

# OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 7th October 1970

The Council met at half-past Two o'clock

[MR PRESIDENT in the Chair]

## PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR DAVID CLIVE CROSSBIE TRENCH, GCMG, MC  
THE HONOURABLE THE COLONIAL SECRETARY  
SIR HUGH NORMAN-WALKER, KCMG, OBE, JP  
THE HONOURABLE THE ATTORNEY GENERAL  
MR DENYS TUDOR EMIL ROBERTS, CBE, QC, JP  
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS (*Acting*)  
MR DENIS CAMPBELL BRAY, JP  
THE HONOURABLE THE FINANCIAL SECRETARY  
SIR JOHN JAMES COWPERTHWAITTE, KBE, CMG, JP  
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC, JP  
COMMISSIONER OF LABOUR  
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, MBE, JP  
DIRECTOR OF URBAN SERVICES  
THE HONOURABLE DONALD COLLIN CUMYRN LUDDINGTON, JP  
DISTRICT COMMISSIONER, NEW TERRITORIES  
THE HONOURABLE JOHN CANNING, JP  
DIRECTOR OF EDUCATION  
DR THE HONOURABLE GERALD HUGH CHOA, JP  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE PAUL TSUI KA-CHEUNG, OBE, JP  
COMMISSIONER FOR RESETTLEMENT  
THE HONOURABLE JACK CATER, MBE, JP  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE RICHARD CHARLES CLARKE, ISO, JP  
DIRECTOR OF PUBLIC WORKS (*Acting*)  
THE HONOURABLE KAN YUET-KEUNG, CBE, JP  
THE HONOURABLE WOO PAK-CHUEN, OBE, JP  
THE HONOURABLE SZETO WAI, OBE, JP  
THE HONOURABLE WILFRED WONG SIEN-BING, OBE, JP  
THE HONOURABLE ELLEN LI SHU-PUI, OBE, JP  
THE HONOURABLE WILSON WANG TZE-SAM, JP  
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP  
THE HONOURABLE LEE QUO-WEI, OBE, JP  
THE HONOURABLE OSWALD VICTOR CHEUNG, QC, JP  
THE HONOURABLE ANN TSE-KAI, OBE, JP  
THE HONOURABLE LO KWEE-SEONG, JP

## ABSENT

THE HONOURABLE HERBERT JOHN CHARLES BROWNE, JP  
THE HONOURABLE GERALD MORDAUNT BROOME SALMON, JP

## IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR RODERICK JOHN FRAMPTON

### Papers

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

<i>Subject</i>	<i>LN No</i>
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Merchant Shipping Ordinance. Merchant Shipping (Hong Kong-Macau Ferry Terminals) Regulations 1970 .....	135
Public Health (Animals and Birds) Ordinance. Poultry (Slaughtering for Export) Regulations 1970 .....	136
Interpretation and General Clauses Ordinance. Specification of Public Office .....	137
Merchant Shipping Ordinance. Merchant Shipping (Control of Ports) (Amendment) (No 2) Regulations 1970 .....	138
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University of Hong Kong Ordinance.	
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Proclamation No 1 of 1970.	
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Public Services Commission Ordinance.	
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Sessional Papers 1970-71:—	
No 1—Annual Report by the Commissioner of Prisons for the year 1969-70 (published on 7.10.70).	
No 2—Annual Report by the Registrar of Trade Unions for the year 1969-70 (published on 7.10.70).	
No 3—Annual Report by the Commissioner for Housing for the year 1969-70 (published on 7.10.70).	
No 4—Report of the School Medical Service Board for the year ended 31st March 1970 (published on 6.10.70).	
No 5—Annual Report by the Sir Robert Black Trust Fund Committee for the year 1st April 1969 to 31st March 1970 (published on 7.10.70).	
No 6—Report in accordance with Regulation 10(3) of the Hawker Control Force (Welfare Fund) Regulations 1962 (published on 7.10.70).	

**Papers***Subject*

- No 7—Annual Report of the Hong Kong War Memorial Fund Committee for the year 1969 (published on 7.10.70).
- No 8—Statement of the Accounts of the Preventive Service Welfare Fund for the year ended 31st March 1970 (published on 7.10.70).
- No 9—Annual Report by the Commissioner of Mines for the year 1969-70 (published on 7.10.70).
- No 10—Annual Report by the Director of Government Supplies and Sand Monopoly for the year 1969-70 (published on 7.10.70).

**Government business****Motion (in Committee)****SUPPLEMENTARY PROVISIONS FOR THE  
QUARTER ENDED 30TH JUNE 1970**

Council went into committee, *pursuant to Standing Order No 58(2)*, to consider the motion standing in the name of the Financial Secretary (SIR JOHN COWPERTHWAITTE).

The Governor's recommendation signified by the Financial Secretary *pursuant to Standing Order No 23(1)*.

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAITTE) moved:—

That this Council approves the supplementary provisions for the quarter ended 30th June 1970, as set out in Paper No 1 of 1970-71.

He said:—Sir, the Schedule for the first quarter of the 1970-71 financial year covers supplementary provision totalling \$20.2 million. Of this sum Public Works Non-Recurrent accounted for \$5.1 million of which \$1.9 million was to meet the cost of new projects. \$1.1 million was required to meet one year's insurance premium for the airport and \$5.5 million was required as a result of revised rates for collection of sand under the new Agreement.

All the items in the Schedule have been approved by Finance Committee and the covering approval of this Council is now sought.

*Question put and agreed to.*

Council then resumed.

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAIT) reported that the motion had been agreed to in committee without amendment.

*Question agreed pursuant to Standing Order No 58(4).*

### **Motions**

#### **MAGISTRATES ORDINANCE**

THE ATTORNEY GENERAL (MR D. T. E. ROBERTS) moved the following motion:—

It is hereby resolved that the Magistrates (Forms) (Amendment) Rules 1970, made by the Chief Justice on the 14th day of August 1970, be approved.

He said:—Sir, the Magistrates (Forms) (Amendment) Rules 1970, which have been made by the Chief Justice under section 133 of the Magistrates Ordinance, require the approval of this Council.

These rules introduce three new forms which will be necessary for the purpose of proceedings under the Fixed Penalty (Traffic Contraventions) Ordinance 1970. Honourable Members will recall that this Ordinance, which was enacted earlier this year, provides for a civil, instead of a criminal, liability for minor traffic contraventions. Although this Ordinance has not yet been brought into force the forms will be required when it is.

*Question put and agreed to.*

#### **PHARMACY AND POISONS ORDINANCE**

DR G. H. CHOA moved the following motion:—

It is hereby resolved that the Poisons (Amendment) Regulations 1970, made by the Pharmacy and Poisons Board on the 4th day of August 1970, be approved.

He said:—Sir, the Poisons (Amendment) Regulations 1970 have been made by the Pharmacy and Poisons Board to include a definition of the term "registrar". This minor amendment to the Poisons Regulations is necessary as a result of the Pharmacy and Poisons Ordinance being repealed and re-enacted.

Under the old Ordinance certain powers and duties devolved on a person known as "the registrar" and the interpretation section defined the registrar as meaning the Director of Medical and Health Services. The new Ordinance does not provide for such an office and consequently

[DR CHOA] **Pharmacy and Poisons Ordinance**

the new interpretation section does not contain a definition of the word "registrar". However, the subsidiary legislation still contains references to the registrar and although a general revision of this subsidiary legislation is now in hand, it is considered that this particular amendment should proceed independently to provide for the granting and cancellation of certain licences by the registrar.

*Question put and agreed to.*

**ADDRESS OF THANKS TO HIS EXCELLENCY  
THE GOVERNOR**

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER):—Sir, I beg to move that an address be presented to His Excellency the Governor as follows:—

"We, the Hong Kong Legislative Council here assembled, beg leave to offer thanks for the speech which has been addressed by you to the Council."

MRS ELLEN LI:—Your Excellency, you mentioned that this is your last year of office as Governor of Hong Kong. As the first speaker today I am asked by my Unofficial colleagues to express our pleasure and gratitude that you will remain with us to guide us and to guide the destinies of Hong Kong. During these last six years of your office, many exciting events have happened. Hong Kong has undergone some anxious months during the bank crisis and the confrontation, witnessed some great historical events like the moon landing and the arrival of the jumbo jets, and is now experiencing the most remarkable prosperity.

It has been under your able leadership and forward looking policies that many progressive programmes have been launched and implemented. I say this as a compliment, not as a mere flattery. I would like here to recall a few accomplishments which the people of Hong Kong have good reason to be happy about and grateful for. First of all, our public housing programme has been greatly accelerated and will remain our pride and joy as this is one programme of social advancement that can be compared most favourably with any country in the world. Secondly, we have reached the first stage of our education programme of providing universal primary education with only one short jump to free primary education. The second stage of providing 3 years of post-primary education for 50% of the children in that age group is now on the way. Thirdly, several huge engineering projects have been launched, namely the Kai Tak extension, the cross

harbour tunnel and the container shipping terminals. Fourthly, the public assistance scheme will soon be put into practice. Last but not least, is the implementation of the equal pay scheme and the passing of the Marriage Reform Ordinance, which ended an eighteen-year period of frustration, and broke a "jinx".

Although a lot has been accomplished in the past 6 years, there are still quite a few worthwhile and important programmes in the oven which we would like to see materialized within the shortest possible time.

One of the projects which I consider most important and which should be given top priority in consideration and concern, is a comprehensive education policy aiming toward universal secondary education for all children between the age of 12 and 16, in a more ambitious phased-out programme. The next on my list are (a) a practical rapid transit system, (b) an urban renewal programme, (c) the revision of family laws as regards inheritance and legitimacy, (d) the abolition of the marriage bar from the Civil Service's terms of employment, and (e) the inclusion of a family planning service in the Government maternal and child health clinics as a Government project.

Now I would like to elaborate a little more on some of the programmes I have just briefly mentioned.

(1) *A crash programme for universal post-primary education*

When we express our concern about our young people, we tend to look at the problem from various different angles, one at a time. Some are concerned about the increasing acts of criminal violence involving young people; some are concerned about providing more recreational facilities to keep them off the streets; some feel that we should provide better living environments and more schools. When we look at these facets together in their right perspective, we can come to but one conclusion, that is children between 6 and 14 should *all* be in school and young people above 14 should *all* be gainfully employed, be it in education or in work, leaving only a very few bad eggs to foul up our society.

The new post-primary education programme recently announced by Government is a good beginning in the right direction, but the statement that it will provide a 3-year post-primary aided education for 50% of the children in that age group is a little misleading, because some of these 50% would have been in school anyway. By buying places in private schools Government does not actually increase that number of places. We simply transfer the private students into Government-aided students. However, there still will be an actual increase of 61,500 new places or 44% more in the various types of schools, to take care of

[MRS LI] **Motion**

half of this group of the younger population. Although half the cake is better than a small slice, it still leaves the other half for us to worry about. A continuous crash programme of this sort is definitely needed.

In a young society like ours where 50% of the population is under 25, education is their first need. You were referring to primary education, Sir, when you said that lack of education, leading to low family income, leading to children being kept from school, constitutes a circular problem and that this circle must be broken. A different kind of circle now exists on the higher level, where lack of sufficient education and other training facilities for children over 12, the legal age limit for employment at 14, and the lack of employment opportunities below 16 or 17, have created several age gaps which may lead to anti-social attitudes, crime and violence, drug addiction and numerous other complications. I am not saying that education is a "cure-all", but coupled with other social improvements, it is still the best cure known to mankind.

(2) *Crime and violence*

On the subject of crime and violence, Your Excellency certainly hit the nail on the head when you said that improvement of social conditions alone is not enough and that it must be coupled with firm control, dissuasion, re-direction of young energies and deterrence. The recent raids on boarding houses and illegal gambling operations, the successful seizure of huge quantities of drugs and the spot checks for weapons on young persons, have received general approval from the Chinese community. The objectionable features of a permissive society cannot and must not be allowed to exist in Hong Kong.

Like many big cities in other parts of the world, there are bound to be unscrupulous people who would exploit human weaknesses for their own gain. Prostitution, gambling, heavy drinking and drug addiction are considered by the Chinese people to be the 4 main social vices, which unfortunately flourish in abundance in our midst.

Violence and sex have become the 2 main themes for our movies and magazines. Pornographic literature and photographs are regular features in many newspapers and magazines displayed in plain view at newstands on streets. Prostitution exists in many forms and places. Many young girls are enticed or seduced for immoral purposes. Surely, stricter censorship, heavier penalties and appropriate controlling legislation are now called for.

Alcoholism has not been a very serious problem for us. But I still think that our young generation must not be encouraged to the

habit of drinking. Therefore higher age limits should be placed on people who patronize the bars and those who work in them.

Most people have accepted the fact that drug addiction is a disease. Millions of dollars are being spent to affect a cure and extremely severe penalties have been prescribed for the manufacturing and trafficking of drugs. But very few people realize that gambling is a serious human weakness, if not a disease, especially with many Chinese people. Any social worker in Hong Kong can tell you endless heart-breaking stories of how much misery, how many broken homes and suicides are the direct result of the uncontrollable gambling craze of the men of the house who gamble away all their wages which should go to feed their families. For those who can afford the time and money to go to the races at Happy Valley or the casinos in Macau, it may be very exciting fun. But 90% of our adult population needs to work very very hard to make ends meet. Any change of policy that would increase misery for the many people who cannot help themselves and those who cannot afford to lose, should not be lightly adopted. To exploit a human weakness is never humane.

(3) *Family Planning service as part of Government Maternal and Child Health Programme*

My 3rd point is on the question of a family planning service which should now become an integral part of the Government Medical Service. Although the Family Planning Association has done extremely well in the past, especially during the last 10 years in bringing the birth rate down to below 80,000 or 1.99%, it has come to the turning point where a voluntary agency can go no further. For many years Government has been very considerate in the provision of funds for what we considered was an adequate service as well as providing 60% of clinic facilities in Government MCH Centres, and Government subsidized hospitals.

The Family Planning Association now operates 53 clinics of which 27 are in Government MCH clinics and, from experience, the most successful clinics are those in the Government MCH clinics running concurrently with the anti-natal or post-natal clinics. So if Government would undertake the operation of its own family planning service in the maternal and child health setting by establishing a family planning section with specially trained and designated staff, it would enable the Association to provide more clinic sessions in other areas in greater need, particularly in Resettlement Estates, the New Territories and the outlying islands.

It is realized that it may not be possible for Government to adopt and inaugurate a full scale family planning programme in the immediate

**[MRS LI] Motion**

future, but it is hoped that Government will consider the phased out programme submitted by the Association as an effective measure to help solve the population problem in Hong Kong.

(4) *Equality for married women in the civil service*

My last point is a plea for the removal of the "marriage bar" from the Civil Service's terms of employment, as soon as possible. The 1965 Salaries Commission definitely recommended equal pay for equal work and the removal of the marriage bar for women in the Civil Service. The Public Service Commission's Report stated that Government had accepted the recommendations contained in the Salaries Commission's Report in principle. Government has by now implemented nearly all the recommendations except the removal of the marriage bar. As another Salaries Commission is being instituted, I see no reason not to include this item in the Commission's terms of reference for implementation.

At present married women officers are on a month-to-month temporary basis with no pension, very much reduced local leave and no vacation leave, no right to apply for a car loan and no right to join a housing scheme. When Government advertised recently for medical officers on contract terms with gratuity and housing allowance, married women were still being barred from these privileges. This seems to me to be extremely discriminating, especially when doctors are in such an acute shortage. It is believed by many that married women doctors are most suitable to "man" the out-patient clinics and the maternal and child health clinics, and that many more may be recruited if contract terms are offered to them as well. I understand that it is in these clinics that the shortage is most acute, because the more ambitious young male doctors prefer to work in hospitals. We spend the same amount of money to educate a woman and train her for a profession, so why does she suddenly becomes less valuable the moment she gets married?

The September 1969 issue of the Lancet published an article on working women and quoted a Government social survey in the US which showed that women especially older women (which include mostly married women) are more stable in employment than is generally supposed, and that men both change jobs more often than women and lose fractionally more working days through sickness. There is therefore no apparent good reason to discriminate against married women specially when they have proved to be more steady workers.

Chinese women in Hong Kong work chiefly for 4 main reasons; first to help support their family, be it the children, the husbands or the

parents, second to improve the standard of living for themselves and for the whole family, third to acquire some economic independence and last, but not least, to maintain their professional standing. Many well-educated women do not need to work but they do so simply because they want to be useful to society and to prove that education is not wasted on women. We should be very proud of our working women in industries and in the professions. So let us throw away our one last bar of discrimination against them.

Sir, I have much pleasure in supporting the motion before Council.

MR P. C. WOO:—Sir, I share your anxiety with regard to the increased acts of criminal violence during the year, particularly concerning the tendency to acts of violence by young persons.

One can hardly pick up a local newspaper nowadays without seeing items of news describing crimes normally accompanied by senseless and irresponsible violence. The assailants today indiscriminately use knives, triangular files, bicycle chains and other items of an offensive nature, in their perpetration of the criminal acts.

This disease of violence, and I make no apology when I describe it as a disease, is dreaded by and nauseates every decent person in Hong Kong. It affects everyone, whether young or old, male or female, the rich or the poor. It is no respecter of persons, because these predatory thugs seem to think that their weapons are omnipotent.

Why has this wave of violence descended upon this territory? What causes it? Is there any logical reason for it? Some say that this is a social problem, others say that this is but one of the outcrops of our permissive society of today. Yet others hold the view that the Courts are far too lenient in their punishment of these offenders.

What interests the man in the street is not the merits and demerits of one view against the other. What he wants to know is when will this violence cease, so that he need not be apprehensive for his own safety when he goes about the streets on his lawful pursuits. He wants to be certain that when his family are on the streets he need not fear for their safety. Is that too much to ask? Why should the law abiding citizen (and the overwhelming majority of our citizens are law abiding) be afflicted with this shadow of fear caused by the terrorism imposed by the few who prey upon the innocent mainly for sordid gains.

How shall we proceed to give protection to the innocent and at the same time reform the guilty?

**[MR WOO] Motion**

The answer lies firstly in education. Efforts have been made by the Government to give free primary education to the young and I hope, if possible, the Government will do away with the secondary school entrance examination which was imposed because of the lack of secondary school places. To my mind to impose an examination purely because of a lack of secondary school places is not the correct solution. It will obviously result in the youngsters who fail in their examination being deprived of their opportunity to continue their schooling. What will the young lad do then? He has no school to go to; he is left on his own to do as he likes, and naturally he will drift slowly but surely to unsavoury companions of his age group and eventually commences his life of crime. A good solid education is one of the best answers to crime and why should we nip in the bud the opportunities of education for the child just for the reason that he has failed in one solitary examination. Some serious re-thinking must be done on this score. The obvious answer is of course to have more secondary schools and I think we ought to make every effort to provide more secondary schools for the young.

I find it difficult to be persuaded that the parents of the poorer section of our population are reluctant to send their children to school if given free primary and secondary education. Some of them are reluctant now because of the cost of education. A free place in school is not the sum total solution of this problem. Where a person meets considerable difficulty in giving his children adequate food, what would his decision be if he is faced with the high cost of school text-books, exercise books and school uniforms? Therefore, when I say "free primary and secondary education" I mean that term must necessarily include free books also, in deserving cases. I have no doubt in my mind that, by and large, all Chinese parents are anxious that their children should receive a sound education and we should do our best to see that they attain their goal.

Another way to combat crime is for the Government to dip into its pockets and give generously to voluntary associations which cater for the young. Encourage youngsters to join these associations, subsidize the associations so that even when a poor boy is unable to find money to buy himself a uniform or other paraphernalia required by the association rules, the association can have the wherewithal to assist the poor lad. When I say subsidize I do mean a large and sufficient subsidy.

I now come to the ground where even angels fear to tread. That is the ground where the "hawks" and the "doves" clash on the subject of punishment for criminals. I assure you, Sir, I am neither a hawk

nor a dove. For years we have listened to our experts on the treatment of offenders, and what is the result? We have an increasing number of violent crimes. Our experts have assured us that if we gave juvenile delinquents the chance for reforming and refrained from sending them to prison, we would have a more law abiding citizen. Again, what is the result? More juvenile delinquency and worse still, indiscriminate use by these young thugs of offensive weapons cutting, stabbing and seriously wounding their victims on the slightest provocation.

Is it not time for us to pause and take stock of our present policy of punishment? It has been said times without number that if we inflict corporal punishment on the young criminal he will have a grudge against society. On the other hand, if we are not severe with him would he not in turn entertain a contempt against authority which fails to visit upon him a punishment fitting the crime which he has committed?

I, for one, Sir, favour the birch to be inflicted on those incorrigible youngsters and the more often it is used on them the better. These juvenile thugs do not fear imprisonment because our prisons, with their modern amenities, provide them with a living far superior to that to which they are accustomed. Certainly, by all means give first offenders the chance to reform by the imposition of a lenient sentence but, thereafter, if he comes before the Courts again on another crime, visit upon him the rigours of the law and make him feel the pain which would deter him from commission of future crimes. We must be determined to stop this wave of violent crimes that is the bane of Hong Kong today. The young thug thinks that we are weak and that he can do what he wants with impunity without fear of severe punishment—let us show him that he is wrong, let us show him that this savagery does not pay and let us show him that the knife which he wields to hurt and terrorize his victims is a boomerang unto himself in the form of the birch when he is caught.

I have the distinct impression that some sentences passed for crimes of violence recently have been totally inadequate, and reveal a bias towards compassion for the criminal and his reform, and inadequate for the protection of the community by deterring other would-be offenders. Too often loss of self control resulting from some provocation is accepted as a decisive mitigating factor, to the extent that those convicted of manslaughter are sentenced to short terms of imprisonment, or worse, are set free on bond. In showing mercy, we ought never to forget that a dead victim is not there to protest. To my mind such sentences are not in due administration of the law enacted by this Council. We have been asked in the last two or three years to pass laws which take punishment effectively out of the hands

**[MR WOO] Motion**

of the Courts, for example, the law for fixed penalties in traffic cases and the impounding of public light buses; and we have been asked to pass such laws on the ground that the penalties normally meted out by the Courts are so light as to bring the law into contempt. I hope a state of affairs will not arise such as to oblige Government to ask this Council to extend these precedents, by, for example, fixing minimum sentences, or even to put the responsibility for determining the penalty on the Executive, as is already done in some other countries where sentences have been regarded as inadequate, or where serious discrepancies exist between sentences passed by different judges for similar offences.

I do believe that condign punishment should be meted out commensurate with the gravity of the crime committed and that the protection of the community will be kept in the forefront of the factors that determine sentences.

I now wish to address you, Sir, on another subject. Once again I wish to mention the hardship that is now experienced by the owners of pre-war premises presently subject to the control of the Landlord and Tenant Ordinance, Cap 255.

At the debate on the Rent Increases (Domestic Premises) Control Ordinance of this year, I urged the Government to consider relaxation of pre-war premises from strict control and to permit the owners to receive a realistic return of rent for these premises. The rent for these domestic premises in 1949 was the pre-war rent plus 30% thereof and for business premises the rent was the pre-war rent plus 100% thereof. In 1953 the rents of these premises were further allowed to be increased by the Landlord and Tenant (Amendment) Ordinance of 1953, as regards domestic premises by a further addition of 25% of the pre-war rent and 50% in respect of business premises.

The prices of various commodities have increased considerably since 1945, but the owners of pre-war premises are still not allowed to receive a reasonable return of their investment. No further increases have been allowed since 1953, and for a period of 17 years the owners have to pay out of these rents the normal outgoings, including repairs, rates and property tax which has since increased from 10% to 15%. The cost of living has increased at least 50% since 1953. Salaries of public officers have risen at least 75% since 1953.

I do see quite clearly the reason for not decontrolling these premises forthwith, but there is no valid reason why Government should not permit the owners of these premises to increase the rent progressively,

until perhaps over a number of years, the rent reaches a ceiling to be assessed by the Commissioner of Rating and Valuation that would provide a fair open market value.

There is yet another inequity which I hope Government will consider to rectify. At present these pre-war premises under restriction are protected *in rem* and not *in personam* with the result that even if the pre-war existing tenant moves out of the premises on his own accord, or on payment of compensation by the owner, the premises so vacated are still subject to the control of the Landlord and Tenant Ordinance. Is it not time for Government to consider that once the landlord has recovered possession of the premises (subject, of course, to the rights of lawful sub-tenants, if any) the premises should no longer be subject to the provisions of the Landlord and Tenant Ordinance? There cannot be any hardship to any future tenant, but the owner will at least be able to let out these premises at a reasonable rental.

We must remember that once a landlord recovers vacant possession of these protected premises, there is no law to force him to let out these premises to anyone. What usually happens is that a landlord will only let the premises out if the prospective new tenant agrees to contract out of the protection of the Landlord and Tenant Ordinance with the blessing of the Tenancy Tribunal, and there is provision in the law providing for this. And what is the position of this new tenant after the term of his lease expires? He is unprotected and is liable to be evicted thereafter. Is this any different from what I have said earlier, namely, that once a landlord has recovered possession of the premises they ought no longer to be subject to the protection of the Ordinance? If this is agreed the need of the present cumbersome method of applying to the Tenancy Tribunal to approve contracting out will disappear. I urge Government to give serious consideration to my suggestion.

With these observations, Sir, I have much pleasure in supporting the motion before Council.

MR WILSON T. S. WANG:—Sir, I would like to start where my honourable Friends, Mrs LI and Mr WOO ended on matters concerning education and criminal violence committed by young people.

On primary education, I warmly support the policy as outlined by Your Excellency to clear all obstacles which may bar any parents from sending their children to primary school, and at the same time to introduce a bill whereby action can be taken against irresponsible parents. Very few parents will then have any valid reason for not sending their children to school when fees are waived and the need

[MR WANG] **Motion**

to make their children work for the augmentation of the family's income or for the care of its younger members, when these are eliminated by the provision of public assistance. However, I wish here to point out another cause of hardship.

If parents are required to send their children to schools far away from home, any saving made possible by the waiving of school fees will be negligible compared with the extra transport costs which they will have to bear. The successful implementation of this educational policy will depend not only on our being able to provide sufficient places for all our children but places within convenient reach, and furthermore it should have the co-operation of all the Headmasters of our subsidized schools in their selections of pupils to give top priority to children who live in the vicinity.

It must be understood that while some parents can afford to be more choosy and send their children to schools miles away, it does not follow that others can afford to do the same, not to mention the related problem of needless traffic congestion.

On secondary school entrance examination, Mr WOO called for a re-thinking of its existence. I also believe it is time to assemble our experts to give this examination a thorough review in the hope that we may at least improve it if we do not do away with it altogether.

Let me just quote the following passage from a speech by Mr Edward SHORT, the then Minister for Education and Science which was directed to a few local education authorities in England which were then still trying to retain the 11-plus examination:

"The continued division of children at the tender age of 11 into successes and failures is educationally indefensible and grossly unjust.

It has been proved years ago that the results of the 11-plus were not worth the paper they were written on.

No Government worth the name could stand by indefinitely and see the future of tens of thousands of our children blighted by a handful of reactionary local education authorities."

I need only add my view that the Secondary School Entrance Examination has proved to be no more than a method of selecting the children who are best at cramming. Taking it for what it is worth as a selection examination, is this the quality we should look for when we come to choose children for a secondary education financed by public funds?

It would be hypocritical to condemn our primary school teachers for burdening our children with excessive homework unless we are able to convince them that this examination, which is so vital for the future career of a child, does not call for such preparation.

As regards post-primary education, Mrs LI was indeed expressing the unanimous view of my Unofficial colleagues when she made a plea for a crash programme for universal education for all children under the age of fifteen.

In supporting the immediate target, the provision of 50% of primary school leavers with 3 years' aided post-primary education by 1975, we do so feeling as Mrs LI does that half a cake is better than a small slice.

I can see that the key factor in determining the rate of our expansion in this field is the training of teachers and instructors. In a nutshell what is essential is to initiate a crash programme for a bigger and quicker supply of teachers and instructors. We would like therefore to know what projects Government has in hand for this purpose.

We surely need to build more schools but I do not see this as a cause for delay. To bridge the gap there is an interim measure to make up the deficit by the use of existing premises for bisessional classes as proposed in a report by the Secondary School Headmasters Association.

On criminal violence by young people, I wish also to follow up what Mrs LI and Mr WOO have said by adding a few of my views on this matter.

I believe as Mencius's mother did that the education of a child does not depend entirely on what he learns from teachers but rather on the environment in which he lives. Very often, nowadays, when mis-behaviour of young people comes to light, one often finds fingers pointing at our system of education or at the negligence of the family. While such accusations are not always entirely unjustified, the evil influences to which our young people are so often exposed everywhere in our community must not be ignored or under-rated. Unless irresponsible and unscrupulous businessmen are subjected to firmer control, the harmful effects on our young people can undo all the advantages of enlightened education provided by their parents and their teachers.

I wonder, for instance, why it is that minors are being permitted to visit places selling intoxicating drinks such as bars and night clubs? This is forbidden in most parts of the world. Here it is not only the encouragement of drinking habits that is undesirable for teenagers but the indecent and vulgar behaviour that often takes place in such premises.

**[MR WANG] Motion**

The cinema is the most popular place for young people. In Hong Kong films are censored and our censorship has in fact been so effective that there have often been complaints of over-cutting, one man's poison being another man's meat. However, we are concerned not so much with the degree of censorship as with its effectiveness. More often than not films described as "not suitable for children" attract more children than the suitable ones. In many big cities, a firm control is exercised and strictly obeyed over the section of the community who are permitted to see the films. In England films are classified under "X" for adults only, "A" for children under 16 accompanied by adults and "U" for unrestricted audiences. Their theatres prosper under such a control. I advocate that a similar control should be enforced in our theatres and unless theatre managements are prepared to comply with it, we may have to ban at these theatres all films not suitable for children.

Sir, in our dealing with young criminals, I am far from suggesting that the youthful delinquent should be allowed to escape the penalties of the law. I would, however, strongly urge that before prosecution a very thorough investigation should be made into the background circumstances leading to the crime. The youngster who goes astray frequently does so as the result of external pressure. This pressure may be circumstantial but it is very often the direct result of personal influence. If we punish "Olivers" and let "Fagins" go, we shall be allowing the real motivators to escape, the very people on whom heavy penalties should be imposed.

As regards child labour, at the moment my mind is also very much occupied by the vexed question of the employment of children which has been cropping up recently. "A law is a law and must be enforced" so it is maintained, but in the case of child labour would not discretion be the better part of valour? By punishing the employer are we helping the youngsters? Surely the real purpose of the spirit of the law is to protect the young and not to injure them. At this time, when we are as yet unable to provide sufficient schooling or other training facilities for them and while there are not many places where they can better spend their time and energy, a wise and flexible interpretation of the existing law is needed. It is only when there is clear evidence of exploitation or when the working conditions constitute a health hazard, either physically or morally, that this law should be enforced.

Among all the measures to combat crime, a sound programme for the redirecting of young energies along purposeful lines is the one most likely to prove effective. Here our parents, teachers and youth organizations can all play a very important part. Thanks to the good tradition

of the Chinese family way of living and the traditional respect shown to teachers, the influence of parents and teachers has been very great indeed.

However, so sophisticated is the world becoming today that more professionally trained people are required. Misdirection can do more harm than no direction at all, quite apart from the fact that professional efficiency has today become an absolute necessity. The demand for this work should not be underestimated either; the ratio of adults to the young is so disproportionate at the present moment that the situation warrants crash courses for the training of youth leaders, and many voluntary organizations require more Government support in their recruitment of professional workers.

Sir, the energies of the young provide us with hope for the future but only if they are channelled along the right paths, and this surely demands every effort and initiative that we are able to provide. If we fail here of what use are any of the plans which we are at such pains to make?

Sir, I support the motion.

MR WILFRED S. B. WONG:—Your Excellency, in the past my annual speeches were generally long in words and broad in substance. This year I have taken the advice of my senior colleagues and I will concentrate on three subjects, namely, low-cost housing, a children's hospital, and a few words on inflationary trends in order to be more effective.

In conforming to this new approach I do not necessarily subscribe to the view that general points brought out by Members have no impact on Government. In fact, they serve as reminders for some projects and forerunners of others. I may say that of the seven points on economic matters I mentioned last year, three have either reached the legislative stage or come into reality, namely, protection of labour from exploitation, rent increase rationalization for domestic premises and the airport extension. The other points regarding financial facilities for small industries, industrial law policy, redirection of labour and an oceanarium are all being considered. Of the seven points on the philosophy of politics, only the Multi-Story Building (Owners Incorporation) Ordinance has reached the legislation stage. This is the subject on which I have been agitating since 1961.

This year I am concentrating on only three subjects, the first of which is low-cost housing.

[MR WONG] **Motion**

I think most Members would agree that if there is any single programme which has a direct bearing on stabilizing the livelihood of the people, it is low-cost housing. There is a Chinese saying that the four essentials of living are clothing, food, housing, and transportation. Since there is no necessity for Government action on clothing or food in general, housing is the logical choice for Government action.

Although Hong Kong is already very advanced in public housing in that approximately 40% of the population is housed in Government or Government-aided accommodation, it is not the percentage which should guide us in our housing policy. On the other hand, the original concept of housing people to fixed permanent accommodation at approximately 15% of their income should continue to be the guide as far as low-cost housing for the blue and white collar groups are concerned. At the present time, Government Low-Cost Housing caters for families earning up to \$500 a month and Government-Aided Housing Authority and Housing Society cater for families earning up to \$900/\$1,000 a month. Both of these income limits are now out of date with the rising cost of wages and salaries and I urge that a twenty percent revision of income limits be made without delay in order to make assessment realistic. Too many people have been disqualified for housing because they have barely exceeded the income limit.

In the 1969 report of the Housing Board the programmes recommended were for 425,000 individual units of resettlement accommodation and 410,000 individual units of Government Low-Cost Housing to be built in 6 years from 1st April 1968 to 31st March 1974. This programme is somewhat behind by proportional assessment.

The Housing Authority programme is now decelerating with the completion of the Wah Fu and Pin Shek Estates, the Oi Man Estate being the only one under construction. The same situation faces the Housing Society with the completion of the Lok Man Sun Estate. This again leaves the field clear for Government Low-Cost Housing.

Building in the private sector has increased during the past year. But it is expected that most buildings will cater for an income group above that of Government and Government-Aided Low-Cost Housing. With the present value of land it is inconceivable that the private sector will be able to build flats at present costs and be able to make a profit in renting flats to an income group of \$600 a month at a rental of approximately 15% of the tenant's income. Government therefore should step-up the programme of Government Low-Cost Housing in order to fill the gap, stabilize rent and therefore, to a certain extent, the

livelihood of the lower income group. This would also have an indirect stabilizing effect on wages in industry.

The current waiting list for Government Low-Cost Housing is 39,913 and that of the Housing Authority is 104,388 making a grand total of 144,301 cases of application. This gives an indication of the demand for low-cost housing and therefore the increasing need for it.

As the land available for low-cost housing purposes is dwindling, a special effort in locating the remaining pieces of land and research into the conversion of land should be made without delay.

Another aspect of housing is that when our units are designed on the basis of 35 square feet of living-space for each adult, as the years pass many families have additional members and most flats require more space to avoid over-crowding. It is natural that larger flats be built and families with smaller numbers be accommodated as the larger families move into new premises.

Finally it is very confusing to the public and ourselves to have three kinds of low-cost housing, *i.e.*, Housing Authority, Government Low-Cost Housing, and Resettlement Housing. Since they are administratively under one organization, I would propose that this organization be co-ordinated into a Housing Department to justify the importance of housing.

My second subject is the proposal for a Government Children's Hospital in Hong Kong. In giving thought to the proposal for a Government Children's Hospital in Hong Kong, we should pause to delve into its most important and significant premise, that the future success or failure of any country or city-state is most dependent upon its youth for whom the best possible treatment must be given in medical care as well as in education, environment, and social well-being. For it is the youth of today who will be the leaders of tomorrow and no Government can ever be too conscious of the need to provide the very best facilities for its youth in respect of its future. Indeed, youth is the future.

To emphasize the very real need for a Government Children's Hospital in Hong Kong, the following facts and opinions have been put together which, it is believed, provide an accurate picture and truly place in proper perspective conditions as they exist currently in Hong Kong.

In mid-year 1968, the total population of Hong Kong was estimated at 3,926,500. Of this total, approximately 40% was under the age of fifteen—the paediatric care age group. In relation to this fact, one would expect Government facilities to be somewhat suited to this large

[MR WONG] **Motion**

percentage of population. On 31st March 1969 there were a total of 14,899 hospital beds in Hong Kong distributed as follows:—

Government Hospitals.....	5,832
Government Assisted Hospitals.....	7,010
Private Hospitals .....	2,057

Of this total, 1,065 were classified under paediatric and baby care beds, distributed as follows:—

Government Hospitals.....	310
Government Assisted Hospitals.....	609
Private Hospitals .....	146

This total of 14,899 beds represented 3.8 beds per thousand of the population. However, in the paediatric age group, (that is from birth to 14 years) of which there were 1,570,000 persons (40% of the total population), there were 0.644 beds per thousand. This figure is indicative of the incredibly disproportionate number of beds in Hong Kong for this high percentage of the population—the paediatric age group. It is generally agreed in the medical profession that the age group of 12 to 40 years require the least hospitalization whereas hospitalization requirements are significantly increased in age groups below and above this group. Correspondingly, the age group of 0 - 12 years is 1¼ times greater than the 40 years and over age group. Yet, there are only 0.644 beds per 1,000 in the lower age group as compared with 3.8 beds per 1,000 in the old age group. Indeed a Government Children's Hospital in Hong Kong would be a first significant step in providing a more proportionate number of beds for this most important segment of the population—youth!

Why a *Government Children's Hospital* as opposed to a *Government* assisted or private facility? The basic answer can be found in the 1966 by-census statistics wherein it was shown that 47% of the population lived in households where the income was \$600 or less per month. Actually, 32% of the population was classified as not knowing their household income or did not reply whereas 21% were in the \$600 or more household income group. These statistics would seem to indicate that approximately 75 to 80% of the population lived in relatively low income households. The point to be made here is that a vast majority of the population could not afford to send their children to Government assisted or private hospitals where the cost of hospitalization relative to their income would be prohibitive if not impossible. Furthermore, the average working man in the low income group does

not have the protection of hospitalization and medical benefits for himself and family normally offered by most employers in other developed countries of the world. Therefore, he is totally dependent on his yearly income to pay for such medical and hospital care when required. For these reasons, it is necessary that a children's hospital be a Government facility where the cost would be proportionately lower in accordance with the income in the majority low income group.

Still another very important benefit that would be derived from a Government Children's Hospital would be an increase in Government medical staff. Such a Government facility would tend to draw a greater percentage of paediatric students from Hong Kong's only medical school, HKU, into Government employ. A more broad based effect might be a tendency for a greater number of medical students to choose the field of paediatrics in anticipation of being able to work in a modern, well-equipped children's hospital where the environment for learning would be greatly enhanced. Such a facility would also have the effect of bringing to Hong Kong from abroad more talent in the specialized field of paediatrics. It would also develop the specialized field of paediatric surgery which is relatively non-existent in Hong Kong today. Most important, however, is the overall effect of increasing medical personnel in Government facilities which are considerably understaffed today not only in the field of paediatrics but in General.

The foregoing, then, illustrates and illuminates the existing real need for a Government Children's Hospital. Truly, no greater medical service could be performed by Government, in the establishment of such a facility, for the future of Hong Kong—youth.

Finally one word about inflation. Hong Kong is in the fortunate position of not being subject to the basic cause of inflation, *i.e.*, a disproportionate amount of media of exchange in relation to commodities and services. The amount of banknotes in circulation is well regulated and ample reserves are provided. This is technically correct. Yet in the popular sense inflation means rising prices of commodities and services such as rising rents, rising prices of vegetables, poultry, pork, sand, steel, cement, and rising salaries and wages. Therefore, prompted by inflationary trends in other countries, and inflation is contagious, we have to be very cautious in taking steps which would unsettle our steady growth. In particular, Government must not lead in the spiralling increases in salaries and wages which are assuming dangerous proportions this year, nor follow too closely the salaries structures of large financial and commercial houses which are profit making organizations.

Since both wages and real wages have increased, with the former overtaking the latter by doubling the increase, *i.e.*, 63% versus 30%,

**[MR WONG] Motion**

there is a cogent reason to stabilize wages and therefore, to a certain extent, prices, bearing in mind that stabilization is a condition of health in an economic society.

The normal growth rate varies from 3% to 5% per annum in developed countries but Hong Kong in the last 5 years has exceeded that norm and while some economists rejoice in the wave of prosperity we should be alert toward the hidden shoals of economic disequilibrium.

In spite of the reluctance of Government to take on measures which might be construed as Government interference with the infallible forces of supply and demand, I believe that a fair rent tribunal should be established so that no section of the community will be caught flat footed on the streets because of a sudden shortage of flats. Undoubtedly high rents will attract new buildings but increases out of all proportions do not mitigate the sufferings of tenants who become unreasonably stretched as to their resources.

On the general theme of stabilization versus inflation, I think Government can specially do more in stabilizing the prices of vegetables by encouraging their production. This could be accomplished by means of land concessions or provisions of communication and water to the vegetable growing plots, or encouragement in the form of aided loans to be extended to those who plant vegetables especially when our supply is dependent locally to the extent of only 50%. The high price of vegetables, although dependent on neighbouring supplies and the weather, nevertheless hit the low-income earning group and should receive special attention.

In the practice of modern economy tampering with supplies and prices of commodities such as wheat in the United States and Canada is no longer considered as unforgiveable and to introduce special encouragement to increase the supply of our basic staples, such as vegetables, will be welcomed by all sections of the community.

In the case of low-cost housing it is self-amortizing; the other proposals which my colleagues and I have made have to be paid for. We can pay for additional social services in the last analysis by increasing our productivity. Productivity can best be increased by additional skills of our technicians. We must therefore continue to increase the facilities of our technical institutes.

With these remarks, Sir, I have much pleasure in supporting the motion.

DR S. Y. CHUNG:—Your Excellency, I believe that both Government and the people of Hong Kong are justly proud of our increasing economic prosperity and rising living standards during the last few years and, in fact, the whole decade of the 1960's. People are eating better food, wearing better dress, living in better houses and enjoying better health. Industrial wages have gone up in the last ten years by more than 120% and in the past twenty-four months by as much as 30%. There is no dispute with the fact that Hong Kong has been and is still progressing.

However, could we have been progressing even faster? How can we ensure our continual economic growth? Questions like these are sometimes asked by people who have Hong Kong's interest at heart. Sir, you have expressed your concern, a week ago in this Council, over certain unfavourable external factors which might develop in the next few years and which could hamper our economic growth. They are the increasing protectionist pressures in the world markets, particularly in the USA; Britain's application to join the European Economic Community; and the uncertainty on the outcome of the UNCTAD generalized preference scheme for the developing countries. These are all unfavourable external factors, over which I recognize we in Hong Kong do not have much control. However, I think we should go out and do our best to protect our interests on the spot. With due respect, we cannot depend too much on the UK Government, as at times Hong Kong and Britain have conflicting trading interests. Whilst we must fight our own battles outside Hong Kong to protect our overseas markets, we should simultaneously develop our internal infrastructure so as to strengthen the competitive position of our domestic exports.

During the 1960's, we have strengthened our industrial infrastructure by establishing a number of useful institutions, such as the Trade Development Council, the Export Credit Insurance Corporation, the Productivity Council and the Management Association. Although it is difficult to quantify, I believe, like many people believe, these institutions have played and will continue to play an important role in our economic development. However, there is in the industrial infrastructure a major and vital area which Hong Kong has neglected and is still neglecting. It is technical education and industrial training for the young generation. This is an internal factor, over which we in Hong Kong have full control. Whilst Government has recognized the deficiency in technical education and a year ago appointed a Polytechnic Planning Committee to rectify the inadequacy at the middle level, no serious attempt apparently has been made to look at the overall situation more realistically. As a result, the shortage of technicians and craftsmen is becoming increasingly critical and, unless there will be some significant improvement in the near future, our rate of industrial expansion, and hence economic growth, may be slowed down appreciably.

**[DR CHUNG] Motion**

I believe that any person who is willing to work can get a job in Hong Kong today, but wages for any job, generally speaking, are a direct function of skills—both brain and hand skills. Therefore, if our human resources are to be developed to their full potential, we must provide adequate facilities for education and training. Since steady improvement in general living standards is one of Government's major aims as rightly declared by you, Sir, in the opening of this session, it is hoped that Government will be more progressive in taking up its responsibility in this area. Government's policy on industrial training at the technician and craftsman levels as published in the latest Annual Report of the Labour Department available to the public is (a) technician training is principally a Government responsibility with capital contributions from industry to facilitate expansion where necessary and (b) craftsman training is a joint responsibility, with Government providing institutional training for certain common basic trades and with industry giving training for all other trades either through apprenticeship schemes or by other systems of vocational training.

Now, when industries are increasingly providing practical and shop floor training facilities, Government should match them with adequate and timely provision of institutional training facilities at both lower technician and craftsman levels for common basic trades such as those provided by the Morrison Hill Technical Institute. The Industrial Training Advisory Committee, of which my honourable Friend, the Commissioner of Labour, is the Chairman, last year proposed that four technical institutes at various industrial townships on Kowloon should be established and ready for taking in students by the end of 1972. According to the reply given by my honourable Friend, the Director of Education, to a question in this Council in May this year, there was every reason for the general public to believe that a positive decision by Government would soon be forthcoming.

However, speculation was already mounting at the end of last month as to the eventual outcome of the negative Government decision on these proposed technical institutes. I and some of my honourable colleagues were, naturally, most disturbed by your statement, Sir, last week that these institutes did not fall within the usual pattern of Government and Government-aided education and that it had been necessary to consider very carefully the implication of accepting this type of institutional training as a Government commitment.

This unexpected development is certainly a shock and disappointment not only to commerce and industry but, I believe, also to many young men and women who are working or receiving training or

planning to work in commerce and industry and who are looking forward to taking such educational institutional training for bettering themselves. This, in fact, is a major change of established and published Government policy. I strongly urge Government that any negative decision on the establishment of the four technical institutes or, for that matter, any change of Government policy on institutional training should not be made unless and until, firstly, Government has consulted the major associations of commerce and industry and, secondly, this Council has fully debated on the issue.

Last year on this occasion I proposed the formation of an Industrial Development Board with wider representation from both within and outside Government and having some authority in the formulation of major industrial policies such as those related to industrial land, manpower training and industrial infrastructure. This proposal was, however, not acceptable to the then Director of Commerce and Industry, Mr SORBY.

Sir, in associating myself with your welcome of Mr CATER to this Council, I would like my honourable Friend, the new Director of Commerce and Industry, to give us his views on the establishment of such an Industrial Development Board to discuss, examine and solve our major industrial problems not individually in isolation and in succession by various Government departments but altogether in their totality.

The proposal to establish the four technical institutes is a good case in point. I am convinced that much time, effort, delay and frustration could have been reduced if there were in existence an authoritative body such as the proposed Industrial Development Board.

Turning to labour matters, I think Hong Kong has, comparatively speaking, a commendable record in labour-management relations and I fully agree with your remark, Sir, that man-days lost have remained fairly consistently at a very low level. During the five years 1961 to 1965 inclusive, the average number of man-days lost through strikes in Hong Kong was about 42,000 per year or 32 man-days lost per thousand employees. Last year, there were altogether 27 strikes causing a total loss of just under 40,000 man-days. With an employment population of  $1\frac{1}{2}$  million people, the number of man-days lost per thousand employees was only 27 in 1969.

Let us see how our record will compare with that in the two most industrially advanced countries in the West. In the United Kingdom, the average number of man-days lost per thousand employees was 115 per year during 1961 to 1965, and increased to 195 in 1968, the latest year available to me. In USA, the corresponding figure was 300 during 1961 to 1965 and jumped to 640 in 1968. Although these simple

**[DR CHUNG] Motion**

statistics may not accurately reflect the state of affairs in labour-management relations, they do indicate the extent of labour/management disputes and provide a simple yardstick for comparison. On this understanding, we in Hong Kong are certainly very much better off than many countries, including the industrially-advanced nations of the West.

Having made these remarks and comparisons, I must echo your statement, Sir, that there is still much room and need for improvement of labour-management relations in Hong Kong. Better labour-management relations is, in fact, a continuous process and there should be no end to it.

It is always difficult to avoid industrial disputes altogether and, therefore, it is essential that some quick and effective machinery should be readily available to resolve a dispute once it has happened. When direct negotiation fails, there should be immediate mediation or conciliation in the presence of a third party. The Labour Department has a conciliation section on industrial relations but it has no statutory power to compel the two disputing parties to mediate. It can only persuade labour and management to come to a conference table, but if any one party refuses, conciliation cannot take place. This, perhaps, is a weakness in our labour legislation. I therefore share your hope, Sir, that the necessary legislation can soon be introduced to this Council for early establishment of labour courts which have power to resolve industrial disputes concerning statutory and contractual rights.

There has been much talk about child labour in recent weeks. First, I can hardly see the philosophy and logic on differential employment age. Secondly, I presume the minimum age limit of 14 years for employment in industry is based on an international labour convention. If Government accedes to the international standard on minimum age, it should also accept the international obligation to provide free and compulsory education as advocated by some of my colleagues who spoke earlier up to, at least, the minimum employment age of 14 years with the necessary financial assistance to those poor and needy families. I think Hong Kong is now sufficiently affluent to accept this social responsibility.

Management of industrial undertakings, I believe, has reason to complain to Government concerning the ineffectiveness of the present identity card system for young persons under 17 years of age. The identity card carries no photograph, no finger print and no given names but only family surname. And in the past, the Labour Department was, I was told, not very helpful in assisting management to check on persons who were suspected of holding identity cards not of their

own. Apparently, no positive action on the part of Government has been taken since a question was asked in this Council in January this year, and I urge Government once again to take an immediate and serious look at this problem without further ado.

Sir, I have pleasure in supporting the motion.

MR K. S. LO:—Sir, I should like to join you and my colleagues in singing a song of praise for Hong Kong's increasing prosperity. That we have managed within a short span of less than twenty years, starting from scratch, to reach the enviable position of one of the top 25 largest trading countries in the world is no mean achievement for a small island population of four million. During your term of office, Sir, total trade has increased from \$14,647 million in 1964 to \$28,721 million in 1969, an increase of 96%. For the same period domestic exports jumped from \$4,428 million to \$10,518 million, an increase of 137.5%. What is even more spectacular is the fact that our domestic exports have been showing a steady rate of 25% increase each year for the past two years in succession. This enviable record, Sir, is something in which we all can take pride and satisfaction.

But success, Sir, does not come without its attendant envy and jealousy. It has attracted fierce competition from our neighbours, which we welcome, but it has also invited a number of restrictions in the form of tariffs and quotas from our trading partners, which we do not. At times even our mother country at home gets the impression that because of our past success, we are capable of weathering a storm of any size in the future.

This afternoon, I should like to do some objective analysis of the strength and weaknesses of our economy.

First of all, let us ask ourselves, what are the contributory factors to our quick success. I think we must give top credit to our sound administration and stable Government, without which there can be no economic growth. Then we are fortunate to have inherited from the prewar era highly developed banking, insurance and shipping systems which provided us with the basic infrastructure for our budding industry. But the real impetus was derived from the inflow of capital, manpower and industrial know-how from Mainland China in the early fifties. For it was this inflow of capital which gave birth to our textile industry; it was this inflow of technical skill which helped to run it and the inflow of refugees which gave us an abundant supply of labour. I might also add that the US prohibition of importation of Chinese goods right after the Korean War also opened up for us an immediate market for some of our products.

**[MR LO] Motion**

But over a period of years, some of the initial advantages which we have enjoyed have now disappeared, and whatever remains is eroding away at a dangerous speed. The inflow of capital from the Mainland stopped long ago. Although we still get some inflow from the neighbouring countries, it seldom goes into industry. Our labour pool has practically dried up; whereas ten years ago we were able to get all the labour we wanted, today we find ourselves short of manpower in almost every industry. Due to this shortage, wages have been going up by leaps and bounds. You yourself, Sir, have stated that wages had risen by 63% since 1964. But if one were to take into consideration the shorter working hours, the more paid holidays and the more generous terms of employment given by our new labour legislation, the cost of labour could well have more than doubled in the last six years. This makes our labour cost the highest in Asia, after Japan.

Other aspects of erosion include the mounting obstacles in restrictions and quotas put up by our trading partners, and the competition from the neighbouring countries which have the advantage of both an abundant supply of labour and industrial land. With their lower wages and lower rentals, such countries as Singapore, Taiwan and South Korea are already producing identical goods at lower cost and are cutting into our overseas markets. At the same time they are not only enticing prospective foreign investors away from Hong Kong, but even some of our own local investors as well.

The last stage of our trading advantage will disappear when Britain joins the Common Market, thus bringing Commonwealth Preference, which we have enjoyed for so long, to an end.

We will be facing the seventies, Sir, with the loss of past advantages and the prospect of meeting keener competitions and more trade barriers. These are some of the dark clouds which you rightly warned us against in your opening speech. We (and here mean both private enterprise and Government) must search for the answers to cope with the changing situation before it is too late. For it is far easier to manoeuvre while we are still riding on the crest of prosperity, than to try to turn around after we have gone under.

The measures which I am about to put forward are by no means new but they are worth repeating.

First, we must do our best to increase the productivity of our working force through better training, supervision and management. We must not begrudge our workers getting more as long as it is in

keeping with their productivity. In order to increase productivity we have to ask the Government to speed up the provision of training facilities for craftsmen and technicians, industrial supervisors and middle-level managers. Here I am in full agreement with my colleague, Dr S. Y. CHUNG, that the Government should not delay any further in getting four additional technical institutes, similar to the Morrison Hill Technical Institute, established as soon as possible. Furthermore, the existing training facilities at the Technical College for industrial supervisors and middle-level managers should be enlarged without having to wait for the Polytechnic to take shape.

My second proposal is to get our larger industrialists to diversify themselves. At this moment our industrial economy is over dependent upon the textile industry. Although there has been some shift of emphasis from the production of cheaper to more sophisticated textile goods and garments within the industry, the textile industry as a whole still accounts for 48% of our total domestic exports. This shows very little change from what it was a decade ago. The over reliance on textiles makes our economy much more vulnerable. If anything should happen to our textile and garment exports, either through loss of markets to our lower wage neighbours or by imposition of more restrictions and quotas by our main buyers, then it will hurt our economy to the bone. We need only look at our enamelware industry to realize the danger. Ten years ago, enamelware was fourth in exporting value and sixth by employment. Today it has almost disappeared from the scene altogether.

I now come to my third proposal which is to bring more mechanization and better management to the small and medium size factories. I consider this need to be most urgent because by sheer numbers they constitute 95% of all our registered and recorded factories and by the total value of our domestic exports they contributed 60% in 1968 according to the survey conducted by the Department of Commerce and Industry. If we could help these factories to modernize their equipment and their management techniques, we would succeed in raising the entire level of our industrial productivity. They would then be in the position to pay their workers higher wages, and because of the diversity of their manufactured goods they would help us to enter into new oversea markets which have not hitherto been opened to us. Since 5% of the largest factories which employed more than 500 workers are mainly concentrated in the production of textiles and garments, in assisting the small and medium size factories to expand we would be helping our economy to diversify.

Towards this end, the Trade and Industry Advisory Board earlier this year submitted a report to the Government with the recommendation for Government in co-operation with commercial banks to

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establish a scheme specifically for making medium term loans to small and medium size factories for the purpose of purchasing machinery and equipment. This recommendation was made after long and careful studies by the Loans for Small Industry Committee set up by the Trade and Industry Advisory Board.

The proposed scheme was a very modest one calling only for an initial capital of \$10 million. But it was hoped that once proven successful, both Government and private commercial banks would be willing to lend it their further support.

That there is great need for modernization is brought out by the survey which revealed that a large percentage of the machines used by small factories is now obsolete. That there is also plenty of room for more mechanization is illustrated by the fact that although these factories invested 74% of their fixed capital on machinery, the average investment in machinery per worker was only in the neighbourhood of HK\$2,500. This figure shows that our small and medium size factories are very much under-equipped. According to statistics available to me, Japan and United Kingdom show that capital invested on machinery and equipment per worker is twice as high as Hong Kong, and the United States of America, Canada and Australia four times as high. This was all very well in the past when labour was plentiful and cheap, but now that labour has become expensive, we must go for more intensive mechanization.

Our commercial banks have always played an important role in financing commerce and industry. But because of the nature of their business, they are obliged to confine themselves to short term loans. Hence, for capital investments in machinery, most small factories have to rely entirely on their own resources or on relatives and private money lenders. However, they are finding it more and more difficult to raise money privately because of two recent phenomena. First, as more and more people have learned to trust the banks, money is now deposited with the banks instead of lying around the house. Secondly, with more and more of the companies going public, spare cash has now found a new outlet in the stock market. So private money is getting more and more scarce.

I am aware that some sellers of machinery are selling them by instalments, and some banks are also doing hire-purchase finance. But a 9% interest on hire-purchase generally ends up with an 18% on cost of money, and it is this high cost of money which is preventing the small factories from going into more mechanization.

The scheme as recommended by the Loans for Small Industry Committee has only one objective in mind, and that is to make medium-term loans available to small factories based on technical, economic and managerial criteria instead of the over emphasis on collateral security. And the loans are only to be used for the purchase of machinery and equipment for modernization and expansion. It does not ask for special favours or subsidization either from the Government or from private banking institutions.

All the countries in our region recognize the need for some sort of financial institution to assist the growth of small industry. In Japan, there are several institutions solely sponsored by the Government, such as Small Business Finance Corporation and People's Finance Corporation to assist small industry. Singapore, Thailand and Taiwan, each has its own institute for giving loans to small industries. Government need not, therefore, reproach itself unnecessarily for trying to assist the small factories in a small way. I hope, therefore, Government will not hesitate any further in either accepting the recommendations put forth by the Trade and Industry Advisory Board, or come out with a better scheme of its own.

I am very pleased to hear of the Government's intention of carrying out a census of manufacturing establishments in 1971, to be followed by another census of industrial production in 1973. I wish to compliment the Government for having decided to proceed with the gathering of information in the industrial sector. It will be of immense value to both Government and private enterprise when it becomes available.

Sir, you ended your speech by expressing your concern for the many major problems which commerce and industry have to resolve in the years ahead. I share this concern of yours. But concern alone will only remain an expression of sentiment until it is put into action. I therefore urge Government to take action in the expansion of technical education and the adoption of the Trade and Industry Advisory Board's recommendation for making funds available to small and medium size factories for mechanization.

Sir, I beg to support the motion.

4.20 p.m.

HIS EXCELLENCY THE PRESIDENT:—Honourable Members might care for a short break at this time. I will suspend the sitting of Council for 15 minutes, that is to say until 25 minutes to 5 o'clock.

**Motion**

4.35 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

MR T. K. ANN:—Your Excellency, permit me to quote from the concluding paragraph of your speech of the 1st October, in which you said *inter alia*: "I am sure that our merchants and industrialists will continue to display the same energy and enterprise that has done so much in the past to raise our community's living standards, and that our working force will continue to back them up with those virtues of hard work and adaptability for which they have won such a high reputation."

Nothing is truer, Sir, than what you have said when a fair assessment is given to our achievements during the past two decades. And there is no better alternative but to continue this process in order to achieve a better quality of life as envisaged by you, Sir, for the coming year and for the next decade.

We recognize that this prosperity could not have been achieved if the infrastructure prepared by Government were not ready at hand and the right climate for its florescence were not present. To this end, our people must necessarily look to Government to have the foresight, to do the needful and to take a firm stand whenever and wherever it is required.

During the past decade Government has been more conscious than ever of the necessity of getting merchants and industrialists involved in decisions on important economic problems through the media of various advisory boards and associations. This wise policy is now crowned with great success, if proof of our success is to be measured by the growth of our manufactured exports. As our organizations become more mature, I have every reason to expect that Government will lend more willing ears to them.

On a number of occasions Government has been criticized for its slow response to the appeals and needs of the people. It is understandable that a Government is restrained by its limitations and can only move after time consuming deliberation, for it cannot afford to blunder and does no bargaining as we so often do in commerce and industry, for whom the net result at worst is but a pecuniary loss.

Nevertheless, timing is important both in business and in governing. Following our initial success, now is the crucial time for Government to have the foresight to pave the way for further development of Hong Kong's industrial potential.

Sir, I shall confine myself to the economic aspect of our problems. As I see it, the most important problem confronting us at the moment is the inflationary trends in our economy. Although a minimal inflation is the order of the day all over the world, the overheat we have been experiencing during the past nine months must not leave us complacent as it is diminishing the marginal gains we achieved during the past decade and is tending to become a spiralling vicious circle.

Living in our type of export orientated economy, we cannot afford to content ourselves by looking only at what is within but must periodically look over our trading partners' shoulders and at their economy, and keep a watchful eye on our own rice bowl. It is so easy for others' sneezes to affect us with a stuffy cold.

Apart from keeping a very close watch on the economic climate of our main markets, we must arrest this inflationary tendency in our economy as manifested in the accelerated rises in Consumer Price Index and labour costs. We have no natural resources. Our competing countries such as Taiwan and South Korea have some advantage over us in this regard. Even Singapore is better off. Our survival as a viable economy must lie in our costs rising at a slower pace than those of our buyers countries.

I attribute the present inflationary trend to the coincidence of several spurs that came in succession:

- (a) continuance of the heated stock market of 1969;
- (b) a second building boom;
- (c) the sudden high appreciation of land values for tourism on the heels of Expo '70;
- (d) the unprecedented heavy inflows of hot money from neighbouring countries;
- (e) the decision finally to build the cross-harbour tunnel;
- (f) the frantic inducement given by the wig industry in recruiting their labour force;  
and
- (g) the new legislation of four rest days a month for every employee covered by the Employment Ordinance.

I believe many will agree with me on the reasons I have just given for our inflationary trends. Some may argue that in a free economy like ours everything is subject to the law of supply and demand, but human psychology simply does not work in an arithmetical way. Moreover, labour cost is a matter in which one rarely sees a reverse trend. Without a corresponding rise in productivity, to raise wages is to increase the manufacturing cost with the possible result of being priced out of international markets. If we are to be conscious of the international

**[MR ANN] Motion**

economic environment, we must put a stop to these inflationary trends or, at least, endeavour to effect a slowdown. One remedy would probably lie in a measure aimed at depressing the leading factors among many responsible for this phenomenon. We surely do not want to see a race start between prices and wages.

Maintaining the outlets for our products is our life line. So long as we are under the aegis of the GATT rules, we shall find ways to continue and expand our exports. But under no circumstances can we accept the fate of being classified as neither a developing territory nor a developed territory.

As a developing territory we should be treated as such and enjoy any trade preferences accorded to it. However, if we are forced by our trading partners to accept the designation of a developed territory, then we should not be restricted in our trades by any kind of non-tariff barriers. This is the last line of defence our Government should hold. And this crucial question will probably arise in the course of the coming year.

I am in particular referring to Britain's entry into the European Economic Community. If we eventually cannot get into the EEC as an associated territory as the Right Honourable Geoffrey RIPPON said to the press during his recent visit to Hong Kong, we should, at least, request Britain to make the transitional period as long as possible before we are to pay a full tariff. Having recently studied the annual reports of a number of Hong Kong public companies whose exports were not solely to Britain, I have come to the conclusion that we need a breathing period of at least six years; ideally ten if that were possible.

At a time when our external economic climate is undergoing changes, internal harmony is more important than ever, and I am gratified that the system of forming labour/management relations committees have engaged the interest of many industrial undertakings. The proposal mentioned by Your Excellency of setting up in the coming session labour courts to handle all labour disputes is most commendable. They will surely obviate much of the hardship suffered by workers, many of the complaints by the employers and also much of the unfair criticism levelled at the Labour Department in the past. Sir, as this is going to be a new experiment for Hong Kong, the panel should be composed of persons who are unbiassed and fully conversant with commercial and industrial matters. They should equally command the respect of workers; this is important, as it will contribute to a good start.

Bearing in mind that we are living in the economic environment of the Far East and South East Asia regions, our labour legislation and

labour laws enforcement need to be compared with those of our neighbours, rather than follow the pattern of those of Western countries. Any approach in the wrong direction may well lead us into the doldrums. It would be regrettable to see our entrepreneurs' inherent spirit of continuous struggle dampened and stifled. In the first eight months of this year wages on average have gone up by about 15% as compared with the corresponding period of last year if I have not understated it. This rate of rapid increase in more than our economy can absorb.

The dynamic nature of our entrepreneurs is universally recognized. We have observed in Hong Kong the virtual emergence of a middle-class enterpriser group which will perpetually constitute Hong Kong's motive power to move ahead. A middle-class enterpriser starts with savings and lands in a venture. He must strive hard to satisfy his customers, and more customers and consequently emerges with a bigger business affording more employment. In the economy of our competing countries such a phenomenon is not yet apparent. I wholeheartedly support my honourable Friend Mr K. S. LO in his appeal to Government to consider rendering tangible assistance to this new group of entrepreneurs.

And you, Sir, made reference to certain aspects of life in Hong Kong where we seem to lack concern for the common good. On this count I respectfully request that Government give more encouragement to organizations that are striving for the common good. In the industrial field, many things can be ascribed to this spirit—such as joint exploration of new projects for future common development, the identifying of new industries for Hong Kong, a unified approach towards common goals, *etc.* It can only be gauged whether it be good for one or many; if it is for the many it may develop continually to an extent that the community as a whole will benefit.

Hong Kong is now in the initial stage of the second phase of its industrialization in which design, packaging, and marketing will play more important roles. I wish to take this opportunity to express industries' appreciation of Government's support in the work of the Hong Kong Design and Packaging Councils. Sir, your personal interest in assuming the role of Chief Judge in the Colony-wide design competition has greatly aroused enthusiasm among local industrialists. As a measure for accelerating the rate of creation and innovation, may I suggest that Government consider a tax concession of a higher rate of depreciation for moulds, now being depreciated at a rate which will take thirteen years to write down to 20% of their original values. As nowadays, in any line of business, only new models catch the eye of buyers, old models, hence moulds, can be regarded as white elephants after a period of two to three years. As they would have no intrinsic value thereafter, carrying them in account books would simply be an exaggeration of assets. And more often than not they are unsaleable.

[MR ANN] **Motion**

A new undertaking will be carried out next year by Government in the form of a Census of Manufacturing Establishments. You, Sir, have stated that the purpose of the Census would be to seek information among other things on the types of products manufactured, the numbers of employees, values of annual sales and types of machinery installed. So as to ascertain Hong Kong's approximate total added value, I would wish to see included in the information sought the percentage of raw material costs as against sales turnover, as we can take for granted that the very first raw materials we use for manufacture are all imported.

Sir, industry in general is at the moment suffering from an acute shortage of labour. This is an urgent matter which requires immediate remedy, as it is a link in the vicious circle. As a palliative measure Government will perhaps consider allowing—on bond—a higher number of immigrants speaking the local dialect to work in our industrial establishments on a temporary basis. They could be repatriated as the need diminishes. Many manufacturers now being pressed by orders received some six to eight months ago, are now considering engaging part-time workers, who may still be under training.

Another means of alleviating the situation would be to amend legislation to allow primary school graduates who can find no places in secondary schools and secondary school drop-outs, even if under the age of 14 but above the age of 12, to be engaged part-time at a reasonable pay in non-dangerous, sedentary work to be designated by the Commissioner of Labour. If Government is able to offer some short-term part-time training facilities to couple with industries' offer of part-time work, it will be killing two birds with one stone, as this will tide over the transitional period before Government can fully implement the three-year aided post-primary school education plan. Moreover, social problems that may arise from too many street loiterers due to shortage of secondary school places will be mitigated. And I maintain, Sir, that prevention is always better than cure.

With these words, Sir, I have much pleasure in supporting the motion before Council.

MR SZETO WAI:—Sir, you have spoken on the good work done by the Committee on Air Pollution a subject that has aroused considerable universal interest at the moment and given rise to wide ranging deliberations on ecological problems and a surge for legislative environment controls. We in Hong Kong also have our problems.

While it is reassuring to know that we are comparatively free from air pollution the high sulphur dioxide concentration in the air at Hung Hom caused by emission from the power station must be effectively reduced in the interest of public health and aircraft safety by taking all measures including removing Tai Wan Hill, if necessary. And in view of the power station's incompatibility with the Airport, it should be required to use a low-sulphur fuel for generation, which it did in the past, as a short-term remedy, and to expedite its planned removal as a long-term measure.

The Committee has also pin-pointed the growing health hazard from the automobile exhausts and has recommended a target date before the end of 1973 to introduce a compulsory requirement for all new gasoline-powered vehicles to be fitted with emission control equipment. This recommendation has my support because in the 1966 Budget Debate I advocated outlawing excessive vehicle exhaust. Such legislative control was enforced in California in 1966 and in all the States in America in 1968. The 1970 Federal Standards also call for the control of smoke emission by diesel-powered vehicles. Although diesel-powered vehicles are a relatively minor pollution problem compared to gasoline-driven vehicles (since they emit only one tenth of the latter's amount of carbon monoxide), their major problems are smoke and odour. And because of their high proportion (over 20%) in our vehicle population, some form of control should also be imposed on these vehicles. This may be achieved by requiring an additive to the diesel fuel to reduce smoke, emission, or by increasing the fuel tax to discourage its use, though unfortunately both will have the effect of raising the cost of public transport. Another means of combating the hazard is by more frequent compulsory mechanical inspections of diesel-powered vehicles by Government and greater offence made of excessive emission of smoke because smoke problems are usually caused by faulty maintenance and excessive consumption of fuel to gain power. These offences are frequently committed by our old buses and taxis on our steep roads.

Sir, the Transport Advisory Committee has for some years advocated pre-licensing annual inspection of all categories of vehicles, but due to limited facilities such inspections have so far been confined to buses, taxis and public cars. We now consider it vital in the interest of public safety that compulsory annual inspection be extended to cover all private cars and goods vehicles which now number nearly 90,000 and 20,000 respectively, and since these two categories of vehicles are responsible for over half of the colony's 12,000 or so annual vehicle accidents. The early establishment of a semi-automatic vehicle-testing station has recently been recommended to Government which will have the capacity to test annually all vehicles in the Colony.

Sir, in the year under review, some efforts have been made by Government towards implementing the recommendations of the Slum

**[MR SZETO] Motion**

Clearance Working Party. Apart from the 13-acre Pilot Scheme bounded by Queen's Road and Hollywood Road, the remaining 267 acres of the Western District, west of Jubilee Street, have been declared an Urban Renewal District within which pockets of land have been reserved for use as open space for community facilities both of which are badly needed in this vast area of mixed residential and commercial development whose street pattern is obsolete and whose decaying fabric is unsuitable for the activities of present day life. But most of the lands to be acquired are small in size and would at best result in a few more patches of concrete or asphalt, and opportunity has not been taken to introduce some more far-reaching changes in the existing unsatisfactory urban pattern to significantly improve its environment. What is more important is that there is a complete absence of any major improvements to the existing road system.

Admittedly, this district is notoriously lacking in open spaces and any provision would be an improvement. But the present exercise is so lamentably timid and lacking in serious effort to bring any change of real urban renewal value, again excepting the Pilot Scheme area which is less than 5% of that of the whole Western District. It must be realized that any urban renewal scheme which will not effect significant improvement to the existing poor urban system and its obsolete street layout to meet modern requirements of life and communication cannot justify its name. It must also be realized that Urban Renewal is, without exception, a painful operation since the rights of individuals and private properties are unavoidably infringed upon. But cities, like any other ecological phenomenon, are subject to the organic process of growth, change and decay, and forever requiring modifications or renewals to meet the changing needs of life and to remedy the depredations of time and climate. I hope when a similar exercise is applied to other delapidated areas of the Colony, a less timid and more determined effort will be made to provide an urban environment and transportation routes of real value which would meet the demands of way of life of the 21st Century which is now so close.

You have, Sir, referred to our greatly increased acreage of open space for recreation of all kinds. Many more of these facilities are in the Public Works Programme; still many more are designated in the zoning plans of various sections of the Colony. It is gratifying that emphasis has been placed on their development as they enhance the health and well-being of our people as well as serve as an outlet for the energies of our large young population. I hope the recommendations of the two Committees on the use of the Countryside will be speedily produced, considered and implemented. It will be recalled, Sir, that at the 1965 debate on "Education Policy", I advocated similar use of

our greenbelts and rural environments for our students to regain that contact with nature which they have been deprived of through intensive urban development and high density living.

From playgrounds, parks and public gardens, my thoughts not unnaturally turn to that most valuable green patch in the heart of Central District. This  $2\frac{1}{2}$ -acre oasis in a sea of traffic had served for the exclusive enjoyment of a privileged few for nearly a century, and has become a centre of controversy well close to a decade. I refer, Sir, to the ground of the Hong Kong Cricket Club. Now that a new home is being prepared for this famous institution, is it not time that we resolve the future use of this much talked-about land? A private recreation ground it had been and still is; a public open space it should become. But perhaps it could be put to a nobler use to enhance the civic dignity of our town centre and the cultural enjoyment of our people if a city museum could be built, not on it but underneath it, in a similar manner like the new Oakland Museum in California which is built under-ground in order to conserve a public garden adjoining the City Hall. This could be a solution to the unfruitful search for a suitable site for such a public edifice, and a 2-storey structure below ground would provide a floor area of no less than 200,000 *sq. ft.* which is over 5 times the whole of the existing City Hall Tall Block. The idea will conserve the existing open space which could be landscaped as a public garden. It would also provide an unbroken precinct of Government buildings and a continuous vista through the Statue Square Garden to the waterfront promenade designated in the town plan.

Among our achievements and major decisions in public works, you have, Sir, touched upon our road improvement schemes. Indeed, much planning has been made and a very substantial programme has been initiated. We can justly boast of our reservoir of knowledge on transportation, and in the next decade, with determination and resources we should be rewarded with the fruits of our long and costly investigations. Now that the further study on the Mass Transit has been completed, would a positive decision on its implementation be made before the close of this financial year?

Transport consultants agree that our very special problems of mobility call for special solutions. The fact that over 90% of our population is packed within 9% of our already small land area inevitably creates many problems, and some of these are special to Hong Kong because of our city pattern and our way of life. There is also the problem of our fast expanding vehicle population fighting each other for space on our very meagre road mileage. Road building alone will not be sufficient; it must be accompanied by a positive solution to the problems created by the parking requirements of our vehicles. Unfortunately,

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in all our studies on mobility there is singularly an absence of study on our parking problem. Two years ago today, I voiced my concern in this Council on this deficiency of our knowledge and suggested a survey, but today our knowledge has not been enhanced.

Today, the critical state regarding parking has aggravated in all parts of our urban area and particularly in the districts of high density mixed development as a result of Government's ostrich-like policy of off-street parking provision. The Central District will be adversely affected by the deficiency in parking provision when the Cross Harbour Tunnel is opened in 2 year's time. Even with the completion of the new Murray Road Car Park, the total accommodation available in the 5 multi-storey car parks will be barely over 3,200 spaces. It is estimated that there will be a deficiency of over 4,000 spaces when the Tunnel is opened taking into consideration the parking demand it will generate, the continued growth of car-ownership and the closure of most of the open-air car parks for development. This is a very serious deficiency and one which I cannot see how it can be made good in time, unless my honourable Friend the Acting Director of Public Works has a more sympathetic view on mechanical lift parking, and reviews the conventional design of the new Murray Road Car Park to make possible many folds its planned capacity within the same parcel of choice land. Another measure is to include parking requirements in the sale conditions of the Old Dockyard land which no doubt my honourable Friend has done. Hong Kong has reached a sophisticated stage when perhaps we should adjust our thinking on parking structures. Our land economy would suggest putting these underground in order to maximize development above. Paris is an excellent example where multi-tiered car parks are built under the city's boulevards. Our roads may be too narrow to achieve this, but there are open spaces at strategic locations where underground car parks would economize land use and meet parking demand. The open space to the west of the Police Headquarters is well situated for such an underground car park, being on the eastern fringe of Central District, and will provide over 1,000 spaces in a 2-storey structure. Further east is Southorn Playground, capable of holding 350 cars in a single level below ground. Another location offering strategic value is the large recreation area encircled by the race track at Happy Valley. A single storey structure under this huge area would provide no less than 5,000 spaces. It is well situated to absorb the parking demand generated by the cross harbour tunnel, and motorists can be conveyed to Central District by an organized shuttle service of comfortable buses thereby reducing congestion on the roads. The usefulness of such a car park on race days is obvious. Underground car-parks as suggested would attract private enterprise more readily

because high land cost is not involved though this advantage may be off-set to some degree by higher construction cost. But construction itself is a very minor engineering problem.

Sir, I have pleasure in supporting the motion before Council.

MR Q. W. LEE:—Your Excellency, at the meeting of this Council on 19th August the Acting Colonial Secretary made a statement in answer to my question on the progress in recent years on the wider use of Chinese in communication between Government and the public as well as the steps taken to train translators and interpreters in the civil service. I also asked in a supplementary question if Government had any intention to use Chinese as an official language in due course. In his answer it was pointed out that the term "official language" lacked a precise meaning; that the Chinese language, written or spoken, had already been used whenever and wherever necessary; and that Government would welcome suggestions for the fuller achievement of the already existing aim of using the Chinese language for official purposes in all circumstances where the convenience of the public required.

I was indeed grateful to my honourable Friend for his explanation and assurance of Government's policy to use the Chinese language whenever this was necessary or helpful in official communications with the public. However, in view of the widespread comments which have since been attracted on the issue of Chinese as an official language and Government's timely decision, which is certainly a step in the right direction, to appoint a committee to study the matter, I would like to present my views on the subject, and invite Government's attention to some of the feelings in the Chinese community.

On the point of the precise meaning of the term "official language", indeed, the various groups known to be campaigning for the issue all have varying emphasis although they have admittedly the one common objective, *i.e.* to raise the status of the Chinese language. In this connexion, I must say, Sir, that the issue in question always carries with it a strong inherent appeal of sympathy and endorsement from the Chinese although not many may be altogether clear as to what is precisely meant by making the Chinese language an "official" one.

There is no doubt a realistic policy is to make the use of Chinese in this Government, particularly in official communications with the public, as extensive as possible whenever necessary and practicable. The Acting Colonial Secretary has already made it clear that this was in fact Government's policy. However, it is important to ensure that in practice Chinese is being used as extensively and effectively as it should be in all Government departments. I am inclined to think that there is room in which changes can be introduced to further enhance the use

**[MR LEE] Motion**

and importance of the Chinese language in this Government without unnecessary delays and complications of the kind which the Acting Colonial Secretary might have had in mind when giving his reply to my supplementary question on the 19th of August.

My remarks about the extent of the use of Chinese in Government communications with the public are based on my findings that some Government departments are still using standard forms and letters printed only in English and where printed bi-lingual forms are used, again, some of them are only completed in English. I appreciate that these might be exceptions to the normal practice and could well be due to the shortage of qualified translators as well as the problem of the standard of Chinese used in official correspondences. There is no need to emphasize the importance of improving the technique of translation and the use of simple and comprehensive Chinese; suffice it to say that in this area there is certainly room for improvement but improvement can only be expected if we are prepared to introduce fundamental changes which may necessitate not only an examination of the conditions of service and training facilities for interpreters/translators but also of the existing education system.

Sir, I am satisfied that our existing policy is fundamentally sound but I believe more can be done within its framework to meet the desires of both the men in the street and the educated ones. As far as I am aware, the average person wants better communication with Government and feels, for reasons either valid or invalid, that he does not receive the same treatment from Government departments as the one speaking or writing in English. I have sympathy for these people although I am more than satisfied that this is not Government's intention. Any differential treatment given to English and non-English speaking members of the public is merely the result of the attitude of certain individual officers concerned. As to those who are from the educated circles and interested in public affairs, it seems to me that their desire is to press for the Chinese language to be used simultaneously with English particularly at public Government meetings of, for instance, the Urban Council and the Legislative Council. Such a move derives from desire not only to elevate the status of the Chinese language but also to enable non-English speaking members of the community to take an active part in public affairs. I have sympathy for this feeling too.

Sir, there are of course quite a number of problems and difficulties in meeting such a desire and I do not pretend to know the full answer to their solution. But I believe my assessment of the feelings of the Chinese community in Hong Kong is reasonably representative and I have certain personal views on what should be done to achieve fuller the existing aim of the Government. For instance, consideration could

be given as a first step to introduce simultaneous interpretations at this Council for the benefit of the public interested in the proceedings. Should this prove to be successful, it could then be extended to other public meetings and various Government advisory committees wherever necessary. Secondary, a survey should be carried out on the extent to which Chinese, both written and spoken, is used and the ways in which further improvements can be made. Thirdly, an attempt should be made to respond to telephone calls first in Chinese in departments where there are frequent dealings with the public. Fourthly, I would like to take this opportunity to reflect the wishes of some expatriate officers, particularly the junior ones, who are most anxious to master the Chinese language but have not been able to do so. I understand that before the war all administrative officers were released from duties so that they could study both written and spoken Chinese for, in some cases, as long as two years. Contrary to this practice, I understand nowadays very rarely does an administrative officer get a chance to study Chinese for three months with the result that what knowledge of Chinese he acquires is hardly adequate for a simple conversation, let alone the written language. I need not stress how useful it would be for expatriate officers to be able to communicate with members of the public in Chinese if so required by circumstance. The fact that so many missionaries from all parts of the world learn to speak excellent Chinese and are thus able to establish deep relations of trust and sympathy with the ordinary people of Hong Kong demonstrates how realistic—and beneficial—it would be to attempt similar standards for our expatriate officers.

Sir, the above are my personal views on very broad terms. I do not intend to call for specific reply because I am sure when the Committee to be appointed commences sitting many very useful suggestions will be put forward by members of the public interested in the matter.

Finally, it is now my great pleasure to echo Your Excellency's tribute on the civil service. Far too often, the spotlight is focussed on the occasional errors and shortfalls of members of the public service. In a free society like ours, the community has the right to criticize its officers and demand nothing but exemplary conduct from them. But just think how many of us reflect on the dedication and genuine desire to offer the best possible service which the average officer brings to his job. Many of us in this community would not bear the same responsibility entrusted upon the civil service, the members of which are not excessively paid and very seldom thanked but have to solve so many problems affecting our daily life; from providing reasonable housing to developing better social services; from conducting trade negotiations to preventing crimes. These men and women deserve the thanks of this council.

Sir, it is my pleasure to support the motion.

### Motion

MR OSWALD CHEUNG:—Sir, this Government should justifiably be proud of its record in public housing since the Shek Kip Mei fires 17 years ago galvanized it into action. 40% of the population living in publicly financed housing is a statistic that I think is not equalled anywhere in the free world; and the indication in Your Excellency's speech that Government will now think in terms of better standards of housing and greater provision of ancillary facilities has been warmly received by a large sector of our community. I support what my honourable Friend, Mr Wilfred WONG has said—that Government should step up the programme of low cost housing, with the object *inter alia* of stabilizing rents and therefore indirectly stabilizing wages, and containing the trend of inflation which is causing concern to my Unofficial colleagues.

I would suggest, however, that even with such a stepped up programme Government would not be doing enough to deal with the problem of housing our people. It is not doing enough in the private sector where I would submit a massive effort is needed—a massive effort to provide much more land and to provide it at prices commensurate with the ability of our people to pay.

Our publicly financed schemes involve recognition, among other things, that the land required must be made available at prices substantially below market value.

In the case of the estates of the Housing Authority and the Housing Society, it is provided at 1/3 of the market value. 200 acres have been made available to the Building Authority and the Building Society.

In the case of Resettlement Estates and Government Low-Cost Housing, it is provided at \$10 a square foot. 1,200 acres have been made available for these schemes.

In all, therefore, 1,400 acres or 60 million square feet have been provided for publicly financed housing at much less than the market value of the land.

I am afraid that I have almost used a colourless phrase when I said 60 million square feet have been provided. The word "provide" does scarce justice to the intellectual and physical effort that has gone into providing it and the process of hacking away hillsides, laying out large estates, building roads and drains that make the land fit for building; and on an occasion like this when we give thanks, honourable Members I trust will not find it out of place if I pay a tribute to the former Director of Public Works, Mr Michael WRIGHT, and the officers of his department for what they have done in the publicly financed sector. I was using a colourless phrase in order merely to give emphasis

to the fact that for all purposes the land is provided at a fraction of its market value.

But in the private sector, whilst no one would contend that land should be provided at less than market value, it is my impression that the high cost of land has been a direct consequence of the short supply of new land. High cost of land inhibits development in that direction, or where development proceeds in spite of such inhibition, it does so at high cost to the people who need the housing.

It may be asked if I am right in my impression that the supply of new land has been short. I would welcome a statement as to the number of acres of Crown Land that have been made available in the private sector for housing in the urban areas since 1953, including in that category land which is classified as being for commercial/residential development, and including Tsuen Wan, Kwai Chung and Kwun Tong—to see whether it anywhere approaches the total of 60 million square feet made available in the publicly financed sector. It is a figure on which I cannot easily lay my hands, but judging from the revenues realized from land sales, I should be surprised if it is 1/3 of the 60 million square feet to which I have referred.

It is the stated policy of Government to auction off land to the highest bidder. No one would quarrel with such a policy. It may be that it is not a twin corollary of this policy to keep the supply deliberately short in order to realize the maximum amount of revenue with the grant of the minimum amount of area, which is what the more cynical of our citizens think. It may be that a number of other factors have contributed, cumulatively, to the shortage:—

- (a) the natural lack of flat terrain;
- (b) the lack of wide through roads;
- (c) the time consuming nature of the administrative processes which must be gone through before land is sold,

so that the problem is an enormous problem, but there is no reason why if it is tackled with the same resolve and imagination displayed in the publicly financed sector, it should not be resolved, or at any rate its effects reasonably contained.

Such effects are far-reaching. One effect is that the high cost of land leads to high rents and high purchase prices for flats, which for domestic accommodation has now reached \$150 per square feet and in some areas \$180 per square feet. I should think no small number of citizens are affected, for if one excludes the 1.6 million in the publicly financed estates, if one excludes squatters, protected tenants, and those whose family income exceeds \$20,000 per annum there would be in my estimate still another  $1\frac{1}{2}$  million people affected. For them it means a tightening of the belt. It discourages home ownership, which

[MR CHEUNG] **Motion**

ought to be encouraged, for that is a stabilizing factor. It gives the people who own land a stake in our Colony. It leads to inflation and inflationary expectations. It leads to prolongation of the inequities of rent control. It has led to a call from my Friend, Mr Wilfred WONG this afternoon for a fair rent tribunal. It has led to the cycles of boom and bust, or near bust, that have been a feature of the real estate market since the war. It leads to over-crowding. It leads to the palliatives in town planning to which my honourable Friend, Mr SZETO has referred.

Sir, perhaps I have said enough to persuade those Official colleagues of mine on this Council most immediately concerned with land and housing that the shortage of land in the private sector is the problem that deserves the same hard thinking and magnificent effort that has gone into publicly financed housing.

Earlier I referred to certain factors which have kept the supply of land short. As I look round me, I see very little land in the urban areas which could become available for housing. There will be small segments in the Kowloon foothills, in Ho Man Tin, Tsim Sha Tsui and Hung Hom on the mainland, but practically nothing at all on the Island.

I see with dismay that the plan for the development of Aberdeen and Ap Lei Chau approved by Executive Council in 1965 is now considered impractical because it will result in the build-up of stagnant water, and that it is to be all but given up, in order that the water will flow right through Aberdeen Harbour. But this is the last area of any substantial size left on the Island of Hong Kong, and I therefore ask whether it is possible to instruct consultants to see if it is feasible to reclaim the whole of Aberdeen Harbour including that part of Aberdeen Channel that lies to the north of the southern tip of Ap Lei Chau. It would be necessary of course to create a new harbour in the remaining part of Aberdeen Channel between Ap Lei Pai and Brick Hill. But the area of land that could be made available if this reclamation were possible and were put into effect would be at least 300 acres of new land, to say nothing of the contribution that would be made by the borrow areas, and it is this which leads me to think that such a feasibility study should be undertaken.

I turn to the New Territories.

Castle Peak is coming along, but there the problem is its distance from the urban areas, and the present lack of a decent road connexing it with Tsuen Wan. The road is indeed planned, but its construction to my mind needs to be accelerated.

Sha Tin is the obvious choice for a new urban area. That it would be practical to reclaim a large part of Tide Cove and develop Sha Tin valley was shown in an outline development plan approved by Executive Council in 1960, but implementation of the plan was shelved, except for a part recently reactivated to build a by-pass which I am glad to see will come into operation tomorrow, and to provide some land for low-cost housing. Its development would greatly ease the housing shortage, and to my mind, much hard thinking should be given to it. I think that even my honourable Friend, Mr Wilfred WONG, who wishes to encourage the growth of vegetables locally, would not deny Sha Tin for housing.

The problem of Sha Tin is also a problem of communications. It is true that, for present purposes, the Lion Rock Tunnel has spare capacity, but put another million or even  $\frac{1}{2}$  a million people into Sha Tin, and it will become obvious that development of roads and other means of communications will be a prime necessity. I am glad to see that a new tunnel might be made in connexion with High Island Reservoir project, but I am inclined to think that a four or six lane highway along the present Tai Po Road would be needed and, in addition, if Sha Tin is to be industrialized another such road to the container terminal at Kwai Chung.

There is another large area which could be developed, and that is Ho Chung Valley to the South West of Hebe Haven. I estimate that 1,000 acres could be provided, and I would ask that the realignment of Clear Water Bay Road, which is now being examined, will take into consideration the future development of this area.

Sir, the object of these exercises is to keep the supply of land at least up to the level of demand, to bring its price down (consonant with the cost of development) and thereafter to keep the price of land steady.

I referred also to the administrative processes which must be gone through before land is sold. So far as I can see the processes all end up on the desk of one Principal Assistant Colonial Secretary. I have nothing but the highest regard for the competence and ability for the present incumbent of the post, but I would suggest that he is being asked to do the impossible, and to my mind the time has come to vastly expand his section, and all other departments of Government that must and should be consulted over the grant of land.

It would be, Sir, a fitting legacy for you to leave this Colony if you would initiate measures along the lines which I have suggested, or along lines which wiser and more able minds can devise, to deal with this problem before you leave as, to our regret, you must.

With these words, I have much pleasure in supporting the motion before Council.

### **Motion**

MR Y. K. KAN:—Your Excellency, time is getting on and I propose to make my small contribution to this very long debate by speaking on two or three matters referred to in your earlier address and not covered by previous speakers.

You have referred, Sir, to the strengthening of the UMELCO Office and to the expansion of its work. As you know, in June this year we were fortunate to have secured the services of Mr PRIMROSE as our Administrative Secretary on secondment and in August we moved into larger offices in Windsor House, a location which I hope the public will find more convenient. It is rather significant to note that before June the average intake of cases was only 19 a month; this rose to 32 in June to July, 49 in August and 90 in September—an increase of 450% since January this year.

During the period 15th June to 23rd September, 101 cases were completed. In 27 of these cases it was not possible for various reasons for UMELCO to pursue the matter whilst in a further 25 cases, although the matter was pursued, it was not possible to achieve what the complainant wanted. In 22 cases after the completion of action by UMELCO or the department concerned, the outcome was successful from the applicant's point of view. In the remaining 27 cases a degree of help, if only by way of explanation, advice or information was given by UMELCO. These are very small beginnings but they do hold out a degree of promise. A further 118 cases remained under consideration at the end of this period.

More important than the increase in the number of cases has been the institution of a much more thorough and expeditious system for dealing with those public complaints, representations and difficulties which are brought to the notice of the UMELCO. Full details of the system have already been publicized. I need only say here that every endeavour is made and will be made to probe each case thoroughly, to obtain all the relevant facts and information, to pursue the matter with the Government departments concerned whenever possible by discussion rather than by correspondence alone, and to return to the complainant the fullest explanation and help that can be given.

I foresee in the further much more use by the public of the UMELCO machinery. Having launched this new scheme I feel sure you would agree, Sir, that we must now see to it that the demands made upon the Office by the public can be fully and promptly met. This entails substantial increases in establishment if the utilization of the Office continues to expand as rapidly in the year ahead as it has done during the past three months. We have recently forwarded our request for additional staff to the Secretariat and we have had a swift

response in the posting of an experienced clerk. We would be glad to know whether the balance of our request will be met in the near future, to enable us to meet the growing public demand.

Your Excellency has also referred to the work of Members in this Council, and in the Finance Committee and its two sub-committees, the Establishment Sub-Committee and the Public Works Sub-Committee. These committees sit in private; consequently their work is hidden from the public eye. This unfortunately has sometimes given rise to misconceptions and misgivings on the part of members of the public not only as to the work of these committees but also Government's actions and policies.

We, the Unofficial Members, feel that there is no very great advantage for the Finance Committee to sit in private. On the other hand, there is considerable advantage for this very important committee to sit in public so that members of the public may have a better understanding of its working and discussions.

I believe up to 1941 this Committee had always held its meetings in public. Whatever good reasons there might have been for the decision to sit in private since then, it is the unanimous view of the Unofficial Members that the time has come to revert to the former practice of meeting in public. It goes without saying that there may well be occasions when the Committee considers that it is not in the public interest to deliberate upon certain matters in public.

Our proposal may entail a slight amendment to Standing Order 60(3) by providing that sittings of the Committee shall be held in public unless the Committee otherwise order. At present under this Standing Order the Committee must sit in private unless it wishes to do so in public.

Sir, we share your disappointment that as yet it has not been possible to complete the studies on changes in the Urban Council. We appreciate that the matter is a difficult and complex one. However, we hope that before long, certainly during this session, specific proposals will be coming to this Council for deliberation. Earlier on my honourable Friend, Mrs Ellen LI, began by expressing our pleasure on the further extension of your term of office as Governor. May I conclude by renewing the pledge we made to you last year that in all its measures for the improvement of the well-being of our people, the Government has our fullest support.

Sir, I support the motion before Council.

THE ATTORNEY GENERAL (MR ROBERTS) moved that the debate on the motion be adjourned.

*Question put and agreed to.*

**First reading****TRUSTEE (AMENDMENT) BILL 1970****SOCIETIES (AMENDMENT) BILL 1970****COMPANIES (PREVENTION OF EVASION OF THE  
SOCIETIES ORDINANCE) (AMENDMENT) BILL 1970****PERJURY (AMENDMENT) BILL 1970****UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1970****PLACES OF PUBLIC ENTERTAINMENT (AMENDMENT)  
(NO 2) BILL 1970****SUPPLEMENTARY APPROPRIATION (1969-70) BILL 1970****EXCHANGE FUND (AMENDMENT) (NO 2) BILL 1970**

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

**Second reading****TRUSTEE (AMENDMENT) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the Trustee Ordinance."

He said:—Sir, this bill seeks to repeal section 94 of the principal Ordinance, which requires a trust company to forward annually to the Registrar of Companies a statement showing the company's liabilities to the public in its trustee capacity and also its investments and holdings on trust account.

Preparation of this statement involves a substantial amount of work by the company, though it is of no use to members of the public since it is not open to inspection by them. Nor is there any similar requirement in the English Trustee Act.

Adequate powers are available under other sections of the principal Ordinance to regulate the operations of a trust company. Section 95, for example, empowers the Governor in Council to appoint an inspector to investigate the affairs of the trustee company and, in these circumstances, it is considered that section 94 can be safely repealed.

*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*

Section 94 of the Trustee Ordinance requires every trust company to forward annually to the Registrar of Companies a statement of the liabilities of the company to the public in its trustee capacity and of the investments and holdings of the company on trust account. This statement is required to be verified by an affidavit of the chairman or other responsible officer of the company.

It is considered that these provisions impose on a trust company unnecessary obligations and that the submission of information under this section does not serve any useful purpose. This Bill would repeal section 94 and thereby relieve trust companies from the obligations imposed by that section.

**SOCIETIES (AMENDMENT) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the Societies Ordinance."

He said:—Sir, as honourable Members are aware, the Societies Ordinance was enacted in 1949, to provide for the registration and control of all kinds of society in Hong Kong.

The principal reason for its enactment was the need to provide adequate powers to deal with triad societies and other groups of an undesirable nature. It has, I think, proved in practice to be a most valuable weapon in dealing with them. However, it cannot be said that such bodies no longer constitute a problem and there is a continuing need for this Ordinance.

Section 42 of the Ordinance requires that the life of the Ordinance shall be extended for one year at a time by resolution of this Council and for the past 20 years the Ordinance has been kept alive annually and it is clear that, for the foreseeable future, it would be unwise to contemplate its lapse.

This bill therefore seeks to repeal that section which requires it to be renewed annually.

*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).*

**Societies (Amendment) Bill—second reading***Explanatory Memorandum*

The Societies Ordinance, which confers on the Commissioner of Police powers which assist him in curbing the activities of triad and other undesirable and unlawful organizations, was originally intended to expire on the 31st December 1950 but has been extended year by year by resolution of the Legislative Council under section 42.

It is considered that the Ordinance is essential to the maintenance of order in the Colony and that the Ordinance should be made part of the permanent legislation. To this end, clause 2 repeals section 42.

**COMPANIES (PREVENTION OF EVASION OF THE SOCIETIES ORDINANCE) (AMENDMENT) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the Companies (Prevention of Evasion of the Societies Ordinance) Ordinance."

He said:—Sir, the principal Ordinance was enacted in 1959, to prevent evasion of the Societies Ordinance by bodies seeking to register themselves as companies, since a registered company is exempt from registration or control under the Societies Ordinance.

This Ordinance, like the Societies Ordinance, has been subject, by virtue of section 16, to annual renewal and it is needed for as long as the Societies Ordinance remains in force, and for the same reasons.

This bill, therefore, seeks to repeal section 16, so as to make it unnecessary for this Council to pass an annual resolution to prolong the life of the Ordinance.

*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 principal Ordinance, which was enacted in 1959, prevents persons who associate together for undesirable purposes from evading the provisions of the Societies Ordinance by registering

themselves under the Companies Ordinance. The principal Ordinance (which is ancillary to the Societies Ordinance, and which was also enacted as a temporary measure) provided in section 16 for the expiry thereof on the 31st December 1959, but enabled the Legislative Council to continue its operation for not more than one year at a time. The Legislative Council has by resolution passed each year continued its operation to the 31st December 1970.

It is considered that the Ordinance is essential to the maintenance of order in the Colony and that the Ordinance should be made part of the permanent legislation. The repeal of section 16 by clause 2 would have this effect.

### **PERJURY (AMENDMENT) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the Perjury Ordinance."

He said:—Sir, the purpose of this short bill is to extend the offence of perjury to cover false statements or information made or provided in connexion with the registration of customary or validated marriages under section 9 of the Marriage Reform Ordinance 1970. Similar provisions already exist in the Perjury Ordinance with regard to false statements relating to other forms of marriage.

*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 purpose of this Bill is to make it an offence for any person to give a false statement in an application for the registration of a customary marriage or a validated marriage under section 9 of the Marriage Reform Ordinance 1970 or to furnish false information for that purpose.

### **UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the University of Hong Kong Ordinance."

### **University of Hong Kong (Amendment) Bill—second reading**

He said:—Sir, the main object of this bill is to empower the Council of the University of Hong Kong to appoint more than one Pro-Vice-Chancellor, since the expansion of the University has meant that the duties of Pro-Vice-Chancellor are more onerous than one man can reasonably discharge and paragraphs (a), (c) and (d) of clause 3 of the bill provide accordingly.

Paragraph (e) of clause 3 will enable the Senior of the Pro-Vice-Chancellors to act as Vice-Chancellor, when the substantive holder of this office is absent or otherwise unable to perform his duties.

Paragraph (b) of clause 3 of the bill substitutes the term "Acting Governor" for the term "Officer administering the Government", since the former term has now superseded the latter in the Letters Patent and in our legislation generally.

*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 increased size of the University of Hong Kong has made it necessary to appoint more than one Pro-Vice-Chancellor to carry out the duties and functions of the Pro-Vice-Chancellor. The purpose of this Bill is to enable the Council of the University to make such appointments and to enable the most senior Pro-Vice-Chancellor who is currently in Hong Kong to act as Vice-Chancellor when the latter is absent from Hong Kong, or unable to perform his functions as such or when the office of Vice-Chancellor is vacant. Clauses 3(d) and 3(e) provide accordingly.

2. The amendment contained in clause 3(b) which substitutes "Acting Governor" for "officer administering the Government" in subsection (3) of section 12 is consequential to the amendments to Articles XVII and XVIII of the Letters Patent.

3. Clause 2 makes an amendment to section 2 of the principal Ordinance which is consequential to the amendment effected by clause 3(d).

**PLACES OF PUBLIC ENTERTAINMENT  
(AMENDMENT) (NO 2) BILL 1970**

THE ATTORNEY GENERAL (MR ROBERTS) moved the second reading of:—"A bill to amend the Places of Public Entertainment Ordinance."

He said:—Sir, this bill is a tidying up measure and does not propose any changes of substance in the law.

At present, there is a potential conflict between sections 7 and 8 of the Ordinance. Section 7 gives the Governor in Council power to make regulations governing licences and permits issued under the Ordinance, whereas section 8 authorizes the Commissioner of Police to grant permits and to attach conditions to them.

Clause 2 of the bill removes this conflict by taking away the Governor in Council's power to make regulations will regard to permits, though he will retain it for licences. The amendments set out in paragraphs (a) and (b) of clause 3 of the bill are consequential ones.

Paragraph (c) of clause 3 replaces subsection (4) of section 8 with two new subsections, the object of which is to make it clear that it is an offence to contravene a condition attached to a permit to carry on a public entertainment. Some doubt has been expressed as to whether the present section 8, which makes it an offence to contravene the provisions of that section, are wide enough to cover the infringement of a condition of a permit issued under this section.

*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*

Section 7(1)(j) of the principal Ordinance empowers the Governor in Council to make regulations to provide for any conditions for a permit given under the Ordinance. Section 8 of the principal Ordinance empowers the Commissioner of Police to grant a permit and to impose conditions. The purpose of this Bill is to remove the potential conflict between these two provisions and to ensure that the granting of permits and the imposing of conditions rests with the Commissioner.

**Places of Public Entertainment (Amendment) (No 2) Bill —second reading**

[*Explanatory Memorandum*]

Clause 2 amends section 7 by replacing paragraph (j) with a new provision relating solely to the imposing of conditions for licences.

Clause 3 amends section 8 so as to make quite clear that the granting of permits and the imposing of conditions is in the discretion of the Commissioner. The section also makes it quite clear that it is an offence to carry on a public entertainment without a permit or in breach of a condition. Under the proposed new subsection (5) it will be an offence for the holder of a permit to suffer or permit a contravention of a condition attached to the permit.

**SUPPLEMENTARY APPROPRIATION (1969-70) BILL 1970**

The Governor's recommendation called for, and signified by the Financial Secretary pursuant to *Standing Order No 42(1)*.

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAIT) moved the second reading of:—"A bill to authorize a supplementary appropriation to defray the charges of the financial year ended the 31st day of March 1970."

He said:—Sir, this bill seeks to give final legislative authority, so far as that is necessary, for the supplementary expenditure authorized by Resolutions of this Council, and is the final stage in disposing of expenditure incurred during the last financial year.

The original estimates were given legislative form in the Appropriation (1969-70) Ordinance 1969, which authorized a specific sum under each Head of Expenditure. It is necessary to legislate further now in respect of those individual Heads of Expenditure where the net effect of supplementary provision, and of under-spending, if any, has resulted in an excess over the original sum authorized against these particular Heads in the Appropriation Ordinance. The total supplementary expenditure requiring this further legislative authority is just over \$17.7 million under 12 Heads. This is more than offset by savings of just over \$103.7 million under other Heads.

*Question put and agreed to.*

Bill read the second time.

**EXCHANGE FUND (AMENDMENT) (NO 2) BILL 1970**

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAIT) moved the second reading of:—"A bill to amend the Exchange Fund Ordinance."

He said:—Sir, the continued accrual of sterling in the hands of our commercial banks as a consequence of the buoyancy of our trade and payments makes it necessary once again to increase the borrowing powers of the Exchange Fund if we are to give these accruals the protection of the United Kingdom sterling guarantee arrangement. The present limit of \$3,500 million is nearing exhaustion and the bill before Council proposes that this be increased to \$4,000 million.

By virtue of paragraph XXVI(3) of the Royal Instructions the Governor may not assent to this bill, if passed, unless previously authorized to do so by the Secretary of State. That authority has already been obtained.

I should add that a bill designed to empower this Council to authorize variations in the borrowing limit by resolution rather than by amending bill is now in draft but it, too, requires the authority of the Secretary of State which has not yet been received.

*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 effect of this Bill will be to raise the limit of the amount which the Financial Secretary may borrow for the account of the Exchange Fund from 3,500 to 4,000 million Hong Kong dollars.

**Committee stage**

Council went into Committee.

**UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1970**

Clauses 1 to 3 were agreed to.

Council then resumed.

### **Third reading**

THE ATTORNEY GENERAL (MR ROBERTS) reported that the University of Hong Kong (Amendment) Bill 1970 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 and next sitting**

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Order No 8(5) I now adjourn the Council until 2.30 p.m. on Friday 9th October, when Official Members will reply to points raised by the Unofficials.

*Adjourned accordingly at five minutes to Six o'clock.*