTY (AMENDMENT) BILL 1987**

THE FINANCIAL SECRETARY moved the Second Reading of: 'A Bill to amend the Estate Duty Ordinance'.

He said: Sir, I move that the Estate Duty (Amendment) Bill 1987 be read the Second time.

The Bill seeks to give legislative effect to the proposal in this year's Budget speech to provide for two concessions relating to estate duty.

To reduce the inflationary element inherent in the rise in asset values in recent years, clause 6 adds a new Seventeenth Schedule reducing the rates of duty payable on estates valued below \$5 million.

The effect of clause 3 of the Bill is that property, which notionally passes on death for the purposes of assessing estate duty, will not include gifts inter vivos made by the deceased which, in the case of any one donee, did not exceed in the aggregate \$100,000. The existing exemption applies to gifts not exceeding \$50,000.

The amendments apply in relation to the estates of persons dying on or after 1 April 1987 and the estimated cost to the revenue is \$25 million per annum.

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.*

*Question put and agreed to.*

### **OCEAN PARK CORPORATION BILL 1987**

THE SECRETARY FOR DISTRICT ADMINISTRATION moved the Second Reading of: 'A Bill to establish a body corporate to manage and control Ocean Park as a public recreational and educational park, and for that purpose to vest in that body corporate the assets of Ocean Park Limited, to provide for the establishment and administration of a trust fund, and to provide for matters incidental thereto or connected therewith'.

He said: Sir, I move that the Ocean Park Corporation Bill 1987 be read a Second time.

The basic objective of the Bill is to provide for the disengagement of the Royal Hong Kong Jockey Club from the Ocean Park Ltd., and to establish an independent statutory corporation, to be known as the Ocean Park Corporation, to replace Ocean Park Ltd.

The Royal Hong Kong Jockey Club has proposed to divest itself of the Ocean Park Ltd. with a cash endowment of \$200 million. The endowment will be paid into a statutory fund, the Ocean Park Trust Fund, which will be administered by a Board of Directors of the Ocean Park Corporation, comprising a chairman, a deputy chairman and five other members, to be appointed by the Governor. The board will be responsible for managing and developing Ocean Park as a public recreational and educational park and empowered to invest moneys of the fund, as provided for in the Trustee Ordinance. The income of the fund will be used to meet the capital or recurrent expenses of the Ocean Park Corporation. Without the prior approval of the Governor in Council, the capital sum cannot be used for any purpose other than development projects for the Ocean Park. In keeping with the provisions of the Trustee Ordinance, the fund, which is a charitable trust, may not be pledged as a security for any loan which the Board of the Ocean Park Corporation may seek to raise.

An independent evaluation of the future financial viability of Ocean Park for the five-year period up to 30 June 1991 was undertaken by consultants appointed by Government in November 1986. The consultants confirmed that Ocean Park would be able to support its proposed programme of capital

improvements and to maintain a positive cash balance at the end of each financial year, provided that the existing attendance levels could be sustained and assuming a minimum 8 per cent return on investments of the fund.

The Bill provides for the audited accounts of the Ocean Park Corporation and the fund to be laid on the table of the Legislative Council within six months of the end of each financial year. A report by the corporation on its activities, the number of attendances at Ocean Park and the administration of the fund during that period will also be tabled.

The Ocean Park Corporation Ordinance 1987 shall come into operation on a date to be appointed by the Governor so as to coincide with the appointment of the Board of the Ocean Park and the receipt of the cash endowment from the Royal Hong Kong Jockey Club. A commencement notice on this will be gazetted in due course.

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.*

*Question put and agreed to.*

## **AIR POLLUTION CONTROL (AMENDMENT) BILL 1987**

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of: 'A Bill to amend the Air Pollution Control Ordinance'.

He said: Sir, I move that the Air Pollution Control (Amendment) Bill 1987 be read the Second time.

The Air Pollution Control Ordinance was enacted in 1983 to replace the former Clean Air Ordinance, and to enable the introduction of measures to control all air pollutants emitted from stationary sources, including a wide range of toxic emissions. Besides making provision for the abatement of nuisances caused by air pollution and the banning of unsuitable fuels and materials, the Ordinance provides for the making of regulations to control 23 classes of industry, known as 'specified processes' which are listed in the First Schedule.

In the process of preparing draft regulations to control these specified processes, it became apparent that certain sections of the principal Ordinance required amendment in order to amplify or clarify its provisions.

Clause 2(a) and (b)(i) amends section 14 of the Ordinance to require that only certain details of applications for licences should be made available for public inspection rather than the full text of applications, so that commercial secrets will be protected.

Clause 2(b)(ii) and clause 3 provide that health risks should constitute legitimate grounds for an objection to the grant of a licence for a particular emission. At present the only grounds for objection are that the process would inhibit the attainment or maintenance of air quality objectives declared under the Ordinance.

Clauses 4, 11 and 15(a) provide for annual charges to meet the cost of surveillance for licensed and exempted premises, in addition to the administration costs of the licensing system. This provision will bring this Ordinance into line with the Water Pollution Control Ordinance.

There is at present some confusion about the requirement for public notification and inspection procedures in respect of applications for renewal of licences. Clauses 5(b) and 8(a) and (c) make it clear that these requirements will only apply when the Secretary for Health and Welfare so directs.

Clause 5(c) deletes the requirement in sub-section 16(4) of the Ordinance for the authority to renew or refuse to renew a licence 21 days before its expiry. Provisions have been included in the draft regulations to avoid disruption to operations because of a delay in licence renewal.

Clauses 6, 13 and 14 will permit the transfer of licences, which is not possible under the Ordinance at present, while clauses 6, 7 and 12 provide penalties for the supply of false information and for contravening the terms and conditions of a licence or exemption. There is provision in clause 15(b) for penalties for continuing contraventions, which also do not exist at present.

Clauses 9 and 10 stipulate that only the person whose licence is cancelled or varied or the owner of the premises whose exemption is cancelled or varied may lodge claims for compensation.

The definition of 'Iron and Steel Works' in the First Schedule to the Ordinance is expanded to bring it into line with definitions of other metallurgical works. A gas production plant at Tai Po is added to the Third Schedule, which is a list of plants excluded from exemption.

The Ordinance provides that when a licence or exemption is cancelled or varied in the public interest, compensation shall be payable. Claimants who are unable to agree with the authority on the compensation to be paid may at present have their claims referred to a tribunal specially appointed in accordance with the Fourth Schedule. It is considered more appropriate for such cases to be dealt with by the Lands Tribunal, and clauses 18 and 19 effect this change.

Sir, the Air Pollution Control Ordinance confers on the Governor in Council the power to make detailed regulations to implement the provisions of the Ordinance, including the control of the 23 'specified processes'. A set of draft regulations for this purpose has been prepared and it is the intention to put these regulations to the Executive Council once the present Bill has been passed

into law. The draft regulations include measures to prevent the discharge of noxious or offensive emissions, licensing requirements for premises used for specified processes, and a public right of objection to applications for licences. Premises currently used for specified processes will be exempt from licensing requirements with the exception of the plants listed in the Third Schedule, all of which have air pollution control features incorporated into their design and which will therefore be able to meet the licensing standards. After extensive consultation with industry, these draft regulations were published in the Government Gazette on 10 April 1987, and I urge the operators affected to study them carefully; any comments and enquiries should be addressed to the Director of Environmental Protection.

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.*

*Question put and agreed to.*

### **LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1987**

THE SECRETARY FOR LANDS AND WORKS move the Second Reading of: 'A Bill to amend the Lifts and Escalators (Safety) Ordinance'.

He said: Sir, I move the Second Reading of the Lifts and Escalators (Safety) (Amendment) Bill 1987.

The Lifts and Escalators (Safety) Ordinance was originally enacted in 1960. Since then, the use and sophistication of lifts and escalators have increased greatly. There is a need to expand the scope of the Ordinance and to improve and update procedures and standards.

The scope of the Ordinance needs widening to take into account passenger conveyors and service lifts in non-industrial undertakings. Passenger conveyors differ from escalators in having a continuous carrying surface parallel to the direction of motion. They have already been installed in Empire Centre and Harbour City, and their use is likely to increase. In many respects they are like escalators, and require similar examination, testing and maintenance. It is therefore proposed in clause 3(c) of the Bill that the definition of 'escalator' in section 2(1) of the Ordinance be expanded to include passenger conveyors.

All service lifts in factories are subject to the Factories and Industrial Undertaking (Goods Lifts) Regulations. However, these do not apply to service lifts in non-industrial undertakings, such as restaurants. To achieve safety standards for all service lifts, it is proposed in clause 29 of the Bill that a new part IVA be added to the Ordinance which provides that safety provisions in the Ordinance should apply to non-industrial service lifts.

Qualifications and experience of staff involved in the installation, maintenance, repair and inspection of lifts and escalators are crucial to safety. The Ordinance does not stipulate the qualifications and experience required for inclusion in the register of lift and escalator engineers. These are at the discretion of the Director of Electrical and Mechanical Services. Sir, it is proposed in clause 6 of the Bill that section 5 of the Ordinance should be amended to stipulate that qualifications should be a higher diploma or higher certificate in mechanical, electrical or electronic engineering or equivalent; and that experience should comprise at least two years' relevant apprenticeship plus at least three years' subsequent work on lifts or escalators. These are in fact the qualifications and experience currently required by the director in exercising his discretion, but specification of these in the Ordinance will formally set standards, so making applicants, the lift and escalator industry and the public aware of Government's requirements.

Also there are currently no qualification or experience requirements for lift and escalator workers. This has been a contributory factor in a number of accidents. To rectify this, clause 32 of the Bill proposes that a new section 29A be added to the Ordinance which specifies qualifications or experience for lift and escalator workers. It also requires that only registered lift or escalator engineers, competent experienced lift or escalator workers, or workers directly supervised by either of the former two categories be permitted to carry out lift or escalator works.

Improvements in lift and escalator safety largely rely on analysis of accidents on existing lifts and escalators. It is proposed, in clause 28 of the Bill, that a new section 27A be added to the Ordinance requiring any occurrence which has caused death or personal injury, or where there has been a major mechanical or safety device failure, to be reported to the director.

Another measure to improve safety is the proposal, in clause 30(d)(ii) of the Bill to amend section 28(3) of the Ordinance to make it an offence for any unauthorised person to endanger himself or others by interfering with any part of lift or escalator installations.

The opportunity is also taken in amending the Ordinance to improve administrative procedures and arrangements.

Lift and escalator contractors are now registered by the Building Authority under the Buildings Ordinance on the advice of the Director of Electrical and Mechanical Services. After registration, the Electrical and Mechanical Services Department has frequent contact with the contractors, whereas the Building Authority has very little. In order to make the registration and control of these contractors more direct and effective, it is proposed in clause 14 of the Bill that part IIA be added to transfer this function from the Building Authority under the Buildings Ordinance (Chapter 123) to the Director of Electrical and Mechanical Services under this Ordinance.

Constructional requirements for lifts and escalators are presently contained in the Building (Lifts) Regulations and Building (Escalators) Regulations made under the Buildings Ordinance. To rationalise administration, it is proposed that at a later stage, provisions from these regulations of an electrical or mechanical nature be transferred to a new set of regulations to be made under the Lifts and Escalators (Safety) Ordinance. It is therefore proposed in clause 42 of the Bill that a new section 49 be added to empower the Governor to make these regulations.

The Schedule to the Ordinance contains numerous forms relating to the administration of the Ordinance. Under section 45 of the Ordinance the Governor may amend these. Consistent with the on-going need to update and modify these forms, and with the current approach of excluding routing forms from legislation, it is proposed in clause 40 of the Bill that the Ordinance should be amended by replacing section 45 to give the director the power to specify the forms.

Several other minor amendments are proposed in the Bill all of which serve to improve standards, safety or to improve efficiency in the administration of the provision of the Ordinance.

Sir, I move that the debate be now adjourned.

*Motion made. That the debate on the Second Reading of the Bill be adjourned.*

*Question put and agreed to.*

## **NEW TERRITORIES LEASES (EXTENSION) BILL 1987**

THE SECRETARY FOR LANDS AND WORKS moved the Second Reading of: 'A Bill to provide for the extension of certain leases of land in the New Territories'.

He said: Sir, I move the Second Reading of the New Territories Leases (Extension) Bill 1987.

Under the terms of paragraph 2 of Annex III to the Sino-British Joint Declaration, all leases not containing a right of renewal which expire before 30 June 1997, except short-term tenancies and leases for special purposes, may be extended if the lessee so wishes for a period expiring not later than 30 June 2047 without payment of an additional premium.

Leases in Hong Kong Island and the Kowloon Peninsular which expire before 30 June 1997, of which there are only about 120, will continue to be extended individually, where appropriate. In the New Territories, including New Kowloon, however, there are over 30 000 such leases many of them in multiple ownership, and it would be virtually impossible to extend each of them individually. The only practicable way of extending so many leases is by legislation.

The Bill is essentially about two things, both covered by Annex III of the Joint Declaration. The first is the statutory extension of most of the New Territories leases. Under clause 6, all leases, except short-term tenancies and leases for special purposes, will be automatically extended without a requirement for payment of premium. The existing nominal rent will be payable until the date on which the lease was originally due to expire, in most cases 27 June 1997. From the date of extension, the annual rent will in most cases be an amount equal to 3 per cent of the rateable value of the property at that date, adjusted in step with any changes in the rateable value thereafter. In the case of an old schedule lot, village lot, small house or similar rural holding, which was held on 30 June 1984 by an indigenous villager, the rent shall remain unchanged after the lease is extended as long as it continues to be held by that person or by a lawful successor in the male line. The rent will also remain unchanged after the lease is extended in the case of a small house granted to an indigenous villager after 30 June 1984 provided again it continues to be held by that person or by a lawful successor in the male line.

Some of the leases which would be extended by the Bill contain special provisions relating to the payment of compensation if the land is resumed by the Government. The precise wording of the provision varies from lease to lease, but the principle is that compensation is calculated as a fraction of the original premium, the denominator of the fraction being the number of years of the original lease term, and the numerator being the number of unexpired years in the lease term at the date of resumption. If this formula were retained, the effect of extending the lease to 2047 would be to increase the numerator by 50 whilst leaving the denominator unchanged. This would mean the lessee would receive considerably more compensation than was originally intended. To ensure that compensation continues to be payable in accordance with the original principle, clause 7(3) provides that, in the case of leases containing such provisions, the denominator would be the number of years in the original lease term plus 50, in other words, the period of the lease extension granted by the Bill.

Apart from the new annual rent and the adjustment of the compensation formula in leases which contain such a provision, leases would be subject to the same conditions after extension as before. This is provided for in clause 7(1). In addition, clauses 7(1) and (2) would preserve during the period of extension the status of any mortgage, charge or similar encumbrance which applied to a lease immediately before the period of extension.

The second main issue is short-term tenancies and leases for special purposes which were specifically excepted from the provisions regarding renewal in paragraph 2 of Annex III of the Joint Declaration. The Bill will not, of course extend these. Short-term tenancies are defined in the Bill as leases which were originally granted for not more than seven years. When these leases fall due, they will be dealt with on their individual merits, as at present, taking into account permanent development plans. Leases for special purposes are those

granted, usually by private treaty, for specific purposes such as public utilities, subsidised schools, welfare facilities, recreational clubs, petrol filling stations, special industries and airport support services and industries. A common feature of most of these leases is a permanent prohibition against assignment, indicating, in addition to the special purpose, an intention that the land in question should remain in the ownership of the original lessee throughout the term of the lease. In the New Territories Leases (Extension) Bill, leases for special purposes are defined generally as leases which contain a permanent prohibition against assignment. However, the definition also specifically includes 28 other leases, which were granted for special purposes, but which for various reasons do not contain a permanent prohibition against assignment. These leases are listed in part I of the Schedule of the Bill, and like other leases for special purposes, will not be automatically renewed. To complete the picture, there are also a few leases, which although not granted for special purposes, do contain a permanent prohibition against assignment and thus would be caught by the definition of leases for special purposes. In order to ensure that they are automatically extended by the Bill, they have been specifically excluded from the definition of lease for special purposes. These leases are those granted to the Hong Kong Housing Authority, Mass Transit Railway Corporation, Kowloon Canton Railway Corporation, Hong Kong Housing Society as well as the three leases listed in part II of the Schedule.

To avoid any uncertainty of title to land, clause 4 requires the Registrar General (Land Officer) to indicate leases for special purposes by making a note to that effect on the Land Office register. When the general extension of leases comes into operation under clause 6, which it is intended should be about three months after the enactment of the Bill, the note on the register would be conclusive proof that the lease in question was for a special purpose and had not been extended by the Bill. Conversely, the absence of such a note on the register would be conclusive proof that the lease was not a lease for a special purpose and that it had been extended by the Bill.

There are 842 leases for special purposes and each one will be examined before a decision is taken on whether to extend it. However, most leases for special purposes will be extended, provided that land is still being used for the purpose for which it was originally granted and is not required for a public purpose. Extensions will normally be granted to 30 June 2047; a shorter period will be considered if the land is likely to be required for a public purpose before that date or if it is unlikely to be required for its original purpose for the full period. In cases where it is decided to extend leases for special purposes, it is considered equitable to treat them in the same way as other leases and not to charge a premium. However, as in the case of most of the leases to be extended by the Bill, an annual rent will be charged from the date the original lease term expires equal to 3 per cent of the rateable value of the property at that date, adjusted in step with any changes in the rateable value thereafter.

Sir, as I said when I began, the New Territories Leases (Extension) Bill is intended to give effect to paragraph 2 of Annex III of the Sino-British Joint Declaration in respect of leases in the New Territories including New Kowloon. This Bill has been discussed with and agreed by the Land Commission before submission to this Council. At the time of its publication in the Gazette on 16 April 1987, an explanatory pamphlet outlining not only the effect of the Bill, but also how leases for special purposes would be dealt with administratively was also published for general information.

It is intended that all the provisions of the Bill, except for the general extension of leases under clause 6, should be brought into operation about two weeks after the enactment on a day to be appointed by the Governor by notice in the Gazette. The bringing into operation of clause 6 will be delayed in order to give lessees the opportunity to opt-out if they do not want their leases to be extended, and also to enable the Registrar General to make a note of leases for special purposes on the land register. It is intended that clause 6 should come into operation about three months after the vest of the Bill, again on a date to be appointed by the Governor by notice in the Gazette. This date will be published so that property owners will know when the extension of leases will take effect.

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

*Motion made. That the debate on the Second Reading of the Bill be adjourned.*

*Question put and agreed to.*

## **DANGEROUS DRUGS (AMENDMENT) BILL 1987**

THE SECRETARY FOR SECURITY moved the Second Reading of: 'A Bill to amend the Dangerous Drugs Ordinance'.

He said: Sir, I move the Second Reading of the Dangerous Drugs (Amendment) Bill 1987.

The Bill seeks to amend the Dangerous Drugs Ordinance so as:

- (i) to introduce certain presumptive levels in respect of any form of four specified dangerous drugs so that a person found in possession of more than those levels may be presumed to have had the drugs in his possession for the purpose of trafficking;
- (ii) to provide that a person found in a divan or escaping from one is presumed to know the nature of the drug he has been taking; and
- (iii) to set out the circumstances in which the courts need not consider a Drug Addiction Treatment Centre report.

With regard to the first point, Sir. With regard to the presumptive levels of dangerous drugs, the Ordinance provides that a person found in unlawful possession of more than 10 tablets or capsules of a dangerous drug can be presumed to be illicitly trafficking in the drug, until the contrary is proved. The reason for the amendment proposed in the Bill is that in cases of possession of drugs for unlawful trafficking, the law at present does not lay down any presumptive levels for certain dangerous drugs found other than in tablet or capsule form. Specifically, there are no presumptive levels in the law for cocaine, amphetamine, methaqualone and quinalbarbitone all of which can exist in powder form. The relevant clauses of the Bill now before this Council are designed to set the presumptive levels for these dangerous drugs in any form. This amendment will enable the prosecution to establish more easily that a defendant was in possession of these drugs for the purpose of trafficking. The proposed amendment is aimed entirely at the illicit supply and distribution of dangerous drugs by drug traffickers. A person who is in possession of a dangerous drug in any quantity, and in any form, lawfully supplied or prescribed by a registered medical practitioner is exempted under the law as it presently exists and the proposed amendment will not change that provision in any way.

Turning now to the second amendment to a presumption regarding drugs consumed in divans. Section 48(2) provides that 'any person found in or escaping from a divan shall, until the contrary is proved, be presumed to have been smoking, inhaling, ingesting or injecting a dangerous drug therein'. As the law now stands, the prosecution must prove that the person knew that the drug involved was a dangerous one. By contrast, there is a presumption in section 47(3) which provides that a person found in possession of a dangerous drug is presumed to have known the nature of the drug. What we are now proposing, Sir, is that the Ordinance be amended to bring the provision under section 48 in line with that in section 47 by incorporating an additional provision of presumption so that a person found in a divan should not only be presumed to have been using a dangerous drug there, but also to have known the nature of the drug.

A further issue covered by the Bill is in respect of Drug Addiction Treatment Centre (DATC) reports. In accordance with section 54A(1), the courts must consider a DATC suitability report prepared by the Commissioner of Correctional Services before they impose any custodial sentence on a person convicted of an offence involving simple possession of dangerous drugs or equipment for taking dangerous drugs. But in the following circumstances, calling for a DATC report is normally either unnecessary or inappropriate:

- (i) where, in the same proceedings, the offender is also convicted of another more serious offence and is sentenced to imprisonment for more than nine months for that offence, in which case it would be inappropriate to send the offender to a DATC which is a 'low security' institution; and

- (ii) where the offender is already in prison serving a sentence of more than nine months. After serving such a sentence, the offender would be most unlikely to co-operate effectively during detention in a DATC and during after-care. Sending him to a DATC would be of little benefit to him.

A period of nine months has been specified in the Bill in order to conform with the spirit of section 6A of the Drug Addiction Treatment Centres Ordinance which stipulates, among other things that if a person in respect of whom a detention order is in force is sentenced to imprisonment for a term of more than nine months, the first-mentioned detention order shall cease to have effect.

The amendments proposed in the Bill provide that in the circumstances which I have outlined, the courts need not consider DATC suitability reports (but they may, if they think fit, do so).

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

*Motion made. That the debate on the Second Reading of the Bill be adjourned.*

*Question put and agreed to.*

### **Committee stage of Bill**

Council went into Committee.

### **APPROPRIATION BILL 1987**

Heads 21 to 194 were agreed to.

The Schedule was agreed to.

Clauses 1 and 2 were agreed to.

### **Third Reading of Bill**

THE ATTORNEY GENERAL reported that the

### **APPROPRIATION BILL 1987**

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.

4.30 pm

HIS EXCELLENCY THE PRESIDENT: Members might wish to take a break at this stage.

4.50 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume.

4.50 pm

### **Adjournment**

*Motion made. That this Council do now adjourn*—THE ATTORNEY GENERAL.

HIS EXCELLENCY THE PRESIDENT: As eight Members have given notice of their intention to speak in the first debate and another four Members in the second debate, I propose to exercise my discretion under Standing Orders to allow Members adequate time to complete their speeches, and also adequate time for Official Members to reply to those speeches, before putting the question on the adjournment.

### **Primary Industries**

MR. WONG PO-YAN: Sir, as a small but densely populated territory, Hong Kong's economic success has been outstanding. The manufacturing industry has been enjoying great progress for many years, followed by the remarkable development of our tertiary industries. Since our resources are very limited, we should make full use of whatever resources available to us. I believe therefore it is high time that Hong Kong should devote its effort towards developing our primary industries.

#### *Agriculture*

It is my firm belief that it is necessary to turn family operations into enterprising corporations to produce high value agricultural products, be they flowers, fruits, or other food crops. I also consider it is essential that modern technology should be employed to yield better quality and productivity. To achieve this, urgent action should be taken to give our agricultural sector positive encouragement and assistance. In my view, our products would not only be highly competitive in the world market, but would also be well-received by the local market. I therefore agree entirely with other agricultural experts and our academy persons that a consultative committee should be established as soon as possible to look into possible ways of agricultural development.

*Deep sea fishing*

Sir, now I wish to move on to deep sea fishing which I see a great development potential in future. Since Hong Kong began its early existence as a fishing village, it has all the natural conditions required of a successful fishing port. Moreover, thanks to the technological and financial assistance rendered by the Government, our fishing fleet has achieved significant modernisation in recent years. As a result, our fishermen have better navigation aids, engines, and storage equipment which enable them to explore new fishing grounds farther away from base in greater speed and safety. At present nearly 60 per cent of our fleet operate overseas with the remainder fishing inshore. Their total yield has, over the 10 years from 1975 to 1985, net from 145 800 tonnes to 190 700 tonnes which represents a 30 per cent increase.

Despite the continuing improvement of our fishing industry, its potential has not been fully explored. Since our fishermen are now better trained, educated, and more experienced with fishing overseas, they could form a firm foundation for further development. Given additional training and the use of sophisticated equipment and in the knowledge of long range sailing, this core of professionals could become the pioneers of a new industry. Many countries in the Pacific Region are already heavily engaged in deep sea fishing aimed at large scale catches for export. For example, Taiwan's fishing boats have been operating in the sea near the Falkland Islands and I see no reason why Hong Kong could not do likewise given the proper assistance.

To improve efficiency and competitiveness, our fishing fleet should develop gradually into a self-contained production line, turning their catches into tinned goods or deep frozen products for the overseas market. Such operations will eventually require heavy capital investment. This new and unexplored industry provides a fresh opportunity for our investors. To provide an initial impetus, I think the Government should consider providing financial assistance in the form of low interest loan to stimulate participation by investors. It will also be helpful if Government could provide technological advice to the fishing community on the operational and marketing aspects of their trade.

Sir, I have attempted this afternoon to identify a number of our primary industries with potential for further development. I sincerely hope that careful consideration could be given to my suggestions and positive action be taken to implement them as soon as possible.

MR. CHAN KAM-CHUEN: Your Excellency, if one turns to page 44 of the Report of Hong Kong for 1987 on economy, one would find that too little is said on the primary production or industries:

‘Primary production (comprising agriculture and fishery and mining and quarrying) is small in terms of its contribution to employment and GDP.’

A total of 22 words, two brackets, and a full stop, and I hope it is not a full stop for our primary industries.

*Agriculture and fisheries*

With a population of some 5.6 million people, the daily food consumption is enormous and the principal items are: vegetables, 1 300 tonnes; fruits, 1 000 tonnes; rice, 1 000 tonnes; fish, 420 tonnes; poultry, 280 tonnes; pigs, 10 000 heads; cattle, 510 heads. With only 2 per cent of our labour force, our fishing fleet of 4 700 wooden fishing vessels net in 86 per cent of the marine fish consumed by us. Forty-five per cent of our poultry, 35 per cent of our vegetables, and 80 per cent of our pigs are produced locally although the production of fruits, flowers, eggs, cattle, and rice is much smaller and the majority has to be imported. However, our free trade policy permits all types of foodstuff to come from all over the world to compete on our open market and we are ranked by the relevant UN organisation as one of the highest consumers of protein. But it is still important that we must be able to produce some sizeable portion in order to stabilise prices and help balance our trade figures.

With only 8.8 per cent of our total land area suitable for crop farming, and this is diminishing each year by urbanisation, grain farming is uneconomical. Since 1964, the Green Revolution has increased the world production of grains by 80 per cent. Credit goes to the high yield miracle seeds, mechanisation and scientific advancement in better and cheaper fertilisers and pesticides; capital investments and aids given by some governments in research, education of their farmers, and farm credit systems. As a result, not only developed countries have to find more warehouses for their grains, but also some developing countries who are grain importers now become exporters. Cheap prices damage grain farming but ironically, in some countries, man-made starvation still kills many persons. With limited and expensive land in Hong Kong, farmers, like manufacturers, have to move up market to overcome these difficulties.

Whilst planting trees in the country park, I wondered why the trees planted were not those that could supply raw material for the manufacturing sector such as making of furniture. Another example, sericulture was once a flourishing industry in Shun Tak district of Guangdong province and mulberry trees were abundant for feeding silkworms, or could trees suitable for making paper also be planted. Mulberry trees, silkworms, silk garments, fresh water fish ponds, are all vital links of primary industry to secondary and tertiary industry and services.

The raising of cattle, pigs, and poultry which was affected, which also affected our milk and egg production, should be encouraged but we must not permit the effluent to pollute our environment. Public interest is always greater than private interest. Having said that, when terminating their business which may be their only livelihood, fair and adequate compensation should be paid to them. For those who still wish to continue to raise pigs and poultry, they should be isolated from areas which have been urbanised. Suitable islands, that is uninhabited and with water, should be designated for raising cattle, pigs, and poultry, and Government should provide or arrange infrastructure such as

transport, roads, and drainage for the effluent to flow into a centralised plant where they will be processed for biogas, fertilisers and the water cleansed to the environmental protection required standards. A nominal fee may be charged to the farmers. The farm land should be leased at a reasonable rent, for short-term leases for, say, up to 30 June 1997.

For the health of the public we should encourage and educate our people to change their eating habits and eat food with less cholesterol.

Mariculture is good if the sea water is not polluted with red tide and harmful industrial wastes and so on. Deep sea fishing may be cleaner but if territorial water boundaries and the lack of steel shipping fleet limits their sea-faring range, it seems that the production of more fresh water fish is the answer.

#### *Mining and quarrying*

Although Hong Kong is a diamond cutting and trading centre, and has the highest number of diamond retailers per square kilometre in the world, and we even have a Diamond Hill, there are no diamonds to be mined. With our limited natural resources only a few mining licences were taken out last year for mining of feldspar and kaolin. Fortunately, quarrying of stones can still support the of feldspar and kaolin. Fortunately, quarrying of stones can still support the construction sector of our tertiary services.

By now we see that the primary, secondary and tertiary industries are all interconnected and they are all equally important despite their various shapes, sizes, and colour. And the Chinese saying, 人盡其材,地盡其利, that is, each person should be given the opportunity to do his best and the land should be used to its maximum benefit, is the road leading to stability and prosperity.

With these observations, Sir, I support the motion.

MR. CHEUNG (in Cantonese): Sir, we all understand that as a society progresses, its manufacturing industries and service industries would certainly take up a large share in its growth production spectrum. So in Hong Kong, the primary industries are receiving less attention than it used to and that is a result of the advancement of our society. Also, the New Territories are beginning to be turned into new towns at a vigorous speed and it seems that we all have forgotten that actually in Hong Kong, we do have primary industries. If we say that this trend is inevitable and so we overlook the importance of or even be prejudicial to the primary industries, then we are erasing the valuable contribution of the primary industries to Hong Kong in the past as well as in the present.

In Hong Kong, there are over 21 000 households with about 58 000 people involved in agriculture and fisheries, and there are about 200 000 odd people who depend directly or indirectly on these industries for their livelihood. Of course, this does not compare favourably with the work-force in the textile industry. However, if we compare this with the work-forces for paper manufacturing and machinery manufacturing, then I would say the work-force for the primary industries outnumbers the latter two.

As for economic viability, the gross production of primary industries in Hong Kong together amounts to more than \$3 billion and definitely it contributes to the economic growth of Hong Kong. When we talk about productivity, of course it compares very favourably with the metal products export industry which amounts only to \$2.9 billion, and if we compare it with the travel accessories and handbag manufacturing industries' \$2.1 billion, then I would say primary industries outnumber them by almost \$1 billion.

Now, if we do not look at economy but turn to its contribution to Hong Kong's self-sufficiency, then I would say that they are still very important. We can have good quality agricultural and fishery products imported from other territories. However, because of factors which are beyond our control, their supply may sometimes decrease to an unbearable extent or may even be stopped altogether. If we cannot make up for the deficiency locally, whenever there is any hiccup with the import of non-staple food, then there will be chaos and confusion in the market. I cite you a very simple example. Our imported vegetable comes mainly from Guangdong province and Shenzhen, and during spring when the winter crop has been harvested but the summer crop is still growing, or when in autumn when the summer crop has been harvested and the winter crop has just started to grow, such seasonal shortages are and must be made up for by locally produced vegetables and fruits. If not, then there will be deficiency in supply and the prices of these products will certainly increase to a great extent and the Hong Kong people are the victims.

If we rely too much on imported agricultural products, Hong Kong primary industries would disintegrate and lose stamina. When it comes to a time when we need their support, then it will be very difficult to reorganise them and call forth their ability for change. I believe you all remember that a few months ago, because of the vegetable quota and customs restriction in Shenzhen, there were two occasions when Hong Kong people had to buy very expensive vegetables for consumption.

If we look at the spending pattern of the Hong Kong people on the basic necessities, the amount spent on food alone already took up 46 per cent of the Consumer Price Index A, and fresh agricultural and fishery products also took up the large share of this 46 per cent. So, a far-sighted government should formulate a very good policy regarding the basic food items for the people of Hong Kong. The Hong Kong Government is far-sighted in solving the problem of water supply and if it could transfer its stamina in trying to build up reservoirs for Hong Kong to primary industries, then the further development of Hong Kong's primary industries can be realised soon.

Now from the people who are in the primary industries in Hong Kong, there are those who are hard-working and would like to establish themselves in the trade. They are quite willing to use their capital as well as their labour to further develop their trade. If the Government could help them through the land policy

as well as technologies in preventing environmental pollution, I would say that the primary industries have a lot of potential in developing into an industry that earn foreign currencies for Hong Kong.

I also note that the staff in the development section of the Agriculture and Fisheries Department will have to be reduced by half in phases and also in the Budget for 86-87, the allocation for the development of agriculture and fisheries industries has been reduced from the \$34.7 million of 86-87 to the \$30.3 million for 87-88. If this reduction in allocation is just to streamline the department's structure then we can accept it. However, if it is because the Government thinks that the primary industries have less importance and so they have to reduce the function of the Agriculture and Fisheries Department, I would say you are putting the cart before the horse and the losses may well be beyond what can be gained.

I would like to remind the Government that a proper administrative principle which can take care of the livelihood of the people of Hong Kong must be far-sighted as well as innovative. And an innovative government must anticipate what is going to happen in the future, make proper and good arrangements so that we can have a promising future. It should not assume a passive role and make adjustments just for the sake of adjustments, and should not be led by the nose by so-called circumstances, because circumstances and policy do affect each other and the strong point of the Government now is that it can alter circumstances with policy. Hong Kong's modern circumstances should go side by side with modern policy for the primary industries. They should not alienate each other.

Today, primary industries have to face many problems. On the one hand, they have to shoulder heavy blows dealt to them by natural disasters. On the other, they have to compete with imported agricultural products. Recently, they have to take care of the animal waste disposal problem. However, since the primary industries do have the potential and need for further development, I think the Government should support it. I remember that in the policy debate of 27 November 1985, I appealed to the Government to come up with a policy to enable arable land to be available to intended farmer, or to establish farming villages to encourage farmers to make use of arable land which lay in waste, and to help farmers introduce new farming techniques, to provide new facilities and to improve the distribution network of farm products so that the farming trade and economy could grow and the farming environment could improve and in the end, the agricultural pollution problem would be solved by natural means.

Now from the statistics, there are at present 4 070 hectares of arable land which lay in waste. From this, we can see that we do not lack any arable land. According to a survey which the Agriculture and Fisheries Department received recently, 83 per cent of the households visited wish that the Government would allocate land for them to continue their farming trade and 78 per cent agree to the idea of designated agricultural zones. Therefore I would like to ask the

Government to come up with a long-term farming policy as soon as possible and to establish an agricultural advisory committee to show that the Government is taking a more active role and making substantial investment in trying to provide the infrastructure for our primary industries. In this way, the Hong Kong primary industries will be closely linked with our daily living and economy and will contribute to our prosperity and stability.

The development of new towns in Hong Kong is not only famous in Asia but has also attracted worldwide attention. I believe that in the foreseeable future, it will not slow down. And so we rely on the Government's wise decisions to take care of the role and degree of significance of our agricultural and fisheries industries as time goes on.

MR. LAI (in Cantonese): Sir, first of all I would like to say that I would not like to use this adjournment debate on primary industries to talk about the legislation on animal waste control soon to be promulgated. Although we have received a lot of petitions from farmers stating that this particular piece of legislation, once implemented, will have a severe impact on their livelihood and we feel that the problem is worthy of our concern and ought to be taken care of properly, I feel that at the time that the legislation is to be passed there will be opportunity for further debate. So I do not intend to turn this particular adjournment debate into a discussion on the control of animal waste. There is an ad hoc group in the Legislative Council to discuss this Bill and I am very happy to say that I am also a member of this group and I will try my very best to make sure that we work for a solution which is good for the general public.

Today, I would like to talk about the narrower issue of mariculture. This is not because the other problems related to primary industries are not worth our effort, rather, I feel that mariculture is a relatively new enterprise and it has great potentials for development. If we can make suitable arrangements to assist its development, not only will it improve the livelihood of the fishermen, it will also contribute to the community in stabilising fishery supplies.

When we discuss primary industries, the first indelible impression that we have would be the weight that it carries in our GDP. If we look at that, all these industries are rather insignificant. According to government statistics, primary industries account for less than 1 per cent of the GDP of Hong Kong. People engaged in these industries form no more than 1.8 per cent of the labour force in Hong Kong. However, the problem that we are looking at today is not just an economic problem nor is it just a statistical problem. We are talking about a problem of tradition, a problem of life.

There are now 28 mariculture zones in Hong Kong. These mariculture zones are providing the fishermen with a new operational environment. The fishermen will not stop being a fisherman just because they have grown old and are unable to operate at sea. Mariculture zones can make use of human resources more effectively and I am sure it can turn fisheries into an enterprise.

In this particular industry, we still face a lot of difficulties, one of them being the problem of accommodation. Yes, it is true that there are some better off fishermen with their own living units on shore. However, there are still quite a number of fishermen who do not have such accommodation. Some of them have to live in the local sheds on the fishing rafts. At present, there are government regulations restricting the use of such local sheds. They were originally intended to be storage space for fish feed and paraphernalia, not for accommodation, so there is a restriction to the size of these local sheds. For a fishing raft of less than 100 sq m, a local shed of 2× 2 m can be built. However, because of environment constraints, a lot of fishermen have already turned these local sheds into accommodation. This is not only contrary to regulations but such arrangements will also be detrimental to their health as well as safety and we often hear of fishermen's children falling into the sea because of such arrangements.

The Government must look at this problem in the proper perspective. Legislation can not take care of objective needs. Mariculture zones are usually in some remote bays and areas, and very few people will visit these areas. If the Government can allocate land on these islands and build houses to be leased out to these fishermen, then the fishermen will not need to continue to live in those local sheds. The problems of their health and safety will be taken care of. The Government is now doing the same for farmers, and if the same measure could be extended to fishermen then certainly that would take care of their living problems. If suitable accommodation can be provided to them by the Government, I am sure no fishermen will refuse the Government's offer.

Another question that we will have to face is the provision of shelters for the fishermen during times of inclement weather. The provision of shelters will help fishermen who live on fishing rafts or local sheds. I hope that suitable shelters could be provided for these fisherfolks.

Aside from assistance which is urgently needed in the way of accommodation, fishermen also require the Government's assistance in the way of transport. The fishermen have to travel from their fishing rafts and their places of residence. Sometimes they have to go to rather far away areas to get fish-fry and the most common means of transport that they use would be sampans fitted with petrol outboard engines. The Marine Department, taking into consideration the safety of such sampans and the ability of people operating them, will only allow these sampans to be operated in territorial waters and in designated areas. The operation of these sampans has also been exempted from legislative control until the end of this year. However, fishermen feel that their livelihood is adversely affected because under the legislation, sampans have to be examined once every year and their areas of operation are restricted. They hope that the Government can relax the restrictions. I feel that we should control those sampans. However, we must take care of the fishermen as well. We should continue to issue licence to the sampans. However, we must also realise that

sampans which are manually operated will not be licensed and will not be subject to the same restraints. Under the circumstances, will it not be obvious that the manually operated sampans will increase in number if we have those regulations enforced? I would like to commend the Government for postponing the enforcement of the legislation and considering petitions made by fishermen. However, a comprehensive policy has to be devised to enable the fishermen to have a reliable means of transport.

And now I come to the question of finance and the various types of loan funds that we have. There is no single fund suitable for the provision of financial assistance for fishermen. If we consider that the fishery industry has potential for development, I hope the Government could consider providing financial assistance to people in the trade.

If the Government is really desirous of developing mariculture in Hong Kong, then what we should do is to solve the fishermen's accommodation and transport problems. Even if a mariculture area is designated, it still would have to be viable before the fishermen are willing to take up this trade. Take, for instance, the mariculture zone at Tiu Cham Wan, that place is really too exposed and too far away, so no fisherman is willing to make use of that place. So, although in all other industries, the Government sticks to its policy of positive non-intervention, I still think we ought to provide the basic conditions for the industry to develop. To solve the housing problem of the fishermen is not only to look after their livelihood but also to provide conditions necessary and conducive to the further development of the trade. What we should do is to work out a possible solution to the sampans fitted with petrol outboard engines. The policy ought to be reviewed so that it could be acceptable to all parties and the examination period of such sampans could perhaps be expanded; instead of having an annual examination, they could perhaps have one examination every three years, similar to the regulations that are at present applicable to diesel engine sampans. If we could consider all these problems, given the hardwork and diligence of the fisherfolks, I am sure this industry will develop rapidly as all other industries have developed in Hong Kong.

Finally, I would like to talk about the communication problem between the fishermen and the Government. The Government ought to step up its communication with fishermen because they know very little about the various courses provided by the Government. If we could enhance further communication between the two parties, then certainly the measures implemented by the Government will be of greater help to the fishermen.

Sir, with these remarks I support the motion.

MR. TAI: Sir, Hong Kong is a metropolitan city praised and admired for her economic development and acknowledged as a leading financial centre. There are about 50 000 people actively engaged in primary industries in Hong Kong. Although such industries account only about 1 per cent of our GDP each

year, an average consumer has to spend around 46 per cent of his monthly income on foodstuff. The importance of local primary industry should not be under-estimated nor neglected and their existence is therefore essential. The Government should give them greater encouragement and support.

Traditionally the Government adheres to a non-interventionist policy and does not project a clear policy towards our primary industries. Faced with keen competition from fishing fleet of nearby countries as well as a greater increase in imported foodstuff from China, the policy of non-intervention is now outdated. We should not forget the recent lesson of Hong Kong's consumers having to face a sudden increase in vegetable prices when the import of vegetables from China was arbitrarily decreased virtually overnight and increased demand within China herself when her economy improves. When we, on the other hand, speak of consumer rights in Hong Kong, we must on the other hand, introduce measures to prevent our population from being exposed to fluctuations in the price of imported foodstuffs. Therefore, our policy towards our primary industries, especially agriculture and fishery, should be revised so that such industries can remain economically viable against foreign imports and thereby achieve a greater degree of stabilisation in the supply of agricultural products.

The Agriculture and Fisheries Department is responsible for maintaining a steady supply of food for Hong Kong as well as facilitating its distribution to the population. Admittedly the fresh fish marketing organisation and the vegetable marketing organisation have contributed much to the distribution of foodstuff to the public. However, the objective of providing a steady supply of food by combining both local and importing foodstuff leaves much to be desired. Our market share of local products, that is, live pigs, vegetables, live poultry, fresh marine and fresh water fish, all dropped between 1948 and 1986. This situation implies that the Agriculture and Fisheries Department is not performing what should be its primary task of assisting and promoting local agricultural activities. Instead, we have magnificent country parks throughout the Territory financed by an increased flow of funds and allocation of additional supervising staff from the Agriculture and Fisheries Department.

In order to promote local agriculture, the Government should consider selecting certain areas to be designated as agricultural priority areas. Within this area, infrastructure such as transportation, electricity, waste treatment plants and so on, should be established to support and encourage our farmers in maintaining a viable livelihood. Our farmers will then gain confidence as well as sufficient space to develop and expand their business. The output of local products would then certainly increase to counter-balance the fluctuating price of imported agricultural products. The adoption of such agricultural priority areas should do much to help stabilise the market supply and the price of foodstuff.

Sir, in Hong Kong there is about 7 000 hectares of arable land and only 3 000 hectares is under active cultivation. If the remaining 400 hectares of fallow land could be recultivated, it would greatly increase the area being farmed as well as

the output. Instead of decreasing the establishment, the Agriculture and Fisheries Department should deploy additional staff to educate farmers in applying new technology and marketing research so as to encourage and expand our local agricultural industry.

Faced with keen competition from imported products, agricultural and fisheries industries should deploy more advanced technology so as to reduce labour costs and achieve greater efficiency. However, new technology always requires a larger capital inflow and investment, which experience has shown that it is less practicable to rely solely on private contributions. The Government should therefore take the initiative in introducing new technology to our primary industries. It would not only assist and stimulate local agricultural activities, but should also make our products more viable so that we could become less vulnerable to foreign price fluctuations and competition.

Manure from pigs and poultry farms in Hong Kong has caused environmental problems to the population. My colleagues and I would much appreciate an increased determination by the Government to combat such a nuisance and health hazards. However, I fear that severe pollution control schemes, if implemented, would endanger the livelihood of nearly 25 000 people who earn their living by rearing animals. They would be forced to give up their business owing to a lack of essential capital which they require in order to introduce the new technology need. Therefore, I appeal to this Council to deliberate carefully over the hardship suffered by those who would be affected and search for a better compromise between environmental nuisance control and the livelihood of farmers.

Sir, there has been call for the setting up of an advisory committee relating to our agricultural industry to assist its development and I support that call.

MR. TAM (in Cantonese): Sir, ever since the publication of the consultative document on the control of pollution caused by animal waste in 1985, various agricultural associations have been most responsive in voicing their views. Among all the views, one was particularly prominent, that is, the farmers believe that the Government is strangling instead of supporting the development of agriculture.

This clear and prominent view has prompted me to ask a question. I am wondering, is agriculture in Hong Kong a sunset industry? As the saying 'Weakness lends wind to rumour' goes, I believe that people think that agriculture can be described as one of our sunset industries because of the stance taken by the Government towards it.

One of the views taken by the Government towards agriculture is that it is not significant or not significant at all in Hong Kong's economy, and the second view is that there is not enough land for agricultural development, and the third view taken by the Government is that Hong Kong can rely more on mainland

China for the supply of primary goods. That is why the market sharing rate of local primary products can decrease, but I am afraid I cannot agree with any one of these views.

Now on the first point. I think we must accurately evaluate the significance of agriculture in Hong Kong's economy, and we cannot just look at its percentage in the GDP of Hong Kong. We must know that if we look at the category A consumer product index, we know that local production in vegetables takes up 33 per cent and poultry takes up 55 per cent and these are no small figures. I think agriculture in Hong Kong has served a lot of functions in the economy of Hong Kong. It has the functions of balancing consumer prices, stabilising the market and stimulating improvement in the quality of imported goods. Officials from the Agriculture and Fisheries Department also confirm that agriculture and related industries, for example, animal feeds industry, poultry, pharmacy and transportation have directly and indirectly provided employment opportunities for over 200 000 Hong Kong citizens. If Hong Kong's agriculture is going to deteriorate, how are we going to look after the livelihood of this great number of people? In conclusion, I think we simply cannot afford to underestimate the significance of agriculture in Hong Kong's economic development.

Now on the second point about the shortage of arable land. Mr. CHEUNG Yan-lung and Mr. TAI Chin-wah have pointed out the information very clearly and I will not repeat their points.

As for the third point, I think the Hong Kong Government has placed agricultural development of Hong Kong in a competitive position versus mainland China. Since the Government believes that the land prices in Hong Kong are very high and that there is not enough room for agricultural development in the long run, we should instead rely on the agriculture products of mainland China. That is why the Government thinks that it is not necessary for agriculture to exist nor continue to develop. I think this is a biased view because it has overlooked the special functions served by agriculture in Hong Kong. In fact, the degree of freshness of local farming produce is always higher than any imported produce and the quality of local produce cannot be replaced by imported ones.

Finally, I would like to point out that agriculture should not be considered as one of our sunset industries but the prerequisite is that the Government does not treat it as such. There are already critics pointing out that Hong Kong's agriculture is in a stage of transformation, so we must consider how to keep and develop traditional agriculture through the use hi-tech skills, for example, biological engineering techniques. Finally, we should consider how local agriculture can be compatible and not competitive with the supplies from mainland China. I think all these questions are worthy of our detailed study. That is why I suggest that the Government should set up an agricultural development advisory committee to study the future direction of agricultural development in Hong Kong.

MR. ANDREW WONG: Sir, may I first of all join my colleagues particularly the Senior Member, Miss Lydia DUNN, in extending to you, Sir, a most hearty welcome on the occasion of your presiding over this Council for the first time.

Hong Kong or rather the running of Hong Kong is not new to you, Sir. You first came here in 1960 for some two years to learn Mandarin full-time, and probably also to learn to become a Mandarin. You returned to Hong Kong and served as Political Adviser between 1977 and 1981 and was so to speak our Swiss guide in our efforts to scale further and further heights. And between 1985 and 1987, though not in Hong Kong, you were the Senior Representative on the British side on the Joint Liaison Group which is so vital for a smooth transition of sovereignty over Hong Kong from Britain to China. You have now once again returned to Hong Kong, this time as Governor and as leader of the expedition to scale the 1997 summit. Let me here pledge to you, Sir, my wholehearted support, perhaps not in return for your consideration, if not also support for the weaker members of our great society in Adam Smith's and Frederick Hayek's sense of a term which places equal emphasis on freedom and justice. I am confident, Sir, that your sympathetic consideration will be forthcoming.

Sir, I had originally intended to speak on mariculture. The bulk of marine fish culture, Sir, being in my constituency, the New Territories East. I have now changed my mind and will address primary production as a whole in general and the agriculture and fishing sector in particular, but would none the less with your kind permission, Sir, table the text of my original speech on mariculture which is written in Chinese as an appendix.

Sir, may I first of all draw attention to chapter 5 of the booklet entitled '1986 Economic Background' released in February 1987 on the occasion of the 1987 Budget speech by my hon. Friend the Financial Secretary. Paragraph 5.1 in draft form began 'Primary production is insignificant in the local economy when judged by its contribution to the gross domestic product'. Now, mark the words 'insignificant' and 'contribution'. They must betray the mind of the Economic Services Branch. Now the draft was discussed at the Economic Review Committee. It was after gentle protestations from my friend Mr. TAM Yiu-chung and myself that the sentence was amended in the final version to read, and I quote 'In terms of its contribution to gross domestic product, primary production is a relatively small sector in the local economy'. Admittedly, Sir, the sector is indeed small. Its share of the gross domestic product—please note I deliberately dropped the term 'contribution to', is a meagre 0.6 per cent according to provisional GDP figures for 1985. However, the booming and the significant, hence significant, construction sector is only 5 per cent and the vital and significant electricity, gas and water sector is smaller, 2.7 per cent, and what about each and every single one of the three components? They must be even smaller than 2.7. Again at Mr. TAM and my suggestion, a footnote has been added in the final version for the second sentence of

paragraph 5.1 of the 1986 Economic Background, to the effect that, and I quote 'In 1986, local production of vegetables, pigs, poultry and marine fish accounted for 33 per cent, 16 per cent, 55 per cent and 88 per cent respectively.' Now was this insignificant? Sir, I would certainly have loved to further adapt SHAKESPEARE'S Mark ANTHONY'S speech when he said at Caesar's funeral 'Was this ambition?' but we will stop here in the interests of the recent debate. That is suffice to note that the production rates and percentages are indeed significant, bearing in mind that only about nine per cent of our total land area, 400 sq. miles, or in other words 36 sq. miles, is arable.

Now, Sir, it can be argued that such significant production rates and percentages are attained as a result of a conscious government policy of, and I quote 'Maintenance of a current share of the market in respect of stable foodstuffs held by local producers'. These are the words of the Hong Kong Development Plan released in October 1981. And that given the run-up to 1997 and the adequate and efficient production and delivery capability on the part of China, such a policy ought to be dropped, particularly the corollary policy of directly and indirectly subsidising local producers. In fact this is the gist of the tentative conclusion of a value for money study on agriculture and fisheries conducted in 1985. Whilst I personally agree that an artificial policy of artificially maintaining an existing market share for local producers is no longer necessary, nor is it desirable in the public interest and the interest of justice, I do have three points to place on record.

First, the significant production rates and percentages in vegetables, pigs, poultry and marine fish are not due to a rigid and protectionist market share allocated by the Government to local producers. Local producers do compete in the open market with imports. The policy is merely, and I quote 'To assist the local development of such agriculture and fisheries as are...' and I underline 'economically viable', that means they have to compete. The production rates and percentages are therefore, real achievements on the part of local producers.

Second, subsidies direct and indirect, if they can be described as such, are but very meagre. The 1987-88 estimates of expenditure which we have just approved of the Agriculture and Fisheries Department, excluding country park expenditure, but including all regulatory expenditure, including also agriculture and fisheries and other expenditure like rabies control, leverages and quarantine for imported live pigs and so on, amount to only \$78.8 million. The corresponding actual figure for 1985-86 was \$75.2 million. Now, Sir, one must be reminded that the agriculture and fishing sector is not the only one 'subsidised' by public funds. The Trade Development Council and the Productivity Council for example, will receive from Government in 1987-88, subventions of \$232 million and \$56.7 million respectively, corresponding figures—actual figures for 1985-1986 being \$211.8 million and \$36.9 million respectively.

My third and last point, Sir, has to do with public policy making. I have said earlier I agree that the artificial policy of artificially maintaining market share

for local producers should be dropped. However, a policy change as major as this one, should not be made behind closed doors in the guise of a value for money study. I therefore urge the Government to appoint, as a matter of urgency, a policy advisory committee including non-government members to first comprehensively review our existing agriculture and fisheries policy with a view to allowing the sector to develop on the free and fair basis into realms of high technology, and second, to monitor the implementation of the existing or any new policy in the primary sector of our economy.

Sir, farmers and fishermen are now claiming that the Government, instead of supporting them, is in fact strangling them. I propose we do neither. My principle being to live and let live and extend to one and all the same fair treatment in this our free enterprise economy.

With these remarks, Sir, I beg to support the motion.

MR. LAU (in Cantonese): Sir, the primary industries have all along been overlooked by the general public and the man in the street tends to have a very meagre understanding of the primary industries. Public debates and discussions on these industries only began after the Government had issued the consultative paper on 'Pollution arising from animal waste'. Despite a strong protest made by the people in the fishery and agricultural industries, they still fail to obtain the attention of the community which understands very little about their trades.

I myself have lived in the New Territories all my life. As a result I have a very clear understanding of the past and present development of agriculture in the New Territories. I also have a deep appreciation of the grievances and hardships suffered by the farmers in the New Territories, and I would like to use the opportunity today to reflect the difficulties and grievances of the farmers and to help Members understand their problems in order to find a satisfactory solution.

In the 1960s, agriculture was very prosperous in the New Territories. Farmers rose early in the morning and they rested after sunset. They lived a self-sufficient and very stable life. But ever since the Government started to develop the New Territories, great changes were brought to the agrarian society. First of all, in order to solve the problem of water supplies, the Government began to build reservoirs and as a result, water sources had been terminated, and farm lands had to be abandoned. This also indirectly led to the pollution of many of the streams in the New Territories. Later on, the Government began to develop the new towns and start land resumption. Many farmers therefore had to give up their lands and move overseas to make a living. They really have to work very hard to maintain their livelihood. After more than a decade, those engaged in the farming and fishing industries in the New Territories have dropped to 50 000 and together with those in other related industries, there are about 200 000 people employed. Although in 1967, in order to prevent interruptions in the

supply of the import of food, the Government had encouraged the people of Hong Kong to join the agriculture and fishery industries. However, all along the Government has never had a long-term and comprehensive policy to help protect and develop Hong Kong's primary industries. The Government has also failed to show concern for the livelihood, environment, transport and other basic infrastructural needs of the people engaged in the fishery and agricultural trade. Everybody can see that the decline in the living standard in the rural parts of the New Territories is partly due to what the Government has done.

Undoubtedly, with the development of the New Territories, there will be fewer and fewer farm lands, but this does not mean there are no prospects for the farming and fishing industries. In fact in the last 10 years or so, agriculture and fishery industries in Hong Kong have moved in the direction of high technology and high quality and they have also achieved remarkable results. The present technology and experience of our fishing and agriculture industries are very high by Asian standards. It is a pity that these achievements will soon be eliminated as a result of severe controls of the Government.

In order to stop the deterioration of our environment, it is necessary to impose effective control. However, the Government should realise that such controls would also cause a chain reaction. Accordingly, to my preliminary understanding, the control plan on animal waste, if implemented, will lead to the unemployment of half of those engaged in farming and livestock industries. The ex-gratia compensation given to them by the Government can hardly compensate for what they have lost. People engaged in farming and livestock industries, have only their agricultural skills to depend on and they do not have the necessary skills to change jobs. Even if they want to follow the example of their predecessors and go overseas to make a living, due to the very harsh immigration restrictions, it is very difficult for them to do so now. Even if they are willing to give up their traditional way of life and change their jobs, but given their qualifications and experience, they can only take up low paid and menial jobs. As a result, their standard of living will fall drastically. Moreover, some of them may not even be able to adapt to the new way of life and may find themselves in a difficult position.

Since antiquity, the intelligensia, the farmer, the merchant and the craftsman are the four pillars of the economy. Many countries have paid very great attention to the development of agriculture. Though relatively few people are engaged in these industries in Hong Kong, however the Government still has the responsibility to look after the livelihood of these people. Personally, I think control is a very passive way to deal with the problem. It will merely stifle our fishing and farming industries. Furthermore, it will bring adverse effects to our economy and indirectly lead to unemployment.

Sir, Hong Kong is a free society and everybody has the freedom to choose their own jobs. Every trade has the right to survive and the Government should

not therefore introduce restrictive controls or forcibly change people's way of life. At the same time, the Government should not use the excuse, namely that our farming and fishing industries only take up 1 per cent of our GDP, to stifle these occupations which have existed since human history.

Even though Hong Kong has now become a modern, commercial and industrial city, agriculture and fishery still plays a very important part in supplying our staple and non-staple food. They also help to regulate the prices of such products. Therefore the Government should treat the fishing and farming industries seriously and come up with a long-term and effective policy. The Government should also set up a special committee to provide technical and financial assistance to those affected by Government and help them to find jobs and security.

5.59 pm

SECRETARY FOR HEALTH AND WELFARE: Sir, several Members who have spoken in this debate have referred to the proposed agricultural waste control scheme, and expressed concern about its effects on the livestock farming industry. I would like to assure Members that it is certainly not our intention to drive livestock farmers out of business. The purpose of the scheme is to control pollution and not to hinder agricultural development. There can be absolutely no doubt that pollution from animal wastes is a major environmental problem in Hong Kong. It can pose serious health risks when polluted water is used for irrigation or where shell fisheries and public beaches become contaminated. It is estimated that animal wastes are responsible for about 70 per cent of all stream pollution in the New Territories, and 50 per cent of the total organic pollution entering the sea.

Pollution by animal wastes has led to a significant decline in the quality of our coastal waters, particular in Tolo Harbour. It also imposes high costs on the community in terms of the need for additional sewage treatment facilities and the reduction of potable water supplies, and one has only to see and smell many of the nullahs and streams in the New Territories, as you did yourself Sir, very recently, to realise the unacceptable damage done to their amenative value by the indiscriminate discharge of waste from pigs and chickens.

The proposed control scheme will prohibit the keeping of livestock in Hong Kong and Kowloon and in the new towns. Livestock farming is not compatible with urban development and constitutes a serious public health hazard in built-up areas. We therefore concluded that controls in these areas would not be practicable.

The scheme also provides for control of the keeping of livestock in the remaining areas which include most of the New Territories. In these areas,

livestock keepers will have to comply with regulations which will cover the collection, storage, treatment, transportation and disposal of livestock waste.

The control scheme was the subject of extensive consultation with district boards and with the farmers themselves before it was agreed by the Governor in Council last August. All livestock keepers who had been operating in the areas where pigs and poultry are to be banned, and also those in the controlled areas, who go out of business because the new regulations make it uneconomic for them to continue, will receive compensation.

Originally it was proposed that the compensation rates should be the same as those for development clearances. But following a discussion in the Finance Committee, this has now been reconsidered and the administration will be putting a revised proposal with more generous rates to Finance Committee later this month. These increased rates are justified because the scheme will be territory-wide and it will therefore be virtually impossible for livestock farmers to re-establish themselves elsewhere.

Concern has been expressed that the proposed control standards are too stringent, and that it will be extremely difficult for livestock farmers to comply with them. It is however, the view of the Environmental Protection Department that any less stringent standards would not achieve a significant improvement in the water courses of the New Territories. In order to help the farmers to comply with the proposed standards, demonstration farms will be set up by the department to show the farmers how the various treatment facilities work. The department will also provide advice on acceptable techniques for waste treatment and disposal and will organise collection services which will be subsidised from public funds in the initial stages.

As Mr. Richard LAI has pointed out, these aspects are being discussed in the ad hoc group with which I have had several very useful meetings, and Members will also have an opportunity to discuss the legislation when the amendments to the Waste Disposal Ordinance come before this Council.

Sir, I hope that I have said enough to make it clear that it is no part of our plans to destroy the livestock industry in Hong Kong. Clearly the time has come when firm action is required to make a radical improvement in the quality of our water courses and coastal waters. This is the object of the scheme. We have no objection to pigs and chickens being kept in suitable areas, provided proper measure are taken to dispose of the wastes which they produce.

SECRETARY FOR LANDS AND WORKS: Sir, I very much welcome the debate on primary industries because I am very supportive of its spirit and also because it gives me the chance to mention two related aspects of land policy which have been mentioned earlier by Members. These are namely what we call the agricultural priority areas and also proposals to allow full-time farmers to build their homes on farm lands.

Over the years there has been a progressive shrinkage in the area of agricultural land in effective use. As of 1986, the amount of arable land lying fallow, was about 4 070 hectares or about 43 per cent of the total 9 450 hectares of potentially arable land. This position has remained more or less stable since 1977 and the reasons for this are many.

While some of the land was abandoned long ago because it was uneconomic, being too small, too remote or affected by inadequate water supply or poor drainage, much of the reduction in recent years has occurred because the land was taken up for development by either the public or the private sector. Moreover, a very significant amount of arable land is left fallow in expectation, not always justified, of its being developed in the near future. It is doubtful whether, in the face of the availability of farmlands, but the non-use of them, Government would be justified and in forming and surfacing new areas for disposal as was suggested.

Sir, the Town Planning Ordinance does not at present have powers, or give powers to the Town Planning Board to disown land for rural uses in support of agriculture, and a recent judicial interpretation of the Block Crown Lease has made any protection under the lease of private agriculture for land for its intended function extremely difficult. So potential good farm land carries on being converted to storage, car dumps and other monstrosities which are seen as more profitable uses than farming with little or no possible interference from Government. I would not like to say whether this conversion is good or bad for the Hong Kong economy, but it must be accepted that in these circumstances, neither Government nor private enterprise has the incentive or indeed the security to invest heavily in agricultural infrastructure.

The concept of designating agricultural priorities as advocated by Mr. TAI is an exploratory step towards reversing the tendency for the conversion of good farm land into other uses. The intention is that areas identified by the Director of Agriculture and Fisheries as good farm land should be designated in the Government's non-statutory sub-regional planning statements as being planned for agriculture, and that these should subsequently form the basis of local planning.

General speaking, these are areas where little land has been converted to other uses and where agriculture is still flourishing. Some of the planning statements to which I referred are, and all will be, discussed in district boards, and it is hoped that this discussion, in airing the problem, will help the Government to decide whether the objective to encourage agriculture is worth pursuing actively and carrying forward to say, statutory protection on the lines of country park or town planning legislation, infrastructure investment and other assistance to encourage production. Up till now, the reported public response has been discouraging, originating as it does from landowners whose freedom of the use of their lands would necessarily be restricted. I hope however that this debate and discussion in the district boards, will stimulate public interest in

agriculture and private interest in investment in it, will help the acceptance of the proposition that little can be achieved unless landowners in the rural areas accept some restriction in the use of farm land and will encourage Government to initiate some more positive steps in this direction.

Regarding the building of domestic houses on farm land. So many people live on or around farm land that it is often difficult to sort out the farmers from the rest. Moreover the old farmer's house relating to a piece of farmland is often occupied by someone else. However, the Director of Agriculture and Fisheries has recognised there is sometimes a problem here, and in co-operation with Buildings and Lands Department is trying out schemes in two areas to permit genuine farmers to build proper domestic accommodation on their lands. If it is shown this is a real stimulus to agriculture and help to it, and it works in other respects, the general application of the scheme should be supported. Similarly, Mr. LAI's plea for fishermen also needs looking into.

With these remarks Sir, I support the motion.

FINANCIAL SECRETARY: Sir, it falls to me to answer those questions and to respond to those observations which Members have made which have not been specifically directed to either the Secretary for Lands or Works or the Secretary for Health and Welfare. I have listened with great interest to the comments made by Members about our primary industries. Let me assure this Council that the Government fully recognises the contribution that farmers and fishermen make to the local economy. We certainly do not, Sir, consider the primary industries are in a sun-setting situation. We shall continue to support these industries on the basis of existing policy, so I will begin by saying a few words about this policy before I turn to comment on some of the observations made by Members during this debate.

As with the manufacturing industry, the Government's policy is basically one of free enterprise, as we have been reminded by Mr. Andrew WONG. The Government does not give direct subsidies to primary industries, nor does it seek to protect them from the free operation of market forces. Instead, the Government provides infrastructural and technical support necessary for the development of farming and fisheries and leaves them to adjust to market forces.

In pursuance of this policy, the Government has made available a range of infrastructural facilities and assistance to the agriculture and fisheries industries to increase their output and contribution to the economy overall. These include wholesale marketing facilities, vocational training courses, technical advice and loan funds. Our policy of support without direct subsidy has served the industries well. As pointed out by Mr. LAU Wong-fat, Mr. LAI and Mr. TAI Chin-wah and others, the industries with their progressive modernisation are moving towards a high quality production while maintaining a significant share of local food supply.

Sir, I turn now to a brief review of the state of our primary industries. I am pleased to report that the income generated by agriculture and fisheries was \$1.25 billion in 1985. While this may not at first sight seem as impressive as other sectors of the economy, this is no mean achievement given the relative size of the primary sector. This sector, as pointed out by Mr. LAU Wong-fat, contributes about one per cent to the GDP which is not out of line with other countries developed or developing. I am glad that with encouragement from Mr. Andrew WONG we have recently excised the word 'insignificant' from a Government document describing this section's contribution to the economy.

Mr. WONG Po-yan has suggested that we should be turning family operations into enterprising corporations to produce high value agricultural products. I am happy to report that our agricultural industry is indeed moving in this direction. Since 1970, there has been a progressive reduction of labour and land as is obvious. In 1986, the farm population was 26 000 and arable land amounted to 9 450 hectares which respectively represent a decrease of 23 per cent and 29 per cent over 1971. Yet the value of local agricultural production has increased by 31 per cent between 1971 and 1986 and the local supplies of agricultural products continue to represent a significant share of the market. The market shares for locally produced vegetables, poultry and pigs are respectively 34 per cent, 40 per cent and 17 per cent.

I agree with Mr. WONG Po-yan and Mr. TAI Chin-wah that up-to-date technology should be introduced to yield more and better crops and the Government should give the industry positive encouragement and assistance. In this respect, Members may wish to know that a range of technical advice and field services is offered to the farming industry. This focusses on areas such as farm management, use of sprinkler irrigation systems, rotary cultivators, drainage improvements, animal health care and effective use of pest-control devices. Three loan funds are available to provide working capital for farmers and in 1986, a total of just over one thousand loans valued at almost \$14 million was granted.

The use of modern techniques and equipment has led to a great improvement in agricultural productivity as the statistics show. So much so that the average yield of vegetables per year is now about 67 tons per hectare of cultivated land as compared with 48 tons in 1961. An average vegetable farmer now produces about 13 tons of fresh vegetables per year, almost doubling the production of the early 1960s. In pig and poultry farming, the feed conversion ratio being the amount of feed required to produce one unit weight of meat has been gradually reduced, thus resulting in considerable savings in cost. The length of time now required to produce a porker of marketable size, is only three quarters of what it was in the early 1960s.

Sir, Mr. CHAN has suggested that economic plants and other agricultural activities should be permitted within country parks. This is indeed the case. Within the country parks is some private land which has been traditionally used

for agriculture and fisheries. Such land use is permitted. For those farms which have been abandoned, farmers are permitted to bring them back into cultivation. Furthermore, anyone wishing to carry out farming even on government land in country parks, may apply to do so and each application will be considered on its own merits.

Sir, I turn to the fisheries sector and like agriculture, this has also been performing well. It contributes over half of the local consumption and there was an export of 41 500 tons last year.

As pointed out by Mr. WONG Po-yan, the Government provides technological and financial assistance to local fishermen. Training courses, technical advice and services are all available. The aim is to assist the industry to diversify and extend fishing grounds, to modernise the fishing fleet, upgrade post-harvest technology, improve fish farm management and maintain orderly fish marketing. Again, loan funds are available and last year, 101 loans valued at almost \$7 million were made available.

In the capture fishing industry, there were last year 4 700 vessels employing some 23 700 fishermen, yielding some 205 476 tons of fish. Since 1976, marine fish production has increased by 36 per cent notwithstanding the fact that neighbouring countries have banned our fishermen from certain coastal waters. However, Hong Kong's fishing industry is still short of capacity to engage in distant sea fishing, which demands heavy capital investment and infrastructural back up. At present our demand for fish products does not require catches which will justify large-scale deep sea fishing operations. Nevertheless, I agree with Mr. WONG Po-yan that this type of fishing has potential for further development and the department will consider what further assistance should be provided.

I also agree with Mr. LAI that aquaculture is a relatively new fishing operation and that it has great potential. There are, as he has told us, 28 designated fish culture zones with a total area of 158 hectares in which about 1 700 fish farms are engaged in the rearing of some prime species. The productivity of this sector has greatly improved. Between 1976 and 1986, the production per hectare has increased in monetary terms by about 60 per cent. The Government's objective is to enhance the productivity of mariculturalists through increased technical and management efficiency.

I note Mr. CHEUNG Yan-lung's concern over the recent staff changes in the Agriculture and Fisheries Department. Let me explain. These changes were the result of a value for money study conducted in 1985. In this study, the role and functions of the department were examined against the background of changing economic circumstances. To achieve greater operational efficiency, the amalgamation of some offices, depot and research stations with consequent economies and staff size were recommended. I can assure Mr. CHEUNG that this

programme of streamlining the department's operations will not result in any adverse effect on the provision of services to the primary industries. Indeed, on the contrary, it should enable the department to direct its efforts to the areas of greatest need and in particular, should help to strengthen the regulatory and control functions of the department in such areas as fisheries protection and rabies. I would also like to reassure Mr. TAI Chin-wah that the involvement of the department in the management of country parks, has in no way adversely affected the department's primary role in assisting the agriculture and fisheries industries.

I turn now to the question of consultation with farmers which a number of Members have raised.

Sir, the Agriculture and Fisheries Department is in regular consultation with both the agriculture and fisheries sectors. At present there are a number of committees comprising representatives from the industries to advise the department on various issues such as marketing of agriculture and fisheries products and the granting of scholarships for further training in subjects related to agriculture and fisheries. There are also frequent informal exchanges of views on various matters which are of mutual concern. Mr. WONG Po-yan, Mr. CHEUNG Yan-lung, Mr. TAM Yiu-chung and others have suggested that there should be an advisory committee on agricultural issues. This suggestion will be carefully considered by the Administration.

Sir, in conclusion, let me reiterate that the Government fully intends that our primary industries should continue to play an active role in our economy. I agree with my hon. Colleagues that we must be looking forward in our policy and that we must anticipate rather than react to changes. When one reads about the present state of agriculture in the United States and in some European countries, one cannot but feel that despite their tradition of heavy subsidisation, how well positioned are our own primary industries operating within our free enterprise environment. Our farmers and fishermen have more than held their ground in the face of competition from other sources. Our local produce may not be the cheapest but as Mr. TAM Yiu-chung has reminded us, their freshness and high quality do seem to give them a competitive edge whilst providing a welcome choice and continuity of supply to consumers. Perhaps to meet Mr. CHEUNG's observation, we should be rather more forthcoming in print in future about our primary industries and their contribution to our welfare.

Sir, the performance of our agriculture and fisheries industries is impressive. Credit must go largely to the hard work of our farmers and fishermen and to their flexibility in adapting to changing needs and circumstances. I would not wish to conclude without publicly recognising the contribution of those who work in this sector of our economy.

6.24 pm

### **Flooding in New Territories**

MR. TAI: Sir, may I first of all say that my views are being shared by my colleague, Mr. Andrew WONG, who has also asked me to speak in his behalf.

Sir, only days before your arrival, Hong Kong's rainy season began. During April, heavy rainfall caused severe flooding in the northwest of the New Territories. In fact, flooding has long been a problem in the rural and low-lying areas of the New Territories, particularly during the rainy season, but the damage was particularly severe and extensive on the last occasion. On your last visit to Yuen Long, Sir, you observed the development of a second generation new town as well as the resources that the Government had put into such projects. This development has resulted in an increasing imbalance in the allocation of funds in favour of new towns but very little has been made available to the rural residents. Consequently, living standards and the living environment of the rural residents have not been maintained but in many cases have deteriorated over the past years. Just last year alone, there have been numerous occasions of flooding in Pat Heung, Tin Shum, Lau Fau Shan, Ha Tsuen and the northern part of the New Territories during the rainy season. Little has been done by the Government to improve the situation.

The floods in April caused severe damage to the farming community and industries, particularly to crops and livestock. Water levels of approximately six feet in depth were being reported in some places. Farmers blamed the Public Works Department and government land fill in nearby areas for causing blockage of water courses and rivers. Some works were said to have altered the natural flow of water. However, the Government claimed that, in fact, it was private development schemes by land-owners which had caused the blockage of rivers and the existing drainage scheme. This does not help matters a bit.

Now Hong Kong has entered into the rainy season and the typhoon season is fast approaching. We should take steps to guard against damage to property and danger to life as a result of flooding. There is, therefore, a pressing need for the Government to implement urgent remedial measures to improve the situation comprehensively with particular attention to the rural areas.

I am, Sir, given to understand that with the establishment of the Environmental Protection Department, much of the expertise previously concerned with environmental affairs maintaining effective water courses and rivers has been transferred out of the Lands Department and the Civil Engineering Department, so much so that there is now uncertainty and some confusion as to where responsibility lies with regard to government action in this area.

In order to remove this uncertainty and allay the worries and fear of rural residents in areas threatened by torrential rains, immediate and effective preventive measures should be taken by the Government to deal with the flooding problem. It is much better to prevent than to cure.

With regard to the damage caused by flooding to the farming industry, I understand that the usual practice is to advance a loan to farmers affected by floods and a handout of approximately \$1,000 will be made to the farmers. If the objective of this practice is to assist or to provide relief to affected farmers, I would appeal to the Government to review this practice as the present amount of assistance is too limited and definitely inadequate to meet the need.

Sir, I trust this debate has helped us all in focusing attention on a serious problem, and now it is time for the Government to take action.

MISS DUNN: Sir, I am grateful to Mr. TAI for bringing our heads out of the clouds of high political theory and down to earth, or, in this case, water.

For those of us who are used to living in high-rise buildings the word 'flood' probably reminds us of the Old Testament or at worst means a day of mopping-up.

While a blocked kitchen drain can still cause the ordinary housewife some distress and not a little expense, flooding from rain-storms can cost a farmer his livelihood. Today there is no Noah's Ark to rescue the thousands of livestock which represent the source of income for a comparatively small but significant percentage of our population. After all, although rice is no longer grown in the New Territories, our farmers are still responsible for producing some 34 per cent of our vegetables, 39 per cent of our poultry and 11 per cent of our fresh water fish. Flooding not only creates for them crippling loss but ends up pinching the purses of our housewives.

It is not only the means of livelihood that is threatened by flood but the homes of the farmers and others who live in the rural areas. While millions of dollars are poured into developing the infrastructure for new towns and ensuring a high standard of services and facilities to attract newcomers into the new towns, very little is done in comparison for those living in the non-urban parts of the New Territories. For years the Government has pretended that there have been no real increases in the rural population, but any visitor to the New Territories can see for himself the proliferation of Spanish-style villas springing up in the non-urban areas. Yet the Government does not seem to have any overall policy or plan to accommodate the new rural population in properly laid-out villages. Nor are the problems of the rural population mentioned in the latest housing policy paper. The absence of proper planning has meant that the rural population has to be accommodated in a much more haphazard fashion than is desirable. Thousands live in homes that are subject to flooding.

Sir, a number of complaint cases handled by OMELCO have brought to our attention some of the problems which the Government must address in order to alleviate the damage caused by flooding. The first is the need for speedy action. After the floods subside we have found that it often takes months of lengthy discussion and investigation before the relevant government department is willing to assume responsibility and look into the problem. Another few months pass while remedial action is considered, and before we know it the rainy season is upon us again.

The second problem is the lack of effective co-ordination. The Hong Kong Government has earned a reputation for completing its major public works projects on time or ahead of time, but there is considerable procrastination when it comes to tackling problems of a smaller scale. Looked at within the context of our public works programme, the works required to reduce substantially the incidents of flooding are not large. Indeed, it may well be their insignificance that has either excluded them from the programme or allowed them to fall between the areas of responsibility of the relevant government departments. In a recent complaint case involving blocked streams in Fanling caused by indiscriminate dumping, the relevant departments took months to decide on the responsible authority to carry out remedial works. While this bureaucratic soul-searching went on, the risk of flooding remained and the nearby residents could only pray for dry weather. In the end we discovered that the co-ordinating department had neither the staff resources nor the technical expertise for the remedial works required. Again, the solution had to be found in the public works programme which meant further months of delay.

Sir, this is just not good enough. I realise that preventive or remedial works in relation to flooding are tricky and not easy to implement. For one thing, the public has to be convinced of the merit of any work before it can be done. But the problems faced by the Government are not insuperable and in the final analysis require a more sympathetic outlook, speedier response and better co-ordination.

I hope that this debate will, without further political pressuring, generate an initiative that will, first and quickly, lead to an abatement of flooding risks. It should then tackle all the other problems arising from the neglect of development realities in the parts of Hong Kong that are not town and not country park.

MR. CHEUNG (in Cantonese): Sir, the rainy season in Hong Kong has just started. Every time we have heavy rain, I would think of the threat of flooding that the many low-lying lands in the New Territories have to face. Under an improper drainage system, our hardworking farmers and fishermen are always the first to suffer. They always try their best, but then, due to factors beyond their control, they fail to protect their own working posts. Once the agricultural

lands are flooded, the farmers suffer 'deadly loss' as their crops and harvests will be affected. I still remember that when Sir Philip HADDON-CAVE was our Chief Secretary, he had visited Yuen Long and other low-lying areas in the New Territories which are always threatened by floods. He noted the seriousness of the problem and immediately instructed the departments concerned to find ways to solve it. Unfortunately, the situation has not yet been improved. I would like to urge the Government to address the significance and urgency of the question and try to provide flood-prevention measures and to take remedial actions. In more concrete terms, I have three suggestions to make and I hope that the Government will seriously consider them.

First, I think the Government should review the amount of the rehabilitation grant. Right now the rehabilitation grant given by the Government to farmers are as follows: for vegetable land, \$950; chicken farms, \$1,230; pig farms, \$1,440; cattle fields, \$1,700; poultry, \$1,230; straw mushroom fields, \$1,570; orchards, \$1,050; flower nurseries, \$920; pond fish, \$1,250, and sea fish only \$3,200. These are really unrealistically low figures. In addition, the applicant must have the following qualifications: first of all, he must be a small farmer; second, farming must be his chief trade, and, third, one third of his produce must have been damaged. In fact, the damaged produce are not only the results of the farmers dedication but also the sole source of their income for the year. In return for years of toil, they only get a small amount from the so-called rehabilitation grant which would not even help them buy seeds or fish-fry, let alone help them through the difficulties. I think the rehabilitation grant should not be treated as some sort of compassionate grant. It should really be treated as a fee for reviving the trade and should be upwardly adjusted to a realistic level.

Second, places like Hung Shui Kiu, Tin Shum Village, Shek O Village, Kam Tin, Tai Kong Po, Pak Wai Village, Mai Po and Sheung Shui Wai are flooded every year and the raising of funds to help them is necessary. I think the Government should provide the assistance or funds similar to that provided for slope-stabilising schemes. Funds should be given to the Agriculture and Fisheries Department or the City and New Territories Administration to help farmers install flood-prevention installations. Relevant departments should be authorised to launch small-scale projects to protect the fish ponds and farms from typhoons and rain-storms. Large-scale flood-prevention projects should be upgraded to category A and category B projects.

Finally, I would like to point out that flooding does not happen just because the areas are situated in low-lying areas. Sometimes floodings are caused by large-scale development and constructions in new towns. In recent years, mountains have been levelled and lands reclaimed in the New Territories. Soil piled up will block our drainage system once there are heavy rain-storms and this will easily lead to flooding. So the Government should supervise both

public and private developing projects so that the farms and nearby lands will be protected against unnecessary losses.

Sir, with these remarks, I end my speech.

MR. LAU (in Cantonese): Sir, flooding originally is a natural phenomenon. We would all agree that sometimes it is impossible to avoid natural flooding, but floodings which are caused by man-made factors can be prevented.

Floodings happen in Hong Kong every year. And with better drainage systems, floodings in the urban area are not as serious as those in the New Territories. In the '50s and the '60s, the New Territories was affected by serious floodings and they had caused great losses to life and property. After the Government had installed storm water drainage systems in these areas, the situation was very much improved. But in the past decade, due to the development of new towns, there are a lot of construction sites in the New Territories. Because of this, as well as the heightening of the curbs of the roads and the piling-up of a lot of construction material, the drainage systems are blocked and floodings occur. And since we do not have very proper drainage systems, the low-lying areas will be flooded during heavy rain-storms. This is particularly serious in the northwestern part of the New Territories, Lam Tin, Kam Tin, Fung Kok Heung and also Sheung Shui and Fanling. Every year, these floodings had caused unimaginable losses to our primary products and cattle, and all the people who rely on farming are affected. Usually the Government will grant ex-gratia payment to the victims but I think this retrospective compensation is simply not a proper solution.

Just now, many Members have already reflected the real picture and I agree with most of the views expressed. But personally I believe that if we do not have a pragmatic and effective strategy to solve the problem of flooding in the New Territories, we simply cannot expect the situation to improve within a very short period of time. I suggest the setting up of a flood prevention unit by the departments concerned and developers should be asked to provide a proper drainage system in the vicinity of the construction site so that the rain water can be properly dredged and the low-lying areas in the vicinity will not be flooded. The flood-prevention unit should inspect the drainage systems provided in the construction sites before the developers can commence work. The flood-prevention unit should also be responsible for the maintenance and repair of the road drainage systems in the new towns.

Though the Government has to spend an extra sum in setting up a flood-prevention unit, yet the Government has to spend a substantial amount in compensating the victims after the floods. So, is it not better to use this sum to mend the hole before it rains? I think this is the only way to solve the problem of flooding, which is really caused by man-made factors. And this is the only way to protect the lives and property of the residents in the New Territories.

6.42 pm

SECRETARY FOR LANDS AND WORKS: Sir, I have listened with interest and sympathy to the many points which have been made by Members today, mainly but not all related to the flooding problems in the New Territories.

Because of the recent high incidence of flooding incidents, I also recently reviewed briefly the respective responsibilities and procedures of the various departments and offices in Government which have responsibility for flood control and relief. My main conclusion was that these procedures are very comprehensive and all the individual parts of the government machine are working pretty well and certainly not procrastinating. If they were, the situation would be far, far worse than it is. The main area for improvement seems to me to be, as it seemed to several other Members, that of co-ordination and of overall responsibility for the problems, which seem to have been lost, or at least become more obscure, when the old PWD split up.

I have accordingly appointed the Director of Civil Engineering Services to be the main co-ordinator of all the government works departments in relation to all prevention and remedial action against flooding, with a degree of authority over the other works departments concerned. He will review, as a matter of urgency, all measures taken by the Government in connection with drainage and floods and all the known black spots with a view to taking the best action to solve the problem. He will also review the complaints and warning procedures in very much the same way as he does in respect of those for landslides.

I am sure this is the right step, not least because one man's flood protection can cause another's flood, and it is essential that the efforts of all should be integrated. I am sure he will take note of the points made by Members, including Mr. LAU Wong-fat's proposed flood-prevention unit.

With this in hand, I wish I could say that the New Territories farmer's problem was all over, but with a landfall of only 11 meters over the 9.5 km which separate Pat Heung from the mouth of the Yuen Long River and a mass of uncontrolled activity changing the intervening landscape day by day, the northwest New Territories is little short of a drainage engineer's nightmare. And there will still be cases like that quoted by Miss DUNN where private landowners refuse to accept responsibilities and Government has plenty of trouble in sorting them out. There are, however, four category B items concerned with flood control in Yuen Long District and the director will have to look at these, both in relation to the impending development of Tin Shui Wai, to which three of them are related, and the general problems of the area. All government works in areas are already designed very much with flooding or the danger of flooding in mind but it will be clearly worthwhile looking to see how effectively those design features are enforced.

Simpler local improvements to existing water courses will be looked at now, and this is where the comments about the rural areas made by some Members, not particularly related to flooding, are probably relevant. Although, unless either the census enumerators lied or the inhabitants at the Spanish villas hid on census day, statistics do not strongly support Miss DUNN's assertions of a substantial increase in the population of the rural areas, we are within Government totally agreed, and I have said as much before in this Council, that it is time to plan more systematically for works considerably larger in scale to improve particularly the access to and the sanitation in the villages in rural areas. Nothing would please our bureaucratic souls more than Miss DUNN's ideas of lining up rural development in planned villages with planned roads, drains and sewerage systems, expensive though these would undoubtedly be. But this would involve acceptance by the rural population of land use planning and control, which is something which it has not been too happy about accepting before. So I would expect improvements to be centred more around existing settlements.

As I very recently said in this Council, this year's estimates provide for considerably increased spending on these improvements, including for the first time a provision for maintenance of existing works, and we are planning for a far more comprehensive and systematic approach to them. I will not repeat myself on these points but I can only stress that we mean business and are encouraged that the urbane, not to say urban, voice of Miss DUNN has been added to the chorus in our support.

A point made by Mr. TAI which I should mention at this stage, who feared that the growing Environmental Protection Department was robbing others who should be worried about flooding. Certainly some transfers have been made but the position is not nearly so critical. The several engineering services departments and other departments are adequately staffed for their functions in this regard.

Finally, Sir, may I mention the question of payments to farmers under the Community Relief Trust Fund, which was raised most specifically by Mr. CHEUNG Yan-lung. It is true these are ex-gratia payments and are not intended to compensate for losses but rather to assist farmers at a critical time. If it is established that the flood damage has been caused by a specific contractor, whether government or private, the Director of Agriculture and Fisheries will normally assist negotiation for compensation. I understand that the rates of relief will be reviewed shortly in any case, but I agree with Mr. CHEUNG that the principles may also need looking over.

With these points made, Sir, I support the motion.

*Question put on the adjournments and agreed to.*

**Next sitting**

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders, I now adjourn the Council until 2.30 p.m. on Wednesday, 13 May.

*Adjourned accordingly at ten minutes to Seven o'clock.*

*Note:* The short titles of motions/bills in the Hansard Report have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

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**WRITTEN ANSWERS****Annex I****Written answer by the Secretary for Education and Manpower to Mrs. NG'S supplementary question to Question 4**

I can now confirm that the fund has already made one grant to an employer to enable him to buy a special telephone console for use by a blind employee and is willing to consider similar applications from other employers willing to employ blind telephone operators. These special consoles are already available on the market and do not therefore need to be specially adapted.

**Annex II****Written answer by the Secretary for Health and Welfare to Mr. YEUNG'S supplementary question to Question 5**

At present, only one contractor is considered by Government to have the necessary expertise, equipment, and trained personnel to carry out asbestos removal in buildings. However, a notice calling for expressions of interest in being listed by the Architectural Services Department as asbestos removal contractors was published in the Gazette on 22 May. Considerable interest has already been expressed by local and overseas contractors, and I hope that the response to the notice will lead to an improvement in the position.