

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 18th July 1973****The Council met at half past Two o'clock**

[Mr PRESIDENT in the Chair]

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, MBE
THE HONOURABLE THE COLONIAL SECRETARY
SIR HUGH SELBY NORMAN-WALKER, KCMG, OBE, JP
THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP
THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR JOHN WILLIAM DIXON HOBLEY, JP
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR JACK CATER, CBE, JP
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, CBE, JP
DIRECTOR OF URBAN SERVICES
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE PAUL TSUI KA-CHEUNG, CBE, JP
COMMISSIONER OF LABOUR
THE HONOURABLE IAN MACDONALD LIGHTBODY, JP
SECRETARY FOR HOUSING
THE HONOURABLE LI FOOK-KOW, JP
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE ERIC PETER HO, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, JP
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE ALEXANDER STUART ROBERTSON, JP
DIRECTOR OF PUBLIC WORKS (*Acting*)
THE HONOURABLE CHARLES JOHN GRAFTON LOWE, JP
DIRECTOR OF EDUCATION (*Acting*)
THE HONOURABLE DAVID AKERS-JONES, JP
SECRETARY FOR THE ENVIRONMENT (*Acting*)
THE HONOURABLE WOO PAK-CHUEN, CBE, JP
THE HONOURABLE SZETO WAI, OBE, JP
THE HONOURABLE WILFRED WONG SIEN-BING, OBE, JP
THE HONOURABLE WILSON WANG TZE-SAM, OBE, JP
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE ANN TSE-KAI, OBE, JP
THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP
THE HONOURABLE MRS CATHERINE JOYCE SYMONS, OBE, JP
THE HONOURABLE JAMES WU MAN-HON, JP
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP
THE HONOURABLE GUY MOWBRAY SAYER, JP
THE HONOURABLE LI FOOK-WO, OBE, JP
THE HONOURABLE HUGH MOSS GERALD FORSGATE, JP

ABSENT

THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, JP

IN ATTENDANCETHE CLERK TO THE LEGISLATIVE COUNCIL
MR DONALD BARTON

Oath

MR AKERS-JONES took the Oath of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT: —I should like to welcome Mr AKERS-JONES to this Council.

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Immigration Ordinance.	
Immigration (Places of Detention) Order 1973	126
The Hongkong and Shanghai Banking Corporation Ordinance.	
Resolutions	127
Maintenance Orders (Facilities for Enforcement) Ordinance.	
Proclamation No 1 of 1973	128
Banking Ordinance.	
Specification of specified liquid assets	129
Drug Addiction Treatment Centres Ordinance.	
Ma Hang Addiction Treatment Centre Order 1973	130
Prisons Ordinance.	
Ma Hang Prison Order 1973	131
Training Centres Ordinance.	
Ma Hang Training Centre Declaration 1973	132
Training Centres Ordinance.	
Stanley Training Centre (Cancellation) Declaration 1973	133

Oral answers to questions

Executive and administrative posts for university graduates

1. MR WANG asked: —

How many vacant posts are available for graduates of our two universities in the executive and administrative grades and how many applications have been received from this year's graduates?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, there are at present 25 vacancies in the Executive grade, which are available to University graduates, to "A" level holders and serving officers. There are 22 vacancies in the Administrative grade, which are available to honours graduates and serving Government officers. Recruitment exercises are now proceeding as a result of which we hope to fill all or nearly all of these vacancies.

294 undergraduates applied for appointment as Executive Officers last October. About 120 were found suitable for appointment and the majority of them have already reported for duty.

175 applications for Administrative Officer were received from this year's graduates, of which 104 came from the University of Hong Kong, 37 from The Chinese University of Hong Kong and 34 from Universities elsewhere. The results of this recruitment are not yet known.

Anti-crime alarms in housing estates

2. MR WONG asked: —

Is it proposed to incorporate anti-crime alarm system equipment or installations in future public housing estates?

MR LIGHTBODY: —Sir, there are, of course, various ways in which we can try to make residents in public housing estates feel more secure, and the Housing Authority prefers the method of providing a proper caretaker service in all its estates. Such a service is at present available in a number of estates and appears to provide the necessary feeling of security. The Housing Department therefore intends to build on this experience and extend the same caretaking service to all its estates over the whole 24 hours of the day. For this purpose, it has recently applied for the creation of more than 400 new caretaker posts. I should explain here that caretakers are more than—much more than watchmen. Caretakers are trained to undertake emergency repairs to such equipment as water pumps and lifts, to take charge of accidents or give first-aid outside of normal office hours, and generally to provide a beneficial, official presence over the whole day. An alarm or watchman system could not provide this sort of personal service which is very important in these large estates.

MR WONG: —Sir, I take it that Government prefers manpower rather than electric services for the anti-crime alarm system?

MR LIGHTBODY: —We keep an open mind on these matters, Sir, but it is the Authority's intention to go ahead and see what good results, and we hope there will be good results we can achieve from this particular kind of manpower.

Oral answers**Ambulance services**

3. MR CHEONG-LEEN asked: —

In view of the increasing congestion of road traffic, is there any plan to increase the points where ambulances are located and the number of ambulances so as to minimize the time taken for ambulances to arrive at the scene of the accident and to enable casualty cases to reach hospital with minimum delay?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, the short answer to the honourable Member is "Yes". There are at present 76 ambulances based on 22 strategically situated points throughout Hong Kong—that number includes the seven main depots and stations.

The current approved programme calls for an increase to 91 ambulances by the end of this financial year and, subject to the approval of this Council, a further increase to 107 in the next financial year. The programme also calls for a further 10 ambulance depots, including four in public housing estates.

Ways and means of ensuring that casualties are transported to hospital as rapidly as possible are always under review, jointly by the Fire Services Department and the Royal Hong Kong Police Force, including the problems presented by traffic congestion.

MR CHEONG-LEEN: —Sir, will we be getting up to 91 ambulances by the end of this financial year, and when will those 10 additional depots be ready?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I'm terribly sorry, Sir, but I couldn't hear the first part of the honourable Member's question.

MR CHEONG-LEEN: —Sir, will we be getting up to 91 ambulances by the end of this financial year, and when will the 10 additional depots be ready?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —The answer to the first part of this supplementary question is "yes". By the end of this financial year, we should be up to 91. The additional depots will come off the production line at various periods between now and the middle of next financial year. But, short of doing a

special exercise on the Public Works Performance Programme, I wouldn't like to give a date on each. If the honourable Member would like to see me after the meeting, I'll hand him a list of the new depots.

MR CHEONG-LEEN: —Thank you.

Special facilities for handicapped persons

4. MRS SYMONS asked: —

When will the report on the provision of special facilities for handicapped persons in buildings and in public transport vehicles be published?

MR LI: —Sir, in May 1969, meetings of a Committee commenced to investigate the problems involved in making buildings and the facilities they contain more accessible to the disabled community. This Committee is chaired by a member of the Public Works Department. Representatives of my Department and Medical and Health Department together with a practising architect are members of this Committee.

I understand that the Committee is expected to submit its Report and recommendations for a Code of Practice to my honourable Friend, the Director of Public Works, within the next three months. I also understand that after the Director of Public Works has considered the report, he will make recommendations to the Colonial Secretariat on its publication.

In the meantime, however, Government is not allowing time to be lost in solving this problem. Already, some government recreational facilities are being designed to take into account the requirements of disabled individuals including those confined to wheelchairs.

In addition, as part of my Department's Five Year Plan which honourable Members of this Council have seen*, discussions have started between members of my staff and voluntary social service bodies to seek new ways of increasing the supply of transport services for Hong Kong's disabled. The results of these discussions will be presented to the Social Welfare Advisory Committee for advice with a view to establishing specific plans for action in this area of social service.

* Pages 27-8, 828 and 839-40.

Oral answers**Submissions on appointments and promotions**

5. MR LI asked: —

Will Government indicate the extent of the caseload currently falling on the Establishment Branch in regard to the processing of departmental submissions covering appointments and promotions, and also give some idea of the factors which affect the time taken to process them?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): — Sir, about 80 appointment and promotion exercises are currently being processed by the Establishment Branch and approximately another 300 are in various stages of processing in departments. Any one exercise may involve anything from one to about 900 persons.

The main factors affecting the time they take to process in the Branch are the number of candidates involved in each exercise, the need to examine the papers to ensure that equal and fair consideration has been given to every candidate, and the need to seek further clarification or justification of recommendations which are not fully substantiated in the documentation. As the honourable Member is aware, far better than I am, the Public Services Commission rightly demand a considerable degree of documentation—though the speed with which the Commission discharge their obligations is wholly admirable.

The recruitment procedure takes about 2 months from the closing date for applications to the date of offer and of this period about 2 weeks is within the Establishment Branch in normal straightforward cases. But, of course, there is nothing to prevent a third-year student at the beginning of his third year at the university from applying, and in such a case, it will take 9 months to process his application because we have to await the result of his degree.

As I have stated in this Council last April in reply to a similar question*, the Establishment Branch, in order to speed up recruitment as much as possible, is gradually expanding its Centralized Recruitment Section to relieve departments of the processing work, since trials have shown that recruitment time can thereby be significantly reduced.

MR LI: — Sir, the reason I am concerned with the time that is taken on these appointments is, in relation to my honourable Friend, Mr Wilson WANG's question† that when a young graduate is expected to graduate, if the time is too long, as far as Government is concerned, we may miss out?

* Pages 701-2.

† Pages 950-1.

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I couldn't agree, Sir, with the honourable Member more and it is my ambition to get to a point where we can say to an applicant “yes” or “no” on the same day. But I very much doubt if we can take that through the Public Services Commission, yourself and the Secretariat, and the Secretary of State in that time.

Hong Kong Training Council

6. DR CHUNG asked: —

What progress has been made on the establishment and work of the Hong Kong Training Council as announced by Government in January this year?

MR TSUI: —Sir, I am pleased to say that progress has now reached the stage where we can very soon announce the membership and terms of reference of the proposed Training Council. We are, in fact, now in touch with the prospective Chairman concerning the details.

Since January the co-ordination of matters which were the concern of the Industrial Training Advisory Committee and which will be that of the new Council, has been undertaken by the respective branches of the Labour Department, in particular the Industrial Training Division.

Hospital beds

7. MR CHEONG-LEEN asked: —

Is there still a visible shortage of beds in Government hospitals to the extent that patients have to be put on camp-beds in corridor space?
If so, how soon can this situation be improved?

DR CHOA: —Sir, Government acute hospitals are always under pressure. We do not refuse patients who are in need of treatment and accordingly additional beds are often required. The use of corridor space is sometimes unavoidable—for example in bad weather we have to keep patients away from windows and when wards become very full some beds may have to be moved temporarily into corridors to facilitate the treatment and special examinations of patients in the wards.

To relieve congestion in Government hospitals we need not only more spaces but to make sure we make the fullest use of the spaces

[DR CHOA] **Oral answers**

which are available in both Government and Government assisted hospitals. The Medical Development Advisory Committee have examined the question of congestion in Government hospitals in great detail and I can assure honourable Members that recommendations on the action that is needed will be a main feature in their report which is about to be submitted to Your Excellency. If their recommendations are accepted I can promise that they will be put into effect with as much urgency as is possible.

MR CHEONG-LEEN: —Sir, is the congestion increasing at such a rate that it is becoming more prevalent to resort to providing temporary beds for patients in corridors?

DR CHOA: —No, Sir, it depends on the circumstances. For instance if we have many casualties as the result of a natural disaster, then we shall have to put up many many camp-beds. On the other hand, I am sure there may be and there are some quieter days.

MR CHEONG-LEEN: —Sir, when is it anticipated that the Development report will be ready for presentation to His Excellency?

DR CHOA: —On the 31st July 1973, we hope that report will be submitted to His Excellency.

Legislation for finance companies

8. MR ANN asked: —

In order to protect the interests of the general public will Government introduce legislation to regulate the activities of finance companies and other deposit taking institutions which are not licensed under section 7 of the Banking Ordinance?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Uncharacteristically, Sir, I am afraid I am unable to give my honourable Friend a short, simple, straight-forward answer to his question. (*Laughter*). Many consequences could stem from regulating the activities of finance companies; and hastily prepared legislation may well be damaging to the public interest as a whole even if certain individual interests, in a limited sense, were protected. So, we must proceed cautiously. Nevertheless, the Government is generally concerned with the area outside banking in which finance houses offer short and medium term

credit facilities; and we are willing to contemplate the possibility of regulation where, and to the extent that, a case for doing so is established.

To this end, we are now engaged in researching the facts and, to begin with, we are trying to decide precisely what we mean by a finance house which I suppose could mean any institution engaged in financial activities not covered by existing legislation, that is to say, the Money Lenders Ordinance and the Banking Ordinance. These activities include the acceptance of deposits, lending, investing, underwriting, the provision of trade credits, hire purchase, leasing, mortgages and investment management and advisory services.

So the area covers many varied activities concerned with the provision of short and medium term credit and the business is conducted by many and varied institutions. I must admit that we have not yet built up a very clear picture of the number of institutions involved and the range of their activities. But, as I have just said, we are researching the facts and have established, for instance, that over 1,500 companies have been registered in Hong Kong with finance stated as their principal object of business since the beginning of 1971. These companies range from small locally owned establishments to finance houses wholly owned by large international banks. There would clearly be very great difficulties in laying down general criteria to be observed by such a diversity of institutions, particularly if we were to avoid—as indeed we must—inhibiting the development of the range of services offered by our financial sector.

Yet we are considering four aspects of their operations at the present time. The *first* aspect concerns the protection of investors in securities and property from misleading advertisements and other enticements: this is to be taken care of by the Protection of Investors Bill which, if Your Excellency in Council so decides, will be introduced into this Council with or soon after the Securities Bill.

The *second* aspect we are considering concerns the misuse of shares deposited with finance companies as collateral against loans. Under the present Securities Bill no person may carry on the business of dealing in securities on a stock exchange or otherwise unless he is registered as a dealer, dealing in securities is to be defined as making an agreement with another person for the purpose of acquiring, disposing of, subscribing for or underwriting securities. Thus all share dealings will, in future, only be transacted by and through registered dealers and they will be required to observe certain rules and limits, though licensed banks will be exempted.

The *third* aspect we are considering concerns the question of competition for deposits between finance companies and the licensed banks.

[THE FINANCIAL SECRETARY] **Oral answers**

The banks argue that, as they must observe minimum capitalization and liquidity requirements, and they are, they say, unfairly placed vis-a-vis finance companies, in competing for deposits. As I understand it, the competition which banks complain of comes essentially from those finance companies wholly owned by large international banks. Yet, these companies conduct their business with the same prudence as licensed banks since, to do otherwise, would damage their standing. Some would argue that the banks could effectively protect their deposit base from the competitive inroads of the finance companies if they raised deposit rates and/or the gap between borrowing and lending rates was narrowed.

On the other hand, concern has been expressed that some finance companies may not be conducting their businesses prudently and, therefore, depositors with these companies lack protection for the repayment of their deposits. So the *fourth* aspect we are considering is the position of small depositors and we have tentatively in mind a separate Protection of Depositors Bill designed to restrict, by amount, the minimum size of a deposit which finance companies should be permitted to accept from the general public.

MR ANN: —Sir, is the Government aware that, with such large increased number of finance housing in Hong Kong, the interests have been bid off so that they make industry more difficult to compete in the international market?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —I am not aware of that, Sir.

Hong Kong and Yaumati Ferry Co piers

9. MR WU asked: —

Can steps be taken to reduce overcrowding and congestion in the passenger waiting areas and passages leading to the ferries of the Hong Kong and Yaumati Ferry Company?

MR ROBERTSON: —Sir, the Hong Kong and Yaumati Ferry Company operates services from 20 piers and landing places. My honourable Friend does not state which pier or piers he is referring to, nor whether the overcrowding in waiting areas refers to weekday commuter traffic, or to holiday recreational traffic, or both. But, overcrowding certainly does occur at some piers at peak periods; in

some cases this is because more than one service operates from the same pier.

A number of measures are in hand to relieve congestion. At the Outlying Districts ferry pier, at the Jubilee Street pier, and at the Jordan Road pier, the Ferry Company proposes to construct another storey over the existing ground floor waiting room so as to provide extra waiting space. There are already items in the Public Works Programme for the construction of new or additional piers at North Point, Kwun Tong, Hung Horn, Sham Shui Po, Shau Kei Wan, and Sam Ka Tsuen. The existing pier at Cheung Chau is also to be enlarged.*

The recent introduction by the Ferry Company of direct sailings on outlying services on Sundays and public holidays, and the gradual introduction of one-class vessels on outlying services, will speed up round trips, allow a higher frequency of service and this will also reduce passenger waiting time.

The position for both commuter and recreational traffic will be further improved when the Ferry Company is able to put more vessels into service. A new triple decker will be launched towards the end of next month and another one in 1974. In the last 3 months, three new 260-seater vessels came into service and another six are expected in the next 12 months. Four new 60-seater vessels are likely before the end of this year.

I hope, Sir, that this brief account will give some assurance to my honourable Friend that Government and the Ferry Company are aware of the problem and are actively engaged in steps to improve services and to relieve congestion at ferry piers.

MR WU: —Thank you.

Land policy

10. DR CHUNG asked: —

Is it Government's policy that land for housing should command a higher priority than land for horse racing and will Government consider the re-allocation of the site for the second race course at Sha Tin to housing projects?

MR AKERS-JONES: —Sir, clearly land for housing must command a higher priority if the choice were simply between horse racing and housing. Fortunately it is not.

[MR AKERS-JONES] **Oral answers**

The race course at Sha Tin is being built by the Royal Hong Kong Jockey Club with its own funds to meet a public demand for horse racing which cannot be met at Happy Valley. The race course site does not conflict with residential or industrial development. Furthermore, as a direct result, hill slopes which are being used as a source of filling material for the reclamation will be formed for residential use. These additional areas of residential land will be available as a bonus to Government's own ten-year reclamation and development plan for the Valley.

Quite apart from the enjoyment great numbers of people will derive from horse racing, in addition, the centre of the track will be a most useful recreational lung for the half million inhabitants of Sha Tin, just as Happy Valley is for the young people of Hong Kong. The indirect benefit of surplus funds which will be generated by the race course which are ploughed back by the Royal Hong Kong Jockey Club into community projects should also be remembered.

Sir, I cannot agree that it would be wise to follow the course of action suggested by my honourable Friend.

DR CHUNG: —Sir, arising from the reply given by my honourable Friend, is Government aware that there are many estate developers in Hong Kong willing to do the same kind of work as the Jockey Club, that is, to reclaim land at Sha Tin Valley from nearby hills, but the reclaimed land would be used for housing instead of for horse racing?

MR AKERS-JONES: —Sir, as I said in my reply the areas of land which will be formed by the borrow areas will be made available to those very private developers. But I am grateful to my honourable Friend for asking this supplementary question because it gives me the opportunity to make the additional point that Sha Tin Valley is being developed to the maximum possible for residential and industrial use and it would not be possible or prudent to carry on the housing development further out over the area of reclamation to be formed by the race course.

MR CHEONG-LEEN: — Sir, am I to allude from the answer to the supplementary that it would be prudent to have a race course there?

MR AKERS-JONES: —Yes, Sir, because of the additional enjoyment it would provide not only for racing but for recreation.

Securities Bill

11. MR LEE asked: —

When will the new Securities Bill be ready for introduction into this Council and are provisions to govern jobbing transactions included in the Bill?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, the answer to the first part of my honourable Friend's question is that we intend to put the Securities Bill to Executive Council in early September with a view to introducing it into this Council on the resumption of business in the next session.

As regards the second part, the bill includes a provision for the control by regulation of dealing procedures which will cover *inter alia* any transactions defined as jobbing. I have already explained when moving the Second Reading of the Stamp (Amendment) (No 2) Bill in this Council on the 20th of June* that we are proposing to relieve from stamp duty jobbing transactions in two very limited areas which are readily definable.

Submissions for staff increases and regradings

12. MR LI asked: —

Will Government indicate the extent of the caseload currently falling on the Complementing and Grading Group of the Finance Branch in regard to the processing of departmental submissions for increases in establishment and regrading of posts, and also give some idea of the factors which affect the time taken to process them?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, at the beginning of this month there were 191 outstanding requests for additional posts or re-grading of existing posts. This time last year there were 249 outstanding cases, and since then 529 new case files have been opened. This means that during the past 12 months the Complementing and Grading Group of the Finance Branch brought 583 cases to finality, in addition to dealing with the 1973-74 draft Estimates.

Action on some 40% of the 191 current cases at present lies with the departments concerned to provide further information.

The Complementing and Grading Group of the Finance Branch was re-organized and strengthened in August 1972 and the present workload, though heavy, is not, in my view, intolerable.

* Pages 886-92.

[THE FINANCIAL SECRETARY] **Oral answers**

The time taken to process a request depends on its complexity, on the adequacy of the information given in support, and on the number of priority requests being examined at the time. I am afraid, Sir, that in these circumstances it is just not possible to give any meaningful indication of the normal time taken to process any one request.

Airport runway

13. MR SZETO asked: —

In view of the recent complaints from flight pilots, will Government make a statement on the safety of the runway at Kai Tak, particularly during wet weather?

MR ROBERTSON: —Sir, scientific tests of the new bituminous surface of the Kai Tak runway, carried out during wet conditions, show that it would, at present, be rated as "average" by the Standards of the International Civil Aviation Organization.

Although the coefficient of friction of a bituminous runway increases naturally with age—that is, it becomes even less slippery—the Public Works Department is carrying out a series of tests to determine when the new surface will be hard enough to take a form of surface-grooving which can further improve the surface characteristics.

My honourable Friend should be assured that the Civil Aviation Department keeps all pilots informed of runway conditions before they land or take off, and no pilot would operate in conditions which he thought to be dangerous.

DR CHUNG: —Sir, may I ask my honourable Friend—is surface-grooving on the surface of the runway the only method of increasing the coefficient of friction at this moment?

MR ROBERTSON: —Sir, surface-grooving on the runway isn't a method of increasing the coefficient of friction at this moment because the runway surface is not hard enough to be grooved. It may be hard enough after a period of months to be grooved. There are various other techniques of improving the coefficient of friction and, in the new runway surfacing, these have been employed. For example, the new runway surface is laid at a much steeper cross-fall than the old runway surface so that the water is shed more quickly off the surface. The problem, if and when there is a problem, is not when the runway is dry, but only when the runway is wet, and therefore the problem is to find a method of getting rid of excess water as quickly as possible.

Sterling guarantees

14. MR WOO: —Sir, under Standing Order 17(4), I have already obtained Your Excellency's permission to ask the following question without notice on the ground that it is of an urgent character and relates to a matter of public importance. I have already given private notice to my honourable Friend, the Financial Secretary. My question is:

"In view of the uncertainties in the world monetary situation and the expiry of the United Kingdom Sterling Guarantee to Hong Kong on 24th September 1973, will Government state whether re-negotiations have already started as provided by the terms of the guarantee and what is the present position?"

HIS EXCELLENCY THE PRESIDENT: —The question is in order.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —No, Sir, definitive negotiations have not yet started, but we are in close touch with Her Majesty's Government in the United Kingdom. I venture to say that they are very well aware of our anxieties.

Our sterling reserves, Sir, are still very substantial despite the fact that our total official external reserves have fallen from the very high level reached in mid-1972. We have, however, been able to benefit from the arrangement negotiated at the end of last year for the withdrawal of part of bank-owned sterling from the Sterling Guarantee Agreement. We have also diversified into foreign currency assets up to the full 11 per cent permitted under the Agreement.

I would agree, Sir, with my honourable Friend that in view of the uncertainties of the world monetary situation, a decision about the future of the Sterling Agreements would indeed be helpful. As I have just said, negotiations have not yet started, but we are in close touch with Her Majesty's Government and I would ask honourable Members to accept my assurance that the Government is well aware of the very great importance of these issues and is keeping the situation under constant review.

MR WOO: —Sir, does my honourable Friend the Financial Secretary agree that the uncertainty of the world monetary situation makes some pronouncement on the future of Sterling balances important?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Yes, Sir, I would regard such a pronouncement as indeed vital.

Oral answers

DR CHUNG: —Sir, should it not be possible to conclude negotiation prior to the expiry date on the 24th of September this year, could arrangement be made for the present guarantee to be extended until a conclusion is made?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, when I said a moment ago I regard some pronouncement is vital, I meant some pronouncement as to the future arrangements, if any, which Her Majesty's Government might be willing to enter into with us. These arrangements could be the negotiation of a new agreement, the extension of the present one or the simple ending of the present agreement.

Government business

Motion

Delegation of financial powers

THE FINANCIAL SECRETARY (MR HADDON-CAVE) moved the following motion: —

It is hereby resolved—

- (1) that, in accordance with Colonial Regulation 223(2) (a), the Governor may sanction additional provision on his own responsibility pending covering approval of the Finance Committee of this Council and provided that the expenditure is not of such a nature as to raise some question of principle or involve a breach of some regulation where the total of such additional provision under any individual subhead does not exceed such sum as is specified in the second column of the Schedule to this Resolution, and subject to such conditions, exceptions and qualifications as are set forth in the said column of the Schedule;
- (2) that, in accordance with Colonial Regulation 223(2) (c), authority is conferred upon the Governor to delegate the exercise of the powers conferred upon him by Colonial Regulation 223(2)(a) and by this Resolution, to the extent specified in the second column of the Schedule, to the public officers specified in the third column thereof and subject to such conditions, exceptions and qualifications as the Governor may prescribe;

- (3) that, in accordance with Colonial Regulation 223(2) (c), authority is conferred upon the Governor to delegate the exercise of the powers conferred on him by Colonial Regulation 223(2)(b) to the Financial Secretary and the Deputy Financial Secretary—
- (a) subject to such conditions, exceptions and qualifications as the Governor may prescribe and
- (b) provided that the additional provision authorized under any subhead in any financial year does not exceed \$300,000 in the case of the Financial Secretary or half that amount in the case of the Deputy Financial Secretary;
- (4) that the Resolution passed by this Council on the 9th day of February 1972 be cancelled with effect from 18th July 1973.

SCHEDULE

(1) <i>Class of Expenditure</i>	(2) <i>Additional Provision</i>	(3) <i>Authorized delegate</i>
	Such sum as may be required—	
I. ANNUALLY RECURRENT PERSONAL EMOLUMENTS		
A. Supernumerary posts	(1) in respect of an additional supernumerary post—	
	(a) for a replacement for a woman officer on maternity leave, for the approved period of such leave;	Establishment Secretary/ Secretary for the Civil Service, Principal Assistant Colonial Secretary and Assistant Colonial Secretary
	(b) for a replacement for an officer on prolonged sick leave, for the period of such leave;	Establishment Secretary/ Secretary for the Civil Service, Principal Assistant Colonial Secretary and Assistant Colonial Secretary
	(c) for a replacement, in the same or lower grade, for an officer on no-pay leave;	Establishment Secretary/ Secretary for the Civil Service, Principal Assistant Colonial Secretary and Assistant Colonial Secretary
	(d) for a replacement for an officer on leave prior to retirement or for a contract officer who has given notice of his intention to resign or is on leave prior to completion of his final contract; such a post may be created from the date of commencement of the officer's leave or notice of intention to resign;	Establishment Secretary/ Secretary for the Civil Service

Motion

(1) <i>Class of Expenditure</i>	(2) <i>Additional Provision</i>	(3) <i>Authorized delegate</i>
	(e) in respect of any rank within a grade subject to the overall establishment of the grade not being exceeded, arising from a temporary need to over-establish that rank for a specific purpose, provided such post shall not be created for longer than six months;	Establishment Secretary/ Secretary for the Civil Service
	(f) in a lower rank held against a vacant post in a higher rank in the same grade;	Heads of Departments
	(g) in one grade held against a vacant post in another grade which has a similar or higher salary scale;	Establishment Secretary/ Secretary for the Civil Service, Principal Assistant Colonial Secretary and Assistant Colonial Secretary
	(h) in respect of a grade with posts in several departments for a period not exceeding one year, arising from the promotion or transfer of an officer in such grade, subject to the approved overall establishment in the rank to which the officer is promoted or transferred, not being exceeded:	Establishment Secretary/ Secretary for the Civil Service, Principal Assistant Colonial Secretary and Assistant Colonial Secretary
B. Salaries based on rates applied by other Governments	(2) to cover a change in salary scale where rates of another administration are applied, when such rates alter, provided that Finance Committee have initially approved the application of such rates :	Assistant Financial Secretary
C. Arrears and Adjustments	(3) for payment of arrears or adjustment of salary and of allowances where such change has already been approved by Finance Committee:	Assistant Financial Secretary
D. Approved posts	(4) where provision of funds is insufficient to meet expenditure arising from approved posts:	Assistant Financial Secretary
E. Honoraria	(5) (a) for payment of honoraria not exceeding \$6,000 in any particular case;	Financial Secretary and Deputy Financial Secretary
	(b) for payment of honoraria not exceeding \$3,000 in any particular case:	Principal Assistant Financial Secretary
F. Overtime	(6) (a) for payment of overtime provided that—	Financial Secretary and Deputy Financial Secretary
	(i) no increase in rates is involved;	
	(ii) in any case where it appears likely that there will be a continuing need for overtime, covering approval is obtained from Finance Committee at the earliest opportunity;	

(1) <i>Class of Expenditure</i>	(2) <i>Additional Provision</i>	(3) <i>Authorized delegate</i>
	(b) for payment of overtime provided that— (i) no increase in rates is involved; (ii) in any case where it appears likely that there will be a continuing need for overtime, covering approval is obtained from Finance Committee at the earliest opportunity; (iii) such expenditure does not exceed 10% of the vote or \$50,000, whichever is the less:	Principal Assistant Financial Secretary
G. Allowances	(7) for payment of allowances where Finance Committee have agreed the terms:	Financial Secretary, Deputy Financial Secretary and Principal Assistant Financial Secretary
H. New posts	(8) in respect of posts for staff in the MOD classes additional to those established in the Estimates provided that— (i) the need for such posts is urgent; (ii) covering approval is obtained from Finance Committee at the earliest opportunity; (iii) the increase shall not exceed 10 posts in each rank.	Financial Secretary
II. ANNUALLY RECURRENT: OTHER CHARGES		
A. Supplementary provision	(a) for supplementary provision provided that— (i) where the original provision in the subhead is \$100,000 or less, the additional sum may not exceed \$30,000; (ii) where the original provision in the subhead is \$100,001—\$2,000,000, the additional sum may not exceed 30% of the original provision; (iii) where the original provision in the subhead is more than \$2,000,000, the additional sum may not exceed \$600,000;	Financial Secretary and Deputy Financial Secretary
	(b) up to one quarter the percentages and the amounts stated in subparagraph (a):	Principal Assistant Financial Secretary and Assistant Financial Secretary
B. Virement	(a) for virement between subheads, provided that the total additional provision in the subhead to which funds are to be transferred shall not exceed 30% of the original provision under that subhead;	Financial Secretary and Deputy Financial Secretary
	(b) up to half the percentages in subparagraph (a).	Principal Assistant Financial Secretary and Assistant Financial Secretary

Motion

(1) <i>Class of Expenditure</i>	(2) <i>Additional Provision</i>	(3) <i>Authorized delegate</i>
	Such provision as may be required—	
III. SPECIAL EXPENDITURE AND PUBLIC WORKS NON- RECURRENT		
A. Increases in commitments for items already approved and increases of approved project estimates	(a) for increasing a commitment or approved project estimate provided that— (i) where the original estimate in the subhead is \$100,000 or less, the additional sum may not exceed \$30,000; (ii) where the original estimate in the subhead is \$100,001—\$2,000,000, the additional sum may not exceed 30% of the original estimate; (iii) where the original estimate in the subhead is more than \$2,000,000, the additional sum may not exceed \$600,000;	Financial Secretary and Deputy Financial Secretary
	(b) up to one quarter the percentages and amounts stated in subparagraph (a):	Principal Assistant Financial Secretary and Assistant Financial Secretary
B. Increases in commitments for items already approved by unspent balances	(a) for an increase in commitment up to the total of the unspent balance in the previous year in respect of the item or service required;	Financial Secretary and Deputy Financial Secretary
	(b) as in sub-paragraph (a), up to \$250,000;	Principal Assistant Financial Secretary and Assistant Financial Secretary
C. New commitments and new Category D or E items	(a) for the approval of items up to \$500,000 in respect of which no commitment has been approved, including the creation of new subheads as may be necessary, and the approval of new Category D or E items in the Public Works Programme;	Financial Secretary
	(b) as in sub-paragraph (a), up to \$100,000.	Deputy Financial Secretary
	Such sum as may be required—	
D. Subheads with commitments or approved project estimates	(a) for supplementary provision within a commitment or approved project estimate, up to the total of that commitment or estimate;	Financial Secretary and Deputy Financial Secretary
	(b) as in sub-paragraph (a), up to \$250,000.	Principal Assistant Financial Secretary and Assistant Financial Secretary

He said: —Sir, on 9th February 1972, this Council passed a Resolution covering the exercise of certain limited powers relating to supplementary provision.* In this Resolution, the limits to the additional expenditure the Governor might sanction on his responsibility

* 1971/72 Hansard, pages 365-370.

pending the covering approval of this Council was determined, as were the public officers to whom he might delegate such powers. These limits have been in force over the past year or so and, in the light of working experience and the continued increase in the volume of Government business, further delegation would now seem appropriate. The motion now before Council is to achieve this end.

The object has been to strike a balance between the need to transact routine Government business quickly and to avoid Finance Committee being involved with too much detail, on the one hand, and the need for this Council to retain control over public expenditure, on the other. The proposals involve raising the limits well beyond the level necessary simply to maintain the 1972 levels in real terms.

The proposed limits are set out in the schedule to the resolution; and, as members of Finance Committee have already seen them in draft and approved the introduction of the motion, now before us, into this Council, I do not propose to rehearse the changes at length. The proposals fall in fact into three groups: *first*, delegation in respect of supplementary provision where no question of principle is involved; *secondly*, delegation in respect of supplementary provision required urgently; and *thirdly*, delegation in respect of the write-off of public money, stamps and stores.

As regards supplementary provision involving no question of principle, the main purpose is roughly to double the existing limits, to bring the Deputy Financial Secretary's powers in most cases to the Financial Secretary's level and to delegate the exercise of limited powers to officers in the Secretariat at or above the Assistant Colonial Secretary level. There are four further significant changes worth mentioning: *first*, the limit on the powers delegated to the Financial Secretary for sanctioning honoraria is to be raised from \$2,000 to \$6,000; *secondly*, provided there is no increase in rates, the Financial Secretary and the Deputy Financial Secretary are to be given unlimited powers to approve payments of overtime allowances; *thirdly*, the percentage limits for virement are to be raised from 20% to 30% of the original provision in the subhead to which funds are being transferred; and *fourthly*, a new section has been added to give the Financial Secretary powers to approve special expenditure items up to \$500,000, including the creation of new subheads as necessary, and to approve Category D and E items for the Public Works Programme up to the same limits.

As regards supplementary provisions required urgently, the Governor has delegated to the Financial Secretary powers to approve up to \$150,000 per subhead; the Deputy Financial Secretary may approve up to half of that amount. It is proposed to double both these limits.

[THE FINANCIAL SECRETARY] **Motion**

As regards the write-off of public money, stamps and stores, the present level of \$5,000 below which the approval of this Council need not be sought was approved as long ago as 1952.* It is now proposed that, where the amount of public money and stamps and the value of stores exceeds \$50,000 and fraud or negligence of an officer is involved, the authority of this Council should continue to be required. Approval in other cases would be delegated to the Governor who might in turn delegate this authority to any officer in the Colonial Secretariat who holds an appointment not junior to that of Assistant Colonial Secretary and to any Head, Deputy Head or Assistant Head of a Department.

All the powers, Sir, concerned derive from Colonial Regulations, to which consequential amendments will be necessary.

Finally, Sir, I would repeat the two points I made roughly this time last year. First, in no case do the revised powers extend to the sanctioning of expenditure outside existing policy or where a new principle is involved. And, secondly, in every case the covering approval of Finance Committee of this Council continue to be sought quarterly.

Question put and agreed to.

First reading of bills

GAMBLING (AMENDMENT) BILL 1973

COMMODITY EXCHANGES (PROHIBITION) BILL 1973

TELECOMMUNICATION (AMENDMENT) BILL 1973

**PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO 3)
BILL 1973**

BUILDINGS (AMENDMENT) BILL 1973

**TEMPORARY RESTRICTION OF BUILDING DEVELOPMENT (POK
FU LAM AND MID-LEVELS) BILL 1973**

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

Second reading of bills

GAMBLING (AMENDMENT) BILL 1973

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER) moved the second reading of: —"A bill to amend the Gambling Ordinance."

* 1952 Hansard, pages 253-4.

He said: —Sir, this is a very simple little bill. At the moment, as the law stands, the Commissioner of Police has personally to approve applications for permits to provide amusements with prizes at places of entertainment, a lottery incidental to an entertainment, and even for tombola.* Hundreds of applications for permits of this type are received annually, and impose a quite unnecessary, and almost invariably routine, duty on the Commissioner of Police personally. Of course in any difficult case the Commissioner will, as now, apply his own mind to the matter, but the bill before you empowers him to delegate his authority.

At the moment there is a curious anomaly in the Gambling Ordinance which prevents a society, exempted from registration under the Societies Ordinance, and therefore prima facie acceptable, from obtaining a tombola permit. The bill removes this anomaly.

Motion made. That the debate on the second reading of the bill be adjourned—THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER).

Question put and agreed to.

Explanatory Memorandum

Clauses 2, 3 and 5(b) of this Bill amend the principal Ordinance so as to make it unnecessary for the Commissioner of Police personally to approve the issue of certain permits. These are—

- (a) permits for the provision of amusements with prizes at licensed places of public entertainment (section 10);
- (b) permission for a lottery incidental to an entertainment (section 11);
and
- (c) permission for certain societies to promote tombola (section 12).

2. Clauses 4 and 6 of the Bill amend sections 11A and 13(6) to achieve drafting consistency with sections 10(1), 11(1) and 12(1) as amended.

3. Clause 5(a) will enable a society which is exempted from registration under the Societies Ordinance to be granted a tombola permit under section 12 of the principal Ordinance.

COMMODITY EXCHANGES (PROHIBITION) BILL 1973

THE FINANCIAL SECRETARY (MR HADDON-CAVE) moved the second reading of: —"A bill to prohibit the establishment of further commodity exchanges in Hong Kong."

* 1962 Hansard, pages 246-7; 1949 Hansard page 64; and 1950 Hansard, pages 292-3.

Commodity Exchanges (Prohibition) Bill—second reading

He said: —Sir, I said in this Council on 20th June that the establishment of a well run and properly regulated commodity exchange or exchanges could be of advantage to our economy, but the establishment of a number of unregulated exchanges could well produce a speculative situation.* Given the technical and complex nature of commodity markets and their highly speculative and volatile characteristics, I further said that it was the Government's view that such exchanges should not be permitted to open until adequate regulations, so vital to the proper running of an international market, had been drawn up.

Sir, I then announced that the Government intended to introduce legislation to ban temporarily the establishment and operation of commodity exchanges. Accordingly, this bill provides, *inter alia*, for the prohibition of the establishment or operation of commodity exchanges through which commodities are to be bought and sold as futures. A commodity is defined as any of the 20 commodities which are listed in the Schedule. Clause 3 of the bill excludes from its operation various markets and exchanges in existence on 20th June 1973 such as the daily rice auction and the Gold and Silver Exchange. The other provisions of the bill are adequately summarized in the explanatory memorandum.

The present legislation thus prevents the establishment and operation of commodity exchanges until such time as their desirability has been established and further legislation has been enacted for their proper regulation.

By way of reiterating that the Government is not opposed in principle to the establishment and operation of a properly conducted exchange, I should like to take this opportunity, Sir, of advising honourable Members that Mr John WILSON of the Bank of England, who has had very considerable experience in these matters, has been here for the past two and a half weeks conducting preliminary enquiries into the possibility of establishing a commodity exchange in Hong Kong. His enquiries have been wide ranging and he is now preparing his report.

*Motion made. That the debate on the second reading of the bill be adjourned—*THE FINANCIAL SECRETARY (HADDON-CAVE).

Question put and agreed to.

* Pages 882-4.

Explanatory Memorandum

This Bill will prohibit, with limited exceptions, the establishment or operation of commodity exchanges at which certain commodities are to be sold or exchanged.

A commodity exchange is a market or exchange where commodities are offered for sale or exchange (clause 2). The commodities to which the Bill applies are set out in the Schedule.

The Bill does not apply to commodity exchanges that were in operation on the 20th June 1973 or to public markets (clause 3).

The Bill confers powers of entry, search and seizure on senior police officers (clause 5).

It also empowers the District Court to make an interim closure order, in respect of the premises in which an illegal commodity exchange is alleged to have been operated, pending the completion of proceedings against the operator of the exchange (clause 6(1)). A court may also make a closure order in respect of such premises following the conviction of the operator of the exchange.

TELECOMMUNICATION (AMENDMENT) BILL 1973

THE SECRETARY FOR HOME AFFAIRS (MR CATER) moved the second reading of:—"A bill to amend the Telecommunication Ordinance."

He said:—Sir, this bill is intended to do two things. Firstly, by exempting aerial distribution systems from licensing requirements, it will enable single receiving aerials, designed to serve all the television sets in a building, to be erected on single blocks, or on adjoining blocks under common ownership, subject to certain safeguards in respect of public safety and technical standards.

In certain areas which have poor reception, aerial distribution systems may be able to improve reception. As with existing aerials, however, no interference with incoming signals will be permitted. Furthermore, the introduction of such aerials will, I hope, help to stop the unsightly proliferation of individual aerials on rooftops which exists at present.

Secondly, the bill will exempt wired closed circuit television systems from any licensing requirements. However, it is intended to lay down certain conditions governing the scope of such systems. These conditions will enable internal information and security closed circuit television systems to be installed in buildings such as hotels, banks and department stores but, at this stage, will prohibit operators

[THE SECRETARY FOR HOME AFFAIRS] **Telecommunications** (Amendment)
Bill—second reading

from transmitting advertisements, unless they are directly related to the business carried on by the operator and are not shown for profit. Nor will the use of closed circuit television systems for entertainment purposes be permitted at the present time. There will, however, be no restrictions on the use of such systems for private entertainment purposes in peoples' homes. Regulations setting out these conditions will be put to Executive Council very shortly.

It is also the intention, at the same time, to put Regulations to Executive Council to provide for the licensing of more extensive forms of communal wired television and sound broadcast systems. These licences, which will be known as Broadcast Relay Station licences, will be issued on a non-monopolistic basis to any company capable of meeting the necessary technical conditions. The operators of these systems will be required to provide their subscribers with a simultaneous and uninterrupted relay service of all the authorized wireless television programmes being broadcast in Hong Kong and they will also be permitted to relay any authorized sound broadcasts.

It is also proposed to conduct an early examination of the implications of the introduction in the future of advanced cable systems and the wider use of closed circuit television in Hong Kong.

Finally, Sir, I should make the point that none of this legislation may be brought into operation until such time as the present exclusive wired television licence held by Rediffusion (Hong Kong) Limited has expired.

Motion made. That the debate on the second reading of the bill be adjourned—THE SECRETARY FOR HOME AFFAIRS (MR CATER).

Question put and agreed to.

Explanatory Memorandum

This Bill amends section 8(4) of the principal Ordinance. Under this amendment both aerial distribution systems and closed circuit television systems are exempted from the licensing provisions of the principal Ordinance.

PUBLIC HEALTH AND URBAN SERVICES
(AMENDMENT) (NO 3) BILL 1973

MR ALEXANDER moved the second reading of: —"A bill to amend the Public Health and Urban Services Ordinance."

He said: —Sir, as honourable Members are no doubt aware, the second phase of the “Keep Hong Kong Clean” Campaign will be launched in mid-August under the slogan “Clean Our Buildings”. This action phase will last until mid-October but will be preceded by two weeks of intense publicity beginning on the 1st August. The main purpose of the bill now before this Council is to strengthen the existing law concerning the cleanliness of buildings as part of a continuing Government effort to improve environmental conditions.

Clause 2 of the bill seeks to widen the provisions in section 14 of the principal Ordinance to cover premises, (in addition to those which are a nuisance, or injurious or dangerous to health,) which affect or disfigure the amenities of any place. Honourable Members may rest assured that it is fully intended that, in practice, this additional cover will be applied with discretion, as it impinges on an area of hygiene and cleanliness more appropriate for voluntary, than for compulsory, effort.

Clause 3 seeks to amend section 15 of the principal Ordinance, so that regulations may be made to enable a court to make an order for expenses to be paid to the Authority for work carried out to abate a nuisance, by a person convicted of failing to comply with a notice under the regulations.

Clause 4 empowers the Authority to remove posters which, by reason of their condition, are unsightly.

Clause 5 amends section 127 of the principal Ordinance by providing that where a person causing a nuisance and the owner or occupier of the premises cannot be ascertained or found, the Authority may abate the nuisance and recover the cost, if the offender is subsequently discovered.

Motion made. That the debate on the second reading of the bill be adjourned—MR ALEXANDER.

Question put and agreed to.

Explanatory Memorandum

Section 14 of the principal Ordinance provides that where it is necessary for the health of the inmates of any premises, the Authority can serve a notice requiring the premises to be limewashed etc. Clause 2 of the Bill widens this provision by enabling such a notice to be served where the premises are a nuisance or injurious or dangerous to health, or affect or disfigure the amenities of any place.

**Public Health and Urban Services (Amendment) (No 3) Bill—
second reading**

[Explanatory Memorandum]

Clause 3 amends section 15 of the principal Ordinance so that regulations can now provide that a court may make an order for expenses to be paid to the Authority by a person convicted of failing to comply with a notice under the regulations.

Clause 4 empowers the Authority to remove posters which by reason of their condition are unsightly.

Clause 5 amends section 127 of the principal Ordinance by providing that, where the person causing a nuisance and the owner and occupier of the premises cannot be ascertained or found, the Authority may abate the nuisance, and may recover the cost if the offender is subsequently discovered.

Clause 6 makes an amendment to the Third Schedule consequential on the amendment effected by clause 4.

BUILDINGS (AMENDMENT) BILL 1973

MR ROBERTSON moved the second reading of:—"A bill to amend the Buildings Ordinance."

He said:—Sir, the Buildings Ordinance, as an instrument for controlling the standard of our buildings and the safety of their construction, is constantly in need of improvement and refinement to meet the changing pattern of development and to eliminate loopholes in the law. The amendment which I move today is one such amendment.

The position at present with regard to the development of large sites is that special restrictions are applied to sites over 40,000 square feet in area in order to achieve a reasonable internal road layout. However, sites can be split up into smaller sections and can be developed without an adequate road system connecting with the public roads; this has happened.

The amendment now proposed will enable the Building Authority to require a road layout plan to be submitted and to be approved by him, when the circumstances and size of the site indicate that this is necessary to ensure that adequate access for vehicles is provided.

There is clear evidence from plans submitted to the Building Authority that these powers are required.

Motion made. That the debate on the second reading of the bill be adjourned—MR ROBERTSON.

Question put and agreed to.

Explanatory Memorandum

This Bill amends the principal Ordinance so as to enable the Building Authority to refuse to give his approval of building plans where in his opinion the site to which the plans relate ought to be provided with streets having adequate connexion to a public street, and he is not satisfied that such streets are or will be provided. The purpose of this amendment is to ensure that large sites which are to be developed have a reasonable internal road layout.

**TEMPORARY RESTRICTION OF BUILDING DEVELOPMENT
(POK FU LAM AND MID-LEVELS) BILL 1973**

MR ROBERTSON moved the second reading of:—"A bill to provide for the restriction for a limited period of building works in the Pok Fu Lam and Mid-levels areas of Hong Kong."

He said:—Sir, in my statement to this Council on 4th July giving notice of Government's intention to introduce this legislation* I explained that the object of the bill was to put a six-month halt to the approval of general building plans for new buildings submitted to the Building Authority after 4th July 1973, for the areas of Pok Fu Lam and Mid-levels.

This the bill clearly sets out to do, and it draws a distinction between the submission of plans for new buildings which will not be approved and the submission of plans for repairs to old buildings which will.

I think, Sir, that no further explanation is necessary of the content and objectives of the bill, but I would like to take this opportunity of repeating that this bill has become necessary because of the intensive rebuilding taking place in the two areas affected.

There are, in fact, about 3,000 flats under construction in these areas at the present time, and plans already submitted to the Buildings Ordinance Office before the 4th July, and therefore not affected by the proposed bill, will lead to the construction of a further 2,000 flats.

* Pages 935-6.

[MR ROBERTSON] **Temporary Restriction of Building Development
(Pok Fu Lam and Mid-levels) Bill—second reading**

Many of these flats have car-parks and in any case the residents will all require some form of transport which will add to the traffic problems in these areas.

The Public Works Department already has in hand a number of improvement schemes for road junctions along the critical route. The 6-month respite granted by this bill will allow the Department to make a detailed reappraisal and to quantify the extent of the problem and the possibilities of solution. But, in view of the size of the problem and the limitations of any feasible road system, we should not be too sanguine that a solution will be easy to find or quickly achieved.

Motion made. That the debate on the second reading of the bill be adjourned—MR ROBERTSON.

Question put and agreed to.

Explanatory Memorandum

The purpose of this Bill is to impose a temporary restriction on building works for new buildings in the Pok Fu Lam and Mid-levels areas of Hong Kong. Clause 3 requires the Building Authority to refuse to approve building plans for new buildings in these areas submitted to him for his approval after 4th July 1973.

2. A "new building" is defined to mean any building to be constructed after the coming into force of this Bill or any existing building of which not less than one-half, measured by volume, is to be rebuilt or the alteration of which would involve the reconstruction of not less than a half of the superficial area of the main walls (clause 2).

3. The Bill will expire on 31st January 1974.

CIVIL EVIDENCE BILL 1973

Resumption of debate on second reading (4th July 1973)

Question proposed.

Question put and agreed to.

Bill read the second time.

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

MISCELLANEOUS AMENDMENTS BILL 1973**Resumption of debate on second reading (4th July 1973)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

**AGRICULTURAL PRODUCTS (MARKETING)
(AMENDMENT) BILL 1973****Resumption of debate on second reading (4th July 1973)**

Question proposed.

Question put and agreed to.

Bill read the second time.

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

**FACTORIES AND INDUSTRIAL UNDERTAKINGS
(AMENDMENT) BILL 1973****Resumption of debate on second reading (4th July 1973)**

Question proposed.

MR SZETO: —Sir, I welcome this bill because it brings within the ambit of the law the safety operation of one of our major industries which hitherto was scarcely governed by any subsidiary legislation. It enables comprehensive regulations to be enforced to provide for safety requirements on construction worksites at which the number of accidents has risen considerably in recent years due to great expansion of our construction programmes. The bill, regrettably overdue, seeks to extend the activities of industrial undertakings as defined in the principal Ordinance to include the construction of a comprehensive range of building structures and engineering works. The contractors who are responsible for the execution of construction works will, by this bill, be made answerable to the law for all safety provisions at their worksites.

[MR SZETO] **Factories and Industrial Undertakings (Amendment)
Bill—resumption of debate on second reading (4.7.73)**

Honourable Members will realize that in recent years both the scope and magnitude of construction works have increased tremendously and have given rise to increased use of new methods of construction and heavier and more sophisticated machinery. While building structures have generally achieved greater height, so have construction cost and accident rate at construction sites. In 1972, the total cost of building and engineering construction amounted to \$1,800 million for both the public and private sectors—that is almost \$5 million a day. In the same period, no less than 4,500 workpeople were killed or injured in the building and construction industry. These accidents represent almost 25% of all the industrial accidents reported to the Labour Department in 1972 and a 200% increase over those occurred in 1968.

The most common accidents at building worksites are caused by falls of persons through unguarded openings in floors, and unfinished and unprotected lift-shafts are black-spots in a building under construction. Defective bamboo scaffoldings—which is a special problem in Hong Kong—which have been left unchecked for appreciable length of time, are another source of danger, sometimes not only to the workpeople but also to the general public. Injuries or deaths resulting from falling objects also figure prominently in construction accidents as a result of faulty or incompetent operation of hoisting equipment and careless handling of building materials at great heights. Collapse of tall piling frames and failures of improper shoring or strutting to concreting operations are not uncommon occurrences.

Another sphere of work at construction sites which frequently constitutes a source of serious accidents is deep excavations and earthwork operations in unstable material. Notwithstanding this, many contractors with poor site organization and incompetent supervisory staff often ignore, as an endeavour to save cost, the necessity of providing adequate safety measures required by such operations since they are not obliged to do so by existing legislation.

The proposed amendment to section 7 of the principal Ordinance enables the Commissioner of Labour to make regulations to provide for safety requirements on construction worksites and to define the responsibilities of persons in charge. While appreciating the scope and complexity of the task rendered by modern construction methods and sophisticated equipment, I hope my honourable Friend the Commissioner will present to this Council his proposals as soon as possible, covering not only the more serious areas which I have mentioned, but also embracing all modes of construction and all possible sources

of accidents from which workmen as well as the public must be protected. Measures of prevention and of first aid must also be stipulated. Legislation should include inspections and certification of all types of machinery and tools to be used, and periodic examinations of deep excavations and important earthwork operations as well as their required protective measures by statutorily qualified persons.

The important role of the building and construction industry in our overall economy has been recognised; its rapid increase of accidents calls for an early enactment of comprehensive legislation of safety requirements.

Sir, with the opening of the container port in Kwai Chung, containerization has arrived in Hong Kong. It is estimated that by the end of 1973, 75% of our exports to Europe, the United States of America and to Canada will be moving in containers. It is also envisaged that our imports and exports will more than double in the next 20 years. In the light of these developments and forecast, I am in full agreement with my honourable Friend the Commissioner that cargo handling has acquired a new concept and the safety problems associated with it must be governed by suitable subsidiary legislation which has yet to be formulated.

Sir, I support the motion.

MR TSUI: —Sir, I am grateful to my honourable Friend, Mr SZETO, for his support of the bill before Council.

I agree generally with his observations of the prevailing situation with regard to occurrences of accidents in our construction sites.

In drafting the proposed Construction Sites (Safety) Regulations, particular attention has been paid not only to areas where high accidents rates have been reported, but also to areas where risks of injuries and loss of lives are obvious. The emphasis will be on prevention rather than on remedies. With the passage of the bill before Council, as I hope it will take place later today, I am looking forward to being able to present to Your Excellency for approval and subsequently for submission to this Council for approval by resolution, a fairly comprehensive set of safety regulations for construction sites, meeting most, if not all, the points made by my honourable Friend, Mr SZETO. I can assure honourable Members that consideration will continue to be given to those which have not yet been covered—for instance, bamboo scaffolding which represents an unique problem in Hong Kong.

Perhaps I should stress at this stage that whilst legislation serves to lay down standards of safety and make possible the control of some

[MR TSUI] **Factories and Industrial Undertakings (Amendment) Bill—
resumption of debate on second reading (4.7.13)**

aspects of unsafe conditions and unsafe practices, success in the prevention of accidents and promotion of safe working environment depends to a very large extent upon the organized co-operation of management and workmen with the law enforcing agency. To attain this, involvement of the community in a planned and co-ordinated efforts, particularly educational efforts, seems to me essential. To this end officers of my department are currently devoting a great deal of attention and efforts.

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).

Committee stage of bills

Council went into Committee.

CIVIL EVIDENCE BILL 1973

Clauses 1 and 2 were agreed to.

Clause 3

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY): —Sir, I move that clause 3 be amended as set forth in the paper before honourable Members.

The amendment arises from the consolidation recently, under the Revised Edition of the Laws Ordinance, of the District Court Ordinance and the District Court (Civil Jurisdiction and Procedure) Ordinance.

Proposed Amendment

Clause

- 3 That clause 3 be amended in subclause (8) by deleting “section 48 of the District Court (Civil Jurisdiction and Procedure) Ordinance” and substituting the following—

“section 72 of the District Court Ordinance”.

The amendment was agreed to.

Clause 3, as amended, was agreed to.

Clauses 4 to 7 were agreed to.

MISCELLANEOUS AMENDMENTS BILL 1973

Clauses 1 and 2 and Schedule were agreed to.

AGRICULTURAL PRODUCTS (MARKETING) (AMENDMENT) BILL 1973

Clauses 1 to 6 were agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1973

Clauses 1 to 6 and Third Schedule were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY) reported that the
Civil Evidence Bill 1973

had passed through Committee with amendment and that the

Miscellaneous Amendments Bill 1973

Agricultural Products (Marketing) (Amendment) Bill 1973

Factories and Industrial Undertakings (Amendment) Bill 1973

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

Question put on each bill and agreed to.

Bills read the third time and passed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: —In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday 1st August 1973.

Adjourned accordingly at twenty-two minutes to four o'clock.