

**OFFICIAL REPORT OF PROCEEDINGS****Sitting of 9th April 1969**

MR PRESIDENT in the Chair

**PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR DAVID (CLIVE CROSBIE) TRENCH, GCMG, MC  
THE HONOURABLE THE COLONIAL SECRETARY  
SIR HUGH (SELBY) NORMAN-WALKER, KCMG, OBE  
THE HONOURABLE THE ATTORNEY GENERAL  
MR DENYS TUDOR EMIL ROBERTS, OBE, QC  
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR DAVID RONALD HOLMES, CBE, MC, ED  
THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)  
MR CHARLES PHILIP HADDON-CAVE  
DR THE HONOURABLE TENG PIN-HUI, CMG, OBE  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE WILLIAM DAVID GREGG, CBE  
DIRECTOR OF EDUCATION  
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC  
COMMISSIONER OF LABOUR  
THE HONOURABLE KENNETH STRATHMORE KINGHORN, CBE  
DISTRICT COMMISSIONER, NEW TERRITORIES  
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, MBE  
DIRECTOR OF URBAN SERVICES  
THE HONOURABLE GEORGE TIPPETT ROWE  
DIRECTOR OF SOCIAL WELFARE  
THE HONOURABLE JAMES JEAVONS ROBSON  
DIRECTOR OF PUBLIC WORKS  
THE HONOURABLE DAVID HAROLD JORDAN, MBE  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE KAN YUET-KEUNG, CBE  
THE HONOURABLE TSE YU-CHUEN, OBE  
THE HONOURABLE KENNETH ALBERT WATSON, OBE  
THE HONOURABLE WOO PAK-CHUEN, OBE  
THE HONOURABLE SZETO WAI, OBE  
THE HONOURABLE WILFRED WONG SIEN-BING, OBE  
THE HONOURABLE ELLEN LI SHU-PUI, OBE  
THE HONOURABLE WILSON WANG TZE-SAM  
THE HONOURABLE HERBERT JOHN CHARLES BROWNE  
DR THE HONOURABLE CHUNG SZE-YUEN, OBE  
THE HONOURABLE LEE QUO-WEI

**ABSENT**

THE HONOURABLE FUNG HON-CHU, OBE  
THE HONOURABLE MICHAEL ALEXANDER ROBERT HERRIES, OBE, MC

**IN ATTENDANCE**

THE DEPUTY CLERK OF COUNCILS  
MR DONALD BARTON

**OATHS**

MR C. P. HADDON-CAVE and MR D. H. JORDAN made the Oaths of Allegiance and assumed their seats as Members of the Council.

HIS EXCELLENCY THE PRESIDENT: —May I welcome Sir Hugh NORMAN-WALKER to this Council on your behalf, and also Mr HADDON-CAVE and Mr JORDAN.

**PAPERS**

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Emergency Regulations Ordinance.	
Emergency (Principal) (Amendment) (No 2)	
Regulations 1969 .....	44
Emergency Regulations Ordinance.	
Emergency Regulations (Repeal) (No 2) Order 1969	45
Revised Edition of the Laws Ordinance 1965.	
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Interpretation and General Clauses Ordinance.	
Change of Title of Office .....	47
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Delegation by Governor .....	48
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Revised Edition of the Laws Ordinance 1965.	
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Reports: —

THE CITY DISTRICT OFFICER SCHEME.

Report by the Secretary for Chinese Affairs.

Report of Commission of Inquiry into Collapse of Spectator Stand at Sek Kong on 9th November 1968.

**QUESTIONS****Tsim Sha Tsui taxi stand**

1. MR Y. K. KAN asked the following question: —

Is Government aware that the existing arrangement of the single taxi stand at the Star Ferry Kowloon Concourse is inadequate to cope with demand at peak hours when

passengers have to wait unnecessarily long despite the large number of available taxis and will it tell us whether any plans are in hand in improve the situation?

MR J. J. ROBSON: —Sir, the short answer to this question is that the Kowloon Star Ferry Concourse is now becoming inadequate for peak hour traffic, and the long term improvements for traffic which have been planned cannot be carried out until the railway terminus has been moved to Hung Hom.

The statutory town plan for Tsim Sha Tsui provides for a much larger bus terminus and ferry concourse but this requires the use of the land at present occupied by the railway and the post office. Interim improvements to the present concourse have been considered especially with the problems of taxis in mind but, because of lack of space, it is not possible to provide an extra taxi rank except at the expense of other traffic using the concourse which would lead to unacceptable congestion.

### **Tsim Sha Tsui pedestrian crossings**

2. MR Y. K. KAN asked the following question: —

Is consideration being given by Government to the installation of traffic lights at some of the pedestrian crossings in Tsim Sha Tsui where there are lights to control the flow of vehicles but not the pedestrians crossing the road, one example being the two crossings across Nathan Road next to Mody Road?

MR J. J. ROBSON: —Sir, in respect of this question, honourable Members are probably aware that there are many places throughout the urban areas where pedestrian traffic is dense, and where pedestrian bridges or subways are probably needed. The Transport and Traffic Survey Unit of the Civil Engineering Office has recently completed a survey of these areas and a report is being prepared for presentation to the Transport Advisory Committee in order that priorities for improvements can be established. Where pedestrian bridges or subways are recommended the problem will be to find a location where there is sufficient space for such facilities.

Tsim Sha Tsui is such an area and here the pedestrian traffic survey is being considered in conjunction with surveys of vehicular traffic taken before and after the introduction of the linked traffic light system to see whether these can be re-phased to improve conditions for the pedestrian. These traffic signals have to be so phased to allow pedestrians to cross Nathan Road when the flow of traffic along the road is stopped, but, because of turning traffic, this is not possible at all junctions. In these cases it has been necessary to introduce on "all

**[MR ROBSON] Questions**

red" phase to stop all traffic and thus allow pedestrians to cross in safety. With a linked traffic light system, however, the variations which can be made to the timing and phasing of the lights are limited by the electronic control equipment, and to introduce individual pedestrian controlled traffic lights into the system would be extremely difficult. Pedestrians using the present uncontrolled crossings have therefore to wait until there is a gap in the traffic stream on that length of road and this is automatically arranged for by the linked traffic light system. However, traffic conditions along Nathan Road should improve when the new North-South Road link is built along the face of the Yau Ma Tei Typhoon Shelter, and it is hoped that this can be achieved by 1972. Should an underground railway be built the stations will be designed to include pedestrian subways.

**STATEMENTS****Sek Kong Inquiry**

THE COLONIAL SECRETARY: —Sir, among the papers tabled today\* is the report of a Commission of Inquiry appointed last November† on the collapse of a stand at a military tattoo held at Sek Kong on the 9th November, and the Commission had particular reference to its causes and the measures taken to deal with the casualties resulting from the collapse. It would not be appropriate for me today to deal with the details of the Report which is being published, but I should mention that the Commission has recommended the clarification the procedure to be laid down in connexion with applications for the issue of a licence under Part III of the Public Entertainment Regulations, and also that the question of laying down minimum requirements for gangways on open stands should receive attention by Government. These recommendations will now be examined with all reasonable speed by the departments concerned.

I should like Sir, to take this opportunity of congratulating the Chairman and Members of the Commission upon the way in which they have discharged a difficult and onerous task.

**Annual Law Revision**

THE ATTORNEY GENERAL: —Sir, among the items of subsidiary legislation laid on the table today is Legal Notice No 46 of 1969\*, in which the Governor specified the 28th March 1969, as the date on which the 1968 Supplements to the Revised Edition of the Laws of Hong Kong should come into force.

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\* Page 222.

† 1968 Hansard, page 590.

The 1968 Supplements contain reprints of 20 Ordinances and 14 booklets of subsidiary legislation, more than 500 pages of minor amendments, an index and a table of appointments made under Ordinances. In all, the Supplements amount to about 1,840 pages.

It reflects great credit on Mr BOTELHO and Mr Y.W. CHIU, who prepared the various supplements, and on the Government Printer and his staff, that such a large task has been completed in such a short time. An examination of volumes of annual laws of other countries which have adopted the loose leaf system which we have in Hong Kong shows that none of them has been able to issue its annual supplements with such speed and reliability.

### **Report of the City District Officer Scheme**

THE SECRETARY FOR HOME AFFAIRS: —Sir, among the papers laid upon the table today is a report on the City District Officer scheme\*.

This is not only the first published report about the progress so far made with this scheme; it is the first general report of any sort that I have written on this subject. Basically it is a working Government document, and by Your Excellency's direction it is laid on the table and published with the minimum of changes in the original text. We are publishing at the same time a Chinese translation which is a Chinese version rather than a literal translation of the English text, and which I hope can stand on its own as a readable and useful document. We have to some extent broken new ground with this Chinese version in terms of contemporary prose style and presentation, and it is possible that some may criticize it for failing to attain a high classical literary standard. It has been our aim to produce a document in Chinese which ordinary people will find clear and easy to read rather than to display the virtuosity or erudition of our translators.

As regards the scheme itself and the progress made with it, experience confirms so far the concept which led to the decision to set it up, namely that there is a need for a new type of organization, set up on a district basis, to improve communication between the Government and the people and to bring about closer understanding and sympathy. There is no handbook on how to do this and it is scarcely surprising that experience confirms also our original view that the methods of operation would for a long time, perhaps in a sense always, have to be based on trial and error. There is a good deal in this report about the methods we have so far tried out, and I hope that these passages in particular may attract public comment, for we are always ready to listen to discussion and suggestions about this.

I should like to place on record, Sir, my appreciation of the help I have had from the honourable Unofficial Members of the Council,

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\* Page 222.

[THE SECRETARY FOR HOME AFFAIRS] **Statements**

who have I know watched the scheme with interest from the start. They have made many valuable suggestions, and have displayed a most helpful willingness to take part in City District Office occasions.

But perhaps the most encouraging feature so far is the way the men and women who man the City District Offices have responded to the challenges of this work. There are over a hundred of them, they have been gathered together hurriedly from throughout the public service, many of them are quite junior officers, and it is in the nature of the task that they must rely much less on detailed guidance than on their own energy, initiative, imagination and capacity to gain the understanding and acceptance of the community at large. If we have made a promising start, and I would certainly claim no more than this, the credit goes to these officers, with whose collective performance so far I am more than satisfied.

**Factories and Industrial Undertakings (Amendment)  
Regulations 1967**

MR R. M. HETHERINGTON: —Sir, the Factories and Industrial Undertakings (Amendment) Regulations 1967 became effective on 1st December 1967\*. They introduced a phased programme for the progressive reduction of hours of work for women and young persons in industrial employment.

On 10th July 1968, following a report to the Labour Advisory Board, I made a statement in this Council on the progress made in carrying out the first stage of this phased programme†. I also said that, on the advice of the Labour Advisory Board, I would report to it at regular intervals of six months so that further progress could be kept periodically under review. I have presented a second report to the Labour Advisory Board and I now wish to give a similar account to this Council.

In my statement in July last year, I said that only 17 factories out of a total of 7,144 had not then complied with the regulations. This number was progressively reduced but it was not until the end of 1968 that the revised standard working hours for the first stage became effective in the last factory.

Concurrently with the reduction of hours of work from 10 to 9½ hours a day, permitted overtime was increased from 100 hours to 150 hours a year. In the twelve months from 1st December 1967 to 30th November 1968, 33,482 hours were worked by a total of 858 factories compared with 16,297 hours worked by 490 factories in the previous

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\* 1967 Hansard, pages 481-7.

† 1968 Hansard, pages 322-4.

twelve months. The increased use of overtime was small at the beginning of the period but accelerated as the year advanced. There were two reasons for this increase. In the previous year, the disturbances in 1967 adversely affected the amount of overtime worked. In the subsequent year, a surge of industrial activity got under way in the summer of 1968 and spread to nearly all sectors of industry. There was considerable pressure to fulfill a flood of orders.

When the phased programme was introduced, there was some adverse criticism of the permitted increase in overtime. It was suggested that widespread use of this increase would largely nullify the effects of reducing standard working hours. Events have offered little support for this criticism. During a period of vigorous industrial activity, which involved twice as much overtime as in the previous year, only 3,280 hours of overtime were worked by 120 factories in excess of the previous limit of 100 hours a year. In other words, 30,202 hours of overtime worked, or more than 90%, fell within the limit in force prior to the introduction of the phased programme.

The second stage of reduction of hours of work for women and young persons in industrial employment became operative on the 1st December 1968. Generally speaking, it was easier to carry out than the first one because managements and workers had gained experience from the first stage in adapting themselves to revised conditions and because the staff of the Labour Department had more time to plan the enforcement of the regulations. In October 1968, 13,774 factories and industrial undertakings were on record. A brief guide to the regulations, published by the Labour Department in both Chinese and English, together with an explanatory letter, also in Chinese and English, was sent to 8,483 factories and industrial undertakings which were then known to be employing women and young persons. A press release was issued by the department on 28th November 1968 reminding proprietors of factories that they must observe the new standard working hours on 1st December unless they had obtained written permission from the Commissioner of Labour to retain the existing working hours for a limited period after that date.

By the beginning of December 1968, the number of factories had increased to 14,444 and 8,781 were known to be employing women and young persons. Of these, 1,671 were already operating on 9 hours or less a day. By the middle of December, 2,351 of the remainder had already changed over to the standard 9 hours and 368 had applied for periods of grace. One month later, 5,829 had changed over and 450 had applied for periods of grace. At the end of February 1969, all but 64 of the concerns, which had in the meantime increased to 8,985, known to be employing women and young persons had adopted a standard 9-hours day and these were reduced further to four by the end of March.

[MR HETHERINGTON] **Statements**

472 applications were received for permission to defer the introduction of the new standard working hours and to continue to work 9½ hours a day for various periods. Shortage of labour and heavy orders were the most common reasons given in these applications. Of these, 427 were for the maximum period of six months and 45 for lesser periods. I granted exemptions up to 16th February 1969, the beginning of the Lunar New Year holidays, to 197 concerns, most of which had previously been granted extensions up to the end of May in the previous year. In the case of 258 concerns, many of the proprietors of which advanced merely perfunctory reasons, I granted exemptions varying between two to six weeks. I refused 17 applications which were received later than 15th January 1969 because I considered that these concerns had already had adequate time to adjust to the new working hours.

Managements generally co-operated with officers of the labour inspectorate during the drive to change the hours of work from 9½ to 9 a day. They were given adequate advance notice in the form of letters and press releases. Although there were more applications for exemptions and more exemptions granted, the average period of exemptions was considerably reduced. The sustained and co-ordinated drive during a period of three months achieved its purpose without serious difficulties.

There were few complaints from workers. In some cases, new working schedules proved unacceptable to employees and adjustments had to be made by managements to meet objections. No reports were received of reductions in earnings by workers. It is believed that increases in wage rates made in recent months generally off-set the effects of the reduction in hours of work.

When the second stage of the phased programme came in to effect, permitted overtime was increased further from 150 hours to 200 hours a year. It is too early to assess the extent to which this additional overtime will be used but there are indications that more overtime is being worked at present than last year.

I consider that the second stage of the phased programme was completed successfully and in half the time taken last year because of the co-operation which the labour inspectorate received from workers and managements and the experience gained by officers of this inspectorate last year. Nonetheless, the operation taxed severely the resources of the inspectorate and all routine visits were suspended for three months. However, only three additional typists as against eight for last year were necessary to dispose of the clerical work involved. Because of advanced planning and better experience, the period of three

months from December 1968 to February 1969 proved to be sufficiently long to allow concerns to adjust to new requirements. I hope that the third stage, which will come into effect in December 1969, will be carried through even more quickly and more smoothly than the previous two stages.

The present position is that, apart from four outstanding cases, industry has successfully adopted a standard working day of 9 hours and a standard working week of 54 hours for all women and young persons. It has taken place quietly and, I might say, nonchalantly. This is a remarkable achievement during a period of expanding activity. What is perhaps more remarkable is that this considerable change in the conditions of employment of about 240,000 women and young persons, or over 47% of Hong Kong's industrial labour force, has gone on over the past sixteen months with almost no public comment.

I consider that it is no longer necessary to report at intervals of six months in view of the successful completion of the first two important stages of the programme and that it will suffice in future to report annually. Consequently, I propose to wait for about a year before reporting again to this Council.

#### **PRISONS (AMENDMENT) BILL 1969**

#### **NEW TERRITORIES (RENEWABLE CROWN LEASES) BILL 1969**

#### **STAMP (AMENDMENT) BILL 1969**

*Bills read the first time and ordered to be set down for second reading pursuant to Standing Order No 41(3).*

#### **PRISONS (AMENDMENT) BILL 1969**

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend further the Prisons Ordinance."

He said:—Sir, this bill contains a number of small amendments to the Prisons Ordinance, of which only clause 4 can be said to be of real importance.

Clause 2 repeals section 5 of the principal Ordinance, which contains a list of prisons. Since section 3 of the Ordinance empowers the Governor to declare places to be prisons by order in the *Gazette*, section 5 of the Ordinance is no longer required.

Clause 3 of the bill amends section 12 to make it clear that the Commissioner may make the necessary arrangements for the attendance of a prisoner before a court, tribunal or other judicial body.

[THE ATTORNEY GENERAL] **Prisons (Amendment) Bill—second reading**

The object of clause 4 is to insert in the principal Ordinance a new section 12A, which confers power on the Governor to issue a permit for the release from prison of insane persons detained there during Her Majesty's pleasure. This section will also authorize the Governor to impose conditions on any release and to allow such persons to be released from prison for a limited period or indefinitely and either freely or under custody. The Governor may also, if he considers that the health or safety of the prisoner or the protection of other persons so requires, revoke the leave of absence and recall the prisoner.

Clause 5 of this bill reproduces what is at present a Prison Rule, and which is considered to be *ultra vires* as such, it as a section of the Ordinance; it makes it an offence for a prisoner, who is given leave of absence from a prison under the Prison Rules, to fail to return to prison at the end of this leave.

The new section 24A which is proposed by clause 6 will empower the Governor to prescribe dietary scales for prisoners.

Section 25, which is the section under which rules are made, is amended by clause 7 of the bill because of doubts which have arisen as to whether some of those present Prison Rules which deal with disciplinary offences by prison officers are within the powers conferred on the section. Clause 9 validates the rules which are now in existence.

*Question proposed.*

*Motion made (pursuant to Standing Order No 30).* That the debate on the second reading of the bill be adjourned—THE COLONIAL SECRETARY.

*Question put and agreed to.*

*Explanatory Memorandum*

This Bill makes a number of amendments to the principal Ordinance.

2. Clause 2 repeals section 5 of the principal Ordinance, since section 3 enables the Governor to declare buildings as prisons by order in the *Gazette*.

3. Clause 3 amends section 12 to make it clear that a prisoner may appear as a witness in any proceedings before a court, tribunal or other judicial body. The new section 12A, inserted by clause 4, empowers the Governor to grant leave of absence to any prisoner detained during Her Majesty's pleasure.

4. Clause 5 reproduces in the principal Ordinance a provision of the rules which is *ultra vires* the rule-making power.

5. The new section 24A will enable the Governor to determine prison diets.

6. Clause 7 seeks to express in more precise form the rulemaking power conferred by section 25. Power is also conferred to make rules relating to the application of money in the possession of a prisoner towards the payment of a fine. Under clause 9 certain amending rules, as to the validity of which doubts have arisen, will be deemed to have been made under that section as amended.

### **NEW TERRITORIES (RENEWABLE CROWN LEASES) BILL 1969**

MR K. S. KINGHORN moved the second reading of:—"A bill to make provision for the renewal of certain Crown leases of land in the New Territories."

He said:—Your Excellency, this bill makes provision for the renewal of the vast majority of Crown leases of land in the New Territories.

I should first explain that land which was in private ownership when the New Territories, including New Kowloon, was first leased in 1898 is recorded in the Block Crown Lease Schedule Books held in the various District Offices in the New Territories. Annexed to each lease is a schedule of the lots covered by the individual lease, with details of the individual areas, user, Crown rent and owner. Such holdings are called "Old Schedule Lots". These Block Crown Leases provide that the title to these lots is for 75 years renewable for a period of 24 years less the last 3 days. The leases commenced on 1st July 1898, and are therefore due to expire on the completion of 75 years on 30th June 1973.

There is also another type of land holding in the New Territories, including New Kowloon, called "New Grant Lots". These lots are parcels of land, either sold to private individuals at public auction or granted by exchange after the Block Crown Lease Schedule Books had been completed and signed. For all these New Grant Lots sold or granted before October 1959 the lease term commences on 1st July 1898 for 75 years, and is renewable for a further period of 24 years less the last 3 days and the original leases are due to expire on 30th June 1973. All these "New Grant Lots" are subject to Part II of the New Territories Ordinance, Chapter 97 and are very similar to the "Old Schedule Lots" in that they are generally for agricultural holdings and typical village houses. Amongst them, however, is a number of industrial and tenement lots. Yet others were sold for building and garden land and for

[MR KINGHORN]      **New Territories (Renewable Crown Leases) Bill—second reading**

mixed residential/commercial use. All these are also classed as "New Grant Lots". As a general rule it can be assumed that any lessee whose lot is registered at the District Office Land Registries is the lessee of an "Old Schedule Lot" or a "New Grant Lot".

All these "Old Schedule Lots" and "New Grant Lots" with renewable leases are due to be renewed on the same date, i.e., 30th June 1973 and according to the lease conditions, title to the lots is renewable at such rent as shall be fairly and impartially fixed by the appropriate Government officer as the fair and reasonable rental value of the ground at the date of such renewal. If this provision were strictly applied, it would entail a very substantial increase in the annual Crown rent.

Early in 1967 the matter was considered by the Executive Council and it was decided, with the approval of the Secretary of State, that although the Crown had the right to revise the Crown rent for these lots in 1973, which would in practice mean the right to increase the rent greatly, it should not exercise this right. Account was taken of the fact that the great majority of the lots affected had been in private ownership when the New Territories were first leased and that these lots are still largely in the same ownership, that is, mainly ownership by succession. Moreover, on a previous occasion, when the terms of the Block Crown leases permitted a review of the Crown rent, the Government, in response to representations by New Territories elders, did not take advantage of the opportunity to do so.

As outlined in the explanatory memorandum, the bill now before honourable Members for consideration makes provision for the renewal of all those leases of land in the New Territories to which I have referred and, if passed, will avoid the necessity for each individual lessee to exercise his right to renew his Crown lease when it expires on 30th June 1973. Adequate publicity will be given to this statutory renewal nearer the date in question, so that, in the unlikely event of any person not wishing his lease to be renewed, he may surrender it.

If the bill is passed, the leases will be renewed on 1st July 1973, for a term of 24 years less 3 days at the same Crown rent as was payable immediately before the renewal date. This renewal will avoid much unnecessary correspondence with District Offices. The renewed leases will contain the same covenants and conditions as are contained in the existing Crown leases. In general, encumbrances existing immediately before 1st July 1973, will continue to affect the land and the new Crown leases. Clause 5 of the bill protects the rights of the Crown in respect of any breach of covenant of an existing Crown lease.

While I have no doubt that this bill will be welcomed by all who own land in the New Territories to which Part II of the New Territories Ordinance applies—and this includes all but 82 of the New Territories lots—it might, I suggest with respect, be advisable to defer the debate on this motion in order that honourable Members may have time to study the implications of this legislation.

*Question proposed.*

*Motion made (pursuant to Standing Order No 30).* That the debate on the second reading of the bill be adjourned—THE COLONIAL SECRETARY.

*Question put and agreed to.*

#### *Explanatory Memorandum*

Certain Crown leases of land in the New Territories, other than land excluded from Part II of the New Territories Ordinance, expire on 30th June 1973. These leases, which were originally granted for a term of 75 years, contain a right of renewal for a further term of 24 years less 3 days at such a rent as is fixed as the fair and reasonable rental value of the land at the renewal date.

The purpose of this Bill is to renew the leases but it is not intended to increase the Crown rent. The proposed statutory renewal will also avoid the necessity for each lessee to give notice exercising the right of renewal and for the granting of renewed Crown leases.

Adequate publicity will be given to the statutory renewal so that in the unlikely event of any person not wishing his lease to be renewed he may surrender it on 30th June 1973.

Clause 4 provides for the leases to be renewed on 1st July 1973 for a term of 24 years less 3 days at the same Crown rent as was payable immediately before the renewal date. The renewed leases will include the same covenants, conditions etc. as are contained in the existing Crown leases, except for the right of renewal and the provision for fixing a new Crown rent at the expiration of the first 10 years of the term.

Mortgages and public rights existing immediately before 1st July 1973 will continue to affect the land and the renewed leases, as will other encumbrances except those created by an instrument and not expressed to continue beyond 30th June 1973.

Clause 5 protects Crown rights in respect of any breach of covenant of an existing Crown lease.

**STAMP (AMENDMENT) BILL 1969**

THE ACTING FINANCIAL SECRETARY moved the second reading of:—"A bill to amend further the Stamp Ordinance."

He said:—Sir, when the Financial Secretary moved the second reading of this year's Appropriation Bill, he proposed the abolition of the 3% excess stamp duty charged since September 1948 on the total value of the consideration of the first post-war conveyance of any property.

The purpose of this bill is to give effect to this proposal as from the 27th of February last. Thus clause 2 repeals section 6 of the principal Ordinance. The amendments contained in clauses 3, 4 and 5 to section 6A, subsection 3(b) of section 33A and Head 19 of the schedule respectively are purely consequential upon the repeal of section 6.

Sir, honourable Members will recall that the Financial Secretary in his Budget speech stated that the abolition of the excess duty would cost the revenue about \$9 million in a full year and this has been taken into account in the approved Revenue Estimates for 1969-70. I should also mention that any excess duty paid on conveyances executed on or after the date this bill is deemed to have come into effect will be refunded. I understand from the Collector of Stamp Revenue that about \$592,000 is involved. In addition, Sir, should this bill become law, no further action will be necessary for the collection of some \$64,000 in respect of other conveyances presented to the Stamp Office in recent weeks. The retrospectivity provision in clause 1 of the bill will cost the revenue, therefore, some \$656,000 in all.

*Question put and agreed to.*

Bill read the second time.

*Bill committed to a committee of the whole Council pursuant to Standing Order No 43(1).*

*Explanatory Memorandum*

The main purpose of this Bill is to repeal section 6 of the Stamp Ordinance (clause 2). The effect of this will be to abolish the excess stamp duty on all conveyances on sale of land and other property. Clauses 3, 4 and 5 contain amendments to the Stamp Ordinance which are consequential upon the repeal of section 6.

**Committee stage****HOUSING (AMENDMENT) BILL 1969**

Council went into committee to consider the bill clause by clause.

Clauses 1 and 2 were agreed to.

**STAMP (AMENDMENT) BILL 1969**

Clauses 1 to 5 were agreed to.

Council then resumed.

**Third reading**

MR D. R. W. ALEXANDER reported that the Housing (Amendment) Bill 1969 had passed through committee without amendment and moved the third reading of the bill.

*Question put and agreed to.*

Bill read the third time and passed.

THE ACTING FINANCIAL SECRETARY reported that the Stamp (Amendment) Bill 1969 had passed through committee without amendment and moved the third reading of the bill.

*Question put and agreed to.*

Bill read the third time and passed.

**ADJOURNMENT**

*Motion made, and question proposed.* That this Council do now adjourn—  
THE COLONIAL SECRETARY.

3.07 p.m.

**Apprenticeship Training**

DR S. Y. CHUNG: —Your Excellency, the Hong Kong manufacturing industry is booming and so is our economy. As a result, both the wages and the standards of living are rising fast. We must, however, not forget that our increasing economic prosperity is not due to new discovery of natural material resources nor increasing output of natural material wealth. The economic growth in Hong Kong depends mainly, if not solely, on the orderly expansion of our export-oriented manufacturing

[DR CHUNG] **Apprenticeship Training**

industry and the continual development of our overseas markets. Hong Kong has set a good example for many other developing countries of the East and is, therefore, attracting many competitions for both our manufacturing industry and our overseas markets.

Whilst we are enjoying our economic prosperity we must not be complacent and overlook to ensure ourselves against any setback in the future. Since we are lack of natural material resources, the only resource we have is our human resource. It is therefore evident that, to ensure our economic prosperity in the future, we must not only continue but should accelerate the development of the manpower in Hong Kong.

Since the export-oriented manufacturing industry is the biggest money earner for Hong Kong's economy it is important to provide priority to develop Hong Kong's manpower for its needs at all levels. During the past few weeks we have the visitation of the University Grants Committee to map out the quadrennial expansion programme for high level manpower training in the two Universities. At our last Budget debate we have also heard plans disclosed by Your Excellency and the Director of Education on the development of the middle level manpower by extending the facilities now being provided by the Hong Kong Technical College.

However, there is no concrete plan on the expansion of training facilities for craftsmen and this has aroused a series of letters to the press in recent weeks concerning this particular subject of craftsman training. During the past few years, the Industrial Training Advisory Committee of which my honourable Friend, the Commissioner of Labour, is the Chairman, has done a great deal of excellent ground work in assessing the needs and surveying the facilities for craftsman training. According to the manpower surveys conducted by the Subcommittees of ITAC on the five major Hong Kong industries of electronics, textiles, plastics, machine shops and metal products, and ship building and repairing, it was revealed that in a large sample labour force of 215,500 persons there were 36,000 craftsmen representing 16½% of the total labour force. Using this result, the estimated total number of craftsmen being employed in various industrial undertakings in Hong Kong is around 80,000 persons.

During 1968 there was an increase of over 62,000 industrial labour force and, using the same proportion of 16½%, the demand for craftsmen in 1968 was as many as 10,000 persons. In a recent report of the Apprenticeship Subcommittee of ITAC the estimated number of craftsmen under training in Hong Kong is less than 8,000. Since the duration of training is ranging between three to five years, the annual output of craftsmen is therefore around 2,000 which, as compared to

the demand in 1968 of 10,000, clearly indicates a great deficiency in the supply of this level of skilled manpower for Hong Kong's industrial development. I admit that 1968 was an exceptionally good year for industry but even if we take the average growth rate for the past three years the projected demand for craftsmen during the next few years will be about 8,000 per annum. If we include a 2½% replacement rate per year due to death and retirement, the projected demand will come to about 10,000 craftsmen per year.

I would like to clarify at this juncture that craftsmen are not, as my honourable Friend the Director of Education put it, "performing monkeys". These highly skilled manual workers particularly those craftsmen of engineering skills form a respectable profession, —a profession which the technologically-advanced Germans are so proud of and a profession which has helped Germany to become the world's greatest economic giant.

There is a growing concern on the supply of these engineering craftsmen to meet the increasing Deeds in Hong Kong. According to published Government policy craftsman training is a joint responsibility with Government providing institutional training and with industry giving practical training. This policy looks good in theory but under present Hong Kong conditions this policy, unless modified, is not really practical particularly for training craftsmen of various basic engineering skills and especially if organized and modern apprenticeship training is encouraged. It should be realized that from the findings of ITAC almost half of all the craftsmen in Hong Kong are those of basic mechanical and electrical skills which are in demand by practically every industrial undertaking irrespective of its trade.

However, not every industrial undertaking is suitable to operate apprenticeship training scheme for these engineering craftsmen. Strictly speaking, only engineering firms or companies with engineering departments are suitable and qualified to train engineering craftsmen. Therefore, taking Hong Kong as a whole, we must accept the fact that some industrial undertakings have to train more engineering craftsmen than their own needs in order to approach the balance situation of demand and supply.

There is another problem in practising modern apprenticeship training as against traditional methods. Unless the industrial undertaking reaches a minimum economic size it is not economical nor efficient to operate organized and modern apprenticeship training. In my opinion this minimum economic size in Hong Kong is about 300 employees bearing in mind that as far as financial and organizational aspects are concerned such a factory size in Hong Kong would probably be equivalent to an industrial establishment of 100-150 persons in the Western developed countries.

[DR CHUNG] **Apprenticeship Training**

If we accept these criteria for craftsman training, then only the two large dock companies, the aircraft engineering company, the public utility companies and possibly one or two score of others out of a total over 12,000 industrial undertakings in Hong Kong, or less than half of one percent, are suitable and capable to run modern organized apprenticeship training schemes for the various basic engineering skills. On the other hand, Hong Kong as a whole and industry in particular do benefit from these basic engineering craftsmen trained by a limited number of industrial establishments. This phenomenon, understandably, creates some reluctance on the part of those industrial undertakings, which are best suitable and well qualified for organizing apprenticeship training schemes along the modern lines, to expand their training facilities beyond their own requirements.

I believe it was for similar reasons that the United Kingdom Government introduced the 1965 Industrial Training Act to improve its craftsman training. "MIMEchE" in his recent letter to the press has very ably summed up the Hong Kong situation in one sentence as follows: —

"If the United Kingdom Government, on advice of industry and professional bodies, deemed it necessary to introduce some modicum of control and direction to ensure that training standards would rise to meet the advances in technology and combat (skilled) labour shortages, it is not unreasonable to suggest that it may be necessary for the Hong Kong Government to play its part by giving positive encouragement and guidance to Hong Kong industrialists in a similar way."

Sir, I am given to understand that the draft bill designed to introduce an incentive scheme to encourage employers to set up properly-organized apprenticeship schemes as mentioned by my honourable Friend, the Commissioner of Labour, in his Budget speech last month had been endorsed by ITAC as long as a year ago. But up to now, so far as I am aware, nothing has happened. I therefore strongly urge Government not to delay any further on this apprenticeship legislation.

Even with the proposed apprenticeship legislation, I think my honourable Friend, Mr HETHERINGTON, will agree with me that it would still not be possible to meet the annual demand of 4,000 to 5,000 engineering craftsmen. Some ways and means must be found to fill up the deficiency. In this regard, I suggest that Hong Kong Government should promptly and seriously consider the establishment of institutional training centres as practised by some countries in Continental Europe and recently by Singapore Government for the modern accelerated training of craftsman of various basic engineering skills.

This is an important and urgent problem because the adequacy of supply of engineering craftsmen plays a significant role in our industrial development. With continually rising wages, some existing simple industries will be gradually losing their competitiveness in the world markets. I think my honourable Friend, the Acting Director of Commerce and Industry, will concur with the view that Hong Kong would most probably one day have to taper off the production of its simple products such as enamelwares, rattan articles, wigs, and plastic flowers. One accepted way to safeguard against such disruption of our export-oriented manufacturing industry is to advocate what I call "industrial renewal". This is to substitute those existing industries which cannot afford to pay higher wages with new ones that can offer better terms of employment for the benefit of our community.

It is therefore important that we should continue our effort to attract foreign industrialists to come here to operate new export-oriented industries particularly those with imported technology and imported markets. I agree with the remarks made recently in another letter to the press on the subject of apprenticeship training that one of the prime responsibilities of the Hong Kong Government is to ensure that conditions in Hong Kong remain attractive to foreign industrial investors. An adequate supply of craftsmen of various engineering skills is certainly one of the basic criteria for attracting foreign investors to select Hong Kong as the site for manufacturing sophisticated and advanced technological products for sales in other territories. Our success in this respect will not only raise the earning power of a significant portion of our economically-active population but also improve our industrial wealth from which much needed public funds are derived for the increasing social services and welfare activities in Hong Kong.

MR WILFRED S. B. WONG: —Sir, I rise to support my honourable Friend, Dr S. Y. CHUNG, in his effort to expedite apprenticeship legislation for more and better facilities for craftsman training.

In the olden days of China the ratings of professions were in the following order: scholars, farmers, workers, and merchants. Even today in the economic society in which we live in Hong Kong there still is an overemphasis on scholarship and an underemphasis on workers in general and craftsman apprenticeship training in particular.

Liberal arts is an essential element of culture and necessary in a balanced society. It is due to the traditional overemphasis on liberal arts which cause an obsession towards desk work and an abhorrence towards manual work; hence an abundance in white collar staff and deficiency in blue overall workers. With the various facets of Hong Kong's economy, the backbone of Hong Kong's prosperity lies in its industry and export. That Your Excellency has recently stated plans

[MR WONG] **Apprenticeship Training**

for mid-level technological facilities is an indication of the importance you attach to that part of investment in people which is now essential to the economy of Hong Kong.

My honourable Friend, Dr CHUNG, has quoted statistics on the number of workers of our industrial labour force and the estimated proportion on the demand for craftsman. These indicate a deficiency in the supply of this level of skilled man power for Hong Kong's industrial development.

I support this view entirely. As we look ahead to the long term development of the industrialized countries of the world it is not difficult to come to the conclusion that within the next decade or two, Europe will be dominated economically by the nation with the highest proportion of skilled manual workers and likewise Asia will be dominated by the nation with the highest proportion of skilled manual workers. In fact this is happening even now to a certain extent. In both these countries government provide adequate institutional training for their mid-level technological man power. Hong Kong must be kept in the running in the same way as an advanced competitor in the world market.

It would be too much to expect Hong Kong's industries which, with the exception of textiles, consist of a large number of small works having electrical and mechanical engineering background to provide first class in-training for their craftsman.

It is true that apprenticeship training of the traditional fashion is the pattern of these works to-day but they are likely to be over-stripped by the specialist training given to the skilled workers of other countries in a decade or so. When that time comes Hong Kong's products would lose their advantages in the world market which they at present enjoy.

With our reserves, which are more than adequate, our assets more than strong, and our surplus more than phenomenal, I now advocate an increase in the tempo of our social, educational and economic programmes in general and that of the apprenticeship legislation and mid-level technological facilities in particular, from *adagio to prontissimo*.

3.25 p.m.

MR R. M. HETHERINGTON: —Sir, the importance of industrial training in the development of the economy of Hong Kong has been recognized by Government for several years. This was acknowledged by the establishment of the Industrial Training Advisory Committee and its associated industrial and other committees in 1965 and subsequently. Few hard facts and statistics were previously available and,

in the past three years or so, valuable basic information has been collected and studied. Of the ten industrial committees, nine have completed surveys but only five have so far completed reports. I expect that all the reports, with, possibly, the exception of that on the printing industry, will have been finished and examined by the ITAC by the end of this year.

Perhaps the most important aspect of industrial training concerns craft apprentices and it is this subject on which my honourable Friends, Dr CHUNG and Mr Wilfred WONG, have spoken this afternoon. I believe that properly organized and supervised apprenticeship training is the most efficient way of producing craftsmen best suited to the needs of local industry. Dr CHUNG referred to the five reports of the industrial committees which have been completed and, for the purpose of my reply, I will confine my remarks to the points which he has made about them. He is substantially correct when he says that, in these five industries, the total number of craftsmen is 36,000 or about one sixth of the total labour force of 215,500. He is also substantially correct when he says that the number of craftsmen employed by all industries in Hong Kong is about 80,000. But, in a subsequent passage in his speech, he appears to have overlooked the important point that, of these 80,000 craftsmen, 32,000 are required for the building industry. The number of persons employed in this industry is not included in the statistics of the industrial labour force. Moreover, a percentage taken as an average from five selected industries is not necessarily applicable to all industries. He appears to have ignored the significance of the statistics which show that, for the shipbuilding and ship repairing industry, about three quarters of the labour force are craftsmen and, for the machine shop and metal products industry, craftsmen account for about one third. On the other hand, the percentage in textiles is only 10%, in electronics about 7% and in plastics about 6%. For the garments industry, the percentage may not be as much as 2%. In other words, the requirements in individual industries vary enormously and the percentage of 16½% is not applicable throughout industry for the purpose of calculating total requirements.

Dr CHUNG also refers to an increase in 1968 of over 62,000 in the industrial labour force but this, as he mentioned, was an exceptional year. The average annual increase in the past eight years, including 1968, is roughly 30,000 or about half of last year's growth. By applying an inappropriate percentage to an abnormal increase Dr CHUNG arrives at an estimated demand of 10,000 craftsmen in 1968. The committee of the ITAC which has studied the problem of apprenticeship estimates that the normal demand for craftsmen is of the order of 5,000 a year, about half of what Dr CHUNG suggests. It is also estimated that the annual output of craftsmen is, at present, about 2,000. The gap is consequently, about 3,000 and not 8,000 as Dr CHUNG has calculated.

[MR HETHERINGTON] **Apprenticeship Training**

He also expresses the opinion that the minimum economic size of an establishment able financially and organizationally to operate a modern apprenticeship scheme is of the order of 300 employees. I regret that I do not accept Dr CHUNG's opinion on this point. A factory's capacity to train apprentices does not depend on the total number of its employees but on the number of craftsmen which it employs. A garment factory may have a thousand workers of which less than 20 may be craftsmen. On the other hand, a machine shop employing little more than 20 skilled workers may well have four apprentices in training. There may be other factors making it difficult for a small establishment to operate an apprenticeship scheme but the size of the total labour force is, in my opinion, largely irrelevant.

The committee dealing with the problem of apprentices has estimated that the potential training capacity of establishments in Hong Kong is at present approximately 10,000 and that, allowing for three years of practical on-the-job training, it would be possible to produce about 3,500 craftsmen a year from all these sources. Of course, this potential capacity must be properly developed and it is for this reason that the machinery which I described in my speech during the Budget debate last month has been devised. I hope that it will start functioning in the summer. I know that several firms are ready and willing to co-operate with the Labour Department as soon as it can be put into operation.

Nonetheless, I admit that these plans may not necessarily solve all the problems of craft training although, as I have already said, I do not accept Dr CHUNG's estimate of the deficiencies. It would be foolish not to consider the necessity to examine other methods in the future. Dr CHUNG mentions institutional training centres which have been established in some territories. These are sometimes operated by government but they are not the normal method used in Germany which Dr CHUNG described as the world's greatest economic giant. In other territories, such training centres are operated or organized by the industries themselves. Another method which has been tried elsewhere is the group or co-operative apprenticeship training scheme where various firms join together in pooling their resources for training. These methods, I can assure Dr CHUNG, will be brought to the attention of the committee on apprenticeship after experience has been gained from the operation of the scheme already planned.

Because Dr CHUNG makes reference to it, I think that I should point out that the basic idea behind the United Kingdom Industrial Training Act was to provide the machinery whereby separate industries could finance all their training requirements, including craftsmen, by a levy based on the total working force in each factory and, thereby,

establish a fund from which firms are reimbursed according to the extent to which they organize their own training schemes. The levies vary from industry to industry but some are very heavy. That for the engineering industry raised about HK\$1,250 millions in 1967-68. That proposed for the iron and steel industry for 1968-69 is about HK\$340 for every employee, not for each craftsman. I should also like to make a comment on the letter in the press from which Dr CHUNG quotes only one sentence. My understanding of the main purpose of this letter was to exhort industries to run more apprenticeship schemes with encouragement and guidance from Government.

I believe that Government is and will be making very positive and material contributions towards the cost of assuring that there is an adequate supply of craftsmen for Hong Kong industries. In the technical institutes facilities are and will be made available for institutional training both through first-year full-time courses combining theory and practice, which relieves employers of the most difficult stage of apprenticeship training, and also through the subsequent part-time craft-theory courses. In the Labour Department the establishment of a post of Senior Training Officer (Apprenticeship) will make available advice and encouragement to all who seek them on the subject of apprenticeship. Training on the job is the contribution which industry can best make and our basic problem at the moment seems to me to marry the facilities which Government can make available to those facilities which industry is best able to provide itself.

I am interested to note that Dr CHUNG has made use of information in papers of the ITAC. There appears to be a strange misapprehension in certain quarters that these papers contain secrets and that they have been treated as highly classified defence documents. This is nonsense. The documents have been available to the many industrialists and organizations who have generously helped to provide the specialist information and knowledge which they contain and to whom the community is greatly indebted. The documents are formidably specialist in content. I first referred to them in a speech in the Budget debate in 1967. I also referred to them in the Budget debate in the following year. In the past two years or so, only one person, outside the particular industries concerned, has asked me, as chairman of the Industrial Training Advisory Committee, to make these documents available. They were given to that person and they are available to any other person who wishes to study them. The first four manpower survey reports on the electronics, textiles, plastics, and machine shop and metalworking industries are now being printed in both Chinese and English. They should be available at the Government Publications Centre within the next two or three months.

*Question put and agreed to.*

HIS EXCELLENCY THE PRESIDENT: —Honourable Members, today is the last sitting at which we shall see Mr KINGHORN who has served on this Council since 1959\*. He is, moreover, a son of Hong Kong, if I may put it that way, having been born here.

Mr KINGHORN served in Northern Rhodesia for 9 years before he came here as a Cadet in 1948. Like all Administrative Officers, he has served Hong Kong in a number of capacities, but I think we will all remember in particular his resolute leadership in the New Territories in 1967, and his able handling of the difficult problems which faced the New Territories Administration at that time. I am sure honourable Members would wish me to bid you a warm farewell Mr KINGHORN and to your wife also and to wish you both a happy retirement.

MR Y. K. KAN: —Sir, Unofficial Members of this Council wish to associate themselves with the tribute you have just paid to Mr KINGHORN.

Several of us here myself included have had the privilege of working with Mr KINGHORN in the Urban Council as well as in his Council and have particular knowledge of his ability and devotion to duty. He has only served as District Commissioner New Territories for slightly over two years, but in that short space of time he has gained the respect and affection of the people there by his genuine concern over their welfare and the ready and sympathetic ear he has always given to their problems. I am sure they are as sorry as we are to see him go. We wish him and Mrs KINGHORN many years of happy retirement.

Sir, I hope I may be excused if I also refer to the imminent departure of the Commissioner of Police although he is not a Member of this Council.

There remains fresh in our minds the recollection of Mr EATES' exemplary display of the finest qualities of leadership during the troubles of 1967, of his coolness, strength and sound sense under extreme pressure. It can only be with the greatest of regret that we see a man of his calibre leave the Public Service.

It is a pity that, on the eve of his departure, the force under his command has been crudely attacked in a television programme.

Sir, I am one of those who believe that a good deal more can be, and should be, done about corruption in our midst. But an irresponsible smear attack on the police or indeed on any other Government depart, coming from the outside or the inside neither serves the public interest nor does anything towards curing the genuine ills that exist. If anything, it makes this task more difficult.

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\* 1959 Hansard, page 176.

No doubt the producers of the programme aimed at sensationalism rather than an accurate documentary about Hong Kong conditions. It is most unfortunate, however, that this sensationalism has been achieved at the expense of the police and, indirectly, of the public interest.

THE COLONIAL SECRETARY: —With your permission, Sir, I would like to associate my Official Colleagues on this Council, and indeed the Government as a whole, with the tribute paid by my honourable Friend Mr Y. K. KAN, to the retiring Commissioner of Police, Mr EATES. I can only judge at secondhand of the services rendered to Hong Kong by Mr EATES but from all that I have read and all that I have heard his contribution was invaluable. He will be sorely missed and the spontaneous tribute to which we have listened was abundantly deserved.

MEMBERS: —Hear! Hear!

#### NEXT SITTING

HIS EXCELLENCY THE PRESIDENT: —Council will accordingly adjourn. The next sitting will be held on 23rd April.

*Adjourned accordingly at forty-five minutes past Three o'clock.*